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Congressional Record

PROCEEDINGS AND DEBATES OF THE 79th CONGRESS, SECOND SESSION

SENATE

FRIDAY, MARCH 29, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Spirit, Thou dost so fill all things with Thy glory that earth and sky and sea but thinly veil Thy presence. In the beauty of the world we find Thy footprints leading on to hilltops of vision. In the goodness of human hearts, like fragrant lilies 'midst the miasmic swamps of evil, Thy holiness breathes upon us. In truth, though crushed for an hour, rising triumphant over falsehood and pretense Thou dost put into our hands the keys for every prison house of the spirit; everywhere is the hem of Thy garment; everything is the minister of Thy saving grace—sickness and health, weakness and strength, success and failure, joy and pain, sunshine and storm, life and death.

Make us great enough for these great days. Cast down our pride—national, racial, personal; join us to those who labor to bring sense and system to this disordered globe, and grant that our eyes may yet look upon a world that has found a pathway leading on toward the plains of universal peace—

"When all men's good be each man's rule
Through all the circle of the golden years."

In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. HATCH, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, March 28, 1946, was dispensed with, and the Journal was approved.

ANNOUNCEMENT OF SHOWING OF MOVING PICTURES

Mr. BARKLEY. Mr. President, I wish to make an announcement for the benefit of the Members of the Senate. At the Coolidge Auditorium in the Library of Congress, at 10 o'clock tomorrow morning, March 30, 1946, there will be a showing of two moving pictures, one of them entitled "The Atom Strikes," and the other entitled "The Last Bomb." They are productions of the Air Corps of the United States Army. The pictures are being shown at the request of Members of Congress, all of whom are invited to attend, as well as the members of their respective staffs. The showing will require approximately 1 hour and 15 minutes.

MESSAGE FROM THE PRESIDENT—APPROVAL OF A BILL

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on March 28, 1946, the President had approved and signed the act (S. 1821) to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide additional temporary housing units for distressed families of servicemen and for veterans and their families.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF AGRICULTURE (S. DOC. NO. 143)

A communication from the President of the United States transmitting a supplemental estimate of appropriation for the Department of Agriculture, fiscal year 1947, providing, in the form of an amendment to the Budget for that fiscal year, a net additional sum of $500,000 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Acting Attorney General, transmitting, pursuant to law, a report reciting the facts and pertinent provisions of law in the cases of 260 individuals whose deportation has been suspended for more than 6 months by the Commissioner of the Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension (with accompanying papers); to the Committee on Immigration.

AMENDMENTS OF FEDERAL CROP INSURANCE ACT

A letter from the Secretary of Agriculture transmitting a draft of proposed legislation to amend section 508 (d) of the Federal Crop Insurance Act (7 U. S. C. 1508 (d), 52 Stat. 75), as amended (with an accompanying paper); to the Committee on Agriculture and Forestry.

A letter from the Secretary of Agriculture transmitting a draft of proposed legislation to amend section 508 (a) of the Federal Crop Insurance Act (7 U. S. C. 1508 (a), 52 Stat. 75), as amended (with an accompanying paper); to the Committee on Agriculture and Forestry.

LIMITATION ON EXPENDITURES BY CIVILIAN PRODUCTION ADMINISTRATION

A letter from the Director of the Bureau of the Budget, transmitting, pursuant to the provisions of the National War Agencies Appropriation Act, 1946, copy of a letter addressed to the Administrator of Civilian Production Administration, establishing a limitation on the amount available for travel expenses (with an accompanying paper); to the Committee on Appropriations.

CERTAIN EXPENDITURES FROM THE APPROPRIATION OF FREEDMEN'S HOSPITAL

A letter from the Administrator of the Federal Security Agency, transmitting a draft of proposed legislation to authorize the use of Freedmen's Hospital appropriations for certain expenditures (with an accompanying paper); to the Committee on Expenditures in the Executive Departments.

CERTAIN EXPENDITURES FROM THE APPROPRIATION OF ST. ELIZABETHS HOSPITAL

A letter from the Administrator of the Federal Security Agency, transmitting a draft of proposed legislation to authorize certain expenditures from the appropriation of St. Elizabeths Hospital (with an accompanying paper); to the Committee on Expenditures in the Executive Departments.

PETITIONS

Petitions, etc., were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the National Association of Women Lawyers, Louisville, Ky., favoring the enactment of the bill (H. R. 4502) to authorize and request the President to undertake to mobilize at some convenient place in the United States an adequate number of the world's outstanding experts, and to coordinate and utilize their services in a supreme endeavor to discover means of curing and preventing cancer; to the Committee on Commerce.

A letter from Frederick G. Hochwalt, secretary-general, National Catholic Educational Association, Washington, D. C., with an accompanying statement adopted by the executive committee of the college and university department of the National Catholic Educational Association, relating to universal military training; to the Committee on Military Affairs.

The petition of Baldomero S. Luque and sundry other citizens of Cavite, P. I., praying for the reestablishment of the United States navy yard in Cavite, P. I.; to the Committee on Territories and Insular Affairs.

CLAIMS OF GREECE AT PEACE CONFERENCE—RESOLUTION OF JUSTICE FOR GREECE COMMITTEE

Mr. MEAD. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Justice for Greece Committee, and forwarded by Mrs. Grace Coolidge, and Mr. Chauncey J. Hamlin, chairman. The resolution was telegraphed to President Truman and to Secretary of State Byrnes.

The resolution urges that the United States support the justice of the claims of Greece in the forthcoming peace conference in order to allow the groundwork

for enduring peace by establishing the precedent that the rights of small nations shall outweigh the military might of the great powers.

The Justice for Greece Committee is made up of a group of American citizens, educators, United States Senators, Members of the House of Representatives, clergymen of various denominations, civic leaders, National and State Government officials, statesmen, journalists, writers, and others banded together in an endeavor to obtain support for the just claims of Greece in furtherance of world peace. At their request I ask that the resolution be inserted in the RECORD.

There being no objection, the resolution was received, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Hon. HARRY S. TRUMAN,
The President,
The White House,
Washington, D. C.

Hon. JAMES F. BYRNES,
Secretary of State,
State Department,
Washington, D. C.:

The undersigned have been requested by the Justice for Greece Committee respectfully to petition you to use all proper means to support at the coming peace conference the just claims of Greece enumerated in the following resolution adopted by this committee:

"Whereas the nations of the world, including the United States, are about to meet jointly to determine the terms of peace; and

"Whereas the nations of the world are endeavoring to create a structure which will create and preserve enduring peace; and

"Whereas any such structure for enduring peace must rest upon a foundation of treatment of small nations upon the basis of right, and not might; and

"Whereas the rights of Greece, a small nation at the crossroads of three continents, were sacrificed at the peace table after World War I, making possible the rise of Axis totalitarianism and world war; and

"Whereas Greece elected, in 1940–41, to resist the then unconquered Axis armies, administered the first defeats to Axis arms, threw the Nazi war machine off balance and (according to Nazi official war records) thus contributed immeasurably to the subsequent Russian defeat of the German attack, and made victory possible for the United Nations; and

"Whereas Greece, the mother of democracy, has been an outstanding champion of peace and an effective supporter of world peace plans; and

"Whereas the people of Greece have lost their homes, their communications, their lives in the Allied cause, and have suffered widespread starvation and disease as a result of their courageous resistance; and

"Whereas the Greeks in the Dodecanese Islands and the Greeks in northern Epirus have been separated from the homeland as pawns of power politics; and

"Whereas the geographical contour of a portion of the Greco-Bulgarian border has fostered three invasions of the Greek 'bread basket' from that direction in one generation and is militarily indefensible and insecure; and

"Whereas the governments of the United Nations by adherence to the Atlantic Charter have proclaimed as foundation for enduring peace the principles of self-determination of peoples and security of small nations from aggression; and

"Whereas the members of the Justice for Greece Committee have examined certain claims which the Government of Greece intends to put forward at the peace table: Now, therefore, be it

"Resolved by the Justice for Greece Committee, That the Government of the United States be petitioned to use all proper means to support, at the coming peace conference, the following just claims of Greece:

"1. Return of the predominantly and historically Greek Dodecanese Islands;

"2. Return of northern Epirus, the Greek area now included within the boundaries of southern Albania;

"3. Strategic rectification of the Greco-Bulgarian frontier to make Greece forever secure from further invasions there;

"4. Adequate reparations and restitution for Axis-ravaged Greece."

THE JUSTICE FOR GREECE COMMITTEE,
MRS. GRACE COOLIDGE,
Honorary Chairman.
CHAUNCEY J. HAMLIN, *Chairman.*

OFFICE OF PRICE ADMINISTRATION—RESOLUTION OF OSAGE CITY (KANS.) TEACHERS' ASSOCIATION

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Osage City Teachers' Association, Osage City, Kans., March 20, 1946, urging Congress to continue the Office of Price Administration another year, on the ground that it is checking inflation.

There being no objection, the resolution was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Whereas the rise in the cost of living has been better held in check during and in the months following World War II than in World War I; and

Whereas inflation is unfair to those who work for wages and disastrous to those who must live on fixed income; and

Whereas we feel that the credit for holding prices under control is due the Office of Price Administration: Therefore be it

Resolved by the Osage City Teachers' Association, Osage City, Kans., That our Representatives in Congress be urged to continue, for the coming year, the controls that have so far succeeded in holding inflation in check.

HELEN ANDERSON,
President,
Osage City Teachers' Association.

RESOLUTIONS OF INDEPENDENT FARMERS OF KANSAS

Mr. CAPPER. Mr. President, I have received a letter from Mr. Otto Geffert, president of the Independent Farmers of Kansas, stating that, at their executive session held on March 19 at Clay Center, Kans., they had adopted certain resolutions. I ask unanimous consent to present the letter embodying the resolutions and that it be referred to the Committee on Agriculture and Forestry and printed in the RECORD.

There being no objection, the letter was received, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

INDEPENDENT FARMERS OF KANSAS,
Clay Center, Kans., March 19, 1946.

The Hon. ARTHUR CAPPER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: The Independent Farmers of Kansas in executive session this 19th day of March 1946, at Clay Center, Kans., adopt the following resolutions:

1. Repeal of the AAA.
2. Abolish OPA ceilings on farm products.
3. Immediate abolition of the OPA.
4. Abolish all subsidies.
5. Urge that these resolutions be recorded in the CONGRESSIONAL RECORD.

This organization upholds constitutional government and favors a return to fundamental law.

We commend the State agriculture commissioners in their drive against OPA ceilings on farm products.

We appreciate your efforts in behalf of Kansas farmers and their problems.

OTTO GEFFERT,
President.

EXTENSION OF THE DRAFT—LETTER FROM PAUL E. SARGENT, SCOUTMASTER, BOY SCOUTS OF AMERICA, McPHERSON, KANS.

Mr. CAPPER. Mr. President, I ask unanimous consent to present and to have printed in the RECORD what I consider a splendid letter in opposition to the extension of the existing draft program, written me by Paul E. Sargent, a Kansan who is a Scoutmaster of a troop in his home town of McPherson, Kans.

There being no objection, the letter was received and ordered to be printed in the RECORD, as follows:

PEOPLES STATE BANK,
McPherson, Kans., March 27, 1946.

Hon. ARTHUR CAPPER,
United States Senate,
Washington, D. C.

DEAR SIR: We hear much these days regarding the extension of the draft, and I would like to express my opinion concerning it.

For a number of years I have been active as a Boy Scoutmaster and the emergency caused by the war took many of them into the service. I do feel now that the fate of the Nation rests in the hands of those working out international relationship. It will do much to prove our peaceful intentions if we discontinue war activities. I, personally, feel that we will need a professional army and that they should be paid well for their service; however, the taking of 18-year-old boys is not good as there are more important responsibilities for them. Good citizenship characteristics can be developed much better if they are allowed to go on to college. I find it very difficult for the boys to hold their fine ideals when thrown into Army camps with groups of fellows who do not have the highest moral standing.

If we are to believe any of the scientific information available, we will not have a man army in the future, and America's part is to set the pattern for other nations to follow in reducing her militarism. It will bring a tremendous protest from the people of the country if we do not quickly get away from militarism. Military conscription has never been the American way.

I trust you will give this every consideration before the decision is made.

Very truly yours,

PAUL E. SARGENT,
Scoutmaster, Boy Scouts of America,
Troop 118, McPherson, Kans.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BILBO, from the Committee on the District of Columbia:

S. 1986. A bill to regulate the manufacture, sale, distribution, and use of barbiturates in the District of Columbia, and for other purposes; with amendments (Rept. No. 1094).

By Mr. McKELLAR, from the Committee on Appropriations:

H. J. Res. 328. Joint resolution making an additional appropriation for veterans' housing and related expenses; with an amendment (Rept. No. 1095).

By Mr. EASTLAND, from the Committee on Claims:

S. 1932. A bill conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of the board of trustees of the Saunders Memorial Hospital; with an amendment (Rept. No. 1096).

By Mr. JOHNSTON of South Carolina, from the Committee on the District of Columbia:

S. 1961. A bill to exempt from taxation certain property of the Disabled American Veterans in the District of Columbia; with an amendment (Rept. No. 1097).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

INVESTIGATION OF THE NATIONAL DEFENSE PROGRAM—INCREASE IN LIMIT OF EXPENDITURES

Mr. MEAD, from the Special Committee to Investigate the National Defense Program, reported an original resolution (S. Res. 247), which, under the rule, was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the limit of expenditures under Senate Resolution 71, Seventy-seventh Congress, first session, agreed to March 1, 1941; Senate Resolution 6, Seventy-eighth Congress first session, agreed to January 25, 1943; and Senate Resolution 55, Seventy-ninth Congress, first session, agreed to January 29, 1945 (relating to the investigation of the national defense program) is hereby increased by $85,000.

PRINTING OF ADDITIONAL COPIES OF PART 5 OF REPORT 110 OF SPECIAL COMMITTEE INVESTIGATING THE NATIONAL DEFENSE PROGRAM

Mr. HAYDEN. Mr. President, from the Committee on Printing, I ask unanimous consent to report favorably without amendment Senate Resolution 246, and I request consent for its present consideration.

There being no objection, the resolution (S. Res. 246) submitted by Mr. MEAD on the 27th instant, was considered and agreed to, as follows:

Resolved, That 3,000 additional copies of Senate Report No. 110, part 5, of the special committee of the Senate authorized and directed to make a study and investigation of the operation of the national defense program be printed for the use of said committee.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHITE:

S. 1999. A bill to provide for the protection of the Dall sheep, caribou, and other wildlife native to the Mount McKinley National Park area, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. THOMAS of Utah:

S. 2000. A bill to amend the Civil Service Retirement Act, approved May 29, 1930, as amended, so as to make such act applicable to officers and employees of the Columbia Institute for the Deaf; to the Committee on Civil Service.

S. 2001. A bill for the relief of Teruko Nagai; to the Committee on Immigration.

By Mr. CAPEHART (by request):

S. J. Res. 150. A joint resolution authorizing and directing the Secretary of the Interior to issue oil and gas leases covering certain lands; to the Committee on Public Lands and Surveys.

DEVELOPMENT AND CONTROL OF ATOMIC ENERGY—AMENDMENT

Mr. JOHNSON of Colorado submitted an amendment intended to be proposed by him to the bill (S. 1717) for the development and control of atomic energy, which was referred to the Special Committee on Atomic Energy and ordered to be printed.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENTS

Mr. BUSHFIELD and Mr. JOHNSON of Colorado each submitted an amendment intended to be proposed by them, respectively, to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which were ordered to lie on the table and to be printed.

JACKSON DAY DINNER ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. GOSSETT asked and obtained leave to have printed in the RECORD a Jackson Day address delivered by Senator THOMAS of Utah at Boise, Idaho, on March 23, 1946, which appears in the Appendix.]

THE STRUGGLE FOR GREEK INDEPENDENCE—ADDRESS BY SENATOR KNOWLAND

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD a radio address delivered by him on the one hundred and twenty-fifth anniversary of the beginning of the struggle for Greek independence, which appears in the Appendix.]

OLD-AGE AND SURVIVORS' INSURANCE—STATEMENT BY WILLIAM F. MONTAVON

[Mr. MEAD asked and obtained leave to have printed in the RECORD a statement entitled "Old-Age and Survivors Insurance," made by William F. Montavon, director of legal department, National Catholic Welfare Conference, before Committee on Ways and Means, March 6, 1946, which appears in the Appendix.]

WAR RECORD OF ARMY AND NAVY CHAPLAINS

[Mr. MEAD asked and obtained leave to have printed in the RECORD a record of the Army and Navy Chaplain Corps, which appears in the Appendix.]

TAXING FARMER COOPERATIVES—ARTICLE BY ALFRED D. STEDMAN

[Mr. SHIPSTEAD asked and obtained leave to have printed in the RECORD an article dealing with the taxing of farmer cooperatives, written by Alfred D. Stedman and published in the News, of Northfield, Minn., of February 14, 1946, which appears in the Appendix.]

PRESIDENT GRAVELY MISTAKEN—EDITORIAL FROM ARKANSAS DEMOCRAT

[Mr. BYRD asked and obtained leave to have printed in the RECORD an editorial entitled "President Gravely Mistaken," published in the Arkansas Democrat of Little Rock, Ark., Tuesday, March 26, 1946, which appears in the Appendix.]

HOUSING TUSSLE—ARTICLE BY FREDERICK C. OTHMAN

[Mr. HICKENLOOPER asked and obtained leave to have printed in the RECORD an article entitled "Housing Tussle," written by Frederick C. Othman and published in the Washington (D. C.) News of Wednesday, March 27, 1946, which appears in the Appendix.]

VETERANS' EMERGENCY HOUSING PROGRAM—STATEMENT BY OMAR B. KETCHUM

[Mr. McFARLAND asked and obtained leave to have printed in the RECORD a statement regarding the veterans' emergency housing program, by Omar B. Ketchum, national legislative representative of the Veterans of Foreign Wars of the United States, before the Senate Committee on Banking and Currency, March 29, 1946, which appears in the Appendix.]

THE PROPOSED LOAN TO GREAT BRITAIN—ARTICLES FROM THE NEW YORK TIMES

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD two articles from the New York Times, one entitled "Doubt of British on United States Loan Is Hit," and the other entitled "Policy of Britain on Cotton Feared," which appear in the Appendix.]

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Georgia [Mr. RUSSELL] to the amendment of the Senator from Florida [Mr. PEPPER].

Mr. MEAD obtained the floor.

Mr. RUSSELL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. Does the Senator from New York yield for that purpose?

Mr. MEAD. I yield for that purpose.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Cordon	Hayden
Bailey	Donnell	Hickenlooper
Ball	Eastland	Hill
Bankhead	Ellender	Hoey
Barkley	Ferguson	Huffman
Bilbo	Fulbright	Johnson, Colo.
Brewster	George	Johnston, S. C.
Briggs	Gerry	Kilgore
Buck	Gossett	Knowland
Bushfield	Green	La Follette
Byrd	Guffey	Langer
Capehart	Gurney	Lucas
Capper	Hart	McClellan
Carville	Hatch	McFarland

McKellar	Pepper	Thomas, Utah
Maybank	Radcliffe	Tobey
Mead	Reed	Tunnell
Millikin	Revercomb	Vandenberg
Mitchell	Russell	Walsh
Moore	Shipstead	Wheeler
Morse	Smith	White
Murdock	Stanfill	Wiley
Murray	Stewart	Wilson
O'Daniel	Taft	Young
O'Mahoney	Taylor	
Overton	Thomas, Okla.	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Texas [Mr. CONNALLY], the Senator from Washington [Mr. MAGNUSON], the Senator from Connecticut [Mr. MCMAHON], and the Senator from Pennsylvania [Mr. MYERS] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], and the Senator from Nevada [Mr. MCCARRAN] are absent on official business.

Mr. WHITE. The Senator from Nebraska [Mr. BUTLER] and the Senator from Indiana [Mr. WILLIS] are necessarily absent by leave of the Senate.

The Senator from Vermont [Mr. AUSTIN], the Senator from New Hampshire [Mr. BRIDGES], the Senator from New Jersey [Mr. HAWKES], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The Senator from Illinois [Mr. BROOKS] is necessarily absent in order to receive medical treatment.

The PRESIDENT pro tempore. Seventy-six Senators having answered to their names, a quorum is present.

Mr. MEAD. Mr. President, I shall not during the course of my brief statement to the Senate take issue with respect to the provisions contained in the Russell amendment, nor do I find fault with any of the arguments and the very able statements which have been made to the Senate in support of the provisions of that amendment. But I wish to point out that proposed legislation on the subject of the Russell amendment passed the House of Representatives, was transmitted to the Senate, and referred by the Senate to the Committee on Agriculture and Forestry. The problem dealt with by the Russell amendment is primarily an agricultural problem. It should, and I am sure it will, receive the consideration of the Senate Committee on Agriculture and Forestry. But its presence as an amendment to the pending bill complicates an issue which in my judgment is unrelated to the principles, the policies, and the provisions contained in the so-called Pace bill. The principles of that bill are contained in the Russell amendment.

Mr. President, the bill reported to the Senate by the Committee on Education and Labor is a clear-cut industrial-wage measure. It pertains to substandard wages in the industries described in the bill. Agricultural labor is specifically eliminated from the provisions of the bill.

The Russell amendment and the Pace bill not only complicate the issue now before the Senate, but both involve a problem of agriculture. Both the Russell amendment and the Pace bill affect the principles of the parity formula. They affect the cost of living. Therefore the Russell amendment should receive the specific consideration of the Committee on Agriculture and Forestry, which is conversant with all the problems dealt with by the amendment. The members of that committee are the specialists of the Senate selected by the Senate for the consideration of the problems which affect agriculture. The Committee on Education and Labor was selected by the Senate to consider problems affecting labor and education. In this connection, Mr. President, the members of that committee, too, are specialists. They have given consideration to the pending measure over a long period of time. In 1938 they reported a bill to the Senate of the United States which is now the law, and in that bill there were no provisions comparable to those contained in the Russell amendment.

Mr. President, I repeat that the Russell amendment should be considered by the Committee on Agriculture and Forestry. It should be referred to that committee, because the committee is well equipped to consider the problems of agriculture. From that committee came the present parity formula and from that committee came much of the helpful legislation which affects agriculture throughout the country. So, Mr. President, I appeal to my colleagues of the Senate not to burden the pending bill with legislation that is not contemplated by the principles and the provisions of the bill as reported by the Senate Committee on Education and Labor.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. TUNNELL. I should like to have it understood that the Committee on Education and Labor has not considered the Russell amendment in connection with this bill.

Mr. MEAD. That is my understanding, and I appreciate the observation by my colleague, who is a member of the Committee on Education and Labor and who conducted in large part the hearings before that committee. The Russell amendment, to my knowledge, has not as yet been considered by any committee of the Senate, but I am told that it will be considered by the Committee on Agriculture and Forestry, and I am sure that as a result of the consideration of the Russell amendment by that committee, selected specifically to consider problems of this kind, a much better piece of legislation will be reported to the Senate and its adoption by the Senate will, in my judgment, result in much more favorable legislation for the farmers than its adoption under present circumstances.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. FULBRIGHT. The Senator from New York does not mean to leave the impression, does he, that this subject matter is something new, which the Senate and the House of Representatives have not heretofore considered?

Mr. MEAD. No.

Mr. FULBRIGHT. Was not similar legislation passed by the Senate in 1942?

Mr. MEAD. Like the pending measure, it is something with which we are all familiar, but also, like the pending measure, it should be considered by the committee best fitted to consider it. That is the only point I am making. It should be considered by the Committee on Agriculture and Forestry, to which it was referred by the Senate. It is there now. The Pace bill is in that committee. We expect that committee to consider it, and we hope the committee will report it to the Senate, and I assure my distinguished colleague from Arkansas that if it is reported it will have my most sympathetic consideration. It will, like other agricultural problems in the past, receive perhaps my support; but I want it to have the consideration of the Committee on Agriculture and Forestry, and I do not like the idea of complicating the pending legislation, which affects the substandard wages of employees in industry, with a very important agricultural problem which is entirely unrelated to it.

Mr. FULBRIGHT. But, if the Senator from New York will yield further, does he not think that the matter of the wages and the income of farmers is related to the income of other people?

Mr. MEAD. Oh, yes; that is contained in the parity formula. But in the pending bill, as I have pointed out, we are striving to put a floor under minimum wages of the employees in industry, and we have exempted farm labor from the provisions of the bill. That exemption, I assume, was written into the bill because of the fact that the problems of agriculture, the problems connected with parity, and all related problems should be dealt with by the Committee on Agriculture and Forestry. That is one of the prerogatives of that committee. Of course, the Senate can adopt any sort of an amendment agreeable to it, on any pending bill. I merely appeal to the Senate not to complicate the issue, but to consider the bill as it was reported by the committee, to make up its mind as to what wage scale should go into the bill, and to permit the Committee on Agriculture and Forestry to bring before the Senate the Pace bill, which is pending in that committee, which passed the House, and which, if reported, I am sure will be a more perfect bill, and will accomplish what is sought to be accomplished in a better way than will result from hasty consideration of the subject matter at this time in connection with the pending measure.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. BILBO. I wish to ask the Senator a question. The passage of the so-called Pepper bill, as is, will most certainly, in my judgment, and in the judgment of those who are in a position to know, bring about wreck and ruin and bankruptcy of about three-fourths of the farmers of the country. If the Senator from New York thinks the Russell amendment should be given no consideration in the

interest of the farmer, as a matter of security, would he be willing to send the so-called Pepper bill back to the committee and wait and see if the Pace bill or the Russell amendment can be or will be passed by the Congress, before we jeopardize the lives and the economy of about three-fourths of the farmers of the Nation?

Mr. MEAD. Mr. President, if the pending bill or any other bill would have a derogatory effect upon the farmers of America, I am sure that that would expedite consideration of the problem by the Committee on Agriculture and Forestry. But there is no evidence in the record that there will be any of the ill effects about which my distinguished colleague from Arkansas is worried. There appeared before the Committee on Education and Labor representatives of the leading farm groups of America, and without exception they objected to the adoption on the pending bill the amendment proposed by the Senator from Georgia [Mr. RUSSELL].

Mr. BILBO. Mr. President——

Mr. RUSSELL. Mr. President——

Mr. BILBO. I should like to make one observation in response.

Mr. MEAD. I decline to yield until I conclude my statement.

Mr. President, it is my opinion, from a glance at the RECORD, that the Farmers Union favors the pending bill and objects to the amendment which is offered. It is my opinion that the Farm Bureau Federation and the National Grange both object to the amendment. I ask my distinguished colleague [Mr. PEPPER], who is the sponsor of the bill, if that is a correct statement.

Mr. PEPPER. It is a correct statement.

Mr. THOMAS of Oklahoma. Mr. President, I challenge that statement. It is not correct so far as the Grange is concerned.

The PRESIDENT pro tempore. Does the Senator from New York yield; and if so, to whom?

Mr. MEAD. I shall be glad to yield to my distinguished colleague [Mr. PEPPER] to verify the statement which I have just made, to the effect that the Farmers Union favors the bill and objects to the amendment; also that the Farm Bureau Federation and the National Grange both registered objection to the pending amendment. Whether they objected to it in its present form, or as an amendment to this bill, I do not know. For that reason I ask my colleague, who is the sponsor of the bill, to clear up the situation.

Mr. PEPPER. Mr. President, I believe it was day before yesterday that I placed in the RECORD a letter from Mr. Edward O'Neal, president of the American Farm Bureau Federation; a statement given over the telephone by the head of the Farmers Union, or a representative of the union; and a statement made by the legislative counsel, I believe, of the National Grange, in the absence of the president of the National Grange. According to my understanding, the import of all three of those communications was that they did not favor or had not favored the Pace amendment.

Mr. MEAD. That was my understanding of the import of the statements, just as they were transmitted to the Senate by my able colleague from Florida, who is sponsoring the bill.

Mr. RUSSELL. Mr. President, will the Senator from New York yield?

Mr. MEAD. I yield.

Mr. RUSSELL. The Senator, then, in his opposition to the amendment which I have proposed, relies in part, does he not, on the fact that it has not been specifically endorsed by the farm organizations?

Mr. MEAD. No; if the Senator from Georgia had been present at the beginning of my remarks he would have heard me say that I am not opposing the principles of the Russell amendment. I am not opposing the Pace bill. I am merely urging that it be withdrawn as an amendment, so that we can have a clear vote on the pending bill, which was reported by the Committee on Education and Labor. I even went so far as to urge that the Committee on Agriculture and Forestry consider the Russell amendment and report it. I assured my colleagues that so far as I was concerned I would lend an attentive ear and a sympathetic heart.

Mr. RUSSELL. I am glad to hear the Senator from New York make that statement, because in the past he has not displayed any great sympathy toward it.

Mr. MEAD. Oh, yes, Mr. President.

Mr. RUSSELL. It was offered in 1942, and the Senator voted against it. He went on record as opposing it.

Mr. MEAD. I have general sympathy for agricultural legislation. I remind my colleague that when I was a Member of the House I was chairman of the unofficial executive committee in support of farm legislation. It was my duty to confer with the President, the Speaker, the leader, and the Rules Committee, in an attempt to obtain the basic farm legislation which was included in the McNary-Haugen bill and subsequent measures of that character, which were passed by Congress.

Mr. RUSSELL. I know that on occasion the Senator has supported agricultural legislation. I am glad to bear testimony to the fact that he has always been most generous in his support of appropriations for the Farm Security Administration, an activity which has always been very dear to my heart. But with respect to such legislation as that proposed by my amendment, the Senator has never supported it. The Senator probably heard the distinguished Senator from Illinois [Mr. LUCAS] state yesterday that, if it were added to this bill, the President would veto the bill. If the President would veto this bill, which he has so earnestly recommended time and again, with this rider attached, how much more quickly would he veto it as an independent measure? As I stated the other day, those who are really for this proposal had better vote for it as an amendment to this bill, when it has the right horse hitched to it to pull it through and obtain approval at the White House.

I am not attacking the farm record of the Senator from New York. I think he has a fine farm record for one who represents largely an urban constituency. I am not impressed with the argument that this proposal ought to be considered as an independent proposition when we are told by the Senator from Illinois that the President would veto the bill if this amendment were a part of it.

Mr. MEAD. I still maintain that this subject should be referred to the committee having jurisdiction. I believe that the Committee on Agriculture and Forestry is capable of giving it the character of consideration which such a proposal merits. I am not objecting to the Pace bill; I am registering no objection to it; I am merely urging the Senate to stand by the action which it has already taken in referring the Pace bill to the Committee on Agriculture and Forestry, which action was taken some time ago.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. THOMAS of Oklahoma. I believe that I am qualified to make a statement as to the position of the National Grange on this question. Within the past 2 or 3 months Mr. Goss appeared before the Committee on Agriculture and Forestry and advocated a modification and revision of the present parity formula. He has worked out a formula of his own. He contends that two things are necessary: First, that labor costs should be included; and, second, that the base period should be changed. The Russell amendment does not change the base period. It relates to the same base period—1909 to 1913—and that is not agreeable to Mr. Goss, of the Grange.

If the Senator will yield further for a moment, I have before me a statement which I think will clear up the position of the Grange. On page 156 of the National Grange Journal of Proceedings for 1945 we find the following quotation of the position of the National Grange on the Pace parity principle, as embodied in the Russell amendment:

> The present parity formula is inadequate and obsolete in that it does not include a most important element in farm costs—labor * * *.
>
> We affirm our belief that modernization of the parity principle must be brought about by a recognition of several important factors. * * * We recommend consideration of the following factors:
>
> 1. Recognition of farm labor costs.

That is the Russell amendment.

> 2. A method of keeping the formula constantly current or modern by adjusting the base-period prices to reflect the commodity relationships prevailing during the latest 5- or 10-year period.

Mr. Goss wishes to cover two points in the modification of the present parity principle. First, he wishes to include labor costs; and second, he wishes to bring the base period forward. The present base period is from 1909 to 1913. He wishes to bring it down to a later date. Because the pending amendment does not have anything to do with the base period, Mr. Bailey, representing the Grange, testified that the Grange could not support that feature of the program.

Mr. MEAD. Mr. President, I recognize the energy and enterprise displayed by my distinguished colleague, the chairman of the Committee on Agriculture and Forestry, whenever agricultural leg-

islation comes before the Senate. He and the able Senator from Georgia have always shown a very deep interest in the farmers of America, and as often as possible I enjoy following their leadership. I merely wish to make the point that there is confusion so far as the attitude of farm leadership is concerned in connection with this legislation. In my judgment, that is an effective argument for referring the subject to the Committee on Agriculture and Forestry, where it has been sent by the Senate, and where representatives of the farmers of America can be heard thoroughly and completely. I am sure that the proposal will be brought back to the Senate with a complete understanding of the facts.

Mr. President, I should like to read a statement from the RECORD. I was certain that I correctly understood the position taken by farm leaders, which I tried to explain a few moments ago.

On page 2675 of the CONGRESSIONAL RECORD for March 27, 1946, I find the following:

> The following statement was taken over the phone at 4:45 p. m., March 14, 1946, from Mr. Fred Bailey, general legislative counsel, National Grange, in the absence of Mr. Goss.

The National Grange is a very conservative organization. It is deeply concerned with the welfare and well-being of the farmer. Mr. Fred Bailey, general legislative counsel, made the following statement in the absence of Mr. Goss:

> The National Grange is opposed to the Pace parity bill as an amendment to the Fair Labor Standards Act. The Grange long has insisted that farm labor costs are a legitimate part of the costs of agricultural production and should be included in parity. However, we believe that labor costs alone would result in a further unbalance between prices of agriculture products and that a new parity formula should include a modernized base to reflect changes in consumer demand.

Mr. President, I do not know anything about the attitude of the President of the United States; but if, as has been said on the floor of the Senate by the able Senator from Illinois [Mr. LUCAS], the President will veto the bill if the Russell amendment should be attached to it, I can merely add that there appeared before the Committee on Education and Labor some representatives of the executive agencies of the Government. They, too, objected to the addition of the pending amendment. They included Mr. Bowles, of the Stabilization Administration; Mr. Porter, of the OPA; and Mr. Anderson, the spokesman for Agriculture in the President's Cabinet. I assume that if the legislation eventually reaches the White House, in keeping with custom and established practice the President of the United States will refer the bill to, among others, those men for such comment as they may desire to make. If they make the same comment as that which they made before the Committee on Education and Labor, then it would be an assumption within reason that the distinguished senior Senator from Illinois was approximately correct in the statement he made.

Mr. RUSSELL. Mr. President, will the Senator yield to me for a moment?

Mr. MEAD. I am glad to yield.

Mr. RUSSELL. The Senator from New York has quoted farm organizations as being opposed to my amendment.

Mr. MEAD. The communication which I read was from the National Grange.

Mr. RUSSELL. Yes, I understand; but the Senator from New York referred to other farm organizations as being opposed to the amendment.

Mr. MEAD. That is correct.

Mr. RUSSELL. I think the Senator from New York should complete the record and should let it show that all those organizations are strongly opposed to the committee bill as amended, the bill which the Senator from New York rises to support.

Mr. MEAD. It is my understanding that two of the farm organizations may be opposed to the bill but that one—the Farmers Union—favors it.

Mr. RUSSELL. Yes. The Farmers Union, as I stated the other day, has become practically an adjunct of the PAC and follows the PAC line. They are opposed to a farmers' bill, and they favor a labor bill.

Mr. President, I hold in my hand letters from various farmer organizations in which opposition to the committee bill is stated. First of all, I wish to read one paragraph from a letter dated March 26, 1946, from Edward A. O'Neal, president of the American Farm Bureau Federation:

> We are strongly opposed to S. 1349, as reported by the Senate Committee on Education and Labor. We believe it is unsound and unwise to continue by statutory enactment to increase the minimum wage rates without relation to productivity or changes in the cost of living.

That is but one paragraph of his letter.

I now read a portion of a letter from the National Grange with respect to the committee bill:

> We are opposed to the bill in its present form for the reasons given in testimony before the House Committee on Labor on October 23, 1945. We urged them that the bill be amended to provide for a minimum of 55 cents an hour and that the minimum be tied to the Bureau of Labor cost-of-living index, moving up or down with that index.

Now I wish to read from a letter from the National Cooperative Milk Producers Federation, which is another very strong farm organization:

> The National Cooperative Milk Producers Federation has previously written you, endorsing the Ellender-Ball amendments offered to the committee bill (S. 1349) to amend the Fair Labor Standards Act. We wish to call your particular attention to the necessity for retaining the provisions in the existing law exempting employees in agricultural-processing plants from the minimum-wage and maximum-hour provisions of the Fair Labor Standards Act. Unless these exemptions now contained in sections 7 (c) and 13 (a) (10) are retained, we feel that we must oppose passage of the bill S. 1349.

Let me now read from a letter from the National Council of Farmer Cooperatives:

> *To Members of the United Statse Senate.*
>
> GENTLEMEN: We again strongly urge that sections 7 (c) and 13 (a) (10) be retained in the Fair Labor Standards Act.

Mr. President, I have read those statements merely to show that if the farmers' organizations are against my amendment, they are likewise very strongly opposed to the bill the Senator from New York supports.

I ask unanimous consent that at the end of the statement of the Senator from New York the entire text of these letters may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit A at the end of Mr. MEAD'S remarks.)

Mr. PEPPER. Mr. President, will the Senator from New York yield to me?

Mr. MEAD. I yield.

Mr. PEPPER. I doubt whether the attitude of the farm organizations toward the pending bill and their attitude toward the Pace amendment are exactly the same. What the able Senator from New York no doubt was pointing out was that the Senator from Georgia is proposing a measure to aid agriculture, and yet the very organizations which are the spokesmen for agriculture in this country are not in accord with it. I do not say those organizations own agriculture; I do not say they are the voice of agriculture in a literal sense. But they are to agriculture what the labor unions are to labor in the United States. Yet the able Senator from Georgia cannot dispute the fact that neither the American Farm Bureau Federation nor the Farmers Union nor the National Grange are in accord with the amendment which he has offered on behalf of the farmers of the country. Of course, we do not claim that they are supporting the bill to raise industrial wages. Ordinarily they do not interest themselves in raising industrial wages, in spite of the fact that the record shows that approximately 40 or 50 percent of the gross income of the low-paid industrial workers goes for the purchase of food which the farmer raises and which the industrial worker eats, and to pay for the clothes which he wears on his back.

On the contrary, the spokesmen for labor do support the pending bill, the purpose of which is to raise the wages of the laborer, both organized and unorganized.

Mr. RUSSELL. Mr. President, if the Senator from New York will yield to me, inasmuch as the Senator from Florida has restated an argument which I was able to answer the other day with respect to the position of the farm organizations, I wish to state that this position on the part of the farmers' organizations was taken at a time when it was thought that the "line could be held" on all wages in the United States. There has been no general meeting of the farmers who come from the grass roots and who actually do the work on the farms since there have been substantial increases in industrial wages all along the line; but I state without any fear of contradiction that the rank and file of the farmers of the Nation are behind this amendment.

As to the American Farm Bureau Federation, let me state that in my own State I know the members of that federation do not agree with the position

which has been expressed by Mr. O'Neal. I hold in my hand a letter from the State Farm Bureau Federation of Georgia and any number of letters from local farm bureau units which I could place in the RECORD.

Mr. BANKHEAD. Mr. President, if the Senator from New York will yield, I should like to state that the president of the Farm Bureau of Alabama is in favor of this amendment.

Mr. MEAD. Mr. President, it occurs to me that these observations only strengthen the contention which I am endeavoring to put forward, namely, that the Russell amendment is an agricultural problem and should be referred to the Committee on Agriculture and Forestry, where misunderstandings and misstatements of the record, if there have been any misstatements or failures properly to understand or interpret the record, could be clarified, and from that committee the issue could subsequently be brought before the Senate in the clear-cut fashion in which an issue of that particular type should be presented.

Mr. President, I wish to hurry on and conclude my statement. I desire to bring to the attention of the Senate a letter from Mr. O'Neal, the president of the American Farm Bureau Federation, who supports the contention I have made. This letter was addressed to the Honorable CLAUDE PEPPER, United States Senate, Washington, D. C. It was dated at Washington, D. C., on March 14, 1946:

MY DEAR SENATOR PEPPER: This answers your telegram asking for the position of the American Farm Bureau Federation concerning the inclusion of farm-labor costs in the parity formula. Attached is a copy of the resolution adopted by the voting delegates of the American Farm Bureau Federation at their last annual meeting. Also attached is a copy of the subsequent action of the board of directors of the Federation on March 6 of this year.

Sincerely yours,

EDWARD A. O'NEAL,
President.

Mr. President, I believe that a sufficient amount of time has been devoted to the attitude and position of the various farm leaders and farm organizations with regard to this matter. I think it all supports the contention which I have made that this is a complicated and a very important agricultural problem. It should be referred to the Committee on Agriculture and Forestry where the specialists selected by the Senate of the United States, men who have been dealing with agricultural problems throughout the years, may give it the consideration which it requires, after which it may be reported to the Senate in a logical and rational form, thereby enabling it to receive more favorable consideration than it can receive under existing circumstances.

With respect to the Farmers' Union, Mr. President, I may say that I know nothing about its membership or where it is located; but I do know that, according to a statement which was made some time ago, 10 percent of the farmers of the country control about 50 percent of the farm output. It is my understanding that the Farmers' Union represents some of the smaller farmers of the country. In this connection I may say that an examination of the record would lead one to believe that there should be more militancy among the farm organizations in the interest of the small farmers of the country, so that there may be a wider distribution of farms and an increase in farm ownership. That, Mr. President, would make for a healthy condition in our democracy.

Mr. President, I conclude my statement by saying that the Russell amendment would injure the bill. It should be considered by the Committee on Agriculture and Forestry. It deserves consideration, and I am sure it would receive such consideration if it came before the Senate in the form of a separate measure. Perhaps it could be said that the adoption of this amendment would kill the pending bill. At least, it would retard its progress and might eventually doom the hopes and aspirations of the poorest of our people who are engaged in industry throughout the country, and who are composed of that segment which the late President Roosevelt referred to as the one-third who are ill-fed, ill-clothed, and ill-housed. I believe that the proportion of our population which is involved in the problem now before us, that proportion of our workers who are employed at substandard wages in industry, should be given the wholehearted attention and support of the Senate and that the pending bill, which comes from a committee which has carefully considered it, should be passed in the form reported by the Committee on Education and Labor.

Mr. LUCAS. Mr. President, will the Senator from New York yield?

Mr. MEAD. I yield.

Mr. LUCAS. Following the line of argument which the Senator is making, does he believe the President of the United States can sign a bill of this character, in view of the letters which have come here from the Secretary of Agriculture, from the Director of the Office of Price Administration, and from Mr. Bowles, of the Office of Economic Stabilization? If those men, who are the leaders of economic thought on this subject, have given us their best judgment as to what will happen if the amendment is agreed to, it seems to me that the President will find it impossible to sign the bill. The amendment would merely kill the bill. That is all there is to it.

Mr. MEAD. All the evidence indicates that the senior Senator from Illinois is correct in the position which he takes.

Mr. President, the responsibility of the Federal Government to participate in the contractual relationships between employer and employee in the interest of the disadvantaged of our people is now generally accepted. A proper wage standard, for example, is not only a matter of concern to the worker and his family, but it affects the competitive position of other employees, and the volume of sales and products. It affects the level of employment, it affects the burden of taxation, and it affects the health of the population. This Federal responsibility was recognized in the National Industrial Recovery Act of 1933, and it subsequently prompted the passage of legislation guaranteeing workers the right to organize in upholding minimum standards of work, fostering collective bargaining, establishing social security, stabilizing wartime wages, and otherwise, Mr. President, affecting employer-employee relations in the interest of the general public.

I conclude as I began, by expressing the hope that in the interest of the industrial workers of the country who are now in substandard wage categories Senate bill 1349 will be considered on its merits, and that the pending amendment, the proposed legislation which would affect the agricultural and parity formula, which has been referred to the Committee on Agriculture and Forestry, will be expeditiously considered by that committee and reported to the Senate for independent action in the very near future.

Mr. RUSSELL. Mr. President, I may say to the Senator from New York that I do not think there is any doubt about the attitude of the Committee on Agriculture and Forestry with respect to this amendment. The committee reported it on various occasions in the past, or at least on two separate occasions. I do not know, of course, how the members of the committee feel about the amendment at the present time, but the only two members of whom I know who are opposed to it are the Senator from Vermont [Mr. AIKEN] and the Senator from Illinois [Mr. LUCAS]. I believe that the Senator from New York [Mr. MEAD] will find an overwhelming majority of the members of the Committee on Agriculture and Forestry who will fight for this amendment when they have an opportunity to do so.

Mr. MEAD. I am glad to have that information. I am sure that the committee, cognizant of the difficulties in the path of this proposal in the past, will be able to overcome such obstacles in the future.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I made before the committee on the subject of raising living standards.

There being no objection, the statement was ordered to be printed in the RECORD as follows:

MEAD URGES RAISING OF LIVING STANDARDS

As cosponsor of S. 1349, I wish to incorporate in the RECORD a brief statement endorsing the bill and summarizing the reasons why I believe the amendments to the Fair Labor Standards Act of 1938 should be acted upon favorably by the Senate.

The proposed amendments are designed to extend the wage and hour provisions of the present act, to eliminate oppressive child labor from a large segment of our economy, to redefine the minimum wage in terms more consistent with present-day standards, prices, and technical achievement, and to assure that workers paid more than the minimum will retain the wage differentials justified by their skill and responsibility. Essentially, the objective of these amendments is to raise the standard of living of our wage earners and their dependents so that they may

be afforded at least a minimum of the necessities of life and an opportunity to live decently and honorably. With this objective there can be no quarrel. It is one of the essential purposes of any economic order worthy of perpetuation. I am convinced, moreover, that this objective is thoroughly consistent with our goal of full employment and that it need not jeopardize the profits of legitimate employers. By this bill we improve the social and economic lot of the one-third that President Roosevelt referred to as the poorly housed, fed, and clothed.

The responsibility of the Federal Government to participate in the contractual relationship between employer and employee in the interest of the disadvantaged and of the people as a whole is now generally accepted. The wage bargain, for example, is not a matter of concern only to the worker and his boss. It affects the competitive position of other employers, the volume of sales and of production, the level of employment, the burden of taxation and the health of the population. After long neglect this Federal responsibility was recognized in the National Industrial Recovery Act of 1933, and it subsequently prompted the passage of legislation guaranteeing the workers' right to organize, upholding minimum standards of work, fostering collective bargaining, establishing social security, stabilizing wartime wages, and otherwise affecting employer-employee relationships in the interest of the general public.

One of the great milestones in the workers' economic advance was the passage of the Fair Labor Standards Act in 1938, which established a minimum wage of 40 cents an hour in industries engaged in interstate commerce. Prior to the passage of this act thousands of workers in these industries, unprotected by labor unions and unable to command a living wage in a world of unemployment, worked for as little as 15 or 20 cents per hour. Some of these workers worked for producers who were so inefficient that they could not afford to pay a decent wage. Others were victims of unscrupulous employers, who profited from their helplessness. Nor would they try to raise wages while that cruel system remained. The competitive position of this latter group was strong enough to depress wage rates in entire industries. Thus shortly before the effective date of the act all the workers in the cotton textile industry—skilled and unskilled together—averaged less than $13 per week, and workers in some of the apparel industries averaged only $11 or $12. Most of these workers had a yearly income of less than $600.

There were many dire predictions as to the results of imposing a 40-cent minimum on these low-wage industries. But these predictions were not realized. The record of the success of the act is perfectly clear. Considerably in advance of the final date established by law, wages below 40 cents per hour had been eliminated from the covered industries. The minimum wage did not cause serious unemployment in any line of production. On the contrary, the higher wages that have resulted from this act and from the competitive bidding of wartime employers have been used in large part to buy more food, clothing and other necessities and comforts, have stimulated production and employment and facilitated the maintenance of liberal profits.

We have been able during the war to achieve a generally higher minimum wage than that guaranteed by the Fair Labor Standards Act. It is to the interest of workers, employers, and the general public to maintain that gain and advance to an even more favorable position as wartime improvements in organization and technology are introduced into peacetime production.

The 40-cent minimum—sufficient to yield about $800 a year to a worker who was continuously employed—was a notable achievement, but it was never adequate to assure the worker a decent standard of living. During the war, moreover, even the protection previously afforded has been partly lost as a result of the rise of the cost of living. Living costs for workers in the lower-income classes are at least one-third higher today than they were when the Fair Labor Standards Act was passed. Thus it would be necessary to raise the minimum by one-third or more to afford the degree of protection contemplated when the act was passed. The present proposal, while going somewhat beyond this, will still fall short of an adequate standard. A continuously employed worker who is paid 65 cents per hour will earn only about $1,300 anually, while an hourly rate of 75 cents would yield only about $1,500. The current minimum cost of an adequate budget is not known, but the Bureau of Labor Statistics which is now studying this difficult question has assured us that it exceeds $1,500. Even the minimum wages proposed in this bill, however, would permit an improvement in present living standards and would eliminate the need of thousands of mothers and children to work in order to supplement family incomes.

Increased efficiency developed during the war, lower production costs now that the overtime wage scale is no longer a force, and the new tax bill repealing the excess profits tax will serve to protect the employer's profits margin.

Employers in general stand to profit from the provisions of this bill and many of them can be counted upon to support it. Wartime and postwar increases in worker productivity will permit higher wage levels than before the war without corresponding increases in costs; the normal increase in productivity per man-hour is in the neighborhood of 3 percent annually. Higher wages mean a higher level of national consumption, capacity production, and fair profits. Vast numbers of American employers long ago found it feasible to pay wages at least as high as those provided in the act, so that today 80 percent of all factory workers already receive a wage of 65 cents an hour or more. Other employers will gladly pay the proposed minimum wage if they are protected by law against the lower costs of sweatshop competitors. Higher wages mean a bigger consuming market for the producer and higher prices for the farmer.

While some few casualties may have resulted from the application of the original act, it must be remembered that many a fair employer who wanted and did pay more was driven out of business by low-wage firms.

It would, however, be short-sighted to consider only the effect of these amendments on the worker and employer and to ignore their significance to the Nation as a whole. For even if we were willing to close our eyes to the plight of our lowest-paid workers and their families and to permit legitimate employers to be subjected to the unfair competition of unscrupulous wage cutters, there are still compelling reasons why these amendments should be enacted in the interest of the general public.

During the war we achieved the greatest national income in our history, an income that in 1944 approximated $160,000,000,000. Had this income consisted exclusively of peacetime goods and services it would have permitted for all of our people a standard of living appreciably above the subsistence level. This great achievement was a result of long hours and prodigious effort, but it was accomplished with more than 12,000,000 potential workers in the armed forces.

It is our responsibility to maintain this national income and in the near future to exceed it. Economists tell us, however, that the reduction of the workweek, the transfer of war workers back to the lower-paid peacetime industries and similar postwar changes, unless offset by an increase in wage rates, will reduce total pay rolls by 10 to 20 percent, or even more, with the prospect of similar cuts in national income. The wage increases resulting from a higher minimum wage will not only raise the aggregate amounts paid out in wages and salaries, but because they primarily benefit the lower-income classes, will be particularly effective in stimulating expenditures and thereby supporting capacity production and full employment. Practically all this money will be promptly spent for necessities of life.

A higher minimum wage should yield substantial benefits to taxpayers, because it will increase workers' incomes and facilitate the maintenance of maximum employment. It will also increase the yield from any given rate of taxation. At the same time, it will reduce the drain on Federal, State, and local tax funds for unemployment benefits and relief.

Finally, the minimum wage will give help to those families whose educational opportunities have been most limited and who have suffered most from malnutrition and disease. The minimum wage will consequently make for a healthier population and better citizens.

The history of the Fair Labor Standards Act has proved that wages below 40 cents per hour could be eliminated with no serious repercussions. I believe the additional forward steps proposed in S. 1349 are clearly in the interest of the worker, the legitimate employer, and the general public. I hope, therefore, that these proposals may soon become part of that body of successful labor legislation that has been added to our statute books in recent years.

(At the request of Mr. RUSSELL, and by unanimous consent, the following letters submitted by him were ordered to be printed at this point in the RECORD as exhibit A.)

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., March 26, 1946.

To all Members of the United States Senate:

I am writing to convey to you the position of the American Farm Bureau Federation relative to various pending proposals to amend the Fair Labor Standards Act.

We are strongly opposed to S. 1349, as reported by the Senate Committee on Education and Labor. We believe it is unsound and unwise to continue by statutory enactment to increase the minimum wage rates without relation to productivity or changes in the cost of living.

With respect to minimum wage rates, our board of directors, at its meeting on March 6, 7, 8, 1946, adopted the following resolution:

"We realize that real wages are inevitably dependent upon full production. Dollar wages are not the measure of standards. The real question is what will wages buy.

"Agriculture can only prosper when labor is fully engaged in productive work. Productive work can only continue if over-all income payments arising from that production are sufficient to distribute the production.

"In a free economy we can see that fixed minimum wages might result in unemployment, should the time come when agricultural and other free prices have fallen to an unbalanced position.

"In the light of this fact, we believe it is in the true interests of both labor and agriculture, as well as the rest of the economy, to peg minimum wages to the consumer price index. We authorize our official representative to support minimum wages at 55 cents per hour at this time, with changes made annually to conform to the Bureau of Labor Statistics on the consumer price index.

"Without a fluctuating wage scale we are definitely opposed to an increase in the minimum wage. We oppose any basic changes

in the existing minimum-wage law other than those dealing directly with the minimum wage rate."

We, therefore, urge that S. 1349 be amended so as to provide a statutory rate of 55 cents per hour, and to include a requirement in the law to adjust the minimum wage rate annually to conform to changes in the BLS cost-of-living index.

We are also strongly opposed to the provisions of S. 1349 which eliminate entirely the exemption of agricultural labor engaged in first processing and handling in the area of production, which is now contained in existing law. These exemptions were included by Congress in the original act as a result of careful investigation and long consideration. The same reasons which led Congress to provide these exemptions still apply. We, therefore, strongly oppose their elimination.

Some difficulties have been experienced in the past in defining the term "area of production," but these difficulties have been due mainly to the lack of knowledge of agriculture on the part of responsible officials of the Wage and Hour Administration, and to the tendency of the Wage and Hour Administration, through strained interpretations of the act, to bring about the largest coverage of workers under the act, instead of trying to find a practical, sensible, and workable definition of the term "area of production." For this reason we strongly favor an amendment to the act designating the Secretary of Agriculture instead of the Wage and Hour Administrator to define the term "area of production." It is vitally important that this be done by persons who are thoroughly familiar with agriculture and the conditions surrounding the production, processing, and marketing of agricultural commodities.

Unless the foregoing recommendations are embodied in S. 1349 we strongly oppose the enactment of such legislation.

Sincerely yours,

EDW. A. O'NEAL,
President.

THE NATIONAL GRANGE,
Washington, D. C., March 27, 1946.

DEAR SENATOR: Farmers are watching with great concern congressional consideration of S. 1349, the bill to amend the Fair Labor Standards Act. That interest prompts the National Grange to state briefly the prevailing view of our more than 750,000 members.

We are opposed to the bill in its present form for the reasons given in testimony before the House Committee on Labor on October 23, 1945. We urged them that the bill be amended to provide for a minimum of 55 cents an hour and that the minimum be tied to the Bureau of Labor cost-of-living index, moving up or down with that index.

The committee draft of S. 1349 retains the exemption for farm workers, as it should, but largely nullifies that exemption by deleting sections 7 (c) and 13 (a) (10), which give similar exemptions to first processing plants located in areas competing directly with farmers for labor.

The National Grange urges that you give careful consideration to retaining sections 7 (c) and 13 (a) (10) in the Fair Labor Standards Act. We base that request on the following facts:

1. Removal of exemption for agricultural processing plants would upset the competitive wage relationship existing between rural and urban workers.

2. Farm wage rates are closely competitive with those of processing plants and other local employers.

3. Inclusion of agricultural plant, through elimination of exemptions, would raise farm produce costs and result either in lower net returns to producers or higher prices to consumers.

4. During any depression period many of these plants, now operating on a small margin and with low reserves, would be forced out of business by a high fixed-wage scale.

We believe in the principles of an adequate wage scale, but contend that any attempt to hold wages rigid would adversely affect our entire economy. Prices of agricultural products fluctuate more widely than do prices of industrial products.

The Administrator of the act has objected to defining the area of production. We suggest that the Congress delegate authority for making that definition to the Secretary of Agriculture.

Sincerely yours,

FRED BAILEY,
Legislative Counsel.

THE NATIONAL COOPERATIVE
MILK PRODUCERS FEDERATION,
Washington, D. C., March 26, 1946.

To all Members of the Senate:

The National Cooperative Milk Producers Federation has previously written you, endorsing the Ellender-Ball amendments offered to the committee bill, S. 1349, to amend the Fair Labor Standards Act. We wish to call your particular attention to the necessity for retaining the provisions in the existing law exempting employees in agricultural processing plants from the minimum wage and maximum-hour provisions of the Fair Labor Standards Act. Unless these exemptions now contained in section 7 (c) and 13 (a) (10) are retained we feel that we must oppose passage of the bill (S. 1349). These sections have been recognized as necessary to the welfare of agriculture and the country as a whole from the time this legislation was first considered by Congress in 1938.

Every person familiar with rural America realizes that living costs are considerably lower in rural areas where the great majority of plants handling farm products are located, than they are in large urban centers. They also know that to apply a national minimum wage provision to a plant located within an area of production having rural operating costs will disrupt the entire economy of the rural area. It affects not only that plant, but directly affects wage rates of the employees of, and the labor incomes of, the butcher, baker, grocer, hardwareman, banker and town officers, as well as those of the farmer and his help in the surrounding area. Processing plants located in urban and high-wage areas will not be affected by the law to any extent because they generally have collective bargaining and pay the competitive urban rates in order to secure employees.

Every increase in production cost between the farmer and the consumer must of necessity be reflected as decreased price to the producer with resultant decrease in production or as increased price to the consumer with resultant decrease in consumption. To cite only one example of penalizing the farmer to the point that he cannot longer supply necessary food to the city dweller, we call your attention to the decline in milk production—from 122,500,000,000 pounds in 1945 to an estimated production of one hundred and fourteen to one hundred and fifteen billion pounds in 1946, according to the Secretary of Agriculture. The future holds little encouragement for increased farm production; war workers are not returning to the farm and selective service in most areas is taking farm boys much more rapidly than ex-servicemen are returning. Requiring urban wages to be paid employees in plants within the rural area of production will cause more dissatisfaction among the small remaining labor force on farms and will, through decreased returns to the producer, force him to pay less to his own help if he expects to stay in business. With the world looking to American agriculture for sufficient food to prevent starvation we cannot afford to devise additional obstacles to be placed in the path of the producer.

We have previously pointed out that the Administrator could promulgate with facility a valid definition of the term "area of production" if he bent his efforts toward an attempt to define it as a geographic area from which the raw materials for processing are customarily obtained. We believe that the Secretary of Agriculture could define the term properly if given the opportunity. Congress, we believe, did not intend to freeze wage income in rural areas at the same level as in high-cost-of-living urban areas.

We again call your attention to the necessity for retaining the exemption from the overtime provisions now granted to plants whose employees are engaged in the first processing of agricultural products. In addition to the very sizable peak seasonal variation in production of agricultural products, there are significant fluctuations of receipts at many times during the year. It is therefore impossible for such plants to adhere strictly to a 40-hour week in handling highly perishable products even though they would be granted a 14-week seasonal exemption. Plant break-down, impassable roads and similar occurrences necessitate working additional hours with no compensating opportunity for reduction of time on other days during the week. Those plants which guarantee 48 hours' pay to their employees throughout the year would also find themselves forced to pay time and one-half for the additional hours over the 40 in case they actually worked that time. This would cause serious hardship to many plants operating at present costs on the minimum volume necessary to maintain the operations. The result would be suspension of operations or still further centralization of processing capital and labor.

For the reasons outlined we ask that you lend your efforts toward having these sections referred to retained in the law.

Sincerely yours,

CHARLES W. HOLMAN,
Secretary.

NATIONAL COUNCIL OF
FARMER COOPERATIVES,
Washington, D. C., March 27, 1946.

To Members of the United States Senate.

GENTLEMEN: We again strongly urge that sections 7 (c) and 13 (a) (10) be retained in the Fair Labor Standards Act.

To require national wage standards to apply alike to plants handling large volume of processing in high-wage urban areas and to plants handling minimum volume in low-cost rural areas, we believe, will result in centralization in urban areas or abandonment of present operations in rural areas in many cases.

If the Department of Labor is unable to define "area of production" as required in section 13 (a) (10) of the present law in terms of rural and urban areas, we believe the Department of Agriculture has the information and experience to draft a workable definition.

Primary processing plants in rural areas are subject to widely fluctuating operations throughout the year due to weather and transportation, as well as other seasonal factors. Small plants operating on minimum volumes cannot restrict the handling of perishables to straight 5-day or 40-hour weeks, nor afford to pay overtime for normal operations.

We respectfully urge that these two provisions be retained in the law if the Congress deems it necessary at this time to revise the Fair Labor Standards Act.

Sincerely,

JOHN H. DAVIS,
Executive Secretary.

Mr. ELLENDER. Mr. President, I ask leave to have printed in the body of the RECORD a very appropriate editorial entitled "My Inflation Versus Yours," published in the New York Times of today.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MY INFLATION VERSUS YOURS

Administration leaders are frightened by the Pace parity amendment that Senator RUSSELL of Georgia has offered to the minimum-wage bill. Senator PEPPER quoted Price Administrator Paul Porter as saying that adoption of the Russell proposal would cause a 20-percent rise in farm prices, result in a 6-percent increase in retail prices as a whole, add $4,000,000,000 a year to America's food budget, reopen wage controversies and threaten the entire stabilization program.

All these estimates may be correct. The Russell amendment provides for boosting still further the parity formula for farm prices by including in it the cost of agricultural labor. It is beyond all doubt inflationary. For that matter, the existing parity-price formula for farm products is highly inflationary even without the Russell-Pace addition.

But the administration is itself clearly following inflationary policies. It is not only running a heavy deficit in the present fiscal year, but planning to have a heavy peacetime deficit in the fiscal year 1947. It is following interest-rate policies and Government-bond policies calculated further to inflate the volume of bank credit. It is raising costs of production in every major industry by not only encouraging but practically ordering wage-rate increases in the neighborhood of 18½ cents an hour. And in the pending bill it would raise production costs further, not only by raising statutory minimum-wage rates, but by extending the coverage of such minimum wages to workers engaged in farm-processing industries.

The administration, in brief, has not been attempting to check inflation by treating all prices alike and treating prices and wages alike. It has treated them on a discriminatory basis; it has sought to benefit some groups at the expense of others; it has been using price-and-wage control as a means of redistributing wealth.

The response of the Senators who favor the Russell-Pace amendment has been that as long as special groups are to be favored, they have their own groups to favor, and that their proposal is no more inflationary than the administration's wage proposals. As Senator RUSSELL has put it: "They say it is not inflationary to raise the price of steel $5 a ton in order to allow a wage increase of 18½ cents an hour, but the minute anyone mentions raising farm prices or ordering higher wages for the producer of agricultural commodities, they raise the hue and cry of inflation."

Two wrongs do not make a right. It does not help the country to add farm-price inflation to wage inflation. But one becomes the cause of the other. The administration's inflationary policies in other fields have brought on the Russell-Pace amendment.

CANCELLATION OF THE BIKINI ATOMIC BOMB TEST

Mr. HUFFMAN. Mr. President, I rise to discuss a subject which at this time is of utmost importance to the United States and also to every other nation in the world. It is of deep concern to all civilization. I have discussed the matter at length with my distinguished colleague, the senior Senator from Illinois [Mr. LUCAS], and we are in thorough accord, and shall present jointly a resolution on the subject.

There has passed the House and is now pending before the Committee on Naval Affairs in the Senate a resolution which would authorize the use of naval vessels to determine the effect of atomic weapons upon such vessels. It is alleged that these experiments are necessary to determine the effect of the atomic bomb; that at the present time there is in existence no accurate information showing the effect which an explosion of an atomic bomb would produce on a ship, submarine, or other water-borne craft. For this reason it is said there must be a test consisting of the actual explosion of a bomb in the vicinity of a target consisting of ships of many types placed at various distances from the point of the explosion of the bomb. It is admitted that the tests of this nature will be very costly.

The Committee on Naval Affairs of the House of Representatives reported that it had been advised that the proposed tests would be three in number; the first, a bomb dropped on the target by the Army Air Force in May; the second, a bomb placed on the surface sometime in July; the third, a bomb exploded deep under the surface about a year after the second test. The ship-target resolution by its own provision would terminate authority to use ships for target purposes 2 years after the enactment of the resolution.

Preparations for these tests have been in progress for some time. Certain islands in the Pacific have been cleared and certain vessels designated for destruction have been directed for weeks toward the scene of their probable final destination. The list of condemned ships is an imposing one. It is headed by such well-known battleships as the *Nevada*, a 33,900-ton vessel, commissioned in 1916 and modernized in 1930; the *Arkansas*, a 31,900-ton vessel; the *Pennsylvania*, a 40,300-ton vessel, commissioned in 1916 and modernized in 1930; the *New York*, a 32,500-ton vessel; the *Saratoga*, a carrier of 47,700 tonnage, commissioned in 1927; the light carrier *Independence* of 14,000 tonnage, commissioned in 1943. Then follows a list of 17 well-known destroyers from the *Lamson* to the *Wainwright*, commissioned between 1936 and 1940; the heavy cruiser, the *Pensacola*, of 12,900 tonnage, commissioned in 1930; also the heavy cruiser *Salt Lake City*, of 10,000 tonnage, commissioned in 1929; 23 assault transports commissioned from 1944 to 1945; 8 submarines, commissioned from 1938 to 1944; 1 assault ship; 1 cargo ship; 6 landing ships, tank; 6 landing craft, infantry; 25 landing craft, tank. All these are naval vessels of the United States. Also listed for the tests are the Japanese battleship *Nagato*, of 32,720 tonnage, commissioned in 1919 and modernized in 1936; the Japanese light cruiser *Sakawa*; and the heavy German cruiser *Prinz Eugen*, of 10,000 tonnage, commissioned in 1938. Almost all these vessels saw active service throughout the war. In addition to this, it is proposed to use many other craft. In fact, the total number of vessels that will be employed to indicate the effect of the atomic bomb is at least one hundred.

Scattered through these vessels, if present plans are carried out, there will be goats, pigs, sheep and other animals to serve as guinea pigs in these laboratories.

It is estimated that the Army and Navy personnel required for such a test will be about 35,000 men.

Such are some of the elaborate preparations, thought by some to be necessary for the staging of a huge atomic bomb naval test.

The first test was scheduled to take place at Bikini Atoll in the Pacific on May 15 of this year, but on March 22 President Truman issued an order postponing the occasion until July 1, 1946. That postponement was, in my opinion, a step in the right direction, but it did not go far enough.

The postponement should be made permanent. This is no time for martial gestures. The proposed tests should be canceled until the cause of international cooperation for a firm and lasting peace has been given every opportunity to succeed; and it is worth while pausing to remark that with proper encouragement the success of such a cause is not hopeless.

The reasons for the cancellation are so important and fundamental and so in accord with the dictates of common sense as to be obvious. The United Nations Organization is in its infancy. It is incongruous to its every purpose and aim for this Nation or any other nation to exhibit large-scale preparation for future wars, and it is unthinkable that the United States should even remotely indicate that she is preparing for an atomic war.

Mr. President, are our senses still dulled by the effects of our recent mighty victory? Is our memory so short that we have forgotten the awful impact of the first news of the atomic weapon, or are we drunk with power? Let me paint a brief word picture of the most dramatic incident in the history of the world. On August 6, 1945, a lone B–29 winged its way over the far reaches of the Pacific Ocean. The war bird carried a strange cargo—in fact, throughout all the years since the dawn of history there had never been a similar one. It consisted of a few ounces of uranium encased in a comparatively small jacket of steel.

To all outward appearances it was just another bomb, and the B–29 which bore it was bound to the coast of Japan on a routine mission of systematic destruction.

The Japanese coast line slowly unfolded to the vision of the pilot and in the distance beyond could be distinguished a sprawling city—one of the nerve-centers of the military might of the Nipponese.

The bomb-bay doors opened and the steel missile headed straight for Hiroshima.

Destruction? It had no previous equal for a single blast. An almost undamaged city was leveled off and most of its inhabitants consumed.

This was the dramatic inception of the atomic era.

Japan was battered but not beaten. A few days later, however, she was fully impressed with atomic might when the anticlimax was reached at Nagasaki.

What is there to be said in justification of our use of the atomic weapon in World War II. For my part, the only justification necessary lies in the fact that by employing it against a cruel and heart-

less enemy who had stabbed us in the back at Pearl Harbor, we saved the lives of at least a quarter of a million American boys.

Senators will agree, I am sure, that its use would have been completely vindicated if it had saved the life of only one American. I would not have sacrificed one American for the whole Japanese Empire.

The atomic bomb was conceived and created under the stress of war. It was used in the heat of battle in a total war that was neither of our choosing or our making. America has no apology to offer for its original use but if we continue to detonate superexplosives in times of peace, while world tranquillity is still hanging in the balance, we are not only tarnishing our own good name but we are condemning the possibility of international understanding for all time to come.

Until August 6, 1945, the world did not—the world could not—visualize how dreadful, how devastating might be the effect of a single bomb, but if Hiroshima and Nagasaki have failed to impress the human race everywhere, then it is insensible to danger. There is no hope for mankind if it does not realize that an atomic war can only mean the destruction of civilization and the ruin of the world.

Mr. President, what need can there be for the sake of science, for the safety of America or for the welfare of the world, to explode another atomic bomb within a few months after the very practical demonstration of the shattering and penetrating might which was presented under war conditions in Japan?

America has cause to pause, and should pause, to cross-examine herself. Let her propound this question: Are we preparing for peace or are we preparing for war? Do we know whither we are tending? If we are preparing for war, why destroy 100 vessels, many of which are just as seaworthy and useful as were the over-age destroyers that we gave to Britain following the awful calamity at Dunquerque. Should we be sending to the bottom of the deep waters of the Pacific hundreds of thousands of tons of iron and steel? Should we be candidly exhibiting to the world just how much we have improved the atomic secret? Is not the world likely to be even more impressed by its imagination of how much more awful it may have become? Suppose we should drop a dud in the Pacific, as has been suggested by the Senator from Illinois. Would our faces not be embarrassingly red? I feel that our scientists and mechanics are too good for this ever to occur and that such an incident is highly improbable but it is not outside the range of possibility.

On the other hand, if we are preparing for peace, should we be indulging in this wanton destruction of property and display of atomic power? Should we not be exerting our most earnest and strenuous efforts toward the building of a strong and workable United Nations Organization? Should we not be insisting in the Security Council that every nation in the world wholeheartedly give up her secrets, embrace the principle of news freedom and open the deepest recesses within her borders to universal inspection?

It is upon these grounds, Mr. President, that the nations of the world should be seeking full and complete understanding in common. Let us do our noble part; let us go far but we should not divulge a single secret until we are met with equal magnanimity by every member of the United Nations Organization.

Mr. President, if an atomic war must come, which God forbid, may it never be said that there was a drop of guilty blood on the hands of a single patriotic American.

Mr. President, I have said before, and I repeat, that it is sheer folly to sink a hundred vessels possessing a value of more than $400,000,000, send to the bottom of the ocean hundreds of thousands of tons of iron and steel, destroy hundreds of animals, and expend more than $100,000,000, to stage a huge spectacle when every man in the United States Army and Navy knows that the only defense against the atomic bomb on land, on the sea, or in the air, lies in extremely wide deployment.

We pride ourselves upon the fact that we are not an aggressor Nation, that we do not want to be an aggressor, that we do not expect to wage an aggressive war. What possible excuse then can there be for these proposed tests? May we not really be educating some other nation that does not possess our good will and our good intentions?

For these reasons, I am submitting to this body, in behalf of the Senator from Illinois [Mr. LUCAS] and myself the following resolution, which I now offer and read:

That the President is hereby requested to cancel the two atomic bomb tests scheduled to be held at Bikini in the Pacific Ocean commencing in July 1946.

Mr. President, this matter is so vital to the United States of America, so vital to all nations, so vital to civilization and mankind, that this body cannot afford to fail to approve this resolution requesting the President to cancel these useless and destructive experiments. America must return to sound judgment. I appeal from Philip drunk to Philip sober. Mankind should never again detonate an atomic bomb. Experience has already sufficiently demonstrated that a war fought with the atomic weapons we now know will leave virtually no survivors. Let us think soberly, prayerfully and seriously, before taking a single step that might contribute to such an end.

There being no objection, the resolution (S. Res. 248), submitted by Mr. HUFFMAN for himself and Mr. LUCAS, was received and ordered to lie on the table.

Mr. FULBRIGHT. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. HUFFMAN. I yield.

Mr. FULBRIGHT. I should like to congratulate the Senator on his very fine presentation of this question.

Mr. HUFFMAN. I thank the Senator.

Mr. FULBRIGHT. I wonder if the Senator knows and can say whether prominent scientists who are identified with the development of the atomic bomb have approved or are behind the carrying out of the proposed experiment? Does the Senator know?

Mr. HUFFMAN. I am not apprised of that. I should say in that connection, Mr. President, that since my statement last Saturday in Columbus, Ohio, I have received hundreds of messages and letters relating to this subject, and all but two commend me for the stand I have taken. Those two letters were not from scientists. A number of the letters were from scientists. Dr. Urey and the other notables are not in the list. I have not discussed the matter with them, so I cannot speak for those particular men, but I have letters from some scientists who worked at Oak Ridge, who join me in the position I have taken.

Mr. FULBRIGHT. I am not positive, but I am of the impression that the scientists the Senator has mentioned, Urey, Oppenheimer and others, have not publicly or actively, certainly, fostered or promoted these particular tests.

Mr. HUFFMAN. That is my understanding, but it is only hearsay.

Mr. FULBRIGHT. The Senator mentioned that the tests would cost $100,000,000, as I understood him.

Mr. HUFFMAN. That is exclusive of the cost of the vessels.

Mr. FULBRIGHT. That is the point I wanted to make. Will the Senator state the estimate again? Is the estimated worth or value of the ships that are to be sunk $400,000,000?

Mr. HUFFMAN. Between $400,000,000 and $500,000,000 is the appraised value of the vessels.

Mr. FULBRIGHT. Can the Senator estimate how much steel and iron in tonnage is comprised in the ships?

Mr. HUFFMAN. I made a rough estimate and figured it to be between 300,000 and 400,000 tons. I might be in error, but the tonnage is very large.

Mr. FULBRIGHT. Is it not true that there is a great scarcity of scrap iron at the moment?

Mr. HUFFMAN. That is true, and that is one of the reasons why I am opposing the tests.

Mr. FULBRIGHT. That is one of the reasons?

Mr. HUFFMAN. Yes; that is one of the reasons.

Mr. FULBRIGHT. But in addition to that cost, there is an outright cost in dollars of $100,000,000 for carrying on the tests, is there not?

Mr. HUFFMAN. Yes; and a part of that has already been expended by clearing the islands and getting ready for the tests.

Mr. FULBRIGHT. So the Senator would estimate that it would cost a minimum of half a billion dollars to carry on the tests?

Mr. HUFFMAN. I believe the cost will approximate that sum.

Mr. FULBRIGHT. And what does the Senator think can be the possible benefit resulting from the expenditure of such a sum?

Mr. HUFFMAN. As I said before, I can see no contribution at all from it to the cause of peace, and certainly we should not at this time be making any contribution whatsoever to the cause of war.

Mr. FULBRIGHT. I agree with the Senator's conclusion. It would seem to me that at this particular moment instead of making a contribution toward peace it would contribute to the suspicion of other countries, particularly other members of the Security Council with whom we are now having some misunderstanding.

Mr. HUFFMAN. I think the distinguished Senator from Arkansas states it better than I could.

Mr. FULBRIGHT. But, in addition to that, at this particular time, if we do not anticipate an immediate war—I do not think many people do, even in spite of present difficulties—such a test would have very little significance as a matter of military knowledge. Does not the Senator agree to that?

Mr. HUFFMAN. So far as I know, that is a wholly correct statement. Furthermore, the tests would come so closely on the heels of the practical demonstrations in the New Mexico desert, at Hiroshima and at Nagasaki, that the difference in the bomb, the development of the bomb, probably has not been sufficient to justify such an expenditure as has been proposed, even if it were to be of scientific value.

Mr. FULBRIGHT. That is exactly my point. It seems to me that if we were anticipating a war in the usual cycle, say of 20 or 25 years, as we have had them, then there would be some point to the proposed experiments, but, aside from that, I do not see how the tests can be of any value in the matter of perfection of a military weapon.

Mr. HUFFMAN. I agree with the Senator.

Mr. FULBRIGHT. I think the Senator has made a valuable contribution to the discussion of the subject.

Mr. TUNNELL. Mr. President, will the Senator from Ohio yield?

Mr. HUFFMAN. I yield.

Mr. TUNNELL. I wonder if I correctly understood the Senator. I understood the Senator to say "a useful and destructive test."

Mr. HUFFMAN. The word was "useless."

Mr. TUNNELL. I thought I misunderstood the Senator.

Mr. HUFFMAN. The word was "useless." It is, certainly, in my text, "useless."

Mr. LUCAS. Mr. President, I am happy to associate myself with the able and distinguished junior Senator from Ohio in attempting to carry out the purposes and the objectives of the resolution which has been submitted by the Senator from Ohio and is now before the United States Senate. I presume the resolution will go to the Committee on Foreign Relations or some other appropriate committee of the Senate.

Mr. President, it was on January 31 that the Senator from Illinois rose in his place in the Senate Chamber and discussed briefly the question of the experiment with atomic power in the Pacific, as was contemplated then by our Government. I took exceptions at that time to what I believed to be an unnecessary and useless and an extravagant experiment at this particular hour in the history of the world.

My friend Tom Stokes, one of the able columnists, was good enough to take the substance of what I said and report it in his column which was carried throughout the country.

In response to that article and in response to the statement I made on the floor of the Senate, letters came from a great number of States in the Union, California, New York, Rhode Island, New Jersey, Illinois, Massachusetts, Kansas, Texas, California, and Florida. Among all the letters, telegrams, or other forms of communication I received there has been only one editorial, contained in a Texas newspaper, which took issue with the position I stated briefly on the floor of the Senate at that time.

Mr. President, some of these letters, which come from people throughout the country are unusual. They are among the most intelligently written and constructive letters I have ever received. In my opinion they are fairly typical of the sentiment that now exists throughout the country with respect to the proposed experiment which will take place beginning on July 1 next.

I may also say that in a speech which I delivered in Rhode Island last Saturday evening to the Democrats of that State I spoke at length upon this very question. Every point that was made with respect to the postponement of atomic experiments in the blue waters of the Pacific was heartily applauded by the people who attended that gathering.

Mr. President, it seems to me that this is not the time to have such a grandiose display of atomic power in the Pacific by the Navy or any other agency of our Government. I wish to repeat a little of what I said on Saturday night with respect to this question.

I desire to discuss the United Nations Organization as it relates to the subject matter of the resolution. A commission set up by the UNO has been established for the purpose of studying atomic power, for one reason and one reason only, and that is to see what can be done to keep the world from exploiting atomic power for military purposes. The President of the United States has sent to the Senate the nomination of Bernard Baruch, one of the outstanding men of this Nation, to be a member of that commission. Mr. Baruch is an adviser to Presidents. He is interested in world affairs. In my opinion, the President chose wisely in making this choice. The nomination of Bernard Baruch has not yet been confirmed by the Senate. However, I believe there will be no question about confirmation.

The purpose of this commission is to control atomic power to the extent necessary to assure its use only for peaceful purposes. In this agency lies the hope for the elimination from national armaments of atomic weapons and other major weapons of mass destruction. This is a technical, tedious, and difficult assignment; but I undertake to say that in this machinery lies the hope of humanity for a peaceful and better world.

This commission has been empowered by the United Nations Organization to study atomic power for peaceful purposes, and to eliminate this most destructive force as a deadly weapon for military purposes. At least our representative on the atomic commission ought to have something to say about whether or not he considers this experiment one which is in keeping with the best interests of America and the best interests of a peaceful world.

On the one hand we appoint a commission, and the President submits the nomination of a great man to be a member of that commission, for the purpose of trying to devise some plan to destroy the most deadly weapon that mankind has ever seen. On the other hand, we are considering this great experiment in the Pacific Ocean which tends to promote the very opposite.

My distinguished colleague from Ohio has talked about the advantage of keeping those ships, the advantage of salvaging them for steel, if nothing more. I should like to add this suggestion: If I were a Senator from a State along the seaboard I would be demanding that the Navy use some of the ships to house veterans who served on them during the war, and to provide a decent place for them to live in comfort until the housing situation is corrected. That could be done, Mr. President. Every day we read in the newspapers accounts of the housing shortage, and we receive reports from various committees handling the situation. Everyone knows that the housing situation is one of the most desperate problems now before the American people. Why these ships could not be used, from the tip of Maine to the tip of Florida, and from the tip of Washington to the tip of California, and along the Gulf, where there are housing shortages today, is more than I can understand. Certainly no one will deny that there is a housing shortage. Those ships were good enough for the boys to fight upon in time of war. They ought to be good enough to house them temporarily in time of peace. If the Navy will make the ships available, many hundreds of veterans will be ready to move in, given an opportunity to do so.

The Senator from Ohio has pointed out the psychological effect that this kind of a display would have upon the rest of the world. Let us turn the situation around. Assume for the moment that we had only a big army; that we had no atomic weapons, little or no air power, and no fleet. Assume that some other nation had what we have, and was carrying on a display of this kind in the Pacific or the Atlantic. I undertake to say that there would be plenty of repercussions in the Senate Chamber about an experiment of that kind.

No, Mr. President. We do not understand certain peoples of the world, and certain peoples do not understand us. One of the reasons the United Nations Organization has been created is that there may be a better understanding among the peoples of the world.

I am as sure as that I stand here on the floor of the Senate that little can be

gained by carrying on this experiment. I am certain that at least experiment No. 1 and experiment No. 2 will give the Navy and the scientists little or nothing that is new which they do not now possess.

A moment ago the question was raised by the distinguished Senator from Arkansas [Mr. FULBRIGHT] as to whether the scientists approve this experiment. I have talked with four of the most prominent scientists in this country, and they do not favor it. I do not know what the evidence before the Committee on Naval Affairs shows. I do not know whether that committee took any evidence or not. It may be that there is something in connection with this experiment which is another military or naval secret. I do not know. But even if there is something in the scientific development of atomic power which the Navy thinks we ought to have, it strikes me that this is a poor time to make the experiment, only a few months after VJ-day.

Mr. President, I hope that this resolution and the entire subject will be given the most serious consideration by Members of the Senate. I sincerely trust that the great President of the United States, in whom I have the utmost confidence in matters of this kind, as well as all others in the herculean task which is now before us, will also give this subject the further consideration it deserves.

Under no circumstance do I want to be out of step with an adequate national defense, but at the moment I do not believe that the experiment will make a sufficient contribution to our national defense to justify carrying it out.

Mr. WALSH. Mr. President, certainly no experiment or test of this kind ought to be undertaken without the consent and approval of the President of the United States. I think I should say, in justice to the position which the Committee on Naval Affairs has taken, that the testimony before the committee showed that the Joint Chiefs of Staff, with the approval of the President, planned and arranged for the proposed tests. I certainly was of the opinion, and I believe that every other member of the committee was of the opinion, that the President acquiesced in all the plans and all the steps which have been taken up to date in arranging for this experiment. We would not have reported the House bill had there been the slightest intimation that the President did not approve and consent to the making of the experiment. I see no objection to having the Senate consider the resolution which has been offered by the senior Senator from Illinois [Mr. LUCAS] and the junior Senator from Ohio [Mr. HUFFMAN]; in fact, I think it desirable that the Senate and the President should reflect further upon whether it is wise to proceed with the experiment, and that the Senate should inform the President what its feelings are about the matter.

I wish to have it clearly understood that every step taken up to the present time, until the postponement, was alleged to be and was stated before the committees of the House and Senate to be with the acquiescence of the President. In fact, I heard only within 2 or 3 days that at the Cabinet meeting at which the postponement was declared, the President emphasized the fact that it was simply a postponement.

Mr. HUFFMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Massachusetts yield to the Senator from Ohio?

Mr. WALSH. I yield.

Mr. HUFFMAN. Will the Senator please inform me what is the status in the committee of the bill concerning the use of the ships as targets?

Mr. WALSH. It has been reported from the committee, and is now on the calendar; it has been on the calendar for about 1 week.

Mr. HUFFMAN. Were hearings held on the bill?

Mr. WALSH. Oh, yes; there were full hearings, and they are being printed.

The Navy Department has been strenuously urging the committee to take action, as it expected to undertake the first of the experiments in May. But, insofar as I am concerned, I wish to say that if I had had any intimation whatever that the President would not approve the making of the test or experiment, I would not have supported any legislation looking toward the use of naval vessels for that purpose.

Mr. HUFFMAN. Is the Senator apprised of any reasons for making the experiment, other than those given by the Navy concerning the desire to ascertain the effects of atomic bombs on naval vessels on the surface of the water?

Mr. WALSH. The reasons given were that the experiment was for the purpose of testing the strength and the character and type of the presently built naval vessels, for the purpose and with the intention of being able to determine, through scientific evaluation, what improvements should be made and what new types of material should be used or what designs should be applied in the development of future naval vessels. Furthermore it would help to determine the kind and characteristics of navies of the future.

Let me say, now while I have the floor, that of the number of vessels which were to be used in the test, all of them except nine were surplus or obsolete vessels. Of course, a surplus vessel is one which can be used; but under the present plan of the Navy to reduce the number of naval vessels, there would be some surplus ships which would have to be anchored in some port or harbor where they would be maintained in the so-called caretaker status. The purpose of using six modern submarines in the test was to obtain information as to what should be the nature of the future materials and design in the building of submarines. That was the reason for the plan to use in these tests submarines very recently built. All the other vessels were, as I have said before, surplus or obsolete vessels.

Mr. HUFFMAN. Mr. President, is it not true that all the vessels which were to have been used in the experiment saw active service in the recent war?

Mr. WALSH. Yes—and excellent service, too; and many of them are capable of future service. The only reason for regarding them as obsolete or surplus is that we have such a large number of ships in the Navy that, inasmuch as the Navy is to be reduced to one-third of its wartime size, the one-third to be retained will comprise only the very latest and very best ships. However, that does not mean that a considerable number of the surplus ships are not serviceable and valuable or could not be used in the event of war, or would not be able to be a part of an efficient naval fleet.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WALSH. I am pleased to yield to the Senator from Illinois.

Mr. LUCAS. Let me ask the able chairman of the Naval Affairs Committee a question. Assuming that we were to have an atomic war in the next 5, 10, 15, or 20 years, does the able Senator believe we would ever have a sufficient number of ships under such circumstances?

Mr. WALSH. I think the Navy feels that this experiment would give it an opportunity to learn to what extent the fleet should be scattered and spread out, and also an opportunity to learn that it would be most destructive and ruinous to have the fleet ever again in a compact unit.

Mr. LUCAS. The Senator well knows, does he not, that if one bomb of the type dropped on Hiroshima had been dropped at Pearl Harbor, it would have completely destroyed the fleet at Pearl Harbor?

Mr. WALSH. That is probably correct.

Mr. LUCAS. In other words, two atomic bombs of the type dropped on Hiroshima and Nagasaki would have destroyed both the Pacific Fleet and the Atlantic Fleet, had they been bottled up as the fleet was at Pearl Harbor.

Mr. WALSH. That is probably correct.

Mr. LUCAS. Mr. President, the only question I raise is whether in the event of an atomic war we would have a sufficient number of ships in the Navy. The Senator's statement is exactly correct—namely, that many of the ships are now available for action. As a matter of fact, Admiral Kimmel's flagship at Pearl Harbor was the battleship *Pennsylvania*, I understand; and, of course, it is still ready for use.

Let me ask whether there was any evidence off the record, before the Committee on Naval Affairs as to why the experiment should be made?

Mr. WALSH. Not at all.

Mr. LUCAS. It is all on the record at the present time, is it?

Mr. WALSH. Yes.

Mr. President, I was interested in what the Senator from Illinois said about having the surplus ships reconditioned for housing purposes. I believe he made some observations on that point.

Mr. LUCAS. I did.

Mr. WALSH. I have felt the same way about the matter. I was interested in having the Senator state it publicly,

and I have taken up and discussed with the Navy Department the question of such use of some of the ships.

Mr. LUCAS. I am glad to hear that.

Mr. WALSH. I can see very many reasons why perhaps it may not be practical; but at any rate the question should be studied and thought about, and I wish to commend the Senator for his suggestion.

Mr. President, one thing is certain, namely, that the atomic bomb indicates, because of its force and power and strength, that the fleet of the Navy can never again operate exactly as it has in the past. It will have to be spread out over a much wider area and occupy much more space on the surface of the sea than it ever has in the past.

Mr. LUCAS. It is not necessary to make a test in order to demonstrate that.

Mr. WALSH. That is true.

Mr. LUCAS. Mr. President, I wish to make one other observation before I conclude. I should like to say to the able Senator from Massachusetts that I hope he did not gain from anything I said the impression that I thought the President of the United States was backtracking on anything he has said or had suggested to the Navy. My sole thought in associating myself with the distinguished Senator from Ohio in the submission of the resolution is that the Senate and the country and the President, as well as the Navy, should at least give this matter further serious consideration.

Mr. WALSH. And I approve of it, too. The proposal to make these tests has been under study by the joint Chiefs of Staff for at least 6 months, and exhaustive plans have been worked out by them. I agree that full and complete consideration should be given the wisdom of making this experiment. They claim this has been done, but future reflections in view of any possible international developments and also the importance and value to our armed forces and the world at large, should lead to consideration of every factor involved, including the loss of these vessels. Certainly these ships, which have cost the Government so much—originally about $425,000,000—should not be destroyed unless the President of the United States as Commander in Chief, and the Army and the Navy have overwhelming reasons for permitting it to be done in the interest of the national defense. I believe that the Senator will agree with me.

Mr. HUFFMAN. The ships originally cost, I believe, about $450,000,000.

Mr. LUCAS. A great many Liberty bonds went into the ships.

Mr. HUFFMAN. The Senator from Massachusetts will understand that this resolution was not meant to reach the undersea test which may take place under water at some time in the future.

Mr. WALSH. I have observed that. The Senator applies his resolution only to the surface tests. One test is to be made at a distance of many feet above the surface, while another test is to be made close to the surface, or just under the surface. The third test is to be made completely under the sea.

Mr. HUFFMAN. The third test would be made to determine the force of the bomb under the water, and its effects on submarines.

Mr. WALSH. But if the President should decide to withdraw his recommendation or his support of the first two tests the Senator would be disposed to agree that the third test might be useful and necessary?

Mr. HUFFMAN. I think that question should be left for determination later. I think we are now in a position of passing on the necessity and usefulness of the first two tests.

Mr. WALSH. As I said before, I have no objection to the Senator's resolution being given serious consideration. I, myself, in view of the postponement of the test which the President ordered a short time ago, had intended to communicate with him personally about it. But, within the past 2 or 3 days I talked with Admiral Blandy, who has been diligently planning for months the details of the experiment, and I asked him what was the President's position. He intimated to me that it was simply a question of postponement. However, the resolution opens up the whole subject, and now we may obtain the views of the President and also of Senators.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. LUCAS. I ask the able chairman of the Naval Affairs Committee whether the island near which the test is to be conducted was one of the mandated islands which was controlled by the Japanese?

Mr. WALSH. Yes; one of the Marshall Islands named Bikini.

Mr. LUCAS. Apparently the island was one of the mandated islands under the control of the Japanese and captured by us during the war.

Mr. WALSH. I believe that the testimony was to the effect that approximately 165 persons lived on the island, and that they were to be transported to some other locality.

Mr. LUCAS. What kind of people live on the island?

Mr. WALSH. Natives.

Mr. LUCAS. Are they all natives?

Mr. WALSH. Yes.

Mr. LUCAS. And they have been sent to some other place, I assume?

Mr. WALSH. They would have to be transported to some other locality. They have not as yet been taken off the island.

Mr. LUCAS. It would be quite a test in itself to remove the natives from the island.

Mr. WALSH. It would be, together with other delayed costs, a very expensive test.

Mr. JOHNSON of Colorado. Mr. President, can the Senator tell me approximately how much the United States Government has invested in its Navy, including ships of all kinds? What is the approximate amount?

Mr. WALSH. I cannot answer the Senator's question as of the present date, but I know that about the time we entered the war, the total investment was approximately $20,000,000,000. It has been increased tremendously since, and I would not be surprised if it were now about 35,000,000,000 more.

Mr. JOHNSON of Colorado. And we are still making appropriations and adding to the capital investment which we have already made in the Navy. It would seem to me that it would be only prudent for this Nation to discover to what extent the atomic bomb has made the Navy obsolete, or to what extent the atomic bomb, or any weapon similar to the atomic bomb, affects our investment in the Navy. We should find that out during peacetime, and, even though it would cost a considerable amount of money, it seems to me that it would be a prudent expenditure.

Mr. WALSH. I believe that that is one of the factors which the Chiefs of Staff had in mind in proposing these tests. We want to know what effect the atomic bomb will have when exploded in the vicinity of naval vessels, and to what extent the Navy's plans, methods, and system can be substantially changed in the future.

Mr. JOHNSON of Colorado. It has been contended that surface ships are now obsolete, and that all naval vessels of the future will have to be submarine in character in the event there should be an atomic war. If that be the case, we should discover the fact, and discover it just as quickly as we can. We should make that discovery if we expect to have a Navy which will be in position to withstand any force that is likely to be brought against it.

Mr. WALSH. It is anticipated that the use of atomic bombs will have a very serious effect upon vessels having a large surface above the water. As the Senator suggests, it is possible we may have to come to the building of vessels for underwater use, or for use only slightly above the water.

Mr. LUCAS. Mr. President, does the evidence disclose as to why it will be necessary to use 96 vessels in conducting the proposed tests?

Mr. WALSH. Yes; there are various types of vessels. There are small vessels, large vessels, cruisers, destroyers, and vessels of every type which were constructed at various times in the past, some of which are not what may be called modern. The type of vessels to be used includes, in addition, transports and landing ships of various types.

Mr. HUFFMAN. I ask the Senator if it is not well known what the effect is within a certain proximity of the explosion of the bomb. Has not such knowledge been thoroughly demonstrated in New Mexico, in Hiroshima, and in Nagasaki?

Mr. WALSH. I believe that no tests have been made over and above water, and with respect to ships.

Mr. HUFFMAN. But within a certain distance it is certain that vessels can be destroyed. It is only the perimeter of the effect of the explosion that we are interested in, is it not?

Mr. WALSH. I think no one will know exactly what effect an explosion of this nature will have on ships until tests are made.

Mr. HUFFMAN. Is it not true that if there should be an atomic-bomb war, it would not make much difference how

much of the vessel were below and how much above the water?

Mr. WALSH. There will always have to be some kind of a Navy, whether it is below the surface or above the surface.

Mr. LUCAS. Have any persons volunteered to go on any of these ships in order to see whether or not the atomic bomb will do any damage?

Mr. WALSH. There will be no human beings on these ships when the tests are made. They are all to be anchored at definite distances apart.

Mr. LUCAS. Is it not planned to fill the ships with goats?

Mr. WALSH. Some animals will be on the ships.

Mr. LUCAS. The United States may be the goat after all.

Mr. WALSH. One of the reasons for the test, of course, is to determine the effect of the heat, the gases, and the force of the bomb and the likely effect on living beings.

Mr. GERRY. Mr. President, I believe the Senator has a photograph from Nagasaki which shows that some of the houses withstood the explosion of the atomic bomb. It is somewhat difficult to tell exactly just what the bomb will do and how it will act. As I understand the situation, to supplement, if I may, what the Senator from Massachusetts has said, the various vessels will be used merely for the purpose of enabling the men conducting the experiment to learn the type of vessels which are most affected by the bomb, and also to determine the heat which may be generated.

Mr. WALSH. I repeat, Mr. President, the test should not be undertaken unless it has the support of the Commander in Chief and the Army and Navy, and unless they are convinced it is essential for our future protection and security.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. LANGER. Mr. President, speaking in behalf of the Russell amendment, I ask unanimous consent to have the amendment printed in full at this point in my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment offered by Mr. RUSSELL for himself and other Senators to the amendment of Mr. PEPPER is as follows:

SEC. 201. Section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended, be, and the same is hereby, amended by striking out the following in the first sentence of said section and paragraph, to wit: "and in the case of all commodities for which the base period is the period August 1909 to July 1914, which will also reflect current interest payments per acre on farm indebtedness secured by real estate, tax payments per acre on farm real estate, and freight rates, as contrasted with such interest payments, tax payments, and freight rates during the base period," and inserting the following in lieu thereof: "and, in the case of all commodities, which will also reflect current interest payments per acre on farm indebtedness secured by real estate, tax payments per acre on farm real estate, freight rates, and the cost of all farm labor (on the basis of the national average and including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm, computed for all such labor on the basis of wage rates for hired farm labor), as contrasted with such interest payments, tax payments, freight rates, and costs of all farm labor during the base period."

SEC. 202. The first sentence of paragraph (1) of section 2 of the Agricultural Adjustment Act of 1933, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, approved June 3, 1937, as amended (7 U. S. C., 1941 ed., sec. 602 (1)), be, and the same is hereby, amended by changing the period at the end thereof to a semicolon and by adding the following: "and, in the case of all commodities, which will also reflect the cost of all farm labor (on the basis of the national average and including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm, computed for all such labor on the basis of wage rates for hired farm labor), as contrasted with the costs of all farm labor during the base period."

Mr. LANGER. Mr. President, as I speak here today, I do not speak in behalf of the cotton farmers or the wheat farmers alone, but I speak for every farmer in the United States of America, and I ask at this time that the agricultural planks of both the Democratic Party and the Republican Party for the years 1932, 1936, 1940, and 1944, be printed at this point in my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The matters referred to are as follows:

DEMOCRATIC PLATFORM, 1932

We favor the restoration of agriculture, the Nation's basic industry; better financing of farm mortgages through recognized farm bank agencies at low rates of interest on an amortization plan, giving preference to credits for the redemption of farms and homes sold under foreclosure;

Extension and development of farm cooperative movement and effective control of crop surpluses so that our farmers may have the full benefit of the domestic market.

The enactment of every constitutional measure that will aid the farmers to receive for their basic farm commodities prices in excess of cost.

REPUBLICAN PLATFORM, 1932

AGRICULTURE

Farm distress in America has its root in the enormous expansion of agricultural production during the war, the deflation of 1919, 1920, and the dislocation of markets after the war. There followed, under Republican administrations, a long record of legislation in aid of the cooperative organization of farmers and in providing farm credit. The position of agriculture was gradually improved. In 1928 the Republican Party pledged further measures in aid of agriculture, principally tariff protection for agricultural products and the creation of a Federal Farm Board "clothed with the necessary power to promote the establishment of a farm marketing system of farmer owned and controlled stabilization corporations."

Almost the first official act of President Hoover was the calling of a special session of Congress to redeem these party pledges. They have been redeemed.

The 1930 Tariff Act increased the rates on agricultural products by 30 percent, upon industrial products only 12 percent. That act equalized, so far as legislation can do so, the protection afforded the farmer with the protection afforded industry and prevented a vast flood of cheap wool, grain, livestock, dairy, and other products from entering the American market.

By the Agricultural Marketing Act, the Federal Farm Board was created and armed with broad powers and ample funds. The object of that act, as stated in its preamble, was "To promote the effective merchandising of agricultural commodities in interstate and foreign commerce so that * * * agriculture will be placed on the basis of economic equality with other industries. * * * By encouraging the organization of producers into effective association under their own control * * * and by promoting the establishment of a farm-marketing system of producer-owned and producer-controlled cooperative associations."

The Federal Farm Board, created by the Agricultural Marketing Act, has been compelled to conduct its operations during a period in which all commodity prices, industrial as well as agricultural, have fallen to disastrous levels, a period of decreasing demand and of national calamities such as drought and flood has intensified the problem of agriculture. Nevertheless, after only a little more than 2 years' efforts, the Federal Farm Board has many achievements of merit to its credit. It has increased the membership of cooperative farm-marketing associations to coordinate efforts of the local associations. By cooperation with other Federal agencies, it has made available to farm-marketing associations a large value of credit which in the emergency would not have otherwise been available. Larger quantities of farm products have been handled cooperatively than ever before in the history of the cooperative movement. Grain crops have been sold by the farmer through his association directly upon the world market.

Due to the 1930 Tariff Act and the Agricultural Marketing Act, it can truthfully be stated that the prices received by the American farmer for his wheat, corn, rye, barley, oats, flaxseed, cattle, butter, and many other products, cruelly low though they are, are higher than the prices received by the farmers of any competing nation for the same products.

The Republican Party has also aided the American farmer by relief of the sufferers in the drought-stricken areas, through loans for rehabilitation and through road building to provide employment, by the development of the inland waterway system, by the Perishable Product Act, by the strengthening of the extension system, and by the appropriation of $125,000,000 to recapitalize the Federal land banks and enable them to extend time to worthy borrowers.

The Republican Party pledges itself to the principle of assistance to cooperative marketing associations, owned and controlled by the farmers themselves, through the provisions of the Agricultural Marketing Act, which will be promptly amended or modified as experience shows to be necessary to accomplish the objects set forth in the preamble of that act.

Tariff and the Marketing Act: The party pledges itself to make such revision of tariff schedules as economic changes require to maintain the parity of protection to agriculture with other industry.

The American farmer is entitled not only to tariff schedules on his products but to protection from substitutes therefor.

We will support any plan which will help to balance production against demand, and thereby raise agricultural prices, provided it is economically sound, and administratively workable without burdensome bureaucracy.

The burden of taxation borne by the owners of farm land constitutes one of the major problems of agriculture. President

Hoover has aptly and truly said: "Taxes upon real property are easiest to enforce and are the least flexible of all taxes. The tendency under pressure of need is to continue these taxes unchanged in times of depression, despite the decrease in the owner's income. Decreasing price and decreasing income results in an increasing burden upon property owners * * * which is now becoming almost unbearable. The tax burden upon real estate is wholly out of proportion to that upon other forms of property and income. There is no farm relief more needed today than tax relief."

The time has come for a reconsideration of our tax systems, Federal, State, and local, with a view to developing a better coordination, reducing duplication, and relieving unjust burdens. The Republican Party pledges itself to this end.

More than all else, we point to the fact that, in the administration of executive departments, and in every plan of the President for the coordination of national effort and for strengthening our financial structure, for expanding credit, for rebuilding the rural credit system and laying the foundations for better prices, the President has insisted upon the interest of the American farmer.

The fundamental problem of American agriculture is the control of production to such volume as will balance supply with demand. In the solution of this problem the cooperative organization of farmers to plan production, and the tariff to hold the home market for American farmers, are vital elements. A third element equally as vital is the control of the acreage of land under cultivation as an aid to the efforts of the farmer to balance production.

We favor a national policy of land utilization which looks to national needs, such as the administration has already begun to formulate. Such a policy must foster reorganization of taxing units in areas beset by tax delinquency and divert lands that are submarginal for crop production to other uses. The national welfare plainly can be served by the acquisition of submarginal lands for watershed protection, grazing, forestry, public parks, and game reserves. We favor such acquisitions.

DEMOCRATIC PLATFORM, 1936

AGRICULTURE

We have taken the farmers off the road to ruin.

We have kept our pledge to agriculture to use all available means to raise farm income toward its prewar purchasing power. The farmer is no longer suffering from 15-cent corn, 3-cent hogs, 2½-cent beef at the farm, 5-cent wool, 30-cent wheat, 5-cent cotton, and 3-cent sugar.

By Federal legislation we have reduced the farmers' indebtedness and doubled his net income. In cooperation with the States and through the farmers' own committees, we are restoring the fertility of his land and checking the erosion of his soil. We are bringing electricity and good roads to his home.

We will continue to improve the soil-conservation and domestic-allotment program with payments to farmers.

We will continue a fair-minded administration of agricultural laws, quick to recognize and meet new problems and conditions. We recognize the gravity of the evils of farm tenancy, and we pledge the full cooperation of the Government in the refinancing of farm indebtedness at the lowest possible rates of interest and over a long term of years.

We favor the production of all the market will absorb, both at home and abroad, plus a reserve supply sufficient to insure fair prices to consumers; we favor judicious commodity loans on seasonal surpluses; and we favor assistance within Federal authority to enable farmers to adjust and balance production with demand, at a fair profit to the farmers.

We favor encouragement of sound, practical farm cooperatives.

By the purchase and retirement of 10,000,000 acres of submarginal land, and assistance to those attempting to eke out an existence upon it, we have made a good beginning toward proper land use and rural rehabilitation.

The farmer has been returned to the road to freedom and prosperity. We will keep him on that road.

REPUBLICAN PLATFORM, 1936

AGRICULTURE

The farm problem is an economic and social, not a partisan, problem, and we propose to treat it accordingly. Following the wreck of the restrictive and coercive AAA, the New Deal administration has taken to itself the principles of the Republican policy of soil conservation and land retirement. This action opens the way for a nonpolitical and permanent solution. Such a solution cannot be had under a New Deal administration which misuses the program to serve partisan ends, to promote scarcity and to limit by coercive methods the farmer's control over his own farm.

Our paramount object is to protect and foster the family type of farm, traditional in American life, and to promote policies which will bring about an adjustment of agriculture to meet the needs of domestic and foreign markets. As an emergency measure, during the agricultural depression, Federal benefit payments or grants-in-aid when administered within the means of the Federal Government are consistent with a balanced budget.

We propose—

1. To facilitate economical production and increased consumption on a basis of abundance instead of scarcity.

2. A national land-use program, including the acquisition of abandoned and nonproductive farm land by voluntary sale or lease, subject to approval of the legislative and executive branches of the States concerned, and the devotion of such land to appropriate public use, such as watershed protection and flood prevention, reforestation, recreation, and conservation of wildlife.

3. That an agricultural policy be pursued for the protection and restoration of the land resources, designed to bring about such a balance between soil-building and soil-depleting crops as will permanently insure productivity, with reasonable benefits to cooperating farmers on family-type farms, but so regulated as to eliminate the New Deal's destructive policy toward the dairy and livestock industries.

4. To extend experimental aid to farmers developing new crops suited to our soil and climate.

5. To promote the industrial use of farm products by applied science.

6. To protect the American farmer against the importation of all livestock, dairy, and agricultural products, substitutes therefor, and derivatives therefrom, which will depress American farm prices.

7. To provide effective quarantine against imported livestock, dairy, and other farm products from countries which do not impose health and sanitary regulations fully equal to those required of our own producers.

8. To provide for ample farm credit at rates as low as those enjoyed by other industries, including commodity and livestock loans, and preference in land loans to the farmer acquiring or refinancing a farm as a home.

9. To provide for decentralized, nonpartisan control of the Farm Credit Administration and the election by national farm loan associations of at least one-half of each board of directors of the Federal land banks, and thereby remove these institutions from politics.

10. To provide in the case of agricultural products of which there are exportable surpluses the payment of reasonable benefits upon the domestically consumed portion of such crops in order to make the tariff effective. These payments are to be limited to the production level of the family-type farm.

11. To encourage and further develop cooperative marketing.

12. To furnish Government assistance in disposing of surpluses in foreign trade by bargaining for foreign markets selectively by countries both as to exports and imports. We strenuously oppose so-called reciprocal treaties which trade off the American farmer.

13. To give every reasonable assistance to producers in areas suffering from temporary disaster, so that they may regain and maintain a self-supporting status.

DEMOCRATIC PLATFORM, 1940

THE LAND AND THE FARMER

The well-being of the land and those who work upon it is basic to the real defense and security of America.

The Republican Party gives its promises to the farmer and its allegiance to those who exploit him.

Since 1932, farm income has been doubled; 6,000,000 farmers, representing more than 80 percent of all farm families, have participated in an effective soil-conservation program; the farm debt and the interest rate on farm debt have been reduced, and farm foreclosures have been drastically curtailed; rural highways and farm-to-market roads have been vastly improved and extended; the surpluses on the farms have been used to fed the needy; low-cost electricity has been brought to 5,000,000 farm people as a result of the rural electrification program; thousands of impoverished farm families have been rehabilitated; and steps have been taken to stop the alarming growth of farm tenancy, to increase land ownership, and to mitigate the hardships of migratory farm labor.

We pledge ourselves:

To make parity as well as soil-conservation payments until such time as the goal of parity income for agriculture is realized.

To extend and enlarge the tenant-purchase program until every deserving tenant farmer has a real opportunity to have a farm of his own.

To refinance existing farm debts at lower interest rates and on longer and more flexible terms.

To continue to provide for adjustment of production through democratic processes to the extent that excess surpluses are capable of control.

To continue the program of rehabilitation of farmers who need and merit aid.

To preserve and strengthen the ever-normal granary on behalf of the national defense, the consumer at home and abroad, and the American farmer.

To continue to make commodity loans to maintain the ever-normal granary and to prevent destructively low prices.

To expand the domestic consumption of our surpluses by the food and cotton stamp plan, the free school lunch, low-cost milk, and other plans for bringing surplus farm commodities to needy consumers.

To continue our substantially increased appropriations for research and extension work through the land-grant colleges, and for research laboratories established to develop new outlets for farm products.

To conserve the soil and water resources for the benefit of farmers and the Nation. In such conservation programs we shall, so far as practicable, bring about that development in forests and other permanent crops as will not unduly expand livestock and dairy production.

To safeguard the farmer's foreign markets and expand his domestic market for all domestic crops.

To enlarge the rural electrification program.

To encourage farmer owned and controlled cooperatives.

To continue the broad program launched by this administration for the coordinated development of our river basins through reclamation and irrigation, flood control, reforestation and soil conservation, stream purification, recreation, fish and game protection, low-cost power, and rural industry.

To encourage marketing agreements in aid of producers of dairy products, vegetables, fruits, and specialty crops for the purpose of orderly marketing and the avoidance of unfair and wasteful practices.

To extend crop insurance from wheat to other crops as rapidly as experience justifies such extension.

To safeguard the family-sized farm in all our programs.

To finance these programs adequately in order that they may be effective.

In settling new lands reclaimed from desert by projects like Grand Coulee, we shall give priority to homeless families who have lost their farms. As these new lands are brought into use, we shall continue by Federal purchase to retire from the plow submarginal lands so that an increased percentage of our farmers may be able to live and work on good land.

These programs will continue to be in the hands of locally elected farmer committees to the largest extent possible. In this truly democratic way, we will continue to bring economic security to the farmer and his family, while recognizing the dignity and freedom of American farm life.

REPUBLICAN PLATFORM, 1940

AGRICULTURE

A prosperous and stable agriculture is the foundation of our economic structure. Its preservation is a national and nonpolitical social problem not yet solved, despite many attempts. The farmer is entitled to a profit price for his products. The Republican Party will put into effect such governmental policies, temporary and permanent, as will establish and maintain an equitable balance between labor, industry, and agriculture by expanding industrial and business activity, eliminating unemployment, lowering production costs, thereby creating increased consumer buying power for agricultural products.

Until this balance has been attained, we propose to provide benefit payments, based upon a widely applied, constructive soil-conservation program free from Government-dominated production control, but administered, as far as practicable, by farmers themselves; to restrict the major benefits of these payments to operators of family-type farms; to continue all present benefit payments until our program becomes operative; and to eliminate the present extensive and costly bureaucratic interference.

We shall provide incentive payments, when necessary, to encourage increased production of agricultural commodities, adaptable to our soil and climate, not now produced in sufficient quantities for our home markets, and will stimulate the use and processing of all farm products in industry as raw materials.

We shall promote a cooperative system of adequate farm credit, at lowest interest rates commensurate with the cost of money, supervised by an independent governmental agency, with ultimate farmer ownership and control; farm-commodity loans to facilitate orderly marketing and stabilize farm income; the expansion of sound, farmer-owned and farmer-controlled cooperative associations; and the support of educational and extension programs to achieve more efficient production and marketing.

We shall foster Government refinancing, where necessary, of the heavy Federal farm debt load through an agency segregated from cooperative credit.

We shall promote a national land-use program for Federal acquisition, without dislocation of local tax returns, of nonproductive farm lands by voluntary sale or lease, subject to approval of the States concerned; and the disposition of such lands to appropriate public uses, including watershed protection and flood prevention, reforestation, recreation, erosion control, and the conservation of wildlife.

We advocate a foreign trade policy which will end one-man tariff making, afford effective protection to farm products, regain our export markets, and assure an American price level for the domestically consumed portion of our export crops.

We favor effective quarantine against imported livestock, dairy, and other farm products from countries which do not impose health and sanitary standards equal to our own domestic standards.

We approve the orderly development of reclamation and irrigation, project by project and as conditions justify.

We promise adequate assistance to rural communities suffering disasters from flood, drought, and other natural causes.

We shall promote stabilization of agricultural income through intelligent management of accumulated surpluses, and through the development of outlets by supplying those in need at home and abroad.

DEMOCRATIC PLATFORM, 1944

We offer these postwar programs:

Price guaranties and crop insurance to farmers, with all practical steps:

To keep agriculture on a parity with industry and labor.

To foster the success of the small independent farmer.

To aid the home ownership of family-sized farms.

To extend rural electrification and develop broader domestic and foreign markets for agricultural products.

Adequate compensation for workers during demobilization.

The enactment of such additional humanitarian, labor, social, and farm legislation as time and experience may require, including the amendment or repeal of any law enacted in recent years which has failed to accomplish its purpose.

REPUBLICAN PLATFORM, 1944

AGRICULTURE

We commend the American farmers, their wives and families for their magnificent job of wartime production and their contribution to the war effort, without which victory could not be assured. They have accomplished this in spite of labor shortages, a bungled and inexcusable machinery program and confused, unreliable, impractical price and production administration.

Abundant production is the best security against inflation. Governmental policies in war and in peace must be practical and efficient with freedom from regimentation by an impractical Washington bureaucracy in order to assure independence of operation and bountiful production, fair and equitable market prices for farm products, and a sound program for conservation and use of our soil and natural resources. Educational progress and the social and economic stability and well-being of the farm family must be a prime national purpose.

For the establishment of such a program we propose the following:

1. A Department of Agriculture under practical and experienced administration free from regimentation and confusing Government manipulation and control of farm programs.

2. An American market price to the American farmer and the protection of such price by means of support prices, commodity loans, or a combination thereof, together with such other economic means as will assure an income to agriculture that is fair and equitable in comparison with labor, business, and industry. We oppose subsidies as a substitute for fair markets.

3. Disposition of surplus war commodities in an orderly manner without destroying markets or continued production and without benefit to speculative profiteers.

4. The control and disposition of future surpluses by means of (a) new uses developed through constant research, (b) vigorous development of foreign markets, (c) efficient domestic distribution to meet all domestic requirements, and (d) arrangements which will enable farmers to make necessary adjustments in production of any given basic crop only if domestic surpluses should become abnormal and exceed manageable proportions.

5. Intensified research to discover new crops, and new and profitable uses for existing crops.

6. Support of the principle of bona fide farmer-owned and farmer-operated cooperatives.

7. Consolidation of all Government farm credit under a nonpartisan board.

8. To make life more attractive on the family-type farm through development of rural roads, sound extension of rural electrification service to the farm and elimination of basic evils of tenancy whenever they exist.

9. Serious study of and search for a sound program of crop insurance with emphasis upon establishing a self-supporting program.

10. A comprehensive program of soil, forest, water, and wildlife conservation and development, and sound irrigation projects, administered as far as possible at State and regional levels.

Mr. LANGER. Mr. President, referring particularly to the year 1944, I call the attention of the Senate to the agricultural plank in the Democratic platform of that year. When they were looking for the farmers' votes, Mr. President, the Democrats said:

We offer as a part of the postwar program to keep agriculture on a parity with industry and labor.

The Republican Party, when they were looking for the farmers' votes in 1944, said this:

An American market price to the American farmer and the protection of such price by means of support prices, commodity loans, or a combination thereof, together with such other economic means as will insure an income to agriculture that is fair and equitable in comparison with labor, business, and industry. We oppose subsidies as a substitute for fair markets.

In other words, Mr. President, both parties declared for parity—as was stated by the Democratic platform specifically, "to keep agriculture on a parity with industry and labor."

Within only the last few weeks, we have seen labor getting a needed and earned increase in the amount of wages they take home each week. Every Senator on this floor knows that industry has made more money during the last 4 years than ever before in our history. But what is the plight of the farmer? In the Northwest, if it had not been for the fact that we had a superabundance of rain, thousands upon thousands of farmers would be in virtual bankruptcy.

Compare the prices the farmer received during World War II with those

he got during the last war. I well remember the distinguished senior Senator from Minnesota [Mr. SHIPSTEAD] rising on this floor one day and comparing the prices. During the last war North Dakota farmers were getting $2.26 a bushel for their wheat. The price of everything the farmer has to buy, especially farm machinery, has gone higher and higher and higher since World War I. From the day World War I closed farm machinery has never gone down in its index one single percent. It has continuously gone up and up and up and up, and today if a farmer in Minnesota or Montana or North or South Dakota—of those States I speak of my own knowledge, and I presume the statement is true as to every other State—wants to buy a second-hand drill he pays more for it than he paid for a new drill before World War II started. I believe that is true as to every piece of machinery used on a farm.

Wages have risen. A farmer cannot get rubber for his machinery, because, due to the incompetency and stupidity of those to whom we trusted the agricultural policies of America, the available rubber has been shipped all over the world. Although we knew back in 1938, according to the report of Henry Wallace, Secretary of Agriculture, that every country under the sun except the United States had synthetic rubber, yet nothing was done to get it for the people of the United States of America.

Mr. SHIPSTEAD. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. SHIPSTEAD. I wish the Senator would explain that the reason why Wallace would not let the American businessman or manufacturer make rubber was that, according to him, we had to buy it from the monopoly controlled by the British and Dutch in the East Indies. We had to protect their markets and their monopoly, and buy their rubber, instead of preparing it ourselves for our own people. That was the reason.

Mr. LANGER. That is what he said at that time and that is what he said, roughly, about a year and a half ago. As I understand, that is still his position today, as Secretary of Commerce.

Mr. SHIPSTEAD. Will the Senator yield further?

Mr. LANGER. I yield.

Mr. SHIPSTEAD. Of course, the rubber from the East Indies is produced by natives who live in economic slavery, who work for from 40 cents to $1.20 a week on the rubber plantations of the monopolistic Dutch and British owners. In the United States, with free labor and high wage rates, we could make artificial rubber in competition with that slave-made rubber, and save money to the American people; and we could also get production.

Mr. LANGER. Further than that, we could use our farm surplus, if we had any, in the manufacture of the alcohol which would be used in the manufacture of rubber. Although Mr. Wallace was Secretary of Agriculture, he never lifted even his little finger to help the farmers of the United States realize that ambition.

What about lumber, Mr. President? The farmers of the United States cannot get sufficient lumber to build a chicken coop; they cannot get sufficient lumber to repair their granaries; they cannot get shingles to put on the roofs of some of their badly leaking barns. But, Mr. President, within the last few months, a billion feet of lumber was shipped to Mexico, and other foreign countries, and, indeed, shipped all over the world.

We have here an amendment which, if adopted, will raise the price of wheat to only $2.10 a bushel, whereas in the last war, as I stated before, the farmers were getting $2.26 a bushel in Minneapolis. Yet we find Senators rising on this floor and saying they are friends of the farmers. The distinguished junior Senator from New York [Mr. MEAD] rose on the Senate floor an hour or so ago and said he was for the farmer—my goodness, how he loved him!—but he said this amendment should be referred to the Committee on Agriculture and Forestry for further study. As the distinguished Senator from Georgia said, twice the Committee on Agriculture and Forestry has considered this identical proposal, and twice only two members of that committee voted against it. Yet today, instead of our doing something to help the farmers of this country, we find Senators saying they want to refer the Russell amendment back to the Committee on Agriculture and Forestry for further study.

Mr. RUSSELL. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. RUSSELL. The Senator has spoken of the rise in cost to the farmer of the commodities he uses. I merely wish to read a brief statement from the report of the House committee which reported the Pace bill:

> The Farm Labor Report of the Department of Agriculture of October 12, 1945, states:
>
> "Wage rates were 345 percent of the 1909–14 average on October 1. Farm wage rates this year on October 1 were about 10 percent above those of a year earlier."
>
> And not one penny of this increase is now taken into account in figuring parity prices. This bill would require that this difference or increase be included in calculating parity prices. Certainly the purchasing power of farm commodities at parity prices is not maintained at the equivalent of the base period if the farmer must pay three and a half times as much for farm wages as he paid during the base period * * *.
>
> For example: The parity price of butterfat during the base period was 26 cents per pound. Entering into the cost of producing butterfat at that time was a farm wage rate on an average of $1.42 per day.

That was in the base period.

> But to produce the same butterfat on October 1, 1945, the dairy farmer was paying an average wage of $4.39 per day, and many are paying considerably more.

This question is asked:

> Can any fair-minded person contend that the dairy farmer is not entitled to have included, in calculating the parity price of his butterfat, this increase in the farm wage rate?

That is in addition to the other commodities the Senator from North Dakota has been discussing; and I am sure he will agree with me that the percentage of increase in cost of production is almost as great, if not as great, for every other farm commodity.

Mr. LANGER. I thank the Senator from Georgia. I might add, Mr. President, that I believe the people engaged in other businesses than farming ought to be entirely willing to have included in the parity price for the farmer what the Russell amendment provides, namely, the wages of hired workers, and farm operators, and members of families of farm operators engaged in work on the farm.

Mr. President, what has been the result of the position taken by the Department of Agriculture for the last 12 or 14 years? One of the Secretaries of Agriculture used to take great delight in quoting the Bible. Even in Biblical times people knew enough to store products so that in time of need there would be food available. But what do we find today? This morning's Washington Post contains a letter written by Henry C. Taylor, who enclosed a letter from Karl Brandt, who is the economic adviser to the United States Army stationed in Germany, whose letter is also printed in this morning's Washington Post. That letter is from the one who is more expert than anyone else in the world on this subject. I read as follows under the heading "Famine in Germany":

> The following letter to me from Dr. Karl Brandt is self-explanatory. He is stationed in Berlin, Germany, with the Office of Military Government, United States Food and Agriculture Branch. The facts in his letter may not be new to you. To me they are appalling. As a citizen of the United States, I cannot refrain from sending you a copy. I hope you will bring your great influence to bear with a view to getting immediate action to meet this critical situation.
>
> HENRY C. TAYLOR.
>
> WASHINGTON, *March 26.*

I will now read the letter printed below that, written by Karl Brandt, the expert on food for the United States Army stationed today in Germany. He writes as follows:

> The greatest famine catastrophe of recent centuries is upon us in central Europe. Our Government is letting down our military government in the food deliveries it promised, although what Generals Clay, Draper, and Hester asked for and were promised was the barest minimum for survival of the people. We will be forced to reduce the rations from 1,550 calories to 1,000 or less calories.
>
> The few buds of democracy will be burned out in the agony of death of the aged, the women, and children.

What has become of those beautiful words we heard from the late President of the United States of America who said:

> The war is not against the German people. The war is against Hitler and his satellites.

But who are starving in Germany today, Mr. President? The economic adviser to our Army in Germany says it is the aged and the women and children. I have on my desk, if any Senator cares to look at them, pictures showing some results of starvation now prevalent in Germany, Austria, and Poland.

I continue to read from Karl Brandt's letter:

The British and we are going on record as the ones who let the Germans starve. The Russians will release at the height of the famine substantial food stores they have locked up (300,000 to 400,000 tons of sugar, large quantities of potatoes).

The same Russians, Mr. President, who were receiving lend-lease year after year after year from us. This food expert attaché to our Army continues:

Aside from the inhumanity involved, it is so criminally stupid to give such a performance of incredible fumbling before the eyes of the world. It makes all the many hard-working officers of Office of Military Government, Food and Agriculture Branch, ashamed.

KARL BRANDT.

BERLIN, GERMANY, *March 18*.

Ashamed, Mr. President. And that is said not by a Russian, not by a German, or Austrian, or a Pole, but by the food adviser to the United States Army itself, Mr. Karl Brandt.

As I said before, Mr. President, one of the greatest crises ever to confront America and humanity now faces us. I can conceive of no more cowardly or ignoble service to posterity than that men, by their silence, should permit the present catastrophe to continue unchallenged and unchecked.

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER (Mr. MURDOCK in the chair). Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. LANGER. I do.

Mr. SHIPSTEAD. The Senator will remember, and I think it ought to be recorded, that the plan was agreed to at Potsdam by the powers who have divided the world that the grabber who grabs shall keep what he grabs. Starvation and famine exist not only in Germany and central Europe but also throughout the occupied countries such as Poland and the Balkan states, and it was planned that way.

Mr. LANGER. That is correct.

Mr. EASTLAND. Mr. President, will the Senator from North Dakota yield for a question?

Mr. LANGER. I yield to the Senator from Mississippi.

Mr. EASTLAND. I should like to tell the distinguished Senator from North Dakota that I personally know Dr. Karl Brandt. He is one of the most intelligent and one of the finest gentlemen I have ever known. From what I know of the situation the picture he paints is accurate. There is mass starvation, and, solely as a result of the policies of our Government, women and helpless little babies are starving. The distinguished Senator knows that no real attempt is being made today to get and ship food into Europe. We have surplus foods in this country, but there is no effort made to send the food abroad, where it is so urgently needed. I know that the control commission is withholding food at this time. Does the distinguished Senator know that the agreements reached in the city of Berlin, by which over 50 percent of all German industry will be shipped out of the country, will result in a permanent standard of living of 2,000 calories a day, which simply means starvation in the future unless this country contributes relief?

Mr. LANGER. I have been following the situation rather closely and I thank the Senator for his statement. I remember the distinguished senior Senator from Wisconsin [Mr. LA FOLLETTE], the junior Senator from Nebraska [Mr. WHERRY], and the distinguished Senator from Mississippi [Mr. EASTLAND] called upon the President and discussed the matter with him. I remember when the senior Senator from Michigan stood upon the floor of the Senate with tears in his eyes and presented a petition signed by 8,000 citizens of Michigan, begging our State Department to permit people in this country to send food to their relatives in Germany and Poland and Rumania and Austria, and that the State Department refused that plea, as it has refused others up to a few months ago.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. EASTLAND. The Senator knows that in Europe the soils cannot produce anything without fertilizer, and that we are not only refusing to contribute the necessary food to save human life there but we refuse to permit the people of central Europe to help themselves. Their nitrate and other fertilizer plants are shut down by force of arms, and we refuse to permit them to be reopened, which not only now but in the future will mean mass starvation and great human suffering, and those are policies of our Government under the control of Mr. Baruch and Mr. Sidney Hillman and Mr. Morgenthau.

Mr. LANGER. I thank the Senator.

I say further, Mr. President, that men cannot possibly build a world fit for human habitation on the foundation of human misery and human degradation now being laid in Europe and in Asia by the major powers who were victorious in this war.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. SHIPSTEAD. I call attention to the fact, of which I am sure the Senator from North Dakota and other Senators are not unaware, that the conditions which prevail and which are increasing manyfold the misery of the people of Europe are the proper ground for planting the seed of the Communist theory throughout all of central Europe.

Mr. LANGER. Mr. President, this great human tragedy now confronting us holds in its horrible embrace every group, race, and nationality represented in the vast cross section of the peoples of the world who now constitute the backbone of America. What many Americans cannot yet understand is that we are all in the same boat together.

The tragedy confronting us is no respecter of persons. For instance, the minority which has suffered most under Nazi persecution is now crying aloud for redress and for help in the midst of this new catastrophe. On February 25, Mr. Bernard Baruch described the plight of European Jewry in the following words:

Added to their physical suffering is their mental anguish, for they have become the unwanted, driven from place to place, welcomed nowhere. Constant fear presses them to move on somewhere—somehow—anywhere away from the persecutions existing even now. They do not want to go back to the countries they left because there robbery, riot, and even murder stalk the land.

On January 4, Mr. Reuben Resnik, director in Italy of the American Jewish Joint Distribution Committee, stated that:

European Jews, being sheltered in centers for displaced persons in Austria and Italy, are physically under par, emotionally broken, and economically in an utter state of deprivation.

In speaking of the vast numbers of deportees, including Jews, who are reaching these displaced-persons camps in Austria and Italy, Mr. Resnik said:

When the people from Poland and the Balkans arrive in Italy they are in a bad state. There is no question that they are undernourished, and seriously undernourished. Many are without teeth. Others are tubercular. Still others lack even the funds to buy shoes, and have walked to the camps barefooted.

On January 21, Mr. David Brill, leader of the Vienna Jewish community in Austria, said:

The few Jews who survived Hitler's massacres here have been utterly disappointed in their hope that the dawn of freedom would now come for them.

On January 23, Mr. Michael G. Tress, president of the Agudath Israel Youth Council of America, returning from Europe after a month and a half abroad under UNRRA auspices, made just such a sorry admission when on January 23 he stated that—

The Jews, while they might in time make a way of life in Rumania, Hungary, and Czechoslovakia * * * fear the Russian orbit terribly.

Mr. President, Catholic, Protestant, Jew alike are caught in this vast maelstrom of human suffering. Representatives and nationals of every country in Europe including the infants, the helpless women and children, and the aged are suffering the same threat of hunger, disease, and starvation. The disintegration of human society has cut across all racial and religious lines; it has cut across all boundaries of distinction between the strong and the weak, the ex-enemy and the ally, and the guilty and the innocent alike.

Has not the time come for America to rise to this occasion and deal with a problem that staggers the combined resources of cultured and Christianized civilization as a problem of humanity as a whole? Any attempt to continue discrimination, favoritism, and special categories of treatment in the midst of such chaos is a betrayal of our common humanity. Nothing but mobs which are "human varieties of nuclear disintegration", can emerge as inevitable threats to the future peace of the civilized world, if our vision and courage are not now great enough to embrace this task before us in the spirit of human brotherhood.

A second issue confronting us is whether, in this hour of humanity's crying need, we are to attempt the rebuilding of a world society on the basis of

cooperation directed toward the alleviation of this terrifying suffering and the remedying of its cause. At this moment the same blind fanaticism and hatred that have been largely responsible for our present calamity are doing everything in their power further to estrange many nations of the world which are both anxious and able to make great contributions toward the alleviation of the world's distress. Spain has just opened her borders to thousands of Jewish children and is willing and able to do more. Sweden has just announced that she is opening her borders to provide sanctuary for thousands of Polish Jews and their children who are fleeing Poland. Switzerland, which has just been compelled by the United States Government to round up and expel all German Nationals from her borders, whether violent anti-Nazis or not, has a vast reservoir of devotion to international law and centuries of sanity in dealing with the complex European problems which the victor powers in this war can ill afford to keep dammed up behind a fanatical policy of hatred and vengeance. The Argentine, one of the great food-producing centers of the world, is desperately needed in this terrifying international fight against disease and famine with which we are confronted.

Can anyone conceive of a more heroic task or of a greater challenge to the statesmen of the world than that at this hour of the world's anguish the nations of the earth should prove in practice their many professions of desire for a peace based on mutual cooperation?

A third issue involved in this crisis is the question whether blind hatred of man against man, group against group, and nation against nation, is to strengthen the forces of nationalism and spread the disease of a perverted racialism already loosed across the world. Has not the time come for America to revive that spirit which is rooted in a deep and abiding faith in the moral law operating in a moral universe? Whether we like it or not, the most divisive and destructive force in the world, and the deepest root of tyranny, is hatred.

If the American people and the American Government do not tear out by the roots the hatred that has already so far eaten into their attitudes toward their fellow men, we shall awaken in the not far distant future to the terrible fact that we too have become conquered by the spirit of hatred, cruelty, and racial intolerance which made Hitler what he was. Hatred always fights against something, but hatred can never create anything worth fighting for. America must continue to struggle for a world fit for freemen both at home and abroad. If we are not to lose the fight we must rebuild our whole relationship with other nations and peoples on the foundation of tolerance, friendship, and a respect for the spiritual unity of purpose that binds the human family together.

The report of the Rockefeller Foundation for 1941 describes the kind of a world in which America alone can endure:

> Whether we wish it or not, an indelible pattern of unity has been woven into the society of mankind. There is not an area of activity in which this cannot be illustrated. An American soldier wounded on a battlefield in the Far East owes his life to the Japanese scientist, Kitasato, who isolated the germ of tetanus. A Russian soldier saved by a blood transfusion is indebted to Lansteiner, an Austrian. A German soldier is shielded from typhoid fever with the help of a Russian, Metchnikoff. A Dutch marine in the East Indies is protected from malaria because a Frenchman, Pasteur, and a German, Koch, elaborated a new technique * * * In peace as well as in war we are all of us the beneficiaries of contributions to knowledge made by every nation in the world. Our children are guarded from diphtheria by what a Japanese and a German did; they are protected from smallpox by an Englishman's work; they are saved from rabies because of a Frenchman; they are cured of pellagra through the researches of an Austrian. From birth to death they are surrounded by an invisible host—the spirits of men who never thought in terms of flags or boundary lines and who never served a lesser loyalty than the welfare of mankind. * * * Ideas cannot be hedged in behind geographical barriers. Thought cannot be nationalized. * * * The things that divide us are trivial compared with the things that unite us.

The fourth issue, Mr. President, I wish to deal with at greater length because it involves the whole future of our integrity as a law-abiding, self-respecting, liberty-loving people. Our national honor is now at stake in this crisis.

On October 21, 1944, the late President Franklin D. Roosevelt, in a speech before the Foreign Policy Association of New York City, made the following statement on the German question:

> As for Germany, that tragic nation, which has sown the wind and is now reaping the whirlwind, we and our allies are entirely agreed that we shall not bargain with the Nazi conspirators or leave them a shred of control—open or secret—of the instruments of government. We shall not leave them a single element of military power or a potential military power. But I should be false to the very foundations of my religious and political convictions if I should ever relinquish the hope, or even the faith, that in all peoples, without exception, lives some instinct for truth, some attraction toward justice, some passion for peace, buried as it may be, in the German case, under a brutal regime.
>
> We bring no charge against the German race as such, for we cannot believe that God has eternally condemned any race of humanity. We know, in our own land, how many good men and women of German ancestors have proved loyal, freedom-loving, and peace-loving citizens.
>
> But there is going to be stern punishment for all those in Germany directly responsible for this agony of mankind.
>
> The German people are not going to be enslaved, because the United Nations do not traffic in human slavery.

I wonder if our dead President is not turning over in his grave as he sees what is now going on in the world, when millions of men, women, and children are being enslaved.

President Roosevelt continued:

> But it will be necessary for them to earn their way back into the fellowship of peace-loving and law-abiding nations. And in their climb up that steep road we shall see to it that they are not encumbered by having to carry guns.

That statement by President Roosevelt could hardly have been made in a more deliberate and solemn manner. He set the statement apart from the body of his speech by prefacing it with the words, "To digress a moment." He made the statement out of "the very foundations of" his "religious and political convictions."

That statement was accepted, on the whole, by the American people. It was accepted by the GI's and the Wacs. It was accepted by the men and women of America who bought war bonds. It was found to be in harmony with their determination to prevent the initiation of another war on German soil and also with their traditional concern for humane principles, because, Mr. President, that is what the American people stand for.

Mr. President, those solemn promises have been further reinforced by the following statements of intent. On October 27, 1945, in the Nation, Mr. Leon Henderson quoted from a letter written by President Roosevelt to Secretary of War Stimson, as follows:

> It is of utmost importance that every person in Germany should realize that this time Germany is a defeated nation. I do not want them to starve to death, but, as an example, if they need food to keep body and soul beyond what they have, they should be fed three times a day with soup from Army soup kitchens. That will keep them perfectly healthy, and they will remember that experience all their lives.

Mr. President, they are not being fed three times a day. I hold in my hand pictures of what is happening to the men, women, and children in the conquered countries of Europe.

As the distinguished senior Senator from Minnesota [Mr. SHIPSTEAD] said a few moments ago, the Potsdam declaration, signed by the heads of state of the three great victor powers, contains the following solemn declaration:

> It is not the intention of the Allies to destroy or enslave the German people. It is the intention of the Allies that the German people be given the opportunity to prepare for the eventual reconstruction of their life on a democratic and peaceful basis.

In an indictment drawn up against the Nazi leaders who sit now in the dock at Nuremberg, a special section is devoted to Nazi crimes against humanity. But, again, even the indictment of Mr. Justice Jackson specifically denies the universal guilt of the German people for those crimes. According to Mr. Jackson—

> We have no purpose to incriminate the whole German people. We know the Nazi Party was not put in power by a majority of the German vote. We know it came to power by an evil alliance between * * * extreme Nazi revolutionists and the most aggressive German militarists.

Yet, Mr. President, those statements of principle and purpose have been and continue to be violently and cynically reversed. On every hand, horrifying and incriminating evidence continues to mount of what is actually being done by the decisions and practices of the major victor powers in this war. America has become an accomplice in one of the most staggering crimes ever committed against humanity, and it is not only our former enemies who are the victims. The consequences of what American

leadership has done are far more sweeping than that.

On September 17, 1945, President Truman assured at least our allies that:

> This country shall do its full part along with other supplying nations in helping to restore health and strength to those who fought at our side, both in Europe and the Far East.

But now we discover, to our deep dismay, Mr. President, that even this pledge is not going to be fulfilled. Both victor and vanquished, ex-enemy and ally—all are caught in what has now unfolded as a savage and fanatical plot to destroy the German people by visiting on them a punishment in kind for the atrocities of their leaders. Not only have the leaders of this plot permitted the whole world situation to get so out of hand that our allies are now suffering worse privations than they ever suffered under the Nazis, but their determination to destroy the German people and the German Nation, no matter what the consequences to our own moral principles, to our leadership in world affairs, to our Christian faith, to our allies, or to the whole future peace of the world, has become a world scandal.

Of what are the representatives of the Nazis—like Goering, Hess, and Streicher, and the aggressive German militarists who sit with them in the dock—accused, in the charge of "Crimes against humanity"? They are accused of the murder, extermination, enslavement, deportation, and other inhuman acts committed against civilian populations before and during the war.

Among the crimes with which this leadership has been charged is the crime of systematic and mass starvation of racial or political minorities or opponents. The diet of the Nazi victims was so reduced that they were unable to subsist on it. Nourishment was beneath the level necessary to sustain normal standards of weight and to ward off infectious and other diseases, such as tuberculosis, from which a high percentage of concentration-camp inmates who survived were found to suffer. The inmates, while compelled to labor, were not granted enough food to enable them to work. We have all seen the grim pictures of the piled-up bodies uncovered by the American and British Armies, and our hearts have been wrung with pity at the sight of such emaciation—reducing adults and even little children to mere skeletons. Yet now, to our utter horror, we discover that our own policies have merely spread those same conditions even more widely, among our allies, as well as among our former enemies.

Mr. President, the staggering plight of humanity that now confronts the American conscience continues to demand immediate and forceful remedial action if a far worse catastrophe is not to break upon us in the year ahead.

I hold in my hand absolutely authentic photographs which have been taken at the beginning of the winter in the city of Berlin. These photographs are interchangeable for horror with the photographs with which we became familiar from Dachau, Mauthausen, Buchenwald, and other extermination camps. These are photographs of children between the ages of 5 and 14.

I hand the photographs to the distinguished senior Senator from Minnesota [Mr. SHIPSTEAD], and I ask that, in turn, he hand them to the distinguished leaders of the minority and the majority parties. These photographs show limbs that have withered to mere reeds of bones; faces so pinched that the eyes protrude as though of abnormal size; bellies distended by edemic bloat, or collapsed against ribs and pelvis in which every bone can be counted. These are the bodies of German children. They are the bodies of dying children.

Strange as it may seem, Mr. President, these pictures of German children who have been starving under the eyes and the control of an American military government have become the symbol of the kind of world and the kind of peace we have been creating since the war ended.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. SHIPSTEAD. Are we expected to accept these photographs as examples of the effect of the "four freedoms" which were to be established throughout the world?

Mr. LANGER. That is exactly it, apparently, I say to the Senator. The photographs show the way the American promises were kept.

Mr. President, I have continually advocated the swift, just, and sure trial and punishment of the Nazi and Fascist war criminals, whose deliberate acts have so largely contributed to the present chaos. But I refuse to be identified in any way with any policy or decision which continues the war-long years into the future, after the formal cessation of hostilities, and visits upon the helpless and the innocent a diabolic vengeance. To my knowledge, America has never known any enemy children. I refuse now to indict the American conscience as being anything but revolted by the actual fact that millions upon millions of the helpless, of the sick, of the innocent, from infants to the aged, are now suffering the tortures of the damned, either through the criminal intent or the criminal neglect of men who had the unmitigated effrontery so to represent and so to commit the American people.

Mr. President, as a representative of a State which I am proud to represent in the Senate of the United States, I say let Mr. Truman and those whom he has appointed make the most of it; but their actions, I repeat, are a disgrace to civilization, and will be so considered when times again become normal and when civilization is really civilization again.

Mr. President, all the terrifying admissions on the part of our Government officials—and they are admissions—concerning the desperate food crisis now confronting humanity, are steps at least in the right direction, but there has not yet been either an official or unofficial admission of the fact that this grave threat of famine is deeply rooted in policies and practices which have already been largely responsible for the world's present predicament.

It is perfectly obvious that until these basic policies to which America has been a party have been exposed to the searching of the world's conscience and dragged out into the open where they cannot help but die of the withering contempt of the American people, even a graver crisis looms momentarily before us.

History already records the fact that a savage minority of bloody bitter-enders within this Government forced the acceptance of the brutal Morgenthau plan upon the present administration. I ask, Mr. President, Why in God's name did the administration accept it? By its provisions Germany was drawn and quartered, and left to be administered by four powers in four completely isolated zones. Recent developments have merely confirmed scores of earlier charges that this addlepated and vicious Morgenthau plan had torn Europe in two and left half of Germany incorporated in the ever-expanding sphere of influence of an oriental totalitarian conspiracy. By continuing a policy which keeps Germany divided against itself, we are dividing the world against itself and turning loose across the face of Europe a power and an enslaving and degrading cruelty surpassing that of Hitler's.

I want to read into the RECORD at this point a statement incorporating the Communist program for Germany, entitled "Strategy and Tactics Prescribed by the Seventh World Congress." This is the resolution drawn up by the Communist Party on the anniversary of the French Socialist Party Day of October 1944:

> The Nazi-Fascist victory in Germany and the complete destruction of all workers' organizations forced the international workers' movement, as a result of this development, to study the mistakes that made this destruction possible. In spite of the terrible wounds which we in Germany have suffered it is a comfort to know that, as a result of the understanding of the reasons for our downfall, the political program was developed that led to the destruction of fascism in all other countries and ultimately, with impetus from abroad, forced its downfall also in Germany. We must clearly understand that in these last 12 years the German workers' movement, which formerly stood with us at the apex of the international, came to an end. We must draw the proper conclusions therefrom; we must learn from the other political parties in order to correct the former mistakes.
>
> The seventh world congress realized, as a result of the reports of Comrades Dimitroff, Pieck, and Ercoli, that one of the greatest mistakes of the Communist Party of Germany was the ultra-leftist position, which was adopted because of the Neumann group. It was a mistake to conduct the principal attack against the Social Democrats, for that gave the Nazis opportunity to advance themselves as the new chief social defense of the bourgeoisie. It was a mistake grossly to abuse and attack the left wing of the Social Democrats. By clever handling they might have been made to constitute a bridge over which the mass of workers, moving toward the left, could have passed in entering the Communist Party of Germany. It was a mistake to split the trade-union movement, since our goal is not to set up some revolutionary trade-unions but rather to obtain such control over the largest trade-unions as will permit of the absorption of all organized workers. It was a mistake to work for the united front only from below, because

most of the Social Democrats support their leaders strongly, and do not clearly understand their reactionary inclinations as do the Communists. It is necessary to radicalize the masses through a united front operating from above and from below, and so bring their reactionary leaders under pressure that ultimately the goal of our planned campaign—the proletarian revolution—will be brought into view.

Resolution of the French Socialist Party Day of October 1944:

1. Struggle against every anti-Communist policy.

2. Exclusion of every Socialist functionary and deputy who worked with the Vichy regime.

It was a mistake, because of lack of interest in the solution of purely national questions, to leave that field practically open to the Fascist demagogs. It was a mistake to overlook the fact that out of fear of Fascist policy a part of the bourgeoisie—expert, industry, etc.—actually was prepared to go a little way along the road of cooperation with us. It was a mistake that the party did not understand how to speak in a language that the masses understood, but rather formulated a party jargon and followed procedures which remained strange to the broad masses and did not stir them.

Comrades, the listing of all these mistakes is a great reproach to us, since we made them. The result of these mistakes was the liquidation of the corps of the organization. We must begin anew and undertake that which the others have learned from our mistakes. On one point no one has shaken our faith and no one can shake our faith. The Communist Party of Germany was the only party which, through all the years, with boldness and daring, carried on the battle against fascism in Germany. The name of Ernst Thaelmann is a symbol.

Now it is necessary not only to want the revolution but also to be able to bring it about. The basis for every successful political act is the correct appraisal of the actual situation, that is to say, the correct estimate for existing relative strengths of groups. It is a fact that the proletariat in Germany for the present still is not strong enough to change; this is our task. The machinery of the Social Democratic Party is much less destroyed than ours, since they did not fight as strongly against Hitler as we did. The Americans, as occupying Army, represent at present the only existing power factor in our area. Openly to oppose them would provide a senseless provocation.

What resources can we count on? There are available for the present the suffering working class which, although still unorganized for the present, is instinctively striving for united action; a part of the middle class and of the youth who, because of concern for the national future of Germany, are on the lookout for a source of strength; a part of the bourgeoisie, which got rough handling from the Nazis and is today worried about being gobbled up by American imperialism. All of these groups are worth using together in the struggle that leads to the next step—which is a democratic Germany—so that in the process of repairing Hitler's misdeeds, unity and freedom again may be gained. Democracy, not on the Weimar pattern, not as a coalition with the bourgeoisie against the workers, but after the Jugoslav and French methods, as a means to power from below in the hands of the embattled people.

What is the meaning of the strategy and tactics of the class struggle of the proletariat?

Strategy is the never changing, hard and fast campaign aimed at the ultimate goal: overthrow of the capitalistic-oppressive state, dictatorship of the proletariat, socialism, and classless society.

Tactics are only the procedures and struggles and battles which are necessary to arrive at the strategic goal. They are by no means always advances. Some retreats, some sideways movements, and some stationary periods are necessary.

Was the retreat of the Red Army to Leningrad and Moscow part of the plan for the liquidation of fascism; and was the sacrifice at Stalingrad part of the plan for destroying Hitler? No. They were results of the power relationships. But the retreat tactic of the Red Army made it possible to change this relationship so that the strategic goal was, once and for all, achieved with the capture of Berlin.

From this we can learn something. The power relationships do not allow us to proceed directly toward our strategic goal. But the promotion of a free, democratic Germany must transform and lead to the destruction of this power relationship in the same way, and it will open to us the way to our strategic goal directly through this tactical retreat.

Today's tactics call for: Mobilization of all anti-Fascist forces for the struggle for this immediate next step goal, which is clear and desired by all. In this movement for the present the bourgeoisie and, too, the Social Democrats will be able to take the lead. If we succeed in getting this movement in full swing and not letting it be stopped in any governmental offices or by any laws, then the Communists (since they are the most active, clear-sighted, and adaptable) will and must take over the leadership in time.

The weakness of our organization in Germany, by comparison with the imperialistic occupying army, does not allow us, under any circumstances, for the present, to "operate on our own." The party, however necessary it may be, may not work in its own interest. It must work with the anti-Fascist movement of the masses. The crux of the tactic must be the workers' united front. Comrades! Do not worry about and do not oppose our cooperation with the petrified leadership of the Social Democratic Party. Only if we compel it, through its own membership from below, to establish a united front and also work from above, can we drive it from the field. The other route does not lead to the goal. We paid dearly for this information over a period of 12 years. Comrades! In the race for the leadership of the united front we have the best fuel, the best gasoline, in our bolshevist leadership. We do not find it necessary to travel in a special auto, especially since our organizational weakness would always compel us, and would have compelled us, to use a bad automobile. Why should we, when we have the best fuel, shirk using the same way as our Social Democratic competitors and partners? Are the Bolsheviks obliged to accede while the others pass them? No! It is not at all necessary to fear open methods.

In open, honorable struggle for the leadership, we shall and must, supported by our Lenin-inspired theory and practice, obtain the leadership and make it impossible for men to say afterward that we used unethical means.

The united front of the workers is absolutely necessary! Also, no upright Social Democrat can deny that. We shall, with all honorable means, try, within this united front, to gain control (durchsetzen). No man can disapprove of that. We shall for the present support the left wing of the Social Democrats, since it is very close to us anyway. We shall thereby be able to push the whole movement forward. Thereby we shall be able to compel the whole labor movement to evolve to the left and prevent that the Social Democrats try to impose on their members an actively reactionary tendency toward the right, using radical-sounding words in their old way.

Those are the lessons that our comrades in France, Denmark, Italy, and Poland as well as in all European countries, have drawn from our defeat. We must learn from their conclusions. The country's bourgeoisie must group itself around the nucleus of workers. The national committee "Free Germany" (Freies Deutschland), headed by Generals Seydlitz and Paulus with Pieck and Florian as Communist members, showed us the way. Our program is: Liquidation of fascism in the interest of a free, democratic Germany; reestablishment of basic, democratic rights (except for the exclusion of the Nazis); punishment of war criminals and those guilty of atrocities; expropriation of the Fascist industrialists, bankers, and landowners, with obligation to pay compensation; opposition to a new Versailles; and safeguard for the basic rights of workers.

On this basis we must stand, in order to bring the anti-Fascist mass movement into "flame." Above all, the Communists must take their place as equal partners. That is an obvious proposition that one must abide by. We must first gain the leadership.

Mr. President, if there is any doubt in the minds of my listeners that the document which I have just read constitutes the real aims of Soviet Russia, perhaps the following reports will serve to dispel that doubt. On March 18, Mr. C. L. Sulzberger cabled the New York Times from Berlin as follows:

The world diplomatic crisis, which unfortunately shows signs of crystallizing into a contest for ascendancy by the bloc of nations led by the Union of Soviet Socialist Republics on the one hand and by the United States and Britain on the other, is sharply reflected in Germany by the clear-cut endeavor on the part of the General Communist Party to force the Social Democrats into a merger that would be controlled by the Communists.

In the end, when Germany's four zones were once again united, it is felt by certain diplomatic observers that should this tactic succeed, the Communist-controlled group would be the majority party in Germany.

Thus, according to these observers, one of the continent's two most powerful countries, the future Germany, might be communized, parallel to the slowly increasing Communist influence in France. Europe itself would then be almost entirely dominated by the form of government considered democratic in Moscow but not in London and Washington.

Until 6 months ago the Soviet administrators in Germany seemed firmly to be following the terms of the Potsdam Agreement. However, since then it is believed they have tended to deviate increasingly, taking arbitrary economic decisions, jailing people for questionable political reasons, and powerfully working for the merger of the German Communists and Social Democrats.

And on March 19, Kathleen McLaughlin cabled the New York Times from Berlin:

Contrary to the pledges of political freedom given in the Potsdam agreement, Soviet military government authorities have reactivated the Buchenwald and Sachsenhausen concentration camps and are detaining in them dissenters from the merger of Communist and Social Democratic Parties. Testimony to this effect is extensive in an Allied document which will soon be submitted for discussion of the four occupying powers and possible adjustment.

Sworn statements of German civilians who have been detained assert that their only offense was active opposition to the proposed merger * * * some of the individuals who were inmates there during the war for anti-Nazi activities are again behind the same walls for anti-Communist speeches and sentiment, according to these statements. * * *

The recent statement by Wilhelm Pieck, leader of the Communist Party in the Soviet

sector of Berlin, emphasized the urgency of the March 31 deadline, set for a Social Democrat plebiscite for a merger with the Communists. In an interview with the German press he was quoted as having said, "The new party desires to create such conditions that the occupation will not be necessary."

Certainly the iron wall which Russia has erected around the Eurasian continent, within which the nitrate deposits and the agricultural areas of Germany have been imprisoned, make the threat of famine all the more grim in the years immediately ahead. With Russia stripping the countries under her control, pillaging, and living off the land, and unable herself to meet her own food requirements, the prospect of famine becomes increasingly inevitable.

A second policy which is certain to aggravate the present calamitous conditions of central Europe lies in the Morgenthau proposals for the deindustrialization of Germany.

I wish to reemphasize at this point my hearty concurrence with the proposals to liquidate Germany's basic war-making industrial plants. But this is a wholly different thing from the Morgenthau proposal permanently to destroy the industrial life of Germany upon which peace depends.

No one in the Morgenthau clique seems to have been remotely conscious of the fact that there was any relationship between Germany's industrial and agricultural economy.

More than half the total population of Germany lives in towns, and the urban population depends for its food on the agrarian population. In return, it supplied agricultural producers with the products and services of industry which are now no longer available. Nowhere in the world, not even in Russia, will farmers voluntarily produce for city dwellers without some return for the product of their labors. This winter it has been possible for the urban and rural populations to scrape the bottom of the barrel of reserves, through a process of exchange in which the urban people illegally bartered their second-hand personal possessions for such foodstuffs as the peasants were willing or able to part with.

Mr. Morgenthau has hidden the basic design of his plan behind the constantly reiterated statement that he intends to increase German agricultural production. But the plain fact of the matter is that the prewar intensity of German agricultural production was extremely high, and was exceeded only by that of Holland and Belgium. Furthermore, it was possible to attain this level only because German agriculture received a steady supply of a large percentage of the industrial goods produced. Present German industrial production is less than enough to cover one-quarter of the total demands of German agriculture for the product of industry. Even if it reached the peak allowed by the Potsdam declaration, the agricultural sector of the German economy could receive no more than half its minimum requirements, because so great a part of the total industrial output would go to other sectors of the economy, to export, and to reparations.

The highly mechanized basis of a large part of German agriculture is illustrated by the following data on agricultural machines in use in Germany in 1933: 1,008,260 electromotors, 80,010 heavy and light oil motors, 1,393 steam-power plows, 23,900 heavy and light tractors, 667,692 sowing machines, 153,665 fertilizer-strewing machines, 949,845 mowing machines, 343,720 potato-harvesting machines, 973,376 threshing machines, 174,443 straw-binding and pressing machines, 1,772,249 straw-cutting machines, 447,700 sawing machines, 11,865 milling machines, 1,375,396 milk centrifuges.

These figures clearly demonstrate that German agriculture cannot continue to function at anywhere near the prewar level without a very high operating level of German industry.

Not only will our deindustrialization policy intensify the spread of famine conditions in Germany, but it will also make increasingly difficult the conditions in other countries in central Europe. Such nations as Hungary, Rumania, Yugoslavia, Czechoslovakia, and Austria, so long as they had independent national sovereignty, could protect their agrarian economy against the excessive demands of industrial powers by controlling the exchange of agricultural for industrial goods. Parity for the peasant was maintained at least partially by the exercise of the national sovereignty.

In a typical prewar year, 1928, Germany exported nearly 200,000,000 marks worth of goods, mostly industrial, and imported about 150,000,000 marks worth of goods, mostly agricultural. The following is a statement of this exchange in terms of percentage of total exports and imports between Germany and the countries to which I have referred:

	1928	
	Exports to Germany	Imports from Germany
Austria	18.4	19.8
Hungary	11.7	19.5
Czechoslovakia	26.7	28.6
Rumania	27.3	20.8
Yugoslavia	12.1	13.6

When Nazi imperialism engulfed these countries conditions of exchange for the peasants deteriorated rapidly. They were forced to supply more and more agricultural produce for less and less industrial goods, a process which was manipulated by the Nazis by means of price policies, special barter deals, and so forth. But now the position of the peasants in central and southeastern Europe is rapidly becoming worse. The new totalitarian overlord just has nothing to offer in return for requisitioned farm produce. These peasant peoples will be forced to continue producing for next to nothing while the Russian armies and bureaucracies live off the country. I find no mention in Mr. Morgenthau's book of any economic exchange process as a substitute for the former exchange relationship between town and country populations.

What is happening in Germany and all over eastern Europe as a result of these Morgenthau policies is the decay and large-scale destruction of the peasants themselves, as a productive class.

The effect this will have on the food situation in Europe leaves nothing to the imagination. The continued destruction of the German economy, of the German peasant class, and the repudiation of our own promises to the German people by our refusal to prevent mass starvation, will make us the most hated nation, not only in Germany, but among all the other European countries who are subjected to similar conditions as a result of our own blind and vengeful policy.

On March 2, the New York Times carried a grim story cabled from Berlin quoting Lt. Col. Stanley Andrews, of the Food and Agriculture Division of the Office of Military Government of the United States, to the effect that even if we managed to sustain a normal consumer ration of 1,550 calories daily until May it would be necessary at that time to cut the ration in that zone until harvest time in early autumn. Colonel Andrews also went on to say, concerning the German people:

> Their position is that they might as well be practical about Germany's position at the foot of the food scale. They realize that a world food shortage exists, and in effect have said to us, "We might as well take our licking now and have it over as soon as possible, if that is what is going to happen."
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> You see, we sat down with these German administrators of ours away last October and planned this food situation out. We said to them, "If you will see to it that the farmers bring in their grain and their meat and their dairy products we will guarantee you that we will maintain a 1,550-calorie nutrition scale."
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> The farmers have performed handsomely at great cost to themselves. They have delivered to us at this time more wheat and other grain than they turned over under the Nazi regime. They have brought in their meat, and we now have plenty of meat in this area, with moderate slaughtering to maintain our ration standard.
>
> They have brought in their milk under tremendous handicaps—with their trucks breaking down, their horses unshod, and no horseshoes obtainable to equip them.
>
> They have farmed their land with hoes and rakes and the help of the few tractors still operating, working on a pooling basis.
>
> It is going to be pretty embarrassing for us when we have to go to these Germans and say, "Well, boys, you have done a fine job. You have kept your part of the bargain. Sorry, but we can't keep ours."

A third policy to which America has been committed behind her back and against her will is that which not only violates our American principles and Christian conscience but our basic instincts to preserve human dignity. It has now been revealed that at Yalta and at Potsdam America was committed either tacitly or deliberately to the revival and extension of slave labor. If there is one thing calculated to intensify the food famine threatening Europe and the world and to overtax our efforts to avert it, it is the fact that at this very moment millions of German men have been torn from their families and their labor and shipped in involuntary servitude into Siberia and to all points east. How Mr. Morgenthau expects the German population to support itself, not only without fertilizer, seed, and modern agricultural equipment, not only

without the very earth needed for cultivation, but without even manpower with which to do the work, is another problem not touched on in his book. The Central European Observer, a Czechoslovak magazine published in London, states in its June 29, 1945, issue, in an informative article titled "Russia and Her German Prisoners":

German prisoners in Russian hands are estimated to number from four to five million. When Berlin and Breslau surrendered, the long, grey-green columns were marched east, downcast and fearful. * * *

When the columns of prisoners were heading east from Berlin, they were marched toward huge depots near Leningrad, Moscow, Minsk, Stalingrad, Kiev, Kharkov, and Sevastopol. All fit men had to march some 22 miles a day. Those physically handicapped went in handcarts or carts pulled by spare beasts.

There were about 1,000,000 exceptions to this rule. They comprised elderly Volkssturmer, combatant women, and the wounded. They were segregated in eastern Germany, in Upper Silesia, round Breslau, and in Poland. At the bases the men were divided into categories A, B, and C.

In category A are war criminals, men who have directed crimes against Russia or the Allies, who have been responsible for shooting, for ill-treatment of conquered people or slave labor. They are held as individual war criminals.

Those responsible for atrocities in villages are removed to the spot of the crime. They will be tried as soon as the legal process is agreed upon by the Allies. * * *

In category B come the servants and instruments of the greater criminals, who destroyed Russian factories, villages, communal institutions, etc. They will be made to rebuild the Russian towns and villages which they destroyed. They will not return home until the work is completed, though as a general rule they will be set tasks that can be carried out within 2 to 3 years.

The Russians do not intend to rush things. A diplomatic newsletter published an interesting report about the small town L., in the Ukraine, where a Waffen SS unit was employed to reconstruct a metal factory destroyed by the same "heroes" about 2½ years ago. They had their own ideas of sabotaging work. In the morning one shovel of cement was put to the left and in the evening the same one was returned to the right. The Soviet officer in charge did not intervene.

"According to our carefully prepared plan," he explained, "the work could well be completed in 27 months' time. Should our Teutonic friends need 72 months, all right, they will not return home until the job is done, whether it takes 27, 72, or even 100 months. No doubt, one day they will realize this themselves."

Mr. President, I submit that if the victor powers in this war are sincerely concerned about the food problems confronting the world, to say nothing of their being concerned with their own honor and integrity, the sooner this mass crime against the civilized world is repudiated, the sooner will the grim threat of famine, revenge, and enslavement be removed from our midst.

A fourth problem, which is inseparably intertwined with the three I have mentioned, now lays the ghastly consequences of Mr. Morgenthau's policies squarely on the conscience of the world. I speak in bitter protest of the fiendish mass deportations which are making a charnel house of central and eastern Europe, and which are being carried on in another name, namely, denazification, in every country of the world.

The lesser aspects of the cruelty and persecution now being carried out by this same Morgenthau-indoctrinated group of fanatics are revealed in the fact that under the guise of denazification even the most violently anti-Nazi Germans are being intimidated and persecuted throughout Europe, from Sweden to Spain. At this moment one of the principal aides of Dr. Robert Bosch, a Mr. Hans Walz, one of the most violent anti-Nazis known to the Allies, continues his forced internment at the direction of Mr. Morgenthau's henchmen in the Treasury Department, particularly Mr. Frank Coe, head of the Monetary Research Division. I use Mr. Hans Walz merely as an example of well-known courageous anti-Nazis whose persecutions just do not make sense.

As a further illustration of this fanatical injustice, the German Bosch Co. in Stuttgart, which owned a considerable share of the American Bosch Co., carried on its international banking transactions through the Enskilda Bank of Stockholm, Sweden. The two owners of this bank, two brothers by the name of Wallenberg, time and again, at grave risk to their own personal safety, served as intermediaries between the German underground and the Allied government.

At this moment the Enskilda Bank in Stockholm remains blacklisted, with its funds frozen in this country through the dictates of Mr. Frank Coe, acting as a mouthpiece for Mr. Morgenthau's cohorts.

All over Europe and South America, and in the United States as well, the same group continues its fanatical persecution and intimidation of the German people, even the most violently anti-Nazi, with such abandon that across the world a new wave of anti-Semitism is rising.

Mr. President, if there be one Senator on this floor, just one, who doubts the statement I am making, all he has to do is to contact the Department of State, and there note the terrible crucifixion of those hundreds of South American citizens who, without a trial anywhere, without a hearing anywhere, were brought to the United States of America and placed behind wire in Texas and at Bismarck, N. Dak., and kept there for a period of 4 years, I repeat, without a trial or a hearing anywhere. That is done in great America, the great liberty-loving country of which we boast! I commend Attorney General Tom Clark, who when he came to understand the situation, when a committee of ambassadors from South America waited on him, assisted those citizens of South American countries who still today would be behind the barbed wire in Texas and in the State of North Dakota if he had not helped.

The distinguished senior Senator from Minnesota [Mr. SHIPSTEAD] has asked whether they were civilians, and I say they were civilians, some of them born in Guatemala, some born in others of the countries to the south of us, some of them who had never been in Germany in their lives, torn away from their wives and from their children, brought to the United States by the Americans, and placed behind wire, and kept there for a period of 4 years, some of them without a trial or a hearing anywhere. Then we hear our State Department talking about the good-neighbor policy!

I repeat, Mr. President, all over Europe and South America, and in the United States as well, the same group continues its fanatical persecution and intimidation of the German people, even the most violently anti-Nazi, with such abandon that across the world a new wave of anti-Semitism is rising.

One aspect of this is found right in our own midst, where at this very moment over 30,000,000 patriotic Americans of German extraction not only continue to be intimidated lest they cry out in bitter protest, but they continue to be robbed of their own constitutional rights by the continued application of totalitarian directives prohibiting them the use of mail and packet service through which they might express their own deep personal anxiety and concern for their families and friends. This is only the lesser aspect of this diabolic program of vengeance which led a former member of Mr. Robert Murphy's staff to write from Berlin:

I have been working on economic and financial policy with Murphy's office. Back in the days of London and Versailles, we concerned ourselves with occupation policies, which meant that most of our time was spent trying to offset the "eye for an eye, tooth for a tooth" school of Morgenthau. At least that was my own personal feeling. It could be expressed in other more general terms, such as our long-term interests in Europe and Germany, but actually it came down to an attempt to curb a fierce urging toward revenge just for the sake of revenge. I wouldn't say that the revenge school gave no thought to the future. Actually, I think it has, and has welcomed the prospect of wiping out western European institutions and patterns of society in this part of the world.

While America sits in judgment against men responsible for enforced deportations of nationals of non-German races, we have accepted an arrangement in regard to eastern Germany which has led to the forced deportation from their homes of millions of Germans, or German-speaking persons, among them a large proportion of children. Despite the fact that the Potsdam declaration declares that the evacuation of Germans from what has suddenly, by unilateral decision of one ally, become Poland, as well as from Czechoslovakia and other eastern countries, despite the fact that the Potsdam declaration clearly states that this must be halted until it can be carried out in "an orderly and humane manner," the deportations have gone ahead until, according to the report of General Eisenhower himself some time ago, the American zone had already then had to take in half a million of these people. They are arriving penniless, and without more worldly goods than can be carried in a rucksack. They are moving into a country whose war destruction is incomprehensible to those who have not seen its completely shattered cities and communications. Before their arrival there was a drastic insufficiency of dwellings for the concentrated population of what remains of Germany. Millions of

persons already have only cellar holes and bomb shelters in which to live, or partly bombed apartments without windows, or single rooms in villas where whole families must share a few cubic feet of space in houses inhabited by four or five times the number of persons for which they were designed.

Not all these refugees, or evacuees, arrive, of course, at all. Thousands of them perish on the trek from Silesia or Bohemia. Those who arrive are without ration cards, and already in an advanced state of hunger or actual starvation.

Conditions in the Russian zone have been described in an official report from the German Central Administration for Health, submitted to the Berlin Kommandature. This report was made in November of 1945, and is a confidential document. It seems to me that it is high time the American people received some of this so-called confidential material. For history will not judge merely the governments or military authorities of the Allied countries. History will judge the countries themselves; history will judge the people of those countries. And history will certainly judge the most august representative body of the richest of those countries—the United States of America. We cannot plead, as Germans may plead, that we could do nothing about it; that any criticism or protest would land us in concentration camps, or even possibly before a firing squad, or on the gallows. We cannot argue that the Government is "they," while the people and the Senate are something apart from the Government. It is true that we are not well informed. It is true that there seems to be almost a conspiracy of silence in the press regarding what is going on in a country for which we have taken, together with our allies, full responsibility and authority. It is true that the administration shows the greatest reluctance to place before the representatives of the Members of the Senate the true facts about conditions for which we must eventually share responsibility. Nevertheless, without encouragement to access, sufficient facts are available to those determined to find them.

The report made by the German Central Administration for Health, at the beginning of this winter, regarding conditions in the Russian zone, must be accepted as truthful and not exaggerated. The agency reporting is a German agency, but it was created by the Russian occupying authorities. The conditions of administration are, therefore, obviously not such as to encourage any exaggeration regarding conditions, and, indeed, in the course of the report, the German health administration thanks the occupying authorities for such aid as they have been able to muster. Nevertheless, the picture is one which bears comparison with the famous black death of the Middle Ages, which left but a remnant of the population of central Europe, and left social consequences which can be traced to this very day. The report is too long to be quoted in full, but I read the following excerpts, which are in nowise altered or mitigated by any other facts appearing in the report:

The people hunger. They hold only the immediate present responsible for their condition. They are without the energy to trace the links of causes. They have even forgotten Hitler. Beyond the immediate present their power to reproduce even memory does not reach. There is growing, as though by psychological compulsion, a mass hysteria, with a thousand different symptoms of drug addiction, drunkenness, perversities, sadism, murder, infantilism * * * the situation is reaching a generally psychopathological state, through chronic hunger. We are seeing aberrations such as were previously known only among stranded and starving sailors in lifeboats, or thirsting persons forgotten by caravans in desert sands. It is increasingly impossible to discover in the masses of the people opinions. They have only animal urges.

The explanation of this mass phenomenon, this mental and spiritual paralysis, is physical. They are emaciated to the bone. Their clothes hang loose on their bodies, the lower extremities are like the bones of a skeleton, their hands shake as though with palsy, the muscles of the arms are withered, the skin lies in folds, and is without elasticity, the joints spring out as though broken.

The weight of the women of average height and build has fallen way below 110 pounds. Often women of child-bearing age weigh no more than 65 pounds. The number of stillborn children is approaching the number of those born alive, and an increasing proportion of these die in a few days. Even if they come into the world of normal weight, they start immediately to lose weight and die shortly. Very often the mothers cannot stand the loss of blood in childbirth, and perish. Infant mortality has reached the horrifying height of 90 percent.

Following is an account of conditions that existed between Silesia and Berlin, which are described in an eye-witness account written by Countess Helmuth von Moltke at the beginning of the winter:

Since obviously there is no hope of changing the decision of the Allies, so fateful to large regions of central Europe, which condemns all Germans east of the Oder-Neisse line and the German minorities in Czechoslovakia and Hungary to be evacuated, care should at least be taken that this movement of millions of human beings should take place along the lines laid down by the Allies at Potsdam.

The whole world knows that these principles of evacuation have so far not been observed, as I found in Berlin, Frankfurt a. M., and Switzerland, on my journeys in August and November, between Silesia and Berlin. I have seen with my own eyes the most gruesome sufferings of evacuees of which so many reports in Allied hands speak. I have seen the evacuation camp at Cottbus, where there was no delousing establishment, where the sick lay on dirty straw next to the healthy, where all heating and cooking facilities were lacking, where the people would go to town in search of soup at noontimes and when they arrived found no food, then in desperation would wait for a transport tram which under the most cruel conditions would take them to a region where there was likewise nothing to eat: Mecklenburg. The people—in the main women, children, and the aged—arrive in these camps already in a terrible condition. After an often long transport in Silesia during which they not only receive no nourishment whatsoever but may well be robbed of what they have, they must leave the train 15 kilometers before the frontier and go on foot driven along by Polish militia. At last completely exhausted and stripped of their possessions they get across the frontier hoping that now their trials are at an end. And then their fate only becomes all the more terrible.

In the December issue of the Nineteenth Century and After, published in Britain, appears the second of two articles by F. A. Voigt, for many years Berlin correspondent of the Manchester Guardian, and now editor of this monthly magazine. He writes:

Marshal Zhukov has established a central office for dealing with the Germans who are being transferred in accordance with the agreement issued at Potsdam on August 2, 1945. According to a statement made by this Office on October 9, 8,000,000 of these "Germans" (that is to say, Sudetenlanders, Danzigers, Germans proper, and people of the Germanic diaspora) have arrived in the Russian zone of occupation from Poland and Czechoslovakia. According to the same statement, a further 4,500,000 are still expected—1,530,000 from Poland, 2,250,000 from Czechoslovakia, and 500,000 from Hungary.

If we accept this statement we must assume that the Russian zone will have received an immigration of 12,500,000. As the normal population of this zone is about 18,000,000, the new arrivals would increase that population by 67 percent, were they to remain. * * *

According to a statement made by Field Marshal Montgomery on November 11, anything between 4,000,000 and 8,000,000 of these refugees could be expected from the Russian zone and from Poland and Czechoslovakia as the British share under the Potsdam agreement. * * *

These figures, from authoritative Russian and British sources, indicate the size of the forced migration which has begun in eastern and central Europe. The migrants—nearly all of them women, children, old men, and such men of middle age or youth as are wounded or unfit—arrive in a state of complete destitution, usually exhausted by hunger and many days or even weeks of wandering, and often stricken by disease, to swell a population which already suffers from overcrowding and is, in most of the larger towns at least, itself underfed and almost destitute. * * * Competent observers seem to agree that the catastrophe must grow much worse in the winter which has now begun, and that many, very many, of the small children and of the old and ailing will have perished before the spring. * * *

The figures we have quoted show, although imperfectly, the vastness of the catastrophe.

In the November issue of the same magazine Mr. Voigt had written in an article entitled "Orderly and Humane":

We have in our possession, 17 statements by eyewitnesses of what happened in Danzig after the Russians took the city firsthand and detailed reports by two British officers, one of them a fellow of the Royal College of Surgeons (Edinburgh), a detailed report by a British officer who made a tour of inquiry in the Sudetenland during the month of September, and numerous reports by clergy, doctors, and others who witnessed the flight of men, women, and children from the territories assigned to Poland and from the Sudetenland.

The particular agreement * * * that the transfers * * * should be effected in an orderly and humane manner has not been carried out. * * *

In Mecklenburg and Brandenburg most of the small children are dying; some competent observers hold that no German children born during the present year east of the River Elbe can possibly survive, and that of all children now under 3 years old only about one-half will survive. * * * Dead children are

thrown out of the trains. In Magdeburg, Prenzlau, and Oranienburg there is so much typhoid that the towns have been closed to newcomers.

Millions of Germans, Danzigers, and Sudetenlanders are on the move. Groups of 1,000 to 5,000 will take the road, trek hundreds of miles, and lose half their numbers by death through disease or exhaustion. Roadsides are dotted with graves. Children have arrived in Berlin looking like the emaciated creatures shown in the pictures of Belsen.

One train, which arrived in Berlin on August 31, started from Danzig on the 24th with 325 patients and orphans from the Marien Hospital and the orphanage in the Weidlergasse. They were packed into five cattle trucks, with nothing to cover the floors—not even straw. There were no doctors, nurses, or medical supplies. The only food provided when the journey began was 20 potatoes and 2 slices of bread for each orphan. The patients had nothing, but the train stopped from time to time so that those of the passengers who were fit enough could forage. Some of the villages through which they passed were completely deserted—the crops had not been gathered and the cherries had dried on the trees.

Between 6 and 10 of the patients in each truck died during the journey. The bodies were simply thrown out of the train. When the train arrived in Berlin 65 of the patients and orphans were removed to the Robert Koch Hospital, where 9 of them died. We have no information as to what happened to the rest.

Mr. President, these conditions have been only aggravated as the winter has progressed.

I wish to quote from a letter written by an American scientist in Berlin as recently as February 2, 1946, in which he says:

You cannot imagine what it means to live in unheated cellers, open caves, half-broken-down houses, and still worse, there is a terrible lack of food and medicaments. Infant mortality has reached a degree of 90 percent. Hundreds of mothers, little children, old men and women, unwashed, without food and in rags, are camping on the highway and railway stations, without a roof.

The number of deserters in the Red army is incredibly high. These deserters have become marauders * * * rape, pillage, looting, and murder are daily occurrences. Eastern Germany is ravaged by epidemics. The agrarian reform, which seems to be desirable from a theoretical point of view, is disastrous because of the methods applied.

In the Polish zone matters are described by competent and unimpeachable authorities as bordering on complete chaos. Because of our agreement, indeed because of our insistence, on the carving up of Germany, which was consummated at Potsdam, we have turned loose such forces of anarchy, cruelty, and degradation as the world has never seen before. Millions of Germans have been uprooted from ancestral soil, from roots that go back 1,000 years, and forced into a mass migration under conditions of indescribable and wanton cruelty unknown to civilized nations.

In describing the conditions in the Polish zone one must be very careful to point out that in this instance our decisions at Potsdam only compounded the crimes which we committed against Poland at Teheran and Yalta. Poland has been stabbed in the back not only by Germany, but by Russia, England, and the United States as well. With our connivance and consent the Polish people have been torn away from every principle of security and decency and subjected to the frightful and savage tyranny of an international conspiracy that has announced itself now, both in word and deed, as a sworn enemy of everything Christian civilization holds sacred. Pandemonium reigns in Poland. There is no security left for man or beast. Hordes of desperate and hungry men swarm over the countryside. The treacherous Warsaw government, spawned in Moscow, is dividing and liquidating Poland in order to conquer the Polish people. Murder, looting, and rape are the order of the day.

Since the Poles themselves are now subjected to a tyranny as bad as, if not worse than, anything they suffered under the Nazis, and since they have been forced to forage for themselves in new territory to the west in compensation for the territory torn from them in the east, it is not difficult to conceive of the horrible fate now being visited on the guilty and innocent alike among the Germans whom the Poles have been ordered to evacuate from their newly acquired territorial compensation. Certainly Russian-inspired and Russian-directed and Russian-financed propaganda is largely responsible for the terrible vengeance being wreaked on those whom we promised orderly and humane treatment.

There recently appeared, in the Welt Woche, published in Zurich, Switzerland, the first detailed account I have seen of the fate of the Germans in the Polish zone. I must point out that the publication has a splendid anti-Fascist record, has not been unfriendly to Poland, and is more pro-Russian than most Swiss publications. Its reporter writes:

For the Germans in this zone the lack of security and law is as bitter as the hunger. There is no authority to which a peasant assailed by plunderers can apply, no police to protect him, no judge to enforce the law. Everybody can expect at every hour brutal attacks on his property and life with no possibility of defense. A particularly dark point in this picture is the fact that Germans who lost their closest relatives in the resistance against Hitler, and Jews who were able to hide in quiet countrysides are murdered at the very moment when they expected liberation. Sickness and disease must be added. The further one travels eastward from Berlin the more entrances to villages bear large posters with the word "typhus" in Latin and Cyrillic letters. In St. ——— 80 persons out of a population of 400 are sick with typhus. No medicaments in the village. No physician on this side of the Oder. The secretary of the "Caritas" in St. ——— declares that his medicines are getting scarce. "Since we are isolated through the epidemic, nobody wants to bring us food. We are unable to help the sick. All we can do is isolate them." The solution is often that infected villages are, as in the Middle Ages, where the Black Death was raging, completely isolated.

But doubtless other authorities, too, will have to consider the situation in the land of death, as soon as more such reports as this one stir the attention of the world. For there is more at stake than merely the life of a few million Germans. The moral integrity and power of the anti-Fascist world movement is at stake.

Mr. President, the conditions that have existed in the French zone also defy adequate description. On September 21 the Catholic and Protestant clergy of Loerrach sent a petition to the French military government which has just come into my hands, and from which I quote:

In the name of Christianity, in the name of humanity, in the name of the peace aims for which the victorious powers went to war, conscious of their responsibility before God and before their people for the peace, the signatories refer, at this moment of greatest misery and most important decisions to the fateful consequences which the continuation of present methods of occupation, of starvation, the toleration of looting, the requisitioning of foodstuffs, will have for our people and for France.

Fully conscious of the situation and of the tone of the population the ministers of Loerrach urgently beg the French occupational authorities for moderation, for clemency, for aid; they beg for bread and peace for the starving population.

On October 12, United States Army officials stopped turning over German prisoners to the French after the International Red Cross charged the French with failing to provide sufficient food for German prisoners in French camps. The newspaper Figaro on September 22 quoted Gen. Louis Buisson, Director of the War Prisons, as admitting that food rations were "just enough to allow a man to lie down, not move, and not die too quickly."

Recently the Senator from Indiana [Mr. CAPEHART] stated on the Senate floor that—

The French Government has been compelled to reduce the bread ration in France for its own people. And now, at this very moment, the French Government is in Washington pleading with this administration to ship enough extra food into the French occupation zone to prevent a catastrophic collapse, admitting that the French authorities have not been able to maintain a ration of 1,100 calories in the French zone since they took over its administration.

At this point I want to read into the RECORD a letter written by an American captain in our zone of occupation on February 7, 1946. This American captain writes:

I am enclosing one of the lists of hospitalized German prisoners of war, who had been turned over to the French in excellent condition, and who were returned to the Americans for hospitalization. This does not include those who died.

Our Government is fully aware of this mass extermination and evidently sanctions it for at present 70,000 more American-captured prisoners are being turned over to the French.

I have seen French camps for prisoners in the vicinity of Marseille, France, and I know that filth, starvation, and abuse are the lot of Germans who are unfortunate enough to fall into their hands.

I cannot condone the actions of our country in this matter and would like to see this blot removed and removed quickly.

I am not signing this letter for fear of the consequences.

Again I remind you, Mr. President, that this document that I hold in my hand is an official document, containing the roll of German POW's evacuated to the American zone for hospitalization and disposition on the 31st of January 1946, the great majority of whom, as stated under the diagnosis, are suffering from malnutrition or starvation.

Mr. President, in spite of the certain fate awaiting German prisoners of war in French hands, this Government con-

tinues to be a party to sentencing German prisoners of war to starvation in continued violation of the Articles of War of the Geneva Convention.

On Monday, March 25, the Progressive revealed that:

France requires another 500,000 German slave laborers and expects to receive them from the United States, General Buisson asserted last week. At present 750,000 former Wehrmacht soldiers, three-fourths of them captured by the United States Army, are toiling in France. Paid 10 to 13 francs a day, they are farmed out by the French Government for 90 to 120 francs a day. Following a scandal over malnutrition in French forced labor camps, the United States Army temporarily stopped delivery of prisoners, but it is again handing them over now at a rate of 100,000 a month.

In the British zone conditions have been terribly severe in spite of the fact that while the British are now on more meager rations than they were during the war, they have done everything in their power at least to postpone a catastrophe.

On February 25 the Manchester Guardian carried a special story from Buende in the British zone, from which I quote:

The mild winter has postponed but has not averted the food crisis in the British zone of Germany. It is now evident that unless increased supplies of grain can be sent here by the middle of March nothing can prevent real famine in the towns and industrial areas in April.

Potato stocks in the zone are all but exhausted and unless more grain arrives the April ration for ordinary German civilians will be only about one-third of their present ration of 1,550 calories daily.

To reduce the current ration by two-thirds, as the existing situation threatens, would mean that the German people would have to try to live on about two thin slices of bread and one potato a day with such other oddments as they could get.

On February 27, Field Marshal Montgomery admitted that on March 4 the rations in the British zone would be cut from 1,555 to 1,014 calories a day. The Field Marshal announced with regret that this reduction would have to be maintained until the next harvest.

On March 4, the British Government made that reduction official.

And on March 7, Lt. Gen. Brian Robertson, Deputy British Military Governor, warned that 10,000,000 Germans were on starvation rations now, and that widespread starvation threatened during the next 3 months.

It is not surprising, Mr. President, to read that food riots have broken out in Hamburg.

Mr. President, as far as conditions in the American zone are concerned, the belated admission of Mr. J. B. Hutson, Under Secretary of Agriculture, and of Mr. Dean Acheson, Under Secretary of State, on February 3, and of President Truman on February 7, 1946, give the lie to all protestations to the contrary, that starvation does not stalk the American as well as the other zones of Germany and Europe.

The American press has recently carried several inspired stories to the effect that there is no starvation in the American zone, citing the findings of five Army boards of nutritional experts, along with Mrs. Roosevelt's 3-hour whirlwind observations made in Berlin. These stories, however, are nothing but the rankest kind of face-saving hypocrisies. For instance, so far as the five Army boards are concerned, on January 2, 1946, DANA, the official news agency of the American military government in Germany for the authorized German Press, issued the following statement in Frankfurt am Main:

In the entire American zone, in accordance with directives of the health division of the military government, weight controls of adults over 20 years of age will be made in order to examine the state of health of the German population. They will take place during the first week of each month and will be made by the health departments in towns with a population of over 100,000 people under direct supervision of the health officers of the military government.

The officials of the health department will pick up or select individual persons who accidentally pass public places, corners of streets, and are standing before shops. These individuals will be weighed with shoes and clothes, but without overcoats, handbags or other baggage. Average weights of age groups between 20 and 30, 30 and 40, etc., will be calculated from these figures.

I ask, Mr. President, could anything be more unscientific or ridiculous?

And as for Mrs. Roosevelt's assertion that she could find no starvation in Germany, on February 25, following the report of the Emergency Economic Committee for Europe, which stated that 100,000,000 will be forced to live on a starvation diet, Mrs. Roosevelt wrote a column entitled: "Starving War-Torn Europe Dreads Spread of Disease."

More of this deliberately misleading propaganda is found in the New York Times story of February 1 from Frankfurt, which stated in part:

In contrast to Senator KENNETH WHERRY'S protests against starvation levels which he indicated he believed were being maintained in the United States zone, the Food and Agriculture Division reported that the amount of rationed food permitted had increased consistently in each succeeding ration period and that the normal consumer received 1,262 calories daily in the eighty-first period ended November 11.

The daily ration rose to 1,550 the first week of January, and recommendations are now pending that it be increased to 1,750. The Public Health officers of the military government, who submitted this proposal, further indicated that if the average weights of civilians dropped, it would be further increased to a minimum of 2,000 calories daily. The increase in the ration, however, caused an unduly rapid reduction of the indigenous resources and a corresponding increase in import requirements, the report added.

Mr. President, the above statistics would prove that we have been imposing a starvation diet on the German people since the war ended. Up until November 11 the normal consumer received only 1,262 calories, and it was not until the first week in January that the official ration level was raised to 1,550 calories. What this policy has meant can only be understood in the light of what competent nutritional authorities state to be the minimum caloric level necessary to the maintenance of health. Just recently an intergovernmental body titled the Emergency Economic Committee for Europe, under the chairmanship of Philip Noel-Baker, of Great Britain, and including representatives from the United States, Belgium, Denmark, Greece, Luxembourg, the Netherlands, Norway, and Turkey issued a formal report on the frightful conditions in Europe, stating:

As a guide to the possible nutritional and economic effects of the diet levels described in this review, it may be noted that a diet containing an average of about 2,650 calories per day, in addition to necessary quantities of other nutritional elements, has been recommended by the UNRRA Food Committee as the amount of food sufficient to maintain full health and efficiency in a population with a normal distribution according to sex, age, and occupation.

An average diet of around 2,000 calories has been generally recognized in military and civilian relief planning as a minimum level, below which there would be marked effects on ability to work and danger of the development of disease and unrest associated with food shortage.

Mr. President, as a matter of fact, the results of this starvation policy which we have forced on the German people were announced on February 24, when a committee of American, British, and French nutritional experts warned that malnutrition among the Germans might soon reach alarming proportions and that sudden drastic cuts in the ration scale "may be expected to be followed immediately by civil unrest." The Committee went on to state "It is imperative that every effort be made to prevent the lowering of existing scales."

More of this attempt to strangle the news of what this administration had committed the American people to is found in the following development. On February 2, immediately following attack made by the Senator from Nebraska [Mr. WHERRY] on our starvation policy, a report came from Lieut. Gen. Lucius Clay's headquarters in Frankfurt, that there was no starvation in the American zone. Yet on March 20 the New York Times carried a story by C. L. Sulzberger which states in part:

There is only enough food in the United States Occupation zone in Germany to maintain and uniformly distribute the guaranteed minimum ration of 1,550 calories for six more days. * * * At this stage, unless a sudden change in the situation comes unexpectedly, the ration in the American zone in Germany will be forced down to 1,050 calories a day.

This is considered a virtual starvation diet by American experts who are fighting to get some commitments from Washington which could at least reduce the extent of the cut.

Originally when the present calory level was fixed the Germans, worried about possible starvation in May, suggested that it should be fixed lower than the 1,550 calory figure. However, General Clay promised them that the United States would make up the difference if production and reserves fell short, in order to maintain the pledged figure. He had been promised by Washington that sufficient imports would be sent. General Clay has now been let down by Washington, which is faced with a world-wide food crisis.

It is understood that General Clay dispatched Col. Hugh B. Hester to Washington last month to explain that the German food situation had deteriorated and to request food shipments.

United States Military Government officials are working to get a better deal from Washington. They argue that starvation may threaten under the present program; that even the planned level of recovery will be set back; that "if the United States wants

to turn Europe to the left, this is the best way," and that it is unfair to let General Clay down in his promise to maintain the ration and make America appear not to keep its word.

It is perfectly obvious, Mr. President, that General Clay himself has become a victim of these vicious policies for which the group within this administration who have been bent on the destruction of the German people are responsible.

If these conditions which I have been describing are not grim realities why is it then that the report of the members of the American Council of Volunteer Agencies for Foreign Service, continues to be suppressed by the State Department, by the War Department, and by the President's War Relief Control Board? I hold in my hand a copy of this report which was prepared following the return of an investigating committee which the Allied Control Commission permitted to tour the western zones of Germany.

It is little wonder that this administration continues to suppress such reports. The whole ghastly story of the frightful consequences of the vicious Morgenthau plan which this report would expose would incriminate many of this administration's advisers and confidants as murderous peace criminals.

The tactics of the group which is responsible for suppressing this report are merely the extension of the slander and intimidation which have been so effectually used throughout this administration's reign to silence all criticsm and opposition. I am certain that the only reason why the members of these various church and relief organizations do not expose this whole sordid tale of terror is merely because of their fear of retaliation which would negate whatever good they are now being permitted to do.

The prospects for the future become ghastly indeed if such policies are continued for one moment longer. For instance, the University of Minnesota medical school has just completed an experiment with 34 human guinea pigs who voluntarily submitted to a starvation diet of 1,500 calories daily over a period of 6 months. The most startling thing that was discovered as a result of the experiment was not the loss of weight or the loss of control of emotions or the loss of ability to think or to work, it was the fact that weight that had been lost could not be regained until the diet had been increased to 4,000 calories daily per person.

Mr. President, I ask unanimous consent to have printed at this point in my remarks the American Council of Voluntary Agencies for Foreign Service Report of Mission to Germany.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

AMERICAN COUNCIL OF VOLUNTARY AGENCIES FOR FOREIGN SERVICE REPORT OF MISSION TO GERMANY

This mission was sent to Germany to study relief needs and to plan relief services in coordination with Military Government and indigenous agencies in Germany. After a preliminary meeting in Frankfurt on January 12 the remaining time up to January 30, 1946, was spent in visiting the American, British, and French zones of occupation. Permission to enter the Russian zone was not received. It has examined the relief needs of Germany in the light of the situation and experience in those other needy European countries in which American voluntary agencies are working. On the basis of conferences with representatives of Military Government, private welfare agencies, public welfare officers, workers agencies, and of direct observation among the population, we submit the following findings:

CRITICAL NEEDS

Today there is a widespread suffering in Germany, above all in the large cities. Food is short, clothing supplies are exhausted. The inadequacy of fuel, housing, and medical supplies can be seen on every side.

Food: The average city office worker, the housewife, and the aged in the American zone is given a ration of 1,550 calories per day. Young children receive less, heavy workers more. This compares to an American citizen's daily average of about 3,200 calories.

To attempt to determine the minimum adequacy of food rationing on the sole basis of calories per day is impractical. However, it was learned that in the American zone the daily calorie intake was stated as 1,980 during November 1945, which fell off to 1,830 during December 1945. Figures on this point were not available for January 1946. Included in these average estimates are, of course, many people who receive less than average. The mission learned from a military authority that in scattered localities the calorie intake amounts to only 900 calories a day. Obviously these bare statistics do not tell the real story of the hungry people we have seen, the aged and sick who were not getting enough to eat, the small children who need more than bread and potatoes for protective care.

Particular note was made of the present downward trend of the average daily intake of food. The upward trend for the autumn months shown by the figures of the American military is now being reversed. Potatoes which had been allocated during the fall for winter consumption accounted largely for the early rise. The downward trend results from the rapid exhaustion of potatoes as well as the grain stores.

Clothing: New clothing is unobtainable. One is often misled by seeing people apparently well-clad. Many are wearing the only clothes they possess, having lost their entire wardrobes in the fires that followed the bombings or having given their spare clothing to fellow citizens who had lost everything. We learned that in the British zone three general levies of clothing had been carried out in order to get clothes for those who had none. Shoes are not to be had. There is a particularly acute shortage of children's shoes. One sees children with feet wrapped in rags. Oftentimes children cannot go to school because they do not have shoes or because the ones they do have are inadequate. In several instances we found that in bad weather attendance in schools dropped 40 percent because the children lacked suitable footwear. Materials for shoe repairs—leather, nails, tools—are almost completely unavailable.

Housing and fuel: Housing conditions in all zones almost defy description. As one drives through miles and miles of rubble that was formerly houses and buildings, one wonders where the people are living. And then at night in the darkened streets one sees lights coming from ruins and cellars that one would not have thought inhabited. People are crowded together in the remaining quarters and they overflow into cellars and bomb shelters and into temporary barracks. In certain cities there is an average of three people per habitable room.

Literally millions of people are without homes or adequate shelter. The lack of building materials has made it impossible to rebuild or repair dwellings. The occupation forces necessarily have taken over sections of cities for their quarters. The scarcity is so great that in some of the cities the only heat available is in public warming rooms.

Refugees: These are the five to ten million Germans who are being expelled from former German territories, or from territories formerly populated by Germans. These mingle with those Germans who were displaced during the war and have not yet been able to make their way home. The total number has not been determined.

By far the greatest number of the present evacuees and refugees are women, children, and old men. Many of the children are orphans. These people arrive at the border cities tired, hungry, with little or no luggage, undernourished, ill-clad, many of them sick. We have seen them spending the night in air-raid shelters or railroad stations, packed together with hardly enough room to sit down, with no care for the sick, no facilities to wash and often without food. They are shunted from one ruined city to another, sometimes for weeks, until they find relatives or friends, or are put in temporary quarters, or assigned to a room in a country village. We have seen them settled in barracks and in air-raid bunders, six to ten in one small room. We have seen two hundred squeezed together in one large room of an abandoned department store, with each family trying vainly to maintain a little privacy. Many of these had been living under such conditions since last July. Some of the mothers had to keep their children in bed until they could fashion shoes for them out of cardboard and string. The wives and children of workers in Breslau share these quarters with old farmers from East Prussia and Pomerania, whose only possessions are now the rags on their bodies. In the American zone alone, as many as two and a half million of these refugees may have to be cared for. They will become the responsibility of communities already lacking adequate shelter, food, clothing, and medicines. They will further disrupt the life of the smaller and comparatively intact communities all over Germany. These refugees will constitute as large a problem as were the millions of Hitler's displaced people in Germany, yet the possibility of taking them back where they belong will not exist. They will not only present a gigantic social problem, but also an obstacle to the moral recovery of the German people. Private and public relief working together can do no more than assist at the places of, and in the moments of greatest distress.

Infants and children: Infants and children of less than 1 year in age suffer more than any other age group. At least 25 percent of those born die before they reach 1 year of age. Poor housing, lack of heat, lack of sugar and milk, inadequate diet of mothers, lack of layettes and soap, and shortage of medical care, are responsible for this high death rate. Among older children there is a death rate more nearly normal, but malnourishment and even rickets are widespread.

Homeless children: Another urgent problem is the bands of homeless and orphaned children who roam from city to city searching for missing parents or relatives. The age range of these children is from 10–16 years. They have become so accustomed to this wandering existence that it would be difficult to keep them in any institution, if some were available.

The aged and infirm: Old and sick people suffer especially from the privations of heat and food that now are common in every large city. Food rations are at best difficult to obtain for able-bodied people who are able to wait in line. The death rate among old

people is believed to be double that of normal times in certain cities.

Separated families: The lack of information as to the whereabouts of members of their families is a source of great anxiety to hundreds of thousands of Germans. Some efforts are being made to trace missing people and to unite families, but they are not yet effective on a national scale.

GERMAN WELFARE ACTIVITIES

The provincial and municipal welfare agencies are functioning, but are handicapped by a shortage of experienced and vigorous personnel.

The great church relief agencies survived the persecutions of the Nazi regime and commenced operations in late summer of 1945. The Roman Catholic Caritas Verband, the Evangelical Hilfswerk (including the Evangelical Mission) are operating in all Germany and have so far borne the brunt of voluntary relief activity on the basis of millions of marks and substantial quantities of food and clothing collected inside the country. The Arbeiterwohlfahrt, which was dissolved in 1933, the German Red Cross, and other agencies are presently operating on the lower governmental levels, after various delays. These charitable agencies are cooperating closely with one another. They are making further collections of food, clothing, and money, but they have reached the end of their resources. Under the present conditions their money is of little buying value. The private agencies enjoy the confidence of the public-welfare offices of both the civil and the military government, with which they have cooperated closely.

RECOMMENDED PROGRAM

1. The Mission has been concerned primarily with the place of voluntary agencies in meeting the need for emergency relief. It properly recognizes, however, the responsibility of military government to meet basic needs in the zones of occupation. A minimum daily ration of 2,000 calories should be maintained to prevent deficiency diseases, and later starvation.

2. Military governments are also responsible, under the Potsdam agreement, for the humane treatment of the refugees who are arriving from the east and south. In view of the present conditions of life in Germany, and in recognition of the severe problems which are being added by the rapid influx of refugees, it is urged that immediate steps be taken to stock clothing, supplemental foods, and medicines to meet this emergency. It will also be necessary to promote the orderly integration of refugees into the life of the country.

3. Because the most efficient government aid cannot at this late date meet all the needs involved in this chaotic situation, and because Germans should know that they have the sympathetic interest of Americans of good will, the mission recommends that American voluntary agencies supplement the military government efforts by supplying the German indigenous agencies with goods, especially the following:

For infants: Milk, sugar, layettes, soap, food for pregnant and nursing mothers.

For children: Milk, fats, shoes, soap.

For refugees: Clothing, supplemental food, medicines.

4. In distributing goods from the United States the American agencies should work through established German agencies so as to encourage their development and to strengthen the more promising currents of new German life. To meet these special and shifting needs it is essential that the German voluntary agencies maintain their autonomy and flexibility of action.

5. After the present emergency is met, opportunity should be allowed for aid in the reconstruction of youth and the improvement of welfare services.

In conclusion, the mission recognizes the difficulties under which the military government must work in bringing order out of chaos. A country for years under the domination of totalitarian control, which sought to strangle individual thinking, initiative, and enterprise, presents unique problems which will not be solved without great effort. That these problems must be solved is as urgent as the desire of all men of good will to accomplish a world at peace.

The supply of food, clothing, and medicines to meet minimum requirement will not alone satisfy the problems of this defeated nation. They have been deprived for long years of uncensored communication with the outside world, freedom of expression in the press and in publications. Soon they must learn and relearn the true meaning of freedom from totalitarian restrictions. It is hoped that in furtherance of this necessary objective a way will be found to open postal services between the American zone and the outside world.

We have entered into tentative agreements with representatives of the military governments of the American, British, and French zones to carry out the recommendation that relief be sent to Germany. These are appended to this report. All are subject to the approval of the American voluntary agencies. The American agreement is subject to approval by the War and State Departments and by the President's War Relief Control Board. The British and French agreements are subject to review by the commanding officers of these zones.

JOSEPH BUTTINGER,
International Rescue and Relief Committee.
JAMES H. HORAN,
War Relief Services, National Catholic Welfare Conferences.
JAMES FLINT,
Congregational Christian Service Committee.
ANTHONY LUCHER,
CIO War Relief Committee.
GILBERT F. WHITE,
A. F. S. C.
STEWART HERMAN,
World Council of Churches.
JAMES M. READ,
A. F. S. C.

BERLIN, *January 30, 1946.*

ESSENTIAL FEATURES OF GERMAN MISSION AGREEMENT WITH AMERICAN MILITARY GOVERNMENT

1. Personnel: Limit of eight persons, attached to AMG and maintained by it. No uniforms required. A chairman of this delegation to be directly responsible to AMG—the others responsible to chairman.

2. Relief supplies: Limit of 2,000 tons per month for American zone; preferred items: milk, sugar, fats, medicines, soap, bedding, and children's shoes. Other food and clothing not excluded. Transport by Army; distribution by German welfare agencies on a representative basis.

Accepted by CRALOG, February 12, 1946.

Committee to secure State and War Departments approval and to prepare official release.

EDWARD O'CONNOR,
National Catholic Welfare Conference.
Mr. MUELLER,
Unitarian Service Committee.
JAMES G. VAIL,
A. F. S. C.
Dr. LESLIE MOSS,
Federal Council of Churches.
JOSEPH BYLER,
Mennonite Central Committee.
Mr. BECKER,
International Rescue and Relief Committee.
Father HOBAN,
Representing the Mission.

Mr. LANGER. Mr. President, the most terrible indictment of these consequences of the Morgenthau plan, which I have seen is contained in an article by Mr. Sylvester C. Michelfelder, head of the material aid division of the World Council of Churches who, after a recent trip through Germany, wrote:

I am depressed. I have seen both the horrible destruction of war and the still more terrible after effects of postwar muddling. Passing through city after city in Germany one sees only rubble. Maimed bodies of hundreds of victims are buried beneath it. Somehow, you feel that these are the fortunate ones. The innocent children who sought shelter in the cellars are now dead, and the loving arms of devoted mothers may still encircle them in death. There, too, lie the mangled remains of the aged, the infirm, and the sick.

I am haunted by the faces of the men, women, and children who lie in crude wooden bunks filled with straw. They are the ones who arrive after being pushed out of the east into Berlin. They arrive daily on trains so crowded that women and children are hanging on rods between the boxcars. They huddle together to try to keep warm. Bands of irresponsible bandits in Russian or American uniforms pillage and rob the trains. The women and girls are violated in sight of everyone. They are stripped of their clothes.

In another part of this shelter I saw several rooms filled with nameless children from 3 to 5 years old. All were suffering from malnutrition and the after-effects of typhus. Swollen faces, distended stomachs, and spindly legs could be seen everywhere. Another room was filled with girls from 16 to 20 all of whom had been violated time and again, all of them suffering from disease and the effects of malnutrition and exposure.

I repeat, I am depressed. Never in my life have I felt so helpless. Never have I been brought face to face with such stupendous need.

Why can't Americans send relief to these helpless people? Why can't we use surplus blankets, drugs, trucks, bandages for these suffering masses? Has the sadistic spirit of Hitler and Himmler come over Hitler's conquerers?

You can read these words and do nothing. If, however, you are impressed and do not take opportunity for expression, you too may be overcome by a feeling of depression. Here is something you can do:

First of all bring all the influence of the Christian people to bear upon those in high positions to allow the churches in Germany to give relief. The Hilfswerk of the Evangelical Churches in Germany is well organized and ready to do its work but the committee needs help. They need transportation. They need trucks and bandages. They need clothes and bedding. These can be got ready for shipment. Ships should rush the goods to Bremen and Hamburg as quickly as possible.

Of course you must pray. But we must pray God to help these dying, suffering people through us. Our hands are now His hands.

Mr. President, the future is too horrible to contemplate if the present policies of revenge, hatred, and deliberate bungling and evasion are permitted to be continued. These official policies of the United States Government are fast turning the whole of Europe and a large part of Asia into a madhouse filled with wasted bodies, warped minds, and embittered spirits out of which nothing but anarchy and war can possibly arise.

There is such a thing as collective guilt. Those who sow to the wind reap

the whirlwind; those who take the sword perish by the sword. Were the Allies, all of them, to be permeated exclusively with the spirit of Christ Himself, were they to rise above every temptation of hatred and revenge, were they to make sacrifices for their late enemies beyond what can be hoped for from any but the saints, it would be impossible to prevent the terrible suffering which follows with just logic from the nature of the Nazi crimes themselves.

Yet this very question of collective guilt which we are imposing as a policy on the helpless and innocent alike, demands of us a reconsideration of our own responsibilities. If we are to be honest with ourselves we must now admit that there is no question that the illimitable suffering, the frightful catastrophe which is overtaking the German people and enveloping in its black death those whom no human being dare judge, little children—yes, and children unborn—is not alone attributable to the poetic justice of war and defeat, but is to a vast extent the direct result of Allied policies of cruelty and revenge.

The chief rabbi of Berlin, one of the few survivors of one of Hitler's concentration camps, who has recently been brought to this country, has been pleading for a humane approach to the frightful problems that have been created by Mr. Morgenthau and the Potsdam declaration. Very recently he wrote in a letter to a friend:

> No crime, no wrong is ever committed only against a single individual; it is as well committed against oneself.
>
> Where a crime has been committed there arises the task to reestablish law, to reconstruct the majesty of law before the eyes of the world. Law is only reestablished with the punishment of the criminal and if the punishment corresponds to the gravity of his crime. Without the definite and certain punishment of every criminal there is no law, no justice, and no humanity.
>
> However, the right to punish only becomes man if he is prepared to help. * * * To punish and to help belong together; only together do they represent justice.

Mr. President, is this administration even now prepared to help? It seems perfectly obvious that those who have been responsible for this tragedy are planning to swallow up this crisis in a far worse catastrophe.

For months on end this administration has been amply warned by scores of its own advisers and experts of the catastrophe that has been in the making. Yet with a human tragedy confronting them that defies human description, they are continuing the same mad policies which have forced our present predicament upon us.

This administration has been warned of the gravity of the situation in all occupied territories. Those responsible for our policies have been warned not to cut supplies or rations in those areas directly under the control of our military government. Yet we are now told that in spite of the fact that our primary responsibility is to the peoples of those defeated nations whom we have subjected to an American military government and to whom we owe a faithful discharge of the basic responsibilities of government, this administration is to cut even the present starvation diet to the level where rioting, bloodshed, and the complete collapse of our prestige and honor are guaranteed. This guarantees the loss of the peace.

On February 23 the provisional committee of the World Council of Churches released their resolutions that had been drawn up to deal with the terrible conditions in Europe, one of which states in part:

> Whereas the Potsdam Conference agreed that any transfer of populations should be effected in an orderly and humane manner; and
>
> Whereas these proposals of the Potsdam Conference have not been carried out, but on the contrary, the transfers of populations have brought great hardship, distress, and suffering to millions of persons, including large numbers of women and children, and have resulted in disease and death for an appalling proportion of them; * * * this situation is an offense to the Christian conscience and has aroused the concern which the Christian churches must feel for suffering humanity.

Yet now we are informed that the State Department has announced its consent to additional transfer and mass deportation of 6,600,000 more Germans from their ancestral homes in central and eastern Europe.

We know full well of the treatment of the prisoners of war which we have turned over to France and Russia, yet there has been no official order given yet which countermands this trading in human misery.

We know perfectly well of how utterly impossible it has been for UNRRA to cope with the staggering misery of the officially designated displaced persons which have been torn loose from their homes or released from their prisons to wander in agony across the face of Europe. Yet now we are informed that all official American aid to these victims of persecution and want is to be terminated on July 1.

This administration knows full well from the warnings which were given at the Food and Agriculture Conference at Hot Springs over 2 years ago that the most competent experts in that field recognized the need for continued rationing in the United States following the end of the war to avert a famine around the world. Yet now we are told that this Government intends to terminate its support of UNRRA on the 1st of January 1947, even though a far worse calamity threatens in the year ahead.

Mr. President, what are the American people to think of this terrifying display of ineptness and sheer incompetence and confusion mixed with a deliberate attempt to destroy our former enemy as a people and as a nation, all of which seems bent on making tragic matters worse?

At this moment, to my knowledge, this administration has consented to four sops being thrown to American public opinion.

On April 1, we are now informed, it is the intention of the Army to permit the reopening of mail service to letters weighing not over 24 grams.

Secondly, after having stood in the way for many months we are permitting the International Red Cross to operate in the greater Berlin area, at the request of the Russian general, General Smirnow.

A recent letter by a high military authority writing from Germany contains the following revelation:

> This permission has been granted by a unanimous vote of the Berlin Kommandantura on a motion made by General Smirnow after the matter had been turned down on a higher level due to the reluctance of our officials.
>
> Should there be any relief agencies in the United States who are prepared to bring relief to the desperate plight of the refugees in Greater Berlin, including thousands of children without parents, they could avail themselves of the services of the International Red Cross as this agency is now in a position to distribute relief freely in Berlin.

The State Department has also now permitted the American Relief Societies for Foreign Service to ship 2,000 tons of relief goods into Germany per month. The need in Germany is officially set at between 300,000 and 500,000 tons till the end of this crop year. This American relief amounts to one-fifth of a Liberty ship load a month in the face of a hunger catastrophe which has already begun.

This administration has finally consented to the creation of a 12-man Famine Committee under the leadership of former President Hoover to hasten the imposition of self-rationing by the American people on themselves and to find some means of putting the whole food crisis in its proper perspective.

But all of these things are merely so much superficial window dressing in the face of the tragedy now threatening the world.

Mr. President, something terrible has happened to America. The American people have been and continue to be maneuvered into one of the most diabolic crimes ever committed against a civilized people. Unless and until we are able to compel a change and to force this mad fanaticism to break its vicious grip which is dragging the whole world down into chaos and agony, we shall earn the everlasting contempt and hatred of our fellow men and the enduring condemnation of our Creator.

Yet, Mr. President, in spite of the rising suffering and mass starvation before us, in spite of the tremendous amount of relief which the American people and relief societies would be able and willing to supply, this administration continues, with a totalitarian contempt for all laws of democracy and decency, to deny to our people the right to help personally to relieve this suffering.

The time has come to put an end once and for all to the hatreds which have been permitted to eat their way into the very bloodstream of so many Americans, both in civilian and public life. The crisis upon us is increasing in such ferocity and magnitude that nothing but a violent repudiation of the policies and practices which have produced this rising tidal wave of human misery can save us.

When the true conditions around the world come to light; when the American people waken to realize they have been betrayed by a fanatical group of men within their own leadership; when the whited sepulchers of our empty promises which are now being filled with the wasted flesh and bones of innocent and

guilty alike are fully exposed to view; when our riches win us nothing but universal loathing; and our triumph turns to undying hatred, when we are unable longer to take the names of Jefferson, Washington, or Lincoln upon our lips without shame, when we must cast our eyes to the dust at the mention of the name of our Lord and Master, then the American people will demand to know who has smeared them with this guilt.

Mr. KNOWLAND. Mr. President and Members of the Senate, I would not want this afternoon to pass following the remarks of the senior Senator from North Dakota [Mr. LANGER], and have the impression remain in the Senate and throughout the country that the United States Government had pursued a policy comparable to the Nazi policy in Europe, because in my opinion such is not the case. It happened to have been my privilege to have served for a time in Germany, and I think I know first-hand some of the conditions existing there.

War is not a pleasant thing. Severe damage has been done; serious dislocations have taken place all over Europe; but I believe it can be said without fear of successful contradiction that in the zone occupied by the United States Army conditions are better than in any other zone of occupation. I think that is borne out by the fact that many of the people of Germany are very glad and very anxious to come into the American zone of occupation.

Mr. President, I would not want to go unchallenged today any suggestion that the American Army has fallen down in its occupation job, because I do not believe that is so. Certainly the Army organization, like every other large organization, has made mistakes. However, the fact remains that the enlisted men and the officers, doing a very difficult job under very trying conditions, have brought about, I believe, rather remarkable results. They went into Germany in a period when there was utter dislocation, when communications systems had been broken down, when food supplies had been disrupted. They went to work and reestablished communications; they rebuilt bridges; they set up governments; they were able finally to get the educational system operating again; and they have assisted in working out the food problem.

I am quite willing to agree with the Senator from North Dakota that the general theory of dividing Germany into four zones of occupation was not wise. I believe that it has made more difficult the job of the occupation authorities, because when the lines of demarkation were established, in effect four different nations were created out of one. We find that the industrial activity is in the British zone. A large part of the food supply is in the Russian zone. A large part of the industrial Saarland is in the French zone. The American zone has some foodstuffs, and some other activities. This, of course, made the occupation job more difficult.

As I previously stated, Mr. President, it is not a fact that this Government is engaging in any conspiracy to starve the German people. Remarks have been made on the floor heretofore objecting to the dismantling of German industries. So far as I can see, Mr. President, this is essential to the future peace of the world. Twice in our generation Germany has threatened the peace of the world. I do not believe that any Member of this body or any man who served in the Army of the United States wants the next generation to go through this process all over again.

Some remarks were made concerning fertilizer and the importance of reestablishing fertilizer plants. However, I believe that we must keep in mind the fact that it is not only great armament factories which are a danger to the peace of the world. In the modern industrial nation it is very easy to turn chemical factories and factories which in the normal course of events are used only for peacetime purposes into a vast war machine. In this Nation, one of the most peaceful nations of the world, we found that in the relatively short period of a few years we could change from a nation without an armament industry, so to speak, to the greatest armament producer on the face of the earth.

I believe that our constituted authorities have a responsibility and an obligation, not only to our own people but to all the people of the world, to see that neither Germany nor Japan shall ever again be permitted to establish industrial organizations which would permit them to make war on the rest of the world.

Some remarks were made earlier to the effect that conditions are worse than they were during the Nazi occupation of Europe. I cannot speak for any of the other zones of occupation, but I can testify that such is not the case in any zone occupied by the United States Army.

I did not mean to take the time of the Senate today to discuss this subject, but I felt, in fairness to the Senate and in fairness to the country, that at least a different point of view should be presented.

Mr. LANGER. Mr. President, I have nothing but the highest respect for the distinguished Senator from California. I know that for many months he has not been in Germany, in the occupied zone governed by America. Much as I respect him, nevertheless I have a much higher regard on this particular question of food for Mr. Karl Brandt, about whom the distinguished Senator from Mississippi [Mr. EASTLAND] spoke a few minutes ago.

I have just as high a regard as has the distinguished Senator from California for what has been done by the Army and Navy and the Air Forces in this war, if not a higher regard. I yield to no man when I say that I believe we have the finest fighting force in the entire world. Nevertheless, we have before us a letter dated not 5 months ago, 6 months ago, 8 months ago, or when the distinguished Senator left California, but dated 10 days ago, from Berlin, at a time when the Senator was sitting here in this air-conditioned Chamber, at the very time when millions of little girls and boys were starving to death, in spite of the fact that the late President of the United States, Franklin Roosevelt, said that this was not a war against the German people, but a war against Hitler. No one despised Hitler and his satellites more than did the Senator from North Dakota.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LANGER. I shall be glad to yield when I conclude.

I have before me a letter written by Karl Brandt, the man appointed by this very Government to go to Berlin to see that the women and children of our late enemy were taken care of. What does Karl Brandt say? I wish particularly to have the distinguished Senator from California listen to his statement. Ten days ago the man who is the economic adviser of the army of occupation, the man who is the expert, the man was not there a year ago, but who is there now, said:

> The greatest famine catastrophe of recent centuries is upon us in central Europe. Our Government is letting down our military government in the food deliveries it promised, although what General Clay, General Draper, and General Hester asked for and were promised was the barest minimum for survival of the people. We will be forced to reduce the rations from 1,550 calories to 1,000 or less calories.
>
> The few buds of democracy will be burned out in the agony of death of the aged, the women, and children.

I repeat, Mr. President, that in all its history the United States Government has never made war upon women and children, and is not now making war upon women and children anywhere.

Mr. Brandt continued:

> The British and we are going on record as the ones who let the Germans starve.

Mr. President, those are not the words of the Senator from North Dakota. They are the words of the economic adviser of the army in Berlin.

> The Russians will release at the height of the famine substantial food stores they have locked up (300,000–400,000 tons of sugar, large quantities of potatoes).
>
> Aside from the inhumanity involved, it is so criminally stupid to give such a performance of incredible fumbling before the eyes of the world.

I particularly ask my friend from California to listen to this. He has been an officer in the Army. He offered to lay down his life—and I admire and like him—that this country might continue to exist. I ask him to listen to this statement:

> It makes all the many hard-working officers of Office of Military Government, Food and Agriculture Branch, ashamed.

Mr. President, I hope the time will never come when I cannot stand on the floor of the Senate and bring to the attention of the American people conditions which I believe to be fundamentally wrong. I intend to fight for what I believe to be right, no matter how unpopular the cause may be; and when the time comes when I cannot speak for what I believe to be right, I shall walk out the door with my head up and my conscience clear.

PAY ALLOWANCES OF CERTAIN OFFICERS OF THE RETIRED LIST OF THE REGULAR NAVY AND COAST GUARD

Mr. BREWSTER. I wish to call up a privileged matter, dealing with a report from the Committee on Naval Affairs on

an amendment of the House of Representatives to Senate bill 473, relating to pay and allowances of officers of the retired list of the Regular Navy and Coast Guard for performing active duty in the rank of rear admiral. It is a matter with which the Senator from Louisiana [Mr. OVERTON] is familiar. I ask unanimous consent for the present consideration of the amendment.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. Strike out all after the enacting clause of the Senate bill 473 and insert:

That any officer of the retired list of the Navy or Coast Guard of the permanent grade or rank of rear admiral who is entitled to the pay of the lower half of that grade and who is, has been, or may be recalled to active duty and who in time of war or other national emergency served, serves, or may serve satisfactorily on active duty for a period of 2 years or more in the grade or rank of rear admiral or in a higher grade, shall be entitled when on active duty to the pay and allowances of a rear admiral of the upper half unless he is entitled under other provisions of law to higher pay and allowances, and he shall be entitled when on inactive duty to retired pay equal to 75 percent of the pay of a rear admiral of the upper half unless he is entitled under other provisions of law to higher retired pay or allowances: *Provided*, That no back pay or allowances shall be held to have accrued under this act prior to the date of its approval.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maine?

Mr. OVERTON. Mr. President, reserving the right to object, I should like to ask the Senator from Maine some questions in regard to the bill.

How many rear admirals would be affected?

Mr. BREWSTER. Thirty-eight rear admirals would be affected by this amendment. Originally the Senate bill affected only two; but when it was sent to the House, the House adopted an amendment which would affect 38 rear admirals. They were men who had served in this country, rather than overseas. That was the distinction between the Senate bill and the House amendment. In the original Senate bill we confined the benefits to those who had served overseas. The House felt that since these men had served in this country through no choice of their own, they should not be discriminated against. After consideration, the Senate Committee on Naval Affairs felt that we should defer to the House views.

Mr. OVERTON. The bill contains a provision that a rear admiral in the lower half of that grade who receives the pay of that grade shall, when retired, receive retirement pay of 75 percent of the pay of a rear admiral in the upper half. What percentage of his base pay does a rear admiral in the lower half now receive?

Mr. BREWSTER. I was amazed to find that a rear admiral in the lower half receives only $6,000. I know of any number of men in Government offices downtown drawing $8,000 and $10,000, who do not have responsibilities anywhere near comparable with those of a rear admiral, who receives $6,000. After he has served for 2 years he goes into the upper half and receives $8,000, plus certain additional allowances amounting to $1,000 or $1,500; 75 percent of the amount of pay of a rear admiral in the upper half would be $6,000 on retirement. A rear admiral in the lower half would receive $4,500 on retirement. This amendment would made a difference of $1,500 a year for those men, who, after they have been retired and placed in the Reserve, and are then called back into active service, can never advance into the upper half, no matter how long they may serve. It is simply a curious quirk in the law which I do not think ever was intended. This measure will simply wipe out that discrimination.

Mr. OVERTON. Seventy-five percent is the same percentage which now applies, is it?

Mr. BREWSTER. That is correct.

Mr. OVERTON. The percentage is not changed?

Mr. BREWSTER. No; not at all. It is still 75 percent. The only question is about getting into the upper half.

Mr. OVERTON. These rear admirals would actually have to be called back to active duty; would they?

Mr. BREWSTER. That is correct; and they would have to serve.

Mr. OVERTON. They would have to serve?

Mr. BREWSTER. Yes.

Mr. OVERTON. I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the amendment? The Chair hears none.

Mr. BREWSTER. I move that the Senate agree to the amendment of the House of Representatives.

The motion was agreed to.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. AIKEN. Mr. President, I wish to say a few words about the pending amendment. I confess that I find myself in agreement with much of what has been said by the proponents of the amendment. Certainly the farmer is entitled to have consideration taken of the cost of producing his crops. However, if the parity formula is to continue to be used as the measure of the return which a farmer shall receive for the crops he produces, it needs considerable revision.

Today the parity formula does not properly reflect the costs of production for the producers of dairy products, poultry, fruit, and, I suspect, many other products. Under the Steagall amendment, which guarantees the farmer 90 percent of parity for the duration of the war and for 2 years thereafter, those branches of American agriculture are not protected in any adequate degree. For instance, today the dairyman is receiving, including the subsidy, approximately 140 percent of parity for his products. If he were reduced to receiving 90 percent of parity, as provided by the Steagall amendment, that would mean that most of the dairymen would have to stop producing dairy products. Today the poultryman is receiving approximately 130 percent of parity for his products. Undoubtedly it costs him at least the parity price, and probably considerably more, to produce his products.

On the other hand, the parity price is very fair indeed to the wheat grower and to producers in other branches of agriculture.

But those who operate in the largest branches of American agriculture, namely, the dairymen, the poultrymen, and the fruit growers—and dairying is larger than wheat and cotton combined—will not be protected by revision of the parity formula to include labor costs, unless the parity formula is further revised by modernizing the base period, which now is the period 1909–13. Unless the base period is modernized in some adequate way, the producers of the crops and products I have mentioned will be frozen in the same relatively disadvantageous position which they now occupy in relation to the growers of other crops.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. LANGER. What 5 years would the Senator suggest?

Mr. AIKEN. I shall come to that.

Mr. President, the various farm groups have been working on plans for modernizing the parity formula. Unfortunately, they do not work together closely enough to permit the making of very much progress thus far. I think they disagree somewhat as to the base period to be used.

However, it appears to me that the position which the Grange has taken, particularly the position of the national master, Albert Goss, is very well taken indeed. I have talked with Mr. Goss, as well as with others, many times. He believes that the base period should be brought up to the 5 years preceding the one for which parity is determined. I do not pretend to know how we can best determine what the base period should be; but I do know that the years 1909–13 are wholly inapplicable to the dairy industry, the poultry industry, and the fruit-growing industry.

I imagine that some Members of the Senate recall the way dairy products were handled in the period 1909–13. At that time, farmers used to put the cream into a can until it got full or until three or four cans got full. They would take the cream to the creamery once a week. By that time it was sour, to say the least; and frequently it was considerably more than sour. Today the farmer is not permitted to produce cream under any such conditions as those. He is required to buy electric coolers and other apparatus, all of which raises both the quality and the costs. Consequently, a base period predicated on those years is nowhere near properly applicable to present-day operations.

If the amendment including the cost of farm labor in the parity formula is adopted, but if no change is made in the base period for the parity formula, naturally the dairyman, the poultryman, and the fruit grower will be out of luck; for with the wheat grower very well sat-

isfied, indeed, and with the cotton grower apparently well satisfied with the base period 1909–13, there would be very little chance of obtaining a general revision of the parity formula so as to make it equitable for the other branches of agriculture which I have mentioned, which are larger than the ones which hold the more favored position today.

I wish to say, furthermore, that in order to enjoy a reasonable degree of prosperity—and when a farmer breaks even he usually thinks he is prosperous—but in order to enjoy a reasonable degree of prosperity a farmer must have a crop, he must have a market, and he must have a fair price for his crop in the market. In recent years we have learned that the best opportunity to expand our markets lies in the millions of low-paid and low-income consumers who live largely in the cities and in the industrial centers. We have learned that during the war. We have observed that as those millions of people began to earn a living income our farm surpluses disappeared. Today we are actually faced with shortages. We would have a shortage of dairy products today even if we did not export any of them.

The Senator from Illinois ventured the opinion that, if the amendment were adopted and if the bill as thus amended were passed, it would be vetoed. I do not know anyhing about that. I do think we should set ourselves to the task of revising the parity formula in such a manner as to make it fair to all branches of agriculture. But I would not in any way take any chance of killing off the opportunity or possibility of continuing the great market which has been provided to American agriculture by the low-income group and low-wage earners, who, as we have learned during recent years, do provide a tremendous market for farm products.

Mr. President, for that reason I think it unwise to attempt a revision of the parity formula in connection with the pending minimum wage bill.

Mr. PEPPER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Mahoney
Bailey	Hatch	Overton
Ball	Hayden	Pepper
Bankhead	Hickenlooper	Radcliffe
Barkley	Hill	Reed
Bilbo	Hoey	Revercomb
Brewster	Huffman	Russell
Briggs	Johnson, Colo.	Shipstead
Buck	Johnston, S. C.	Smith
Bushfield	Kilgore	Stanfill
Byrd	Knowland	Stewart
Capehart	La Follette	Taft
Capper	Langer	Taylor
Carville	Lucas	Thomas, Okla.
Cordon	McClellan	Thomas, Utah
Donnell	McFarland	Tobey
Eastland	McKellar	Tunnell
Ellender	Maybank	Vandenberg
Ferguson	Mead	Walsh
Fulbright	Millikin	Wheeler
George	Mitchell	White
Gerry	Moore	Wiley
Gossett	Morse	Wilson
Green	Murdock	Young
Guffey	Murray	
Gurney	O'Daniel	

The PRESIDING OFFICER. Seventy-six Senators have answered to their names. A quorum is present.

Mr. PEPPER. Mr. President, as we are nearing a vote upon the pending amendment I should like to say a few words and express, as best I can, the position of the committee.

As I see it, what we have before the Senate at the present time, without the amendment, is a bill upon which hearings were held at great length, which has been reported to the Senate by the Committee on Education and Labor, and which contemplates increases in the minimum wages of a great many workers, whose number has been estimated as being between two and one-half and four million.

Taken in its entirety, this bill does essentially three things. First, it raises the wage scale from the present minimum of 40 cents an hour by law to a proposed minimum of 65 cents for the first 2 years, 70 cents an hour for the second 2 years, and 75 cents an hour at the beginning of the fifth year. Moreover, the committee recommends that there be an extension of coverage, and that those who are engaged in an activity affecting commerce will likewise receive the benefits of the proposed legislation, which will be in the form of a statutory minimum wage for those who are at the bottom of the economic ladder. Conspicuous in such a group would be those who are working for the chain stores which span the country. There are certain safeguards provided for the small independent store owner who is not a part of a chain of more than four stores, or whose gross annual business is less than $500,000 a year.

Mr. REVERCOMB. Mr. President, will the Senator yield for a question?

Mr. PEPPER. I yield.

Mr. REVERCOMB. I know of no Senator to whom I would rather address an injuiry than the able Senator from Florida. I am thinking in respect to the individual independent operators of restaurants throughout the many towns in the several States. Would they come under this bill?

Mr. PEPPER. My opinion is that they would not come under the bill for the reasons that in the past hotels have not come under the National Labor Relations Act because they have not been considered as being engaged in a business affecting commerce.

Mr. REVERCOMB. I wish to address another inquiry to the Senator.

Mr. PEPPER. I think it is clear that under no circumstances would they come under the bill if they did less than $500,000 worth of business a year.

Mr. REVERCOMB. Assume that a restaurant did more than $500,000 worth of business a year, and that its proprietor, owning only one restaurant in the town, served only people in the community in which the restaurant was located, would such restaurant come under the terms of the bill proposed by the Senator from Florida?

Mr. PEPPER. It is my opinion that such a restaurant would not come under the terms of the bill because it is not engaged in an activity affecting commerce.

Mr. REVERCOMB. I propound the same question with respect to small independent laundries throughout the country.

Mr. PEPPER. The answer to the question would depend on whether the laundry would be construed as being a wholesale service establishment or a retail service establishment. If it is a wholesale service establishment it would come under the bill, provided, further, that it affects, or is engaged in commerce. If, however, it is a retail establishment it would be exempt unless it did more than $500,000 worth of business a year, or unless it was a part of a chain of more than four establishments.

Mr. REVERCOMB. Will the able Senator advise us as to the distinction between a wholesale and a retail laundry business?

Mr. PEPPER. The only advice on that point that I can give the able Senator which might have any real value is the advice of the United States Supreme Court which has held that a decision on that question is dependent upon whether the service was rendered to consumers or to those who served consumers.

Mr. REVERCOMB. Of course, if the laundry were engaged in both types of business it would be engaged in the wholesale business.

Mr. PEPPER. If the able Senator will allow me to say so, when I was interrupted I was merely giving a brief sketch of the bill. However, at a subsequent time we shall have ample opportunity to discuss the matter of extended coverage and the matter of exemptions. I was merely trying to give a brief description of the bill which was reported to the Senate, but the pending amendment which is before us is the amendment offered by the Senator from Georgia to the amendment offered by the Senator from Florida on behalf of the committee. When the amendment shall have been disposed of there will be ample opportunity for further discussion of other matters.

Mr. REVERCOMB. Will the Senator yield for a question with reference to the pending amendment of the Senator from Georgia?

Mr. PEPPER. Oh, yes, or with reference to any other matter.

Mr. REVERCOMB. The pending amendment offered by the Senator from Georgia, which has been referred to as being in the nature of the Pace bill, deals with the matter of including in the parity price formula for agricultural products certain other factors, including wages paid by the farmers.

Mr. PEPPER. Not only the wages paid by the farmers, but the value of the services of the farmer and the services of his family, calculated at the going wage rate.

Mr. REVERCOMB. I so understand. Senate bill 1349 exempts the agricultural worker, does it not?

Mr. PEPPER. It does.

Mr. REVERCOMB. Is it the position of the Senator from Florida that by adopting the amendment offered by the Senator from Georgia we would be agreeing to provisions foreign to Senate bill 1349?

Mr. PEPPER. It certainly is my position.

Mr. REVERCOMB. Is it a fair conclusion to be drawn from the viewpoint of the Senator from Florida that Senate

bill 1349 does raise the minimum wage for workers other than agricultural workers, and that if the amendment of the Senator from Georgia should prevail it would have the effect of raising the farmer's parity price, whereas there is nothing in Senate bill 1349 affecting the wage which the farmer must pay his employees?

Mr. PEPPER. There is certainly nothing that would directly affect farm labor.

Mr. President, I was saying that the committee has reported a bill which attempts to raise the minimum wage in the manner I have described. It attempts to extend the coverage to workers who are just as deserving as those who are covered, in the opinion of the committee, and it attempts to remove a provision of the present law giving certain benefits to those in the area of production which has proved administratively totally unworkable, and to substitute a clear-cut and, as the committee believes, a reasonable standard of coverage, so that, with respect to fisheries and agricultural and horticultural activities and commodities, it will begin at the place where the processing starts. But it guarantees to every processor of agricultural or horticultural commodities an exemption of 14 weeks a year.

Mr. President, the bill completely exempts agricultural labor, agricultural employees, for the obvious reason that the representatives of agricultural organizations did not wish agricultural labor covered.

The committee is not opposed to the coverage of agricultural labor under the bill. We would like to see agricultural labor get the benefit of the proposed legislation, but I dare say we would have rough sailing in the Senate if an exemption of agricultural labor were not specifically provided in the bill.

When the committee reported the bill a conflict developed between groups in the Senate as to whether there should be adopted the lower wage scale proposed by the Ellender-Taft amendment, namely, 55 cents for the first year and for 18 months altogether and then 60 cents, with no extended coverage and no reduced exemption; or whether the bill recommended by the Committee on Education and Labor should be passed as it is.

While that contest was in progress, while that conscientious difference was about to be thrashed out by a vote in the Senate, as the able Senator from West Virginia has just suggested, a matter deemed by many of us to be extraneous to that particular issue was injected into the controversy.

What is that, Mr. President? It is the Pace amendment, offered by the able Senator from Georgia. What does it propose to do? Does it propose to extend the benefits of the bill to agricultural labor and say that no man, no woman, no boy, no girl, working in the fields of America shall be paid less than 65 cents an hour, or less than 55 cents an hour, or even less than 40 cents an hour?

No, Mr. President, it scrupulously abstains from such a suggestion.

What would it do? It would provide by law, if enacted, a change in the parity prices of farm commodities to the extent of 33 percent, or about 30 percent as a minimum, according to the estimate of Mr. Bowles, of Mr. Porter, and of Mr. Anderson, Secretary of Agriculture.

What would be the effect of that? I have a letter dated this day from Mr. Chester Bowles, Director of Economic Stabilization, and this is what he says:

I want to give you very briefly some of the background material we discussed on the telephone yesterday.

We estimate that the proposed Pace amendment would raise retail food prices some 15 percent. This would cost the consumer about $4,500,000,000 and it would raise the cost of living, as determined by the BLS Index of Consumer Prices, at least 6 percent. It will mean that the average family's food bill would go up $125 a year. The impact of such an increase would be disastrous to the whole stabilization program. It would inevitably mean another round of general wage increases, which would raise prices still further and start us on the inflationary spiral which we have fought so hard to avoid.

While this amendment would theoretically mean an increase of some $2,500,000,000 in farm income—or $1,250,000,000 if the amendment were revised to exclude individual farmer's own labor and that of his family—I think we would be deceiving the farmer if we let him think that this windfall had no strings on it.

I have always stressed the necessity of protecting and improving the economic status of our farmers. In my belief, it has only been during the last few years that we have started to move in the direction of returning to the farmer a just compensation for his contribution to the whole economy.

Good friends of the farmer should certainly not be misled now, however, by any scheme which purported to improve the farmer's standard of living but which would turn out to be a hollow gain.

History indicates that if the stabilization program were destroyed by some such amendment and we set out on a race between prices and wages, the farmer would suffer far worse than any other group. The prices of things farmers sell would lag behind as wages and prices soared. When the crash came, food prices would collapse first and hardest.

Mr. Bowles then proceeds to state what would be the effect of the committee bill, the pending bill. This is what he says, summarized in three or four brief paragraphs:

As a rough estimate the direct effect of the present 65-cent minimum wage proposal, covering manufacturing and retail fields alike, would be something in the neighborhood of $1,500,000,000 extra in the pockets of low-income groups.

It is very difficult to calculate what the additional indirect effect of the 65-cent minimum wage might be. The man who is now getting 65 cents an hour would probably seek some upward adjustment when the man getting 50 cents an hour is moved up to 65 cents. (Naturally there is a cut-off point some place, beyond which a 65-cent minimum wage probably would not have an effect on the pattern.)

There is a second indirect effect of a higher national minimum wage in interstate commerce and that is the general pull on intrastate wages. There is naturally a tendency for local wages in local laundries, and garages, etc., to more nearly match the minimum set by Federal law.

While it is difficult to put a price tag on this indirect effect, experience under the old 40-cent minimum indicates that the indirect effect might be as great as the direct effect. This might, then, add another $1,500,000,000 to the wages of the lower-income group. Thus we can roughly calculate that the total effect of the 65-cent minimum legislation, as now drawn, might be about $3,000,000,000 annually in the hands of the consumers, even though the indirect effects will probably be delayed over a matter of 2 or 3 or 5 years.

Thus it appears, Mr. President, that the Pace amendment offered by the able Senator from Georgia would raise food prices 15 percent, would add a $4,000,000,000 burden to the budgets of the housewives of America. It would mean a direct increase upon the family budget and the cost of living.

Mr. REVERCOMB. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. REVERCOMB. The able Senator from Florida has been very kind in answering the inquiries I have made, which I have earnestly propounded in order to clarify the situation for myself.

While farm labor is not included in the bill in the fixing of a minimum wage, is it not a fact that the raising of the minimum wage will have an effect on the wage paid the farmer and farm labor? Will it not be reflected? Will it not indirectly effect a rise in prices?

Mr. PEPPER. The able Senator knows that there is always a general indirect effect on our economy of a wage increase.

Mr. REVERCOMB. Naturally so. That being true, following our discussion of a few moments ago, would it not then be germane to the bill and its whole plan to provide that if the farmer is to incur, by reflecting processes, a greater cost in the running of his farm through larger wages, those wages should be taken into consideration in paying parity prices?

Mr. PEPPER. I will say to the able Senator, as I had intended to say later in my remarks, that if the amendment offered by the able Senator from Georgia proposed to apply the minimum-wage bill to agricultural labor, and if it proposed also to provide that, either in the form of a subsidy or in the form of increased prices, the farmer would be compensated for every dollar of the increased cost of agricultural production, I would not only favor but heartily aid in sponsoring such an amendment. But that is not the Pace amendment, that is not the amendment offered by the able Senator from Georgia. In that case the workers on the farm would get the amount of the benefit in their own pockets and in their own improved living standards. But what would happen under the Russell amendment? It might be assumed that agricultural production is equally and evenly distributed over the country among the farmers. On the contrary, we have stated in our report that the fact is that the major share of agricultural production is made and the major share of agricultural income is received by only a fraction of the farms and the farmers. In 1929, it is estimated, the upper 10 percent of the Nation's farms produced 47 percent of the marketed products, while in 1939 the upper 10 percent of the farms accounted for 54 percent of the Nation's sales of farm products.

What would be gained by the Russell amendment? Is it an amendment which would help the poor farmers of America,

as the committee bill helps the poor workers of America? No, Mr. President. The Russell amendment would raise the prices of all farm commodities, both in the hands of the corporate farms, and in the hands of the rich farmer. It is not related to the poor farmers of America. If it were, we would have a different attitude toward it.

Mr. President, 10 percent of the farmers of this country produce 54 percent of all farm products, and the amendment, if adopted, would mean an increase in the price of farm commodities. That is the reason why there is no analogy. The amendment is not intended to benefit, either exclusively or generally, farm labor or the poor independent farmer of America. But, as a matter of fact, Mr. President, to that 10 percent of the big farmers of America would go more than 50 percent of all the increase in farm prices which would result from this amendment.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. FULBRIGHT. Does the Senator feel that the increase of the minimum wage will benefit only the low-income workers? Does he feel that it would have no effect upon those receiving more than 75 cents an hour?

Mr. PEPPER. It would have a perceptible effect. But, Mr. President, while the increase would help the poor working girl in an A & P store it would not affect the salary of the president of the A & P Co., as the Russell amendment would. That amendment would help not only the poor farmer but as well the richest man, who does not need the help which the man at the bottom of the ladder should receive.

Mr. FULBRIGHT. Let us consider a semiskilled worker who is receiving 75 cents or a dollar an hour. Does the Senator feel that the company employing him could leave him at 75 cents or a dollar an hour when the wages of the most illiterate employee in the plant would be raised to 75 cents an hour?

Mr. PEPPER. There would be a perceptible effect on the wage scales most proximate to those at the bottom of the ladder. Of course, that would be so, but it would stop somewhere reasonably above the bottom of the wage scale and would not perceptibly increase the wage scale at the top, even of a skilled worker.

Mr. FULBRIGHT. Is that not exactly the same theory as that with respect to the farmers? It would certainly have a perceptible effect on the poor farmer.

Mr. PEPPER. On the contrary, the analogy would be an amendment which proposed to increase by 50 percent the wages of every workman in the land, high and low. We do not propose to do that. We are affecting only the wages at the bottom of the economic scale.

Mr. FULBRIGHT. The Senator just admitted that the raise in wages to 75 cents an hour would affect the wages of other workmen, semiskilled workmen, for example.

Mr. PEPPER. If we add to the wages of the girl working in the A & P store it will not add anything to the salary of the president of the A & P Co., but on the contrary, the Russell amendment will give more by far to the rich farmers of America than it will to the poor farmers of America. That is not true of the pending amendment of the committee.

Mr. FULBRIGHT. The A & P is not the only company.

Mr. PEPPER. I am aware of that, but it is illustrative of the principle.

Mr. FULBRIGHT. It is not quite so illustrative as an ordinary factory, we will say, in which there are gradations all up and down. And the Senator knows very well, as a matter of common sense, that it is necessary to maintain some differential between the workers who are skilled, and those down the line. If the wages of some are raised, the wages of all are raised.

Mr. PEPPER. It would have that effect, but not the effect the Russell amendment would have.

Mr. President, that is all I wish to say, except to call the Senate's attention to the New York Times of this day. The headline of an article in it reads:

PACE BILL DEBATES LIFTS GRAIN PRICES—MAY RYE CLOSES TWO CENTS HIGHER ON BOARD OF TRADE—ACTIVE OATS DELIVERIES UP

This is the first sentence of the article:

Special to the New York Times.

CHICAGO, March 28.—Grain prices were on the upgrade the greater part of the day, buying being induced by the opening of debate in Congress on the Pace bill, a rider to the minimum-wage bill.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. THOMAS of Oklahoma. Does the Senator remember a few days ago when Mr. Bowles made a speech which had the effect of driving down the prices of farm products many millions of dollars and drove down the price of stocks likewise many billions of dollars?

Mr. PEPPER. Mr. President, I do not have in mind the instance.

Mr. THOMAS of Oklahoma. Such a thing happened in the last few weeks.

Mr. PEPPER. But if the Senator from Oklahoma says that such a thing happened, it did happen.

What I am saying, Mr. President, is that the Pace amendment has ramifications and repercussions which we do not always consider when we fail to view it in its relationship to the whole economy. That is why I agree with what the able Senator from New York [Mr. MEAD] proposed earlier today. If it is to be proposed to amend the parity principle, which has been the backbone of agriculture for the last several years, let it be done as a direct matter. Let it be reported by the Senate Committee on Agriculture and Forestry. Let is be considered on its own merits and basis.

But, Mr. President, into this bill, which is intended to raise the minimum wages not only for the workers in the factories but the white-collar workers of the country, I do not think it is altogether pertinent to try to inject this very controversial amendment to the whole parity principle, the inevitable effect of which will be practically to take out of every workman's pocketbook the increase he would receive if this minimum wage bill were adopted by the Senate.

I certainly sincerely hope, Mr. President, that the Pace amendment will not be injected into the pending bill and that we may thrash out the proper effects of the bill on its own merits and consider the other matters when they come in due course.

Mr. BARKLEY. Mr. President, I do not rise to occupy the time of the Senate in discussing the bill or the amendment further than to advise the Senate concerning a matter which I have been requested to advise it by the President of the United States. As we all know, the President has repeatedly recommended minimum-wage legislation. He recommended the fixing of the minimum at the 65-cent figure contained in this bill. I think we may all assume that the President was sincere in his recommendation and in his desire to obtain genuine minimum-wage legislation for the workers of the United States.

Based upon that desire and the hope of that realization the President is anxious to see this bill become a law as a minimum-wage law, and, in fairness to the Senate, not that he wishes to inject himself into the debate or the consideration of an amendment, but in fairness to the Senate and those who are anxious to secure minimum-wage legislation, he feels that he is compelled, and he has authorized me to say to the Senate, that if the Pace amendment as carried now in the Russell proposal is adopted by the Senate and comes to him as a part of the legislation which we are now considering, he will be compelled to veto the measure.

Mr. RUSSELL. Mr. President, in some respects the implications of the statement just made by the distinguished majority leader far transcend in importance any issue that is pending before the Senate for a vote. I have never believed that the President of the United States could with propriety come into a legislative body when a matter is under consideration and attempt to influence action on pending legislation by what amounts to coercion or intimidation. Under the view of the founding fathers, much despised today in many quarters, our Government consists of three coordinate but independent branches, the executive, the legislative, and the judicial. The legislative is supposed to act without fear or favor or intimidation from the other branches of the Government. There is reserved to the President of the United States the power of vetoing and annulling any action of the Congress unless passed by a two-thirds vote.

But I submit, Mr. President, that the President of the United States—and it matters not what be his name or party label—has no constitutional right to come into the Senate, or either branch of the Congress of the United States, and seek to defeat or to change legislation while it is under consideration and to coerce the Members of this body in their votes by the threat of a veto. If he wishes to veto legislation after it has passed, that is within his sphere and within his right. If the Congress desires to enact legislation, that should be within our sphere and within our right. And we will maintain that position if we are men and not mice.

Now, Mr. President, I respect the opinion of the President of the United States, but I cannot approve it when it is expressed in this fashion here on the floor of the Senate, on the eve of a vote, before either House of the Congress has taken any action on legislation, by injecting himself into this situation to attempt to influence the course of legislation which he favors to the detriment of legislation which he opposes. We should maintain our freedom to pass upon legislation on its merits, without threats of veto and without being coerced.

Mr. President, I am a Democrat. I belong to the party of Thomas Jefferson. I have always believed in his immortal pronouncement of equal rights to all and special privileges to none. That is the essence of democracy. We will come to a sorry pass in our Nation when the Senate cannot freely pass on the merits of legislation unless it has been approved by some great political bloc in this land and without threats as to the course of the Executive if we fail to conform to his views. He has his responsibility. We have ours, and we should discharge it fearlessly.

Mr. President, the Political Action Committee may take over my party. I hope that that will never happen; but it will not take over the Senator from Georgia. My position on this legislation is absolutely unchanged as a result of this message. I shall retain my independence of thought and action. I shall support the Political Action Committee when I think they are right but I shall not yield when I know they are wrong.

Why is this amendment so distasteful? We are told that it is highly inflationary. I do not place any credence in the figures submitted by Mr. Bowles, Mr. Porter, and Mr. Anderson, who are undertaking to defeat the amendment. I do not believe that their figures are correct. I believe that they are too high. But even if this measure is inflationary—and I concede that it is to some degree—it is still right. It is fair. It is just. It is a petition on the part of patriotic Americans living on the farms of this land for some measure of that largesse which is poured out so bountifully to those who are within organized labor's groups.

This amendment is said to be inflationary. What have we done since the end of the war that is not inflationary? At a time when we were operating with an unbalanced budget and carrying a stupendous national debt of nearly $300,000,000,000 dollars we enacted a tax bill reducing taxes by approximately $6,000,000,000. A great labor organization proclaimed to its members and to the people of the United States that because of its strength and power it removed from the tax rolls 12,000,000 taxpayers who it thought should be removed from the rolls. A reduction of $6,000,000,000 in taxes is not considered inflationary; but any aid to the lowest income group, the farmers, is considered inflationary.

The Senator from Florida [Mr. PEPPER] has undertaken to draw a fine distinction between my amendment and his proposal, by stating that this amendment will help the well-to-do farmer as well as the poorest, and for that reason he was opposed to it. I concede, Mr. President, that my amendment cuts across the line of the farmers, but there is a very simple reason why that is justice. The aristocrats of labor have already got theirs. An increase of 18½ cents an hour above existing wages was selected by the administration as a standard, and has been imposed in practically every large industrial organization in this land. That is not considered inflationary by those who oppose the farm amendment. It brings about an increase in the cost of steel. It brings about an increase in the cost of every article which the farmer must buy. The increase of 18½ cents an hour which went to the highly organized labor groups is not inflationary—or so we are told by Mr. Bowles and those who would slay this amendment, including even the President of the United States, who apparently fixed that figure.

I am not critical of the increases secured by organized labor groups. I am willing to support their efforts to better their condition and obtain a fairer share of the national income. I am pointing out the injustice of confining increases to those who are politically powerful and am advocating a policy of equality for all the underpaid.

Mr. PEPPER. Mr. President, will the Senator permit an interruption?

Mr. RUSSELL. Certainly.

Mr. PEPPER. Will the Senator give us his opinion as to whether, considering both groups, labor and the farmers, during the war period and taking into consideration all the things which the able Senator has mentioned, labor has received a greater increase in wages, in percentage, than the farmers have received in price increases?

Mr. RUSSELL. Of course, that argument does not apply at all. At the time the war started farm prices were only about 57 percent of parity. The farmer had 43 percent to go before he got an equal start. If we start with farm prices before the war, or go back to the period from 1909 to 1914, we find that labor has received almost twice the increase which the farmer has received, when we consider the increase in the hourly wage of labor as compared with the increase in the wage which the farmer receives when he sells his goods in the market place.

Mr. PEPPER. Does the Senator consider that labor was receiving parity at the beginning of the war?

Mr. RUSSELL. I have not taken such a position. The Senator says that he is not fighting the farmer. I am not fighting labor. I am asking for justice for the farmer. I am asking that we not discriminate between groups of citizens in the United States because, forsooth, they may or may not be highly organized, or may or may not have the ear of Mr. Bowles, Mr. Anderson, and the others who are directing this administration.

Mr. President, we have taken other action that is inflationary. We have raised the compensation of every Government worker an average of 21.9 percent since the farmer has had any increase in his prices. There is a news item in the Washington Evening Star of today headed "16 to 18.5 percent boost in pay forecast in House vote on bill." I make the prediction that the principal Senatorial sponsors of that increase, when the bill comes to the Senate, will be those who are opposing this modest increase for the farmers of the United States, who are the lowest income group in the Nation.

There is another very interesting article in the same newspaper. I was much impressed when I read it. I had heard the Senator from Florida read time and again Mr. Bowles' letter telling how he was striving to hold the line, and that, therefore, it was necessary to hold farm prices where they now are, lest all the controls be stricken down and prices get out of control. This is the front-page headline in today's Evening Star:

BEEF AND PORK PRICES TO RISE FROM 1 TO 4 CENTS

Housewives will pay slightly more for most pork and about a third of all beef cuts beginning Monday.

Announcing this today, the OPA said the increases result from higher prices recently authorized for the packing industry to offset a wage increase of 16 cents an hour.

Price hikes for veal, lamb, and mutton will be announced later.

Is that inflationary? Is the farmer of the United States to get one dime of that increase? Not a penny. The newspaper article states that the price increase results from higher prices recently authorized for the packing industry to offset a wage increase of 16 cents an hour for those who work in the plants.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. PEPPER. I ask the able Senator if that action on the part of the OPA is not a part of the new wage-price program which was formulated a little while ago, under which not only the packers but any segment of our economy can come to this agency and make a showing; and if it makes a showing which satisfies the agency, it can obtain a price increase, especially if there is a wage increase? Would not the producers of any commodity have the same right to go to Mr. Bowles and Mr. Porter, make a showing, and receive an increase if they could make the proper showing?

Mr. RUSSELL. Yes; I have a mental picture of a sheep herder out on the plains of the West, with a little flock of sheep, coming here to petition Mr. Bowles and Mr. Anderson and going through all the detail which is necessary to obtain an increase of from 1 to 4 cents in the price of his lambs. I have a life-sized picture of that poor little farmer coming here and struggling in Washington, with all the bureaucrats who are trying to cut his throat by defeating my amendment in his effort to get a fair price for a cow or hog.

As a matter of fact, the increase for workers in the meat industry was practically ordered by the Department of Agriculture. When a strike was threatened in the packing plants, the President very properly took over the plants. Whom did he appoint to operate them? He appointed Mr. Anderson, Secretary of Agriculture. Mr. Anderson worked out the wage increase of 16 cents an hour for the CIO workers in those plants. Now Mr. Anderson approves an increase of from 1 to 4 cents in the prices of beef

and pork, and states that there will be increases in the prices of all other meats in order to pay the 16-cent increase.

What does he say about the farmer, the man who watches over the little lamb day and night? What does he say about the farmer who attends the wants of the little calf until it becomes a beef animal which he can sell, or the man who labors from 12 to 14 hours a day looking after a litter of pigs until they are large enough to market? He is told, "You cannot get a penny increase. Such an increase would bring about wild inflation which would wreck the economy of the country and strike it down." And this from the man who is supposed to protect the interests of the farmer.

Mr. President, I would that we had been able to secure the approval of the Political Action Committee for this amendment. The Textile Workers Union of the CIO in my State telegraphed to me and asked me to withdraw it. In reply I stated that I had understood that that organization and its Political Action Committee stood for all the underprivileged. I said:

> Look around you in Georgia and see if it is not the farmer who is the worst off. Wire Mr. Murray and ask him to be fair to all underprivileged groups and give the underprivileged and underpaid farmers some help. One word from Philip Murray and this amendment would become the law of the land.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. MAYBANK. I remember very well the Chicago convention, and the attitude that was taken there. I am indeed sorry to learn that the President of the United States has sent such a message here at this time.

Mr. RUSSELL. I thank the Senator.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. McCLELLAN. I am intrigued by the statement which the Senator has just made, that one word from Mr. Philip Murray would make this amendment the law of the land. Have we reached that stage in America?

Mr. RUSSELL. The Senator may disagree with that statement. I expressed my opinion.

Mr. McCLELLAN. I do not say that I disagree with it, but I wish to emphasize it. If that is the condition, let me say, in all fairness to the President, who has sent a message to us, that the time has not come when I am going to yield to such dictation. I am going to cast my vote in justice to the farmers of this Nation, irrespective of any one man's word which can make this amendment law or keep it from becoming law.

Mr. RUSSELL. Mr. President, I hope that all Senators will exhibit the same courage and integrity toward their constituencies.

Mr. President, I shall not delay the Senate in reaching a vote on this measure. I feel very deeply, and perhaps it would be wise for me not to have made any statement whatever.

Representative government is on trial in the Senate this afternoon in voting on this amendment and the issues which are involved. When we reach the stage when the farmers, who are the lowest-income group in the Nation, cannot secure a fair vote without fear or favor or intimidation in the Senate, we have come to evil days. We talk about those who are poor and underprivileged, and what increased wages for the farmers will do to them; yet we have had a deliberate and calculated inflation in the United States. Who among the underprivileged and hard-pressed have benefited from that inflation up to now? What has been done for the tens of thousands who live throughout our land on a fixed income? What has been done for the widow receiving a payment of $75 or $80 a month from an inheritance or annuity which was left to her? What clamor have we heard here to increase their income to meet increasing prices? What demand have we heard that the farmers of the United States be accorded a fair share of the good things of life, except from Senators who are independent and who have knowledge of the facts which exist in their own States and who speak up for the farmers?

Mr. President, if this Nation is to survive, the Congress of the United States must maintain its integrity and its independence. It must maintain that integrity and that independence free from any threats of coercion from any groups of this land or from any powerful political individuals in this land, even including the President of the United States. I would regret very much to think that on this vote Senators would change their position or be influenced by a message which would deny this small measure of equality and justice to those who furnish the food we eat and the clothes we wear, and without whose toil this Nation cannot exist and cannot endure.

Mr. BARKLEY. Mr. President, I had not intended to do anything except to deliver the message which I delivered a little while ago. But I cannot permit one or two of the suggestions which have been made here to go unnoticed.

It seems to be a habit among us, every time the President of the United States or anyone else in high authority takes a position on a public matter which does not meet with our particular approval, to accuse him of being dominated and influenced and dictated to by the Political Action Committee. I do not know whether Mr. Philip Murray or anyone else connected with the CIO or with the Political Action Committee has ever talked to the President of the United States about this particular amendment. The President is an intelligent man. He understands the amendment. He has reached a conclusion with respect to it. Instead of being subject to criticism, I think he should be commended for his honesty and fairness in advising the Senate how he feels about it, and that he feels so strongly about it that he would be compelled to veto the bill if it were passed with the amendment included as a part of it.

Mr. President, this is not the first time the President, either by word of mouth or by written communication, has indicated his approval or disapproval of legislation. During my 33 years in the two Houses of Congress, on a number of occasions Presidents have sent word to either one branch or the other of the Congress that they could not approve of certain provisions of a bill. I well remember a particular instance, when I was a Member of the House of Representatives, when President Woodrow Wilson sent to the chairman of a committee a letter announcing that if a certain provision were included in a particular bill, he would not be able to approve it.

If it is contended that the President of the United States was influenced on this subject by the PAC, because he sent word to the Senate that he could not conscientiously sign the bill if, when it reached him, it contained the provision referred to, I wonder whether it will be contended that the American Farm Bureau Federation was influenced by the PAC in its opposition or whether the National Grange was influenced by the PAC in its opposition or whether other organizations which have a right to speak for the farmers because they have been chosen by them have been influenced by the PAC, merely because their attitude does not happen to coincide with that of some of us in this Chamber.

The question of Presidential propriety has been raised. I ask Senators to consider whether, in view of the President's conviction and his study of this proposal, it is more honest and forthright on his part to let us know that he feels about it so strongly that he would veto the bill if it contained the amendment, or to lie in wait until it reaches him and then veto it and defeat not only the amendment proposed by the Senator from Georgia but also the minimum wage legislation.

I am sorry I have felt called upon to advert to these suggestions; but, Mr. President, the question of propriety is not a one-way street. It is a two-way road.

Senators will vote as they please. I do not know whether the amendment would have been agreed to without the President's message. I do not know what the result will be now that the President has sent the message here. I do not know whether his message will influence a single vote in the Senate. But certainly I honor the President for being honest enough to tell us that if the measure comes to him in that form, he will not be able to approve it.

Mr. DONNELL. Mr. President, I rise to concur in the comments made by the Senator from Georgia with respect to the word which has been received by the Senate from the President of the United States.

I shall not vote for the amendment of the Senator from Georgia; but I wish it distinctly understood that my failure to vote for it is not induced directly or indirectly by the message which has come from the President of the United States.

I have the highest personal regard for the President; but, to my mind, Mr. President, to adopt this course of procedure—for the Senate to have before it, dangling in front of it, a message from the President of the United States that if the Senate passes particular legislation

he will veto it—can have but one purpose, and that is the purpose of influencing this body in its deliberations.

The Constitution of the United States says nothing with respect to the President's advising the Senate in advance of the Senate's action, as to the action he will take upon legislation which is adopted by the Congress. The Constitution provides that—

Every bill which shall have passed the House of Representatives and the Senate, shall, before it becomes a law, be presented to the President of the United States; if he approve he shall sign it, but if not he shall return it, with his objections, to that House in which it shall have originated, who shall enter the objections at large on their Journal.

Mr. President, the Constitution of the United States, as I see it, nowhere contemplates that the President, the executive power of this Government, shall intervene as one of the proponents or opponents of a measure pending before the Senate of the United States.

The duty of the President of the United States——

Mr. TAYLOR. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. DONNELL. I do not yield at this time.

Mr. President, the duty of the President of the United States, as I understand it, is clearly defined in the Constitution—namely, that—

He shall from time to time give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient.

There can be no objection to a recommendation by the President. But for the President to come into the Congress of the United States and announce that if the Senate takes certain action, he will veto that action, to my mind is an interposition into the legislative processes of the Government.

Mr. President, I think this is an appropriate time to recall the remarks which were made a great many years ago in writing by the Father of His Country, when he stated, in his Farewell Address—

It is important likewise, the the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasion of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes. To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Mr. President, I join most heartily, not in the amendment offered by the Senator from Georgia, but in his expression with respect to what I deem to be a far more important question than any bill or amendment pending here this afternoon.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL] for himself and other Senators to the amendment proposed by the Senator from Florida [Mr. PEPPER] for himself and other Senators. The yeas and nays having been previously demanded and ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. On this vote I transfer that pair to the senior Senator from Nebraska [Mr. BUTLER]. I am informed that if present the senior Senator from Nebraska would vote "yea," and that if the Senator from New York were present and voting he would vote "nay." I am therefore at liberty to vote. I vote "yea."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. Not knowing how he would vote if present, I transfer that pair to the Senator from Washington [Mr. MAGNUSON], who, if present and voting, would vote as I intend to vote. I am therefore free to vote. I vote "nay."

Mr. TOBEY (when his name was called). On this question I have a definite pair with the Senator from New Jersey [Mr. HAWKES]. If he were present and voting he would vote "yea" and if I were at liberty to vote I should vote "nay."

The roll call was concluded.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Texas [Mr. CONNALLY], the Senator from Connecticut [Mr. MCMAHON], the Senator from Washington [Mr. MAGNUSON], and the Senator from Pennsylvania [Mr. MYERS] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], and the Senator from Nevada [Mr. MCCARRAN] are absent on official business.

I wish to announce further that on this question the Senator from Florida [Mr. ANDREWS] is paired with the Senator from Pennsylvania [Mr. MYERS]. If present and voting, the Senator from Florida [Mr. ANDREWS] would vote "yea," and the Senator from Pennsylvania [Mr. MYERS] would vote "nay."

I also announce that on this question the Senator from Texas [Mr. CONNALLY] is paired with the Senator from Connecticut [Mr. MCMAHON]. If present and voting, the Senator from Texas [Mr. CONNALLY] would vote "yea" and the Senator from Connecticut [Mr. MCMAHON] would vote "nay."

I announce further that on this question the Senator from Nevada [Mr. MCCARRAN] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Nevada [Mr. MCCARRAN] would vote "yea," and the Senator from New Mexico [Mr. CHAVEZ] would vote "nay."

Mr. WHITE. The Senator from Nebraska [Mr. WHERRY], who would vote "yea" if present, has a pair on this question with the Senator from Vermont [Mr. AUSTIN], who would vote "nay" if present.

The Senator from New Hampshire [Mr. BRIDGES] has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from Nebraska [Mr. BUTLER], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from Indiana [Mr. WILLIS] would vote "yea" if present.

The Senator from Nebraska [Mr. BUTLER] and the Senator from Indiana [Mr. WILLIS] are necessarily absent by leave of the Senate.

The Senator from Vermont [Mr. AUSTIN], the Senator from Delaware [Mr. BUCK], the Senator from New Hampshire [Mr. BRIDGES], the Senator from New Jersey [Mr. HAWKES], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The Senator from Illinois [Mr. BROOKS] is necessarily absent in order to receive medical treatment.

The result was announced—yeas 43, nays 31, as follows:

YEAS—43

Bailey	Gossett	Overton
Ball	Gurney	Radcliffe
Bankhead	Hayden	Reed
Bilbo	Hickenlooper	Revercomb
Brewster	Hoey	Russell
Bushfield	Johnson, Colo.	Shipstead
Byrd	Johnston, S. C.	Stanfill
Capehart	Langer	Stewart
Capper	McClellan	Thomas, Okla.
Carville	McFarland	White
Cordon	McKellar	Wiley
Eastland	Maybank	Wilson
Ellender	Millikin	Young
Fulbright	Moore	
George	O'Daniel	

NAYS—31

Aiken	Huffman	Pepper
Barkley	Kilgore	Smith
Briggs	Knowland	Taft
Donnell	La Follette	Taylor
Ferguson	Lucas	Thomas, Utah
Gerry	Mead	Tunnell
Green	Mitchell	Vandenberg
Guffey	Morse	Walsh
Hart	Murdock	Wheeler
Hatch	Murray	
Hill	O'Mahoney	

NOT VOTING—22

Andrews	Downey	Saltonstall
Austin	Glass	Tobey
Bridges	Hawkes	Tydings
Brooks	McCarran	Wagner
Buck	McMahon	Wherry
Butler	Magnuson	Willis
Chavez	Myers	
Connally	Robertson	

So Mr. RUSSELL's amendment to Mr. PEPPER's amendment was agreed to.

Mr. THOMAS of Oklahoma. I move that the vote by which the amendment was agreed to be reconsidered.

Mr. RUSSELL. I move that the motion be laid on the table.

The motion to lay on the table was agreed to.

The PRESIDENT pro tempore. The question now recurs to the amendment of the Senator from Florida [Mr. PEPPER] as amended.

Mr. PEPPER. Mr. President, we now have practically a complete attendance of Members of the Senate. We have already disposed of one amendment. The one now pending is the amendment on behalf of the committee, affecting the subjects of wage scale and coverage. I think that we could not take advantage of a more opportune time, when all Senators understand the issues, than now to vote on the pending amendment. Let us go forward to a conclusion of the consideration of the bill, or at least the controversial aspects of it. I believe that it can be disposed of within the next few minutes. Mr. President, on the pending question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. RUSSELL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram I have received from Mr. Kenneth Douty, Georgia State director of the Textile Workers' Union of America, CIO, and my reply thereto.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

ATLANTA, GA., *March 26, 1946.*

Hon. RICHARD RUSSELL,
Senate Office Building,
Washington, D. C.:

May we urge that you consider dropping farm parity fight in connection with 65 cents minimum bill. Your fight endangers the bringing of legal support to the 65 minimum established for nearly 100,000 textile workers in Georgia in the last 2 months. We pledge our support to any measure designed to bring fair prices to the farmers of the State. We realize that the welfare of industrial workers depends in large part on adequate purchasing power of our farm people just as the farmer is helped by the increased income of industrial workers. May we urge that you make this a separate fight lest the possibility of maintaining industrial and indirectly farm income in the State be seriously threatened.

KENNETH DOUTY,
Georgia State Director,
Textile Workers Union of America, CIO.

MARCH 28, 1946.

Hon. KENNETH DOUTY,
Georgia State Director,
Textile Workers Union of America, CIO,
Atlanta, Ga.:

I regret that I cannot comply with your request to withdraw my amendment allowing the farmers the right to have their labor included in computing fair prices for their commodities. This measure has been before the Congress as an independent proposition for some time but has been opposed by the administration. The only chance to obtain a small measure of equality for the farmer in the distribution of our national income is to attach it to a bill which has administration support. You and I know that the farmers in our section constitute the lowest income group. I wish to see all of our people have an income which will bring a fair standard of living but I cannot support measures which increase the income of every group in the Nation except the farmer for I know how badly he needs assistance. The CIO has assumed the roll of champion for the lower-income group. Let me urge you to get in touch with Hon. Philip Murray and enlist his aid for my amendment to aid the most underprivileged group in our Nation along with all of the other underprivileged and low-income groups. One word of approval from Mr. Murray will secure adoption of my amendment and I believe will pass the 65-cent minimum bill which means so much to the 100,000 textile workers in Georgia you and I both represent.

RICHARD B. RUSSELL.

Mr. HATCH. Mr. President, I wish to offer an amendment to the pending amendment.

The PRESIDENT pro tempore. Will the Senator state his proposed amendment?

Mr. HATCH. On page 2, line 1, after the word "commerce," I move to strike out the words following the comma "and every employer who is engaged in any activity affecting commerce." I ask that those words be stricken from the pending amendment.

The PRESIDENT pro tempore. The clerk will state the amendment.

The CHIEF CLERK. In the amendment of Mr. PEPPER, on page 2, line 1, it is proposed to strike out the comma and the words "and every employer who is engaged in any activity affecting commerce."

Mr. TAFT. Mr. President, will the Senator from New Mexico yield?

Mr. HATCH. I yield.

Mr. TAFT. I merely wanted to say that I also desire to offer an amendment to the Pepper amendment. It is now 5 o'clock in the afternoon, and I shall speak at some length on the amendment I intend to propose, so that I do not agree with the suggestion of the Senator from Florida that we proceed to vote now on the Pepper amendment and amendments to it. It seems to me these matters require careful consideration, and that all amendments to the Pepper amendment, including the amendment offered by the Senator from New Mexico, unless he wishes to have it voted on this evening, should go over until Monday.

Mr. HATCH. It is immaterial to me whether my amendment is voted on this evening or on Monday. It is an amendment which is very simple, and it would not take 2 minutes to explain it. The only purpose of the amendment is to strike out the words I have stated, which enlarge, possibly, the previous language of the bill to include anything affecting interstate commerce.

Mr. President, I realize that the words "affecting commerce" are commonly used by Government agencies and in court decisions. They are not found in the Constitution. I do not know what they mean. I do not know what construction would be placed upon this language if it were written into the proposed legislation. I do not know what industries would be covered. Therefore, for clarity, and in order not to enlarge the present interpretation of the commerce clause, in my opinion, these words should be stricken out. Briefly, that is all the amendment does.

Mr. AIKEN. Mr. President, after the yeas and nays have been ordered on a pending question, are amendments to it still in order?

The PRESIDENT pro tempore. They are.

Mr. PEPPER. Mr. President, I am perfectly willing to have a vote. I think the Senate knows what it wants to do about this matter. Senators either want to bring in the chain stores, they either want to extend the coverage of the proposed law to other workers who are as much entitled to its benefits as those now covered, or they do not. It is a matter for the decision of the Senate as to whether we are going to cover low-wage earners and give them the benefit of the law.

The committee has studied this matter, and it feels these workers are entitled to coverage. We used the same language employed in the National Labor Relations Act, which has been construed time and again by the courts, so that this is not new language. Senators know whether they want to extend the benefits to these workers or not. A vote has been ordered, and I am ready to vote.

Mr. HATCH. Mr. President, all I want to know is what the language would do. Has the Senator's committee had hearings on it?

Mr. PEPPER. The able Senator from New Mexico is a distinguished lawyer, formerly a justice of the highest court of appeals in his State——

Mr. HATCH. Mr. President, if the Senator will yield, I thank him for the compliment, but he is not quite correct. I was merely a trial judge.

Mr. PEPPER. I accept the Senator's plea of not guilty. The Supreme Court of the United States and other courts in the country have defined the words "affecting commerce," because that is the language of the National Labor Relations Act. We also have many definitive decisions of our courts indicating what is meant by that language. I have given some illustrations. I have mentioned the chain stores. It would apply to things which affect commerce in a degree.

Mr. HATCH. Are these the words bringing the chain stores within the proposed act?

Mr. PEPPER. Yes; they are the words bringing the chain-store employees in.

Mr. HATCH. And without those words the chain stores would not be brought in?

Mr. PEPPER. That is correct; they would not be. If the Senator's amendment should be adopted we would strike out the chain-store employees and others similarly situated. If Senators want to do that, and the able Senator from New Mexico wishes that—as I hope he does not—he would achieve that result by the adoption of his amendment.

Mr. HATCH. Mr. President, the discussion with the Senator from Florida has already demonstrated why careful consideration should be given to the language which my amendment would strike from the bill. When he says that it would affect the huge chain-store systems, I am in accord with the objective, and I have no objection to them being brought within the Wages and Hours

Act. But I wish to know how much further it goes. Who else is brought in besides them? To that end, I think the language should be rather carefully considered and weighed. I should like to know as definitely as possible who is to be covered and who is not to be covered. Therefore, for the sake of good legislation, I believe the amendment should go over until Monday.

Mr. WHITE. Mr. President, I express my complete concurrence in what the Senator from New Mexico has just said. There is great confusion. The meaning of the language of this section is important, and I think we should have an opportunity to study the proposed amendment and consider it when the Senate is more orderly than it is at this time.

Mr. BARKLEY. Mr. President, I have no objection to the amendment going over. I wonder, however, whether we might agree on a limitation of debate on the bill and amendments when we resume consideration of the subject matter on Monday. We have had the bill under consideration now for a week. I express the hope that we may agree on limitation of debate on the bill and all amendments when we resume consideration of the subject matter on Monday.

Mr. PEPPER. Mr. President, I will say to the Senator on behalf of the committee—and I think I am authorized to speak for the committee—that we would be agreeable to a 20-minute limitation for each speech on the bill or amendment thereto on Monday.

Mr. MORSE. Mr. President, as one member of the committee for whom the Senator from Florida cannot speak, I say that I shall object.

Mr. BARKLEY. Therefore, Mr. President, having been forewarned and thus forearmed I do not make the request.

Mr. MORSE. Mr. President, I offer for the RECORD, as a part of my remarks in connection with the pending matter, a letter which I received from the Portland Council of Churches, and signed by the president of the council, in support of the minimum-wage bill now pending before the Senate.

I shall add only a brief comment to what is contained in the letter. I think it goes to the very heart of the issue and sets forth a very clear and convincing argument as to why the bill in its present form should be passed by the Senate.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PORTLAND COUNCIL OF CHURCHES,
Portland, Oreg., March 18, 1946.

The Honorable WAYNE MORSE,
The Senate Office Building,
Washington, D. C.

DEAR SIR: The board of managers of the Portland Council of Churches, at its regular monthly meeting on March 14, took favorable action on the following resolution:

"Inasmuch as for many years the Portland Council of Churches has stood for a living wage as a minimum in every industry, and for the highest wage that industry can afford; and

"Inasmuch as the current provision of 40 cents an hour or $16 for a 40-hour week in the Fair Labor Standards Act is wholly inadequate under present costs of living: Be it

"*Resolved*, That the Portland Council of Churches favors an increase of the minimum wage to 65 cents an hour with 75 cents an hour after 2 years, in order to provide for our lowest-paid workers, under present conditions, an adequate American standard of living."

We are submitting this resolution to you for your information and consideration.

Respectfully yours,

H. J. MAULBETSCH,
President.

Mr. HATCH. Mr. President, after consulting with the Parliamentarian I have changed my amendment and I ask that my corrected amendment to the Pepper amendment, as amended, may be stated at the desk.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 2, in line 1 of the Pepper amendment, as amended, it is proposed after the word "commerce", to strike out the comma and the following: "and every employer who is engaged in any activity affecting commerce shall pay to each of his employees employed in or about or in connection with any place of employment where he is engaged."

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Harry T. Foley, of Yonkers, N. Y., to be surveyor of customs, collection district No. 10, with headquarters at New York, N. Y., which was referred to the Committee on Finance.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

RECESS TO MONDAY

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate took a recess until Monday, April 1, 1946, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 29 (legislative day of March 5), 1946:

SURVEYOR OF CUSTOMS

Harry T. Foley, of Yonkers, N. Y., to be surveyor of customs in customs collection district No. 10, with headquarters at New York, N. Y. (Reappointment.)

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 29, 1946

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord God of the ages, we pray that Thy blessing in all its fullness may descend upon us, that our thoughts may harmonize with Thy thoughts, that our judgments may be in consonance with Thy judgment, and that our acts may conform to Thy will. Bless all rich forms of the soul which are vouchsafed by the institutions of our Republic: one in language, one in morals, and one in the ideals of the future. Would to Thee that our generation would obey the standards it has erected, not charmed by the passing show, the tinsel, and the indulgences of life. As we hear the prayer of the parched fields and the cry of the needy, O give us a new vision that we may see a cloud rising out of the sea and hear the sound of abundance of rain. Do Thou set our souls in the enriched soil that we may bear fruit in every good work. In the blessed name of our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

PROHIBITING CERTAIN COERCIVE PRACTICES AFFECTING RADIO BROADCASTING

Mr. LEA. Mr. Speaker, I call up the conference report on the bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That title V of the Communications Act of 1934, as amended, is amended by inserting after section 505 thereof the following new section:

"COERCIVE PRACTICES AFFECTING BROADCASTING

"SEC. 506. (a) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation, or duress, or by the use or express or implied threat of the use of other means, to coerce, compel or constrain or attempt to coerce, compel, or constrain a licensee—

"(1) to employ or agree to employ, in connection with the conduct of the broadcasting business of such licensee, any person or persons in excess of the number of employees needed by such licensee to perform actual services; or

"(2) to pay or give or agree to pay or give any money or other thing of value in lieu of giving, or on account of failure to give, employment to any person or persons, in connection with the conduct of the broadcasting business of such licensee, in excess of the number of employees needed by such licensee to perform actual services; or

"(3) to pay or agree to pay more than once for services performed in connection

with the conduct of the broadcasting business of such licensee; or

"(4) to pay or give or agree to pay or give any money or other thing of value for services, in connection with the conduct of the broadcasting business of such licensee, which are not to be performed; or

"(5) to refrain, or agree to refrain, from broadcasting or from permitting the broadcasting of a noncommercial educational or cultural program in connection with which the participants receive no money or other thing of value for their services, other than their actual expenses, and such licensee neither pays nor gives any money or other thing of value for the privilege of broadcasting such program nor receives any money or other thing of value on account of the broadcasting of such program; or

"(6) to refrain, or agree to refrain, from broadcasting or permitting the broadcasting of any radio communication originating outside the United States.

"(b) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation or duress, or by the use or express or implied threat of the use of other means, to coerce, compel or constrain or attempt to coerce, compel or constrain a licensee or any other person—

"(1) to pay or agree to pay any exaction for the privilege of, or on account of, producing, preparing, manufacturing, selling, buying, renting, operating, using, or maintaining recordings, transcriptions, or mechanical, chemical, or electrical reproductions, or any other articles, equipment, machines, or materials, used or intended to be used in broadcasting or in the production, preparation, performance, or presentation of a program or programs for broadcasting; or

"(2) to accede to or impose any restriction upon such production, preparation, manufacture, sale, purchase, rental, operation, use, or maintenance, if such restriction is for the purpose of preventing or limiting the use of such articles, equipment, machines, or materials in broadcasting or in the production, preparation, performance, or presentation of a program or programs for broadcasting; or

"(3) to pay or agree to pay any exaction on account of the broadcasting, by means of recordings or transcriptions, of a program previously broadcast, payment having been made, or agreed to be made, for the services actually rendered in the performance of such program.

"(c) The provisions of subsection (a) or (b) of this section shall not be held to make unlawful the enforcement or attempted enforcement, by means lawfully employed, of any contract right heretofore or hereafter existing or of any legal obligation heretofore or hereafter incurred or assumed.

"(d) Whoever willfully violates any provision of subsection (a) or (b) of this section shall, upon conviction thereof, be punished by imprisonment for not more than one year or by a fine of not more than $1,000, or both.

"(e) As used in this section the term 'licensee' includes the owner or owners, and the person or persons having control or management, of the radio station in respect of which a station license was granted."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same.

CLARENCE F. LEA,
A. L. BULWINKLE,
OREN HARRIS,
CARROLL REECE,
CLARENCE J. BROWN,
Managers on the Part of the House.

E. C. JOHNSON,
JAMES M. TUNNELL,
FRANCIS J. MYERS,
WALLACE H. WHITE, Jr.,
WARREN R. AUSTIN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The bill as agreed to in conference, except for two minor changes, is the same as the bill as passed by the House. The two changes made by the committee of conference are as follows:

In paragraphs (1) and (3) of the proposed new section 506 (b) of the Communications Act of 1934, the word "tribute" has been stricken out and the words "any exaction" have been substituted therefor. This change does not modify the meaning of these paragraphs, but was made merely for the purpose of using a term which the conferees deemed to be more appropriate than the term "tribute".

The other change is in subsection (c) of the proposed new section 506 of the Communications Act of 1934. In the bill as passed by the House this subsection provided that subsection (a) or (b) should not be held to make unlawful the enforcement, by means lawfully employed, of "any contract right or legal obligation". The quoted language has been modified to make it perfectly clear that it refers not only to contract rights and legal obligations which may have arisen prior to the enactment of the legislation, but also to contract rights and legal obligations which may arise after the enactment of the legislation.

CLARENCE F. LEA,
A. L. BULWINKLE,
OREN HARRIS,
CARROLL REECE,
CLARENCE J. BROWN,
Managers on the Part of the House.

CALL OF THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. SPARKMAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 71]

Adams	Coffee	Hedrick
Allen, Ill.	Colmer	Heffernan
Almond	Cooley	Herter
Anderson, Calif.	Courtney	Hoch
Andresen, August H.	Cravens	Hoffman
Andrews, Ala.	Crawford	Holifield
Baldwin, Md.	Crosser	Holmes, Mass.
Baldwin, N. Y.	Curley	Hook
Barden	Daughton, Va.	Huber
Barrett, Pa.	Davis	Izac
Barry	Dawson	Jarman
Bennet, N. Y.	De Lacy	Kearney
Biemiller	Delaney, James J.	Kefauver
Bishop	D'Ewart	Kelley, Pa.
Bland	Dingell	Kelly, Ill.
Bradley, Pa.	Douglas, Calif.	Keogh
Brumbaugh	Drewry	Kirwan
Buckley	Dworshak	Klein
Bunker	Ellis	Kopplemann
Burch	Engel, Mich.	LaFollette
Butler	Fernandez	Lane
Byrne, N. Y.	Fisher	Lemke
Byrnes, Wis.	Fulton	Lesinski
Cannon, Fla.	Gamble	Ludlow
Carnahan	Gardner	McCowen
Celler	Geriach	McDonough
Chapman	Hall,	McGehee
Chiperfield	Leonard W.	Madden
Clason	Harness, Ind.	Mankin
Clements	Healy	Mason
Monroney	Rayfiel	Merrow
Morrison	Reece, Tenn.	Sumner, Ill.
Murdock	Reed, Ill.	Taylor
Norton	Rodgers, Pa.	Thom
O'Brien, Ill.	Roe, N. Y.	Thomas, N. J.
O'Brien, Mich.	Rogers, Mass.	Traynor
O'Hara	Sadowski	Wadsworth
Pace	Sasscer	Welch
Patman	Savage	Whittington
Patrick	Shafer	Wilson
Patterson	Sharp	Winter
Peterson, Fla.	Short	Wolfenden, Pa.
Pfeifer	Sikes	Wolverton, N. J.
Quinn, N. Y.	Simpson, Pa.	Wood
Rabaut	Somers, N. Y.	Woodhouse
Rains	Spence	Worley

The SPEAKER. On this roll call 293 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PROHIBITING CERTAIN COERCIVE PRACTICES AFFECTING RADIO BROADCASTING

Mr. LEA. Mr. Speaker, we have before us the conference report on the bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs. The conferees unanimously agreed to this report. The agreement makes only two changes in the bill as it passed the House, neither one of which is of substantial importance. The bill in substance is as it passed the House. The first of these changes strikes out the word "tribute" and substitutes the word "exaction" in two subparagraphs of the bill. This change is only a choice of words.

The other change relates to subsection (c) in reference to the contracts and legal obligations of the broadcaster. You will recall that the bill as it passed the House recognized the right of the broadcaster and persons dealing with him to make any contract mutually agreeable. Any contract or legal obligation of the broadcaster is to be enforceable by any means lawfully employed.

This provision, as agreed on in conference, provides that the bill, if enacted, shall not be held to make unlawful the enforcement or attempted enforcement, by means lawfully employed, of any contract right heretofore or hereafter existing, or of any legal obligation heretofore or hereafter incurred or assumed.

The only change made is the concluding language which makes contracts and legal obligations equally binding whether created heretofore or hereafter. This is not any change in substance as we interpret the bill as it passed the House.

The bill is not intended to prevent bargaining or the entering into contracts between the broadcaster and any other person, even for the purposes which are prohibited from being accomplished by coercion under terms of this bill. Any obligation created by contract thus made, or any obligation that exists as a matter of law against the broadcaster is subject to enforcement by legal procedures in court. A strike for failure to comply with such a contract would not be in violation of the provision of this bill. Therefore, there is nothing in controversy in this report. It carries out the purposes of the bill as it passed the House.

Mr. Speaker, I reserve the balance of my time and now yield 5 minutes to the

gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, it is most unfortunate that the intent and purposes and the scope of this bill are not well known to the American people. As a matter of fact, they are not well known to even the Members of Congress. The American people have been subjected to an expenditure of $1,500,000 on the part of the National Association of Broadcasters to popularize Mr. Petrillo's middle name. Members of Congress have been treated to speech after speech carrying out the popularization of Mr. Petrillo's middle name. Under the guise—rather, should I say behind a smoke screen of an attack on Mr. Petrillo, there is now before the Congress what in my opinion is the most vicious antilabor measure ever presented to it. An examination of this bill will show just what it does to the American musicians. It does nothing to Mr. Petrillo but it helps impoverish American musicians. Let me give you just one instance in the bill of depriving musicians of earnings for the benefit of the broadcasting companies. The bill illegalizes payment for the use of transcription records. Let us see what is involved there. When the average American musician makes a record, he is really helping to put himself out of business. He is paid perhaps $20 or $30 for the making of that record. That record is used by the broadcasting companies, not for the cultural edification of anyone, but it is used to make money, more money, and more profit. It is played on programs advertising this or that item. The broadcasting companies are being paid for those programs. What does the American musician get for the playing of that record? Under this bill, what do you do? You say to the American musician that if he asks for a quarter of a cent royalty, and if he says "Unless you give me a quarter of a cent royalty on that record, I am going to refuse to work," under the language of this bill that means he is violating the law. Further, his refusal to work under those conditions constitutes a criminal offense under this bill. If there ever was a racket, this bill is a racket. If there ever was anything immoral, this bill is immoral. This bill takes money out of the pocket of the American musician and puts it in the pockets of the broadcasters. You cannot get away from that. You can stand up here and talk about burying Petrillo all you want, but, as a matter of fact, you are burying the American musician. That is what you are doing.

A great deal has been said about Interloken and about Legion bands and Shriners bands. Let us look at this thing realistically. I wonder how any Member of Congress would feel if somebody tried to invade his field of activity. The American musician wants to protect himself against amateur competition, because playing music is the livelihood of the American musician, and when amateurs try to invade that field and the American musician asserts his rights by refusing to work, going out on strike if necessary, under this bill you provide incarceration for him.

The SPEAKER. The time of the gentleman from New York [Mr. MARCANTONIO] has expired.

Mr. BULWINKLE. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. MARCANTONIO. So, examine item for item in this bill, and you find that it is a grab in favor of the broadcasting companies at the expense of the musician. It is a straight money proposition. You take money away from the American musician and put it in the pockets of the broadcasting companies.

I do hope that when the gentleman from Ohio [Mr. BROWN] or any other gentleman stands up here today, instead of devoting his time and energy to burying Caesar he will explain these propositions. I want to know just why you propose to make it illegal and unlawful for the American musician to insist that he be paid for the playing of these records. Explain that to the American people, instead of setting up a smoke screen about Julius Caesar Petrillo.

Explain why under this bill you are taking money away from the musicians and making it illegal for the American musician to insist that he get a share of the profits made by the companies out of records produced by him. The record which he has produced will drive him completely out of existence, unless he is given some form of royalty. We provide royalties for everyone, but we do not do it for the American musicians. Here you say it is illegal and unlawful if they go out on strike to get some of these well-earned pennies, and you want to send him to jail. Talk about the bill. Talk about this robbery of American musicians. Stick to the bill and do not set up smoke screens or bogeys.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. LEA. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. RABIN].

Mr. RABIN. Mr. Speaker, I took the floor when this bill was originally considered by the House. At that time I stated, and I state it again, that I do not take the floor in defense of Petrillo. I take objection to this bill because of the way it is written. It transcends Petrillo; it transcends the musicians' union. It is written in a manner which will set a precedent that transcends any particular union. It affects labor generally.

What does this bill provide? It provides that "it shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation, or duress, or by the use or express or implied threat of the use of other means, to coerce, compel, or constrain" certain acts. Is the use of force, duress, violence, and intimidation legal now? Of course, it is not. You do not have to write any law to make them illegal. What is left of the bill? What is new in this bill? What is left of the bill are the words "by any other means," which means the right to strike to accomplish certain ends. And this bill does not make those ends unlawful or illegal. If it did I might be inclined to vote for it. What this bill does is to make unlawful the right to strike for those ends which are otherwise lawful; and that is why I object to this bill. I believe it is a bill that affects labor generally, it impairs the right of labor to strike.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. LEA. Mr. Speaker, I yield 10 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, this conference report comes before you with the unanimous support of all the members of the conference committee. As explained by the gentleman from California it contains but two slight changes from the House bill as it passed this body. These amendments make no real change in the measure but simply clarify it.

I have listened with a great deal of interest to the argument made against this conference report, the same kind of argument that was made against the original bill, and against the rule under which that bill was first considered. These same questions raised here today have been passed upon by this body on two separate occasions; and by overwhelming majorities this measure has been approved by this body.

This bill of course affects James Caeser Petrillo, but it affects James Caeser Petrillo for just one reason, because he has taken a labor organization and used it for his own purposes against the welfare of labor and the welfare of the people of the United States. The Congress of the United States has by its action demonstrated its determination to put an end to these practices, and this bill does put an end to certain unfair practices of Mr. Petrillo, insofar as the Committee on Interstate and Foreign Commerce has jurisdiction over matter pertaining to radio.

Mr. GALLAGHER. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I do not have time to yield at the moment.

You are told this legislation will reduce the compensation of musicians. It does nothing of the kind; for it does not reduce the compensation of any musician who actually plays any music. Those of us who have studied this measure know that better than two-thirds of the members of Mr. Petrillo's musicians organization are not working musicians. Only one-third do the playing; two-thirds derive other benefits; and, of course, this bill does not in any way reduce or limit the pay received by any man who actually plays music. It does prohibit collecting money for service which has not been rendered, or for music that has not been played. If compelling someone to pay you for something you have not done is not extortion, it is certainly a half-brother of extortion. That is the reason why the Congress of the United States has approved this legislation in both the House and the Senate.

That is the reason why this conference committee, made up of men who are just as good friends of labor as any who have spoken in opposition to this measure can be, are urging adoption of this report. If this legislation is such a great danger to labor, if this bill was designed

to destroy the right to strike for any legal purpose, or if it may injure the cause of labor, then representatives of the great labor organizations of this country would have been before this Congress protesting the passage of this bill. Your mail would have been flooded with messages in opposition to the bill. But, instead, outside of a few organizations connected with this particular Petrillo group, no messages opposing this bill have been received. Not a single labor organization, or representative of labor, including Mr. Petrillo, has come before this Congress or any committee thereof to defend the practices that are being outlawed by the passage of this bill. Remember, all this measure does is to prohibit certain practices in the radio industry which per se—just in themselves—are morally wrong, as the membership of this House so well knows and has so well attested by their approval of this legislation by a vote of something like 10 to 1. So, Mr. Speaker, I am urging this committee report, which supports completely and fully the original position and action taken by the House, be adopted.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New York.

Mr. MARCANTONIO. The gentleman has passed over very lightly these practices which the bill makes unlawful. Will the gentleman justify the making unlawful of any demand on the part of musicians that they be paid when their recordings are played?

Mr. BROWN of Ohio. There is no provision in this bill that prohibits them from being paid for any recordings they may make.

Mr. MARCANTONIO. I say, when those recordings are played.

Mr. BROWN of Ohio. I will answer the gentleman. The musicians who make these recordings are paid huge sums for making them and they are entitled now, under the law, to receive royalties on the recordings they make. The only difference is that once such recordings are made and go out into the field of use, then union representatives cannot follow through and demand additional payment every time any particular recording is played.

Let me say further, for the gentleman's edification and education, that today, as he well knows, union musicians are receiving higher compensation than ever before in history; that today there are more musicians employed in the United States than at any time in our history; that these recordings and radio appearances have made the musicians of the United States, and their profession, the most prosperous in all of our history, as well as in all the history of any nation on the face of the earth.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Mississippi.

Mr. RANKIN. If the views of the gentleman from New York [Mr. MARCANTONIO] were carried out, then we might say to every man who copyrights a book that everybody who reads that book has to pay him tribute?

Mr. MARCANTONIO. Oh, no.

Mr. BROWN of Ohio. Yes. They could collect for every item any machine they might build might turn out.

This is a matter of principle on which the House has passed.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from California.

Mr. HINSHAW. I note that an amendment has been adopted to subsection (c) providing that the contracts already made or hereafter existing shall not come under the terms of the act.

Mr. BROWN of Ohio. That is correct.

Mr. HINSHAW. Would it be illegal to make a contract pursuant to this act which would require that the musicians who make the recordings—and I am speaking of a particular name band—for example, shall receive compensation when their recordings are played over the air?

Mr. BROWN of Ohio. Not if the contract is made under the usual process of collective bargaining.

Mr. HINSHAW. That is what I mean.

Mr. BROWN of Ohio. Certainly not.

Mr. RABIN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New York.

Mr. RABIN. But you cannot strike to enforce a collective bargaining contract under this bill?

Mr. BROWN of Ohio. Certainly not, if contrary to law and public interest. In other words, this bill does this, as the gentleman well knows, it simply outlaws a strike called to compel someone to do something that is declared illegal.

Mr. RABIN. But you did not declare that illegal.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. ALLEN of Louisiana. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-three Members are present; a quorum.

Mr. LEA. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 186, noes 16.

Mr. RANKIN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

Mr. SMITH of Virginia. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point or order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and thirty-four Members are present, a quorum.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. KNUTSON asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. WHITE asked and was given permission to extend his remarks in the RECORD in two instances and include certain extracts.

Mr. RIVERS asked and was given permission to extend his remarks in the RECORD and include a newspaper article by Rev. W. Montgomery Bennett, of Beaufort, S. C.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. STEFAN asked and was given permission to revise and extend the remarks he expects to make on the Philippine bill and include a letter.

Mr. HORAN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. CLEVENGER asked and was given permission to extend his remarks in the RECORD and include a statement by Mr. George J. Buchy.

Mr. HILL asked and was given permission to extend his remarks in the RECORD.

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter published in the Washington Post relative to General Mihailovich, who has been taken in Yugoslavia.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. DOYLE. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 5 minutes, and to revise and extend my remarks and include a copy of House Resolution 575.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ELLSWORTH. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

EXTENSION OF REMARKS

Mr. GRANT of Indiana asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. GILLIE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement made by Mr. Farrington, of the National Livestock Exchange.

Mr. MUNDT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Republican magazine.

Mr. BRADLEY of Michigan asked and was given permission to extend his remarks in the Appendix of the RECORD and include a radio address delivered by him.

PHILIPPINE TRADE ACT OF 1946

Mr. DOUGHTON of North Carolina. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5856, with Mr. ZIMMERMAN in the chair.

The Clerk read the title of the bill.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, I asked for this time in order to inquire about the program for next week.

Mr. McCORMACK. On Monday the Consent Calendar will be called. Then the bill, S. 1907, authorizing permanent appointments in the Regular Navy and Marine Corps, will be considered. I understand that bill has been unanimously reported out of the Committee on Naval Affairs.

Mr. MARTIN of Massachusetts. I might add, and the gentleman from Massachusetts [Mr. McCORMACK] has probably had it called to his attention, that the Committee on Election of President and Vice President, headed by the gentleman from North Carolina [Mr. BONNER] has a bill relative to the Federal ballot law which was unanimously agreed on and which I understand is to be called up by unanimous consent.

Mr. McCORMACK. That is true. I understand a bill has been reported out of the committee of which the gentleman from North Carolina [Mr. BONNER] is chairman, and I understand that unanimous consent is going to be asked to consider the bill.

Mr. MARTIN of Massachusetts. I thought it might be well that the House have that information at this time.

Mr. McCORMACK. I am glad that the gentleman from Massachusetts has called it to the attention of the House.

To continue with the program further, on Tuesday, of course, the Private Calendar will be called. Then there is a conference report on the bill, S. 2, the airport Federal-aid bill. Then there is the bill, H. R. 5059, the postal employees pay raise bill. There is also the Federal employees pay raise bill. Those three bills will be on for Tuesday and Wednesday.

On Thursday and Friday the District of Columbia appropriation bill will be up for consideration. Also, the bill, H. R. 5244, a bill authorizing the employment of additional foreign service officers in the classified grades.

If, by chance, the extension of the Selective Service Act bill is reported out of the Committee on Military Affairs during the week in time to be considered and in the event such consideration is agreeable to the committee, I would want to bring that up after the District of Columbia appropriation bill is disposed of. I have my doubts as to that, but if it can be considered I would like to bring that bill up.

Of course, any other conference reports may be called up at times agreeable to the House and, of course, such matters will be done after consultation with my friends, the gentleman from Massachusetts, or the acting leadership on the minority side at the time.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. MICHENER. A resolution has been reported favorably out of the Committee on Rules providing for an investigation with reference to the disappearance of certain official papers. The resolution was introduced by the gentleman from Michigan [Mr. DONDERO]. I am sure the majority leader is familiar with the resolution.

The gentleman is also familiar with the fact that it may be called up within 7 days after it was reported.

Mr. McCORMACK. Any time after 7 days.

Mr. MICHENER. It has been reported more than 7 days. The gentleman from Michigan [Mr. DONDERO] told me he understood it was to be taken up next week. Can the gentleman not program the resolution?

Mr. McCORMACK. I am aware of the situation. I am sure if the gentleman from Michigan [Mr. DONDERO] were present, he would probably state that there was no distinct agreement on my part that I would put it down for next week. I am frank to state that I did not intend to program it unless some member of the Rules Committee forced my hand. Of course, I would expect that any member of the Rules Committee, as they always have in the past, would serve notice on me, and under such conditions I would program it. Now, I have not made any arrangements for it for next week. Is the gentleman serving notice on me?

Mr. MICHENER. The gentleman from Michigan is always cooperative in the best interests of orderly procedure. He feels that that resolution is in the best interests of Government. Feeling as he does, and feeling that the distinguished majority leader knows all about the resolution, he wonders why the gentleman from Massachusetts refuses to program it, unless a practice seldom invoked in the Congress is resorted to. The gentleman from Michigan reserves the right to make the motion to call up the resolution by virtue of the 7-day rule. That might inconvenience a program which the leader has outlined. I do not want to do that. Therefore, I am asking the gentleman, in the light of that statement, that he program this resolution.

Mr. McCORMACK. In the light of the program I have made—I waited until after 12 o'clock on Friday—and in the light of the fact that I have made the program, of course, the gentleman says he is amazed at my refusal. Of course, "refusal" was not the correct finding of fact to make. On the "amazement," the gentleman and I might disagree as to the question of fact. But here is the situation: Any member of the Rules Committee can call it up. I know that no member would do so without serving notice on me.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HOFFMAN. Mr. Chairman, I demand the regular order.

Mr. McCORMACK. I will program it for the week after next, in view of the gentleman's statement.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KNUTSON. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, the debate on yesterday was very interesting, very elucidating, and altogether correct. All through the debates ran the fine sentiment of cordiality, best wishes flowing out from our Congress to the people of the Philippines, and reflected back to us by the distinguished representative in this Congress from the Philippines.

Mr. Chairman, the basis of this legislation is laid in that cordiality. The purpose of this legislation is to put into statute that cordial feeling, so that it might run on to benefit future generations.

It was said on this floor yesterday that probably never before in the history of the world was such legislation as this proposed. The reason for this is that at probably no time in the history of the world has one country shown such fine disposition toward another country which was one of its possessions. Most of the great countries of the world have acquired their possessions by force or by conquest, which is the same thing. But the United States took the Philippines for no other purpose than to free them from the tyranny of another country. It was always our purpose to give the Philippines independence when it seemed that they could maintain their independence. After the Spanish-American War our Nation spoke emphatically on this subject and promised to the Filipinos their freedom. This bill does not give the Filipinos freedom, because they have had that for some time. I should like to impress upon your minds, if I can, one fact, and that is that this bill has nothing to do with independence, which the Philippines will achieve on the 4th of July next. The independence of the Philippines has all been arranged for by legislation passed several years ago. This legislation is not necessary for that purpose. Also I should like to impress upon you the fact that this legislation is not intended to rehabilitate the Philippines by way of a gift or by way of a donation. No doubt within a few days after the passage of this bill another committee of this House will come forward with proper legislation that will provide a bountiful donation on the part of the United States to these Philippine people whose land has been so terribly devastated in the last 2 or 3 years. I am sure that this Congress will receive such legislation with favor.

If this legislation is not for the purpose of independence and if it is not for the purpose of financial rehabilitation, then what is it for?

On the Fourth of July of this year the Philippines will be a new, full-fledged member in the galaxy of nations of the world, it will have full national status of its own as a new-born independent nation. If we are to give economic encouragement to this new nation, now is the appropriate time to be making arrangements to do it. That is what we propose to do in this legislation.

As I have already said we propose not to turn this new nation loose among the nations of the world without any protection or security. After they have come through a devastating war that was fought for their benefit and for our benefit, we are not going to turn them loose on the seas of national and international uncertainty. We are going to give them aid and assistance over a long period of years, so that they can recoup a part at least of what they lost in the war. We are saying to them that for 28 years we will do for them that which we think should be done. What they will need is an opportunity to work and to develop their own industries. The best way to do this is to give them some commercial concessions that are really worth while—some consessions that will stabilize them and give them hope and courage to drive onward and upward.

Of course, they are going to reciprocate. Concessions that we give to them will probably be of more benefit to them when they can reciprocate, for in that we establish friendly relations in trade and in financial transactions.

We who have had long experience in this law-making business know that the law, like man, is sometimes fearfully and wonderfully made. I assure you that this proposed legislation has been wonderfully made. I hope that it does not carry any fearful consequences. It has been said several times in this debate that Mr. Beaman deserves a vote of thanks of the Nation—and I am sure he does of the Ways and Means Committee for his efforts in framing this legislation—I think this is the crowning activity of his long career. Without his assistance I do not think we could have written this bill. While the bill is logical in its conclusions and is complete in its phrasing it does not read like a story book. It deals with a very difficult problem and is naturally hard to read and understand.

The usual way to read a bill is to start with the first paragraph and read straight through. But to read this bill successfully one should start with section 4 on page 30, the executive agreement. Section 4 is the heart of the bill, without section 4 there would be no bill.

The first title, title I, deals, as was said yesterday, with definitions.

Title II provides what the United States must do as its part of this 28-year agreement.

Title III provides what the Philippines must do as their part of this 28-year agreement. But none of these would be of any consequence if it were not for title IV. Let me read part of it:

TITLE IV—EXECUTIVE AGREEMENT BETWEEN UNITED STATES AND PHILIPPINES

SEC. 401. Authorization of agreement.

The President of the United States is authorized (except as hereinafter in this title otherwise provided) to enter into an executive agreement with the President of the Philippines providing for the acceptance on the part of each country of the provisions of title II and of title III (except pt. 1) of this act. The President of the United States is not authorized by this section to enter into such agreement unless it contains a provision that it shall not take effect—

(a) Unless and until the Congress of the Philippines accepts it by law; and

(b) Unless and until the Congress of the Philippines (in the act of acceptance, or separately) has enacted such legislation as may be necessary to make all the provisions of parts 2, 3, 4, and 5 of title III take effect as laws of the Philippines, except (during the period prior to the amendment to the Constitution of the Philippines referred to in subsec. (b) of sec. 402) such provisions of section 341 as are in conflict with such constitution.

I have read this section for I want anyone who might compliment me by reading my speech in the CONGRESSIONAL RECORD to see the principal section of this important measure that no doubt will become much more important as time runs on.

Now let us see when can the President enter into that contract with the President of the Philippines? Not until after July 4, 1946. But should we wait until July 4, 1946, before we make any preparations? No. We have in this bill provided everything that we desire to be incorporated in the agreement.

Let us see what this section says. We do not in this section give the President the full authority to make any kind of an agreement that he may want to make. We say to him that he has the right to make an agreement but we provide further:

The President of the United States is not authorized by this section to enter into any such agreement unless it contains a provision that it shall not take effect—

And so forth. In other words, we provide that the President can make an agreement and in the very same paragraph we say he cannot make it unless the Philippine Government does certain things, and, further, unless the United States does certain things.

Here is an illustration of some of the matters that the President must find before he can sign the contract. This is in title IV. It says:

Unless and until the Congress of the Philippines accepts it by law.

In other words, the Congress of the Philippines must accept what we lay down in this charter as conditions precedent before the President can sign. It might be said that this could be considered the act of a tyrant, the act of a despot, for a powerful nation to lay down to one of its possessions what it must do. But that is exactly what we do not do. We do not put any burden on the Philippines that they cannot easily carry. We do not put on them any responsibility that is not for their best interest. We have tested that in every way possible. We have gotten the sentiment of the people as expressed by those who appeared before our committee. We have the sentiment of people who do business in the islands, and we have the experience of our own departments that tell us what should go into this agreement and what will be for the benefit of the Philippines.

Mr. Chairman, again let me say that it is provided herein that the President of the United States is not authorized by this section to enter into such executive agreement unless the Philippine Congress agrees to do certain things.

I want to impress upon the Members, especially those who are lawyers, that this legislation is a real challenge for one who likes to read complicated statutes which have been well written considering the subject matter. When you read a statute you generally look to see if it has been amended and, if amended, what it was before it was amended. And you then consult your digest to find out if the act has been repealed. Not many statutes carry a repeal date but some do. Most statutes that have been repealed have been repealed by express language in a repealer statute. But we provide in this legislation that we are proposing today that it run for 28 years. We are going to bind ourselves, we are willing to bind ourselves, to a program that will run for 28 years, but we ask that just as soon as they can possibly do it they bind themselves also. We ask them to do it immediately after the 4th of July. The experts from the Philippines and our own experts think that the Philippine Congress will probably adopt the provisions of the law that we have recommended in this act immediately after July 4. It is also provided in this bill that if they refuse to adopt them, we can discontinue negotiations. We do not bind ourselves to do anything beyond the 4th of July unless the Philippine President and Congress act and do the things provided that they should do.

We do not bind ourselves to do anything if they do not meet in congress and if they do not accept the program that we lay down. In other words, we speak first and then wait for their action.

Now then, as I started to say for the benefit of the lawyers, we have a provision in this contract that is what I would call a self-repealing statute. We do not have to take any affirmative action. The statutes that we pass here will repeal themselves by the language of this contract when our President determines that the congress and the President of the Philippines have failed to cooperate properly. Another thing about this legislation I would like to impress upon you is that what we pass today will be our law controlling us and controlling the Philippines from now until the 4th of July, and it will apply because they are our possessions up to that time. But there is no hardship in any of the provisions, and consequently there will be no question raised with reference to that. But I want you to know that complicated as this proposed legislation is, and correlating and interrelating as it is, there is nothing that binds us to do anything

after the 4th of July, if the Philippines refuse to cooperate. Then on the 4th of July if the Philippine government fails to cooperate it will stand just the same as any other government. It will stand without any preferences of quotas, without any preferences of any kind that it would get if it had cooperated fully.

Title IV, as written, is binding and absolutely ironclad; not harsh, not burdensome, but cooperative in every respect. And through it all runs this proposition: That if and when the Philippine people become free and independent, if and when they want to change any of these provisions, all they need do is to get the cooperation and permission of our President and of our Congress, and their president and their congress, and it can be changed. In other words, we lay a foundation for economic freedom for this new nation. I cannot conceive how we could be more fair. We start out with this program with a fair attitude. We are sympathetic. We want them to succeed, and we expect to help them in this noble endeavor. We have brought them up this far and they have cooperated magnificently. Probably no nation of people has ever shown such remarkable advancement in such short time as the Philippine people. Nobody has ever been able to point the finger of dishonor or disloyalty at them in any respect. Now here they are, a new people, going out into the family of nations, going out with a guarantee on the part of the greatest Nation in the world that they will have a fair start. Today we are doing something that will be long remembered by a grateful people. I am sure that history will record this day as a great day in the march of civilization to higher ground. Our America has shown her greatness by keeping her promise made 40 years ago. Our America is great because she refuses to be small.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I am glad to yield to the distinguished gentleman from Colorado.

Mr. CHENOWETH. I compliment the gentleman on his very fine statement concerning the Filipinos, and I am sure that every Member of this House concurs in all that he says. I would like to have the gentleman make a few observations on the sugar quotas. There has been considerable speculation over the impact of those quotas on our sugar-beet industry in this country. The gentleman comes, I think, from a State that also raises sugar beets.

I would like to have the gentleman answer this query: Does the gentleman have any apprehension that there are contained in this bill quotas that may have the effect of freezing the sugar-beet-acreage limits in this country?

Mr. JENKINS. Of course, nobody knows what the future has in store. As I have heretofore said, should a condition arise where it is evident that an injustice is being done to the best interests of either country, or any condition whereby it is advantageous to both parties to make a change in the contract and the laws, such a change can be made.

Now to specifically come back to the gentleman's question. The gentleman knows that during and since the war the sugar industry in the United States has been punished terrifically; as a matter of fact, it has almost been wiped out. Now there is a great clamor on the part of the sugar producers in this country to be restored to their former opportunity, and the members of your committee have kept that in mind and have tried to do that. We have been criticized by some who think we have been a little bit harsh with the Filipinos in that we have reduced their sugar quotas somewhat. As you know we cut the Philippine sugar quota from 850,000 long tons to 850,000 short tons. This is a reduction of about 95,000 short tons. It was the idea of the committee, or at least some members of the committee, that this reduction would inure to the benefit of the American producer. Before the war we were getting about 95 percent of all the sugar produced in the Philippines. We have been getting no sugar from the Philippines for the past 3 or 4 years. We shall not get much from them for at least 3 years, for it takes 3 years to develop sugarcane so that it can be harvested profitably.

The Philippines have been a great market for us to purchase what they produce and in return they have found that the American market is the greatest market in which to sell and the greatest market in which to buy.

The Sugar Act of 1937 which followed the Jones-Costigan Act provides for a percentage distribution of sugar for the consumption of the United States. The domestic sugar producers in the United States, Hawaii, and Puerto Rico were given 55 percent of consumption load, which amounts to the same as saying 55 percent of the production. Forty-four percent was then allotted to the Philippines and to Cuba. The Philippines got about 16 percent out of the 44 percent, leaving Cuba about 28 percent. The Philippine portion, however, was not to be less than the quota allowed them under the Independence Act. If the domestic sugar production could be restored to its proper place in the quotas, about 55 percent, it would pretty well take care of it. Of course, if we come to the place in this country that we are going to protect American sugar to the very extreme of the possibilities of the Nation to produce, if we are going to produce sugar beets to the very extreme that we can produce, and if we are going to produce sugarcane to the very extreme we can produce down in Louisiana and Florida, we probably can supply ourselves with all the sugar we need, but I do not know that that is going to be the policy of the country. We Republicans have been for protection, of course, but I am not sure that that is going to be the policy. Anyhow, I do know that as far as this committee is concerned we have tried to maintain the proper balance as near as we possibly could, and we have been criticized for trying to do a little too much for the domestic sugar producers.

Mr. CHENOWETH. Does not the gentleman agree with me that perhaps there were those in this country that did not fully appreciate the sugar-beet industry until the war came and we had to depend on it for almost our entire supply of sugar? We certainly do not want to destroy an industry that we may have to turn to again sometime.

Mr. JENKINS. I agree with the distinguished gentleman fully. He has always been alert to the best interests of the American beet sugar producers. The war destroyed the Philippine industry so that they cannot produce any sugar of any consequence for 3 years, and the war regulations destroyed the sugar industry in this country, so there they are. They both are prostrated. We hope they both can get up and again walk up to the high place they once enjoyed. They can get up if we can remove the restrictions. There is no reason why we ought not to produce more sugar in this country. Our consumption of sugar has been reduced terribly in the last 3 years. We had a terrible scarcity of sugar all during the war, as the gentleman knows, and we could have had more sugar if those in authority had performed their duties properly.

Mr. CHENOWETH. The first controversy I engaged in when I came to Washington in January 1941 was trying to persuade the Department of Agriculture to reduce restrictions on sugar-beet acreage. I hope we are not adopting legislation that is going to impose any further restrictions on sugar-beet acreage in this country.

Mr. JENKINS. The gentleman knows that the Republican Congressional Food Study Committee of which he and I are members has for the past 3 years been very active in a movement to bring more sugar to the consumers of the Nation. We were successful in bringing thousands of tons of additional sugar from Cuba. We were not very successful in getting increased production for the American producer. The New Deal has always believed in scarcities while we have always believed that no man gets fat on a scarcity and no man goes hungry on an abundance of production.

Mr. CHENOWETH. I appreciate that.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from South Dakota.

Mr. MUNDT. Along the same general line and dealing with a different subject, I should like to seek the gentleman's counsel on another matter, because I value it most highly. The warden of the State penitentiary of South Dakota has communicated with me because we have a State twine factory in the penitentiary, and he seems to be alarmed lest there is something in this legislation that is going to make it impossible for the State penitentiary twine factory to operate successfully. I wish the gentleman would elaborate a little bit on that situation.

Mr. JENKINS. I thank the distinguished gentleman from South Dakota. He asks a very pertinent question. The discussion of cordage would be a long and tedious discussion if I were permitted to exhaust it. This bill allows an absolute quota of 6,000,000 pounds of cordage per year. This quota will continue for the life of the contract. I have some fig-

ures here which show the amount of cordage exported from the Philippines in the 12 years preceding the war. I shall put them in the RECORD at this place. From these figures you will see that the quota fixed under this bill is fair.

Cordage: Quantities and values exported from the Philippines to all countries and to the United States, 1928–40

Year	Total exports		Ratio of total value of exports of cordage to total value of all Philippine exports	Exports to the United States		Ratio of quantity of exports of cordage to the United States to total quantity of such exports to all countries
	Quantity	Value		Quantity	Value	
	Pounds		*Percent*	*Pounds*		*Percent*
1928	14,494,705	$1,775,436	1.1	5,393,029	$721,121	37.2
1929	15,667,016	1,904,272	1.2	6,850,770	932,731	43.7
1930	13,858,457	1,553,227	1.2	6,769,412	841,565	48.8
1931	10,224,805	887,408	.9	4,599,113	460,001	45.0
1932	8,451,224	859,047	.7	4,447,882	411,207	52.6
1933	12,907,781	906,768	.9	6,876,227	567,340	53.3
1934	18,339,701	1,334,110	1.2	8,943,167	785,053	48.8
1935	17,651,445	1,161,815	1.2	8,053,278	628,959	45.6
1936	14,561,103	1,198,870	.8	3,918,022	449,692	26.9
1937	16,449,336	1,436,461	.9	4,660,333	495,967	28.3
1938	15,315,656	1,199,031	1.0	3,236,697	333,468	21.1
1939 [1]	10,767,751	764,060	1.1	3,903,449	326,958	36.3
1940 [2]	21,672,210	1,725,977	1.5	5,348,664	568,381	24.7

[1] January to June 1939 only.
[2] Fiscal year from July 1, 1939, to June 30, 1940.
Source: Annual reports, insular collector of customs.

I think the cordage people in this country are pretty well satisfied. The members of the subcommittee were fearful that out of this bill and out of what we are trying to do, monopolies would be built up in the Philippines, and that they probably would have trouble shaking off. On the other hand, you must remember that you cannot expect anybody to go into the Philippines to build it up unless those who have already been in there are permitted to return to build it up. If you shut the door against those who have previously been there and have big investments there, you cannot expect any new people and inexperienced men to go in. Capital is timid. We cannot build the Philippines after the 4th of July by anything except what is in this contract, unless we want to give them donations from the Treasury. We do not want to do that. And to their credit, they are not asking that. We want, if we can, to encourage them to do something besides raise sugar and raise cordage and commodities like that; they must diversify their products.

It has taken me a long time to answer the gentleman's question, for I had intended discussing the cordage matter. It is my confirmed judgment that the cordage business is going to work out very well. I thank the gentleman for being patient with me.

Mr. MUNDT. I thank the gentleman very much.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. JENKINS. Will the gentleman from New York yield me five additional minutes?

Mr. REED of New York. Mr. Chairman, may I submit a parliamentary inquiry, just to have the matter clear in the record? We were to have had one day of general debate, but on account of other legislation intervening yesterday, the time of general debate, of course, was greatly shortened. How much debate, therefore, are we entitled to today?

The CHAIRMAN. Both sides are entitled to 1 hour each today. The time consumed by the gentleman from Massachusetts, in the discussion of the program for next week is not taken out of the time for general debate. Therefore, both sides will have 1 hour each.

Mr. REED of New York. Of course, Mr. Chairman, I asked for that information in order to divide the time as equitably as possible between the Members who have asked for time.

Mr. Chairman, I yield two additional minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I am glad to yield to my able friend from New York.

Mr. COLE of New York. I am fearful that the gentleman will not be able to answer my question satisfactorily within 2 minutes time. He was discussing the effect of title IV relating to its effectiveness when this bill comes into operation. I recognize the difficulty in drafting a proposal which is clear to everybody. But apparently the provisions of this bill are not clear at least to one person who has had a very close connection with the drafting of the bill. That is Mr. Vicente Villamin, who, I read in the paper about a week ago, referring to section 403 of title IV, points out that the word "effect" is used 13 times. He is quoted as expressing the hope that when the law has finally gone into effect and the trade agreement has been put into effect, then the Filipinos can start to find out just what has gone into effect and try to keep it in effect during the effectiveness of the agreement. At least to help that gentleman understand the provisions of section 403, I wonder if the gentleman would tell us what is covered by section 403?

Mr. JENKINS. While that language is somewhat alliterative it is not difficult to understand. It is in that section that the duties and obligations imposed on the United States are set out. Without this section the Philippine Government would not be protected properly. I daresay that if the gentleman will read this section through carefully he will, of course, come out with a clear understanding. His bright legal mind will enable him to understand it thoroughly by just one reading.

Mr. COLE of New York. Is this bill the basis for final agreement between the two countries or must this be supplemented by additional legislation to be enacted by Congress?

Mr. JENKINS. Yes; this bill is the basis of the final agreement. It is not necessary for Congress to pass additional legislation. This legislation gives the President the right to make a contract. The terms and limitations of the contract that he may make are clearly and definitely set out in this bill. Of course, the President has some rights which are inherent in his office. But this law stipulates what he shall do, how far he shall go, and what the Philippine Nation can and must do in order to make the agreement effective.

To express in language what the American people and the Philippine people wanted to have done by this legislation was a difficult task. That this task has been well accomplished there is not the slightest doubt. I am proud to have had a humble part in this work. I hope the future will approve what we have tried to do. Hail the day when the great American Republic and the Philippine Republic will light up the great southern Pacific areas with "Freedom's holy light."

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield 20 minutes to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Chairman, the purpose of the pending bill, H. R. 5856, is the establishment of mutually advantageous trade relations between the United States and the Philippine Islands for a period of 28 years following the independence of the Philippines on July 4 of this year. I would like especially to point out that this is a new type of legislation. Legislation of this type has never been enacted before in the history of this or any other country in the world so far as I am aware. We have two types of executive agreements; one is a type known to us as the reciprocal trade agreement where Congress vests certain discretionary authority in the Chief Executive, the President of the United States, under certain broad standards provided in the legislation, and authorizes the President to negotiate trade agreements with other countries of the world. That is one type of executive agreement that we have in this country.

The second type might be illustrated by the Bretton Woods agreement, where the officials of the executive branch of the Government met with the officials and representatives of other governments of the world and worked out an executive agreement which is later submitted to Congress for consideration and necessary approval.

Those are the two types of executive agreements we have had up to this point. One, where the Congress authorizes the President to negotiate an agreement under certain broad standards provided by the Congress; and the other where the

President negotiates an executive agreement which is later ratified or approved by the Congress.

This bill presents a different situation. Under this bill the Congress is providing by statute that an executive agreement may be entered into with only one other country of the world, and provides under the terms of the bill itself what that executive agreement shall be, for all practical and essential purposes.

This bill contains five titles. Title I includes the short title of the bill, and definitions. I could not too strongly impress upon the Members of this body the importance of bearing in mind the definitions contained in title I of this bill. Every important provision in the bill is dependent upon a defined term that is set out in title I of the bill. A person cannot get any fair consideration or an intelligent understanding of this bill, or the program that is set up under this bill, without constantly bearing in mind those defined terms that are used in title I of this bill.

As an illustration, the term "Philippine article" is defined. That means, first, that it must be produced in the Philippines; second, it cannot contain more than 20 percent of material that is imported into the Philippines from any other country except the United States.

All through this bill where the term "Philippine article" is used you must bear definitely in mind that definition, to have a fair understanding of what the provisions really contain. That would mean that any commodity imported into the United States from the Philippines, assume it cost $1, not more than 20 cents out of that dollar could represent material that was imported into the Philippines from other countries for the manufacture of that article, unless that material came from the United States.

So it is highly important that we bear in mind all the way through the consideration of this legislation that each of the important provisions rests upon certain defined terms that must always be borne very clearly in mind.

Title II of the bill contains the provisions for the things that the United States is to do.

Title III of the bill contains the provisions setting out the things the Philippines must do.

Title IV of the bill provides for the executive agreement, and the basis or essential terms of the executive agreement that is to be entered into.

Title V contains various miscellaneous provisions that are necessary to round out the legislation and provide the program that is here presented.

Members of the subcommittee worked diligently and for a long time on this legislation. I was busily engaged at that time as a member of the Pearl Harbor Committee and did not have an opportunity to participate as actively in the consideration of this legislation as members of the subcommittee. Many of them have already spoken and explained more in detail the provisions of the bill. Others will speak along those lines; so I shall not ask your indulgence much longer except to point out the importance of this legislation because of its mutual advantage to the United States and the Philippines.

Prior to the war the Philippines were the sixth best customer of the United States. Large quantities of our cotton cloth and wheat flour and many other agricultural products as well as many industrial products were exported by our people to the Philippines; and, of course, we received many important commodities from the Philippines that we needed in this country and still must have or must procure from some other place in the world. So it is fair to state that the program here presented by this legislation is mutually advantageous to both the United States and the Philippines.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from South Carolina.

Mr. HARE. I know the gentleman's time is limited, and I regret that very much, because I think this is one bill that should be thoroughly discussed and analyzed for the benefit of the public. It has been pointed out rather clearly what concessions we were making to the Philippine Government. I wonder whether the gentleman will not point out here just for a minute or two some of the benefits we expect to derive after July 4, 1946? He referred to the exports from this country prior to the war that made up a trade of great value to this country. What assurance under this bill have we that such reciprocal arrangements will be continued after the war?

Mr. COOPER. Every assurance that the people of a great country can give to the people of another country. Certainly, I know the gentleman would join with me and every other Member of this House in the highest praise of the Philippine people for their great loyalty to this country, the tremendous sacrifice they have made during this terrible war; and we are absolutely confident that they will continue to stand steadfast and firm in their friendship to the people of the United States as they have throughout the decades of the past.

Bear in mind this has in itself far-reaching consequences to the future economy of the United States and the economy of the Philippine Islands. The people of the United States, in all fairness, stand a far greater chance and opportunity to benefit under this legislation than do the people of the Philippines. It will be remembered that we have pushed the outposts of this Nation from where they formerly stood at Pearl Harbor out to the Philippines, great gateway to the Far East, with the teeming millions of the Orient; and the Philippines will be the entrance we shall have to that vast area of the world with its enormous populations to carry forward the trade of the United States and dispose of the things produced by industry in the United States as well as to dispose of important agricultural surpluses that we have in this country.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from California.

Mr. VOORHIS of California. As the gentleman has so well expressed it in his speech, it seems to me this is a measure of much greater consequence than even appears on its surface. I would like to ask the gentleman whether or not he believes I am overemphasizing that? It seems to me that in this bill the United States, in cooperation with the people of the Philippine Islands, may well be setting a pattern upon the basis of which solution of a great many of the critical and pressing problems of many of the peoples of various parts of the world might be solved, some of the problems that are now disturbing the thoughts and minds of numerous individuals around the world. It seems to me that this bill represents an effort on the part of the United States to which we can in the future point with justifiable pride and can use as a pattern whereby many of the other problems in other areas can be solved.

Mr. COOPER. I think the gentleman is entirely correct. It affords a vast opportunity for our country in developing trade in the Far East, in that section of the world with such an enormous population, and this will be our opportunity to advance the foreign trade of our country in that direction because of these relations that we here establish with the people of the Philippines.

Mr. HARE. May I make a short observation at this point?

Mr. COOPER. I shall be glad to have the gentleman do so.

Mr HARE. This affords one of the greatest opportunities ever presented to this country for you might say the doing of missionary work for its democratic system of government. I feel that in the Philippine Commonwealth the people have developed a fair and definite idea as to the fundamentals of a republican system of government and I am satisfied they will have an opportunity to demonstrate the operation of this principle in the Philippine Commonwealth. If they succeed, then this should be the object lesson for all other nations of the world that have heretofore subscribed to the totalitarian system to show that here is one definite, clear, clean-cut example where people who once become inoculated with this germ of democracy can survive and perpetuate themselves and establish a system of government that will bring happiness, success, and prosperity as no other system of government has heretofore presented.

Mr. COOPER. I appreciate the gentleman's contribution.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Michigan.

Mr. MICHENER. I am wondering what effect, if any, this agreement will have on the favored-nations clause in the Trade Agreement Act?

Mr. COOPER. I appreciate the gentleman's kindness in asking that question because it has been asked before and I am glad to have the opportunity to clear it up.

I invite the gentleman's attention to pages 46 and 47 of the bill, to section 508, entitled "Trade Agreements With the Philippines," which reads as follows:

Until July 4, 1974, no trade agreement shall be made with the Philippines under

section 350, as amended, of the Tariff Act of 1930, unless, prior to such time, the President of the United States has made the proclamation provided for in section 407 of this act, or the executive agreement provided for in title IV of this act has been terminated.

In other words, for the life of the program contemplated under this legislation we cannot have a trade agreement with the Philippines under the Reciprocal Trade Agreements Act.

I invite attention also to the following section, 509, entitled "Rights of Third Countries," which the gentleman recognizes relates to the so-called most-favored treatment, reading as follows:

The benefits granted by this act, and by the executive agreement provided for in title IV, to the Philippines, Philippine articles or products, and Philippine citizens, shall not, by reason of any provision of any existing treaty or agreement with any third country, be extended to such country or its products, citizens, or subjects.

Mr. MICHENER. I thank the gentleman for that explanation. May I ask another question? Something was said on the floor yesterday about quotas. I make special reference to sugar. Does the bill provide that the tonnage, for instance, of sugar involved, shall be granted by quota to those groups, citizens or people of the Philippines who were producing sugar before the enactment of this law; in other words, is there a monopoly granted to a certain group now existing, or existing before the war, which would prevent the development of new sugar industries or interests in the Philippines?

Mr. COOPER. I think it would be a little more accurate and fairer to state that the bill does confer certain preferential treatment upon those who have heretofore engaged in those activities in the Philippines. The reason for that is this. As the gentleman well knows, the Philippines are now destroyed, devastated. It is thought that it is highly important to get their economy established as quickly and as promply as possible. It is felt by those who are in a position to give your committee the best advice on this subject, that those who have been engaged in those activities and have enterprises located there would be in a better position to get back into production more promptly and thereby assist the rehabilitation of the economy of the Philippines more quickly than any other way, and that is one of the main reasons why certain preferential consideration is given to those who have been engaged in business and these activities in the Philippines.

Mr. MICHENER. Of course, that is an important question, especially in view of our own economy. We have been permitting production in accordance with quotas based on historical backgrounds of the industry in this country. If that is followed through it will prevent the development of new projects engaging in the same industry.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. COOPER. I would like to invite the gentleman's attention to one thing with respect to these quotas, especially sugar. I think it is entirely fair and accurate to state that the program provided under this bill is more to the advantage and interest of our domestic sugar producers than the situation that exists without the enactment of this legislation, because under this bill there is an absolute quota of 850,000 short tons of sugar that can be brought into this country from the Philippines, whereas without this legislation the quota is 850,000 long tons that can be brought in free, and they can bring in all they want to over that and pay the duty on it. But under this bill an absolute quota of 850,000 short tons is fixed and they just cannot bring in any more than that amount.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from California.

Mr. JOHNSON of California. Does the gentleman agree with me that this bill will, as a byproduct, prove to be a great step toward world peace? The reason I make this statement is this: We have already passed a bill to liberate the Philippines and the bill before us is designed to give aid to the Philippines in their economic problems in the early days of their liberation. If we can help stabilize the economy of the Philippines during the time when they are getting started in self-government, we will do much to make sure that the liberty which we gave the Filipinos will be properly exercised. The success of this policy may well serve as a model for the liberation of other peoples who have a right to look forward to independence. Imperialism is sometimes a stumbling block to the development of self-government. In the early days of our ownership of the islands we told the Filipinos, in substance, that "we will give you your freedom when you have the capacity to handle self-government." We have kept our word and during the infancy of this country we have also determined to help the new member of the family of nations to stabilize its economy. Millions of people in that part of the world are looking hopefully toward the day when they may, like the Philippines, become free and independent. No one knows how far-reaching or important our conduct today may be. Also, I think we should not merely get along with, help, and encourage the country but we should understand and know better the Filipinos. If the people know and understand each other, peace is almost inevitable. What we do today may be one of the bricks that will build the temple of peace that we are all looking and hoping for. I want to compliment the committee and its members for bringing out a bill on which there is unanimous agreement. Their conduct can be truly described as statesmanship that not only will bring good trade relations of the countries involved, but will help the people in their infancy in self-government, and will help build a more peaceful world.

Mr. COOPER. I think the gentleman is correct. In addition, it will be of tremendous advantage to this great country of ours to have this free and independent nation in that far outpost of the Far East standing there as the steadfast and true friend of the United States, as it has throughout all the decades of the past. It is of tremendous importance to us from the standpoint of peace as well as the great advantages that come to the people of this country from the standpoint of increasing the possibilities of our foreign trade.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from New York.

Mr. REED of New York. Further, we are underwriting the safety and defenses of the Philippines by having various fortifications there, so that they need not fear an enemy. They will know we are there to help them.

Mr. COOPER. The gentleman is correct. I think it will be of great benefit and importance to our country.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Michigan.

Mr. DONDERO. Is there anything in the bill that would prevent the introduction of new industry for the expansion of the sugar industry of the Philippines?

Mr. COOPER. There are certain limitations provided in the bill, but at the same time there are certain provisions included that do allow a redistribution of the quotas that are assigned to the sugar producers there. For instance, where quotas are assigned to producers and those quotas are not used, the Philippines can redistribute the balance of those quotas.

Mr. DONDERO. The purpose of that question was to see whether or not there is any restriction which would limit or forbid the Philippines from producing that crop, which seems to be their cash crop, in order to make them self-sustaining as quickly as possible.

Mr. CURTIS. Mr. Chairman, will the gentleman yield? I would like to answer that question.

Mr. COOPER. I yield to the gentleman from Nebraska.

Mr. CURTIS. The only limitation on the Philippines is on the sugar sent to the United States. There is nothing in this legislation limiting how much sugar they can raise and consume themselves or send to the rest of the world. This is merely that part of it that comes to our market.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Michigan.

Mr. MICHENER. There is something in this bill that limits the raising of that sugar to certain persons or companies.

Mr. CURTIS. That is the sugar that comes to this country only.

Mr. MICHENER. Yes. In other words, under this bill, the established concerns, as I said a little while ago, with historic background, can continue to produce the sugar coming to this country up to 1974, and no new industry may enter that business so far as exporting the product to the United States is concerned.

Mr. COOPER. As I endeavored to explain to the gentleman, those there do

have certain preferential advantages, which I endeavored to point out.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Nebraska [Mr. STEFAN].

THE PHILIPPINES—MERCY AND JUSTICE FOR OUR FRIENDS

Mr. STEFAN. Mr. Chairman, this is a solemn moment for me. I rise to defend and to advocate the passage of H. R. 5856, a bill to provide for trade relations between the United States and the Philippines. The destiny of the people of this Nation and the destiny of the courageous Filipino people are inextricably bound together. My own remembrances of American times of crisis in the past, my own hopes of American achievement in the future are joined with the remembrances and hopes of 18,000,000 Filipinos in the firm and enduring bonds of comradeship.

The Philippine Trade Act of 1946 is, as I understand it—and I have followed it carefully through all its stages of development as a legislative measure—not a gift, nor is it a repayment. No gift could take away from the anguish of starving, homeless, disease-ridden men, women, and chilren. No payment of any kind could lessen the degree of suffering of those who have endured the devastation of their cities, the brutality of prison camps, the bestial arrogance of the Japanese invader, the loss of their loved ones, death itself. No. Gold could not atone for blood nor may we condescendingly bestow upon these gallant Filipinos—heroes every one—that which is already rightfully their own. We must act as strong men dealing with strong men, with the dignified humility which becomes equals, by passing this bill which will give the Filipino people their first opportunity in this peace which we have jointly brought about to live as equals.

What have the Filipinos done to burn their right to equality and fair, just consideration into American minds, American hearts—our very American souls? Turn back the clock only a few short months. It is dawn on a June day. The satanic fireworks of American and British might are blasting the defenses Hitler built up over 4 years to bulwark his Fortress Europa. Men—American and British men—are falling, wounded and dying on the beaches of Normandy. And, when the casualty list is checked, it is found that out of every 100, 70 casualties were American, 30 British. This was the proportion that they fell for that is the way they went in, 70–30, 30 British, 70 American.

Now, I give you another picture. It is Leyte. It is Lingayen Gulf. It is Mindanao. Americans are pouring ashore. American heavy ordnance is firing from American battlecraft. American planes are droning overhead. The Japanese hold momentarily. Then, they fall back in retreat. Not in the bush, where they might enjoy some short security from our vigilant aircraft. No. They take to the open roads where they have poor chance of survival. Why? Because, back in the bush, on the flanks, at their rear, are brown men with bolos in their hands, with captured Japanese rifles at their shoulders. They are ragged, these Filipino guerrillas. They have marched for days on starvation rations. One man in 5 carries a gun. Of course, they die before the desperate Japanese onslaughts. But, where one falls, another takes his place. This is another Thermopylae, another Little Big Horn, another Alamo. There is a light in the eyes of those men, a light that not even death can fully extinguish. It is the light of freemen fighting for freedom.

In some cases, yes; in most cases, the proportion of Filipino-American casualties was not 50–50 or 60–40 or even 70–30. It was 90–10—90 Filipinos to 10 Americans.

What does this mean? You know what this means. It means that, because Juan de la Cruz opposed a modern rifle with his shattered bolo there is an American Congress, instead of a Japanese Diet in Washington. It means that, because Benedicto Gonzales chose the way of the patriot and joined the guerrillas in the hills—knowing that the hated Japanese would burn his home—John Smith drives back to his home on Main Street in your town today, a home that is intact and free from the torch of the Japanese destroyer. It means that, because the merciful junglegrowth now covers the sightless eyes and the gaping hole in Tomasco Lopez's chest, Lars Peterson can go cheerfully on with his job of spring plowing on his Nebraska farm.

This is my remembrance of Filipinos. I know that most of you share this remembrance with me. How then can we talk in such terms as "gift" and "repayment"? They look to us. We must meet them as equals—with the first step toward the equality of our national economies—with the Philippine Trade Act of 1946.

Our bond of friendship with the Filipino people does not alone extend deep into our common yesterdays, but through today and into our common tomorrow. We need this brotherhood in peace as we have needed it in war. We need it for the sake of the Filipinos. We need it for our own sake.

The Philippines is not only the oldest Christian nation in the Far East: it is the only Christian nation. Yet, in the few short months since the shooting war ended, communism—the camp follower of hunger, pestilence, and privation—has spread into three Philippine provinces. In less than a hundred days Filipinos will be free to govern themselves. They will be a new nation. Filipinos know what democracy is. They fought to gain it. They died to gain it. They would only abandon it if they first abandoned hope. The Philippine Trade Act of 1946 would be the first step in keeping hope alive for them.

What Congress does in regard to this legislation will not only be watched by Americans. It will be watched by the world. The half billion people of the Far East are searching for the light; they want to know that there is at least one Western nation which deals fairly with their brothers of the Orient. The trust of far eastern peoples in the United States would mean a mighty impetus toward a better world. Nor would the trend stop there. The champions of small nations everywhere would be heartened by the example of this small nation who kept faith with us and with whom we kept faith. Such an act of confidence in equals by the Congress of the United States would show the world what America really is—not desirous of territorial aggrandizement, ever desirous of fostering the growth of peace and justice, for one cannot exist without the other.

I would go even further than the Philippine Trade Act of 1946 in certain provisions. For example, I believe that the total amount of all Philippine sugar entered or withdrawn from warehouses in this country for consumption should be set at 850,000 long tons a year, instead of 850,000 short tons, as the Trade Act provides. I believe that the Filipino people should not be let down by this Congress in any way whatsoever. They were the sixth ranking American foreign customer before the war. I do not believe that they should occupy a lower rank on the list of those who deal with us after they have attained to the independence they so richly deserve.

During the soul-searing days of the war the Filipino people heard the Voice of America over their hidden radios—and they believed that voice. They had reason to believe that voice as it came to them before and after they became a Commonwealth. General MacArthur told them that he would come back and he did come back. What he did was a symbol of the faith that they had a right to place in all our promises. They well know that freedom, without hope of economic security, is only another form of tyranny. Whether or not that promise is written, that promise exists. They did not fail us. We must not fail them.

Nearly 6,000 years ago Cain asked: "Am I my brother's keeper?" Today 60 centuries later—we have found the answer. We are our brother's keeper and the Filipino is, in word and in deed, our brother. We must keep him fed. We must keep him clothed. We must keep him housed. We must keep him economically strong. We must keep him alive. We must keep him free.

Gentlemen, I ask your support for the Philippine Trade Act of 1946—the first forward step on the road to true liberty for a brave and an honorable people.

Mr. REED of New York. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Chairman, some columnists, radio commentators, Government spokesmen, and political leaders have, during recent days, become greatly excited over a decision on the part of the members of the Ways and Means Committee to modify the Philippine quota of sugar to be permitted entry into the American market free from duty. It should be recalled that back in 1924 the figure 850,000 long tons was inserted in the legislation merely as a guide to indicate an outside figure of the amount of cane sugar to be given free entry into the American market. This was not intended as a quota under the new sugar program which was developed immedi-

ately following the passage of the Reciprocal Trade Agreements Act in June 1934.

In order to set the record clear, it should be recalled that total production of cane sugar in the Philippines averaged only 820,000 short tons of raw sugar annually during the 5 years 1925–29. On account of a tremendous drive to increase production in the Philippines, since all sugar from the Philippines was at that time admitted free of duty, the production of raw sugar in the Philippines was increased to an average of 1,175 tons per annum during the 5-year period of 1930–34. But this figure was largely the result of the three tremendous crops harvested in 1931–32–33. Literally everything in the islands was harvested in 1933 in order to establish a high base indicator of total production possibilities. In that year the calculated yield of cane per acre was higher than during any other year of the history of the Philippines and total production of raw sugar was estimated at 1,653,000 short tons. That, however, was no guide of the total economic production. During the 5 years 1935–39 total production averaged only 1,100,000 tons per annum. It is generally recognized that this is an outside figure of anything like economic production in the Philippines. The average number of acres of sugarcane harvested in the Philippines during the 20-year period 1920–40 was slightly under 600,000 acres. And yet, in the year 1933 there were 756,000 acres harvested, indicating that even the lowest yield and poorest crops of stubble cane were harvested in order to get an abnormal base from which to measure theoretical possibilities. Actual acreage harvested during the 5 years 1935–39 did not exceed the acreage harvested during the earlier period 1920–24.

All independent objective students of sugar production in the Philippines report that a very considerable acreage now devoted to sugar is uneconomical and could only be perpetuated under a system of free entry into the American market. In other words, it is perfectly clear that, when the American tariff is made to apply to sugar from the Philippines, a considerable acreage of this marginal sugar load will be forced out of production. At the present time, therefore, it would seem like sound public policy to not encourage the Philippines to return to production of sugarcane on much of this marginal land. Some of this land, however, is admirably adapted to the production of rice, corn, beans, cassava, vegetables, and other farm crops, which are tremendously needed by the people of the Philippine Islands to provide them with normal food requirements.

In any scheme to reimburse investors in the Philippines on account of damage done during the war, there should be no requirement to the effect that all old sugar mills and plantations must be restored. It is well known that practically all such mills were either destroyed, dismantled, or otherwise made unusable. While those who lost money should be partly compensated for their loss, they should not be required to restore production on uneconomic areas.

Another fallacy presented to the American people is the idea that sugarcane grows abundantly in all parts of the Philippines and that the yield of cane per acre far exceeds the yield in other parts of the world. This is an absolute fallacy. As already indicated, probably not more than half a million acres of profitable sugarcane land is under cultivation in the Philippines, and some of this is the result of relatively recent unwise exploitation. The yield of sugarcane per acre in the Philippines does not differ from the yield in Louisiana, Cuba, Puerto Rico, and so forth, and the yield of sugar per ton of sugarcane is no better than in continental United States and in the Latin-American countries south of us.

Any sound policy now developed should be realistic and not hysterical. Probably every American is prepared to give people of the Philippines full credit for their magnificent cooperation with the United States. This differs from the attitude in most of the great colonial empires. But it will do no good to become hysterical and impose upon the Philippines or upon the Government of the United States a task which would be quite uneconomic and undesirable from the standpoint of both countries.

There is no particular reason why all of the sugar produced in the Philippines should be shipped half way around the world to markets in the United States. The people who have investments in sugar production in the Philippines might very well turn their attention to the possibilities for a market of at least part of their product in Asiatic areas. It is proverbial that the people of that part of the world are very much in need of greater sugar production for their own use and part of the production in the Philippines should be diverted to the demands of that area. This undoubtedly will be found to be necessary over a period of 20 years when American tariffs and quotas apply more specifically to production from the Orient.

In this connection, it should be noted that in the Island Formosa—Taiwan—just north of the Philippines, there has been a production of sugar during the 5 years 1937–41 exceeding production in the Philippines. Indeed, it is estimated that in 1941 raw-sugar production in Formosa was approximately 1,422,000 short tons, while total production in the Philippines was 1,167,000 short tons. Formosa, under control of Japan, supplied the sugar requirements of Japan. Now, however, since Formosa has been turned back to China, it may be presumed that all of the sugar from Formosa will be sold or in some manner distributed among the people of China. In other words, Japan, during the years ahead of us, will require at least a million tons of sugar from some source, and the Philippines would seem to be the natural sources upon which they must draw for at least half of their requirements. Incidentally, the Japanese in turn will undoubtedly have other products which they could sell in the Philippines in exchange for the sugar. There are other markets in the Orient which could and should absorb at least a part of the sugar from the Philippines.

It has already been noted, first, that sugar production was overexpanded in the Philippines and that it would be wise economic policy not to restore uneconomic areas and sugar mills, and second, that there are other markets for sugar in the Orient which would be more economical than shipping the entire Philippine output halfway around the world to the United States when continental resources and Latin-American countries are fully capable of providing all the sugar needed in this country.

But there are other very strong reasons why a wise agricultural policy should be promoted in the Philippines, entirely apart from the sugar program.

Anyone famliar with the dietary needs of the people of the Philippines and with the agricultural policies followed in the past must be aware of the fact that during normal years the Philippines are tremendously deficient in rice for home consumption. During the 5-year period 1935–39, when much land was unwisely devoted to sugarcane, the Philippines found it necessary to import an average of nearly 60,000 tons of rice annually. This would be equal to 2,000,000 bushels of rice, which represents the normal shortage of rice in the Philippines. The Philippines are also short of corn, wheat, starch, and other cereals and cereal products, many of which can be produced to good advantage right there in the Philippines. Imports of flour on the average during the same 5-year period considerably exceeded 3,000,000 bushels, while imports of corn and of starch were substantial. Other forms of starch, such as tapioca, arrowroot, and so forth, cassava, and other starch-bearing products, are economically grown in the Philippines.

The Philippines were also very large importers of fresh green vegetables, fresh roots—potatoes and so forth—canned vegetables, dried beans, peas, and other vegetable products currently needed by the people. Practically all of these green vegetables and roots are successfully grown and many of them could be grown to advantage on land now devoted to sugar. Incidentally, 200,000 bushels of dried beans and peas are imported into the Philippines when these can be grown to advantage in many parts of these islands.

The Philippines are also large importers of fresh fruits and dried fruits, and yet about the only fruit product exported consists of canned pineapple. There could be a very large expansion of fruit production for domestic use in the Philippines. Peanuts and other nuts should also be included in the same category. Extensive surveys of agricultural possibilities in this direction have been carried on and very encouraging reports have been made.

It is unnecessary to make special reference to the tremendous production of coconut products in the Philippines. Literally hundreds of millions of pounds of copra, coconut oil, and other coconut products are exported, some of which could advantageously be consumed at

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home, thus greatly increasing the standard of living of the people of the islands.

Without getting into further details, it should be noted that both tobacco and various fibers are produced to great advantage in the Philippines, and tobacco and other fiber products in many cases could be much more profitably and economically grown than sugar.

The people of the Philippines during the same 5-year period before World War II were large importers of fresh meats, canned meats, dried, smoked, and otherwise prepared meats, dairy products, and canned and prepared fish products. A very large expansion of these livestock or animal products could be developed to advantage in the Philippines, thus give employment to large numbers now unable to support the very lowest standards of living as laborers and tenants on the sugar plantations. In fact, it is generally contended that the lowest standards of living are found among those producing sugar for export to the United States. Wage rates and other conditions are considered the very lowest to be found almost anywhere. In other words, other branches of agriculture, even in the Philippines, are much more conducive to high living standards, good health, and so forth.

Many surveys have been made, which indicate that there are other miscellaneous crops which can be produced in the Philippines to advantage. A well-recognized agricultural and industrial program would seem to offer very much more profitable opportunities for development than this hysterical clinging to sugar as the one outstanding specialized crop.

This brief reference to possibilities of Philippine agriculture is merely to call attention to some aspects of the sugar and other agricultural activities of the Philippines, and no attempt is made to go into the question of forest products, fishing industries, mining, and quarrying and other opportunities for developing the Philippines into a highly prosperous independent nation.

Mr. Chairman, I shall quote briefly from a very splendid magazine article by Francis B. Sayre.

Mr. Sayre is a lawyer by training. He gained his first experience in the Far East when in 1923 he served as adviser in foreign affairs to the Siamese Government. In 1925 and 1926 he negotiated in behalf of Siam new political and commercial treaties with the great powers. In 1933 he was called to Washington, where for 6 years he served as Assistant Secretary of State charged with the negotiation of the American trade agreements. The President appointed him High Commissioner of the Philippines in 1939, and he observed the islands closely and fairly during those precarious years when the commonwealth was finding its feet. In 1942, after the departure of President Quezon, acting under instructions from President Roosevelt he escaped with his wife and young son by submarine from Corregidor when surrender was inevitable.

Mr. Sayre is a deep student of everything which gains his interest. That he is deeply interested in the future welfare of the people of the Philippine Islands is indicated by his splendid article entitled "Freedom Comes to the Philippines," which appeared in the Atlantic Monthly of March 1945, and which I inserted in the CONGRESSIONAL RECORD on February 21, 1946. I had this splendid article printed and placed a copy thereof on the desk of every Member of this House and of the Senate for their information. I commend to every one of you a careful reading of the entire article.

I quote:

Perhaps the greatest difficulty confronting the new government will be how to achieve economic independence. When the Philippines became part of the American Nation in 1898, the Filipinos were given free access to the highly protected American market—one of the richest in the world. This right to send Philippine products into the United States free of duty and to sell them there for remunerative prices, while other nations had to pay high duties on similar imports into the United States, proved to be an economic gold mine for the Filipinos. For instance, because they could ship sugar duty-free to the United States, Philippine sugar producers in 1937 received about $41,000,000 more than they would have obtained if they had sold an equivalent amount of sugar at the world price.

Under such conditions it has been inevitable from the outset that the Filipino people should concentrate their productive effort upon those commodities which could be sold in the United States market at prices maintained above world levels by American legislation. Of the total value of Philippine exports, the United States accounted for 19 percent in 1900, 46 percent in 1910, 70 percent in 1920, and an average of 85 percent in the 5 years ending in 1940.

In short, although during the past 40 years we were doing everything possible to prepare the Filipinos for political independence, the effect of our economic policy was to make them even more dependent upon the United States. With four-fifths of Philippine products before the war dependent upon American markets, the United States could not suddenly shut Philippine producers out of the duty-free American markets without entailing grave injury to the entire Philippine economy.

Permanent free entry for Philippine products in the American market offers no solution. If the Filipino people are ever to have the independence which they crave, clearly their fundamental economy and means of livelihood must be free from dependence upon changeable legislative majorities in the United States Congress. Political independence without economic independence would be a mockery.

* * * * *

When liberation comes, presumably sugar cultivation in the Philippines will be on a home-consumption basis. If the new Philippine Government after the war is wise enough and strong enough to prevent a return to prewar sugar production figures, one of the great milestones on the way to economic independence will be passed.

* * * * *

The solution of their economic problem will be a thorny and difficult task. It is not insoluble. American ingenuity and technical skill will be at the call of the Filipinos to help in the solution.

* * * * *

Because the present economic dependence of the Filipinos upon the United States is largely of our own making, and because it is to our own interest to build for future stability in the Pacific, the Filipino people must be given their independence under such conditions as will assure them sound economic foundations for their future. The American people will not be content with anything less.

Washington, D. C., MARCH 28, 1946.

Hon. ROY O. WOODRUFF,
House Office Building,
Washington, D. C.

MY DEAR CONGRESSMAN: My attention has been called to a considerable amount of excitement stirred up among columnists, radio commentators, editorial writers, and propagandists in general over the fact that the Ways and Means Committee (in the Philippine Trade Act of 1946—H R 5856), adopted the American standard of weights, the short ton, in setting the quota of sugar which may be imported annually—in place of the British standard weight, or long ton.

Webster's New International Dictionery gives the definition as "Ton: A large weight, usually diverted into twenty hundreds weight."

It then proceeds to give three special definitions, (1) the short ton, commonly used in the United States, (2) the long ton, commonly used in England, (3) the metric ton, commonly used in the Latin countries, and (4) other special definitions dealing with coal, shipping space, etc., are then given. The following are the three definitions noted after the general definition of "ton":

(a) The weight of 2,000 pounds (907.20 kilograms), often called short ton. It is the one in common use in the United States, Canada, South Africa, etc., and is used to a small extent in England, especially in Liverpool.

(b) The weight of 2,240 pounds (1.016.06 kilograms), often called the long ton or gross ton. It is the ton in common use in England and is employed for certain purposes in the United States and elsewhere.

(c) The weight of 1,000 kilograms (2,204.6 pounds), usually called a metric ton.

Perhaps it would be proper to refer to the fact that in all standard reports of Government departments in Washington, the standard short ton is used, and all items are converted into this standard ton. This applies to sugar as well as to thousands of other commodities.

If I had any suggestion to make, it would be that the use of the short ton be extended to other parts of the pending bill. I am referring especially to the quota for coconut oil. If my memory serves me right, we have never imported as much as 200,000 long tons of coconut oil from the Philippine Islands during any year in our history and in only 2 years did we reach 200,000 short tons. A change, therefore, to the short tons could not possibly be interpreted as a penalty or indicate any desire to injure the trade relations between the Philippines and the United States.

Very sincerely yours,

JOHN LEE COULTER.

Mr. Chairman, the bill now before us follows in part at least the lines laid down by Mr. Sayre, and if finally made the law, I believe will contribute to a wonderful period in the life, prosperity, and continued happiness of the Filipino people. I hope the bill will receive the unanimous vote of this House.

Mr. Chairman, I yield back the balance of my time.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. LEFEVRE] may extend his own remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LEFEVRE. Mr. Chairman, I very much approve of this legislation. As a member of the Insular Affairs Committee, I have had the privilege of hearing of the present conditions in the Philippines and, therefore, realize the grave necessity of its passage. Our very able chairman the gentleman from Missouri [Mr. BELL] the author of the bill, H. R. 5856, has spent a great deal of time in an effort to bring us a bill that is fair to both the United States and the Philippines. He has had the fullest cooperation of the Ways and Means Committee and I can say that committee has handled the problem in a nonpartisan manner, in the same spirit as our Committee on Insular Affairs deals with the problems of our insular possessions.

The people of the Philippines bore the brunt of our war against the Japanese. Thousands of these people were killed and their property and lands devastated. Throughout this mad rush the Filipinos were our loyal and courageous allies.

One could not sit in yesterday's session and hear those eloquent words of the able Resident Commissioner of the Philippines [Mr. ROMULO] without realizing the sincerity of these long-time friends. There exists a bond between our two countries which I hope will never be broken. This trade-relations bill will provide new life and incentive to the Filipinos. It will give their businessmen an opportunity to get on their feet and we have reason to feel that within the next 28 years—the life of this act—these worthy people will build a true economic independence and so maintain a strong position in the world.

Following our acquisition of the Philippines from Spain some forty-odd years ago, we have continuously aided the Philippines to be dependent on the American duty-free market. We needed their sugar, tobacco, coconuts, and hemp. It is my understanding the great bulk of their exports came to the United States. Now with the economy of their country practically gone, we have the moral duty to help rehabilitate their agriculture and industries. When the Philippine Independence Act was framed in 1934, no one knew the war would devastate that country in 1941. The independence program is going ahead. We are going ahead with our program of economic assistance. This is to our interest and is the sincere desire of the Filipinos. We can and will gladly help them with capital, with markets, and with counsel.

I wonder whether we Americans realize the importance of these people. There are 18,000,000 of them. There are approximately 7,000 islands involved and roughly 7,000 miles from our western coast. Within a radius of 2,500 miles of Manila, there lives nearly one-third of the population of the world. The eyes of all the great nations are watching the progress to be made in the Philippines. Let these people know our philosophy by our actions. July the 4th this year will be a great day in the Philippines. It will also be a great day for us Americans. This piece of legislation should help this first trial of democracy in the Orient and we must back this effort to the limit.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent that the gentleman from Indiana [Mr. GILLIE] may extend his remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILLIE. Mr. Chairman, in supporting this legislation, I cannot let pass this opportunity of expressing my deep feeling of gratitude to our Filipino comrades, and my intense admiration for that great patriot, soldier, and statesman, Gen. CARLOS ROMULO, whose friendship I will always cherish.

The people of America will never forget how the Filipinos gave their blood, sweat, and tears to win the war, fighting side by side with our own soldiers against overwhelming odds. Even after Bataan they continued their brave resistance, going underground to harass the Japanese and help us to final victory.

Within a few short months, our friends in the Philippines will start their adventure into self-government. They will face many trials and tribulations, but they already have proved to the world that they have the determination and ability to suceed in the face of great obstacles.

We in America must always be ready to extend a helping hand. The passage of this bill is but a first step. With our friendship and cooperation, the Republic of the Philippines should enjoy peace, prosperity, and independence for many generations to come.

Mr. REED of New York. Mr. Chairman, I yield one-half minute to the distinguished gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, the bill which is before the House is exceedingly complicated and very difficult for the average Member of Congress to understand. I have tried to familiarize myself with the problems presented in this bill, and the four bills, of which this is one, involving the Philippine question. It is understood that the war-damage bill will come before the House for consideration perhaps next week.

In order to gain the point of view of the Filipino people as represented in the person of Mr. Vicente Villamin, I asked him to prepare for me a statement which I could read and understand with reference to this and the other legislation.

Under permission granted in the House, I incorporate Mr. Villamin's statement in my remarks.

He writes as follows:

FILIPINO DISCUSSES PHILIPPINE BILLS—MAKES FAR-REACHING SUGGESTIONS

(By Vicente Villamin)

Congress desires to help the Philippines rebuild herself and make her independence scheduled for July 4, 1946, successful.

CONGRESS IS ACTING

Four bills have been considered by Congress and two of them are already laws. These latter two are an act placing the Philippines within the operation of the Export-Import Bank of Washington and an act turning over to the Philippine Government the accumulated internal taxes on certain Philippine products amounting to $73,000,000. The trade bill will be discussed in the House from tomorrow (March 28). The rehabilitation bill, which passed the Senate on December 5 last, is still in a House committee. Congress authorized in 1934, but never appropriated, the payment of about $24,000,000 as the "profit" of the Philippines based on the dollar-peso ratio from the devaluation of the American dollar, from which operation the American Government made a "profit," which was utilized as expendable funds, of around $2,800,000,000.

To appreciate the effects of the trade bill (H. R. 5856) and the rehabilitation bill (S. 1610), an exposition of Philippine conditions is essential.

WAR DAMAGES

The War Damage Corporation, an RFC subsidiary, sent three investigators to the Philippines and reported that the approximate total war losses amount to $800,000,000, of which $196,000,000 is public property, $464,000,000 is private, and $139,000,000 are religious properties. The industrial losses may be roughly estimated as follows: Sugar 65 percent, coconut oil 95 percent, tobacco products 95 percent, mining 70 percent, shipping 70 percent, and land transportation 60 percent. The estimate of losses by the Philippine Government is over $1,200,000,000, which in point of completeness and present-day replacement values is logically the more nearly correct figure.

The Philippine Government today is spending on the basis of $150,000,000 per annum on an uncertain income of less than $40,000,000. In normal times, the annual budget was balanced at approximately $80,000,000. On the day the Philippines becomes a republic it will be in debt and funds will have to be found to operate it.

TWO MONETARY ITEMS

However, there are two financial items that lighten up the sombre picture—items which if wisely used could bring about the country's revival from war and which could be the functional base for its future stability, prosperity, and progress. These are: (a) The $520,000,000 which Congress will appropriate to meet partially the war damages and (b) a national nest egg of some $500,000,000 which the Americans spent in the Philippines during and since the war. This grand total of $1,020,000,000 is four times the value of the country's annual production, nine times its yearly exports, and seven times the monetary circulation.

Under the trade bill, if not prevented by administrative regulations, the Philippines will exhaust those two financial assets in 5 to 8 years, precipitating a severe economic depression. Not that the law is not helpful, but rather it is not helpful enough, and in the evaluation of advantages, the United States comes out at the long end and the Philippines the short, presenting the spectacle that it is the United States that is being helped primarily.

PHILIPPINE FOREIGN TRADE

Over 90 percent of Philippine production, outside of the people's two main articles of diet—rice and fish—is exportable surplus. An estimate of the Philippine-American trade in the 5 years following independence should convince Congress to make the trade bill more liberal to the Philippines.

The normal trade between the two countries is roughly $225,000,000 yearly. In the next 5 years the Philippines, by reason of the inherent paucity of rehabilitation, can export to the United States less than one-half of normal, while the United States, precisely on account of the need for rehabilitation, will export about two times the normal amount. There are no quantitative restrictions on American products entering the Philippines, although Philippine products are under quota limitations in the United States.

UNFAVORABLE BALANCE

Expressed in figures, the average annual exports of the Philippines to the United States, including precious metals, will be about $80,000,000, against imports of approximately $200,000,000, or a balance against the Philippines of $120,000,000. In prewar years the Philippines was on the debit side of the ledger in the sum of $25,000,000 a year in the exchange of items ("invisible items") like freight, insurance, investment returns, handling, financing, remittances, and other expenditures. In the next 5 years those items will go up to $50,000,000 at least a year. Thus, the total balance against the Philippines will be about $170,000,000 a year, or a grand total of $850,000,000 in 5 years. That wipes out the total appropriation for rehabilitation and leaves only $170,000,000 of the national nest egg, to be wiped out in the following 3 years. After that, the Philippines will begin its exports to the United States on the basis of decreasing quotas or increasing duties, while the United States imports into the Philippines will be only on a decreasing-duty basis, the bill exempting them from quantitative restrictions.

WAR-DAMAGE PAYMENT

Two fundamental suggestions are offered:

1. Let Congress appropriate now the full amount of Philippine war damages. It is now clear, from news coming from Tokyo, that at least $12,000,000,000 worth of reparation assets will be obtainable from Japan. Eventually, therefore, the uncovered portion of the Philippine war damages in the rehabilitation bill of about $500,000,000 will be paid. So, since the bill provides for the eventual settlement of 100 percent of the losses out of Japanese reparation assets, it is suggested that Congress advance now by increasing the appropriation the full amount of the losses. It will be in the nature of aid-advance, and not a loan-gift.

AMERICA'S MILITARY POSITION

2. Let Congress realize the full meaning of its resolution 94 of June 19, 1944, under which an extensive American military establishment will be built on Philippine territory after independence. When the American flag flies over it, the Philippines without benefit of treaty will in effect become an American military protectorate and a political associate considered as such by foreign nations. In that situation, it is to the vital interest of America to have a strong, prosperous, and cooperative Philippines. Therefore, it is but logical that Congress, instead of passing a bill dissolving the Philippine-American economic ties, should consider one strengthening and perpetuating them. It is possible to make the economic relations between the two countries less competitive and overwhelmingly complementary to their mutual benefit.

BILL'S DESCRIPTION

The trade bill (H. R. 5856) is the fifth redrafting of the measure. It is very involved. The Filipinos will have difficulty in understanding it. But they don't have to understand it fully if they want to receive the entire benefits of the rehabilitation bill, for a House amendment to the latter bill states that no payments over $500 shall be made until the Filipinos have accepted the trade bill.

Among the reasons why the bill is so complicated seems to be that an executive agreement is not considered by its author as having the force of law both in the United States and in the Philippines, even after it has been ratified by the Philippine Congress. Additional legislation on both sides is required by provisions of the bill.

The bill establishes a modified free trade between the United States and the Philippines for 28 years. During the first 8 years there will be no duty on both sides, but from then on there will be increasing duties on both sides excepting Philippine coconut oil, cigar, scrap tobacco, and pearl buttons which will all be duty-free, while their quotas will be decreased by 5 percent yearly.

WAIVER OF DUTIES

Mutual waiver of duties: The Philippines in the first 5 years will waive about $60,000,000 annually on duty-free American goods, while the United States will waive only about $20,000,000 yearly on duty-free Philippine products. In other words, the Philippines will make a sacrifice of $60,000,000 for the privilege of not paying the duty of $15,000,000. The sacrifice will be enough to run the Philippine Government economically for a year while the waiver of $20,000,000 by the American Government can meet its expenses for only a few hours.

EXECUTIVE AGREEMENT

Title IV: The trade and other relations will be set forth in a Philippine-American executive agreement. Instead of the complicated provisions of the bill, it should simply provide that the pertinent provisions of the bill be incorporated in it, with the commitment by the Philippine Government that section 341, defining the rights of Americans after independence, shall be made a part of the treaty required by article XVI of the Philippine Constitution, thereby making it the law of the land then and there. If it is still desired to make said section 341 a part of that constitution, although it would be a surplusage and a departure from the present American foreign policy, such could be made a part of the treaty. The ratification by the Philippine Congress of the executive agreement shall be required within a period definite to be mentioned in the bill.

AMERICAN IMMIGRATION

Section 341 drops the clause in section 341 in the committee print (March 15) of the bill which says that Americans shall enjoy "the same rights as to property, residence and occupation as citizens of the Philippines." If that clause is inserted in the bill, sections 331, 332, and 402 (e) can be deleted because, if the Americans have the same right of residence in the Philippines as the Filipinos, it does not make sense to have provisions limiting their entry and residence in the Philippines. The Filipinos welcome as many Americans as are desirous to come to their country, which they helped to build, stay there at their pleasure, and be free to come and go without limitations.

FILIPINO NATURALIZATION

Section 231 places Filipinos under the immigration law provisions applicable to non-Orientals, but dropped the provision of its predecessor bill (H. R. 5185, sec. 17) granting Filipinos the right of naturalization. It is suggested that the provision be put back in the bill. The Chinese have been given by Congress the privilege of becoming American citizens, why not the Filipinos, who are American nationals under American law until they become aliens on July 4, 1946?

SUGAR

Section 211: The original quota of 850,000 long tons is reduced in the bill by about 60,000 long tons. During the first 8 years there will be no duty, but after that period it will pay progressively 5 percent a year until the full 100 percent is reached, and without diminution of the quota. It is suggested that the quota be reduced to 750,000 long tons, but eliminating the duty for the entire period of 28 years. This duty-free position of Philippine sugar even on a reduced amount, considering the 60-percent destruction of the industry, will place it on a more solid and stable basis and make it conform to the agricultural diversification program that the Philippines must work out.

COCONUT OIL

Sections 505 and 506: As an exception to the provisions of the bill that each country shall not impose any internal tax on each other's products, the United States is continuing the processing tax of 3 cents a pound on Philippine coconut oil. This tax, amounting to about $18,000,000 a year, was turned over to the Philippine Government, but after independence such will not be done. The tax has proved highly burdensome both to the Philippine producers and the American users of coconut oil. Before the tax, the average price was 4.14 cents a pound, and after the tax was imposed it was 2.42 cents. So it is suggested that since the tax is not to be returned to the Philippines, that it be reduced from 3 cents to 1 cent. The American users will pay 2 cents less and expectedly will be able and willing to pay more for the product.

It is also suggested that the quota be reduced from 200,000 long tons (sec. 214–a–3) to 150,000 or 125,000 long tons. With the industry 95 percent destroyed and adverse interests ever active, it would be better for the Philippines to place that industry on a more stable basis with a reduced quota. But there must be one quid pro quo: That the quota shall be intact during the entire 28 years.

This principle might be adopted with respect to cigar, scrap tobacco, and pearl buttons. These suggestions contemplate the possibility and probability that there might be a perpetual free-trade arrangement between the United States and the Philippines in harmony with their military and other relations.

Luxury goods: There is no provision in this bill that would enable the Philippines to control or curtail imports of luxury goods to make the rehabilitation program effective and to keep the Philippine dollar balances from being dissipated. If the needful provision is decided upon, as it should, what luxury goods are should be defined.

Simplification: A last appeal is made here to simplify the bill and make it more liberal to the Philippines.

REHABILITATION SUGGESTIONS

The following suggestions are offered on the rehabilitation bill, S. 1610:

1. Appropriate the full amount of damages. In line with the idea of staggering the rehabilitation to forestall a depression, there should be a provision in section 104 (d) to permit the recipient of war-damage payments to reinvest them at the proper time to assure a reasonable success of the investment.

2. Since foreigners in the Philippines will receive war-damage payments under section 102 (b–1), the necessary additional appropriations should be made to cover their damages, which are estimated at about $150,000,000, so the amount set aside for Americans and Filipinos is not reduced.

3. Churches should be placed in the same category as other properties and paid for under the same provisions. An increase of total appropriations would be necessary.

4. Under section 106 (b) the amount of coins and bullion obtainable from Japan as reparations shall be applied to that part of the Philippine losses not covered by the appropriation. But before a dollar is paid out, the bill's total appropriation of $520,000,000 shall first be obtained and turned over to the United States Treasury. In this way Uncle Sam will not be out of pocket under the bill. General MacArthur, as of last December, had in his control Japanese coins and bullion, both gold and silver, valued at about $263,000,000. He had also 159,000 carats of diamonds, 6,200,000 grams of platinum, and other rare metals, all roughly valued at $50,000,000, making a total of $313,000,000. Since these assets are in-

adequate to carry out the bill's provisions, section 106 (b) should be amended to include precious stones, rare metals, and other assets, otherwise the provision will not aid the Philippine war sufferers.

AGRICULTURAL EXPERIMENT STATIONS

5. Lastly, there should be an amendment, with special liberal appropriations, under title III for the establishment by the United States Department of Agriculture of experiment stations in the Philippines to carry out the program of agricultural diversification and improvement of the yield and quality of existing products. This amendment is indispensable if the Philippines is to be less dependent on American markets and on too few products. It will also be highly beneficial to the United States.

AMERICAN GOOD WILL

The Filipinos fought in the war cheerfully with America with effectiveness and without the aid of lend-lease, helping to shorten the war and subdue the Japanese.

The two bills should be at least imperfect as possible. They will not go into effect until after July of this year. They will be the expression of America's good will to the Philippines. It is incumbent upon the Filipinos, as a token of appreciation and for their own sake, to do their best to make them work successfully and serve the best interests of the people.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. Chairman, I had not intended to discuss this legislation as it has been so thoroughly analyzed by the other members of the committee. I do wish to say, however, that it has been a real privilege to work on the preparation of this legislation. Few people realize that we began its consideration as far back as last October. Our committee and the subcommittee which was later appointed by the chairman worked diligently in perfecting this bill. I am positive every member of the committee feels indebted for the excellent help we had from Mr. M. Beaman of the Legislative Drafting Service, and from Mr. E. G. Martin and Mr. P. F. Burnham of the Tariff Commission.

The Ways and Means Committee, in presenting this bill to the House, is pioneering in new legislative draftsmanship. While this legislation is introduced in the form of a bill, it contains in reality and in effect language that becomes a treaty between the United States and the Philippine Government as a sovereign nation.

For many years the Philippine Islands have been a ward of our Government, and we have for political and economic reasons assisted them with their economic problems. On July 4, 1946, they become an independent nation, and the pending bill will, when enacted into law, mutually obligate one nation to the other. The Philippine Islands have been our outpost in the South Pacific, and we expect to maintain our friendly and economic interests in them in the future.

All of us realize the suffering of the people and the destruction of their country during the recent World War. The Filipinos gave their lives as valiant soldiers of the Philippine Islands, but also as a people greatly concerned for the future welfare of the United States. It is for these reasons that it is most difficult to write legislation of this type without being carried away by emotional appeal. However, as legislators and representatives of the American people, we must and did view this legislation from a practical standpoint. We wrote provisions into this bill protecting the American producers of sugar, oils, rice, and tobaccos with absolute import quotas. It was absolutely necessary that we do this as this bill provides for a period of 8 years of free trade and, following that, 20 years of graduated tariff rates.

The Philippine Islands were not only given a preference in the world tariff rates, they were given a preference based on a Cuban rate. In other words, they were given a preference on a preference. Earlier in the debate the gentleman from South Dakota [Mr. MUNDT] made inquiry regarding the effect of the section concerning the importation of cordage as it dealt with binder twine. For the record I wish to state that we are using the same definition in this bill in defining "cordage" which has existed since 1934. It is true that the wording was changed in Public, 300, Seventy-sixth Congress, for the purpose of definiteness. This definition includes binder twine, a product never produced by the Philippines. This inclusion was agreed to by the Philippines at the time of the establishment of the same in 1934.

We should keep in mind that the domestic industry has enjoyed the same absolute quotas since 1935 and that is the law today. The present bill continues the same absolute quota.

Title III of the pending bill lists very definite obligations on the part of the Philippines that must be complied with before this legislation can become effective as an agreement between the two nations. Many of these provisions are most exacting and if time permitted I would like to discuss it from the standpoint of the citizens of the Philippines. Some of these provisions are far reaching. We make some very exacting demands regarding the custom duties, demanding equality in import duties and on matters of taxation. We provide limitations regarding internal taxes and provide for reciprocal arrangements on immigration. Section 341 states specifically that when and if the public domain of the Philippine Islands is opened for development to the Philippine people, our citizens must be given the same rights and privileges as their own. Following is a copy of the section:

SEC. 341. Rights of United States citizens and business enterprises in natural resources

The disposition, exploitation, development, and utilization of all agricultural, timber, and mineral lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces and sources of potential energy, and other natural resources of the Philippines, and the operation of public utilities, shall, if open to any person, be open to citizens of the United States and to all forms of business enterprise owned or controlled, directly or indirectly, by United States citizens.

In all fairness I think we might ask ourselves if we as citizens of the United States would agree to the same requirements were they submitted to us by another nation. Regardless of these requirements I am informed that the people of the Philippines are accepting these terms and conditions without reservation. It shows a magnanimous spirit on their part and I am confident that the agreements made through the entire bill will be mutually helpful.

It has been a privilege to have served on the committee during the formulation of this bill, which is a token of our interest in the future welfare and success of a new nation.

Mr. REED of New York. Mr. Chairman, I yield 9 minutes to the distinguished gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I am at the foot of the class, so to speak, on the Ways and Means Committee, and should talk but little on this bill. I should say, however, that I appreciate the outstanding abilities of members of that committee. It is an extremely busy committee. We especially love its chairman. How patient he is, but he expects us to be always prompt in attendance.

Our experts also did faithful and most effective work for us. I would praise greatly General ROMULO who, although he would like to have had some greater concessions, now urges us to pass this bill as it is.

Mr. Chairman, my particular reason for taking a minute or two at this time is because of certain newspaper articles and announcements to the effect that the Philippine people will call us ungrateful because we have not been more liberal in the provisions of the bill. I have always felt that no one would consider me ungrateful as long as I was expected to or would grant more and more favors. I do not like the newspaper article that calls for large sums for the Philippine people because of their assistance in helping us during the so-called our war. It may have been ours, and, of course, it can be reasoned that way. But I thought we had been a defense to the Filipinos for some years, and that we intend and must now stand between them and all other nations for their protection. We will have their safety on our hands for many years to come. They will be a free and independent nation after July 4, 1946, but it appears to me that the nation is to be greatly dependent upon us for their protection. Is it possible that we regard the Philippine people as a people located where we must have for our own safety something akin to a Pearl Harbor? I have heard that stated rather often. I want to do everything I possibly can for the Philippine people; no one would be more willing than I, but I have some worry for my own people. Here we have a legislative enactment, a trade agreement, but not a bureaucratic trade agreement. I feel rather comfortable about that. We seem to have no longer a democracy in this country; it seems now to be a bureaucracy. We are pleading with bureaucrats nearly every day for relief from acts and decisions of bureaucrats. Why do we not insist upon the recovery of our own legislative authority? For once we have enacted a trade agreement by statute. Again I am worried about our own people. You

Philippine people say you have been devastated, and you have been devastated. So have we, since our direct debt is greater than practically all we possess, and have guaranteed about as much more, about 50 percent of which may have to be met by the National Treasury.

I feel that we have also been devastated, but I hope and expect we can carry out our agreements, at least with the Philippine Nation. But I am one of those perhaps foolish people who think we are not really prosperous. Many people appear to be prosperous as long as they can borrow money and keep up a prosperous appearance. But there is always a bottom to that barrel. Some people seem to think otherwise. These are the new ideas that have sprung up during the past dozen years. I will say to you that while I think we will manage to do all of the things these people expect us to do, they must not expect too much. I often have my doubts as to our own financial future. But why should I worry any more? So many other people do not seem to worry. Other nations will appear and urge that they be given financial support of many billions, because they feel assured that we are prosperous. I deny emphatically that we are really prosperous with such a huge debt and liability enveloping us. We may have a way of appearing to be prosperous. People appear that way so long as borrowed money is available to them. Because we borrow it from ourselves it may be a lesser danger, but I can get only scant assurance from that declaration even from high officials of our Government. I may have old-fashioned ideas. The Philippine Nation will be independent, but will be politically allied to us. We are certainly greatly responsible for their recovery. We are also to be responsible for their safety. They must not consider us ungrateful if in a few matters we have failed to concede fully to their wishes. These remarks are prompted because of the huge sums for which we are being asked by many other nations urging the "our war" responsibilities. Vast sums are to be asked of us because we have so much, although our financial balance indicates we have really nothing except the willingness of our people to plunge themselves still further into this highly dangerous debt condition.

Mr. REED of New York. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, it is regrettable that H. R. 5856, known as the Bell bill, with reference to future trade relations between this country and the Philippine Islands, and S. 1610, known as the Tydings bill, cannot be considered at the same time as this legislation, inasmuch as they both have for their purpose the relief of the stricken people of the Philippine Islands.

In the more than a generation that has passed since the Treaty of Paris was signed in 1899, the United States has held the responsibility of assisting in the direction of the whole social and economic development of the Philippine people. We have carried that responsibility along such a high level that it has not only received the commendation of the nations of the world, but it has set an example for all other nations having colonial possessions. The policies we have followed have lifted the Philippine people to such a high moral, social, and economic position that by 1934 we granted to the Philippines the right to become a free and independent nation after 10 years' experience as a commonwealth government.

It is tragic that during that 10-year period, which began in 1936, their land was devastated by war, their people tortured, and their economy completely destroyed. No country engaged in the last war suffered as great relative destruction as did the Philippine Islands and their loyal people. That destruction places a greater responsibility upon the United States today than at any time since the Treaty of Paris. We must not forget that the Philippine Islands are still under the American flag and we have a moral responsibility to see to it that their future economy and social well-being is founded upon sound principles.

We should be careful not to forfeit that friendship which has been built up throughout many years of painstaking effort. The Philippines are so geographically located that they are strategically important to our national security. We plan to maintain strong military and naval bases in the Philippine Islands. To maintain their greatest effectiveness we must have the continued loyalty and good will of the Filipinos themselves. They proved their loyalty in the dark days of the recent conflict.

The eyes of the world are upon us. The action we take with reference to the Philippine Islands will increase our international prestige or will impair the good will our past policies have built.

We have poured billions of dollars into the relief and rehabilitation of our allies since the war and we have even spent other huge sums for the relief of peoples of enemy countries. But, Mr. Chairman, we have been sparing and ultraconservative in the aid we have given the stricken people of the Philippines who are still our wards.

I sincerely hope the Philippine trade bill now under consideration will be speedily enacted into law.

Mr. REED of New York. Mr. Chairman, I yield 8 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, the bill H. R. 5856 deals with the trade relations between the United States and the Republic of the Philippines, which will come into reality on July 4 next. Help for the Philippines is not a debatable question. I believe that all thinking Americans are anxious that America lend a helping hand to this new Republic. The entire Committee on Ways and Means approached this legislation with that motive.

This legislation is an administration measure. No public hearings were held, and the only people appearing before the committee in executive sessions were Commissioner Paul McNutt, Mr. McNutt's staff and advisers, the Resident Commissioner, Mr. Carlos Romulo, and Mr. Romulo's advisers, the author of the bill, the gentleman from Missouri, Mr. Bell, and the representatives of the various departments of the executive branch of our Government, including State, Treasury, Agriculture, Justice, and the Tariff Commission. These various officials of the administration had several conferences, and a meeting or two at the White House. These groups largely determined the policy to be followed here and the work of the committee was confined to taking the proposals that had been agreed upon and working out legislation in accordance therewith.

The drafting of this bill was a most difficult task. You can best understand this measure by first reading section 401. It involved in effect the making of a treaty, or executive agreement, through an act of legislation, with a nation that did not yet exist. It deals with tariffs, import duties, internal taxes, absolute quotas, duty-free diminishing quotas, conditions for imposing additional quotas, immigration into the United States, immigration into the Philippines, export taxes, a provision requiring the Philippines to change their constitution, various technical definitions, the making of an executive agreement, the interpretation thereof and the termination thereof, and many related features.

I want to pay tribute to Mr. Middleton Beaman, of the office of Legislative Counsel, for his work on this bill. It was my privilege to observe his work over a period of many weeks in the preparation of this bill. He has done a splendid job and has performed a great public service. His diligence, foresight, knowledge, and untiring efforts constitute an outstanding piece of work. He has rendered an outstanding service to the committee and to the Congress.

In brief, the bill provides for free trade between the Philippines and the United States until July 3, 1954. For the balance of the calendar year 1954, tariff rates between the two countries shall be 5 percent of the lowest ordinary customs duty prevailing in the two nations. It will be 10 percent the next calendar year, and it shall be increased by 5 percent each year thereafter.

A quota on the importation of sugar from the Philippine Islands into the United States is fixed in the bill at 850,000 short tons, of which not to exceed 50,000 short tons may be refined sugars. The quota on cordage is established at 6,000,000 pounds, and on rice at 1,040,000 pounds. All of these quotas are on an annual basis. Imports under these quotas just mentioned will be subject to the fractional duty carried in the bill.

In reference to cigars, tobacco, coconut oil, and buttons of pearl or shell, an absolute quota is established, also a duty-free quota. This is set out in detail on page 16 of the bill. Up to and including the year 1954, the entire quota of these articles shall be duty-free. Thereafter the duty-free quota diminishes and the Philippines will be required to pay the full duty on that part of their quota which is not duty-free, which will become larger each year. Take the case of coconut oil, for instance. The quota is 200,000 long tons, but beginning in 1955 only

190,000 long tons of that quota shall be duty-free. In 1956, only 180,000 long tons of it will be duty-free, and by 1974 none of it will be duty-free.

The provisions contained in this legislation are to be incorporated into an executive agreement to be entered into by the President of the United States with the President of the Republic of the Philippines. It should be borne in mind, however, that this measure which we are now enacting, provides very definitely and specifically what shall be contained in that agreement. With the exception of negotiating in reference to the immigration of American citizens into the Philippine Islands, nothing is left for negotiation between the Presidents of the two republics. This legislation provides what the terms of the agreement shall be.

The concessions made on the part of the United States immediately become the law of the land upon the enactment of this measure. We authorize the President of the United States to agree that we will keep them in effect during the life of the agreement. We do not in this measure in any sense attempt to legislate for the Philippines for the period after July 4 next. We do require certain things before the executive agreement authorized by this act becomes effective. The Philippines are required to not only enter into the agreement, but to enact into law those things pertaining to the obligations of the Philippines and must agree to keep them in force and in effect before the executive agreement made by the Presidents of the two republics becomes effective.

The theory of this legislation, as advanced by the proponents, is to give an inducement to American capital and American citizens to return to the Philippine Islands and rebuild their industry and their economy. It is very definite that there must be some rebuilding. The questions are, Who shall do it? Is there any other source for the obtaining of capital than from America, and would it be desirable? Should private enterprise be furthered in the Philippine Islands? The answers to these questions support the position of the proponents of this bill and the individuals who have brought it to Congress and asked its enactment.

The allocation of quotas granted to the Philippine Islands, such as the sugar quota, is fixed in this bill. This bill requires that these quotas be given to the same concerns that were exporting the products into the United States in the period prior to the war. Certain definite years are set forth in the various provisions of the bill.

American capital is further encouraged into going into the Philippine Islands by the incorporation in this legislation, and to be incorporated in the executive agreement, provisions that neither country will impose any discriminatory taxes against the other. The bill provides that in the event the President of the United States finds that American citizens and business concerns are being discriminated against, he may terminate or suspend the agreement.

This legislation also requires the Philippine Islands, within a reasonable time, to make a change in their constitution that I shall mention. It also vests authority in the President of the United States to make a finding and proclaim that the Philippines have failed to amend their constitution as required and in that event the entire executive agreement is terminated. Whenever the executive agreement is terminated those parts of this legislation which are the statutes of the United States cease to have force and effect as such.

Articles XII and XIII of the Philippine Constitution contain clauses under which the disposition, exploitation, development, and utilization of the public domain and natural resources of the Philippines and the operation of public utilities, are confined to citizens of the Philippines and corporations at least 60 percent of the capital of which is owned by Philippine citizens. This legislation requires the Philippines to change that, so that Americans shall have the same rights.

Those Members of Congress who are interested in legislation affecting the dairy industry, as well as all agriculture, will be interested in noting that this legislation dealing with free trade and fractional duties makes a specific exemption to the internal tax of 15 cents a pound on oleomargarine. That part of existing law is not disturbed by this legislation or the agreement to be entered into.

This bill makes it possible for the United States, after 1948, to impose additional quotas on Philippine articles, upon a finding by the President that those articles are or are likely to be in substantial competition with American production. The bill sets up a formula for such a finding.

It will also be noted that our Agricultural Adjustment Act contains provisions for the establishment of world-wide quotas when the same is necessary in establishing support prices in this country or carrying out the various provisions of the Agricultural Adjustment Act. We retain that right and it is not surrendered to the Philippines in this bill.

This agreement that will be entered into in pursuance to this act shall have no effect after July 3, 1974. It can be terminated by either party at any time upon not less than 5 years' notice, without any specific cause. It also provides that the President of either country can determine and proclaim that the other country has adopted or applied measures which would operate to nullify or impair any right or obligation in said agreement and thereby terminate the agreement upon 6 months' notice. I have already mentioned it is the right of the President of the United States to terminate the agreement, if he finds that a reasonable time has elapsed and the Philippines have failed to change their constitution as required. The bill also makes certain provisions whereby the President of the United States can suspend the arrangement or parts thereof.

This legislation also provides that the value of Philippine currency in relation to United States dollars shall not be changed, the convertibility of pesos into dollars shall not be suspended, and no restrictions shall be imposed on the transfer of funds from the Philippines to the United States, except by agreement with the President of the United States.

The writing of legislation of this kind is most difficult. It involves venturing a guess upon the future in a troubled and disturbed world. That guess is binding upon the parties, unless otherwise terminated, for a period of 28 years. But more than that, it will probably set the course of all future actions toward the Republic of the Philippines in the years that lie ahead. It is my sincere hope that it will work out well, and that it will be a source of substantial help to that new Republic. I sincerely hope that the citizens of the Philippine Islands will in truth and in fact be free and independent not only politically but economically. The criterion for this and other legislation that we may pass for the Philippines is not what is the dollar value of the aid that we give, but will it help them to help themselves and thus make the Philippines strong and free. Whatever help is granted by the United States should be for the purpose of making them strong and independent, and not for the purpose of making them weak and dependent.

Will this arrangement be a good thing for the Republic of the Philippines? The answer to that question must be determined by the Republic of the Philippines. That decision and other momentous decisions which they will be called upon to make will be tests of their ability to be self-governing. I have faith in them. May God bless this new nation and forever preserve and protect her citizens as freemen.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield such time as he may desire to the gentleman from Louisiana [Mr. MALONEY].

Mr. MALONEY. Mr. Chairman, the proposed legislation as contained in H. R. 5856, the basis of which is for a trade agreement with the Philippine Islands, has been before our Ways and Means Committee for the past several months. From my experience and observation I cannot remember any legislation that has had more careful consideration and attention. As the type of legislation was unusual, it did require the very best legal technical minds to bring it in composition with other laws, and those gentlemen, headed by Mr. Middleton Beaman, did perform a rather outstanding service in this respect.

The question of giving trade benefits to the Philippine people cannot be questioned when you recognize the fact, first, that the Philippine country suffered to a major extent from the war; and, secondly, that on July 4, this year, it is to become an independent nation. Therefore, when you change it over from its present status to an independent nation it loses its trade privileges with this country; and to do such a thing too suddenly would bring about an upset in their economics that would be most dam-

aging to their welfare. Therefore, to avert such a condition it has been proposed that the Philippines have a trade relationship with this country of some kind that would permit them to gradually work up to the customary trade requirements with foreign countries. This proposal is to give the Philippines free trade for 8 years and from then on to step up the tariff rates 5 percent each year until the maximum has been reached.

This arrangement is felt to be of great assistance to the Filipinos and should establish their economic stability. It may also be said that such an arrangement for our Nation has its advantages. To give protection to some products of our country, Philippine quotas have been established in this legislation—in other words, to protect home production in these products, it is felt that these quotas must be established, and they are on cordage, rice, cigars, scrap, and Philippine tobacco, coconut oil, pearl buttons, and sugar.

Coming from a State that produces cane sugar, I was particularly interested in the quota that has been established for sugar, as I realize it will not be but a short time before the production of sugar will exceed the consumption and there will be a big demand for more acreage by our American farmers and it is for this reason that I thought some definite quota should be fixed for the Philippines on sugar. Therefore, remembering the fact that when quotas on sugar were fixed by legislation in 1934, I felt that the Philippine record in its production had been given a little bit higher quota than it deserved, and further the Constitution of the United States, article 1, section 8, requires that, "Congress shall have power to fix a standard of weights and measures." The short ton is the regularly established basis for computing quantities of commodities, it is used in the sugar act for reference to sugar quotas. It has been confusing to have in the Philippine Independence Act a limitation on duty-free exports of sugar to the United States in terms of long tons, while the quotas authorized under the Sugar Act which regulated sugar quotas from the Philippines and other areas have been expressed in short tons. In view of this we, therefore, recognized the past and visualize the future with a token of consideration for the American producer. I suggested that the sugar quota for the Philippines be based upon short tons instead of long tons—this will probably mean a difference of approximately 92,000 long tons, which in days to come we expect to be given to the American farmers.

The above facts are not the only reasons I thought the quota should be reduced some for I believe the question of diversified production would mean more to the welfare of the Filipinos than by concentrating their main efforts on sugar. A serious question has been raised by persons in high positions and unquestionable friendship and support of the Philippines that there was a great overproduction of sugar in the Philippine Islands. Men who have visited the islands and made local surveys have written that it is not for the best interest of the Philippine's national economy or the Filipino himself to have such a large portion of his lands under a one-crop system.

A well-known writer on international affairs, Mr. Edgar Snow, wrote an article on this subject for the Saturday Evening Post which was published in the March 16 issue of this widely read magazine.

The Honorable Francis B. Sayre, former Assistant Secretary of State, and United States High Commissioner of the Philippines, just prior to the war and at the time of invasion wrote the most thorough article on the Philippines I have read on the subject. After discussing the Philippine national economy broadly and most thoroughly, which he had investigated at first hand, he writes in the March 1945 issue of the Atlantic Monthly:

> When liberation comes to the Philippines, presumably sugar cultivation in the Philippines will be on a home-consumption basis. If the new Philippine Government after the war is wise enough and strong enough to prevent a return of prewar sugar production figures, one of the great milestones on the way to economical independence will be passed.

I trust for the good of the Philippines and the consideration of the American farmer that the quota on sugar in the bill we are now considering will not be increased. While I note from a statement sent to me, Commissioner McNutt intends to take this matter up in the Senate. I trust he will change his mind, as to some extent I feel such action would not be in good faith with our committee in dealing with the subject which was a compromise.

We have also fixed a quota on rice which should protect the rice-producing areas of this Nation of any undue hardship in reference to their production.

Of all the products that have been consumed by the American people, I do not know of any one that the price has been so uniformly kept down as on sugar. In fact, I think if the authorities had been a little bit more considerate to the domestic producers of sugar in incentives, the production in sugar in this country would have been increased by several hundred thousand tons.

Below I quote some figures on production and consumption of sugar:

Louisiana production:	*Short tons, raw value*
1940	243,395
1941	328,894
1942	407,427
1943	446,141
1944	378,359
1945	399,515

The mainland cane area—Louisiana and Florida combined—have produced the following:

Mainland cane area (Louisiana and Florida) production:	*Short tons, raw value*
1938	583,000
1939	504,000
1940	332,000
1941	419,000
1942	460,000
1943	498,000
1944	437,000
1945	500,000

Year	Production in domestic areas [1]	Production in foreign areas [2]	Total
1930	3,310,997	4,502,699	7,813,696
1931	3,474,925	4,130,700	7,605,625
1932	3,601,067	3,608,848	7,209,915
1933	4,201,564	4,235,794	8,437,359
1934	3,269,540	3,637,377	6,906,917
1935	3,623,410	3,946,852	7,570,262
1936	3,781,163	4,564,708	8,345,871
1937	3,862,365	4,495,419	8,357,784
1938	4,238,078	4,243,141	8,481,219
1939	4,264,716	4,269,783	8,534,499
1940	4,115,862	3,881,870	7,997,732
1941 [3]	4,026,144	3,804,000	7,830,144
1942 [3]	4,114,721	3,240,000	7,354,721
1943 [3]	3,095,000	4,471,000	7,566,000
1944 [3]	3,305,000	4,000,000	7,305,000
1945 [3]	3,517,991	4,727,000	8,244,991

[1] Including mainland cane area, mainland beet area Hawaii, Puerto Rico, and Virgin Islands.
[2] Including the Philippines and Cuba.
[3] No Philippine production in 1941, 1942, 1943, 1944 and 1945.

Total civilian consumption in the United States

	Short tons
1930	7,221,000
1931	6,669,000
1932	6,321,000
1933	6,293,000
1934	6,357,000
1935	6,602,000
1936	6,703,000
1937	6,642,000
1938	6,645,000
1939	6,908,000
1940	6,763,000
1941	7,350,000
1942	5,674,000
1943	6,801,000
1944	7,460,000
1945	6,332,000

War years include military.

Under rationing, in 1944, purely civilian consumption was 6,100,000 tons.

Under rationing, in 1945, purely civilian consumption was 5,100,000.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield the balance of the time on this side, 35 minutes, to the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Chairman, I can assure the membership it is not my intention to use the remainder of the time. I do desire, however, to make certain comments on the legislation now before the committee.

On yesterday the Ways and Means Committee referred to the House for consideration what I deem to be the most difficult bill to understand of any that perhaps the committee has ever referred to the House, even including some of those bills levying taxes.

The objectives of the bill are very clear. It is the details of the bill, the procedure by which we attempt to attain those objectives, that may be somewhat difficult of understanding.

Although I may be repeating, let me call attention again to what those objectives are.

First of all, we propose by this legislation the establishment of mutually advantageous trade relations between the United States and the Philippines following their independence on July 4, next, for a period of 28 years.

Second, we propose to provide an incentive for the rehabilitation and further development of Philippine trade. We propose to provide stability to future commerce between the United States and the Philippines.

The matters discussed and covered by the bill are easy to understand, relatively simple. First of all, the bill deals with customs duties on a reciprocal basis, preferential as against all other countries. Second, the establishment of quotas on the imports of certain Philippine products. Third, reciprocal, nondiscriminatory treatment in the field of taxes; fourth, adjustments in the immigration laws of both countries to meet the pressing needs of the immediate future; fifth, protection of United States citizens and American business enterprises regardless of form against discriminatory treatment. To do these things the bill authorizes in title IV the President to make an executive agreement with the Philippines. It provides the statutes necessary to put these specific provisions into effect. It provides means to cover the period between the date of the enactment of the act and July 4, 1946, before the Philippines become independent.

As has been pointed out by a previous speaker, the bill is divided into five titles. In order to understand the bill, as the gentleman from Tennessee said, titles II, III, and IV must be read after a careful analysis of the definitions contained in title I. In order to understand the bill at all, however, one must have a complete understanding of title IV of the bill, which is the keystone in the arch of the entire structure. Without title IV we would not have a bill. Title IV was referred to by the gentleman from Ohio [Mr. JENKINS]. It provides for an executive agreement between the United States and the Philippines. It states that the President upon certain conditions is authorized to enter into an executive agreement with the Philippines. Those conditions must be met by the President which are specified in title IV. First of all, if the President of the United States and the President of the Philippines do enter into such an agreement, the provisions of title II, which are the obligations of the United States, and the provisions of title III, which are the obligations of the Philippines, must be accepted by the executive agreement. Furthermore, before the agreement referred to in title IV can go into effect, the Philippine Nation must do what we have done or what we are doing now. The Philippine Nation must place into its statutes the provisions of title III so that those provisions of title III become a part of the statutes of the Philippines; and, furthermore, the Philippine people are called upon to amend their constitution to make it compatible with the provisions of section 341.

Title IV provides, after the agreement once goes into effect as proclaimed by the President, certain ways by which the agreement can be terminated.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. COLE of New York. The gentleman has referred to the requirement that the Filipino people must amend their constitution in order to make this agreement operative. As I recall the provisions of the Philippine Constitution, any change in the document must be submitted to the people of the Philippines before it is effective; and, also, the next election following the one to be held next month will not occur until 1950. Can the gentleman advise us what will be the status of this agreement until the year 1950 which seems to be the earliest date that a constitutional amendment could be effected?

Mr. MILLS. I was coming to that point. Evidently I did not make it clear.

The Philippine people are not required to amend the Constitution of the Philippines in order for this agreement to go into effect. It will go into effect whether there is an amendment, as requested in title III, or not. If the President finds that there has been an undue delay for any reason on the part of the Philippine Government in obtaining amendment of the constitution, then the President issues a proclamation and the agreement can have no further effect.

Mr. COLE of New York. What is the situation if the provisions required under this bill by way of laws to be enacted by the Philippine Legislature are such that those laws, if enacted, would be in violation of the Constitution of the Philippines? Would it not be necessary then to have an amendment to the constitution?

Mr. MILLS. First of all, after a very careful analysis of the Philippine Constitution, the members of your committee are of the opinion, quite definitely of the opinion, that the only provision in the bill that now or in the future may require an amendment to the constitution is the provision found in section 341 on page 29. There are no other provisions that we can think of that would require an amendment to the constitution.

Mr. COLE of New York. My point is that the constitutional limitations of the Philippine Government might be such as to make it impossible for them to comply with the provisions of this bill earlier than 1950.

Mr. MILLS. We were advised by Governor McNutt, who has just returned from the Philippines, that in all likelihood this constitutional provision will be submitted to the people of the Philippines some time this fall.

Mr. Chairman, I know of no further safeguard that can be placed in title IV providing for termination of the agreement for the protection of the people of the United States or the people of the Philippines than your committee has seen fit to include in the bill. Beginning on page 35 of the bill you will find the reasons and the grounds for termination, which must be distinguished from the grounds for suspending operation of the act or the grounds under which the agreement does not go into effect.

First of all, there are certain conditions which must be met before it goes into effect. There are certain other conditions which must be met and maintained in order to permit the agreement to last for the period designated in the bill of 28 years or until July 4, 1974.

We might call title V of the bill, at least in part, rather than a miscellaneous title, "supplemental legislation," for we have agreed in the agreement, if it goes into effect, along with the Philippines, to pass such other supplemental legislation as is necessary to give effect to the provisions of titles II and III. We are doing that in part in title V of the bill now. It may be necessary later on for the White House to call upon us to pass direct legislation to give effect to certain provisions of it, but, insofar as we know now, we are trying to take care of those supplemental pieces of legislation at the present time.

Mr. COLE of New York. On that point, will the gentleman tell us what would be the situation if they agree to pass or fail for any reason to pass whatever legislation appears to be necessary?

Mr. MILLS. Any failure on the part of Congress to pass any supplemental legislation constitutes a violation of the agreement, either our Congress or the congress of the Philippines. The entire agreement then, upon 6 months' notice, is subject to termination.

Mr. COLE of New York. Of course, the Filipinos in all likelihood would not exercise that power to revoke the agreement even though the Congress might fail to enact whatever additional legislation is necessary.

Mr. MILLS. Of course, that would remain to be seen.

There are other provisions, before I go to title II, that I desire to call attention to. I have had some Members expressing some concern about the bill in that we pick out only a few items and impose quotas. But in the bill you will find on page 41 what I consider to be for agricultural interests and others in the United States a sufficient safeguard. I trust that all Members will see fit not only to read the entire bill, but to analyze very carefully section 504 under title V of the bill which provides that the President shall, when the Tariff Commission finds that any commodity from the Philippines is likely to come into substantial competition with an American product, impose quotas. Under other provisions of the bill the findings of the Tariff Commission will be made public because the Tariff Commission must report its findings to both Houses of Congress so that we will be apprised of what the findings are with respect to the importation of any product or item from the Philippines. I know of no better safeguard we could place in the bill for the products of the United States which are not mentioned in the bill.

As I started to say, there is perhaps more interest in title II of the bill than anything else. First of all, permit me to say that when I first read H. R. 4185, H. R. 4676, and H. R. 5185, all predecessors of the bill before us, introduced by our distinguished colleague from Missouri [Mr. BELL], I had some difficulty in bringing myself to the point of view that we were not doing violence to our reciprocal-trade-agreement philosophy of the most-favored-nations policy. Of course, we cannot say that the preferential benefits which are extended under this bill are in keeping with the philosophy of the most-favored-nations policy. There is no need of us to voice that issue. The bill itself is not compatible with that philosophy. There has been some confusion, however, as to what it does do and as to why we do it.

First of all, we recognize from the very beginning that it is necessary, if we rehabilitate and develop the Philippines

back to the point where they were on December 7, 1941, that we must extend to them something more than the most-favored-nations policy placed in the Reciprocal Trade Agreements Act. Therefore we frankly say that we make an exception to the Philippine Islands, and we are reliably informed that all of the countries of the world with which we do business fully understand the necessity for making such a distinction on the part of the Philippines. With that in mind, then, I could bring myself to agree to the provisions of title II.

Further, there has been some confusion even on the part of some newspapers I have read with respect to part 2 of title II, the imposition of quotas. I read one newspaper editorial that stated that the imposition of quotas in this instance was in violation of the philosophy of reciprocal trade agreements. Actually it is not. Why do we impose these quotas? First of all, we have made an exception of the Philippines. We have extended to them a preference which we extend to no other people in the world under this bill. Nobody else gets this benefit. They get more than all the rest of the world put together, including Cuba. Why then do we impose the quota? We impose the quota to limit the preference which we are giving the Philippines, a quota on preferential trade arrangements. It is not a quota upon world trade, it is a quota upon the preference we are extending to the Philippines, and is clearly understood as such. The quota provisions contained in the bill are not incompatible with the theory of the reciprocal-trade-agreement policy or the most-favored-nations policy. It is not, therefore, incompatible for one who strongly believes in that philosophy and who opposes quotas upon imports into the United States to vote for this bill.

We do provide in title II that for a period of 8 years we will enjoy a partial free-trade relationship with the Philippines. We do not enjoy a full free-trade relationship, but, as far as the "ordinary customs duties" are concerned, as defined in title I, we enjoy free trade. In return for that, under section 311, on page 23, the Philippines make the same provision in their law and provide for the same thing in their agreement. Then in section 202 we provide for a graduation at the end of the 8 years of free trade, in our rates and our charges on "Philippine articles" until finally, about the time the agreement is to expire, we bring our duties on the importation of "Philippine articles" until finally, about the time the rate enjoyed by Cuba, which is 20 percent or more on each item less than the world rate. In other words, if we fix the world rate at 100 percent, the Cuban rate is 80 percent or less. We graduate the Philippine rate up to the Cuban rate of 80 percent or less of our world rate. When the agreement expires, by the very terms of the agreement, by the very act which the Congress passes, the Philippines, in the absence of some subsequent legislation, must pay the full world duty upon imports into the United States. However, for the period of the agreement they enjoy this preferential treatment based upon the Cuban rate.

The Philippines have no preference to which we can attach our rates. They have a world rate. But we do obtain this safeguard, and I think it is wise to point it out: Under the present situation, as I say, the Philippines have a world rate. They have no preference such as we extend to Cuba. They have no preferential rate. But we do not know during the period of the 28 years whether the Philippines will have, perhaps, some rates that are lower than the world rate. If they do decide to enter into an agreement with Borneo, say, whereby they extend to Borneo what we have extended for years to Cuba, then under the provisions of this bill we get a percentage of the Borneo rate. They guarantee to give us the lowest rate regardless of what that rate is. That condition lasts for the life of the agreement, 28 years.

There has been some talk about the quotas. I think that all businesses in the United States which are affected by these quotas should be at least satisfied with what is provided in the bill. Sugar consumed in the United States, for instance, so we were informed by the sugar experts from the Department of Agriculture, is largely imported into the United States right now. If we had all the sugar we wanted in the United States we would consume at the rate of 8,000,000 tons per year. We are producing in the United States at the rate of 1,500,000 tons per year. Before the war we consumed at the rate of about 6,500,000 tons per year. We asked this expert whether or not there was anything in this bill that did violence to the producers of cane sugar or beet sugar in the United States that could be that even if we attempted to raise all the sugar in the United States. He said not; consumed in this country, we would be longer than 28 years in getting to it, or words to that effect. So that I think the people interested in sugar can be assured that we are better off in having this language in the bill than we would be without any bill whatsoever. I say that for this reason: As I recall, we make no commitments in the Independence Act with respect to the importation of sugar from the Philippines, but we do make a commitment in the Sugar Act of 1937, as amended, that we will not reduce the quota of sugar from the Philippines as set forth in the Independence Act.

On cordage, which is the next absolute quota imposed in the bill, I might say that cordage is the only item in the bill which is treated separately from the other items. We impose a quota on Philippine cordage, not as a Philippine article, but as a product of the Philippines. That meets the approval not only of the producers of cordage in the United States and the people who are interested in the subject, but it is also satisfactory to the people in the Philippines, as I understand.

We have in the bill an absolute quota on rice. That means that with reference to sugar, cordage, rice, and the other commodities mentioned in the bill, it does not make any difference who in the Philippines would be interested in paying more than the duty rates, they cannot ship any more into the United States than the quota provides for.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. RICH. This quota on cordage is for the protection of the manufacturers in this country, is it not?

Mr. MILLS. It is for the protection of the manufacturers. We have never imposed, as I understand, any quota or duty upon manila fiber, for instance. We do not propose to do so here, and guarantee against any internal tax being placed upon it. We have not imposed any duty on some of the other items that go into the manufacture of cordage, so that they can bring into the United States if they desire all they need in the way of raw materials. This keeps out merely the manufactured article.

Mr. RICH. May I ask the gentleman this question with reference to the sugar quota: If we permitted the Filipinos to ship more sugar here, and if we permitted the people to pay a little bit more for sugar, could we not save the $69,000,000 that we pay in subsidies to the American growers of sugar, and would not our Treasury be a great deal better off if we did that?

Mr. MILLS. In other words, the gentleman, for the period of rationing, let us say, would suggest that we permit the importation from the Philippines of all the sugar that they could produce and send to us?

Mr. RICH. And, if necessary, permit the American people to pay half a cent a pound more. Then we would save the $69,000,000 that we pay to the producers in this country for raising sugar. I want to get rid of these subsidies. I want to save the Treasury from going into bankruptcy. I asked the gentleman that question, thinking that he would try to help us out in some way. We need help.

Mr. MILLS. The gentleman knows my interest in getting rid of subsidies. Of course, on this question of sugar, some of the Members from the sugar-producing sections of the country know a great deal more about the subject than I do. But let me point out to the gentleman just how it does operate. The members of the committee have had to study a great many different subjects with reference to this bill. If we provide for an unlimited amount of sugar to be imported into the United States from the Philippines for the next 3 years, let us say, we would not get any more sugar from the Philippines, I am reliably informed, than we will get under the quota contained in the bill. For the reason, and again I am basing my statement upon information that I have obtained, I understand it takes some 3 years to plant and harvest the sugarcane. If you plant the sugarcane in April of this year, you do not harvest the raw sugar from that cane in the fall of the year. It takes some 3 years, in other words, to get production from what you plant. So that presently we will be out from under this dark picture we are now under on sugar before the 3 years have expired. But remember that this agreement lasts for 28 years. Whatever we vote in this agreement is binding and we cannot change it by some subsequent action of

Congress without violating the agreement.

Mr. RICH. I would say that is a very wise provision. I am interested in the Philippines and I want to help them. But I am interested at all times first in the States, whether it be Louisiana and Florida where they raise sugarcane, or Michigan or Colorado where they raise sugar beets. We do not have enough men in this country and enough men in Congress who are as much interested in America as they should be. If we were more interested in these States of ours and tried to get things straightened out here, we would be better off and we would have a much better country.

Mr. MILLS. Of course there are many Members who are in the same class as the gentleman and myself. We are both much interested in America.

Mr. MALONEY. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. MALONEY. Following the question of the gentleman from Pennsylvania [Mr. RICH] that the sugar production should come from offshore, if all the sugar that is consumed in this country came from offshore, what do you think the price would be? Do you think it would be up or down?

Mr. MILLS. Sugar would be up if all of it came from offshore.

Mr. MALONEY. We would be at the mercy of the offshore producers and they could charge any price they wanted to?

Mr. MILLS. Yes.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. WOODRUFF. History tells us that when the offshore producers of sugar had the American market themselves, they forced the price to the consumer as high as 35 cents a pound. That occurred in 1920.

Mr. MILLS. The gentleman is correct.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Colorado.

Mr. HILL. There are two or three questions I would like to get straight in my mind. I notice on page 4 of the hearings, you say something like this: "The establishment in the bill of a sugar quota of 850,000 short tons is recognition of the need to give every possible encouragement to the expansion of the domestic sugar industry." The question I have in mind on that is this: It bothers me, because the State of Colorado alone has, in its top production, produced 240,000 acres of sugar beets. Now we are down to around 150,000 acres of beets. We find the same situation existing in many other States. At times our domestic producers of sugar beets and sugarcane have increased their acreage and they may wish to increase them again. Now they are down. Now we find the State of Florida could possibly increase their sugarcane acreage some 30,000 acres. Then we find in the Northwest country new irrigation projects coming in, and the only cash crop I know of that will really make money for those farmers to pay for their farms in those irrigated regions will be sugar beets.

The thing that bothers me is this: Are you only going to provide, as time goes on, that those folks who can produce new acres in beets will have a chance to produce them under this legislation?

Mr. MILLS. As the gentleman well knows, that legislation extending the Sugar Act of 1937 for another 2 or 3 years does not come from our committee. I understand it comes from the gentleman's committee. I do not know of anyone on that committee, or any place else who can better look after that situation than the gentleman from Colorado.

Mr. HILL. You are satisfied in your own mind that you are in no way circumscribing the sugar producers of these United States by this legislation?

Mr. MILLS. I am most positive in my own mind that if we did not give the Philippines one iota of sugar quota we would not increase, by that act alone, the allotments of sugar or the production of sugar in the United States. In other words, I think the gentleman can be assured that the 850,000 short tons this bill provides may be imported from the Philippines will not, over the period of the agreement, keep anybody in the United States from having that allotment which he wants. We have only produced a million and a half tons of sugar in the United States.

Mr. HILL. That is our average production.

Mr. MILLS. We now have a possible consumption of 8,000,000 tons of sugar. Add the 850,000 tons to the million and a half and we find there is still room for a lot of expansion in the domestic crop.

Mr. COOPER. Mr. Chairman, will the gentleman yield at that point?

Mr. MILLS. I yield.

Mr. COOPER. As I endeavored to point out during the remarks I made, I think this bill is more favorable to the domestic sugar producers than the existing situation without this bill, because, as the situation now stands, you can bring in 850,000 long tons of sugar from the Philippines without tariff and bring in all over that you want by paying duty, but under this bill you fix an absolute quota of 850,000 short tons and stop right there.

Mr. MILLS. I call the gentleman's attention to the fact that the Sugar Act of 1937, as amended, does impose absolute world quotas on sugar.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. CURTIS. In respect to the statement made by the gentleman from Tennessee, if there were no provision in this bill about sugar, the Congress of the United States, in extending the Sugar Act, could fix the Philippine quota at anything they wanted.

Mr. MILLS. Absolutely.

Mr. CURTIS. A hundred thousand tons or a million tons.

Mr. MILLS. Or two million tons.

Mr. CURTIS. But this does fix it so it cannot be changed for a period of 28 years, and in this way protects the sugar people of this country.

Mr. MILLS. I trust the bill which has been so carefully prepared for the committee and the gentleman from Missouri [Mr. BELL] by Mr. Beaman of the Legislative Counsel's Office and Mr. Martin of the Tariff Commission will be passed unanimously without amendment other than committee amendments to be offered.

We show the world the nature of the American desire to serve the cause of a better world by the creation of this agreement.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc.—

TITLE I—SHORT TITLE AND DEFINITIONS

SECTION 1. Short title.

This act may be cited as the "Philippine Trade Act of 1946."

SEC. 2. Definitions.

(a) For the purposes of this act—

(1) The term "person" includes partnerships, corporations, and associations.

(2) The term "United States," when used in a geographical sense, means the States, the District of Columbia, the Territories of Alaska and Hawaii, and Puerto Rico.

(3) The term "ordinary customs duty" means a customs duty based on the article as such (whether or not such duty is also based in any manner on the use, value, or method of production of the article, or on the amount of like articles imported, or on any other factor); but does not include—

(A) a customs duty based on an act or omission of any person with respect to the importation of the article, or of the country from which the article is exported, or from which it comes; or

(B) a countervailing duty imposed to offset a subsidy, bounty, or grant; or

(C) an anti-dumping duty imposed to offset the selling of merchandise for exportation at a price less than the prevailing price in the country of export; or

(D) any tax, fee, charge, or exaction, imposed on or in connection with importation unless the law of the country imposing it designates or imposes it as a customs duty or contains a provision to the effect that it shall be treated as a duty imposed under the customs laws; or

(E) the tax imposed by section 2491 (c) of the Internal Revenue Code with respect to an article, merchandise, or combination, 10 percent or more of the quantity by weight of which consists of, or is derived directly or indirectly from, one or more of the oils, fatty acids, or salts specified in section 2470 of the Internal Revenue Code; or the tax imposed by section 3500 of the Internal Revenue Code.

(4) The term "Philippine article" means an article which is the product of the Philippines, unless, in the case of an article produced with the use of materials imported into the Philippines from any foreign country (except the United States), the aggregate value of such imported materials at the time of importation into the Philippines was more than 20 percent of the value of the article imported into the United States, the value of such article to be determined in accordance with, and as of the time provided by, the customs laws of the United States in effect at the time of importation of such article. As used in this paragraph the term "value," when used in reference to a material imported into the Philippines, includes the value of the material ascertained under the customs laws of the Philippines in effect at the time of importation into the Philippines, and, if not included in such value, the cost of bringing the material to the Philippines, but does not include the cost of landing it at the port of importation, or customs duties collected in the Philippines.

For the purposes of this paragraph any imported material, used in the production of an article in the Philippines, shall be considered as having been used in the production of an article subsequently produced in the Philippines, which is the product of a chain of production in the Philippines in the course of which an article, which is the product of one stage of the chain, is used by its producer or another person, in a subsequent stage of the chain, as a material in the production of another article.

(5) The term "United States article" means an article which is the product of the United States, unless, in the case of an article produced with the use of materials imported into the United States from any foreign country (except the Philippines) the aggregate value of such imported materials at the time of importation into the United States was more than 20 percent of the value of the article imported into the Philippines, the value of such article to be determined in accordance with, and as of the time provided by, the customs laws of the Philippines in effect at the time of importation of such article. As used in this paragraph the term "value," when used in reference to a material imported into the United States, includes the value of the material ascertained under the customs laws of the United States in effect at the time of importation into the United States, and, if not included in such value, the cost of bringing the material to the United States, but does not include the cost of landing it at the port of importation, or customs duties collected in the United States. For the purposes of this paragraph any imported material, used in the production of an article in the United States, shall be considered as having been used in the production of an article subsequently produced in the United States, which is the product of a chain of production in the United States in the course of which an article, which is the product of one stage of the chain, is used by its producer or another person, in a subsequent stage of the chain, as a material in the production of another article.

(6) The term "United States duty" means the rate or rates of ordinary customs duty which (at the time and place of entry, or withdrawal from warehouse, in the United States for consumption, of the Philippine article) would be applicable to a like article if imported from that foreign country which is entitled to the lowest rate, or the lowest aggregate of rates, of ordinary customs duty with respect to such like article.

(7) The term "Philippine duty" means the rate or rates of ordinary customs duty which (at the time and place of entry, or withdrawal from warehouse, in the Philippines for consumption, of the United States article) would be applicable to a like article if imported from that foreign country which is entitled to the lowest rate, or the lowest aggregate of rates, of ordinary customs duty with respect to such like article.

(8) The term "internal tax" includes an internal fee, charge, or exaction, and includes—

(A) the tax imposed by section 2491 (c) of the Internal Revenue Code with respect to an article, merchandise, or combination, 10 percent or more of the quantity by weight of which consists of, or is derived directly or indirectly from, one or more of the oils, fatty acids, or salts specified in section 2470 of the Internal Revenue Code; and the tax imposed by section 3500 of the Internal Revenue Code; and

(B) any other tax, fee, charge, or exaction, imposed on or in connection with importation unless the law of the country imposing it designates or imposes it as a customs duty or contains a provision to the effect that it shall be treated as a duty imposed under the customs laws.

(b) For the purposes of sections 221 (b) and 321 (b), any material, used in the production of an article, shall be considered as having been used in the production of an article subsequently produced, which is the product of a chain of production in the course of which an article, which is the product of one stage of the chain, is used by its producer or another person, in a subsequent stage of the chain, as a material in the production of another article.

(c) For the purposes of paragraphs (6) and (7) of subsection (a) of this section—

(1) if an article is entitled to be imported from a foreign country free of ordinary customs duty, that country shall be considered as the country entitled to the lowest rate of ordinary customs duty with respect to such article; and

(2) a reduction in ordinary customs duty granted any country, by law, treaty, trade agreement, or otherwise, with respect to any article, shall be converted into the equivalent reduction in the rate of ordinary customs duty otherwise applicable to such article.

(d) The terms "includes" and "including" when used in a definition contained in this act shall not be deemed to exclude other things otherwise within the meaning of the term defined.

TITLE II—LAWS AND PROPOSED OBLIGATIONS OF UNITED STATES

PART 1—CUSTOMS DUTIES

SEC. 201. Free entry of Philippine articles

During the period from the day after the date of the enactment of this act to July 3, 1954, both dates inclusive, Philippine articles entered, or withdrawn from warehouse, in the United States for consumption shall be admitted into the United States free of ordinary customs duty.

SEC. 202. Ordinary customs duties on Philippine articles

(a) July 4, 1954–July 3, 1974: The ordinary customs duty to be collected on Philippine articles, which during the following portions of the period from July 4, 1954, to July 3, 1974, both dates inclusive, are entered, or withdrawn from warehouse, in the United States for consumption, shall be determined by applying the following percentages of the United States duty:

(1) July 4, to December 31, 1954: During the period from July 4, 1954, to December 31, 1954, both dates inclusive, 5 percent.

(2) Calendar year 1955: During the calendar year 1955, 10 percent.

(3) Calendar years 1956–72: During each calendar year after the calendar year 1955 until and including the calendar year 1972, a percentage equal to the percentage for the preceding calendar year increased by 5 percent of the United States duty.

(4) Percentage after 1972: During the period from January 1, 1973, to July 3, 1974, both dates inclusive, 100 percent.

(5) Exceptions to above rules: The provisions of this subsection shall not be applicable to the classes of articles referred to in section 214 (a) of part 2 of this title (relating to quotas).

(b) Period after July 3, 1974: The ordinary customs duty to be collected on Philippine articles which after July 3, 1974, are entered, or withdrawn from warehouse, in the United States for consumption, shall be determined without regard to the provisions of subsection (a) of this section or of section 214.

SEC. 203. Customs duties other than ordinary

Customs duties on Philippine articles, other than ordinary customs duties, shall be determined, without regard to the provisions of sections 201 and 202 (a), but shall be subject to the provisions of section 204.

SEC. 204. Equality in special import duties, etc.

(a) With respect to Philippine articles imported into the United States, no duty on or in connection with importation shall be collected or paid in an amount in excess of the duty imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the duty is not imposed with respect to such like articles.

(b) As used in this section the term "duty" includes taxes, fees, charges, or exactions, imposed on or in connection with importation; but does not include internal taxes or ordinary customs duties.

SEC. 205. Equality in duties on products of Philippines

(a) With respect to products of the Philippines, which do not come within the definition of Philippine articles, imported into the United States, no duty on or in connection with importation shall be collected or paid in an amount in excess of the duty imposed with respect to like articles which are the product of any other foreign country (except Cuba), or collected or paid in any amount if the duty is not imposed with respect to such like articles which are the product of any other foreign country (except Cuba).

(b) As used in this section the term "duty" includes taxes, fees, charges, or exactions, imposed on or in connection with importation; but does not include internal taxes.

PART 2—QUOTAS

SEC. 211. Absolute quota on sugars

(a) Definition of Philippine sugars: For the purpose of this section, an article shall not be considered "Philippine sugars" unless it is a Philippine article.

(b) Definition of refined sugars: As used in this section the term "refined sugars" has the same meaning as the term "direct-consumption sugar" as defined in section 101 of the Sugar Act of 1937.

(c) Amount of quota: During the period from January 1, 1946, to July 3, 1974, both dates inclusive, the total amount of all Philippine sugars which, in any calendar year, may be entered, or withdrawn from warehouse, in the United States for consumption, shall not exceed 850,000 short tons, of which not to exceed 50,000 short tons may be refined sugars; except that during the period from January 1, 1974, to July 3, 1974, both dates inclusive, such total amount shall not exceed 425,000 short tons, of which not to exceed 25,000 short tons may be refined sugars.

(d) Allocation of quotas for unrefined sugars: The quota for unrefined sugars, including that required to manufacture the refined sugars, established by this section, shall be allocated annually to the sugar-producing mills and plantation owners in the Philippines in the calendar year 1940 whose sugars were exported to the United States during such calendar year, or their successors in interest, proportionately on the basis of their average annual production (or in the case of such a successor in interest, the average annual production of his predecessor in interest) for the calendar years 1931, 1932, and 1933, and the amount of sugars which may be so exported shall be allocated in each year between each mill and the plantation owners on the basis of the proportion of sugars to which each mill and the plantation owners are respectively entitled, in accordance with any milling agreements between them, or any extension, modification, or renewal thereof.

(e) Allocation of quotas for refined sugars: The quota for refined sugars established by this section shall be allocated annually to the manufacturers of refined sugars in the Philippines in the calendar year 1940 whose refined sugars were exported to the United States during such calendar year, or their successors in interest, proportionately on the basis of the amount of refined sugars produced by each such manufacturer (or in the case of such successor in interest, the amount of refined sugars produced by his predecessor in interest) which was exported to the United States during the calendar year 1940.

SEC. 212. Absolute quota on cordage

(a) Definition of "cordage"; As used in this section the term "cordage" includes yarns, twines (including binding twine described in paragraph 1622 of the Tariff Act of 1930, as amended), cords, cordage, rope, and cable, tarred or untarred, wholly or in chief value of manila (abaca) or other hard fiber.

(b) Definition of "Philippine cordage": For the purpose of this section, an article shall not be considered "Philippine cordage" unless it is a product of the Philippines.

(c) Amount of quota: During the period from January 1, 1946, to July 3, 1974, both dates inclusive, the total amount of all Philippine cordage which, in any calendar year, may be entered, or withdrawn from warehouse, in the United States for consumption, shall not exceed 6,000,000 pounds; except that during the period from January 1, 1974, to July 3, 1974, both dates inclusive, such total amount shall not exceed 3,000,000 pounds.

(d) Allocation of quotas: The quota for cordage established by this section shall be allocated annually to the manufacturers of cordage in the Philippines in the calendar year 1940 whose cordage was exported to the United States during such calendar year, or their successors in interest, proportionately on the basis of the amount of cordage produced by each such manufacturer (or in the case of such successor in interest, the amount of the cordage produced by his predecessor in interest) which was exported to the United States during the 12 months immediately preceding the inauguration of the Commonwealth of the Philippines.

SEC. 213. Absolute quota on rice

(a) Definition of rice: As used in this section the term "rice" includes rice meal, flour, polish, and bran.

(b) Definition of Philippine rice: For the purposes of this section, an article shall not be considered "Philippine rice" unless it is a Philippine article.

(c) Amount of quota: During the period from January 1, 1946, to July 3, 1974, both dates inclusive, the total amount of all Philippine rice which, in any calendar year may be entered, or withdrawn from warehouse, in the United States for consumption, shall not exceed 1,040,000 pounds; except that during the period from January 1, 1974, to July 3, 1974, both dates inclusive, such total amount shall not exceed 520,000 pounds.

SEC. 214. Absolute and duty-free quotas on certain articles

(a) Absolute quotas:

Amount of quota: During the period from January 1, 1946, to July 3, 1974, both dates inclusive, the total amount of the following articles which are Philippine articles, and which, in any calendar year, may be entered, or withdrawn from warehouse, in the United States for consumption, shall not exceed the amounts specified as to each:

(1) Cigars (exclusive of cigarettes, cheroots of all kinds, and paper cigars and cigarettes, including wrappers), 200,000,000 cigars;

(2) Scrap tobacco, and stemmed and unstemmed filler tobacco described in paragraph 602 of the Tariff Act of 1930, as amended, 6,500,000 pounds;

(3) Coconut oil, 200,000 long tons; and

(4) Buttons of pearl or shell, 850,000 gross.

During the period from January 1, 1974, to July 3, 1974, both dates inclusive, such total amount shall not exceed one-half of the amount above specified with respect to each class of articles, respectively.

(b) Duty-free quotas:

(1) In general: Philippine articles falling within one of the classes specified in subsection (a) of this section, which during the period from January 1, 1946, to July 3, 1974, both dates inclusive, are entered, or withdrawn from warehouse, in the United States for consumption, shall be free of ordinary customs duty, in the quantities and for the periods set forth in the following table:

Periods (calendar year)	Amount of duty-free quotas			
	Cigars referred to in subsection (a) (1) (number)	Tobacco referred to in subsection (a) (2) (pounds)	Coconut oil (long tons)	Buttons of pearl or shell (gross)
Each of calendar years 1946-54	200,000,000	6,500,000	200,000	850,000
1955	190,000,000	6,175,000	190,000	807,500
1956	180,000,000	5,850,000	180,000	765,000
1957	170,000,000	5,525,000	170,000	722,500
1958	160,000,000	5,200,000	160,000	680,000
1959	150,000,000	4,875,000	150,000	637,500
1960	140,000,000	4,550,000	140,000	595,000
1961	130,000,000	4,225,000	130,000	552,500
1962	120,000,000	3,900,000	120,000	510,000
1963	110,000,000	3,575,000	110,000	467,500
1964	100,000,000	3,250,000	100,000	425,000
1965	90,000,000	2,925,000	90,000	382,500
1966	80,000,000	2,600,000	80,000	340,000
1967	70,000,000	2,275,000	70,000	297,500
1968	60,000,000	1,950,000	60,000	255,000
1969	50,000,000	1,625,000	50,000	212,500
1970	40,000,000	1,300,000	40,000	170,000
1971	30,000,000	975,000	30,000	127,500
1972	20,000,000	650,000	20,000	85,000
1973	10,000,000	325,000	10,000	42,500
1974	0	0	0	0

(2) Duty on imports in excess of duty-free quota: Any such Philippine article so entered or withdrawn from warehouse in excess of the duty-free quota provided in paragraph (1) shall be subject to 100 percent of the United States duty, despite the provisions of section 202 of this title (which provides rates of less than 100 percent of the United States duty with respect to Philippine articles). Nothing in this subsection shall be construed as enlarging the absolute quotas provided in subsection (a) of this section.

(c) Allocation of quotas: Each of the quotas established by this section shall be allocated annually to the manufacturers in the Philippines in the calendar year 1940 of products of a class for which such quota is established, and whose products of such class were exported to the United States during such year, or their successors in interest, proportionately on the basis of the amount of the products of such class produced by each such manufacturer (or in the case of such successor in interest, the amount of the products of such class produced by his predecessor in interest) which was exported to the United States during the calendar year 1940.

SEC. 215. Laws putting into effect allocations of quotas

The necessary laws and regulations for putting into effect the allocation of quotas on the basis provided for in sections 211, 212, and 214, respectively, shall not be enacted by the United States, it being the purpose of this title that such laws and regulations shall be enacted by the Philippines.

SEC. 216. Transfers and assignments of quota allotments

The holder of any allotment under existing law, including his successor in interest, and the holder of any allotment under any of the quotas established by sections 211, 212, or 214, may transfer or assign all or any amount of such allotment on such terms as may be agreeable to the parties in interest. If, after the first 9 months of any calendar year, the holder of any allotment, for that year, under any of the quotas established by such sections, is or will be unable for any reason to export to the United States all of his allotment, in time to fulfill the quota for that year, that amount of such allotment which it is established by sufficient evidence cannot be so exported during the remainder of the calendar year may be apportioned by the Philippine Government to other holders of allotments under the same quota, or in such other manner as will insure the fulfillment of the quota for that year: *Provided*, That no transfer or assignment or reallocation under the provisions of this section shall diminish the allotment to which the holder may be entitled in any subsequent calendar year.

PART 3—INTERNAL TAXES

SEC. 221. Equality in internal taxes

(a) With respect to articles which are products of the Philippines coming into the United States, or with respect to articles manufactured in the United States wholly or in part from such articles, no internal tax shall be—

(1) collected or paid in an amount in excess of the internal tax imposed with respect to like articles which are the product of the United States, or collected or paid in any amount if the internal tax is not imposed with respect to such like articles;

(2) collected or paid in an amount in excess of the internal tax imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the internal tax is not imposed with respect to such like articles.

(b) Where an internal tax is imposed with respect to an article which is the product of a foreign country to compensate for an internal tax imposed (1) with respect to a like article which is the product of the United States, or (2) with respect to materials used in the production of a like article which is the product of the United States, if the amount of the internal tax which is collected and paid with respect to the article which is the product of the Philippines is not in excess of that permitted by paragraph (2) of subsection (a) such collection and payment shall not be regarded as in violation of subsection (a).

(c) This section shall not apply to the taxes imposed under section 2306, 2327, or 2356 of the Internal Revenue Code.

SEC. 222. Exemption from tax on Manila fiber

No processing tax or other internal tax shall be imposed or collected in the United States with respect to Manila (abaca) fiber not dressed or manufactured in any manner.

SEC. 223. Prohibition of export taxes

No export tax shall be imposed or collected by the United States on articles exported to the Philippines.

SEC. 224. Exemption from taxes of articles for official use

No processing tax or other internal tax shall be imposed or collected in the United States with respect to articles coming into the United States for the official use of the Philippine Government or any department or agency thereof.

SEC. 225. Application to Puerto Rico

Section 9 of the act of March 2, 1917 (39 Stat. 951, ch. 145) is amended to read as follows:

"SEC. 9. That the statutory laws of the United States not locally inapplicable, except as hereinbefore or hereinafter otherwise provided, shall have the same force and effect in Puerto Rico as in the United States except the internal-revenue laws other than those contained in the Philippine Trade Act of 1946: *Provided, however*, That hereafter all taxes collected under the internal revenue laws of the United States on articles produced in Puerto Rico and transported to the United States, or consumed in the island, shall be covered into the Treasury of Puerto Rico."

PART 4—IMMIGRATION

SEC. 231. Certain Philippine citizens granted nonquota status

(a) Any citizen of the Philippines who actually resided in the United States for a continuous period of 3 years immediately prior to November 30, 1941, if entering the United States during the period from July 4, 1946, to July 3, 1951, both dates inclusive, for

the purpose of resuming residence in the United States, shall, for the purposes of the immigration laws, be considered a nonquota immigrant; and shall not be excluded from entry into the United States by reason of section 13 (c) of the Immigration Act of 1924, or by reason of so much of section 3 of the Immigration Act of 1917 as provides for the exclusion from admission into the United States of natives of a therein specified geographical area.

(b) After such admission as a nonquota immigrant he shall, for the purposes of the immigration and naturalization laws, be considered as lawfully admitted to the United States for permanent residence.

(c) The benefits of this section shall also apply to his wife, if a citizen of the Philippines or eligible to United States citizenship, and to his unmarried children under 18 years of age, if such wife or children are accompanying or following to join him during such period.

(d) This section shall not apply to a citizen of the Philippines admitted to the Territory of Hawaii, without an immigration or passport visa, under the provisions of paragraph (1) of section 8 (a) of the act of March 24, 1934 (48 Stat. 456, ch. 84).

TITLE III—OBLIGATIONS OF PHILIPPINES

PART 1—PURPOSES OF TITLE

SEC. 301. Statement of purposes of title

(a) Period until July 4, 1946: The following parts and sections of this title, insofar as they are applicable to the period from the date of the enactment of this act to July 3, 1946, both dates inclusive, are intended to, and shall, operate as statutes of the United States, binding on one of its possessions.

(b) Period July 4, 1946–July 3, 1974: The following parts and sections of this title, although expressed in statutory form, are not in any manner intended, insofar as they are applicable to the period after July 3, 1946, as an attempt on the part of the Congress of the United States to legislate for the Republic of the Philippines as a sovereign nation, but constitute a statement in precise terms of provisions—

(1) which the Government of the Philippines, on the taking effect of the executive agreement provided for in title IV of this act, will be obligated to observe and execute as the law of the Republic of the Philippines during the effectiveness of the agreement; except that the observance of such part of the provisions of section 341 as is in conflict with the Constitution of the Philippines will not be required under such agreement for the period prior to the amendment to the constitution referred to in section 402 (b); and

(2) which, between the proclamation of the independence of the Philippines and the date of the taking effect of such executive agreement, will, according to the policy and expectations of the Congress of the United States, be observed and executed by the Government of the Philippines.

PART 2—CUSTOMS DUTIES

SEC. 311. Free entry of United States articles

During the period from the day after the date of the enactment of this act to July 3, 1954, both dates inclusive, United States articles entered, or withdrawn from warehouse, in the Philippines for consumption shall be admitted into the Philippines free of ordinary customs duty.

SEC. 312. Ordinary customs duties on United States articles

(a) July 4, 1954–July 3, 1974: The ordinary customs duty to be collected on United States articles, which during the following portions of the period from July 4, 1954, to July 3, 1974, both dates inclusive, are entered, or withdrawn from warehouse, in the Philippines for consumption, shall be determined by applying the following percentages of the Philippine duty:

(1) July 4, to December 31, 1954: During the period from July 4, 1954, to December 31, 1954, both dates inclusive, 5 percent.

(2) Calendar year 1955: During the calendar year 1955, 10 percent.

(3) Calendar years 1956–1972: During each calendar year after the calendar year 1955 until and including the calendar year 1972, a percentage equal to the percentage for the preceding calendar year increased by 5 percent of the Philippine duty.

(4) Percentage after 1972: During the period from January 1, 1973, to July 3, 1974, both dates inclusive, 100 percent.

(b) Period after July 3, 1974: The ordinary customs duty to be collected on United States articles which after July 3, 1974, are entered, or withdrawn from warehouse, in the Philippines for consumption, shall be determined without regard to the provisions of subsection (a) of this section.

SEC. 313. Customs duties other than ordinary

Customs duties on United States articles, other than ordinary customs duties, shall be determined without regard to the provisions of sections 311 and 312 (a), but shall be subject to the provisions of section 314.

SEC. 314. Equality in special import duties, etc.

(a) With respect to United States articles imported into the Philippines, no duty on or in connection with importation shall be collected or paid in an amount in excess of the duty imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the duty is not imposed with respect to such like articles.

(b) As used in this section the term "duty" includes taxes, fees, charges, or exactions, imposed on or in connection with importation; but does not include internal taxes or ordinary customs duties.

SEC. 315. Equality in duties on products of United States

(a) With respect to products of the United States, which do not come within the definition of United States articles ,imported into the Philippines, no duty on or in connection with importation shall be collected or paid in an amount in excess of the duty imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the duty is not imposed with respect to such like articles which are the product of any other foreign country.

(b) As used in this section the term "duty" includes taxes, fees, charges, or exactions, imposed on or in connection with importation; but does not include internal taxes.

PART 3—INTERNAL TAXES

SEC. 321. Equality in internal taxes

(a) With respect to articles which are products of the United States coming into the Philippines, or with respect to articles manufactured in the Philippines wholly or in part from such articles, no internal tax shall be—

(1) collected or paid in an amount in excess of the internal tax imposed with respect to like articles which are the product of the Philippines, or collected or paid in any amount if the internal tax is not imposed with respect to such like articles;

(2) collected or paid in an amount in excess of the internal tax imposed with respect to like articles which are the product of any other foreign country, or collected or paid in any amount if the internal tax is not imposed with respect to such like articles.

(b) Where an internal tax is imposed with respect to an article which is the product of a foreign country to compensate for an internal tax imposed (1) with repect to a like article which is the product of the Philippines, or (2) with respect to materials used in the production of a like article which is the product of the Philippines, if the amount of the internal tax which is collected and paid with respect to the article which is the product of the United States is not in excess of that permitted by paragraph (2) of subsection (a) such collection and payment shall not be regarded as in violation of subsection (a).

SEC. 322. Prohibition of export taxes

No export tax shall be imposed or collected by the Philippines on articles exported to the United States.

SEC. 323. Exemption from taxes of articles for official use

No processing tax or other internal tax shall be imposed or collected in the Philippines with respect to articles coming into the Philippines for the official use of the United States Government or any department or agency thereof.

PART 4—IMMIGRATION

SEC. 331. Certain United States citizens given nonquota status

Any citizen of the United States who actually resided in the Philippines for a continuous period of 3 years immediately prior to November 30, 1941, if entering the Philippines during the period from July 4, 1946, to July 3, 1951, both dates inclusive, for the purpose of resuming residence in the Philippines, shall, for the purposes of the immigration laws, be considered a nonquota immigrant. After such admission as a nonquota immigrant he shall, for the purposes of the immigration and naturalization laws, be considered as lawfully admitted to the Philippines for permanent residence. The benefits of this section shall also apply to his wife, if a citizen of the United States, and to his unmarried children under 18 years of age, if such wife or children are accompanying or following to join him during such period.

SEC. 332. Immigration of United States citizens into the Philippines

Citizens of the United States, admissible to the Philippines under the provisions required by section 402 (e) to be included as a part of the executive agreement made under title IV, shall be entitled to enter the Philippines, in the numbers and during the periods of years, and to remain therein for the time, specified in that part of the agreement which embodies the provisions of section 402 (e).

PART 5—MISCELLANEOUS

SEC. 341. Rights of United States citizens and business enterprises in natural resources

The disposition, exploitation, development, and utilization of all agricultural, timber, and mineral lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces and sources of potential energy, and other natural resources of the Philippines, and the operation of public utilities, shall, if open to any person, be open to citizens of the United States and to all forms of business enterprise owned or controlled, directly or indirectly, by United States citizens.

SEC. 342. Currency stabilization

The value of Philippine currency in relation to the United States dollar shall not be changed, the convertibility of pesos into dollars shall not be suspended, and no restrictions shall be imposed on the transfer of funds from the Philippines to the United States, except by agreement with the President of the United States.

SEC. 343. Allocation of quotas

The allocation, reallocation, transfer, and assignment of quotas established by sections 211, 212, and 214, respectively, of part 2 of title II, shall be on the basis provided for in such part.

TITLE IV—EXECUTIVE AGREEMENT BETWEEEN UNITED STATES AND PHILIPPINES

SEC. 401. Authorization of agreement

The President of the United States is authorized (except as hereinafter in this title

otherwise provided) to enter into an executive agreement with the President of the Philippines providing for the acceptance on the part of each country of the provisions of title II and title III (except pt. 1) of this act. The President of the United States is not authorized by this section to enter into such agreement unless it contains a provision that it shall not take effect—

(a) Unless and until the Congress of the Philippines accepts it by law; and

(b) Unless and until the Congress of the Philippines (in the act of acceptance, or separately) has enacted such legislation as may be necessary to make all the provisions of parts 2, 3, 4, and 5 of title III take effect as laws of the Philippines, except (during the period prior to the amendment to the Constitution of the Philippines referred to in subsec. (b) of sec. 402) such provisions of section 341 as are in conflict with such constitution.

SEC. 402. Obligations of Philippines

The President of the United States is not authorized by section 401 to enter into such executive agreement unless in the agreement the Government of the Philippines agrees—

(a) That the Republic of the Philippines will continue in effect as laws of the Philippines, during the effectiveness of the agreement, the provisions of parts 2, 3, 4, and 5 of title III, except (for the period prior to the amendment of the Constitution of the Philippines referred to in subsec. (b) of this section) such part of the provisions of section 341 as is in conflict with such constitution.

(b) That the Government of the Philippines will promptly take such steps as are necessary to secure the amendment of the Constitution of the Philippines so as to permit the taking effect as laws of the Philippines of such part of the provisions of section 341 as is in conflict with such constitution before such amendment.

(c) That the Republic of the Philippines will promptly enact, and keep in effect during the effectiveness of the agreement, such legislation as may be necessary—

(1) to supplement the legislation referred to in section 401 (b), and to implement the provisions of parts 2, 3, 4, and 5 of title III; and

(2) to put and keep in effect during the effectiveness of the agreement, the allocation, reallocation, transfer, and assignment of quotas on the basis provided for in part 2 of title II.

(d) That the United States shall have the right to provide the basis for the allocation of the quotas established under that portion of the agreement which sets forth the provisions of section 403 (c) of this act, and that, if the United States exercises such right, the Republic of the Philippines will promptly enact, and keep in force during the period for which each such quota is established, such legislation as is necessary to put and keep in effect, on the basis pro..ded by the United States, the allocation of such quotas.

(e) That there shall be permitted to enter the Philippines, without regard to any numerical limitations under the laws of the Philippines, in each of the years of a specified period of years, of a specified number of citizens of the United States. The number of years (which shall not be less than five) the number of citizens of the United States (which shall not be less than one thousand) entitled to be so admitted in each year, and the length of time each shall be entitled to remain in the Philippines, shall be stated in the agreement.

(f) That the value of Philippine currency in relation to the United States dollar shall not be changed, the convertibility of pesos into dollars shall not be suspended, and no restrictions shall be imposed on the transfer of funds from the Philippines to the United States, except by agreement with the President of the United States.

SEC. 403. Obligations of United States

The President of the United States is not authorized by section 401 to enter into such executive agreement unless in such agreement the Government of the United States agrees—

(a) That upon the taking effect of the agreement the provisions of title II—

(1) if in effect as laws of the United States at the time the agreement takes effect, shall continue in effect as laws of the United States during the effectiveness of the agreement; or

(2) if not so in effect at the time the agreement takes effect (because suspended under section 502 of title V) shall take effect and continue in effect as laws of the United States during the effectiveness of the agreement.

(b) That the United States will promptly enact, and keep in effect during the effectiveness of the agreement, such legislation as may be necessary to supplement and implement the provisions of title II so continued in effect, or so made to take effect, as laws of the United States.

(c) That with respect to quotas on Philippine articles (other than the quotas established in pt. 2 of title II, and other than quotas established in conjunction with quantitative limitations, applicable to products of all foreign countries, on imports of like articles), the United States will not establish any such quota for any period before January 1, 1948; and that, for any part of the period from January 1, 1948, to July 3, 1974, both dates inclusive, it will establish a quota with respect to any Philippine articles only if—

(1) the President of the United States, after investigation, finds that such Philippine articles are coming, or are likely to come, into substantial competition with like articles the product of the United States; and

(2) the quota established for any Philippine article for any 12-month period is not less than the amount determined by the President as the total amount of Philippine articles of such class which (during the 12 months ended on the last day of the month preceding the month in which occurs the date proclaimed by the President as the date of the beginning of the investigation) was entered, or withdrawn from warehouse, in the United States for consumption; or, if the quota is established for any period other than a 12-month period, is not less than a proportionate amount.

(d) That during the effectiveness of the agreement the United States will not reduce the preference of 2 cents per pound provided in section 2470 of the Internal Revenue Code (relating to processing taxes on coconut oil, etc.) with respect to articles "wholly the production of the Philippine Islands" or articles "produced wholly from materials the growth or production of the Philippine Islands"; except that it may suspend the provisions of subsection (a) (2) of such section during any period as to which the President of the United States, after consultation with the President of the Philippines, finds that adequate supplies of neither copra nor coconut oil, the product of the Philippines, are readily available for processing in the United States.

SEC. 404. Termination of agreement

The President of the United States is not authorized by section 401 to enter into such executive agreement unless it provides—

(a) Termination in general: That the agreement shall have no effect after July 3, 1974; and

(b) Termination by either party:

(1) that the agreement may be terminated by either party at any time, upon not less than 5 years' notice; and

(2) that if the President of the United States or the President of the Philippines determines and proclaims that the other country has adopted or applied measures or practices which would operate to nullify or impair any right or obligation provided for in such agreement, then the agreement may be terminated upon not less than six months' notice; and

(c) Termination or suspension by the United States:

(1) that if the President of the United States determines that a reasonable time for the making of the amendment to the Constitution of the Philippines referred to in section 402 (b) has elapsed, but that such amendment has not been made, he shall so proclaim and the executive agreement shall have no effect after the date of such proclamation; and

(2) that if the President of the United States determines and proclaims, after consultation with the President of the Philippines, that the Republic of the Philippines or any of its political subdivisions or the Philippine Government is in any manner discriminating against citizens of the United States or any form of United States business enterprise, then the United States shall have the right to suspend the effectiveness of the whole or any portion of the agreement; and

(3) that if the President of the United States determines and proclaims, after consultation with the President of the Philippines, that the discrimination which was the basis for the suspension under paragraph (2) of this subsection—

(A) has ceased, the suspension effected under paragraph (2) shall end; or

(B) has not ceased after the lapse of a time determined by the President of the United States to be reasonable, then the United States shall have the right to terminate the agreement upon not less than 6 months' notice.

SEC. 405. Effect of termination of agreement

Upon the termination of the agreement as provided in section 404, the provisions of title II shall cease to have effect as laws of the United States.

SEC. 406. Interpretation of agreement

The President of the United States is not authorized by section 401 to enter into such executive agreement unless it provides that the acceptance of the provisions of titles II and III is on the understanding that the definitions, and provisions in the nature of definitions, contained in section 2 of title I, shall apply in the interpretation of the provisions so accepted.

SEC. 407. Termination of authority to make agreement

Whenever the President of the United States determines that a reasonable time for the entering into, acceptance, and taking effect, of the executive agreement has elapsed, but that such agreement has not taken effect, he shall so proclaim, and thereupon his authority to enter into such executive agreement shall terminate, and the provisions of title II shall cease to have effect as laws of the United States.

SEC. 408. Effective date of agreement

When the President of the United States determines that the executive agreement entered into under section 401 has been accepted by the Congress of the Philippines by law and that the Congress of the Philippines has enacted the legislation the enactment of which is, under section 401, a condition precedent to the taking effect of the agreement, he shall so proclaim, and in his proclamation specify the effective date of the agreement.

TITLE V—MISCELLANEOUS

SEC. 501. Suspension and termination of agreement in case of discrimination

(a) Suspension: If the President of the United States determines, after consultation with the President of the Philippines, that the Republic of the Philippines or any of its political subdivisions or the Philippine Government is in any manner discriminating against citizens of the United States or any form of United States business enterprise, he

shall so proclaim, and thereupon the effectiveness of the agreement, or such part thereof as he may in the proclamation specify as necessary in order adequately to protect the interests of the United States, shall be suspended.

(b) Termination of Suspension: If the President of the United States, after consultation with the President of the Philippines, determines that the discrimination which was the basis for the suspension under subsection (a) of this section has ceased, he shall so proclaim, and thereupon the suspension effected under subsection (a) shall end.

(c) Termination of Agreement: If the President of the United States, after consultation with the President of the Philippines, determines that such discrimination has not ceased, after the lapse of a time determined by him to be reasonable, he shall so proclaim and give to the Philippine Government notice of the intention of the United States to terminate the agreement.

(d) Laws of the United States:

(1) In case of suspension: If the effectiveness of the agreement is suspended under subsection (a) of this section, the provisions of title II of this act shall cease to have effect as laws of the United States during the period of the suspension. If the suspension is of the effectiveness of only part of the agreement, then such provisions of title II as the President may in his proclamation under subsection (a) specify as necessary adequately to protect the interests of the United States, shall cease to have effect as laws of the United States during the period of this suspension.

(2) In case of termination: If the agreement is terminated under subsection (c) of this section, the provisions of title II of this act shall cease to have effect as laws of the United States.

SEC. 502. Suspension of title II

If the President finds that, during the period after July 3, 1946, and before the taking effect of the executive agreement provided for in title IV, the Government of the Philippines is not putting into effect, or making every effort to put into effect, to the fullest extent possible under its Constitution, the provisions of title III of this act, or is not providing for the allocation of quotas on the basis provided in section 211, 212, or 214, respectively, he shall so proclaim. On the day following the date of such proclamation, such provisions of title II shall be suspended as he may in the proclamation specify as necessary in order adequately to protect the interests of the United States. Such suspension shall continue until the taking effect of the executive agreement provided for in title IV, whereupon the suspension shall terminate and the suspended provisions shall again take effect and continue in effect as laws of the United States during the effectiveness of the agreement.

SEC. 503. Customs duties on importations from Philippines

Articles coming or imported into the United States from the Philippines, and Philippine products coming or imported into the United States, shall, except as otherwise provided with respect to Philippine articles by title II of this act during the period such title is in effect—

(1) if entered, or withdrawn from warehouse, in the United States for consumption, during the period from the day after the date of the enactment of this act to July 3, 1946, both dates inclusive, be subject to the same duties as like articles coming or imported into the United States from foreign countries, except Cuba; and

(2) if so entered or withdrawn during the period after July 3, 1946, be subject to the same duties as like articles coming or imported into the United States from other foreign countries, except Cuba.

SEC. 504. Quotas on Philippine articles

(a) Establishment by President: After the executive agreement referred to in title IV has taken effect, then whenever the President of the United States, after the investigation by the United States Tariff Commission provided for in subsection (d), finds, with respect to any Philippine articles (other than those for which quotas are established by part 2 of title II), that they are coming, or likely to come, into substantial competition with like articles which are the product of the United States, he shall so proclaim, and in his proclamation shall establish the total amount of such Philippine articles which may in each of specified periods be entered, or withdrawn from warehouse, in the United States for consumption. If he finds that the allocation of any quota so established is necessary to make the application of the quota just and reasonable between the United States and the Philippines, he shall, in such proclamation or a subsequent proclamation, provide the basis for such allocation.

(b) Maximum and minimum quotas: No quota shall be established under subsection (a), with respect to a Philippine article, which is greater than the smallest amount of such article which in each of such specified periods the President determines may be so entered or withdrawn from warehouse without coming into substantial competition with like articles which are the product of the United States; except that in no case shall the quota be less than the minimum amount provided in that portion of such executive agreement which sets forth the provisions of section 403 (c) (2) of this act.

(c) Duration of quotas: Any quota established pursuant to this section shall become effective at such time as the President shall designate (but not before January 1, 1948), and shall continue in effect until the President, after investigation, finds and proclaims that the conditions which gave rise to the establishment of such quota no longer exist, but no such quota shall continue in effect after the termination of the executive agreement provided for in title IV.

(d) Investigations by Tariff Commission: The United States Tariff Commission shall at the request of the President, upon resolution of either House of Congress or concurrent resolution of both Houses of Congress, upon its own motion, or when in its judgment there is good reason therefor, upon application of any interested party, make an investigation to ascertain (1) whether imports of a Philippine article (other than an article for which a quota is established by pt. 2 of title II) are coming, or are likely to come, into substantial competition with like articles which are the product of the United States; (2) what is the greatest amount of such article which may be entered, or withdrawn from warehouse, in the United States for consumption, without coming into substantial competition with like articles which are the product of the United States; and (3) the total amount of such article which (during the 12 months ended on the last day of the month preceding the month in which occurs the date of the beginning of the investigation) was entered, or withdrawn from warehouse, in the United States for consumption. During the course of the investigation the Commission shall hold a public hearing, of which reasonable public notice shall be given and at which parties interested shall be afforded reasonable opportunity to be present, to produce evidence, and to be heard. The Commission shall give precedence to such investigations. The Commission shall report the results of its investigations to the President, and shall send copies of such report to each House of the Congress.

SEC. 505. Processing tax on coconut oil

(a) Exemption for Philippines: Section 2470 (a) (2) of the Internal Revenue Code is amended by striking out the word "other" wherever it appears in clauses (A) and (B) thereof; and by inserting at the end of the paragraph a new sentence to read as follows: "The tax imposed by this paragraph shall not apply to any domestic processing after July 3, 1974."

(b) Suspension of section 2470 (a) (2) of Internal Revenue Code: Whenever the President, after consultation with the President of the Philippines, finds that adequate supplies of neither copra nor coconut oil, the product of the Philippines, are readily available for processing in the United States, he shall so proclaim, and after the date of such proclamation the provisions of section 2470 (a) (2) of the Internal Revenue Code shall be suspended until the expiration of 30 days after he proclaims that, after consultation with the President of the Philippines, he has found that such adequate supplies are so readily available.

SEC. 506. Termination of payments into Philippine Treasury

(a) Notwithstanding the provisions of section 4 of the act of March 8, 1902 (32 Stat. 54, ch. 140), or of section 19 of the act of March 24, 1934 (48 Stat. 456, ch. 84), as added to such act by section 6 of the act of August 7, 1939 (53 Stat. 1232, ch. 502), or of the act of November 8, 1945 (59 Stat. 577, ch. 454), or of any other provision of law, the proceeds of any duties or taxes, collected subsequent to July 3, 1946, which but for the enactment of this act would be required to be paid into the general funds of the Treasury of the Philippines or would be held in separate or special funds and paid into the Treasury of the Philippines, shall be covered into the general fund of the Treasury of the United States.

(b) Sections 2476 and 3343 of the Internal Revenue Code are repealed, effective July 4, 1946.

SEC. 507. Special excise provisions relating to the Philippines repealed

(a) Section 2800 (a) (4) of the Internal Revenue Code is amended by amending the heading to read:

"(4) Alcoholic Compounds from Puerto Rico and Virgin Islands.—";

and by amending subparagraph (B) to read as follows:

"(B) Virgin Islands.—For provisions relating to tax on alcoholic compounds from the Virgin Islands, see section 3350."

(b) Sections 3340, 3341, and 3342 of the Internal Revenue Code are repealed, effective July 4, 1946.

(c) Subchapter B of chapter 28 of the Internal Revenue Code is amended as follows:

(1) By amending the heading of such subchapter to read as follows:

"SUBCHAPTER B—PROVISIONS OF SPECIAL APPLICATION TO THE VIRGIN ISLANDS AND PUERTO RICO"

(2) By striking out the heading:

"PART I—PHILIPPINE ISLANDS"

(3) By renumbering parts II and III of such subchapter as "Part I" and "Part II", respectively.

SEC. 508. Trade agreements with the Philippines

Until July 4, 1974, no trade agreement shall be made with the Philippines under section 350, as amended, of the Tariff Act of 1930, unless, prior to such time, the President of the United States has made the proclamation provided for in section 407 of this act or the executive agreement provided for in title IV of this act has been terminated.

SEC. 509. Rights of third countries

The benefits granted by this act, and by the executive agreement provided for in title IV, to the Philippines, Philippine articles or products, and Philippine citizens, shall not, by reason of any provision of any existing treaty or agreement with any third country,

be extended to such country or its products, citizens, or subjects.

SEC. 510. Administration of title II

(a) The provisions of parts 1, 2, and 3 of title II shall be administered as parts of the customs and internal revenue laws of the United States.

(b) The provisions of part 4 of title II shall be administered as a part of the immigration laws of the United States.

SEC. 511. Repeals

The following parts of acts are repealed, effective on the day following the date of the enactment of this act:

(1) section 301 of the Tariff Act of 1930;

(2) section 6 (except subsection (g)) of the act of March 24, 1934 (48 Stat. 456, ch. 84), as amended by the act of August 7, 1939 (53 Stat. 1226, ch. 502); and

(3) so much of section 13 of such act of March 24, 1934, as amended by the joint resolution of June 29, 1944 (58 Stat. 626, ch. 323), as reads as follows: "After the Philippine Islands have become a free and independent nation there shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from other foreign countries."

SEC. 512. Effective date

This act shall take effect on the day after the date of its enactment, except part 2 of title II, which shall take effect as of January 1, 1946.

Mr. DOUGHTON of North Carolina (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill may be considered as read, that it be printed in the RECORD at this point, and that amendments may be offered to any part of the bill.

Mr. RICH. Mr. Chairman, reserving the right to object, and I shall not, I wish to ask one or two questions of the gentleman from Arkansas about the bill.

The CHAIRMAN. The gentleman may do that under the 5-minute rule.

Mr. RICH. That is all I want.

Mr. STEFAN. Mr. Chairman, reserving the right to object, are we to understand that amendments may be offered to any part of the bill or that we may speak of any part of the bill under the 5-minute rule?

Mr. COOPER. The very purpose of the request was to allow that.

Mr. STEFAN. I withdraw my reservation of objection, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina that the bill be considered as read, and that amendments may be offered to any part of the bill?

There was no objection.

Mr. COOPER. Mr. Chairman, on behalf of the committee I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. COOPER: Page 21, line 9, strike out "immediately prior to" and insert in lieu thereof the following: "during the period of 42 months ending."

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Tennessee.

The committee amendment was agreed to.

Mr. COOPER. Mr. Chairman, I offer another committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. COOPER: Page 28, line 6, strike out "immediately prior to" and insert in lieu thereof the following: "during the period of 42 months ending."

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Tennessee.

The committee amendment was agreed to.

Mr. COOPER. Mr. Chairman, I offer another committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. COOPER: Page 34, lines 6 and 7, strike out "a quota with respect to any Philippine articles" and insert in lieu thereof the following: "such a quota."

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Tennessee.

The committee amendment was agreed to.

Mr. CURTIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there have been a great many things said about the sugar provisions of this bill, but I do not believe there has been given a full picture of the situation and for that reason I wish to speak at this time.

Prior to the Underwood tariff there was a quota on the importation of Philippine sugar into the United States of 400,000 tons. In the passage of that legislation that provision was omitted and the importation of sugar continued to rise. In 1926 there was agitation to put a quota limitation of 600,000 tons on Philippine sugar. This was not done. The imports of sugar continued to go up until in the early part of the thirties they were considerably over a million tons.

The result upon the sugar industry not only in the United States but throughout the world, and particularly in the Western Hemisphere, were very adverse. The industry went to pieces. As a result, the Congress began to pass sugar legislation.

The first act was the Jones-Costigan Act, later on the Sugar Act of 1937, which in a sense, and a very definite sense, regimented the sugar industry not only in the United States but in all places that supplied the American market. The present sugar act provides in substance that the Secretary of Agriculture shall determine what our consumption will be, then he allocates the right to raise that sugar to certain areas according to a formula prescribed by the Congress. Not only the Philippines, but Hawaii, Puerto Rico, Cuba, continental cane and continental beet share in that market.

That law has been extended from time to time. The Congress has the right to change it any time at will. It amounts to this, that a citizen of the United States cannot raise sugar, whether it be cane or beet, unless he has an allotment, not even for the use of our own people here. That is the extent to which this industry is controlled.

At no time has the United States guaranteed to the Philippine Islands a portion of our domestic sugar market after they gain independence. I think they should have a portion; I am not arguing against that, but I do wish to point out the fallacy of the statement that we are taking something away from the Philippine Islands. It is without foundation in truth. Every producer of sugar that shares the American market must come before the American Congress, in effect, every few years and present his case, and the Congress passes a sugar act. Thousands of Americans never get to share in that job of producing sugar. Perhaps they never will get their share. Now, the problem was, should the Philippine quota be settled in this legislation and be binding for 28 years or should they be in the same position as American citizens and our other neighbors who share in this market? I understand that the Farm Bureau—and this is just hearsay, I have not seen it—passed a resolution stating that the question of sugar should be left out of this legislation. That is the position of the State Department. The position of the Department of Agriculture was that sugar should be left out of this legislation.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. CURTIS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. The position of the Sugar Division of the Department of Agriculture was, in effect, that we should not deal with the Philippines at one time and then have to deal with all the other people that share in the American sugar market at another time. However, I will admit that the Secretary ended his letter by saying that inasmuch as the policy had been determined, they were not going to object to the bill but they did point out the difficulty here. Who determined the policy I do not know. The Constitution of the United States says that the Congress shall control interstate and foreign commerce. No one else can write a policy.

It was the belief of some that the Philippine Islands were entitled to a quota in this bill so that they could go back in there and build up their industry. Consequently, at one time the committee did take action, providing for a 700,000 short-ton quota that would last 28 years, so American capital, Spanish capital, British capital, and Philippine capital could go back in there and rebuild their industries and know that over a long period of time they had a share in our market. That action also provided that the Congress of the United States might raise that from 700,000 to 850,000 short tons; in other words, it was a combination of the two theories. It was eminently fair. It was fair to the Filipinos. That provision should have remained in the bill.

I want to point out that there are a great many well-informed people who believe that you are doing an injustice to the Filipinos when you give a direct encouragement for them to stay with a one-crop economy. I want to call as my witness, Francis B. Sayre, former United

States High Commissioner to the Philippines, who stated in an article in March 1945, in the Atlantic Monthly:

> If the new Philippine government after the war is wise enough and strong enough to prevent a return to prewar sugar production figures, one of the greatest milestones on the way to economic progress will be passed.

I sincerely hope that when this bill goes over to the Senate this matter can be explored and possibly public hearings held on it. The minimum quota of 700,000 short tons and maximum of 850,000 short tons should be restored to the bill.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Colorado.

Mr. HILL. Was any additional testimony given to the committee to indicate exactly who owns these sugar mills, not the acreage of land and not some cane plantations, but actually who has the dollars and cents invested in the sugar mills that make the sugar?

Mr. CURTIS. I think the Filipino interests own about 45 percent, the Americans about 30 percent, and the Spanish, British, and other interests own the balance.

Mr. HILL. I have heard two different stories in regard to the destruction of the mills themselves. One observer said that his trip through the sugar territory of the Philippine Islands indicated that the Japanese had not destroyed the machinery, but that a considerable amount of the sugar acreage is in bad shape, as well as the roads to it. Another observer said that the mills have been destroyed. I bring that question up because I would like to know what is the use of our putting sugar into this bill today, when one of the members of the committee told us on the floor of the House that nothing could be done for the Philippines under this measure for 3 years.

Mr. CURTIS. There was no evidence taken by the committee on any of this part, because no public hearings were held.

After the Committee on Ways and Means accepted my amendment which fixed a minimum quota on Philippine sugar of 700,000 short tons, with a provision that the United States might raise it to not to exceed 850,000 short tons, the proponents of this measure objected vigorously. As a result, the committee, in its final consideration, by a rather close vote, took out my amendment and accepted a compromise fixing an absolute quota of 850,000 short tons. It is my understanding that the proponents of the bill accepted this compromise. In all fairness to the Philippines, the figure is too high but it appears to be the best that can be done in the House.

If the existing provision becomes law, the Philippines will be the only producers of sugar that have a guaranteed portion of our market for 28 years. During this 28 years Congress cannot change it. There are no restrictions on Philippine producers of sugar in their right to produce sugar for their own use, or to sell to the rest of the world. That is not true of our domestic producers of sugar. They are regimented and restrained. They cannot expand. Countless thousands of farmers would like to produce sugar and can get no allotment.

We have been generous to the Philippines to their own damage. We are encouraging the Philippines to restore a one-crop economy in their islands.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I ask the gentleman from Nebraska a question, since he did not have time to permit me to interrogate him? I want to know why it is that we are making a law now that cannot be changed for 28 years.

Mr. CURTIS. Because it is in effect an executive agreement, that is as binding as a treaty. We say that we are bound by it for 28 years. However, either country can terminate it upon 5 years' notice. That would be most difficult once the economies of both countries become geared to the arrangement, and it would be especially difficult to do that for the relief of one industry.

Mr. RICH. Who gave that executive order?

Mr. CURTIS. That is the very essence of this legislation. When you vote for this bill today you vote for that.

Mr. RICH. To give the Chief Executive power to do that? If it is, then you are going to have one vote against it, because I am sick and tired of the Congress giving the Chief Executive these powers. It is time for the American Congress to act and not turn its powers over to the Chief Executive.

Mr. CURTIS. Let me answer that. I am anxious to do something for the Philippines.

Mr. RICH. So am I. And I am interested more so in the United States.

Mr. CURTIS. I want to defend this bill in that regard. This bill delegates no discretionary authority to the President of the United States in reference to this executive agreement. It states specifically what shall be included in it and leaves it to that, with one exception. It does open the way for certain negotiations in the matter of the integration of American citizens into the Philippine Islands. Otherwise, you today are saying what is to go into that executive agreement. It is not a delegation of authority.

Mr. RICH. That is different, then. However, I recall back in 1939 when by order of the Executive or by order of the czar of the Department of the Interior you destroyed 250,000 tons of sugar in Puerto Rico and destroyed 250,000 tons of sugar in the Virgin Islands, while at the same time you were paying the sugar growers over there and the sugar growers in this country $68,000,000 for not raising sugar. Think of it. The next year the administration turned around and passed a law giving them $69,000,000 for raising sugar. If that is the kind of business you do here, it is about time that we clean house and clean it quick. A New Deal wrinkle, some wrinkle.

Another thing I want to know about raising sugar is this. In the Virgin Islands you have your sugar quota and you are still raising sugar. You have the rum plants there under the Interior Department using the sugar to manufacture rum. Can anybody answer that question? Every American is a stockholder in a rum plant.

Mr. DINGELL. Rum is being made out of molasses.

Mr. RICH. You baffle me so. I do not know what it is made of. Really, you take my breath away telling the things about this Administration. But I want you to know that this administration has not been followed by the gentleman from Pennsylvania. I do not want to follow it, and never did. I am not a party to it. I did not give them that authority and it is for that reason I am questioning now whether you ought to give this authority of a contract for 28 years. I am afraid of a contract of that duration. I am afraid of what might happen, notwithstanding the fact that either one of the parties to the contract can cancel it on 5 years' notice. It is dangerous. A contract of 5 years' duratic . can do much harm to America, 1 year would be long enough.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. KNUTSON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, there is a great deal of merit to what the gentleman from Pennsylvania says. However, we are confronted with a situation, not a theory.

The islands were devastated during the war. In order to be rehabilitated, it will be necessary for considerable American capital to go into the islands. If we were to limit the life of this law to, le: us say, 10 years, little American capital would go to the Philippines. It is doubtful if American capital would go in if we limit it to 20 years. We must not overlook the fact it is going to take the Filipino people, if they apply themselves diligently, at least 3 years before they will be able to take advantage of the benefits conferred by this legislation. Therefore, I think that answers the gentleman's contention. I am in full accord with his position, and under normal circumstances I would say he is 100 percent right.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. RICH. Of course, I want to help the Philippine Islands and the Filipino people.

Mr. KNUTSON. I am sure of that.

Mr. RICH. I certainly want to keep my eye all the time on the United States of America, however.

Mr. KNUTSON. Yes, so do I, but I call the attention of the gentleman to the fact that this is one trade agreement that has come before the Congress which was not negotiated or dictated by the executive branch of the Government. This is a congressional trade treaty and, as such, I hope every Member of the House on both sides of the aisle will vote for it.

Mr. DINGELL. My friend brings that out very forcefully, but may I just add, and I am sure he will agree, that under

the bill now before us the basic bill becomes the executive agreement or else there is no executive agreement.

Mr. KNUTSON. That is right. The gentleman from Pennsylvania can support this bill with a clear conscience.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to my good friend and colleague, the gentleman from New York.

Mr. REED of New York. Of course, it is well understood, I assume, by the Members of the House that the President has the constitutional power, if he wishes to exercise it, to enter into negotiations for a treaty with the new government and write any sort of a treaty that he wants to write provided he can get the approval of the Senate to the treaty.

Mr. KNUTSON. Yes, that is true.

Mr. CLEVENGER. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to my friend, the gentleman from Ohio.

Mr. CLEVENGER. I think in common with the rest of our membership, the gentleman has seen in the press the story of lobbying by the sugar interests. I am a member of the Committee on Agriculture and I have sugar planters in my district. I have been unable to find a single man on the Committee on Agriculture or any other committee who has ever met the sugar lobby that is supposed to be trying to cut the Philippine quota. I wonder if the gentleman has ever seen one.

Mr. KNUTSON. The so-called sugar lobby is nothing but a figment of the imagination on the part of a few who are trying to get Congress to act against their best judgment. There has been no such thing as a sugar lobby, a Washington newspaper to the contrary notwithstanding.

Mr. CLEVENGER. The same is true with reference to the housing bill which the House recently considered. We heard a lot about the so-called real-estate lobby.

Mr. KNUTSON. Oh, whenever they have a weak proposition that needs to be bolstered up, they always conjure up lobbies and other such figments of their imagination.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. WOODRUFF. Will the gentleman not agree that that was a figment of the imagination of the administration's superlobbyist?

Mr. KNUTSON. Whether it was superlobby or superduperlobby, I do not know. It was a most unusual set-up, I will say that. I do not think it was sufficiently intelligently directed to be called a lobby.

Mr. DOUGHTON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes; of course.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KNUTSON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. DOUGHTON of North Carolina. Is it not the gentleman's opinion that if the gentleman from Pennsylvania [Mr. RICH] with his watchful eye, his brilliant mind, and his alertness on behalf of the American people, had been a member of our committee and for months had lived with this matter as much as we have, that he would be here defending this bill as we are, with his usual outstanding ability, energy, and industry?

Mr. KNUTSON. I am satisfied that if the gentleman from Pennsylvania [Mr. RICH] understood this bill as does this committee, which has been laboring with it for months, he would be here defending it and advocating its passage with all the ardor of a crusader.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Certainly.

Mr. RICH. After the explanation made by the chairman of the committee and the gentleman from Minnesota, and with their assurance that this is the thing to do to aid and assist the people of the Philippines and to save America, I will go along with you, in the hope that it will do that eventually and will be for the best interests of this country.

Mr. KNUTSON. Of course, we have not had very much success in saving other people in the past, although it has not been due to the lack of lavish expenditures.

Mr. Chairman, I yield back the balance of my time.

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened to the major portion of the debate on this bill. I have been deeply interested in it. I have taken these 5 minutes because I think there are fundamental implications in this measure which should not be overlooked.

It will be recalled that when World War II broke upon us at Pearl Harbor, the Japanese attacked to the south. They overran all of southeast Asia. In all of the invasions which they made in that part of the world, there was one people and only one that afforded effective, spirited, and courageous resistance against the Japanese invader. Those people were the people of the Philippine Islands. One reason for that, beyond the shadow of doubt, was the caliber of people that they are, which I think most Members of the House appreciate. But I think another reason was the fact that in the Philippine Islands, and there alone, were a people who had found themselves granted by one of the great powers of the world the opportunity to hope for the full expression of their nationhood, and progressively greater and greater expression of their nationhood as time went on. No one can tell me that an influence of that sort does not have much to do with the spirit with which the Philippine people opposed the Japanese invader.

We now find ourselves at the close of that great war, but in a world that can hardly be said to be truly at peace. We find ourselves in a world which is in great and desperate need of finding fundamental principles to which it can tie and the best way to develop such principles is by examples of far-sighted and statesman-like action on the part of the great powers of the world. That is our task.

Further than that, we are in a situation today where great nations and millions of people, as far as their allegiance to philosophies of government is concerned, are hanging in the balance as between their allegiance to a free system of government, as we call democracy, on the one hand, and a totalitarian system on the other, where people do not need to think and cannot think. What we do in this, the world's greatest democracy, will deeply affect their decisions.

Here is a pattern which the United States of America is setting today; a pattern which I can describe, I believe, in two sentences, and one upon which great hope can be built.

First, the United States is granting to the Filipino people their independence; but, second, in so doing the United States does not tell the Filipino people, "We are no longer interested in you; we no longer are concerned with your welfare."

Not only does the United States, on its own decision, grant independence and the opportunity to develop their own national life, but by this measure I feel and hope and am confident we are also giving the Philippine Commonwealth an opportunity for economic strength and prosperity in the future and close relationship with ourselves in that regard.

It occurs to me, Mr. Chairman, as we are troubled—and I am sure we are—about the problems of other areas in the world, about the problems of the Indies, about the problems of other sections which are known as colonial areas in the world, that we may be doing something here today of greater importance even than appears on the surface. For perhaps we are setting a pattern which may recommend itself to other great nations and which in the future we may be able to lay before them as our recommendation for a solution of some of the problems which have got to be solved one of these days if all the peoples of the world who deserve freedom are to have it. We know the time will come when that must be done. It can best be done under circumstances, under conditions as nearly as possible corresponding to those which have pertained in the Philippine Islands, where through the years we gave that people the promise that some day they would become a nation in their own right.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. COLE of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: Page 20, line 24, strike out the proviso.

Mr. COLE of New York. Mr. Chairman, I hope the offering of this amendment will not in any way be considered a discordant note in what has otherwise been a very harmonious discussion of the bill under consideration. If for a moment I thought the effect of this amendment would in any way change or jeopardize the passage of this bill I certainly would not offer it. Let it be definitely understood that the effect of the amendment in no way changes the

trade relationships with the Philippines established under the terms of this bill.

The amendment relates wholly to Puerto Rico. Under existing law all the internal revenues collected on goods made in Puerto Rico and sold in the United States are covered into the treasury of Puerto Rico. With that I have no disagreement. I recognize that the economy of Puerto Rico is much the same as that of the Philippines. They are dependent largely upon us and we should in every way necessary subsidize their economy. My disagreement is completely concentrated toward the use to which these funds have been put, especially in the last 3 years. Largely during the war period these revenues have gradually increased until, it is my recollection, last year approximately $80,000,000 of internal revenues which, if collected in any State of the Union would have been retained in our Treasury, were turned over to Puerto Rico. If the American people realized to what uses those moneys have been put in the last 3 years, largely under the regime of Governor Tugwell, they would be amazed. It is unbelievable that such a system of economic activity exists any place under the American flag. Let me tell you about it briefly, although in 5 minutes I cannot begin to tell you all that has happened and is happening.

The insular government of Puerto Rico through a system of different government corporations is permitted to engage in any kind of business or industry whatsoever. It has bought lands with this money that we have sent down there and distributed those lands to private individuals. It is running the one railroad that is on the island. It is even now running or is in the process of acquiring the telephone company. It owns the telegraph company; it operates the bus lines and taxis; it operates the electric lines, the public utility lines, the power resources of the island; it is in the banking business, and in the cement business. There is not a single type of business activity that the government of Puerto Rico, acting through these agencies, cannot engage in and that is what the American people's money is being used for under the terms of existing law.

Mr COOPER. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Tennessee.

Mr. COOPER. I hope the gentleman agrees that that question should be considered on its merits and not brought into this matter which relates to the Philippines. The only reason this provision is in here at all is to try to keep Puerto Rico from discriminating against the Philippines. That is the only reason it is in here. It has no relation to the subject matter under discussion.

Mr. COLE of New York. It is for that purpose that I have offered the amendment so the matter can be given consideration by the Congress. There have been bills pending before the Congress and referred to the gentleman's Committee on Ways and Means for over 2 years which will do this very thing, which would not withhold money from Puerto Rico but would, on the contrary, make sure that the money coming from our Treasury would be used in Puerto Rico for the things that the American people think it should be used for, namely, for the building of schools, for paying the salaries of school teachers, to build hospitals, roads, and things of that sort, but not to be put into enterprises such as have been operated in the past.

Let me read to you a letter I have received from a friend of long standing in Puerto Rico, a man whose judgment and counsel I respect. I cannot disclose his identity for fear of political recrimination against him, and there is plenty of evidence of that as to Puerto Rican citizens who have criticized the administration in that island. He states:

> All the newspapers of this island have written articles and editorials stating that we are under a totalitarian, Fascist, Communist government. The latest thing they have done is to appropriate money to petition the Federal Communications in Washington to own and operate a radio station which is intended for political propaganda. The legislature will be closed this week and $80,000 has been appropriated for the expenses of a committee of representatives and senators to go to Washington; besides $200,000 were appropriated for offices in Washington for propaganda.

Mr. Chairman, the people of Puerto Rico have a representative in the Congress, a Commissioner who has the same salary, the same office equipment and facilities that either you or I have; yet the insular government has thought it necessary to establish an extra-governmental activity up here to the extent of $200,000. I may say, in this connection, that it is my understanding it has already engaged former Under Secretary of the Interior, Mr. Abe Fortas, as its public relations counsel at an annual retainer or salary of $25,000 a year. It is for such purposes as that that these Federal Internal Revenue monies, collected by the United States Treasury and turned over to the Puerto Rican treasury, are being used, and it is to stop such abuses that I have offered this amendment.

Mr. MATHEWS. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from New Jersey.

Mr. MATHEWS. Is it not true that if this proviso remains in there and the bill becomes effective it will be in there for 28 years and cannot be taken out without the consent of the two governments?

Mr. COLE of New York. That is a consideration, because I assume if this bill is adopted, it might well be argued by some, whether with good logic or not, that we cannot in any way touch, modify, or change the Filipino trade bill if we come to consider the Puerto Rican phase of it.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Arkansas.

Mr. MILLS. I think the gentleman is entirely incorrect in his supposition that this will last for 28 years. We can do anything affecting Puerto Rico and do anything we want to with reference to funds going to Puerto Rico without violating this agreement. The only reason for this language being included in the bill at all is to remove the discrimination or the possibility of discrimination on the part of Puerto Rico in internal taxes against the Philippines.

Mr. COLE of New York. I realize it will be argued that amendments of this sort on a bill relating to the Philippines should not be offered if they relate to Puerto Rico, but as long as the amendment in nowise affects the Philippine relationship established under this bill and does very directly and forcibly bring to the attention of the Congress a condition in Puerto Rico which to my mind is abominable, I feel it should have the determined support of the committee and House this afternoon.

Mr. BELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not know of any Member of this House whose amendment I would be more reluctant to oppose than my distinguished friend the gentleman from New York [Mr. COLE]. He and I have served together on the Committee on Insular Affairs for many years, and I greatly admire his ability, his sincerity, and his patriotism. I can agree with him on many things that he says.

Conditions in Puerto Rico are rotten. Mr. Tugwell has a philosophy as foreign to anything I believe in as is possible for day to be foreign to night or the North Pole to be foreign to the South Pole. But the amendment that the gentleman offers is just as foreign to the purposes of this bill.

This is a bill for the purpose of taking care of the Philippine situation. The only purpose, as the gentleman stated a few moments ago, for which this section was put in here was to make a slight amendment to provide that Puerto Rico shall not discriminate against the Philippines in respect to certain general provisions in this bill. I think it would be a great mistake to start now and open up a controversy that ought to be debated for a week.

Mr. DOUGHTON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from North Carolina.

Mr. DOUGHTON of North Carolina. Is not this matter of Puerto Rico one that should be more appropriately considered by the Committee on Insular Affairs, of which the gentleman is chairman?

Mr. BELL. I think the gentleman is entirely correct.

May I say this to the House that the distinguished High Commissioner to the Philippines is remaining here in Washington. He is long overdue in the Philippines. The situation out there is very urgently demanding his presence, and yet he is having to wait here until this legislation has been disposed of. This bill has to go from here over to the Senate, and if we open up Pandora's box on Puerto Rico in the Senate, it may be weeks longer before this legislation is disposed of. I think beyond any question those of us who want to see this constructive bill enacted and enacted quickly, as it ought to be, should vote down the amendment. I urgently request that you do that.

On the other hand, I will say that there are many things upon which I can agree with my distinguished colleague.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from Minnesota.

Mr. JUDD. Can the distinguished chairman of our Committee on Insular Affairs give us any assurance that there will be in the committee consideration at an early date of this matter of Puerto Rico? We have had it up a dozen times in the last 3 years and never have been able to get it through to any sort of conclusion. I agree with the gentleman that it should not be done in this bill, but I wish the gentleman would assure the House that we in the Committee on Insular Affairs can get it out shortly.

Mr. BELL. I think the gentleman knows that any delay in bringing this out has not been the fault of the chairman. I think the gentleman knows that. I spent 2 or 3 months' time taking thousands of pages of testimony, gathering the very facts that the gentleman from New York has referred to, and the only thing that is keeping it from being considered by the committee is the tremendous press of other matters which have occupied our time.

Mr. JUDD. But I wonder, does the gentleman have a reasonably accurate idea or definite idea as to when we may be able to consider it?

Mr. BELL. I will give the gentleman my individual feeling about it: As quickly as we can get this bill and another bill that is coming up, affecting the Philippines, disposed of. Whenever the committee wants to consider it, I will be one of the most willing members of the committee to go into it thoroughly.

Mr. JUDD. Between now and June 30?

Mr. BELL. I am not going to fix any date, because I cannot control those things any more than the gentleman can. I merely told the gentleman what I, as an individual, would like to do.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. BELL. I yield to the gentleman from New York.

Mr. COLE of New York. It is very unfortunate, but I am fearful that the gentleman's committee will have no jurisdiction over any legislation, since a bill of this nature, being amendatory of a revenue law, would go to the Committee on Ways and Means; and, in fact, the bill to which I referred, which was introduced 2 years ago, has been before the Committee on Ways and Means and there has been no action.

Mr. BELL. I think the gentleman knows that I have again and again offered to go with him before that committee to lend my voice and every ounce of energy and influence, if any I have, to get the committee to consider that bill. We have not done it just because we have been pressed with other matters. That is the only reason it has not been taken up.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I ask unanimous consent that all debate on this amendment do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The question was taken; and on a division (demanded by Mr. COLE of New York) there were—ayes 26, noes 50.

So the amendment was rejected.

Mr. MILLER of Nebraska. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to direct attention to two provisions of this bill, the sugar and the coconut-oil provision.

I know there have been some very fine laudatory words said here about the Filipino people, and I join with others in giving praise, but much has been an emotional appeal. But in considering an important bill like this we ought to look at it in a cold, hard way and face the realities as to what will happen to business in this country after we pass the bill, yes 20 years from now. I join with those who say the Filipino people were grand in their defense of the Philippines. So were the Australians, and so were those people who gave their lives at Corregidor, and others.

I wish to call your attention to the sugar provision in the bill. It permits 850,000 short tons of sugar to come into the United States for 28 years. This is more than the Philippines had from 1926 to 1929. Then they had an average of 549,000 tons. From 1934 to 1937 they had an average of 979,283 tons.

This House should be mindful of the fact that there are certain segments in the Department of Agriculture that have not been friendly to the production of sugar in the United States. I can remember a few years ago when in Nebraska they hung somebody in effigy—he was the head of the Department of Agriculture at that time. They were talking about plowing under our crops and killing little pigs at that time. The agricultural head made the statement that sugar beets should not be raised in this country.

I call the attention of the House to the fact that sugar is an important industry in many sections of the United States. In my own district there are five or six sugar factories. It takes about 10,000 acres of sugar beets to keep a factory going. An acre of 20 tons of sugar beets produces about 64 100-pound bags of sugar. It produces 350 pounds of refuse syrup, and 1,600 pounds of dried pulp tops. The byproducts from this acre of beets that produced 6,400 pounds of sugar will produce more beef than the corn from an acre, or 75 bushels of corn. An acre of 20 tons of beets sold last fall for $13.50 per ton, or $270 per acre, and the tops will sell for about $15 an acre.

It takes about 10,000 acres of beets to run a factory as it should be run. Each factory can be depended upon to feed 75,000 lambs and 10,000 head of cattle each season.

That is important when you stop to think about the sugar-beet industry in this country. I hope the provisions concerning sugar in this bill will not in the future preclude the development of more sugar-beet acreage in this country. The sugar-beet growers have been under a quota in the past. They were told how much they can raise. I am sure they will be again told how many acres they can plant. This bill sets up the pattern.

It is quite possible under this bill that when new areas are developed by irrigation the Department of Agriculture will say, "You cannot raise any more sugar beets because we are getting enough sugar now from the Philippine Islands."

The other provision in this bill that I should direct your attention to is the provision concerning coconut oil. You provide for 200,000 long tons of coconut oil every year for 8 years. Heretofore the average amount of coconut oil from the Philippines has been less than 150,000 tons a year. It is true that for 8 years it stays at 200,000 tons and then after that it is reduced 5 percent a year until it is finally down to zero. But I would remind you people who raise corn and feed cattle and hogs that the fat around the entrails of the hogs and sheep and cows are pretty important sources of oil. The Philippine Islands may be 10,000 miles away from you, but you are next door economically so far as the competition with fats and oils is concerned. The farmers of this country may be competing with the cheapest labor of the Philippine Islands and may be trying to produce oils which they cannot compete with under the provisions of this bill. Neither do we know in 5 or 10 years the type of government which may prevail in these islands. I understand there is a very strong communistic feeling in some parts of the Philippines which may be in power in the near future. I do view with some alarm the economic provisions of this bill.

Mr. GEELAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GEELAN: On page 11, line 21, after the word "sugars", strike out the period and insert a colon and the following: "*Provided, however,* That this section shall not be applicable during the period of time that sugar is a rationed commodity in the United States."

Mr. GEELAN. Mr. Chairman, the amendment is self-explanatory. I cannot imagine a single vote in this House being cast against it. We all claim we wish to do all that we can to help the Philippines. One of the things we do, of course, is to place a quota restriction upon their principal crop; and that restriction is placed at this particular time when sugar is such a scarce commodity in this country that the rationing of it has had to be resorted to. That is the only thing the amendment does. It merely makes the application of the quota as contained in the bill inapplicable during that period of scarcity of the commodity in this country. Members of the committee have assured me that the only reason they could not give consent to this amendment was that they had an arrangement or agreement that no amendment would be agreed to unless the whole committee could be called into session and have the amendment explained. Inasmuch as that was not possible, they could not agree at this time. I am certain that everybody in the House wants to do everything that is possible, not only to rehabilitate the Philippines,

but to continue the expression of our policy of giving to all peoples of the world capable of self-government the right to do so. I submit, however, we are not going as far in that direction by this particular bill as we might. I sincerely hope that the amendment will be adopted.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment was not considered by the committee. This is no time to be adopting amendments that may throw the whole bill out of balance. I can see no reason for the amendment whatever. The bill has been considered and has the unanimous report of the committee. Why was it not brought before the committee if it was so important?

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON of North Carolina. I yield.

Mr. SIMPSON of Pennsylvania. Is it not probable that a great many years will pass before the Philippines will be able to produce any like quantity of sugar as will even reach the amount of their quota?

Mr. DOUGHTON of North Carolina. I think that is probably true.

Mr. SIMPSON of Pennsylvania. And within that period of several years we certainly should have sufficient sugar available to avoid any further rationing.

Mr. DOUGHTON of North Carolina. Certainly.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON of North Carolina. I yield.

Mr. KNUTSON. I am under the impression that the President would have the power to make the adjustment which the gentleman from Connecticut [Mr. GEELAN] seeks to accomplish in this amendment. I would like to say for the benefit of the gentleman that it was testified before our committee that it will be 3 years before the Philippines can begin to ship sugar to this country in any volume.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON of North Carolina. I yield to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. I wish to add my voice in appreciation to this amendment. There are many good and legitimate reasons for hoping that the Filipinos will never again plant enough sugar to reach the quota of 850,000 short tons provided in this bill. It seems to me it would be utterly selfish on our part to encourage them to plant even more than the 850,000 short tons, just in order to get a little more sugar for ourselves during this period of shortage. It would not be a kindness to them to encourage them to go back to a predominantly one-crop country. The more self-restraint they exercise in limiting their planting of sugar to the quota, or even less, the better it will be for them. The least helpful thing we could do would be to invite them to get their country again so dependent economically on the production and sale of one commodity—sugar—to the United States.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON of North Carolina. I yield.

Mr. MILLS. Is it not a fact that the gentleman's amendment would not give us any more sugar for the next few months, or for the period when sugar is to be rationed in the United States, than we can obtain under the bill as it is now written?

Mr. DOUGHTON of North Carolina. That is undoubtedly true.

Mr. GEELAN. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON of North Carolina. I yield.

Mr. GEELAN. Is it not the purpose of this Committee sitting as the Committee of the Whole to consider amendments? Is it not for the purpose of offering these amendments? How can the gentleman claim that because it has not been heard by the committee considering this bill, it is not properly considered at this time? That is what we are sitting here for. If all the other objections raised to this amendment are true, what harm can be done to this bill by the adoption of this amendment? All you are doing is saying that during this period of time when there is a shortage of sugar in the United States, this quota will not be applicable.

Mr. MILLS. What we are endeavoring to do, by fixing a certain quota on sugar that can be shipped from the Philippines into the United States and naming the date over which it will run, is to get people in the United States and other places to go back there immediately and start doing it. If we accept your amendment, we will be that much longer delayed in getting them back to the Philippines.

Mr. GEELAN. I submit the amendment would hasten that, because it would encourage production immediately, which will not happen under this bill, inasmuch as there will be certain restrictions.

Mr. DOUGHTON of North Carolina. I do not think the gentleman is correct. I hope the amendment will be defeated.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield further?

Mr. DOUGHTON of North Carolina. I yield.

Mr. KNUTSON. Under ordinary circumstances I would be happy to support the gentleman's amendment, because I think it would be meritorious, but not under the present circumstances.

Mr. GEELAN. Are not these extraordinary circumstances when you have to ration a commodity in this country?

Mr. KNUTSON. I think it would be harmful to adopt the amendment at this time.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The question is on the amendment offered by the gentleman from Connecticut [Mr. GEELAN].

The amendment was rejected.

Mr. STEFAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, now, while we are considering the Philippine Trade Act of 1946, is an opportune time to recall that, before and during Japanese occupation of the Philippine Islands an organization known as the Philippine National Volunteers served valiantly in the cause of defense and freedom. This organization, formed in 1932, once had more than 100,000 members. These men ranged in age from 18 to 45 years. They wore uniforms and were trained. The members were sworn to uphold and defend the Constitution of the United States and the Constitution of the Philippine Commonwealth. The organization was dedicated to the observance and support of organized law and order. All Provinces of the Philippine Islands contributed to its membership. The Philippine National Volunteers were largely responsible for putting down the Sakdalista uprising. They were an instrument of good government. Before the arrival of the Japanese the organization prepared for defense. Many of its members joined the Filipino Army and thousands became guerrilas.

The Philippine National Volunteers are still in existence. The story of these patriotic Filipinos is told in a letter that I have just received from one of their high-ranking officers, Brig. Gen. H. W. Lombard. And I make this letter a part of these remarks.

LOS ANGELES, CALIF., *March 23, 1946.*

To Hon. KARL STEFAN,
Member of Congress,
House of Representatives,
Washington, D. C.

MY DEAR COLONEL STEFAN: Having at last commenced to recuperate from the ravages caused by 37 months in the Jap prison camp at Santo Tomas and later that at Los Banos, am writing to let you know that I am here and that I shall be in Washington shortly. Hope to see you there.

The story of events in Manila leading to the outbreak of war has been so often written that I shall say nothing of them here, but the story of the intense and arduous preparation of thousands of young Filipinos of the Philippine National Volunteers for war has been unsung and unpublicized, as have been the efforts of the headquarters staff to plan for the maintenance, uniforms, supply, and instruction of its members.

Not 1 cent of assistance was ever received from the government, or assistance in any form whatsoever. Yet officers and men labored incessantly at all hours of the day and night to prepare themselves to be of efficient value to the government when the time came. They gave of their time and their money without thought of pay or reward. I have never heard of, or read of, a better example of pure patriotism than that demonstrated by the men, both old and young, of the Philippine National Volunteers. Nor have I ever worked with a more earnest, determined, eager group of men.

I certainly should know because of the fact that from October 11, 1939, when I attained the grade of brigadier general and was detailed as deputy chief of staff, I practically carried the organization on as acting chief of staff. The chief of staff at that time was Francisco Delgado (formerly Commissioner to the United States), who was up to his ears in other important work. He and Lacanico (late Gen. Panfilo Lacanico, national commander), whom I came to know and have a real affection for, always backed me to

the limit and their support and counsel was valuable and was reward enough. There was no other compensation of any kind.

Many, many of the volunteers joined the Philippine Army. They did so on our advice and went with our blessing. We felt that we had accomplished a great deal in partially preparing them for their duties in what was to become a great army, fighting against tremendous odds. Here again we indulged in no publicity and consequently received no public credit, but the fact remains that the ranks—both commissioned and enlisted—of USAFFE contained a very large number of volunteers. I have heard of none who did not serve with credit and many shed their blood on now historic battlefields.

With Pearl Harbor and the bombing of the Philippines, the transition from peace to war was stunning in its completeness, ruthlessness, and speed. Means of communication were seized by the military, or broke down, or were seized by the enemy. It was impossible for our headquarters to contact our provincial units or to issue orders. We did attempt to use couriers and succeeded in getting word to some of our commands, advising them to go out as guerrillas or join other bands or the underground. Those who by reason of age or physical condition were unable to take the field became underground agents engaged in collecting information as to the enemy, his strength and movements. Others engaged in sabotage or other resistant activities. Some became guides for Japanese troops and deliberately misguided them. The stories of their adventures, sufferings, lamentable deaths, and achievements are in their entirety a veritable fantasy, an odyssey of gallant Filipino war effort.

At 2 o'clock on the morning of December 8 Tony Escoda, then assistant city editor of the Bulletin, called my house at Santa Mesa and told me of the bombing of Pearl Harbor. I immediately went to our headquarters at the corner of Rizal Avenue and Camarines and notified the national commander. Then I called my two aides, and other officers, and started them out to notify the three regimental commanders in Manila.

Before 9 we were told that we could best serve by training as many men as possible for duty as auxiliary police to serve with the Manila police. This we did, and in 2 weeks had delivered to the chief of police, Manila, 1,400 men. Others of our Manila men had joined various local watch groups, while still others joined up with civilian guards at the perimeter of the town. Every man, woman, child, automobile, truck, carratela, and oxcart was stopped, scrutinized, and searched as they attempted to either enter or leave the town. Several Japs in civilian clothes, ahead of their Army, were in that way apprehended. This work, particularly at night, was increased by the fact that hundreds of cars and other forms of transportation were constantly arriving laden with refugees and their effects. Many of them reported having left their towns as the Japs entered them. They were seeking a safe haven. Manila would not be taken! We all thought that then. All of this during very, very strict black-outs, and in an atmosphere of panicky hush. I even found myself once whispering as a Jap plane roared overhead for fear that the pilot would see and machine gun me. That's the way it was.

On the 23d (December 1941), I think it was, I decided to go to Bulacan. The Japs were relentlessly working south from Lingayen and north from Tayabas. MacArthur's men had commenced to trickle from Laguna through the Maraquina Valley to Bataan, the beginning of a famous trek and a masterpiece of strategy.

We hiked and hitched our way to Balinag and then turned west and went to Hagonay. Here we found many willing workers, civilians all. I might say that Hagonay, although a large town, is in the middle of the swamps on the northern boundary of Manila Bay, and is traversed by a myriad of water passages. The people know there watery trails and use them habitually in traveling. To our surprise, these people had plenty of arms and ammunition but no leadership. They even had .30 caliber machine guns which no one knew how to use. We remedied that, organized them into bands and placed them along the waterways most likely to be used by the Japs. Many of them later died in the Hagonay swamps, but then, they were happy, enthusiastic, and raring to go. The news of the relentless approach of the Japs left them undaunted. The best-disciplined bands were those led by strict men who were able to back up their orders by physical force. Moral suasion did little toward controlling men who were hysterically trigger happy. At night the silence was frequently broken by the staccato sound of machine guns and the ping of single shots.

A man from Manila told me that it was feared there that our families would be tortured by the Japs in an attempt to locate us so I decided to go back to Manila and take them to a place of safety before the Nips arrived. My wife and son were there. Paddled and hiked to a town called Hermosa on the Bataan-Pampanga border and at 11:55 on the night of December 31, caught an Army sedan manned by two Army civilian traffic inspectors. The traffic was terrific, some coming, some going, confusion, profanity, reason, unreason, all making kaleidoscopic impressions, hard, now, to sort out. They were blowing up the bridges behind us and I remember we were the last car over on one. Had we been later, our run for that night would have ended. The demolition lieutenant said, "If you so and sos want to get to Manila tonight, get the hell over that bridge before we shoot her." He was tired I guess. Anyway, we reached home about 3 a. m. At 6 I moved my wife and boy to what I thought was a safer place. On the following morning the Jap Army rolled in. Those that I saw then, from behind a hedge, moved in an orderly, disciplined way. Truck after truck of them sitting at attention occasionally smiling at some children beside the road. We later learned that this was a particularly crack division. Some of the other columns in other parts of the town did not behave so well. In fact, orgies of lust, drinking, and thievery started immediately.

General Certeaz (national commander) and some of the officers at our headquarters removed all of the records, the seal, and the flags and divided them. Each was to secrete his quota. Some, we have never recovered since those who had them either died or were killed and took the secret of their location with them.

A group of us wanted to get to Bataan. From there I intended to go back to the swamps but we could not get out of the city. It was dangerous for Americans to go around the city and doubly so to be around at night. The Japs had us bottled in tight. Every time we tried we bumped up against Jap outposts or sentries. Fortunately we always saw them in time to prevent them seeing us. They would have bayonetted, shot, or brutally beaten us.

On the morning of January 7, 1942, my son and I were arrested and taken to Santo Tomas camp. Stayed there until December 5, 1944, when we were transferred in cattle cars to Los Banos. The trip up the mountain from the station to the camp was almost another death march. I later saw the officer who conducted it killed. Released by combined parachute, amphibious tank, and guerrilla action on February 23, 1945. The day on which the Japs had planned to kill the entire 2,200 of us. I have written an article on the rescue for Fred Steven's book. Called it A Military Epic.

During the entire 3 years in prison camp had frequent clandestine contact with guerrillas and on three occasions went over the fence at night for conferences with guerrillas, returning before daybreak. It was dangerous but exhilarating. After teh Japs executed three of our number for going over the fence and promised to kill the men in the beds on either side of the beds of men missing, we discontinued the practice.

The story of our imprisonment is long. I will give you the high lights when I see you.

After we were liberated, Certega, others, and I attempted to gather up the reins but there was still fighting in the land and no communications. It was a little too early.

Of one thing I am very proud, I know of no volunteer who joined the bleating mob clamoring for pay for having helped. After the Americans came in, thousands came out as guerrillas who were not and never had been. They, I feel, were the most clamorous of the lot.

Hundreds of volunteers visited me between the date of liberation and the time of my leaving. Most of them had been and still were members of various guerrilla units. They all want the N. V. to continue and believe that it can be a great force for good in helping clean up banditry and in teaching the people "respect for constituted authority and obedience to the laws." The organization fought, not under its own banners, but as members of the nearest local units available, as members of U. S. A. F. F. E., as members of the active underground, and as resistance advocates. Many of them were tortured and killed. In my own case, the Japs were looking for me. I was known to them as a general officer serving with the N. V. They called on many Filipinos for information as to my whereabouts, and, in one or two cases, had some of our N. V. officers on the carpet about it. The story was that I had been at Bataan and there had been killed. This satisfied the Japs. Meanwhile I was in their custody and registered at Santo Tomas. Nothing unusual since we found there to be little cooperation or coordination between certain units of the Jap army.

W. H. Donald, adviser to Chiang Kai-shek, and to every Chinese leader back to and including Sun Yat Sen, was in camp under his own name. The Japs had big sums offered for his capture dead or alive. Yet they never checked at Santo Tomas to see if they had him there.

My own plans have not yet crystallized. Lost 105 pounds in the camp and came out with several things the matter as a direct result of the starvation there, beri-beri, sinus, bronchitis as a result of working out in the rain, hernia—result of doing work to which unsuited, teeth gone—result of malnutrition. Am very much better though. Have had no assistance or hospitalization by the Government. Not the Government's fault, though, since I have not applied. I understand now that money has been appropriated for our relief.

This morning I talked with Mullen, of the American President Line, who arrived from the Philippine Islands yesterday. He confirms what others have written me, that life is very rugged. Prices very high and food difficult and scarce. No clothing procurable yet. He says that a lot of things are very screwy and gives this as an example: The other day the Army, with no notice to anyone, dumped a large quantity of potatoes on the market—so many that they sold for 100 potatoes for 40 centavos (20 cents gold). Two days later potatoes were $20 per sack. He says that merchants complain that the Army dumps in enormous quantities with no previous advice and that, as a result, the market is so widely disturbed as to cause confusion; and scrambling on the part of those who buy and then resell on the black market. I

only repeat what he says here but I can tell you some interesting stories when I get there.

Very sincerely,

H. W. LOMBARD,
Brigadier General, Philippine National Volunteers.

P. S.—By the way, on one of my trips over the wall, one of our National Volunteer lieutenant colonels, Julio Yap, told me very elatedly that he had heard a broadcast from you and that others had also. It pleased them immensely and helped them maintain high morale. We were not permitted radios in camp.

Mr. McDONOUGH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the present bill, H. R. 5856, will provide a basis for rehabilitating the agriculture and industries of the Philippine Islands and will help effectively in reestablishing the economic life of the brave and loyal people of the Philippines, which was shattered and destroyed by the war in the Pacific and the ruthless and wanton destruction by the Japs during the invasion of the islands. I submit herewith a critical analysis of H. R. 5856, by Mr. Vicente Villamin, Filipino lawyer and economist, who is thoroughly familiar with trade condtions between the United States and the Philippine Islands. Here is what Mr. Villamin says:

The substance of the final draft of the bill (H. R. 5856) is an improvement on the first draft (H. R. 4185), although, it must be frankly said that the wording is bewildering. It is to be hoped that the bill's administration and interpretation will be liberal to the Philippines.

In speeches to the Ways and Means Committee, I criticized H. R. 4185 and it is noted that most of my criticisms have apparently been heeded by changed provisions in the present bill. It is the added provisions that I am criticizing now.

1. I objected to section 15 of the original bill because, among other things inimical to the Philippines, it would deprive the Philippine government completely of tariff autonomy. It would render it impossible for that government to negotiate trade agreements with foreign nations, for trade agreements involve the mutual reduction of tariff duties, and the Philippines, under that section, would be prohibited from reducing its tariff schedules. The present bill has eliminated that objectionable provision.

2. I attacked section 10 on the ground that it would tend to establish and legalize monopoly in the industries receiving export quotas to the United States. Under that section, it is possible for one firm to acquire the entire quota given the Philippines, for if the firms are unable to deliver their allotments under the quota, such allotments would be turned over to the firm that is in a position to do so. I contended that in such a case the undeliverable allotments should be offered to the public to give new persons, especially the Filipinos, an opportunity to enter in the industry. The present bill meets the criticism by adding a clause giving the Philippine government the authority to redistribute the unfilled allotments among persons other than the ones already in the industry.

3. The third criticism is very fundamental. I stated that the application of a flat 4 percent or 5 percent of the American tariff duty on all Philippine products entering the United States was unscientific and would work a positive injustice to the industries involved. I explained that the rates of duty on different products were not uniform—some are high, others low—and so while a product could stand the duty for 5 to 10 years, another product would go under in much shorter time. A good example is the cigar industry, which employed 15,000 people in Manila. The 4 percent of the American duty on Manila cigars on the first year will wipe out most of the profits of the manufacturer; and on the second year, under an 8-percent duty, his entire profits and a goodly part of his production costs would vanish completely. The reason, of course, is that the tariff duty on cigars is sky high.

This criticism has been met in the bill with the provision that the four high-duty products—cigars, scrap tobacco, coconut oil, and pearl buttons—will be duty-free during the entire 28 years of the life of the law, but their quotas will decrease gradually every year. This is the better arrangement. If this provision had not been inserted in the present bill those four Philippine industries would be exposed to almost immediate annihilation and no investor could be induced to rehabilitate them.

4. I worked against the provision denaturing coconut oil because it constituted the debasement of quality of a product. The principle of depreciating quality by legislation is one of the worst forms of economic oppression and exploitation. It discourages human skill and penalizes enterprise. The obnoxious precedent must not be established with any Philippine product. The present bill does not contain the denaturing provision. However, the question of coconut oil internal taxation in the United States is yet to be solved equitably.

5. Finally, in memoranda to committee members, I pointed out that if the relevant provisions of the bill were not modified the bill and its incidences would not be effective until 4 years from now, in 1950, when the Philippine constitution could be amended. The present bill recognizes that constitutional fact.

As a private Philippine citizen, I thank the members of the Ways and Means Committee for their patient work and desire to serve the best interests of the Philippine people, and when I return to the Philippines I will do my level best to help make the bill work successfully for the benefit of all concerned.

Mr. ROMULO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the demonstration yesterday and today of the unanimous support for the Philippine trade bill during the debate on this floor was more than support for a piece of legislation. It was proof—if proof were needed—of the unbroken friendship which the representatives of the American people feel for the Philippines.

It has been urged on this floor that the bill be passed unanimously. It has been pointed out that this is one case at least where there need be no partisanship, because both of the major parties are unequivocally in favor of this legislation. Passage of the bill itself will have a tremendous and beneficial effect in the Philippines. This effect, of course, will not really be felt for some months to come, because it takes a long time before trade legislation can be translated from the books to the reality. But the passage of this bill by a unanimous vote will have an immediate effect in the Philippines and throughout the world. It will bolster the wavering morale of the Filipino people who live today amid the shambles of postwar devastation.

As I have said, this bill is not a perfect piece of legislation. There are many features in it to which we have objected and to which we would still object if there were any point in doing so. At the same time, I suspect that the bill, as it now stands, would not be considered perfect by anyone who had a hand in drafting or who will be benefited by it. The quota system and its allocations, the provision on processing taxes, and other provisions, are not as we would have wished. There will undoubtedly be some disappointments, some criticisms, some objections, voiced against the bill both in the Philippines and in the United States. Nevertheless, the fact remains that this is a worth-while piece of practical legislation which in the long run will benefit both our peoples.

When you vote for this bill, you will be telling the world that America keeps her promises. At a time when there is too much suspicion rife among the nations of the earth, you will be demonstrating that the greatest force for true world peace and security is the force of friendship, of harmony, of understanding. You will be showing all the peoples of the world that the United States—the most powerful and the wealthiest Nation on the face of the globe—has no desire to abuse its power or to exploit the weak.

To us of the Philippines, passage of the Philippine trade bill marks the dawn of a new era, in which we emerge from the shadow of death and destruction and enter into the unfolding day of opportunity and confidence.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. ROMULO. I yield with pleasure.

Mr. DONDERO. The world will little note nor long remember what we say here today, but it will never forget what your people did in the recent struggle just ended.

Mr. ROMULO. I thank the gentleman.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I ask unanimous consent that all debate on this bill close in not to exceed 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOYLE. Mr. Chairman, I move to strike out the last word and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

COPRA FROM PHILIPPINES NECESSARY FOR CALIFORNIA DAIRY HERDS

Mr. DOYLE. Mr. Chairman, there is a phase of this bill which is very important to the State of California. I wish to call your attention to it briefly. For instance, I am one of the Members in this Congress from the greatest dairying county in the United States, the county of Los Angeles; and, the great Eighteenth Congressional District that I represent has in Los Angeles County some of the greatest herds in the country as far as the production of milk is concerned. The only mention of the importance of copra in this report is on page 29. In other words, while it has not been treated

in the report at much length, yet it is one of the most important of the imports from the Philippines, as far as California is concerned. It is a very major import from the Philippines, so far as cattle feed and other feeds in the State of California are concerned.

Mr. Chairman, I am not going to speak more of the great patriotism of the Filipinos, their love of and loyalty to our country, as demonstrated in this war. It needs no mention by me. Nor shall I refer to our respect and hopes for them, excepting to say that I feel increasingly as a Member of this House that our duty is not only to help them have their fullest freedom as soon as possible, but that there is no security for any people of the world if there is economic insecurity for any mass of people of the world, any place. In other words, I feel that we are now living in a sort of interdependent world neighborhood and that until all the masses of people of the world are secure economically we shall not secure economic freedom which will outlaw war and establish a permanent world peace.

I wish to compliment the committee on this bill.

At this point I am asking your attention to two letters which I am including in my remarks, by request. They read as follows:

COSMOS CLUB,
Washington, D. C., February 18, 1946.

Hon. HARRY D. WHITE,
Assistant Secretary,
Treasury Department,
Washington, D. C.

DEAR MR. WHITE: Understanding that your Department has something to do with section 18 of H. R. 5185, concerning the relation of the Philippine peso to the American dollar, I should like to ask a question which may arise in the future: If the American dollar is again devalued, can the Philippine Government, like the American Government, declare an increment or "profit" for itself?

When the dollar was devalued in 1934 the American Government declared a profit for itself of $2,818,807,826.61, of which $2,029,397,108.56 has been used pursuant to specific appropriations by the Congress and $645,387,965.45 was used in connection with the retirement of national bank notes during the fiscal years from 1935 to 1939, leaving an unexpended balance on July 24, 1945, of $144,022,752.60.

The Philippine Government asked for its profit, and the United States Congress authorized but never appropriated, the payment of approximately $24,000,000. That, at least, recognized the right of the Philippine Government to receive a profit.

Another question arises: Having received no profit from the 1934 dollar devaluation, can the Philippine Government, before or after independence on July 4, 1946, declare and make available, as did the American Government in respect to its profits in 1934, the profit that accrued to itself in 1934?

Anticipating thanks for enlightenment on the above queries, I am

Sincerely yours,

VICENTE VILLAMIN.

TREASURY DEPARTMENT,
Washington, March 12, 1946.

Mr. VICENTE VILLAMIN,
Cosmos Club, Washington, D. C.

DEAR MR. VILLAMIN: This will acknowledge receipt of your letter of February 18 in which you request information concerning certain possible effects of past or hypothetical future devaluation of the United States dollar. Your letter makes reference to an act of the United States Congress approved on June 19, 1934, authorizing and directing the Secretary of the Treasury, when funds therefor are made available, to establish on the books of the Treasury a credit in favor of the Treasury of the Philippine Islands for $23,862,750.78, this being an amount equal to the increase in value (resulting from the reduction of the weight of the gold dollar) of the gold equivalent at the opening of business on January 31, 1934, of the balances maintained at that time in banks in the continental United States by the Government of the Philippine Islands for its gold-standard fund and its treasury certificate fund less the interest received by it on such balances. Funds have not been made available for the purposes of this act, and hence it has not been possible thus far for the Philippine Government to realize this amount.

It is the established policy of the Treasury Department to express no views to private individuals on governmental problems of the type presented by your letter. We regret that under the circumstances we are not in a position to answer the questions you have raised.

Sincerely yours,

HAROLD GLASSER,
Acting Director, Monetary Research.

May I say it is very refreshing to me as a Member of the House, to sit here and listen to the accurate, full, conscientious information that is given the Members of the House by the members of the committee on both sides of the aisle. I feel this is another one of those occasions where the members of this committee, regardless of party affiliation, have tried to fully inform the Members of the House.

To me, it was an inspiration a few minutes ago to listen to General ROMULO, Commissioner from our neighbor, the Philippines. I know he will happily convey to his great peoples, our affectionate regard and best wishes.

The great port city of Long Beach, Calif., anticipates the mutual pleasure and benefits of trade with the Philippine people.

Mr. DOMENGEAUX. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the gentleman from Louisiana?

There was no objection.

Mr. DOMENGEAUX. Mr. Chairman, there is a complete misconception as to the situation in the Philippines today as compared to 1934 when the sugar quota system was first inaugurated by Congress. In 1933, the Secretary of Agriculture had called together representatives from all sugar areas to discuss and formulate plans for the stabilization of the sugar industry. The Filipinos, under the leadership of foreign investors from Spain, Great Britain, New York, and San Francisco, engaged in a wild expansion. The statistical record shows that prior to 1932, the Philippines had never produced a million tons. In 1933, they suddenly jumped to 1,652,593 tons; but in order to do that, they practically denuded the islands of every standing stalk of sugarcane. Every informed person knows that cane is a crop which requires 2 years' growth in the Philippines, and the proof that every standing stalk was sacrificed to build up an extraordinary production record lies in the fact that in 1934, only 754,721 tons were produced in the Philippine Islands.

The quota system was necessary because there was too much sugar available from normal sources. Everybody had to be cut down, and everybody was cut down, including the mainland cane and mainland beet areas. There appeared to be a very drastic cut in the case of the Filipinos, but it was really representative of the previous 5 years' production and amounted to an increase over the previous 10 or 15 years' production. In 1934, the sugar industry of the Philippines was a going concern.

Today, there is no Philippine sugar industry. The prospect of production in the Philippines is practically nil unless the United States Government provides for rehabilitation and finances the operation for many years. As Member of Congress, I think we should do exactly that. But we have other problems, and in my judgment we should be extremely cautious not to allow our sentiments to run away with our judgment. There is legislation pending which would pay war damages to the owners of sugar properties. There is pending legislation which would rehabilitate these properties and there is pending legislation which would underwrite the initial operations. This legislation also seeks to create a monopoly largely in favor of foreign investors in the Philippines by giving to exporters in 1940 exclusive rights to the exportation of sugar to the United States. Pending legislation also would require, as a condition of eligibility for the generous payments and loans offered, that the applicants agree to go back into the the same business. Thus, regardless of the economic situation and regardless of business considerations, this legislation, in my opinion, provides much more generously for the foreign investors in the Philippines than it does for the native Filipinos. I am grateful to the Filipinos, and I advocate complete generosity in recognition of their heroic deeds and their loyalty. For those reasons I am concerned whether the native Filipinos are going to get even half of the generosity which Congress is evidently willing to give to the Philippine Commonwealth.

I am glad to see that a quota is placed on rice to the extent they enjoyed during normal years. This is fair for the Philippines and also to the producers of domestic rice of this country. This protective provision was suggested by me some time ago to the gentleman from Louisiana, member of the Ways and Means Committee, and his efforts resulted in the adoption of the provision.

If this provision was not placed in this bill it would have been quite possible for exporters of rice in the Philippines to purchase cheap oriental rice for use in the Philippines and to take rice grown there for export to this country, thereby flooding our domestic markets.

Mr. COOPER. Mr. Chairman, in order to meet the questions raised by certain gentlemen interested in the Puerto Rican situation, especially in view of the

fact that the contention was offered that section 225 is included as a part of title II of the bill, and in order that there can be no doubt about the situation, and to meet the question raised, I ask unanimous consent that on page 20, line 16, section 225 be transposed from that point in the bill and inserted following line 16, on page 48, and also change the section number to 513.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. ZIMMERMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes, pursuant to House Resolution 572, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. McDONOUGH asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include a statement by Mr. Vicente Villamin, Filipino lawyer and economist.

Mr. LUTHER A. JOHNSON asked and was given permission to extend his remarks in the RECORD and include an address delivered by his colleague, the gentleman from Virginia [Mr. ROBERTSON].

Mr. ZIMMERMAN asked and was given permission to extend his remarks in the RECORD and include a letter from General Pershing.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD in three instances and include a newspaper article in each.

Mr. DOYLE asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include an exchange of letters to and from the Treasury Department on the subject of the Philippines.

Mr. KEEFE (at the request of Mr. JENKINS) was given permission to revise and extend the remarks he made in Committee of the Whole and include tables and excerpts.

Mr. REED of Illinois (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD.

Mrs. LUCE (at the request of Mr. MARTIN of Massachusetts) was given permission to extend her remarks in the RECORD and include a statement made before the Rules Committee.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD and include two letters; one from the American Legion and one from the veterans' homes in California.

Mr. CARLSON asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include extraneous matter.

Mr. CURTIS asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include certain excerpts.

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD.

Mr. JOHNSON of Illinois asked and was given permission to extend his remarks in the RECORD and include a survey of the black-market meat situation.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article on facts on Rumania, prepared by the counselor at large of the Rumanian Churches of America. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $100, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEAVE OF ABSENCE

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Wisconsin [Mr. BYRNES] may be granted leave of absence for 1 week on account of official business.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. Under previous order of the House, the gentlewoman from California [Mrs. DOUGLAS] is recognized for 30 minutes.

MY DEMOCRATIC CREDO

Mrs. DOUGLAS of California. Mr. Speaker, I think we all know that communism is no real threat to the democratic institutions of our country.

But the irresponsible way the term "communism" is used to falsely label the things the majority of us believe in can be very dangerous.

I do not think communism in Russia need prevent international cooperation in building the peace, any more than it prevented international cooperation in winning the war.

I know that the road ahead is not without difficulty or without its vexing problems, but, if we could solve the difficulties and the problems that arose during the war, surely we can solve them in peace.

We solved them in war because we had to. If we had not, we would all now be slaves of the Axis Nations.

We will solve them in peace if we fully realize the grim fact that, if we do not, civilization has run its course.

We have reached a point where war can no longer be the final recourse. We have reached a point where we either grow up or blow up.

If it is blow up, the issues over which we struggle today are meaningless.

I have asked to talk about communism. But I am also going to talk about democracy—democracy, which I strive daily to live—democracy, which is the only form of society in which I believe—the principles of which were fed to me with my first spoon of cereal—democracy, which my forefathers helped establish on this great continent.

I shall talk about democracy because it is democracy that we believe in and live by—or should live by. We are interested in communism as a system that challenges democracy. I am not afraid of that challenge.

I do not think we value democracy highly enough. The great mass of the American people will never exchange democracy for communism as long as democracy fulfills its promise. The best way to keep communism out of our country is to keep democracy in it—to keep constantly before our eyes and minds the achievements and the goals which we, a free people, have accomplished and intend to accomplish in the future under our own democratic system.

I am jealous for democracy. I do not like to see the things that democracy can accomplish credited to communism. Through the years democracy has given the people of the United States more freedom and a higher standard of living than any other system that we know—and it has done so with less inequity, less persecution, less infringement on the rights of free thinking, free speech, and free action than under any other form of government anywhere else in the world. I do not want the things that democracy has done ascribed to anything other than the democratic process.

I am jealous for the school system we have built under democracy, and I do not want its extension, including fair salaries for teachers, day nurseries, school-lunch programs, and Federal aid to education, called communism.

I am jealous for the reputation of our democratic institutions to achieve a high level of employment, and I do not want to see measures for increasing that employment attributed to communism.

I am jealous for my belief, and the belief of millions of other Americans, that in our democracy the Government is the servant of the people, and that, as the servant of the people, it will protect the people—all of us, Protestant, Catholic, Jew, or gentile; black, white, or yellow. I do not like to have that belief, the very cornerstone of our greatness, disavowed and called communistic.

I am jealous for that greatest of all our institutions the American home. I pay my disrespect to those short-sighted individuals who called our housing program for our returning service men and women, the program which would have helped millions of them to start their homes, communistic.

I believe now, and I shall always believe, that this Government of the people is capable of self-growth, is capable of making whatever adjustments are needed in a world that has changed so greatly since the days when my great-grandfather, the Reverend William Harrison Gahagan, helped found Dayton, Ohio.

I do not claim that democracy, as we now know it, is perfect, but I know that it has the capacity to remedy its own imperfections, and I do not want to hear each remedy called communism.

I have a respect that amounts to reverence for our kind of Government and for this body of which I am privileged to be a Member.

As a child, the Congress of the United States was to me the symbol of freedom. It was the embodiment of all the great phrases and words that I had heard spoken in my home and at school, words I memorized in my heart and mind.

"Sweet land of liberty," "We, the people of the United States," "One Nation, indivisible, with liberty and justice for all," "A Government of the people, by the people, for the people," "the land of the free and the home of the brave," "From every mountainside let freedom ring!"

As a very little girl I stood holding my father's hand and looked upon the Members of this body. In my childish way I thought to myself how wonderful to be a Member of the Congress of the United States—to speak for the people—to be a part of the people's Government.

In the years that followed, I, as many other Members of this House, earned in a few weeks what we are paid here in a year. But the privilege and satisfaction of becoming a Member of this House are greater than any I ever enjoyed outside. For I still feel now, as I felt as a child, that the confidence of people in their Representatives whom they have freely chosen, is in itself the greatest reward—and cannot be measured by any material standards.

That confidence demands that we give to our role our hearts, our minds, the whole of all our talents. It is here, so long as we are permitted to serve as Members of this House, that the greatest of all possible rewards is found. For the greatest of all possible trust has been given to us, a trust, to protect the liberties of the people and fulfill their hopes.

This is the role, as a representative of the people, which I cherish above all I have ever held, or could ever dream of holding.

It is as a representative of the people, a democratic people, who believe in the principles and future of democracy—that I now speak about communism.

There is no word in the world today more misused or misunderstood. I, for one, would not pretend to give a final definition of the word.

I have no special contribution to make on the subject. I am not a student of communism. I have not been to Russia.

That, however, does not mean that I have not thought about communism and tried to understand it and take an objective view toward it. One of the most important things today is for the American people to try to understand the Russian people and the Russian people to understand us.

I think we do a disservice to democracy when we dismiss communism as the devil's handiwork. Of course, there is competition between democracy and communism in the world today.

There is no doubt in my mind that the result will continue to be the triumph of democracy in the world if we spend our energy and genius in demonstrating to the world what democracy can do.

One-sixth of the globe today, an area as large as the United States, India, and China combined, is inhabited by people who are living under a form of state socialism known as communism.

Primarily as the result of geographic isolation, these people since the Middle Ages had lived under the cruelest, most barbaric autocracy in world history. Under the czars, the nobility held huge estates. There was a relatively small trading class and working class of artisans. In 1917, when the revolution began, there were only 10,000,000 industrial workers in the whole country. There were many more millions of peasants who worked the land with the most primitive tools and methods; mentally and physically debased, almost to the level of animals, and who until less than a hundred years ago were bought and sold like the animals on the land of the big estates on which they lived and worked.

When Lenin with the philosophy of Marx and Engel arrived in Petrograd in the midst of a revolt against the czars and the war, there was small wonder that the Russian people followed him who promised bread and freedom.

In other words, communism was born out of hunger, slavery, illiteracy, superstition, degradation.

But, communism has no place in our society. We have something better. We have democracy. Communist methods are foreign to ours. Their policies are superimposed from the top and you take it from the top whether you like it or not.

Under our democratic system, programs are proposed from many sources in the community. A candidate running for office stands for a certain program, and the people elect him or reject him on the basis of that program. In other words, the people themselves select or reject what is good for them. We do not believe that one man or a group of men can save the people. We believe that the people save themselves.

The Soviets have never developed certain rights which to us are fundamental—the civil rights we cherish, the political rights we so boisterously and vigorously enjoy. They have sacrificed the competitive free-enterprise system we believe in.

Since the war I think we all must admit that some good things have been accomplished under communism for the Russian people.

But, communism is the receiver which takes over when bankruptcy takes place.

It is our job, not only to see that bankruptcy never takes place here, but that through democratic processes the welfare and security of the people which are what make a society solvent increase day by day.

The fear of communism in this country is not rational. And that irrational fear of communism is being deliberately used in many quarters to blind us to our real problems. The spreading of this fear is in fact propaganda for communism.

I am nauseated and sick to death of the vicious and deliberate way the word Communist has been forged into a weapon and used against those who organize and raise their voices in defense of democratic ideals—of hearing the very program which was initiated by Franklin Roosevelt and which the majority of the American people voted for in four successive national elections and to which President Truman has dedicated himself in his twenty-one point program called Communistic by those who seek to defeat the majority will of the American people.

Communism could successfully invade only a weakened democracy. A vigorous democracy—a democracy in which there are freedom from want, freedom from fear, freedom of religion and freedom of speech—would never succumb to communism or any other ism.

Our fight is not against the windmill of communism in America. Rather it is against those who would make a treadmill of democracy through special privilege, bigotry, and intolerance.

Those who serve democracy and the future of democracy best are those who believe that full employment and fair employment practices can be achieved under our free enterprise system and who fight for full employment and fair employment practices through the democratic process.

It is up to us, the people, to show that we can have full employment and full production and freedom at the same time. That is a test democracy faces.

Nobody believes in free enterprise or its future more than I do. I have had all the benefits of this free enterprise system. I was bred in a family that handed down its business from father to son, a family that believed and believes today that individual initiative is the source of our economic vitality. I had every advantage and every opportunity that a child born into that kind of family would have.

It is because I know what education and opportunity and the respect of the community mean in the development of human beings that I fight for them for everyone.

I have never been in a breadline. I have never had to live on a ditch bank. I am not one of the millions who have never known a doctor's care.

I was not one of those 200,000 women a year who gave birth to their children

without medical attention. I do not belong to a minority—at least, I do not think the Irish are considered a minority in America any more.

But I have been in the slums of America. I have been to the ditch bank and have seen the people who came out of the cities because there was no place for them there. I have seen the people who were blown off, tractored off, or because of lack of markets were pushed off the land.

I have seen their miserable cars with all their worldly belongings strapped to them wending their weary way through State after State, millions in all, hunting for a job, hunting for somewhere beside the road to lay their heads.

I have seen shanty towns where the dust blinded and choked—where there was no water to relieve the thirst—no water to wash sick children, or when it rained rivers ran through the tents or the improvised shanties.

I have seen children with sore eyes and swollen bellies. I have looked deep into the despairing eyes of fathers and mothers without jobs—or hope of jobs. I have seen minorities humiliated and denied full citizenship. And I tell you that we betray the basic principle upon which this Government of free people was founded unless this Government of the people finds a way by which all the people can live out their lives in dignity and decency.

Yes; I believe in free enterprise. I believe in it so much that the whole object of my participation in government as a representative of the people is to make it free, free for everybody.

It is a good thing to own your own business, your own farm. The problem that confronts this Congress is that not enough people own their own businesses and their own farms. The test again and again is whether we side with the great monopolies or with the people. The great monopolies are suffocating free enterprise and, if not halted in their growth, will in the end destroy not only their own dynasties but democracy itself.

Only 10,000 persons own one-quarter and 75,000 persons own one-half of all the corporate stock in this country. Only 61,000 persons out of 130,000,000 collect half the dividends.

The war Franklin D. Roosevelt talked about in 1936 is still going on. It is, as he said, "a war for the survival of democracy," and the battle should not rage around the bogus issue of communism but around the real issue of monopoly and the exploitation of the people and their resources.

Monopolies did not build America. It was not monopoly which built our great industrial economy. It was competitive enterprises which later were too often strangled by the forces of monopoly. Typically, our plants, factories, mines, and mills were built by enterprising businessmen, creating income for their respective communities. But after the facility was built, too often it was taken over by the large combine, the Wall Street group.

Not only did monopoly fail to contribute materially to the development of our industrial structure, it actually promoted illegal price fixing and the restriction of production which resulted in underconsumption and unemployment.

Monopoly, through cartels, contributed seriously to our industrial unpreparedness for war by restricting the production and distribution of such vital materials as magnesium, synthetic rubber, aviation gasoline, and electrical equipment and many other products.

Monopoly deeply affects the spiritual and economic lives of those who live in communities which it dominates.

In a study prepared by the Smaller War Plants Corporation and printed as Senate Document 165, a comparison was made of the levels of civic welfare in what were termed "big business" as against "small business" cities. It was found that in the big-business cities—those in which most of the working population was employed by a few large plants or absentee-owned corporations—the level of civic welfare was lower than in small-business cities—those in which most of the workers were employed in many small, locally owned businesses.

It was found that the chance that a baby would die within 1 year after birth was considerably greater in big- than in small-business cities.

Slums were more prevalent in the "big business" cities.

The "big business" cities had less home ownership; they spent less per capita on health, on public recreation, and on public libraries; and they had a lower degree of church membership than did comparable "small business" cities of the same size located in the same area, possessing the same type of population.

These are only a few manifestations of the lower levels of civil welfare which were found to prevail in the "big business" cities.

The alternative to this concentration is its very opposite—more privately owned business, more employers competing for the respect of the community, more participation in ownership.

Democracy cannot long survive when the people permit their lives to be dominated—economically or politically—by a powerful few.

We must make democracy work. We must realize the greatness that is in America. We are proud of our past and proudest because of what we can build upon that past. We do not want to turn our eyes backward and to keep the dead hand of the past upon our growth. And above all we want to shake off the deadening hand of monopoly.

We must reverse the trend to monopoly. We must enlarge the opportunities for all, with our magnificent capacities for production and distribution. It is in this atmosphere of hope and freedom that we became great and shall go forward to new leadership in the world. It is in this setting that we can undertake to provide new security and well-being for all our people, rather than much for the few and little for the many.

To make democracy work we must recognize its real enemies. And one of the most dangerous of its enemies is intolerance borne of fear and loss of faith in America.

Intolerance which poisons the sweet air of liberty.

I do not agree with everything that is said. But I will fight with the last ounce of my strength for the right of people to say what they will.

One of the great privileges of democracy is the privilege to make mistakes—the privilege to say foolish things, the privilege to expound ideas with which others violently disagree, the privilege to say them without being tracked down and labeled as subversive, the privilege to criticize our Representatives mercilessly, whoever they may be, and, next to the secret ballot, the greatest privileges of all are the right to organize and defeat or elect candidates to public office. The whole history of American politics is the history of vigorous and often violent disagreements.

We believe and we have shown by experience that we can afford these luxuries—these luxuries which are a necessity of democracy—because in a people's government balance is found and kept in the final voice of the majority; the majority which at all times defends the minority. There is no danger in letting people have their say. We have proved that. There is only danger when you try to stop them from saying it.

This, the most powerful nation on earth, stands today as irrefutable proof that there is no danger in a conglomeration of peoples and ideas freely expressed. In fact, out of the very conglomeration a rich harvest, which is the growth of America, has been reaped.

There is a danger in the hysteria that always follows war. That danger is suspicion—suspicion that breeds in ignorance; thrives on bigotry, reaches epidemic proportions on hysteria.

Tom Paine said:

> Suspicion is the companion of mean souls and the bane of all good society.

This is true at home and abroad, as true in 1946 as it was in 1776. And former Secretary of State and War Henry L. Stimson wrote a few days ago:

> The chief lesson I have learned in a long life is that the only way to make a man trustworthy is to trust him; and the surest way to make him untrustworthy is to distrust him and show your distrust.

Mr. Stimson said this in reference to the atomic bomb and our international relations, but what is true of international relations is also true here at home.

We, the Members of this body, will fail in our duty if we permit suspicion of another's purpose to divert us from our own purpose—that of making democracy function at full efficiency for our own people.

To be sure there are Communists in America. There are a few people in America who believe the free enterprise system has run its course. As I have made clear, here today, I share no such belief. But to attack each new development in the progress of American democracy, as communism, is to dig the grave of government of the people, by the people, for the people.

If we succeed in the practice of democracy communism will never take

over, as some faint-hearted but loud-mouthed have proclaimed.

We cannot fail if we carry forward into the future the principles which have made America great.

Mr. Speaker, this body must always be loyal to the principles of its founders and the teachings of its fathers.

It must never yield to the tyranny of bigotry.

It must never succumb to the rantings of the demagog.

It must always be the forum where justice is dispensed and intolerance is despised.

It must be the protector of free speech and the guardian of free worship.

It must never become an arena where class is arrayed against class—where race hatreds are bred and suspicions nourished.

We, the Members of this Congress—chosen by a free people to protect their rights and to bring to reality their hopes and faiths—are not bigots. We do not believe in name calling. We do not agree that everyone who disagrees with us should be hunted down like a criminal, denied his civil rights, and deprived of his ability to earn a living.

We, the Members of this House, do not believe that Capitol Hill is a hill on which to kindle a fiery cross but rather one on which to display the shining cross which since Calvary has been to all the world the symbol of the brotherhood of man.

EXTENSION OF REMARKS

Mr. O'KONSKI asked and was given permission to extend his remarks in the RECORD in four instances.

Mr. PITTENGER asked and was given permission to extend his remarks in the RECORD.

Mr. STIGLER (at the request of Mr. BAILEY) was given permission to extend his remarks in the RECORD and include a brief article relating to an oratorical contest held in his State.

Mr. HART asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. HINSHAW asked and was given permission to extend his remarks in the RECORD and include a statement prepared by five members of the California delegation.

SPECIAL ORDERS GRANTED

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that on Wednesday next at the conclusion of the legislative program of the day and following any special orders heretofore entered, the gentleman from Oklahoma [Mr. STIGLER] may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that on Thursday next, following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on Monday, Tuesday, and Friday of next week, following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. DOYLE] is recognized for 5 minutes.

HOUSE RESOLUTION 575, A BILL TO MAKE A STUDY AND SURVEY OF JUVENILE DELINQUENCY, AND TO REPORT THEREON

Mr. DOYLE. Mr. Speaker, I wish to call attention to the fact that on yesterday I filed a resolution, House Resolution 575. It is a resolution asking that this Congress name a committee of seven Members to make a Nation-wide study, survey, and report to Congress on the important question of juvenile delinquency. The purpose of the resolution itself is such that there is no need for any subpena power by such a committee. All agencies and groups and people will cordially cooperate in such a survey. As a former officer of the Juvenile Court of Los Angeles County, serving under that distinguished juvenile judge Curtis D. Wilbur, and as former superintendent for three years of a school for 125 so-called bad boys of high-school age, as an athletic coach and YMCA boys' secretary, I know for a fact there is no subject now more pertinent or important in the field of human welfare than is the subject of juvenile delinquency as a Nation-wide problem. I repeat that I am very sure that such a committee of this House will find the most cordial cooperation throughout the Nation from all agencies, public and private, and from thousands of qualified individuals, in such a study. I do not now know what it would cost but any reasonable expense is not too much, certainly. The children of our Nation in times of peace, and most certainly in times of war, are the bulwark of our national economy and national defense.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. DOYLE. I yield to my colleague from California.

Mr. PHILLIPS. This is the first I have known of the gentleman's intention to introduce this resolution. I am very glad indeed that he is doing it. I think he is doing a service by the resolution, for these reasons: We have ended a great war. After the last war one of the most tragic things that happened was the effect of the postwar period upon the juvenile population of the United States. I know the Congress does not want that to happen again. Second, in recent years the State from which the gentleman comes—California—has adopted a youth authority to meet this problem in the most modern and progressive way, and it is being carried out very successfully and with very fine results. There is a bill today before the Committee on the Judiciary of this House proposing to set up the same sort of an authority on a national scale. I am sure the gentleman's resolution would fit right into the support of that bill and give information which that committee could very finely use. I congratulate the gentleman on the introduction of the resolution.

Mr. DOYLE. I thank my colleague from California for his comments. I had not heard of the bill the gentleman refers to, but, of course, know of the progress made in California since the establishment of the youth authority there. Of course, all the facts and knowledge of juvenile delinquency and its causes and effects, with possible aids to deterring and combating same, will be of inestimable value at every level of experience and responsibility—National, State, county, municipal, group, agency, church, school, homes, parental—in dividend.

The reported rapid rise in the volume of and extent of juvenile delinquency has aroused the thinking and concern of the people generally. They are awake to the fact that there must be no longer delay in a conscientious, thoroughgoing national study, survey, and report, with every reasonable solution or remedy to be in that report to the Congress and the people.

I know that there are many Members of this great legislative body as much concerned as I am for I have talked with them about my planning to file this resolution. Unanimously they have endorsed the plan. Never before has such a study and report been made by Congress, although many Nation-wide agencies, groups, and organizations have had committees consider it in one or more phases. Likewise, departments of our Federal Government have in the past and do now continue to study and plan and work helpfully in the field. For instance the Federal Bureau of Investigation and the Attorney General's Office and the Children's Bureau are amongst the Federal departments referred to.

Nor should the study and survey under my resolution be hastily nor hurriedly made. The seriousness of the situation demands the very best of the brains, talent, and resources of this Congress. Members should be placed on the committee, if this House approves the resolution, who have no preconceived notions or conclusions. The facts must be ascertained and the truth known as far as possible. Nothing else will suffice.

I shall shortly seek a rule and approval by our Rules Committee of this resolution, House Resolution 575. I respectfully ask your favorable action and support of its objectives.

The text of the resolution itself as I wrote it will further give you answers to your questions:

House Resolution 575

Whereas it is recognized that the welfare of our Nation in time of peace and the security of our Nation in time of war depends upon the training of the children and youth of the present day of our Nation; and

that the future of the United States of America rests upon the shoulders of its children and that they are at one and the same time its greatest resource and responsibility; and

Whereas it is well known that juvenile delinquency is increasing at such a rate that the problem of juvenile delinquency and of violation of law by juvenile offenders is one of the present-day problems; and

Whereas it is recognized that great benefit would be had throughout the Nation as a result of a thorough survey, study, and investigation of the causes and factors contributing to juvenile delinquency and the effects and results of juvenile delinquency; and

Whereas it is recognized that such study and survey would be most beneficial if it contained a report as to ways and means believed to be necessary and proper to deter or prevent juvenile delinquency; and

Whereas it is recognized that there is great public interest throughout the Nation at this time upon this important subject; and

Whereas it is believed that the public will gladly cooperate in such survey and study, and will facilitate the functioning of a committee of Congress in this matter; and

Whereas it is recognized that the cities, counties, States, and the Nation are all desirous of having the most information attainable on this important subject, and to undertake to use the same for the welfare of the Nation through prevention of juvenile delinquency: Therefore be it

Resolved, That there is hereby created a select committee of the House of Representatives to be composed of seven members to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the committee shall be filled in the same manner as the original appointment was made. This committee is authorized and directed to make a full and complete study, survey, and investigation into (a) the subject of juvenile delinquency, (b) causes and factors contributing to juvenile delinquency, (c) the effects and results of juvenile delinquency, (d) possible ways and means to deter or prevent juvenile delinquency.

SEC. 2. For the purpose of this resolution, the committee or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings and to take such testimony as it deems necessary. To this end, said committee is authorized to invite, seek, and to receive such testimony, either oral or documentary, as is readily available to the uses and purposes of the committee. And, such testimony, evidence, and facts shall be sought from both public and private agencies actively interested in the subject of child welfare, and the subject of juvenile delinquency, and likewise from other groups or individuals, also similarly interested, informed, and qualified.

SEC. 3. All or such part of the testimony and evidence received by the committee shall be printed as the committee shall determine and the report of said committee shall be made available for distribution at such time and in such amount as shall be later determined upon.

The SPEAKER. Under previous order of the House, the gentleman from Oregon [Mr. ELLSWORTH] is recognized for 10 minutes.

BUILDING MATERIALS

Mr. ELLSWORTH. Mr. Speaker, after exhausting all the normal and usual methods that we Members of this body, and I assume also the Members of the other body, use in contacting the representatives of the various offices, bureaus, commissions, and authorities downtown in the executive branch of this Government, on a matter which I think is vital to the whole country, as well as to some residents of my district, I come before this House to state a few facts and to point to at least one cause of delay in home construction.

Sometimes I think some of the agency people in the executive branch of our Government who talk about building houses think that houses can be built with legislation and red tape, but, Mr. Speaker, in order to build houses for the people of this country, in order to build houses for the veterans of our wars, we must have material. Houses cannot be built with red tape or with legislation. Material is absolutely essential. But the red tape and the dilatory tactics downtown have the effect of holding back the distribution and the manufacture of material for needed houses.

I take this time to cite one case of which I have intimate knowledge, but I have learned this morning that there are 40 almost identical applications lying on the desk of one of the CPA men downtown waiting to be processed, having been delayed exactly as this one typical case I shall mention has been delayed.

For 3 weeks an operator of a sawmill in the State of Oregon has been endeavoring to obtain a priority from the CPA in order to buy a lumber loader so that he can ship throughout the country where houses are needed more than 1,000,000 feet of lumber, lumber enough to frame 600 houses, lumber which he now has on hand—and he is still waiting.

Let me read you the telegram I received from him this morning. It states his case:

Since our mill burned August 14 last we have attempted to purchase from commercial suppliers and Government agencies lumber handling equipment unsuccessfully. Commercial suppliers quote 1947 delivery. Government surplus hyster equipment located Tacoma Navy Depot and advise by officer in charge can be released on priority. Central Point mill rebuilt and running two shifts producing 100,000 board feet daily 100-percent housing lumber in excess of 1,500,000 feet now stored in yard ready for shipment to home builders providing we can secure Government surplus hysters here at navy depot. Mill will be forced to close unless hysters secured so have come to Tacoma awaiting Government action allowing us to purchase carriers.

And now here is the story from this end. Day after day for the last 10 days I have called up various men here in the Civilian Production Agency, I believe it is called, and I have traced the problem of getting this man a priority to buy one of these loaders. They say they have to write a new order in order to set up the legal machinery for issuing the priority, although there is already a Director of Priorities in the Civilian Production Administration, a man by the name of John Houston. But the new order must be written so that they will have machinery for putting out a priority. For 3 weeks they have been worrying about writing this order so that a simple piece of paper known as a certificate of priority can be issued. I was told this morning it might be issued today. I was told yesterday it might be issued yesterday. I was told Monday it might be issued then. I do not know when it will be issued. But I know meanwhile that a million feet of lumber is lying on the docks in this one place, lumber ready to use but which cannot be shipped to be used to build houses until this simple priority is issued. I know of 40 other applications from lumber manufacturing concerns that are in about the same fix.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I am glad to yield.

Mr. PHILLIPS. Does not the gentleman think that getting that lumber into the hands of a carpenter with a hammer and saw would do more for the veterans than creating another agency on top of an existing agency as the House attempted to do the other day?

Mr. ELLSWORTH. The agency to which the gentleman refers, I am sure, is the office of the Housing Expediter. The Housing Expediter already has all of the power he can possibly use, not only to get this lumber rolling, but to do everything else that is necessary to help the housing program. We do not need to have this housing legislation passed in order to get houses built because they are being expedited at the present time.

Mr. PHILLIPS. Does not the gentleman think that if any changes in the law are necessary they can be made under existing regulations under the authority of the OPA in case the question of price is involved on material in order to get production?

Mr. ELLSWORTH. The gentleman is quite correct. The OPA already has the power to control prices that will inspire production. In other words, incentive prices. There has been very little evidence anywhere along the line that the OPA has done this. However, discussions during the last 2 weeks indicate that they have become aware of the housing shortage although it was called to the attention, not only of the OPA and the Office of War Mobilization but of John Snyder, the Reconversion Director, as long ago as last June, by the lumber industry. The National Lumber Manufacturers Association wrote the Reconversion Director, and told him a crisis was imminent. That was in June 1945 that I am talking about. So far as I know, the National Lumber Manufacturers Association never received a reply to that letter. They were never invited to a conference with the Reconversion Director. To this day, the Office of Reconversion has taken no part in the problem so far as housing and lumber for housing is concerned.

Mr. PHILLIPS. The gentleman is making an extremely interesting statement. That is not the sort of statement we have been hearing through the more or less propaganda reports that have come out of Washington. If I understand the gentleman, what he is saying is that the lumber industry almost a year ago came to the Government and told them exactly what would happen if

certain things were not done to provide lumber for houses. Those things were not done. They received no reply to some of their communications and today a scarcity of lumber exists which is preventing veterans from getting homes.

Mr. ELLSWORTH. I have a copy of a letter written on June 23, 1945. It is a 2-page letter, setting forth in detail the possible crisis in housing which might develop following the end of the war. It was written by the National Lumber Manufacturers Association manager and sent to the Director of Reconversion. I shall be glad to show it to the gentleman. I expect to place the letter in the RECORD one of these days.

Mr. PHILLIPS. I think it would be good if the gentleman would do that.

Mr. ELLSWORTH. In conclusion, may I say that the time seems to me to be at hand when the Director of Priorities of the Civilian Production Administration and the Housing Expediter and the Director of Reconversion and everybody else, even up to the President himself, ought to break up some of these red-tape bottlenecks so that lumber and needed materials can be shipped.

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

FOREIGN COMPETITION IN AIR TRANSPORTATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to include excerpts from the Wichita Beacon of March 26 in my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am greatly alarmed by the fact as the Wichita Beacon states in an editorial that for the first time in 100 years our State Department has, by treaty, invited foreign business into American domestic fields in competition with our own industries. By the Department's action, this country will have invited disaster, if the treaty is ratified. I understand that bilateral agreement has been reached with the French which would allow the French to operate a line into Mexico, which parallels one of our own American lines, and in competition with it, because undoubtedly the rates would be much less, and the money paid the personnel would be less than we pay in our own country.

The Wichita Beacon says:

THE CITIZENS OF THE UNITED STATES ALWAYS PAY THE BILLS

For the first time in 100 years, our State Department has, by treaty, invited foreign business into American domestic fields in competition with our own industries. By the Department's action, this country will have invited disaster, if the treaty is ratified.

The action was the approval by this country of an Anglo-American air transport agreement which, to all practical purposes, invites 52 nations to compete with our air lines for air travel originating in this country.

Such an agreement can hardly help in the development of American domestic air lines, despite proponents' arguments that we got more than we gave. Must this country lower its living and wage standard to meet the competition the nations with cheap labor can offer? That is the problem we face under terms of the agreement.

Let's go a step farther. The agreement, by offering foreign nations opportunity to compete with our air transportation set-up, naturally weakens the position of American air carriers. Anything that weakens our air lines weakens our national defense.

The air lines' remarkable job of wartime transportation was one of the deciding factors in our quick victories over Germany and Japan and particularly Italy. The air lines, by their cooperation, brought about the beginning of the end by running supplies to the north African sector at the outset of the war.

If we are to sacrifice our air lines as we sacrified our ocean-going trade after the last war, then we are inviting disaster.

In effect, the Anglo-American agreement, reached at Bermuda, aids foreign countries to take business away from American industries.

About a quarter of all world travel originates in America. England, by virtue of the Bermuda agreement, now has access to this most fertile field of air transportation. We have given Britain the right to land and pick up passengers at some of our most strategic cities. We have given Britain access to our Pacific outposts, to Hawaii, the Philippines, and to China and Japan over the bases we fought so hard to win in the recent war.

Prices to be charged by the various operating air lines in this so-called world airways system will be fixed by an international traffic association. There are 56 foreign votes to our 4. We will be outvoted 14 to 1 on any issue which might arise.

As American citizens interested primarily in the welfare of our own country and our own industries, it is our duty to let Congress know that we are looking to it for protection in this chess game of world politics in which our State Department appears determined to let foreign nations checkmate our air lines.

There are some questions, I believe, Mr. Speaker, as to the legality of what is being done, and I, as one Member of Congress, am going to take up the Beacon suggestion and also the suggestions of others that we look into this matter. On Monday I shall introduce a resolution of inquiry. I am vitally interested, and always have been, in the development of our aviation, our air transport. Certainly if this country is to maintain its place in the world it must have development in air transport as well as air security in the landing fields and bases all over the world.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DOYLE, indefinitely, on account of critical illness of member of immediate family in California.

To Mr. LEFEVRE (at the request of Mr. MARTIN of Massachusetts), for Monday, Tuesday, and Wednesday, on account of official business.

ADJOURNMENT

Mr. BAILEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 17 minutes p. m.) the House, pursuant to its previous order, adjourned until Monday, April 1, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IRRIGATION AND RECLAMATION

The Committee on Irrigation and Reclamation will continue hearings on H. R. 5124, on Wednesday, April 3, 1946, at 10 a. m., in room 328, Old House Office Building. The hearings will continue through Thursday, April 4, and probably through Friday, April 5.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing Thursday, April 4, 1946, at 10 a. m. to consider the bill, H. R. 5892, providing for a medal for service in the merchant marine during the present war.

COMMITTEE ON FLOOD CONTROL

The Committee on Flood Control will begin hearings on an omnibus flood-control authorization bill on Monday, April 8, 1946, at 10 a. m. The hearings will continue daily except Saturday up to and including Friday, April 19.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 9, 1946, at 10:30 a. m., to begin the preparation of an omnibus river and harbor bill. Following is the schedule for hearings:

(Tuesday, April 9)

1. Portland Maine, Maine.
2. Fall River Harbor, Mass.
3. Wickford Harbor, R. I.
4. New Haven Harbor, Conn.
5. Bridgeport Harbor, Conn.
6. Stamford Harbor, Conn.
7. Barnegat Inlet, N. J.
8. Absecon Inlet, N. J.
9. Delaware River, Biles Creek, Pa.

(Wednesday, April 10)

10. Sacramento River, Calif., deep-water ship channel.

(Thursday, April 11)

11. Schuylkill River, Pa.
12. Middle and Dark Head Creeks, Md.
13. Mattaponi River, Va.
14. Newport News Creek, Va.
15. Norfolk Harbor, Va.
16. Savannah Harbor, Ga.
17. St. Johns River, Fla., Jacksonville to Lake Harney.
18. Hollywood Harbor (Port Everglades), Fla.
19. Withlacoochee River, Fla.

(Friday, April 12)

20. Sabine River, Adams Bayou, Tex.
21. Sabine-Neches waterway, Texas.
22. Trinity River below Liberty, Tex.
23. Aransas Pass, Intracoastal Waterway, Tex.
24. Brazos Island Harbor, Tex.

(Monday and Tuesday, April 22 and 23)

25. Tombigbee-Tennessee Rivers.

(Wednesday and Thursday, April 24 and 25)

26. Franklin Canal, La.
27. Mermentau River, La.
28. Lake Charles deep waterway, Louisiana.
29. Plaquemine and Morgan City route, Louisiana.
30. Red River below Fulton, La.

(Friday, April 26)

31. Big Sandy River, Tug, and Levisa Forks, Va., W. Va., and Ky.

(Monday and Tuesday, April 29 and 30)

32. Arkansas River, Tenn. and Ky.

(Wednesday, May 1)

33. Cumberland River, Tenn. and Ky.
34. Big Sioux River, S. Dak.
35. Mississippi River seepage, Iowa, Minnesota, and Wisconsin.
36. Mississippi River at Lansing, Iowa.
37. Mississippi River at Wabasha, Minn.
38. Mississippi River at Lake Pepin, Minn.
39. Mississippi River at Hastings, Minn.

(Thursday, May 2)

40. Fairport Harbor, Ohio.
41. Cleveland Harbor, Ohio.
42. Great Lakes connecting channels, Michigan.
43. Calumet-Sag Channel, Ind. and Ill.
44. Chicago River, North Branch of, Ill.
45. Napa River, Calif.
46. Coos Bay, Oreg.
47. Columbia River at Astoria, Oreg.
48. Columbia River at The Dalles, Oreg.
49. Columbia River, Foster Creek Dam, Wash.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1171. A letter from the Administrator, Federal Security Agency, transmitting a draft of a bill, making permanent the authority heretofore carried in annual appropriation acts, to permit expenditures by Freedmen's Hospital for uniforms for its personnel, special instruction for its student nurses, and repairs and alterations to its buildings; to the Committee on the District of Columbia.

1172. A letter from the Administrator, Federal Security Agency, transmitting a legislative proposal, making permanent authority heretofore carried in annual appropriation acts, to permit St. Elizabeths Hospital to make expenditures for certain purposes; to the Committee on the District of Columbia.

1173. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of $40,647,000 for the Navy Department in the form of an amendment to House Document 501 (H. Doc. No. 519); to the Committee on Appropriations and ordered to be printed.

1174. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1947 in the amount of $525,200 for the legislative branch, Architect of the Capitol (H. Doc. No. 520); to the Committee on Appropriations and ordered to be printed.

1175. A letter from the Administrator, Federal Security Agency, transmitting a draft of a bill amending the Public Health Service Act (42 U. S. C., ch. 6A) and the act of June 15, 1943, as amended (50 U. S. C. App. 1451 et seq.), in order to make permanent the authority, heretofore carried in annual appropriation acts, under which the Public Health Service is permitted to make certain expenditures in carrying out the purposes of these two statutes; to the Committee on Interstate and Foreign Commerce.

1176. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to authorize the sale of 137.29 acres of restricted lands belonging to individual Indian allottees and 40 acres of tribal land held in trust for the Keweenaw Bay Indian Community, located on the L'Anse Reservation, Mich.; to the Committee on Indian Affairs.

1177. A letter from the Acting Attorney General, transmitting a report reciting the facts and pertinent provisions of law in the cases of 260 individuals whose deportation has been suspended for more than 6 months by the Commissioner of the Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension; to the Committee on Immigration and Naturalization.

1178. A letter from the Administrator, Federal Security Agency, transmitting a draft of a proposed bill to authorize intraagency transfers and consolidations of appropriations by the Federal Security Administrator, and for other purposes; to the Committee on Expenditures in the Executive Departments.

1179. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture.

1180. A letter from the Secretary of the Department of Agriculture, transmitting a draft of a proposed bill to amend section 508 (d) of the Federal Crop Insurance Act (7 U. S. C. 1508 (d), 52 Stat. 75), as amended, so as to permit the Federal Crop Insurance Corporation to purchase insured commodities on the futures market; to the Committee on Agriculture.

1181. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to authorize the Director of the United States Geological Survey to produce and sell copies of aerial or other photographs and mosaics, and photographic or photostatic reproductions of records, on a reimbursement of appropriations basis; to the Committee on Mines and Mining.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VINSON: Committee on Naval Affairs. H. R. 5641. A bill to authorize the attendance of the Marine Band at the national convention of the United Spanish War Veterans to be held in Milwaukee, Wis., August 4 to 10, inclusive, 1946; without amendment (Rept. No. 1832). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLE of New York: Committee on Naval Affairs. H. R. 5911. A bill to establish an Office of Naval Research in the Department of the Navy; to plan, foster, and encourage scientific research in recognition of its paramount importance as related to the maintenance of future naval power, and the preservation of national security; to provide within the Department of the Navy a single office, which, by contract and otherwise, shall be able to obtain, coordinate, and make available to all bureaus and activities of the Department of the Navy, world-wide scientific information and the necessary services for conducting specialized and imaginative research; to establish a Naval Research Advisory Committee consisting of persons preeminent in the fields of science and research, to consult with and advise the Chief of such Office in matters pertaining to research; without amendment (Rept. No. 1833). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GRANGER:

H. R. 5938. A bill authorizing an appropriation for the construction, extension, and improvement of a high-school building near Roosevelt, Utah, for the school district comprising Duchesne and Uintah Counties, Utah; to the Committee on Indian Affairs.

By Mr. JACKSON:

H. R. 5939. A bill to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes; to the Committee on the Civil Service.

By Mr. LANHAM:

H. R. 5940. A bill to make Government-owned patents freely available for use by citizens of the United States, its Territories, and possessions; to the Committee on Patents.

By Mr. WINSTEAD:

H. R. 5941. A bill to provide for payments to the States with respect to certain lands of the United States; to the Committee on the Public Lands.

By Mr. BOREN:

H. R. 5942. A bill to fix the rate of postage on domestic air mail, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. THOMAS of Texas:

H. R. 5943. A bill to authorize the Secretary of the Navy to transfer to the State of Texas the battleship *Texas*, including the silver service presented to the United States for such battleship; to the Committee on Naval Affairs.

By Mr. HINSHAW:

H. R. 5944. A bill defining the powers and duties of the Secretary of the Interior with respect to the Colorado River under the treaty with Mexico of February 3, 1944; authorizing the construction, acquisition, and administration of works required for performance of said treaty on the Colorado River; and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. SHEPPARD:

H. R. 5945. A bill defining the powers and duties of the Secretary of the Interior with respect to the Colorado River under the treaty with Mexico of February 3, 1944; authorizing the construction, acquisition, and administration of works required for performance of said treaty on the Colorado River; and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. IZAC:

H. R. 5946. A bill defining the powers and duties of the Secretary of the Interior with respect to the Colorado River under the treaty with Mexico of February 3, 1944; authorizing the construction, acquisition, and administration of works required for performance of said treaty on the Colorado River; and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. PHILLIPS:

H. R. 5947. A bill defining the powers and duties of the Secretary of the Interior with respect to the Colorado River under the treaty with Mexico of February 3, 1944; authorizing the construction, acquisition, and administration of works required for performance of said treaty on the Colorado River; and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. HOLIFIELD:

H. R. 5948. A bill defining the powers and duties of the Secretary of the Interior with respect to the Colorado River under the treaty with Mexico of February 3, 1944; authorizing the construction, acquisition, and administration of works required for performance of said treaty on the Colorado River; and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. BLOOM:

H. R. 5949. A bill to provide basic authority for the performance of certain functions and activities of the Department of State; to the Committee on Foreign Affairs.

By Mr. PFEIFER:

H. J. Res. 332. Joint resolution requesting the President to establish friendly diplomatic relations with Italy and recognize Italy as a full and equal ally; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States to enact legislation, or in cooperation with the Secretary of Agriculture, take such other steps as may be necessary, for the purpose of continuing payment of subsidies, for a period of 1 year or until the end of such crisis, to producers of dairy products in such manner and in such amounts necessary to insure fair cost thereof to consumers and fair prices therefor to producers; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 5950. A bill for the relief of Cleo C. Reeves, Floyd L. Murphy, and Fabian P. Durand; to the Committee on Claims.

By Mr. BATES of Kentucky:

H. R. 5951. A bill for the relief of Elwood David Arnold; to the Committee on Claims.

By Mr. HOOK:

H. R. 5952. A bill for the relief of Julius Johnson; to the Committee on Claims.

By Mr. PHILBIN:

H. R. 5953. A bill for the relief of Stanislaw Nahrsoki; to the Committee on Immigration and Naturalization.

By Mr. RAMEY:

H. R. 5954. A bill for the relief of George H. Whike Construction Co.; to the Committee on Claims.

By Mr. THOMAS of Texas:

H. R. 5955. A bill for the relief of Wladyslaw Grochowski; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1743. By Mr. ANDREWS of New York: Resolution by the Assembly of the State of New York, urgently requesting the Congress of the United States to enact legislation, or in cooperation with the Secretary of Agriculture, take such other steps as may be necessary, for the purpose of continuing payment of subsidies, for a period of 1 year or until the end of such crises, to producers of dairy products in such manner and in such amounts necessary to insure fair cost thereof to consumers and fair prices therefor to producers; to the Committee on Banking and Currency.

1744. By Mr. GRAHAM: Petition of 60 residents of Beaver County, Pa., opposing socialized medicine; to the Committee on Interstate and Foreign Commerce.

1745. By Mr. LYNCH: Petition of the Presbytery of New York, urging removal of restrictions on the sending of mail and food to former enemy countries; to the Committee on Foreign Affairs.

1746. By Mr. VOORHIS of California: Petition of various students of Massachusetts State College, with reference to appropriations for UNRRA; to the Committee on Appropriations.

SENATE

MONDAY, APRIL 1, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, for these blue days and fair and for eyes to see and for hearts to feel, we lift our morning hymn of praise. As winter graves change to springtime gardens all nature speaks to us of stirring life and of the earth reborn to haunting loveliness. Bushes afire with Thee seem to whisper secrets that our dull souls are too dense to comprehend. Deep within us replenish our spirits with new life. Breathe upon our deadness, O breath of God; fill us with fresh faith, a surer sense of Thy presence, a triumphant confidence in Thy final victory over the hearts of men. May we face these baffling days with the glad assurance that no weapon that has been formed can prevail against Thy eternal purpose. From the schemes of selfish and stubborn men we turn sure and content to a resistless force that will at last burn away every barrier to brotherhood, and to Thee, our God, who will not fail nor be discouraged until on a cross deep-rooted in Thine own heart Thou dost lift a lost world to the radiance of Thy love and light. Amen.

THE JOURNAL

On the request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, March 29, 1946, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 473) relating to pay and allowances of offices of the retired list of the Regular Navy and Coast Guard performing active duty in the rank of rear admiral, and it was signed by the President pro tempore.

HOUSE BILL REFERRED

The PRESIDENT pro tempore. The House has passed the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes. The question arises as to which committee it should be referred in the Senate. The Chair is advised by the Parliamentarian, and concurs fully in his view of the matter, that, inasmuch as the bill deals with tariffs and trade relations, and inasmuch as it came from the Committee on Ways and Means of the House, which is similar to the Committee on Finance of the Senate, the bill should be referred to the Finance Committee. The bill is accordingly referred to the Finance Committee.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF JUSTICE (S. DOC. NO. 145)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Justice, amounting to $125,000, fiscal year 1946, in the form of an amendment to House Document No. 441, Seventy-ninth Congress (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, THE JUDICIARY (S. DOC. NO. 144)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the judiciary, amounting to $4,100, fiscal year 1946, in the form of an amendment to House Document No. 482, Seventy-ninth Congress (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, LEGISLATIVE BRANCH (S. DOC. NO. 147)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative branch, United States Senate, amounting to $6,000, fiscal year 1946 (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, NATIONAL HOUSING AGENCY (S. DOC. NO. 146)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the National Housing Agency, amounting to $400,000, fiscal year 1946 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISION PERTAINING TO EXISTING APPROPRIATION FOR EXECUTIVE OFFICE OF PRESIDENT (S. DOC. NO. 148)

A communication from the President of the United States, transmitting a proposed provision pertaining to an existing appropriation for the Executive Office of the President (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

AGRICULTURAL EXPERIMENT STATIONS

A letter from the Acting Secretary of Agriculture, transmitting a printed copy of the report on agricultural experiment stations, 1945, to be substituted for the typewritten

copy transmitted to the Senate on January 5, 1946 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON PRODUCTION OF ELECTRIC ENERGY

A letter from the Chairman of the Federal Power Commission, transmitting copies of reports of studies made by the Commission on the production of electric energy and fuel consumption of electric utilities for 1944 and a preliminary report thereon for 1945 (with accompanying papers); to the Committee on Interstate Commerce.

INTRA-AGENCY TRANSFERS AND CONSOLIDATIONS OF APPROPRIATIONS BY FEDERAL SECURITY ADMINISTRATOR

A letter from the Administrator of the Federal Security Agency, transmitting a draft of proposed legislation to authorize intra-agency transfers and consolidations of appropriations by the Federal Security Administrator (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

PERSONNEL REQUIREMENTS

A letter from the Acting President of the United States Civil Service Commission, transmitting, pursuant to law, an estimate of personnel requirements for that Commission for the fourth quarter of the fiscal year 1946 (with accompanying papers); to the Committee on Civil Service.

PETITION

Mr. WALSH presented a petition of sundry citizens of the State of Massachusetts praying for the prompt return of members of the armed forces from China, which was referred to the Committee on Military Affairs.

INDEPENDENCE OF PEOPLE OF LITHUANIA AND RETURN OF FREEDOM TO THE BALTIC STATES

Mr. WALSH. Mr. President, I ask unanimous consent to present a copy of a resolution which I have received from the citizens of the city of Lawrence, Mass., of Lithuanian ancestry who celebrated on February 17, 1946, the twenty-eighth anniversary of the declaration of independence by the people of Lithuania, and favoring the return of freedom to the Baltic states. I ask that it be referred to the Committee on Foreign Affairs.

There being no objection, the resolution was received and referred to the Committee on Foreign Relations.

PETITION OF THE PASTOR AND MEMBERS OF FIRST CHURCH OF THE BRETHREN, WICHITA, KANS.

Mr. REED. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD as a part of my remarks a petition signed by 37 members of the First Church of the Brethren, Wichita, Kans., and sent to me by the pastor, Rev. Harvey R. Hostetler.

There being no objection, the petition was received, referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

1. We ask that you support the McMahon bill which, if passed, will place the control of the atomic bomb in the hands of civilians.
2. We ask that you support the Martin resolution which calls for world abolition of universal conscription.
3. We are opposed to the extension of the Draft Act beyond the time of May 15, 1946, the present date of expiration. We do not agree with the President's present policy of appointing military men in position of high office, which office, has been previously held by civilians.
4. We kindly ask that you use your respected influence to assist in establishing world peace, not through military might, but through cooperation and mutual understanding. Let us give all the support possible to the UNO.

RESOLUTIONS OF INDEPENDENT FARMERS OF KANSAS

Mr. REED. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD resolutions adopted by the Independent Farmers of Kansas in the city of Clay Center, Kans., on March 19, 1946.

There being no objection, the resolutions were received, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

INDEPENDENT FARMERS OF KANSAS,

Clay Center, Kans., March 19, 1946.

The Independent Farmers of Kansas, in executive session this 19th day of March 1946, at Clay Center, Kans., adopt the following resolution:

1. Repeal of the AAA.
2. Abolish OPA ceilings on farm products.
3. Immediate abolition of the OPA.
4. Abolish all subsidies.
5. Urge that these resolutions be recorded in the CONGRESSIONAL RECORD.

This organization upholds constitutional government and favor a return to fundamental law.

We commend the State agriculture commissioners in their drive against OPA ceilings on farm products.

We appreciate your efforts in the behalf of Kansas farmers and their problems.

OTTO GEFFERT,
President.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. PEPPER, from the Committee on Patents:

S. 1608. A bill to extend the term of design patent No. 21,053, dated September 22, 1891, for a badge, granted to George Brown Goode, and assigned to the national society, Daughters of the American Revolution; without amendment (Rept. No. 1098);

H. R. 3424. A bill to permit renewal of certain trade-mark registrations after expiry thereof, and for other purposes; with an amendment (Rept. No. 1100);

H. R. 4080. A bill to amend section 476, Revised Statutes (U. S. C., title 35, sec. 2), providing for officers and employees of the Patent Office, and for other purposes; with amendments (Rept. No. 1101); and

H. R. 5258. A bill granting a renewal of patent No. 113,244, dated February 7, 1939, relating to the flag of the Church of God; without amendment (Rept. No. 1099).

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate reports for the month of March 1946, from the chairmen of certain committees, in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which were ordered to lie on the table and to be printed in the RECORD, as follows:

SUBCOMMITTEE ON HEALTH AND EDUCATION

APRIL 1, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of March 1946, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
April, Lauretta	2714 Quarry Rd. NW., Washington, D. C	National Housing Agency, 1001 Vermont Ave. NW	$4,300
Bragman, Charles	Arlington Village Apartments, Arlington, Va	Federal Public Housing Authority, 1201 Connecticut Ave. NW	6,400
Brimberg, Betty	901 N. Taylor, Arlington, Va	Farm Security Administration, U. S. Department of Agriculture	2,100
Caldbeck, Olive F	237 Mississippi Ave. SE., Washington, D. C	Federal Public Housing Authority, 1201 Connecticut Ave. NW	2,320
Cohen, Rose G	2513 14th St. NE., Washington, D. C	Veterans' Administration, Vermont and Eye Sts. NW	3,047
Conklin, Groff	514 2d St. NW., Washington 8, D. C	U. S. Public Health Service, Federal Security Agency	6,230
Curtis, Philip C	4303 Russell Ave., Mount Rainier, Md	Navy Department, 18th and Constitution Ave. NW	4,600
Dillon, Marion L	2601 16th St. NW., Washington, D. C	do	3,200
Leroy, Bernard	Persimmon Tree Road, Bethesda, Md	do	7,500
Raschella, Dolores (Medical Corps, AUS)	3028 Wisconsin Ave. NW., Washington, D. C	Federal Public Housing Authority, 1201 Connecticut Ave. NW	2,320
Falk, Capt. Leslie, Medical Corps (U. S. Naval Reserve)	2804 Terrace Rd. SE., Washington, D. C	War Department, Pentagon Bldg	
Truslow, Lt. Comdr. John			

CLAUDE PEPPER, *Chairman.*

EDUCATION AND LABOR COMMITTEE

MARCH 30, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of March 1946, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Sarah E. Judy [1]	2306 41st St. NW, Washington, D. C.	Department of Labor, Washington, D. C.	$2,320
Joseph P. McMurray	120 C Street NE, Washington, D. C.	do.	6,230

[1] On loan to committee from Mar. 5 through Mar. 29.

JAMES E. MURRAY, *Chairman.*

SPECIAL COMMITTEE TO STUDY AND SURVEY PROBLEMS OF SMALL BUSINESS ENTERPRISE

APRIL 1, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of March 1946, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Edelsberg, Herman	2141 Suitland Ter. SE, Washington, D. C.	Foreign Economic Administration, Washington, D. C.	$7,175
Forbes, F. Preston	502 Four Mile Rd, Alexandria, Va.	Commerce Department, Washington, D. C.	7,175
Groeper, Stella J.	1127 Branch Ave. SE., Washington, D. C.	Reconstruction Finance Corporation, Washington, D. C.	3,000
Spicer, L. Evelyn	2515 Wisconsin Ave. NW, Washington, D. C.	do.	3,000
Steckman, Fredk. W.	4000 Cathedral Ave. NW., Washington, D. C.	Maritime Commission, Washington, D. C.	5,600
Strubel, Margie L.	4632 12th St. NE, Washington, D. C.	Reconstruction Finance Corporation, Washington, D. C.	2,320
Thurman, Allen G.	9729 Bexhill Drive, Rock Creek Hills, Md.	Maritime Commission, Washington, D. C.	7,175

JAMES E. MURRAY, *Chairman.*

SENATE COMMITTEE ON PUBLIC LANDS AND SURVEYS

MARCH 30, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the name of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of March, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944. (See attached memorandum:)

CARL A. HATCH, *Chairman.*
STEWART A. HATCH, *Clerk.*

MARCH 30, 1946.

To: Senator CARL A. HATCH, chairman, Senate Committee on Public Lands and Surveys.

From: Senator PAT MCCARRAN, chairman, Subcommittee to Investigate the Administration and Use of Public Lands.

The following persons have been assigned by the Forest Service, Department of Agriculture, to assist with the work of the above-named subcommittee:

E. S. Haskell, senior administrative officer, Forest Service, CAF–12; basic salary, $5,000 per annum.

Elizabeth Heckman, clerk, CAF–5, basic salary, $2,000 per annum.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MCKELLAR:

S. 2002. A bill to transfer to the War Department that part of the Andrew Johnson National Monument which was formerly a national cemetery, and to provide that it shall again be maintained and used as a national cemetery; to the Committee on Public Lands and Surveys.

By Mr. WHEELER:

S. 2003. A bill granting a pension to Nettie M. Clapp; to the Committee on Pensions.

S. 2004. A bill authorizing the issuance of a patent in fee to Mabel Townsend Pretty On Top;

S. 2005. A bill authorizing issuance of a patent in fee to Rosalie Granbois Svoboda;

S. 2006. A bill authorizing the Secretary of the Interior to convey certain lands in the State of Montana to Neil R. Potter;

S. 2007. A bill authorizing the conveyance of certain lands in the State of Montana to Morris M. Padget;

S. 2008. A bill authorizing the conveyance of certain lands in the State of Montana to John P. Padget; and

S. 2009. A bill authorizing the use of certain appropriations for the education of Indian children of less than one-quarter Indian blocd whose parents reside on nontaxable Indian lands; to the Committee on Indian Affairs.

By Mr. MEAD:

S. 2010. A bill to authorize the appointment as chaplains in the Regular Army of certain members of the Officers Reserve Corps over 45 years of age who served on active duty in the Army of the United States for at least 5 years; to the Committee on Military Affairs.

By Mr. PEPPER:

S. 2011. A bill for the relief of Robert T. McFall; to the Committee on Claims.

By Mr. FERGUSON:

S. 2012. A bill to authorize the sale of certain lands of the L'Anse Band of Chippewa Indians, Michigan; to the Committee on Indian Affairs.

By Mr. MEAD:

S. J. Res. 151. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1946, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

AMENDMENT OF FAIR LABOR STANDARDS ACT OF 1938—AMENDMENT

Mr. FERGUSON. Mr. President, I ask unanimous consent to submit an amendment intended to be proposed by me to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which is, on page 28, line 8, after the word "damages", to insert "and unpaid overtime accrued prior to the effective date of this act."

There being no objection, the amendment was received, ordered to lie on the table, and to be printed.

WORLD WARS MEMORIAL TEMPLE—AMENDMENT

Mr. PEPPER submitted an amendment intended to be proposed by him to the joint resolution (S. J. Res. 43) to provide for the construction of a suitable memorial to those who served in the armed forces in World War I and World War II, to be known as World Wars Memorial Temple, which was referred to the Committee on Public Buildings and Grounds, and ordered to be printed.

SENATOR MCKELLAR, OF TENNESSEE

[Mr. STEWART asked and obtained leave to have printed in the RECORD an article entitled "From the Shoulder" written by James G. Stahlman, and published in the Nashville (Tenn.) Banner of March 23, and an editorial entitled "Senator KENNETH D. MCKELLAR, of Tennessee," published in the Crossville (Tenn.) Chronicle of March 21, 1946, which appear in the Appendix.]

POEMS BY MAJ. GEN. WALTER K. WILSON

[Mr. PEPPER asked and obtained leave to have printed in the RECORD poems entitled "Faith," "Victory Depends on Me," "Victory! What Is Thy Price?" and "The Price of Freedom," written by Maj. Gen. Walter K. Wilson, U. S. Army, which appear in the Appendix.]

REPRESENTATION OF CONGRESS AT EMPIRE PARLIAMENTARY ASSOCIATION MEETING AT BERMUDA

(During the course of Mr. DONNELL'S speech later in the day the following legislative business was transacted):

Mr. LUCAS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I ask unanimous consent to report favorably, without amendment, Senate Concurrent Resolution 58, and I request consent for its present consideration.

There being no objection, the resolution (S. Con. Res. 58) reported by Mr. CONNALLY on March 27, 1946, from the Committee on Foreign Relations, and subsequently referred to the Committee to Audit and Control the Contingent Expenses of the Senate, was read, considered, and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Senate and the House of Representatives hereby accept the invitation tendered by the President of the Legislative Council of Bermuda and Joint President of the Bermuda Branch of the Empire Parliamentary Association, to have four Members of the Senate and four Members of the House of Representatives attend a meeting to be held in Bermuda, beginning June 10, 1946, at which the Bermuda Branch of the Empire Parliamentary Association will be host to delegations from the Parliaments of the United Kingdom and the Dominion of Canada, and at which it is hoped also to have representatives of the Parliaments of the Australian Commonwealth, New Zealand, and the Union of South Africa, and possibly a representative of the Central Legislature of India. The President of the Senate and the Speaker of the House of Representatives are authorized to appoint the Members of the Senate and the Members of the House of Representatives, respectively, to attend such meeting and are further authorized to designate the chairmen of the delegations from each of the Houses. The expenses incurred by the members of the delegations appointed for the purpose of attending such meeting, which shall not exceed $5,000 for each of the delegations, shall be reimbursed to them from the contingent fund of the House of which they are Members, upon the submission of vouchers approved by the chairman of the delegation of which they are members.

INVESTIGATION OF MEANS OF INTERSTATE AND FOREIGN TRANSPORTATION

Mr. LUCAS. Mr. President, Senate Resolution 161 was reported on July 28, 1945, by the Senator from Arizona [Mr. MCFARLAND] from the Committee on Interstate Commerce. The resolution was then referred to the Committee to Audit and Control the Contingent Expenses of the Senate. Subsequently the chairman of that committee requested that the resolution be returned.

From the Committee to Audit and Control the Contingent Expenses of the Senate, I ask unanimous consent to report favorably, with an amendment, Senate Resolution 161, and I request that it be placed on the calendar.

The PRESIDENT pro tempore. Without objection, the report will be received and the resolution will be placed on the calendar.

Mr. LUCAS. In connection with the resolution I may say that the Senator from Minnesota [Mr. SHIPSTEAD] submitted an amendment to it which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate. The committee decided that it had no jurisdiction over the amendment because it was in the nature of legislation, and the committee is returning the amendment with the request that the Senator from Minnesota confer with the Senator from Arizona with respect to the amendment.

The PRESIDENT pro tempore. Without objection, the amendment will lie on the table.

Mr. McFARLAND subsequently said: Mr. President, in regard to Senate Resolution 161, I ask unanimous consent that it be considered at this time, and that the amendment of the Senator from Minnesota may also be considered.

Mr. BARKLEY. Mr. President, I have received a request from the Committee on Commerce, the chairman of which is the Senator from North Carolina [Mr. BAILEY] that, on account of a question of jurisdiction being involved, the matter be not acted upon now.

Mr. McFARLAND. Mr. President, I give notice that I shall call up the resolution as early as possible.

Mr. AIKEN. Mr. President, in regard to the two resolutions to which, I understand, objection was made by members of the committee, do those two members of the committee expect to file a report setting forth their reasons for objecting?

Mr. LUCAS. I cannot answer the question of the Senator from Vermont. Objections were made, and the votes were recorded accordingly.

Mr. AIKEN. Is it the rule that when an objection is made the resolution must be placed on the calendar?

Mr. LUCAS. Unless the chairman of the Committee to Audit and Control the Contingent Expenses of the Senate obtains the unanimous consent of the Senate to consider resolutions when they are reported favorably, they must go to the calendar and remain there for 24 hours.

Mr. AIKEN. Then an objection made by a member of the committee, even though he may not be present when the resolution is presented to the Senate, has the effect of placing the resolution on the calendar.

Mr. LUCAS. In compliance with the request, I myself request that the resolution be placed on the calendar.

Mr. AIKEN. Does the Senator expect the resolutions to be taken up after 24 hours has elapsed?

Mr. LUCAS. I may say that at the earliest possible moment I shall call them up and have them discussed before the Senate.

Mr. AIKEN. Very well.

INVESTIGATION OF SENATORIAL PRIMARIES AND ELECTIONS

Mr. LUCAS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I ask unanimous consent to report favorably, without amendment, Senate Resolution 224, and I request consent for its present consideration.

The resolution provides for the appointment of a special committee of five Senators, to be appointed by the President of the Senate, from States in which no Senator is to be elected at the general election in 1946, and directs them to make a full and complete investigation with respect to certain matters connected with forthcoming elections. This is a regular resolution which comes every 2 years when we have a general election.

There being no objection, the resolution (S. Res. 224) submitted by Mr. GREEN on February 5, 1946, was read, considered, and agreed to, as follows:

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, from States in which no Senator is to be elected at the general election in 1946, is hereby authorized and directed to make a full and complete investigation with respect to—

(1) the extent and nature of the expenditures made by all candidates for the office of United States Senator in 1946 in connection with their campaigns for nomination and election to such office;

(2) the amounts subscribed and contributed, and the value of services rendered and facilities made available (including personal services, and the use of billboards and other advertising space, radio time, office space, moving-picture films, and automobiles and other transportation facilities), by any individual, group of individuals, partnership, association, or corporation to or on behalf of each such candidate in connection with any such campaign, or for the purpose of influencing the votes cast or to be cast at any primary or general election, or at any convention, held in 1946, at which a candidate for United States Senator is to be nominated or elected;

(3) the expenditure of funds appropriated by the Congress with a view to determining whether any such funds have been or are being expended by any department, independent agency, or instrumentality of the United States, by any State or political subdivision thereof, or by any instrumentality of any State or political subdivision thereof, in such a manner as to influence the votes cast or to be cast for any such candidate at any such primary or general election or convention;

(4) the use of any other means or influence (including the promise or use of patronage) for the purpose of aiding or influencing the nomination or election of any such candidates; and

(5) such other matters relating to the election of United States Senators in 1946, and the campaigns of candidates in connection therewith, as the committee deems to be of public interest, and which in its opinion will aid the Senate in enacting remedial legislation or in deciding any contests that may be instituted involving the right to a seat in the Senate.

SEC. 2. The committee is authorized to act upon its own motion and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made to the committee, under oath, by any person, candidate, or political committee, setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, the committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in such complaint are immaterial or untrue. All hearings before the committee, and before any duly authorized subcommittee thereof, shall be public, and all orders and decisions of the committee, and of any such subcommittee, shall be public.

SEC. 3. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such public hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-ninth Congress, to employ such attorneys, experts, clerical, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $30,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee or the chairman of any duly authorized subcommittee thereof.

SEC. 4. The committee by majority vote may authorize any member of the commit-

tee, or any member of a duly authorized subcommittee, to conduct on behalf of the committee any part of the investigation herein provided for, and for such purpose any member so authorized may hold public hearings, issue subpenas, and provide for the service thereof, require by subpena or otherwise the attendance of witnesses and the production of books, papers, and documents, administer oaths, and take testimony.

SEC. 5. The committee, or any duly authorized subcommittee thereof, may authorize any one or more persons to conduct on behalf of the committee any part of the investigation herein provided for, and for such purpose any person so authorized may hold such public hearings, issue such subpenas, and provide for the service thereof, require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, administer such oaths, and take such testimony, as the committee, or any such duly authorized subcommittee, may from time to time authorize.

SEC. 6. The committee shall report to the Senate on the first day of the next regular session of the Congress the results of its investigation, together with its recommendations, if any, for necessary legislation.

INVESTIGATION OF MATTERS RELATING TO THE HANDLING OF INSOLVENT RAILROADS

Mr. LUCAS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I ask unanimous consent to report favorably, without amendment, Senate Resolution 192, and request its immediate consideration.

The resolution, which was reported from the Interstate Commerce Committee, of which the able Senator from Montana [Mr. WHEELER] is chairman, and then referred to the Committee to Audit and Control the Contingent Expenses of the Senate, and deals with an investigation of railroads in the hands of receivers under section 77 of the Bankruptcy Act. The amount requested is $5,000.

There being no objection, the resolution (S. Res. 192) submitted by Mr. WHEELER for himself and Mr. REED, on November 16, 1945, was read, considered, and agreed to, as follows:

Whereas as of June 30, 1945, some 76 railroads in the continental United States were in the hands of receivers and trustees because of insolvency proceedings brought under section 77 of the Bankruptcy Act, or through equity court procedure; and

Whereas the mileage of these railroads is approximately 50,000, and the investment in road and equipment exceeds $4,000,000,000; and

Whereas some of these roads entered bankruptcy in 1933, more than 12 years ago; and

Whereas according to the best information available, court proceedings involving some very important railroads are in such a condition that it is difficult if not impossible to approximate the time when reorganization will be completed and normal operation of the roads be resumed; and

Whereas the earnings of these roads in recent years have been sufficient to accumulate large cash amounts, and have placed such roads in an apparently solvent position; and

Whereas the continued holding of roads that have become solvent in trustee or receiver operation as insolvent roads is contrary to the general public interest and contrary to sound public policy: Therefore, be it

Resolved, That the Committee on Interstate Commerce of the Senate is authorized and directed either as a committee, or through a duly constituted subcommittee, to make an investigation of the conditions surrounding the operation and handling of said railroads by trustees and receivers through the period of receivership or trusteeship; to inquire into the causes for the long-drawn-out period of insolvency handling; to investigate the fees paid trustees, receivers, counsel, bankers or bank syndicates, and any and all matters relating thereto. The committee is directed to report to the Senate as early as practicable, with such recommendations as to changes in existing law as may be found desirable to bring roads now insolvent back into solvent operation, and to avoid these long periods of trustee and receiver handling for the future.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-ninth Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expense of the committee under this resolution, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SPECIAL ASSISTANT TO COMMITTEE ON EDUCATION AND LABOR

Mr. LUCAS. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate, I ask unanimous consent to report favorably, without amendment, Senate Resolution 243, and I request consent for its present consideration. The resolution requests a special assistant for the Committee on Education and Labor, to be paid at the rate of $5,640 a year, from April 1 to June 30, 1946. It is understood that at that time the Senator from Montana [Mr. MURRAY] will go before the Appropriations Committee if he desires to retain further the services of the employee.

There being no objection, the resolution (S. Res. 243) submitted by Mr. MURRAY on March 21, 1946, was read, considered, and agreed to, as follows:

Resolved, That the Committee on Education and Labor hereby is authorized to employ a special assistant to be paid from the contingent fund of the Senate at the rate of $5,640 per annum from April 1 to June 30, 1946.

SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM—LIMIT OF EXPENDITURES

Mr. LUCAS. From the Committee to Audit and Control the Contingent Expenses of the Senate, I ask unanimous consent to report favorably, without amendment, Senate Resolution 247, requesting that the limit of expenditures under Senate Resolution 71, Seventy-seventh Congress, first session, and so forth, be increased by $85,000. The chairman of the Special Committee To Investigate the National Defense Program appeared before the Committee to Audit and Control the Contingent Expenses of the Senate this morning and stated that it was the intent of his committee to complete its work by the first of next year. The action of the Committee to Audit and Control the Contingent Expenses of the Senate in recommending the increase is unanimous, and I request consent for the present consideration of the resolution.

There being no objection, the resolution (S. Res. 247), submitted by Mr. MEAD on March 29, 1946, was read, considered, and agreed to, as follows:

Resolved, That the limit of expenditures under Senate Resolution 71, Seventy-seventh Congress, first session, agreed to March 1, 1941; Senate Resolution 6, Seventy-eighth Congress, first session, agreed to January 25, 1943; and Senate Resolution 55, Seventy-ninth Congress, first session, agreed to January 29, 1945 (relating to the investigation of the national defense program), is hereby increased by $85,000.

INVESTIGATION OF BETTER MOBILIZATION OF NATIONAL RESOURCES—INCREASE IN LIMIT OF EXPENDITURES

Mr. LUCAS. From the Committee to Audit and Control the Contingent Expenses of the Senate I ask unanimous consent to report favorably, with an amendment, Senate Resolution 245, reported by the Senator from West Virginia [Mr. KILGORE] from the Military Affairs Committee, on March 26, 1946, requesting a further expenditure under the original resolution (S. Res. 107) for the purpose of investigating further the national resources of the United States. The original request was for $57,000. The Committee to Audit and Control the Contingent Expenses of the Senate reduced the amount to $18,000. Two members of the committee objected, and I request that the resolution be placed on the calendar.

The PRESIDENT pro tempore. Without objection, the report will be received and the resolution placed on the calendar.

DISTRIBUTION AND UTILIZATION OF HEALTH PERSONNEL, ETC.—INCREASE IN LIMIT OF EXPENDITURES

Mr. LUCAS. From the Committee to Audit and Control the Contingent Expenses of the Senate I ask unanimous consent to report favorably, with an amendment, Senate Resolution 244, which was submitted by the Senator from Florida [Mr. PEPPER] on March 22, 1946, requesting an expenditure of $50,000 for the continuation of the Committee on Education and Labor under Senate Resolution 74, agreed to on June 2, 1943. The Committee to Audit and Control the Contingent Expenses of the Senate reduced the request to $40,000, and ordered the resolution to be reported favorably. Two members of the committee voted against it. Those members requested that the resolution be placed on the calendar without action at this time which, under the rules, must be done.

The PRESIDENT pro tempore. Without objection, the report will be received, and the resolution will be placed on the calendar.

GOVERNMENTAL PERSONNEL BORROWED BY SENATE COMMITTEES—BUDGET OF COMMITTEE EXPENDITURES

Mr. WHERRY. Mr. President, following the remarks of the distinguished Senator from Illinois in reporting resolutions from the Committee to Audit and

Control the Contingent Expenses of the Senate, I should like to have the RECORD show the following statement:

In August 1944 the Senate approved a resolution offered by me, Senate Resolution 319, which required all Senate committees which borrow Government agency personnel to report the names and addresses of such persons, the agency from which borrowed, and the salary paid. The committee reports were to be submitted to the Secretary of the Senate monthly and printed in the RECORD. This has been done, and I think it has been a source of information for many of us, which we appreciate. As I stated, the resolution was approved. Its purpose was to keep the Senate informed of the number and the character of borrowed personnel and the committees doing the borrowing.

In February 1945 the Senate also approved another resolution sponsored by me, Senate Resolution 77, which provided that before payments in excess of $5,000 should be authorized for committee activities, a budget of the proposed expenditures must be presented by the Committee to Audit and Control the Contingent Expenses of the Senate. The resolution also provided that whenever the Senate committees borrowed Government agency personnel, reimbursement must be made to the agencies out of committee funds.

The effective date of this resolution was April 1, 1946, which is today. It was previously extended from January 1, 1946, until today, in order to accommodate two or three committees which were late in getting their budgets before the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. President, I intend to speak further on both these resolutions when the Senate has before it the Budget requests covering the borrowed staffs of Senate committees, but today I merely wish to submit for the RECORD a series of tables giving data on borrowed staffs of several of the principal committees using these borrowed staffs. I have made this compilation from the reports which have been placed in the RECORD monthly.

In the press of business I have not been able to complete the tables showing all the borrowed staffs, but I hope to have the remainder of the tables ready before the day is over, and I ask unanimous consent that they be included in the RECORD with the data I am now submitting.

The whole is merely a complete record of facts under Resolution 319, which has been reported to the Senate, month by month since August 1944, as I have stated. I think it is important to an understanding of the two resolutions that the tables be printed in the RECORD, because from now on there will be no more reports. The borrowing of help is supposed to have been terminated, and all committees are supposed to have presented their budgets and to be now operating under budgets, including subcommittees, standing committees, and special committees which have been set up by resolution.

There being no objection, the tables referred to were ordered to be printed in the RECORD, as follows:

Individuals borrowed for Senate committee service and total annual rates paid, by months August 1944 to February 1946

Committees and subcommittees	1944										1945									
	August		September		October		November		December		January		February		March		April		May	
	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary
Agriculture and Forestry	1	$3,600																		
Appropriations	1	3,500	4	$19,500	4	$19,500	4	$19,500	4	$19,500	4	$19,500	4	$19,500	4	$19,500	4	$19,500	4	$19,500
Banking and Currency																	3	8,500	3	9,000
Education and Labor:																				
Subcommittee on Wartime Health and Education			12	33,200	13	38,840	13	38,840	12	37,600	11	35,300	13	46,000	13	41,440	15	49,240	14	43,040
Interstate Commerce																	1	1,800	1	1,800
Military Affairs	4	15,800	2	7,800	2	7,800	4	15,800	4	15,800										
Subcommittee on War Mobilization	11	38,440	11	39,000	11	39,000	10	37,000	10	37,000	12	44,000	13	50,500	13	50,500	13	50,500	13	51,300
Subcommittee on War Contracts	9	29,460	8	26,460	7	19,960	5	20,300	6	22,300	4	16,400	4	17,900	4	17,900	6	26,600	5	21,600
Naval Affairs [1]	2	7,512	2	7,512	2	7,512	2	7,512	2	7,512	2	7,512	2	7,512	2	7,512	2	7,512	2	7,512
Senate Naval Liaison Office [2]			4	7,104	4	7,104	4	7,104	4	7,104	4	7,104	4	7,104	4	7,104	4	7,104	4	7,464
Pensions	1	5,000	1	5,000	1	5,000	1	5,000	1	5,000	1	5,000	1	5,000	1	5,000	1	5,000	1	5,000
Public Lands and Surveys	2	7,000	2	7,000	2	7,000	2	7,000	2	7,000	2	7,000			2	7,000	2	7,000	2	7,000
Special Committees:																				
On Atomic Energy																				
To Investigate the National Defense Program			5	23,100	5	23,100	5	23,600	4	17,600	4	17,600							4	17,200
Postwar Economic Policy and Planning [3]		3,700		3,700		3,800														
To Study and Survey the Problems of Small Business Enterprises	23	76,800	22	75,700	23	81,600	23	82,200	24	83,820	23	81,920	23	81,910	23	81,920	25	91,840	25	91,840
Total	54	190,812	73	255,076	74	260,216	73	263,856	73	260,236	67	241,336	64	235,436	66	237,876	76	274,596	68	285,256

Committees and subcommittees	1945—Continued														1946			
	June		July		August		September		October		November		December		January		February	
	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary
Appropriations	4	$19,500	4	$22,030.00	2	$10,200.00	1	$3,970.00	1	$3,970.00	1	$3,970.00	1	$3,970.00	1	$3,970.00	1	$3,970.00
Banking and Currency	5	19,200			7	31,984.00	7	31,984.00			3	14,050.00			3	14,050.00	3	14,050.00
Education and Labor			1	4,300.00	2	7,060.00			2	17,060.00	3	12,680.00	1	5,600.00	1	5,600.00	2	11,830.00
Subcommittee on Wartime Health and Education	13	41,040	12	45,269.00	13	47,009.00	18	64,689.00	18	64,469.00	18	66,119.00	17	59,991.00	14	51,687.00	13	46,507.00
Finance											2	7,976.00			2	7,976.00	2	7,976.00
Interstate Commerce	1	1,800	1	1,800.00	1	1,800.00	1	1,800.00	1	1,800.00	1	1,800.00			1	1,800.00	1	1,800.00
Military Affairs:																		
Subcommittee on War Mobilization	12	44,800	12	51,532.50	12	51,532.50	11	49,212.50	10	46,952.50	10	48,002.50	10	48,002.50	10	48,002.50	10	48,002.50
Subcommittee on Surplus Property	5	20,100	5	22,490.00	5	23,850.00	3	12,450.00	3	12,450.00	3	12,450.00			2	10,130.00	3	12,230.00

Footnotes at end of table.

Individuals borrowed for Senate committee service and total annual rates paid, by months August 1944 to February 1946—Continued

Committees and subcommittees	1945—Continued														1946			
	June		July		August		September		October		November		December		January		February	
	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary	Number	Total base salary
Naval affairs [1]	2	$7,512	2	$7,512.00	2	$7,588.00	2	$7,588.00	3	$9,024.00	3	$9,175.00	3	$9,175.00	3	$9,175.00	3	$9,175.00
Senate Naval Liaison Office [2]	4	7,464	4	7,464.00	4	7,104.00	4	7,104.00	7	8,588.00	7	12,458.00	6	12,346.00	6	12,696.00	6	12,696.00
Pensions	1	5,000	1	5,600.00	1	5,600.00	1	5,600.00										
Public Lands and Surveys	2	7,000	2	7,000.00	2	7,000.00	2	7,000.00			2	7,000.00						
Special Committees:																		
On Atomic Energy													3	18,812.50				
To Investigate the National Defense Program																		
Postwar Economic Policy and Planning [3]																		
To Study and Survey the Problems of Small Business Enterprises	22	81,640	20	84,904.00	16	75,250.00	16	76,717.50	16	76,717.50	10	50,480.00	10	50,480.00	8	37,915.00	7	35,525.00
Total	71	255,056	64	259,901.50	51	275,977.50	66	268,115.00	51	231,031.00	63	246,140.50	51	208,377.00	61	203,001.50	60	203,771.50

[1] 1 person, $162 per month subsistence additional. 2 persons, $91.50 per month subsistence additional.
[2] Subsistence additional for all persons.
[3] 1 person approximately 4 days at $25 per day. 2 persons not compensated from committee funds. Approximately 4 days each.

Senate committees borrowing Government agency personnel and names of agencies from which borrowed (by numbers of borrowed persons)

Department or organization supplying borrowed personnel	Name of committee																		
	Agriculture and Forestry	Appropriations	Banking and Currency	Education and Labor	Interstate Commerce	Military Affairs Committee: Military Affairs	Military Affairs Committee: War Contracts Subcommittee	Military Affairs Committee: War Mobilization Subcommittee	Naval Affairs Committee: Naval Affairs	Naval Affairs Committee: Naval Liaison Office	Pensions	Finance	Postwar Economic Policy and Planning	Public Lands and Surveys	(Subcommittee on Military Affairs) Surplus Property	Special Committee on Small Business	Special Committee on National Defense Program	Subcommittee on Wartime Health and Education	Total
Agriculture:																			
Forest Service														2					2
Office of Labor																		1	1
Bonneville Power Administration																1			1
Commerce Department			1													1			2
Bureau of Census													1						1
District of Columbia government		1																	1
Farm Security Administration, Agriculture							1											1	2
Federal Bureau of Investigation, Justice		1																	1
Federal Communications Commission					1														1
Federal Public Housing Authority																		7	7
Federal Security Agency, U. S. Public Health																		1	1
Federal Works Agency																		1	1
Foreign Economic Administration							1	2								4			7
General Accounting Office		2						3										1	3
Interior Department																			3
Justice Department							1												1
Labor Department				4														2	6
Maritime Commission																2	2		4
National Housing Agency								3										1	4
Navy Department			1													1		6	8
Bureau of Naval Personnel							3		1	10					3				17
Office, Chief of Naval Operations									3										3
U. S. Navy																		1	1
Office of Price Administration								2								3	1	1	7
Office, War Mobilization and Reconversion								2											2
Reconstruction Finance Corporation			5				3								2	5			15
Smaller War Plants Corporation			1				3								2	1			7
State Department								1											1
Treasury Department			2										1						3
Veterans' Administration											1	2						6	9
War Department						2	1									1			4
Adjutant General's Office						1													1
Finance Office, Pentagon																	3		3
Legislative and Liaison Division						2													2
Office of Chief of Staff																			
U. S. Army																		1	1
War Manpower Commission								2								1			3
War Production Board							1	4								17		2	24
Private:																			
Hadlick, lawyer	1																		1
Starrett Bros. & Eken													1						1

Special Committee to Investigate the National Defense Program

Name and address	Name of department or organization by whom paid	Annual rate of compensation					
		1944				1945	
		September	October	November	December	January	May
1. Martinez, Joe L., 208 Massachusetts Ave. NE	U. S. Maritime Commission	$3,800	$3,800	$3,800	$3,800	$3,800	$3,800
2. Parks, Franklin N., 4021 Benton St. NW	Office of Price Administration	3,800	3,800	3,800	3,800	3,800	3,800
3. Lowe, Brig. Gen. Frank E., 1316 New Hampshire Ave.	Finance Office, Pentagon	6,000	6,000	6,000	6,000	6,000	6,000
4. Vaughan, Col. Harry, 1609 Oak Crest Dr., Alexandria, Va.	do	3,500	3,500	4,000	4,000	4,000	
5. Murtagh, Maj. James P., 808 South Ivy St., Arlington, Va.	do						3,600
6. Robinson, Harold G., 3446 Highwood Dr. SE	Maritime Commission	6,000	6,000	6,000			
Monthly totals		23,100	23,100	23,600	17,600	17,600	17,200

Special Committee on Postwar Economic Policy and Planning

Name and address	Name of department or organization by whom paid	Annual rate of compensation, 1944		
		August	September	October
1. Cahill, Claire,[1] Washington, D. C	Commerce, Bureau of Census	$3,700	$3,700	
2. Colean, Miles L.,[2] Washington, D. C	Starrett Bros. & Eken	Unknown	Unknown	Unknown
3. Hansen-Moller, Borge,[3] Washington, D. C	Treasury Department			$3,800

[1] Performed approximately 4 days of statistical work on housing study; not compensated from committee funds.
[2] Performed approximately 4½ days' work; compensated at rate of $25 per day.
[3] Performed approximately 4 days' work; not compensated from committee funds.

Agriculture and Forestry

Name and address	Name of department or organization by whom paid	Annual rate of compensation, 1944				
		August	September	October	November	December
1. Hadlick, Paul E., National Press Bldg.	Lawyer	$3,600				

Military Affairs Committee

Name and address	Name of department or organization by whom paid	Annual rate of compensation, 1944				
		August	September	October	November	December
1. Stothart, Theodore S., 3801 4th St. SE	Adjutant General's Office, War Department	$1,800	$1,800	$1,800	$1,800	$1,800
2. Tishendorf, Amy J., 4434 1st St. NE	Office of Chief of Staff, Legislative and Liaison Division, War Department.				2,000	2,000
3. Sanders, Col. Lewis, 1911 R St. NW	War Department	6,000	6,000	6,000	6,000	6,000
4. Watt, Col. David A., Clinton, Md	do	6,000			6,000	6,000
5. Rice, Helen A., 1324 Monroe St. NW	War Department, Legislative and Liaison Division	2,000				
Monthly totals		15,800	7,800	7,800	15,800	15,800

Appropriations Committee

Name and address	Name of department or organization by whom paid	Annual rate of compensation																		
		1944					1945											1946		
		Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1. Feeny, John F., 1425 Rhode Island Ave. NW.	General Accounting Office.		$6,400	$6,400	$6,400	$6,400	$6,400	$6,400	$6,400	$6,400	$6,400	$6,400	$7,070							
2. Merrick, Harold E., 906 Aspen St. NW.	do		4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	5,600	$6,230						
3. Scott, Thomas J., 1210 34th St. SE.	F. B. I.—Department of Justice.		4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	5,390							
4. Mizen, Mrs. Mamie L., 1434 Saratoga Ave. NE.	District of Columbia government.	$3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,970	3,970	$3,970	$3,970	$3,970	$3,970	$3,970	$3,970
Monthly total		3,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	22,030	10,200	3,970	3,970	3,970	3,970	3,970	3,970

Committee on Public Lands and Surveys

Name and address	Name of department or organization by whom paid	Annual rate of compensation															
		1944					1945										1946
		Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Mar.	Apr.	May	June	July	Aug.	Sept.	Nov.	Dec.	Jan.
1. Haskell, E. S.	Forest Service, Department of Agriculture.	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000
2. Heckman, Elizabeth	do	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Monthly total		7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000

Committee on Interstate Commerce

Name and address	Name of department or organization by whom paid	Annual rate of compensation									
		1945								1946	
		April	May	June	July	August	September	October	November	January	February
1. Kidwell, Mrs. Alma B., 113 Park Boulevard, SE.	Federal Communications Commission.	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800

Committee on Pensions

Name and address	Name of department or organization by whom paid	Annual rate of compensation													
		1944					1945								
		August	September	October	November	December	January	February	March	April	May	June	July	August	September
1. Meyerle, Louis J., 612 Bennington Dr., Silver Spring, Md.	Veterans' Administration	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000

Committee on Finance

Name and address	Name of department or organization by whom paid	Annual rate of compensation		
		1945, November	1946	
			January	February
1. Miller, Fred R., 7535 17th St NW	Veterans' Administration	$5,810	$5,810	$5,810
2. Heck, Bertha M., 3107 Mount Pleasant NW	do	2,166	2,166	2,166
Monthly total		7,976	7,976	7,976

Special Committee on Atomic Energy

Name and address	Name of department or organization by whom paid	Annual rate of compensation paid December 1945
1. Condon, Edward W., 3324 Military Road	Bureau of Standards	$9,800.00
2. Newman, James, 1321 Holly St. NW	Office of War Mobilization	9,012.50
3. Bultzberger, Jean,* 1457 Belmont St. NW	National Institute of Public Affairs	
Monthly total		18,812.50

*Employed without compensation under title of intern—a student studying committee procedure.

Subcommittee on War Mobilization

Name and address	Name of department or organization by whom paid	Annual rate of compensation									
		1944					1945				
		August	September	October	November	December	January	February	March	April	May
1. Gertler, Ann S., 3721 39th St. NW	Department of the Interior	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000
2. Karasik, Joan P., 1919 19th St. NW	Foreign Economic Administration						3,800	3,800	3,800	3,800	3,800
3. Larson, C. Theodore, 3917 North 5th St., Arlington, Va.	National Housing Agency	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
4. Manuel, Fritzie P., 1621 T St. NW. (Transferred December 1945).	War Manpower Commission; State Department.	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	4,600

Subcommittee on War Mobilization—Continued

Name and address	Name of department or organization by whom paid	Annual rate of compensation									
		1944					1945				
		August	September	October	November	December	January	February	March	April	May
5. McConkey, Darel, 509 Fontaine St., Alexandria, Va. (Transferred, November, 1945).	War Production Board; Department of the Interior.	$4,600	$4,600	$4,600	$4,600	$4,600	$4,600	$4,600	$4,600	$4,600	$4,600
6. Moen, Cora L., 5327 16th St. NW	Office of Price Administration	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
7. Oleksy, Elizabeth H., 1620 Fuller St. NW. (Transferred. November 1945).	War Production Board, Office of War Mobilization and Reconversion.	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600
8. Oliveto, Mary Jane, 500 B St. NE	National Housing Agency									1,800	1,800
9. Rosenberger, Francis Coleman, 5814 64th Ave., East Riverdale, Md.	Office of Price Administration	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600
10. Schimmel, Herbert, 3604 Minnesota Ave. SE. (Transferred, November 1945.)	War Production Board; Office of War Mobilization and Reconversion.	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
11. Boyce, Virginia, 3810 W St. SE	Department of the Interior	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800		
12. Heslep, Hope C., 2 East Maple St., Alexandria, Va.	War Manpower Commission	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
13. Tillis, Marjorie S., 211 Delaware Ave. SW	Foreign Economic Administration						3,200	3,200	3,200	3,200	3,200
14. Kramer, Charles, 4621 South 34th St., Arlington, Va.	Office of Price Administration							6,500	6,500	6,500	6,500
15. Prouty, Dieyrelis M., 2006 N St. NW	War Production Board		2,000	2,000							
16. Moore, Walter Louis, 2220 Perry St. NW	National Housing Agency	1,440									
Monthly total of annual salary rates		38,440	39,000	39,000	37,000	37,000	44,000	50,500	50,500	50,500	51,300

Name and address	Name of department or organization by whom paid	Annual rate of compensation—Continued								
		1945—Continued							1946	
		June	July	August	September	October	November	December	January	February
1. Gertler, Ann S., 5721 38th St. NW	Department of the Interior	$2,000	$2,980.00	$2,980.00	$2,980.00	$2,980.00	$2,980.00	$2,980.00	$2,980.00	$2,980.00
2. Karasik, Joan P., 1919 19th St. NW	Foreign Economic Administration	3,800	4,300.00	4,300.00	4,300.00	4,300.00	4,300.00	4,300.00	4,300.00	4,300.00
3. Larson, C. Theodore, 3517 North 5th St., Arlington, Va.	National Housing Agency	5,600	6,230.00	6,230.00	6,230.00	6,230.00	6,230.00	6,230.00	6,230.00	6,230.00
4. Manuel, Fritzie P., 1621 T St. NW. (Transferred, November 1945.)	War Manpower Commission; State Department.	4,600	5,180.00	5,180.00	5,180.00	5,180.00	5,180.00	5,810.00	5,180.00	5,180.00
5. McConkey, Darel, 509 Fontaine St., Alexandria, Va. (Transferred, November, 1945.)	War Production Board; Department of the Interior	4,600	5,180.00	5,180.00	5,180.00	5,180.00	6,230.00	6,230.00	6,230.00	6,230.00
6. Moen, Cora L., 5327 16th St. NW	Office of Price Administration	2,000	2,320.00	2,320.00	2,320.00	2,650.00	2,650.00	2,650.00	2,650.00	2,650.00
7. Oleksy, Elizabeth H., 1620 Fuller St. NW. (Transferred, November 1945.)	War Production Board; Office of War Mobilization and Reconversion.	2,600	3,090.00	3,090.00	3,090.00	3,090.00	3,090.00	3,090.00	3,090.00	3,090.00
8. Oliveto, Mary Jane, 500 B St. NE	National Housing Agency	1,800	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00	2,100.00
9. Rosenberger, Francis Coleman, 5814 64th Ave., East Riverdale, Md.	Office of Price Administration	4,600	5,180.00	5,180.00	5,180.00	6,230.00	6,230.00	6,230.00	6,230.00	6,230.00
10. Schimmel, Herbert, 3604 Minnesota Ave. SE. (Transferred, November 1945.)	War Production Board; Office of War Mobilization and Reconversion.	8,000	9,012.50	9,012.50	9,012.50	9,012.50	9,012.50	9,012.50	9,012.50	9,012.50
11. Boyce, Virginia, 3810 W St. SE	Department of the Interior									
12. Heslep, Hope C., 2 East Maple St., Alexandria, Va.	War Manpower Commission	2,000	2,320.00	2,320.00						
13. Tillis, Marjorie S., 211 Delaware Ave. SW.	Foreign Economic Administration.	3,200	3,640.00	3,640.00	3,640.00					
14. Kramer, Charles, 4621 South 34th St., Arlington, Va.	Office of Price Administration.									
15. Prouty, Dieyrelis M., 2006 N St. NW	War Production Board									
16. Moore, Walter Louis, 2220 Perry St. NW	National Housing Agency									
Monthly total of annual salary rates		44,800	51,532.50	51,532.50	49,212.50	46,952.50	48,002.50	48,002.50	48,002.50	48,002.50

Education and Labor Committee

Name and address	Name of department or organization by whom paid	Annual rate of compensation						
		1945					1946	
		July	August	October	November	December	January	February
1. Gauntlett, Helen, 1634 I St. NW	Department of Labor	$4,300	$4,300	$4,300	$4,300			
2. Kreamer, Virginia, 3918 16th St. NE	do		2,760	2,760	2,760			
3. Nelson, John W., 2745 29th St. NW. (see Small Business)	do				5,600	$5,600	$5,600	$5,600
4. McMurray, Joseph P., 120 C St. NE. (see Wartime Health and Education)	do							6,230
Monthly total		4,300	7,060	7,060	12,660	5,600	5,600	11,830

Subcommittee on Wartime Health and Education

(In January of 1946 the subcommittee suddenly dropped the "Wartime" from its title)

Name and address	Name of department or organization by whom paid	1944				1945												1946	
		Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1. April, Lauretta (transferred November 1945), 2714 Quarry Rd. NW.	War Production Board, National Housing Agency.	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200	$3,200	$4,300	$4,300	$4,300	$4,300	$4,300	$4,300	$4,300	$4,300
2. Curtis, Philip C., 4303 Russell Ave., Mount Rainier, Md.	Navy Department	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	5,180	4,600	4,600	4,600	4,600	4,600	4,600	4,600
3. Gerber, Rose (transferred to Veterans' Administration in December 1945), 2573 14th St. NE.	Navy Department, Veterans' Administration.				2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	3,047		
4. Lund, Harold, 476 N St. SW.	Navy Department		6,200	6,200	6,200	6,200	6,200	6,200	6,200										
5. Malmberg, Carl, 1813 F St. NW.	Federal Security Agency.	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	7,175	7,175	7,175	7,175	7,175			
6. Morgan, Love, 1607 18th St. SE.	Veterans' Administration.	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,320	2,320	2,320	2,320	2,650	2,650	2,650	2,650
7. Morgenstein, Ruth, 3022 Rodman St. NW.	do	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,980	2,980	2,980	2,980				
8. Raschella, Dolores, 3028 Wisconsin Ave. NW.	Federal Public Housing Administration.	2,000	2,000	2,000	2,000	2,000							2,320	2,320	2,320	2,320	2,320	2,320	2,320
9. Roth, Renee (transferred to Veterans' Administration, December 1945), 1614 North Queen St., Arlington, Va.	Federal Works Agency, Veterans' Administration.	2,600	2,600	2,600	2,600	2,600													
10. Falk, Capt. Leslie, AUS, Medical Corps, 2804 Terrace Rd., SE.	U. S. Army, Pentagon	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
11. Truslow, Lt. Comdr. John B., USNR, Medical Corps, 2007 Peabody St., West Hyattsville, Md.	U. S. Navy	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
12. Conklin, Groff (transferred to FSA in November 1945), 514 2d St. NW.	War Production Board, U. S. Public Health Service, FSA.						5,000	5,600	5,600	5,600	5,600	6,230	6,230	6,230	6,230	6,230	6,230	6,230	6,230
13. Daniels, Richard P., 1743 Columbia Rd. NW.	Federal Public Housing Authority.							1,440	1,440	1,440	1,440	1,704	1,704	1,704	1,704	1,704	1,704		
14. Fine, Ruth, 804 Houston Ave., Takoma Park, Md.	do						2,000	2,000	2,000	2,000	2,000								
15. Schwartz, Sari, 1701 16th St. NW.	do						2,000	2,000	2,000	2,000									
16. Dillon, Marion, 120 C St. NE.	Department of Labor								4,600	4,600	4,600	5,180	5,180	5,180	5,180	5,180	5,180	5,180	
18. Bragman, Charles, Arlington Village Apartments, Arlington, Va.	Federal Public Housing Authority.													6,440	6,440	6,440	6,440	6,440	6,440
19. Brimberg, Betty, 5331 16th St. NW.	Farm Security Administration.													2,100	2,100	2,100	2,100	2,100	2,100
20. Daines, Patricia, 2000 F St. NW.	Department of Labor													2,320	2,100	2,100	2,100		
21. Rossoff, Milton, 2712 29th St. SE.	Department of Agriculture.													4,500	4,500	4,500	4,500		
22. Caldbeck, Olive F., 237 Mississippi Ave., SE.	Federal Public Housing Authority.													2,320	2,320	2,320	2,320	2,320	2,320
23. Leroy, Bernard, Bethesda, Md.	Navy Department						6,000									7,500	7,500	7,500	7,500
24. Hazor, Doris B., 5018 25th St., Arlington, Va.	Office of Price Administration.	2,600	2,600	2,600	2,600														
25. Durham, Billy Jean, 1960 Fendall Ave. SE.	Federal Public Housing Authority.		1,440	1,440															
26. Marra, Eva Jo, 1803 Newton St. NW.	Navy Department	1,800	1,800	1,800															
27. Johnson, Jeannette, 3017 G St. SE.	Veterans' Administration.	2,000																	
28. Cohen, Ross G., 2513 14th St. NW.	do																	3,047	3,047
Monthly total		33,200	38,840	38,840	37,600	35,300	46,000	41,440	49,240	43,040	41,040	45,269	47,009	64,689	64,689	66,119	59,991	51,687	46,507

Special Committee to Study and Survey the Problems of Small Business Enterprises

Name and address	Name of department or organization by whom paid	Annual rate of compensation																	
		1944					1945											1946	
		Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1. Cheney, Brainard, 3418 Highland Dr. SE.	Foreign Economic Administration.		$6,500	$6,500	$6,500	$6,500	$6,500	$6,500	$6,500	$6,500									
2. Crivella, Agnes E., 1408 Buchanan St. NW.	War Production Board.	$2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	$2,700	$2,700	$3,090						
3. Abrams, Ruth B., 2515 K St. NW.	Foreign Economic Administration.	3,200																	
4. Boner, J. Russell, 4207 Russell Ave., Mount Rainier, Md.	Smaller War Plants Corporation.	4,600																	
5. Olsin, Jessma, 2205 S St. SE.	War Production Board.	1,800																	
6. Devitt, Emerald G., 2425 27th St. South, Arlington, Va.	do	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,100	2,100	2,100	2,430	$2,430	$2,430.00	$2,430.00			

Special Committee to Study and Survey the Problems of Small Business Enterprises—Continued

Name and address	Name of department or organization by whom paid	Annual rate of compensation																	
		1944					1945											1946	
		Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
7. Digges, Elsie A., 120 C St. NE.	War Production Board.	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800	$1,800	------	------	------	------	------	------	------	------
8. Evans, Harry J., 3010 Gainsville St. SE.	Reconstruction Finance Corporation.	------	------	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	$6,500	$7,175	$7,175	$7,175.00	$7,175.00	$7,175	$7,175	------	------
9. Forbes, F. Preston, 502 Four mile Rd., Alexandria, Va.	Department of Commerce.	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	5,180	5,180	5,180.00	5,180.00	7,175	7,175	$7,175	$7,175
10. Fuller, Carol M., 2101 S St. NW.	Office of Price Administration.	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,430	------	------	------	------	------	------	------
11. Gray, Scott K., Jr., 119 Joliet St. SW.	Reconstruction Finance Corporation.	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	5,180	5,180	5,390.00	5,390.00	5,390	5,390	------	------
12. Groeper, Stella J., 1127 Branch Ave. SE.	War Production Board; Reconstruction Finance Corporation.	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,980	2,980	2,980.00	2,980.00	2,980	2,980	2,980	3,000
13. Heckard, Dorothy M., Shreve Rd., Falls Church, Va.	War Production Board.	2,000	2,000	2,000	2,000	2,000	------	------	------	------	------	------	------	------	------	------	------	------	------	------
14. Kimball, Kathleen, 1701 Park Rd. NW.	----do----------	1,800	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	------	------	------	------	------	------	------	------
15. Lucas, Elizabeth P., 1730 North Quincy St., Arlington, Va.	----do----------	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,860	1,860	1,860	2,166	------	------	------	------	------	------	------
16. Miller, Lois M., 3120 Massachusetts Ave. SE.	----do----------	2,600	2,600	2,600	2,600	2,600	------	------	------	------	------	------	------	------	------	------	------	------	------	------
17. Nelson, John W. (see Education and Labor Committee), Delano Apartments.	----do----------	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	6,220	6,230	6,440.00	6,440.00	------	------	------	------
18. O'Mullane, Vernice M. (see War Contracts), Alcott Hall, Washington, DC.	----do----------	------	------	------	------	1,620	1,620	1,620	1,620	1,680	1,680	1,680	1,968	------	------	------	------	------	------	------
19. Purdy, Grace F., 230 Rhode Island Ave. NE.	Office of Price Administration.	3,200	3,200	3,200	3,200	3,200	3,300	3,300	3,300	3,300	3,300	3,300	------	------	------	------	------	------	------	------
20. Silverman, Arthur G., 719 D St. NE.	----do----------	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	------	------	------	------	------	------	------	------	------	------	------
21. Soule, George H., Lt., U. S. Navy, 4020 Beecher St. NW.	Navy Department.	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,400	2,400	2,400	2,400	2,400	2,400.00	2,400.00	2,400	2,400	2,400	------
22. Spicer, Lillian Evelyn 1708 Kilbourne Pl.	War Production Board; Reconstruction Finance Corporation.	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,980	2,980	3,090.00	3,090.00	3,090	3,090	3,090	3,090
23. Stockman, Frederick W., 4000 Cathedral Ave.	Maritime Commission.	4,600	4,600	4,600	4,600	4,600	5,000	5,000	5,000	5,000	5,000	5,000	5,600	5,600	5,600.00	5,600.00	5,600	5,600	5,600	5,600
24. Strubel, Margie L., 4632 12th St. NE.	War Production Board; Reconstruction Finance Corporation.	------	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	2,320	2,320	2,320.00	2,320.00	2,320	2,320	2,320	2,320
25. Thurman, Allen G., 9729 Bexhill Dr., Rock Creek Hills, Md.	Maritime Commission.	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	7,175.00	7,175.00	7,175	7,175	7,175	7,175
26. Van Tassell, Alfred J., 1622 Mount Eagle Pl., Alexandria, Va.	War Production Board.	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	7,175	7,175	7,437.50	7,437.50	------	------	------	------
27. Yelenesies, Olga, 240013th St. NW.	----do----------	2,000	2,000	2,000	2,000	2,000	2,100	2,100	2,100	2,100	2,100	2,100	------	------	------	------	------	------	------	------
28. Ray, Martha G., 5909 32d St. NW.	----do----------	------	------	------	------	------	2,100	2,100	2,100	2,100	2,100	2,100	2,430	2,430	2,430.00	2,430.00	------	------	------	------
29. Billings, F. O., Dodge Hotel.	Bonneville Power Administration.	------	------	------	------	------	------	------	------	3,800	3,800	------	------	------	------	------	------	------	------	------
30. Edelsberg, Herman, 2141 Suitland Ter. SE.	Foreign Economic Administration.	------	------	------	------	------	------	------	------	6,500	6,500	6,500	7,175	7,175	7,175.00	7,175.00	7,175	7,175	7,175	7,175
31. Pollack, Jack H., 4307 Russell Ave., Mount Rainier, Md.	War Manpower Commission.	------	------	------	------	------	------	------	------	4,600	4,600	------	------	------	------	------	------	------	------	------
32. Eccles, Parley P., 4408 1st Pl. NE.	War Department; Foreign Economic Administration.	------	------	------	------	------	------	------	------	------	6,500	6,500	7,175	7,175	7,175.00	7,175.00	------	------	------	------
33. Allen, Alice M., 1604 Q St. NW.	War Production Board.	------	------	------	------	------	------	------	------	------	------	------	2,320	2,320	2,320.00	2,320.00	------	------	------	------
Monthly total.	----------	76,800	75,700	81,600	82,200	83,820	81,920	81,920	81,920	91,840	91,840	81,640	84,904	75,250	76,717.50	76,717.50	50,480	50,480	37,915	35,535

War Contracts Subcommittee of Military Affairs

Name and address	Name of department or organization by whom paid	Annual rate of compensation									
		1944					1945				
		August	September	October	November	December	January	February	March	April	May
1. Borchardt, Kurt, 6007 34th Pl. NW	Smaller War Plants Corporation	$5,600	$5,600	$5,600	$5,600	$5,600	$5,600	$5,600	$5,600	$5,600	$5,600
2. Bowman, Ward,[1] Wilton Wood, Alexandria, Va.	Justice Department									6,500	6,500
3. Cheatham, Ann, 4000 South Capitol St. SE	Smaller War Plants Corporation					2,000	2,000	2,000	2,000	2,000	
4. Gross, Bertram, 613 South Quincy St., Arlington, Va.	Navy Department				6,500	6,500	6,500	8,000	8,000	8,000	8,000
5. Hamilton, Hilda, 705 18th St. NW	Reconstruction Finance Corporation									2,200	2,200
6. Phippen, Doris, 40 Plattsburgh Ct. NW	Navy Department	2,040	2,040	2,040	2,100	2,100	2,300	2,300	2,300	2,300	2,300
7. Regnier, Omer, 209 Franklin Ave., Silver Spring, Md.	Farm Security Administration	3,800	3,800	3,800	3,800	3,800					
8. Rubin, Edna, 1243 Holbrook Ter. NE	Reconstruction Finance Corporation				2,300	2,300					
9. Banner, Marion, 1302 Gallatin St. NW	do	2,300	2,300	2,300							
10. Fostner, Marion, Takoma Park, Md	Navy Department	2,600	2,600	2,600							
11. Mayer, Grace, 3610 Minnesota Ave. SE	Smaller War Plants Corporation	2,000	2,000	2,000							
12. O'Mullane, Vernice, Alcott Hall (see Small Business Committee).	War Production Board	1,620	1,620	1,620							
13. Timberg, Sigmund, 2215 42d St. NW	Foreign Economic Administration	6,500	6,500								
14. Nefflen, Maj. William E., Army-Navy Club	War Department	3,000									
Monthly totals		29,460	26,460	19,960	20,300	22,300	16,400	17,900	17,900	26,600	24,600

[1] Devoted approximately 50 percent of his time to subcommittee.

Surplus Property Subcommittee of Military Affairs

Name and address	Name of department or organization by whom paid	Annual rate of compensation								
		1945							1946	
		June	July	August	September	October	November	December	January	February
1. Borchardt, Kurt, 6007 34th Pl. NW. (transferred in July 1945).	Smaller War Plants Corporation, Reconstruction Finance Corporation.	$5,600	$6,230	$7,240	$7,240	$7,240	$7,240		$7,240	$7,240
2. Graham, Mabel, 1474 Columbia Rd. NW	Smaller War Plants Corporation	2,000	2,320	2,320	2,320	2,320	2,320			
3. Hamilton, Hilda, 705 18th St. NW	Reconstruction Finance Corporation	2,200	2,540	2,890	2,890	2,890	2,890		2,890	2,890
4. Gross, Bertram M., 613 S. Quincy St., Arlington (See Banking and Currency, and War Contracts).	Navy Department	8,000	8,750	8,750						
5. Phippen, Doris, 40 Plattsburgh Ct. NW	do	2,300	2,650	2,650						
6. Koyars, Lillian, 1830 R St. NW	do									2,100
Monthly totals		20,100	22,490	23,850	12,450	12,450	12,450		10,130	12,230

Banking and Currency Committee

Name and address	Name of department or organization by whom paid	Annual rate of compensation							
		1945						1946	
		April	May	June	August	September	November	January	February
1. Gross, Bertram M. (see War Contracts and Surplus Property) (transferred in August-September 1945) 613 South Quincy St., Arlington, Va.	Navy Department, Reconstruction Finance Corporation.			$8,000	$8,750	$8,750	$8,750	$8,750	$8,750
2. Abraham, Violet, 2300 19th St. NW	Reconstruction Finance Corporation			2,000	2,300	2,300			
3. Goldwasser, Betti C., 305 East George Mason Rd., Falls Church, Va.	Smaller War Plants Corporation	$4,600	$4,600	4,600	5,180	5,180			
4. Phippen, Doris (see War Contracts and Surplus Property), McLean Gardens, NW.	Navy Department			2,300	2,650	2,650	2,650	2,650	2,650
5. Steele, Ruth C., 4609 Quarles St. NE	Treasury Department				1,704	1,704			
6. Thompson, Samuel H., 3535 R St. NW	Commerce Department				8,750	8,750			
7. Zidel, Eve, 24 Crescent Rd., Greenbelt	Reconstruction Finance Corporation				2,650	2,650	2,650	2,650	2,650
8. Bryant, Lucile, 1016 16th St. NW	do	2,100	2,100						
9. Dishaw, Marion E., 1738 M St. NW	Treasury Department	1,800							
10. Ruben, Edna, 4110 14th St. NW	Reconstruction Finance Corporation		2,300	2,300					
Monthly total		8,500	9,000	19,200	31,984	31,984	14,050	14,050	14,050

Naval Affairs Committee

Name and address	Name of department or organization by whom paid	Annual rate of compensation																	
		1944					1945											1946	
		Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1. Saunders, Capt. James R., U. S. Navy, retired, 4105 Oliver St., Chevy Chase, Md.	Office of Chief of Naval Operations, Navy Department.	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000
2. Arkinson, Herbert S., chief yeoman, USNR, 2405 Pennington Rd, Trenton, N. J.	Bureau of Naval Personnel, Office of Chief of Naval Operations.	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,588	1,588	1,588	1,739	1,739	1,739	1,739
3. Flannery, John M., yeoman first class, 17 Livingston St., Binghamton, N. Y.	Office of Chief of Naval Operations.	------	------	------	------	------	------	------	------	------	------	------	------	------	------	1,436	1,436	1,436	1,436	1,436
Monthly total	------	7,512	7,512	7,512	7,512	7,512	7,512	7,512	7,512	7,512	7,512	7,512	7,512	7,588	7,588	9,024	9,175	9,175	9,175	9,175

Senate Naval Liaison Office

Name and address	Name of department or organization by whom paid	Annual rate of compensation																	
		1944				1945												1946	
		Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1. McLaughlin, Lt. Comdr. Frederick A., USNR, 317 Lyn Dr., Chevy Chase, Md.	Bureau of Naval Personnel, Navy Department.	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$2,400	$3,000	$3,000	$3,000	$3,000
2. Feeney, Lt. Comdr. Joseph G., USNR, 2745 29th St. NW.	do	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	3,150	3,150	3,150	3,150
3. Borsdorff, Lt. W. B., USNR, 1630 Rhode Island Ave. NW.	do	------	------	------	------	------	------	------	------	------	------	------	------	------	2,400	2,520	------	------	------
4. Jochman, Loretto F., yeoman 2d class, USNR, 3445 Oakwood Terrace NW.	do	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	------	------
5. St. Clair, Eleanor W., yeoman 2d class, USNR, 3445 Oakwood Terrace NW.	do	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	------	------
6. Huxman, J., seaman first class, USNR, Wave quarters D.	do	------	------	------	------	------	------	------	------	------	------	------	------	------	742	742	------	------	------
7. Wilson, Charlotte, seaman first class, Wave quarters D.	do	------	------	------	------	------	------	------	------	------	------	------	------	------	742	742	742	742	742
8. Harris, H., commander, USNR, 1835 Phelps Pl. NW.	do	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	3,150	3,500	3,500
9. Frank, Evelyn R., yeoman second class, Wave quarters E.	do	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	1,152	1,152
10. Stek, Mary Ruth, yeoman second class, Wave quarters E.	do	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	1,152	1,152
Monthly total	------	7,104	7,104	7,104	7,104	7,104	7,104	7,104	7,104	7,464	7,464	7,464	7,104	7,104	8,588	12,458	12,346	12,696	12,696

Mr. LUCAS. Mr. President, in view of what the Senator from Nebraska has said, I should like to make one further comment on what occurred before our committee this morning dealing with the termination of all special committees.

It was agreed by members of the Mead committee that they were of the opinion that they could finish their work by January 1 of next year. It was also agreed by the Kilgore committee, for which a resolution is now on the calendar, that they could finish their work and terminate the committee by January 1 next. It was also agreed that the committee set up under the resolution submitted by the Senator from Florida [Mr. PEPPER] would also be terminated at that time.

In other words, there is a feeling among members of these special committees—and I am very happy to report it—that sooner or later, and the sooner the better, so far as our committee is concerned, the special committees will terminate and finally find their way back into standing committees, where a subcommittee, or the full standing committee, can take care of the kind of work formerly handled by a special committee.

Mr. President, I merely wished to mention that fact, because I am satisfied that it is the feeling of the Senate as a whole that standing committees should perform the work of these special committees in 90 percent of the cases, and the sooner we return to the fundamentals which have existed in the Senate so far as standing committees are concerned, the better it will be for the United States Senate.

RESOLUTIONS OF TOPEKA (KANS.) TEACHERS ASSOCIATION COMMENDING THE GOVERNMENT FOR EFFORTS TO MAINTAIN A STABILIZED ECONOMY

Mr. BARKLEY obtained the floor.

Mr. CAPPER. Mr. President, will the Senator from Kentucky yield to me?

Mr. BARKLEY. I yield.

Mr. CAPPER. Mr. President, I have received resolutions adopted by the Topeka (Kans.) Teachers Association, commending the Federal Government for its efforts to maintain a stabilized economy, and urging further action to avoid inflation during postwar years. I ask unanimous consent to present the resolutions for appropriate reference and printing in the RECORD.

Mr. BARKLEY. Mr. President, I want to say that I am glad to yield to the Senator from Kansas to put in the RECORD resolutions commending the administration for its economic policy. I shall always be glad to yield to the Senator from Kansas for that purpose.

There being no objection, the resolutions presented by Mr. CAPPER, were received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Resolution commending the Federal Government for its efforts to maintain a stabilized economy and urging further action to avoid inflation during postwar years

Whereas living costs have been partially held in check during the war years; and

Whereas many powerful forces are now exerting extreme pressure on the Government to remove restrictions on inflation; and

Whereas many millions of workers can never hope to secure salary increases fast enough to catch up in a race with inflation: Therefore be it

Resolved by the Topeka Teachers' Association of Topeka, Kans., That suitable agencies and individuals of the United States Government be highly commended for their heroic efforts to keep the cost of living under control while the war was being fought; and be it further

Resolved, That suitable agencies and individuals of the United States Government be urged to stabilize our economy and exert every effort to avoid further inflation during the postwar years.

L. P. DITTEMORE,
President, Topeka Teachers' Association, Topeka, Kans.

Action taken on March 12, 1946.

SUGGESTED CHANGES IN OPA PROGRAM—LETTER FROM HAROLD C. BARNES

Mr. CAPPER. Mr. President, with the permission of the Senator from Kentucky, I should like also to say I have received a letter from Harold C. Barnes, secretary-treasurer of the Central States Salesmen's Association, representing 255 traveling salesmen in Kansas and Missouri, which suggests important changes in the OPA program. I think their suggestion is worthy of serious consideration by the Senate, and ask that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CENTRAL STATES SALESMEN'S ASSOCIATION,
Kansas City, Mo., March 7, 1946.

The Honorable ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.

DEAR SIR: Our organization is made up of 255 traveling salesmen who travel in Kansas and Missouri.

They have instructed their secretary by unanimous vote to write you regarding the OPA regulations now before the Senate and House Banking Committees, and to enter our protest to the extension of OPA in its present form.

We are not opposed to the OPA in its entirety, but rather to the specific sections of this regulation, namely M. A. P. (maximum average price), section 328B, and the provision regarding the pre-ticketing of merchandise by manufacturers.

We urge you to give this proposed extension of OPA serious consideration, especially the above-mentioned sections. Through observation, experiences, and contacts we are convinced that the above regulations are doing much to promote and help black markets, and are causing the whole structure of OPA to be weakened. If the above regulations are allowed to continue they will be a very detrimental factor in business recovery and will cause many injustices in the pursuit of free enterprise.

We feel that if you will give these regulations, especially MAP, careful study you will use your influence to correct the inequalities of these provisions and help eliminate them, should OPA be extended.

Our committee will carefully watch your action regarding this legislation and we wish to thank you in advance for your serious consideration of this matter.

Yours very truly,

HAROLD C. BARNES,
Secretary Treasurer.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	Overton
Austin	Hatch	Pepper
Bailey	Hawkes	Radcliffe
Ball	Hayden	Reed
Bankhead	Hickenlooper	Revercomb
Barkley	Hoey	Russell
Bilbo	Huffman	Saltonstall
Briggs	Johnson, Colo.	Shipstead
Brooks	Johnston, S. C.	Smith
Buck	Kilgore	Stanfill
Bushfield	Knowland	Stewart
Butler	La Follette	Taft
Byrd	Lucas	Taylor
Capehart	McClellan	Thomas, Okla.
Capper	McFarland	Thomas, Utah
Carville	McKellar	Tobey
Connally	McMahon	Tunnell
Cordon	Magnuson	Tydings
Donnell	Maybank	Vandenberg
Eastland	Mead	Wagner
Ellender	Millikin	Walsh
Ferguson	Mitchell	Wheeler
Fulbright	Moore	Wherry
George	Morse	White
Gerry	Murdock	Wiley
Gossett	Murray	Willis
Green	Myers	Wilson
Guffey	O'Daniel	Young
Gurney	O'Mahoney	

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS] is absent because of illness.

The Senator from Alabama [Mr. HILL] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], and the Senator from Nevada [Mr. MCCARRAN] are absent on official business.

Mr. WHERRY. The Senator from Maine [Mr. BREWSTER] and the Senator from New Hampshire [Mr. BRIDGES] are necessarily absent.

The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The PRESIDENT pro tempore. Eighty-six Senators having answered to their names, a quorum is present.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, there will be some discussion—just how long no one can predict—on the nomination of Commodore Vardaman to be a member of the Federal Reserve Board. It is desired that that nomination be taken up and disposed of today. Therefore, I move that the Senate proceed to the consideration of executive business, so that we may have the time necessary to discuss the nomination and dispose of it this afternoon.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Duane B. Leuders, of Minnesota, to be a foreign service officer, unclassified, a vice consul of career, and a secretary in the diplomatic service, which was referred to the Committee on Foreign Relations.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Fleet Admiral William D. Leahy, United States Navy, to have the permanent grade of fleet admiral of the United States Navy, to rank from the 15th day of December 1944;

Fleet Admiral Ernest J. King, United States Navy, to have the permanent grade of fleet admiral of the United States Navy, to rank from the 17th day of December 1944;

Fleet Admiral Chester W. Nimitz, United States Navy, to have the permanent gade of fleet admiral of the United States Navy, to rank from the 19th day of December 1944;

Fleet Admiral William F. Halsey, Jr., United States Navy, to have the permanent grade of fleet admiral of the United States Navy, to rank from the 4th day of December 1945;

General Alexander A. Vandegrift, Commandant of the Marine Corps, to have the permanent grade of general in the Marine Corps from the 21st day of March 1945; and

Sundry naval aviators of the Marine Corps Reserve to be second lieutenants in the regular Marine Corps.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

FOREIGN SERVICE

The Chief Clerk read the nomination of W. Averell Harriman, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

Subsequently, during the course of Mr. DONNELL's speech,

Mr. BARKLEY. Mr. President, will the Senator from Missouri yield to me for the purpose of having the postmaster nominations on the calendar confirmed?

Mr. DONNELL. I yield with pleasure.

Mr. BARKLEY. I ask that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations of postmasters are confirmed en bloc.

Mr. BARKLEY. I ask that the President be immediately notified of the confirmation of all nominations confirmed today.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

FEDERAL RESERVE SYSTEM—JAMES K. VARDAMAN, JR.

The Chief Clerk read the nomination of James Kimble Vardaman, Jr., of Missouri, to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1946.

The PRESIDENT pro tempore. The question is: Will the Senate advise and consent to this nomination?

Mr. DONNELL. Mr. President, I oppose the confirmation of the nomination of Commodore James K. Vardaman, Jr., to be a member of the Board of Governors of the Federal Reserve System. My opposition is based on three grounds:

First. The Senate should not confirm the nomination of Commodore Vardaman unless the Senate has strong, convincing and preponderant affirmative reason to believe that he possesses all those qualifications which it is essential that a person have in order that his appointment to that office be in the best interest of the people of our Nation.

Second. The evidence fails to establish the existence of strong, convincing and preponderant affirmative reason to believe that Commodore Vardaman possesses all those qualifications which it is essential that a person have in order that his appointment to that office be in the best interest of the people of our Nation.

Third. To the contrary, the evidence affirmatively establishes that there are certain of those qualifications which Commodore Vardaman does not possess.

No argument is necessary to establish the first of those grounds, namely, that the Senate should not confirm the nomination of Commodore Vardaman unless the Senate has strong, convincing, and preponderant affirmative reason to believe that he possesses all those qualifications which it is essential that a person have in order that his appointment to that office be in the best interest of the people of our Nation. I do, however, at this point assert that it is especially important to the people that a member of the Board of Governors have those qualifications, because once appointed such member remains in office for a long term, and is not easily displaced. The term of the office to which Commodore Vardaman has been nominated is not 4 years or 6 years. The length of this term is 14 years. It is seven times that of a Member of the House of Representatives, three and a half times that of the President of the United States, and two and a third times that of a Member of the United States Senate. If the nomination of an appointee to this office shall be confirmed at this time, there will occur during his term of office three Presidential elections and less than 8 months will remain after the expiration of his term until a fourth election of President of the United States will take place. If a person, the nomination of whom to this office should now be confirmed, were soon to prove unsatisfactory to the people of our country, the Nation will nevertheless have a long period of waiting before a change can be made unless grounds of impeachment or removal for cause should arise.

I pass to the question as to whether the Senate has strong, convincing, and preponderant affirmative reason to believe that Commodore Vardaman possesses all those qualifications which it is essential that a person have in order that his appointment to the office of member of the Board of Governors of the Federal Reserve System be in the best interest of the people of our Nation.

Just what is the Board of Governors of the Federal Reserve System? The Board of Governors is a body of seven members. The Federal Reserve System includes the Board, the 12 Federal Reserve banks located in 12 respective cities of the Nation, the Federal Open Market Committee—which Committee is composed of the members of the Board of Governors and five representatives of the Federal Reserve banks—the Federal Advisory Council, and, as of December 31, 1945, member banks to the number of 6,884. There are also operated 24 branches of the Federal Reserve banks located in other cities of the United States. The member banks include, to quote the language of the Congressional Directory of January 1946—

> All national banks in the United States and such State banks, trust companies, Morris Plan banks, and mutual savings banks as have voluntarily applied to the Board of Governors for membership and have been admitted to the System.

The deposits of the 6,884 member banks on December 31, 1945, aggregated $129,500,000,000. The wide scope of the purposes of the act creating the System are indicated in the preamble, which reads:

> To provide for the establishment of Federal Reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes.

Vast powers are reposed by the law in the Board of Governors. Among those powers is to exercise general supervision over the Federal Reserve banks. The assets of the 12 Federal Reserve banks at the end of 1945 were $45,000,000,000. In 1944 in the operations of the Federal Reserve banks, the aggregate of the currency and coin which were received and counted, checks and collection items handled, issues, redemptions, and exchanges of United States Government obligations and transfer of funds was $1,167,209,152,000. The figures which I have given as to assets and aggregates just mentioned include not only the 12 Federal Reserve banks but also the 24 branches of the Federal Reserve banks previously mentioned.

The importance of the power of exercise of general supervision over the Federal Reserve banks, which power is possessed by the Board of Governors to which Commodore Vardaman has been nominated, is further indicated by the following statement, contained in the Congressional Directory of January 1946, with reference to the powers of Federal Reserve banks:

> Federal Reserve banks are authorized, among other things, to receive and hold on deposit the reserve balances of member banks; to issue Federal Reserve notes; to discount for their member banks notes, drafts, bills of exchange, and bankers' acceptances of short maturities arising out of commercial, industrial, or agricultural transactions, and short-term paper secured by obligations of the United States; to make advances to their member banks upon their promissory notes for periods not exceeding 90 days upon the security of paper eligible for discount or purchase or upon direct obligations of the United States, and for periods not exceeding 15 days upon certain other securities; to make advances upon security satisfactory to the Federal Reserve banks to member banks for periods not exceeding 4 months at a rate of interest at least one-half of 1 percent higher than that applicable to discounts and advances of the kinds mentioned above; in certain exceptional circumstances and under certain prescribed conditions, to make advances to groups of member banks; under certain prescribed conditions, to grant credit accommodations to furnish working capital for established industrial or commercial businesses for periods not exceeding 5 years, either through the medium of financing institutions or, in exceptional circumstances, directly to such businesses, and to make commitments with respect to the granting of such accommodations; in unusual and exigent circumstances, when authority has been granted by at least five members of the Board of Governors, to discount for individuals, partnerships, or corporations, under certain prescribed conditions, notes, drafts, and bills of exchange of the kinds and maturities made eligible for discount for member banks; to make advances to individuals, partnerships, or corporations upon their promissory notes secured by direct obligations of the United States for periods not exceeding 90 days; at the direction of the Federal Open Market Committee, to purchase and sell in the open market bankers' acceptances and bills of exchange of the kinds and maturities eligible for discount, obligations of the United States, and certain other securities; to act as clearing houses and as collecting agents for their member banks, and under certain conditions for nonmember banks, in the collection of checks and other instruments; to act as depositaries and fiscal agents of the United States; and to exercise other banking functions specified in the Federal Reserve Act.

Federal Reserve notes are not only a first and paramount lien on all assets of the Federal Reserve banks through which they are issued but they are also obligations of the United States. They are issued against the security of gold certificates and of commercial and agricultural paper discounts or purchased by Federal Reserve banks, and may also be secured by direct obligations of the United States.

Mr. President, not only, however, does the Board of Governors possess the power of exercising general supervision over the 12 Federal Reserve banks, but the Board possesses, in addition, numerous other powers of exceedingly great importance. For the substance and, in large part, the language of the summary which I shall now set forth, I am indebted to the Congressional Directory of January 1946, in which is set out an excellent compilation of these various important powers. Among those powers are the following:

First. Within certain limitations and in order to prevent injurious credit expansion or contraction, to change the requirements as to reserves to be maintained by member banks against deposits.

Second. In order to prevent the excessive use of credit for the purchase or carrying of securities, to regulate the amount of credit that may be initially extended and subsequently maintained on any security—with certain exceptions—registered on a national securities exchange.

Third. To perform various other functions which are designed to enable the Board to prevent an undue diversion of funds into speculative operations.

Fourth. To prescribe regulations with respect to extensions of credit, particularly credit for the purpose of purchasing consumers' durable and semidurable goods; under which authority, Mr. President, restrictions of credit have been applied to charge accounts, to installment purchases of certain articles, and to certain kinds of loans.

Fifth. To review and determine discount rates charged by the Federal Reserve banks on their discounts and advances.

Sixth. To make examination of the 12 Federal Reserve banks; to require statements and reports from such banks; to require the establishment or discontinuance of branches of such banks; to supervise the issue and retirement of Federal Reserve notes; and to exercise special supervision over all relationships and transactions of the 12 Federal Reserve banks with foreign banks or bankers.

Seventh. To pass on the admission of State banks, trust companies, Morris plan banks, and mutual savings banks to membership in the Federal Reserve System and to pass on the termination of membership of such banks; to examine member banks (which, as previously stated, on December 31, 1945 numbered 6,884) and affiliates of member banks; to receive condition reports from State member banks and their affiliates; to limit by regulation the rate of interest which may be paid by member banks on time and savings deposits; to issue voting permits to holding company affiliates of member banks entitling them to vote the stock of such banks at any or all meetings of shareholders of the member banks; to issue general regulations permitting interlocking relationships in certain circumstances between member banks and organizations dealing in securities or, under the Clayton Anti-Trust Act, between member banks and other banks; to remove officers—and, Mr. President, I call particular attention to this point—and directors of a member bank for continued violations of law or unsafe or unsound practices in conducting the business of such bank; to suspend member banks from the use of the credit facilities of the Federal Reserve System for making undue use of bank credit for speculative purposes or for any other purpose inconsistent with the maintenance of sound credit conditions; to pass on applications of State member banks to establish out-of-town branches; to pass on applications of national banks for authority to exercise trust powers or to act in fiduciary capacities; to grant authority to national banks to establish branches in foreign countries or dependencies or insular possessions of the United States, or to invest in the stock of banks or corporations engaged in international or foreign banking; and to supervise the organization and activities of corporations organized under Federal law to engage in international or foreign banking.

Eighth. To operate a settlement fund, by which balances due to and from the various Federal Reserve banks arising out of their own transactions or transactions of their member banks or of the United States Government are settled in Washington through telegraphic transfer of funds without physical shipments of currency.

Ninth. In exercising its supervisory functions over the Federal Reserve banks and member banks, to promulgate regulations, pursuant to authority granted by the law, governing certain of the abovementioned activities of Federal Reserve banks and member banks.

Tenth. To render services—as do also the Federal Reserve banks and their branches—relating to financial information, and so forth, to the War and Navy Departments and to cooperate with such Departments and the United States Maritime Commission in connection with guaranties of loans made under the Contract Settlement Act of 1944.

Mr. President, in addition to the foregoing vast powers of the Board of Governors of the Federal Reserve System to which Commodore Vardaman has been nominated by the President of the United States, each member of the Board of Governors is a member of the Federal Open Market Committee, the membership of which committee includes, in addition, five representatives of the Federal Reserve banks. Open market operations of the Federal Reserve banks are conducted under regulations adopted by the committee with a view to accommodating commerce and business and with regard "to their bearing upon the general credit situation of the country; and no Federal Reserve bank may engage or decline to engage in open-market operations except in accordance with the direction of and regulations adopted by the committee."

Mr. President, illustrative of the importance of the Board of Governors of the Federal Reserve System, to which Commodore Vardaman has been nominated for membership, may be quoted the following from the report of the Board concerning operations for the year 1944:

1. The Federal Reserve authorities pursued the policy inaugurated shortly after the outbreak of the war of keeping banks supplied with sufficient funds to buy such Government securities as were not sold to other investors. In doing this the Reserve banks added $7,000,000,000 to their holdings of Government securities and in addition made advances to member banks, which at one time during the year exceeded half a billion dollars. (P. 1.)

2. Federal Reserve operations in the open market were directed toward the objectives of supplying banks with reserves sufficient to purchase such Government securities as were not bought and held by other investors and of maintaining stable prices and yields on marketable Government securities. Federal Reserve holdings increased by $7,000,000,000 to a total of $19,000,000,000. During the previous year the increase was $5,000,000,000. (P. 3.)

3. Regulation V loans to industry have proved themselves to be of great value in time of war. (P. 14.) The Board and the Reserve Banks were active throughout the year in arranging for loans under regulation V. These loans, made by banks and guarantied in part by the Government, were used for financing war production and, to an increasing extent, to provide for funds that may be needed to release working capital pending settlement of canceled war contracts. (P. 1.)

4. On August 18, following passage of the Contract Settlement Act of 1944, the Director of Contract Settlement issued his general regulation No. 1 prescribing procedure and policies to be followed by the War and Navy Departments and the Maritime Commission in guaranteeing termination loans through the agency of the Federal Reserve banks. Such termination loans known as T loans are for the purpose of enabling war contractors to obtain the use of funds tied up in war production pending final settlement of claims arising from terminated contracts. (Pp. 13–14.)

Mr. President, obviously, possessed of authority such as has been described, the Board of Governors of the Federal Reserve System, to which Commodore Vardaman has been nominated, through their power over expansion and contraction of credit, may exert a profound and important influence toward inflation or deflation, and in so doing may vitally affect the welfare of every man, woman, and child in the United States.

Mr. Hord Hardin, executive vice president of the Mississippi Valley Trust Co. of St. Louis, Mo., was among those who indicated to the Subcommittee of the Banking and Currency Committee of the Senate their opinion that Commodore Vardaman is not qualified to serve as a member of the Board of Governors of the Federal Reserve System—page 572. There is sound reason in his observation that "I think the Federal Reserve System in the United States is the strongest, most important financial organization in the world today"—page 577.

What are the qualifications which it is essential that a person have in order that his appointment to the office of member of the Board of Governors of the Federal Reserve System be in the best interest of the people of our Nation? Many qualifications may occur to us as being desirable. Two, however, are essential. They are:

First. Such experience or ability along business and economic lines as will qualify the member to deal capably with the problems with which he will be confronted.

Second. Freedom from tendency to allow oneself to be influenced, in the performance of duty, by any consideration which is not consistent with public welfare.

Does the Senate have before it strong, convincing, and preponderant affirmative reason to believe that Commodore Vardaman possesses those two qualifications?

First, let us consider the evidence as it relates to whether he is the possessor of such experience or ability along business and economic lines as would qualify him to deal capably with the problems with which he, as a member of the Board of Governors, would be confronted. The evidence shows him to have practiced law with his older brother in Jackson, Miss., from 1914 until in 1917. Following military service from 1917 to 1919, he was for 7 years—that is until in or about 1926—engaged for a time in the investment business in St. Louis, Mo., with the Mortgage Trust Co. by which he was employed for a time in the firm of Little, Vardaman, & Bidding of which he was a member, and for a time with

Whitaker & Co. by which he was employed. Of his work in that period from 1919 to 1926 Commodore Vardaman says:

From 1919, upon discharge from military service, to 1926 I was engaged in the investment business in St. Louis, Mo. During that time I represented various banking syndicates in the purchase of municipal bonds, public utility and corporation bonds, real-estate bonds, and other similar securities. In this work, I traveled almost constantly throughout the United States, and acquired a working knowledge of the laws, industries, and resources, etc., of the States east of the Rocky Mountains and some of the far Western States.

Mr. President, numerous letters commendatory as to ability and character from persons of banking experience who knew Commodore Vardaman during the period of 1919–26, from then until the present year, and from some who knew him even earlier than 1919, were presented to the subcommittee. Mr. President, I invite attention, however, to the fact that no testimony or message was presented to the subcommittee from any person identified as a member, or employee, of either company by which he was employed during any part of the period of 1919–26, or of the firm of which he was a member during part of the period of 1919–26. Said letters are largely of a general nature and but little, if any, of their contents can be certainly construed to apply definitely to his work during that period.

Continuing, Commodore Vardaman stated to the subcommittee:

From 1926 to 1933 I was a loan officer with the title of assistant vice president, and later vice president, of the Liberty Central Trust Co., of St. Louis, and the First National Bank in St. Louis, handling credits for banks and corporations and individuals in the Middle West, South, Southwest, and Southeast. As a member of the loan committee of the First National Bank of St. Louis, I passed, with the other officers of the committee, on all of the loans and renewals made by that bank—then the largest bank west of the Mississippi River.

No testimony or message was presented from anyone identified as having been connected with the Liberty Central Trust Co. Mr. Harvey Welch, a vice president of the First National Bank of St. Louis, testified, respecting Commodore Vardaman—and it will be recalled that the First National Bank of St. Louis is one of the banks with which he was associated during the period from 1926 to 1933—as follows:

Mr. WELCH. There was a period from 1929 to 1933 when he was an officer in our bank that I was in contact with him all the time during that time.

Senator RADCLIFFE. What impressions did you form of him during those 4 years?

Mr. WELCH. Personally, Commodore Vardaman is a very likeable man.

Senator RADCLIFFE. What impressions did you form of his ability and the character of the services which he rendered the bank during that period?

Mr. WELCH. Well, my own personal impression was that he was, in connection with his job, or his attitude sometimes was, rather one of, well, sort of an indefinite attitude toward his job.

Senator RADCLIFFE. Indefinite?

Mr. WELCH. Sometimes there would be instances where I personally felt that it bordered on neglect.

From Mr. Welch's testimony it will be also observed that the number of men on the loan committee of which Commodore Vardaman testified he was a member was not a small restricted number, but was, to quote Mr. Welch, "approximately 2 dozen anyway."

Commodore Vardaman testified that he was loaned in 1932, which was during the time from 1926 to 1933, for a period of 6 months to the Federal Reserve bank. No testimony as to the quality of his work while with the Federal Reserve bank was presented.

As to the period from 1933 to 1937, Commodore Vardaman stated to the subcommittee:

From 1933 to 1937 I was manager of the Reconstruction Finance Corporation in the St. Louis district, which included Missouri, southern half of Illinois, western half of Indiana, and western half of Kentucky. As head of this Corporation in that area, I personally supervised the reorganization of more than 100 banks and trust companies; loaned more than $120,000,000 and before leaving the Reconstruction Finance Corporation had collected more than $100,000,000; and analyzed and declined loan applications amounting to more than $500,000,000.

Mr. President, a number of the letters on file with the subcomittee speak highly of his work with RFC. In addition, Mr. Charles T. Fisher, Jr., president of the National Bank of Detroit, a bank with deposits of a billion two hundred and fifty million dollars, who was manager of the Detroit Loan Agency of RFC and became acquainted with Commodore Vardaman when he came into RFC in 1933 endorsed Commodore Vardaman without reservation to sit with the Board of Governors of the Federal Reserve System.

Mr. Emil Schram, now president of the New York Stock Exchange, who was intimately associated with Commodore Vardaman in the RFC, of which Mr. Schram was a member—and Chairman in the period from 1939 to 1941, which period began 2 years after Commodore Vardaman's connection with the RFC—also testified without reservation that he has every reason to believe that Commodore Vardaman is well qualified for work of the sort, meaning work of a Governor of the Federal Reserve System.

Commodore Vardaman was president of the Tower Grove Bank & Trust Co., of St. Louis, between either July or September 1937 and August or September 1939, a period not exceeding approximately 2 years and 2 months, and not "about 2½ or 3 years," as his written statement and oral testimony stated. Of his presidency of said institution he stated to the subcommittee:

From 1937 to 1939 (about 2½ or 3 years) I was president of the Tower Grove Bank & Trust Co. of St. Louis. A change in executive management of this bank had been insisted upon by the Federal Reserve System. I was selected for the position, and I accepted with the understanding that I would stay with the bank only long enough to accomplish a complete reorganization.

During my administration as president, the bank increased in volume of business by nearly 50 percent, changed from an operational loss to the second largest earning bank in St. Louis, and became the fifth largest bank in volume of assets in St. Louis. At no time during my career as president of the bank did I have the wholehearted cooperation of its board, they having been forced to make a change in personnel and therefore regarding me more or less as a policeman. The bank was what is known as a German bank being located in South St. Louis where a large percentage of the population is German and most of the bank's customers, as well as most of the directors, were of pronounced German descent and sympathy.

In that respect I should like to interpolate that there was absolutely no intention of inpugning the standing or patriotism of these people to the United States Government. All this was back in 1937, before any question of loyalty or anything of that kind might come up.

Such a situation made impossible any continued happy association and as soon as the Federal Reserve bank approved my reorganization, I asked to be relieved. When I left, the bank paid me my full year's salary, and directed me to retain certain fees from receiverships which I had accepted as president of the bank, and gave me the automobile which the bank had purchased for my use as its president.

My work in reorganizing this bank was regarded as excellent by the Federal Reserve bank officials, the State banking officials, and the St. Louis Clearing House Association.

It is to be noted that, referring to the other persons in the Tower Grove institution, Commodore Vardaman also testified—page 78—"Our ideas clashed all the way through." Referring to two members of the Board of Directors, Commodore Vardaman was asked on cross-examination—page 89—"You had considerable contacts with these two gentlemen?"—to which question he replied, "Mostly unpleasant; yes, sir."

It will be recalled that Commodore Vardaman testified, in stating his Tower Grove experience, "I asked to be relieved." On cross-examination, however, he amplified that statement by saying:

I was going away on my first vacation. I called in three of the leading directors and said to those gentlemen: "I am going away. While I am gone I want you to make up your minds to one of two things, either that I am going to be released from my contract and get out of here, or else you have to get out. Life is too short to carry on this eternal battle. I do not have to do it and do not intend to do it."

I asked those gentlemen to meet with the Board, to argue the matter out and leave word for me at Chicago when I got back, either the end of July or the first of August, giving their final decision. If they wanted to stay then I wanted to get out. Mr. Dunbar came to Chicago and told me of the decision of the Board, that they would rather I would get out than for the other directors to get out. That was the basis of my departure.

Mr. President, in his testimony Commodore Vardaman referred to Mr. Alex Miltenberger, the gentleman whom the Commodore relieved as president of the Tower Grove Bank & Trust Co., and made chairman of his board, as "an elderly man, and a very fine character."

It may be of interest to note that there was made to the subcommittee of the Committee on Banking and Currency by myself an offer that Mr. Miltenberger could testify that Commodore Vardaman swore over the telephone, stating, in substance, "I don't give a"—then follows an oath in which the name of Deity appears—"about the directors."

The following cross-examination also occurred:

Senator DONNELL. Was there any criticism made by Mr. Miltenberger of yourself in relation to any language you used to customers or officers of the bank?

Commodore VARDAMAN. Never to any customers. I understand that he did direct some criticism toward me about my plain talk to directors. I was always most courteous to Mr. Miltenberger, who was an elderly man and a very fine character.

Senator DONNELL. Did that criticism consist of profanity?

Commodore VARDAMAN. That depends on what you mean by profanity. If it was a few damns, all right.

In connection with Commodore Vardaman's presidency of the Tower Grove Bank & Trust Co., attention is also directed to the testimony of Mr. Hord Hardin, of the Mississippi Valley Trust Co. In point of resources, the Mississippi Valley Trust Co. is the third largest banking institution in the city of St. Louis, and Mr. Hardin, as I recall, has been with that bank for some 43 consecutive years, a man of the highest standing and personality. This is what he said:

As I think I said here awhile ago, my original acquaintance with Commodore Vardaman did not bring me into business contact with him, but later on, when he was at the RFC in St. Louis, I had some contacts with him there, and formed a favorable impression as to his ability. Subsequently he became President of the Tower Grove Bank & Trust Co. Shortly after he became president of that institution I began to notice a decided change in the man's whole attitude and viewpoint. He apparently had gone through some sort of a transformation. He was egotistical, arrogant, critical of people who were entirely worthy, in my opinion. He was going to reorganize almost everything related to the banking business. He informed me one day, for instance, that he was going to reorganize the St. Louis Clearinghouse Association. I pointed out to him that he was Johnny-come-lately, as it were, as a bank president, and then one of the smaller banks in the clearinghouse, and I thought it would be extremely bad taste for him to presume to reorganize the St. Louis Clearinghouse Association, which had done pretty well for 50 or 60 years.

He then informed me in the same conversation that he also intended to reorganize the Federal Reserve Bank of St. Louis. Well, I gave him about the same advice on that subject as I had given him on the other.

Mr. President, further attention is called to Mr. Hardin's testimony as follows—and I ask Senators to pay special attention to this:

I have, as I stated awhile ago, formed a definite opinion that Commodore Vardaman is utterly lacking in the balanced judgment that any member of the Board of Governors of the Federal Reserve Board should possess.

That statement, Mr. President, comes from a man who had known Commodore Vardaman, as I recall, for approximately 20 years, and had had the contacts to which I have referred. This testimony comes from one of the leading bankers of the city of St. Louis, whose office, as I have indicated, is that of executive vice president of the third largest bank in the city of St. Louis.

Mr. President, as bearing on Commodore Vardaman's business ability to deal with problems which will confront the Board of Governors of the Federal Reserve Board System—and please remember again the tremendous powers, as I have attempted to outline them today, which the Board of Governors of this great, powerful Federal Reserve System exercise—I say, as bearing on Commodore Vardaman's business ability to deal with problems of the magnitude and intricacy and delicacy and difficulty, even involving international relationships, which will confront the Board of Governors of the Federal Reserve System—attention is called to certain testimony from James P. Hickok, president of the Manufacturers Bank of St. Louis. Mr. Hickok appeared solely for himself at the hearing, and not for any association, but I think it is not inappropriate to point out, as reflecting upon the capacity and standing of Mr. Hickok, that not only is he president of the Manufacturers Bank of St. Louis, but he is also president of the Missouri Bankers Association, which consists of some 600 members scattered all over the State of Missouri.

By the way, Mr. President, the testimony before the committee, from start to finish, was taken under oath, and every man who testified understood, or should have understood, the solemnity of the undertaking into which he had entered. Every man in the banking business certainly realizes the importance and delicacy of the testimony which he is called upon to give with respect to a man who is under consideration for appointment to the Board which will have the supervision to which I have referred.

Mr. Hickok, speaking of Commodore Vardaman, testified:

I do not think that such an appointment is justified, either by his experience or by his record, and I don't think he is qualified from the standpoint of temperament. Mr. Vardaman is a man of prejudices, or very violent likes and dislikes, which sometimes influence his judgment.

Attention is called to certain testimony of W. L. Hemingway, for about 13 years president of the Mercantile Commerce Bank & Trust Co., of St. Louis. I speak of St. Louis, Mr. President, because Commodore Vardaman has lived in the city of St. Louis for approximately the past 27 years, and the people of the city of St. Louis certainly have had opportunity to know something of this appointee whose nomination is now before the Senate for consideration.

As I have said, Mr. Hemingway for about 13 years has been the president of the Mercantile Commerce Bank & Trust Co., of St. Louis, the second banking institution in St. Louis in financial resources. The assets of the Mercantile Commerce Bank are in excess of $400,000,000.

Mr. Hemingway was president of the American Bankers' Association from the fall of 1942 to the fall of 1943. He came originally from Missouri's good State neighbor to the South, the State of Arkansas, one of the Senators from which I see on the floor of the Senate this afternoon. Mr. Hemingway came to Missouri, and there carved out for himself the high position of eminence which he occupies as the head of the great Mercantile Commerce Bank & Trust Co., and as past president, as I have said, of the American Bankers' Association, which position he held only a very few years ago. The standing of Mr. Hemingway is further indicated by the fact that it was but a few years ago that he was invited to England by the British Government to inform himself about conditions in England. What does Mr. Hemingway say? I quote from his testimony:

Mr. HEMINGWAY. I have known Commodore Vardaman for many years, and I have had no business transactions with him and no business relations. My acquaintance with him has been a very pleasant one, more or less casual.

I have known him as a young banker and businessman of St. Louis; and when I was asked my opinion as to his qualifications for this position, my answer was that I did not feel that his experience fitted him for the position. I base that just on my observation of him in St. Louis. The positions that he held were those of rather junior in the banks, and I thought that he had not had an opportunity to study and prepare himself for the duties of Governor of the Federal Reserve Board.

Mr. President, there was read to Mr. Hemingway on the stand, after he had so testified, much of the testimony which I have read here today of Commodore Vardaman, which was given in his own behalf concerning his investment banking experience from 1919 to 1926, his experience from 1926 to 1935 with the Liberty Central Trust Co. and the First National Bank in St. Louis, and his experience from 1933 to 1937 as manager of the Reconstruction Finance Corporation in the St. Louis district. That experience, as Senators recall, was to the effect that he had supervised the reorganization of more than 100 banks and trust companies, loaned more than $120,000,000, and collected more than $100,000,000, and analyzed and declined to loan on applications amounting to more than $500,000,000. There was read to Mr. Hemingway by the distinguished Senator from Colorado [Mr. MILLIKIN], who served upon the subcommittee, that portion of the testimony, and also the portion of his testimony in his own behalf concerning his connection with Tower Grove Bank & Trust Co. down through the place where he said he was considered as a "policeman" and in fact even a few words thereafter. Then there occurred the following interchange of question's answers between the Senator from Colorado and the witness, Mr. Hemingway, of the Mercantile Commerce Bank & Trust Co. and former president of the American Bankers' Association:

In view of the Commodore's statement of his own experience, does that modify the testimony that you have given in any respect?

Mr. HEMINGWAY. Well, I was familiar with that; yes.

Senator MILLIKIN. You took that into consideration?

Mr. HEMINGWAY. Yes.

Senator DONNELL. And your testimony is not altered in view of the statements read by Senator MILLIKIN?

Mr. HEMINGWAY. I was in a general way familiar with that statement; yes.

Senator MILLIKIN. My sole question is: Were you familiar with those facts?

Mr. HEMINGWAY. Yes.

Senator MILLIKIN. And did those facts enter into the opinion that you have given the committee?

Mr. HEMINGWAY. Yes.

Senators will remember the opinion expressed by Mr. Hemingway:

When I was asked my opinion as to his—

That is to say, Mr. Vardaman's—

qualifications for this position, my answer was that I did not feel that his experience fitted him for the position.

Mr. President, following his testimony concerning his experience at the Tower Grove Bank & Trust Co., Commodore Vardaman had the following to say concerning his subsequent business experience:

In the spring of 1939 I was asked by the Federal Court of the Eastern District of Missouri to accept appointment as receiver of the Hamilton Brown Shoe Co., and three and one-half million—

I think it means "a"—

a $3,500,000 concern engaged in the manufacture of men's, women's, and children's shoes. This company was hopelessly bankrupt, and I was directed by the court to report on the advisability of attempting a reorganization.

Then there was an intermediate question which has no particular bearing at this point.

Commodore VARDAMAN. After several months of intensive work it was verified that the company was not susceptible to reorganization and a report to this effect was filed with, and approved by, the Federal court.

I then resigned as receiver, and declined to accept, although it was offered to me by the court, the receivership. You see, I had been put in as reorganization trustee to analyze the possibilities of reorganization. When that turned out to be impossible I was not interested in becoming a mere receiver, so, I declined that position that was offered to me.

Then he proceeds:

From about January 1940 to June 1941, I was connected with the Collins-Morris Shoe Co., of St. Louis, the name of which was later changed to Vardaman Shoe Co. This company had been one of the principal creditors of the Hamilton Brown Shoe Co., and its financial condition had been materially affected by the failure of the Hamilton Brown Shoe Co. There was an interlocking situation involving officers and directors.

I was invited into the Collins-Morris organization by its president, vice president, and directors for the purpose of reorganizing it in an effort to save it from bankruptcy. The president and vice president had been estranged about a year or more before I joined the company; were not speaking to each other or seeing each other socially. The feeling was so intense that the company's already complicated affairs had suffered additionally as a result.

When I joined the company—

I call the Senate's attention especially to this—

When I joined the company, it was understood that I would not be active but would serve as chairman of the executive committee and director and in that capacity advise and direct with a view of saving the company. Shortly after joining the company, it was found that its condition was so much worse than anticipated, and its affairs and those of its presidents had become so involved that the president voluntarily withdrew. The vice president continued on with the company until (and my memory is not entirely clear on this date) about 30 or 60 days before I left the company in June 1941.

I call the Senate's attention especially to this:

About 30 or 60 days before I left the company in June 1941.

I was called to active duty in uniform as head of the United States Navy Intelligence Office in St. Louis in June 1941, and thereupon left the active management of the affairs of the company in the hands of one of the directors, the sales manager, and the comptroller. At that time, the company was continuing to have, as it always had, a terrific struggle because of insufficient operating capital; but was thought to be doing well under the circumstances, and it appeared that we would be able to save it.

In December 1941, or January 1942——

Mr. MORSE. Mr. President——

The PRESIDING OFFICER (Mr. CARVILLE in the chair). Does the Senator from Missouri yield to the Senator from Oregon?

Mr. DONNELL. I yield.

Mr. MORSE. I have been following the argument of the Senator from Missouri as carefully as I can. I wonder if the Senator will help me by answering a couple of questions as to the criteria which I think he feels should be applied in passing upon such a nomination as that of Commodore Vardaman. I take it the Senator would agree with me that there are two types of appointments upon which the Senate is called upon from time to time to pass judgment so far as confirmations are concerned. One is an appointment which arises under the Constitution itself, namely, the advice and consent clause, which deals with appointments to the President's Cabinet. The other class consists of nominations which arise under legislation enacted by the Congress calling for confirmation by the Senate of the nominations of the appointees. The particular appointment which the Senate is now considering arises under legislation rather than under the Constitution.

The first question I should like to ask the Senator from Missouri is whether or not, in the tests which should be applied to nominations by the Senate of the United States, he draws any distinctions between a nomination under the advice and consent clause and a nomination under a statute? In order to make perfectly clear what I have in mind, I should like to know whether the Senator feels that different tests should be applied by us as Senators to nominations under legislation from those which we apply to nominations under the Constitution.

Mr. DONNELL. In response to the inquiry of the distinguished Senator from Oregon, I should say that fundamentally the same test should apply, namely, first, whether or not the nominee possesses such experience or ability along the particular lines of the position to which he is appointed as will qualify him to deal capably with the problems with which he will be confronted; and, second, the character test, which I think should be applied in every instance, to every appointee. I may add to what I have stated that undoubtedly the duties of many Cabinet officials are of such profound difficulty and intricate nature that perhaps it is necessary to examine more carefully into the possession of the requisite qualifications than in the case of a subordinate officer who has but minor duties to perform. But on principle my judgment is that exactly the same tests apply, namely, capacity and integrity.

Mr. MORSE. If the Senator from Missouri will permit a further interruption, I shall disregard for the moment the difference which I have with him as to the tests which ought to be applied under the Constitution so far as the advice and consent clause is concerned, for I think the Senator knows, on the basis of past representations which I have made on the floor, that I think there is a rule of presumption which should be applied in the case of Cabinet post nominations, for example, somewhat different from the rule which should be applied under legislation. But coming to the particular nomination before us, which is pursuant to legislation, I understand that what the Senator is now arguing is that this nomination should not be confirmed by the Senate because he believes that the record will show that Commodore Vardaman does not have the experience which would establish the competency which he feels ought to be possessed by one who will exercise the powers and authority incident to the position to which the appointment is made. Am I correct?

Mr. DONNELL. The Senator is correct. I may state my proposition in this way: In my opinion, the evidence fails to disclose that Commodore Vardaman possesses such experience or ability along these various lines as will qualify him to deal capably with the problems which will confront him.

Mr. MORSE. Is the Senator contending, then, that Commodore Vardaman is not sufficiently competent to perform the work of the particular office to which he has been nominated?

Mr. DONNELL. In my judgment, he does not have the experience or the ability property to qualify him to perform those duties.

Mr. MORSE. So it is a test of competency?

Mr. DONNELL. Yes; depending upon what the Senator means by "competency." I define it as meaning experience or ability which will qualify him to deal capably with the problems which will confront him.

Mr. MORSE. The Senator from Missouri is being very kind to me. Will he permit an additional interruption?

Mr. DONNELL. I will if I may add one observation to what I have already stated. In addition to the test of what the Senator terms "competency," I undertake to say that not only does the evidence fail to show that Mr. Vardaman is free from a tendency to allow himself to be influenced by considerations not consistent with the public welfare, but the evidence affirmatively shows that he does have such a tendency as I have mentioned. I shall come to that later.

Mr. MORSE. May I ask the Senator a question about burden of proof in such matters as the nomination of a person

for appointment under an act of Congress? Is it the Senator's position that the burden is upon the appointing authority to prove first to the appropriate committee of the Senate to which the nomination goes for consideration and recommendation to the Senate that the person nominated does have, according to the Senator's definition sufficient competency to perform the duties of the position to which he has been nominated?

Mr. DONNELL. Mr. President, I do not think that there devolves upon the appointive power any duty of bringing affirmatively to the Senate proof upon which is based his belief as to the competency of the particular appointee. To my mind, however, the Senate has upon its shoulders a very solemn and important obligation, namely, when a nomination is submitted to the Senate, the Senate itself must go into the question and affirmatively determine whether or not the nominee does possess the qualifications which are requisite to the office to which he has been appointed.

Mr. MORSE. I agree with the Senator that there is no burden resting upon the Executive to advance any affirmative proof in support of the competency of his nominee; but I thought, as a matter of record, in order to make perfectly clear the Senator's position, that we ought to have an answer to that question.

In his reply to my question about burden of proof the Senator has partially answered the next question I wished to ask him. The nomination is made to the Senate in a given case and referred to a committee. It has been referred to a committee in this instance, in due form. Is it the position of the Senator from Missouri that the committee, when it starts to consider a nomination, proceeds upon the premise of any presumption in favor of the nomination?

Mr. DONNELL. I do not consider that to be the function of the committee. In my judgment, the committee has before it the question as to whether or not the nomination of the particular individual should be confirmed by the United States Senate. The committee enters upon that investigation and should determine for itself from the evidence presented to it, or evidence which it may present, whether or not the individual possesses the necessary qualifications.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Has there been any suggestion here that the committee did not engage in that task?

Mr. DONNELL. I have heard no such suggestion.

Mr. MORSE. Mr. President, will the Senator further yield?

Mr. DONNELL. I yield.

Mr. MORSE. When the committee proceeds, according to the Senator's theory so far as confirmations and nominations are concerned, tabula rasa, so to speak, without any presumption accruing to the benefit of the nominee, is it the position of the Senator that it is up to the committee then to prepare a record of affirmative proof sufficient to convince the committee that the candidate meets the test of competency which the Senator from Missouri has laid down in his remarks, and that on the basis of that record of proof the committee asks in its report to the Senate the approval of its recommendation?

Mr. DONNELL. Mr. President, I do not deem it a duty which rests upon the shoulders of a committee to produce a record for the information of the Senate. To my mind the duty of the committee is discharged if it makes a thorough and capable examination of the matter and submits its report, with its ultimate determination, to the Senate. I think then, if the question of the correctness of the report shall be presented to the Senate, the same duty rests upon every Member of the Senate as rested upon the committee, namely, to take up ab initio the question as to whether or not there is affirmative proof that the individual whose name is before it possesses the requisite qualifications for the position to which he is appointed.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I should like to ask a question of the distinguished Senator from Oregon. Is the Senator from Oregon under any misapprehension that there is only one kind of a case in this record, that is, a case adverse to Commodore Vardaman?

Mr. MORSE. Not at all. Through a series of questions I am merely trying to ascertain for my own satisfaction the theories of the Senator from Missouri, upon which he is basing his objections to this nomination. It seems to me that it is very pertinent, in order to find out those theories, what his notions are as to the obligations of the committee which has had this nomination before it.

Mr. MILLIKIN. I have been compelled to absent myself for a short while. I was not present when the Senator began his questioning. I gathered from a question he asked that he might be under the impression that the committee did not concern itself with anything but the the criticisms against Commodore Vardaman. That would be grossly incorrect, if that were the Senator's position.

Mr. MORSE. I listened to the Senator from Missouri very carefully, and I can assure the Senator from Colorado that no such suggestion has been made by him. But before I get through with my questions, if the Senator from Missouri will permit one or two more, I shall raise the point of what is the obligation, if any, of the Senate, once such objections as those the Senator from Missouri has raised this afternoon have, in fact, been raised on the floor of the Senate.

I understand that the Senator takes the position that there is no duty upon the part of a committee passing on a nomination to prepare any record by way of affirmative proof establishing the competency of any nominee in order to meet the first test which the Senator has laid down.

Mr. DONNELL. I know of no rule or requirement which would oblige the committee to present a record to the Senate. I think, however, that when the matter is presented to a Senate committee there rests upon the committee an obligation to investigate thoroughly the qualifications of the nominee and to give to the Senate its own best judgment regarding whether he possesses the necessary qualifications.

Let me also state, before I overlook the point, that I think the very fact that the President has nominated a man is a matter which the committee is entitled to take into consideration, along with other facts. But I do not think the mere fact that a man has been nominated by the President raises a presumption which in any sense obligates the Senate, in the absence of further proof, to confirm the nomination.

As I see it, a duty rests upon the Senate, through its committees, and finally upon the floor of the Senate if question arises on the floor of the Senate, to make the requisite investigation to enable it to come to its own conclusion as to whether the nominee is qualified. In the course of such investigation, I think respect should be given to the fact that the man has been nominated by the President of the United States.

But I do not regard the fact of nomination as, in the first place, conclusive or as raising any presumption as to the competency of the nominee.

Mr. TOBEY. Mr. President, if the Senator from Missouri yields for a moment, I wish to propound a question along the line of the interrogation propounded by my friend, the Senator from Oregon. Does not the Senator from Missouri agree with me that the Constitution has laid upon the Senate the very vital function of confirming appointments; and that when it did that, it made the Senate a party to all such appointments?

Mr. DONNELL. I think so.

Mr. TOBEY. As I look upon it, it is a very sacred trust. As a matter of fact, in the final analysis and when reduced to the lowest terms, the only place where such appointments by an Executive can be strained in the public interest is in the appropriate committee of the Senate of the United States. Is not that correct?

Mr. DONNELL. I think so; and upon the floor of the Senate, as an aftermath.

Mr. TOBEY. Yes; upon the floor of the Senate, as an aftermath.

Mr. DONNELL. Yes; I agree thoroughly with the Senator.

Mr. TOBEY. I understand that the Senator from Missouri holds, with me, that that is a very sacred trust and a very vital function under the Constitution.

Mr. DONNELL. I regard it as one of the extremely important functions of the Senate.

As I indicated in my argument earlier this afternoon, in view of the fact that an appointment to the Board of Governors of the Federal Reserve System has, as it does, such tremendous ramifications upon all our economic, international, and internal relationships, I think it is tremendously important that the Senate shall be satisfied as to the qualifications of the nominee.

Let me say further that I do not consider that the Senate will have performed its function if it merely takes the position that there is no showing to the contrary, and that therefore it should confirm the nomination, if there be in the minds of the Members of the Senate a reasonable doubt as to the qualifications of the nominee.

Mr. TOBEY. And with respect to this particular appointment, the fact remains that in this case we are asked to confirm a nomination for an unusually long tenure of office.

Mr. DONNELL. It is for 14 years.

Mr. TOBEY. Yes; for 14 years.

Mr. DONNELL. Yes.

Mr. TOBEY. After the nomination is confirmed, the nominee is in office, for better or for worse, for 14 years.

Mr. DONNELL. Except in the event of impeachment or removal for cause.

Mr. MORSE. Mr. President——

Mr. DONNELL. I yield again to the Senator from Oregon.

Mr. TOBEY. I thank the Senator for yielding to me.

Mr. MORSE. Mr. President, if the Senator from Missouri will permit a few more interruptions, I think I can cover rather quickly the point I have in mind.

After the nomination has been sent to the committee, am I to understand that the Senator from Missouri believes that the committee in the performance of its duties is under an obligation to proceed to search for affirmative proof to sustain the nomination?

Mr. DONNELL. In my judgment, it is. In other words, I think when a committee receives a nomination there rests upon it the duty of being able to come to the floor of the Senate and state affirmatively the reasons why it believes the nomination to be a proper one.

Let me say that there may be instances in which the very fact that the President himself has made the nomination and that no challenge has been made to it will absolve the committee from the obligation to go further into the facts.

But in a case such as the present one, in which there was mentioned to the Banking and Currency Committee, promptly upon the presentation of the nomination of Mr. Vardaman, the fact that certain matters were desired to be brought before the committee, to my mind, the committee has upon itself the very solemn and important duty of going into the matter and making a thorough investigation and determining whether there is an affirmative preponderance of proof to the effect that the nominee is capable of performing the duties of the office.

Mr. MORSE. Let us take a case similar to one the Senator from Missouri has mentioned, namely, a nomination in connection with which, as the Senator has said, the very fact that the President has made the nomination may be considered by the committee sufficient to cause it to make a favorable report to the Senate. Does not that raise a presumption?

Mr. DONNELL. I think not. I think that rests upon the fact that the presentation of the nomination to the committee by the President is in itself an avouchment on the part of the nominating power as to his belief in the capacity of the nominee. I think the committee has the right to take that as one witness—a very high witness and a very important witness—in favor of the competency of the nominee; but in my judgment the duty devolves upon the committee not to accept the judgment of the President because it has been presented to it, but to determine for itself upon such evidence as the committee may deem to be proper—whether it be merely the statement of the President or whether it be other evidence—whether the candidate is properly qualified.

Mr. MORSE. Where is the affirmative proof in that case? Certainly the Senator does not argue, does he, that nomination by the President is proof?

Mr. DONNELL. From the fact that the President submits the nomination, I think there arises an inference that he deems the nominee to be qualified. I think the committee is entitled to take that inference into consideration. I think it was entitled to do so in the instant case, and I have no doubt that it did do so. But to my mind when question is raised about the nominee, and certainly when an issue is made before the committee as to whether the nominee is qualified to serve, the committee has no right—nor do I charge that it undertook to assert such a right in the present case—to make a mere presumption and to present a report based upon that presumption.

Mr. MORSE. Let me repeat to the Senator from Missouri that I am merely trying to determine whether I correctly understand the principles which the Senator believes should be followed. Such minor differences as I may have with those principles, I shall not discuss now, for I do not believe that this is the time to argue them with the Senator. However, for the record I wish to dissent from the observation that the mere making of the nomination is in itself affirmative proof. I would not adopt that as coming within the definition of affirmative proof.

Mr. DONNELL. Let me interrupt the Senator for a moment there, if I may do so. I do not think I used the words "affirmative proof." I think I said an inference may be drawn that the nominee is qualified, and that the very fact that the President submits the nomination is an avouchment of the President's opinion on the subject.

Mr. MORSE. I understood the Senator from Missouri to say, a while ago, that he believes that the committee should be convinced that there is affirmative proof which establishes the competency of any person whose nomination has been sent to the Senate and, in turn, has been referred to the committee.

Mr. DONNELL. I agree with that.

Mr. MORSE. If that is so—and this is aside from the point of the present discussion—I do not think the making of the nomination itself could be considered affirmative proof.

But, be that as it may, this nomination was made; and the Committee on Banking and Currency, as I understand, certainly can be said to have proceeded in search of affirmative proof—in the sense, at least, that it held committee hearings.

Mr. DONNELL. Yes.

Mr. MORSE. And that at the committee hearings the Senator from Missouri presented his objections to the nominee based, I assume, on the same facts which he is presenting to the Senate this afternoon.

Mr. DONNELL. I believe that during the course of the hearings certain matters were developed which I had not known about at the time of the initial presentation. But the matters which I am presenting today appear on a quite extensive record of proceedings before the subcommittee.

Mr. MORSE. Allow me to put it in this way: The Senator's objections to this appointment are based not only on what the Senator himself presented to the committee as a witness before it, but are based also on his study of the record made before the committee, which study has given him additional argument and reasons to contend that this particular nomination should not be confirmed.

Mr. DONNELL. The Senator has made a correct statement.

Mr. MORSE. When this nomination came originally to the main committee it was referred to a subcommittee of the main committee, was it not?

Mr. DONNELL. It was.

Mr. MORSE. On the basis of the record which the Senator is now using in making his argument before the Senate, the subcommittee voted to recommend to the full committee that the nomination of Commodore Vardaman be confirmed.

Mr. DONNELL. Yes.

Mr. MORSE. Was the vote unanimous?

Mr. DONNELL. I have not seen the official record of the vote, but my understanding is that the vote was 4 to 1. There were five members of the subcommittee. The senior Senator from Nebraska [Mr. BUTLER] was not present at the time the vote was taken. My understanding is that the Senator from Nevada [Mr. CARVILLE] voted by proxy, and that the three remaining members of the subcommittee, namely, the Senator from Colorado [Mr. MILLIKIN], the Senator from Arizona [Mr. MCFARLAND], and the Senator from Maryland [Mr. RADCLIFFE], voted in favor of the confirmation. I believe I am correct in my statement; if I am not I am sure that the Senators whom I have named will correct me.

Mr. MORSE. Then, by recommendation of the subcommittee, the nomination went to the full committee.

Mr. DONNELL. Yes.

Mr. MORSE. Can the Senator from Missouri tell me how the vote stood in the full committee?

Mr. DONNELL. I do not know how many members were present and voting. From what I have heard and read in the newspapers my understanding is that all but two of the members who were present voted in favor of the confirmation. It is my understanding that the senior Senator from Kansas [Mr. CAPPER] did not vote, and that the Senator from New Hampshire [Mr. TOBEY] voted "no." If I am incorrect in my statement I trust that some member of the committee will correct me.

Mr. MORSE. Is it the understanding of the Senator from Missouri that when

the full committee considered the report of the subcommittee it had before it the record made before the subcommittee?

Mr. DONNELL. I have no information on that point.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I may say that the full committee did have before it the record to which the Senator has referred.

Mr. DONNELL. May I ask how many members of the committee were present and participated in the final vote?

Mr. MILLIKIN. I may be guessing, but I believe there were eight members.

Mr. TOBEY. As I recall there were nine.

Mr. DONNELL. May I ask of how many members the committee consists?

Mr. MILLIKIN. I do not wish to state offhand how many members compose the committee. Committees vary in their numbers.

Mr. DONNELL. According to the Congressional Directory, Mr. President, I observe that there are 20 members of the committee, including, however, the distinguished Senator from Virginia [Mr. GLASS] who, because of illness, has not been present in the Senate for many months. I believe that each of the other Senators who are listed as members of the committee are active in the work of the Senate during the present session and are qualified to serve.

Mr. MILLIKIN. I should like to confirm the statement of the Senator from Missouri that, among those present, one voted against confirmation and one abstained from voting.

Mr. MORSE. I may say to the Senator from Missouri that I had almost completed what I wished to say, but so far as my position is concerned, this procedure is important, I think, in reaching a judgment of the case.

The Senator from Missouri has heard the Senator from Colorado state that when the full committee voted on this nomination it had before it the record——

Mr. TOBEY. Mr. President, may I interrupt the Senator and address myself to the Senator from Colorado?

Mr. DONNELL. I yield.

Mr. TOBEY. As I remember the situation at the meeting of the full committee, I asked if the record of the hearings before the subcommittee was available to the committee members and I was told that it was not. It may be that a galley proof, it is called, was available, but the members of the committee had not been given a detailed record of the subcommittee hearings prior to the taking of the vote.

Mr. MILLIKIN. I am under the impression that a record of the subcommittee hearings was actually present. Of course, a record was available to any member who wished to see it because there were four transcripts of the hearings in the hands of the members of the committee. One of them is in the hands of the Senator from Missouri.

Mr. MORSE. The Senator from Missouri has heard the Senator from Colorado say that the members of the full committee who were present and voting at the time the committee voted on this nomination, had available to them, at least, the full record of the subcommittee hearings. The committee has reported to the Senate by at least a majority vote that the nomination should be confirmed. The Senator from Missouri now takes the floor, and on the basis of the same record as that which the committee had an opportunity to read if its members had wished to take advantage of such opportunity—and I presume they did—suggests to the Senate that we should not proceed with a consideration of this nomination until we first give consideration to the arguments which the Senator has presented today, many of which are based upon the record before the subcommittee itself.

With reference to procedure, will the Senator agree with me that if we are to give due weight and consideration to an argument which is surely made in all sincerity and with high motive, we cannot very well do so, especially in view of the many vacant seats in the Senate Chamber at the present time, until, as individual Senators, we have had an opportunity to determine whether or not the arguments made by the Senator from Missouri are supported by the testimony which was taken before the subcommittee, which ought to be, in my judgment, available to each Member of the Senate before he casts a vote on a nomination so important as the one now pending? Does the Senator agree with me that in the case of Presidential nominations, when reports from committees relative thereto come before the Senate, by and large, individual Senators should have an opportunity to study the record which has been made before voting on the issue whether they will sustain or not sustain the committee? Does the Senator believe there is any basis for such conclusion?

Mr. DONNELL. The Senator refers, I assume, to a conclusion of fact as to whether what he states is the practice followed in the Senate?

Mr. MORSE. I stated the question very clumsily. Let me restate it.

Mr. DONNELL. Very well.

Mr. MORSE. I am being presented with the task of voting on whether or not I believe the nomination of Commodore Vardaman should be confirmed. In his argument the Senator is constantly referring to a record of hearings before a subcommittee which I have not had an opportunity to read. The Senator is raising prima facie, at least, some very serious objections to the nomination. Should I not, in the performance of my duty as an individual Senator, have an opportunity to check in the CONGRESSIONAL RECORD the remarks which the Senator from Missouri is making today?

Mr. DONNELL. Mr. President, I concur thoroughly with the Senator from Oregon in his statement. I should like to amplify it, if I may, while it is fresh in my mind.

Reference was made to the availability of the record to the Committee on Banking and Currency. I have no doubt at all that the record would have been available had any member of the committee asked for it. I am not a member of the committee. I was not present at what I believe was an executive session of the committee at which action was taken on the nomination. I have grave doubt as to whether the Committee on Banking and Currency took sufficient time to make an investigation of the record, because it consists of 969 long-length double-spaced typewritten pages, as well as various exhibits, and from 150 to 200 pages of corporate minutes. To my mind the fact that there is such a voluminous record is strongly corroborative not only of the fact that the Members of the Senate should have the opportunity to which the Senator from Oregon refers, but also of the fact that the members of the Committee on Banking and Currency—I say this with all respect—should have had the benefit of examining the record and studying it personally instead of accepting merely the recommendations of the subcommittee without actually having a physical opportunity to read and digest this very extensive record.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Of course, the Senator derogates from the very purpose of a subcommittee. I suggest that we have subcommittees to do the spade work, and that the main committees and the Senate itself must necessarily place some reliance on the work of the subcommittees, for otherwise we would be trying everything in the Senate ab initio, with a full record.

Mr. DONNELL. I agree with the Senator from Colorado, Mr. President, to the effect that we should give weight to the report of a committee. To my mind, weight should be given to the report of the committee in this case. But I call attention to what I think is a weakness in that procedure, namely, that there comes before the full committee, or, we will say, approximately half the full committee, as was the case in this matter, the report of a subcommittee, and I have very great doubt as to whether any members of the committee other than those who served on the subcommittee studied this extensive record, at least in full. Then the entire committee is expected to act upon it. To my mind, there is a weakness in that procedure, though I fully appreciate the fact that this body must act largely through committees, and must place reliance upon them, in large part.

This is not in answer to what the Senator from Oregon has stated, but I may say that, to my mind, in a matter of importance, such as this is, if an individual Senator has studied the record and disagrees with the conclusions of the committee, there rests upon him a duty to bring to the attention of the Senate his conclusions and his reasons therefor, so that the Senate may itself act upon the matter.

Regarding the question of the Senator from Oregon as to whether it would be appropriate, or, in effect, whether it would be necessary, in the administration of justice in a case such as this, to allow Senators to have copies before them, or at least the privilege of examining the CONGRESSIONAL RECORD and checking against the typewritten copy of the transcript of the hearings, I concur

with that view. To my mind, in a matter of this importance—and, in my judgment, in many respects, if not all, it is as important as the nomination and confirmation of a Cabinet official—I undertake to say that the Senate has not merely the obligation to pass upon what the Senator from Missouri says, or what is said by the Senator from Colorado, or the Senator from Maryland, or the Senator from Arizona, or other Senators, but that every Member of the Senate should have an opportunity to pass affirmatively on the evidence, just as we have in regard to the great volumes of proceedings regarding Senate bill 1349, the minimum-wage bill, which is now pending in the Senate.

I think it would be perfectly proper for the Senate to have a complete transcript in this case printed, to have it studied by the Members of the Senate, and then debated upon the floor of the Senate. I am in thorough accord with the implication of the suggestion of the Senator from Oregon.

Mr. MILLIKIN. Mr. President, will the Senator yield again?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I should be the last person in the world, I hope, to deny a record to any Senator who wants to study it. I cannot help saying that not a single Senator, including the distinguished Senator from Oregon, made any request that there be a printed record.

Mr. McFARLAND. Mr. President will the Senator from Missouri yield to me?

Mr. DONNELL. I yield.

Mr. McFARLAND. I should like also to call attention to the fact that every Senator who wanted to examine the record was furnished a copy of it.

Mr. DONNELL. May I ask the Senator from Arizona how many Senators availed themselves of that privilege?

Mr. McFARLAND. The Senator from Missouri.

Mr. DONNELL. I thank the Senator.

Mr. MORSE. Mr. President, will the Senator from Missouri yield?

Mr. DONNELL. I yield.

Mr. MORSE. I think the last comment made by the Senator from Colorado was quite inapplicable to the point the junior Senator from Oregon tried to bring out. On the question as to whether any Senator has asked for the record up to this hour, the argument which the Senator from Missouri is making in regard to the nomination presents on the floor of the Senate for the first time the serious challenge to the nomination. The fact that that notice has been served on each Member of the Senate by the speech now being delivered by the Senator from Missouri, seems to me commands us to pause at least sufficiently long to deliberate on and consider the challenges being raised to the nomination by the Senator from Missouri.

Let me say to my good friend the Senator from Colorado that I quite agree with him that it would be most difficult to transact the business of the Senate if we did not assign to committees and subcommittees the task of making the record, not only on nominations, but on all proposed legislation to come before the Senate. All I have sought to do in my questions this afternoon is to determine for myself what the Senator from Missouri believes the proper procedure in such cases as this should be.

We are now down to the last point I wish to make, namely, in regard to the challenge which has been raised to the nomination of Commodore Vardaman. Let me say that it has been my intention, based upon such information as I have had, such accounts as I have read in the newspapers in regard to what transpired before the subcommittee and the full committee, to give the benefit of the doubt to the nomination and support the report of the committee, because, although the Senator from Missouri will probably disagree with me, I think there is quite a presumption in favor of a committee report.

This challenge has been raised by the Senator from Missouri, who, as he has demonstrated here this afternoon, has made a very careful check into the record itself, I merely say that I, at least, should like to have a few hours to check against the record the Senator's challenges to the nomination, so that I would know, when I came to cast my vote, if I cast it for the nomination, that I had amply satisfied myself that the vote could be supported by the record, in view of the serious charges made. I judge from certain other criteria which the Senator from Missouri has intimated he is going to discuss before he concludes his speech and from some remark he has made that he is going to have something to say about character, and I want to be certain, and I think every Member of this body owes it to himself and to the country to make certain, that such serious charges as the Senator from Missouri has raised against this nomination cannot be supported or are not supported by the record. If they are, then I think by all means we are duty bound to vote against the nomination. How any Member of the Senate not on the committee can, without investigating the record, say that he is satisfied that they are not supported by the record is beyond me.

What I have sought to do by this examination of the Senator from Missouri, if I may so call it——

Mr. DONNELL. And a very pleasant one, I assure the Senator.

Mr. MORSE. Is to make plain how nominations are passed upon by the Senate of the United States, because I am satisfied that there are millions of people who believe that when we as Senators vote for a nomination, we know of our own certainty, based upon our own investigation of the record when a challenge to the nomination has been made, that the record does not support the challenge.

I do not feel that any of us who are not members of the committee and have not had opportunity, as the Senator from Colorado has had, to follow the case from the beginning to the end, can say to our constituents that we know for a certainty that the serious charges being raised by the Senator from Missouri cannot be supported on the record.

I wish to say to the Senator from Colorado that I certainly give great weight to his vote in this matter. I not only give great weight to it, but I have been willing to give it great presumptive value. But, in view of the charges made, I still feel that the nomination should not be passed upon today, that we should have an opportunity to study the speech made by the Senator from Missouri, and determine for ourselves whether it can be sustained.

Mr. DONNELL. Mr. President, I think the observations of the distinguished Senator from Oregon must be exceedingly encouraging and heartening to Members of the Senate, and should be to the people of the United States. To know that a Senator representative of the other Members of this body takes upon his shoulders and into his heart and conscience an obligation such as this with the seriousness evidenced by the distinguished Senator from Oregon, I think bespeaks well for the progress and for the character of the Senate of the United States.

To my mind we do owe an obligation to the people of this country not to sit here as mere dummies or as mere push buttons to follow what someone else may have said. I appreciate fully, of course, that it is not possible for us to take every item of business brought before the Senate and study it. Of course, it is not possible for very many Members of the Senate to read the great volume of testimony on Senate bill 1349, and I am one of those who have not read it. But it is here for the study of those who find it possible to study it.

Mr. President, I think the Senator from Oregon has struck a note this afternoon which rises high not only in idealism, but also in practical benefit to the people of our Nation. When serious challenge has been made in a matter such as that before us, and the Senate has been apprised and put on notice, as the Senator has indicated, it certainly calls for the conscientious exercise of independent, well-informed judgment by every Member of this great body of the United States Congress. I thank the Senator from Oregon for what I consider to be the very fine statement he has just completed.

Mr. President, I had referred to the testimony of Mr. Hemingway prior to the interruptions—and, by the way, by the term "interruptions" no offense is meant, for I am very glad to have them, notwithstanding our differences on matters of procedure and presumptions, in which perhaps the Senator from Oregon is correct, as he usually is. I regard the interpolations, such as the Senator has made, as being of value and not as hampering the work at hand. I was speaking, as I indicated, of the testimony of Mr. W. L. Hemingway, the president of the Mercantile Commerce Bank & Trust Co., and the former president of the American Bankers' Association, with respect to Mr. Vardaman. I quoted the statement of Mr. Hemingway as follows:

> I have known Commodore Vardaman for many years, and I have had no business transactions with him and no business relations. My acquaintance with him has been a very pleasant one, more or less casual.
>
> I have known him as a young banker and businessman of St. Louis; and when I was asked my opinion as to his qualifications for this position, my answer was that I did not feel that his experience fitted him for the

position. I base that just on my observation of him in St. Louis. The positions that he held were those of rather juniors in the banks, and I thought that he had not had an opportunity to study and prepare himself for the duties of governor of the Federal Reserve Board.

Mr. President, I am conscious of the fact that I am repeating at this point, but in order to preserve and emphasize the importance of this testimony I am doing so intentionally.

I also called the Senate's attention to the fact that the distinguished Senator from Colorado [Mr. MILLIKIN] then read to Mr. Hemingway what may appear to be an exceedingly impressive statement of the experience of Commodore Vardaman in the investment business in St. Louis, as to which there has been no evidence presented by any one by whom he was employed or with whom he was associated. I say that that was called to the attention of the witness, Mr. Hemingway, by the distinguished Senator from Colorado.

There was called also to his attention the statement made by Mr. Vardaman with respect to his service in the First National Bank in St. Louis, the largest bank in the city of St. Louis, and, as the commodore said in his statement, the largest west of the Mississippi River at the time the service was rendered.

Then the distinguished Senator from Colorado pointed out to the witness, Mr. Hemingway, this very impressive array of figures: $120,000,000 of loans, $100,000,000 collected back, and $500,000,000 of declinations of loans made by Commodore Vardaman while he was the regional manager for the RFC. And the distinguished Senator from Colorado inquired of Mr. Hemingway:

In view of the commodore's statement of his experience, does that modify the testimony that you have given in any respect?

Mr. HEMINGWAY. Well, I was familiar with that; yes.

Senator MILLIKIN. You took that into consideration?

Mr. HEMINGWAY. Yes.

Senator DONNELL. And your testimony is not altered in view of the statement read by Senator MILLIKIN?

Mr. HEMINGWAY. I was in a general way familiar with that statement; yes.

Senator MILLIKIN. My sole question is, Were you familiar with those facts?

Mr. HEMINGWAY. Yes.

Senator MILIKIN. And did those facts enter into the opinion which you have given the committee?

Mr. HEMINGWAY. Yes.

Then, Mr. President, I had addressed myself to the statements by Commodore Vardaman as to his connection with the so-called Collins-Morris Shoe Co., which later changed its name to Vardaman Shoe Co.

Then, Mr. President, I had arrived at the point where I intended to present a certain statement made by the commodore at page 17 of the record in which he referred to some very interesting and important information which had come to the attention of the board of directors of the company. I shall call that to the attention of the Senate somewhat more fully in a little while. Mr. Vardaman said:

Commodore VARDAMAN. I immediately called a meeting of the board of directors of the company and reported the circumstances, and after considerable argument, the board consented to the company filing a petition for reorganization. Although I had been on authorized leave of absence from the company, the officer who was in charge declined to sign the petition, and I had to do so. The petition was filed in the Federal court for the eastern district of Missouri in the court of Judge Charles B. Davis, and on my recommendation the vice president of the company was employed by the trustee as operating officer.

Records on proceedings from that time on are available at the Federal court. I am not familiar with them in detail because in March 1942 I left St. Louis for foreign service, in compliance with orders that had been issued in December 1941.

Then he continued:

From 1939 to February 1942, in addition to my civilian activities, I was head of the United States Naval Intelligence Service in the St. Louis area, my particular mission being to study St. Louis industrial organizations doing United States Government work, and capable of doing such work, with the view of eliminating therefrom all subversive individuals and elements. In this capacity, we discovered more than 700 persons whose activities and loyalties were subject to question and several hundreds of these people were processed by the Federal Bureau of Investigation after December 7, 1941.

I shall after discussing certain other phases of the Vardaman Shoe Co. experience of Commodore Vardaman have something further to say as bearing on his business ability as manifested in the shoe company.

For the present I submit that the evidence thus far totally fails to establish any strong, convincing and preponderant affirmative reason to believe that Commodore Vardaman is the possessor of such experience or ability along business and economic lines as would qualify him to deal capably with the problems with which he, as a member of the Board of Governors, would be confronted.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. The Senator is not excluding evidence which he has not mentioned

Mr. DONNELL. I beg the Senator's pardon.

Mr. MILLIKIN. The Senator is not excluding evidence which he has not mentioned.

Mr. DONNELL. I am not excluding it; not at all.

Mr. MILLIKIN. Does the Senator reach his conclusion on the evidence which he has discussed?

Mr. DONNELL. No, sir; I have reached my conclusion on the entire record, portions of which I have quoted from for the benefit of the Senate.

Mr. MILLIKIN. Has the Senator quoted any part of the evidence of men favoring Vardaman?

Mr. DONNELL. I am coming to that and will discuss it.

Mr. MILLIKIN. I suggest the Senator is a little bit reckless when he reaches a conclusion before he comes to the rest of the evidence.

Mr. DONNELL. I shall come to the rest of the evidence entirely.

I pass now to the question as to whether the Senate has before it strong, convincing, and preponderant affirmative reason to believe that Commodore Vardaman possesses the second of the qualifications which I have stated to be essential, namely freedom from tendency to allow oneself to be influenced in the performance of duty by any consideration which is not consistent with public welfare. I make the statement that the testimony clearly indicates that in business matters he does not possess this qualification.

I call attention first to his strong tendency, demonstrated by his testimony, to color his statements to his own advantage. An obvious illustration of this tendency appears in his testimony as to when he left the Vardaman Shoe Co. It will be observed from the evidence before the subcommittee that the inventory records with which the auditors, namely Ernst and Ernst, advised there had been some tampering were those which had to do with the inventory taken the latter part of November 1941. It was to the obvious interest of Commodore Vardaman that he be not found by the Senate committee to have been connected with the shoe company in the latter part of 1941. The testimony which he gave to the subcommittee, and the mimeographed statement from which he read have a significant statement or two which I shall mention in a moment. I may say to the Senate that the commodore first filed with the committee a mimeographed statement. Whether it was mimeographed when he read it, I do not know, but my copy is mimeographed, and subsequently, upon my request that the witnesses should be required to take oath to their testimony, the commodore took oath, and at the suggestion, as I recall, of the chairman of the committee, or of a member, at any rate, read his statement into the record under oath, amplifying it in some few respects as he proceeded.

Mr. RADCLIFFE. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. RADCLIFFE. It is my impression, though I may be mistaken, that the first witness who appeared testified under oath. I do not recall that there was any change of procedure or that there was any suggestion from the Senator from Missouri at all on that subject. I think we started out that way.

Mr. DONNELL. I may say, Mr. President, that the first witness was Mr. Vardaman, and I myself requested twice, if I am not mistaken, that the witnesses be required to testify under oath. I call the Senator's attention to the fact that the record in this case begins after the table of contents, with page 2, at the top of which is "Monday, February 18, 1946"; and that on page 3, the following occurred:

Senator DONNELL. Mr. Chairman, may I make just one observation at this time?

Senator RADCLIFFE (chairman of the subcommittee). Certainly, Senator DONNELL.

Senator DONNELL. It was at my suggestion and request, made a few days ago, that hearings be had upon this nomination. I would like to request, please, that all persons testifying be sworn.

And then I proceeded with some other matters.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Was that request denied in any particular?

Mr. DONNELL. Oh, not at all.

Mr. MILLIKIN. All witnesses were sworn, were they not?

Mr. DONNELL. I so stated to the Senate this afternoon.

Mr. MILLIKIN. There is no implication that what the Senator just said favors or disfavors Commodore Vardaman, because he was sworn.

Mr. DONNELL. Not in the slightest.

Mr. MILLIKIN. Did Commodore Vardaman resist being sworn?

Mr. DONNELL. Not at all.

Mr. RADCLIFFE rose.

Mr. DONNELL. While I am on this matter, let me refer also to page 7, where the Senator from Maryland [Mr. RADCLIFFE] said:

Senator RADCLIFFE. Very well. Now, Commodore Vardaman, the subcommittee will be very glad to hear from you, and you may present your statement in any way you desire.

Senator DONNELL. Mr. Chairman, I do not want to continue interrupting, but I did suggest, and now renew the suggestion, that all persons giving testimony in this matter be sworn.

Senator RADCLIFFE. I am not familiar with that practice in connection with hearings held by the committee. I do not recall any case where we have sworn witnesses in a matter of this kind.

Senator MCFARLAND. Mr. Chairman, I am sure Commodore Vardaman would not have any objection to being sworn.

Commodore VARDAMAN. No; I would not object to being sworn.

Senator MCFARLAND. If it pleases the Senator from Missouri, and inasmuch as Commodore Vardaman has no objection to being sworn, I suggest, Mr. Chairman, that the commodore be sworn.

Senator RADCLIFFE. Is it the desire of the members of the subcommittee that Commodore Vardaman be sworn?

Senator MCFARLAND. If it would please Senator DONNELL, I think that should be done.

Senator DONNELL. It is not a matter of pleasing me at all, I respectfully submit, Mr. Chairman. I have simply made that suggestion for the attention of the members of the subcommittee.

Senator RADCLIFFE. Will the clerk of the committee give me a form of the oath to be administered?

Mr. DELMAN. Yes, Mr. Chairman, I will get that for you.

Senator RADCLIFFE. Commodore Vardaman, please stand, hold up your right hand, and be sworn:

Do you solemnly swear that the evidence which you will give in the matter under consideration by this subcommittee will be the truth, the whole truth, and nothing but the truth? So help you God.

Commodore VARDAMAN. I do, sir.

Senator RADCLIFFE. You may proceed.

That is what occurred. Does the Senator from Maryland desire to interrogate me further at this time?

Mr. RADCLIFFE. No. However, I do not follow the inference which the Senator is attempting to draw from that conversation. The committee was perfectly willing to swear the witnesses, and did so, and it was done all the way through. No objection was raised, and there was no deviation from that practice once it was established.

Mr. DONNELL. That is true. The only reason I am reading from the record is that the Senator from Maryland stated that the first witness, who was Commodore Vardaman, was sworn, and I understood him to make a statement to the effect that I had not requested it. I did.

Mr. RADCLIFFE. Possibly I misunderstood the Senator from Missouri. I got the impression that he was suggesting that there was some opposition to such a policy, or that there was some difficulty in getting done what he asked to have done. Of course, that was not the case.

Mr. DONNELL. There was no such implication.

Mr. RADCLIFFE. The suggestion was followed immediately, and followed all the way through.

Mr. DONNELL. Just as is stated in what I have read. It was followed with respect to every witness throughout the entire hearings.

I had pointed out that it was to the interest of Commodore Vardaman that he be not found by the Senate committee to have been connected with the shoe company in the latter part of 1941. In this connection I invite the attention of the Senate to the testimony which he gave before the subcommittee in the mimeographed statement from which he read. I read now from page 13 of the testimony.

From about January 1940 to June 1941, I was connected with the Collins-Morris Shoe Co., of St. Louis, the name of which was later changed to Vardaman Shoe Co.

The Senate will recognize those dates—from about January 1940 to June 1941. June 1941 was, of course, approximately 5 or 6 months before the tampering with the inventory records occurred; and, if Commodore Vardaman was not with the company after June 1, 1941, obviously the probability of his being connected with the tampering was to that extent materially diminished if not entirely eliminated. But he did not stop with the statement on page 13 that,—

From about January 1940 to June 1941 I was connected with the Collins-Morris Shoe Co., of St. Louis, the name of which was later changed to Vardaman Shoe Co.

I invite attention to the fact that on the next succeeding page, page 14, of the testimony, appears the following:

The vice president continued on with the company until (and my memory is not entirely clear on this date) about 30 or 60 days before I left the company in June 1941.

I call attention to the next sentence, in which he said:

I was called to active duty in uniform as head of the United States Navy Intelligence office in St. Louis in June 1941, and thereupon left the active management of the affairs of the company in the hands of one of the directors, the sales manager, and the comptroller.

It will be observed that in the last statement he for the first time injected the idea of leaving the active management in the hands of someone else. In the two preceding statements he had said, without qualification, express or implied, that he had left the company in June 1941, which, as I have previously indicated, was 5 or 6 months before the tampering with the inventory to which he refers in his own statement.

Mr. President, it being to his interest, as I have indicated, to establish that he had left the company back in June, let us examine some of the testimony and the facts developed in the testimony. I say without any fear of contradiction that the facts show that he did not leave the company in June 1941. True it was that he had taken upon himself additional duties in the Syndicate Trust Building, at Tenth and Olive Streets, the company's office being on Washington Avenue, which I believe is 3 blocks over and 5 or 6 blocks west. But he was within easy range of the business by walking, by taxicab, or by automobile. The facts, as developed, show, as I say, that he did not leave the company in June 1941, and I shall emphasize that by several illustrations. Indeed, when he was cross-examined at page 105, he made a concession in this regard, for he said:

Senator, beginning in June, when I was called, I had no choice but to leave the company, and it was with considerable feeling that I had to go. I went by the company every morning and every afternoon, and when I got to the point of living at the St. Louis office for 24 hours a day I did not get in touch at all. My time was spent entirely in the naval office.

I wish to say in fairness to the Senate, and I trust with frankness, that a thought has occurred to me that had never occurred to me until I read this. It may be that I have placed an interpretation upon this particular sentence which is not just to the commodore, and I call attention to it. He may have been referring in this particular sentence to his previous habit of going by the company every morning and every afternoon. I do not think that is the meaning, because of certain facts which I shall show later as to his obligation to devote all his time and all his efforts to the company. But let us concede for the sake of argument that he may have meant what I have suggested, which had not occurred to me until I read it——

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Is there the slightest doubt in the record that his naval duties in St. Louis did keep him very, very busy?

Mr. DONNELL. I should say that there is no doubt that he had duties. I say that it is equally true that there is no doubt that he was closely in touch with the affairs of the Vardaman Shoe Co. down to and including the minute when he signed the petition in bankruptcy on February 13, 1942.

Mr. MILLIKIN. Does not that come down to a conclusion which one may or may not reach, as to whether a man who is doing part-time duty can be in close touch with the business?

Mr. DONNELL. I say that there can be no question that the statement that he had left the company in June 1941 is not borne out by the work which he had to do at the Naval Intelligence Office.

Mr. MILLIKIN. What is the relevancy of the Senator's argument at the present time?

Mr. DONNELL. The relevancy of the argument is this: To my mind the testimony of this witness, when carefully examined and analyzed, shows a tendency in numerous cases—in several cases, at any rate—toward coloring the testimony for his own advantage. This is one of the instances in which it is shown, and I think by the time I have finished the Senator from Colorado himself will realize at least the merit of my position, whether he agrees with it or not.

Mr. MILLIKIN. May I ask the ultimate point toward which the Senator is driving? Suppose he did or did not devote the major part of his time to the shoe company during that period of time. What is the ultimate significance?

Mr. DONNELL. The ultimate significance is whether or not this man has the innate integrity to tell the facts, and to perform his duty without considering his own personal interest. That is the ultimate effect of it.

Mr. MILLIKIN. What was the commodore's personal interest which would be helped or slighted, whether he was or was not devoting the major part of his energies to the shoe company?

Mr. DONNELL. I fear that the Senator from Colorado has not followed my argument. The interest which the commodore had was to show that he was not with the company when the tampering with the inventory occurred in November or December of 1941. That was his interest.

Mr. MILLIKIN. Why not come to the point and tell us what evidence connected the commodore with the tampering with the inventory?

Mr. DONNELL. If the Senator will be patient, I shall come to that. I shall develop this argument, with all due respect to the Senator, along the lines which I think will most logically lead to the points which I desire to make.

Mr. MILLIKIN. The Senator will not deny me the right to debate with him, will he?

Mr. DONNELL. Not at all.

Mr. MILLIKIN. The Senator does not wish merely to talk to himself?

Mr. DONNELL. Not at all. I am very happy to have the Senator interrupt, and I have yielded instantly every time he has asked me to do so.

Mr. MILLIKIN. I am quite sure the Senator will continue to do so.

Mr. DONNELL. I shall do so with pleasure.

On page 924, when the commodore was called back to the stand, the following occurred. I begin with the last question or two on page 923:

Senator DONNELL. You went down to the company's office whenever you thought it was necessary and you kept in touch with them over the telephone; isn't that correct?

Commodore VARDAMAN. Not at all.

Senator DONNELL. Except for the 11 days and the 2 weeks.

Commodore VARDAMAN. No, no. I went to the company office as often as my Navy work permitted me to go, and no oftener. Sometimes it was everyday and sometimes it was not everyday.

I stop there, Mr. President, to point out that going down every day to the company's office is not consistent, as I understand the English language, with the statement that "I left the company in June 1941."

I continue to read:

Senator DONNELL. Well, what portion of the time was it everyday? Was it half time that you would be there everyday?

Commodore VARDAMAN. Oh, no; never that. Just an hour or so.

Senator DONNELL. I don't mean how long you would be there for a whole half day, but how often did you go there ordinarily?

Commodore VARDAMAN. I don't know.

Senator DONNELL. Did you go on the average of once a week or twice a week, or three times a week?

Commodore VARDAMAN. I would say two or three times a week.

Senator DONNELL. How long would you stay on each of those occasions?

Commodore VARDAMAN. Maybe an hour, or maybe a couple of hours.

Senator DONNELL. You did regard your services to the company as worth the amount you were drawing from the company, or you would not have taken it?

Commodore VARDAMAN. I certainly did, and the board indicated its desire to pay me my salary even when I was in Europe.

Mr. President, I digress to state that the salary, as shown by the testimony, was—up until a very late date in January, I believe—$625 a month, together with a certain bonus arrangement which he had.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Mr. President, was it not quite common, according to the Senator's knowledge, that many companies continued the salaries of their employees while they were in the military service?

Mr. DONNELL. I have no doubt that is correct.

Mr. President, along with what Commodore Vardaman said his services were worth—that they were worth what he was being paid, namely, $625 a month—let me point out that he also said——

Mr. MILLIKIN. Then, Mr. President, if the Senator will further yield, let me inquire whether it is the Senator's point that Commodore Vardaman was taking money to which he was not entitled.

Mr. DONNELL. Not at all. The point to which I address myself, Mr. President—and I shall emphasize it so clearly that no one can misunderstand it—is that it was to the interest of Commodore Vardaman, in appearing before the subcommittee, to demonstrate that he was not with the company when the tampering with the inventory occurred.

Mr. MILLIKIN. Mr. President, I suggest that the Senator is making a bad start on the conviction he hopes to bring to my mind, because now he is urging, according to what he has read, that Commodore Vardaman was there quite a little bit.

Mr. DONNELL. That is exactly what I wish to demonstrate: that Commodore Vardaman was constantly in touch with the company.

Mr. MILLIKIN. The Senator has not indicated anything which shows that Commodore Vardaman was constantly in touch with the company. The testimony shows that he was there several times a week, whenever he could spare time from his naval duties, and that he was th re irregularly. I suggest that irregularly is not the equivalent of constantly.

Mr. DONNELL. Mr. President, I would say that when he is located only a few blocks away—I should say not to exceed six or eight blocks, at the most, in the city of St. Louis, and when he goes to the place twice or three times a week and is there perhaps an hour or several hours each time, a man of the ability of Commodore Vardaman can and does keep himself informed as to what is going on; and I shall demonstrate by the minutes of the company, which I have here, and from which I shall read in a few moments, something as to the familiarity which he had up to and including the very minute when he signed the petition for bankruptcy on February 13, 1942.

Mr. MILLIKIN. Mr. President, will the Senator further yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I merely wish to emphasize at this point in the Senator's recital that he has now conceded that the commodore has great ability and that he could attend to the shoe company by going there several hours a week.

Mr. DONNELL. No, Mr. President, I have not said that. I say that the commodore has ability. One of the witnesses said that he had ability, if properly harnessed, or words to that effect.

I say that Commodore Vardaman does have a very shrewd type of ability; but I say the evidence does not even remotely establish that he has ability of the type that is required for the performance of the complicated duties of a member of the Board of Governors of the Federal Reserve System.

Mr. MILLIKIN. Mr. President, will the Senator further yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Then may we put aside in this case the question of his ability?

Mr. DONNELL. No; we certainly should not do that, because that is one of the points upon which I place the strongest emphasis. A man may have ability as a United States Senator, but he may not be able to operate a mowing machine. I am one who is in that class—although I do not know whether I have ability as Senator; but I know that I cannot operate a mowing machine. [Laughter.]

Mr. President, I undertake to say that the mere fact that a man has one type of ability is no proof whatsoever that he has another type of ability.

Mr. MILLIKIN. Mr. President, will the Senator further yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I would not debate that thesis. I was trying to establish, with the Senator's concession, that Commodore Vardaman is a man of more than average native intelligence.

Mr. DONNELL. I have never made an investigation as to the average of intelligence, and I am not able to respond to that inquiry.

Mr. MILLIKIN. I shall not argue it at length with the Senator; but a man who can run a shoe company by giving entirely irregular attention to it for 1 or 2 hours a week, without any regular pattern of attendance, is, as the Senator has said, a very able man.

Mr. DONNELL. I have made no such statement, either directly or indirectly. I have not said that he ran the shoe company by going there 1 or 2 hours a week. My point is that he was with the company, he was with it right along, until its bankruptcy. He went there. He attended every meeting of the board of directors from the first day of June 1941, to and including February 12, 1942. He was familiar with the duties of his office, and he was there.

Mr. CORDON. Mr. President, will the Senator yield to me?

Mr. DONNELL. I yield.

Mr. CORDON. Let me inquire whether the Senator feels, as I do, that it does not take any outstanding ability to run a shoe company into bankruptcy. [Laughter.]

Mr. DONNELL. Mr. President, I think the Senator has asked an unanswerable question. I thank him for the interruption.

Mr. President, addressing myself to the question whether Mr. Vardaman, in testifying twice—certainly twice, and I would say that it may be fairly said that he did so three times in the testimony I have read—that he left the company in June 1941 was stating the facts. I call attention to the fact that in the minutes of the company, at page 113, on the 6th day of June 1941—5 days after Mr. Vardaman was supposed to have left the company—the following appears:

Mr. Vardaman suggested that he—

I wish to digress for a moment to state that, in my opinion, he word "he" at this point is susceptible of interpretation as a reference either to Commodore Vardaman himself or to a man by the name of Ineichen; but, as I shall point out later, I think the ambiguity is cleared up by a separate reference—

be authorized to negotiate with the chamber of commerce at Jacksonville, Ill., and to submit their proposal to the next meeting of the board, with the understanding that this company was in no position to invest any money in the new project but that all of the working capital would have to be raised by stock sale of a separate corporation and that the facilities of this company be used in the management of the company for which it shall participate in the profits.

The preceding context shows that what was being talked about there was a proposal which was being considered for the opening of a new factory in Jacksonville, Ill.; and I call attention to the fact that 5 days after June 1, at any rate, we find Mr. Vardaman suggesting that he be authorized to negotiate with the chamber of commerce at Jacksonville, Ill., the city in which it was contemplated to open a new factory. As I have stated, although the minutes are perhaps ambiguous at that point as to whether Commodore Vardaman or Ineichen is the one who is referred to, I call attention to the fact that on page 118 of the minutes, which are for June 12, 1941—6 days later—we find the following:

Mr. Vardaman reported on his negotiations with the Chamber of Commerce at Jacksonville, Ill., stating that it was his opinion that the factory building was available and that through stock sale $50,000 in working capital could be raised and possibly $75,000. However, he stated that he was having a meeting—

Mr. President, there can be no ambiguity as to who he is at this point or eleswhere on page 118 of the minutes—

with the citizens of Jacksonville immediately upon his return to St. Louis, after June 25, and would report at the next meeting.

In addition to the reference to the Jacksonville negotiations, I call attention to the fact that on June 6—to go back to that meeting for a moment; and the minutes relating to it are to be found at page 113 if the minute book—Mr. Vardaman reported on negotiations with the Reconstruction Finance Corporation concerning a proposed loan of $35,000, and was authorized to execute applications and forms. I also call attention to the fact that at the meeting of June 6, 1941—the same meeting—Mr. Vardaman showed considerable familiarity with at least one very small detail, for on page 114 we find it is stated that he said that the company's assistant secretary, Paul de Coster, had incurred some unusual expenses aggregating $150 for and on behalf of the company. So it would appear that on June 6, at least, Mr. Vardaman was still in the possession of some knowledge of what was going on in the company.

I have referred to the minutes for June 12. I call further attention to the fact that on page 117 of the minutes it is shown that Mr. Vardaman reported on negotiations with the Reconstruction Finance Corporation concerning the $35,000 proposed loan, and that he stated he would be out of the city from June 14 to and including June 25. Mr. President, if this man had quit the job and was no longer with the company, in the first place, why was he drawing $625 a month; and in the second place, if he had quit, why was it necessary that he notify the board that he would be out of the city from June 14 to and including June 25?

(At this point Mr. DONNELL yielded for the transaction of legislative business, which appears earlier in today's Senate proceedings.)

Mr. DONNELL. Mr. President, when I was interrupted in considering whether or not there is strong, convincing, and preponderant affirmative reason to believe that Commodore Vardaman possesses the second of the qualifications which I have stated to be essential, namely, freedom from tendency to allow oneself to be influenced in the porformance of duty by any consideration which is not consistent with public welfare, I had been discussing the fact that his testimony, as I see it, shows a strong tendency on his part to color his statements to his own advantage. I had pointed out the fact that the tampering with the inventory, to which he refers very fully in his testimony, and in the statement filed with the committee, and concerning which he obviously has information, whether he be concerned with it or not, took place in November or December of 1941, and therefore it was to the interest of Commodore Vardaman before the subcommittee that the committee should not find him to have been connected with the shoe company the latter part of 1941.

Mr. MILLIKIN. Mr. President——

The PRESIDING OFFICER (Mr. MURDOCK in the chair). Does the Senator from Missouri yield to the Senator from Colorado?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Would not the Senator's thesis be more persuasive if Commodore Vardaman were the only man who might have had an interest in tampering with the inventory?

Mr. DONNELL. To my mind he is the man in whom the major interest in tampering with it exists, Mr. President, and certainly it is to his interest, before the committee and the Senate, not to be in a position where he could have had anything to do or did have anything to do or could be found to have had anything to do with tampering with the inventory. So, Mr. President, I submit that it was to his interest before the committee to demonstrate, if possible, that he had no connection with the company of any consequence whatsoever after June 1941.

Mr. MILLIKIN. Mr. President, the Senator will concede, will he not, that there is a multitude of evidence, partially supplied by Vardaman himself, as to the exact dates of his relations with the company between June and the end of 1941? Does the Senator put him in the shoe company during that period, or does he have him in it for a part of the time?

Mr. DONNELL. In answer to the question I would say that obviously and clearly, from the testimony, he had a very direct and well-nigh continuous—depending on the meaning of the term—connection with the business of the company. I wish to say in that connection that by "well-nigh continuous" I mean that he was in touch with the business all the time.

Mr. MILLIKIN. Will the Senator yield further?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Let me repeat my question, would the Senator's argument not have more point to it if Commodore Vardaman were the only one who might have an interest of the kind described by the Senator?

Mr. DONNELL. So far as I know, the only person who has any interest personal to himself in being confirmed to the office of a member of the Board of Governors of the Federal Reserve System is Commodore Vardaman.

Mr. MILLIKIN. May I repeat my question, would not the Senator's thesis be more persuasive if Commodore Vardaman were the only man who had an intereset of the type described by the Senator?

Mr. DONNELL. Mr. President, with all due respect to the Senator from Colorado, I think I have answered that question. Commodore Vardaman is the only man who has any interest in having a confirmation of himself to the office of member of the Board of Governors of the Federal Reserve System. He is the only man who has any interest in seeing that this testimony is colored by showing that he was not with the company after June 1941.

Mr. MILLIKIN. Is not the Senator confusing the issue of whether or not the Commodore shall be confirmed with what happened in the shoe company between June and the end of the year 1941?

Mr. DONNELL. I think not, Mr. President. With all due respect to the distinguished Senator and his unusual clarity of thought, I have been unable to bring to the attention of the Senator the point to which I address myself. My point is that it was to the interest of Commodore Vardaman, in order to secure a confirmation of his nomination to the Board of Governors of the Federal Reserve System, that he should be found by the subcommittee to be absent from the company at the time the tampering with the inventory occurred, and in answer to the question of the distinguished Senator from Colorado I submit that Vardaman is the only individual who has any direct, personal interest in whether or not his nomination shall be confirmed, except insofar as the people of the United States have a direct and public interest.

Mr President, as I have said, I was discussing the fact that there is an obvious tendency on the part of Commodore Vardaman to color his testimony so as to show that he was not with the company after June 1941.

I call attention again to the fact that on page 117 of the minutes, at the meeting of June 12, Mr. Vardaman reported on negotiations with RFC concerning a proposed $35,000 loan, stated that he would be out of the city from June 14 to and including June 25, and said—and I quote from the minutes—"that he thought the Board of Directors should name an executive representative to be available at the office during his absence."

Obviously, Mr. President, at that time the commodore thought that the fact that he was going to be out of the city for those 2 weeks was of sufficient importance as having a bearing on the conduct of the company that there should be appointed an executive representative to be available at the office during his absence. Obviously, the directors thought so, too, because the minutes proceed:

By the unanimous vote of the members present, Mr. Frank Bittner was named executive representative by the board of directors—

For how long, Mr. President?—

for the period of Mr. Vardaman's absence.

Obviously, the board was not in possession of any information that Mr. Vardaman had either quit or was going to quit.

Mr. President, on July 1, 1941, Mr. Vardaman was still not only in the city of St. Louis, but with the company. I do not mean to say that he was not performing his duty at the naval office in the Syndicate Trust Building. I know nothing of that excepting his own testimony, but I do know that on July 1, 1941, at a meeting held at 1637 Washington Avenue at 3:30 p. m., Mr. Vardaman was present. He was not then at the Office of Naval Intelligence in the Syndicate Trust Building, and I know from the minutes, as disclosed on page 119, that he presided at that meeting. I know also that Mr. Vardaman—

Reported on the operation of the company's business, stating—

What?—

stating that orders were available for the capacity production of the company. However, he was having difficulty with purchasers in view of present unsettled conditions.

Mr. President, if Vardaman had left the company, how was it that he was having difficulty with purchasers?

Then I find, not only did he report, not only was he presiding, not only was he in the office, not only was he having difficulty with purchasers himself personally, but the minutes show further:

Mr. Vardaman suggested that the company purchase a clubhouse to be known as the Foremen's Home and Recreation Center, at Owensville, Mo., at the cost not to exceed $1,000, and that a building was available which was approximately 150 feet by 200, containing four rooms, large dance hall, and plenty of ground, and that he would investigate same and if a deal could be made he—

That is the language of the minutes—

would submit it at the next board meeting.

If he had left the company, how did he know what the cost was; how did he know that the house could be purchased; how did he know that the dimensions were 150 by 200; how did he know the number of rooms; the fact that there was a dance hall and plenty of ground; and how was it that he was going to investigate it, and that if a deal could be made he would submit it at the next board meeting?

But, Mr. President, he did not stop there at this meeting in July. We find further that—

Mr. Vardaman reported on the meeting of the committee at Jacksonville, Ill.—

That is the meeting in regard to the new plant that was contemplated—

stating that the committee will underwrite $50,000 in preferred stock, in addition to the fact that it will purchase $25,000 in preferred stock, and that the St. Louis investors will invest $25,000 in preferred stock in a new company to be organized, as follows: $50,000, class A preferred stock, 5 percent noncumulative, nonvoting; $50,000 class B preferred stock, 3 percent noncumulative, and nonvoting; 3,000 shares of common stock, no par value; and the new company take over the present building, which cost $43,000, and assume mortgage of $13,000 thereon, and exchange preferred stock for title to building, subject to the mortgage thereon, which is to be paid off at $150 a month; and that 1,000 shares of the common stock be issued as a bonus with the class B preferred stock.

I shall not proceed with the details. There is considerable more of it. The point I make is that Mr. Vardaman apparently knew this thing he was here proposing up one side and down the other, and from his own personal knowledge. The proposal was discussed, and it was the unanimous opinion of the board that any further negotiations relative to the Jacksonville deal be on a personal basis and not on a company basis for the reason that several objections were made to the company doing it.

Mr. President, on July 31, 1941, we find that the company held its next meeting of the board of directors, and that the meeting took place, not in the Syndicate Trust Building but at 1631 Washington Avenue, the office of the company. We find that Mr. Vardaman was there and presided. We find him reporting on the general operations of the business, and it was not merely a vague general information report that all was well. He stated, among other things, so the minutes show:

That the company was not manufacturing 6,500 pairs of shores per day and that the company had an abundance of back orders and would undoubtedly be operating to capacity through the season and if it had sufficient working capital, orders were obtainable to open and operate the small plant at Owensville, Mo., but due to the lack of working capital, this was inadvisable.

Then we find him stating, as shown in the same minutes of July 31—

That he had communicated with Mr. Joseph Grand, attorney for William H. Killoren, trustee in bankruptcy of the Hamilton-Brown Shoe Co., relative to the purchase of the part payment deed of trust held by him—

That is to say, I take it, the trustee—

on the company's building at Owensville, Mo.

Then we find that by unanimous vote of the members present the board, not realizing that Mr. Vardaman had gone and was no longer with the company, took this action:

Mr. Vardaman, as president of the company, was authorized to submit a proposal to Judge Killoren as trustee for the purchase of said deed of trust at a total cost to the company, not to exceed $12,000. Mr. Vardaman read a draft of the proposal addressed to Judge Killoren—

Which seems to have been already prepared in advance—

which was approved by the board of directors as clearly stating the company's position.

They did not stop holding meetings. On August 28, 1941, again at the office of the company, not in the Syndicate Trust Building, we find at 3:30 p. m. Mr. Vardaman again reporting—

relative to the contemplated purchase of the part payment first mortgage on the company's property at Owensville, Mo. He stated that he had submitted the proposal authorized by the board to Mr. Killoren, trustee of the Hamilton-Brown Shoe Co., through Mr. Joe Grand, his attorney, who indicated that the offer would not be accepted unless it was increased. However, they were interested in liquidating the bankrupt estate and would submit the proposal to the creditors' committee for recommendation to the referee in bankruptcy. Mr. Vardaman stated that he communicated—

I do not know whether he means himself or Grand or Killoren, but Mr. Vardaman stated that he—and I judge that he would be the one who knew what he himself had done—

Mr. Vardaman stated that he communicated with most of the members of the creditors' committee and that their reaction to the proposal was, that if the offer was increased substantially, it would be considered. After general discussion, the board of directors decided not to increase its offer over $12,000 previously authorized.

Mr. President, less than 2 weeks later we find another meeting of the board of

directors, on September 11—long after June—and yet the company had not yet found out that Mr. Vardaman had left it; indeed he was there in person physically at 1637 Washington Avenue pursuant to notice and presided. The minutes show that at that meeting—

Mr. Vardaman reported on his negotiations with Mr. Joseph Grand, attorney for Judge Killoren, in relation to the negotiations for the purchase of the mortgage on the Owensville plant, stating that the offer of $12,000 has not yet been accepted. However, he expected a counterproposal shortly. He stated that he had talked to Mr. Engel and other members of the creditors' committee of the Hamilton-Brown Shoe Co. and they assured him that the proposal would be recommended. He also stated that he had solicited the assistance of Mr. Newhard—

I will come to Mr. Newhard a little later on—

and Mr. Grand had called for additional information in regard to the matter, and this, in his opinion, indicated interest in the offer.

Then we find testimony about the business of the company. By the way, there must have been noticed, Mr. President, the fine spirit of optimism which seemed to have prevailed in the mind of Mr. Vardaman respecting this company which was headed toward bankruptcy only a few months later. Senators will observe that, according to the minutes, things were going to be better in the future, but we find they did not get better.

We find this in the minutes of September 11:

Mr. Vardaman further reported that he has had—

He has not gone yet, because—

he has had insistent and repeated demands of the suppliers to bring this company's accounts up to a 30-day basis. That due to increased production and lack of working capital, our accounts had been permitted to lapse, as the board had been previously informed and purchases have been proportionately higher in order to keep the plant in production, and that the company has over $40,000 in accounts payable that are over 60 days old. This, he (Vardaman) stated, is no reflection on the operation of the business of the company, but solely due to the lack of sufficient working capital and the necessity of holding leather and other commitments. He further stated that one leather company was holding a commitment on 100,000 feet of leather at the same time that orders were being placed for an additional 150,000 feet. At the time the request for the 150,000 feet was made, the commitment was refused due to the inability of the company to take up this further commitment as quickly as desired. He stated, however, that he had communicated with the bank and that they agreed to protect this commitment and advance the necessary funds to the company. Mr. Vardaman stated that this was not a satisfactory condition and that, in his opinion, the suppliers were entitled to have their accounts brought up to a 30-day basis due to the increased demand of manufacturers, and the desire of the suppliers to take care of their good paying accounts. Up to the present time, they have not refused to supply this company, but unless sufficient capital is made available shortly to relieve this pressure, we will undoubtedly be faced with refusals or be put on a c. o. d. basis.

This was September 11.

Another meeting took place on September 19, just 8 days later. I refer to page 129 of the minutes. Mr. Vardaman, who, according to his statement, had been gone from the company ever since June, arrived at the company's office at 1637 Washington Avenue at 3:30 p. m., and presided.

Mr. Vardaman reported relative to his negotiations with Mr. Joseph Grand, attorney for Judge Killoren, trustee in bankruptcy of the Hamilton-Brown Shoe Co.

I shall not state all this in detail. He stated what Mr. Grand indicated, and stated that he—I presume Mr. Vardaman—talked to Mr. Grand.

Mr. Vardaman stated that he had arranged a meeting with the creditors' committee of the Hamilton-Brown Shoe Co., the attorneys for the creditors and trustee and the referee in bankruptcy for some time during the coming week, for the purpose of discussing this matter.

Then Mr. Vardaman discussed not merely the deed of trust, but the cash position of the company and the operation of its business. Mr. Vardaman called the attention of the board to the cash position of the company—

stating that due to the fact that heavy purchases were made during the months of July and August in order to have sufficient supplies to complete orders on hand and get commitments for spring business and be able to price same by October 1, 1941, the company does not have sufficient cash to meet the demands of the creditors. He further stated that the creditors are insistent that the company's accounts be brought up to a 30-day current basis. It is necessary that this be done, but the company does not have sufficient money at this time to do it.

The minutes state further:

He—

Vardaman, I take it—

stated that the comptroller has written $20,000 in checks, and will have sufficient billings today, less $7,000, to meet them, but that we have another $7,000 in bills to meet Monday, and will not have sufficient funds available until Tuesday afternoon, which makes our funds $14,000 short as of Monday morning. This condition, he stated, was temporary, but that it was necessary that the company have additional money immediately in order to continue on its present basis.

This discussion took place on September 19. On the 25th, 6 days later, we find another meeting, not at the Syndicate Trust Building, but at 1637 Washington Avenue, the office of the company. Mr. Vardaman presided.

Mr. Vardaman reported relative to his negotiations with the trustee in bankruptcy of the Hamilton-Brown Shoe Co., for the purchase of the mortgage on the company's property at Owensville, Mo. He stated that the company's offer of $12,000 had definitely been rejected, and that a compromise would be suggested within the next week.

* * * * *

Mr. Vardaman stated that the primary purpose of this meeting was to discuss the necessary additional financing required due to the demands of the suppliers to bring all the unpaid accounts of the company up to a 30-day basis and to make up for the additional purchases made during last season. He stated that it would take at least $50,000 additional funds to do this. It was suggested that this money be borrowed from the banks, debenture noteholders and stock holders of the company on a 2-year basis.

The minutes do not say who discussed it.

The matter was thoroughly discussed by the directors present, and with the unanimous approval of the directors present, Mr. Kappel, the attorney for the company was instructed to prepare a draft of the contemplated agreement—

And so forth. Near the conclusion of the meeting Mr. Vardaman stated that another meeting of the board of directors would be held on October 1, 1941, for the purpose of authorizing the issuance of "said notes," that is to say, the 5 percent debenture notes, and approving the suggested agreements. True to his statement, on the 1st day of October a meeting was held, and he was there, at the office of the company, 1637 Washington Avenue, and he presided. We find him reporting on his negotiations for the purchase of the deed of trust on the Owensville plant. He also reported that the creditors' committee had approved the offer, so that the only persons to act on it were the board and the referee in bankruptcy.

We find him also reporting to the board his meeting with the company's auditors, Ernst & Ernst, and he was authorized to enter into a contract for the employment of that firm for the fiscal year ending October 31, 1941.

On October 28, 1941, we find another meeting. I shall try not to be tedious, but I think it is important to show his constant participation in the affairs of the company, notwithstanding that, according to his testimony, he had left it.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I should like to read to the Senator from page 927 of the transcript. The commodore is testifying:

Senator DONNELL. All right, now, Commodore, we had got down to the point about your going away. You had gone with the Navy in June 1941. I realize you had duties, and important ones, to perform. But you did keep in touch, did you not, Commodore Vardaman, with the general financial situation of this company from then until the time that you signed the bankruptcy decision?

Commodore VARDAMAN. As best I could.

Senator DONNELL. As best you could. You were in St. Louis substantially all that time, weren't you?

Commodore VARDAMAN. Oh, no.

Senator DONNELL. You were in and out of St. Louis every few days; you would be there available if the company needed you, is that right?

Commodore VARDAMAN. Yes.

I wonder if the Senator sees any attempt on the part of Commodore Vardaman to give an erroneous impression of his activities with the company, under the Senator's own examination of him.

Mr. DONNELL. Mr. President, I may say, in the first place, that my examination of him was cross-examination. In the second place, I am pointing out the fact that in his original testimony before the committee, before he was cross-examined, he had made these statements about leaving the company in June. Under cross-examination it was developed, clear as crystal, to my mind, that he had not left the company in June, but was closely familiar with its operations and participating, as these minutes unquestionably and undeniably show.

Mr. MILLIKIN. I suggest that a man who is inducted into the military service at least has a right to feel that a very violent change has come about in his occupation, and that he has a right to make a statement that he is leaving a civilian pursuit, even though he gives sporadic attention to that pursuit afterward. I suggest to the Senator that when the Senator had Commodore Vardaman on the stand he got nothing but the utmost frankness out of him from the questions he asked, bearing directly on the questions which the Senator is now posing, as though they had been unanswered.

Mr. DONNELL. There is no statement at all that any of these questions have been unanswered. I myself have pointed out certain answers which the commodore gave on cross-examination. I am not saying that in his cross-examination he did not give the facts. I am saying that in his original testimony and in the mimeographed statement from which he read, the statements which I have indicated appear—namely, that he had left the company in June 1941, which is not a fact.

Mr. MILLIKIN. Let me ask the Senator a question. Does he not concede that when a man, speaking generally, says that he left a business when he was inducted into the military service, he has a general right to make a statement of that kind?

Mr. DONNELL. As I see it, the fact is clear that this gentleman, Mr. Vardaman, made these statements. I am not undertaking to say what his own mental processes may have been, other than that he represented to the committee that he had left in June 1941, when he had not done so.

Mr. MILLIKIN. Is it not a fact that he was inducted into the Navy as of that time?

Mr. DONNELL. I do not recall. I will check that date, if it is desired, and find out.

Mr. MILLIKIN. It was about that time, was it not?

Mr. DONNELL. I do not recall just when it was.

Mr. MILLIKIN. He said it was in June 1941. Surely the Senator does not question that he was inducted into the service about that time.

Mr. DONNELL. He was inducted into the service.

Mr. MILLIKIN. Let me repeat my question. In view of the vital change in a man's occupational activities upon induction into the military service, does not the Senator think—and I put it to him as a matter of fairness—that in general conversation a man may say, "I have left my business and have gone into the military service," even though he may in fact give some sporadic attention to his business?

Mr. DONNELL. In the first place, this was not in a general conversation. This was in sworn testimony, taken from an obviously carefully prepared mimeographed statement which had been prepared for submission to the committee.

Mr. MILLIKIN. Mr. President——

Mr. DONNELL. Let me say a word further to the Senator. I find that when Mr. Vardaman announced to the board his definite retention in the Navy, or the prospect of his definite retention, it was on Friday, January 16, 1942, that that was called to the attention of the board. I read to the Senator from page 153, where I find the following:

> Mr. Vardaman stated that he had recently returned from the headquarters of the Ninth Naval District at Great Lakes, Ill., and found that he was definitely in the Navy for the duration of the war and that he may be ordered away from St. Louis at any time. However, his expectations were to remain here at least until his work at the Naval Intelligence Office is in shape, which should be for at least several months.

Mr. MILLIKIN. Will the Senator tell me when Mr. Vardaman was inducted into the Navy?

Mr. DONNELL. I cannot tell the Senator because I do not know the date.

Mr. MILLIKIN. I will ascertain the date and interrupt the Senator.

Mr. DONNELL. That will be perfectly all right.

Mr. MILLIKIN. I repeat that I suggest that attention should be given to the radical change in this man's occupation. I think attention should be given to the context of his statement, and his complete freedom in answering the Senator's questions, which bore on the very question now being discussed. I do not believe that the Senator, with all his feeling in this matter, will say that Vardaman was a reluctant witness in answering his questions.

Mr. DONNELL. I should say that Mr. Vardaman answered every question that was put to him, so far as I recall, and did so readily. Nevertheless, I say that his statement to the committee in three distinct places was to the general effect, and almost in the exact language, that he had left the company in June 1941. I say further that it was to his advantage to convince the committee that he had left it in June 1941. I say further that when confronted by facts such as were presented to him, of course, there was no possible answer, even had he desired to answer any differently, than that which he made to the committee and to myself.

Mr. MILLIKIN. The Senator makes no allowance whatever for the fact that a man answers his questions readily and does not attempt to evade. Does the Senator then take the next step, and say, "Of course, he did that, but he had no alternative"?

Mr. DONNELL. Mr. President, I think the facts speak too clearly to require further emphasis on this particular proposition. The facts show that this gentleman, Mr. Vardaman, appearing before a subcommittee of the United States Senate for the purpose of presenting the facts in favor of his own nomination, realizing unquestionably, as he did, that the tampering with the inventory which he himself mentioned in the statement, occurred in November or December 1941, had an interest to show as little connection with the company as possible at that time.

I say further that his evidence clearly shows, not in mere casual inadvertence in general conversation, but in a mimeographed letter prepared for the committee and presented to the committee and subsequently sworn to before the committee, that on three distinct occasions he stated to the committee, in substance, that he had left in June 1941.

On October 28, 1941, the board again held a meeting, and we again find Mr. Vardaman present.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I shall read from page 18 of the transcript, which shows a biographical sketch of the commodore prepared by the Navy Department. Omitting the preliminary parts, omitting the part which refers to his birth and to his education and to his experience in World War I, I come down to the following:

> Appointed lieutenant commander in the United States Naval Reserve on September 13, 1939, he subsequently reported for duty at Great Lakes, Ill., and in June 1941 became officer in charge, branch intelligence office, St. Louis, Mo., serving in this assignment until April 1942.

Mr. DONNELL. I thank the Senator.

Mr. President, I call attention to the fact that what has been read by the distinguished Senator from Colorado in no sense militates against the fact shown in the minutes, namely, that even if Mr. Vardaman had been and was, as is stated in the document, officer in charge of the branch intelligence office at St. Louis beginning in June 1941, he still continued in the business of the company and drew his salary in full until the early part of January 1942.

Now, referring to the minutes of the October 28 meeting of the company—getting very close to November—we find Mr. Vardaman, as I said, present at the office of the company, presiding at the meeting, and making—I quote from the minutes:

> A complete report on the business of the company, stating that the company would not accept initial orders for spring business, aggregating 350,000 pairs of shoes, due to changes in the cost of materials and supplies. He also reported that orders were satisfactory and that the company had a sufficient backlog of orders to more than carry them through the year.

On November 13—16 days after the last meeting—there occurred another meeting of the board, again at the company's office and again with Mr. Vardaman present and presiding. We find him reporting at that meeting on the operations of the company—

> Stating that the orders were coming in very well; that, unfortunately, the cost of completing orders, due to the present increase of materials, has seriously affected earnings for this period. He stated that his working capital was completely tied up in operations and that the cash position of the company was exceedingly poor, and that some of the creditors had resorted to collection letters, which could not possibly have any good effect upon the company's credit, and that some action had to be taken relative to this position at this meeting.

We also find him reporting on his negotiations with the company's attorney and with the attorney for the trustee in bankruptcy of the Hamilton-Brown Shoe Co. "relative to purchase by the Stockyards National Bank for the benefit of the company, of the mortgage or deed of

trust held by him on the company's property in Owensville, Mo."

Then there are some eight lines of typewriting telling what Mr. Vardaman stated to the meeting about what Mr. Grand had said about his willingness to do certain things, and what Mr. Vardaman had expressed his opinion about in reference to a certain claim being of "little or no value; that there were barely sufficient funds on hand to pay cost of administration and preferred claims, and that the general creditors would, in all probability, receive nothing on liquidation." As I have said, at that meeting on November 13, Mr. Vardaman was present and presiding.

Then there occurred a meeting on December 3, 1941, at the same place—the office of the company—with Mr. Vardaman present and presiding. He reported on the operations of the company's business. He stated that—

Orders had been received for all of the shoes which the company had desired to sell and at prices considerably higher than that previously obtained and that, in his opinion, there was sufficient mark-up over and above the cost of production to reasonably guarantee a satisfactory profit.

Then we find him reporting that the $50,000 worth of 4-percent notes—it appears that a change had been made from 5 percent to 4 percent—were all sold and that the company is now $43,000 better off financially than it was at the last meeting, thanks to the untiring and efficient services and cooperation of directors, Frank Bittner, Allen J. Postel, Henry Cook, and George Oliver Carpenter.

Mr. President, I call attention to Mr. Vardaman's conclusion that the company was $43,000 better off financially. I presume what was meant was that it was merely in a better cash position, because, of course, the obligations and liabilities had risen commensurately with the receipt of $43,000 as proceeds from the sale of the notes. However, the fact is that on December 3 he was at the meeting, reporting to it; and we find that he gave the statement which I have indicated.

On December 19, 1941, another meeting occurred at the office of the company. Mr. Vardaman again was present and presiding. He reported on "the operations of the company and the contemplated shoe show to be held in the early part of January in Chicago."

Mr. President, I wish to call particular attention to the point that "he further stated that he felt that the company would enjoy its share of the business at this show, and that he"—Vardaman—"was taking several of the employees to Chicago to assist in displaying samples and conferring with customers." Certainly he had not left the company, Mr. President; he was going to Chicago and he was taking several of the employees there to assist in displaying samples and conferring with customers.

He further reported that due to heavy production and delayed deliveries, the company was forced to use up its borrowing power to its fullest extent in order to obtain sufficient money to operate.

At the same meeting he presented to the board "the question of bonuses and additional compensation to be paid the company's employees for exceptional services rendered during the year"; and he discussed with the board the contract of employment of Mr. Anthony J. Schleutter. He said that—

In his opinion, the amount that was being paid Mr. Schleutter was excessive; that he has not fitted the position as a shoe executive and cost man as was anticipated at the time of his employment and that, in his opinion, he felt that the salary was out of line and it should be cut from $4,000 to $3,000 annually, payable at the rate of $250 per month.

Then we pass over to January 1942. At a meeting on January 16, 1942, at the office of the company, which is inadvertently stated, I think, as 1937 Washington Avenue, although it should have been stated as 1637 Washington Avenue, we find Mr. Vardaman present and presiding. Then it was, as I stated a few moments ago, that the minutes show that—

Mr. Vardaman stated that he had recently returned from the headquarters of the Ninth Naval District at Great Lakes, Ill., and found he was definitely in the Navy for the duration of the war and that he may be ordered away from St. Louis at any time.

However, he stated that he felt he would be in St. Louis, in connection with the Office of Naval Intelligence, for several months. Then the minutes show that he thought the board should elect Mr. Frank O. Bittner, Jr., as executive vice president of the company—to do what? To take over the active duties of the executive vice president of the company immediately, "and to take charge of the office, in order that the business of the company will not suffer by reason of his"—Mr. Vardaman's—"absence." Mr. Vardaman proposed the election of Frank O. Bittner, Jr., as executive vice president of the company, at a salary of $600 per month, and he was elected at that time.

Mr. President, I have omitted to mention that at an intermediate date which I do not have in mind at the moment, but which I shall supply later on, Mr. Vardaman had been elevated from the position of treasurer of the company to the position of president. My recollection is that that was prior to January 1941; but I shall state it accurately in a little while. But at the meeting in January 1942 it was suggested that the salary of the president be reduced—to what? "To $500 per month, until further order of the board of directors, and that during the period of time that Mr. Vardaman is in the service of his country that all the benefits as to the payment of additional compensation as provided by his employment contract, enure to the benefit of Mr. Bittner." The evidence will show, later on, that he was referring to a certain bonus agreement under which he was entitled to a bonus on the earnings or profits of the company. So the salary was reduced, as will be observed, from $625 a month to $500 a month, at the meeting on January 16, 1942. It was stated in the minutes that—

All the benefits of James K. Vardaman, Jr.'s employment contract, relative to payment of additional compensation based upon the earnings of the company, enure to the benefit of Mr. Bittner, subject to the further order of the board of directors, and that in the event Mr. Vardaman becomes active in the affairs of the company and devotes his full time thereto at the termination of emergency, that he be reinstated on the same basis and with all the benefits of his contract, and that he be given a leave of absence forthwith for the duration of the war.

That was at the meeting on the 16th of January, 1942.

Then according to the minutes—

Mr. Vardaman stated that due to the fact that he could not be active in the affairs of the company and devote his full time thereto, he felt that he had not wholly complied with the terms of his employment contract, * * * and that he appreciated the expression of the board of directors in assuring him reemployment on the same basis after the emergency, when he can devote his full time and attention to the business of the corporation.

Mr. President, on the 30th day of January, 2 weeks later than the meeting to which I have just referred, the following appears on page 162:

Mr. Kappel reported that Mr. Vardaman stated that due to the existing emergency and the fact that he is in active duty of the United States Navy, it has been impossible for him to give the time and attention to the business of the corporation required and that the board of directors had elected Frank O. Bittner, Jr., as the executive vice president of the company, who has taken over the active duties of said office and is now devoting his full time and attention to the business of the corporation.

On January 30, 1942, a meeting was held at the Missouri Athletic Club, and Mr. Vardaman was again present. Here we find that Mr. Bittner, who had been selected as the executive vice president, is referred to as follows:

Mr. Bittner stated that the affairs of the company were in such shape that it would be impossible for him to take charge of the operations of the company's business without the aid and assistance of Mr. Vardaman and requested that the board of directors, upon obtaining Mr. Vardaman's consent, cancel the leave of absence recently given him.

The leave of absence had been given 2 weeks previously. It was canceled with the consent of Mr. Vardaman, as shown on page 164 of the minutes.

On the same day, as show on page 165 of the minutes, we find the following:

Mr. Vardaman reported that he had attended the shoe fair in Chicago recently with Mr. Bittner, Mr. Ieneichen, and other employees of the company, and that so far as this company was concerned, it was a fairly successful show.

Mr. President, that was not a momentary visit of a minute or two in and out again.

I continue reading:

He stated that he was disappointed upon arriving at Chicago and interviewing the buyers, in finding that the shoe industry was not favored with a seller's market as anticipated, and that this impression held sway for the first few days of the show. However, during the last 2 days there was some indication of improvement along this line. Investigation revealed that the prices of our commodities were in line with our competitors, and that during the last day we began to book orders, coming back with our just share.

Mr. President, I cannot put together the word "few" and the word "two," but I should judge that the words "first few days" certainly mean at least 2 and perhaps 3 days, and that there were two

more days, or "the last 2 days." So certainly, at the very minimum, Mr. Vardaman was indicating that he was away from his naval work for 4 days in attendance at the shoe fair in Chicago on behalf of the Vardaman Shoe Co.

I continue to read from the minutes:

After returning from the Chicago show Mr. Vardaman states that he went to the office of Ernst & Ernst, the company's auditors, relative to the matter of inventory, which said firm raised in December, to inquire if they had satisfied themselves with the discrepancies which they had discovered in the inventory figures and said firm reported that they had not, but that they had discovered other discrepancies. Mr. Vardaman stated that he requested that Ernst & Ernst immediately make a new and complete inventory as the one which they had could not be used under the circumstances. This they were not willing to do, nor were they willing to go ahead and complete the audit, as, in their opinion, there had been plugging of the figures. He stated that he immediately called Mr. De Coster to the office of Ernst & Ernst and that Mr. De Coster agreed with Ernst & Ernst in his presence that some changes apparently had been made in the inventory.

Mr. MILLIKIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Does the Senator from Missouri yield to the Senator from Colorado?

Mr. DONNELL. I yield.

Mr. MILLIKIN. What was the date of that meeting?

Mr. DONNELL. January 30.

Mr. MILLIKIN. As of that date Commodore Vardaman recommended the full investigation of the so-called plugged inventories by a national auditing firm.

Mr. DONNELL. The Senator is correct.

On February 12, 1942, at page 172 of the minutes we find an adjourned meeting of the board of directors of the Vardaman Shoe Co. held at the Missouri Athletic Club. Present, among others, was Mr. Vardaman. We find that he presided, and that at the meeting it was decided to put the company into bankruptcy under the corporate reorganization provisions of chapter 10 of the Bankruptcy Act, and also to file all petitions in connection therewith, and to make all necessary proposals for the terms of reorganization, and take all necessary steps in connection therewith.

On page 173 of the minutes we find the following:

Mr. Kappel presented to the meeting the draft of debtors petition prepared in accordance with the resolution of this board. The petition was thereupon signed by Mr. Vardaman as president and Mr. de Coster as assistant secretary and the seal of the corporation was thereunto affixed.

So, Mr. President, we have found thus far that the commodore stated three times in substance to the subcommittee that he had left the company in June 1941, and yet he had attended every meeting of the board of directors from then until the bankruptcy meeting on February 13. That was the day on which the company went into bankruptcy. We find that he had actively participated in and showed an intimate knowledge, not only of the general financial policies of the company but of the production problems, the number of shoes being manufactured, the prices of materials, and the demands of the creditors—in other words, an intimate and detailed knowledge which indicates clearly that he did not leave the company in June 1941, contrary to what one would be led to believe from the statement that had been filed initially, and the testimony given initially to the committee.

Mr. MILLIKIN. Mr. President, is it the Senator's sole point that the attendance of Mr. Vardaman at the board meetings does not square with the initial representation to which the Senator has referred?

Mr. DONNELL. Yes, and also, the obvious familiarity with the business as disclosed in the board meetings clearly indicates that he had not left the company in June, 1941.

Mr. MILLIKIN. Was there any reason to believe that the commodore should have anticipated every question which might have been asked him by the committee?

Mr. DONNELL. No, but I think that in preparing the statement for a committee of the United States Senate, in filing it with the committee and in swearing to it thereafter, the man who makes such statement should know what he is saying and how he is saying it. Mr. Vardaman was educated as a lawyer, and practiced his profession for 3 years. I would assume that he was amply capable of using language which would clearly express his meaning.

Mr. MILLIKIN. Considering the commodore's initial testimony as a whole, and his testimony under the Senator's cross-examination, was there any deception practiced as to those matters to which the Senator has referred?

Mr. DONNELL. Mr. President, I think the Senator is calling for a very broad conclusion of what I am trying to demonstrate in my argument this afternoon. There was obviously a clear coloring of the testimony in the statements made by Commodore Vardaman to the subcommittee. It was true that much of the coloring was dissipated by the examination which proceeded, but a large part of it was dissipated not by that examination but by an inspection of the minutes since the meetings of the subcommittee were held.

Mr. MILLIKIN. A while ago I understood the Senator to say that the commodore answered readily the questions which were asked nim.

Mr. DONNELL. He did.

Mr. MILLIKIN. He was not caught in any lies during his testimony, was he?

Mr. DONNELL. Not that I know of.

Mr. MILLIKIN. So in considering his testimony as a whole before the subcommittee, we must arrive at the conclusion that he was truthful on the point to which reference has been made.

Mr. DONNELL. I would say that, in large part, in the testimony which he subsequently gave he corrected the incorrect statements made three times initially to the committee.

Mr. MILLIKIN. Assuming that he made an inadvertent or incorrect statement, it was a part of the Senator's function to develop the facts which he considered to be important. As I understand from the admissions of the Senator, that was done, and there is no implication that in considering the commodore's testimony as a whole on this point there was any untruthfulness in it.

Mr. DONNELL. Mr. President, I have made no admission of any such broad generalization. I have undertaken to develop the phases of the situation. If the Senator from Colorado does not agree with them, he has the right to disagree. I have attempted to develop the proposition that there was an obvious tendency on the part of Mr. Vardaman to color his testimony to his own advantage. That has been shown in the statement which he filed, as well as in his initial testimony.

Mr. President, I am coming to another instance which is probably even clearer, if that be possible, than the one to which I have referred.

Earlier this afternoon I said that after further considering certain phases of the business of this company I would revert for a minute to the question of the business ability of the commodore. The reason for postponing the immediate presentation of the further consideration of the subject was that I desired to be able to show the Senate from the testimony the fact that the commodore was in close personal physical contact with the business up until the time of the bankruptcy. I could then demonstrate what was the condition which the trustee in bankruptcy, Mr. William R. Gentry, found in that business at the conclusion of the period of time which expired on November 14, 1942.

Mr. MILLIKIN. Mr. President, while making that exposition, I wonder if I may ask the Senator, because I know he wants to be judicial and balanced in this matter, to discuss the state of the company when Commodore Vardaman went into it.

Mr. DONNELL. The state of the company was very, very bad.

Mr. MILLIKIN. And remained that way?

Mr. DONNELL. It remained that way and improved little at any time. I am coming to that point, because the commodore not only realized that fact but proceeded to operate the company, as I see it, largely if not primarily on the money of the creditors from the time he went in. I shall come to that in full.

Mr. MILLIKIN. When the Senator comes to that, I hope he will remember that Commodore Vardaman testified that none of the creditors were fooled as to the position of the company and will give us the benefit of his observations on that.

Mr. DONNELL. I shall give the best comments of which I am capable as to the facts.

Having demonstrated that Commodore Vardaman had a close connection with the shoe company up to the time of bankruptcy, February 13, 1942, I now call to the attention of the Senate—and to that extent digress for a moment from the proposition of the coloring of the testimony—as bearing on his business ability, to the testimony of Mr. William R. Gentry, who had been receiver of the Hamilton Brown Shoe Co., as to the condition he found in the Vardaman Shoe

Co. in 1942 after Mr. Vardaman had been there since August 10, 1939.

I wish to preface my remarks by saying that Mr. William R. Gentry is a lawyer of high standing in St. Louis, a man of elderly years but of quick, keen, alert mind, as was amply demonstrated before the committee; a man of the very highest standing. He had been selected some months before that, possibly years before that, as the receiver of the Hamilton Brown Shoe Co., which was one of the very large shoe companies in the city of St. Louis. He himself said in response to a question which I asked him—

About the last of May 1930—

I said a few months ago; it was 16 years ago, which calls to mind the passage of time—

About the last of May 1930 the United States district court at St. Louis appointed me as receiver in an equity proceeding for the Hamilton Brown Shoe Co.

Then I asked him briefly to tell the type of experience he, Mr. Gentry, had had with the work and the volume of the business done by the company, that is, the Hamilton Brown Shoe Co.

He said:

There were debts due to various banks in St. Louis, Chicago, New York, and Boston. As I remember it the amount was right close to $2,000,000. The banks were very much exercised and worried about the matter, and they had no security. Both sides agreed to the appointment of a receiver, and Judge Davis—

Who was a Federal judge, one of the very finest we have had for many years.

Mr. McFARLAND. Did the Senator say he was appointed in 1930?

Mr. DONNELL. That is what the transcript says.

Mr. McFARLAND. I think that is a typographical error. I think it should be 1939.

Mr. DONNELL. It may be.

Mr. McFARLAND. That is what his statement was.

Mr. DONNELL. I was amazed myself in reading it that so much time had elapsed.

Mr. McFARLAND. It was 1939.

Mr. DONNELL. I call the Senator's attention to page 125 of the record, from which I am reading. I thank the Senator for calling my attention to it, and I am somewhat reassured that time has not passed so rapidly as I had thought.

Mr. Gentry proceeded:

Both sides agreed to the appointment of a receiver, and Judge Davis called me and appointed me receiver of the company and ordered me to operate the business. They had plants at Boonville, Owensville, East St. Louis, two plants in the city of St. Louis and one in Union, Mo. And they had a branch of the business in Boston. They did not manufacture there, but they sold shoes there which they shipped from some of these other plants.

An ancillary proceeding was filed in Boston because of the debts due the banks there, but it was handled in connection with my work. We succeeded in paying off the bank debts.

They were approximately $2,000,000, it is said.

I managed the business and turned back to the company at the close of about 13 months of receivership assets appraised at $4,000,000.

So, Mr. President, Mr. Gentry, of whom I speak, is not only a lawyer but he has had some experience in the shoe business in a highly important capacity in the city of St. Louis.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Will the Senator be good enough to inform our colleagues of the change in the circumstances of shoe companies which, generally, occurred between the time Commodore Vardaman was in charge of the shoe company, and the time of Mr. Gentry's departure from the shoe company?

Mr. DONNELL. I am not able to state the difference in the shoe business, Mr. President. Perhaps there is some testimony which the Senator has in mind, and, if so, I shall be glad to have him introduce it.

Mr. MILLIKIN. I remind the Senator that we had several pieces of testimony that the advent of the war took shoe companies out of a very precaricus position and brought them prosperity, as it did many other businesses.

Mr. DONNELL. I recall what the Senator has in mind very well, since he refreshes my recollection about it.

What I am undertaking to discuss now is the condition found by Mr. Gentry in the business of the Vardaman Shoe Co. after Commodore Vardaman had been there, first as treasurer and then as president, since 1939. I do not mean he had been president since 1939. I think that was 1940. I shall check that and insert the correct date later.

What did Mr. Gentry find? I read from the record, page 127, where he said:

I found a very poor quality of work on shoes. I insisted on that work being improved.

Then he said:

We went through the factory, and I myself, though not a practical shoe builder, could see a lot of defects in the work that was done, and I insisted that changes should be made in the matter of the workmanship so that it would improve the shoes, and changes were made, and the shoes were very greatly improved.

Then on the next page—128—he said that he found that there were many more in the department, that is to say, the office force in St. Louis, than were needed.

We put it on a much more economical basis.

I am referring now to page 128:

We found that we were losing money on every pair of shoes we made.

A little further he says:

We found out through some of those men from the machinery companies who would be a man who would really know his business on cost. Such a man was employed and put in.

That is to say, by Mr. Gentry. He found also, Mr. President, that taxes, which in our State, so far as State taxes are concerned, at any rate, bear a penal rate of interest, had been unpaid for 1939, 1940, and 1941. Not only that, but the manufacturer's license in the little town of Owensville, where this plant was, had been unpaid in 1939, 1940, and 1941.

He found, according to his testimony, and I believe I have already stated it, that the sales costs were entirely too high. He testified also, as appears on page 128, about the man Ineichen, whom I have mentioned before this afternoon, and who obviously had a great influence over Mr. Vardaman, as can be demonstrated, if desired, by repeated references to the minutes. I quote:

It appeared that Ineichen had great influence over him—

That is, he is referring to a man named Schluetter—

and would make him render cost accounts that really did not represent what the shoes were costing.

As I have stated, the evidence amply showed—and if it is desired I can establish it—that Mr. Ineichen had influence not only over Schluetter, but over Mr. Vardaman as well. Mr. Gentry found—and I quote from page 127:

There was a man named George Ineichen who was sales manager who, in the absence of Commodore Vardaman, had pushed in and pushed in until he was practically running the entire establishment. I found him to be very hard to deal with. He was extremely conceited and arbitrary, did not want to obey orders, and I told Mr. Bittner to fire him, which he did.

I should like to have the record clear at this point with regard to where the town of Owensville is. The record does not show that exactly. I would judge it to be between 40 and 60 miles from St. Louis. I have been there and have been in the plant. Mr. Vardaman had not been there to amount to anything, so far as I know. He was in St. Louis, and the business office of the company was in St. Louis.

This is what Mr. Gentry found. What occurred? Mr. Gentry said:

He put it—

That is to say, the office force, which he is talking about——

Mr. McFARLAND. Mr. President, did I hear the Senator say Ineichen had pushed in and pushed in until he was practically running the business?

Mr. DONNELL. That is what Mr. Gentry said.

Mr. McFARLAND. Would he not be the one to be responsible for any irregularity?

Mr. DONNELL. Possibly many persons might have been in some respects responsible. Somebody, however, had to originate the idea.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Did not the Senator also read that this fellow had pushed in and pushed in, in the absence of Commodore Vardaman?

Mr. DONNELL. Yes; I read that, and that is why I was pointing out where the plant is. I am not claiming that Mr. Vardaman worked in the shoe plant, turning a lathe or cutting leather. He was in St. Louis, where the business office of the company was, 1637 Washington Avenue, which is one of the principal business streets in the city of St. Louis.

Mr. President, I was about to state what developed after Mr. Gentry had assumed the office of trustee in bank-

ruptcy and found the conditions which existed under the officership of Mr. Vardaman.

Mr. Gentry stated:

It was not long until we were making money instead of losing money.

Mr. President, I had digressed there, as I said, in order to discuss something of the business ability of the commodore.

Mr. MILLIKIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Missouri yield to the Senator from Colorado?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Does the Senator intend to develop the examination of Mr. Gentry which shows that the whole condition of the shoe industry picked up greatly, which would explain possibly why they made money?

Mr. DONNELL. I shall try to look that up. I do not have it in my notes.

Mr. MILLIKIN. The Senator will find that very clearly developed.

Mr. DONNELL. I shall be glad to go into that. I do not know just how much time we will have this afternoon, to do that, but I shall be glad to do it.

Mr. President, I mentioned that there are other illustrations of Mr. Vardaman's tendency toward coloring his testimony. I have several of them here, if it is desired that I present them, but I do not intend to present them all unless it should be the wish of the Senate that I do so. I desire to point out a further one, which is this: In the mimeographed statement which Mr. Vardaman presented he said not only that he had left the company in June 1941, but he also made the statement at page 3 of that document:

When I joined the company, it was understood that I would not be active but would serve as chairman of the executive committee and director and in that capacity advise and direct with a view of saving the company.

Notice the language:

When I joined the company, it was understood that I would not be active.

Mr. President, when did Commodore Vardaman join the company? The minutes of the company show that he was elected director and treasurer of the Collins-Morris Shoe Co.—and I hope the Senate will remember that that is the same company as the Vardaman Shoe Co., which was originally named the Collins-Morris Shoe Co., and later changed to the Vardaman Shoe Co.—he was elected a director and treasurer of that company on the 10th of August 1939. I have here the minutes of the company as of that date. It is enlightening to know whether the company realized at that time that it was understood that Commodore Vardaman would not be active in the affairs of the company. I call the attention of the Senate to this language appearing in the minutes of August 10, 1939:

Mr. Collins—

Who was the president—

stated that the company lacked sufficient working capital by reason of the bankruptcy of the Hamilton Brown Shoe Co. and resulting losses and frozen receivables to properly carry on its business, and that he deemed it expedient and necessary that additional working capital be obtained without the necessity of increasing the company's bank loans.

He further stated that with the assistance of Mr. Newman—

Mr. Newman was one of the directors.

He has conferred with Mr. James K. Vardaman, Jr., until recently president of the Tower Grove Bank & Trust Co., and a man of considerable executive and financial experience. Mr. Vardaman has expressed his willingness of becoming associated with this company at an initial salary of $625 per month, upon condition that he be given the right to purchase 2,240 shares of the treasury common stock of the company at $2 per share, being the market at the time of these conversations, and that certain other options to purchase additional stock be given individually by Mr. Collins and Mr. Morris and by Newhard Cook & Co. A further condition being that the board of directors authorize and organize an executive committee composed of Messrs. Morris, Collins, and himself, which committee shall have the managerial control of the company, subject, however, to the direction of the board of directors. Mr. Vardaman also informed him that he would be willing to continue in the employ of the company as long as he remained a director and officer thereof and that his remuneration, whether for salary or bonuses or any other source, was equal to that which was paid to Messrs. Collins and Morris. He desired to be elected to the office of treasurer—

I call the Senate's attention especially to this—

and agreed that if satisfactory to the board of directors he would start work on August 15, 1939, and devote his full time, effort, and ability to the business of the company.

Mr. President, I respectfully submit that when Mr. Vardaman testified to the Senate committee, not only in his written statement but in his oral testimony, that when he joined the company—

it was understood that I would not be active but would serve as chairman of the executive committee and director and in that capacity advise and direct with a view of saving the company,

He must have overlooked the fact that in these minutes it is stated that he desired to be elected to the office of director and agreed that if satisfactory to the board of directors he would start working on August 15, 1939, and devote his full time, effort, and ability to the business of the company. The directors evidently so understood, for we find that certain resolutions were adopted, on August 10, 1939, which read as follows:

Whereas the board of directors is desirous of obtaining the services of James K. Vardaman, Jr., a man whom it believes has considerable financial and executive ability, and that he become actively associated with the company; and

Whereas Mr. Robert C. Newman and Robert J. Morris have expressed their willingness to resign from the board of directors of the company if and when an agreement to employ Mr. Vardaman by the company has been consumated: Now, therefore, be it

Resolved, That in the event Director Robert C. Newman and Director and Treasurer Robert J. Morris resign from the board of directors of this company, and James K. Vardaman, Jr., and John C. Kappel, Jr., are elected directors thereof, and Mr. James K. Vardaman, Jr., is elected treasurer of the company, then and in that event the company does agree to pay to the said James K. Vardaman, Jr., the sum of $625 each month for services to be rendered said company as treasurer and in full payment for such other services performed or duties assigned to him, which salary payment shall continue for the balance of the year 1939, and if he is elected to the board of directors by the stockholders at its next annual meeting, his salary for the year 1940 shall not be less than said amount.

Further in the minutes we find that Messrs. Newman and Morris resigned. Their resignations were accepted. And then there were adopted further these preambles and resolutions:

Whereas Mr. James K. Vardaman, Jr., former president of the Tower Grove Bank & Trust Co., of St. Louis, and a man of extensive experience in financial and business circles has acquired a substantial interest in the company and the board of directors, by reason of vacancies existing thereon, have elected Mr. Vardaman as a director and treasurer thereof; and

Whereas it is the desire of the board of directors that he become actively associated with the business and affairs of the company and that he devote his full time and efforts on behalf of the company; and

Whereas it is the desire of the board of directors that the affairs and business of the company be managed and controlled during the interim of the meetings of the board of directors by an executive committee composed of three members of the board of directors, namely, the president, Mr. William L. Collins, the secretary, Mr. Edward W. Morris, and the treasurer, Mr. James K. Vardaman, Jr., and that this committee have full managerial and executive powers, subject, however, to the direction of the board of directors: Now, therefore, be it

Resolved, That a committee be, and it is hereby, organized and created, to be known as the executive committee to be composed of three members of the board of directors of the company, which committee shall have and is hereby granted full power to act on all matters pertaining to the management and operation of the company, including the right to borrow money, pledge and encumber its property and assets of the company as security for any debt, supervise and control the personnel, make purchases of machinery, supplies, equipment, and findings for and on behalf of the company, direct the operation of its plants and factories, establish compensations for its employees, and in general do and perform all and every act and with all the powers and duties heretofore vested in the board of directors, subject to its direct control and supervision.

Then follow various other details which, unless the Senate desires that I read them, I shall omit.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. What company has the Senator been referring to?

Mr. DONNELL. To the Vardaman Shoe Co., which at that time was known as the Collins-Morris Shoe Co.

Mr. MILLIKIN. Prior to the incorporation of the Vardaman Shoe Co.?

Mr. DONNELL. Oh, no. The Vardaman Shoe Co. was the same company.

Mr. MILLIKIN. It succeeded the Collins-Morris Shoe Co., did it not?

Mr. DONNELL. No, sir; it did not succeed it. The Collins-Morris Shoe Co. was a shoe company which subsequently changed its name to the Vardaman Shoe Co.

Mr. MILLIKIN. And is the Senator referring to the period of time before the name was changed?

Mr. DONNELL. I am referring to the action taken at the meeting of the Collins-Morris Shoe Co.

Mr. MILLIKIN. Does the Senator say that the commodore's relation with the Collins-Morris Shoe Co. was the same as with the Vardaman Shoe Co.?

Mr. DONNELL. I know of no difference except that later on he became president.

Mr. MILLIKIN. Let me refer to page 13 of the record, on which Commodore Vardaman said—and his statement has not been impeached, so far as I remember:

I was invited into the Collins-Morris organization by its president, vice president, and directors for the purpose of reorganizing it in an effort to save it from bankruptcy. The president and vice president had been estranged about a year or more before I joined the company; were not speaking to each other or seeing each other socially. The feeling was so intense that the company's already complicated affairs had suffered additionally as a result.

When I joined the company it was understood that I would not be active but would serve as chairman of the executive committee and director, and in that capacity advise and direct with a view of saving the company. Shortly after joining the company, it was found that its condition was so much worse than anticipated, and its affairs and those of its presidents had become so involved, that the president voluntarily withdrew. The vice president continued on with the company until (and my memory is not entirely clear on this date) about 30 or 60 days before I left the company, in June 1941.

I will ask the Senator, what was Commodore Vardaman's position in the Collins-Morris Shoe Co.?

Mr. DONNELL. He was the treasurer of the Collins-Morris Shoe Co. I shall have to ask the indulgence of the Senator to ascertain the date on which he became president. I do not recall whether that was before or after the change of name. I shall have to check that.

Mr. MILLIKIN. That is rather important when we distinguish between the respective duties in the one company and those in the other company, is it not?

Mr. DONNELL. I do not think so. Mr. President, there is no such thing as one company and the other company. The witness makes no distinction.

Mr. MILLIKIN. Mr. President——

Mr. DONNELL. Let me complete this statement. On the page from which the Senator has quoted the witness is obviously making no distinction whatsoever between the company under the one name and the company under the other. He said:

From about January 1940 to June 1941, I was connected with the Collins-Morris Shoe Co. of St. Louis, the name of which was later changed to Vardaman Shoe Co.

There can be no question, Mr. President, that the time to which he is referring, when he says that when he became connected with the company it was not intended that he be active, was the time when he joined the Collins-Morris Shoe Co. He did not rejoin the Vardaman Shoe Co. There was no process of joining the Vardaman Shoe Co. He stayed with the same company, which merely changed its corporate name, at the suggestion of Mr. Ineichen.

Mr. MILLIKIN. I will ask the Senator to tell us what were the jobs of Commodore Vardaman with the Collins-Morris Shoe Co., and what were the jobs with the same company, if the Senator wishes, under the name of the Vardaman Shoe Co.?

Mr. DONNELL. Mr. President, I have stated that I shall have to examine the minutes to ascertain the date on which he became president. My recollection is that he became president while the name of the company was still the Collins-Morris Shoe Co., but I am not certain of that. I have stated several times to the Senator that I shall ascertain the date, and shall be glad to state it on the floor of the Senate. He occupied, at different times, two positions. One was the position of treasurer. The other was the position of president. He was at times—I am inclined to think at all times, though again, if that becomes material, I shall have to recheck the minutes—a member of the executive committee. I shall be glad to check the minutes.

Mr. MILLIKIN. It is only material if the Senator attempts to make it material. If the Senator attempts to make it material, then I suggest that it would be well to tell us Mr. Vardaman's different capacities with the two companies, or the one company under the two names.

Mr. DONNELL. Mr. President, I have stated the capacities, and I shall be very glad to get the information and supply it before the conclusion of this debate, as to when he became president of the company, and what the name of the company was at the time he became president.

At any rate, the point to which I referred a moment ago when the Senator made his inquiry was that his testimony, repeated not only in the mimeographed form, but in the oral statement, was that when he joined the company it was understood that he would not be active, whereas in his own statement to the company on August 10, 1939, and in the resolution of the company it was contemplated "that he devote his full time and efforts on behalf of the company."

Mr. President, I think it is of some importance at this moment to mention these minutes. The minutes of a meeting of the board of directors of the Collins-Morris Shoe Co. on January 5, 1940, show as follows:

Mr. William Lee Collins, the company's president, stated to the meeting that he had been ill—

This, by the way, answers the question as to when Vardaman was made president.

Mr. William Lee Collins, the company's president, stated to the meeting that he has been ill for some time and that he has been under medical care and he had been advised to take a rest. Whereupon, Mr. William Lee Collins presented to the meeting his resignation as president of the company, which resignation was duly accepted by the directors present.

Mr. William Lee Collins nominated James K. Vardaman, Jr., in compliance with the by-laws of the company, for the office of president, to serve for the balance of his term and until his successor was duly elected and qualified, which nomination was duly seconded by Mr. Aid, and Mr. James K. Vardaman, Jr., was unanimously elected president of the company for the unexpired term created by the resignation of Mr. William Lee Collins, and until his successor is duly elected and qualified.

Mr. William Lee Collins presented to the meeting his resignation as a director of the company, which was duly accepted by the directors present.

That was on January 5, 1940. There appears further in the same minutes the following language:

Mr. Vardaman, chairman of the executive committee, stated the purposes of the call of this special meeting. He stated that he had just returned from the shoe-style show at Chicago, Ill., and has discussed the policies of the company with many of its customers and suppliers, and that he found that the products of the company were well received except that there was some complaint in regard to quality.

Mr. President, there are two other illustrations which I think should be mentioned very briefly——

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Was the Senator's last point in the nature of indicating another discrepancy in the testimony of Commodore Vardaman?

Mr. DONNELL. It was not pointing out a discrepancy. It was pointing out the tendency of Commodore Vardaman to color the testimony to suit his own advantage.

Mr. MILLIKIN. What did the distinguished Senator do to clear up that discrepancy when he had the witness?

Mr. DONNELL. What did I do toward clearing it up?

Mr. MILLIKIN. Did the Senator question the commodore about it?

Mr. DONNELL. I questioned the commodore as thoroughly as I could at the time. I may say that I did not have the opportunity—or at least I did not avail myself of it at the time—to make a thorough study of the minutes of the company, which I have done since that time. At the meetings of the subcommittee I was afforded the opportunity to examine the witnesses, and likewise to see the minutes. However, we were pretty busily engaged at the time of the hearing, and many other matters were arising, so that I did not have time to study the minutes until after the hearing.

Mr. MILLIKIN. Then it would be correct to say that if there is a discrepancy there, the Senator had the opportunity to examine Commodore Vardaman and did not do so.

Mr. DONNELL. Mr. President, the discrepancy speaks for itself. The testimony given by the commodore was that when he came with the company it was understood that he would not be active. The minutes of the company distinctly show the contrary.

Mr. MILLIKIN. Did not the Senator consider it his duty to give the witness an opportunity to explain the discrepancy, if there was one?

Mr. DONNELL. Mr. President, I do not recall that I had observed that particular portion of the minutes at the time the commodore was on the stand.

Mr. MILLIKIN. Are we to retry the case in the Senate?

Mr. DONNELL. I think that to the extent it is necessary to bring the facts of this matter to the Senate, every iota of evidence, of which these minutes are a part, should be brought to the Senate.

Mr. MILLIKIN. Shall we bring the commodore in here and examine him further?

Mr. DONNELL. The Senator is so well versed in parliamentary procedure that he realizes that that would be highly improper. I should have no objection to bringing him in.

Mr. MILLIKIN. If that is impossible, then is it fair to discuss something which the commodore was not given an opportunity to explain?

Mr. DONNELL. I should say that it is entirely fair. The commodore was on the stand and had the opportunity to make any statement he wished to make. The commodore was fully able to make his statement for himself. He prepared his statement, submitted it, and swore to it. He made certain interpolations as he proceeded.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MORSE. With regard to the question as to whether or not the record shows a discrepancy in the testimony of Commodore Vardaman, I suggest to the Senator from Missouri that if upon investigation of the record we find that in fact a discrepancy does exist in the nominee's testimony, and if the members of the committee, who, I think, have the primary responsibility to bring before us what I would call a clean record, failed to clear it up in the committee by their own questions, the correct procedure would be to send the nomination back to the committee for further hearings.

Mr. DONNELL. I thank the Senator.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I suggest that matters of the type which the Senator from Missouri is bringing up now all form a part of the whole weight of the case, and that so far they present no serious problem whatever. The committee has been very solicitous about having a complete case before it, and has given weight to everything which in its opinion deserved consideration.

Mr. McFARLAND and Mr. MORSE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Missouri yield, and if so, to whom?

Mr. DONNELL. I yield first to the Senator from Arizona.

Mr. McFARLAND. Mr. President, I ask the Senator if it is not a fact that while Commodore Vardaman did say that when he went with the Collins-Morris Shoe Co. it was expected that he would be inactive; his testimony shows that the shoe company was in very much worse condition than anticipated, and that he then became active. The name of the company was even changed. The record is perfectly plain on that point.

Mr. DONNELL. Mr. President, I must have made my point very lacking in clarity to the Senator from Arizona. My point is that the commodore stated to the subcommittee that "when I joined the company it was understood that I would not be active." My point is that on August 10, 1939, according to the minutes of the company—

He—

That is, Vardaman—

desired to be elected to the office of treasurer, and agreed that, if satisfactory to the board of directors, he would start work on August 15, 1939, and devote his full time, effort, and ability to the business of the company.

On the same date the company adopted a resolution, in one of the preambles of which is the following language:

Whereas it is the desire of the board of directors that he become actively associated with the business and affairs of the company and that he devote his full time and efforts on behalf of the company——

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. McFARLAND. I submit that the testimony just before that shows that that was after it was found that the company was in much worse condition than had been anticipated.

Mr. DONNELL. No; I beg the Senator's pardon. This was on August 10, 1939, the very day Mr. Vardaman was elected as a director and treasurer of the company. This was his first connection with it. It was exactly the date which he designates as "when I joined the company." He does not give the date in his testimony, but he says "when I joined the company." The joining process took place on the 10th of August 1939.

Mr. McFARLAND. The Senator confuses the date when he joined the company with the date when he became active. Later he went into its affairs and found that it was in much worse condition than he had supposed.

Mr. DONNELL. I still seem not to have made the point clear. I fear that the Senator is wearied by the length of my address this afternoon. The point is that the witness testified that when he joined the company it was understood that he would not be active, whereas the minutes of the company, his own statement, and the resolution which was adopted show precisely the contrary.

Mr. McFARLAND. Mr. President, I think the Senator from Missouri is the one who is wearied by the long address. I shall point out the fact of the matter plainly enough at the proper time, in my own time.

Mr. MORSE. Mr. President, will the Senator from Missouri yield?

Mr. DONNELL. I yield.

Mr. MORSE. The only point I wish to make—and I do so in order that there may be no misunderstanding—is that I think it proper for the Senator from Missouri to point out what he considers to be a discrepancy in the testimony of the nominee. If he has found such a discrepancy, I think it becomes his clear duty to point it out to the Senate, and then it becomes the obligation of the Members of the Senate to consider whether there is such a discrepency, and if so, whether it is a material one. Of course, we cannot do that unless sufficient time elapses between the time when the Senator makes his speech to the Senate and the time when the vote is taken on the nomination to afford us an opportunity to study the record.

Therefore, Mr. President, I wish to say, as I said earlier in the day—and what has occurred since then is adequate proof of the soundness of my position—that if there is ever an occasion when time should be taken to give study to a particular matter, it is now, with respect to the pending nomination; and I certainly hope that no vote will be taken on the nomination today.

Mr. DONNELL. Mr. President, I very much appreciate the remarks of the Senator from Oregon, and I have deep respect and regard for the fairness and care with which he is performing his duty.

Mr. MILLIKIN. Mr. President, I should like to inquire whether Commodore Vardaman signed those minutes.

Mr. DONNELL. I think not. Let me ask exactly which ones the Senator from Colorado has in mind.

Mr. MILLIKIN. I refer to the ones which are the foundation of the Senator's charge of a discrepancy.

Mr. DONNELL. I think not, but I am not sure. I shall check as to that. Let me say that the minutes are signed by E. Morris, secretary. The following directors also signed the minutes: E. Morris, John A. Aid, John C. Kappel, Jr., and R. J. Morris. Commodore Vardaman's name is not there; he did not sign.

Mr. MILLIKIN. Were any subsequent minutes which would ratify those minutes signed by Commodore Vardaman?

Mr. DONNELL. I cannot answer that at the moment; but I can say that at the meeting which was held on September 14, 1939, and which was attended by J. K. Vardaman, Jr., according to the minutes, there is a recital reading as follows:

Minutes of special meeting of the Board of Directors held on August 10, 1939, were read and approved.

It is also to be noted that the minutes of the meeting of September 14 were signed by E. Morris, secretary, and by three directors, namely, E. Morris, John A. Aid and John C. Kappel, Jr.

Before completing my answer, I wish to make certain that no intermediate meeting occurred between the one from the minutes of which I have previously quoted and the one from the minutes of which I have just read. However, upon further examination I find that there was no such intermediate meeting.

Mr. MILLIKIN. Mr. President, let me ask whether the minutes upon which the Senator is basing his claim of a discrepancy in testimony are actually signed.

Mr. DONNELL. Does the Senator refer to the minutes for the meeting of August 10, 1939?

Mr. MILLIKIN. I am referring to the minutes which the Senator has said show a discrepancy between the minutes and the testimony given by Commodore Vardaman.

Mr. DONNELL. Will the Senator repeat his question, please?

Mr. MILLIKIN. My question is, first, whether Commodore Vardaman signed those minutes.

Mr. DONNELL. No; there is no signature of his.

Mr. MILLIKIN. Is there any actual signature on the minutes?

Mr. DONNELL. I judge that they are signatures. They purport to be. They are in pen and ink.

Mr. MILLIKIN. Were any of those persons before the committee?

Mr. DONNELL. No; they were not.

Mr. MILLIKIN. The Senator did not examine Commodore Vardaman on that matter?

Mr. DONNELL. No, sir; I did not.

In the first place, Mr. President, let me say along the line mentioned by the distinguished Senator from Oregon, that I do not concede, either, that it is incumbent upon me to perform the duties of the committee. Of course, I am not saying that the committee has asked me to perform them. Neither am I saying this with the slightest disrespect. But when I am asked whether I called his attention to this or that or the other, I wish to say that to my mind the subcommittee was appointed by the committee to make the investigation; and I respectfully submit that if any duty rested upon me, certainly an equal duty rested upon the subcommittee to examine thoroughly Commodore Vardaman upon matters which might be material, and that the duty resting upon the committee to examine the employees of the company was just as great as that which has rested upon me to make such examination.

Mr. President, I also submit, in line with the inquiry presented by the distinguished Senator from Colorado, that in a sense even the duty of the subcommittee was secondary, in the respect that the prime duty resting upon anyone in connection with the presentation of the evidence was the duty which rested upon Commodore Vardaman to set forth the facts correctly in his testimony. When he said it was understood when he joined the company that he would not be active, the duty rested upon him to state the matter correctly. When the minutes show the contrary, there rests upon him the duty to make a correction of the error, if there be an error.

Mr. McFARLAND. Mr. President, I submit that is an unfair inference from the testimony. The testimony is as follows:

> When I joined the company, it was understood that I would not be active but would serve as chairman of the executive committee and director and in that capacity advise and direct with a view of saving the company. Shortly after joining the company, it was found that its condition was so much worse than anticipated, and its affairs and those of the president's had become so involved, that the president voluntarily withdrew.

Mr. DONNELL. Mr. President, I call attention to the fact that we do not have to wait until that worse condition was discovered. In the minutes of the meeting of the company held at the time when Commodore Vardaman joined it—August 10, 1939, at the time when he testified it was understood that he would not be active, it was found, according to his own statement, that he expressed the desire to be elected, "and agreed that if satisfactory to the board of directors he would devote his full time, efforts, and ability to the business of the company." It is not a fact, as the Senator from Arizona understood, that at a later date the discrepancy which I allege exists was found. The resolution of the board expressly provides that—

> It is the desire of the board of directors that he become actively associated with the business and affairs of the company and that he devote his full time and efforts on behalf of the company.

Mr. McFARLAND. Mr. President, will the Senator further yield?

Mr. DONNELL. I yield.

Mr. McFARLAND. What is there in the minutes to show that he had not become connected with the company prior to the date of the minutes from which the Senator from Missouri is reading?

Mr. DONNELL. Mr. President, if the Senator will examine the minutes he will find that Commodore Vardaman was elected on the 10th day of August 1939.

Since the question has been asked, I shall answer it by referring to the minutes for August 10, 1939. In those minutes Mr. Vardaman is not referred to as being a director at that time. The following appears on the first page of the minutes for that meeting:

> Mr. Collins stated that the company lacked sufficient working capital by reason of the bankruptcy of the Hamilton-Brown Shoe Co. and resulting losses and frozen receivables to profitably carry on its business and that he deemed it expedient and necessary that additional working capital be obtained without the necessity of increasing the company's bank loans. He further stated that with the assistance of Mr. Newman, he has conferred with Mr. James K. Vardaman, Jr., until recently president of the Tower Grove Bank & Trust Co., and a man of considerable executive and financial experience. That as a result of said conference, Mr. Vardaman has expressed his willingness of becoming associated with this company at an initial salary of $625 per month—

And so forth.

Mr. McFARLAND. All of which, I contend, goes to show that the negotiations started before the meeting to which the Senator has referred.

Mr. DONNELL. Joining the company occurred——

Mr. McFARLAND. O, if the Senator wants to try to play on words he is at liberty to do so. I submit that when officers of a company talk to a man and make an agreement with him to join the company, he joins just as though he were talking with the board of directors. If the kind of testimony to which the Senator has referred is the kind which the Senator wishes to use in discrediting a world-war veteran, then any person could be discredited.

Mr. DONNELL. Mr. President, I am not conscious of any play upon words. I can read the English language, if not many other languages. Mr. Vardaman's testimony was:

> When I joined the company it was understood that I would not be active but, would serve as chairman of the executive committee and director, and in that capacity advise and direct with the view of saving the company.

I can read further, Mr. President, the following sentence which is in English, and which appears in the minutes of the meeting held on the day when he was elected, which I believe means when he joined the company:

> He—
>
> Referring to Vardaman—
>
> desired to be elected to the office of treasurer, and agreed that if satisfactory to the board of directors he would start work on August 15, 1939, and devote his full time, efforts, and ability to the business of the company.

I can read also another line in English in the resolution of the same day when Mr. Vardaman was elected, and when, as I understand, he joined, because he could not join until he was selected by the company:

> Whereas it is the desire of the board of directors that he become actively associated with the business and affairs of the company and that he devote his full time and effort on behalf of that company.

Mr. President, in the testimony of Commodore Vardaman appears further language which I believe has some significance. In referring to the petition in bankruptcy of the Vardaman Shoe Co., Commodore Vardaman said:

> The petition was filed in the Federal Court for the Eastern District of Missouri, in the court of Judge Charles B. Davis, and on my recommendation the vice president of the company was employed by the trustee as operating officer.

Mr. President, the vice president of the company was Mr. Frank O. Bittner, Jr. Mr. Frank O. Bittner was described in the testimony by Mr. Gentry as "one of the most able businessmen I ever met." Mr. Gentry also testified that Mr. Bittner was "one of the hardest workers I ever knew. He is very capable." I refer to pages 119A and 120A of the record.

Commodore Vardaman, in his very carefully prepared statement which was given, and repeated in his sworn testimony, said that Mr. Bittner was employed by the trustee, who was Mr. Gentry, and on Mr. Vardaman's recommendation. On that point Mr. Gentry has no recollection. In fact, his recollection is exactly the contrary. It would be very complimentary to Commodore Vardaman if he had recommended the man whom Mr. Gentry found to have the merits which he possessed. But the fact is, as set forth in the testimony of Mr. Gentry, that such was not the case.

There was considerable questioning of Mr. Gentry by various members of the committee, including the distinguished Senator from Colorado [Mr. MILLIKIN]. I quote from page 116 of the record. There is more which is applicable, but I quote this part:

> Senator MILLIKIN. A while ago you said you had no recollection that Commodore Vardaman had recommended the appointment of Mr. Bittner. Would you say he had not made the recommendation?
>
> Mr. GENTRY. Well, my recollection is very clear that I had no such recommendation. It came as a surprise to me this morning that he had made that claim.
>
> Senator MILLIKIN. You would not exclude it, would you?
>
> Mr. GENTRY. I can say that, to the best of my knowledge and belief, he did not. I am sure he did not do it. I think he is mistaken when he says he did. The general tone of his conversation with Mr. Bittner did not compare with what he said to me. I told

Mr. Bittner after I had had this long talk on Sunday and we had gone through the company's books that I would like to employ him.

So, Mr. President, the recollection of Mr. Vardaman as set forth in what I have read, in his mimeographed statement and in his oral statement, does not accord with that of Mr. Gentry as to whether Mr. Vardaman recommended the man whom Mr. Gentry described as one of the most able businessmen he had met, and one of the hardest workers he ever knew.

Mr. MILLIKIN. Does the recollection of Mr. Bittner and the recollection of Mr. Gentry coincide?

Mr. DONNELL. Is the Senator referring to a recollection on the particular point to which I have referred?

Mr. MILLIKIN. I was not thinking of that particular point.

Mr. DONNELL. Is the Senator thinking with regard to a reference by Judge Moore of the Federal court?

Mr. MILLIKIN. Yes.

Mr. DONNELL. It does not.

Mr. MILLIKIN. Is the Senator going to vouch for Mr. Bittner?

Mr. DONNELL. I wish to say that Mr. Bittner, like most persons, including myself, is not perfect in his memory. I realize that. But I assert also that, from the evidence in this case, I believe that Mr. Bittner, in the first place, was trying to tell the truth. I believe that on the major points at issue, he did tell the truth.

Mr. McFARLAND. I believe that——

Mr. DONNELL. No; I do not yield at this time. I believe that Mr. Gentry was correctly describing Mr. Bittner as one of the most able businessmen whom he, Mr. Gentry, had ever met, and one of the hardest workers he had ever known, and a man very capable, and that Mr. Vardaman had not recommended Mr. Bittner.

Mr. MILLIKIN. I am still curious as to whether the Senator will back Mr. Bittner with his own credibility.

Mr. DONNELL. Mr. President, I believe I have answered that question. In my judgment Mr. Bittner tried to tell the truth. I think that he did tell what he thought to be the truth. He may have been in error in some statements, but, so far as I know, there were no material matters bearing upon the qualifications of Mr. Vardaman for this appointment as to which, as I recall, the testimony of Mr. Bittner was not true. I believe him to be an honorable man. I believe that Mr. Gentry's analysis of him is what Mr. Gentry, who is able to analyze men, believed to be true.

Mr. MILLIKIN. Will the Senator then reconcile Bittner with the two witnesses who discredited Bittner?

Mr. DONNELL. Mr. President, in the first place I wish to say that Mr. Bittner is not the candidate for this appointment. In the second place I shall be very happy to discuss quite fully the entire testimony of Mr. Bittner, as well as that of Mr. de Coster and Mr. Reyburn, to whom reference has been made. I shall be glad to do so and shall welcome the opportunity.

Mr. MILLIKIN. Will the Senator vouch for de Coster and Reyburn?

Mr. DONNELL. Mr. President, since the question has been asked, I may say that de Coster and Reyburn made affidavits back in January of 1942 which I have every reason to believe were true. During the course of the hearings those men came on the stand and, while each of them admitted having signed a document at the office where those documents were signed, they both denied the truth of certain statements which appeared in the documents. To my mind they were not correct in their denial of those statements, and the statements were very material from the standpoint of Commodore Vardaman's nomination. I shall come to them quite fully in the course of my remarks, and will refer to photostatic copies which I have in my possession.

Mr. MILLIKIN. The testimony of Mr. Bittner was represented to us by the Senator from Missouri as foundational of the testimony of de Coster and Reyburn. It was so represented to us by the Senator. Was it foundational testimony?

Mr. DONNELL. Mr. President, I do not know what the Senator means by "foundational." I will say that I recommended strongly, and urged before the committee as vigorously as I knew how, on several occasions before they finally agreed to do so, the issuance of a supena for Frank Bittner. He himself telegraphed, inquiring why he had not been subpenaed, and the subpena was issued. I am not here for the purpose of vouching for witnesses. My duty was to present to the committee the facts as I could ascertain them. To my mind Mr. Bittner tried to tell the truth. I believe that, to a very considerable extent, the testimony of de Coster and Reyburn was not true.

Mr. MILLIKIN. Will the Senator then attempt to cast discredit on Commodore Vardaman by testimony which he says he believes not to be true?

Mr. DONNELL. Mr. President, I shall undertake to show the interest of Commodore Vardaman in seeing that the witnesses de Coster and Reyburn should denounce and deny the truthfulness of statements in the affidavit. I shall undertake to demonstrate my view, whether correct or incorrect, in regard to that matter.

Mr. MILLIKIN. Am I then to understand that the distinguished Senator from Missouri will take the testimony of those witnesses who have discredited themselves and try to build them up to a state of credibility in this case?

Mr. DONNELL. Mr. President, I am not trying to build up the credibility of anyone. I expect to demonstrate to the Senate the facts of what transpired, what was said by the witnesses, and what the motives of the witnesses may have been in order that the Senate may be in position to judge for itself as to what, if any, connection Mr. Vardaman had with certain incidents to which reference has been made, and which will be referred to more fully hereafter.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Of course, the Senator would not trifle with the time of the Senate in urging it to cast a judgment against a man on the testimony of witnesses who have discredited themselves, would he?

Mr. DONNELL. Mr. President, I am not trifling with the time of the Senate. There is not one word I have said this afternoon consciously which I do not think has a bearing upon this case. I am certainly not going to trifle with the time of the Senate, but I certainly am going to bring out, if the Senate will permit me, the facts as disclosed in evidence before the committee, so that the Senate may judge what the facts are.

Mr. MILLIKIN. Then, so that others of us may plan our time, may we rest assured that the Senator will fully develop the testimony of Bittner, Reyburn, and de Coster?

Mr. DONNELL. I shall do the best I can. I wish to say, however, that there are 969 pages of testimony, not all of it of those particular witnesses, but a very large part of it their testimony. The only way I can develop that, perhaps, to the satisfaction of members of the committee, is to read every line of it. I do not intend to do that unless the Senate desires it. I am ready to do it if the Senate wants it done. I shall try to develop the major points of the testimony as given, as I see them, and I am sure the members of the committee will be glad to enlighten the Senate as to any points I may overlook.

Mr. MILLIKIN. May we be assured that the Senator will develop the fact that the testimony of Bittner, Reyburn, and de Coster was supposed to represent the heart and core of the charges against the character of Commodore Vardaman, and that the testimony of Bittner was foundational to that of de Coster and Reyburn, and that Reyburn and de Coster completely discredited their testimony? Will the Senator develop that fully?

Mr. DONNELL. Mr. President, I think the Senator is asking me a series of conclusions and suggestions of his to develop what he thinks to be certain facts. I shall bring out the facts, and he can apply his own conclusions to them. The facts will be presented fully, completely, and as fairly as I am capable of presenting them .

Mr. MILLIKIN. Will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. My own reason for suggesting that was that the Senator has disclaimed that he is a prosecutor in this case.

Mr. DONNELL. That is correct; I am not.

Mr. MILLIKIN. He claims he is making a judicial presentation to the Senate. Because he has made that claim, I think I have a right to suggest a few features of the case which might be developed if we are to have a judicial presentation of the matter.

Mr. McFARLAND. Mr. President, how much longer will it take the Senator from Missouri to conclude his remarks?

Mr. DONNELL. I am unable to estimate that.

Mr. McFARLAND. Can the Senator approximate it?

Mr. DONNELL. It depends, of course, very largely upon the interruptions. I should think it would take from an hour and a half to 2 hours.

Mr. MILLIKIN. Will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Does the Senator believe that if there are no interruptions he can conclude in, say, an hour and a half or 2 hours?

Mr. DONNELL. I think so. However, I wish to make it perfectly clear that I am not binding myself, directly or indirectly, to complete my argument in any special length of time.

Mr. McFARLAND. I was not trying to get the Senator to bind himself to anything. My only purpose in asking was to develop whether we can finish this evening, and apparently we cannot, and I wonder if the Senator will yield to me for the purpose of making a motion?

Mr. DONNELL. I shall be pleased to yield to the Senator from Arizona.

RECESS

Mr. McFARLAND. As in executive session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, April 2, 1946, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate April 1 (legislative day of March 5), 1946:

DIPLOMATIC AND FOREIGN SERVICE

Duane B. Lueders, of Minnesota, to be a foreign-service officer, unclassified, a vice consul of career, and a secretary in the diplomatic service of the United States of America.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 1 (legislative day of March 5), 1946:

FOREIGN SERVICE

W. Averell Harriman to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Great Britain.

POSTMASTERS

CONNECTICUT

G. Franklin Cowles, Canton.

MISSOURI

William G. Smith, Climax Springs.
Louis Taylor Bradfield, Gashland.

OKLAHOMA

Lee Kennedy, Broken Bow.

PENNSYLVANIA

Evelyn McCarty, Beallsville.
Harry F. Aiken, Brookville.
Laura E. Coughenour, Isabella.
Margaret T. Morganti, Morgan.
Elizabeth I. Unger, Muir.
Edith E. Tritt, Shiremanstown.

WISCONSIN

Harriet V. Kenyon, Mellen.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 1, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, infinite in wisdom, power, and love, in this moment of soul silence, grant us Thy presence in building up every good purpose. Thy will for the world is to exalt manhood, that everyone shall be known as the child of God. Let us not despise the lowliest of Thy creatures, nor lose the worth and the glory of humble service and simple things.

We praise Thee, O Christ, for Thy emphasis of the individual and the sanctity of life, for in the human heart are hidden powers of sympathy and brotherhood. Lead us to discern the intemperance of the times: the veneer of false ambitions, the commotions and hostilities, for what does it profit a nation if it gain the whole world and lose its own soul? Blessed Lord, teach us that the real wealth of life is the abnegation of self, elevated thoughts, and worthy examples which have wrought all that is good and abiding in the being of man. O Great Lamp of Life, radiate from Thy holy hill and shine upon our country. O Voice of God, speak to Thy people, for only Thou art holy. In the name of our Redeemer. Amen.

The Journal of the proceedings of Friday, March 29, 1946, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 473. An act relating to pay and allowances of officers of the retired list of the Regular Navy and Coast Guard performing active duty in the rank of rear admiral.

The message also announced that the President pro tempore has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of Commerce.
3. Department of Justice.
4. Department of the Navy.
5. Department of State.
6. Department of War.
7. Federal Trade Commission.
8. Office of Alien Property Custodian.

EXTENSION OF REMARKS

Mr. GATHINGS asked and was given permission to extend his remarks in the RECORD and include two articles appearing in yesterday's Washington Post.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an item.

Mr. THOMAS of Texas asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD in three instances.

Mr. WHITE asked and was given permission to extend his remarks in the RECORD and include certain communications.

Mr. JENKINS asked and was given permission to extend his remarks in the RECORD.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in three instances and include editorials in each.

SPECIAL ORDER GRANTED

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

VACATING SPECIAL ORDER

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that the special order granted me for today may be vacated.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

THE LATE C. BEN ROSS

Mr. WHITE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE. Mr. Speaker, the press brings us the sad news that the State of Idaho has lost a good and great man, who was one of the outstanding Democratic governors of our State.

C. Ben Ross had the distinction of being the first man to be elected Governor of Idaho three times in succession. Governor Ross did much for Idaho; he lifted the State up out of the mud by building a network of hard-surfaced roads that covered the entire State; at the same time he saved money by accumulating a reserve fund in the State treasury.

He knew and loved Idaho people and every part of our great Commonwealth. Idaho will miss C. Ben Ross, a man of sterling qualities, a Christian gentleman, a good neighbor, and a real statesman.

GERMAN POLICE KILL AND PLUNDER

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, last Friday 200 German police with police dogs raided and looted a Jewish camp at Stuttgart in the American occupation zone.

One refugee was slain and four were seriously wounded and hundreds were severely bruised.

The pretext was black-market operations.

With Nazi arrogance, they smashed their victims with rubber truncheons.

But, tragic to relate, it all occurred "under the supervision of United States military personnel."

It dare not happen again.

The War Department must summarily punish those responsible, and I demand that the 200 Nazi brutes be severely dealt with.

American members of UNRRA who witnessed the horrible scene compared it with the Himmler SS guard raids upon the concentration camps and ghettos during the heyday of nazism.

CANCER CONTROL

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include as part of my remarks information regarding cancer control.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, today begins cancer-control month. I am grateful to the House and the Senate for having passed some years ago the bill which I introduced which authorized the President to declare April not a national holiday month, but a month of hard work, of publicity, and information in which the eradication and control of cancer should go forward. Mr. Eric Johnston's great drive for cancer control took place as a result of that bill. Members of Congress served on that committee as I did. I have been on various national committees for the control of cancer and of the women's field army. They have all done magnificent work. Today they are having dinners all over the United States with a view to keeping up the interest in eradicating cancer. Mr. Speaker, today, since penicillin and sulfa have practically killed pneumonia, a lot of people have become well, and cancer is the second killer of all diseases in the United States. It is very important to have that drive continued. It is believed that prompt care in many cases means complete cure.

AMERICAN CANCER SOCIETY,
January 15, 1946.

Hon. EDITH NOURSE ROGERS,
House Office Building,
Washington, D. C.

DEAR MRS. ROGERS: In accordance with Mr. Johnston's promise to you a few days ago, I am enclosing a second very important pamphlet entitled "Beachhead Established," which has just been received from the printer.

I think you will enjoy looking this over very carefully.

Sincerely yours,

EDWIN J. MACEWAN,
Administrative Director.

BEACHHEAD ESTABLISHED—AN INTERIM REPORT ON THE 1945 CAMPAIGN OF THE AMERICAN CANCER SOCIETY

FOREWORD

In 1945 the American Cancer Society set out to establish a beachhead for an all-out attack on cancer. It is to the great credit of all concerned that we succeeded in raising $4,000,000 for this purpose, as compared with $800,000, the largest amount raised in any previous year.

This was accomplished in spite of the fact that last spring the first claim upon the attention and the generosity of all Americans was support of the war effort. Many of us realize that cancer is an enemy that we must fight all of the time, in peace as well as in war. For, until it is conquered, cancer will at all times stand as the most dreadful, devastating enemy which millions of our people will have to face.

We did not attain our full goal—the total $5,000,000 which we sought—but the goal was not too high.

The goal was actually too low in terms of the need, and will continue to be too low until cancer is no longer a vital threat to the people of this country.

What was accomplished, I am sure, was a wide-scale awakening on the part of the American public to the menace of cancer, and now that the war is over we can look forward to an hour when larger interest will be accorded the fight against this scourge.

This report on the 1945 campaign must be an interim report. Reports from States and localities on the spending and plans for spending the funds raised this year are not complete. Also, the $2,500,000 or more which will be retained within the States, representing less than 2 cents per inhabitant, is not large in terms of local projects. On the other hand, from approximately $1,000,000 which will be available for research from that money given in 1945, we are already able to help meet a serious national crisis, namely, that of enabling key centers of cancer research to enter successfully the sharp competition for first-rate research men as they are being released from the Army, the Navy, and wartime scientific projects.

To you who worked and gave to make the 1945 campaign a success, I wish to extend the gratitude and thanks of the American Cancer Society. But I know that the real and abiding thanks comes rather from the realization within your own hearts that you have done something to guard your neighbors and all whom you love from the threat of this disease—that you have helped to prepare the way for the much greater accomplishments which we look toward next year and in the years to follow.

ERIC A. JOHNSTON,
Chairman, Board of Directors.

INTERIM REPORT ON THE 1945 CAMPAIGN

The attack on cancer was one thing that even war could not put off. It was killing more than twice as many Americans as were the Germans and the Japs combined. Many thousands of them—American men, women, and even little children—were dying needlessly on the home front because they lacked the knowledge to seek, or had not received, effective aid in time to be saved.

That was the reason why the directors of the American Cancer Society decided that they could wait no longer—war or no war—to launch an appeal for a really comprehensive attack on cancer—one which would provide funds for research, for service to cancer victims, and for preventive education.

History of the campaign

To raise $5,000,000—more than six times as much as had been attempted in any previous year—it was realized that strong leadership would be needed. The services of Mr. Eric A. Johnston were obtained as campaign chairman, and a group of outstanding leaders from all parts of the country were added to the board of directors of the society. With the eminent medical leaders already enlisted in the fight against cancer, they formed that essential alliance of business responsibility and expert knowledge which is required for a wide-scale attack on a great public problem.

It is the aim to form in every community a group of the foremost lay and medical leaders who will do everything in their power to provide their neighbors and themselves with the best possible protection against cancer. This is the necessary foundation for a truly comprehensive defense against this disease.

A good beginning was made in this direction during the 1945 campaign, but as yet it is only comparable to the seizure of a beachhead. The organization of an all-out attack still lies ahead.

Time was short and difficulties were many in 1945. To effect the changes in methods from those designed to raise hundreds of thousands to those which raise millions was far from easy.

In spite of the focus of national attention on the war effort, the campaign had the strongest publicity support in the history of the fight on cancer. Newspapers and magazines gave generously of their space and the radio stations of their time. The Post Office Department made it possible for gifts to be mailed simply by addressing them to "Cancer" care of the local postmaster. The wide publicity not only helped the campaign but made a basic contribution to educating the people of America on the vital necessity of seeking immediate medical aid at the first sign of any of the signals of cancer.

Amounts raised by the States

It is expected that the grand total will be approximately $4,000,000 when final reports are tabulated. The amounts which, as of October 15, 1945, appeared to be assured were as follows:

Alabama	$37,088.66
Arizona	20,835.00
Arkansas	21,317.22
California	148,019.66
Colorado	60,398.72
Connecticut	146,139.94
Delaware	14,076.75
District of Columbia	39,958.29
Florida	46,834.41
Georgia	125,866.23
Idaho	24,517.18
Illinois	102,336.44
Indiana	127,819.72
Iowa	10,903.00
Kansas	51,412.76
Kentucky	55,925.74
Louisiana	107,561.14
Maine	54,652.48
Maryland	31,845.95
Massachusetts	119,765.90
Michigan	279,862.35
Minnesota	67,025.80
Mississippi	18,538.68
Missouri	64,634.47
Montana	39,018.91
Nebraska	23,685.64
Nevada	9,656.51
New Hampshire	23,149.14
New Jersey	273,800.00
New Mexico	23,712.54
New York	442,422.28
North Carolina	103,374.84
North Dakota	33,027.36
Ohio	110,277.81
Oklahoma	153,800.00
Oregon	69,044.34
Pennsylvania	143,443.41
Rhode Island	35,969.33
South Carolina	5,368.48
South Dakota	4,970.21
Tennessee	65,000.00
Texas	152,222.47
Utah	23,833.19
Vermont	14,180.72
Virginia	73,430.05
Washington	73,486.67
West Virginia	29,999.45
Wisconsin	70,766.68
Wyoming	410.15
Total	3,775,387.78
Received at national headquarters	270,660.64
Grand total	4,046,048.42

The foregoing State totals include the following separately organized divisions:

New York City, $240,143.28; Westchester County, N. Y., $52,353.78; Nassau County, N. Y., $49,444.65; Suffolk County, N. Y., $18,152; Detroit, Mich., $188,892.52; Philadelphia, Pa., $27,000.

The campaign also had a very definite effect in stimulating direct gifts to hospitals and cancer clinics, thereby accomplishing much additional good not directly evident by campaign totals.

While this represents a most creditable showing, we nevertheless fell short of the $5,000,000 goal. This had its most serious aspect in relation to the national program. Had the entire $5,000,000 been raised, $2,850,000 (57 percent) would have been available for use within the States and $2,150,000 (43 percent) for the national program. On the basis of $4,000,000, however, approximately $2,560,000 (64 percent) will be available for the States but only in the neighborhood of $1,440,000 (36 percent) for the national program. This was due to the fact that a transitional distribution formula was in effect in 1945. The aim for 1946 will be to establish an agreement under which the division between the States and the national organization will be on a uniform percentage basis for all moneys raised.

THE NATIONAL PROGRAM

On the national level an outstanding accomplishment made possible by the 1945 campaign was the research program. It is expected that approximately $1,000,000 will be available for research from the money raised this year. From moneys already received an initial appropriation of $500,000 has already been made to the research program. During the campaign the society made a contract with the National Research Council of the American Academy of Sciences to serve as its research adviser. This insured that the research attack on cancer would be guided by the same body to which the Government turned for advice on its wartime problems of scientific research.

The council appointed a committee of 14 of the Nation's foremost authorities on cancer research, both basic and clinical, to recommend on the course to be pursued. Six main steps have already been taken by this committee, as follows:

1. A Nation-wide survey of all cancer research now underway has been made. Questionnaires have been sent to 600 institutions including every medical school, all institutions of higher learning graduating more than 100 students a year, and other groups which have published reports on cancer research in the last 5 years, and to all approved cancer clinics. Information being gathered includes research projects both underway and planned, how they are organized, controled, and coordinated, and the amounts now being spent and needed.

2. There have been organized or are now in process of organization 20 panels including 80 leading experts in the various fields of research fundamental to the cancer problem. These panels are being grouped under the broad divisions of chemistry, physics, biology, and clinical research. Their members are to make recommendations as to what ought to be done in each field of research. They are to study the reports of what is already being done and make recommendations not only on where money should be spent first, but also on what ought to be done to push cancer research far beyond the limits of its present application to cancer.

3. The committee is now engaged in endeavoring to obtain from the Federal Government for the benefit of cancer research, all information and materials of wartime research which may be made available without endangering secrets vital to national defense.

4. Through the National Research Council the committee has recommended that the first $500,000 available from research money raised in 1945 be used for research in the following fields:

Research in chemistry	$150,000
Research in physics	100,000
Research in biology	150,000
Clinical research	100,000

5. The committee has recommended that at least $50,000 of these funds be used for fellowships designed to attract to cancer research able men who are being released from the armed forces and wartime research.

6. A headquarters office for the research program with a full-time staff has been set up in connection with the National Research Council. It will coordinate the work of the research panels and maintain a central clearing-house where information on all phases of cancer research will be assembled and from which reports will be distributed to interested research workers throughout the Nation.

The amounts which should be provided for research out of the funds to be raised in 1946 should run into several million dollars.

Because of the necessity of earmarking for research a large portion of the initial cash turned in to national headquarters, it has not yet been possible to advance as far as had been hoped with the national programs of service and education. In the field of service, the American Cancer Society is making funds available for the early distribution of a Nation-wide survey of needs for cancer service which is now being completed by the Subcommittee on Postwar Cancer Facilities and Service of the United States Public Health Service, of which Dr. Frank Adair, president of the American Cancer Society, is a member. The society is also planning to spend $200,000 to set up a full-time service department to study the needs in various States and to draw up suggested plans to assist States in developing specific programs for direct aid in meeting the needs of cancer patients.

With the funds raised this year the society is also producing a new series of educational leaflets for use throughout the country, and also a series of four educational motion pictures and film strips. One of these is specifically designed to aid the general practitioner in the early recognition of cancer.

THE STATE PROGRAMS

Although still inadequate, the funds raised this year enabled the States to retain for their educational and service programs approximately 2 cents per inhabitant as against less than half a cent in 1944. In Idaho, the society's field army was able to provide funds to make possible, with the aid of the State medical society, the first survey of present and needed facilities in that State for the treatment of cancer. Part of the funds raised in North Dakota was used to assist 37 of the 53 county medical directors to obtain special cancer instruction at the medical school of the University of Minnesota. In hundreds of counties in many States funds are being used to organize, with the aid of county medical societies, refresher courses and special clinical meetings designed to help keep the general practitioner, who has the best opportunity to detect cancer in its early curable stage, keep abreast of recent advances in the field of cancer.

In virtually every State a part of the funds are being spent to help indigent cancer patients. In States like Maine and Montana, this takes the form of helping to transport cancer patients from rural regions to centers where they can receive effective treatment. In New York City, the training of cancer nursing aides has been initiated and in many other cities millions of bandages and other supplies urgently needed for patients being cared for in their own homes are being supplied.

Many States and localities also are providing hospitals and cancer clinics with radium, new X-ray machines and other needed equipment. Thus, progress is being made in 1945 toward improvement of service to the cancer patient, but the field of what needs to be done has scarcely been scratched.

In a large number of localities the American Cancer Society and the members of its field army are working with county medical societies to increase the number of detection clinics where people can go to find cut whether they are free of cancer's danger signals and, if not, be directed to see a doctor for proper diagnosis.

The campaign resulted in providing every State with more funds for educational work than in any previous year. It is conceded that the most immediate opportunity to save more people from death by cancer lies in education. The fact that approximately 30,000 lives a year are now being saved through early recognition and treatment is due in large measure to the educational campaign of the last 33 years in which the American Cancer Society has played an important part. The fact that from 30,000 to perhaps 50,000 more a year still die needlessly shows how great is the need for expanding the campaign to teach people to seek medical aid at the first sign of a cancer danger signal.

The society's educational campaign is being carried on for the society principally by the women of its field army. They are entitled also to a large portion of the credit for the success of the society this year in so greatly increasing the measure of support obtained through the annual campaign.

Looking forward to 1946

In order to accomplish its mission, which is the progressive reduction of the cancer death rate, the American Cancer Society must now push forward to an all-out attack from the beachhead established in 1945.

The people of America are aroused as never before both to the seriousness of the cancer problem and to the real hope of making substantial progress against it, if sufficient funds are available. This year the time was insufficient to organize as thoroughly as is required. There is good hope of raising upward of $10,000,000 in 1946 if other States are organized to do proportionately as well as those which led in 1945. Plans to do this very thing are now in process of preparation and will be announced shortly.

The year 1945 will go down as one of magnificent pioneering in the fight against cancer. All those who worked and gave so generously in the campaign have reason to look back on it with lasting satisfaction and pride.

OFFICERS OF THE AMERICAN CANCER SOCIETY

Eric A. Johnston, chairman, board of directors; Herman C. Pitts, M. D., chairman of the professional board; Frank E. Adair, M. D., president; Edwin P. Lehman, M. D., vice president; Elmer L. Bobst, chairman, the executive committee; James B. Murphy, M. D., chairman, medical executive committee; James H. Ripley, treasurer; Eugene P. Pendergrass, M. D., secretary; Charles D. Hilles, Jr., assistant secretary; Edwin J. MacEwan, administrative director; Mrs. Harold V. Milligan, national field army commander.

NATIONAL HEADQUARTERS,
350 Fifth Avenue, New York, N. Y.

THE LATE MARTIN L. DAVEY

Mr. HUBER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HUBER. Mr. Speaker, it is with deep sorrow that I inform the Members of this House of the passing of my friend and predecessor, the Honorable Martin L. Davey, who died in Kent, Ohio, on March 30.

Martin L. Davey was successful in every public or private endeavor. As a young man he served as mayor of the city of Kent, Ohio. He became a Member of Congress following World War I and was elected to the Sixty-fifth, Sixty-sixth, Sixty-eighth, and Seventieth Congresses. He was twice elected Governor of the great State of Ohio and was the son of John Davey, father of tree surgery. At this time my sympathy goes out to his bereaved wife, daughter, and son who are residing in Kent, Ohio.

Martin L. Davey was a man of great loyalty who never forgot a friend and was intensely interested in the downtrodden and underprivileged. He will be missed by many who loved him in life and will revere his memory in death. My district, my State, and our country has suffered an irreparable loss in the passing of Martin L. Davey.

SPECIAL ORDERS GRANTED

Mr. ROBERTSON of North Dakota. Mr. Speaker, I ask unanimous consent that tomorrow, following any special orders heretofore entered, I be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. RIZLEY. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore granted, I be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EXTENSION OF REMARKS

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Wall Street Journal of New York.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. ANDREWS of New York asked and was given permission to extend his remarks in the RECORD and include a radio broadcast.

Mr. HOPE asked and was given permission to extend his remarks in the RECORD and include a statement by Mr. J. H. Leib of the Amvets organization, and a newspaper article.

Mr. PLOESER asked and was given permission to extend his remarks in the RECORD and include a speech he made before the Mississippi Valley Association on March 26.

Mr. RIZLEY asked and was given permission to extend his remarks in the RECORD and include a newspaper article by Frank R. Kent.

GOVERNMENT FINANCES

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, for 11 years, from 1920 to 1930, we had a credit on our Government finances. Our receipts were more than our expenditures. From 1931 to date, 16 years, we have gone in the red—real red. We have been going in the red anywhere from $462,000,000 to almost $56,000,000,000 a year. It is a terrible travesty on the operation of New Deal Government by New Dealers and incompetent people. I would suggest that, beginning today, we let the American people know that we are going to put some business into the Government and that from now on we are going to try to economize in the operation of Government. It's April Fool time. I wish you would show the American people that to have a good Government it must be a solvent Government. We must have more business in Government and less Government in business. Why not fool those people who say the New Deal knows nothing about business; it is so important for our national welfare that it is no joke. It is very, very serious if we are to retain our liberty, freedom, and form of government: Fool the people by getting some real good common sense. Here is hoping it happens.

PERMISSION TO ADDRESS THE HOUSE

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an article by H. J. Heinz.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. GAVIN addressed the House. His remarks appear in the Appendix.]

VETERANS' ADMINISTRATION

Mr. HOPE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. Speaker, many thousands of veterans have responded to the opportunity afforded them by the GI bill to resume and complete their education. It is gratifying that so large a portion of our returning veterans are doing this. There were many, including some educators, who feared that the interruption of individual education which occurred in millions of cases by reason of the war would be permanent. Veterans are doing their part. By and large, the educational institutions of this country are meeting the situation in an admirable spirit and in an adequate way. I am sorry to note, however, that the Veterans' Administration seems to be falling down on its part of the job and is not making the payments to veterans for sustenance and housing which they must make if the program is to succeed. The GI bill has been on the statute books for almost 2 years. As far as time is concerned, the Veterans' Administration has had ample opportunity to set up the machinery and make the necessary arrangements for the distribution of these allowances. Reports which I get from veterans, however, are to the effect that these payments are far behind and that unless some relief can be afforded a considerable number of veterans may find it impossible to continue their studies. The matter is one which should have the prompt attention of the Veterans' Administration.

EXTENSION OF REMARKS

Mr. COLE of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and include two letters received by a friend on conditions in Puerto Rico.

Mr. ARNOLD asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper clipping on flood control.

Mr. BARRETT of Wyoming asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article.

Mr. HILL asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article on the production of prize-winning wheat from Colorado.

PERMISSION TO ADDRESS THE HOUSE

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

[Mr. HILL addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mrs. LUCE (at the request of Mr. MARTIN of Massachusetts) was given permission to extend her remarks in the Appendix of the RECORD in two instances and include newspaper clippings.

Mr. BENNETT of Missouri asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject of farm problems.

Mr. MICHENER asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement from a newspaper.

THE OPA AND THE CPA

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GIFFORD. Mr. Speaker, why should the OPA, the CPA, and other agencies continue their impractical policies and force us to seek their actual discontinuance? I rise at this moment because I am being deluged with complaints, especially with reference to the recent $400 limitation on the repair of residential properties. I know the need for the continuance of some of these agencies. I pray that the Committee on Banking and Currency will report a bill to the House with limitations and legislative directives sufficient to curb or control much of their activities. Somehow my people have the idea that they sent me to Washington clothed with some authority. It does seem that we have but little influence, no matter how earnestly we protest.

Refusal to allow prices to cover cost of production has resulted in scarcities

on many fronts. Scarcities bring inflation, as people will bid higher and higher to procure such goods; and, much worse than that, scarcities create the black market, which no amount of policing seems to prevent.

Large numbers of workers, including veterans, are laid off and forced to accept unemployment compensation.

The CPA contends that the industries were consulted and agreed to the $400 limitation to which I have referred. Appeals may be made, but a long time elapses before decisions are obtained.

Shall we abolish OPA and place a few necessary controls in some other agencies?

It may be claimed that there have been comparatively few bankruptcies, but the answer is that small manufacturers and dealers have simply gone out of business and not waited to be declared bankrupt.

Reasonable prices are vastly to be preferred to a condition where goods are not available. Necessity provides the black market, the moral effect of which is most depressing to contemplate.

Would that the Congress might take back its own control and authority!

The SPEAKER. The time of the gentleman from Massachusetts has expired.

PROPOSED AMENDMENTS TO OPA LEGISLATION

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, I assume that within the next 10 days the resolution providing for the OPA will engage the attention of the House. It is a tremendously important matter. I fancy that anybody who wants to contribute to the solution of this problem ought to make their contributions available to the membership in time for a proper examination so that when the bill does come to the floor we can achieve a good, constructive job. Recently I appeared before the House Committee on Banking and Currency and suggested some seven or eight prospective amendments.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include these amendments for the benefit of the membership and also for the benefit of the Committee on Banking and Currency as well as for the information of the officials of the Office of Price Administration, who certainly will want to examine them in advance.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DIRKSEN. The amendments to which I have referred will be found in the CONGRESSIONAL RECORD tomorrow morning.

EXTENSION OF REMARKS

Mr. MURRAY of Wisconsin asked and was given permisison to extend his remarks in the RECORD and include a telegram from a labor union in his district.

SPECIAL ORDER GRANTED

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent that on Wednesday next after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

LABOR-MANAGEMENT DIFFICULTIES

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GOSSETT. Mr. Speaker, when the history of this generation is written the most shameful chapter thereof will be the Government's absolute failure to deal with management-labor difficulties in our big industries. All authorities agree that our biggest problem and our greatest need is full production. Still we permit powerful labor unions and big industries, one after the other, to stymie and bottleneck such production. The steel strike set us back 6 months. The coal strike, if continued for more than a week, will set us back another 6 months. If long continued, such strikes will absolutely destroy all the hope we have for full and peaceful reconversion.

We force men to fight and die for their country. We even draft them in peacetime and make them serve for $50 a month. But we refuse to interfere with jobs or profits of civilians. The politicians in both parties are afraid to do anything about strikes or work stoppages.

We ought immediately to act upon the suggestion of Bernard Baruch for a year's moratorium on strikes. However, the President and the politicians apparently would see this Nation in hades before they would pass such a law, without, of course, first clearing it with Hillman, Murray, and Lewis.

We are urged to extend the draft, to extend price controls, to enact compulsory peacetime military training, in order to win the peace and promote the security of this country. None of these things compares in immediate importance with full production. Full production and rapid reconversion is the very foundation upon which our national strength and hence our peace and security must rest. Still the Government vacillates, pussyfoots, and evades this biggest and most serious problem.

The big corporations and all-powerful labor bosses continue to ride recklessly and ruthlessly over the American people. Mr. Speaker, how much longer will we continue to tolerate these abuses?

EXTENSION OF REMARKS

Mr. LARCADE asked and was given permission to extend his remarks in the RECORD in two instances and include certain newspaper articles.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD in four instances and include certain statements and excerpts.

Mr. WHITTINGTON asked and was given permission to extend his remarks in the RECORD and include an address delivered by him before the twenty-seventh annual convention of the Mississippi Valley Association in St. Louis on March 25.

THE LATE FIELD MARSHAL VISCOUNT GORT

Mr. LYLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LYLE. Mr. Speaker, I think it fitting that the House pause momentarily to take notice of the untimely death of Field Marshal Viscount Gort, one of the many splendid British officers. My unit had the distinct honor and privilege of serving under his command at Malta during this war. He was an able and courageous soldier and had assigned to him many difficult tasks. You will perhaps remember that he commanded the British Expeditionary Forces in France and the retreat from Dunkerque early in World War II. Later he took command at Malta. He was a splendid officer and a fine gentleman and contributed a great deal during this war to the peace that we are now enjoying

PERMISSION TO ADDRESS THE HOUSE

Mr. HOOK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. HOOK addressed the House. His remarks appear in the Appendix.]

APRIL 1—ALL FOOLS' DAY AND A LADY'S LANGUAGE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks and include a copy of a letter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, today is All Fools' Day, but my unlucky day was Sunday, March 17. In a manner of speaking, it was also an unlucky day for the majority party.

On that day a gentleman by the name of Quentin Reynolds, a rather rough-speaking gentleman, broadcasting for Pepsi-Cola, referring to the so-called Wyatt housing bill, calling attention to the passage of the bill, asked:

Where were the liberal Democrats?

Then he answered himself as follows:

More than a hundred of them stayed-away when it came time to vote. They didn't want to vote against the high-powered real-estate and building-material lobbies, and they didn't want to go on record as voting against a bill designed to aid veterans. These are the people you and I send to Congress. We voted them in, these miserable cowards of both parties who didn't have the guts to stand up and be counted. Let's remember their names when it comes time for reelection.

Although a Republican, fair play forces me to come to the defense of my Democratic colleagues and to cite the fact

that the record shows that only 50 Members were absent on roll call; that the absentees were not all Democrats, and as we all know, practically every one, if not every one, who was absent, was unavoidably absent and on official business.

On the same day, March 17, a gentleman in New York, chiefly known for his inaccuracy and vituperation, made a few false, derogatory remarks about me over the radio. Yes; you guessed his name. I need not mention it.

On the same day a lady—and I use that word advisedly—living here in Washington wrote a piece in the Times-Herald captioned "The gentleman's a liar." She subsequently admitted she was referring to me; and yesterday she repeated her charge, and for good measure she added that I was "a damned fool."

I deny the charge of being a liar, but I am not making any statement whatsoever as to the other charge.

Inasmuch as the lady printed my previous letter, which was addressed to her as an individual, I am giving my reply to her latest effusion to the House. The reply is printed in the RECORD so that those who come after and read the CONGRESSIONAL RECORD will know the way one lady, who considers herself a social leader here in Washington, uses the English language in at least one newspaper.

My reply to the lady's letter is as follows:

APRIL 1, 1946.

MRS. EVALYN WALSH MCLEAN,
Care of Washington Times-Herald,
Washington, D. C.

DEAR MRS. MCLEAN: On the assumption that your article in the Times-Herald of March 17 captioned, "The Gentleman's a Liar" referred to me and that when its inaccuracy was pointed out, you, as would any fair-minded individual, would desire to make correction, my letter of the twenty-third calling your attention to excerpts from the RECORD which established the inaccuracy of your charge was written. Even though it was not marked confidential there was no thought it would be published. Yesterday you caused my letter to be printed in the Times-Herald.

Although the excerpts from the official RECORD conclusively show that you were in error, you repeated the false statement in the Times-Herald of yesterday. You wrote and I quote, "I called you a liar, Mr. Representative HOFFMAN." Then for good measure you added, "I am so sorry, but I must add to that, I think you are a damned fool * * * I also think there's something else the matter with you, because none of your reasoning makes sense."

You excuse the publication of my letter by writing that it was not marked confidential. Is it your custom to publish all letters written you not marked confidential?

The excerpts printed from my letter of the twenty-third quoting the official stenographer's record show conclusively that your original statement that I am a liar was untrue; that I, like other normal Americans, am very grateful to the veterans for the sacrifices which they have made and am desirous of doing everything possible to assist them in any and every way they desire.

Neither you nor anyone else has a monopoly of the purpose to aid veterans. Almost everyone has or had relatives or close friends in the service.

My son, though he was not eligible for conscription, enlisted, left a lucrative practice, a wife and two sons, served 2 years and 8 months.

The veterans' representative with whom my colloquy was carried on in committee, in answer to one of my suggestions as to what might be done for the veterans, replied, and I quote, "It would be utopia, especially if we could do the same thing for labor." His judgment as to my attitude should be a little better than yours. It is to be hoped that any veterans with whom you personally come in contact or who may read any statements made by you will not have their sense of fairness warped by your method.

Having no personal knowledge of your characteristics or your mental processes, there was no reason why I should assume that you, upon being advised of your error, would repeat your false charge, much less add to it words reflecting upon the intelligence of one of the people's Representatives.

My congressional duties during the 11 years I have been in Washington have prevented my becoming acquainted with many of the local Washingtonians but I am certain that you are an exception, perhaps the only lady in Washington who, her attention having been called to an error made in a public statement, would reply by repeating the false charge that a Member of Congress, or anyone else for that matter, was "a liar" and then add the gratuitous statement that he was "a damned fool."

Have been advised by some reporters since the publication of your article that you are an exceptional individual; the possessor of the Hope diamond, whatever that may be; that you take delight in giving parties, in social activities, in considering yourself a crusader; that, in addition, you love publicity (don't we all).

Your reply of yesterday shows that you are an exceptional woman, no doubt the only one in Washington—black, white, yellow, or brown, Catholic, Protestant, Jew, or Mohammedan, who would publicly use the language you used with so little excuse.

A liar I am not. A damned fool I may be (there may be others). As you suggest, there may be something else wrong with me (you did not specify) but just who appointed you judge over the Members of Congress?

Pardon me, Mrs. McLean, for my presumption in writing you, for my error in assuming that you would want to right a wrong, correct an error, make perhaps a courteous reply.

Sincerely yours,

CLARE E. HOFFMAN.

LET US FIND A CURE FOR CANCER

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I desire to join the lady from Massachusetts [Mrs. ROGERS] in what she said about our efforts to find a cure for cancer, which is today the most dreadful disease in all the world.

We are told that more than 15,000,000 people now living in the United States will die of cancer. Such a condition is horrible to contemplate.

If I had my way, I would have the Government offer a reward of a million or two million, or even five or ten million dollars, if necessary, for anyone who finds a cure for this terrible disease. There is bound to be a remedy; and it can be found.

We should remember that some of the foremost discoveries in medicine were made by men who were not even physicians.

Pasteur was a chemist. He it was who discovered and proved the germ theory, and for the first time found a prevention for hydrophobia.

Walter Reed, an Army doctor, by pointing out a thing that physicians had muffed for hundreds of years, showed us how to eliminate yellow fever, with the result that not only has yellow fever been virtually eliminated, but by carrying his experiment one step further we have learned to control the dreadful disease of malaria, by destroying the mosquitoes by which malaria is spread.

There is not one case of malaria in the Southern States today where there were literally hundreds a few years ago; and if the public health authorities of every Southern State would compel every house owner to perforate the gutters about the eaves of his house, so that water could not stand in them and provide a breeding place for mosquitoes, malaria could be further reduced by at least 50 and probably 75 percent.

One of the greatest discoveries of all time was that of quinine—the only medicine we were able to find for centuries that would kill the malaria germ. We are told that it was discovered by accident when an Indian medicine man in one of the South American countries advised his chief to get the water from an old lake and give it to his daughter who was suffering from malaria. He followed the medicine man's advice, and the daughter recovered. An investigation showed that this water had been made very bitter as a result of the bark from some trees that had fallen into the lake. Later, a girl by the name of Cinchon was cured of malaria with an extract made from the bark of one of these trees, and as a result these trees were thereafter called cinchona.

As everyone knows, quinine is made from the bark of the cinchona tree.

Thus, we have seen three of the most dreadful diseases of all time, hydrophobia, yellow fever, and malaria conquered; and we can add typhoid fever to the list—for typhoid is rapidly disappearing as a result of developments that have been made along scientific lines.

A few years ago tens of thousands of unfortunate human beings were doomed to living putrefication as a result of leprosy, just as they were before the days of Christ, for the want of some genius to discover a remedy for that loathsome malady.

Today, we are told, that as a result of the development of the chaulmoogra treatment, and other similar remedies, the disease of leprosy is being brought under control; just as was done in the case of smallpox and is now being done with hookworm and other kindred diseases.

There is no reason on earth why a remedy for cancer cannot be found, and no price is too high for the American people to pay. Any one disease that kills more people in this country in one generation than we have had killed in all

the wars we have ever fought, is enough of a national menace to justify the Congress in appropriating any reasonable amount for remedy that will forever stamp it out.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, from some of the remarks that have been made this morning by Members relating to cancers and the desirability of finding cures for them, it is perhaps a safe assumption that they had in mind further putting the Federal Government into the field of cancer research. Having made something of a special study of cancers under some of the masters in this field, and also visited some of the important cancer research institutions in the United States and Europe, I am inclined to believe that if Congressmen knew more about the facts relating to this subject they would be less inclined to meddle with it.

The remarkable suggestion has been made that it might be a good thing to offer rewards for finding cures for cancers. That is the last thing which any man imbued with the true spirit of investigation in any part of the field of medicine would want to see done. The true investigator—and he is the only kind who makes discoveries—finds his reward in uncovering truth.

True, many thousands of people die each year of cancer. Nevertheless, medical science has been making some advances in this field and if left alone will no doubt achieve all that can be. The Congress of the United States has enough to do if it strictly confines its attention to the affairs of state. We should be devoting our energies to the study of the cause and cure of those social and economic diseases which are killing the liberty of our people. Herein lies our true function. If freedom perishes, research, as we have known it, must also perish.

CALIFORNIA'S PROGRAM OF EDUCATION FOR THE DEAF

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent that I may address the House for 1 minute and to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I am very happy to inform the House that the State of California has again shown its interest in and recognition of its responsibility for providing more and better educational facilities for its people.

During the past year Mr. Perry E. Seely, national vice president of the American Federation of the Physically Handicapped, and a resident of the district I am honored to represent, has interested himself in the establishment of a school for the deaf in southern California. He has had full support of his national organization, and carried on an earnest and successful campaign to get the necessary legislation passed by the State legislature. Several Members of the California delegation in Congress, including myself, wired the governor urging him to sign the bill. I now have the encouraging news that assembly bill No. 75 has been signed by the governor, and the school has been authorized to be established. It should prove a most important factor in helping these people toward a further hold on life.

I wish to congratulate Mr. Seely for his fine efforts in this matter and also the American Federation of the Physically Handicapped for once again having contributed to a real victory for a group of the less fortunate people of our country.

EXTENSION OF REMARKS

Mr. DONDERO asked and was given permission to extend his remarks in the Appendix of the RECORD and include a table.

PERMANENT APPOINTMENTS IN THE NAVY AND MARINE CORPS

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 569, Rept. No. 1835) which was referred to the House Calendar and ordered to be printed.

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of S. 1907, a bill to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this rule was given to the gentleman from New York [Mr. JOHN J. DELANEY] to report for printing. I was under the impression that it had been filed last Friday. Unfortunately, it was not.

Because it makes in order a bill that had been programed for consideration today, I ask unanimous consent that it may be in order to call up the rule today.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain his request a little more fully?

Mr. McCORMACK. The rule just reported relates to a bill out of the Committee on Naval Affairs which I announced last Friday would be taken up today. The rule was to have been filed last Friday, but was not. It simply waives the requirement that a rule must lie on the Speaker's table a day before it may be called up.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

RECORDING OF AGREEMENTS RELATING TO PATENTS

The Clerk called the first bill on the Consent Calendar (H. R. 3756) to require the recording of agreements relating to patents.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4898 of the Revised Statutes (U. S. C., title 35, sec. 47) is amended to read as follows:

"Every application for patent or patent or any interest therein shall be assignable in law by an instrument in writing, and the applicant or patentee or his assigns or legal representatives may in like manner grant and convey an exclusive right under his application for patent or patent to the whole or any specified part of the United States.

"If any such assignment, grant, or conveyance of any application for patent or patent shall be acknowledged before any notary public of the several States or Territories or the District of Columbia, or any commissioner of any court of the United States for any district or Territory, or before any secretary of legation or consular officer authorized to administer oaths or perform notarial acts under section 1750 of the Revised Statutes (U. S. C., title 22, sec. 131) the certificate of such acknowledgment, under the hand and official seal of such notary or other officer, shall be prima facie evidence of the execution of such assignment, grant, or conveyance.

"If any such instrument is not recorded in a public record in the Patent Office within 30 days from the date thereof then—

"(a) It shall be void, as against any subsequent purchaser or mortgagee for a valuable consideration, without notice unless it is so recorded prior to such subsequent purchase or mortgage;

"(b) No suit for infringement of the patent may be brought by either party during the period the instrument remains unrecorded nor may any recovery be had for infringements occurring during said period."

SEC. 2. Every license under a patent for an invention or application for such patent and every agreement with respect to the same, and every agreement providing for the exchange of technical information, any of the parties to which is not a resident of the United States, shall be in writing and shall be recorded in the Patent Office within 3 months from the execution thereof; and every license under a patent for an invention or application for such patent, and every agreement with respect to the same which includes or recites any restriction as to price, quantity of production, geographical area, or field of use, or any restriction beyond that inherent in the patent grant, shall be in writing and shall be recorded in the Patent Office within 3 months from the execution thereof: *Provided*, That nothing in this section shall be construed as requiring the recording of any license or agreement to which the United States, or any State, Territory, or Territorial possession of the United States, or any subdivision thereof, is a party, or which is made solely for the benefit of the United States, or any State, Territory, or Territorial possession of

the United States, or any subdivision thereof: *And provided further*, That nothing in this section shall be construed in applying to the recording of such licenses, contracts, or estoppels as may be created or implied by law or may arise from the relationship of the parties such as that of employer and employee.

SEC. 3. A true and complete copy of the instruments referred to in section 2 shall be recorded: *Provided, however*, That where a uniform type of agreement, license, or other instrument is employed, the recording of a copy thereof, together with a statement setting forth the names of all the parties to any such uniform type of instrument, may be recorded in lieu of each separate instruments referred to in section 2 shall abstract of any such instrument required to be recorded by the provisions of section 2, showing the date thereof, the nature of the instrument, the names of all the parties involved therein, the patents or applications involved or affected thereby, and the nature and scope of any restrictive covenants, may be recorded in lieu thereof, under such rules and regulations as may be prescribed by the Commissioner of Patents, subject to the filing of a complete copy within 3 months from the date that demand for the same is made by the Commissioner of Patents. Upon failure to file the complete copy within the time specified the instrument shall be deemed not recorded under section 2 hereof.

SEC. 4. Any party to any instrument specified in subsections (2) and (3) hereof may record the same. Where the parties to any such instrument are residents of the United States only, the assignee, grantee, or licensee shall be liable for the recording of the same; where the parties to such an instrument are residents of the United States and residents of a foreign country, the residents of the United States shall be liable for the recording of the same.

SEC. 5. Licenses and agreements recorded under section 2 of this act shall not be open to public examination and inspection unless they are also recorded under section 1 hereof, but shall be made available for examination, copying, and inspection only by duly authorized officers of the United States Government for governmental purposes only.

SEC. 6. Failure to record any instrument required to be recorded by section 2 of this act, with the intent to conceal any material term thereof as specified in section 3 hereof, shall subject the violator to a penalty of not more than $500 for each such offense, and not more than $25 for each day of the continuance thereof, which shall accrue to the United States and many be recovered in a civil action brought by the United States.

SEC. 7. This act shall take effect 3 months after approval and shall apply to assignments, licenses, and agreements executed prior to the effective date of this act, if they are still in effect on said date.

Mr. LANHAM. Mr. Speaker, I offer an amendment to correct a typographical error. On page 5, line 15, strike out the word "many" and insert the word "may."

The Clerk read as follows:

Amendment offered by Mr. LANHAM: On page 5, line 15, strike out "many" and insert the word "may."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CORRECTING NAVAL RECORD OF FORMER MEMBERS OF THE CREWS OF THE REVENUE CUTTERS *ALGONQUIN* AND *ONONDAGA*

The Clerk called the bill (H. R. 1498) to correct the naval record of former members of the crews of the revenue cutters *Algonquin* and *Onondaga*.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

REVISIONS IN THE BOUNDARY OF HOPEWELL VILLAGE, PA.

The Clerk called the bill (H. R. 3533) to authorize revisions in the boundary of the Hopewell Village National Historic Site, Pa., and for other purposes.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AUTHORIZING ALASKA RAILROAD TO ENGAGE IN OPERATION OF OCEAN-GOING VESSELS

The Clerk called the bill (H. R. 4731) to authorize the Alaska Railroad to engage in the business of operating ocean-going vessels.

The SPEAKER. Is there objection to the present consideration of the bill?

Messrs. BLAND, RICH and KEAN objected.

AUTHORIZING CHARGING OF TOLLS OVER SAN FRANCISCO-OAKLAND BAY BRIDGE (CALIF.)

The Clerk called the bill (H. R. 3565) to authorize the charging of tolls for the passage or transit of Government traffic over the San Francisco-Oakland Bay Bridge.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That tolls may be charged for the passage or transit over the San Francisco-Oakland Bay Bridge of Government traffic, of military, naval, or civilian personnel and their dependents, and of civilian employees of the Army and Navy traveling on Government business, but such tolls shall not be in excess of the tolls charged for the passage or transit of other like traffic over such bridge: *Provided, however*, That subject to the provisions of section 2, military and naval personnel, and civilian employees of the Army and Navy, when such personnel or employees are engaged in the performance of official duties requiring the use of such bridge, together with the conveyances being used by them in the performance of such duties, shall have the use of such bridge free of toll: *Provided further*, That subject to the provisions of section 2, military and naval personnel, civilian employees of the Army and Navy, and personnel and employees of the Department of Commerce and their dependents when such personnel, employees, or dependents are resident or employed on Yerba Buena Island or Treasure Island, or on any vessel berthed at any point on said islands, together with the conveyances being used by them, when proceeding to or from said islands, shall have the use of such bridge free of toll.

SEC. 2. (a) The use of the San Francisco-Oakland Bay Bridge free of toll, provided for in section 1, shall be granted upon the presentation and surrender at the toll lanes of an authorization certifying that the traffic or person in question is entitled to such right. Such authorization shall be issued and signed by any officer or official designated for such purpose in accordance with regulations which shall be prescribed by the Secretary of the Navy. The names and signatures of officers so designated shall be furnished to the California Toll Bridge Authority and thereafter authorizations signed by them shall be accepted by such authority as prima facie evidence of the facts stated therein.

(b) Notwithstanding the provisions of subsection (a), such right to use the San Francisco-Oakland Bay Bridge free of toll may be established by any other device or means which may be acceptable to the California Toll Bridge Authority; and the Secretary of the Navy and the California Toll Bridge Authority may enter into any appropriate agreements to secure the effective, convenient, and just exercise of such right.

SEC. 3. Whoever secures or attempts to secure the exemption from toll provided for in this act or an authoriztion referred to in section 2, knowing that he is not entitled thereto, and whoever signs or issues any such authorization certifying to such right of exemption, knowing that such right does not exist, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine of not more than $100 or by imprisonment for not more than 10 days, or by both such fine and imprisonment.

SEC. 4. The provisions of this Act shall take effect 30 days after the date of its enactment.

With the following committee amendments:

Page 2, line 2, after "Navy", insert "and Coast Guard and personnel and employees of the Coast and Geodetic Survey."

Page 2, line 8, after "Navy", strike out the comma and insert "and Coast Guard."

Page 2, line 9, after "of the", strike out "Department of Commerce" and insert "Coast and Geodetic Survey."

Page 2, line 23, after "Department of the", strike out "Navy" and insert "Department having control of the personnel exempted in section 1 hereof."

Page 3, line 7, after "Secretary of the" strike out "Navy" and insert "appropriate Department."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BILL OF RIGHTS DAY

The Clerk called the joint resolution (H. J. Res. 273) authorizing and requesting the President to issue annually a proclamation designating December 15 as Bill of Rights Day.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, as indicated by the title of this bill it would authorize the President to proclaim December 15 as Bill of Rights Day. As originally introduced, it provided for an annual proclamation. I note that the Committee on the Judiciary has struck out the annual part of it and has limited the proclamation to December 15, 1946.

May I inquire of some member of the committee as to the reason why the

proclamation regarding the Bill of Rights is a wholesome, advisable, and worth-while program for the year 1946 and not one equally as advisable for 1947 or 1950 or the year 2000?

Mr. CELLER. Mr. Speaker, it was the opinion of the committee that we should limit this to the present year because that has been the custom heretofore. We have passed the Bill of Rights bill on previous occasions and we have always limited it to the current year instead of making it a general observation for every year.

Mr. COLE of New York. Are there some provisions of statute which authorize the President to annually proclaim days of national importance?

Mr. CELLER. They are very rare. There are some, but ordinarily we limit it to 1 year because the Judiciary Committee is being flooded with bills of this character.

Mr. COLE of New York. I can appreciate the position of the committee as to certain types of bills in that they should be limited to a single year, but where a matter of this nature is of such Nationwide scope and importance, and is of such historic value, both as to the past and as to the indefinite future, it seems to me this proposal is on the same ground as one relating to Flag Day, Memorial Day, Thanksgiving Day, Independence Day, or any other of our great national holidays.

Mr. CELLER. I think the gentleman's point is well taken and I shall be glad to report what he says to the Judiciary Committee and on the next occasion we will take into consideration his observations.

Mr. COLE of New York. I notice that the author of the resolution, the gentleman from New York, is on the floor, and I suggest the hope that when the resolution is presented for consideration he oppose the committee amendment. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the resolution?

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That the President of the United States is authorized and requested to issue annually a proclamation designating December 15, as Bill of Rights Day, calling upon officials of the Government to display the flag of the United States on all Government buildings on that day, and inviting the people of the United States to observe the day with appropriate ceremonies and prayer.

With the following committee amendment:

Page 1, line 4, strike out the word "annually", and on page 1, line 5, after the comma following the figure "15", insert "1946."

Mr. WADSWORTH. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, I confess my disappointment at the action of the Committee on the Judiciary in reporting this resolution in such form that instead of having the President of the United States remind the people annually of the significance and importance of the Bill of Rights, the resolution as reported by the Judiciary Committee says that he may do it only on December 15, 1946. I need not, Mr. Speaker, lecture to the Members of the House as to the basic importance of the Bill of Rights.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from New York.

Mr. CELLER. I do not think the members of the Committee on the Judiciary would have objection to withdrawing the amendment.

Mr. WADSWORTH. That being the case, there is no necessity for inflicting myself on the House.

Mr. RANKIN. Mr. Speaker, if the gentleman will yield, some of them may have thought we would not have any rights after next year.

Mr. WADSWORTH. My idea about this thing is, unless I am very much mistaken in my estimate, that as the years go by the people of the United States know less and less about the Bill of Rights rather than more and more, and I hope that they will learn more.

Mr. RANKIN. The date selected was the 15th of December. Was that the day on which the Bill of Rights was approved?

Mr. WADSWORTH. That was the day it was ratified.

Mr. RANKIN. I agree with the gentleman from New York that the Bill of Rights is not transcended in importance even by the rest of the Constitution itself or by the Declaration of Independence.

The SPEAKER. The question is on the committee amendment.

The committee amendment was rejected.

The joint resolution was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "Joint resolution authorizing and requesting the President to issue a proclamation designating December 15, 1946, as Bill of Rights Day."

A motion to reconsider was laid on the table.

THEODORE ROOSEVELT NATIONAL PARK

The Clerk called the bill (H. R. 4435) to establish the Theodore Roosevelt National Park; to erect a monument in memory of Theodore Roosevelt in the village of Medora, N. Dak.; and for other purposes.

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

FISSIONABLE MATERIALS

The Clerk called the bill (H. R. 5594) to reserve for the use of the United States all deposits of fissionable materials contained in the public lands.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all deposits of fissionable materials contained in the public lands are hereby reserved for the use of the United States, and the Secretary of the Interior shall cause to be inserted in every patent or other conveyance, and in any lease, permit, or other authorization hereafter granted to use the public lands or its mineral resources which might result in the extraction of such materials, a reservation to the United States of all deposits of fissionable materials, whether or not of commercial value, together with the right of the United States through its authorized agents or representatives at any time to enter upon the land and prospect for, mine, and remove the same. Any lands so patented, conveyed, leased, or otherwise disposed of may be used for the purpose for which granted provided that such use does not result in the extraction, refining, or utilization of fissionable materials as such.

SEC. 2. The term "deposits of fissionable materials" as used in this act means those deposits from which the substances known as thorium, uranium (including uranium enriched as to one of its isotopes), and elements higher than uranium in the periodic table, can be refined or produced and, in addition, any deposits from which there can be refined or produced other substances determined by the President to be readily capable of or peculiarly related to transmutation of atomic species, the production of nuclear fission, or the release of atomic energy. Notice of any such additional deposits shall be published in the Federal Register.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REIMBURSING NAVY PERSONNEL

The Clerk called the bill (S. 1739) to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of fires which occurred at various Navy shore activities.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed $1,741.95, as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, certain Navy personnel and former Navy personnel for the value of personal property lost or damaged as the result of fires occurring in a drill hall hangar and Quonset hut, naval air station, Pasco, Wash., on February 27, 1945; in Quonset hut, United States Naval Receiving Station, Navy 128, on July 15, 1945; in building 178 at Scout Observation Service Unit 1, Navy 128, on July 27, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFERRING DEGREE OF BACHELOR OF SCIENCE UPON GRADUATES OF THE UNITED STATES MERCHANT MARINE ACADEMY

The Clerk called the bill (H. R. 5380) to provide for the conferring of the degree of bachelor of science upon graduates of the United States Merchant Marine Academy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of May 25, 1933, as amended, relating to the conferring of degrees upon graduates of the Naval Academy, Military Academy, and Coast Guard Academy is hereby amended to read as follows:

"The superintendents of the United States Naval Academy, the United States Military Academy, the United States Merchant Marine Academy, and the United States Coast Guard Academy may, under such rules and regulations as the Secretary of the Navy, the Secretary of War, the Chairman of the United States Maritime Commission, and the Secretary of the Treasury, respectively may prescribe, confer the degree of bachelor of science upon all graduates of their respective academies, from and after the date of the accrediting of said academies by the Association of American Universities. On and after the date of the accrediting of the said academies by the Association of American Universities the superintendents of the respective academies may, under such rules and regulations as the respective Secretaries, or Chairman of the Maritime Commission, may make, confer the degree of bachelor of science upon such other living graduates of the respective academies as shall have met the requirements of the respective academies for such degree."

With the following committee amendments:

Page 2, line 3, strike out "Chairman of the."
Page 2, line 12, strike out "Chairman of."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VETERANS' ADMINISTRATION REVISED SCHEDULE FOR RATING DISABILITIES

The Clerk called the bill (H. R. 5149) to govern the effective dates of ratings and awards under the Veterans' Administration revised Schedule for Rating Disabilities, 1945, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, the report accompanying this bill indicates that the bill authorizes the expenditure of approximately $26,000,000. In view of that amount of money it seems that this is not a bill which should be considered and passed by unanimous consent. Therefore, Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

INCREASING FUND FOR LOANS TO DISABLED VETERANS

The Clerk called the bill (H. R. 5574) to amend paragraph 8 of part VII, Veterans Regulation No. 1 (a), as amended, to authorize an appropriation of $1,500,000 as a revolving fund in lieu of $500,000 now authorized.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 8 of part VII, Veterans' Regulation No. 1 (a), as amended, is hereby amended by substituting "$1,500,000" in lieu of "500,000," so that the paragraph shall read as follows:

"8. There is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, available immediately and until expended, the sum of $1,500,000 to be utilized by the Veterans' Administration under such rules and regulations as the Administrator may prescribe, as a revolving fund for the purpose of making advancements not exceeding $100 in any case, to persons commencing or undertaking courses of vocational rehabilitation under this part, and advancement to bear no interest and to be reimbursed in such installments as may be determined by the Administrator by proper deductions from any future payments of pension or retirement pay."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPOINTMENT OF ONE ADDITIONAL DISTRICT JUDGE, NORTHERN DISTRICT OF CALIFORNIA

The Clerk called the bill (S. 1163) to provide for the appointment of one additional district judge for the northern district of California.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to appoint, by and with the advice and consent of the Senate, one additional district judge for the District Court of the United States for the Northern District of California.

With the following committee amendment:

Page 1, line 6, after "California", insert the following: *"Provided,* That the first vacancy occurring in the office of district judge in said district shall not be filled: *Provided further,* That unless the President shall submit a nomination to the Senate to fill the office hereby created within 90 days after the effective date of this act, then in that event this act shall be of no force and effect."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Speaker, I want to call the attention of the House to that part of the committee amendment to S. 1163 which reads:

Provided further, That unless the President shall submit a nomination to the Senate to fill the office hereby created within 90 days after the effective date of this act, then in that event this act shall be of no force and effect.

I offered an amendment in the committee providing 30 days, which was extended to 90 days by the will of the Judiciary Committee.

No additional Federal judges should be provided unless the work of the district requires. If this is true, then new judges should be appointed as soon as at all practicable. Interparty politics has much to do in selecting additional Federal judges and it is all wrong to permit political party disagreement or squabble between factions to hold up the filling of a vacancy when a judge is needed to take care of the business of the district. There is no legitimate reason why a vacancy should not be filled within a few days, and by placing the above provision in all bills, in the future, appointments will necessarily be made within a reasonable time.

CRUISER *NEW ORLEANS*

The Clerk called the bill (H. R. 5765) authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the city of New Orleans the silver service and silver bell presented to the United States for the cruiser *New Orleans.*

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is authorized, in his discretion, to deliver to the custody of the mayor of New Orleans for the Louisiana Historical Museum, for preservation and exhibition, the silver service and silver bell which were presented to the United States for the cruiser *New Orleans* by the citizens of that city: *Provided,* That no expense shall be incurred by the United States for the delivery of such silver service.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BURIAL IN ARLINGTON CEMETERY OF AN UNKNOWN AMERICAN

The Clerk called the bill (H. R. 3959) to provide for the burial in the Memorial Amphitheater of the National Cemetery at Arlington, Va., of the remains of an unknown American soldier who lost his life while serving overseas in the armed forces of the United States during the Second World War.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Reserving the right to object, Mr. Speaker, may I inquire of the chairman of the Committee on Military Affairs as to what is intended by the use of the language locating this memorial to the unknown American of World War II "in the Amphitheater in Arlington Cemetery"?

Mr. MAY. The meaning of that is that the body of this unknown American will be buried beside the body that is there from the First World War. As a matter of fact, however, it is not in the enclosure of the Amphitheater but it is regarded and understood as being a part of it.

Mr. COLE of New York. When the expression regarding being "in the Memorial Amphitheater of the National Cemetery at Arlington" is used, it is not intended that the interment will actually occur inside the Amphitheater itself?

Mr. MAY. No; but just on the outside, in the same mausoleum where the other one is buried.

Mr. COLE of New York. With that understanding, Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed (1) to cause to be brought to the United States the remains of an American who lost his life while serving overseas in the armed forces of the United States during the Second World War

and whose identity has not been established; and (2) to provide for the burial, with appropriate ceremonies, of such unknown American in the Memorial Amphitheater of the National Cemetery at Arlington, Va., near or beside the remains of the Unknown American Soldier of the First World War.

SEC. 2. There is authorized to be appropriated such sum as may be necessary to carry out the purposes of this act.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to provide for the burial in the Memorial Amphitheater of the National Cemetery at Arlington, Va., of the remains of an unknown American who lost his life while serving overseas in the armed forces of the United States during the Second World War."

A motion to reconsider was laid on the table.

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE of Illinois. Mr. Speaker, the purpose of this bill, as stated in the title, is to provide for the burial in the Memorial Amphitheater of Arlington National Cemetery of an unknown American who lost his life while serving overseas in the armed forces of the United States during the Second World War.

By the passage of the bill today the House takes the first step in the legislative action which will eventually result in the Nation preserving for future generations the memory of all of those who made the supreme sacrifice in the Great War.

When this measure is finally enacted into law, arrangements will be made by the War Department to bring back an unidentified American who died overseas during World War II, and he will be placed to eternal rest beside his unknown buddy of the first world conflict.

This will be a tribute to all servicemen who gave their lives for victory over Germany and Japan.

I have suggested amendment of the bill to leave forever a mystery whether the unknown serviceman fought with the Army, Navy, marines, or Coast Guard. It might be that he crashed from the skies with the Army Air Force, fell in khaki on muddy soil, or made the supreme sacrifice in the Navy's blue. The War Department may select the unknown hero who gave his life for his country from any theater of operation, and the battle region where he died will also remain unknown.

The War Department has given its approval of this measure. In its report to the Committee on Military Affairs the Department stated:

> The appropriateness of the legislation is believed to be manifest. As is well known, similar action was taken after World War I, and the Tomb of the Unknown Soldier in Arlington has become a national shrine.

Army engineers and architects have examined the plans of the white marble amphitheater and tomb built in honor of the soldier of the First World War who is "known only to God," and their reports indicate that it is a simple matter to add another sarcophagus without destroying the symmetry or beauty of the monument.

PARKER RIVER NATIONAL WILDLIFE REFUGE

The Clerk called the bill (H. R. 4362) to abolish the Parker River National Wildlife Refuge, in Essex County, Mass., to authorize and direct the restoration to the former owners of the land comprising such refuge, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Reserving the right to object, Mr. Speaker, this bill permits the former owners of the land which is being abandoned by the Federal Government under the bill to have a prior right to redeem the land. May I inquire if there is any reason why the heirs of former owners should not also be included in the definition of the term "former owner," so that if a relative or descendant of a previous owner wanted to redeem the property which had been taken from him years ago he could do so and it would not be necessary for the person redeeming it actually to have been an owner at the time the property was acquired by the Federal Government and in being at the time it is now being redeemed?

Mr. BATES of Massachusetts. Mr. Speaker, we have no objection to such an amendment if the gentleman wishes to offer it.

Mr. COLE of New York. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Parker River National Wildlife Refuge in Essex County, Mass., administered by the Fish and Wildlife Service of the Department of the Interior, is hereby abolished.

SEC. 2. The Secretary of the Interior shall dispose, in the manner provided in section 3, of the tracts of land comprising the Parker River National Wildlife Refuge, consisting of approximately 12,367.47 acres, and more particularly described in, and acquired by the United States through, two declarations of taking (on which judgments have been entered) executed by an Assistant Secretary of the Interior and filed, respectively, on July 31, 1943, and December 30, 1944, in proceedings in the United States District Court for the District of Massachusetts entitled, respectively, *"United States of America, Petitioner, v. 1,689 Acres of Land, More or Less, Situate in the County of Essex, Commonwealth of Massachusetts et al., Defendant.* Miscellaneous Civil No. 6771", and *"United States of America, Petitioner, v. 12,367.47 Acres, More or Less, of Land Situate in Essex County, Mass., Defendant.* Miscellaneous Civil No. 7010."

SEC. 3. (a) The Secretary of the Interior shall, within 30 days after the date of enactment of this act, mail to each person whose title to a tract of land within the Parker River National Wildlife Refuge was acquired by the United States a notice stating that such tract will be reconveyed to him if, within 60 days after the date of the mailing of such notice, such former owner pays to the United States, an amount equal to the purchase price paid by the United States with respect to such tract of land. Upon the payment of such amount, within the time stipulated in such notice, the Secretary shall execute a deed reconveying all the right, title, and interest of the United States in and to such tract of land to such former owner.

(b) In the event the former owner of any such tract of land fails to pay such amount within the time stipulated in such notice, the Secretary is hereby authorized and directed to dispose of such tract in such manner as he may deem to be in the best interests of the United States.

(c) As used in this section, (1) the term "former owner" shall include former owners, if title to any tract of land coming within the provisions of this section was vested in more than one person at the time of its acquisition by the United States; and (2) the term "person" shall include corporations and associations.

Mr. COLE of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. COLE of New York: On page 3, line 11, after the words "former owners", insert "or their heirs."

Mr. BARDEN. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. BARDEN. I wonder if there should not be some qualifying language there. There might be some heir of the third degree seeking preference over a more closely related person.

Mr. COLE of New York. I think the situation the gentleman has in mind would be characterized by the term "next of kin" rather than "heirs." I agree that any descendant, which an heir is, should have the right to redeem, and not necessarily a collateral relative which would be covered by the expression "next of kin."

Mr. BARDEN. I simply asked the question to see whether some more specific term could not be used than the word "heirs."

Mr. COLE of New York. I intend with the use of the word "heirs" to impose a limitation and to be more specific, in that it excluded next of kin, which covers the situation the gentleman has in mind.

Mr. BARDEN. I have no objection to either expression, but simply wish to offer that observation.

The SPEAKER. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. That concludes the bills eligible to be called on the Consent Calendar today.

RATING DISABILITIES BY VETERANS' ADMINISTRATION

Mr. RANKIN. Mr Speaker, I ask unanimous consent to return to the bill (H. R. 5149), a bill to govern the effective dates of ratings and awards under the Veterans' Administration revised schedule for rating disabilities, 1945, and for other purposes, No. 381 on the Consent Calendar, in order that I may make an explanation with reference to that bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. COLE of New York. Mr. Speaker, I reserve the right to object in order to

permit the gentleman from Mississippi [Mr. RANKIN] to make an explanation.

Mr. RANKIN. Mr. Speaker, this is a very necessary piece of legislation. The rating schedule will go into effect whether this bill is passed or not. But if this bill is passed, it will make the rating schedule take effect as of today and will, therefore, benefit untold thousands of veterans who are now suffering from disabilities for which their claims have not yet been adjusted. Especially the temporarily disabled men who are now in hospitals will have to rush to get their claims before the Veterans' Administration if this bill is not passed. If the bill is passed, however, it will relieve the Veterans' Administration of a vast flood of correspondence and applications which they would otherwise receive in a rush.

I appreciate the attitude of the gentleman from New York [Mr. COLE], and I know what he has in mind. He is always fair to the veterans and I'm sure he wants to be now. He says this bill will cost $26,000,000. Let me read to the Members what General Bradley says about that:

> The cost of the proposed legislation is estimated as $26,000,000 to make increases in awards running as of the date the schedule is made operative from the new effective date—

I call your attention particularly to this part—

> however, if more than one-half the eligible veterans file claim for benefits to which they are entitled within 1 year, this cost will be reduced, and if all filed as of the new effective date, the cost would be nil.

Therefore, it will save the Government money, and the chances are that instead of costing more it will cost less.

It will enable the Veterans' Administration to proceed to put this new rating schedule into effect so that these wounded men and shell-shocked men and other men now in the hospitals recovering from their service-connected disabilities may be able to take advantage of it without rushing, without flooding the Veterans' Administration with an unnecessary amount of correspondence and applications.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mrs. ROGERS of Massachusetts. It will also wipe out certain inequalities that now exist.

Mr. RANKIN. Yes.

Mrs. ROGERS of Massachusetts. For instance, before we passed the bill last year for increased compensation for amputees, men who had both limbs off at the hips received the same rating as men who had given their feet. This would regulate and adjust certain inequalities. I tried to have them eliminated for a long time. The Bureau has felt for a long time that there were inequalities but did not seem to get around to doing anything about it. Men of World War I, in some instances for the same disabilities, would get more than men of World War II. This has the approval of the Veterans' Administration and of the Bureau of the Budget. It is in effect a Veterans' Administration measure. The revised ratings were actually recommended first in General Hines' administration.

Mr. RANKIN. Yes; I am sure there would not be a vote against it in the House, but if we are forced to go before the Rules Committee it will take probably 2 weeks. There will be doubt in the minds of the veterans as to whether or not it will pass, and this flood of correspondence and applications will be accentuated, and it will probably cost the Veterans' Administration more as a result of the delay.

Mr. COLE of New York. Of course, the gentleman knows he does not have to go before the Rules Committee to have this bill passed by the House.

Mr. RANKIN. I understand, but I just spoke to the Speaker and asked him to recognize me to take the bill up under suspension of the rules. There are only three ways to get a bill before the House. One is by unanimous consent, the other is under suspension of the rules, and the other is through a special rule from the Rules Committee—unless we wait until we have a Calendar Wednesday a few years from now.

But the Speaker informs me it is his rule, and it has been the rule of former Speakers, to announce these suspensions in advance, and if we go by today it will be 2 weeks before we have another suspension day. General Bradley is very anxious to get these rating schedules put into effect now and to let the veterans know that they will have ample time to file their claims without prejudice.

Mr. COLE of New York. Does not the gentleman agree that it is unwise for the House to pass legislation involving a potential expenditure of $26,000,000 by unanimous consent?

Mr. RANKIN. As I said to the gentleman from New York, my opinion is that this bill will not cost anything like that amount. That is merely a possible expenditure that is not at all within the realm of probabilities, as I see it.

Mr. VINSON. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. VINSON. In response to the inquiry of the gentleman from New York [Mr. COLE], as to the doubt of the House passing bills involving $23,000,000 by unanimous consent, may I say to the gentleman from New York the House has repeatedly passed naval bills involving over a billion dollars by unanimous consent.

Mr. COLE of New York. I am sure the gentleman cannot point to a single instance when any naval authorization bill has been passed on the Consent Calendar involving the expenditure of over $1,000,000, let alone $1,000,000,000.

Mr. VINSON. Bills involving large sums of money have been passed by unanimous consent.

Mr. COLE of New York. But not on the Consent Calendar.

Mr. VINSON. Oh, no; not on the Consent Calendar.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CONTEMPT CITATION AGAINST EDWARD K. BARSKY

The SPEAKER. The Chair desires to announce that pursuant to House Resolution 573, Seventy-ninth Congress, he did, on March 29, 1946, certify to the United States attorney, District of Columbia, the willful and deliberate refusal of Dr. Edward K. Barsky to produce the books, papers, and records of the Joint Anti-Fascist Refugee Committee, together with all the facts relating thereto, before the Committee on Un-American Activities of the House of Representatives.

OFFICE OF DEFENSE TRANSPORTATION

Mr. MAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of S. 1657, to amend Public Law 779 of the Seventy-seventh Congress, entitled "An act to provide for furnishing transportation for certain Government and other personnel necessary for the effective prosecution of the war, and for other purposes," approved December 1, 1942, and for other purposes.

Mr. ROBSION of Kentucky. Mr. Speaker, reserving the right to object, will the gentleman briefly explain the bill?

Mr. MAY. Yes. Mr. Speaker, in the year 1942, when the industrial program in the war effort was getting rapidly under way, there were places all over the country where the influx of workers to industrial plants presented a very serious problem of transportation. By act of Congress we set up what was known as the Office of Defense Transportation. This organization built up a large personnel and functioned during the war. They have now reached the point where they want to discontinue their functions, pack up their bags, and leave town.

The committee has reported favorably by unanimous vote an identical House bill.

Mr. ROBSION of Kentucky. This discontinues this service.

Mr. MAY. That is exactly what we do, discontinue the office, its functions and activities; and we consider that quite an accomplishment, getting rid of another war agency.

Mr. ROBSION of Kentucky. It will take a lot of people off the pay roll, will it?

Mr. MAY. And it transfers the functions of the Office of Defense Transportation to the War and Navy Departments and the Veterans' Administration.

Mr. ROBSION of Kentucky. I commend the committee for its action and withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) section 1, paragraph 4, of the act of December 1, 1942 (56 Stat. 1024; 50 U. S. C., Supp. III, App. 841), entitled "An act to provide for furnishing transportation for certain Government and other personnel necessary to provide for the effective prosecution of the war, and for other purposes," is amended to read as follows:

"4. The authority herein granted the Secretary of War, the Secretary of the Navy and the Chairman of the Maritime Commission shall

be exercised in each case only after a determination by the Secretary of War, the Secretary of the Navy, or the Chairman of the Maritime Commission, as the case may be, that existing private and other facilities are not and cannot be rendered adequate by other means, and that its exercise will result in the most efficient method of supplying transportation to the personnel concerned and a proper utilization of transportation facilities."

(b) Section 2 of said act is amended to read as follows:

"SEC. 2. It shall be the duty of the Secretary of War, the Secretary of the Navy, and the Chairman of the Maritime Commission, respectively, to file with the Congress, within 60 days after the end of the fiscal year, a summarized report of the exercise of the authority herein granted, which report shall include (1) location, nature, and size of the plant for which transportation facilities were provided; (2) type, amount, and original cost of equipment furnished; (3) outline of lease or charter for rented or reciprocally used equipment with total costs for period of use or operation; and (4) citation of authority of the Secretary of War, the Secretary of the Navy, or the Chairman of the Maritime Commission, under which exercised."

SEC. 2. The act of October 25, 1943 (57 Stat. 575; U. S. C., Supp. III, title 38, ch. 1, sec. 11a), entitled "An act to provide for furnishing transportation in Government-owned automotive vehicles for employees of the Veterans' Administration at field stations in the absence of adequate public or private transportation" is amended to read as follows:

"That during the present war and not exceeding 6 months after the termination of the war, the Administrator of Veterans' Affairs, whenever he finds such action to be necessary for the efficient conduct of the affairs of his Administration, and under such regulations as he may prescribe, is authorized to utilize automotive equipment of the Veterans' Administration to transport its employees between field stations and nearest adequate public transportation at such reasonable rates of fare for the service furnished as he may establish. All moneys collected a fares from such employees shall be accounted for and shall be deposited in the Treasury of the United States to the credit of miscellaneous receipts. The authority herein granted the Administrator of Veterans' Affairs shall be exercised with respect to any station only after determination by the Administrator that existing private and other facilities are not and cannot be rendered adequate by other means, and that its exercise will result in the most efficient method of supplying transportation to the personnel concerned and a proper utilization of transportation facilities."

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a similar House bill (H. R. 4839) were laid on the table.

TO FACILITATE VOTING BY MEMBERS OF THE ARMED FORCES

Mr. BONNER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 5644) to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended.

Mr. RANKIN. Mr. Speaker, reserving the right to object, I wish to ask the gentleman from North Carolina some questions with reference to this bill.

Mr. BONNER. I will gladly supply the gentleman from Mississippi with such information as he desires.

Mr. RANKIN. This bill eliminates the Federal ballot altogether.

Mr. BONNER. That is correct.

Mr. RANKIN. The Federal ballot was published last year and sent to the veterans, but very few veterans used it, most of them used the State ballot. That is correct, is it not?

Mr. BONNER. The majority of those voting did use the State ballot.

Mr. RANKIN. So, it was decided this year just to use the State ballot but to use the machinery of the Government to get these ballots to the veterans.

Mr. BONNER. That is correct.

Mr. RANKIN. And it does not in anyway interfere with the election machinery of the various States.

Mr. BONNER. It does not.

Mr. RANKIN. That is what I wanted to bring out, for we had quite a battle on a similar bill last year because it did involve the question of a Federal ballot.

Mr. BONNER. I may say to the gentleman from Mississippi that he is largely correct, that most of the soldiers abroad used the State ballot, but some used the Federal ballot and appreciated the use of it.

Mr. RANKIN. But I may say to the gentleman from North Carolina that an overwhelming majority of those veterans used the State ballot.

Mr. BONNER. That is correct.

Mr. RANKIN. And this bill provides for the sending of State ballots and eliminates the Federal ballot altogether, as well as the Federal Ballot Commission.

Mr. BONNER. The gentleman is correct.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. HOFFMAN. Three returned veterans from my district complained that they never received the Federal ballot.

Mr. RANKIN. Well, they did not want it. They received the State ballot from the State of Michigan.

Mr. HOFFMAN. But why did they not send them the Federal ballot, too?

Mr. RANKIN. They did not want it.

Mr. HOFFMAN. But they should have an opportunity to look at it.

Mr. RANKIN. It was not very good reading; I do not believe they missed anything, I may say to the gentleman from Michigan, because the State ballot had the names of the candidates printed on it, and that is what they wanted.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Does this lessen the expense of holding these elections and give them the opportunity to vote?

Mr. RANKIN. There will be very little expense to this balloting.

Mr. BONNER. There is no authorization in the bill for any appropriation whatsoever. It is paid out of the general funds of the Army, Navy, and Coast Guard, which will be used for this purpose.

Mr. ROBSION of Kentucky. It does away with the Federal commission?

Mr. BONNER. Yes.

Mr. RANKIN. Yes. It does permit them, however, to use the Air Mail Service free?

Mr. BONNER. Yes; that is correct.

Mr. ROBSION of Kentucky. Was the committee unanimous in reporting this bill?

Mr. BONNER. Absolutely unanimous.

Mr. ROBSION of Kentucky. From the proof and evidence before the gentleman's committee, and from your investigation, will this take away any of the rights of the soldiers and sailors in various parts of the globe to take part in American elections?

Mr. BONNER. No. It affords an opportunity to those who are employed with the Army and Navy abroad to cast an absentee ballot and use the State ballot solely.

Mr. ROBSION of Kentucky. They will receive the cards and ballots by air mail?

Mr. BONNER. We have been assured by the representatives of the Army and Navy, as well as the other agencies of the Government, that they will carry out this act and that these cards will be delivered to all those in foreign territory.

Mr. ROBSION of Kentucky. This does away with one commission, does it not?

Mr. BONNER. It absolutely abolishes that commission.

Mr. ROBSION of Kentucky. It does not take away any of the rights of the soldiers and sailors to express themselves at the polls?

Mr. BONNER. It does not.

Mr. RANKIN. I may say to the gentleman from Kentucky, as the ranking majority member of the committee, that if we had had this bill last year instead of that duplicate bill, you might say, a larger number of the servicemen would have voted in the election.

Mr. BONNER. If I might interrupt the gentleman from Mississippi and make the statement that last year they had both State and Federal ballots. They had the option of the State ballot, then in case of an emergency, when the transportation of the State ballots broke down, they had the opportunity in the last 38 days to use the Federal ballot.

Mr. RANKIN. They had a Federal commission to confuse them last year. If they had not had that Federal commission to confuse them the chances are a great many more of them would have cast their ballots in the election.

Mr. SABATH. If I understand it correctly, there will be only one ballot and that is the State ballot?

Mr. BONNER. The various State ballots.

Mr. SABATH. I mean the ballots of the different States. Will that give the parties abroad a chance and opportunity also to vote for Members of the House and United States Senators?

Mr. BONNER. The representatives of the various agencies of the Government who will carry out this act have assured us there will be ample time and, of course, the recommendations provided in the former act are carried in this bill recommending to the States that they

get the ballots out in time, that they immediately return the ballots when application is received. All of those things are taken care of as in the former bill.

Mr. SABATH. In the last election a great many men were deprived of the opportunity and chance to vote. I do not want to charge anyone with being responsible for it; however I am for the opportunity being given to all members to vote so that they can get their ballots on time and in order that they may have the opportunity and privilege to vote for Members of Congress.

Mr. RANKIN. They only lost the opportunity or failed to vote where they were confused by those States which undertook to use the Federal ballot. The States that did not use the Federal ballot had no trouble, and the servicemen from those States had no trouble using the State ballot, which will be used in this instance. The name of every candidate for office will be printed on the ballot; therefore they will have a better opportunity to vote than they had when they had this confusion abroad last year brought about by this so-called Ballot Commission.

Mr. SABATH. All I am interested in is that they have a chance to vote.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Public Law 712, Seventy-seventh Congress, as amended, is amended by striking out titles II, III, and IV, and inserting in lieu thereof the following:

"TITLE II

"RECOMMENDATIONS TO THE STATES

"SEC. 201. The Congress hereby expresses itself as favoring, and recommends to the several States the immediate enactment of, appropriate legislation to enable each person absent from the place of his residence and serving in the armed forces of the United States or in the merchant marine of the United States, or who is a civilian outside the United States officially attached to and serving with the armed forces of the United States, who is eligible to vote in any election district or precinct, to vote by absentee ballot in any primary, special, or general election held in his election district or precinct; and in order to afford ample opportunity for such persons to vote for Federal, State, and local officials and to utilize the absentee balloting procedures of the various States to the greatest extent possible, the following provisions are enacted.

"SEC. 202. (a) It is recommended that the several States, in order to avoid expense, duplication of effort, and loss of time, shall accept, as applications for absentee ballots under such States' absentee balloting laws, as applications for registration under such States' election laws, and as sources of information to implement State absentee balloting laws, the form of post card (when duly executed by a person to whom this title is applicable) provided pursuant to section 209 (a) of this title, as amended, or pursuant to section 203 of this title prior to its amendment.

"(b) It is recommended that the several States waive registration of the person to whom this title is applicable who, by reason of their service, have been deprived of an opportunity to register.

"(c) It is recommended that the States make provision for persons eligible to register and qualified to vote, who have been honorably discharged from the armed forces too late to register at the time when, and at the place where, registration is required, to vote at the election next ensuing after their discharge.

"SEC. 203. (a) It is recommended that the secretary of state of each of the several States, upon receipt of any such post-card application, promptly forward it to the proper county, city, or other election official or officials in order that the request for an absentee ballot may be acted upon as expeditiously as possible.

"(b) It is recommended that the several States cooperate, to the end that county, city, or other election officials be authorized and instructed, upon receipt of an application made upon such a post card, to mail promptly to the voter making the application, if legally permissible under the laws of the State, a suitable absentee ballot, including therewith a self-addressed envelope for the use of the voter in returning the ballot and any instructions to govern the use of such ballot and envelope.

"SEC. 204. (a) It is recommended, so that the envelope in which the ballot is sent to a person to whom this title is applicable, and the envelope supplied for the return of the ballot, may be identified by the Post Office Department and other authorities as carrying an election ballot, that there be printed across the face of each such envelope two parallel horizontal red bars, each one-quarter inch wide, extending from one side of the envelope to the other side, with an intervening space of one-quarter inch, the top bar to be one and one-quarter inches from the top of the envelope, and with the words 'Official Election Balloting Material—Via Air Mail', or similar language as prescribed in State law, between the bars; that there be printed in the upper right corner of each such envelope, in a box, the words 'Free of Postage, Including Air Mail'; and that all printing on the face of each such envelope be in red. It is also recommended that there be printed in red in the upper left corner of each State ballot envelope an appropriate inscription or blanks for return address of sender (State or local election officials, or voter, as the case may be).

"(b) It is recommended, in order to minimize the possibility of physical adhesion of State balloting material, that the gummed flap of the State envelope supplied for the return of the ballot be separated by a wax paper or other appropriate protective insert from the remaining balloting material, and, because such inserts may not prove completely effective, that there also be included in State voting instructions a procedure to be followed by absentee voters in instances of such adhesion of the balloting material, such as a notation of the facts on the back of any such envelope, duly signed by the voter and witnessing officer.

"(c) It is recommended, in order to minimize action necessary to be taken by the voter and to assure legible and proper address, that each envelope supplied for the return of a State absentee ballot be preaddressed by State or local election officials insofar as possible.

"(d) It is recommended that the several States, in order to save postage and to assist in the air transport of absentee voting material being sent to persons to whom this title is applicable, reduce in size and weight of paper, as much as possible, envelopes, ballots, and instructions for voting procedure so that such State balloting unit will not exceed in weight the total of 1 ounce and in dimension 4⅛ inches by 9½ inches.

"SEC. 205. (a) It is recommended that, in the case of States in which no provision is made, either on the envelope or separately, for sending with the absentee ballots a printed form to be used by a voter for the purpose of establishing his legal right to vote, appropriate action be taken to have printed and enclosed with absentee ballots mailed in response to applications received on the post cards hereinbefore referred to, a form for the signature and oath or affirmation of the voter; and it is suggested that a form substantially as follows would be appropriate for such purpose:

"Oath of elector for voting in the _____ election to be held on _____, 19__.

"I do hereby swear (or affirm) that—

"(1) I am a citizen of the United States;

"(2) The date of my birth was_____;

"(3) For _____ years preceding this election my home (not military) residence has been _____

_____

"(Street and number or rural route)

_____ _____

"(City, town, or village) (County)

_____.

"(State)

"(4) I am serving (check appropriate blank)—

"(a) in the armed forces of the United States ( );

"(b) in the merchant marine of the United States ( );

"(c) as a civilian outside the United States officially attached to and serving with the armed forces of the United States ( ); and

"(5) I have not voted and do not intend to vote in this election at any address other than the above; and that I have not received or offered, or promised to pay, contributed, offered, or promised to contribute to another, to be paid or used, any money or other valuable thing as a compensation or reward for the giving of a vote at this election, and have not made any promise to influence the giving or withholding of any such vote.

"_____.

"Voter must write his usal signature here and oath must be administered and attested.

"Subscribed and sworn to before me this _____ day of _____, 19__.

"_____.

"Commissioned or warrant officer, noncommissioned officer not below the rank of sergeant, or petty officer, or other person authorized to administer and attest this oath, shall write his name here.

"_____.

"Officer or other person signing above shall print his rank, rating, or title clearly here.

"(b) It is recommended, with respect to oaths required by State law in connection with applying for and voting by State absentee ballot by persons to whom this title is applicable, that the States authorize such oaths to be administered and attested by any commissioned or warrant officer, noncommissioned officer not below the rank of sergeant, or petty officer, in the armed forces of the United States or any member of the merchant marine of the United States designated for this purpose by the Administrator of the War Shipping Administration.

"SEC. 206. (a) It is recommended that there be included in State voting instructions for persons to whom this title is applicable an express instruction, if legally permissible under the laws of the State, to the effect that the absentee voter, in marking his ballot, may use pencil, pen, crayon, or any other suitable method for indicating his intention, and that States, the existing laws of which would be violated by compliance with such an instruction, cause necessary changes to be made in their election laws.

"(b) It is recommended that State voting instructions be expressed in simple terms and not by use of words of the statute alone.

"SEC. 207. It is recommended that, in States where the absentee ballot will not be available for mailing to persons to whom this title is applicable at least 60 days prior to any primary, general, or special election,

such States cause to be made such changes in the election laws of their States as will lengthen such time.

"SEC. 208. It is recommended that each secretary of state furnish by registered mail to the Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, and the Administrator of the War Shipping Administration, at least 90 days in advance, information as to primary, special, and general elections within the State at which persons to whom this title is applicable may vote by absentee ballot. The information furnished by the secretaries of state should contain substantially the following:

"STATE OF _____.

"1. Date of election _____.

"2. Type of election (general, special, or primary) _____.

"3. Name or names of governmental units to which it applies _____.

"4. (a) Officers to be elected _____.

"(b) Constitutional amendments or other proposals to be voted upon _____.

"5. Which of the following may vote at this election:

"(a) Members of the armed forces_____.

"(b) Members of the merchant marine _____.

"(c) Civilians outside the United States officially attached to and serving with the armed forces _____.

"6. (a) From which of the following is the Federal post-card application acceptable as an application for a ballot:

"(1) Members of the armed forces _____.

"(2) Members of the merchant marine_____.

"(3) Civilians outside the United States officially attached to and serving with the armed forces _____.

"(b) What action is it necessary for the applicant to take if the post card is not acceptable as an application _____.

"7. Earliest date State will receive application _____.

"8. Earliest date the ballot will be mailed _____.

"9. Last day ballot may be received back to be counted _____.

"_____,
"Secretary of State,
"State of _____.

"Dated: _____.

"COOPERATION WITH THE STATES

"SEC. 209. (a) In order to afford an opportunity for persons to whom this title is applicable to vote for Federal, State, and local officials and to utilize State absentee balloting procedures to the greatest extent possible, the Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, and the Administrator of the War Shipping Administration, as may be appropriate, shall cause to be printed an adequate number of post cards for use in accordance with the provisions of this title and shall, wherever practicable and compatible with military operations, cause such post cards to be made available to each person absent from the place of his residence and serving in the armed forces of the United States or in the merchant marine of the United States, or who is a civilian outside the United States officially attached to and serving with the armed forces of the United States, for use for any general election at which electors for President and Vice President or Senators and Representatives in Congress are to be voted for, such cards to be made available outside of the United States not later than August 15 prior to the election, and within the United States not later than September 15 prior to the election. The post cards referred to shall also, wherever practicable and compatible with military operations, be made available to such persons at appropriate times for use in general elections other than those referred to above and in primary and special elections.

"(b) Upon one side of the post card shall be printed the following:

"Secretary of State, or other appropriate official within the State of _____

"Fill out every item

"(1) I hereby request an absentee ballot to vote in the coming (general) (primary) (special) election.

"(Strike out inapplicable words)

"(2) I am a citizen of the United States, serving—

"in the armed forces of the United States _____ ☐

"in the merchant marine of the United States _____ ☐

"as a civilian outside the United States officially attached to and serving with the armed forces of the United States_____ ☐

"(3) I was born _____
"(Day) (Month) (Year)

"(4) For _____ years preceding the above election my home (not military) residence in the above State has been—

_____
"(Street and number or rural route)

_____
"(City, town, or village)

_____
"(County)

"To the best of my knowledge, my voting precinct or district is _____

"(5) Mail my ballot to the following service address_____

_____
"(Must include military unit or naval unit or vessel; and, if overseas, APO number and postmaster or FPO and postmaster)

"You must both print and sign your name—

_____
"(Print name and serial number plainly here)

_____
"(Sign here)

"Subscribed and sworn to before me on

_____
"(Day, month, year)

_____
"(Commissioned or warrant officer, noncommissioned officer not below the rank of sergeant, or petty officer, or other person authorized to administer and attest this oath, writes his name and rank or title here)

"If this card is used in applying for a primary ballot (but not otherwise), state below choice of party:

_____

"(c) Upon the other side of the post card shall be printed in red the following:

"Free of postage including air mail

"Name and complete military, naval, or merchant marine address

"_____
"_____
"_____
"_____

"OFFICIAL ELECTION BALLOTING MATERIAL—VIA AIR MAIL

"Secretary of State of—

"_____
"(Home State)

"_____
"(Capital city of home State)

"_____
"(Home State)

"(d) In lieu of and interchangeably with the post cards referred to, the Secretaries of War, Navy, and Treasury and the Administrator of the War Shipping Administration may continue to make available, and the persons to whom this title is applicable may continue to use, post cards provided under section 203 of this title prior to its amendment until the existing supply thereof is exhausted.

"SEC. 210. (a) It shall, wherever practicable and compatible with military operations, be the duty of the Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, the Postmaster General, and the Administrator of the War Shipping Administration, as may be appropriate, to cooperate with appropriate State officers and agencies in transmitting to and from persons to whom this title is applicable, making applications therefor to their several States, such absentee ballots, and envelopes to be used in connection therewith, as may be provided under the laws of the several States for the use of such applicants, and to cooperate in the execution by such applicants of oaths in connection with such ballots.

"(b) The Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, the Postmaster General, the Administrator of the War Shipping Administration and other appropriate authorities shall, so far as practicable and compatible with military operations, take all reasonable measures to facilitate transmission, delivery, and return of post cards, ballots, envelopes, and instructions for voting procedure, mailed to and by persons to whom this title is applicable pursuant to the laws of the several States, whether transmitted by air or by regular mail. Ballots executed outside the United States shall be returned by air, whenever practicable and compatible with military operations.

"SEC. 211. Whenever practicable and compatible with military operations, the Secretaries of War, Navy, and Treasury, and the Administrator of the War Shipping Administration, as may be appropriate, shall cause to be made available to persons to whom this title is applicable so much of the information referred to in section 208 of this title as may be received from a secretary of State.

"TITLE III

"VOTING SAFEGUARDS

"SEC. 301. (a) Every individual concerned with the administration of this act shall take all necessary steps to prevent fraud, to protect voters against coercion of any sort, and to safeguard the integrity and secrecy of ballots cast.

"(b) It shall be unlawful for any commissioned, noncommissioned, warrant, or petty officer in the armed forces of the United States (1) to attempt to influence any member of the armed forces to vote or not to vote for any particular candidate, or (2) to require any member of the armed forces to march to any polling place or place of voting, but nothing in this act shall be deemed to prohibit free discussion regarding political issues or candidates for public office.

"(c) No act done in good faith under this act by a member of the armed forces of the United States, in the exercise of his judgment as to what was practicable and compatible with military operations, shall constitute a violation of any provision of law prohibiting offenses against the elective franchise.

"TAKING OF POLLS PROHIBITED

"SEC. 302. (a) No person within or without the armed forces of the United States shall poll any member of such forces, either within or without the United States, either before or after he shall have executed any ballot under any State law, with reference to his choice of or his vote for any candidate for any of the offices authorized to be voted for by the use of the aforesaid ballot nor

state, publish, or release any result of any purported poll taken from or among the members of the armed forces of the United States or including within it the statement of choice for or of votes cast by any member of the armed forces of the United States for any of the offices authorized to be voted for by the use of the aforesaid ballot.

"(b) The word 'poll' is defined as any request for information, either verbal or written, which by its language or form of expression requires or implies the necessity of an answer, where the request is made with the intent of compiling the result of the answers obtained, either for the personal use of the person making the request, or for the purpose of reporting the same to any other person, persons, political party, unincorporated association or corporation, or for the purpose of publishing the same orally, by radio, or in written or printed form.

"(c) Any person not a member of the armed forces of the United States who violates the provisions of this scction, either within or outside of the United States, shall, upon conviction thereof, be fined not more than $1,000 or imprisoned for not more than 1 year, or both.

"TITLE IV

"DEFINITIONS

"SEC. 401. As used in this act—

"(a) The term 'secretary of state' shall include such other official in any State wherever an official other than the secretary of state is the appropriate State official to carry out any function vested in the secretary of state under this act;

"(b) The term 'United States' used geographically includes only the territorial limits of the several States of the United States and the District of Columbia; and

"(c) The term 'members of the merchant marine of the United States' means persons (other than members of the armed forces) employed as officers or members of crews of vessels documented under the laws of the United States, or of vessels owned by the United States, or of vessels of foreign-flag registry under charter to or control of the United States, and persons (other than members of the armed forces) enrolled with the United States for employment, or for training for employment, or maintained by the United States for emergency relief service, as officers or members of crews of any such vessels; but does not include persons so employed, or enrolled for such employment or for training for such employment, or maintained for emergency relief service, on the Great Lakes or the inland waterways.

"APPROPRIATIONS

"SEC. 402. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

"FREE POSTAGE

"SEC. 403. Official post cards, ballots, voting instructions, and envelopes referred to in this act, whether transmitted individually or in bulk, shall be free of postage, including air-mail postage, in the United States mails: *Provided*, That in order to be entitled to free air-mail postage under this act, a State balloting unit, composed of ballot, voting instructions, and envelope or envelopes, must not exceed in weight the total of 1 ounce.

"ADMINISTRATION

"SEC. 404. The Secretaries of War and Navy shall be responsible for the administration of this act with respect to members of the armed forces and civilians outside the United States officially attached to and serving with the armed forces; but the Secretary of the Treasury shall be responsible for the administration of this act with respect to members of the Coast Guard who are operating under the Treasury Department and civilians outside the United States officially attached to and serving with the Coast Guard. The Administrator of the War Shipping Administration shall be responsible for the administration of this act with respect to members of the merchant marine of the United States. Any of the officers specified above may delegate to one or more of the others, with his or their consent, any of his functions under this act.

"SEPARABILITY

"SEC. 405. If any provision of this act or the application of such provision to any person or circumstance shall be held invalid, the validity of the remainder of the act and the applicability of such provision to other persons or circumstances shall not be affected thereby.

"ACT TO BE CONSTRUED LIBERALLY

"SEC. 406. The provisions of this act shall be construed liberally in order to effectuate its purposes."

With the following committee amendments:

Page 4, line 13, at the beginning of the line insert "U. S."

Page 7, line 23, strike out "sixty" and insert "forty-five."

Page 9, line 11, after the word "military" insert "or merchant marine."

Page 9, line 24, after the word "military" insert "or merchant marine."

Page 10, in paragraph (5) of the matter appearing after line 5, after the word "service" insert "(or merchant marine)."

Page 10, in the matter appearing below paragraph (5) of the matter following line 5, strike out "(Must include military unit or naval unit or vessel; and, if overseas, APO number and Postmaster or FPO and Postmaster)" and insert "(Must include complete military, naval, or merchant marine mail address; include military or naval unit and APO or FPO and Postmaster; for merchant marine include vessel, foreign agent, and port)."

Page 10, in the box appearing below line 7, after the words "Free of" insert "U. S."

Page 11, line 9, after the word "military" insert "or merchant marine."

Page 11, line 25, after the word "military" insert "or merchant marine."

Page 12, line 8, at the beginning of the line insert "or merchant marine."

Page 12, line 10, after the word "military" insert "or merchant marine."

Page 13, line 8, after the word "States" insert "an officer or employee of the War Shipping Administration, or a member of the merchant marine of the United States."

Page 13, line 12, after the word "military" insert "or merchant marine."

Page 15, strike out lines 18, 19, 20, and 21.

Page 15, line 23, strike out "403" and insert "402."

Page 16, line 7, strike out "404" and insert "403."

Page 16, line 23, strike out "405" and insert "404."

Page 17, line 4, strike out "406" and insert "405."

The committee amendments were agreed to.

Mr. VURSELL. Mr. Speaker, I move to strike out the last word.

Mr. Speakeer, this bill has been reported out by the Senate and by our Committee on Elections in the House. It simply deletes from Public Law 712 as passed by the Seventy-eighth Congress the Federal ballot. It does away with the War Ballot Commission and places the responsibility upon the Army and the Navy and the War Shipping Administration, to make available to the soldiers post-card applications so they may have the fullest opportunity of voting in national elections.

You will recall that the Federal ballot was a very short ballot. Some of the Members dubbed it the bobtailed ballot. It had no names of candidates on it, and those who desired to vote that ballot would have to know who the Congressmen were and who the President and Vice President were and write in the names. Mr. Speaker, I am gratified to note today that we who supported the long ballot, the State ballot, we who sought to protect the rights of the States to hold elections which we regarded as a constitutional provision, are proven to have been right. That we who were charged at that time with attempting to keep the soldiers from voting; charged with taking away from the soldiers fighting in the defense of this country an opportunity to vote—those of us on the minority side who voted almost overwhelmingly for the long ballot as well as those on the majority side have at last been vindicated.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Michigan.

Mr. HOFFMAN. All of us, at least all of us on the minority side, recall very vividly the vigorous fight, the persistent fight the gentleman from Illinois made to give the veterans an opportunity to vote not only for Presidential electors but for officers from the counties on up, all the way along the line.

Mr. VURSELL. I thank the gentleman.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Mississippi.

Mr. RANKIN. If they had relied on that Federal ballot, which we called the bobtailed ballot, not a single veteran anywhere outside the continental United States would have been able to vote for a governor, road commissioner, utilities commissioner, sheriff, clerk, or any county, or local officer. It would have shut the door in the veteran's face entirely except as to candidates for President and Members of the House and Senate.

However, under our provision permitting them to send the State ballot, these boys had the right to vote for everything from President to bailiff; and most of the States used that State ballot, instead of the bobtailed Federal ballot.

Mr. VURSELL. That is correct.

Mr. BONNER. Mr. President, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from North Carolina.

Mr. BONNER. The provisions carried in the present bill were carried in the bill the gentleman is now discussing. That is the bill that also contained the Federal ballot.

Mr. VURSELL. That is correct.

Mr. BONNER. Every opportunity was given to the soldier to use his State ballot, and the Federal ballot was resorted to

only where transmission of a State ballot broke down. He could use the Federal ballot only in the last 30 days.

Mr. HOFFMAN. If the gentleman will yield further, I think all of us in this House know, at least we ought to by this time, that had it not been for the fight made by the gentleman from Illinois and those who went along with him, such as the gentleman from Mississippi, the soldiers never would have had a chance to vote for State officers or Congressmen.

Mr. BONNER. To save further debate about the worthiness of the Federal ballot, which is water over the dam, may I say that we have come to the conclusion in our hearings that the Federal ballot is not necessary any further. The reason it is not necessary is that we have won the war, and transportation is free and easy, including air transportation.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. This is no time for recriminations, and I do not desire to heap any recriminations on any Members who supported the Federal ballot. Most of them were honest in their convictions. These days we hear much about the lobbyists. I have not met any lobbyists in the 3 years I have been in Congress. I should like to compliment the composite good judgment of the Members when in the Seventy-eighth Congress we stood off the heaviest lobby I have ever seen hurled against Congress since I came here, when we refused to be browbeaten, when we refused to run away from our conscience and from sound policy with reference to the election laws we supported. I think we might recall that the late President of the United States sent a special message to Congress charging we who opposed the Federal ballot with attempting to deprive the soldiers of a chance to vote. May I recall that vicious criticism was constantly hurled against all Members on both sides of the House who voted against the Federal ballot, during the past national campaign. It was made a political issue in my State and in many other States. Commentators over the air sought to destroy the confidence of the servicemen in the Members of Congress who so voted by declaring nightly—and it was done through the press as well—that we were trying to prevent the soldiers from having an opportunity to vote. Such false charges may have defeated some able and courageous Members.

Mr. SMITH of Wisconsin. Mr. Speaker, will the gentlemen yield?

Mr. VURSELL. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. The former Secretary of War made a report on the result of that ballot, did he not?

Mr. VURSELL. That is right.

Mr. SMITH of Wisconsin. Can the gentleman inform us at this time what his findings were?

Mr. VURSELL. The Secretary of War made an exhaustive report to the Congress. He found that only 2 percent of the soldiers overseas had voted the short Federal ballot. An overwhelming number of them, millions of them, had voted the long ballot. He found that the soldier did not want the short ballot. He found that the soldiers did not want the short ballot when they could get the long ballot, and that it was almost impossible to administer the short ballot. He cited in his report a part of the Eisenhower report, that many servicemen lost their lives trying to crawl from foxhole to foxhole to personally deliver this short ballot. May I point out there is nothing in the report that indicates that out of the millions of men who voted the long ballot any soldier was wounded or lost his life.

Mr. SMITH of Wisconsin. As I recall, the gentleman from Illinois was one of the leaders who made it possible for the boys to get the kind of ballots they wanted.

Mr. VURSELL. I thank the gentleman.

Mr. SMITH of Wisconsin. I compliment the gentleman for his service.

Mr. VURSELL. May I point out that on December 4, 1945, I introduced a bill to repeal the short Federal ballot based on the testimony and report of Mr. Stimson. I am glad to say to the Members of the House that Members of the Senate later on introduced substantially the same bill, and that the chairman of our committee, for whom I have the greatest regard and who has been very cooperative, introduced the same bill. I should like for the people of the Nation to know that we who supported the long ballot were right, and that this bill which will be approved unanimously by the House, should be a confession to the Nation that those who insisted on the Federal ballot were wrong. Likewise, it proves the correctness of the position of those of us who opposed the use of the Federal ballot in the Seventy-eighth Congress.

The law, as amended, will preserve every possible opportunity for the soldiers to vote. Practically everyone will have plenty of time in which to secure a ballot from his home precinct, and vote it as he desires.

Mr. RANKIN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the gentleman from Illinois [Mr. SABATH] has taken the floor and charged me and the Members who voted with me with keeping the servicemen from voting in the last election. There is no truth in that charge and he knows it.

The truth is that those States that fell for the Federal ballot and attempted to keep the regular State ballot away from the veterans and sent only the bobtailed Federal ballot to them, as the gentleman from Illinois [Mr. VERSELL] has pointed out, received the most meager returns, to the extent that only 2 percent of the servicemen voted it, whereas those States that acted as my own State did, and sent the State ballot with the names of the candidates printed on them, got a far greater percentage of servicemen to vote all over the world.

This bill which the gentleman from North Carolina [Mr. BONNER] is now proposing leaves out the Federal ballot entirely, and also leaves out the Federal Ballot Commission, which should have been done last year. If that had been done, then a far greater number of servicemen would have voted in the last election. At the same time, you would not have been infringing on the rights of the various States. I am supporting this bill as it comes from the committee. But if the Senate should add to it any such provisions as were provided in the bobtailed ballot bill last year, with the Ballot Commission and all the other red tape and nonsense that it carried with it, then I shall oppose the bill when it comes back to the House.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. CHURCH. The gentleman is familiar with the fact that certain groups, some of them subversive, referred throughout the last campaign to Members voting against the soldiers' ballot. Was that not the bobtailed ballot to which you have just referred?

Mr. RANKIN. Yes; they were criticizing us for voting against a law which would have prohibited the States from sending the regular State ballot to the servicemen. They wanted to send only the bobtailed ballots, which did not have the names of the candidates printed on them. The soldiers had to write the names of the candidates on the ballot. The result was that when the States that did fall for the bobtail ballot sent them to the servicemen they were most miserably disappointed because of the fact that all but 2 percent of the servicemen declined to use that ballot.

The majority of them voted the regular State ballots that we are providing in this bill.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. ROBSION of Kentucky. The gentleman from Mississippi does not mean 2 percent of all the veterans, but only 2 percent of those who voted.

Mr. RANKIN. That is correct; only 2 percent of the ones who voted used the bobtailed ballot which some people were clamoring for last year. They wanted to destroy the right of the States, the rights of my State, along with the rest of them, to send their own State ballots to the servicemen; and with my help the Congress turned them down, and permitted the States to send their own printed ballots, with the names of the candidates on them. The States that chose the bobtail Federal ballot, instead of the State ballot, simply disfranchised its own servicemen.

When the servicemen know the truth they will applaud those Members of Congress who stood up for the rights of the States to control their own elections.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. SABATH. Mr. Speaker, I rise in opposition to the pro forma amendment.

The gentleman from Mississippi [Mr. RANKIN] made the statement that I

charged that the servicemen were denied an opportunity to cast their votes.

Firstly, I will say the record will speak for itself as to how many actually were able to vote. I want to say to the gentleman from Mississippi, and to every other gentleman, I never did desire to deny any man the right to vote the State ticket. I was only interested that they should have the right and privilege to vote for all candidates, whether they be Senators or Members of Congress or State officials. That was my aim.

I believe that at that time we made a mistake in passing the bill we did pass. The fact that only 2 percent actually did cast their votes on Federal ballots shows that I was nearly right. I do not know whose fault it was, but it is water over the dam. I think we now have a fair bill and will not deny anyone the right to cast his vote. That is what I have been interested in and am interested in now. If we pass such a law, I know that the servicemen and I will be extremely happy.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. RANKIN. The gentleman from Illinois took the floor some time ago and charged me with keeping the servicemen from voting in the last election, and if he knows the record at all, he knows that statement was not true and knew it at the time. The RECORD shows that the ballot that was provided for them, the regular State ballot, the servicemen voted. As to the bobtail Federal ballot, the gentleman was contending for, only 2 percent of the servicemen voting voted that ballot. That Federal ballot did not have the names of the State or county officers on it, and therefore the servicemen who were given that ballot were denied the right to vote for State and county officers.

Mr. SABATH. I know this, that the gentleman fought very hard for the bill that was finally passed. It was then known that the gentleman from Mississippi [Mr. RANKIN] effected the adoption of that bill. I was supporting the original bill, which I believe would have given every man a chance to vote. Unfortunately, the bill we did pass, and for which the gentleman from Mississippi fought, and succeeded in passing, did not make it possible for all those servicemen to get their ballots and to vote the Federal ballot.

Mr. RANKIN. Oh, yes; it did, but some of the States did not send them the State ballot, but sent them this bobtailed Federal ballot, which not only deprived them of the right to vote for State and county officials, but it so disgusted them that only 2 percent of them voted that Federal ballot.

Mr. SABATH. I do not know whose fault it was, but I know they did not have a chance to vote.

Referring to the gentleman's saying that the statement I made charging him with being responsible for keeping the servicemen from voting is not true, I feel that if he had read my speech of that day and other speeches I have made, he would have found that I charged not only him but the Republican Party also with voting for that bill, which I then believed would deprive a vast majority of deserving servicemen of an opportunity to cast their ballots; and in that I was borne out by the fact that only a very small number were actually able to vote. I repeat, if the original bill that was reported out by the gentleman from Texas [Mr. WORLEY], then chairman of the Committee on Election of President, Vice President, and Representatives in Congress, or the Senate bill had been adopted, so many servicemen would not have been deprived of their constitutional right and the privilege of voting. The fact that only 2 percent voted the Federal ballot was due to the fact that a vast majority were unable to obtain that ballot, consequently they were precluded from voting.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. BONNER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. NEELY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD for the purpose of having printed two articles, one entitled "Westinghouse Strategy" and the other entitled "Pay Scales and Wage Offer Figures Do Not Lie," both appearing on the second page of today's issue of PM. They refer to the Westinghouse strike.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PERMANENT APPOINTMENTS IN THE REGULAR NAVY AND MARINE CORPS

Mr. SABATH. Mr. Speaker, I call up House Resolution 569, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of S. 1907, a bill to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, later I shall yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. Speaker, this rule makes in order S. 1907, a bill that comes to us with a unanimous report from the Committee on Naval Affairs. It is an open rule providing for 1 hour's general debate and that amendments may be offered under the 5-minute rule if Members feel so inclined.

The bill provides for the transfer of officer personnel from the Reserves to the Regular Navy. Many officers, unfortunately, are apprehensive about their professional status. I think the bill will strengthen our Navy especially its morale, and will satisfy many able and deserving men who are now in our reserves.

I know the complete confidence the membership of the House has in the Committee on Naval Affairs, especially its able chairman. Later he will explain the bill to your entire satisfaction, I am satisfied. The original rule that I am calling up was given by me to the gentleman from New York [Mr. JOHN J. DELANEY], because he once was an able member of the Committee on Naval Affairs, and I always try to give him rules on naval bills. Unfortunately, he is unavoidably detained by important official business and therefore I am calling it up in his stead.

I hope this proposed legislation will not be misunderstood, for it is not to strengthen our Navy for the purpose of going to war. I think it should be our aim—as it is mine—that we shall gain permanent peace and remove the fear now in the hearts of many American people of an oncoming war. Such fear, to my mind, is unjustifiable, and I think the people should not be misled to believe that is the intention of our Government or anybody else. The world is looking for peace. We as well as the world are entitled to hope that there will be peace, and lasing peace. In what we do we should be helpful and cooperative, and try to set a good worthy example and persuade the American people that they are to have peace, that there is no danger of another war and we are actually striving with high promise of success for unselfish peace.

I am for peace; consequently, a few days ago I consented to join a movement to win the peace, but I am criticized because some members of that group are a little too progressive for some people. I am willing to work with any group that is for peace and the best interests of our country.

We have had enough war; therefore, let us devote ourselves to the creation and maintenance of a durable peace. Instead of being responsible for the slaughter of millions of innocent men, women, and children, let us bring to all mankind inspiring hope and the assurance that our aims are honest and sincere for an unselfish and lasting peace.

Mr. Speaker, today I am indeed made extremely happy and gratified by reading in the public press that Russia was first to make her full contribution of $1,723,000 toward the cost of the operation and maintenance of the United Nations Organization. Consequently, the most prejudiced man in our country should be favorably impressed by that, by Stalin's saying that his people are genuinely for peace and he will continue to strive for peace, and also that Russia is withdrawing its military forces from Iran as well as Manchuria. These momentous moves and assurances should

hearten us all, and I hope they will eliminate the unjustifiable and continuous implications and charges that Russia does not intend to support, cooperate with, and be bound by her agreement in connection with the United Nations Organization.

I do hope that Great Britain will follow suit and withdraw her armies from Greece, Egypt, Palestine, and Indonesia.

May I also call attention to yesterday's press reports showing the arrest of about 800 Nazis in Germany as the result of their first major attempt to revive the National Socialist Party and the Hitler principles.

Instead of fearing Russia I think we would better continue to be on guard against the Nazis in Germany and those of Nazi ideologies in this country.

And, moreover, what has happened in Germany is happening in Japan also, where they are attempting, as the responsible press indicates, to resurrect and keep alive the terrible system that caused their downfall.

Again, it was pleasing for me to read Stalin's statement that Russia will relinquish a portion of German territory ceded to Russia, and that Russia intends to make a further boundary-line concession that will be helpful to Poland, which arrangement I hope will be pleasing and acceptable to the Poles. Further, I do fervently hope that the strife that has existed between Poland and Russia may shortly end and real friendly relationships may be established, resulting in the withdrawal of Russian military forces from Poland.

By the eternal God, I will do anything and everything within my power to effect and maintain a lasting peace. That is what I am striving and fighting for, and that should be the great objective of each and every one of us. We have had enough war, we have had enough misery, and I do hope that the peoples of the world will enjoy peace and abundant prosperity henceforth.

Mr. Speaker, I reserve the remainder of my time and now yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, there are no requests for time on the rule on this side of the aisle. I reserve the balance of my time.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentlewoman from Illinois [Mrs. DOUGLAS], and I ask unanimous consent that she may be permitted to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mrs. DOUGLAS of Illinois. Mr. Speaker, because tens of millions face starvation this year, while we in the United States eat more than we need and waste a shocking amount, I am today introducing a resolution urging that our Nation resume rationing on items in which there is a world shortage.

At the moment we are relying on a voluntary system of self-restraint, plus recently imposed limitations on the use of grain for the feeding of livestock and poultry. This program, while needed, is not adequate to cope with the desperate situation. Besides, it aims merely to tide us over an immediate crisis which it is said will end with the coming harvest. But Governor Lehman of UNRRA, on evidence painstakingly accumulated on food conditions around the world, assures us that the emergency cannot be settled in a few months. The dislocations of war remain so vast that we dare not expect much improvement by 1947. Certainly with the lives of millions at stake, we have no right to gamble on such hope. The argument that it would take weeks to resume rationing is not impressive. Even if it did take weeks, the delay, inconvenience, and administrative expense are trifling beside the specter of mass famine. But in fact it would seem that rationing could be resumed tomorrow. We housewives continue to use ration book 4 when we buy sugar. That same book contains an ample number of blank coupons which could be used for other items.

The average American wants to do his share. Our tradition of decency and kindliness is outraged at the thought of too much here and famine elsewhere. But there are at least three reasons why the rationing system should underlie the supplemental voluntary effort. First, with the best will in the world, none of us knows exactly what our share is. Besides, there is always a minority which hoards and wastes. These bad examples make self-restraint on the part of others look futile and they gradually demoralize the whole system. Second, voluntary efforts are at best only good for short-time spurts. At the end of a few weeks people tend to relapse into less Spartan habits. Third, when there are shortages, the woman with time on her hands, gets all the breaks. She shops around and can even queue up for scarce goods, while the busier housewife and the working and professional woman must take what is left. Rationing is the only way of preserving a just share for each.

Our neighbor, Canada, still rations meat, butter, sugar, and preserves. In order to encourage further self-restraint, it also exacts two meatless and one fruitless days a week. The United Kingdom has, moreover, twice since VJ-day cut its already meager and monotonous rations. Its standard of 2,800 calories a day looks slim beside our 3,400 calories, but is ample compared to that elsewhere. While 2,000 calories a day is considered the lowest possible for health, a hundred million in Europe alone are existing on 1,500 calories or less, and large numbers have been cut down to 1,000 calories. Meanwhile, we in America are eating better than ever before in our history. Our meat consumption has risen to 165 pounds a year per person, or 40 pounds more than before the war, and our fat consumption to 45 pounds as compared to practically no meat or fats in some lands.

I have seen hunger abroad and it is not nice. Nor is it good to see waste and overindulgence here and realize that it comes out of the shrunken stomachs and the tubercular and rachitic children elsewhere. Public-opinion polls last year showed that our people would have been willing to continue rationing if world needs demanded it. Since that time nature itself has conspired to cut the expected crops with unprecedented droughts in large areas, and tidal waves, floods, and cyclones elsewhere. The need has never been greater and the stakes are too big for us to hesitate. Neither politics nor partisanship should play a part in our decision.

Not only for humanitarian reasons, but for our own self-respect, we must return to rationing. History would leave a black mark on our generation if we neglected this basic step while millions starved. We also know that world security is impossible while famine and the accompanying terror of pestilence sweep our globe. Without bread there can be no peace. Finally, for the sake of our children, we must act now. Our children's contemporaries, who will some day decide the policies of the nations of Europe and the Far East, are growing up with warped bodies and warped minds. Only if we feed them and give them a chance to develop into normal, healthy human beings can our children have the hope of a decent and stable world.

Mr. SABATH. Mr. Speaker, I congratulate the gentlewoman upon the information she has given to the House and to the country.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1907) to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1907) with Mr. KELLY of Illinois, in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. VINSON. Mr. Chairman, on December 4, 1945, the House passed an identical bill to the bill now before the Committee for consideration. The objective that bill sets forth then and sets forth now is to prescribe the authorized enlisted strength of the Navy at 500,000 men, and to permit the transfer of Reserve officers into the Regular Navy. That bill, which was unanimously passed on that date, was considered by the Senate Naval Committee and the Senate. The Senate passed in lieu of the House bill their own bill, S. 1907, which is now before this Committee. When the Senate bill was returned to the House it was referred to the Committee on Naval Affairs, and after hearings on it the Committee on Naval Affairs struck out all after the enacting clause of S. 1907 and substituted in lieu thereof the bill that the House passed on December 4, 1945, that is, H. R. 4421.

There is a wide difference between the two bills, and as the result of this procedure it is hoped that this subject matter will be ironed out and settled in con-

ference. The objective of the House bill, as I have stated, is to have a Navy with an authorized enlisted strength of 500,000 men and the Marine Corps a strength of 100,000 men. The further objective of the House proposal is to raise the line officer strength from 5½ percent of authorized enlisted strength to 8 percent and to provide for the appointment of officers in the Regular Navy and Marine Corps from the enlisted ranks and from the Reserve officers.

That makes the issue. If there are any questions, I shall be glad to endeavor to answer them. If not, I will ask the distinguished author of the bill, the gentleman from California [Mr. IZAC], to give the details and explain the various methods of transfer.

I may say that this applies primarily to the transfer of the reserve officers, who have rendered such valuable and outstanding service during the war. This opens an opportunity for them to be transferred to the Regular Navy and to become officers of the Regular Navy under the terms and conditions set forth in the bill.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from South Carolina.

Mr. HARE. Do I correctly understand that it is contemplated that these officers will be transferred at their present rank?

Mr. VINSON. For the time being they are transferred at their present rank. Later, upon a reshuffling in the peacetime condition, they may fluctuate up or down but they will still retain their relative position with the officers who are now in the Regular Navy.

I may add that this bill is unanimously reported by the Committee on Naval Affairs.

Mr. Chairman, I yield 15 minutes to the distinguished gentleman from California [Mr. IZAC].

Mr. IZAC. Mr. Chairman, it is evident that we need more officers to run the Navy than we had before the war. At that time the officer strength was based on 5½ percent of 232,000 men. Two hundred and thirty-two thousand enlisted men was the strength of the Navy, and that is today the permanent enlisted strength of the Navy. We have perhaps 10,000 ships today. We have worked out what we think is a well-rounded-out Navy for the postwar period. To man that Navy even 70 or 80 percent and place a certain number of ships in the ready reserve and a certain number in caretaker status will require a certain number of officers. Our bill, which we substituted for the Senate bill, will provide 58,000 officers, 40,000 of them in the line of the Navy and the balance in the Staff Corps. The Senate bill, incidentally, increased the officer personnel sufficient to provide for an enlisted strength of about 300,000 men; in other words, no increase, practically, over the strength we had prior to the war.

In this bill of ours we have made provision for taking into the regular line of the Navy a large number of temporary and Reserve officers, who have served so faithfully and well during the war. We take them in in exactly the same place on the lineal list that they occupy today. You remember that we had no permanent promotions in the Navy during the war. Promotions from junior lieutenant up used to be by selection but it was impossible to carry out that policy during the war. As a result, practically everybody now has a position in the Navy that is only temporary in character, a commission, regardless of what it may be, that is temporary in character.

We provide in this bill that on the 30th of June of the fiscal year following the stated end of the war any officer who has served in the commissioned ranks, even though he has been discharged in the meantime, or placed on inactive duty, may be permitted to come back to the same position he held at the time he was placed on the inactive list.

The permanent officers, that is, those who are in the Regular Navy, will therefore have their ranks interspersed with Reserve officers. There will be but one line of the Navy. Subsequent to, we will say the 30th of June in that theoretical year, it may be necessary for us to reduce some of those commissioned ranks. If that takes place, however, they will all be treated in exactly the same manner. In other words, we may have too many captains. Some of those captains may have to revert to the rank of commander. Some commanders may have to revert to the rank of lieutenant commander. But it is not expected in the lower grades there will be any officer who will have to take a lower commission than he has today.

The Senate bill, for which we have substituted our House bill, made provision for about 23,000 line officers. If we demobilize to that point, we will not have enough officers and certainly not enough men to carry out the orderly demobilization of the ships of the fleet. On the basis of their bill, considering our present strength of about a million men, we will have to reduce perhaps to less than 300,000 unless we keep some of the Reserve officers in addition to the number set up in this bill. In other words, unless we follow the bill passed by the House on December 4, without a dissenting vote, I may say, we will not have an orderly demobilization. I think that is one of the things the Congress owes to the people of the country. These younger officers especially do not have any idea how long they are going to stay in the Navy or whether they had better get out and look for a job in civilian life. Until this bill or a similar bill is passed, they will be unable to decide. The result has been, both in the Marine Corps and the Navy, that we are losing some of the finest officers who served this country in this war. Therefore, it is incumbent upon us to take action here today. I bespeak for this bill which we have substituted for the Senate bill the hearty support of every Member of this body. We will be doing an injustice, as I say, to those young officers who cannot know until a bill of this kind is passed whether they are going to make the Navy their career. We would like to keep those young officers. In fact, there are some men in the higher grades who have excellent opportunities on the outside, partly because of their experience in the Navy during the war. We will lose their services unless we pass a bill of this kind in the very near future. The Army, Navy, and Marine Corps need the experience of the officers who were trained in this war. I think we should do everything we can now to keep the best of those officers.

The only way this bill differs from the Senate bill which we have stricken out is that the Senate bill just lets us carry on with an approximation of the number of men we will need in the next year. In H. R. 4421, which we substitute, we definitely say the size of the Navy will be 500,000 men. The number of officers that are requisite to that number of men is 58,000. Likewise, with the Marine Corps, we provided for 20 percent, which would bring it, in round numbers, to 100,000 enlisted men, and 8,000 officers.

You can see the extent to which we have to go when you consider there are only 2,500 Marine Corps officers provided for in the present permanent strength and we provide for 8,000 in this bill. All of that extra 5,500 must come from the officers who were trained during this war. Unless we can do this now we are losing all of those officers, and, therefore, I ask, in view of the necessity for an orderly demobilization, and in view of the necessity for determining the strength we are going to have in this critical period of transition from war to peace, that we pass this bill today unanimously.

Mr. Chairman, I yield back the remainder of my time.

Mr. COLE of New York. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, several months ago the House, by a substantial majority, if not unanimously, approved a measure which would constitute the postwar complement of our Navy. It provided for over a thousand ships. That was done by concurrent resolution which, as far as I know, has not yet been passed by the Senate.

Subsequent to that action taken by the House, a bill to which reference has been today made was adopted, which provided for the personnel necessary to implement the postwar Navy of the size contained in the concurrent resolution. Since the Senate has not acted on the concurrent resolution prescribing the size of the postwar Navy, it is apparent that the bill providing for the personnel to implement that Navy is not likely of passage by that body. Consequently, it passed a substitute bill known as S. 1907, which is now under consideration. Since the House has taken very positive action as to what our postwar Navy should be, it is necessary that its action be consistent and that sufficient personnel be provided to implement a Navy of that size. Consequently, the Naval Affairs Committee felt it advisable that the proposal contained in S. 1907 was not sufficient to implement the Navy which the House thought was necessary, and it substituted the provisions of the earlier House bill in place of the provisions of S. 1907.

The differences between the two have been discussed by the previous speakers, and since the provisions of H. R. 4421 have already been thoroughly considered by the House, it seems to be unnecessary to discuss it further at this time.

Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. Chairman, I do not take this time to discuss the merits or demerits of the pending bill, but there is a matter that I think should be called to the attention of the Naval Affairs Committee.

I have a very high regard for the chairman of the committee, the gentleman from Georgia [Mr. VINSON] and the ranking minority member, the gentleman from New York [Mr. COLE] and other members. I have reference to the discrimination in pay and requirements between the students of the Army ROTC and the Navy ROTC. It is a discrimination, if I may call it particularly to the attention of the chairman of this committee, that should be corrected. These facts have been submitted to me by a person who I believe has the correct information. Let us analyze the situation for a minute. For instance, a boy attending an Army ROTC college for the first 2 years receives all uniforms—without shoes or overcoats, but a boy attending a Naval ROTC—although the schools may be only a short distance apart—receives one complete uniform, full tuition, all textbooks, and $50 a month.

What happens the second 2 years? The second 2 years the boy who attends the Army ROTC gets complete uniforms but no tuition. He also gets $20 a month. The last 2 years in the Naval ROTC the student gets complete uniforms, full tuition, all textbooks, and $50 a month.

I am not complaining about the boys in the Navy getting additional compensation, but I cannot see the justification for the difference between the Army and Navy programs. I would appreciate it very much if the committee would go into this, because I find that these differences between the two programs cause a certain amount of friction and feeling between the boys and especially between schools.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. CARLSON. I yield.

Mr. VINSON. I may state to the distinguished gentleman from Kansas that all during the war the Naval ROTC was submerged in what was known as the V–5 and the V–12 programs. Notwithstanding that, the Committee on Naval Affairs is now holding hearings on a broad, comprehensive Naval ROTC program. I trust the Army will adopt a similar program, although of course we have no control over what the Army does; but the two Reserve Officers Training Corps programs should as far as possible be on the same basis.

Mr. CARLSON. I want the gentleman from Georgia [Mr. VINSON] to know that I certainly appreciate that statement because I have the same feeling, and I know it is the feeling of every Member of Congress that there should be no discrimination between the two services when it comes to remuneration and prerequisites.

Mr. VINSON. I may say to the gentleman from Kansas that in all probability one day this week we will submit to the House our naval ROTC program which, briefly, provides that approximately 14,000 boys will be selected from civilian status and sent to some 52 universities where they will be given college training and will draw $50 a month remuneration. In this way we hope to get officers in the Navy to augment those coming from the Naval Academy.

Mr. CARLSON. My only thought is that the boys in the two training corps should receive equal treatment.

Mr. VINSON. The gentleman is absolutely correct. I hope the Army and the Navy will have basically similar programs.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. CARLSON. I yield.

Mr. THOMASON. The gentleman from Kansas is to be commended for calling this to the attention of the House, because certainly there ought not to be any discrimination. Unfortunately there is. I hope the programs to be suggested by the Committees on Naval Affairs and Military Affairs may be so coordinated that this discrimination will not exist in the future. I can only speak for myself, but I believe I am safe in saying that I voice the sentiment of the entire Committee on Military Affairs when I say we are anxious to find a solution to this problem ourselves and to make sure that the opportunities and advantages for the young men of the country are alike in both ROTC activities.

Mr. CARLSON. I want the gentleman from Texas [Mr. THOMASON] to know that I appreciate those remarks, and I am hoping that the Committee on Military Affairs and the Committee on Naval Affairs may coordinate these two college programs so that there will be no discrimination.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. CARLSON. I yield to the gentleman from New York.

Mr. COLE of New York. I think the gentleman will find that the discrepancy between the provisions made available to the two services was not so great during peacetime, that the discrepancy to which the gentleman has referred is one that has been developed during wartime, and it might be that the difference has been occasioned by the possibility, at least, that the Army has trained its officers in institutions or by some method other than through the colleges, whereas the Navy did not have an officer candidate program such as the Army had, but used the universities for the training of its officers. So that from the standpoint of the taxpayer, I dare say it cost the Government equally as much to train an Army officer during the war period as it cost the Government to train a Navy officer under the Navy program in schools. The Navy used the Reserve officer training program as a vehicle through which it could secure officers for immediate use during the war. It established a new type of training program, but I am quite confident that the over-all cost per officer as between the Army and Navy is not substantially different.

Mr. CARLSON. May I say in response to the fine statement of the gentleman from New York that he is probably correct as far as costs are concerned, but it does bring about discrimination that does not work for good feeling as between students and schools, and I hope we may have that situation corrected.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. CARLSON. I yield to the gentleman from New York.

Mr. REED of New York. I want to commend the gentleman from Kansas for bringing this matter to the attention of the House. After spending a great many years handling boys at universities, may I say that there is nothing worse for a young man than to feel he has been treated with injustice, and we certainly want to have our Government treat our boys equally fair who are being prepared to serve this country in any great crisis that may occur.

Mr. CARLSON. I thank the gentleman very much.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CARLSON. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Has the gentleman taken up the plight of the men out in the Pacific and their living quarters? I refer to the enlisted men, not the officers. You will find that nothing has been done out there to make these men comfortable. Of course, the Navy men always have a clean, dry ship to go back to and comfortable quarters. The boys in the Army have very uncomfortable quarters and nothing has been done for them. I understand they are trying to improve conditions. Has the gentleman gone into that?

Mr. CARLSON. I have received some complaints, I may say to the gentlewoman from Massachusetts, and have called the matter to the attention of the War Department. Our boys who are stationed in foreign lands are entitled to the best of everything. This situation should be corrected.

Mrs. ROGERS of Massachusetts. They cannot get things from the United States that the officers get; and if they are lucky enough to buy them, they have to pay more.

Mr. CARLSON. Mr. Chairman, I appreciate the time that has been given to me in reference to this matter; and if by calling it to the attention of the committees we can get it corrected, I feel I have rendered a service.

MANHATTAN, KANS., *March 13, 1946.*

Hon. FRANK CARLSON,
Representative, House of Representatives, Washington, D. C.

DEAR REPRESENTATIVE CARLSON: We should like to call your attention to what we are obliged to regard as two serious defects in the present policy governing the Naval ROTC as carried on in civilian colleges and universities in relation to the corresponding policy governing the Army ROTC. As they appear to us, these two defects are:

1. That the financial benefits offered under the two policies differ so widely in relation to the requirements imposed on the college students concerned as to be seriously discriminatory.

2. That the financial benefits offered under the policy of the Navy Department are greater than necessary and are consequently a needless burden upon taxpayers.

The following, compiled from official data of the two Departments, are the essential items for a comparison of the two policies:

Items	Army ROTC	Navy ROTC
Years of college training required	4	4.
Semester-hours of specialized military or naval subjects required.	16	24.
Required training outside college	1 summer camp	1 or more summer cruises.
Requirement of active duty after graduation [1]	Voluntary, except in national emergency; short summer camps required to maintain status.	Agreement to accept 14 to 36 months' active duty.
Financial benefits to undergraduates:		
First 2 years	1. Uniforms, without shoes or overcoats (no pay, subsistence, allowance, or tuition).	1. Complete uniforms. 2. Full tuition and all textbooks. 3. $50 a month.
Second 2 years	1. Complete uniforms (no tuition). 2. $20 a month	1. Complete uniforms. 2. Full tuition and all textbooks. 3. $50 a month.

[1] All active duty in both services is on pay in grade or rank and with subsistence.

While some of the requirements of the Naval ROTC are slightly higher, the requirements of the two are not greatly different, at least up to the time of graduation. For example, the difference of 8 semester-hours of specialized subjects is slight in relation of the total college requirement for graduation, which ranges from 120 to 140 semester-hours.

For many years before we entered the recent war, the only financial benefit (other than uniforms) offered for the Army ROTC was about $9 a month in the second 2 years. Nevertheless the number of applicants for the advance course (the second 2 years) was so great that a quota system was necessary, and the quotas were regularly filed.

We should like to urge that this subject be investigated by the Congress with a view to eliminating unnecessary discrimination in financial benefits and to reducing costs as much as practicable without impairing the effectiveness of the ROTC programs.

Very respectfully yours,

THE BOARD OF DIRECTORS OF THE MANHATTAN CHAMBER OF COMMERCE,
E. L. WILSON, *President.*

Mr. VINSON. Mr. Chairman, there are no more requests for time; therefore, I ask that the bill be read for amendment.

The Clerk read as follows:

Be it enacted, etc., That in order to remove any apprehension on the part of Naval Reserve officers regarding their opportunities for advancement in event of their transfer to the Regular Navy, it is hereby declared to be the policy of the Congress that in all matters relating to commissioned officers in the Regular Navy there shall be no discrimination whatsoever against officers because of the source from which they entered the Regular Navy, and that no preference shall be given officers by reason of the fact that they entered the Regular Navy from any particular source; and, among other things, that all commissioned officers in the Regular Navy, regardless of the source from which they entered the Regular Navy, shall receive the same treatment with respect to opportunities for (1) promotion or advancement to all grades in the Navy, (2) holding any positions or assignments in the Navy including proportionate representation on selection boards, and (3) attending the Naval War College, postgraduate school, or other schools, or otherwise receiving advanced or technical training.

SEC. 2. (a) The President may appoint male officers of the Naval Reserve and of the Marine Corps Reserve, officers of the Regular Navy and Marine Corps without permanent appointments therein, commissioned warrant and warrant officers of the Regular Navy and Marine Corps with temporary appointments in higher grades and ranks, and any person who served on active duty in any such capacity during World War II and shall have been separated from such officer status under honorable conditions, to permanent warrant grades or, with the advice and consent of the Senate, to permanent commissioned grades and ranks in the Regular Navy and Marine Corps, respectively, but no such person shall be appointed to a grade or rank higher than the highest grade or rank in which he served on active duty. Appointments pursuant to this subsection to commissioned warrant and warrant grades shall be in such numbers as the President may determine, and to other grades and ranks in numbers not to exceed the following: Line of the Navy, 11,000; Marine Corps, 3,000; Medical Corps, 1,700; Supply Corps, 1,700; Dental Corps, 575; Civil Engineer Corps, 250; Chaplain Corps, 275; and the number of officers authorized by law in effect prior to the date of enactment of this act for the line and for each of the Staff Corps of the Navy and for the Marine Corps are increased accordingly.

(b) (1) Each appointee who is serving on active duty in a higher grade or rank than that in which appointed under subsection (a) of this section shall also be appointed for temporary service pursuant to, and subject to the limitations of, the act of July 24, 1941 (55 Stat. 603), as now or hereafter amended, to such higher grade or rank and with the precedence held by him at the time of acceptance of permanent appointment; each appointee not serving on active duty in an officer grade or rank who is appointed under subsection (a) of this section to a grade or rank lower than the highest grade or rank held while on active duty in World War II other than by virtue of a temporary appointment which by its terms was of limited duration, may be similarly appointed to such higher rank or grade and with precedence determined in accordance with regulations promulgated under subsection (c) of this section.

(2) During such period as the Secretary of the Navy may determine but not later than 6 months after June 30 of the fiscal year following that in which the present wars shall terminate, notwithstanding date or rank and lineal position assigned upon permanent appointment under subsection (a) of this section, (A) each officer who receives a permanent appointment in the same grade or rank in which he is then serving on active duty in the Naval or Marine Corps Reserve shall retain the precedence held by him at the time of such appointment; (B) each person not serving on active duty in an officer grade or rank or serving on active duty in his permanent commissioned warrant or warrant grade who is appointed under subsection (a) of this section to the highest grade or rank held while on active duty in World War II other than by virtue of a temporary appointment which by its terms was of limited duration, shall have precedence determined in accordance with regulations promulgated under subsection (c) of this section.

(c) (1) Appointments under subsection (a) of this section shall be made pursuant to regulations prescribed by the President for the administration of this section.

(2) Such regulations shall include, among other provisions, (A) provisions establishing standards and qualifications for appointment thereunder to the several grades and ranks and for the determination of the lineal position and precedence of appointees; and (B) provisions for the assignment of running mates to officers appointed thereunder to the Staff Corps of the Regular Navy.

(3) Such regulations may provide for (A) readjustment of the lineal position and precedence of persons heretofore or hereafter appointed under other provisions of law to commissioned grades or ranks in the Regular Navy subsequent to September 8, 1939, and in the Regular Marine Corps subsequent to June 30, 1939, and (B) reassignment of running mates to persons so appointed to commissioned grades or ranks in the Staff Corps of the Regular Navy.

(d) Except as provided in subsection (b) of this section, the authority granted by this section shall expire 6 months after June 30 of the fiscal year following that in which the present war shall terminate or 2 years after the effective date of this act, whichever shall be the later.

SEC. 3. (a) The commission of any appointee under subsection (a) of section 2 may be revoked by the Secretary of the Navy until the latest date on which the commission of any officer (or in the case of officers of the Staff Corps of the Navy, an officer in his corps) senior in lineal position to that assigned such appointee pursuant to regulations established under subsection (c) of section 2 of this act is revocable.

(b) Each officer (other than officers appointed or reappointed pursuant to subsection (c) of this section) whose commission is so revoked shall thereupon be discharged from the naval service without advance pay or allowances.

(c) Each officer above the grade of commissioned warrant officer whose commission is so revoked and who (1) at the time of his appointment under subsection (a) of section 2 held permanent status as a commissioned warrant officer may be reappointed by the President to such permanent status without examination, with the lineal position and precedence to which his seniority would have entitled him had his service subsequent to reappointment under such subsection (a) been rendered in such permanent status, or (2) at the time of his appointment under subsection (a) of section 2 held permanent status as a warrant or petty officer, may be appointed by the President without examination to the permanent commissioned warrant, warrant grade, or chief petty officer permanent grade and with the same lineal position and precedence which he normally would have attained in due course had he not been appointed pursuant to subsection (a) of section 2.

SEC. 4. Notwithstanding any other provision of law, each officer of the Naval Reserve and of the Marine Corps Reserve and each officer of the Regular Navy and Marine Corps without permanent appointments therein, appointed to officer rank in the United States Navy or United States Marine Corps pursuant to this act, who at the time of such appointment had to his credit leave accrued but not taken, may, subsequent to appointment, be granted such leave without loss of pay or allowances.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That in order to remove any apprehension on the part of Naval Reserve officers regarding their opportunities for advancement in the event of their transfer to the Regular Navy, it is hereby declared to be the policy of the Congress that in all matters relating to commissioned officers in the Regular Navy there shall be no discrimination whatsoever against officers because of the source from which they entered

the Regular Navy, and that no preference shall be given officers by reason of the fact that they entered the Regular Navy from any particular source; and, among other things, that all commissioned officers in the Regular Navy, regardless of the source from which they entered the Regular Navy, shall receive the same treatment with respect to opportunities for (1) promotion or advancement to all grades in the Navy, (2) holding any positions or assignments in the Navy including proportionate representation on selection boards, and (3) attending the Naval War College, postgraduate schools, or other schools, or otherwise receiving advanced or technical training.

"SEC. 2. (a) The permanent authorized enlisted strength of the active list of the Regular Navy shall hereafter be 500,000.

"(b) Hereafter the permanent authorized enlisted strength of the active list of the Regular Marine Corps shall be 20 percent of the permanent authorized enlisted strength of the active list of the Regular Navy.

"SEC. 3. The number of enlisted men of the Navy and Marine Corps provided for shall be construed to mean the daily average number of enlisted men in the naval service during the fiscal year.

"SEC. 4. The permanent authorized number of commissioned officers of the active list of the line of the Regular Navy, exclusive of commissioned warrant officers, shall hereafter be equal to 8 percent of the permanent authorized enlisted strength of the active list of the Regular Navy.

"SEC. 5. (a) The President may appoint male officers of the Naval Reserve and of the Marine Corps Reserve, officers of the Regular Navy and Marine Corps without permanent appointments therein, commissioned warrant and warrant officers of the Regular Navy and Marine Corps with temporary appointments in higher grades and ranks, and any person who served on active duty in any such capacity during World War II and shall have been separated from such officer status under honorable conditions, to permanent warrant grades or, with the advice and consent of the Senate, to permanent commissioned grades and ranks in the Regular Navy and Marine Corps, respectively, but no such person shall be appointed to a grade or rank higher than the highest grade or rank in which he served on active duty. Appointments pursuant to this subsection to commissioned warrant and warrant grades shall be in such numbers as the President may determine, and to other grades and ranks in such numbers that, exclusive of commissioned warrant and warrant officers, the total number of officers of the line and of each of the Staff Corps of the Navy, and of the Marine Corps, will not exceed the authorized numbers of such officers.

"(b) (1) Each appointee who is serving on active duty in a higher grade or rank than that in which appointed under subsection (a) of this section shall also be appointed for temporary service pursuant to, and subject to the limitations of, the act of July 24, 1941 (55 Stat. 603), as now or hereafter amended, to such higher grade or rank and with the precedence held by him at the time of acceptance of permanent appointment; each appointee not serving on active duty in an officer grade or rank who is appointed under subsection (a) of this section to a grade or rank lower than the highest grade or rank held while on active duty in World War II other than by virtue of a temporary appointment which by its terms was of limited duration, may be similarly appointed to such higher grade or rank and with precedence determined in accordance with regulations promulgated under subsection (c) of this section.

"(2) During such period as the Secretary of the Navy may determine but not later than 6 months after June 30 of the fiscal year following that in which the present wars shall terminate, notwithstanding date of rank and lineal position assigned upon permanent appointment under subsection (a) of this section, (A) each officer who receives a permanent appointment in the same grade or rank in which he is then serving on active duty in the Naval or Marine Corps Reserve shall retain the precedence held by him at the time of such appointment; (B) each person not serving on active duty in an officer grade or rank or serving on active duty in his permanent commissioned warrant or warrant grade who is appointed under subsection (a) of this section to the highest grade or rank held while on active duty in World War II other than by virtue of a temporary appointment which by its terms was of limited duration, shall have precedence determined in accordance with regulations promulgated under subsection (c) of this section.

"(c) (1) Appointments under subsection (a) of this section shall be made pursuant to regulations prescribed by the President for the administration of this section.

"(2) Such regulations shall include, among other provisions, (A) provisions establishing standards and qualifications for appointment thereunder to the several grades and ranks and for the determination of the lineal position and precedence of appointees; and (B) provisions for the assignment of running mates to officers appointed thereunder to the Staff Corps of the Regular Navy.

"(3) Such regulations may provide for (A) readjustment of the lineal position and precedence of persons heretofore or hereafter appointed under other provisions of law to commissioned grades or ranks in the Regular Navy subsequent to September 8, 1939, and in the Regular Marine Corps subsequent to June 30, 1939, and (B) reassignment of running mates to persons so appointed to commissioned grades or ranks in the Staff Corps of the Regular Navy.

"(d) Except as provided in subsection (b) the authority granted by this section shall expire 6 months after June 30 of the fiscal year following that in which the present war shall terminate or 2 years after the effective date of this act, whichever shall be the later.

"SEC. 6. (a) The commission of any appointee under subsection (a) of section 5 may be revoked by the Secretary of the Navy until the latest date on which the commission of any officer (or in the case of officers of the Staff Corps of the Navy, an officer in his corps) senior in lineal position to that assigned such appointee pursuant to regulations established under subsection (c) of section 5 of this act is revocable.

"(b) Each officer (other than officers appointed or reappointed pursuant to subsection (c)) whose commission is so revoked shall thereupon be discharged from the naval service without advanced pay or allowances.

"(c) Each officer above the grade of commissioned warrant officer whose commission is so revoked and who (1) at the time of his appointment under subsection (a) of section 2 held permanent status as a commissioned warrant officer may be reappointed by the President to such permanent status without examination, with the lineal position and other rights and benefits to which he would have been entitled had his service subsequent to reappointment under such subsection (a) been rendered in such permanent status, or (2) at the time of his appointment under subsection (a) of section 2 held permanent status as a warrant or petty officer, may be appointed by the President without examination to permanent commissioned warrant or warrant grade with the same lineal position and other rights and benefits which he would have had or normally would have attained in due course had he not been appointed pursuant to subsection (a) of section 2, or (3) at the time of his appointment under subsection (a) of section 2 held permanent status as a petty officer may be reenlisted as a chief petty officer (permanent appointment) and shall be entitled to the same rights and benefits to which he would have been entitled or normally would have attained in due course had he not been appointed pursuant to subsection (a) of section 2.

"SEC. 7. Notwithstanding any other provision of law, each officer of the Naval Reserve and of the Marine Corps Reserve and each officer of the Regular Navy and Marine Corps without permanent appointments therein, appointed to officer rank in the United States Navy or United States Marine Corps pursuant to this act, who at the time of such appointment had to his credit leave accrued but not taken, may, subsequent to appointment, be granted such leave without loss of pay or allowances.

"SEC. 8. All laws or parts of laws inconsistent with the provisions of this act are hereby repealed, and the provisions of this act shall be in effect in lieu thereof and such repeal shall include but shall not be limited to the following acts and parts of acts:

"(a) That portion of the first sentence after the subheading: 'International naval rendezvous and review;' in chapter 212, Twenty-seventh Statutes at Large, page 715, which appears at page 730 and which reads as follows: '; and the number of persons who may at one time be enlisted into the Navy of the United States, including seamen, ordinary seamen, landsmen, mechanics, firemen, and coal heavers, and including 1,500 apprentices and boys, hereby authorized to be enlisted annually, shall not exceed 9,000.'

"(b) That portion of the sentence after the heading 'Pay of the Navy' in chapter 186, Twenty-eighth Statutes at Large, page 825, which appears at page 826 and which reads as follows: 'and the Secretary of the Navy is hereby authorized to enlist as many additional seamen as in his discretion he may deem necessary, not to exceed 1,000;'.

"(c) Section 2 of chapter 120, Twenty-ninth Statutes at Large, page 96, at page 97.

"(d) That portion of the sentence after the heading 'Pay of the Navy' in chapter 389, Twenty-ninth Statutes at Large, page 361, which appears at page 361 and which reads as follows: 'and the Secretary of the Navy is hereby authorized to enlist at any time after the passage of this act as many additional men as in his discretion he may deem necessary, not to exceed 1,000,'.

"(e) That proviso at the end of the first sentence after the heading 'Bureau of Supplies and Accounts. Pay of the Navy:' in chapter 130, Thirty-eighth Statutes at Large, page 392, which appears at page 403 and which reads as follows: ': *Provided*, That hereafter the number of enlisted men of the Navy and Marine Corps provided for shall be construed to mean the daily average number of enlisted men in the naval service during the fiscal year.'

"(f) The following portions of chapter 417, Thirty-ninth Statutes at Large, page 556:

"(1) That portion of the first sentence after the heading 'Hospital Corps' in such chapter, which appears at page 572 and which reads as follows: 'and shall be in addition thereto.'

"(2) That portion of the first sentence after the heading 'Bureau of Supplies and Accounts. Pay of the Navy:' in such chapter, which appears at page 575 and which reads as follows: ', and the President is hereafter authorized, whenever in his judgment a sufficient national emergency exists, to increase the authorized enlisted strength of the Navy to 87,000 men,' and that portion of such sentence which reads as follows: ', and hereafter the number of enlisted men of the Navy shall be exclusive of those sentenced by court martial to discharge.'

"(3) That portion of the first sentence after the heading 'Commissioned Personnel' in such chapter, which appears at page 576, as amended by the first section of chapter 402, Forty-ninth Statutes at Large, page 487, and which, so amended, reads as follows: 'Hereafter the total authorized number of commissioned officers of the active list of the line of the Navy, exclusive of commissioned warrant officers, shall be equal to 4¾ percent of the total authorized enlisted strength of the active list, exclusive of the Hospital Corps, prisoners undergoing sentence of discharge, enlisted men detailed for duty with the Naval Militia, and the Flying Corps.'

"(4) That portion of the first sentence after the subheading 'Pay of enlisted men, active list,' in such chapter, which appears at page 612 and which reads as follows: 'and hereafter the number of enlisted men of the Marine Corps shall be exclusive of those sentenced by court martial to discharge.'

"(5) The third sentence after the subheading 'Pay of enlisted men, active list:' in such chapter, which appears at page 612 and which reads as follows: 'The President is authorized, when, in his judgment, it becomes necessary to place the country in a complete state of preparedness, to further increase the enlisted strength of the Marine Corps to 17,400: *And provided further*, That the distribution in the various grades shall be in the same proportion as that authorized at the time when the President avails himself of the authority herein granted.'

"(g) The first and second sections of chapter 20, Fortieth Statutes at Large, page 84, as amended.

"(h) That portion of the second sentence after the heading 'Maintenance' in chapter 9, Forty-first Statutes at Large, page 131, which appears at page 137 and which reads as follows: 'and the President is hereby authorized, whenever in his judgment a sufficient national emergency exists, to increase the authorized enlisted strength of the Navy to 191,000 men.'

"(i) That portion of the fourth sentence after the heading 'Marine Corps. Pay, Marine Corps;' in chapter 228, Forty-first Statutes at Large, page 812, which appears at page 830 and which reads as follows: 'The authorized enlisted strength of the active list of the Marine Corps is hereby permanently established at 27,400, distribution in the various grades to be made in the same proportion as provided under existing law: *Provided*, That.'

"(j) Section 2 and subsection (d) of section 15 of chapter 598, Fifty-second Statutes at Large, page 944, at pages 944 and 952, respectively.

"(k) Chapter 74, Fifty-fifth Statutes at Large, page 145, as amended by chapter 1, Fifty-sixth Statutes at Large, page 3."

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MILLS) having resumed the chair, Mr. KELLY of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (S. 1907) to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes, pursuant to House Resolution 569, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

The title was amended so as to read: "An act to increase the permanent authorized enlisted strength of the active list of the Regular Navy and Marine Corps, to increase the permanent authorized number of commissioned officers of the active list of the line of the Regular Navy, and to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes."

A motion to reconsider was laid on the table.

CORRECTING NAVAL RECORD OF *ALGONQUIN* AND *ONONDAGA*

Mr. VINSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 1498) to correct the naval record of former members of the crews of the revenue cutters *Algonquin* and *Onondaga*.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. VINSON. Mr. Speaker, this bill was introduced by the distinguished gentlewoman from Ohio [Mrs. BOLTON] and presented to the House by the distinguished gentleman from New York [Mr. COLE]. It seeks to correct the Navy record of a group of men who served during the Spanish-American War on two revenue cutters. This matter was before the House on several other occasions and was once passed by the House and the Senate but vetoed by the President. After reading the veto message, I was of the opinion, and so was the Committee on Naval Affairs, that it was probably vetoed under a misapprehension of the facts.

It seems that a group of men enlisted on two ships that were being built in Cleveland in 1898, and at the time they enlisted those ships were in the naval service. After they had been cut in two to be brought through the canal and reassembled on the Atlantic coast they were transferred by an Executive order to the revenue-cutter service. These men served all during the Spanish-American War and thought they were in the Navy, although the position of the Navy Department is that they served in the revenue-cutter service.

The Committee on Naval Affairs had a hearing on this matter. The distinguished author of the bill appeared, and a judge of one of the courts in Cleveland appeared. We are convinced that the facts justify the Congress in holding that these men served in the Navy instead of in the revenue cutter service. It is true that if Congress passes this bill and it becomes the law they will get whatever benefits may accrue to them for having served in the Navy during the Spanish-American War.

Mr. MARTIN of Massachusetts. There is only a limited number of them?

Mr. VINSON. It is only a very small number.

These are all the facts in the matter, I think we are clearly justified in passing this bill. While the evidence may be a little doubtful, these men enlisted in the Navy and thought they were serving in the Navy during their entire service. The ships were in the naval service, but by an Executive order they were transferred to the revenue-cutter service. The men served during the war. We think it nothing but fair and just that they should have their service classified as naval service.

Mr. MARTIN of Massachusetts. What were the names of the ships?

Mr. VINSON. They were the *Algonquin* and the *Onondaga*.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

Mr. THOMASON. Approximately how many men are covered by this bill?

Mr. VINSON. I think it is 19.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon persons who served in the naval service of the United States during the War with Spain and were honorably discharged therefrom, each member of the crews of the revenue cutters *Algonquin* and *Onondaga* was enlisted in 1898 for the duration of the war shall be held and considered to have been in the naval service for the entire period of such enlistment and to have received a discharge from the Navy of the same character and of the same date as the discharge received by him from the revenue-cutter service.

With the following committee amendment:

On page 2, line 1, strike out "such enlistment" and insert "service aboard such vessels during the period of the War with Spain."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CARLSON asked and was given permission to revise and extend the remarks he made earlier today and include a letter.

Mr. HALE asked and was given permission to extend his remarks in the RECORD and include a publication about coffee.

Mr. GORDON asked and was given permission to extend his remarks in the RECORD and include an editorial that appeared in the Washington Sunday Star, by Constantine Brown, entitled "United States Adopts Firm Stand for Justice Under UNO."

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD in three instances and include certain excerpts.

Mr. JONES asked and was given permission to extend his remarks in the RECORD and include an article from the Lima Daily News.

The SPEAKER. Under previous order of the House, the gentleman from Oklahoma [Mr. RIZLEY] is recognized for 10 minutes.

AGRICULTURAL FACT-FINDING COMMITTEE DEMANDED

Mr. RIZLEY. Mr. Speaker, I have today introduced a House resolution which requests that President Truman appoint another Fact-Finding Committee, which will apply to the farmers. This resolution should result in some facts that the American people should have.

Since coming to Congress I have been a member of the Agriculture Committee. I know that the Bureau of Agricultural Economics has for years been keeping actual records of the hourly rates received by farmers engaged in different types of agriculture. This Bureau has also for many years been keeping actual records as to the hired-labor costs by the month, with and without board, and the daily wages paid for day help in all the States.

We have seen the President abolish the War Labor Board immediately after VJ-day. He then undertook to appoint a fact-finding committee to bring in recommendations as to how much per hour workers in steel plants and automobile plants should receive. These fact-finding committees, without any available knowledge as to the future cost of living, went out and picked some 18 cents or 19 cents an hour to be added to the $1 to $1.25 average per hour the workers were already receiving. The President also appointed a fact-finding committee to find out how much more the workers in slaughterhouses should make. In a few days they brought in a recommendation of 16 cents an hour to be added to the 80 cents per hour they were receiving. Then the Secretary of Labor appointed a fact-finding committee to find out and recommend the hourly rate to be paid in the plants manufacturing farm machinery. This committee recommended a raise of 18 cents an hour to the men already receiving $1.16 per hour. Of course, there is not much "collective bargaining" in such performances, but that is not the angle I wish to discuss.

I wish to discuss the fact that if the worker in the factory is going to have a formula in operation, why is not the farmer and the laborer on the farm entitled to the same consideration? Why should not the 25,000,000 farm people, with nearly half of them working to furnish the fiber to clothe the American people and the food to feed the American people, be included in some of this fact-finding business?

This House recently appropriated $4,000,000 to the Bureau of Agricultural Economics for the coming year. This Bureau, with its many years of study, is in a position to furnish information to the agricultural fact-finders that will be much more factual than the information obtained by the fact-finders in the other groups. These other fact-finders, as I have said, brought out recommendations without even knowing what the cost of living was going to be.

My opinion is that the agricultural fact finders will present figures that will make some of these other groups feel that they are asking for plenty in comparison. To my way of thinking the Secretary of Agriculture exhibits too much interest in minimum pay for organized labor groups and not enough in the hourly rates to the farm people of the Nation—the groups that he is supposed to represent. It is no wonder that one of his Democratic friends tagged him the "Charlie McCarthy of the PAC." Last Friday the Pace amendment was added to the minimum-wage bill under consideration in the other body. The press states that the President will veto this bill if this amendment is included in the final legislation. The President should appoint this agricultural fact-finding committee at once and then he could find out whether he has any basis of opposing the amendment. Otherwise, the question is, Will this administration fairly present the facts as to the past hourly rates to farmers for their labor and present hourly rates, and the recommended future desirable hourly rates, or will it let the CIO-PAC outfit get $1.25 to $1.50 per hour for their members and expect the American farmer to feed and clothe their families at 20 to 30 cents per hour?

I read in the Evening Star of Thursday, March 28, 1946, where Paul Porter, Democratic politician and Chief of the OPA since the seat became too hot for Chester Bowles, stated that "adoption of Senator RUSSELL'S proposal would cause a 20-percent increase in retail prices as a whole, add $4,000,000,000 a year to America's food budget, reopen wage controversies, and threaten the entire stabilization program." I have not heard of Paul Porter being an agricultural economist or authority. This shows how one of the Democratic leaders really feels in regard to a fair rate to the farmers of America. He evidently will become as irresponsible in his statements about agriculture as has Chester Bowles and only the gullible will believe his prattling. I think it becomes more evident every day that the real issue is whether this country is going to be controlled by the Reds or whether it is going to be controlled by the "rights." By the "rights," I mean controlled by the American people in accordance with the Constitution and in accordance with the American way of life.

The following articles from the Farm Journal of March and April should be of interest to all the Members:

Secretary Anderson admits privately to friends that he no longer has any influence at the White House in determining farm-price and consumer-subsidy policies. Promises of last summer to the contrary went up in smoke a few weeks ago, when the professional consumer-CIO lobby got in its work through Chester Bowles and Democratic Party chieftains.

But Anderson assures farm leaders he's still for what the farmer wants, although at the moment, under White House orders, he officially thinks it is better to continue consumer subsidies than to risk inflationary food prices by removing them.

Every Secretary of Agriculture, it appears, is sooner or later shunted to the side lines by the political boss-city labor gang, the same as Claude Wickard was during his last 2 years in the Cabinet.

GOINGS-ON IN WASHINGTON

LATE NEWS OF GOVERNMENT—WHAT IT MEANS TO FARMERS

WASHINGTON, Tuesday, February 12.—Frankly, agriculture is doing much better out in the country than it is here in the capital. The administration has definitely decided, it appears, on a "cheap food" policy.

The basis is wholly political. Postmaster General Robert E. Hannegan, working full-time plus overtime at trying to hold control of Congress next November, is determined that the cost of living to city consumers must be held down at least until election day.

He has sold Mr. Truman this idea, which is why the President insists that consumer food subsidies, now costing taxpayers more than $1,500,000,000, be continued until farm prices decline to the point where the cost of living won't be increased.

Secretary of Agriculture Anderson fought for months to have subsidies removed and consumer prices allowed to increase while demand is strong, so that the burden wouldn't fall entirely on the farmer, and thought he had won.

That fight is now definitely lost, as the White House reversed its decision to drop subsidies by June 30. Now the Secretary is whooping it up for what his "leader" wants, to appease the labor-consumer lobby.

This is only one of a long list of setbacks for farm interests.

The President's formula for settlement of the steel and other strikes calls for higher wages and prices. This means, of course, higher costs for the things farmers buy, and higher wages for hired men. And while the price parity formula will take care of a part of this, nobody expects that farmers will not be left holding the bag to some extent.

Another proof of the administration's change of front is the suggestion of Reconversion Director Snyder that maybe, after all, it would be a good idea to let farm prices seek their natural downward level in the Steagall guarantee period with Government subsidy checks making up the difference to farmers.

My resolution is as follows:

Resolved, That the President is requested to—

(1) To establish a committee of five qualified individuals to determine, and prepare a report setting forth, as to each of the ten calendar years prior to 1946, (a) the average hourly return to farmers in the United States, such information to be determined and reported separately as to different types of farming; and (b) the average hourly return to farm labor in each State; and

(2) To transmit such report to Congress at the earliest practicable date.

Mr. GWYNNE of Iowa. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. GWYNNE of Iowa. I notice that, according to some of these spokesmen like Mr. Porter, a slight increase to agriculture is always inflationary, whereas an increase to other people is not inflationary. Would this fact-finding board be able to throw some light on that and explain that to us?

Mr. RIZLEY. That is one of the fundamental reasons for the introduction of this resolution, may I say to the gentle-

man from Iowa, who represents one of the greatest agricultural States in the Union. We do not know. I have heard the same thing. Everybody is willing to admit that the farmer is paying in many instances 100 percent or 150 percent more for labor than he did before the war, but they still say he should receive the same prices for his farm products. They say if you increase the price of his farm products to include the additional cost he has been compelled to pay out to raise and harvest his crops, that is inflationary. You just must not do it at all, so says the spokesman for this administration, because you will get the country into unbridled inflation. But still they can make a deal with the steel workers and the steel producers and make all these deals with all these other groups and increase their wages, and that is not inflationary.

Another thing, since we have gone into this question of inflation, they say you do not dare raise the ceiling a little on meat or meat products. It will be inflationary if you do. Still the OPA says that 90 percent of the meat is being sold through the black market, and everyone says that a higher price is being paid in the black market than would be paid if you made a slight increase in the price of cattle and hogs to the producer.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. CURTIS. Is the gentleman's resolution broad enough to inquire into what the hourly wage is for the farmer's wife and his children who toil long hours without many of the benefits coming from the Government that industrial workers have?

Mr. RIZLEY. Oh, yes; it is broad enough to cover the whole thing. That is the very thing we are going into if we can get the President to set up this fact-finding board.

Mr. JONES. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I yield to my very able colleague from Ohio.

Mr. JONES. I want to congratulate the gentleman for having the courage to seek simple justice for the farmer, but no doubt tomorrow the gentleman will be labeled a member of the insidious farm bloc for doing that—for just trying to get simple justice for the farmer and trying to get parity for the farmer with other folks in industry.

Mr. RIZLEY. The gentleman's fears are probably well grounded, but there should be someone around here who has courage enough to say something for the farmers, even though as my friend suggests, he may be charged with being a member of the insidious farm bloc.

Mr. HILL. Mr. Speaker, will the gentleman yield?

Mr. RIZLEY. I am delighted to yield to my colleague from Colorado, one of the able members of the House Committee on Agriculture.

Mr. HILL. Our attention has been called a number of times to the price of food products that the farmer grows, that the consumer pays. I hold in my hand a report. I wonder sometimes if the rank and file of the people of this country ever give serious consideration to the farmer out on the farm with respect to the expense that he must undergo in order to put those crops into the soil. This report concerns farm machinery. Not long ago two of the largest farm-equipment manufacturers in the United States visited my office. The information they gave me was that probably if the coal strike comes along and the production of steel is completely down, we may have delivered to the farmers of America only 50 percent as much farm machinery as they received in 1945, and it would be impossible to secure repairs. Has the gentleman something to say on that?

Mr. RIZLEY. I thank the gentleman for his contribution. I think unquestionably that is true.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

EXTENSION OF REMARKS

Mr. JOHNSON of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Vallejo Times-Herald.

LEAVE OF ABSENCE

By unanimous consent (at the request of Mr. TIBBOTT), leave of absence was granted to Mr. BRUMBAUGH for 1 week, on account of official business.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 473. An act relating to pay and allowances of officers of the retired list of the Regular Navy and Coast Guard performing active duty in the rank of rear admiral.

ADJOURNMENT

Mr. CARNAHAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 26 minutes p. m.) the House adjourned until tomorrow, Tuesday, April 2, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IRRIGATION AND RECLAMATION

The Committee on Irrigation and Reclamation will continue hearings on H. R. 5124, on Wednesday, April 3, 1946, at 10 a. m., in room 328, Old House Office Building. The hearings will continue through Thursday, April 4, and probably through Friday, April 5.

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Committee on the Merchant Marine and Fisheries will hold a public hearing Thursday, April 4, 1946, at 10 a. m. to consider the bill, H. R. 5892, providing for a medal for service in the merchant marine during the present war.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 9, 1946, at 10:30 a. m., to hold hearings daily except Saturday through Thursday, April 18, on an omnibus river and harbor authorization bill. Hearings previously scheduled for the week of April 22 have been postponed, and the hearings will resume on April 29.

COMMITTEE ON FLOOD CONTROL

The Committee on Flood Control will begin hearings on an omnibus flood-control authorization bill on Monday, April 8, 1946, at 10 a. m. The hearings will continue daily except Saturday up to and including Friday, April 19.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, April 9, 1946, at 10:30 a. m., to begin the preparation of an omnibus river and harbor bill. Following is the schedule for hearings:

(Tuesday, April 9)

1. Portland Harbor, Maine.
2. Fall River Harbor, Mass.
3. Wickford Harbor, R. I.
4. New Haven Harbor, Conn.
5. Bridgeport Harbor, Conn.
6. Stamford Harbor, Conn.
7. Barnegat Inlet, N. J.
8. Absecon Inlet, N. J.
9. Delaware River, Biles Creek, Pa.

(Wednesday, April 10)

10. Sacramento River, Calif., deep-water ship channel.

(Thursday, April 11)

11. Schuylkill River, Pa.
12. Middle and Dark Head Creeks, Md.
13. Mattaponi River, Va.
14. Newport News Creek, Va.
15. Norfolk Harbor, Va.
16. Savannah Harbor, Ga.
17. St. Johns River, Fla., Jacksonville to Lake Harney.
18. Hollywood Harbor (Port of Everglades), Fla.
19. Withlacoochee River, Fla.

(Friday, April 12)

20. Sabine River, Adams Bayou, Tex.
21. Sabine-Neches waterway, Texas.
22. Trinity River below Liberty, Tex.
23. Aransas Pass, Intracoastal Waterway, Tex.
24. Brazos Island Harbor, Tex.

(Monday and Tuesday, April 22 and 23)

25. Tombigbee-Tennessee Rivers.

(Wednesday and Thursday, April 24 and 25)

26. Franklin Canal, Fla.
27. Mermentau River, La.
28. Lake Charles deep waterway, Louisiana.
29. Plaquemine and Morgan City route, Louisiana.
30. Red River below Fulton, La.

(Friday, April 26)

31. Big Sandy River, Tug and Levisa Forks, Va., W. Va., and Ky.

(Monday and Tuesday, April 29 and 30)

32. Arkansas River, Ark. and Okla.

(Wednesday, May 1)

33. Cumberland River, Tenn. and Ky.
34. Big Sioux River, S. Dak.
35. Mississippi River seepage, Iowa, Minnesota, and Wisconsin.
36. Mississippi River at Lansing, Iowa.
37. Mississippi River at Wabasha, Minn.
38. Mississippi River at Lake Pepin, Minn.
39. Mississippi River at Hastings, Minn.

(Thursday, May 2)

40. Fairport Harbor, Ohio.
41. Cleveland Harbor, Ohio.

42. Great Lakes connecting channels, Michigan.
43. Calumet-Sag Channel, Ind. and Ill.
44. Chicago River, North Branch of, Ill.
45. Napa River, Calif.
46. Coos Bay, Oreg.
47. Columbia River at Astoria, Oreg.
48. Columbia River at The Dalles, Oreg.
49. Columbia River, Foster Creek Dam, Wash.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1182. A letter from the Administrator, National Housing Agency, transmitting a draft of a proposed bill for the relief of William H. Morris; to the Committee on Claims.

1183. A letter from the Acting President, United States Civil Service Commission, transmitting one set of the Commission's requests for personnel for the fourth quarter of the fiscal year 1946; to the Committee on the Civil Service.

1184. A letter from the Director, Bureau of the Budget, transmitting copy of letter addressed to the Administrator of the Civilian Production Administration which increases the limitation on the amount which may be expended for travel from the sum set apart in appropriation to this agency for special projects; to the Committee on Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JACKSON: Committee on the Civil Service. H. R. 5939. A bill to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes; without amendment (Rept. No. 1834). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHN J. DELANEY: Committee on Rules. House Resolution 569. Resolution providing for the consideration of S. 1907, a bill to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes; without amendment (Rept. No. 1835). Referred to the House Calendar.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 5796. A bill to amend title II of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, to permit the making of contributions, during the fiscal year ending June 30, 1947, for the maintenance and operation of certain school facilities, and for other purposes; with amendment (Rept. No. 1836). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARLSON:

H. R. 5956. A bill to provide tax relief for income earned over a period of years; to the Committee on Ways and Means.

By Mr. GATHINGS:

H. R. 5957. A bill authorizing and directing the Postmaster General to provide for the improvement of unimproved rural mail routes so as to expedite the rural delivery of United States mail matter; to the Committee on the Post Office and Post Roads.

By Mr. PACE:

H. R. 5958. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. McMILLAN of South Carolina:

H. R. 5959. A bill to exempt from taxation certain property of the Disabled American Veterans in the District of Columbia; to the Committee on the District of Columbia.

By Mrs. LUCE:

H. R. 5960. A bill to establish a Department of Children's Welfare; to the Committee on Expenditures in the Executive Departments.

By Mr. CANNON of Missouri:

H. J. Res. 333. Joint resolution to provide for the reappointment of Dr. Vannevar Bush as citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on the Library.

By Mrs. DOUGLAS of Illinois:

H. Con. Res. 140. Concurrent resolution to restore rationing of food products on which there is a marked world deficit; to the Committee on Banking and Currency.

By Mr. RANDOLPH:

H. Res. 576. Resolution providing for the consideration of the bill H. R. 5939, to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes; to the Committee on Rules.

By Mr. RIZLEY:

H. Res. 577. Resolution to request the President to take appropriate action to have a report made to Congress with respect to hourly returns to farmers and farm labor; to the Committee on Agriculture.

By Mr. COLMER:

H. Res. 578. Resolution authorizing the printing of additional copies of House Report No. 1677, current session, entitled "The Use of Wartime Controls During the Transitional Period," for the use of the Special Committee on Postwar Economic Policy and Planning; to the Committee on Printing.

By Mr. VINSON:

H. Res. 579. Resolution providing for the consideration of H. R. 5911, a bill to establish an Office of Naval Research in the Department of the Navy; to plan, foster, and encourage scientific research in recognition of its paramount importance as related to the maintenance of future naval power and the preservation of national security; to provide within the Department of the Navy a single office, which, by contract and otherwise, shall be able to obtain, coordinate, and make available to all bureaus and activities of the Department of the Navy, world-wide scientific information and the necessary services for conducting specialized and imaginative research; to establish a Naval Research Advisory Committee consisting of persons preeminent in the fields of science and research, to consult with and advise the Chief of such Office in matters pertaining to research; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GORE:

H. R. 5961. A bill for the relief of the legal guardian of I. M. Cothron, Jr., a minor; to the Committee on Claims.

By Mr. McMILLAN of South Carolina:

H. R. 5962. A bill for the relief of Mrs. G. Wilden Eaddy; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1747. By the SPEAKER: Petition of Edmond C. Fletcher, 103 C Street SE., Washington, D. C., petitioning consideration of his resolution with reference to praying the impeachment of the Honorable David A. Pine, associate justice of the District Court of the United States for the District of Columbia; to the Committee on the Judiciary.

1748. Also, petition of Edmond C. Fletcher, 103 C Street SE., Washington, D. C., petitioning consideration of his resolution with reference to praying the impeachment of the Honorable Alexander Holtzoff, associate justice of the District Court of the United States for the District of Columbia; to the Committee on the Judiciary.

1749. Also, petition of Edmond C. Fletcher, 103 C Street SE., Washington, D. C., petitioning consideration of his resolution with reference to praying the impeachment of the Honorable Henry A. Schweinhaut, associate justice of the District Court of the United States for the District of Columbia; to the Committee on the Judiciary.

1750. Also, petition of Edmond C. Fletcher, 103 C Street SE., Washington, D. C., petitioning consideration of his resolution with reference to praying the impeachment of the Honorable Bolitha J. Laws, chief justice of the District Court of the United States for the District of Columbia; to the Committee on the Judiciary.

1751. Also, petition of veterans' organizations of the District of Columbia, petitioning consideration of their resolution with reference to urging authorization of appropriations for the government of the District of Columbia to provide necessary sewers, water mains, and streets for temporary housing; to the Committee on the District of Columbia.

1752. Also, petition of Baldomero S. Luque and others, petitioning consideration of their resolution with reference to favoring a continuance of the present status or a dominion status for the Philippines; to the Committee on Insular Affairs.

SENATE

TUESDAY, APRIL 2, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met in executive session at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Father of Lights, in a world that lieth in darkness swept by fitful winds of despair and doubt, we pause at this sheltered sanctuary of Thy grace to make sure that the light within is not dimmed. We lift our soiled and shadowed faces to the one true light, knowing that if we keep our hearts with Thee there is no darkness from without which can quench the light that is within.

In this desperate hour when the world's hope of a bright tomorrow is committed to our frail hands, join us to the great company of unconquered spirits who in evil times have stood their ground, preserving the heritage of man's best, and whose flaming faith has made their lives as lighted windows amid the encircling gloom. We ask it in the ever-blessed name of that One who is the Light of the World. Amen.

THE JOURNAL

On request of Mr. MCFARLAND, and by unanimous consent, the reading of the

Journal of the proceedings of the calendar day Monday, April 1, 1946, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1657. An act to amend Public Law 779 of the Seventy-seventh Congress, entitled "An act to provide for furnishing transportation for certain Government and other personnel necessary for the effective prosecution of the war, and for other purposes," approved December 1, 1942, and for other purposes; and

S. 1739. An act to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of fires which occurred at various Navy shore activities.

The message also announced that the House had passed the bill (S. 1163) to provide for the appointment of one additional district judge for the northern district of California, with an amendment in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 1907) to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes, with amendments in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 1498. An act to correct the naval record of former members of the crews of the revenue cutters *Algonquin* and *Onondaga*;

H. R. 3565. An act to authorize the charging of tolls for the passage or transit of Government traffic over the San Francisco-Oakland Bay Bridge;

H. R. 3756. An act to require the recording of agreements relating to patents;

H. R. 3959. An act to provide for the burial in the Memorial Amphitheater of the National Cemetery at Arlington, Va., of the remains of an unknown American who lost his life while serving overseas in the armed forces of the United States during the Second World War;

H. R. 4362. An act to abolish the Parker River National Wildlife Refuge in Essex County, Mass., to authorize and direct the restoration to the former owners of the land comprising such refuge, and for other purposes;

H. R. 5380. An act to provide for the conferring of the degree of bachelor of science upon graduates of the United States Merchant Marine Academy;

H. R. 5574. An act to amend paragraph 8 of part VII, Veterans Regulation No. 1 (a), as amended, to authorize an appropriation of $1,500,000 as a revolving fund in lieu of $500,000 now authorized;

H. R. 5594. An act to reserve for the use of the United States all deposits of fissionable materials contained in the public lands;

H. R. 5644. An act to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended;

H. R. 5765. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the city of New Orleans the silver service and silver bell presented to the United States for the cruiser *New Orleans*; and

H. J. Res. 273. Joint resolution authorizing and requesting the President to issue annually a proclamation designating December 15 as Bill of Rights Day.

LEAVE OF ABSENCE

Mr. LANGER. Mr. President, I ask unanimous consent to be excused to attend the funeral of Mr. W. I. Horner, of the United Post Office Employees. I may say that I am not a pallbearer, or even an honorary pallbearer; but Mr. Horner rendered very valuable service to post office employees, and, by his advice, to the Committee on Post Offices and Post Roads, of which I am a member. I should like to be excused.

The PRESIDENT pro tempore. Without objection, leave is granted the Senator from North Dakota.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on April 1, 1946, he presented to the President of the United States the enrolled bill (S. 473) relating to pay and allowances of officers of the retired list of the Regular Navy and Coast Guard performing active duty in the rank of rear admiral.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF STATE (S. DOC. NO. 149)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of State, amounting to $40,000, fiscal year 1946 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, TREASURY DEPARTMENT (S. DOC. NO. 150)

A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Treasury Department, amounting to $110,800, fiscal year 1946 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, POST OFFICE DEPARTMENT (S. DOC. NO. 151)

A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Post Office Department, amounting to $514,500, fiscal year 1946 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, FEDERAL WORKS AGENCY (S. DOC. NO. 152)

A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Federal Works Agency, amounting to $2,730,000, fiscal year 1946 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISION PERTAINING TO EXISTING APPROPRIATION FOR UNITED STATES MARITIME COMMISSION (S. DOC. NO. 154)

A communication from the President of the United States, transmitting a proposed provision pertaining to an existing appropriation for the United States Maritime Commission, fiscal year 1946 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISION PERTAINING TO ADMINISTRATIVE EXPENSES FOR WAR SHIPPING ADMINISTRATION (S. DOC. NO. 153)

A communication from the President of the United States, transmitting a proposed provision increasing the limitation on administrative expenses for the War Shipping Administration revolving fund by $3,325,000, fiscal year 1946 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORT OF THE SECRETARY OF THE TREASURY

A letter from the Secretary of the Treasury, transmitting, pursuant to law, the annual report of the Secretary of the Treasury on the state of the finances of the Government for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on Finance.

RELIEF OF CERTAIN MEMBERS OF THE YAKUTAT COOPERATIVE MARKET

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation for the relief of certain members of the Yakutat Cooperative Market (with accompanying papers); to the Committee on Claims.

SURPLUS LANDS OF THE KLAMATH RIVER INDIAN RESERVATION, CALIF.

A letter from the Secretary of the Interior, transmtting a draft of proposed legislation restoring to tribal ownership certain undisposed of surplus lands of the Klamath River Indian Reservation, Calif. (with an accompanying paper); to the Committee on Indian Affairs.

PERSONNEL REQUIREMENTS

A letter from the Director of the Bureau of the Budget, transmitting, pursuant to law, a report of his determinations during the third quarter of the fiscal year 1946 of the number of employees required for the proper and efficient exercise of the functions of the executive departments and agencies of the Government (with an accompanying report); to the Committee on Civil Service.

EXTENSION OF OFFICE OF PRICE ADMINISTRATION—TELEGRAM FROM HERBERT L. GAEDE, MANHATTAN, KANS.

Mr. CAPPER. Mr. President, I have received from Herbert L. Gaede, manager of the A. L. Duckwall Stores Co., Manhattan, Kans., a telegram favoring the extension of the OPA for 6 months, under certain conditions.

Similar statements have been received from R. M. Stevenson, of the Stevenson Clothing Co., Manhattan, Kans., and from Poteet's Style Shop, of Manhattan, Kans.

I ask unanimous consent to present the telegram from Mr. Gaede for appropriate reference and printing in the RECORD.

There being no objection, the telegram was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

MANHATTAN, KANS., *March 27, 1946.*

The Honorable ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: My associates and I favor the extension of the OPA for 6 months, but only

on conditions that Congress prohibit the OPA from using:

1. Drastic enforcement methods. Trickery in the wording of directives and unnecessary court procedure.

2. Cost absorption and preticketing that compel retailers to absorb price increases granted manufacturers; and

3. Its powers to force a retailer to sell at less than his prewar percentage of profit.

Your cooperation will be highly appreciated.

HERBERT L. GAEDE,
Manager, A. L. Duckwall Stores Co.

ECONOMIC WASTE FROM USE OF INTOXICATING LIQUORS—LETTER FROM DR. JOHN R. McFADDEN

Mr. CAPPER. Mr. President, I have received an interesting letter from Dr. John R. McFadden, of the Kansas Wesleyan University, Salina, Kans., protesting against the economic waste caused by the use of intoxicating liquor throughout this country, at a time when the President is appealing to the people to "save the crusts." I ask unanimous consent to present the letter and that it be printed in the RECORD.

There being no objection, the letter was received and ordered to be printed in the RECORD, as follows:

KANSAS WESLEYAN UNIVERSITY,
Salina, Kans., March 17, 1946.

The Honorable ARTHUR CAPPER,
Senior Senator from Kansas,
Washington, D. C.

MY DEAR SENATOR: I have just listened to your broadcast this afternoon, as I usually do. You are rendering a significant service to this Middle West by this service.

I am deeply concerned about the famine situation in the world. Our Bible class here at the university that I happen to teach—a class of 65 older adults, whose average income would not exceed $2,000—took on last October the support of starving children in Greece. To date they have sent more than $400 in cash.

I heard President Truman appeal to save the crusts we are throwing into the garbage cans. Also heard ex-President Hoover and Mrs. LUCE from New York appealing to save and deny ourselves, all of which I am in favor.

But why the silence about the waste of the liquor traffic? Is Truman, Hoover, Luce, and many others ignorant of this waste? According to the American Businessmen's Research Foundation, it required 5,341,701 acres to grow the grain and sugar products used in producing the 10,000,000,000 quarts of alcoholic beverages. When you add to that the acres to grow the grapes for wine, we have a staggering sum of more than 6,000,000 acres consumed in what is worse than useless.

Does it not seem strange that the President of the United States should talk about saving in the garbage can and be perfectly silent on the liquor waste? * * * But what about Hoover? I never thought he was a coward, least of all a hypocrite. Why should he talk about saving a slice of bread and a teaspoon of fat and be silent on the waste of liquor?

The foundation above says that if this grain, sugar, and fruit had been used for food, it would have given 3 pounds a day for every day in the year for more than 5,000,000 adults. Does this silence mean that there is a conspiracy of silence to deceive the American people?

Beg your pardon for the long letter, but it seems to me that now is the time for all Americans who love their country to speak out.

Sincerely yours,

JOHN R. McFADDEN.

PRIORITY TO VETERANS IN PURCHASING SURPLUS ELECTRONIC AND COMMUNICATIONS EQUIPMENT

Mr. WILEY. Mr. President, for a long time I have been receiving inquiries from soldiers and from educational institutions as to why they have not been enabled to obtain surplus electronic and communications equipment. Today I received a long distance telephone call from one of the outstanding citizens of my State on this subject. Yesterday I wrote a letter to Lt. Gen. E. B. Gregory, War Assets Administration, Washington, D. C., making a detailed inquiry with reference to the situation. I ask that the letter be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 1, 1946.

Lt. Gen. E. B. GREGORY,
War Assets Administration,
Washington, D. C.

DEAR GENERAL GREGORY: I would be grateful if you would answer certain questions and present certain information to me regarding the priority actually given veterans and educational institutions in buying electronics surplus.

I understand that the Government has $2,500,000,000 of surplus electronic and communications equipment, of which only $130,000,000 has been reported as surplus to date.

From letters addressed to me from veterans and educational institutions, it appears that they are patiently sending their certificates and applications for electronics surplus to Washington. But apparently, these are ending up in a dead-letter file here.

Under the plan already adopted by the Chicago Single Depot and expected to be adopted throughout the Nation, Washington now (unlike heretofore) has no file of agencies' declarations of surplus. Instead, manufacturers' agents serving as Government salesmen on a commission basis are authorized to have shipped to them direct from depots the equipment without the declarations going through the Washington office. I wonder how the Priorities Section of your Electronics Branch here can furnish priorities information to claimants when it does not have the necessary information, under the Chicago plan, as to just what surplus is available?

The following are the questions I would appreciate having answered:

(A) How many veterans have received electronics equipment under the Chicago setup, in accordance with veterans' preference conferred by Congress under section 16 of Public Law 457, Seventy-eighth Congress?

(B) What are the number and status of pending veterans' applications for electronics equipment?

(C) How many educational institutions have received such surplus in accordance with section 13 of Public Law 457?

(D) What are the number and status of schools' applications for surplus? I understand that in one southern university, where they expect some 6,000 veterans, up to date they have not been able to get any of this electronics material.

It appears to me that there is something rotten in any system which apparently hoaxes veterans and schools into believing that they are going to have priorities in buying surplus, whereas their applications are actually pigeonholed and are unknown to the manufacturers' agents in the field who are functioning as Government salesmen in disposing of the surplus.

Surely the Government of the United States can tell these veterans and schools exactly what their prospects are of getting surplus, rather than misleading them. My next question is, therefore:

(E) Just what are the veterans' and schools' actual prospects of getting surplus?

(F) It is my understanding that 48 State representatives have been appointed by the Governors and the legislatures of the States to assist in the disposition of surplus electronics and communications equipment, as well as other surplus stock which they expect to get. Moreover, I understand that the WAA, through the Federal Security Agency, has already appointed, or will appoint, Federal liaison men to these States to assist the State representatives. As I see it, these many jobs will in no way serve their purpose if the manufacturers' agents continue to sell property without any concern or information regarding veterans' certificates and schools' applications. I understand that information in the United States Office of Education is that 85 percent of the schools' requests for surplus goods relate to electronics and communications materials. How will these requests actually be met?

It seems to me that the Government's desire to liquidate war surplus quickly is, in theory, entirely commendable. We must, insofar as possible, prevent storage charges, obsolescence of equipment as times goes on, etc. But surely we can tell our veterans and schools exactly what the score is.

It seems to me that under the Chicago system the left hand does not know what the right hand is doing; that is, Washington doesn't know what Chicago is doing and vice versa. Why could not the veterans' certificates and the schools' applications be placed in the hands of the agents in Chicago for immediate action, instead of being sent to Washington to repose in a dead-letter file?

I know that you will accept these inquiries and suggestions in the constructive spirit in which they have been offered and that you will advise me regarding the matters herein as soon as possible. May I also hear from you as to future plans for extending the Chicago system of procedure?

Lastly, may I affirm that I, for one, will do everything I can to make certain that the will of Congress in setting up veterans' and schools' preference be respected in letter and spirit, as it apparently has not been respected to date.

Sincerely yours,

ALEXANDER WILEY.

REPORT OF COMMITTEE ON MILITARY AFFAIRS

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 1980) to continue in effect section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, relating to the exportation of certain commodities, reported it without amendment and submitted a report (No. 1102) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER:

S. 2013. A bill for the relief of Ramona Baker; to the Committee on Claims.

By Mr. WHEELER:

S. 2014. A bill to authorize the Secretary of Agriculture to extend and renew to Chicago, Milwaukee, St. Paul & Pacific Railroad Co. for the term of 10 years a lease to Henry A. Scandrett, Walter J. Cummings, and George I. Haight, trustees of Chicago, Milwaukee, St. Paul & Pacific Railroad Co., of a tract of land in the United States Depart-

ment of Agriculture Range Livestock Experiment Station, in the State of Montana, and for a right of way to said tract, for the removal of gravel and ballast material, executed under the authority of the act of Congress approved June 25, 1936; to the Committee on Agriculture and Forestry.

By Mr. ELLENDER (by request):

S. 2015. A bill for the relief of William H. Morris; to the Committee on Claims.

HOUSE BILLS AND JOINT RESOLUTION REFERRED AND PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their title and referred or ordered to be placed on the calendar, as indicated:

H. R. 1496. An act to correct the naval record of former members of the crews of the revenue cutters *Algonquin* and *Onondaga;* and

H. R. 5765. An act authorizing the Secretary of the Navy in his discretion to deliver to the custody of the city of New Orleans the silver service and silver bell presented to the United States for the cruiser *New Orleans;* to the Committee on Naval Affairs.

H. R. 3565. An act to authorize the charging of tolls for the passage or transit of Government traffic over the San Francisco-Oakland Bay Bridge; and

H. R. 5380. An act to provide for the conferring of the degree of bachelor of science upon graduates of the United States Merchant Marine Academy; to the Committee on Commerce.

H. R. 3756. An act to require the recording of agreements relating to patents; to the Committee on Patents.

H. R. 3959. An act to provide for the burial in the Memorial Amphitheater of the National Cemetery at Arlington, Va., of the remains of an unknown American who lost his life while serving overseas in the armed forces of the United States during the Second World War; to the Committee on Military Affairs.

H. R. 4362. An act to abolish the Parker River National Wildlife Refuge in Essex County, Mass., to authorize and direct the restoration to the former owners of the land comprising such refuge, and for other purposes; to the Committee on Agriculture and Forestry.

H. R. 5574. An act to amend paragraph 8 of part VII, Veterans Regulation No. 1 (a), as amended, to authorize an appropriation of $1,500,000 as a revolving fund in lieu of $500,000 now authorized;

H. R. 5594. An act to reserve for the use of the United States all deposits of fissionable materials contained in the public lands;

H. R. 5644. An act to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended; and

H. J. Res. 273. Joint resolution authorizing and requesting the President to issue annually a proclamation designating December 15 as Bill of Rights Day; ordered to be placed on the calendar.

ADDITIONAL DISTRICT JUDGE FOR NORTHERN DISTRICT OF CALIFORNIA

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1163) to provide for the appointment of one additional district judge for the northern district of California, which was, in line 6, after "California", to insert a colon and the following proviso: *"Provided,* That the first vacancy occurring in the office of district judge in said district shall not be filled: *Provided further,* That unless the President shall submit a nomination to the Senate to fill the office hereby created within 90 days after the effective date of this act, then in that event this act shall be of no force and effect."

Mr. HATCH. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. HATCH, Mr. MCFARLAND, and Mr. WILEY conferees on the part of the Senate.

GOVERNMENT PROPAGANDA ACTIVITIES

Mr. DONNELL obtained the floor.

Mr. WILEY. Mr. President, will the Senator from Missouri yield to me for a few moments?

Mr. DONNELL. I yield to the Senator from Wisconsin.

Mr. WILEY. Mr. President, I have pointed out on many occasions on the floor of the Senate the dangers of the vast propaganda machinery built up by the administration to channel its line of thinking into the public. This danger grows not less but greater with each passing day.

Now, I have addressed the following communication to Attorney General Clark:

DEAR MR. ATTORNEY GENERAL: Attention is directed to section 201 of the Criminal Code prohibiting the use of money for propaganda of executive departments unless expressly authorized by Congress for "any personnel service, advertisement, telegram, telephone, letter, printed, or written matter, or other device intended or designed to influence in any manner a Member of Congress to favor or oppose by vote or otherwise any legislation or appropriation by Congress, either before or after the introduction of any bill or resolution proposing such legislation or appropriation."

I ask frankly and directly if this statute, clear in its purpose, enacted in 1919 is merely a dead letter? Is any active attempt made to analyze possible violations of it?

I refer particularly to the OPA's 1946 estimate of $2,500,000 for purposes of "information activity." Included in that sum is a quarter of a million dollars for purposes of printing and binding.

Has the Department of Justice looked into this OPA program for possible violation of the Criminal Code? What about the Treasury Department's program propagandizing for the British loan—does that violate the statute in any way?

Is there any limit to the kind of propagandizing that may be done by Government agencies on their "information programs"? If so, what is that limit, and how can the Department of Justice be said to have made any effort to insure that limit is not violated?

I will appreciate the answers to these questions at your earliest convenience. My purpose in presenting them is not partisan and is not designed to stymie any given piece of pending legislation. Rather, it is to insure the fulfillment of the will of Congress in preventing any executive department's use of its vast resources illegally to pressure the legislative branch.

Sincerely yours,

ALEXANDER WILEY.

Mr. President, this letter is self-explanatory, but a few additional facts should be borne in mind regarding it.

On July 16, 1945, the distinguished senior Senator from Ohio [Mr. TAFT] posed this question of section 201's possible application to the Treasury Department's high-pressure campaign for Bretton Woods. We all know how clergymen, educators, and others were brought to Washington to be fed the "Treasury line" on how to influence a favorable vote on that financial program.

The Bretton Woods drive is amateurish compared to the propaganda campaigns since inaugurated. Do all my colleagues fully realize the fact that practically all of the elements for a Joseph Goebbels propaganda ministry exist today in innumerable Government agencies? This is not mere conjecture.

Let me cite several items as proof, from a report I have received from OPA regarding its propaganda activities.

First. The OPA Radio Branch (a) arranges for and writes the Administrator's weekly talk, broadcast "live" or by transcription over 400 stations.

(b) It prepares weekly copy for homemaker news for 1,200 women broadcasters and weekly copy for all farm broadcasters.

(c) The branch supplies all radio stations with three spot announcements a week.

(d) It has a weekly transcribed dramatic show over 470 stations.

Second. The OPA News Branch during the calendar year 1945 issued 2,233 press releases. The prospects are that there will be a continued need for issuing at least as many releases in the calendar year 1946 as in 1945.

Third. The OPA Trade Relations Branch publishes a weekly publication on food facts which goes to 2,200 food-trade publications and organizations throughout the country.

Fourth. The OPA Visual Services Branch in recent months has prepared art for 8 posters and about a dozen major "reconversion" booklets, a cartoon-type film strip, and miscellaneous art, graphics, and lay-outs for handbooks, exhibits, and other purposes.

Fifth. The OPA Magazine Branch maintains contact with all important national magazines, weekly and monthly. On request it supplies these magazines with articles on OPA topics written for the signature of the Administrator and other leading OPA officials. It also writes articles for national publications and edits articles written for national publication by OPA executives. Between March 1945 and January 1946, leading national magazines with a combined circulation of 92,894,000 carried 49 major articles pertinent to OPA activities.

Sixth. The OPA Community Service Division prepares materials for the information panels of price-control boards, adapted for the use of women's clubs, civic clubs, consumer organizations, trade unions, farm groups, schools, and veterans' groups. Close relations by visit, mail, and phone, are maintained with approximately 150 religious, civic, educational, and racial groups, covering every community of the country. The total memberships of these groups is over 20,000,000.

This is just the bare outline of OPA's propaganda ministry. So what, some may say? So this: Beware of any Federal instrumentality with so vast a series of octopus tentacles around every pipe line of American thought. Beware of political uses of such controls. Beware of illegal pressures exerted by such an organization.

Have we forgotten so soon the lesson of Nazi propaganda on how the thinking of a worthy people may be channeled along vicious lines by a ministry of public enlightenment?

Where are the liberals to object to this vast extension of Government propaganda power here at home? Where are those who denounced Nazi-type government propaganda by foreign countries? They are silent. Their liberalism is one of name only.

But I, for one, will not sit idly by to watch this or other propaganda ministries indefinitely perpetuate and increase their powers. That is why I have written to the Attorney General and that is why I shall be watching closely for his answer.

CALL OF THE ROLL

Mr. WHITE. Will the Senator from Missouri yield to me to make a point of no quorum?

Mr. DONNELL. I yield.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	O'Mahoney
Andrews	Hart	Overton
Austin	Hatch	Pepper
Bailey	Hawkes	Radcliffe
Ball	Hayden	Reed
Bankhead	Hickenlooper	Revercomb
Barkley	Hoey	Russell
Bilbo	Huffman	Saltonstall
Brewster	Johnson, Colo.	Shipstead
Briggs	Johnston, S. C.	Smith
Brooks	Knowland	Stanfill
Buck	La Follette	Stewart
Bushfield	Langer	Taft
Butler	Lucas	Taylor
Byrd	McClellan	Thomas, Okla.
Capehart	McFarland	Thomas, Utah
Capper	McKellar	Tobey
Carville	McMahon	Tunnell
Connally	Magnuson	Tydings
Cordon	Maybank	Vandenberg
Donnell	Mead	Wagner
Eastland	Millikin	Walsh
Ellender	Mitchell	Wheeler
Ferguson	Moore	Wherry
Fulbright	Morse	White
Gerry	Murdock	Wiley
Gossett	Murray	Willis
Green	Myers	Wilson
Guffey	O'Daniel	Young

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS] is absent because of illness.

The Senator from Alabama [Mr. HILL] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS] and the Senator from West Virginia [Mr. KILGORE] are necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], and the Senator from Nevada [Mr. MCCARRAN] are detained on official business.

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, a quorum is present.

VOTING BY MEMBERS OF THE ARMED FORCES AND CERTAIN OTHERS

Mr. GREEN. Mr. President, will the Senator from Missouri yield to me?

Mr. DONNELL. May I inquire, for the RECORD, the purpose for which the Senator desires me to yield?

Mr. GREEN. I desire to ask unanimous consent to bring up, as in legislative session, the soldiers' vote bill, so-called, which yesterday was passed unanimously by the House of Representatives.

Mr. DONNELL. Mr. President, I am pleased to yield, with the qualification that if controversy should develop over the bill and as much, say, as 30 minutes should be consumed without disposing of it, the Senator will permit the bill to be withdrawn so that I may proceed. If that is agreeable to the Senator from Rhode Island I shall be pleased to yield on that basis.

Mr. GREEN. The condition is entirely agreeable to me.

The PRESIDENT pro tempore. Without objection, the Senator from Rhode Island is recognized.

Mr. GREEN. Mr. President, I trust the bill will be passed by the Senate promptly and unanimously, as it was by the House. Identical bills were introduced last March first by Representative BONNER in the House of Representatives, and by myself, in behalf of myself and the Senator from Illinois [Mr. LUCAS], in the Senate. The Senate bill was referred to the Committee on Privileges and Elections, and hearings were held, at which representatives of the Army and Navy and merchant marine and the organization of the secretaries of State of all the States of the United States were heard. As a result the bill was reported favorably and unanimously to the Senate, and is now on the calendar. But the House of Representatives, although we had preceded it in holding hearings, has beaten us to it, and the bill passed the House yesterday unanimously.

I should like to summarize briefly——

Mr. BYRD. Mr. President, what is the number of the bill?

Mr. GREEN. The number of the Senate bill is S. 1876. The number of the House bill is H. R. 5644.

The PRESIDENT pro tempore. The calendar number of the bill is 1071.

Mr. GREEN. Yes; its number on the calendar is 1071. I should like to explain the nature of the bill. I suppose the proper procedure would be to consider the Senate bill and perfect it by substituting the bill which passed the House. Although it would then bear a different name, I am far more interested in having the bill passed promptly than I am in whose name is attached to it.

The PRESIDENT pro tempore. The Senator has the right to have the House bill considered.

Mr. GREEN. With respect to the bill—and I can speak of the Senate bill and the House bill interchangeably, because the two bills are identical—minor amendments were placed in the bill by the Senate committee in reporting it back to the Senate. Those amendments have all been adopted by the House. Certain minor amendments were suggested in the House, and those are entirely agreeable, at least to me as chairman of the committee. I was instructed to report the bill.

The PRESIDENT pro tempore. The House bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5644) to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended.

Mr. GREEN. The purpose of both bills was to amend the present servicemen's voting law so as to provide members of the armed forces, members of the merchant marine, and civilians overseas officially attached to and serving with the armed forces, the opportunity of voting, irrespective of the existence of a war. The present law is effective only in time of war.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. GREEN. I yield.

Mr. BYRD. Does the House bill differ from the Senate bill?

Mr. GREEN. They are identical, as originally introduced.

Mr. BYRD. Are they now identical? Is the House bill which the Senator wishes to have considered the same as the Senate bill?

Mr. GREEN. As I just stated, certain amendments were proposed by the Senate committee, and those have been adopted by the House. Certain additional amendments were adopted yesterday by the House. They are very minor amendments, which are entirely agreeable. They do not change the substance of the bill at all.

Mr. BYRD. There seems to be only one copy of the bill at the desk. Is there only one copy of the bill which it is proposed to consider?

Mr. GREEN. It was printed by the House. I have a copy of it.

Mr. BYRD. I understood the Senator to say it was amended. It was passed by the House only yesterday.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. GREEN. I yield.

Mr. WHITE. I had understood that this bill came to the Senate with the unanimous approval of the Committee on Privileges and Elections.

Mr. MCFARLAND. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MCFARLAND. The Senate is in executive session. How can it consider legislative business?

The PRESIDENT pro tempore. By unanimous consent, which has been obtained.

Mr. WHITE. Mr. President, I had understood that the bill came here with the unanimous approval of the Committee on Privileges and Elections. I have

talked with many Members on the floor today, and I have found complete approval on the part of minority members. However, to my regret I have received word from one minority Senator that he objects to consideration of the bill at this time, and I am compelled reluctantly to voice that objection.

The PRESIDENT pro tempore. Objection is heard.

NOMINATION OF JAMES K. VARDAMAN, JR.

The Senate resumed consideration of the nomination of James Kimble Vardaman, Jr., to be a member of the Board of Governors of the Federal Reserve System.

The PRESIDENT pro tempore. The pending question is, Will the Senate advise and consent to the nomination of James Kimble Vardaman, Jr., to be a member of the Board of Governors of the Federal Reserve System.

Mr. DONNELL. Mr. President, prior to the recess taken yesterday afternoon I had discussed, in connection with the nomination of Commodore James K. Vardaman to be a member of the Board of Governors of the Federal Reserve System, the far-reaching and comprehensive importance of the duties of a member of the Board of Governors; indeed, they are of such far-reaching and vital importance that their performance may affect the welfare of every man, woman, and child in the United States. The very detailed statement of those duties, which I shall not repeat, clearly indicates the intricacy, delicacy, importance, and widespread value of the functions of the great Federal Reserve System and of the Board of Governors of that System.

I discussed also the question as to whether the Senate has strong, convincing, and preponderant affirmative reason to believe that Commodore Vardaman possesses the qualifications which are essential in order that his appointment to membership on the Board of Governors be in the interest of the people of our Nation. In the course of the discussion of whether or not the Senate does have such strong, convincing, and preponderant affirmative reason, I considered and discussed the evidence as it relates to whether Commodore Vardaman is the possessor of such experience or ability along business and economic lines as would qualify him to deal capably with the problems with which he, as a member of the Board of Governors, would be confronted.

I discussed the question as to whether or not the Senate has reason to believe that Commodore Vardaman possesses freedom from a tendency to allow himself to be influenced in the performance of duty by any consideration which is not consistent with the public welfare, and in that connection I had considered in detail the evidence afforded by certain illustrations which I had pointed out to the Senate as clearly demonstrating the strong tendency of Commodore Vardaman to color his statements to his own advantage.

I had discussed in particular the fact that it was of advantage to the Commodore to have the subcommittee under the impression that his service with the Vardaman Shoe Co. had terminated prior to the occurrence of a certain tampering with the inventory of that company to which the Commodore referred in his evidence. I pointed out that on three different occasions the Commodore, in the course of his statement or testimony, had taken the position that he left the company in June 1941. I pointed out, by frequent reference to the minutes of the company, down to and including the very day on which the company went into bankruptcy, February 13, 1942, the constant familiarity of the Commodore with the affairs of the company and his participation therein.

I pointed out also that the Commodore in his testimony stated that when he joined the company it was understood that he would not be active, but would serve as chairman of the executive committee and director, and in that capacity advise and direct, with a view of saving the company. But I pointed out also that, although the Commodore made a clear effort to make it positively convincing to the committee that it was understood from the outset of his joining the company that he would not be active in its affairs, the very minutes of the company show that on the day and at the meeting in which he was engaged, he himself stated that he desired to be elected to the office of treasurer, and agreed that if satisfactory to the board of directors he would start work on August 15, 1939, and devote his full time, effort, and ability to the business of the company. I also pointed out that on the same day, August 10, 1939, the board of directors adopted certain resolutions, in the course of one of the preambles to which it was stated that—

> It is the desire of the board of directors that he—
>
> Mr. Vardaman—
>
> become actively associated with the business and affairs of the company and that he devote his full time and efforts on behalf of the company.

Mr. President, I also discussed the fact that Mr. Vardaman in his testimony took credit for having recommended to Mr. Gentry, the trustee in bankruptcy of the Vardaman Shoe Co., the appointment of Mr. Bittner, who is described by Mr. Gentry as one of the most able businessmen he had met, one of the hardest workers he had ever known, and very capable. I pointed out the fact that Mr. Gentry had stated, on the contrary, that Mr. Vardaman had made no such recommendation to him.

In the course of the presentation of the facts to which I have adverted, some question was raised by the distinguished Senator from Colorado [Mr. MILLIKIN], who sits upon this side of the aisle, as to the dates on which the Commodore joined the company and on which he attained certain official positions with the company. The facts, as shown by the evidence, clearly demonstrate that the Collins-Morris Shoe Co. and the Vardaman Shoe Co. were one and the same company; that the name of the company was originally Collins-Morris Shoe Co., and that it was subsequently changed to Vardaman Shoe Co.

In order that the record may show at one and the same point the dates on which and the official capacities in which Mr. Vardaman was engaged by the company, I state at this time that the record shows that he was elected treasurer on August 10, 1939, and also that on the same date he was elected to membership on the executive committee of the company. The record also shows that his election as president of the company occurred on January 5, 1940. The record further shows that on March 11, 1940—as is shown at page 15 of the minutes of the company—Mr. Vardaman was employed as the financial manager of the company, under a resolution to assure him continued employment for a period of 15 years, this employment to be terminated for cause only. The record further shows that the date on which occurred the change of name from Collins-Morris Shoe Co. to Vardaman Shoe Co., was November 29, 1940, to become effective on December 1, 1940. This information respecting the change of name appears at page 75 of the minute book of the company.

Mr. President, I may add that the testimony shows that the suggestion of the change of name of the company came from Mr. Ineichen, who, according to the testimony presented yesterday, was found by Mr. Gentry to be conceited and arbitrary, who was known by Mr. Gentry to have in some respects, apparently, practically taken over the management of the business, and who was discharged by Mr. Gentry after the latter had become the trustee in bankruptcy.

Mr. President, in the course of the debate yesterday there occurred—as is shown at page 2895 of the CONGRESSIONAL RECORD—the following statement by the Senator from Colorado [Mr. MILLIKIN]:

> When the Senator comes to that, I hope he will remember that Commodore Vardaman testified that none of the creditors were fooled as to the position of the company and will give us the benefit of his observations on that.

Mr. President, I am unable to say how many, if any, of the creditors were—to adopt the language used by the Senator from Colorado—fooled; but I point out to the Senate the fact that the testimony shows that at the time when the company went into bankruptcy, there was a very substantial amount of indebtedness owing by the company; indeed, the items of indebtedness which were created solely between November 30, 1941, and the date of the bankruptcy, and which were unpaid, I may say, at the bankruptcy, aggregated $116,925.21, those being solely claims in excess of $1,000. I do not have at hand—although there is a reference in the testimony which is somewhat vague, not complete—information as to the aggregate of the liabilities; but obviously the liabilities were in excess of the figure I have stated, for the figure to which I have referred is made up solely of claims in excess of $1,000, covering purchases dated subsequent to November 30, 1941.

Mr. President, regardless of whether the creditors were fooled, I say that the testimony further shows that Mr. Bittner purchased the claims of a great many

of the creditors, I have forgotten just how many; if it becomes important I shall supply the information for the RECORD; and my recollection is that he testified he paid 33⅓ cents on the dollar for the claims which he bought. It seems passing strange that the creditors of that company, to as great an extent as I have indicated, would proceed to extend credit within a period of 2 months and slightly more before the bankruptcy, solely in order to be willing to lose money upon the transactions involved.

On the question of whether the creditors were kept advised by Commodore Vardaman as to the conditions, I undertake to say that there is a very significant entry in the minute book under date of November 28, 1939. Under that date the following minute will be found, and I now quote from the minute book of the company:

Mr. Vardaman stated that in his opinion, due to the circulation of inaccurate and untrue statements relative to the production of the company, profits and losses, orders received, and in general the business of the company, he deemed it advisable that no information be given to anyone, including the stockholders of the company, except through the medium of the treasurer's office, and that no statements of the company or copies of the minutes of the board of directors' meetings be given to anyone unless by order of the treasurer.

The treasurer of the company was Mr. Vardaman. Thus, it is, as evidenced by the expression of opinion by Mr. Vardaman to the board on November 28, 1939, that information within the possession of the company as to the production of the company, profits and losses, orders received, and, in general, the business of the company, was not to be given to anyone, even to a stockholder of the company, except through the medium of the treasurer's office and only by order of the treasurer.

It is significant to observe that immediately following the excerpt to which I have referred in the minutes of November 28, 1939, there appears the following:

Considerable discussion was had on this matter, particularly by Mr. John A. Aid, who stated that Newhard Cook & Co. has many inquiries from stockholders or parties interested in this company and feels that, due to the fact its investment and duty to its customers who have invested their money in this company, that they should be able to confidentially advise their clients relative to the earnings, status, or other available information. He assured the directors that the statements and copies of minutes heretofore received are kept in a confidential file, subject to examination by no one other than the partners of his firm. It was then agreed by all directors present that all information relative to production, profits, losses, orders, and financial statements shall be published and made only at the direction of the company's treasurer.

So, Mr. President, with this policy of secrecy, a secrecy which confined itself to the breast of the treasurer of the company, Mr. Vardaman, I undertake to say there is no such showing as would seem to have been implied by the understanding of the Senator from Colorado as to whether the creditors of the company were fooled during the course of the extension of credit by such creditors.

Mr. President, I now address myself to certain further illustrations of the tendency of Mr. Vardaman to color his statements to his own advantage. I invite the attention of the Senate to page 31 of the minutes of the company on which we find the following language:

He—

Referring to Mr. Vardaman—

further stated that, generally speaking, the organization was taking on the form of an efficiently operated corporation, in comparison with the loose way of operations in the past.

Yet, Mr. President, notwithstanding this complimentary allusion by Mr. Vardaman to the form which the organization was taking on, he being at the time the treasurer of the company, we find that on September 17, 1940, only a few months after this statement as it appears in the minutes, Mr. Vardaman, reporting on the condition of the company, commented on the company's operating loss for the quarter ending August 31, 1940, as being $28,103.29, and the 9 month's loss for the year as amounting to $49,928.50. On this occasion—that is September 17, 1940—we find Mr. Vardaman stating in the minutes of the company that these losses, in his opinion, would not be repeated.

Mr. President, as bearing on the question whether there is affirmative reason to believe that Commodore Vardaman would not be influenced in the performance of duty by any consideration which was not consistent with the public welfare, I invite the attention of the Senate to a further illustration, namely, the conduct of Commodore Vardaman relative to his own compensation in the shoe company. The original agreement with respect to his compensation occurred upon the date on which he became connected with the company, namely, August 10, 1939. From the minutes of that date we find Mr. Vardaman had expressed his willingness to become associated with the company at an initial salary of $625 a month, on the condition that he be given the right to purchase a certain number of shares of the treasury common stock of the company at $2 a share, and that certain other options to purchase additional stock be given individually by Mr. Collins, Mr. Morris, and Newhard Cook & Co. That was the arrangement which was entered into at that time by the company with respect to Mr. Vardaman's compensation. The amount of salary to be paid by the company to Mr. Vardaman was $625 a month.

On January 5, 1940, the date on which occurred the withdrawal of Mr. Collins as president, the company then being in a financial condition worse than had been anticipated, we find Mr. Vardaman assuming the duties of president. Notwithstanding the financial condition of the company we find that on January 23, 1940, at page 4 of the minute book, Mr. Vardaman stated to the board of directors that he was not satisfied with the contract that he then had with the company and that, due to Mr. Collins' resignation, the contract would have to be revised.

Then on February 26, at page 12 of the minute book, we find that Mr. Morris reported on the contemplated employment of another gentleman as a salesman for the company. Then follows this significant language:

Mr. Vardaman stated that he desired a definite contract with the company guaranteeing him continuity as an officer of the company for a period of 15 years, and at the suggestion of the board he was requested to confer with the company's attorney, Mr. Kappel, and arrange for the drafting of a contract to be submitted to the board for acceptance or rejection at a later meeting.

On March 11, 1940, at page 15 of the minute book, there are set forth certain resolutions, as follows:

Be it resolved, That the company employ Mr. James K. Vardaman, Jr., as its financial manager, and to assure to him continued employment for a period of 15 years, which employment shall be terminated for cause only, as set out in draft of contract submitted to the board; be it further

Resolved, That the company pay to the said James K. Vardaman, Jr., as and for his salary for services rendered and to be rendered, the sum of $7,500 annually in installments of $625 per month and that as additional compensation to pay to him a sum equal to 5 percent of the net profits or earnings of the company, which percentage shall be figured only after full reserve has been set up for all interest on loans and debentures, preferred dividends accrued and accumulated, and fund for retirement of preferred stock as provided by stockholders' agreement.

Then follow certain resolutions with respect to options to purchase stock and the cancellation and termination of previous employment contracts.

The other resolutions read as follows:

Be it further resolved, That the company give and grant to Mr. James K. Vardaman, Jr., and his assigns, options to purchase 2,260 shares of the company's common capital stock at $2 per share, which option shall continue for a period of 2 years from April 1, 1940, and which shall terminate upon being exercised or upon removal, death or resignation as an employee or officer of the company.

Mr. President, on April 23, 1940, approximately 6 weeks after these incidents of March 11, we find at page 29 of the minute book that certain resolutions were set aside and new ones were adopted, because, as I understand, of some defect in the notice which had occurred back in March 1940.

Then on July 1, 1941—and I call attention to the fact that this was after June 1941—we find the following transpiring, as appears from page 120 of the minute book:

Mr. Vardaman called to the attention of the board of directors his employment contract, stating that, in his opinion, it was ambiguous, and that it provided for the payment to him of 5 percent of the profits of the company, as additional salary.

Then, Mr. President, the following resolution was unanimously adopted by the directors, who were present, Mr. Vardaman being among them:

Be it resolved, That the employment contract of Mr. James K. Vardaman, the company's president, be understood to provide that he shall receive as additional compensation for his services, 5 percent of the profits of the company for each 6 months'

period, and which shall be figured prior to setting up or paying income taxes and shall be paid semiannually.

Mr. President, in connection with this matter it should be noted also that the minutes then recite:

On the question: Mr. Postel, who voted affirmatively on the above resolution, questioned the payment of additional salary on a semiannual basis. Therefore, it was understood that this matter shall be again brought to the attention of the board after the expiration of 1 year.

Thus, Mr. President, although this company was in the difficult financial condition which Mr. Vardaman himself described so vividly in his testimony, we find that Mr. Vardaman had demonstrated, first, that he believed he should have a 15-year contract of employment, but, far more significant than that, that he desired a percentage bonus, computed not on the profits of each year separately, but on each half year's profits separately. The effect of this is obvious. If the company should make money during the first half of the year and lose the money the next half of the year, even if the loss should exceed the gain for the first half, he, Mr. Vardaman, would obtain from the company, which certainly was in dangerous financial straits and difficulties, his percentage on the first half year even if the losses of the second half of the year should wipe out the profits for the entire year.

Mr. President, I say that it is not strange that Mr. Postel questioned the payment of this additional salary on a semiannual basis, and it is not strange that the board regarded the point of such merit that, even though Mr. Vardaman was insisting upon a change in his contract and secured such a change from the board, it was with the understanding that the matter would again be brought to the attention of the board after the expiration of 1 year.

Mr. President, in considering the question as to whether there is affirmative reason to believe from the evidence that Commodore Vardaman would not be influenced in the performance of duty by any consideration which is not consistent with public welfare, I call attention to this significant fact: On March 12, 1941, a certain letter was addressed to Mr. Vardaman by Mr. Paul de Coster, who was the comptroller of the company, in the course of which letter, addressed to Mr. Vardaman at Boston, Mass., occurs a sentence which I shall read. Before reading the sentence I should say that enclosed in the letter, according to its terms, were a balance sheet as of February 28, 1941, a profit and loss statement for the months ending December 31, 1940, January 31, 1941, and February 28, 1941, and for the quarter ended February 28, 1941. The particular sentence to which reference is made reads as follows:

The raw material and supplies inventory as shown in the balance sheet is estimated on the basis used in December 31, 1940, and January 31, 1941, in accordance with our phone conversation of yesterday.

I submit, Mr. President, that although Commodore Vardaman claims not to remember that telephone conversation with Mr. de Coster, and so testified, the commodore further states that he certainly would not say that he did not receive the letter of March 12, 1941.

Mr. MILLIKIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MURDOCK in the chair). Does the Senator from Missouri yield to the Senator from Colorado?

Mr. DONNELL. I yield.

Mr. MILLIKIN. How does De Coster stand up in the Senator's mind—as a reliable or as an unreliable witness?

Mr. DONNELL. Mr. President, as I stated yesterday De Coster, to my mind, made a truthful affidavit respecting this letter. I did not go into this detail yesterday, but I do so now in view of the question. He made what I take to be a truthful affidavit concerning the reason for the writing of this letter. When he went upon the stand before the committee, he denied the truthfulness of that portion of the affidavit which pertains to the reasons for writing of the letter or this part of the letter.

To my mind, Mr. de Coster was telling the truth on one occasion or the other. I do not think he was telling the truth on the occasion of his appearance on the witness stand before the committee. I take it that that answers the question of the Senator from Colorado. I think he told the truth when he wrote the letter of March 12, when he made the affidavit with respect to it, and I do not think he told the truth when he testified before the committee at its hearings a few days ago.

Mr. MILLIKIN. May I ask the distinguished Senator whether he believes that De Coster is a reliable, or an unreliable witness?

Mr. DONNELL. Mr. President, I think Mr. de Coster was not telling the truth and was not reliable in his statement repudiating the affidavits, or portions of them. In my judgment, Mr. de Coster was truthful when he made the affidavits, and I shall undertake to show in a few minutes the reasons why, in my opinion, Mr. De Coster changed his testimony, and denied the truthfulness of what he had sworn to in the affidavits. I say he made this denial upon the witness stand before the committee. I regard his affidavits as credible and trustworthy.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. When the Senator hears evidence which, under his theory, is true at one time and which is perjured at another, does he consider the witness giving the evidence as reliable?

Mr. DONNELL. Mr. President, I regard the witness as reliable to the extent that he admitted the execution and signature and physical writing in his own handwriting of the affidavits to which I have referred concerning this matter.

Mr. MILLIKIN. Will the Senator yield further?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Then, the Senator's criticism as to De Coster goes to the hearings before the subcommittee. Is that correct?

Mr. DONNELL. That is correct, yes.

Mr. MILLIKIN. And at those hearings Commodore Vardaman challenged the correctness of the statement that De Coster had telephoned him. The Vardaman testimony was not impeached in any way. Does the Senator put Vardaman's unimpeached testimony against the testimony of a man who, under the Senator's own theory, perjured himself on either one or another occasion?

Mr. DONNELL. Mr. President, I am very glad the Senator raised that question. As I have stated, in my judgment De Coster—and I may say likewise Reyburn, to whom I shall come in a few minutes—told the truth in the affidavits which they made, and of certain, of which I have, photostatic copies, and also have confirmed copies, all of which were presented to the committee. In my judgment the perjury in this case occurred in connection with the statements by De Coster and by Reyburn in the committee hearings, and not in their affidavits.

I may say, also, Mr. President, with all due respect to Commodore Vardaman, I believe the facts are fully susceptible of the inference which I draw that the statements made in the affidavits respecting Commodore Vardaman were true, notwithstanding the commodore's denial of them in the hearings before the subcommittee of the Senate Committee on Banking and Currency.

Mr. MILLIKIN. Will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Would the Senator be good enough to enlighten the Senate of the usual instruction of a judge to a jury where a man admits perjury in the course of a trial?

Mr. DONNELL. Mr. President, I have never served as a judge. I have heard instructions. To my mind that is not the question here. The question, as I shall develop it in a few minutes, relates to whether or not there is evidence from which the Senate may draw the inference and conclusion that Commodore Vardaman had knowledge of and complicity in the tampering with the inventory, which tampering he states in his own statement occurred. I undertake to say that the fact that certain affidavits were made by these two men, Reyburn and De Coster, and the further fact, testified to by Frank E. Williams, a reputable attorney, a member of one of the leading law firms of St. Louis, that Commodore Vardaman requested the destruction of these affidavits, which statement is denied by Commodore Vardaman and by Captain Clifford and by Mr. Bittner, who does not remember their destruction and does not know of their having been destroyed—I say that the testimony of Mr. Williams to the effect I have indicated, that Mr. Vardaman desired those affidavits destroyed, leaves to the Senate the possibility of drawing one of two inferences, either that Commodore Vardaman desired untrue affidavits destroyed, or that he desired the affidavits which contained the truth to be destroyed.

Mr. MORSE. Mr. President, will the Senator from Missouri yield?

Mr. DONNELL. I yield.

Mr. MORSE. Does the Senator feel that a committee of the United States Senate, and the United States Senate itself, should be expected to meet a higher test when investigating a matter such as this than that imposed upon a jury under the law when it is sought to protect the jury by certain charges as to human frailties?

Mr. DONNELL. Mr. President, it is very difficult in the absence of precedent or of decisions—and I know of none such—to determine the relative duties of a jury and of the United States Senate. I may say, however, in response to the distinguished Senator from Oregon, that to my mind the Senate of the United States, bearing in mind that an appointment of this type is of interest and concern to every man, woman, and child in the United States of America, owes the duty of using the highest degree of care in considering every circumstance, every suspicion, every charge, every statement, every inference in determining whether the man nominated is capable and possesses the necessary qualifications.

I may say further that, to my mind, when it comes to selecting a man who, with six other men, controls the greatest and most powerful financial system in the world, the Senate of the United States should not be satisfied with merely accepting a negative failure to prove the man's disability. To my mind, the Senate should require in its own mind affirmative showing from some source that the man is capable of performing the duties of the office and possesses the necessary qualifications.

I may say that in your private business in employing a person to fill a responsible position involving fiduciary duties, you, sir, Mr. President, as a distinguished member of the bar, or as a businessman, or whatever your profession or occupation at the moment might be, should and would consider with care all the facts, and would not rely upon a mere abstract presumption that if the evidence were balanced in a certain way, or if there were no overwhelming balance one way or the other, the prospective employee possessed the essential qualifications.

To my mind the Senate is in a position very analogous to that, added to which is the fact that the Senate is safeguarding the interests of all the people of the United States, and that when there is a series of suspicious circumstances, which to my mind are easily susceptible of the inference which I shall suggest to the Senate a little later concerning Commodore Vardaman and the tampering with the inventory. The Senate should, if it commits any error at all, commit it on the side of the people of the United States in seeing that no man be placed in this office against whom such a suspicion may with reasonable justice or reasonable inference lie and be lodged.

I do not mean to say, Mr. President, that merely because a charge is made against a man the Senate should therefore refuse to confirm his nomination, but I do say we are here in the capacity of guardians and trustees of the interests of every man, woman, and child in the United States, and that as such we should consider not merely the technical rules, not merely the abstract principles, which may be technical in their nature, but should consider also the fundamentals, the suspicions, the suspicious circumstances, the conduct of the man under charge, with relation to facts of so serious a nature as I shall demonstrate in a few minutes.

I yield now to the Senator from Oregon.

Mr. MORSE. Mr. President, I think I agree with everything the Senator has just said in regard to the responsibilities of Members of this body. I would make the further comment that I think the standard instructions to a jury in regard to the credibility of a witness once he has been found to be false in his testimony, is a very proper safeguard that ought to be used in surrounding a jury to save it from making serious mistakes of inference when they come to forming judgment. But certainly Members of the United States Senate ought to recognize that the finding of a man to be false in one part of his testimony does not create a conclusive presumption that everything else he submits in the case is necessarily false.

Mr. DONNELL. May I interrupt the Senator to add to that certain conduct of the man under investigation, Commodore Vardaman, will be established with respect to these affidavits, and, whether the affidavits are true or whether they are false, the conduct of Mr. Vardaman, coupled with the affidavits, regardless of their truth or falsity, regardless of whether De Coster and Reyburn on the witness stand are held to be credible—I say that those facts, coupled together, may be very strongly significant to the Senate as to the qualifications of Commodore Vardaman.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MORSE. I also agree with the Senator in that statement, and I simply return to the point I was making, namely, that I think there is a duty which rests upon us to scrutinize very carefully the record in this case and the testimony of De Coster, because I think it is clear from the record, as I have seen it thus far, that he certainly was not reliable in one part of his testimony. However, that does not justify us, in my judgment, in not scrutinizing very carefully to see whether, when he signed this affidavit, he was not speaking the truth. Because after all we are not trying either Mr. Vardaman or Mr. de Coster. We are endeavoring to ascertain whether or not Mr. Vardaman has the qualifications that meet the tests the Senator from Missouri laid down yesterday in his speech. I might add that in the realm of investigation there is also a pretty good police technique that should be kept in mind, too, and that sometimes it takes a crook to catch a crook.

Mr. MILLIKIN. Mr. President, will the Senator from Missouri yield?

Mr. DONNELL. May I first make one observation, please?

Mr. MILLIKIN. Yes; indeed.

Mr. DONNELL. The Senator from Colorado made reference to perjury. I want to make an observation, which I hope will not cause the Senator to take offense, for it is not intended in that way. At one point in the testimony before the subcommittee certain photostatic copies, of which I have copies—in fact I have the original photostatic copies, being the exhibits—were presented to two witnesses, Mr. de Coster and Mr. Reyburn. When one of them was presented to Mr. Reyburn and he was asked whether or not the name "Sam Reyburn" at the bottom of it was his signature, he declared in substance, "Mr. Chairman, this a direct forgery." Then in a very few minutes, indeed I am not sure but that I might say within a very few seconds, it was suggested by one of the Senators upon the committee that the FBI be brought into the matter in view of this very serious charge. Furthermore, it was suggested that a Treasury Department expert in handwriting be brought in, and he was brought in, and he testified that the paper was not signed by the same person who had signed certain documents bearing the admitted signature of Mr. Reyburn.

Mr. President, a similar situation, though not with the word "forgery" involved, was presented when copy of an affidavit was presented to Mr. de Coster.

Mr. President, although these two men, De Coster and Reyburn, each testified that he had signed a document in the office of Frank Williams, attorney at law, St. Louis, of the firm of Fordyce, White, Mayne, Williams & Hartmann, who represented great interests, as were testified to by Mr. Williams—although these two men, Reyburn and De Coster, as I say, admitted that they did sign papers claiming duress, intimidation, and cajolery in connection with the signature, nevertheless, each of them then, after having admitted it, denied the truthfulness of certain statements contained in these documents—the photostatic documents to which I refer.

The evidence will show, Mr. President, and I shall come to it—I am anticipating it slightly—that clearly these photostatic copies of two affidavits of the five or six which are in evidence, the two which were prepared in the office of Mr. Williams, were copies of conformed copies which a stenographer in the office, Martha Harris, had, as every lawyer realizes is the custom in many offices, conformed by writing the words "Sam Reyburn" and "Signed" in her own handwriting and also the word "seal" of the notary and the word "signed" in connection with her own name. So that instead of forgery, I think the evidence shows that there was nothing whatever wrong with respect to these two documents.

The point I am now leading up to is this: Later on in the testimony, during the course of the proceedings, the word "perjury," to which the Senator from Colorado has referred this afternoon, was mentioned by the Senator from Colorado in a most impressive way before the one witness, Mr. Bittner, who had made a statement which the Senator regarded as improbable—and it may have been improbable—upon what I regard to be an immaterial matter, so far as it relates to the qualifications of Mr. Vardaman. Then the distinguished Senator from Colorado read with great impressiveness,

as he always speaks and reads, the statute of the United States of America relating to perjury committed by individuals who appear before Senate or other congressional committees.

I desire to point out to the Senate, and I want it in the RECORD so that he who reads may run, that the persons who by their own statements had signed affidavits and then repudiated their contents, were not admonished by the Senator from Colorado or any other member of the committee with respect to perjury. I undertake to say, Mr. President, that by the very admonition to Mr. Bittner upon the solemn subject of perjury and by the very dramatic methods used in connection with the charge of forgery, the suggestion of calling FBI agents and Treasury representatives, coupled in the press of that evening with the great scareheads across the top, "Vardaman affidavit shown to be forgery," and in the newspapers of Washington the next morning with the scareheads, "Affidavits held to be forgery," a gross and improper impression may readily have been created in the minds of the Members of the Senate which is not justified by the testimony in this case.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I am glad to yield to the Senator from Colorado.

Mr. MILLIKIN. First, as to whether the witnesses, De Coster and Reyburn, should have been admonished by me in the same way that Bittner was admonished. I did not admonish Reyburn and De Coster because I was thoroughly convinced, as were the other members of the subcommittee, that De Coster and Reyburn were telling the truth when they were before the subcommittee. Bittner was admonished. It was hardly admonition, but his testimony, in the opinion of the subcommittee, of members who heard it, was so reckless and conflicting—and I am making an understatement—that the committee felt and I felt that perhaps he should be advised that having been subpenaed and having come under subpena he did not enjoy full immunity in many particulars. Mr. Bittner thanked me for giving him the admonition.

The relevancy of what the Senator has said about De Coster breaks down on this point: His foundational witness, Bittner, swore that a signature which was not the signature of Reyburn was Reyburn's signature, and that became the foundation for the examination of the phony signature.

Mr. DONNELL. May I ask the Senator a question?

Mr. MILLIKIN. Certainly.

Mr. DONNELL. Does the Senator mean to tell the Senate that the signatures upon these two documents, or photostatic copies of documents, namely, exhibits E and F, which papers were testified to by Mr. Williams as having been drawn in his office—does the Senator mean to tell the Senate that those names, "Sam Reyburn" and "Paul de Coster," written there by the handwriting of Martha Harris, were phony signatures?

Mr. MILLIKIN. I say that those signatures were not original signatures, and Bittner swore that they were.

Mr. DONNELL. That was not the question which I asked the Senator.

Mr. MILLIKIN. Does the Senator say that I am correct in that statement?

Mr. DONNELL. The Senator is perfectly correct, that those names were not written by Reyburn and De Coster; but I deny with all the power within me that the names upon exhibits E and F were phony, dishonest, or, in any sense, corrupt, or untrue.

Mr. MILLIKIN. It was perfectly apparent to me from the time those so-called affidavits came before the committee that there were gross irregularities in them; and prior to the time the Senator is referring to I repeatedly questioned the witnesses, intending to suggest to them that they go a little slow with their testimony. But despite that fact, Bittner got on the stand and swore that an obviously copied signature, which was not an original, was, in fact, an original. He having said that, it became perfectly relevant to show that they were not original signatures.

Mr. DONNELL. Does the Senator mean to say to the Senate that in his opinion the names "Sam Reyburn" and "Paul de Coster" at the conclusion of exhibits E and F are forgeries of those names? Does the Senator say that for an instant?

Mr. MILLIKIN. I say that they are not original signatures.

Mr. DONNELL. That was not the question. It is not claimed by me that they are. I do not think they are.

Mr. MILLIKIN. The Senator put Bittner on the stand, and Bittner said that they were originals.

Mr. DONNELL. Bittner was mistaken about it, and explained the situation.

Mr. MILLIKIN. He certainly was mistaken.

Mr. DONNELL. But Mr. Williams explained the situation fully and completely when he came here from St. Louis to testify before the committee.

Mr. MILLIKIN. The end point is this: The Senator has complained about the suggestions of forgery and of perjury. Bittner, the Senator's foundational witness to the testimony of De Coster and Reyburn, stated that a signature was Reyburn's signature which was not Reyburn's signature.

Mr. DONNELL. Mr. President, I think the facts are sufficiently before the Senate. I shall demonstrate in a few minutes, by the clear, convincing, and unqualified testimony of a man who is a member of the character committee appointed by the Supreme Court of Missouri, whose firm represents railroads and insurance companies, and is one of the most outstanding law firms in St. Louis, that these two documents, exhibits E and F, are nothing more nor less, in his judgment, than conformed copies of the documents which Mr. de Coster and Mr. Reyburn admitted that they signed in the office of Frank E. Williams, an attorney at law.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Will the Senator at the same time show that Bittner said that those conformed signatures were originals?

Mr. DONNELL. I admit that at this time; and I state further, Mr. President, that Mr. Bittner was mistaken in his testimony in that respect.

I furthermore state that he explained to the Senate subcommittee, when the matter was called to his attention, that he was mistaken. He told the subcommittee that he thought that the documents, exhibits E and F, were photostatic copies of original signed documents. Clearly they were not.

Mr. MILLIKIN. He did not explain it, however, until he was cross-examined on it, and until the witnesses showed that they were not original signatures.

Mr. DONNELL. As a matter of fact, Mr. President, Mr. Bittner was not aware of his own mistake, in my judgment, until those two witnesses testified to the effect that they were not their signatures, respectively. Then he did explain it. I venture to say that neither the distinguished Senator from Colorado, the distinguished Senator from Arizona [Mr. MCFARLAND], who sits before me, nor the chairman of the subcommittee, the Senator from Maryland [Mr. RADCLIFFE], all of whom are present, will undertake for 1 minute to tell the Senate that the signatures to exhibits E and F were forgeries. The testimony of the expert from the Treasury Department was that there was no evidence of simulation or desire or intent to copy anyone's signature.

Mr. MILLIKIN. That is exactly what was so discrediting in the testimony of Bittner, the Senator's witness.

Mr. DONNELL. I think the facts are clear before the Senate, and they will be made more clear as I proceed.

Referring to the letter of March 12, 1941, from Mr. de Coster to Mr. Vardaman, I recall to the minds of Senators the fact that this letter states, after referring to the balance sheet to which reference is made therein:

> The raw material and supplies inventory as shown in the balance sheet is estimated—

Mr. President, before I go further I wish to make a comment on that. Here was a company in dire financial condition. Here was a company as to which Mr. Vardaman himself testified in his statement that—

> Shortly after joining the company—

As Senators will recall, that was in 1939—

> it was found that its condition was so much worse than anticipated, and its affairs and those of its presidents had become so involved, that the president voluntarily withdrew.

Here was a company as to the precarious financial condition of which I shall have something more to say in a few minutes, from Mr. Vardaman's testimony. Here was a company which was dealing with suppliers of merchandise, who were insisting from time to time—certainly at a later date, and possibly at that time—that the company bring itself up to a 30-day basis. Yet when the balance sheet for the quarter ended February 28, 1941, was to be issued, there was a

telephone conversation, according to this letter, between Mr. de Coster and Mr. Vardaman, pursuant to which the figures to be used in the balance sheet were not the actual inventory—no physical inventory was to be taken—but were estimated on the basis used on December 31, 1940, and January 31, 1941.

In this connection, Mr. President, I hold in my hand exhibit A, which Mr. de Coster testified is not only signed by him but is in his own handwriting. Paul de Coster was the comptroller of the company.

Exhibit A is dated January 29, 1942. Mr. de Coster makes an affidavit with respect to this letter, and undertakes to describe in it what was the occasion for, and the contents of the telephone conversation between him and Mr. Vardaman. The affidavit was signed and sworn to, by the way, before John C. Kappel, notary public, whose term expired April 26, 1944. The affidavit reads as follows:

JANUARY 29, 1942.

I, Paul de Coster, state under oath that on March 12, 1941—

That, by the way, was the date of the photostatic copy of the letter from which I read. As I have stated, this is in his own handwriting—

state under oath that on March 12, 1941, I forwarded to the attention of J. K. Vardaman, Jr., the financial statements of the company as of February 28, 1940—

Then it is difficult to tell whether it is 1941 or what it is. There is a line drawn. I take it obviously to mean 1941.

And in a letter forwarded therewith stated—

I shall read this, and it is exactly the language which I read from the letter—

"The raw material and supplies inventory as shown in the balance sheet is estimated on the basis used in December 31, 1940, and January 31, 1941, in accordance with our phone conversation of yesterday."

The reason for calling attention to the fact that the inventory was on as estimated basis arose by reason of the fact that I had informed Mr. Vardaman over the phone that if the physical inventory was used, the company would show a substantial loss, and he in turn instructed me to use an estimated inventory figure.

PAUL DE COSTER.

JANUARY 29, 1942.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. What was the testimony under oath of Commodore Vardaman as to the telephone conversation?

Mr. DONNELL. The testimony of Commodore Vardaman was that he did not recall such a conversation.

Mr. MILLIKIN. He said there was no such conversation; did he?

Mr. DONNELL. Let us see just what was the testimony of Commodore Vardaman which is called for by the Senator from Colorado.

I read to Mr. de Coster the language to which I have referred, namely—

The raw material and supplies inventory as shown in the balance sheet is estimated on the basis used in December 31, 1940, and January 31, 1941, in accordance with our phone conversation of yesterday.

Then the following questions and answers occurred—

Do you remember the telephone conversation to which Mr. de Coster refers there?

Commodore VARDAMAN. No, I don't.

Senator DONNELL. Now, to refresh your memory I shall ask you to state whether or not that was a conversation in which Mr. de Coster informed you over the telephone that if the physical inventory was used, the company would show a substantial loss, and that you in turn instructed him to use an estimated inventory figure?

Commodore VARDAMAN. Mr. de Coster never gave me such information and I never issued any such instructions to him.

Senator DONNELL. I was reading from exhibit G. Commodore, which has been presented here.

Commodore VARDAMAN. I remember no such exchange, if it took place between Mr. de Coster and me.

Senator DONNELL. Do you remember whether you received this letter of March 12, 1941?

Commodore VARDAMAN. No, I don't.

Senator DONNELL. Do you remember of ever receiving a statement from him to the effect that the raw material and supplies inventory that had been shown in the balance sheet was an estimated one?

Commodore VARDAMAN. Not for that particular month, other than any other month. There was a constant discussion between Mr. de Coster, the auditors, and the officials of the company on the various phases of inventory taken, but nothing like this specifically do I recall.

Senator DONNELL. Would you say that you did not receive that letter of March 12, 1941?

Commodore VARDAMAN. Certainly not.

Senator DONNELL. Would you say you ever made any answer to it if you did receive it?

Commodore VARDAMAN. No; I have no recollection of it, Senator, at all.

Senator DONNELL. You have no recollection of a telephone conversation on that general subject?

Commodore VARDAMAN. No; I have not.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. The Senator has developed two matters: One, a letter; and, the other, a supplemental telephone conversation. The testimony which the Senator has read, I respectfully suggest, contains not the slightest admission by Commodore Vardaman that that conversation was true. At one place he was quite unequivocal about it.

What did De Coster say about that telephone conversation?

Mr. DONNELL. Does the Senator from Colorado desire me to answer that question?

Mr. MILLIKIN. Yes.

Mr. DONNELL. Mr. de Coster denied, on the stand, before the subcommittee, that Mr. Vardaman had told him over the telephone that if the physical inventory were used, the company would show a substantial loss; and he denied that Mr. Vardaman had, in turn, instructed him to use an estimated inventory figure.

Mr. MILLIKIN. Mr. President, will the Senator further yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. So Commodore Vardaman denied it and Mr. de Coster denied it. What is the Senator's basis for reaffirming it here?

Mr. DONNELL. Mr. President, Mr. de Coster swore to it on January 29, 1942, and admitted before the subcommittee that he swore to it and that he wrote the words in his own handwriting. He testified, as I recall—although I am not certain of this without reference to the transcript—that the contents of it were suggested to him by Mr. Bittner, I believe. But, the fact remains that he admitted writing it in longhand in his own handwriting, and that he swore to it on January 29, 1942, 4 years ago.

Mr. MILLIKIN. Mr. President, will the Senator further yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Does the Senator recall any questioning of Mr. de Coster which indicated that he did not actually swear to it or that he could not remember whether he swore to it? I am speaking of the affidavit which the Senator holds in his hand.

Mr. DONNELL. Mr. President, my recollection is that Mr. de Coster either stated that he did not swear to it or that he did not remember swearing to it. I call attention to the fact that at the bottom of this document appear the words:

Subscribed and sworn to before me this 29th of January 1942.

JOHN C. KAPPEL,
Notary Public.

My term expires April 26, 1944.

Mr. MILLIKIN. Mr. President, will the Senator further yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Is there the impression of a seal on that paper?

Mr. DONNELL. I see no impression of a seal. However, this is a photostatic copy. I am not certain whether photostatic copies will take the impression of a seal, unless dusted over with lead. I am not sure of that. I am not making a statement about it with any certainty; I merely say that this photostatic copy does not contain the impression of a seal, but it does contain the signature of John C. Kappel, who was the attorney for the company and who was a notary public.

Mr. MILLIKIN. Mr. President, will the Senator further yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Does it come to this, so far as the testimony before the subcommittee is concerned? Commodore Vardaman denied having made the statement. Mr. de Coster said he had falsified when he said that Vardaman had made it. The Senator now wants the Senate to believe the discredited affidavit of De Coster—by what theory, I have not the slightest notion, unless he wishes to breathe his own honesty into something which is confessedly dishonest.

Mr. DONNELL. Mr. President, in view of the suggestion which has been made by the distinguished Senator from Colorado, I desire to anticipate slightly a portion of the testimony to which reference will later be made.

It will be discovered from further affidavits that Mr. de Coster and Mr. Reyburn, as testified by Mr. Williams, made affidavits of a highly important character in this case which involved certain directions given by Mr. Vardaman to Mr. Rey-

burn and to Mr. de Coster. To my mind, the evidence will clearly show that Mr. Reyburn and Mr. de Coster had very good reason, from the standpoint of themselves alone, discrediting considerations of truthfulness, to go on the witness stand and deny the truth of what they had respectively sworn to four or more years previously.

Mr. MILLIKIN. Mr. President, will the Senator develop those matters of interest which caused them to change their testimony?

Mr. DONNELL. I shall endeavor to bring out as fully as I can the entire situation, and I am sure that the Senator from Colorado will provide the facts if I overlook them.

Mr. MILLIKIN. Is the Senator affirming now that there is something in this record which shows an improper interest in those witnesses which would cause them to change their testimony?

Mr. DONNELL. I undertake to say, Mr. President, that the evidence will clearly indicate that it was to the personal interest of those men, from the standpoint of their reputations, if for no other, to deny that they participated in corruptly tampering with an inventory, and for Mr. de Coster to deny that he participated in the use of an estimated inventory, in order to show not a substantial loss, but, on the contrary, the real condition of the company as it existed.

Mr. MILLIKIN. De Coster and Reyburn were both before the Senator as witnesses.

Mr. DONNELL. They were.

Mr. MILLIKIN. Does the Senator contend that during his examination he developed the kind of interest to which he has referred?

Mr. DONNELL. I believe, Mr. President, that the facts speak very clearly for themselves, and show that the situation to which I have referred existed. Does the Senator desire further information?

Mr. MILLIKIN. No; I am awaiting the demonstration.

Mr. DONNELL. I shall make the demonstration in due time.

Mr. President, as indicating the general attitude of Commodore Vardaman toward the persons who were dealing with this company over a period of years, and who ultimately lost a very large amount of money by reason of the fact that they dealt with the company during that time, or at least a part thereof, I invite the attention of the Senate to the fact that Mr. Vardaman, as president of the company for a considerable portion of the period, and as treasurer of the company during an earlier portion of the period, was operating the company largely with money of creditors while the company was skirting insolvency, and even after the company had been demonstrated by Ernst & Ernst, the company's auditors, to have become insolvent.

Mr. President, yesterday the question was raised as to whether any creditor had been fooled by anything that had been done. I do not know what evidence is necessary to show that anybody was fooled, but when creditors of a company lose two-thirds of an amount in excess of $116,000, it appears to me that they have been injured by the dealings which they had with the company.

Mr. MILLIKIN. Mr. President, will the Senator also develop the fact that the creditors were thoroughly aware of the financial condition of the company?

Mr. DONNELL. If the Senator can tell me to what particular portion of the testimony he refers, I shall be glad to quote it.

Mr. MILLIKIN. As I recall the testimony, Commodore Vardaman made the statement, which the Senator did not challenge in any way, that the creditors were thoroughly aware of the financial condition of the company. I believe there was some testimony to the effect that one creditor had checkers in the company. Is that not correct?

Mr. DONNELL. I do not recall.

Mr. MILLIKIN. Will the Senator also develop that the witness Bittner received property from creditors when he, Bittner, had those so-called affidavits in his pocket, which showed that there had been a padding of the inventory, and all sorts of other irregularities?

Mr. DONNELL. The Senator from Missouri will show that, Mr. President, and he will also show that the president of the company, at the time of the transaction which was conducted by Mr. Bittner, was Commodore Vardaman. As shown yesterday, Mr. Vardaman was thoroughly acquainted with the condition of the company during this entire period of time. The Senator from Missouri will also show, Mr. President, that a resolution was adopted by the board of directors itself, at a time prior to the bankruptcy, directing in substance the officers of the company to continue to operate the business, and that, in the opinion of the board, of which Mr. Vardaman was a member, no injurious effects would be experienced by any creditor through the continued operation of the company.

The Senator from Missouri will further show that Mr. Bittner is not the man whose conduct is under consideration of the Senate except in so far as it may refer to his credibility as a witness. We are considering whether or not Commodore Vardaman, not Mr. Bittner, is qualified to serve on the Board of Governors of the Federal Reserve System of the United States.

Mr. MILLIKIN. Mr. President, did not the Senator from Missouri develop yesterday the fact that Commodore Vardaman himself asked for an examination of the affairs of the company by Ernst & Ernst, a national auditing concern of high repute?

Mr. DONNELL. The Senator from Missouri developed yesterday that Commodore Vardaman made such request after Ernst & Ernst had brought to his attention and that of the comptroller of the company the fact that there had been tampering with the inventory of the company.

Mr. MILLIKIN. Mr. President, does the Senator make out of that situation a suspicious circumstance?

Mr. DONNELL. The Senator from Missouri makes this circumstance: It was not until after tampering had been disclosed by Ernst & Ernst that Mr. Vardaman raised his voice in connection with it. The Senator will further show not only an interest on the part of Mr. Vardaman, but circumstances indicating at least to my mind, that the Senate may logically draw clearly the inference that Mr. Vardaman did know something, and had a very intimate knowledge, if I may say so, of the tampering with the inventory.

Mr. MILLIKIN. Will the Senator eliminate the story of Bittner and the so-called affidavits which have been discredited, and, after such elimination, point to one circumstance which indicates that Commodore Vardaman knew anything about those tamperings prior to the time which the Senator has mentioned?

Mr. DONNELL. Mr. President, the Senator from Missouri will not eliminate any portion of this testimony. It all has a direct bearing upon the case. The Senator from Missouri will show the fact to be that Commodore Vardaman, according to the testimony of Mr. Williams, desired that the affidavits which had been made in the office of Fordyce, White, Mayne, Williams, and Hartman, be destroyed, and that the commodore himself applied the match to the affidavits for their destruction.

Mr. MILLIKIN. Was that after or before the time when Commodore Vardaman demanded that a survey be made of the affairs of the company?

Mr. DONNELL. It was at the time of a settlement of a claim which had been brought by Mr. Bittner against Commodore Vardaman for alleged misrepresentation in the sale of certain stock of the Vardaman Shoe Co. to Mr. Bittner by Mr. Vardaman on the 16th day of January 1942—less than 30 days before the company went into bankruptcy.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Then, the last suggestion about this business deal, to which the Senator has been adverting, refers to a period after the time when Commodore Vardaman ordered a complete inventory. Is that correct?

Mr. DONNELL. The transaction, Mr. President, by which the sale of stock occurred was on the 16th day of January, 1942.

Mr. MILLIKIN. Was not the request of Commodore Vardaman that there be a full examination of the company by Ernst & Ernst made before the end of January?

Mr. DONNELL. I think so. I do not recall the exact date. I shall be glad, in the course of the argument, to examine the minute. I cannot remember all the dates exactly, but I have the minutes here, and I shall be glad to answer fully, as rapidly as I can find the particular reference to the point to which the Senator alludes.

Mr. MILLIKIN. I suggest, then, that tentatively, at least, the Senator should withdraw the implication that the settlement showed a guilty knowledge of padding which as a matter of fact had already been brought to Commodore

Vardaman's attention and which he had ordered cleared up by an audit.

Mr. DONNELL. I undertake to say that the settlement to which reference was made did not occur until March 1942.

Mr. MILLIKIN. Then, that was 2 months after Commodore Vardaman had ordered a full survey of the business, after having been informed of the tampering.

Mr. DONNELL. Something to that effect, Mr. President. There will be a check on the exact dates from the minutes and from the testimony, which I shall be very glad to make.

The point I make, Mr. President, is that the Senator has asked if I would eliminate these affidavits from consideration in this case, and would then undertake to say whether or not there is any evidence of any knowledge by Commodore Vardaman in advance of the tampering with the inventory.

Mr. President, I will not eliminate one sentence from this testimony, and I undertake to say that the fact that Commodore Vardaman, as testified to by Mr. Williams, desired the affidavits destroyed, and applied a match to them in the shower bathroom of the law firm to which I have referred, at Broadway and Olive Streets, St. Louis, Mo., entitles the Senate to draw the inference that for some reason Mr. Vardaman desired the contents of those affidavits destroyed.

I wish to say, in fairness to Commodore Vardaman, that I think it is true that possibly he may have desired to have them destroyed even if the affidavits were untrue. I wish to say further that the testimony as to his conduct, the testimony as to the fact that Mr. Bittner had made a claim against him arising out of fraud, as he claims, in the sale of certain stock by Mr. Vardaman, who was acquainted with the conditions of the company, and sold Mr. Bittner the stock on January 16, less than 30 days before the bankruptcy—these and other circumstances, to my mind, justify the Senate in drawing the inference that Mr. Vardaman had very clear knowledge of why it was the inventory had been tampered with. I undertake to say further that the evidence will demonstrate clearly the reason why it was to the interest of Commodore Vardaman that the inventory should show greater assets of the company than in fact existed.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I desire very respectfully to suggest to the Senator that he has more or less completely characterized the weakness of his case in that he will not eliminate from it the affidavits and statements which those who made them have sworn were false.

Mr. DONNELL. Mr. President, when this interrogation began I was about to speak with respect to the conduct of Commodore Vardaman in the operation of this company on the money of creditors of the company when it was near to and even after it had entered into an insolvent condition.

I call attention to the fact that Mr. Gentry, the trustee in bankruptcy of the company, testified before the committee, referring, by the way, to a conference which took place on the afternoon of the day on which the bankruptcy petition was filed in the Federal court in St. Louis. The conference occurred in Mr. Gentry's office. I read:

Senator DONNELL. What if any conversation transpired in which Commodore Vardaman participated to the best of your recollection?

Mr. GENTRY. Well, there were a good many things talked over. I could not recall all that was said. One subject was that Mr. Bittner—Mr. Frank O. Bittner was mentioned in connection with the shoe company. He was executive vice president, and he remarked—

That is to say, I judge, that Mr. Vardaman remarked—

He remarked that Bittner was of German descent, and that he liked to talk.

In that connection, Mr. President, I recall to the Senate the fact that in a statement prepared by Commodore Vardaman and submitted to the committee, when he referred to the Tower Grove Bank & Trust Co., he said that the situation which he described made impossible any continued happy association. The commodore refers there to the fact that—

The bank was what is known as a German bank being located in South St. Louis, where a large percentage of the population is German, and most of the bank's customers, as well as most of the directors, were of pronounced German descent and sympathy.

In fairness to the commodore, I should again call attention to the fact, as I did yesterday, that he follows this in his testimony by an interpolation of the fact that he was not intending in any sense to imply any lack of loyalty on the part of those connected with the bank, that these incidents took place prior to our participation in the war.

I pointed out to the Senate the fact that in his description of the bank the commodore emphasized the German sympathy of the bank and that the population of the locality was largely German. So when he engaged in this conversation with Mr. Gentry he again referred to the "German descent." He referred to Mr. Bittner, who is the executive vice president, and he remarked that Bittner was of German descent and that he liked to talk.

Mr. President, I mention this German angle because I think the fact that the commodore in his statement from which I have read, the mimeographed statement, refers to the German matter tends very strongly to corroborate the testimony of Mr. Gentry as to what transpired in the conversation between him and Mr. Vardaman on the day the bankruptcy ensued.

After the sentence which I have read, Mr. Gentry proceeded:

He did talk pretty loud and very well. I remember this remark being made by Mr. Bittner.

Senator DONNELL. Do you mean Mr. Vardaman?

Mr. GENTRY. Yes, Commodore Vardaman, as he is now. I am not sure whether it was before or after Mr. Price had been called in.

I interpolate, Mr. President, that Mr. Price was an auditor who was called in by the Federal court to audit the affairs of the company, and who incidentally testified in this case.

Then Mr. Gentry proceeded with this statement, to which I am leading up:

Someone asked the question of the solvency or insolvency of the Vardaman Shoe Co. and referring to it Mr. Vardaman said, "The company has been broke." He mentioned the length of time and he mentioned 2 or 3 years. I cannot remember which period he mentioned.

Senator McFARLAND. Did he say that?

Mr. GENTRY. Commodore Vardaman.

That appears on page 113. On page 118 Senator McFARLAND addressed a question to Mr. Gentry, as follows:

You say Commodore Vardaman said the company had been broke?

Mr. GENTRY. Yes.

Senator McFARLAND. We use the terms in various ways. Lots of times you can say "I am broke." You might have assets but no cash.

Mr. GENTRY. When I say "I am broke," I am broke.

Senator McFARLAND. Did you ever find yourself in a position where you had a lot of assets but could not convert them into cash?

Mr. GENTRY. Of course; yes.

Senator McFARLAND. And if he was using the word in that way it would be just along the lines of his testimony this morning?

Mr. GENTRY. I did not so understand it.

Senator McFARLAND. He said they had no cash; they were operating without money to operate on.

Mr. GENTRY. I think they were broke every way, from what I found out.

Senator McFARLAND. I understand your conclusion, but if he was using it in terms that he—no operating cash, did not have any money—it would be right in line with his testimony.

Mr. GENTRY. If he was using it in that sense he did not so explain it to me. I got the impression it was an insolvent company, according to his judgment.

Senator McFARLAND. For how long.

Mr. GENTRY. Two or three years.

Mr. President, in the minutes of the shoe company, of January 31, 1941, Mr. Vardaman is reported as follows, at the bottom of page 89 and top of page 90:

Mr. Vardaman stated that he may be able to delay payments on accounts payable for a sufficient period to continue operations during the present season but that it was possible that the creditors may insist on immediate payment and in that event in order to continue sufficient money must be available as he has informed—

And perhaps this is what the Senator from Colorado had in mind—

As he has informed the creditors of conditions from time to time and he expects to continue to be fair with them.

This was on January 31, 1941.

Mr. President, on page 913 of the hearings appears the following—this is the questioning of Mr. Vardaman at this point by myself—

Senator DONNELL. Now, do you know of any time during the period that you were with the Collins-Morris Shoe Co. or the Vardaman Shoe Co.—it was the same company?

Commodore VARDAMAN. That is right.

Senator DONNELL. Do you know of any time at which the company was solvent by more than $50,000?

Commodore VARDAMAN. No; I don't believe I do.

Senator DONNELL. Do you know of any time during the period in which you were asso-

ciated with the company in which it was solvent by more than $35,000?

Commodore VARDAMAN. Senator, I would not estimate—I don't care to make those estimates at this late date.

Then the Senator from Arizona [Mr. MCFARLAND] questioned Mr. Vardaman along the line that talking about solvency in a certain amount is more or less of an opinion.

At page 908 of the hearings the following occurred:

Senator DONNELL. Now, Commodore, this company had been in a very precarious condition for a long time, hadn't it?

Commodore VARDAMAN. Apparently ever since it was organized, yes; and certainly ever since the failure of the Hamilton Brown Shoe Co.

Senator DONNELL. That took place when?

Commodore VARDAMAN. What would that be—April 1939? Somewhere along in there.

Senator DONNELL. I just don't know.

Commodore VARDAMAN. About in there; 1939.

Senator DONNELL. From your statement which you read, you said in the spring of 1939.

Commodore VARDAMAN. That is right; the spring of 1939.

Senator DONNELL. So that from that time the Collins-Morris Shoe Co. had been in a very precarious condition?

Commodore VARDAMAN. That is right.

Senator DONNELL. Did it ever materially improve between then—

Mr. President, that was the spring of 1939—

Did it ever materially improve between then and the time it went into bankruptcy?

Commodore VARDAMAN. Materially?

Senator DONNELL. Yes.

Commodore VARDAMAN. I would say "No."

Senator DONNELL. So that you knew all during that period, did you not, Commodore Vardaman, that the company was in precarious condition, substantially as precarious as when you started in with it?

Commodore VARDAMAN. Everybody knew that. The creditors, the board, the auditors, and everybody concerned. It was rather public knowledge that it was a salvage work-out proposition.

At page 14 of the hearings, Mr. Vardaman testified:

In December 1941 or January 1942 the auditors for the company advised me that the audit as of November 30, 1941, would show that the company was insolvent, and, further, that there had been some tampering with the inventory records after they had been prepared by the auditors, in an apparent attempt to show larger amounts of inventory than actually existed.

Mr. President, it will be observed that in this testimony, which is a copy taken from the mimeographed statement which had been prepared in advance, the Commodore states that in December 1941 or January 1942, the auditors for the company, that is Ernst & Ernst, advised him that the audit as of November 30, 1941, would show that the company was insolvent. I call attention to the fact that when the Commodore prepared his statement for the committee, and when he testified initially before the committee, he was not certain which month it was, December 1941, or January 1942, when the auditors advised him that the audit as of November 30, 1941, would show that the company was insolvent.

Later in his testimony—as I remember it, when he was recalled some days after his initial testimony; perhaps, however, it may have been in his initial testimony also—he stated in substance that he had been refreshed in his memory by the testimony which had been adduced, and that the information that the auditors passed to him was given to him in January 1942.

Mr. President, take the statement as he has finally made it. Even if Mr. Vardaman was not told until the end of January concerning the insolvency, yet it is to be noted that, according to exhibit 5 in this case, 21 creditors sold merchandise to the company in February 1942, which was after the latest date which Mr. Vardaman declares was that on which he learned from the auditors of the insolvency of the company.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. In a moment, if I may proceed, please.

I also call attention to the fact that among the 21 creditors who sold merchandise to the company in February, after Mr. Vardaman, by his own finally revised testimony had obtained the information from the auditors, the American Hide & Leather Co. shipped on February 10 and 11, 1942, two certain shipments aggregating $3,603.24, the latest of which shipments was made only 2 days before the bankruptcy ensued.

I call attention, Mr. President, to the fact that large numbers of items set forth in a list aggregating $116,925.21 of trade creditors' claims in excess of $1,000, covering purchases dated subsequent to February 20, 1941, bear dates in January and February 1942.

I now yield to the Senator from Colorado.

Mr. MILLIKIN. Does not the Senator recall that Mr. Bittner testified at length and displayed some shock at the fact that goods were ordered from creditors when, according to his, Bittner's information, the company was insolvent, and does not the Senator remember the colloquy which occurred between Mr. Bittner and myself as to the moral responsibility of Bittner in receiving goods when he was active in the company, and while believing it to be insolvent?

Mr. DONNELL. I recall that very well, Mr. President.

Mr. MILLIKIN. When within his own knowledge the company was insolvent?

Mr. DONNELL. I recall that colloquy between the distinguished Senator and Mr. Bittner very well indeed.

In that connection I distinctly recall that at page 166 of the minutes of the company of Friday January 30, 1942, next to the last day of January, when Mr. Vardaman reported on his visit to the office of Ernst & Ernst, and the padding of the inventory, appears the following language:

Mr. Vardaman further stated to the board that in his opinion the continued operation of the company's business pending a more complete investigation and the completion of the audit would not affect the rights of any creditors, and that he recommended that no further action be taken until said audit is completed and analyzed.

I recall further, Mr. President, that there was a resolution adopted in response to an inquiry by Mr. Cook, appearing at page 169 of the minutes of the meeting of January 30, the inquiry reading:

Will the rights of stockholders and creditors be jeopardized until the completion of the investigation?

After a full discussion of the subject, the following resolution was unanimously adopted by the directors present:

Be it resolved, That on the basis of the report made by the president—

That is, Mr. Vardaman—

and the company's attorney, it is the opinion of this board that the rights of creditors and stockholders will not be prejudiced by a continuation of the business until a complete and thorough investigation of the matter has been made.

There are further resolutions, and then this one:

It is further resolved, that if the president or executive vice president, prior to said adjourned date—

That is to say, February 12, 1942—

discovers any evidence from such investigation which in his judgment would jeopardize the interest of creditors or stockholders, he shall immediately call a meeting of the directors.

I call attention to the fact that between January 30, the date of this meeting, and February 12, the day on which it was resolved to go into bankruptcy, no such special meeting of the board of directors is recited in the minutes of the company to have occurred.

So, Mr. President, I submit that from the earliest time at which Mr. Vardaman was associated with this company it is clear that he knew the precarious financial condition of the company; that the company, relying upon his experience and his ability, to which reference had been made when he was engaged, continued to receive credit extended by numerous creditors; and the evidence conclusively shows that after the utmost limit of time to which Mr. Vardaman testified his failure to know about the tampering and insolvency had extended, and after Mr. Vardaman, by his own admissions, knew of what the auditors had passed on to him—the testimony being that they told him, and Mr. Vardaman's statement being to the effect that they had told him that the audit of November 30, 1941, showed insolvency—after that date, when Mr. Vardaman himself admits that he knew of the insolvency of the company, 21 creditors were permitted to sell merchandise to the company, one of those creditors selling it within 2 days before the bankruptcy ensued. I think, Mr. President, that the facts to which I have referred should be considered by the Senate in determining something as to the attitude of Mr. Vardaman with respect to the persons with whom he deals.

I come now to the matter of the tampering with the inventory. This was the inventory of November 30, 1941. It will be recalled that Mr. Vardaman does not

contend that there was no such tampering. His prepared statement, and I believe his oral testimony, were exactly as I shall relate. Certainly the mimeographed statement reads as follows:

In December 1941 or January 1942 the auditors for the company advised me that the audit as of November 30, 1941, would show that the company was insolvent, and further, that there had been some tampering with the inventory records after they had been prepared by the auditors, in an apparent attempt to show larger amounts of inventory than actually existed.

Then he proceeded in his statement:

These attempts were crude, and patently made by someone not familiar with auditing methods, and were easily observable under the most casual examination.

So, Mr. President, we find, first, that it is admitted by Mr. Vardaman that there was tampering with the inventory, or, at any rate, that the auditors, Ernst & Ernst, informed him that there had been tampering with the inventory records which were applicable to the audit as of November 30, 1941. It is also admitted by him that this tampering was an apparent attempt—or that the auditors so indicated—to show larger amounts of inventory than actually existed.

Who was responsible for this tampering with the inventory? Frequently it is the experience of lawyers—and I think of laymen—that persons who are charged with offenses of one kind or another do not come forward and admit their complicity. I believe, Mr. President, that when Mr. de Coster and Mr. Reyburn denied before the Senate committee the statements they had made as to their complicity, which statements were made in January 1942 in affidavit form, they were doubtless acting under the urge of what they considered to be self-preservation.

To whose interest was it to show that there was more in the inventory of the company than actually existed? Remember, Mr. President, that under the contract, as Mr. Vardaman had caused it to be rewritten after he joined the company, there was provision for payment to him of a 5-percent bonus upon the earnings of the company. Obviously a company has no earnings if the net result during the period in question is not an earning, but a loss. Obviously, therefore, in order to show the existence of an earning on which a bonus may be paid, it is to the interest of an individual to show that the assets of the company have not been depleted, but that they are larger than they would be if such depletion had occurred.

There was another reason why it was to the interest of Commodore Vardaman to see that the inventory indicated a higher figure than existed. It was to his interest to keep the business going as long as possible so that he could draw his salary, which was to continue at the rate of $500 a month after he should have left in order to attend to his duties with the Navy.

But, Mr. President, there is a further reason, and this reason arises from a transaction which occurred on January 16, 1942, between Mr. Vardaman and Mr. Bittner, who has been mentioned so frequently. Mr. Bittner testified that on the 16th day of January 1942, he had bought from Commodore Vardaman 9,345 shares of stock of the company, and that he had been influenced in the purchase of that stock by a financial statement which I hold in my hand, Bittner's exhibit No. 2, which shows the company to be solvent to the extent of $29,054.67.

Mr. Bittner testified that Commodore Vardaman gave him this financial statement, Bittner's exhibit No. 2. Mr. Bittner purchased this stock. As I recall, he paid $4,000 in cash and gave his note for $5,345, which I believe was used by Mr. Vardaman to take up paper of his own to that amount in a bank.

Mr. MILLIKIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Does the Senator from Missouri yield to the Senator from Colorado?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Was the financial statement to which the Senator refers attested to by anyone, or certified by anyone as being true?

Mr. DONNELL. It was not.

Mr. MILLIKIN. What did Commodore Vardaman say as to that, if I may ask the Senator?

Mr. DONNELL. Commodore Vardaman denied that he had shown this to Mr. Bittner, and I am inclined to think he denied that he had ever seen it. Mr. Bittner testified, however, that Commodore Vardaman gave him the statement and that he was influenced in the purchase of the stock by it.

Mr. President, remember that the transaction took place on the 16th day of January 1942, the day upon which occurred the directors' meeting at the Missouri Athletic Club at which Mr. Vardaman told of having gone to the office of Ernst & Ernst, the company's auditors. My recollection is that Mr. Vardaman testified that the information which he had thus far received from Ernst & Ernst as to the alleged plugging or padding of the inventory referred only to certain minor amounts involving approximately $6,000 or $7,000. Indeed, in the minutes of the company of January 16, Mr. Vardaman is recorded as stating that on December 31, 1941, he was called to the office of Ernst & Ernst, the company's auditors, and that they informed him that they did not believe that the inventory in the Bottoming Room was accurate; that it appeared to them that the quantities had been doubled, and that they were referring those sheets back to the company for rechecking. Mr. Vardaman then reported that he was led to believe that the adjustments in those departments would be somewhere between $5,000 and $7,000.

However, Mr. President, the testimony is that it was learned, the exact date I am not able to state, that as to the items which the auditors had checked—only those items, mind you—the actual discrepancy in the inventory was between $50,000 and $60,000. Mr. Bittner, as I have said, testified that he has purchased from Mr. Vardaman for $9,345, on January 16, 1945, 9,345 shares of stock of the Vardaman Shoe Co. Then the testimony is that Mr. Bittner shortly thereafter made claim on Mr. Vardaman that he, Bittner, had been defrauded in the transaction; and Mr. Bittner engaged a lawyer, Mr. Frank Williams, of the law firm to which I have referred, to represent his interest. The testimony shows, at page 818, that Mr. Williams testified that he showed to Mr. Vardaman the affidavits to which I shall refer in a moment.

At this time I desire to present photostatic copies of the affidavits to which reference has been made. According to the testimony, two of them were drawn in the office of Fordyce, White, Mayne, Williams & Hartmann. However, before presenting the affidavits, I desire to refer to photostatic copies of certain other affidavits which were submitted to the subcommittee. One of them is exhibit B. All of it, except certain preliminary parts, was admitted by Mr. de Coster to have been written in his own handwriting. I read this affidavit to the Senate:

JANUARY 27, 1942.

I, Paul de Coster, of lawful age, being duly sworn, on my oath depose and say:

That I am the comptroller of the Vardaman Shoe Co., and that on December 31, 1941, at the office of Ernst & Ernst, the auditors of the company, sundry discrepancies and errors were brought to the attention of J. K. Vardaman, Jr., the company's president, and discussed, such errors and discrepancies having been discovered in the inventory.

I further state that prior to and subsequent to the above-mentioned meeting at the office of Ernst & Ernst, ways and means were discussed between J. K. Vardaman, Jr., and myself, in his office in the Naval Intelligence Department, to substantiate the inventory.

On this date Mr. Vardaman was well aware of the financial condition of the company and the exact status of the inventory.

PAUL DE COSTER.

Subscribed and sworn to before me this 27th day of January, 1942.

JOHN C. KAPPEL,
Notary Public.

My term expires April 26, 1944.

I also present to the Senate—and it was presented to the subcommittee—exhibit C, the affidavit of Sam Reyburn, who, as the evidence shows, was at the Owensville plant, of which he was the superintendent. The affidavit reads as follows:

JANUARY 27, 1942.

I, Sam Reyburn, of lawful age, being duly sworn, on my oath depose and state:

That I am the superintendent in charge of the factory of the Vardaman Shoe Co. at Owensville, Mo., and that at the request of James K. Vardaman, Jr., the company's president, I supervised the taking of an inventory of all personal property of the company at said plant on November 29 and 30, 1941. That I sent said inventory sheets to the office at St. Louis.

I talked to Mr. Vardaman on or about December 5, 1941, at the office of the company at St. Louis, Mo., during which conversation he told me that it was necessary that the company's operations for the year 1941 show a profit. I further state that Mr. Vardaman knew the financial condition of the company on said date and was familiar with the figures as shown by the inventory prepared on November 29 and 30, 1941.

SAM REYBURN.

Subscribed and sworn to before me this 27th day of January, 1942.

JOHN C. KAPPEL,
Notary Public.

My term expires April 26, 1944.

Then, Mr. President, I also present—and it was likewise presented to the subcommittee—exhibit D, which was admitted by Mr. de Coster to have been written in his own handwriting, although, as I recall, he testified that it was done at the suggestion of Mr. Bittner. It reads as follows:

JANUARY 29, 1942.

I, Paul de Coster, under oath state that the following statement is my opinion, based upon a phone conversation with J. K. Vardaman, Jr., held on the morning of January 27, 1942, in the course of which conversation he was informed that the inventory situation looked black. When asked what had been the reaction of Mr. Sam Reyburn, the factory superintendent, at a meeting which, at Mr. Vardaman's request, I had held with him the previous evening, I informed Mr. Vardaman that it was Sam Reyburn's intention to produce the copies of the original inventory and hand in his resignation. Mr. Vardaman then said, "O. K., let him." In my opinion, therefore, it was Mr. Vardaman's desire to let Mr. Reyburn assume responsibility and take the blame for the inventory. The above is written in an endeavor to substantiate my position in the matter.

PAUL DE COSTER.

Subscribed and sworn to before me this 29th of January 1942.

JOHN C. KAPPEL,
Notary Public.

My term expires April 26, 1944.

Mr. President, I now present as exhibit F a photostatic copy of a certain affidavit. Mr. Williams clearly confirmed it as being a copy of the original. He examined it at my office, as well as another affidavit, exhibit F. I now read the affidavit of Mr. Reyburn:

STATE OF MISSOURI,
City of St. Louis, ss:

I, Samuel Reyburn, of lawful age, being duly sworn, depose and state:

That I am the superintendent in charge of the factory of the Vardaman Shoe Co. at Owensville, Mo., and, as such, in complete charge of said factory, subject, of course, to the supervision of the president, and have acted in such capacity from November 1937 to date.

On or about November 29 and 30, 1941, I was directed by Mr. J. K. Vardaman, Jr., the president of the Vardaman Shoe Co., to make an inventory of all raw material in process of manufacture and finished products located in and around the factory at Owensville, Mo. Acting under these instructions, and following the procedure which has been followed ever since I became connected with the company, and which is the usual method of making such inventories, I personally supervised the making of a correct and accurate inventory of said property. This inventory was made with the assistance of all foremen of the departments and by representatives of the auditing firm of Ernst & Ernst. When the inventory was completed in the several departments, it was delivered to my desk by the auditors and I checked it with the auditors, after which, in the office at Owensville, the material was priced and extensions made. After its completion at the factory it was, of course, submitted to the auditors and they checked it and approved it.

On or about December 5, 1941, I came to St. Louis, went to the office of the Vardaman Shoe Co., and brought with me the inventory which was so prepared. Upon arriving at the office, I delivered the inventory to Mr. Paul de Costa, the comptroller of the company, stationed at St. Louis.

While discussing this inventory with Mr. de Costa, Mr. Vardaman, the president of the company, joined us in the sample room. After a brief conference Mr. Vardaman asked Mr. de Costa what the final figure in the inventory was and Mr. de Costa told him. Mr. Vardaman then turned to both of us and stated that this inventory would have to be changed so that the company would show a profit of $30,000. Upon making this statement he left our presence and Mr. de Costa and I understood that these orders had to be obeyed. Acting under the instructions given to me by Mr. Vardaman, I returned after this conference to the factory at Owensville and made between 20 and 30 changes in the inventory by increasing the number of items appearing on the original inventory and, of course, making the extensions and changing the value accordingly. This work was done by me alone in my office at Owensville and the following week I returned to St. Louis and delivered this inventory with the changes described above to Mr. de Costa, the comptroller of the company.

Further, affiant sayeth not.

(Signed) SAM REYBURN.

Subscribed and sworn to before me this 30th day of January 1942.

(Signed) MARTHA HARRIS.
Notary Public.

My commission expires May 12, 1943.

There follows the words "seal in handwriting."

Mr. MILLIKIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). Does the Senator from Missouri yield to the Senator from Colorado?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I should like to ask the Senator from Missouri what Mr. Reyburn had to say about that matter.

Mr. DONNELL. Mr. President, Mr. Reyburn said in substance that he was requested by Mr. Bittner, who was making the claim against Mr. Vardaman of alleged fraud in the sale of the stock, to accompany Mr. Bittner to the office of Mr. Frank Williams, attorney for Mr. Bittner.

Mr. MILLIKIN. Mr. President, I did not intend to burden the Senator with the entire recital of the situation. I should have made my question a little sharper. Did Mr. Reyburn say that the statement was true or false?

Mr. DONNELL. Mr. Reyburn stated that the portion of the affidavit reading: "Mr. Vardaman turned to both of us and stated that this inventory would have to be changed so that the company would show a profit of $30,000," was not true.

Mr. MILLIKIN. What did Mr. de Costa say about it?

Mr. DONNELL. Mr. de Costa likewise denied the truthfulness of the statement when he testified before the committee.

Mr. MILLIKIN. What did Commodore Vardaman say about it?

Mr. DONNELL. Commodore Vardaman likewise denied the truthfulness of the statement.

Mr. MILLIKIN. Who, during the course of the entire testimony, said that it was true?

Mr. DONNELL. Mr. President, no witness testified that the statement was true. But there is the further evidence that after the presentation to Mr. Vardaman of this and the other affidavits to which I shall come in a moment, charging fraud against Mr. Vardaman, he made a settlement with Mr. Bittner in the sum of $5,345 in the form of a promissory note executed by Mr. and Mrs. Vardaman, and secured by a deed of trust upon the farm of Mr. and Mrs. Vardaman, or one of them, in St. Louis County, Mo.

There is the further testimony that when the transaction was concluded by which the $5,345 settlement was made, Commodore Vardaman requested that the affidavits, exhibits E and F, be destroyed.

There is the further testimony—it is denied by Commodore Vardaman just as was the request to which I have referred—by Mr. Williams that he and Mr. Vardaman, pursuant to the request of Commodore Vardaman, went to the shower room of the law firm and there destroyed those affidavits, Mr. Vardaman himself applying the match by which the affidavits were destroyed.

Mr. MILLIKIN. What did Commodore Vardaman testify with reference to applying the match?

Mr. DONNELL. He denied in toto that he had gone to the shower room; he denied that he had applied the match; he denied that the destruction took place; and he denied that he had requested that the destruction take place.

Mr. MILLIKIN. Merely for the sake of discussion, let us assume that Commodore Vardaman applied the match.

Mr. DONNELL. Yes.

Mr. MILLIKIN. Let us further assume that he wanted those affidavits to be destroyed. In view of the false character which has been attributed to them by the evidence, why should not Commodore Vardaman want the affidavits destroyed? Would any sensible man wish fraudulent, perjured affidavits concerning himself to be allowed to float around? I remind the Senator that I am accepting his thesis only for the sake of argument.

Mr. DONNELL. I understand the Senator's presentation.

Mr. President, to my mind the Senate of the United States, as I have previously indicated today, has the right to draw its own inference from the request which Mr. Williams testified was made by Mr. Vardaman and from the incident which Mr. Williams testified occurred with reference to Mr. Vardaman in applying the match to the affidavits. I can well understand the position asserted by the distinguished Senator from Colorado to the effect that an individual would desire untrue affidavits to be destroyed. But I can likewise understand how a person who had been guilty of tampering with an inventory, or of causing the act to be committed which brought about tampering with the inventory, might well desire to destroy an affidavit which truthfully set forth what had transpired. I also affirm, Mr. President, that the Senate is entitled to draw its own inference one way or the other as to what was the motive of Commodore Vardaman, and in so doing it is entitled to take into consideration such facts as I have already developed from the evidence which show a tendency on the part of the commodore to color his statements to his own advantage.

Mr. MILLIKIN. Mr. President, I would respectfully remind the Senate, and particularly the Senator from Missouri, that, under the Senator's own theory, there are only two witnesses who could have testified that Vardaman had anything to do with padding the inventory. I refer to De Coster and to Reyburn.

I remind the Senator further that when Bittner was asked whether he knew of his personal knowledge that Vardaman had fooled with those inventories, he said he did not, in the most unequivocal terms. I have the testimony, which I shall read if there is any question about it.

Only two witnesses, I remind the Senator, under his own program of procedure, under his own way of building up his case, were brought in to connect Vardaman with the padded inventory, De Coster and Reyburn. Does the Senator say, since the heart and core of his case has collapsed on his own testimony, that we need go further? Is the Senator going to tie Vardaman to the padded inventory with a philosophical discussion?

Mr. DONNELL. Mr. President, I am not tying Mr. Vardaman to the inventory with a philosophical discussion. I am calling to the attention of the Senate the fact that it was to the interest of Commodore Vardaman to have the inventory show more than was there.

I have brought to the attention of the Senate the fact that, according to the affidavit of Mr. de Coster back as early as March of 1941, Commodore Vardaman, in order to avoid the showing of a loss by the company, was using in a balance sheet an estimated inventory figure.

I have brought to the attention of the Senate the fact that Mr. Vardaman had been accused by Mr. Bittner of the perpetration of fraud and misrepresentation upon him, Mr. Bittner, on the 16th day of January, less than 30 days before the company went into bankruptcy, in the sale of $9,345 worth of stock to Mr. Bittner.

I have brought out the fact that Mr. Vardaman had his own interest—the maintenance of a high inventory in order to show a profit on which he might obtain a bonus.

I have brought to the attention of the Senate the interest of Commodore Vardaman in seeing that the company should continue to operate as long as possible, because he was getting his salary, after January of 1942, of $500 a month.

I have brought to the attention of the Senate that the commodore made a settlement with Mr. Bittner of the claim based on the very fraud and misrepresentation as to the inventory, based upon the proposition that the financial statement recites an inventory as of a certain date—I do not recall the date of the financial statement for the moment—and that Commodore Vardaman settled a claim, which was based upon these affidavits, for $5,345 and a note secured by deed of trust on his farm.

I say, Mr. President, that I have brought to the attention of the Senate all these facts, plus the fact that Commodore Vardaman desired these affidavits destroyed, plus the fact that, according to Mr. Williams' testimony, Commodore Vardaman applied the match to the affidavits.

I have brought these facts to the attention of the Senate, and I respectfully submit that the Senate is entitled to draw its conclusion, its inference, from these facts, as to the conduct of Mr. Vardaman. It is entitled to draw its conclusions as to whether the affidavits, which are under oath, are true, or whether or not the statements made by De Coster and Reyburn before the committee in defense of their own good names are true.

I submit, Mr. President, that upon these facts the Senate must exercise its own independent judgment, and upon them it is authorized and justified in drawing the inference that the statements set forth in the affidavits are true, rather than to accept the repudiation of the affidavits by the two witnesses on the stand before the subcommittee.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. The Senator is not inferring that the Senate is not having an opportunity to consider those matters, is he?

Mr. DONNELL. Not at all.

Mr. MILLIKIN. I do not believe I am going outside our personal understandings. Before this case came up, I remind the Senator, it was agreed that the testimony of Bittner, De Coster, and Reyburn would be the heart of the case. Is that correct?

Mr. DONNELL. Mr. President, it is certainly true that to my mind, as was stated to the Senator, Mr. Bittner's testimony was of exceedingly great importance, and that he should be subpenaed. That was stated to the Senator from Colorado. It was also stated that, following Mr. Bittner's testimony, the testimony of Mr. de Coster and Mr. Reyburn should be taken. I do not recall having used the language or hearing the language "the heart of the case." I do not recall that; but I think our meaning is substantially the same.

Mr. MILLIKIN. It was the theory, I remind the Senator from Missouri, under his view of the case, that Bittner would lay a foundation for the testimony of De Coster and Reyburn, who would directly connect Vardaman with the padded inventory. I suggest to the Senator that unless he is willing to vouch for De Coster and Reyburn, and since Bittner would not testify of his own knowledge, reckless as he was in much of his testimony, that Vardaman was directly connected with those paddings, there is nothing left but the question whether or not we should accept the truth of the original statements, repudiated under oath, by De Coster and Reyburn.

What is left, if I may make the suggestion, is a lot of inferences which could be used to buttress the truth of Reyburn and De Coster, if their testimony remained unchallenged, but it having been completely discredited, there is nothing to infer about.

Mr. LUCAS. Mr. President, will the Senator from Missouri yield?

Mr. DONNELL. If I may have an opportunity to reply briefly to the Senator from Colorado, then I shall yield.

Mr. President, it was suggested earlier in the debate, by the distinguished junior Senator from Oregon [Mr. MORSE], that the mere fact that Mr. Reyburn and Mr. de Coster may have been shown to be, as I think they were, not telling the truth in their testimony before the subcommittee, does not make it obligatory upon the Senate to set aside and refuse to consider what all these men may have done and all that they may have said in the past.

Mr. President, the distinguished Senator from Colorado has asked, What remains after the discrediting of these men? I have attempted to state—and I shall not trespass on the time of the Senate to repeat it unless necessary—the chain of circumstances, beginning with the interest of Commodore Vardaman, beginning with his own mimeographed statement that there was tampering in an effort to show the building up of an inventory greater than existed; I have checked item by item various and sundry important circumstahces which to my mind would justify the Senate in drawing the conclusion, regardless of the fact that De Coster and Reyburn and Vardaman himself denied that anyone of them had any participation, that there was participation by Vardaman, by De Coster and by Reyburn in tampering with the inventory.

I now yield to the Senator from Illinois.

Mr. LUCAS. Not having been a member of the committee, and not having followed the hearings very closely, I rise only to seek information.

The colloquy between the two Senators has dealt with a witness by the name of Williams, I understand. Is Williams a disinterested witness, or does he have an interest of some kind?

Mr. DONNELL. I know of no interest he has.

Mr. LUCAS. How did he happen to get into the case?

Mr. DONNELL. I shall explain it.

Mr. LUCAS. Has the Senator explained it heretofore?

Mr. DONNELL. No; I do not think I have. I think it is a pertinent question, and I shall be glad to explain.

The testimony of Mr. de Coster and of Mr. Reyburn had been, generally speaking, to the effect that they went to the office of Mr. Williams who was a member of the law firm to which I have referred, and were ushered into his presence. In the case of Mr. Reyburn, who executed the first affidavit, the one executed on January 30, 1942, Mr. Reyburn testified, in substance, that there was intimidation, that there was cajolery, that there was representation unless Mr. Bittner got back his money he could not send his boy to school, that there was an intimation that unless he, Reyburn, should sign this affidavit which was to be prepared he would lose his job at the plant, and that after a long period, an hour and a half or two hours, or possibly an hour or an hour and a half, I have forgotten, he, Reyburn, signed the affidavit which Mr. Williams had dictated.

The testimony of Mr. Reyburn was further to the effect that Mr. Williams was under a high degree of excitement. Indeed, a rather humorous incident was mentioned by Mr. Reyburn, namely, that Mr. Williams fell over his waste basket

in the process of the preparation of the affidavit, or during the conference with respect thereto. The whole inference from the testimony of Mr. Reyburn, I may say to the distinguished Senator from Illinois, and I think the members of the committee will agree with me, was that his execution of this affidavit of January 30 was induced and brought about by improper conduct, by cajolery, intimidation, and duress on the part of Mr. Williams and his client, Mr. Bittner.

Mr. RADCLIFFE. Mr. President——

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). Does the Senator from Missouri yield to the Senator from Maryland?

Mr. DONNELL. I yield.

Mr. RADCLIFFE. Did not his testimony also disclose that Mr. Williams was likewise the counsel for Mr. Reyburn and Mr. de Coster; that he represented all three?

Mr. DONNELL. Yes. I thank the Senator from Maryland. I had overlooked that. The testimony was that Mr. Williams was the counsel for Mr. Reyburn and for Mr. de Coster. My recollection is that the inference there was that he was permitting his own clients to sign affidavits contrary to their own interests. I will say to the Senator from Maryland that I think that was the inference which the committee had suggested to it.

Mr. President, I propose to read in a few minutes the affidavit drawn on the next day, which is exhibit E, signed by Mr. Paul de Coster. I shall read a photostatic copy of a conformed copy. The testimony is that he signed one, in which substantially the same point was made that Mr. Williams had been a participant in intimidation and duress, and that he violated the duty which an attorney owes to his client in that he permitted his client to sign an affidavit to be used in a way that would be injurious to the client, or at least susceptible of causing injury. It is quite a long story; but if the Senator from Illinois desires me to relate it I will do so.

Mr. LUCAS. Mr. President——

Mr. DONNELL. I have not quite finished. These matters were called to the attention of Mr. Williams, who, by the way, I had suggested to the committee be subpenaed; in fact, I think I had requested that he be subpenaed. Mr. Williams himself finally concluded to come to Washington, after wide publicity had been given to the testimony of Mr. Reyburn and Mr. de Coster reflecting on the good name of Mr. Williams.

I may add—and this goes slightly beyond an answer to the Senator's question, but I think he would like to have the information—that Mr. Williams is a member of the character committee of the Missouri bar, appointed by the supreme court some 2 or 3 years ago. His firm is one of the leading firms of St. Louis, and represents the Pennsylvania Railroad Co., the Southern Railway Co., I think the Baltimore & Ohio, the United States Steel Corp., and many other corporations I might mention that are shown by the testimony.

Mr. Williams came here, as I understand, because of the fact that his own good name was reflected upon, and he felt it obligatory upon himself to give the committee the facts as to the case, and he gave them much more fully than I have thus far indicated.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. LUCAS. As I understand, his good name was reflected upon by the client who had employed him in connection with this case?

Mr. DONNELL. The point was that he thought his good name was affected or reflected upon by the testimony of these two men who, it was claimed, were his clients. I should like to say what I mean by "it was claimed." The testimony of Mr. Williams was that on January 31, the day after the execution of the affidavit by Mr. Reyburn, he then had the conference with Mr. de Coster. Mr. Williams was not quite sure when it was that the conversation had occurred between De Coster—he thought it was De Coster—and himself, in which De Coster requested that he represent Reyburn and De Coster. That is, the conversation occurred after the Reyburn affidavit, but whether it occurred before the execution of the De Coster affidavit or the conference with De Coster, Mr. Williams was not quite sure, but Mr. de Coster and Mr. Reyburn were fearful, so Mr. Williams understood, of their participation in the matter of tampering with the inventory, and they therefore desired that he represent them. He agreed, upon the request of Mr. de Coster that he would do so, provided, however, that if at any time such a situation should arise that his representation of the three individuals, Bittner, De Coster, and Reyburn, should prove inconsistent, he would have the right to terminate his representation of Messrs. de Coster and Reyburn, and that was stated in a letter which Mr. Williams sent to those three gentlemen.

If I may continue for a moment, the testimony of Mr. Williams was further to the effect that because of the fact that Mr. de Coster and Mr. Reyburn were fearful of their position arising out of the tampering with the inventories, he was asked by them for his advice as to whether they were subject to any criminal liability. He thereupon advised them that he was not a criminal lawyer and would refer them to Mr. Sigmund Bass, one of the very well-known criminal lawyers in St. Louis; that Mr. de Coster, Mr. Reyburn, Mr. Bittner, and Mr. Williams went to the residence in Vandeventer Place of Mr. Bass, and there a consultation was had with the latter as to the criminal liability, if any, of De Coster and Reyburn; that Mr. Bass, after considering the facts, advised them that there was no criminal liability. Mr. Williams testified that in his own opinion there was no criminal liability, and certainly, in part, his testimony was to the effect—I am not certain whether this was a complete statement of it on that point—but in part his testimony was to the effect that there was no criminal liability, because the false inventory was never incorporated into a financial statement which was presented to the creditors on which they relied.

I have given in substance what I now recall of the connection of Mr. Williams with the case.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. DONNELL. Yes.

Mr. LUCAS. Did I correctly understand the Senator to say that he had concluded that two of these witnesses testified falsely before the Senate committee investigating the nomination of Mr. Vardaman?

Mr. DONNELL. I may answer the Senator by saying that, in my opinion, De Coster and Reyburn in their statements denying the truthfulness of these affidavits were not telling the truth, and in my opinion the Senate is fully justified in inferring that the facts set forth in the affidavits as to what they had received from Mr. Vardaman were accurate.

Mr. LUCAS. Of course, the Senator knows the rule of law that if a jury believes that a witness under oath has testified falsely to any material matter the jury has a right to disregard his entire testimony.

Mr. DONNELL. The jury does have that right.

Mr. LUCAS. That is practically the same position the Senate would be in today if every member of the committee agreed that these two important witnesses whom the Senator from Colorado and the Senator from Missouri have been discussing, testified falsely upon a material matter. In that event the Senate would be justified in disregarding their testimony altogether. Am I correct about that? That is a rule of law.

Mr. DONNELL. I would say, that under the rule of law, which prevails in the courts, as I understand, a jury is justified in disregarding the testimony in whole or in part. I am not entirely clear on this point because I have not refreshed my memory as to the legal proposition, but my judgment is that the jury is not obliged but may—it is merely permissive with the jury—disregard any part or all.

I may say for the information of the Senator that the same point which he mentioned was raised earlier today on the floor of the Senate by the Senator from Colorado, and that the Senator from Oregon, I think very properly, pointed out that, while it is true that we may be justified in considering that some portion of a witness' testimony is untrue, the Senate is not thereby precluded from accepting the truthfulness of any other statement of the witness.

Mr. LUCAS. Let me say in reply to the able Senator from Missouri that of course the Senate can do anything it wants to do under its rules. We can ignore all the testimony if we want to and make a decision either for confirmation or against confirmation. All I was attempting to do, for my own information, in order that I might vote intelligently upon this question, was to ascertain the reliability, from the standpoint of veracity, of these two principal witnesses who appeared before the committee. In trying law suits in my section of the country I have always found that if I could catch a couple of witnesses who were against me perjuring themselves, and counsel on the other side

would agree that they had testified falsely upon material and pertinent matters, it was not very difficult for me to win a verdict.

Mr. DONNELL. I may say to the distinguished Senator from Illinois, whose very courteous question I am glad he has asked, that to my mind even if these men are utterly unreliable in their testimony before the Senate committee, nevertheless the Senate has a perfect right to consider all the circumstances which I have recited. I shall not weary the Senator by going over them. The Senate may consider all the circumstances with respect to the interest of Commodore Vardaman, the destruction of the affidavits, and so forth, and the Senate may conclude that even if those witnesses could not be believed when they testified before the subcommittee, nevertheless the conduct of Commodore Vardaman with respect to the affidavits themselves may amount to an admission of the truthfulness of the affidavits.

As I see it, we are not trying Reyburn or De Coster in the Senate. We are interested, of course, in their veracity, their reliability, and their credibility, if they have credibility. We are trying the question of the qualifications of Commodore Vardaman; and if those men have sworn falsely before the subcommittee, but also years ago, prepared and signed—or sat still while there were being prepared and signed—documents in which there are certain things against Commodore Vardaman, and Commodore Vardaman by his conduct admits the correctness of the contents of those documents, we are entitled to consider that admission, derived from the conduct of the Commodore, regardless of whether we consider the individuals Reyburn and De Coster as credible or not.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. LUCAS. What the Senator is saying he wants the Senate to do is simply to forget about the testimony of the two main witnesses who appeared before the subcommittee.

Mr. DONNELL. Not at all.

Mr. LUCAS. The Senator takes certain portions of their testimony and says, "Believe that, and disbelieve certain other portions, and reach your own conclusion as to the portions with respect to which there is no question." As I understand, perhaps some parts of the affidavits are not denied; but certain material and pertinent facts involving Commodore Vardaman are denied by these witnesses. Either they falsified in this instance, or they falsified when they made the affidavits. Would the Senator agree with me that his case would have been stronger if he had never had these two witnesses?

Mr. DONNELL. No; I do not agree to that. Those men came before the subcommittee and testified that they had executed three or four documents. Either the documents were in the handwriting of the individuals themselves, or the signatures were in their handwriting. They admited that they had gone to Mr. Williams' office and had there signed documents which were prepared. The circumstances surrounding the conference with Mr. Williams, and all the matters which I have developed, and some others which I shall develop, to my mind made it exceedingly important that they be present and testify. To my mind the fact that they have admitted the execution of the affidavits, coupled with the conduct of Commodore Vardaman with respect to those affidavits, and other conduct, makes this case one in which the Senate is well justified in drawing the inferences which I submit should be drawn.

Mr. LUCAS. Do I correctly understand the Senator to say that, had he known in advance that these two witnesses would come here and perjure themselves, and had they told him in advance of their testimony, he still would have called them?

Mr. DONNELL. I think I would have called them if they had told me that they were going to testify exactly as they did testify, because I think the committee is entitled to know what those men say now with respect to the affidavits. I believe that in justice to them, they were entitled to come. Furthermore, I believe that the Senate is entitled to draw its own conclusion and its own inferences from the conduct of those men and the conduct of Mr. Vardaman with respect to the documents which they signed 4 years or more ago.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I should like to say to the distinguished senior Senator from Illinois that a while ago I challenged the Senator from Missouri to take out of the case those lying affidavits and try to make a case without them. He did not accept the challenge, but insisted on keeping them in the case. I suggest that that in itself condemns his whole exposition.

Mr. DONNELL. Let me say in that connection that from time to time it has been suggested by the committee that I have been acting as a prosecutor. When I appeared before the committee and presented to it the statement, in substance, that various matters had been brought to my attention which I thought should be considered by the committee, I did so in the performance of a public duty, as I regarded it. I have continued to act in that way, as I have no doubt the members of the subcommittee have done in the performance of their duty.

Furthermore, in the list of witnesses whom I requested to have supenaed was Mr. Tom K. Smith, president of the Boatmen's National Bank, of St. Louis, who I knew was going to testify in favor of Commodore Vardaman. I received a letter from Mr. Harold Jolley, one of the vice presidents of the bank, I believe, and a close personal friend of mine, likewise in favor of Mr. Vardaman.

Yesterday the distinguished Senator from Colorado referred to my not having acted as a prosecutor, according to my statement. He may conclude that because of my presentation of this case I have become a prosecutor.

Mr. President, I have heard all the evidence in this case, and I have studied the record. I do not mean to say that I have read it all. I have heard all the testimony as it was given, and I have studied a good deal of it. I have reached some conclusions in this case, and I have deemed it my duty not merely to present the facts, but to present, to some extent, the conclusions which I have drawn from the facts. I have done this in the attitude of what I think is my duty as a Senator, to bring to the attention of the Senate the facts and the conclusions which I have drawn therefrom.

Let me say to the Senator from Illinois, whose question has been in point, and most courteously put, as have been the questions from other Senators, that had I known that every witness in this case would have testified exactly as he did, I would have asked for him to come and testify before the subcommittee, leaving it to the subcommittee, and ultimately to the Senate, to use their own best judgment as to what conclusion should be drawn from the testimony.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I should like to say to the distinguished senior Senator from Illinois that again and again I have tried to get the distinguished Senator from Missouri to say that he considered De Coster and Reyburn as reliable witnesses. He would not do so. I have asked him whether he would vouch for them. He would not do so. So, of course, I suggest that there is very little before the Senate, unless we are to take up our time considering unreliable testimony and unvouched-for testimony, and testimony, which the witnesses themselves have impeached.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. DONNELL. I yield.

Mr. LUCAS. I agree with the Senator that he has the right to present this case in any way he sees fit before the Senate; and he has the right to draw conclusions and inferences and present them to the Senate for its interpretation. Candidly, I am a little disappointed with my good friend from Missouri, who states that had he known that these men were going to perjure themselves on the witness stand by testifying falsely, he would still have had them come here and testify. I do not quite follow that line of reasoning. I do not think there can be much question that every fair-minded individual who is sitting as a juror—as we are, more or less, in the United State Senate in attempting to pass upon the merits and demerits of this case—when two of the chief witnesses testify falsely, takes that fact into consideration. Senators who are opposing this nomination are relying upon two chief witnesses. It is admitted by the able Senator from Missouri and by practically every member of the committee that these men testified falsely on material and pertinent matters before the committee. It strikes me that it would be unusual if we did not take that fact seriously into consideration, especially when the Senator is relying primarily upon those witnesses to show that Vardaman's nomination should not be confirmed.

The confirmation of any nomination before the Senate is a very serious matter. Certainly facts going to the char-

acter, integrity, and ability of the nominee should be considered. But I do not believe that the Senator ought to ask me not to vote to confirm the nomination on the basis of pure inference, or on the basis of a bit of testimony by these two witnesses, which perhaps is not contradicted, when other parts of their testimony are admitted by all to be absolutely false. That is the thing which is worrying the Senator from Illinois. All through my life I have seen the rules of law applied to that type of evidence; and certainly I believe that the Senate would be justified in making the same application in this instance.

Mr. DONNELL. Mr. President, I appreciate the questions and observations of the Senator, and his expression of disappointment over the fact that I have answered the question in the way that I did.

To my mind the Senate of the United States was entitled to know what the men who had it within their power to have brought about tampering with the inventory would say. Mr. Reyburn was the superintendent in charge. He was the man who, according to his own statement, was authorized and directed to take the inventory. Obviously, to my mind, he should testify before the committee. If he chooses to come here and not tell the truth to the Senate, the Senate, in its own good judgment, can determine whether he is or is not telling the truth.

The same thing is true of Mr. de Coster, who was the comptroller of the company. He did not have charge of the actual physical taking of the inventory. To my mind the duty which rested upon me was to bring in, or request that there be brought in, every person, so far as we could know, who probably knew anything about the taking of the inventory.

Let me say to the distinguished Senator from Illinois that I did not know when these men came here what they would testify to. I do not recall ever having met Mr. Reyburn, though I may have met him. I was in Owensville, Mo., during my campaign for the United States Senate, and Mr. Bittner himself took me through that plant. I did not know, until he came to Washington, that he was the same man. I did not know his name when he took me through the plant. I may have seen Mr. Reyburn then, but I did not know to what he would testify. I did not know to what Mr. de Coster would testify. I had met Mr. de Coster when I was in St. Louis in the early part of February. I arranged to have Mr. de Coster confer with me, which he did, at the office which was kindly allotted to me in the Federal Building in St. Louis. At that time Mr. de Coster expressed himself in very fine terms commendatory of Commodore Vardaman. The whole inference which I drew in my own mind with respect to Mr. de Coster was that his testimony here would probably likewise be favorable to Commodore Vardaman.

I wish to say further to the Senator from Illinois that I had never seen the photostatic copies of the affidavits until they were brought here by Mr. Bittner, although I had been informed generally of the fact that they would disclose tampering with the inventory at the direction of Commodore Vardaman. I had not been told that by Mr. Bittner, but I had it upon information which I deemed to be proper and reliable, and I so informed the committee itself.

So, Mr. President, I do not regard my attitude as in any sense reprehensible. While I have no doubt as to the sincerity of the Senator from Illinois in expressing his disappointment, I do not think there is any proper censure which could be placed upon me for having brought those men to Washington, even if I had known in advance every word they would testify.

Let me say further that I did not bring them to Washington, but I requested that they be brought here. Certainly the testimony of one of them was that he came here of his own volition. I am inclined to think that both of them indicated or at least inferred that they did so. However, I wish it understood that although I did not bring them to Washington, I thought they should be here. I had telegraphed the chairman of the subcommittee, the Senator from Maryland [Mr. RADCLIFFE], to that effect from Kansas City on the night intervening between February 12 and February 13. I had said to the subcommittee on several occasions that I wanted them here; and I am glad the committee obtained their testimony.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. DONNELL. I yield.

Mr. LUCAS. I am sorry to be taking up so much time——

Mr. DONNELL. That is quite all right; the point is a very important one.

Mr. LUCAS. I wish to say that I am glad the Senator brought the witnesses here, and certainly I do not place any blame for producing the witnesses and reducing their testimony to writing. However, I cannot quite follow the Senator's line of reasoning when he says that had he known in advance that both De Coster and Reyburn would go before the committee and raise their hands and swear to Almighty God to tell the truth, and then perjure themselves, he still would have called them and had them testify—even if he had known all that in advance. In my section of the country an attorney conducting a law suit who calls a witness to testify and is told in advance by the witness that he will lie about the matter when he goes on the witness stand, if the witness does so and the court finds it out, will find himself in a very difficult situation.

Mr. DONNELL. I can readily understand that attitude of a court. If any lawyer undertakes to make a case by, himself, producing perjured testimony in support of his case, I agree that that is thoroughly reprehensible. But, as I view the matter, in this case the persons who knew the facts were Reyburn, De Coster, Bittner, and Vardaman, and the committee was entitled to hear from them, even if they should go on the witness stand and testify from beginning to end without regard to the truth. The committee was entitled to hear what they had to say, and I think it was entirely proper to bring them here. I was not attempting to make out a case for a client. I was attempting to present to the committee the facts which were known by the various persons.

I appreciate the very courteous reference of the Senator from Illinois. I wish to state to him and to the Senate that I have no apology of any kind, nature, or description to make for having interrogated the witnesses or for presenting to the Senate at this time what I think are the proper conclusions to be adduced from their testimony.

Mr. MILLIKIN. Mr. President, will the Senator further yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I believe the matter to which I shall refer has been made clear already, but I wish to double-rivet it, if it has not been. Will the Senator state what witnesses appeared before the subcommittee and, of their own knowledge, testified that Commodore Vardaman had tampered with an inventory or had caused it to be tampered with?

Mr. DONNELL. Mr. President, I know that the Senator from Colorado can answer the question, and I also can answer it. There was no witness who testified in words to that effect. But, Mr. President, there were circumstances, some of which I have attempted to detail this afternoon, which, to my mind, justify the Senate in drawing the inference and conclusion to which the Senator has referred.

Let me say further that I know the Senator from Colorado is a lawyer of wide experience. Undoubtedly he realizes that there are many facts which are not proven in a court proceeding or elsewhere by direct testimony or by admissions of witnesses, but which depend for their establishment upon inferences, upon circumstantial evidence, upon a chain of evidence or circumstances which, regardless of what the witnesses may say with their tongues and their lips, may nevertheless speak louder than the words which they utter.

Mr. MILLIKIN. Mr. President, will the Senator further yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I am devoting my attention now to illuminating the extent of the direct testimony, if any, connecting Commodore Vardaman with the inventory. So I shall ask the Senator now whether there was anyone who was put on the witness stand from whom the Senator hoped to obtain direct testimony, other than Bittner, Reyburn, and De Coster.

Mr. DONNELL. No; there certainly was not. In my judgment, Mr. Bittner did not know the facts as to who had done the work, other than what was contained in the affidavits. Mr. Bittner was not persent at the making of the inventory. I never expected that he would testify as to who it was who caused the inventory to be tampered with. He knew nothing of it of his own personal observation. But I did know that Mr. Bittner had in his possession affidavits which I had been informed would state, as I recall, that the tampering had occurred as the result of the direction of Commodore Vardaman.

Mr. MILLIKIN. Mr. President, will the Senator further yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. So, in net conclusion, Bittner had no personal knowledge, and De Coster and Reyburn repudiated whatever the Senator thought they would testify in respect to connecting Commodore Vardaman with the tampering. Is not that true?

Mr. DONNELL. That is correct. But, Mr. President, that still leaves numerous circumstances to which I have referred, from which the Senate may draw its independent conclusions, regardless of the statements emanating from the lips of the witnesses themselves.

Mr. MILLIKIN. Mr. President, will the Senator further yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. But the Senator from Missouri still refuses to eliminate the testimony of Reyburn, Bittner and De Coster; he continues to keep that testimony in his case as a basis for his inferences.

Mr. DONNELL. I certainly do keep every jot and title of testimony in this case, because all of it has a bearing. All of it constitutes a series of links in the chain of testimony in the case.

Mr. President, before the Senator from Illinois leaves, if he intends to do so, I should like to make a further statement—namely, that Mr. Williams, as I see it from the standpoint of proper professional ethics, declined to testify as to the conversations which had ensued between himself and Mr. de Coster in connection with the preparation of the affidavit of January 31 which I am about to read, because of the fact that Mr. Williams could not be sure whether the relationship of attorney and client had begun between him and Mr. de Coster before or during or subsequent to the process of the preparation of the affidavit.

Mr. President, I now offer to the Senate—and it was offered to the subcommittee—exhibit E. It is a photostatic copy of what I submit is shown by the testimony of Mr. Williams to be a conformed carbon copy of the affidavit of January 31 of Mr. Paul de Coster, which was sworn to before Martha Harris, notary public. The affidavit reads as follows:

State of Missouri, city of St. Louis, ss.

I wish to say at this point—and I think I should do so in fairness to the committee and to all parties—that in the course of the hearing before the subcommittee the point was made that Mr. Williams had not examined either of the affidavits which are marked "exhibits E and F" against the original affidavits. There was discussion as to whether under the law of evidence he could, therefore, testify whether the documents were copies of the original affidavits. As I view the matter, Mr. Williams made, under the law, an admission as to the correctness of which I am doubtful; and he himself, as I view the matter from his evidence, later became doubtful of it. He was inclined to think that it would have been necessary for him to examine the documents against the originals. However, Mr. President, I do not concur in that view, and I certainly think the Senate has a right to determine whether it is the proper view. In the light of the fact that Mr. Williams testified that on the day preceding his testimony before the subcommittee, he, in my office in the Senate Office Building in Washington, examined those two documents and recognized the substance of them to be the same as that of the affidavits, I respectfully insist that these documents are admissible in evidence and should be admissible even in a court.

Now I present exhibit E.

STATE OF MISSOURI,
City of St. Louis, ss:

I, Paul de Coster, of lawful age, being duly sworn, depose and state:

That I am the duly elected comptroller and assistant secretary of the Vardaman Shoe Co., having its principal office in St. Louis, Mo., and have served in that capacity for approximately 2 years up to the date of making this affidavit.

I have read the affidavit of Mr. Samuel Reyburn, verified before Martha Harris, notary public, under date of January 30, 1942, and confirm and verify all of the statements therein contained, subject to the reservation that I do not have personal knowledge regarding the actual method employed in making this inventory, and the facts respecting the changes made therein because I was not physically present at the places where the same were done.

Mr. President, I digress here to interpolate the statement of fact that the affidavit of Mr. Reyburn which, as has been indicated, was executed on January 30, 1942, and the testimony of Mr. Williams completely and clearly annihilated any testimony which was given by either Reyburn or De Coster to the effect that there had been any intimidation, duress, cajolery, or other improper means used to bring about the signatures on the originals of these affidavits.

I continue reading from exhibit E:

When Mr. Reyburn, as stated in his said affidavit, returned to St. Louis and delivered the inventory to me—

Mr. President, I digress again and ask pardon for not having thought of the fact before, but it will be recalled that in the affidavit of Mr. Reyburn under date of January 30 there is confirmation and verification of the statements contained in the affidavit of Mr. de Coster, subject to the reservation which I have read. The statement to which I refer is as follows:

After a brief conversation Mr. Vardaman asked Mr. de Coster what the final figure in the inventory was, and Mr. de Coster told him. Mr. Vardaman then turned to both of us and stated that this inventory would have to be changed so that the company would show a profit of $30,000.

Mr. President, before continuing with a reading of exhibit E, I desire to invite the attention of the Senate to the fact that, as I recall the testimony of Mr. Reyburn, he himself admitted that when he went to the office of the company on Washington Avenue, in St. Louis, with the inventory sheets, Mr. Vardaman, according to his recollection, joined him and talked with him. Furthermore, I believe he said—I would have to check it to substantiate my recollection—that Mr. Vardaman asked him, Mr. Reyburn, what the figure was in the inventory.

I now continue reading exhibit E:

When Mr. Reyburn, as stated in his said affidavit, returned to St. Louis and delivered the inventory to me, on or about December 15, 1941, I, within a few minutes thereafter, and without making any examination of the inventory, delivered the inventory to a representative of Ernst & Ernst, who at that time was present and in process of making the audit and whom I remember as being Mr. Leisse. This representative of Ernst & Ernst accepted the delivery of this inventory without any comment and the subject of same was not brought up or discussed by me with anyone until in the course of the audit the representatives of Ernst & Ernst began to question the accuracy of certain items in the office of the Vardaman Shoe Co., the exact time of which I do not recall but it was approximately 3 or 4 days after my delivery of the inventory as above stated.

Subsequently, further discussions regarding this inventory were had with the auditors and in all of these discussions the discrepancies therein contained were brought up for discussion. In the course of these conferences with the auditors regarding the accuracy of the inventory I was questioned regarding the discrepancies and my answer to those questions was that the inventory was made and compiled under Mr. Reyburn's supervision, and my explanations of these discrepancies were predicated upon verification by Mr. Rayburn, since my knowledge of the operations involved in the shoe factory was not sufficient to warrant a positive statement as to the reasons for such discrepancies.

After the auditors questioned the accuracy of the inventory, I, of course, felt it incumbent upon me to report this to Mr. Vardaman, which I did, and Mr. Vardaman, as president of the company, ordered me to confer with Mr. Reyburn for the purpose of priming him and prevailing upon him to support the inventory as submitted. Acting under those instructions, I went to Owensville, discussed the matter with Mr. Reyburn, advised him of the instructions which I had received from Mr. Vardaman, and discussed with Mr. Reyburn the possible plausible explanations to support the same. He made such explanations to me and upon my return to St. Louis I discussed the inventory situation with Mr. Vardaman.

Subsequent I discussed the entire subject of this inventory with Mr. Vardaman at his office in the Naval Intelligence Office in St. Louis. Mr. Vardaman telephoned me and told me he had been in conference with the auditors and then summoned me to his office in the Capital Syndicate Trust Building to discuss the matter. I went to the office as directed and Mr. Vardaman and I discussed the inventory situation in its entirety. Mr. Vardaman stated that Ernst & Ernst were on the verge of demanding that a new inventory be taken as of January 31 and asked me if I thought it would be possible to substantiate the inventory of November 30 if such a new inventory as of January 31 was taken. I told him that, frankly, it would be an impossibility to support the figures contained in this inventory.

The possibility of calling Mr. Reyburn from the office of Ernst & Ernst at the meeting next scheduled was discussed, and Mr. Vardaman decided that we should talk to Mr. Reyburn from his office and tell him that we were going to hold this meeting with the auditors at their office, and in the event he received a phone call from either Mr. Vardaman or myself, he was to be on his guard, realizing that the phone call was originating in the presence of representatives of the auditing firm.

Then Mr. Vardaman called the auditors and told them that he would be late, but that if I came in just ask me to wait. It was then suggested by Mr. Vardaman that I proceed to the office of Ernst & Ernst alone and prior to his arrival.

Upon arrival at the office of Ernst & Ernst I was called in the office. Mr. R. A. Huelsick and Mr. Stafford were invited in and we began

discussing some general aspects of the situation. Shortly thereafter, Mr. Vardaman arrived and a discussion of the inventory matter began. The inventory sheets were then turned over to me so that I might review the method of pricing used, which the auditors questioned, after which Mr. Vardaman and I left the office of Ernst & Ernst. During this conference Mr. Vardaman sought to vindicate in every way the authenticity of this inventory, or at least it appeared to me that when we left some of the doubts in the minds of the auditors were relieved. During the conference in Ernst & Ernst's office the auditors directed the attention of Mr. Vardaman and myself to certain erasures of quantities and apparent doubling of the figures as written on the sheet, and told Mr. Vardaman that it was certainly a matter that he should investigate thoroughly.

Having received the inventory papers from Ernst & Ernst, I returned to the office and upon my return from the Chicago shoe show began examining those papers, with a view to ascertaining the basis of pricing used. When I felt that I had sufficient data in hand regarding the basis of pricing used, I called the auditors and informed them that I was prepared to discuss the question of pricing of the inventory. Eventually, the auditors returned to the office and the inventory papers were then returned to them with the figures on the inventory sheets in nowise altered by me.

After a lapse of several days, I called Mr. Vardaman on the telephone and said that I thought he should call the auditors and ask when the statement would be ready, in view of the fast approach of the date for the stockholders' and directors' meetings, and he replied that he would call them at once. A few minutes later he called me back on the telephone and stated that he was going to the office of the auditors. Thereafter, during the day, I received another call from Mr. Vardaman in which he advised me that he was at the office of the auditors and requested me to meet him there and which I did. At that conference there was present, besides myself and Mr. Vardaman, Mr. Brunk, Mr. Huelsick, and Mr. Stafford, of Ernst & Ernst, and we were informed by Mr. Brunk that the inventory was entirely unacceptable, that it had been deliberately padded, and Mr. Brunk—

The words "several times" are inserted with a caret, then the initials in pen and ink, "P. de C.," and then the interlineation stops. I resume the reading:

Mr. Brunk informed Mr. Vardaman that, as president of the company, it was his responsibility to immediately investigate and ascertain the identity of the persons responsible for these discrepancies and to report the same to the board of directors and that such meeting of the board of directors should be held as quickly as possible. Whether or not Mr. Vardaman followed that advice to report to the board I do not know of my own knowledge.

However, subsequent to this meeting with the auditors, Mr. Vardaman instructed me to immediately and from a telephone at which I could not be overheard, get in touch with Mr. Reyburn and have him meet me privately and where we would not be overheard in order that we could discuss ways and means of still substantiating the questioned inventory and in order also to caution him to be on his guard. Upon meeting Mr. Reyburn and informing him of what I considered the seriousness of the situation, Mr. Reyburn's first reaction was that he would bring in the duplicates of the original inventory, turn them over to the authorities, and simultaneously hand in his resignation. The next morning Mr. Vardaman called me and asked me the result of my meeting with Mr. Reyburn and I informed him of Mr. Reyburn's first reaction. Mr. Vardaman then said that if Mr. Reyburn wished to do that, that was O. K.

Further affiant sayeth not.

(Signed) PAUL DE COSTER.

Subscribed and sworn to before me this 31st day of January 1942.

My commission expires May 12, 1943.

(Signed) MARTHA HARRIS.

And the word "seal" in pen and ink, then the words "notary public."

Mr. President, the testimony of Mr. de Coster was, generally speaking, to the effect that the statements which in any way reflected upon Mr. Vardaman in this affidavit were not true, and were induced by the intimidation and duress of Messrs. Bittner and Frank Williams.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Would the Senator be good enough to detail the various types of coercion which de Coster and Reyburn testified operated on them at the time they made this so-called original affidavits.

Mr. DONNELL. I think I have already done that; but I shall try to amplify it a little, and if I do not include all of it, I should be glad to have the Senator supplement it.

The testimony generally was that these men, Mr. de Coster and Mr. Reyburn, each separately, as I have indicated, went to the office of Mr. Williams with Mr. Bittner; that Bittner and Williams, by all sorts of duress—I do not know whether the word duress was used, I do not recall what the witnesses said, if they did say what the language was, but the general substance was that Bittner and Williams had kept at these men until finally, worn out, they signed what was put before them, and that these statements adverse to Mr. Vardaman were not true.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DONNELL. Pardon me for a moment. Furthermore, there were intimations to the effect that there should be close cooperation between Bittner and these respective witnesses, the intimation being in the testimony, as I understand it, that Bittner suggested that if these men did not sign they would lose their jobs. Moreover, Bittner is said to have indicated that if he did not get his money back from Mr. Vardaman he could not send his son to college.

The further statement was made, so Reyburn and De Coster testified, as I recall, that Bittner had a claim against Vardaman and he wanted these affidavits in order to support that claim.

The statement was further made, as I recall, that these affidavits would be destroyed or returned to the affiants, I do not recall which.

Does that satisfactorily answer the Senator?

Mr. MILLIKIN. I thank the Senator very much.

Mr. MORSE. Mr. President, will the Senator from Missouri now yield?

Mr. DONNELL. I yield.

Mr. MORSE. I have received a telegram which sets forth a series of questions on matters with which I am not familiar, because I have not had an opportunity as yet to complete my study of the record. I had the record this morning for a while, but it is out of my possession again this afternoon, though I have a promise that I shall be able to get it again tonight, when I can study it further. I understand that the Senator from Missouri attended——

Mr. HATCH. Mr. President——

The PRESIDING OFFICER. The Chair suggests that the Senator from Oregon speak a little louder.

Mr. HATCH. I wondered if the Senators were engaging in a private conversation. [Laughter.]

Mr. MORSE. I shall be very glad if the Senator will come over and join us.

Mr. DONNELL. We shall be glad to have Senators on the other side join us on this side.

Mr. MORSE. I wanted to save the voice of the Senator from Missouri, because I think he has many more important things to put into the RECORD. But I shall try to speak so that the Senator from New Mexico can hear me.

I was saying to the Senator from Missouri that I have received a telegram which sets forth a series of questions the answers to which I do not know, and I was about to ask the Senator whether it is true that he attended all the hearings of the subcommittee when Mr. Vardaman was before it.

Mr. DONNELL. Yes; I did.

Mr. MORSE. Then, I shall address some of these questions to the Senator, in the hope that perhaps his knowledge of the hearings will enable him to give me answers, and if not, at a later hour I shall address some questions to my good friend the Senator from Colorado [Mr. MILLIKIN].

I received this message from the editor of a magazine called Finance, which I believe is published in St. Louis, but I am not sure about that. The first question I submit to the Senator from Missouri is this:

If there is no basis for the charges made by Bittner that Vardaman misrepresented value of stock in the financial statement he gave Bittner, why did Vardaman give him a deed of trust to his farm?

Does the Senator think I might find an answer to that question in the record?

Mr. DONNELL. I think the Senator will find that the charge was made against Mr. Vardaman that he had, by misrepresentation in the financial statement which I have exhibited to the Senate, secured from Mr. Bittner $9,375, of which $4,000 was in cash, the balance in a note from Mr. Bittner; that thereafter Mr. Bittner, charging that the sale of the stock was based on fraudulent representations, demanded, both personally of Mr. Vardaman and through his attorney, Mr. Williams, that Mr. Vardaman reimburse Mr. Bittner for the amount expended by him, or make some type of settlement; that Mr. Vardaman thereupon engaged Capt. Clark Clifford, who was a lawyer in St. Louis, to represent his interests; but that prior to the engagement of Captain Clifford, Mr. Vardaman had himself agreed with Mr. Bittner, or his attorney, Mr. Williams, that he, Mr. Vardaman, would make a settlement.

I think the testimony shows that he agreed that the amount to be repaid to Mr. Bittner was $5,375 by note secured

by deed of trust on the farm in St. Louis County, coupled with the agreement, I think, as it was ultimately made, I think, on March 14, 1942, that as each dollar was paid on the note one share of stock was to be surrendered by Mr. Bittner back to Mr. Vardaman.

I may say, Mr. President, that I am not certain that the testimony affirmatively shows that all this detail I have mentioned had been agreed to by Mr. Vardaman and Mr. Bittner or his attorney, Mr. Williams, in advance of the engagement of Mr. Clifford, but I am quite clear that Mr. Clifford testified that Mr. Vardaman had made, in advance of the engagement of Mr. Clifford, the agreement to settle.

The evidence shows that subsequently, on or about March 14, 1942, the settlement was concluded by the issuance of the note and delivery of the deed of trust upon the property. It was on that date, according to the testimony of Mr. Williams, that there was a request by Mr. Vardaman, after the signing of the papers, that the affidavits, meaning, I think, those executed in the office of Mr. Williams by Reyburn and de Coster, be destroyed. Mr. Williams and Mr. Vardaman, according to the testimony of Mr. Williams, went to the shower room of the law firm, and there Mr. Vardaman applied the match, and they were destroyed.

I think I should say in fairness to Mr. Vardaman that he denies that there was any request on his part for or any knowledge of any destruction.

I think I should say further that Mr. de Coster testified that he, de Coster, was present when they were destroyed, but Mr. Williams denied it. Mr. Williams had his time sheets, or rather those that had been made up by transcription, as is customary in his office, for March 13, which do not show the presence of Mr. de Coster, but which do check the presence of the other gentlemen.

Mr. President, to my mind the evidence I have mentioned here—and there may be some other facts and circumstances which I do not at the moment recall—amply justify the answer to be made to the inquiry contained in the telegram which the Senator from Oregon has in his hand, that Mr. Vardaman realized that there was merit in the claim of Mr. Bittner. I may say also that Mr. Williams testified that the affidavits of Reyburn and de Coster were shown to Mr. Vardaman. Mr. Vardaman denies that. Mr. Clifford states that he never saw them, but he knew that certain affidavits were in existence.

Does that answer the question contained in the telegram, which the Senator read?

Mr. MORSE. That certainly supplies me with information with respect to the question asked in the telegram.

Mr. DONNELL. Pardon me. I did not mean to ask the Senator to bind himself as to whether he joined in the conclusion at which I had arrived. I wanted to give the Senator the facts which would give him in a general way my views.

Mr. MORSE. I am satisfied that the Senator's statements are in response to the question.

Mr. MILLIKIN. Mr. President, may I ask the distinguished senior Senator from Oregon to read the question again?

Mr. MORSE. It is as follows:

If there is no basis for the charges made by Bittner that Vardaman misrepresented value of stock in the financial statement he gave Bittner, why did Vardaman give him a deed of trust to his farm?

Mr. MILLIKIN. May I make an observation on that subject?

Mr. DONNELL. Yes.

Mr. MILLIKIN. The deed of trust to the farm was merely security for a note which Commodore Vardaman gave to Mr. Bittner for the purchase back by Commodore Vardaman from Bittner of—my memory is—some 3,000 shares of stock of the 9,000-plus shares which Bittner had bought.

Mr. DONNELL. Five thousand three hundred and seventy-five.

Mr. MILLIKIN. Is it 5,375?

Mr. DONNELL. Yes.

Mr. MILLIKIN. Of the 9,000-and-some shares which Bittner had bought from Vardaman. So, it will be noticed at once that Vardaman did not agree to buy back all the shares. There is no implication, as I recall, that Vardaman bought the shares back under any consciousness of wrong-doing. Mr. Williams, when I asked him whether there had been any admissions against interest in the settlement, said there had not been.

The distinguished senior Senator from Missouri has pointed out to me that what purports to be a copy of the contract between Vardaman and Bittner mentions $5,375 as the indebtedness and that this was to be discharged by one share of stock for $1 of indebtedness. Is that correct, I ask the Senator?

Mr. DONNELL. It is.

Mr. MILLIKIN. There is nothing in the record, and Mr. Williams stated specifically that there was nothing in the settlement that represented any admission against interest by Commodore Vardaman. Then, why did he buy back any stock? It was very obvious that Mr. Bittner was not satisfied with the deal, and, as often happens in transactions of that kind, a man says, "Well, you are not satisfied. I will go part of the way with you and take this back."

The point I want to emphasize is that there is nothing in the record to indicate that Vardaman was settling on the basis of a blackmail scheme, or that Williams, under his own testimony, was considering that he was engaged in a blackmail scheme. Williams testified that he took these affidavits in the same way that any cautious lawyer takes a statement or an affidavit, as a safeguard against the possibility of witnesses running out on him in future litigation such as Williams said he might conduct in Bittner's behalf.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. DONNELL. I shall yield in a moment. I am pleased that the Senator from Colorado mentioned that there was no settlement of this case on any blackmail basis. Indeed, my recollection of the testimony is, and my note here indicates, that Mr. Vardaman said that he was not buying affidavits, and from that I draw the inference, which I submit for the consideration of the Senate, that if he was not buying the affidavits—and I do not think he was buying them—there was no blackmail in it, as the Senator from Colorado has indicated. So the Senate can then reach the conclusion that Mr. Vardaman was settling on the merits of the case rather than on the basis of any affidavits, and was paying $5,375 in the form of a note because of those merits.

I now yield to the Senator from Arizona.

Mr. McFARLAND. I should like further to supplement the statement of the able Senator from Colorado by saying that Commodore Vardaman made it plain that at the time the stock transaction was made probably both he and Bittner thought the company was in somewhat better financial condition than it really was, and that he was willing to buy back, say, half of the stock, and so indicated shortly after he had sold him all the stock; that Mr. Bittner had said that he had bitten off more than he could chew—I think that was the expression used—and that he, Commodore Vardaman, still had confidence that the company would snap out of it and would make money. I may say that I understand Mr. Bittner is making money out of it right now.

Mr. MORSE. Mr. President, will the Senator from Missouri yield further?

Mr. DONNELL. I do; yes.

Mr. MORSE. I may say that the second question apparently deals with an allegation that at one time the trustee in bankruptcy in the Federal court proceeded against Mr. Vardaman on a charge of embezzlement and willful misappropriation of funds, and that the action was subsequently dismissed.

Is there anything in the record which bears upon that matter? Let me put the question as it appears in the telegram:

Why was the suit to recover $2,804 on Vardaman's bond brought by the trustee in bankruptcy in Federal court charging embezzlement and willful misappropriation dismissed? The charges were neither proved nor disproved. What were the circumstances under which Judge Moore dismissed the suit?

Would I find anything in the record bearing upon this question?

Mr. DONNELL. Yes; Mr. President, the record will show that a suit for $2,804.34 was brought by Mr. William R. Gentry, trustee in bankruptcy of the Vardaman Shoe Co., against the bonding company of Mr. Vardaman, which suit made various charges of misapplication, embezzlement, and so forth.

The testimony shows that this suit was subsequently dismissed by the trustee, Mr. Gentry, at the cost of the trustee. My recollection of the testimony of the trustee is that a reorganization of the company was in process, and that it was desired by all parties that this claim should be closed up, the whole matter adjusted; that is, and wound up in the reorganization, and that, therefore, the

suit itself was never prosecuted, but was dismissed because it was desired by all parties in interest that there be a final termination of the affairs of the company.

I think that is a fair statement. Is it not, I will ask the Senator from Colorado?

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I would not quarrel with what the Senator has said. I simply point out that there is no inference of guilt from a suit being dismissed by the opposing party at his own cost.

Mr. DONNELL. I concur in that statement.

Mr. MORSE. The junior Senator from Oregon certainly concurs in it, too, but the question was asked, and I am simply trying to find out whether there was anything in the record which would throw any different light upon it than I assume would be disclosed when the suit was dismissed.

Mr. McFARLAND. May I supplement the statement of the Senator from Colorado by saying that the evidence does show that the board of directors approved the major portions of the items contained in the suit.

Mr. DONNELL. Mr. President, in that connection I think it only proper to say that the items to which I think the Senator from Arizona refers were approved by the board of directors on January 30, 1942. I take it that what the Senator is referring to is the unanimous adoption of a resolution which appears on page 170 of the minutes of the shoe company, reading as follows:

Be it resolved, That payment of interest on personal loan of James K. Vardaman, Jr., at the National Stockyards National Bank heretofore made by the company out of its funds be, and the same is hereby, approved; that purchase of symphony tickets, horse show tickets, Christmas present to George Ineichen and wife, and advertisement in the Censor, heretofore paid out of corporate funds be, and the same is hereby, approved; be it further

Resolved, That all apparent personal payments out of corporate funds be from this date forward discontinued unless specifically authorized by this board of directors.

I call attention to the fact that this action was on the 30th of January, 15 days before the institution of the bankruptcy proceedings. Was that the action to which the Senator from Arizona referred?

Mr. McFARLAND. That is only a part of it. I shall refer to the other part of it.

Mr. DONNELL. I will appreciate it if the Senator will do so. I do not recall any further item.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MORSE. Am I to understand that the attorney, Mr. Williams, who testified before the committee, is the same Mr. Williams who is a member of Fordyce, White, Mayne, Williams, & Hartmann in St. Louis?

Mr. DONNELL. That is correct. I may say in that connection that Mr. Vardaman in his testimony on the stand referred to Mr. Williams as working for Sam Fordyce, or working in his office. The fact is, however, that Mr. Williams is—and I think the testimony shows that he has been for many years—a member of that firm. I think he testified that he had practiced law for about 26 years.

Mr. RADCLIFFE. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. RADCLIFFE. Did not Commander Vardaman correct his statement and explain what he meant by working for Mr. Fordyce? Did he not state that they were associated? I think he stated very definitely in his testimony that Mr. Williams was a member of the firm.

Mr. DONNELL. Will the Senator indulge me while I get the testimony?

Mr. MORSE. I am very happy to do so.

Mr. DONNELL (after examining papers). I wonder if I may supply that information for the RECORD a little later, so as not to take too much time now.

Mr. McFARLAND. Mr. President, I do not think there is any controversy over the question. I think it is generally admitted that Mr. Williams is a member of the firm.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I should like to repeat the theme of the Senator from Arizona. There is no dispute that Mr. Williams is a partner in that firm. Can we not concede that and get on?

Mr. DONNELL. It is perfectly agreeable to me.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MORSE. I ask the Senator from Missouri if it is true that Mr. Williams, as shown by the record, testified that he was or was not present at the burning of the affidavits?

Mr. DONNELL. He testified that he was present.

Mr. MORSE. That Mr. Williams was present?

Mr. DONNELL. That he, Mr. Williams, and Mr. Vardaman, were personally present in the shower room of the law firm, which is in the Mississippi Valley Trust Building in St. Louis, Mo., and that Commodore Vardaman, in his presence, applied the match to the affidavits when they were destroyed.

Mr. MORSE. And Mr. Vardaman denied that he was present at the burning of the affidavits.

Mr. DONNELL. He did.

Mr. MORSE. Did Mr. Williams testify that any other member of his firm was present at the burning of the affidavits?

Mr. DONNELL. He did not.

Mr. MORSE. Was he asked whether any other member of his firm was present at the burning?

Mr. DONNELL. I do not think he was. I think I did ask him, however, who were present.

Mr. MILLIKIN. Would not the Senator say that Mr. Williams, at least by strong implication, excluded the presence of any other person?

Mr. DONNELL. Yes; I think that is true.

Mr. MORSE. In order to complete the record——

Mr. DONNELL. Just a moment. I should like to speak to the Senator from Colorado.

(At this point Mr. DONNELL conferred sotto voce with Mr. MILLIKIN and Mr. RADCLIFFE.)

Mr. WHITE. Mr. President, will the Senator from Missouri yield?

Mr. DONNELL. I yield.

Mr. WHITE. I wonder whether it is the Senator's purpose or hope to conclude this evening?

Mr. DONNELL. I doubt if that is possible. I do not believe, unless we remain in session until an unreasonably late hour, that I can conclude today.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MORSE. If that be the case, in view of the very conscientious, sincere, and able presentation which the Senator from Missouri has been making for the past 2 days, I think it would be only a matter of fine parliamentary courtesy to extend to the Senator the benefit of a recess of the Senate at this time until tomorrow at 12 o'clock noon. After all, it is perfectly obvious to those of us who have listened to the Senator that he is proceeding in good faith, from a conviction that this nomination should not be confirmed by the Senate. He has been on his feet for many hours, and I think it is only fair and right under the circumstances that we extend to him the courtesy of a recess until tomorrow at 12 o'clock noon, if that meets with the approval of the minority leader.

Mr. RADCLIFFE. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. RADCLIFFE. Certainly it is the desire of all Senators to extend every courtesy to the Senator from Missouri. But I am wondering if we cannot arrive at some estimate as to the length of time which will be required for the consideration of this nomination. As chairman of the subcommittee, I have received a great many inquiries as to what might be expected, and I cannot say. It is certainly our desire to be as considerate as we can of the Senator from Missouri, but we must reach an end to the consideration of this matter as quickly as possible. Important legislation is pending. Therefore, it would be rather helpful if the Senator from Missouri could give us some idea as to how much longer he will require so that we may plan accordingly.

Mr. DONNELL. Mr. President, I appreciate the courtesy of the Senator from Oregon and the Senator from Maryland. In my judgment, it will require between half an hour and an hour to complete the presentation of my argument.

Mr. MORSE. Without interruption.

Mr. DONNELL. Without interruption.

Mr. President, I should like to reply to the question of the Senator from Oregon as to whether there was any evidence of anyone else being present, or words to

that effect, which he read from the telegram. Will he be kind enough to read it again?

Mr. MORSE. Suppose I read two paragraphs from the telegram. I have not yet read from the telegram. I have been discussing in my own words the contents of the telegram.

Mr. DONNELL. Before the Senator reads from the telegram I should like to interpolate this observation:

I have spoken both to the Senator from Maryland [Mr. RADCLIFFE], chairman of the subcommittee, and to the Senator from Colorado [Mr. MILLIKIN]. I have not spoken to the Senator from Arizona [Mr. MCFARLAND]. If he would like to have me consult him, I shall be glad to do so. The question is whether or not certain information which was given to me by Mr. Williams, but which is not in the record, should be mentioned upon the floor of the Senate. The two Senators with whom I have conferred have indicated that they have no objection. If the Senator from Arizona has any objection, I should be glad to know it.

Mr. MCFARLAND. I do not believe that any Senator can object to any other Senator giving any information which he may have. So far as I am concerned, I would not wish to rely upon any information which a witness might have given when he appeared before the committee, but which he did not think enough of to place it in the record. That is my impression, but I think the Senator's conscience should be his guide.

Mr. DONNELL. I appreciate the courtesy of Senators.

The other day, after Mr. Williams had completed his testimony, he came to my office. He had been there before. He conferred with me on the Sunday when he arrived in Washington, and we went over the facts quite fully. After the conclusion of his testimony he returned to my office. As nearly as I can recall, he made this statement—I may be slightly in error in my recollection, but I will relate the statement to the best of my ability.

He stated that either at or about the time that he and Mr. Vardaman were leaving the shower room where the burning had taken place, the senior partner, Mr. Fordyce—he did not use the expression "senior partner," but it was Mr. Sam Fordyce, of the firm—came along near that portion of the office and saw Mr. Williams. I am not certain whether he said he saw Mr. Vardaman, but he saw Mr. Williams. It appears that near the washroom are certain toilet facilities. Mr. Fordyce said to Mr. Williams, according to the information which Mr. Williams gave me, "What are you doing in there?" and laughed. I may say that Mr. Fordyce is quite a wag, and is generally known as a man with a good deal of humor. He made some humorous remark in connection with the matter, having to do with the close proximity to the toilet facilities. Mr. Williams stated that thereafter Mr. Fordyce had told various persons around the city this little joke, as he considered it, about Mr. Williams. I have an idea that that is what is referred to in the telegram which the Senator from Oregon has. I have repeated Mr. Williams' statement to the best of my recollection.

Mr. MORSE. Mr. President, before I read these two questions, let me make it clear for the record that I do not know the answers to them. I did not solicit this telegram. It was sent to me without any previous knowledge on my part. I have not yet had ample opportunity to study the record, to know what foundation can be found in the record for an answer to the telegram; but here are two questions, and I shall read the paragraphs together——

Mr. DONNELL. Will the Senator allow me to interpolate one observation? I know from whom this telegram comes—at least I think I know. The sender is a man by the name of Reuben Lewis. Mr. Lewis has called me on the telephone on at least two occasions. In fact, he called me twice today in regard to this situation. Various articles have appeared in the magazine Finance. Clippings have been sent to me, not by him, but by a friend of mine in St. Louis.

Mr. Lewis himself told me, without any solicitation on my part, that he intended to send a telegram to the Senator from Oregon. I suggested to Mr. Lewis that the telegram should be sent rush message, so that it might reach the Senator promptly. I believe I told Mr. Lewis that the matter was coming up on the floor of the Senate, and that I thought that if he intended to send a telegram it should be sent promptly. I do not know that I amplified my statement quite to that extent; but I wish the Senator to know that I knew that this telegram was coming, not because of any solicitation on my part, but because of the knowledge I had of it, and following my suggestion that he send it, since he told me that he was going to send it, as a rush message to the Senator.

Mr. MORSE. The telegram arrived about an hour ago, and I came over with the telegram because I thought at least the questions ought to be made a matter of record. This part of the telegram reads as follows:

> Why, if there is no basis for the charges that Vardaman directed the falsification of the inventory statement, were third party affidavits made by De Coster and Reyburn burned up in the St. Louis law office? Vardaman testified, I am informed, that he was not present at the burning of the affidavits.

The next paragraph reads as follows:

> We suggest that Sam Fordyce, senior member of law firm of Fordyce, White, Mayne, Williams, and Hartmann be subpenaed. Our information is that he will testify that Vardaman was present at the time of the burning of the affidavits.

The Senator tells me that there is nothing in the record before the committee which supports the claim that Mr. Fordyce was in fact present.

Mr. DONNELL. The Senator is entirely correct.

Mr. MORSE. Mr. President, I read further from the telegram:

> Why, when Vardaman has been connected with a business enterprise thrown into bankruptcy where the creditors received 30 cents on the dollar, should he be considered qualified to serve as a Governor of the Federal Reserve Board? The chief national bank examiners, with few exceptions, will not approve as a principal officer of a new bank a banker who has been in a failed bank.

Mr. President, does the Senator from Missouri know anything about that practice on the part of the Federal bank examiners?

Mr. DONNELL. No; I do not.

Mr. MORSE. Is there any comment which the Senator would like to make?

Mr. DONNELL. I do not think the fact that Mr. Vardaman was connected with an institution which went into bankruptcy is at all conclusive as to his incompetency or competency. In fairness to him, I think it should be stated that the company was in dire financial straits from the time when he went into it. He himself also testified that he went there in the attempt to work it out of its difficulties and that he was somewhat of a trouble-shooter. That was his expression.

I think that the conditions which were found there after he had been with the company—the conditions which were found by Mr. Gentry—may properly be considered by the Senate in determining what, if any, business ability has been exhibited by Mr. Vardaman in the management of the company; but I do not concur in the view that the mere fact that he was connected with a company which went into bankruptcy should in itself disqualify the commodore.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I should like to observe that the testimony also shows that the creditors of the company were aware of the condition of the company from the beginning.

Mr. DONNELL. Mr. President, in that connection I may say that I do not know just what it is the Senator from Colorado refers to, except one minute which I read this afternoon. There may be other testimony; but I wish to emphasize a portion of the testimony which I am inclined to think the Senator from Colorado did not hear today, because I do not think he was in the Chamber at the moment when I read it. That was testimony showing that shortly or a few months after Mr. Vardaman went with the shoe company, he advocated the policy of not disclosing to anyone, even stockholders, the facts respecting profits, production, and so forth, unless with the consent of the treasurer of the company, and he was the treasurer of the company. I mention that as having some possible bearing on the question whether the creditors realized the conditions which prevailed.

Mr. MCFARLAND. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MCFARLAND. I have been wondering whether we can agree as to a time to vote on the nomination tomorrow—for instance, at or before 3 o'clock.

Mr. DONNELL. No; I am not willing to make such an agreement.

Mr. RADCLIFFE. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. RADCLIFFE. When the Senator said a short time ago that it would take

him only half an hour or not more than an hour to conclude, I am sure he was appraising the situation and was mentally making some calculations. Even though we do not have a definite statement in regard to the future program, I think that in making our plans we can rest on the assurance—and that is the only reason why I make this statement—that the Senator from Missouri will not require more than an hour tomorrow.

Mr. DONNELL. That is my judgment, I may say, provided there are no interruptions. However, I feel that this matter is of such importance that I certainly should be willing to yield to any Senator who desires to ask questions.

Mr. RADCLIFFE. I wish to say to the Senator from Missouri that the only reason why I have discussed the point at all is that it really is necessary to make some sort of plans, if it is possible to do so. If we cannot do so, we shall be obliged to proceed as best we may.

Mr. DONNELL. I tell the Senator that I shall make every effort to conclude within an hour, if I am able to do so. I shall make every effort to do so.

Mr. McFARLAND. Mr. President, will the Senator from Missouri yield further?

Mr. DONNELL. I yield.

Mr. McFARLAND. I should like to give notice that I shall insist that the Senate remain in session tomorrow until consideration of the nomination is concluded. We have already consumed two entire days in consideration of the nomination. I am willing to have the session for today concluded at this time. But I think we should come to the Senate tomorrow prepared to remain in session until the pending matter is disposed of, if there is to be any prolonged discussion of it. There is important business pending before the Senate.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. WHITE. Of course, Mr. President, I am as anxious as is any other Senator to have the business before the Senate disposed of as rapidly as circumstances and good legislative practice will permit, but when a Senator has talked as long as the Senator from Missouri has, always in good faith and always addressing himself to the question before the Senate, I think we have asked of him all that we should ask, for he has already talked for 4 hours or more today. Under the circumstances, it seems to me that a consideration of proper procedure, with decent regard for the Senator from Missouri, suggests and recommends that we release him from the floor at this time, with the understanding that he will have the floor when the Senate reassembles tomorrow.

Mr. DONNELL. I thank the Senator.

Mr. WHITE. There is some business on the Executive Calendar which can be attended to.

Of course, the notice the Senator from Arizona has given relates to a matter which is in the control of the majority. It may be that it will be possible to conclude consideration of the pending matter long before midnight tomorrow. I certainly hope so.

Mr. DONNELL. Mr. President, I greatly appreciate the courtesy of the Senator.

Mr. WHITE. At any rate, Mr. President, that problem and situation will have to be determined in accordance with the circumstances which may exist tomorrow.

Mr. RADCLIFFE. Mr. President, will the Senator yield to me?

Mr. DONNELL. I yield.

Mr. RADCLIFFE. I was about to suggest that the Senate take a recess at this time, but it occurs to me that if the Senator from Oregon [Mr. MORSE] has almost completed the reading of the questions contained in the telegram he has received and if the reading of the remainder of them will take only a few minutes longer, possibly the Senator from Missouri will prefer that the reading of them be finished before a recess is taken.

Mr. DONNELL. I should prefer to have that done.

Mr. President, let me say, lest my previous statement did not reach the Senator from Maine, that I deeply appreciate and am very grateful to him and to all other Senators for the courtesy and kindness they have shown me.

Mr. MORSE. Mr. President, in line with the suggestion which has been made, I read another of the questions included in the telegram I have received:

> Why was Vardaman's resignation as president of the Tower Grove Bank & Trust Co. forced? Why did not the subcommittee subpena Miltenberger, Chairman Locatell, president of the Tower Grove, who stated that they had information which they were prepared to give as to Vardaman's record at the Tower Grove? In view of all this, I respectfully suggest that the hearing be reopened and that Fordyce, Connett, and Miltenberger be subpenaed.

As to the first part of the question, does the record set forth any material bearing on the surrounding facts and circumstances as to why Mr. Vardaman resigned as president of the Tower Grove Bank & Trust Co.?

Mr. DONNELL. Mr. President, there is a statement from Mr. Vardaman. Would the Senator from Oregon like to have me outline it at this time?

Mr. MORSE. Suppose we leave the question in the RECORD tonight, and have the Senator from Missouri discuss it at the beginning of the session tomorrow.

Mr. DONNELL. I shall be glad to do so.

Mr. MORSE. Mr. President, will the Senator yield for a moment further?

Mr. DONNELL. I yield.

Mr. MORSE. Let me say that I share the view of the Senator from Arizona and I hope that at least the debate on the Vardaman charges can be closed tomorrow. However, I think it only fair to say that I shall move tomorrow that the matter of final consideration of the Vardaman nomination be postponed for at least 1 week, and I shall do so in the utmost good faith because of the position in which I find myself when called upon to cast a vote on the pending nomination. I assume that the position in which I find myself is the same as that in which a great many other Members of the Senate find themselves, particularly those who have been absent throughout most of the debate, if they really wish to cast a vote in accordance with what they know to be the merits of this issue. It seems to me, as I intimated yesterday, that when such serious charges and challenges are made regarding a nomination to a position so high as the one to which Mr. Vardaman has been nominated, each Member of the Senate should be in a position to say with the utmost honesty that he knows that his vote is based upon an understanding of the merits of the record.

I merely submit, in view of the debate of the last 2 days, that if we proceed to vote on the nomination tomorrow, Senators who may be uninformed as to the record involved in this case, in the face of these serious charges, will simply be casting their votes on a matter as to the merits of which they really cannot speak.

I think we are dealing with a procedure of the Senate that is of the utmost importance if we are to instill in the minds of the American people the confidence which they should have in the deliberations of the Senate of the United States. I simply cannot believe that the American people would approve of having us sit here tomorrow and vote on the Vardaman nomination, with the tremendous record which has been challenged now for 2 days by the Senater from Missouri, without having an opportunity afforded those of us, at least, who take our votes on nominations so seriously that we think we owe it to the country to make a check upon the record, to have an adequate opportunity to make such a check.

I do not wish to be placed in such a position that I shall have to vote against the nomination because I have not had an opportunity to check for myself and to determine for myself whether the charges made by the Senator from Missouri are borne out by the record in this case. I do not see how I could cast an honest vote unless the Senate afforded an opportunity for such a check to be made. If we finish the debate on this question tomorrow there is no reason why final action cannot be postponed for a few days so as to allow Members of the Senate to examine into the record and ascertain whether they wish to be in position to back up their votes with a knowledge of the issues involved. No harm could result from such a postponement, while on the other hand a great deal of harm might result if a postponement were not granted. I expect to make a motion tonight that after the closing of the debate on the Vardaman nomination, the Senate postpone final action upon the matter for a minimum of 1 week.

Mr. McFARLAND. Mr. President, I cannot allow to go unchallenged the statement of the Senator from Oregon that serious charges have been made against Commodore Vardaman. If we accept the evidence which was adduced before the committee, we are bound to conclude that the charges are unfounded and are not serious. There is not one single bit of evidence which shows any wrongdoing on the part of Commodore Vardaman. Mere statements unsupported by evidence in regard to a man's

conduct should not be treated as charges against Commodore Vardaman. The evidence which was carefully weighed by the committee of which the Senator from Colorado was a member, did not show any wrongful act on the part of Commodore Vardaman. The Senator from Colorado [Mr. MILLIKIN] is an able lawyer. He is on the other side of the aisle and I am sure no one will question this fairness. His decision should be accepted as conclusive.

Mr. President, at the proper time I shall make a few remarks in regard to the qualifications of Commodore Vardaman.

With reference to the motion which the Senator from Oregon states he will make, I hope the Senate will not vote in favor of it.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. MORSE. I merely wish to say that the Senator from Arizona has expressed his views as a member of the committee. He has stated that the charges which have been made on the floor of the Senate in regard to Commodore Vardaman are not serious. I can well understand how the Senator from Arizona, who sat through the hearings held by the subcommittee, might take the position that in his opinion the charges are not serious. Of course, he will have to speak for himself, just as every other Member of the Senate must speak for himself. As one Member of the Senate who is not a member of the committee, and did not have an opportunity to attend the hearings of the subcommittee, but who has listened to the speech of the Senator from Missouri yesterday and again today, I wish to say that I believe some very serious charges have been made. I think the Senator from Missouri has made a prima facie case in regard to some of the charges which have been made, and before I vote on the nomination of Commodore Vardaman I wish to check the charges against the record. That is all I am asking for.

I think it is perfectly proper for the Senator from Arizona to take the position which he has taken, but what he has said is, in essence, that he thinks those of us who have not had an opportunity to check the record against the charges which have been made by the Senator from Missouri, and those Members who have not been present in the Chamber during the course of the debate, should be asked to walk into the Chamber tomorrow at the conclusion of the debate and vote for Mr. Vardaman, merely because the committee thinks that his nomination should be confirmed. I suggest that such practice has been indulged in by the Senate entirely too frequently. I think the time has come when individual Senators should start checking up some of the procedures of the Senate in order to make certain that we are not voting in favor of a certain nomination merely because so and so says that we should accept the report of the committee. We should vote only after satisfying ourselves as to the accuracy or lack of accuracy of the charges which have been made by a colleague on the floor of the Senate. The right to do that is all that I am asking for, and I think it is the only procedure which should be countenanced in the Senate of the United States.

Mr. McFARLAND. Mr. President, I do not wish to engage in a debate with the Senator from Oregon. I merely wish to say that I am unwilling to agree that we do not properly conduct the procedure of the Senate.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. WHITE. Before any other matter is taken up I inquire if the Senator from Missouri is now yielding with the understanding, so far as such an understanding can be had, that he will be recognized tomorrow, and will proceed at that time?

Mr. DONNELL. The Senator is correct.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2) to provide for Federal aid for the development, construction, improvement, and repair of public airports in the United States, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 1657. An act to amend Public Law 779 of the Seventy-seventh Congress, entitled "An act to provide for furnishing transportation for certain Government and other personnel necessary for the effective prosecution of the war, and for other purposes," approved December 1, 1942, and for other purposes; and

S. 1739. An act to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of fires which occurred at various Navy shore activities.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Milton E. Ballangee for appointment as Director of Selective Service for the Territory of Hawaii, which was referred to the Committee on Military Affairs.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

Raymond M. Lancaster for appointment as fiscal accountant, national headquarters, Selective Service System, under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended;

Sundry officers for appointment, by transfer, in the Regular Army of the United States; and

Sundry officers for promotion in the Regular Army of the United States.

NAVY AND MARINE CORPS NOMINATIONS

Mr. McFARLAND. I ask unanimous consent that the nominations in the Navy and in the Marine Corps be confirmed en bloc, and that the President be notified.

The PRESIDENT pro tempore. Without objection, the nominations in the Navy and in the Marine Corps are confirmed en bloc; and, without objection, the President will be notified forthwith.

RECESS

Mr. McFARLAND. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 55 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, April 3, 1946, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate April 2 (legislative day of March 5), 1946:

SELECTIVE SERVICE SYSTEM

Milton E. Ballangee for appointment as Director of Selective Service for the Territory of Hawaii under the provisions of section 10 (a) (3) of the Selective Training and Service Act of 1940, as amended.

Compensation for the position of Director of Selective Service for the Territory of Hawaii will be at the rate of $6,650 per annum.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 2 (legislative day of March 5), 1946:

IN THE NAVY

APPOINTMENTS TO PERMANENT GRADE IN THE NAVY

William D. Leahy to have the permanent grade of Fleet Admiral of the United States Navy, to rank from December 15, 1944.

Ernest J. King to have the permanent grade of Fleet Admiral of the United States Navy, to rank from December 17, 1944.

Chester W. Nimitz to have the permanent grade of Fleet Admiral of the United States Navy, to rank from December 19, 1944.

William F. Halsey, Jr., to have the permanent grade of Fleet Admiral of the United States Navy, to rank from December 4, 1945.

IN THE MARINE CORPS

APPOINTMENT TO PERMANENT GRADE

Alexander A. Vandegrift, Commandant of the Marine Corps, to have the permanent grade of general in the Marine Corps from March 21, 1945.

APPOINTMENTS IN THE REGULAR MARINE CORPS

To be second lieutenants

Harold A. Eisele	Bonnie G. Jerry
Robert M. Patterson	Robert E. Bronson
Kenneth M. Ford	Richard S. Rash
Orvin H. Ramlo	Robert L. LaMar
Arthur F. O'Keefe	Carl W. Lindell
Griffith B. Doyle	Basil T. Idler
William D. Armstrong	Andrew L. McVicars
Frank Mick	Robert H. Peters
Henry A. McCartney	James E. Wilson, Jr.
Harold R. W. Walker	John J. Doherty
Richard B. Elliott	Paul M. Ruffner
Richard W. Johnson	Leonard A. Miller
Warren P. Nichols	Joseph E. Blattman
Paul A. Lemarie, Jr.	William W. Eldridge, Jr.
Marion C. Dalby	
John E. Cosgriff	Jack J. Howlett II
Wesley H. Rodenberger	John S. Bostwick
	Richard A. Ward
Walter W. Weber	

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 2, 1946

The House met at 12 o'clock noon.

Father Edward A. McDonough, Chief, Personnel Division, Chaplains' Section, Veterans' Administration, Washington, D. C., offered the following prayer:

At the start of this day, which we owe to Thy bounty, we stand at Thy feet, Almighty God, and in humble spirit we adore Thee, we praise Thee, we return Thee thanks for all Thy gifts, particularly for having preserved us to this moment, assisted us by Thy grace, and delivered us from so many evils that might have befallen us had we not been protected by Thy divine wisdom and mercy. Now, new tasks, new obligations rise before us to tax the frailty of our nature and the weakness of our judgment. Direct us, we beseech Thee, by Thy divine inspiration. Teach each of us the responsibility of his office, that we may realize our accountability not to man alone but to Thee, the author of law and justice. Inspire us to the realization that we have taken on one another's burdens, so that our lives may be motivated by a spirit of unselfishness and a desire to serve rather than be served. Give us the grace to know Thy will and the strength to do it, that this country, rich with the blessing of democracy, may continue under Thy law great among nations. These things we ask in Thy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 58. Concurrent resolution relative to representation of the Congress at a meeting of the Empire Parliamentary Association at Bermuda in June 1946.

TEMPORARY ADDITIONAL COMPENSATION FOR POSTMASTERS AND EMPLOYEES OF THE POSTAL SERVICE

Mr. BATES of Kentucky, from the Committee on Rules, reported the following privileged resolution (H. Res. 580, Rept. No. 1837), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5059) to provide temporary additional compensation for postmasters and employees of the postal service. That after general debate, which shall be confined to the bill and continue not to exceed one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Post Office and Post Roads, the bill shall be read for amendment under the five-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

ELECTION OF HON. CARROLL B. REECE AS CHAIRMAN, REPUBLICAN NATIONAL COMMITTEE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, House Republicans appreciate the high honor which has come to one of our membership. CARROLL REECE, who for 25 years has served here with fidelity and distinction, has been honored with an election as chairman of the Republican National Committee.

To be chosen chairman of either of the major parties is a notable honor, and his associates here rejoice in the distinction which has come to Mr. REECE.

Mr. REECE is deserving of the honor. He is a man of fine character, of the highest integrity, and is competent to fill ably the position to which he has been called. He has served faithfully his country, not only here in Congress but on the field of battle as well.

No man in the House has had a better war record than CARROLL REECE. Starting as a private, he was attached to the Yankee Division of New England. His fine war record and his service under fire won for him a promotion to major and two high decorations, one of which was a Distinguished Service Cross.

We are sorry to lose from the House such a fine, patriotic American as Mr. REECE. Our best wishes go to him in his new field. We know he will continue as in the past to serve faithfully our country.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Tennessee.

Mr. COOPER. Mr. Speaker, on behalf of the Tennessee delegation in the House, I join in conveying hearty congratulations to our colleague for this distinguished honor that has been conferred upon him.

Mr. MARTIN of Massachusetts. May I say to the gentleman from Tennessee that the words of praise I have uttered on behalf of the Republicans are shared in by those of you who served with him on the other side of the aisle.

Mr. LEA. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from California.

Mr. LEA. Mr. Speaker, on behalf of the Committee on Interstate and Foreign Commerce, on which committee the gentleman from Tennessee [Mr. REECE] has served for many years, I congratulate the Republican Party on his election, and wish him happiness in his new endeavor.

TEMPORARY ADDITIONAL COMPENSATION FOR POSTMASTERS AND EMPLOYEES OF THE POSTAL SERVICE

Mr. BATES of Massachusetts. Mr. Speaker, I ask unanimous consent that it may be in order to consider the rule on the postal employee bill today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. ROE of Maryland asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. STEWART asked and was given permission to extend his remarks in the RECORD and include proceedings of the meeting of the Choctaw Tribe held at Hugo, Okla.

Mr. SHERIDAN asked and was given permission to extend his remarks in the RECORD and include an interview of Lieutenant Colonel Whitehead, Director, Property Disposal Division, Third Service Command, by Ian Ross MacFarland.

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD and include a letter from Harold G. Wentworth, member of the New York bar, in connection with a bill he introduced today.

SPECIAL ORDER GRANTED

Mr. HARE. Mr. Speaker, I ask unanimous consent that on Friday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

ABOLISH THE OPA

Mr. ROE of Maryland. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. ROE of Maryland. Mr. Speaker, I want to read from a letter that I just received from one of the most prominent citizens in my congressional district and I quote:

I have been reading and listening to the radio in regards to Mr. Wyatt's housing program. I am just as much interested in getting houses built as Mr. Wyatt or anybody else, but I cannot see how the subsidy program is going to help. It is a waste of money and more inflation.

It seems to me it is time to quit throwing away the taxpayer's money and to balance the budget; and also reduce the budget for the coming year. The sooner the OPA is abolished, the better off this country will be. If it continues, there will be more bootleggers in scarce articles than there ever were in liquor.

All the people of this nation need is to be given a free hand, and houses will be built.

Last week end it was my pleasure to travel some 400 miles in my district and I was delighted to see scores and scores of cozy homes going up for our veterans. If our people can just be left alone without Federal interference and Federal regulations, the veterans housing problems of the Eastern Shore of Maryland will soon be solved.

PERMISSION TO ADDRESS THE HOUSE

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[Mr. O'TOOLE addressed the House. His remarks appear in the Appendix.]

REVISION OF TITLE 28 OF THE UNITED STATES CODE (THE JUDICIAL CODE)

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. Mr. Speaker, beginning yesterday and continuing through tomorrow a meeting of the advisory committee in connection with the revision of title 28 of the United States Code will be held in the Supreme Court Building here in Washington. The members of the advisory committee represent the bench and bar of the country and the legislative and executive branches of Government. We are proud of the members of that committee, who are as follows:

Hon. Floyd E. Thompson, chairman, Chicago, Ill.

Hon. Justin Miller, Washington, D. C.

Hon. John B. Sanborn, St. Paul, Minn.

Hon. Walter P. Armstrong, Memphis, Tenn.

Hon. John Dickinson, Philadelphia, Pa.

The committee is meeting with the combined editorial staffs of the Edward Thompson Co. and the West Publishing Co., which staffs have been augmented by a special revision staff consisting of William W. Barron, Frank J. Parker, Theodore Wesley Graske, and by special consultants, Prof. James W. Moore and Judge Alexander Holtzoff. The Committee on Revision of the Laws is represented by Charles J. Zinn and John F. X. Finn. In addition to the advisory committee, a committee appointed by the judicial conference is in attendance. This committee consists of Circuit Judge Maris of the third circuit and District Judges Smith, of Newark, and Galston, of Brooklyn. We have extended an invitation to the members of the House Judiciary Committee and its counsel to attend such of the sessions as they might wish, and I now extend to the other Members of the House a similar invitation. It is expected that this will be the final meeting in connection with the preparation of the proposed revised title and that the bill will be introduced shortly.

Mr. Speaker, your Committee on Revision of the Laws and the advisory committee are indebted to the Chief Justice of the United States for his continuing cooperation in connection with our work and particularly in providing the excellent facilities for the meeting.

INCREASE IN PRICE OF MILK

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker; I notice by the newspapers this morning that the Maryland-Virginia Milk Producers Association passed a resolution to the effect that, if the Federal Government does not increase the price of milk, the association will not deliver any more milk into the Washington area. I am wondering whether this action by the association is a strike against the Federal Government or a strike aimed at the children and babies of the city of Washington. Many Members have indicated a desire to pass legislation prohibiting strikes. I wonder if they would have legislation of that type refer to the producers of milk who threaten the Government of the United States to strike unless they get a raise in the price of milk. I also wonder if the Governor of Virginia intends to draft into the militia of that State all milk producers who engage in this proposed strike. He did so with respect to the utility employees. Milk, in my opinion, is as important as utility services.

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, the gentleman from Pennsylvania has just referred to the situation in the milk industry. The facts are these. The farmers are working hard, with the odds against them, and doing the best they can with what feed and help is available. The agitation does not come from them. The meetings that are now being held over the country are called by the Department of Agriculture—the regional offices over the country. They call the farmers in to county meetings and approach them with a lot of loaded questions. They try to get them to boost subsidies. These demands that have been coming in here from the farmers for subsidies are entirely foolish and silly, and all have their roots in the OPA. The OPA and the Department of Agriculture are agitating this milk-price increase trying to tell the farmers they are going to have to have a 4- to 7-cent increase per quart of milk. There is not a farmer in America that wants to see the consumer pay that much for milk. After telling the farmers that they must choose between subsidies or an exorbitant increase to the consumer, the farmers unwittingly say, "We prefer the subsidy." Now, these agencies of the Government in every community constitute a pipe line for New Deal propaganda to reach every farm or home. This is the administration's method of lobbying for the administration's program, of which I spoke recently. It is their method of creating conditions to justify their continued existence. It is a vicious program and should not be tolerated.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the Lithuanian American Society of Lawrence, Mass.

Mr. HARLESS of Arizona asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD on two subjects.

Mr. BROWN of Ohio asked and was given permission to extend his remarks in the RECORD and include a telegram from the Seagrave Corp., of Columbus, Ohio, the largest manufacturer of fire-fighting apparatus in the United States.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include an editorial.

SPECIAL ORDER GRANTED

Mr. HARLESS of Arizona. Mr. Speaker, I ask unanimous consent that on tomorrow, following any special orders heretofore entered, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

SALE OF SURPLUS ARMY TRUCKS

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, I was astounded to see an advertisement in the New York papers from Gimbel's department store, indicating that they are selling 600 brand new United States Army trucks, which had been purchased by them from the War Assets Corporation. I understand that Gimbel's, prior to this, have not sold trucks.

The ex-GI has had no chance to buy them.

The regular dealers have had no chance to buy them.

If the veteran did not want these trucks—and from the letters I receive, he would be glad to get them—it seems to me that such business should have been given to the auto and truck dealers, who were just about the first business group in the country to be put out of business by the war.

As an instrument of the double cross, the War Assets Corporation must be put down as a direct rival to the OPA in the way it is treating the veteran.

I am asking that the Committee on Postwar Governmental Planning investigate this situation immediately.

REAR ADM. GILES C. STEDMAN

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, Rear Adm. Giles C. Stedman, Superintendent of the United States Merchant Marine Academy at Kings Point, N. Y., during the war, and former captain of the liners *Leviathan, President Roosevelt, Presi-*

dent Harding, and *America,* leaves the service today and will reenter private business. This distinguished gentleman and heroic captain of the sea has done a remarkable job at the Academy. He personifies to the highest degree the Latin motto at Kings Point, "Acta Non Verba—Action, Not Talk." He deserves a hearty salute and a resounding pat on the back as he returns to civilian life. The country can be assured that if we need him again he will not only be prepared but anxious to get back in harness.

The SPEAKER. The time of the gentleman from New Jersey has expired.

SPECIAL ORDER GRANTED

Mr. COLE of Kansas. Mr. Speaker, I ask unanimous consent that on Monday, April 8, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. GAVIN addressed the House. His remarks appear in the Appendix.]

LOWERING RETIREMENT AGE FROM 65 TO 60 YEARS

Mr. JONKMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JONKMAN. Mr. Speaker, today I have introduced a bill amending the Social Security Act lowering the age of retirement from 65 years to 60 years.

In my district I have been contacted by several men between the ages of 60 and 65 who, although in sound mental and physical condition, are unable to get a job. They may be abundantly able to perform the job applied for, but the moment they state their age they are turned down. Their predicament is seriously destitute.

This situation should be remedied at once. Survivors insurance is intended for those no longer accepted by industry. If the dividing line for much of industry is 60 years, it should be the same for survivors' insurance.

Moreover, paying benefits only after the age of 65 makes the total of benefits under survivors' insurance pitifully small and expensive in comparison with the premiums paid. It is said that more than half of those who pay premiums never reach 65 to draw the benefits. Paying benefits at 60 is a matter of fairness and justice. It would more nearly bring them into balance with premiums.

These conclusions seem amply justified by a letter I just received from the Social Security Board stating that the Survivors' Insurance Trust Fund as of December 31, 1945, contained $7,121,000,000; that there were 1,469,682 benefits, totaling $27,394,031, paid for that month of December. This would average three hundred and twenty-nine million a year. The fund could meet that amount for 21 years without another dollar of income, and that stupendous fund has accumulated in 10 years.

This principle of survivors' insurance is perhaps the soundest in social-security policy, and after being paid for by the worker should give him compensatory protection in his old age, with reasonable reserves, instead of unduly enriching the Government at his expense.

SPECIAL ORDERS GRANTED

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that on Thursday next, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent that on Monday next, April 8, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

EXTENSION OF REMARKS

Mr. ANDERSON of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include a wire with reference to the California cannery jurisdictional dispute.

Mr. STEVENSON asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject of surplus property for veterans.

Mr. LEFEVRE (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the Appendix of the RECORD and include a resolution adopted by the Ulster County Liquor Dealers, Hotel and Restaurant Association; and in a second instance to include a petition of the voters in the town of Clinton, N. Y.

Mrs. LUCE (at the request of Mr. MARTIN of Massachusetts) was given permission to extend her remarks in the Appendix of the RECORD.

THE SO-CALLED WIN-THE-PEACE CONFERENCE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, yesterday we were told that on April 4, 5, and 6, there is to be held in the city of Washington, and strange as it may seem, in the Department of Commerce Building, a so-called Win-the-Peace Conference which has among its sponsors some of the leading Communists of America and their fellow travelers, as well as some Members of the House and Senate.

I notice at least one Member, the gentleman from Alabama [Mr. PATRICK] has changed his position twice in the last 36 hours.

In order that the rest of you who are mixed up with this crowd may know with whom you are dealing, I am going to insert the names of some of these Communists, such as Harry Bridges, Benjamin Davis, and others, who have been carrying on these communistic-front fights for the last few years.

The SPEAKER. The time of the gentleman from Mississippi has expired.

Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. Would it be a violation of the rules to also insert, in the same connection, the names of Members of the House or the other body?

The SPEAKER. That would be a question of taste.

EXTENSION OF REMARKS

Mr. MICHENER asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. BOREN asked and was given permission to extend his remarks in the RECORD and include an address by Dr. J. H. Brown.

Mr. RUSSELL asked and was given permission to extend his remarks in the RECORD and include an editorial from the Abilene Reporter-News.

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include a radio interview he recently gave.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include statements and speeches by the President of the United States, the Secretary of Agriculture, the Secretary of Commerce, and others at a recent conference.

In view of the fact that it may require more space than the limit allowed, I ask unanimous consent that it may be inserted notwithstanding.

The SPEAKER. Notwithstanding, and without objection, the extension may be made.

There was no objection.

Mr. SPARKMAN asked and was given permission to extend his remarks in the RECORD and include an article entitled "Taking School to the Veterans."

WIN-THE-PEACE CONFERENCE

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, we have just heard one of the daily red-baiting tirades from the gentleman from

Mississippi [Mr. RANKIN]. Today he has now made the object of his attack the Win-the-Peace Conference.

I want to say I am one of the sponsors of that conference. I am mighty proud of it, and I intend to keep my name on the record as one of the sponsors of that Win-the-Peace Conference.

If an attempt on the part of the people of this country to win the peace and make it secure for the democratic forces of the world is a subversive effort, then I say to the gentleman from Mississippi let him make the most of it.

* * * * *

Mr. RANKIN. Mr. Speaker, I demand that those words be taken down.

The SPEAKER. The gentleman demands that the words be taken down. The Clerk will report the words objected to.

(The Clerk read the words objected to.)

The SPEAKER. The Chair is ready to rule.

The Chair thinks that when a Member accuses another of making remarks that are subversive, it is a violation of the rules of the House.

Mr. RANKIN. Mr. Speaker, I move to strike the words from the RECORD and ask for recognition.

The SPEAKER. The gentleman from Mississippi is recognized.

Mr. RANKIN. Mr. Speaker, I am moving to strike these words of the Member from New York [Mr. MARCANTONIO] from the RECORD, for the simple reason that in the first place every Member of the House knows that they were false, and in the next place, they constitute a personal attack on me for trying to defend my country against what I conceive to be subversive activities of the enemies within our gates.

This meeting that is called for the 4th, 5th, and 6th of this month, which is misnamed the "Win-the-Peace Conference," is sponsored by a bunch of Communists and is scheduled to be held—of all places—in the Department of Commerce Building.

I am going to read you some of the names of those sponsors and some of their records, to show you the danger of these activities to the American Government and the American way of life.

I will leave out the names of Members of the House and Senate who are on this list, in order to stay within the rules of the House. Their names have already appeared in the daily press.

As I pointed out, many of these sponsors of this organization are known to be Communists. The Attorney General has said that communism is un-American, that it is dedicated primarily to the overthrow of this Government. I read to you the other day where William Z. Foster, the leader of the Communist Party in this country, said that "Just as surely as the sun rises, there will one day be a Communist at the head of this Government"; and he said when he does it will not be the present Government of the United States, but will be a "Soviet Government, and behind this Government," he said, "will stand the Red army to enforce the dictatorship of the proletariet."

Those are his exact words. How much more subversive language could you imagine falling from the lips of a man at the head of a party that is dedicated to the destruction of this Government.

Now let us see who these sponsors of this meeting are and what they have done.

The first one is Louis Adamic. Louis Adamic has been associated with 36 different organizations which were known to be Communist fronts.

Is that significant? Does that mean anything to you?

Among them were the American League Against War and Fascism, the American Youth Congress, the National Federation for Constitutional Liberties in America, the American Peace Mobilization, and the International Labor Defense. All these organizations were declared subversive by the Department of Justice after a review of the investigative reports concerning them submitted by the Federal Bureau of Investigation and the House Committee on Un-American Activities, usually referred to as the Dies committee.

At that time Hon. Francis Biddle was Attorney General, and nobody can accuse Mr. Biddle of being what they call a southern Bourbon or a reactionary.

Mr. Biddle branded these organizations with which Louis Adamic was associated as Communist-front organizations. He did not depend on the Dies committee for all of his information. He went to the FBI. And let me tell you now, it would shock the American people from one end of this country to the other if they could see the files the FBI has on the people who are sponsoring this meeting.

In addition to belonging to these organizations, Mr. Adamic has recently published a book called the Nation of Nations, in which he attempts to show that certain religious groups are endeavoring to gain political control in the United States; in other words, undermining Christianity, which is one of the objects of communism. Communism is dedicated to the destruction of Christianity throughout the world.

Mr. Adamic's theme has recently been followed by other fellow travelers and members of the Communist Party. Attempts are being made to play one religion against another in an effort to cause disunity among Christ's followers in the United States. Every once in a while one of these Communists comes out and accuses me of attacking other religious organizations, particularly the Catholic Church. I am a Protestant and a Mason. There are Catholics all around me here and have been ever since I have been in Congress. Have any of you ever heard me attack or criticize your religion? If so, hold up your hand. No; that is the Communist scheme to undermine and destroy unity in this country. They accuse us Protestants of attacking you Catholics and you Catholics of attacking us Protestants. They are against both of us. They accuse me of attacking the Negroes, which they know is not true. The Communists are the worst enemies the Negroes of this country ever had.

Elmer Benson, another sponsor of this conference, has been associated with 23 Communist-front organizations. Four of these fronts have been definitely declared subversize by the Department of Justice.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Kentucky.

Mr. MAY. Will the gentleman tell us where this meeting is to be held?

Mr. RANKIN. I understand it is to be held down here in the Department of Commerce Building.

Mr. MAY. Will the gentleman's committee look into it and see who invited them into the Commerce Building?

Mr. RANKIN. You know who is Secretary of Commerce.

When those organizations Elmer Benson was connected with were held to be Communist fronts it was after they had been investigated by the FBI. Do not forget that.

Mary McLeod Bethune, a Negro woman here in Washington, is another sponsor of this conference. She has been associated with 41 Communist front organizations, three of these definitely considered subversive by the Department of Justice, after having been thoroughly investigated by the FBI.

Mr. Speaker, do you think the American people want us as their Representatives to sit here with these things going on under our noses, and even in Government buildings, and make no protest?

The people I represent expect a different kind of service.

Dwight J. Bradley, another sponsor of the conference, has been associated with 11 Communist front organizations, one of which has been termed subversive. By whom? By the Attorney General of the United States.

Then there is Harry Bridges. Did you ever hear of him? He is the west coast Communist that everybody knows as a Communist. He is another sponsor of this conference. He is associated with 35 Communist fronts, and, in addition to having been called a Communist by every investigative agency in the United States, he was identified by former members of the Communist Party as being a Communist.

He has caused more trouble on the west coast probably than any other man living today and that trouble is now spreading into Washington, Utah, Idaho, Colorado, and other western States.

These American boys, many of whom now set in the gallery, who offered their lives on the battle fronts in this war, the mothers and fathers with tear-stained faces who gave their sons in this war, expect us, as Members of Congress, to protect this Government for which they fought, and protect our country, against these subversive activities.

Norman Corwin, another sponsor of the conference, has been associated with seven Communist fronts.

If you doubt that, go to the files of the Dies committee, or to the FBI and see for yourself.

Benjamin J. Davis, Jr., Negro Communist, member of the Communist Party from New York, is also a sponsor, and

he has been a member of 37 Communist-front organizations.

If you doubt that, ask the FBI. That is what we have an FBI for, to gather just such information as this.

Julius Emspak—now, there is a name to draw from—is a sponsor of this conference, has been associated with seven Communist-front organizations. One of these has been identified as subversive by the Department of Justice. Do you suppose the Department of Justice would come out and brand them as subversive without first having them checked by the FBI, one of their agencies? Emspak is an official of the United Radio and Electric Workers of America which is 100 percent under the control of the Communist Party. Twenty-two clerical employees of this union in the eastern area of the United States are members of the Communist Party. Seven local presidents of the union are also members of the Communist Party. This union deposed a former president because he wanted to have the delegates at one of its conventions adopt a resolution condemning all isms, because they realized that would cover communism.

Frederick V. Field, a sponsor of the conference, has been associated with 25 Communist fronts. He is an editor of the Communist publication called the New Masses, and was correspondent for the Communist newspaper called the Daily Worker during the San Francisco Conference, and is now covering the meetings of UNO for them.

Field was also executive secretary of the seditious American Peace Mobilization which maintained a 24-hour picket line in front of the White House until the very day Hitler attacked Russia; and during that time, you will remember, the gentleman from New York [Mr. MARCANTONIO] voted against every single appropriation for the Army, the Navy, and the Air Corps. If we had all followed his example, Pearl Harbor might have ended in Washington, with the Japs and Germans dictating the peace, as they boasted they were going to do.

They did not care anything about Hitler destroying England. Ah, but when communism became involved, they melted away like mist before the morning sun, and the gentleman from New York [Mr. MARCANTONIO] switched over and began voting for appropriations for the Army and Navy—for the first time.

Robert W. Kenney, another sponsor of this conference, has been a member of 17 Communist front organizations, one of which was the notorious American League for Peace and Democracy, an avowed Communist front organization.

Kirtley M. Mather, a sponsor of the conference, has been identified with 27 Communist-front organizations.

Jack R. McMichael, a sponsor of the conference, has been associated with 22 Communist fronts.

How much more do you want? Do any of you deny these facts? See the record of the FBI, and you will find more than I am telling you. You will probably find a lot of names that I cannot mention under the rules of the House.

Lee Pressman, a sponsor of the conference, has been associated with 18 Communist-front groups.

Paul Robeson — not Robsion — an avowed Communist, has been associated with 69 Communist fronts. Robeson is a sponsor of this conference.

Every one of these Communist fronts is dedicated to the overthrow of this Government, yet I have to stand here and take the abuse not only of these Communist fronts and the gentleman from New York, but of all the Communist publications in America and all the Red commentators on the radio. I want to tell you that there are not enough of them to back me across a pencil mark. I am going to continue to fight for the protection of this country. The rest of you can do as you please.

Channing H. Tobias is a sponsor of this conference. He has been associated with 27 Communist-front organizations.

Bartley C. Crum, one of the sponsors of the conference, is a vice president of the National Lawyers Guild. Several noted persons have resigned from the guild because it followed the Communist Party line. Let us see who some of them are.

Among the ones who resigned from this organization was Adolph Berle, Jr., a former Assistant Secretary of State. Mr. Berle and I have always got along pretty well, but nobody ever accused him of being a Southern Bourbon or a reactionary or a Tory. He was to the left of center, to say the least. He resigned from this organization because, he said in a public statement at the time he resigned, that the management of the guild was not prepared to take any stand which would conflict with the Communist Party line.

Hon. Charles Poletti—now, this is getting pretty close to New York. The Honorable Charles Poletti, Lieutenant Governor of the State of New York, also resigned from the National Lawyers Guild because he believed, and said publicly, that "some members of the guild were more interested in communism than anything else." That was in New York, the home State of Mr. MARCANTONIO.

Of the sponsors of this so-called Win-the-Peace Conference, six have been identified as being members of the Communist Party. Ten of them have been members of the American Committee for the Protection of Foreign Born, which has been identified as being a Communist-front organization. Seven of the sponsors have been associated with the American Friends of Spanish Democracy, a Communist-front organization that has been trying to get us into a war with Spain.

Five of the sponsors have belonged to the American League Against War and Fascism, which is a subversive organization, according to the records of the Federal Bureau of Investigation, the Un-American Activities Committee, and the Department of Justice. That is the group that picketed the White House while Russia had her nonaggression pact with Germany, and, when Mr. MARCANTONIO was voting against all Army and Navy appropriations.

Eleven of the sponsors have been associated with the National Council of American-Soviet Friendship, which is a propaganda agency for communism. It was this organization which sought to create sympathy for Russia's position in Iran prior to the time it became an issue at the United Nations Conference.

Four of the sponsors have been associated with the American Youth Congress, which has been branded as subversive by the Department of Justice, by Mr. Biddle himself. Francis Biddle branded it as a Communist-front organization in no uncertain terms.

Ten of the sponsors have been identified with the National Federation for Constitutional Liberties in America, which has been termed subversive by the Department of Justice. How did the Department of Justice find that out? Investigating through the FBI.

Seven sponsors of the conference were associated with the American Peace Mobilization, which has also been declared subversive by the Department of Justice.

Seven sponsors of the conference have been associated with the International Labor Defense, which has been called the legal arm of the Communist Party in the United States by the Department of Justice.

This conference has altogether among its sponsors persons who have represented more than 99 subversive and Communist-front organizations in the United States. There will be no peace if this group has its way. Its only aim is to communize the United States and all the rest of the universe by revolutionary measures. That is the crowd Mr. MARCANTONIO is representing in his attacks on me.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Mississippi.

The motion was agreed to.

CIVIL AIR PATROL

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 5744) to incorporate the Civil Air Patrol.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the following-named persons, to wit: Harold F. Wood, of Alabama; J. M. Morris, of Arizona; Rex P. Hayes, of Arkansas; Bertrand Rhine, of California; J. A. Smethills, of Colorado; W. T. Gilbert, of Connecticut; William J. Simpson, of Delaware; Zack T. Mosley, of Florida; J. L. Dobbins, of Georgia; Leverett Davis, of Idaho; Gordon A. DaCosta, of Illinois; Walker W. Winslow, of Indiana; Don C. Johnston, of Iowa; J. Howard Wilcox, of Kansas; W. S. Rinehart, of Kentucky; Richard G. Jones, of Louisiana; Guy P. Gannett, of Maine; Edward R. Fenimore, of Maryland; John Shennett, of Massachusetts; Ray R. Baker, of Michigan; Clayton N. Wulff, of Minnesota; J. R. Dowd, of Mississippi; L. W. Greene, of Missouri; Roy W. Milligan, of Montana; Rudy C. Mueller, of Nebraska; Eugene H. Howell, of Nevada; John F. Brown, of New Hampshire; Frank D. Carvin, of New Jersey; Lewis W. Graham, of New Mexico; Stuart C. Welch, of New York; Frank E. Dawson, of North Carolina; Irven A. Myhra, of North Dakota; George A. Stone, of Ohio; W. H. Shockey, of Oklahoma; G. Robert Dodson, of Oregon; Phillip F. Neuweiler, of Pennsylvania; Norris W.

Rakestraw, of Rhode Island; Dexter C. Martin, of South Carolina; James R. Barnett, of South Dakota; W. C. Whelen, of Tennessee; D. Harold Byrd, of Texas; Joseph D. Bergin, of Utah; William V. Mason, of Vermont; Allan C. Perkinson, of Virginia; E. R. Schiller, of Washington; Hubert H. Stark, of West Virginia; John F. Stratton, of Wisconsin; and Albert W. Dickinson, Jr., of Wyoming, and their associates and successors, are hereby incorporated and declared to be a body corporate by the name of the Civil Air Patrol (hereinafter referred to as the "corporation").

SEC. 2. The objects and purposes of the corporation shall be—

(a) To provide an organization to encourage and aid American citizens in the contribution of their efforts, services, and resources in the development of aviation and in the maintenance of air supremacy, and to encourage and develop by example the voluntary contribution of private citizens to the public welfare:

(b) To provide aviation education and training especially to its senior and cadet members; to encourage and foster civil aviation in local communities and to provide an organization of private citizens with adequate facilities to assist in meeting local and national emergencies.

SEC. 3. Eligibility for membership in the corporation and the rights and privileges of members shall be determined according to the constitution and bylaws of the corporation: *Provided*, That the original members shall consist of the present Civil Air Patrol membership, numbering more than 100,000 senior and cadet members.

SEC. 4. (a) The corporation shall have no power to issue capital stock or engage in business for pecuniary profit or gain, its objects and purposes being solely of a benevolent character and not for the pecuniary profit or gain of its members.

(b) The persons named in section 1, their associates, and successors are hereby authorized to complete the organization of the corporation by the selection of officers, the adoption of a constitution and bylaws, the promulgation of rules or regulations that may be necessary for the accomplishment of the purposes of this corporation, and the doing of such other acts as may be necessary for such purposes.

SEC. 5. The corporation shall have perpetual succession and power—

(a) To sue and be sued;

(b) To acquire, hold, mortgage, and dispose of such real and personal property as may be necessary for its corporate purposes;

(c) To accept gifts, legacies, and devises which will further the corporate purposes;

(d) To adopt and alter a corporate seal;

(e) To adopt and alter a constitution, bylaws, rules, and regulations, not inconsistent with law;

(f) To establish and maintain offices for the conduct of the affairs of the corporation in the District of Columbia and in the several States and Territories of the United States;

(g) To do any and all acts and things necessary and proper to carry into effect the objects and purposes of the corporation.

SEC. 6. The corporation shall have the sole and exclusive right to the name "Civil Air Patrol" and to have and to use, in carrying out its purposes, all insignia, copyrights, emblems and badges, descriptive or designating marks, and words or phrases now or heretofore used by the Civil Air Patrol in carrying out its program: *Provided, however*, That no powers or privileges herein granted shall interfere or conflict with established or vested rights.

SEC. 7. The corporation shall make and transmit to Congress each year a report of its proceedings and activities for the preceding calendar year.

SEC. 8. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FEDERAL EMPLOYEES PAY RAISE BILL

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 576; Rept. No. 1839) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5939) to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed three hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Civil Service, the bill shall be read for amendment under the five-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of the bill (H. R. 5939) the Committee on the Civil Service shall be discharged from the further consideration of the bill (S. 1415), and it shall then be in order to move to strike out all after the enacting clause of said Senate bill and insert in lieu thereof the provisions contained in H. R. 5939.

RATING DISABILITIES UNDER VETERANS' ADMINISTRATION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5149) to govern the effective dates of ratings and awards under the Veterans' Administration revised Schedule for Rating Disabilities, 1945, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That on and after the 1st day of the month following the date of this enactment, all initial ratings in claims for disability compensation or pension and awards based thereon under Public Law 2, Seventy-third Congress, March 20, 1933, and the veterans Regulations issued pursuant thereto, as amended, shall be determined under the Veterans' Administration revised Schedule for Rating Disabilities, 1945, whether the claim covers a period before or after that date. In any case in which the revised schedule authorizes an increase in the rating previously made by a rating board of original jurisdiction under the Schedule for Rating Disabilities, 1933, such increased rating and award based thereon will be effective as of the 1st day of the month following the date of this enactment.

SEC. 2. Nothing in the revised Schedule for Rating Disabilities, 1945, shall be construed as requiring any reduction or discontinuance of compensation in cases rated and awarded under the Schedule for Disability Ratings, 1925, or as requiring denial of entitlement to any statutory award or rating, but on and after the 1st day of the month following the date of this enactment, except as to stautory awards and ratings provided under the World War Veterans' Act, 1924, as amended, as restored with limitations by the act of March 28, 1934, Public Law 141, Seventy-third Congress, as amended, awards in all cases shall be based upon the degree of disability determined in accordance with the revised schedule, 1945.

SEC. 3. The Administrator of Veterans' Affairs shall from time to time readjust the Schedule for Rating Disabilities, 1945, in accordance with experience.

With the following committee amendments:

Page 1, beginning on line 3, after the word "of", strike the remainder of line 3, strike line 4 through the word "enactment", and substitute in lieu thereof "April 1946."

Page 2, beginning on line 5, after the words "first day of", strike the remainder of line 5, strike line 6 through the word "enactment", and substitute in lieu thereof "April 1946."

Page 2, beginning on line 12, after the word "of", strike the remainder of line 12, strike line 13 through the word "enactment", and substitute in lieu thereof "April 1946."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the bill may be inserted in the RECORD at this point.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The bill is as follows:

H. R. 5149

An act to govern the effective dates of ratings and awards under the Veterans' Administration revised schedule for rating disabilities, 1945, and for other purposes

Be it enacted, etc., That on and after the 1st day of April 1946, all initial ratings in claims for disability compensation or pension and awards based thereon under Public Law 2, Seventy-third Congress, March 20, 1933, and the veterans regulations issued pursuant thereto, as amended, shall be determined under the Veterans' Administration revised schedule for rating disabilities, 1945, whether the claim covers a period before or after that date. In any case in which the revised schedule authorizes an increase in the rating previously made by a rating board of original jurisdiction under the schedule for rating disabilities, 1933, such increased rating and award based thereon will be effective as of the 1st day of April 1946.

SEC. 2. Nothing in the revised schedule for rating disabilities, 1945, shall be construed as requiring any reduction or discontinuance of compensation in cases rated and awarded under the schedule of disability ratings, 1925, or as requiring denial of entitlement to any statutory award or rating, but on and after the 1st day of April 1946, except as to statutory awards and ratings provided under the World War Veterans' Act, 1924, as amended, as restored with limitations by the act of March 28, 1934, Public Law 141, Seventy-third Congress, as amended awards in all cases shall be based upon the degree of disability determined in accordance with the revised schedule, 1945.

SEC. 3. The Administrator of Veterans' Affairs shall from time to time readjust the schedule for rating disabilities, 1945, in accordance with experience.

SPECIAL ORDER VACATED

Mr. RIZLEY. Mr. Speaker, I ask unanimous consent that the special order

I have for today be vacated and that time granted me for Tuesday, a week from today.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EXTENSION OF REMARKS

Mr. CRAWFORD asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement as to the time of the primary election.

Mr. HENRY asked and was given permission to extend his remarks in the Appendix of the RECORD and include the Bankers' Service Letter for February 27, 1946, on the Shawano Bank case.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the Appendix of the RECORD and to include an editorial from the Endicott Daily Bulletin.

Mr. GILLIE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from last Sunday's New York Times.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

IDA F. BRAUN

The Clerk called the bill (H. R. 1782) for the relief of Ida F. Braun.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ida F. Braun, Alice Braun Menges, and Carl J. Braun, individually and as executors of the estate of Hedwig W. Braun, deceased, and as legatees and beneficiaries of the will of Hedwig W. Braun, deceased, and as the sole parties in interest by succession under the last will and testament of Hedwig W. Braun, deceased, and under the last will and testament of Herman W. Braun, deceased, the sum of $25,094.20 with interest thereon from November 18, 1920. Such sum represents the amount of overpayment of estate tax made on November 18, 1920, which respect to the value of certain insurance policies on the life of Herman W. Braun who died testate on May 24, 1919. A claim was filed with the Commissioner of Internal Revenue on November 10, 1925, for refund of such tax, and rejected because of the lapse of the statutory period of limitations governing the institution of such claims. Two suits were brought during 1932 and 1933 for refund of such tax but in both cases relief was denied.

With the following committee amendments:

Page 2, line 5, after the sum, strike out the balance of the line down to and including "1920" on line 6, and on line 13 strike out the period and the balance of the line 13 down to and including the word "denied." Insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEGAL GUARDIAN OF JAMES HAROLD NESBITT, A MINOR

The Clerk called the bill (H. R. 2843) for the relief of the legal guardian of James Harold Nesbitt, a minor.

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ESTATE OF HOWARD FRANCIS WALDRON

The Clerk called the bill (S. 976) for the relief of the estate of Howard Francis Waldron.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000, to the estate of Howard Francis Waldron, of Minneapolis, Minn., in full satisfaction of all claims against the United States for compensation for the death, on April 25, 1944, of the said Howard Francis Waldron, who was killed by the right rear wheel of a United States Government truck which began to move as he was boarding it near Cathedral Bluffs, Alaska: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES F. DESMOND

The Clerk called the bill (S. 286) for the relief of James F. Desmond.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Postmaster General and the General Accounting Office are authorized and directed to credit the accounts of James F. Desmond, postmaster at Reading, Mass., in the sum of $7,141.11, representing the net shortage which resulted from embezzlement of funds by the former assistant postmaster at the Reading, Mass., post office.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRUIT GROWERS OF THE STATE OF DELAWARE

The Clerk called the bill (S. 401) for the relief of sundry fruit growers of the State of Delaware who sustained losses as the result of the fumigation of apples with methyl bromide in order to comply with the requirements of the United States Department of Agriculture relating to the Japanese beetle quarantine.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore (Mr. MILLS). Is there objection to the request of the gentleman from Indiana?

There was no objection.

JAMES F. DESMOND

Mr. McGREGOR. Mr. Speaker, I was in conference when Calendar No. 764, S. 286, for the relief of James F. Desmond was called. I ask unanimous consent to return to that bill at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mr. PHILBIN. Mr. Speaker, I object.

A. F. CRAWFORD

The Clerk called the bill (S. 983) for the relief of A. F. Crawford.

There being no objection, the Clerk read the bill, as follows.

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. F. Crawford, of Omaha, Nebr., the sum of $926.12, in full satisfaction of his claim against the United States for compensation for personal injuries, expenses, and property damage sustained by him as the result of an accident which occurred on December 23, 1941, when the automobile which he was driving was struck by a United States Army truck near Snoqualmie, Wash.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A. L. CLEM AND IDA M. BRYANT

The Clerk called the bill (S. 1184) for the relief of A. L. Clem and Ida M. Bryant.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to A. L. Clem and Ida M. Bryant, of Independence, Kans., the sum of $1,440, in full settlement of all claims of the said A. L. Clem and Ida M. Bryant against the United States on account of property damage and personal injuries resulting from the presence of obnoxious odors emanating from the operation of the sewage disposal plant at the Independence Army Air Base, and accruing prior to January 1, 1946: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ALICE CONDON

The Clerk called the bill (S. 1319) for the relief of Mrs. Alice Condon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That tne Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Alice Condon, of Atlantic City, N. J., the sum of $1,000, in full satisfaction of her claim against the United States for compensation for personal injuries sustained by her, and for reimbursement of medical and other expenses incurred by her, as a result of an accident which occurred when she was struck by a United States Army vehicle while crossing Sovereign Avenue, in Atlantic City, N. J., on April 4, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALFRED OSTERHOFF

The Clerk called the bill (S. 1411) for the relief of Alfred Osterhoff, doing business as Illini Reefer Transit, Champaign, Ill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alfred Osterhoff, doing business as Illini Reefer Transit, of Champaign, Ill., the sum of $1,150, in full settlement of all claims of said Alfred Osterhoff against the United States for property damage and for loss of use of his tractor and trailer as the result of an accident involving an Army vehicle which occurred on United States Highway No. 45, near Chebanse, Ill., on March 28, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GORDON COLE HART

The Clerk called the bill (S. 1622) for the relief of Gordon Cole Hart.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Gordon Cole Hart, of Medford, Mass., the sum of $400, in full satisfaction of his claim against the United States for compensation for personal injuries sustained by him, as a result of an accident which occurred when a United States Army airplane while taking off struck the parked airplane in which he was sitting, at the East Boston Airport, Boston, Mass., on September 15, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on acount of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DANVERS SHOE CO., INC.

The Clerk called the bill (S. 1840) for the relief of the Danvers Shoe Co., Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he hereby is, authorized and directed to settle the claim of the Danvers Shoe Co., Inc., Manchester, N. H., on account of increased costs incurred by the said company in the performance of its contracts No. WSA-101T-296-44, and WSA-101T-383, dated May 26 and October 12, 1943, respectively, with the War Shipping Administration, by reason of its inability to procure the material necessary for the performance of the contracts at the price which it had been assured by the Government such material would be obtainable from the War Department, and to allow in full and final settlement of the claim the amount of not to exceed $5,256.28. There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $5,256.28, or so much thereof as may be necessary, for the payment of the said claim: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENRY R. BUTLER

The Clerk called the bill (H. R, 1072) for the relief of Henry R. Butler.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $7,500, to Henry R. Butler, of Oakland, Calif., in full settlement of all claims against the United States for personal injuries sustained and expenses incurred by him when he was struck by a United States Navy truck, at the intersection of San Pablo and MacArthur Boulevard, in the city of Oakland, Calif., on October 30, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$7,500" and insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDITH POPWELL

The Clerk called the bill (H. R. 1642) for the relief of Edith Popwell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated to Edith Popwell, Miami, Fla., the sum of $10,000. The payment of such sum shall be in full settlement of all claims of the said Edith Popwell against the United States on account of the death of her husband, Spencer W. Popwell, Jr., as the result of personal injuries sustained in a collision on March 19, 1943, at the intersection of the Dixie Highway and Southwest Seventeenth Avenue, Miami, Fla., between the automobile which the said Spencer W. Popwell, Jr., was driving and a United States Army truck.

With the following committee amendments:

Line 6, strike out the figures "$10,000" and insert in lieu thereof the figures "$5,000."

At the end of bill add ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

R. H. WHITE TRANSFER & STORAGE CO.

The Clerk called the bill (H. R. 1852) for the relief of R. H. White Transfer & Storage Co., of Nashville, Tenn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to R. H. White Transfer & Storage Co., of Nashville, Tenn., the sum of $3,000, in full settlement of all claims against the United States for compensation for loss on the storage of calcium carbide for the Defense Supplies Corporation: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon

conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$3,000" and insert "$2,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MAUD M. WRIGHT AND MRS. MAXINE MILLS

The Clerk called the bill (H. R. 1919) for the relief of Mrs. Maud M. Wright and Mrs. Maxine Mills.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Maud M. Wright, Robinson, Ill., the sum of $5,000, and to Mrs. Maxine Mills, Robinson, Ill., the sum of $15,000. The payment of such sums shall be in full settlement of all claims against the United States of the said Mrs. Maud M. Wright for the death of her husband, Orlin C. Wright, on January 21, 1944, and of the said Mrs. Maxine Mills for the death of her husband, Charles W. Mills, on January 22, 1944, both of whom died as the result of burns sustained in a fire at the Evans Hall housing project, Evansville, Ind., which was under the supervision and management of the National Housing Agency.

With the following committee amendments:

Page 1, line 7, strike out the figures "$15,000" and insert in lieu thereof the figures "$5,000."

At the end of bill add: "*Provided*, That no part of the amount appropriated in this Act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

GEORGE W. BAILEY

The Clerk called the bill (H. R. 2188) for the relief of George W. Bailey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George W. Bailey, Norfolk, Va., the sum of $2,500. The payment of such sum shall be in full settlement of all claims of the said George W. Bailey against the United States on account of personal injuries and damage to his automobile sustained on July 18, 1944, when such automobile, which the said George W. Bailey was driving was struck at the intersection of Laskin Road and Great Neck Road, Princess Anne County, Va., by a United States Navy ambulance.

With the following committee amendments:

Line 8, after the name "States", insert "and John Charles Statt." At the end of bill add ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAPHNE WEBB

The Clerk called the bill (H. R. 2569) for the relief of Daphne Webb.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500, to Daphne Webb, 2460 Sixteenth Street NW., Washington, D. C. The payment of such sum shall be in full settlement of all claims against the United States on account of personal injuries, medical, and other expenses sustained when she was struck by a United States Post Office mail truck as she was crossing the intersection at Eighteenth and C Streets NW., Washinging, D. C., on May 17, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$400" and insert "$150."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM F. SCHMELTZ

The Clerk called the bill (H. R. 2576) for the relief of William F. Schmeltz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of money in the Treasury not otherwise appropriated, to William F. Schmeltz, Jessup, Md., the sum of $5,170. The payment of such sum shall be in full settlement of all claims of the said William F. Schmeltz against the United States for personal injuries sustained by him and for damage to personal property when his automobile was struck near Camp Meade, Md., on January 8, 1942, by a United States Army truck.

With the following committee amendments:

Line 6, strike out the figures "$5,170", and insert in lieu thereof the figures "$3,374.50."

Line 8, after the word "injuries", strike out "sustained by him and for damage to personal property when", and insert in lieu thereof ", medical and hospital expenses and incidental expenses and property damage sustained when."

Line 11, after the name "January", strike out the figure "8" and insert in lieu thereof the figure "9."

At the end of the bill add ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ACCHILLE GUILLORY AND OLIVIA GUILLORY

The Clerk called the bill (H. R. 2665) for the relief of Acchille Guillory and Olivia Guillory.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Acchille Guillory and Olivia Guillory, Lake Charles, La., the sum of $5,000, in full settlement of all claims against the United States for the death of their son, Irven Guillory, who died as the result of a collision involving an Army vehicle which occurred on January 9, 1944, on Louisiana Highway No. 42, near Lake Charles, La.

With the following committee amendments:

Line 7, strike out the figures "$5,000" and insert in lieu thereof the figures "$4,000."

At the end of bill add ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE A. WEST

The Clerk called the bill (H. R. 2747) for the relief of George A. West.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $482.35, to George A. West, of Rochester,

N. Y., in full settlement of all claims against the United States, representing balance of per diem in lieu of subsistence alleged to be due for the period April 21 to July 31, 1943, as an employee of the Lend-Lease Administration: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ALICE BREON

The Clerk called the bill (H. R. 2926) for the relief of Mrs. Alice Breon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,403, to Mrs. Alice Breon, of Snow Shoe, Pa., in full settlement of all claims against the United States for personal injuries and loss of earnings sustained as a result of being struck by a United States Army vehicle, near El Paso, Tex., on September 1, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BEN THOMAS HAYNES

The Clerk called the bill (H. R. 2973) for the relief of Ben Thomas Haynes, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Ben Thomas Haynes, of route 1, Watertown, Tenn., the sum of $10,000 in full settlement of all claims against the United States on account of personal injuries sustained by the said Ben Thomas Haynes, who was seriously injured by the explosion of an unexploded shell left in a maneuver area near his father's home by United States Army troops on March 19, 1944, near Watertown, Wilson County, Tenn.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out the figures "$10,000" and insert in lieu thereof the figures "$3,000."

Page 1, line 10, strike out the word "shell" and insert in lieu thereof "signal flare."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUSSELL F. TAYLOR

The Clerk called the bill (H. R. 3007) for the relief of Russell F. Taylor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Russell F. Taylor, Greensboro, Ga., the sum of $1,000, in full settlement of all claims against the United States for personal injuries sustained by him as the result of an accident when his automobile was struck by an Army vehicle in Atlanta, Ga., on August 14, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shal be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$1,000" and insert "$500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOVIE M. TROTTER

The Clerk called the bill (H. R. 3125) for the relief of Lovie M. Trotter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lovie M. Trotter, star route 6, Dawson Springs, Ky., the sum of $1,000. The payment of such sum shall be in full settlement of all claims of said Lovie M. Trotter against the United States on account of personal injuries and financial loss suffered by her by reason of inability to harvest crop because of said injuries, sustained in a collision, on May 13, 1944, on State Highway No. 109, near Dawson Springs, Ky., between the vehicle which the said Lovie M. Trotter was driving and a vehicle in the service of the Army of the United States.

With the following committee amendment:

Page 1, line 6, after the word "of", strike out the balance of the line and all of lines 7 to 10 and on page 2, lines 1 to 4, inclusive, and insert the following: "$500, in full settlement of all claims against the United States on account of personal injuries sustained and losses suffered as a result of an accident involving an Army vehicle on State Highway No. 109, near Dawson Springs, Ky., on May 13, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE CORENEVSKY

The Clerk called the bill (H. R. 3160) for the relief of George Corenevsky.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc. That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George Corenevsky, Honolulu, T. H., the sum of $2,500. The payment of such sum shall be in full settlement of all claims of the said George Corenevsky, an employee at the Pearl Harbor Navy Yard, against the United States for personal injuries sustained on July 5, 1942, when he was struck while at his home at Ashley and Lowela Avenues, Peninsula, Pearl City, Oahu, T. H., by a stray bullet, fired in a fight nearby between two enlisted men of the United States Army.

With the following committee amendments:

Page 1, line 6, strike out "$2,500" and insert "$1,905.07."

Page 1, line 7, strike out "of the said George Corenevsky, an employee at the Pearl Harbor Navy Yard."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RALPH H. LEMON

The Clerk called the bill (H. R. 3329) for the relief of Ralph H. Lemon.

Messrs. McGREGOR and SPRINGER objected; and, under the rule, the bill was recommitted to the Committee on Claims.

J. E. AND MINERVA MITCHELL AND ROSIE MONROE

The Clerk called the bill (H. R. 3341) for the relief of J. E. and Minerva Mitchell, and Rosie Monroe.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. E. and Minerva Mitchell, Modesto, Calif., the sum of $5,000, and to Rosie Monroe, Modesto, Calif., the sum of $5,000. The payment of such sums shall be in full settlement of all claims of J. E. and Minerva Mitchell, parents of Claude Lewis Mitchell, and Rosie Monroe, widow of Elmer Oscar Monroe, on account of the death of Claude Lewis Mitchell and Elmer Oscar Monroe and damage to personal property

owned by them, caused by a collision of the motorcycle of Claude Lewis Mitchell, on which he and Elmer Oscar Monroe were riding, with a United States Army automobile on the Golden State Highway a half mile north of Olive Avenue, near Manteca, Calif., on November 16, 1944.

With the following committee amendments:

Page 1, line 6, strike out "$5,000" and insert "$3,000."

Page 1, line 8, after the word "claims", strike out the balance of the line, all of lines 9 and 10 and on page 2, lines 1 to 7, inclusive, and insert the following: "against the United States for the deaths of Claude Lewis Mitchell and Elmer Oscar Monroe sustained as the result of a collision between the motorcycle in which they were riding and a United States Army vehicle on Golden State Highway near Manteca, Calif., on November 16, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. W. EDGERLY & CO.

The Clerk called the bill (H. R. 3432) for the relief of J. W. Edgerly & Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the claim of the J. W. Edgerly & Co., Ottumwa, Iowa, for draw-back, pursuant to section 3250 (1) of the Internal Revenue Code, of tax paid in the amount of $219.37 with respect to distilled spirits contained in nonbeverage products on hand October 1, 1944, and with respect to distilled spirits used in the manufacture of nonbeverage products during the period October 1, 1944, to December 31, 1944, filed in the office of the Collector of Internal Revenue, Des Moines, Iowa, on April 4, 1945, is authorized to be considered and acted upon as if it had been filed within the period of limitations properly applicable thereto. Such claim was mailed and postmarked prior to the expiration of the period of limitations but was not received in the office of the collector until after such period had expired.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BELMONT PROPERTIES CORP.

The Clerk called the bill (H. R. 3434) for the relief of Belmont Properties Corp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Belmont Properties Corp., Arlington, Va., the sum of $667.50. Such sum represents the amount of a fee paid by the said corporation to the Federal Housing Administration in connection with an application, made on October 20, 1941, to such Administration for mortgage insurance on an apartment-house project in Arlington, Va. While such application was pending the land on which such project was to be constructed was condemned by the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, after the word "of" strike out the balance of the line and "the amount" in line 7 and insert the following: "$667.50, in full settlement of all claims against the United States as reimbursement of."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEGAL GUARDIAN OF HUNTER A. HOAGLAND, A MINOR

The Clerk called the bill (H. R. 3470) for the relief of the legal guardian of Hunter A. Hoagland, a minor.

Mr. SPRINGER AND Mr. DOLLIVER objected; and, under the rule, the bill was recommitted to the Committee on Claims.

WILLIE LAMB AND EDGAR LAMB

The Clerk called the bill (H. R. 3512) for the relief of Willie Lamb and Edgar Lamb.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Willie Lamb and Edgar Lamb, Greene County, Va., the sum of $650. Such sum represents the value of certain buildings and improvements on land owned by the said Willie Lamb and Edgar Lamb which, on November 4, 1937, were destroyed by employees of the National Park Service of the Department of the Interior acting in the course of their employment: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, after the word "to", strike out the balance of the line and all of lines 6 to 10, and on page 2, line 1, and insert the following: "Willie Lam and Edgar Lam (also known as Willie Lamb and Edgar Lamb), of Greene County, Va., the sum of $650, in full settlement of all claims of any nature or description whatsoever against the United States, C. V. Bert, John W. Adams, or any other person or persons, for losses or damages arising from the destruction of certain buildings and improvements on land owned by said Willie Lam and Edgar Lam near Shenandoah National Park by members of the Civilian Conservation Corps, while acting in the course of their employment, on or about November 4, 1937."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Willie Lam and Edgar Lam."

A motion to reconsider was laid on the table.

PERSHING W. RIDGEWAY

The Clerk called the bill (H. R. 3676) for the relief of Pershing W. Ridgeway.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Pershing W. Ridgeway, of Birmingham, Ala., the sum of $10,000, in full settlement of all claims against the United States for personal injuries, medical, hospital, and other expenses incurred as the result of being struck by a United States Army vehicle at Birmingham, on December 7, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,000" and insert "$5,804.40."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LYNDON T. MONTGOMERY

The Clerk called the bill (H. R. 3770) for the relief of Lyndon T. Montgomery.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lyndon T. Montgomery, of Moulton, Ala., the sum of $5,000, in full settlement of all claims against the United States for injuries sustained by the said Lyndon T. Montgomery, upon being thrown from a Government-owned and operated motor vehicle in or near Moulton, Ala., on April 29, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$5,000" and insert "$2,571.50."

Page 1, line 8, after the word "injuries", insert "pain, and suffering, physical disability and loss of earnings."

Page 1, line 10, strike out "upon" and insert "as the result of."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MABEL M. FISCHER

The Clerk called the bill (H. R. 3781) for the relief of Mabel M. Fischer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mabel M. Fischer, widow of Frederick E. Fischer, the sum of $10,000 in full satisfaction of her claim against the United States for damages sustained by her, resulting from the death of the said Frederick E. Fischer caused by injuries sustained by him when the automobile in which he was riding as a passenger, and which was being driven east on North Street in Springfield, Ohio, was run into and struck with such violence by a large motor vehicle belonging to the United States of America Army Air Forces which was prior to, and at the time of the said collision, being driven westward on said North Street by Edgar Hinton, who at the time was in the service of the United States of America Army Air Forces, assigned to Fairfield Air Depot, Branch 7, Springfield, Ohio, and which said collision was directly and proximately caused by the negligent, unlawful, reckless, and wanton rate of speed, and manner in which said Army vehicle was being run and operated on and along said North Street; as a result of which plaintiff's said husband was knocked and thrown with great violence from the car in which he was riding to the surface of the street where his prostrate body was run over and crushed by said large, heavy Government vehicle, as a result of which plaintiff's husband was then and there killed: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess or 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, after the words "the sum of", strike out the words on line 6, and lines 7, 8, 9, and 10 of page 1 and lines 1 to and including the word "killed", on line 18, page 2, and insert "$5,000, in full settlement of all claims against the United States as compensation for the death of her husband, Frederick E. Fischer, sustained as the result of an accident involving a United States Air Force vehicle on North Street in Springfield, Ohio, on July 26, 1944."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES A. CLARK

The Clerk called the bill (H. R. 3971) for the relief of Charles A. Clark.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. SPRINGER and Mr. DOLLIVER objected; and, under the rule, the bill was recommitted to the Committee on Claims.

ROY HESSELMEYER

The Clerk called the bill (H. R. 4090) for the relief of Roy Hesselmeyer.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. SPRINGER and Mr. DOLLIVER objected; and, under the rule, the bill was recommitted to the Committee on Claims.

PIOMBO BROS. & CO.

The Clerk called the bill (H. R. 4141) for the relief of Piombo Bros. & Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Piombo Bros. & Co., San Francisco, Calif., the sum of $15,794.14. Such sum represents the actual loss sustained by such firm as the result of damage to certain of its equipment caused by the clash on December 14, 1944, of a United States Navy airplane at the naval air station, North Island, San Diego, Calif.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, after the words "sum of", strike out down to and including the word "firm", line 7, and insert "$12,913.61, in full settlement of all claims against the United States for property damages sustained."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FUNDADOR NIEVES DEL VALLE

The Clerk called the bill (H. R. 4244) for the relief of Fundador Nieves del Valle.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Fundador Nieves del Valle, who was injured on March 16, 1943, when struck in Manatí, Puerto Rico, by a United States Army truck. The payment of such sum shall be in full settlement of all claims against the United States on account of such accident: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "$5,000" and insert "$3,000."

Page 1, line 6, after the word "Valle", strike out the remainder of line 6 and lines 7, 8, and 9, and insert, "of Puerto Rico, in full settlement of all claims against the United States for personal injuries sustained as the result of being struck by a United States Army truck in Manatí, Puerto Rico, on March 16, 1943."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OLA L., MARGARET, AND BETTY BEA WRIGHT

The Clerk called the bill (H. R. 4352) for the relief of Ola L., Margaret, and Betty Bea Wright.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ola L. Wright, his wife Margaret Wright, and his daughter Betty Bea Wright, of St. Louis, Mo., the sum of $5,000, in full settlement of all claims against the United States by said Ola L., Margaret, and Betty Bea Wright on account of the injuries sustained by them when an automobile being operated by Ola L. Wright was struck by a War Department truck on August 9, 1942, on highway No. 5 just inside the city of Lebanon, Mo., said War Department truck being operated by an enlisted man of the United States Army while on official business: *Provided*, That no part of the amount appropriated in this act in excess of 5 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, after line 5, strike out down to and including the word "business" on page 2, line 5, and insert "of St. Louis, Mo., the sum of $250; to Mrs. Margaret Wright, of St. Louis, Mo., the sum of $3,000; to the legal guardian of Betty Bea Wright, a minor, the sum of $250, in full settlement of all claims of the said Ola L. Wright, Mrs. Margaret Wright, and Betty Bea Wright against the United States for personal injuries sustained by them as a result of an accident involving an Army truck which occurred in Lebanon, Mo., on August 9, 1942."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Ola L. Wright, Mrs. Margaret Wright, and the legal guardian of Betty Bea Wright, a minor."

A motion to reconsider was laid on the table.

JOHN BAKELAAR

The Clerk called the bill (H. R. 4405) for the relief of John Bakelaar.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John Bakelaar, of Greenport, N. Y., the sum of $5,000, in full satisfaction of all claims against the United States as compensation for the death of his wife, the late Adeline Bakelaar, as the result of being struck by a bullet fired from aircraft machine guns on an airplane in the service of the United States, on December 17, 1944, while riding in an automobile on the Moriches Road, adjacent to the Suffolk County Army Air Field: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VERTIE BEA LOGGINS

The Clerk called the bill (H. R. 4491) for the relief of Miss Vertie Bea Loggins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Miss Vertie Bea Loggins, Los Angeles, Calif., the sum of $10,000. The payment of such sum shall be in full settlement of all claims against the United States for personal injuries sustained by Vertie Bea Loggins as the result of the explosion of a shell which was fired from an artillery range on the Camp Cooke Military Reservation, Calif., on May 12, 1944, causing the loss of her right arm: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,000" and insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Vertie Bea Loggins."

A motion to reconsider was laid on the table.

PATSY ANN MAHEUX, DECEASED

The Clerk called the bill (H. R. 4600) for the relief of the estate of Patsy Ann Maheux, deceased.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the estate of Patsy Ann Maheux, late of Jackman, in the county of Somerset, and State of Maine, out of any money in the Treasury not otherwise appropriated, the sum of $5,000, in full settlement of all claims against the United States for damages occasioned by the death of Patsy Ann Maheux suffered as a result of being struck by an automobile owned by the United States Government, on October 23, 1944, while the driver of said automobile was in the performance of his duty in connection with the Immigration and Naturalization Service: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out "$5,000" and insert "$3,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN B. CLAUSEN

The Clerk called the bill (H. R. 4633) for the relief of John B. Clausen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $750 to John B. Clausen, of the veterans' facility, Boise, Idaho, in full settlement of all claims against the United States for checks for compensation due him for the period July 31, 1943, to September 30, 1944, which were returned to the Treasury under Public Law No. 828, Seventy-sixth Congress, approved October 9, 1940: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GLADYS HASTINGS

The Clerk called the bill (H. R. 4640) for the relief of Gladys Hastings.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Gladys Hastings, Boston, Mass., the sum of $1,500. The payment of such sum shall be in full settlement of all claims of the said Gladys Hastings against the United States for injuries sustained and expenses incurred as a result of her being struck, on April 11, 1945, on Columbus Avenue, Boston, Mass., by a vehicle in the service of the Army of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$1,500" and insert "$750."

Mr. SPRINGER. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. SPRINGER to the committee amendment: On page 1, line 6, strike out "$750" and insert "$500."

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES B. BORELI

The Clerk called the bill (H. R. 4716) for the relief of Charles B. Borell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles B. Borell, of Champlain, N. Y., the sum of $163.20, representing freight charges on household effects from Belfast, Ireland, to New York, N. Y., on December 27, 1930, at the time of his transfer as technical adviser, Immigration and Naturalization Service, American Consulate, Belfast, Ireland, to Washington, D. C.

With the following committee amendments:

Page 1, line 6, strike out "representing" and insert "in full settlement of all claims against the United States for reimbursement of."

At the end of the bill insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAWTOOTH CO.

The Clerk called the bill (H. R. 4777) for the relief of the Sawtooth Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Sawtooth Co., of Boise, Idaho, the sum of $488.29, in full settlement of all claims against the United States for damages other than property damage sustained as the result of an accident involving an airplane crashing into a truck owned by the said Sawtooth Co., at the Pocatello Air Base, Pocatello, Idaho, on August 10, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARRY FLEISHMAN

The Clerk called the bill (H. R. 4800) for the relief of Harry Fleishman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission is authorized and directed to pay, effective as of the date of enactment of this act, to Harry Fleishman, Washington, D. C., compensation at the rate of $150 per month for the remainder of his natural life. The said Harry Fleishman is permanently disabled as a result of the loss of vision in one eye caused by an injury sustained on December 1, 1930, while in the performance of his duty as a member of the United States Capitol Police.

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause and insert the following: "That the limitation of time in section 15 to 20, both inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injury while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, are hereby waived in favor of Harry Fleishman, of Washington, D. C., and the Employees' Compensation Commission is hereby authorized and directed to receive and consider under the remaining provisions of said act his claim on account of alleged injuries to have been incurred while in the performance of his duties as a member of the Capitol Police force, Washington, D. C., on December 1, 1930: *Provided*, That claim hereunder shall be filed within 6 months from approval of this act: *Provided further*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STANLEY B. REEVES AND MRS. STANLEY B. REEVES

The Clerk called the bill (H. R. 4832) for the relief of Stanley B. Reeves and Mrs. Stanley B. Reeves.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury hot otherwise appropriated, to Stanley B. Reeves the sum of $1,759.25, and his wife, Mrs. Stanley B. Reeves, the sum of $2,662.92, in full settlement of all claims against the United States, for personal injuries, hospital bills, and property damage, to the said Stanley B. Reeves and Mrs. Stanley B. Reeves, on October 27, 1944, when they were struck, on Main Street, of the town of Heath Springs, Lancaster County, S. C., by an Army truck, driven by Pvt. Benjamin Daniels, of the Columbia, S. C., Army Air Base: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUIS M. DROLET

The Clerk called the bill (H. R. 4836) for the relief of Louis M. Drolet.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Louis M. Drolet, Richland, Mich., the sum of $104.79. The payment of such sum shall be in full settlement of all claims against the United States for losses sustained by the said Louis M. Drolet as the result of a United States Army truck crashing on March 23, 1945, into a frame store building owned by him and situated on the northeast corner of the intersection of Main and Park Streets, Richland, Mich.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. PEARL SMITH

The Clerk called the bill (H. R. 4854) for the relief of Mrs. Pearl Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Pearl Smith, 1591 Sylvan Road SW., Atlanta, Ga., the sum of $10,000 in full settlement of all claims of the said Mrs. Pearl Smith against the United States as a result of the death of her husband, A. B. Smith, which was caused by a collision with a trailer truck belonging to the United States Army engineers at Monroe, Walton County, Ga., on December 29, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,000" and insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ERNST V. BRENDER

The Clerk called the bill (H. R. 4885) for the relief of Ernst V. Brender.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ernst V. Brender, Greensboro, Ga., the sum of $176.65, in full settlement of amount paid by him in full satisfaction of a judgment of the Superior Court, Greene County, Ga., on April 24, 1945, in Civil Action No. 2662 against E. V. Brender as damages because of removal of a hazardous telephone-line installation from Government property: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLEO D. JOHNSON AND JACK B. CHERRY

The Clerk called the bill (H. R. 4904) for the relief of Cleo D. Johnson and Jack B. Cherry.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Cleo D. Johnson, Handley, Tex., the sum of $420 and to Jack B. Cherry, Arlington, Tex., the sum of $201. Such sums represent the amount of damage to the automobile of the said Cleo D. Johnson and the expenses of the said Jack B. Cherry on account of personal injuries sustained by his wife and minor child when the said automobile in which they were riding was struck on July 4, 1945, at Temple, Tex., by a United States Army ambulance. The payment of such sums shall be in full settlement of all claims against the United States on account of such damage to property and such personal injuries.

With the following committee amendment:

Page 1, line 6, after "the sum of", strike out the remainder of the bill and insert the

following: "$420, in full settlement of all claims against the United States for damage caused to his automobile when it was struck by an Army vehicle in Temple, Tex., on July 4, 1945, and to Mr. and Mrs. Jack B. Cherry, of Arlington, Tex., the sum of $201, in full settlement of all claims against the United States for personal injuries sustained by Mrs. Jack B. Cherry and their minor child, Richard K. Cherry, and the medical and hospital expenses incurred for their treatment as the result of the same accident: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Cleo D. Johnson and Mr. and Mrs. Jack B. Cherry."

A motion to reconsider was laid on the table.

CURTIS WILSON

The Clerk called the bill (H. R. 4920) for the relief of the estate of Curtis Wilson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Curtis Wilson, deceased, late of Clay County, Fla., the sum of $650.12. Such sum represents actual expenses incurred by the said estate in connection with the last illness and funeral and burial expenses of the said Curtis Wilson, who died on December 8, 1944, from injuries sustained on the same date when he was struck by a United States Navy truck on Florida Highway No. 17, in Green Cove Springs, Fla. The payment of such sum shall be in full settlement of all claims against the United States on account of the death of the said Curtis Wilson: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$650.12" and the balance of the line, all of line 7, and insert "$499, in full settlement of all claims against the United States for."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

MRS. THERESA EBRECHT

The Clerk called the bill (H. R. 4977) for the relief of Mrs. Theresa Ebrecht.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated the sum of $300 to Mrs. Theresa Ebrecht, of Medford, Mass., in full settlement of all claims against the United States for personal injuries sustained as a result of being struck by a falling wooden platform outside of Service Club No. 2, Fort Leonard Wood, Mo., on May 13, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NOVELLA WADE

The Clerk called the bill (H. R. 4997) for the relief of the estate of Novella Wade.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legally qualified representative of the estate of Novella Wade, deceased, of Murfreesboro, Tenn., the sum of $5,000, in full settlement of all claims against the United States on account of the death of the said Novella Wade, who was instantly killed on June 14, 1943, when struck by a United States Army truck on Halls Hill Pike, about 3 miles northeastward from Murfreesboro, Tenn.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the word "to", strike out the balance of the line and all of line 6, and insert "Ernest I. Wade and Alma Wade."

Page 1, line 7, strike out "$5,000" and insert "$2,000."

Line 9, strike out "the" and insert "their daughter."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title of the bill was amended so as to read: "A bill for the relief of Ernest I. Wade and Alma Wade."

A motion to reconsider was laid on the table.

MICHAEL J. KEAVENEY

The Clerk called the bill (H. R. 5208) for the relief of Michael J. Keaveney and Mary C. Keaveney.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Michael J. Keaveney and Mary C. Keaveney, of Albany, N. Y., the sum of $10,000. The payment of such sum shall be in full settlement of all claims of the said Michael J. Keaveney and Mary C. Keaveney against the United States on account of the death of their son, Michael P. Keaveney, who was struck and killed by a United States mail truck on December 11, 1944, on Garden Street, Albany, N. Y.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,000" and insert "$3,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BEN V. KING

The Clerk called the bill (H. R. 5307) for the relief of Ben V. King.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ben V. King, United States commissioner at Eagle Pass, Tex., the sum of $488.57. Such sum represents the amount of fees which the said Ben V. King earned between January 1, 1945, and May 28, 1945, including increased compensation allowed under Public Law No. 49, approved May 7, 1943, while acting as United States commissioner for the western district of Texas, but not paid because his term as United States commissioner expired on January 1, 1945, and through an oversight, his appointment for another term was not effective until May 28, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OSCAR R. STEINERT

The Clerk called the bill (H. R. 5664) for the relief of Oscar R. Steinert.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated to Oscar R. Steinert, of Chicago Ill., the sum of

$5,000 in full settlement of all claims against the United States for personal injuries, medical and hospital expenses, loss of earnings, and property damage sustained as the result of an accident involving a United States post-office vehicle, on June 25, 1943, in Chicago, Ill.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claims. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of any services rendered in connection with said claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$5,000" and insert "$4,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARY M. WOLF

The Clerk called the bill (H. R. 1229) for the relief of Mrs. Mary M. Wolf.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Mrs. Mary M. Wolf, Detroit, Mich., is relieved of all liability to refund to the United States amounts paid to her for services as an employee of the Home Owners' Loan Corporation during the period when she was not eligible, because of citizenship requirements, to receive compensation from funds appropriated for the Home Owners' Loan Corporation. In the audit and settlement of the accounts of any disbursing officer of the United States such citizenship requirements of Mrs. Mary M. Wolf shall be considered to have been waived.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM H. W. KOMP

The Clerk called the bill (H. R. 1394) for the relief of William H. W. Komp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That William H. W. Komp, of the United States Public Health Service, is hereby relieved of all liability, both as to principal and interest, under the claim of the United States arising by reason of alleged overpayments to him of rental allowances in the amount of $3,543.33, while he was serving at Panama City, Panama, during the period from April 21, 1931, to June 30, 1934; and the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said William H. W. Komp, an amount equal to the aggregate of amounts which have been paid by him, or which have been withheld from amounts otherwise due him, in partial satisfaction of such claim. In the settlement of accounts of any disbursing officer of the United States, full credit shall be given for all such alleged overpayments of rental allowances made to the said William H. W. Komp.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HERBERT R. W. LAUTERBACH

The Clerk called the bill (H. R. 1840) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Herbert R. W. Lauterbach, and others, for compensation for overtime labor performed at the Norfolk Navy Yard, Portsmouth, Va., in excess of the legal day of 8 hours.

Mr. McGREGOR, Mr. SPRINGER, and Mr. DOLLIVER objected; and, under the rule, the bill was recommitted to the Committee on Claims.

DR. JOHN A. LOGAN

The Clerk called the bill (H. R. 3378) for the relief of Dr. John A. Logan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dr. John A. Logan, of Washington, D. C., the sum of $285. The payment of such sum shall be in full settlement of all claims of the said Dr. Logan against the United States on account of property damage sustained during the winter of 1942 and 1943 by the unlawful entry of United States troops into the residence owned by Dr. Logan at Ship Bottom, Ocean County, N. J.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY A. WALLIS

The Clerk called the bill (H. R. 3596) for the relief of Mary A. Wallis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, the sum of $20,000, to Mary A. Wallis, of Providence, R. I., in full compensation for injuries sustained and damages suffered by her as a result of an accident which occurred on June 18, 1944, in the city of Providence, R. I., and which accident involved the operation of a motor vehicle the property of the Post Office Department.

With the following committee amendments:

Page 1, line 5, strike out "$20,000" and insert "$1,999.06."

Page 1, line 7, strike out all of lines 7, 8, 9, and 10, down to and including the word "Department" on page 2, line 1, and insert: "settlement of all claims against the United States for personal injuries and expenses incident thereto, and loss of earnings sustained as the result of an accident involving a United States postoffice vehicle in Providence, R. I., on June 18, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. NORA E. OVERCASH

The Clerk called the bill (H. R. 3822) for the relief of Mrs. Nora E. Overcash.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Nora E. Overcash, of Kansas City, Mo., the sum of $10,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. Nora E. Overcash against the United States on account of the death, on August 10, 1941, of her husband, Charles Overcash, from injuries sustained by him on such date in a collision on Missouri State Highway No. 66, near Lebanon, Mo., involving the truck which he was driving and a United States Army truck. *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the word "to", strike out the balance of line 5, all of lines 6, 7, 8, 9, and 10, down to and including the word "truck" in line 3 on page 2, and insert "the estate of Charles M. Overcash, deceased, of Kansas City, Mo., the sum of $5,000, in full settlement of all claims of the said estate against the United States on account of the death on August 10, 1941, of the said Charles M. Overcash, fram injuries sustained by him on such date in a collision on Missouri State Highway No. 66, near Lebanon, Mo., involving the truck which he was driving and a United States Army truck."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read: "A bill for the relief of the estate of Charles M. Overcash, deceased."

A motion to reconsider was laid on the table.

DAVID M. MATTESON

The Clerk called the bill (H. R. 1345) for the relief of David M. Matteson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to David M. Matte-

son, Cambridge, Mass., the sum of $3,375. The payment of such sum shall be in full settlement of all claims of the said David M. Matteson against the United States and against the United States George Washington Bicentennial Commission for amounts payable to him, pursuant to an agreement between him and said Commission, for work performed in indexing the "Definitive Writings of George Washington."

With the following committee amendment:

Page 2, line 3, insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. HENRY H. HAY

The Clerk called the bill (S. 1190) for the relief of Mrs. Henry H. Hay.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

EDITH ROBERTA MOORE

The Clerk called the bill (S. 1504) for the relief of Edith Roberta Moore.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edith Roberta Moore, of Chicago, Ill., the sum of $4,000, in full satisfaction of her claim against the United States for compensation for personal injuries sustained by her, and for reimbursement of hospital and other expenses incurred by her, as a result of an accident which occurred when she was burned by steam, in guest house No. 2, Camp Howze, Tex., on July 22, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CATHERIN GILBERT

The Clerk called the bill (S. 1609) for the relief of Catherin Gilbert.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Catherin Gilbert, of Hartford, Conn., the sum of $3,000 in full satisfaction of her claims against the United States for compensation for personal injuries sustained by her, and for reimbursement of hospital, medical, and other expenses incurred by her, as a result of an accident which occurred when she was struck by a United States Army vehicle while walking along Village Street, in Hartford, Conn., on October 18, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ISABEL N. MIFFLIN

The Clerk called the bill (S. 1627) for the relief of Mrs. Isabel N. Mifflin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Isabel N. Mifflin, of Leesville, La., the sum of $4,552.95, in full satisfaction of her claim against the United States for compensation for personal injuries and property damage sustained by her as a result of an accident which occurred when the automobile which she was driving was struck by a United States Army vehicle, near New Llano, La., on November 3, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARYLAND SANITARY MANUFACTURING CORP., OF BALTIMORE, MD.

The Clerk called the bill (H. R. 4616 for the relief of the Maryland Sanitary Manufacturing Corp., of Baltimore, Md.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Maryland Sanitary Manufacturing Corp., of Baltimore, Md., the sum of $524,755, in full settlement of all claims against the United States for losses sustained in the manufacture for the Army Air Forces of magnesium sand castings used in the manufacture of fighting, training, and transport airplanes for said Army Air Forces in the prosecution of the war: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 8, strike out all of lines 8 and 9, down to and including the word "war" on line 3, page 2, and insert "the United States for losses sustained in the manufacture of magnesium sand castings for Government contractors engaged in the manufacture of fighting, training, and transport airplanes for use by the Army Air Forces in the prosecution of the war, the said losses having been occasioned primarily by reason of the corporation's reliance upon representations and assurances made in good faith by agents of the Government but which were not fulfilled: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN M. SHIPP

The Clerk called the bill (H. R. 4723) for the relief of John M. Shipp.

There being no objection, the Clerk read the bill, as follows:

Be it amended, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John M. Shipp, of Talbotton, Ga., the sum of $5,000. The payment of such sum shall be in full settlement of all claims of the said John M. Shipp against the United States for personal injuries sustained as the result of a collision on November 27, 1944, on United States Highway No. 80, near Columbus, Ga., involving the truck on which he was riding and a United States Army truck: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$5,000", and insert "$4,000".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF ROBERT LEE BLACKMON

The Clerk called the bill (H. R. 4833) for the relief of the estate of Robert Lee Blackmon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Robert Lee Blackmon, deceased, late of Lancaster County, S. C., the sum of $5,000. The payment of such sum shall be in full settlement of all claims against the United States on account of the death, on November 22, 1943, of the said Robert Lee Blackmon from injuries sustained by him when he was struck, on said date, on Highway 906, 5 miles east of the town of Lancaster, S. C., by an armored vehicle in the service of the Army of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CATHERINE FORTUNATO

The Clerk called the bill (H. R. 4976) for the relief of Mrs. Catherine Fortunato.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $596 to Mrs. Catherine Fortunato, of Medford, Mass., in full settlement of all claims against the United States for personal injuries sustained as a result of an accident involving a United States motorcycle at Gore Field, Great Falls, Mont., on March 21, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$596" and insert "$346."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN CAMERA

The Clerk called the bill (H. R. 5598) for the relief of John Camera.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That John Camera, who arrived at the port of New York on February 2, 1946, illegally, shall, upon payment of the required head tax, be considered, for the purposes of the immigration and naturalization laws, to have been lawfully admitted to the United States, notwithstanding the fact that he was found inadmissible on the sole grounds that he arrived illegally and was without proper immigration documentation. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Italian quota of the first year that the same Italian quota is available.

With the following committee amendments:

2. On page 1, lines 3 to 10, inclusive, change the sentence to read: "That Giovanni Camera, upon payment of the required head tax, be considered, for the purposes of the immigration and naturalization laws, to have been lawfully admitted to the United States for permanent residence at the port of New York on February 1, 1946."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "For the relief of Giovanni Camera."

A motion to reconsider was laid on the table.

VIRGINIA HARRIS CASARDI

The Clerk called the bill (H. R. 5278) to legalize the admission to the United States of Virginia Harris Casardi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is hereby directed to record the entry to the United States of Virginia Harris Casardi at Miami, Fla., on March 8, 1945, as a lawful admission to the United States for permanent residence for the purposes of the immigration naturalization laws. The Secretary of State shall thereupon reduce by one the immigration quota for Italy for the current fiscal year.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANTHONY DI INA

The Clerk called the bill (H. R. 5200) for the relief of Anthony (Tony) Di Ina.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Anthony (Tony) Di Ina who arrived at the port of Boston on December 13, 1945, as a stowaway shall upon the payment of the required head tax be considered, for the purpose of immigration and naturalization laws, to have been lawfully admitted into the United States. Upon the enactment of this act the Secretary of State shall instruct the proper quota control officer to deduct one number from the Italian quota for the first year the Italian quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALEXANDER MICHAILOVICH KALININ ET AL.

The Clerk called the bill (H. R. 4725) for the relief of Alexander Michailovich Kalinin, Paul Lougbine, and Leon de Witt Ravadovsky.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BARDEN. Mr. Speaker, I ask unanimous consent that this bill be recommitted to the Committee on Immigration and Naturalization.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

MRS. MASUYO (MARJORIE) SUDO CROMLEY

The Clerk called the bill (H. R. 5634) for the relief of Mrs. Masuyo (Marjorie) Sudo Cromley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the alien, Mrs. Masuyo (Marjorie) Sudo Cromley, of Japan, a graduate of the Imperial Women's Medical College and a practicing physician, who has been the wife of Lt. Col. Ray Cromley, United States Army, since their marriage in 1938 and is the mother of his minor son, shall be admitted to the United States for permanent residence.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BARDEN. Mr. Speaker, that concludes the call of the Private Calendar.

FEDERAL AIRPORT ACT

Mr. BULWINKLE. Mr. Speaker, I call up the conference report on the bill (S. 2) to provide for Federal aid for the development, construction, improvement, and repair of public airports in the United States, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

CALL OF THE HOUSE

Mr. McGREGOR. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

By unanimous consent, a call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 72]

Adams	Doyle	Lesinski
Allen, Ill.	Durham	Luce
Baldwin, N. Y.	Dworshak	McGehee
Bell	Eberharter	Murdock
Bender	Engel, Mich.	Norton
Bishop	Fernandez	O'Brien, Ill.
Bloom	Fisher	Peterson, Fla.
Boykin	Flannagan	Pfeifer
Brumbaugh	Gibson	Powell
Buckley	Hancock	Price, Fla.
Bunker	Hand	Rabaut
Byrne, N. Y.	Healy	Rains
Byrnes, Wis.	Hendricks	Reece, Tenn.
Camp	Herter	Sadowski
Cannon, Fla.	Holmes, Mass.	Shafer
Chapman	Jarman	Short
Chiperfield	Johnson,	Sikes
Clements	Lyndon B.	Slaughter
Clippinger	Kefauver	Stewart
Cochran	Kelley, Pa.	Stockman
Coffee	Kerr	Talbot
Colmer	King	Wadsworth
Cox	Kirwan	Walter
Curley	Knutson	White
Dawson	LaFollette	Wigglesworth
De Lacy	Lanham	Wolfenden, Pa.
Doughton, N. C.	Latham	Wood
Douglas, Calif.	LeFevre	Zimmerman

The SPEAKER. On this roll call 347 Members have answered to their names; a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FEDERAL AIRPORT ACT

The SPEAKER. The Clerk will read the statement.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2) to provide for Federal aid for the development, construction, improvement, and repair of public airports in the United States, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'Federal Airport Act'.

"PROVISIONS OF GENERAL APPLICATION

"Definitions

"SEC. 2. (a) As used in this Act—

"(1) 'Administrator' means the Administrator of Civil Aeronautics.

"(2) 'Airport' means any area of land or water which is used, or intended for use, for the landing and take-off of aircraft, and any appurtenant areas which are used, or intended for use, for airport buildings or other airport facilities or rights-of-way, together with all airport buildings and facilities located thereon.

"(3) 'Airport development' means (A) any work involved in constructing, improving, or repairing a public airport or portion thereof, including the construction, alteration, and repair of airport administrative buildings and the removal, lowering, relocation, and marking and lighting of airport hazards, and (B) any acquisition of land or of any interest therein, or of any easement through or other interest in air space, which is necessary to permit any such work or to remove or mitigate, or prevent or limit the establishment of airport hazards; but such term does not include the construction, alteration, or repair of airport hangars.

"(4) 'Airport hazard' means any structure or object of natural growth located on or in the vicinity of a public airport, or any use of land near such airport, which obstructs the air space required for the flight of aircraft in landing or taking off at such airport or is otherwise hazardous to such landing or taking off of aircraft.

"(5) 'Project' means a project for the accomplishment of airport development with respect to a particular airport.

"(6) 'Project costs' means any costs involved in accomplishing a project under this Act, including those of making field surveys, preparation of plans and specifications, supervision and inspection of construction work, procurement of the accomplishment of such work by contract, and acquisition of land or interests therein or easements through or other interests in air space, and also including administrative and other incidental costs incurred specifically in connection with the accomplishment of a project, and which would not have been incurred otherwise.

"(7) 'Public agency' means the United States Government or an agency thereof; a State, the Territory of Alaska, the Territory of Hawaii, or Puerto Rico, or an agency of any of them; a municipality or other political subdivision; or a tax-supported organization.

"(8) 'Public airport' means any airport which is used or to be used for public purposes, under the control of a public agency, the landing area of which is publicly owned.

"(9) 'Sponsor' means any public agency which, either individually or jointly with one or more other public agencies, submits to the Administrator, in accordance with this Act, an application for a grant of funds for airport development.

"(10) 'United States share' means that portion of the project costs of approved projects under this Act which is to be paid from appropriations made under authority of this Act.

"(11) 'Military and naval aircraft' means aircraft owned and operated by the United States Army, the United States Navy, the United States Coast Guard, or the United States Marine Corps.

"(12) 'State' means a State of the United States or the District of Columbia.

"Airport classifications

"(b) For purposes of this Act, a project shall be considered one for development of an airport of a certain class if upon completion of the airport development propcsed, the airport so developed would be properly classifiable as of that class according to the airport classification standards of the Administrator stated in Civil Aeronautics Administration Bulletin 'Airport Design' dated April 1, 1944.

"NATIONAL AIRPORT PLAN

"Formulation of plan

"SEC. 3. (a) The Administrator is hereby authorized and directed to prepare, and revise annually, a national plan for the development of public airports in the United States, including the Territory of Alaska, the Territory of Hawaii, and Puerto Rico. Such plan shall specify, in terms of general location and type of development, the projects considered by the Administrator to be necessary to provide a system of public airports adequate to anticipate and meet the needs of civil aeronautics. In formulating and revising such plan, the Administrator shall take into account the needs of both air commerce and private flying, the probable technological developments in the science of aeronautics, the probable growth and requirements of civil aeronautics, and such other considerations as he may deem appropriate, and shall, to the extent feasible, consult and give consideration to the views and recommendations of, the Civil Aeronautics Board, the States, the Territories, and Puerto Rico, and their political subdivisions, and shall, to the extent feasible, consult, and give consideration to the views and recommendations of, the Federal Communications Commission, and shall make all reasonable efforts to cooperate with that Commission for the purpose of eliminating, preventing, or minimizing airport hazards caused by construction or operation of any radio station. In carrying out this section the Administrator is authorized to make such surveys, studies, examinations, and investigations as he may deem necessary.

"Consultation with War and Navy Departments

"(b) In carrying out this section the Administrator shall also consider the views and recommendations of the War and Navy Departments to the end that the airport development included in such plan may be as useful for national defense as is feasible, and shall ascertain from such Departments the extent to which military and naval airports and airport facilities will be available for civil use. The War and Navy Departments shall consider the views and recommendations of the Administrator to the end that military and naval airports and airport facilities may be made available for civil use to such extent as is feasible.

"FEDERAL-AID AIRPORT PROGRAM

"SEC. 4. In order to bring about, in conformity with the national airport plan prepared and from time to time revised as provided in this Act, the establishment of a Nation-wide system of public airports adequate to meet the present and future needs of civil aeronautics, the Administrator is authorized, within the limits of available appropriations made therefor by the Congress, to make grants of funds to sponsors for airport development as hereinafter provided.

"APPROPRIATIONS

"Appropriation for preliminary expenses

"SEC. 5. (a) In addition to amounts hereinafter authorized to be appropriated for administrative expenses, the sum of $3,000,000 is hereby authorized to be appropriated immediately upon the enactment of this Act for expenses of preliminary planning and surveys incident to the initiation of the airport program provided for by this Act, including administrative expenses, which sum shall remain available until expended.

"Annual appropriations for projects in States

"(b) For the purpose of carrying out this Act with respect to projects in the several States, annual appropriations amounting in the aggregate to $500,000,000 are hereby authorized to be made to the Administrator over a period of seven fiscal years, beginning with the fiscal year ending June 30, 1947. The appropriation for any such fiscal year shall not exceed $100,000,000 and shall remain available until June 30, 1953, unless sooner expended. Not to exceed 5 per centum of any such annual appropriation, as specified in the Act making such appropriation, shall be available to the Administrator for necessary planning and research and for administrative expenses incident to the administration of this Act in the several States; except that if 5 per centum of the appropriation for any fiscal year is less than $3,500,000, or if there is no appropriation for such fiscal year, not to exceed $3,500,000 in the aggregate may be made available to the Administrator, for such fiscal year, for such planning and research and administrative expenses. Any amounts made available to the Administrator for such planning and research and administrative expenses shall be deducted for purposes of determining the amounts available for grants for projects in the several States.

"Annual appropriations for projects in Alaska, Hawaii, and Puerto Rico

"(c) For the purpose of carrying out this Act with respect to projects in the Territories of Alaska and Hawaii, and in Puerto Rico, annual appropriations amounting in the aggregate to $20,000,000 are hereby authorized to be made to the Administrator over a period of seven fiscal years beginning with the fiscal year ending June 30, 1947. The appropriation for any such fiscal year shall remain available until June 30, 1953, unless sooner expended. Not to exceed 5 per centum of any such annual appropriation, as specified in the Act making such appropriation, shall be available to the Administrator for necessary planning and research and for administrative expenses incident to the administration of this Act with respect to projects in the Territories of Alaska and Hawaii, and in Puerto Rico; and the amount so available shall be deducted from such appropriation for purposes of determining the amount thereof available for grants for projects therein. Of the total amount available for such grants, 50 per centum shall be available for projects in the Territory of Alaska, 25 per centum shall be available for projects in the Territory of Hawaii, and 25 per centum shall be available for projects in Puerto Rico.

"Administrative expenses

"(d) As used in this section, the term 'administrative expenses' including expenses under this Act of the character specified in

section 204 of the Civil Aeronautics Act of 1938, as amended (U. S. C., 1940 edition, title 49, sec. 424).

"DISTRIBUTION OF FUNDS AVAILABLE FOR PROJECTS IN STATES

"Apportionment of funds

"SEC. 6. (a) As soon as possible after any appropriation is made under section 5 (b), 75 per centum of the amount thereof available for grants for projects in the several States shall be apportioned by the Administrator among the several States, one-half in the proportion which the population of each State bears to the total population of all the States, and one-half in the proportion which the area of each State bears to the total area of all the States. All sums so apportioned for a State shall be available only to pay the United States share of the allowable project costs of approved projects located in that State, or sponsored by that State or some public agency thereof but located in an adjoining State. Upon making an apportionment as provided in this subsection the Administrator shall inform the executive head of each State, and any public agency which has requested such information, as to the sums apportioned for each State. As used in this subsection the term 'population' means the population according to the latest decennial census of the United States and the term 'area' includes both land and water.

"Discretionary fund

"(b) (1) All moneys appropriated under section 5 (b) which are available for grants for projects in the several States, and which are not apportioned as provided in subsection (a) of this section, shall constitute a discretionary fund.

"(2) The moneys in such discretionary fund shall be available to pay the United States share of the allowable project costs of such approved projects in the several States as the Administrator may deem most appropriate for carrying out the national airport plan, regardless of the States in which they are located. The Administrator shall give consideration, in determining the projects for which the moneys in such fund are to be so used, to the existing airport facilities in the several States and to the need for or lack of development of airport facilities in the several States.

"(3) The moneys in such discretionary fund shall also be available to pay the United States share of the allowable project costs of such approved projects in national parks and national recreation areas, national monuments, and national forests, sponsored by the United States or any agency thereof, as the Administrator may deem appropriate for carrying out the national airport plan; but no other funds appropriated under authority of this Act shall be available for such purpose. The sponsor's share of the project costs of any such approved project shall be paid only out of funds contributed to the sponsor for the purpose of paying such costs (receipt of which funds and their use for this purpose is hereby authorized) or appropriations specifically authorized therefor.

"AVAILABILITY OF FUNDS FOR PROJECTS IN ALASKA, HAWAII, AND PUERTO RICO

"SEC. 7. All funds available for grants for projects in the Territory of Alaska, in the Territory of Hawaii, or in Puerto Rico, respectively, shall be available to pay the United States share of the allowable project costs of such approved projects therein as the Administrator may deem most appropriate for carrying out the national airport plan.

"CONDITION PRECEDENT TO DEVELOPMENT OF LARGER AIRPORTS

"SEC. 8. At least two months prior to the close of each fiscal year, the Administrator shall submit to the Congress a request for authority to undertake during the next fiscal year those of the projects for the development of class 4 and larger airports, included in the then current revision of the national airport plan formulated by him under this Act, which, in his opinion, should be undertaken during that fiscal year, together with an estimate of the Federal funds required to pay the United States share of the allowable project costs of such projects. In determining which projects to include in such a request, the Administrator shall consider, among other things, the relative aeronautical need for and urgency of the projects included in the plan and the likelihood of securing satisfactory sponsorship of such projects. In granting any funds that thereafter may be appropriated to pay the United States share of allowable project costs during the next fiscal year, the Administrator may consider such appropriation as granting the authority requested unless a contrary intent shall have been manifested by the Congress by law or by concurrent resolution, and no such grants shall be made unless so authorized.

"SUBMISSION AND APPROVAL OF PROJECTS

"Submission

"SEC. 9. (a) Subject to the provisions of subsections (b) and (c) of this section, any public agency, or two or more public agencies acting jointly, may submit to the Administrator a project application in such form, and containing such supporting information, as may be prescribed by the Administrator and setting forth the airport development proposed to be undertaken. No project application shall propose airport development other than that included in the then current revision of the national airport plan formulated by the Administrator under this Act, and all such proposed development shall be in accordance with standards established by the Administrator, including standards for site location, airport layout, grading, drainage, seeding, paving, lighting, and safety of approaches.

"Applications by public agencies whose powers are limited by State law

"(b) Nothing in this Act shall authorize the submission of a project application by any municipality or other public agency which is subject to the law of any State if the submission of such project application by such municipality or other public agency is prohibited by the law of such State.

"Applications by Federal agencies

"(c) Nothing in this Act shall authorize the submission of a project application by the United States or any agency thereof, except in the case of a project in the Territory of Alaska, the Territory of Hawaii, or Puerto Rico, or in a national park or national recreation area, a national monument, or a national forest.

"Approval

"(d) All such projects shall be subject to the approval of the Administrator, which approval shall be given only if, at the time of approval, funds are available for payment of the United States share of the allowable project costs, and only if he is satisfied that the project will contribute to the accomplishment of the purposes of this Act, that sufficient funds are available for that portion of the project costs which is not to be paid by the United States under this Act, that the project will be completed without undue delay, that the public agency or public agencies which submitted the project application have legal authority to engage in the airport development as proposed, and that all project sponsorship requirements prescribed by or under the authority of this Act have been or will be met. No project shall be approved by the Administrator with respect to any airport unless a public agency holds good title, satisfactory to the Administrator, to the landing area of such airport or the site therefor, or gives assurance satisfactory to the Administrator that such title will be acquired.

"Hearings

"(e) Project applications shall be matters of public record in the office of the Administrator. Any public agency, person, association, firm, or corporation having a substantial interest in the disposition of any application by the Administrator may file with the Administrator a memorandum in support of or in opposition to such application; and any such agency, person, association, firm, or corporation shall be accorded, upon request, a public hearing with respect to the location of any airport the development of which is proposed. The Administrator is authorized to prescribe regulations governing such public hearings, and such regulations may prescribe a reasonable time within which requests for public hearings shall be made and such other reasonable requirements as may be necessary to avoid undue delay in disposing of project applications.

"UNITED STATES SHARE OF PROJECT COSTS

"General provision

"SEC. 10. (a) Except as provided in subsections (b), (c), and (d) of this section, the United States share payable on account of any approved project under this Act shall be—

"(1) in the case of a project for the development of a class 3 or smaller airport, 50 per centum of the allowable project costs of the project;

"(2) in the case of a project for the development of a class 4 or larger airport, such portion of the allowable project costs of the project (not to exceed 50 per centum) as the Administrator may deem appropriate for carrying out the provisions of this Act.

"Projects in public land States

"(b) In the case of any State containing unappropriated and unreserved public lands and nontaxable Indian lands (individual and tribal) exceeding 5 per centum of the total area of all lands therein, the United States share under subsection (a) (1), and the maximum United States share under subsection (a) (2), shall be increased by whichever is the smaller of the following percentages thereof: (1) 25 per centum, or (2) a percentage equal to one-half the percentage that the area of all such lands in such State is of its total area.

"Projects in Alaska

"(c) The United States share payable on account of any approved project in the Territory of Alaska shall be such portion of the allowable project costs of the project (not less than 50 per centum in the case of a class 3 or smaller airport, and not to exceed 75 per centum in the case of an airport of any class) as the Administrator may deem appropriate for carrying out the provisions of this Act.

"Acquisitions of land and interests in air space

"(d) To the extent that the project costs of an approved project represent the cost of acquiring land or interests therein or easements through or other interests in air space, the United States share (1) in the case of a project for the development of a class 3 or smaller airport, shall be 25 per centum of the allowable costs of such acquisition, and (2) in the case of a project for the development of a class 4 or larger airport, shall be not to exceed 25 per centum of the allowable costs of such acquisition.

"PROJECT SPONSORSHIP

"SEC. 11. As a condition precedent to his approval of a project under this Act, the Administrator shall receive assurances in writing, satisfactory to him, that—

"(1) the airport to which the project relates will be available for public use on fair and reasonable terms and without unjust discrimination;

"(2) such airport and all facilities thereon or connected therewith will be suitably operated and maintained, with due regard to climatic and flood conditions;

"(3) the aerial approaches to such airport will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards;

"(4) all the facilities of the airport developed with Federal aid and all those usable for the landing and take-off of aircraft will be available to the United States for use by military and naval aircraft in common with other aircraft at all times without charge, except, if the use by military and naval aircraft shall be substantial, a reasonable share, proportional to such use, of the cost of operating and maintaining the facilities so used;

"(5) the airport operator or owner will furnish to any civil agency of the Government, without charge (except for light, heat, janitor service, and similar facilities and services at the reasonable cost thereof), such space in airport buildings as may be reasonably adequate for use in connection with any air traffic control activities, or weather-reporting activities and communications activities related to air traffic control, which such agency may deem it necessary to establish and maintain at the airport;

"(6) all project accounts and records will be kept in accordance with a standard system of accounting prescribed by the Administrator after consultation with appropriate public agencies;

"(7) the airport operator or owner will submit to the Administrator such annual or special airport financial and operations reports as the Administrator may reasonably request; and

"(8) the airport and all airport records will be available for inspection by any duly authorized agent of the Administrator upon reasonable request.

To insure compliance with this section, the Administrator shall prescribe such project sponsorship requirements, consistent with the terms of this Act, as he may deem necessary. Among other steps to insure such compliance the Administrator is authorized to enter into contracts with public agencies, on behalf of the United States.

"GRANT AGREEMENTS

"SEC. 12. Upon approving a project the Administrator, on behalf of the United States, shall transmit to the sponsor or sponsors of the project an offer to pay the United States share of the allowable project costs of such project. Any such offer shall be made upon such terms, and subject to such conditions, as the Administrator may deem necessary to meet the requirements of this Act and the regulations prescribed thereunder. Each such offer shall state a definite amount as the maximum obligation of the United States payable from funds appropriated under authority of this Act, and shall stipulate the obligations to be assumed by the sponsor or sponsors of the project. If and when any such offer is accepted in writing by the sponsor or sponsors to which it is made, such offer and acceptance shall comprise a grant agreement constituting an obligation of the United States and of the sponsor or sponsors so accepting, and thereafter the amount stated in the accepted offer as the maximum obligation of the United States under such grant agreement shall not be increased. Unless and until such a grant agreement has been executed with respect to a project, the United States shall not pay, nor be obligated to pay, any portion of the project costs which have been or may be incurred in carrying out that project.

"ALLOWABLE PROJECT COSTS

"SEC. 13. Except as provided in section 14, the United States shall not pay, or be obligated to pay, from amounts appropriated to carry out the provisions of this Act, any portion of a project cost incurred in carrying out a project unless the Administrator has first determined that such cost is allowable. A project cost shall be allowable if—

"(1) it was a necessary cost incurred in accomplishing airport development in conformity with approved plans and specifications for an approved project and with the terms and conditions of the grant agreement entered into in connection with such project;

"(2) it was incurred subsequent to the execution of the grant agreement with respect to the project, and in connection with airport development accomplished under such project after the execution of such grant agreement: *Provided, however,* That the allowable costs of a project may include any necessary costs of formulating the project (including those field surveys and the preparation of plans and specifications, including costs of acquiring land or interests therein or easements through or other interests in air space, and including any necessary administrative or other incidental costs incurred by the sponsor specifically in connection with the accomplishment of the project, which would not have been incurred otherwise) which were incurred subsequent to the enactment of this Act; and

"(3) it is reasonable in amount, in the opinion of the Administrator: *Provided,* That if the Administrator determines that a project cost is unreasonable in amount, he shall allow, as an allowable project cost under this section, only such amount of such project cost as he determines to be reasonable and no project costs in excess of the definite amount stated in the grant agreement shall be allowable.

"The Administrator is authorized to prescribe such regulations, including regulations with respect to the auditing of project costs, as he may deem necessary to effectuate the purposes of this section.

"PAYMENTS

"SEC. 14. The Administrator, after consultation with the sponsor or sponsors with which a grant agreement has been entered into, shall determine at what times, and in what amounts, payments shall be made under this Act. The aggregate of such payments at any time with respect to a particular project shall not exceed a percentage of the project costs of the airport development which has been performed up to that time (and which the sponsor or sponsors to which the payments are to be made certify to have been performed in accordance with the approved plans and specifications for such project), equal to the percentage of the allowable project costs of the project determined to be the United States share of such costs; and if the Administrator shall determine at any time that the aggregate of such payments exceeds the United States share of the allowable project costs of such project the United States shall be entitled to recover such excess. Such payments shall be made to such official or officials or depository, authorized by law to receive public funds, as may be designated by the sponsor or sponsors entitled to such payments.

"PERFORMANCE OF CONSTRUCTION WORK

"Regulations of the Administrator

"SEC. 15. (a) The construction work on any approved project shall be subject to inspection and approval by the Administrator and in accordance with regulations prescribed by him. Such regulations shall require such cost and progress reporting by the sponsor or sponsors of such project as the Administrator shall deem necessary. No such regulation shall have the effect of altering any contract in connection with any project entered into without actual notice of the regulation.

"Minimum rates of wages

"(b) All contracts for work on projects approved under this Act which involves labor shall contain provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

"Other provisions as to labor

"(c) All contracts for work on projects approved under this Act which involves labor shall contain such provisions as are necessary to insure (1) that no convict labor shall be employed; and (2) that in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given, where they are qualified, to individuals who have served as persons in the military service of the United States (as defined in section 101 (1) of the Soldiers' and Sailors' Civil Relief Act of 1940), and who have been honorably discharged from such service: *Provided,* That such preference shall apply only where such labor is available and qualified to perform the work to which the employment relates.

"USE OF GOVERNMENT-OWNED LANDS

"Requests for use

"SEC. 16. (a) Whenever the Administrator determines that use of any lands owned or controlled by the United States is reasonably necessary for carrying out a project under this Act, or for the operation of any public airport, he shall file with the head of the department or agency having control of such lands a request that such property interest therein as he may deem necessary be conveyed to the public agency sponsoring the project in question or owning or controlling the airport. Such property interest may consist of the title to or any other interest in land or any easement through or other interest in air space.

"Making of conveyances

"(b) Upon receipt of a request from the Administrator under this section, the head of the department or agency having control of the lands in question shall determine whether the requested conveyance is inconsistent with the needs of the department or agency, and shall notify the Administrator of his determination within a period of four months after receipt of the Administrator's request. If such department or agency head determines that the requested conveyance is not inconsistent with the needs of that department or agency, such department or agency head is hereby authorized and directed, with the approval of the President and the Attorney General of the United States, and without any expense to the United States, to perform any acts and to execute any instruments necessary to make the conveyance requested; but each such conveyance shall be made on the condition that the property interest conveyed shall automatically revert to the United States in the event that the lands in question are not developed, or cease to be used, for airport purposes.

"REIMBURSEMENT FOR DAMAGE BY FEDERAL AGENCIES TO PUBLIC AIRPORTS

"Submission and determination of claims

"SEC. 17. (a) Reimbursement shall be made to public agencies, as provided in this section, for the necessary rehabilitation or repair of public airports heretofore or hereafter substantially damaged by any Federal agency. The Administrator is authorized on behalf of the United States to consider, ascertain, adjust, and determine in accordance with regulations he shall prescribe pursuant to this section, any claim submitted by any public agency for reimbursement of the cost of necessary rehabilitation or repair of a public airport, under the control or management of such public agency, substantially damaged by any Federal agency.

"Certification of claims to Congress

"(b) Such amount as may be found to be due to any claimant under this section shall be certified by the Administrator to Congress as a claim against the United States, and appropriation for payment of such claims are hereby authorized to be made. Such certification shall include a brief statement of the character of each claim, the amount claimed, and the amount allowed.

"Limitation on submission of claims

"(c) No claim shall be considered by the Administrator pursuant to this section unless such claim has been presented to him within six months after the occurrence of the damage upon which the claim is based, except that in case of damage caused by operations of a military nature during time of war such notice may be filed within sixty days after termination of the war.

"REPORTS TO CONGRESS

"SEC. 18. On or before the third day of January of each year the Administrator shall make a report to the Congress describing his operations under this Act during the preceding fiscal year, including detailed statements of the airport development accomplished, the status of each project undertaken, the allocation of appropriations, and itemized statements of expenditures and receipts, and setting forth his recommendations, if any, for legislation amending or supplementing this Act.

"FALSE STATEMENTS

"SEC. 19. Any officer, agent, or employee of the United States, or any officer, agent, or employee of any public agency, or any person, association, firm, or corporation who shall knowingly make any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the costs thereof, in connection with the submission of plans, maps, specifications, contracts, or estimates of project costs for any project submitted to the Administrator for approval under this Act or shall knowingly make any false statement, false representation, or false report or claim for work or materials for any project approved by the Administrator under this Act, or shall knowingly make any false statement or false representation in any report required to be made under this Act, with the intent to defraud the United States shall, upon conviction thereof, be punished by imprisonment for not to exceed five years or by a fine of not to exceed $10,000, or by both such fine and imprisonment.

"EXISTING AIRPORT PROGRAMS

"SEC. 20. Nothing in this Act shall affect the carrying out of the program for the development of public landing areas necessary for national defense, authorized by the Department of Commerce Appropriation Act, 1946, or the program for the development of civil landing areas, authorized by the First Supplemental National Defense Appropriation Act, 1944, which programs shall be additional to the Federal-aid airport program authorized by this Act."

And the House agree to the same.

Amend the title so as to read: "An Act to provide Federal aid for the development of public airports."

A. L. BULWINKLE,
CLARENCE F. LEA,
VIRGIL CHAPMAN,
LYLE H. BOREN,
CHAS. A. WOLVERTON,
PEHR G. HOLMES,
Managers on the Part of the House.

PAT MCCARRAN,
JOHN OVERTON,
WARREN G. MAGNUSON,
GEORGE L. RADCLIFFE,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2) to provide for Federal aid for the development, construction, improvement, and repair of public airports in the United States, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The bill, as agreed to in conference, is generally similar to the bill as passed by the House. The differences between the House amendment and the conference substitute are noted in the following explanatory statement, except for incidental changes made necessary by reason of agreements reached by the conferees, clarifying drafting changes, and a few minor substantive changes.

CHANNELING OF FUNDS

Under the Senate bill the funds to be appropriated for the airport program would have been channeled through the States, and municipalities would have been permitted to make direct application to the Administrator for Federal funds only where the State had not appropriated any State funds for airport purposes or where the State did not have legislation permitting State participation in the program through an adequate State airport agency.

Under the House amendment application could be made directly to the Administrator either by the State or a State agency, a municipality or other political subdivision, or a tax-supported organization. By a floor amendment to the House definition of the term "public agency" it was provided that nothing in the act "shall authorize the submission of a project application by any municipality or other public agency which is subject to the law of any State if the submission of such project application by such municipality or other public agency is prohibited by the law of such State."

The substitute bill agreed to in conference conforms to the House amendment on the channeling of funds, but the provision last referred to above has been taken out of the definition of "public agency" and has been included in the provisions of section 9 without change in its text.

AMENDMENTS TO EXISTING LAW RELATING TO AIR NAVIGATION FACILITIES

The House amendment contained a title II which embodied proposed amendments to the Civil Aeronautics Act of 1938 intended to clarify certain definitions and other provisions having relation to air navigation facilities. The Senate bill contained no such amendments. The substitute agreed to in conference contains no provisions corresponding to those of title II of the House amendment.

AIRPORT DEVELOPMENT IN THE STATES

Under the House amendment the aggregate of appropriations to be available for the airport program in the States was $650,000,000, and the program would have extended over a 10-year period beginning with the fiscal year ending June 30, 1946. The Senate bill provided for a 5-year program totaling $375,000,000. Under the conference substitute the aggregate amount has been changed to $500,000,000, and the program will extend over a 7-year period beginning with the fiscal year ending June 30, 1947.

The House amendment and the Senate bill provided that not to exceed 5 percent of any annual appropriation should be available for planning and research and administrative expenses. The conference substitute retains this provision but also provides that in any case where such 5 percent did not equal $3,500,000 or in the case of any year where no appropriation for the making of grants is made, an amount not to exceed $3,500,000 may be appropriated for administrative expenses. Any amount so made available will be deducted from the amounts available for grants under the State airport development program.

The provisions of the House amendment, relating to apportionment among the States of 75 percent of the funds available for grants in the States, are retained in the conference substitute.

DISCRETIONARY FUND

The House amendment provided that of the aggregate amounts appropriated for the airport-development program in the States and available for grants, 25 percent should constitute a discretionary fund which, instead of being apportioned among the States, would be available to pay the United States share of allowable project costs of such approved projects in the several States as the Administrator of Civil Aeronautics deemed most appropriate for carrying out the national airport plan, regardless of the States in which located.

The House provision above referred to is retained in the conference substitute, but a new provision has been included (sec. 6 (b) (3)). The discretionary fund is made available, by this provision, to pay the United States share of the allowable project costs of such approved projects in national parks and national recreation areas, national monuments, and national forests, sponsored by the United States or any agency thereof, as the Administrator may deem appropriate for carrying out the national airport plan; and it is provided that no other funds appropriated under the act shall be available for such purpose. It is further provided that the sponsor's share of the project costs, in the case of such federally sponsored projects in national parks and national recreation areas, national monuments, and national forests, shall be paid only out of funds contributed to the sponsor for the purpose of paying such costs or appropriations specifically authorized therefor. Funds from either or both such sources may, of course, be used. Such sponsors are authorized, by this provision, to receive such contributed funds and to use them for the purpose of paying the sponsor's share of the project costs.

AIRPORT DEVELOPMENT IN ALASKA, HAWAII, AND PUERTO RICO

The House amendment authorized the appropriation of aggregate amounts equaling $50,000,000 for carrying out the airport program in the Territories and possessions. The program would have extended over a 10-year period beginning with the fiscal year ending in 1946. The Senate bill did not provide for a program in the Territories or possessions. The conference substitute provides for limiting this part of the airport program to the Territories of Alaska and Hawaii and to Puerto Rico. The amount of the aggregate authorized appropriation has been changed to $20,000,000 and the program will be for a 7-year period beginning with the fiscal year ending June 30, 1947.

The House amendment provided that not to exceed $10,000,000 should be available for projects in Alaska, not to exceed $15,000,000 for projects in Hawaii, and not to exceed $10,000,000 for projects in Puerto Rico. The conference substitute provides that of the aggregate authorized appropriation of $20,000,000, 50 percent of the amounts available for grants shall be for projects in Alaska, 25 percent for projects in Hawaii, and 25 percent for projects in Puerto Rico.

FORMULATION OF NATIONAL AIRPORT PLAN

Both the Senate bill and the House amendment contained provisions directing the Administrator of Civil Aeronautics to prepare and revise annually a national airport plan in conformity with which the airport development provided for by the bill would be carried on. In each case the Administrator was directed in the formulation of the plan to take into consideration the views and recommendations of certain specified govern-

mental agencies. This section as it appears in the conference substitute (sec. 3) is similar to the provision in the House amendment except that it contains a provision from the Senate bill directing the Administrator, in the formulation of such plan, to give consideration to the views and recommendations of the Federal Communications Commission and to make all reasonable efforts to cooperate with that Commission for the purpose of eliminating, preventing, or minimizing airport hazards caused by construction or operation of any radio station.

SUBMISSION TO CONGRESS OF PROPOSALS WITH RESPECT TO LARGER AIRPORTS

The conference substitute contains a provision (sec. 8) similar to one contained in the Senate bill, requiring the Administrator to submit to the Congress, at least 2 months prior to the close of each fiscal year, a request for authority to undertake during the following fiscal year those of the projects for the development of class 4 and larger airports included in the then current revision of the national airport plan, which, in his opinion, should be undertaken during such next fiscal year. Such request is to be accompanied by an estimate of Federal funds required to pay the United States share of the allowable project costs of such projects. The Administrator is directed to consider, among other things, in determining which projects to include in his request, the relative aeronautical need for and urgency of the projects included in the plan and the likelihood of securing satisfactory sponsorship of such projects. It is further provided that the Administrator, in making grants of any funds that may thereafter be appropriated to pay the United States share of allowable project costs during the next fiscal year, may consider the appropriation as granting the authority requested unless a contrary intent has been manifested by the Congress by law or by concurrent resolution, and it is provided that no such grants shall be made unless so authorized. The House amendment contained no provisions similar to those above referred to.

There has been included in the conference substitute (sec. 2 (b)) a provision, taken from the Senate bill, specifying the manner of determining the class into which an airport falls.

COSTS OF ACQUISITION OF LAND AND INTERESTS IN AIR SPACE

The House amendment provided that allowable project costs could not include the cost of acquiring any interest in land or any easement through or other interests in air space, so that appropriations made to the Administrator could not have been used for the payment of any part of such costs. The Senate bill would have permitted the Administrator to contribute the full United States share in the case of such acquisitions.

Under the conference substitute (sec. 2 (3) and (6)) the Administrator will be authorized to pay part of the cost of acquisition of land or interests therein, or of any easement through or other interest in air space, but the United States share with respect thereto (sec. 10 (d)) is to be 25 percent of the allowable cost in the case of class 3 or smaller airports, and not to exceed 25 percent of the allowable cost in the case of class 4 or larger airports.

UNITED STATES SHARE OF ALLOWABLE PROJECT COSTS

Under the House amendment it was provided that the United States share of allowable project costs should be that portion of such costs (not to exceed 50 percent) as the Administrator deemed appropriate for carrying out the provisions of the legislation, except that in the case of any approved project in Alaska it was provided that the United States share should be not to exceed 75 percent of the allowable project costs. The Senate bill provided that the United States share should be 50 percent of the allowable project costs in all cases.

The section contained in the conference substitute on this subject (sec. 10) is as follows:

It provides, in general, that in the case of any project for the development of a class 3 or smaller airport the United States share shall be 50 percent of the allowable project costs.

It provides, in general, that in the case of a class 4 or larger airport the United States share shall be such portion of the allowable project costs (not to exceed 50 percent) as the Administrator may deem appropriate for carrying out the provisions of the legislation.

An exception is provided with respect to the United States share in the case of a project in any State containing unappropriated and unreserved public lands and nontaxable Indian lands (individual and tribal) exceeding 5 percent of the total area of all lands in the State. For such a project, the United States share in the case of a class 3 or smaller airport (or the maximum United States share in the case of a class 4 or larger airport) is increased by whichever is the smaller of the following percentages thereof: (1) 25 percent, or (2) a percentage equal to one-half the percentage that the area of all such public lands and Indian lands in the State is of the State's total area.

In the case of projects in Alaska the House provision for a maximum United States share of 75 percent of the allowable project costs is retained, but it is provided that in the case of a class 3 or smaller airport the United States share shall be not less than 50 percent of the allowable project costs.

This section also contains the provision, referred to above, limiting the amount of the United States share in the case of acquisitions of land or interests in air space.

DEFINITION OF "PROJECT COSTS"

Both the Senate bill and the House amendment contained a definition of the term "project costs." The definition of this term contained in the conference substitute (sec. 2 (6)) is substantially the same as the definition contained in the Senate bill. The only substantive change made from the definition as it appeared in the House bill is with reference to the inclusion of costs of acquisition of land or interest therein or easements through or other interests in air space. While the text of the definition differs from the House definition in that it makes specific reference to accomplishing work "by contract," there is nothing in the bill to require that airport development work be accomplished exclusively through contractual arrangements.

APPROVAL OF PROJECTS

Section 9 (c) of the conference substitute contains a provision taken from the Senate bill, providing that no projects shall be approved with respect to any airport unless a public agency holds good title, satisfactory to the Administrator, to the landing area of such airport or the site therefor, or gives assurance satisfactory to the Administrator that such title will be acquired. The House amendment contained no such provision.

PROJECT SPONSORSHIP

Section 11 (2) of the conference substitute provides that as a condition precedent to approval of a project the Administrator shall receive assurances that such airport and all facilities thereon or connected therewith will be suitably operated and maintained, with due regard to climatic and flood conditions. This is the same provision that appeared in the House amendment, except that the words "with due regard to climatic and flood conditions" have been added from the Senate bill. They are for the purpose of indicating that the owner or operator of the airport will not be expected to operate and maintain such airport during temporary periods when climatic or flood conditions interfere substantially with operation and maintenance during such periods.

Section 10 (5) of the House amendment provided that the Administrator should not approve a project unless he had received assurances that the airport owner or operator would furnish to any civil agency of the Government, without charge, such space in airport buildings as might be reasonably adequate for use in connection with any air-traffic control or weather-reporting activities, and communications activities incidental thereto, which such agency deemed it necessary to establish and maintain at the airport. The comparable provision in the Senate bill would have required the furnishing of similar facilities to the Government at a reasonable rent. The provision which has been included in the conference substitute (sec. 11 (5)) is the same as the provision of the House amendment, except that (1) it recognizes the right of the airport operator or owner to make a charge for light, heat, janitor service, and similar facilities and services at the reasonable cost thereof, and (2) the space to be furnished under the conditions specified would be that for use in connection with air-traffic control activities, and weather-reporting activities and communications activities related to air-traffic control.

Section 11 of the conference substitute retains that part of the corresponding House provision which authorized the Administrator to enter into contracts in order to insure compliance with the provisions of the section, but there has been omitted the language which would have provided that "such contracts shall be enforceable by decrees for specific performance." The omission of this language is not intended to indicate that the Administrator should not under any circumstances enter into contracts enforceable by decrees for specific performance, or that courts should refrain from issuing such decrees in appropriate cases. The only effect intended to be achieved by the elimination of this language was to avoid the adoption of a provision which might be construed as an attempt to change by statute the general law governing this type of equitable relief.

PROVISIONS WITH RESPECT TO LABOR

Section 15 of the conference substitute contains two provisions, subsections (b) and (c), which have been taken from the Senate bill with modifications. No similar provisions were contained in the House amendment. These provisions are in the nature of conditions attached to the granting of Federal funds for airport development. They apply only in the case of accomplishment of airport development under contracts.

Subsection (b) provides that contracts for work on projects approved under the act, involving labor, shall contain provisions establishing minimum rates of wages, to be determined by the Secretary of Labor, which contractors shall pay to skilled and unskilled labor, and it is required that such minimum rates shall be stated in the invitation for bids and shall be included in the proposals for bids for such work.

Subsection (c) provides that contracts for work on approved projects, involving labor, shall contain such provisions as are necessary to insure (1) that no convict labor shall be employed, and (2) that in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given, where they are qualified, to honorably discharged former members of the armed forces of the United States. It is provided, however, that such preference in the case of former members of the armed forces shall apply only where such labor is available and qualified to perform the work to which the employment relates.

REIMBURSEMENT FOR DAMAGE TO PUBLIC AIRPORTS CAUSED BY FEDERAL AGENCIES

Section 17 of the conference substitute contains provisions taken from the Senate bill with modifications, providing for reimbursement to public agencies for the necessary rehabilitation or repair of public airports substantially damaged by Federal agencies. No similar provision was contained in the House bill except that in section 10 of the House bill, as a condition precedent to approval of a project, it was provided that the Administrator should receive assurances in writing satisfactory to him that, among other things, all facilities of the airport should be available for the use of Government aircraft without charge other than a charge sufficient to defray the cost of repairing damage by such aircraft. In view of the inclusion of this provision from the Senate bill the House provision above referred to has been omitted.

By section 17 of the conference substitute the Administrator of Civil Aeronautics is authorized to consider, ascertain, adjust, and determine any claim submitted by a public agency for reimbursement of the cost of necessary rehabilitation or repair of a public airport, under control or management of such public agency, substantially damaged by any Federal agency.

When the Administrator, after considering any such claim, determines the amount of reimbursement which in his judgment should be made, he is directed to certify such amount to the Congress as a claim against the United States, together with a brief statement of the character of the claim, the amount claimed and the amount allowed. Authorization is granted in the section for the appropriation of amounts necessary to pay claims so submitted to the Congress, and no claims will be paid until the necessary funds are appropriated. Such claims will not, of course, be paid from appropriations for the airport program provided for by the bill, but are to be paid from amounts separately appropriated for the specific purpose of paying such claims.

No claim may be considered by the Administrator unless presented to him within 6 months after the occurrence of the damage upon which it is based, except that in the case of damage caused by operations of a military nature during time of war a claim may be filed within 60 days after the termination of the war.

ACQUISITION OF PROPERTY FOR PROJECT SPONSORS

There has been omitted from the conference substitute the provisions which were contained in section 15 of the House amendment, which would have authorized the Administrator, upon request, to use the Federal condemnation power to acquire, for project sponsors, any real property or interest therein, or any easement through or other interest in air space, which in his opinion was necessary in connection with an airport development project and could not be acquired by the project sponsor without undue expense or delay.

A. L. BULWINKLE,
CLARENCE F. LEA,
VIRGIL CHAPMAN,
LYLE H. BOREN,
CHARLES A. WOLVERTON,
PEHR G. HOLMES,
Managers on the Part of the House.

Mr. BULWINKLE (interrupting the reading of the statement of the managers). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BULWINKLE. Mr. Speaker, I yield 8 minutes to the gentleman from California [Mr. LEA].

Mr. LEA. Mr. Speaker, in the main, the conference report on the airport bill which we bring to you today follows the bill as it passed the House. There are, however, some changes, the most significant of which I desire to call to your attention.

In the first place, the airport program which called for a 10-year period of development as passed by the House is reduced to 7 years as embodied in the conference agreement.

The total appropriation allowed in the bill as it passed the House for the States was $650,000,000. The conference agreement reduces that amount to $500,000,000.

The bill as it passed the House provided $50,000,000 for expenditures outside the United States. The bill as agreed upon in conference provides $20,000,000 outside the United States, limited to Alaska, Hawaii, and Puerto Rico.

Under the bill as agreed on, the Federal Government will pay not exceeding 25 percent for the cost of land acquired for the building of airports, while the House bill provided nothing for that purpose.

Title II of the House bill has been eliminated in the conference report. The effect is to leave the law the same as it is, so far as the provisions of title II are concerned.

The provision in the House bill authorizing the Federal Government to exercise condemnation authority for the purpose of acquiring property interests for airports is eliminated from the bill as we have it before the House at this time.

The bill now before the House as contrasted with the original House bill provides a method for handling claims for damages against the Government on account of damage to airports caused by military authorities in the use of those airports. It simply provides that the Administrator shall certify to the damages and report to the Congress, where the matter will be handled as a claim against the Government.

The conference agreement retains the provision of the House bill as to the channeling of funds for the construction of airports within the States. Under these provisions, the State or any legally qualified municipality within the State, or a political subdivision or tax-supported agency can sponsor an application for the construction of an airport.

The bill specifically recognizes the right of the State, if it chooses to do so, to require the funneling of funds through the State or through such agencies as it might, by legislative authority, specify. This provision gives the State the opportunity, if its legislature chooses to do so, to require the State channeling of funds. Very few, if any, States now require such funds to be channeled through the State. Under the present law, in practically every State, a municipality may sponsor an application to match Federal funds for the construction of an airport.

Most of the States of the Union are not prepared at this time, by legislative authority and funds, to match Federal funds for airport construction in any substantial amount.

A channeling through the State would restrict the present freedom of the municipalities and also require State legislation to provide the States with matching funds.

Practically all airports in the United States are owned and operated by municipalities. It is safe to assume that airports will in the future continue to be built primarily at the expense of the municipalities and owned and operated by them. Being under obligation to match the funds of the Federal Government, they should at least have an equal opportunity to deal directly with the Federal Government.

About 500 airports of substantial size were constructed under the Civil Aeronautics Administration with Federal funds matched by an equal number of municipalities.

The adoption of this conference report will enable municipalities to match Federal funds promptly and to go ahead with their airport program insofar as funds are available. To require State channeling whether the State desired it or not would more or less hold up the airport program for 2 years, or possibly longer, until the various States provided for State channeling.

The conference agreement also provides that not exceeding 5 percent of an annual appropriation shall be available for planning and administrative expenses, except that if 5 percent of the appropriation is less than $3,500,000, or if there be no appropriation for such fiscal year, not to exceed $3,500,000 in the aggregate may be available for such purposes.

The apportionment of funds to the States is based on the same formula as was prescribed in the bill as passed by the House.

There is a provision that money in the discretionary fund, constituting about 25 percent of the total annual appropriation for the States, may be used for matching sponsorship funds for airports established in national parks, recreational areas, and national forests sponsored by the United States. The amount expended by the United States as a sponsor for such purpose must be specifically authorized and pass through the regular channels of appropriation bills.

The conference agreement also adds another to the list of authorities with whom the Administrator shall confer in preparing an airport program. In addition to State authorities and the Army and Navy, he shall also consult with the Federal Communications Commission with a view of eliminating or preventing air hazards in connection with airports.

There is a provision affecting the larger airports, class 4 or larger. It requires the estimates of the Administrator to be presented to Congress 2 months before the end of the fiscal year. Funds made available by the Federal Government to those large airports is subject to approval or disapproval by Congress as to the specific proposals so made.

There is a change in the amount contributed by the Federal Government or, rather, out of the State funds in the case of larger airports in the public-lands

States. It is that 25 percent of the United States contribution may be made in excess of that required for the State to contribute. Twenty-five percent is one-half of the regular amount matched, which is only 12½ percent of the maximum extra cost contributed by the Federal Government. That amount is further trimmed down in proportion to the percentage of public lands in the State compared to lands in private ownership.

There is a provision in the conference agreement which requires that airport lands for which Federal contributions are made must be publicly owned.

There is a provision permitting the Government and certain of its agencies to use airports but requiring a reasonable fee for janitor service, heat, and reasonable cost for the lighting of buildings used by the Federal Government.

The provision in the House bill which provided for specific performance of the obligation of the sponsor in case he does not comply with his agreement is eliminated. That does not prohibit the parties from agreeing to specific performance, but the bill as embodied here would not require that provision to be in the contract.

There are certain provisions with reference to labor where the work is performed by contract. It is provided that the Secretary of Labor shall prescribe the minimum wage to be paid and also prohibits convict labor and gives preference to men who were engaged in the military service of the Government.

I have now enumerated the principal changes made in the House bill by the conference agreement.

CLASSES OF AIRPORTS

Classes of airports, as defined under the terms of this conference agreement, are as specified in the Civil Aeronautics Administration bulletin, Airport Design, dated April 21, 1944. Length of the runway is the principal factor in determining the class to which a given airport belongs. Roughly speaking, class 1 includes airports with runways from 1,800 to 2,700 feet; class 2,700 to 3,700 feet; class 3, 3,700 to 4,700 feet; class 4, 4,700 to 5,700 feet; class 5, 5,700 feet or longer.

Mr. BULWINKLE. Mr. Speaker, I yield 8 minutes to the gentleman from Illinois [Mr. HOWELL].

Mr. HOWELL. Mr. Speaker, the statement and explanation made by the distinguished chairman of the Committee on Interstate and Foreign Commerce is quite fitting and adequate as it covers this bill. I want to address my remarks to one special phase of it and call your attention to the fact that I have no disagreement with the chairman of the committee or with those who signed the conference report, outside of this one feature. After all, this is a program which embraces or contemplates the expenditure of $500,000,000 over a 7-year period, and it is one worthy of our most serious consideration.

Mr. Speaker, this conference report should be defeated. I do not believe that the Members of this House desire to go on record as favoring a gigantic program of Federal grants in aid that would completely ignore the long-established and successfully operated Federal-State cooperative pattern that built the highways of this Nation, and which has been equally effective in the development of programs for the promotion of agriculture, public health, vocational education, and social security.

Slightly over a year ago the Congress revitalized the Federal-aid highway program by authorizing a $1,500,000,000 appropriation for postwar highways, including substantial amounts to be spent exclusively in urban areas. In accordance with the established cooperative Federal-State pattern, and rightly so, that whole program is to be carried out with the assistance of State agencies.

Within recent weeks this House passed a bill to set up on a permanent basis a program of Federal aid for school lunches. Did that bill attempt to ignore and by-pass the States? It certainly did not. The school-lunch bill recognized that such a program could best be administered by working through the States. It recognized that, in our American system of government, the States should and must play an important role. And finally it recognized that existing State agencies are the appropriate bodies to deal with their own political subdivisions. Federal aid for the construction of airports should be handled in a similar manner.

Even more comparable to the pending airport-aid bill is a bill recently passed by the Senate which seeks to provide Federal aid for the construction of hospitals and public-health centers. This measure is now being considered by the House Interstate and Foreign Commerce Committee, through a subcommittee headed by the gentleman from Tennessee [Mr. PRIEST], and I believe a favorable report is expected in the near future. No one has seriously suggested that the Surgeon General be required to deal directly with the thousands of municipalities and other political subdivisions in the proposed program of Federal grants for hospital construction. Indeed, the United States Public Health Service has no desire to break down the tried and true pattern of working through duly established State agencies. Why, then, should we approve the pending conference report which runs directly counter to the system of intergovernmental cooperation that has been developed over a long period of years?

I do not believe that the Civil Aeronautics Administration is anxious to operate under the type of bill that is presented to us in the pending conference report. I find it impossible to believe that the agency responsible for the administration of a program to build airports in every State of the Union would prefer to ignore and bypass the aviation-development agencies that have been established in practically all of the States. As a matter of fact and of record, representatives of the Civil Aeronautics Administration have never testified that they would prefer to deal with several thousand local governments as contrasted with only 48 State agencies.

Let us face this issue squarely. Do the Members of this House want further concentration of power in Washington, or do they want to retain some semblance of balance between the National Government and the governments of the 48 States? As our honored colleague the gentleman from Texas [Mr. SUMNERS] so well put it, do we want to add to this great piled-up confusion of governmental powers here in Washington? Make no mistake, that is exactly what the pending conference report proposes to do.

Much has been made of the Bulwinkle amendment, section 9 on page 6, providing that nothing in the Federal-Aid Airport Act "shall authorize the submission of a project application by any municipality or other public agency which is subject to law of the State if the submission of such project application by such municipality is prohibited by the law of such State."

Attempts have been made and will be made to pass the above clause off as a compromise which will give adequate consideration to the States. Nothing could be further from the truth. This is no compromise at all, but merely a very obvious red herring dragged in by those who wish to ignore and bypass the States completely in the proposed national airport construction program. It is a completely negative provision that is just as repugnant to the States as the rest of this entirely unsatisfactory conference report.

Furthermore, it is absurd, impracticable, and illogical for the following important reasons:

First. No State is going to pass a law—a prohibition—such as this against its municipalities applying for Federal funds. No State would deliberately keep its cities from seeking Federal funds that are available to other cities. Any law or prohibition of this kind would never pass a State legislature. It would be absurd to think that the States would attempt to penalize municipalities in this matter. Are State legislatures going to refuse Federal funds by enactment of this legislation only to have these funds go back into the "kitty" and be divided among other municipalities in distant States? No, of course not. An amendment of this kind has no place in this act or in any kind of legislation.

Second. No State has a prohibition of this kind and I prophesy that none ever will, so why waste time including it in the Federal-Aid Airport Act and devoting attention to it in the "Statement of the Managers on the Part of the House"?

Third. Since municipalities are creatures of the States, what place has language of this kind in a Federal statute saying that if municipalities wanted to violate a law of the State, Congress will not be a party to such violation. On the face of it, is it not an absurd thing to debate?

Imagine what a precedent this would set. What would happen if every act contained an amendment prohibiting actions by a municipality that are against the law of a State when municipalities are actually creatures of the State?

I believe that a federally aided program of airport construction is sound and desirable. I believe that legislation for this purpose should be enacted. But

I submit that the pending conference report contains a totally unsatisfactory method of accomplishing that end. The bill proposed in the conference report would completely centralize in Washington full control over the activities of the smallest political subdivision in every part of the country; it would duplicate activities which can best be performed by State agencies; it would create the administrative confusion that attended the dark days of WPA; it would be a slap in the face to all the States which have evinced their willingness to provide both money and know how in establishing a national airport program; it would tear down the long-established pattern of Federal-State cooperation by creating a precedent of direct dealing on a permanent basis between the National Government and the thousands of political subdivisions; and it would create difficult problems that will plague the very municipalities which are supposed to be helped, resulting in their going to the State legislatures for relief. For these reasons, and for many others, I strongly urge that the pending conference report be defeated and that the House conferees be instructed to come back to this House with a bill that will recognize the necessity of working through the States in the development of a national system of airports.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. HOWELL. I yield to the gentleman from Indiana.

Mr. HALLECK. I compliment my colleague on the committee for the very fine and helpful statement he has made. As I understand the situation, according to the gentleman's statement, the issue which is presented here is the same as was presented by an amendment to the bill offered by the gentleman from Illinois to provide for the channeling of these funds through State agencies. That amendment was adopted in the Committee of the Whole but later was defeated by a close vote here in the House of Representatives.

Mr. HOWELL. That is quite true.

Mr. HALLECK. I think it should be pointed out that at that time the Senate had acted and had adopted a provision in the Senate bill providing for the channeling of funds through State agencies. I am quite sure that many in supporting the bill were hopeful that in the conference a satisfactory arrangement would be worked out by which the States would be recognized in the channeling of those funds. However, as the gentleman has pointed out, the conference did not reach that end and I know of no way in which those of us who felt that consideration should be given to the position of the States and the practices of the past in respect to matters of this sort can achieve that purpose other than to support the gentleman's position to the end that some such arrangement might be worked out in further conference.

Mr. HOWELL. That is correct. I thank the gentleman from Indiana.

The SPEAKER. The time of the gentleman from Illinois has again expired.

Mr. BULWINKLE. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Speaker, I, for one, deeply respect the views of my colleagues from Illinois and Indiana concerning this bill and, of course, with respect to the channeling of funds. That seems to be about the only point at issue in this conference report, as the balance of the report has not been objected to, so far as I am aware from what has been said on the floor. We must all remember that the so-called airport program is intended to provide a system of landing fields all over the United States for both private flyers and public-transportation purposes. Principally, the conference report now pending has to do with the smaller airports although larger airports are included. The idea in having a considerable number of smaller airports is to encourage private flying throughout the Nation. A nation of flyers is a nation well manned for any national emergency. You will note the division in the classification as between class 1, 2, and 3, which are the smaller and increasingly large airports, and the class 4 and 5 airports, which are the large ones, naturally to be located near the larger municipalities and at points of importance to domestic and foreign air commerce. The bill provides quite carefully concerning the larger airports that the Civil Aeronautics Administration must submit a list of those projects to the Congress 2 months before the close of the fiscal year preceding the year in which the projects are to be initiated. That is to give the Congress a check upon the expenditure of funds in what may be believed to be too large amounts. So far as I personally am concerned, I believe that the entire matter will be carried to a better conclusion if we adopt the conference report as is. As the matter stands in the conference report, there is very strong encouragement to the States to join in an airport project as a cosponsor. It is quite possible if all of the funds are channeled directly through the States to the various projects, the State itself will not become a cosponsor by putting up some of the money. It is hoped that the smaller towns of the United States will definitely benefit through the necessity of the State itself joining in sponsorship in order to be in on the program.

Also, it should be said that the Civil Aeronautics Administrator is bound to cooperate with the States and to consult State agencies, wherever they may be, in formulating the program for the construction of airports. I, therefore, must disagree with the gentleman from Illinois [Mr. HOWELL] and the gentleman from Indiana [Mr. HALLECK], in the full belief that the program as outlined in the conference report will be much more successful in the establishment of a Nation-wide system of smaller airports as well as larger ones, and in order that we may have full and complete use of the air by the people, especially the private fliers of the United States.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. HINSHAW. I am glad to yield to the distinguished gentleman from Indiana.

Mr. HALLECK. Most of our States now have effective and efficient civil aeronautics authorities. Does not the gentleman believe that if they are short-circuited out, as this bill as now drafted will likely short-circuit them, the smaller communities will find it much more difficult to have their needs fulfilled, in competition with the larger places, which will all be coming here to Washington applying directly for distribution of the funds?

Mr. HINSHAW. No, I do not believe that. I believe exactly the contrary, because I understand that this program is specifically designed for the small airports, and to encourage private flying. I know that is certainly the intention of the committee, and I am sure it is the intention of the Civil Aeronautics Authority in providing those funds. But the mere fact that the funds were channeled through a State agency, if that is what the gentleman desires, does not bring about any necessity upon the Civil Aeronautics Authority to approve the program submitted by the States. Wherever there is a fully functioning State aviation or airport authority, such authority will find full cooperation to be had from the CAA. Furthermore in almost every such case the State legislature of that State will appropriate funds with which to participate as cosponsors with the local sponsors, thus giving the State authority the degree of State control desired by my good friends from Indiana and Illinois.

The SPEAKER. The time of the gentleman from California [Mr. HINSHAW] has expired.

Mr. BULWINKLE. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. RABIN].

Mr. RABIN. Mr. Speaker, I expect to support this conference report by my vote. An aeronautics program should be an integrated one. I cannot conceive of a program of this nature not being a unit. If you were to channel funds through the 48 States, it is quite possible that rather than having one over-all program for aeronautics, we will have 48 separate and distinct programs, because, to the extent that the States may control the funds, the States may place limitations in connection with those funds. Giving the States the right to place those limitations puts us in danger of having 48 separate programs, which would not be good policy.

The bill amply protects any State that wants to channel funds. A State may prohibit any municipality, if it so chooses, from coming direct to Washington. I do not think the argument, that no bill containing such prohibition is likely to be passed, is a good one. To the extent that a State may prohibit, a State may limit; a State may fix the terms upon which a municipality may come to the Federal Government for assistance, because any State could pass a law "prohibiting," "unless." Having the right to do that, the State may, if it chooses, control the program that it wishes to see put into effect within the borders of its own State.

Mr. HOWELL. Mr. Speaker, will the gentleman yield?

Mr. RABIN. Yes; I yield to the gentleman from Illinois.

Mr. HOWELL. I wonder if my good friend and fellow member on the committee is aware of the fact that one of the first official acts of Mayor O'Dwyer was to request the Legislature of the State of New York to set up an airport authority in order to complete a new airport and take over the operation of La-Guardia Field?

Mr. RABIN. Yes. I am aware of that. I received a telegram from Mayor O'Dwyer this morning stating that in the light of his program it would be to the best interests of the city of New York that this proposal to channel funds through the State be not enacted; and that the conference report be accepted. He believes it would jeopardize that program if we were to pass a bill that would compel the city of New York to go to the State in order to protect the investment of the tens of millions of dollars that has been made by the city in its airports. And may I say that when I was asked by the commissioner of commerce of the State of New York to support the provision for the channeling of funds through the State I wired the commissioner asking how much the State of New York had contributed toward the financing of any airport program in the past 10 years. His answer in effect was, "None." As I have stated, the city of New York, which has a great stake in airports, has appropriated and spent tens of millions of dollars on an airport program. The bill which was passed by the State of New York at the request of Mayor O'Dwyer may not be as effective as the mayor would have it be if we fail to accept this conference report. I, therefore, strongly urge its adoption.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. BULWINKLE. Mr. Speaker, I yield 4 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Speaker, I trust that the Members of the House will support the report of the conferees.

It would be impossible in a great program of this type to have each and every Member of Congress agree with all the details of the proposal. There are certain phases of the development that perhaps I would like to see arrived at differently from the standpoint of the language and purposes used in the measure. It resolves itself to this one question: Are we, as Members of the Congress of the United States, cognizant of our individual and collective responsibility to further develop air transportation of this Nation, ready to pass legislation that is long overdue? Remember, it has been more than 4 months since the Congress of the United States, through its respective bodies, passed the Federal-aid airport bill.

Recall also that you appropriately passed, as almost the last act of the Seventy-eighth Congress, in December of 1944, the Federal-aid highway bill for a 3-year postwar program. Congress desired to have rebuilt the roads that had been ripped apart under the impact of traffic demands of war. We wanted to do what we could to facilitate highway travel and commerce. It is just as important, and perhaps even more important, that we supplement the Federal-aid highway program by the construction of approximately 3,000 new airports in America, more than 90 percent of them in the smaller categories, which will aid communities throughout the country in charter and private flying which is to be initiated. The "butcher, baker, and candlestick maker" will all benefit. It is vital that this airport bill be passed. Now we have a responsibility to do the job, in 1946, at least in beginning the plan.

My friend from Illinois [Mr. HOWELL] renews his plea for channeling funds direct to the States. Someone will say that the States will have no part in the construction of these airports. That is not true. The Civil Aeronautics Administration will confer with them for cooperative purposes and will counsel with those who are in positions of State authority. There will be a working through of a better system of airports which will not be hit and miss, and hodgepodge, as we have had in this country for too long. The towns, counties, and States, one or all, can join in sponsorship of an airport project. It is the community that pays and it is fair that its wishes be of primary importance.

I should like to speak on the construction of airports with Federal moneys in this day when many of us are closely scrutinizing the expenditures of funds. We wonder about these costs and whether the Federal Government ought to put this money in these projects. We should be agreed on one detail, and that is that when the Federal Government spends one dollar and the State or any political level spends another dollar in matching that there is a combination of interests, and this sound policy will work on the Federal-aid airport program just as it has worked on the Federal-aid highway program.

I should like just to call your attention further to the fact that there is not only a hundred cents on the dollar return, but more; that there is a dividend as well. We cannot sell America short from the standpoint of developing fully its air-transportation facilities when tens and hundreds of thousands of returning veterans today desire to locate their programs at the airports of this country. They will continue, with others, to turn to the airports in America, especially of the smaller size contemplated for development under this legislation. We cannot develop flying, as it needs to be put forward, if these airports are not built.

Mr. Speaker, I read the following article from today's Chicago (Ill.) Sun as showing the rapid growth of air travel:

Volume of air travel continued to climb in March, although at a slightly modified rate, month-end traffic figures of the Chicago Municipal Airport, compiled by the bureau of parks, show.

Passenger arrivals and departures at the municipal airport last month totaled 160,402, an increase of 59.1 percent over the year-ago period. For the first 3 months of 1946, the passenger total of 413,539 was 67.7 percent above 1945.

Plane arrivals and departures also continued to increase, last month's total of 8,511 gaining 27.9 percent over 1945, while plane movements for the 3 months were up 35.5 percent.

Mr. BULWINKLE. Mr. Speaker, I yield the gentleman from West Virginia one additional minute.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from California.

Mr. HINSHAW. I would like to point out in connection with the gentleman's statement that there are a number of States in the Union perfectly willing to cooperate in an airport program, and they do so by joint sponsorship and joint contribution of funds with the municipality or the group of municipalities or the county that may be undertaking the project; but if the States do not desire to contribute to the sponsorship, then certainly, the States should not have too much to say about it. I am in favor of encouraging the States to become cosponsors because, after all, it does no one in any particular locality any good to have an airport unless there are other airports to which an airplane may fly. That was well pointed out by the mayor of New York in the testimony before the committee when he proclaimed that he would rather see a thousand airports built outside of New York than he would an airport in New York without the others.

Mr. RANDOLPH. You are correct. At Morgantown, W. Va., an airport has been partially built. We need Federal funds to supplement local moneys, that our facilities can be used for necessary and desirable air travel in a State which needs now, not 5 years from now, an airport system.

The SPEAKER. The time of the gentleman from West Virginia has again expired.

Mr. BULWINKLE. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON of New Jersey. Mr. Speaker, considerable has been said from the standpoint of channeling funds through the State agencies as against channeling them through municipalities. When the Congress passed the Civil Aeronautics Act it was done with the thought in mind that necessity required that there should be an over-all Federal jurisdiction if aviation was to advance throughout the Nation as a new means of transportation. The very nature of aviation required a national program. It would have been disastrous to have left this agency of transportation to the conflicting jurisdictions of 48 States. I am firmly of the opinion that the splendid progress made by aviation is the direct result of this far-seeing viewpoint of Congress.

The bill now before the House carries out that same thought. We are providing for the expenditure of Federal funds. Having in mind that the over-all program must be Nation-wide in character and that the funds which this bill is seeking to disburse to carry out that program are Federal, it seems to me rather absurd to require that the States shall have the sole right to determine when and where the Federal funds are to be spent regardless of a Federal program for aviation or the interest and desire of municipalities within the State. I am

not, generally speaking, favorable to extension of Federal jurisdiction at the expense of the States, but I do recognize the fact that with reference to aviation it is the only way in which we can have a Nation-wide program that will be beneficial to all of the people.

The House had before it this issue of channeling funds solely through the State when the bill was in the committee of the House and it was voted down. I cannot understand the logic of the argument that has been made that some voted it down in the hope that the conference would change it in conference. That, in my opinion, is absurd and certainly not in accord with the facts. The issue was argued on its merits, and the House decided in favor of the provision in the House bill that would give the right to municipalities as well as States to sponsor airports and obtain Federal aid.

I take it when a bill passes the House and it is in direct conflict with a bill that has been passed by the Senate, there is an obligation upon the conferees to insist on the provisions that are in the bill as passed by the House. It may be at times necessary to make a compromise between the House and Senate viewpoints in order to get a bill passed by the Congress. In all such compromises the conferees are bound to get just as much as possible of what the House wants, and, in the case of Senate conferees, as much as possible of what the Senate wants; however, in this case the Senate conferees receded entirely from the position the Senate had previously taken and accepted the provisions as they appear in the House bill.

Under such circumstances there was nothing for the House conferees to do other than to accept this rescission upon the part of the Senate. I am glad that the Senate conferees were able to see the logic and force of the position taken by the House conferees. I believe it has made for good legislation. I am, therefore, unable to ascertain either the logic or the reason that would justify the proposal now being made by the gentleman from Illinois [Mr. HOWELL] that although the Senate conferees had receded and accepted the House version we should now return the bill to conference and ask the Senate to accept the Senate version and thereby kill the House bill.

It is also well to bear in mind that in the drawing of this bill the House provided all the compromise that is necessary on this subject. In this connection may I call your attention to the fact that the language in the House bill provides that a State or State agency or any tax-supported body of the State, or any municipality, can sponsor an application for an airport. This leaves the door wide open in order that there may be the widest possible advancement of aviation throughout this Nation. Nor should we overlook the fact that all the airport development we have had throughout the Nation has been almost completely the result of municipal interest and activity and constructed by funds advanced by municipalities.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WOLVERTON of New Jersey. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Is it not fair to assume, if a State has a law which requires the municipalities to channel through the State, that the municipality would naturally have to comply with the State law?

Mr. WOLVERTON of New Jersey. Certainly. There is a provision in the bill that if it is against the policy of the State to have a municipality apply, that then it can be precluded from doing so by legislative action of the State.

I ask the House to support the conference report.

Mr. BULWINKLE. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, in the first place, I want to congratulate the conferees for bringing in a unanimous report for this long-delayed legislation. Personally, I think my colleague from Illinois [Mr. HOWELL] is in error when he states that we are going to deprive the States of their rights. There is nothing in the conference report or in the proposed legislation that will deprive the States of any rights whatsoever. Let us be practical. I have heard it said on the part of some of the gentlemen that the Members of Congress will have very little to say. Let me say this: I think they will have more to say if the conference report is adopted, because in that case naturally they will have more influence with the municipalities which they represent than they have or could have with the State. So I say it will be to the advantage of the Members of this House to accept this report, if they are interested in advocating, and in having, airports built in their districts which they feel should be built. Many of you complain that things are being done by the Government in your district without you having knowledge of them, and without being informed when you yourselves had urged or advocated such improvements of appropriations. You will be in much better position under this bill than under the proposal offered by the gentleman from Illinois. Consequently I feel that this conference report is in the interest and for the benefit of Members whose first interest is in their own districts rather than in the whole State.

I am satisfied you are bound to have, and will receive, more consideration under this bill, as agreed to by the conferees, as to location and construction of airports in your districts than you would if the States had full and complete power. With all that, the States are not deprived of any rights and privileges; and if they contribute in accordance with the provisions of the proposed law, they will have ample power. On the other hand, where the municipalities or some of the larger cities have expended millions for the development of airports—and many cities have done that—and the States have contributed nothing to those costs, why should the State be given control?

Mr. Speaker, in the few minutes given me I am precluded from making observations as to why I agree fully with the statements of the gentleman from California [Mr. LEA], the chairman of the committee; by the gentleman from West Virginia [Mr. RANDOLPH]; and by the gentleman from New Jersey [Mr. WOLVERTON].

In that connection, however, I desire to read into the RECORD excerpts from a telegram which I received from the Honorable Edward J. Kelly, mayor of Chicago, as follows:

> It is essential that direct contacts be provided between CAA and cities for Federal grant. Loss of local self-government in matters affecting airport development would result in retarding the entire Nation's aviation progress. Chicago has spent millions on present airport, and has financial ability to spend millions on new airports. For the State to be delegated authority to administer city moneys would be outrageous violation of home rule, especially since the State has no authority to build airports in our city.
>
> EDWARD J. KELLY, *Mayor.*

Mr. BULWINKLE. Mr. Speaker, I yield 4 minutes to the gentleman from Oklahoma [Mr. BOREN].

Mr. BOREN. Mr. Speaker, I rise to urge the adoption of this conference report. Since there has been only one issue and protest raised, based on an interpretation of the thought that the States would be deprived of some right, I wish to address myself briefly to that point.

I yield to nobody in the Congress in being consistently a supporter of the maintenance of full States' rights. I point out that the States are not deprived of any power, that if any State has a law to prevent the channeling of these funds in that direction, that law is recognized in the House bill. We specifically provide it. Where there are States that have no law at all, however, if this specific proposition had been adopted, those States could not have participated, and many of you here today are from States that have no adequate aviation law, and you could not have participated until some 1 or 2 years hence when your legislature might pass such a law.

I point out that that is the situation that is at issue here, and that the House has been correct in its action.

My additional feeling on the point is that the fellow who pays the bill ought to have some voice in where the money goes. Under the existing situation there is no comparable relationship between this sort of aid and the aid to States in developing highways, because in the road program the States pay the money, but in this program the municipalities, the little towns and the cities, pay the money.

We have a good bill. We have provided for the little towns as well as the big towns, and have provided for them carefully and generously. Let us not let anybody mislead us here today. The States' rights are fully preserved. We want to protect all of the people in a national program in those areas where they might not have a State law. We want to preserve fully States' rights and also guarantee some representation for the municipalities that pay the bill when the airport is built.

Mr. ELSTON. Mr. Speaker, will the gentleman yield?

Mr. BOREN. I yield to the gentleman from Ohio.

Mr. ELSTON. If a State does not have a law now requiring the channeling of funds through the State, there is nothing

in this conference report or in the law that would prevent the State from enacting that kind of law hereafter?

Mr. BOREN. Not only if they do not have such a law may they enact it hereafter, but the bill already specifically provides in the Bulwinkle amendment, which was adopted on the floor of the House, that if they have such a law the money can be channeled no other way except through the State.

Mr. HOWELL. Mr. Speaker, will the gentleman yield?

Mr. BOREN. I yield to the gentleman from Illinois.

Mr. HOWELL. I wonder if my distinguished colleague, a member of the committee, is aware of the fact that already in 45 States aviation agencies have been established, and that the other 3 States are merely waiting to see what form this legislation assumes.

Mr. BOREN. Not only am I aware of that but I am also aware that in many States to which the gentleman refers the aviation laws, commissions, or boards are set up for a limited reason, such as safety. If the gentleman says there are 45 States that have such laws, then this bill provides cooperation with those States that have such laws. Why, then, is the gentleman worrying about the 3 States that do not have any? Does he want to cut them out of this program?

Mr. HOWELL. This bill is drawn on the theory that in States where there are adequate agencies, under the Bulwinkle amendment the States have to pass a law prohibiting their municipalities from dealing with the Federal Government in order to get any funds.

Mr. BOREN. I feel that the States should be free to prohibit or permit whatever they choose in this matter. Let us leave it to the States to decide their own prohibitions or permissions. I want to say that I respect the gentleman's view though I disagree with that view. I also admire the tenacity of purpose the gentleman from Illinois has evidenced in his very able advocacy of his position. The gentleman's vigorous fight on this issue is characteristic of his hard-hitting fight always for the things he believes to be right and I applaud his untiring effort and ardent appeal though I urge the House to sustain the conference committee in its action.

Mr. BULWINKLE. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, this is a bill of great importance to the people of the country, to the several States, and to the municipalities, in connection with the development of a great industry which has caught the fancy of the American people and which will play a very important part in the future life of our Nation.

It seems to me, having in mind the many and complex questions involved in connection with legislating on a matter of this kind, that after the bills have passed both branches of Congress, gone through the legislative mills and processes, so to speak, and then gone to conference, the result is about as good a bill in the interest of the country as the Congress under existing circumstances could pass and have enacted into law.

The statement of the gentleman from Oklahoma [Mr. BOREN], who preceded me, and particularly the statement of the gentleman from New Jersey [Mr. WOLVERTON], seemed to me to be very impressive. Many of us who have served with the gentleman from New Jersey [Mr. WOLVERTON] know that he is a man of sound judgment, a man of legislative caution. He speaks seldom, but when he does he comes to the point.

With reference to the question of States' rights, it seems to me as we view this important problem of integration of airports and as we view the laws existing in the several States, the conferees have given us a report which is about the best that could be accomplished under existing conditions. It seems to me States' rights are adequately protected. Certainly, in those States where there already exists a State law, in the practical operation of this bill, if it becomes law, such States will be consulted by the Federal agency that will administer the law. Therefore States' rights, so far as those States are concerned, are adequately protected. It also takes into consideration those States that do not have a State law. It would seem to me unfair to pass a law of this kind if we were to fail to include therein provisions which would take care of those States which have no law at the present time, as well as being unfair to the municipalities of those States. It would also be unfair to those States that do have a law at the present time but which law is not broad enough to meet the situation that exists. Under the circumstances, we are justified, unless and until proper State action is taken, in permitting the municipalities of such States to apply directly to the Federal agencies that will administer the act.

I yield to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. The gentleman is also aware, and perhaps would express it in other words, that we are at a point where it has become a necessity for the Congress, because of the pressure in the development of aviation in our country, to give impetus to such a bill as is here presented.

Mr. McCORMACK. The gentleman is absolutely correct. That is one of the considerations I had in mind when I said it is about the best bill that we could enact into law under existing circumstances. It seems to me, as we view these circumstances, that the conference committee has protected as completely as possible the question of States' rights, and at the same time has protected those States that would be denied the benefits unless the report that the conference committee has made to the House is adopted.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. BULWINKLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. HOWELL) there were—ayes 140, noes 81.

Mr. WILSON. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

ADDITIONAL COMPENSATION FOR POSTMASTERS AND EMPLOYEES OF THE POSTAL SERVICE

Mr. BATES of Kentucky. Mr. Speaker, I call up House Resolution 580, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5059) to provide temporary additional compensation for postmasters and employees of the postal service. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Post Office and Post Roads, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BATES of Kentucky. Mr. Speaker, this resolution, if adopted, makes in order the consideration of H. R. 5059, which is a bill to raise salaries of postal employees $400.

My understanding is it is a unanimous report from the Committee on Post Office and Post Roads. There was no objection before the Committee on Rules.

I have no request for time, Mr. Speaker.

I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I have heard of no objection to the consideration of this bill from this side of the aisle, not only with reference to the rule but to the bill itself.

The bill provides for additional compensation at the rate of $400 per annum for postmasters, officers, and employees in the postal service whose rates of compensation are prescribed by the act, "An act to reclassify the salary of postmasters, officers, and employees of the post-office service."

I understand the bill was reported unanimously by the Committee on the Post Office and Post Roads. I am happy to give this measure my full support and trust it will overwhelmingly pass.

Mr. Speaker, I reserve the balance of my time.

Mr. BATES of Kentucky. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. MURPHY].

Mr. MURPHY. Mr. Speaker, I take this opportunity to call the attention of the Members of the House to a very excellent editorial in the Washington News on the question of the postal increase. I do not know of any body of employees or any members of any group in the

country who are more deserving of the raise which is proposed in this bill.

I shall take great pleasure in voting for the bill. I hope the vote is unanimous.

Mr. BATES of Kentucky. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

ADDITIONAL COPIES OF THE NINTH REPORT OF THE HOUSE SPECIAL COMMITTEE ON POSTWAR ECONOMIC POLICY AND PLANNING

Mr. BULWINKLE. Mr. Speaker, from the Committee on Printing, I report (Rept. No. 1841), a privileged resolution (H. Res. 578), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That 1,000 additional copies of the ninth report (H. Rept. No. 1677, pts. 1 and 2), current session, entitled "The Use of Wartime Controls During the Transitional Period," of the House Special Committee on Postwar Economic Policy and Planning, submitted pursuant to House Resolution 60, be printed for the use of said committee.

The resolution was agreed to.

ADDITIONAL COMPENSATION FOR POSTMASTERS AND EMPLOYEES OF THE POSTAL SERVICE

Mr. BURCH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5059) to provide temporary additional compensation for postmasters and employees of the postal service.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5059, with Mr. COOLEY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Virginia [Mr. BURCH] is recognized for 30 minutes and the gentleman from New Jersey [Mr. HARTLEY] for 30 minutes.

Mr. BURCH. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from Virginia is recognized for 5 minutes.

Mr. BURCH. Mr. Chairman, the purpose of this bill, H. R. 5059, is to provide a permanent increase in the compensation of field employees in the postal service. There was unanimous opinion among the membership of the Committee on the Post Office and Post Roads that postal employees should receive more adequate compensation in view of greatly increased living costs and in order that they may be on a more equitable basis in respect to other Federal employees and workers in private industry.

After careful consideration your committee decided that the basic compensation of postal employees, who are paid an annual salary, should be increased at the rate of $400 per annum and that employees paid on an hourly or part-time basis should receive additional compensation at the rate of 20 cents per hour and that postmasters at offices of the fourth class should receive additional compensation at the rate of 20 percent of their basic annual compensation.

Your committee feels that this legislation should be of a permanent nature and that the increases provided by the bill should be retroactive to January 1, 1946.

I do not believe it is necessary to refer in detail to the magnitude of the postal operations and the importance of the postal service to the Nation. Each Member of this House is familiar with the activities of the postal service and knows that the work requires a high type of loyal, intelligent, able, and industrious men and women.

Many Members of this body and representatives of the various postal groups and organizations presented evidence to the committee dealing with the mounting cost of living and your committee has studied data on the subject prepared by the Department of Labor, the Director of Economic Stabilization, the Federal Reserve Board, and other agencies. Although figures relative to the increased cost of living within recent years vary to some extent, there is no doubt that there has been a material increase in the cost of living since 1941.

Effective July 1, 1945, the Congress enacted the Postal Salary Reclassification Act which gave postal workers an average increase of $400 per annum. That was the first basic pay raise such employees had received in more than 20 years. The Salary Reclassification Act, Public Law 134, also provided payment for time and a half for all work in excess of 40 hours per week. However, since the enactment of that legislation, the Department has ordered a return to a peacetime basis, thus eliminating considerable overtime and greatly reducing the take-home pay of postal employees. Your committee, therefore, feels that the increases proposed by this bill are fully justified and should be granted.

The Postmaster General estimates that the total annual cost of H. R. 5059 would be $169,867,973 and he further estimates that the average percentage increase will be 17.55—approximately 18 percent.

Mr. Chairman, I am pleased to state that the able chairman of the House Civil Service Committee [Mr. RANDOLPH] joins with me in urging the passage of this legislation. He feels these postal workers, as well as all employees of our Federal Government, merit the increases which we desire to provide.

Mr. HARTLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. COLE].

Mr. COLE of Missouri. Mr. Chairman, last year, on July 1, 1945, to be exact, Public Law No. 134 went into effect. This law was the first basic-pay raise for postal employees in more than 20 years, and, for the first time in the history of the Post Office Department, we saw fit to provide time and one-half pay for all work performed in excess of 40 hours per week. Prior to the enactment of this law, postal workers received only straight time for such overtime work, so after this law went into effect the postal worker who worked 48 hours or longer each week added to his pay check. This was practically all of the pay increase provided by Public Law No. 134. About 3 months after this law became operative, the Post Office Department ordered all postmasters to return to the basic 44-hour week, thereby causing a serious reduction in the postal worker's take-home pay. In other words, this put the postal worker right back where he was before Public Law No. 134 was passed, as, under present law, the postal employee who works only 40 hours per week draws about the same pay that he drew prior to July 1, 1945. It is for this reason that this legislation is so vitally necessary and it is for this reason that this bill is now before the House for its approval.

This bill comes from our committee with unanimous approval. Furthermore, during our consideration of this much deserved permanent increase in pay for all postal employees, almost 100 Members of the House appeared before our committee urging the speedy enactment of legislation providing an annual pay increase ranging from $400 to $800. If I remember correctly, all who appeared before our committee were of the opinion that nothing less than $400 would be adequate to meet the increased cost of living. Representatives from all the postal employees' organizations also appeared before our committee, and their testimony, without exception, was to the effect that the increased cost of living greatly exceeds the amount of the pay increase provided by this legislation. The bill, as introduced by our distinguished chairman, provided for a temporary annual increase of $300 and a temporary increase of 15 cents per hour for those employees paid on an hourly or part-time basis with a temporary increase in an amount equal to a 15 per centum basic annual compensation to fourth-class postmasters. After extensive hearings were had, our committee decided that this amount was wholly inadequate and amended the bill to provide the $400 annual permanent increase with a permanent increase of 20 cents per hour for those paid on an hourly or part-time basis, and a permanent increase equal to 20 per centum of the basic annual compensation for postmasters of the fourth class. Frankly, I was personally in favor of more than the amount that we have provided in this bill, as I do not think that its provisions will meet the increase in the cost of living. However, it is a step in the right direction and is legislation that, in my opinion, will meet with little opposition.

I sincerely hope that the House will adopt this legislation unanimously and that this much-deserved, much-needed pay increase will become effective at the earliest possible moment.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. COLE of Missouri. I yield to the gentleman from Michigan.

Mr. MICHENER. I want to compliment the committee on bringing in this bill. I shall vote for it, I want to call particular attention to the fact that increases throughout the country have been granted to practically all organized labor since the legislation granting a postal increase last May or June passed the House. Some people may say, "Well, we passed a law last summer providing

for an increase." True; but it is entirely inadequate in view of the 18½ percent increase pattern and so many, many other increases, all increasing the cost of living, that have been granted within the last few months. However, I do want to utter a word of caution that this spiral of inflation must be watched. More wages, higher costs of living, with the one chasing the other, brings the most destructive inflation.

Mr. COLE of Missouri. The gentleman is entirely correct, and I thank him for his contribution.

Mr. BURCH. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. O'BRIEN].

Mr. O'BRIEN of Michigan. Mr. Chairman, last year Congress adopted an excellent bill creating a system of longevity groups in the postal service and advancing each one of the then employees four additional longevity grades. But the regular entrance grades were left at the same figure. For example, for clerks and letter carriers, who constitute the main body of the postal employees, the entrance grade is now $1,700 a year, and the hourly entrance grade for substitutes in these categories is 84 cents an hour. I think that when we consider the prevailing cost of living and the prevailing increases which have been granted in industry and business, and the loss of overtime pay which these employees have suffered since October 1945, it is manifest that the increase of $400 provided in this bill in their annual basic pay and 20 cents an hour for substitutes is not only just, but it is necessary if we are to discharge our duty in making provision for proper personnel in the postal service.

Reference has been made to the anticipated cost of this bill. I dare say those estimates are correct. We must also consider that the obligation to pay the postal employees is not dependent merely on the revenue of the postal service. We have the obligation to pay them in reward for the services they render, but in connection with the consideration of that aspect of the question we should consider that all indications point to the fact and to the expectation that this country is entering on an era of anticipated prosperity; that as labor relations problems are settled satisfactorily business will resume, reconversion will be achieved, and business mail will take the place of the free mail that was carried for necessary wartime functions of the Government. The avenues of foreign mail will be reopened with a profit, and consideration will be effectively given to the revision of rates in the postal service so that each function of the service will be made to pay its own share of the cost. I do not anticipate that there should be any deficit in the postal service which would make us hesitate in any degree in our favorable consideration of the proposed legislation.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of Michigan. I yield to the gentleman from Kentucky.

Mr. CHELF. Is it not true that the Post Office Department pays back into the Federal Treasury quite a bit of money at the end of each year, notwithstanding the fact that the postal employees are about the most underpaid in the Government service?

Mr. O'BRIEN of Michigan. That certainly has been true in current times and recent years.

Mr. CHELF. The point I am making is that the Post Office Department definitely stands on its own bottom.

Mr. O'BRIEN of Michigan. It certainly has in recent years.

Mr. CHELF. Is it not true also that for the past 20 years all postal employees and postmasters have been miserably underpaid? On July 1 of last year the Congress voted them a pay raise, and then came this Executive order which, so to speak, "yanked the rug from under them" and placed them back in the same pitiful pay position they have been in for the last 20 years. In other words, the previous pay raise availed them nothing due to the loss of overtime and reduction of total work hours.

Mr. O'BRIEN of Michigan. With the enactment of the law we passed last year, Public Law 134, the wartime temporary increase of $300 terminated, and in October 1945 there was terminated likewise the Saturday overtime compensation.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of Michigan. I yield to the gentleman from Wisconsin.

Mr. O'KONSKI. Are the star route postal employees included in this bill?

Mr. O'BRIEN of Michigan. They are on a contract basis. It is my understanding that they are not employees of the postal service. If I am not correct on that, I trust the chairman will state the fact, but I understand they are not employees but work on a contract basis.

Mr. O'KONSKI. Is there any legislation pending which will improve their lot?

Mr. O'BRIEN of Michigan. There is legislation pending, introduced by the distinguished gentleman from Louisiana [Mr. McKENZIE], of our committee, who has given very thorough consideration to that subject.

Mr. O'KONSKI. I am very much for this bill. I think the star route postal employees deserve a break also, and I hope that legislation will be reported out.

Mr. O'BRIEN of Michigan. The gentleman from Louisiana has given very thorough consideration to it. He is a very ardent champion of these men and very effective in presenting their situation.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. BUTLER].

Mr. BUTLER. Mr. Chairman, I am happy to again have an opportunity to express my approval of legislation benefitting postal employees. Postal employees have worked during war years under conditions hardly realized or thought of by most American people. While postal employees did receive a bonus in their salary last year because of a reorganization of the Post Office Department and elimination of the 6-day week, they are receiving far below the 1944 level of salaries. From the standpoint of considering the value of the services of these men we all agree they are entitled to a living wage. There is one thing with which we are all familiar and that is whether a man receives $1,500 or $10,000 a year he must pay the same amount for a pound of butter or a dozen of eggs.

I have always been very favorably impressed with the work done by postal employees, and I am sure the rest of the Members of this body feel the same way. The postal group is among the most loyal and efficient of public servants we have in the Government. The thousands of postal workers constitute one of the most indispensable groups in the Government. This dependable and conscientious group of Federal employees are compelled to keep their homes and families on less pay than before receiving the increase of $400. They should be given a permanent increase which would permit them to conduct their homes and raise their families more in keeping with the American standard of living.

During recent years the postal service has handled the greatest volume of mail in its history and has given highly commendatory service in spite of many handicaps. Postal employees were not exempt from the draft and over 60,000 postal workers were inducted into the armed forces, leaving a seriously depleted force to cope with an unprecedented increased load of work. The job they did in giving the best postal service in the world to the people of the United States and to the millions of servicemen throughout the world is little short of miraculous. I want to urge Members of this House to stand by these loyal workers and give them this well-earned increase in salary.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. BREHM].

Mr. BREHM. Mr. Chairman, I simply want to express my appreciation in being permitted to serve as a member of the Post Office and Post Roads Committee. We have a grand chairman, a splendid and efficient clerk, and all in all, a fine group of men on that committee. When the Congress passes this legislation we are passing a bill to partially compensate a grand bunch of people who have done a grand job.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. HESELTON].

Mr. HESELTON. Mr. Chairman, H. R. 5059, as reported by the Committee on the Post Office and Post Roads, represents the minimum in fundamental justice to the postal employees of the Government. Although it originally provided a temporary increase of $300, with an increase of 15 cents per hour for hourly or part-time employees and additional compensation of 15 percent for postmasters at post offices of the fourth class, the committee amendment provides a permanent increase of $400, with a 20-cent increase for hourly or part-time employees and additional compensation of 20 percent for postmasters in fourth-class offices.

The committee report states concisely the reasons for the committee's decision and the purpose of the legislation. No useful purpose will be served by any prolonged debate over a proposition so basically sound as this legislation. I have not supported and never shall support the

expenditure of Federal funds I believe to be unjustified. But, in recognizing the facts as to the increased cost of living, as they apply to this group of Federal employees, the expenditure involved is fully justified. Certainly we should all be concerned as to the waste and extravagance involved in the overstaffing and duplication existing in some Federal agencies. But this is definitely not apparent in our post offices. Rather we are dealing with a group of public servants scattered throughout this Nation and in every territory who, day in and day out, have won the complete confidence and respect of the country by their loyal, industrious, and efficient work. Their fidelity to their duty is beyond question. It is no exaggeration to say that this group of Federal employees, by their own efforts, has established itself as the most trusted and most highly respected of any in the Federal service. While it would be a miracle if there were no exceptions in such a large group, it is safe to say that the overwhelming majority more than earn every cent this Government pays them.

Therefore, they have every right to expect just treatment from us and to expect us to work with them to provide the American people with constantly better postal service. The first, and most immediate, step in that direction is the recognition of the fact that since last July 1 their compensation has been reduced by circumstances over which they had no control. The committee amendment seeks to meet that situation as fairly as possible to all concerned. The case of these employees has been presented, as is always true, thoroughly to the committee. I understand that it meets with the substantial approval of the postal employees and my mail confirms that. I hope that the result will receive the prompt and overwhelming endorsement of the House this afternoon and that it may become law in the immediate future.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. DOLLIVER].

Mr. DOLLIVER. Mr. Chairman, as a member of the Committee on Post Office and Post Roads, I heard the testimony given in the hearings on this bill. Early in the hearings I became convinced that the bill ought to become law and that the principles involved were just and proper. I am glad to say that all my colleagues from Iowa in the House of Representatives took a similar view of the situation. We filed with the committee as part of the hearings, the following statement:

> The undersigned Iowa Members of the House of Representatives wish to be recorded as favoring the principle of H. R. 5059. We earnestly commend the committee for its consideration of the interests of the postal employees whom we recognize as most faithful and competent Government workers.

As the hearings proceeded, it became more and more apparent that the amount written in the Burch bill as originally introduced, was insufficient. Most of the testimony indicated a substantially larger amount was necessary to restore to the postal employees a reasonable pay and a reasonable standard of living. It was especially clear that those who are in the lower salaried brackets were suffering from low pay, and accordingly, it seemed just that a level amount be applied to the post-office workers in all categories and that a comparable hourly increase in wages be allowed to those who work on an hourly basis.

I voted for the bill as reported in the committee. I heartily support it on the floor of the House. While it may be true that this increase in pay will cost the Post Office Department a substantial amount, I feel it is justified, because the employees of the United States Post Office are as faithful and meritorious and hard-working a group as we have in Government service. It is also true that the post-office employee comes in closer contact with the average citizen than any other employee of the Federal Government. His contacts with the post office patrons are continuous. The service which the post office renders is of the utmost importance from a social, economic, and cultural standpoint. Therefore, I feel that the Congress, in considering and passing this legislation is acting not only in the interests of the paid personnel of the Post Office Department but also is acting in the best interests of the entire country.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. CORBETT], a member of the committee.

Mr. CORBETT. Mr. Chairman, I sincerely urge that every Member of the House votes for the passage of H. R. 5059. The salary increases provided in the bill for the postal employees are both necessary and desirable. They represent the minimum increases that should be granted.

It has become quite apparent to all who have studied the situation that the pay raises granted by the Congress last year have been largely nullified by the return to the 40-hour week, the elimination of overtime work, and the increased costs of living.

We know also that in the very near future a substantial pay raise will be voted for all other Federal employees. Consequently it is entirely in order that the postal employees whose efficiency, loyalty, and devotion to duty leaves little to be desired should receive the raise here proposed.

I would like to serve notice, however, that I am far from content with the salary situation which will exist after the passage of this bill. As regards the compensation of many groups and many individuals within the ranks of the postal employees there remains numerous inequalities and injustices. To such groups and individuals, as a member of the Post Office and Post Roads Committee, I promise my best efforts to secure proper adjustments.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. AUCHINCLOSS].

Mr. AUCHINCLOSS. Mr. Chairman, I am in favor of this bill, and I hope it will pass by a very large majority. All of us know that the men in the postal service have, during the past few years, handled the greatest volume of mail that anyone ever dreamed could be handled, and this work has been done with dispatch and efficiency. Such could not be the case unless there was tremendous loyalty and esprit de corps on the part of the employees of the Post Office Department. They have carried out their duties with the same degree of loyalty and devotion to duty as anyone in Government service, and I do not exempt the armed forces when I say this.

In July 1945, the postal employees received an increase in their basic pay, although their previous salary classification was established in 1925. In 1943 a modest bonus of $300 a year was given them. When the classification bill was considered in 1945, the Little Steel formula was being used as a yardstick for salaries and wage adjustment, and this formula was based upon a 15-percent increase over wage rates in effect in January 1941, and for many reasons the application of this formula to postal employees was inequitable.

At the same time the cost of living for postal employees was going up just as rapidly as it was for other citizens, and yet they did not enjoy any proportional increase in pay. The proposed increase in this bill is a modest one and is highly deserving, and there is no question that the Government can afford it. The servants of the postal service should have every reasonable recognition from a grateful people whom they served so well.

Mr. BURCH. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. NEELY].

Mr. NEELY. Mr. Chairman, the distinguished gentleman from Virginia [Mr. BURCH] and all the other members of the Committee on the Post Office and Post Roads deserve the appreciation of the Congress and the country for the service they have rendered in bringing before the House the pending bill to provide additional compensation for postmasters and all other postal employees.

To refuse any of these the proposed increase of $400 a year would be to repudiate the time-honored aphorism that "the laborer is worthy of his hire." In usefulness to the public and indispensability to the prosperity and happiness of the American people, the postal employees never have been and never will be surpassed. The entertainment, information, education and success of many millions are largely dependent upon the service of those who collect, transmit, and deliver the mail. These highly important faithful public servants have long been deplorably underpaid.

In my opinion, the measure before us should be amended so as to provide every postal employee an increase of $600 a year. To my regret, it is not within the realm of possibility to obtain approval of this additional compensation at this time. The cause of my regret and the justification for it are fully disclosed by the record of the hearings that were conducted on the bill.

For example, the present compensation of the higher paid fourth-class postmasters is but 54 cents an hour, while that of the lower paid of such officials, is but 28 cents an hour. Naked, unblushing candor compels the humiliating admission that this rate of pay is totally insufficient to enable those who are dependent upon it to enjoy even the bare

necessities of daily life. In this age, the Government cannot, without becoming a candidate for disgrace, maintain such a standard of compensation for any efficient, deserving employee.

Those in every classification of the postal service may rest assured that for their untiring, praiseworthy service to the United States Government and its people they have the unlimited gratitude of practically the entire membership of the House. But gratitude alone keeps the wolf from no man's door. Therefore, let us, at the earliest propitious moment, translate our grateful sentiments into reality by so augmenting the increase of compensation which we are about to approve that it will eventually mean a full measure of justice "pressed down and running over" for every postal employee in the land.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. NEELY. I yield.

Mr. CHELF. I heartily concur with the gentleman in the statement that he has made to the effect that the postmasters of all fourth-class towns or cities are underpaid.

It so happens that there are approximately 300 post offices in the Fourth Congressional District of Kentucky. Very recently two of these small post offices had to be abolished simply because the salary was so miserable we could not induce or encourage anyone to take them over. As a result, we had to incorporate the postal service which the good people of these particular offices used to enjoy and which they were entitled to have into rural route extensions.

Mr. NEELY. I am sure that the able gentleman from Kentucky will enthusiastically improve this day's opportunity to remedy the deplorable condition of which he has just spoken by voting for the bill.

Mr. CHELF. I shall of course support the bill.

The CHAIRMAN. The time of the gentleman from West Virginia [Mr. NEELY] has expired.

Mr. BURCH. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HEALY].

Mr. HEALY. Mr. Chairman, I am happy to be a member of the Committee on the Post Office and Post Roads because of the opportunity it gives me to be of service to the loyal, hard working, and efficient employees of the Postal Department of the United States.

At the present time the cost of living has more than caught up with their salary grades. I am strongly in favor of a pay raise at this time to offset the loss in take-home pay caused by the elimination of overtime work.

I am not entirely satisfied with H. R. 5059 because I believe that the minimum increase should have been not less than $500. Also, there are other inequities which this bill does not correct. However, the Post Office Committee of the House of Representatives should be commended for amending the original bill by increasing the raise from $300 to $400 and, even more important, making it a permanent raise. As you probably know, I was the only member of the committee who offered an amendment to the bill to make the raise more than $400. The committee did not see fit to adopt my amendment and, since this bill is the best possible compromise, I urge that ever Member of Congress shows his appreciation of the good work of our postal employees by voting for H. R. 5059.

Mr. BURCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE of Illinois. Mr. Chairman, when H. R. 5059, a bill to grant additional compensation for postmasters and employees of the postal service, was under consideration before the Committee on the Post Office and Post Roads of the House I appeared in support of it and in particular in favor of the proposal to grant a $500 permanent increase in annual salary. Naturally, I will go along with a compromise to make this increase $400, but I am still of the belief that these workers are more than deserving of the $500.

No group of Federal workers are closer to the public, and no group gives greater public service. The postman is the Government's closest link to the ordinary citizen.

Last July the Nation's postal employees got their first pay raise in 20 years. The following October an order eliminating overtime pay in post offices came out. That had the effect of more than wiping out the increase granted in July, since it reduced take-home pay about 35 percent. After deductions for pensions and taxes, a large number of postal employees are today receiving smaller checks than they did in 1925.

In view of the present cost of living it is not surprising that many of their families are reported to be in actual want. The increase granted by this legislation is none too much when one considers that the only raise postal workers have had in two decades has fallen short of bringing them up to the living standards they enjoyed in the middle twenties.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, I wholeheartedly favor the immediate passage of this bill, H. R. 5059, which belatedly grants increases in salaries to postal workers.

The postal workers of the Nation who render a direct service to almost every person within our borders, fall in the category of so-called white-collar Federal employees, whose wages are not adjusted from time to time by wage boards to meet changing living conditions and costs. Their salaries are fixed by law and they are among the most poorly paid group of workers in this country, despite the paltry increase given to them last July under the Salary Classification Act which became effective at that time.

Although the increase given these faithful Government servants was the first pay increase they received at the hands of Congress in 20 years, and which only added the gross amount of $400 per annum to their salaries, actually, with increased withholding tax, retirement deductions, and the loss of overtime pay, their net increase as of today, is practically nothing.

The thousands of postal workers in every city, town, village, and rural area of the Nation constitute one of the most indispensable groups of workers in the entire Government service. They are the very life lines of our entire system of communication that keeps our whole national economy moving. They have proven their dependability throughout the years by maintaining those lines of communication at all times and under all conditions. A grateful Nation should see to it through this Congress, that these dependable and conscientious Federal employees should not be compelled to maintain their homes and families on the pay they now receive.

Mr. Chairman, they should receive a permanent increase which will enable them to conduct their homes and raise their families in keeping with the American standard of living at all times. I urge the passage of this bill.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, passage of this bill today by the House will be welcome news to the wives of our postal workers. Increased living costs are creating an impossible burden on them and their families. They have had to stand by too long awaiting for the time when their husbands would be placed on an equitable pay basis with other Government employees and workers in private industry.

When I appeared before the committee to urge a prompt report to the House on this measure, I contended that if we had the mechanics of taking a national referendum on this cost-of-living-take-home-pay request the results would be preponderately in favor. I have had hundreds of letters urging favorable action, not one in opposition. Referring to this Nation-wide sympathy for these faithful workers, the Paterson (N. J.) Evening News says:

> They are a steady, hard-working crew of men who labor steadily and without too much promise of advancement, they are among the most poorly paid group, collectively, in Government service. Most of them are married men, of good habits, with families to support.

And the Paterson (N. J.) Morning Call, saluting the men, declares:

> They, too, like the rest of us, are feeling the burden of heavy taxation and we are certain our people, be they in the cities or rural communities, are behind them in this campaign.

I urge prompt enactment and I hope our vote will be unanimous.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may require to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, in any inflationary movement, it is up to the legislative bodies at all levels of government to see to it that the governmental employees are not hurt by the inflationary rise any more than can be avoided. In the course of an inflation, as has been too well demonstrated in

other countries, those persons hit first and hardest are those on small fixed incomes, including annuitants and pensioners, and the next group include employees of the various levels of government. This group embraces, of course, the employees of the Federal Government but it includes likewise town, city, school district, county, and State employees. Their salaries are fixed by act or ordinance of the legislative body having jurisdiction.

The case before us involves the Federal postal employees. The increase in dollars of wages proposed in this bill, H. R. 5059, is not properly an increase in real wages. It is rather an upward leveling of real wages that have fallen below par due to inflation. I doubt that it is adequate and I would support a further dollar increase in wages to restore the purchasing power that inflation has stolen from them. They certainly are entitled to all the percent increase that any other group of workers have received.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

Mr. ANGELL. Mr. Chairman, I am glad to add my voice in support of H. R. 5059 which is now before us for final passage. I want to compliment the chairman and members of the Committee on the Post Office and Post Roads for their excellent handling of this important legislation and for their report in favor of passage of the bill. When the bill was under discussion by the committee, I appeared before it and urged that it receive favorable consideration and also recommended that the increase be not less than $500. I regret that the bill provides for only $400 per annum increase and I feel that this should be increased. However, I appreciate that it is the considered judgment of the committee after careful and full study that the amount of increase be fixed at $400 per annum. I am also pleased to note that the committee recommends striking the word "temporary" from the legislation so that it will become permanent legislation.

This group of Federal employees is among the most trusted and diligent of the Federal employees family. They have long commended themselves to the American public for their diligence and faithfulness and for the high quality of service rendered to the Government. Unfortunately they have not been adequately compensated for the important work they are performing and their schedule of compensation is far below the pay for like services in many other departments of the Government and for most of private employees doing work of this importance. It is legislation long overdue and I am, indeed, glad to be one of the Members of the House to vote for the legislation and I trust it will not receive a dissenting vote. The terms of the bill are simple and provide:

That all postmasters, officers, and employees in the postal service whose rates of compensation are prescribed by the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, shall receive additional compensation at the rate of $400 per annum: *Provided*, That employees paid on an hourly or part-time basis shall receive additional compensation at the rate of 20 cents per hour: *Provided further*, That postmasters at post offices of the fourth class shall receive additional compensation at the rate of a sum per annum equal to 20 percent of their basic annual compensation.

SEC. 2. The provisions of this act shall not apply to skilled-trades employees of the mail-equipment shops, job cleaners in first- and second-class post offices, and employees who are repaid on a fee or contract basis.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

SEC. 4. This act shall take effect on January 1, 1946.

Amend the title so as to read: "A bill to provide additional compensation for postmasters and employees of the postal service."

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I am wholeheartedly in favor of the passage of the pending bill, H. R. 5059, which will grant some relief to the employees in the postal service. All remember the effort which was made to extend some relief to this group of our people last year, but at the close of the war, and the overtime pay lapse, and the circumstances which have intervened, our postal employees have been thrust back into the same, or nearly the same, situation in which they found themselves before that attempt was made. It is now time that the Congress recognize the worth and valor of our postal employees, and their needs and necessities, and I, speaking as one Member, will gladly cast my vote of approval of the pending bill, which is deserved by those employees.

Mr. Speaker, I will vote for this bill, because our postal employees have been faithful and they have ever done a good job; our letter carriers go forth in their daily task, in fair weather and in foul, and they continue to bring to your door your daily newspapers, your letters, and all of us accept them, yet, we scarcely give any thought to the great effort which is put forth by those who deliver these papers, packages, letters, and parcels to us. The postal system is a great agency of our Government. It is now self supporting, or practically so, and these faithful Government servants are entitled to an increase in their pay, and it is my fervent hope that they receive it, and promptly. I will vote for this bill, because the postal employees deserve an increase in their salary and wages.

Too long this increase has been deferred, but today, the Members of the lower House of Congress fully realize the merit in this pending legislation, and I am convinced these same Members are ready to act, and to act in favor of the postal employees by passing this bill, and I hope it will be passed by the unanimous vote of the Members in the House.

Mr. Chairman, before I take my seat I desire to congratulate and compliment the chairman, and the members of the committee for bringing this legislation before the House, in order that every Member may express himself upon its merits, and it is my hope that the vote will be a record vote, so each Member will be recorded upon this issue.

Let us go forward, together, in the effort to aid our constant and faithful employees in the postal service, and let us grant to them that which they so richly deserve, and let us pass this bill.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. EDWIN ARTHUR HALL. Mr. Chairman, every year we have a field day here when the question of raising the pay of postal employees comes up. For the past 7 years it has been my privilege to vote for some bill providing for a pay increase. Unfortunately, however, legislation of this kind, although there is a great deal of lip service and tribute paid, never seems to come to a head. At this time I want to see this bill passed and go through and become law in a short time. It is high time that the postal employees of America, the employees of the oldest department in the Government, were given a square deal. They are supposed to be able to maintain a standard of living, and I think they ought to be able to do so.

In closing, I want to pay tribute to the Committee on the Post Office and Post Roads for their courage and their ability in getting legislation of this kind before the House; to the chairman of that great committee the gentleman from Virginia [Mr. BURCH], and to the ranking minority member the gentleman from New Jersey [Mr. HARTLEY], as well as the other members.

I hope this measure will be passed without delay.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. GILLIE].

Mr. GILLIE. Mr. Chairman, I am glad to add my voice in favor of the passage of this bill.

It was my privilege during my first term in Congress to serve as a member of the Post Office Committee, and during that time I developed a considerable familiarity with the problems of postal employees and their struggles for fair treatment. On many occasions since then I have appeared before the committee and joined with other colleagues in urging legislation that would be of help to these workers.

I do not see how anyone familiar with all the facts can reasonably oppose the provisions of this bill. The increase provided is not large in relation to the rise in the cost of living.

These faithful employees cannot bring up their families and loved ones, particularly their children, in dignity and honor and send them to proper schools at the current rate of pay. I believe that cold, hard facts demand this increase, and I believe we should support it as a matter of common justice.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Chairman, I thoroughly approve this bill and urge its unanimous adoption.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. MCDONOUGH].

Mr. McDONOUGH. Mr. Chairman, I am wholeheartedly in favor of the passage of H. R. 5059. The postal employees have earned this increase. No group of Federal employees deserve an increase more than this group. We are very proud of our postal employees in Los Angeles; they have done a fine, efficient job under difficult circumstances with a large increase in population, perhaps the largest increase of any large city in the Nation, the burden of serving this large population has fallen upon the postal employees.

The cost of living has increased, which makes this increase in salary justified.

I am confident that the public whom the postal employees serve so well approve of this adjustment of salary.

I believe the Members of the House will unanimously agree on the passage of H. R. 5059, which is a deserving tribute to these faithful postal employees.

It is unfortunate that this adjustment was not made a year ago when the postal employees' salary bill was before us. I am glad that we now have an opportunity to correct it at this time.

I urge all Members of the House to support H. R. 5059.

Mr. BURCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. STARKEY].

Mr. STARKEY. Mr. Chairman, as a member of the committee, I heartily favor the passage of this legislation. I merely take this time to make my position known that I do not believe that the increase is great enough and that I do believe there are inequalities in the postal service. I intend to introduce legislation to correct these inequalities. One of them deals with the supervisory service where the supervisory employees have not had a sufficient increase to continue the spread between those whom they supervise and themselves. The other inconsistency is in the clerks at the windows who sell stamps. Not only do they have to work very diligently but they have to carry the financial responsibility of any mistakes they may make. I am taking this time to serve notice that I am going to introduce legislation to correct these two matters.

There were several members of the committee who likewise felt that the $400 increase was not sufficient, but it was reported to us that other agencies of Government did not look with favor on an increase beyond $360 a year. Our committee desired to report out a bill which we could feel was reasonably sure of final enactment, and the figure of $400 was agreed on.

An examination of the facts will indicate that postal employees, when measured by the same yardstick as that used for industrial workers, are entitled to more than the $400. The increases granted last year were in keeping with the increases granted private employees between 1941 and 1945 and were within the Wage Stabilization Act. The $400 now proposed actually amounts to 19.2 cents per hour, which is only a fraction of a cent above the 18.5 cents recently granted in basic industries and is as close to the 18.5 cents as possible when you use an even annual amount. Therefore, postal employees are still lagging behind because they received no increases from 1925 to 1942, while industrial workers did. However, the committee felt, as stated above, that it was better to agree on the highest possible figure that we felt reasonably sure would be finally and speedily enacted into law.

As to the inequalities in supervisors' pay. In the 1945 salary adjustment bill, the salary of supervisors was raised less than that of many of the employees whom they supervise which results in such a slight spread between supervisors and those they supervise that there remains no incentive for employees to strive for the more technical and responsible positions. It is not only unfair to those now in supervisory positions but I fear it will result in a lack of desire for advancement and it is altogether possible that the service will suffer because of this condition.

As to the so-called window clerks who make the sale of stamps, they carry a greater responsibility than the other clerks because they are held responsible and are compelled to pay out of their own pocket for any mistakes they make against themselves, while if at any time they should be over, the Department does not allow one mistake to balance the other but compels the employee to turn into the Department any amount he might be over when checked. We all realize that anything that is human is not infallible and mistakes are bound to be made. I attempted to rectify this condition by a Department regulation which I feel could well be justified and within the power of the Department. However, I met with no success because the Department did not want to take the responsibility of making such a ruling. To me it seems indefensible that the mistakes should always motivate against the employees and if Congress does not want to pass a law changing that regulation then in all fairness to the employees they should grant them more compensation than those who do not carry the same responsibility.

As I said at the beginning of my remarks, I intend to offer such legislation as will correct the above-mentioned inequalities. I did not attempt to include such adjustments in this bill because I, and the rest of the committee, did not want to complicate the salary bill or include anything that might confuse the Members of the House. I feel that both of these matters mentioned herein can stand on their own merits and handled separately will not jeopardize the welfare of the other postal employees.

Mr. BURCH. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I am in favor of H. R. 5059. As a member of the Post Office and Post Roads Committee during my first 2 years in Congress, I came to know the problems facing the postal employees.

A finer, more loyal group of intelligent public servants cannot be found. Due to the loss of overtime and the rise in living costs, the standard of living of postal employees must inevitably fall, unless a generous raise is granted.

My statement before the Post Office Committee called for a $500 annual rise. I regret that this bill only provides a $400 annual raise and an hourly raise of 20 cents to hourly or part-time employees.

I shall, of course, vote for this raise of $400 annually. It will be a welcome addition to the postal employees' present wage.

Mr. BURCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Chairman, I am glad to note that the temper of the House is such as to guarantee almost a unanimous vote for this bill, H. R. 5059, giving postal employees a pay increase of $400 a year. This group of Government employees is recognized to be perhaps the most efficient on the Government pay roll, and the increase provided by this bill will mean a great deal to help them meet the increased cost of living. It is well deserved, and I am most happy to support the bill.

Mr. BURCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, I think this bill, H. R. 5059, brought in by the beloved chairman of the Post Office Committee, is a very sound and meritorious piece of legislation and I hope it will pass unanimously.

This bill will give the postal workers an increase of $400 a year in salary which will come as a godsend to as faithful and loyal a group of workers as there is in the world. If I have any criticism of the bill it is that the raise in salary is less than the postal workers merit. I believe that an increase of $500 would be amply justified by the soaring costs of living.

It has been my privilege to do all it was humanly possible for me to do to assist the postal workers to secure the pay increase to which I believe they are entitled. I appeared before Mr. BURCH's committee and urged it to report the bill with an amendment increasing the salary of postal employees $500 a year. The committee amended the bill by increasing the amount from $300 to $400 and in this form we now find it before us for action.

The bill as reported, allowing the postal employees $400 a year more than they are now getting, will bring cheer and encouragement and gladness to many a household throughout this land. I do not know when I have voted for a bill with more genuine satisfaction.

My great interest in the postal employees has developed into a very close association because for 11 years I have been chairman of the subcommittee of the appropriations committee that prepares the annual supply bill for the postal service.

I give it as my considered opinion that there is no more efficient, no more faithful, no more devoted group of workers in the world than the postal employees of America. Weather handicaps never faze them or deflect them from the path of duty. In rain or shine or storm or sleet or snow they see that the mail is carried and delivered. Often they work

under circumstances that are a test of men's souls, yet, they go ahead unflinchingly in the performance of their duties. In my opinion the increase that is being granted them was too long deferred. For 20 years there was no revision of basic postal pay and in that time the costs of living have risen enormously and the very least that we, as Members of Congress, representing the people of America, could do for them, is to pass legislation bringing their salaries up to a just standard of compensation.

I am an earnest proponent of economy in governmental expenditures and I believe in and practice economy as a general rule, but I do not believe in or endorse a false economy that saves dollars by penalizing a vast group of underpaid workers.

I cannot approve a policy of so-called economy that means deprivation and suffering to thousands of faithful employees and their families. When we are spending billions of our taxpayers' money under lend-lease and UNRRA to aid the peoples of other countries let us spend a relatively minor amount in doing justice to our postal workers at home.

In considering whether or not we should grant an increase of pay to postal workers at this time, let us look at the facts realistically. The postal workers represent a great white-collar group that has been caught between two millstones—the lower millstone of fixed salaries and the upper millstone of rising costs of living. Costs of living have increased enormously during the last two decades, and if ever a bill was justified on sheer merit this bill is justified. The patrons of the postal service have their eyes on Congress today. If they could take a referendum vote they would approve this bill overwhelmingly, and they are expecting us, their representatives, to do justice to the postal employees in our votes on this measure.

Mr. BURCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, I feel that if this bill were submitted to a referendum of the people it would meet with overwhelming approval.

Mr. Chairman, during this session of Congress I have had occasion, in the performance of my duties, to address myself to problems of both national and international importance. In serving upon the Committee on Foreign Affairs many have been these problems of great significance, and, now, in serving upon the great Committee on Appropriations, numerous additional matters of great concern to our country I have been privileged to speak on.

Recently, before the Post Office Committee of the House, I appeared and gave testimony in behalf of this bill and I was happy, indeed, to do so. I was born and raised in Luzerne County, Pa.; went to school with many of the men and women now in the postal service, and all during my life I have known their joys, their sorrows, and their problems as their intimate friend and neighbor. It is beyond the power of my words to portray with proper elements the loyalty and devotion to duty exemplified by the employees of the great postal service of our Government. Down through the long avenue of years, which gives us a broad vista of the history of America, there has never been any single group of public servants whose singleness of purpose and efficient application to the traditions and demands of their employment the equal of the Post Office Department employees.

I say now, as I have said twice before in the debates on the increases for postal employees during this session, and I say it now for the purpose of emphasizing my opinion, and that is if the question of this raise to postal employees was submitted to a referendum for the public vote of the American people, this bill would be passed overwhelmingly from one end of the country to the other, for there is not a hamlet on the western prairie, or a great city of the eastern seaboard, a rural village of the Southwest, or a lake village of the North which will not unanimously attest to the vital importance of these public servants and of the great contribution they make to our way of life.

There is on this subject, for me, a great temptation to speak at considerable length, to eulogize, compliment, and portray the true merits of these deserving workers.

But I have attended the sessions of the committee and I have been present here on the floor all day as this bill is being considered by the House, so that I know full well the attitude of my colleagues. I will be greatly surprised and shocked if this bill does not pass with a unanimous vote.

There is only one thing the matter with this bill, in my opinion, and I also stated this before the committee. This increase at this time should be for $500. I am aware, of course, that most legislation under our democratic form of government is ultimately passed as the result of some compromise, and I am aware that the $400 provision in this bill is a compromise between the $300 called for in the original bill and the $500 that I proposed. But I do not want to let this opportunity pass without reiterating that my judgment has not been changed by the testimony or by the developments of this debate. I still insist that this increase today should be for $500. If all the arguments advanced in connection with the cost of living and the increase in prices, commensurate with the whole field of our economic existence today, I say, if all of these arguments are to be given their full merit, then plain logic would dictate a $500 increase. But do not misunderstand me, I can see now that we are not going to get the $500, so I want to hurry up at once and agree for the $400; and if that is the most we can get, that is what we will take—at least for the time being.

There are several other matters and glaring inequities with postal employees that I felt should have been made part of this bill. But since, under the circumstances, we were not able to include all these things at this time, and because of the dire emergency and necessity of getting through this pay increase immediately, I shall not dwell any longer upon some of the problems that have not been solved by this legislation. I simply want to make it clear that this bill by no means cures all the inequities and inequalities that still exist with relation to the postal workers of the United States Government, and reserve to myself the right, at the proper time, to reopen these matters and reexamine the inequities, with the avowed purpose of solving them for the best interests of all concerned.

There is no need for me to talk further at this time. If I do, I will only delay the passage of the bill, because I am sure of its passage; but let me say, Mr. Chairman, that I hope and trust the bill can go through the Senate and be signed by the President and become law with record speed.

Mr. BURCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, I am certainly gratified that the House has, at long last, gotten around to providing an increase in the pay of the postal employees. My only disappointment with this bill stems from my sincere belief that the increase is insufficient. I do not believe $400 is enough to place postal employees on a par with other groups of wage earners.

In my opinion the postal employees have had a tough time making the grade all through the war. They were way behind in getting the $300 which the Congress provided for in 1944. Even with that increase the postal employees were a considerable distance behind the rise in the cost of living.

In recent months they have been at a greater disadvantage. The Post Office Department has been eliminating overtime and generally getting back to normal operations. The postal employees have had their take-home pay reduced consideraly in the face of constantly rising prices.

The $400 to be given them in this bill will not, in my opinion, even come close to making things come out even.

Federal employees generally are subjects of considerable criticism. However, all over the country one seldom hears anything but the greatest of praise for the employees of the post office.

When one stops to think of such things it is positively amazing to contemplate the extent to which we depend on the letter carrier and the clerk in the post office.

I am genuinely proud of my association with these postal employees because of the great service they render to the American public. It is impossible to imagine a private industry that approaches the Post Office Department in the services it renders. We have grown to consider this great service as no more than natural. We expect it. We look forward to the daily call of the letter carrier, no matter what the weather or the difficulties with which he must cope. As a matter of fact, it is when the difficulties are greatest that we expect the best service. When disaster strikes—when conditions cause us to worry for friend or loved one—then we expect the Post Office Department to force itself to extremes in order to bring to our hands the latest word, the last bit of advice or information. And, surprisingly, that is generally just what happens.

The letter carrier is far more than just a public servant. True he is the most faithful and most dependable of all public servants, but more than that, he is the human link between all the families and industries and shops and stores and institutions of all kinds that go to make up this great land of ours.

This we all acknowledge. Why, then, must we be niggardly in compensating these men for the service they render to us? Frequently I have hoped the mail man would skip a call at my office when we have been snowed under the mail, but what would we do, the Members of this House, if we did not have the clerks and carriers to keep us in such intimate touch with the wants and the thoughts of the people we have the honor to represent.

It is my sincere hope that we shall soon see a complete overhauling of the postal pay structure. It should be brought into line. These men should not be penalized because they are faithful to their trust.

Mr. HARTLEY. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I think no group of Federal employees deserves an increase in salary more than the postmasters and employees of the postal service. They perform a great and tireless service. I am heartily in favor of the bill.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, we people in the city of Pittsburgh are very proud of our post office and postal employees. I favor not only this raise but another in the near future.

Mr. BURCH. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I am strongly in favor of this bill. I have so expressed myself before the committee. Faithful and efficient Government workers are invaluable to any democratic nation. No group in our Government service have, through the years, done a more exemplary job than have the postal workers. The increase provided in this bill will no more than compensate the postal workers for the increase that has taken place in the cost of living. It is deserved; it is justified from an economic standpoint; it is overdue. It should pass without a dissenting vote.

Mr. BAILEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BAILEY. I rise to ask the Chair if the Chair does not think we would save time by calling the roll.

The CHAIRMAN. That is not a parliamentary inquiry. The chairman of the committee has control of the time.

Mr. BURCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Chairman, I desire to compliment the chairman of the committee and its members for having done an excellent job on this bill. I hope that when the Ways and Means Committee brings in my bill to increase the meager pensions which the old folks receive—and which will make it payable direct from the Federal Treasury—it will be given as favorable consideration.

Furthermore, I think that two other bills which a group of us are backing are equally as important and should receive prompt consideration by Congress, to wit:

The House should also give immediate consideration to my bill to provide terminal leave pay to enlisted men equivalent to that given officers;

The Thomas parity bill to revise the antiquated parity formula;

The Pace parity bill which would include labor in the parity formula relating to agriculture; and

The Poage bill for disposition of surplus bulldozers, caterpillars, and so forth, to soil conservation districts.

Mr. BURCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, I appeared before the House Committee on the Post Office and Post Roads and urged favorable action on H. R. 5059 when hearings were held on this bill. As a former Member of the Post Office and Post Roads Committee, I have made a special study of the working conditions and compensation which postal employees of America have labored under for the last 20 years. During the period of our war emergency, when great numbers of postal employees were called to the service, the remaining personnel patriotically assumed added work during the regular hours and also in overtime periods.

Our postal workers extended a major contribution to our victory. I hope this bill passes the House and Senate unanimously, as this increase is very much needed for the postal worker to meet the added cost of living and aid in protecting himself and his family for the future.

Mr. COLE of New York. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLE of New York. May I inquire, Mr. Chairman, whether it will be in order for me to propose a unanimous-consent request at this time that all Members may have the privilege of extending their remarks at this point in the RECORD on the pending bill?

The CHAIRMAN. That permission will have to be given in the House.

Mr. BURCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. LYNDON B. JOHNSON].

Mr. LYNDON B. JOHNSON. Mr. Chairman, for at least two reasons which appeal mightily to me, I hope the Members of this House give unanimous approval to the bill before us.

My first reason is that there is no more faithful public servant than the man or the woman who handles the mail. For this vast army of workers, the mail carrier is, in a manner of speaking, the front man. He represents the postmaster, the clerk, and all the dozens of others who see that you get today the letter written to you yesterday.

In rain and in sleet, or under a relentlessly hot sun, the carrier shoulders his pouch and trudges from house to house with your messages which are for the most part messages of happiness. I have never known the man or woman who did not look forward to his letters. From our loved ones, from our friends—in the absence of all else, even the monthly bills are of some comfort. We know somebody is thinking of us. And every postman I have ever known brought more than mail. He always brings a cheerful greeting. He stops to pass the time of day and you would never guess how his feet must be aching.

My second reason is this: This small pay increase is a step in the direction of lending dignity to public service. Man does not work alone for what he is paid; if that were so, our public schools would be deserted. But every man yearns for recognition from his fellows. One manner of recognition is a pay commensurate with the job. Too long we have practiced a niggardly policy in our public office. It should be a most highly honored calling. This bill will help make the hire worthy of the laborer.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Vermont [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Chairman, in order that it may not appear that the half-dozen of us who have not spoken on this bill are opposed to it, I have been requested by that group to say that we are heartily in favor of its passage.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. SHARP].

Mr. SHARP. Mr. Chairman, this Post Office bill has caused a lot of wondering as to just what condition it might be in when it came before the House for consideration.

I attended one of the hearings of the committee, and at that time I insisted that $500 was little enough increase. But the bill as it comes before the House provides for a $400 increase. I happen to be a former post-office clerk and assistant postmaster myself, and naturally, I am very anxious to see them get a $500 increase, but I suppose the committee, after a number of hearings and executive sessions, and after giving the matter considerable thought, decided upon a compromise of $400. Of course, I am disappointed it could not have been the $500 raise, and that the hourly paid workers were only increased 20 cents an hour instead of the 25 cents they requested. And fourth-class postmasters will receive but 20 percent of their basic annual salary, instead of the desired 30 percent. These men, as you know, are paid only on the receipts of the post office, which in many cases is very little, most of these fourth-class postmasters accepting the positions only to augment the trade that may come to their business.

The post-office clerks and carriers are wholly in a class by themselves when it comes to any department of the Government. They work hard, have to provide their own uniforms, and so forth, and I do not know of any department in any branch of the Government that works harder than they do. They have

to be polite and courteous, and always on schedule. I hope this bill passes unanimously.

Mr. BURCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Chairman, I am in favor of the provisions of this bill, H. R. 5059, to increase the compensation of the post-office employees, men and women who give so much in the way of service in performing one of the most important functions of the Government, handling the mail that the people of this country may have communication with people everywhere. I shall vote for the bill.

Mr. BURCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, every Member of this House is fully cognizant of the increased cost of living, and must realize the hardship that results when take-home pay of workers, in whatever endeavor they may be engaged, is sharply reduced without corresponding reductions in the cost of living. Such has been the lot of the loyal employees of the postal service. H. R. 5059, as amended, seeks to give to the postal employees who have rendered excellent and efficient service some measure of redress because of this situation.

We Members of Congress are anxious to enable the workers of this Nation to be sufficiently recompensed for their labors to enable them to enjoy a high standard of living. Surely the postal employees are entitled to just and adequate compensation, and this measure, as amended, endeavors to so provide.

I wish to congratulate the distinguished chairman the gentleman from Virginia [Mr. BURCH] and the members of the Committee on the Post Office and Post Roads for their very sincere and conscientious work on behalf of the postal employees. It is my feeling that this bill should pass unanimously.

Mr. BURCH. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. MCKENZIE].

Mr. MCKENZIE. Mr. Chairman, it is my privilege to be assigned by the committee to make the closing arguments for this bill, H. R. 5059. However, in view of the apparently unanimous approval of the bill by the Members of the House any remarks by me would be superfluous and a waste of time so I move the passage of the bill.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. STEVENSON].

Mr. STEVENSON. Mr. Chairman, as a member of the Committee on the Post Office and Post Roads I am heartily in favor of the passage of this bill giving the postal clerks and postal employees an increase of $400 per year on a permanent basis.

This bill has met with the unanimous approval of the committee because the postal employees as a group have been the lowest paid of all Federal employees performing duties with similar responsibilities to the public. They have been patient, waiting for 20 years to receive just compensation for the loyal work they have been doing for their Government. While other department employees and other Government workers have been getting increases in salaries, our postal employees have been on the job in winter and in summer, in snow and in rain, never complaining and never failing the public in the performance of their duties; but never being rewarded for their loyalty with an increase in take-home pay.

During all these years the cost of living has steadily risen. Let me give you some examples of the increase in the cost of everyday staples such as groceries, meats, and wearing apparel since 1939. Here are a few articles the cost of which I have taken from ads in my home-town newspaper of September 1, 1939, and October 4, 1945. From these increases in prices of foodstuffs and clothing, you will note the cost of living has risen during that period over 133 percent on the average.

SEPTEMBER 1, 1939

Hamburger, 14 cents per pound.
Sirloin steak, 17 cents per pound.
Chuck roast, 15 cents per pound.
Veal chops, 17 cents per pound.
Leg of lamb, 19 cents per pound.
Pork chops, 18 cents per pound.
Bologna, 14 cents per pound.
Ham, 17 cents and 19 cents per pound.
Slab bacon, 9 cents per pound.
Early Ohio potatoes, 19 cents per peck.
Flour, all standard brands, 49-pound sack, $1.49.
Peanut butter, 11 cents per pound.
Sweetpotatoes, 6 cents per pound.
Carrots, 4 cents per bunch.
Bartlett pears, $1.49 per bushel.
Prunes, 69 cents per box.
Small oranges, 15 cents per dozen.
Ladies' sport coats, $9.50 and $19.50.
Fur-trimmed coats, $16.50 and $37.50.
Snow suits, $3.95.
Men's suits, $22.50 and $27.50 with two trousers and vest—all wool suits, and no black market.

OCTOBER 4, 1945

Hamburger, 25 cents per pound.
Sirloin steak, 40 cents per pound.
Chuck roast, 26 cents per pound.
Veal chops, 33 cents per pound.
Leg of lamb, 35 cents per pound.
Pork chops, 33 cents per pound.
Bologna, 27 cents per pound.
Wieners, 39 cents per pound.
Slab bacon, 39 cents per pound.
Ohio potatoes, 49 cents and 52 cents per peck.
Same standard brand flour, 49-pound sack, $2.39.
Peanut butter, 20 cents per pound.
Sweetpotatoes, 10 cents and 11 cents per pound.
Carrots, 10 cents per bunch.
Pears, $4.99 per bushel.
Prunes, $3.29 per box.
Oranges, same size, 30 cents per dozen.
Ladies' sport coats, $45 and $55.
Fur-trimmed coats, $69 and $135.
Snow suits, $14.95.
Men's suits, $45 and up, with only one pair of trousers and no vest, all wool except the stripes—and plenty of stripes.
I have read ads in newspapers advertising men's sport shirts at $6.50 and $25 each. You cannot buy a good white dress shirt now.

These are facts that cannot be refuted. The proof is that the cost of living has gone up over 100 percent and in some cases over 200 percent in articles and clothing we have to purchase, not as luxuries, but as necessities.

An increase in the take-home pay of our postal employees should therefore be awarded them as a matter of moral obligation to our faithful postal workers. The average increase of 20 percent this bill provides is but a tardy recognition on the part of the Government of faithful work performed for many years past.

The amount of appropriation necessary to cover the increase in pay provided by this bill is but a bagatelle when compared with the billions of dollars we have given to foreign nations since the end of World War I which has not been repaid by them, and which will never be repaid. We have made gifts to foreign nations, eleven billions of which is still unpaid. Some of these same nations are now requesting us to make them new loans which will turn out to be gifts 50 years hence—totaling many more billions of dollars.

If we can make gifts of billions of dollars to foreign nations, surely we can, and we should, take care of our obligation to the postal employees of this country of ours, which will not cost as much as the interest we are losing every year on the loans to foreign nations which have not been repaid since 1918.

The State Department just entered into an agreement with one of these nations to turn over to that government brand new civilian surplus goods and property inventoried at more than $6,000,000,000, for the small sum of six hundred millions, a mere 10 percent of the appraised value of the goods and merchandise sold. In one business transaction our State Department thus has made a gift of more than $5,000,000,000 of surplus property to a foreign government. This $5,000,000,000 worth of surplus property could well be made use of by our own people. If our Government can make gifts running into the billions by one stroke of the pen in the hand of the State Department, surely we should not be niggardly with our own postal employees, who have done a good job for the American public in doors and out, at all hours of the night and day, with but one thought ever in their minds to see a full day's work well done.

I repeat, Mr. Chairman, this bill should be passed by unanimous vote of the House. The committee voted the bill out unanimously, and the House should do likewise.

Mr. BURCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. CARNAHAN].

Mr. CARNAHAN. Mr. Chairman, I want to take this time to congratulate the committee on bringing us this fine piece of overdue legislation. I am going to vote for it and wish that the increases were a little more than provided for in this bill.

Mr. BURCH. Mr. Chairman, I have no further requests for time.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. LATHAM].

Mr. LATHAM. Mr. Chairman, I wish to urge that you favorably report H. R. 5059, but with amendments which would provide a permanent increase in wages of $500 to postal workers, and that those paid by the hourly rate be given a comparable increase.

The postal workers are, in my opinion, the most underpaid and, at the same time, one of the most faithful group of Federal employees. They are today

caught in a vise between the rising cost of living and the low take-home pay which they receive.

The raise voted them last year by Congress was almost completely dissipated by the elimination of the $300 cost-of-living bonus, and of overtime, the actual raise amounting to only about $100. The cut of the working week to 40 hours, as to those paid on an hourly basis, in many instances resulted in the employees being paid less than before the raise was granted.

A mail handler in the top grade, with 20 years service, has a take home pay of only $33.64 a week. This is so obviously unfair it must be corrected.

Mr. HARTLEY. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON of New Jersey. Mr. Chairman, the purpose of this bill is to provide more adequate compensation for postal employees in view of the greatly increased living costs and to place them on a more equitable basis as compared to other Government employees and workers in private industry.

The hearings held by the committee leave no doubt, as the result of the evidence presented by representatives of the various postal employees' organizations, that there is a need for an increase in compensation of postal employees. Detailed figures were submitted showing the greatly increased cost of food, clothing, household furnishings, fuel, rent, and other necessities of life, and, furthermore, it does not seem that such living costs have yet reached their peak.

I am convinced that the postal employees merit the proposed increase in compensation. The bill has my full-hearted support.

Mr. HARTLEY. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, our beloved chairman, the distinguished gentleman from Virginia, Hon. THOMAS G. BURCH, has outlined very clearly the provisions of this bill.

It has had the thorough and the sympathetic consideration that has always characterized our committee's consideration of legislation affecting postal employees. There has been no partisanship on either side of the committee, rather there has been a united determination to do as much for the postal employees as we felt reasonably certain could finally be enacted into law.

I personally, and I am sure that there are other members of the committee who feel the same way, wish that it were possible that the amount be raised at least an additional $100 to $500. However, I wish to call attention to the fact that the bill as reported has been increased by $100 over the original bill and instead of being temporary legislation has been made permanent legislation.

This action was taken only after our committee had concurred that this was the maximum amount which had a reasonable chance to be enacted into law.

Certainly the best interest of our postal workers would not be served by insisting on a higher amount only to have the legislation stymied with the result that these worthy employees would receive no increase at all.

Our committee has always had the best interests of these employees at heart and it is our considered opinion that we have reported the best possible bill that can be passed at this time.

The CHAIRMAN. The time of the gentleman from New Jersey has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That all postmasters, officers, and employees in the postal service whose rates of compensation are prescribed by the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the Postal Service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, shall receive additional compensation at the rate of $300 per annum: *Provided*, That employees paid on an hourly or part-time basis shall receive additional compensation at the rate of 15 cents per hour: *Provided further*, That postmasters at post offices of the fourth class shall receive additional compensation at the rate of a sum per annum equal to 15 percent of their basic annual compensation: *And provided further*, That the additional compensation as herein provided shall not be considered in computing or fixing basic compensation for any purpose.

SEC. 2. The provisions of this act shall not apply to skilled trades employees of the mail-equipment shops, job cleaners in first- and second-class post offices, and employees who are paid on a fee or contract basis.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

SEC. 4. The provisions of this act shall continue in force until terminated on such date as the Congress by concurrent resolution may prescribe.

SEC. 5. This act shall take effect on January 1, 1946.

With the following committee amendment:

Strike out all after the enacting clause and insert "That all postmasters, officers, and employees in the postal service whose rates of compensation are prescribed by the act entitled "An act to reclassify the salaries of postmasters, officers, and employees of the postal service; to establish uniform procedures for computing compensation; and for other purposes," approved July 6, 1945, shall receive additional compensation at the rate of $400 per annum: *Provided*, That employees paid on an hourly or part-time basis shall receive additional compensation at the rate of 20 cents per hour: *Provided further*, That postmasters at post offices of the fourth class shall receive additional compensation at the rate of a sum per annum equal to 20 percent of their basic annual compensation.

"SEC. 2. The provisions of this act shall not apply to skilled-trades employees of the mail-equipment shops, job cleaners in first- and second-class post offices, and employees who are paid on a fee or contract basis.

"SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

"SEC. 4. This act shall take effect on January 1, 1946."

The CHAIRMAN. The question is on the committee amendment.

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. COOLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5059) to provide temporary additional compensation for postmasters and employees of the postal service, pursuant to House Resolution 580, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. BURCH and Mr. HARTLEY demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 369, nays 1, not voting 61, as follows:

[Roll No. 73]

YEAS—369

Abernethy	Cooley	Grant, Ala.
Allen, Ill.	Cooper	Grant, Ind.
Allen, La.	Corbett	Green
Almond	Courtney	Gregory
Andersen, H. Carl	Cravens	Griffiths
Anderson, Calif.	Crawford	Gross
Andresen, August H.	Crosser	Gwinn, N. Y.
Andrews, Ala.	Cunningham	Gwynne, Iowa
Andrews, N. Y.	Curtis	Hagen
Angell	D'Alesandro	Hale
Arends	Daughton, Va.	Hall, Edwin Arthur
Arnold	Davis	Hall, Leonard W.
Auchincloss	Dawson	Halleck
Bailey	De Lacy	Hare
Baldwin, Md.	Delaney, James J.	Harless, Ariz.
Baldwin, N. Y.	Delaney, John J.	Harness, Ind.
Barden	D'Ewart	Harris
Barrett, Pa.	Dingell	Hart
Barrett, Wyo.	Dirksen	Hartley
Barry	Dolliver	Havenner
Bates, Ky.	Domengeaux	Hays
Bates, Mass.	Dondero	Healy
Beall	Douglas, Ill.	Hébert
Beckworth	Drewry	Hedrick
Bell	Durham	Heffernan
Bennet, N. Y.	Earthman	Henry
Bennett, Mo.	Eaton	Herter
Biemiller	Eberharter	Heselton
Blackney	Elliott	Hess
Bland	Ellis	Hill
Bloom	Ellsworth	Hinshaw
Bolton	Elsaesser	Hobbs
Bonner	Elston	Hoch
Boren	Engle, Calif.	Hoeven
Bradley, Mich.	Ervin	Hoffman
Bradley, Pa.	Fallon	Holifield
Brehm	Feighan	Holmes, Wash.
Brooks	Fellows	Hook
Brown, Ga.	Fenton	Hope
Brown, Ohio	Flannagan	Horan
Bryson	Flood	Howell
Buck	Fogarty	Huber
Buffett	Folger	Hull
Bulwinkle	Forand	Izac
Burch	Fuller	Jackson
Butler	Fulton	Jenkins
Byrne, N. Y.	Gallagher	Jensen
Campbell	Gamble	Johnson, Calif.
Canfield	Gardner	Johnson, Ill.
Cannon, Mo.	Gary	Johnson, Ind.
Carlson	Gathings	Johnson, Luther A.
Carnahan	Gavin	Johnson, Lyndon B.
Case, N. J.	Gearhart	Johnson, Okla.
Case, S. Dak.	Geelan	Jones
Celler	Gerlach	Jonkman
Chelf	Gifford	Judd
Chenoweth	Gillespie	Kean
Church	Gillette	Kearney
Clark	Gillie	Kee
Clason	Goodwin	Keefe
Clevenger	Gordon	Kelly, Ill.
Clippinger	Gore	Keogh
Coffee	Gorski	Kilburn
Cole, Kans.	Gossett	Kilday
Cole, Mo.	Graham	King
Cole, N. Y.	Granahan	
Combs	Granger	

Kinzer	O'Neal	Slaughter
Kirwan	O'Toole	Smith, Maine
Klein	Outland	Smith, Va.
Kopplemann	Pace	Smith, Wis.
Kunkel	Patman	Somers, N. Y.
Landis	Patrick	Sparkman
Lane	Patterson	Spence
Larcade	Philbin	Springer
Latham	Phillips	Starkey
Lea	Pickett	Stefan
LeCompte	Pittenger	Stevenson
Lemke	Ploeser	Stewart
Lewis	Plumley	Stigler
Link	Poage	Sullivan
Ludlow	Powell	Sumner, Ill.
Lyle	Price, Ill.	Sumners, Tex.
Lynch	Priest	Sundstrom
McConnell	Quinn, N. Y.	Taber
McCormack	Rabin	Talbot
McCowen	Ramey	Talle
McDonough	Randolph	Tarver
McGlinchey	Rankin	Taylor
McGregor	Rayfiel	Thom
McKenzie	Reed, Ill.	Thomas, N. J.
McMillan, S. C.	Reed, N. Y.	Thomas, Tex.
McMillen, Ill.	Rees, Kans.	Thomason
Madden	Resa	Tibbott
Mahon	Rich	Tolan
Maloney	Richards	Torrens
Manasco	Riley	Towe
Mankin	Rivers	Traynor
Mansfield, Mont.	Rizley	Trimble
Mansfield, Tex.	Robertson, N. Dak.	Vinson
Marcantonio	Robertson, Va.	Voorhis, Calif.
Martin, Iowa	Robinson, Utah	Vorys, Ohio
Martin, Mass.	Robsion, Ky.	Vursell
Mason	Rockwell	Walter
Mathews	Rodgers, Pa.	Wasielewski
May	Roe, Md.	Weaver
Merrow	Roe, N. Y.	Welch
Michener	Rogers, Fla.	West
Miller, Calif.	Rogers, Mass.	White
Miller, Nebr.	Rogers, N. Y.	Whitten
Mills	Rooney	Whittington
Monroney	Rowan	Wickersham
Morgan	Ryter	Wigglesworth
Morrison	Sabath	Wilson
Mundt	Sasscer	Winstead
Murphy	Savage	Winter
Murray, Tenn.	Schwabe, Mo.	Wolcott
Murray, Wis.	Schwabe, Okla.	Wolfenden, Pa.
Neely	Scrivner	Wolverton, N. J.
Norblad	Sharp	Woodhouse
Norrell	Sheppard	Woodruff
O'Brien, Mich.	Sheridan	Worley
O'Hara	Simpson, Ill.	
O'Konski	Simpson, Pa.	

NAYS—1

Smith, Ohio

NOT VOTING—61

Adams	Dworshak	Murdock
Bender	Engel, Mich.	Norton
Bishop	Fernandez	O'Brien, Ill.
Boykin	Fisher	Peterson, Fla.
Brumbaugh	Gibson	Peterson, Ga.
Buckley	Hancock	Pfeifer
Bunker	Hand	Price, Fla.
Burgin	Hendricks	Rabaut
Byrnes, Wis.	Holmes, Mass.	Rains
Camp	Jarman	Reece, Tenn.
Cannon, Fla.	Jennings	Russell
Chapman	Kefauver	Sadowski
Chiperfield	Kelley, Pa.	Shafer
Clements	Kerr	Short
Cochran	Knutson	Sikes
Colmer	LaFollette	Stockman
Cox	Lanham	Wadsworth
Curley	LeFevre	Wood
Doughton, N. C.	Lesinski	Zimmerman
Douglas, Calif.	Luce	
Doyle	McGehee	

So the bill was passed.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Boykin with Mr. Short.

Mr. Hendricks with Mr. Shafer.

Mr. Kerr with Mr. LeFevre.

Mr. Pfeifer with Mr. Knutson.

Mr. Doyle with Mrs. Luce.

Mr. Colmer with Mr. Bishop.

Mr. Kelley of Pennsylvania with Mr. Adams.

Mr. McGehee with Mr. Stockman.

Mr. Buckley with Mr. Bender.

Mr. Peterson of Florida with Mr. Brumbaugh.

Mr. Murdock with Mr. Reece of Tennessee.

Mr. Zimmerman with Mr. Engel of Michigan.

Mr. Rabaut with Mr. Byrnes of Wisconsin.

Mr. Sadowski with Mr. Chiperfield.

Mr. Cochran with Mr. Dworshak.

Mr. Sikes with Mr. Hancock.

Mr. Rains with Mr. Jennings.

Mr. O'Brien of Illinois with Mr. Holmes of Massachusetts.

Mrs. Douglas of California with Mr. Hand.

Mr. Cox with Mr. Wadsworth.

Mrs. Norton with Mr. LaFollette.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to provide additional compensation for postmasters and employees of the postal service."

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. BURCH. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

SPECIAL ORDER GRANTED

Mr. KLEIN. Mr. Speaker, I ask unanimous consent that on Thursday next after disposition of business on the Speaker's desk and at the conclusion of any special orders heretofore entered I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. KLEIN asked and was given permission to extend his remarks in the RECORD and include an editorial entitled "Labor News and Comment," and comment by Victor Riesel.

APPOINTMENT OF ADDITIONAL FOREIGN-SERVICE OFFICERS IN THE CLASSIFIED GRADES

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 581, Rept. No. 1842), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5244) to authorize the appointment of additional foreign-service officers in the classified grades. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour to be equally divided and controlled by the chairman and ranking minority members of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

COMMUNICATION FROM HOUSE OF ASSEMBLY, BERMUDA

The SPEAKER laid before the House the following communication which was read:

HOUSE OF ASSEMBLY, BERMUDA,
February 14, 1946.

The Honorable SAM RAYBURN,
Members of Congress, Speaker of the House of Representatives, Washington, D. C.

DEAR MR. SPEAKER RAYBURN: As speaker of the House of Assembly of the Parliament of Bermuda and joint president of the Bermuda branch of the Empire Parliamentary Association, I am writing to you to extend an invitation for four Members of your House of Representatives to visit Bermuda for a period of about 10 days from June 10 next, as guests of the Bermuda branch of the association.

During that time the Bermuda branch will be the hosts in the colony to delegations of members of all parties from the Parliaments of the United Kingdom and the Dominion of Canada. It is hoped also to have respresentatives of the Parliaments of the Australian Commonwealth, New Zealand, and the Union of South Africa, and possibly a representative of the central legislature of India.

The Bermuda branch of the association have lively recollections of the courtesies extended to their representatives who took part in the parliamentary gathering at Ottawa in 1943 at the invitation of the Dominion of Canada branch of the association, and who subsequently visited Washington as the guests of the Congress of the United States. Being impressed with the value of the parliamentary contacts and interchanges of views which took place on that occasion, the members of this legislature would propose, if this invitation is accepted, to provide opportunities during the visit for the discussion of some matters of common interest at informal conferences.

I should like to assure you that if it is found possible to accept this invitation, which I earnestly hope will be the case, the representatives of your House will receive a warm welcome from the parliament and people of these islands.

I take this opportunity of extending to you personally my most cordial greetings and of expressing to you in your high office my feelings of deep admiration and respect.

Yours sincerely,

REGINALD CONYERS,
Speaker, House of Assembly, and Joint President of the Bermuda Branch of the Empire Parliamentary Association.

EMPIRE PARLIAMENTARY ASSOCIATION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 58.

The Clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That the Senate and House of Representatives hereby accept the invitation tendered by the President of the Legislative Council of Bermuda and Joint President of the Bermuda Branch of the Empire Parliamentary Association, to have four Members of the Senate and four Members of the House of Representatives attend a meeting to be held in Bermuda, beginning June 10, 1946, at which the Bermuda Branch of the Empire Parliamentary Association will be host to delegations from the Parliaments of the United Kingdom and the Dominion of Canada, and at which it is hoped also to have representatives of the Parliaments of the Australian Commonwealth, New Zealand, and the Union of South

Africa, and possibly a representative of the Central Legislature of India. The President of the Senate and the Speaker of the House of Representatives are authorized to appoint the Members of the Senate and the Members of the House of Representatives, respectively, to attend such meeting and are further authorized to designate the chairmen of the delegations from each of the Houses. The expenses incurred by the members of the delegations appointed for the purpose of attending such meeting, which shall not exceed $5,000 for each of the delegations, shall be reimbursed to them from the contingent fund of the House of which they are Members, upon the submission of vouchers approved by the chairman of the delegation of which they are members.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. PETERSON of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PERSONAL EXPLANATION

Mr. PETERSON of Georgia. Mr. Speaker, I was out of the Chamber on an official matter at the time the roll was called on the Federal pay increase bill. I realize that there was virtually no opposition to this bill, but I want the RECORD to show I am heartily in favor of the passage of this bill and would have voted for it had I been present.

EXTENSION OF REMARKS

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD.

Mr. RANDOLPH asked and was given permission to extend his remarks in the RECORD.

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include the legislative program of the National Grange. In the event it exceeds the prescribed limit, I ask that it be printed nevertheless.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. DE LACY asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the Thomas Jefferson Camp.

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. HOFFMAN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. WICKERSHAM asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD and include an address reecntly delivered by Dr. Joseph F. Thorning.

The SPEAKER. Under previous order of the House the gentleman from Wisconsin [Mr. MURRAY] is recognized for 1 hour.

TAKE-HOME PAY FOR AMERICAN AGRICULTURE

Mr. MURRAY of Wisconsin. Mr. Speaker, I wish to discuss the take-home pay for American agriculture. I realize that the first step to knowledge is to know that we are ignorant. I am not quoting Cecil. So I start out in the humble way of trying to present some facts that I think the American people should have. We hear about this group and that group getting more and more and more, but it seems that according to the formula the farmer is to get less, or else he is going to be frozen where he is. Take the 25,000,000 people out of the 140,000,000 people of this country that live on the farms. There are 12,000,000 of these people who work on the farms and who deserve equal consideration with the people that live anywhere else in this Nation. Since incomes have been discussed in terms of hourly rates of wages, it is most fitting to present the hourly wage received by labor on farms in the United States.

The United States Department of Agriculture has for years made a study in the various States based on hourly rate returns for labor expended. They also have carried on a study for 16 years, and 10 years of this has been under the leadership of Dr. Wiley Goodsell in which they have also expressed in terms the hourly returns of labor to the men who own and operate the farms. These reports are just as valuable as the figures that are obtained from the Bureau of Labor Statistics or any other agency of the Government. I have followed them for years, and I can attest to that fact for the many years I have followed them. I am going to include a few of these tables that they publish in my remarks in order to bring out these facts. This information should be of particular interest to every Member at this time because the production and the distribution of food is evidently becoming more and more of world importance each day.

In other words, food can be called the handmaiden of peace and happiness in the world. If we had some way of dropping from a balloon a sufficient amount of food to all the sore spots in the world today, I am sure the troubles of the world would be pretty well eliminated.

While the United States is a great industrial country, we must not overlook the fact that we have the largest area of rich productive land to be found in this whole world. It seems to me that many of us do not take that into consideration. We have 500,000,000 acres of land under cultivation, and 350,000,000 of this is being cropped at the present time. Untold millions of acres of productive land are still available. Part of this land will have to be cleared. There are millions of acres that can be irrigated and other millions—and 4,000,000 in my own State—that can be tiled and made really productive fertile land. The land in use, together with the undeveloped millions of acres, can be made to easily double the present national food production if the incentive is there to justify this increase in production.

I might say that you can also take out the thousands or the millions of acres of land that have been put under cultivation and should now go back into forests, or should not be used for agricultural purposes.

In addition, improved seeds, improved breeding practices, improved soil fertility could and will make a contribution to this doubling of food production. Anyone who has seen a very great part of the United States knows that this food production could be doubled at any time the people of the United States want it to be doubled. A few days spent down here at the United States Department of Agriculture, at the experiment station at Beltsville, is further evidence of what could be accomplished so far as obtaining maximum food production in the United States of America.

Personally, I feel that the President could well have had some farm representation down at the White House, and included the producers of the food and fiber of this country, when he took up the management and labor conference because the whole farm picture is injected into any settlement that takes place between management and labor. Management is interested, and so is labor, in this whole farm problem because 30 to 40 percent of the manufactured products of the Nation are purchased by the rural people, and this certainly should justify the inclusion of this group in any consideration of the effect this will have on the economy of all of our people.

I repeat that for months we have seen the prices of this, that, and the other thing increased. We have seen this group and that group, sometimes with merit to their claims, asking for more and more. However, the farm people, the producers, who have had their prices frozen, which means their hourly returns for labor are frozen, are not only being assured that their present prices are not to be maintained but are being told by the United States Department of Agriculture to adjust themselves to a $3,000,000,000 smaller income in 1946 than in 1945. It probably would not be surprising to many people to know that milk, representing around 20 percent of the national farm income, sold for less in 1945 than it did in 1944.

The saddest, the most distressing part of this whole situation is that while the Secretary of Agriculture is stating to various groups that they should have more and more, he and his department

are telling the 6,000,000 American farmers, the 12,000,000 citizens that labor on the farms, that they can expect less per hour for their labor but they can expect to pay more for what they buy. What is a fair, acceptable amount? Should we have a set-up that tells one group of 6,000,000 farm owners that they are to have 15 percent less at a time they are supposed to be paying 10 percent more for what they buy? I just cannot figure out that kind of economics.

The time has come when the food producers of the Nation are entitled to have a little more to say about the programs that are being put into effect by the bureaucrats. The law at least should be followed.

Whether or not there is an incentive to justify expansion of the food producing acreage of our country depends on many factors; in fact, whether or not the acreage already under cultivation is all farmed or fully worked also depends on many factors, among which are the returns per hour for labor expended. The cities are showing increases in population, while our farm population is constantly being reduced. The hourly return for work per hour in the city or on the farm merits equal consideration.

At this point in the RECORD I shall include a table, a kind of a résumé of a study that has been made by Dr. Wiley Goodsell, covering the years from 1930 to 1940 of the different types of farming in different parts of the United States:

TABLE 3.—*Return per hour to all labor used, total labor used, typical family-operated farms, by type, 1930–40*

RETURN PER HOUR TO ALL LABOR USED

Calendar year	Dairy		Corn Belt				Spring wheat (Northern Plains)			Winter wheat (Southern Plains)		Cotton		
	Central New York	Southern Wisconsin	Cash grain	Hog-beef fattening	Hog-beef raising	Hog-dairy	Wheat-corn-livestock	Wheat-small grain-livestock	Wheat-roughage livestock	Wheat	Wheat-grain sorghum	Southern Plains	Black Prairie	Delta of Mississippi
	Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
1930	0.27	0.27	0.09	0.09	0.06	0.18	0.12	0.05	0.07	0.23	0.14	0.10	0.15	0.11
1931	.23	.04	−.04	−.04	0	.07	0	−.05	−.04	.01	.11	.10	.12	.11
1932	.10	.06	−.02	.02	.02	.06	−.01	−.02	.03	−.11	−.15	.13	.09	.08
1933	.14	.07	.19	.02	.07	.07	.04	.11	.05	.11	.07	.21	.15	.12
1934	.18	.09	.16	−.09	−.03	.09	−.06	−.02	−.04	0	.13	.02	.18	.20
1935	.29	.32	.28	.43	.31	.31	.29	.24	.20	.18	.19	.30	.22	.20
1936	.24	.24	.38	.09	.07	.21	.01	−.02	−.10	.32	.28	.17	.24	.25
1937	.25	.32	.25	.32	.23	.25	.20	.26	.15	.10	.32	.36	.22	.20
1938	.27	.25	.26	.26	.21	.23	.22	.14	.16	.20	.21	.26	.20	.19
1939	.22	.20	.33	.19	.18	.18	.31	.23	.23	.09	.36	.26	.25	.21
1940	.33	.29	.37	.29	.28	.22	.26	.25	.25	.24	.34	.31	.24	.20

During the war period farmers who were engaged in producing winter wheat received an hourly return quite comparable to what they would have received if they had worked in war plants. They received from $1.75 up to $2.05 an hour during the past 2 years. In central New York in the best dairy sections of the State of New York, the hourly return for the man who owned the farm and anyone who worked on his farm was 86 cents an hour. In southern Wisconsin on these selected farms, and do not think for a moment that these are averages, throughout the State, they received 83 cents an hour. These are only wartime returns. These hourly returns were based on what labor would receive per hour on a city job. There are two things about this, and one of them is they are not my figures; they were not made up by me, but were made up by a responsible bureau of the United States Department of Agriculture. The second thing is, do not say that they made a living off the farms because that is not a fact. The way these records are kept they have two columns, one for net cash and one for the net cash and the noncash returns. The figures I have used are the ones comparable to a city wage or the net cash plus the noncash returns. In other words, credit is given for rent, garden crops, and other farm benefits that are not enjoyed by city labor. These hourly returns indicate all the subsidies received by the farmers, such as AAA checks and so forth. This hourly return is for labor regardless of whether it was performed by the farmer himself, one of his family, or by hired help. There is nothing included in this hourly return for managerial services or experience. In other words, if he is a good operator and has the know-how, he just throws that in and gets his return in the form of hourly wages so far as these compilations are concerned. The 1945 hourly labor return in southern Wisconsin was 83 cents per hour and in 1939 the hourly return in southern Wisconsin was 20 cents on the same farms. The average on these selected farms in Wisconsin was 14 cents an hour.

Now, what does Dr. Wiley Goodsell's study show for 1939? That is the last year before we began to have the increase in prices before the war came along. The average cotton farmer in 1939 in Georgia received net cash plus noncash returns, that is, his whole income of 9 cents an hour. The net cash return was 3 cents an hour. You may be interested in knowing that when he went to town with 3 cents in his pocket, for every hour that he worked on his farm he received 2 of those cents from the United States Treasury as a subsidy payment.

In the Mississippi Delta, the cotton farmer in 1939, which you will remember as the seventh year of the more abundant life, received cash plus net cash income of 15 cents an hour with a net cash return of 7 cents an hour.

In Wisconsin, the typical dairy farmer in 1939, as I just told you, received 20 cents with a net cash return of 15 cents an hour.

Recently the following item appeared in many Wisconsin papers:

> Wisconsin farmers' return in cash amounts to four times the rate per hour in the wartime peak as it did in 1939—but the catch is they only received 14 cents per hour in 1939.

Mr. GWINN of New York. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I am pleased to yield to the gentleman from New York.

Mr. GWINN of New York. That accounts for the loose talk we hear about increased percentages for farmers and loose talk that they are getting along great in comparison with other people. Here is an editorial from the National Education Association, dated March 1946, saying that farm income has increased by 196 percent. I show it to the gentleman and would like to have him comment on it.

Mr. MURRAY of Wisconsin. That is the NEA. As far as the diagram is concerned, the diagram is probably factual, but that does not tell the whole story, nor give the real picture. The story is they start out with 1939 when farm prices were 30 to 70 percent of parity. So the fact that they have doubled in price does not mean anything, because that would not give any indication of what the farmer is entitled to by any means.

I might say that that table was used when they were promoting OPA. They used the 1939 figures and then they used the 1942 and 1943 figures to show how much increase there had been in the price of farm products. They forgot to tell that farm produce was bringing only probably 50 or 70 percent, or sometimes as low as 30 percent of parity in 1939.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. MUNDT. I am glad the gentleman from New York [Mr. GWINN], who is a valuable and active Member of the Committee on Education in this House, brought that rather astounding editorial from the National Education Association Journal into the discussion. It happens that I also saw that diagram and that same article in the National Education Association Journal. I was horrified to find in a professional magazine an article discriminating so obviously against rural America, because just a moment's reflection indicates, as the gentleman has so sagaciously pointed out, that while the diagram itself is actually correct, the story that it tells is

highly propaganda and highly colored against the farmers of this country. It takes a particular group of years when the farm prices were at an artificial or substandard level. I hope that the editor of the National Education Association Journal, or whoever is responsible for putting that slander against rural America in that journal, will correct it in a subsequent issue. I propose to send to that magazine the remarks and the figures introduced by the gentleman from Wisconsin so that they will have available to them downtown the true situation as it applies to agriculture generally.

Mr. MURRAY of Wisconsin. Will the gentleman in sending it to them just state it concisely by stating, in the humble opinion of the gentleman from Wisconsin, he thinks the man who presented this diagram was either balmy himself or he had taken too many sips out of the New Deal fountain of philosophy.

Mr. MUNDT. I will be glad to do that. I will send him the RECORD, and I know the gentleman will leave his remarks in the RECORD.

I think that professional journals, such as the NEA Journal, which includes membership of teachers from cities as well as the country districts, should be careful and be certain that New Deal propagandists do not insert their particular bias and prejudice into the pages of what should be a professional magazine, for this reason: The salaries of teachers in rural America are unfortunately much lower than they should be. One reason why those salaries are so low is because the income of the people living on the farms is so low. When a magazine which purports to raise educational levels tries to paint a picture indicating that the farmers are being overpaid, it is directly discriminating against teachers in the small towns and country schools of this country. I do not believe that a professional journal should discriminate against the teachers in small towns in rural America in favor of the teachers in the metropolitan areas and on the university campuses. For that reason, I will call the attention of the editor of the Journal to the fact that he come clean and correct that error dealing with raising educational levels throughout this country and not only in the congested population centers.

Mr. MURRAY of Wisconsin. It is apparent that teachers, and doctors, and other professional people will be attracted to locations where the hourly rate for labor is not the 5 to 10 and 15 cents per hour that prevailed in many rural sections from 1930 to 1940.

Mr. HILL. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. HILL. I have a question along the same line. The total aggregate income of the farmer does not mean that he is so prosperous that he has more money to spend than he ever had before, because of the fact that the corresponding expense of producing those crops has climbed even faster than the total income that the farmer has received. I will give you one illustration, and I am sure it will be an indication of what is happening all over the country.

Let us take farm labor for sheep herders, for instance. They are not the lowest, but one of the cheapest type of labor that we secure. What was the farmer paying in 1939? We are not discussing whether it was right or wrong or whether he should have paid more or less or whether he should have fed him more or fed him less. The question is, What was he paying in 1939 and 1940? The record will show he was paying from $40 to $65 a month. That, of course, includes board and keep. In 1943 and 1944 that had risen to as high as $175 a month.

Mr. MURRAY of Wisconsin. The answer to the sheep question, as near as I can figure it out, is that if someone does not do something for the sheep industry rather soon we will have to take our grandchildren to the zoo in order to see a sheep. There will not be any on the farms at the rate they have been decreasing the last few years. We have not anything like the number of sheep we had 50 years ago although we have some wonderful grazing lands.

Mr. SMITH of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. SMITH of Wisconsin. I am wondering if the gentleman can tell me if the so-called liberal group in this country have at any time risen in support of better return to the farming group in this country?

Mr. MURRAY of Wisconsin. They evidently are not much in sympathy with the Pace amendment. I make the observation and state that I have often wondered why these self-styled liberals would call our distinguished colleague the gentleman from Georgia [Mr. PACE], bad, bad names because he was trying to get a few cents more for the people of his district who receive from 9 to 18 cents per hour. They seem to be willing that other groups should have more increase in salary than the farm laborers in Georgia are getting at the present time for their labor. I might say that the Georgia figures for 1939 show, as I just said, 9 cents an hour. In 1945 the income for Georgia, as I remember, had gone up to 18 cents an hour. In South Carolina the rate for farm labor was 17 cents an hour. Up in Wisconsin the owners averaged probably between forty and fifty, but to be safe I would say between fifty and sixty, and the farm laborer in Wisconsin averaged 33 cents an hour or thereabouts in 1945. Frankly, I cannot see why we should not have constructive legislation to improve the hourly return to farm labor or the sharecroppers. The only way to increase the sharecropper's income is to allow his products to bring enough to provide him a fair hourly return. If we can legislate for the benefit of peoples all over the world, we surely could legislate for a few thousand sharecroppers if there were any real desire to do so.

Mr. SMITH of Wisconsin. Is it not a fact also that the income which the farmers are getting more than doubles by the time it is reflected back into the ordinary channels of industry and business?

Mr. MURRAY of Wisconsin. There is not any doubt about that. He does well to get half of what the consumer pays. I remember a year ago when we passed the OPA bill—some of you remember it, when we passed the Bates-Barkley bill. The Bates-Barkley bill guaranteed the packers a profit on every squeal of every pig that came into their slaughter plants, on every bleat of every lamb that came into their plants, or every blatt of every calf that came in, on every moo of every cow that came in, and every bellow of every bull that went through their plants. It carried overwhelmingly in this House and in the other body. Then we had the Wherry amendment. A peculiar thing was that the Wherry amendment which had for its purpose to see that the farmer should have cost of production for the produce he was producing to win the war, the Wherry amendment was voted down in this House and also voted down in the other body. So I figure that the rural people have a long, hard row to hoe, but we expect it, we are used to it. A few weeks ago we passed a bill providing a billion dollars to help folks who get up in the air so they could get a good place to land. Let me remind you that in this country there are still over 2,500,000 miles of dirt country roads, miry and difficult to use in the spring, and in many instances inadequate. So I figure that these rural people as a class have become used to being the last to be considered.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield.

Mr. H. CARL ANDERSEN. I feel, Mr. Speaker, that the gentleman from Wisconsin is doing a worth-while service to agriculture in promoting this discussion today. I presume he noticed in the CONGRESSIONAL RECORD of March 29 the comments of the Senator from Kentucky [Mr. BARKLEY], where Senator BARKLEY stated:

> As we all know, the President has repeatedly recommended minimum wage legislation. He recommended the fixing of the minimum at the 65-cent figure contained in this bill—

Speaking about the bill then under consideration in the Senate. Then Senator BARKLEY goes on to say:

> But he feels he is compelled, and he has authorized me to say to the Senate, that if the Pace amendment—

Which the gentleman knows would simply give parity to agriculture—

> as carried now in the Russell proposal is adopted by the Senate and comes to him as part of the legislation which we are now considering, he will be compelled to veto the measure.

In other words, does not my colleague from Wisconsin consider it strange that while the President is willing to accord to industrial labor the 65 cents minimum wage, later on to be increased to 75 cents per hour, he will not even give to agriculture recognition for the labor it has by today's standards when considering parity? Is that a square deal or is that the New Deal that we hear mentioned so frequently?

Mr. MURRAY of Wisconsin. So far as the minimum wage is concerned, I

come from a State where industry, business, and agriculture are pretty much equal, probably more so than in any State in the Union. You take 90 percent or more of the dairy farmers in that State realize that people must have an income of $22 a week if they are going to buy many dairy products. I will say, however, that I think the President should be in favor of legislation for the many and not for the few, and I think he should advocate straight, across-the-board increases in salaries. There is much merit to the resolution of our colleague from Oklahoma in which he asks the President to appoint a fact-finding committee to determine what the hourly return should be for agriculture. He could more acceptably find a worth-while recommendation from an agricultural fact-finding committee than he could expect from the fact finders that have been appointed for determining the wages of other groups. He could start with the Bureau of Economics of the Department of Agriculture. The President would be in position to know the facts. He could then appraise the Pace amendment in its right light. Just because some group tells him he should do it is not a good approach to the proposition. He must have some basis of fact to operate on. The agricultural fact-finding committee would give him these facts and he might be surprised when he obtained them too.

Mr. H. CARL ANDERSEN. The gentleman will perhaps recall that the Secretary of Agriculture came before our Subcommittee on Appropriations for Agriculture and his reply to a question which I asked of him as to what constituted a fair return to the 18 percent of the American people engaged in agriculture was to the effect that 9½ to 10 percent of the income of America was a fair return for that 18 percent of our population. Now, is that also in line with the thinking of the New Deal or would you call that a square deal, may I ask the gentleman?

Mr. MURRAY of Wisconsin. I do not know as I can answer that question directly. I may answer it by saying that it is a long process. This is not something that just sprung up during the last few minutes or few hours. That has always been the situation and it has always been a hard thing to correct. We have seen it in operation for many years. A good example of it is to note the many things that have been done in the name of agriculture that really did it harm, more harm than good. Further answering the gentleman's question, if I were Secretary of Agriculture I would be worrying about whether or not the farm people of this country were going to have another 5 to 10 cents hourly return for 9 years like from 1930 to 1940. In my particular State they did not average over 10 cents an hour during the period which included 2 years of the previous administration and 7 years of the more abundant life. Some people appear to want the 1939 farm prices back from the way they talk and act.

Mr. Speaker, I wish to place in the RECORD at this point a table to show exactly what has taken place on the basis of hourly return from subsidies. You may be interested in knowing that in some of the years during the thirties particular types of farming received as high as 23 cents an hour for not raising wheat. That was in the Southern Plains area. Now, of course, they have been kind of whittled down until they are down to 4 cents per hour. You will note that in 1945 the milk producers in Wisconsin received 10 cents an hour as a subsidy, based on the hours they put in, while in New York they received 14 cents an hour.

The table is as follows:

Estimated Government payments per hour of man-labor, typical family-operated farms, by type, 1935–45 [1]

Year	Winter-wheat farms, Southern Plains		Corn Belt farms				Dairy farms		Cotton farms		
	Wheat	Wheat grain sorghum	Hog-dairy	Cash grain	Hog-beef raising	Hog-beef fattening	New York	Southern Wisconsin	Delta of Mississippi	Southern Plains	Black Prairie
	Dollars	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*	*Dollars*
1935	0.22	0.22	0.04	0.05	0.04	0.06	(2)	0.01	0.03	0.06	0.05
1936	.21	.35	.03	.06	.04	.05	(2)	.02	.02	.05	.03
1937	.09	.20	.01	.02	.02	.01	0.01	.01	.01	.08	.02
1938	.10	.20	.01	.04	.02	.02	.01	.01	.04	.09	.06
1939	.23	.36	.03	.09	.04	.06	.01	.03	.05	.14	.08
1940	.18	.26	.03	.08	.04	.05	.01	.02	.06	.12	.08
1941	.20	.25	.03	.08	.04	.05	.01	.02	.05	.12	.08
1942	.19	.25	.03	.10	.04	.06	.01	.02	.02	.06	.03
1943	.16	.22	.03	.07	.04	.05	.03	.03	.02	.06	.03
1944	.05	.08	.01	.02	.01	.01	.13	.09	.01	.05	.01
1945 [3]	.04	.07	.01	.01	.01	.01	.14	.10	.01	.04	.01

[1] Total Government payments including dairy subsidy, divided by total hours of man labor used on the farm.
[2] Less than $0.01 per hour.
[3] Preliminary.
Division of Farm Management and Costs, Bureau of Agricultural Economics.

I think that is a part of this picture because we have to determine whether or not the people are going to have a fair return for their product or whether we are going to pay in the form of subsidies. Subsidies have really become a part of farm income and have reached a point where they are not a subsidy in some instances.

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from South Dakota.

Mr. MUNDT. I wonder if the gentleman could explain in a little more detail what he means by the farmer getting 23 cents an hour for not raising wheat. How would the gentleman determine, for example, how much an hour a farmer gets for not raising 10,000 bushels of wheat? I just cannot figure that out.

Mr. MURRAY of Wisconsin. During the thirties, though we imported more wheat for 2 years than we exported, we had a program of cutting down production, and in order to cut down production Wallace paid them money for not raising wheat, so the wheat growers must have had 23 cents an hour for not raising it. The wheat farmers did not have to worry about the 10,000 bushels, because they received 23 cents an hour for not raising it. But during the last 3 or 4 years it has been put on a different basis. Now it has been put more on a basis of paying him for doing something rather than on a basis of paying him money for not doing something.

Mr. MUNDT. If I remember the figures, Mr. Campbell, of Montana, during that period received $50,000 for not raising wheat; is that not correct?

Mr. MURRAY of Wisconsin. I cannot remember the amount, but I think he did pretty well for himself.

Mr. MUNDT. Can the gentleman tell us how many hours he spent for not raising wheat and getting $50,000?

Mr. MURRAY of Wisconsin. I cannot answer that question.

Mr. H. CARL ANDERSEN. Mr. Speaker, if the gentleman will yield further, the gentleman from Colorado was referring to going farm wages in that region of the United States. Does not the gentleman from Wisconsin feel that if the Government takes into consideration the fact that we in Minnesota, for instance, must pay from $100 to $125 a month, plus board and room, for a man, when 4 years ago we paid $47.50 a month, plus room and board, that there is a legitimate reason for farmers being forced to ask for an increase as far as figuring parity is concerned?

Mr. MURRAY of Wisconsin. The gentleman is correct. It has reached the point where it depends on whether people do or do not want food produced. But I will say to the gentleman from Minnesota that he has used reliable figures, because in 1939 this table shows that in Minnesota they paid $41.35 per month for farm labor, and in 1945, $99.25. The gentleman from Colorado, the Honorable WILLIAM HILL, surely did pretty well, because the table shows the average for his State of Colorado is $132 for 1945. Certain sheep herders might have received $175.

Mr. H. CARL ANDERSEN. The gentleman from Wisconsin, of course, realizes that I am not guessing as to the figures, because that is the exact amount that I have paid and am paying the men working on my farm in Minnesota.

Mr. MURRAY of Wisconsin. The following official tables show the monthly farm labor rates for 1939 and 1944 and 1945:

Annual average farm wage rates, by States 1944 and 1945

State	Per month without board	
	1944	1945
United States total	$76.06	$88.90
Alabama	42.00	47.50
Arizona	124.00	128.00
Arkansas	50.25	56.50
California	156.00	173.00
Colorado	103.00	119.00
Connecticut	109.00	119.00
Delaware	81.00	91.00
Florida	62.00	78.00
Georgia	39.25	44.75
Idaho	123.00	142.00
Illinois	83.75	95.75
Indiana	76.00	82.00
Iowa	92.00	107.00
Kansas	85.00	105.00
Kentucky	54.50	63.50
Louisiana	45.75	53.75
Maine	106.00	120.00
Maryland	70.00	81.00
Massachusetts	117.00	124.00
Michigan	90.00	99.50
Minnesota	85.00	99.25
Mississippi	41.00	48.00
Missouri	62.50	76.75
Montana	120.00	132.00
Nebraska	86.25	107.00
Nevada	115.00	150.00
New Hampshire	110.00	116.00
New Jersey	103.00	120.00
New Mexico	86.50	105.00
New York	96.50	110.00
North Carolina	52.00	58.00
North Dakota	87.00	107.00
Ohio	73.25	79.50
Oklahoma	69.00	83.00
Oregon	142.00	156.00
Pennsylvania	78.50	86.25
Rhode Island	119.00	125.00
South Carolina	38.00	42.50
South Dakota	92.50	107.00
Tennessee	45.75	53.50
Texas	71.50	87.25
Utah	131.00	140.00
Vermont	94.00	108.00
Virginia	55.25	62.00
Washington	146.00	165.00
West Virginia	54.00	65.00
Wisconsin	88.00	99.50
Wyoming	108.00	132.00

Annual average wage rates and average length of farm workday for hired workers, by States, 1939

State	Annual average wage rates, per month, without board	Average length of farm workday for hired workers	
		September	December
		Hours	*Hours*
United States	$35.82	10.1	9.3
Alabama	19.50	10.0	9.0
Arizona	55.00	9.5	9.0
Arkansas	23.60	9.9	8.9
California	70.20	9.2	8.9
Colorado	45.90	10.3	9.0
Connecticut	63.80	10.0	10.0
Delaware	37.60	10.0	9.2
Florida	26.60	9.3	9.0
Georgia	17.90	10.0	8.8
Idaho	53.70	10.0	9.0
Illinois	42.80	10.7	10.0
Indiana	37.70	10.0	9.2
Iowa	41.70	11.0	10.0
Kansas	35.50	10.8	9.0
Kentucky	29.10	10.0	9.0
Louisiana	22.80	9.7	9.0
Maine	47.10	9.5	9.5
Maryland	38.70	10.0	9.5
Massachusetts	62.10	9.9	9.9

Annual average wage rates and average length of farm workday for hired workers, by States, 1939—Continued

State	Annual average wage rates, per month, without board	Average length of farm workday for hired workers	
		September	December
		Hours	*Hours*
Michigan	$42.20	10.4	10.1
Minnesota	41.60	11.2	10.0
Mississippi	20.50	9.9	8.8
Missouri	31.30	10.2	9.1
Montana	54.20	10.5	9.0
Nebraska	35.40	10.8	10.0
Nevada	60.20	8.6	8.6
New Hampshire	55.00	9.3	9.3
New Jersey	53.60	9.8	9.8
New Mexico	43.30	10.0	9.0
New York	45.60	10.6	10.0
North Carolina	25.00	9.8	9.0
North Dakota	40.30	11.5	9.7
Ohio	39.00	9.9	9.5
Oklahoma	29.80	10.5	9.0
Oregon	53.50	9.5	9.0
Pennsylvania	41.70	10.0	9.7
Rhode Island	65.40	10.2	10.0
South Carolina	18.50	9.7	9.0
South Dakota	39.80	11.3	10.0
Tennessee	24.00	10.0	8.9
Texas	29.60	10.0	9.0
Utah	56.90	8.7	8.6
Vermont	47.70	10.7	10.7
Virginia	30.50	9.9	9.0
Washington	54.90	9.8	9.0
West Virginia	32.00	9.1	9.0
Wisconsin	41.40	11.4	10.8
Wyoming	52.80	9.8	9.0

Source: Bureau of Agricultural Economics.

In 1939 a person receiving $19.50 in Alabama for a month's work of 252 hours received 7 cents per hour and in 1945 received 18 cents per hour. Wisconsin in 1939 shows 14 cents per hour, and in 1945 33 cents per hour for farm labor. What does your State indicate?

Mr. MUNDT. Mr. Speaker, if the gentleman will yield, my congressional district adjoins the district of the distinguished gentleman from Minnesota, who is an actual dirt farmer himself. It happens that I was back in South Dakota over the week end, and in my home town of Madison, S. Dak., I was informed that the United States Employment Service has requests for 30 men to work on the farms, and the farmers had agreed to pay $100 per month and board and room, but still they were unable to get the men to work on the farms at that price. So obviously they will have to pay more than $100 or not produce food.

Mr. MURRAY of Wisconsin. That is right. It is something that is of public interest to every man, whether he lives in the city or wherever he lives.

Mr. MUNDT. Not only public interest but of world-wide importance in connection with this whole peace program.

Mr. MURRAY of Wisconsin. That is right.

Mr. MUNDT. I might say that just this afternoon I placed in the RECORD a petition of a large number of farmers in my State stating that they need two things if this food program is going to succeed. The first was that they had to have access to farm machinery and they had to have it quick. The second was, there must be an increase in the prices of their products, because farm labor was going up astonishingly high. We all agree we must do our part in feeding the world, because that is a direct measure toward peace. Consequently it is important to work out a Government policy encouraging the farmers to raise the food the world needs so badly today.

Mr. MURRAY of Wisconsin. I notice in the Wisconsin papers lately they are advertising farm machinery from Canada. I did not know they had any over there, but at least they are advertising it.

I included the tables showing the farm labor of all States so that if anyone wishes to figure it out for his own State he can readily do so.

In considering the whole study of hourly rates made by Dr. Goodsell in relation to the men who operate the farms, it would appear natural that the man who owns the farm would have it figured out so that he gets a higher return than the fellow he hires.

In conclusion, I wish to state that there are four factors that are important at this time in addition to the farm labor and machinery shortage.

First. The Cooley bill should be passed promptly. It will aid agricultural reconversion very materially.

Second. A minimum wage for agriculture should be provided by a permanent support price that will provide agriculture a minimum wage comparable to the minimum wage afforded other groups of our society.

Third. We must have an Agriculture Department that inspires the confidence of the rural people. We must insist that the promises made by the Agriculture Department be carried out and that all commitments be religiously fulfilled.

Fourth. The farmer must receive a return in keeping with his costs of producing, and these costs of producing are becoming higher and higher each day.

SPECIAL ORDER GRANTED

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent that on Wednesday, April 10, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Kansas [Mr. REES] is recognized for 15 minutes.

THE CIVIL SERVICE COMMISSION DOES NOT COMPLY WITH INTENT OF VETERANS' PREFERENCE ACT

Mr. REES of Kansas. Mr. Speaker, several months ago, I pointed out to Congress how the Civil Service Commission had issued rules and regulations which nullified congressional intent as expressed by the Veterans' Preference Act. At that time, I asked for the appointment of a veteran as a member of the Civil Service Commission. Again, I renew this request, because I now find that the Commission continues to prejudice the civil-service rights of veterans.

This deplorable situation is illustrated by a recent confidential interoffice Commission memorandum, dated December 7, 1945, which states that—

In the future the investigation and consideration of an appeal under section 14 of

the Veterans' Preference Act involving the reallocation downward of a position will not concern itself with the element whether or not the appellant (veteran) could have been assigned to another position carrying duties and responsibilities of his grade and compensation so that it would not be necessary to reduce him in rank or compensation.

This memorandum, which was signed by L. A. Moyer, executive director and chief examiner, by direction of the Commission, shows clearly that Civil Service Commission policy is directed against the best interests of the veteran. Because of its importance, Mr. Speaker, I ask unanimous consent to have the memorandum printed in its entirety following my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. What is the effect of such a policy? Let me illustrate by citing actual cases involving two veteran preference employees at the New York Navy Yard, which were brought to my attention by the Veterans of Foreign Wars. These two veteran engineers were shifted around, reallocated, and assigned new duties, until finally they were demoted from P–3 to P–2 positions—a reduction of $700 annually. No question was raised against their efficiency, and no one denies that they are qualified for P–3 work, or even higher. The only question was whether, under section 14, the Commission should allow the Navy Department to demote veterans while there were still over 100 nonveteran temporary or war-service employees occupying positions which could be filled by the veterans. In its December 7 memorandum, the Commission ruled that no consideration can be given this question. The net effect of this order is that a veteran may be virtually reallocated, reassigned, and demoted out of the Federal service in order that by administrative action protection may be afforded nonveteran, war-service appointees. This is a deplorable condition and must not be tolerated.

In case the veterans do not fully understand the effect of this ruling of the Civil Service Commission, allow me to clarify my illustration and extend it to the Government service as a whole. Today there are thousands of war-service temporary employees in the Government who entered the service during the war. Also, there are thousands of veterans who have just returned to their civil-service jobs, or have entered the service for the first time. Because of cuts in appropriations, and a consequent reduction in the size of Government employment to peacetime levels, many employees will be reduced in classification or eliminated entirely. Now the question is whether, under sections 12 and 14 of the Veterans' Preference Act, the Congress intended veterans to have a preferred status when it becomes necessary to reduce employees in grade, or eliminate them entirely from the Government service. I believe every Member of this House will agree with me when I say we intended that veterans not be discharged, eliminated, removed, demoted, classified downward, or their rights otherwise affected until all war-service, temporary, nonveterans were removed or demoted. The Civil Service Commission not only says we are wrong, but exercises its bureaucratic authority in accordance with its own opinions, notwithstanding the intent of Congress.

No one appreciates more than I do the invaluable and self-sacrificing patriotic service which many of our Government employees rendered during the war. They are entitled to every bit of credit that can be accorded them. However, there are, also, those radical and other elements in some of our Government departments and agencies, who still dominate in some quarters, and who are willing to "push the veterans around" by demotions, reclassifications, reallocations, reassignments, discharges, and all manner of administrative procedures. These unfair methods must be stopped.

I have today forwarded a letter to the Civil Service Commission, requesting copies of all orders, memoranda, and other interoffice communications which prescribe the manner in which veterans are to be treated under the Veterans' Preference Act passed by Congress. I ask unanimous consent to have this letter printed in the RECORD following my remarks. When an answer is received, I shall advise the Congress of its contents.

The SPEAKER pro tempore (Mr. COOPER). Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. On September 14, 1945, I introduced a bill, H. R. 4069, which would compel the Civil Service Commission to protect the veterans' civil-service rights in connection with reductions in force. Since that time, I have investigated further and have found the Commission violating, not only section 12, but also section 14 of the Veterans' Preference Act, which I have pointed out today. Therefore, I have enlarged the scope of my original bill to include provisions to make sure that veterans are definitely protected against illegal discrimination through demotions, reallocations, and reclassifications downward. I have today introduced a new bill covering all these points. It is similar to the original bill, H. R. 4069, except for the further protective features just mentioned. I am asking the chairman of the Civil Service Committee to set an early date for hearings.

I have discussed the problem with representatives of various veterans' organizations. They state they know something is wrong with respect to the administration by the Civil Service Commission of the Veterans' Preference Act, but that it is difficult to put their finger on it. When these agency and department officials want to eliminate veterans, they proceed to issue instructions which provide that any agency may demote or reclassify downward any veteran civil-service employee arbitrarily, and, in my opinion, illegally.

I have taken considerable time discussing this all-important subject, because I believe it goes to the heart of the entire Federal civil service. Civil-service officials appear before our congressional committees and state that large pay raises for Government employees are absolutely necessary, when, at the same time, in too many cases, legal rights of our veterans are prejudiced.

When, on other occasion, I pointed to the failure of the Commission to properly administer the Veterans' Preference Act, I was severely admonished by the Commission, who pointed to figures showing how many veterans had been given Government jobs during a certain period. I want it clearly understood that of the veterans who have secured positions in Federal service in the last 6 months, fully two-thirds secured their own jobs without the aid of the Commission, or were returning to the jobs which they left during the war. Furthermore, for the present, at least, the Commission has delegated all responsibility over recruiting to the departments and agencies. Since it is clear that the Civil Service Commission has failed in exercising its duties and functions under the Veterans' Preference Act, I sometimes wonder just what the Commission is doing, anyhow?

I, for one, raised no objection to recent increased appropriations for the Civil Service Commission for the coming fiscal year, because I was advised the major portion of the funds would be used in connection with aiding veterans and protecting their rights.

Since it is clear the Commission has not protected the civil-service rights of veterans as it should in too many cases, and since its history for the past 10 years has been one of delegation of authority to departments and agencies on vital matters ranging from qualifications to classifications, and in view of the number of veterans employed and seeking employment in Government, I think the time has come for President Truman to appoint an outstanding veteran as a member of the Commission. He should be a veteran who believes in a strong, well-policed merit system. The veterans of this country are entitled to it, and should have it. The Civil Service Commission should support such action by the President.

Our Civil Service, very unfortunately, has too much veneer, and is not a real civil-service merit system as people understand it to be. By reason of inefficiency in management, descrimination, and favoritism in too many of the agencies of our Government, we are drifting into a situation whereby we have a spoils system within our Civil Service that is growing and spreading in larger and larger proportions. The situation to which I have directed your attention today further illustrates this very thing.

DECEMBER 7, 1945.

To All Regions:

In May 1945, there was transmitted to all regions a copy of a letter, dated May 23, 1945, to the director of the twelfth region regarding the case of Mr. Frederick B. Courtney, an employee of the War Department, San Bernardino, Calif. The case of Mr. Courtney was an appeal under section 14 of the Veterans' Preference Act of 1944, from a reduction in salary resulting from the change of Mr. Courtney's position from graded to ungraded.

In that letter it was stated that with particular reference to appeals under section 14 involving allocations or reallocations resulting in reductions in rank or compensation, certain elements should be investigated and considered, including the element whether

or not the apppellant could have been assigned to another position carrying duties and responsibilities of his grade and the compensation so that it would not be necessary to reduce him in rank or compensation.

The Commission has recently reconsidered the elements which should be entered into in an investigation and consideration of an appeal under section 14 involving a reduction in rank or compensation as the result of the allocation or reallocation of a position. The Commission concluded that the rights of the preference-eligible employee who appeals under section 14 will be fully safeguarded and the provisions of section 14 will be fully met if the following elements are investigated and considered:

1. Whether the position has been correctly allocated. If the appellant does not question the allocation, this feature need not be gone into. The allocation feature has to do with the correctness or incorrectness of the allocation or reallocation of the position and the issue involved is fully a question of classification standards applicable to the duties and responsibilities of the position.

2. Any other matters pertinent to a determination as to whether an injustice has been done the appellant. Such matters may be that discrimination, prejudice, or bias entered into the action taken, that the employee was purposely assigned different duties and responsibilities so that it will become necessary to allocate his position downward, that the allocation was based on administrative action personal to the employee and not on the duties and responsibilities of the position and any other complaints set forth by the appellant.

Briefly, the only change in policy is that in the future the investigation and consideration of an appeal under section 14 involving the reallocation downward of a position will not concern itself with the element whether or not the appellant could have been assigned to another position carrying duties and responsibilities of his grade and compensation so that it would not be necessary to reduce him in rank or compensation.

This information is furnished you for your immediate guidance. Suitable material on this point will be inserted in the Manual of Instructions.

By direction of the Commission:

L. A. MOYER,
Executive Director and Chief Examiner.

Copies to Field Operations, Veterans' Service Section.

APRIL 2, 1946.

Mr. HARRY B. MITCHELL,
President, United States
Civil Service Commission,
Washington, D. C.

DEAR MR. MITCHELL: It will be appreciated if you will furnish me a copy of all regulations and any and all instructions which have been issued by the Civil Service Commission to its employees, regions, or divisions, or any department or agency of the Government, in connection with the administering of the Veterans' Preference Act, approved June 27, 1944, Public Law 359, Seventy-eighth Congress.

Sincerely,

EDWARD H. REES.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Dakota [Mr. ROBERTSON] is recognized for 30 minutes.

THE WHEAT SUPPLY

Mr. ROBERTSON of North Dakota. Mr. Speaker, the visible wheat supply in the United States on March 1, 1946, as reported by the Northwestern Miller for 20 principal milling centers and afloat, was only 47,000,000 bushels as against 103,000,000 bushels a year ago. Wheat in farm granaries in December 1945 was 22,000,000 bushels less than in December 1944, as reported by the Commerce Department survey.

The Government admits, says the Modern Miller, that shortage of railroad boxcars is the chief bottleneck on shipments of food grains and flour to feed Europe, and that this boxcar shortage will continue through the calendar year.

Mr. SAVAGE. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of North Dakota. I yield.

Mr. SAVAGE. I wonder if the gentleman was advocating that the Government should tell the railroads what they had to do. I think the railroads are to blame and not the Government, since the Government does not have control of the railroads in this instance.

Mr. BRADLEY of Michigan. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of North Dakota. I yield.

Mr. BRADLEY of Michigan. The point I should like to make is this: I understand that the railroads own these elevators at the railroad sidings. The policy of the Government is to force the funneling of that grain into railroad cars. As the gentleman from North Dakota [Mr. ROBERTSON] has pointed out, those cars are not available, but there are trucks driving the highways which could be impressed into hauling this grain to market and to the seaboard, but by some of our bureaucratic regulations those same trucks are not permitted to haul that grain. The Interstate Commerce Commission, if I am not mistaken, has the right to do it by law, but the Interstate Commerce Commission has not permitted those trucks to go to those elevators and take a load of this grain and carry it to the seaboard. That is the only proposition I am expounding.

Mr. SAVAGE. But the Government is not controlling the railroads, and it is not preventing the trucks from doing it. I would like to see the situation alleviated.

Mr. BRADLEY of Michigan. The Interstate Commerce Commission controls both the trucks and the railroads.

Mr. SAVAGE. But the railroads, of their own volition, are preventing the trucks from doing the job.

Mr. BRADLEY of Michigan. That is true, subject to regulation by the Interstate Commerce Commission. Is that not true?

Mr. ROBERTSON of North Dakota. That is correct. Let us intelligently ask this question—Has the farmer got any wheat left that he is holding back from Europe?

Perhaps he has. He has enough left for seed to plant the 1946 spring wheat crop, and enough to feed the farmer and his family and neighboring small towns of his home State from planting time to harvest, a probable period of 6 months. Were this not true, there would be no spring wheat harvest in 1946.

If the political propagandists had their way and the farm bins were drained of wheat now, the population of the world's hungry and starving would by wintertime be increased by a tremendous percentage, even in the United States.

If stabilization professes to mean anything, excepting political thinking, the time has arrived at spring planting time to—candidly—let the farmer alone. Give him the manpower and the machinery and the use of enough railroad boxcars at fair freight rates, and then grant him his liberty.

It is now nearly a year since the war was over in Europe and 6 months since we gained victory over Japan. We find now that we are faced with the problem of feeding the liberated countries together with our own folks, and how does our planned economy—and remember it was planned—now propose to meet the postwar food problem? Here are a few samples of the measures now offered in this year of decision:

First. Compulsory military training of youths, without provision for exempting farm boys who are needed to raise the crops to feed a starving world.

Second. An extension of the draft law into peacetime, again including the farm boys needed to produce the grain, dairy and livestock products, essential alike to producers and consumers to maintain the American standard of living and production, besides feeding the world.

Third. An added 18½ cents an hour for industrial workers over and above wartime high wages as an incentive to draw from the farm its already badly depleted hired workers.

Fourth. Strike waves and boosted price waves increasing farm production costs with Government price ceilings on what the farmer has to sell.

Fifth. Decreased production of farm machinery by withholding the necessary steel to make seeders and harvesters, threshing machines and farm tractors—a postwar supply of farm equipment more depleted than even existed during the 4 years of World War II.

Sixth. Government ignorance or lack of concern in the basic conditions always present in agriculture, namely, that the farmer is faced with a gamble of weather, rust, grasshoppers, unstable markets, and Government priorities. All of these are stacked against the success of the farmer.

You will all recall that before election in 1944, word went out that a flood of farm machinery was on the way. Where did it go? It never reached the farm. It probably was used in lend-lease. I have no particular objection here, except to say that even at that early date the farm machinery was becoming obsolete, the age of the average tractor being 10 to 11 years. Most surely this machinery did not go into the middle western farm sections where the wheat is grown, which is now called upon to empty its granaries to feed a foreign world.

Mr. BRADLEY of Michigan. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. BRADLEY of Michigan. I am very glad to have the gentleman bring out the question of farm machinery, because I recall here a few days ago on the floor—the gentleman from Illinois [Mr. SABATH], the dean of the House—and I respect him, I have the highest regard for him—stated that he thought the farmers' hours, day after day, had been

greatly shortened by the use of farm machinery. My information, however, is that we have some stupendous strikes still going on in the farm machinery industry that very effectively keep the modern farm equipment out of the market in addition to the fact that there are undoubtedly many thousands of farm tractors and other farm machines that the armed forces employed overseas in the making of these tremendous airports that were needed successfully to prosecute the war, machines that are still overseas and which are waiting to come back, but once they come back, their distribution through the Surplus Commodity Corporation to the farmers has not been satisfactorily handled to date.

Mr. ROBERTSON of North Dakota. The gentleman is right. Let me say further to the gentleman from Michigan that strikes have in large measure stopped the production of needed new machinery, and the machines already in use on the farms need repairs this coming year more than ever before, but again as a result of the strikes in the early quarter of the year it is most difficult to obtain spare parts; and broken and worn-out machines cannot be used without repair.

Mr. BRADLEY of Michigan. If the gentleman will yield further, the point I am trying to make is that unless and until the Federal Government definitely puts these farm machines back on the farms we shall not be able to meet our present domestic requirements, to say nothing of taking care of these glorified world demands that Uncle Sam is called upon to meet as usual.

Mr. ROBERTSON of North Dakota. The gentleman is correct. I heartily concur in his philosophy.

Let me make my case very clear—I register no objections to lending a helping hand to Europe in its state of hunger. I saw it all too plainly myself. These are factual conditions which must be met. My concern is—are we meeting other factual conditions that can be solved? What are the postwar prospects for farm machinery? The United States Labor Bureau recently reported in December 1945, that there was 10 percent less labor employed in the manufacture of farm machinery and tractors than in December 1944. Recent strike waves in the steel and steel products industries during the first quarter of 1946, and especially in the production of farm machinery, have cut the 1946 postwar production below even the low production of farm equipment during the 4 years of World War II.

So if some of these well-intentioned gentlemen bent on draining America of wheat to feed Europe will get down to realities, their first two steps should be to pass legislation to adjust strike waves and to see to it that the wheat growers are provided with machinery essential in this country rather than shipping the machinery to Europe.

The farm labor problem is just as acute as the farm machinery shortage. Available labor on American farms is approximately 40 percent less than it was 20 years ago.

Mr. BRADLEY of Michigan. Mr. Speaker, will the gentleman yield again?

Mr. ROBERTSON of North Dakota. I yield to the gentleman from Michigan.

Mr. BRADLEY of Michigan. The gentleman has just referred to this strike situation that we unfortunately have been facing in this country for many months. In my personal opinion, the first thing this Congress should do is to take the Government out of the labor-management picture as the definite fact-finding body, the judge, and the jury in settling labor-management disputes. Secondly, as was done so eloquently in the Senate last Friday, the Congress should insist that farm labor is entitled to the same hourly wages that anybody gets in industry. When that issue is before us on this floor I intend to support the fact that a farmer is entitled to the same hourly wage as any man working in industry.

Mr. ROBERTSON of North Dakota. I appreciate the gentleman's contribution and in a moment I hope to touch on that very point.

At the same time farm wages in this postwar period are 150 percent above the prewar level of 1935 to 1939. The recent strike wave which has resulted in a boost of 18½ cents an hour in the hourly wage rates of industry will have the effect to draw even more heavily upon farm labor to desert the agricultural field for high-paid jobs in mills and factories.

And thus we have this sorry spectacle, that in the year 1946 the farmer and his family—and in many cases without sons—must raise the wheat, first to feed America, and second to feed the starving world. Not within the memory of man before the present postwar era has the farm and the food production of America rested upon the labor of men over 65 years of age and children under 14 years of age. Our old men and children are now asked by the exponents of the planned economy to work early and late to feed not only America but much of starving Europe and parts of Asia and Africa.

Just the other day the Land O' Lakes Creamery farm-owned stockholders, a large cooperative dairy association in the Northwest, held a convention to petition Congress and the President to call a halt to the draft of farm boys in peacetime. They reported that the 1946 induction of farm youth into military service made it more difficult to secure needed farm labor now than during the war.

The second demand of the farm cooperative upon the Government was an allotment of materials for manufacture of farm machinery.

The third demand upon the Government was for the OPA to remove the ceilings which prevent the free flow of farm products according to the natural law of supply and demand.

In short, they did the very intelligent thing of calling upon the Government to let the farmer alone and return to him his commercial freedom to feed the world. The same demand made by this cooperative is and can be made by the wheat growers, the livestock growers—in fact, by all agriculture.

In Colonial times, five generations ago, the check upon the freedom of the American farmer to produce and market his crop came from abroad. Today it seems to come from the very Government which the farmers helped to put in power. It comes from a Federal bureaucracy which commands the farmer to feed the world, and at the same time deprives him of the manpower, the machinery and the freedom to carry on with full efficiency the work necessary to feed the hungry.

Imagine the strange commentary in the Nation when the President serves notice through his leader, Senator ALBEN W. BARKLEY, that any legislation that revises the parity formula to include farm wages will be vetoed. And yet only a few weeks ago under the force of the President's office, the great Chester Bowles increased the price of steel to raise the wages of labor in conformance with the President's demand.

A picture of this bureaucracy appears in the current issue of Liberty magazine in an article by Senator BYRD, chairman of the Joint Senate and House Committee on Federal Economy, bearing the significant head "Let's stop the gravy train."

He tells us that the last total of Federal employment in 1946 was 3,155,192. This is more than all the hired labor employed on American farms—this farm labor which the Federal Government now calls upon to feed the world.

The Department of Agriculture finds less than 3,000,000 hired farm workers. More than three-fourths of all the farm work is done today by family workers. And the sons of farmers, the boys who handle the machinery, are being drafted into military service in peacetime. Think of the fact that there are more hired workers hired to farm the United States Treasury than to harvest the crops to feed the hungry world.

Senator BYRD, chairman of the Joint Economy Committee, is of the belief that the Federal Government would be more efficiently run if the pay roll were cut in half with an annual saving of $5,000,000,000. If a million Federal employees were taken from the public pay roll and given farm work, and peacetime draft of farm boys brought to a halt, the farmers of America might have the required manpower to fill the postwar orders for increased foods.

If, in addition to this manpower aid, the Federal Government had the backbone to assist the Congress to pass legislation to check the strike waves and provide the steel for making the necessary farm machinery, the farmers then would be able to raise and harvest the crops necessary to feed the world.

But even a third step is necessary. Take this paralyzing Federal arm off the farmer and off all the activities necessary to the production, transportation, distribution, and marketing of American food, and of the food which we hope to ship to the hungry abroad.

Our present predicament in setting out to feed a hungry world when we have insufficient farm manpower and machinery to feed properly our own people would never have happened had the Government listened to some degree to the farmers. The Secretary of Agriculture kept saying for months and months through the war, "Food will win the war and food will write the peace." But the Government itself never did anything about it. The Government continued to

draft farm boys and cut down farm machinery production when a sane and sound war program would have included food production.

I feel the farm was just as necessary as the factory to the boys on the firing line. The quartermaster who looks out for the grub is just as necessary to victory as the officer who shouts "March." A priority against the farmer who needs a machine to cut the wheat is just as serious to the life and vigor of the marching troops as a priority against any munitions producer.

My State, which during the 4 years of the World War, has been one of the country's largest wheat producers with an average yearly yield of 150,000,000 bushels of No. 1 hard wheat, lost through war and migration to war industries somewhere between 12½ and 16.4 percent of its total population. There are 10 North Dakota counties which in the first 2 years of the war lost from between 20 to 33 percent of their 1940 population.

You will all recall that North Dakota was discriminated against by the Government, one of—if not the only—State in the Union receiving no war contracts to employ its boys and girls at home. And in the face of this fact the State was called upon not only to give its boys and girls to the service, but was not allowed farm machinery and tractors for the necessary maximum production of food. And still in the face of it all, following this national discrimination, it stands high in the record of the States of the Union in the buying of bonds.

The proposed extension of the draft, without exemption of farm youth, will positively cut down the tonnage of food, which both Mr. Hoover and LaGuardia say is required for us to save starving Europe.

If we are going on to draft the sons of the farmers now at spring-wheat planting time, while what boys are left are driving the seed drills, this Government will give to the world a demonstration of the kind of brains we have had here in support of this hypocritical pretense—food will win the war.

The distance between the mid continent wheat fields where wheat planting is going on now and the White House is just about half as far as it is from the White House to hungry Europe. Is it not possible for our Government to visualize the fact that a boy—say in North Dakota—cannot at the same time drive a seed drill and do military work under direction of an officer. If we must have wheat to feed Europe, why not let the farm boys alone? Let the farmers themselves alone and they will produce the food necessary. They did an excellent job during the war with every conceivable handicap.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. ROBERTSON of North Dakota. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I agree with the gentleman that it is very important to increase the pay for the agricultural people. It is the only way and I think the only inducement there will be for the veterans to go back to the farms. They would like to go back but they feel the pay is so low. I think the gentleman is making a very splendid contribution and I hope he will be successful.

Mr. ROBERTSON of North Dakota. I as heartily in accord with the gentlewoman's views, and I think that is very necessary.

Mrs. ROGERS of Massachusetts. And I also understand that the Committee on Expenditures reported out a bill the other day that gives the veterans priorities, as the gentleman knows, on various surplus commodities. I introduced a bill, and I do not know whether it is my bill or somebody else's bill, but I know the gentleman is very heartily in favor of that.

Mr. ROBERTSON of North Dakota. I am very much in favor of that.

EXTENSION OF REMARKS

Mr. REES of Kansas asked and was given permission to extend his remarks in the RECORD and include a table.

UNKNOWN SOLDIER

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, on yesterday the Price bill was reported out of the Committee on Military Affairs, which bill provides for the bringing home of the remains of an unknown soldier who lost his life while serving overseas in the United States military forces during the second war. Last autumn I introduced two bills which went to the Committee on Military Affairs, and they provided for the bringing back of two unknown warriors, one who served in the European theater of war and the other in the Pacific theater of war.

Mr. Speaker, I am going to try to have the bill amended or a bill similar to mine, which was introduced by Senator JOHNSON, passed in the Senate. It seems to me that we ought to have the two bodies buried in Arlington Cemetery, with appropriate honors, alongside of the World War I hero who is buried there. My idea was that they should take an unknown hero, a marine or sailor, who lost his life in the Pacific theater, since our Navy was so much in evidence there, and perhaps a soldier from the European theater. I asked for a hearing before the Committee on Military Affairs last November and was promised one, but was never called. The Navy reported favorably on my bill and said that the Bureau of the Budget had no objection to the passage of the measure. I hope that the Price bill or the Johnson bill, which is similar to mine, will pass in the Senate, because I think we should honor one hero from the Pacific and one from the Atlantic theater of war to lie on either side of the grave of the unknown soldier of World War I.

Mr. Speaker, I spoke to the gentleman from Washington [Mr. JACKSON] who held the hearings on the civil-service Federal salary pay increase, and also the gentleman from Kansas [Mr. REES], minority member on that committee, and the chairman of the committee, the gentleman from West Virginia [Mr. RANDOLPH], regarding the fact that the doctors and the nurses and the dentists, and so forth, in the Veterans' Administration, would not come under the provisions of the pay-raise bill. An amendment will have to be offered, and all three, Mr. RANDOLPH, Mr. JACKSON, and Mr. REES, said that they would accept an amendment which would give the added increases to them. I shall offer an amendment. It is essential to pay adequately the personnel who are to care for our disabled veterans.

Mr. BRADLEY of Michigan. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Michigan.

Mr. BRADLEY of Michigan. I think our congressional secretaries should also be included in that raise.

Mrs. ROGERS of Massachusetts. I agree with the gentleman. I understand they are included in it.

Mr. BRADLEY of Michigan. I do not believe so. I think the bill is confined to civil-service employees. If that is true, I intend to offer an amendment to bring our congressional secretaries and all the clerks, the page boys, and everybody in the employ of the legislative branch within the bill.

Mrs. ROGERS of Massachusetts. They are very much overworked at the present time; in fact, they are worn out.

Mr. SPARKMAN. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Alabama.

Mr. SPARKMAN. May I say that the chairman of the subcommittee that considered the bill, the gentleman from Washington [Mr. JACKSON], has assured me that legislative employees are included in the bill.

Mrs. ROGERS of Massachusetts. That is my understanding, and I am delighted to have it confirmed.

Mr. BRADLEY of Michigan. Do I correctly understand that it includes the page boys and everybody else in the legislative branch?

Mr. SPARKMAN. I believe it includes all legislative employees.

Mr. BRADLEY of Michigan. I thank the gentleman.

Mrs. ROGERS of Massachusetts. It should include all legislative employees. If an amendment is necessary, I shall support it.

REPUBLICAN POLICIES

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, within the last several days I have noticed in the newspapers and have heard over the radio that a gentleman who may possibly be a Republican Presidential candidate in 1948, former Gov. Harold Stassen, of Minnesota, claims

to have been appointed the chairman or sponsor of a Republican forum to set forth weekly Republican Party views on coming issues. Seemingly, based on literature I have received from him in my office bearing the address of the Republican National Committee, he professes to be sponsored by the Republican National Committee. He has outlined a program to be discussed each week on, for instance, What should be our policy toward Moscow? What should be our labor policy? and so forth.

I want to say this as one Republican Member of Congress, duly elected by the registered electors of our own district. I do not now and I never have subscribed to the theories or the policies of one Harold E. Stassen, and I serve notice now that I protest his usurpation of the right to speak for the Republican Party.

I call upon our newly elected chairman, the gentleman from Tennessee, the Honorable B. CARROLL REECE, to own him or disown him. Surely, no discredited past nor no professed actively interested future candidate for the Presidential nomination should thus be permitted to obviously become a self-starter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. STOCKMAN, for Tuesday and Wednesday, on account of important business.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1657. An act to amend Public Law 779 of the Seventy-seventh Congress, entitled "An act to provide for furnishing transportation for certain Government and other personnel necessary for the effective prosecution of the war, and for other purposes," approved December 1, 1942, and for other purposes; and

S. 1739. An act to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of fires which occurred at various Navy shore activities.

ADJOURNMENT

Mr. CARNAHAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 58 minutes p. m.) the House adjourned until tomorrow, Wednesday, April 3, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will meet at 10:30 a. m. on Wednesday, April 3, 1946, to consider private bills.

COMMITTEE ON IRRIGATION AND RECLAMATION

The Committee on Irrigation and Reclamation will continue hearings on H. R. 5124, on Wednesday, April 3, 1946, at 10 a. m., in room 328, Old House Office Building. The hearings will continue through Thursday, April 4, and probably through Friday, April 5.

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

The Committee on the Merchant Marine and Fisheries will hold a public hearing Thursday, April 4, 1946, at 10 a. m., to consider the bill, H. R. 5892, providing for a medal for service in the merchant marine during the present war.

COMMITTEE ON RIVERS AND HARBORS

Revised schedule of hearings on the omnibus rivers and harbors authorization bill to start Tuesday, April 9, 1946, at 10:30 a. m., is as follows:

Tuesday, April 9

Portland Harbor, Maine.
Fall River Harbor, Mass.
Wickford Harbor, R. I.
New Haven Harbor, Conn.
Bridgeport Harbor, Conn.
Stamford Harbor, Conn.
Barnegat Inlet, N. J.
Absecon Inlet, N. J.
Delaware River, Biles Creek, Pa.

Wednesday, April 10

Sacramento River, Calif., deep water ship channel.

Thursday, April 11

Schuylkill River, Pa.
Middle and Dark Head Creeks, Md.
Mattaponi River, Va.
Newport News Creek, Va.
Norfolk Harbor, Va.
Savannah Harbor, Ga.
St. Johns River, Fla., Jacksonville to Lake Harney.
Hollywood Harbor (Port Everglades), Fla.
Withlacoochee River, Fla.

Friday, April 12

Sabine River, Adams Bayou, Tex.
Sabine-Neches Waterway, Tex.
Trinity River below Liberty, Tex.
Mill Creek, Tex.
Aransas Pass, IWW, Tex.
Brazos Island Harbor, Tex.

Monday, April 15

Franklin Canal, La.
Mermentau River, La.
Lake Charles Deep Waterway, La.
Plaquemine and Morgan City route, Louisiana.
Red River below Fulton, La.

Tuesday, April 16

Cumberland River, Tenn. and Ky.
Big Sioux River, S. Dak.
Mississippi River Seepage, Iowa, Minn., and Wis.
Mississippi River at Lansing, Iowa.
Mississippi River at Wabasha, Minn.
Mississippi River at Lake Pepin, Minn.
Mississippi River at Hastings, Minn.

Wednesday, April 17

Fairport Harbor, Ohio.
Cleveland Harbor, Ohio.
Great Lakes connecting channels, Michigan.
Calumet-Sag Channel, Ind. and Ill.
Chicago River, north branch of Illinois.
Napa River, Calif.
Coos Bay, Oreg.
Columbia River at Astoria, Oreg.
Columbia River at The Dalles, Oreg.
Columbia River, Foster Creek Dam, Wash.

Monday and Tuesday, April 29 and 30

Arkansas River, Ark. and Okla.

Wednesday and Thursday, May 1 and 2

Tombigbee-Tennessee Rivers.

Monday and Tuesday, May 6 and 7

Big Sandy River, Tug and Levisa Forks, Va., W. Va., and Ky.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1185. A letter from the Secretary of the Treasury, transmitting the Annual Report of the Secretary of the Treasury on the state of the finances for the fiscal year ended June 30, 1945 (H. Doc. No. 409); to the Committee on Ways and Means and ordered to be printed, with illustrations.

1186. A letter from the Director, Bureau of the Budget, transmitting, as required by the Federal Employees Pay Act of 1945 (Public, No. 106, 79th Cong.), the third quarterly report of personnel ceilings as determined and fixed by him, pursuant to section 607 of the act, for the quarter ending March 31, 1946; to the Committee on the Civil Service.

1187. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill for the relief of certain members of the Yakutat Cooperative Market; to the Committee on Claims.

1188. A letter from the Chairman, Reconstruction Finance Corporation, transmitting report of its activities and expenditures for the month of December 1945; to the Committee on Banking and Currency.

1189. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of $3,860 for the legislative branch, House of Representatives (H. Doc. No. 521); to the Committee on Appropriations and ordered to be printed.

1190. A communication, from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1947 in the amount of $4,239,047 for the legislative branch, Library of Congress (H. Doc. No. 522); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BATES of Kentucky: Committee on Rules. House Resolution 580. Resolution providing for the consideration of H. R. 5059, a bill to provide for temporary additional compensation for postmasters and employees of the postal service; without amendment (Rept. No. 1837). Referred to the House Calendar.

Mr. HOBBS: Committee on the Judiciary. H. R. 5924. A bill to enable debtor railroad corporations, whose properties during a period of 7 years have provided sufficient earnings to pay fixed charges, to effect a readjustment of their financial structure without further proceedings under section 77 of the Bankruptcy Act, as amended; without amendment (Rept. No. 1838). Referred to the Committee of the Whole House on the State of the Union.

Mr. SABATH: Committee on Rules. House Resolution 576. Resolution providing for the consideration of H. R. 5939, a bill to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes; with amendment (Rept. No. 1839). Referred to the House Calendar.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1840. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BULWINKLE: Committee on Printing. House Resolution 578. Resolution authorizing the printing of additional copies of House Report No. 1677, current session, entitled "The Use of Wartime Controls During the Transitional Period," for the use of the Special Committee on Postwar Economic Policy and Planning; without amendment (Rept. No. 1841). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 581. Resolution providing for the consideration of H. R. 5244, a bill to authorize the appointment of additional foreign-service officers in the classified grades; without amendment (Rept. No. 1842). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HARNESS of Indiana:

H. R. 5963. A bill to provide no criminal or civil liability for acts done or omitted in good faith in accord with regulations, orders, and rulings of Federal departments and agencies, and for other purposes; to the Committee on the Judiciary.

By Mr. HINSHAW:

H. R. 5964. A bill to provide for erecting a monument or memorial to Albert Abraham Michelson upon the grounds of the United States Naval Academy at Annapolis; to the Committee on Naval Affairs.

By Mr. LANDIS:

H. R. 5965. A bill to amend section 2 of the Emergency Price Control Act of 1942, as amended, with respect to maximum prices in the case of canned or processed agricultural commodities which are the products of seasonal canning or processing; to the Committee on Banking and Currency.

By Mr. JONKMAN:

H. R. 5966. A bill to amend the Social Security Act, as amended, so as to change the age for old-age and survivor benefits from 65 to 60; to the Committee on Ways and Means.

By Mr. JUDD:

H. R. 5967. A bill to increase family allowances under the Servicemen's Dependents Allowance Act of 1942; to the Committee on Military Affairs.

By Mr. ANDREWS of New York:

H. R. 5968. A bill to provide that there shall be no liability for acts done or omitted in accordance with regulations of the Director of Selective Service, and for other purposes; to the Committee on Military Affairs.

By Mr. CLIPPINGER:

H. R. 5969. A bill to authorize a preliminary examination and survey of Lost Creek, Hamilton and White Counties, Ill., for flood control, for run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

By Mr. KEOGH:

H. R. 5970. A bill to permit the members and stockholders of charitable, educational, and religious associations incorporated in the District of Columbia to vote by proxy or by mail; to the Committee on the District of Columbia.

By Mr. SOMERS of New York:

H. R. 5971. A bill to reenact and amend the organic act of the United States Geological Survey by incorporating therein substantive provisions confirming the exercise of long-continued duties and functions and by redefining their geographic scope; to the Committee on Mines and Mining.

By Mr. SPARKMAN:

H. R. 5972. A bill to extend the Selective Training and Service Act of 1940, as amended, until May 15, 1947, and for other purposes; to the Committee on Military Affairs.

By Mr. THOM:

H. R. 5973. A bill to authorize the Secretary of Agriculture to assist in increasing lumber production, and for other purposes; to the Committee on Agriculture.

By Mr. McGLINCHEY:

H. R. 5974. A bill relating to the reappointment of warrant officers (junior grade) of the Regular Army who served during World War II as commissioned officers; to the Committee on Military Affairs.

By Mr. PIÑERO:

H. R. 5975. A bill to amend the Nationality Act of 1940 to preserve the nationality of a citizen born in Puerto Rico who resides abroad; to the Committee on Immigration and Naturalization.

By Mr. TALLE:

H. R. 5976. A bill to promote the conservation of wildlife, fish, and game, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. CHELF:

H. R. 5977. A bill to incorporate the Veterans' Flying Association of America; to the Committee on the Judiciary.

By Mr. HOBBS:

H. R. 5978. A bill to amend section 113 (b) (1) (B) of the Internal Revenue Code with respect to the adjustment of the basis of property for depreciation, obsolescence, amortization, and depletion; to the Committee on Ways and Means.

By Mr. REES of Kansas:

H. R. 5979. A bill to provide for the protection of veterans and career-service employees in connection with reductions in force in the Federal service; to the Committee on the Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 5980. A bill for the relief of Mike Clipper; to the Committee on Claims.

By Mr. ELSAESSER:

H. R. 5981. A bill for the relief of the estate of W. Paul Dearing, deceased; to the Committee on Claims.

By Mr. HAVENNER:

H. R. 5982. A bill for the relief of George Chan; to the Committee on Immigration and Naturalization.

By Mr. JUDD:

H. R. 5983. A bill for the relief of Masao Omachi and Mrs. Tsuku Omachi; to the Committee on Immigration and Naturalization.

By Mr. O'NEAL:

H. R. 5984. A bill for the relief of the estate of Clemens P. Theisen and for the relief of Louis G. Theisen; to the Committee on Claims.

By Mr. ROE of New York:

H. R. 5985. A bill for the relief of Mrs. Margaret K. Cahn; to the Committee on Claims.

By Mr. SMITH of Virginia:

H. R. 5986. A bill for the relief of Georgios Andreas Apostolopoulos; to the Committee on Immigration and Naturalization.

By Mr. TIBBOTT:

H. R. 5987. A bill for the relief of Joseph M. Henry; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1753. By Mr. CHURCH: Petition of Charles T. Knudsen and other railroad employees of Chicago and suburbs, urging an amendment to House bill 1737, providing for a 30-year pension—or 60 years of age at $150 a month—two-thirds for the widow, providing she is 55 years of age and does not marry; to the Committee on Interstate and Foreign Commerce.

1754. By Mr. HART: Petition of H. C. Fredericks Ship, No. 5653; Charles Cushing Post, No. 14; Camptown Post, No. 1941; and Sgt. J. W. Hennessey Post, No. 712; all of Essex County (N. J.) Council, Veterans of Foreign Wars, protesting against housing bill as passed by the House of Representatives, and urging that said bill be recalled from the Senate and that the original Wyatt housing bill be passed and enacted into law; to the Committee on Banking and Currency.

1755. By Mr. MUNDT: Petition of Norman Bass and farmers of South Dakota, asking for assistance in increasing food production by increasing supply of farm machinery and raising prices on farm products; to the Committee on Banking and Currency.

1756. By the SPEAKER: Petition of the board of directors, Dallas Cotton Exchange, petitioning consideration of their resolution with reference to approval of the British loan; to the Committee on Banking and Currency.

SENATE

WEDNESDAY, APRIL 3, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met in executive session at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Father of all mankind, together we pause at this appointed time to behold in the still clear waters of the morning the steadying vision of Thy eternal goodness. In a day when all we value most seems so often to be at the mercy of all we value least, so direct Thy servants who here serve the Republic that the best which is expected of them and of which their dedicated faculties are capable may be brought to bear, without fear or favor, upon the confused issues of this critical day. Grant us such resolution in striving for a peace built on justice and decency and on the respect and the rights of nations, great and small, and such courage and patience in defending these high principles, despite any disheartenment, that the children of coming generations shall rise up and call us blessed. In the dear Redeemer's name. Amen.

ATTENDANCE OF A SENATOR

ROBERT F. WAGNER, a Senator from the State of New York, appeared in his seat today.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, April 2, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 286. An act for the relief of James F. Desmond;

S. 976. An act for the relief of the estate of Howard Francis Waldron;

S. 983. An act for the relief of A. F. Crawford;

S. 1184. An act for the relief of A. L. Clem and Ada M. Bryant;

S. 1319. An act for the relief of Mrs. Alice Condon;

S. 1411. An act for the relief of Alfred Osterhoff, doing business as Illini Reefer Transit, Champaign, Ill.;

S. 1504. An act for the relief of Edith Roberta Moore;

S. 1609. An act for the relief of Catherin Gilbert;

S. 1622. An act for the relief of Gordon Cole Hart;

S. 1627. An act for the relief of Mrs. Isabel N. Mifflin; and

S. 1840. An act for the relief of the Danvers Shoe Co., Inc.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 58) relative to representation of the Congress at a meeting of the Empire Parliamentary Association at Bermuda in June 1946.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1072. An act for the relief of Henry R. Butler;

H. R. 1229. An act for the relief of Mrs. Mary M. Wolf;

H. R. 1345. An act for the relief of David M. Matteson;

H. R. 1394. An act for the relief of William H. W. Komp;

H. R. 1642. An act for the relief of Edith Popwell;

H. R. 1782. An act for the relief of Ida F. Braun, Alice Braun Menges, and Carl J. Braun, individually and as executors of the estate of Hedwig W. Braun, deceased, and as legatees and beneficiaries of the will of Hedwig W. Braun, deceased, and as the sole parties in interest by succession under the last will and testament of Hedwig W. Braun, deceased, and under the last will and testament of Herman W. Braun, deceased;

H. R. 1852. An act for the relief of R. H. White Transfer & Storage Co., of Nashville, Tenn.;

H. R. 1919. An act for the relief of Mrs. Maud M. Wright and Mrs. Maxine Mills;

H. R. 2188. An act for the relief of George W. Bailey;

H. R. 2569. An act for the relief of Daphne Webb;

H. R. 2576. An act for the relief of William F. Schmeltz;

H. R. 2665. An act for the relief of Acchille Guillory and Olivia Guillory;

H. R. 2747. An act for the relief of George A. West;

H. R. 2926. An act for the relief of Mrs. Alice Breon;

H. R. 2973. An act for the relief of Ben Thomas Haynes, a minor;

H. R. 3007. An act for the relief of Russell F. Taylor;

H. R. 3125. An act for the relief of Lovie M. Trotter;

H. R. 3160. An act for the relief of George Corenevsky;

H. R. 3341. An act for the relief of J. E. and Minerva Mitchell, and Rosie Monroe;

H. R. 3378. An act for the relief of Dr. John A. Logan;

H. R. 3432. An act for the relief of J. W. Edgerly & Co.;

H. R. 3434. An act for the relief of Belmont Properties Corp.;

H. R. 3506. An act for the relief of Mary A. Wallis;

H. R. 3512. An act for the relief of Willie Lam and Edgar Lam;

H. R. 3676. An act for the relief of Pershing W. Ridgeway;

H. R. 3770. An act for the relief of Lyndon T. Montgomery;

H. R. 3781. An act for the relief of Mabel M. Fischer;

H. R. 3822. An act for the relief of the estate of Charles M. Overcash, deceased;

H. R. 4141. An act for the relief of Piombo Bros. & Co.;

H. R. 4244. An act for the relief of Fundador Nieves del Valle;

H. R. 4352. An act for the relief of Ola L. Wright, Mrs. Margaret Wright, and the legal guardian of Betty Bea Wright, a minor;

H. R. 4405. An act for the relief of John Bakelaar;

H. R. 4491. An act for the relief of Vertie Bea Loggins;

H. R. 4600. An act for the relief of the estate of Patsy Ann Maheux, deceased;

H. R. 4616. An act for the relief of the Maryland Sanitary Manufacturing Corp. of Baltimore, Md.;

H. R. 4633. An act for the relief of John B. Clausen;

H. R. 4640. An act for the relief of Gladys Hastings;

H. R. 4716. An act for the relief of Charles B. Borell;

H. R. 4723. An act for the relief of John M. Shipp;

H. R. 4777. An act for the relief of the Sawtooth Co.;

H. R. 4800. An act for the relief of Harry Fleishman;

H. R. 4832. An act for the relief of Stanley B. Reeves and Mrs. Stanley B. Reeves;

H. R. 4833. An act for the relief of the estate of Robert Lee Blackmon;

H. R. 4836. An act for the relief of Louis M. Drolet;

H. R. 4854. An act for the relief of Mrs. Pearl Smith;

H. R. 4885. An act for the relief of Ernst V. Brender;

H. R. 4904. An act for the relief of Cleo D. Johnson and Mr. and Mrs. Jack B. Cherry;

H. R. 4920. An act for the relief of the estate of Curtis Wilson, deceased;

H. R. 4976. An act for the relief of Mrs. Catherine Fortunato;

H. R. 4977. An act for the relief of Mrs. Theresa Ebrecht;

H. R. 4997. An act for the relief of Ernest I. Wade and Alma Wade;

H. R. 5059. An act to provide additional compensation for postmasters and employees of the postal service;

H. R. 5149. An act to govern the effective dates of ratings and awards under the Veterans' Administration revised Schedule for Rating Disabilities, 1945, and for other purposes;

H. R. 5200. An act for the relief of Anthony (Tony) Di Ina;

H. R. 5208. An act for the relief of Michael J. Keaveney and Mary C. Keaveney;

H. R. 5278. An act to legalize the admission to the United States of Virginia Harris Casardi;

H. R. 5307. An act for the relief of Ben V. King;

H. R. 5598. An act for the relief of Giovanni Camera;

H. R. 5634. An act for the relief of Mrs. Masuyo (Marjorie) Sudo Cromley;

H. R. 5664. An act for the relief of Oscar R. Steinert; and

H. R. 5744. An act to incorporate the Civil Air Patrol.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on April 2, 1946, he presented to the President of the United States the following enrolled bills:

S. 1657. An act to amend Public Law 779 of the Seventy-seventh Congress, entitled "An act to provide for furnishing transportation for certain Government and other personnel necessary for the effective prosecution of the war, and for other purposes," approved December 1, 1942, and for other purposes; and

S. 1739. An act to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of fires which occurred at various Navy shore activities.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, LEGISLATIVE BRANCH, UNITED STATES SENATE (S. Doc. No. 155)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative branch, United States Senate, amounting to $260,000, fiscal year 1946 (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF THE INTERIOR (S. Doc. No. 156)

A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Department of the Interior, amounting to $66,000, fiscal year 1946 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, SMITHSONIAN INSTITUTION (S. Doc No. 157)

A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Smithsonian Institution, amounting to $34,000, fiscal year 1946 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

JUDGMENTS AGAINST GOVERNMENT BY UNITED STATES DISTRICT COURTS (S. Doc. No. 158)

A communication from the President of the United States, transmitting, pursuant to law, an estimate of appropriation for payment of judgments rendered against the Government by United States district courts, amounting to $43,956.59, together with an indefinite appropriation to pay interest (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

RECORDS OF JUDGMENTS RENDERED AGAINST THE GOVERNMENT BY UNITED STATES DISTRICT COURTS (S. Doc. No. 159)

A communication from the President of the United States, transmitting, pursuant to law, records of judgments against the Government by United States district courts, as submitted by the Department of Justice through the Treasury Department, and which require an appropriation of $22,135, together with an indefinite appropriation to pay interest (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

CLAIMS FOR DAMAGES TO OR LOSSES OF PRIVATELY OWNED PROPERTY (S. Doc. No. 161)

A communication from the President of the United States, transmitting, pursuant to

law, estimates of appropriation submitted by the several executive departments and independent offices to pay claims for damages to or losses of privately owned property, in the sum of $6,532.93, which have been considered and adjusted under the provisions of law, and which require appropriations for their payment (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED BY THE COURT OF CLAIMS (S. Doc. No. 160)

A communication from the President of the United States, transmitting, pursuant to law, a schedule of judgments rendered by the Court of Claims, which has been submitted by the Treasury Department and requires an appropriation for payment, amounting to $101,513.58 (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

CLAIMS ALLOWED BY GENERAL ACCOUNTING OFFICE (S. Doc. No. 162)

A communication from the President of the United States, transmitting, pursuant to law, estimates of appropriation amounting to $2,021,761.35, to cover claims allowed by the General Accounting Office and for the services of the several departments and independent offices (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

CLAIMS FOR DAMAGE TO ROADS AND HIGHWAYS OF STATES (S. Doc. No. 163)

A communication from the President of the United States, transmitting an estimate of appropriation submitted by the Public Roads Administration to pay claims for damage to roads and highways of States or their subdivisions, in the sum of $99,165.70, and which require an appropriation for payment (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

CLAIMS FOR DAMAGES TO OR LOSS OR DESTRUCTION OF PROPERTY OR PERSONAL INJURY OR DEATH (S. Doc. No. 164)

A communication from the President of the United States, transmitting, pursuant to law, an estimate of appropriation submitted by the War Department to pay claims for damages to or loss or destruction of property or personal injury or death, in the sum of $113,611.50, and which require an appropriation for their payment (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

HARRY BURNSTEIN, M. D., ET AL.

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation for the relief of Harry Burnstein, M. D., Madeline Borvick, and Mrs. Clara Kaufman Truly (formerly Miss Clara M. Kaufman) (with an accompanying paper); to the Committee on Claims.

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the board of directors of the National Beauty and Barber Manufacturers' Association, New York City, N. Y., favoring an appropriation of $165,336,000 for the Department of Commerce as recommended by the President, which was referred to the Committee on Commerce.

THE NATIONAL HEALTH PROGRAM—LETTER FROM WYANDOTTE COUNTY (KANS.) MEDICAL SOCIETY

Mr. CAPPER. Mr. President, I have received a letter from the Wyandotte County (Kans.) Medical Society embodying a resolution adopted by that society protesting against the enactment of the so-called Wagner-Murray bill, being Senate bill 1606 to provide a national health program. I ask unanimous consent to present the letter for appropriate reference and printing in the RECORD.

There being no objection, the letter was received, referred to the Committee on Education and Labor, and ordered to be printed in the RECORD, as follows:

WYANDOTTE COUNTY MEDICAL SOCIETY,
Kansas City, Kans., March 19, 1946.

Senator ARTHUR CAPPER,
United States Senate, Washington, D. C.

DEAR SENATOR CAPPER: The Wyandotte County Medical Society, in special session on the evening of March 11, 1946, passed the following resolution:

"Whereas the Wagner-Murray bill (S. 1603), will be presented to the Senate Committee on Education and Labor on April 2, 1946: Therefore be it

"*Resolved*, That the Wyandotte County Medical Society—

"1. Voices its disapproval of this bill.

"2. That the secretary of the Wyandotte County Medical Society is instructed to write to our Senator and Congressman concerning our opposition to this bill."

It was the consensus of opinion of all of the members present that this bill is a menace to the free practice of medicine in the United States and that it is an opening wedge for the limitation of free enterprise in all other industries. We appeal to you as our Senator to use your effort in defeating this bill. We appreciate your work in the behalf of the medical profession in the past and feel sure that you will help defeat a bill which will not only lower the high standards of medical care but will eventually lead to a form of government contrary to the principles of American freedom.

Sincerely,

G. M. TICE, M. D.,
Secretary.

FAIR LABOR STANDARDS ACT OF 1938—STATEMENT OF FRED BAILEY, LEGISLATIVE COUNSEL OF NATIONAL GRANGE, WASHINGTON, D. C.

Mr. CAPPER. Mr. President, I have received an interesting statement from Fred Bailey, legislative counsel of the National Grange, Washington, D. C., calling my attention to the views of the Grange with regard to S. 1349, to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes. I am in entire sympathy with the stand taken by this organization, and I ask unanimous consent to present the statement for appropriate reference and printing in the RECORD.

There being no objection, the statement was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

THE NATIONAL GRANGE,
Washington, D. C., March 27, 1946.

DEAR SENATOR: Farmers are watching with great concern congressional consideration of S. 1349, the bill to amend the Fair Labor Standards Act. That interest prompts the National Grange to state briefly the prevailing view of our more than 750,000 members.

We are opposed to the bill in its present form for the reasons given in testimony before the House Committee on Labor on August 23, 1945. We urged them that the bill be amended to provide for a minimum of 55 cents an hour and that the minimum be tied to the Bureau of Labor cost-of-living index, moving up or down with that index.

The committee draft of S. 1349 retains the exemption for farm workers, as it should, but largely nullifies that exemption by deleting sections 7 (c) and 13 (a) (10), which give similar exemptions to first processing plants located in areas competing directly with farmers for labor.

The National Grange urges that you give careful consideration to retaining sections 7 (c) and 13 (a) (10) in the Fair Labor Standards act. We base that request on the following facts:

1. Removal of exemption for agricultural processing plants would upset the competitive wage relationship existing between rural and urban workers.

2. Farm wage rates are closely competitive with those of processing plants and other local employers.

3. Inclusion of agricultural plants, through elimination of exemptions, would raise farm produce costs and result either in lower net return to producers or higher prices to consumers.

4. During any depression period many of these plants, now operating on a small margin and with low reserves, would be forced out of business by a high fixed wage scale.

We believe in the principles of an adequate wage scale, but contend that any attempt to hold wages rigid would adversely affect our entire economy. Prices of agricultural products fluctuate more widely than do prices of industrial products.

The Administrator of the act has objected to defining the "area of production." We suggest that the Congress delegate authority for making that definition to the Secretary of Agriculture.

Sincerely yours,

FRED BAILEY,
Legislative Counsel.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McKELLAR, from the Committee on Appropriations:

H. R. 5604. A bill reducing or further reducing certain appropriations and contractual authorizations available for the fiscal year 1946, and for other purposes; with amendments (Rept. No. 1103).

By Mr. FULBRIGHT, from the Committee on Immigration:

S. 875. A bill for the relief of Mercy Duke Boehl; without amendment (Rept. No. 1104).

By Mr. YOUNG, from the Committee on Immigration:

H. R. 1350. A bill to record the lawful admission to the United States for permanent residence of Nora R. Neville; without amendment (Rept. No. 1105).

By Mr. FERGUSON, from the Committee on Immigration:

H. R. 1356. A bill for the relief of Elias Baumgarten; without amendment (Rept. No. 1106).

By Mr. ELLENDER, from the Committee on Claims:

S. 1286. A bill for the relief of Sam Bechtold; with an amendment (Rept. No. 1117);

S. 1747. A bill for the relief of John C. Spargo; with amendments (Rept. No. 1118);

H. R. 2288. A bill for the relief of Columbus Thomas; without amendment (Rept. No. 1107);

H. R. 2415. A bill for the relief of Joseph Tarantola and Ida Tarantola; without amendment (Rept. No. 1108);

H. R. 2848. A bill for the relief of the legal guardian of Wilma Sue Woods, Patsy Woods, Raymond E. Hilliard, and Thomas E. Hilliard, minors; without amendment (Rept. No. 1109);

H. R. 2931. A bill for the relief of Edward Oatneal, John N. Oatneal, Jr., and James R. Oatneal; without amendment (Rept. No. 1110);

H. R. 3121. A bill for the relief of Elizabeth M. Simmons and Robert H. Simmons; without amendment (Rept. No. 1111);

H. R. 3126. A bill for the relief of Mrs. Jean Taube Weller; without amendment (Rept. No. 1112);

H. R. 4054. A bill for the relief of H. A. Edd; without amendment (Rept. No. 1113);

H. R. 4297. A bill for the relief of Joseph Schell; without amendment (Rept. No. 1115);

H. R. 4056. A bill for the relief of Mrs. Jud Hendry and her daughter, Gladys Hendry; without amendment (Rept. No. 1114); and

H. R. 4560. A bill for the relief of Nicholas T. Stepp; without amendment (Rept. No. 1116).

By Mr. MORSE, from the Committee on Claims:

H. R. 1217. A bill for the relief of Hutchinson's Boat Works, Inc., and others; without amendment (Rept. No. 1119);

H. R. 2062. A bill for the relief of Dave Topper; without amendment (Rept. No. 1120);

H. R. 3430. A bill for the relief of George F. Powell; without amendment (Rept. No. 1121); and

H. R. 4240. A bill for the relief of Frank E. Wilmot; without amendment (Rept. No. 1122).

By Mr. JOHNSTON of South Carolina, from the Committee on Claims:

S. 997. A bill for the relief of Aldona Kojas; with an amendment (Rept. No. 1123);

H. R. 1838. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of A. G. Bailey against the United States; without amendment (Rept. No. 1124);

H. R. 2167. A bill for the relief of Orvis Welch; with an amendment (Rept. No. 1125);

H. R. 3301. A bill for the relief of the legal guardian of James Herbert Keith, a minor; without amendment (Rept. No. 1126); and

H. R. 3513. A bill for the relief of Braxton B. Folmar and Mary Inez Folmar, William Ernest Evans and Dora Ethel Evans, Joseph Thomas Avery and Maggie M. Avery, Robert H. Phillips and Hattie P. Phillips, and the legal guardian of James T. Avery, a minor; without amendment (Rept. No. 1127).

By Mr. KILGORE, from the Committee on Claims:

H. R. 1721. A bill for the relief of Eli L. Scott; without amendment (Rept. No. 1128).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRIDGES:

S. 2016. A bill granting a pension to Grace Brown; to the Committee on Pensions.

S. 2017 (by request). A bill to provide for payment of losses sustained by the operators of mica mines under contracts with the Metals Reserve Company or its agents; to the Committee on Banking and Currency.

By Mr. JOHNSON of Colorado:

S. 2018. A bill to facilitate the decentralization of the Veterans' Administration; and

S. 2019. A bill to authorize the Administrator of Veterans' Affairs to grant an easement for highway purposes to the Commonwealth of Pennsylvania, in certain lands in the reservation of the Veterans' Administration Hospital, Lebanon County, Pa., and for other purposes; to the Committee on Finance.

By Mr. WAGNER:

S. 2020. A bill granting a right-of-way at a revised location to the West Shore Railroad Co., the New York Central Railroad Co., lessee, across a portion of the military reservation at West Point; to the Committee on Military Affairs.

AMENDMENT OF FAIR LABOR STANDARDS ACT OF 1938—AMENDMENTS

Mr. CORDON submitted amendments intended to be proposed by him to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which were ordered to lie on the table and to be printed.

SECOND DEFICIENCY APPROPRIATION ACT, 1946—AMENDMENT

Mr. GREEN submitted an amendment intended to be proposed by him to the bill (H. R. 5890) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 3, between lines 9 and 10, insert the following:

"ERECTION OF A STATUE OF GEORGE WASHINGTON ON THE CAPITOL GROUNDS

"To enable the Architect of the Capitol to acquire a statue of George Washington and a suitable granite pedestal upon which to erect such statue and to defray all expenses of erecting such statue upon the Capitol Grounds, all as authorized by the act of June 11, 1940 (54 Stat. 299), $25,000."

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H. R. 1072. An act for the relief of Henry R. Butler;

H. R. 1229. An act for the relief of Mrs. Mary M. Wolf;

H. R. 1345. An act for the relief of David M. Matteson;

H. R. 1394. An act for the relief of William H. W. Komp;

H. R. 1642. An act for the relief of Edith Popwell;

H. R. 1782. An act for the relief of Ida F. Braun, Alice Braun Menges, and Carl J. Braun, individually and as executors of the estate of Hedwig W. Braun, deceased, and as legatees and beneficiaries of the will of Hedwig W. Braun, deceased, and as the sole parties in interest by succession under the last will and testament of Hedwig W. Braun, deceased, and under the last will and testament of Herman W. Braun, deceased;

H. R. 1852. An act for the relief of R. H. White Transfer & Storage Co., of Nashville, Tenn.;

H. R. 1919. An act for the relief of Mrs. Maud M. Wright and Mrs. Maxine Mills;

H. R. 2188. An act for the relief of George W. Bailey;

H. R. 2569. An act for the relief of Daphne Webb;

H. R. 2576. An act for the relief of William F. Schmeltz;

H. R. 2665. An act for the relief of Acchille Guillory and Olivia Guillory;

H. R. 2747. An act for the relief of George A. West;

H. R. 2926. An act for the relief of Mrs. Alice Breon;

H. R. 2973. An act for the relief of Ben Thomas Haynes, a minor;

H. R. 3007. An act for the relief of Russell F. Taylor;

H. R. 3125. An act for the relief of Lovie M. Trotter;

H. R. 3160. An act for the relief of George Corenevsky;

H. R. 3341. An act for the relief of J. E. and Minerva Mitchell, and Rosie Monroe;

H. R. 3378. An act for the relief of Dr. John A. Logan;

H. R. 3432. An act for the relief of J. W. Edgerly & Co.;

H. R. 3434. An act for the relief of Belmont Properties Corp.;

H. R. 3506. An act for the relief of Mary A. Wallis;

H. R. 3512. An act for the relief of Willie Lam and Edgar Lam;

H. R. 3676. An act for the relief of Pershing W. Ridgeway;

H. R. 3770. An act for the relief of Lyndon T. Montgomery

H. R. 3781. An act for the relief of Mabel M. Fischer;

H. R. 3822. An act for the relief of the estate of Charles M. Overcash, deceased;

H. R. 4141. An act for the relief of Piombo Bros. & Co.;

H. R. 4244. An act for the relief of Fundador Nieves del Valle;

H. R. 4352. An act for the relief of Ola L. Wright, Mrs. Margaret Wright, and the legal guardian of Betty Bea Wright, a minor;

H. R. 4405. An act for the relief of John Bakelaar;

H. R. 4491. An act for the relief of Vertie Bea Loggins;

H. R. 4600. An act for the relief of the estate of Patsy Ann Maheux, deceased;

H. R. 4616. An act for the relief of the Maryland Sanitary Manufacturing Corp. of Baltimore, Md.;

H. R. 4693. An act for the relief of John B. Clausen;

H. R. 4640. An act for the relief of Gladys Hastings;

H. R. 4716. An act for the relief of Charles B. Borell;

H. R. 4723. An act for the relief of John M. Shipp;

H. R. 4777. An act for the relief of the Sawtooth Co.;

H. R. 4800. An act for the relief of Harry Fleishman;

H. R. 4832. An act for the relief of Stanley B. Reeves and Mrs. Stanley B. Reeves;

H. R. 4833. An act for the relief of the estate of Robert Lee Blackmon;

H. R. 4836. An act for the relief of Louis M. Drolet;

H. R. 4854. An act for the relief of Mrs. Pearl Smith;

H. R. 4885. An act for the relief of Ernst V. Erender;

H. R. 4904. An act for the relief of Cleo D. Johnson and Mr. and Mrs. Jack B. Cherry;

H. R. 4920. An act for the relief of the estate of Curtis Wilson, deceased;

H. R. 4976. An act for the relief of Mrs. Catherine Fortunato;

H. R. 4977. An act for the relief of Mrs. Theresa Ebrecht;

H. R. 4997. An act for the relief of Ernest I. Wade and Alma Wade;

H. R. 5208. An act for the relief of Michael J. Keaveney and Mary C. Keaveney;

H. R. 5307. An act for the relief of Ben V. King; and

H. R. 5664. An act for the relief of Oscar R. Steinert; to the Committee on Claims.

H. R. 5059. An act to provide additional compensation for postmasters and employees of the postal service; to the Committee on Post Offices and Post Roads.

H. R. 5149. An act to govern the effective dates of ratings and awards under the Veterans' Administration Revised Schedule for Rating Disabilities, 1945, and for other purposes; to the Committee on Finance.

H. R. 5200. An act for the relief of Anthony (Tony) Di Ina;

H. R. 5278. An act to legalize the admission to the United States of Virginia Harris Casardi;

H. R. 5598. An act for the relief of Giovanni Camera; and

H. R. 5634. An act for the relief of Mrs. Masuyo (Marjorie) Sudo Cromley; to the Committee on Immigration.

H. R. 5744. An act to incorporate the Civil Air Patrol; to the Committee on the Judiciary.

COALITION'S CRITICS OVERLOOK HISTORY—ARTICLE BY DAVID LAWRENCE

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an article entitled "Coalition's Critics Overlook History," written by David Lawrence and published in the Washington Star of April 1, 1946, which appears in the Appendix.]

THE CHALLENGE OF AMERICA—ADDRESS BY THE GOVERNOR OF PENNSYLVANIA

[Mr. WILLIS asked and obtained leave to have printed in the RECORD an address entitled "The Challenge of America," delivered by Maj. Gen. Edward Martin, Governor of Pennsylvania, at a dinner of the Indiana Republican Editorial Association, at the Claypool Hotel, at Indianapolis, Ind., on March 30, 1946, which appears in the Appendix.]

ARKANSANS WANT ECONOMY—ARTICLE BY WILLIAM JOHNSON

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an article entitled "Arkansans Want Economy," written by William Johnson and published in the Arkansas Democrat of March 31, 1946, which appears in the Appendix.]

FEDERAL SPENDING—EDITORIAL FROM ARKANSAS DEMOCRAT

[Mr. McCLELLAN asked and obtained leave to have printed in the RECORD an editorial entitled "A Peril to Your Welfare" from the Arkansas Democrat of March 31, 1946, which appears in the Appendix.]

EXTENDING THE DRAFT—EDITORIAL FROM THE COLUMBIA (S. C.) STATE

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an editorial entitled "Extending the Draft," from the State, of Columbia, S. C., which appears in the Appendix.]

APPLICATION OF MINIMUM WAGE PROVISIONS TO SMALL TOWN DAILY AND WEEKLY NEWSPAPERS—STATEMENT BY SENATOR McCARRAN

[Mr. EASTLAND (for Mr. McCARRAN) asked and obtained leave to have printed in the RECORD a statement prepared by Senator McCARRAN and certain correspondence relative to the application of minimum-wage provisions to small town daily and weekly newspapers, which appear in the Appendix.]

A NATIONAL AIR POLICY BOARD

[Mr. MITCHELL asked and obtained leave to have printed in the RECORD an editorial from the New York Times of March 24 and an article by Gill Robb Wilson, from the New York Herald Tribune, relating to a national air policy board, which appear in the Appendix.]

CONTRIBUTION BY BENEVOLENT AND PROTECTIVE ORDER OF ELKS TOWARD THE WAR EFFORT

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a report prepared by Mr. William Phillips and forwarded to him by Mr. James T. Hallinan, vice chairman of the Grand Lodge of Elks, setting forth the great contribution made by that organization toward the war effort, which appears in the Appendix.]

THE RESURRECTION OF HOPE—POEM BY MARY BELLE POOLE-MASON

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD a poem entitled "The Resurrection of Hope," written by Mary Belle Poole-Mason, of New Orleans, La., which appears in the Appendix.]

NOMINATION OF JAMES K. VARDAMAN, JR.

The PRESIDENT pro tempore. The pending question is, Will the Senate advise and consent to the nomination of James Kimble Vardaman, Jr., to be a member of the Board of Governors of the Federal Reserve System?

Mr. DONNELL obtained the floor.

EFFECT ON PRODUCTION OF OPA PRICE CEILINGS

Mr. WHERRY. Mr. President, will the Senator from Missouri yield?

Mr. DONNELL. I yield to the Senator from Nebraska.

Mr. WHERRY. I thank the distinguished Senator from Missouri for yielding for the moment.

Mr. President, apparently, the Small Business Committee of the Senate has not seen fit to function for the past 3 months. Several complaints have come to my office, and I presume to the offices of other Senators, on questions of price fixing by the OPA. Other standing committees and subcommittees of standing committees have taken over some of the activities; but such questions as the production of meat, the production of textiles and overalls, and workmen's materials, which are vital to those in the farm belt, as well as to all of us, have apparently gone unanswered, and the Congress has not taken any definite action relative to price fixing that will give the manufacturers an opportunity to produce under a flexible realistic pricing program.

Here is a letter from a man in my home town who has been in business there for many years. His company sells, and has sold for many years, work clothes and all the merchandise the farmers of that locality need to buy. The letter, which is dated March 19, is addressed to the Jensen Mercantile Co., of Pawnee City, Nebr., and in part reads as follows:

In regard to your allotment of overalls and jackets, please be referred to our general letter of March 11 which went out to our dealers explaining that we could not make further shipments of Key work clothes in view of present unsatisfactory ceilings at which we are required to sell our goods.

Very truly yours,

POLLOCKS,
By H. E. WRIGHT.

At this point I ask unanimous consent to have printed in the RECORD a notice of discontinuance of shipments dated March 11 and signed by the Pollock Co., which wrote the letter from which I have read.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The notice is as follows:

MARCH 11, 1946.

NOTICE OF DISCONTINUANCE OF SHIPMENTS

We are sending this notice to all of our customers so that they will understand the delay in making shipments to their stores. We have had increases of 56 percent in our labor costs with no compensation from the OPA on our prices. We have also had to stand increases of several cents per yard on pant and shirt materials without any relief from the OPA. The only price increases we have been allowed on goods sold you are to compensate for increased prices charged us by the mills on denims, chambrays, and coverts. As a result we are losing over a dollar per dozen on our leading lot numbers and it is imperative that we have some further relief from the OPA. The work clothing price regulation R. M. P. R. 208 makes provision for relief and last Wednesday we filed a petition asking for such relief to be granted. Until action is taken on this, we are not going to make any further shipments of work clothing unless possibly small quantities of a few minor items.

Unfortunately, when we put in our request for some minor relief on a few items last fall (that we sold to a wholesaler) it required 4 months for any action to be taken and we certainly hope that such delay will not again occur on this much more important matter which affects all of our retail customers. We note from some of the newspaper accounts that Mr. Chester Bowles of the OPA seems to think that their regulations are not holding up the supply of available goods and you might find it desirable to advise him more accurately of the facts and also request that they give our pending petition for price adjustment prompt action. We believe that if a sufficient number of people write to them it may help considerably in getting this situation taken care of. If any of your customers are unable to get work clothing you might suggest similar action to them.

The mill which supplies most of our overall denim has recently gone back to work after a 5-month strike, and if the OPA will take some reasonable action in the matter of our price adjustment, we believe we should again be able to supply you with substantial amounts of work clothing in the not far-distant future.

POLLOCK'S.

Mr. WHERRY. Mr. President, I want to emphasize one statement in the notice, namely, that the Pollock Co. say their labor costs alone have increased 56 percent; yet they are required by the OPA, despite that advancing cost scale, to produce and sell today for the same price they sold these items of merchandise in 1942. How in the world do Members of the Senate and how does anyone else expect this company to continue to produce at a loss, and to furnish these items of clothing that the workingmen in this country must have if they are to have any clothing at all?

I desire also to call attention to another letter written to me, for I want to give this matter wide publicity. The first letter came from Nebraska. Here is a letter from Charlotte, N. C., addressed to me by the Wade Manufacturing Corp. In the letter it is stated:

Small businesses all over the country are closing up and going out of business on account of the situation explained in this letter.

Everybody is stopping production on every nonprofitable item, and, of course, in this respect they cannot be blamed.

Here is the point and this is for the Congress to determine:

The question with most of us is, How soon will Congress realize that these bureaucratic controls are destroying American production?

Mr. President, I have just returned from Nebraska, where I spent 2 weeks and I wish to say that businessmen, lumber dealers, men engaged in mercantile business, men who produce building materials, and men who provide machinery

for the farmers came to my office literally in streams asking when Congress was going to remove the controls in order that production may be obtained.

Take farm machinery. There is very great need, for instance, for farm tractors in my section. I desire to call attention to a sale which took place within 40 miles of my home town. A large tractor, a Farm-all tractor, was for sale for $800. The sale was held in order to close the administration of an estate. It was not desired that there should be any question about taking the tractor at the OPA price, and the bidders were required to give certified check in the amount of $800. The first one to make that bid would get it. How many farmers do you suppose, Mr. President, bid on that tractor. There were 170 of them who offered $800. That shows that there is no production. All this talk that there is greater production and that more people are able to buy what they need is just double talk, because the OPA knows that we are not getting production in lumber, we are not getting production in steel, we are not getting it in any major industry in this country. That situation is due to the price-fixing system of OPA, especially MAP, which is destroying our American economy.

Here is a company at Charlotte, N. C., an outstanding firm, making the statement I have read and asking the Congress of the United States what we are going to do about it.

Mr. President, I wish to read another letter, one from a man by the name of N. C. Hines. This comes from Arlington, Va. It is dated March 28, so it is not out of date, and it reads:

My wife and myself have just returned from a trip to Habana, Cuba, where, to my surprise, we were able to buy any kind of clothing that suited both of us in any quantity, at prices similar to our prices in 1941 and 1942. For instance, I bought all of the white shirts—

I interpolate, Mr. President, that even today it is not possible to buy a white broadcloth shirt in this country at the price set by the OPA. They simply are not in production.

The letter continues:

For instance, I bought all of the white shirts, underwear, nightwear that I needed. My wife purchased an unlimited number of both silk and nylon hose and other women's wear. And strange to say, all of these items were made in the United States, which goes to show that something is radically wrong somewhere when we are not able to buy these same necessities in our stores here in America.

The responsibility can be traced only to the OPA, and I believe you are both familiar with the mechanics in the OPA which are preventing the legitimate sale of clothing in our country. The American people today want and badly need these goods and not many of them can go to a foreign land to get a supply. I find in my travels that 9 out of every 10 of our citizens feel that OPA-Federal control is stifling and limiting production as well as distribution of the necessities of our present-day life and they are not going to put up with OPA or the Congressmen who support OPA by the time another election rolls around.

This is sent to you as information and is addressed to both a Republican and a Democrat in our United States Senate, where the answer to OPA will soon be made.

What are we going to do about it? I bring this to the attention of the Senate this morning for the reason that I am a member of the Small Business Committee of the Senate. I have worked industriously upon that committee. I remained in Washington through the Christmas holidays holding hearing after hearing on complaints. I have now more than 10 requests for new and additional hearings by the Small Business Committee of the Senate, but we have not had a meeting of the hearing subcommittee or the complaints subcommittee since the Christmas vacation in 1945. I hasten to emphasize that this is no reflection on my colleague the Senator from Tennessee [Mr. STEWART], chairman of the complaints subcommittee, who has been most cooperative. Businessmen who have been relying upon the Small Business Committee are not getting service from that committee. In fact, I have been told, as a member of the minority on the complaints subcommittee, that I cannot even hold a hearing any more unless it is held under the Democratic chairmanship of the complaints subcommittee.

Mr. President, I supported the appropriations for the Small Business Committee because I believe there is not a committee more needed today for the relief of business all over the country than the Small Business Committee. But if it is to be sidetracked, if it is to be used for any other purpose, I serve notice now that I expect to submit a resolution terminating the committee and withdrawing the $150,000 that has been allocated for expenditure in the interest of the businessmen of this country.

TRIAL OF GEN. DRAJA MIHAILOVICH

Mr. VANDENBERG. Mr. President, will the Senator from Missouri yield to me?

Mr. DONNELL. I yield.

Mr. VANDENBERG. Mr. President, I wish to commend the note which the State Department has sent to the Yugoslavian Government regarding the approaching trial of Gen. Draja Mihailovich, and for the reasons indicated in the note. I think there is a very deep American interest in this matter because of the numerous American flyers whose lives were saved by General Mihailovich in the course of the war just ended. I think there is a further deep interest in America in the fate of General Mihailovich because of the tremendous contribution which he made to the Allied cause in the earlier years of the war, with a brilliant courage and patriotism which have been universally acknowledged throughout the world. I decline to forget this debt.

I am expressing the hope that we may persist in our expression of interest in a fair trial for General Mihailovich on the basis of whatever subsequent charges have been made against him. I do not assume to pass upon these charges. I realize that in the latter years of the war he became a highly controversial figure, but I cannot close my eyes to the tremendously heroic contribution which he made to the Allied cause in the early years of the war.

Mihailovich rallied his Serbs and fought our enemies desperately, with unimaginable hardships, entirely without our help for 4 years. Over 1,000,000 out of 8,000,000 Serbs lost their lives in this sacrificial service. Mihailovich was publicly thanked, congratulated, and decorated by all the Allied generals, including our own General Eisenhower Now he stands challenged as a traitor by the Tito government in Yugoslavia. At an utter minimum, Mr. President, I submit that Mihailovich is entitled to every effort the Government of the United States can make to assure him a fair trial.

I ask unanimous consent that the text of the State Department note may be printed at this point in the RECORD, and I repeat my hearty endorsement of the appeal that has been made on behalf of the Government of the United States to the Yugoslav Government in this connection. I think the appeal might, with justice, have been even stronger.

There being no objection, the note was ordered to be printed in the RECORD, as follows:

Note has been taken by the Government of the United States of the March 24 official announcement broadcast by Radio Belgrade regarding a statement to the Yugoslav Assembly by Minister of Interior (Alexander) Rankovitch reporting the capture of Gen. Draja Mihailovich on March 13.

When, in 1941, the Germans overran Yugoslavia, it will be recalled that General (then colonel) Mihailovich organized and led important resistance forces against the occupiers. Following his promotion, in 1941, to the rank of general, Draja Mihailovich was appointed Minister of War in the Royal Yugoslav Government in Exile, but remained in his native land and without adequate supplies and fighting under the greatest hardships contributed with his forces materially to the Allied cause so heroically participated in by Yugoslavia.

General Mihailovich continued as commander of the Yugoslav Army and as Minister of War until May 1944. Since that time he has been on the political plane a controversial figure.

As the Yugoslav authorities are no doubt aware, United States Army personnel in an Allied liaison capacity were attached to General Mihailovich's headquarters during most of the period of his military activity. They must also be aware of the fact that many United States airmen were rescued and returned to Allied lines through the undaunted efforts of General Mihailovich's forces.

A number of these individuals and others in the United States who were closely associated with General Mihailovich possess first-hand evidence which cannot but have a bearing upon the charges of enemy collaboration which the Yugoslav authorities have indicated they will bring against General Mihailovich.

The United States Government, in these circumstances, is confident that in the interests of justice the Yugoslav Government will wish to make suitable arrangements whereby the evidence of any such persons who may so desire may be presented in connection with the trial, said to be contemplated, of General Mihailovich.

An urgent expression of the views of the Yugoslav authorities in this connection will be appreciated by the United States Government together with an indication of the place and time of trial and the steps the Yugoslav Government is prepared to take to facilitate the presentation of evidence of this nature.

THE PROPOSED ST. LAWRENCE SEAWAY AND RURAL ELECTRIFICATION

Mr. AIKEN. Mr. President, will the Senator from Missouri yield to me briefly?

Mr. DONNELL. I yield.

Mr. AIKEN. Mr. President, in an article prepared for the January issue of the magazine Rural Electrification, I made this statement:

During the war the shortage of electricity in the Northeast was one of the biggest headaches the war mobilizers had.

Under date of March 15, Mr. C. L. Campbell, president of the Connecticut Light & Power Co., of Hartford, Conn., wrote to me asking me to be more specific as to who the war mobilizers were and where the shortages of power existed.

I have replied to Mr. Campbell, who, I think, is also president of the New England Association of Power Companies, and I ask leave to have the letter from Mr. Campbell and my reply, giving him the information he requested, printed in the body of the RECORD.

Mr. President, I do this because there is now an apparent attempt on the part of those opposing the St. Lawrence development to convince the people of the Northeast that there is a surplus rather than a shortage of power in that section of the United States. That, of course, is entirely contrary to the facts, so I ask leave to have these two letters printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE CONNECTICUT LIGHT & POWER CO.,
Hartford, Conn., March 15, 1946.

The Honorable GEORGE D. AIKEN,
The United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SIR: In the CONGRESSIONAL RECORD of January 29, 1946, there was printed in the Appendix an article entitled "Development of the St. Lawrence, Benefits to Rural Electrification" which was prepared by you for the January 1946 issue of the magazine Rural Electrification. In that article appears the following statement:

"During the war the shortage of electricity in the Northeast was one of the biggest headaches the war mobilizers had."

As the head of a power company supplying service in what I presume would be part of the northeastern part of the country, I am writing to inquire if you would specify more exactly just which particular communities in the Northeast were short of electricity. Also, would you give me the names of the war mobilizers that you refer to in your statement.

The question of the development of the St. Lawrence and the benefits to rural electrification is a matter of very great interest to everybody as it involves the expenditure of a huge sum of money. In considering the matter we should be quite sure of our facts and the statement made in your article does not coincide with my understanding of the facts. Perhaps I may be wrong.

Very truly yours,

C. L. CAMPBELL,
President.

UNITED STATES SENATE,
Washington, D. C., April 2, 1946.

Mr. C. L. CAMPBELL,
President, the Connecticut Light & Power Co., Hartford, Conn.

DEAR MR. CAMPBELL: I have your letter of March 15, 1946, in which you refer to my article entitled "Development of the St. Lawrence, Benefits to Rural Electrification," which appeared in the January 1946 issue of the magazine Rural Electrification. You refer specifically to the following statement: "During the war the shortage of electricity in the Northeast was one of the biggest headaches the war mobilizers had" and request that you be advised more exactly concerning which power communities in the Northeast were short of electricity and also that you be given the names of the war mobilizers mentioned in the statement.

I think first we should have an understanding as to the kind of shortage that is being referred to. Obviously, insofar as the general public is concerned, there was no apparent shortage since, when a consumer reached for electrical energy to light his lamps or run his radio or when industrial plants desired to start up a motor, they were always able to do so. To put it another way, the loads which were served were served.

You who are in the utility business understand, I am sure, that you can only contract for the amount of power available from your system and beyond that point you must decline to take on any additional load. To the extent that any system is unable to take on new load and such load must be diverted to another system or another part of the country, then to that extent there exists a shortage of power for necessary and desirable users. That is the kind of shortage which I am talking about.

There is no doubt that there was a serious shortage of power in the Northeast. I do not single out your system, nor do I refer to your corner of the Northeast in particular; I am considering the Northeast as a region and the value of cheap St. Lawrence power to that region.

Those people whose duty it was to mobilize the war effort have commented concerning power shortages in the Northeast. In the recent hearings before the subcommittee of the Senate Foreign Relations Committee considering the St. Lawrence project, Dean Acheson of the State Department introduced a letter from Secretary of War Patterson dated February 16, 1946, addressed to the Secretary of State, which says in effect that the St. Lawrence project would provide a large source of dependable power for a national emergency and that "this power would be available in an area which during World War II was a power-deficit area."

Fortune magazine in its issue of August 1941, page 6, says:

"There is also a definite shortage in the Niagara Falls-Buffalo area. Some 25 companies, many with defense orders, have asked for 65,000 kilowatts more than is currently available for them."

Limitation Order No. L–46, issued on February 27, 1942, by the War Production Board, recognized the power-shortage situation in the area. It states in part:

"Whereas shortages of electric power for war, essential civilian, and other uses in the Niagara-frontier area have already occurred in the year 1942, and further shortages will occur in the event of unfavorable ice conditions, low water in the Niagara River, emergency break-down, or other unfavorable conditions."

In mid-1941 the Federal Power Commission and the War Production Board received several letters, telegrams, and telephone calls from large industrial plants in the Niagara Falls area in an attempt to obtain more power for manufacturing operations.

One of these companies, the General Abrasives Co., in a letter to the War Department dated January 16, 1942, pointed out the advantages of expanding silicon-carbide production in its present plant because of the facilities already available for the adequate handling of increased production and the resulting savings in the requirements of steel, copper, and other scarce materials which would be necessary were the plant to be located in another part of the country. In support of this company's application, the Chief of the Tools Branch of the War Production Board in a memorandum to the Chief of the Power Branch, WPB, dated January 26, 1942, pointed out the vital importance of silicon carbide in the various war manufacturing industries such as aircraft, ordnance, and ammunition, and stressed the fact that our lend-lease demands for this material have been stepped up because of the fact that the United States was the only source of supply of this material for the Allies.

In spite of this very strong recommendation, the Chief of the Power Branch had to point out that there was a very large number of applications for power in this area and that it had not been possible to grant any of these requests. It was further pointed out that the Hydroelectric Power Commission of Ontario might at any time reduce deliveries of electric energy and it was, therefore, not safe to make further allocations of power to consumers in the Niagara area. This industry, like others, was forced to locate in other parts of the country.

To cite another example, the Electrometallurgical Co. was unable to expand at Niagara Falls and, therefore, had to construct additional facilities elsewhere.

The situation was so critical in this area that arrangements were made with Canada for increased diversion at Niagara Falls to produce about 120,000 kilowatts and for the importation of an additional 60,000 kilowatts from Canada at a time when the Canadian Government was already taking restrictive measures against use of power, such as prohibition against extensions and installations of electric hot-water heaters. I personally saw facilities in Ontario which should have been producing badly needed war materials idle because of a shortage of power.

Then, too, you are doubtless familiar with the fact that the United States loaned and advanced nearly $100,000,000 for the production of aluminum at the Shipshaw development in Canada, even while plants in the United States which could have been well supplied by St. Lawrence power were forced to cease production because of the power shortage.

I could continue to cite other examples, but the following comparison in which per capita increase in industrial power is considered in comparison with the rest of the country is significant. The Northeast is primarily industrial and is a region to which the rest of the country has looked for generations for the production of those kinds of goods which are the sinews of war. Workmen gainfully employed in the mining, manufacturing and construction industries in the Northeast constituted some 21 percent of the Nation's total employment in these industries in 1940, whereas the population of the Northeast region is only 16 percent of the total population of the country.

In spite of this situation, the total manufacturing and mining load in terms of kilowatt-hours, purchased from electric utilities, including the industries' own generation, increased only 72 percent as fast in the Northeast as the rest of the country's industrial load during the period 1939–44. To put it another way, the rest of the country, including all the great agricultural areas, increased its use of energy for the same type of industrial purposes by 652 kilowatt-hours per capita, while the industrial Northeast stepped up its use of power only 448 kilowatt-hours per capita.

In conclusion, I would call your attention to articles which appeared in Vermont newspapers on March 15 of this year in reference to the efforts now being made by distributing systems within the State to secure power from Canada. Although it might be expected that a temporary surplus of power would be

available for a short period following the end of the war, this does not appear to be the case in the area immediately adjacent to the proposed St. Lawrence development.

There is a clear indication that if the industries of the Northeast are adequately supplied with power; if the 135,000 farms and rural homes in New Hampshire, Vermont, and New York now without electricity are served, and the rates charged to domestic users of New England and New York are reduced to compare favorably with rates that prevail in other sections of our country, that there will be a shortage of power even greater than that which existed during the late war.

Of course, if rates are kept so high that consumption can be held down, if industry is unable to buy large blocks of low-cost power in the Northeast and is forced to expand in other parts of the country instead, one can probably claim that an adequate power supply exists.

It is my contention that failure to develop the immense supply of low-cost power now running to waste in the St. Lawrence is not only detrimental to the Northeast, but to the entire Nation as well. Although New England and New York would be the most immediate gainers by this development, we should not disregard the warning of the Joint Chiefs of Staff that it is also needed for the security of the Nation in time of war.

I trust the foregoing has answered your inquiry.

Sincerely yours,

GEORGE D. AIKEN.

P. S.—In view of the fact there is considerable misunderstanding as to whether a shortage of power exists in the Northeast, I am taking the liberty of inserting copy of your letter of the 15th and my reply in the CONGRESSIONAL RECORD.

NOMINATION OF JAMES K. VARDAMAN, JR.

The Senate resumed consideration of the nomination of James Kimble Vardaman, Jr., to be a member of the Board of Governors of the Federal Reserve System.

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair). The Senator from Missouri has the floor.

Mr. WHITE. Will the Senator from Missouri yield to me to suggest the absence of a quorum?

Mr. DONNELL. I yield for that purpose.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	O'Mahoney
Austin	Hart	Overton
Bailey	Hatch	Pepper
Ball	Hawkes	Radcliffe
Bankhead	Hayden	Reed
Barkley	Hickenlooper	Revercomb
Bilbo	Hoey	Russell
Brewster	Huffman	Saltonstall
Bridges	Johnson, Colo.	Shipstead
Briggs	Johnston, S. C.	Smith
Brooks	Knowland	Stanfill
Buck	La Follette	Stewart
Bushfield	Langer	Taft
Butler	Lucas	Taylor
Byrd	McClellan	Thomas, Okla.
Capehart	McFarland	Thomas, Utah
Capper	McKellar	Tunnell
Carville	McMahon	Tydings
Connally	Magnuson	Vandenberg
Cordon	Maybank	Wagner
Donnell	Mead	Walsh
Eastland	Millikin	Wheeler
Ellender	Mitchell	Wherry
Ferguson	Moore	White
Fulbright	Morse	Wiley
Gerry	Murdock	Willis
Gossett	Murray	Wilson
Green	Myers	Young
Guffey	O'Daniel	

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Alabama [Mr. HILL] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS] and the Senator from Georgia [Mr. GEORGE] are necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], and the Senator from Nevada [Mr. MCCARRAN] are detained on official business.

Mr. WHERRY. The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The PRESIDING OFFICER (Mr. BRIGGS in the chair). Eighty-six Senators having answered to their names, a quorum is present.

Mr. DONNELL. Mr. President, at the conclusion of the session of yesterday we were engaged in the consideration of certain questions contained in a telegraphic message to the junior Senator from Oregon [Mr. MORSE] from Mr. Reuben Lewis. Before undertaking to discuss the immediate question presented by the Senator from Oregon, I desire to supplement my statement of yesterday as to the word which I had received from Mr. Lewis yesterday in regard to his intention to send a telegram, by stating to the Senate, as I did yesterday, that my best recollection is that Mr. Lewis, who telephoned me from Jacksonville, Fla., as I understood, stated that he was going to send a telegram to the distinguished Senator from Oregon. Mr. Lewis did not ask my advice as to whether he should send such a telegram; but in addition to stating to him, as I told the Senate yesterday, that in my opinion the message should be sent "rush," my present best recollection is that I told Mr. Lewis that I thought it was a good thing for him to send the message which he did send.

Coming to the question which appears on page 2953 of the CONGRESSIONAL RECORD, and which was presented by the junior Senator from Oregon, I read the following from that page, as being one of the questions included in the telegram received by the junior Senator from Oregon:

Why was Vardaman's resignation as president of the Tower Grove Bank & Trust Co. forced? Why did not the subcommittee subpena Miltenberger, Chairman Locatell, president of the Tower Grove, who stated that they had information which they were prepared to give as to Vardaman's record at the Tower Grove? In view of all this, I respectfully suggest that the hearing be reopened and that Fordyce, Connett, and Miltenberger be subpenaed.

The junior Senator from Oregon inquired:

As to the first part of the question, does the record set forth any material bearing on the surrounding facts and circumstances as to why Mr. Vardaman resigned as president of the Tower Grove Bank & Trust Co.?

In response to the junior Senator from Oregon I stated yesterday:

Mr. President, there is a statement from Mr. Vardaman. Would the Senator from Oregon like to have me outline it at this time?

In response to my question the Senator from Oregon stated:

Suppose we leave the question in the RECORD tonight, and have the Senator from Missouri discuss it at the beginning of the session tomorrow.

To which I replied:

I shall be glad to do so.

With regard to the question presented by the Senator from Oregon, as to whether the record sets forth any material bearing on the surrounding facts and circumstances as to why Mr. Vardaman resigned as president of the Tower Grove Bank & Trust Co., I respectfully make reference to pages 11 and 12 of the typewritten transcript of the record, from which I read:

From 1937 to 1939 (about 2½ or 3 years) I was president of the Tower Grove Bank & Trust Co. of St. Louis. A change in executive management of this bank had been insisted upon by the Federal Reserve System. I was selected for the position, and I accepted with the understanding that I would stay with the bank only long enough to accomplish a complete reorganization. During my administration as president, the bank increased in volume of business by nearly 50 percent, changed from an operational loss to the second largest earning bank in St. Louis, and became the fifth largest bank in volume of assets in St. Louis. At no time during my career as president of the bank did I have the whole-hearted cooperation of its board, they having been forced to make a change in personnel and therefore regarding me more or less as a "policeman." The bank was what is known as a "German Bank," being located in South St. Louis where a large percentage of the population is German and most of the bank's customers, as well as most of the directors, were of pronounced German descent and sympathy.

In that respect I should like to interpolate that there was absolutely no intention of impugning the standing or patriotism of these people to the United States Government. All this was back in 1937, before any question of loyalty or anything of that kind might come up.

Such a situation made impossible any continued happy association and, as soon as the Federal Reserve Bank approved my reorganization, I asked to be relieved. When I left, the bank paid me my full year's salary, and directed me to retain certain fees from receiverships which I had accepted as president of the bank, and gave me the automobile which the bank had purchased for my use as its president.

My work in reorganizing this bank was regarded as excellent by the Federal Reserve Bank officials, the State banking officials, and the St. Louis Clearing House Association.

Mr. President, referring further to the inquiry contained in the telegram presented by the junior Senator from Oregon [Mr. MORSE], I refer to page 78 and following of the typewritten transcript, reading as follows:

Senator DONNELL. And in 1937 you became president of the Tower Grove Bank & Trust Co.?

Commodore VARDAMAN. Yes, sir.

Senator DONNELL. That is located on Grand Avenue?

Commodore VARDAMAN. Yes, sir. It is about 3600 South, way down in what we call South St. Louis.

Senator DONNELL. You mentioned in your statement that you asked to be relieved from your connection with that bank and trust company.

Commodore VARDAMAN. Yes, sir.

Senator DONNELL. Did the bank itself ask you for your resignation?

Commodore VARDAMAN. No, sir. Here is how that happened, if you would like to know about it.

Senator DONNELL. Yes, please tell me.

Commodore VARDAMAN. This bank, as I state in my memorandum, and as you will understand, was not a German bank. There was no involvement of the Government of Germany in it. This was just a community bank. But they had gotten into a little difficulty with the Federal Reserve System and the Reserve System demanded that they put in new blood. I was selected for the work as being probably the lesser of all the evils. They did not want anybody. I went in there and worked with those people for 2½ years under the most stringent difficulties. Our ideas clashed all the way through. I had agreed with those people to stay, I think, 5 years, no longer. At the end of 2½ years I had accomplished what I had thought would take 5 years, and what the Federal Reserve System thought would take that time. But I had accomplished my mission.

I was going away on my first vacation. I called in three of the leading directors and said to those gentlemen, "I am going away. While I am gone I want you to make up your minds to one of two things. Either that I am going to be released from my contract and get out of here, or else you have got to get out. Life is too short to carry on this eternal battle. I do not have to do it and do not intend to do it."

I asked those gentlemen to meet with the board, to argue the matter out and leave word for me at Chicago when I got back, either the end of July or the 1st of August, giving their final decision. If they wanted to stay then I wanted to get out. Mr. Dunbar came to Chicago and told me the decision of the board, that they would rather I would get out than for the other directors to get out. That was the basis of my departure.

Senator DONNELL. Then Mr. Dunbar did indicate it was their preference that you should get out?

Commodore VARDAMAN. Yes, rather than that the other directors would get out.

Senator MILLIKIN. And you yourself had invited the issue?

Commodore VARDAMAN. Oh, yes. I had forced the issue.

Senator DONNELL. Mr. Alex Miltenberger was connected with that bank, was he?

Commodore VARDAMAN. He was president at the time the bank got into difficulties. I relieved him as president and made him chairman of the board.

Senator DONNELL. Was there any criticism made by Mr. Miltenberger of yourself in relation to any language you used to customers or officers of the bank?

Commodore VARDAMAN. Never to any customers. I understand that he did direct some criticism toward me about my plain talk to directors. I was always most courteous to Mr. Miltenberger, who was an elderly man, and a very fine character.

Senator DONNELL. Did that criticism consist of profanity?

Commodore VARDAMAN. That depends on what you mean by profanity. If it was a few damns, all right.

Senator DONNELL. Was there any criticism of the use by you of obscene language that those gentlemen objected to?

Commodore VARDAMAN. Not to my knowledge. I do not think I use obscene language.

Mr. President, a further inquiry made in the telegram presented by the Senator from Oregon is as follows:

Why did not subcommittee subpena Miltenberger, Chairman Locatell, president of the Tower Grove, who stated that they had information which they were prepared to give as to Vardaman's record at the Tower Grove.

In this connection I may say that on the night between February 12 and February 13 of this year I sent to the Senator from Maryland [Mr. RADCLIFFE] chairman of the subcommittee, a telegraphic message, a copy of which I hold in my hand and a portion of which reads as follows:

Re nomination of James K. Vardaman, Jr., to be a member of Board of Governors of Federal Reserve System, I desire you to issue and cause to be delivered to the following-named persons subpenas or notices to require their attendance on Monday, February 18, at 10:30 a. m., at hearing to be held at the Senate banking and currency room, together with documents et cetera below mentioned respectively.

Then, Mr. President, as the tenth individual named in the list of persons for whom I expressed the desire that subpenas be issued is Alex Miltenberger, Tower Grove Bank & Trust Co., St. Louis, Mo., and the eleventh person mentioned in the telegraphic message as to whom I expressed a desire that there be issued and delivered a subpena, was Arthur L. Locatell, Tower Grove Bank & Trust Co., St. Louis, Mo.

Neither Mr. Miltenberger nor Mr. Locatell were subpenaed by the committee. It is my understanding, however, that the committee, or its chairman, addressed to each of those gentlemen a telegraphic message, a copy of which I do not have, but which, I am sure, is available, inquiring in substance whether the addressee of such telegram had knowledge which, in the opinion of such addressee, would have a bearing on the qualifications of Mr. Vardaman for membership on the Board of Governors of the Federal Reserve System.

Mr. President, from time to time subsequent to the telegraphic message which was addressed by myself on the night intervening between February 12 and February 13 from Kansas City to the Senator from Maryland I was privileged to discuss with the subcommittee the theory which I had with reference to the extreme importance of issuing subpenas for various witnesses. I do not know the contents of the responses received by the Senator from Maryland to the messages sent to Messrs. Miltenberger and Locatell. But from telephone conversations which I had with Mr. James Dunbar whom, I understand to be the counsel or attorney of the Tower Grove Bank & Trust Co., all the messages, so far as I can recall, with one exception, originated with Mr. Dunbar. The only exception which I can recall is that when I called Mr. Dunbar to correct an error which I thought I had made, or supplement in some way a statement which I had made, which I now do not recall, from those messages I derived the clear understanding, which I believe to be correct, that Mr. Miltenberger was surprised that he should not come to Washington unless subpenaed. My understanding is that Mr. Dunbar is the attorney or counsel for the Tower Grove Bank & Trust Co.

On the 6th day of March of this year the distinguished Senator from Colorado [Mr. MILLIKIN], a member of the subcommittee, suggested—my memorandum indicates that it was a request—suggested or requested me to furnish him a memorandum which would indicate the various points which I had in my mind, which could be testified to by the individuals whom I had recommended be subpenaed. On the 6th day of March, prior to 2 o'clock in the afternoon, there was delivered by messenger to the office of the Senator from Colorado a memorandum of slightly more than 10 pages, signed by myself, setting forth the data which I thought were of importance as indicating the desirability of issuing subpenas for the appearance of the various individuals to whom I have referred.

As bearing on the matter of the subpena for Mr. Miltenberger, I quote the following from the memorandum.

Item III, Mr. Alex Miltenberger of Tower Grove Bank & Trust Co. should be subpenaed.

Mr. President, I interrupt for a moment my own train of thought to state that I personally had had a conference with Mr. Miltenberger, Mr. Locatell, and a number of other gentlemen, including Mr. Dunbar, in one of the rooms of the Tower Grove Bank & Trust Co., on South Grand Avenue, in the morning, on or about the 8th—it was on the Saturday, at any rate, preceding Lincoln's birthday—and heard extensively what those various gentlemen knew about the connection of Commodore Vardaman with the Tower Grove Bank & Trust Co., including Mr. Miltenberger's own expressions at that time, many of which were in response to my questions and some of which were volunteered by him and others.

I now return to the memorandum which was sent, as I have already indicated, to the Senator from Colorado.

He—

That is to say, Mr. Miltenberger—

can testify that Commodore Vardaman swore over telephone saying in substance "I don't give a G—— d—— about the directors." My notes indicate also that some improper language was used by Commodore Vardaman in the hearing of two elderly ladies. I am not certain whether it is the last above-quoted language or not.

Mr. Miltenberger can also testify of what I consider foul language used by Commodore Vardaman with respect to certain officers of the bank in expressing his view arising out of a certain loan.

Mr. Miltenberger can also testify to expenses which the latter deemed subject to criticism which were made by Commodore Vardaman at the expense of the bank.

Mr. Miltenberger can also testify as to what he considered the little time Commodore Vardaman spent at the bank and refusal or omission of Commodore Vardaman to attend neighborhood affair at Turner Hall, which affair Mr. Miltenberger, I think, regarded as a meeting which should have been attended in connection with good will for bank.

Mr. Miltenberger can also testify as to circumstances leading up to termination of the employment of Commodore Vardaman with the bank.

I think Mr. Miltenberger can probably also testify as to discontent on the part of the

officers and employees which existed with respect to Commodore Vardaman.

I do not mean—

This is a continuation of the memorandum sent to the Senator from Colorado—

I do not mean that the foregoing is a complete statement of all that Mr. Miltenberger can cover in his testimony. In my opinion, he should be subpenaed so that he may give complete detailed statement of the relations of Commodore Vardaman with the bank.

Mr. A. L. Locatell should also be subpenaed for such information as he has relative to the relations of Commodore Vardaman with the bank.

Mr. President, as I have indicated, the date of the delivery of that memorandum to the Senator from Colorado was March 6.

The Senate will recall that the testimony of various witnesses was taken before the Senate committee to which I have already referred; certain portions of it had already been taken on February 18 and 19. On March 20 the hearing was resumed with the testimony of Mr. W. L. Hemingway at the outset. On Thursday, March 21, there was a continuation of the taking of testimony, followed on Friday, March 22, by certain additional testimony.

Then on Saturday, March 23, as I recall, there was a conference which I was privileged to attend between the Senator from Arizona [Mr. MCFARLAND] and the Senator from Colorado [Mr. MILLIKIN], representing the committee, and myself, at which time the three of us discussed what should be done as to additional subpenas, if any. I stated to the two Senators that the Senator from Maryland [Mr. RADCLIFFE] had, according to my best recollection, said that if Mr. Miltenberger would not come voluntarily upon invitation of the committee, a subpena would be issued for him.

Pursuant to my statement to these two members of the committee on the morning of Saturday, March 23, it was agreed that the Senator from Arizona should communicate with the Senator from Maryland, the chairman of the subcommittee. I was informed later—as I recall, on the same afternoon or in the early part of the evening, but probably in the afternoon—by the distinguished Senator from Arizona over the telephone that he had communicated with the Senator from Maryland, the chairman of the subcommittee, and the latter had indicated that, in order that there might be no misunderstanding, a telegram would be sent to Mr. Miltenberger to the general effect that if Mr. Miltenberger required a subpena as a condition precedent to his testifying, the committee would cause to be issued such a subpena to be served on Mr. Miltenberger after his arrival in Washington, D. C., for the purpose of testifying.

I wish to say that in my judgment—and I think this statement is due to the committee—the action of the Senator from Arizona and the Senator from Maryland was brought about by the highest motives of seeing to it that there was no breach of faith between them and myself in respect to the issuance of a subpena for Mr. Miltenberger.

Mr. MILLIKIN. Mr. President, will the Senator from Missouri yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. By exclusion am I in the outer pale of the breach of faith suggestion?

Mr. DONNELL. Not at all. I am sure the Senator from Colorado is not a victim of the rule inclusio unius est exclusio alterius. That is more Latin, Mr. President, than I have spoken for a good many years.

The reason I mentioned the Senator from Arizona and the Senator from Maryland was that the matter of communicating with the Senator from Maryland was left to the Senator from Arizona on that Saturday morning, March 23. The Senator from Arizona in his telephone message to me that afternoon, or in the early part of the evening, whichever it may have been, read to me a proposed telegraphic message to be sent to Mr. Miltenberger. My memory is refreshed that it was in the early part of the afternoon, for a certain reason which I shall indicate in a moment. When this conversation occurred between the Senator from Arizona and myself the general tenor of the message was, as I have indicated, that if Mr. Miltenberger desired the subpena it would be ready in Washington for service upon him before he testified.

I learned later in the committee that the message went forward at about 2 o'clock Washington time in the afternoon of Saturday, March 23. That is the circumstance which recalls to my mind the recollection that the conversation with the distinguished Senator from Arizona was sometime in the early part of that afternoon.

The hearings were to proceed on the morning of Monday, March 25, and this telegraphic message, as I have said was going forward, and did go forward, I assume, on the afternoon of March 23. I am not informed as to the banking hours of the Tower Grove Bank & Trust Co., but I do know that it was on a Saturday afternoon when the message was going forward. I know, also, Mr. President, generally speaking, of the difficulties which travelers had experienced in obtaining reservations from time to time upon trains and airplanes coming from St. Louis to Washington. I should say upon trains, because I do not know in respect to airplanes. I call the attention of the Senate to the fact that Mr. Miltenberger is, as is testified to by Mr. Vardaman, an elderly man. Nothing was heard according to my understanding from Mr. Miltenberger, and he did not arrive in Washington on Monday, March 25, at which time further hearings were resumed, and upon which date at 5:25 p. m. the subcommittee went into executive session at the conclusion of the taking of the testimony on that day.

Mr. President, the inquiry addressed to the Senator from Oregon [Mr. MORSE] by Mr. Lewis in the telegram as to why the committee did not subpena Mr. Miltenberger and Mr. Locatell is an inquiry I cannot answer. The committee itself will, I assume, be pleased to explain to the Senate the reasons. In my judgment, these gentlemen should have been subpenaed, as I indicated by my telegraphic message on the night between February 12 and 13 from Kansas City and I have thought from then on, and still think, that the testimony of Mr. Miltenberger certainly, and possibly that of Mr. Locatell, though I regard Mr. Miltenberger as being able satisfactorily to complete the testimony emanating from that institution, should have been obtained by subpena.

I wish to say again that, in my opinion, these gentlemen of the committee, by addressing the telegram to Mr. Miltenberger on the afternoon of March 23, were endeavoring to, and I am confident they did, all of them—and I include the Senator from Colorado—act in the utmost of good faith with respect to myself.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. The end point is, I suggest, that Mr. Miltenberger, if he had information of value in this inquiry, or thought he had, could have come voluntarily.

My next point is that he did have an opportunity to come, and he was informed that if he would come he would be served with a subpena, and there was time enough to do it.

As to other witnesses who were on the Senator's original list, it is my understanding that we reached a practical agreement that we would subpena Miltenberger, that we would subpena Bittner, De Coster, and Reyburn, and that we would subpena at least one character witness, if the Senator wanted us to, and that the Senator would be at full liberty to have anyone else come who would appear voluntarily. I ask the Senator if that is correct?

Mr. DONNELL. I think with one exception, Mr. President, it is, and I am sure the Senator did not mean in the slightest to vary from the facts in that regard. It was stated that at least one character witness, as he has denominated it, would be subpenaed by myself. My recollection is very clear that there was a limitation to one character witness; in other words, that I was to be permitted to name only one character witness who could be subpenaed.

I may say in that connection that as a result of this limitation I determined that Mr. W. L. Hemingway, who, in a telephone conversation with me which I initiated from Washington, had declined to come without subpena, should be the St. Louisan who would be brought here on subpena. Otherwise I think the statement of the Senator is exactly correct.

Mr. MILLIKIN. I merely wish to emphasize again, and will ask the Senator's reaffirmation of the correctness of my statement, that in addition to those subpenas, we agreed to hear anyone he would produce. Is that correct?

Mr. DONNELL. Yes, that is correct. There is no question about that.

Mr. MILLIKIN. So as to refresh the Senator's memory, I will say that the reason why we put a limit on the number of subpenas was—and I think this was brought to the Senator's attention—first, that this particular committee does

not habitually issue subpenas; second, that we did not feel it was our duty to issue a multitude of unnecessary subpenas; third, I believe it was understood between the distinguished senior Senator from Missouri and the committee—I go further and say it was explicitly understood—that we would get before us Miltenberger, we would get before us Bittner, De Coster, and Reyburn, and that if from their testimony, in the opinion of the subcommittee, we should go further, we would issue additional subpenas. Is that correct?

Mr. DONNELL. That is precisely correct.

Mr. President, as to one aspect of the statement made by the Senator from Colorado, I am not certain whether it was included in the portion of his statement presented to me for affirmation, that is, the statement that Mr. Miltenberger did receive the telegram and had time to come. I have no personal knowledge of whether the message reached him, but I would say that I have no doubt that it did.

I may say also that, as I have indicated, I know that there has been difficulty from time to time in obtaining reservations of accommodations on trains, and if this message went forward on the 23d, in the afternoon, in order to arrive in Washington before 10 o'clock on the morning of March 25, Monday, my recollection is that a person would have had to leave St. Louis at approximately 9:30 o'clock in the morning of Sunday. I do not know the reason why Mr. Miltenberger did not come. I have not the slightest information on that point.

Mr. MILLIKIN. Will the Senator yield again?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I would remind the Senator that we made inquiry as to when the message was deposited for transmission in Washington, and it was about 3 o'clock in the afternoon of Saturday.

Mr. DONNELL. I understood it was 2 o'clock.

Mr. MILLIKIN. Two o'clock of the particular Saturday to which the Senator refers. I will inform the Senator, if he does not know the fact, that from that day to this we have not heard anything from Mr. Miltenberger.

Mr. DONNELL. I thank the Senator for the information.

Mr. President, I do not in the slightest question the statement of my friend the Senator from Colorado as to the custom of this committee with respect to the issuance of subpenas, because I am not on the committee, and I have the utmost confidence in the distinguished Senator undertaking to give exactly the facts, and he undoubtedly has done what he thinks is right and correct, and what he says may be exactly the fact; but, Mr. President, I desire to call the attention of the Senate to an excerpt from the proceedings of the Committee on Banking and Currency, a subcommittee of which heard the evidence on the Vardaman nomination, which proceedings occurred on Thursday, February 7, 1946, from page 3, of which I wish to quote. I have here what has been made in my office as a copy; I do not have the original here, but I am confident the copy is substantially correct, indeed, I am sure it is exactly so. I think the chairman presiding was the senior Senator from Kentucky [Mr. BARKLEY], in the absence of the senior Senator from New York [Mr. WAGNER], who was ill. I read:

> The Chair hopes that the subcommittee appointed to hold hearings on the nomination of Commodore Vardaman will take steps to do that at once, because he is informed that the filling of this vacancy is very important. I am sure the subcommittee will proceed as promptly as possible.
>
> Senator TAFT. Mr. Chairman, has the subcommittee power to summon witnesses or what do they do in that regard? Do they issue requests or subpenas to people they may wish to come before them?
>
> Senator BARKLEY. The custom is, I believe, to request them to come.
>
> Senator TAFT. Is it an official request?
>
> Senator BARKLEY. Yes; it is an official request.
>
> Senator TAFT. And if it is not complied with they can come back and ask for a subpena, can they?
>
> Senator BARKLEY. I think under the general authority granted at the beginning of each session the committee has authority to issue subpenas on request.
>
> Senator TAFT. Then the subcommittee would have the full power of the committee, would it?
>
> Senator BARKLEY. Yes.
>
> Senator TAFT. All right.

Mr. RADCLIFFE. Mr. President, will the Senator from Missouri yield?

Mr. DONNELL. I yield.

Mr. RADCLIFFE. The Senator does not mean to suggest does he, that in our failure to issue a subpena in the manner which he suggested we were deviating from our general policy? I have been a member of the Committee on Banking and Currency for nearly 12 years. Unless my memory is in error, in not a single instance during that time—prior to this hearing—did that committee issue any subpenas. I emphasize that the issuance of subpenas has been a unique experience for that committee, if my memory is correct, during the past 12 years at least.

I should like to make a comment about Mr. Miltenberger, to whom reference has been made. We had communication with him from time to time, and he had ample opportunity to appear if he wanted to do so.

I also wish to refer to the fact that when we were about to finish our hearings on Monday, March 25, I think it was at half past 5, we had not heard a word from Mr. Miltenberger, and we have not heard from him yet.

There is another matter I will mention. When the policy of deciding on a limited number of subpenas was agreed on—and I wish again to emphasize the fact that in our committee the issuance of subpenas is so unusual, indeed, as to be practically unknown—not only did the members of the subcommittee discuss the matter among themselves, but we called in the Senator from Missouri and explained to him what we had in mind, asking for his comments. I do not wish in any way to state the position of the Senator from Missouri, but I am very much of the impression that he believed that what we planned to do was an orderly way to proceed, that is, to issue subpenas for several persons, give a general invitation for other witnesses to appear, and then if, in the minds of the subcommittee, developments indicated that a particular point should be followed up, action would be taken accordingly to secure additional testimony.

I rather think the Senator from Missouri felt that was a normal method of procedure.

Mr. DONNELL. I thank the Senator from Maryland. In my judgment the committee was using what it thought was a proper and just discretion. I may say that to my mind, and as I recall, I so told the committee in substance on one occasion, it was an orderly procedure and a proper procedure. But I have never at any time, as I recall, indicated directly or indirectly that I did not regard the presence and testimony of Mr. Miltenberger to be unimportant. I have felt from the outset that Mr. Miltenberger's testimony should be had. While I thought it was entirely proper that the opportunity should be afforded him to appear before the committee, I recall that I did insist that his testimony should be obtained, and my recollection is quite clear that the distinguished Senator from Maryland gave me his assurance, which I know was given in the best of good faith, that if Mr. Miltenberger did not come voluntarily he would be subpenaed. That was the information which I conveyed on the morning of March 23 to the Senators from Colorado and Arizona, pursuant to which the Senator from Arizona later that day communicated with the Senator from Maryland.

I desire to say, Mr. President, further, that I am not at all questioning what these Senators say as to what has been the practice in the Committee on Banking and Currency. I am confident that they would not mislead this body by the slightest hairbreadth of deviation in their statement, and I, for one, am willing to take what they have stated at 100 percent. But, Mr. President, even if they be correct, as they have assured us, and I have no doubt they are correct in asserting that it has not been the custom of the committee to issue subpenas, I recall again the language of the Senator from Kentucky [Mr. BARKLEY] in the excerpt from the proceedings of February 27, to which I have referred, reading as follows:

> The custom is, I believe, to request them to come.

Then the question by the Senator from Ohio [Mr. TAFT].

> Is it an official request?
>
> Senator BARKLEY. Yes; it is an official request.

I should like, if I may, to ask either the chairman of the subcommittee or the Senator from Colorado whether a request was ever made of Mr. Miltenberger, or whether the opportunity was merely afforded him if he might desire to come? Can either of the Senators enlighten us upon that point?

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. I will remind the Senator that we said to him that we hoped he would get in touch with these St. Louis people and urge them to come.

Mr. DONNELL. No, Mr. President, I think the Senator is in error in that with respect to Mr. Miltenberger. I should like to refresh the memory of the Senator in this respect. There were two other St. Louisans—namely, John C. Kappel, Jr., attorney for the Vardaman Shoe Co., and Martha Harris, notary public, who took the affidavits of Messrs. de Coster and Reyburn. It was understood—and I have my memorandum at hand here somewhere upon this desk—that I was to undertake to communicate with those two persons if I cared to do so. I do not think the committee requested me to, but they certainly gave full and cordial acquiescence to my doing so. In accordance with that, I did reach Mr. Kappel, who declined to come without the issuance of a subpena. I was unable to reach Miss Harris. I was informed that her address was such and such and her telephone number was such and such, but I could not get in touch with her. I recall to the distinguished Senator's memory, however, that I was not charged with any duty to get in touch with Mr. Miltenberger.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. In view of the statement of the Senator from Missouri, I would not insist upon my recollection. I simply come to the end point, which is that Mr. Miltenberger had the opportunity to come voluntarily. He was always open to the urgings of the distinguished Senator from Missouri to come voluntarily, and we finally told him that a subpena was available for him, and he did not come.

Mr. DONNELL. Mr. President, I think the Senator from Colorado is quite correct, certainly to the extent that he has stated—that Mr. Miltenberger was informed, assuming that the telegram was delivered, that a subpena would be available here in Washington for him, but so fas as I know there has never been any subpena issued for Mr. Miltenberger or served upon him in St. Louis or elsewhere, nor any official request that I know of.

I may be in error about that. I do not recall the language exactly of the telegram which the Senator from Arizona [Mr. MCFARLAND] read me over the telephone, and I made no copy of it, but my clear impression was that it afforded him the opportunity to come, and that, if he should not come, a subpena would be served upon him. I may say, though, Mr. President, that I might be in error, and even as I am speaking I am not so sure that I have a clear impression as to just what was said, and I shall be glad to have the committee, if it deems it of importance, place in the RECORD a copy of the telegram which was sent to him.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. Yes.

Mr. MILLIKIN. First, I do not deem any of this of importance, but I should like to help keep the record straight. Whether the committee sent someone to St. Louis personally to serve a subpena on Mr. Miltenberger or whether the committee said, "Mr. Miltenberger, when you arrive here a subpena will await you," does that in the Senator's mind make any substantial difference?

Mr. DONNELL. Mr. President, personally it does not.

Mr. MILLIKIN. No.

Mr. DONNELL. I would say that the issuance of the subpena itself and service of it would afford such protection as the law can afford to a subpenaed witness. But Mr. President, I do not undertake to say what the mental processes of Mr. Miltenberger or of his counsel, Dr. Dunbar were. I should like to append to what I have said that Mr. Dunbar in the messages which he initiated over the telephone to me clearly indicated an apprehension of possible claimed liability against Mr. Miltenberger if he should come and testify without a subpena and a feeling that immunity, if such occurred, would not exist without the issuance of a subpena and service of it. I say his apprehension to that effect was so clearly manifested to me over the telephone that I was not particularly surprised that Mr. Miltenberger did not comply with the suggestion that he come to Washington voluntarily upon the promise that a subpena would be served.

I desire to make it clear, however, Mr. President, that in stating that, I do not have in mind the slightest implication or imputation that either Mr. Dunbar or Mr. Miltenberger or I had any doubt as to the good faith of the committee or of the fact that the subpena would be delivered. Since that occasion I have never talked to Mr. Dunbar or to Miltenberger.

Mr. President, I should like to ask a question either of the Senator from Colorado or the Senator from Maryland, whichever can answer. I understood the Senator from Maryland to say that the committee had been in touch with Mr. Miltenberger from time to time. May I ask the Senator whether or not Mr. Miltenberger ever said, in substance, to the chairman or to any member of the submittee, to the knowledge of the chairman or of the Senator from Colorado or of the Senator from Arizona, who is also in the Chamber, that he, Mr. Miltenberger, had important information or information which he deemed to be of importance in this matter?

Mr. RADCLIFFE. Mr. President, I will say to the Senator from Missouri that I think Mr. Miltenberger did make such a statement. I have not before me the communication which was received at that time. He was given the opportunity to appear before the committee, and if I recall correctly his telegram, which can be found and put in the RECORD if necessary, he did indicate that he had some information bearing on the subject.

Mr. President, I am somewhat at a loss to know just what inference the Senator from Missouri is drawing, from or attempting to draw, from this matter of the subpenas. As I stated a while ago, hundreds of thousands of witnesses have come before the Committee on Banking and Currency during the 12 years I have been a member of it. No subpenas have been issued to them. Witnesses have not hesitated to come and discuss matters frankly with members of the committee. I do not think the Senator from Missouri has laid any foundation to show why in this particular instance the situation should have been handled in a manner totally different from that in which similar situations have been handled during the past 12 years. But in order to meet the wishes of the Senator from Missouri we did provide for the issuance of certain subpenas, which was very unusual. In doing so we deviated from what has been the policy of the committee for at least the past 12 years.

Mr. MCFARLAND. Mr. President, will the Senator yield?

Mr. DONNELL. First I should like to answer the Senator from Maryland, and then I shall be glad to yield.

In answer to the Senator from Maryland, let me say, first, that possibly while he was not in the Chamber earlier in the day I read from the RECORD of yesterday, quoting from the telegram of Mr. Lewis to the Senator from Oregon [Mr. MORSE] inquiring why the subcommittee did not subpena Mr. Miltenberger and Chairman Locatell, president of the Tower Grove Bank & Trust Co. I quote from the telegram sent to the Senator from Oregon:

> Why did not the committee subpena Miltenberger, Chairman Locatell, president of the Tower Grove, who stated that they had information which they were prepared to give as to Vardaman's record at the Tower Grove.

The point to which I wish to address myself in this connection is that I think the Senate is entitled to know, as is Mr. Lewis, and as is every other citizen of the United States, why it was not done. Perhaps there was a perfectly proper reason. The fact is, Mr. President, that Mr. Miltenberger, who seems to have indicated to the committee that he had information of value, was not subpenaed. I read in the Senate this afternoon a portion of a memorandum to the Senator from Colorado concerning Mr. Miltenberger. In my opinion, Mr. Miltenberger can testify to the facts therein set forth.

The further fact is that if the subcommittee had desired to require him to testify to those facts, the subcommittee could have forced him to come if it had wanted his evidence.

The further fact is that he did not come, and did not testify. The Senate does not have the benefit of his testimony. All that it has is the benefit of what was agreed by the subcommittee might be treated in the nature of an offer made by myself; namely, that portion of the memorandum to the Senator from Colorado which I read today. I believe I read one sentence more than was contained in that offer, the additional sentence being in regard to Mr. Locatell.

The point is that although the committee had it within its power to subpena Mr. Miltenberger, he was not subpenaed. The Senator from Kentucky [Mr. BARKLEY] made a statement as to the custom with respect to issuing official requests. He also stated that under the general authority granted at the beginning of each session the commit-

tee had authority to issue subpenas on request; and, according to the Senator from Kentucky, the subcommittee had the full power of the committee. I submit that, regardless of the good faith of the committee, regardless of its efforts in all directions to be fair, as it has indicated, the subcommittee has omitted to obtain evidence which it could have obtained from the chairman of the board of the financial institution of which Commodore Vardaman was the president from 1937 until 1939. I say to the Senator from Maryland that that is the purpose of my discussing this phase of the matter.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Will the Senator be good enough to read the question which he was answering?

Mr. DONNELL. From the telegram?

Mr. MILLIKIN. Yes.

Mr. DONNELL. It is a combination of two or three questions.

Mr. MILLIKIN. Let us have the question concerning Miltenberger.

Mr. DONNELL. This is from the telegram appearing in the second column on page 2953 of the CONGRESSIONAL RECORD of yesterday.

Why was Vardaman's resignation as president of the Tower Grove Bank & Trust Co. forced? Why did not the subcommittee subpena Miltenberger, Chairman Locatell, president of the Tower Grove, who stated that they had information which they were prepared to give as to Vardaman's record at the Tower Grove? In view of all this, I respectfully suggest that the hearing be reopened and that Fordyce, Connett, and Miltenberger be subpenaed.

Added to which is the question by the Senator from Oregon [Mr. MORSE]:

As to the first part of the question, does the record set forth any material bearing on the surrounding facts and circumstances as to why Mr. Vardaman resigned as president of the Tower Grove Bank & Trust Co.?

Then the Senator from Oregon made the following suggestion:

Suppose we leave the question in the RECORD tonight, and have the Senator from Missouri discuss it at the beginning of the session tomorrow.

Mr. MILLIKIN. As to the question affecting Miltenberger, the simple question was why he did not receive a subpena. Is there anything more than that?

Mr. DONNELL. The question was, Why did not the subcommittee subpena him?

Mr. MILLIKIN. Would it not be a sufficient answer to say that a subpena was offered him?

Mr. DONNELL. If that is the answer of the subcommittee, we will accept it as such; but the question raised by Mr. Lewis and communicated to the Senate by the Senator from Oregon was, Why did not the subcommittee subpena him?

Mr. President, the question was raised a day or so ago by the Senator from Colorado as to whether or not there is a considerable amount of evidence bearing on the qualifications of Commodore Vardaman set forth in letters which have come to the committee. I desire to address myself to that question.

In the first place, Mr President, the Senator from Maryland [Mr. RADCLIFFE] chairman of the subcommittee, inquired, as I recall, of myself—certainly the inquiry was made by some member of the subcommittee—as to whether I would offer to the subcommittee a certain letter from Admiral Louis Denfeld, of the United States Navy, with respect to an investigation made by the Navy of Commodore Vardaman.

I assured the distinguished Senator that I would present that letter to the committee. The letter was not sent to the committee until after the conclusion of the hearings, but was forwarded by me to the office of the Senator several days ago, and I assume that he has received it by this time.

I have before me a copy of the letter from Admiral Denfeld, dated February 12, 1946, which I think should be made known to the Senate. I shall read it:

FEBRUARY 12, 1946.

MY DEAR SENATOR DONNELL: In answer to your request made by telephone to Commander Bird in the Bureau of Naval Personnel on Saturday, February 1, for information relating to any investigation made by the Navy Department concerning Commodore James K. Vardaman, Jr., USNR, I am pleased to advise you that prior to enrolling Commodore Vardaman in the United States Naval Reserve on October 24, 1939, the Navy made a careful investigation to determine his qualifications and fitness. This investigation revealed no evidence reflecting upon the integrity, character, or conduct of Commodore Vardaman and it did disclose satisfactory evidence as to his qualifications for the rank of lieutenant commander, and, accordingly, he was commissioned in the Naval Reserve in an inactive duty status.

Commodore Vardaman was called to active duty on June 26, 1941, as a lieutenant commander and while serving in Scotland in the rank of lieutenant commander in 1942, the Navy Department received certain allegations concerning his connection with the affairs of the Vardaman Shoe Co., of St. Louis, Mo. A careful investigation was made by the Navy into these charges and the evidence failed to substantiate the allegations and the investigation was closed.

Very sincerely,

LOUIS DENFELD,
Vice Admiral, United States Navy.

Mr. President, it will be observed that in the opening paragraph of the letter of February 12, Admiral Denfeld says, "In answer to your request made by telephone to Commander Bird in the Bureau of Naval Personnel on Saturday, February 1, for your information" and so forth.

I may state, Mr. President, that my recollection is that I received information to the effect that a record of the activities of Commodore Vardaman in the possession of the Navy's Bureau of Personnel should be examined, whereupon I communicated over the telephone with Admiral Souers, who previously had held some position of authority in that respect. But I learned from talking with Admiral Souers or possibly from another gentleman other than him, although I talked with the admiral personally, as I very distinctly recall, that the admiral had no control over the file, but that there should be a copy of the file in the Office of the Naval Intelligence, Bureau of Naval Personnel, of which Admiral Denfeld was the chief, and that the copy was of a confidential nature.

Mr. President, the letter refers, as I have indicated, to Saturday, February 1. I have a note of a conversation which I had with someone, although it does not designate who it was, on February 1, 1946, at about 12:05 p. m.; and my note has, as a part of it, that I am to call L. E. D.—Admiral Denfeld. Those initials are written in my handwriting. My notes then indicate, Mr. President, that on February 2, 1946, I talked with Commander Bird, I believe, because his name appears first. The name of Admiral Denfeld appears next, and the statement, in substance, was made to me in the conference of February 2 that, "Of course you"—that is to say, I—"would be accorded the privilege"—that is to say, the privilege of seeing the file, and that someone was to call me on Monday next. I think the 1st of February was actually on Friday, instead of Saturday, as the admiral's letter states; as I recall, February 2 was on Saturday.

Later I received a message to the effect that I would receive the file. I offered to go see it myself, but I was told by a representative of the Navy that it would be delivered at my office. Several days elapsed, but nothing was heard about the file. I made inquiry from day to day of my secretary, Mr. Covert, but still the file was not before me. Then, as I have said, I received the letter of February 12, in which it is stated that, in answer to my request made by telephone to Commander Bird, Admiral Denfeld is pleased to advise me as written.

Mr. President, I am confident that the admiral intended to give me an exact statement of his understanding as to what my request had been. But I had not requested that I receive a letter containing the conclusions of the admiral. My request was that I should see the file itself with respect to Commodore Vardaman.

I did not pursue the matter further. The evidence was taken before the committee, as I have indicated. I have no knowledge as to how careful was the examination made by the Navy in regard to the Vardaman Shoe Co. I should be very greatly surprised if there was such a thorough examination into those facts as the one which was entered into and completed before the subcommittee, but I may be in error on that point.

At any rate, Mr. President, from then until this day I have not seen the file. I am not blaming anyone about that, at all. But at the conference held on Saturday, March 23, 2 days before the completion of the testimony, I again indicated to the members of the subcommittee—the Senator from Colorado [Mr. MILLIKIN] and the Senator from Arizona [Mr. MCFARLAND]—my desire to see the Navy file on Commodore Vardaman. My memorandum, which was made upon an earlier memorandum which I had prepared to take to the conference of March 23, contains my initials in a block marked "Naval file re investigation of Vardaman

pursuant to." The meaning of the memorandum or, at any rate, the understanding on which my memorandum was made was that, pursuant to the conversation with the Senator from Arizona and the Senator from Colorado, I myself was to take up the matter of seeing the naval file.

I wish to make it perfectly clear again, Mr. President, that in saying that, I do not in the slightest degree intend to impugn any motive of the subcommittee or to intimate directly or indirectly that it was not doing what it thought it should do by suggesting to me that the function of finding what was in the naval file should rest upon me. As I have indicated, the naval file was, to my mind, an important matter for investigation.

My memory has been refreshed this morning by a conference with my secretary, Mr. Covert, who reminds me of the fact that, as he remembers, and as I now remember in substance after my memory has been refreshed, I stated to him that the Senator from Arizona had, in substance, informed me over the telephone that he, the Senator from Arizona, did not deem it a wise precedent for the Senate itself or its committee to request the production from the Navy Department of a file of that character. I think I am correct in that recollection.

Mr. McFARLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Missouri yield to the Senator from Arizona?

Mr. DONNELL. I yield.

Mr. McFARLAND. It has been my understanding that such files are very confidential and that the Navy does not let anyone, even its own members, see them, except in dealing with the matters for which they are made.

Mr. DONNELL. While the Senator from Arizona is on his feet, let me inquire whether I have correctly quoted the substance of his telephone message to me in which he expressed his opinion to the inadvisability of having the Senate ask for production of the file?

Mr. McFARLAND. That is the reason why I made the statement I did make—namely, that I was informed that such files are of a highly confidential nature. As I understand, the files contain the opinions of others as to the persons about whom inquiry is made, and such opinions are obtained with the understanding that the names of the persons expressing them will not be revealed. If they were revealed, that would destroy the Navy's method of obtaining such information.

Mr. DONNELL. I thank the Senator. From my statement regarding what the Senator said to me, I certainly do not wish him or the Senate to understand that I mean that he was trying in the slightest degree to prevent having the naval file come to the Senate; and my clear impression is, indeed, I am confident, that the reason he then gave was exactly what he has just stated to the Senate.

Mr. President, within the past day or two various rumors of one kind and another with respect to certain naval records have been brought to my attention, and I have taken the liberty of communicating with Admiral Sprague, Admiral Denfeld, and Commander Bird. I can confirm exactly what the Senator from Arizona has said which, I may say, had also been my impression, that those files are of a confidential nature, and only with the consent of the individual to whom the file relates will permission be granted by the Navy Department to anyone to make an inspection. I may say that the Navy was very courteous to me over the telephone in informing me as to these various facts. I was told that the file would be available upon subpena issued by the Senate. I was further informed by each of those gentlemen, or at least two of them—I am not certain whether all three made the statement or not—that there was nothing in the file derogatory to Commodore Vardaman.

I was also informed—and I wish to make clear before I state further that there is not the slightest imputation on my part in what I am about to say—that the file of Commodore Vardaman was misplaced for two or more days during the month of December of last year, which was, of course, several weeks before the time when his nomination was sent to the Senate. I undertake to say that the fact of misplacement of the file was disclosed in a mimeographed bulletin issued by the Navy in which it was stated, in substance, that search should be made for the file. It was subsequently found in the office in, I believe, Alexandria, and the gentlemen with whom I talked stated to me that, so far as they knew, the file had not gone out of that office but had been misplaced within the office. I was told that the same thing had occurred with a file pertaining to Admiral Leahy, that the file had fallen behind a filing cabinet and for a time could not be located.

Mr. President, I mention this not as reflecting on Commodore Vardaman, but as indicating the fact that the personnel of the Navy are the same as anyone else, namely, human beings; that files may be lost, and that evidence may not be completely preserved or, indeed, procured in such a way as to be considered by the Navy as a complete investigation of a man's conduct.

At the time the investigation to which Admiral Denfeld refers was made in 1942, our Nation was engaged in a great war, and I undertake to say it is entirely reasonable to believe that, notwithstanding the good faith of the investigation which was made, not only because of the fact that all the information may not have been available to the Navy but also because of the tremendous pressure of affairs during the war, the investigation may not have been as complete by any manner or means as was the investigation which was made before the subcommittee.

Mr. President, I have presented the letter from Admiral Denfeld. I think it should be borne in mind, and I believe its contents should be considered. But, without seeing the file or the affidavits, statements or letters on which conclusions were based, and without knowing whether Reyburn, De Coster, or Bittner were interviewed in connection with the investigation. I further believe that we should at least bear in mind the possibility that what Admiral Denfeld described as a careful investigation was not productive of all the facts which are disclosed in the evidence before the Senate.

Mr. President, I now come to the matter of the letters of recommendation, and also certain telegrams in opposition to the confirmation of the nomination of Commodore Vardaman.

At pages 28 to 74 of the typewritten record there are set forth copies of 49 letters in behalf of the confirmation of the nomination. In undertaking to analyze these letters, which I shall not do in extenso because of the detail involved, I realize that there is necessarily some tediousness in connection with the process. I shall endeavor to be as succinct as I can in my comments.

There is a letter from Alabama, the writer of which is, as I recall, the president of a bank. I invite the attention of the Senate to the fact that the writer of the letter, a Mr. Bowman, was originally from the State of Mississippi, that being the State of the birth of Commodore Vardaman. There is a letter from a gentleman in Arizona who states that he was once associated with Commodore Vardaman in business in St. Louis, Mo., between 1933 and 1936, but that he now resides, as I have indicated, in Arizona.

I observe that the distinguished Senator from Arkansas [Mr. McCLELLAN], who now presides over the Senate, comes from the State which I have previously said is the best State in the Union. It may be of interest to the present occupant of the chair to know that two of the signers of letters of recommendation among these 49 letters, are from the State of Arkansas, one of them being a banker, and the other being an insurance lawyer, a Mr. M. J. Harrison. The signer of one letter is from the State of Colorado. He was formerly a director in the Reconstruction Finance Corporation.

I digress to mention the fact that among the witnesses who testified before the subcommittee were certain gentlemen who had known Commodore Vardaman years ago in his connection with the RFC, and who had become favorably impressed with him while he was serving in that capacity, just as Mr. Hardin, of the Mississippi Valley Trust Co., had become favorably impressed with Commodore Vardaman while he was in the performance of his duties in connection with the RFC. I refer particularly to those who personally testified and who knew him in the RFC, to Mr. Emil Schram, president of the New York Stock Exchange, and to Mr. Charles Fisher, the head of a great bank in Detroit, which has a billion and a quarter dollars of deposits.

Mr. President, the gentleman from Colorado was formerly a director in the RFC.

Then there are two letters from Georgia, one from the president of a trust company, and the other from a gentleman whom I judge from the context, to be a banker.

There are three letters from the State of Illinois, one of which is from Mr. Randolph Owsley, and appears at pages 33

and 34 of the record. I call attention to the fact that to my mind Mr. Owsley apparently has not been acquainted with the facts, at least in part, with respect to the precedent experience of Commodore Vardaman, for I quote this from the letter of Mr. Owsley:

Commodore Vardaman himself has had broad business experience both in banking and in manufacturing.

Mr. President, the testimony of Mr. Hemingway will be recalled, to the effect that the experience of Mr. Vardaman in the banking business in St. Louis, which is the only place where he had any, was of a junior nature, and it will be recalled that the only manufacturing experience which the evidence shows Mr. Vardaman has had was his experience in the Vardaman Shoe Co. I think some mention was made by him, too, of having been for a time connected in some way with the receivership of the Hamilton Brown Shoe Co. He says that in his testimony, on page 12:

In the spring of 1939 I was asked by the Federal court of the eastern district of Missouri to accept appointment as receiver of the Hamilton-Brown Shoe Co., and one-half-million-dollar concern—

By a misprint the word is "and" instead of "a"—

engaged in the manufacture of men's, women's, and children's shoes. This company was hopelessly bankrupt and I was directed by the court to report on the advisability of attempting a reorganization.

Later Mr. Vardaman said, as appears on the same page:

After several months of intensive work it was verified that the company was not susceptible to reorganization and a report to this effect was filed with, and approved by, the Federal court.

I then resigned as receiver, and declined to accept, although it was offered to me by the court, the receivership.

So, Mr. President, when Mr. Owsley writes of Mr. Vardaman's alleged broad business experience both in banking and manufacturing, I cannot undertake to agree with the conclusion either in the matter of banking, unless the junior experience of Mr. Vardaman be considered as the broad business experience mentioned, and I certainly cannot agree that the evidence disclosed any broad business experience in manufacturing.

As I was about to indicate, there are three letters emanating from the State of Illinois, one from a banker by the name of Mr. Brown, and one from a Mr. Doucie, who is a captain in the United States Naval Reserve, and whose business I do not recall as being shown in the letter, though he refers to himself as having been a naval intelligence officer in 1940, and speaks in a most complimentary manner of the work of Commodore Vardaman as executive officer of the naval establishment—not under Mr. Doucie's command, he says—during a tour of duty in Africa.

Mr. President, that is the testimony from Illinois. Then there are five letters from the State of Indiana, one of them clearly from a bank president, two others I understand to be from bankers, another from the head of the State chamber of commerce, and a final letter from Mr. Ruthenberg, of Evansville, Ind., whose letter appears at page 68, who is the president of Servel, Inc., and who sends his letter from Evansville. He says this:

Although I have not had the privilege of knowing Capt. James K. Vardaman, Jr., who has recently been appointed to the Board of Directors of the Federal Reserve bank, I find that, because of his background as a businessman and banker, he is held in high esteem by the leading businessmen in this community.

Mr. President, it will be observed that Mr. Ruthenberg states that he has not had the privilege of knowing Mr. Vardaman. I take it that there is no showing from this evidence that Mr. Vardaman ever lived for a minute in Evansville, though doubtless he had business connections and business duties to which Mr. Ruthenberg refers.

There are two letters from Kentucky, one from a banker by the name of Mr. Robertson, of Louisville, addressed to the senior Senator from Kentucky [Mr. BARKLEY]. He states:

I have known Mr. Vardaman, "Jake," for a number of years and while I have not had the privilege of being intimately associated with him in business, I have always had a high regard for his character and ability.

Then he proceeds to express the opinion that Mr. Vardaman is a very approachable person, with a good knowledge of banking, with definite convictions as to the right way and the wrong way, and that he would perform his duties in such manner.

The other letter from Kentucky comes from a Mr. J. S. Love, Sr., who describes himself as having been at one time, for 12 years, I should say, superintendent of banks of the State of Mississippi, which, as I have indicated, was the birthplace of Mr. Vardaman, from which State he moved away 27 years ago.

There come from the State of Louisiana five letters, one of which is from Mr. O. G. Lucas, who states that he was formerly in St. Louis, Mo., in a bank. He says:

We were both formerly engaged in the banking business in St. Louis and in that connection I had occasion to see much of him. I regard him as a man of real ability and high character. It is a pleasure to recommend him for your consideration.

The other four letters from Louisiana are apparently letters from residents of that State, one of them being from a Mr. Smith, who is in the building and loan business in Louisiana.

Another is from a Mr. Roddy, whose letter comes upon the letterhead of an investment security firm, Scharff & Jones. Another is apparently from a banker, Mr. Schrader. There is also one from Mr. I. D. Scharff, of the firm of Scharff & Jones, on the letterhead of which Mr. Roddy inscribes his letter.

Mr. President, it would be of interest, I am sure, for the chairman of the subcommittee, who comes from Maryland, to know that among the gentlemen who recommend Mr. Vardaman is Mr. Charles J. Szimmerer, vice president of the Commercial Credit Co., of Baltimore, Md.

As I have indicated previously, Mr. Charles T. Fisher testified in favor of Mr. Vardaman. Mr. Fisher likewise is the writer of one of the 49 letters, and is one of the men who was a friend of Mr. Vardaman during the days when both of them were in the Reconstruction Finance Corporation.

Then, Mr. President, going back to the State of Mississippi, from which Mr. Vardaman came 27 years ago, we find that 10 of the 49 letters emanate from that State. A number of these letters are from bankers. I see one from a lawyer; I see one from Mr. J. W. Latham, of the department of bank supervision, who signed as State comptroller. I wish to quote one sentence from this letter as indicating and corroborating the point which I made at the outset of this debate as to the profound importance of the Federal Reserve System to every person, every man, woman, and child, in the United States, and as referring to the importance of the personnel of the Board of Governors of that great System. The sentence to which I refer from the letter of Mr. Latham is:

The future policies of the Federal Reserve System toward Treasury financing will be the greatest single factor in stabilization of banking and currency for a solvent United States of America.

Mr. Latham, undoubtedly acting with sincerity, concludes that Commodore Vardaman will assume his responsibility toward this objective.

I emphasize, Mr. President, the fact that Mr. Latham is a State officer in a State which Commodore Vardaman left 27 years ago, and I have no doubt that Mr. Latham was at least in part influenced by a reason which he sets forth in his letter. After commenting on what he considers the eminent qualifications of Commodore Vardaman and the recommendation that his nomination be reported out favorably, Mr. Latham says:

The commodore is a member of one of Mississippi's most illustrious families, and his choice of a career outside Mississippi has been our loss but a national gain. His personal attributes are many; particularly his sense of fair play and his ability to appraise the motives in human conduct.

Mr. President, I again refer to the fact that Mr. Latham, who makes this recommendation, comes from a State in which Mr. Vardaman has not resided for 27 years.

Furthermore, Mr. President, I should state that from other States, some of which have already been mentioned, there have come four letters, three of them from persons who were certainly former residents of Mississippi, as possibly the fourth one was. I am not sure as to that inference. I refer to Mr. Bowman, of Alabama; Mr. Robertson, of Kentucky; Mr. Leftwich, of Tennessee; and Mr. Hall, of Tennessee.

So, Mr. President, of the 49 letters submitted by Commodore Vardaman, 10 of them come from persons who are presently members of the citizenship of his home State, Mississippi, from which he has been absent 27 years as a resident. Then there are 4 additional letters of the 49, the writers of 3 of which certainly were former residents of Mississippi, as probably the writer of the fourth one

was. So that either 13 or 14 of the 49 letters came from persons from his home State from which he has been absent for 27 years.

Mr. President, there is one letter from the State of New Jersey and there is one letter from the State of New York. The business of the gentleman who wrote the letter from the State of New York does not appear from the letter. The gentleman from New Jersey is the president of a trust company. There are four letters from the State of Tennessee. Two of the writers, as I have indicated, apparently are probably from Mississippi. One of them certainly is a native of Mississippi. The other, Mr. Robert L. Hall, describes himself as a boyhood friend, and two other gentlemen of the four who wrote from Tennessee are from the same bank in the city of Chattanooga.

Mr. President, the commodore comes from the State of Missouri. He was not born in Missouri, but he showed the good judgment to come there some 27 years ago. Now, when we examine the recommendations which he presents from the State of Missouri we find that of the 49 letters, only 10 of them come from the State of Missouri, added to which, however, should be mentioned the one from Arizona to which I have referred, from Mr. Smith, and the one from Louisiana, Mr. Lucas. So that of the maximum of 49 letters submitted, only 12 come from gentlemen who apparently have known the commodore in the past 27 years as residents of the State of Missouri.

The first one of these letters is from a very well-known lawyer in Columbia, Mo., Mr. Boyle G. Clark, a man of high standing, whom I have known well for many years—indeed, he and I were school mates.

The second of the letters is from Mr. Bernard F. Dickmann, of the city of St. Louis, who was formerly Democratic mayor of that city, and who now occupies the important position of postmaster of the city of St. Louis.

I call to the Senate's attention to the testimony of Mr. William R. Gentry, which appears at page 168 of the hearings. Mr. Gentry, as the Senate will recall, was the trustee in bankruptcy of the Vardaman Shoe Co. The Senator from Nevada [Mr. CARVILLE] was conducting this portion of the examination. He refers to some of the various letters before the committee, and the interrogation and response are as follows:

Senator CARVILLE. Bernard F. Dickmann.

That is the gentleman I referred to, who is now the postmaster of St. Louis.

Mr. GENTRY. He was mayor and is postmaster there now.

Senator CARVILLE. He is a reputable man.

Mr. GENTRY. He is a politician—a very decided politician and I think very much biased as a politician.

Senator CARVILLE. Do you hold it against him?

Senator MCFARLAND. You are something of a politician?

Mr. GENTRY. No, sir; I ran once for the office of city attorney and was defeated by 62 votes. Since then I have left it alone.

Senator MCFARLAND. You have been pretty active in a lot of campaigns.

Mr. GENTRY. No. Not many.

Senator MCFARLAND. Quite a few.

Mr. GENTRY. No. I do not do much in politics.

Senator CARVILLE. You didn't. If you were a good politician, they would vote for you. [Laughter.]

Mr. GENTRY. Well, that is right. One fellow who had been asked to bring his father with him to the polls told me that he had not brought his father with him because he had been dead for 2 years. [Laughter.]

Mr. President, I mention this testimony of Mr. Gentry not as indicating any hostility for or dislike of persons who are engaged in politics but I call particularly to the Senate's attention the fact that Mr. Gentry, who is alert and keen notwithstanding his many years of life in practice and work, said of Mr. Dickmann, whose letter is on file:

He is a politician—a very decided politician and I think very much biased as a politician.

Then, Mr. President, another one of the letters from Missouri comes from Mr. Tom Watkins, of Springfield, Mo., the president of the Citizens Bank, which I believe is in what is called the north side of Springfield. I wish to say, by the way, in that connection that by mentioning the north side of Springfield in any sense I do not mean to discriminate against that side, except to say that in my opinion the principal center of business in Springfield is not on the north side. Though undoubtedly there are located there honorable, capable men, for illustration, the deceased father of a very close friend of mine, who was a practicing lawyer and who had his office on the north side. I mention this only because of the fact that I think the main business section of Springfield is on the other side of the city.

Mr. Watkins, president of the Citizens Bank, says:

He—

That is to say Mr. Vardaman—

will bring to the Board of Governors a broad experience in top-level finance, a keen insight into our economic structure and an aggressive attitude, all of which should permit him to become an immediately valuable member of the Board.

Mr. President, I do not think the mere fact that Mr. Vardaman has had the junior type of experience to which Mr. Hemingway referred, or the experience of passing on loans in the Reconstruction Finance Corporation, or any of the other experiences which he has had, and which the testimony shows, justifies the conclusion of Mr. Watkins that the commodore will bring to the Board of Governors a broad experience in top-level finance, a keen insight into our economic structure.

The fourth of the gentlemen who wrote from Missouri in behalf of Commodore Vardaman wrote upon the letterhead of Paul Brown & Co., a brokerage company of high standing in St. Louis. The gentleman's name is W. C. Haeussler. He states in his letter:

While I have never had any business dealings with Mr. James K. Vardaman, Jr., I have known Mr. Vardaman for many years, and I have always had the highest regard for his integrity and ability.

As I understand, Mr. Haeussler is a broker.

The next letter comes from another gentleman whom I know very well, a man of high standing, Mr. R. Vernon Clark, whose business is not banking, but real estate.

Another letter is from Mr. Edmund B. Meissner, president, of the St. Louis Car Co., a man of high standing, whom I know intimately.

Another letter is from Mr. Lawrence G. Miller, whose comment with respect to the commodore is based upon the fact that he has known the commodore "for over 20 years socially and in connection with military and civic organizations in St. Louis." Major Miller says:

I have sat with him in numerous committee and staff meetings. His actions have always been directed toward the betterment of conditions in St. Louis as a whole and of the United States.

Then he commends him very highly in the concluding sentence of his letter.

Mr. President, the three remaining signers of letters from Missouri are Mr. John W. Minton, now the head of the United Bank of St. Louis, who testified personally in Washington; Mr. Harold Jolley, of the Boatmen's National Bank, which is the fourth bank in point of size in St. Louis, and I think the oldest bank in St. Louis, a bank of high reputation, as is Mr. Jolley; and Mr. T. K. Smith, president, of the Boatmen's Bank, who a few years ago was president of the American Bankers Association, as was Mr. Hemingway.

Mr. President, to recapitulate briefly, of the 49 letters in behalf of Mr. Vardaman, only 10 are from Missouri, which has been his home State since 1919, 27 years. Two others are from gentlemen who were formerly in Missouri. The remaining 39, which include the last two which I mentioned, are from other States. Of the 39, 10 are from Mississippi, from which State Commodore Vardaman moved 27 years ago. Three or four letters are from gentlemen who knew him in Mississippi, or who lived in Mississippi years ago. The remaining 29 of the 49 are from scattered States, in none of which is it shown that Commodore Vardaman ever lived for a minute of his life. I do not mean that he may not have been in all the States. He may have been in every State in the Union; but so far as I know, or so far as the testimony shows, he never lived in any of those scattered States from which emanate 29 of the 49 letters.

Of the 10 letters which come from Missouri, in which State the commodore has lived for the past 27 years, 6 are from persons who are not bankers. One is from Mr. Minton, of the United Bank, who had various dealings with Mr. Vardaman in connection with the Vardaman Shoe Co. One is from a Springfield bank, and two others, from Messrs. Smith and Jolley, are from the same bank in the city of St. Louis. So out of this array of 49 letters in behalf of Mr. Vardaman only 4 of them are from Missouri bankers, and 2 of the 4 come from the same bank in the city of St. Louis.

Mr. President, the subcommittee sent telegrams to various individuals who were named upon the list of persons whom I initially suggested—I think

probably all of them in my telegram from Kansas City, sent prior to the middle of February. The committee sent telegrams to those persons inquiring, in substance, whether the individuals to whom the telegrams were addressed had knowledge of facts which would bear upon the qualifications of Commodore Vardaman to serve upon the Board of Governors of the Federal Reserve System. I desire to read five of the responses which were received. There may be others, and I should be glad to have members of the subcommittee read them if they so desire. These five I shall present at this time.

The first one was received in Washington on the afternoon of February 20. It is addressed to the Senator from Maryland [Mr. RADCLIFFE], chairman of the subcommittee of the Committee on Banking and Currency. This telegram comes from Walter W. Smith, president of the First National Bank in St. Louis, the largest bank in the city of St. Louis, and, as the commodore points out in his testimony, at the time he was with it it was the largest bank in our Nation west of the Mississippi River. As I recall, without reference to the record, the resources of the bank are approximately $500,000,000. Mr. Smith in his telegram says:

Replying your wire. As result of contacts with Commodore Vardaman over a period of 15 years feel that he does not have the qualifications to be a member of the Board of Governors of the Federal Reserve System. My information with reference to his handling affairs of the Tower Grove Bank and the Vardaman Shoe Co. was received from officers of the bank and Frank Bittner of the shoe company.

Mr. President, I call attention particularly to the fact that Commodore Vardaman points with obvious and justifiable pride to his service with the First National Bank, of St. Louis, at that time the largest bank west of the Mississippi River. I may add that I had expected Mr. Smith to be present to testify before the subcommittee, and I am confident that he would have been present; but I am distressed to tell the Senate that Mrs. Smith, the wife of Mr. Smith, died very suddenly and unexpectedly after the telegram was sent to him and before the date of the hearing at which he was to have been present. Acting under the advice of a physician, Mr. Smith informed me by telegraph that the physician had advised that he should not make such a trip within 10 days. Another gentleman, Mr. Harold Welch, a vice president of that great bank, appeared before the committee.

There was received in Washington on the afternoon of February 21 by the chairman of the subcommittee a communication from Mr. James C. Hickok, president of the Manufacturers Bank. As I have previously stated, Mr. Hickok was president of the Missouri Bankers Association, which has approximately 600 members all over the State. Mr. Hickok, who was not speaking for his bank or for the association, but whose officership in the bank and association I mention as showing his standing, sent a telegraphic message from Chicago, Ill., reading as follows:

Notwithstanding the fact that Commodore Vardaman is a close personal friend of 15 years' standing and undoubtedly possesses qualifications for other posts, frankness compels me to state in reply to your telegram that in my opinion his experience and record do not in any sense qualify him for membership on the Board of Governors of the Federal Reserve System.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DONNELL. I yield.

Mr. MILLIKIN. Has the Senator been discussing an official of the First National Bank of St. Louis?

Mr. DONNELL. I have not come to that as yet. I shall come to it in a few minutes.

There was also received in Washington on February 20, another telegraphic message. It came from Mr. W. L. Hemingway, signed "W. L. Hemingway, Mercantile Commerce Bank & Trust Co." I omitted to mention that Mr. Walter Smith's telegram is signed "Walter W. Smith, President, First National Bank in St. Louis." Mr. Hemingway's telegram is signed as I have indicated.

The Mercantile Commerce Bank & Trust Co. is the second largest bank in the city of St. Louis. Its resources are stated in the testimony. I have forgotten the exact number of millions of dollars they amount to, but they are in the hundreds of millions of dollars. Mr. Hemingway states the following in his telegram to the Senator from Maryland [Mr. RADCLIFFE]:

Answering yours 19th, while I have known Vardaman many years, have had no business relations with him and therefore have no personal knowledge of his affairs which have been publicized here. In my opinion his experience does not qualify him for the position of Governor of Federal Reserve System especially during these trying times.

Mr. President, in a few minutes I shall refer again to the testimony of Mr. Hemingway, for whose attendance I used the subpena which was allotted to me by the committee. It was the only subpena allotted to me by the committee for service upon a so-called qualification witness. I say that I shall refer to the testimony given by him as a subpenaed witness when he came to Washington.

Mr. President, on February 20 there was also received in Washington a telegram from Mr. Hord Hardin, addressed, as were the others, to the Senator from Maryland [Mr. RADCLIFFE], as chairman of the subcommittee of the Banking and Currency Committee. Mr. Hardin said:

Have known J. K. Vardaman for more than 20 years. Have therefore had ample opportunity to judge his qualifications for membership on Federal Reserve Board. It is definitely my opinion that he is not qualified.

HORD HARDIN.

Mr. President, as I indicated the other day, Mr. Hardin has for 43 consecutive years, I believe, been with the Mississippi Valley Trust Co., the third largest bank in point of resources now in the city of St. Louis, and he is the executive vice president of that bank.

I wish to say that the telegram which was read yesterday by the Senator from Oregon [Mr. MORSE] mentions a Mr. Connett. Mr. Connett is vice president of the First National Bank in St. Louis. He says the following in a telegram addressed to the Senator from Maryland [Mr. RADCLIFFE], and received on February 20:

The information I have in regard to Commodore Vardaman in connection with the Vardaman Shoe Co. or the Tower Grove Bank I received through statements made by Mr. Frank Bittner and Mr. Locatell and other Tower Grove Bank officials. What I have in addition to that is just my opinion.

W. C. CONNETT,
First National Bank in St. Louis.

Mr. President, we have thus received, by means of those telegrams, the statements of the president of the first bank in point of resources in St. Louis; the president of the second bank in point of resources in St. Louis, and a former president of the American Bankers' Association; the executive vice president of the third largest bank in point of resources in St. Louis; the president of the Manufacturers Bank, a smaller bank, but also president of the Missouri Bankers' Association; and finally Mr. Connett, indicating that, aside from the information received from Mr. Bittner, Mr. Locatell, and other Tower Grove Bank & Trust Co. officials, he has his own opinion.

A number of witnesses were present at the hearing and testified in behalf of Mr. Vardaman. One was Mr. John O'Connell Price, a certified public accountant, who had been designated by the court as the accountant to examine the affairs of the Vardaman Shoe Co. I shall not undertake to give in detail the comments made by the witnesses. Mr. Price expressed himself, generally speaking, to the effect that he had not observed anything in the conduct of Mr. Vardaman which impressed him as improper. Mr. G. R. Fredrick, president of one of the St. Louis banks—I think it is the Southwest Bank—testified before the committee, and his testimony appears at page 285 of the transcript. Mr. J. P. Meyer, of the Northwest Bank, testified, and his testimony appears at page 290. Mr. Tom K. Smith, president of the Boatmen's National Bank, the fourth bank in point of size in St. Louis, also testified. Other witnesses who testified were Mr. Charles T. Fisher, Jr., of a very large and important institution in Detroit, who had known Mr. Vardaman in their days of service in the Reconstruction Finance Corporation; Mr. Emil Schram, president of the New York Stock Exchange, who likewise had had contacts with Mr. Vardaman during those days of service in the Reconstruction Finance Corporation; and Mr. Minton, of the United Bank, to whom I have referred, who formerly was with the National Stockyards Bank of East St. Louis, a man who had had, as I have indicated, various business dealings with Mr. Vardaman. Perhaps I omitted to state that Mr. T. K. Smith was president of the American Bankers Association. If I did not state it, I wish to mention it now, for he is a very outstanding banker. All those gentlemen,

beginning with Mr. Price, and on down through Mr. Minton, testified in favor of the confirmation of the nomination of Mr. Vardaman, and did so in no uncertain terms.

Mr. President, in addition, there was called to the witness stand by the chairman of the subcommittee a gentleman who, as I understood, happened to be in the audience at the hearing, Admiral Lewis L. Strauss, a member of the firm of Kuhn, Loeb & Co., of New York City, with which firm he has been connected since 1919. Admiral Strauss stated that he has been in the Naval Reserve 20 years, and on active duty for the past 5 years. He testified, in substance, that, based on what he had heard and what he had seen of the commodore—

I would say that based upon the experience of Commodore Vardaman, as I understand it to be, he is qualified.

Then he said:

All my information about his career prior to some 46 or 47 weeks ago is of course second hand.

Then it developed—and this information was not at all attempted to be concealed by Admiral Strauss, but it was brought out somewhat more fully by further questioning—that it was in the month of April or May 1945 that Admiral Strauss first became acquainted with Mr. Vardaman.

It appeared during the course of the testimony that Admiral Strauss had had no business dealings whatever with Commodore Vardaman. The witnesses to whom I have referred appeared and testified in person on behalf of Commodore Vardaman.

Mr. President, I refer very briefly to the gentlemen who testified in opposition to the appointment of Commodore Vardaman. First, I refer to Mr. Hardin, who, as I have already said, is executive vice president of the Mississippi Valley Trust Co. He testified at page 571 of the record that he had known Commodore Vardaman for more than 20 years. On page 572 of the record he testified:

My opinion is that Commodore Vardaman is not qualified to serve as a member of the Board of Governors of the Federal Reserve System.

I have previously stated some of the experiences which Mr. Hardin had with Commodore Vardaman. In fact, during the time Commodore Vardaman was connected with the RFC Mr. Hardin felt favorably of Mr. Vardaman's work, but shortly after he became president of the Tower Grove Bank & Trust Co. a transformation in Mr. Vardaman seemed to take place. He became egotistical, arrogant, critical of persons who were entirely worthy, and wanted to organize most everything relating to the banking business, including the St. Louis Clearing House Association and the Federal Reserve Bank of St. Louis.

Mr. Hardin also testified at page 573, as follows:

I have, as I stated a while ago, formed a definite opinion that Commodore Vardaman is utterly lacking in the balanced judgment that any member of the Board of Governors of the Federal Reserve Board should possess.

It will perhaps be recalled, Mr. President, by the members of the committee who were present when Mr. Tom K. Smith testified, that although Mr. Smith testified in favor of Mr. Vardaman he conceded, in response to a question of the Senator from Arizona, that there was a difference of opinion regarding Mr. Vardaman among the bankers in St. Louis.

At page 579 of the record Mr. Hardin said:

I have heard no expression of commendation of the appointment, and I have heard in several instances criticism.

Senator DONNELL. Did these criticisms emanate from responsible bankers in the city of St. Louis?

Mr. HARDIN. Yes, sir.

I refer also to the oral testimony of Mr. James B. Hickok, whose telegram I have already read. Mr. Hickok is president of the Manufacturers Bank and president of the Missouri Bankers Association. He testified solely for himself, as set forth on page 581 of the record. He said he had known Mr. Vardaman ever since he, Mr. Hickok, had been in St. Louis, and he further stated that he had lived in St. Louis for approximately 15 years.

At page 582 of the record he said:

Frankness compels me to state that in my opinion Mr. Vardaman is not qualified for a position on the Board of Governors of the Federal Reserve System.

Mr. Hickok was questioned relative to the consensus of opinion with regard to the qualifications of Commodore Vardaman. I read the following from page 586 of the record:

Senator DONNELL. Have you talked, Mr. Hickok, with other bankers and businessmen with respect to the qualifications of Commodore Vardaman for service on the Board of Governors of the Federal Reserve System; and if so, with approximately how many have you talked?

Mr. HICKOK. I have discussed it with a very great many.

Senator DONNELL. Would you tell the committee, please, what you have found to be the consensus of opinion, if there be such consensus, among those gentlemen with whom you talked, bankers and businessmen, respecting his qualifications to serve upon the Board of Governors of the Federal Reserve System?

Mr. HICKOK. Sincerely, I have never talked to a banker or a businessman, and I have talked to a great many and I have yet to talk to a single one, who thinks that Commodore Vardaman is in any sense qualified for this position.

Senator RADCLIFFE. Did you ever talk to Mr. Tom Smith about the matter?

Mr. HICKOK. I have never talked to Tom on this subject.

Mr. President, a few minutes ago the Senator from Colorado inquired whether I was then discussing the gentleman who came and testified before the committee from the First National Bank of St. Louis. He was referring to Mr. Harvey L. Welch. Mr. Welch is a vice president of the First National Bank of St. Louis. I may say that I believe there are several vice presidents of that bank, and I do not know the relative rank of Mr. Welch or the other vice presidents of the bank. However, a question was asked by the Senator from Maryland [Mr. RADCLIFFE] as follows:

Senator RADCLIFFE. How long have you occupied that position?

Mr. WELCH. As vice president? Somewhere within the past 7 years.

Senator RADCLIFFE. How long have you been connected with that bank?

Mr. WELCH. With the First National Bank, since its organization.

Senator RADCLIFFE. When was that?

Mr. WELCH. The First National Bank was formed in 1919—

Mr. President, that was 27 years ago, or the very year in which Commodore Vardaman moved to St. Louis.

I continue to read from Mr. Welch's testimony.

The First National Bank was formed in 1919 as a merger of the Third National, the Mechanics American National, and the St. Louis Union Bank.

Mr. Welch further testified that he had lived in St. Louis since 1906, or 40 years. He was in the banking business practically all that time, and was previously with the old Mechanics National Bank. He testified that he had known Commodore Vardaman since 1929. When asked by the chairman of the subcommittee as to whether his contacts with Mr. Vardaman had been frequent during that period, Mr. Welch replied:

There was a period from 1929 to 1933 when he was an officer in our bank and I was in contact with him all the time during that time.

Mr. Welch described his impressions in response to an inquiry of the Senator from Maryland [Mr. RADCLIFFE]. Mr. Welch said:

Personally, Commodore Vardaman is a very likable man.

Then, in response to a further question of the Senator as to what impressions Mr. Welch had formed of Mr. Vardaman's ability and the character of the services which he had rendered to the bank during the period of time to which reference had been made, Mr. Welch responded:

Well, my personal impression was that he was, in connection with his job, or his attitude sometimes was, rather one of, well, sort of an indefinite attitude toward his job.

Senator RADCLIFFE. Indefinite?

Mr. WELCH. Sometimes there would be instances where I personally felt that it bordered on neglect.

Proceeding further, Mr. President, the question was asked by the Senator from Maryland:

Have these contacts which you have had with him since 1929 in your mind justified you in forming any conclusions as to whether or not you think he has the qualifications to be a governor of the Federal Reserve System?

Mr. WELCH. I think so; yes, sir.

Senator RADCLIFFE. Will you state to the committee what your conclusions are?

Mr. WELCH. I feel that he does not have the qualifications for the job as governor of the Federal Reserve System.

Mr. RADCLIFFE. Would you, for the benefit of the committee, explain what you mean by "the qualifications?" What character of qualifications do you think he has, or what qualifications do you think he has not?

Mr. WELCH. Well, I am basing my opinion, of course, upon the banking experience that he had with us during the time of 1929 to 1933, and the feeling that that experience, coupled with, secondly, the general business reputation that he has had since then, does not give him a sufficiently rounded experience for the job.

Mr. President, I have mentioned Mr. Hemingway a number of times. I shall refer very briefly, in concluding my reference to him, not primarily to his own expression to the effect that the positions "that he"—meaning Vardaman—"held were those of rather junior in the banks, and I thought that he had not had an opportunity to study and prepare himself for the duties of Governor of the Federal Reserve Board," but primarily to a question which was asked and answered by him, as appears on page 222 of the record. Remember, Mr. President, the man to whom this question was addressed was president of the American Bankers' Association but a few years ago, as was Mr. Tom K. Smith, who testified for Commodore Vardaman:

Senator DONNELL. Could you tell us, if you know, Mr. Hemingway, the general reputation of Commodore Vardaman among banking circles in the city of St. Louis, Mo., as to his qualifications for membership on the Federal Reserve Board?

Mr. HEMINGWAY. Well, the feeling, I think, is general in St. Louis that Commodore Vardaman has not had enough experience to qualify him for that position.

Mr. President, three out of the four bankers I have mentioned came without subpena, and I say that without any criticism of Mr. Hemingway, who required a subpena. He had a perfect right to require it, and no criticism attaches to him. All these men who came here—Hemingway, Hickok, Welch, and Hardin—came here well and fully knowing that the office to which Mr. Vardaman has been nominated is one which has vast powers with respect to the Federal Reserve System, with respect to the economic and financial life of the country, and with respect to the 6,884 member banks of the Federal Reserve System. They knew full well the power which the Federal Reserve System and the Board of Governors have, as I pointed out day before yesterday in my address, with respect to the dismissal of officials of member banks of the Federal Reserve System. They knew full well the powers possessed by the Board to which this man, Mr. Vardaman, has been nominated by the President.

I say, Mr. President, that the men who came here, whether with or without subpena, who sent telegrams, as did Mr. Hemingway, without subpena, expressing his opinion, possess courage, because of the power which Mr. Vardaman, in conjunction with his fellow members, will have over their institutions, over the welfare of those institutions—yes, over themselves personally, in possibility, at any rate. I say they demonstrated their courage, and in so doing demonstrated their sincerity in coming here.

These men had nothing to gain by coming here and testifying as to their opinion that Commodore Vardaman is not qualified. Men of less courage and backbone and stamina could very properly have remained at home and said, "That is nobody's business but that of someone in Washington, and we will not imperil ourselves or our institutions."

Mr. President, these men realized just what I pointed out, namely, the tremendous importance of the Federal Reserve System, the vast powers which lie within it, not merely along strict, technical lines of banking but because of their open-market operations, buying Government bonds, and thereby placing money in circulation which may have an inflationary tendency, or, on the other hand, selling Government bonds, and thereby calling in money and contracting the credit available for purchasing, and thus exercising a deflationary influence.

I say these men, these witnesses, coming here as they did, from a high sense of public duty, just as I conceive the man who testified for Commodore Vardaman came, deserve careful consideration.

These men whom I have produced, and who have so frankly testified with no evasion and no reservation whatsoever, have placed upon the public records for every person in the United States to see and to read their opinion in opposition to Commodore Vardaman, and I say that should carry weight with the Senate in determining whether or not the best interests of this Nation will be served by the appointment and confirmation of the nomination of Commodore Vardaman.

Mr. President, I have demonstrated the power of the Federal Reserve System. I have demonstrated the tremendous responsibilities and duties and powers which are reposed in the members of the Board of Governors. I have mentioned in detail scores upon scores of powers which reside in the membership of that great Board of Governors, called some time ago, appropriately, by someone whom I have in mind, the supreme court of banking, or of the Federal Reserve System, at any rate.

Mr. President, I have demonstrated that the Senate does not have before it strong, convincing, and preponderant affirmative reason to believe that Mr. Vardaman possesses all those qualifications which it is essential a member of the Board of Governors of the Federal Reserve System should have if he is to exercise the duties of the office in the best interests of the people of our Nation.

Mr. President, I have demonstrated, as I have said, that the evidence fails to establish the existence of that strong, convincing, and preponderant reason. I have demonstrated, to the contrary, overcoming every possible presumption which can arise and which may be in the mind of any Senator, that the evidence affirmatively establishes that there are certain of the necessary qualifications which Commodore Vardaman does not possess.

Mr. President, I trust I have discharged my duty in presenting to the subcommittee and to the Senate these facts, conclusions, and arguments. Coming, as I do, from the State in which Commodore Vardaman has resided for 27 years, knowing something, at any rate, of the standing of witnesses who have testified, I say today that the Senate should, in my opinion, refuse to confirm the nomination of James Kimble Vardaman, Jr., to be a member of the Board of Governors of the Federal Reserve System.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 1163) to provide for the appointment of one additional district judge for the northern district of California, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. CELLER, and Mr. HANCOCK, were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 286. An act for the relief of James F. Desmond;

S. 976. An act for the relief of the estate of Howard Francis Waldron;

S. 983. An act for the relief of A. F. Crawford;

S. 1184. An act for the relief of A. L. Clem and Ida M. Bryant;

S. 1319. An act for the relief of Mrs. Alice Condon;

S. 1411. An act for the relief of Alfred Osterhoff, doing business as Illini Reefer Transit, Champaign, Ill.;

S. 1504. An act for the relief of Edith Roberta Moore;

S. 1609. An act for the relief of Catherin Gilbert;

S. 1622. An act for the relief of Gordon Cole Hart; and

S. 1627. An act for the relief of Mrs. Isabel N. Mifflin.

PERMANENT APPOINTMENTS IN THE REGULAR NAVY AND MARINE CORPS

The PRESIDING OFFICER (Mr. CARVILLE in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1907) to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes, which were, to strike out all after the enacting clause and insert:

That in order to remove any apprehension on the part of Naval Reserve officers regarding their opportunities for advancement in event of their transfer to the Regular Navy, it is hereby declared to be the policy of the Congress that in all matters relating to commissioned officers in the Regular Navy there shall be no discrimination whatsoever against officers because of the source from which they entered the Regular Navy, and that no preference shall be given officers by reason of the fact that they entered the Regular Navy from any particular source; and, among other things, that all commissioned officers in the Regular Navy, regardless of the source from which they entered the Regular Navy, shall receive the same treatment with respect to opportunities for (1) promotion or advancement to all grades in the Navy, (2) holding any positions or assignments in the Navy including proportionate representation on selection boards, and (3) attending the Naval War College, postgraduate schools, or other schools, or otherwise receiving advanced or technical training.

SEC. 2. (a) The permanent authorized enlisted strength of the active list of the Regular Navy shall hereafter be 500,000.

(b) Hereafter the permanent authorized enlisted strength of the active list of the Regular Marine Corps shall be 20 percent of the permanent authorized enlisted strength of the active list of the Regular Navy.

SEC. 3. The number of enlisted men of the Navy and Marine Corps provided for shall be construed to mean the daily average number of enlisted men in the naval service during the fiscal year.

SEC. 4. The permanent authorized number of commissioned officers of the active list of the line of the Regular Navy, exclusive of commissioned warrant officers, shall hereafter be equal to 8 percent of the permanent authorized enlisted strength of the active list of the Regular Navy.

SEC. 5. (a) The President may appoint male officers of the Naval Reserve and of the Marine Corps Reserve, officers of the Regular Navy and Marine Corps without permanent appointments therein, commissioned warrant and warrant officers of the Regular Navy and Marine Corps with temporary appointments in higher grades and ranks, and any person who served on active duty in any such capacity during World War II and shall have been separated from such officer status under honorable conditions, to permanent warrant grades or, with the advice and consent of the Senate, to permanent commissioned grades and ranks in the Regular Navy and Marine Corps, respectively, but no such person shall be appointed to a grade or rank higher than the highest grade or rank in which he served on active duty. Appointments pursuant to this subsection to commissioned warrant and warrant grades shall be in such numbers as the President may determine, and to other grades and ranks in such numbers that, exclusive of commissioned warrant and warrant officers, the total number of officers of the line and of each of the Staff Corps of the Navy, and of the Marine Corps, will not exceed the authorized numbers of such officers.

(b) (1) Each appointee who is serving on active duty in a higher grade or rank than that in which appointed under subsection (a) of this section shall also be appointed for temporary service pursuant to, and subject to the limitations of, the act of July 24, 1941 (55 Stat. 603), as now or hereafter amended, to such higher grade or rank and with the precedence held by him at the time of acceptance of permanent appointment; each appointee not serving on active duty in an officer grade or rank who is appointed under subsection (a) of this section to a grade or rank lower than the highest grade or rank held while on active duty in World War II other than by virtue of a temporary appointment which by its terms was of limited duration, may be similarly appointed to such higher grade or rank and with precedence determined in accordance with regulations promulgated under subsection (c) of this section.

(2) During such period as the Secretary of the Navy may determine but not later than 6 months after June 30 of the fiscal year following that in which the present wars shall terminate, notwithstanding date of rank and lineal position assigned upon permanent appointment under subsection (a) of this section, (A) each officer who receives a permanent appointment in the same grade or rank in which he is then serving on active duty in the Naval or Marine Corps Reserve shall retain the precedence held by him at the time of such appointment; (B) each person not serving on active duty in an officer grade or rank or serving on active duty in his permanent commissioned warrant or warrant grade who is appointed under subsection (a) of this section to the highest grade or rank held while on active duty in World War II other than by virtue of a temporary appointment which by its terms was of limited duration, shall have precedence determined in accordance with regulations promulgated under subsection (c) of this section.

(c) (1) Appointments under subsection (a) of this section shall be made pursuant to regulations prescribed by the President for the administration of this section.

(2) Such regulations shall include, among other provisions, (A) provisions establishing standards and qualifications for appointment thereunder to the several grades and ranks and for the determination of the lineal position and precedence of appointees; and (B) provisions for the assignment of running mates to officers appointed thereunder to the Staff Corps of the Regular Navy.

(3) Such regulations may provide for (A) readjustment of the lineal position and precedence of persons heretofore or hereafter appointed under other provisions of law to commissioned grades or ranks in the Regular Navy subsequent to September 8, 1939, and in the Regular Marine Corps subsequent to June 30, 1939, and (B) reassignment of running mates to persons so appointed to commissioned grades or ranks in the Staff Corps of the Regular Navy.

(d) Except as provided in subsection (b) the authority granted by this section shall expire 6 months after June 30 of the fiscal year following that in which the present war shall terminate or 2 years after the effective date of this act, whichever shall be the later.

SEC. 6. (a) The commission of any appointee under subsection (a) of section 5 may be revoked by the Secretary of the Navy until the latest date on which the commission of any officer (or in the case of officers of the Staff Corps of the Navy, an officer in his corps) senior in lineal position to that assigned such appointee pursuant to regulations established under subsection (c) of section 5 of this act is revocable.

(b) Each officer (other than officers appointed or reappointed pursuant to subsection (c)) whose commission is so revoked shall thereupon be discharged from the naval service without advanced pay or allowances.

(c) Each officer above the grade of commissioned warrant officer whose commission is so revoked and who (1) at the time of his appointment under subsection (a) of section 2 held permanent status as a commissioned warrant officer may be reappointed by the President to such permanent status without examination, with the lineal position and other rights and benefits to which he would have been entitled had his service subsequent to reappointment under such subsection (a) been rendered in such permanent status, or (2) at the time of his appointment under subsection (a) of section 2 held permanent status as a warrant or petty officer, may be appointed by the President without examination to permanent commissioned warrant or warrant grade with the same lineal position and other rights and benefits which he would have had or normally would have attained in due course had he not been appointed pursuant to subsection (a) of section 2, or (3) at the time of his appointment under subsection (a) of section 2 held permanent status as a petty officer may be reenlisted as a chief petty officer (permanent appointment) and shall be entitled to the same rights and benefits to which he would have been entitled or normally would have attained in due course had he not been appointed pursuant to subsection (a) of section 2.

SEC. 7. Notwithstanding any other provision of law, each officer of the Naval Reserve and of the Marine Corps Reserve and each officer of the Regular Navy and Marine Corps without permanent appointments therein, appointed to officer rank in the United States Navy or United States Marine Corps pursuant to this act, who at the time of such appointment had to his credit leave accrued but not taken, may, subsequent to appointment, be granted such leave without loss of pay or allowances.

SEC. 8. All laws or parts of laws inconsistent with the provisions of this act are hereby repealed, and the provisions of this act shall be in effect in lieu thereof and such repeal shall include but shall not be limited to the following acts and parts of acts:

(a) That portion of the first sentence after the subheading: "International naval rendezvous and review;" in chapter 212, Twenty-seventh Satutes at Large, page 715, which appears at page 730 and which reads as follows: "; and the number of persons who may at one time be enlisted into the Navy of the United States, including seamen, ordinary seamen, landsmen, mechanics, firemen, and coal heavers, and including 1,500 apprentices and boys, hereby authorized to be enlisted annually, shall not exceed 9,000."

(b) That portion of the sentence after the heading "Pay of the Navy" in chapter 186, Twenty-eighth Statutes at Large, page 825, which appears at page 826 and which reads as follows: "and the Secretary of the Navy is hereby authorized to enlist as many additional seamen as in his discretion he may deem necessary, not to exceed 1,000;".

(c) Section 2 of chapter 120, Twenty-ninth Statutes at Large, page 96, at page 97.

(d) That portion of the sentence after the heading "Pay of the Navy" in chapter 399, Twenty-ninth Statutes at Large, page 361, which appears at page 361 and which reads as follows: "and the Secretary of the Navy is hereby authorized to enlist at any time after the passage of this act as many additional men as in his discretion he may deem necessary, not to exceed 1,000.".

(e) That proviso at the end of the first sentence after the heading "Bureau of Supplies and Accounts. Pay of the Navy:" in chapter 130, Thirty-eight Statutes at Large, page 392, which appears at page 403 and which reads as follows: ": *Provided*, That hereafter the number of enlisted men of the Navy and Marine Corps provided for shall be construed to mean the daily average number of enlisted men in the naval service during the fiscal year."

(f) The following portions of chapter 417, Thirty-ninth Statute at Large, page 556:

(1) That portion of the first sentence after the heading "Hospital Corps" in such chapter, which appears at page 572 and which reads as follows: "And shall be in addition thereto."

(2) That portion of the first sentence after the heading "Bureau of Supplies and Accounts. Pay of the Navy:" In such chapter, which appears at page 575 and which reads as follows: ", and the President is hereafter authorized, whenever in his judgment a sufficient national emergency exists, to increase the authorized enlisted strength of the Navy to 87,000 men," and that portion of such sentence which reads as follows: ", and hereafter the number of enlisted men of the Navy shall be exclusive of those sentenced by court martial to discharge."

(3) That portion of the first sentence after the heading "Commissioned Personnel" in such chapter, which appears at page 576, as amended by the first section of chapter 402, Forty-ninth Statutes at Large, page 487, and which, so amended, reads as follows: "Hereafter the total authorized number of commissioned officers of the active list of the line of the Navy, exclusive of commissioned warrant officers, shall be equal to 4¾ percent of the total authorized enlisted strength of the active list, exclusive of the Hospital Corps, prisoners undergoing sentence of discharge, enlisted men detailed for duty with the Naval Militia, and the Flying Corps."

(4) That portion of the first sentence after the subheading "Pay of enlisted men, active list", in such chapter, which appears at page 612 and which reads as follows: "and hereafter the number of enlisted men of the Marine Corps shall be exclusive of those sentenced by court martial to discharge.".

(5) The third sentence after the subheading "Pay of enlisted men, active list:" in such chapter, which appears at page 612 and which reads as follows: "The President is authorized, when, in his judgment, it becomes necessary to place the country in a complete state of preparedness, to further increase the enlisted strength of the Marine Corps to 17,400: *And provided further*, That the distribution in the various grades shall be in the same proportion as that authorized at the time when the President avails himself of the authority herein granted.".

(g) The first and second sections of chapter 20, Fortieth Statutes at Large, page 84, as amended.

(h) That portion of the second sentence after the heading "Maintenance" in chapter 9, Forty-first Statutes at Large, page 131, which appears at page 137 and which reads as follows: "and the President is hereby authorized, whenever in his judgment a sufficient national emergency exists, to increase the authorized enlisted strength of the Navy to 191,000 men."

(i) That portion of the fourth sentence after the heading "Marine Corps. Pay, Marine Corps;" in chapter 228, Forty-first Statutes at Large, page 812, which appears at page 830 and which reads as follows: "The authorized enlisted strength of the active list of the Marine Corps is hereby permanently established at 27,400, distribution in the various grades to be made in the same proportion as provided under existing law: *Provided*, That."

(j) Section 2 and subsection (d) of section 15 of chapter 598, Fifty-second Statutes at Large, page 944, at pages 944 and 952, respectively.

(k) Chapter 74, Fifty-fifth Statutes at Large, page 145, as amended by chapter 1, Fifty-sixth Statutes at Large, page 3.

And to amend the title so as to read: "An act to increase the permanent authorized enlisted strength of the active list of the Regular Navy and Marine Corps, to increase the permanent authorized number of commissioned officers of the active list of the line of the Regular Navy, and to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes."

Mr. WALSH. Mr. President, I move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. WALSH, Mr. TYDINGS, Mr. GERRY, Mr. TOBEY, and Mr. SALTONSTALL conferees on the part of the Senate.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

NOMINATION OF JAMES K. VARDAMAN, JR.

The Senate resumed consideration of the nomination of James Kimble Vardaman, Jr, to be a member of the Board of Governors of the Federal Reserve System.

Mr. RADCLIFFE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CARVILLE in the chair). The Clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Byrd	Guffey
Austin	Capehart	Gurney
Bailey	Capper	Hart
Ball	Carville	Hatch
Bankhead	Connally	Hawkes
Barkley	Cordon	Hayden
Bilbo	Donnell	Hickenlooper
Brewster	Eastland	Hoey
Bridges	Ellender	Huffman
Briggs	Ferguson	Johnson, Colo.
Brooks	Fulbright	Johnston, S. C.
Buck	Gerry	Knowland
Bushfield	Gossett	La Follette
Butler	Green	Langer
Lucas	O'Daniel	Thomas, Okla.
McClellan	O'Mahoney	Thomas, Utah
McFarland	Overton	Tunnell
McKellar	Pepper	Tydings
McMahon	Radcliffe	Vandenberg
Magnuson	Reed	Wagner
Maybank	Revercomb	Walsh
Mead	Russell	Wheeler
Millikin	Saltonstall	Wherry
Mitchell	Shipstead	White
Moore	Smith	Wiley
Morse	Stanfill	Willis
Murdock	Stewart	Wilson
Murray	Taft	Young
Myers	Taylor	

The PRESIDING OFFICER. Eighty-six Senators having answered to their names, a quorum is present.

Mr. McFARLAND. Mr. President, I am glad to have the opportunity of saying a few words in behalf of Commodore Vardaman, who has twice answered the call to serve his country, first in World War I, and, second, in World War II. I shall use only a few minutes of the time of the Senate.

We have listened for the past 3 days to the Senator from Missouri discussing and reading evidence which was presented before a subcommittee of the Committee on Banking and Currency, only to see the Senator's case fall of its own weight, just as he failed to present a case showing any wrongful act on the part of Commodore Vardaman when he presented the evidence before our committee.

First, I wish to commend the able Senator from Colorado [Mr. MILLIKIN] for his fairness and for his patience in listening to the evidence. He is on the other side of the aisle, and I know that no one will question his impartiality. His judgment should, therefore, be accepted as conclusive.

I shall not take the time of the Senate to discuss the evidence in detail. As has been pointed out here from time to time while the Senator from Missouri was discussing this case, there is not one single iota of evidence which in any way connects Commodore Vardaman with any wrongful act. I shall cite only one example of how the Senator from Missouri failed to present a case against Commodore Vardaman.

He subpenaed, or had subpenaed, Mr. Robert A. Huelsick, of Ernst & Ernst, who were the auditors for what was known then as the Vardaman Shoe Co. Mr. Vardaman testified—and his testimony was corroborated by that of Mr. Huelsick—that the auditors, Ernst & Ernst, were employed at the request of Commodore Vardaman as a safeguard to insure that any mistakes which might be made in the inventory or books would be found and corrected. It was because of this action initiated by Commodore Vardaman that the company found the mistakes which were made in the inventory.

Mr. Huelsick testified:

Senator RADCLIFFE. Did you find out anything in your investigation, such as you have made, to show that Commodore Vardaman was in any way responsible for these inaccuracies?

Mr. HUELSICK. We did not. Our records did not show who was responsible.

In further questioning by myself, on page 613 of the record:

Senator MCFARLAND. Mr. Huelsick, you said that nothing was found to indicate to you who was responsible for those changes?

Mr. HUELSICK. That is, I understood you to mean who was ultimately responsible for making these changes or why they were made.

Senator MCFARLAND. Yes.

Mr. HUELSICK. No; we did not.

Senator MCFARLAND. That includes all of your men?

Mr. HUELSICK. That is right.

Senator MCFARLAND. You would know if someone else in the firm knew about it?

Mr. HUELSICK. Definitely.

On page 602, Mr. Huelsick testified as follows:

Mr. HUELSICK. Each year, you know, the auditor is renewed.

Senator MCFARLAND. And he is the one who employed you?

Mr. HUELSICK. Yes, sir.

Senator RADCLIFFE. Did you make other audits during that period?

Mr. HUELSICK. Of that company?

Senator RADCLIFFE. Yes.

Mr. HUELSICK. No, sir; we did not.

Senator RADCLIFFE. In the course of your audit did you come in contact with any circumstances which were so unusual as to have attracted attention and to have led to any further action on your part?

Mr. HUELSICK. Only the last audit.

Senator RADCLIFFE. Will you explain to the committee what you mean by that?

Senator MILLIKIN. May I interrupt? I should like to ask the witness whether he personally conducted the audits to which he is about to refer, or whether the firm or someone for the firm did?

Mr. HUELSICK. Personally, at that time I was manager of the office, and, of course, I just came into the highlights, and the unusual things are brought to my attention as manager.

In further questioning, on page 607, I asked Mr. Huelsick if Mr. Vardaman asked him to recommend an auditor for the company.

Senator MCFARLAND. I have just one or two questions. Mr. Huelsick, did Mr. Vardaman ask you to recommend a comptroller for the company when he took charge of it?

Mr. HUELSICK. I think it was sometime after our first audit.

Senator MCFARLAND. And did you recommend Mr. de Coster?

Mr. HUELSICK. We sent Mr. de Coster up there. Mr. de Coster was a former staff accountant on our St. Louis office staff.

Senator MCFARLAND. And they employed him on your recommendation?

Mr. HUELSICK. Yes, sir. He had been up there on the first audit and Mr. Vardaman liked him, so we gave Mr. De Coster the opportunity of accepting the position.

Senator RADCLIFFE. Did you discuss with Commodore Vardaman these errors?

Mr. HUELSICK. Oh, yes.

Senator RADCLIFFE. Do you recall what you said to him, in substance, with regard to them?

Mr. HUELSICK. Well, we evidently pointed out the irregularities and told him in the first visit that we thought he ought to have the sheets taken back and corrected, and they took them.

Senator RADCLIFFE. Did Commodore Vardaman agree to do that?

Mr. HUELSICK. Oh, definitely.

Senator RADCLIFFE. In the conversations which you had with Commodore Vardaman, did anything occur which in your opinion would throw any light on the cause of these irregularities?

Mr. HUELSICK. No, sir. No.

Senator MCFARLAND. In all your contacts with Commodore Vardaman during this time, that is, in the handling of this transaction, was he aboveboard and cooperative in every respect?

Mr. HUELSICK. He always appeared so to me.

Senator MCFARLAND. And he did not ever give you the opinion of trying to hide anything from you in any way?

Mr. HUELSICK. No, sir.

Senator MCFARLAND. He gave you the benefit of everything that you asked him to do?

Mr. HUELSICK. Yes, sir.

Senator MCFARLAND. And did everything you asked him to do?

Mr. HUELSICK. Yes, sir.

Mr. President, I do not wish to read the testimony of Mr. Huelsick in detail, but he went on to relate that Commodore Vardaman cooperated in every detail in making these checks and audits. Mr. Huelsick was a witness who was called at the request of the Senator from Missouri [Mr. DONNELL].

I do not deem it necessary to go into a detailed discussion of all the evidence and everything that occurred. As I stated in the beginning, the case of the Senator from Missouri falls of its own weight. The subcommittee listened for four long days to this evidence, and when we concluded there was not one thing that connected Commodore Vardaman with any irregularity.

What do we conclude as a result of all this testimony? The only thing we find is that Commodore Vardaman entered the service of the United States Navy. He was working for a company which he had been hired to reorganize, and the company did not do so well after he entered the service of the United States Navy. I submit, Mr. President, that Commodore Vardaman is not the only man who answered the call to the colors only to find that his business did not get along so well after he went into the service. That is the story.

What are the qualifications of Commodore Vardaman? Approximately 50 persons sent telegrams and letters in his behalf, not only from the State of Missouri, but from half the States of the Union, stating that in their opinion he was well qualified for this position.

Many of them were eminent bankers in St. Louis and throughout the United States. Four St. Louis bankers appeared and testified that his experience, ability, judgment, and character fitted him for the position. Also the president of the largest bank in Detroit and the president of the New York Stock Exchange appeared and testified in his behalf. It is true, Mr. President, that two presidents and two vice presidents of banks in St. Louis appeared and stated that in their opinion he lacked experience and ability, but not a single one of them questioned Commodore Vardaman's honesty or integrity. So it is my opinion that the character of Commodore Vardaman remains unimpeached.

What is his experience? For 7 years he was successfully engaged in investment banking in St. Louis. From 1926 to 1933 he was a loan officer with the title of assistant vice president, and later vice president, of the Liberty Central Trust Co. of St. Louis, and the First National Bank in St. Louis, handling credits for banks and corporations and individuals in the Middle West, South, Southwest, and Southeast. As a member of the loan committee of the First National Bank in St. Louis, he passed, with the other officers of the committee, on all of the loans and renewals made by that bank—then the largest bank west of the Mississippi River.

From 1933 to 1937 he was manager of the Reconstruction Finance Corporation in the St. Louis district, which included Missouri, the southern half of Illinois, the western half of Indiana, and the western half of Kentucky. As head of this corporation in that area, he personally supervised the reorganization of over more than 100 banks and trust companies.

Thereafter he was president of the Tower Grove Bank & Trust Co., of St. Louis, for 2½ years. During his administration as president, the bank increased in volume of business by nearly 50 percent, changed from an operational loss to the second largest bank in St. Louis and became the fifth largest bank in volume of assets in St. Louis.

Mr. President, I merely wish to read from the testimony of one man who appeared at the hearing and testified in behalf of Commodore Vardaman, and I do so because the Senator from Missouri stated that no one who had been associated with Mr. Vardaman appeared at the hearing and testified in his behalf. I wish to read from the testimony of Mr. John W. Minton, president of the United Bank & Trust Co., of St. Louis, Mo.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. DONNELL. Let me say that the Senator from Arizona is in error in stating that I said no one who had been associated with Mr. Vardaman testified in his favor. I distinctly said that Mr. Minton had been associated with Mr. Vardaman in business transactions.

Mr. McFARLAND. I am sorry if I misquoted the Senator from Missouri. I thought he made such a statement a day or two ago. I apologize if I misquoted him.

Mr. President, this is the testimony of Mr. Minton:

TESTIMONY OF JOHN W. MINTON, PRESIDENT, UNITED BANK & TRUST CO., ST. LOUIS, MO.

Mr. MINTON. I do.

Senator RADCLIFFE. Will you identify yourself for the record?

Mr. MINTON. John W. Minton, president of the United Bank & Trust Co., in St Louis; also regional vice president of the American Bankers Association and a director in the Bank of Ferguson, Mo.

Senator RADCLIFFE. How long have you held the respective positions to which you have referred?

Mr. MINTON. Since July 1, 1945.

Senator RADCLIFFE. That does not refer to all three of them, does it? Are you president of a bank, did you say?

Mr. MINTON. President of the United Bank since July 1, 1945. Previous to that, for 30 years, with the National Stockyards National Bank.

Senator RADCLIFFE. In St. Louis?

Mr. MINTON. It is across the river in National Stockyards, Ill.

Senator RADCLIFFE. How long have you lived in St. Louis?

Mr. MINTON. I live in Belleville, Ill. I have lived in St. Louis. At the present time I live in Belleville.

Senator RADCLIFFE. How long have you been regional vice president of the American Bankers Association?

Mr. MINTON. Three years.

Senator RADCLIFFE. This place to which you referred in Illinois is how far from St. Louis?

Mr. MINTON. About 8 miles.

Senator RADCLIFFE. That is practically in the suburbs of St. Louis?

Mr. MINTON. That's right; just across the river.

Senator RADCLIFFE. So that brings you quite closely into contact with bank and business operations generally in St. Louis?

Mr. MINTON. That's right.

Senator RADCLIFFE. In fact, that is the focus, I take it, for such activities?

Mr. MINTON. That's right.

Senator RADCLIFFE. How long have you been regional vice president of the American Bankers Association?

Mr. MINTON. Three years.

Senator RADCLIFFE. And what was the other position you mentioned?

Mr. MINTON. I am a director in the Bank of Ferguson, Mo., which is an outlying bank in St. Louis County.

Senator RADCLIFFE. How long have you known Commodore Vardaman?

Mr. MINTON. Since 1933.

Senator RADCLIFFE. Have you during that period come quite closely in contact with him?

Mr. MINTON. I have.

Senator RADCLIFFE. What has been the nature of your contacts—business, social, or otherwise?

Mr. MINTON. Business. I, of course, was a director in the Vardaman Shoe Co., and I handled the financing of Collins & Morris before Commodore Vardaman went into the Vardaman Shoe Co.

Senator RADCLIFFE. How long were you a director of the Vardaman Shoe Co.?

Mr. MINTON. In 1940, I think, I went on the board.

Senator RADCLIFFE. Were you quite closely in touch with the operations during the period when Commodore Vardaman and Mr. Bittner were officers?

Mr. MINTON. I think I was probably as close as anybody could get, because I did all the financing, handled all that, for him.

Senator RADCLIFFE. Did you form any impressions during that period with regard to Commodore Vardaman's activities in that shoe company?

Mr. MINTON. I did.

Senator RADCLIFFE. Will you state to the committee what they were?

Mr. MINTON. So far as the shoe company, I think that he did an outstanding job in handling the affairs of the shoe company and at the same time trying to serve the Navy.

Senator RADCLIFFE. You mean outstandingly favorable?

Mr. MINTON. Favorable; yes. He had a company that was in bad shape that he was trying to work out, and I did everything I could with him to help work it out.

Senator RADCLIFFE. So it is your opinion that during the time you were a director and during the time that he was officially connected with the Vardaman Shoe Co. his administration was an efficient one?

Mr. MINTON. That is my impression.

Senator RADCLIFFE. Is that stated without any reservations as to any particular aspect of it?

Mr. MINTON. That's right.

Senator RADCLIFFE. Have you formed any impression as to what his qualifications are to be a Governor of the Federal Reserve System?

Mr. MINTON. I think he is well qualified.

Senator RADCLIFFE. Do you state that without any reservation?

Mr. MINTON. That's right.

Senator CARVILLE. Outside of the Vardaman Shoe Co., did he work with you in any of the banking institutions?

Mr. MINTON. He did. After the banking holiday of 1933 my contacts were mostly with rural banks, and in the State of Mis-

souri we had approximately 125 banks that were restricted. In other words, they could take new deposits which were trust funds, but their capital was impaired and those banks had to be reorganized, and in reorganizing them I did a lot of work over a period of about 2 years and I came in contact with Commodore Vardaman in the Reconstruction Finance Corporation because they put in about half of the capital structure in these banks that we reorganized, and the Reconstruction Finance Corporation at that time did a marvelous job in working out our banking situation in Missouri.

Senator RADCLIFFE. I assume that the transportation facilities between St. Louis and the place you mentioned in Illinois are naturally very close, are they not?

Mr. MINTON. Oh, sure; bus service 20 minutes from where I live, by bus.

Senator DONNELL. I have no questions.

Senator RADCLIFFE. Thank you.

Mr. President, I submit that the evidence clearly shows that Commodore Vardaman is qualified to be a member of this Board of Governors of the Federal Reserve System.

Mr. President, what is Commodore Vardaman's record in the Army and Navy of the United States? The record shows that during the first World War he was in training at Fort Logan H. Roots Training Camp, near Little Rock, Ark., from May to August, 1917; and from September of that year until April 1919, he served with the Three Hundred and Thirty-fifth Field Artillery as second lieutenant, first lieutenant, and captain, at Camp Pike, Little Rock, Ark.; Camp Dix, Wrightstown, N. J., and with the American Expeditionary Force in France.

He was appointed lieutenant commander, United States Naval Reserve, on September 13, 1939.

Mr. President, I do not wish to take the time of the Senate to read into the RECORD all the details of Commodore Vardaman's military service, but I ask unanimous consent that his military service record be printed at this point in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

COMMODORE JAMES KIMBLE VARDAMAN, JR., UNITED STATES NAVAL RESERVE

Commodore Vardaman, son of the late James Kimble Vardaman, Governor of, and United States Senator from, Mississippi, was born in Greenwood, Miss., August 28, 1894. He attended the United States Naval Preparatory School, Annapolis, Md., 1910–11; University of Mississippi, 1911–12; and was graduated from Millsaps College, Jackson, Miss., with the degree of bachelor of laws in 1914. During the World War he was in training at Fort Logan H. Roots Training Camp, near Little Rock, Ark., from May to August 1917, and from September of that year until April 1919, served with the Three Hundred and Thirty-fifth Field Artillery as second lieutenant, first lieutenant, and captain, at Camp Pike, Little Rock, Ark.; Camp Dix, Wrightstown, N. J., and with the American Expeditionary Force in France.

Appointed lieutenant commander in the United States Naval Reserve on September 13, 1939, he subsequently reported for duty at Great Lakes, Ill., and in June 1941 became officer in charge, branch intelligence office, St. Louis, Mo., serving in this assignment until April 1942. Ordered to duty abroad, he served as security officer on the staff of Admiral Harold R. Stark, USN Commander, United States Naval Forces in Europe, from May to August 1942. He was executive officer of a naval base in Scotland the following 3 months, and during the north African invasion served as executive officer of a naval base and commanding officer of a landing party in October and November of that year for the assault on Arzeu, Algeria.

From that time until March 1943, Commodore Vardaman was executive officer of the Naval Operating Base, Oran, Algeria, and following duty as executive officer, advanced amphibious training base, Algeria, served as chief staff officer to the commander, advanced base group, Tunisia, in May and June, and in Sicily from then until September 1943. In August of that year he helped plan and conducted the leap-frog raids for Gen. George S. Patton's Army on the north shore of Sicily, east of St. Stephano, which broke the deadlock between German and American forces and led to the early fall of Messina. For his services during the invasion of the island of Sicily he was awarded the Legion of Merit with the following citation:

"LEGION OF MERIT

"For exceptionally meritorious conduct in the performance of outstanding services to the Government of the United States as chief of staff officer to commander advanced naval bases during the invasion of the island of Sicily. Exercising sound judgment and great resourcefulness, Lieutenant Commander Vardaman rendered valuable assistance in the planning and establishment of advanced bases, many of which were under enemy fire when occupied. His contribution to the successful completion of these bases and their use early in the campaign was an essential factor in the occupation of the island by our forces."

Injured in action by an enemy shell explosion in Sicily in July 1943, Commodore Vardaman continued on active duty in that theater of operations and for subsequent action was awarded the Silver Star Medal with the following citation:

"SILVER STAR MEDAL

"For conspicuous gallantry and intrepidity while serving on the staff of Commander Task Force 88, during action against enemy forces in the Mediterranean theater of operations in August 1943. With his task force operating in support of the Seventh Allied Army in its sustained advance along the north coast of Sicily against Messina, Commodore Vardaman expertly trained and led the beach party and assisted in the planning of three amphibious landings carried out under cover of darkness behind enemy lines on August 6, 11, and 15. Courageously volunteering to lead the first wave of landing craft to the beach in the initial assault despite a physical handicap suffered in a previous battle, he succeeded in landing on the heavily mined shores and, consistently braving the intense fire laid down by the enemy, directed and controlled the landing of subsequent waves. By his forceful leadership, daring tactics, and valiant devotion to duty, maintained in the face of grave danger, Commodore Vardaman contributed to the effectiveness of the first raid or end run type of landing conducted in this theater and upheld the highest traditions of the United States Naval Service."

In December 1943, Commodore Vardaman reported for duty as executive officer of the Amphibious Training Base, Camp Bradford, Naval Operating Base, Norfolk, Va., and from July to December 1944, attended Columbia University, New York, N. Y., for special training in the Naval School of Military Government and Administration. In January 1945, he was ordered to the Pacific area as executive officer on the staff of the commanding general, Tenth Army, Military Government Headquarters. He later served with the Twenty-fourth Corps on Leyte and Samar, Philippine Islands, and participated in the invasion of Okinawa as liaison officer with an engineer brigade with which he served from D-day until D plus 13. He was then ordered to report to the deputy island commander for military government as executive officer. Promoted to the rank of captain on April 21, 1945, while on Okinawa, he was ordered on April 26 to report to the White House, Washington, D. C., for duty as Naval Aide to the President of the United States, reporting for that duty May 4, 1945, and promoted to the rank of commodore August 9, 1945. On January 21, 1946, he was nominated by the President of the United States to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years, to serve from February 1, 1946.

In addition to the Legion of Merit, and the Purple Heart Medal, Commodore Vardaman has the Victory Medal with Star, is entitled to the American Defense Service Medal, the European-African-Middle Eastern Area Campaign Medal with 3 stars, and American Area Campaign Medal, the Asiatic-Pacific Area Campaign Medal with star, has the Naval Reserve Corps medal, the Expert Rifleman's medal, the Expert Pistol Shot medal, and also the French Brigade Ribbon.

Commodore Vardaman's ancestral home is in Jackson, Miss., and his official residence is in St. Louis, Mo. His usual address and that of his wife, the former Beatrice Middleton Lane, of Pocahontas, Miss., is 912 Nineteenth Street, NW., Washington, D. C.

Commodore Vardaman moved to St. Louis, Mo., in 1919, and from that time until his retirement in 1939 was vice president, president, and director of various State and national banks in Missouri; was interested in numerous business enterprises; was connected with the Federal Reserve System; for 4 years was Regional Director of the Reconstruction Finance Corporation; served on several civic boards; was founder and production director of the St. Louis Grand Opera Association; director of the St. Louis Municipal Opera Association; director of the St. Louis National Horse Show; and was a member of the finance committee, St. Louis Symphony Society, and the St. Louis Women's Symphony Society.

Mr. HATCH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Arizona yield to the Senator from New Mexico?

Mr. McFARLAND. I yield.

Mr. HATCH. Inasmuch as the Senator from Arizona has not read into the RECORD all of the military record of Commodore Vardaman—and I am sure he took that course in the interest of time, and I approve of what he did—let me inquire whether there is anything in the record against Commodore Vardaman.

Mr. McFARLAND. There is nothing in this record against Commodore Vardaman. It is all in his favor. Mr. President, as I have said, I do not wish to take time to read all of his record; but Commodore Vardaman was awarded the Legion of Merit, and I should like to read the citation which was issued in that connection:

For exceptionally meritorious conduct in the performance of outstanding services to the Government of the United States as chief of staff officer to commander advanced naval bases during the invasion of the Island of Sicily. Exercising sound judgment and great resourcefulness, Lieutenant Commander Vardaman rendered valuable assistance in the planning and establishment of advanced bases many of which were under enemy fire when occupied. His contribution to the successful completion of these bases and their use early in the campaign was an essential factor in the occupation of the island by our forces.

I should also like to refer to the fact that Commodore Vardaman was awarded the Silver Star medal. I read from his service record the statement about the citation issued in that connection:

Injured in action by an enemy shell explosion in Sicily in July 1943, Commodore Vardaman continued on active duty in that theater of operations and for subsequent action was awarded the Silver Star medal with the following citation:

This citation appears in full in Commodore Vardaman's naval record which I referred to and had inserted in the RECORD.

Mr. President, I deem it a privilege to speak in behalf of Commodore Vardaman, who has such a splendid war record. I wish to commend the President of the United States for appointing Commodore Vardaman to a responsible position. It is my opinion that World War veterans who have served their country well should be rewarded. It requires courage to face enemy fire, and courage is an important qualification for any person to have who is about to assume an important position. I am glad that the President of the United States has seen fit to send to the Senate the nomination of one of his comrades of World War I.

Mr. MILLIKIN. Mr. President, I was a member of the subcommittee of the Senate Committee on Banking and Currency which held the hearings on the charges made against Commodore Vardaman. I paid meticulous attention to those hearings, and I have also paid meticulous attention to the debate which has taken place in the Senate. Without any doubt in my mind, I am completely convinced that the testimony as set forth in this elaborate record makes it clear and convincing that no justifiable charges have been made against the honesty and character of Commodore Vardaman.

When we consider the qualifications of one whose nomination has been sent to the Senate, I think that each of us must, in a sense, establish his own test of qualification, because we have no rule of law to assist us. I am one of those who believe that a nomination which has been made by the President of the United States is entitled at least to initial respect until the reasons for such respect have been overcome by reliable testimony. I believe that we should put into public office men who are patriots. There was a time when we could take this qualification for granted. I do not believe that we can take this for granted any longer.

As has been pointed out here, Commodore Vardaman meets that qualification with down weight.

I believe we should have a man of intelligence for the job. When we study Commodore Vardaman's history we will find that he attended common school, high school, college, and law school. I do not mean to say that education and intelligence necessarily go together, but there is a relationship between the two. The candidate should have at least the quality of experience which will enable him to grow with his job. For 20 years Commodore Vardaman was engaged in the investment business and the banking business, and was employed by the RFC and by the Federal Reserve System. While it is quite true that everything which he did while serving in those capacities will not completely parallel what he will be called upon to do as a member of the Board of Governors of the Federal Reserve System, it is true that his prior experience has an important relationship to the work which he will be required to perform after his nomination has been confirmed.

Mr. President, needless to say, any candidate for an office should be an honest man. As I have already stated, the charges which reflect on the honesty of Commodore Vardaman have completely failed, and I stand here ready to answer questions which may be asked by any Member of the Senate. If I cannot defend myself in that regard, then I have not performed my own duty.

Mr. President, I shall not follow each of the footsteps of the distinguished Senator from Missouri. I merely say that I believe that Commodore Vardaman is possessed of qualifications which place him above that minimum standard below which we must not go in approving appointments which are sent to the Senate. Therefore I shall vote for the confirmation of the appointment of Commodore Vardaman. Let the RECORD show that I stand here prepared to answer, as best I can, any question which may be propounded by any Member of the Senate with reference to the qualifications of Commodore Vardaman whose nomination is before the Senate.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. MOORE. I understand from what little opportunity I have had to review the testimony which has been discussed during the debate, that the Senator from Colorado contends that the attack which was made upon the integrity and honesty of the nominee has not been sustained.

I also listened to the recitation of the testimony as well as the reading of two or three telegrams which were received from bankers in St. Louis, as I recall, and which stated unequivocally that Mr. Vardaman does not have the background of experience which qualifies him to function properly in the important post to which he has been nominated.

Mr. MILLIKIN. The testimony from St. Louis was conflicting. Some of the bankers thought that Commodore Vardaman was eminently qualified, and some of them did not believe so. The subject has been a sort of a storm center in St. Louis. The president of one of the largest banks in Detroit gave Commodore Vardaman his unqualified endorsement. The way I resolved the conflict of opinion was to go to the facts adduced in the evidence. They convinced me that, so far as qualifications are concerned, Commodore Vardaman stands above the minimum level below which we cannot go in approving Presidential appointments.

Mr. MOORE. The statement now made by the Senator from Colorado is to the effect that the testimony was conflicting. His original statement with reference to the background of experience which would justify the Senate in approving the nomination of Commodore Vardaman was that Commodore Vardaman had had a degree of experience, on the basis of which he could grow into the job to which he has been appointed.

Mr. MILLIKIN. I may say to the Senator that if those were my exact words I believe I down-graded Commodore Vardaman. I should like to read the facts which, in my opinion, fully sustain the background of practical qualification which Commodore Vardaman possesses for the position to which he has been appointed. I refer to the testimony of Commodore Vardaman himself. As it has been previously stated, that testimony was not, in my opinion, altered or disparaged in any material way whatsoever during the course of the debate. The commodore said:

In response to the request of the Committee on Banking and Currency I submit the following general information relative to my civilian career not covered in the biographical sketch prepared by the United States Navy Department, copy of which is attached hereto. From 1914, upon graduation from law school, until entering the military service in 1917 I practiced law in Jackson, Miss., with my elder brother under the firm name of Vardaman and Vardaman. From 1919, upon discharge from military service, to 1926 I was engaged in the investment business in St. Louis, Mo.

That was 7 years.

During that time I represented various banking syndicates in the purchase of municipal bonds, public-utility and corporation bonds, and real-estate bonds, and other similar securities. In this work I traveled almost constantly throughout the United States and acquired a working knowledge of the laws, industries, resources, and so forth, of the States east of the Rocky Mountains and some of the far western States.

From 1926 to 1933 I was a loan officer with the title of assistant vice president, and later vice president, of the Liberty Central Trust Co. of St. Louis, and the First National Bank in St. Louis, handling credits for banks and corporations and individuals in the Middle West, South, Southwest, and Southeast. As a member of the loan committee of the First National Bank in St. Louis, I passed, with the other officers of the committee, on all of the loans and renewals made by that bank—then the largest bank west of the Mississippi River.

From 1933 to 1937 I was manager of the Reconstruction Finance Corporation in the St. Louis district.

Mr. MOORE. Mr. President, is that the same bank whose president expressed the opinion that Mr. Vardaman did not possess the qualifications?

Mr. MILLIKIN. Which bank is that? The First National Bank in St. Louis, as I understand, is the largest bank. The president of the bank was not a witness, but an officer of the bank expressed an adverse opinion. However, I submit to the Senator that that bank would not have kept Vardaman in its loan department for 3 years had he not been a competent man.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. MILLIKIN. I gladly yield.

Mr. DONNELL. In response to the question of the Senator from Oklahoma, I again call attention to the fact that Mr. Walter W. Smith, president of the First National Bank of St. Louis, al-

though prevented from coming to Washington as a result of his wife's death, telegraphed, under date received in Washington, February 20, as follows:

Hon. GEORGE L. RADCLIFFE,
Chairman, Subcommittee, Banking and Currency, United States Senate:

Replying your wire, as result of contacts with Commodore Vardaman over a period of 15 years feel that he does not have the qualifications to be a member of the Board of Governors of the Federal Reserve System. Stop. My information with reference to his handling affairs of the Tower Grove Bank and Vardaman Shoe Co. was received from officers of the bank and Frank Bittner, of the shoe company.

WALTER W. SMITH,
President, First National Bank of St. Louis.

The part to which I especially call attention is the language:

As result of contacts with Commodore Vardaman over a period of 15 years feel that he does not have the qualifications to be a member of the Board of Governors of the Federal Reserve System.

Mr. MILLIKIN. Mr. President, the gentleman who sent the telegram did not appear as a witness, but his bank kept Vardaman employed in probably the most important department of the bank for 3 years. That, to my mind, offsets the offered testimony.

Mr. MOORE. Mr. President, I am merely seeking information.

Mr. MILLIKIN. I am glad to give it. That is why I am on my feet.

Mr. MOORE. Was there anything in the record that indicated that the president of this bank, who sent this telegram, had any ulterior motive, or any prejudice against the nominee?

Mr. MILLIKIN. There was nothing in the record, and no opportunity to develop it in the record.

Mr. DONNELL. Will the Senator yield?

Mr. MILLIKIN. I believe the Senator from Oregon was on his feet first. I shall yield to him, and then gladly yield to the Senator from Missouri.

Mr. CORDON. May I inquire of the Senator from Colorado whether or not there is anything in the record disclosing the circumstances under which Commodore Vardaman's connection with the bank in St. Louis was terminated?

Mr. MILLIKIN. Is the Senator referring to the bank of which Mr. Miltenberger was the president?

Mr. CORDON. The bank of which Mr. Smith was the president, being the one designated as the largest bank west of the Mississippi River.

Mr. MILLIKIN. There is nothing in the record.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. DONNELL. I understood the Senator from Colorado to say that there was no opportunity to disclose the existence of any ulterior motive on the part of the president of the First National Bank if such existed. I undertake to say that there was every opportunity. The committee could have subpenaed anybody it desired. It had the personal presence of Mr. Harvey Welch, a vice president, who had been there for a period of many years, during the time, indeed, when Mr. Vardaman was there, and up until and including the present time.

The committee also had the opportunity, had it so desired, to subpena Mr. William C. Connett, vice president of the First National Bank, who, although in a telegram received February 20 he said in effect that the information he had in regard to Commodore Vardaman in connection with the shoe company and the Tower Grove Bank he received from statements made by Mr. Frank Bittner and Mr. Locatell, and other Tower Grove Bank officials, yet he also said, "What I have in addition to that is just my opinion."

I say, with all due respect, that the committee had every opportunity to demonstrate the existence of any ulterior motive the president may have had, and no such effort was made, no such effort was disclosed, and I undertake to express the opinion that the committee completely failed, if it thought there was any ulterior motive, to develop any fact showing it.

I undertake further to say that there is no showing, even remotely, that the committee thought there was any ulterior motive on the part of Mr. Walter W. Smith.

I thank the Senator.

Mr. MILLIKIN. I did not say there was any ulterior motive on the part of Mr. Smith. I said we did not have the opportunity to develop it had it existed and I could have added, because he was not before the committee, and because he had opportunity to appear before the committee if he wished to do so.

Many of the St. Louis witnesses seemed to want to be subpenaed. There seems to be a notion floating around there that if a man is subpenaed he gets strange, indefinable immunities.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. MILLIKIN. Certainly.

Mr. DONNELL. Does the Senator undertake to say that there was the slightest showing, from one end of this record to the other, that Mr. Hord Hardin, executive vice president of the Mississippi Valley Trust Co.; Mr. James P. Hickok, president, of the Manufacturers Bank, and president of the Missouri Bar Association; or that Mr. Harvey Welch, vice president of the First National Bank, requested or desired subpenas before their appearance, or that they were subpenaed? Is it not a fact that each of these gentlemen came voluntarily, and without subpena?

Mr. MILLIKIN. I do not know the motives which actuated most of those whose names have been mentioned. I know that the Senator this morning said that one of the witnesses wanted a subpena because there were certain possible immunities attached to it of which he had been advised by his attorney.

Mr. DONNELL. That is correct; but the evidence does not show, and the facts do not show, that any of these men—Hardin, Welch, or Hickok—desired, requested, or wanted a subpena. The evidence will further show that these men stayed here 2 or 3 days during the process of the hearing, not under subpena, willing to testify, and they testified.

Mr. MILLIKIN. They were not condemned for being here without subpena, and we were delighted to have their testimony, and I am not condemning those who wanted subpenas. I am merely pointing out why some of the witnesses did want subpenas.

In further answer to the Senator from Oklahoma, there is nothing in the record which indicates anything discreditable to Commodore Vardaman for leaving the First National Bank of St. Louis after he had been employed 3 years in perhaps one of its most important departments.

Mr. MOORE. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. Of course I yield.

Mr. MOORE. Does the Senator say that this record justifies the conclusion that the qualifications are present now in the nominee by reason of experience, to be Governor of the Federal Reserve System?

Mr. MILLIKIN. I have said categorically that I believe Commodore Vardaman falls above the minimum for appointment to this kind of office.

Mr. MOORE. Does that answer the question?

Mr. MILLIKIN. What is the question.

Mr. MOORE. The question is, Does he, from the record here, present the qualifications the Senator demands for the important post to which he has been nominated?

Mr. MILLIKIN. I do not know whether the Senator refers to what I demand or what the Senator would demand.

Mr. MOORE. What the Senate would demand.

Mr. MILLIKIN. That involves a basic test. I have heard the question suggested, "Is he the kind of man you would appoint," or "Is he the kind of man someone else would appoint," or "Is he the kind of man a Republican President would appoint?" There is no test of that kind involved. That would mean 96 tests in the Senate, and we never could confirm any nominee.

I started my thesis here today by saying there must be a minimum standard, and to my notion that minimum standard includes these features: The nominee must be a patriot, must love his country. He must have adequate education. He must be an intelligent man. He must be a man who has a background of experience from which he can quickly learn his new job. He must be an honest man.

I suggest that under those minimum standards, which I set up for myself, which I necessarily have to do, because there are no rules of the Senate on the subject, and there is no law on it, the nominee meets the test.

Mr. MOORE. I thank the Senator.

Mr. MILLIKIN. Mr. President, I continue to read:

From 1933 to 1937 I was manager of the Reconstruction Finance Corporation in the St. Louis district, which included Missouri, southern half of Illinois, western half of Indiana, and western half of Kentucky. As head of this Corporation in that area, I personally supervised the reorganization of over more than 100 banks and trust companies; loaned more than $120,000,000, and before leaving the Reconstruction Finance Corporation had collected more than $100,000,000

and analyzed and declined loan applications amounting to more than $500,000,000.

From 1937 to 1939—about 2½ or 3 years—I was president of the Tower Grove Bank & Trust Co. of St. Louis. A change in executive management of this bank had been insisted upon by the Federal Reserve System. I was selected for the position, and I accepted with the understanding that I would stay with the bank only long enough to accomplish a complete reorganization. During my administration as president, the bank increased in volume of business by nearly 50 percent, changed from an operational loss to the second largest earning bank in St. Louis, and became the fifth largest bank in volume of assets in St. Louis. At no time during my career as president of the bank did I have the wholehearted cooperation of its board.

I interpose at this time the reminder that the distinguished Senator from Missouri [Mr. DONNELL] has pointed out the fact that Mr. Miltenberger, the man who had been succeeded by Commodore Vardaman for the time being in the management of the bank, wanted to come here and testify against Commodore Vardaman, and I believe I made it clear that the committee notified him that he had a subpena waiting for him if he would come, and, of course, he also had the opportunity, as did anyone else in the United States, to appear voluntarily.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. MILLIKIN. I am glad to yield.

Mr. MOORE. I understand now from the Senator from Colorado by his reading or relating the experience from the mouth of the nominee himself that, notwithstanding the conflicting testimony coming from St. Louis, where his principal operations have been, the Senator now thinks that he possesses the minimum qualifications required for such an appointment?

Mr. MILLIKIN. I am saying to the Senator that I am reading what was said by the Commodore, because that is a convenient condensation of what, in my opinion, was established, or was not challenged, at the hearings. If I should want to take up everything that was said here for 2½ days I would be adding to the filibuster, and the discussion would continue until next Saturday or next Monday.

Mr. DONNELL. Just a minute, Mr. President. Will the Senator yield?

Mr. MILLIKIN. Gladly.

Mr. DONNELL. Does the Senator mean to imply, directly or indirectly, that there has been any attempt whatsoever to filibuster in this case on my part? I demand an answer to that question.

Mr. MILLIKIN. Of course, Senator, I give you the answer: I would not, for one moment, imply that. It took a period of time comparable to a filibuster. [Laughter.]

Mr. DONNELL. Does the Senator mean to imply that there was any effort whatsoever on my part to filibuster in this case?

Mr. MILLIKIN. I say to the Senator that I do not imply it directly or indirectly, and after the session is over I will hand the Senator some joke books and give him a suggestion or two on obvious low-grade humor.

Mr. DONNELL. I thank the Senator. Mr. President, I may say that I am not an applicant for joke books of that kind.

Mr. MILLIKIN. I would not be personal enough to recommend them.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MILLIKIN. Gladly.

Mr. MORSE. In view of the responsibilities that attach to the position to which Commodore Vardaman has been nominated, will the Senator from Colorado state whether or not, in his opinion, this is a good appointment?

Mr. MILLIKIN. I say this is an appointment which rises above the minimum standards which I think should govern us. If the Senator is going to ask me whether it is the appointment I should have made, I will say that I would probably have made an appointment of a Republican from Colorado. If the Senator asks whether it is the kind of an appointment that he would make or whether someone else would make, I have no idea whatever.

We have to do one thing. As I see it, a man in my position in connection with this case has just to say to himself: What is the minimum standard? and he must judge that on a nonpolitical basis. I am not here, and I was not put on the committee to assassinate anyone's character or to make a political judgment. I sat there in committee looking to see whether there would be anything to sustain the charges which I understood would be made. And I say to the Senator from Oregon that, in my opinion, Vardaman was not touched, so far as character is concerned, with a thousand-foot pole.

Mr. MORSE. I think I understand the Senator's position. Of course, my inquiry was not whether it was the appointment that the Senator from Colorado would make or the junior Senator from Oregon would make. I was simply interested in learning if the Senator would inform the Senate whether, in his opinion, it is a good appointment in view of the responsibilities that attach to the position.

Mr. MILLIKIN. I said, and I repeat, and I shall pick my own adjectives, that he is above the minimum standard.

Mr. MORSE. I understand the Senator. I should like to have the Senator, if he will, answer this question: In view of the responsibilities that go along with the job, does he think a better appointment should have been made?

Mr. MILLIKIN. I will say to the Senator that I have one appointment before me, and that I am not going to smear that appointment by starting out to figure what other kind of appointments might have been made. My job was not to determine who would be a better man. My job was to determine: Does this man meet the minimum requirements? And I have suggested he does, in my opinion.

Mr. MORSE. Will the Senator yield further for an additional comment?

Mr. MILLIKIN. Certainly.

Mr. MORSE. My judgment is still reserved in regard to the appointment, but I think it is true that a good many Members of the Senate, including some who have said they are going to vote for confirmation, are very much concerned about the fact that, in view of the responsibilities that are in this job, a better appointment was not made.

Mr. MILLIKIN. I can only repeat that there was one appointment before our subcommittee. The question was: Does this appointment meet the standards that we should follow? As I said before I necessarily had to determine these for myself, because they are not stated in the rules and are not fixed by the law.

Before the Senator came in I made an explanation of what I thought should constitute the minimum standard. I think it would be very unfair to undertake to weigh this appointment in the light of some other appointment which is not before the Senate.

Mr. MORSE. If the Senator will permit an interruption, that was not the purpose of my suggestion.

Mr. MILLIKIN. No.

Mr. MORSE. I think that when we come to base judgment upon the test of experience, the test of competency, we are called upon, in our own thinking, at least, to make some comparisons between the nomination before us and the type of person we think ought to be appointed to a given position, the responsibilities of which he must assume, and if in that comparison we find the nominee lacking in qualifications, I think it ought to be given great weight in our judgment.

Mr. MILLIKIN. Of course, I have no blank check on any other Senator's opinion. I can only say that having listened to the evidence, having given the case meticulous attention, having listened to the debate here, and having given that meticulous attention, I have reached the conclusion under all the facts before us that Vardaman is above the minimum standards. I will say that, in my judgment, he is a much better nominee for this office than other nominees who have come here and been confirmed.

Commodore Vardaman goes on and points out that his work in reorganizing the bank—and let me repeat, Senators, I am reading what Vardaman stated, because that was the first thing before us, and against which I had to check testimony, and if I thought that in any particular it had been seriously challenged, I, of course, would bring it to the attention of my colleagues. Vardaman goes on to say that his work in reorganizing this St. Louis bank, the Tower Grove Bank & Trust Co., was regarded as excellent by the Federal Reserve bank officials, the State banking officials, and the St. Louis Clearing House Association.

In the spring of 1939 I was asked by the Federal court of the eastern district of Missouri to accept appointment as receiver of the Hamilton Brown Shoe Co., a $3,500,000 concern engaged in the manufacture of men's, women's, and children's shoes. This company was hopelessly bankrupt, and I was directed by the court to report on the advisability of attempting a reorganization.

Then there was an immaterial question asked by me. I skip a portion and continue to read:

Commodore VARDAMAN. After several months of intensive work it was verified that the company was not susceptible of reorgani-

zation and a report to this effect was filed with, and approved by, the Federal court.

I then resigned as receiver, and declined to accept, although it was offered to me by the court, the receivership. You see, I had been put in as reorganization trustee to analyze the possibilities of reorganization. When that turned out to be impossible I was not interested in becoming a mere receiver, so I declined that position that was offered to me.

From about January 1940 to June 1941, I was connected with the Collins-Morris Shoe Co., of St. Louis, the name of which was later changed to Vardaman Shoe Co. This company had been one of the principal creditors of the Hamilton Brown Shoe Co. and its financial condition had been materially affected by the failure of the Hamilton Brown Shoe Co. There was an interlocking situation involving officers and directors.

Then we moved into his taking charge of the Vardaman Shoe Co., and then we developed the phase of his career where he went into the military service, in which he served with outstanding distinction. There, I suggest to the Senator, is a career of about 20 years of experience in investments, in all phases of banking, in working on insolvent banks, and trying to make something out of them. I may say in that connection, in response to a wisecrack that was made here yesterday, that the Vardaman Shoe Co. was in bad shape from the beginning—everybody knew it, and it was intended to be a salvage operation.

If that is not a good background of experience, where can we find one, unless a present Governor of the Federal Reserve Board is reappointed? We are accustomed to appointing men to office who are not already technically qualified for the particular job to which we appoint them. If we had to follow a different rule, there would be no appointments, because pretty soon there would be no one in office. These offices must be reseeded with men taken from the outside. As I expressed it to the Senator from Oklahoma [Mr. MOORE], if we can find a man who has something to start with, something to grow from, something which is related to his new job, I think we have solved a part of our problem.

I shall be very glad to answer any further questions.

Mr. RADCLIFFE. Mr. President, much has been said in the hearings and on the floor of the Senate with regard to this nomination. I shall not take up the time of the Senate with a discussion of any specific aspects of the matter.

As chairman of the subcommittee appointed to consider it, I desire to make a very brief statement in regard to some of the happenings since this nomination has been before the Senate for consideration.

When the nomination was submitted to the Senate it was referred to the Committee on Banking and Currency, which was the appropriate committee to consider it. That committee referred it to a subcommittee, of which I chanced to be appointed chairman. My associates were the Senator from Colorado [Mr. MILLIKIN], the Senator from Nebraska [Mr. BUTLER], the Senator from Arizona [Mr. MCFARLAND], and the Senator from Nevada [Mr. CARVILLE].

Before we really got under way we had a number of conferences with the Senator from Missouri [Mr. DONNELL]. He had informed us that he was very much interested in this matter, that he would offer objections to the confirmation of the nomination, and that he wanted the whole subject gone into very carefully. We told the Senator from Missouri that such a policy was entirely in accordance with our ideas and that we would welcome any cooperation which he could give us in our efforts to sift this matter and to reach a determination as to policy to be followed.

We began the hearings at which a number of witnesses appeared. The Senator from Missouri was desirous of having the opportunity of examining the witnesses in chief and on cross-examination, although he was not a member of the subcommittee or even of the general Committee on Banking and Currency. The subcommittee very gladly accorded him that privilege, and I may say that during the course of the hearings, which covered quite a long period, the Senator from Missouri occupied a considerable portion of the time of the hearings, with the full approval of the subcommittee, in the examination of witnesses in chief and in cross-examination.

The question arose whether or not any witnesses should be subpenaed. The request for such issuance of subpenas had come from the Senator from Missouri. I told the Senator that during my somewhat long experience in the Senate, covering approximately 12 years, I, at least, did not recall any instances in which witnesses had ever been subpenaed before the Committee on Banking and Currency; but that fact did not mean that if, for any good reason, it developed that witnesses should be subpenaed, we should not reverse that particular policy.

There has been much discussion on the floor as to what was done or was not done in regard to the matter of subpenaing witnesses. I shall not attempt to repeat what has been said. Many witnesses appeared voluntarily, and some appeared under subpena. Some witnesses were subpenaed at the suggestion of the Senator from Missouri, and some upon the suggestion of Commodore Vardaman. The subcommittee met frequently in executive session to consider this question as well as many others; and on some occasions, we accorded to the Senator from Missouri the opportunity of sitting down with us and discussing specific or general aspects of the matter so that we could check over what we were doing to see what progress we were making toward reaching a final determination.

Mr. President, I do not wish to draw any comparison between the work of this subcommittee and the work of any other committee or subcommittee, but certainly I have never served on any committee concerned with a nomination when as much time was devoted to it, and as much work was done. I was fortunate indeed in having the very active cooperation of all of my associates on the subcommittee. Frequently we went over this hearing step by step. We had the benefit of seeing the witnesses. We had the opportunity to meet them face to face, to ask them questions, and to cross-examine them. The hearings were continued as long as it seemed necessary, just as long as there seemed to be any real opportunity of developing anything material or getting any fresh light on the subject.

Some question was raised a moment ago about the fact that we did not subpena certain witnesses. We planned to adopt a policy as to subpenaing witnesses which we discussed with the Senator from Missouri. I believe that he was more or less in accord with it. That policy was that we would give a witness an opportunity to appear voluntarily but in certain cases we would subpena witnesses to be designated by the Senator from Missouri or by Commodore Vardaman. Just before the last hearings we had planned that if after we had heard those we expected to appear, it seemed obvious to us that we should go further in our work, we would continue the policy of holding hearings, and even of subpenaing witnesses. In other words, at no time did we take the position that we would not subpena a witness, unusual as such a step is in the work of that committee, if there seemed in the minds of members of the committee any reason why we should do so.

Mr. President, no member of the subcommittee claims infallibility of judgment in this matter; but I may say that the subcommittee, after giving careful and conscientious consideration to the questions involved, reached the conclusion, without a dissenting voice, that the charges against Commodore Vardaman had not been sustained in any sense whatever. As a matter of fact, the opinion was quite general among members of the subcommittee, as the Senator from Colorado has just pointed out, that there was no real evidence before the subcommittee indicating that there was anything whatever lacking in the integrity or honesty of Commodore Vardaman.

So far as the second question is concerned, that is, the matter of qualifications, we had his record, which is quite an unusual one, as an officer of the Reconstruction Finance Corporation, as an investment banker, as an officer of banks, and in many other capacities in which he had had opportunity to acquire widespread experience. These opportunities he had taken advantage of in a highly successful manner.

After very thoughtful consideration we not only reached the conclusion that Commodore Vardaman was not properly subject to any adverse criticism or any reflection upon his integrity or honesty, but that he had had experience in many lines which would seem to form an excellent background for the new work which he would undertake as a member of the Board of Governors of the Federal Reserve System. Furthermore, the opinion of those who know of his qualifications from personal contact should be given careful consideration. Some persons doubted whether he had all the technical qualifications which were necessary. Many were of the opinion that he possessed them to a very high degree.

After utilizing all available sources of inquiry, after taking advantage of the opportunity of seeing and questioning

witnesses, becoming familiar with pertinent records, and coming in contact with the persons who were closely concerned, and after weighing the thousand and one factors which naturally come up for consideration when such a question is involved, we reached the conclusion, without a dissenting vote, that the charges against Commodore Vardaman had not been sustained; in fact, there was no basis whatever for the charges against him; that his experience and ability quite obviously and fully qualified him to undertake the duties of this position; and that the Senate could confirm his nomination with a feeling of assurance that he would perform those duties in a manner entirely satisfactory.

Mr. President, that is very definitely and emphatically the opinion of the committee. That is the conclusion which the subcommittee reached after very close, careful, and painstaking study. In this connection I wish to say that, although the vote was 4 to 0, the Senator from Nebraska [Mr. BUTLER] participated in the hearings and discussions as long as he could and until it was necessary for him to go West. Never at any time was there a final division in the committee as to what should be done; never was there a split vote; never, after consultation and discussion—and there was much of it—did we reach a stage where there was a clean-cut difference of opinion in our committee which was not adjusted. Always the members of the committee functioned in the belief and in the conviction that what they were doing represented their best judgment.

As I stated in the beginning, throughout all the discussions and hearings we were in close contact with the Senator from Missouri, and we accorded to him opportunities, privileges, and latitude such as I have never before seen extended, since I have been a Member of the Senate, to a Member of the Senate who was not a member of the particular committee conducting the inquiry. We did so very readily, in the belief and in the hope that thereby we could the quicker get to the bottom of the whole matter, and the sooner come to a conclusion as to what should be done. We wanted help and guidance from every possible source, and we welcomed any contribution which the Senator from Missouri could make.

Mr. President, that is the conclusion at which we have arrived unanimously. We believe, without a dissenting vote, that the nomination of Commodore Vardaman should be confirmed.

Mr. BARKLEY. Mr. President, I do not intend to consume the time of the Senate for more than a moment. In the absence of the Senator from New York [Mr. WAGNER], chairman of the Committee on Banking and Currency, it has fallen to my lot to be the acting chairman of that committee for practically the entire time since the first of the year. In that capacity I appointed the subcommittee which considered the nomination of Commodore Vardaman. In the capacity of acting chairman, I received many letters from bankers all over the United States commending Commodore Vardaman and recommending the confirmation by the Senate of his nomination. All those letters I turned over to the subcommittee, and I presume they were made a part of the record.

One of the letters to which I refer, and which I turned over to the subcommittee, I wish to read:

SOUTHWEST BANK OF ST. LOUIS,
St. Louis, Mo., March 18, 1946.

Senator ALBEN W. BARKLEY,
Acting Chairman, Committee on Banking and Currency, Senate Office Building, Washington, D. C.

DEAR SENATOR BARKLEY: The mud slinging in the public press about the nomination of Commodore Vardaman for the Federal Reserve Board has reached the point where I can no longer refrain from expressing my opinion.

I still recall those gloomy days a dozen or more years ago when he, as local manager of the RFC, so ably helped with the rehabilitation and with the recapitalization of banks here in the Eighth Federal Reserve District. He was in large part responsible for the reopening of banks that otherwise would have been liquidated at substantial loss to the depositors.

He then assumed the presidency of the Tower Grove Bank where he became our nearest competitor. He was given a tough assignment there. I had to compete with him week after week and month after month. His competition was always fair and honorable and our relations were pleasant.

Based upon my knowledge of the qualifications and ability of Commodore Vardaman, I believe he would make a valuable member of the Federal Reserve Board. I say this after having gotten to know various members of that board during the 20-odd years my bank has been a member.

I do not often differ from Senator DONNELL, who is a fellow townsman of mine in Webster Groves, Mo., and to whose party I belong. In this instance, I can and do wholeheartedly endorse Commodore Vardaman for the office to which he has been nominated.

Very respectfully yours,
G. R. FREDRICK,
President.

Mr. President, if I were to consume an hour of the time of the Senate, I could not offer more cogent reasons for the confirmation of the nomination of Commodore Vardaman than those which are contained in the letter I have just read, which comes from the president of a competing bank in St. Louis and a resident of the suburban city of Webster Groves, in the outskirts of St. Louis.

Mr. BUTLER. Mr. President, I shall consume only a few minutes in explanation of the vote which I contemplate casting on the question of confirmation of the nomination of Commodore Vardaman.

As was stated by the chairman of the subcommittee, the Senator from Maryland [Mr. RADCLIFFE], I found it necessary to be absent from the Senate when the subcommittee held the last hearings, at which time witnesses who had been subpenaed and others were examined. I am the only member of the subcommittee who is not a lawyer. I wish to say that the other four members of the subcommittee have satisfactorily demonstrated to me that each and every one of them is an able member of the bar.

The question before the subcommittee was one into the consideration of which technical matters entered. I listened attentively. Had the vote been taken in the subcommittee at the time when I had to leave the city, the vote would have been 5 to 0 in favor of making a favorable report on the nomination.

Since my return, I have listened to the speeches and I have read the testimony which was taken during my absence.

I have come to this conclusion: There are no definite rules or regulations whereby we shall judge the qualifications of a nominee. Each of us must be his own judge in such a case. My decision is that, although Commodore Vardaman might not have passed with the highest grade if there had been a number of entrants and if an examination had been held, he definitely does have a passing grade. I certainly would not wish to be a party to a transaction whereby a man who had a passing grade was denied the opportunity which appeared to be his.

On the other hand, I should like to say, out of the respect which I have for the senior Senator from Missouri [Mr. DONNELL], that I know, as all other Senators know, that he is sincere to the *n*th degree. I admire him for the fight he has put up for what he thinks is right, and I sincerely hope that it may be something of a lesson to those who have appointments to make in the future, so that they will select men who cannot be attacked for a moment when it comes to the matter of confirming their nominations.

Again I wish to say that I think Commodore Vardaman has a passing grade. For that reason, I shall support confirmation of his nomination.

Mr. MORSE. Mr. President, I wish to discuss very briefly a matter of procedure which arises in connection with passing final judgment on the nomination before the Senate. I think my record is clear in regard to my belief that a presumption should be considered to exist in favor of the confirmation of a nomination to a constitutional office made by the President—a rather strong presumption, as I said before in a speech on the floor of the Senate. I think a presumption also exists in favor of the confirmation of a nomination made by the President under legislation passed by the Senate.

But from the procedural point of view, I think each Member of the Senate should be able to be certain in his own conscience, when he casts his vote, that his vote is supported by the evidence in the record in respect to the particular nomination pending.

I think great weight should be given to reports of committees, and I do give great weight to the oral report delivered on the floor of the Senate and to the speeches which have been made this afternoon by various members of the committee.

Nevertheless, I still point out, Mr. President, that some very serious charges have been leveled against Mr. Vardaman by the distinguished senior Senator from Missouri [Mr. DONNELL], charges which at least have raised in my mind doubts as to whether Mr. Vardaman meets the minimum tests which the Senator from Colorado [Mr. MILLIKIN] has discussed this afternoon, charges which I think each Member of the Senate, and particularly those who have not been in attendance at the sessions of the Senate during the greater part of the past 3

days, to hear the debate, should at least take time to read and then to pass judgment on whether he thinks any basis has been laid for the charges which have been made by the Senator from Missouri.

I remember some other nominations which have been before the Senate at recent sessions. I remember the nomination of Mr. Wallace to be Secretary of Commerce. A great deal of debate occurred on the floor of the Senate in connection with that nomination. I listened attentively to that debate, and I made up my mind that my vote would be determined on the basis of the presumption which I discussed and on the basis of the evidence which was submitted during the debate. However, Mr. President, I also recall that 30 days elapsed between the original debate and the final vote in the case of the nomination of Mr. Wallace; and certainly there was not a single Member of this body who did not know about the evidence pro and con in the case of that nomination when he came to cast his vote.

I also remember the debate which occurred in respect to confirmation of the nomination of Mr. Aubrey Williams.

During the discussion which has occurred in the last 3 days, certain tests have been laid down. One is the so-called character test, and I think it is rather vital. A charge or charges were made against Mr. Williams on the ground of character. In that case, Mr. President, we had before us a printed report submitted on Mr. Williams. In that report the views of the committee were expressed. It was given to us considerably in advance of the casting of the vote on the nomination of Mr. Williams. We, as individual Senators, had an opportunity to check into the charges which had been made. Various Senators, some of whom are now on the floor of the Senate, know that at that time I went to them and talked with them off the floor of the Senate because I knew of their experience with Mr. Williams when he was working in their States in connection with his official duties and growing out of his position with the National Youth Administration. From what they told me I became satisfied that they were in a particularly strong position to testify in regard to Mr. Williams' character, his efficiency, and administrative ability. After I had weighed all the evidence I voted for the confirmation just as I also did for the confirmation of the nomination of Mr. Wallace, because I was satisfied from my own investigation that those men had met the tests which should be met by candidates for responsible posts.

However, Mr. President, in the present case we have no printed committee report. Only this afternoon have we heard arguments advanced by members of the committee who are in favor of the confirmation of the nomination. They did not go into very much detail so far as the charges are concerned which have been leveled against Commodore Vardaman by the Senator from Missouri. I feel that we should have an opportunity to examine the speeches which have been made by the members of the committee this afternoon, and the speech which has been made during the past 3 days by the Senator from Missouri, and consider all of them over the week end so that when the time comes for us to cast our votes, we may know for a certainty that we will cast them with a conviction that we are satisfied that the charges which have been made by the Senator from Missouri have or have not been supported by the record in the case. That is all I am asking for. In fact, Mr. President, I think it should be pretty much a matter of parliamentary courtesy. I take it for granted that the debate on the merits will be closed tonight. I am about to move, and shall move before I take my seat, that we set 2 p. m., Tuesday, April 9, as the day and hour certain for a vote to be taken on the confirmation of the pending nomination. In the meantime we shall have had an opportunity to resolve for ourselves such doubts as we may have.

Mr. President, I think it is a very serious matter to cast a vote against a nomination which has been made by the President of the United States. I care not what may be the party to which he belongs. I am one who believes that such nominations should be given great weight. But, when a cloud has been raised against a nominee on the ground of character, experience, competency, and adequate qualifications for the position, and it is said that he should not be confirmed, I think that we should take time to examine the record before we vote on the question of confirmation.

I am not asking for a long delay. I am merely asking the Senate to afford to those of us who feel we should like to go into the record more thoroughly and weigh the speeches of the committee members who have spoken in favor of the nomination against the speech which has been made by the Senator from Missouri, an opportunity to do so during the week end, so that we may be in a position to vote intelligently on the matter at 2 p. m. next Tuesday.

Mr. President, I make one concluding remark in support of my suggestion. I think it is true that a great deal of criticism has been made throughout the country in regard to some of the procedures of the Senate. I believe that the people feel, and have a right to feel in connection with such specific issues as the one now before the Senate, that when we, as individual Members of the Senate, are ready to cast our votes, we should be in a position to say in all honesty that we had an adequate opportunity to examine the record on the basis of the arguments made in the debate, and that we resolved our doubts by such investigation before voting. My motion will not delay the business of the Senate. We can proceed tomorrow and on the intervening days to transact any other business which the Senate may choose to consider; but, if my motion is agreed to, we will make sure that we will be keeping faith with the people. When we cast our votes on the nomination we will know that the vote is based on the record, and is supported by the record. I believe it to be very important that we maintain and sustain public confidence in the procedures of the United States Senate.

Mr. President, I move that the vote on the nomination be postponed until Tuesday, April 9, 1946, at 2 o'clock p. m. On that question I ask for the yeas and nays.

The PRESIDING OFFICER. The Chair will state to the Senator from Oregon that he may not make a motion to postpone to a certain hour. He may move to postpone to a certain day, but not to a certain hour.

Mr. MORSE. I am glad to modify my motion. I move that the vote on this nomination be postponed until April 9, 1946, and I ask for the yeas and nays.

Mr. BARKLEY. Mr. President, I am perfectly willing that the yeas and nays be ordered on this motion.

The PRESIDING OFFICER. Is the request for the yeas and nays sufficiently seconded?

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, this nomination has been pending for many weeks. A vacancy exists on the Board of the Federal Reserve System which should be filled. If the nomination of Commodore Vardaman is to be confirmed, it should be confirmed so that he may be in position to assume the duties of the office to which he has been appointed. If his nomination is not to be confirmed, the President should have as early an opportunity as possible to make another appointment.

Mr. President, I realize that the Senator from Oregon has made his motion in good faith and with sincerity, but the effect of it is this: Senators who have not been willing to remain in the Chamber during the past 3 days to listen to the speeches will be required to consume the next 4 days in reading them in order intelligently to cast a vote on the nomination. As a practical matter, we know that that will not be done. Therefore I hope the motion of the Senator from Oregon will not be agreed to, and that the Senate will proceed today to vote on the nomination.

Mr. MORSE. Mr. President, there are some of us who will take the time during the next few days to examine the record and endeavor to resolve our doubts in favor of Commodore Vardaman. In the second place, there are many of us who have not been present during most of the debate. I have been in the Chamber during approximately two-thirds of the time during which the debate has taken place. I have tried to follow its continuity. But I cannot weigh the merits of what has been said and intelligently cast a vote on the nomination. I think that a delay in the vote until Tuesday, April 9, especially in view of what the majority leader has said with reference to the nomination having been pending before the Senate for some time, would not be an unreasonable delay. I am inclined to believe that the Senator himself knows that the nomination will probably be confirmed. But I believe that the majority leader should put those of us who want an opportunity to resolve our doubts in regard to the matter in a position to resolve those doubts, and vote intelligently on the nomination.

If we cast a vote this afternoon we must cast it against Mr. Vardaman, because we now have doubts. I do not believe the Senator should place us in that position. I have asked for a delay of no longer than until April 9.

Mr. BARKLEY. Mr. President, my remarks with reference to Senators who have not remained in the Chamber to listen to the speeches which have been made during the past 3 days had no reference whatever to the Senator from Oregon. He is always very diligent in his attendance upon the Senate, and he takes an active and alert interest in everything which takes place here. But I have this feeling. We know that between now and next Tuesday busy Senators will not consume the necessary time in reading the CONGRESSIONAL RECORD of Monday, Tuesday, and Wednesday of this week. They will not take the necessary time in their busy activities on various committees and in their offices to read the hearings between now and next Tuesday. If there are any doubts in the minds of any Senators at this time as to how they should vote, there is no assurance that those doubts will be dispelled between now and next Tuesday. The debate is fresh in our minds. Those of us who have heard it and have been in touch with the matter for weeks can cast intelligent votes on the question just as well today as next Tuesday.

The PRESIDING OFFICER. The question is on the motion of the Senator from Oregon [Mr. MORSE] on which the yeas and nays have been demanded and ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MCKELLAR. I wish to announce that my colleague the junior Senator from Tennessee [Mr. STEWART] is unavoidably detained and cannot be here for the vote. If present, he would vote "nay."

Mr. BANKHEAD. My colleague the junior Senator from Alabama [Mr. HILL] is unavoidably absent because of illness in his family. If present, he would vote "nay."

Mr. THOMAS of Utah. On this vote I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Illinois [Mr. LUCAS], who, if present and voting, would vote as I intend to vote. I am therefore free to vote. I vote "nay."

Mr. WAGNER. On this vote I have a general pair with the Senator from Kansas [Mr. REED]. I transfer that pair to the Senator from West Virginia [Mr. KILGORE], who, if present and voting, would vote as I intend to vote. Therefore, being at liberty to vote, I vote "nay."

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Florida [Mr. ANDREWS], and the Senator from Georgia [Mr. GEORGE] are necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], and the Senator from Nevada [Mr. MCCARRAN] are detained on official business.

The Senator from Arkansas [Mr. FULBRIGHT], the Senator from Illinois [Mr. LUCAS], the Senator from Texas [Mr. O'DANIEL], and the Senator from Montana [Mr. WHEELER] are absent on official business at various Government departments.

I wish to announce further that if present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Georgia [Mr. GEORGE], and the Senator from Nevada [Mr. MCCARRAN] would vote "nay."

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] is necessarily detained. He has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The Senator from Kansas [Mr. REED] is unavoidably detained. He has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from Iowa [Mr. WILSON] is detained on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The result was announced—yeas 17, nays 57, as follows:

YEAS—17

Ball	Knowland	Shipstead
Brewster	La Follette	Smith
Cordon	Langer	White
Donnell	Moore	Willis
Ferguson	Morse	Young
Hickenlooper	Revercomb	

NAYS—57

Aiken	Green	Murdock
Austin	Guffey	Murray
Bailey	Gurney	Myers
Bankhead	Hart	O'Mahoney
Barkley	Hatch	Overton
Bilbo	Hayden	Pepper
Briggs	Hoey	Radcliffe
Brooks	Huffman	Russell
Buck	Johnson, Colo.	Saltonstall
Bushfield	Johnston, S. C.	Taft
Butler	McClellan	Taylor
Byrd	McFarland	Thomas, Okla.
Capper	McKellar	Thomas, Utah
Carville	McMahon	Tunnell
Connally	Magnuson	Tydings
Eastland	Maybank	Vandenberg
Ellender	Mead	Wagner
Gerry	Millikin	Walsh
Gossett	Mitchell	Wherry

NOT VOTING—22

Andrews	Hawkes	Stanfill
Bridges	Hill	Stewart
Capehart	Kilgore	Tobey
Chavez	Lucas	Wheeler
Downey	McCarran	Wiley
Fulbright	O'Daniel	Wilson
George	Reed	
Glass	Robertson	

So Mr. MORSE's motion was rejected.

The PRESIDING OFFICER. The question before the Senate is, Will the Senate advise and consent to the nomination of James Kimble Vardaman, Jr., to be a member of the Board of Governors of the Federal Reserve System?

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, while Senators are present I wish to make a very brief statement with reference to what has been carried in the newspapers concerning an Easter recess of the Congress. I wish to emphasize the fact that, so far as I know, or so far as I can have anything to do with it, the Senate does not intend to take an Easter recess. The matter of a congressional recess for Easter has never been discussed with me, and, so far as I know, with any other Senator. There seems to be some arrangement of some kind which applies only to the House of Representatives, and we have nothing to do about that, because the House is in control of its own legislative program. But with the amount of business on hand in the Senate which is necessary to be considered in the next 2 or 3 weeks or month, I think a recess for 2 weeks on the part of this body would be inexcusable and without the slightest justification.

My own desire is, and I am sure I reflect the wishes of the Senate, that we may conclude the work of this session of Congress some time in July and adjourn sine die. If the President shall later desire to call us back, that will be his privilege, but I think we should bend our efforts to finishing our program and have a real adjournment or recess during the summer, and not waste time around Easter for 1 week or 2 weeks, or for any length of time, because it is always hard to get started again when we take a recess of that kind. I wanted to make that statement so the Senate would understand that we have no such program for the Senate as an Easter recess.

Mr. WHITE. Mr. President, I want to express my complete concurrence in what the Senator from Kentucky has said. I can see no possible excuse, no possible justifiable reason, for the Senate taking a recess at Eastertime. It seems to me that every reason which could be adduced would lead to the conclusion that we should continue in session and get the work of the Congress done as fully and as speedily as possible, and I have the hope that some time during the summer there may come a sine die adjournment, as the majority leader has suggested.

Mr. MCKELLAR. Mr. President, will the Senator yield to me for a moment?

Mr. WHITE. Yes.

Mr. MCKELLAR. As the Senator knows, the Appropriations Committee of the Senate has considered only a few bills up to date, and it has an enormous amount of work to do. It seems to me that the most inadvisable thing in the world for us to do now, looking at it from the point of appropriations to carry on the work of the Government, would be to take a recess at the Eastertime, and I hope the Senate will not take one.

Mr. WHITE. Mr. President, the Senator from Tennessee is right, as he usually is. I renew my expression of hope that we shall do our work as best we can, and without undue interruption, until we shall have concluded the necessary legislative business for this fiscal year, and until conditions in the coming fiscal year make it advisable for us to move out of here temporarily.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of James Kimble Vardaman, Jr., to be a member of the Board of Governors of the Federal Reserve System? On this question

the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. McKELLAR. Mr. President, I announce that my colleague the junior Senator from Tennessee [Mr. STEWART] is still unavoidably detained. If present he would vote "yea."

Mr. BANKHEAD. I announce that my colleague [Mr. HILL] is unavoidably absent because of illness in his family. If present he would vote "yea."

Mr. THOMAS of Utah. On this vote I have a general pair with the Senator from New Hampshire [Mr. BRIDGES], who, if present and voting, would vote "nay." I transfer that pair to the Senator from Illinois [Mr. LUCAS], who, if present and voting, would vote as I intend to vote. I am therefore at liberty to vote. I vote "yea."

Mr. WAGNER. On this vote I have a general pair with the Senator from Kansas [Mr. REED], who, if present and voting, would vote "nay." I transfer that pair to the Senator from West Virginia [Mr. KILGORE], who, if present and voting, would vote as I intend to vote. As I am, therefore, free to vote, I vote "yea."

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] and the Senator from Georgia [Mr. GEORGE] are necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], and the Senator from Nevada [Mr. McCARRAN] are detained on official business.

The Senator from Arkansas [Mr. FULBRIGHT], the Senator from Illinois [Mr. LUCAS], the Senator from Texas [Mr. O'DANIEL], and the Senator from Montana [Mr. WHEELER] are absent on official business at various Government departments.

I wish to announce further that if present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Georgia [Mr. GEORGE], and the Senator from Nevada [Mr. McCARRAN] would vote "yea."

Mr. WHERRY. The Senator from New Hampshire [Mr. BRIDGES] is necessarily detained. He has a general pair with the Senator from Utah [Mr. THOMAS]. If present the Senator from New Hampshire would vote "nay."

The Senator from Kansas [Mr. REED] is unavoidably detained. He has a general pair with the Senator from New York [Mr. WAGNER]. If present the Senator from Kansas would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is absent on official business. If present he would vote "nay."

The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The Senator from Iowa [Mr. WILSON] is detained on official business.

The Senator from Indiana [Mr. CAPEHART], the Senator from New Jersey [Mr. HAWKES], and the Senator from Kentucky [Mr. STANFILL] are unavoidably detained.

The yeas and nays resulted—yeas 66, nays 9, as follows:

YEAS—66

Aiken	Gurney	Myers
Austin	Hart	O'Mahoney
Bailey	Hatch	Overton
Bankhead	Hayden	Pepper
Barkley	Hickenlooper	Radcliffe
Bilbo	Hoey	Revercomb
Briggs	Huffman	Russell
Buck	Johnson, Colo.	Saltonstall
Bushfield	Johnston, S. C.	Shipstead
Butler	La Follette	Taft
Byrd	Langer	Taylor
Capper	McClellan	Thomas, Okla.
Carville	McFarland	Thomas, Utah
Connally	McKellar	Tunnell
Cordon	McMahon	Tydings
Eastland	Magnuson	Vandenberg
Ellender	Maybank	Wagner
Ferguson	Mead	Walsh
Gerry	Millikin	Wherry
Gossett	Mitchell	White
Green	Murdock	Wiley
Guffey	Murray	Willis

NAYS—9

Ball	Donnell	Morse
Brewster	Knowland	Smith
Brooks	Moore	Young

NOT VOTING—21

Andrews	Glass	Reed
Bridges	Hawkes	Robertson
Capehart	Hill	Stanfill
Chavez	Kilgore	Stewart
Downey	Lucas	Tobey
Fulbright	McCarran	Wheeler
George	O'Daniel	Wilson

The PRESIDING OFFICER. Sixty-six Senators having voted in the affirmative and nine in the negative, the Senate advises and consents to the nomination, and the President will be immediately notified.

Mr. BARKLEY. Mr. President, while the Senate is still in executive session, I ask that the remaining nominations on the Executive Calendar be now considered.

The PRESIDING OFFICER. The clerk will state the nominations.

SELECTIVE SERVICE SYSTEM

The legislative clerk read the nomination of Raymond M. Lancaster to be fiscal accountant, national headquarters, Selective Service System.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Army nominations are confirmed en bloc.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HOEY in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Bernard M. Baruch, of New York, to be the representative of the United States on the United Nations Commission on Atomic Energy.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

LEGISLATIVE SESSION

Mr. BARKLEY. I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico [Mr. HATCH] to the so-called Pepper amendment.

Mr. WHEERY. Mr. President, there is so much confusion in the Senate Chamber that we cannot all hear what business is being transacted. What is the question now pending before the Senate?

The PRESIDING OFFICER. The Senate having resumed the consideration of legislative business, the pending question is the amendment offered by the Senator from New Mexico [Mr. HATCH] to the so-called Pepper amendment to Senate bill 1349.

Mr. BARKLEY. Mr. President, obviously we cannot resume the consideration of the bill at this late hour. The Senator from Colorado [Mr. JOHNSON] wishes to have a conference report considered, and there is another conference report ready for consideration.

BROADCASTING OF NONCOMMERCIAL CULTURAL OR EDUCATIONAL PROGRAMS—CONFERENCE REPORT

Mr. JOHNSON of Colorado submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: "That title V of the Communications Act of 1934, as amended, is amended by inserting after section 505 thereof the following new section:

"'COERCIVE PRACTICES AFFECTING BROADCASTING

"'SEC. 506. (a) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation, or duress, or

by the use or express or implied threat of the use of other means, to coerce, compel or constrain or attempt to coerce, compel, or constrain a licensee—

"'(1) to employ or agree to employ, in connection with the conduct of the broadcasting business of such licensee, any person or persons in excess of the number of employees needed by such licensee to perform actual services; or

"'(2) to pay or give or agree to pay or give any money or other thing of value in lieu of giving, or on account of failure to give, employment to any person or persons, in connection with the conduct of the broadcasting business of such licensee, in excess of the number of employees needed by such licensee to perform actual services; or

"'(3) to pay or agree to pay more than once for services performed in connection with the conduct of the broadcasting business of such licensee; or

"'(4) to pay or give or agree to pay or give any money or other thing of value for services, in connection with the conduct of the broadcasting business of such licensee, which are not to be performed; or

"'(5) to refrain, or agree to refrain, from broadcasting or from permitting the broadcasting of a noncommercial educational or cultural program in connection with which the participants receive no money or other thing of value for their services, other than their actual expenses, and such licensee neither pays nor gives any money or other thing of value for the privilege of broadcasting such program nor receives any money or other thing of value on account of the broadcasting of such program; or

"'(6) to refrain, or agree to refrain, from broadcasting or permitting the broadcasting of any radio communication originating outside the United States.

"'(b) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation or duress, or by the use or express or implied threat of the use of other means, to coerce, compel or constrain or attempt to coerce, compel or constrain a licensee or any other person—

"'(1) to pay or agree to pay any exaction for the privilege of, or on account of, producing, preparing, manufacturing, selling, buying, renting, operating, using, or maintaining recordings, transcriptions, or mechanical, chemical, or electrical reproductions, or any other articles, equipment, machines, or materials, used or intended to be used in broadcasting or in the production, preparation, performance, or presentation of a program or programs for broadcasting; or

"'(2) to accede to or impose any restriction upon such production, preparation, manufacture, sale, purchase, rental, operation, use, or maintenance, if such restriction is for the purpose of preventing or limiting the use of such articles, equipment, machines, or materials in broadcasting or in the production, preparation, performance, or presentation of a program or programs for broadcasting; or

"'(3) to pay or agree to pay any exaction on account of the broadcasting, by means of recordings or transcriptions, of a program previously broadcast, payment having been made, or agreed to be made, for the services actually rendered in the performance of such program.

"'(c) The provisions of subsection (a) or (b) of this section shall not be held to make unlawful the enforcement or attempted enforcement, by means lawfully employed, of any contract right heretofore or hereafter existing or of any legal obligation heretofore or hereafter incurred or assumed.

"'(d) Whoever willfully violates any provision of subsection (a) or (b) of this section shall, upon conviction thereof, be punished by imprisonment for not more than one year or by a fine of not more than $1,000, or both.

"'(e) As used in this section the term "licensee" includes the owner or owners, and the person or persons having control or management, of the radio station in respect of which a station license was granted.'"

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same.

E. C. JOHNSON,
JAMES M. TUNNELL,
FRANCIS J. MYERS,
WALLACE H. WHITE, Jr.,
WARREN R. AUSTIN,
Managers on the Part of the Senate.

CLARENCE F. LEA,
A. L. BULWINKLE,
OREN HARRIS,
CARROLL REECE,
CLARENCE J. BROWN,
Managers on the Part of the House.

Mr. JOHNSON of Colorado. Mr. President, the report was unanimous.

Mr. LANGER. Mr. President, I object to the conference report being considered at this time.

Mr. JOHNSON of Colorado. Does the Senator object to the conference report?

Mr. LANGER. I object to its being considered at this late hour, 20 minutes after 5.

Mr. JOHNSON of Colorado. Does the Senator have any objection to this particular conference report? I did not ask unanimous consent for the consideration of the conference report. A conference report is a privileged matter. We have been waiting for several days while the nomination of Commodore Vardaman was being debated.

Mr. LANGER. I hope the Senator from Colorado will tell us what the conference report provides.

Mr. JOHNSON of Colorado. It is a report on the so-called Petrillo bill.

Mr. LANGER. I should like to know what the conferees agreed to.

Mr. BARKLEY. If the Senator will yield, this is a privileged matter. If objection is made to the unanimous-consent request, the Senator from Colorado can move to take it up, as a matter of privilege.

The PRESIDING OFFICER. As the Chair understands, no objection has yet been made.

Mr. JOHNSON of Colorado. I wish to be courteous to my friend, and tell him that the conference committee adopted pretty largely the House amendment to Senate bill 63. Senate bill 63 was introduced by the Senator from Michigan [Mr. VANDENBERG], and when it went to the House the House amended it. The conference committee, by a unanimous vote, practically adopted the House language. We made a few minor changes in the House language.

Mr. LANGER. May I ask how it differs from the original Vandenberg bill?

Mr. JOHNSON of Colorado. It is much broader in scope than the original Vandenberg bill.

Mr. WHITE. Mr. President, I think it is a fair statement to say that the conference report embodies all the principles and purposes of the original Vandenberg bill. It is substantially changed in form, but there is practically no change in substance. It seeks to make unlawful only certain coercive acts which are brought about by threat, intimidation, and duress. As the Senator has stated, the bill passed the House, where the vote was 186 to 16, I believe. It has the unanimous approval of the Senate conferees, and I hope the Senator from North Dakota will feel justified in permitting it to be agreed to at this time.

Mr. MORSE obtained the floor.

Mr. AIKEN. Mr. President——

The PRESIDENT pro tempore. The Senator from Oregon has been recognized.

Mr. AIKEN. I wish to ask the Senator from Colorado a question.

Mr. MORSE. I am glad to yield to the Senator from Vermont. I simply wished to say that two Senators spoke to me about the conference report today, stating that they thought the subject ought to be thoroughly considered. I have not had an opportunity to go into it. If the present proposal requires unanimous consent, I shall object. If the Senator from Colorado will bring the matter up tomorrow, I assure him that in the meantime I shall satisfy myself in regard to it. If unanimous consent is required at this time, I object.

Mr. BARKLEY. Unanimous consent is not required.

The PRESIDENT pro tempore. A motion is in order.

Mr. BARKLEY. I believe that it is agreeable to the Senator from Colorado to let the report go over until tomorrow if Senators wish to look into it further.

Mr. MORSE. My present thought is that I shall favor the report. However, in view of the fact that two other Senators spoke to me specifically about it today, stating that they thought there were some features of it which ought to be investigated, I should like to join them this evening in a discussion of it.

Mr. JOHNSON of Colorado. There is no objection to that. It is not so vital that it must be acted on tonight. I shall be glad to let it go over and act on it tomorrow.

Mr. RUSSELL. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. RUSSELL. Will the matter which is going over until tomorrow displace the unfinished business?

Mr. BARKLEY. No. It is a privileged matter. A motion could be made at any time. However, I think it is fair to say that the Senator from Colorado will not attempt to displace the unfinished business, at least until later in the day, if it has not been disposed of by that time.

Mr. PEPPER. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. PEPPER. What is the pending motion?

Mr. BARKLEY. There is no motion pending. I was about to make a motion to take a recess, but I withhold it. We have been discussing the proposed consideration of a conference report, which has gone over until tomorrow. Inquiry was made as to the pending business, which is the minimum-wage bill.

Mr. PEPPER. I think it is the hope of a great many Senators—I know it is the hope of our able leader—that the

pending wage bill can be disposed of tomorrow.

Mr. BARKLEY. I share that hope. It has been delayed 3 days because of the executive business of the Senate. I hope it may be disposed of tomorrow.

Mr. BALL. May I inquire of the Senator from Colorado whether a printed copy of the conference report is available?

The PRESIDENT pro tempore. It has been printed as a House report.

Mr. JOHNSON of Colorado. It will be printed in the RECORD.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. ELLENDER. Mr. President, I send to the desk, on behalf of myself, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. BALL], and the Senator from Ohio [Mr. TAFT] an amendment to the proposed Pepper amendment.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Mr. HATCH. Mr. President, the Chair has stated that the pending business before the Senate is the amendment offered by me to the so-called Pepper amendment. It is a matter of common knowledge that efforts have been made by various Senators to arrive at some agreement upon the minimum-wage bill. That is an end which we all hope will be shortly attained, and we hope that the bill will be disposed of tomorrow. In order that that end may perhaps be furthered, but without abandoning the purpose, perhaps, to offer the amendment in modified form later, at this time I withdraw the pending amendment.

The PRESIDENT pro tempore. The amendment of the Senator from New Mexico is withdrawn.

Mr. CORDON. Mr. President, I send to the desk two amendments intended to be proposed by me to the pending bill. I ask that the amendments be printed and lie on the table.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table.

Mr. ELLENDER. Mr. President, a few moments ago I sent to the desk an amendment intended to be proposed by me. I now offer the amendment, and ask that it be stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Louisiana will be stated.

The Chief Clerk read the amendment, as follows:

Amendment proposed by Mr. ELLENDER (for himself, Mr. FULBRIGHT, Mr. BALL, and Mr. TAFT) to the amendment proposed by Mr. PEPPER (for himself, Mr. MURRAY, Mr. TUNNELL, Mr. WALSH, Mr. THOMAS of Utah, Mr. HILL, Mr. CHAVEZ, Mr. GUFFEY, Mr. LA FOLLETTE, Mr. AIKEN, and Mr. MORSE) to the committee amendment to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes: On page 1 of said amendment, beginning with line 3, strike out down to and including line 17 on page 2 and in lieu thereof insert the following:

"SEC. 5. (a) Effective upon the expiration of 6 months after the effective date of this act, section 6 (a) of the act is amended by striking out all of such subsection through the figure '(5)' in the last paragraph and inserting in lieu thereof the following:

" 'SEC. 6. (a) Every employer shall pay to each of his employees who is engaged in commerce or in the production of goods for commerce wages at the following rates—

" '(1) not less than 60 cents an hour.

" '(2) in the case of employees in Puerto Rico or in the Virgin Islands, not less than the rate (not in excess of 60 cents an hour) prescribed in the applicable order of the Administrator issued under section 8.

" '(3)'."

Mr. PEPPER. Mr. President, I give notice, in connection with that amendment, that I shall insist that the amendment be modified so as to strike out section 10 of the pending bill as well as sections 2 to 9. The reason I do so is that section 10 in the pending bill changes the principle of law relative to liquidated damages and substitutes a statute of limitations. That was done largely, however, Mr. President, as an acquiescence to those who opposed a number of the stronger measures which the committee put into the bill.

The Ellender-Ball amendment has for its purpose the deletion of everything in the bill except the wage-scale section. Perhaps there will be a compromise about the figures of the wage scale. I am sure that the Senator from Louisiana and his associates in offering the amendment would not wish to strike out a portion of the amendment to the pending law, and leave only the portion which was unfriendly to labor—in other words, the concessions made against labor by the committee itself. I think that upon reflection the Senator would be willing at least to modify his amendment and strike out everything except the wage section of the pending bill, so that the only question, if the amendment were adopted, would be whether the Senate wished to raise the wage scale in the existing law from one figure to the figure embodied in the amendment of the Senator from Louisiana.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. ELLENDER. Is the Senator acquainted with the amendment I have just sent to the desk? It does not amend the substitute introduced by myself and the Senator from Minnesota [Mr. BALL]. It simply modifies the amendment offered by the Senator from Florida.

Mr. PEPPER. Then this is not the substitute amendment?

Mr. ELLENDER. No; it is not.

Mr. PEPPER. I meant to address my remarks to the substitute amendment.

Mr. ELLENDER. The substitute amendment is not pending.

Mr. PEPPER. Very well, Mr. President; I withdraw my remarks as related to that amendment.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 31 minutes p. m.) the Senate took a recess until tomorrow, Thursday, April 4, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 3 (legislative day of March 5), 1946:

DEPARTMENT OF AGRICULTURE

Norris E. Dodd, of Oregon, to be Under Secretary of Agriculture.

RAILROAD RETIREMENT BOARD

William J. Kennedy, of Ohio, to be a member of the Railroad Retirement Board, for the remainder of the term expiring August 29, 1947, vice Murray W. Latimer.

COAST AND GEODETIC SURVEY

Leo Otis Colbert, of the United States Coast and Geodetic Survey, to be Director of the Coast and Geodetic Survey for a term of 4 years, effective April 8, 1946.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 3 (legislative day of March 5), 1946:

FEDERAL RESERVE SYSTEM

MEMBER OF BOARD OF GOVERNORS

James Kimble Vardaman, Jr., to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1946.

SELECTIVE SERVICE SYSTEM

Raymond M. Lancaster to be fiscal accountant, national headquarters, Selective Service System, with salary at $5,180 per annum.

IN THE ARMY

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

To be lieutenant colonels, Medical Corps

Stuart Gross Smith
Lester Maris Dyke

To be majors, Medical Corps

William Titus Sichi
James Goree Moore
Robert LaShore Callison
William Donald Graham

To be majors, Dental Corps

Eugene Coryell Jacobs
Charles Joseph Cashman

To be chaplain (major) United States Army

John Thomas Kilcoyne

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

To Quartermaster Corps

Lt. Col. George Huston Bare

To Ordnance Department

Capt. Harry Cecil Porter
Capt. Corwin Paul Vansant
First Lt. Merten Kenneth Helmstead
First Lt. Edmund Whritner Miles

To Signal Corps

Capt. Ralph Doak McKinney

To Infantry

First Lt. William Roscoe Kintner

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 3, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Dear Lord God, how unspeakably precious are the strategic hours of opportunity to serve and rise above the expanse of wide confusion, and to seek the

inflowing of Thy will into the affairs of men. Grant us the urge to be more patient with human errors and less willing to condemn. In protracted confidence and understanding, O help us to conspire for rich harvests of unity, hating unrighteousness and iniquity and striving to make our day brighter and fairer. Lead us away from the disrupting ministry of alarm and distrust, and from unwarranted antagonisms.

Blessed spirit of God, help us always to discern between the value and the abuse of power, between the beauty and the disease of luxury. Remind us of the marvelous inheritance in which we all can share, and of which our children will partake tomorrow. By our examples let us leave them a sense of dignity and respect in which every man is entitled to dwell under his own vine in happiness and under his own fig tree in peace. In the name of Jesus our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate disagrees to the amendment of the House to the bill (S. 1163) entitled "An act to provide for the appointment of one additional district judge for the northern district of California," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HATCH, Mr. MCFARLAND, and Mr. WILEY to be the conferees on the part of the Senate.

APPOINTMENT OF ADDITIONAL DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF CALIFORNIA

Mr. TOLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1163) to provide for the appointment of one additional district judge for the northern district of California, with a House amendment, insist on the amendment of the House, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SUMNERS of Texas, CELLER, and HANCOCK.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an editorial which appeared in the Banker and Tradesman; also to include a petition from the citizens of the town of North Andover.

Mr. HULL asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HOFFMAN asked and was given permission to extend his remarks in the RECORD; also to extend his remarks and include an excerpt.

SPECIAL ORDER GRANTED

Mr. MASON. Mr. Speaker, I ask unanimous consent that on Monday, April 8, at the conclusion of the legislative business of the day and following any special orders heretofore entered, I may address the House for 20 minutes on the subject The AP-State Department Free Press Controversy.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks in the Appendix and include a letter from the War Contract Price Adjustment Board of the War Department.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

[Mr. CASE of South Dakota addressed the House. His remarks appear in the Appendix.]

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. HOFFMAN addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. HENRY asked and was given permission to extend his own remarks in the Appendix of the RECORD and include an editorial which appeared recently in the Dairyland News, of Lake Mills, Wis.

Mr. FOGARTY asked and was given permission to extend his remarks in the Appendix of the RECORD and to include a letter.

SPECIAL ORDER GRANTED

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes tomorrow following the special orders heretofore entered for that day.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CALL OF THE HOUSE

Mr. MASON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Evidently no quorum is present.

Mr. MCCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 74]

Adams	Chapman	Hobbs
Allen, Ill.	Chiperfield	Jarman
Bailey	Clippinger	Jennings
Barry	Cochran	Kefauver
Bell	Colmer	Kelley, Pa.
Bender	Courtney	Kelly, Ill.
Bishop	Curley	Kerr
Boren	Dawson	Knutson
Boykin	Doughton, N. C.	LaFollette
Bradley, Pa.	Douglas, Calif.	Lanham
Brumbaugh	Doyle	Lea
Bunker	Dworshak	LeFevre
Byrne, N. Y.	Engel, Mich.	Lesinski
Byrnes, Wis.	Fernandez	Luce
Camp	Fisher	Murdock
Cannon, Fla.	Gibson	Murphy
Cannon, Mo.	Hancock	Norton
Celler	Harless, Ariz.	O'Brien, Ill.
Patman	Reece, Tenn.	Sikes
Peterson, Fla.	Reed, Ill.	Simpson, Pa.
Peterson, Ga.	Rich	Stockman
Phillips	Rockwell	Tibbott
Pittenger	Rooney	Zimmerman
Price, Fla.	Sadowski	
Rains	Shafer	

The SPEAKER. On this roll call, 355 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may meet this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

FEDERAL EMPLOYEES' PAY ACT OF 1946

Mr. SABATH. Mr. Speaker, I call up House Resolution 576 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5939) to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of the bill (H. R. 5939) the Committee on the Civil Service shall be discharged from the further consideration of the bill (S. 1415), and it shall then be in order to move to strike out all after the enacting clause of said Senate bill and insert in lieu thereof the provisions contained in H. R. 5939.

With the following committee amendment:

On page 1, line 8, after the word "exceed", strike out "two" and insert "three."

The SPEAKER. The gentleman from Illinois [Mr. SABATH] is recognized.

Mr. LUDLOW. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

SPECIAL ORDER GRANTED

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that, at the conclusion of the other special orders today, I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD and incorporate as a part thereof an address recently delivered by Mrs. Wiley.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATTERSON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

FEDERAL EMPLOYEES' PAY ACT OF 1946

Mr. SABATH. Mr. Speaker, this rule makes in order a bill which I am satisfied all the Members favor and have been interested in. Consequently, I feel the bill will be passed, as it deserves to be passed, by unanimous vote of the House.

The rule provides for 3 hours' general debate, after which the bill will be read for amendment under the 5-minute rule.

I wish to say to some of the Members that I am not responsible for bringing you all down here on this quorum roll call, but my colleague felt you should not be deprived of the pleasure of listening to what I have to say today. I will not say a great deal, and I hope I will not offend anybody because it is never my intention to do that. However, here and there words will come out that may not be most pleasant to everyone. You know we cannot please everybody.

Mr. Speaker, on yesterday we passed a bill which provided an increase of $400 a year to the deserving post-office employees. The bill before us today provides an increase of 18.5 percent in long delayed increased compensation for the Government employees. There may be some who will feel that these men will not know what to do with these increases, but in view of the continuous increase in the cost of living, notwithstanding the aims and efforts on the part of the OPA, I feel those men will not worry too much as to how to invest the balance of their increased pay, especially those in the lower brackets, in whom I am most interested.

The request for the rule, as I understand, was unanimous on the part of the committee, and the Rules Committee unanimously reported this rule. I am satisfied, therefore, notwithstanding the fact that I later will yield 30 minutes to the gentleman from Indiana [Mr. HALLECK], that all of the time provided for under the rules of the House and in the rule for general debate will not be used, and that sufficient time will be left to those who desire to offer amendments, notwithstanding the fact they have approved and urged that the rule be granted.

I do not want to say anything today that may in any way be construed as political, but I cannot resist saying that I know that a majority of the Members are in favor of the general principle of this legislation the same as on yesterday when they voted favorably for the increase for postal employees. I hope that in the future we will all join for legislation in the interest of the wage earners, particularly those of small earnings. Notwithstanding the great prosperity we now enjoy and have enjoyed for the last 6, 8, or 10 years we have in this country close to 20,000,000 so-called white-collar workers who are not Government employees. They too must eat, they too must pay the ever-increasing costs of living. I wish it might be possible in the near future, Mr. Speaker, to pass legislation to bring about increases in pay to those underpaid nearly 20,000,000 wage earners; most of whom receive less than $1,300 a year, and to those whose income is even below that, the many who live on pensions, annuities, and allowances, or on their small incomes from their savings, namely, the aged people of this country. In view of the fact we are in such good humor today I hope we will continue to be mindful of the needs of those people. Efforts are being made on the other side of the Capitol, of course, to do something about it, and I hope that the effort will meet with success and that when it comes to this House we also will again show our desire to be of service to these most deserving and needy people of our Nation.

With this I conclude, without making the comments I originally intended to make, because I do not want to mar today's proceedings. Mr. Speaker, I reserve the balance of my time and yield now to my genial friend, the gentleman from Indiana [Mr. HALLECK], 30 minutes.

Mr. HALLECK. Mr. Speaker, before the Rules Committee there was no opposition to this rule. There is a difference of opinion as to just what the bill should be finally, but apparently the general opinion is that the matter should be decided and determined by the House.

There are no requests for time on this side on the rule, so I yield back the balance of my 30 minutes.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, three facts rise clearly and forcibly from the testimony and hearings on H. R. 5393, the bill now under discussion, and these three clearly perceptible and undeniable facts point unanimously and demandingly toward one general conclusion, that there must be, immediately, an increase in the rates of compensation of officers and employees of the Federal Government on all levels. The conflicting opinions and the counterproposals which dash confusedly around this bill, as against the rocks of definite proposals of any proposed law, cannot conceal three facts from standing clearly in view.

First and fundamentally the rate of compensation for Government employees has fallen far behind or below the increased rates for all industries in the Nation. It is significant to note here that even with the granting of the proposed increase of 18½ percent the Federal Government will still lag behind private industry in enabling its employers to meet the demands of an increased cost of living, or the continued devaluation of the dollars they are paid with. It is reported that attempts will be made to pare down the percentage of salary increase below the 18½ percent recommended by the committee, which in itself is a reduction from the 20 percent minimum recommended by the Federal agencies and the rates up to 30 percent recommended by the various associations of Federal employees. Such attempts must be regarded either as penurious or merely indicative of a formula of reaction, a scissor-clipping mentality which is set at 20 percent and would probably be satisfied only with a 40-percent increase if the committee had recommended 50 percent. I believe that we must guard against this automatic reaction and stand firmly for the minimum recommended by the committee.

The second clear fact is that the Government service seems to tie its faithful workers to a mode of living which at its best can only be termed a shabby gentility, and at its worst denies its people of what we regard as a basic right, freedom from fear. The lower scales of Government employ are the fermenters of a fear which is a product of constant, present worry and little hope ahead. We cannot continue to permit Federal workers from pay check to pay check, guarding money assiduously, spending carefully, but ever seeing their dollars more speedily consumed by the varacious bite of higher costs. This is particularly true of families with children and hoping for children. The testimony presented in the committee hearings giving itemized budgets and numerous case examples force us to remember that the bitter struggle for a living wage never ceases. It is not only futile, but false, for us to be proud, "reasonably proud" it is said, of the highest standard of living in the world when so many of our people, including many of our Government's own employees, can share but little, cannot march under that high standard. We seem to forget that the high standard to which we point with pride also drags in the dirt. We should not permit the border-line living of our Federal workers to continue; and we must rescue our skilled, trained, and expert workers from what is termed shabby gentility which denies them the life they want to live or drives them into private employment.

This brings me to the third fact made manifest, that it is imperative that we grant salary increases in order to limit the egress of capable, trained, and accomplished personnel from the Federal service to private industry. The growth of the Nation and the increased responsibilities and services of the Government have fortunately been paralleled by a growth in desire and devotion for Government work among our people and more and more our youth is studying and training with a view toward public service. There are interesting and, in fact, inspiring reasons for this growth—must it be apparent that recompense is not among them. We cannot deny that equal ability and talent are far more adequately rewarded in private industry.

It is clearly indicated that the desire to serve the country directly; yes, a patriotic fervor, even if the word is disclaimed, and a fascination in the workings of Government attracts talent and ability on all levels. This should be encouraged. We want such spirited workers, we need people cognizant of the public interest. But the fervor, heightened and nourished by the desire to serve during the war, to sacrifice, and to share the energies, has diminished and cannot be long expected when the diet must also include considerable financial sacrifice.

For these reasons, therefore, which I state, and for numerous others, which are equally valid, I recommend and urge that this House assert itself strongly in favor of H. R. 5939 as reported. As I have said, I favor a greater increase, but I defer to the opinion of the committee in order to insure that by the strength of unity, no further reductions be made.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the committee amendment to the resolution.

The committee amendment was agreed to.

The SPEAKER. The question is on the resolution, as amended.

The resolution as amended was agreed to.

Mr. RANDOLPH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5939) to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5939, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. RANDOLPH. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, in prefacing my remarks on the subject matter of the pending legislation, I shall say to my colleagues that it is my considered opinion that one of the real problems facing the Congress of the United States and citizens generally is the establishment of the fact, if it needs to be further established, that it is absolutely imperative that we operate the Federal structure with just as few employees as possible.

I continually hear the charge made that the employees of the Federal Government are not capable and are not conscientious in the discharge of their duties. I brand that statement or statements as absolutely untrue. I believe that as a whole their loyalty and their ability to do a job is inherent and is practiced by the employees of the Federal Government. That does not mean that I do not go back to my earlier proposition that we need to operate the Federal Government with just as few workers on the Federal pay roll as are absolutely necessary. As chairman of your Committee on the Civil Service, and my colleagues who are on that committee, I desire to use our efforts and join with yours in bringing about a condition more wholesome to the operation of our Federal Government in the period of peace than we have had under the ballooning of war, and for other reasons. I would be less than perfectly frank if I did not preface my remarks upon the necessity for this legislation by stating to you my exact feeling about the absolute imperativeness of operating the Government agencies at the utmost efficiency with a minimum of employees, and that job rests with the Congress of the United States and with the administration. We must bring here the proposals for the reorganization of the Federal Government and do away with costly overlappings and duplications. I trust, now that the Congress has given to the President not only the right but the responsibility of making these proposals, that they will come in an orderly, and I trust, expeditious manner, to the Congress of the United States. We, as citizens of the United States, must make a determined and a sincere effort to reduce the number of employees, commensurate with the job of good government.

The Committee on the Civil Service reported to you today, as part of the House of Representatives, a proposed salary bill which, in the opinion of many competent observers, is one of the most progressive measures affecting Federal employees on which this body has been called upon to pass. I concur in these observations for two reasons: The first reason is that the legislation will provide most of the salaried employees of the executive branch of the Government as well as many of the salaried employees in the legislative and judicial branches of the Government with that necessary increase, I believe, of 18½ percent in their basic rates of compensation. This proposed increase in base rates of pay should be approved by this House in the interest of fair play; nothing more, nothing less, as far as the Federal employees are concerned, and also in the interest of attracting and holding in the service of our Government the best qualified and available personnel. It is a fair act to do, because the Federal workers, like all other employees, need this increase in order to offset the rise in cost of living between January 1941, and the present time.

I turn aside at this moment to say that I personally have been amazed, regardless of the ceilings of OPA or any other method by which we keep down the cost of living—I have been amazed, I say, to know the cost of the food bill at the household of which I am a member. With growing sons, it is something to cause even a person receiving a so-called higher salary to wonder just how long he can keep within the budget when we consider the cost of living in its over-all phases: clothing, food, shelter, and so forth.

In 1942 the Congress approved an increase in the compensation of the workers in a few of the lower grades. This had the effect of increasing the average pay of the salaried Federal employees in the executive branch by a little over 1 percent. Last year the Congress approved an average increase in base rates of pay of 15.9 percent. I call your attention to the fact that up to the present time the salaried Federal workers have received an increase since January 1941 of only 17 percent.

I think it is admitted and all authorities agree that the cost of living has increased since January 1941 by at least 35 percent. I have earlier given you my own personal experience, which would indicate that perhaps this figure is too conservative. It can be seen, therefore, that, at the present, the salaried Federal employees, in terms of what their dollars can and do purchase, are actually receiving less pay now than they did in January 1941.

If the Congress approves the recommendation of your Committee on the Civil Service and increases these present rates of pay by 18.5 percent, it means that since January of 1941 the salaried workers of the Federal Government will have received increases totaling 38.6 percent.

As we have already noted, 33 percentage points of this increase is needed in order to offset increases in the cost of living. This leaves an increase of only 5.6 percent to offset the losses in take-home pay occasioned by the reduction of the workweek in the Federal Government from 48 to 40 hours immediately after VJ-day.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. RANDOLPH. Mr. Chairman, I yield myself five additional minutes.

In many instances, loss of overtime resulted in a decrease of 30 percent in the take-home pay of the salaried Federal employees.

It should be kept clearly in the minds of all of us that most of the wage settlements in the industrial field are being superimposed on wages which had already been adjusted to take care of the cost of living. In other words, in most instances we could and should compare the 5.6 percent increase provided for in this bill, over and above the 33 percent increase needed to take care of the rise in the cost of living, with the increases of from 15 to 18 percent which are being granted to industrial workers.

Thus, it can be seen that the percentage increase provided for in this measure is, when compared with the industrial picture, a conservative proposal and, because it is conservative, but more because it is right, it is the type of proposal that we cannot afford in justice to turn down.

If the United States Government as an employer should say to its employees, "We will not even attempt to adjust your salaries in order to offset the rise in the cost of living, and we will not make any effort at all to offset your loss in take-home pay as a result of the reduction in hours of work," then the United States Government as an employer would lose some of its most competent and some of its most valued employees. In fairness to these employees and their families, they could not afford to remain.

The second factor about this bill which makes it a progressive proposal in the field of salary administration is the decision on the part of your House Civil Service Committee to report a measure

which provides for the same percentage increase for all salaried employees.

Your committee believes, however, that the time has definitely arrived when we should not do anything to accentuate this discrimination. It is incumbent on the Congress to do all within its power to attract and to hold in the Federal service the best qualified and available persons that can be found in the middle and upper brackets, as well as in the lower brackets. We must have competent supervisors and administrators in the departments and agencies if the executive branch is to discharge the tremendous responsibilities which we, the Congress of the United States, are placing on that branch. We must have the best supervisors and administrators that we can possibly attract and hold, if we are to achieve the goals of economy and sound management in which all of us are vitally interested. Scientists and research personnel are also included in the group of key workers so vital to our national security.

When we passed the Federal Employees Pay Act of 1945, we adopted a sliding-scale formula which resulted in the lower-bracket employees receiving a larger percentage increase than those in the middle and upper brackets. In my judgment, that action was necessary in order for that pay act to conform to the stabilization policy that was then in effect.

In reporting the Federal Employees Pay Act of 1945, however, the House Civil Service Committee stated that, in its judgment, this sliding-scale formula resulted in discrimination against those in the middle and upper brackets. The committee stated that at the earliest possible time this discrimination should be eliminated. That promise made then is being kept in the provision provided for in the bill before you today.

The bill which is now before us does not, of course, completely eliminate the discrimination because it proposes to place the 18½-percent increase on top of the increases granted in the Federal Employees Pay Act of 1945. Consequently, even though this percentage increase is granted, it will still be true that those in the lower brackets will have received larger percentage increases in pay since January 1941 than will have been received by those in the middle and upper brackets.

Later in the debate, the distinguished and able chairman of our subcommittee, the gentleman from Washington [Mr. JACKSON] will go into that matter to the satisfaction and certainly for the necessary information of the Members of the House.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I am delighted to yield to my friend, the gentleman from Michigan.

Mr. DONDERO. What does it mean to the clerks of the Members of the House? What does it mean to the clerks who receive $2,500, $3,000, and up to $4,000 annually, insofar as an increase in pay is concerned under this bill?

Mr. RANDOLPH. Our employees, the secretaries, and clerks of the legislative branch of the Government, will receive the 18½ percent provided for all Federal employees.

They will also receive the 10 percent in lieu of overtime because we know that our secretaries and clerks are working on Saturdays. In fact, they are working all around the clock almost every day of the week, whereas in the Federal structure we have the 5-day week now in effect. We give them the 10 percent in lieu of overtime plus the 18½ percent.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to my friend, the gentleman from Illinois.

Mr. MASON. The gentleman has mentioned 10 percent in lieu of overtime which they are now getting and an 18½ percent increase. Is that on the basis of their basic pay?

Mr. RANDOLPH. Yes.

Mr. MASON. They are getting two or three things now which we do not understand and which we cannot total. I would like to know if this 18½ percent is on the basic pay as provided in their basic pay act.

Mr. RANDOLPH. I yield to the chairman of the subcommittee, the gentleman from Washington [Mr. JACKSON] in connection with that observation.

Mr. JACKSON. If the gentleman from Illinois will refer to the report on the bill, starting on page 19 and also on page 20, he will get a complete picture.

Mr. MASON. I thank the gentleman.

Mr. DONDERO. What would this bill mean to the secretary of a Member of Congress who is now receiving $3,000 annually?

Mr. JACKSON. Does the gentleman mean a secretary who was appointed at $3,000 per annum?

Mr. DONDERO. Yes.

Mr. JACKSON. He is getting more than $3,000 annually at the present time, as you know. He gets $3,000 plus 20 per cent on the first $1,200 and 10 percent on $1,200 to $3,000 together with 10 percent in lieu of overtime up to $2,900. If the gentleman will look at page 20 of the report, he will find that information in detail.

Mr. DONDERO. I have the report and have looked at it.

Mr. JACKSON. A secretary appointed at $3,000 now gets $3,710 including overtime pay.

Mr. DONDERO. According to the table he would get $4,457.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. RANDOLPH. Mr. Chairman, I yield myself three additional minutes.

Mr. JACKSON. He gets $3,710 now. Under the proposed bill he will get $4,457.97.

Mr. RANDOLPH. That is correct.

Mr. JACKSON. The same adjustment applies to the executive branch of the Government, except that there is an allowance of 10 percent in lieu of overtime, because the legislative employees work on Saturdays.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. MASON. I find in this table that a Congressman's private secretary, appointed at a basic salary of $5,000, which is the limit at which they can be appointed, who is now receiving under all these increments that have been awarded, $5,890, will receive under the proposed bill $7,299.

Mr. JACKSON. That is correct.

Mr. MASON. It seems to me that is probably not showing very good discretion, because as one of the Congressmen said this morning, he would have to divorce his wife and marry his secretary in order to make ends meet.

Mr. JACKSON. Of course, the Members control their own salaries, and they can set it at any amount they so desire up to $5,000.

Mr. MASON. The Member does not today control the salaries. If a Member appoints his secretary at $5,000, then all these increments, over which he has no control, must come in.

Mr. JACKSON. You can lower your appointing salary to $4,000 or $3,000, or any amount less than $5,000. The gentleman has that right.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. MAY. What it amounts to is an additional increase in salary of $747.97?

Mr. JACKSON. If the Member desires to put it into effect. Yes.

Mr. RANDOLPH. With reference to the observation made by the gentleman from Illinois [Mr. MASON] I desire to pay public testimony in this House and to those who read the CONGRESSIONAL RECORD, to the secretaries of the Members of Congress of the United States, and to the clerks of the committees who serve in both the Senate and the House.

The CHAIRMAN. The time of the gentleman from West Virginia has again expired.

Mr. RANDOLPH. Mr. Chairman, I yield myself three additional minutes.

There is no Member here, no matter how many hours he works in the day, who could accomplish for his congressional district and his Nation what he believes should be accomplished without the sincere and intelligent help of the staff which is there almost around the clock, day in and day out, and late in each evening. I pay tribute to those people, and I trust the House will give them the deserved rate of pay for the jobs which they are doing.

Mr. BRADLEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. BRADLEY of Michigan. I want to join the gentleman in his tribute not only to our office staff but also to all of the Capitol employees on the Hill.

The fact remains that the total appropriation for the entire legislative branch last year was a little under $51,000,000, which is only 39¼ cents for every man, woman, and child in this country to run the entire establishment, including our own salaries and expense accounts. But I wish to add to the remarks of the gentleman from Illinois. I want to know when this Congress is going to have the courage to do something about doubling its own salaries so we can afford to live in Washington and do the job we are supposed to do for our constituents.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. RANKIN. I raised this question yesterday before the Rules Committee. I should like to know if this bill covers the medical officers, dentists, and nurses in the Veterans' Administration. They have been transferred out of civil service, and I wish to know if this bill covers them.

Mr. RANDOLPH. The gentleman from Washington [Mr. JACKSON] will recall that yesterday, in the Rules Committee, the gentleman from Mississippi raised the point to which he is now referring, and the gentleman from Washington was to examine into that specifically to see if they were covered by the bill or if an amendment should be offered.

Mr. JACKSON. That is correct, Mr. Chairman. Under section 4 of the bill employees in the Veterans' Administration to whom the gentleman has made reference, namely, the medical officers, dentists, and nurses of the Veterans' Administration are included in this bill. The report, on page 2, subsection 2 (c), makes specific reference to these employees.

Mr. RANKIN. They are not specifically mentioned in section 4.

Mr. JACKSON. The reason for that, I may say to the gentleman from Mississippi, is purely one of drafting. To do otherwise would have required a listing of the agencies concerned. The agencies that are directly affected by section 4 are set out on page 2 of the report.

I wish to assure the gentleman from Mississippi that they are definitely included under the terms and provisions of this bill.

Mr. RANKIN. I thank the gentleman from Washington [Mr. JACKSON] and also the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. We certainly do not want to fail to cover these people.

Mr. RANKIN. That is what I was interested in. I was interested in seeing that these medical men, dentists, and nurses in the Veterans' Administration were not left out.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. WHITE. I make my apologies for not being present during the gentleman's discussion of what secretarial help gets. Would the gentleman state how the secretarial allowance for Congressmen is affected?

Mr. RANDOLPH. The Congressmen's secretarial help will receive 18.5 percent raise in base pay and 10 percent in lieu of overtime.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Miss SUMNER of Illinois. Every allusion to action on this bill refers to unanimous consent. Is there no opposition to this bill? It sounds outrageous to me.

Mr. RANDOLPH. I am aware the gentlewoman is opposed to the proposal and that surely means there is vehement and vigorous opposition to the bill.

Miss SUMNER of Illinois. Is there no committee opposition to it?

Mr. RANDOLPH. I believe the gentleman from Kansas [Mr. REES] will present his opposition, and perhaps there may be others. We have brought a bill here under conditions which gives every Member an opportunity to express his or her views. It is brought in under an open rule. It is the desire of the chairman to have the measure debated fully and each and every Member given the opportunity to be either for or against its provisions.

Miss SUMNER of Illinois. Its being reported unanimously worries me.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. HINSHAW. Do I understand that in totaling up the allocations of a Member's secretarial allowance, following the Committee on Accounts' provisions for secretarial allowance, that we use the figure contained in the left-hand column of page 20, and that the changes effected by this bill are shown in the column on the right-hand side? That right-hand column shows what they would actually get under this bill.

Mr. RANDOLPH. What they are getting as of today——

Mr. HINSHAW. That is the column on the left. That is the figure allowed by the Committee on Accounts.

Mr. RANDOLPH. That is correct, $5,000.

Mr. HINSHAW. What they actually get is the figure on the right-hand side of the page.

Mr. RANDOLPH. That is the gross salary; that is correct.

Mr. HINSHAW. So the figures set forth by the Committee on Accounts are now going to be clear out of line with what the actual salaries paid will be, so we have a little complicated figuring to do here.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. I have heard it said many times that due to the fact that the 12,000,000 of the finest in our country were in the armed services and that many of those who stayed at home were attracted to war work it resulted in the Federal Government during the war having to take third choice, as it were, in securing its help. Has the committee investigated into that situation and is there anything in this legislation that would make it easier for the Government to get rid of the third class kind of help it had to take during the war and replace it with competent help?

Mr. RANDOLPH. The bill simply goes to the matter of pay, but the gentleman raises a point certainly which your committee has been studying and will continue to check. I join with him, as I said earlier in my presentation, and I expect the greatest challenge from the Members of Congress and the administration. We ought to operate with the maximum of efficiency our governmental structure with the minimum of employees. We should direct our attention to the subject. We have had a ballooning of Government during the war but I, as one individual Member of Congress, want to see the number of employees reduced as quickly as possible commensurate with the job to be done. I believe we are reducing too slowly. I join with the gentleman on that point.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Michigan.

Mr. DONDERO. I want to join the distinguished gentleman from West Virginia in what he said about the secretaries to Members of Congress. I would like to ask a question. Suppose that a secretary in the gentleman's office is today receiving $5,000 a year. That is the total salary. Are we to assume that that secretary will receive an 18½ percent increase on the $5,000 plus 10 percent?

Mr. RANDOLPH. That is correct. We have lifted the $2,900 ceiling.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Kentucky.

The CHAIRMAN. The time of the gentleman from West Virginia has again expired.

Mr. RANDOLPH. Mr. Chairman, I yield myself an additional 4 minutes.

Mr. MAY. I would like to ask the gentleman this question because the same problem is before my committee now in its relation to the armed forces. There is a proposal pending there to raise their pay straight across the board 20 percent. That would mean that an enlisted man who is on a $50 salary would get a $10 raise. A major general on an $8,000 salary would get a $1,600 raise. Have you considered a graduation of these raises so as to make it 20 percent on the low grades and 5 percent on the upper grades?

Mr. RANDOLPH. I stated previously in my remarks that in the earlier pay-raise bills we have accentuated the increases in the lower brackets. In this instance we felt it was only just to the middle and upper brackets to make the pay increase across the board. We know that the man who receives a larger salary is in most instances a man who has assumed family responsibilities, he is attempting to purchase a home, he has increased costs all along the line, which are not inherent in a single individual receiving perhaps a lower salary in the Government structure.

In this connection, I desire to direct attention to the Members of the House that this bill does not provide for a salary ceiling of $10,000. It provides that those in the top positions of the Federal service are to receive the same percentage increase as those in the middle and lower brackets. In my judgment, this is likewise a sound recommendation.

The House Civil Service Committee received testimony from witness after witness in the administrative, professional, and scientific fields stating that the Government was in danger of losing its most competent administrators and scientists unless it made some move in the direction of providing them with increased compensation. Many of these men and women see the opportunity for service

that is presented to them by the Government. They desire to stay in the Government. But, when there is such a wide gap between what the Government pays and what private industry is willing to offer, there are times when, in fairness to themselves and to their families, they feel they cannot continue to stay.

Of course, I do not maintain that the Government can compete dollar for dollar with private industry as far as the services of such men and women are concerned. But it can say to these men and women, "We are willing to partially close the wide gap that now exists, and we are trying to make sure that you are not called upon to make unnecessary sacrifices."

If the Government will say this much to these men and women, it will hold them. What is more, it will attract to its service men and women who will be able to give the kind of administrative and scientific leadership that this Nation desperately needs.

We will never attract and hold first-class men and women by paying second-class salaries.

These are the principal reasons why I urge, on behalf of the Civil Service Committee, the approval of this proposed legislation. The gentleman from Washington [Mr. JACKSON] served as chairman of the subcommittee which held hearings on this bill. He will give you in more detail the reasons back of the decisions which have been made, and he will likewise explain other sections of the proposal.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Does not the gentleman think it would be more in keeping with good statesmanship if the Congress would first reduce the Federal pay roll to a point where it is reasonable before it enters into this question of granting increases in salaries? The reason I ask that question is because if we increase these salaries at the present time it is going to entrench this bureaucracy all the more; it is going to add to the premium on Government employment over private employment, and thus make it all the more difficult for us to accomplish the purpose of reducing the Federal pay roll.

Mr. RANDOLPH. I should like to say to the gentleman from Ohio [Mr. SMITH] that two challenges are presented. The one challenge which we today as a committee are attempting to meet is that we should pay a just wage to those who are employed in the Federal Government. The other challenge which the gentleman presents is that we reduce the number of Federal employees before we give consideration to the salary matter. I do not believe that I should for a single moment predicate my vote and my effort in behalf of giving a fair rate of pay to the man or woman who is employed upon whether he should or should not be working in the Federal structure.

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Chairman, in the bill that is now before us there are three very controversial questions that are raised, and I am going to address myself to those three controversial questions in the few minutes that have been allotted to me. However, before speaking of those I want to call attention to two very important matters of fact which I think have a direct bearing on this bill. The first is that this bill does not in any way affect the hundreds of thousands of Government employees whose salaries are fixed by so-called wage boards. Those employees, since 1941 to date, have received wage increases amounting to roughly 54 percent.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from California.

Mr. JOHNSON of California. Does that include the employees in the navy yards and arsenals?

Mr. HERTER. That is correct. They have received, to date, increases roughly of 54 percent since 1941.

Mr. SMITH of Ohio. Mr. Chairman, if the gentleman will yield further, does he know the average annual rate of pay of those particular employees?

Mr. HERTER. No; I cannot give the gentleman the average annual rate, As a matter of fact, it varies in different sections of the country because those wage-board scales try to conform to the existing wage scales for similar private work in the same locality.

Mr. BRADLEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Michigan.

Mr. BRADLEY of Michigan. I am very much concerned about the wages received by the employees of the United States Army Engineers Corps on the operation of the locks at Sault Ste. Marie, Mich., in my district. Some of those are classified civil service workers and some are in the unclassified status. Can the gentleman tell me whether this bill takes care of both of those classifications?

Mr. HERTER. I would have to look up that particular classification. I am afraid I cannot tell the gentleman as to that. This covers all the classified employees. It covers some groups of unclassified employees, but whether it includes these Army engineers or not I cannot tell. However, I shall be very glad to look it up and advise the gentleman.

Mr. JACKSON. I might say to the gentleman that the civilian workers in the Army Engineers Service are under the Classification Act and, therefore, would be included under the provisions of this bill.

Mr. BRADLEY of Michigan. I understand that on the Soo Locks at Sault Ste. Marie, Mich., there are some unclassified employees.

Mr. JACKSON. Are they per annum or per hour employees?

Mr. BRADLEY of Michigan. I think they are in both categories.

Mr. JACKSON. The per hour employees are paid by the Wage Board, and they had an adjustment yesterday, but the per annum employees would be included.

Mr. BRADLEY of Michigan. I thank the gentleman.

Mr. HERTER. The first point I want to emphasize is the 54-percent increase that has been given to the so-called blue-collar workers throughout the Government.

The second point is that this bill involves a very large sum of money, close to half a billion dollars. There was a very strong feeling in the committee that accompanying this bill there should be provisions for a marked reduction in the civilian personnel employed by the Government. However, that correction was entirely outside of the purview of the Committee on the Civil Service. For one, I should like to emphasize just as strongly as I know how that I hope the Committee on Appropriations, which is the committee charged with the responsibility of reducing the number of civilian employees in the Government service, will make cuts more than sufficient to offset the increases that are provided for in this bill.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I want to comment for a moment, if I may, on what the gentleman has said. When the President announced an 18-percent wage increase for industry he said the increases could be put into operation if no prices were increased. Is there any way that we can absorb these costs without increasing appropriations, unless personnel is cut?

Mr. HERTER. The only way it can be done is by reducing the number of personnel.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. REES of Kansas. Mr. Chairman, I yield three additional minutes to the gentleman from Massachusetts.

Mr. HERTER. I now come to the three controversial features of this bill. First of all, the question of a fixed across-the-board increase rather than a sliding-scale increase. It seems to me that to consider this bill intelligently it must be taken in conjunction with the pay bill of last July, which fixed the increases for the classified services on a sliding-scale basis of 20 percent for the first $1,200, 10 percent up to $4,600, and 5 percent thereafter. It was a sharp sliding-scale pay increase. Later your committee had before it the Senate proposal for a further sliding-scale increase, the result of which led, to my mind, to this very unfortunate conclusion, that in the lower brackets we would be increasing the pay roughly 42 to 43 percent and in the top bracket would be increasing the pay roughly 9 percent.

I say "unfortunate" for this reason: Every evidence that your committee had, submitted by the Bureau of Labor Statistics and confirmed by the witnesses who appeared before the committee, was that in the lower brackets the Government today, particularly if an increase such as that which is here proposed should go through, is paying wages that compare extremely favorably with similar wages paid in industry; in fact, they are somewhat above the comparable wages paid in industry. When you get

into the higher brackets, on the other hand, the wages paid by the Government do not compare at all favorably with the wages paid in private industry, and it is in the higher brackets that today, while there are only a very few individuals involved, the most serious losses are taking place in our Government service. It was because of those arguments which were advanced before the committee that the straight-across-the-board increase was proposed.

The second question is what should the percentage increase be? That is very definitely a controversial question. The only guide that your committee had to work on was a guide based on the increased cost of living. The pay raise that was granted last July was an effort to meet in part the transition from the 48-hour week to the 40-hour week. Actually, today the take-home pay of the Federal employees in the classified service is, on the whole, smaller than it was before last July. This increase was intended to as nearly as possible meet the 33 percent which is the figure that has been officially used in the increase in the cost of living. This particular figure of 18½ percent does not quite do that. Again, you have to lump this figure with the increase that was given on July 1, 1945.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. REES of Kansas. I yield three additional minutes to the gentleman from Massachusetts.

Mr. HERTER. If you lump those two together, you will find in the lower brackets the percentage increase is more than the increase in the cost of living; but even with this figure which appears in this bill today, in the higher brackets it is below the increase in the cost of living, that being due to the fact of the sharp gradation that appeared in the last pay-increase bill.

The third controversial question, a very controversial question, is whether or not the Congress should maintain the position that no one in the classified service or in the Government outside of a very few positions is worth more than $10,000 a year. If we maintain that position and give the pay increases that are provided in this bill, you are going to find some absurdities appearing in our Government. You are going to find, for instance, that the head of the Bureau of Reclamation or that the head of the Bureau of Standards is being paid approximately the same as some four or five grades of subordinate engineers and scientists who are working beneath him. In other words, we have compacted four or five different grade classifications into the $10,000 a year level. No one wants to increase salaries merely for the sake of increasing salaries and spending more Government money, but to my mind the numbers that are involved in this increase over the $10,000 is very small. Some 1,500 people are involved in the entire Federal Government, representing one-tenth of 1 percent of those on the pay roll. They have had no increases whatsoever since their statutory salary was fixed. They are in exactly the same position as Members of Congress and of the judiciary, who are left out of this bill because there were pending before the Congress two special bills to take care of their individual needs. I believe the most important contribution that can be made is to recognize that in the higher brackets, if we are going to keep better scientific and technical men in the Government, we have to make some allowance for the increase in the cost of living which they are suffering just as much as any other employee in the Government. For that reason, as a member of the minority, I am going along with this report.

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. BENNET].

Mr. BENNET of New York. Mr. Chairman, for a long time I have been interested in civil-service problems and my appointment to the Civil Service Committee of this House has enabled me to continue my studies under favorable circumstances. I hope that something which I may say in the next few minutes will be helpful to the Members in considering this proposed legislation.

It is not so long since job seekers used to camp on the White House lawn after the inauguration of a new President, and it was only when one of our Presidents was assassinated by a disappointed job seeker when civil service, as we know it today, was finally established on a firm foundation.

Only a few years ago we ran this Nation with less than 500,000 employees and as recently as December 31, 1939, we still had only 900,000 even after the creation of innumerable new Federal agencies under the Roosevelt administration.

The Federal services mushroomed inevitably during the war years and on August 1, 1945, there were close to 3,000,000 people working for Uncle Sam.

It is estimated that on June 30, 1947, 1,710,167 persons will still be on the Federal pay roll, or an increase of over 767,000 individuals as compared with 1939. These figures should be borne in mind as we discuss the pay-roll problem.

Two hundred and eighty-one pages of testimony were taken during the hearings on the pending bill and the testimony is replete with figures showing the increase in the cost of living between January 1, 1941, and February 1, 1946. It seems to be agreed that this increase has totaled approximately 34 percent.

The bill which we are offering to you adequately protects the civil-service employee against the difficulties caused by the increase in the cost of living. In fact, in most of the brackets the proposed increase is more than ample to offset the greater living expenses. I earnestly hope that every Member will read the table on page 24 of the hearings showing the raises already granted in the various classifications as compared with the increase in the cost of living. To take one example, there has been a 44 percent increase in compensation for the CPC–1 employees so that their pay is already adjusted to meet increased costs and the pay raises given in the current bill are not needed for their protection although their pay will still be plenty low enough in the judgment of most fair-minded persons.

Among other types of workers the figures indicate that the proposed legislation, with its flat 18½ percent across the board raise, will be more than sufficient to protect Federal employees against the consequences of higher expenses until we reach the very top brackets on the Federal pay roll. The P–6's, 7's, and 8's, and the CAF–13's, 14's, and 15's, will not get a high enough percentage of increase, but they constitute a tiny fraction of the Government pay roll and the action of the Civil Service Committee in removing existing ceilings will, if adopted by the House, go a long way toward relieving any dissatisfaction which might otherwise exist in this group.

So—we have been fair to our employees, but we have not been fair to our employers—the citizens of the United States. We have made no adequate effort to find out whether we are getting our money's worth from the vast army of Federal employees.

Mr. Chester Bowles, testifying on page 144 of the hearings, had this to say and I quote:

> The United States Government is the biggest business in the world. It must be run with the highest possible efficiency if our people are to secure the kind of Government to which they are entitled.

Mr. Bowles went on to make some criticisms of present supervisory methods as he had observed them, and there cannot be many Members of Congress who have not been deluged with complaints concerning the alleged inefficiency and favoritism which they claim exists throughout the Government departments.

Recently, a very distinguished Member of this House the gentleman from Texas [Mr. SUMNERS] stated his intention of leaving the House of Representatives after a long career of useful public service. In doing so, he expressed despair because of his inability to find out what is really going on in the Federal Government and to put a stop to practices which he considered dangerous to our American heritage and tradition.

Mr. Chairman, many other Members of Congress feel the same way, but we have not provided ourselves with any machinery by which we could keep check on the activities of the Government departments, determine the relative efficiency of the methods employed in the various bureaus and departments, or form any opinion as to whether the number of Government employees was excessive or insufficient.

The biggest business in the world should not have to depend on rumor or isolated complaints for information concerning such matters. For a while we did not have to do so in all instances because the Civil Service Committee had an investigating staff which, though pitifully small, did make sample surveys and recommended changes in personnel practices and otherwise which admittedly saved the Government hundreds of thousands of dollars. It may surprise Members of Congress to know that this staff is no longer in existence.

It may also surprise many of you to know that for all practical purposes the heads of Departments and their sub-

ordinates are above the law—that is—the Civil Service Commission may investigate a complaint, find that the complaint is justified, issue instructions to remedy the condition complained of, and then find itself powerless to enforce its decisions.

In theory the President still makes all appointments to the Civil Service and only he can compel Departments to obey Civil Service regulations. Naturally—the Civil Service Commission is reluctant to burden him with administrative matters of this sort and as a result certain public officials have found that they could defy the Commission with impunity.

Such a condition is destructive of discipline and efficiency. It must be corrected, but before remedial action can be taken this House and its Civil Service Committee must have a thorough grasp of the problems involved.

For more than a year there has been pending House Resolution 171 calling for the kind of study I have mentioned and making an appropriation, judged to be adequate, for that purpose. This resolution was referred to the Committee on Accounts and is lying dormant there.

Now that we are probably about to vote to add somewhere around half a billion dollars to the load which the American taxpayer must carry for the maintenance of the Federal Government I think we should keep faith with those who have to furnish the money by insisting that the Committee on Accounts report House Resolution 171 and thus furnish us with an opportunity to vote on the question of whether or not we want to make an effort to understand our Government and how it works, or whether we want to throw up the sponge and continue to pass legislation in the dark so far as any real knowledge of what we are getting for our money is concerned.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. BENNET of New York. I yield.

Mr. H. CARL ANDERSEN. The gentleman speaks about keeping faith. Does not the gentleman feel perhaps that we would keep better faith with the people of America if we did not pass this sort of legislation today calling for an additional practically one-half billion dollars in expenditures?

Mr. BENNET of New York. I do not know the answer, because I have not had sufficient information. That is what we need this investigation for.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. BENNET of New York. I yield.

Mr. JACKSON. Might it not be well to inquire as to how the Members of the House voted yesterday for postal employees?

Mr. BENNET of New York. I believe the record will show that only one Member voted against it. I doubt if they had any better information to go on than we have in this instance.

Mr. JACKSON. And the percentage increase for postal employees was about 18 percent.

Mr. BENNET of New York. That is correct.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. REES of Kansas. Mr. Chairman, I yield myself 15 minutes.

The CHAIRMAN. The gentleman from Kansas is recognized for 15 minutes.

Mr. CURTIS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CURTIS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and three Members are present, a quorum.

Mr. REES of Kansas. Mr. Chairman, this bill involves an additional expenditure by the United States Government of something like a half-billion dollars annually. It is legislation affecting more than one and one-quarter million people. It is one of the most important measures that has come to the House for consideration for a considerable period of time.

It has been inferred in the newspapers and otherwise that there are Members in this House who are opposed to any raise in the pay of Government employees. That inference is erroneous. I do not know of anyone in the Civil Service Committee or outside of that committee who is not in favor of granting fair and reasonable pay to the employees of the United States Government. A good deal has been said on the floor of the House with respect to the number of employees in the Government, and I shall discuss that a little later on. Let me say, on behalf of those who work in Federal service, I am in favor of their receiving fair, decent, and reasonable pay. Let me say that so far as pay raises are concerned, involving especially those in the higher salary brackets, the lid is off in this legislation. I am in favor of seeing to it that Government employees shall continue to receive fair and decent pay. When the proper time comes I shall offer an amendment to the bill that in my judgment will be more equitable than the provisions of this bill. I will discuss that a little later.

Mr. Chairman, something was said, and it will be said again and again, with respect to a bill that passed the House yesterday raising the salaries of postal employees. The amendment I expect to offer to this bill will do just about the same for those in the classified service and in the same salary brackets as was done yesterday for the postal employees. Not only that but they are in a different category, the situation with respect to postal employees is a lot different from these employees. In any event, we are not legislating for postal employees today. Our responsibility today is to legislate for some 1,300,000 or 1,400,000 employees of the Government. That is our job today and that is the thing we are responsible for in the consideration of this particular bill.

Is this bill right or wrong? That is the question. Should it be amended or not is the question involved, as I see it.

Mr. Chairman, the pay raise bill, as reported by the majority of the members of the House Civil Service Committee, provides for pay raises that are inequitable, inflationary, and totally unjustified.

The supporters of the bill contend that it provides for a flat 18.5 percent increase in pay. It must be remembered that under Public Law 106 there was an over-all increase of 15.9 percent in July 1945, and that the 18.5 percent increase is based on the increased salary. In other words, instead of being 18.5 percent additional to the salary paid a year ago, it is practically 4 percent more, or an increase of 22.5 percent over the 15.9 percent.

This legislation covers what is known as the white-collar workers in Government, with the exception of postal employees and very few others. In the departments of Government, except the judges and elective officials, it includes those who now receive $10,000, $12,000, and $15,000 per year.

The demand for this legislation comes by reason of increased cost of living and because those of our employees in the lower-paid groups are not receiving enough pay commensurate therewith.

In July 1945, Public Law 106 went into effect which made adjustments for Federal employees that provided for an increase of 15.9 percent. This bill would add 18.5 percent to all of those salaries, all the way from the lowest-paid employees up to the one who gets as much as $15,000.

Under this bill, the employee who now receives $1,200 will have his salary increased by $222 per year. If his salary is $2,100, he will receive an increase of $388.50, but if he is now receiving a salary of $8,700 this bill will pay him $10,368, or an increase of $2,368. In other words, the man who now gets $8,700 will secure under the House bill an increase amounting to the $2,100 salary man, plus the increase under this measure. This is certainly a splendid bill for the top-flight boys in Government. The sky is the limit!

I wish you would take a look at the increases in pay raises granted under this bill for those who now receive $5,000 and $6,000 or more. A Cabinet member, under this bill, will get more than $19,000 and those who receive $10,000, not only get the $1,850 increase, but also get the increases provided under the 1945 Pay Act.

Mr. Chairman, at the proper time, I shall submit an amendment that, in my judgment, will provide for a much more equitable adjustment in pay for our Federal employees and at the same time, will save approximately $100,000,000 over the proposal submitted.

I am in favor of granting some increases all the way along the line, but I just do not believe that this House or the people of this country will approve the huge increases provided for in this bill. I know there are many employees in the higher brackets that do earn the money, and I am in favor of granting increases to them, but certainly not in amounts provided by this legislation.

Many of those who now receive high salaries came into the Government as war-service employees but now receive $3,000 and $4,000 more than when they entered Government service. The Civil Service Commission, in testimony before the Civil Service Committee, was unable to furnish the committee with information as to how much the average Government employee had received by virtue of promotions during the war. It was admitted, however, that large promotions were the rule, rather than the exception to the rule, and most of the promotions, on a comparative basis, were those in the $5,000-salary brackets and upward.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Indiana, a former member of our committee, and one who has at all times given very fair consideration on behalf of employees in Government.

Mr. HALLECK. Referring to the 18½ percent and the previous increase, how does that compare in respect to the previous increase with the 18½ percent policy declared by the administration; in other words, was there anything comparable to the 15.9 percent in that area where the 18½ percent is to operate?

Mr. REES of Kansas. The question is very important, and fair one in the consideration of this proposal. I shall deal with that matter later on in my discussion.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman has said that this lifts the ceilings so far as the larger salaries are concerned. Does the gentleman mean then that the 15.9 percent is applied to those salaries in excess of $2,900 to establish a new base, and that the 18.5 percent in the higher brackets applies to those higher-bracket salaries with the 15.9 percent added to the $2,900?

Mr. REES of Kansas. Put it this way. The employees in the Government who get $10,000 a year now get the benefit of the increases that we granted under the 1945 pay act, that is, the gradation which the gentleman suggested is an average of 15.9 percent. He gets the benefit of that, and on top of that he gets 18½ percent of his present salary.

Mr. CASE of South Dakota. Then the person in the larger brackets now gets a double increase.

Mr. REES of Kansas. That is, in substance, correct.

Under this bill the employee who now gets $1,200 will have his salary increased by $222 per year. If his salary is $2,100, he will have his salary increased by $388.50, but if he is receiving $8,750 he will be increased up to $10,368, or $2,368 increase. In other words, you are going to increase the man who gets $8,750 now by enough to pay the man's salary who gets $2,300.

I want you to take a look at the increases of pay raise granted under this bill for those who get five or six thousand dollars or more. I also call your attention to the fact that a Cabinet member under this bill, gets more than $19,000.

Mr. Chairman, the amendment I shall submit to the committee bill, which will follow the proposal adopted by the other body in S. 1415, except that there shall be slight increases over the Senate bill, especially in the lower-paid groups, will be substantially as follows:

Each of the basic compensation rates for Federal employees shall be increased by 45 percent of that part thereof which is not in excess of $1,200 per annum, plus 18 percent of that part thereof which is in excess of $1,200 per annum but not in excess of $4,600 per annum, plus 9 percent of that part thereof which is in excess of $4,600 per annum.

I call your attention to my statement in the Appendix of the CONGRESSIONAL RECORD, page A1864, and especially to the table that sets out in a general way the manner in which my proposal will work. My amendment follows the Senate bill, except that I propose an increase of 45 percent, instead of 36 percent, on the first $1,200 per annum basic salary or fraction thereof, prevailing in June 1945. For example, an employee who received $1,200 basic salary in June 1945, and now received $1,440, will, under my proposal, receive $1,740. This is slightly above the 18.5 percent proposal under the pending bill. In fact, it is an increase of 20.8 percent over his present salary.

My proposal, in money, would amount to a 15.6 percent general increase. It will save the taxpayers of this country approximately $100,000,000 over the pending bill.

It seems the majority of members in the committee were influenced largely by two factors. First, they believed an 18.5 percent flat increase on top of present salaries is justified because of the rise in the cost of living since 1939 and 1940. The latest figures from the Bureau of Labor Statistics show there has been something more than a 30-percent increase in the cost of living. My proposal provides for an increase of 45 percent at the $1,200 per annum rate. It equalizes the increased cost of living at those levels. Under my proposal, pay increases range from 35.3 percent at the $2,600 level to 11.11 percent at the $9,000 level. The percentage increase, as I have explained, is based upon basic rates prior to July 1, 1945. The Bureau of Labor Statistics does not seem to have recent figures, but from information they have furnished, it appears that the white collar workers in industry have received little more than 25 to 30 percent in increases.

Therefore, on the basis of information submitted to our committee, I believe the formula provided in my proposal is completely adequate and provides sufficient increases to offset the increased cost of living, particularly in the lower grades, and follows closely the wage increase formula adopted by industry for white collar workers. Furthermore, the provisions in my proposal are in line with the formula established in the national wage-price stabilization program.

Mr. Chairman, I am disturbed that although the war has been over for more than 7 months, there are still approximately 3,000,000 employees on the Federal pay roll. Only about half of them are affected by this legislation, but I am further disturbed and disappointed that we have had so little reductions in force in our Government agencies, outside of those who have left the War and Navy Departments. I realize increases were required in a few of our agencies, especially the Veterans' Administration, but it is most disappointing to observe that looking at the over-all picture of the first forty-four agencies recommended to the Appropriations Committee for personnel expenses, it showed an increase rather than a decrease in requests for salaries and employees' expenses. During the month of January there was a decrease in the entire Federal Government of only 2,500 employees. I cannot subscribe to a policy which provides exorbitant pay raises, as long as such inefficiencies in the Federal Government allow excessive numbers of Federal employees to remain on the Federal pay roll.

I should call your attention to another item that has been overlooked in this discussion. The Revenue Act of 1945, which took effect in January 1946, provides for reductions in the Federal income tax that provides for an over-all reduction in taxes of about 20 or 22 percent. It results in approximately 5 percent more in the take-home pay of the Federal employee.

I believe this problem ought to be viewed on a long range basis. I want every Federal employee to receive every dollar to which he is entitled for his services. We must, however, take into consideration the fact that the taxpayers of this country are required to pay the bill. This Congress, somewhere along the line, will have to realize, I think, in the consideration of legislation that is submitted, that the public interest also must be considered.

Mr. Chairman, I have been very much disappointed in the lack of interest on the part of almost every agency of the Government to offer suggestions with respect to reductions in forces or to the saving of any money for the Federal Treasury.

I ought to add one more thing and that is that when we give consideration to the number of people who are employed in government, and especially in Washington, that we have several women in uniform, who are doing clerical work similar to the work that is done by civil-service employees. I maintain those women ought to be given a chance to be released from the armed forces and let them, if they want to do so and where services are needed, accept positions under civil service.

Again, I want to pay tribute to the thousands of loyal employees in our Federal Government, for the splendid effort they are making in trying to do a good job. Too many of them are not receiving the credit to which they are entitled.

Mr. Chairman, I hope that in view of the importance of this legislation, every Member will give it most careful consideration.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished gentleman from Nebraska.

Mr. CURTIS. The gentleman made reference to the salary of a Cabinet member. Under these proposed sched-

ules as the bill is written now, is it true that certain employees of the House of Representatives would receive more than the Members of Congress? If so, approximately how many of such jobs would pay that?

Mr. REES of Kansas. I do not know the number. Inquiry was made with respect to the number, but I am unable to give you any estimate. However, there are quite a number.

I trust that those on the floor of the House at least have examined the minority report I made in connection with the report made by the committee.

Then, I am going to ask you sometime, if you will, to look at the Appendix of the CONGRESSIONAL RECORD, page A1864, where I have inserted the figures, and have worked out the manner in which employees would be paid under the amendment I shall offer. My amendment follows the bill that was passed by the other body, S. 1415. It passed that body by about a 3-to-1 vote, I think. I have increased the percentage just a little over that bill in the lower brackets. This is the provision in my amendment.

Mr. WORLEY. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished gentleman from Texas.

Mr. WORLEY. This whole formula is rather involved and complex to me. I am wondering if the gentleman has given any thought to the proposition of increasing everyone, but based on 15 percent, say, of the first $3,000 of each salary. Has the gentleman given any thought to that?

Mr. REES of Kansas. My proposal will work out practically the same, on that order. My amendment will begin with the lower grades, and will in substance provide an increase of 20.6 percent on the present salaries of those receiving below $2,000.

Mr. WORLEY. That would take care of those in the lower-wage brackets, who really need more help now?

Mr. REES of Kansas. That is correct. My amendment will be an over-all increase, according to my computation, of 15.7 percent, but provides for more in the lower-bracket employees and less in the higher groups.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. REES of Kansas. Mr. Chairman, I yield myself five additional minutes.

For example, an employee who received $1,200 basic salary in June 1945 now receives $1,440. Under my proposal he will receive $1,740. It is slightly above the 18.5 percent granted under this bill. As I said a moment ago, it is 20.8 percent.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Arkansas.

Mr. GATHINGS. What would the saving be to the taxpayers of America under the gentleman's amendment in contrast with the bill that is before the House?

Mr. REES of Kansas. As near as I can estimate it, from figures which were given me this morning, by officials in the Civil Service Commission, it should run nearly $100,000,000 in savings on present employment.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Washington.

Mr. JACKSON. Is it not true that the cost under your amendment will run about $370,000,000 and that the cost under the bill at the present time is $420,000,000?

Mr. REES of Kansas. It would be $340,000,000 instead of $370,000,000, according to the figures I have. There will be some disagreement in respect to it. The difference probably arises because the figures which the gentleman from Washington is talking about are based upon what he hopes will be the number of employees in the Government after July 1 and not upon the number of employees who are on the pay roll of the Government as of this afternoon. That will make a considerable difference.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. Then it is $80,000,000 and not $100,000,000, according to your own estimate?

Mr. REES of Kansas. Personally, I think it runs to about $100,000,000.

Mr. RANDOLPH. But the figures you have just given would make it amount to $80,000,000.

Mr. REES of Kansas. Eighty-and-some-odd million dollars based on 900,000 employees, but we have about 1,400,000 under this legislation now.

Mr. RANDOLPH. Also, you predicate your figures upon the hope of the number of Federal employees just as does the gentleman from Washington and myself. Is that not true?

Mr. REES of Kansas. I am trying to be realistic and call your attention to the number of employees you have right now on the Federal pay roll.

Mr. RANDOLPH. What are your computations based on?

Mr. REES of Kansas. They are based on what you are paying now.

Mr. RANDOLPH. We are having the same problem, are we not, in presenting figures in this bill? The same thing holds true so far as the gentleman's figures are concerned as with respect to the committee's figures.

Mr. REES of Kansas. The more people there are on the pay roll, the greater the cost and the greater the difference in cost as compared to my amendment, as I see it. Is that not correct?

Mr. RANDOLPH. Certainly. However, I would like the gentleman to answer the question in all fairness. I believe that the figures he is using are based upon the number of employees and we in presenting our figures used the same foundation. Is that not correct?

Mr. REES of Kansas. I do not know. I assume that the gentleman from Washington is using the number of employees that was given in the Civil Service Committee hearings that it is hoped would be on the pay roll after July 1.

Mr. RANDOLPH. Where did the gentleman get his figures?

Mr. REES of Kansas. Anyone can figure it. I called the departments downtown.

Mr. RANDOLPH. That is the way we received these figures upon which the committee bill is based.

Mr. REES of Kansas. They gave me these figures on the basis of the 900,000. If you include the number of additional employees you really now have, you will, of course, get the difference in cost.

Mr. RANDOLPH. That is what we did, and we are both working on the 900,000 figure.

Mr. REES of Kansas. I am not. I am working on the 1,250,000 figure.

Mr. RANDOLPH. That is your figure, sir?

Mr. REES of Kansas. Those are my figures. That is correct.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Illinois.

Mr. ARENDS. Is it possible that with the passage of this legislation the Doorkeeper of the House of Representatives might receive more pay than a United States Senator? Is that possible?

Mr. REES of Kansas. I have heard that it is. I do not know exactly what the Doorkeeper gets, but if he gets over $8,000, certainly that is the case.

Mr. MANSFIELD of Texas. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to my friend from Texas.

Mr. MANSFIELD of Texas. Would it be contended that the Doorkeeper is of less importance than a Senator?

Mr. REES of Kansas. The gentleman from Texas is asking whether or not the Doorkeeper is more important than a United States Senator. I will let him answer his own question. His judgment is always good.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield further?

Mr. REES of Kansas. I would like to go on a little and then I will yield later.

Now, Mr. Chairman, I am as much disturbed as my distinguished chairman with respect to the number of employees who are on the Federal pay roll. Here we are 7 months after the war is over, or at least after hostilities have ceased, and we have not reduced our Federal pay rolls to any great extent. As a matter of fact, if you put all of the old-line agencies together, I have here a list of 44 agencies, according to requests made by the Bureau of the Budget for appropriations, they have plans for more man-hours for the next fiscal year than they had for last year. The increase in the cost is of course accordingly.

I realize that it is necessary in some agencies, particularly the Veterans' Administration, to increase the number of employees, but I do believe the number could have been decreased, and could be greatly decreased in a great many others. But as I see it, the difficulty lies in this, that neither the Civil Service Commission nor the head of any agency makes a request for reduction in employees. They offer very little in the way of suggestion with respect to reductions in force in the departments of government.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Texas who at all times gives careful consideration to legislative

problems that are brought to the floor of the House.

Mr. MAHON. I would like to say to the gentleman that I believe I reflect the attitude of the average Member of the House when I say I believe Federal workers ought to be well paid, and I favor increases in pay for Federal workers in the lower brackets, with modest increases in the higher brackets. But I must say that I think I also reflect the attitude of many Members when I state that I am shocked and disturbed by some of the provisions in this bill which would increase certain high bracket salaries to such a great extent at a time like this, in some cases increasing individual salaries as much as $4,000, and salaries far beyond the salaries of the Members of Congress—Members of Congress who work 6 days a week or, perhaps 7 days a week, when the 5-day-per-week employee in a bureau is drawing more money than a Member of Congress and who unlike a Member of Congress has no campaign expenses and obligations of that sort. I have a genuine interest in the Federal worker and I want to see the standards raised and his pay increased but some of the provisions in this bill are very disturbing. The bill ought to be amended.

Mr. REES of Kansas. I appreciate the gentleman's splendid statement, and I appreciate his contribution. He may be assured that the gentleman from Kansas will offer that amendment that nobody in this group will be paid more than $10,000. At least he hopes to get that done. I think, as the gentleman suggested, the House will go along with that proposal.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Washington.

Mr. JACKSON. I would like to remind the Members of this House again to please try to look at the facts. Yesterday you voted 18 percent 375 to 1. When you get up and talk about percentages, ask yourself how you voted yesterday. Let us be consistent.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. REES of Kansas. Mr. Chairman, I yield myself 10 additional minutes.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. COOLEY. Let me pursue for a moment the question propounded by the gentleman from Illinois. I should like to have an answer to his question with reference to the salary of the Doorkeeper of the Senate exceeding that of a Senator. If the gentleman cannot answer that, I would like for the chairman of the committee to answer whether or not that is a fact.

Mr. REES of Kansas. The gentleman will find the answer on page 20 of the report.

Mr. COOLEY. If the Doorkeeper of the Senate gets $8,000, what will his salary be under the bill?

Mr. MASON. Eleven thousand four hundred and five dollars and sixty-two cents.

Mr. REES of Kansas. Something over $11,000.

Mr. RUSSELL. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Texas.

Mr. RUSSELL. Perhaps the gentleman has stated it and I did not hear, but will he again state what the cost of the committee bill will be?

Mr. REES of Kansas. We have just had a little discussion about that. It will be around half a billion dollars.

Mr. RUSSELL. Just this further question—perhaps you have heard it before but I would like to impress it upon the membership: Where are you going to get the money?

Mr. REES of Kansas. The unfortunate thing is that not enough consideration is being given to the important question the gentleman has just propounded. I want to say, I wish we had more Members like the distinguished gentleman from Texas who is sincerely concerned with respect to the affairs of our Government.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. CASE of South Dakota. I wish to call attention to what the gentleman from Washington said about the vote on yesterday. My understanding was that the vote on yesterday granted a maximum increase of $400, but in this bill salaries are increased all the way from a couple of hundred dollars to a couple of thousand. There is not anything consistent in that.

Mr. REES of Kansas. The gentleman can go still further; he will find increases in the bill of $4,000.

Mr. MAHON. Mr. Chairman, will the gentleman yield further?

Mr. REES of Kansas. I yield.

Mr. MAHON. Were not the increases provided in the bill yesterday for Federal employees in the lower brackets?

Mr. REES of Kansas. I tried to emphasize early in my discussion that they are a group of employees most of whom were not receiving salaries commensurate with the increase in the cost of living that we are trying to meet here. As I said a moment ago, we are providing a very great many big increases, ranging all the way up to $4,000. There are plenty of them at $1,000, $2,100, and even $3,000.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. JACKSON. Let me point out again to the Members of the Committee that yesterday you voted an 18-percent increase to the postal employees, and let me remind the Members of the Committee further that they made it retroactive to January 1. In the matter of actual percentages, which is the controlling factor in the two bills, they are about the same, but when you make the one retroactive you actually increase the percentage.

The total cost of raising the $10,000 ceiling in this bill runs just a little over $2,000,000 out of a total cost of $420,000,000. To change the ceiling, to raise the ceiling now above $10,000, will cost $2,300,000. Now, if you think——

Mr. REES of Kansas. The gentleman is making a speech. I thought he was going to ask a question.

Mr. JACKSON. I was merely calling attention to the effect of making it retroactive.

Mr. REES of Kansas. And I will remind the gentleman that there are likely to be plenty of upgradings and reclassifications if this bill is passed. There will be plenty more getting above $10,000.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield.

Mr. VURSELL. Returning to the $8,000 salary and what the amount of increase would be, and further answering the question of the gentleman from North Carolina, an $8,000 employee, according to the figures given on page 20, would be increased to $11,405.62. Now that ought to answer the question.

Mr. REES of Kansas. I appreciate the contribution of the gentleman from Illinois.

Mr. COOLEY. Mr. Chairman, will the gentleman yield to me again?

Mr. REES of Kansas. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is it not a fact that under this bill the Doorkeeper of the House, the Sergeant at Arms of the House, the Parliamentarians, and the reading clerks of this House would all receive salaries in excess of that received by Members of Congress?

Mr. REES of Kansas. I am not familiar with the salaries that are paid employees of the House.

Mr. COOLEY. Is it not also true that the Clerk of the House would receive a salary of over $14,000 per annum, greatly in excess of the salary of Members of Congress?

Mr. REES of Kansas. The gentleman is correct.

If the members of the Committee will look at and read pages 18 and 20 of this report, they will find plenty of evidence in respect to these increases in salary. Look at the table, if you will. Take a look at the employee who is now getting $6,650 a year and see what you are doing for him. While you increase the man down below two or three hundred dollars a year, the man who receives $6,650 will receive what? Eight thousand six hundred and sixty-eight dollars and sixty-seven cents. You are going to give him more—$2,000 more. That is the sort of thing you are doing in this bill. If you will examine my proposal in the report and examine my proposal as it appears in the Appendix of the CONGRESSIONAL RECORD, page A1864, you will note how I treat this matter. We give them an increase, of course, but certainly not as elaborate as provided in this legislation.

Mr. Chairman, I want to give a little bit of history in respect to these hearings. I know it is very unfortunate that the Members of the House do not have a chance to read the hearings. They come in when the bill is brought to the floor and the bill comes to the floor only a few days after being reported and, therefore, the Members have not had a chance

to read the report, let alone the hearings. A great deal of time was spent in a discussion of the need for these increases in salaries and reference was made mainly to the fact we employ scientists in the Government. We do have outstanding scientists who ought to have more money. They have contributed greatly in respect to our national-defense program. We have had these young men during the war, and, by the way, it is surprising to note the age of the men who have contributed so much to the field of science in respect to this war effort of ours. The average age is 26 years. It is said also that there are not so many of them.

I want to take care of that group, which is in a class by itself, absolutely different from the group we are talking about here. Let us provide an appropriation for them, place it in the hands of the Army and Navy, or the War and Navy Departments, and let those Departments spend as much as they think is needed for doing that kind of work, such as research, and so forth. Do not tie it into a civil-service bill just to include a small group. It is a different story altogether.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. A few days ago, in the other body, it was stated that the President would feel compelled to veto a certain measure because of the inclusion of the Pace amendment. Does not the gentleman feel the President should also feel compelled to veto this particular measure if passed?

Mr. REES of Kansas. I do not know whether he would be compelled to do it or not, but if he looked it over carefully he should veto it. That is my judgment. I am in favor of increasing salaries, as I said before, but not this way.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. In reply to what the gentleman said about the possibility of taking care of scientists and experts, it should be pointed out that a great many appropriations for specific agencies do carry special funds out of which they may employ experts and scientists without regard to the Classification Act.

Mr. REES of Kansas. I appreciate the gentleman's contribution.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. I think we are all concerned about paying the scientists what they are entitled to, but I had a young man come to my office who, it seems, is an agricultural economist. That sounded like a very scientific title to me. He gets $2,020 a year, as I understand. He is 22 years of age. He has been with the Government 3 years, and his last job before that was in a machine shop. He is just a high-school graduate with 2 years of college. He is working his way through college now. That man has a scientific label on him now. We find these tremendous appearing scientific titles all through Government, but when you get down to it, you find that they are only 22 years old and are not even college graduates, and when you interrogate them you find that the best job they can get on the outside is, for instance, as a farm hand, and you wonder whether in the name of science we are paying a lot of people more than they are worth. I wonder if the gentleman has thought of some way that we could make sure that the scientific jobs go to scientists, and not merely to politicans and bureaucrats who know how to creep under the scientific plank.

Mr. REES of Kansas. I will say to the gentleman it is my hope that by placing these scientists in a different group that probably the Army and the Navy could screen them and get the men that they really need. There are only a comparatively few, but just as sure as we are here this afternoon, if you put this bill through, increase these salaries, you are going to have more scientists in the Government than you ever had before.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Are those who are now spending millions of dollars to put out propaganda on the OPA political scientists and do they come under this bill?

Mr. REES of Kansas. I am not familiar with their backgrounds.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished gentleman from Michigan, a member of the Committee on Appropriations.

Mr. RABAUT. The argument presented here reminds me of the father who would not let his boy drive the old model T Ford, but the Government took that same boy on, and within 2 years or 2 years and a half he handled a B–29 bomber and did an awfully good job. You cannot hold these people down forever, you know. We have made great progress in our country, and just because a fellow was labeled something a few years ago is no reason that label stays with him forever.

Mr. REES of Kansas. I do not see how the gentleman's statement applies to this particular legislation. Perhaps I did not get the purport or meaning of his observation, we are dealing with a question of increasing rates of pay.

Mr. RABAUT. We are talking about what his rating was before. It is not what his rating was before; it is what his rating is now.

Mr. REES of Kansas. I do not believe there is anybody on the floor who disputes the fact that we have had plenty of boys who perhaps did not have the opportunities and got into the war service and who have made outstanding records. We all admit that. There is no argument about it. But that is not the thing we are discussing this afternoon.

Mr. VORYS of Ohio. Mr. Chairman, if the gentleman will yield further, I want to propound a question to the gentleman that I propounded to the gentleman from West Virginia.

We all know that during the war, due to the fact that our 12,000,000 finest were in the services and that many of those who stayed home could get war jobs, the Government was in many instances third choice when it came to employing people. The less competent of our people are still on the Government pay roll, because they are not the ones that are resigning to go to good jobs now. They are the ones that are digging in on what was a job of necessity when they got it, but is now the best job they ever had. Has the gentleman's committee taken any steps toward developing some organized way of separating these incompetents from the pay roll? It appears to me that this bill simply invites them to dig in and stay forever at increased salaries.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. REES of Kansas. Mr. Chairman, I yield myself five additional minutes.

May I say to the distinguished gentleman that the passage of this kind of legislation, especially with reference to the higher-paid employees, will certainly induce more people to stay in the Government. We are going to have plenty of difficulty with that problem. Let me add that a good share of those who are getting the big pay are men who got their appointments without taking any particular examination. A great many of them are not necessarily the top-flight men. These $8,000, $9,000, and $10,000 men are men who were appointed to these jobs and very likely will stay there as long as they can.

Talk about efficiency in government, I regret to tell you that I do not believe you will get the efficiency the gentlemen in the opposition hope for just by increasing salaries. We have a lot of good, faithful workers who more than earn their salaries, but we have a lot of the others, unfortunately, who do not earn these large salaries.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Illinois.

Mr. ARENDS. Would the gentleman suggest that, in the event his amendment or a comparable amendment does not carry, the bill be recommitted?

Mr. REES of Kansas. That is what ought to be done. I intend to offer an amendment which follows the bill which passed the Senate, except for small increases for the lower-paid people. I suggest you look in the Appendix of the CONGRESSIONAL RECORD, page A1864, and read my proposal; or if you will read the minority report you will get the idea from that. Above all things, let us keep that $10,000 top. Let us not go along with any change in that. Leave that alone. And if there is any way in the world to do it, let us try to get the number of people on the Federal pay roll reduced.

Mr. BENNET of New York. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from New York.

Mr. BENNET of New York. If you keep the ceiling on, under the gentleman's provision allowing a 15-percent increase would not some subordinates be paid about the same as the supervisors of the departments?

Mr. REES of Kansas. If you go along with the bill you have before you today you will be paying some of these $6,000 people over $8,000. I do not know how you are going to justify that.

Mr. BENNET of New York. That does not answer my question.

Mr. REES of Kansas. If you go along with that, then the gentleman's statement might be correct.

Mr. ARENDS. The suggestion of the gentleman from New York is in keeping with this situation, where the doorkeeper gets more money for letting you in than you do for being inside.

Mr. BENNET of New York. If you keep this ceiling.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Would not the situation suggested in the question of the gentleman from New York [Mr. BENNET] be taken care of by ingrade promotions?

Mr. REES of Kansas. I do not have the time but I should like to spend some time on the subject of the tremendous amount of upgrading and ingrading promotions that has been going on in this Government. I tried to get an investigation of that problem but it was not completed. It ought to be done.

Mr. CASE of South Dakota. The fact is that that would take care of the supervisors.

Mr. REES of Kansas. One more thing: There has been a lot of discussion up and down this Congress with respect to lobbying on bills coming before the Congress. There has been plenty of it in respect to this bill.

I must yield to the distinguished gentleman from Massachusetts.

Mr. GIFFORD. I have listened to your every word.

Mr. REES of Kansas. The gentleman has always been very kind and always contributes to the debate.

Mr. GIFFORD. The gentleman has been trying to separate the goats from the sheep and the sheep from the goats.

Mr. REES of Kansas. It is a most difficult thing to do.

Mr. GIFFORD. Might I observe that you have left the Members of Congress, the goats, out.

Mr. REES of Kansas. Members of Congress, are sometimes referred to more or less in that class, I am sorry to say.

Mr. GIFFORD. We seem to be.

Mr. REES of Kansas. I regret it very much.

Below is a copy of my amendment I have just discussed. It covers all of the employees included in the House committee bill but increases their compensation upon the formula adopted by the Senate in S. 1415, except that on the first $1,200, or any part thereof, I increase the percentage from 36 percent to 45 percent, resulting in an increase above the Senate bill of $108 annually at each salary level.

I am also including a table that indicates the rates of pay under my proposal as shown in column 5.

My bill will cost $80,000,000 annually less than the House committee bill, if there are only 900,000 employees covered; however, as applied today, my bill would cost more than $100,000,000 annually less that the House committee bill.

Beginning on line 7, page 1, strike everything after "SEC. 2 (a)" on that page, also strike everything on pages 2 and 3, and also strike everything up to and including the word "repealed" on line 21, page 7, and insert the following:

"The first sentence of section 405 (a) of the Federal Employees Act of 1945 is amended to read as follows: 'Each of the existing rates of basic compensation set forth in section 13 of the Classification Act of 1923, as amended, except those affected by subsection (b) of this section, is hereby increased by 45 percent of that part thereof which is not in excess of $1,200 per annum, plus 18 percent of that part thereof which is in excess of $1,200 per annum but not in excess of $4,600 per annum, plus 9 percent of that part thereof which is in excess of $4,600 per annum.'

"(b) Each of the existing rates of basic compensation provided for in subsections 405 (b) (1) and (2) of the Federal Employees Pay Act of 1945 is hereby increased by 17.5 percent. Such augmented rates shall be considered to be the regular rates of basic compensation, and such increase in said rates of basic compensation shall not be construed to be 'an equivalent increase' in compensation within the meaning of section 7 (b) (1) of the Classification Act of 1923 as amended.

"INCREASE IN PAY RATES IN THE LEGISLATIVE BRANCH

"SEC. 3 (a). The first sentence in section 501 of the Federal Employees Pay Act of 1945 is amended to read as follows: 'Except as provided in section 503, each officer and employee in or under the legislative branch to whom this title applies shall be paid additional compensation computed as follows: 45 percent of that part of his rate of basic compensation which is not in excess of $1,200 per annum, plus 18 percent of that part of such rate which is in excess of $1,200 per annum, but not in excess of $4,600 per anum, plus 9 percent of that part of such rate which is in excess of $4,600 per annum.'

"(b) Section 502 of such act is amended to read as follows:

"'ADDITIONAL COMPENSATION IN LIEU OF OVERTIME

"'SEC. 502. Each officer and employee in or under the legislative branch entitled to the benefits of section 501 of this act shall be paid additional compensation at the rate of 10 percent of the aggregate of the rate of his basic compensation and the rate of additional compensation received by him under section 501 of this act, as amended.'

"INCREASE IN PAY RATES IN THE JUDICIAL BRANCH

"SEC. 4. (a) The first sentence of section 521 of the Federal Employees Pay Act of 1945 is amended to read as follows: 'Each officer and employee in or under the judicial branch to whom this title applies shall be paid additional basic compensation computed as follows: 45 percent of that part of his rate of basic compensation which is not in excess of $1,200 per anum, plus 18 percent of that part of such rate which is in excess of $1,200 per anum but not in excess of $4,600 per annum, plus 9 percent of that part of such rate which is in excess of $4,600 per annum.'

"(b) The second sentence of such section 521 is amended by inserting after 'section 405 of this act' the following: 'and section 2 of the Federal Employees Pay Act of 1946.'

"(c) Section 522 of such act is hereby repealed.

"INCREASE IN PAY RATES FOR CUSTOMS CLERKS AND IMMIGRANT INSPECTORS

"SEC. 5. The first sentence of section 602 (a) of the Federal Employees Pay Act of 1945 is amended by changing the semicolon which follows the words 'of this act' to a comma, and inserting after the comma the following: 'as amended by the Federal Employees Pay Act of 1946;'

"INCREASE IN STATUTORY PAY RATES IN THE EXECUTIVE BRANCH NOT UNDER CLASSIFICATION ACT

"SEC. 6. The first sentence of section 602 (b) of the Federal Employees Pay Act of 1945 is amended by changing the semicolon which follows the words 'of this act' to a comma, and inserting after the comma the following: 'as amended by the Federal Employees Pay Act of 1946;'

"LIMITATION ON AGGREGATE RATE PAYABLE

"SEC. 7. (a) Section 603 (b) of the Federal Employees Pay Act of 1945 is amended by inserting after the words 'by reason of the enactment of this act' the words 'or any amendment thereto.'

"(b) Notwithstanding any other provision of this act, no officer or employee shall, by reason of the enactment of this act, be paid, with respect to any pay period, basic compensation, or basic compensation plus any additional compensation provided by the Federal Employees Pay Act of 1945, as amended, at a rate in excess of $10,000 per annum."

Federal personnel annual pay rates

Rate prior to July 1, 1945 (1)	Current rate (Public Law 106, effective July 1, 1945) (2)	Rate under S. 1415 as passed by Senate December 1945 (3)	Rate proposed by House Civil Service Committee, 18.5 percent flat increase above current rate (4)	Rate proposed by Congressman EDWARD H. REES, based on formula in S. 1415 (5)
$1,200	$1,440	$1,632.00	$1,706.40	$1,740.00
$1,440	1,704	1,915.20	2,019.24	2,023.20
$1,620	1,902	2,127.60	2,253.87	2,235.60
$1,800	2,100	2,340.00	2,488.50	2,448.00
$2,000	2,320	2,576.00	2,749.20	2,684.00
$2,300	2,650	2,930.00	3,140.25	3,038.00
$2,400	2,760	3,048.00	3,270.60	3,156.00
$2,600	2,980	3,284.00	3,531.30	3,392.00
$2,900	3,310	3,638.00	3,922.35	3,746.00
$3,200	3,640	3,992.00	4,313.40	4,100.00
$3,500	3,970	4,346.00	4,704.45	4,454.00
$3,800	4,300	4,700.00	5,095.50	4,808.00
$4,600	5,180	5,644.00	6,138.30	5,752.00
$5,200	5,810	6,298.00	6,884.85	6,406.00
$6,000	6,650	7,170.00	7,880.25	7,278.00
$7,000	7,700	8,260.00	9,124.50	8,368.00
$8,000	8,750	9,350.00	10,368.75	9,458.00
$8,500	9,275	9,895.00	10,990.87	10,000.00
$9,000	9,800	10,000.00	11,613.00	10,000.00

Mr. RANDOLPH. Mr. Chairman, I yield 15 minutes to the gentleman from Washington [Mr. JACKSON], the chairman of the subcommittee.

The CHAIRMAN. The gentleman from Washington is recognized for 15 minutes.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the chairman of the committee.

Mr. RANDOLPH. Mr. Chairman, if I may have the attention of the gentleman from Kansas [Mr. REES], and the gentleman from Ohio [Mr. VORYS], may I say that earlier today when the inquiry was made I attempted to honestly answer the question and said our committee had no jurisdiction over the matter to which the gentleman addressed the

House in connection with the pay raise legislation. I would like to say that the war-service appointee are not kept indefinitely on the pay roll of the Federal Government. That is not a fact.

The Executive order discontinues those jobs and they must stand on their own through competitive examinations. We know that preferences are granted to veterans of the war who are returning and taking jobs in the Government. The war-service appointees are not to continue indefinitely as has been inferred here in debate.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield.

Mr. REES of Kansas. But they are on the pay roll up to this date.

Mr. RANDOLPH. But they are being reduced every day, as the gentleman knows, by the hundreds.

Mr. REES of Kansas. Two thousand five hundred in the month of January, according to the figures that were submitted.

Mr. RANDOLPH. That is 2,500, certainly.

Mr. REES of Kansas. That is not many out of 2,500,000.

Mr. RANDOLPH. The war-service employees are being discontinued, and those who desire to remain on the Federal pay roll must through competitive examinations establish themselves as capable of holding the job in which a work load exists.

Mr. JACKSON. Mr. Chairman, there is a lot of confusion about this legislation. I recall when the last pay bill was up the same confusion existed at that time. I am going to try to state generally the provisions of this bill. I believe I can clarify a number of questions that may be in the minds of the Members at this time.

The major purpose of this bill is to provide an 18½-percent increase in salaries for white-collar workers in the Federal service.

It covers white-collar employees in the executive branch and also in the legislative and judicial branches. It does not affect the salaries of Members of Congress, Federal judges, or the postal field service.

BASIS FOR THE 18.5-PERCENT INCREASE

Prior to the Federal Employees Pay Act of 1945, effective last July, the salary schedules for the employees under this bill had remained practically static for 15 years. In that act a general increase was provided according to a sliding scale. To the first $1,200 of basic salary was added 20 percent; to the next $3,400, 10 percent; and to any part of salary in excess of $4,600, 5 percent. The result was that the increases under the Federal Employees Pay Act ranged from 20 percent at the bottom of the scale to 8.9 percent at the top of the scale. The general average of these increases was 15.9 percent.

This did not meet the increase in the cost of living at that time, but it was deemed desirable to hold the basic-pay increase within the limits of the Little Steel formula. Furthermore, the employees at that time were working a 48-hour week generally and received overtime pay which added, on the average, 20 percent to their basic pay.

LOSS OF TOTAL SALARY DUE TO LOSS OF OVERTIME PAY

Since last July, however, the workweek has been generally reduced to 40 hours, and the take-home pay of the employees has been decreased by the amount of overtime pay they formerly earned.

Information was presented to the committee by the Acting Commissioner of Labor Statistics showing that the great bulk of employees under this bill now receive aggregate salaries that are slightly less than they received before last July when the Federal Employees Pay Act was passed.

INCREASE IN THE COST OF LIVING

The official figures, contained in regulations of the National Wage Stabilization Board, are that the cost of living increased 33 percent between January 1941 and September 1945.

In contrast with this figure, the increase in average basic salary rates of the employees under this bill was, during the same period, only 17 percent.

In other words, even after giving full weight to the 15.9 percent increase of last July, we find that the cost of living has risen almost twice as fast as the basic salary rates of the white-collar workers under this bill.

INCREASE IN SALARY AND WAGE LEVELS IN PRIVATE INDUSTRY

In private industry, salary and wage rates, according to information furnished the committee by the Bureau of Labor Statistics, had risen 33.7 percent by last fall. Recent negotiations have had the further effect of increasing salary and wage rates in private industry by about 15 to 17 percent more. When these two percentages are combined, we find that salary and wage rates in private industry have gone up from 54 to 56 percent on the average, since January 1941. On the other hand, as I have said, the corresponding increase for the group affected by this bill is only 17 percent.

EFFECT OF THE 18½-PERCENT INCREASE

Taking into account the increase in the cost of living, the loss of take-home pay due to the general 40-hour workweek, and the 54 to 56 percent increase in salary and wage rates outside the Government, the 18½-percent increase proposed in this bill is very modest.

As a matter of fact, it would result in only an avearge increase in Government rates of 38.6 percent since January 1941. This is less than 6 percentage points over the increase necessary to match the 33-percent increase in the cost of living alone. It is about 16 percentage points below the corresponding rate of increase in private industry during the same period.

REPEAL OF $10,000 CEILING

Because of the absolute necessity of attracting and retaining competent administrators, scientists, and professional and technical personnel, this bill provides that the 18½-percent increase shall apply uniformly to all grades, without salary ceiling.

It is a matter of common knowledge that the salary rates in the Government service are far below the rates which are being paid for comparable responsibilities in private industry. This has always been the case. To make matters worse, previous salary adjustments have given much larger percentage increases to the lower brackets than to the higher brackets, and have prohibited increases above $10,000. The net effect has been to discriminate against the middle and higher brackets, in which the Government attempts to recruit, retain, and compensate those who carry the burdens of administrative, professional, scientific, and technical operations.

Furthermore, previous methods of salary adjustment which have adhered to a $10,000 ceiling have resulted in a tight squeeze of nearly all top salaries against this ceiling. Heads of agencies and heads of bureaus in a good many instances can receive no more than some of their principal subordinates. Salary differentials, where they exist between top positions, are too small to reflect the obvious differences in scope and weight of responsiblity and authority. This is an unreasonable and illogical situation. It would be cured by this bill.

On the other hand, if the $10,000 ceiling were continued, this undesirable condition would be greatly aggravated by the enactment of this bill.

The country is now in the postwar period. The problems of reconversion are delicate and complex. The transition to a peacetime economy is not easy. The administration and supervision of the operations of Government—if they are to be conducted with real economy and effectiveness—require the best qualified persons that the Government can attract and retain. The qualities of extensive and successful experience, and of leadership and foresight that are necessary in top bracket positions demand substantial rewards everywhere. Government should be no exception.

While the Government has been increasing the magnitude and diversity of its activities and undertaking new programs of service to the Nation and its people, the salary structure for administrative, scientific, professional and technical personnel in the higher brackets has become obsolete by all reasonable standards.

The present salary ceiling of $10,000 serves neither as equitable compensation for the work of top-flight administrators, engineers, scientists, and professional men, nor as adequate inducement in attracting them to the service, nor as adequate inducement to remain in the service after their value to the Government has been amply demonstrated. No more forward-looking step can be taken by the Congress than to raise the level of salaries in the higher administrative, professional, scientific, and technical levels.

This would be accomplished by this bill. It would apply an 18½ percent increase to all levels. It would permit this adjustment for salaries which are now at a $10,000 or higher level, including those of heads of departments and agencies.

MINOR FEATURES OF THE BILL

The bill also (a) clarifies the Federal Employees Pay Act of 1945 so as to allow payment of the previously authorized

night pay differential, when the employee works at night in excess of 40 hours a week, or at night on a holiday; (b) provides that a full day's work on a holiday shall be paid for by a day's extra pay, instead of one-half day's extra pay as at present; (c) adjusts the rates of grades 9 and 10 of the Crafts, Protective, and Custodial Service, so as to restore proper differentials between the top grades in that service that prevailed prior to 1942; (d) includes vessel employees of the Department of the Interior in the group of vessel employees of other agencies paid according to practices of the maritime industry; (e) permits an employee to request and receive compensatory time off for irregular or occasional overtime work after 40 hours a week, instead of after 48 hours a week, as is now provided; (f) provides that the bill and other personnel or pay legislation of a general nature applicable to the executive branch shall also be applicable to the General Accounting Office; (g) in view of the fact that legislative employees generally work 6 days a week, makes permanent the temporary 10 percent additional compensation previously granted to legislative employees in lieu of overtime pay, and provides that it shall be computed on the full amount of aggregate salary, rather than only on the first $2,900 as provided by present law; and (h) repeals the temporary 10 percent additional compensation in lieu of overtime pay, previously granted to judicial employees at a time when they generally worked in excess of 40 hours a week.

Again let me remind the House that the total cost of providing these adjustments at $10,000 and above will be $2,300,000 out of a total cost of $420,000,000. The very key to good administrative policy in all these departments and agencies is to get well-trained, capable administrators. If you do not feel that $2,300,000 is a good investment for top-flight scientists and administrators, then naturally you will want to vote against this provision.

Then, too, remember that we have in our Government today many research programs that vitally affect the national defense of America. The young men who were responsible for bringing about the atomic bomb were of an average age of 26 years. Just think of it. The average age of the scientists working on the Manhattan project was 26 years; and many of those men are ready to leave the Government because there is no future. They can go into private industry and earn up to $15,000 or $16,000. We hope by the provisions of this bill to give some future to these men so that they will have the opportunity of staying on with the Government. No one can deny the importance of retaining those men, especially insofar as the national defense of America is concerned. No one can deny the importance of research in any possible future war.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. As valuable as are these research personnel and scientists in our Government, I desire to see them remain in the Federal Government, but it is important also, is it not, that along with that group there have to be administrators who can really do a good job and to keep those administrators we must give to them an adequate salary just as we would give the scientists?

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. RANDOLPH. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. JACKSON. The gentleman is absolutely correct. It is impossible to have all these scientific personnel in a particular agency, for example, without having good administrators over them.

Mr. RANDOLPH. There are only 1,800 approximately who would be benefited by the breaking of the ceiling, is that not correct?

Mr. JACKSON. That is correct; 1,880 employees would be affected by the piercing of the $10,000 ceiling.

Mr. RANDOLPH. Let us say for argument's sake that there are a few hundred in that number who individually, probably through their personalities, are not entitled to the increase. That would be so with the $5,000 bracket, the $3,000 bracket, or the $1,500 bracket. We cannot predicate our pay raise on the individual. It can only be predicated on the job one is doing and that is the reason why your committee has very properly broken the ceiling, in order to give these people the amount which they should be compensated for the work they must of necessity do.

Mr. JACKSON. The gentleman is absolutely right. We had before our committee, I may say for the benefit of the members, General Groves, who headed the Manhattan project, Dr. Vandevar Bush, head of the Office of Research and Development, Dr. Condon, from the Bureau of Standards, all testifying that if they were going to be able to maintain key personnel in their department they would have to have some sort of salary adjustment.

Take Dr. Condon as an example, he comes, I believe, from General Electric or Western Electric where he made a salary far in excess of what he is getting now. He is now receiving $10,000 as head of the Bureau of Standards. He came to the Bureau of Standards at a sacrifice, yet as the situation now stands, he cannot get more than $10,000 in that particular office. He has a lot of outstanding men with him in that department who are similarly situated. That is true not only in the Bureau of Standards but it is also true in the War Department, Navy Department, and other departments. They would like to pay more but they cannot do so under existing legislation.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Of course, there was a great deal of discussion of that question. There was the proposal offered that the thing be handled in a practical way by appropriating specific funds, as I suggested a while ago, to the Army and Navy, and let those departments employ these scientists and pay them whatever they are entitled to for their services. We rather agreed, did we not, that it should be handled in a different sort of way. The gentleman does not contend, I hope he does not contend, that he is putting this bill through to increase all these salaries just to take care of a few scientists? Is that his observation?

Mr. JACKSON. Of course, the gentleman knows that is not my observation. I pointed out that we need administrators if you are going to maintain good scientists to do a job. The scientists work on a particular project and they have to have good administrators over them. This business of scientific research cuts into every branch of our Government. Since the atomic bomb, tremendous research must be made in the field of medical science, in connection with the problem of burns, the problem of clothing materials and so forth, which cuts across the entire Federal structure.

Mr. HERTER. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Massachusetts.

Mr. HERTER. Is it not true that as far as the $10,000 brackets are concerned there has been no pay increase since they were originally adopted in 1923, even in the 1928 pay change, and since the provision in 1945 when the only other pay change came? Is it not also true that since that time, with the increase in the income tax and the increase in the cost of living, $10,000 today is worth about what $5,000 was worth prewar?

Mr. JACKSON. The gentleman is absolutely correct. I might make this further observation. In the retroactive pay bill, that you all voted for yesterday except one, you provided retroactive pay for the people in the Federal postal service, which will cost about $75,000,000. You can pay the salaries of these top key personnel that I have referred to here for the next 35 years on the amount that you allowed on this retroactive pay raise yesterday.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. RANDOLPH. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. JACKSON. It goes to the heart of good personnel. If you cannot have good personnel you are not going to get good administration.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. JACKSON. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I discussed with the gentleman yesterday the question of raises for the doctors, nurses, and other personnel of the Veterans' Administration, and he assured me if any amendment was necessary he would accept it. But I see in the report that the Veterans' Administration and the foreign-service personnel will receive the increases. It is very vital in both instances, I think. We are not going to get the type of doctors, dentists, and nurses and other personnel in the Veterans' Administration to care for our dis-

abled if we do not pay them enough, and that is true also of our foreign-service officers.

Mr. JACKSON. The gentlewoman is correct, and the people that she has made reference to, namely, the doctors, the dentists, and the nurses in the Veterans' Administration are included under section 4 of the bill.

Mrs. ROGERS of Massachusetts. And the foreign-service officers also?

Mr. JACKSON. That is right. They all set out on page 2 of the report.

Mr. SPARKMAN. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Alabama.

Mr. SPARKMAN. I would like to ask the gentleman with reference to a provision found on page 3 of the bill which amends section 102 (a) of the Federal Employees Pay Act of 1945, by striking out a clause there relating to heads of departments or if independent establishments or agencies of the Federal Government including Government owned or controlled corporations. Particularly, would I like to ask the gentleman if that would bring under the provisions of this act the heads or the directors of such agencies as the Reconstruction Finance Corporation, the Tennessee Valley Authority, and the Inland Waterways Corporation.

Mr. JACKSON. I would answer the gentleman by saying this, that the idea of section 4 (b) is to include all heads of agencies, even though the agency as a whole is excluded from the Federal Employees Pay Act of 1945 by section 102 of that act. In other words, as I interpret the bill—and that was the intention of the committee—is to make possible salary adjustments for the agencies the gentleman has referred to.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Michigan.

Mr. HOFFMAN. If my understanding is correct, the gentlewoman from Massachusetts [Mrs. ROGERS] was inquiring a moment ago as to whether the increases here would adequately take care of those who were administering veterans' legislation; is that correct?

Mr. JACKSON. That is correct. The gentlewoman had specific reference to the people who were outside of the Classification Act, who are now paid, incidentally, beyond the $10,000 salary limitation. The gentlewoman's inquiry was with reference to those people who were excluded and given special salary adjustments; namely, the doctors, the dentists, and the nurses. All other people in the Veterans' Administration are under the Classification Act, hence they are covered by this bill.

Mr. HOFFMAN. In the hearings which the gentleman held on this bill, and in the inquiries which he made among the Members, did he find anyone who was opposed to increasing pay legislation that was thought necessary to take care of the veterans? Did the gentleman find any opposition to any veterans' legislation anywhere?

Mr. JACKSON. Opposition to veterans' legislation?

Mr. HOFFMAN. Yes, in connection with this bill, I mean.

Mr. JACKSON. This committee did not discuss the matter of veterans' legislation. We are dealing only with personnel.

Mr. HOFFMAN. There are increases in here for veterans who are administering the Veterans' Act, are there not?

Mr. JACKSON. That is right.

Mr. HOFFMAN. You did not find anyone opposing that, did you?

Mr. JACKSON. As a matter of fact, there was no opposition to the bill at all. The committee hearings lasted a full week. Full publicity was given to this matter. The truth of the matter is that you are not doing any more in this bill than you did yesterday, except that you raise the ceiling beyond $10,000, and that costs $2,300,000 additional, and except that yesterday you voted to make the pay retroactive, and we are not voting in this bill to make it retroactive. I merely call that to the attention of the Members. I think perhaps it is unfortunate that the employees of the Federal Government outside of the postal service do not have as effective representation as those in the postal service. Maybe for that reason there is not the unanimity that there was yesterday. As I recall, yesterday in this House everyone with one exception was for that bill, and I am sure they had reason to be for it. The postal employees deserve an adjustment. But I am trying to point out to the members of this committee that the salary adjustments here are the same as far as percentage is concerned. The postal pay bill provided for a percentage increase of 18 percent for them. This provides an 18.5 percent increase. The postal employees got a 19 percent increase a year ago, and these people got an increase of 15.9 percent.

Mr. HOFFMAN. The point I was trying to get at is, did you find that anyone in this House has a monopoly on the desire to aid the veterans? That is the gist of my whole inquiry.

Mr. JACKSON. I do not suppose anyone has a monopoly on anything in this House. I think we all try to be as fair as we can on these matters.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. May I ask the gentleman with respect to the language, "including Government-owned or controlled corporations," will that make the increase applicable to the employees of the farm loan associations.

Mr. JACKSON. The farm land bank?

Mr. CASE of South Dakota. Yes; the land bank; and also the farm loan associations.

Mr. JACKSON. That is correct.

Mr. CASE of South Dakota. What will be the effect on the employees of the Canal Zone?

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. RANDOLPH. Mr. Chairman, I yield five additional minutes to the gentleman from Washington.

Mr. JACKSON. The employees in the Canal Zone that are under the Classification Act would be increased. Their salaries would be increased directly by this bill. The employees that are under the wage-board provisions of the act would be treated like all other wage-board employees, namely, their salaries would be subject to adjustment by the respective wage boards.

Mr. CASE of South Dakota. Under the agreement with the Panamanian Government this bill would also extend this increase to the native Panamanians?

Mr. JACKSON. That is not correct, because the native Panamanians are paid under a different arrangement than the Americans in the Canal Zone. They are under the wage-board provisions. They are not affected at all by this bill. Does that answer the gentleman's question?

Mr. CASE of South Dakota. I just wanted to get that established.

Mr. JACKSON. I wish to assure the gentleman that the native laborers are not affected by this bill, because they are under the wage-board provisions and are subject to wage adjustments in the Canal Zone by the Governor of the Panama Canal Zone.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I simply want to clear up a matter which is continually discussed, and that is the breaking of the ceiling in this legislation. Is it not true that the postmasters, just to use that one class as an example, getting $10,000 were raised yesterday above the $10,000?

Mr. JACKSON. That is correct, and the salaries of postmasters receiving $12,000 were increased yesterday beyond $12,000.

Mr. O'BRIEN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Michigan.

Mr. O'BRIEN of Michigan. Just to clarify that, they were not raised by 18.5 percent, they were raised by $400, which might amount to 3, 4, or 5 percent.

Mr. JACKSON. That is correct, but what I called to the attention of the Committee was the fact that the same percentage applied. The increase was roughly around 18 percentage points.

Mr. O'BRIEN of Michigan. It was above 18 percent computed on the salary of the $2,500 employee, but higher than that it was progressively less.

Mr. JACKSON. The over-all average given to me by the Bureau of the Budget, which I had requested in order to compare the two rates, was 18 percent. That is the information given to me. I wanted to compare the two salary scales. Last time, the Federal employees got an increase of 15.9 percent and the postal employees a 19-percent increase on an average. The total given the postal employees is greater than that given to the other employees of the Federal Government.

I yield to the gentleman from New York [Mr. COLE].

Mr. COLE of New York. Has the gentleman discussed the relationship between this increase and the one granted in the previous act effective as of July,

that is, the relationship between these two increases and the apparent Government policy with regard to wages and wage increases?

Mr. JACKSON. Yes, I did. I will say that the last increase provided for an adjustment of 15.9 percent which is in conformity with the Little Steel formula; that is, graduated to take care of the entire group. It amounted to 15.9 percent increase. The present percentage is in conformity with the present stabilization policy and it is not exceeded. As a matter of fact, the recommendations from the Government agencies and from the various employee representatives was for 20 percent on up. The total increase given to these employees will still be about 18 percent less than what was given to employees in private industry, assuming that this is granted.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Kansas.

Mr. REES of Kansas. The gentleman from Washington has suggested that the increases made in the bill considered yesterday amounted to about 18 percent.

Mr. JACKSON. That is the information given to me by the Government agency.

Mr. REES of Kansas. But the fact remains that no one in the entire group was increased by an amount of more than $400, while under the bill under consideration today we increase them up to $1,000.

Mr. JACKSON. That is correct. One thing I think the Members of the House should realize is that the big percentage of increase in cost is in the lower brackets. Sixty-one percent of all your employees in the Government receive $2,100 and less.

Mr. REES of Kansas. That is the group I am trying to protect.

Mr. JACKSON. Might I say further to the members of the committee that you have pierced the ceiling in the postal field. There are postmasters who receive more than $10,000. They should receive it because in a big city where you are doing $50,000,000 of business you need to pay that much.

I yield to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. I believe the gentleman stated that in the case of a postmaster who was getting $10,000 a year, he would be increased $400 under the bill which was considered yesterday. Would the gentleman be averse to amending this bill so as to provide for a general increase of $400 instead of putting it on a percentage basis and have that increase apply to all employees?

Mr. JACKSON. No; I think it is a matter of being logical and consistent. The Members of the House know that the cost of living for the people in the $10,000 bracket has gone up tremendously the same as it has for people in the lower brackets. I think they ought to get the same percentage of increase. I do not know of any more equitable and fairer way because, may I remind the gentleman from Florida we gave a graduated increase to the employees in the Federal service last June which became effective July 1. That was the 20, 10, and 5 basis. The people in the $1,200 bracket got 20 percent, and the people up in the $6,000 and $7,000 bracket got only an 8 percent increase. The committee felt that this time it ought to be straight across the board because there are a lot of personnel in professional categories that did not get a fair break under the last bill. From the point of view of cost, it does not cost any more to make it straight across the board than it does to graduate it. It is a good policy which we want to follow.

I yield to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. The question asked by our colleague the gentleman from Florida, is one which has been troubling me. The gentleman says it will not cost any more to provide for a $400 increase straight across the board than to provide for the increase as suggested in the present bill.

Mr. JACKSON. I would not want that to be said. I cannot answer that. The point I am making is that it does not make any difference, as it stands now, in the cost, to make it graduated or straight across the board if you use the same percentage.

Mr. TARVER. The gentleman's bill will give most of this money, or an undue proportion of the money, in my judgment, to those who are drawing the higher salaries. I want to know how the gentleman can differentiate—I think he has not done so successfully as yet—between these other Federal employees and the postal employees, and why he thinks it is fair to provide for a $400 increase straight across the board for the postal employees and it would not be fair to provide the same kind of increase for all other Federal employees.

Mr. JACKSON. First, you have a different type of salary structure in the postal service. Practically all of them are around $2,500, or in that general category. In the Federal service you have an entirely different situation, as the gentleman knows. They run from $1,200, or a little less, on up to $10,000 at the present time. As far as the cost is concerned, I want to clarify that right now. The bulk of the cost of this bill relates to employees paid $2,100 and less, and to raise the $10,000 ceiling will cost $2,300,000 out of a total cost of the bill of $420,000,000.

The point I am making is that to adjust these salaries in the higher brackets is but a fraction of the total cost of this bill. I think the gentleman, if he considers the sum of $2,300,000 as contrasted with $420,000,000, will say it is a pretty small part of the cost of the entire bill.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

Mr. RANDOLPH. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield.

Mr. MURRAY of Wisconsin. Do I read correctly that the Secretary of Commerce, Mr. Wallace, will get an increase of $4,000 a year in salary out of this bill?

Mr. JACKSON. Roughly, that is correct.

Mr. MURRAY of Wisconsin. And the Secretary of Agriculture will get a $4,000 increase?

Mr. JACKSON. Obviously. We would not discriminate between Members of the Cabinet.

Mr. MURRAY of Wisconsin. I just wanted to comment on why we should give Secretary of Agriculture Anderson $4,000 increase when he is showing opposition, as he is, to the Pace amendment, which would give the farmers an increase of $200.

Mr. JACKSON. I do not think that is quite relevant at the moment.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield.

Mr. CASE of South Dakota. The civil functions bill, as approved by the House and Senate, carries this language:

> That all citizens of Panama and the United States rendering skilled, technical, clerical, administrative, executive, or supervisory service in the Canal Zone under the terms of this act (a) shall normally be employed not more than 40 hours per week, (b) may receive as compensation equal rates of pay based upon rates paid for similar employment in continental United States plus 25 percent.

In other words, I think the effect of this is to create this increase for the citizens of Panama, employed in Panama, and pay them 25 percent above what those same persons would receive who are employed in continental United States.

Mr. JACKSON. I may say to the gentleman that the gentleman from Massachusetts [Mr. HERTER] and myself talked to the Governor about this matter. The gentleman from South Dakota takes the position that this bill will raise the salaries of the so-called silver employees. As I recall, we had a specific provision excluding Panamanian employees from the provisions of this bill except those under the Classification Act. The per diem employees are under the Wage Board, and in addition, the employees who are non-Americans are under the Wage Board.

Mr. HERTER. The gentleman is correct. The silver employees, as I recall it, are not under the classified service at all. There is no contributory pension fund arranged for them. They are paid on a set schedule that is arranged by the Wage Board and not the classified service.

Mr. CASE of South Dakota. I am afraid there is some confusion.

Mr. JACKSON. I will say we included the employees of the Panama Railroad and excluded the employees of the Panama Canal Zone in the previous bill, and that still applies in the present legislation.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield.

Mr. CASE of South Dakota. How does he explain away language which reads:

> All citizens of Panama and the United States rendering skilled, technical, clerical, administrative, executive, or supervisory service on the Canal Zone under conditions (a) normally if employed not more than 40 hours per week (b) may receive as compensation equal rates of pay based upon rates

paid for similar employment in continental United States plus 25 percent?

Mr. JACKSON. I would have to study the provisions under his bill a little more. I say there is nothing in this bill that will apply to that situation. The gentleman is referring to language in an appropriation bill, I assume.

Mr. CASE of South Dakota. I am referring to the language in the Civil Functions Act that seems to me would make this increase apply to employees in Panama. It refers to rates paid for similar employment in the continental United States, plus 25 percent.

Mr. JACKSON. Let me say to the gentleman that that language does not tie in with this bill because those employees are not under the Classification Act. Can the gentleman point to any language in the act he has before him which places those employees under the Classification Act of 1923?

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield.

Mr. WHITTINGTON. The gentleman has referred a number of times to the postal increase bill passed on yesterday as a precedent for this bill. Would it be satisfactory to the gentleman, and would the gentleman accept it, if we provided for the same increase of $400 straight across the board which we provided in that bill?

Mr. JACKSON. No; obviously I do not think it would be fair.

Mr. WHITTINGTON. Then we ought to dismiss that as an argument in favor of this bill.

Mr. JACKSON. It is fair to say, I may say to the gentleman from Mississippi, that the percentage that is applied is identically the same.

Mr. WHITTINGTON. With all due deference the difficulty is that the gentleman adopts the percentage when it suits him and then rejects it when it does not.

Mr. JACKSON. Does the gentleman realize that the bill we passed yesterday is made retroactive to January 1?

Mr. WHITTINGTON. The gentleman is quite well aware what he did in the matter of the bill for the postal employees, but that is entirely different from the proposition pending in this bill.

Mr. JACKSON. It makes quite a difference. If we made this bill retroactive it would mean an additional $250,000,000. This bill does not take effect until July 1.

Mr. MASON. Mr. Chairman, will the gentleman yield on that statement?

Mr. JACKSON. Certainly.

Mr. MASON. If the bill were made retroactive as the bill was made yesterday——

Mr. JACKSON. I am talking about this bill.

Mr. MASON. Yes; and the provisions of this bill still maintained it would be only one quarter of the total, the total the gentleman has given us is $420,000,000. One quarter of that is $105,000,000. Only 3 months of the year have gone by.

Mr. JACKSON. But remember this bill does not become effective until July 1, 1946, which makes one-half instead of one-quarter. I think the gentleman's percentages are incorrect.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield further?

Mr. JACKSON. I yield.

Mr. CASE of South Dakota. On the point we were discussing a moment ago, it seems to me whether or not this specifically covers the employees at Panama, the matter is covered by the language which reads that they may receive as compensation equal rates of pay based upon rates paid for similar employment in the continental United States plus 25 percent.

Mr. JACKSON. The answer to the gentleman's question I may say would be an administrative matter that the Governor of Panama could take care of. If he wanted to give these people an automatic increase he could do so. If the Governor of the Panama Canal in his administrative discretion desired to give that increase he naturally could do it. It simply sets the pattern.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from New York.

Mr. TABER. According to the tables that appear in the report the higher salary brackets are practically 10 percent above even what Senator DOWNEY proposed. Is not that correct?

Mr. JACKSON. That I believe is not correct. The Downey bill provided for a 20-percent increase, if I am not mistaken.

Mr. TABER. He provided for an increase which ran up as high as 44 percent in some brackets and down as low as 17 percent in other brackets on the basic salaries.

Mr. JACKSON. The gentleman is referring to the Byrd amendment to the bill.

Mr. TABER. No.

Mr. JACKSON. The bill as passed by the Senate is graduated, known as the Byrd amendment, and I think the distinguished Member from Kansas would agree that is the situation. Senator DOWNEY introduced a flat 20-percent bill and the Senate substituted the other.

Mr. TABER. It was a 20-percent bill above a certain figure, yes, and it resulted in a graduated scale above the basic salary just like this does.

Mr. JACKSON. I think the gentleman is in error.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

Mr. REES of Kansas. Mr. Chairman, I yield such time as he may desire to the gentleman from Vermount [Mr. PLUMLEY].

Mr. PLUMLEY. Mr. Chairman, I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

There was no objection.

BRASS HATS AND THE CASTE SYSTEM

Mr. PLUMLEY. Mr. Chairman, 60 percent of the alumni of Norwich University, the oldest civilian military-collegiate institution in the United States, fought in World War II. Included in this group were 16 generals, 170 colonels, 210 majors, 314 captains, 538 lieutenants, and 425 others, of military age. What a record—and not a brass hat in the group. Look at this list of generals:

A LIST TO CONJURE BY

Maj. Gen. Edward H. Brooks; Maj. Gen. Ernest N. Harmon; Maj. Gen. Earle E. Partridge; Maj. Gen. Isaac D. White; Maj. Gen. Seth Williams, Marine Corps; Rear Adm. Clifton A. F. Sprague, Navy; Brig. Gen. John D. Barker; Brig. Gen. Harvey B. S. Burwell; Brig. Gen. Frank S. Clark; Brig. Gen. Robert H. Dunlop; Brig. Gen. Donald F. Fritch; Brig. Gen. Guy I. Rowe; Brig. Gen. Clyde E. Selleck; Brig. Gen. Frank Whittaker; Brig. Gen. Murray C. Woodbury; Brig. Gen. H. Denny Campbell, Marine Corps.

What a record these and all other Norwich men have made. Civilian graduates of a civilian-military-collegiate institution, prepared to defend their country, protect themselves, and to discharge their obligations of citizenship, they have demonstrated the value of military training of the civilian component.

As an alumnus, and former president of Norwich, I am proud of them. I say, without fear of contradiction, that Norwich's record in all the wars since its establishment in 1819 equally justifies its program and is outstanding.

I therefore resent the attacks on the so-called brass hats "of whom there must be which" as the saying goes. These officers from Norwich University must of necessity be included in that appellation. Since they contributed so much to win the war they really need no defense. These Norwich men were civilian-soldiers, trained to serve as citizens in time of peace, and as soldiers in time of war, to defend the rights of all civilians. Their accomplishment is the complete and perfect answer to all objectors to civilian military training in preparation for citizenship. All Norwich men are qualified officers. They graduate as reserve officers to undertake their duties as civilians.

I speak today in defense of the civilian soldiers from Norwich and VMI and West Point, and all other similar institutions, who primarily as citizens from the old home towns, fitted themselves to defend this country; who made good, and are not to be called names in my presence as brass hats, by a group of snipers, without a reply from me, lest my silence be taken to mean assent.

QUALIFIED CITIZENS

In my opinion, as a Norwich alumnus, no man is really a qualified citizen who does not measure up to all the responsibilities of his citizenship, if physically and mentally qualified therefor.

A country worth having and living in is worth fighting for—if and when the occasion therefor arises. Every man fit for it, not so trained and qualified, does himself and his country a disservice because of his lack of proper preparation for the full discharge of his obligations and duties as a citizen, military and civil.

So, Mr. Chairman, while I respect the right of every man to entertain such opinions with respect to military training as he chooses, I naturally resent the uncalled for attacks upon these officers who made victory possible, expedited the winning of the war, blazed the trail leading to perpetual peace.

THE ALLEGED CASTE SYSTEM

Since I feel as I do, I have been collecting information in order to know whether or not the attacks on the alleged caste system and the officers branded as brass hats are justified. In my opinion, they are not justified. They are uncalled for in the premises. This is not to say that injustices have not been perpetrated. It is not to defend the martinets who never learned how to use power, except to abuse it. It is not to condone the misuse and abuse of power by those in whom no authority should have rested. Such abuse is not to be attributed to those who learned their duties and obligations as a result of proper training for service as citizens and soldiers.

OPEN SEASON FOR SNIPERS

But, Mr. Chairman, there is no question about it, we find ourselves in the midst of the sniping season. Kipling's immortal Tommy Atkins has come home from the wars, and the heroes of yesterday are being whittled down to size by those articulate dispensers of wisdom's pearls, the "Monday morning quarterbacks."

No sport is less hazardous nor so filled with opportunities for broken-field running, without fear of being tackled, than that indulged in by the "second guessers." The actions of yesterday are reaping the whirlwind of that action and its every gust is being fanned by the calculated efforts of those who seize the opportunity presented by confused national thinking to further personal plans and ambitions, whether noble or ignoble in concept.

The national scene affords a fertile ground for the planting of seeds which will at harvest time produce such a crop of weeds as this Nation has never yet experienced. It behooves us to stop, look, and listen. Such slogans as "Bring the boys home," "No daddies—no votes," "Down with the big brass," "Democratize our armed forces," "Eliminate the caste system," and so forth, arise from the natural release of pent-up irritation incurred during the longest period of individual subordination ever experienced by a people whose creed is individuality. Their coinage is made possible by a hysteria which arises from joy over release but which is too often being interpreted as a considered demand for drastic and perhaps tragic action to change time-proven institutions. And so I say again, it behooves us to stop, look, and listen.

FACTS

To illustrate this admonition more specifically let us examine some of the facts pertinent to a now oft-heard charge that our military system harbors an officer caste which is contrary to our democratic way of life and threatens the future effectiveness of our armed forces. It is my opinion that for the most part charges of this nature have served as an emotional outlet for those individuals who, without ulterior motive, strove to express the temporary resentments incurred by reason of forced induction during war emergency into a service whose discipline and customs were sharply in contrast to their previous environment. On the other hand, I am equally convinced that the same catchwords and feeling to which these men give expression are being fostered and spread deliberately for ulterior purposes, namely the demoralization of our armed forces and the discrediting of a system which developed the very leadership which won the war.

In any case, whether the result of healthy emotional release by men anxious to get home to their families and the peace for which they fought, or whether fostered by men with treasonous motives, it behooves us to know the facts.

QUESTIONS

Is there an officer caste in the United States Army?

Is there an officer caste system?

Does the Army breed a caste which separates officers and enlisted men beyond the necessities of discipline and disparate responsibilities?

Does Army brass mean anything more than good American slang used to characterize officers responsible for command?

Is there really a gulf between officers and enlisted men which justifies the resentment apparently implied in the use of these terms?

Is there, in short, anything really wrong with our Army officers? Have they become Prussianized? Do they have unfair and undemocratic privileges not accorded enlisted men, and are they a class apart?

Where do the officers of the American Army come from? How are they chosen? And who are they, anyway? What are the facts?

THE ANSWERS

Here are some of them:

During the period December 1941 through August 1945, approximately 10,400,000 served in the Army. Of this number, some 970,000 served as officers. Let us examine this latter figure.

To repeat, during the period December 1941 through August 1945, some 970,000 individuals served as officers in our Army out of a total of 10,400,000 who served in that Army.

Of these, 18,000 were officers of the Regular Army, less than 1 in 50.

Of these Regular Army officers, half were West Pointers, less than 1 in 100. Nine thousand West Pointers and 18,000 Regular Army officers altogether in an army of more than 10,000,000 men.

What about the other 952,000 officers? If there is an Army caste, it must have included them, since there are not enough Regulars to count when totals are considered.

There were 28,000 female officers. Nobody calls them "Army caste," so they can be counted out. That cuts the total to 924,000 officers still unaccounted for. Was this the caste?

There were 72,000 doctors, dentists, pharmacists, chaplains, and veterinarians, all commissioned directly from civil life. These are folks from your home town, or somebody else's home town. You and your neighbors know them. They preach to you, fill your teeth, look after your animals, make up your prescriptions, and treat your families when ill. No caste there!

So that knocks the figure down to 852,000, after eliminating the foregoing groups—still enough for a caste if there is a caste. Where do they come from, and why?

Well, 24,000 of them were business and professional men likewise from the old home town—lawyers, chemists, engineers, scientists, a few business executives, a handful of experts of other sorts. Any caste there? Not that you could notice.

There are 828,000 left. That must be where the caste comes in. Let us see about that.

Two hundred twenty-seven thousand of them were officers from the Reserve Corps and the National Guard. The old home town again. Cannot get away from it. Everybody knows them. They came out of your own homes, leaving business or profession or work bench to put on a uniform in a democratic Army and help to do the job that had to be done.

We are getting down now. But after subtracting the 227,000 from 828,000 there are still 601,000 officers who got their commissions somewhere, and who came from somewhere, and who must be the caste that everybody talks about.

It is a sad story. The caste about which a minority of the GI's complain has been discovered after all. Over 62 percent of the "brass." All in one big lump. All from a single source. Who are they? Exenlisted men. Every one of them.

All of these officers were enlisted men of World War II who completed courses in officer candidate schools or air training schools, or who won promotions to officer grade on the battlefield, or who were commissioned after long service as enlisted men in the Regular Army.

As a matter of fact this figure is misleading. I have neglected to take into consideration those officers included in previously deducted totals who also served as enlisted men between December 1941 and August 1945 prior to obtaining their commissions. The actual figure is this: Out of 970,000 who served as officers in our Army during the period December 1941 through August 1945, approximately 76 percent, or 737,000, were appointed from enlistment status.

TAKE A LOOK AT THIS, ENLISTED OFFICERS

More privates became officers than in all of the previous wars of our whole history, and there was more opportunity for enlisted men to become officers than ever before in any army—and to rise to higher grades.

So this is the brass, and this is the officer caste, and this is the officer caste system against which a very few inveigh, some of them inspired by insidious influences working under cover to stir distrust of the best army that ever fought a war. Do not forget that.

Had it not been for these enlisted men who became officers, and for the other men who left their homes and business or professions to enter the Army, we could not have fought a war.

Generals Kreuger, Kenny, Hodges, McLain, Lear, Doolittle, and others whose names stand high in the Army record of performance all started their

Army careers as enlisted men. It is self-evident on the basis of these facts that the American Army is the most democratic in the world.

Even the West Pointers come not from a privileged class, but from the ordinary homes of the Nation. I appoint them. At the Military Academy itself they stand on their own feet and fail or succeed on the basis of their own efforts, irrespective of origins. To choose only a few at random, the roster contains such names as Ankenbrandt, Boineau, Carusone, Dapprich, De Silva, Farinacci, Gomez, Janowski, Karsokas, Kopcsak, and Nazzaro, as well as O'Flaherty, Duffy, Roberts, Smith, Jones, Johnston, Thompson, Robinson, Williams, Eisenhower, Arnold, and others with which we are more familiar. The Military Academy system puts them into a common democratic mold, and they become in time the leaders of our Military Establishment, on whose training, judgment, and command ability we depend to win our wars.

AVERAGE AMERICANS

This is the "brass" we hear about—average Americans who, year in and year out, often obscurely until war strikes, carry on in the drudgery of war planning and Army administration and maneuvers in the mud, to keep the country safe and defend it in time of peril.

Americans who know this and think about it will attach less significance to talk of an "officer caste."

HOME-TOWN BOYS

What it all comes down to, of course, is that there is neither a caste system nor a caste in the American Army, since all officers come really from the same source, and, except for the small numbers of specialists and professional men who likewise come from back home, all are just home-town boys who have made good.

They change their uniforms and have greater responsibility when they become officers, but they do not change their characters or their habits or their democratic impulses.

They come out of the same democratic environment and return to the same home towns from which GI's come. Thousands of them are the fathers and brothers of GI's and the fathers and brothers of girls the GI's marry.

THE OLD HOME TOWN

So it is mostly "bunk," after all—the whole talk of a caste and a caste system. There cannot be a caste and a caste system in the Army any more than there can be in civil life. That is where the Army comes from—right from the old home town.

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. CASE].

Mr. CASE of New Jersey. Mr. Chairman, this bill seems to be a good bill, and I hope it will receive strong support and be passed by the committee. The first thing I want to talk about very briefly is the figure of 18½ percent. That figure on top of the average increase of 15.9 percent given last year means a total increase of a little over 34 percent; an increase of a little more than 34 percent in salaries that have remained the same since 1930. It compares with an increase, according to the Bureau of Labor Statistics, in the cost of living of something over 33 percent since 1941.

It is justified both as a measure for meeting the increased cost of living since 1941, and also because no salary increase has been granted since 1930; therefore, private-industry salaries and wages for comparable jobs have become higher than those in the Federal service. We are trying in a way to equalize, perhaps not entirely equalize, but come more to the point where the Government will approximate private salaries for similar jobs.

If we should take 17 percent instead of 18½ percent as the figure, which I think would not be justified as this is, the saving would only be $34,000,000. It seems to me that this does not justify doing a job which is not a complete job. I believe, too, that a flat increase of 18½ percent is better than an increase of the sort that the gentleman from Kansas [Mr. REES] has suggested, or the one adopted by the Senate. Last July we did proceed on the basis of a graduated increase because what we were trying to do then was to make a little more tolerable the situation of the lower-paid employees. At this time we are proceeding on a permanent basis; we are proceeding on sounder ground; we are giving a flat increase applicable to all salary grades, which I think is the more important job to do.

We should not in the Federal service pay people just enough to live on in any salary group. We should improve the compensation for the people who are the real backbone of the Federal service, the people in administrative jobs, the people in supervisory jobs, the people who really run the Government. We should not any longer suffer them to have much less than people in comparable service in private industry receive. That is biting off our nose to spite our face.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from Michigan.

Mr. HOFFMAN. While these increases will not directly affect the cost of production, indirectly they do, and as they do, how can the gentleman justify an increase which will affect the cost of production as long as OPA will not give consideration to it when fixing the price of the finished product?

Mr. CASE of New Jersey. The article which these employees produce is kind of an intangible, sir, that I do not think permits the analogy which the gentleman suggests.

Mr. HOFFMAN. But indirectly they do, because the wage scale fixed by a municipality, State, or Federal Government, usually is given some consideration when these contract negotiations are opened. They do indirectly affect the cost of production, and the OPA takes the firm stand that it does not make any difference what wages are paid or what the cost of the materials is, the finished product has got to be sold below cost. Now, how does that make sense?

Mr. CASE of New Jersey. It seems to me, sir, that this is not a case of industry following the Federal Government, but the Federal Government following the way that has already been taken by private industry.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. CASE of New Jersey. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. A few months ago we heard much in the press about a group of distinguished Members of this House and the other body who were to aid in balancing the budget, and we found much criticism from members of the Committee on Ways and Means concerning the House Committee on Appropriations as to the fact that we cannot get closer to a balanced budget. How will this bill aid in achieving that which, in my opinion, is about the most important and pressing problem for the people of this Nation today?

Mr. CASE of New Jersey. I agree with the gentleman on the need and the vital need for balancing the Federal Budget and reducing our debt.

Mr. H. CARL ANDERSEN. But the gentleman has not answered my question. How will this bill aid in accomplishing that object?

Mr. CASE of New Jersey. If I have to answer the question the way it is put, and I will try to, I will say that you will always do better by having adequately paid and well equipped individuals in Government service, and that you will get the job done more economically, because one man of that sort can do the job of several inefficient people. The place to cut down on the Federal pay roll is not here. The place to cut down is in the Committee on Appropriations where the job can really be done. You do not save any money by hiring at low-wage rates a lot of incompetent people.

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, this particular bill before us today is not a party measure. There is no attempt by any group or any faction of this Congress to take unto itself the sponsorship of this particular measure, but the measure is sponsored widely among all the Members, I hope. The basic problem before us today on H. R. 5939 is not the setting up of a pay rate for an isolated group in a vacuum. The problem is a challenging one of fitting this and other groups of our population into the revised system of distribution of goods and services that will be produced in this postwar era of prosperity and production which we are now entering. We have had the national administration set the wage pattern for private industry at approximately 18½ percent increase. The postal employees by almost unanimous vote of this House were given a raise in their pay, as you know, yesterday, trying to meet this general wage situation. We Republicans that come from the cities of America as I do, coming from the city of Pittsburgh, one of the largest, iron, steel, mining, and industrial areas, including shipbuilding, in the whole United States, and in the whole world, feel that we do have a real problem here concerning the pay of a large part of our working population.

Our districts are interested in good take-home pay, whether the employer be Uncle Sam or private business. Some Members coming from other districts, such as farming communities, that do not receive their incomes from things as mundane and limited as pay-by-the-month have a different problem.

In addition, when you find people working for the Government that live in farm areas, and who may get 25, 35, 45, even 50 percent of their income other than from the pay of the Government, say from the sale or production of farm produce, you get a different problem than we in the cities have. The expenses of Government workers in the cities are high, and that is where most of these civil-service workers live.

In respect to what my good friend from New Jersey [Mr. CASE] has emphasized, I want to state that I agree with him. May I read from the report of the Civil Service Committee, on page 6:

> In fact, in spite of the basic-pay increases made by the Federal Employees Pay Act of 1945, 99 percent of Federal employees under the Classification Act now earn from 1 to 6 percent less than they did before July 1945, because of the general return to a 40-hour week.
>
> It is now established that the rise in the cost of living between January 1941 and September 1945, is 33 percent. This figure is used in the official regulations of the National Wage Stabilization Board. In view of this rise in the cost of living, these regulations specify that salary or wage rates in private industry may be increased by as much as 33 percent over their January 1941 level.
>
> On the basis of this official standard alone, it is clear that the Federal salaries affected by this bill have not kept pace with the increase in the cost of living.

I therefore favor the 18.5-percent increase, and favor it straight across the board, thereby again varying from the judgment of the learned gentleman from Kansas [Mr. REES], whose opinion I respect.

I believe the pay scale of civil-service Government employees should be set up so that you get properly paid people here and not just people that have a low ceiling placed over on them, so that Uncle Sam is known as the most poor and the most threadbare employer in the country. I want to see him the best employer, and I want to see these young scientists that are now working for the Government to see that there is a way of progress that they can advance and be respected in a career service, instead of being held down by a lot of old bureaucratic rules, that have been long established to hold the pay down regardless of ability.

When Members are talking of economy, I have heard not enough said of my House Resolution 171, about which the gentleman from New York [Mr. BENNET] spoke, to investigate the Civil Service and give some of us on the committee the right to go in and see that proper, businesslike methods are used and get rid of some of these excess Government employees. Instead of using such an excess of vim, vigor and vitality against particularly the low-paid employees, I think we ought to check and see that properly trained industrial management people and experienced outside administrators look the Government over and get some good planning to stop some of this hodge-podge stuff we have today among our many bureaus.

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, my purpose in asking for this time is to clear up one point and one point only—that is the suggestion that the bill we passed yesterday increasing the postal employees' salaries is on all fours with or is parallel to this bill. I think that can easily be cleared up. For instance, the post-office bill provided a $400 flat increase all through the service. That meant the $1,500 man at the bottom got a 27-percent increase. The $5,000 man in the middle got only an 8-percent increase, and the $10,000 man got only a 4-percent increase. If you were to apply that same scale to this bill, you would have the same proportionate increase, but you do not do that. In this bill you give an 18½-percent increase across the board. What does that mean? In dollars and cents, it means that the $1,500 man in the Government service as compared to the $1,500 postal employee would only get $270 instead of $400. The $5,000 man, as compared with the $5,000 postal employee, would get $925, which is more than twice what you gave the postal employee in the $5,000 class. The $10,000 man under this bill would get $1,850, which is five times what you gave to the postal employee. They are not parallel on another basis. The Federal employees have ballooned during this war from 586,000 people, when I came to Congress 9 years ago, to over 3,000,000 people. You are proposing to give the 3,000,000 on the inflated pay roll of the Federal Government the 18½-percent increase, whereas in the postal service you had no ballooning during the war and you had no inflated condition. In fact, you ran part of the time during the war with fewer employees because they had joined the military services. So you are only offering the $400 flat increase not to the people on an inflated pay roll but to the people on a deflated pay roll in the postal service. I, for one, am opposed to the present bill. I shall vote "no" on the question of its final passage if it is in its present situation. Only if it is a graduated increase and only if it is comparable to the $400 increase to the postal service, which I voted for yesterday, will I vote for this bill. We passed that by a vote, I believe, of 368 to 1. I feel satisfied that if you will do the same for the Federal employees and offer them a $400 flat increase all the way through, the vote on that bill then would be approximately the same as the vote we had yesterday on the postal bill.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. MASON. I yield.

Mr. LYLE. Either the House was wrong yesterday or the House would be wrong today if we pass this bill in its present form. Is that correct?

Mr. MASON. That is correct. We were either wrong yesterday in voting for the flat $400 increase for the $10,000 man and the $1,500 man, or we are going to be wrong today if we give the $10,000 man a $1,850 increase and the $1,500 only a $270 increase. I, for one, believe that we should take care of those in the lower brackets because, after all is said and done, these are bread and butter bills, and the $10,000 man does not eat any more bread and butter than the $1,500 man.

Mr. BENNET of New York. Mr. Chairman, will the gentleman yield?

Mr. MASON. I yield.

Mr. BENNET of New York. Does the gentleman realize we have raised these men in the lower brackets 44 per cent?

Mr. MASON. I realize all that. Yet, I am for a flat increase of, let us say, $400 for the Government employees, as I was when I voted for the bill yesterday.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. RANDOLPH. Mr. Chairman, I yield such time as he may desire to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, I read a news item in the Washington Post on Tuesday of this week which has given me cause for considerable concern. In the news item General Bradley is quoted as saying that there was altogether too much "double talk" in discussions and actions relative to veterans' affairs.

There is one phase of this "double talk" about which I would like to speak for a minute. It has to do with jobs for veterans. Most of the veterans I have talked with want nothing as much as they want a job. They want a decent job with a decent income, so that they can take care of their families properly, provide a home, and become substantial citizens of their communities and of their country.

They want some entertainment, too, some comfort, some pleasure out of life.

We all profess to be interested in providing these things for the returning heroes. They get parades and medals and cheers and promises, but some of the policies we pursue seem to be directly concerned with destroying their jobs and wiping out some of their pleasure.

These veterans remember that the last generation of fighting men returned to the welcoming committees and parades that followed the last war, but they soon discovered that the welcome included the denial of the right to buy a glass of beer in a taxpaying establishment. These men remember that their fathers and uncles—yes; and their women folks—were lured into the filthy hovels of chiseling racketeers through the "noble experiment" of prohibition, the worst blight that was ever inflicted on the intelligence of a self-governing people.

These veterans wonder if they are about to be treated to the same hypocritical buffoonery as met their fathers. They see considerable evidence that there are those abroad again who would attempt to lead them by the nose back into the pit of another prohibition era.

Many of these veterans like a glass of beer, but, what is of far more importance, a great many of them work for the breweries that manufacture beer. Many more work for distributors, restaurants, retail stores, transportation

systems, and other industries which serve the brewing industry, and in the midst of all the "double talk" to which General Bradley called attention these veterans are being denied the right to get a glass of beer in a legitimate establishment, and many of them are being forced into the streets to look for another job.

There is not anyone who begrudges feeding the children of Europe and Asia. There is not an American alive who would not gladly go without a meal a day if it would help to keep some unfortunate kid alive anywhere in the world. But they do ask questions when they are confronted with evidence that the restrictions recently placed on the production of beer cannot contribute anything to the relief of suffering people anywhere.

I have read some other rather shocking information relative to the order curtailing the manufacture of beer. This curtailment was ordered, we are told, in order to save grain which was needed to feed starving people in war-torn Europe. Some of these articles I have read have caused me to ask questions. I know the veterans who have lost their jobs are asking the same questions. I have received a good many wires and letters from veterans in my own State questioning the justice behind this move which has cost them their jobs.

I want to read to you some facts from an article which appeared recently on the front page of a New York newspaper:

> By its order reducing the production of beer 30 percent, ostensibly for the purpose of saving grain for the people of Europe, the Government can hope to save only eight ten-thousandths of 1 percent—yes; that's right; eight ten-thousandths of 1 percent—of the United States wheat crop, based on last year's figure. Moreover, the grain thus withheld from the breweries by this decree will cost the National and State Governments an estimated $23 a bushel in the loss of excise taxes alone. (This does not begin to touch the losses in income taxes, etc.) The plain truth of the matter is that the breweries in this country use for the manufacture of beer an infinitesimal amount of grain—wheat—which can be used for human food. Many of them use none at all.

There is a statement published under a byline on the front page of a New York City newspaper. Similar statements have appeared in the newspapers throughout the country. Recently we received similar evidence in a news letter which was mailed to our offices. It causes me to wonder what is behind all this.

It is evident, if these statements are true, and I assure you I have asked the Secretary of Agriculture for the facts as he knows them to be, if they are true how can we explain our double talk about our interest in veterans. How can we claim we are interested in providing them with jobs, when we sit by while many of them are forced out of work? How can we claim we are solicitous for their happiness when we deprive them of a bottle of beer—if such is their desire?

More than half of the ingredients used in the manufacture of beer consist of malt, and malt products are derived solely from barley. You know that mighty little barley is used for human consumption.

Throughout the country last year the brewers used 39,000,000 pounds of hops, and I am advised that hops have no human food value whatever. In considering the far-reaching effects of this order do not lose sight of the effect it will have on the industry which produces those 39,000,000 pounds of hops—and its hundreds of employees and those dependent upon that industry in varying degrees.

The brewers last year used about 400,000 tons of corn—but it is the type generally used for feeding livestock. It is not the grade of corn used for human consumption.

There is another factor in this situation which is worthy of some consideration. In foreign countries our Government has permitted the operation of breweries. Presumably, these breweries, in Germany, Japan, Holland, and elsewhere, operate in the midst of starvation and they are using materials which are forbidden to Americans. I will hazard a guess that the ingredients are exported from this country.

Not only that, but beer produced in foreign countries is exported to the United States. In December of 1945, Canada and Mexico shipped 356,000 gallons of beer into this country. I am informed beer is being shipped from Holland to the United States now and presumably Holland does not have the grain or other ingredients with which to manufacture this product.

There is another element. I quote from the article I referred to previously:

> The breweries return 40 percent of all the grain they use. This is the so-called spent grain, greatly enriched by the beer manufacturing process, and it is sold to farmers for feeding livestock. Dairy farmers in particular are going to be greatly affected by the beer production cut, therefore, in that they will have 30 percent less of this spent grain for their cattle.

From these various pieces of evidence it begins to look as if the curtailment on production of beer is more a drive by the die-hard prohibitionists to re-inflict prohibition on the Nation. It is evident that the curtailment will not produce food for starving people of Europe. What it actually will do is deprive the United States Treasury of much needed revenue. It will feather the nests of the racketeers and black-market operators. But the honest American citizen—the veteran who has a job in any branch of this industry—will be made to suffer.

To me it looks like double talk. I intend to get all the information I can from all officials connected with the order. When I have the facts I shall make them public and they had better be good if they are to satisfy the American public that this order is beneficial to anyone—except bootleggers and black-market pirates.

Mr. RANDOLPH. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOOK].

Mr. HOOK. Mr. Chairman, I was rather interested in some of the philosophy that has been advocated by some of the conservative Members of this House. I have heard them preach the gospel of conservatism and fight communism right down the line. I am rather surprised now that some of them seem to be advocating a communistic principle. In other words, they want to bring up those from the bottom and bring down those at the top, so that everybody, regardless of ability, will be given the same wage scale.

It is rather interesting when we turn our minds back a little. If I remember correctly, the late President Roosevelt a few years ago recommended that we limit the salaries of officials to $25,000. I am rather surprised to hear those who did not want to limit those salaries to $25,000 now talk about limiting Federal employees to $10,000. Oh, yes. For those in industry, no limit at all; but limit the Federal employees. How in the world are we going to get young men of ability, young men with ambition to remain in the Federal Government unless they are given an opportunity as they remain to go into higher brackets?

It was well illustrated here today with the Chief of the Bureau of Standards, who was formerly in private industry. He took a cut in salary of about $5,000 to come down here, because of his patriotic spirit. How many young men will remain throughout their lives in the Federal service and become experts, so that we may have administrators who will bring about real economy, unless we break through the $10,000 ceiling?

When you limit ambition you limit your opportunity to bring into the Government real men. We were talking about scientists. It might be worth while to note that the average age of our top scientists today I understand is about 29 years. Those young scientists are not going to stay in the employ of the Federal Government throughout the rest of their lives and make a career of it unless their ambition can be satisfied, and that they can at least be given an opportunity to go into the higher brackets, somewhat comparable with private industry. We are not trying to compete with private industry, because I feel certain we could not go into the higher brackets of private industry. But if we gave them a proper salary, then, with the security they get from Government service, I think they would be willing to remain.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. HOOK] has expired.

Mr. RANDOLPH. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. NEELY].

Mr. NEELY. Mr. Chairman, the House yesterday made a halcyon day for the postal employees by passing a bill that provided a substantial increase in their compensation. It had been my hope that this would be a similar day for the multitudes in the various other branches of the Government's service. But some of the speeches which have been delivered during the last 2 hours cause me to fear that the opposition to the pending bill may, on the final roll call, disappoint my hopes and deprive thousands of underpaid Federal workers of long-deserved increases in their compensation.

I unconditionally favor the increases proposed for scientists and experts who are indispensable to the efficient administration of governmental affairs,

notwithstanding the fact that their salaries, if augmented, will average more than $10,000 a year. But my greatest solicitude for the passage of the bill arises from my desire to aid those whose compensation is insufficient to enable them to obtain the necessaries of life.

This afternoon a colleague informed me of a Government employee who said to him a few days ago, "My take-home pay is $62 every 2 weeks. I have had so little left after paying my room rent and board that it has been impossible for me to buy a good dress for more than 2 years." Within the last week a West Virginia husband and father informed me that his salary, after deductions for taxes and social-security, was so meager that he and his wife and child had been able to enjoy the luxury of a moving-picture show but once during the last 12 months.

Unnumbered tragedies such as these are laying their heavy hands on those around us every hour in the day. The question of increasing the salary of an eight- or nine-thousand-dollar-a-year employee may merit debate. But there should be no quibbling about the granting of an increase of compensation, without which an employed woman cannot buy a new dress in 2 years, or an eager child cannot go to a picture show more than once during a year of his young life.

Every Member of the House knows that, as a rule, Federal employees are models of loyalty to their Government and diligence in the discharge of their official duties, and that they are thoroughly deserving of adequate compensation. No one present can be unmindful of the fact that many thousands of these employees are underpaid, and that, notwithstanding the rigid economies they are constantly compelled to practice, they are sadly losing in their grim struggle for survival. No argumentation should be necessary to convince a Member of this body that generous increases of compensation should be voted for these needy ones without delay. Discussion in their behalf should be as unnecessary as conversation was considered in the following story. A widowed mother of three children was destitute and dying. She said to her oldest child—a little girl who was in the thirteenth year of her unhappy life, "Mary, you must find some way to support your little brother and sister after I am gone so that they will not be sent to the poorhouse." The little girl promised that she would do her best, and she nobly kept her word. After her mother's death she earned enough by industriously scrubbing floors and washing windows to keep herself and her little sister and brother alive. But as a result of exposure and overwork she was soon stricken with influenza, which rapidly developed into pneumonia. A generous doctor gave her his professional services. But he was soon compelled to tell her that she had but another night to live.

One of the women for whom the child had worked spent this last night with her. The pitiful sufferer put her hands, which were as rough as sandpaper, in those of her friend and said: "I am not afraid to die. But I am so ignorant that I won't know what to say to Jesus when I get to heaven." The good woman said, "Don't worry, dear. It won't be necessary for you to say anything to Jesus. Just show him your hands."

Ladies and gentlemen of the House, it ought not to be necessary for the Federal employees whose salaries are in the lower levels to do more than show us their hands in order to impel us to pass the pending bill either in its present form or subject to amendments that will increase rather than diminish the additional compensation for which it provides. If I had a hundred votes and could divide every votes into a hundred parts and make every part a hundred votes, I should enthusiastically cast them all for the bill, or for any other measure that would promptly enable all worthy Federal employees to establish for themselves and those dependent upon them proper standards of comfort, happiness, and health.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. JACKSON. Mr. Chairman, I yield the gentleman from West Virginia three additional minutes.

Mr. NEELY. Regardless of what you may do for or to those whose salaries are comparatively high, let me entreat you to refrain from adopting any amendment or taking any action that would diminish any benefit proposed for those employees whose compensation is so inadequate that fear habitually overshadows them and want walks daily by their side.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. NEELY. I yield to the gentleman from Illinois.

Mr. MASON. I am proposing, my dear sir, to provide $400 for these people the gentleman has been talking about in lieu of the $270 contained in the bill for those in the lower brackets.

Mr. NEELY. Let me warmly commend the able and highly esteemed gentleman from Illinois for his desire to grant the most to those who are most in need. Thus the gentleman demonstrates that his philosophy is that of the Good Samaritan—the universal emulation of which would make the whole world rejoice and be exceeding glad.

Mr. RANDOLPH. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I rise in support of H. R. 5939.

In my opinion this bill should be passed as proposed by the Civil Service Committee. It should not be drastically amended, although I would favor a minimum pay raise of $400 annually to those whose total pay is less than $2,000.

The increased cost of living, as shown by the Bureau of Labor Statistics, is 34 percent. The decrease in take-home pay due to loss of overtime is another serious factor in reducing the standard of living in the Federal employees' homes.

Unless the standards of Government pay is raised we will continue to lose to private industry the best of our Government employees. The efficiency of our Federal operation depends not on cheap help in terms of dollars, but valuable help in terms of efficiency.

I shall vote for H. R. 5939, and support all amendments to strengthen this legislation for the benefit of Federal employees.

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I listened with profound interest to the gentleman from West Virginia [Mr. NEELY], and I believe he expresses my interest in this matter; at the same time, Governor, I think you add a little to my perplexities because I have been on the floor since this debate started and I cannot yet determine what the essential approach was on this bill, and whether it was to supplement salaries to the point of compensating and offsetting for increased living costs or whether it was just a general across-the-board wage bill. If it is the former, then, certainly, there is merit in the amendment suggested by the gentleman from Kansas [Mr. REES]; in other words, a greater increase in the lower grades, a somewhat less increase in the middle grades, and a diminished increase in the upper grades.

What we do there is to supplement wages or salaries so as to offset living costs, but you do not subsidize luxuries. I think that is the thing this Congress ought to have in mind when it deals with a bill that at the outset may very conceivably embrace $430,000,000 in public funds. So I am going to give my particular attention to the amendment that will be offered by the gentleman from Kansas because I am inclined to believe it is fair in those brackets where the Congress can afford to be generous.

Now, for the remaining time, I want to leave one other observation with you. Assuming that $300,000,000 or $400,000,000 or $420,000,000 is pumped into the economic blood stream of the country it, of course, is going to add to the inflationary force to which Brother Bowles and Brother Porter have been addressing themselves to the country in the last few weeks just prior to the time that the House considers OPA. The Committee on Banking and Currency is holding hearings in a room in the House Office Building, fashioning amendments and getting ready to complete action on a bill that is to be brought in here possibly next week, and here we are going to do the very thing against which Mr. Baruch and a great many others warned us, and that is, to pump even more money into the blood stream of the country. The result will be what? The result will be exactly this, and I want the RECORD to show it, because a few months hence when this question will be raised from the rostrum of every State and municipality of the country, prices will increase, whether there is an OPA or no OPA, and they will increase whether OPA is extended by simple resolution or whether the basic act is modified substantially. Prices will increase even if Congress terminates OPA, but there will come a time a few months hence when we begin to confront the electorate and they will say to us, and particularly those who

feel that there should be substantial revision in the Price Control Act, "You were one of those who helped to accelerate increases in prices." No; the acceleration is going to take place by the combined efforts on the part of everybody on both sides of the aisle of this House and the other body in the legislative branch when we approve additional hundreds of millions of dollars to be pumped into the economic life of this country, which is really and truly the great inflationary force with which we have to operate. I am mentioning it today because that argument is going to resound from this well within the next few days and it is going to reverberate all over the country for months to come until finally the political destiny of the House and the Senate has been determined by the electorate. But I want the CONGRESSIONAL RECORD for this 3d day in April 1946 to show my observation, at least, that despite Mr. Bowles and despite Mr. Porter we are adding to the forces that will make prices go up, even though OPA may be liquidated, when the House has expressed itself and the Senate likewise as to the destiny of this agency that says it has been holding the line. It has been holding the line by simply keeping vigil as the price range goes up day after day and week after week. As evidence of that fact, examine the remarks inserted by the gentleman from Michigan [Mr. DONDERO] in today's RECORD. It includes a table of prices assembled by the Detroit News showing price increases of staple commodities of 133 percent since 1940. Making allowance for what increases took place between 1940 and 1942, when price control became effective, it is even then an astonishing increase and simply indicates that OPA has been standing by and watching them increase from year to year and seeking to give certain direction and to impose certain limits on increases. But the trend has been there for years, notwithstanding OPA.

It cannot be too strongly emphasized that no matter what the fate of OPA might be, there will be certain price increases for awhile until production can move into high gear. If OPA is in existence, it will grant price increases even as such increases are being presently granted in various lines of endeavor. If OPA is liquidated, it is only natural that some prices would increase to a point where they reflect current costs. Who will contend that this is unfair? In any event it is well to have this fact recorded before we begin our deliberations on OPA extension rather than afterward.

Now getting back to the pending bill, the gentleman from Illinois [Mr. MASON] used the phrase which is very timely. He spoke of the postal pay raise bill as a "bread and butter" bill and that the pending measure should serve the same function. If that be true, it is easy enough to test the fairness of the increases that would result to those in the higher pay brackets. Consider a Federal employee whose basic salary is $8,000. Under Public Law 106 which is now in effect, his pay for the present fiscal year would be $8,750. Under the committee bill he would receive $10,368.75 or an increase of $1,618.75 over and above his present pay. How much of that $1,618.75 would be devoted to bread-and-butter purposes by one in that salary grade? Obviously that would be the test in the case of any person who is affected by the provisions of this bill.

Now let us take a person whose basic salary is $2,500. Under Public Law 106 which became effective on July 1, 1945, he would presently be receiving $2,870. Under the proposal for a percentage increase as carried in the committee bill he would be raised to $3,400.95, an increase of $530.95 above his present rate. This increase when averaged out over a 12-month period would be about $45 per month. It must be quite obvious that such an increase is wholly justifiable because it does offset in the main the cost-of-living items which a person in that salary grade would have to purchase. The gentleman from Kansas is, therefore, on sound ground in suggesting a graduated scale of increases which is higher in the low-salary brackets and which diminishes in the higher brackets. This would be, in truth and in fact, an effectuation of a cost-of-living increase as distinguished from the proposal presented to us by the committee.

I am frank to say that this bill does not deal with the basic problem which has been so long evident and that is a complete overhauling of the Classification Act of 1923. If this were done, proper provision could then be made for that scientific group about whom we have heard so much this afternoon. This would mean a liberalization of the whole basic act and the creation of new classifications which would be commensurate with the special skill, talent, and learning which specialists in this field possess. Salary scales could be created which might appear abnormally high and yet they are the answer to the competitive force which siphons good men out of Government into industry.

I favor a fair and equitable bill, and I am persuaded that the amendment which the gentleman from Kansas [Mr. REES] contemplates would measurably improve this proposal.

Mr. REES of Kansas. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, if this bill (H. R. 5939), passes, Federal employees will have received two salary increases within a period of about 9 months. The first increase averaged 15.9 percent for all Federal employees coming within the scope of the bill, about one and a quarter million. The present bill calls for an increase of 18.5 percent or a total of more than 34 percent.

If this bill passes it will bring the average annual income per Federal employee up to about $2,525 per year, taking into consideration the Federal Government's contribution to the civil-service retirement fund.

Figures provided me by the Civil Service Commission indicate that there are roundly three million persons still on the Federal pay roll.

A hue and cry is constantly being voiced by certain Members on both sides of the aisle against the Federal bureaucracy, that it is eating out the substance of our people. It is an overgrown giant that we must destroy or it will destroy us. The tax burden that will be placed upon the people—somewhere between twenty-five and thirty-five billion dollars annually—will be so crushing as to materially lower the standard of living, notwithstanding all the ballyhoo we hear about social gains and all that sort of nonsense. The Federal Budget is still completely out of balance. The data relating to our financial condition are so lacking and uncertain as to throw the whole problem of Federal finances into a state of utter confusion.

I ask this simple question: Is it consistent to claim that the bureaucracy must be shorn of its power, that the Budget must be balanced and our finances put in order, and at the same time vote these salary increases for the very bureaucracy that we would destroy? Does not the increasing of these salaries further intrench the bureaucracy and make it that much more difficult to abolish?

Is not the premium on Government employment over that of private employment already large enough? This condition is sufficiently unhealthy and should not be worsened.

Would it not be more in keeping with sound statesmanship if the Congress postponed considering the granting of increases in salaries of employees until the Federal bureaucracy is reduced to its proper size, which should be considerably less than one million persons? It is one thing to raise the pay of those Government employees who are actually needed in the service but quite another to provide pay raises for the enormous excess of personnel now in the employment of the Government.

This Congress has a responsibility. It should put forth all of its energies to solve the difficult financial condition that confronts us. It is our bounden duty to our constituents and to the Nation to face this problem squarely and with courage. The exigency of the situation demands that we unflinchingly assume our duty.

Mr. REES of Kansas. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON of California. Mr. Chairman, I believe that the bill before us is a sound piece of legislation. It has for its purpose the raising of the pay of Federal employees.

It raises the pay plateau of these employees 18.5 percent. Part of this increase is justified by the increased cost of living. Part of it is designed to raise the standard of living of these workers.

This legislation is really a result of the war. During the war—with all its tragedies and sacrifices—the general standard of living of our people was raised. The depletions made in our civilian economy by the war were so great that it will take a long time to get production up to the demand in many things. The result will be that we will have unbounded prosperity for some time to come. No individual and no group is responsible for

this nor can they do much to impede this prosperity or increase it for that matter. Wage scales in all industries have risen. This increase is bringing our Government employees in line with what has been done for and by other segments of our population, private and public.

We must recognize that this will result in some rise in prices. The basic producers such as farmers, miners, and manufacturers will have to get increased prices to take care of wages and other costs that have been rising lately.

During this conversion period many adjustments will be made. When the matter finally levels off the general level of wages and prices will be higher and we hope that the standard of living will have taken another step upward to a new plateau of well-being.

The specific amendments that will be presented may change the general plan of the Committee and I intend to vote for or against them as the explanation and argument develop whether they will strengthen or weaken the general plan submitted by the Committee in its bill.

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, I am heartily in favor of the passage of this bill, H. R. 5939, providing for an increase in the basic rates of compensation of officers and employees of the Federal Government. In fact, I appeared before the Committee on Civil Service and urged that the committee recommend a higher increase in these basic rates in the lower paid brackets than provided for in this bill.

I have taken a deep interest in all matters affecting Federal employees throughout my entire service in Congress because I have recognized that the success of our entire democratic system of government has largely rested upon the efficiency of these men and women throughout the entire Nation. Early in my congressional service I introduced, and Congress passed, the Welch Act which reclassified the entire Federal service and granted the first basic salary promotions which had been given to Federal employees in more than 50 years.

Mr. Chairman, the great majority of civilian positions in the Federal Government are fixed by statute. The salaries to be paid to employees in these positions are fixed by statute. Congressional action is necessary to modify them. During the war temporary increases were granted, but with the elimination of overtime work, the actual take-home pay is now reduced at a time when cost of living is higher than before the war. The Nation depends upon the continued faithfulness, loyalty, and earnestness of these Government servants in carrying on the administrative affairs of our Government. To permit the decreased purchasing power of their salaries to impair their standards of living would in turn be destructive of the high morale that now exists throughout the entire Federal service.

The CHAIRMAN. The time of the gentleman from California has expired. All time has expired.

The Clerk will read the bill for amendment.

Mr. MASON. Mr. Chairman, I make the point of order that a quorum is not present.

Mr. RANDOLPH. Mr. Chairman, I move that the Committee do now rise. It is 4 o'clock in the afternoon, and a quorum is not present. There is no need to have a roll call.

The CHAIRMAN. The question is on the motion offered by the gentleman from West Virginia.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. SPARKMAN) having assumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5939) to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes, had come to no resolution thereon.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1947

Mr. COFFEE, from the Committee on Appropriations, reported the bill (H. R. 5990) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes (Rept. No. 1867), which was read a first and second time, and with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. STEFAN reserved all points of order on the bill.

EXTENSION OF REMARKS

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein four newspaper articles.

Mr. CARNAHAN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Missouri Farmer by F. E. Heinkel, president of the Missouri Farmers' Association.

Mr. SAVAGE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech by R. E. McDonald, of Kansas City. I am informed by the Public Printer that it will exceed the limitation by half a page and cost $140. Notwithstanding, I ask unanimous consent that the extension may be made.

The SPEAKER pro tempore. Notwithstanding the cost and without objection, the extension may be made.

There was no objection.

Mr. KEEFE asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, to include some correspondence in one, and a communication in the other.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

UAW-CIO FAVORS SPECIALLY MADE CARS FOR DISABLED VETERANS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a resolution passed by the UAW-CIO at the tenth annual convention of that group in Atlantic City.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the UAW-CIO met at their tenth annual convention at Atlantic City and resolved to go on record as being in favor of immediate action by the War Department and the Navy Department and the Veterans' Administration whereby these agencies would make available such specially made cars as are necessary for veterans in need of such cars. I would like to say what an extremely fine thing those men did. They gave three cars at their convention in Atlantic City to the amputees and paraplegics, the spinal cord injury cases. It is a very great thing that they have done.

The resolution of the UAW-CIO is as follows:

Whereas the last war has left some of its soldier-veterans severely disabled—to such an extent that they require a vehicle as an essential piece of equipment in their rehabilitation and resumption of a normal civilian life;

Whereas these disabled veterans include:

1. Paraplegics who suffer from a severed spinal cord with resultant permanent paralysis of both legs and loss of anal and bladder sphincter control;

2. Amputees who suffer from a loss of one or both lower extremities;

Whereas these men are confined to wheel chairs and cannot travel on public conveyances alone, but they can travel alone in an automobile equipped with hand-control attachments;

Whereas these men encounter serious difficulty in walking due to weather hazards, such as snow, ice, and mud; public crowds, with accompanying pushing and shoving; prosthesis break-down; irregularities in terrain (hill climbing); and walking in the dark;

Whereas amputees have also proven that they can successfully operate automobiles with attachments, if necessary;

Whereas there is a scarcity of motor vehicles available for these servicemen and veterans; and

Whereas the Government has the responsibility for giving its servicemen every necessary facility to restore the men, as far as possible, to a normal way of living: Therefore be it

Resolved, That this tenth annual convention of the UAW-CIO, with present and former servicemen numbering approximately 350,000, go on record:

1. As in favor of immediate action by the War Department, Navy Department, and Veterans' Administration whereby these agencies make available such specially made cars to those veterans in need of such cars.

2. That if these executive agencies do not now have the authority or funds to supply these vehicles that we pledge our support of any legislation introduced to meet the problem.

3. *Be it further resolved*, That this convention instruct its veterans' department and legislative department to immediately at the conclusion of this convention start action to get administrative and legislative implementation to this program; and

4. *Be it further resolved*, That we call upon the Government and the automobile industry to give top priority to the production of the specially built automobiles; and

5. *Be it finally resolved*, That copies of this resolution be sent to the Secretary of War, the Secretary of the Navy, the Administrator of the Veterans' Administration, the Civilian

Production Administration, and the major veterans' organizations, and the patients committee at the Thomas M. England General Hospital, Atlantic City, and to Representative EDITH NOURSE ROGERS, of the House Veterans' Committee, and to the press.

EXTENSION OF REMARKS

Mr. REES of Kansas asked and was given permission to revise and extend the remarks he made today and to include an article and other material in connection with the legislation now pending before the House.

Mr. ANDREWS of New York asked and was given permission to extend his remarks in the Appendix of the RECORD and include a copy of a radio broadcast by the Secretary of War.

Mr. COFFEE asked and was given permission to extend his remarks in the Appendix of the RECORD in three instances and in connection therewith include excerpts from letters and newspapers.

Mr. FULTON asked and was given permission to extend his remarks in the RECORD and include a newspaper article of April 3, 1946, from the Pittsburgh Post Gazette.

SPECIAL ORDER

Mr. SAVAGE. Mr. Speaker, on yesterday I asked for a special order of 30 minutes on Wednesday, April 10. The calendar reads, "20 minutes." I ask unanimous consent that it be corrected to read "30 minutes."

The Speaker pro tempore. Without objection, the calendar will be corrected accordingly.

There was no objection.

The SPEAKER pro tempore (Mr. SPARKMAN). Under previous order of the house, the gentleman from Oklahoma [Mr. STIGLER] is recognized for 30 minutes.

FARMERS OF OKLAHOMA AND AMERICA

Mr. STIGLER. Mr. Speaker, Oklahoma, whose Second Congressional District I have the honor to represent in this honorable body, is primarily an agricultural State. The production from her farms has aided greatly not only in feeding the people of the United States but in sending surpluses to help feed and clothe our allies, not only in World War I but also in World War II.

Among the important farm products of Oklahoma are corn, wheat, oats, sorghum, potatoes, hay, fruits, and cotton. Oklahoma leads in the production of broom corn and also produces cattle and wool, as well as zinc, coal, and oil. In the latter it is third in the Nation.

There are far too few manufactories in Oklahoma. Those that we have are confined mostly to the refining of oil. There are some flour mills and cottonseed oil, cake and meal factories, as well as some zinc smelters. Our lead and natural-gas industries are also important.

But, withal, Oklahoma is an agricultural State. The majority of our people, except for our few metropolitan areas, are people who look to the soil for their subsistence and for a means to better their way of life and become better citizens. In this respect, we are no different from any other State.

The farmers of Oklahoma might well be pointed to—and with pride—as the backbone of the State, just the same as they may be pointed to as the backbone of our Nation. For Oklahoma farmers in some sections, as well as other sections of the United States, might be said to have gone through their own battle of Armageddon, so to speak, to protect their homes, their lands, their livestock, their all, and their future.

We of Oklahoma, especially we natives, have not forgotten the ravages of the pitiless dust that swirled its sands onto our green fields. We saw some of our best lands become deserts without an oasis. Moreover, I believe that the Members of this Congress also remember the devastation of nature which scourged our earth throughout other spots in America and caused the abandonment of hundreds of thousands of acres, as well as the emigration of thousands of our farmers and their families to other more advantageous points.

But—and I say this with pride and justifiable honor—the majority of Oklahoma farmers stuck it out. While they were bewildered, yet they withstood the holocaust and remained true to their tradition, typical farmerlike. They started from the deep scratch of a robbed earth and by laborious work—work shared by their wives, sons and daughters, mothers, and fathers—and by long hours and unremitting care, the good earth responded and once more Oklahoma took her place among the Nation's agricultural leaders.

But the farmers of Oklahoma—as well as the farmers of the United States as in times gone by—seem to have become the forgotten people of our Nation. And this despite the fact that in World War II, as well as in World War I, they met and at all times even exceeded the quotas assigned them by our Government. May I say this is so typical of the farmer, when his Nation is in need he always responds, even though it means longer hours without overtime pay or even the assurance of the cost of production.

Even today, when the starving people of Europe and Asia are clamoring for food, when the American people have taken it upon themselves to shorten their daily bread so that what is saved can be fed to those starving abroad; when prices of the necessary commodities of life have been and are continuing to be raised; when the wages of organized workmen have been given substantial boosts—the American farmer, whom I am proud to speak in behalf of in these Halls, is not being given the proper recognition but is being given a brush-off, and further pushed into the class of peons and peasants, and is confronted with a standard of living that is an insult to his patriotism as an American.

To review calmly the present-day plight of the farmers of the United States—and I speak from what I know and have learned regarding States other than Oklahoma—is a hard matter. And this is especially true if you are interested in the farmers, and everyone should be, because if they went on a "sit-down strike" and refused to work and produce, I need not tell you where our country would be.

In Public Law 10, Seventy-third Congress, which was approved May 12, 1933, the following declaration is made:

> It is hereby declared to be the policy of Congress to establish and maintain such balance between the production and consumption of agricultural commodities and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period. The base period in the case of all agricultural commodities except tobacco shall be the prewar period August 1909 to July 1914. In the case of tobacco the base period shall be the postwar period, August 1919 to July 1929.

Under the present set-up—and whether it is the direct governmental aim or the set policy of agencies under the Government—the United States farmer today does not get the cost of his production.

Why is this, I ask you? Does not everyone else? Let us look to the record. Labor secures an increase of wages all along the line, and I am most certainly not complaining about this. But the 18½ cents an hour increase which labor receives, if added up for the number of hours a farmer works per day, it generally totals more than the farmer receives for his day's labor, to say nothing of the labor of his wife, children and hired hand, if he can afford one.

The farmer is told he can have a raise to help him meet his cost of production. That raise comes under the guise of parity. By this, what is received? Let us see. Well, some of our officials are reported to have stated that if the prices the farmer receives creep to within 90 percent of parity, he, the farmer, should be satisfied. What mockery.

Let us see just what is meant by parity.

The late President Roosevelt in his message to Congress on September 7, 1942, probably made one of the clearest and most understandable statements when he said:

> Parity is a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production, including the cost of labor. As a result, parity prices may shift every time wage rates shift.

I need not tell you that "fair relationship" does not exist. We are told in the Pace report from the House Committee on Agriculture which accompanied H. R. 754 that—

> In the calculation of parity prices the Bureau of Agricultural Economics in the Department of Agriculture does not include as a part of the cost of farm production one penny of the increase in labor costs on the farm since the base period 1909 to 1914. They treat the farmer's cost, as far as wages are concerned, as if they were exactly the same wages he was paying during the period 1909 to 1914.

I wonder what the organized laborers would say after they have been granted an additional 18½ cents an hour raise—I wonder what action they would take—if they were informed that 10 percent of that increase was going to be taken away from them? And all for what? It is not difficult to imagine what would happen.

Again there are those today in high Government position and elsewhere who liken the farmer of today to one of the most prosperous individuals on earth. They tell us the farmer has money in the bank, lots of money, more than he ever had, and the same Government officials and others can prove it and the average farmer will admit it. Well, what of it? What does that prove? Again let us look at the record.

Money in the bank? Yes, let us admit that in most instances. But after all the banks of the United States have more money in their vaults than ever before in our history. But let us not forget this, that some of that money is in the banks because of war contracts, higher wages, and even black markets. But the farmer has money in the bank because that is money which belongs to his farm, and do not forget the fact that he and his family have worked by the sweat of their brow long hours in order to get that.

For four long years, despite the fact that he was raising bumper crops and always meeting Government goals to aid the war effort and helping his Government in winning the war and feeding America and its allies, the farmer has been unable and is now unable to buy new plows, new tractors, new discs, new tools and equipment. He cannot even buy needed parts to repair his machinery, and his home, his farm houses, have gone unpainted, unrepaired. His fences have rotted. So he placed his money in the bank until that day when he could buy the necessary things to carry on his farming.

The tractor manufacturers, the plow manufacturers, the farm equipment manufacturers, have been engaged in producing ordnance for the war. The money these men were paid for producing guns and tanks and airplanes is in the bank. They earned it according to the terms in most instances of a cost-plus contract given them by the Government for such production.

Yes; most farmers have money in the bank—not because they received it by the terms of Government contracts, because he was never paid cost plus, to say nothing of parity, you know—but that money is in the bank awaiting the production of new plows, new tractors, new equipment, new building material, paint for his home and farm houses. And when the time comes for him to spend that money, why the farmer will have to pay the new higher prices on machinery—thanks to the Office of Price Administration—and should he desire to purchase new clothes for himself and family, and he is no different in that respect than any other individual, why then again he is forced to pay what he cannot afford to pay. For he, as a farmer, is not getting the cost of production, plus a reasonable profit, while the goods he must have are priced by the Office of Price Administration to include a profit on the cost of production.

So, Mr. Speaker, you can see that the money the farmer has in the bank today will disappear faster than did his soil when the dust storms knocked him down but not out. But that is not all, Mr. Speaker.

According to the Bureau of Agricultural Economics, labor is the biggest single item entering into the cost of producing a crop—32 percent, or to be exact, 31.7. If the parity principle is fair, we submit that all the labor engaged in production should be included in the cost of production. Today we witness some of our people asking up to 30 percent increase in wages and are cheered in making the demand, yet on the other hand there are some who would deny the farmer the privilege of asking that the increase in farm labor cost be included in figuring fair prices for his crops.

The gross farm incomes for 1944 has been estimated at $23,446,000,000, and no doubt there are some who think that the farmers actually received that amount net. Far be it from that, as it has been estimated that the net cash return for all purposes for the 25,190,000 people on the farm total only $2,812,150,000, which would give the farmer the grand amount of $111 per year per person.

A few years ago there were some 32,000,000 people engaged in and living on farms in the United States. Today there are some 25,000,000 people working and living on the farms.

In Oklahoma, in 1940, there were 179,687 farms. Today there are 175,281.

Why has this condition arisen? What are the reasons? There must be some. Why are our farmers leaving the lands that produce our food and clothing? And what does such an exodus portend for the future of these United States?

It might be that some of our thinking theoretical economic experts will figure the solution out, as did the man who was not worried about a threatened coal strike and the consequent shortage of fuel. He said: "It doesn't worry me—we use steam heat." Perhaps the bureaucrats can figure on feeding the country on canned goods—if you know what I mean.

Today the farms are becoming depleted for several reasons, and all those reasons are serious. They are reasons that call for more than resolutions, more than editorials, more than salutes to the farmers for carrying on. They call for action befitting a crisis.

According to the data available at Selective Service System National Headquarters, around 43 percent of the farmers, farm managers, farm laborers, and foremen of the 1940 Oklahoma labor force aged 18 through 37 were inducted, enlisted, or commissioned in the armed forces from the beginning of selective service in the fall of 1940 through June 30 of 1945. In this connection it may also be of interest to know that around 63 percent of the entire male labor force of Oklahoma aged 18 through 37 saw service during the same period.

And as demobilization sets in—as thousands of former farm workers are free again to take up civilian pursuits—it is found that a small percentage of them head back to the farm. Why is this? I will tell you why. They seek the cities. They go where they can get more comforts of life. Where they can get on a pay roll—a pay roll with an additional 18½ cents an hour, with working hours limited to 40 hours a week, and time and one-half for overtime.

We all know there are no 40 hours a week on the farm. For the farmer of today, yesterday, and tomorrow is still the same, working from sunup until far in the night, and often a little earlier and a little later.

The farmer, under present conditions, cannot meet the demands of present-day labor, for he, himself, cannot meet the cost of production. And if in that cost of production were added the labor of himself, his children, and his womenfolk—if those things were added to what is called parity, and parity were maintained and paid—well, you would be paying 30 cents a pound for cotton and around $2.02 per bushel for wheat, to say nothing of corn and other farm commodities correspondingly.

The farmer, however, is not asking for other than his cost of production. He is not asking for reduced hours. He is not asking for overtime. He is not asking for an 18½-cent-an-hour increase in wages. He is but asking for the right to a bit of comfort, an opportunity to clothe and send his children to school, and a fair return for his labors and production. Congress must and should do something to alleviate their situation today.

It is in all earnestness that I speak in behalf of the farmers of Oklahoma and America. I do not pretend to be a farmer, but I grew up with them and know their problems and what the toil of the soil exacts. I know how many hours they work and I know that the farm problem today is a serious proposition—one that is deserving of more consideration than it is now receiving—not alone to those who till the soil, but to those who depend upon the products of the soil for food and clothes. And unless there is some action taken—and I mean immediate action that will better the conditions of America's farmers and their families—the future outlook bids ill for all the rank and file of these United States. This I cannot emphasize too much. I, therefore, say America had better awaken now and give heed to the plight of the farmer. Unless it does, we shall see a greater exodus of the farmer, and farms abandoned by the wholesale—and when that happens, God save America.

This is not a partisan matter. The Democratic platform of 1944 committed itself to the following:

> To keep agriculture on a parity with industry and labor.

The Republicans offered likewise.

There has been and there is now in force a constant demand for lower prices on farm production. There has been and there is now in force a higher price for what the farmer has to buy.

Such conditions cannot continue in these United States. If they do, the American farmer as such will pass out of existence. I, therefore, appeal to Congress not to bite the hand that feeds America and the world, but give the American farmer the credit which is due him and make it possible for him and his family to obtain the cost of production, plus a reasonable profit. Surely a laborer is worthy of his hire.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. STIGLER. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. The gentleman has just made a very interesting and informative statement, as he always does. I sincerely trust that every Member of the House will read the speech he has made today.

Mr. STIGLER. I thank the gentleman.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. STIGLER. I yield to the gentleman from Georgia.

Mr. PACE. I have followed the gentleman's remarks with close interest. I am certainly attracted by the sympathy he shows for those who till the soil and provide the food and fiber to feed and clothe this Nation. I am quite sure that not only the farmers of Oklahoma but the farmers of my State and of the Nation appreciate the expressions he has made this afternoon.

Mr. STIGLER. I thank the gentleman for his contribution.

Mr. SAVAGE. Mr. Speaker, will the gentleman yield?

Mr. STIGLER. I yield to the gentleman from Washington.

Mr. SAVAGE. I think the gentleman is bringing out some important points, among them that the farmers do need the income. I personally feel that the farmers for years have been the poorest paid economic group of the Nation. But in regard to wage raises, which the gentleman mentioned, and the restrictions and limitations on the prices for which the farmers sell their produce, it is my opinion that all the wage raises in the country are advantageous to the farmer, because he can get more for his produce, and he can get it because the people that have to consume it have the money to spend.

Mr. STIGLER. I agree with the gentleman.

Mr. SAVAGE. I have noticed in the past in the West that when the workers are shut down for seasonal reasons, as in the woods industry, as soon as their income is cut off the farmer begins to suffer also. I hope that the good increase that will be provided for the workers throughout the Nation will reflect itself in a benefit to the farmer as soon as these restrictions can be taken off, so that the farmer can sell his produce for what it is actually worth.

Mr. STIGLER. I thank the gentleman for his contribution.

Mr. PACE. If the gentleman will yield further, in connection with the remarks of the gentleman from Washington, I think it can be said, certainly, that the farmers of this Nation are interested, deeply interested, in the daily workers having a good income, having more than a living wage, because we realize that when the consumer has a good income it provides a market for the farm products.

Mr. STIGLER. That is correct.

Mr. PACE. As the gentleman realizes, however, we must now look forward to the day when we will drop back to a support price on farm commodities which is only 90 percent of parity. We are not fortunate in having an assured wage, as the workmen have. The thing we fear now on the farms of this Nation is the day when we will all have to fall back to 90 percent of a fair or parity price. That is the reason the gentleman from Oklahoma and I and others are so much interested in seeing that it is a fair parity of which the day is not far distant when we must accept merely 90 percent, something that I personally have never agreed to. I think the assurance should be 100 percent of parity, but under the present law we have an assurance of only 90 percent of parity.

Mr. SAVAGE. May I ask the gentleman from Georgia if the 90 percent is not a minimum? When we get back to peacetime conditions, there is nothing to prevent the farmer from selling at higher prices if there is not a surplus, is there?

Mr. PACE. There will not be after the expiration of the present ceiling-price law, but I call the gentleman's attention to the fact that from 1921 until about 2 years ago the farmers were required to accept as low as 30 percent up to 50 and 60 percent of parity. Except during the last year or two, and I think a very short period during the First World War, we have never received parity prices.

Mr. SAVAGE. The gentleman from Oklahoma pointed out, too, that some farmers have been leaving the farms. I hope that there is work for them in other industries, so that the farmers will not be too crowded and so that they can demand a fair price. I think maybe there is something to gain by the fact that there will not be quite so many farmers as there were before.

Mr. PACE. There is no one more qualified than the gentleman from Oklahoma to speak about the situation on the farms, because as one of the able members of the special committee to investigate food shortages, he has with me heard days of testimony showing that the farm boys who are coming back from the service are not returning to the farms, as the gentleman from Oklahoma knows.

Mr. STIGLER. It is very evident the farm boys are not going back to the farms now.

Mr. PACE. That is because they do not see any future on the farms.

Mr. STIGLER. The gentleman is absolutely correct.

Mr. PACE. I know the gentleman from Washington is interested, and I am sure the gentleman from Oklahoma is interested, in simply bringing about equality of treatment for those who till the soil in order that they may have the same sense of security as those who work in factories and industrial plants.

Mr. SAVAGE. That is true. I believe when the workers and farmers, who are the largest consuming groups in America, have purchasing power, then the business people and the rest of our Nation have prosperity.

Mr. PACE. That is right.

Mr. STIGLER. I am in accord, and I thank the gentleman.

EXTENSION OF REMARKS

Mr. HOBBS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article.

PUBLIC EMPLOYEES OF AUSTIN, TEX.

Mr. LYNDON B. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LYNDON B. JOHNSON. Mr. Speaker, in Austin, Tex., the largest city in my district, we have as fine a group of public employees—city, State, and Federal—as you will find in this Nation. Our city government is outstandingly successful because it is manned by people employed on merit, given the benefits of seniority, and the city government has made allowances for the increased costs of living.

The Commissioner of Internal Revenue says that the internal revenue office at Austin, under the direction of Frank Scofield, Fred Parsons, and its other executives, is without question one of the most efficiently operated in the Nation.

I personally know many of the several hundred employees of this office. They have been uniformly pleasant and helpful to the citizens of all southern Texas in their tax-collecting duties. They are willing to work nights and Sundays to keep the money flowing into our National Treasury.

There are dozens of other offices in Austin manned by the same pleasant, friendly, efficient public employees. The agricultural offices such as the Farm Security Administration, and the Commodity Credit Corporation. Civil employees who keep the wheels turning at our Army Air Transport Training Center, Bergstrom Field. The offices of the CAA, and the men with the friendly voices at the weather bureau. They function with a smile in a State where the old-timers say, "Don't blame us for the weather, this is Texas."

I could go on listing these fine employees who do the work throughout our Government. Whenever any department of the Government makes an outstanding achievement, it is the boss who gets the credit—the Cabinet member or the administrator. But the little people do the work and they, too, deserve recognition. Without them it would have been impossible to make this into the finest Nation on the face of the earth.

This bill will give to these people in Government service a little toward offsetting their bulging grocery bills. I am glad this Congress has seen fit to consider the proposal to give them this pay increase, and I hope the measure will pass by an overwhelming majority.

EXTENSION OF REMARKS

Mr. MERROW asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from George M. Putnam, president of the New Hampshire Farm Bureau Federation of Concord, and a resolution adopted by the American Farm Bureau Federation Board with respect to price control and subsidies.

Mr. HILL (at the request of Mr. FULTON) was given permission to extend his remarks in the Appendix of the

RECORD and include a statement by J. H. Leib, national legislative director of the Amvets, and a letter to Commissioner Flemming and his reply.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Indiana [Mr. LUDLOW] is recognized for 30 minutes.

OFF ON THE WRONG FOOT

Mr. LUDLOW. Mr. Speaker, "off on the wrong foot" is an ancient phrase used to describe the course of conduct of an erring individual who strays from correct principles.

Nations, as well as individuals, may "go off on the wrong foot."

In my opinion, America, in respect to the management of our foreign affairs, has been consistently "off on the wrong foot" ever since World War II ended. It has not exercised and is not exercising the supreme moral postwar leadership which was expected of us when we assumed the leadership in war and which must be exercised if the world is to be directed to the goal of permanent and enduring peace.

MAC ARTHUR AND TRUMAN

Our seeming inability to establish the rudiments of peace in this sorrow-stricken world is not due to any lack of warning as to what will happen if we fail. General MacArthur told us about that when, in accepting the surrender of Japan, he said:

> We have had our last chance. If we do not now devise some greater and more equitable system than war, Armageddon will be at our door. It must be of the spirit if we are to save the flesh.

To this I would add a quotation from an unpublished letter I received from General MacArthur a few days ago. In that letter he said:

> The maintenance of the peace is one of the world's most vital problems. Traditionally we as a people have abhorred war and sought in honor the opposite road. That road will be gained only through the inculcation into the hearts and minds of all peoples of those sacred ideals of human relationship to which we ourselves give full and unqualified allegiance.

In harmony with the words of the great commander was the stern warning of President Truman in his speech at Caruthersville, Mo., on October 7, 1945, when he said:

> We can't stand another global war. We can't even have another war unless it is a total war and that would mean the end of our civilization and we know it. We are not going to have that. We are going to accept the Golden Rule and we are going forward to meet the destiny which I think the Almighty God intended us to have, and we are going to be the leaders.

From these expressions and many others by persons in authoritative positions, which I might quote, it is apparent that our sights are high and our intentions are good, but the plain fact is that in our actions we are not living up to our intentions. As a Nation we did not get off on the right foot after the recent war ended and we are not on the right foot now.

NEW ERA CALLS FOR RADICAL CHANGES

Where is the great moral and spiritual leadership which America was expected to exercise in ushering in a blessed world of peace? If it exists, it is too feeble to make itself felt in any appreciable way.

We seem to forget that we are in a new era of the world which calls for radical changes in our philosophy and customs if we are to effect a transfer from a world of hatred and strife to a world of brotherhood, mutual understanding, and permanent peace. We insist on going ahead in the old way, piling up atomic bombs, pouring out multiplied millions for the development of inventions for mass slaughter, and planning a program for compulsory regimentation of the youth of our land, thus inciting world suspicion and stimulating another competitive race of armaments, the logical ending of all of which will be another world war. The fundamental error of our postwar foreign policy—and this I would like to stress—is that by all of these militaristic maneuvers we are doing a tremendous lot to create and foster a war psychology and we are doing practically nothing to create and foster a peace psychology. This is very, very bad. The United States ought to be setting the pace in creating a world peace psychology. We seem to be utterly oblivious of the fact that what is needed now is training for peace and not training for war; that what is needed now is peace leadership and not military leadership.

PEACE EXPEDITERS NEEDED

We have a Housing Expediter who is performing a useful function, but infinitely more important it is that we should have qualified peace expediters capable of exploring the paths of peace and bringing nations together in bonds of mutual faith and understanding. Instead of militarizing our country to the hilt through the adoption of compulsory military training and rattling the sword by piling up atomic bombs, jet-propulsion instruments, and all the inventions that connote mass destruction and death by wholesale, it would be far better if we would act on the wise suggestion of President Truman in his Caruthersville speech and do a little pioneering to see if we cannot interest other nations in a new code of mutual trust and good will, based on something akin to the Golden Rule.

THE GOLDEN RULE

If all of the nations of the earth would accept the Golden Rule as the common denominator of their international relations, wars would be over and the cherished goal of peace would at last be in sight.

What are we doing to implement the President's suggestion about accepting the Golden Rule as the basis of international relations? What are we doing to implement General MacArthur's advice that the road to peace "will be gained only through the inculcation into the hearts and minds of all peoples of those sacred ideals of human relationship to which we ourselves give full and unqualified allegiance"? The answer to both of these questions, as far as I can see, is "Nothing." On the contrary we are going on in the same old laissez faire way while the world every hour sinks deeper into the miasmis of suspicion, distrust, hatreds, and power politics, where wars are spawned. With every day that passes adding to the jeopardy of world peace, what has become of our leadership?

SHOULD OUTLAW THE ATOMIC BOMB

Take the atomic bomb, for instance. On September 5 last, soon after VJ-day, I introduced the following resolution in the Congress of the United States:

> *Resolved*, That the President of the United States, the Secretary of State, and the personal representative of the President on the United Nations Organization, Edward R. Stettinius, Jr., be, and hereby are, urged to exert their utmost efforts to secure a definite postwar agreement by the United Nations to ban the atomic bomb forever as an instrument of war.

In my opinion, that resolution, instead of being relegated to a pigeonhole of the Committee on Foreign Affairs, should have been adopted immediately. If it had been adopted the problem of the atomic bomb might have been solved by this time, with an agreement by the United Nations to lay it permanently on the shelf and never to use it as an instrument of war, while joining in a cooperative arrangement to develop atomic energy as an instrument of peace, so that all nations might enjoy its blessings in the future. Under this plan we would not give up the secret of the atomic bomb to any nation, but we would join in stopping it dead in its tracks as an instrument of human destruction. I read a newspaper article the other day stating that we have 1,300 atomic bombs manufactured and stored—enough to blow up the world.

There is no doubt in my mind that our Government went off on the wrong foot when it declined to seek an agreement among the United Nations to ban the atomic bomb as an instrument of destruction, as proposed in my resolution. Instead we have gone ahead, unwisely, I think, manufacturing bombs and piling them up until the atomic bomb has become the bête noire and focal point of irritation in a seething world of distrust and suspicion.

A GREAT LEVELER

We seem to be unmindful of the fact that the atomic bomb is a great leveler of nations and that instead of making us strong, as some people imagine, it makes us no stronger in fact than the weakest nations that can manufacture the bomb. Some little country with resources barely sufficient to fabricate 2 dozen bombs could at one surprise stroke make rubble of the leading cities of the United States and render our Nation prostrate. If we could keep the bomb a secret this might not happen, but the consensus of expert opinion is that, try as hard as we may, it will be impossible to maintain secrecy very long, all of which strengthens the argument that we should bend every effort to secure as speedily as possible an agreement among the United Nations to outlaw the bomb as an instrument of war and then keep constant watch on enemy nations to see that they do not have any opportunities to manufacture the bomb.

Such an agreement would remove the atomic bomb as a festering cause of international distrust and disturbance and

would go far toward restoring to a mutually satisfactory status the relations between the great powers in the United Nations Organization.

SHOULD ABANDON BIKINI ATOLL TEST

In that connection I think the plan for an atomic bomb test on vessels to be concentrated at the Marshall Islands should be permanently canceled and the world should be so notified. This plan is leading to international suspicion of America's peaceful intentions. It is likely to seriously handicap our efforts as a world peacemaker, and should be abandoned for that reason, to say nothing of the waste of $100,000,000 of the taxpayers' money. Hiroshima and Nagasaki tell their own awful story of the destructiveness of the atomic bomb and no further evidence on that score is necessary.

CHURCHILL'S DISSERVICE TO AMERICA

We get off on the wrong foot, I think, when we lend a receptive ear to foreign agents who come to America to beguile us into supporting proposals that are antagonistic to our traditional thinking and our American way of life. No greater disservice has been done to America within my recollection than was done by former Prime Minister Churchill at Fulton, Mo., on March 5 when he had the effrontery to propose in effect that the United States and Britain enter into a military alliance to rule the world. That proposal was an ugly exhibition of power politics and a sinister challenge to the good intentions of America which stands pledged on the altar of its faith and honor to uphold the principle of equal rights for all nations, great and small, and which has repeatedly made manifest that in the postwar world it intends to be a friend of all peoples and not the protector and supporter of any one nation. The ill-advised speech of the former prime minister, made on American soil, proposing that America and Britain join in forming a power bloc, gave our people their first intimate contact with the repulsiveness of power politics. His propaganda has filled America with suspicion and distrust, and has made the path of peace more difficult. I think our President, sitting on the same platform with Mr. Churchill, would have been applauded by 140,000,000 people if he had risen after the premier had concluded and had said:

> Our distinguished guest completely misunderstands the spirit of America. We intend to be a good neighbor to all the world, but we are not going to join any power bloc or tie ourselves to the fortunes of any foreign power.

HERE IS YOUR HAT

To foreigners who come to the United States from England or Russia or any other country to lure us from our traditional way of life and to bind us to commitments that are violative of our history and our philosophy of government we would be justified in saying: "Here is your hat. Please go home and stay there."

Churchill's bold speech should drive us closer than ever to the Constitution of the United States and should lead to a rebirth of sturdy Americanism, which is much needed at the present time. That anybody in a position of high authority in any foreign nation would have the colossal nerve to make such a suggestion shows how deeply we have become enmeshed in world complications. Surely, we are not going to guarantee the integrity of the British Empire and finance British aggression in Indonesia, India, and a dozen other parts of the world. The speech of Mr. Churchill confirms more than ever the wisdom of President Benjamin Harrison, who once said to me: "We have no commission from God to police the world."

CAN GET BACK ON RIGHT FOOT

The fact that in this beginning of the postwar era we are "off on the wrong foot" in respect to our foreign policy does not mean that we have to stay on the wrong foot or that we cannot get back on the right foot if we will only try. I would enumerate the following as some of the things we need to do to reorient America on the right side with world conditions so that she may fulfill her glorious mission as a builder of a new and better world:

First. Abandon for all time the idea of compulsory military training and regimentation which the War Department is trying to foist upon our country. It does not fit in with our free institutions. We must maintain at all times an adequate standing Army and Navy, but compulsory regimentation would never fuse with our ideas of democracy and freedom. Ours is not a goose-stepping people. If we militarize America to the *n*th degree, other countries will do likewise and the world will become converted into an armed camp. We will invite another war and will throw into the discard the San Francisco Charter, on which the hopes of humanity rest.

Second. Stop manufacturing atomic bombs and submit to the United Nations Organization a proposal that all nations shall join in placing a permanent ban on the atom bomb as an instrument of war and collaborate in developing atomic energy as an instrument of peace.

Third. Revoke completely the plans to test the atom bomb at Bikini Atoll. Its supreme destructiveness needs no further demonstration and the revoking of the test would relieve international stress and strain by reassuring other nations that America has no design to use the bomb as a means of imperialistic conquest.

CONTROL FOREIGN AGENTS

Fourth. Establish effective safeguards to prevent aliens from coming to this country to involve us in foreign entanglements or to use America as a sounding board to drum up another war.

A DEPARTMENT OF PEACE

Fifth. Enact as speedily as possible a bill I introduced on November 12, 1945, which provides:

> That there is hereby established a new department of the Government of the United States to be known as the Department of Peace and Good Will, which shall have for its purpose the activating of the forces of good will and mutual understanding throughout the world and the fostering of amity among nations.
>
> SEC. 2. The head of the new department shall be Secretary of Peace and Good Will and he shall have the same salary and official status as other members of the President's Cabinet.

With the war over and with a world of peace the central theme and hope of all mortals, and with the United States irrevocably committed to give its aid in the establishment of a peaceful world, it is evident on the very face of things that the maintenance of a full-blown Department of War and no Department of Peace is a malformation of government. We need to correct that malformation to keep pace with modern conditions.

One way to help in winning the peace is to dramatize our purpose by the establishment of a Department of Peace and Good Will. With our Nation professedly committed to the creation by earnest efforts of a new world of peaceful relations between man and man all around the earth, we have no governmental agency to implement that endeavor—not one.

FUNCTIONS OF A DEPARTMENT OF PEACE

If we want world peace, as I am sure all Americans do, we must be willing to fight for it. We need a fighting department that can bring more activity to the solution of the problem than the State Department can under its traditions and authority. We need a department that can and will reach out around the earth and propagandize for peace; a department with expert personnel and facilities to conduct research along all lines that will promote peace; a department that can and will get in touch with the moral and spiritual forces of the world; a department that can and will contact and activate and unify the forces in all lands, which alone by common purpose and united action can make the permanent peace of the world a blessed reality. We especially need a department that is capable of eliciting the active cooperation of the religious leaders of America and other nations in the solution of peace problems. If there ever was a time in the history of the world, more than any other time, that called for cooperative religious peace efforts that time is now. A militant Christianity and Judaism is essential to the prevention of war and the establishment of peace. It is a tremendous fight we are up against, but we must win it—or else Armageddon. We have seen enough of death and destruction. Let us now see some up-building of the human values. Let us begin to serve the cause of peace with our acts and not with our lips.

LIGHTS ARE GROWING DIMMER

I think that all observers who have discerning minds have noted with sinking hearts that the light that shone through the Atlantic Charter and the San Francisco Conference is becoming a little bit dimmed. Powerful influences are at work that are insidiously nullifying the San Francisco Charter. The prospect for world peace is growing dimmer and dimmer as the world loses sight of the lights on the highlands and slips back into the welter of militarism.

The quotations from General MacArthur and President Truman which I

cited at the beginning of this speech illumine the way to lasting world peace. The trouble is that we and our Government have not followed the wise advice of the two leaders as expressed in those eloquent quotations. The fate of mankind is in the balance. Time is precious. For humanity's sake let us not continue to go off on the wrong foot or stall on dead center. Let us get on the right foot.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. ANDREWS of Alabama, for an indefinite period, on account of illness in the family.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 286. An act for the relief of James F. Desmond;

S. 976. An act for the relief of the estate of Howard Francis Waldron;

S. 983. An act for the relief of A. F. Crawford;

S. 1184. An act for the relief of A. L. Clem and Ida M. Bryant;

S. 1319. An act for the relief of Mrs. Alice Condon;

S. 1411. An act for the relief of Alfred Osterhoff, doing business as Illini Reefer Transit, Champaign, Ill.

S. 1504. An act for the relief of Edith Roberta Moore;

S. 1609. An act for the relief of Catherin Gilbert;

S. 1622. An act for the relief of Gordon Cole Hart; and

S. 1627. An act for the relief of Mrs. Isabel N. Mifflin.

ADJOURNMENT

Mr. SAVAGE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 39 minutes p. m.) the House adjourned until tomorrow, Thursday, April 4, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON RIVERS AND HARBORS

Revised schedule of hearings on the omnibus rivers and harbors authorization bill to start Tuesday, April 9, 1946, at 10:30 a. m., is as follows:

(Tuesday, April 9)

Portland Harbor, Maine.
Fall River Harbor, Mass.
Wickford Harbor, R. I.
New Haven Harbor, Conn.
Bridgeport Harbor, Conn.
Stamford Harbor, Conn.
Barnegat Inlet, N. J.
Absecon Inlet, N. J.
Delaware River, Biles Creek, Pa.

(Wednesday, April 10)

Sacramento River, Calif., deep-water ship channel.

(Thursday, April 11)

Sabine River, Adams Bayou, Tex.
Sabine-Neches waterway Texas.
Trinity River below Liberty, Tex.
Mill Creek, Tex.
Aransas Pass, Intracoastal Waterway, Tex.
Brazos Island Harbor, Tex.

(Friday, April 12)

Schuylkill River, Pa.
Middle and Dark Head Creeks, Md.
Mattaponi River, Va.
Newport News Creek, Va.
Norfolk Harbor, Va.
Savannah Harbor, Ga.
St. Johns River, Fla., Jacksonville to Lake Harney.
Hollywood Harbor (Port Everglades), Fla.
Withlacoochee River, Fla.
Cleveland Harbor, Ohio.
Great Lakes connecting channels, Michigan.

(Monday, April 15)

Franklin Canal, La.
Mermentau River, La.
Lake Charles deep waterway, Louisiana.
Plaquemine and Morgan City route, Louisiana.
Red River below Fulton, La.

(Tuesday, April 16)

Cumberland River, Tenn. and Ky.
Big Sioux River, S. Dak.
Mississippi River seepage, Iowa, Minnesota, and Wisconsin.
Mississippi River at Lansing, Iowa.
Mississippi River at Wabasha, Minn.
Mississippi River at Lake Pepin, Minn.
Mississippi River at Hastings, Minn.

(Wednesday, April 17)

Fairport Harbor, Ohio.
Calumet-Sag Channel, Ind. and Ill.
Chicago River, North Branch of Illinois.
Napa River, Calif.
Coos Bay, Oreg.
Columbia River at Astoria, Oreg.
Columbia River at The Dalles, Oreg.
Columbia River, Foster Creek Dam, Wash.

(Wednesday and Thursday, May 1 and 2)

Tombigbee-Tennessee Rivers.

(Friday, May 3)

Held open for description of projects favorably recommended by the Board of Engineers for Rivers and Harbors during its April meeting.

(Monday and Tuesday, May 6 and 7)

Big Sandy River, Tug and Levisa Forks, Va., W. Va., and Ky.

(Wednesday and Thursday, May 8 and 9)

Arkansas River, Ark. and Okla.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1191. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill for the relief of Harry Burstein, M. D., Madeline Borvick, and Mrs. Clara Kaufman Truly (formerly Miss Clara M. Kaufman); to the Committee on Claims.

1192. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill restoring to tribal ownership certain undisposed of surplus lands of the Klamath River Indian Reservation, Calif.; to the Committee on Indian Affairs.

1193. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1946 in the amount of $1,610,000, for the War Department, for rivers and harbors (H. Doc. No. 523); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. COFFEE: Committee on Appropriations. H. R. 5990. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes; without amendment (Rept. No. 1867). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. PITTENGER: Committee on Claims. S. 1310. An act for the relief of Saunders Wholesale, Inc.; without amendment (Rept. No. 1843). Referred to the Committee of the Whole House.

Mr. HEDRICK: Committee on Claims. S. 1638. An act for the relief of Salvatore Carbone; without amendment (Rept. No. 1844). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 208. A bill for the relief of Marion Contracting Co.; without amendment (Rept. No. 1845). Referred to the Committee of the Whole House.

Mr. COLE of Kansas: Committee on Claims. H. R. 975. A bill for the relief of Mrs. Lula Wilson Nevers; with amendment (Rept. No. 1846). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 1538. A bill for the relief of Robert J. Cramer; with amendment (Rept. No. 1847). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 1570. A bill for the relief of Edward Pittwood; with amendment (Rept. No. 1848). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 2192. A bill for the relief of Andre Dacharry; with amendment (Rept. No. 1849). Referred to the Committee of the Whole House.

Mr. HEDRICK: Committee on Claims. H. R. 2315. A bill for the relief of Adele Nahas; without amendment (Rept. No. 1850). Referred to the Committee of the Whole House.

Mr. STIGLER: Committee on Claims. H. R. 2337. A bill for the relief of H. H. Hood; with amendment (Rept No. 1851). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on Claims. H. R. 3010. A bill for the relief of Mrs. Marie Edens Nast, Mrs. Bessie Amann, and George R. Townsend; with amendment (Rept. No. 1852). Referred to the Committee of the Whole House.

Mr. HEDRICK: Committee on Claims. H. R. 3228. A bill for the relief of Sam Dishong; without amendment (Rept No. 1853). Referred to the Committee of the Whole House.

Mr. STIGLER: Committee on Claims. H. R. 3397. A bill for the relief of Claude S. Crouse; with amendment (Rept. No. 1854). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 3556. A bill for the relief of Mr. and Mrs. Glen Rothenberger; without amendment (Rept. No. 1855). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 3702. A bill for the relief of Maurice C. Ritter; without amendment (Rept. No. 1856). Referred to the Committee of the Whole House.

Mr. FERNANDEZ: Committee on Claims. H. R. 3968. A bill for the relief of the estate of Charles W. Stewart; with amendment (Rept. No. 1857). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 3988. A bill for the relief of Decatur County in the State of Indiana; without amendment (Rept. No. 1858). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOOK: Commitee on Claims. R. H. 4016. A bill for the relief of Dorothy Morgan; without amendment (Rept. No. 1859). Referred to the Committee of the Whole House.

Mr. HOOK: Committee on Claims. H. R. 4118. A bill for the relief of Axel H. Peterson; with amendment (Rept. No. 1860). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 4373. A bill for the relief of Carl and Naomi Fitzwear; with amendment (Rept. No. 1861). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 4416. A bill for the relief of George H. Buxton, Jr.; with amendment (Rept. No. 1862). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4670. A bill for the relief of Mrs. Edna B. LeBlanc; with amendment (Rept. No. 1863). Referred to the Committee of the Whole House.

Mr. STIGLER: Committee on Claims. H. R. 4757. A bill for the relief of Mrs. Gussie Feldman; with amendment (Rept. No. 1864). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 4905. A bill for the relief of Nina E. Schmidt; with amendment (Rept. No. 1865). Referred to the Committee of the Whole House.

Mr. FERNANDEZ: Committee on Claims. H. R. 5003. A bill for the relief of Joseph MacGuffie and Eugene Rohrer; with amendment (Rept. No. 1866). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WALTER:

H. R. 5988. A bill to improve the administration of justice by prescribing fair administrative procedure; to the Committee on the Judiciary.

By Mr. BLAND:

H. R. 5989. A bill to amend the act of September 7, 1916, by providing for a hearing of claims of employees of the United States before the United States Employees' Compensation Commission; to the Committee on the Judiciary.

By Mr. COFFEE:

H. R. 5990. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes; to the Committee on Appropriations.

By Mr. COOLEY:

H. R. 5991. A bill to simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions, by transferring assets to the Farmers' Home Corporation, by enlarging the powers of the Farmers' Home Corporation, by authorizing Government insurance of loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural rehabilitation projects for resettlement purposes, and for other purposes; to the Committee on Agriculture.

By Mr. KILDAY:

H. R. 5992. A bill to amend section 500 (d) of the Servicemen's Readjustment Act of 1944, as amended; to the Committee on World War Veterans' Legislation.

By Mr. O'BRIEN of Michigan:

H. R. 5993. A bill to provide for the extension of the air-mail postal service, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mrs. SMITH of Maine:

H. Res. 582. Resolution creating a select committee of the House of Representatives to study and investigate the cost of living; to the Committee on Rules.

By Mrs. WOODHOUSE:

H. Res. 583. Resolution creating a select committee of the House of Representatives to study and investigate the cost of living; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLASON:

H. R. 5994. A bill for the relief of Maryan Cybulski; to the Committee on Immigration and Naturalization.

By Mr. GRANGER:

H. R. 5995. A bill for the relief of Oran Curry; to the Committee on Claims.

By Mr. LYLE:

H. R. 5996. A bill for the relief of John M. Stafford; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 5997. A bill for the relief of William H. Morris; to the Committee on Claims.

By Mr. MERROW:

H. R. 5998. A bill for the relief of Edward A. Weeks 3d; to the Committee on Claims.

By Mr. RAYFIEL (by request):

H. R. 5999. A bill for the relief of Ciro or James Matarazzo alias James Ricco; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1757. By Mr. GRAHAM: Petition of 126 veterans of World War II, of Beaver County, Pa., petitioning Congress to amend Public Law 346 to enable veterans of World War II to receive an allowance for unemployment benefits during strikes; to the Committee on World War Veterans' Legislation.

1758. By the SPEAKER: Petition of Rev. R. C. Brooks and others, petitioning consideration of their resolution with reference to endorsement of House bills 2229 and 2230 and Senate bills 690 and 809; to the Committee on Ways and Means.

1759. Also, petition of Augusto Sajo and others, petitioning consideration of their resolution with reference to requested postponement of Philippine independence; to the Committee on Insular Affairs.

1760. Also, petition of the National Beauty and Barber Manufacturers' Association, petitioning consideration of their resolution with reference to the proposed appropriation for the Department of Commerce; to the Committee on Appropriations.

1761. Also, petition of the National Shrimp Canners' Association petitioning consideration of their resolution with reference to request to have shrimp eliminated from price control; to the Committee on Banking and Currency.

SENATE

THURSDAY, APRIL 4, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, at whose word man goeth forth unto his work and to his labor until the evening, keep within the grasp of Thy firm hand the threads of this day's words and deeds that we may not mar the fair design of what Thou wouldst do for us and through us. In times of turmoil, may we find Thy peace, and for testing tasks set before us grant Thy empowering. So for these demanding days may the strength of each be as the strength of ten, because our hearts are pure. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. RUSSELL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, April 3, 1946, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 1840) for the relief of the Danvers Shoe Co., Inc., and it was signed by the President pro tempore.

THE NATIONAL HEALTH PROGRAM—RESOLUTIONS OF SOUTH PRAIRIE HOMEMAKERS' CLUB, MINOT, N. DAK.

Mr. LANGER. Mr. President, I ask unanimous consent to present and to have printed in the RECORD resolutions adopted by members of the South Prairie Homemakers' Club, Minot, N. Dak., favoring the enactment of legislation providing for a national health program.

There being no objection, the resolutions were received and ordered to be printed in the RECORD, as follows:

We, the members of the South Prairie Homemakers' Club, at our regular meeting assembled this 12th day of February 1946, after a lengthy discussion of health and payment for medical care, came to the following conclusions:

1. That the health of each and every person is the concern of each and every person.

2. That the cost of preventing sickness is less than the cost of curing it.

3. That the time to pay for medical care is while one is well: Therefore be it

Resolved, That we go on record as supporting the President's five-point program as outlined in his health message of November 18, 1945; be it further

Resolved, That we support the health provisions of the Wagner-Murray-Dingell bill (S. 1050; H. R. 3293) and the national health bill (S. 1606; H. R. 4730); and be it further

Resolved, That we support S. 191, and that copies of this resolution be sent to our United States Senators and Congressmen, as well as to our associate extension agent.

Mrs. NELLIE ERICKSON,
Resolutions Committee.

MINOT, N. DAK.

LOAN TO GREAT BRITAIN—LETTER FROM C. E. REDEKER

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a letter I have received from C. E. Redeker, national president of the national camp, Patriotic Order Sons of America, in which his organization goes on record as opposed to the appropriation of $4,000,000,000 to Great Britain as a war loan.

There being no objection, the letter was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

NATIONAL CAMP,
PATRIOTIC ORDER SONS OF AMERICA,
Philadelphia, Pa.

To the President of the United States and Members of the United States Senate and House of Representatives:

The national camp of the Patriotic Order Sons of America wishes to record its opposition to the appropriation proposed of $4,000,000,000 to Great Britain as a war loan.

Our organization is definitely opposed to these grants to other nations, as the United States is carrying such a tremendous burden as the result of the great war that we feel that other nations should carry their own obligations and not further involve the United States of America. We therefore urge the defeat of this proposed loan.

C. E. REDEKER,
National President.

Attest: RUSSELL L. SANDT,
National Secretary.

REPORT OF A COMMITTEE

Mr. HUFFMAN, from the Committee on Claims, to which was referred the bill (H. R. 2826) for the relief of Esther L. Berg, reported it without amendment and submitted a report (No. 1129) thereon.

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate reports for the month of March 1946, from the chairman of a certain committee, in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which were ordered to lie on the table and to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON MILITARY AFFAIRS,
SUBCOMMITTEE ON SURPLUS PROPERTY,
March 30, 1946.

Hon. KENNETH MCKELLAR,
President, United States Senate,
Washington, D. C.

DEAR MR. PRESIDENT: Pursuant to Senate Resolution 319, Seventy-eighth Congress, I am transmitting herewith a list of employees of the Surplus Property Subcommittee (S. Res. 129) of the Senate Military Affairs Committee who are not full-time employees of the Senate. Included with this list is the name and address of each such employee, the name and address of the department and agencies paying the salary of such employee, and the annual rate of compensation. In accordance with Senate Resolutions 77, 201, and 210, the department and agencies so listed will be reimbursed by the subcommittee in the amount of the salaries paid to such employees.

Respectfully yours,

JOSEPH C. O'MAHONEY,
Chairman,
Surplus Property Subcommittee.

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Kurt Borchardt	6007 34th Pl. NW., Washington, D. C.	Reconstruction Finance Corporation, Washington, D. C.	[1] $7,240
Hilda Hamilton	705 18th St. NW., Washington, D. C.	do.	2,890
Lilliam Kovars	1830 R St. NW., Washington, D. C.	Navy Department, Washington, D. C.	[2] 2,100

[1] Transferred to subcommittee pay roll on Mar. 23, 1946.
[2] Assigned to subcommittee beginning Feb. 7, 1946.

INTERSTATE COMMERCE COMMITTEE

APRIL 2, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the name of a person employed by the committee who is not a full-time employee of the Senate or of the committee for the month of March 1946, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Mrs. Alma B. Kidwell	113 Park Blvd. SE.	Federal Communications Commission	$1,800

B. K. WHEELER, *Chairman.*

CIVILIAN EMPLOYMENT OF THE EXECUTIVE BRANCH OF THE FEDERAL GOVERNMENT

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a report on civilian employment of the executive branch of the Federal Government by department and agency for the months of January and February 1946, showing increases and decreases in number of paid employees. The report was prepared by the Joint Committee on the Reduction of Nonessential Federal Expenditures.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL IN THE EXECUTIVE BRANCH, FEBRUARY 1946, AND A COMPARISON WITH JANUARY 1946

According to monthly personnel reports submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures, Federal personnel within the continental United States, excluding the War and Navy Departments, increased 28,823 from the January total of 1,106,851 to the February total of 1,135,674. The War Department inside the United States decreased 17,628 from the January figure of 763,812 to the February figure of 746,184. The Navy Department within the United States increased 4,819 from the January figure of 519,550 to the February figure of 524,369. However, this Navy Department increase compensates for an omission by the Navy Department in the January report, which would have made a decrease in February for the Navy Department of 14,663. This omission by the Navy Department compensated for in the February figures results in an adjusted increase for all establishments of 16,014 employees within the United States for the month of February. (See table 1 and footnote.)

Outside the continental United States Federal personnel decreased 41,288 from the January total of 556,734 to the February total of 515,446. Nearly all of these are industrial employees. War Department figures are reported for the months of December and January. Excluding a decrease of 42,657 in the War Department civilian personnel overseas, there would be an increase of 1,369 employees from the January figure of 120,945 to the February figure of 122,314. (See table 2.)

There has been a total decrease of 25,274 employees in the executive branch of the Federal Government, including both inside and outside the United States, during the month of February, over-all totals decreasing from the January total of 2,946,947 to the February total of 2,921,673. The decrease for the month of February is not truly representative because of the necessary adjustment in order to compensate for figures omitted by the Navy Department in its January report. (See table 3 and footnote.)

Industrial employment during the month of February decreased 49,241 from the January total of 1,224,325 to the February total of 1,175,084. This net decrease in industrial employment also is not altogether representative because of the necessary adjustment in order to compensate for figures omitted by the Navy Department in its January report. Excluding industrial employees outside the United States employed by the War Department, there was a decrease of 6,449 from the January figure of 800,011 to the February figure of 793,562. The term "industrial em-

ployees" as used by the committee refers to unskilled, semiskilled, and supervisory employees paid by the Federal Government who are working on construction projects, such as airfields, roads, munitions plants, shipyards, and arsenals. It does not include regular maintenance and custodial employees. (See table 4.)

TABLE 1.—*Federal personnel inside continental United States employed by executive agencies during February 1946, and comparison with January*

Departments or agencies	1946		In crease	De crease
	January	February		
Executive Office of the President: Bureau of the Budget	752	757	5	
Executive departments:				
Agriculture Department	85,512	86,000	488	
Commerce Department	30,452	[1] 31,955	1,503	
Interior Department	39,831	40,456	625	
Justice Department	25,017	25,015		2
Labor Department	33,533	34,081	548	
Post Office Department	452,271	462,150	9,879	
State Department	8,092	8,136	44	
Treasury Department	102,474	104,885	2,411	
National war agencies:				
Civilian Production Administration	2,431	2,443	12	
Committee on Fair Employment Practice	37	35		2
National Wage Stabilization Board	1,244	861		383
Office of Alien Property Custodian	584	598	14	
Office of Defense Transportation	226	145		81
Office of Inter-American Affairs	402	395		7
Office of Price Administration	32,209	31,911		29
Office of Scientific Research and Development	829	791		38
Office of War Mobilization and Reconversion	668	649		19
Petroleum Administration for War	117	84		33
Selective Service System	15,983	15,739		244
Smaller War Plants Corporation	1,814	[2] 0		1,814
War Shipping Administration	4,156	4,231	75	
Independent agencies:				
American Battle Monuments Commission	1	1		
Civil Aeronautics Board	401	407	6	
Civil Service Commission	4,966	4,576		390
Employees' Compensation Commission	522	522		
Export-Import Bank of Washington	88	93	5	
Federal Communications Commission	1,256	1,199		57
Federal Deposit Insurance Corporation	1,205	1,217	12	
Federal Power Commission	707	720	13	
Federal Security Agency	30,878	30,947	69	
Federal Trade Commission	487	492	5	
Federal Works Agency	21,403	21,902	499	
General Accounting Office	14,352	14,641	289	
Government Printing Office	7,262	7,322	60	
Interstate Commerce Commission	2,122	2,167	45	
Maritime Commission	7,938	7,762		176
National Advisory Committee for Aeronautics	5,584	5,476		108
National Archives	257	358	1	
National Capital Housing Authority	269	267		2
National Capital Park and Planning Commission	16	16		
National Gallery of Art	279	280	1	
National Housing Agency	14,320	14,678	358	
National Labor Relations Board	816	893	77	
National Mediation Board	100	99		1
Panama Canal	233	280	47	
Railroad Retirement Board	1,803	1,914	111	
Reconstruction Finance Corporation	31,575	35,298	3,723	
Securities and Exchange Commission	1,203	1,216	13	
Smithsonian Institution	414	416	2	
Tariff Commission	267	256		11
Tax Court of the United States	121	121		
Tennessee Valley Authority	11,596	11,529		67
Veterans' Administration	105,676	117,292	11,616	
Total, excluding War and Navy Departments	1,106,851	1,135,674	32,556	3,733
Net increase, excluding War and Navy Departments			28,823	
Navy Department	519,550	[3] 524,369	4,819	
War Department	763,812	746,184		17,628
Total, including War and Navy Departments	2,390,213	[3] 2,406,227	37,375	21,361
Net increase, including War and Navy Departments			16,014	

[1] 225 full-time equivalent-wage and piece-work employees are included for the first time.
[2] Terminated as of Jan. 28, 1946. Employees transferred to Commerce Department and Reconstruction Finance Corporation.
[3] Included in February total for Navy Department and considered an increase and 19,482 new personnel employed during January but not reported to the committee in total for that month. Had these employees been reported in January total, there would have been a net decrease in February of 14,663 for the Navy Department and 3,468 for the entire Government.

TABLE 2.—*Federal personnel outside continental United States employed by executive agencies during February 1946, and comparison with January*

Departments or agencies	1946		In crease	De crease
	January	February		
Executive departments:				
Agriculture Department	1,338	1,323		15
Commerce Department	1,922	1,913		9
Interior Department	4,467	4,301		166
Justice Department	305	307	2	
Labor Department	156	147		9
Post Office Department	1,472	1,478	6	
State Department	10,433	11,797	1,364	
Treasury Department	613	628	15	
National war agencies:				
Civilian Production Administration	4	4		
National Wage Stabilization Board	9	2		7
Office of Alien Property Custodian	40	39		1
Office of Inter-American Affairs	214	224	10	
Office of Price Administration	430	424		6
Office of Scientific Research and Development	5	3		2
Selective Service System	347	328		19
War Shipping Administration	821	754		67
Independent agencies:				
American Battle Monuments Commission	37	37		
Civil Aeronautics Board	11	10		1
Civil Service Commission	6	5		1
Employees' Compensation Commission	27	39	12	
Export-Import Bank of Washington	2	2		
Federal Communications Commission	52	53	1	
Federal Deposit Insurance Corporation	2	2		
Federal Security Agency	586	461		125
Federal Works Agency	282	282		
Maritime Commission	18	18		
National Housing Agency	32	32		
National Labor Relations Board	3	3		
Panama Canal	29,324	28,596		728
Reconstruction Finance Corporation	278	235		43
Smithsonian Institution	8	8		
Veterans' Administration	257	372	115	
Total, excluding War and Navy Departments	53,501	53,827	1,525	1,199
Net decrease, excluding War and Navy Departments			326	
Navy Department	[1] 67,444	68,487	1,043	
War Department	[2] 435,789	[3] 393,132		42,657
Total, including War and Navy Departments	556,734	515,446	2,568	43,856
Net decrease, including War and Navy Departments			41,288	

[1] Included in January figure are 19,482 new personnel employed during January. These employees were not included in over-all total for month reported to committee, though included in figure reported for employees outside United States.
[2] Employees stationed outside the continental United States as of Dec. 31, 1945.
[3] Employees stationed outside the continental United States as of Jan. 31, 1946.

TABLE 3.—*Consolidated table of Federal personnel inside and outside continental United States employed by executive agencies during February 1946, and comparison with January*

Departments or agencies	1946		In crease	De crease
	January	February		
Executive Office of the President: Bureau of the Budget	752	757	5	

Footnotes at end of table.

TABLE 3.—*Consolidated table of Federal personnel inside and outside continental United States employed by executive agencies during February 1946, and comparison with January*—Continued

Departments or agencies	1946		Increase	Decrease
	January	February		
Executive departments:				
Agriculture Department	86,850	87,323	473	------
Commerce Department	32,374	[1] 33,868	1,494	------
Interior Department	44,298	44,757	459	------
Justice Department	25,322	25,322	------	------
Labor Department	33,689	34,228	539	------
Post Office Department	453,743	463,628	9,885	------
State Department	18,525	19,933	1,408	------
Treasury Department	103,087	105,513	2,426	------
National war agencies:				
Civilian Production Administration	2,435	2,447	12	------
Committee on Fair Employment Practice	37	35	------	2
National Wage Stabilization Board	1,253	863	------	390
Office of Alien Property Custodian	624	637	13	------
Office of Defense Transportation	226	145	------	81
Office of Inter-American Affairs	616	619	3	------
Office of Price Administration	32,639	32,335	------	304
Office of Scientific Research and Development	834	794	------	40
Office of War Mobilization and Reconversion	668	649	------	19
Petroleum Administration for War	117	84	------	33
Selective Service System	16,330	16,067	------	263
Smaller War Plants Corporation	1,814	[2] 0	------	1,814
War Shipping Administration	4,977	4,985	8	------
Independent agencies:				
American Battle Monuments Commission	38	38	------	------
Civil Aeronautics Board	412	417	5	------
Civil Service Commission	4,972	4,581	------	391
Employees' Compensation Commission	549	561	12	------
Export-Import Bank of Washington	90	95	5	------
Federal Communications Commission	1,308	1,252	------	56
Federal Deposit Insurance Corporation	1,207	1,219	12	------
Federal Power Commission	707	720	13	------
Federal Security Agency	31,464	31,408	------	56
Federal Trade Commission	487	492	5	------
Federal Works Agency	21,685	22,184	499	------
General Accounting Office	14,352	14,641	289	------
Government Printing Office	7,262	7,322	60	------
Interstate Commerce Commission	2,122	2,167	45	------
Maritime Commission	7,956	7,780	------	176
National Advisory Committee for Aeronautics	5,584	5,476	------	108
National Archives	357	358	1	------
National Capital Housing Authority	269	267	------	2
National Capital Park and Planning Commission	16	16	------	------
National Gallery of Art	279	280	1	------
National Housing Agency	14,352	14,710	358	------
National Labor Relations Board	819	896	77	------
National Mediation Board	100	99	------	1
Independent agencies—Continued				
Panama Canal	29,557	28,876	------	681
Railroad Retirement Board	1,803	1,914	111	------
Reconstruction Finance Corporation	31,853	35,533	3,680	------
Securities and Exchange Commission	1,203	1,216	13	------
Smithsonian Institution	422	424	2	------
Tariff Commission	267	256	------	11
Tax Court of the United States	121	121	------	------
Tennessee Valley Authority	11,596	11,529	------	67
Veterans' Administration	105,933	117,664	11,731	------
Total, excluding War and Navy Departments	1,160,352	1,189,501	33,644	4,495
Net increase, excluding War and Navy Departments	----------	----------	29,149	
Navy Department, inside and outside United States	586,994	[3] 592,856	5,862	------
War Department, inside and outside continental United States	763,812	746,184	------	17,628
War Department, outside continental United States	[4] 435,789	[5] 393,132	------	42,657
Total, including War and Navy Departments	2,946,947	2,921,673	39,506	64,780
Net decrease, including War and Navy Departments	----------	----------	25,274	

[1] 225 full-time equivalent-wage and piecework employees are included for the first time.

[2] Terminated as of Jan. 28, 1946. Employees transferred to Commerce Department and Reconstruction Finance Corporation.

[3] Included in February total for Navy Department and considered an increase are 19,482 new personnel employed during January but not reported to the committee in total for that month. Had these employees been reported in January total there would have been a net decrease in February of 13,620 for the Navy Department and 44,756 for the entire Government.

[4] Employees stationed outside the continental United States as of Dec. 31, 1945.

[5] Employees stationed outside the continental United States as of Jan. 31, 1946.

TABLE 4.—*Industrial employees*[1] *of Federal Government, inside and outside the continental United States, employed by executive agencies during February 1946, and comparison with January*

[These employees are included in above tables]

Departments or agencies	January	February	Increase	Decrease
Executive Departments:				
Commerce Department	915	887	------	28
Interior Department	3,758	4,182	424	------
State Department	183	193	10	------
Treasury Department	7,381	7,178	----	203
Independent agencies:				
National Housing Agency	565	756	191	------
Panama Canal	3,059	2,969	------	90
Tennessee Valley Authority	5,221	5,073	------	148
Total, excluding War and Navy Departments	21,082	21,238	625	469

Footnotes at end of table.

TABLE 4.—*Industrial employees*[1] *of Federal Government, inside and outside the continental United States, employed by executive agencies during February 1946, and comparison with January*—Continued

[These employees are included in above tables]

Departments or agencies	January	February	Increase	Decrease
Net decrease, excluding War and Navy Departments	----------	----------	156	
Navy Department, inside and outside United States	422,116	[2] 425,682	3,566	------
War Department, inside continental United States	[3] 356,813	[4] 346,642	------	10,171
War Department, outside continental United States	[5] 424,314	[6] 381,522	------	42,792
Total, including War and Navy Departments	1,224,325	1,175,084	4,191	53,432
Net decrease, including War and Navy Departments	----------	----------	49,241	

[1] Industrial employees include unskilled, semiskilled, skilled, and supervisory employees on construction projects. Maintenance and custodial workers are not included.

[2] Included in February total and considered as an increase are 19,482 Navy personnel employed outside United States during January but not reported to the committee in total for that month. Had these employees been reported in January total there would have been a decrease in Navy Department industrial personnel in February of 15,916 and 68,723 for the entire Government.

[3] Figures as of Jan. 31, 1946.

[4] Figures as of Feb. 28, 1946.

[5] Figures as of Dec. 31, 1945.

[6] Figures as of Jan. 31, 1946.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUSHFIELD:

S. 2021. A bill authorizing the issuance of a patent in fee to Charlie Logan Ghost Bear; to the Committee on Indian Affairs.

(Mr. HATCH introducted Senate bill 2022, to give veterans first priority in the sale or transfer of surplus property under the Surplus Property Act of 1944, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

(Mr. TYDINGS introduced Senate bill 2023, to provide emergency relief for victims of the seismic waves which struck the Territory of Hawaii, which was referred to the Committee on Territories and Insular Affairs, and appears under a separate heading.)

By Mr. YOUNG:

S. 2024. A bill for the relief of Paul Kastner; to the Committee on Claims.

S. 2025. A bill authorizing the retention by members of State guard units of uniforms issued to them by the Secretary of War pursuant to section 61 (b) of the National Defense Act; to the Committee on Military Affairs.

(Mr. FERGUSON introduced Senate bill 2026, to amend the Reconstruction Finance Corporation Act to provide for the return of premiums on war-damage insurance, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. ELLENDER (by request):

S. 2027. A bill for the relief of certain members of the Yakutat Cooperative Market; to the Committee on Claims.

(Mr. WAGNER introduced Senate bill 2028, to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, which was referred to the Committee

on Banking and Currency, and appears under a separate heading.)

By Mr. HATCH (by request):

S. 2029. A bill to authorize the Director of the United States Geological Survey to produce and sell copies of aerial or other photographs and mosaics, and photographic or photostatic reproductions of records, on a reimbursement of appropriations basis; to the Committee on Public Lands and Surveys.

By Mr. BYRD:

S. J. Res. 152. Joint resolution to provide for the maintenance for public use of certain highways in the Shenandoah National Park; to the Committee on Public Lands and Surveys.

RELIEF FOR PEOPLE OF HAWAII

Mr. TYDINGS. Mr. President, we all know that in Hawaii, as a result of the recent tidal waves the death loss is pretty close to 100. Many scores have been injured. The devastation of property is unbelievable. I am informed that there is great damage to harbors, docks, and private property as well. I am now introducing a bill to help the Hawaiian people in this emergency, and as we get further facts we can ascertain to what further extent, if at all, we should help them. I think we should help them substantially.

I am introducing the bill today because Mr. FARRINGTON, who represents Hawaii in the House, has introduced a companion bill, and if we find that it is desirable to pass this bill I wanted to save every possible minute.

Mr. President, I ask unanimous consent to introduce the bill, and to have it appropriately referred.

There being no objection, the bill (S. 2023) to provide emergency relief for victims of the seismic waves which struck the Territory of Hawaii, was received, read twice by its title, and referred to the Committee on Territories and Insular Affairs.

RETURN OF PREMIUMS ON WAR-DAMAGE INSURANCE

Mr. FERGUSON. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to amend the Reconstruction Finance Corporation Act so as to provide for the return of premiums on war-damage insurance.

The War Damage Corporation was authorized by Congress to operate under the Reconstruction Finance Corporation, immediately after the Pearl Harbor attack, to insure American property against damage by enemy attack or by United States forces resisting the enemy. American property owners took advantake of that insurance; and at the close of business on February 28, 1946, the War Damage Corporation had written more than 8,700,000 policies and renewals during its existence. The Corporation has collected in premiums, less returned premiums, an aggregate amount of $246,044,867.36. The losses paid by the Corporation for losses sustained prior to inception of the program were negligible, while payments made for losses under the policy program were $78,063.99.

My proposal calls for the War Damage Corporation to refund to each property owner who was insured under the program the excess of premiums, interest, and other profits and income received by it with respect to policies issued by such Corporation, above the losses and expenses incurred by it with respect to such policies of insurance.

There being no objection, the bill (S. 2026) to amend the Reconstruction Finance Corporation Act to provide for the return of premiums on war-damage insurance, was received, read twice by its title, and referred to the Committee on Banking and Currency.

AMENDMENT OF EMERGENCY PRICE CONTROL ACT OF 1942, AS AMENDED, AND THE STABILIZATION ACT OF 1942, AS AMENDED

Mr. WAGNER. Mr. President, I ask unanimous consent to introduce a bill, for appropriate reference, to amend the Emergency Price Control Act of 1942 and the Stabilization Act of 1942. The amendment would strike out "June 30, 1946" and insert "June 30, 1947" in the so-called Price Control Act and the Stabilization Act.

The original legislation was considered by the Committee on Banking and Currency. I assume that this bill will also be referred to the Committee on Banking and Currency. I should like to announce that a week from Monday we shall begin hearings on the OPA.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New York?

There being no objection, the bill (S. 2028) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. WHERRY. What does the amendment propose to do?

Mr. WAGNER. I am introducing a bill.

Mr. WHERRY. As I understand, the purpose of the bill is to extend the act for a year.

Mr. WAGNER. Yes.

Mr. WHERRY. I thank the Senator.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENT

Mr. MURRAY submitted an amendment intended to be proposed by him to the amendment intended to be proposed by Mr. ELLENDER (for himself and Mr. BALL) to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. CORDON submitted an amendment intended to be proposed by him to the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF BANKRUPTCY ACT OF 1898—AMENDMENTS

Mr. OVERTON submitted amendments intended to be proposed by him to the bill (H. R. 4160) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which were ordered to lie on the table and to be printed.

ADMINISTRATION AND LIQUIDATION OF FEDERAL REHABILITATION PROJECTS

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 704) to authorize the Secretary of Agriculture to continue administraton of and ultimately liquidate Federal rural rehabilitation projects, and for other purposes, which was, to strike out all after the enacting clause and insert:

That, notwithstanding any other provision of law, the Secretary of Agriculture, in order to assure the maximum preferential disposition to veterans of the present war and present project occupants who have existing contracts to purchase, is hereby authorized and directed to dispose of lands hereinafter described as expeditiously as possible, not to exceed 3 years from the date of termination of the present war, such of the lands (improved and unimproved) comprising or incident to those resettlement projects and rural rehabilitation projects for resettlement purposes, and other like enterprises, including lands in the so-called water conservation and utility projects, heretofore initiated for similar purposes and financed, in whole or in part, with funds made available to the Secretary, War Food Administrator, Farm Security Administration, Resettlement Administration, or Federal Emergency Relief Administration, as he determines are suitable for ultimate disposition in economic farm units. Nothing contained herein shall be deemed to authorize retardation of the expeditious liquidation of other land or property comprising such projects insofar as is deemed practicable by the Secretary consistent with the purpose of this act.

SEC. 2. The Secretary shall sell or cause to be sold, from time to time, units not to exceed 640 acres in any one sale, those of such lands as are suitable for disposition in economic farm units at the earning-capacity value as determined by him and otherwise on such terms as he may deem advisable, to veterans, as defined in the Surplus Property Act of 1944 (Public Law 457, 78th Cong.), and to present occupants of such lands who have existing contracts to purchase and who meet the requirements of eligibility specified in title I of the Bankhead-Jones Farm Tenant Act (7 U. S. C. 1000–1006), as amended.

SEC. 3. There is hereby authorized to be appropriated such amounts as may be necessary to carry out the purposes of this act, including and making betterments and improvements deemed necessary to accomplish the purposes of this act: *Provided*, That no expenditures shall be made for improvements on any farm unit in excess of one-third of the earning capacity value.

SEC. 4. Any conveyance by the Government of title to land under this act shall convey all of the right, title, and interest of the Government in and to such land, including all mineral rights.

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. THOMAS of Oklahoma, Mr. BILBO, Mr. HOEY, Mr. AIKEN, and Mr. BUSHFIELD conferees on the part of the Senate.

SETH S. BARKER, TYPICAL IOWAN—ARTICLE BY RAY JOSEPHS

Mr. WILSON. Mr. President, Iowa is a great agricultural State, properly referred to as the Queen of the Midland States. It is the empire of abundance; the State of the tall corn. It is the promised land with the promise fulfilled. Nicknamed the "Hawkeye State," it could be appropriately called the "reliable State." It is a State having so many firsts that it is difficult to say which comes first. It is a State where candor, honesty, and brotherly love are a part and parcel of everyday life.

We are busy producing foods, yet our people do not overlook the finer things of life, nor their obligations to the world at large.

Mr. Ray Josephs, writer for the Washington Sunday Star, under date of March 31, 1946, selected Seth Barker, of Ottumwa, a typical Iowan, as one who believes in doing things to help people enjoy life. I ask, Mr. President, that the article by Mr. Josephs be printed in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THIS CORNFIELD INDUSTRIALIST INVENTS GADGETS TO HELP PEOPLE ENJOY LIFE—THEY PAY OFF, TOO

Unless you live out on a farm somewhere around Ottumwa, a pleasant little tall-corn town in southern Iowa, chances are you've never heard of Seth S. Barker.

But down in Melbourne not long ago when the Australian Government wanted to inaugurate a vast program of agricultural diversification, the first thing they did was to send a man 15,000 miles to Barker's. Authorities in Uruguay followed suit. So have officials in many States and Washington.

For Seth Barker has built a world-wide reputation, a $500,000 small-town business, and won the affection of his home town simply from figuring how to "tinker up" farmer-boy ideas that will help other people.

BUILDS ARTIFICIAL LAKES

Take Dream Lake, for instance. A few years ago it was just a big rolling tract of wild acreage on Chicago-bound Highway 63. Seth liked the looks of the place, bought it for a couple of thousand dollars. Then he hired some big yellow bulldozers to scoop, shovel, and tinker him a lake according to a plan he'd sketched out on an old manila envelope. Now his new home is under construction on the lake shore.

He's built three other artificial lakes the same way. None of them have any strictly practical purpose. But lots of folks in that part of Iowa swim in them, fish in them (for pike Seth helped stock), shoot game around them, and just enjoy looking at them.

Seth simply likes lakes and thought they'd be fun for himself and his neighbors. Such, if anyone were to define it, has been Seth's whole philosophy in life since he was a boy growing up on the rolling farmlands of his native Iowa. That it has paid financial dividends is pleasant, but hardly Seth's first consideration. The pleasure it's given others has been the important thing.

IDEA GREW FROM TINKERING

Seth had tried undertaking, drugstore clerking, furniture selling, and half a dozen other jobs, none too successfully, when 20 years ago, at 37, he got his first big profitable idea while tinkering with a portable welding set in his home-made machine shop.

He'd watched farmers haul big, heavy wooden crates of chickens into town, unload, and then cart the bulky things back with general-store purchases piled on top. It was hard work and left little time for fun.

Why not collapsible coops of welded wire, he thought. Knock 'em down, and carry them back flat, leaving plenty of space for other things. To patent it, make it and sell it, however, wasn't easy. Seth had little cash. No collateral a bank would accept. No manufacturing experience. But he had the same reputation for doing things for people he has now. He went to see the chamber of commerce in Ottumwa and told them about his idea. They decided to stake him.

Today Barker's coops are sold all over the world. So are his agricultural machines; incubator tanks; heaters; dairy, ice cream and creamery equipment—devices he's invented and manufactured to produce more food at less cost and give people more time for enjoyment. It's not a big business as American businesses go, but Seth wants it that way.

He says: "If I tell the boys to knock off for the afternoon, I don't have to worry what the stockholders might say."

For one of his most important devices,—a belt-line system of processing poultry—Seth credits some farm boys who share his passion for tinkering. Remembering how the hated chicken-preparing job had taken half his playtime in chore days, he hired a group of mechanically-minded young assistants "just to fool around and see what they could work out."

The result was a conveyor. The chicken comes in one end, is killed, bled, plucked clean (they dip it in hot paraffin, then break the hardened wax and feathers off) and everything is automatic.

It was this invention which interested Australia, Uruguay, several other governments and which helped Seth build up his industry in a cornfield to one of the most flourishing small businesses in the United States. They'd heard how, thanks to the processor and other Barker equipment, the price of chicken had gone down and down. And how in many areas of the United States large-scale poultry raising had been developed by thousands of small farmers. Without charge Seth sent trained men abroad to help them get started—and as a result got more orders than he could handle.

RANG BELLS FOR FUNDS

A hundred men in Ottumwa, another foundry in Centerville, and a third one in Bloomfield, Davis County seat, manufacturing a catalog full of items, hardly seem to fill more than a part of Seth's time. He took over the presidency of Ottumwa's Community Chest and then, typically, volunteered for extra duty—acting as a doorbell-ringing solicitor.

Whenever the extension service specialists over at Iowa State College at Ames want to try something new and unprecedented, they call on Seth. Recently they were experimenting with pecans, ordinarily grown only in warm climates. They were pooh-poohed when it was suggested that Iowa, where temperatures range from 20 below zero to 100 or more above, might grow them.

"More good ideas die because people are afraid to be laughed at for trying them than for lack of merit," Seth remarked. He provided a site offering every condition the experimenters wanted, rang up friends who had the needed supplies and put the effort in business. It may work or it may not; Seth won't make money either way. But if it does, no one in Iowa will be prouder or less willing to take a share of the credit.

Unostentatious, shoes unshined, a tremendous reader. Seth hates making speeches or any sign of show. But his warmth and kindliness show themselves in a hundred ways. Sometimes it's big things and often little things like the pole for the kids on North Elm Street. A couple of them had looked everywhere for a 13-foot wooden post so they could form basketball teams. War shortages had made them as scarce as hen's teeth. So they dropped around to see Seth and asked him to keep them in mind if one came in.

Two days later a truck drove up, a crew of Seth's men on board. They had a pole, not wood, but metal welded in Seth's plant. The crew not only set it up but measured the court and stayed around to give the youngsters a little coaching. Seth asked only one favor in return—that nobody be told he had anything to do with it.

Often, seeing his little good turns give people pleasure leads them to bigger ones. The Y needed guards for lights on the volley-ball courts. They couldn't be bought. Seth had them made at one of his plants, gave them to the Y with the usual pledge of anonymity. Then they invited him to see them in operation. Seth didn't stop there. He asked to look over the rest of the place.

At the end of a long evening a group of films of various Y camps was shown. "Where's the Ottumwa camp?" Seth asked. They admitted they didn't have one.

GAVE "Y" IDEAL CAMP SPOT

Not long afterwards Barker drove around to the "Y." "Like to take you for a little automobile ride," he told the secretary and some of the boys. Six miles below Ottumwa they got out of the car, clambered up a steep deposit of jagged rock, where Seth pointed out a magnificent vista of the Des Moines River Valley.

This, Seth related, was once Chief Wapello's territory. Such a site would be an ideal camp spot, and it was the "Y's" for the taking, with only one string attached: Would they mind if Seth built a lake there? By putting a dam just a little over to the east he'd be able to make one with 32 acres of wonderful water. Meanwhile, he'd lend them a land strip to enable them to get down to the river while the camp was being developed.

In Ottumwa recently there was hardly a man, woman, or child I spoke to who didn't have some such story to tell, and each story was unknown to most of the others.

I learned, too, how, although he's never had scientific training, Seth's patents fill cabinets. Unlike some self-taught inventors, however, Seth believes education helps. He's quietly given more scholarships to lads who've shown talent than many a fancy professional endowment.

Because he feels many of his inventions are the result of joint efforts, employees share in the profits. Seth has helped a number of them to start businesses of their own, some in direct competition, some subcontracting. Doesn't hurt if they go after his customers, he feels; it may make his own efforts better.

HELPED PRODUCE MORE POULTRY

Despite limelight ducking, which is almost an obsession, Seth's interest in doing practical things for people has got him calls from places which have never heard of Ottumwa. When the War Production Board wanted a man who could help the country produce more poultry, they called Seth. They knew that among other things he'd invented a special feeding battery that has enabled hundreds of thousands of suburbanites to raise their own chickens right in the cellar; one of the reasons poultry was never rationed during the war.

And although all kinds of famed names were suggested when Gov. B. B. Hickenlooper wanted to create an Iowa Development Commission which would bring his State's postwar industrial and agricultural plans down to earth, Seth was given the all-work-and-no-pay assignment.

"Nobody will let him down," the Governor said, "because he's never let them down. Seth gets too much out of life for that."

DECORATION BY ECUADOR OF REV. DR. JOSEPH F. THORNING

[Mr. TYDINGS asked and obtained leave to have printed in the RECORD articles from the Washington Star of March 29, 1946, and the New York Times of February 25 and 28, 1946, dealing with the decoration by Ecuador of the Reverend Dr. Joseph F. Thorning, which appear in the Appendix.]

REORGANIZATION OF CONGRESS—EDITORIAL FROM ARKANSAS DEMOCRAT

[Mr. FULBRIGHT asked and obtained leave to have printed in the RECORD an editorial entitled "Archaic Government," published in the Arkansas Democrat of March 16, 1946, which appears in the Appendix.]

THE PROPOSED ST. LAWRENCE SEAWAY—ARTICLES FROM THE CHICAGO SUN

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article entitled "World's No. 1 Power Plant Would Be Extra Benefit in Waterway Development," from the Chicago Sun of March 26, 1946, and an article entitled "Army Relies on Waterway to Strengthen Defense of Nation in Wartime," from the Chicago Sun of March 28, 1946, which appear in the Appendix.]

CONSERVATISM IN THE SOUTH—ARTICLE BY JOHN TEMPLE GRAVES

[Mr. BANKHEAD asked and obtained leave to have printed in the RECORD an article by John Temple Graves, published in his column, This Afternoon, in the Birmingham Post of April 1, which appears in the Appendix.]

PETITION OF EXECUTIVE COMMITTEE OF THE RHODE ISLAND BRANCH OF THE CIO

[Mr. GREEN asked and obtained leave to have printed in the RECORD a petition by the executive committee of the Rhode Island branch of the Congress of Industrial Organizations, which appears in the Appendix.]

VETERANS' PREFERENCE IN SALES OF SURPLUS PROPERTY

Mr. RUSSELL. Mr. President, I suggest the absence of a quorum.

Mr. HATCH. Mr. President, will the Senator withhold the suggestion for a moment?

Mr. RUSSELL. Very well; I withhold it.

Mr. HATCH. I will say to the Senator that before the roll is called there are a few remarks I desire to make and it is not necessary at all to have a quorum present. The remarks, though, Mr. President, do relate to a subject which I consider to be of vast importance.

Yesterday I picked up an evening newspaper and read the news account of the sale of surplus property held in Baltimore. The story begins in this way:

> Hundreds of disappointed veterans from all parts of the country turned homeward today after getting one of the worst run-arounds yet administered by a surplus-property agency.
>
> The veterans, some with only a few dollars in their pockets, had come to Baltimore to buy photographic equipment. All carried veterans' priorities. All had received lavish announcements that the goods they needed to set themselves up in business would be available.

I shall not read all this news story, but I ask now that the entire story be incorporated in the RECORD at this point, as a part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(The entire article is as follows:)

[From the Washington Daily News of Wednesday, April 3, 1946]

ANOTHER SURPLUS SALE PROVES DUD

(By Roger Stuart)

BALTIMORE, April 3.—Hundreds of disappointed veterans from all parts of the country turned homeward today after getting one of the worst run-arounds yet administered by a surplus property agency.

The veterans, some with only a few dollars in their pockets, had come to Baltimore to buy photographic equipment. All carried veterans' priorities. All had received lavish announcements that the goods they needed to set themselves up in business would be available.

The sale had been ballyhooed by War Assets Administration, the disposal agency, as a "colossal" event.

Nearly $1,000,000 worth of goods was listed. What the veterans found were virtually empty display tables showing a few odds and ends of equipment. Most of it was obsolete, some of it out of repair.

The notice of sale, which had lured more than 700 veterans to Baltimore, had promised cameras, lenses, projectors, printers, trays, enlarging boards.

Among the would-be buyers were a couple of young men from New York, who had hitchhiked all night to get here in time for the sale. There were others who had flown from Chicago, driven from Pittsburgh, Washington, Los Angeles, Detroit, Philadelphia, and Atlanta. Some said they had borrowed money to make the trip.

"It's the same old run-around," complained Fred B. Sheldon, of Dallas, Tex., youthful wholesale jobber, who appeared with certified checks totaling $35,000. Mr. Sheldon surveyed the empty display tables, shook his head, and remarked that he "might be able to find $150 worth of usable stuff."

"I was told by the Atlanta War Assets office that I'd get fixed up just fine if I came to Baltimore," said Robert L. Strickland, of Atlanta. He wants to start a commercial studio.

"Well," he added, "I'm getting fixed up all right! There isn't $100 worth of stuff that's fit to buy."

David Powell and Bernard Cooper, both of Brooklyn, drove all night to get here in time for the opening. "But 90 percent of the advertised equipment is gone," said Mr. Powell.

L. B. Souder, War Assets district manager in charge of the sale, said he had "no apology to offer." Priority groups, including Federal, State, and municipal agencies, Mr. Souder said, had gobbled up most of the equipment last week.

The photographic goods were offered to the priority groups first. The sale for veterans was scheduled to run 3 days this week, ending tomorrow. Dealers were promised an opportunity to buy what is left next week.

Mr. HATCH. In substance the story is one that is not new. The same thing that happened in Baltimore has happened and is happening all over the country. Agencies charged with the disposal of surplus property today send out lavish announcements and advertisements that sales will be held. Veterans, relying upon the act of Congress that they were accorded a preference to buy of these surplus commodities, have gone to practically every city in the United States under circumstances similar to what occurred in Baltimore yesterday, and when they arrived they found—goods? Not at all; they found that agencies of the Federal Government or of State and municipal governments which have been given first priorities had obtained the goods which they expected to buy, or, at least, to have an opportunity to inspect and try to purchase.

Mr. President, when the Congress passed the act according to veterans the preference which is therein contained, the Congress intended that that should be effective legislation and that the veterans should actually receive a preference; but the way it is working out veterans are not getting a preference and are not getting the goods.

I have heard many stories from veterans of my own State, and of other States, relating almost unbelievable circumstances involved in these sales. I have found very few veterans have ever been able to obtain any of the surplus commodities. In short, the legislation which Congress enacted giving the preference is totally ineffective, and the veterans are being deprived of the preference Congress intended to give them. I do not attempt to fix the blame or responsibility upon the administrative agencies now, although I think that by very simple procedures such instances as occurred at Baltimore yesterday could be avoided. They should not occur. More than a million dollars' worth of goods are advertised, and when the veterans arrive, they are told, "Why, those were sold more than a week ago."

I know Government agencies are burdened with work in connection with the sale of these surplus goods, but I cannot for the life of me understand why an agency cannot first permit those having first preference, the Government and State and municipal agencies, to make their selections, if they are to have selections first, and then readvertise to the veterans what is actually left for sale. Why hold out to them a promise which cannot be fulfilled? It is wrong.

Mr. President, it is not sufficient for me as a Member of the Congress to stand here and criticize an executive agency; it is not sufficient for any Member of the Congress simply to find fault and to point out how the will of Congress is being defeated, as is being done in the disposal of surplus commodities. Our job is to legislate, and if the laws we enact are not serving the purpose we seek to achieve, then it is our duty to correct and amend those laws and to see that the purpose we intend is carried out.

The Congress has not been unmindful of this situation. At this time appropriate committees of both House and Senate are considering it. I understand legislation is now pending in the House, and I know of at least two bills pending before the appropriate committee in the Senate. One was introduced in January by my colleague the junior Senator from New Mexico [Mr. CHAVEZ], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from South Carolina [Mr. MAYBANK]. In that bill they propose to broaden the scope, raise the rank of the veterans' preference provided for in the Surplus Property Act, and give veterans the second choice.

This proposal would make their privilege subject only to that of the Federal Government itself, as I have read it. It provides that veterans shall be given

priority over all other disposals of property provided for in this act, except transfers to Government agencies under section 12.

Mr. President, that is an effort, and is a step, toward correcting the situation about which I complain, and I compliment the Senator from South Carolina [Mr. MAYBANK], who is coming into the Chamber at this time, and his associates who introduced the measure giving the veterans priority next to the Federal Government agencies.

That amendment, however, in my opinion, does not suffice. I do not see why a Government agency should have preference over the veterans. We all know that throughout all the war years, when these men were fighting, when they had priorities and preference in running the risk of death, the Government agencies were getting all the commodities and goods they wanted, and I do not see why, now, they should be given preference over the veterans who have been fortunate enough to return home safely. So I think the amendment proposed by the Senators I have named does not reach the point.

Again, other Senators, in March, just recently, introduced another amendment to the law striking at the same thing. This time it was the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from South Carolina [Mr. MAYBANK]. This provision is also to broaden the scope of the veterans' preference, and authorizes the setting aside by the Administrator, "to be made available, for such period or periods of time as he may determine, appropriate quantities of surplus property suitable for exclusive disposal to veterans."

Mr. President, I certainly favor giving exclusive preference to veterans in the disposal of certain surplus commodities, but I greatly fear if that amendment to the law were enacted, and the Administrator were given authority to set aside certain quantities, it would so confuse the already confused agency that I think perhaps the result would be another change in the name of what I believe is now the War Assets Administration, and was the Surplus Property Administration before that, and something else before that. I am frank to say, and I mean it, I think that is exactly what would happen if this amendment to the law should be adopted. We would have another change in the name, and the Administrator would become so confused no good could come from the provision.

Mr. FERGUSON. Mr. President, will the Senator from New Mexico yield?

Mr. HATCH. I yield.

Mr. FERGUSON. I agree wholeheartedly with the Senator's idea that veterans should have this preference, but I am wondering whether or not it has not been the administration of the act that has caused the trouble for the veterans.

Mr. HATCH. Probably the Senator did not hear my opening remarks, in which I said that I thought much of the trouble was due to defective and inefficient administration; and that, I think, is rather a mild description of the situation.

Mr. FERGUSON. From what little we have found out in the Mead committee on this question, I think it is a very mild description.

Mr. HATCH. I am speaking particularly about the sale that occurred at Baltimore, or did not occur, yesterday, and about which the Senator read in the newspapers, which to my mind presented a most disgraceful spectacle.

Mr. President, I was proceeding to say that the Senators who have made this proposal are to be complimented and congratulated for trying to do something about the situation, but I do not think what they have proposed will reach the trouble. I think again we will have confused administration. I believe that every Member of Congress had in mind that the veteran actually should have a preference by which he could acquire some of the surplus commodities.

Mr. MAYBANK. Mr. President, will the Senator from New Mexico yield?

Mr. HATCH. I am delighted to yield, because I know the Senator from South Carolina has given a great deal of thought and study to this subject. I shall be glad to have his comments, and therefore I am glad to yield.

Mr. MAYBANK. I wish to say to my distinguished friend from New Mexico that yesterday afternoon the bill which was originally introduced was changed by the Surplus Property Subcommittee, of the Committee on Military Affairs, so as to require the War Assets Administration to set aside, for the exclusive use of veterans only, certain categories of surplus goods.

Mr. HATCH. Is that the amendment to the law to which I referred?

Mr. MAYBANK. The bill was agreed on only yesterday afternoon, and certain amendments were made to it.

Mr. HATCH. I hope the Senator and his committee agreed upon a measure which will reach the matter I am discussing. However, I had prepared this morning, and intend to introduce and have sent to the Senator's committee for such consideration as they may give it, a simple bill giving veterans first preference.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. REVERCOMB. I am glad indeed that the able Senator from New Mexico has brought this question up, because it is one which certainly needs attention, as was pointedly indicated by the incident in Baltimore to which the Senator has referred.

Mr. HATCH. It does not apply to Baltimore alone.

Mr. REVERCOMB. That is correct, I agree. There has grown up a situation in which the veterans have been treated quite unfairly, I will say.

The bill referred to by the able Senator from South Carolina, with whom I have the honor to serve on the subcommittee, and which was reported by the subcommittee, is in essence a bill which requires the War Assets Administration, which is now dealing with the subject of disposing of this property, to use its own judgment and discretion in setting aside certain properties which the veteran may have first choice in purchasing. The subcommittee unanimously reported the bill and urged that it be expedited to the floor of the Senate for action.

As the Senator knows, a general bill for the disposal of surplus property gives preferences to national, State, and municipal governments. That has brought about a bad result, such as that which occurred in Baltimore.

I have been interested to get information concerning a matter I regard as pertinent, and I should like to ask the Senator a question. The sale at Baltimore was advertised, and certain photographic materials were advertised for sale, which brought veterans from all over the country to the sale. I wish to ask if the Senator knows whether in that advertisement the veterans were advised that the property might be disposed of to governmental agencies under prior rights.

Mr. HATCH. I can only answer the Senator in this way: Of course the veterans know, I think all of them know, of the preferences granted to Government and State agencies, but I do not think any veteran would have made a trip from Los Angeles, Calif., or Dallas, Tex., or even Washington, D. C., to Baltimore, if he had not believed the goods would have been there available for purchase, some of the veterans hitch-hiking and some of them flying to get there. Therefore I would say, in answer to the Senator's question, that they went there in all good faith, believing that the photographic equipment would be available, and that they would have opportunity to purchase it.

Mr. REVERCOMB. I wish to say that I heartily concur in what the Senator says. Undoubtedly the veterans went there in good faith. My question was asked with a view of ascertaining whether or not in the administration of surplus property and its sale, a mistake had been made in not telling the men of the priorities.

Mr. HATCH. I had said, before the Senator came on the floor, I am sure, that the least the administration could have done would have been to let the property first be inspected by the agencies having a preference. Then after they had made their selections, the administration agency should have advertised what was actually left and what would be available to the veterans. Any other method of handling such a situation is perfectly ridiculous to my mind.

Mr. REVERCOMB. I think views of the Senator are absolutely sound, and I heartily agree with him. It is my hope that the amendment which will be offered on the floor shortly when reported from the Military Affairs Committee will take care of the situation so that, beyond any question, the property will be available for sale to the veterans.

Mr. HATCH. Mr. President, I am not at all sure that the amendment which the Senator mentions will take care of the situation. I am not at all sure that we can leave to any administrative agency the authority to select and set aside what should be made available to the veterans. As I have said, the amendment I propose would give the veterans first preference, and I do not see

why the veterans should not have first preference.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. MAYBANK. I want to congratulate the distinguished Senator from New Mexico for bringing this matter up on the floor of the Senate. I should also like to say that on yesterday afternoon in the subcommittee meeting held in the Military Affairs Committee room, the Senator from West Virginia called the attention of the subcommittee to this Baltimore fiasco, or whatever one may wish to call it, and we immediately agreed on the amendment the Senator has just referred to, and we hope to have it considered by the committee on next Tuesday.

I cannot speak for the chairman of the committee, but I may say that we would be only too happy to consider immediately the bill which will be offered by the Senator from New Mexico, because I agree that the situation is bad. I agree with the Senator that the veterans have not been treated fairly, that they have been induced to go, as the Senator has stated, not only to Baltimore but to Atlanta, Ga., and to other places. As one member of the subcommittee, I desire to assure the Senator that I will cooperate in every way possible to strengthen the amendment to such extent as may be deemed necessary before we report the bill from the committee next Tuesday.

Mr. REVERCOMB. Mr. President, will the Senator from New Mexico yield for a further comment?

Mr. HATCH. I yield.

Mr. REVERCOMB. I certainly will join in any effort to strengthen the law so that never again, in Baltimore or in any other place in the country, will veterans be told to come there and purchase, and find the goods sold. If the amendment referred to will not bring that about, then it should be strengthened, and I certainly will support such action.

Mr. HATCH. Mr. President, I certainly appreciate the comments of the two distinguished members of the Military Affairs Committee, and I now ask unanimous consent to introduced a bill to amend the Surplus Property Act of 1944, which I request be referred to the Committee on Military Affairs.

There being no objection, the bill (S. 2022) to give veterans first priority in the sale or transfer of surplus property under the Surplus Property Act of 1944, was received, read twice by its title, and referred to the Committee on Military Affairs.

I wish to say again that this question will not be solved if it is left in any material respect to the discretion of an executive agency.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. LA FOLLETTE. I did not have the benefit of hearing the Senator's opening remarks, as I was detained in a hearing of the Senate Committee on Finance. I should like to say that, although I do not have the privilege of serving on the Military Affairs Committee, I took a considerable interest, as I know the Senator from New Mexico did, in the original act for the disposal of surplus property, and I have followed the various changes in its administration and the various investigations that have been held by the various committees of the Senate and the House.

I agree absolutely with the position taken by the Senator from New Mexico that until this matter is settled by Congress, without any discretion being left in the administrative agency, we are going to continue to have this disgraceful disregard of what I believe to be the intent of Congress that veterans should have a preference that is worth more than the paper it is written on, and until they are given that preference I do not believe they will receive the benefits of the opportunity to purchase this property which the Congress has, from the beginning, intended they should have.

Mr. HATCH. Mr. President, I thank the Senator from Wisconsin. When I read this newspaper article I not only was exasperated, but I was indignant. I was not only indignant at the treatment which had been accorded to the veterans, but I was indignant over another statement which appeared in the press:

War Assets district manager in charge of the sale said he had—

And this is quoted—

"no apology to offer."

Mr. President, I do not know the manager of that district. He may not have any apology to offer to the veterans of this war because his inefficient administration dragged them clear across the country for nothing. But, Mr. President, I, as a Member of Congress, as one charged with some responsibility for this condition, do want to apologize to every veteran who made that fruitless trip to Baltimore. I apologize not only for myself, but I apologize to every one of those veterans in the name of the Government of the United States and of the Congress, which never intended that such a condition should prevail. I deplore and condemn the words of any man who says "We have no apology to offer" to the men who went there in good faith to purchase goods from their Government, the Government for which they had fought and in whose service many of them, perhaps, were wounded, and many might have died.

Mr. President, this situation is serious, and I urge the Military Affairs Committee on next Tuesday—the Senator from South Carolina said the meeting of the committee would be held on next Tuesday.

Mr. MAYBANK. The meeting of the full committee will be held next Tuesday.

Mr. HATCH. I urge the committee to report a bill dealing adequately with the subject. If my amendment does not adequately cover the situation, then let a measure be drafted which, when adopted, will make such a situation impossible in the future. Not only do I urge the committee to report favorably such a measure, but I urge the Senate to act on it promptly, so as to make absolute and certain the preference which Congress intended the veterans to have.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. MAYBANK. I heartily and thoroughly agree with what the distinguished Senator from New Mexico has said, and as one member of the committee I shall use my every effort to have an effective veterans' preference amendment adopted by the Committee on Military Affairs and have the bill favorably reported on Tuesday.

Mr. HATCH. I thank the Senator.

Mr. O'MAHONEY subsequently said: Mr. President, at the beginning of the session today, while I was not on the floor, the able senior Senator from New Mexico [Mr. HATCH] made some remarks with respect to selling surplus property to veterans. The problem involved is one of great complexity, and has been under study by the Military Affairs Committee for months. I desire to ask unanimous consent that there may be printed in the body of the RECORD, immediately after the discussion initiated by the Senator from New Mexico at the opening of the session, certain extracts from the hearings held by the Committee on Military Affairs on the disposal of surplus property, with special reference to veterans' preference.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

VETERANS' PRIORITY FOR SURPLUS PROPERTY

(Wednesday, December 12, 1945)

SURPLUS PROPERTY SUBCOMMITTEE OF THE COMMITTEE ON MILITARY AFFAIRS,
Washington, D. C.

The subcommittee met, pursuant to call, at 10:30 a. m., in room 424, Senate Office Building, Senator JOSEPH C. O'MAHONEY presiding.

Present: Senators O'MAHONEY (presiding), REVERCOMB, WILSON, and MAYBANK.

Also present: Senators BUCK and ROBERTSON.

Veterans' Administration: Henry W. Longfellow and Col. Hugh Buell.

American Legion: Harry V. Hayden, Jr., legislative representative.

Veterans of Foreign Wars: Omar V. Ketchum, national director of public relations.

Disabled War Veterans: Dow V. Walker, national commander.

American Veterans of World War II (Amvet): Joseph H. Leib, legislative counsel.

Surplus Property Administration: W. Stuart Symington, Surplus Property Administrator; Hugh Cox, general counsel; Lt. Col. Victor Sachse, assistant general counsel; David O'Brien, Assistant Administrator for Capital and Producer Goods; Lt. Col. John Redding, Assistant Administrator for Public Information; Col. E. C. Kavanagh, Director, Veterans' Branch.

War Department: Col. E. J. Walsh and Col. Tom Campbell.

Army Service Forces: Malcolm R. White.

Navy Department: W. John Kenney, Deputy Assistant Secretary; Commodore Batchelder, Material Division.

Reconstruction Finance Corporation: A. J. Fushman, president, War Assets Corporation; M. E. Cantor, Priorities Unit; Joseph Kelly, Consumers' Goods; W. E. McDaniel, Veterans' Unit; and Mr. H. Levy.

Smaller War Plants Corporation: Lawrence F. Arnold, acting manager; Joseph Kaufman, acting general counsel; Rea Paul, Chief of Operations Bureau; Mr. Odell, Deputy Chief, Operations Bureau.

War Mobilization and Reconversion: Mr. Alex B. Daspett.

Borchardt, Kurt, counsel, Surplus Property Subcommittee.

Senator O'MAHONEY. The committee will be in session, please.

This meeting has been called to give Surplus Property Administrator, W. Stuart Symington, an opportunity to make recommendations to the Congress with respect to the facilitation of the distribution of surplus property among veteran applicants. The committee has made public announcement of the hearing and has notified veterans' organizations and Government departments, including the Veterans' Administration, which are likely to have interest or views with respect to the problem.

The establishment of an efficient system for the disposal of Government property accumulated for the purposes of war and now no longer needed has, to state it mildly, not been without its difficulties. In the first place, there was unavoidable delay in the organization of the Surplus Property Administration. The law, as first enacted, provided for a Surplus Property Board. The appointment and confirmation of the members of this Board consumed considerable time and necessarily delayed the establishment of procedures. Thereafter, experience indicated the desirability of supplanting the Board by a single Administrator. This was done by act of Congress approved September 18, 1945, less than 3 months ago.

The first task of the Surplus Property Administration was to establish the over-all policies and to devise the regulations under which disposal should be undertaken. In addition, it was the duty of the Administrator to prepare and submit to Congress reports concerning the disposal plans for certain categories of Government property costing more than $5,000,000. This task has now been substantially completed and, in recent months, the Administrator, Mr. Symington, has been giving close study to ways and means of handling the sale of consumer goods to the public generally and, particularly, to veterans.

Publicity about the tremendous volume of war property in the hands of the Government has not differentiated between consumers' goods and capital goods, nor have the figures indicated the proportion of the property which is not likely to be salable.

The result has been that when a statement appears that approximately $10,000,000,000 worth of Government goods have been declared surplus, the impression is likely to be broadcast that a tremendous volume of material is available for individual consumer use. The truth is far different.

Of all of the Government property which has been declared surplus through 1945 to date, the estimated cost of which was $10,900,000,000 to the Government, it is probable that less than $1,000,000,000 worth can be classified as consumer goods.

Almost 50 percent of the total of all the property which has been declared surplus consists of aircraft and properties specially related to aircraft, most of which will not be salable at all. Of the war plants and industrial property which have to date been declared surplus, the value is approximately $2,000,000,000. Then there are vast holdings of agricultural land, war housing, and ships, all of which measured in cost to the Government will aggregate more than $1,000,000,000 and none of which would be desired by individuals.

Of the estimated less than $1,000,000,000 worth of consumers' goods (measured in terms of cost to the Government), only about $420,000,000 worth has been disposed of up to date. It will thus be seen that in terms of individuals, or individual demand, the amount of surplus Government property available for consumers is only a fraction of the total. It has been estimated that if all surplus consumers goods were desired by the approximately 5½ million men and women, who have been discharged from the armed services, and were disposed of to them pro rata, each veteran would receive only about $180 worth in terms of cost to the Government. The value to the consumer is something different. The most sought-after item among consumers goods is the motor vehicle, but between January 1 and October 31 of this year, the cost to the Government of the motor vehicles, which have been declared surplus, was only $128,000,000. These vehicles included 15,000 passenger cars and 110,000 trucks. Obviously, 110,000 trucks and 15,000 passenger cars would not go very far among several million returned veterans.

Other surplus goods much desired by veterans include small arms and ammunition, radios, and communications and photographic equipment. Yet, during the first 10 months of this year only $2,800,000 of small arms, $77,000,000 of communications equipment and electronic devices and $8,100,000 of photographic equipment were declared surplus. Thus, we find a great scarcity of these goods which has caused dissatisfaction among veterans and civilians.

On the other hand, in several instances where goods have been declared surplus, disposal has been extremely slow. Between January 1 and October 31, 1945, about $60,000,000 worth of clothing was declared surplus but only $9,000,000 was disposed of. Out of $34,000,000 worth of textile products other than wearing apparel, only $7,000,000 was disposed of. Out of $19,000,000 worth of footwear, only $2,500,000 worth was sold. There is small wonder that both veterans and civilians were disappointed when it came to the acquisition of coats, blankets, sheets, shirts, and shoes out of Government surpluses.

It is quite obvious that a great problem of merchandising is presented to the Surplus Property Administration. That is one of the problems the Administrator has been attacking during the 3 months of his tenure of office.

Construction materials are likewise extremely scarce. Four million nine hundred thousand dollars worth was on hand at the end of October after disposal of $4,400,000 worth and a withdrawal by the owning agencies of $6,800,000 worth.

Since I prepared this statement I have learned from Secretary Forrestal of the Navy that the Navy is now declaring surplus about 75,000,000 feet of lumber. Is that not right, Mr. Kenney?

Mr. KENNEY. Approximately correct, Senator.

Senator O'MAHONEY. And that declaration of surplus lumber is made in recognition of the fact that there is a great demand among veterans for materials with which to build homes?

Mr. KENNEY. We have a group on the Pacific coast at the present time giving specific instructions for expediting the declaration of that type of material.

* * * * *

Senator O'MAHONEY. Mr. Symington, as I have listened to the testimony today, the thought comes to my mind that one of the serious difficulties involved in this situation has arisen from the fact that there has been created in the public mind an impression that there is a practically inexhaustible supply of surplus material, which is not the truth.

The Government is no longer purchasing these materials. These commodities are no longer being made for the Army and the Navy, and the supply of materials that the veterans want is definitely and specifically limited by the amount which is declared surplus by the owning agency. That is the first bald fact that stares us in the face.

The second one, it seems to me, is this: From the applications which have been received—some you say were pouring into a small office of the Smaller War Plants Corporation at the rate of 400 a day with four persons to handle them—that gives rise to some dissatisfaction because four persons could not begin to answer in a satisfactory way such an accumulation of requests for information. That must be multiplied all over the country, wherever the veterans are or wherever the veterans or Smaller War Plants or the RFC have their offices.

Then, these applications have made it clear that veterans are desirous of securing a certain limited type of goods. You said 80 percent of the applications are for transportation facilities. There are applications for firearms, there are applications for photographic equipment, there may be applications for furniture—I don't know.

Why wouldn't it be a sensible thing if necessary to amend the law, to require all of the owning agencies to declare a surplus within a given specified time the transportation facilities, photographic equipment, and small arms and ammunition that the veterans have been asking for in the 3 months you have been Surplus Property Administrator?

Then, with those things all declared surplus, provide by law, if necessary, for the disposition of those to the veterans and end it all, get rid of the surplus property, your consumer goods, by marketing them quickly and equitably throughout the country.

Mr. SYMINGTON. I think there is great merit in your thought, sir. We feel the veterans' part of this act is fundamentally unsound and organizationally wrong and should be changed.

You see, the Congress has limited what the veteran wants because the Congress only lets the veteran buy for the establishment or maintenance of a small business.

Senator O'MAHONEY. That is why I spoke of amending the law.

Mr. SYMINGTON. Of course, there would be a lot of other things the veteran would want——

Senator O'MAHONEY. Let's make the record clear here. The section to which you refer, the one which has created this obstacle is section 16:

"The Board shall prescribe regulations to effectuate the objectives of this act to aid veterans to establish and maintain their own small business, professional, or agricultural enterprises, by affording veterans suitable preferences to the extent feasible and consistent with the policies of this act in the acquisition of the types of surplus property useful in such enterprises."

That is obviously a very limited preference and since you and the disposal agencies all operate within the law, you are bound by this. It is the handicap which ties you down.

I have noted that Congress would be very ready and willing—in fact, very anxious—to liberalize this law, but in so doing it should not create an impression to the public that there is going to be an inexhaustible supply of surplus property turning up in the immediate future.

Can we not determine what is to be turned over to the veterans and then when will they get it? It could be specified that owning agencies should classify it—as spare material, trucks, jeeps—and indicate the equipment which requires rubber, and the equipment that is defective, of course.

Then, every veteran who would qualify under the new veterans' preference would be entiled to his part and the Government would be rid of the material, you would be rid of the headache and the surplus property would be distributed.

Mr. SYMINGTON. Senator, we are so close to this that we probably can't see the forest for the trees.

Senator O'MAHONEY. Senator Buck, who was here, was the author of a bill, S. 1435, providing for an amendment to section 16. His bill reads:

"That section 16 of the Surplus Property Act of 1944, as amended, is amended by inserting (a) after the section number and by adding a new subsection as follows:

"(b) Any veteran shall be entitled to purchase any surplus property offered for sale of the market value of $2,500 or less, at purchase price not exceeding the cost to the Government of such property less depreciation."

When the Surplus Property Administrator reported on that bill, it was stated to the committee that a new regulation was under consideration and you preferred to have an opportunity to discuss that bill after your agency had had the opoprtunity to study the whole problem.

* * * * *

STATEMENT OF EDWARD E. ODOM, SOLICITOR, VETERANS' ADMINISTRATION

Mr. ODOM. Mr. Chairman, I am appearing for Gen. Omar Bradley, the Administrator of Veterans' Affairs. And after talking with the chairman yesterday, I discussed the matter with General Bradley, and as I expressed to you privately, he is very desirous, of course, of cooperating with you and with the Congress in every possible way, and, of course, with the other governmental agencies to the extent that we can in solving this tremendous problem.

We realize that it is a tremendous problem and a difficult one. I may say in that respect that the Veterans' Administration has had enough difficulties of its own that it somewhat sympathizes with some other Government agencies that have similar difficulties, in the field of veterans, perhaps, particularly.

The Veterans' Administration is interested in this problem in a direct manner, and likewise in an indirect manner. By a direct manner I mean this: In administering the laws which the Congress has made us responsible for and with particular reference to certain portions of the Servicemen's Readjustment Act of 1942, more popularly and inaccurately known as the GI bill of rights, we find that this problem does affect us directly, with respect to:

First, veterans who are applying for and going into vocational rehabilitation under the Vocational Rehabilitation Act, and education and training under title II of the Readjustment Act. We find that there is a terrific housing shortage in the localities particularly where institutions of higher learning are located.

We feel that that problem may be helped considerably.

Senator O'MAHONEY. May I interrupt you to say that in the Appropriations Committee yesterday we provided, I think, $161,000,000 for the National Housing Administration to move temporary housing from one spot to another.

Mr. ODOM. That is exactly what I was going to make reference to.

Senator O'MAHONEY. But I was going to point out, Mr. Odom, that that is recognized by the committee as being only a stopgap, because these trailers which have been used for housing in war industries were built with critical materials; they do not contain the sort of plumbing that they ought to have. And if the veterans are to be made dependent upon that sort of housing, we ought to recognize that all we are handing them is material for slums.

What the veteran needs and what he ought to have is first-class housing. So the mere fact that the Senate undoubtedly will pass that bill today should not be recognized or thought of as in any sense a solution of the problem. And that is why I have been pressing for the release of these construction materials that the Army and Navy may have on hand, so that they can be used for the building of the proper sort of housing in all the communities where the veterans are trying to settle.

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(Friday, December 14, 1945)

SURPLUS PROPERTY SUBCOMMITTEE OF THE COMMITTEE ON MILITARY AFFAIRS,
Washington, D. C.

The subcommittee met, pursuant to call, at 10:30 a. m. in room 424, Senate Office Building, Senator JOSEPH C. O'MAHONEY presiding.

Present: Senator O'MAHONEY (presiding).

Also present (the same as heretofore noted, with the following additions):

Veterans' Administration: Edward E. Odom, Solicitor.

Surplus Property Administration: Merritt Penticoff, Assistant Surplus Property Administrator, and Acting Director, Consumer Goods Division, RFC.

War Department: Brig. Gen. D. N. Hauseman; Col. Edmund H. Daley; Col. A. K. Hagedorn; Col. E. J. Walsh; and Col. Tom Campbell.

Bureau of the Budget: James E. Scott, Assistant Chief, and Glen G. Wolf, budget examiner, Division of Estimates.

Navy Department: W. John Kenny.

Reconstruction Finance Corporation: H. Levy.

Senator O'MAHONEY. The committee is very grateful to all of you gentleman who have assembled here again today to cooperate in trying to work out some legislation for the disposal of surplus property—consumer goods particularly—and to see that the veterans of World War II are properly recognized in that distribution.

It occurs to me to remark that everybody knows that one of the primary reasons why our Army and Navy did such a superlative job in the prosecution of the war was that they were skilled mechanics. Every GI knew how to run an automobile, every GI could at least tinker with an automobile. It made them effective, it made them resourceful in meeting emergencies. One thing outstanding about our soldiers over the soldiers of all other nations was their resourcefulness.

Now, these soldiers were handling jeeps and passenger cars of all kinds and bulldozers and trucks. They are familiar with them. I know of no better recognition of the mechanical resourcefulness of our men than to take steps immediately to make as many as possible of these jeeps and vehicles available to the soldiers.

The soldier would be the last person to ask that any needed property be taken away from the Army and Navy and disposed of as surplus. I am sure they want our military forces to be fully equipped. On the other hand, it is generally known that there are a great many machines of various kinds which are no longer necessary.

So one of the suggestions which was made at our hearing on this subject 2 days ago was that steps should be taken immediately by both the Army and Navy to declare surplus all the materials which are not needed. It seems that these materials could be determined without a great deal of trouble, and if they were so determined, then the Surplus Property Administration would know precisely how much was available. But more important than that, the returned veterans throughout the United States would also know what to expect, and we could get the job done.

We have been fortunate this morning to have not only the Army and Navy, but Veterans' Administration and Bureau of the Budget. Government agencies have hesitated because of the budget law to make recommendations of any kind to Congress unless those recommendations are formally cleared through the Budget. That rule is intended only to formalize and coordinate.

Here this morning we are trying to think out the situation. Mr. Smith was good enough to send Mr. Scott and his associate here with the understanding that there is a complete freedom of the atmosphere. Consequently, let all speak up and make recommendations. Nobody will be bound by the recommendations that you make but all can know as much as there is to be known about this problem.

General Hauseman of the Army Service Forces knows more about the property which was needed than any other division of the Army.

STATEMENT OF BRIG. GEN. D. N. HAUSEMAN

Senator O'MAHONEY. What about the property overseas, particularly by way of transport vehicles? It is clear to me that the returned veteran is thinking more of automotive transportation than of anything else. Mr. Symington testified on Wednesday that 80 percent of all applications that come from veterans are for automotive vehicles, but only 15,000 passengers cars have been declared surplus and 110,000 trucks. The question is how many motor vehicles are there overseas which are going to be brought back. How many motor vehicles does the Army have which can be declared surplus property here in the United States?

General HAUSEMAN. It is not our intention to bring back vehicles that are overseas and then declare them surplus here. If they are overseas we intend to sell them overseas. We only bring them back to fill military requirements and to avoid procurement.

Senator O'MAHONEY. None will be brought back for sale?

General HAUSEMAN. It is a question of care and handling, and expense of bringing them back.

Senator O'MAHONEY. Has that been surveyed?

General HAUSEMAN. As to the expense?

Senator O'MAHONEY. Yes.

General HAUSEMAN. We asked Mr. Symington that very question and I think the War Department must have a directive from higher authority to bring them back for sale as surplus.

Senator O'MAHONEY. You are talking to the highest authority—Congress. If it's necessary, maybe Congress can get it. We want your point of view.

General HAUSEMAN. We have declared 120,000 trucks in this country since January 1, 1944. And ever since VE-day—and especially last summer—to help in the harvesting and marketing of crops, we made a special effort to declare trucks in this country.

I have some figures. Between June 1945 and November 15, 1945, of this year there were 83,000 declared surplus.

Senator O'MAHONEY. How many trucks does the Army have? How many jeeps? And where are they?

General HAUSEMAN. Take trucks—the 2½-ton, 6 x 6, the Army has in all stocks 255,000 trucks scattered in the Pacific throughout the various islands, Europe and the Mediterranean, and in our stocks in this country.

On jeeps, the total stockage or assets is about 288,000. I would like to say something sir, if you will permit me to make a statement on the question of our declarations of our surpluses. Of course, I know from your opening statement that you recognize what we have declared up to the present time. It runs into considerable money value.

Senator O'MAHONEY. In terms of cost?

General HAUSEMAN. In terms of cost, that is right, sir, and in quantity.

We now have a policy which I should like to mention. Let us go back, say to VJ-day. In the last 90 days, the War Department declared $4,100,000,000 worth of surplus. Of course, $2,100,000 of that was aircraft or aircraft components.

Senator O'MAHONEY. You mean $2,100,000,000 is aircraft.

General HAUSEMAN. That is right; $2,100,000,000 was aircraft. Out of that $4,100,000,000 there was $861,000,000 of consumer goods. Now, this is just in the last 90 days;

$226,000,000 of that was motor vehicles, and $180,000,000 of automotive spare parts and equipment; $37,000,000 of spare construction equipment; $7,000,000 in photographic equipment. Then surplus capital goods was $1,000,000,000.

Senator O'MAHONEY. It occurs to me to suggest, General, that when we undertake to measure surplus property in terms of the cost of the property, we give the public an altogether incorrect picture of what it amounts to, because there is no differentiation between the usable and the nonusable. There is no differentiation between the property which has never been taken out of its wrapper, so to speak, and property which has been almost worn out. So that before we can solve the problem, it seems to me we have to have some sort of an inventory, a classified inventory of this property.

Don't you think so?

General HAUSEMAN. Yes, sir; and we are proceeding to get that classified inventory.

In general, it recommends on civilian-type items that the War Department keep for its occupational forces and for its own operations sufficient civilian-type items for those purposes until June 30, 1949.

* * * * *

Mr. SCOTT. That is why, Mr. Chairman, if I may perhaps throw in a final remark, and maybe a little bombshell into this meeting, I wish to say this: I have been identified with this whole surplus-property problem since its inception in the executive and legislative branches.

Senator O'MAHONEY. Now, this is not an atomic bomb you are throwing in, is it?

Mr. SCOTT. It may be. But the point where I depart from Mr. Symington and the other gentlemen who are stressing this problem of outlets is right there. That is where I get off the track.

Ninety-nine percent of all the consumer-goods surplus which this Government owns is owned by the Army and Navy. If you were to put up a map of the United States and put a pin in it for every location at which this surplus is located and will be located, you would certainly cover every State of the 48, and I think you would cover most of the counties.

We have distribution, we have outlets. But we are not using them. We are building up in the RFC and elsewhere these huge distribution organizations, and we are letting the Army and Navy walk off from a job which they are best fitted to do.

They have the stuff; they know what it is; they know what it is for. And they could sell it where it is and get it over with.

Senator O'MAHONEY. Mr. Scott, may I say to you that I raised that same question at a conference with General Somervell, at which General Hauseman was present. He sat up when you threw your bombshell. Now he wants to talk.

General Hauseman.

General HAUSEMAN. Well, sir, it is true, of course, that surpluses are generated at 2,000 different places throughout the United States.

Mr. SCOTT. That is right. That is the place to sell them.

General HAUSEMAN. But the Army and Navy, first, are not sales organizations, never were intended as such. We know nothing about merchandising. We are confronted with a care and handling problem.

From the Bureau of the Budget standpoint, I would like to say now we need money just to handle this property. You put us in a position as warehousemen, and you are putting us every day more and more in a position as retailers. We just do not have the money to handle it.

Senator O'MAHONEY. General Hauseman, I think you may have overlooked another item, and that is that most of the men in the Army want to get out.

General HAUSEMAN. Yes, sir; I am glad you mentioned that. We cannot keep the GI in service for an indefinite period to handle surplus property.

Senator O'MAHONEY. It is now almost 1 o'clock. You have all been very patient, and I want to thank you all for being here.

The chairman will undertake to have the staff of this committee get in touch with each of the agencies represented here. Let me ask you all now to select an individual who will act as your representative to consider the problem as it has been presented and as it will be presented in future hearings to sit down with the staff of this committee and see whether we cannot work out a legislative suggestion which will have the support of the Army and Navy, the principal agencies which have the goods, this Smaller War Plants Corporation, the Reconstruction Finance Corporation, and the Surplus Property Administration, with the Veterans' Administration sitting in in an advisory capacity.

Mr. ODOM. Thank you, sir. We appreciate that very highly.

Senator O'MAHONEY. And, of course, we shall also have the Bureau of the Budget, and the Office of War Mobilization and Reconversion, which was represented here on Wednesday but which is not represented here today.

The purpose of this will be to come to grips with the problem. I think we have sketched out the lines of it today. Now we want legislative action which will be the next step.

I was about to say that the first element in this study will be the preparation of legislative remedies so as to provide a real veterans' preference that will be tangible, so that they will know what they can get and where they can get it.

Colonel Campbell, I am very sorry that we haven't had the opportunity of listening to you yet.

Colonel CAMPBELL. I think it would be better possibly for me to testify later.

Senator O'MAHONEY. We have not had time to call on all the veterans' agencies. They will be given an opportunity later on.

Thank you very much for your cooperation. The committee will now stand adjourned.

(Whereupon, at 1:05 a. m., the committee adjourned.)

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WAR ASSETS DISPOSAL POLICY AND THE VETERANS' PRIORITY

(Wednesday, February 27, 1946)

Lieutenant General Gregory, War Assets Corporation, appeared before the committee.

Senator O'MAHONEY. But you do not know how much of what the Government owns will at some future time be declared surplus?

Lieutenant General GREGORY. No. That is true.

Senator O'MAHONEY. It has been my experience that the chief difficulties causing great public confusion are unquestionably inquiries about the disposal of surplus property. We do not know how much is available and the public has been given to understand that there are practically unlimited quantities of almost everything that you can imagine. Take the case of the fire engines, for example. I assume it would be utterly impossible to distribute fire engines from the Government supply, surplus or not surplus, in sufficient number to accommodate all the communities in the United States which would like to have fire engines. Am I right on that?

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. I know that as the principal cause for the confusion in the public mind regarding the disposal of property to veterans. When the newspapers began to talk about estimates of surplus property that has been distributed throughout the United States, to the extent of hundreds of billions of dollars' worth, the country got the idea that the Government of the United States had inexhaustible supplies of every imaginable type of equipment and commodity, but as things have developed, we have found that only a very small proportion of what the public had been led to believe was available, is available now, and nobody knows where that is now, in large degree.

Lieutenant General GREGORY. Yes.

Senator O'MAHONEY. When we interrupted to start questioning you, you were discussing the increases of the authority of the field offices, as I understand it.

Lieutenant General GREGORY. Yes.

Senator O'MAHONEY. Prior to your assuming this task, the field offices were not able to dispose of surplus property of a value in excess of $10,000?

Lieutenant General GREGORY. That is right.

Senator O'MAHONEY. And that, you felt, was a bottleneck?

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. Which delayed the distribution of the goods?

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. Do I understand that the War Assets Corporation wishes to increase that limit to $25,000?

Lieutenant General GREGORY. That is correct.

Senator O'MAHONEY. So that the field offices of the War Assets Corporation have much broader authority in disposing of surplus property under the policies laid down by the Surplus Property Administration?

Lieutenant General GREGORY. That is right.

Senator O'MAHONEY. That is the purpose of it?

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. What has been your experience, General, with respect to the activities of the owning agencies in disposing of property? When this law was written, because Congress did not want to throw too heavy a burden upon the disposal agencies, the Surplus Property Administration wanted to deprive the owning agencies of the authority to dispose of small and inconsequential amounts, and it was provided that items of a value, as I understand it, of less than $300 could be disposed of without reference to the Surplus Property Administration. I am now told that some of the owning agencies have fallen into the habit of deliberately bringing surplus properties within that category so as to escape your jurisdiction. Have you heard of such? In other words, that they are splitting up surplus property of large value into items of less than $300 in value, and then selling that without any preference to veterans or to anybody else.

Lieutenant General GREGORY. No; that has not come to my attention. My complaint is rather the other way around, that we get many surplus declarations of smaller value than $300. I have been looking over a group of declarations lately, and one declaration will run, we will say, $10,000. That will be headed by an item of $8,000, and next an item of $1,000, and then will follow a long list of anything, from $10 down to 12 cents, even.

Now, the Army often has interpreted this provision to mean groups of items, not particular individual items, but groups of items, whose value is over $300, for declaring them surplus.

I would say, in general, that my complaint would be that they have not taken enough advantage of the $300 limit. There may be some instances where there has been abuse, but I do not know about that.

Senator MAYBANK. Mr. Chairman, may I ask the General one further question right here?

Senator O'MAHONEY. Yes.

Senator MAYBANK. The Navy, under the Lanham Act, offers the same 40 percent discount, does it not?

Lieutenant General GREGORY. That only applies to property which has been declared surplus.

Senator MAYBANK. Yes; I understand that, but does it not apply to everybody?

Lieutenant General GREGORY. Yes; as far as I know.

Senator MAYBANK. In other words, there is not any difference between what the Federal Works Agency might own and what the Army might own?

Lieutenant General GREGORY. No.

Senator MAYBANK. So far as the 40 percent is concerned?

Lieutenant General GREGORY. As far as I know; no.

Senator THOMAS. General, I wonder if we can make this request or if I can make this request—the others may disagree with me, but I believe it will do away with the bottleneck. We ought to reconsider the 40-percent readjustment.

Senator O'MAHONEY. Do you want to revise it upward or downawrd, Senator?

Senator THOMAS. The price should be revised downward. Especially with reference to public institutions. I think the conclusion reached by your advisers was reached because Congress had voted down 50 percent. But that is not very valid, unless you could get the reason why each Congressman voted that way. I just hate to see the poorest communities, the poorest institutions, put in a position where they cannot get benefits from this arrangement.

Senator MAYBANK. Senator, you said you might be out of order, because we may not all agree with you, but I thoroughly agree with you. You mentioned the fact that 40 percent was better than nothing, but I, myself, would like to see these poor communities get the material almost for nothing, provided it is a matter of public policy.

Senator THOMAS. It was on the assumption that there are certain things that they would get for nothing. I am really trying to be helpful, General.

Lieutenant General GREGORY. Yes; of course, we have to consider the collective action of Congress, rather than any individual.

Senator THOMAS. But this time you did not consider the collective action of Congress, except as indicated by the vote, which does not mean anything, because of the different theories involved. I vote "yes" and another one votes "no."

Senator MAYBANK. You have been speaking of specific illustrations. I might cite the experience in my district. There are some parks and playgrounds in my home town, and they are in the midst of some very good Government developments. They have been very good about it. At one time, they were to sell the ground to some people to put up some shacks and buildings, and they had to be told that to do that it would ruin that development in the town. In justice to the Surplus Property Board, I might say that they refused to permit any such thing as that. Your idea is that such things should be given to them? Is that your idea?

Senator THOMAS. Yes.

Senator O'MAHONEY. I am going to suggest to the members of the committee that we let General Gregory finish his prepared statement because in that way I think we can get a more orderly result. The general has enunciated in his opening here a very far-reaching suggestion of policy. Your statement at the head of page 2, General, is:

"At this rate surplus property will be with us for years. I feel that the national interest will be best served by disposing of surplus as a faster rate even if, in the process, other objectives in the interest of particular groups or individuals may be subordinated."

That really amounts to a statement that the priority of the States and municipalities for material of this kind, and even the priority for veterans, might well be subordinated to the objective of getting rid of the property more rapidly. As I understand it, you will want to develop that as you go ahead here?

Lieutenant General GREGORY. Yes.

Senator O'MAHONEY. That is a fundamental statement of policy here; is it not?

Lieutenant General GREGORY. Yes; that is correct.

Senator O'MAHONEY. You are aware, of course, that this committee has before it a bill introduced by Senator Maybank and myself, the purpose of which is to solve this confused situation by setting up at the earliest possible date a supply of surplus goods which can be distributed to the veterans for their personal use, as well as for business use, and I assume you will want to discuss that.

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. Proceed, General.

Lieutenant General GREGORY. I did not mean to imply that the priority set up in the act would be disregarded, but there may be given a shorter length of time in which to exercise priorities. It seems to me it is up to the claimant agencies to keep very closely in touch with the situation and make their wants known in fairly reasonable time. Otherwise, this process of liquidation will be continued indefinitely.

Senator O'MAHONEY. Have you considered the possibility of a requirement that owning agents, in cooperation with the War Assets Corporation, should, let us say, every quarter or every 6 months make some sort of inventory disclosure, and then, within a given period after that, to have those who have the priority assert their priority within a given time, or lose it. In other words, if a municipality is not required—if all municipalities are not required—within a given time, to assert their prior claim, then that prior claim remains an impediment to the disposal, which you state here is, in your opinion, of such great importance from the national point of view.

Lieutenant General GREGORY. Yes; that is right.

Senator O'MAHONEY. Well, apparently, that has not been given consideration.

Lieutenant General GREGORY. That has not, no.

Senator O'MAHONEY. All right, General, if you care to proceed now.

Lieutenant General GREGORY. Almost a fourth of these items could have been sold immediately. To get such inventory on a national-sales program, through the Washington office, we have found, took 59 working days. Our answer is to move up the limit of the field officers' direct sales responsibility to $500,000 and more, if necessary. I will say that has not been done. That is under consideration.

Senator MAYBANK. How many days do you think that will reduce it to, if you do not mind being interrupted again? Will you do as well as demobilization on that, when you start on it—48 hours?

Lieutenant General GREGORY. I do not think so.

Senator MAYBANK. It will do a lot of good, though

Lieutenant General GREGORY. It will do a lot of good; yes.

The unit prices of the surplus items, of course, must still be approved by the Washington office.

Bottleneck No. 5 has been the procedure of taking up each item for disposal in its order on the declaration form. Several small items on one declaration can thus hold up one important, large-quantity item on the same declaration. Along with this, the period required for an item of surplus to be recorded in our confirmed inventory has been too long.

We found at the end of January that 40 percent of our inventory was in transit, a process requiring, in one office, an average of 66 working days.

Here our answer is not only to speed up the recording procedure but to adopt the "peeling" system. Instead of going through the entire surplus list, we "peel" off items of most importance and concentrate on getting them sold. We have found that this peeling process will reduce paper work from 40 to 4 days.

It is important to remember that the War Assets Corporation is not set up on the scale of comparable private business. If War Assets attempted to merchandise on the scale followed by the two largest mail-order houses, we would need nearly 234,000 employees and well over 2,000 sales establishments. As it is, we have 42 main disposal offices and about 20,000 employees. That is only 10 percent of the number required by two of the larger mail-order houses.

Our sales methods are therefore of top importance. In this connection, I wish to take up two points: The satisfaction of the claim counts will be given for quantities, and for those who identify themselves as wholesalers, and so forth.

Senator O'MAHONEY. Of course, that raises a question which has repeatedly been asked with respect to the geographical preference, so to speak.

Lieutenant General GREGORY. That is right.

Senator O'MAHONEY. Which is automatically granted to those who happen to be in the vicinity of "spot" sales.

Lieutenant General GREGORY. That is right.

Senator O'MAHONEY. I take it your feeling is that the principal objective is to get the property sold?

Lieutenant General GREGORY. That is right.

Senator O'MAHONEY. And that this geographical preference must be acknowledged?

Lieutenant General GREGORY. Yes. I also have the feeling that the present distribution, the present broad distribution of the location of surplus property is such that it will provide an automatic broad distribution of this surplus property.

I have a map here which shows the location of Army depots and RFC warehouses, where surplus property is located, that may be of interest.

Senator O'MAHONEY. I think that will be of interest a little bit later.

Lieutenant General GREGORY. Yes.

Senator O'MAHONEY. You have followed this system, have you not, that sales that have taken place in localities distant from the spot at which the surplus property was located were made by description?

Lieutenant General GREGORY. That is right.

Senator O'MAHONEY. Now, that method makes it possible for communities and areas which are distant from any warehouse, or the equipment of any owning agency, to acquire much-needed material and this plan would not obviate that; would it?

Lieutenant General GREGORY. No, sir. For instance, this Port Hueneme sale had broad advertising in all communities west of the Rocky Mountains.

Senator O'MAHONEY. Which sale?

Lieutenant General GREGORY. Port Hueneme, Calif.

Senator O'MAHONEY. Well, there was a sale recently in my State, at Casper, Wyo., which the War Assets Corporation arranged for after conferences with the local representatives of the War Assets Corporation in Wyoming, and property such as tractors and dirt-removing machinery was sold there, although physically not present.

Lieutenant General GREGORY. Well, that program will not be abandoned.

Senator O'MAHONEY. I am very glad to hear that because I think that helps to bring about a wide and equitable distribution, which is so desirable.

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. All right, General. I am sorry to have interrupted you again.

Lieutenant General GREGORY. The saving in administrative work and paper work is enormous. We provide a catalog, sample rooms showing price-tagged merchandise, a sales staff to complete transaction in 30 minutes at the outside and immediate shipping arrangements.

The central aim of these "look-buy" sales is to get rid of a large mass of property that is centralized in location and therefore salable with the least procedure, transportation, and so on.

Our plans are well ahead for 21 sales of the "look-buy" Port Hueneme type. These sales will be held all over the country—in California, Georgia, Massachusetts, Texas, Virginia, and other States, and other places.

The "aircraft parts clearance" or "depot clearance sales" are "look-buy" sales at Army sites. By an agreement with the Army Air Forces, we dispose of property—chiefly aircraft components and parts—at Air Force depots. Forty-seven sales of this type are now planned. Finally, we intend to use auctions as a means of getting rid of surplus property that is not otherwise salable.

These sales mark a turning point for surplus property disposal. They are direct attacks on bottlenecks. The attacks come at a critical time, when property is pouring into surplus inventory faster than it is flowing out. We propose to enlarge the outlet so that surplus property will pour out at least as fast, for the time being, as it is flooding in.

I have attempted to present only what I consider the fundamental factors in the surplus property picture as it exists today. But the scene shifts from day to day. The important thing is to keep an observing eye and an open mind and not to be too hidebound in maintaining procedures that experience has shown to be outmoded and inapplicable.

Surplus property presents opportunities for us to supply current existing needs. Surplus machine tools and machines can raise the technological level of the country. Surplus civilian goods can help fill gaps in the civilian market and thereby help prevent inflation. Surplus materials can be used in building.

Surplus property is a national problem. Our war surpluses can be a boon to our economy during this transition period or they can be a blight resulting in glutted markets. The successful solution of this problem is of vital importance to our national welfare—to our veterans and to all other Americans. This solution, as I see it, lies in rapid liquidation of all surpluses on the basis of national, not particular, interest.

Senator O'MAHONEY. General, it has been my experience that the basic bottleneck in this problem has been that the public does not know what property is surplus, nor where it is, and I would say that the second bottleneck has been lack of sales facilities. In other words, the War Assets Corporation, as you have pointed out here, would have to employ almost a quarter of a million people to undertake a retail sales program comparable to that which is carried on by any large national merchandising corporation. Now, have you considered the possibility of utilizing the services of the Army and Navy for the purpose of disposing of this property?

Senator MAYBANK. Mr. Chairman, before the General answers that question, may I ask you to excuse me, because I have been called to the Appropriations Committee?

Senator O'MAHONEY. We are sorry to have you go, Senator, but we understand the pressure.

Lieutenant General GREGORY. If we could use the Army and Navy personnel at all the installations, it certainly would be a great help. It would, indeed.

Senator O'MAHONEY. My conferences with the Army and Navy have led me to believe that their attitude is very much opposed to using the personnel for that purpose.

Lieutenant General GREGORY. That is true.

Senator O'MAHONEY. Do you care to express any opinion about the matter one way or the other, or is that too direct a question at the moment?

Lieutenant General GREGORY. Well, I know there has been some discussion about these items under $300. There has been some intimation that maybe they have split up groups of items to the $300 value. As I say, my impression has been that it has been the other way around, that the Army, in its desire not to get into the sales picture, has not taken full advantage of their authority to dispose of items under $300. In looking over surplus declarations you will find items, as I have, where one was as low as 12 cents; you will find a number under $1, and you will find a great number of items, these line items, not groups of items, whose total value is $10, $20, $40. As a matter of fact, a great percentage of the paper work of inventory that is in our regional offices is taken up with a lot of comparatively small items, and I am very much of the opinion that if the Army should exercise its right, or responsibility, to put it that way, of disposing of these small-line items, then broad, rapid distribution could be secured and a great deal of paper work eliminated.

Senator O'MAHONEY. But you are not advocating that, I take it, in order to avoid the veterans' preference?

Lieutenant General GREGORY. Oh, no.

Senator O'MAHONEY. Of course, that would be charged. Recently, the charge was made to me personally between sessions of Congress, when I was in Florida for a few days. Veterans told me that property which could have been used by men engaged in building operations was sold to the trade and not to the veterans, because it was under the $300 limit. That same complaint has been made to Senator WILSON, of Iowa.

Lieutenant General GREGORY. Of course, there is no reason why the veterans' preference should not be extended to this type of sale.

Senator O'MAHONEY. That brings me to the bill, General, and the letter which the committee has received from Mr. Snyder, of the Office of War Mobilization and Reconversion, and which I should like to read into the record at this point. It is addressed to the chairman of this committee, under date of February 19:

"EXHIBIT 1

"In further reply to your letter of January 19, I would like to take this opportunity to comment on an amendment to S. 1757, the Maybank-O'Mahoney bill, submitted to me for discussion purposes by the subcommittee counsel—"

That is, Mr. Borchardt.

"The amendment to section 16 consists of an additional subsection reading as follows:

"'(b) Whenever the Administrator deems it necessary and desirable for the purpose of carrying out the objectives of subsection (a) of this section, he may, notwithstanding the provisions contained in sections 12 (a) and 13 (f) of this act, cause to be set aside for such period of time as he may determine, appropriate amounts of surplus property for exclusive disposal to veterans.'

"It is my feeling that in view of the great need for speed in the disposal, particularly of consumer goods, increased use should be made of 'on site' sales."

That is a recommendation you have already made.

Lieutenant General GREGORY. Yes.

Senator O'MAHONEY (reading):

"It is my feeling that in view of the great need for speed in the disposal, particularly of consumer goods, increased use should be made of "on site" sales. This sales procedure would require a different treatment of priority claimants, including veterans, in order to make the priorities extended effective. The suggestion contained in the draft amendment to set aside appropriate quantities for exclusive disposal to veterans, regardless of Federal or State priorities, would give authority to War Assets Corporation to select the type of goods most in demand by veterans and make them available in a manner which would assure their getting into the hands of veterans in the speediest possible manner.

"In conclusion, I wish to suggest that the draft amendment commented on in this letter should be regarded rather as a substitute for S. 1757 than as an additional section. The substitution of this amendment would avoid in large part the difficulties described in my letter of February 4. Technically this can be accomplished by substituting the words "sections 12 and 13 of this act" for the draft language that now reads "sections 12 (a) and 13 (f) of this act" and by renumbering section 16 of the act as section 16 (a).

"Sincerely,

"JOHN W. SNYDER, *Director.*"

Now, Mr. Reporter, will you insert into the record at this point the previous letter from Mr. Snyder, to which reference was made in the letter that I have just read.

(The letter referred to follows:)

EXHIBIT 2

FEBRUARY 4, 1946.

MY DEAR SENATOR O'MAHONEY: Your letter of January 19, 1946, and S. 1757, the amendment to the Surplus Property Act which you and Senator MAYBANK have introduced, raise a number of important and difficult problems concerning veterans' preferences under the Surplus Property Act. In replying to your letter and commenting on the bill, I am endeavoring to furnish your committee with some analysis of the factors and considerations by which the value of various proposed solutions to these problems can be tested.

S. 1757 proposes in substance that (a) the level of the veterans' preference be raised above the priority now possessed by State and local governments, and (b) that the veterans' preference be broadened to permit purchase of surplus property for personal use, as well as for business, farming, and professional use. While both changes are intended to enhance the preferential position of veterans, the administrative problems they raise are very different, and I should like to discuss them separately.

I

Turning to the first provision proposed in S. 1757—raising the level of the veterans' preference—it would seem that the present administrative machinery would not be very greatly affected by such an amendment. Its effect, if enacted into law, would certainly be to increase the amount of surplus property acquired by veterans. On the other hand, the amount disposed of to State and local governments would be reduced accordingly. Benefits to State and local governments are, indirectly, benefits to many veterans, as well as to other citizens; but, on the other hand, the veterans, as a group are peculiarly in need of opportunities to reestablish their place in the economy. In any event, the exact grade of veterans' preference vis-à-vis that of State and local governments is essentially a social decision to be made by the Congress.

II

The second proposed provision—removal of the business-use restriction—has serious administrative implications which the Congress should weigh very carefully. If the business-use restriction is removed, the Government would, of course, want to make every effort to sell all possible surplus items to individual veterans for personal use, and it is doubtful that the Government could limit sales for personal use to minimum commercial quantities. If the amendment were adopted, veterans would expect the Government to make retail sales—sales, for example, of two pairs of shoes or three shirts or one package of razor blades, etc. The administrative machinery of the War Assets Corporation, the chief disposal agency, both as presently constituted and even strengthened and improved as we hope it will be, would be totally incapable of taking on the great task of retail sales of this sort. The personnel required would amount to many thousands and the necessary organization, which would in-

clude retail stores, would take many months to build. The mere problem of breaking down packages and repackaging for retail sales would impose upon War Assets a task completely beyond the powers of the staffs now available or contemplated. The expense would, of course, run into many millions of dollars.

It should also be noted that the Government's entry into the retail business in this way by making sales to veterans for personal use, would probably not come into full swing until the very time when the private retailers are receiving adequate quantities of merchandise and are actively in the market for customers. The Government would thus almost certainly be competing with old and new retailers, including many veterans, in a way that would tend to dislocate the normal processes of trade.

It appears to me that these considerations are of great importance. What we are concerned with is what we can actually do for the veteran—and words in a statute are only means to an end. The Congress should, I suggest, be particularly alert against the pitfall of legislating in such a fashion as to appear to confer large benefits on the veterans, if such benefits cannot be assured in practice.

III

You also suggest in your letter that veterans are receiving insufficient quantities of surplus property because of two practical difficulties which exist independently of any provision in the Surplus Property Act—unavailability of civilian type surplus property in sufficient quantities to satisfy demand, and insufficiency of outlets. There is no doubt that this is the case and every effort is being made to alleviate these two problems. Since in my opinion it is these practical considerations which constitute the major cause of the present difficulty, and since I am dubious as to the possibility of substantially bettering the veterans' position through changes in the statute itself, I should like to outline briefly the program which we are undertaking and which I believe will eliminate many of the difficulties which veterans, as well as others, have experienced in procuring surplus property.

(1) Making available greater quantities of desirable property: To a considerable extent, of course, the unavailability of the type of surplus property desired by veterans springs from the fact that the owning agencies do not have such property, or any substantial supplies thereof, in surplus. This is the real crux of the situation. Actually the veterans' wants seem to be centered on a comparatively small range of items. A large percentage of the veterans' requests have been for passenger cars, station wagons, and small trucks, items which have been taken over to a great extent by claimant agencies, and which have not been found and will not exist in surplus in any substantial volume. There is comparatively little clothing for sale. While there are some tools, the cost to the veteran of going to a place where these tools are stored would, in most cases, probably overbalance any saving in price, nor as a practical matter, could the tools be moved where they would be accessible to most veterans.

However, there are certain other types of surplus property available for which there is considerable veteran demand. Strenuous efforts are being made at the present time to improve the procedures for putting such property on sale and for publicizing its availability. A full report on steps that have been taken by the interested agencies in this regard will be in your hands in a few days. It is believed that the operation under these procedures will cure to a large extent the difficulties described by you, insofar as there actually is property available for declaration as surplus.

(2) Outlets: The problem of outlets has been alleviated somewhat by the consolidation of the Office of Surplus Property (Department of Commerce) with the War Assets Corporation and the transfer of certain functions of the Smaller War Plants Corporation to the Reconstruction Finance Corporation. It will be eased much further by an extensive program of on-site sales which is now in active preparation and which will enlist the full cooperation of the owning agencies, as well as of the War Assets Corporation, in the actual sale. It is believed that the intensification of this program and the opening up of certain additional field offices will provide a reasonably adequate solution to the outlet problem so long as the veterans' preference is limited as under the present act. However, if it becomes necessary for the Government to make sales to veterans for personal use and thereby to engage in retailing, the presently planned outlet program would be totally inadequate.

(3) Elimination of certifications: One of the time-consuming and tedious requirements facing a veteran who wishes to exercise his statutory preference is the necessity for obtaining certification as to his intended business use of the property he is obtaining. It appears desirable that this administrative step be eliminated and it is the intention of the WAC to remove this requirement in the immediate future. This removal will be tied in with the expansion of the on-site sale program. This should substantially reduce the red tape confronting the veteran who wishes to purchase surplus property.

(4) Set-asides: In certain cases the veteran is aided directly or indirectly by setting aside blocks of property for particular persons or uses. In the case of building material, for example, sales of such priority groups as State and local governments are severely restricted so that the balance of the materials will flow to residential housing in the procurement of which, as you know, the veterans have first preference. In the first major test of this procedure, the State and local governments voluntarily limited their purchases to far less than the allowed percentage. Again with jeeps, it was found possible to set aside a large percentage of those becoming surplus for exclusive purchase by veterans. A further extension of these set-asides into other types of surplus property appears feasible and will undoubtedly be adopted in many other instances.

I believe the steps I have outlined above, by increasing the supply of surplus materials, multiplying the outlets, and reducing the red tape confronting the veterans, should very substantially alleviate the present difficulties with which he is faced in obtaining surplus property. Many of these actions were initiated some months ago but their results are only beginning to become apparent and they will not be coming into full fruition immediately. While I am in complete sympathy with your desire to improve the status of the veteran in obtaining surplus property, I think you and the subcommittee will want to consider very carefully whether the actions to increase administrative efficiency we have already undertaken, and others of a similar nature, will not accomplish as much as is practical; and whether the extension of the veterans' preference to include items for personal use may not so retard and complicate disposal of surplus property as to actually worsen the veterans' present position.

Sincerely,

JOHN W. SNYDER, *Director.*

Senator O'MAHONEY. Do you care to make any comment about that, General?

Lieutenant General GREGORY. We had in mind, I think, particularly when this amendment was suggested, the categories of equipment which the veteran seems to most desire. That is automotive equipment and office equipment, and by "office equipment" I mean technical equipment for doctors and dentists who are getting out of the Army.

Senator O'MAHONEY. I think that is most important. This amendment meets with your approval; does it not?

Lieutenant General GREGORY. Yes, sir. I do not think this can be applied to every category and I do not think it would be advisable to do it.

Senator O'MAHONEY. If this amendment should be recommended by this committee for the purpose of solving the confusion about veterans' preference, could we depend upon a speedy declaration by the War Assets Corporation of the types of surplus goods mentioned in this amendment?

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. It will be, of course, under the direction of the War Assets Corporation.

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. It is essential, if this is to work, that the surplus property accumulation be declared, so that the veterans will know what there is on hand.

Lieutenant General GREGORY. Of course, that is all that we can set aside, what has already been declared.

Mr. BORCHARDT. The Senator's question, as I understand it, was whether the War Assets Corp. would be able to exercise full authority so as to get a declaration of the surplus of those goods which are in most demand by veterans.

Lieutenant General GREGORY. Oh, I see.

Mr. BORCHARDT. In order to have a sufficient accumulation of surplus property available.

Senator O'MAHONEY. You see, this proposal is clear:

"Whenever the Administrator deems it necessary and desirable for the purpose of carrying out the objectives of subsection (a) of this section, he may, notwithstanding the provisions contained in sections 12 (a) and 13 (f) of this act, cause to be set aside, for such period of time as he may determine, appropriate amounts of surplus property for exclusive disposal to veterans."

Of course, you are right in saying that the owning agencies have to declare surplus.

Lieutenant General GREGORY. Yes.

Senator O'MAHONEY. But the Surplus Property Act gives the Surplus Property Administrator, and that now means the head of the War Assets Corp., under this Executive order, the authority to supervise the activity of the owning agencies in declaring surplus.

Lieutenant General GREGORY. Well, that is a very difficult affair.

Senator O'MAHONEY. You see, the thought I had in mind when I was discussing this matter was to write into the law a specific direction to the owning agencies to declare certain categories surplus, and I had in mind the categories of goods which experience has taught us the veterans most desire to purchase. Now, this, again, you see, is not specific.

Lieutenant General GREGORY. No.

Senator O'MAHONEY. This puts it up to the Administrator to make a selection out of surplus property.

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. And what I am afraid of is that unless the War Assets Corporation and the Surplus Property Administrator are willing to go to bat on this thing and straighten this situation out and make it known publicly and quickly, we will be accused of giving the veterans another runaround, and that is what we do not want. Personally, I want to get this matter settled as quickly as possible.

Mr. Stein, you look as though you have a thought in mind that you would like to contribute to the hearing at this point.

Mr. HAROLD STEIN (Office of War Mobilization and Reconversion). You read my mind, Senator.

I would like to say two things, if I may; first, that I do not believe that there is any measure that could be adopted, either by the Congress or by the Administration, that will be a complete, total, final, and perfect solution of the veteran's problem. It is too complicated and too large to lend itself to complete and perfect solution.

Senator O'MAHONEY. The primary cause of that is that there is not enough surplus property to meet the veterans' demand.

Mr. STEIN. I think that is a most important cause but certainly not the only cause.

Secondly, in our opinion, as expressed in Mr. Snyder's letter to you, we had these men in mind when the matter was discussed with the War Department, which is the principal owning agency, and I am sure the Navy Department views it in the same light, which is this: If there is a short list of items, not a long list, it is possible for the owning agencies to do a really thoroughgoing job of turning up the inventory, and it should be fully declared on a phase basis, so that the surplus property disposal agency will know what it is going to get, how much, and approximately when. In order to make detailed and careful plans on the disposal of those items, the owning agencies cannot be loaded with lists containing thousands of items, because it takes too much manpower to run down such complete stocks.

If we take, for example, certain named types of trucks, the Army can find out in detail how many they have, where they are, and how many they are going to declare; but if you are going into the thousands of automotive parts, it cannot be done in the same way.

* * * * *

Mr. STEIN. Perhaps I can describe it in this way: The owning agencies face, I think, an insuperable task if they are asked to tell in advance how much and when they are going to declare hundreds of thousands of items that they own. That would require an assessment of their stocks and needs. That would be really almost impossible, but actually they will be able to do it on a decentralized basis, as you know.

On the other hand, if they are presented with a short list of items, they can determine their stocks and assess them. They can say, "Now, we are declaring so many; we will declare so many more at such and such a date, and so many more at such and such a date." With that information, it seems to us that the disposal agency could really plan on a set-aside program covering this specific and limited list of items, and do a thorough job of it, which they are not able to do now. They would not know in advance how many trucks were to be declared, and would only be successful if they were held down to a small list of items.

Senator O'MAHONEY. Under this proposed amendment, which was sent to Mr. Snyder, it delegates the responsibility of determining that list to the Administrator.

Mr. STEIN. That is right.

Senator O'MAHONEY. And this also was so drafted that the Administrator, except for the powers which are now vested in him by the Surplus Property Act, cannot require the owning agencies to release that type of material.

Mr. STEIN. Well, I think it only fair for me to say this on their behalf: That I found a very real spirit of cooperation in the owning agencies in releasing material and reducing their stock levels. If they can get through with this elaborate paper work, if that is sufficiently limited, they can do the job in a limited time.

Senator O'MAHONEY. Is there any agreement between the Office of War Mobilization and Reconversion and the War Assets Corporation and the owning agencies on the items which would be included in this special veterans' category?

Mr. STEIN. We have as yet, I think, made no set-up and procedure whereby we have established a list of critical items. It goes beyond the veterans, as it happens, but there was a list that we compiled, which was placed on the requests filed by veterans for items they desire. This vast list would form a basis from which a smaller list of items would have to be prepared.

Senator O'MAHONEY. Can we get such a list for the files of the committee?

Mr. STEIN. We will be glad to submit it to you.

EXHIBIT 5

MARCH 22, 1946.

Hon. JOSEPH C. O'MAHONEY,
United States Senate, Washington, D. C.

DEAR SENATOR O'MAHONEY: In accordance with your request at the hearing of the Surplus Property Subcommittee of the Committee on Military Affairs, I transmit herewith a list of items in surplus property which the records show are most in demand by veterans.

The quantities of the units indicated on this list are those now on hand. These quantities change from time to time as a result of the sales and of additional declarations of surplus but the list is believed to give a good indication of the relatively small quantities of the items most desired by veterans. While positive information in respect to future declarations is lacking, there seems to be little reason to expect large declarations of these items which are in greatest demand.

It should be pointed out that the applications we have received from veterans for this type equipment far exceeds the supply we have had available in surplus. The priority claimants have usually taken a large proportion of such items. However, even if the priority claimants had been subordinated to the veterans' preferences, the total number of these items available would have been but a minor fraction of the number applied for by veterans.

In spite of the unfavorable aspect of the inventories in this regard, I should like to call attention to the fact that during the month of February, over 17½ percent of all surplus property sales were made to veterans.

Sincerely yours,

E. B. GREGORY,
Lieutenant General, AUS, Chairman.

Quantities of articles most desired by veterans in WAC inventory

	Units
Automotive vehicles:	
Passenger cars	1,500
Passenger car (new)	None
Trucks:	
Jeeps	2,934
All other, unclassified	32,167
Motorcycles, scooters	1,054
Trailers:	
Bomb truck	6,400
All other, unclassified	13,119
Tractors:	
D4 and R4 Caterpillar, 36–45 DBHP	437
D7 Caterpillar, 61–90 DBHP	901
D8 Caterpillar, 91–140 DBHP	357
TD9 International, 36–45 DBHP	155
TD14 International, 46–60 DBHP	139
TD6 International, 46–60 DBHP	223
Construction, mining, and excavating machinery (Feb. 21):	
Tractor-type scrapers	515
Air compressors	99
Batching plants	27
Crushing and screening plants	12
Ditching machines	75
Cranes, shovels, and draglines	477
Agricultural machinery:	
Land levelers	71
Plows	230
Medical, surgical, and dental apparatus and equipment:	
Major operating tables	641
Operating lamps	2,703
Field X-ray units	425
Diathermy machines	41
Dental units	311
Dental chairs	490
Dental cabinets	259
Typewriters	14,984

Senator O'MAHONEY. If we are to have legislation about this matter which is to be effective, it is a job of amending the law in such manner that there can no longer be any doubt about what Congress wants and so that the veterans throughout the country will know what items are available to them without restrictions or inhibitions of any kind. When that time comes we will be able to say, in justice to those veterans, "You will no longer have a run-around; the material is for you, and here it is; it is yours ahead of everybody else."

Now, you agree with that, do you not?

Mr. STEIN. I agree with that.

Senator O'MAHONEY. That is the position of Mr. Snyder?

Mr. STEIN. Yes, that is right. However, I think it is only fair to point this out. In some cases the total amount available will be far less than the veterans' demand.

Senator O'MAHONEY. Of course, I have been saying that from the beginning. At the conclusion of the last session, in order to get basic information on this, I asked Mr. Borchardt, counsel for the committee, to call upon the War Department for information and I now have a letter from Brig. Gen. Donald P. Booth, which is dated February 15, 1946.

I am going to ask that the information accompanying that letter be inserted in this record at this point.

(The information referred to is as follows:)

EXHIBIT 6

WAR DEPARTMENT,
Washington, D. C., February 15, 1946.

Hon. JOSEPH C. O'MAHONEY,
United States Senate, Washington, D. C.

DEAR SENATOR O'MAHONEY: The War Department was requested by the counsel for the Surplus Property Subcommittee of the Senate Committee on Military Affairs, to furnish answers to certain questions in which your committee was interested.

The desired information has now been compiled and you will find annexed hereto a copy of the questions suggested by the counsel, together with the War Department's answers.

It is hoped that the information furnished will be of material assistance to you and the members of your committee.

Sincerely yours,

DONALD P. BOOTH,
Brigadier General, United States Army,
Special Assistant to the Under Secretary.

LIST OF QUESTIONS AND ANSWERS

Question. How many vehicles, broken down into passenger cars, trucks, and jeeps, does the War Department have? Where are these vehicles located?

Answer. The vehicles included in this answer are principal type, powered, wheeled vehicles which comprise the greater quantity of the War Department's vehicles. The information furnished below is based on data and reports reflected in Monthly Progress Report No. 20–Ord, dated October 31, 1945.

Quantities of War Department vehicles on hand by areas

Vehicles	United States depots	United States troops	ETO and MTO	Pacific-Asiatic	Miscellaneous bases	Total, United States	Total overseas	Grand total
Cars, sedans	5,338	16,577	1,614	2,961	982	21,915	5,557	27,472
Jeeps (truck, ¼-ton, 4 x 4)	35,914	33,263	98,929	92,018	4,916	69,177	195,863	265,040
Trucks (other)	80,271	82,344	178,912	188,419	12,940	162,615	380,271	542,886
Total								835,398

The "on hand" figures with troops in the United States are necessarily an approximation due to many changes now in progress. The "on hand" figures given for the overseas theaters and miscellaneous bases are taken from the latest reports made by them to the War Department. Some of the vehicles shown as "on hand" in overseas theaters have been authorized for disposal, but since definite information is not available as to the final disposal action, these vehicles have been retained in the total "on hand" figures.

Question. How many of these vehicles could be declared surplus and what basis is used for this calculation; that is, what size of the Army, what rate of consumption, what length of time covered, and similar factors?

Answer. The world-wide inventory of principal type, powered, wheeled vehicles is approximately 835,400. Against this figure must be applied a United States Army world-wide requirement for above type vehicles of approximately 539,400, which leaves an apparent surplus of 296,000 vehicles. To date, ETO-MTO has reported to the Chief of Ordnance that 41,431 vehicles have been declared surplus in that theater through December 1, 1945, and that 86,808 additional vehicles will be declared surplus in that theater. Although no reports have as yet been received from the Pacific areas, it is estimated that an additional 170,000 vehicles will be declared surplus in those areas. Later, of course, as additional vehicles are worn out overseas, they will be declared surplus in the theaters. The inventory in the United States and miscellaneous bases is approximately 272,400, and the requirements through June 30, 1949, are approximately 338,400. Under present plans only a negligible number of general-purpose vehicles are being returned to this country for United States Army use to meet the apparent shortage indicated above. Despite the fact that the total requirements are greater than the total assets in the United States, it is estimated that there will be approximately 73,400 powered vehicles in the United States declared as surplus, these vehicles being unserviceable or not suitable for substitution for those vehicles in short supply.

The expected quantity of vehicles to be consumed through June 30, 1949, is established by the application of replacement factors to the quantities of vehicles authorized for use with troops. These replacement factors represent the expected and required replacement per month of the equipment in use, and vary to some extent by area and by type of vehicle. Such replacement factors presently in use for computation of expected replacement in occupied areas have been reduced from those found necessary in overseas theaters during the period of hostilities to a level approaching the rate of attrition in the United States during this same period. The replacement factor percentage rates range from 1 to 2 percent per month for various types of vehicles in hands of occupational troops and from 0.5 to 1.5 percent per month for vehicles authorized for use with other troops, including those in the United States.

Question. Can the War Department furnish an inventory of vehicles classified as to new or used or can it furnish an inventory of vehicles classified as to repairable or non-repairable located in the United States?

Answer. The information as to the on-hand quantity of equipment not economically repairable is not available at this time; however, it is believed that the on-hand quantity of equipment not economically repairable at Army standards is small, as this equipment is declared surplus as rapidly as possible.

Condition of "on-hand" quantities of principal types of War Department vehicles in the United States as of Oct. 31, 1945

Vehicle	New			Used			Total estimated new quantities and outside depots		
	RFI	NRFI	Total	RFI	NRFI but repairable	Total	Used in depots	In hands of troops used	Total
Car, sedan	1,041	33	1,074	1,812	2,452	4,264	5,338	16,577	21,915
Jeep (truck, ¼-ton, 4 x 4)	18,509	14	18,523	13,050	4,341	17,391	35,914	33,263	69,177
Trucks (other)	30,361	311	30,672	30,377	19,222	49,599	80,271	82,344	162,615
Total							121,523	132,184	253,707

NOTE.—RFI—Serviceable ready for issue. NRFI—Unserviceable not ready for issue.

Question. As to those vehicles overseas, why does not and could not the War Department bring them back to be declared surplus in this country?

Answer. Under the Surplus Property Act and regulations of the Surplus Property Administration, property is normally reported to the disposal agency having jurisdiction in the area in which the property is located. No property which has been determined to be surplus is brought back to the United States except by specific direction of the Surplus Property Administration. It is the general policy of the Surplus Property Administration not to direct the return of surpluses from overseas except as to items which the CPA certifies to be urgently required.

Question. Can the War Department see that the vehicles that are declared surplus are in operating order?

Answer. The War Department cannot make certain that the vehicles that are declared surplus are in operating order as there are not sufficient experienced personnel available to handle this problem. Further, it is believed that it would be an expenditure of funds for purposes of merchandising rather than for military purposes for which they were appropriated.

Mr. STEIN. Seventy-three thousand, four hundred vehicles unserviceable. Of course, they may be unserviceable from the point of view of the Army, but the veteran can make them serviceable for his own use frequently. Obviously, that number and kind of vehicle is not going to solve the transportation difficulties of millions of veterans scattered throughout the United States; so this emphasizes again the importance of our determining the types of items and the quantities which shall be made available immediately for the veteran.

I think we should leave no doubt about that, General Gregory. I am sure you will agree with me on that; do you not?

Lieutenant General GREGORY. Yes. However, you must realize that there are declarations of surplus being made every day. We do not know exactly unless we interrogate the Army, and I do not think they could tell us sometimes how many more are going to be declared surplus between now and 6 months from now.

Senator O'MAHONEY. Of course, that is one of the serious troubles here, but whatever that may be, whatever the views of the Army and Navy may be, the fact remains that we can make a determination now and make it public. It seems to me we ought to do that. My theory in discussing this matter with Secretary Patterson was that the War Department and the Navy Department could very properly determine how much of the material on hand the Army will need for a given period in the future. I did not attempt to set down that period, because I did not feel I was qualified to do so; but let us say a year, and then declare surplus everything above that, upon the theory that a year hence the Army can contribute to the stabilization of our economy then by ordering anew any item which it may need. We will permit the surplus material that is not used now to get into active use by veterans particularly, and by others. So I am very anxious to have this list submitted to the committee so that it may be made a part of the report, and I am frank to say that the language which has been suggested by Mr. Snyder's letter is not very definite, and unless we back it up with a legislative history, we may easily fall back into the same unsatisfactory condition which now exists, namely, the War Assets Corporation would say, "Well, the material has not been declared surplus; we have not determined what the material is."

Mr. STEIN. May I ask a question, Senator, because I want to be quite sure that we prepare exactly what you want?

You want a list which is derived exclusively from, shall we say, important, easily handled items desired by veterans, looking solely to that, or do you want a list which takes into account the probability of supplying any large number of such items, in view of the Army stock position?

Senator O'MAHONEY. Let me answer that in this way: This amendment reads:

"Whenever the Administrator deems it necessary and desirable for the purposes of carrying out the objectives of subsection (a) of this section, he may, notwithstanding the provisions contained in sections 12 (a) and 13 (f) of this act, cause to be set aside, for such period of time as he may determine appropriate, amounts of surplus property for exclusive disposal to veterans."

Now, answering you, Mr. Stein, I might say to General Gregory and to you that I would like to have you please prepare and submit to this committee a list of the appropriate amounts of surplus property which you would now set aside if this were the law for exclusive disposal to veterans. Then we will know.

Lieutenant General GREGORY. Yes; that is not easy, but—

Senator O'MAHONEY. That is what I thought your answer would be. That is why I said that.

Mr. STEIN. Perhaps I should make this suggestion, subject to correction by General Gregory, who has to bear the burden of this, that a list could be prepared which would

be the list that would be made, if that were the law today; but I think it could be understood that any such list would be undoubtedly amended both as to quantity and the items from time to time in the future.

Senator O'MAHONEY. That is true, of course, and it might be that this amendment should be altered to make it necessary for the Administrator to set aside such a list every 6 months, for example, until the whole thing is exhausted.

Mr. STEIN. I think it would be even more desirable for the veterans to have the list amended whenever occasion arose, rather than to wait for a periodic revision.

I would like to know whether my answer makes sense, General Gregory.

Lieutenant General GREGORY. Yes. It would have to be amended. I would like to interpolate this, that one of the thoughts behind this amendment was for the over-all items which went largely to other claimant agencies which had a priority ahead of veterans. I refer particularly to doctors' and dentists' equipment, and so forth, which goes largely to the States and the Veterans' Administration.

I hesitate to bring this factor into the veterans' picture; I do so with reluctance, but we have had considerable evidence that the veteran has been used as a front, you might say, for people who are buying and who want to get this property. That is a thing which is very difficult to control, but we are trying to take steps to control it.

Senator O'MAHONEY. Well, of course, the law provides at present for the veterans' preference.

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. For the veteran, for his use in setting up business or professional work.

Lieutenant General GREGORY. Yes, sir.

Senator O'MAHONEY. That, I think, is specific enough, so that it could be very easily controlled, and I rather imagine that only a very, very small proportion of veterans would lend themselves to any effort to secure property for others. The complaints that I get from veterans are from those who have not been able to get the equipment for their own use, and the bill which Senator MAYBANK and I have introduced extends the veterans' preference beyond business or professional purposes, to his own personal use. I see no reason why the veteran should not, for example, be able to buy a motion-picture camera, if such is surplus, for his own recreation. I do not think that right should be denied him merely because he doesn't want to use it for business purposes. Of course, the committee would agree with you that there must be a safeguard against any violation of the spirit and purpose of the act; but I rather feel that if we had what this proposed amendment seems to indicate that we all want to do, namely, to find out explicitly the appropriate amounts which shall be for the exclusive use of the veterans, then we will have some possibility of resolving this very complex and disturbing problem.

Mr. BORCHARDT. Mr. Chairman, do you have in mind giving the veterans the right to purchase material set aside under that amendment for their own personal use? If you do, the amendment would have to state that.

Senator O'MAHONEY. Yes.

Mr. BORCHARDT. It has not been stated, and would have to be stated.

Senator O'MAHONEY. Yes. I would like to refer to that and ask Mr. Stein about Mr. Snyder's letter, which advocates the substitution of this language for the entire bill introduced by Senator MAYBANK and myself.

Mr. STEIN. That is correct, sir.

Senator O'MAHONEY. That bill provides for personal use. Now, why do you wish to avoid that?

Mr. STEIN. That was set up in the same language in an earlier letter from Mr. Snyder.

Senator O'MAHONEY. Oh, yes.

Mr. STEIN. I will be glad to summarize it, if you want me to do it.

Senator O'MAHONEY. Yes; please do.

Mr. STEIN. Briefly, our feeling was this: The one great difficulty with the veterans' problem under the Surplus Property Act now is that the veterans feel they are entitled to all types of personal property, which in fact they are unable to get. It has been extremely difficult to adopt an educational program pointing out to them the limitation in the present act, and it has been extremely difficult to handle the applications which have been filed under the present act.

There is also this specific administrative difficulty, that the War Assets Corporation now, with 20,000 employees, is having a very hard job trying to catch up with its own sales problem, even though it makes no sales at retail, so to speak. It makes sales only, in practice, in minimum commercial lots. It does not sell one pair of shoes; it sells so many dozens or scores of pairs of shoes, and so forth.

If the act were amended to provide for the personal use of veterans, they would instinctively and immediately feel, and I think quite reasonably so, that that meant that they could go into a regional office of the War Assets Corporation and say, "I am a veteran; I want to buy one pair of shoes for my own personal use."

I find it very hard to believe that in any reasonable span of time, no matter what appropriations were made by the Congress, the War Assets Corporation could be set up to handle the flow of requests that would come in, and it would seem to me that would put us all in the difficult position of seeming to give something to the veterans that we physically will not be able to handle.

Senator O'MAHONEY. Well, it seems to me that that could be met completely by an announcement of the list of materials, and you can amend it to say not only categories but quantities.

Mr. STEIN. Well, I think this, Senator, that there is no doubt that if the personal-use amendment were not made a general personal-use amendment, but for personal use only for items already set aside, and within the quantities which shall be established by the Administrator, that would relieve a great deal of the problem. That would mean that the Administrator would then naturally take into account, and necessarily take into account, his ability to handle sales of the specific types. He would include such items as trucks, which can be sold truck by truck, and which are sold truck by truck. He would not be able to put in things like shoes, because he would not have enough people to sell them pair by pair.

Senator O'MAHONEY. Well, it is 20 minutes after 12 now and the Senate is in session. General Gregory has been very kind in submitting to a lot of questions here. Let me suggest that you, Mr. Stein, and General Gregory confer about this matter immediately, and confer, if necessary, with the War Department and with the Navy Department, so as to submit to us your best suggestion for making this explicit, and so that we may offer something definite to the veterans of the United States. I am sure from my conversations with Secretary Patterson and from replies that I have received that the War Department will be quite ready to cooperate, and you have indicated that yourself.

Mr. STEIN. I feel that the spirit is cooperative.

Senator O'MAHONEY. Will it be satisfactory to you, General, to consult with Mr. Snyder and his staff and let us know what your best judgment is for a practical solution of this problem?

Lieutenant General GREGORY. Yes.

Senator O'MAHONEY. Thank you very much.

Lieutenant General GREGORY. It is a very difficult problem at best.

Senator O'MAHONEY. I do not minimize the difficulty of it, sir, but at present there is a condition of great dissatisfaction among the veterans throughout the country, who feel that they are not being properly treated and we just cannot permit that; we have to be explicit about it.

Thank you very much, General. We appreciate your presence here; and we thank you also, Mr. Stein.

The committee is now in recess.

SETTLEMENT OF RUSSIAN-IRANIAN DISPUTE

Mr. CONNALLY. Mr. President, the press of today carries a statement with regard to the situation respecting the Iranian-Russian dispute pending before the United Nations Security Council at New York. I am highly gratified to note from the report of the situation by the New York Times that Russia's new stand is that she proposes, without any conditions whatsoever attached, to withdraw her troops from Iran by May 6. It is understood that this assurance will be acceptable to Iran, and it is confidently expected that at today's session the whole matter will be adjusted and the dispute laid aside, although the Council will still retain jurisdiction and leave it upon the agenda.

Mr. President, I think that those of us who have been interested in the development of the United Nations Council, and for that matter all our governmental agencies in the United States as well as those in other countries which are members of the United Nations, have just cause for great satisfaction that this first issue handled by the Security Council has resulted in a triumph for the principles of the United Nations Charter, and has demonstrated the strength which inheres in the Security Council when it takes jurisdiction of such matters, brings them out into the open, discusses them, analyzes them, and takes them apart in a forum where all the world may hear, and where all the world may look on and observe the transactions. This is one of the most powerful instrumentalities which the United Nations Organization possesses. It gives opportunity for the creation of a strong and dominating world opinion. No nation can withdraw into any kind of isolation into which the force of public opinion does not reach.

So, Mr. President, on behalf of myself and others similarly interested, I wish to express the greatest gratification at the trend which events have taken. To my mind, what has transpired is an augury of the continuing usefulness and increased strength of the United Nations through such experiences. It offers us great hope for the future as a vital instrument in the settlement of international disputes and in the prevention of another war.

EXPLOITATION OF MANDATED AREAS AND PEOPLES

Mr. PEPPER. Mr. President, so far as the action of the Security Council gives momentum to the world organization to preserve peace, and insofar as it

has diminished international friction and tended to deter war, all of us heartily share the views which have just been expressed by the able chairman of the Committee on Foreign Relations. We are hopeful that this matter, which has agitated the peace of the world, has now been amicably settled by the parties most directly affected, the Soviet Union and the Government of Iran.

But, Mr. President, in the past week there has been an announcement in the press which struck me as having considerable significance in the opposite direction. That announcement advised the world that there had been executed and negotiated between Great Britain and Trans-Jordan a mutual assistance pact, a mutual defense pact, an agreement by the Trans-Jordan and the British Governments relative to the joint conduct of foreign policy.

That simply follows a pattern which has been followed for a considerable time, and in numerous instances, by the Government of Great Britain. In my opinion it is just another example of exploitation of little countries by big countries, and is the very antithesis of the principle and philosophy of the UNO.

What happened was this: Trans-Jordan was a part of the Palestine mandate which was awarded by the League of Nations to Great Britain. Later Trans-Jordan was severed from Palestine and set up as an independent government. For any mandatory power to enter into a treaty with a mandated area and people, it seems to me, is analogous to a guardian entering into a contract with his ward, which is forbidden by all principles of equity and law. For a great power which has a mandate over a little area to enter into such a bilateral agreement and contract, it would seem to me, is obviously to impose a condition upon which independence is granted to that area by the mandate authority. It is a subterfuge for any such agreement to be entered into. In this particular case the agreement, as announced in the press, says that British troops may remain wherever they now are in Trans-Jordan. They also may be put in any other place in Trans-Jordan which may be agreed upon by the parties. In addition, the British will have the primary responsibility for the foreign policy of Trans-Jordan.

Mr. President, what is that except a big power retaining a strangle hold over a little power, except that it is put in the diplomatic phraseology of a smart lawyer?

The same situation exists in Iraq. Iraq was awarded to Great Britain as a mandate by the League of Nations. The people of Iraq rebelled, and finally the British said, "Very well; we will sponsor your admission into the League of Nations, freed of the mandate, as an independent power." But evidently there was a collateral understanding, that if the British did that, the people of Iraq would enter into a treaty with the British which would give the British the right to keep troops in their country as long as they wanted to keep them there. It would give them the power to direct the foreign policy of Iraq. In other words, it was a dependency by treaty that they imposed upon a country which they professed to liberate and help to the status of a sovereign in the League of Nations organization.

Today if one goes to Iraq, he sees British troops all over the place. It is common knowledge that the British chargé d'affaires tells the Government what to do. The British selected the regent, and they sent to Washington with the regent a British doctor for the purpose of spying on the regent, even when he visited the President of the United States. A very amusing story was current in Bagdad when I was there last year. The story is to the effect that the doctor sent along with the regent, having the obligation to follow him everywhere he went, was included at a dinner at the White House, given by the President to the regent when he came to the United States as a guest of the President of the United States. After dinner the President, as he often does with other guests, invited the regent to go up to his private study to have a talk with the President of the United States. My understanding is that the American Secretary of State was present, and perhaps the Ambassador of Iraq was also present. But this doctor, sent along as a shadow for the regent, to hear what was said to him, was not invited upstairs, and he was the most miserable man in christendom. The President of the United States was talking to the regent of Iraq, and the doctor could not hear what was said, so that he could go back and report it to the British Government.

Yet the British make the most sanctimonious pretense that they are for freedom for everyone in the world. To every Englishman in the world they offer freedom; and that is about as far as their record in many particulars goes. What I decry is the international hypocrisy, sham, and pretense. If the British people want the Russians to get their troops out of Iran, let the British get their troops out of Iraq. Let them get their troops out of Trans-Jordan. Let them get their troops out of Lebanon and Syria, and let them get their troops out of Palestine. The British mandate should have been revoked long ago, because it never was carried out in accordance with the spirit of the mandate. It never really seriously attempted to achieve the high purpose which was committed to that mandatory authority. Surely now the UNO is the juridical heir of the League of Nations, and every mandate awarded by the League of Nations should be revoked and redisposed of by the United Nations Organization.

In the first place, no mandate should be given to any one power, whoever the power is. Any people not considered far enough advanced to be self-sustaining and self-governing should not be given to any one nation to exploit, no matter who that nation is. They should be placed under the Trusteeship Council, representing the international conscience of the world, and aided, assisted, and nurtured into independence and sovereignty by the collective authority representing the collective will of mankind.

Mr. President, I could tell a story about what France did in Lebanon and Syria that would turn your hair, almost. I had dinner one evening with the President of Lebanon and his family. His wife told me how troops came to their residence; how they took her husband out of the family bed; how they would not give him time to put his clothes on; how they denied him the right to go to his 10-year-old daughter in the adjoining room to tell her good-by; how, with Senegalese troops in the yard and other armed troops in the bedroom, they took her husband, the President of Lebanon, out of the house, carried him away, and kept him incommunicado for 8 days, while his wife and daughter thought he had been shot. Finally they turned him loose and let him go back to his family.

What had he done? What was his offense? He had opposed the retention of Lebanon as a mandated country by a great power, France, in spite of the fact that a promise had been made that she had been emancipated from that mandate, and the United States and Russia had recognized the Government of Lebanon and Syria. In Syria, in Damascus, all you have to do is go look at the capitol, the parliament house. Right across the street from it is the troop headquarters of a great power, and adjoining that is the residence of the commanding general of those troops. They opened fire with their guns—first machine guns and then 75's—and shot right through the front door of the parliament house, killed some of the police who were guarding it, and thought they were going to massacre a good many of the members of parliament who would be meeting in that parliament house. But the members of parliament got there early and found there was about to be an attack. A quorum was not present, and the presiding officer, who told me the story, dismissed them, and they got out before the shooting started. But several people who were in the building were killed, without having been guilty of any provocation except that those people wanted to be free.

When I was there—and this was after the British had come in and stopped the fighting and occupied the city of Damascus—to our minister and to me the Syrians made pleas for one American officer in American uniform to come out there and let the Syrian people see that America was trying to help them get and retain their freedom from the French and the British. They were begging both the British and the French to get out.

Who were in there? British and French troops. They were the ones who were there. Yet at the UNO meeting in London when they talked about getting British and French troops out of Lebanon and Syria, that did not seem to excite the delegations of the United States and Great Britain as much as the presence of Russian troops in Iran excited them.

Mr. President, Russia does not mean anything to me except as a nation of 200,000,000 people who are human beings upon the face of the earth, except as a nation that killed more Germans during the recent war than all the rest of us put together did, except as a nation that made more sacrifices during the recent

war than all the rest of us put together made, a nation that saved American boys in millions of American homes. That is what she means. She means a friend that can help us to keep peace and help us achieve prosperity in the world.

Oh, I realize that if anybody raises his voice in this Congress or in this country and says a decent word for Russia, he is called a Communist. Very well, we shall let history and time judge the accuracy of such accusations. I think there are a good many words that I could use, Mr. President, if I wanted to say some things about some other people. But name calling is not going to decide these issues.

All I want to see is the United States of America not become a guarantor of British imperialism. Today, that is what we are doing. We do not need a Churchillian compact with Great Britain. Every time there is an international conference it is the British-American twins that function and perform. Inevitably, that will lead to an anti-British-American bloc in the rest of the world. That is the only way they can counteract this Siamese-twin association that we have gotten ourselves into.

So far as I am concerned, I am not going to vote for selective service; I am not going to vote for war appropriations if we are going to use the forces we have to broaden and perpetuate the British status quo which exists in the world today; and if Secretary Byrnes means what he says—that he does not want us to maintain the status quo—he had better change his policy, or his actions will belie his words.

Oh, it was easy to gang up on the Russians, Mr. President, while the czars were fighting the people of the country with their perfidious policies and police. It was easy to gang up on the Russians during the days of the Russian revolution. It has been easy for the rest of us to gang up on them ever since. I do not want to be a party to such a process.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HATCH. When the Senator from Florida says it has been easy to gang up on Russia ever since, does he think we have been ganging up on Russia during the war? The Senator from Florida is making some extremely extravagant statements which I do not think he should make.

Mr. PEPPER. I said it was easy to gang up on the Russians during the Russian revolution, and that it was easy to gang up on the Russians after the revolution, and that it has been easy to gang up on Russia ever since. And that is exactly what the Senator from Florida meant.

Mr. HATCH. Does the Senator from Florida mean to imply that this country and Great Britain ganged up against Russia during the war?

Mr. PEPPER. O Mr. President——

Mr. HATCH. That is what the Senator from Florida is saying.

Mr. PEPPER. I did not say "during the war." I said "ever since." What I mean, of course——

Mr. HATCH. Well, Mr. President, if the Senator will pardon me, let me say I thought the war occurred between the time of the Russian revolution and today.

Mr. PEPPER. Yes; it did. I said it is easy to gang up on Russia. What I mean is that there is always a propaganda that is put up by a great many persons who hate the Russian system, and somehow or other they feel that if it exists anywhere in the world it is a danger to their property everywhere in the world.

Mr. President, I believe that the sounder opinion is that it is possible for communism and capitalism to exist peacefully in the same world. But a great many people, because they do not like Russia's government, are constantly the mouthpieces of anti-Russian propaganda for all purposes. That is what I mean. In any newspaper that we pick up we find from one to five articles which contain something that is anti-Russian in character. Either last October there was a plane shot at or something happened last November or there is some little something that happened over here or over there. Too many times there is a veritable barrage of propaganda which grows out of, in some cases, the sinister policies, and in some cases the exaggerated fears, of a great many of the people; and it is that propaganda which made the Senator from Florida say that it is easy to take hold of those animosities and to gang up on the Russians.

No, Mr. President; we did not gang up on them during the war. But there were a great many people who would have been glad to see Hitler destroy them, so that both Hitler and Russia would have disappeared from the face of the earth. Does the Senator from New Mexico deny that is the fact?

Mr. HATCH. Mr. President, if the Senator will further yield to me, although I do not wish to interrupt him, I do wish to deny strongly—strongly as I can—the implication contained in the words he has uttered, namely, that this country is ganging up with any other country against any other country in the world. I deplore that a Senator of the United States will stand here on the floor and make such a statement.

Mr. PEPPER. Very well. I ask the Senator, What has the American delegation done to get all foreign troops out of all foreign territories? What have they done in Indonesia? I have not seen the Secretary of State as a white knight on his gallant charger rushing to the liberation of Indonesia, when in some cases with American lend-lease equipment they have been shooting down people who did no more than what American Revolutionaries did. What have they done in regard to other parts of the world?

All I am asking for is an American policy that will say to everyone, "Get out of everybody else's country." That is all I am asking for. When we do that, then we shall have a typical, impartial American policy. I do not want this Government to be pro-Russian; I do not want our Government to be pro-British. I do not want our Government to be anti-Russian or anti-British. I want us to be pro-Americans. But I do not want us to give anyone the impression that if Russia is the culprit, then we rush to the side of law and order; but if anybody else is the culprit, we always find a way to let our footsteps tread gently upon the situation.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. I shall yield in a moment.

I happen to have been a student at Harvard for a while, and I remember that there were those who used to poke fun and say that it was all right to shout loud enough to be enthusiastic, but that one should not shout loud enough to be vulgar. When we say anything about many situations where others than Russia are involved, we shout loud enough to be enthusiastic, but not loud enough to be vulgar or really frightening.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. HATCH. The Senator is making so many statements with which I should like to take issue that I am unable to take issue with them all. But he has said that our footsteps were fairly quiet and easy when there were other culprits involved.

Mr. PEPPER. Yes.

Mr. HATCH. The footsteps of American soldiers in Germany against the culprit Germany were not quiet. They were heard round the world. The Senator does them a grave disservice by his statement, when it is true that we did fight another culprit side by side with the brave Russian people whom he extols.

Mr. PEPPER. Mr. President, the able Senator has been a distinguished judge in the hignest court in his State, and I am sure he can distinguish between enemy powers and nonenemy powers. If I remember correctly, the tread of Russian footsteps also echoed around the world in fighting the Hitler culprit in Germany. The Senator knows that I am not talking about enemy countries. I am merely asking that at any international conference the delegation of the United States of America lay down a rule which will be applicable alike to everybody. But, Mr. President, I sent a telegram from Cairo to the President of the United States and asked that it be given out to the public by the Office of War Information. The telegram related that the British were undermining American interests in every country in the Middle East. I endeavored, after consultation with American Army officers, with members of our diplomatic corps, and American businessmen in various countries, to show that the British were trying to prevent American aviation companies from obtaining franchises in the Middle East. I was told by heads of various governments that what I have just stated was a fact. My record shows that I have been a friend of the British. I yield to no Member of the Congress in my record of advocacy of aid to Great Britain. But, Mr. President, I merely assert that when I asked that the telegram be given out to the public by the Office of War Information I received a cable reply from the Secretary of State to the effect that delicate negotiations with representatives of the

British were then taking place in Washington, and that those negotiations would be disturbed if the telegram were given out as having emanated from an American Senator, even on his own responsibility. I then wondered, Mr. President, what would have happened if I had proposed the issuance of a public statement with reference to what some of the Russians were doing in the Middle East. I wondered whether there would have been any hesitancy on the part of the State Department in publishing the telegram.

Mr. President, I do not believe in Mr. Churchill's plan of fraternal association. and I do not believe in Great Britain or any other power taking a little mandated territory like Trans-Jordan, and entering into a mutual defense pact with it. To do so is nothing but hypocrisy. A similar situation occurred with reference to Iraq. The pact served in no way but as an excuse for Britain to keep her troops in Iraq in maintaining a portion of her life line to India. If we are no longer to have bilateral alliances but, instead, the UNO, then let us stop entering into bilateral alliances and rely on the security of the UNO. If we are not to rely on the UNO in striving for an abiding peace in the world, then on what are we to rely?

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. FULBRIGHT. Will the Senator tell us what is the relationship between Bulgaria and Rumania? Do they have bilateral pacts?

Mr. PEPPER. I do not know whether they do or not. To my knowledge, they do not. They may have. As I recall, they have entered into some kind of a commercial agreement.

Mr. FULBRIGHT. Does the Senator know whether or not there is any relationship between Russia and Poland of the nature to which reference has been made?

Mr. PEPPER. I believe there may be some understanding between Russia and Poland. But I must remind the Senator from Arkansas that Poland is adjacent to the Russian border, and that Bulgaria and Rumania are either adjacent to the Russian border or are in proximity to it. They are not 1,500 or 2,000 miles away from the Russian homeland.

Mr. FULBRIGHT. Then, is it the Senator's belief that the proximity of the territory of one nation to that of another has some bearing upon the relationship which may exist between the two countries?

Mr. PEPPER. I certainly do believe so. I believe it is one thing to defend one's homeland and another thing to defend a foreign country.

Mr. FULBRIGHT. In other words, a contiguous territory is necessary for defense, and for that reason Russia is entitled to seek a relationship with Iran.

Mr. PEPPER. Has the Senator from Arkansas ever heard of a doctrine called the Monroe Doctrine?

Mr. FULBRIGHT. I believe I have heard something about it. [Laughter.]

Mr. PEPPER. The Monroe Doctrine merely preempts for the United States of America the Western Hemisphere as a defense zone. If I recall correctly, it also preempts the Atlantic Ocean and most of the Pacific Ocean as defense zones for the United States of America. I do not believe that to talk about defending our own territory is a new doctrine in American politics.

Mr. FULBRIGHT. Then, the Senator believes such a doctrine to be appropriate for Europe?

Mr. PEPPER. Yes; but I do not believe in the United States of America preempting against any foreign powers the Western Hemisphere, the western Atlantic, and most of the Pacific Ocean, and at the same time claiming that no other country has any right or authority to defend itself around its own homeland. All I am asking for, Mr. President, is the kind of consistency that squares with a single standard of international morals.

Mr. FULBRIGHT. The Senator believes that, in supporting the Monroe Doctrine in this hemisphere, we are asking for the exercise by Russia of the same principles and rights so far as Europe is concerned.

Mr. PEPPER. I should not want to answer the Senator's question without first calling as witnesses some of the countries who have experienced certain actions of the United States of America under the Monroe Doctrine as, for example, Nicaragua, and many other countries in Central and South America.

Mr. President, I am not decrying the past, but I am saying that inasmuch as we now have the Iranian controversy relatively reconciled, if we are really opposed to the maintenance of troops by foreign powers in the territories of other countries, then let us stand up in the UNO and defend that principle, and set a good example for others.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BREWSTER. I regret that I did not hear the earlier part of the discussion. I came into the Chamber as the Senator was referring to the Trans-Jordan situation.

Has the Senator any information with regard to whether the State Department has taken any position with reference to the recent development which has taken place in the Trans-Jordan?

Mr. PEPPER. I regret that I do not have any information on that point. I understand that an agreement was proposed between Trans-Jordan and Great Britain which would permit Great Britain to maintain all of the troops she now has in Trans-Jordan and place other troops there which may be agreed upon.

Mr. BREWSTER. Has the Senator called the attention of the Senate to some of the unusual circumstances under which the Trans-Jordan became a state within the past 10 days?

Mr. PEPPER. I merely intimated it, and I wish the Senator would elucidate further.

Mr. BREWSTER. That matter was called very fully to the attention of the State Department more than 2 months ago when, apparently, there was being contemplated, I think rather curiously although perhaps incidentally, the creation of the state of Trans-Jordan to be a member of the Arab League, which was announced a week ago last Friday, together with the contemporary announcement of mutual treaties of defense such as those to which the Senator has referred. I inquired of Mr. Clayton before the Finance Committee yesterday about the situation with regard to trade relations. He was not at that time informed about the situation, but it is my understanding—and I think it is a matter of high importance—that Britain has no power or responsibility in Trans-Jordan or Palestine itself—Trans-Jordan being a part of Palestine, embracing two-thirds of the territory—except under the mandate of the League of Nations, to which the United Nations presumably are the successors. We have entered into an Anglo-American commission of inquiry into Palestine. I think every one of the 50 nations composing the League of Nations, now the United Nations, have absolutely equal rights with us in this mandate and in this trusteeship. So during this transition period when the world is so much preoccupied with other matters to which the Senator has referred, when suddenly this new state is brought into being, without, so far as we are informed, any consultation with any responsible authorities of the other 50 nations, either Russia, or any other country, or America, it does seem to me that the matter invites most careful consideration. It has a profound impact upon the whole problem of Palestine, which is one of great concern to many people in this country. It involves the division of Palestine into two separate parts and the creation of an independent state in one of them. If it is the suggestion of the Senator from Florida that if the Russian difficulty is temporarily composed, there should be immediate inquiry by our Department of State as to the significance of this development, as to the authority for it, as to whether or not it has received the approval of any responsible body outside the Government of Great Britain, I think that by following such a course a great service would be rendered not only to all the peoples involved but to the cause of peace throughout the world.

Mr. PEPPER. Mr. President, I want to thank the able Senator from Maine for his usual and characteristically valuable contribution.

Now, Mr. President, just a last word. There was a time in the world when struggling peoples seeking independence and sovereignty could feel sure that here in the great heart of the United States of America, so recently admitted to the sovereignty of the nations of the world itself, there would be found a dynamic echo of all their hopes and aspirations. I hope that American foreign policy has not got hardening of the arteries; I hope we have not lost that spiritual resiliency which made us the friend of the downtrodden and the oppressed in every country and clime on all the face of the earth. I still like to think of America as personified in the Statue of Liberty at the entrance of New York harbor, a statue put there not by the American Government, not by the American people, but by the children of France, holding aloft a torchlight, indicating that we welcome to these hospitable shores oppressed peoples of all the world.

Now when upon the earth there are these anguished cries for independence and a new life, I want to see the strong hand of America stretched forth to every single one of them. Let us be embarrassed by no association, fraternal or otherwise, so that we may not extend that hand of friendship and that clasp of confidence to poor little peoples, who have their own George Washingtons, their own Patrick Henrys, and their thousands or millions aspiring to the great thrill and exaltation of the freedom which we enjoy here in America.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Nebraska.

Mr. WHERRY. I did not want to interrupt the closing remarks of the distinguished Senator from Florida, but I should like to propound a question to him and advise him that I submitted a resolution proposing an investigation of the State Department. It is Senate Resolution 197. I am wondering, in the light of the very forceful statement made by the distinguished Senator from Florida, if he feels that the provisions of this resolution are not timely, and that it should be considered by the Foreign Relations Committee and be adopted by the Senate and thus cause an investigation to be made of the State Department of our own Government.

Mr. PEPPER. Mr. President, in the first place, I do not really think it is necessary to have a resolution. I am in no sense of the word opposed to the principle of the Senator's resolution, but I think that the State Department represents the American Government and the American people and the American Congress, and I consider that we are always in session in the Foreign Relations Committee and upon this floor and can bring out any dereliction that might appear on the part of the State Department. I have no objection whatever to a scrutiny of its conduct at all times, but whether it would be necessary to have an express resolution is a matter which I have not considered.

Mr. WHERRY. I wanted to call the attention of the Senator to the resolution and ask if he will not study it in the light of the remarks he has made and his feeling about some of the Department's policies. I should like to have the observation of the distinguished Senator later as to the resolution.

Mr. President, with the permission of the distinguished Senator from Florida, at the conclusion of my statement in this colloquy I ask to have the resolution printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The resolution (S. Res. 197) submitted by Mr. WHERRY on November 28, 1945, is as follows:

Resolved, That a special committee to be composed of five Senators to be appointed by the President of the Senate is authorized and directed to make a full and complete study and investigation with respect to the policies, operations, administration, and personnel of the Department of State, with particular emphasis on (1) any variance between the policies now being pursued and those expressed in the Atlantic Charter, the Potsdam Agreement, and the various agreements entered into in recent years by the American Republics; (2) any intervention by personnel of the Department of State in the domestic policies or affairs of the Latin-American Republics or other action by such personnel tending to destroy or militate against the good-neighbor policy in the Western Hemisphere; (3) whether any of the personnel of the Department of State have shaped or influenced or have attempted to shape or influence our foreign policies or our operations in any foreign nations with a view toward the establishment of a Communist form of government in such nations; (4) any actions taken in any foreign nation by any personnel of the Department of State which were known by them to be contrary to the foreign policy of the United States or the instructions of our ambassadors or ministers to such nations; (5) the extent to which personnel of the Department of State are in sympathy with Communist ideology; and (6) any conflict between the policies being pursued by the Department of State and those being pursued by our Army or Navy in any territory now occupied by our military or naval forces. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations as it may deem advisable.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-ninth Congress, to employ such experts, and such clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. FULBRIGHT. Before closing, in view of his violent attack upon the British, I think the Senator should mention at least the recent offer to India of freedom either within or without the commonwealth. Does not the Senator from Florida think in fairness that he should mention that? India is a much more important segment of the world than is Trans-Jordan.

Mr. PEPPER. Mr. President, I shall be glad to make a brief comment on the Indian situation, and I thank the Senator for suggesting it. I do not think there is any doubt, that American opinion for a very long time has had great difficulty in squaring what the British were doing in India with the professions which we made about democracy during the war, the democracy for which we were fighting. I do not think we need to conceal the disappointment of the people of this country when it was announced by Mr. Churchill, then Prime Minister of Great Britain, that the Atlantic Charter, which had aroused the hopes of the peoples everywhere, did not apply to India and to the Far East. I do not think I need conceal from my colleagues, Mr. President, the feeling of great dejection and disappointment on the part of many people when that great warrior for democracy, upon whose words the hope of the world tenuously hung, when he announced one day that victory would be obtained in the common effort and then made the rather exultant announcement that he had not become the king's first minister to preside over the liquidation of the British Empire. If he had made any kind of limitation, if he had said there are some peoples we are going to emancipate, some now and more later, and all eventually, the feeling of dejection and alarm would have been dispelled; but it was not the great lion and spokesman of democracy who was talking that day when he said to the world, "I did not become the king's first minister to preside over the liquidation of the British Empire." It was the master of empire clinging to his own and defying all, even the oppressed. Mr. Churchill preceded that statement by saying, "We shall keep our own."

Later I sat in the gallery of the House of Commons and I heard Mr. Churchill ask the Prime Minister, "What are you going to do? Are you going to give away the British Empire?" He asked it with all the tenacity with which he had defended the tight little island against Hitler, thinking that they had a God-given right to hold a Damoclean sword over people's heads in the colonies, as they had a right to exercise their sovereignty over their own Great Britain.

What has happened to Hong Kong? To whom should Hong Kong belong? Would we permit any foreign power to have Charleston, S. C., Boston, New York, or any other American city on our coast? Why has not someone who believes in democracy stood up in the United Nations and said, "We are in favor of the Chinese having Hong Kong, since in China is where God put it in the geography of the world." Have we heard anything about the emancipation of Hong Kong? I have not heard any quarrel about the commercial rights held by certain powers in China.

I do recall how loath some powers have been to give up their extraterritorial rights in various parts of the world and that we have it to our credit that we have led in the relinquishment of such humiliating prerogatives.

Mr. President, I am glad the Senator mentioned India. I should like to know when the promise of the Prime Minister is to take effect. He said "We are willing to give India independence in or outside the Empire." Was his meaning like ours, as expressed in our resolution of the Congress with respect to the Philippines, that we would give them their freedom in 1946 Anno Domini? No. Let them say "this year", let them say "by spring of next year", let them say "by the following summer," or "by the coming autumn." Then the people of the world will have more confidence in the statement. But when the Prime Minister was pushed as to when the independence was to be given, he did not want to arouse too much hope, and he said a subcommittee of the cabinet was going to India to confer with the leaders. The reason why that remark has not aroused more optimism is that until they see it

fulfilled, many people think it is just another political promise.

I hope Great Britain is seeing the light. I believe she is. I have faith in the Labor Government. I do not think Ernie Bevin goes as far as the Prime Minister does in that respect. I am afraid he is beginning to fall for the coddling of the Tories in his own country, and to be a sort of a spokesman of the Empire. I do not believe Prime Minister Attlee, who built his career upon social service in a tenement district in London, feels that way.

I know it is going to be hard for our British friends to give up and abandon the old commercial and political interests they have had around the world, this boasted Empire "upon which the sun never sets." But, Mr. President, before God and the dead, do we not live in a new world, where we have to shake off the old method of thinking and be willing to be unselfish ourselves, if we are to have peace?

It is not possible to keep the present British and French Empires, the Dutch and Belgian Empires, intact, as they are today, to have peace or disarmament in the world, and that is what I was talking about here a few days ago when I spoke about the Big Three. If this is to be a world of power politics, Russia is human enough to want her part. If we are to exploit the oil of the Middle East, Russia is going to demand her share. It is human to do it.

The way to avoid such an imperial scramble is for all of us to get on our knees before the graves of the dead and say, "It is a new earth the dead have given us. Now let us remake it." Yet when you pinch the toe of one of these powers that has a far-flung empire, it is more sensitive than a toe with a rising on the end of it.

If the United Nations Organization really wants to carry out its obligation to mankind, let the nations go back to the council table and get away from picayunish things and discuss power politics, and ask each one what she is willing to give up. Let America be the first to say, "I will set the example. It will be the kind of America our people have always been in their hearts."

All this Organization is doing now is preserving the status quo. The member nations now have Russia in a hole. The other nations have their great empires. When Russia gets strong enough to begin to assert her own right, they say it is against the rules, that they must preserve the status quo.

Mr. President, we cannot have peace and keep this perfidious status quo that has grown up as a result of power politics in the world today. I want America to go to the council table with the white light of new purpose shining in her noble face. I want America to give up thinking in State Department language and diplomatic politics and protocol. I want America's spokesmen to speak with the voice of the people, which, after all, in this case is essentially the voice of God, because it is right.

And when America becomes that kind of a shining light for a new order on the earth, based upon righteousness by all nations, in concert, everyone to help keep the peace, because it will be to nobody's interest to break it. Then the dead can sleep in peace, and their progeny can be assured they will not have to take their places in graves beside them.

VETERANS' PREFERENCE IN SALES OF SURPLUS PROPERTY

Mr. LANGER. Mr. President, I wish to speak in support of the bill introduced this morning by the Senator from New Mexico [Mr. HATCH] to give veterans first priority in the sale or transfer of surplus property under the Surplus Property Act of 1944.

Mr. President, from all over the Northwest, especially from the States of North Dakota, South Dakota, and Montana, continuous complaints are being received that the veterans cannot get farm machinery, that the preferences are, for all practical purposes, worthless.

I call the attention of the Senate to section 17 of the original act providing for the disposition of surplus property. Senator Chandler, of Kentucky, the Senator from Colorado [Mr. JOHNSON], and I finally secured the adoption of section 17, which provides as follows:

SEC. 17. The Board shall devise ways and means and prescribe regulations in cooperation with the War Food Administrator providing for the sale of surplus property in such quantities in rural localities and in such manner as will assure farmers and farmers' cooperative associations equal opportunity with others to purchase surplus property: *Provided, however,* That in cases where a shortage of trucks, machinery, and equipment impairs farm production, a program shall be developed by the Board in cooperation with the Agricultural Adjustment Agency whereby a reasonable portion of the surplus supply will be made available for sale in rural areas to farmers and farmers' cooperative associations.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. AIKEN. I wish to ask the Senator from North Dakota if he thinks that merely giving ex-servicemen priority in the purchase of surplus material is going to help them? I ask the question because I have had many complaints about the inability of servicemen to purchase surplus goods. One of the complaints I have received is of this nature: A serviceman goes to the Army depot where the surplus material is at hand, and whoever is in charge says, "Oh, yes; you are a serviceman, therefore you have priority in the purchase of this material." The selling price set by the OPA is so much. It is more than the serviceman can pay, so he goes home without it. The next day it can be sold in the regular manner to speculators for perhaps one-third as much as the serviceman was asked to pay for it. So I am wondering if merely giving him a priority, which he does need, is going entirely to meet the problem which exists.

Mr. LANGER. The distinguished Senator comes from the eastern part of the United States, and therefore is not familiar with the situation in the Northwest.

Mr. AIKEN. I am sufficiently familiar with it from what I have learned from people who know the situation in the East and in the West to know that in the Senator's territory the sale of surplus property to veterans, farmers, and others is handled a great deal better than in my section of the country.

Mr. LANGER. Then, God pity the veterans in the eastern part of the United States. In my section a veteran has to go hundreds of miles before he can even see the article he wants to buy. He goes as many as 500 or 600 miles before he can even look at it. The whole theory of the amendment which I sponsored, being section 17, which was adopted and is in the original act, was, and I so stated upon the Senate floor, that the War Surplus Commodity Administration should, for example, send hundreds of tractors, jeeps, and farm machines to cities such as Fargo, N. Dak., or Billings, Mont., and even into the small towns, where they could be inspected and tried out by the farmer or veteran who wished to buy them. Instead of that being done, we find that section 17 has been ignored entirely—by whom? First, by the War Surplus Administration.

The distinguished Senator will remember that members of that Administration were appointed and confirmed by the Senate. The agency was headed by former Senator Gillette, of Iowa. Time and time again I accompanied other Senators to the office of the Administration in the hope of getting the War Surplus Administration to send machinery to the West. Former Senator Gillette's answer—and he spoke in behalf of the administration—was that they had too small a force, that rules and regulations had not been prepared, and so on. The first thing we knew former Senator Gillette resigned from that Administration. Then as successor to the War Surplus Administration we found the Surplus Property Board, and we had no better luck with that Board, although the junior Senator from Tennessee [Mr. STEWART], former Senator Chandler, of Kentucky, and I went there time and again. Then all of a sudden a new agency took over. In a little while along came a successor known as the War Assets Corporation. Lo and behold, today we have another successor called the War Assets Administration.

So, Mr. President, in a period since 1944 we have had five different outfits trying to administer war surplus, and of the five not one have given any satisfaction to the Northwest, nor has any administrator done so, with the exception of Mr. Stuart Symington. Mr. Symington went to the Northwest and met with farmers and veterans of the Northwest and for the first time, through Jerry Wadsworth, who was at the head of the veterans division, we received a little assistance.

So I believe the bill introduced by the Senator from New Mexico [Mr. HATCH] will be of some benefit, because today if a veteran goes to a place to buy a surplus article he is told "We cannot sell it to you because first of all the Federal Government may take it. If the Federal Government does not take it, a State may take it. If a State does not take it, a county may take it."

We find that the present administrative agency has given no more attention to the sale of surplus property to veterans and farmers than was given to the

amendment submitted by the Senator from Maryland [Mr. TYDINGS] and adopted as part of the Selective Service Act. Those administering that act ignored the so-called Tydings amendment in all parts of the country. There were farmers in my section of the country who had farm units of sufficient size to bring them under the provisions of the amendment, yet they were not given the benefit of its provisions.

If the bill which gives veterans a preference is passed, and veterans go to a place where surplus property is located, at lease the one in charge of the surplus property will not be able to say to them, "Well, we would like to sell this property to you, but we have to give the Federal Government first choice, we have to give the State the second choice, and give the third choice to counties, and the fourth choice to school districts," and so on.

As I stated a moment ago, this preference is due to the veterans now, in view of the fact that the Federal Government, the States, and the counties, and so forth, have had months and months and months in which to buy what they need. Therefore the veterans ought to have the opportunity to buy some of this material now.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. AIKEN. I hope the Senator from North Dakota is correct in believing that the bill will help the ex-serviceman who has not had a chance up to now. I have in mind the case of two young ex-servicemen who bought a couple of farms on which there was some timber. They wanted to get some sawmill machinery so they drove to Boston. From Boston they were sent to Washington. From Washington they were sent to Chicago. Finally they went home, as I am told, with one truck in not very good condition.

At the time this complaint came to me I was also advised by one who was in the best position to know in my State that more than 600 servicemen had tried to buy surplus property up to that time, and less than 30 had succeeded in getting anything. As I stated, they would go to the Army depot, or wherever the surplus property was kept, and would be told there that they had priorities next to the States and counties, and so forth, and the selling price was so much, but the selling price would always be more than they could afford to pay, and then, after they went home, the goods would be sold to speculators and traders at perhaps one-third of the price which was charged to servicemen.

Mr. LANGER. I might say to the Senator that my distinguished colleague, the junior Senator from North Dakota [Mr. YOUNG] and I tried repeatedly to get a square deal for the veterans of North Dakota. There, veterans have to travel to Minneapolis or Chicago. They simply have not been taken care of.

Mr. AIKEN. From all I can learn, the Senators from North Dakota were very successful, because it is my understanding that the area served from Minneapolis is by far the best handled of any area in the United States, and that my own area in the northeastern area of the United States is served very poorly. I could name one or two other areas that have been served badly also.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LANGER. I yield to my colleague.

Mr. YOUNG. The senior Senator from North Dakota is absolutely correct as to the situation existing in our section of the country. I should go a step further, however, and state that in order to correct the situation some of the trucks would have to be transported to areas where there are none. For example, we hear that in Dallas, Tex., 7,000 trucks are to be sold. Prospective buyers in our part of the country hear that 200 or 300 may be available to them. They must go to Minneapolis to see them; but in order to get them they must go as far as Columbus, Ohio, or even farther. I believe that a veterans' preference would help somewhat.

Mr. LANGER. Mr. President, in conclusion I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Speaking of Surpluses," published in the Washington Daily News of yesterday.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SPEAKING OF SURPLUSES

Do you know what the War Assets Administration is? It's the successor to the War Assets Corporation. That was the successor to the Surplus Property Administration. That was the successor to the Surplus Property Board. That was the successor to the Surplus Property Administration.

Do you still wonder why the public doesn't get a chance to buy surplus war goods?

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. TAFT. Night before last I received a call from a veteran in Florida, who stated that six road graders, or something of the sort, had been offered for sale with veterans' preference. This particular veteran wanted only one for the small contracting business upon which he was entering. They were sold to someone for $115 or $120 for all six. The veteran then went to see the person who had bought the articles to buy one, and the owner wanted $100 for one. Obviously the method of selling all six at once eliminated any possibility of the ordinary veteran receiving any aid from the act.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. AIKEN. I have in mind a young serviceman from my own town who thought he would get a surplus bulldozer and go into business for himself, with two or three other servicemen, digging cellars, which are in considerable demand, even though it is impossible to obtain anything to put on top of them. He wanted to go into business digging cellars, ponds, and things of that kind, for which there is a good demand. He learned of some surplus bulldozers offered for sale. He traveled a considerable distance to try to purchase one of them, and was told that he would have to buy eight or none at all. Of course, eight bulldozers for one young serviceman with perhaps three or four thousand dollars saved up were out of the question, so he had to return home without any.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. YOUNG. It seems to me that the whole policy is to deal with large operators, and that the administration has not established a fair policy toward the individual veteran or the small purchaser.

Mr. AIKEN. The speculators seem to be getting the goods. Anyone wishing surplus Army goods must buy them through a speculator. Not long ago the State of New York bought 50,000 pairs of surplus nurses' shoes. I was told by a very competent authority who had to do with the purchase that the shoes could not be bought direct at that time. They had to be bought from a speculator, at an advance of 30 cents a pair.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. TAFT. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER (Mr. STEWART in the chair). The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER], for himself and other Senators, to the amendment offered by the Senator from Florida [Mr. PEPPER], for himself and other Senators, as amended.

Mr. EASTLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Ohio yield for that purpose?

Mr. TAFT. I yield for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	O'Mahoney
Austin	Hart	Overton
Bailey	Hatch	Pepper
Ball	Hawkes	Reed
Bankhead	Hayden	Revercomb
Barkley	Hickenlooper	Russell
Bilbo	Hoey	Saltonstall
Brewster	Huffman	Shipstead
Bridges	Johnson, Colo.	Smith
Briggs	Johnston, S. C.	Stanfill
Brooks	Knowland	Stewart
Buck	La Follette	Taft
Bushfield	Langer	Taylor
Butler	Lucas	Thomas, Okla.
Byrd	McClellan	Thomas, Utah
Capehart	McFarland	Tunnell
Capper	McKellar	Tydings
Carville	McMahon	Vandenberg
Connally	Magnuson	Wagner
Cordon	Maybank	Walsh
Donnell	Mead	Wheeler
Eastland	Millikin	Wherry
Ellender	Mitchell	White
Ferguson	Moore	Wiley
Fulbright	Morse	Willis
Gerry	Murdock	Wilson
Gossett	Murray	Young
Green	Myers	
Guffey	O'Daniel	

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Alabama [Mr. HILL] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS] and the Senator from Georgia [Mr. GEORGE] are necessarily absent.

The Senator from Maryland [Mr. RADCLIFFE] is absent on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], and the Senator from Nevada [Mr. MCCARRAN] are detained on official business.

Mr. WHERRY. The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The PRESIDING OFFICER. Eighty-five Senators having answered to their names, a quorum is present.

BROADCASTING OF NONCOMMERCIAL CULTURAL OR EDUCATIONAL PROGRAMS—CONFERENCE REPORT

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate now proceed to the consideration of the conference report on Senate bill 63, a bill to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs.

Mr. TAFT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Ohio?

Mr. JOHNSON of Colorado. I yield.

Mr. TAFT. It seems to me that we should conclude action on the pending business. The conference report is a highly controversial matter. If we begin to consider it, the debate may take the remainder of the afternoon. I think it is exceedingly important that we proceed with consideration of the minimum wage bill, which has for so long a time been before the Senate, and which I hope can be disposed of this afternoon. I do not think the Senate should agree to a motion to take up some other controversial matter.

The PRESIDING OFFICER. Does the Senator from Colorado request unanimous consent or make a motion that the Senate proceed with consideration of the conference report?

Mr. JOHNSON of Colorado. No, Mr. President; I did not ask unanimous consent. I made a motion; and, as I understand, the motion is not debatable. I renew my motion. It is a privileged motion.

The PRESIDING OFFICER. The Chair understands that the motion is not debatable.

The question is on agreeing to the motion of the Senator from Colorado. [Putting the question.] The "noes" appear to have it.

Mr. JOHNSON of Colorado. Mr. President, I ask for a division, and first I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

Aiken	Brewster	Byrd
Austin	Bridges	Capehart
Bailey	Briggs	Capper
Ball	Brooks	Carville
Bankhead	Buck	Connally
Barkley	Bushfield	Cordon
Bilbo	Butler	Donnell
Eastland	McClellan	Shipstead
Ellender	McFarland	Smith
Ferguson	McKellar	Stanfill
Fulbright	McMahon	Stewart
Gerry	Magnuson	Taft
Gossett	Maybank	Taylor
Green	Mead	Thomas, Okla.
Guffey	Millikin	Thomas, Utah
Gurney	Mitchell	Tunnell
Hart	Moore	Tydings
Hatch	Morse	Vandenberg
Hawkes	Murdock	Wagner
Hayden	Murray	Walsh
Hickenlooper	Myers	Wheeler
Hoey	O'Daniel	Wherry
Huffman	O'Mahoney	White
Johnson, Colo.	Overton	Wiley
Johnston, S. C.	Pepper	Willis
Knowland	Reed	Wilson
La Follette	Revercomb	Young
Langer	Russell	
Lucas	Saltonstall	

The PRESIDENT pro tempore. Eighty-five Senators have answered to their names. A quorum is present.

Mr. JOHNSON of Colorado. Mr. President, I desire to withdraw the motion which I previously made that the Senate proceed to the consideration of the conference report on Senate bill 63.

The PRESIDENT pro tempore. The Senator has a right to withdraw his motion.

Mr. JOHNSON of Colorado. I have been assured by the majority leader that we may have all day tomorrow, if necessary, to consider the conference report. With that assurance, I am glad to get out of the way of the unfinished business which has been temporarily laid aside.

Mr. TAYLOR. Mr. President, I should like to urge Members of the Senate to read carefully the Lea bill, because it was originally introduced for the purpose of curbing Mr. Petrillo and preventing him from interfering with broadcasts of the Interlochen group. The bill was referred to a committee and thereafter practically a new bill was written without testimony being heard from persons in the entertainment field, such as musicians, composers, and so forth. In its present form the bill is a very vicious antilabor bill, and not directed at Mr. Petrillo, but instead at the whole musical industry. I have a telegram signed by Bing Crosby, Lawrence Tibbett, Dinah Shore, Art Obler, Eddie Cantor, James Melton, Norman Corwin, Frank Sinatra, Jean Hersholt, and Bob Hope. We know that when Bob Hope says something he is not "kidding"; he really means what he says. The persons whose names I have read are very much opposed to the bill. I hope that the Senate will look into the matter before the bill comes before the Senate for consideration.

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a telegram I have received this morning from Bing Crosby and others regarding the conference report on Senate bill 63. I think it is similar to the telegram referred to by the Senator from Idaho.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *April 3, 1946.*

Hon. WILLIAM LANGER,
United States Senate,
Washington, D. C.:

On behalf of 60,000 rank-and-file employees of radio industry, including actors, announcers, technicians, and directors we strongly urge that you vote against Conference Report 1824 on amendment of the House to S. 63. Although ostensibly a bill in the public interest framed to restrict specific action of James Petrillo bill in present form restricts labor rights of all radio workers. Most clauses of conference report bill have nothing to do with public interest and benefit only radio station employers at expense of their employees. Respectfully call your attention to fact that present bill was never debated on floor of Senate and that radio artist unions affected were never informed of original hearings on House bill or invited to attend and present above information. Your vote against this bill will prevent great injustice to group of union which has splendid record of labor relations.

Bing Crosby, Lawrence Tibbett, Dinah Shore, Art Obler, Eddie Cantor, James Melton, Norman Corwin, Frank Sinatra, Jean Hersholt, Bob Hope.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. ELLENDER. Mr. President, I understand that now pending is the amendment which I proposed yesterday to the Pepper amendment.

Mr. LANGER. Mr. President, may we have the amendment read so that we all may understand what it contains?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from North Dakota for the purpose of having the amendment read?

Mr. ELLENDER. I yield.

The PRESIDENT pro tempore. The amendment will be read for the information of the Senate.

The CHIEF CLERK. It is proposed by the Senator from Louisiana [Mr. ELLENDER] for himself and other Senators to amend the amendment proposed by the Senator from Florida [Mr. PEPPER], for himself and other Senators, to the committee amendment as follows:

On page 1 of said amendment, beginning with line 3, strike out down to and including line 17 on page 2 and in lieu thereof insert the following:

"SEC. 5. (a) Effective upon the expiration of 6 months after the effective date of this act, section 6 (a) of the act is amended by striking out all of such subsection through the figure '(5)' in the last paragraph and inserting in lieu thereof the following:

"'SEC. 6. (a) Every employer shall pay to each of his employees who is engaged in commerce or in the production of goods for commerce wages at the following rates—

"'(1) not less than 60 cents an hour;

"'(2) in the case of employees in Puerto Rico or in the Virgin Islands, not less than the rate (not in excess of 60 cents an hour) prescribed in the applicable order of the Administrator issued under section 8;

"'(3)'."

Mr. ELLENDER. Mr. President, in order that any confusion may be eliminated, I may say that the pending amendment has nothing whatever to do with the so-called substitute offered approximately 2 weeks ago on behalf of myself and the distinguished Senator from Minnesota [Mr. BALL]. The pending amendment merely seeks to amend the Pepper amendment, which has as its purpose a vote by the Senate on section 6

of the pending bill. The effect of my amendment would be merely to strike from the Pepper amendment to section 6 all the language beginning in line 3 on page 1 and substituting therefor the wage scale which appears on page 2 of my amendment. Under the Pepper amendment the wage scale begins at 65 cents and is to continue for 24 months. Thereafter it is fixed at 70 cents, and at the end of 48 months it becomes 75 cents. The amendment proposed on behalf of myself and the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. BALL], and the Senator from Ohio [Mr. TAFT] fixes a straight 60 cents-an-hour-rate effective 6 months after the law becomes operative. That is all there is to the amendment.

In addition to striking from the Pepper amendment the scale of 65 cents, 70 cents, and 75 cents, there is also stricken from the amendment the cover-all clause which would take under its wing department stores, and so forth.

The language to which I refer appears at the top of page 2, and reads as follows:

> And every employer who is engaged in any activity affecting commerce shall pay to each of his employees employed in or about or in connection with any place of employment where he is so engaged.

The amendment now pending will, as I have just stated, strike from section 6 of the bill that language, and will restore to section 6 the language which is now included in the law.

Mr. President, that is all there is to it, and I am very hopeful that the Senate will vote favorably on the amendment.

Mr. PEPPER. Mr. President, the Senator from Louisiana has correctly stated the purport and the effect of his amendment. It accomplishes only two things, if adopted, as he has already pointed out. First, it proposes a wage of a flat 60-cent minimum. There is no provision for any raise in that rate by statute or by the action of industry committees.

The 60-cent minimum itself, it should be told to the Senate, would not become effective until 6 months after the effective date of the act, and 3 months, or 120 days, by the language of the bill, must elapse before the act becomes effective after it is passed. We would not wish to deceive anybody. The effect of the Senator's amendment would be to provide a wage scale of 60 cents an hour to take effect 9 months after the passage of the law. As the Senator has also said, the amendment would strike out of the pending amendment the extended coverage embodied in the language "affecting commerce."

Mr. MOORE. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. MOORE. Section 8, subsection (b) of the committee bill provides:

> No employer who is engaged in commerce or in the production of goods for commerce or in any other activity affecting commerce shall employ any oppressive child labor in or about or in connection with any enterprise in which he is so engaged.

Does the Senator's amendment affect that provision?

Mr. PEPPER. There is nothing in the amendment of the Senator from Louisiana about child labor. All it does is to amend the pending amendment, of which I was one of the authors, so as to substitute a minimum wage of 60 cents an hour for the 60, 70 and 75 cents contained in the pending amendment, and to delete the words "any activity affecting commerce" from the pending amendment.

Mr. CORDON. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. CORDON. I understand that the amendment now offered by the Senator from Louisiana strikes from the section of the bill prescribing the minimum wage scale the broader coverage found in the phrase "any activity affecting commerce."

Mr. PEPPER. That is correct.

Mr. CORDON. The same provision appears thereafter in sundry sections of the bill. If the Ellender amendment should be agreed to, and if that should conclude the amendments; that is, should no other amendment be adopted, I should like to have the Senator state what would be the effect of the use of the same terminology in other sections of the bill, particularly sections carrying a prohibition.

Mr. PEPPER. We are dealing only with the pending amendment. Let the Senator clarify his mind about the parliamentary situation. There is pending an amendment which, for better name, might be called the Pepper amendment, because I am one of the sponsors of the amendment. The so-called Pepper amendment is now pending, and to that amendment has been added the amendment of the Senator from Georgia [Mr. RUSSELL]. The amendment is still open to amendment. The Senator from Louisiana proposes to amend the first part of the amendment affecting the wage scale. If this amendment shall be agreed to, it will still carry along with it the Russell amendment, which was adopted to my amendment at a recent session of the Senate. All that is in question at the immediate time is the substitution of a wage minimum of 60 cents an hour, to take effect 6 months after the effective date of the act, instead of a wage scale of 65, 70, and 75 cents, as proposed by the committee.

If the amendment of the Senator from Louisiana shall be agreed to, I dare say he may have another amendment he will wish to offer, which would at a subsequent time take care of the matter the Senator from Oregon has in mind.

Mr. CORDON. My question went to the result in case of the eventuality that further amendatory action should be offered but not agreed to. In that event there would have to be some changes in the language of the Pepper amendment.

Mr. PEPPER. One of the comments I was about to make was that the Senator's fears are groundless that any such progress in extended coverage will be made.

Mr. TAFT. Mr. President, not only is the Senator from Louisiana likely to offer an amendment, but he has given notice that he will offer an amendment, to be considered once the pending amendment is disposed of, and that amendment would strike out all of sections 2 to 9, inclusive, which contain all the words to which the Senator from Oregon refers.

Mr. ELLENDER. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. ELLENDER. I wish further to state that should the Senate agree to the pending amendment, I shall then ask unanimous consent to modify the so called Ellender-Ball substitute to conform with the wage scale provided in the pending amendment.

Mr. PEPPER. Mr. President, all of us wish to be fair to our colleagues about this matter. What the Senator from Louisiana is doing represents an effort on the part of a good many Senators on both sides of the Chamber to come to an area of agreement sufficiently large to enable us to have any kind of a bill at all. It is like all other compromises, it does not satisfy anyone altogether, and I am sure that there is no Senator more disappointed than I am that we are not extending the wage scale to a higher figure, that we are not extending the coverage, and that perhaps the net effect of our action will be to reduce the coverage.

I suppose one of the lessons we have to learn in life as we go along is the lesson of patience and compromise. Some of us have had difficulty in accepting the second part of that concept, at least we are happier when we are advocating than when we are compromising. But we are faced with the practical situation of having no bill at all unless we can arrive at an area of agreement sufficiently large to encompass possibly a majority of the Senate. The only way we could do that was to try to arrive at a figure which seemed to meet with general approval on the part of a large number of Senators on both sides of the aisle, and to progress at a later time when we might find it possible to do so.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. WALSH. Is the Ellender amendment acceptable to the Senators who are associated with the Senator from Florida in his amendment? Also, are they all agreed that the rates named in this amendment are the highest that can be successfully achieved at this time? Is it the opinion of the Senator that it is these rates or no bill?

Mr. PEPPER. Yes, I can say that it is. The chairman of the committee and the majority leader and others on this side of the aisle who have been very much interested in the proposed legislation have conferred with the Senator from Louisiana, the Senator from Ohio, the Senator from Minnesota, and other Senators, and we have tried to arrive at an area of agreement sufficiently large to include perhaps a majority of the Senators to enable us to pass any bill at all.

The net effect of the amendment, if it shall be agreed to, will be to raise the 40-cents-an-hour wage provided in the existing law to 60 cents an hour. I hope the amendment will be agreed to.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. OVERTON. The Senator has referred to the fact that there is a compromise. Is the entire compromise included in the pending amendment?

Mr. PEPPER. No; the Senator from Louisiana has another amendment to offer.

Mr. OVERTON. Is there any objection to a statement of what the full compromise is?

Mr. PEPPER. Since whatever else there might be would be included in the amendment of the Senator's colleague, he would probably best give any further statement about it. At the present time all the Senator is intending to do is to raise the hourly wage.

Mr. RUSSELL. Mr. President, as I understood the Senator from Florida, the pending amendment is not the gallows that has been contrived to hang the hopes of the farmer, but that will be offered in an amendment which will come at some later period?

Mr. PEPPER. The only execution we hope we have effectively postponed is the execution of all those who can benefit from any kind of a law at all, because if something is not done to unscramble the present scrambled situation we all will have to admit we will have no law at all.

Mr. OVERTON. Mr. President, I should like to ask my colleague the junior Senator from Louisiana [Mr. ELLENDER] if he will be kind enough to give us a full statement of the compromise entered into in order that we may more intelligently vote on the different amendments as they are successively brought up. If we can have the whole picture before us we will have a much better understanding of the situation.

Mr. ELLENDER. Mr. President, I may say that, in view of what happened a few days ago, several Senators met in order to try to agree on a minimum-wage bill. As was stated by the majority leader several days ago, who spoke for the President, if the Russell amendment should be retained the bill would be vetoed, which would mean no minimum-wage bill at all. In an effort to obtain a minimum-wage bill some of us representing the minority membership of the committee felt that we would be willing to go along with a reasonable wage bill along the lines suggested in the proposed amendment. There were two factors involved. First, we felt that there was no evidence justifying an increase of the legal rate from 40 cents to 65 cents overnight, as it were, and then to an ultimate increase by congressional action to 75 cents. The second objection was to the so-called cover-all provision. Those who signed the minority report felt that if the cover-all provision could be stricken from the bill and the proposed minimum rate could be reduced we could go along for a minimum-wage bill.

Now to come to the point about which the senior Senator from Louisiana wishes to know. There is an understanding among some Senators that when the Ellender-Ball substitute comes before the Senate, should the Senator from Georgia [Mr. RUSSELL] propose his amendment to the substitute every effort will be made to defeat it.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. RUSSELL. I merely wish to relieve any doubts that may exist in Senators' minds as to my attitude. I intend to propose my amendment and give the Senate an opportunity to vote it up or down.

Mr. ELLENDER. I have anticipated that. As the Senator well knows, when he first proposed his amendment 2 or 3 weeks ago I made the suggestion to him that, so far as I was concerned, rather than vote for the bill as it came out of the committee, I would do anything within reason to kill it.

Mr. OVERTON. As I understand it so far, the compromise involves the following: First, it is proposed to eliminate the full coverage item.

Mr. ELLENDER. That is correct.

Mr. OVERTON. Its elimination is now provided for in the amendment that is about to be voted upon. Then, secondly, the wage scale is fixed at 60 cents an hour, no more and no less, to become effective within 9 months after the enactment of this measure into law.

Mr. ELLENDER. Six months after its enactment.

Mr. OVERTON. But the law is not to go into effect until 3 months after its enactment; therefore, it would hold back the application of the 60-cent minimum for a period of 9 months. Am I correct?

Mr. ELLENDER. Yes.

Mr. OVERTON. The third point agreed upon is the elimination of the Russell amendment. Has it also been agreed in the compromise that there will be support of the Ellender-Ball substitute amendment?

Mr. ELLENDER. That has been agreed.

Mr. OVERTON. The substitute amendment does not repeal, does it, any of the exemptions now existing in the law?

Mr. ELLENDER. The substitute, if adopted, will leave the law as it is now written, with all exemptions.

Mr. OVERTON. Is there anything else in the compromise?

Mr. ELLENDER. No.

Mr. OVERTON. Very well; I thank the Senator.

Mr. ELLENDER. As I indicated a moment ago, should the Senate adopt the pending amendment, it will then be my purpose to offer the same amendment to the so-called Ellender-Ball substitute.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. REVERCOMB. I ask the able Senator from Louisiana if, under the compromise agreement, if it is finally adopted, the law as at present will be in force with the change of wage rates to a minimum of 60 cents? Does that sum up the situation?

Mr. ELLENDER. Yes.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. When the Senator says we have agreed upon this and we have agreed upon that, to whom does he refer?

Mr. ELLENDER. Some of the proponents of the measure, including, as I recall, the Senator from Florida [Mr. PEPPER], and I think both Senators from Pennsylvania——

Mr. AIKEN. I should like to have the RECORD show when we come to a vote that as a member of the committee I have not agreed to any compromise of any kind whatsoever. In fact, other than what I had read in the newspapers, I had not known what it was until the Senators who have just spoken told what it was. So if I vote contrary to the agreement, I want it understood that I have not gone back on the agreement, because I have not made any agreement.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TAFT. I think that those of us who have spoken on the subject have not made any agreement which would preclude us from voting as we may wish to vote.

Mr. ELLENDER. The agreement with respect to the amendment was made only by those of us who have been trying to work out a minimum wage bill.

Mr. TAFT. Yes. I want to say that the 60-cent rate agreed upon is a 50-percent increase over the 40 cents now in the law. It seems to me to be a fair rate. I do not think it is an inflationary rate. It represents approximately for the low-wage earners the increase granted in most of the high-wage industries, and I believe it can be done without being inflationary. I think it is a sound settlement of the wage question.

Mr. PEPPER. Mr. President, I do not want to leave any misapprehension in the minds of Senators, in view of the statement made by the able Senator from West Virginia [Mr. REVERCOMB]. The agreement affects all parts of the bill except section 10, and at a later time I shall ask to modify that section in accordance with the request of the Secretary of Labor, as I gave notice I would do in the committee report. So we will wish to deal with that one other section, which is, I think, relatively unimportant. Except for that, it leaves the law as it is now.

Mr. CAPEHART. Mr. President, I should like to ask the Senator from Florida a question. Does a vote for the amendment proposed under the agreement referred to preclude a vote at any time on the question of the original 65-cent rate?

Mr. PEPPER. I will say to the able Senator that if he votes for the Ellender amendment now proposed as a substitute for the 65–70–75-cent scale in the Pepper amendment, he will not then have an opportunity to vote on the 65-cent or 75-cent rate unless some Senator offers that as an independent amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER] for himself, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. BALL], and the Senator from Ohio [Mr. TAFT], to the amendment proposed by the Senator from Florida [Mr. PEPPER], as amended.

Mr. AIKEN. On that question, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. BANKHEAD. I announce the absence of my colleague the junior Senator from Alabama [Mr. HILL] because of the illness of his father. If he were present, he would vote "yea."

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], and the Senator from Georgia [Mr. GEORGE] are necessarily absent.

The Senator from Maryland [Mr. RADCLIFFE] is absent on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], and the Senator from Nevada [Mr. MCCARRAN] are detained on official business.

The Senator from South Carolina [Mr. JOHNSTON] is unavoidably absent because of illness in his family.

The Senator from Texas [Mr. O'DANIEL] is detained on official business at one of the Government departments.

I wish to announce further that if present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from New Mexico [Mr. CHAVEZ]), the Senator from Georgia [Mr. GEORGE], the Senator from South Carolina [Mr. JOHNSTON], the Senator from West Virginia [Mr. KILGORE], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Maryland [Mr. RADCLIFFE] would vote "yea."

I announce also that if present and voting, the Senator from North Carolina [Mr. BAILEY] would vote "nay."

Mr. WHERRY. The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family. If present he would vote "yea."

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The result was announced—yeas 76, nays 6, as follows:

YEAS—76

Austin	Gurney	O'Mahoney
Ball	Hart	Overton
Bankhead	Hatch	Pepper
Barkley	Hawkes	Reed
Bilbo	Hayden	Revercomb
Brewster	Hickenlooper	Saltonstall
Bridges	Hoey	Shipstead
Briggs	Huffman	Smith
Brooks	Johnson, Colo.	Stanfill
Buck	Knowland	Stewart
Butler	La Follette	Taft
Byrd	Langer	Taylor
Capehart	Lucas	Thomas, Okla.
Capper	McClellan	Thomas, Utah
Carville	McFarland	Tunnell
Connally	McKellar	Tydings
Cordon	McMahon	Vandenberg
Donnell	Magnuson	Wagner
Eastland	Mead	Walsh
Ellender	Millikin	Wheeler
Ferguson	Mitchell	White
Fulbright	Moore	Wiley
Gerry	Morse	Willis
Gossett	Murdock	Young
Green	Murray	
Guffey	Myers	

NAYS—6

Aiken	Maybank	Wherry
Bushfield	Russell	Wilson

NOT VOTING—14

Andrews	Glass	O'Daniel
Bailey	Hill	Radcliffe
Chavez	Johnston, S. C.	Robertson
Downey	Kilgore	Tobey
George	McCarran	

So Mr. ELLENDER's amendment to Mr. PEPPER's amendment, as amended, was agreed to.

Mr. ELLENDER. Mr. President, I now ask unanimous consent to have the so-called Ellender-Ball substitute—that is, the wage scale—amended so as to conform with the action of the Senate just taken.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The question now recurs on the amendment offered by the Senator from Florida [Mr. PEPPER] (for himself and other Senators), as amended. The Chair is informed that the yeas and nays have been ordered on this question.

Mr. TAFT. Mr. President, I ask unanimous consent that the order for the yeas and nays be vacated. In effect, the Senator from Florida is merely correcting a part of the bill which is sought to be stricken out by the Ellender-Ball amendment. I believe that his amendment should now be adopted as a matter of course, including the Russell amendment, without further debate. Then the Ellender-Ball amendment will be offered, to strike out that section of the bill which the Senator has now corrected. Am I stating the parliamentary situation correctly?

Mr. PEPPER. Mr. President, my impression as to the parliamentary situation was that the Pepper amendment has now been amended in certain particulars and is the pending amendment.

Mr. TAFT. Yes; and I ask that the order for the yeas and nays be vacated in order that it may be adopted without opposition. There is no reason to oppose it, because the opposition to it will now arise on the Ellender-Ball amendment, which seeks to strike out all the language which has now been corrected.

Mr. PEPPER. It seems to me that the proper procedure would be to vacate the order for the yeas and nays on that question; but the question should now be presented on the substitute, as to whether the Senate wishes to adopt the Ellender substitute for the Pepper-Ellender amendment as amended.

Mr. BARKLEY. Mr. President, that does not militate against cancellation of the order for the yeas and nays.

Mr. PEPPER. I think we should vacate the order for the yeas and nays.

Mr. TAFT. I ask unanimous consent that the order for the yeas and nays be vacated.

Mr. RUSSELL. Mr. President, reserving the right to object, I should like to have the Chair clarify the parliamentary situation. Several Senators have stated their views, and I ask for an official ruling from the Chair as to the parliamentary situation.

The PRESIDENT pro tempore. The amendment just adopted of the Senator from Lousiana [Mr. ELLENDER] offered on behalf of himself and other Senators to the so-called Pepper amendment as amended, applies only to the Pepper amendment as originally submitted, and does not affect the status of the so-called Russell amendment, which was agreed to on the 29th of March. The question is now on agreeing to the so-called Pepper amendment as amended.

Mr. RUSSELL. Mr. President, if the pending amendment, which is the Pepper amendment as amended by the farm-parity amendment and the Ellender amendment, be agreed to, will the question recur on the so-called Ellender-Ball-Taft substitute?

The PRESIDENT pro tempore. The question would recur on the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT] on March 20 to that amendment.

Mr. RUSSELL. I have no objection, if the amendment is to be agreed to, to vacating the order for the yeas and nays.

Mr. TAFT. Mr. President, did the Senator say that he objects?

Mr. RUSSELL. I did not.

The PRESIDENT pro tempore. Without objection, the order for the yeas and nays on the Pepper amendment as amended is vacated.

Mr. REVERCOMB. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. REVERCOMB. In order that the situation may be clearly understood, let me inquire whether I am correct in my belief that the adoption of the amendment now pending would not preclude a vote on the Ball-Ellender amendment.

The PRESIDENT pro tempore. It would not.

Mr. JOHNSON of Colorado. Mr. President, I hope it would not preclude other amendments. I have pending an amendment which I wish to bring up at the proper time. I hope my amendment will still be in order.

The PRESIDENT pro tempore. The first question is the disposal of the Pepper amendment as amended. Then the Ellender-Ball amendment will be taken up and other amendments may be offered.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HATCH. I understand that the Ball-Ellender amendment is in the nature of a substitute, and that after it is——

The PRESIDENT pro tempore. It is in the nature of a substitute for sections 2 to 9 of the bill.

Mr. HATCH. Sections 2 to 9?

The PRESIDENT pro tempore. Yes.

Mr. HATCH. The bill itself would be open to further amendment after the adoption of the Ball-Ellender substitute, would it?

The PRESIDENT pro tempore. Before the vote is taken on that question, it will be open to amendment.

Mr. BARKLEY. Mr. President, in order that the matter may be clearly understood, let me inquire whether it is the ruling of the Chair that prior to a vote on the Ellender-Ball substitute for sections 2 to 9, any amendment which is in order may be offered, but that after a vote is had on the substitute for those sections, no other amendment to those sections will be in order.

The PRESIDENT pro tempore. If the amendment is agreed to; yes.

Mr. BARKLEY. Yes; if the amendment is agreed to.

Mr. TAFT. Mr. President, the Ellender-Ball amendment is an amendment to strike out sections 2 to 9 of the bill, and to insert something else. But after that amendment is adopted, will it not be true that other amendments may be offered to the original wages-and-hours bill, so far as the parliamentary situation is concerned?

The PRESIDENT pro tempore. Not to sections 2 to 9, but to any others.

Mr. TAFT. Sections 2 to 9 are sections of the pending bill, not of the wages-and-hours law. But it seems to me that after the Ellender-Ball amendment is adopted, it will be in order to offer any amendment which is not absolutely identical with something which has been stricken out.

The PRESIDENT pro tempore. Amendments to the Fair Labor Standards Act could be offered, of course.

The question is on agreeing to the amendment of the Senator from Florida [Mr. PEPPER], as amended.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The question now recurs on the amendment of the Senator from Arkansas [Mr. FULBRIGHT] to the Ellender-Ball amendment.

Mr. FULBRIGHT obtained the floor.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HATCH. Mr. President, I inquire if the Ellender-Ball amendment is formally before the Senate at this time?

The PRESIDENT pro tempore. It recurs at this time.

Mr. HATCH. When was it offered, Mr. President?

The PRESIDENT pro tempore. It was offered on the 14th of March.

Mr. HATCH. Mr. President, I should like to inquire about the parliamentary situation. I am thinking of offering an amendment which would go to the provisions of the committee bill, but which are covered by the Ellender-Ball amendment. My amendment would apply to those sections. Would such an amendment be in order?

The PRESIDENT pro tempore. Yes; such an amendment would be in order, and would take precedence over the others—just as the Ellender-Ball amendment took precedence over the other amendments.

Mr. HATCH. Very well.

Mr. FULBRIGHT. Mr. President, the amendment I have offered is a very simple one. Its purpose is to exempt messengers under 18 years of age from the increased minimum-wage requirements of Senate bill 1349. It provides that such messengers shall be paid 55 cents an hour—the rate which they are now paid, incidentally—and it also contains provision for continuation of the right now existing under the Fair Labor Standards Act for persons under 18 years of age to be employed as telegraph-company messengers.

The great controversy over this matter is with the Children's Bureau of the Department of Labor, and it is as to the question whether the messenger service is a hazardous occupation. The Children's Bureau has held that it is.

The effect of adoption of the amendment on the employment of children, particularly those under 16 years of age, would be to leave to the States the right to determine the question whether such messenger service is a hazardous occupation within the respective States.

I think there is a great deal of evidence with respect to the effect of the proposed increased wages on the Western Union Co. I may say that only recently the War Labor Board returned a decision which cost the Western Union Co. in retroactive increases of pay approximately $31,000,000. It is estimated that the wage boost in the sum of $25,000,000 annually in coming years will bring the total cost to the Western Union Co., even after its combination with the Postal Telegraph & Cable Co., up to $202,000,000, as opposed to its estimated income, at present rates, of $83,000,000. I am not here simply to try to plead the case of the Western Union Co., as such. However, it has been very severely penalized by the recent decision to which I have referred, and I believe that, with the proposed added increase, it will have to have a very substantial increase in its rates. It has not had one since 1919.

However, of even more importance than that, it seems to me, is the question of the opportunity for children under 18 years of age, particularly boys, to have part-time employment. That is what the amendment amounts to.

Mr. President, the statistics show——

Mr. STEWART. Mr. President, will the Senator yield to me, before he refers to the statistics?

Mr. FULBRIGHT. I yield.

Mr. STEWART. Sometime ago the Senate passed a measure, of which, as I recall, the Senator from Arizona had charge, authorizing a merger of the Postal Telegraph & Cable Co. and the Western Union Co. Can the Senator from Arkansas advise me whether that union was ever effected?

Mr. FULBRIGHT. Yes; it has been.

Mr. STEWART. So today the Western Union Co. has completely taken over the Postal Telegraph & Cable Co. as a service; has it?

Mr. FULBRIGHT. That is my understanding.

Mr. STEWART. Does the Senator's amendment provide for the employment of children? What is the age limit as to messengers that is provided by the Senator's amendment?

Mr. FULBRIGHT. The amendment exempts messengers under 18 years of age from the wage provisions of the main bill, and it would permit them to be paid wages at the rate of 55 cents an hour.

Mr. President, perhaps I should read my amendment. It is very short:

(b) The provisions of subsection (a) of this section shall not apply with respect to any messenger under 18 years of age employed principally in picking up and delivering letters and messages or performing errand services, if such messenger is paid wages at a rate not less than 55 cents an hour.

That is all that section does.

The second section of the amendment is as follows:

On page 3, line 2, before the period, insert a colon and the following: *"Provided, That this subsection shall not apply with respect to messengers employed principally in picking up and delivering letters and messages or performing errand services."*

That section would exempt such messengers from the jurisdiction of the Children's Bureau of the Department of Labor, which has held that such an occupation is a hazardous service, and has prohibited the employment in it of children under 16 years of age.

Mr. STEWART. Can children under 16 years of age be employed now?

Mr. FULBRIGHT. That depends on the State. But the proposal of the bill was to extend the minimum-wage provisions so as to cover all children, including those under 16 years of age, and to give jurisdiction to the Department of Labor.

Mr. STEWART. If a child under 18 years of age were employed by the Western Union Telegraph Co., under the provisions of the amendment could he be paid as little as 55 cents an hour?

Mr. FULBRIGHT. Yes.

Mr. STEWART. That would be the minimum; would it?

Mr. FULBRIGHT. Yes.

Mr. STEWART. But if the company employed children over 18 years of age, would it have to comply with the 65-cent minimum provided for by the bill?

Mr. FULBRIGHT. That is correct. The amendment applies only to children under 18 years of age.

Mr. STEWART. Mr. President, I do not know whether that would improve the service rendered by the Western Union Co. I have complained several times about the lack of efficient service of that company.

I believe that the Senator from Arkansas has read an excerpt from a newspaper to the effect that the Western Union Co. operated at a loss last year. If so, I do not see how it managed to operate at a loss. That company has been robbing the old folks' homes and the cradles for delivery messengers and delivery boys and delivery girls. Almost anybody who can ride a bicycle can get a job delivering telegrams. Of course, there is never any certainty whether the telegrams will be delivered, but we have to pay for them regardless of whether they are delivered.

I do not think that type of service is entitled to any particular consideration at the hands of this body.

The amendment simply authorizes the Western Union Co. to employ children at a wage lower than that which may be paid anyone else who may be employed. So far as I am concerned, I am always on the side of reasonably high wages when I can be. I am disposed to support the 65-cent minimum wage which is provided by the pending measure.

I have no quarrel with the Senator from Arkansas; but I think his amendment does two things: First, it interferes with the minimum wage provided by the pending measure; and in the second place, it authorizes the employment of children to perform a service that is highly important.

The delivery of telegrams is important to the Congress. We have to depend a great deal on telegrams, because we have

to pay for all telephone calls we make in excess of approximately 100 minutes a month, or something of the sort; we must pay for any excess out of our own pockets, and that costs most of us a good many dollars and cents each month. However, we do have the use of the service of the Western Union Co., and we do not have to pay for it when we send messages on Government matters.

On the whole, in view of the more-or-less haphazard way in which the Western Union Co. seems to handle telegrams, I suppose it has done very well financially. But I do not wish to see anything done to impair further the poor service it has been rendering. I think it should be improved.

So, so far as I am concerned, I am opposed to the amendment.

Mr. McMAHON. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. McMAHON. I should like to ask the Senator if this proposal would give to the Western Union, for example, more privileges than the newspapers now have in respect to deliveries.

Mr. FULBRIGHT. Newspaper companies or publishers have not been covered, because their business has not been held by the Government to be of a hazardous nature.

Mr. McMAHON. What is the difference between delivering a newspaper and delivering a telegraph message?

Mr. FULBRIGHT. I do not think there is much difference. It certainly is not my intention to bring newspaper boys under the jurisdiction of this act. I think there is every reason why such employment of children should be allowed in connection with the delivery of telegrams, as well as in connection with the delivery of newspapers.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LUCAS. I was wondering whether there is anything in the act which covers newspaper boys who are carriers.

Mr. FULBRIGHT. They have not been covered in the past. According to the statement of the attorney for the Department, made by him before a meeting of the committee, the bill in the form in which it was reported by the committee is not intended to cover persons engaged in the delivery of newspapers.

Mr. LUCAS. Is it correct to say that newspaper boys who are engaged in the delivery of newspapers in various cities are not covered by the bill?

Mr. PEPPER. Mr. President, the Ellender amendment would strike from the bill the language "activities affecting commerce in or about or in connection with such establishments." That language would emphatically include the newspaper boys. Although I believe it would, I do not know for sure whether the language in the Ellender amendment which prohibits the employment of oppressive child labor in the production of goods for commerce, or in commerce itself, could be extended to include a newspaper boy. However, generally speaking, a newsboy who receives his papers at a street corner away from the newspaper plant has been regarded as outside the reach of the child-labor provisions of the present act because he does not come in or about the establishment where the goods are produced.

Mr. FULBRIGHT. My understanding is that it was stated positively in the committee that newsboys would not be covered.

Mr. PEPPER. Newsboys who receive their papers away from the newspaper plant are not considered covered by the child-labor provisions of the present act.

Mr. LUCAS. Am I to understand the Senator from Florida to state that under his bill newspaper boys would be covered, but in the event the Ellender amendment were adopted, the coverage would not be extended at all to newspaper boys, and that they would not be covered?

Mr. PEPPER. The language of the bill which would have covered all the newsboys beyond any peradventure of a doubt, is proposed to be stricken by the Ellender amendment.

Mr. BRIGGS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BRIGGS. Many things take place in the United States Senate upon which I cannot speak with authority, but I do feel that I can set the Senate right on the matter of newsboys being covered under the present act, and under the proposed amendment.

Newsboys employed by newspapers at the present time—I may say that my newspaper is one of the newspapers about which I am speaking—are under the Wages and Hours Act, and have been so declared by the Department. We are forced to pay the minimum wage in employing newsboys who carry newspapers. When a newspaper publisher contracts with an outside carrier to deliver its newspapers, the carriers are not under the act.

Mr. PEPPER. Mr. President, I may say that the method which has been followed by newspapers in connection with the delivery of papers, is to deliver the papers to the carrier at a point away from the plant itself. If the newsboy comes into the plant, and, perhaps, picks his papers up inside the plant, he is deemed employed in or about the newspaper establishment where the goods are produced and thereby covered by the child-labor provisions of the present act. But, if he receives his newspapers at some distant point away from the plant, he is not considered to be employed in or about the producing establishment and so is excluded from the protection of the act's child-labor provisions. If he does not receive his papers at the plant where the newspaper is produced, he is not covered.

Mr. HAWKES. Mr. President, will the Senator from Arkansas yield so that I may propound a question to the Senator from Florida?

Mr. FULBRIGHT. I yield.

Mr. HAWKES. Does not the Senator believe that the exception which he has stated warrants something being done to correct the situation? Is the ruling not absurd that if a boy goes inside the door of a newspaper plant and picks up a bundle of papers, he is under the law, but that if he picks them up on the front porch, for example, he is not under the law?

Mr. PEPPER. I thoroughly agree with the Senator. I would go further and say that we should make it clear that all newsboys should be covered by the law. I do not see any reason for referring to newsboys, as some of our newspaper publishers do refer to them—as "these private contractors" or "these noble little independent merchants." As a matter of fact, it seems to me that we should deal with the question of child labor in a way which will protect child labor and make all persons who employ child labor amenable to the safeguards which are thrown around those boys and girls by the law and the regulations of the Children's Bureau. I thoroughly agree with the Senator from New Jersey. But I think it is proper for us to leave the question of wages which the newsboys are to receive to the Wage and Hour Administrator after consultation with the Children's Bureau.

Mr. HAWKES. Mr. President, I am very heartily in accord with the Senator's amendment. I think that when we sometimes try to do good we do injury. I can conceive of the enactment of a 60-cent-an-hour minimum-wage law, applied to all under 18 years of age who are employed as messenger boys by telegraph companies having the effect of precluding many boys from working who would be delighted to work and help their parents make a living and earn money for their own education. I understood the Senator from Arkansas to say that the present rate of pay for that class of work is 55 cents an hour.

Mr. FULBRIGHT. Yes.

Mr. HAWKES. I further understand that the question of who under 18 years of age may be employed is left to the State boards of child welfare. Am I correct in that understanding?

Mr. FULBRIGHT. Yes. The question of the right to employ children under 16 years of age is dealt with by the State laws.

Mr. HAWKES. I am very strongly in favor of what the Senator is advocating. I believe in an improved service, such as that referred to by the distinguished Senator from Tennessee. But I think if the group to which reference has been made is not excluded from the provisions of the act, serious injury may be done to thousands of boys who otherwise would be in position to help their parents earn a living. I went to a newspaper office when I was 10 years of age—not 15 years of age—got my papers at 5 o'clock in the morning, took them to the depot in Evanston, Ill., and sold them until it was time to go to school, and the experience did not do me any harm. I believe that in our effort to be great humanitarians we can go so far as to do a great injury to the youth and to the old people. I do not feel the same as does my friend, the Senator from Tennessee, with reference to old people whom we see delivering telegrams about this building. I think that we are doing a tremendous good in allowing them to pursue such activities.

Mr. FULBRIGHT. Mr. President, I thank the Senator for his contribution. I am in agreement with the sentiments which he has expressed.

Mr. McFARLAND. Mr. President, reference was made by the Senator from

Tennessee to the merger of the Postal Telegraph Co. and the Western Union. I ask the Senator if it was not brought out in the hearings that the Postal Telegraph Co. was losing approximately $300,000 a month at the time the merger was being discussed, and that such loss was the reason for the necessity of the merger?

Mr. FULBRIGHT. I was not on the committee at that time, but I understood that what the Senator has stated was true.

Mr. McFARLAND. The evidence so showed. The evidence showed that the company was losing at the rate of $300,000 a month, and Jesse Jones wanted to get rid of the Postal Telegraph Co., which owed the RFC approximately $9,000,000. The sum increased to approximately $12,000,000 before the merger was effected.

Mr. STEWART. Mr. President, I should like to propound a question to the Senator from Arizona. Does he mean that the Western Union took over the Postal Telegraph Co. while they, the Postal Telegraph Co., were losing $300,000 a month?

Mr. McFARLAND. I may say to the Senator from Tennessee that there was a duplication of effort with respect to the two companies. Each company had offices and wires. It was thought that a much stronger company would result by a merger of the two companies. For that reason the Western Union was willing to take over the Postal in order to achieve one strong company. However, I believe the evidence showed that practically all the surplus money which the company made during the war was wiped out by the increase in wages which was ordered retroactively.

Mr. STEWART. Has the Western Union lost less money since taking over the Postal than it lost prior thereto?

Mr. McFARLAND. I am not familiar with what the company has made since the merger went into effect, because I have not studied it. But, as I understand the situation, it is this:

These retroactive wages have wiped out all their surplus, and now they are in about the same condition in which they were at the beginning of the war. If the telegraph companies raise their rates, no one will use the telegraph, all will use the telephone. The telegraph company finds itself sandwiched between the air mail and the telephone. It has to modernize its plant, in my opinion, and find other ways of delivering messages, but it has not had the opportunity, since it could not get new equipment. I will ask the Senator if this is not the situation: If the company has to pay its messengers too much, will it not be unable to deliver messages at all?

Mr. FULBRIGHT. I have figures here, which I started to read, which show the gradual decrease in the number of messages in the past 2 years. The company has cut delivery service out because it cannot afford it.

Mr. McFARLAND. In other words, it is the opinion of the Senator from Arkansas that the evidence shows that if the company has to pay its boys too much the boys will be without work?

Mr. FULBRIGHT. That is correct.

Mr. McFARLAND. And the Senator from Tennessee will be without any delivery service at all.

Mr. FULBRIGHT. That is correct.

Mr. STEWART. Which would not make a great deal of difference. [Laughter.]

Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. STEWART. I wish to make an observation with respect to what was said by the senior Senator from New Jersey [Mr. HAWKES]. I will say to the Senator from Arkansas that I do not mean to intimate that the old people referred to should not have employment. He speaks very feelingly about it being a very fine thing to give employment to the old people who go about the corridors of the Capitol earning a living. I think it is a reflection on the Government that these old people, who should be retired, are not paid social-security benefits so that they would not have to work. At the same time, if they are able to work and perform efficiently, that is all right, but I think we should turn our attention in this case more to efficiency of service to ourselves and to the people of the country than to the cutting of wages below the minimum which should be paid.

It is said this service gives employment to boys. That is all right; I want them to be employed. I am one of those who believe that youth should be given an opportunity to work, and should be employed. But we have been splitting hairs about the difference between delivery of newspapers and delivering telegrams. The delivery of telegrams is, as a rule, a great deal more important that the delivery of a newspaper, I imagine, because it usually carries with it some important message that should be delivered within a reasonable time. All of us have had experience which I think justifies us in saying that the Western Union Telegraph Co. has not rendered the type of service it should render in the delivery of telegrams. Perhaps they cannot do it. It is said they are losing money.

I realize the importance of the delivery of newspapers. Of course, it hurts one's feelings early in the morning, when one has a cup of coffee, if he cannot have his newspaper. That is quite personal, and is quite understandable. But in this case I think we should turn our attention to doing what is necessary to improve the efficiency of the service which we here in the Congress of the United States use for the benefit of the Nation and of our constituents. I do not think that reducing the rate of pay will improve the situation.

It is said the company operates at a loss. I do not know whether it would be proper to suggest it—I would not advocate it without making further study—but if we are to continue to use this service, it might be will to give consideration to subsidizing the company, at least to the extent of seeing that it does not lose any money.

I know the Western Union took over the Postal Telegraph Co., their only competitor in their field, a year or so ago, and we have the word of the Senator from Arizona—and I am sure he is correct, because I remember something about the debate here at the time—that the Western Union Telegraph Co. is sustaining a monthly loss running into the hundreds of thousands of dollars. So the Western Union, despite its decrepit condition then, took over an organization that was losing money, and now asks us to reduce the wages of the boys and men and women delivering telegrams. I want to see the type of service improved, and I think that is more important than is the matter of considering a reduction of wages.

Incidentally, since it has been brought to the attention of the Senate that there is a distinction between the types of newspaper delivery—thanks to the Senator from Missouri, who is a newspaper publisher—we might give attention to that. I do not understand how a lad 12 or 14 years of age, or 10 or 11 years of age, could be held to be an independent contractor, when, as a matter of law, he cannot make any kind of a contract.

Mr. REVERCOMB. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. REVERCOMB. While the Senator's amendment deals with telegraph carriers, there has been injected into the discussion of the question of newsboys and boys who deliver papers. I am very much interested in that, and may sum up my own feelings by saying that I hope nothing will be done which will preclude the employment of boys in the delivery of papers. Many of them are under 16 years of age. I do not know of any case in which any boy who has the energy and the interest to get this kind of a job has been injured by it. I think it a very wholesome thing, particularly for the boy.

If the able Senator from Arkansas will permit me, I wish to read a telegram, one of many I have received, which I think sums up the situation on the point regarding the newsboys:

> An amendment pending in the Senate to Fair Labor Standards Act inserting the words "or in connection with" as an addition to the words "in or about" would deny to all young boys of America under 16 years of age the proven character-building advantages of a newspaper carrier route. One of my own sons is now a newspaper boy and I strongly feel he has received considerably more than the monetary gain from his endeavors and experiences. I, therefore, protest loudly against the enactment of this amendment and trust you will expend all your efforts to bring about its defeat.

In other words, Mr. President, while in many cases the remuneration received by the boy contributes much to the support of his family, in most instances the money goes to the boy. The employment is character building. It is helpful to him. I hope that the Congress will not see fit, particularly in the case of the newspaper carrier boy, to deprive him of a job by fixing an age limit.

I am just as much interested as any other Senator, or as anyone in the country, for that matter, in protecting what we know as child labor and preventing children who work from being abused and being taken advantage of, and from being required to work under unwholesome conditions, but that does not apply to the newspaper boy.

Mr. President, I ask at this time, if the able Senator from Arkansas will yield, to insert in the RECORD as a part of my remarks some telegrams and letters which I have received upon this subject. I thank the Senator.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

WEIRTON W. VA., *April 3, 1946.*
Senator CHAPMAN REVERCOMB,
United States Senate,
Washington, D. C.:

An amendment pending in Senate to Fair Labor Standards Act inserting words "or in connection with" as an addition to the words "in or about" would deny to all young boys of America under 16 years of age the proven character-building advantages of a newspaper carrier route. One of my own sons is now a newspaper boy and I strongly feel he has received considerably more than the monetary gain from his endeavors and experiences.

I, therefore, protest loudly against the enactment of this amendment and trust you will expend all your efforts to bring about its defeat.

C. J. DENNE,
General Manager, Weirton Daily Times.

WHEELING, W. VA., *March 30, 1946.*
Hon. CHAPMAN REVERCOMB,
United States Senate,
Washington, D. C.:

We wish to protest vigorously against the enactment into law of the amendment to the Fair Labor Standards Act now pending in the Senate, which inserts the words: "or in connection with," as an addition to the words "in or about." Such legislation would eliminate all newspaper carrier boys under 16 years of age. Many years have proven carrier routes to be character building to the young boys of America. To deprive these youngsters of this opportunity to gain independence and a sense of responsibility through partial self-support would be unpardonable. We trust you will do everything within your power to bring about the defeat of this amendment.

AUSTIN V. WOOD,
Vice President, Wheeling News-Register.

ELKINS, W. VA., *March 30, 1946.*
Senator CHAPMAN REVERCOMB:

We earnestly request you to use your best influence to bring about the defeat of the amendment to the Fair Labor Standards Act now before the Senate which inserts the words: "or in connection with" as an addition to the words "in or about."

This legislation would result in the elimination of all newspaper carrier boys under 16 years of age. For many years it has been generally agreed that newspaper carrier routes are character building and afford youngsters valuable business experience, as well as providing means of partial self-support. We believe that it would be not only unfair but unpardonable to deprive these energetic and ambitious lads of this experience and opportunity.

We sincerely hope that you will do everything within your power to bring about the defeat of the amendment.

JAMES W. WILVERDING,
Manager, Elkins Intermountain.

THE CHARLESTON DAILY MAIL,
Charleston, W. Va., April 2, 1946.
Senator CHAPMAN REVERCOMB,
Senate Office Building,
Washington, D. C.:

DEAR SENATOR REVERCOMB: Through changing of words in the present Wages and Hours Act, reading "in or about" to "or in connection with," as contained in the proposed amendment to the act, there will result, in my opinion, conditions making it extremely difficult, if not impossible, to continue successful distribution of daily newspapers. Such redefinition affecting minors is designed to include carrier boys. And with provisions of the act controlling them, it is seen that their normal functions will of necessity be terminated.

With recognized authorities on juvenile conduct in complete accord on the benefits to our youth through basic training of good citizenship had from daily serving of a newspaper route, it would appear to any good citizen as a catastrophe if legislation were enacted canceling out such benefits to our Nation.

May I ask your earnest study of this problem? If you see the danger I see, may I ask that you use your influence toward its elimination?

Respectfully,

FRED M. STAUNTON,
Publisher.

HUNTINGTON, W. VA., *March 29, 1946.*
Hon. CHAPMAN REVERCOMB,
Senate Office Building,
Washington, D. C.:

We wish to call to your attention amendment pending in Senate to Fair Labor Standards Act which would, if enacted into law, subject newspaper boys under 16 years of age to control of Department of Labor by regulations of children's department, and to express hope that as Representative of free people of West Virginia you will do all in your power to defeat this amendment. We are unalterably opposed to proposed insertion in amendment of four words "or in connection with," this being an addition to present wording "in or about." At risk of being accused of selfish motive, we wish to point out that it is dismaying to consider what could happen to hundreds of thousands of finest youths in our country as result of arbitrary regulations that would throw them into nonactivity, prevent them and their families from enjoying monetary fruits of honest and healthful labor, and deny them benefits of training and education. It seems shameful that with so much effort being expended to curb juvenile delinquency a body of thinking men would even consider legislation to eliminate one of the biggest bulwarks against it.

WALKER LONG,
General Manager,
Huntington Publishing Co.

HINTON, W. VA.

CHAPMAN REVERCOMB,
United States Senate,
Washington, D. C.:

We would appreciate cooperation in defeating proposed amendment to the Fair Labor Standards Act now pending in the Senate which inserts the words "or in connection with" as an addition to the words "in or about." If made law this would eliminate all newspaper carrier boys under 16. Carrier routes are proven character builders, and have long been the source of partial self-support and early business training. We believe legislation removing this opportunity would be decidedly unjust, and that you will agree and do what you can to defeat any such plan.

GORDON MEEKER,
The Daily News.

WILLIAMSON, W. VA., *March 30, 1946.*
Senator CHAPMAN REVERCOMB,
Senate Office Building,
Washington, D. C.:

We urge you to oppose amendment pending in Senate to Fair Labor Standards Act which, if enacted into law, would subject newspaper boys under 16 years of age to control of Department of Labor by regulations of children's department. We feel this change in law may ultimately deprive thousands of boys from honest and healthful labor, and deny them benefits of training and education and monetary fruits they are receiving as newsboys. We trust you will see fit to use your good offices to oppose this proposed amendment.

WILLIAMSON DAILY NEWS,
OTTO K. REUTER, *Manager.*

POINT PLEASANT, W. VA., *March 30, 1946.*
Hon. CHAPMAN REVERCOMB,
Senate Office Building,
Washington, D. C.:

We wish to call to your attention amendment pending in Senate to Fair Labor Standards Act which would, if enacted into law, subject newspaper boys under 16 years of age to control of Department of Labor by regulations of children's department, and to express hope that as Representative of free people of West Virginia, you will do all in your power to defeat this amendment. We are unalterably opposed to proposed insertion in amendment of four words "or in connection with," this being an addition to present wording "in or about." We wish to point out that hundreds of thousands of our fine youth of our country would be deprived of the right of learning to take over responsibilities, and from enjoying monetary fruits of honest and healthful labor as a result of arbitrary regulations that would throw them into nonactivity. It seems a shame that with so much effort being expended to curb juvenile delinquency, a body of thinking men would even consider legislation to eliminate one of the biggest bulwarks against it. We earnestly solicit your cooperation to defeat this amendment.

RICHARD STARTZMAN,
General Manager, Point Pleasant Register.

FAIRMONT, W. VA., *March 30, 1946.*
Hon. W. CHAPMAN REVERCOMB,
United States Senate:

On behalf of the Fairmont Times and the West Virginian, Marion County's two daily newspapers, we wish to enter a vigorous protest against the enactment into law of the amendment to the Fair Labor Standards Act now pending in the Senate. This amendment would insert the words "or in connection with" as an addition to the words "in or about." Such legislation, if passed, would eliminate not only ours but all newspaper carrier boys under 16 years of age. Over a period of many years experience has proven these carrier routes to be character building to the young boys of America. Many of our most substantial citizens got their start in life as a newspaper carrier boy; it has made possible for them to have part-time employment while attending school, gain independence, and develop a sense of responsibility through partial self-support. To deprive these youngsters of these opportunities would be unpardonable in our estimation. We trust that you will do everything within your power to bring about the defeat of this amendment.

ARLO B. DEBURCQUE,
General Manager, the Fairmont Times.
THE WEST VIRGINIAN.

MARTINSBURG, W. VA., *March 30, 1946.*
Hon. CHAPMAN REVERCOMB,
United States Senate,
Washington, D. C.:

We herewith vigorously protest against the enactment into law of the amendment to Fair Labor Standards Act now pending in Senate which inserts the words "or in connection with" as an addition to the words "in or about." This legislation would do away with newspaper carrier boys under the age of 16 years. Thousands upon thousands of boys would then be deprived of the opportunity to earn money for themselves in good clean character building employment

and lose valuable business experience. Please do everything you can to defeat this amendment.

MARTINSBURG JOURNAL,
C. W. MORRISON, *Publisher.*

PARKERSBURG, W. VA., *March 30, 1946.*
Hon. CHAPMAN REVERCOMB,
United States Senator, West Virginia,
Washington, D. C.:

Please consider a determined protest from us against the enactment into law of the amendment to the Fair Labor Standards Act now pending in the Senate which carries the words "or in connection with" as an addition to the words "in or about." We deem legislation of this kind would eliminate newspaper carrier boys under 16 years old engaged in the valuable business training of carrying newspapers; many of our boys earn their way through school and save for education in later years. It is proven for so long a time that carrying newspapers helps build character among young boys of America. To take away from them this opportunity would be indeed a tragedy. We believe you realize this tremendous advantage to young boys. That of selling newspapers, and you will do everything within your power to bring about the defeat of this amendment.

W. E. INGERSOLL,
Business Manager,
Parkersburg Sentinel Co.

BECKLEY NEWSPAPERS CORP.,
Beckley, W. Va., March 30, 1946.
Hon. CHAPMAN REVERCOMB,
Senate Office Building,
Washington, D. C.

DEAR SENATOR REVERCOMB: It has long been accepted as a truism that the conduct of a newspaper delivery route by boys of 13 to 16 is training and experience that combats juvenile delinquency and makes for self-reliance and success in after life.

Yet among the proposed amendments of the Fair Labor Standards Act is one designed to deny that opportunity to boys. It lies in four innocent appearing words "or in connection with."

I urge your opposition thereto and hope you will do all in your power to bring about elimination of that phrase.

Cordially yours,

CHARLES HODEL,
General Manager.

WEST VIRGINIA NEWSPAPER
PUBLISHING CO.,
Morgantown, W. Va., March 30, 1946.
Hon. CHAPMAN REVERCOMB,
Washington, D. C.

DEAR MR. REVERCOMB: I wish to call your attention to the amendment now pending to Fair Labor Standards Act which vitally affects the activities of many thousands of young newspaper carrier boys in this country.

I feel that the substitution of the words "or in connection with" as an addition to the words "in or about" could be interpreted in such a manner as to make it almost impossible for the many young boys in the country to continue their present newspaper work.

Such restrictive legislation would only hamper the development of the youth of the country in their efforts to learn at an early age the value of practical work and training that a newspaper route gives them.

The boys have done a good job all during the war and should be permitted to continue to do so. In the face of rising juvenile delinquency what better solution to the problem is a part-time job that enables the boys to develop character and a sense of responsibility?

Under the circumstances I hope that you can see your way clear to oppose any change, no matter how small, in the present legislation.

Very truly yours,

H. C. MINOR.

ELKINS, W. VA., *April 2, 1946.*
Hon. CHAPMAN REVERCOMB,
United States Senate,
Washington, D. C.:

Supplementing the views expressed to you by a number of publishers of the State as to certain amendments reported to the Senate by the Senate Committee on Education and Labor which will result in material expansion of coverages by bringing under the Fair Labor Standards Act for the first time activities "affecting commerce," and "in connection with," as an addition to the words "in or about." The West Virginia Publishers' Association composed of daily and weekly newspapers of the State joins with the individual publishers from whom you have heard in opposing the proposed amendments which will have the effect of bringing within the purview of the act not only newspaper-boy carriers who are independent contractors but newspapers and others specifically exempted as for instance, in section 13–A–(8) which has been virtually nullified by the Wage and Hour Division under prevailing administrative interpretations which hold that the exempt or nonexempt status of "any employee" must be determined by the time spent by a particular employee during each workweek on noncovered and covered work viz: Fifty-one percent on the newspaper or job printing. The proposed amendments referred to, if adopted, will have the effect of bringing all within the purview of the act whether actually engaged in interstate commerce or not, whether employees or not for the language of the proposed amendments is such that the Wage and Hour Division can bring under the act anyone it chooses, even farm workers. Even though under existing law, weekly newspaper plants are plainly exempted under section 13–A–8 when the circulation is 3,000 or less, the Wage and Hour Division in 1941 reversed a 1939, ruling without any explanation and held that where employees were engaged in any week on job work 51 percent of their time for that week they were in interstate commerce which is an absurd ruling on the face of it, and not in conformity with the intention of Congress. The general effect of the amendments will be to bring under the act all plants and establishments, their employees and all upon whom they are dependent for services or marketing, whether such plants and establishments are selling to local customers only or not and even if they are engaged in purely intrastate business.

JAMES W. WEIR,
Secretary,
West Virginia Publishers' Association.

Mr. FULBRIGHT. I thank the Senator from West Virginia. I hope the Senator understands that my amendment does not specifically cover newsboys. I understood newsboys were not covered by the amendment. The Senator from Missouri [Mr. BRIGGS] has said that they are covered. I may be mistaken, but I was proceeding on the assumption that they were not covered. I am in complete agreement with the view of the Senator from West Virginia.

Mr. REVERCOMB. I did not intend to inject this into the argument on the able Senator's amendment, but it had already been injected, and I thought it was proper to discuss it.

Mr. FULBRIGHT. The argument was very germane.

Mr. REVERCOMB. The inclusion of the words "in connection with" brings it into the bill of the majority now pending. That is, if a newsboy delivers a paper in connection with the publication of the newspaper which might be said to be in interstate commerce, he may come under the provisions and control of the so-called child-labor section of the Fair Labor Standards Act.

Mr. AIKEN. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. AIKEN. I understand very well why the Senator from Arkansas feels that children 14 to 18 years of age are not worth as much as adults when they are being hired for any particular job, but I cannot understand why the amendment proposed by the Senator from Arkansas singles out for exemption from the law children employed in one of the more hazardous employments. I know that in thinking of a telegraph messenger we have in our minds a boy taking a message from the office and running a couple of blocks down the street on a sunny afternoon to deliver it; but as a matter of fact a large part of the telegraph messenger's work is in inclement weather, some of it comes after dark, streets may be icy, it may be storming, and, all in all, it is not a safe occupation.

The annual reports for 1941 submitted to the Federal Communications Commission by the major telegraph, cable, and radio-telegraph companies showed that accidents to messengers, practically all of them telegraph messengers, comprised 75 percent of all the injuries occurring to their employees, although messengers formed only 36 percent of the employees as of December 3, 1941, the season of peak employment. In other words, the work of a telegraph messenger boy was twice as hazardous as the work of other employees of the same company.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. STEWART. I merely wish to make the observation that that is all the more reason for paying them a higher wage.

Mr. AIKEN. I agree with the Senator from Tennessee in that statement. It seems to me that if I had a 16-year-old boy who wanted to work after school, I would rather see him go with a wholesale grocery concern and unpack merchandise and work in a good, safe place than to be out on the icy streets on his bicycle delivering messages. So far as that goes, I believe the telegraph companies would prefer to hire 16-year-old or 18-year-old boys at 60 cents an hour than to hire for the same wage persons of the age of Members of the Senate. I think the boys probably would deliver more messages in less time. I do not see why we should single out one of the more hazardous child occupations for exemption from the law.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. McFARLAND. The Senator from Tennessee made the statement, I believe,

that the Western Union had a monopoly. I hold no brief for the Western Union Telegraph Co., but I call the attention of the Senator from Tennessee to the fact that the A. T. & T.—and I ask the Senator from Arkansas if I am not correct in my statements—transmits more written messages by teletype than does the Western Union. The A. T. & T. is entirely in competition with the telegraph company in the matter of teletype messages. The Western Union is in competition with the air mail, it is in competition with the A. T. & T. telephone messages, and it is in competition with the A. T. & T. teletype messages. So the Western Union does not hold the monopoly which has been pictured here.

Mr. FULBRIGHT. With regard to a remark made by the Senator from Tennessee, I wish to read from a telegram which has come to me, which should clear up the financial question. The telegram is from the Western Union Telegraph Co., T. B. Gittings, vice president. I read:

> The minimum wage bill (S. 1349) will further increase a staggering wage burden recently imposed on Western Union by the National War Labor Board in awarding back pay of $31,000,000 plus annual wage increases totaling $25,000,000. This annual increase represents $5,000,000 more than——

Mr. STEWART. Mr. President, will the Senator state the figure again?

Mr. FULBRIGHT. The telegram says:

> This annual increase—

Which Mr. Gittings says is $25,000,000—

> represents $5,000,000 more than our total net income in 1945 before taxes, the best year in our history.

That is the increase which has already been imposed, I think, by the War Labor Board.

Mr. STEWART. Increase in the payment of wage?

Mr. FULBRIGHT. Increase in the payment of wages, yes. The War Labor Board awarded back pay of $31,000,000, plus annual wage increases totaling $25,000,000. Then Mr. Gittings says the annual increase, that is to say $25,000,000, is $5,000,000 more than the company's total net income in 1945, before taxes, the best year in its history.

Mr. STEWART. How much was the loss then in that year?

Mr. FULBRIGHT. The other statement which I had, which I took from a recent publication, shows that the company estimated in 1946, under the new wages, a cost of $202,000,000 and an income under present rates of $183,000,000, or $19,000,000 less than the cost for this year.

Mr. STEWART. Is there included in that loss the increase of $5,000,000 in wage scales?

Mr. FULBRIGHT. $25,000,000.

Mr. STEWART. $25,000,000?

Mr. FULBRIGHT. Yes.

Mr. STEWART. Without the increase in wages then they would have lost about $7,000,000, and would still be operating at a loss?

Mr. FULBRIGHT. No; the wage increase is $25,000,000.

Mr. STEWART. I beg the Senator's pardon. That is correct.

Mr. HATCH. Mr. President, will the Senator yield to me?

Mr. FULBRIGHT. Yes, I yield.

Mr. HATCH. I have not studied the Senator's amendment carefully, and I have not been able to follow the line of debate, but I wonder if I correctly construe it. The language of the Senator's amendment is in effect that the act shall not apply if the messenger is paid wages at the rate of not less than 55 cents an hour. Then, in effect, the only difference is whether the minimum wage for messengers should be fixed at 55 cents an hour rather than at 60 cents an hour. Is that correct?

Mr. FULBRIGHT. In view of the new agreement made here, yes. It sets the minimum wage for messengers at 55 cents an hour.

Mr. HATCH. That is all it does in substance?

Mr. FULBRIGHT. Yes, in the first section. There is another section, but that particular section, the first section——

Mr. LA FOLLETTE. But the effort of the amendment is, if the Senator will yield——

Mr. FULBRIGHT. I yield.

Mr. LA FOLLETTE. As I understand it—and I should like to be corrected if I do not correctly understand it—the effect of this amendment is that if the Western Union Co. pays its messengers under 18 years of age 55 cents an hour, then they do not come under the protection of the child-labor provisions?

Mr. FULBRIGHT. That is the other section of the amendment. I was speaking of the one the Senator from New Mexico referred to.

Mr. LA FOLLETTE. But it is all one amendment.

Mr. FULBRIGHT. I did not understand that the Senator from New Mexico was speaking of the whole amendment. I understand him to refer only to the first part of it.

Mr. HATCH. Two amendments have been offered by the Senator from Arkansas. I have in my hand two amendments offered by him.

Mr. FULBRIGHT. We are talking about the one dated March 20.

Mr. GUFFEY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. GUFFEY. On my last trip to Pittsburgh I had the pleasure of meeting the former president of the Western Union-Postal Telegraph Co., who is now in Pittsburgh as president of the Switch & Signal Co. He told me there were 160,000 telegraph offices in the United States. He did not discuss the wage question. He said, "We are in a fearful position. I doubt if we can break even next year because we have not been able to cut the expenses or reduce the number of offices." He said, "We may have to make an experimental try at raising the cost of messages." That is all he could see that could be done, but he said, "We cannot raise the cost of messages much or we will lose the business."

Mr. FULBRIGHT. Yes; that would result in losing the business.

Mr. GUFFEY. That is the situation they are up against, and that is the problem they have to solve.

Mr. FULBRIGHT. Yes.

Mr. GUFFEY. I want to say that, in my judgment, the Government will have to take over the telegraph company's business before the company becomes insolvent or we will not get good service. I do not like to say such a thing, but that is what is going to happen.

Mr. FULBRIGHT. If we continue to raise wages, as has been done, that is the only and the ultimate outcome. I should hate to see that happen.

Mr. President, I disagree heartily with the Senator from Tennessee that the service of the Western Union has been so bad. I think on the whole it has been very good, particularly between here and my State. Here in Washington some of our messengers are a little slow of foot, that is true, but I think on the whole Western Union has done an exceptionally good job. I know of no other country that has anything comparable to it.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. GREEN. I should like to supplement, if I may, the remarks made by the Senator from Vermont, who replied to the statement that this work was a fine thing for the boys. Well, is it? The Senator from Vermont adduced some facts concerning the dangers of delivering messages. I should like to supplement them by calling attention to the fact that the hazards to the telegraph messengers were emphasized during a Senate investigation on conditions in the wire communications industry on June 6, 1938, and they have not become any better since. The representative of the American Communication Associations, after mentioning the number of children employed as messengers at the time the testimony was given, stated that messengers—

> Must carry on under conditions which are even more hazardous than those which have gained the admiration of the public for United States mail employees summed up in the slogan "The mail must go through."

According to the annual reports for 1941—that is 3 years later—submitted to the Federal Communications Commission by the major telegraph, cable, and radiotelegraph companies, accidents to messengers—and practically all of them are telegraph messengers—caused 72 percent of all the injuries occurring to their employees, although messengers formed only 36 percent of the employees as of December 31, 1941, a season of peak employment.

If we provide in the law a minimum of 5 cents less, I admit that it would save the Western Union 5 cents.

Mr. STEWART. What would be the total amount——

Mr. GREEN. Let me finish my statement. What is the effect? The effect is that it is to the advantage of the Western Union to displace all employees over 18 years of age, and employ an even greater number of minors than would otherwise be employed. So the employment of minors for an extra hazardous service would be encouraged. It seems to me that that would be an undesirable exception to the general trend of our legislation to protect minors.

Mr. STEWART. Mr. President, will the Senator yield to me?

Mr. FULBRIGHT. I should like to finish my statement.

Mr. STEWART. I dislike to interrupt so much. I believe the Senator from Rhode Island has made a very valuable contribution; but I should like to ask the Senator from Arkansas if he has the figures to show how much would be saved to the Western Union annually if the minimum were made 5 cents less?

Mr. FULBRIGHT. According to the figures I have, $1,100,900.

Mr. STEWART. Under the present arrangement?

Mr. FULBRIGHT. As between a minimum of 55 cents and a minimum of 60 cents.

Mr. STEWART. Does that mean that the company would save that much, assuming the correctness of the statement which the Senator from Rhode Island has just made, that the company would hire 16-year-olds instead of 18-year-olds?

Mr. FULBRIGHT. I do not understand the difference. It makes no difference whether they hire 16-year-olds or 18-year-olds. The provision would apply to all who are 18 years of age or under.

Mr. STEWART. Then the company would employ persons under 18 years of age. How are those figures arrived at?

Mr. FULBRIGHT. I presume they multiply 5 cents by the number of their messengers.

Mr. STEWART. That is based on the assumption that there would be a complete conversion, that is, that the company would discharge all those over 18 years of age and employ in such positions only those under 18.

Mr. FULBRIGHT. Not all of them. The company already has its own policy. It does not under any circumstances hire anyone under 18 years of age to drive a car. The most hazardous trips and the longest trips are by car. The company prohibits the use of motorcycles. It does not permit boys under 18 to work after 7 o'clock in the evening. Under its own voluntary regulations, it does not permit boys under 18 years of age to work between 7 at night and 7 in the morning. The company has done a great deal in that direction.

I should like to make a few comments on the hazard involved in this work, if I may have an opportunity.

Mr. STEWART. I apologize to the Senator for interfering with his opportunity. I am interested to the extent that I have stated, and to this further extent: There would be a saving of less than $2,000,000 a year.

Mr. FULBRIGHT. According to these figures, the saving would be $1,100,900.

Mr. STEWART. A little more than $1,000,000.

Mr. FULBRIGHT. That is correct.

Mr. STEWART. That is a very small saving compared with the loss which the company is sustaining annually.

Mr. FULBRIGHT. I call it a substantial amount to the Western Union.

Mr. STEWART. How would it help the situation to save a mere $1,000,000 out of its $19,000,000 loss?

Mr. FULBRIGHT. The Western Union is not the Federal Government; $1,000,000 is a very substantial sum to a private corporation.

Mr. STEWART. I believe the Senator said that the company lost $19,000,000 last year.

Mr. FULBRIGHT. That was due to the order of the War Labor Board.

Mr. STEWART. It required back payments, did it not?

Mr. FULBRIGHT. Yes. The back payments went back as far as 1943.

Mr. STEWART. In addition, the company still lost $7,000,000, representing the difference between $19,000,000 and $25,000,000.

Mr. FULBRIGHT. With the new increase in wages, during the coming year, if it did not receive an increase in rates it would suffer a loss. The statement is as follows:

> The annual increase represents $5,000,000 more than our total net income in 1945, before taxes.

I take that to be the measure of the loss.

Mr. STEWART. If we should vote for this 5-cent reduction, that would not be the answer to the annual deficit.

Mr. FULBRIGHT. Not the sole answer, but it would be a very substantial contribution toward remedying the situation.

Mr. STEWART. What else can we do to save the company?

Mr. FULBRIGHT. I call that a very substantial contribution.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HAWKES. I should like to correct some of the figures. I know that the Senator wants the figures to be accurate.

Mr. FULBRIGHT. Certainly.

Mr. HAWKES. The Senator from Arkansas stated to the Senator from Tennessee that there would be a saving of $1,100,900.

Mr. FULBRIGHT. That is the information which I have before me.

Mr. HAWKES. But if the Senator will observe the note below, he will see that the saving in connection with messengers who are under 18 years of age would be only $300,000, and that is what the Senator from Tennessee is talking about.

Mr. STEWART. That is the figure I was after.

Mr. HAWKES. The saving would be only $300,000.

I do not know what the past experience of the Senator from Tennessee in business has been, but I know what mine has been. I know that when a company is losing a great deal of money it does not expect to make up all the losses in one place, or one department. Nevertheless, if it can pick up $200,000 or $300,000 by doing something which is not injurious in any way, that represents a substantial saving.

So far as I am personally concerned, I feel that we should be doing a great benefit to the youth of America by making it possible for them to continue to be employed in this business at 55 cents an hour. I do not agree with what has been said about the hazard involved in delivering messages.

Mr. STEWART. Why could they not continue at 60 cents?

Mr. HAWKES. That is a debatable question; but let me finish my observations on this point.

I do not agree with what has been stated about the hazards of delivering messages. If we carry this thing too far, we shall make everyone in the United States feel that he should not even run the risk of crossing the street. Mark Twain once said something which all of us should remember. He said that after all, bed is the most dangerous place in the world to be, because more people die there than anywhere else. [Laughter.]

Mr. FULBRIGHT. Does not the Senator from New Jersey believe that playgrounds, with all the contraptions they contain, are probably much more hazardous to a boy of 14 or 15 than carrying messages?

Mr. STEWART. They are not paid for playing in the playgrounds.

Mr. HAWKES. I believe that playgrounds are 10 times more dangerous.

Mr. FULBRIGHT. Perhaps we should prohibit the playing of football.

Mr. HAWKES. I believe that there are very few occupations in life which are less hazardous and more beneficial to the youth of America than delivering telegraph messages or newspapers.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. McMAHON. I should like to hear an explanation as to why carrying a bundle of newspapers is any less hazardous than carrying a handful of Western Union messages. I should also like to hear from the opponents of the amendment why the newspaper business should be exempted. It involves the carrying of great bundles of paper. Why should that occupation be placed in a different class than the occupation of carrying a little handful of envelopes? When I hear that argument, I shall begin to make some sense out of it.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. AIKEN. In response to what the Senator from New Jersey said about hazards, let me say that the figures which I have are furnished by the communications companies themselves. They show that 36 percent of their employees were messengers, and that 72 percent of the accidents were among 36 percent of the employees. In other words, there were twice as many accidents among messengers alone as there were among the total number of employees, including messengers.

Mr. FULBRIGHT. All of us know that children under 18 years of age, whether they be on the playground or around the home, get their fingers mashed and suffer burns. There is no disputing the fact that they are injured more often than are adults, who have reached the age of discretion. But I do not believe that that fact has any real pertinence to this question. I would not challenge those figures.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I am glad to yield. I should like to yield the floor, if I may have an opportunity to say a few words.

Mr. DONNELL. Is it not true that the primary purpose of the bill is to guarantee a minimum wage in justice to all labor affected?

Mr. FULBRIGHT. I believe that is the purpose.

Mr. DONNELL. Is there any reason to think that a boy who is engaged in delivering messages is not just as much entitled to 60 cents an hour as is a boy engaged in some other kind of work?

Mr. FULBRIGHT. It is my understanding that the committee and the sponsors of the bill arrived at these figures on the theory that an average family of four was involved, and that this minimum would be perhaps not sufficient, but a proper minimum for such a family. Here we are considering young, independent boys. I have no statistics showing how many of them are married and have families, but my guess is that very few of them are. In my opinion a minimum wage of 55 cents is much more adequate for a youngster without responsibilities than a wage of 60 or even 75 cents an hour would be for a family of four. I believe that it is out of line; it is too high.

Mr. DONNELL. Is it not true, however, that the provisions of the bill would apply to persons who do not have families, and that they would likewise be guaranteed a minimum wage of 60 cents, or whatever figure may be ultimately agreed upon?

Mr. FULBRIGHT. That is true.

Mr. DONNELL. If that be true, is there any reason, from the standpoint of justice, why a boy engaged in delivering messages for the Western Union Telegraph Co. should be guaranteed any lower wage than is guaranteed to a boy engaged in some other kind of work?

Mr. FULBRIGHT. I think it is perfectly proper to take into consideration the various factors which distinguish an average boy under the age of 18 from a responsible man of 25 or 30. If the Senator wishes to have me elaborate, in the first place, this work is usually part-time work. A youth of that age is not as conscientious or determined about his work. He will loaf a little, and so forth. This is an opportunity to give him some employment which I think has a very great value to him in training him for responsibilities. I do not know that I would reduce the question to terms of abstract justice. I am not sure that everyone ought to be treated exactly alike, regardless of his ability to produce.

Mr. DONNELL. On the other hand, if a boy 17 years of age is engaged in a factory, and the law guarantees a minimum wage of 60 cents an hour, is there any reason, from the standpoint of justice, why his brother, who is engaged in the delivery of messages, should not have the same amount guaranteed to him?

Mr. FULBRIGHT. If the Senator is coming to the question of whether or not this would be an unconstitutional discrimination, I am not prepared to defend it on that ground.

Mr. DONNELL. That is not the point.

Mr. FULBRIGHT. As we all know, there are very few children—that is, to say, persons 16 or 17 years of age—employed in plants. I doubt whether there are many in the employ of the Ford Motor Co., General Motors, or other large concerns. But traditionally messenger boys and newspaper boys have been children. That is an old practice in this country. I do not believe that the problem suggested has arisen. At least it has not been called to my attention. I do not know what the statistics would show as to employment in heavy industry or manufacturing plants, but I doubt if there are many children employed in such plants. Does the Senator have any figures on that question?

Mr. DONNELL. Mr. President, if the Senator will yield for a further observation, I shall not interfere with the continuity of his argument, except to observe that it seems to me that the primary purpose of the bill is to guarantee the same minimum, just wage to every person engaged in the types of labor embraced within the terms of the bill.

Second, there is no reason, from the standpoint of justice, why a boy who is engaged in the delivery of telegraphic messages should not have the same minimum wage guaranteed to him as is guaranteed to his brother, who may be working in a plant or factory near at hand.

In the third place, unless the effect of the 60-cent minimum as applied to the Western Union boys would be to decrease employment of those boys, there is no reason why the bill should not permit the Western Union boys to have the benefit of the same minimum wage.

Finally, as I understand, the Senator from Tennessee [Mr. STEWART] argues that there is no showing under the figures presented here that a saving of 5 cents an hour with respect to messenger boys would place the Western Union on the basis of earning money rather than losing money. Therefore, so far as I can see, there has been no showing that if the boys engaged in the delivery of messages are guaranteed 60 cents an hour, there will be a decrease in the number of boys employed. I wished to make that point for the consideration of the Senate.

Mr. FULBRIGHT. Mr. President, on the last point let me say there is no pretense at all that this amendment is the solution of all the troubles of the Western Union Co.; I think the amendment has a bearing and will make a substantial difference, that is all. Obviously the Western Union Co. must have other relief.

With respect to the question of employment and opportunities for employment, I hold in my hand some figures which were submitted by a vice president of the Western Union Co. They show that the percentage of the total traffic delivered by messengers in 1936 was 74 percent, or three-quarters of all the messages delivered. That percentage dropped, successively, in 1938 to 71 per cent, in 1940 to 66 per cent, in 1942 to 64 per cent, and in 1944 to 51 per cent. In other words, there was a decrease of not quite 25 per cent during that period.

In respect to the messages picked up by messengers, the percentage decreased from 47 percent in 1936 to 25 percent in 1944.

I also hold in my hand comparative figures as to the decrease in the actual number of messengers. In 1945 there were approximately 12,000 messengers on the company's pay roll. Had messengers been used in the same proportion and extent as they were used in 1936, it would have been necessary to employ 19,250 messengers in 1945. Therefore, employment in the messenger field can be said to have been reduced by 7,250 jobs.

I think it is perfectly obvious and common sense that if the company has a choice between employing a youngster and employing a mature man, if the company is required to pay each of them the same amount, it obviously will use the mature man. That is not a matter of proof; I think it is a matter of common sense.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. GREEN. Is not the converse necessarily true—namely, that if the company is able to pay low wages to the younger employees, that will result in depriving the older men of the jobs, and giving them to the younger employees, because they will be able to work at lower wages.

Mr. DONNELL. Mr. President, I am not so sure that the Western Union Co. would not prefer to have the boys, rather than the mature men, because of the young boys' alertness, quickness, and youth.

Mr. FULBRIGHT. I cannot prove that.

I certainly do not have the idea that a fair wage for a youngster would be the same as a fair wage for the head of a family of 4 persons. That is the first objection I have.

I agree with the sentiments expressed by the senior Senator from New Jersey. In other words, I would hate to see any opportunities for the young boys of this country denied them; I would hate to see those opportunities destroyed. I cannot quite understand the apparent feeling of the sponsors of the bill—and I think it runs throughout the bill, in this connection—that child labor must be protected and coddled and brought up in a very safe atmosphere.

I had one little experience with the Children's Bureau, Two years ago, during the war, I asked the Children's Bureau to relax the regulations in regard to the employment of children under 18 years of age in canning factories. The canning factories in my section of the country are not the large factories such as those operated by large companies like Van Camp or Heinz. The factories in my State operate only in canning tomatoes. In other words, they operate approximately 3 months of the year, beginning in June or July, and they run during the summer. They use sheds which are in the open; the buildings do not even have sides. The typical canning factory has a boiler and some machinery, and the only machinery which amounts to anything is that which is supplied by the American Canning Co. to seal the cans. The Children's Bureau refused to do what I requested. I am positive that no great danger or hazard was involved, and the work would have been done only during the summer months, when the children were on vacation from their schools. But the Chil-

dren's Bureau said it was impossible; that they could not relax their regulations for any purpose, regardless of a food shortage or anything else. They also were greatly concerned over the physical welfare of the children; they did not wish them to be subjected to oppressive child labor. I think they carried that point very far, indeed. I think the old conditions of real sweatshop labor which occurred 50 or 100 years ago are still in the back of their minds.

But, to my knowledge, the amendment does not deal with that situation. I know of no real sweatshop—and there was no evidence of any—not the way children used to be worked for 10, 12, or 15 hours a day at 5 cents an hour, and all that. That is not involved at all.

Mr. President, I do not wish to take up any more of the time of the Senate.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LUCAS. The debate with respect to news carriers was rather interesting to me, in view of what the junior Senator from Missouri [Mr. BRIGGS] said. Newspaper boys seem to be under the act, and yet through a subterfuge they were removed from under it.

I do not know what the Senate will do with this amendment. But if the Senate adopts the amendment exempting the messenger boys of the Western Union Co., but still leaving the newspaper boys under the act, it strikes me that it would be an injustice to the newspaper boys.

I suggest that both groups should be either included or excluded.

Perhaps the Senator will modify his amendment so as to include all those engaged in the delivery of letters, newspapers, and messages or the performance of errand service. That would place all of them in the same category.

Mr. FULBRIGHT. Mr. President, I may say to the Senator that I thought they were excluded. But since I drew the amendment, in thinking of it I wondered whether, if we included newsboys carrying newspapers, that would mean that they, too, would have to be paid 65 cents an hour. Would that be the effect of such an amendment?

Mr. LUCAS. It might be.

Mr. FULBRIGHT. In other words, I still am not clear about it. I am sure the Senator's statement of his personal experience is correct, but I know of newspapers with respect to which that is not true. I am familiar with one or two cases in my old district which do not come under the act. So there is that difference. But I am afraid that if we included such an amendment in the pending measure it would hardly work.

Mr. LUCAS. I think the Senator from Arkansas is correct.

Mr. FULBRIGHT. Mr. President, I do not wish to take any further time. I hope the Senate will adopt the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. FULBRIGHT] to the so-called Pepper amendment.

Mr. LA FOLLETTE. Mr. President, I am opposed to the amendment offered by the Senator from Arkansas. It is true that the Fair Labor Standards Act, as it now stands on the statute books, does not cover the carrier boys of newspapers who are so-called independent contractors and are not employed directly by the newspaper companies or the companies publishing newspapers. The fact remains that the committee, or at least a majority of it, sought to amend section 12 of the act in such manner as to give coverage to all newspapers and other industries by incorporating or attempting to incorporate the philosophy of affecting interstate commerce.

But, Mr. President, as I view the situation, the fact that the committee has been unable to obtain a majority vote of the Senate for its proposal is no justification for removing the protection of the child-labor provisions which the Ball-Ellender amendment would give to the employees of the Western Union Co. and other companies which are engaged in interstate commerce and are doing a messenger business.

It is all very well for Senators to make light of the hazards which are involved in the employment of minors in the delivery of telegrams. But any person who has witnessed Western Union messengers treading their way through traffic in metropolitan cities during congested hours knows that riding a bicycle under such circumstances is a hazardous occupation.

Mr. FULBRIGHT. What is wrong with the States, particularly those States which have laws covering the situation about which the Senator complains?

Mr. LA FOLLETTE. Oh, I will ask the Senator a question. Why should we have ever passed the child labor law if we were going to leave the matter to the various States?

Mr. FULBRIGHT. Has not a substantial number of the States, States containing approximately half of the population of the country, adopted laws actually prohibiting the very thing to which the Senator refers?

Mr. LA FOLLETTE. In the decision of the Supreme Court in the case of Western Union against Katharine Lenroot the Court held five to four that persons within the ages to which I have referred were not covered by the then existing law, and since then the issuance in States of permits for the employment of such employees has increased 180 percent.

Mr. HAWKES. Mr. President, does the Senator consider that to be a bad thing for the American people?

Mr. LA FOLLETTE. I think it bad to permit minors 18 years of age, and under, to be employed in the delivery of messages on bicycles in metropolitan cities. I believe such an occupation to be a hazardous one. I believe that such minors are just as much entitled to the protection of the child-labor provisions of the Fair Labor Standards Act as are any other minors who are employed in occupations which are equally hazardous.

Mr. President, what does this matter come down to? It comes down to an appeal made on the ground only that the Western Union Telegraph Co. is not operating as a successful corporate enterprise. Therefore, we are asked by the proponents of this amendment to allow the Western Union to employ minors under 18 years of age in order to help bail the company out of a bad financial situation. It has already been made evident here that the sacrifice which is to be asked of minors 18 years of age and under will not be sufficient, even if we consider it on a dollars-and-cents basis, to rescue the company from its present financial difficulties. Reference has been made to the financial condition of the company, although Congress enacted a law which enables the company to have a monopoly pure and simple, of the telegraphic business of the United States. I assert, Mr. President, that such an appeal as is made in this instance could be made on behalf of any other company in this country if such company were in similar financial difficulties. If we establish the precedent of helping to bail the Western Union out of its present financial difficulties by removing the protection which the Ellender amendment and, it was believed, the original act gave to employees 18 years of age or under, the same relief could be requested in behalf of any other company, manufacturing or otherwise.

Mr. McFARLAND. Mr. President, the Senator has stated that the Western Union has a monopoly. Does not the Senator regard the A. T. & T., which does a greater volume of business in the delivery of teletype messages, a competitor of Western Union?

Mr. LA FOLLETTE. I said that the Western Union has a monopoly on the delivery of telegraph messages, and my intended meaning was that the Western Union is now the only company engaged in a person-to-person service.

Mr. McFARLAND. The point which has been made by the Senator from Arkansas is that there will not be any company engaged in that business if the pending proposal is adopted.

Mr. LA FOLLETTE. In that event, Mr. President, I feel very sorry for the Western Union and for the persons who invested money in it. The Congress went a long way by permitting the Western Union to absorb its only rival in the business, commonly known as the telegraph business, by enabling it to absorb the Postal Telegraph Co. and establish a monopoly. Having gone that far, Mr. President, so far as I am concerned I will not go further by permitting the company to be exempt from the provisions of the Child Labor Act in order to help it out of its financial difficulties.

Mr. HAWKES. Mr. President, I am sure that the Senator, who is one of the best informed men in the United States Senate, knows that the Western Union did not ask for the act permitting the merger.

Mr. LA FOLLETTE. The fact remains, however, that the merger was permitted by the Congress, and the Western Union was permitted to absorb the Postal Telegraph Co. The fact also remains that now, as a result of the action taken by the Congress, the Western Union enjoys a monopolistic position.

Mr. HAWKES. Mr. President, I wish to say to the Senator from Wisconsin that I think it is unfair for him to create the impression that the monopoly to which he has referred was something beneficial to the Western Union, because

I assert very frankly that it was something very much against their interests. They know it, and every businessman in the country knows it. The company knows that the merger was forced upon them. I happened to be on the committee which considered the merger bill, and the Western Union hoped that it would not be enacted. They accepted the merger because they were compelled to do so. They took over a defunct institution which was losing from two to three hundred thousand dollars a month. I am not pleading for the Western Union. I am pleading for the youth of America in order that they may have a right to a job paying them 55 cents an hour. I think it is well for boys 15 or 16 years of age to have jobs paying them 55 cents an hour.

Mr. LA FOLLETTE. Then, the Senator from New Jersey is opposed to the protection which the Child Labor Act gives to minors in the United States, and I do not share that position.

Mr. STEWART. Mr. President, I wish to make an observation concerning the statement made by the Senator from New Jersey to the effect that the merger was forced on the Western Union. That statement is not correct. The act gave to the Western Union the right to take over the Postal if it desired to do so. The Western Union was not compelled to take over the Postal. We could not have forced the company to take over the Postal. The company took Postal over voluntarily and with its eyes wide open. Western Union took over a company which was acknowledged to be defunct. Western Union took over the employees who were working for Postal. That probably accounts for one of the difficulties in which Western Union finds itself today. Perhaps it wishes to get rid of some of its employees. Perhaps it has on hand a double force. But the act which Congress passed merely gave to Western Union the right to take over the Postal if it wanted to do so.

Mr. McFARLAND. Mr. President, I should like to state that there is more truth in the statement made by the Senator from New Jersey than may appear. Western Union was confronted with the necessity of taking over Postal or going into competition with the United States Government, because the Government practically owned the Postal Telegraph Co. Eventually Jesse Jones would have had to take over the company and operate it.

I repeat that I do not agree that Western Union has a monopoly. It is in competition with the A. T. & T. in sending out telegraph messages. I may submit, Mr. President, that if Western Union ever did have a monopoly it is not enjoying it now.

Mr. LA FOLLETTE. Mr. President, I do not think it is really very important, but it was my impression, though I am not a member of the Interstate Commerce Committee, that the action on the part of Congress permitted Western Union to absorb the Postal Co. The Postal Co. was the only competitor which the Western Union had in the business in which it was engaged, and Western Union did absorb the Postal Co. So far as I know, there was no prodding on the part of Congress in causing the Western Union to absorb the Postal Telegraph Co.

Mr. HAWKES. Mr. President, I wish to say that the Senator from Wisconsin made a very unfair statement a moment ago when he said that the Senator from New Jersey was opposed to the protection of child labor. I am just as much in favor of the protection of child labor as is the Senator from Wisconsin or any other Member of the Senate, and my record will show that I never employed child labor. Therefore, I cannot allow the statement of the Senator from Wisconsin to remain in the RECORD unchallenged.

Mr. LA FOLLETTE. Mr. President, I assumed from what the Senator said that he thought it was a good thing for boys 15 and 16 years of age to be employed in a hazardous occupation, and that he was opposed to the protection which the Federal statute originally gave them, and which the Ellender-Ball amendment will give them in the event the Fulbright amendment is defeated. I certainly would not willingly misrepresent the position of the Senator from New Jersey.

Mr. HAWKES. I know that the Senator would not intentionally do so, and that is why I wish to have the RECORD corrected. There is only one difference between what the Senator believes with regard to boys 15 or 16 years of age and what I believe. The Senator believes that it is hazardous for them to deliver telegraph messages when riding through traffic, and I believe it is just as hazardous for them to be out playing and fooling around in one way and another, and taking chances by riding on bicycles over the same streets while they are not earning any money.

Mr. LA FOLLETTE. Mr. President, I am surprised that the Senator from New Jersey would advance with sincerity such an argument. The idea that the delivery of messages for telegraph companies during congested hours of traffic in streets can be compared to playing on playgrounds or riding bicycles in some suburban area, is too ridiculous to require consideration by this body. The testimony shows that the delivery of messages is a hazardous occupation. My point, Mr. President, is that if such an argument can be made to help the Western Union out of its present difficulties, the same argument can be made for any employer of labor in the mines or in the factories of this country, on the ground that such employer is in financial difficulties and should be given the privilege of exploiting the labor of children and minors under 18 years of age.

Mr. President, I am very much surprised that the Senate of the United States should give this matter serious consideration. We talk about full employment, we talk about trying to encourage education, we talk about trying to provide an opportunity for children to get an education, and then we are asked to remove the protection of the child-labor provisions of the law for this one particular company.

Mr. President, the argument can be made, if it is desired, that this gives an opportunity for children to help their parents, or for children to help educate themselves, but the same argument can be made for employment in other hazardous industries. I do not think that at this time we should take a backward step. On the contrary, I think we should reject the amendment, and we should give the protection to minors under 18 years of age which we thought the law originally intended to give them, which the Supreme Coure by a 5 to 4 decision took away from them, and which the Ball-Ellender amendment will restore to them, if the Fulbright amendment shall be defeated.

Mr. McMAHON. Mr. President, has the Senator an amendment on his desk to cover the newspapers?

Mr. LA FOLLETTE. No, Mr. President. I am somewhat discouraged about increased coverage, in view of the reception which the committee's bill has received in this body, but I should certainly be very much disappointed if the Senate, in an effort to decrease the coverage of the bill generally, should not seize this opportunity to restore the protection of the law, insofar as we can, under the terms of this amendment in the nature of a substitute, which the majority of the committee has been forced by the majority of the Senate to accept as a compromise.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

Mr. LA FOLLETTE. I yield.

Mr. AUSTIN. I am not clear about what the amendment would do. Does the Senator construe the amendment as affecting newsboys, boys peddling papers, boys delivering papers to regular subscribers? Does the Senator think that the language before me, "or service," includes newsboys?

Mr. LA FOLLETTE. No; I do not, as their business is now set up; I do not think it includes them.

Mr. AUSTIN. Where the amendment provides that the provisions of subsection (a) of this section shall not apply to a certain group, does the Senator interpret it to mean that the wage scale contained in section 6 (a), or implied in section 6 (a), shall apply? Section 6 (a) as contained in the Ellender amendment, to which this amendment is an amendment, reads:

> Every employer shall pay to each of his employees who is engaged in commerce or in the production of goods for commerce, wages at the following rates.

Mr. LA FOLLETTE. That has been changed to 60 cents an hour.

Mr. AUSTIN. That is all there is to it, is it not? In other words, the Fulbright amendment is one relating to the wage scale, is it not?

Mr. LA FOLLETTE. No; the amendment which the Senator has offered does two things. It provides that persons under 18 years of age engaged in messenger service, picking up and delivering letters, and so forth, shall be paid at the rate of 55 cents an hour, instead of the rate of 60 cents an hour, which would be required if the Ellender-Ball substitute

were agreed to. Then the amendment proceeds to say:

On page 3, line 2, before the period insert a colon and the following: "*Provided*, That this subsection shall not apply with respect to messengers employed principally in picking up and delivering letters and messages or performing errand services."

It excludes them from the protection of the child-labor provisions of the Fair Labor Standards Act.

Mr. AUSTIN. The Senator derives that, I judge, from this language in the original amendment which is proposed to be amended, namely:

No employer shall employ any oppressive child labor in commerce or in the production of goods for commerce.

Mr. LA FOLLETTE. That is the provision which gives the protection to the messengers covered in the amendment of the Senator from Arkansas, and which would be extended to them unless his amendment, which provides for an exemption, were agreed to.

Mr. AUSTIN. Does the Senator say this is the only part of section 3 which is affected by that proviso? The amendment is, "on page 3, line 2, before the period insert a colon and the following: '*Provided*, That this subsection shall not apply,'" and so forth. That means, does it not, subsection (b)?

Mr. LA FOLLETTE. That is the way I understand it, and that is what would take them out from under the protection of the child-labor provisions if the amendment were agreed to.

Mr. PEPPER. Mr. President, I merely wish to say that Miss Catherine Lenroot, the able head of the Children's Bureau, Department of Labor, is very much opposed to the amendment. She believes that it would have a very detrimental effect on her efforts to preserve and safeguard the children of this country. All it would save in the way of money would be 5 cents an hour for an average of 22 hours a week in the case of 2,000 employees under 18 years of age now employed by the Western Union Telegraph Co., and that amounts to only about $100,000 a year.

If this amendment shall be defeated, under the law as it will be if the Ellender-Ball-Taft amendment shall be agreed to, as I hope it will be, all persons under 18 years of age will get the protection of the Children's Bureau, but those engaged in the delivery of letters and telegrams can still, by the Wage and Hour Administrator, be allowed a lesser wage than the statutory minimum if he feels that the statutory minimum will curtail employment. I feel that would not be fair to the country, and I hope we will not taint the bill with oppressive child labor.

Mr. AUSTIN. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. AUSTIN. Does the Senator understand that the effect of the amendment would be such that the Children's Bureau could locally apply one decision to one territory, or one village, we will say, whereas the representative of the Children's Bureau in the city of New York, a thickly populated and congested area, could apply another judgment there to a messenger boy serving in that area? Is that the interpretation to be placed on this proposal?

Mr. PEPPER. I am not quite sure what the geographical effect would be, but the general effect would be that the Children's Bureau would not have any jurisdiction to protect these children as to hours of labor, kind of labor, or conditions of labor, because this would not be the oppressive child labor that would give them jurisdiction. Therefore, the Bureau would not have the power to protect them in any part of the country.

Mr. AUSTIN. Mr. President, the reason why I am in doubt about this is that I have not in mind clearly the other parts of the statute giving authority to the Children's Bureau, and that is why I inquire of the learned Senator from Florida about his understanding of it.

It seems to me that fundamentally it is a good thing for youth to be employed, to have some sort of gainful employment. There are hazards in any employment. But where the hazard is exceedingly great, and one which the child should not risk, that is a place where the judgment of the Children's Bureau should be applied.

If under the existing law it can be applied with respect to the circumstances surrounding the employment of the child then I would follow, I think, the reasoning of the distinguished Senator from Wisconsin, to which I listened with great interest. But if this is an arbitrary thing, which would prevent such gainful employment as the distribution of messages in relatively safe communities, I certainly would support the amendment, as I shall try to support an amendment with respect to newsboys.

Mr. PEPPER. Let me see if I can clarify the matter in the Senator's mind.

Under the present law, in section 12 (a), child labor is forbidden in or about any business situated in the United States which is engaged in the production of goods for shipment in commerce. The United States Supreme Court held, in the case of Western Union against Lenroot, that the Western Union was not engaged in the production of goods to be shipped in commerce, and that therefore they were not covered. Therefore, the Children's Bureau has not jurisdiction over these Western Union employees at all. So, at the present time the Children's Bureau has no jurisdiction over these messengers and is therefore not able to protect them. The Ellender-Ball-Taft amendment would prohibit oppressive child labor. Oppressive child labor is that labor which we may say is employed inconsistently with the regulations of the Children's Bureau. So under the Ellender amendment the Children's Bureau would have authority to prescribe the hours these messengers could work and the conditions under which they could work, so as to protect them.

If the amendment of the able Senator from Arkansas were adopted, that provision in the Ellender amendment would be cut out and the Children's Bureau would have no power to protect the children.

Mr. AUSTIN. Mr. President, will the Senator yield for a further question?

Mr. PEPPER. Yes.

Mr. AUSTIN. Does the Senator draw that inference from this language, "No employer shall employ any oppressive child labor," and so forth?

Mr. PEPPER. In the Ellender amendment, yes. That is correct. And the Fulbright amendment would somewhat qualify that language in the Ellender amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Arkansas [Mr. FULBRIGHT] to the Ellender-Ball amendment.

Mr. LA FOLLETTE. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. BANKHEAD. I announce that my colleague the junior Senator from Alabama is necessarily absent because of the illness of his father. If present, he would vote "nay."

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], and the Senator from Georgia [Mr. GEORGE] are necessarily absent.

The Senator from Maryland [Mr. RADCLIFFE] is absent on public business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Nevada [Mr. MCCARRAN] are detained on official business.

I wish to announce further that if present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from Georgia [Mr. GEORGE], and the Senator from Nevada [Mr. MCCARRAN] would vote "yea."

I also announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ] and the Senator from West Virginia [Mr. KILGORE] would vote "nay."

Mr. WHERRY. The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The result was announced—yeas 16, nays 69, as follows:

YEAS—16

Bilbo	Fulbright	McClellan
Bushfield	Gurney	McFarland
Butler	Hawkes	McMahon
Byrd	Hayden	Maybank
Capehart	Hoey	
Eastland	Johnston, S. C.	

NAYS—69

Aiken	Ferguson	Millikin
Austin	Gerry	Mitchell
Ball	Gossett	Moore
Bankhead	Green	Morse
Barkley	Guffey	Murdock
Brewster	Hart	Murray
Bridges	Hatch	Myers
Briggs	Hickenlooper	O'Daniel
Brooks	Huffman	O'Mahoney
Buck	Johnson, Colo.	Overton
Capper	Knowland	Pepper
Carville	La Follette	Reed
Connally	Langer	Revercomb
Cordon	Lucas	Russell
Donnell	McKellar	Saltonstall
Downey	Magnuson	Shipstead
Ellender	Mead	Smith

Stanfill	Tunnell	Wherry
Stewart	Tydings	White
Taft	Vandenberg	Wiley
Taylor	Wagner	Willis
Thomas, Okla.	Walsh	Wilson
Thomas, Utah	Wheeler	Young

NOT VOTING—11

Andrews	Glass	Radcliffe
Bailey	Hill	Robertson
Chavez	Kilgore	Tobey
George	McCarran	

So Mr. Fulbright's amendment to the Ellender-Ball amendment was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 1907) to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON, Mr. DREWRY, Mr. LYNDON B. JOHNSON, Mr. IZAC, Mr. COLE of New York, and Mr. BATES of Massachusetts were appointed managers on the part of the House at the conference.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. RUSSELL. Mr. President, I desire to offer on behalf of myself and the Senators from South Carolina [Mr. MAYBANK and Mr. JOHNSTON] an amendment to the pending Ellender-Taft-Ball substitute.

The PRESIDENT pro tempore. The amendment will be stated.

Mr. RUSSELL. Mr. President, the amendment is well understood and has been widely discussed. It has already been adopted by the Senate to another amendment, and I offer it now merely in view of the change in the parliamentary situation. Therefore, I ask unanimous consent that reading of the amendment may be dispensed with and that it may be printed in the RECORD at this point.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment offered by Mr. RUSSELL is as follows:

At the end of the Ellender-Taft-Ball substitute insert the following new section:

"SEC. 201. Section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended, be, and the same is hereby, amended by striking out the following in the first sentence of said section and paragraph, to wit: 'and in the case of all commodities for which the base period is the period August 1909 to July 1914, which will also reflect current interest payments per acre on farm indebtedness secured by real estate, tax payments per acre on farm real estate, and freight rates, as contrasted with such interest payments, tax payments, and freight rates during the base period,' and inserting the following in lieu thereof: 'and, in the case of all commodities, which will also reflect current interest payments per acre on farm indebtedness secured by real estate, tax payments per acre on farm real estate, freight rates, and the cost of all farm labor (on the basis of the national average and including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm, computed for all such labor on the basis of wage rates for hired farm labor), as contrasted with such interest payments, tax payments, freight rates, and costs of all farm labor during the base period.'

"SEC. 202. The first sentence of paragraph (1) of section 2 of the Agricultural Adjustment Act of 1933, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, approved June 3, 1937, as amended (7 U. S. C., 1941 ed., sec. 602 (1)), be, and the same is hereby, amended by changing the period at the end thereof to a semicolon and by adding the following: 'and, in the case of all commodities, which will also reflect the cost of all farm labor (on the basis of the national average and including hired workers, farm operators, and members of the families of farm operators engaged in work on the farm, computed for all such labor on the basis of wage rates for hired farm labor), as contrasted with the costs of all farm labor during the base period.'"

Mr. RUSSELL. Mr. President, due to the unusual parliamentary situation which has developed, growing out of the so-called compromise, it is necessary for the Senate again to vote upon the so-called farm parity amendment, unless we are to be precluded from having a fair up and down vote on the amendment in connection with the pending bill.

I wish to refer briefly to the so-called compromise. So far as the farmers, the lowest paid group in the Nation, are concerned it was a heads-I-win, tails-you-lose compromise. In other words, a nickel was chiseled off the minimum wage of the next lowest income group in the country as a quid pro quo for selling the farmers down the river and excluding them from sharing in any degree in the broadening distribution of the national income for the benefit of the underprivileged people of this country.

This is the identical amendment which the Senate supported by a vote of 43 to 31 on Friday last. I submit that if it was a good amendment on Friday last it is a good amendment today. There has been no change whatever in the economic condition of the country. There has been no change whatever in the status of the farmer's, except to place them at a still greater disadvantage by increasing the minimum wage 50 percent, as is proposed by the pending bill.

Mr. President, I do not wish to reiterate all the arguments which I have made in the course of the debate upon this measure. I wish to say again to those whose hearts bleed, according to their words, for the low income groups, for the underprivileged, that statistics show—and they have not been challenged—that the average annual income per capita of the farmers is $570, as compared with a non-farm per capita income of $1,290 a year. Those figures are for the year 1945, and do not take into consideration the great wage increases which have been allowed since the end of the war, or the wage increases which are provided for other groups under the terms of the pending bill.

I wish briefly to advert to the testimony of Mr. Murray, of the CIO, before the House committee on a bill to increase the salaries of Government employees. Mr. Murray submitted certain figures to the House committee. He stated that the average straight-time hourly earnings from January 1, 1941, to October 1945 had increased 33 percent. He stated that the pattern now developing of granting workers in private industry from 15 to 17 percent on top of previous increases showed that in private industry there had been since 1941 an across-the-board increase of between 53 and 55 percent. Members of the Senate may say that they have not voted for such increases; but I invite attention to the fact that they have just voted for a 50 percent increase in wages of those who are not in the higher skills and the higher-paid brackets in private industry.

When we come to Government employees, we find that under the bill which was passed by the House of Representatives this week affecting the postal workers, an increase of 54.5 percent in their average wage has been voted for that group of Federal employees.

There is pending in the House of Representatives—and it will probably be voted upon this afternoon—a bill dealing with the compensation of other Government employees. I predict that before the Senate concludes action on that bill we shall have given to all the other employees of the Government a wage increase of from 50 to 55 percent, over and above the 1941 rate.

The amendment offered by me, even according to the biased reports and the colored figures of Mr. Bowles and Mr. Anderson, would increase the wages of the farmers only 33 percent. Any man who knows a corn stalk from a dandelion is aware that the only wage which the farmer has is the return when he sells his product in the market place.

We have heard about the good things of life being denied to many of our underprivileged groups. Because they live on the farm and because they toil in the field is no reason why the farmers should not enjoy the better things of life to the same extent as do those who work in other industries. We know that farm boys returning from the service are not going back to the farms. How can anybody blame them when they see the advantages which accrue to those who work in other vocations in life? The other day I received a letter about the housing problem. The writer stated that it was severe in the cities, but that there were vacant houses on the farms because farming was being made so unattractive that men would not return to the farms.

The pending bill also provides a maximum workweek of 40 hours. I ask Sentors to bear that in mind when they compute the income for the groups which they seek to aid as compared with that of the group whose interests I seek to advance. Everyone knows that the farmer works more than 40 hours. Wage earners provided for in the bill will receive time and a half, or 90 cents an hour, when they work more than 40 hours. The farmer works 70 or 80 hours a week, and yet it is sought to deny him this modest increase in his wage when he sells his products.

In our Government time and a half is paid for all time over 40 hours, and double time for certain classes of work, just as overtime is paid to those who toil in industrial plants. Members of the Appropriations Committee will bear me

out in the statement that we have been compelled to pass deficiency appropriation bills carrying approriations of hundreds of millions of dollars to pay overtime to Government employees. The figure of approximately 55 percent, representing the increase in the income of all nonfarmers, does not take into consideration the overtime pay which they gain, but the farmer is not paid for overtime.

I shall not again advert to the statement which was made, that the President would veto this bill if the pending proposal were attached to it. I reiterate that I do not believe that that should influence the vote of any Member of the Senate. The President of the United States has his responsibility. We, as Members of the Senate, ambassadors from sovereign States, on our own oaths, have our own responsibility. I wish to say, however, that I have faith that the President of the United States will not veto this bill if there is placed in it some provision tending to equalize the economic lot of the farmer with that of other groups. This bill must go to the House of Representatives. The House will have an opportunity to pass upon it and make adjustments. It will then go to conference, where other adjustments and equalizations can be made to see that the farmer shall not by our action be relegated to oblivion, as we are asked to do in the vote which will be had in a few minutes.

I believe that the President has been badly advised about this matter. He has been advised by the same persons who told him that wages could be increased without increasing prices. The same persons who made that statement are today being compelled to consent to increased prices in order to pay the increased wages; and the farmer must pay the increased prices. The same persons advised him that from six million to eight million would be unemployed by this time after the end of the war. The inaccuracy of their statement is attested by the fact that today those who are unemployed in this country are idle because they do not care to take the jobs which are available. The slightest attention to the help-wanted columns of any newspaper in the land will show that there are jobs available, and the wages of those who will take such jobs have been increased.

Mr. President, I believe that when the President has an opportunity to analyze the situation with his own good, hard, common sense, uninfluenced by the exaggerated figures which have been submitted by Mr. Bowles, the economic dictator of this country, he will say that the farmer should not be altogether oppressed and held down at a time when we are increasing wages and distributing a higher level of national income to all other groups.

The farmer has been shunted aside in the past, even as we are asked to shunt him aside in the vote which will soon be taken. In 1942, when the act establishing the Office of Price Administration was pending, the Senate voted to include a provision to insure that the farmer would be protected in case of rising adjustments with respect to other groups. When that measure went to conference that provision was eliminated, or supplanted by some form of language which provided that changing conditions on the farm should be considered by the Office of Price Administration. I challenge anyone to point to a single time when the Office of Price Administration has used that provision to allow the farmer an increased price. The administration has taken the position, in and out of season, that we must hold the line on the farmer, at all events, but that we could allow bulges, breaches, and breaks to take care of the other groups.

Mr. President, I hope that the Congress of the United States will no longer persist in a program to benefit every other group besides those who till the soil. As I have stated heretofore in this debate, there is a great value to our country in having a strong and independent—and prosperous, if you please—farm population, and that value cannot be computed in dollars and cents. I do not see how any Senator can change his vote on this amendment and can tell the farmers of the United States that he tried to hold the line for them, and at the same time advocated a bulge in the line by increasing minimum wages.

Let us deal fairly with all our people, wherever they may be, whatever may be their vocation. Let us not say that those who are engaged in nonfarming employment shall receive all the benefits of increasing incomes, whereas the farmers must be held and pinned down to that which the OPA allowed them in 1942.

Mr. President, I hope the Senate of the United States will, by its vote on this amendment, say to the farmers of the United States, "You are still American citizens; you still have rights, even as other groups have rights," and that the Senate will allow them the increase which this amendment would provide.

We cannot in justice say that we will allow increases in prices in order to add to the incomes of other groups, but that the farmers must be pinned down to the prices obtaining in 1942.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. TAFT. Mr. President——

Mr. RUSSELL. I yield first to the Senator from Iowa.

The PRESIDENT pro tempore. The Chair thought that the Senator from Georgia had yielded the floor.

Mr. RUSSELL. I was about to do so; but inasmuch as the Senator from Iowa has asked that I yield to him, I do so at this time.

Mr. HICKENLOOPER. Mr. President, I desire to call the attention of the Senator from Georgia to the rather peculiar situation, as I view it, we face with respect to parity prices.

With accelerated industrial wages and the high floor under industrial wages, the parity formula cannot operate without the so-called Pace bill or the amendment of the Senator from Georgia. In a comparatively free economy it probably would be possible to take advantage of the fluctuations in supply and demand in such a way as to equalize the prices the farmer must pay for what he buys with the prices he receives for the products he sells. However, it seems to me that at the present time we are attempting to do the following rather peculiar thing: We are attempting to jump up 50 percent, as an irreducible minimum, the industrial wage floor. By any kind of economics, that is bound to be reflected directly in the prices of everything the farmer has to buy in order to conduct his normal farming operations. That also constitutes a 50-percent profit for the industrial workers. By profit, I mean it arbitrarily adds 20 cents an hour to the basic minimum legal income of industrial workers, and that is a profit in anyone's language. It may not be a great profit; I do not mean to say it is an exorbitant profit. But the parity formula, with its fluctuations up and down, contemplates no increase whatsoever in the profit received by the farmer even though the prices of farm products go up in the parity formula. It merely contemplates an adjustment so that the farmer may buy the same binder, although under a different price today, that he could buy yesterday with the prices allowed him for farm products; or so that he may buy, under the adjustment of the parity formula, the same plow today at a higher price which he could buy yesterday at a lower price. The parity formula does not contemplate an adjustment enabling him to buy a plow and a half today as compared to the one plow which he could buy a few years ago on the basis of his buying power at that time.

There will be no increase in the profits of the farmer unless we include the amendment of the Senator from Georgia in connection with the approach to the entire program. Unless we do include the amendment of the Senator from Georgia in the formula, we shall relegate the farmers further into serfdom, further to the mercy of an arbitrary, fluctuating industrial economy which never has, except when the protection of law has been thrown around him, given two whoops in a rain barrel, as we say in Iowa, about the farmer and his economy. If the amendment of the Senator from Georgia is not included in connection with the 50-percent or other percentage increase in the mandatory wage floors provided for industry, our entire farm population will suffer, because it will be pushed farther down in the production economy; and instead of even maintaining itself on what is now a parity basis, it will actually be placed below the contemplation of parity, as the Congress believed it was writing it when it enacted the original parity law.

Let me make another point: In the last several days I have heard a great many statements about what this farm organization says about the Russell amendment and about what some other farm organization says about it. I should like to call the attention of the Senator from Georgia—and I believe he will agree with me; at least, I hope he will—to the fact that the criticisms of the so-called Pace bill or the criticisms of the amendment now offered by the Senator from Georgia were offered by farm groups themselves at a time when the parity formula, as it was written, was sufficiently resilient in an open economy so as to be able to "roll with the

punch," as we may say, and to keep itself equalized with the economic levels of prices, as supply and demand and other conditions would regulate them in a free economy.

Now we are not proposing a free economy. We are proposing a frozen, supported industrial economy, so far as wages are concerned. But without the Russell amendment we would leave the farmer to "roll with the punch," and usually downward in this process, because now he has no protection against an advancing economic wage in industry and must take the price he is given in an open and an unprotected market.

I think that is what the Members of the Senate—whether they come from farm areas or whether they come from city areas—must bear in mind; because, as the Senator from Georgia so aptly stated a few minutes ago, Mr. President, no civilization has very long survived and maintained its integrity when its farm and raw material plant has atrophied from an economic viewpoint. We may well consider that situation. We must protect our agricultural economy, or else the very industrial economy we have heard so much about in the last few days will in itself eventually wither and suffer mightily, because the agricultural and raw material economy upon which any industrial economy must live will have become weakened to the point where it will be virtually in serfdom.

So, Mr. President, I hope that Members of the Senate who heretofore, under different conditions, have been induced to vote against the principles of the amendment offered by the Senator from Georgia will now consider it in the way we are considering it today, namely, upon vastly different economic conditions than those upon which the amendment has ever before been considered by the Congress, except during its consideration 2 or 3 days ago under identical conditions.

Mr. RUSSELL. Mr. President, I wish to thank the Senator from Iowa for his splendid contribution. The argument he has stated is absolutely unanswerable.

In addition to the argument he has made about the changing economy, I am sure he will agree that during the past 6 years we have had the finest seasons for the production of crops that we have had in all our history. We know that the farmer has the longest hours of work and does the hardest work. We know that his income is subject to more hazards in the way of weather and grasshoppers, boll weevils, and other insects which attack his crops than is the income of any other worker. We know that today the farmer constitutes the only group in the United States which does not have the benefit of unemployment compensation. All those factors handicap him. Now, in addition, it is proposed to sell him down the river by some sort of a compromise. I do not believe the Senate of the United States should do it.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CONNALLY. I assume that the Senator from Georgia has in mind the point that when we help all members of our economy except the farmers by increasing wages, we not only are lifting up everyone but the farmer, but we are actually pushing the farmer further down than he has been before.

Mr. RUSSELL. Exactly.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. REVERCOMB. I should like to address a question to the Senator from Iowa. I have listened with interest to his able argument in support of his views. Do I correctly understand that he has advanced the argument that the present formula was sound until the 50-percent increase in wages was made?

Mr. HICKENLOOPER. Not exactly. What I mean to say is this: The so-called Pace bill, which has been before the Congress for a number of times, was proposed when the economy as between what the farmer had to buy and sell was more or less an open economy regulated by the law of supply and demand. The proponents of the Pace bill proposed to include as a part of the cost of production a reasonable allowance for wages, such as prevailed in the community, at rates to be established for the time involved in the production of agricultural products. Many very strong farm groups at that time took the position that in an open economy they believed it would be unfair to the rest of the economy to establish arbitrary standards of wage scales for all the hours which go into farm production, because they were afraid it would eliminate industrial ability to purchase, and that various other things would also happen.

However, as between that situation and the one now confronting us, I may say that, if we do not put a floor under industrial wages, I shall vote against the amendment of the Senator from Georgia, because I believe that in the absence of a high floor under industrial wages we would not be justified in including all these elements and contingencies of farm wages in fixing the parity price. But circumstances are now different, and I have consulted with representative members of farm organizations who feel just as I feel. They say, in effect, that, if we are now undertaking to raise industrial wages to a high level, a floor below which we cannot go, which is a 50-percent increase over the present more or less nominal minimum wage, we must, in fairness to the agricultural economy of this country, consider the cost of farm labor which goes into the production of farm products or else, as the Senator from Texas has stated, and as I have pointed out, and as reference was made by the Senator from Florida, we automatically push down farm economy below the position it occupied under an open economy and under the parity formula existing heretofore.

Mr. REVERCOMB. If the parity formula has been satisfactory under the 40-cent minimum-wage level, and that wage level has been raised 50 percent by the Congress, why would it not be fair to include within the parity formula of the farmer a 50-percent factor of the wages which he pays and the wages which he earns for himself?

Mr. HICKENLOOPER. I do not believe that would be fair.

Mr. REVERCOMB. Why would it not follow?

Mr. RUSSELL. Mr. President, I can answer the question. In the proposal before the Senate, the wage of farm labor which would be figured in the parity formula would be only 32 percent, which is considerably less than 50 percent.

Mr. REVERCOMB. If the increase in the floor of industrial wages is to be 50 percent, why add the whole of 100 percent in the formula of the farmer's price?

Mr. RUSSELL. It is not added. Only 32 percent of the parity formula will be considered as being affected by wages. There is reflected only 32 percent of the 100 percent to which the Senator refers. It amounts to less than 50 percent.

Mr. HICKENLOOPER. Parity is made up of a number of elements and a number of calculations. As the Senator from Georgia has aptly pointed out, wages is not a specific item, going in as one element, but it goes into the component parts of several of the elements. I did not know that it was 32 percent, but I will take the Senator's statement on that point.

Mr. RUSSELL. That is the information which I have received from the Bureau of Agricultural Economics.

Mr. HICKENLOOPER. Mr. President, with the highest farm income which agriculture has had in our history—not necessarily the highest price, but the highest farm income which agriculture has had in our history, referring to the years 1942, 1943, 1044, and 1945—the average net return per hour for farm labor after taking out expenses for farm operations, is substantially less than 40 cents. That situation prevails right now when the farmer is supposed to be prosperous.

Mr. REVERCOMB. Mr. President, if the amendment which has been offered by the able Senator from Georgia is adopted, will it raise the price of the farmer's product out of line and beyond the raise of the floor for industrial wages?

Mr. HICKENLOOPER. I do not think it will raise the price of farm products out of line with the floor for industrial wages. It will raise the price of the farmer's product, although it will not, in my opinion, have the effect of maintaining as much of a floor under the farmer's product as would equal the increase in industrial wages.

Mr. RUSSELL. Not even Mr. Bowles or Mr. Anderson can raise the cost of farm products as much as industrial wages have increased since 1941.

Mr. BANKHEAD. Mr. President, I wish to invite the attention of Senators to the fact that by increasing parity in regard to a commodity we do not necessarily increase its price. Parity has no significance except with regard to a ceiling price. Parity does not constitute a floor under prices.

Mr. HICKENLOOPER. The Senator is correct. Conversely, an increased dollar price in parity does not increase the price to the farmer.

Mr. BANKHEAD. That is correct.

Mr. HICKENLOOPER. It merely means that a farmer may buy the same plow which he bought before.

Mr. BANKHEAD. Yes.

Mr. CAPEHART. Mr. President, so far as I am concerned, I shall vote for the Russell amendment. A moment ago I voted for the 60-cent-an-hour amendment, and if given an opportunity to do so, I shall vote for the 65-cent-an-hour amendment, and for another amendment to correct what I consider to be certain inequities in the original bill.

Mr. President, I wish to invite the attention of the Senate to the fact that the farmer is the only businessman or the only individual of whom I know in the United States who, upon buying an article, has the price of such article set for him by someone else, and who, when he has something to sell, likewise has the price set for his article by someone else. I am not so certain but that is one of the reasons for my leaving the farm as a young man. I recall, as a boy, gathering a few old chickens for my mother, driving the horse to town, and seeing my mother walk into the grocery store. She would ask, "How much are you paying today for old hens?" The groceryman would tell her. Then she would say, "How much is calico today? How much is this, that, and the other?" Today we have our great unions which protect the interests of their members. We have set a ceiling of 60 cents an hour for workers who are unorganized. I see no reason in the world why we should not likewise in the case of the parity system do that for which the Russell amendment calls. I hope that the Russell amendment will be adopted. I hope that the 60-cent-an-hour minimum and the 65-cent-an-hour minimum will remain in the bill, that the bill will be passed by both Houses of Congress, and that the President of the United States will sign it, and not veto it, as he has threatened to do.

Mr. REVERCOMB. Mr. President, I wish to address a question to the able Senator from Indiana. Does he think that if the amendment which has been offered by the able Senator from Georgia is agreed to, the parity price will be raised to such a level as to necessitate appropriating for Government subsidies in order to meet the level?

Mr. CAPEHART. Does the Senator refer to a subsidy for the farmer?

Mr. REVERCOMB. Yes.

Mr. CAPEHART. I presume the able Senator from West Virginia is proceeding on the premise that if we pass this bill it will raise farm prices more than the 50 percent which wages have been raised.

Mr. REVERCOMB. I do not know. I am inquiring. I want to be advised.

Mr. CAPEHART. I do not know that I can tell the Senator. I have not figured out the amount to the penny, and I do not know that anyone else has. All I know is that anyone who does not feel that the cost of labor on a farm is an item which should be figured in the cost of producing food in America seems to me to be working on the wrong premise. I was not a Member of the United States Senate or of the Congress when the Agricultural Adjustment Act was passed, but it seems to me farm labor should have been included in the first place.

Mr. TAFT obtained the floor.

Mr. RUSSELL. Mr. President, will the Senator from Ohio yield for one suggestion?

Mr. TAFT. The Senator has had a good deal of time; but I yield to him.

Mr. RUSSELL. I merely wish to state that Mr. Bowles' letter, which was read by the Senator from Florida, in opposition, claimed only that the amendment would raise the price 20 percent. That is the only claim he made. I insist that his figure is far too high, but even Mr. Bowles states it will raise the price only 20 percent.

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. I rose to ask the Senator to yield to me to suggest that the amendment now pending is the most controversial amendment to be considered, I assume, and that will be voted on in connection with the bill, and I hope we may dispose of it promptly, and dispose of the bill. We have a matter to consider which will take a considerable part of tomorrow, if we have the day free, and I hope we may remain in session today until we can dispose of the bill.

Mr. MAYBANK. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. MAYBANK. I merely wish to say that whatever may happen to the pending amendment, I have a very important amendment which I expect to discuss for some time, and four other Senators are sponsoring the amendment with me.

Mr. BARKLEY. Regardless of that, I still hope we may conclude the consideration of the bill today.

Mr. MAYBANK. I shall be glad to remain here.

Mr. WHERRY. Mr. President, does the Senator from Kentucky mean by his remarks that he would like to have a vote on the bill tonight?

Mr. BARKLEY. Yes.

Mr. WHERRY. On the amendment?

Mr. BARKLEY. On the whole bill.

Mr. WHERRY. The Senator is not objecting to giving time to those who would like to discuss the amendment?

Mr. BARKLEY. No. I am merely asking Senators to remain here and vote on the bill, if possible, before we conclude our session today.

Mr. RUSSELL. I share the hope of the Senator from Kentucky that we may be able to remain here and finish the consideration of the bill.

Mr. PEPPER. We have a good attendance of Senators now, Mr. President, and I think we should continue in session.

Mr. TAFT. Mr. President, I feel that inflation is the greatest danger this country faces today, and I do not think that to the extent anything is inflationary it helps the farmer. In the constant jockeying for position there are arguments that can be made one way or another, and we can figure as we wish, but it seems to me that so long as we can maintain the economy approximately as it is, it should be so maintained.

Let me point out that the increase in the minimum wage, so far as industry is concerned, is only from 55 cents to 60 cents after 9 months. The War Labor Board has fixed 55 cents as the minimum in industries all through the war. So, in answer to what the Senator from Iowa said regarding industrial wages, the bill provides for fixing them only at the end of 9 months, at an increased rate of 5 percent.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. TAFT. I should prefer to make a comprehensive statement, and then I shall yield, but if I begin to yield in connection with all these figures throughout, I am afraid it will take all night.

As a matter of fact, Mr. President, there are a number of different comparisons on wages and prices, and they may work out different ways. Ordinarily we go back to the first of January 1941, in making computations. That was the beginning of the Little Steel formula, and it was after some increase in wages and prices.

The wholesale price of farm commodities since that date has increased 72 percent already, without the additional 20 percent. It may be 20 percent, it may be 15, I do not know what it may be.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TAFT. I decline to yield at the moment.

Insofar as the wholesale prices of farm commodities are concerned, the index was 75 on the first of January 1941, and it is now 130, approximately. So that farm prices have increased 72 percent. Let me say that that compares with less than 15 percent increase in the prices of all commodities other than farm commodities. Farm commodities have risen, but other commodities have been rigidly held down, and the total increase has been only 15 percent since the first of January 1941.

As to wages, wage rates have increased. Mr. Murray, of the Bureau of Labor Statistics, is incorrect, I think. Wage rates have increased from 66.4 cents an hour to 95 cents an hour, an increase of 43 percent, plus whatever increase may be brought about by recent increases which are not recorded in the labor statistics.

I estimate, however, that wage rates will have increased approximately 60 percent after the increase of 18½ cents an hour which has been granted by many industries, but is somewhat shaded down and is somewhat balanced by down-grading and other things.

I think it is fair to say that farm prices have increased about 72 percent and wage rates have increased about 60 percent. I think we had better stop there, and I oppose the high-wage rate in the minimum-wage provision, although it is not popular to try to hold it down.

I suggest to those who voted for the Russell amendment that I think the 65 to 75 percent rate was inflationary—that it would increase prices. The 55–60-cent rate will not increase prices and it is not inflationary. It seems to me the farmer himself can well afford to sacrifice something to hold things approximately where they are.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Georgia.

Mr. RUSSELL. How does the Senator regard the other wage increases? Would the Senator regard the wage increase of 18½ cents an hour in the steel industry, to $1.24 an hour, and increasing the price of steel to $5 a ton, as inflationary?

Mr. TAFT. If the Senator wishes to ask me that question, I will say that I think the most inflationary thing that has been done is the action by the administration in advocating, in effect, a general wage increase of 18½ cents, which was inflationary, and which has increased prices to some extent. But let me point out that the increase in prices will also be reflected somewhat in an increase in the farmer's parity, because those things do affect the prices the farmer pays, and parity has certainly increased throughout the war. To the extent the wage increases are inflationary and produce higher prices there will also be some increase in the farmer's parity.

Let me point out one other thing. Congress has guaranteed the farmer 90 to 95 percent of parity for 2 years after the end of the war. That means for the entire year 1947 and for the entire year 1948. So far as I am concerned, I propose to keep that promise which we have made. Sometimes promises have not been kept, but I think we should keep that promise. Let me suggest, however, that if the farmer is guaranteed those prices, I believe there will be very large farm production. Certainly that was the effect of the guaranteed price for wheat after the last war. The farmer will continue in a very prosperous condition. We do not guarantee the wage earners anything. Many of them might be thrown out of work. There is no guaranty, necessarily, that they will have work. Of course, the farmer has the weather threat, I realize, and he may not get a crop.

Mr. LANGER. He has the grasshoppers and the chinch bugs also.

Mr. TAFT. Today the farmer is not a serf. I think the administration policy has been unduly favorable to the wage earner, but it does not seem to me that the farmer gains anything by pushing up farm prices again, pushing up the cost of living again, resulting in another wage increase, with another increase in the price that the farmer has to pay, and a steadily rising spiral.

The wage earner may have been somewhat favored, but certainly the farmer is way ahead of the businessman. It seems to me the prices of all other products are way down, and have been held down. Many businessmen have been forced out of business. I am in favor of giving the farmer what the commodity is worth. I will vote with the Senator from Georgia to take the price ceiling entirely off cotton and cotton goods. I do not believe prices are going to be any higher when we get through with them than they are at present. I do not think the average consumer's payment for cotton clothing is going to be any greater than it is today. I am willing to take the price ceiling off and let the farmer have the economic price of cotton. But the increase in parity means that the Government will have to pay 90 or 95 percent of the increase. The increase in the parity guaranty by the Government will mean payment by the Government of billions of dollars in addition to raising the price to the consumer, thus starting a steady spiral of inflation.

Mr. President, I am perfectly impartial. I am against increases in wages and I am against increases in prices. The President has said that the increase in the wage level resulted in somewhat of a bulge in the line against inflation. I claim that so far as this bill is concerned we are not making a bulge in the line against inflation because of the increase in the wage level. The effect of the 55- and 60-cent minimum will not in my opinion throw anyone out of work. I do not believe it will result in increased prices. There are no figures to show that it will result in an increase in prices. It merely takes care of the lowest paid workmen there are today in the United States.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. RUSSELL. The Senator has referred to the fact that there is a guaranty for 2 years after the war of commodity loans at 90 percent of parity. There is no provision in this minimum wage bill that it is to expire at the end of 2 years, and the Senator knows quite well that no Congress would ever repeal it. The Senator knows that once passed it is permanent legislation. I am sure the Senator knows that with the enormous national debt we now have and with the tremendous economic and political power of the labor organizations, the possibility is very remote that there will ever be any reduction in industrial wages. I hope there will not be any. I do not see how we can permit them to recede. But if they do recede there will be unemployment. We have given industrial workers a guaranty that we will dip into the Public Treasury and give them employment at the going wages if there should be any unemployment.

Mr. TAFT. No; the Senator is wrong. The measure I spoke of contains no such guaranty. I objected strenuously to making such a guaranty and that provision was taken out of the bill by the Senate. It was kept out of the bill when it was passed. There is no guaranty of permanent employment in the United States, because there cannot be. There is no way by which it can be done.

Mr. President, I do not wish to take any further time of the Senate. Whether the laborer is a little better off than the farmer or the farmer a little better off than the laborer, it seems to me we should not compound one inflation by putting on another inflation. I believe very strongly, and frankly I will say it now, that if the President vetoes the bill with the 75-cent rate in it and the Pace amendment in it, I certainly cannot do otherwise than approve his action, and I think the people of the country as a whole will approve his action, because with those provisions in it, the measure would simply result in all prices going up for everyone and no one would be any better off than he is today.

Mr. REED. Mr. President, I desire to speak for about 5 minutes on this question and take exactly the opposite position to that taken by the Senator from Ohio. It is true that we placed a floor under farm prices for a period of 2 years after the war ends, but that was done in order to secure increased production, and it was the only way to secure an increase of production, and at that it did not increase production enough.

In the First World War the wheat farmer had a floor of $2.20 a bushel under his wheat price. His parity price at this time, as I recall, is in the neighborhood of $1.50 or $1.55. Wages in this country during the present war were at least 50 percent higher than they were during the First World War. Yet, farm prices are less than they were during the First World War.

Mr. President, the Senators who have dealt actively with this question know that I have been one of those who have refused to undertake to change the parity formula. It is not perfect, but, after all, we were getting along with it. What has happened is that everything the farmer uses has increased in price. Wages have gone up, not only as they would naturally have gone up, but by invitation of the administration last September. There has been a constantly inflationary pressure which has increased wages beyond what anyone conceived would be the case.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. REED. I will conclude in a moment. The Senator from Kansas has been sick. He has no business being here this afternoon, but is making an effort to obtain some measure of justice for the people he represents.

Mr. President, who would have thought 12 months ago that we would be faced with such requests for wages that for working 40 hours the take-home pay would be equivalent to the amount the workers received for working 48 hours, including overtime? That is because of the inflationary factors that not only have been permitted but have been invited by the present administration. The pending amendment is inflationary. Of course it is. But are we going to inflate everyone and do nothing for the farmer? I warn my colleagues on this side of the aisle, I warn those who favor free enterprise, I warn those who favor capitalism, that when those who do favor free enterprise and favor capitalism lose the support of the farmers of the country, North, South, and West, then the capitalistic system, the free enterprise system, will collapse. There has been more favoritism displayed here in favor of the wage earner and more prejudice against the farmer than there has been to my knowledge in any period during my public life.

Mr. President, for these reasons, and because I feel it is necessary to obtain the production desired, because it is necessary that justice be done and that the situation be balanced I stand here and support the Russell amendment.

Mr. EASTLAND. Mr. President, the charge has been made that the Russell amendment is inflationary. Nothing is inflationary that returns to the producer merely a reasonable profit, and that is all the amendment attempts to do.

Under the old parity formula the price of farm labor was not included. I submit that there are not 10 percent of the farmers of the United States who do not have to employ labor. Has the price of farm labor gone up? The figures from the Department of Agriculture show that the farmer's labor cost has increased 340 percent since January 1, 1941.

What is the further picture with respect to the farmer? He cannot buy equipment. He cannot buy machinery. He has an old worn-out, broken-down agricultural machine with which to produce the crops. The cost of repairs for that machine, the cost of parts, the cost of maintenance have climbed sky high until today there is practically no profit in agriculture in the United States. There is certainly no profit today for the producers of wheat, cotton, corn, and the other basic agricultural commodities.

I saw a statement made by Mr. Morgenthau a few days ago in which he said that heroic efforts must be made to get the grains from the farms of the West in order that we may meet our commitments to relieve starvation in Europe. Why was it that those grains were not going to market? It was because those commodities were not profitably produced, and because the men who produced them were holding them in an attempt to get a reasonable profit for their production.

Inflationary? There is no inflation in any measure which simply gives a reasonable profit to the producer of any commodity. I submit that because of the additional cost of maintenance, and the increased labor cost—and the official figures show that the increase in the labor cost in the past few years has been 347 percent—there is nothing inflationary in this amendment.

The Senator from Ohio [Mr. TAFT] stated, in order to damn this amendment, that farm prices had increased since January 1, 1941, to the extent of 72 percent. That is true; but the Senator from Ohio forgot that before January 1941 American agriculture was in a depression. I hope that the farmers of this country will never have to return to the conditions of poverty which they faced during the thirties and in the period preceding this war.

Inflationary? There is nothing inflationary about this amendment. It is simply a sincere attempt to give to the agricultural producers of this country a reasonable profit for their labor. It will not permit them to earn a wage comparable with the wages earned in industry. If we were to guarantee a cotton grower 60 cents an hour, the price of his commodity would have to be increased to 60 cents a pound, according to the figures of the Government.

Farmers represent the lowest income group in the country. What are we doing, Mr. President? We are stabilizing our economy at the expense of the farmer. We are grinding him down. We are discriminating against him. We are placing him still lower in the economic level in order to appease and cater to certain industrial groups which are well organized and which desire that their wages be increased, and that the prices of farm products be held down in order to increase the standard of living of the wage earner, the CIO man, who is well organized and powerful in this Government.

I submit that that is the whole story. There is an attempt to hold down the farmer's income and increase the income of industrial labor, thereby increasing the real wage which goes to the industrial worker.

I submit that the pending amendment should be adopted.

SEVERAL SENATORS. Vote! Vote!

Mr. WHERRY. Mr. President, I am sorry to detain the Senate for a few moments; but at least I should like to state my views for the RECORD.

I come from an agricultural State. Eighty-five percent of the people whom I represent earn their livelihood from the farm. I know that we have been discussing this measure for many days, but this is the first time I have risen to say a word about any amendment or about the provisions of the bill. Inasmuch as it affects the farmers of the country, I believe that, even though the hour is late, we should thoroughly debate it and have an opportunity to be heard. It is in that spirit that I ask the patience of Senators for a few moments, at least.

The distinguished Senator from Ohio [Mr. TAFT] says that this is an inflationary measure. It is a strange thing that Senators will rise on the floor and talk about inflation when we are trying to do something for the farmer; but at the same time will vote billions of dollars in subsidies to help housing and other projects. If one activity is inflationary, so is the other. I am not saying that such projects are right or wrong. I am against subsidies; but I cannot understand why a Senator should say, because we wish to help the farmer by giving him the increased costs of labor in the parity price, that that is inflationary, and at the same time vote billions of dollars for subsidies for industry. I say that if one is inflationary, so is the other. That does not prove the point at issue in this debate at all.

If it is inflationary, what about it? I have just returned from Nebraska where I have been for 2 weeks. I have called upon many farmers. Senators may submit all the highfalutin statistics they wish, but the practical facts are these: In my section of the country, in Nebraska, farm labor costs have doubled, and in most cases trebled, since 1941. Senators can investigate the truth of that statement in their own States. They will find that farm labor costs have greatly increased, and that farmers are paying the increased wages every Saturday night.

Mr. EASTLAND. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Mississippi?

Mr. WHERRY. I yield.

Mr. EASTLAND. Is it not a fact that the Senator found on his recent trip to Nebraska that the agricultural producers there are not prosperous?

Mr. WHERRY. The agricultural producers are not prosperous, and they cannot be prosperous on the present scale. If we pass this bill and increase the minimum wage the farmer must increase the wages which he pays. That is all there is to it. It is as simple as that two and two make four. The farmers are actually paying the increased wages. They must pay those wages, and I say they should pay them. Men who work on the farm must live in the community, and farm labor is entitled to just as much consideration as is labor in the cities. I am in favor of paying increased wages. I want the farmers to pay them, and I want the farmers to have a chance to pay them.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. SHIPSTEAD. Everyone must recognize that the wages of labor in industry add to the cost of the product.

Mr. WHERRY. That is correct.

Mr. SHIPSTEAD. Let anyone go out and see what he can buy farm machinery for now, as compared with prices before the war. There is inflation in the prices of all farm machinery. In the first place, there is scarcity; and if one can find a new machine, he will find that it costs him from 25 to 40 percent more than it cost before the war.

Not only is there an increase in the price of farm machinery, but there is an increase in the price of farm labor. The farmer's costs go up along with everyone else's costs. We are giving to industry the income with which to pay increased wages of labor in industry. The farmer has never been permitted to include the cost of farm labor in the computation of the parity price of his product.

Mr. WHERRY. That is correct.

Mr. SHIPSTEAD. The only way he can remain in business is to employ his wife and children throughout the summer and winter.

Mr. WHERRY. That is correct. I thank the distinguished Senator from Minnesota for his contribution. What he has stated has been the history of farm labor ever since I can remember. Farmers have had to utilize the labor of their wives and children in order to try to make both ends meet on the farm.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. LANGER. The Senator knows, too, that every once in a while we give the farmer a little pittance, such as the $5 an acre for flax last year. As soon as it was thought that there was enough flax, the $5 was immediately taken off.

Mr. WHERRY. I thank the distinguished Senator. I know from my own experience what he is referring to.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield to my distinguished colleague.

Mr. BUTLER. I think everyone knows that ordinarily when any business is profitable it attracts people. Does my colleague know how the population on the farms has been going down during the past few years?

Mr. WHERRY. That is one of the points which I wish to make, and I thank the distinguished Senator for suggesting it.

If Senators feel that the farmer is so prosperous, and has made so much money, and submit figures showing what the increase has been, and how many mortgages have been paid, if they think it is such a profitable industry, let me ask them, Why is it that we have fewer people on the farms of Nebraska now than we have had since I can remember? Today we have only four Representatives in Congress from Nebraska. When the population of our State was at its highest level we had seven. That is the situation in Nebraska today. If farming is so profitable, why do we not all go into the farming business? Why do we not all take advantage of the great profits to be made on the farm?

Mr. REED. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. REED. I invite attention to the official figures, which show that since 1940, 5,000,000 people have left the farms of this country. In the census of 1945 the farm population was 5,000,000 less than it was in 1940.

Mr. WHERRY. That is correct.

Mr. REED. If agriculture is such a prosperous industry, if everyone engaged in it is making so much money, how does it happen that one-sixth of the farm population in 1940 has moved off the farm and probably gone after higher industrial wages?

Mr. WHERRY. I thank the distinguished Senator for his contribution.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield to the distinguished Senator from Ohio. I am always glad to yield to him, although at times he does not yield to me.

Mr. TAFT. The obvious reason is that the average productivity of the man on the farm has increased manyfold, and that farm income and production today are much higher. With fewer people on the farms, the farm income is divided among a smaller number. That is an indication of the prosperity of the farming industry, rather than otherwise.

Mr. REED. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. REED. I beg the indulgence of the Senator from Nebraska so that I may answer the Senator from Ohio.

How in the world can the Senator from Ohio distort logic and reason so as to consider a loss of 5,000,000 people from the farm, leaving the total farm income to be divided among fewer people, as an evidence of prosperity? Yet 5,000,000 people have left the farms. The Senator from Ohio has a peculiar sense of logic if he can find in that situation any reason to support his belief that the farmer enjoys increased prosperity because 5,000,000 people have left the farms.

Mr. WHERRY. I thank the distinguished Senator from Kansas.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. WHERRY. I yield.

Mr. EASTLAND. The Senator from Ohio has said that the fact that there have been fewer people on the farms in the past 5 years shows that the productivity of the farms has increased. The Senator should know that the farmers of the United States have not been able to buy the machinery he has talked about. That certainly cannot be the reason.

Mr. WHERRY. Mr. President, I wish to cite some accurate figures. These figures are not taken out of a sack. They are figures obtained from operations in which I am interested.

In 1942, the highest price that fed AA steers sold for was $17.50 a hundred. That was in 1942. At that time a neighbor of mine gave me his labor figures on his farm. I know what ours were.

In 1946, on the 1st of April, we sold a consignment of cattle—out of the same cows, fed the same length of time, with the same rations, by the same men—for less than $17.50 a hundred. That is the difference between the price in 1942 and the price in 1946. But, Mr. President, today the labor costs are three times as much as they were in 1942. The price of corn has gone up until we cannot even get it at the ceiling price. We are lucky to buy it at any price, if we can get it at all. All the other costs which have gone into that operation have increased to such an extent that today they are not only double, but in some cases triple what they were in 1942. Yet Senators claim that the farmer is prosperous and that the amendment is inflationary, and they argue that they are willing to provide an increase in wages for everyone else except the farmers, but that they will "hold the line" on the farmers, keeping them down almost to serfdom.

Mr. President, I tell you that is discrimination. I am at a loss to understand it. I shall be glad to go along with an increase in wages, certainly. I wish to see everyone paid what his labor is worth. But if there has been any class in the United States that has been underpaid, it is farm labor. The only way we can enable the farmers to obtain the labor they need is by permitting them to put on their products prices which will enable them to buy the things they need in order to operate. That is all they are asking for. The farmer is asking for nothing more than that. He is simply asking that as increases occur—and they are bound to occur when the minimum wage is increased—he shall be allowed to sell his products at prices which will enable him to pay the increased costs.

Mr. President, I have heard Mr. Bowles cite figures time and time again in the commitee. But we have found that his figures are unreliable; and I am not even going to pay attention to the figures which come from the Department of Agriculture, because last fall the Department of Agriculture said that the agricultural production of the United States was greater than it had ever been before and that there would be surpluses in agricultural production throughout the United States and throughout the world. However, within 3 months we find that people are starving all over the world, and we find that in this country we shall not produce enough food to feed ourselves. Just think of that situation.

I have given some practical figures. If Senators will go home and will check with the farmers in their States, they will find that what I have said is absolutely true. The farmers' costs have increased. But the prices they receive for their products have not increased, because they are established under the 1942 ceilings. That is the situation today. The conditions which exist today are not those which existed in 1941 when parity was out of line or out of balance in terms of the prices farmers had to pay for what they purchased in comparison with the prices they received for what they sold.

After all, the only question is whether the proposal is fair. It does not make any difference what the parity price was in 1939 or at some other time. The question is whether today the prices for which the farmer sells his products enable him to buy at comparable prices the things he must have. I wish to say, as a farmer—and my father and uncle before me were farmers—that the facts I have given today are absolutely reliable and true, and that if we are going to provide for an increase in minimum wages, we must permit the farmers to have sufficient increases to enable them to pay the increased costs arising from the comparable, increased wages paid to industrial workers.

I do not see why discrimination should be made against the farmer. Why is not the farmer given the same consideration as that which is given to the laborers in industry?

Mr. President, I should like to say one other thing, and then I shall conclude. There has been a great deal of talk about a compromise. The only fellow who got compromised out of any consideration was the farmer. Certainly if the pending proposal was right last week when it was adopted, it is right now. I am telling the Senate that I shall look with a great deal of interest to those who may vote against the amendment tonight but voted for it before.

I am not going to compromise the farmer out of the picture. I am going to stay here and fight for the farmer, to see to it that he receives justice.

Some say that the President will veto the bill if the pending amendment is adopted. Well, let him veto it. What the President does is his business and his responsibility. What the Senate of the United States does is our business. I am not afraid of what the President will do. If he studies this matter and goes over this bill carefully, certainly he will give to one class the same fair consideration which he gives to another. He is an American. However, regardless of whether he does or does not, that is his responsibility.

The job of the Senate of the United States is to see to it now, this afternoon, that the farmer is not discriminated against, but that he is given the same chance and opportunity that are given to industrial labor, so that he can take care of the labor costs on the farm.

Mr. LUCAS. Mr. President, some time ago I made a speech in the Senate relative to the agricultural problems of the Nation. That speech was based primarily on what I knew about agriculture in Illinois.

Much to my surprise, I received a letter from a farmer far out on the western plains in Montana. I read it into the RECORD at that time. I believe it is appropriate again to call the attention of

the Senate to what that farmer had to say. I received his letter not very long ago. It reads as follows:

BROCKTON, MONT.

Senator SCOTT W. LUCAS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR LUCAS: I commend very much your recent speech in the Senate. The speech wherein you show that the farmer of today is doing well. That he is in the best financial position that he has ever been in.

I've sold hogs for 2½ cents and cattle for 3 cents. The loss was staggering. The last 3 years the same class of hogs have sold for $13.45 a hundred. Cattle at $14.25 a hundred.

I've been able to pay all debts, taxes, gotten bonds, and I've got money in the bank.

I'm a homesteader in eastern Montana, Richland County. Lived continuously on my farm since 1913.

I am, very respectfully,

WILLIAM A. ALEXANDER.

Mr. BALL. Mr. President, I shall be very brief. I have a great deal of sympathy with the objective sought by the Senator from Georgia, which is a revision of the parity formula to bring it up to date. I have very serious doubt whether that would actually be accomplished by the Russell amendment. I think one of the great defects in the formula is that it is based on a relationship between agriculture and industry which existed 30 years ago, and the relationship has changed greatly in the meantime.

The pending amendment appears to be more of a device simply to increase farm ceilings about 20 percent at this time. Insofar as it does that, it is clearly inflationary. I voted for the amendment last week when it was proposed to the Pepper amendment which provided for a minimum wage rate up to 70 and 75 cents. I voted for it on the basis that if it was wrong to have inflation for the benefit of farmers, it was equally wrong to have inflation for the benefit of a certain group in labor, and, if the amendment were incorporated in the bill, I intended to vote against the entire bill when it came to a vote on final passage. The rates in the pending bill are a flat 60 cents an hour to take effect 9 months after the enactment of the law. I do not believe that to be an inflationary rate, and I do not believe the Russell amendment to be sound.

Mr. DONNELL. Mr. President, I appreciate the lateness of the hour, but I consider this matter to be important, and I wish to present some views even at the risk of the presentation being to the slight discomfort of other Members of the Senate.

Mr. President, to my mind there is a great deal of justice in the amendment, or at least in the thought behind the amendment offered by the Senator from Georgia [Mr. RUSSELL]. In my judgment, Senate bill 1349, the minimum-wage bill, will increase to some extent, or at least will have the tendency to increase to some extent, the cost of the commodities which the farmer must buy. In my judgment, the farmer is entitled to some revision in the parity provisions of the law. It appears to me that the Russell amendment sets forth an improper basis on which to provide the protection to which the farmer is entitled. I think the distinguished Senator from Minnesota, in the few sentences which he uttered, hit the nail precisely on the head when he stated that the Russell amendment goes back to and relates to a period approximately 30 years ago.

Mr. President, as I see it, the fact is that Senate bill 1349 will or may affect the farmers of this Nation in two ways: First, it may increase the price of commodities which the farmer must purchase. In the second place, it is possible that the farmer himself may be required to pay, on the average, somewhat higher rates of wages to his own farm labor than he would be required to pay if the bill should not become law.

Mr. President, the second fact to which I have referred follows not because farm labor is covered in the bill, for in fact it is excluded. However, in some localities farmers are compelled to compete with manufacturing enterprises and other industrial concerns in the acquisition of labor. Therefore, a bill which would raise the minimum guaranteed wage paid to an employee in a plant or in a manufacturing establishment may result in the farmer being compelled to pay somewhat higher wages in order to secure the labor which he must use on his farm.

So, Mr. President, in two respects, first, the possible increase in the price of commodities, and, second, the possible increase in the price of the labor which the farmer himself must employ it is possible that the farmer may be injuriously affected if Senate bill 1349 is enacted into law.

Mr. President, as I see the situation with respect to an increase in the price of commodities which the farmer consumes, the existing law already protects him because section 301 of the act pertaining to parity describes it, in part, as follows:

> Parity, as applied to prices for any agricultural commodity, shall be that price for the commodity which will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the base period.

It is possible that an amendment should be made to the provision which I have suggested so as to bring down the base period of 30 years ago to the period which followed the enactment of the Fair Labor Standards Act. To my mind, the farmers are very largely protected by the definition of parity, so far as the increased price of commodities is concerned. But, Mr. President, there is no protection afforded the farmer under the partity guaranty as it now exists, insofar as the farmer will find it necessary to pay higher wages. However, and I invite attention to the point stated a while ago by the distinguished Senator from West Virginia, we have not found it necessary under the existing Fair Labor Standards Act, which went into effect, I believe, on June 25, 1938, to make any provision for incorporating among the items entering into parity, any consideration of labor. Therefore, Mr. President, it appears to me that the Russell amendment should be changed so that instead of going back to the cost of farm labor during the period from August 1909 to July 1914, or, as in the case of tobacco, from August 1919 to July 1929, and giving a definition of parity, we should simply return to the parity associated with the period since the Fair Labor Standards Act took effect, namely, June 25, 1938. There should be an amendment which would give to the farmer the excess of his future wage payments over what they were on June 25, 1938.

Mr. President, to my mind the objective of the Senator from Georgia could be achieved by changing the amendment, in line 5, on page 2, after the word "thereof" and the colon, by inserting the following:

> And in the case of all commodities which will also reflect current interest payments per acre on farm indebtedness secured by real estate, tax payments per acre on farm real estate, and freight rates, as contrasted with such interest payments, tax payments, and freight rates during the period of August 1909 to July 1914, and as will also reflect such portion of the cost of all farm labor (on the basis of the national average and including hire workers, farm operators, and members of the families of farm operators engaged in work on the farm, computed for all such labor or the basis of wage rates for hired farm labor) as the current cost of such farm labor exceeds the average cost of farm labor during the period between June 25, 1938, and the effective date of this act."

Mr. President, if the amendment of the distinguished Senator from Georgia were modified to the extent which I have suggested, I think it would be logical and would effect, at least in large part, the justice which the Senator desires to secure. I am unable to support his amendment in its present form. I can not vote for it, but I suggest that the principle behind the amendment is, in large part, a correct one, and that farmers are entitled to some protection. I believe that the amendment which I have suggested would afford such protection.

Mr. REED. Mr. President, I wish to correct the logic of the Senator from Ohio, as well as the logic of the Senator from Minnesota. The Senator from Minnesota takes the position that an increase in the minimum wage from 40 to 65 cents would be inflationary, but that an increase in the minimum wage of 50 percent to 60 cents would not be inflationary. I am sorry the Senator is not present. If he were present I should like to call his attention to the grotesque logic of his position.

Mr. AIKEN. Mr. President, I rise merely to make a statement. We need a new parity formula, but we should not undertake to write it tonight. I wish to say that if the amendment offered by the Senator from Georgia, which would include the cost of farm labor in the parity formula, should be agreed to without changing the base period, it would result in a marked increase in price for the wheat and cotton farmers, but it would freeze the dairying, fruit growing, poultry raising and other branches of agriculture in a relatively more unfavorable position in regard to these other crops than the formula which we have today.

My reason for saying this will be found on page 2812 of the CONGRESSIONAL RECORD, which is the RECORD for last Friday.

Mr. REVERCOMB. Mr. President, I do not desire to detain the Senate longer; but I wish very much, in view of the statement which has been made by the Senator from Missouri, that this question would not be voted upon tonight, because while I see in the amendment offered by the Senator from Georgia a principle which appeals to reason, yet the formula contained in it does not address itself to me as sound when we are raising the price of farm products upon a basis going back many years before the base suggested by the Senator from Missouri, that of 1938.

I wish it could be agreed that this matter might go over, that the suggestion made by the Senator from Missouri could be considered by the author of the pending amendment, and that we might take this question up in the morning tomorrow, when we convene, as we must take up other amendments at that time.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL] to the amendment of the Senator from Louisiana [Mr. ELLENDER].

Mr. TAFT and Mr. LANGER demanded the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. WHEELER (when Mr. MCCARRAN'S name was called). On this question I have a pair with the senior Senator from Nevada [Mr. MCCARRAN]. If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay."

The roll call was concluded.

Mr. THOMAS of Utah (after having voted in the negative). On this vote I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from Alabama [Mr. HILL], who, if present and voting, would vote as I have voted. I, therefore, permit my vote to stand.

Mr. BARKLEY. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Alabama [Mr. HILL] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], and the Senator from Georgia [Mr. GEORGE] are necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Nevada [Mr. MCCARRAN] are detained on official business.

I also announce that on this question the Senator from North Carolina [Mr. BAILEY] is paired with the Senator from West Virginia [Mr. KILGORE]. If present and voting, the Senator from North Carolina [Mr. BAILEY] would vote "yea," and the Senator from West Virginia [Mr. KILGORE] would vote "nay."

I announce further that on this question the Senator from Georgia [Mr. GEORGE] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Georgia [Mr. GEORGE] would vote "yea," and the Senator from New Mexico [Mr. CHAVEZ] would vote "nay."

I also announce that if present and voting, the Senator from Florida [Mr. ANDREWS] would vote "yea."

Mr. WHERRY. The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family. If present he would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES] is detained on official business.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The result was announced—yeas 46, nays 38, as follows:

YEAS—46

Bankhead	Gossett	Radcliffe
Bilbo	Gurney	Reed
Brewster	Hawkes	Russell
Brooks	Hickenlooper	Shipstead
Buck	Hoey	Stanfill
Bushfield	Johnson, Colo.	Stewart
Butler	Johnston, S. C.	Thomas, Okla.
Byrd	Langer	Tydings
Capehart	McClellan	Wherry
Capper	McFarland	White
Carville	McKellar	Wiley
Connally	Maybank	Willis
Cordon	Millikin	Wilson
Eastland	Moore	Young
Ferguson	O'Daniel	
Fulbright	Overton	

NAYS—38

Aiken	Hayden	O'Mahoney
Austin	Huffman	Pepper
Ball	Knowland	Revercomb
Barkley	La Follette	Saltonstall
Briggs	Lucas	Smith
Donnell	McMahon	Taft
Downey	Magnuson	Taylor
Ellender	Mead	Thomas, Utah
Gerry	Mitchell	Tunnell
Green	Morse	Vandenberg
Guffey	Murdock	Wagner
Hart	Murray	Walsh
Hatch	Myers	

NOT VOTING—12

Andrews	George	McCarran
Bailey	Glass	Robertson
Bridges	Hill	Tobey
Chavez	Kilgore	Wheeler

So Mr. RUSSELL'S amendment to Mr. ELLENDER'S amendment was agreed to.

Mr. THOMAS of Oklahoma. I move that the vote by which the amendment was adopted be reconsidered.

Mr. RUSSELL. I move to lay that motion on the table.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Georgia to lay on the table the motion of the Senator from Oklahoma.

The motion to lay on the table was agreed to.

Mr. MAYBANK. Mr. President, earlier in the evening I suggested to our distinguished leader that I had an amendment which I desired to have considered by the Senate. In view of the fact that the Russell amendment has been adopted overwhelmingly I have no desire to offer my amendment. I wish to say, however, that I should have liked to have the opportunity of saying a few words in behalf of the Russell amendment and in behalf of the farmers and the agricultural population of the Nation. I shall not detain the Senate to do so. The reason I did not speak before was that it was my hope that action on the bill might be taken today.

Mr. MURRAY. Mr. President, I have an amendment on the table which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following new section:

SEC. —. Section 13 (a) of the act is amended by striking out clause (2) thereof and inserting in lieu thereof the following: "(2) any employee employed in any retail or service establishment the greater part of whose selling or servicing is in intrastate commerce and not more than 25 percent of whose gross annual income is derived from the sale of goods to, or the performance of repair and maintenance services upon goods for, other than ultimate consumers to meet personal or household uses, or farmers."

Mr. BALL. Mr. President, a point of order.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BALL. Is not the Ellender-Ball amendment the pending amendment? And is the amendment of the Senator from Montana in order?

The PRESIDENT pro tempore. The amendment offered by the Senator from Montana is an amendment to the Ellender-Ball amendment and is in order.

Mr. MURRAY. Mr. President, my amendment is intended as a clarifying amendment. Under the provisions of the law as they now are it could be construed that a small garage or automobile dealer who happened to sell a truck to a farmer or to a grocery store in the community could be held to be a wholesaler. I have consulted the counsel for the Wage and Hour Section of the Department of Labor, and the amendment has its approval.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. MURRAY. I yield.

Mr. EASTLAND. Would the Senator's amendment exempt farm implement dealers?

Mr. MURRAY. Yes; it would exempt farm-implement dealers, or small repair establishments that may happen to perform services on articles intended for other than personal or household use.

Mr. EASTLAND. I think the Senator's amendment should be adopted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Montana [Mr. MURRAY] to the Ellender-Ball amendment.

The amendment to the amendment was agreed to.

Mr. RADCLIFFE. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 26, line 5, beginning with the word "any", it is proposed to strike out through "$500,000" in line 8 and insert in lieu thereof the following: "any employee engaged in any retail establishment or service establishment the greater part of whose selling or servicing is in intrastate commerce."

Mr. RADCLIFFE. Mr. President, this amendment is merely a clarifying amendment. If adopted it would not change the present interpretation of the existing law. The point has been raised however that retail establishment or

service establishment really means retail or retail service establishment. The point has not been pressed successfully, that if, we will say a laundry which renders a service to individuals should chance to give some service to a hotel, therefore it might be considered as a wholesaler, and might not be excluded from application. That interpretation however has not been accepted by the courts or by anyone in authority. Since the point has been made that such an interpretation might apply, I now offer an amendment which is really nothing more than a clarifying amendment, and would carry out the law in the manner now intended and so interpreted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland [Mr. RADCLIFFE] to the Ellender-Ball amendment.

The amendment to the amendment was agreed to.

Mr. RADCLIFFE subsequently said: Mr. President, the amendment which I offered a short time ago, which was approved, would apply to the pending committee amendment. It should, however, apply instead to the Ellender-Ball amendment which, as I understand, was not before the Senate when I offered my amendment. I ask unanimous consent that the amendment be considered as applying to the Ellender-Ball amendment when before us for action, instead of being applicable to the committee amendment.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The question now recurs on agreeing to the so-called Ellender-Ball amendment, as amended, as a substitute for sections 2 to 9, inclusive, as amended, of the committee amendment.

Mr. HOEY. Mr. President, I have an amendment which I wish to offer. I do not know whether it is appropriate that it be considered at this time, but if it is, I should like to have it stated.

The PRESIDENT pro tempore. Is the Senator's amendment an amendment to the Ellender-Ball amendment?

Mr. HOEY. It would be applicable.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 26, before the semicolon in line 20, it is proposed to insert a comma and the following: "or any employee employed as a learner or an apprentice for not to exceed 4,000 hours of employment in connection with the publication of any newspaper with a circulation of less than 10,000."

Mr. HOEY. Mr. President, I should like to modify my amendment by striking out the words "with a circulation of less than 10,000."

The PRESIDING OFFICER. The modification requested by the Senator will be made.

Mr. HOEY. I will state the purpose of the amendment. Presently there is no exemption for learners or apprentices in newspaper businesses. There is a very great demand for such workers. A great many returned soldiers wish to work in newspaper offices. No newspaper can afford to pay a minimum wage of 60 cents an hour, or even 50 cents an hour, for apprentices and learners, for the reason that the attention of experienced craftsmen who receive more than $1.50 an hour for their services is required to give instruction to learners and apprentices, and therefore newspapers cannot afford to employ them.

The printing business needs new men. Many men wish to enter that service, but under the law they cannot do so. This amendment would simply exempt learners and apprentices from the minimum-wage requirement during the period of their apprenticeship. The Newspaper Association of the United States especially urges this amendment. It does so particularly because of the smaller weekly, semiweekly, and daily newspapers throughout the United States.

It might be asked, Why could they not operate under the other provisions of the law, which provide for apprentices and learners? The reason is simple. It requires a long time to obtain authority to employ an apprentice or learner. Several weeks must elapse. A petition must be filed, giving the name and all the necessary information; and before the authorization comes through for the employment of such workers they have already obtained jobs somewhere else, because they have become tired of waiting.

This amendment would not do anything except to give newspaper offices the opportunity of employing apprentices and learners to be instructed in their shops and be taught this valuable trade, without the necessity of complying with the minimum-wage provisions.

The PRESIDENT pro tempore. Does the Senator desire to offer his amendment as an amendment to the Ellender-Ball amendment?

Mr. HOEY. Yes, Mr. President.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from North Carolina to the so-called Ellender-Ball amendment as amended.

The amendment to the amendment was agreed to.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. FERGUSON. Would an amendment to the bill itself be in order?

The PRESIDENT pro tempore. An amendment within sections 2 to 9 would be in order.

Mr. FERGUSON. The amendment I have in mind is to section 10.

The PRESIDENT pro tempore. It is not in order at this time.

Mr. CAPEHART. Mr. President, I offer an amendment to the Ellender-Ball amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Indiana to the so-called Ellender-Ball amendment as amended will be stated.

The CHIEF CLERK. At the proper place, it is proposed to insert the following:

SEC. 4. Section 13 of the act is amended by adding at the end thereof the following new subsection:

"(a) No employer shall be deemed to have violated any provision of sections 6 and 7 by using a piece-rate scale to determine the wages of his employees if such piece-rate scale returns to 85 percent of the employees to whom it is applicable an average hourly wage during a pay-roll period equal to or greater than that required by section 6 or section 7, as the case may be."

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield to the Senator from Florida.

Mr. PEPPER. Does the able Senator have any estimate as to how many workers now covered by the act would be removed from coverage by his amendment?

Mr. CAPEHART. Every manufacturer who works his employees 100 percent on piecework would be covered. The only workers who would not be covered would be those working alongside other employees who are working on a piecework basis at from 60 cents to $1 or more an hour, if they failed or refused to turn out, say, more than 30 cents' worth an hour. The employer would be forced to pay such a worker an additional 30 cents an hour simply because he sat there and refused to make 60 cents an hour on the piecework basis. I took this provision from the Wisconsin law.

Mr. PEPPER. Mr. President, we have already taken out of coverage several classes of workers. We shall not be able to make much progress toward improving the present law if we continue to exempt workers who are already covered.

Mr. CAPEHART. It would work no hardship on the employee to give the employer who is working his people 100 percent on piecework this protection, because if he does not have it he has no way of forcing perhaps half of his workers to do a day's work. On a piecework basis, some of his workers might say, "We will get 60 cents an hour even though we turn out only 30 cents worth." The amendment provides that the piecework rate must return to 85 percent of the employees to whom it is applicable an average hourly wage not less than the minimum. The other 15 percent might be stragglers, or people who refuse to work, and do not care about earning more money.

I believe that the amendment is fair, and that it would work no hardship on the employee. If I thought it would I would not recommend it. I cannot see how an employer can operate a 100-percent piecework factory without a little protection of this kind. Otherwise his workers might lay down on the job, and none of them might turn out 60 cents worth of work an hour. He might be forced to pay a premium or bonus of 30 cents an hour if they were turning out only 30 cents worth of work. It may be said that he could discharge them, but he might be doing that continually.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART] to the so-called Ellender-Ball amendment, as amended.

Mr. MORSE. Mr. President, I wish to speak very briefly in opposition to the pending amendment. I urge the Senate to give much greater consideration to this amendment than I am sure will be given to it tonight. I wish to point out that when we start dealing with piece rates we are dealing with one phase of labor relations which deserves the most

careful consideration of Congress before it enacts legislation upon the subject. Do not forget that it is the employer in industries in which there are very low-paid pieceworkers who sets the piece rate.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HATCH. Was this amendment considered by the committee?

Mr. MORSE. The amendment was not considered by the committee.

Mr. HATCH. Were any hearings held on the subject?

Mr. MORSE. Not to my knowledge.

I wish to point out in closing that in my judgment, with such an amendment as this, the employer having the power which he has to fix the rates in piecework shops where employees receive very low pay, would in my judgment obtain an undue advantage over the employees by being allowed the so-called 15-percent leeway. I believe that this is a very unwise amendment.

I also wish to point out that piece workers are entitled to the same minimum wage standards as are applied to all other workers, and I think it most unfair to give to an employer the discretion to deny to 15 percent of his workers the minimum wage of 60 cents an hour provided in this bill. I am frank to say that in my judgment too many employers would abuse such a discretionary power. I strongly urge that the amendment be defeated.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART] to the so-called Ellender-Ball amendment as amended. [Putting the question.] The Chair is in doubt.

Mr. WHERRY. Mr. President, I ask for a division.

On a division the amendment was rejected.

Mr. MITCHELL. Mr. President, I send to the desk an amendment to the Ellender-Ball amendment, and ask that it be stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Washington will be stated.

The CHIEF CLERK. At the proper place it is proposed to insert the following:

Subsection (a) of section 13 of the act is amended by striking out the words "or (3) any employee employed as a seaman" and by inserting at the end of subsection (b) of section 13 the words "or (3) any employee employed as a seaman."

Subsection (m) of section 3 of the act is amended to read as follows:

"(m) 'Wage' paid to any employee, except any seaman, includes the reasonable cost, as determined by the Administrator to the employer of furnishing such employee with board, lodging, or other facilities, if such board, lodging, or other facilities are customarily furnished by such employer to his employee."

Mr. MITCHELL. Mr. President, the proposed amendment would place seamen under the Fair Labor Standards Act as it applies to the minimum wage, but would not place seamen under the act as it applies to overtime. I think the seamen of this country have done a marvelous job in the war effort. They have done it at a wage which a great people can hardly consider to be adequate or suitable. At the present time they are working long hours, doing a tremendous job. I can see no reason why they should not be protected by the Fair Labor Standards Act as to minimum wages.

Mr. TAFT. Mr. President, there are some six or seven different respects in which the committee bill attempted to remove the exemptions which have existed in the present act. The minority of the committee have felt very strongly that those exemptions should stay as they are. There are various reasons why they were put into the act in the beginning. I think all those reasons are still perfectly good.

This amendment proposes a complication which is rather difficult to judge. Of course, seamen are entirely different from any other class of workers. To some extent they are covered by the La-Follette seamen's bill. It seems to me that if they are to be further regulated, they should be regulated by that bill.

If seamen work in three shifts a day, they must work 56 hours a week, for the work goes on day and night, all week long. The actual question of the minimum wage for them is one which is rather difficult to determine. The attempt of the Senator from Washington is to say that food furnished them cannot be counted in determining their wage. That would place the seamen in a class entirely different from every other class in the United States, because for every other class the Wage Hour Administrator determines what the food is worth, and it can be included in the minimum wage.

If we are to conclude action on this bill tonight and if we are not to debate every one of these attempted exemptions, I think this amendment should be rejected, and that we should return to the exemptions which were stated in the original bill.

Mr. MAGNUSON. Mr. President, I simply wish to point out to the Senate that all the amendment offered by my colleague from Washington does is to put the bill back in the same shape it was in when it came from the committee, insofar as its treatment of seamen is concerned. I understand that the committee recommended that seamen be placed under the minimum wage; but due to the various legislative processes and the Ellender-Ball amendment, the seamen again were left out.

All the amendment does is to concur in the opinion of the majority of the committee, and to place seamen under a minimum wage.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Washington [Mr. MITCHELL] to the Ellender-Ball amendment as amended. [Putting the question.]

The "noes" appear to have it.

Mr. MAGNUSON. I ask for a division.

On a division, the amendment was agreed to.

Mr. HATCH. Mr. President, I desire to propound a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HATCH. Would an amendment to the language of the committee bill, on page 16, beginning in line 19, be in order at this time?

The PRESIDENT pro tempore. Such an amendment would be in order.

Mr. HATCH. Mr. President, I submit an amendment, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 16, line 19, before the period, it is proposed to insert a semicolon and the following: "but no employer shall be deemed to be engaged in an activity affecting commerce unless such employer (1) has four or more establishments where he is engaged in such activity, or (2) has a total annual volume of business in such activity of $500,000 or more."

Mr. HATCH. Mr. President, I realize the hour is very late. But the amendment I have just offered is very important. It would affect several hundred thousand employees, who are commonly termed white-collar employees, about whom the Congress of the United States has talked so much, but for whom it has done so little.

It had not been my intention to raise the issue presented by the amendment, especially at this hour of the day and in view of the temper and mind the Senate is now in, because I should like to have the amendment receive most serious consideration.

Mr. President, I am confident that if this amendment is considered and if it is understood, it will be adopted by the Senate. It extends the coverage of the present law. It extends it by using a phrase which I have not liked—namely, the expression "affecting commerce." But in this particular amendment that expression is decidedly limited, so that it would not affect any business or establishment doing less than $500,000 in total volume of business in any one year. It would also affect activities in which there are four or more establishments in the chain.

In short, Mr. President, this amendment would bring within the minimum-wage law the retail chain stores of the country. That is what it is intended to do. It would do that without doing violence to any other provision of the bill, as it is now before the Senate; but it is not included in the bill or the substitute Ellender-Ball measure.

The reason why I have not offered the amendment before this time is that I was informed that a compromise had been agreed upon, by which the minimum wage fixed at 65 cents an hour in the committee bill would be reduced to 60 cents an hour. That compromise has thus far been carried out and agreed to. But I also understood that as a part of the consideration for the transaction, if I may use that term, the so-called parity amendment would not be included in the bill, and that the bill as it would eventually leave the Senate would not include the farm clause, but would include only the minimum provision as to 60 cents an hour.

Mr. President, I charge no bad faith on the part of anyone. One of those things happened that sometimes do hap-

pen when an effort is made to work out a compromise between 96 men, nearly all of whom have different points of view.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. TAFT. There was no understanding with regard to the parity amendment except that the whole matter was contingent upon the amendment being rejected. It was assumed that if the amendment were agreed to the bill would be dead in any event. There was no agreement with regard to the amendment. The agreement which was entered into related to provision for a rate of 60 cents an hour in the event the parity amendment was eliminated.

Mr. President, I wish to propound a question to the Senator from New Mexico. The Senator has offered an amendment to a section of the bill which would be stricken out by the Ellender-Ball amendment. If the Ellender-Ball amendment is adopted there will be no words in the bill affecting commerce?

Mr. HATCH. The Senator is correct.

Mr. TAFT. If the Ellender-Ball amendment is agreed to, there will be no need for the Senator's amendment. Am I correct?

Mr. HATCH. I think the Senator is entirely correct. Perhaps the proposal is wasted effort. I am not sure at the present time how I shall vote on the Ellender-Ball amendment. I had intended to vote for it, but very likely I shall vote "no" on it. It is possible that I shall vote "no" on the entire bill.

Mr. President, regardless of what may happen to the Ellender-Ball amendment, this particular amendment is the one which is before the Senate at the present time. The question which Senators are about to vote upon is: Do we want to continue the present inequity of allowing thousands of white collar workers who are employed in the chain stores, to remain without protection under the minimum wage law of the country? That, Mr. President, is the whole question. On that question I ask for the yeas and nays.

The PRESIDENT pro tempore. Is the request sufficiently seconded?

Mr. HATCH. Mr. President, I hope that Senators will agree that the yeas and nays may be had on an amendment of this importance.

Mr. BARKLEY. Mr. President, early in the afternoon I expressed the hope that we might conclude consideration of the pending bill today. I based such hope on the information which I had received that after the vote on the Russell amendment there would not be many other amendments, and that they would not consume much time. I rather fear that at this late hour of the day we may as well recess until tomorrow. There is no way by which we can compel Members of the Senate to remain longer in the Chamber. I think that we might as well recess until tomorrow and vote on the amendment then.

Mr. PEPPER. Mr. President, if I were in the State of Florida I think I might perform some useful function, at least for myself, by keeping a speaking engagement. I do not believe that I could perform any useful function here, because all that remains of the pending measure is its final interment. During my absence, if a vote should carry disposing of the measure, I merely wish to leave the suggestion that an appropriate hymn to be sung would be In the Sweet Bye and Bye.

Mr. CORDON. Mr. President, I ask unanimous consent to submit an amendment to the pending bill, and request that it be printed and lie on the table.

The PRESIDENT pro tempore. Without objection, the amendment will be received, printed, and lie on the table.

LEAVE OF ABSENCE

Mr. TAFT. Mr. President, I ask unanimous consent to be excused from the session of the Senate tomorrow and, if one is held, on Saturday.

The PRESIDENT pro tempore. Without objection, leave is granted.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 38 minutes p. m.) the Senate took a recess until tomorrow, April 5, 1946, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 4, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our gracious Father, accept us as we bow before Thee, and in Thy great mercy forgive our infirmities and prepare us for the service of this day. In this moment of prayer, grant that we may pledge ourselves to clean living, to justice and sympathy and good will. O Thou Christ, the holy link between heaven and earth, as the sense of sin is with us, we are most grateful that there is One who will save us from its power. He who suffers from the pangs of ingratitude needs a new heart of forgiveness; he who hates needs a new heart of love; and the one who lives for self needs a new heart of self-surrender. Grant that we may feel the bond of union that unites us to one world, and be found in the ranks of our Lord, giving of our intellect, our wisdom, and our earthly store for the sake of man and for Thy glory. O reveal unto us the secrets of true discipleship, and Thine shall be the praise forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate disagrees to the amendments of the House to the bill (S. 1907) entitled "An act to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WALSH, Mr. TYDINGS, Mr. GERRY, Mr. TOBEY, and Mr. SALTONSTALL to be the conferees on the part of the Senate.

PERMANENT APPOINTMENTS IN THE REGULAR NAVY AND MARINE CORPS

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1907) to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes insist upon the House amendments and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. VINSON, DREWRY, LYNDON B. JOHNSON, IZAC, COLE of New York, and BATES of Massachusetts.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a eulogy on the late Hon. William F. Shanahan, register of probate of the State of Massachusetts.

Mr. OUTLAND asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Washington Post.

Mr. ROGERS of Florida asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from the American Veterans Committee, Inc., endorsing terminal-leave pay for GI's.

THE LIVESTOCK INDUSTRY IN KANSAS CITY AND ST. LOUIS

Mr. SLAUGHTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SLAUGHTER. Mr. Speaker, a week ago today I took the floor to report to the House what is happening to the livestock industry in Kansas City and Chicago, where only 10 percent of the cattle are being slaughtered today which were slaughtered a year ago, due to the conflicting and confusing regulations of OPA. Since that time four small packing houses in Kansas City have closed. As a typical example of a small packing plant in St. Louis, I have the figures from the American Packing Co., which in the first 4 days of this week would normally have killed 700 cattle. They were only able to purchase and kill 33 cattle. Unless this condition is remedied and unless the OPA will admit its mistakes in this regard, the time is not far distant when beef will be one of the things of the past.

EXTENSION OF REMARKS

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD and include an address delivered by Rear Adm. Giles G. Stedman upon relinquishing his command at the United States Merchant Marine Academy.

Mr. ELLIS asked and was given permission to extend his remarks in the

RECORD in two instances, in one to include a telegram and in the other a news item.

PERMISSION TO ADDRESS THE HOUSE

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

[Mr. ELLIS addressed the House. His remarks appear in the Appendix.]

DALE R. FOWLER

Mr. GRIFFITHS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GRIFFITHS. Mr. Speaker, when Dale R. Fowler, a junior in Caldwell (Ohio) High School, was inducted into the United States Army this past week, he became the seventh son of Mr. and Mrs. Charles Fowler, of Belford Street, Caldwell, Ohio, to enter the armed services.

Five of his brothers are now at home, all having been discharged after overseas service. They are Homer W., William H., Carl E., Benny F., and John D. Fowler. A sixth brother, David Fowler, is now serving with the occupation forces in Germany.

I take this opportunity to publicly and officially pay tribute to the Fowler family for the great and patriotic contribution they have made and service they have rendered to our country in its time of greatest need.

It is families like the Fowlers who have made America both great and strong. We rejoice that five of their sons have returned home safely and hope the other two may complete their service and return to them safe and sound.

I am sure my colleagues in the Congress join with me in an official expression of gratitude to the Fowlers—mother, father, and seven sons—for their great and unusual service to our beloved country.

FARM HELP

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, the farm help situation in the farming areas of the Nation is the worst it has ever been. Each and every man or boy who is taken off the farm by the draft during the next 2 months represents approximately 100 acres of land that will not be seeded during this crop year. That is the word that comes to me from my area. I know personally that farms adjacent to mine, including my own, are trying to begin the spring work today with only a half crew. Such a situation can have only one result and that is, a drop in production.

Mr. Speaker, something should be done immediately toward seeing to it that these boys are left on the farms for the next 2 months in order to try to get these crops into the ground. Schoolboys and businessmen from our villages can help in the summer to harvest the crops but no such help is available in April and May. Farm equipment is almost impossible to buy.

I repeat, Mr. Speaker, the situation is serious and Selective Service should, at the very least, refrain from drafting anybody working on farms until June 1. Farm boys who went to war are not returning as was expected to the farms. Farm help that normally was in our farm belt areas have gone to the higher-paid jobs in industrial centers. It all adds up to one thing—and that is—the production of food, already hampered by strikes in farm equipment plants, will suffer a still further decline. Is it necessary to produce food? If so, labor and farm machinery must be made available. Continued drafting of farm boys, accustomed to working on farms, means less food to spare to the starving peoples of other lands.

EXTENSION OF REMARKS

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. CHURCH asked and was given permission to revise and extend the remarks he expects to make in the Committee of the Whole or in the House today and include certain compilations and a letter to one of the Government agencies, the subject being red tape of Government agencies.

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include two quotations and an article.

Mr. HARTLEY asked and was given permission to extend his remarks in the RECORD and include a statement on the subject of price control by J. Howard Pew.

Mr. CORBETT asked and was given permission to extend his remarks in the RECORD.

Mr. TALBOT asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. SCHWABE of Missouri asked and was given permission to extend his remarks in the RECORD in two instances, and to include in one an article by Samuel B. Pettengill, entitled "Free Prices and Full Employment."

Mr. ARNOLD asked and was given permission to extend his remarks in the RECORD and include an editorial on OPA.

Mr. BUFFETT asked and was given permission to extend his remarks in the RECORD in two instances and to include in one a study by Rogers Dunn.

PETROLEUM INDUSTRY

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Speaker, I am glad to see that the Banking and Currency Committee of this House has made a start toward providing for the removal of price controls on commodities and goods whose supply is equal to demand therefor. The amendment to the price act which has been approved needs correction but it is at least an expression of a principle.

My previous remarks on this subject were illustrated by the statement that the petroleum industry is one which is now in the position of adequate supply. The OPA has long since demonstrated that it is not the proper agency to deal with the conditions which exist in this industry.

Other problems of petroleum confront the industry and the American public but they should not be left to any agency with authority to act in the determined manner which the OPA has on petroleum throughout its existence. Oil producers throughout the Nation sought relief in vain. The effect of the OPA policy was to drive hundreds of the producers from the business.

Certainly, this agency is not constituted to deal with one of the critical problems of the oil producers—the problem of the stripper wells. A Federal subsidy has been paid on oil produced by the small wells of the country since August 1, 1944. It was paid under a plan worked out by OPA, which acted under a directive issued by the Director of Economic Stabilization in whose office it originated. Since July 1, 1945, it has been paid by authorization and with appropriations by Congress.

The problem of the stripper wells is an acute one but it will not be solved by OPA. It is a matter of conservation of natural resources and is one of broad policy beyond the scope of a temporary agency, or any one agency for that matter. It will finally be a question for the Congress to decide. Purely as an administrative detail, this subsidy has been tied to price ceilings, but it is essentially unrelated to price control. Whatever conditions and policies are ultimately created to deal with this conservation question can best be created under a free economy.

HAWAIIAN TIDAL WAVE DISASTER

Mr. FARRINGTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the Delegate from Hawaii?

There was no objection.

Mr. FARRINGTON. Mr. Speaker, the people of Hawaii have suffered the worst peacetime disaster in their history.

The tidal wave which struck the north shore of each of the principal islands at 6:45 a. m. on Monday morning, April 1, has been attended by a loss of life and property that is without precedent in Hawaii.

The loss of life probably will exceed 100 persons as 84 are already known to

be dead, and at least 80 more are still missing.

Loss of property apparently will reach staggering figures that includes serious damage to breakwaters, harbor facilities, shipping, railroads, bridges, and highways.

Many buildings have been destroyed. School houses, business establishments, and several thousand private homes were either completely washed away or destroyed.

Five thousand persons are homeless.

The needs for immediate relief apparently are being adequately met by the prompt response of the Red Cross and the cooperation of Army and Navy with officials of the Territorial government.

The Interior Department has been very effective in enlisting the cooperation of all Federal agencies concerned. The response has been extremely gratifying.

Reports now available make it plain that immediate steps should be considered for relief.

I have requested the Disaster Loan Corporation to make its facilities available to the people of the Territory.

I am presenting, in addition, to Congress today a bill authorizing appropriations up to $50,000,000 for the relief of those who have suffered from this disaster.

I am sure that prompt consideration of this request will go a long way toward encouraging the people of the islands, who suffered so severely in this disaster, to face their losses with new hope and courage.

THIS HAPPENED IN THE GOOD OLD UNITED STATES

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, the writer of this short article is one of the oldest and most respected newspaper columnists in the State of Colorado. His column is used by a great many daily and weekly papers throughout the State. His reporting is of such a nature that his statements are never doubted. This is not an unusual happening and probably could be duplicated in many communities.

THIS HAPPENED IN THE GOOD OLD UNITED STATES

The author of this column eats his dinner in Kreyer's restaurant. Wednesday evening, Mrs. Kreyer came to our table and asked us if we had eaten salmon for dinner Monday evening. We told her we had. She handed us a nickel and said that the OPA had checked and claimed she charged 5 cents too much for the dinner. She had charged us 55 cents and the OPA told her it should only have been 50 cents. They had ordered her to give a nickel back to 10 customers who had been overcharged. We took the nickel and signed a paper about 16 inches long that had been signed by four other people. She kept on until she got the 10 signatures. Later in the evening, when we went back for a cup of coffee, she said that the OPA had told her she should not have returned the nickel to us but that she should give it to them and they would send us a check for the 5 cents. We offered her the nickel but she said she had given them the 50 cents. We told her when the check came to us we would endorse it and give it to her. Mr. and Mrs. Kreyer have been in the restaurant business in this city for over 25 years. If they ever overcharged anyone it was not intentional.

PERMISSION TO ADDRESS THE HOUSE

Mr. BENNET of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

[Mr. BENNET of New York addressed the House. His remarks appear in the Appendix.]

HON. ADOLPH J. SABATH

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, this is the birthday of one of the most extraordinary men I ever knew, a man who loves his country and his party with a passion unexcelled. I refer to none other than our long-time and devoted friend, the gentleman from Illinois, ADOLPH SABATH. As one who has served with him peaceably and also belligerently, yet in genuine appreciation of his deep sincerity, I wish in behalf of his fellows, and in behalf of the country to salute him and wish him many, many happy returns.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. In behalf of those of us who sit on this side of the aisle, may I say that we join with the gentleman from Georgia in extending our sincere good wishes to the distinguished gentleman from Illinois. While he belabors us frequently, and sometimes we think his partisanship is a little extreme, we are all fond of him and join in this tribute of our regards. I extend my cordial felicitations upon his eightieth birthday and wish for him many years of happiness, good health, and prosperity.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Michigan.

Mr. MICHENER. As a member of the Committee on Rules, I know the gentleman from Illinois well. I speak with knowledge as to the kind of chairman he is. He has a difficult task and he does it well. I simply want to say amen to that which has been so well said by the gentleman from Georgia. Few men in the Congress are so active and efficient. His accomplishments are only exceeded by his good nature. May he live long and serve well.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, as a member of the Committee on Rules, and the youngest member in point of service, I join in the felicitations to our chairman and express the wish that he may be with us another 40 years and enjoy another 80 years of life.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. As a member of the Committee on Rules also, I join in the splendid tribute that has been given to our distinguished chairman.

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the genteman from Michigan?

There was no objection.

Mr. LESINSKI. Mr. Speaker, it certainly gives me great pleasure to join my colleagues in congratulating our friend, the dean of the House of Representatives, our distinguished colleague from Illinois, on his eightieth birthday.

I do not need to tell you that the name of the gentleman from Illinois, ADOLPH J. SABATH, stands always for a good cause, and it is certainly a pleasure and an honor to be associated with a man of his moral integrity.

Being myself born in this great country of ours, but being a son of parents born abroad, I wish to point out that our distinguished friend from Illinois is a living symbol of what America does to people born abroad who became adopted sons of our great democracy. Millions of them have proven that both in peace and in war they know how to work, live, and die for their country. Just as they are proud to point out the names of their heroes fallen in the fight for human freedom and democracy—they point to the name of the gentleman from Illinois, ADOLPH J. SABATH, a stanch fighter for democracy, who has served in this House as a champion of every liberal and progressive cause.

May I once again most sincerely congratulate my friend from Illinois on his eightieth birthday and wish him many, many returns.

Mr. DE LACY. Mr. Speaker, under permission granted me I include the following statement sponsored by American Committee for Protection of Foreign-Born, 23 West Twenty-sixth Street, New York, N. Y.:

Hon. ADOLPH J. SABATH,
House Office Building,
Washington, D. C.

We join in extending to you best wishes on the celebration of your eightieth birthday and in paying tribute to your outstanding service as a Member of the House of Representatives for the past 40 years.

We commend your spirit and work as a leader and a fighter for progressive and humanitarian causes on the floor of the Congress of the United States. We respect your independence and vigilance in the cause of the people whom you have so capably represented these past 40 years as a Member of Congress.

We look forward to your continued service in the interest of the people for many years to come. We know that you will always be found fighting on the side of progress and democracy. We wish to express our deep appreciation for your important contributions to the welfare of the American people.

Members of the United States Senate: HARLEY M. KILGORE (West Virginia), WARREN G. MAGNUSON (Washington), JAMES E. MURRAY (Montana), FRANCIS J. MYERS (Pennsylvania), CLAUDE PEPPER (Florida), ROBERT F. WAGNER (New York).

Members of the House of Representatives: SOL BLOOM (New York), MICHAEL J. BRADLEY (Pennsylvania), EMANUEL CELLER (New York), JOHN M. COFFEE (Washington), HUGH DE LACY (Washington), HELEN GAHAGAN DOUGLAS (California), HERMAN P. EBERHARTER (Pennsylvania), WILLIAM J. GALLAGHER (Minnesota), NED R. HEALY (California), THOMAS G. LANE (Massachusetts), VITO MARCANTONIO (New York), ELLIS E. PATTERSON (California), ADAM CLAYTON POWELL (New York), LEO F. RAYFIEL (New York), ALEXANDER J. RESA (Illinois), CHARLES R. SAVAGE (Washington).

Prof. Edith Abbott, Chicago University.

Judge William A. Anderson, Minneapolis.

Russell W. Ballard, director, Hull House, Chicago.

Zlatko Balekovic, president United Committee of South-Slav Americans.

Elmer A. Benson, president, National Citizens Political Action Committee.

Leonard Bernstein, New York.

Mrs. Francis Biddle, Washington, D. C.

Dr. A. A. Brill, New York.

Van Wyck Brooks, Westport, Conn.

Edward Chodorov, New York City.

Dr. Rufus E. Clement, president, Atlanta University, Georgia.

Rabbi J. X. Cohen, the Free Synagogue, New York.

Msgr. John Montgomery Cooper, Washington, D. C.

Rev. Henry Hitt Crane, Detroit.

Jo Davidson, chairman, Independent Citizens Committee of the Arts, Sciences, and Professions.

Dr. Herbert Davis, president, Smith College, Massachusetts.

Prof. Peter Debye, Cornell University, New York.

Judge Luigi De Pasquale, Providence, R. I.

James A. Dombrowski, executive secretary, South Conference for Human Welfare, Nashville, Tenn.

Hugo Ernst, acting president, Hotel and Restaurant Employees International Alliance, AFL.

Howard Fast, New York.

Galen M. Fisher, member, national board, Young Men's Christian Association.

Prof. Joseph Fletcher, Episcopal Theological Seminary, Massachusetts.

Guy Stanton Ford, executive secretary, American Historical Association.

Edmonia W. Grant, American Missionary Association.

Charles C. Haas, president, American Hat Co., Connecticut.

Oscar Hammerstein II, Doylestown, Pa.

Rt. Rev. Henry W. Hobson, Cincinnati, Ohio.

Libby Holman, New York.

Crockett Johnson, Norwalk, Conn.

Robert W. Kenny, president, National Lawyers Guild.

Dr. Alexander Meiklejohn, Berkeley, Calif.

Hon. Fiorello LaGuardia, Director, United Nations Relief and Rehabilitation Administration.

A. A. Liveright, director, American Council on Race Relations.

Joseph Martinek, executive secretary, Czechoslovak National Council of America.

Bernard V. McGroarty, Printing Pressmen's Union, AFL, Cleveland.

Lewis Merrill, president, United Office and Professional Workers, CIO.

Rt. Rev. Walter Mitchell, San Antonio, Tex.

Paul Muni, Hollywood.

Grant W. Oakes, president, United Farm Equipment Workers, CIO.

Judge Patrick H. O'Brien, Detroit.

Judge Nathan D. Perlman, Court of Special Sessions of New York.

Rev. Dr. David de Sola Pool, New York.

Lee Pressman, general counsel, Congress of Industrial Organizations.

Judge George L. Quilici, municipal court, Chicago.

Eleanor Roosevelt.

Carl Sandburg, Harbert, Mich.

William Jay Schieffelin, president, Huguenot Society of America.

Dr. Bela Schick, New York.

Joseph P. Selly, president, American Communications Association, CIO.

Fabien Sevitzky, Indianapolis.

A. E. Stevenson, secretary, Cleveland Industrial Union Council.

Donald Ogden Stewart, Massachusetts.

Judge Edward P. Totten, Minneapolis.

Hon. Henry A. Wallace, Secretary of Commerce.

Courtney Ward, president, Painters District Council No. 6, AFL, Ohio.

Max Weber, Great Neck, N. Y.

Rabbi Jacob J. Weinstein, KAM Temple, Chicago.

Prof. Frank W. Weymouth, president, Palo Alto Teachers Union, AFL.

A. F. Whitney, president, railroad brotherhoods.

Dr. Mary E. Woolley, Westport, N. Y.

Mr. BIEMILLER. Mr. Speaker, it is a great privilege and pleasure to join my colleagues in showering felicitations upon the dean of the House, the distinguished chairman of the Rules Committee, ADOLPH SABATH, on the occasion of his eightieth birthday. For the good of our country I hope he lives another 80 years and continues to serve in this House. His youthful vigor surpasses that of many of us half his age. His devotion to the sound liberal traditions of our country is unquestioned. So long as men of his views and caliber are Members of the Congress I do not fear for the future of the United States. ADOLPH SABATH is a great American and his contribution to tolerance and understanding are of the highest order. I salute him and wish him long and continued good health.

Mr. MAY. Mr. Speaker, it is a source of extreme gratification to me to have the opportunity at this time to speak briefly upon the long career in public life of my distinguished collegaue and friend, the able and always obliging chairman of the Rules Committee, the Honorable ADOLPH SABATH. Today he reaches the eightieth milepost along the highway of life. Long and memorable as it has been, he has spent exactly half of it as a Member of this notable and august legislative body. His career as a legislator has been brilliant and useful; his conduct as a public official and Member of this House has never, in the long 40 years he has served here, been questioned or referred to in other than the most laudable and commendable manner. That in itself is commendable enough if I were to utter not another word, but I wish to point out that only a few men as Members of the Congress of the United States, has served 40 years in public life, and none, so far as I know, have ever served that long in the House of Representatives, so the distinguished gentleman from Illinois occupies the unique position, not only of being the dean of the House of Representatives, but the one Member who has served longest as a Member of this body. The gentleman from Illinois, in the course of his long service here, has seen many changes in the economic conditions of our country and many changes in the legislative trends of the Congress of the United States. He has seen able and distinguished colleagues come and go. He has served, as all of us do, by virtue of the will of his constituents, and from the same congressional district from the beginning of his long service to this happy day. No people in any congressional district know their Congressman any better than the people of the Fifth District of the State of Illinois, and the fact that they have continuously and repeatedly reelected him for 20 consecutive terms emphasizes far more than any words of mine can, his high standing among his neighbors and acquaintances, and with his constituency. It is a tribute to any man that he can continue to succeed himself from the same district for the long number of years that our distinguished friend has been able to do, and finally, Mr. Speaker, with all the arduous and difficult responsibilities of the high office he has held so long, it is a tribute more effective than words that during all this long career of public service there has never been a hint or intimation that he has been influenced in his decisions as a Member of this body by any consideration other than the common welfare of our common country. He is vigorous, robust, and in perfect health at the advanced age of 80, and it is my devout hope, as well as that of all of us, that he may continue his gallant and faithful service here for the remainder of his natural life, and that it may be long and enduring. He is a great statesman, a great patriot and a great American.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SABATH. Mr. Speaker and my colleagues, I have made many wishes in my life, and most of them have come true. There is one wish, however, that has never come true, and that is the wish that I could use words and possess a command of language that would enable me today to better express to you, to each and every one of you, my sincere appreciation of your many kindnesses, your forbearance, and the splendid friendly treatment you have accorded me while I have been a Member of the House of Representatives.

I appreciate more than I can possibly express the graceful sentiments of the gentleman from Georgia [Mr. COX] with whose views on some matters I differ, and with whom I have come to grips on some issues; but I am grateful that he recognizes my sincerity as I recognize his. And I appreciate equally the kind words by the majority and minority leaders, by members of my own committee, and by many other gentlemen.

I was born abroad. I have seen misery and want. When I came to this country, the hope of being able to improve the conditions of myself and my people, who have suffered so much, rose strong in my breast. I have always had it in my mind that it is my duty, if I should be in a position to help others, to do so to the best of my ability. I have always tried

to do so. I give you my word that the main object of my life has been to help others who need aid and assistance. That is the reason you have so frequently heard me on this floor pleading for those underpaid and oppressed people, always with the view and with the hope that I might, insofar as one man can, help them, and better their condition and improve their lot.

Some Members at times have felt I have been a little too extreme in my expressions. I state to you it was never with the intent to hurt the feelings of anyone; but not having that gift of expression most of you possess, I have had to content myself with words which perhaps did not sound so pleasant to the ears of some at times.

Therefore I hope, in view of your friendly and kindly expressions, if I have at any time said anything that may have offended anyone, I will be forgiven. I assure you that in the future I will try to be a little more guarded; but, nevertheless, I shall continue to express my views and to aid the American people, and especially the common people, the underprivileged, and those who need aid and assistance. It is my fervent hope that we in this House and in the country henceforth will live in peace and in harmony, so that we may set an example to all the peoples of the world, and bring about that peace, happiness, and prosperity for all who have suffered so much for so many years, and who have not been so fortunate as we have been.

I hope that our world cooperation and our help to those downtrodden, suffering, hungry and even starving people abroad will come back to us twofold, and those who come after us can look back with pride and satisfaction at what we have done here and now. We have the opportunity of proving what real brotherly love means.

And so, Mr. Speaker, in conclusion, I must extend to you and to all my colleagues my heartfelt thanks and appreciation, and express the fervent hope that I may be spared to urge and advocate and bring about that unity and understanding which will eliminate all intolerance and fear and discord, so that we may actually achieve happiness, contentment, and prosperity.

The SPEAKER. The time of the gentleman from Illinois has expired.

EXTENSION OF REMARKS

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include an editorial from the Washington Post on the most important legislation before the House, the atomic energy legislation.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. VOORHIS of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article and, secondly, to revise and extend the remarks he expects to make in committee today and include some tables.

Mr. DE LACY. Mr. Speaker, I ask unanimous consent that following the remarks of the gentleman from Michigan [Mr. LESINSKI] I be permitted to include in the RECORD a statement of greetings to the gentleman from Illinois, Hon. ADOLPH J. SABATH, on his eightieth birthday, from 84 distinguished Americans.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. STIGLER asked and was given permission to extend his remarks in the Appendix of the RECORD and include an oration.

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the Appendix of the RECORD and include an editorial and also to add my felicitations to those of my colleagues to the Honorable ADOLPH J. SABATH on his eightieth birthday.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

THE MEDLEY LINGERS ON

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'TOOLE. Mr. Speaker, since it has become apparent that it is much easier to get out of the District of Columbia jail than it is to get into it, I suggest that the District of Columbia Committee instruct the Commissioners that keys will be given to all prisoners upon their admission. This would eliminate a great deal of the property damage which has been done lately by escaping convicts.

Also, I believe that Chief of Police Callahan should instruct his men to keep their pants on. If they cannot do this, they should be given card lessons so that in the future they might do better in the strip-poker games.

There is a rumor going about that the motto of the jail is "Get all of the boys out by Christmas."

DISTRICT OF COLUMBIA JAIL

Mr. MURPHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MURPHY. Mr. Speaker, I have just listened with interest to the remarks of the distinguished gentleman from New York [Mr. O'TOOLE]. May I say I hope all of the Members in this body will pay more keen interest and attention to the affairs of the District of Columbia.

Our committee had a meeting this morning. We approached this question intelligently. Our distinguished chairman will name a committee this afternoon to go into the entire matter. It is an unfortunate incident. I am sure our committee will find the answer.

EXTENSION OF REMARKS

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD in three instances and include in each a newspaper article.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a copy of a resolution.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD on the question of England granting independence to the Trans-Jordan area.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. CANFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement on Navy rocket ships.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement on Arlington Cemetery.

Mr. HINSHAW asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement before the graduating class of the basic officers training school at Quantico, Va.

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article recently appearing in the Washington Star.

CALL OF THE HOUSE

Mr. ALLEN of Illinois. Mr. Speaker, I make a point of order that no quorum is present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 75]

Adams	Douglas, Calif.	Luce
Andrews, Ala.	Doyle	Murdock
Baldwin, Md.	Dworshak	Norton
Baldwin, N. Y.	Elliott	O'Brien, Ill.
Bell	Elsaesser	Peterson, Fla.
Bender	Engel, Mich.	Poage
Bishop	Fellows	Powell
Bolton	Fernandez	Price, Fla.
Brumbaugh	Fisher	Price, Ill.
Bunker	Gardner	Rains
Byrnes, Wis.	Gearhart	Reece, Tenn.
Cannon, Fla.	Gibson	Rich
Cannon, Mo.	Gifford	Robertson, N. Dak.
Chapman	Halleck	Roe, N. Y.
Chiperfield	Hancock	Sadowski
Clippinger	Hendricks	Shafer
Cochran	Jarman	Sikes
Cole, N. Y.	Kean	Simpson, Pa.
Colmer	Kelley, Pa.	Sumners, Tex.
Courtney	Kerr	Talbot
Curley	Knutson	Thom
Dawson	LaFollette	Tibbott
Domengeaux	Lanham	
Doughton, N. C.	Lea	

The SPEAKER. On this roll call, 360 Members have answered to their names; a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include the legislative program of the Grange. I have an estimate from the Public Printer that it will cost $130. I ask unanimous consent that the extension may be made notwithstanding the additional cost.

The SPEAKER. Notwithstanding, and without objection, the extension may be made.

There was no objection.

FEDERAL EMPLOYEES' PAY ACT OF 1946

Mr. RANDOLPH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5939) to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5939, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

Be it enacted, etc.—

SHORT TITLE

SECTION 1. This act may be cited as the "Federal Employees Pay Act of 1946."

Mr. RANDOLPH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask it not for myself as an individual but as the spokesman for a certain viewpoint which we believe to be right, that my colleagues, insofar as convenient, will give me their attention for the next few minutes.

Yesterday, during the general debate on this legislation, my friend, the gentleman from Kansas [Mr. REES], an able legislator, repeatedly told the members of this committee that the passage of the amendment which he will propose would mean that the low-income bracket employees of this Government would be the individuals who would receive the benefits under the proposal which he would make.

Now, let us look at that contention in the light of the facts. We find that the rates of pay operate from the $1,200 basic salary on the lower bottom to $9,000 on the upper level. You will find that under the proposal of the gentleman from Kansas that the $1,200 basic bracket would receive $1,740. Under the committee proposal they would receive $1,706, or approximately $35 less than that given them under the Rees amendment. But I ask you, within the 1,200,000 persons to be affected by this legislation how many fall within the category? The great plea is made for the lower-bracket workers — the $1,200 people. There are a little fewer than 25,000 individuals who would receive that increase.

The next bracket is $1,440. Under the Rees amendment these individuals would receive $2,023.20. Under the committee bill we would give that group $2,019.24, or a difference of $4 in favor of the Rees proposal. How many are in that group? I am informed there are a little over 220,000 persons. So, out of a million, two-hundred-thousand-odd, very close to that figure, the Rees amendment would touch approximately 240,000 or 250,000 employees. I remind you that from there on in the classes of $1,620, $1,800, $2,000, $2,300, $2,400—those are the lower-income brackets—the committee bill would give the greater increases. So it is absolutely wrong to stand upon this floor and urge the Members of the House to pass the Rees amendment on the grounds that the persons employed in the Government in the lower brackets are the ones who will receive the merited raises.

I would recall to your minds also that those individuals are the single persons, both men and women, workers who are replaceable in Government, who go from one job to another. It is to these individuals getting $1,800, $2,100, $2,200, $2,400, $2,600, $2,900, $3,500, $3,800—those people, the ones who are attempting to make ends meet in the lower brackets and middle brackets and upper brackets that we give the increase to which they are entitled. All workers are properly aided.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. WHITE. Right on that subject, did the committee give any consideration to these people who are on the pay roll at $8,000 and who have their wives on the roll for $4,000 or $5,000?

Mr. RANDOLPH. The gentleman is referring to people employed in the executive departments?

Mr. WHITE. Yes. It is a general practice here in Washington—Government civil-service employees. I am talking about the practice where a man and his wife are both on the pay roll.

Mr. RANDOLPH. I have no comment to offer except to say that we do know that condition applies in all branches of Government.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. RANDOLPH. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. I may say that the placing of wives or members of families on the Government pay roll is not confined to the executive branch of the Government; we find it in all branches of our Federal system.

Mr. WHITE. I thank the gentleman.

Mr. RANDOLPH. Some would say that the committee in recommending 18½ percent has gone too high. We have not done that. The proposal embraced by the President of the United States is for a 20-percent increase, which is higher than our 18½ percent. And let us remember that those individuals who cry out against the raising of salaries in the upper income brackets, that is percentage-wise, should keep in mind that the responsibilities increase—we know it—commensurate with the additional obligations of family, home, and taxes, and other items.

Let me read to you what the President of the United States said in his message sent to the Congress on January 21, 1946, as follows:

> The elimination last autumn of overtime work for nearly all Federal employees meant a sharp cut in their incomes. For salaried workers, the blow was softened but by no means offset by the increased rates of pay which had become effective July 1. Further adjustments to compensate for increased living costs are required. Moreover, we have long needed a general upward revision of Federal Government salary scales at all levels in all branches—legislative, judicial, and executive. Too many in Government have had to sacrifice too much in economic advantage to serve the Nation.
>
> Adequate salaries will result in economies and improved efficiency in the conduct of Government business—gains that will far outweigh the immediate costs. I hope the Congress will expedite action on salary legislation for all Federal employees in all branches of the Government. The only exception I would make is in the case of workers whose pay rates are established by wage boards; a blanket adjustment would destroy the system by which their wages are kept alined with prevailing rates in particular localities. The wage boards should be sensitive now, as they were during the war, to changes in local prevailing wage rates and should make adjustments accordingly.
>
> I hope also that the Congress may see fit to enact legislation for the adequate protection of the health and safety of Federal employees, for their coverage under a system of unemployment compensation, and for their return at Government expense to their homes after separation from wartime service.

That is the President speaking.

In his message of September 6, 1945, the Chief Executive stated:

> The most important impediment to obtaining efficient administrative officials in the Federal Government has been the pitiful wage scale. During the war many able and experienced men were obtained for Federal service on purely patriotic grounds. Some of these men who are unable to continue at the present salary scales would be willing to remain at adequate salaries.
>
> In most of the various classifications of Federal employees, the wage scales, with few exceptions, are obsolete and inadequate. This is particularly true of the Federal judiciary.
>
> I sincerely hope that the Congress will take early steps to provide decent wage scales for its Members and for the executive and judicial branches of the Government.

Mr. Chairman, it should be clearly understood that insofar as I shall act in the capacity of chairman of the House Civil Service Committee, and others in that group, that we will oppose crippling, damaging, and unfair amendments which will be offered. In our opinion, we bring to you a bill that is equitable and sound on all fours. We are prepared to fight it through along those lines. If

we lose, we lose; if we win, we win; but, lose or win, we believe we are right.

Mr. REES of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: Beginning on line 7, page 1, section 2——

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Mr. Chairman, as I understand it, we have not read section 2, and it is not open for amendment at the present time.

The CHAIRMAN. The gentleman is correct.

Mr. WHITTINGTON. I then make the point of order that the amendment is not in order at this time.

The CHAIRMAN. The gentleman is correct and the Chair sustains the point of order.

Mr. REES of Kansas. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I would like to call attention to an amendment that I will submit at the proper time to this legislation. I shall appreciate it if the Members will give most careful consideration to the amendment. I have the highest respect and great regard for the distinguished chairman of my committee. I know that he is sincere. He believes this bill ought to pass in its entirety without amendment. He does not want it changed in any respect. He feels that we ought to allow increases in pay in accordance with the terms of the bill, which, among other things, provides that those in the higher brackets will get a considerably greater amount of money than Members of Congress. In my judgment, it is far out of line.

The CHAIRMAN. Will the gentleman indulge the Chair just a moment? Is the gentleman from Kansas seeking to offer a substitute for the entire pending bill?

Mr. REES of Kansas. Mr. Chairman, I am not. I will offer an amendment to the bill.

The CHAIRMAN. Of course, the bill is being read by sections. If the gentleman is seeking to offer a substitute for the entire pending bill it would be appropriate for him to offer it at the end of section 1, but if he wants to offer amendments to different sections of the bill they should be offered after the reading of each section.

Mr. REES of Kansas. May I say to the Chairman that my amendment begins immediately after the words and figures "section 2 (a)" on the first page, line 7. But it does not take out the entire bill, and, for that reason, it is an amendment.

The CHAIRMAN. It will be offered as an amendment.

Mr. REES of Kansas. That is correct.

The amendment that I shall propose is the one that we discussed yesterday, with the exception of a slight change in one item, and that is, under the proposal I have submitted we apply a 45-percent rate on the first $1,200, 18 percent from $1,200 to $3,400, but eliminate the additional 9 percent allowed in top brackets.

There was considerable criticism yesterday relating to the huge increases that would be granted to those who are now getting high salaries. Of course, my amendment will also limit the salaries of those who receive $10,000 or more. My amendment, you will observe, will apply the formula to the salaries allowed prior to the passage of the act of July 1, 1945.

The distinguished gentleman from West Virginia [Mr. RANDOLPH] called attention to the question of increases in salary. I am not increasing these salaries in huge amounts above the present bill, but I am giving them, under my amendment, pretty good-sized increases, but not nearly as much as under the pending bill.

The $1,200 base-pay man, as of last June, under my bill, will get $1,740. The $1,440 man will get $2,023.20. The $1,620 employee will get $2,235.60. The $1,800 man will, under my formula, get $2,448, and under his formula he will get $2,488.50.

Let us go down to the $6,000 men. The $6,000 man on the base pay a year ago was increased to $6,650. What are you doing with him in this bill? You are giving him $7,880.25; my proposal would pay $7,152.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. REES of Kansas. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Michigan.

Mr. DONDERO. There seems to be considerable confusion in the minds of many Members as to what happens to the total pay now being received, let us say, by the secretaries in the offices of the Members, in that they get 18½ percent increase on that total amount. Do we add 10 percent under the gentleman's amendment on top of that?

Mr. REES of Kansas. My amendment will put the employees in the congressional offices on the same base as other employees. If you have an employee in your office who is now getting $3,800 he will, under this bill, get $4,808.

Mr. DONDERO. Take the employees in the departments of the Government. Do they receive under the gentleman's amendment the total amount they now receive plus 18½ and then 10 percent on top of that?

Mr. REES of Kansas. No; they do not.

Mr. DONDERO. Then what is the difference between the gentleman's amendment and the committee bill?

Mr. REES of Kansas. The difference between the amendment the gentleman from Kansas proposes and the committee bill is this: Under the 1945 act, the gentleman will recall, the salaries were increased on a percentage basis of 20, 10, and 5 percent. Under this amendment I propose to go back to that base pay before July 1945 and provide an increase of 45 percent on the first $1,200, then 18 percent on all amounts up to $3,400, and then we take out the 9 percent that is proposed in the Senate bill. In other words, it follows the measure passed by the Senate except in two respects. In place of 36 percent as being the first bracket, I increase that by 9 percent to 45 percent to apply on the lower base pay, and take out the 9 percent that goes to the top base pay.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Referring to the question the gentleman from Michigan [Mr. DONDERO] asked, Is it not true that the 10 percent which was proposed in the committee bill with reference to legislative employees was designed on the theory that legislative employees receive no overtime, and the 10 percent was proposed in lieu of the overtime of the executive branch?

Mr. REES of Kansas. I beg the gentleman's pardon. I thought he was talking about those employed in congressional offices.

Mr. DONDERO. I did inquire about that in the first instance.

Mr. CASE of South Dakota. Let us follow this point through and get it clear. The gentleman proposes to offer an amendment at the end of section 2 (a). Is a separate amendment to be offered later that will deal with legislative employees?

Mr. REES of Kansas. No; there will not be. They are considered in the amendment that will be offered.

Mr. CASE of South Dakota. In the first amendment that the gentleman offers he will take care of the legislative employees as well as change the percentage applicable to the employees in the executive departments?

Mr. REES of Kansas. We provide under this amendment for 10 percent for overtime, just as we do in the present bill.

Mr. CASE of South Dakota. The bill provides for 10 percent overtime for executive branch employees, as the bill is now written. Does the gentleman propose to apply an overtime-pay feature to the legislative employees?

Mr. REES of Kansas. That is correct, 10 percent.

Each officer and employee in or under the legislative branch entitled to the benefits of section 501 of this act shall be paid additional compensation at the rate of 10 percent of the aggregate of the rate of his basic compensation and the rate of additional compensation received by him under section 501 of this act, as amended.

Mr. CASE of South Dakota. Will the language the gentleman has just read be applicable to the employees of the executive branch, or does that apply to the legislative branch?

Mr. REES of Kansas. It applies to employees in the legislative branch.

Mr. CASE of South Dakota. Therefore the gentleman preserves the feature of providing a 10-percent allowance for employees in the legislative branch in lieu of the overtime which is paid to the employees in the executive branch?

Mr. REES of Kansas. That is correct.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Washington.

Mr. JACKSON. In further reference to the question propounded by the gentleman from Michigan to the gentleman from Kansas, I believe the gentleman from Michigan may have been of the opinion that the 10 percent in lieu of overtime also applied to the executive branch. May I make it clear for the purpose of the RECORD that that merely applies to the employees of the legislative branch of the Government. It does not apply to the employees in the executive branch. It is paid on the theory that the people on the Hill work on Saturdays, as we all know they do, and that they are being paid 10 percent in lieu of actual overtime. If the people working downtown put in 8 hours on Saturday, they do not get 10 percent, they get 30 percent, which is time and a half.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. REES of Kansas. Mr. Chairman, I ask unanimous consent to proceed for two more minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished gentleman from Wisconsin.

Mr. KEEFE. I would like to get the parliamentary situation cleared up with respect to the amendment which the gentleman proposes to offer. I went to the Clerk's desk and read the amendment which the gentleman indicates he proposes to offer as soon as section 2 of the bill is read. The bill is being read for amendment, as I understand it, by sections. The amendment that the gentleman proposes to offer is not an amendment only to section 2, but is an amendment that carries over, including section 7.

Mr. REES of Kansas. That is correct.

Mr. KEEFE. If at the conclusion of the reading of section 2, the gentleman propose an amendment which is an amendment to all of the succeeding sections down to section 7 and beyond, I am wondering whether or not the gentleman is going to find himself in a parliamentary tangle and find that his amendment must be split up so as to make separate amendments to each section as it is read.

Mr. Chairman, will the gentleman yield so that I may make a parliamentary inquiry concerning that question?

Mr. REES of Kansas. I yield.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. KEEFE. May I ask the Chairman, who is familiar with the amendment as it is proposed to be offered by the gentleman from Kansas, must the amendment, if it is to be considered an amendment to various sections of the bill, be offered to each section as the section is read, or can the gentleman from Kansas offer an amendment at the conclusion of the reading of section 2, which in effect changes subsequent sections in the bill? Must he offer an amendment which will affect each specific section as the section is read?

The CHAIRMAN. The Chair will state that if the gentleman from Kansas offers an amendment to section 2 which applies to other sections of the bill, a point of order can be made against it unless the gentleman secures unanimous consent to have it considered when offered by him, notwithstanding the fact that other sections have not yet been read. If objection should be made to the unanimous-consent request, then amendments would have to be offered to each section of the bill as they are read.

Mr. REES of Kansas. Then, Mr. Chairman, I ask when the bill is read that I may have the unanimous consent of the Committee to submit my amendment in its entirety.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

Mr. RANDOLPH. Mr. Chairman, reserving the right to object, the point raised by the gentleman from Wisconsin [Mr. KEEFE] is pertinent and was already in the minds of the committee members. We were going to make the point that the amendment of the gentleman from Kansas [Mr. REES] referred to covered sections which had not been read, and for that reason would make a point of order against the amendment as drafted. We realize the issue which has been drawn. There is no desire to get into a parliamentary snarl. I personally have no objection to the request of the gentleman from Kansas because the question is a basic one. The line is clean-cut between the two philosophies. I shall not object.

Mr. TARVER. Mr. Chairman, reserving the right to object, there will be perfecting amendments offered to the sections which the gentleman from Kansas by his amendment proposes to strike. I think those perfecting amendments will raise an issue here upon which the House will desire to pass. They propose to substitute a $400 across-the-board raise for the raise proposed either in the amendment of the gentleman from Kansas or in the committee bill. For that reason, I think it is necessary that these sections be considered one at a time. Therefore, Mr. Chairman, I object to the request of the gentleman from Kansas.

Mr. REES of Kansas. Mr. Chairman, if the gentleman from Georgia will withhold his objection, may I say that the question involved here is whether we are going to consider the committee bill or the proposal submitted by the gentleman from Kansas or the proposal that will probably be submitted by the gentleman from Georgia or someone else with respect to the $400 proposal. I am just asking the gentleman would it not be agreeable, after the gentleman from Kansas has submitted his amendment, if he desires to do so, then he could submit a substitute for the amendment offered by the gentleman from Kansas. It seems to me that would be the proper way.

Mr. TARVER. If the gentleman will couple with his request the further request that perfecting amendments to all of the seven sections be considered and acted upon by the Committee of the Whole before his substitute for those sections is voted upon, I would have no objection to the request.

Mr. REES of Kansas. Mr. Chairman, I have no objection.

The CHAIRMAN. Does the gentleman desire to modify his request?

Mr. REES of Kansas. Yes, Mr. Chairman. I will modify the unanimous-consent request accordingly.

The CHAIRMAN. Is there objection to the modified unanimous-consent request of the gentleman from Kansas?

Mr. HERTER. Reserving the right to object, Mr. Chairman, the amendment being offered by the gentleman from Kansas [Mr. REES], as I understand it, contains two substantially different proposals. The first has to do with the sliding scale of pay to the substitute for the fixed pay. The second proposal, which appears at the end, makes this bill nonapplicable to anyone receiving $10,000, or to statutory salaries. Those are two entirely separate proposals. I am wondering if the gentleman would be willing to make his unanimous-consent request to have those sections that deal with the sliding scale of pay substitution as one, and the other proposals as a separate amendment.

Mr. REES of Kansas. Mr. Chairman, I modify my request further, that my amendment with respect to the $10,000 limitation not be included in the present amendment. I will submit that proposal in a separate amendment.

The CHAIRMAN. Is there objection to the further modified unanimous-consent request of the gentleman from Kansas?

Mr. CASE of South Dakota. Reserving the right to object, Mr. Chairman, I should like to ask the gentleman from Kansas whether or not in his amendment as it is pending it includes a complete substitution for all of the remaining sections in the bill after section 2.

Mr. REES of Kansas. It does not.

Mr. CASE of South Dakota. How far does it go?

Mr. REES of Kansas. Down to and including section 6. It did include section 7.

Mr. CASE of South Dakota. It occurred to me that it would be in order for the gentleman to have offered the amendment as a substitute for the bill, and add to this amendment the remaining sections of the bill, or that he might consider offering a new section following section 2, which would be a part of his original amendment. It might be that the best solution is that suggested by the gentleman from Massachusetts [Mr. HERTER], one amendment raising the issue on the sliding scale of pay, and a separate amendment raising the issue on the $10,000 limitation.

Mr. REES of Kansas. In my opinion, we should decide the particular issue now, but it will come in a separate amendment.

Mr. KEEFE. Mr. Chairman, reserving the right to object, may I have the proposal of the gentleman from Kansas stated, so that we may know what this unanimous-consent request really is. With the additional addenda and amendments that have been offered, I

am certain I do not know just what the unanimous-consent request now is.

The CHAIRMAN. The Chair will make an honest effort to state it. The gentleman from Kansas [Mr. REES] asked unanimous consent to offer his amendment after the reading of section 2, although it affects several other sections of the pending bill, with the understanding that the gentleman from Georgia [Mr. TARVER] may offer perfecting amendments to those sections, and that they shall be acted upon before action on the amendment offered by the gentleman from Kansas [Mr. REES].

Mr. TARVER. Mr. Chairman, I shall not personally offer the amendments. They will be offered by another Member.

The CHAIRMAN. That type of amendment mentioned by the gentleman from Georgia shall be in order and shall be acted upon before action on the Rees amendment. And further that that part of the Rees amendment relating to the removal of salary ceilings shall be considered separately.

Mr. KEEFE. That states it clearly.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I believe it is a very fine idea that we have clarified the issue by the unanimous-consent request that has just been agreed to, because that will enable the two theories involved to be brought before the Committee of the Whole: One, the bill as reported out by a large majority of the members of the committee; and, two, as advocated by the gentleman from Kansas [Mr. REES]. I have just a few observations to make as to what I think and hope the course taken by the Committee of the Whole and later by the House will be.

It seems to me that the amendment offered by the gentleman from Kansas [Mr. REES], as we look at the over-all picture, does not go as far as the conditions and circumstances warrant. We have a situation where the committee has considered this for a long period of time. We have a bill that came over from the Senate which I think most Members feel as amended in the Senate was, as applied to the over-all picture, entirely inadequate. We have this bill before us reported out, as I remember, by a vote of 14 to 3. If I am mistaken in that, I wish to be corrected. On a bill of this kind that is a pretty convincing majority, and from that vote it is apparent that members on both sides of the Committee on the Civil Service to the number of 14 favored the bill as reported out.

The argument that some employees of the executive branch of the Government will receive a salary larger than Members of Congress if the bill as reported by the committee is passed does not impress me as a fair one or a sound one. Certainly I am not going to vote against any increase in salary for any man because that person, as the result of my vote, if I think he is entitled to it, will get a salary larger than I am receiving. As far as I am concerned I am prepared to vote to increase the salaries of Members of Congress to $20,000 a year. I voted for the retirement bill; I voted against the repeal; I voted for the rule to consider it the last time. As a member of the Massachusetts Legislature on two occasions I had an opportunity to vote for an increase of my salary, and on two occasions I voted for it. I feel that Members of Congress are inadequately paid, and while I recognize that the $20,000 a year salary that I personally would vote for probably will not go through, I do not see any reason why Members of Congress should have any hesitancy in voting a substantial increase for themselves. I am prepared to do it. I voted for the $2,500 expense account and spoke for it. I am willing to assume the full responsibility to the people of my district; I have no apologies to offer. So I would not vote against someone else getting a higher salary than I if I felt they were entitled to it, just because I am not getting more than $10,000, because that is within the control of a majority of this body and a majority of the other body to take care of.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. RANDOLPH. As far as the so-called $10,000 ceiling is concerned, this House has allowed more than $10,000 to be paid to certain of its legislative employees. This House has allowed certain individuals within the Veterans' Administration to receive more than $10,000; this House by its action in connection with the postal pay increase bill has ratified, in effect, salaries above $10,000 because literally a score of postmasters are receiving far in excess of $10,000 and would receive the increases. So that in at least three categories, a ceiling which some say has never before been broken has, by the action of this Congress, been raised.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. MASON. I want to correct the statement that there are scores of postmasters receiving $10,000 or more. There are not scores of postmasters receiving $10,000 or more. There are only two postmasters in the United States, as I understand it, who receive $12,000.

Mr. McCORMACK. The basic statement made by the gentleman from West Virginia is confirmed by my friend when he says there are some in the executive branch who get more than $10,000 a year.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I note this bill is one to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes. Do I understand the distinguished majority leader is going to offer an amendment to this bill to increase the compensation of Members of Congress?

Mr. McCORMACK. No; I have no intention of so doing, but the gentleman from Massachusetts would have no hesitancy, I may say, in supporting it.

Mr. KEEFE. It could be done to this bill; could it not?

Mr. McCORMACK. I may say that we have one of the greatest parliamentarians in the chair who ever sat in this body, the gentleman from Tennessee [Mr. COOPER], and I would say that if anyone raised a point of order against such an amendment a very powerful argument on the germaneness of the amendment could be made.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. The matter of an increase in the payment to Members of Congress is not, under our parliamentary situation, referred to the Civil Service Committee of the House; therefore, we could not deal with it directly. That goes to another committee. An amendment, if offered to this bill, would not be germane, I am informed.

Mr. McCORMACK. The gentleman from Wisconsin did not raise that question. We have a bill before us, and he asked the question as to whether or not in substance an amendment would be in order. Of course, the character of the bill before the House would determine that. I said that if a point of order were raised against such an amendment, a powerful argument in favor of its germaneness could be made.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Section 502 of the bill carried on page 4 says:

> Each officer and employee in or under the legislative branch entitled to the benefits of section 501 of this act shall be paid additional compensation at the rate of 10 percent—

And so forth. It occurs to me an amendment is always in order to strike, and if the language were stricken, "entitled to the benefits of section 501 of this act," then the language of the bill would be "each officer and employee in or under the legislative branch shall be paid additional compensation at the rate of 10 percent," and so forth.

May I ask the gentleman whether or not a Member of Congress is an officer in the legislative branch?

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Washington.

Mr. JACKSON. The answer to the gentleman's question is that employees of Congress are specifically exempted under the provisions of the Employees' Pay Act of 1945.

Mr. McCORMACK. Mr. Chairman, there is one closing observation I want to make and that is in connection with the salary of Members of Congress. I think we ought to face the situation squarely ourselves on a bill brought in

here confined to ourselves. Let us vote for an increase in salary on that straight issue. So that whether or not an amendment would be germane to this bill, I feel it would be inadvisable and unwise to have the question injected into this matter. We ought to meet it squarely and head-on by having a bill introduced. If it is reported out by a committee, I shall bring it up as quickly as possible, with that one question only involved.

There is one further thought I want to leave with the Members The Rees amendment, to me, seems to be too low, as we look at the over-all picture. I think the wise thing for us to do is to support the committee report. The bill will then go to conference. When this bill goes to conference there will be disagreement to the provisions of the bill as passed by the House and the bill as passed by the Senate, and there will be plenty of leeway for the conferees of both branches to get together and adjust the differences in a fair and equitable way and in a manner that will probably be more satisfactory than if we adopt the Rees amendment, and then send the bill as amended to conference with the Senate amendment, which is too low. The Rees amendment in the middle brackets is entirely too low.

On that broad question, feeling that the committee has done a fine job on the whole, and that it is going to conference, and that there is broad latitude for the conferees to pass upon any differences, I hope that the Rees amendment will be defeated.

Mr. BENNET of New York. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I want to address myself to three subjects in which I think the Members are interested. In the first place, everybody, I think, is more interested, generally speaking, in the lower-paid employees than in the higher-paid ones. I do not want to go into a lot of detail, since there has been some reference made to it already, but I wish everybody would look at the table on page 10 of the report, and you will see that the Committee on the Civil Service in bringing this bill to the House has made an effort to do the very thing you want to do, and that is to reward the lower-paid employees. You will see that there were larger increases provided for the lower brackets than for the higher ones to cope with living increases as reported by the Bureau of Labor Statistics. If you will do that, it will do more good than a long speech by me on that subject. You can look at any grade you want and see the percentage increase and determine for yourselves whether or not justice is done.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. BENNET of New York. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. But it refers to percentages and not dollars and cents, does it not?

Mr. BENNET of New York. It refers to both. It gives both figures. If you look at the higher brackets, you will see that this proposed bill provides increases in the higher brackets of 27½ percent, or thereabouts, a good deal less than the increased cost of living.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BENNET of New York. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. I notice that those whose base pay is now $9,000 per annum would under this bill draw $11,613. That amounts to an increase of $2,613 a year.

Mr. BENNET of New York. That is correct.

Mr. COLE of Missouri. I understand that there will be an amendment offered to increase all Federal employees' salaries $400 per year. I would like to ask the gentleman if $400 will not buy as many groceries for the man whose basic pay is $9,000 as it will for the worker whose basic pay is $1,200?

Mr. BENNET of New York. I suppose the only answer to that question is "Yes." If you go to a grocery store, $400 will buy the same amount of groceries.

Mr. COLE of Missouri. Then why would not a $400 increase be sufficient?

Mr. BENNET of New York. I do not think that that is a proper approach to this question. Even the gentleman from Kansas does not suggest that. He suggests a graduated pay scale here which he thinks would be better than a flat increase across the board.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. BENNET of New York. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. May I call attention to the fact that the $400 across the board is inequitable, but in the total cost it would run approximately what the committee bill would cost, approximately $400,000,000, so there is no saving, and it is an inequitable adjustment of the salaries.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. BENNET of New York. I yield to the gentleman from Illinois.

Mr. MASON. If it is an inequitable adjustment of salaries, why did three-hundred and-eighty-some-odd Members of the House day before yesterday vote for an inequitable adjustment of salaries and only one vote "no"?

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. BENNET of New York. I yield to the gentleman from Washington.

Mr. JACKSON. I believe I can answer the gentleman from Illinois by saying that the $400 formula obviously was equitable for the postal employees because most of them are in one group. They are mostly mail carriers and clerks. Here we are dealing with people receiving all the way from $900 to $10,000. It is an entirely different situation than we have presented in the postal employees pay bill.

Mr. MASON. The postal employees pay bill dealt with people in all brackets from $1,500 up to $10,000.

Mr. JACKSON. The gentleman knows that, taking any post office in any community in the country, there are not very many in that post office that make more than $2,700—very, very few. Of course, there are postmasters that are getting more than $10,000 a year now, and we called that to the attention of the House.

Mr. BENNET of New York. The distinguished majority leader stole a good deal of my thunder unintentionally, not knowing what I was going to say. I want to dwell briefly on the point he raised. I dislike to see injected into this debate the question of what Members of Congress are paid or what the Doorkeeper is paid. We have both these matters under our control. If it is fair to raise other employees, that is the only basis on which we should determine this bill, not what we are paying ourselves. I bring up the question of the Doorkeeper's salary because I know there is some interest in it. It is reported in this morning's newspaper under the heading "The Answer to the $64 Question." With your permission, I will read it. It is very brief:

> Would that 18.5 percent Government pay-raise bill give the House Doorkeeper more pay than a $10,000 Congressman?
>
> Yesterday House Members were told that it would. However, the House Disbursing Office says it wouldn't. Doorkeeper Ralph R. Roberts now gets $6,939.96 per year. Under the pay bill, he would get an extra $375 in lieu of overtime pay, with the 18.5 percent in addition. Total pay, $8,668.23.
>
> On the other hand, there's the House reading clerk. He now gets $8,370. Add an extra $518 for overtime, plus 18.5 percent, and you make a lot of Congressmen smoking mad.

That is what the newspaper said.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BENNET of New York. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BENNET of New York. Mr. Chairman, we fixed the Doorkeeper's salary, we fixed the salary of the reading clerks, we fixed the other legislative salaries when we passed the pay bill. If these salaries were fair when we fixed them—and I think they were—then just adding on an increase to take care of the cost of living in the meantime is also fair. That element should not be injected into the situation.

Mr. JACKSON. Mr. Chairman, will the gentleman yield further?

Mr. BENNET of New York. I yield.

Mr. JACKSON. Is it not true that the Committee on the Civil Service has no jurisdiction over the salaries of the employees the gentleman has mentioned? Is it not further true that those people are covered in the legislative appropriation bill and some of the salary provisions were amended on the floor of the House and some in committee?

Mr. BENNET of New York. I remember one of the first things I did as a Member of Congress was to vote for the bill to which the gentleman refers. I will say I did not know much about the items that went into it, but I voted for the bill.

Mr. MASON. The gentleman's committee took jurisdiction over the legislative salaries by including them in this bill.

Mr. BENNET of New York. If the gentleman wants to make a point of order he may do so.

Mr. JACKSON. The committee never took jurisdiction over a change in the

basic salaries of those people. It simply applies the percentages. The basic salaries are fixed by the Legislative Appropriations Subcommittee and by the Committee on Accounts. I think we ought to be fair about it and not try to confuse the issue.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. BENNET of New York. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I want to be corrected, and I ask the attention of my friend the gentleman from Illinois [Mr. MASON]. Instead of a score of postmasters, as I said, it should have been 13. There are 13, and that is a figure higher than the gentleman presented; so we are both in error.

Mr. MASON. No; I beg the gentleman's pardon but I have to differ with him. I did not say there were only two at $10,000, I said two with $12,000, and it was fewer than twoscore that received $10,000. So I am still correct, according to my interpretation.

Mr. RANDOLPH. I think 13 is a little closer to 20 than 2 is to 13.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. BENNET of New York. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BENNET of New York. Mr. Chairman, I would like to conclude my statement by saying that, like the majority leader, I voted for the expense account last year. I am glad I did. I certainly have no apologies for it. I believe that this body, practically the board of directors of the biggest business in the world, should be more adequately compensated. I believe if we stood up on our hind legs and said so and brought in a bill to pay what the majority of the Members felt is adequate compensation, we would be applauded by the people whose respect we want, and those are the intelligent people of our districts; and in my district, and I am sure in your districts, they constitute the majority.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. BENNET of New York. I yield.

Mr. COLE of Missouri. Did the gentleman say that to the voters of his district when he first ran for office?

Mr. BENNET of New York. That question did not come up and, if it had, I can tell the gentleman that I would have told them that I would vote for an increase in salary. I am saying it now, and I am going to run for reelection this fall.

Mr. GALLAGHER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have worked all my life in the lower-paid brackets. I have worked as a white-collar man and I have worked where I got calluses on my hands. In both categories I have worked in some places where I knew more than the man who was directing my services. There is nothing more unpleasant that takes the ambition out of persons and keeps them from doing their best than incompetent overseers. As a man who tries to look out after the interests of the common man and the people in the smaller brackets, I want to say there is nothing more essential for pleasant working conditions and for the development of ambition to advance than capable overseers and directors. It is just as much to the interest of the worker to see that competent men are placed over him in directing his services so that his talents can be used and so that he will have a chance to advance as it is for him to get a raise. We know times are pretty good in this country. The war is over. Before the war, competent men were taken from the Government on account of inadequate salaries. Now we have as scientists and directors of personnel some of the ablest men the Government has ever employed. I hope we do not lose them and thus lose efficiency in government and make it so that the common, ordinary employee of the Government does not have a chance to advance because his talents cannot be judged properly by incompetent superiors. I am for the bill as written.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. TARVER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am a Democrat of the horse-and-buggy days. I am rather proud of that fact. I believe that the only way to economize is to economize. I regret that more people in this country are not in accord with that principle.

Until last year I voted consistently against increasing the salaries of anybody connected with the Federal Government. I was one of four Members of this House who voted against a bill, passed 2 years or more ago, which proposed to give an increase in salary to the employees of the Post Office Department. Yet I have realized that, with the increases which have come about in the cost of living, the Congress can no longer ignore the right, especially the right of the lower-paid employees, not only in the Post Office Department but in other departments of the Federal Government, to an increase in pay which will afford them at least the same type of living that they had before the present inflationary trend began. I realize further that if this trend continues—and as far as I can see there is nothing in the wind to stop it—there must be further increases in salaries for these lower-paid employees of the Government, whether in the postal or other service of the Government within the not-distant future.

The thing I want to try to impress upon you is that if you enact either the pending bill or the substitute provisions which will be proposed by the gentleman from Kansas [Mr. REES], you will have departed from the pattern which you laid down in the passage of the bill 2 days ago for the benefit of the employees of the Post Office Department. I know it is said by the gentleman from Washington [Mr. JACKSON] and others that the other Federal employees not in the postal service received an increase in pay last year which was out of proportion to the increase in pay accorded to the employees of the postal service. But presumably the Congress last year in enacting those two items of legislation, the one dealing with the Post Office Department and the one dealing with the other branches of the Federal service, did what it thought was the right and fair thing to do as affecting all these various types of employees of the Government. So that when you go along as you did 2 days ago—and I helped do it—and pass a bill which provides for giving a straight-across-the-board increase to all employees of the Post Office Department, without regard to the salary which they now may be receiving, and then come in 2 days later and undertake to adopt a system of increases for the employees of other branches of the Federal Government which begins with increases of about $270, or some similar amount, and increases to perhaps $1,850 or $2,000 to those in the higher-paid brackets, you are, in my judgment, inconsistent, and you are making fish of one and fowl of the other. I think we should apply a straightedge to legislation of this type, and that those who are in the other branches of the Government ought to be given exactly the same type of treatment which we have accorded those who are employed by the Post Office Department.

The primary reason for giving increases in salaries to anybody is to enable them to defray the increased cost of living. A man who is making a salary of nine or ten thousand dollars a year is not suffering as far as his ability to meet the increased cost of living is concerned. The man who is suffering is the fellow in the lower grades, the man making $1,200 or $1,500 or $2,000 a year. He is the man who is having difficulty in meeting his living obligations in these days of high prices. Any legislation which we may pass ought to be enacted for his benefit. It was for that reason that while I might have differed with the recommendation of the Committee on the Post Office and Post Roads as to the amount of their proposed increase for postal employees, yet I was willing to go along with it because it primarily affected the lower-paid employees.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. TARVER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. The justice of the demand represented by this legislation consists in the higher living costs of those lower-paid employees of the Government, not in the claim of the $9,000- and $10,000-a-year men for additional compensation, because in these troubled days those men, if they are of the right caliber, ought to be willing to make some sacrifice to continue to serve their Government until this period of emergency is over; and the Lord knows it is far from over.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I assume that the gentleman has found out or estimated the difference in cost to the Treasury between the bill proposed by the committee and the amendment proposed by the gentleman from Kansas [Mr. REES].

Mr. TARVER. I have not made any calculation of my own, but if the gentleman will examine yesterday's RECORD he will find that the gentleman from Washington [Mr. JACKSON] said that the straight-across-the-board raise of $400 would not cost any more than the committee bill. The gentleman from Kansas said his proposal would cost $80,000,000 less than the committee bill.

Mr. ROBSION of Kentucky. That is what I had in mind.

Mr. TARVER. That is correct.

Mr. ROBSION of Kentucky. I got the impression that it was claimed that the $400 annual increase straight across the board would cost as much as, or more than, either one of these bills.

Mr. TARVER. That is correct. The difference is it would go to the lower-paid employees.

Mr. ROBSION of Kentucky. Yes; but if the gentleman will look at this list he will find that it does not exceed the $400 for the lower-paid people.

Mr. TARVER. That may be possible in some cases.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. WHITTINGTON. Is it not true that sooner or later there must be an adjustment with respect to the equality of salaries paid to comparable Federal employees and that that is a question that will be pending in the conference between the two bodies?

Mr. TARVER. I am glad the gentleman from Mississippi asked that question. I conceive this situation coming about: In the beginning of the next Congress if you pass the committee bill your Federal employees not in the postal service will come to Congress and say: "Why, last year you granted the postal employees a salary increase of $400 a year, but you granted us only $250 or $270. We ought to be placed upon the same basis as they in the same grades."

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. TARVER. Not at this moment. I will as soon as I have completed my thought.

The higher-paid employees of the Post Office Department—and they are not all $2,500-a-year men, they get as high as $12,000, as you heard, I believe, today—they will come to Congress saying: "Last year you granted all of the employees in the Federal Government in the other services an 18½-percent increase, but you granted us only $400. We are entitled to be placed on a parity with them."

And both groups of employees will be right, and the succeeding Congress, in my judgment, the Eightieth Congress, will pass legislation which will carry into effect their claims. So why not adjust the matter now? Why make fish of some and fowl of the rest? Why not place them all on the same basis and adopt the amendment to be proposed by the gentleman from Texas [Mr. LYLE], as a perfecting amendment to this section which will propose a straight-across-the-board increase of $400, just as we did for the postal employees?

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Washington.

Mr. JACKSON. Let me explain to the gentleman that actually in the two bills the percentages are the same. The reason the postal employees asked for this bonus was because they thought it was a more equitable way of making the adjustment to their employees. If you applied a flat percentage increase they would not benefit as much as they did from the straight-across-the-board increase. The net effect from the standpoint of cost and percentage is exactly the same in the two bills.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. TARVER. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. Mr. Chairman, the net effect is that under your bill the men who are getting the higher salaries will receive an increase of 18½ percent, as I understand it. If they are getting $10,000 that would be $1,850, while the fellow who is getting $1,500 receives the same rate of increase, which is about $270. The justification for this bill is that you are going to aid the employees to meet the increased cost of living. Now, who is more entitled to get this increase to meet the increased cost of living, the man getting $1,500 or the man getting $10,000? Why not give the same type of increase to all of them? If you are right in doing that for the postal employees why would you not be right in doing it here?

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. RANDOLPH. Mr. Chairman, we have not gone beyond section 1 of this bill. We want to get to section 2 so that the gentleman from Kansas may offer his amendment.

Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read as follows:

INCREASE IN CLASSIFICATION ACT PAY RATES

SEC. 2. (a) Each of the existing rates of basic compensation provided by section 13 of the Classification Act of 1923, as amended and supplemented, is hereby increased by 18.5 percent. Such augmented rates shall be considered to be the regular rates of basic compensation provided by such section.

(b) The increase in existing rates of basic compensation provided by this section shall not be construed to be an "equivalent increase" in compensation within the meaning of section 7 (b) (1) of the Classification Act of 1923, as amended.

Mr. REES of Kansas. Mr. Chairman, I offer an amendment.

Mr. LYLE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LYLE. Mr. Chairman, I propose to offer an amendment which will be in the nature of a perfecting amendment. I would like to know whether or not I would now be in order at this time to offer the amendment, prior to the consideration of the amendment about to be offered by the gentleman from Kansas?

The CHAIRMAN. In reply to the parliamentary inquiry, the Chair will say that under the unanimous-consent agreement the gentleman from Kansas will offer his amendment and have it pending. The gentleman from Texas can then offer his amendment as a perfecting amendment. The amendment offered by the gentleman from Texas under the unanimous-consent agreement will be voted on first.

The Clerk will report the amendment offered by the gentleman from Kansas.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: "Beginning on line 7, page 1, strike everything after 'Sec. 2 (a)' on that page, also strike everything on pages 2 and 3, and also strike everything up to and including the word 'repealed.' on line 21, page 4; and insert the following:

" 'The first sentence of section 405 (a) of the Federal Employees Pay Act of 1945 is amended to read as follows: "Each of the existing rates of basic compensation set forth in section 13 of the Classification Act of 1923, as amended, except those affected by subsection (b) of this section, is hereby increased by 45 percent of that part thereof which is not in excess of $1,200 per annum, plus 18 percent of that part thereof which is in excess of $1,200 per annum but not in excess of $4,600 per annum."

" '(b) Each of the existing rates of basic compensation provided for in subsections 405 (b) (1) and (2) of the Federal Employees Pay Act of 1945 is hereby increased by 17.5 percent. Such augmented rates shall be considered to be the regular rates of basic compensation, and such increase in said rates of basic compensation shall not be construed to be "an equivalent increase" in compensation within the meaning of section 7 (b) (1) of the Classification Act of 1923, as amended.

" 'INCREASE IN PAY RATES IN THE LEGISLATIVE BRANCH

" 'SEC. 3. (a) The first sentence in section 501 of the Federal Employees Pay Act of 1945 is amended to read as follows: "Except as provided in section 503, each officer and employee in or under the legislative branch to whom this title applies shall be paid additional compensation computed as follows: Forty-five percent of that part of his rate of basic compensation which is not in excess of $1,200 per annum, plus 18 percent of that part of such rate which is in excess of $1,200 per annum, but not in excess of $4,600 per annum."

" '(b) Section 502 of such act is amended to read as follows:

" ' "ADDITIONAL COMPENSATION IN LIEU OF OVERTIME

" ' "SEC. 502. Each officer and employee in or under the legislative branch entitled to the benefits of section 501 of this act shall be paid additional compensation at the rate of 10 percent of the aggregate of the rate of his basic compensation and the rate of additional compensation received by him under section 501 of this act, as amended."

"'INCREASE IN PAY RATES IN THE JUDICIAL BRANCH

"'SEC. 4. (a) The first sentence of section 521 of the Federal Employees Pay Act of 1945 is amended to read as follows: "Each officer and employee in or under the judicial branch to whom this title applies shall be paid additional basic compensation computed as follows: Forty-five percent of that part of his rate of basic compensation which is not in excess of $1,200 per annum, plus 18 percent of that part of such rate which is in excess of $1,200 per annum but not in excess of $4,600 per annum."

"'(b) The second sentence of such section 521 is amended by inserting after "section 405 of this act" the following: "and section 2 of the Federal Employees Pay Act of 1946."

"'(c) Section 522 of such act is hereby repealed.

"'INCREASE IN PAY RATES FOR CUSTOMS CLERKS AND IMMIGRANT INSPECTORS

"'SEC. 5. The first sentence of section 602 (a) of the Federal Employees Pay Act of 1945 is amended by changing the semicolon which follows the words "of this act" to a comma, and inserting after the comma the following: "as amended by the Federal Employees Pay Act of 1946;".

"'INCREASE IN STATUTORY PAY RATES IN THE EXECUTIVE BRANCH NOT UNDER CLASSIFICATION ACT

"'SEC. 6. The first sentence of section 602 (b) of the Federal Employees Pay Act of 1945 is amended by changing the semicolon which follows the words "of this act" to a comma, and inserting after the comma the following: "as amended by the Federal Employees Pay Act of 1946;"'"

Mr. RANDOLPH (interrupting the reading of the amendment). Mr. Chairman, the amendment that is being read was placed in the RECORD yesterday by the gentleman from Kansas [Mr. REES]. I ask unanimous consent that the further reading be dispensed with and that it be printed in the RECORD at this point.

Mr. WHITTINGTON. Mr. Chairman, reserving the right to object, I do not understand about section 7. Under the unanimous-consent agreement I believe there was to be separate treatment of section 7, and the gentleman's proposed substitute includes section 7.

Mr. REES of Kansas. Under the agreement, section 7 is left out of my present amendment.

Mr. WHITTINGTON. But it was read in the gentleman's present amendment. It ought to conclude at the end of line 18 instead of line 21.

Mr. REES of Kansas. In any event, the proposal, under my amendment, omits section 7.

The CHAIRMAN. Without objection, the amendment will be modified to read "down to and including line 18 on page 4." so as to leave section 7 in the pending bill.

There was no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. REES of Kansas. Mr. Chairman, I think the issue with respect to this legislation now is fairly well drawn. The question is whether this Committee wants to adopt the provisions reported in the bill now before the Committee or whether it wants to adopt the provisions that I have submitted which are, after all, a modification of the bill that passed the other body, or, thirdly, whether the Committee expects to support legislation that will provide $400 for every Federal employee included under this legislation.

Mr. Chairman, the proposal I have submitted, in my judgment, is just about as fair and equitable as can be arranged. Last year this Congress passed an act by which it increased the salaries of Federal employees on a graduated scale. That scale, by the way, if you are not familiar with it, provides a formula that a 20-percent increase is granted on the first $1,200 or fraction thereof, 10 percent on $1,200 up to $4,600, and 5 percent above that amount. The proposal I have submitted goes back to the base pay in effect in June 1945, and increases the base pay of $1,200, or fraction thereof, by 45 percent, and provides for an increase of 18 percent on the next $3,400 or fraction thereof.

I have prepared extra copies of a table showing comparative figures showing comparisons between the committee bill and the proposal I have submitted. I suggest you examine it carefully.

You will observe that under the pending bill the $5,200 employee of a year ago is increased to $6,884 under this bill. My proposal would pay him $6,352, which is $1,684 above the $5,200.

Then if you go up to the employee receiving $6,000 a year ago, my proposal would pay him $6,650. The pending bill gives him $7,880.25, a $1,880 increase.

The $8,000 man under the increase last year got $8,750. Under my amendment he would be increased to $9,152. Under the present bill he would get $10,368.75, or a $2,368 increase.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. REES of Kansas. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. The $9,500 man last June got $9,275 in the increase. I increase that a little and give him $9,652. Under the present bill he would get $10,990.87.

Mr. Chairman, the proposal I have submitted starts at an increase of 20.6 percent on the first few grades, but it is an over-all increase of 15.5 percent. My statement yesterday was that it was 15.6 percent, but the Civil Service Committee officials have advised it is 15.5 percent. The larger percentage are in the lower-paid groups, the larger incomes get much smaller percentages. The cost of my bill on the basis of 978,000 employees will be $354,000,000. It is less in total amount but does provide for equitable adjustments favoring the lower-income groups. Of course, on the basis of the employment we have today, which is approximately 1,300,000, the cost of all proposals would be increased accordingly. I direct your attention to the fact that even with these conservative figures, this bill costs less money than the proposal submitted by the committee. It gives more to those in the low brackets and gives less, considerably less, to those in the high brackets. In my judgment, the proposal is fair and equitable. I trust you will consider the matter carefully. In my humble judgment, it is equitable and entitled to your approval.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. Is it true, on the basis of employment as it is today, your bill, which costs less than the other, would cost over half a billion dollars?

Mr. REES of Kansas. No.

Miss SUMNER of Illinois. How much would it cost?

Mr. REES of Kansas. It would cost $35,000,000.

Miss SUMNER of Illinois. Does that include the payments the Government makes toward the retirement of these people?

Mr. REES of Kansas. No; these are salary payments.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Washington.

Mr. JACKSON. For the purposes of the RECORD, assuming the figure of nine-hundred-and-some-odd-thousand is reached, as proposed by the Bureau of the Budget, the actual cost of taking care of the pay roll for the Federal employees will probably be reduced in the over-all cost. I think that ought to be clarified. If you can cut down the number of employees, the amount we are appropriating for this purpose will actually be less than what we now pay.

Mr. REES of Kansas. I agree, we should be realistic, but we have 1,300,000 at the present time who come under this bill. Therefore, what reduction will come about has yet to be determined. We hope, of course, the reduction will be considerable. I pointed out yesterday that up to the present time in 44 of our old-line agencies the figures of the Bureau of the Budget indicate an increase rather than a decrease, and as of January this year the decrease was only 2,500 employees. Therefore, it does not seem to be a very favorable outlook so far as reductions are concerned. I intend to propose an amendment to the pending bill that would make it effective only when the number of employees has been reduced to the 900,000 indicated by the gentleman from Washington. Let me direct your attention to the fact that my proposal will save more than $80,000,000 annually over any other proposal that has been submitted. Why not give some consideration to the overburdened taxpayer against whom you are charging this bill.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. ROGERS of Florida. Mr. Chairman, I ask unanimous consent that the gentleman from Kansas [Mr. REES] may proceed for one additional minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. Can the gentleman state how many of these employees out of the 1,250,000 receive salaries of less than $4,000?

Mr. REES of Kansas. The estimate is about 60 percent I am informed. We have had difficulty in getting anywhere near exact figures. I believe it is about 60 percent. It may vary one way or the other.

Mr. ROGERS of Florida. Then the proposal for a $400 across-the-board increase would benefit at least 60 percent more people than would be benefited under the present bill?

Mr. JACKSON. Mr. Chairman, I yield to the gentleman from Texas [Mr. LYLE] for the purpose of offering an amendment.

Mr. LYLE. Mr. Chairman, I offer an amendment, and I ask unanimous consent that the amendments, written in five parts, all dealing with the same philosophy, be considered at one time.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments offered by the gentleman from Texas.

The Clerk read as follows:

Amendments offered by Mr. LYLE:

On page 1, line 10, strike out the figures and words "18.5 per centum" and insert in lieu thereof the figure and words "$400 per annum."

On page 2, line 16, strike out the figures and words "18.5 per centum" and insert in lieu thereof the figures and words "$400 per annum."

On page 3, lines 4 and 5, strike out the figures and words "18.5 per centum" and insert in lieu thereof the figure and words "$400 per annum."

On page 3, line 16, strike out the figures and words "18.5 per centum" and insert in lieu thereof the figure and words "$400 per annum."

On page 4, line 12, strike out the figures and words "18.5 per centum" and insert in lieu thereof the figure and words "$400 per annum."

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield.

Mr. WHITTINGTON. I would understand that in the event your perfecting amendment is adopted you would follow up with an additional amendment or a unanimous-consent request to perfect the remaining language by striking out the word "percentage" and inserting in lieu thereof the word "sum."

Mr. LYLE. That would be necessary, yes.

Mr. Chairman, I certainly do not intend to step into the shoes of this splendid committee that reports this bill. I do say, however, I am not altogether unfamiliar with the question of pay increases because I sat on the Committee on Post Offices and Post Roads and heard the testimony.

I believe I express the philosophy of many Members of this House that the time is not opportune to consider a reclassification or a general salary increase. However, I am sure that every Member recognizes the necessity of providing additional money to Federal employees so that they may compensate themselves for the increased cost of living. I cannot convince myself, however, that the cost of living has increased for one man $300, and for another man $1,000 or $2,000 or $3,000.

I believe it is wiser at this time to permit you to express the philosophy that you did express recently on the post-office bill, that is a more or less bread-and-butter bill.

The difficulties that people are having now do not come to people in the $10,000 bracket. I can well remember when I made $15 a week, and I well know the difference between that and $10,000 a year. You do not have nearly as many difficulties on a $10,000-a-year income as you do on a $15-a-week income or a $2,000-a-year income. Certainly, I would be the last to say that the splendid employees of the Federal Government are not worth what they are being paid. Perhaps they are worth a great deal more. I shall certainly at the proper time and under the proper circumstances support a reclassification and perhaps salary adjustment for those people.

For instance, I think the splendid Parliamentarian of this House is worth a great deal more money than he is getting, and I do not know how much it is. But it is not just the proper time, in this world all messed up. Money does not mean a great deal. How much it will buy is very difficult to determine. The House day before yesterday presented to the postal employees each $400. I am sure that will be helpful to them, I am sure it will be helpful to all Federal employees. I think it is just, but I do not believe I can reconcile my position with the philosophy that $400 was proper for postal employees but that the other Federal employees should be treated on a different basis.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield.

Mr. SMITH of Ohio. What would be the total annual cost of the program under the gentleman's proposal?

Mr. LYLE. It would depend upon how many Federal employees there were who got the raise, but it would be $400,000,000 on the basis of a million employees.

Mr. SMITH of Ohio. But with 1,250,000 employees would it not be nearly $500,000,000?

Mr. LYLE. If there are another 250,000 employees it would mean another $100,000,000 cost.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield.

Mr. RANDOLPH. I know the gentleman in presenting his $400 across-the-board amendment has not attempted to bring to the thinking of his colleagues that there would be any substantial saving over the formula contained in the bill in the actual over-all cost.

Mr. LYLE. The gentleman is correct.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question?

Mr. LYLE. I yield.

Mr. DONDERO. Does the gentleman's amendment provide that this increase shall not apply to those receiving a salary of $5,000 a year or more?

Mr. LYLE. No; it does not.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield.

Mr. JACKSON. I assume that the gentleman in view of his position, which I understand is to treat on an equal basis these employees for whom we are legislating today, to treat them on the same basis as the postal employees, will be willing to make it retroactive to the 1st of the year as was done in the case of the postal employees.

Mr. LYLE. Yes; I would accept that, speaking for myself. I do not, however, know what the other Members will do.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that the gentleman from Texas may proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield.

Mr. WHITTINGTON. It is true, however, that the gentleman's amendment does not provide for retroactive pay, does it?

Mr. LYLE. That is correct.

Mr. WHITTINGTON. And neither does it deal with the ceiling of $10,000.

Mr. LYLE. That is correct.

Mr. WHITTINGTON. Because that is covered by section 7 to be considered later.

Mr. LYLE. That is correct.

Mr. Chairman, I do not flatter myself that I can at all influence the membership of this House; I would not do that; each Member has a responsibility which he must meet. I feel that this would be fair and equitable to every Federal employee. I shall not get angry if you refuse to adopt my amendment, I shall not vote against the bill, I will vote for it; but it occurs to me that those people who need help the most are those in the low, very low income brackets; and I am not nearly so concerned at this time with the $8,000, $9,000, or $10,000 man as I am with people trying to get along on $2,000 a year. In other words, I am reliably informed that approximately 67 percent of the people affected by this proposed pay increase are now earning $2,100 or less. That means that of the million and a quarter Government employees who would come under this bill, roughly 820,000 would receive more money at a flat $400 increase than they would at 18½ percent, while something over 400,000 in the higher income brackets would receive less, the difference being graduated from the top down. To give a clearer idea of the effect of my proposal, as compared with the original bill, Federal employees in the lowest income bracket affected would receive a 25-percent increase; those making $2,100 would get an increase of 19.2 percent. At the other extreme, however, a man now making

$10,000 would receive a 4-percent increase, while one farther down the income line, making $3,970, would be increased approximately 10 percent.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield.

Mr. WHITTINGTON. I have no desire to interrupt the gentleman but with respect to the question of cost, I think it is fair to say that if the gentleman's amendment is figured on the basis of 900,000 employees, which was the base taken by the gentleman from Kansas in arguing for his amendment, the cost would be around $350,000,000 or substantially the same as the Rees amendment.

Mr. LYLE. That is correct.

I must in all fairness to the membership say that I do not offer this amendment in an effort to save anything for the Government, because we do not seem to feel concerned with that in the consideration of these two bills; I am offering it because I consider it is more to the benefit of the lower paid employees, the ones I feel deserve the greater increase.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield.

Mr. COLE of Missouri. Based on the statement just made by the gentleman from Mississippi [Mr. WHITTINGTON], the Lyle amendment would be a saving over the cost of the bill as reported from the committee.

Mr. LYLE. I think there is some question about that. I am not sure and I would not care to be specific.

Mr. LECOMPTE. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Iowa.

Mr. LECOMPTE. Does the gentleman's amendment raise the salaries of all employees, even those in the $1,200 and $1,500 class?

Mr. LYLE. Yes.

Mr. LECOMPTE. Four hundred dollars a year?

Mr. LYLE. It raises the salary of every employee covered by H. R. 5939 by $400.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is it not true that if the Committee of the Whole desires to leave that ceiling at $10,000, or any other high amount, all you would have to do would be to modify section 7, which is not being considered now, so that section 7 would reenact existing law? That would make this inoperative as to salaries of $10,000 or more. A vote for this amendment is not a vote to increase the $10,000 ceiling if the Committee did not desire to do so.

Mr. LYLE. That is correct.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. JACKSON. Mr. Chairman, I rise in opposition to the amendments submitted.

Mr. Chairman, I want to commend the gentleman from Texas for his fairness. He has given to the House a very fair statement of his position and has indicated very frankly, and I know he is sincere about it, that the cost of the two proposals runs about the same. His position is that we ought to adopt the same formula for the group we have before us as we did for the postal employees.

I pointed out to the members of the committee yesterday that 61 percent of all of the employees of the Federal service receive $2,100 and less. That is where the bulk of your cost comes in connection with this legislation. We are all interested in trying to reduce the number of people on the Federal pay roll. Frankly, if we are ever going to have a reduction, we will have to have better administrators at the top and in key positions.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Nebraska.

Mr. CURTIS. When the gentleman says that 61 percent of the employees receive $2,100 or less does he refer to their basic salary as $2,100, or is that the actual amount they are getting at the present time?

Mr. JACKSON. That is the actual amount they are getting at this time. I received those figures from the Civil Service Commission.

Mr. Chairman, the key to this thing is to get good people in these top positions. The cost of accomplishing that is practically negligible.

Let us be fair about this and get the facts. I pointed out yesterday that raising the ceiling beyond $10,000 would only cost $2,300,000 out of a total cost involved here of around $400,000,000. Do you not think that is a fair investment in getting good personnel and administrators in the Federal service? Some of the Government corporations and agencies have a tremendous job to do. We all know that in private industry they have to pay their men more in order to get a real job done. We certainly should not limit the pay of outstanding administrators and scientists just because we will not adjust our own salaries. Just the other day we recognized the need in the Veterans' Administration for increases, and what did we do? We raised the salaries of doctors and some other people down there beyond $10,000.

We are facing a very serious situation, Mr. Chairman, in connection with scientific research relating directly to the national defense. For the benefit of the Members of the Committee let me quote some of the testimony that was given to the subcommittee.

This committee considered this matter very carefully for over a week. Quite a voluminous record of the hearings is available to the Members of the House. No Member of the House appeared before the committee in opposition. Frankly, our subcommittee came in with a different proposal. The proposal of the subcommittee was for 17 percent and for a ceiling of $10,000; in other words, a $10,000 limit, except for the setting up of two new classifications beyond $10,000, namely, $12,000 and $14,000. We felt that that would be more workable.

After full consideration by both the subcommittee and the committee all of us except three felt that it ought to apply equally to all branches, because it is very hard to limit the particular agencies involved in research and issues relating to national defense.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. After we had discussed the matter thoroughly, the gentleman and the other members of the subcommittee joined with the members of the full committee in believing that we could not legislate for a certain group without making it class legislation, and we believed that the administrators were just as important as were the scientists or perhaps the research personnel in the over-all upper brackets of the Federal Government.

Mr. JACKSON. The gentleman is correct, and I made the motion to make the adjustment to 18½ percent.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. I believe the gentleman stated a while ago that 61 percent of the Federal employees are receiving $2,100 or less; is that correct?

Mr. JACKSON. That is correct. At the present time that is where the bulk of your cost is.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. JACKSON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. ZIMMERMAN. Mr. Chairman, if the gentleman will yield further, for my own information, how much of the proposed increase that it is estimated will go to our Federal workers will this 61 percent get, and how much will the 39 percent get of the proposed increase under the bill?

Mr. JACKSON. I can only do a little guessing. I might put it this way to the gentleman: For those beyond $10,000 and above, the cost will be $2,300,000. Obviously, out of this total cost of $420,000,000, well over half of that cost is in the category ranging from $2,100 on down. As a matter of fact, as I recall, about 80 percent of all the employees in the Federal service receive $3,000 and less.

Mr. ZIMMERMAN. It seems to me the conclusion is the other way. I think the lower-income brackets are going to suffer far the lesser amount of this increase.

Mr. JACKSON. The percentage is the same.

Mr. ZIMMERMAN. Another question for information. How much increase will the man who gets $2,100 a year receive under this bill?

Mr. JACKSON. Eighteen and one-half percent of that.

Mr. ZIMMERMAN. Well, figure it out in dollars.

Mr. JACKSON. Someone said $2,488.50. I will take their word for it. It is all set out in the report.

Mr. ZIMMERMAN. I have not had a chance to see that.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. The gentleman should point out, and I know he will, that the pay-increase bills for 1945 and prior to that date gave a greater percentage to the lower-income brackets, and this time they are going simply across the board; and, taking all of the increases, we find that the lower-income brackets have properly received the greater amounts; is that not correct?

Mr. JACKSON. The gentleman is absolutely correct. The bill we passed last year, the so-called Federal Employees Pay Act of 1945, provided 20 percent on the first $1,200, 10 percent on $1,200 to $4,600, and 5 percent on $4,600 and up.

Mr. ZIMMERMAN. It is conceded here that the $400 increase for all Federal employees will cost about as much as your bill?

Mr. JACKSON. That is right.

Mr. ZIMMERMAN. If, as the gentleman says, the 61 percent would get approximately that much or more, then I do not see how you can say that they would get as much when we admit that some of these others will receive over $2,000. I do not see how that will figure out.

Mr. JACKSON. Under the $400 increase proposition, everybody would just get $400.

Mr. ZIMMERMAN. I know that, but why should not the low-paid people be as well off under this bill as under the $400 increase?

Mr. JACKSON. In certain categories they would not be; that is correct.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Ohio.

Mr. JENKINS. Answering the question of the gentleman from Missouri, there are thousands and tens of thousands who would not get a $400 increase. The gentleman's position is absolutely right.

Mr. ZIMMERMAN. That is what I am trying to say to the gentleman.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. JACKSON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. JACKSON. Mr. Chairman, I want to read a telegram sent to all Members of Congress today from William Green, president of the American Federation of Labor. We all know he has a keen interest in the lower-paid white-collar group. In this telegram he said:

> The American Federation of Labor will greatly appreciate and respectfully request your support today of H. R. 5939 as reported by the Civil Service Committee, which is a bill carrying much-needed and deserved increases of salaries for classified Federal employees.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Will the gentleman give the committee the names of some of the Federal employees who receive over $10,000 a year and who would leave if their salaries stay as they are now but would stay if the committee bill went through?

Mr. JACKSON. Their names?

Mr. VORYS of Ohio. Yes. A committee from the Federal Employees Union called on me, and there was not one of them who intended to leave, whether his salary was changed or not. One of the things we must think of is what valuable people we are going to lose from the Federal service if we fail to pay enough.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. The facts are that each and every day we are losing key personnel of the class mentioned by the gentleman. We are also losing men within the House of Representatives. We do not need to call the names. You know men who have retired voluntarily from this body and who have said themselves they were doing it because of the lack of pay for the job they were doing. Is the gentleman saying we are not going to lose within the Congress, voluntarily, as well as within the Federal executive structure, men who believe that they are entitled to more than the $10,000 they receive for their jobs?

Mr. VORYS of Ohio. I think the Members we lost from the House might well be like the men Mr. Bowles referred to before the gentleman's committee. He mentioned people who would get three to five times as much outside the Government as they are getting with the Government. My point was merely to have the gentleman's committee give us names, or at least one name, the name of some man in the bracket above $10,000 who is leaving the Federal service because of his low salary but who will stay if he gets 18.5 percent more.

Mr. RANDOLPH. We cannot say who will stay but we can put in the record those men who are leaving the Government. Of course, we cannot say who is going to stay.

Mr. VORYS of Ohio. This bill is going to affect men who are still there. We want to hold them. We want to attract men who are on the outside. It certainly will not affect those who have left the Government.

Mr. JACKSON. Mr. Chairman, I cannot yield further to the gentleman. I have some quotations which, if the committee will be patient, I believe will give the answer to some of these points that have been raised.

Mr. Bowles, who appeared before the committee, is one of a number of outstanding business executives who has come to the Government at a great financial sacrifice. He made much more in private industry. He brought with him a number of outstanding business executives to the OPA. Mr. Bowles in his testimony before the committee mentioned a man by the name of Kitchen in his department who makes about $50,000 in private industry. I understood that if he could get a little more than the $8,500 the Government is paying him now so that he could meet his cost-of-living expenses, and he would stay with the Government. There are other men similarly situated.

Let me refer for a moment to an excerpt from the testimony of Dr. Vannevar Bush, Director of the Office of Scientific Research and Development. This is what he had to say:

> The matter of salary scales is divided into two parts: First, the starting salaries that can be offered to youngsters or young men beginning a professional career in order to attract them to the Government service; and, second, opportunities that can be offered for future advancement—what ultimate salaries could they attain if they remained in the service. Now, the first has obviously to do with attracting good, desirable men, and the second has to do with retaining them. But the second also has to do with attracting them, and, to my way of thinking, it is just as important as the first.
>
> If we were to have a condition in which there were adequate starting salaries but too low a ceiling on the possibility of a man's advancing, then we would not attract the right type of men, I am sure. In the Government we need good men who want to go to the top of their profession. Very few would do that, in the very nature of things, but the fact that top salaries are adequate will make a great difference in drawing into the public service the type of men we should acquire and retain.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Texas.

Mr. LYLE. I am sure you can get better men if they are offered more money. I was very much impressed in reading your report wherein you discussed the philosophy of the committee last year where you started with a large percentage in the low bracket and graduated it up. If you will translate the amendment I have at the Clerk's desk you will find it is in percentages. You will find, say for the $1,700-a-year man, it would run about 23 percent and then graduate up. Would you tell the House why you have decided that a graduated percentage is not as commendable this time as it was the last time?

Mr. JACKSON. I would be happy to explain that to the gentleman from Texas. In our report last year we stated that as far as the higher salary bracket group was concerned, they were not being treated equitably. We pointed that out in the report. We said that the next time salary adjustments were made, equitable consideration should be given to the people in the higher-salaried brackets. The last time we followed the 20, 10, 5 formula. This time we decided on the straight-across-the-board increase to all the employees in the Federal service. If the members of the committee will turn to page 24 of the hearings, there is a break-down of the salary increases that were granted and the increases necessary to meet the cost of liv-

ing. Consider a CAF–1, for example; that is a person receiving $1,506 a year. The last time they received an increase of 19.5 percent. Their total cost-of-living increase was 34 percent, so that you need 13 percent more in order to meet that. But as you go on down you will find, for instance, a P–7, or a CAF–14, who now receives $7,175. They would require 20.5-percent increase in order to just meet the increased cost of living.

If you believe that the people in these higher brackets have not suffered from the effects of the increased cost of living, then you should not vote for the committee bill. You should vote for this amendment. But you know and I know that is not true. Certainly a man who is earning five or six thousand dollars a year and has children to put through school has suffered from the effects of the increased cost of living just as much as some of the other people. The people in the lower brackets will be given adjustments beyond the increased cost of living under the amendment offered by the distinguished gentleman from Texas [Mr. LYLE] and the amendment offered by the distinguished gentleman from Kansas [Mr. REES].

I am just trying to be fair to the people in all salary brackets. It may not be quite the popular thing to do, but I repeat again, if we are going to get good men in the Government service, we are going to have to pay them more. I am especially pleading for these research people who are being given jobs in private industry because the Government cannot pay them a sufficient sum of money.

I hope the committee will vote down the proposed amendment.

The CHAIRMAN. The time of the gentleman from Washington [Mr. JACKSON] has again expired.

Mr. MILLER of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the question resolves itself to this, as I see it: Are we going to pay Federal employees on a subsistence basis, measuring the remuneration that we give them according to the cost-of-living index of the time, or are we going to reward their services for the responsibilities they accept, the training they have had, or the technical skill that they have acquired to qualify them for important positions in Government?

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield.

Mr. JACKSON. Is it not correct that in the setting up of the Manhattan project, which brought about the atomic bomb, it was necessary for the War Department in order to get the type of men necessary to do that job, to circumvent the salary ceilings by giving a lump-sum appropriation and in some cases they paid as high as forty or fifty thousand dollars a year to keep the personnel to accomplish that very thing?

Mr. MILLER of California. I believe that is true.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield.

Mr. REES of Kansas. Was not the sort of thing which the gentleman from Kansas proposed be taken into a separate group, and let them be paid whatever is required to be paid for their services?

Mr. MILLER of California. It is what the gentleman from Kansas proposed. It is also something that is repugnant to many of us. We do not want to turn scientific investigation over to the Army or the Navy. Some of us believe that the atomic bomb should be under the jurisdiction of civilian scientists.

Mr. REES of Kansas. We are not talking about the atomic bomb. We are talking about scientists.

Mr. MILLER of California. Well, that was the basis of it.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield.

Mr. JACKSON. Is it not correct that General Groves and Dr. Bush testified that it is far better to set these salary scales up beyond $10,000, so that these young men who are now working in the Government on many of these vital projects relating to the national defense, will have an opportunity to some day achieve that goal of twelve or fourteen thousand dollars, but if you give a lump sum there is no assurance what the salary will actually be 10 years from now, or even 5 years from now.

Mr. MILLER of California. That is correct.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield.

Mr. RANDOLPH. If we gave lump sums to the War and Navy Departments, there would be absolutely no check upon the amount of money that could be paid. Is that not correct?

Mr. MILLER of California. That is correct.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield further?

Mr. MILLER of California. I shall be pleased to yield to the gentleman from Kansas.

Mr. REES of Kansas. As I understand the discussion is largely with respect to the scientists who were working for the Navy and the War Department, and, after all, those men who did that splendid piece of work did not come from civil service, they came from the outside, they came from private industry where they were developed.

Mr. MILLER of California. Let me say to the gentleman from Kansas that he remembers that either Dr. Vannevar Bush or Dr. Condon said that the next war could be a bacteriological war and that we might need other types of training than that which could be given by the Army or the Navy.

With the permission of the membership, I should like to continue.

I seriously invite those people who are interested in this question of young men, skillful scientists, or capable administrators—this thing is not limited to technical people—to read the statement of Mr. Bradley, Chief Geologist of the Geological Survey, commencing at page 249 of the hearings. I call attention to his statement for the reason that he pointed out that this Government frequently is the loser because of its salary policies. He points out how young scientists—young geologists—enter the Geological Survey and when they reach the point where they are receiving $3,000 or $3,600 a year, after they have been with the Government for 7 or 8 years, they are siphoned off by the big oil companies who offer them salaries ranging up to $10,000 a year. They generally take these men in at nearly double the salary the Government pays them.

The Government is the training school.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MILLER of California. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MILLER of California. The Government is the training school. In this particular instance he pointed out that there was no incentive to hold these men in Government, and what is true here is true, to my way of thinking, in other branches of the Government.

The gentleman asked if we could cite an instance of someone having left the service. I remember a newspaper article I caused to be inserted in the RECORD dealing with the late Assistant Secretary of the Navy, Mr. H. Struve Hensel, who recently resigned after doing an outstanding job in that position.

Among other things he said that—and I quote from the United Press article:

As a private citizen—

Hensel said—

he is going to make a one-man crusade now in order to get business and professional men to serve a tour of duty in Washington. Chief stumbling block to his proposal was the present low pay scales in high Government jobs.

As Assistant Secretary of the Navy, Hensel made $9,800 a year.

He said:

Frankly, I wish I did not have to go; I should like to stay in the Navy; I wish I could make Government a career. I think the 5 years I have spent in the Navy, which passed quickly, have been of inestimable value.

In going back to his private practice he is making much more than he was getting in the Government.

Again, Mr. Chairman, the question is this: We have taken care of the so-called blue-collar employees—those people who work in the arsenals and shipyards whose salaries are adjusted by the wage boards; we have taken care of the postal employees. These people are confined to one branch of the Government—a specialized branch of the Government, if you please. Now come the technicians, the administrators, the people who run the Government. Why, take the Army engineers alone, and the great responsibility placed on them—and they are doing a great job—or the Bureau of Reclamation, where the Chief of the Bureau, getting $9,000 a year, deals with contractors getting $50,000 a year. I ask you to approach this problem rationally.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. HOOK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise at this time to pay a compliment to the members of the subcommittee who handled this bill. The gentleman from Washington [Mr. JACKSON] has done a very fine job with the help of the gentleman from Louisiana [Mr. MORRISON], the gentleman from California [Mr. MILLER], the gentleman from Maryland [Mr. FALLON], the gentleman from Kansas [Mr. REES], the gentleman from Massachusetts [Mr. HERTER], and the gentleman from New York [Mr. BYRNE]. There were seven members on that subcommittee. Six members were unanimous for the provisions of the present bill. The Civil Service Committee constitutes 21 members and that committee voted 20-to-1 in favor of the provisions of the present bill after very thorough and serious consideration. That ought to be taken into consideration. Remember, Mr. Chairman, there was only one dissenter in the whole committee when the committee voted 20-to-1 for the present bill.

Let us see whether the provisions of this bill were proposed because of the rise in the cost of living. I understand that is the basis upon which most of the argument has been made for the increase. Bear in mind that was really not the purpose of this bill. The purpose of the bill, as I understand it, is to bring the purchasing power of these people to a par with what it was previous to the war. Having that in mind the 18½ percent is the formula that should be applied.

Mr. Chairman, if I wanted to play politics I would probably say we should not give any raise to those receiving a salary of over $5,000, we should raise them from the bottom up, but I believe that a man should be paid according to his ability. If he is hired at a salary of $10,000 a year and another person is hired at a salary of $5,000 a year and there is to be an increase, they should both get a proportionate increase.

You want to remember that in the postal bill there were a good many of those boys who ring doorbells. But there are not any in the higher brackets of the Government who are out ringing doorbells. We need efficient men to administer the departments of our Government. You are not going to get those efficient men by just giving a $400 increase across the board or by adopting the provisions of the amendment offered by the gentleman from Kansas.

As I said yesterday, it seems to me that several years back our late lamented President Roosevelt made a proposal that salaries be restricted to $25,000, and to my surprise most of those who are refusing to break through the $10,000 ceiling here are those who opposed President Roosevelt's recommendation. We were willing to kite the executive salaries in private industry and allow those to go sky high without any restrictions, but when a bill is submitted to this Congress to reward the men who give up their life's work in the interest of government, then you want to limit them; you want to cut them down, and you want to stifle ambition. I do not believe we are going to get efficiency in government by stifling ambition.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOOK. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOOK. I believe that the Federal employees are entitled to a 20-percent raise. I so advocated in the committee. There were other proposals. The compromise was 18½ percent.

As I said yesterday, I was surprised to listen to certain individuals who preach conservatism on the floor of the House day after day, who fight communism and communistic principles, and then advocate a proposition of bringing up the lower brackets and bringing down the higher brackets, which, if applied right down the line, would bring them all on a level regardless of ability. If that is not communism and a communistic principle, I do not know what is. America and democracy have advanced only through ambition and through opportunities given a person to go to the top. When the United States Government and its elected officials refuse to recognize the principle laid down in democracy, that is, reward for ambition, reward for efficiency, and reward for doing a good job, then we are in a very bad condition. I think that this committee has done a very magnificent job. As I say, 20 members of that committee voted unanimously for the provisions of this bill.

I hope this House on both sides of the aisle will follow the recommendations of the Committee on the Civil Service as proposed in this bill.

Mr. RANDOLPH. Mr. Chairman, I am sure my colleagues know that I do not desire to shorten any debate. I am only attempting now, and I believe it is practicable, to ask unanimous consent that all debate on this amendment and all amendments thereto close in 25 minutes.

Mr. HINSHAW. Mr. Chairman, reserving the right to object, I would like to say to the chairman of the committee that we have high respect for his judgment, but when so many members of the committee, including myself, take 15 or 20 minutes on the floor, the rest of us do not get any opportunity to speak. I hope the gentleman will withdraw his unanimous-consent request until some of those who are not members of the committee have had a chance to speak on this amendment and the bill.

Mr. CURTIS. Reserving the right to object, Mr. Chairman, may I point out that no one has been recognized except members of the committee, and one member of the committee was recognized for 20 minutes.

Mr. RANDOLPH. Mr. Chairman, I am sure I do not have to repeat my desire to have full debate. I was simply seeing how many Members were on their feet seeking recognition at the time I made the request. I thought that that did accommodate those who wanted to speak. I withdraw the request, Mr. Chairman.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I think I have always been quite generous in yielding to my colleagues in debate, but I hope that no one will ask me to yield in the few minutes that are available to me so that I shall not have to ask for additional time.

When I came on the floor of the House yesterday I picked up this committee report and was temporarily scandalized at some of the salary increases that are being permitted by this bill. In listening to the debate and hearing the other Members talk who have amendments to offer, it developed that there is very little difference between the propositions they offer, insofar as the over-all cost is concerned, and the proposition presented by the committee. It is a question of $400,000,000 one way or the other. Apparently it is purely a matter of whether you make it a $400-per-year increase to all grades or a somewhat graduated scale, as proposed by the gentleman from Kansas, or a straight percentage increase, as proposed by the committee itself.

I was first inclined to go along with the proposal of the gentleman from Kansas, and then, in consideration of the debate, I came to the directly opposite conclusion, and I have now decided to go along with the committee position, which I understand is supported 19 to 1 by the members of the committee themselves.

There is one little maxim that I learned through a great many years of business experience, and there is no one in this House who has had any business experience who will disagree with it, and that maxim is that "the benefit of low price is never equaled by the bitterness of poor quality." That is an old maxim, but it is nevertheless true.

I know and you know that, while we cannot sit down here, perhaps, and name them, as my friend from Ohio would like to have us do, nevertheless a great many men in this Government in the professional and higher administrative and custodial grades are leaving the Government service. They will not say, perhaps, that it is directly caused by the salary, but it is the living conditions and the cost and all the rest of it that goes along with it. I am going to be very happy to see men like Welch Pogue and others retained in the Government if you have to pay them $15,000 a year or if you have to pay them $20,000 a year to get them to stay in the Government of the United States, so that the value of their experience and the value of their counsel will be available not only to us but to the other members of the Government. I think it is good policy. I would hate to think that the time had come when we had started to bargain with these men who are in the higher positions in the Government on the basis of whether or not they will stay if they are not given a salary increase. I am not in favor of that position. I am in favor of rewarding them just the same as they would be rewarded if they were out in private industry. That is why I am going to change my mind from what it was yesterday when this matter was first brought

to the floor, and go along with the committee position.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Washington.

Mr. JACKSON. I commend the gentleman from California on the very sensible approach he has taken to this problem.

Mr. HINSHAW. May I say that this is the first time since the gentleman from Minnesota [Mr. GALLAGHER] became a Member of Congress that I have been able to agree wholeheartedly with him on a controversial issue. I think he made a very sensible statement on this issue.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, the bill before us is a difficult one. I have very high regard for the members of the committee. It strikes me that the perfecting amendment to increase salaries $400 across the board offered by the gentleman from Texas [Mr. LYLE] is probably the least objectionable of any of the pending proposals. It has been said that all salaries should be increased. I favor adequate salaries for all Federal employees. I am not alarmed that some Members of Congress are retiring to private life for larger salaries. I would regret to be a Member of the House of Representatives when it comes to a time that there are no Members of the House worth more than $10,000 or who could earn more than $10,000 in private enterprise. I am not alarmed when some people leave the Government service because they can get more than $10,000 in private employment. I want to remind you now that there are provisions whereby experts can receive a lot more in times of peace than $10,000 a year. The great engineers of the country are employed by the Bureau of Reclamation and by the Chief of Engineers of the Army as consultants and they are well paid. If we need to employ any chemists or experts in further atomic exploration and studies, let us provide separately for them. But there is no occasion to raise the compensation of all to the level of the scientists and other experts that we may need. I repeat that the proposal of $400 is probably the least objectionable. In my judgment, a postmaster administering, as was said by the chairman of the committee, a $50,000,000 business, in one of the larger post offices, is entitled to just as much compensation as the administrator in any department of the Government. So until we equalize and adjust the salaries of the postal employees and the salaries of the Federal employees generally, it occurs to me the wise thing to do, now that we feel we ought to make an increase, is to adopt this $400 increase making it applicable to all.

For my part, the woman who stands behind the desk in the post office all day long and the man who stands behind the desk in the post office is entitled to just as much compensation as a clerical worker in the Government sitting at his or her desk all day long. The only practical opportunity that is afforded to the House now to equalize these salaries is to vote for this $400 increase across the board. The bill probably will go to conference. The bill we passed for the postal employees has gone to the other body and it will probably go to conference. There will be an opportunity to work out and make adjustments that will be fair to all the employees in the Government. If we need experts for atomic investigations and other scientific work, if we need experts in engineering or law or otherwise, I advocate separate provisions to provide for making the talent available to the Government. I think it begs the question and I believe it does not support the main contention for increases for 900,000 employees when we say it is necessary to provide additional compensation for probably 100 or 200 employees. In my judgment, the salaries of Members of Congress should be increased open and aboveboard and not indirectly. Nine-thousand-dollar or ten-thousand-dollar employees do not have campaign expenses and, an administrator in the Government receiving $9,000 or $10,000, receives a good deal larger net salary than a Member of Congress. When it becomes necessary to increase the salaries of the so-called experts, provision should be made for them separately, rather than generally by an exorbitant increase across the board. Food costs the man who works for $2,000 substantially the same amount it costs the man who works for $10,000. The purpose of this bill is to provide for the increased cost of living.

Under all the circumstances, I believe the amendment proposed by the gentleman from Texas should be adopted.

Mr. CURTIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have the utmost respect for every Member of the House who is going to support this legislation, but I say that in doing so you must take your position in one of three categories: You must take a position in favor of increased taxes, or in favor of a greater burden on the generations of taxpayers to come, or a position in favor of never paying the national debt. There are those three categories, and the choice is yours.

It is said this bill will cost about a half billion dollars. It will cost more than that. It is setting the pattern for all Federal employment. We have about three and a half million employees on the Federal pay roll. If it means that, it will cost $1,500,000,000, or something over $10 per capita. We have 12,000,000 veterans. At $10 each, it will cost them $120,000,000 to pay this increase in salary.

I live in a little rural community of 9,000 people. This increase in the cost of Government is going to be $90,000 to them. That means something. I believe if we are going to decide this on the basis of Government efficiency, the bureaus should come in here with clean hands and reduce the total Government pay roll down to 1,000,000. Then the taxpayers of America will be glad to revise the pay roll to reward efficiency. A place on the Government pay roll today is not obtained by merit. It is not held by merit. No one contends that it is.

By this legislation you are going to increase the salary of men such as Henry Wallace $4,000 a year. That is more than the average college or university professor in my State receives. You are going to pay for this program by taxing the little businessmen, the repair-shop men, the cobblers, the retail men, the farmers, and the professional men. If you are going to do that, should we not have the decency to take the ceiling off of their incomes?

We have a program where, if a man raises corn and seeks to raise his income in the sale of that corn, you put him in jail. Yet, you are going to tax those very same people at the rate of $10 per capita to pay the increase in the cost of the governmental pay roll. If this increase is justified for the people who work for the Government, an increase in the income of all the millions who do not work for the Government is sound and is fair. If they must live under a hold-the-line policy, surely all Americans should live under the same policy.

We have a situation in America where the lines are drawn between Government and those who must slave and toil to pay for that Government, and who are kicked around and harassed. Are you going to go back to your district and say, "Yes. I voted an increase for the man down in OPA who put a ceiling price on flooring that was below the ceiling price on the rough lumber from which it was made"? Are you going back to your district and tell the people that you voted an increase for the 2,000 Communists on the Government pay roll, that recently was pointed out by an eminent divine?

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. CURTIS] has expired.

Mr. ROGERS of Florida. Mr. Chairman, I move to strike out the last word.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. RANDOLPH. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. Does the gentleman request that all debate on all the pending amendments and all amendments thereto close in not to exceed 30 minutes?

Mr. RANDOLPH. That is correct.

Mr. REES of Kansas. Mr. Chairman, reserving the right to object, in fixing the time I wish to be included for 4 or 5 minutes.

Mr. HOFFMAN. Cannot the gentleman possibly make it 45 minutes? Some of us have been here a couple of days. I did not even get my 1 minute today.

Mr. RANDOLPH. My effort is to find out how many Members wish to be heard.

The CHAIRMAN. The Chair counts 12 Members standing seeking recognition. Five minutes to each would be 60 minutes.

Mr. RANDOLPH. Mr. Chairman, I move that all debate on the pending amendments close in 1 hour.

The motion was agreed to.

The CHAIRMAN. The Chair will call the names of those listed: Messrs. ROGERS of Florida, SMITH of Ohio, REES of Kansas, VURSELL, TABER, H. CARL ANDERSEN, FULTON, HERTER, BUCK, FERNANDEZ, and HARE.

The CHAIRMAN. The gentleman from Florida [Mr. ROGERS] is recognized.

Mr. ROGERS of Florida. Mr. Chairman, I rise in favor of the amendment offered by the gentleman from Texas [Mr. LYLE].

There was a time when legislators, both State and Federal, took into consideration the taxpayers, but today the taxpayers are the forgotten people in this country. Unfortunately we are faced with a condition with which we must cope. My interpretation of this bill is that it is an economic measure which has for its purpose to compensate for the rise in the cost of living. If, therefore, this Congress intends to pass a measure that will benefit the greatest number of people, I believe we should take $400 straight across the board just as we did in dealing with the postal employees, for in this way you benefit practically 80 percent of the people you are trying to help. It is the low-bracket man and woman who need the help. They are the people who need the $400.

Mr. Chairman, this is not a bill to attract talent to the Government. That is not the purpose of it at all. The purpose of the bill is to help these people who are meshed between the economic millstones. That is the real purpose of the bill.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. The evidence in the hearings in reference to OPA show very clearly, to my mind, at least, that the burden of the increased cost of living is much greater on the lower-income brackets than in the case of the higher brackets because in the case of the higher prices the manufacturers and retailers are able to absorb the increased costs.

Mr. ROGERS of Florida. That is another and added reason why we should spread this increase out. After all, Mr. Chairman, this Government is good to its employees. Do you know what we do for them? We give them an annual leave of 26 days a year; we give them sick leave not to exceed 15 days per year; they do not have to work on Saturdays. You try to get something done down here in one of these departments on Saturday and see how far you get. You cannot get anything done at all. I say that we are paying our employees pretty well now, but I am willing to go along with the committee up to a certain point. I think this increase should be spread out so that it will meet the needs of those who actually require it.

Mr. Chairman, while we are talking here about taking care of the civil-service employees, may I say that ever since September 13, 1945, I have been trying to get a terminal leave pay bill through this House for the benefit of the GI's so that they may get paid for their terminal leave. How far have I gotten? I have a petition, No. 23, there on the Clerk's desk which I hope will be signed by a sufficient number to bring the bill to the floor, and I am sure the House will take care of those boys as we do the civil employees.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I signed the petition to which the gentleman refers. There has been discussion here between the gentlewoman from Illinois and the gentleman from Florida in reference to the impact of living costs. Considering the high tax rates and the 31 percent rise in the cost of living, a man with a wife and two children who was earning $5,000 in 1939 would have to receive a salary of $7,641 this year just to keep the same real income or buying power that he had in 1939. That would be a salary increase of 53 percent. Does the gentleman agree with that statement?

Mr. ROGERS of Florida. I cannot say that I agree with that statement, but I do say, if it is the truth, that these low-bracket people down in the $1,400, $1,800, $2,100 brackets cannot live very long.

Mr. RANDOLPH. The gentleman knows that under this bill we are giving an increase to the lower brackets also.

Mr. ROGERS of Florida. That is true, but it is very meager. In other words, the man or woman who receives $1,400 only gets an increase of $200.

The CHAIRMAN. The time of the gentleman from Florida has expired.

The Chair recognizes the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, as stated yesterday, I am opposed to this measure granting additional 18.5 percent increase in the salaries of Federal employees and my opposition is not based on any increase of salaries as such. It goes without saying that Federal employees should be paid comparable salaries with those obtaining in private industry, taking into consideration, of course, the character of their work. However, the Federal pay roll is now so greatly inflated that the Congress cannot extend a blanket increase, such as this bill provides, without grossly violating the principles of equity and justice in respect to the taxpayers of the United States.

By all means the number of Federal employees should be reduced before any increase is given. Were this policy adopted, it might serve as an incentive to those Federal employees who are basically needed to operate the Government, such as postal employees and the really essential employees in the various departments, to support the public demand for a real reduction in the number of Federal employees.

The gentleman from Kansas [Mr. REES], a member of the Civil Service Committee, stated "that this bill involves an additional expenditure by the United States Government of something like one-half billion dollars annually."

If this figure is correct, and I assume it is, then the proposition amounts to a great deal more than $500,000,000 annually. It should not be overlooked that the Government is paying 7.92 percent annually of the salaries paid to Federal employees, as its contribution to the civil-service retirement fund. Accordingly, the cost to the Federal Government for the first year would be not $500,000,000 but this amount plus 7.92 percent, or $39,600,000, or a total of $539,600,000.

The $39,600,000 contribution would draw compound interest of 4 percent. In addition, the Federal Government would also pay 4-percent compound interest on the contribution made by the Federal employees. Their contribution is 5 percent of their salaries. Therefore, the Federal Government would the first year pay 4-percent interest on both shares of the annual contribution, that is, 4 percent of $64,600,000, or $2,584,000.

Therefore, the cost to the Federal Government the first year would be $500,000,000 plus $39,600,000 plus $2,584,000, or a total of $542,184,000.

Thus it will be seen that the cost to the Federal Government will cumulatively rise each successive year over an extended period, probably 25 years, according to information provided me by the Civil Service Commission.

I should like to repeat in part what I said yesterday on this subject. It will hardly be considered consistent to claim to be for deflating the Federal bureaucracy, and most of us make this contention, and concurrently support a proposal such as the one before us. Will it be denied that the effect of this measure, if passed, will be to further intrench the great mass of unnecessary Federal employees in their present positions?

Can it be successfully contended that the premium on Federal employment over private employment is not already substantial? I do not believe it can. This situation, as I see it, represents a very unhealthy economy, which, if this measure passes, cannot help but become aggravated.

Salaries of Federal employees should not be raised until the great surplusage of those employees are separated from the Federal pay roll. This would be a sensible policy, one which would appeal to the prudent citizens who have an interest in restoring the soundness of the Federal Treasury and the liberty of our people.

Raising Federal employees' salaries, as this bill provides, will not only fail to achieve these ends, but actually put them still farther out of our grasp.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, the debate on this bill today ought to bring home to the Members of this House the fact that we have shirked our responsibility in not making a sustained and substantial effort to pass some sort of legislation dealing with this matter months ago. I urged a year ago legislation as suggested in a bill proposed by the gentleman from Kansas [Mr. REES], which would provide for policing and investigating the departments of Government constantly for the purpose of weeding out those that are unnecessary, and reducing the number of people in the Federal Government today.

I hope the dilemma in which we find ourselves today, attempting to pass legislation increasing the salaries of probably 1,500,000 people, which sets the

standard for increasing the salaries of 1,500,000 more, probably 3,000,000 people, will bring this House to a realization of the fact that we ought, as Members of Congress, representing the people, to make a sustained and vigorous effort to try to develop some sort of legislation that will permit the Congress of the United States to take over in trying to reduce the number of people in the Federal Government. If we had done that, and known as we approach this legislation today that the great majority of the people for whom we are legislating are properly employed, and that efficiency is the rule in the departments of the Government, we would then be able to give them the salaries to which they are entitled.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Pennsylvania.

Mr. RICH. Last fall we passed a bill giving the President the power to make a survey and to eliminate any employees that are not necessary. He has the power even to cut down any functions of Government that are not necessary, so that we will retain only the employees that are needed. Why has he not taken action previous to this time?

Mr. VURSELL. That is true. Very little action apparently has been taken. I understand that in the old-line classification departments the number of employees has been going up instead of being reduced. Congress will have to do it if it is ever done.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. If you do not vote this increase a lot of them will leave. Why not let them leave, then pass your increases?

Mr. VURSELL. I am strongly in favor of adequate salaries for everyone in the Government service, but I should like to see some action taken by this House whereby the Congress can take control and reduce and deflate bureaucracy, so that we can really feel that we can vote fully adequate salaries for everyone in the public service. After having looked this legislation over and listened to the various propositions before the House, I am inclined to believe that there is little opportunity to pass the committee bill, and that we can do greater justice to the people in the lower brackets, whose living cost is high and who are struggling to get by because of the increase in the cost of living, if we support the Rees amendment. I hope the House will go on record in favor of the Rees amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New Mexico [Mr. FERNANDEZ].

Mr. FERNANDEZ. Mr. Chairman, before the Rees amendment is voted upon I am going to offer an amendment, as follows:

On page 2, line 2, after the period at the end of that line insert *"Provided, however,* That increases of salaries or wages under this act shall not be applicable to employees of the Bureau of Reclamation whose salaries or wages are provided for by funds of the irrigation district on which they are employed, unless such increases are first approved by resolution of the board of directors or other governing body of such district."

This amendment affects only certain employees who, although they are employed by the Bureau of Reclamation, are paid by the district in which they work; in other words, the district provides the funds out of local taxation by way of assessments on water use.

The matter was presented to the committee, and although I felt the committee was quite sympathetic to our problem, nevertheless the Bureau of Reclamation filed a statement in which they said that to treat these employees differently from the others would create some administrative problems and further that it would be unfair to exempt them from the benefits of the bill. My amendment does not exempt them, but it does provide that before their salary increases go into effect the members of the board of directors of the district shall approve the increases in salary. After all, they are the men who pay the bill. In my State, we have one of those irrigation districts, and in answer to that statement, the manager of the Bureau of Reclamation of the district writes to me speaking in behalf of the district. I am going to read portions of his statement because he discusses the matter better than I could:

As the matter now stands, irrigation districts on Bureau of Reclamation projects can exercise no control whatsoever over the compensation of Federal employees paid by local taxation, which is the principal item in operation and maintenance costs. They are completely dependent upon the reasonableness of the Government in this matter. Their costs are governed largely by what Congress desires to pay Federal employees throughout the country. This may, or may not, be in line with local ability to pay in irrigated areas. We feel that an injustice exists here that must sooner or later be corrected. There must eventually be some relationship established between the ability of water users to pay and the amount of compensation granted Federal employees who work on Bureau of Reclamation projects and are paid by local taxation. Otherwise water users on Federal irrigation projects are continually exposed to the possibility of being compelled to carry greater burdens than they are capable of assuming.

The great danger involved in exposing agricultural areas to increased costs is that such costs cannot be reduced quickly enough when agricultural income declines. The time lag places severe burdens upon farmers. We seriously doubt the ability of the Bureau of Reclamation to reduce its costs of operation and maintenance sufficiently to make a great deal of difference in local taxation on irrigation projects. Obviously it cannot be done when the bulk of such costs consists of Federal salaries which can be changed only by act of Congress.

We are not impressed by the argument that administrative difficulties stand in the way of placing Federal employees paid by local taxation in a separate category. The Government has undertaken administrative problems of greater proportions and that are much more complicated than this one.

We do not believe that the Bureau will lose many people by placing employees paid by local taxation in a separate category. Its organization has survived wartime conditions. Considerable damage has already been done by insisting that employees engaged in the delivery of water on Government irrigation projects shall work on a 40-hour week basis. This had the effect of depriving such employees of overtime and reducing their gross earnings. No benefit accrued to water users because additional personnel required under the new arrangement will more than absorb the saving. Impaired service has already become apparent. The 40-hour week for employees engaged in the delivery of water also brought about a rather complicated local administrative problem which the Bureau did not hesitate to have its local officials undertake.

Estimated gross crop values are often cited as evidence of the ability of the water used to pay increased costs. Such figures are deceptive. They are estimated values only and do not represent money income. Actual money income is always considerably less than estimated gross-crop values. Many items included in gross-crop values are never converted to cash. Furthermore, the use of gross-crop values as a measure of the farmers' ability to pay completely ignores the matter of net income. High gross values do not mean that net income is also high. The reverse may often be the case. Gross values of agricultural products are subject to violent fluctuations. In agriculture comparatively high income is the rare exception rather than the rule.

With reference to the supposed detrimental effect upon Bureau activities of placing employees paid by local taxation in a special category, we wish to point out that considerably more damage will be done to the program if costs of operation and maintenance, as well as construction, rise too high. This will be particularly true on new projects. It should be borne in mind that the prices of agricultural products cannot be readily revised upward to absorb increased costs as can the prices of many industrial products. The result is that higher costs must be absorbed out of net income if the farmer is fortunate enough to have any net income. The amount of additional cost that the farmer can absorb is limited.

We believe that protection against retroactive increases, and against increases coming between tax-collection periods, is simply a matter of fairness to water users on Government irrigation projects. When the Government agrees to a budget it should adhere to it until the next budgetary period arrives. To do otherwise is arbitrary and unfair. We do not see any particular administrative problem involved.

If the district is permitted to approve the increase in salary, then the district can by resolution fix the date of the increase in salary to coincide with the time when they make their budget, so that they will not be in difficulty about the payment of the increased amount. This will give them an opportunity to make the increase effective after provision has been made by the district in their budget and assessment of water taxes.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, this legislation presents a very embarrassing question for many of us in making a decision. We are all sympathetic with those who really are productive employees of the Government. The trouble with this bill is that it makes no discrimination and just goes down the line from top to bottom. There are employees of the Government who certainly deserve an increase in salary. Consider

the men who work in the Department of Internal Revenue. Those men work diligently. They are efficient. They have to go to school and are constantly being trained at great cost to the Government, just as industry spends a considerable amount of money in training a new employee. No sooner are these men trained by the Government than they are offered a much larger salary by some private concern or they set up an office of their own. These men are really bringing revenue into this Government, not in the millions, but by the billions. In order to do that they have to be thoroughly trained. The salaries of these splendid men who are in the Government service are ridiculously small. You just cannot retain the best. Take Commissioner Cann, who recently left to go into private work. He has been with the Internal Revenue Department for over 20 years. He is highly trained and of great value to the business interests of this country and of great value to the Government as well.

We can look right about the House. This bill would affect men like Mr. Beaman of the drafting service. You have just seen the monumental piece of work which he did. He is laboring, for instance, and like all human beings he has had sickness and other expenses, especially as he grows older. The men who were understudies under Mr. Beaman have gone out into private practice. Why? Because they were not getting the compensation they deserved.

But as has been brought out today, the trouble with this bill is that it makes a clean sweep of salary raises of an overstaffed bureaucracy running, perhaps, into a million purely political appointees. Many of them are just chair warmers. On the other hand, there is a group that is producing for the Government just the same as efficient men are producing in industry and in businesses of all kinds. I would like to see the people who are really deserving get an increase. Many of the very productive people, after all, are unjustly held in the lower salary brackets. But I must say I feel it is not very sound legislation at this time, when the country is facing inflation, and has inflation, and has it in a very marked degree, and it is increasing with great rapidity, which is reflected, of course, in the cost of living.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TABER. Mr. Chairman, several months ago we passed a bill providing for annual increments in the salaries of many Federal employees. It was thought that would stimulate the interest of the employees and would make them feel more responsibility to the Government. The result of that bill has been that the salaries of those in the higher brackets have been raised very largely, and the salaries of those in the lower brackets have been raised substantially.

About a year ago, after long consideration on the part of the committees of this House, a bill was passed raising the salaries of Federal employees under $10,000 from 10 to 20 percent. At the present time they are actually higher than they are in outside employment as a whole. In that time the bureaucrats have been successful in hanging on to them to such an extent that we have only reduced wartime employment to about 2,900,000.

This bill as it is brought in here calls for an annual expenditure of upwards of $400,000,000—a half billion dollars. That can do nothing but add to the deficit. It looks as if we have no regard for the ordinary fellow who pays the income tax and the miscellaneous taxes in this country and no sense of responsibility for how the money is spent. Frankly, it is about time we awoke. It is about time that we paid some attention to our responsibility to the taxpayers of America. We can go on this way spending the deficit and when we get through all we shall have is more and more inflation. With the operations of the OPA we have had tremendous inflation; with the operation of the Federal construction programs we have had inflation, and if we continue by this legislation we are placing a block against every opportunity to balance the Federal Budget.

I do hope this House will rise to its sense of responsibility and after this job has been done, done carefully 9 months ago—because that bill, Public Law 106, took effect the 30th day of June last—and not say that 9 months after we have settled this question we are going to review it again and up it 18½ percent. Frankly, I do not believe we are being fair with the American people. Public Law 106 was fair, exceedingly fair to the Government employees.

I hope this bill will be defeated.

The CHAIRMAN. The gentleman from Minnesota [Mr. H. CARL ANDERSEN] is recognized for 5 minutes.

Mr. H. CARL ANDERSEN. Mr. Chairman, it seems to me after listening to all this oratory of the past 2 days that the House is simply and abjectly abdicating to inflation and to pressure groups and forgetting its responsibilities to the people of our Nation. Here we have a measure which will cost the taxpayers almost half a billion dollars per year in added salaries to an already overloaded and top-heavy bureaucratic machine. How can we ever balance the Budget if we pass such far-reaching legislation as this bill and add nearly $500,000,000 to our pay-roll cost? We have at least 500,000 too many Federal employees on the rolls today. Let us get them off the roll and then consider a straight $400 increase for the remaining personnel. It then would have some merit.

How many of you recall the tax-reduction bill we passed last year? How many will agree to Mr. Baruch's suggestion that perhaps the Congress did wrong at that time? There were only two of us who then felt it necessary to take the floor and talk against that tax-reduction bill. I knew that it meant a reduction in taxes to each and every individual in my district, but I also knew, Mr. Chairman, that that tax-reduction bill did no more good to the people in my district than this bill will do to the Federal employee in the long run. All you are doing is to cheapen the dollar. What is going to happen to the hundreds of thousands of people living on small pensions or annuities? How about our old-age recipients of an already miserably inadequate aid? Raise these Federal employees and the dam of inflation will be dangerously near the breaking point. All groups in America will demand like treatment, and parity prices for agricultural products are bound to go up or production will go down. Every school teacher in America and State employees of every nature will have the right to demand equity for themselves. Federal employees today receive higher pay than do comparable employees on State pay rolls. Here we are still further widening the breach.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield not at this time. The gentleman has taken some 30 minutes on this bill, but this is the first time I have taken the floor.

No, Mr. Chairman, I feel we are making a mistake in that we have no consideration whatsoever for the taxpayers when considering this far-reaching bill. Some say, "Well, you voted for the $400 increase in salaries of postal workers." Certainly I did. We have here, however, a bill which will give to 12- and 15-year old pages of the House a $500 increase to their already too high a salary. Think of these kids, much as we like them, who run errands for us getting nearly $200 a month. Think of Cabinet members becoming eligible for another $4,000 per year and Mr. Chester Bowles, who is supposed to hold the line, being eligible under the committee bill for a raise of nearly $2,500. In connection with the raise that we voted almost unanimously for the postal workers the other day, we were voting for a great and efficient organization, the Post Office Department. We were voting for a class of men who are doing a good job and for a department that is efficient. The Post Office Department is not cluttered up with unneeded personnel. Most of the postal employees get less than our pages would draw under the committee bill. The Federal Government today is cluttered up by at least a half million too many employees. When this same Federal Government is sheared down to the same operating efficiency as is the Post Office Department, then we will have every right to come in here and vote for an increase for the balance of those employees left in our Government, after the more than 500,000 extras are turned loose into other fields of endeavor where they can earn the wages they receive.

Mr. BENNET of New York. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from New York.

Mr. BENNET of New York. If we have a half million too many employees in the Government, should we not try to find out about that by means of an adequate investigation by an impartial staff?

Mr. H. CARL ANDERSEN. Why, certainly, we should make such an investigation, but we should also get rid of the additional half million employees before we pass a bill of this nature, either the so-called $400 amendment, which will add a half billion dollars every year in the future to our pay roll, or the so-called committee bill as reported to the

House. Our national solvency demands such action.

I am appealing to the House to think that perhaps we are here today going down the easy and unobstructed path of inflation. Where are these gentlemen who recently proclaimed the necessity of balancing the Budget? These gentlemen were going to do a lot, according to newspaper publicity given to them over the Nation, but where are they on this bill? I have heard none of them here today, yet they criticize the Committee on Appropriations for unnecessary expenditures. I, as one member of that committee, am fearful of what is happening here today. The pattern is being woven.

Yes, Mr. Chairman, the spirit perhaps is willing but the flesh is weak. Our Nation, the strongest in the world, can remain strong, can help unfortunate nations, can take care of our veterans, and can do all that must be done only by remaining solvent.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HERTER to the Rees amendment: Insert after the word 3 in the first paragraph the words "except section 4."

Mr. HERTER. Mr. Chairman, I am offering this amendment only because I think that if the Rees amendment as offered should be carried it would have one very serious inconsistency. The Rees amendment as now pending does not put a ceiling of $10,000 on the classified service. It does, however, prevent the statutory employees who are receiving $10,000 from getting any increase. The only purpose of my amendment is to put the two in the same situation.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from Kansas.

Mr. REES of Kansas. It was the intention of the gentleman from Kansas, in the event his amendment passes, to offer an amendment that would provide a limit of $10,000 on all other employees under this bill.

Mr. HERTER. It was understood that when the gentleman filed the substitute bill he had taken care of everything.

Mr. REES of Kansas. The reason the gentleman from Kansas did not offer that amendment was because of the parliamentary situation that arose at the time.

Mr. HERTER. I thank the gentleman.

Mr. REES of Kansas. At the proper time it will be offered.

Mr. HERTER. Mr. Chairman, I want to comment very briefly on the two principal amendments now pending. The amendment for $400 across the board increase has been held comparable to the amendment that was adopted day before yesterday in connection with the postal pay raise bill. But I have not heard a single person on the floor of the House say that last July when the postal salaries were increased they were increased on an average of 19 percent whereas the salaries of Federal employees were increased by about 15.4 percent.

Furthermore, I have heard very little discussion of the fact, and apparently the amendment which has been offered does not carry such a provision, that the postal employees increase that was passed a few days ago was retroactive to January 1, whereas all the bills now before us provide for pay increases beginning next July 1. In other words, when it comes to the bill which the gentleman from New York voted for only 2 days ago he voted for an increase in salary for all postal employees retroactive to January 1, and yet is telling us today that we are doing an inflationary thing in this bill at the moment.

I further would like to point out that the bulk of the employees of the Federal Government, namely, the blue-collar workers, whose wages are fixed by wage boards, have received between 1941 and to date an increase of 54 percent, yet we are leaving the white-collar workers out and saying that even if we try to bring them up to a slight percentage of that amount it is inflationary. Of course it is inflationary. Every one of these increases is inflationary. Anybody would be a fool to deny it. But, the answer has been pointed out over and over again, particularly by my friends on this side of the aisle, that the way to stop that inflation is to cut down the number of employees when the appropriation bills come up so that we can save this amount of money.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I received a letter today from the Director of Civilian Personnel and Training, Mr. Fletcher C. Waller, of the War Department, in which he says:

Honorable JENNINGS RANDOLPH,
House of Representatives,
Washington, D. C.

DEAR MR. RANDOLPH: In view of your great personal interest in the welfare of Federal workers, and in view, further, of your position as Chairman of the House Civil Service Committee, I am taking this means of informing you of the action taken today by the War Department to provide a general increase in wage schedules for employees of the War Department not compensated under Classification Act schedules.

The basic principles underlying this action may be briefly stated as follows:

1. The War Department adheres to the principle of paying its ungraded employees the rates which prevail in the different localities for work of similar nature and difficulty.

2. The rapidity and wide-spread character of changes in prevailing rates has indicated the wisdom of some general adjustment on a Nation-wide basis. An average increase of 12 cents above schedules authorized or in effect on VJ-day (18 August 1945) was determined to be the amount of increase most appropriate in all parts of the Nation.

3. Surveys will be continued and intensified in order to recognize those localities in which prevailing wage rates have increased more than 12 cents.

The specific aspects of the action taken today providing for a general increase are set forth below:

1. The 12-cent average increase will be applied to the rates in effect or authorized on VJ-day. Adjustments made since VJ-day will reduce the amount of this increase in particular localities, unless surveys have shown a locality increase greater than 12 cents. In such instances, there will, of course, be no reduction.

2. The 12-cent increase will be applied to the middle of five step rates for each grade. Since the first, second, fourth, and fifth step rates bear the relationship of 90, 95, 105, and 110 percent to the third step rate, these four step rates may vary from the 12-cent increase, but such variation will not exceed plus or minus 1 cent.

3. The increase is an increase in rates. In individual cases the increase over VJ-day rates may be greater or less than the average 12-cent increase because of changes of individual employees to a different grade or to a different step rate within a grade.

4. The effective date of the increase for all employees is 14 April 1946. This is the earliest feasible date which coincides with the beginning of the majority of pay periods for ungraded personnel.

5. Certain small groups of ungraded employees whose rates are differently established are not affected by this action. The principal of such groups are force account, purchase and hire, post exchange, and harbor boat employees and employees paid flat rates. Rates for these groups will be increased as surveys show the need for increases.

6. Simultaneously with the general increase, the Department is eliminating all substandard rates below 55 cents per hour. Although the majority of schedules have heretofore been substantially above this minimum, hereafter none will be below.

In taking this action the War Department has implemented the President's statement of policy that wage boards should be sensitive to changes in prevailing rates. At the same time it has not fallen into the error made by some groups of assuming that a few major private industry adjustments of 18 or 18½ cents per hour have established a national pattern which it is obliged to follow. Knowing that there are both geographical and time differentials in private industry wage adjustments, the War Department has adopted a more moderate though substantial increase, which will be supplemented by a continuing, vigorous survey program to further adjust rates in those communities where levels have risen more than 12 cents.

The Department believes that this is the best means, under present conditions, of assuring its ungraded employees proper wages and at the same time maintaining fair relationships with local industry.

Sincerely yours,

FLETCHER C. WALLER,
Director of Civilian Personnel and Training.

Mr. HERTER. As I understand that letter, it applies to the 15-percent increase. The Navy Department had an increase of 18 percent 2 weeks ago, on top of a number of other increases, so it is only the white-collar people who are being discriminated against.

Finally let me say why I prefer the committee bill to either of the amendments that have been offered. I feel very strongly that we are continuously, for various reasons, increasing the lower brackets and giving no consideration to the higher brackets. That, to my mind, is a very bad principle for the Government to follow and will lead to the worst type of Government service in the long run.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, I want simply to clarify my stand on the three issues before us. We have, first, the committee bill which proposes 18½ percent all through. We have, second, the Rees bill which proposes, in substance, the Senate bill, sweetened up a little bit; and then we have the $400 flat proposition for all in the service.

I want to state, first, flatly, that I supported—and wholeheartedly supported—the $400 flat increase for the employees of the Post Office Department, and I shall support the $400 flat increase all across the board for the Government employees for the same reason, exactly, that I supported the other bill. If that fails I shall then support the Rees amendment, which I think is more nearly satisfactory than the committee bill. If that fails, and the committee bill is left to vote upon, I shall vote, first, to recommit it to the committee for further study, and, second, if that fails I shall vote definitely "no" on that bill. I am doing it simply because if these three propositions are bread-and-butter propositions as they are supposed to be then they ought to be bread and butter propositions and the committee bill giving only a $185 increase to a $1,000 man and a $1,850 increase to a $10,000 man can in no sense of the word be considered a bread-and-butter bill, and from my viewpoint it is a monstrosity that I refuse to go along with.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Chairman, any proposal for granting salary increases on a flat percentage applicable to all levels of pay is in direct contravention to the premise upon which our income tax structure is based. That premise is ability to pay. With that premise no person now quarrels. Yet in this bill, as recommended by the committee, we are asked to set aside the principle of ability to pay as applied to the increased cost of living. If we believe that the man with a $10,000 salary should pay a higher percentage tax than the man with a $1,200 salary, surely we are not consistent when we say that to meet the cost of living, the man with the $10,000 salary should be given the same percentage increase as the man with the $1,200 salary.

I agree that we must pay adequate salaries in top brackets in order to attract and hold desirable men and women to the Government service. I am sure, however, that no Member of the House will argue that we must increase salaries of Cabinet members, for example, in order to induce capable persons to serve. Such an argument would be ridiculous. Rather than grant a blanket increase in these higher brackets, therefore, let us do the job in a proper way by enacting legislation which will establish new and higher levels in the Classification Act wherever higher levels are essential.

I know that the country will go along with salary increases in the low and middle levels. But after some 15 years of deficit spending, I wonder if the country will look with favor upon granting a $4,078 raise to the $15,000 man and only $266 to the $1,200 man. Each will pay the same price and buy the same quantity of milk and bread and vegetables with which to feed his family.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. REES].

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the distinguished gentleman from New York ranking member of the Appropriations Committee of the House.

Mr. TABER. Is it not a fact that a bill was passed here within the last 2 years that up-graded a lot of Federal employees so that many of them, instead of having the Little Steel formula increase, have had a 40, 50, 60, or even a 100 per cent increase?

Mr. REES of Kansas. Increases were granted to Federal employees a year ago, but the up-grading and reclassification is done by the Civil Service Commission. I discussed that yesterday. We were unable to secure definite information from the Civil Service Commission with respect to how much up-grading and reclassification is going on. There has been a considerable amount of it, however. It is a thing which I have discussed on the floor on numerous occasions. Unfortunately, it has taken place not all the way along the line but more in certain groups than in others. I wish I had time to discuss it at length.

I agree with the gentleman from New York [Mr. REED] that we have many outstanding men of ability in the Civil Service, especially in the Revenue Service, who render a wonderful service to the Government. They are entitled to every possible consideration that can be given them. The $400 amendment will not help them as much as under my amendment. I only wish there were some way by which they could be rewarded better for their services. Many of them are invaluable to our Government.

Mr. Chairman, I want to briefly review the proposals before us and compare them. A good deal has been said with respect to the expense and cost of these bills. I have noted in round figures the amount of the cost of each of them as I have been able to secure the figures. The cost of the proposal under consideration of $400 across the board is easy to figure out. All you need to do is multiply your $400 by the 1,250,000 people and you have got it. The cost is $500,000,000. If you use the number we are supposed to have on July 1, and I do not believe it will be reduced to that figure, it amounts to $391,000,000. It will cost at least $400,000,000. The cost of the committee bill, according to their figures on the low number of 971,000 is $420,000,000. I have asked a statistician as to the cost of my proposal. It is $354,000,000. I think the House ought to know that. Under my proposal, the big share would go to the lower-salaried groups. I appreciate the views of those who are in favor of the $400 for all employees regardless of present salaries.

There is a great deal to be said in favor of your contention. This measure is a pay-adjustment bill. We are trying to adjust these salaries on a scale that we believe is fair and equitable. Of course, the whole pay structure in government ought to be examined carefully. We ought to find out more about what these people are really entitled to. Last year adjustments were made with respect to the lower salaries. Upon my proposal the lowest income group would get a little more than 20-percent increase. In fact, the first three groups indicated in the table would receive approximately 18 percent increase over present salaries. My proposal allows smaller percentages as the salaries grow higher. My proposal starts with a 45-percent increase on the first $1,200 of all salaries and then 18 percent on the next $3,400. I thought it only fair to call this to the attention of the Committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. LYLE].

The question was taken; and on a division, there were—ayes 109, noes 65.

Mr. RANDOLPH. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. JACKSON and Mr. LYLE.

The Committee again divided; and the tellers reported that there were—ayes 114, noes 95.

So the amendment was agreed to.

Mr. FERNANDEZ. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FERNANDEZ. As I understood, earlier today the Chair ruled that amendments to the bill would be voted on before the Rees amendment. I have a perfecting amendment. The motion of the gentleman from West Virginia was to close debate on amendments pending and amendments thereto.

Is it in order for me now to offer a perfecting amendment?

The CHAIRMAN. The gentleman means a perfecting amendment to section 2 of the bill?

Mr. FERNANDEZ. Yes.

The CHAIRMAN. The gentleman's amendment would be in order.

Mr. FERNANDEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FERNANDEZ: On page 2, line 2, after the period at the end of the line insert the following: "*Provided, however,* That increases of salaries or wages under this act shall not be applicable to employees of the Bureau of Reclamation whose salaries or wages are provided for by funds of the irrigation district on which they are employed unless such increases are first approved by resolution of the board of directors or other governing body of such district."

The CHAIRMAN. The gentleman from New Mexico is recognized for 5 minutes in support of his amendment.

Mr. MASON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MASON. Was not time for debate limited on the amendments and all amendments thereto? The gentleman from New Mexico was given 5 minutes of that time.

The CHAIRMAN. The consent agreement was to limit debate on all amendments then pending and amendments

thereto. The amendment offered by the gentleman from New Mexico is an amendment to section 2 but not an amendment to any pending amendment. The gentleman from New Mexico therefore is entitled to recognition.

Mr. FERNANDEZ. Mr. Chairman, as I stated awhile ago, the employees who are affected by this amendment are tchnically Federal employees. They are employed by the Bureau of Reclamation. We have seven or eight districts, not all in my State but in other States, that employ about 410 of these employees, such as ditch riders, and so forth, in the district. Funds for their pay are raised by the farmers in the district. For example, in the Elephant Butte irrigation district in my State the farmers at the beginning of the fiscal year fix their assessments on the water to raise the funds for these employees who are paid by the farmers. Now, the Congress comes along, as it did a year or two ago, and passes a bill raising the salaries of these employees, and the farmers are stuck without being consulted.

My amendment simply requires that the farmers who foot the bill shall, before the salaries are increased for the employees who work for those districts, approve the increase through the governing boards of those districts. That is the only fair thing to do.

I do not say that these employees should not be under the civil service, and my amendment does not require them to be taken out of civil service. They should continue as civil-service employees, but their salary increases should be approved by the district before they go into effect.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Is it not a fact that the money which pays these employees is really the money of the farmers living in these irrigation districts, which is collected from them in the form of assessments determined some time ago, which are paid into the Federal Treasury, then paid out on behalf of those districts to those employees?

Mr. FERNANDEZ. That is correct. It is the money of the farmers which the farmers raise through taxation, through water assessments.

Mr. CASE of South Dakota. Through assessments on themselves?

Mr. FERNANDEZ. Yes; the men are employed by the Reclamation Bureau and work in the district and are paid by funds of the district, not by Federal funds.

Mr. CASE of South Dakota. The amendment offered by the gentleman is thoroughly just and fair and certainly should be adopted. I would think that the chairman of the committee might be well advised to authorize acceptance of the amendment.

Mr. FERNANDEZ. I thank the gentleman and I hope and trust that the members of the committee will see it likewise and agree to my amendment.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Suppose these farmers should fail to approve this schedule?

Mr. FERNANDEZ. The farmers, of course, would have the right to disapprove the scale, and perhaps they should do so, unless the prevailing wage for ditch riders in that district or around the district is the same as that paid by the Federal Government.

Mr. SMITH of Ohio. I am in favor of the gentleman's amendment, but what would they do in the event they disapproved, where would they get the labor?

Mr. FERNANDEZ. The employees would continue to work under the present arrangement at present salaries until otherwise provided.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield to the gentleman from Pennsylvania.

Mr. RICH. If it is so important to have the farmers approve the wage increase that is granted under this bill, why is it not imperative also that the taxpayers of this country approve the bill as a whole before the Congress votes it?

Mr. FERNANDEZ. We as Members of the Congress represent the taxpayers and can do what we think right and proper with the taxpayers' money, but we do not have the right to tell the farmers how much they have to pay for their labor that is not really Federal labor.

Mr. RICH. You are not giving any consideration then to the taxpayers of this country for what they have got to pay through legislation being put into effect which the Congress is now about to approve?

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. JACKSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I can appreciate fully the problem that the gentleman from New Mexico has presented. He appeared before the committee. The committee gave considerable time to this matter; had representatives from the Bureau of Reclamation present. The committee voted unanimously against the amendment offered by the gentleman from New Mexico. I regret that I have to take this position in behalf of the committee, but if this amendment is adopted it would upset the whole wage structure in the Bureau of Reclamation.

These particular workers have been on a 48-hour week and are now back to a 40-hour week. They have not had an adjustment for a long time. Their funds are paid out of the Treasury. The water costs have not gone up, and it is only a matter of equity in trying to work out their salary structure that the committee voted this amendment down. I know I speak for the full subcommittee in that connection.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman does not want the RECORD to show that the so-called O and M costs, operation and maintenance costs, on irrigation districts are subsidized, does he?

Mr. JACKSON. I am saying that the cost of your reclamation structures, as I recall it, or many of them, come right out of the general Treasury. They are not all amortized.

Mr. CASE of South Dakota. Some may and some may not. But certainly the operation and maintenance costs are paid for by the farmers themselves, and it is that fund with which the amendment deals.

Mr. JACKSON. The testimony before the committee was to the effect that their water costs had remained practically the same; that there had not been any increase in cost; that this was only a matter of being fair with your Government, if you please, that you allow this adjustment. If you are going to adopt this sort of an amendment you are going to lay yourselves wide open to every other amendment along that line.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. There is no other situation like this. This is the only one of that character.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico.

The question was taken; and on a division (demanded by Mr. Cox) there were—ayes 55, noes 99.

So the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. HERTER] to the amendment offered by the gentleman from Kansas [Mr. REES].

Mr. RANDOLPH. Mr. Chairman, I ask unanimous consent that that amendment be again reported.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. HERTER to the Rees amendment: Insert after "3" in the first paragraph the words "except Sec. 4."

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

Mr. TARVER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TARVER. The Lyle amendment providing for the $400 increase across the board was made by the Committee of the Whole to the same sections that the amendment of the gentleman from Kansas [Mr. REES] proposes to strike from the bill. Would the effect of the adoption of the Rees amendment be to strike from the bill the language of the Lyle amendment just adopted by the Committee of the Whole?

The CHAIRMAN. It would.

The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

The amendment was rejected.

The Clerk read as follows:

INCREASE IN PAY RATES FOR CUSTOMS CLERKS AND IMMIGRANT INSPECTORS

SEC. 3. Each of the existing rates of basic compensation provided by the act entitled "An act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended and supplemented, and those provided by the second paragraph of section 24 of the Immigration Act of 1917, as amended and supplemented, are hereby increased by 18.5 percent. Such augmented rates shall be considered to be the regular rates of basic compensation.

INCREASE IN STATUTORY PAY RATES IN THE EXECUTIVE BRANCH NOT UNDER CLASSIFICATION ACT

SEC. 4. (a) Rates of basic compensation specifically provided by statute (including any increase therein computed in accordance with section 602 (b) of the Federal Employees Pay Act of 1945) for positions in the executive branch or the District of Columbia municipal government which are not included in section 102, as amended, of the Federal Employees Pay Act of 1945 or in the District of Columbia Teachers' Salary Act of 1945, and are not increased by any other provision of this act, are hereby increased by 18.5 percent. Such augmented rates shall be considered to be the regular rates of basic compensation.

(b) Section 102 (a) of the Federal Employees Pay Act of 1945 is amended by striking out the following: "(3) heads of departments or of independent establishments or agencies of the Federal Government, including Government-owned or controlled corporations;".

Mr. JACKSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JACKSON: On page 3, after line 11, add a new subsection (c) as follows:

"(c) Notwithstanding the provisions of section 102 (b) of the Federal Employees Pay Act of 1945 subsection (a) of this subsection shall apply to the directors of the Tennessee Valley Authority and the chairman of the Advisory Board of the Inland Waterways Corporation."

Mr. JACKSON. Mr. Chairman, this is merely a perfecting amendment. The question was raised by the distinguished gentleman from Alabama regarding the inclusion of some of these agencies in the bill. This merely clarifies the situation from the drafting standpoint. I have taken it up with the distinguished ranking minority member of the committee, and I believe he has no objection to it.

Mr. REES of Kansas. We have no objection to that, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. JACKSON].

The amendment was agreed to.

The Clerk read as follows:

INCREASE IN PAY RATES IN THE LEGISLATIVE BRANCH

SEC. 5. (a) The first sentence of section 501 of the Federal Employees Pay Act of 1945 is amended by inserting before the period at the end thereof a comma and the following: "plus 18.5 percent of his basic compensation as increased by the foregoing percentages."

(b) The second sentence of such section 501 is amended to read as follows: "The additional compensation provided by this section and section 502 shall be considered a part of the basic compensation of any such officer or employee for the purposes of the Civil Service Retirement Act of May 29, 1930, as amended."

(c) Section 502 of such act is amended to read as follows:

"ADDITIONAL COMPENSATION IN LIEU OF OVERTIME

"SEC. 502. Each officer and employee in or under the legislative branch entitled to the benefits of section 501 of this act shall be paid additional compensation at the rate of 10 percent of the aggregate of the rate of his basic compensation and the rate of additional compensation received by him under section 501 of this act."

INCREASE IN PAY RATES IN THE JUDICIAL BRANCH

SEC. 6. (a) The first sentence of section 521 of the Federal Employees Pay Act of 1945 is amended by inserting before the period at the end thereof a comma and the following: "plus 18.5 percent of his basic compensation as increased by the foregoing percentages."

(b) The second sentence of such section 521 is amended by inserting after "section 405 of this act" the following: "and section 2 of the Federal Employees Pay Act of 1946."

(c) Section 52? of such act is hereby repealed.

REPEAL OF LIMITATION ON AGGREGATE RATE

SEC. 7. Section 603 (b) of the Federal Employees Pay Act of 1945 is hereby repealed.

Mr. REES of Kansas. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: On page 4, strike all of lines 19, 20, and 21 and insert the following:

"LIMITATION ON AGGREGATE RATE PAYABLE

"SEC. 7. (a) Section 603 (b) of the Federal Employees' Pay Act of 1945 is amended by inserting after the words 'by reason of the enactment of this act' the words 'or any amendment thereto.'

"(b) Notwithstanding any other provision of this act, no officer or employee shall, by reason of the enactment of this act, be paid, with respect to any pay period, basic compensation or basic compensation plus any additional compensation provided by the Federal Employees' Pay Act of 1945, as amended, at a rate in excess of $10,000 per annum."

Mr. REES of Kansas. Mr. Chairman, I do not believe I have to take up very much of the time of the committee at this late hour. This is an amendment which I discussed yesterday and again today. It provides a limitation of $10,000 regardless of any increase that may be made under this bill. It provides that no salary shall be raised beyond that $10,000 limit.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

The amendment was agreed to.

The Clerk read as follows:

VESSEL EMPLOYEES

SEC. 8. (a) Section 102 (d) of the Federal Employees Pay Act of 1945 is amended to read as follows:

"(d) This act, except sections 606 and 607, shall not apply to the employees of the Transportation Corps of the Army of the United States on vessels operated by the United States, to vessel employees of the Coast and Geodetic Survey, to vessel employees of the Department of the Interior, or to vessel employees of the Panama Railroad Co."

(b) Section 606 of such act is amended to read as follows:

"VESSEL EMPLOYEES

"SEC. 606. Employees of the Transportation Corps of the Army of the United States on vessels operated by the United States, vessel employees of the Coast and Geodetic Survey, vessel employees of the Department of the Interior, and vessel employees of the Panama Railroad Co., may be compensated in accordance with the wage practices of the maritime industry."

COMPENSATORY TIME OFF FOR IRREGULAR OR OCCASIONAL OVERTIME WORK

SEC. 9. Section 202 (a) of the Federal Employees Pay Act of 1945 is amended by striking out "48 hours" and inserting in lieu thereof "40 hours".

NIGHT PAY DIFFERENTIAL

SEC. 10. That part of section 301 of the Federal Employees Pay Act of 1945 which precedes the first proviso is amended to read as follows: "Any officer or employee to whom this title applies who is assigned to a regularly scheduled tour of duty, any part of which, including overtime, falls between the hours of 6 o'clock postmeridian and 6 o'clock antemeridian, shall, for duty between such hours, excluding periods when he is in a leave status, be paid compensation at a rate 10 percent in excess of his rate of basic compensation for duty between other hours:".

PAY FOR HOLIDAY WORK

SEC. 11. That part of the first sentence of section 302 of the Federal Employees Pay Act of 1945 which precedes the proviso is amended to read as follows: "Any officer or employee to whom this title applies who is assigned to duty on a holiday designated by Federal statute or Executive order during hours which fall within his basic administrative workweek of 40 hours shall be compensated for not to exceed 8 hours of such duty, excluding periods when he is in a leave status, in lieu of his regular rate of basic compensation for such duty, at the rate of twice such regular rate of basic compensation, in addition to any extra compensation for night duty provided by section 301 of this act:".

PAY RATES FOR GRADES 9 AND 10 OF THE CRAFTS, PROTECTIVE, AND CUSTODIAL SERVICE OF THE CLASSIFICATION ACT

SEC. 12. (a) Section 13 of the Classification Act of 1923, as amended, is hereby further amended by striking out the second paragraph relating to grade 9 of the Crafts, Protective, and Custodial Service and substituting therefor the following:

"The annual rates of compensation for positions in this grade shall be $2,870, $2,980, $3,090, $3,200, $3,310, $3,420, and $3,530."

(b) Section 13 of the Classification Act of 1923, as amended, is hereby further amended by striking out the second paragraph relating to grade 10 of the Crafts, Protective, and Custodial Service and substituting therefor the following:

"The annual rates of compensation for positions in this grade shall be $3,200, $3,310, $3,420, $3,530, $3,640, $3,750, and $3,860."

(c) With respect to grades 9 and 10 of the Crafts, Protective, and Custodial Service, the increase in rates of basic compensation provided by section 2 of this act shall be computed on the rates of basic compensation established for such grades, as amended by subsections (a) and (b) of this section.

GENERAL ACCOUNTING OFFICE

SEC. 13. This act and any other general legislation heretofore or hereafter enacted governing the employment, compensation, emoluments, and status of officers and employees of the United States shall apply to officers and employees of the General Accounting Office in the same manner and to the same extent as if such officers and employees were in or under the executive branch of the Government.

APPROPRIATIONS AUTHORIZED

SEC. 14. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

EFFECTIVE DATE

SEC. 15. This act shall take effect on July 1, 1946.

Mr. McCORMACK (during the reading of the bill). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with, that the same be printed in the RECORD and that amendments be in order to any part of the remainder of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. RANDOLPH. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. RANDOLPH: On page 8, line 16, strike out "July 1, 1946" and insert in lieu thereof "January 1, 1946."

Mr. RANDOLPH. Mr. Chairman, there have been presented to the Members of the House this afternoon three formulas in reference to pay-raise legislation for Federal employees.

The committee offered for consideration 18.5 percent. The distinguished gentleman from Kansas offered, in essence, 15.5 percent. The gentleman from Texas [Mr. LYLE], offered $400 across the board, and that formula has received your tentative approval in committee. The amounts in all proposals were not so far apart, roughly, $400,000,000.

The House with one dissenting vote passed the postal pay-raise bill.

When you voted earlier this week, you made the postal pay-raise bill retroactive to January 1. I am sure there is no Member of this House who would want to do less under the formula adopted in connection with the paiy raise for the Federal employees.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the distinguished gentleman from New York.

Mr. WADSWORTH. Without intending to search the gentleman's mind too assiduously, was it the intention of the gentleman to offer an amendment of a similar kind in the event the committee recommendation for 18.5 percent had been agreed to by the House?

Mr. RANDOLPH. I think that is a fair question, as the gentleman from New York is always fair. I have been giving consideration to the offering of such an amendment, regardless of whether the committee bill, the Rees bill, or the Lyle formula were adopted. I also gave consideration to the possibility of passing the committee bill with the July 1 date and then when the measure went to conference, since the Senate bill calls for the act to take effect upon the signature of the President, we perhaps might agree on a date of May 1.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. PACE. On the gentleman's estimate of the cost, his amendment would cost an extra $100,000,000?

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. REES of Kansas. It would be approximately $200,000,000.

Mr. RANDOLPH. I was about to say I believe it would be something in excess of $185,000,000. What has the gentleman from Washington to say?

Mr. JACKSON. I think the easiest way to figure is simply that it is going to cost half again as much as the estimated cost of the bill except that you had more people on the pay roll between January 1 and July 1. So we are simply adding something here that was not added last Tuesday for the postal employees.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. WHITTINGTON. Is it not true that even the postal increase bill in the other body may be amended so as to eliminate the retroactive feature, in which event this legislation would then be on all fours with that and there would be no occasion to make this retroactive?

Mr. RANDOLPH. The gentleman from Mississippi would not want to reverse his position now, would he, when he voted to make the postal pay bill retroactive?

Mr. WHITTINGTON. I will answer frankly I think the retroactive feature of the postal bill was a mistake. Personally I would have liked to have voted against that. I do not think that because we made a mistake on one we ought to go ahead and make a second mistake. We ought to let it go to the other body and let them correct it. I believe we ought to let the matter stand where it is.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. VURSELL. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Chairman, as the representatives of the people who are paying this bill, who have nothing to say about it, who expect us to talk for them, I rise in opposition to the amendment.

Two mistakes never make anything right. The amendment was suggested before our committee. The chairman of the subcommittee said it would be an almost impossible task to impose upon the departments of the Government the task to figure out how to get this extra pay to employees who had left the service in the past 3 months if the increases were made retroactive. If this amendment is approved it will cost the taxpayers $200,000,000.

To my mind this amendment ought not to have been offered. Those who will benefit by the increase do not expect it to be made retroactive. The committee never once gave serious consideration to making it retroactive.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield.

Mr. REES of Kansas. The committee, of course, did not consider the $400 proposition either.

Mr. VURSELL. I understand that quite well.

Mr. REES of Kansas. Furthermore, I call the gentleman's attention to the fact that this proposition we are talking about would cost an additional $200,000,000; but we have already voted under this amendment the most extravagant thing there was in the list; we voted for one that is going to cost something like $391,000,000 a year.

Mr. VURSELL. The committee did discuss the proposition of making the 18½-percent increase retroactive and the thought of the committee at that time was that it would be an impossible task to get the money to the people who had quit the service since the first of the year. They refused to consider it.

I think this House ought to represent the people today and not just add another $200,000,000 of waste to the taxpayers of the Nation. For myself I intend to represent and protect the public who must pay the bill. I urge you to defeat the amendment.

Miss SUMNER of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it has been said "Whom the gods would destroy they first make mad." You are going hog-wild on this bill. You scoff. You praise the people who vote with you and then afterward use the programs to destroy you. But I tell you that the best friends you have in this Congress are men like the gentleman from Ohio [Mr. SMITH] and a few others who try to help you avert mistakes like this. Nobody should know that better than the now exalted, former chairman of the Truman investigating committee.

The Members present here are going to have to defend themselves on the platform against people who hate the OPA. You are going down as Sir Galahads telling the people you are fighting inflation. Who do you think is going to believe you are against inflation when you pass a bill like this which will cost over $600,000,000 to be given to politicians? How many people in the various precincts are going to want to vote for people who vote like that in Congress? They will hear that you have added to your salaries. They will tell you that instead of raising them you ought to reduce your salaries.

Maybe you do not know it yet, but the time when buttering the bureaucracy was sure fire to get elected is rapidly passing. The education that the OPA has been giving through advertisements in the newspapers and on the radio has only served to educate the people, and to a greater extent and much better than you think. People now know because the Government officials have taught them that what causes inflation is scarcity, that what causes inflation is billions of dollars created by the Congress out of thin air, depreciating the national currency, lowering the standard of living while at the same time raising the taxes. They have found out since you were home last, they have found out since Christmas, that it is the OPA which is causing shortages, it is OPA and Congress that is creating the inflationary dollars.

As these friends of yours in the bureaucracy go through the precincts with their relatives telling people how to vote

it will only serve to remind the people of this country that the greatest curse of this country is bureaucracy. The American people already know, and your opponents will remind them, that the only way to stop inflation which the OPA has told them is a danger is not through OPA but by cutting out this inflationary Government spending.

I warn you in all friendliness and with best wishes to you, because it is for the best interests of our country, that unless you cut out the spending now, here, today, you can expect to hear the voters say that the only way to cut out the inflationary spending is to cut out the Congressmen who do the spending.

The CHAIRMAN. The time of the gentlewoman from Illinois has expired.

Mr. RUSSELL. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I have not taken time to speak on this bill and I thought until a few minutes ago I would not do so; however, to be frank with you, my conscience would no let me sit idly by without adding my voice, at least in a small way, to the discussion on this bill.

A few years ago when we had up the measure of extending the price-control bill—which perhaps with all of its faults and all of its bungling has served a very useful and good purpose—my distinguished colleague the gentleman from Texas [Mr. PATMAN], in describing to us what inflation was and what produced inflation, among other things said, and I think correctly, that the main thing that caused inflation was wild money. I believe he was correct in that. Wild money helps to produce inflation.

When my mind reflects back to what we have done in this body, which I hope the people will forgive us for in a way, because I am sure the Lord in His forgiving spirit, having done so much, will do it, I wonder if the people back home, whom I hope to serve for the next 8 months and 26 days, at least, will forgive us. Since the last 10 days we have leveled a burden upon the people of this country of an additional $2,000,000,000 coming out of the taxpayers' pockets.

My friends—and I use the term "friends" perhaps not parliamentarily, so to speak—I say in all fairness do you not think it is about time to stop, look, and listen? We have a $270,000,000,000 indebtedness staring the taxpayers of the United States of America in the face.

I read an article yesterday which told of the assessed value of all the property in our country. And, may I use that term again, "my friends," what do you think it was? About $320,000,000,000. On the other hand, the total indebtedness in our country was $378,000,000,000; in other words, about $50,000,000,000 in the red. When any private business or when any individual gets into that state of being, we call it insolvency. If we intend to remain the most powerful nation on the face of this earth, we have to at least remain solvent; but if we are going to further reduce the income of the taxpayers of this Nation, Lord of Hosts, what will come next? What will come next? It is time to stop and take invoice and see. Let us represent the people from here on out and save that which will save America.

My friends—and I want to use that term again—the financial structure of the United States of America must be kept solvent. When you destroy that structure, you destroy America. Please stop, look, and listen.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. The gentleman asked the question, What will come next? Why, the British loan comes next, for $4,400,000,000.

Mr. RUSSELL. In addition to that, you have over $600,000,000 of new subsidies added to the over $5,000,000,000 we are paying in subsidies. This $600,000,000 as subsidies has been added to the housing bill over in the other body. This must all be paid by the taxpayers of the United States. Where do we go from here?

Mr. GAVIN. Mr. Chairman, if the gentleman will yield further, I merely want to point out to the gentleman that that means a tax of $30 for every man, woman, and child.

Mr. RUSSELL. Mr. Chairman, I have just shown that if our country were weighed in the balances now, we would be an insolvent nation. The people are not going to be fooled all the time. They know where the responsibility of all the spend, spend, spend lies.

A few months ago, down on the other end of Pennsylvania Avenue, a recommendation was made to pay everybody a 20-percent salary and wage increase. Yet—and the Congress has been going along—this raise today makes, within the last 12 months, a 30-percent increase in the salaries of Federal employees. Where are the labor unions, who are striking for 18-, 20-, and 30-percent raises, getting their encouragement, when we here in the Congress are doing the very same things that they are asking for?

Mr. Chairman, I was in hopes that the Congress would economize, because we are going to have to if we meet our obligations. As we all know, the country is being operated or borrowed capital—by money which is borrowed from the people of this country by the means and manner of selling Government bonds. Those bonds are sold on a 10-year basis, or better, and in each one of them it is provided that the value shall increase at least one-fourth, or 25 percent, at the time it is paid. I am wondering if we are not placing the generations after us, as well as our returned and returning servicemen, under bondage so long as they may live. What are they going to think as they struggle and strive in future years to accumulate sufficient funds to meet the indebtedness? Mr. Chairman, what are they going to think of us who have helped place them in such a position? Do you not think that it is time to stop, look, and listen?

Mr. Chairman, I find no fault with paying the laborer a just wage, but no business concern would be carried on in the manner that we are carrying on this great corporation of ours known as the United States of America. If they did, they would soon go out of business.

Mr. Chairman, we have put into circulation wild money sufficient to produce inflation. Our actions have been of untold help to inflation: I do not know, some think to retard production. But with all the wild money we have turned loose in the way of increase in wages and salaries, and in prices for commodities, what can we say when the extension of the OPA comes up, within perhaps a few days? We have torn the line down; we have destroyed the dam in the channel which was holding back that dreadful inflation, and now, when the extension comes up, there is no earthly chance for it to succeed in the future, brought about, and as a direct result of our actions here in this body. But will it be proper for us to carry on that control, when all it can do is to reenforce the dam upon the sand-bar side? We have torn the same asunder in the channel of the stream.

Yes, Mr. Chairman, it is high time that we invoice. It is time to stop, look, and listen; and represent the people of the United States of America.

Mr. RANDOLPH. Mr. Chairman, I move that all debate on this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. RANDOLPH].

The question was taken; and on a division (demanded by Mr. RANDOLPH) there were—ayes 81, noes 183.

So the amendment was rejected.

Mr. RANDOLPH. Mr. Chairman, I move that all debate on the bill and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 8, line 14, strike out the period and insert the following: "*Provided*, That with the exception of the Veterans' Administration, no greater amount shall be appropriated to any executive department or agency for salaries for the fiscal year 1947 than the amount made available for such purpose for the fiscal year 1946."

Mr. DIRKSEN. Mr. Chairman, I have sometimes doubted the advisability of saving people. I think the proper technique in the field of salvation is to afford an opportunity for people to save themselves if they so desire. You have that opportunity now. This amendment provides that the amount of appropriation for salaries for the fiscal year 1947 when this bill becomes effective shall be no greater than the money that was appropriated in the present fiscal year, 1946, for the same purpose. The objective is quite obvious. It simply means Congress places a stamp of approval upon increases in salaries that are commensurate with those recommended by the Committee of the Whole but there is imposed upon the departments and agencies the responsibility of absorbing the increase. There is only one way in which the increase can be absorbed and that is to reduce the Federal pay roll. You can apply a rule of thumb here very easily. If the amount of money involved is approximately $400,000,000 and the average salary is about $2,000, it will mean that 200,000 will have to be taken off the pay rolls to recapture and to absorb the amount to offset the pending

increase. It is quite in line with what Mr. Baruch said to the Committee on Banking and Currency the other day in his testimony on OPA. At first blush you would think he was talking in paradoxes when he said first:

Avoid favoritism to any particular group. Take care of those between the millstones, the clerks, the Government employees, pensioners, and so forth.

Then later he says:

Cut Government costs, including Federal, State, county, and city.

That sounds like a paradox, but it is not. You can take care of these people as we propose to do in this bill and at the same time cut Government expenses by taking the excess personnel off the pay roll. Let me illustrate what I mean. The other day on the second urgency deficiency bill, one of the Senators asked for some idea of the expenditure for propaganda information and publicity activities in the Government. You will find it recorded on page 17 of the hearings on the second urgent deficiency bill. Here are the figures: There are 23,000 people full-time on Uncle Sam's pay roll in publicity, propaganda, and promotional work. There are another 22,769 doing part-time work. Those are not my figures. Those are the figures that were submitted by Mr. Lawton of the Budget Bureau. The whole cost for 1946 for propaganda by admission of the Budget Bureau itself is $74,829,000. That does not include military and naval personnel who have been assigned to that type of work in the War and Navy Departments. Here is a total of some 45,000 people engaged in that sort of business. It is a sample of what has happened to the Federal pay roll, which is well over 2,000,000 at the present time. The question is, When is it going to be reduced? The Byrd committee makes recommendations but they are not specific.

The Appropriations Committee, in my judgment, is not suitably staffed to develop this situation fully and make these reductions, except in piecemeal fashion and yet they must be made here. Here is a chance to find salvation without pumping another $400,000,000 into the economic bloodstream, by taking people off of the Federal pay roll and then compensating for the increase that we vote today. That will be definitely anti-inflationary.

How much has been said and written about bureaucracy. What lamentations have resounded from this very well of the House. But like Mark Twain's observations about the weather, much has been said but little has been done. Here is a chance to do something substantial that will be salutary for the Nation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The question was taken; and on a division (demanded by Mr. MARTIN of Massachusetts) there were—ayes 169, noes 97.

So the amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5939) to increase the rates of officers and employees of the Federal Government, and for other purposes, pursuant to House Resolution 576, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. RANDOLPH. Mr. Speaker, I demand a separate vote on the so-called Lyle amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The other amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. LYLE: Page 1, line 10, strike out the figures and words "18.5 percent" and insert "$400 per annum."

Page 2, line 16, strike out the figures and words "18.5 percent" and insert in lieu thereof the figures and words "$400 per annum."

Page 3, lines 4 and 5, strike out the figures and words "18.5 percent" and insert in lieu thereof the figures and words "$400 per annum."

Page 3, line 16, strike out the figures and words "18.5 percent" and insert in lieu thereof the figures and words "$400 per annum."

Page 4, line 12, strike out the figures and words "18.5 percent" and insert in lieu thereof the figures and words "$400 per annum."

Mr. REES of Kansas. Mr. Chairman, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. REES of Kansas. In the event the Lyle amendment is defeated, then, as I understand it, the Rees amendment stays in the bill.

The SPEAKER. The Rees amendment was not agreed to. It has not been reported from the Committee of the Whole.

The question is on the amendment.

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes 183, noes 110.

Mr. RANDOLPH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 199, nays 165, answered "present" 1, not voting 66, as follows:

[Roll Call No. 76]

YEAS—199

Abernethy	Brown, Ga.	Cooper
Allen, La.	Brown, Ohio	Corbett
Almond	Bryson	Cox
Andresen, August H.	Buck	Cravens
Andrews, N. Y.	Bulwinkle	Cunningham
Arends	Burch	Curtis
Baldwin, N. Y.	Butler	Daughton, Va.
Barden	Camp	Davis
Bates, Ky.	Campbell	D'Ewart
Bates, Mass.	Carlson	Dirksen
Bennett, Mo.	Chenoweth	Dolliver
Blackney	Church	Dondero
Bonner	Clark	Drewry
Boren	Clason	Durham
Bradley, Mich.	Clevenger	Earthman
Brehm	Cole, Kans.	Eaton
	Cole, Mo.	Elliott
Ellis	Jonkman	Robsion, Ky.
Elsaesser	Kearney	Rockwell
Elston	Keefe	Rodgers, Pa.
Ervin	Kelly, Ill.	Roe, Md.
Fellows	Kilburn	Rogers, Fla.
Fenton	Kinzer	Rogers, Mass.
Flannagan	Kunkel	Russell
Folger	Landis	Schwabe, Mo.
Fuller	Larcade	Schwabe, Okla.
Gamble	Latham	Scrivner
Gardner	Lea	Short
Gary	LeCompte	Simpson, Ill.
Gathings	LeFevre	Smith, Va.
Gavin	Lewis	Smith, Wis.
Gerlach	Lyle	Springer
Gillespie	McConnell	Starkey
Gillette	McCowen	Stefan
Gillie	McKenzie	Stevenson
Gore	McMillan, S. C.	Stewart
Gossett	McMillen, Ill.	Stigler
Graham	Maloney	Stockman
Grant, Ala.	Martin, Iowa	Sumner, Ill.
Grant, Ind.	Mason	Sundstrom
Gregory	May	Taber
Griffiths	Merrow	Talbot
Gross	Michener	Talle
Gwinn, N. Y.	Mills	Tarver
Gwynne, Iowa	Mundt	Taylor
Hall, Edwin Arthur	Murray, Tenn.	Thomas, N. J.
Hall, Leonard W.	Murray, Wis.	Tibbott
Hand	Norblad	Towe
Hare	Norrell	Vinson
Harness, Ind.	O'Brien, Mich.	Vorys, Ohio
Hartley	O'Hara	Vursell
Henry	O'Konski	Wadsworth
Heselton	O'Neal	Weaver
Hess	Pace	Weichel
Hill	Patman	West
Hoeven	Peterson, Ga.	Whitten
Hoffman	Pickett	Whittington
Hope	Pittenger	Wickersham
Horan	Ploeser	Wigglesworth
Howell	Priest	Wilson
Jenkins	Ramey	Winstead
Jennings	Rankin	Winter
Jensen	Reed, Ill.	Wolcott
Johnson, Ill.	Reed, N. Y.	Wood
Johnson, Ind.	Richards	Woodruff
Johnson, Okla.	Riley	Zimmerman
	Rivers	
	Robertson, Va.	

NAYS—165

Andersen, H. Carl	Geelan	McGehee
Anderson, Calif.	Goodwin	McGlinchy
Angell	Gordon	Madden
Auchincloss	Gorski	Mahon
Bailey	Granahan	Manasco
Baldwin, Md.	Granger	Mankin
Barrett, Pa.	Green	Mansfield, Mont.
Barrett, Wyo.	Hagen	Mansfield, Tex.
Barry	Hale	Marcantonio
Beall	Harless, Ariz.	Martin, Mass.
Beckworth	Harris	Mathews
Bell	Hart	Miller, Calif.
Bennet, N. Y.	Havenner	Miller, Nebr.
Biemiller	Hays	Monroney
Bland	Healy	Morgan
Bloom	Hébert	Morrison
Bradley, Pa.	Hedrick	Murphy
Brooks	Heffernan	Neely
Buckley	Hendricks	O'Toole
Buffett	Herter	Outland
Byrne, N. Y.	Hinshaw	Patrick
Canfield	Hobbs	Patterson
Carnahan	Hoch	Philbin
Case, N. J.	Holifield	Phillips
Case, S. Dak.	Holmes, Mass.	Poage
Cellar	Holmes, Wash.	Powell
Chelf	Hook	Price, Ill.
Clements	Huber	Quinn, N. Y.
Coffee	Hull	Rabaut
Combs	Izac	Rabin
Cooley	Jackson	Randolph
Crawford	Johnson, Calif.	Rayfiel
Crosser	Johnson, Luther A.	Rees, Kans.
D'Alesandro	Johnson, Lyndon B.	Resa
De Lacy	Jones	Rich
Delaney, James J.	Judd	Rizley
Delaney, John J.	Kee	Robinson, Utah
Dingell	Kefauver	Rogers, N. Y.
Domengeaux	Kilday	Rooney
Douglas, Calif.	King	Rowan
Douglas, Ill.	Kirwan	Ryter
Eberharter	Klein	Sasscer
Fallon	Kopplemann	Savage
Feighan	Lane	Sheppard
Fernandez	Lemke	Sheridan
Flood	Lesinski	Slaughter
Fogarty	Link	Smith, Maine
Forand	Ludlow	Somers, N. Y.
Fulton	Lynch	Sparkman
Gallagher	McCormack	Spence
	McDonough	Sullivan
		Thomas, Tex.

Thomason	Trimble	Welch
Tolan	Voorhis, Calif.	White
Torrens	Walter	Wolverton, N. J.
Traynor	Wasielewski	Worley

ANSWERED "PRESENT"—1

Smith, Ohio

NOT VOTING—66

Adams	Doughton, N. C.	Norton
Allen, Ill.	Doyle	O'Brien, Ill.
Andrews, Ala.	Dworshak	Peterson, Fla.
Arnold	Ellsworth	Pfeifer
Bender	Engel, Mich.	Plumley
Bishop	Engle, Calif.	Price, Fla.
Bolton	Fisher	Rains
Boykin	Gearhart	Reece, Tenn.
Brumbaugh	Gibson	Robertson, N. Dak.
Bunker	Gifford	Roe, N. Y.
Burgin	Halleck	Sabath
Byrnes, Wis.	Hancock	Sadowski
Cannon, Fla.	Jarman	Shafer
Cannon, Mo.	Kean	Sharp
Chapman	Kelley, Pa.	Sikes
Chiperfield	Keogh	Simpson, Pa.
Clippinger	Kerr	Sumners, Tex.
Cochran	Knutson	Thom
Cole, N. Y.	LaFollette	Wolfenden, Pa.
Colmer	Lanham	Woodhouse
Courtney	Luce	
Curley	McGregor	
Dawson	Murdock	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Knutson for, with Mr. Bender against.

Mr. Bishop for, with Mr. Dawson against.

Mr. Wolfenden of Pennsylvania for, with Mr. Doyle against.

Mr. Shafer for, with Mr. Pfeifer against.

Mr. Gifford for, with Mr. Bunker against.

Mr. Brumbaugh for, with Mr. Keogh against.

Mr. Clippinger for, with Mr. O'Brien of Illinois against.

Mr. Byrnes of Wisconsin for, with Mr. Roe of New York against.

General pairs until further notice:

Mr. Doughton of North Carolina with Mr. Halleck.

Mr. Courtney with Mr. Ellsworth.

Mr. Cochrane with Mr. Plumley.

Mr. Peterson of Florida with Mr. Cole of New York.

Mr. Cannon of Florida with Mr. Adams.

Mr. Boykin with Mr. Chiperfield.

Mr. Murdock with Mr. Allen of Illinois.

Mr. Colmer with Mr. Kean.

Mr. Sadowski with Mr. Arnold.

Mr. Rains with Mr. Simpson of Pennsylvania.

Mr. Sikes with Mr. Reece of Tennessee.

Mr. Price of Florida with Mr. McGregor.

Mrs. Norton with Mrs. Luce.

Mr. Kelley of Pennsylvania with Mr. Martin of Iowa.

Mr. Jarman with Mr. Robertson of North Dakota.

Mr. Cannon of Missouri with Mr. Sharp.

Mr. Fisher with Mr. Hancock.

Mrs. Woodhouse with Mr. Engel of Michigan.

Mr. Gibson with Mr. Dworshak.

Mr. Thom with Mr. Gearhart.

Mr. CHELF and Mr. RIZLEY changed their votes from "aye" to "no."

Mr. GATHINGS, Mr. STEFAN, and Mr. CURTIS changed their votes from "no" to "aye."

The result of the vote was announced as above recorded.

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent to correct the typographical errors in sections 5 and 6, and I am advised that this is the proper time to make the request.

After the figure and words "$400 per annum" in sections 5 and 6, strike out the remainder of the language which is in both said sections 5 and 6: "of his basic compensation as increased by the foregoing percentages" so that in those two sections the amendment just adopted will read: "plus $400 per annnm."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. REES of Kansas. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. REES of Kansas. The gentleman is.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. REES of Kansas moves to recommit the bill (H. R. 5939), as amended, to the Committee on the Civil Service with the recommendation that the same be reported back to the House forthwith with the following amendment: Beginning on line 7, page 1, strike everything after "Sec. 2 (a)" on that page, also strike everything on pages 2 and 3, and also strike everything up to and including the word "repealed" on line 21, page 4, and insert the following:

"The first sentence of section 405 (a) of the Federal Employees Pay Act of 1945 is amended to read as follows: 'Each of the existing rates of basic compensation set forth in section 13 of the Classification Act of 1923, as amended, except those affected by subsection (b) of this section, is hereby increased by 45 percent of that part thereof which is not in excess of $1,200 per annum, plus 18 percent of that part thereof which is in excess of $1,200 per annum but not in excess of $4,600 per annum.'

"(b) Each of the existing rates of basic compensation provided for in subsections 405 (b) (1) and (2) of the Federal Employees Pay Act of 1945 is hereby increased by 17.5 percent. Such augmented rates shall be considered to be the regular rates of basic compensation, and such increase in said rates of basic compensation shall not be construed to be 'an equivalent increase' in compensation within the meaning of section 7 (b) (1) of the Classification Act of 1923, as amended.

"INCREASE IN PAY RATES IN THE LEGISLATIVE BRANCH

"SEC. 3. (a) The first sentence in section 501 of the Federal Employees Pay Act of 1945 is amended to read as follows: 'Except as provided in section 503, each officer and employee in or under the legislative branch to whom this title applies shall be paid additional compensation computed as follows: 45 percent of that part of his rate of basic compensation which is not in excess of $1,200 per annum, plus 18 percent of that part of such rate which is in excess of $1,200 per annum, but not in excess of $4,600 per annum.'

"(b) Section 502 of such act is amended to read as follows:

"'ADDITIONAL COMPENSATION IN LIEU OF OVERTIME

"'SEC. 502. Each officer and employee in or under the legislative branch entitled to the benefits of section 501 of this act shall be paid additional compensation at the rate of 10 percent of the aggregate of the rate of his basic compensation and the rate of additional compensation received by him under section 501 of this act, as amended.'

"INCREASE IN PAY RATES IN THE JUDICIAL BRANCH

"SEC. 4. (a) The first sentence of section 521 of the Federal Employees Pay Act of 1945 is amended to read as follows: 'Each officer and employee in or under the judicial branch to whom this title applies shall be paid additional basic compensation computed as follows: 45 percent of that part of his rate of basic compensation which is not in excess of $1,200 per annum, plus 18 percent of that part of such rate which is in excess of $1,200 per annum, but not in excess of $4,600 per annum.'

"(b) The second sentence of such section 521 is amended by inserting after 'section 405 of this act' the following: 'and section 2 of the Federal Employees Pay Act of 1946.'

"(c) Section 522 of such act is hereby repealed.

"INCREASE IN PAY RATES FOR CUSTOMS CLERKS AND IMMIGRANT INSPECTORS

"SEC. 5. The first sentence of section 602 (a) of the Federal Employees Pay Act of 1945 is amended by changing the semicolon which follows the words 'of this act' to a comma, and inserting after the comma the following: 'as amended by the Federal Employees Pay Act of 1946;'

"INCREASE IN STATUTORY PAY RATES IN THE EXECUTIVE BRANCH NOT UNDER CLASSIFICATION ACT

"SEC. 6. The first sentence of section 602 (b) of the Federal Employees Pay Act of 1945 is amended by changing the semi-colon which follows the words 'of this act' to a comma, and inserting after the comma the following: 'as amended by the Federal Employees Pay Act of 1946.'"

Mr. RANDOLPH (interrupting the reading of the amendment). This is the Rees amendment. I ask unanimous consent that further reading be dispensed with. The House knows what the motion is.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. REES of Kansas) there were—ayes 118, noes 141.

Mr. REES of Kansas. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The SPEAKER. The question is on the passage of the bill.

Mr. RANDOLPH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 337, nays 27, not voting 67, as follows:

[Roll No. 77]

YEAS—337

Allen, La.	Bell	Burch
Almond	Bennet, N. Y.	Butler
Anderson, Calif.	Bennett, Mo.	Byrne, N. Y.
Andresen, August H.	Biemiller	Camp
	Blackney	Campbell
Andrews, N. Y.	Bland	Canfield
Angell	Bloom	Carlson
Arends	Bonner	Carnahan
Auchincloss	Boren	Case, N. J.
Bailey	Boykin	Celler
Baldwin, Md.	Bradley, Mich.	Chelf
Baldwin, N. Y.	Bradley, Pa.	Chenoweth
Barden	Brehm	Church
Barrett, Pa.	Brooks	Clark
Barrett, Wyo.	Brown, Ga.	Clason
Barry	Brown, Ohio	Clements
Bates, Ky.	Bryson	Coffee
Bates, Mass.	Buck	Cole, Kans.
Beall	Buckley	Cole, Mo.
Beckworth	Bulwinkle	Combs

Cooley	Hoch	Patterson
Cooper	Hoeven	Peterson, Ga.
Corbett	Holifield	Pfeifer
Cox	Holmes, Wash.	Philbin
Cravens	Hook	Phillips
Crosser	Hope	Pittenger
Cunningham	Horan	Poage
D'Alesandro	Howell	Powell
Daughton, Va.	Huber	Price, Ill.
Davis	Hull	Priest
De Lacy	Izac	Quinn, N. Y.
Delaney, James, J.	Jackson	Rabaut
	Jenkins	Rabin
Delaney, John J.	Jennings	Ramey
	Jensen	Randolph
D'Ewart	Johnson, Calif.	Rankin
Dingell	Johnson, Ill.	Rayfiel
Dirksen	Johnson, Ind.	Reed, Ill.
Dolliver	Johnson, Luther A.	Reed, N. Y.
Domengeaux		Rees, Kans.
Dondero	Johnson, Lyndon B.	Resa
Douglas, Calif.		Richards
Douglas, Ill.	Johnson, Okla.	Riley
Drewry	Jonkman	Rivers
Durham	Judd	Rizley
Earthman	Kearney	Robertson, Va.
Eaton	Kee	Robsion, Ky.
Eberharter	Keefe	Rockwell
Elliott	Kefauver	Rodgers, Pa.
Ellis	Kelly, Ill.	Roe, Md.
Elsaesser	Keogh	Rogers, Fla.
Elston	Kilday	Rogers, Mass.
Ervin	King	Rogers, N. Y.
Fallon	Kinzer	Rooney
Feighan	Kirwan	Rowan
Fellows	Klein	Ryter
Fenton	Kopplemann	Sasscer
Fernandez	Kunkel	Savage
Flannagan	Landis	Schwabe, Okla.
Flood	Lane	Sheppard
Fogarty	Larcade	Sheridan
Folger	Latham	Short
Forand	Lea	Simpson, Ill.
Fuller	LeCompte	Slaughter
Fulton	LeFevre	Smith, Maine
Gallagher	Lemke	Smith, Va.
Gamble	Lesinski	Smith, Wis.
Gardner	Lewis	Somers, N. Y.
Gary	Link	Sparkman
Gavin	Ludlow	Spence
Geelan	Lyle	Springer
Gerlach	Lynch	Starkey
Gillespie	McConnell	Stevenson
Gillette	McCormack	Stewart
Gillie	McCowen	Stigler
Goodwin	McDonough	Stockman
Gordon	McGehee	Sullivan
Gore	McGlinchey	Sundstrom
Gorski	McKenzie	Talbot
Gossett	McMillan, S. C.	Talle
Graham	McMillen, Ill.	Tarver
Granahan	Madden	Taylor
Granger	Mahon	Thomas, N. J.
Grant, Ala.	Maloney	Thomas, Tex.
Grant, Ind.	Manasco	Thomason
Green	Mankin	Tibbott
Gregory	Mansfield, Mont.	Tolan
Griffiths		Torrens
Gross	Mansfield, Tex.	Towe
Gwinn, N. Y.	Marcantonio	Traynor
Gwynne, Iowa	Martin, Iowa	Trimble
Hagen	Martin, Mass.	Vinson
Hale	Mason	Voorhis, Calif.
Hall, Edwin Arthur	Mathews	Vorys, Ohio
	May	Vursell
Hand	Merrow	Wadsworth
Hare	Michener	Walter
Harless, Ariz.	Miller, Calif.	Wasielewski
Harness, Ind.	Monroney	Weaver
Harris	Morgan	Weichel
Hart	Morrison	Welch
Hartley	Mundt	West
Havenner	Murray, Tenn.	White
Hays	Murray, Wis.	Whittington
Healy	Neely	Wickersham
Hébert	Norblad	Wigglesworth
Hedrick	O'Brien, Mich.	Wilson
Heffernan	O'Hara	Winter
Hendricks	O'Konski	Wolcott
Herter	O'Neal	Wolverton, N. J.
Heselton	O'Toole	Wood
Hess	Outland	Woodruff
Hill	Pace	Worley
Hinshaw	Patman	Zimmerman
Hobbs	Patrick	

NAYS—27

Abernethy	Curtis	Mills
Andersen, H. Carl	Gathings	Norrell
	Hoffman	Pickett
Buffett	Holmes, Mass.	Ploeser
Case, S. Dak.	Jones	Rich
Clevenger	Kilburn	Russell
Crawford	Miller, Nebr.	Schwabe, Mo.
Scrivner	Sumner, Ill.	Winstead
Smith, Ohio	Taber	
Stefan	Whitten	

NOT VOTING—67

Adams	Doyle	Murdock
Allen, Ill.	Dworshak	Murphy
Andrews, Ala.	Ellsworth	Norton
Arnold	Engel, Mich.	O'Brien, Ill.
Bender	Engle, Calif.	Peterson, Fla.
Bishop	Fisher	Plumley
Bolton	Gearhart	Price, Fla.
Brumbaugh	Gibson	Rains
Bunker	Gifford	Reece, Tenn.
Burgin	Hall, Leonard W.	Robertson, N. Dak.
Byrnes, Wis.		
Cannon, Fla.	Halleck	Robinson, Utah
Cannon, Mo.	Hancock	Roe, N. Y.
Chapman	Henry	Sabath
Chiperfield	Jarman	Sadowski
Clippinger	Kean	Shafer
Cochran	Kelley, Pa.	Sharp
Cole, N. Y.	Kerr	Sikes
Colmer	Knutson	Simpson, Pa.
Courtney	LaFollette	Sumners, Tex.
Curley	Lanham	Thom
Dawson	Luce	Wolfenden, Pa.
Doughton, N. C.	McGregor	Woodhouse

So the bill was passed.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Doughton of North Carolina with Mr. Knutson.

Mr. Cochran with Mr. Bender.

Mr. Dawson with Mr. Bishop.

Mr. Lanham with Mr. Shafer.

Mr. Doyle with Mr. Wolfenden of Pennsylvania.

Mr. Bunker with Mr. Gifford.

Mrs. Woodhouse with Mr. Brumbaugh.

Mr. O'Brien of Illinois with Mr. Clippinger.

Mr. Roe of New York with Mr. Byrnes of Wisconsin.

Mr. Cannon of Florida with Mr. Adams.

Mr. Colmer with Mr. Kean.

Mr. Murdock with Mr. Allen of Illinois.

Mr. Kelley of Pennsylvania with Mr. Halleck.

Mr. Jarman with Mr. Engel of Michigan.

Mr. Thom with Mr. Leonard W. Hall.

Mr. Courtney with Mr. Ellsworth.

Mr. Peterson of Florida with Mr. Cole of New York.

Mr. Price of Florida with Mr. McGregor.

Mrs. Norton with Mrs. Luce.

Mr. Cannon of Missouri with Mr. Plumley.

Mr. Sikes with Mr. Reece of Tennessee.

Mr. Rains with Mr. Simpson of Pennsylvania.

Mr. Gibson with Mr. Dworshak.

Mr. Burgin with Mr. Chiperfield.

Mr. Sadowski with Mr. Arnold.

Mr. Robinson of Utah with Mr. August H. Andresen.

Mr. LEWIS changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the rule, the Chair lays before the House the bill (S. 1415) entitled "An act to increase the rates of compensation of officers and employees of the Federal Government," which the Clerk will report by title.

The Clerk read the title of the Senate bill.

Mr. JACKSON. Mr. Speaker, pursuant to House Resolution 576, I offer the following amendment:

Strike out all after the enacting clause and insert in lieu thereof the provisions of the bill H. R. 5939, as passed.

The Clerk read as follows:

Amendment offered by Mr. JACKSON: Strike out all after the enacting clause and insert the provisions of the bill H. R. 5939, as passed.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. JACKSON. Mr. Speaker, I ask unanimous consent to amend the title of the Senate bill as follows:

Insert a comma and add the following words: "and for other purposes."

The SPEAKER. Without objection, the title will be so amended.

There was no objection.

The SPEAKER. Without objection, the proceedings by which the bill H. R. 5939 was passed will be vacated and that bill laid on the table.

There was no objection.

EXTENSION OF REMARKS

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therewith editorial comment from the St. Louis (Mo.) Star-Times, April 2, 1946, on a bill which I introduced and which passed the House last Monday providing for the burial in Arlington Cemetery Memorial Amphitheater of an unknown American serviceman of World War II.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE STRIKE ON THE MICHIGAN IRON ORE RANGES

Mr. HOOK. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOOK. Mr. Speaker, since February 7, 1946, thousands of miners working on the Michigan and Minnesota iron ore ranges, members of the United Steelworkers of America, have been on strike for a decent living wage.

The efforts of the mining companies operating properties on the upper Michigan peninsula on the Marquette range to break the strike reveal a condition which requires the immediate attention of the Federal Government.

Under the leadership of the powerful Cleveland-Cliffs Iron Co., a conspiracy has been perfected to break the strike which recalls the most shameful practices of the mining barons of 50 years ago. It is difficult to believe that in free America, in 1946, a group of powerful employers could so control the public authorities, could so effectively corrupt our public institutions, to break a strike.

The story begins on February 7, 1946, when thousands of iron ore miners laid down their tools to join other members of the steelworkers' union in a strike for a wage increase.

Shortly after the commencement of the strike, and with no justification whatsoever, State troops obligingly appeared on the scene to intimidate the strikers despite the fact that no overt act

of violence had occurred. This was the first step in a brutal campaign by the mining barons to break the back of the strike.

Backed by this resort to State troops, the companies engaged in a conspiracy to break the strike and commenced a back-to-work movement in violation of the National Labor Relations Act. High officials of the companies threatened employees who were members of the union or represented by it that unless they returned to work they would lose their jobs. Uniformed private police visited the employees and sought to intimidate them. The employees were falsely told that if they returned to work they would have greater seniority and other benefits than those who stuck to the union. The union was attacked as indifferent to the true needs of the workers. The companies, in letters and advertisements, encouraged and solicited members of the union to withdraw from the union. The companies further issued false statements that the union's funds were being misused and misappropriated by union officials and that the union was being run for the personal benefit of its leaders.

In a further effort to intimidate the men the companies canceled or terminated collective-bargaining agreements between them and the union, contrary to the terms of such agreements, and requested individual employees to return to work without any contract.

All of this was done and undertaken in flagrant violation of the National Labor Relations Act, passed over 10 years ago.

After coercing and intimidating the employees in every way possible, the companies then resorted to the courts. On March 19, 1946, the five mining companies who have formed a conspiracy to destroy the union on the iron-ore ranges obtained injunctions. These injunctions, I believe, are among the most sweeping ever issued by an American court. These injunctions completely disregard the constitutional rights of workers: The right of free speech, the right of free assembly. These injunctions reinstate the vicious doctrine of conspiracy. These injunctions make it clear that human rights mean nothing on the iron-ore ranges and that property rights are supreme. Contained in these injunctions is the following type of prohibition:

> No group or crowds shall be permitted for the purpose of communicating with or preventing persons seeking employment or accepting employment or contracting for employment with the plaintiff. Persuasion in the presence of three or more persons congregated with the persuader is not permitted and is hereby prohibited.

This unbelievable prohibition on the rights of human beings to gather at any point or any place in order to discuss issues vital to their livelihood is the essence of fascism. This attempt to drive underground the legitimate concerted activities of American workers is an insult to our institutions and reflects a contempt for democracy.

Also typical of the dragnet sweep of these injunctions is the following provision. The defendants are prohibited:

> From picketing said mines and premises of plaintiff, the entrances thereto and exits therefrom, or from loitering, grouping, or congregating at or near any approaches or on public highways, roads, or places leading to said mines and premises or any place or places where employees of plaintiff desire to work; alight from conveyances in order to go to or leave from said mines and premises, except that defendants may have not more than six pickets not closer than 50 feet at any one time at any one of the entrances to plaintiff's mines and premises provided that said pickets conduct themselves in a peaceful and lawful manner.

Under this monstrous provision if more than six workers grouped on a road which leads to a mine they would be subject to the savage sanctions laid down in the injunctions.

The injunctions do not leave any doubt as to the penalty for violation. They place the defendants on notice: Failure to obey the sweeping prohibitions "under the penalty of $1,000 to be levied on your lands, goods, and chattels." This is not impartial justice; this is company justice of the rankest sort.

These injunctions, these machine guns on paper, were issued against the union without a hearing. These injunctions were issued on the basis of unparticularized affidavits. These injunctions were issued at a time when no conceivable basis for an injunction was presented in the conduct of the strikers. These injunctions were issued without giving the union the ordinary decent American right to be heard and to defend itself.

The actions of the judges who issued this injunction bear some scrutiny by the State officials of the State of Michigan. The two so-called judges who thus purveyed company justice are Judges Bell and Runnels. It is a fundamental principle of American jurisprudence, a keystone of our legal system, that the judiciary must be disinterested. Under fascism, the institution of the biased judge who prejudged the case before it was heard was the accepted thing. Under a democratic legal system we proudly boast of a disinterested judiciary.

Who is Judge Bell? Judge Bell is a gentleman who has served the major part of his professional life as counsel for the Oliver Mining Co., the most powerful of the mining companies and a subsidiary of United States Steel and the Chicago & North Western Railway Co. Judge Bell is a gentleman whose son, Francis A. Bell, is chief counsel for four of the five mining companies which obtained injunctions. Judge Bell is a gentleman who is a stockholder in the mining companies involved in this strike and sympathetic to their point of view. Yet this same judge has the unbridled effrontery to place American workers engaged in a labor dispute with the mining companies under the lash of the most vicious injunction I have ever read. To protect the record, Judge Bell assigned four of the cases to a colleague who, himself, by his conduct revealed his prejudice. Judge Bell cannot escape criticism by this simple maneuver. By sitting in one case involving precisely the same issues, this judge set the pattern for those in which his interest was more direct and merely let a colleague follow his lead.

The tentacles of the mining companies have not only reached into the courts; they have reached with equal effectiveness into the offices of the relief authorities in Michigan. After the mining companies commenced a back-to-work movement, the relief authorities in Marquette County made the unbelievable announcement that they would withhold relief from all strikers who refused to accept the companies' back-to-work offer. This was done in the face of an opinion by the attorney general of the State of Michigan that a striker is not to be denied relief because he is on strike. This was done in the face of the fact that during the recent General Motors strike it was the almost uniform practice in the counties of Michigan affected by the strike to give relief to the strikers. Who are the gentlemen who are thus willing to exploit human hunger and misery? Who are these men who are so quick to do the bidding of the mining barons and so deaf to the pleas of hungry workers? Mr. E. R. Nelson is the responsible county relief official who now seeks to place the worker's hunger in the service of the mining companies' strike-breaking maneuver. Who is Mr. E. R. Nelson? Mr. E. R. Nelson is none other than the brother-in-law of C. S. Stakel, the general manager of the Cleveland-Cliffs Iron Mining Co. What is the Cleveland-Cliffs Iron Mining Co.? The Cleveland-Cliffs Iron Mining Co. is the leading company on the Michigan iron ore range among the mining companies engaged in the conspiracy to break the union.

Mr. E. R. Nelson is not without assistance in his attempt to starve the workers into submisison. The responsible State welfare official in Marquette County is Mr. Walter Gries. Who is Mr. Walter Gries? Mr. Gries is none other than the chairman of the welfare division of the Cleveland-Cliffs Iron Mining Co., a paid employee of that company.

Company police, State troops, subservient courts, pliable relief authorities; this is the old vicious un-American pattern of the company town. What other iron mining companies have done and sought to do elsewhere to corrupt our institutions for the sake of profit, these companies are now attempting to do in the iron mining communities in northern Michigan, such as Negaunee and Ishpeming.

This situation calls for prompt Federal investigation. These powerful employers must not be permitted to turn the clock back and to bring a destructive feudalism to a democratic society.

I am requesting such investigation so that justice will prevail. I care not where the chips may fall; that investigation must be thorough and complete.

The basic principles of democracy are at stake. The lives of miners and their families are at stake. I cannot, as representative of the people, sit idly by and allow these things to happen. As long

as I am a Member of this body I will seek to protect my people, no matter how vicious are my opponents. No matter how powerful is their influence. No matter what threats or intimidation may be used against me.

GRAIN FOR FOOD, NOT FOR LIQUOR

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, on March 7, I introduced House Joint Resolution 325, which would empower the President and Secretary of Agriculture to prevent the use of grain for the manufacture of liquors or for any other nonessential purposes, and to channel such grain either into human consumption or into the feeding of livestock in the United States, so long as the present food shortage in the world, or the present shortage of livestock feed in the United States, continues.

Last Monday, March 25, I incorporated in the CONGRESSIONAL RECORD—page 2594—certain of my findings with respect to the liquor industry's present situation, which indicate clearly that it would be no hardship on liquor producers to discontinue the use of grain for some time to come. Certainly the hardship, if any, would be totally incommensurate with the resultant saving of human life.

According to the Alcohol Tax Unit of the Bureau of Internal Revenue, there were 350,063,318 proof-gallons of whisky on hand in warehouses on January 31, 1946, as well as 25,739,816 proof-gallons of neutral spirits with which to make gin and blended whisky. In addition, there were very substantial but indeterminate stocks of such neutral spirits in the hands of industrial alcohol producers, over and above their industrial alcohol holdings. Tax-paid withdrawals of distilled spirits produced from grain—whisky, gin, and neutral spirits—amounted to 152,005,174 proof-gallons last year, also according to the Alcohol Tax Unit. There is thus an adequate supply of grain liquors on hand already to supply the public demand for some time to come, without any further production from grain. Furthermore, relatively little, if any, unemployment would result in the industry, since only a very few thousand people are employed in the actual distilling process, most of the employment in the industry being engaged in packaging and selling.

I understand from recent stories in the press distributed to specialists in the Department of Agriculture—notably an AP dispatch from Washington, dated March 28—that we will fall behind by 35,000,000 bushels in our commitment to deliver 225,000,000 bushels of grain to Europe during the first 6 months of this year. Moreover, it is generally known that even if we were to meet our commitment, there would be need for much more cereals to alleviate starvation around the world. Meanwhile, here at home livestock is being slaughtered for lack of feed. I understand that the distillers alone have been allocated about 30,000,000 bushels of scarce grains for liquor production during the first 6 months of this year and that brewers have been allocated an additional 28,000,000 bushels for use during the same period. Liquor and beer production are thus consuming a total of 58,000,000 bushels of grain, sufficient to more than make up the expected deficit in our shipments to Europe. There is no question in my mind that the entire 58,000,000 bushels should have been allocated to save human lives, rather than to produce nonessential alcoholic beverages.

According to Ernest K. Lindley, in Newsweek magazine for April 1—page 25:

> The demand for cereals alone was approximately 10,000,000 tons greater than the visible supply. Spread over 120 days before the new crops begin to come in, this shortage could mean death for 300,000,000 people, more than twice the population of the United States, or semi-starvation for a much larger number.

According to the Bureau of Human Nutrition and Home Economics, in the same magazine—page 4:

> Eighteen million bushels of grain could feed 15,400,000 persons for 120 days.

Thus, the 58,000,000 bushels allocated to liquor and beer production so far this year could have prevented starvation of 45,600,000 persons, a high price to pay for such utterly unnecessary production.

Such arguments as liquor and beer interests have mustered for continued diversion to them of food from the hungry are specious.

First, the amount of grain being used for liquor and beer production is important, regardless of clever statistics to the contrary. Every bushel of grain diverted away from human feeding in these times may mean human life. Every bushel diverted from livestock feed, after human need is met, depletes our agricultural wealth and future capacity to produce high-level foods.

Secondly, the types of grain being allocated to liquor and beer production might not normally be desirable for food and feed uses, but in these times we must and can use every particle of cereals for the much more important purposes of human and livestock feeding.

Finally, the residues recovered by distillers and brewers will be less than 30 percent of the original grain, the rest being lost in the distilling and brewing processes, which consume virtually all of the important starch content. Moreover, such spent grains are useful only for livestock feeding, whereas our major problem today is human feeding, for which the whole grains are most desirable—as they would be for livestock feeding as well for that matter.

The Special Presidential Famine Committee and the UNRRA Food Committee have both recommended drastic reduction of the use of grain for the making of liquor.

It is time we put first things first, second things second, last things last. And the first thing is grain to relieve human hunger, and the second thing is grain for feeding livestock, that our future food production and the solvency of our agriculture may be protected. No grain should be allowed to be used in this crisis for other purposes besides these—certainly none, under the circumstances, for liquor manufacture.

If the facts outlined above are generally made known, I am confident that the people of the United States would support us, and the peoples of the world would thank us for putting an immediate stop to this calamitous wastage of precious foodstuffs.

EXTENSION OF REMARKS

Mr. WHITE. Mr. Speaker, I desire to submit two requests and to make a correction.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD in two instances and to include certain excerpts.

Mr. Speaker, this morning in securing permission of the House to insert in the RECORD the legislative program of the National Grange I said the estimate was $130. I should correct that and state that it was $140.

The SPEAKER. Notwithstanding, without objection, the extension may be made.

There was no objection.

The SPEAKER. Is there objection to the requests of the gentleman from Idaho?

There was no objection.

Mr. DE LACY asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances, in one to include a letter and in the other a resolution.

Mr. LATHAM asked and was given permission to extend his remarks in the Appendix of the RECORD and include a news letter.

Mr. RANKIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a resolution and statement by the Ohio State Society of the Daughters of the American Revolution.

SPECIAL ORDERS GRANTED

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from California [Mr. PHILLIPS] who had a special order to address the House this afternoon may have that order transferred to Monday next, following the disposition of the legislative business of the day and the special orders heretofore entered for that day.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. BRADLEY] may address the House for 10 minutes tomorrow following the legislative program of the day and the special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. Under the previous order of the House the gentleman from Wisconsin [Mr. SMITH] is recognized for 30 minutes.

HOUSING SITUATION IS BAD

Mr. SMITH of Wisconsin. Mr. Speaker, the housing situation is getting worse. The returned serviceman and his family cannot find a decent place to live. Seven months after VJ-day, and the administration has no solution for this acute problem. The only program it has is the one suggested by Mr. Wyatt which, like all New Deal solutions, provides for more controls and more deficit spending. Subsidies and controls are the order of the day when all-out production, on a 24-hour basis, should be under way. Yet, all the public gets is talk and more delay.

Mr. Speaker, the people of this country want to provide adequate housing for all who need it, and first for those who served their country in this last war. I do not believe they favor the Wyatt bill wherein subsidies and price ceilings are designed to supply the incentives to meet the present need for homes. As a veteran, I am greatly concerned about this matter, but there is evidence that the Wyatt program will not build the homes its author predicts. I think it is designed primarily to get votes, not houses. Last week Commander John Stelle of the American Legion is reported in the public press to have said that the full weight of the American Legion would be thrown behind the Wyatt housing program. First, as a Legionnaire, I question the right of Commander Stelle to endorse this measure. Secondly, I doubt that he or the national legislative committee has given any study to the bill. Thirdly, I charge that my beloved American Legion is being used as a political vehicle. That great organization has been embarrassed again by the conduct of its commander. It was only a few weeks ago this individual unjustly attacked General Bradley, Veterans' Administrator. That was strike one on Commander John and now comes his blanket endorsement of the Wyatt housing monstrosity, and that is strike two. As Legionnaires, many of us take great pride in trying to protect the rights and interests of the man and woman who has served his country with honor in time of war. Many veterans who are Members of this body fight for them every day.

Mr. Speaker, this gesture by Commander Stelle was a disservice to the service people. Mr. Wyatt says, in effect, he will build homes for the veterans if you give him the right to fix ceiling prices on old and new homes and if you will give him $600,000,000 so that he can subsidize builders of prefabricated houses. Now, what does this mean? Instead of building houses for veterans, it will build another top-heavy Government bureau. Mr. Wyatt will have to employ a lot of help to spend $600,000,000, and nobody knows how he will spend it. Further, Mr. Wyatt will tell all present owners of real estate just how much they can sell their property for. Is this what our servicemen fought for, Mr. Stelle? Passage of the Wyatt bill, Mr. Speaker, will place the building industry of this country in a strait-jacket; it will retard the erection of decent homes for our veterans.

Mr. Speaker, it is about time that somebody or some organization spoke up and told the truth about this whole problem. I believe it is the duty of the veteran organizations to bring all of the pertinent facts to the attention of the public. They have failed to analyze the situation by, first, pointing out the facts, and, second, recommending a solution, except that of lip service in support of the Wyatt plan.

Now, Mr. Speaker, anybody who has studied the situation knows where the trouble is. There are two chief difficulties: First, production of materials and equipment, and, second, a lack of competent labor. Legislation, Government controls, or Presidential orders will never build a home. We must have production of all materials that go into a house and then the men to build them. I have heard no suggestions from those who now profess great concern over the veteran as to how those two problems can be solved. But Commander Stelle is reported to have said—and I quote:

> That the Legion would fight alongside Wyatt against what the President termed the "real-estate lobby."

And then he added—

> That he would stump 20 New England and Southern States on behalf of the housing crusade.

What brave words, Mr. Speaker, and yet not one single word as to his solution of the problem.

What is the trouble, Mr. Speaker, and what is the solution? Let us face the situation honestly. The present difficulty has been caused by senseless OPA pricing policies. Thousands of small lumber mills are out of business because it does not pay to keep them going. Some mills that are operating find it more profitable to make products for export than items for home consumption. OPA policies have resulted in the creation of black-market operations, thus preventing materials from going into legitimate channels of trade. Dilatory tactics in making price adjustments on materials is nothing short of scandalous. OPA is more concerned with controlling profits than in taking action that will make for increased production. Brick and tile plants have been out of production 6 months waiting for the OPA to make price adjustments. As one man has well said, "Unblock the production of material caused by unrealistic wartime price controls and the building industry will build enough homes for veterans and all Americans." Obstacles to production must be removed, and until this happens there will be no real home building in this country.

Mr. Speaker, this leads me to my final observation. In all this shouting, I wonder how many veterans are actually in the market to buy new homes? I have seen no estimate by the veteran organizations, but I have heard some figures which indicate that less than 5 percent of those men want to buy a home. They are very anxious, however, to rent decent homes. Just a few days ago I received a post card from a GI from my own city which points out that fact. He said:

> In regard to the housing program at Racine, I have discovered that eight out of nine GI's efforts to finance or buy a new home is unsuccessful because of a lack of enough down payment. These men are being forced to take big mortgages because finding places to rent are rare. Why not allow anyone to build homes? This will cause vacancies so GI's can rent. Ninety percent of the people who are in position to build are renting now.

And that, Mr. Speaker, is the situation all over the country. Just a few days ago, General Bradley sounded a warning to veterans by citing the dangers of high financing in the purchase of homes.

There is a big job ahead for every veteran organization in this problem of adequate housing. It should be clearly understood that the only way this objective can be reached is to get the Government out of the housing business and not into it, as is now suggested in the Wyatt housing bill. Six hundred million dollars of subsidy is a financial burden that the veterans and their children will have to pay. In addition it adds to the spiral of inflation already in existence and this is a real threat to every veteran. We must insist that the responsibility for building houses is on the building industry and not the Government. It has the money, the know-how, and the desire to go to work and solve this problem. Let us give them a green light.

The SPEAKER. Under the previous order of the House the gentleman from New York [Mr. KLEIN] is recognized for 20 minutes.

AMERICANISM

Mr. KLEIN. Mr. Speaker, I take the floor today for the first time as a Member of the Seventy-ninth Congress. But this is not my maiden speech before this body. As some of you will recall I served here in the Seventy-seventh and Seventy-eighth Congresses as Representative of the old Fourteenth New York District. When the State of New York was reapportioned in 1944 I lost my seat.

I deem it an honor and a privilege now to be back in this House, a part of the greatest free assembly in the world, having been chosen as Representative of the Nineteenth District at a special election held on February 19 to fill a vacancy.

But my purpose in addressing you now is not only to record my gratitude for the opportunity to participate again in the deliberations of this democratic forum but to give you the benefit of some of my experiences as a plain citizen and as a candidate in the interim in which I held no public office. I believe you will all understand the spirit in which the thought is offered when I repeat the old truism that we sometimes cannot see the forest for the trees; that perhaps many of us here, held down to strict routine by the pressure and demands of official duties, often lose sight of the larger problems and the larger goals with which the

great mass of our citizens are concerned; and that, as a consequence, we are unable to view objectively the trends of congressional action as a whole, which others, outside our ranks, and away from Washington, see so clearly.

Fortunately I have had the opportunity for that kind of observation of Congress—from the outside looking in—and also to obtain at first hand the reactions of the public.

I have no hesitancy in saying that I return to Washington inspired by renewed confidence in the sound judgment and common sense of the American people, in our form of government and way of life, and in the ultimate fulfillment of this Nation's destiny to lead the world along the pathway to peace, progress, and prosperity.

At the same time, however, I am in duty bound to express a feeling of grave concern, which I share with many of my constituents of every walk of life, over certain unfortunate tendencies in politics—and in the Halls of this Congress. Because there is a relationship between these things I would like to remind you that I was elected as a Democrat, with the support of my party organization. My principal opponent was openly and vigorously backed by the Communists and their party organ, the Communist Daily Worker.

It is a tribute to the fundamental Americanism, the decency and the vigilance of the people of my district—one of the most heavily Jewish populated districts in the United States—that they rejected this type of leadership. They repudiated communism.

I was elected by a majority of the voters over the bitterest opposition, in a campaign marked by vilification, picketing, and similar demonstrations which are part of the physical and vocal pressure methods of the Communists.

There was no secret about this Communist activity against me. It was blazoned in the newspapers every day. A New York newspaper, in an editorial, called the election "a test between Americanism and Red fascism."

In such a battle—

They said—

there cannot be Republicans and Democrats. There can only be Americans and anti-Americans. The Republicans and Democrats owe it to their conscience to unite on one candidate, ARTHUR G. KLEIN, to defeat the forces that seek to destroy our country.

Mr. Speaker and fellow Members of the House, I feel that I can speak with greater authority than the gentleman from Mississippi on the menace of communism in the United States. I have actually been in conflict with it. I have felt its strength at first hand, and I am familiar with its insidious methods, its infiltration, its intolerance, and repression of any opposition.

But, at the same time that I have heard the thunder on the left, I have seen the lightning on the right, and I say to you in all solemnity, Mr. Speaker, that the danger from one extreme is as great as from the other. One of the slogans used in my recent campaign was: "A vote for KLEIN is a vote for BILBO and RANKIN."

This was a typical example of the methods used by my opponent. It was also a libel, because the gentleman from Mississippi, in his own way, typifies the opposite extreme of viewpoint and one which I regard as equally distasteful. You cannot defeat one form of intolerance by adopting another; you cannot beat repression by exercising it yourself; you cannot hope to defeat communism—which is anti-Christ, anti-Jewish, and antiall religion—by saying that this is a land for white Christians only.

My position, Mr. Speaker, and my warning, is: That the extremists on both sides are sowing the seeds of disruption and disunity in this country.

They are laying the groundwork for a serious internal conflict that some day in the future may wrack and rend this Nation as it has not been torn since the bitter War Between the States.

Hardly a day now passes but a spokesman for one group—on the extreme right or the extreme left—does not attack the other as "un-American." And I say, that obviously both are un-American. For the real American viewpoint is one which credits the other fellow's right to express a difference of opinion without impugning his patriotism.

But, unfortunately, in the extremists' book there is no such allowance. You are either with him or against him. To the zealot on the left every conservative is a reactionary and a Fascist. And to his counterpart on the right every true Progressive is a Communist.

Of course the overwhelming preponderance of the Members of this House—and of all Americans—is neither Communist nor Fascist. The general public attitude toward these extremist schools of thought can probably best be expressed in the phrase: "A plague upon both your houses."

For my own part I share that view. I believe in and fight for the maintenance of a free, representative form of government, under which the individual and not the state is supreme, where the government is the servant of the people and not their master.

But as I have watched the goings-on in Congress, and particularly in this House, from an objective viewpoint outside its halls, I have been appalled at the increasing tendency to draw an arbitrary line, to take sides on one extreme or the other—with both extremes leaving no room for middle ground.

This, I say, is unreasoning intolerance and political bigotry at its worst. If we continue to follow this course we will be falling into the trap set by our late enemies. We will bring true the prediction of Hitler and Goebbels that even though they lose the war the effects of their propaganda will live after them and set this Nation upon the path to ruin.

Divide and conquer has always been the technique of tyrants but never was it utilized with such diabolic skill or turned to such great advantage as in the recent war. Today we see the results of those efforts to create disunity in America, to weaken our will, sap our stamina, and undermine our morale.

Shall we nullify here at home the sacrifices and the victory of our sons abroad? Shall we void the blessings of peace by destroying the domestic tranquility that we are pledged to insure?

In the greatest of all wars we have just helped to prove again the age-old lesson of history: That ideas cannot be imposed upon the world by force. Only a lack of faith in the essential soundness of our own system, and in the enduring strength of its foundations, can cause us to fear any foreign ideology or ism.

The only way to beat an idea is with a better idea. Democracy is a better idea than either communism or fascism—and it is up to us to operate it and make it effective to its fullest possibilities.

If we follow the precepts of our founders, if we ever strive to translate into action the principles of our Declaration of Independence and our Constitution, no power on earth can threaten our existence. But if we ourselves give sanction to official undemocratic procedures, if we suppress free expression, if we condemn without trials, if we smear and persecute individuals, then indeed will our institutions be in danger.

In this connection I have in mind, particularly, some of the hasty, biased, and ill-considered actions of the Committee on Un-American Activities. Although I voted in favor of the resolution to cite for contempt a witness who refused to obey a subpena of that committee, I did so because it involved the powers of a duly-constituted committee of this House.

But that vote of mine is not to be construed as an endorsement of this committee's activities and its excesses. I cast no reflections upon the good intentions of members of that committee when I say that they have perhaps given too great latitude to some of its employees who have abused their positions to cast suspicions of communism upon innumerable innocent persons.

The mere publication of the name of an individual as having come under the scrutiny of the committee is sufficient to place his reputation under a cloud, to jeopardize his employment, and to hamper his chances of earning a livelihood in the future. Under the circumstances the committee is seriously infringing upon the individual's rights—and is acting as judge, jury, and prosecutor. No such action should be taken lightly by the committee. As a matter of fact the committee, in view of the ostensible purpose for which it was established, should be zealous to guard the civil liberties of the individual and should act only after the fullest investigation has established the facts beyond doubt.

The whole question of the propriety of the committee's existence at all has been thrown open by its indulgence in methods that smack of the Japanese "thought police."

The gentleman from Mississippi, who assumes to speak for the committee, gave this House last week a typical example of what I mean when he declared that "The FEPC bill was written in Moscow."

Similar epithets could have been hurled at Rural Electrification and TVA legislation which the gentleman supported so ardently. They might have been hurled at the Ten Commandments and the Sermon on the Mount. In either case, they make just as little sense.

This is the kind of intolerance, bigotry, and discrimination on the right which merely plays into the hands of the left. This is the kind of dissension in our ranks which is the aim of the Communists. They thrive upon it. This is the kind of thing which creates more potential converts for communism among people who are denied legislation to improve their lot in life. There is nothing un-American in trying to prevent or to outlaw discrimination in employment or in educational institutions. There is nothing un-American in striving for social and economic betterment of the underprivileged or in trying to raise the standards of living of the average American citizen.

Our own Labor Department is the authority for the statement that half of the families and single persons in our cities alone had a net income of less than $2,700 in 1944; and that one-fifth had net incomes under $1,500. If the country as a whole operated on the standards of Mississippi these figures would be much lower.

I ask this House, How can we achieve the American ideal of "life, liberty, and the pursuit of happiness" when every attempt to improve these conditions of the people of this land is labeled as "communistic" or "un-American"?

Let us have an end to this loose and dangerous business of name-calling, this false labeling of Communists and Fascists.

Unfortunately the effect of constant repetition of these exaggerations and blanket generalizations is to destroy their real meaning. In the case of a real Communist it furnishes him with a protective shield by classifying him among genuine liberals and progressives, such as myself, who are not Communists. and in the opposite instance the effect is to lend respectability to dangerous demagogs, leaders of real Fascist movements by including them with patriotic conservatives.

That is my thesis, Mr. Speaker. That is my warning. I say that unless we combat this tendency to line up on one side or the other behind extremists of the left or the right, we face disaster and ruin. That is the lesson which I hammered home to the people of my district, and it is a lesson which Americans of the Jewish faith have learned only too well. For the history of our forebears over the centuries has shown that there is no safety and no security to be found under any authoritarian regime, whether it be of the left or the right.

The founders who established this Republic of brotherhood devised a system of government based not upon intolerant extremes but upon moderation. The result is that the United States represents the greatest advance yet achieved in demonstrating that it is possible for variegated peoples to live together in harmony under the laws of God and the government of man.

All of us are the product of myriad races, and of different creeds, and we spring from forebears who came from many lands to this haven of liberty. The source of America's strength is in the diversity of our people and we must be on guard against those who would turn those differences into a weapon for our own destruction.

In this constant, running debate which I have noted between extremist advocates in this House, the gentleman from Mississippi has occasionally made remarks which seriously reflect upon Americans of Jewish faith. This group of our citizens needs no defense. Their contribution to the cultural and economic life of our Nation, and their record of service in every war in which we have engaged from colonial days to the present, is written in the pages of American history.

But I am concerned, Mr. Speaker, that we should so lose sight of our fundamental values and traditions as to permit remarks by Members which are derogatory of those values and traditions.

I have in mind the practice of singling out certain types of names to convey the idea that the individuals in their conduct or associations are characteristic of a group. I have in mind also the pernicious practice of introducing religious issues which rightfully have no place in our debates.

After all we are Members of the greatest deliberative body in the world, representatives and spokesmen of a people whose sons of every race, creed, and nationality background sacrified their lives for our future and our security.

Shall we permit this body to be made a forum even unconsciously for the dissemination of the poison of racial prejudice and religious bigotry?

Mr. Speaker, I yield to no man in my utter condemnation of and complete opposition to the Communists in America and the philosophy which they expound.

But I cannot reconcile myself to the views of some of our native-born Fascists that in fighting one evil we must embrace another.

Mr. Speaker, I appeal to the honor of the House of Representatives of the United States. Let us here and now resolve that this great parliamentary body shall not lend its prestige as a cloak for disunity.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. CHURCH] is recognized for 30 minutes.

RED TAPE, BUREAUCRACY, AND WASTE IN SURPLUS PROPERTY DISPOSAL

Mr. CHURCH. Mr. Speaker, my Committee on Expenditures in the Executive Departments has been engaged in holding hearings on the administration of the Surplus Property Act of 1944, approved October 3, 1944. From time to time all of us have received complaints from our constituents on the manner of disposal of Government surplus property. It is the purpose of our committee to inquire into the basis for these complaints and to recommend to the House such amendatory legislation as may seem necessary.

I do not propose to speak for other members of the committee; but, personally, as an individual member of the committee, I am convinced that the witnesses who have appeared before us either themselves do not have a complete understanding of the procedures of their own organization, or have deliberately refrained from giving the committee complete and accurate information. Answers to questions have been incomplete or evasive. In some instances inconsistent facts have been presented.

Not being satisfied with what we have been able to learn at the committee hearings, I have made a personal study of the organization and procedures in connection with the disposal of surplus property. I shall not take the time now to go into all the details with respect to my findings, but what I have discovered is so shocking that I feel I owe it to the House to present the general situation.

I have seen bureaucratic red tape and waste in connection with various agencies of the Government. All of us have. To assist in dealing with this problem, we passed the so-called reorganization bill for the executive branch of the Government. But, Mr. Speaker, I do not believe any of us can imagine how fantastic in size, how cumbersome in operations, how ridiculous in procedures, and how scandalous in policies, a bureaucracy can actually become, until he examines the organization, policies, and procedures of the War Assets Administration, which has taken over the majority of the surplus property for disposal. If this bureaucratic Frankenstein did not actually exist, if I did not have the facts to prove it, I would not believe such a thing could be possible.

Before giving you the major facts relative to the War Assets Administration, its organization and procedures, so that you can see exactly what I mean when I use the term "bureaucratic Frankenstein," let me digress for a moment to remind you of the objectives of the surplus-property disposal program as set forth in the act. In section 2 of that act, Congress has set out with some care the various objectives. I do not propose to repeat them here. It should be abundantly clear, and if it is not, we should make it clear that the primary objective of the act is to provide for the early disposal of surplus property. The word "facilitate" appears several times in the statement of objectives. But insofar as the War Assets Administration is concerned, the word has no meaning.

One of the objectives of the act, as declared by Congress in section 2, is "to give maximum aid in the reestablishment of a peacetime economy;" another is "to facilitate the transition of enterprises from wartime to peacetime production, and of individuals from wartime to peacetime employment;" another is "to afford returning veterans an opportunity to establish themselves as proprietors of agricultural, business, and professional enterprises;" another is "to encourage and foster postwar employment opportunities;" and still another is "to dispose of surplus property as promptly as feasible without fostering monopoly, or unduly disturbing the economy," and so on.

How can such objectives possibly be obtained unless the emphasis be on the prompt disposal of surplus property? How, in the name of common sense, can the surplus property disposal program aid in the conversion to peacetime production, aid the veteran and assist in the development of postwar opportunities, if the policies and procedures followed by those in charge of the program are so involved and so complicated as to preclude early disposal of the property? It is now, not next year, or the year after, or 5 or 10 years from now, that surplus property can be sold with the least possible disturbance to our economy, and at the best prices for the American taxpayer. There is a demand for goods today which cannot exist next year when American industry has started to produce its peacetime products.

But, Mr. Speaker, the bureaucratic Frankenstein that the War Assets Administration truthfully represents, with its maze of red tape, complicated regulations, and ridiculous procedures, is actually destroying the purpose of the act. And therein lies the reason for the complaints.

I cannot possibly go into all the details, but I have brought with me some supporting documents which in themselves demonstrate what I mean when I use the term "bureaucratic Frankenstein." You will readily understand from these documents why the delay in the program and why millions of dollars of taxpayers' money is being wasted, literally wasted.

This document [displaying] is the War Assets Administration Organization Charts, Departmental, March 25, 1946. It constitutes 29 pages of offices, divisions, and branches. The chart itself shows the duplications in the organization set-up. I believe there are 24,000 employees in the organization, and they are planning to recruit several thousand more.

Here are some of the volumes [displaying] embodying the statement of policies, procedures, and regulations to be followed in connection with the disposal of surplus property. It is almost impossible to lift them, let alone for anyone to sit down and read them. There are still an even larger volume of these statements of policies, procedures, and regulations not yet printed. While I have not read these volumes here, I have gone through them to an extent sufficient to satisfy myself that the procedure being followed is asinine and ludicrous. Let me illustrate.

When a particular Government agency, such as the Army or Navy, declares something as surplus property, it then becomes the duty of the War Assets Administration to dispose of it. The regulations provide that at least nine types of information must be supplied on each item. Let us assume, for instance, that the Army declares 100,000 quarter-inch drills as surplus, or spark plugs, or screw drivers as surplus. Before the War Assets Administration places the particular item, whatever it might be, in inventory, its procedure requires a verification of condition. That means that each and every screw driver or spark plug, as the case may be, must be inspected and classified as to condition. The items may still be in the original package in which it was shipped to the Army by the manufacturer for shipment overseas. Notwithstanding, each and every item must be taken from the box, examined, condition described and put back in the box. You can readily imagine the delay and expense involved in that procedure. The cost would probably be, in many instances, greater than the sales price.

Not only must the item be verified as to condition, piece by piece, but the regulations also require that the manufacturer's name and when manufactured be supplied. What difference does it make, in a great many instances, who manufactured a screw driver or a spark plug, or when it was manufactured. The boys for whom the goods were originally intended did not care who made it or when made so long as it was a particular type for their needs. What value does such information add to the product? Perhaps in commercial retailing where different manufacturers made different types of product, such information had value to the consumer. But in war production different manufacturers made exactly the same product, according to specifications of the Army and Navy, and the products are surplus goods. Such goods could be sold now and be of immediate value to the public. But all this delay in getting such information will place the goods in competition with privately produced goods and, moreover, the sales price will necessarily be less.

If you carefully check the figures of the War Assets Administration, you will find that billions of dollars of goods have been declared surplus, but the WAA has not yet placed them in available inventory because it has made this wholly unnecessary detailed check. I understand that the Army is now preparing an initial budget of about $75,000,000 for the purpose of complying with this regulation.

This maze of red tape is holding up raw materials and supplies which are needed in connection with the reconversion of American industry and the operation of plants. It is serving to delay our return to full production and employment.

But even after items are checked, verified, classified, and so forth, and finally are inventoried to the smallest detail, you cannot imagine the steps that must be taken to get it ready for sale. I have worked out here no less than 35 separate steps that are taken by the War Assets Administration in the development of a national sales program for a particular item. [Display of the steps chart.]

I do not know who devised all this abracadabra. But I do know that this accounts for the delay in the surplus property disposal program and defeats the purpose of the law. I also know that delivery of orders for surplus property, needed by a manufacturer, have gone unfilled for weeks and months while all this endless paper work is accomplished.

The War Assets Administration claim that it is necessary to have a wide and fair distribution of critical items throughout the Nation. With that objective I concur. But I have noted that the Consumer Division offered a minimum lot of $100,000 worth of tire patches. What small businessman, what new enterprise, what veteran establishing a business, would want to buy $100,000 worth of tire patches. How did the principle of "fair distribution" apply in that sale?

I have also noticed an advertisement of Gimbel Bros. appearing currently in the New York newspapers offering for sale 600 2½-ton Studebaker trucks. Here it is in the New York Herald Tribune of March 31, 1946. Some of my own constituents could have used one of these trucks without having to pay Gimbel a profit on the transaction, particularly when the trucks were sold within a few miles of my home district. How did the principle of fair distribution apply in that sale?

As I stated at the outset, Mr. Speaker, the policies, procedures, and regulations being followed in conection with the disposal of surplus property is scandalous. I believe the Committee on Expenditures in the Executive Departments should bring before it whatever operation employees are necessary so that we can get the full and accurate picture. The matter demands immediate attention. The War Assets administration is, I repeat, a bureaucratic frankenstein, not only defeating the primary purpose of the law, retarding reconversion, but actually costing the taxpayers millions of dollars each year.

The following red tape is preceded by:
(a) Declaration of property.
(b) Inspection.
(c) Preparation of material for storage.
(d) Warehousing.
(e) Accounting, records, etc.

THE STEPS DEVELOPMENT OF NATIONAL SALES PROGRAM (PART II)

1. Unit head: Selects items (A-2a). Economist assists unit head by reviewing property lists and in repairing sales program.
2. Section chief: Approves (A-2a 6).
3. All regions: Advised that program is being considered. Asks for full description of all such property in the region (A-2a 6).
4. Unit head: Prepares 12 copies of Form A and submits 3 copies to section chief (A-2a 7).
5. Section chief: Approves and signs the 3 copies (A-2a 7).
6. Office of Sales Division Chief: Approves and registers program and assigns a number to the 3 Form A's (A-2a 7).
7. Sales Division: Retains one copy of Form A (A-2a 7).
8. Sales Division Chief file: Retains one copy of Form A (A-2a 7).
9. Unit head: Receives one copy of Form A (A-2a 7).
10. Sample control unit: Requested to requisition samples for all regions (A-2a 8).
11. Unit chief: Sends copy of Form A to legal, Government requirements, acquisition, information, veterans, research, organization, and procedure planning, branch chief. This is notice that program is in progress. Objections must be made immediately (A-2a 9).
Branch chief (optional step): May—
(a) Freeze all regional sales.
(b) Request detailed information (A-2a 10).
12. Government requirements: May decide all or part of the surplus should be held (A-2a 11).
13. Veterans: Decides quantity of inventory to be set aside (A-2a 11).
14. Branch chief: Receives decision of Government requirements and veterans (A-2a 11). Economist assists develop pattern for allocation of short supply items.

15. Unit head: Consults liaison economist to see if a market study is required (A-2a12). Economist assists.

16. Market Research Section: Economist assists and studies: (a) Impact, (b) channels of trade, (c) lot sizes, (d) trade-level allocations, (e) current market prices, (f) etc. (A-2a12).

17. Unit head: Economist assists, prepares sales program and justification on form appropriate for the type of sale, i. e.: (a) Fixed price, (b) negotiated sale, (c) lease or loan, (d) continuous program and submits to (A-2a13).

18. Attorney: Approves and comments on sales justification (A-2a14).

19. Economist: Approves and comments on sales justification (A-2a14). Economist assists.

20. Branch Chief: Approves program in quadruplicate, or if he makes significant change, it is referred back to (A-2a14).

21. Section Chief: Further study (A-2a14).

22. Economist: Approves changes (A-2a14). Economist assists.

23. Attorney: Approves changes (A-2a14).

24. Branch Chief: Approves (A-2a14).

25. Division Chief: Approves (A-2a14).

26. Unit head: Sends copy to Advertising Division (A-2a15).

27. Advertising Division: Notifies unit head of date copy will be sent regions and release date (A-2a15).

28. Unit head: Inserts on proper forms the dates copy is to be sent to regions and to release date and cut-off date. Distribute sufficient forms to all regions and to: Advertising Division, 1; Division Chief, 1; Legal Division, 1; Deputy Administrator for Management, 1; Review and Market Analysis, 2; Acquisition Division, 1; Government Requirements, 1; Commodity Section Chief, 4; Information Division, 1; Veterans, 1 (A-2a16).

29. National Advertising Office: Prepares negatives (A-2-a17).

30. Section Chief: Approves advertising copy (Aa-a17).

31. National Advertising Office: Sends copy to regions (Aa-a17).

32. Regions: Put samples on display on first day of sale (A2-a17).

33. Section Chief: On Friday each week prepares report of the status of sales program. One copy to Division Sales, Deputy Administrator for Management, Review and Market Analysis (A2-a18).

34. Section Chief: Based on TWX reports from regions prepares progress reports and submits to list 33 (A2-a19). Branch Chief, Deputy Administrator for Operations.

35. Section Chief: On limited sales program reports when final TWX progress reports are received. Compares orders booked with quantity available and adjusts assigned quotas (A2-a20). Economist assists reviews.

Approval required:

1. Section Chief.
2. Branch Chief.
3. Sales Division Chief.
4. Government requirements.
5. Veterans' Division.
6. Attorney.
7. Economist.
8. All regions (no objection).

The sale is on!

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 18, 1946.

Lt. Gen. EDMUND GREGORY,
Chairman, Board of Directors,
War Assets Corporation,
Washington, D. C.

DEAR SIR: This letter is not written with the thought of criticizing but for the purpose of obtaining information in connection with my efforts as a member of the Committee on Expenditures in the Executive Departments, investigating proposed changes in the Surplus Property Act.

However, in connection with the long interrogation of witnesses by members of that committee, I am amazed and disappointed with the many questions asked by them which have gone unanswered by witnesses. As one committee member remarked, it seems strange that so many witnesses who were requested to appear have sudden important calls elsewhere, or are forced to send subordinates to testify. One of the standard replies to important questions has seemed to be that another executive or another agency should properly answer that particular question.

To clarify this situation I am submitting the following questions in writing to you as head of your department, with the request that you answer formally in writing, or deputize someone capable of answering each question or explaining in writing why such question should properly be answered by another agency. I am sending this same letter to Hon. Kenneth C. Royall, Under Secretary of War; Rear Adm. C. H. Cotter of the Navy Department, and Mr. Thomas B. McCabe, Commissioner, Foreign Liquidation Commission, Department of State, Washington, D. C. My questions for any or all agencies concerned with surplus declarations and/or disposal are:

PERSONNEL EXPENSE

1. Mr. Chester Lane, Deputy Foreign Liquidation Commissioner, testified before the House Committee on Expenditures in Executive Departments on Tuesday, March 5, that this organization's Washington office had 150 employees. He corrected this on March 6 to state that his office had 106 civilian and 109 Army employees. If the Army employees are carried on the Army pay roll, does this represent shifting of the FLC personnel expense to the Army?

To what extent in pay roll expense does this intermingling of civilian and Army (or Navy, if any)—or other agency employees—go over the rest of the world for FLC and WAC? In surplus disposal, how much of the Army or Navy personnel is assigned to other agencies?

Who is charged with their expense?

OPERATING AND OTHER EXPENSE

For all agencies: In addition to any Army or Navy or other agency's personnel that you are using—charged not to you but to that other agency—are you using any other Government facilities (such as Army Signal Corps transmission channels for cables, etc.), not charged to you, which would result in your having more operating expenses, although these expenses are charged to another agency?

If so, please furnish me with a complete record.

2. What are the bookkeeping methods on interagency transfers or allocations of surplus properties in your agency?

If your agency transfers surplus to another agency, is it paid for or is credit given and, if the latter, how is this credit to be paid?

3. Where is your personnel recruited—from private business, the Army, or from other agencies cut down or abolished, such as the FEA, WPB, OPA, and OWI?

I mean, are the efforts of Congress to reduce the personnel on Government pay rolls being nullified simply by shifting it from one disbanded or reduced agency to another growing agency?

4. On March 1, 1946, the official United States Treasury report showed receipts from all surplus agencies to that date from July 1, 1945, totaled $109,582,468.30. The Treasury report for a similar period from July 1, 1944, to March 1, 1945, showed the total receipts from all surplus agencies to be $19,785,964.27. In view of the billions of dollars worth of material declared surplus, where is the rest of the money, especially since section 30 of the Surplus Property Act requires all such receipts, except as provided by the section, to be deposited in the United States Treasury?

5. Philip M. Klutznick, Commissioner of the Federal Public Housing Authority and President of the Defense Homes Corporation, testifying March 7 before the House Committee on Expenditures in the Executive Departments, stated that the reproduction value of McLean Gardens would be more than its actual cost. If this principle or truth is correct, how do WAC and other selling agencies justify sales of plants for much lower than their original costs in these days of high building costs?

6. Mr. Klutznick at the same hearing testified that his agency in negotiating sales very carefully guarded against deals which would result in a "milking process" by the apparent buyer, who in some cases may be only a front for speculators. Considering this, how does WAC or other disposal agencies reconcile this caution with its leases of plants in some cases for 5-year terms at much lower than their stated plan of getting annual minimum rental of 8 percent of total value, and in some cases for little or nothing for the first 1 or 2 years of the lease?

7. More than one-half of page 44 of the New York Times for Thursday, March 7, 1946, is taken up by three large ads of the WAC offering surplus equipment and plants for sale. Similar ads are appearing in other newspapers all over the country. How much has been spent on such ads and classified ads and all other advertising to date?

How much is planned to be spent?

What advertising agencies have been designated to place such ads with the usual or other commissions allowed such agencies?

How were the agencies selected?

Since many items, especially plants and/or equipment, can be purchased by only a limited number of firms, instead of appealing to the general circulations of newspapers, could this advertising not be done more economically by the Government by small ads stating simply that equipment and plants are for sale and that those desiring additional information can obtain it by contacting the agencies involved?

Could such advertising be done better by direct mail going to lists easily obtained from the Government's own files or from firms specializing in such lists? (The New York Times advertising rate is more than $16 per column inch. The March 7 ads above referred to occupied almost 100 column inches at an estimated cost of $1,600.)

8. Testifying before the House Committee on Expenditures in the Executive Departments, Rear Adm. C. H. Cotter and Vice Adm. W. S. Farber stated that cables had been sent to area commanders in the Pacific ordering the immediate return of all surplus not needed there but much needed in civilian economy in the United States. This cable was dated February 8, 1946. Hon. Kenneth C. Royall, Under Secretary of War, testifying before the same committee on February 21, gave similar testimony regarding Army supplies in the Pacific. The Navy representatives said that orders had been issued to have manifests of incoming shipments sent to the United States by air mail. Apparently none of the disposal authorities know of any shipments. If the orders were carried out and much surplus is back in or on the way back to the continental United States, where is it?

Where will it be landed?

Will manufacturers be allowed to repurchase their own product and resell it?

What is a brief but comprehensive report on the present situation regarding these orders which should have resulted in vast supplies of surplus greatly needed in our civilian economy being on the way back to the United States right now?

What plans, if any, have been made to distribute these surpluses according to the Surplus Property Act through "normal channels of trade"?

In view of some of the SPA's, and its successor the WAC's, conflicting interpretations of the Surplus Property Act, and contrary to the spirit and letter of the act, is it not plainly evident that your representative who testified before the Committee on Expenditures in the Executive Departments had not read the act or the conference report on the act, both of which are very plain?

Respectfully submitted,

RALPH E. CHURCH.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CHURCH. I yield.

Mrs. ROGERS of Massachusetts. I think it is appalling that even disabled veterans, men without any legs, cannot be given automobiles. I think the gentleman knows I have introduced bills giving veterans priority on Government-owned houses at noninflationary prices; also one that would give them priority, after the Government, on all supplies. Can the gentleman tell me when those bills will be reported out?

Mr. CHURCH. The committee has before it several bills of that character. The lady from Massachusetts has appeared before our committee and has been a very valuable witness. No one knows when the administration can furnish us any other than complicated regulations. There are some on the committee who believe that the present act is satisfactory but that its intents and purposes are not being carried out.

Mrs. ROGERS of Massachusetts. All you get is a merry-go-round instead of surplus property.

Mr. CHURCH. A merry-go-round, red tape, bureaucratic delay, and waste of surplus property.

Mr. HOOK. Mr. Speaker, will the gentleman yield?

Mr. CHURCH. I yield.

Mr. HOOK. Will the gentleman tell me how long the War Assets Corporation has been in operation under the new reorganized plan?

Mr. CHURCH. It has been 6 months since the war ended. The problem of disposing of surplus property was the problem of the different departments at that time, and has been for longer than 6 months.

Mr. HOOK. Agreeing with you that there has been confusion in the past, now will the gentleman tell me how long the present War Assets Corporation has been operating since its new organization?

Mr. CHURCH. The War Assets Corporation has been in existence for some time. The War Assets Corporation this last week became the War Assets Administration. Maybe it will become something else before it gets down to the job of disposing of surplus property.

Mr. HOOK. So that the War Assets Administration has only been in operation under the new reorganization for 1 week.

Mr. CHURCH. No; the agency heads were before our committee several weeks ago. They dodged and they evaded giving us information; and then they all took a trip and issued statements from across the Pacific that everything was O. K. They are the men who have been in charge of the declaration and then the disposal of this surplus property.

Mr. HOOK. But I understand the gentleman now by his own statement to admit that the War Assets Administration has been in operation for only 1 week.

Mr. CHURCH. In name, yes. It merely succeeded to the same work the War Assets Corporation had.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. CHURCH. I yield.

Mrs. ROGERS of Massachusetts. I have faith that General Gregory will do a better job, and heaven knows it is needed.

Mr. CHURCH. I hope he does, but he is getting started rather late.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CHAPMAN (at the request of Mr. GREGORY), for today, on account of illness.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1840. An act for the relief of the Danvers Shoe Co., Inc.

ADJOURNMENT

Mr. HOOK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 1 minute p. m.) the House adjourned until tomorrow, April 5, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE CENSUS

The Committee on the Census will hold an executive session on H. R. 5857 on Friday morning, April 5, 1946, at 10:30.

COMMITTEE ON FLOOD CONTROL

Schedule of public hearings on flood control bill of 1946 beginning Monday, April 8, 1946, at 10 a. m.:

1. Monday, April 8, Lt. Gen. R. A. Wheeler, Chief of Engineers, will submit a general statement. General Wheeler will be accompanied by Brig. Gen. R. C. Crawford, Assistant Chief of Engineers, and Col. E. G. Herb, of the Civil Works Division, Corps of Engineers.

2. Tuesday, April 9: Atlantic coastal area, including New England and eastern New York, and streams flowing into the Gulf of Mexico east of the Mississippi River:

Lehigh River, Pa., Lackawaxen River, Pa., Potomac River, Pa., Md., Va., and W. Va., Rappahannock River, Va., James River, Va., Altamaha River, Ga.

3. Wednesday, April 10. The Ohio River Basin, including additional authorization for the approved comprehensive plan:

Barren River, Ky. and Tenn.; Chestnut Creek, Va.; Wabash River and tributaries; Allegheny River, N. Y. and Pa.; Mill Creek, Ohio; Redstone Creek, Pa.

4. Thursday, April 11. Missouri River Basin, including additional authorization for the Corps of Engineers and the Bureau of Reclamation for the approved comprehensive plan:

Heart River, N. Dak.; South Platte River, Colo., Wyo., and Nebr.

5. Friday, April 12. The Great Lakes Basin and the Upper Mississippi River Basin, including additional authorization for the approved comprehensive plan:

Rock River, Wis. and Ill.; Mississippi River, local flood protection in Illinois; Clinton River, Mich.; Genesee River, N. Y.; Tonawanda Creek, N. Y.

6. Monday, April 15. Streams flowing into the Gulf of Mexico west of the Mississippi River, the Great Basin and the Pacific region, exclusive of California, including additional authorization for the approved comprehensive plan for the Willamette River:

Leon River, Tex.; Boise River, Idaho; Amazon Creek, Oreg.; Queen Creek, Ariz.; Gila River at Tucson, Ariz.; Spanish Fork River, Utah; Jordan River at Salt Lake City, Utah; and Little Valley Wash at Magna, Utah; Skagway River and Harbor, Alaska.

7. Tuesday, April 16. California streams, including additional authorization for the approved comprehensive plans for the Los Angeles River, and the Sacramento-San Joaquin streams:

Salinas River, Calif., Santa Clara River, Calif.

8. Wednesday, April 17. Lower Mississippi River Basin, including the Red River, and including additional authorization for the approved comprehensive plan for the White and Arkansas River Basin:

Red River below Denison Dam, Tex., Okla., Ark., and La.; Bayou Pierre, La.; La Fourche Bayou, La.; Pontchartrain Lake, La.; Mermentau River, La.; North Canadian River, Okla.; Polecat Creek, Okla.; Grand (Neosho) River, Kans., Mo., and Okla.; Arkansas River, Ponca City, Okla.; Mississippi River, West Tennessee tributaries; Boeuf and Tensas Rivers and Bayou Macon, Ark. and La.; Big Sunflower, Little Sunflower, Hushpuckena, and Quiver Rivers and their tributaries, and on Hull Brake, Mill Creek Canal, Bogue Phalia, Ditchlow Bayou, Deer Creek, and Steele Bayou, Miss.

9. Thursday, April 18. Lt. Gen. R. A. Wheeler, Chief of Engineers, and other representatives of the Corps of Engineers, and proponents and opponents of projects in other regions.

10. Friday, April 19. Senators and Representatives in Congress and Department of Agriculture, Weather Bureau, and other Government agencies.

COMMITTEE ON RIVERS AND HARBORS

Revised schedule of hearings on the omnibus rivers and harbors authorization bill to start Tuesday, April 9, 1946, at 10:30 a. m., is as follows:

(Tuesday, April 9)

Portland Harbor, Maine.
Fall River Harbor, Mass.
Wickford Harbor, R. I.
New Haven Harbor, Conn.
Bridgeport Harbor, Conn.
Stamford Harbor, Conn.
Barnegat Inlet, N. J.
Absecon Inlet, N. J.
Delaware River, Biles Creek, Pa.

(Wednesday, April 10)

Sacramento River, Calif., deep-water ship channel.

(Thursday, April 11)

Sabine River, Adams Bayou, Tex.
Sabine-Neches waterway, Texas.
Trinity River below Liberty, Tex.
Mill Creek, Tex.
Aransas Pass, Intracoastal Waterway, Tex.
Brazos Island Harbor, Tex.

(Friday, April 12)

Schuylkill River, Pa.
Middle and Dark Head Creeks, Md.
Mattaponi River, Va.
Newport News Creek, Va.
Norfolk Harbor, Va.
Savannah Harbor, Ga.
St. Johns River, Fla., Jacksonville to Lake Harney.
Hollywood Harbor (Port Everglades), Fla.
Withlacoochee River, Fla.
Cleveland Harbor, Ohio.
Great Lakes connecting channels, Michigan.

(Monday, April 15)

Franklin Canal, La.
Mermentau River, La.
Lake Charles deep waterway, Louisiana.
Plaquemine and Morgan City route, Louisiana.
Red River below Fulton, La.

(Tuesday, April 16)

Cumberland River, Tenn. and Ky.
Big Sioux River, S. Dak.
Mississippi River seepage, Iowa, Minnesota, and Wisconsin.
Mississippi River at Lansing, Iowa.
Mississippi River at Wabasha, Minn.
Mississippi River at Lake Pepin, Minn.
Mississippi River at Hastings, Minn.

(Wednesday, April 17)

Fairport Harbor, Ohio.
Calumet-Sag Channel, Ind. and Ill.
Chicago River, North Branch of Illinois.
Napa River, Calif.
Coos Bay, Oreg.
Columbia River at Astoria, Oreg.
Columbia River at The Dalles, Oreg.
Columbia River, Foster Creek Dam, Wash.

(Wednesday and Thursday, May 1 and 2)

Tombigbee-Tennessee Rivers.

(Friday, May 3)

Held open for description of projects favorably recommended by the Board of Engineers for Rivers and Harbors during its April meeting.

(Monday and Tuesday, May 6 and 7)

Big Sandy River, Tug and Levisa Forks, Va., W. Va., and Ky.

(Wednesday and Thursday, May 8 and 9)

Arkansas River, Ark. and Okla.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1194. A letter from the Acting Chairman, Federal Communications Commission, transmitting the Commission's eleventh annual report covering the fiscal year ending June 30, 1945; to the Committee on Interstate and Foreign Commerce.

1195. A letter from the Director, Office of War Mobilization and Reconversion, transmitting the sixth quarterly report of this Office (H. Doc. No. 524); to the Committee on Ways and Means and ordered to be printed, with illustrations.

1196. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1947 in the amount of $4,179,600 for the Federal Security Agency (H. Doc. No. 525); to the Committee on Appropriations and ordered to be printed.

1197. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated September 28, 1945, submitting a report, together with accompanying papers and illustrations, on a cooperative beach-erosion study of the Lake Michigan shore line of Milwaukee County, Wis. This investigation was made under the provisions of section 2 of the River and Harbor Act approved on July 3, 1930, and an act of Congress approved on June 26, 1936 (H. Doc. No. 526); to the Committee on Rivers and Harbors and ordered to be printed, with 11 illustrations.

1198. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December 19, 1945, submitting a report, together with accompanying papers and illustrations on a cooperative beach-erosion study of Bakers Haulover Inlet, Fla. This investigation was made under the provisions of section 2 of the River and Harbor Act approved on July 3, 1930, and an act of Congress approved on June 26, 1936 (H. Doc. No. 527); to the Committee on Rivers and Harbors and ordered to be printed, with seven illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VINSON: Committee on Naval Affairs. H. R. 5929. A bill to authorize the attendance of the Marine Band at the department convention of the American Legion to be held in Racine, Wis., August 3, 1946; without amendment (Rept. No. 1868). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAY: Committee on Military Affairs. S. 752. An act to amend the act of June 7, 1939 (53 Stat. 811), as amended, relating to the acquisition of stocks of strategic and critical materials for national defense purposes; with amendment (Rept. No. 1869). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN of South Carolina: Committee on the District of Columbia. H. R. 4654. A bill to exempt transfers of property to the American National Red Cross from the District of Columbia inheritance tax; with amendment (Rep. No. 1870). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN of South Carolina: Committee on the District of Columbia. H. R. 5928. A bill to name the bridge located on New Hampshire Avenue, Washington, D. C., over the Baltimore & Ohio Railroad tracks, the Charles A. Langley Bridge; without amendment (Rept. No. 1871). Referred to the House Calendar.

Mr. O'TOOLE: Committee on the Library. House Joint Resolution 333. Joint resolution to provide for the reappointment of Dr. Vannevar Bush as citizen regent of the Board of Regents of the Smithsonian Institution; without amendment (Rept. No. 1872). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. H. R. 5991. A bill to simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions, by transferring assets to the Farmers' Home Corporation, by enlarging the powers of the Farmers' Home Corporation, by authorizing Government insurance of loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural rehabilitation projects for resettlement purposes, and for other purposes; without amendment (Rept. No. 1873). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CORBETT:

H. R. 6000. A bill relating to the exercise of powers with respect to price and wage control; to the Committee on Banking and Currency.

By Mr. FARRINGTON:

H. R. 6001. A bill to provide emergency relief for victims of the seismic waves which struck the Territory of Hawaii; to the Committee on the Territories.

By Mr. MURPHY:

H. R. 6002. A bill to authorize the Commissioners of the District of Columbia to provide necessary utilities for veterans' housing furnished and erected by the National Housing Administrator; to the Committee on the District of Columbia.

H. R. 6003. A bill to authorize the sale of the bed of E Street SW., between Twelfth and Thirteenth Streets, in the District of Columbia; to the Committee on the District of Columbia.

Mr. PRICE of Illinois:

H. R. 6004. A bill to provide authorization for the village of Cahokia, Ill., to construct, maintain, and operate a toll bridge across the Mississippi River at or near Cahokia, Ill., and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BRYSON:

H. J. Res. 334. Joint resolution to authorize the President and the Secretary of Agriculture to issue orders and directives prohibiting the use of grain for intoxicating liquor, and for other purposes; to the Committee on Agriculture.

By Mr. FLANNAGAN:

H. J. Res. 335. Joint resolution to prevent the use of grain for nonessential purposes during the period of shortage; to the Committee on Agriculture.

By Mr. MANSFIELD of Montana:

H. Con. Res. 141. Concurrent resolution authorizing the printing of a revised edition of House Document No. 134, Seventy-ninth Congress, first session, entitled "Handbook for Servicemen and Servicewomen of World War II and Their Dependents, Including Rights and Benefits of Veterans of World War I and Their Dependents," as a public document, and providing for additional copies thereof; to the Committee on Printing.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Alaska, memorializing the President and the Congress of the

United States to remove the present Governor from office with all possible dispatch; to the Committee on the Territories.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CURLEY:

H. R. 6005. A bill for the relief of Frances L. Marshall; to the Committee on Claims.

H. R. 6006. A bill for the relief of Albert H. Stoddard; to the Committee on Claims.

By Mr. CRAVENS:

H. R. 6007. A bill for the relief of John R. Kagy; to the Committee on Claims.

By Mr. GRANT of Indiana:

H. R. 6008. A bill for the relief of Mrs. Mildred Louise Palmer; to the Committee on Claims.

By Mr. LATHAM:

H. R. 6009. A bill for the relief of Rocco La Porta and Martin Siebert; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 6010. A bill for the relief of the Yakutat Cooperative Market; to the Committee on Claims.

H. R. 6011. A bill for the relief of Harry Burstein, M. D., Madeline Borvick, and Mrs. Clara Kaufman Truly (formerly Miss Clara M. Kaufman); to the Committee on Claims.

By Mr. MONRONEY:

H. R. 6012. A bill for the relief of Lippert Bros., general contractors; to the Committee on Claims.

By Mr. MURPHY:

H. R. 6013. A bill for the relief of Martin A. King, postmaster at Clarks Summit, Pa.; to the Committee on Claims.

H. R. 6014. A bill for the relief of the estate of D. A. Montgomery; to the Committee on Claims.

By Mr. NEELY:

H. R. 6015. A bill for the relief of William E. Gillespie, Jr.; to the Committee on Military Affairs.

By Mr. ROBINSON of Utah:

H. R. 6016. A bill for the relief of the estate of Wendell D. Wagstaff; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1762. By Mr. GARDNER: Petition of Servicemen's Wives' and Children's Association, regarding release of fathers; to the Committee on Military Affairs.

1763. By Mr. GRAHAM: Petition of 20 residents of Butler, Pa., in opposition to Senate bills 1050 and 1606 and House bill 4730; to the Committee on Ways and Means.

1764. Also, petition of 13 residents of Zelienople, Pa., in opposition to Senate bills 1050 and 1606 and House bill 4730; to the Committee on Ways and Means.

1765. By Mr. HART: Petition of the Frank J. Wetering Post, No. 316, Veterans of Foreign Wars, of Hackensack, N. J., protesting against the housing bill as passed by the House of Representatives and urging that said bill be recalled from the Senate and that the original Wyatt bill be passed and enacted into law; to the Committee on Banking and Currency.

1766. Also, petition of John Hand Tri-County Post, No. 2906, of Pompton Lakes, N. J., Veterans of Foreign Wars, protesting against housing bill as passed by the House of Representatives and urging that said bill be recalled from the Senate and that the original Wyatt housing bill be passed and enacted into law; to the Committee on Banking and Currency.

SENATE

FRIDAY, APRIL 5, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, our spirits are restless until they find the rest of Thy presence; our hearts are empty and our lives barren until Thou dost possess our very souls. Apart from Thee, these feverish days are but tangled tragedy, sound and fury signifying nothing, devoid of meaning, dignity, and beauty; in Thy radiance trivial rounds become sacraments; common days are glorified; bitterness, disappointment, and failure transfigured and redeemed.

This day consecrate with Thy presence the way our feet may go and the humblest work will shine and the rough places be made plain. Suffer not any one of us to bruise the rightful self-respect of any child of Thine, our brother, by malice or contempt. So help us to walk while it is yet day, following the wounded footprints of Him who with the fewest hours finished the divinest work. We ask it in His blessed name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, April 4, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1415) to increase the rates of compensation of officers and employees of the Federal Government, with amendments in which it requested the concurrence of the Senate.

LEAVE OF ABSENCE

Mr. BUTLER. Mr. President, I ask unanimous consent of the Senate to be absent for a few days beginning the first of next week.

The PRESIDENT pro tempore. Without objection, leave is granted.

CALL OF THE HOUSE

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Bankhead	Brewster
Austin	Barkley	Briggs
Ball	Bilbo	Brooks
Buck	Hoey	Reed
Bushfield	Johnson, Colo.	Revercomb
Butler	Johnston, S. C.	Russell
Byrd	Knowland	Saltonstall
Capehart	La Follette	Shipstead
Capper	Langer	Smith
Carville	Lucas	Stanfill
Connally	McClellan	Stewart
Cordon	McFarland	Taylor
Donnell	McKellar	Thomas, Ok'a.
Downey	McMahon	Thomas, Utah
Eastland	Magnuson	Tobey
Ellender	Maybank	Tunnell
Ferguson	Mead	Vandenberg
Fulbright	Millikin	Walsh
Gerry	Mitchell	Wheeler
Gossett	Moore	Wherry
Green	Morse	White
Guffey	Murdock	Wiley
Gurney	Murray	Willis
Hart	Myers	Wilson
Hatch	O'Daniel	Young
Hayden	O'Mahoney	
Hickenlooper	Overton	

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Alabama [Mr. HILL] is absent because of a death in his family.

The Senator from Ohio [Mr. HUFFMAN] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from Georgia [Mr. GEORGE], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Florida [Mr. PEPPER] and the Senator from Utah [Mr. THOMAS] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Nevada [Mr. MCCARRAN] are absent on official business.

The Senator from Maryland [Mr. RADCLIFFE] is unavoidably detained on official business at one of the Government departments.

Mr. WHERRY. The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The Senator from Ohio [Mr. TAFT] is necessarily absent by leave of the Senate.

The PRESIDENT pro tempore. Seventy-nine Senators having answered to their names, a quorum is present.

FOREIGN DECORATIONS, ETC., HELD BY STATE DEPARTMENT FOR CERTAIN RETIRED OFFICERS AND OTHERS

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and with the accompanying papers, referred to the Committee on Foreign Relations:

(For President's message, see today's proceedings of the House of Representatives on p. 3233.)

REPORT OF CIVIL SERVICE COMMISSION

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Civil Service.

(For President's message, see today's proceedings of the House of Representatives on p. 3233.)

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on April 4, 1946, he presented to the President of the United States the following enrolled bills:

S. 286. An act for the relief of James F. Desmond;

S. 976. An act for the relief of the estate of Howard Francis Waldron;

S. 983. An act for the relief of A. F. Crawford;

S. 1184. An act for the relief of A. L. Clem and Ida M. Bryant;

S. 1319. An act for the relief of Mrs. Alice Condon;

S. 1411. An act for the relief of Alfred Osterhoff, doing business as Illini Reefer Transit, Champaign, Ill.;

S. 1504. An act for the relief of Edith Roberta Moore;

S. 1609. An act for the relief of Catherin Gilbert;

S. 1622. An act for the relief of Gordon Cole Hart;

S. 1627. An act for the relief of Mrs. Isabel N. Mifflin; and

S. 1840. An act for the relief of the Danvers Shoe Co., Inc.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF COMMERCE (S. DOC. NO. 165)

A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Department of Commerce for the fiscal year 1946 totaling $2,550,000, in the form of amendments to House Document No. 450, Seventy-ninth Congress, and for the fiscal year 1947 totaling $7,950,000, in the form of amendments to the Budget for that year (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES, DISTRICT OF COLUMBIA (S. DOC. NO. 166)

A communication from the President of the United States, transmitting supplemental estimates of appropriation, District of Columbia, amounting to $575,000, fiscal year 1946 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORT OF NATIONAL PARK TRUST FUND BOARD

A communication from the secretary of the National Park Trust Fund Board, transmitting, pursuant to law, a report of that Board for the fiscal year 1945 (with an accompanying report); to the Committee on Public Lands and Surveys.

DECEMBER 1945 REPORT OF RECONSTRUCTION FINANCE CORPORATION

A letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, a report of the activities and expenditures of the Corporation for the month of December 1945 (with an accompanying report); to the Committee on Banking and Currency.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITION

The PRESIDENT pro tempore laid before the Senate a letter in the nature of a petition from Kong Mo-Arm, chairman, committee on immigration, Chinese Consolidated Benevolent Association, New York City, N. Y., praying for the enactment of legislation providing for the admission into the United States of alien Chinese wives of American citizens, which was referred to the Committee on Immigration.

EXTENSION OF DRAFT LAW—MEMORIAL

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a memorial signed by members of the faculty of Friends University, Wichita, Kans., expressing their opposition to the extension of the present draft law.

There being no objection, the memorial was received, referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

FRIENDS UNIVERSITY,
Wichita, Kans., April 2, 1946.

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR CAPPER: The destiny of the world hangs in the balance and every decision of these days either inspires confidence in our ability to settle differences by law and the appeal to reason or it adds to existing suspicions of others and moves us steadily toward another world war.

America's position and tradition mark her as the world's leader in this crisis and, therefore, we the undersigned members of the faculty of Friends University urge you to support every issue that would contribute to a policy of firmness, frankness, and friendliness; to vote against an extension of the present draft law; support the United Nations Organization, and work toward world disarmament and civilian control of atomic energy.

Gerald H. Wood, Juliet Reeve, Harold Kolling, W. A. Young, Irwin T. Shultz, Iva V. Pickering, John R. Crist, P. D. Shultz, J. S. Jones, Elsa M. Henry, Stella Yates, H. E. Crow, Isabel Crabb, Margaret Joy, Lowell E. Roberts, Harold C. Johnson, Lucille Shanklin.

AMENDMENT OF NATIONAL HOUSING ACT—REPORT OF A COMMITTEE

Mr. BARKLEY. Mr. President, from the Committee on Banking and Currency, I ask unanimous consent to report favorably with amendments the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, and I submit a report (No. 1130) thereon. I wish to advise the Senate that it is my purpose to attempt to bring this matter up on Monday for consideration and to keep it before the Senate until it shall be acted on.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar.

INVESTIGATION OF MATTERS RELATING TO FOOD PRODUCTION AND CONSUMPTION—LIMIT OF EXPENDITURES

Mr. THOMAS of Oklahoma. Mr. President, from the Committee on Agriculture and Forestry, I ask unanimous consent to report a resolution. The resolution asks for $5,000 additional to be granted to the Committee on Agriculture and Forestry for the purpose of holding additional hearings under Senate Resolution 92, to investigate certain matters relating to food production and consumption. I ask that the resolution be referred directly to the Committee To Audit and Control the Contingent Expenses of the Senate.

The PRESIDENT pro tempore. Is there objection?

Mr. WHITE. Mr. President, I reserve the right to object, but I do not know that I shall do so. I do know, however, that there is a growing opposition and a very substantial opposition at this time to the appropriation of money for investigations by various and sundry Senate committees and special committees of the Senate. Is there any special urgency which requires immediate consideration of the resolution or its immediate reference to the Committee To Audit and Control the Contingent Expenses of the Senate?

Mr. THOMAS of Oklahoma. I am not asking for immediate consideration of the resolution. I am asking that the resolution be referred to the Committee To Audit and Control the Contingent Expenses of the Senate, because my committee reported the resolution unanimously. Before we can get the money required the resolution must go to the Committee To Audit and Control the Contingent Expenses of the Senate, and we have to wait for its consideration of it before we can act in our committee.

Mr. WHITE. Mr. President, I understand that. I merely asked if there was any urgent reason for short cutting anywhere.

Mr. THOMAS of Oklahoma. Yes, there is, Mr. President. Let me explain the situation if I may. The Senate last May, about a year ago, adopted the original resolution. The Committee on Agriculture and Forestry proceeded to act under the resolution and made an investigation of food matters. The committee had held hearings for over a year. The $5,000 provided in the original resolution is practically exhausted. It seems that now there is additional demand for information respecting meat, and I want to place before the Senate one or two charges which have been presented to the committee.

Mr. President, it is charged that 83 percent of the meat which the people of the United States consume today is black-market meat. If that be true, then for every 10 mouthfuls of meat consumed by any person in the United States, 8 mouthfuls are of black-market bootleg meat. I shall not take time to go into it fully, but the Senate does not have the necessary information about this matter. There are three classes of meat in the country. First, federally inspected meat. Second, Federal-graded meat.

Third, meat that has no inspection and is not graded. The federally inspected meat is the meat which comes from the major packing houses where the animal has been inspected. But not all the meat that is stamped is inspected. Many people buy meat which has a stamp on it "U. S." and they think it has passed through all the grades of inspection and grading, but that is not true. Much of our meat is not inspected; it is merely graded.

The next fact which is charged before my committee—and I want to put these matters in the RECORD because they are material—is this: When the war started there were in the United States only 1,492 commercial slaughterers. That is the total number of licenses that were in existence authorizing slaughterhouses to conduct their business. Now there are more than 26,000 slaughterhouses. The excess above 1,492 in the main are illegal slaughtering institutions.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHITE. I merely want to say to the Senator that so far as I am concerned, I offer no further objection to the request.

Mr. WHERRY. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. The full Committee on Agriculture and Forestry has already approved the resolution, and now the Senator is reporting it.

Mr. THOMAS of Oklahoma. The original resolution was agreed to a year ago. That resolution is still in effect and will be in effect during the present Congress; but until we have further money we cannot pay the transcription fees. We pay no expenses of witnesses. We pay only for the recording of the evidence and the transcription of the evidence. But we are out of money.

Mr. WHERRY. The investigation is being conducted by a subcommittee of a standing committee of the Senate. It is proposed that the resolution go to the Committee To Audit and Control the Contingent Expenses of the Senate, which will pass on the request contained therein. Will the Senator submit to that committee a budget, so approval can be had immediately?

Mr. THOMAS of Oklahoma. The amount asked for is $5,000. For the past year we have had provided the sum of $5,000. I think we can get by with half that amount. That, however, is for the committee to pass upon. On Monday of this week the subcommittee heard the independent packers. Next Tuesday the committee is to hear from the big packers of Chicago—Wilson, Swift, Armour, and I think Cudahy. I am told of the conditions I have just described, but until we get the direct evidence we can only appraise what we have heard as being hearsay. The money we ask for is to be used for taking down the evidence and transcribing it, so as to make a report which we will bring back to the Senate.

The PRESIDENT pro tempore. The Parliamentarian advises the Chair that under the statement made by the Senator from Oklahoma the resolution would go directly to the Committee To Audit and Control the Contingent Expenses of the Senate, and, without objection, the resolution will be referred to that committee.

The resolution (S. Res. 250) was received and referred to the Committee To Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That the limit of expenditures of the Committee on Agriculture and Forestry under Senate Resolution 92, Seventy-ninth Congress, agreed to March 19, 1945 (concerning the investigation of matters relating to food production and consumption), is hereby increased by $5,000.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUTLER:

S. 2030. A bill to amend the Surplus Property Act of 1944 so as to provide for the return of surplus motor vehicles to the United States for the purpose of resale; to the Committee on Military Affairs.

By Mr. MURDOCK:

S. 2031. A bill authorizing the issuance to Mountain States Development Co. and Crescent Eagle Oil Co. of patents for certain placer mining claims located in Grand County, Utah; and

S. 2032. A bill to provide for the establishment of a reservoir on Bear River, Utah, for the maintenance of water levels in the Bear River Migratory Bird Refuge, and for other purposes; to the Committee on Public Lands and Surveys.

PROMOTION AND DEVELOPMENT OF OIL AND GAS—AMENDMENT

Mr. O'MAHONEY (for himself and Mr. HATCH) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 1236) to promote the development of oil and gas on the public domain and on lands acquired for the Appalachian National Forest, and for other purposes, which was referred to the Committee on Public Lands and Surveys and ordered to be printed.

INCREASE IN COMPENSATION, ETC., TO VETERANS AND THEIR DEPENDENTS—AMENDMENT

Mr. BUTLER submitted an amendment intended to be proposed by him to the bill (S. 1921) to increase by 20 percent the monthly rates of compensation, pension, and retirement payments to veterans and their dependents, which was referred to the Committee on Military Affairs, and ordered to be printed.

REORGANIZATION OF LEGISLATIVE BRANCH OF GOVERNMENT

Mr. LA FOLLETTE (for himself, Mr. THOMAS of Utah, Mr. PEPPER, Mr. RUSSELL, Mr. WHITE, and Mr. BROOKS) submitted the following resolution (S. Res. 249), which was ordered to lie over under the rule:

Resolved, That a special committee to be composed of six Senators who are members of the Joint Committee on the Organization of the Congress is hereby established for the purpose of receiving and considering all proposed legislation and other matters relating to the reorganization of the legislative branch of the Government. Any vacancy occurring in the membership of the committee shall be filled by appointment by the President of the Senate. All bills, resolutions, amendments, and other matters relating to the reorganization of the legislative branch of the Government shall be referred to the special committee for its consideration and such committee is hereby authorized to report to the Senate with respect to any matter referred to it, together with such recommendations as it may deem advisable.

CHESTER BOWLES' BLIND SPOTS—ARTICLES BY MERRYLE STANLEY RUKEYSER

[Mr. BROOKS asked and obtained leave to have printed in the RECORD three articles entitled "Chester Bowles' Blind Spots," written by Merryle Stanley Rukeyser and published in the Chicago Herald-American, which appear in the Appendix.]

ATOMIC POLICY—EDITORIAL FROM NEW YORK HERALD TRIBUNE

[Mr. MYERS asked and obtained leave to have printed in the RECORD an editorial entitled "Atomic Policy," from the New York Herald Tribune of April 5, 1946, which appears in the Appendix.]

FAIR LABOR STANDARDS—ARTICLE BY REV. GEORGE G. HIGGINS

[Mr. HATCH asked and obtained permission to have printed in the RECORD an article entitled "Fair Labor Standards," by Rev. George G. Higgins, which appears in the Appendix.]

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from New Mexico [Mr. HATCH] to the committee amendment on page 16, line 19, as amended, inserting certain words.

Mr. HATCH obtained the floor.

Mr. GUFFEY. Mr. President, will the Senator yield to me so I may make a short statement?

Mr. HATCH. I yield.

Mr. GUFFEY. Mr. President, I should like to explain my position on the pending measure now as I have to leave the city early this afternoon.

I will vote for any and all amendments. I do not think they can make the bill any worse than it is.

I will then vote against the passage of the bill, as we all know the President's attitude on the measure.

The bill has been emasculated and destroyed as to its original purpose, which was the minimum wage, on the excuse of helping the farmer.

The real reason for doing it is, in my opinion, to keep the wages down for the poor whites and the colored people of the South.

I am a Democrat for three reasons—by inheritance, by conviction, and from principle.

When my parents were married they had an understanding that my mother was to look after the religious education of the children and my father the political.

I am afraid that to date my father got the best of the agreement.

Among the things he taught me was that the nominee for President or our elected President was the leader of our party.

On this subject I shall have more to say later, as I am a thorough believer in

the two-party system and loyalty to the platform commitments of our party.

I have been a Member of this body for 11 years and 3 months and have almost 9 months remaining in my second term.

During that time I have supported the President and the party platform measures with all my votes on all occasions.

I shall continue to do so as long as I am a Member of this body.

Mr. HATCH. Mr. President, the amendment which I offered yesterday applied to the committee amendment. The Senator from Ohio [Mr. TAFT] raised the question that in all probability the committee bill would be replaced by the Ball-Ellender amendment, which will be voted on first. To meet a somewhat confused, if not tangled, parliamentary situation, I now send to the desk an amendment which I offer to the so-called Ball-Ellender amendment, to be inserted at the proper place. I request unanimous consent that the amendment I now offer be voted on before the one I offered yesterday.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment offered by the Senator from New Mexico will be stated.

The CHIEF CLERK. At the proper place it is proposed to insert the following new section:

SEC. —. Effective 6 months after the effective date of this act, the act is amended by adding at the end thereof the following new section:

"SEC. 20. Every employer who is engaged in commerce or in any activity affecting commerce, and who (a) has four or more establishments where he is so engaged, or (b) has total annual gross receipts of $500,000 or more from enterprises where he is so engaged, shall pay to each of his employees employed in or about or in connection with any enterprise where he is so engaged"—

Mr. HATCH. Mr. President, the remainder of the amendment is a mere repetition of the amendment which was agreed to yesterday, and I ask that it be printed at this point in the RECORD.

The PRESIDENT pro tempore. Without objection, the remainder of the amendment will be printed in the RECORD and need not be read.

The remainder of the amendment is as follows:

"(1) wages at a rate not less than 60 cents an hour, except that in the case of employees in Puerto Rico or the Virgin Islands to whom this section applies, wage rates shall be fixed in the same manner as in the case of employees in such places to whom section 6 applies, and

"(2) compensation for employment in excess of 40 hours in any workweek, at a rate not less than one and one-half times the regular rate at which such employee is employed. As used in this section, the term 'activity affecting commerce' means any activity in commerce or necessary to commerce or competing with any activity in commerce or where the payment of wages at rates below those prescribed by this act or where the employment of oppressive child labor would burden or obstruct or tend to burden or obstruct commerce or the free flow of commerce."

Mr. REVERCOMB. Mr. President, will the Senator yield for an inquiry so that we may know very clearly where the amendment is to be inserted? Do I understand this to be an amendment to the committee bill?

Mr. HATCH. This amendment has been offered to the Ball-Ellender amendment, to be inserted at the proper place, and I use the expression, "at the proper place," because there have been so many amendments adopted it is hardly possible to determine what is the proper place. But it is to meet the parliamentary situation that I am offering it at this time in the way I have.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. BARKLEY. The Senator is assuming that there is a proper place.

Mr. HATCH. I assume from what has happened in connection with the consideration of the bill that there is a place—perhaps not a proper place—for almost anything in this bill.

Mr. BARKLEY. Will the Senator yield further to me?

Mr. HATCH. I yield.

Mr. BARKLEY. I wonder if we might have a general understanding that we will dispose of this amendment and of the bill itself as soon as possible. We have other important business for today which should be completed so that we may clear the way to take up the veterans' housing bill on Monday. I do not want to ask for a limitation of debate on further amendments to the bill, but I wonder if we may not have a sort of general agreement that we will not indulge in extended debate either on the pending amendment or on anything else. Is that agreeable to the Senator?

Mr. HATCH. It is perfectly agreeable to me. I may say to the Senator from Kentucky that I intended to take the briefest possible time merely to explain what the amendment does, and then to ask for a vote on it. I want, if possible, and I hope Senators will agree, a yea-and-nay vote on the amendment.

Mr. President, as I said yesterday, it is an important amendment. I think we should be willing to express ourselves on record as to what we think about it. I recall that a famous jurist at one time said, "I write my judgments and give the reasons for the judgments that I render in order that I who judge may also in turn be judged." I think we have such an obligation to those who are covered or are not covered by the present minimum-wage law.

With respect to this amendment, as I said yesterday, I have used the words "affecting commerce" as a mere vehicle. I do not like those words used by themselves alone, because they are general, they are a sort of catch-all dragnet, and I do not know what would be included by their use, nor did I know by their use in the original bill what would be included. I do not want to vote for, and I would not have voted for, such a general catch-all expression as that. But under the decisions of the Supreme Court and under the language of the National Labor Relations Act these particular words have assumed a definite meaning in relation to the Constitution. In this amendment, however, I have only used those words for the purposes expressed, and they apply to nothing else at all. They apply only to those institutions doing a total annual volume of business of $500,000 or more, or which have four or more establishments. I rather emphasize the word "or" in the phrase "four or more," because there is some misunderstanding whether the word was "and" or "or." The word is "or" in the amendment I offered. One Senator has told me that he objects to that word; that he would rather have the word "and." That is the reason I am explaining it so definitely. I do not want any misunderstanding. The amendment as read would apply to enterprises doing more than $500,000 annual business or having four or more establishments. As I stated yesterday, it is designed primarily to reach the huge chain stores of the country, which are specifically exempted from the present minimum-wage law. I am not at all sure but that the language of the present act—"production," "commerce," and other language—would be sufficient to bring the chain stores within the minimum-wage provisions; but the act specifically exempts all retail establishments, and by so doing presents what I think is a perfectly indefensible position.

I know of many small towns where there are small businesses, doing a small annual volume of business, but for one reason or another, either because they are close to State lines and do business across State lines, or because they are producing something, such as printing, which is used in interstate commerce, those little businesses are actually brought under the minimum-wage law today. Next door to them, in many places, will be found large chain stores employing many persons and doing a large volume of business. They are exempted from the present minimum-wage law. That is the condition which I am seeking to correct.

Mr. President, I think that explains the situation. Every Senator knows it just as well as I do, or perhaps better. There is no particular reason why it should be argued. So far as I am aware, every Senator knows how he wishes to vote on the question. I should like to have the amendment adopted if for no other reason than that we all know that if this bill passes it is going to be rewritten. It will be rewritten either in the House of Representatives or in conference, and I should like to have this subject included in the bill in order that it may be considered in the various changes which may take place.

Mr. President, I now ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. BANKHEAD. Mr. President, I desire to offer an amendment to the pending amendment.

Mr. BARKLEY. Mr. President, the Senator announced that he wished to offer an amendment, but that would be an amendment in the third degree.

Mr. HATCH. I shall not make the point of order.

The PRESIDING OFFICER (Mr. EASTLAND in the chair). The Chair is advised by the Parliamentarian that the amendment is not in order at this time.

Mr. BANKHEAD. I ask unanimous consent to offer it at this time.

Mr. BARKLEY. Is it an amendment to the amendment of the Senator from New Mexico?

Mr. BANKHEAD. Yes. I wish to substitute "and" for "or."

Mr. BARKLEY. I shall not object, but, of course, it makes it very difficult not to agree that other amendments in the third degree may be offered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama? The Chair hears none, and the amendment to the amendment may be offered.

Mr. BANKHEAD. Mr. President, I move to strike out the word "or" in the amendment and substitute "and." As the Senator from New Mexico frankly explained, his amendment is in the alternative, and applies to two separate groups. One category is based upon the number of establishments, and the other, without regard to the number of establishments, is based upon the volume of business. I believe that is discriminatory. I know of stores in my State—and I am sure that every other Senator knows of such stores in his State—which are not connected with chains, but which have a large volume of business. This amendment would apply to such stores simply because they have a large volume of business. Their competitors in the same town are exempt from the operation of the minimum-wage law; but one store or two stores, merely because they do a large business, are brought under it and under the law are required to pay a higher scale of wages than do their competitors in the same town, none of whom are members of a chain. So, I believe that both categories should be combined. They ought to be required to have a certain number of establishments, plus a certain volume of business.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. OVERTON. It is also true, is it not, that there are small business concerns which have five or six little stores?

Mr. BANKHEAD. That is true.

Mr. OVERTON. The volume of business is rather small, although the number may be more than four. The word "or" would make the amendment apply to a small business activity which happened to have four or five small stores.

Mr. BANKHEAD. That is true. I had that in mind. I thank the Senator for supporting the suggestion.

There are many small grocery stores, drug stores, and other establishments which have a number of branch stores in the same town, doing a small volume of business. There is a trend toward moving business establishments away from congested centers and into residential areas, bringing stores to those communities. I know of one group of grocery stores which consists of six or eight stores. I do not know about the volume of business. I do not know whether the volume of business would be as much as $500,000. However, the amendment in its present form would certainly lead to confusion and to varying applications of the law, with no standard except the amount of business transacted.

Mr. BARKLEY. Mr. President, will the Senator yield for a question?

Mr. BANKHEAD. I yield.

Mr. BARKLEY. I can appreciate the Senator's argument with reference to small grocery stores. But let us take a large department store, which does not have as many as five separate establishments. Take Wanamakers, for example, in Philadelphia and New York. I do not know how many stores they have in the country. If they had more than four, of course, they would come within the amendment. But suppose they had only three, and did more than $500,000 worth of business. They might do millions of dollars' worth of business a year, but if they had only three stores, and the two classes were combined, they would come in the same category as small stores doing less than $500,000 worth of business. I am wondering whether the word "and" would exempt the large department stores, such as Garfinckels. That concern probably employs a thousand people. It sends merchandise all over Virginia and Maryland, and perhaps other States. It is engaged in interstate commerce. It may not have more than three stores. I am not sure about the number. I use that name only for illustration. What would be the effect of the amendment on three large department stores which did an enormous business?

Mr. BANKHEAD. They would be exempted.

Mr. BARKLEY. That is the difficulty.

Mr. BANKHEAD. I realize the difficulties in the whole situation, but I feel that it is better to exempt some large establishment rather than to penalize and punish small ones which are trying to serve the best interests of the communities in which they do business.

As I construed the bill originally reported by the committee, it would require a combination of the two elements. It would require that there must be at least four establishments, and that they must do a volume of business of at least $500,000. The Senator from New Mexico, for whom all of us have very great respect, believes that that construction may be doubtful, but it is the construction which I had in mind all the time while the bill was pending.

The Senator from New Mexico stated that the bill would have to be rewritten in conference. Practical Senators must remember that the conferees on the part of the Senate favor a very wide coverage. So they would go into conference on this bill predisposed, as far as they could be, consistently with the will of the Senate, to carry out any plan which increased the coverage.

Consequently, I do not think we should act upon this proposal in the hope of having it remedied in that way for the benefit of the stores which will be discriminated against by the action of the conference committee.

The PRESIDING OFFICER (Mr. BRIGGS in the chair). The Parliamentarian informs the present occupant of the chair that the previous occupant of the chair did not ask whether there was objection to the unanimous-consent request made by the Senator from Alabama.

Mr. BARKLEY. Yes, Mr. President; the previous occupant of the chair did, as I recall, ask if there was objection to the unanimous-consent request; and unanimous consent was granted.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Alabama to the amendment of the Senator from New Mexico is held to be in order; but the clerk states that the Senator from Alabama should be more specific in regard to his amendment, inasmuch as there is more than one place in the amendment of the Senator from New Mexico to which it would apply.

Mr. BANKHEAD. Mr. President, I do not have a copy of the amendment. In view of the fact that the Senator from New Mexico has it, I ask him please to send it to the desk. The Senator from New Mexico knows what I have in mind. It is the "or" which divides his amendment into two categories.

Mr. HATCH. The amendment of the Senator from Alabama applies to my amendment wherever the word "or" occurs; is that correct?

Mr. BANKHEAD. Yes.

Mr. HATCH. Mr. President, to reply briefly to the Senator from Alabama, let me state that I think the amendment I have submitted should be adopted as it is offered. I think the word should be "or" instead of "and." In view of the fact that the committee bill relates to exemptions in the negative form, not in the affirmative form, I believe that the amendment I have offered accomplishes exactly the results of the bill reported by the committee.

I still say my main object now is to get the provision into the measures so that it may be considered in the House of Representatives first, and subsequently in conference. But I am not disposed to argue about the matter at all.

Mr. WHERRY. Mr. President, have the yeas and nays been ordered on the amendment?

Mr. HATCH. No.

Mr. WHERRY. If they are to be ordered, I suggest the absence of a quorum.

Mr. BARKLEY. The yeas and nays were ordered on the amendment of the Senator from New Mexico, but not on the amendment of the Senator from Alabama to the amendment of the Senator from New Mexico.

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HICKENLOOPER. What are we about to vote upon now?

Mr. BARKLEY. Mr. President, let me state that there has been a great controversy between the two Houses of Congress for many years about the use of the words "and" or "or." We are now about to vote on the substitution of the word "or" for the word "and," rather than to have both words included with a little slanting line between them.

Mr. BANKHEAD. Mr. President, regardless of what the Senator from Kentucky says, the matter is highly important in this case. The use of one of the words will mean one thing, and the

use of the other word will mean another thing.

Mr. BARKLEY. Mr. President, I was making what now seems to have been a futile effort to be facetious.

Mr. HICKENLOOPER. Mr. President, I should like to know what is the specific question on which we are called to vote at this time.

Mr. BANKHEAD. Mr. President, I made an explanation of the situation just before the Senator from Iowa came into the Chamber. The amendment offered by the Senator from New Mexico seeks to apply the bill and its wage scale to two groups. He says he is directing it to chain stores. Under his amendment, one group is classified as including those which have four or more establishments under the same ownership. The amendment would apply to them. The amendment also would apply, by means of the use of the word "or", to an individual store doing as much as $500,000 worth of business annually.

I have obtained unanimous consent to offer an amendment to the amendment of the Senator from New Mexico, so as to have it stated in the conjunctive, so that the amendment will apply to concerns having four or more separate establishments and doing a business of $500,000 annually.

Mr. HICKENLOOPER. That is the pending question; is it?

Mr. BANKHEAD. That is the pending question. It is whether the word "or" should be changed to "and", so as to require that both conditions exist before the wage scale shall be applied.

Mr. HICKENLOOPER. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama [Mr. BANKHEAD] to the amendment of the Senator from New Mexico [Mr. HATCH].

The amendment to the amendment was agreed to.

Mr. MEAD. Mr. President, I wish to comment briefly on the amendment, and at the same time to commend my distinguished colleague from New Mexico for presenting it. I wish to say a brief word in support of the amendment. Coming, as I do, from the great State of New York, I realize that a great many people in my State will be affected by the amendment—perhaps more than in any other State of the Union. I believe we are here dealing with the little people; I mean people with small salaries, limited comforts, and few or no luxuries. The amendment, together with the relief given to workers in the independent chains and stores will afford them a little sunlight and a little sustenance which in my opinion will benefit them and will also benefit the economy of the country.

Under the bill as modified by the amendment, Mr. President, there will be additional coverage, as compared to the existing law. The amendment will extend the coverage of the law to 1,100,000 employees of chain stores and to approximately 540,000 employees of independent stores. Coverage will also be extended to approximately 620,000 employees in the service industries.

Mr. President, in view of the small wage they now receive and in view of the very moderate increase prescribed by the amendment and by the bill, I trust that the amendment presented by my distinguished colleague from New Mexico will receive the approval of the Senate.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment of the Senator from New Mexico [Mr. HATCH] as amended.

Mr. ELLENDER. Mr. President, I know of no amendment which was offered in committee that presented more difficulty than the one relating to a broader coverage as was intended by the use of the language "employee who is engaged in any activity affecting commerce." I wish to say to the Members of the Senate that there has not been one word of testimony in respect to the effect which such language would have or as to who would be covered by it.

Some of us labored long hours in an effort to obtain a workable minimum-wage bill. We sought to compromise our differences and to bring to the floor of the Senate a reasonable bill—but all to no avail, I am sorry to say.

The language now sought to be placed in the substitute amendment was an aftermath by the proponents of the measure before the committee to have similar language incorporated in the bill. When the amendment was submitted before the committee, Mr. President, as I recall there were only two or three Senators who favored it. The rest of us were against it, for the simple reason that no hearings had been held on the subject and we were at a loss to understand its implications. We thought the amendment was dead. But, lo and behold, the day before the bill was finally voted out of the committee, the matter was resurrected, and by a margin of one vote the language which now is sought to be incorporated in the pending Ellender-Ball substitute was placed in the bill reported by the majority of the committee.

In the agreement which was reached yesterday among a few of us there was a distinct understanding that the language to which reference has been made would not be incorporated in the Ellender-Ball amendment. Although the agreement did not bind anyone in particular, except perhaps those who were present, it was understood that all the exemptions which are now included in the Ellender-Ball amendment would be agreed upon, and no attempt would be made to broaden coverage. We are now confronted with an amendment which will cover many employees who are engaged in intrastate commerce. I do not know to what extent they can be covered because we heard no testimony on the subject. Mr. President, I am very hopeful that the Senate will vote down the amendment. I am sorry that I cannot go into any details with reference to what effect the amendment will have, because, as I have already indicated, we heard not a word of testimony from any source which would indicate the extent to which the language I have referred would cover various industries. I consider it an effort on the part of the advocates of such language to stretch the commerce clause to the breaking point.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HATCH. The Senator from Louisiana has referred to an agreement which was made. I believe, in fairness to the Senator from Florida [Mr. PEPPER] I should make a statement. As the Senator knows, while I conferred in part with some of the Senators in reaching a compromise, I was not a party to the final agreement which was worked out, and had no knowledge of exactly what it contained. I had prepared my amendment. The Senator from Florida came to me before the vote was taken on the Russell amendment and asked me not to offer my amendment because he thought that an offer of it at that time would perhaps be in violation of the agreement which he had made with the Senator from Louisiana and with other Senators as well. I believe the Senator from Louisiana made a similar statement. I compliment both of them for having tried to work out a solution of a difficult situation. I am not criticizing anyone. I refrained from offering my amendment until after the Russell amendment had been voted upon and adopted. There were other amendments which had already been adopted to the Ellender-Ball amendment, such as the one which was offered by the Senator from Montana [Mr. MURRAY], and another one which was offered by the Senator from Maryland [Mr. RADCLIFFE]. It was then that the Senator from Florida said to me, "I think you should offer the amendment. In view of what has taken place, I do not consider the agreement is in force at all."

Mr. ELLENDER. I am not finding fault with anyone.

Mr. HATCH. I merely make the statement which I have made in justice to the Senator from Florida, who did everything he could do in carrying out his agreement with the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I am not finding fault with the distinguished Senator from New Mexico for offering his amendment. But the language sought to be incorporated in the pending measure is, I repeat, something which caused a great deal of difficulty before the committee. I am sure that the Senator from Delaware [Mr. TUNNELL], a distinguished member of the Committee on Education and Labor, will agree with me that we heard little or no evidence in regard to the matter. At one time I thought that the committee had voted finally on the question, and I had taken it for granted that it would never be resurrected again. Here it is again. We are being asked to legislate on a proposal without having had an opportunity to hear any evidence of any kind with regard to it.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TUNNELL. I believe that the Senator is, in the main, correct in what he has said. However, I believe, perhaps, that a statement which was made

yesterday by the Senator from Ohio [Mr. TAFT] with regard to the understanding to which reference has been made might well be considered. On page 3119 of the CONGRESSIONAL RECORD the Senator from Ohio made the following statement:

There was no understanding with regard to the parity amendment except that the whole matter was contingent upon the amendment being rejected. It was assumed that if the amendment were agreed to the bill would be dead in any event. There was no agreement with regard to the amendment. The agreement which was entered into related to provision for a rate of 60 cents an hour in the event the parity amendment was eliminated.

Mr. President, I wish to propound a question to the Senator from New Mexico. The Senator has offered an amendment to a section of the bill which would be stricken out by the Ellender-Ball amendment. If the Ellender-Ball amendment is adopted there will be no words in the bill affecting commerce?

I merely wish to make it plain that there apparently was no understanding with regard to the parity amendment except that as the Senator from Ohio stated, the whole subject was contingent upon the rejection of the amendment.

Mr. ELLENDER. Mr. President, inasmuch as the amendment has been the cause of most of our difficulty, before the committee, in not agreeing to a reasonable bill. I am hopeful that the Senate will vote it down.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from New Mexico [Mr. HATCH], as amended, to the Ellender-Ball amendment, as amended.

Mr. HATCH. Mr. President, before a vote is taken on the amendment I think a quorum should be present. I therefore suggest the absence of a quorum.

Mr. WHERRY. Mr. President, have the yeas and nays been ordered on this question?

The PRESIDENT pro tempore. They have been.

Mr. WHERRY. Then I join with the Senator from New Mexico in the suggestion of the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	Myers
Austin	Hatch	O'Daniel
Ball	Hayden	O'Mahoney
Barkley	Hickenlooper	Overton
Brewster	Hoey	Reed
Briggs	Johnson, Colo.	Revercomb
Brooks	Johnston, S. C.	Russell
Buck	Knowland	Saltonstall
Bushfield	La Follette	Shipstead
Butler	Langer	Smith
Byrd	Lucas	Stanfill
Capehart	McClellan	Stewart
Capper	McFarland	Taylor
Carville	McKellar	Thomas, Okla.
Connally	McMahon	Tobey
Cordon	Magnuson	Tunnell
Donnell	Maybank	Walsh
Downey	Mead	Wheeler
Eastland	Millikin	Wherry
Ellender	Mitchell	White
Fulbright	Moore	Wiley
Gerry	Morse	Willis
Gossett	Murdock	Wilson
Gurney	Murray	Young

The PRESIDENT pro tempore. Seventy-two Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment of the Senator from New Mexico [Mr. HATCH], as amended, to the Ellender-Ball amendment, as amended.

Mr. TAYLOR. Mr. President, I should like to make a few brief remarks on the pending amendment before it is acted upon. I have some figures before me which are not quite up to the minute, being figures for 1943, but at that time there were 152,100 male clerks in the United States in wholesale and retail establishments receiving under $800 a year; and there were 146,723 male clerks receiving under $1,200 a year, that is, between $800 and $1,200. At the same time the profits of the department stores had gone up 609 percent. So I think they can afford to pay the increase.

In the Senate we have talked at great length about the poor white-collar worker, who is generally unorganized, but, like the weather, while we have talked about it nobody seems to have done anything about it.

There is one other matter to which I should like to call the attention of the Senate. Here is a statement by Malcomb P. McNair, who is professor of marketing at Harvard Business School and who represents the National Retail Dry Goods Association before the committees of Congress when they have occasion to come before Congress. In a speech delivered before that organization on Thursday, January 10, of this year, he had this to say:

For the most part—

Speaking of these clerks—

these are men of ability and outstanding personnel, with excellent war records, and, frankly, I am disappointed to note how small a proportion of these men evince any interest in the field of retail distribution. Unquestionably, part of the difficulty is in the salary and wage level. Between 1940 and the middle of 1945, average weekly earnings in manufacturing industry increased 60 percent. It is highly probable that at all levels of compensation in retail distribution there will have to be a step-up in the postwar years.

Professor McNair, who represents the National Retail Dry Goods Association, made that statement.

Obviously it is impractical and practically impossible for one retailer to raise his minimum wages unless all retailers do; it places the one who raises them at a competitive disadvantage. So I think that even the retailers, from what Mr. McNair has said, would be glad to pay more if the obligation was imposed upon all of them to raise their minimum wage standards at the same time. So I hope that this group of unorganized white-collar workers will be included in the provisions of the pending minimum pay bill.

Mr. MEAD. Mr. President, will my colleague from Idaho yield to me?

Mr. TAYLOR. I am happy to yield to the Senator from New York.

Mr. MEAD. Supporting the contention of the Senator from Idaho, let me read a very brief article which appeared in the Washington Post of Friday, January 11, 1946. The heading of the article is "Retailers see better service for consumers," and the article has this to say:

"The underpaid sales person is a thing of the past. We want to attract good people to retailing and have to pay to get them," declared Jay D. Runkle, vice president and general manager of Crowley-Milner & Co., a department store in Detroit.

So there is a realization that better pay levels are essential in this day if we are to have better service and attract and retain the people who are really necessary in this activity.

Mr. TAYLOR. I thank the Senator from New York for his valuable assistance. As he says, the retailers themselves realize the necessity of increasing the wage but it is very difficult unless some action is taken to assure that they all increase wages at the same time so that the ones who have the interest of the workers at heart are not penalized by raising wages while their competitors may not have to raise them.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from New Mexico [Mr. HATCH] as amended by the amendment of the Senator from Alabama [Mr. BANKHEAD] to the Ellender-Ball amendment, as modified.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BUTLER (after having voted in the negative). I have a general pair with the Senator from Alabama [Mr. BANKHEAD]. I thought he was in the Chamber and had voted, but apparently he did not vote on this question. Not knowing how he would vote if present, I transfer the pair to the Senator from Wyoming [Mr. ROBERTSON], and allow my vote to stand.

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Alabama [Mr. HILL] is absent because of a death in his family.

The Senator from Ohio [Mr. HUFFMAN] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from Georgia [Mr. GEORGE], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Florida [Mr. PEPPER] and the Senator from Utah [Mr. THOMAS] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Nevada [Mr. MCCARRAN] are absent on official business.

The Senator from Alabama [Mr. BANKHEAD], the Senator from Mississippi [Mr. BILBO], and the Senator from Maryland [Mr. RADCLIFFE] are detained on official business at various Government departments.

The Senator from Rhode Island [Mr. GREEN] and the Senator from Pennsylvania [Mr. GUFFEY] are unavoidably detained.

I wish to announce further that on this question the Senator from Utah [Mr. THOMAS] has a general pair with the Senator from New Hampshire [Mr. BRIDGES].

I also announce that on this question the Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED].

I announce further that if present and voting, the Senator from Rhode Island [Mr. GREEN] and the Senator from Pennsylvania [Mr. GUFFEY] would vote "yea."

Mr. WHERRY. The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The Senator from Ohio [Mr. TAFT] is necessarily absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] has a general pair with the Senator from Utah [Mr. THOMAS].

The Senator from Kansas [Mr. REED] has a general pair with the Senator from New York [Mr. WAGNER].

The Senator from New Jersey [Mr. HAWKES] is detained in committee meeting.

The Senators from Michigan [Mr. VANDENBERG and Mr. FERGUSON] are unavoidably detained.

The result was announced—yeas 35, nays 36, as follows:

YEAS—35

Aiken	Langer	Myers
Barkley	McClellan	O'Mahoney
Capper	McFarland	Russell
Downey	McKellar	Shipstead
Fulbright	McMahon	Stewart
Gossett	Magnuson	Taylor
Hatch	Maybank	Tobey
Hayden	Mead	Tunnell
Hoey	Mitchell	Walsh
Johnson, Colo.	Morse	Wheeler
Knowland	Murdock	Young
La Follette	Murray	

NAYS—36

Austin	Cordon	O'Daniel
Ball	Donnell	Overton
Brewster	Eastland	Revercomb
Briggs	Ellender	Saltonstall
Brooks	Gerry	Smith
Buck	Gurney	Stanfill
Bushfield	Hart	Thomas, Okla.
Butler	Hickenlooper	Wherry
Byrd	Johnston, S. C.	White
Capehart	Lucas	Wiley
Carville	Millikin	Willis
Connally	Moore	Wilson

NOT VOTING—25

Andrews	Green	Reed
Bailey	Guffey	Robertson
Bankhead	Hawkes	Taft
Bilbo	Hill	Thomas, Utah
Bridges	Huffman	Tydings
Chavez	Kilgore	Vandenberg
Ferguson	McCarran	Wagner
George	Pepper	
Glass	Radcliffe	

So Mr. HATCH's amendment, as amended by the amendment of Mr. BANKHEAD, to the Ellender-Ball amendment, as amended, was rejected.

INCREASE IN COMPENSATION OF FEDERAL EMPLOYEES

The PRESIDING OFFICER (Mr. BRIGGS in the chair) laid before the Senate the amendments of the House of Representatives to the bill S. 1415, an act to increase the rates of compensation of officers and employees of the Federal Government, which were to strike out all after the enacting clause and insert:

SHORT TITLE

SECTION 1. This act may be cited as the "Federal Employees Pay Act of 1946."

INCREASE IN CLASSIFICATION ACT PAY RATES

SEC. 2. (a) Each of the existing rates of basic compensation provided by section 13 of the Classification Act of 1923, as amended and supplemented, is hereby increased by $400 per annum. Such augmented rates shall be considered to be the regular rates of basic compensation provided by such section.

(b) The increase in existing rates of basic compensation provided by this section shall not be construed to be an "equivalent increase" in compensation within the meaning of section 7 (b) (1) of the Classification Act of 1923, as amended.

INCREASE IN PAY RATES FOR CUSTOMS CLERKS AND IMMIGRANT INSPECTORS

SEC. 3. Each of the existing rates of basic compensation provided by the act entitled "An act to adjust the compensation of certain employees in the Customs Service," approved May 29, 1928, as amended and supplemented, and those provided by the second paragraph of section 24 of the Immigration Act of 1917, as amended and supplemented, are hereby increased by $400 per annum. Such augmented rates shall be considered to be the regular rates of basic compensation.

INCREASE IN STATUTORY PAY RATES IN THE EXECUTIVE BRANCH NOT UNDER CLASSIFICATION ACT

SEC. 4. (a) Rates of basic compensation specifically provided by statute (including any increase therein computed in accordance with section 602 (b) of the Federal Employees Pay Act of 1945) for positions in the executive branch or the District of Columbia municipal government which are not included in section 102, as amended, of the Federal Employees Pay Act of 1945 or in the District of Columbia Teachers' Salary Act of 1945, and are not increased by any other provision of this act, are hereby increased by $400 per annum. Such augmented rates shall be considered to be the regular rates of basic compensation.

(b) Section 102 (a) of the Federal Employees Pay Act of 1945 is amended by striking out the following: "(3) heads of departments or of independent establishments or agencies of the Federal Government, including Government-owned or controlled corporations."

(c) Notwithstanding the provisions of section 102 (b) of the Federal Employees Pay Act of 1945, subsection (a) of this section shall apply to the directors of the Tennessee Valley Authority and the Chairman of the Advisory Board of the Inland Waterways Corporation.

INCREASE IN PAY RATES IN THE LEGISLATIVE BRANCH

SEC. 5. (a) The first sentence of section 501 of the Federal Employees Pay Act of 1945 is amended by inserting before the period at the end thereof a comma and the following: "plus $400 per annum."

(b) The second sentence of such section 501 is amended to read as follows: "The additional compensation provided by this section and section 502 shall be considered a part of the basic compensation of any such officer or employee for the purposes of the Civil Service Retirement Act of May 29, 1930, as amended."

(c) Section 502 of such act is amended to read as follows:

"ADDITIONAL COMPENSATION IN LIEU OF OVERTIME

"SEC. 502. Each officer and employee in or under the legislative branch entitled to the benefits of section 501 of this act shall be paid additional compensation at the rate of 10 percent of the aggregate of the rate of his basic compensation and the rate of additional compensation received by him under section 501 of this act."

INCREASE IN PAY RATES IN THE JUDICIAL BRANCH

SEC. 6. (a) The first sentence of section 521 of the Federal Employees Pay Act of 1945 is amended by inserting before the period at the end thereof a comma and the following: "plus $400 per annum."

(b) The second sentence of such section 521 is amended by inserting after "section 405 of this act" the following: "and section 2 of the Federal Employees Pay Act of 1946."

(c) Section 522 of such act is hereby repealed.

LIMITATION ON AGGREGATE RATE PAYABLE

SEC. 7. (a) Section 603 (b) of the Federal Employees Pay Act of 1945 is amended by inserting after the words "by reason of the enactment of this act" the words "or any amendment thereto."

(b) Notwithstanding any other provision of this act no officer or employee shall, by reason of the enactment of this act, be paid with respect to any pay period, basic compensation, or basic compensation plus any additional compensation provided by the Federal Employees Pay Act of 1945, as amended, at a rate in excess of $10,000 per annum.

VESSEL EMPLOYEES

SEC 8. (a) Section 102 (d) of the Federal Employees Pay Act of 1945 is amended to read as follows:

"(d) This act, except sections 606 and 607, shall not apply to employees of the Transportation Corps of the Army of the United States on vessels operated by the United States, to vessel employees of the Coast and Geodetic Survey, to vessel employees of the Department of the Interior, or to vessel employees of the Panama Railroad Company."

(b) Section 606 of such act is amended to read as follows:

"VESSEL EMPLOYEES

"SEC. 606. Employees of the Transportation Corps of the Army of the United States on vessels operated by the United States, vessel employees of the Coast and Geodetic Survey, vessel employees of the Department of the Interior, and vessel employees of the Panama Railroad Company, may be compensated in accordance with the wage practices of the maritime industry."

COMPENSATORY TIME OFF FOR IRREGULAR OR OCCASIONAL OVERTIME WORK

SEC. 9. Section 202 (a) of the Federal Employees Pay Act of 1945 is amended by striking out "48 hours" and inserting in lieu thereof "40 hours."

NIGHT PAY DIFFERENTIAL

SEC. 10. That part of section 301 of the Federal Employees Pay Act of 1945 which precedes the first proviso is amended to read as follows: "Any officer or employee to whom this title applies who is assigned to a regularly scheduled tour of duty, any part of which, including overtime, falls between the hours of 6 o'clock postmeridian and 6 o'clock antemeridian, shall, for duty between such hours, excluding periods when he is in a leave status, be paid compensation at a rate of 10 percent in excess of his rate of basic compensation for duty between other hours:".

PAY FOR HOLIDAY WORK

SEC. 11. That part of the first sentence of section 302 of the Federal Employees Pay Act of 1945 which precedes the proviso is amended to read as follows: "Any officer or employee to whom this title applies who is assigned to duty on a holiday designated by Federal statute or Executive order during hours which fall within his basic administrative workweek of 40 hours shall be compensated for not to exceed 8 hours of

such duty, excluding periods when he is in a leave status, in lieu of his regular rate of basic compensation for such duty, at the rate of twice such regular rate of basic compensation, in addition to any extra compensation for night duty provided by section 301 of this act:".

PAY RATES FOR GRADES 9 AND 10 OF THE CRAFTS, PROTECTIVE, AND CUSTODIAL SERVICE OF THE CLASSIFICATION ACT

SEC. 12. (a) Section 13 of the Classification Act of 1923, as amended, is hereby further amended by striking out the second paragraph relating to grade 9 of the Crafts, Protective, and Custodial Service and substituting therefor the following:

"The annual rates of compensation for positions in this grade shall be $2,870, $2,980, $3,090, $3,200, $3,310, $3,420, and $3,530."

(b) Section 13 of the Classification Act of 1923, as amended, is hereby further amended by striking out the second paragraph relating to grade 10 of the Crafts, Protective, and Custodial Service and substituting therefor the following:

"The annual rates of compensation for positions in this grade shall be $3,200, $3,310, $3,420, $3,530, $3,640, $3,750, and $3,860."

(c) With respect to grades 9 and 10 of the Crafts, Protective, and Custodial Service, the increase in rates of basic compensation provided by section 2 of this act shall be computed on the rates of basic compensation established for such grades, as amended by subsections (a) and (b) of this section.

GENERAL ACCOUNTING OFFICE

SEC. 13. This act and any other general legislation, heretofore or hereafter enacted governing the employment, compensation, emoluments, and status of officers and employees of the United States shall apply to officers and employees of the General Accounting Office in the same manner and to the same extent as if such officers and employees were in or under the executive branch of the Government.

APPROPRIATIONS AUTHORIZED

SEC. 14. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act: *Provided*, That with the exception of the Veterans' Administration, no greater amount shall be appropriated to any executive department or agency for salaries for the fiscal year 1947 than the amount made available for such purpose for the fiscal year 1946.

EFFECTIVE DATE

SEC. 15. This act shall take effect on July 1, 1946.

Amend the title so as to read: "An act to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes."

Mr. DOWNEY. Mr. President, I ask unanimous consent that the bill just laid before the Senate—S. 1415—be printed showing the House amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOWNEY. Mr. President, I now move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, the motion of the Senator from California is agreed to. The conferees will be announced later.

Mr. DOWNEY subsequently said: Mr. President, a few moments ago when the present occupant of the chair was not in the chair, the Senate, by unanimous consent, disagreed to the amendment of the House of Representatives to the Federal pay bill, and instructed the appointment of conferees. I suggest, if it is agreeable, that the Chair might now appoint the conferees.

The PRESIDENT pro tempore. The Chair appoints the following conferees: The Senator from California [Mr. DOWNEY], the Senator from Virginia [Mr. BYRD], the Senator from North Dakota [Mr. LANGER], and the Senator from Iowa [Mr. HICKENLOOPER].

Mr. MEAD. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MEAD. I desire to ask the distinguished Senator from California if it is customary to appoint an even number of conferees representing both parties. Is that the practice?

Mr. DOWNEY. I do not think it is the usual practice, but this arrangement was worked out. Does the Senator have any particular objection to it?

Mr. MEAD. Only that, of course, I was interested in the civil service employees' pay bill.

Mr. DOWNEY. The distinguished Presiding Officer said that he preferred not to act, but, doubtless, if the Senator desires to make a point of it, the Presiding Officer might be prevailed upon to become a member of the conference.

Mr. MEAD. It occurs to me that in the past when we have appointed conferees the committee has had one member of the majority in excess of the number representing the minority party. If the distinguished Senator wants my assistance and cooperation, I shall be very glad to join the committee in this very meritorious enterprise.

Mr. DOWNEY. I may say to the distinguished Senator from New York that his views being closer to mine than the views of other Senators, I should be happy to have him there on the committee, but unfortunately he is not the senior member. Two other members, the Senator from Tennessee [Mr. MCKELLAR] and the Senator from Georgia [Mr. GEORGE] have greater seniority on the committee than does the Senator from New York. This arrangement was worked out, I may say to the Senator, for this reason: We believed that it gives to both sides, having different viewpoints on the Federal pay bill, equal representation.

It is true, of course, that the Senate voted 2 to 1 in favor of the Byrd amendment which, of course, was not acceptable to the chairman of the committee, but this arrangement was worked out so as to give to both sides, regardless of their particular partisan position, representation on the committee. I do not believe, from the viewpoint of the distinguished Senator from New York, that anything would be gained by enlarging the committee to five.

Mr. MEAD. Mr. President, will the Senator from California yield?

Mr. DOWNEY. I yield.

Mr. MEAD. I was of the opinion that when two were appointed from the majority side it might be difficult to get a third member. The Senator pointed that out himself, and he alluded to the President pro tempore, who is a member of the Committee on Civil Service, as not wishing to become a member of the conference committee, and I thought that I would volunteer my services, if the able chairman of the Committee on Civil Service thought he could use me.

Mr. AIKEN. Mr. President, I should like to say a word, as a member of the Committee on Civil Service. It appears to me that an odd number on a conference committee would be more likely to reach an agreement with conferees from the other House than an even number, particularly if it is known that the members of the even-numbered committee were evenly divided for and against certain propositions.

I hope the President pro tempore will see fit to appoint an odd number on this committee. I realize I am not in position to say much about the bill, because I was home ill at the time it was voted upon. Otherwise, I should have opposed the Senate version of the Federal pay bill, which cut the increase to only 11 percent. Since then, however, hundreds of thousands of employees of industries throughout the United States have gone out on strike and have received an 18½-cent increase in pay. Therefore, I do not think the conferees on the part of the Senate should be bound by the action of the Senate, which was taken last October. None of these industrial employees had received an increase at the time the Senate voted an 11-percent increase, but industry generally is to pay the 18½-cent increase, and it appears to me the matter could be worked out better with a committee of an uneven number. I hope the President pro tempore, now presiding, will appoint a fifth member on the conference committee.

The PRESIDENT pro tempore. The committee was worked out, as is done in all cases, by the chairman of the committee which was in charge of the bill, in this case the Civil Service Committee, in cooperation with the opponents of the bill. While the present Presiding Officer is a member of the Committee on Civil Service, he did not hear the testimony. The Chair is very much in favor of an increase in salaries, but the Chair did not hear the testimony on this particular measure, and did not think he should be a member of the conference committee.

For these reasons the Chair appointed the committee as the list was handed to him by the chairman of the Committee on Civil Service, who said it had been agreed upon by those who were interested in the matter. If there shall be any trouble in the future, if the committee shall be evenly divided and so reports to the Senate, the Senate will have an opportunity to change the committee at any time.

Mr. AIKEN. If I may say one more word in explanation, I am perfectly willing to give up any seniority right I might have as a member of the Committee on Civil Service so that the Senator from Iowa [Mr. HICKENLOOPER] may become a member of the conference committee. I still think, however, it should be an odd-numbered committee, and if our very

able Presiding Officer, the Senator from Tennessee [Mr. McKELLAR], who is also a member of the Committee on Civil Service, is unable himself to serve on the conference committee, it would appear that the Senator from New York [Mr. MEAD] would be the next in line on the Democratic side of the committee according to the rule of seniority.

I hope the Senator from Maine and the Senator from California, who talked to me this morning about the matter, will agree to five members on the committee. I think that is the only fair thing to do in the interest of two or three million employees of the United States.

TOLL BRIDGE ACROSS THE MISSOURI RIVER NEAR DECATUR, NEBR.

The PRESIDING OFFICER (Mr. STEWART in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1425) to revive and reenact the act entitled "An act to authorize the county of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.," approved June 8, 1940, which were, after line 10, to insert:

SEC. 2. No toll or other charge shall be levied against any employee, civil or military, or any vehicle or conveyance, of the United State Government for the use of such bridge in the performance of official duties.

And in line 11, strike out "2" and insert "3."

Mr. BUTLER. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. BUSHFIELD. Mr. President, the present law passed in the Seventy-fifth Congress contains a provision which deals with what is known as the area of production. That provision was omitted from the pending bill. I send to the desk an amendment covering the subject of the area of production, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be received and will lie on the table. There is an amendment by the Senator from New Mexico [Mr. HATCH] pending at the moment. The amendment offered by the Senator from South Dakota will be stated for the information of the Senate, if the Senator desires.

Mr. BUSHFIELD. Yes, I do.

The PRESIDING OFFICER. The amendment offered by the Senator from South Dakota, which is on the table, will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 12, line 7, it is proposed to insert the following:

(9) To any individual employed within the area of production (as defined by the Administrator) engaged in the handling, packing, storing, ginning, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products.

Mr. BUSHFIELD. Mr. President, if it is in order, I ask for the yeas and nays on the amendment which I have offered.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from New Mexico [Mr. HATCH] to the committee amendment, on page 16, line 19. This amendment was offered yesterday, and takes precedence over the amendment of the Senator from South Dakota. His amendment can be called up later.

Mr. HATCH. Mr. President, the amendment which is now the business before the Senate is an amendment which I offered yesterday to the committee amendment. Even if that amendment should be adopted, it is now apparent, from the tone of the Senate, that the Ellender-Ball amendment will be adopted, which would automatically dispose of the amendment now pending, even though it should be adopted. I see no good purpose in further complicating an already complicated situation. However, I wish to make this observation as to the amendment which was just defeated by the small margin of one vote: The closeness of that vote clearly indicates to my mind that the subject of the amendment should be further considered. Either it should be considered by separate legislation, which might be referred to the Committee on Education and Labor, where full hearings could be held and action could be taken, or, if this measure goes to the House of Representatives, that body might well look upon the close vote which has just been had, and consider the subject in the hope, from my standpoint, that the House of Representatives will deal with it adequately and as I think it should be dealt with. However, I see no purpose to be served now in voting on the pending amendment. Therefore I withdraw it.

The PRESIDING OFFICER. The amendment of the Senator from New Mexico having been withdrawn, the question now is on agreeing to the amendment offered by the Senator from South Dakota [Mr. BUSHFIELD].

Mr. BUSHFIELD. I ask for the yeas and nays.

Mr. HAYDEN. Mr. President, I do not quite understand the pending amendment. My understanding is that the Ellender-Ball amendment leaves the existing law, so far as inclusions or exemptions are concerned, exactly as it was. If that be the case, then the pending amendment is unnecessary. I should like to have the question clear in my mind. I am not in favor of the amendment just offered, because I think it would be a mistake to do what it proposes. It includes in the "area of production" scheme workers in packing sheds and workers in canneries. To my mind they are clearly industrial labor and not agricultural labor. It has to do with manufacturing—what we call the "first processing." It is all connected with the "area of production."

Is the Senator sure that his amendment is necessary?

Mr. BUSHFIELD. In view of what has been said about the Ellender-Ball proposal, I am not sure. However, I am looking directly toward the small elevators in my State, usually one-man affairs. They are for the purpose of serving the farm people in my State. Employees of such elevators work at all hours, and without any regard to the number of hours.

Mr. HAYDEN. I do not understand that they are now covered, or that there is any proposal to cover them.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. AIKEN. As I understand, if the Ellender-Ball substitute is agreed to, the amendment of the Senator from South Dakota will be unnecessary. However, in order to eliminate the "area of production" theory from the present law, it would be necessary to offer an amendment to the Ellender-Ball substitute.

Mr. HAYDEN. That is the way I understand it.

Mr. LA FOLLETTE rose.

Mr. AIKEN. Perhaps the Senator from Wisconsin can advise us on this question. I believe I am correct in stating that the amendment of the Senator from South Dakota is now unnecessary to accomplish the purpose which he seeks, assuming that the Ellender-Ball amendment is substituted for the committee amendment.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. LA FOLLETTE. It is my understanding that the Ellender-Ball substitute does not change existing law in any respect whatsoever so far as exemptions or exclusions are concerned. I will ask the Senator from Delaware [Mr. TUNNELL] to correct me if I am in error. I believe that the representatives of the small elevators who appeared at the hearings were opposed to the bill which was then pending before the committee, which proposed to eliminate a number of exemptions in existing law, and which would have brought small elevators under the terms of the act had the bill then pending before the subcommittee for hearing been ultimately enacted into law.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. BUSHFIELD. It is my understanding that the "area of production" clause in the existing law would be eliminated by the pending bill.

Mr. LA FOLLETTE. Not by the Ellender-Ball substitute. The Ellender-Ball substitute does not propose to make any changes whatsoever in any of the provisions of existing law. It has to do with exemptions. But the committee bill did propose, both through rewriting the existing so-called agricultural exemptions, and also by bringing in the concept of "affecting commerce," widely to extend the coverage of the Fair Labor Standards Act.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. RUSSELL. I agree with the interpretation of the Senator from Wisconsin. In the event the Senate adopts the so-called Ellender-Ball amendment, as amended, this amendment will not be

necessary. But if the Senate should reject the Ellender-Ball amendment as amended, the Senator from South Dakota should offer his amendment to protect the group in which he is interested.

Mr. HAYDEN. It seems to me to be wholly unnecessary at this time for the Senator to offer his amendment.

I should like to make one further observation, although it may be idle to do so, in view of the way the Senate is voting. I think it is a mistake to include in the exemption packing-house workers as agricultural laborers. I think it is a mistake to include cannery workers as agricultural laborers. Yet that is what the existing law now does, as I understand. In my own State lettuce is grown in the wintertime. The lettuce is gathered in the field and brought to packing sheds. Under existing law the packing-shed worker who handles the lettuce and puts it in a crate is an agricultural worker. I do not understand why that should be. It does not make sense. But that is the way it is, and apparently there is no chance to change it.

Mr. AIKEN. Mr. President, will the Senator yield so that I may make one further observation?

Mr. HAYDEN. I yield.

Mr. AIKEN. If the exemption for the "area of production" is left in the law as it now is, at some point during the progress of this bill—if it can be called progress—a definition of the term "area of production" should be written into the law by the Congress. The Department of Labor has found it almost impossible to define "area of production." It has attempted to do so, but its definitions have been thrown out by the courts, and the Department has been pleading with some of us to place in the law a definition of "area of production," so that the Department will have something to go by, because every effort it has made to define "area of production" has amounted to nothing, since when it gets to the courts it is declared illegal.

Mr. BUSHFIELD. Mr. President, I am advised that it is in order at this time to offer my amendment to the bill itself.

The PRESIDING OFFICER. It is in order as an amendment to the committee amendment. Does the Senator so offer it?

Mr. BUSHFIELD. I so offer it, Mr. President.

Mr. WILEY. Mr. President, I desire to offer an amendment to the Ellender-Ball amendment. I ask whether it is in order for me to offer such an amendment at this time.

The PRESIDING OFFICER. The pending question is the amendment offered by the Senator from South Dakota.

Mr. WILEY. I understood the Senator from South Dakota had withdrawn the amendment, and had offered it to the Ellender-Ball amendment.

The PRESIDING OFFICER. He has offered it to the committee amendment.

Mr. WILEY. Is it in order for me to offer an amendment to the Ellender-Ball amendment at this time?

The PRESIDING OFFICER. The Senator from Wisconsin may send such an amendment to the desk and have it stated and lie on the desk, but it cannot be considered and acted on at this time, because the pending question is the amendment offered by the Senator from South Dakota.

Mr. WILEY. I should like to ask the Presiding Officer the privilege of being recognized after the pending amendment is disposed of.

The PRESIDING OFFICER. The question now is on agreeing to the amendment offered by the Senator from South Dakota [Mr. BUSHFIELD] to the committee amendment.

Mr. BARKLEY. Mr. President, is the vote about to be taken on the amendment of the Senator from South Dakota?

The PRESIDING OFFICER. The Chair was putting the question on the amendment offered by the Senator from South Dakota to the committee amendment when the Senator from Kentucky addressed the Chair.

Mr. BARKLEY. I was just saying to the Senator from South Dakota, and I think he agreed, that if the Ellender-Ball amendment is agreed to as a substitute for sections 2 to 9, the law will be left as it is now, and his amendment would not be necessary to the bill at all. That would not deprive him of the right to offer it later to the bill. But it seems to me unnecessary to have it in the law twice. It is in the law now, and the Ellender-Ball amendment does not interfere with it. If it is added now to the bill, it will be in the law twice.

Mr. BUSHFIELD. Mr. President, will it do any harm if it is in the law twice?

Mr. BARKLEY. I suppose not, but it would not look like very good legislation.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota to the committee amendment.

Mr. BUSHFIELD. I call for a standing vote.

The PRESIDING OFFICER. A division is asked for.

On a division, the amendment was agreed to.

Mr. WILEY. Mr. President, as I said a few minutes ago, I desire to offer an amendment to the Ellender-Ball amendment. I offer the amendment, send it to the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of section 2 of the Ellender-Ball amendment it is supposed to insert the following new section:

SEC. —. Section 7 of the act is amended by striking from the phrase "(as defined by the administrator)", which appears in subsection (c) thereof, the word "Administrator", and inserting in lieu thereof the words "Secretary of Agriculture."

At the end of section 3 of the Ellender-Ball amendment it is proposed to insert the following new section:

SEC. —. Section 13 of the act is amended by striking from the phrase "(as defined by the administrator"), which appears in item (10) of subsection (a) thereof, the word "Administrator," and inserting in lieu thereof the words "Secretary of Agriculture."

Mr. WILEY. Mr. President, the second clause of section 7 (c) of the present act grants an exemption from the maximum hours and overtime requirements, only, of the present act, applicable only during 14 weeks of the year, to the employees of and in establishments engaged in the first processing of agricultural or horticultural commodities during seasonal operations—if they are so engaged "within the area of production," as defined by the Administrator of the act. This partial exemption should not be confused with the partial exemption granted by the first clause of section 7 (c), or with the partial exemptions for specified operations granted by the second clause of section 7 (c), which are definite, and not subject to the "area of production" qualification.

Section 13 (a) (10) of the present act grants a complete exemption from the minimum wage and maximum hours and overtime requirements of the act for employees engaged in "handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products"—if they are so engaged "within the area of production," as defined by the Administrator of the act.

My amendment will make only the change in the present law—that is, it will require that the term "area of production," of agricultural and horticultural commodities be defined by the Secretary of Agriculture, rather than by the Administrator of the act.

It has been suggested by the Administrator that the term "area of production"—with respect to the various agricultural and horticultural commodities—is impossible to define.

I submit, Mr. President, that the "area of production" concept has not been given a fair trial. No effort has been made to formulate definitions which are realistic, which take account of the facts and conditions surrounding the production, processing, and marketing of agricultural and horticultural commodities, and which would give effect either to the letter or the spirit of the provisions of these exemptions as contained in the effective act.

With the exceptions of dry edible beans and Puerto Rican leaf tobacco, the Administrator has made no effort to issue separate definitions for different commodities, despite the great differences between the actual areas of production of the various commodities.

The definitions which the Administrator has issued have been strained and unrealistic and clearly designed to restrict the application of the exemptions to the fewest possible number of persons engaged in the occupations named in the exemptions. This has been done by restricting the definition to occupations on the farm on which the commodities are produced, by defining "area of production" in terms of the distance which commodities move from the farm to the plant at which they are handled, in terms of the number of persons engaged in the named operations, in terms of the population of the towns where the processing establishments are located. The courts, including the United States Supreme Court, have quite properly held such definitions invalid, because, if given effect, they would frustrate the intention

of the Congress in enacting the exemptions.

The strained, unrealistic, and improper definitions which have been issued probably are, to a considerable extent, the result of ignorance on the part of the Administrator and his staff with respect to the circumstances and conditions of the actual production, harvesting, processing, and marketing of agricultural and horticultural commodities. It can scarcely be doubted that they are also, in part, the result of the intent of the Administrator to nullify—insofar as possible—the exemptions granted by the Congress.

The Secretary of Agriculture has a staff of experts on the production, harvesting, and marketing of agricultural and horticultural commodities who are also well informed on the processing of such commodities. In the very nature of things, the Secretary of Agriculture is infinitely better qualified and equipped, than the Administrator, to define "area of production" for the various agricultural and horticultural commodities; and I strongly recommend that the Senate vote to transfer that duty and authority to him.

Mr. President, the present occasion affords me an opportunity for saying a few words concerning the pending bill. It will be noted that the amendment which I sent to the desk merely calls for a transference of authority to the Secretary of Agriculture, who is the key man, the man with the appropriate background, and is at least supposed to have the vision which will comprehend the problems existing in the various areas of production.

Yesterday I voted for the Russell amendment. We have heard a great deal concerning the necessity of raising the wages and compensation of practically every group of workers in the country. A few minutes ago conferees were appointed to consult with conferees of the House of Representatives on a Federal pay bill. Those conferees will endeavor to arrive at an agreement with reference to how much the compensation of Government employees should be increased. I was not in favor of the Russell amendment merely because I am for the farmer. I was in favor of the Russell amendment because I am for the United States of America and its people. During the past decade approximately 6,000,000 people left the farms. If such an exodus continues, there will not be production, and production is vitally needed throughout the country. I believe the figures show that since 1940 approximately 5,000,000 people have left the farms, and that during the past decade, as I have said, approximately 6,000,000 people left the farms. Perhaps there are persons in this country who wish to see a grand exodus from the farms. I know that the farmer is the backbone of the Nation. When I look around this Chamber and see men who were produced by and on the farms, and when I examine the pages of history and consider the character of great statesmen of the past who came from farms, I do not want to see the source of supply of American manpower come to an end. However, Mr. President, that will take place if we do not make life on the farms more interesting.

Why is it inflationary, as some contend, to allow the farmer to receive higher prices for his products and be enabled to meet the higher expenses which are constantly thrust upon him, and yet it is not inflationary to grant increases in the compensation paid to labor, the manufacturer, and Government employees? Why is the so-called farm bloc criticized for asking that the farmer be allowed to receive his cost of production when no word of criticism along that line is heard with reference to the labor bloc? The Government gave labor the green light and the labor bloc started this whole inflationary spiral, especially the PAC, and the Government did nothing to prevent it. Instead, it said in effect, "Come on boys, we are with you. You can get a 25-percent increase, and the cost of the goods you will buy will not be increased whatever." Strikes and nonproduction followed and the administration sat by doing nothing. Production ceased and unemployment increased, but labor got its increase and prices went up.

Mr. President, it is time that we remove the blinders from our eyes and give to the farmer what he is entitled to receive. I repeat that I am not speaking only for the farmers, 23,000,000 of them. I am speaking for the millions of persons who reside in cities and depend on a maximum production of food. I speak for the economic and physical health of this Nation. I do not wish to see an exodus from the farms. I want to see an exodus from the cities back to the farms. I want to see farm life made more and more interesting. After all, the farm is the laboratory of life. There we see vegetable life and animal life. There we see, going on and on, a part of the mystery of creation.

Mr. President, I also stand for the proposition that the farmer is just as worthy of his hire as is the laborer. The farmer must now pay an increased cost for labor and material as well as an increased price for farm machinery. If the farmer wants to obtain help he must meet on the labor market wages which are paid in the city.

Mr. President, today I was interested in reading an editorial from the Christian Science Monitor entitled "Financing Idleness." It reads, in part, as follows:

> Payments to the jobless are being raised in Massachusetts and other States to a level where it will often bring more money to a person to be idle than to work. The trend is toward lifting unemployment compensation to $25 a week for from 23 to 26 weeks—a possible maximum to be drawn from the State of between $575 and $650.
>
> As it happens, $25 a week in unemployment benefits is equivalent to about $30 in wages.

The minimum rate of compensation which we are being asked to fix for 40 hours would give a man 60 times 40, or $24 a week. However, according to the editorial from which I am reading, we are willing to allow him to sit around and at the same time pay him $25 a week for doing nothing. So, Mr. President, when we talk about legislating for one segment of our economy we must think about the effect it will have upon all segments. That situation has something to do with the farmer. There are many persons who would prefer to receive $25 a week and do nothing than to receive 60 cents times 40, or $24 a week, and work for it.

The editorial continues as follows:

> The $25 from the State is a clear payment; the recipient gets it all. But out of what an employer pays must be deducted the withholding taxes, plus an employee's expenses, such as car fare, lunches, wear on clothing, etc. Consequently, many an employee will figure out that he can do just as well or better by staying home and living on unemployment compensation as by working for $27, $28, $30, or a bit more.

There you have it, Mr. President. We are endeavoring through the pending bill to solve all the problems of America. At least, some persons believe that to be the situation. We are asked to establish a floor of 60 cents an hour, and then make certain exceptions. Yet, in many respects we are financing idleness.

Mr. President, I ask unanimous consent that the entire editorial from the Christian Science Monitor of April 3, 1946, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FINANCING IDLENESS

Payments to the jobless are being raised in Massachusetts and other States to a level where it will often bring more money to a person to be idle than to work. The trend is toward lifting unemployment compensation to $25 a week for from 23 to 26 weeks—a possible maximum to be drawn from the State of between $575 and $650.

As it happens, $25 a week in unemployment benefits is equivalent to about $30 in wages. The $25 from the State is a clear payment; the recipient gets it all. But out of what an employer pays must be deducted the withholding taxes, plus an employee's expenses, such as carfare, lunches, wear on clothing, etc. Consequently, many an employee will figure out that he can do just as well or better by staying home and living on unemployment compensation as by working for $27, $28, $30, or a bit more.

One of the best-posted authorities on unemployment compensation in New England puts it this way:

"Recently the union obtained a minimum wage of 65 cents an hour in the cotton textile mills and 75 cents in the woolen mills. These increases helped a great deal in recruiting needed labor. Now, what will happen if a worker can get as much or more by not working?"

To go on unemployment compensation a jobless worker must accept suitable employment when offered to him. But the United States Employment Service is now desperately handicapped by having so few jobs to offer of a character that is widely suitable. That helps to make an applicant for benefits practically the judge. He can generally obtain the payments if he wants them.

Unemployment insurance deserves to be strengthened and protected. But legislation which calls for payments which are an inducement to idleness deserves more study than it is now receiving.

Mr. WILEY. Mr. President, I made reference to a so-called farm bloc. This morning at 11:50 a. m. I had the privilege for the first time since I became a Member of Congress of being called upon by representatives of what might be called the farm bloc. I felt honored. They

came and asked me to submit the amendment which I have sent to the desk. Yesterday the Senator from Ohio [Mr. TAFT] was to have submitted it. He has been called out of the city. All the amendment seeks to do is to provide that the Secretary of Agriculture shall do the job instead of the Administrator.

Mr. President, I hold in my hand extracts from testimony which was taken before the Senate Committee on Education and Labor during the months of September and October last, with reference to Senate bill 1349. The testimony contains the statements of S. R. Nichols, National Cotton Compress and Cotton Warehouse Association; A. C. Remele, Northwest Country Elevator Association; R. B. Bowden, vice president, Grain and Feed Dealers' Association; Samuel Fraser, secretary, International Apple Association; and Charles W. Holman, secretary, National Cooperative Milk Producers Federation. I ask unanimous consent that the statements be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

EXTRACTS FROM TESTIMONY ON S. 1349 BEFORE SENATE EDUCATION AND LABOR COMMITTEE, SEPTEMBER AND OCTOBER 1945

STATEMENT OF S. R NICHOLS, NATIONAL COTTON COMPRESS AND COTTON WAREHOUSE ASSOCIATION

It is obvious from the foregoing that in order to serve the producer and to provide these essential services the warehouse as well as the cotton gin must be located with peculiar reference to the farms that produce the cotton. It is not only a fact that the facilities of the warehouse industry are located close to the farms, but it is true that the warehousemen utilize farm labor in the performance of these services. The same labor that plants, cultivates, and gathers the cotton crop on the farm in between times performs the handling services involved in the warehousing, assorting, and distribution of the cotton into consumable lots for the cotton mills. An authoritative study made of the source of warehouse labor in one State found:

"The labor employed by Tennessee compresses for handling and compressing cotton usually comes from the farms or areas about the compress." [1]

This is particularly significant as most of the compress-warehouse facilities in Tennessee are located in cities such as Memphis, which is one of the largest cities in the South. While it is true that in the larger communities, such as Atlanta, Ga., New Orleans, La., Memphis, Tenn., and other cities of that character, the competition between the warehouses and the farmer is not as great as it is in the smaller communities, the competition is nevertheless present to a greater extent than most people would normally suppose. But even considering the facilities located in the larger cities, 99 percent of the warehouses are located in close proximity to the cotton fields and the farms that produce the cotton.

STATEMENT OF A. C. REMELE, NORTHWEST COUNTRY ELEVATOR ASSOCIATION

The total number of elevators operated by members of the association is approximately 1,000. In addition to the elevators included in the membership of the association, there are in the four States named approximately 3,000 elevators operated by independent owners and cooperatives.

Nature of facilities: Country elevators are facilities located in the grain-growing areas of the States above named, as well as other areas in the United States, and are constructed for receiving, storing, and shipping of grain raised in the surrounding territory and hauled in by farmers in wagons or trucks. They constitute the primary markets for grain and seeds and are located in nearly all towns, villages, and sometimes at mere railroad sidings in the grain-growing area. In many instances they take the place of storage facilities at the farm, as a great percentage of farmers haul their grain directly from the threshing machine to these storage facilities and have no facilities for storing their grain other than these country elevators.

Employees: In a large percentage of the elevators in this area there is but one employee, known as the manager. For example, out of 136 elevators reporting in Minnesota, 100 had but 1 employee; out of 155 reporting in Montana, 117 had 1 employee; and in North Dakota, out of 559 reporting, 229 had 1 employee.

The manager is in complete charge of the elevator, and his duties consist of weighing and taking into the elevator the grain hauled in from the farm and diverting it through mechanical devices to bins in the elevator, either buying the grain at the time of the receipt or issuing storage receipts therefor and subsequently shipping the same to terminal markets. He must have a specialized knowledge of all kinds of grain, including skill in the matter of determining grade and quality, usually fixes his own hours, on which there is no check, and his status is entirely different from the status of employees working in industrial plants or factories. He does very little physical work, since the grain is all handled by machinery, and his chief value lies in his ability to get business and to properly grade and price the grain offered for sale.

Quite a large percentage of the elevators in the Northwest area have what is known as a second man, who assists the elevator manager with his duties and is usually in line for a position as manager when he has become sufficiently competent to be advanced to such position. Where there are more than two employees it is usually because of the fact that the elevator is engaged in the handling of coal, twine, flour, and feed which are being sold at retail to farmers.

Managers and second men are almost without exception paid on a monthly basis, are usually old employees; and the average monthly salary for managers is approximately $190, while second men receive a monthly salary averaging $140.80.

Hours: The elevators in the four Northwestern States in which we are primarily interested are all operated under State licenses as public utilities and are supervised by regulatory bodies known as railroad and warehouse commission, public service commission, etc. They are required by law to receive grain tendered for storage and cannot be closed except with the consent of the regulatory body.

The grain producers in this area have been accustomed during the threshing season to haul their grain to the elevator directly from the threshing machine; and since these machines work long hours, elevator employees have, during the time of heavy movement, kept their elevators open sometimes considerably in excess of 12 hours per day. It is a matter of extreme importance to the producers to take advantage of every available hour of good weather to harvest the grain and haul the same to the elevators, so as to take it out of the hazards of weather and other factors that may result in damage to the crop. The hours at these elevators have, therefore, been adjusted to meet these requirements. For a large part of the year the hours are much shorter; and while the elevators usually are kept open during business hours, there are many weeks during the year when the manager has very little to do and many days when he does not take in a single load of grain but keeps his plant under observation so that if some grain is offered he can take it in. There is no one present at his station to check his hours, and he uses his own judgment as to what time he ought to put in at his elevator. This is quite unlike the situation prevailing in factories and plants in other lines.

Hours of employment are not a factor in these small towns and villages, and the employees in the stores, garages, and other little businesses usually found are not much concerned with the hours of work.

Origin of the grain: The grain received at these elevators is hauled from farms varying considerably in the matter of their distance from the elevator, depending upon the number of stations that are to be found in any given area. In more thickly populated sections of Minnesota the distance may not exceed 15 to 20 miles, whereas in some sections of North Dakota, South Dakota, and Montana the nearest elevator to some of the grain farms would be as much as 50 to 100 miles.

If we are denied the exemption we would have to keep hours in these country plants. A country elevator, of course, is located out in every little town and village throughout Minnesota and North Dakota and all the grain-growing area. The employees in these plants have to adjust their hours to the hours that are observed by the farmers in the locality. The farmers, of course, during the threshing season especially work long hours; they have got to get the grain in before rain or some other thing deteriorates the crop, and we are the storage facility for many of these farmers. Most of the farmers do not have sufficient storage capacity on the farm to take care of it, and they haul the grain right from the thresher into the elevator.

The employee in these elevators works overtime perhaps to the extent, in the busy season, of as much as 60 or 70 hours, and it would be a terrific burden on us as the employers to pay them overtime for the hours over 8 per day.

Well, in these last years they have been busy 3 or 4 months of the year, especially busy, but they work 50 or 60 hours most of the year. I mean they put that much time in at the elevator. They do not work hard all the time; they do not do anything a lot of the time.

STATEMENT OF R. B. BOWDEN, VICE PRESIDENT, GRAIN AND FEED DEALERS ASSOCIATION

With the passage of the amendment proposed here, the 40 cents per hour minimum would be increased by 62 percent, and the longer hours worked commonly in a country elevator would bring the added problem of overtime. The country elevator is not a 40-hour-per-week establishment; it is so close to the farm that its hours must conform more closely to the farmer's hours, especially during the harvest season.

We estimate that the average employee works, or is at the elevator, 56 hours per week; that he may work as many as 80 hours per week during the peak of a big harvest season. There will be weeks during the year when he is on duty perhaps for 56 to 60 hours, but will have little actual trade to handle or work to do. Our concern obviously is more with overtime than with the hourly rate before overtime.

Thousands of these country elevators are in the one-crop high-risk areas of grain production, where volume of farm production and marketing has wide variations.

May I interlard here by saying that I think you will find that 50 percent of all country elevators are located in 9 Midwestern States,

[1] Cotton compressing in Tennessee and U. S., Agricultural Experiment Station, University of Tennessee, April 1, 1938.

and those Midwestern States are commonly States of high-risk production on some profits.

While the elevator owner may be able in a year of high production to pay wages more comparable to industrial wages, a year of low-crop production in his community may make it unprofitable for him even to keep his elevator open. Wages in these elevators now are probably at their highest levels, mainly because the past 3 or 4 years, fortunately for our country, have been successive years of record grain production. We have never before had such years of volume of grain production in succession, due to weather factors. But in many of our grain-surplus producing areas we must assume from the weather records of many decades that there will return occasional years of low to very low grain production.

In most of these elevators the employees have been retained through the years of subnormal crop production as well as through the good years; because the functioning of the elevator is very important even when farmers have only a very small crop to market.

STATEMENT OF SAMUEL FRASER, SECRETARY, INTERNATIONAL APPLE ASSOCIATION

They have a normal crop, about 400 bushels to an acre, and they have that set of figures on which they are operating, 280 of labor, or 1.2 hours of labor per box of apples, at 80 cents an hour. They have $1 of labor right there in that box.

In 1914, the labor relationship to cost of production was about 38 percent. Today the amount of labor in the production in 56 percent.

We are on a basis of rising costs of labor, because all of our work with applies is on a hand-labor basis. We cannot do mechanized production as we can with rice where we can broadcast and flood, and then put a combine in and do it mechanically, or as we might do with peanuts or other crops.

The fruit and vegetable industry is in a critical condition if you start to arbitrarily fix the rates, and you cannot possible fix the price which they are going to receive.

Now, in New York, the common charge for labor in growing an acre of apples is 140 hours of which 50 hours is up to harvest, 37 for harvesting, 37 for packing, and 14 for the hauling and other incidentals of getting it on the car.

It takes as many hours to harvest as it does to pick.

This proposal is to split that job right there and put the packing under the wage scales provided in this bill. The picking will be going on at the same time, and of necessity, you must pay at least the same wage, and the picking and the packing and the movement to market constitutes over 66 percent of the total labor cost of growing of applies in a State like New York.

What are we going to do when you kite that cost? We are going to sell, in all probability at from $1.60 to $2.30 a box delivery New York market when conditions drop to the 1912–29 level. These are the prices received in New York during that period.

To us it is unthinkable and impossible to fix a wage scale when the returns are floating.

STATEMENT OF CHARLES W. HOLMAN, SECRETARY, NATIONAL COOPERATIVE MILK PRODUCERS FEDERATION

The location of dairy industries in small towns gives access to laborers whose cost of living is the lowest in the country. It is for this reason that conformance with a minimum wage standard would work an undue hardship on plants located in an "area of production." The minimum wage designed to give equal standards of living to urban and rural workers would necessarily be less for the latter than for the former.

A further problem in establishing minimum wages is the proximity of the dairy plants to the farms, the largest economic area of self-employment in the Nation. Agriculture cannot afford the proposed scale of minimum wages for its employees, even at wartime prices. Many farmers would prefer to work for the minimum industrial wage if the opportunity were afforded. They might even prefer to become self-employed as operators of small creameries or cheese factories and accept a labor return less than the wage which they would be compelled by minimum-wage regulations to pay to such hired help as would be required. The absurdity of a smaller return for a proprietor than for his helper is apparent. Such conditions could be avoided by providing for the "area of production" exemption.

That the above contrast between self-employed and hired workers in the dairy industry is not unrealistic is shown by census data on the average size of butter and cheese establishments. Creameries in 1939 employed an average of only five workers per establishments. Cheese plants employed only one and nine-tenths wage earners per establishment. A study of Wisconsin creameries showed that nearly half of the creameries were less than one-fourth the size of the larger creameries. There would be one- and two-man plants. They handled one-seventh of the total milk received by creameries. Small creameries, being willing and able to operate at a lower labor cost than those who would be required to pay minimum wages would tend to increase in numbers. These creameries, however, are generally inefficient by over-all standards.

Hence a shift of butter production to such plants would inevitably mean less money returned to producers for milk and cream. The situation with respect to cheese factories is even more acute, with 98 percent of ths Wisconsin plants handling less than 5,000,000 pounds of milk annually and only two-tenths of 1 percent handling more than 10,000,000 pounds. Where the partnership is used, even larger plants could legally escape the law.

The existence of such opportunities for honest evasion of minimum-wage regulations would work great hardships on the generally more efficient dairy plants engaged in processing the same commodities. Since dairy plants generally are located in an area of production conforming to our proposed definition, exemption of plants in such area would relieve this problem.

Because of the factors enumerated above—location of dairy plants in low-cost-of-living areas, proximity to population groups engaged in low-paid self-employment, and significant volume of self-employment—the average hourly earnings in the butter industry, for example, are the lowest of any of 13 food groups for which hourly earnings are reported by the Bureau of Labor Statistics.

In 1944 production workers in the butter industry received annual earnings, average hourly, of 70.9 cents. The next lowest average hourly wage was in the confectionery industry, in which the average wage was 72.3 cents. The average for all food industries was 84.9 cents, which exceeded earnings in the condensed- and evaporated-milk industry of 73.7 cents, and in the ice cream industry of 79.4 cents per hour, which exceeded the earnings in the canning and preserving industry by 2 cents per hour, but was 12.3 cents per hour below the average of all food industries. If wages of workers in the butter industry had been raised to the average level of all industries, which would have been substantially the effect of an applicable minimum-wage regulation at that time, the cost of processing butter would have been increased about 6½ percent.

Since butter already returns to producers the lowest average price per pound of butterfat of any of the dairy products, the effect of applying minimum-wage regulations would be to take money from the pockets of the lowest-income group of dairy farmers, either directly through lower price or indirectly through a curtailed market or both.

It should be remembered, and I cannot emphasize this fact too highly, that income which farmer members of a cooperative receive comes from the prices which the cooperative is able to obtain for them. That is, the members. The greater the cost of operation, the lower the producer's income.

Mr. WILEY. Mr. President, I have in my hand a letter which was given to me today. I had not seen it before, but I understand every Member of the Senate has received a letter from the National Cooperative Milk Producers' Federation, a copy of which I hold in my hand. This letter sustains the position I have taken in relation to the amendment which proposes to change the law so that the Secretary of Agriculture will have the authority to act. The letter is personally signed by the friend of all farmer-Senators, if you please, the farm bloc, Charles W. Holman. I ask that this letter be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER (Mr. TAYLOR in the chair). Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE NATIONAL COOPERATIVE
MILK PRODUCERS FEDERATION,
Washington, D. C., March 26, 1946.

To All Members of the Senate.

DEAR SENATORS: The National Cooperative Milk Producers Federation has previously written you endorsing the Ellender-Ball amendments offered to the committee bill, S. 1349, to amend the Fair Labor Standards Act. We wish to call your particular attention to the necessity for retaining the provisions in the existing law exempting employees in agricultural processing plants from the minimum-wage and maximum-hour provisions of the Fair Labor Standards Act. Unless these exemptions now contained in section 7 (c) and 13 (a) (10) are retained, we feel that we must oppose passage of the bill (S. 1349). These sections have been recognized as necessary to the welfare of agriculture and the country as a whole from the time this legislation was first considered by Congress in 1938.

Every person familiar with rural America realizes that living costs are considerably lower in rural areas, where the great majority of plants handling farm products are located, than they are in large urban centers. They also know that to apply a national minimum-wage provision to a plant located within an "area of production" having rural operating costs will disrupt the entire economy of the rural area. It affects not only that plant but directly affects wage rates of the employees of, and the labor incomes of, the butcher, baker, grocer, hardwareman, banker, and town officers, as well as those of the farmer and his help in the surrounding area. Processing plants located in urban and high-wage areas will not be affected by the law to any extent because they generally have collective bargaining and pay the competitive urban rates in order to secure employees.

Every increase in production cost between the farmer and the consumer must of necessity be reflected as decreased price to the producer, with resultant decrease in production or as increased price to the consumer, with resultant decrease in consumption. To cite only one example of penalizing the farmer to the point that he cannot longer supply necessary food to the city dweller, we call your attention to the decline in milk production from 122,500,000,000 pounds in 1945 to an estimated production of one hundred and

fourteen to one hundred and fifteen billion pounds in 1946, according to the Secretary of Agriculture. The future holds little encouragement for increased farm production; war workers are not returning to the farm, and selective service in most areas is taking farm boys much more rapidly than ex-servicemen are returning. Requiring urban wages to be paid employees in plants within the rural area of production will cause more dissatisfaction among the small remaining labor force on farms and will, through decreased returns to the producer, force him to pay less to his own help if he expects to stay in business. With the world looking to American agriculture for sufficient food to prevent starvation, we cannot afford to devise additional obstacles to be placed in the path of the producer.

We have previously pointed out that the Administrator could promulgate with facility a valid definition of the term "area of production" if he bent his efforts toward an attempt to define it as a geographic area from which the raw materials for processing are customarily obtained. We believe that the Secretary of Agriculture could define the term properly if given the opportunity. Congress, we believe, did not intend to freeze wage income in rural areas at the same level as in high-cost-of-living urban areas.

We again call your attention to the necessity for retaining the exemption from the overtime provisions now granted to plants whose employees are engaged in the first processing of agricultural products. In addition to the very sizable peak seasonal variation in production of agricultural products, there are significant fluctuations of receipts at many times during the year. It is therefore impossible for such plants to adhere strictly to a 40-hour week in handling highly perishable products, even though they would be granted a 14-week seasonal exemption. Plant break-down, impassable roads, and similar occurrences necessitate working additional hours with no compensating opportunity for reduction of time on other days during the week. Those plants which guarantee 48 hours' pay to their employees throughout the year would also find themselves forced to pay time and one-half for the additional hours over the 40 in case they actually worked that time. This would cause serious hardship to many plants operating at present costs on the minimum volume necessary to maintain the operations. The result would be suspension of operations or still further centralization of processing capital and labor.

For the reasons outlined, we ask that you lend your efforts toward having these sections referred to retained in the law.

Sincerely yours,

CHARLES W. HOLMAN,
Secretary.

Mr. WILEY. Mr. President, I also have a letter signed by Edwin A. O'Neal, president of the Farm Bureau Federation. I wish to read just one paragraph from the letter. He says:

Some difficulties have been experienced in the past in defining the term "area of production," but these difficulties have been due mainly to the lack of knowledge of agriculture on the part of responsible officials of the Wage and Hour Administration, and to the tendency of the Wage and Hour Administration, through strained interpretations of the act, to bring about the largest coverage of workers under the act, instead of trying to find a practical, sensible, and workable definition of the term "area of production." For this reason we strongly favor an amendment to the act designating the Secretary of Agriculture instead of the Wage and Hour Administrator to define the term "area of production." It is vitally important that this be done by persons who are thoroughly familiar with agriculture and the conditions surrounding the production, processing, and marketing of agricultural commodities.

I ask that this entire letter be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., March 26, 1946.

To All Members of the United States Senate:

I am writing to convey to you the position of the American Farm Bureau Federation relative to various pending proposals to amend the Fair Labor Standards Act.

We are strongly opposed to S. 1349, as reported by the Senate Committee on Education and Labor. We believe it is unsound and unwise to continue by statutory enactment to increase the minimum-wage rates without relation to productivity or changes in the cost of living.

With respect to minimum-wage rates, our board of directors, at its meeting on March 6, 7, and 8, 1946, adopted the following resolution:

"We realize that real wages are inevitably dependent upon full production. Dollar wages are not the measure of standards. The real question is what will wages buy.

"Agriculture can only prosper when labor is fully engaged in productive work. Productive work can only continue if over-all income payments arising from that production are sufficient to distribute the production.

"In a free economy we can see that fixed minimum wages might result in unemployment, should the time come when agricultural and other free prices have fallen to an unbalanced position.

"In the light of this fact we believe it is in the true interests of both labor and agriculture, as well as the rest of the economy, to peg minimum wages to the consumer price index. We authorize our official representative to support minimum wages at 55 cents per hour at this time, with changes made annually to conform to the Bureau of Labor Statistics on the consumer price index.

"Without a fluctuating wage scale we are definitely opposed to an increase in the minimum wage. We oppose any basic changes in the existing minimum wage law other than those dealing directly with the minimum wage rate."

We therefore urge that S. 1349 be amended so as to provide a statutory rate of 55 cents per hour, and to include a requirement in the law to adjust the minimum wage rate annually to conform to changes in the BLS cost-of-living index.

We are also strongly opposed to the provisions of S. 1349 which eliminate entirely the exemption of agricultural labor engaged in first processing and handling in the area of production, which is now contained in existing law. These exemptions were included by Congress in the original act as a result of careful investigation and long consideration. The same reasons which led Congress to provide these exemptions still apply. We therefore strongly oppose their elimination.

Some difficulties have been experienced in the past in defining the term "area of production," but these difficulties have been due mainly to the lack of knowledge of agriculture on the part of responsible officials of the Wage and Hour Administration, and to the tendency of the Wage and Hour Administration, through strained interpretations of the act, to bring about the largest coverage of workers under the act, instead of trying to find a practical, sensible, and workable definition of the term "area of production." For this reason we strongly favor an amendment to the act designating the Secretary of Agriculture instead of the Wage and Hour Administrator to define the term "area of production." It is vitally important that this be done by persons who are thoroughly familiar with agriculture and the conditions surrounding the production, processing, and marketing of agricultural commodities.

Unless the foregoing recommendations are embodied in 1349 we strongly oppose the enactment of such legislation.

Sincerely yours,

EDW. A. O'NEAL,
President.

Mr. WILEY. Mr. President, I also have a letter signed by John H. Davis, executive secretary of the National Council of Farmer Cooperatives, dated March 27, 1946. Mr. Davis sustains the position taken by the amendment, and he says:

If the Department of Labor is unable to define "area of production" as required in section 13 (a) (10) of the present law in terms of rural and urban areas, we believe the Department of Agriculture has the information and experience to draft a workable definition.

I ask that this letter be incorporated in full in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL OF
FARMER COOPERATIVES,
Washington, D. C., March 27, 1946.

To Members of the United States Senate.

GENTLEMEN: We again strongly urge that sections 7 (c) and 13 (a) (10) be retained in the Fair Labor Standards Act.

To require national wage standards to apply alike to plants handling large volume of processing in high-wage urban areas and to plants handling minimum volume in low-cost rural areas, we believe, will result in centralization in urban areas or abandonment of present operations in rural areas in many cases.

If the Department of Labor is unable to define "area of production" as required in section 13 (a) (10) of the present law in terms of rural and urban areas, we believe the Department of Agriculture has the information and experience to draft a workable definition.

Primary processing plants in rural areas are subject to widely fluctuating operations throughout the year due to weather and transportation as well as other seasonal factors. Small plants operating on minimum volumes cannot restrict the handling of perishables to straight 5-day or 40-hour weeks, nor afford to pay overtime for normal operations.

We respectfully urge that these two provisions be retained in the law if the Congress deems it necessary at this time to revise the Fair Labor Standards Act.

Sincerely,

JOHN H. DAVIS,
Executive Secretary.

Mr. WILEY. I have here also, Mr. President, a letter from the National Cooperative Milk Producers Federation under date of March 13, 1946, signed by Charles W. Holman. He specifically sets forth the position of the Cooperative Milk Producers Federation. I ask that this letter be incorporated in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE NATIONAL COOPERATIVE
MILK PRODUCERS FEDERATION,
Washington, D. C., March 13, 1946.

To All Members of the Senate:

DEAR SENATORS: The National Cooperative Milk Producers Federation endorses the Ellender-Ball amendment offered to the committee bill, S. 1349, to amend the Fair Labor Standards Act. We cannot support the committee bill unamended.

The perishable nature of dairy products, the skilled-labor force required, daily and seasonal fluctuations of supply, and the rural environment of most dairy plants all necessitate a flexibility in maximum hours and minimum wages which the rigid formula of the committee bill does not permit. In according an exemption from maximum hours in the first processing of dairy products and from both wage and hour provisions in the case of employees within the area of production, the present law recognizes this need. The Ellender-Ball amendment retains these provisions which the committee bill removes.

Daily and seasonal changes in milk receipts require a fluctuating workweek. Extreme seasonal variations in supply cannot practicably be dealt with by hiring and firing skilled workers to comply with a 40-hour week.

Urban wage minimums cannot be met by agriculture. If applied to the country town dairy plant, they will pull workers off farms and further intensify farm production and labor difficulties. By raising costs in the plant, they will reduce the return to producers. The same may be said of compulsory time and a half.

The committee bill hour exemptions do not cover the length of the flush season, are merely a matter of administrative grace, and do not touch the problem of wage minimums and daily fluctuations of supply. In view of the greatest dairy production decline in history, we oppose any measure which seeks to bolster one income group at the expense of dairy and other farm incomes already too low to maintain production.

Sincerely yours,

CHARLES W. HOLMAN,
Secretary.

Mr. WILEY. Mr. President, a few more Senators have appeared after having had their lunch, and I wish to restate briefly what the amendment proposes. It provides that "the act is amended by striking from the phrase 'as defined by the Administrator' the word 'Administrator' and inserting in lieu thereof the words 'Secretary of Agriculture.'"

In other words, this amendment, which is endorsed by all the agricultural leaders of America, simply says to the Congress of the United States, in substance, "The Administrator has not got it on the ball, he does not comprehend the picture. We are asking that the man who understands agriculture, whom the President has selected and the Senate has confirmed as having knowledge of agriculture, be placed in a position definitely to determine the meaning of this phrase."

Mr. President, it seems to me that there should be no hesitancy on the part of any Senator in voting for the amendment. I ask for a vote.

Mr. FULBRIGHT. Mr. President, I came in a moment late. I do not know whether the Senator from Wisconsin had any letters from the cotton producers or not.

Mr. WILEY. Yes. I have placed them in the RECORD, and they are entirely in accord with the intent and purpose of the amendment.

Mr. FULBRIGHT. I knew they were. I merely wanted to be sure the letters were in.

Mr. WILEY. I am very happy to give the Senator the information.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. WILEY] to the Ellender-Ball amendment as amended.

Mr. TUNNELL. Mr. President, as I understand the amendment of the Senator, he intends to leave entirely to the Secretary of Agriculture the determination of who should be covered in certain activities, that is, the Secretary of Agriculture is to have power which I have been hearing so often that Congress itself should exercise. All questions as to who are covered and who are not covered are to be left to the Secretary of Agriculture.

Mr. WILEY. I understand this is the situation: The statute at present leaves it in the hands of the Administrator to determine "area of production," and his inaction, his failure to act, his almost mal-action, has so resulted that all those connected with agriculture feel that in the interest of getting production, in the interest of what is necessary for the public welfare, this duty under the statute should be transferred from the Administrator to the Secretary of Agriculture.

Mr. TUNNELL. Mr. President, I do not know any reason why Congress cannot do it. I think it is a very peculiar attitude the Senator takes, that merely because the Administrator has not pleased someone in the Senate we should take the power away from him and give it to somebody else.

Mr. WILEY. The Senator is entirely wrong about it pleasing me. It is not a question of pleasing me, it is a question of giving a square deal to 23,000,000 people in this country.

Mr. TUNNELL. As to whether it is a square deal or not is something about which people would disagree. The Senator thinks that there has not been a square deal. I do not know what he is talking about at all, and I am not going to ask him. The point is that he wants to say that it is not a square deal because it has not pleased him.

Mr. WILEY. May I interrupt the Senator?

Mr. TUNNELL. I think so; the Senator has done it before.

Mr. WILEY. The Senator refers to it as pleasing to me.

Mr. TUNNELL. The Senator is the one talking.

Mr. WILEY. I am surprised at the Senator. He must be a little bit deaf either in one ear or both. I said 23,000,000 farmers are displeased about the inaction of the Administration.

Mr. TUNNELL. I know the Senator said so, but I do not know that that makes it true that 23,000,000 farmers are displeased.

Mr. WILEY. Again I say, as a good lawyer, the Senator should at least look at the proof, and the mere fact that he sits on the other side of the aisle and I sit on this side does not call for such a statement as the one he has made. I submitted written confirmation of the officers of every farm organization in America except the Farmers' Union.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. AIKEN. Did the Senator have a letter from the National Grange?

Mr. TUNNELL. Mr. President, I suggest the Senator from Wisconsin has not the floor. I have the floor.

The PRESIDING OFFICER. The Senator from Delaware has the floor. Does the Senator yield to the Senator from Vermont?

Mr. TUNNELL. I yield.

Mr. AIKEN. I asked for the position of the National Grange. I am not sure whether it has the largest membership of any farm organization or not.

Mr. WILEY. If the Senator will permit me, I think I have already explained that this matter was thrown in my lap about 11:45 o'clock this morning. The Senator from Ohio [Mr. TAFT] was to have offered the amendment.

Mr. AIKEN. The Senator from Wisconsin made the statement that he had letters from every large farm organization.

Mr. WILEY. Let me explain. I think the representative of the Grange came into my office and I think he gave me a letter. I grabbed the whole pile and came over to the Senate. Let me examine the letters. I might in the meanwhile ask the distinguished Senator from Vermont if he is against the amendment.

Mr. AIKEN. Absolutely.

Mr. TUNNELL. Mr. President, I understand from what the Senator from Wisconsin says these statements are coming from his lap. I thought that was where they must be coming from. [Laughter.]

Mr. WILEY. I did not hear the Senator's brilliant remark, but it sounded rather nasty. [Laughter.]

Mr. TUNNELL. We have heard a good many sounds coming from the other side this afternoon. I do not know whether they were understood or not. We have not been able to get just what they do mean.

I do not desire to interrupt the Senator from Vermont in his question——

Mr. AIKEN. No; I am waiting to hear the Senator from Wisconsin read a letter from the Grange.

Mr. TUNNELL. Does he claim to have one?

Mr. WILEY. Does the Senator wish to wait a little longer?

Mr. AIKEN. I do not want to wait too long. I will say that I think the Grange is not insisting on the "area of production" amendment.

Mr. WILEY. To my recollection, it is. I am glad to say the Senator from Nebraska [Mr. WHERRY] has just confirmed my statement. He just now told me that someone dropped into his office and said the Grange was in favor of it. But let us get it from the letter itself. Let us act on the amendment on the basis of its merits.

Mr. WHERRY. Mr. President, will the Senator from Delaware yield to me?

Mr. TUNNELL. I yield.

Mr. WHERRY. I do not know that I can add anything to the colloquy which is taking place except to say that a representative of the Grange, Mr. Ogg, was in my office this morning and stated that the Senator from Wisconsin [Mr. WILEY] would present an amendment which would direct the Secretary of Agriculture to name the director of the area of production program. And he said he would appreciate it if some of us who were interested would support the amendment. He did not show the amendment to me, and I did not go into the matter in detail. I said when the amendment came up for consideration on the floor we would consider it on its merits. I am quite sure that the amendment now under discussion is the one to which the representative of the Grange referred.

Mr. AIKEN. Mr. President, will the Senator from Delaware again yield to me?

Mr. TUNNELL. I yield.

Mr. AIKEN. I have asked the Senator to yield to me so that I may suggest that the Senators from Wisconsin and Nebraska, both great farm States, check a little bit on their farm organizations.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. AIKEN. I have the floor, Mr. President, by reason of the fact that the Senator from Delaware yielded to me.

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. AIKEN. And he yielded to me. If the Senators from Wisconsin and Nebraska will do that——

Mr. WHERRY. Mr. President, a parliamentary inquiry.

Mr. AIKEN. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from Nebraska will state his parliamentary inquiry.

Mr. WHERRY. Who has the floor at this time?

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. AIKEN. And the Senator yielded to me.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield; and if so, to whom?

Mr. TUNNELL. I yield——

Mr. WHERRY. I thank the Senator.

Mr. AIKEN. No, Mr. President, the Senator from Delaware has yielded to me.

Mr. WHERRY. He just yielded to me.

The PRESIDING OFFICER. The Chair is in doubt. To whom does the Senator from Delaware yield?

Mr. TUNNELL. I yielded to the Senator from Vermont. If the Senator from Vermont is through——

Mr. AIKEN. No, I am not, Mr. President. I simply want to tell the Senator from Nebraska that Mr. Ogg, whom the Senator said called on him in behalf of the Grange, has no connection whatever with the Grange, but is a representative of the American Farm Bureau Federation.

Mr. WHERRY. Mr. President, will the Senator now yield?

Mr. TUNNELL. I yield.

Mr. WHERRY. I think the distinguished Senator from Vermont is probably more familiar with all the farm organizations of the country than any other Member of the United States Senate, and I stand corrected, if he says Mr. Ogg does not represent the Grange.

Mr. AIKEN. He does not represent the Grange.

Mr. WHERRY. But I should like to say to the distinguished Senator from Vermont, that the Senator from Nebraska does not have to have the Farm Bureau Federation tell him what he should do when voting in the Senate. I am going to consider the amendment on its merits.

Mr. AIKEN. Mr. President, I am not inferring that anyone was telling the Senator from Nebraska what to do. I hope no one can tell any Senator on this floor what to do. I do not think anyone can. But I do know that there is a great deal of pressure being exerted by special interests outside the Senate on Members of the Senate to get things done for them in the name of the farmer. They try to ride on the farmers' coattails all the time. There are different kinds of farmers. There are the Wall Street farmers and there are the farmers who work in the dirt with their hands. We have both kinds all around here. When the special interests of this country want to put something over they always ask for it in the name of the farmer or the small businessman or in anyone's name except in their own, and I think it is well for every Member of the Senate to be able to distinguish between the representatives of these different groups.

Mr. WILEY. Mr. President, will the Senator from Delaware yield?

Mr. TUNNELL. I yield to the Senator from Wisconsin.

Mr. WILEY. It has been called to my attention that yesterday there was placed in the RECORD a letter signed by Fred Bailey, legislative counsel for the National Grange, dealing with this very subject, and I think I placed the same letter into the RECORD today. I shall read it so that the Senator from Vermont may realize that even he is not always omniscient in matters affecting the farming industry. The Senator talks about influence being exerted. What does the Senator know about the influence being exerted by the PAC? What does the Senator know about the PAC labor leaders who are raising $6,000,000 to determine the election this year? I will tell the Senate of an incident which happened several months ago in my office. A group came to my office——

Mr. AIKEN. Does the Senator infer by that——

Mr. WILEY. Mr. President, I have the floor. Let me say a few words. A group of individuals came to my office, headed by the heads of the PAC. They came from Milwaukee, and brought into my office a sheet on which were enumerated 11 or 12 bills. They said, "We want you to vote for those bills." I turned to the leader of the group and said, "Have you seen those bills?" He said, "No." I said, "Have you read those bills?" He said, "No." I said, "Well, are you not in a hell of a position to come and tell a Senator to vote for something you do not know about; when you yourself do not know what is contained in the bills?" I said, "Is it not a fine thing that 17 of you should come down here to tell a Senator what to do when these bills are still in committee? You know a bill may go into a committee as a dove and come out looking like a hawk. These bills are not born yet."

I have told the story of how the amendment we are discussing happened to be offered on the floor of the Senate today. The Senator from Ohio [Mr. TAFT] had to leave town. We are asking for the adoption of the amendment on its merits. I do not think the insinuation should be made that a Senator is influenced when he takes the floor and asks for the adoption of an amendment which is of interest to 23,000,000 farmers, and means added production of foodstuffs. I am going to read to the Senate what the Grange has said on this subject. I read from page 3007 of the CONGRESSIONAL RECORD of April 3, as follows:

Farmers are watching with great concern congressional consideration of S. 1349—

Bear in mind, Senators, this is signed by Fred Bailey, legislative counsel of the National Grange—

the bill to amend the Fair Labor Standards Act. That interest prompts the National Grange to state briefly the prevailing view of our more than 750,000 members.

We are opposed to the bill in its present form for the reasons given in testimony before the House Committee on Labor on August 23, 1945. We urged then that the bill be amended to provide for a minimum of 55 cents an hour and that the minimum be tied to the Bureau of Labor cost-of-living index, moving up or down with that index.

The committee draft of S. 1349 retains the exemption for farm workers, as it should, but largely nullifies that exemption by deleting sections 7 (c) and 13 (a) (10), which give similar exemptions to first processing plants located in areas competing directly with farmers for labor.

The National Grange urges that you give careful consideration to retaining sections 7 (c) and 13 (a) (10) in the Fair Labor Standards Act. We base that request on the following facts:

1. Removal of exemption for agricultural processing plants would upset the competitive wage relationship existing between rural and urban workers.

2. Farm wage rates are closely competitive with those of processing plants and other local employers.

3. Inclusion of agricultural plant, through elimination of exemptions, would raise farm produce costs and result either in lower net return to producers or higher prices to consumers.

4. During any depression period many of these plants, now operating on a small margin and with low reserves, would be forced out of business by a high fixed wage scale.

We believe in the principles of an adequate wage scale, but contend that any attempt to hold wages rigid would adversely affect our entire economy. Prices of agricultural products fluctuate more widely than do prices of industrial products.

Senators, listen to this:

The administrator of the act has objected to defining the "area of production." We suggest that the Congress delegate authority for making that definition to the Secretary of Agriculture.

Now, Mr. President, who was right? Why all this fuss? The Senator from Vermont is supposed to know everything

about the Grange; but here in the CONGRESSIONAL RECORD is the very letter itself indicating the position of the Grange.

Mr. President, I want to speak a little bit, now that I have the floor.

Mr. TUNNELL. Mr. President——

Mr. WILEY. Mr. President, I have the floor, have I not? The Senator from Delaware yielded to me.

Mr. TUNNELL. I yielded to the Senator, but I did not know he would occupy the floor so long. He has kept it so long that now he seems to think he has the floor by right of possession.

Mr. WILEY. I suggest that the Senator from Delaware sit down and learn the rules of the Senate, and be a little courteous.

Mr. TUNNELL. Do I have the floor, Mr. President?

Mr. WILEY. Did not the Senator yield to me, and have I not been talking?

The PRESIDING OFFICER. The Senator from Delaware yielded to the Senator from Wisconsin, and the Senator from Wisconsin has been talking, but the Chair is not certain whether the Senator from Delaware yielded to the Senator from Wisconsin permanently. It was not the Chair's understanding that he did.

Mr. TUNNELL. I have been standing here waiting to resume.

Mr. WILEY. Mr. President, who has the floor?

The PRESIDING OFFICER. The Chair rules that the Senator from Delaware has the floor.

Mr. WILEY. I appeal from the ruling of the Chair. Well, it is suggested that I do not do so. Very well.

The PRESIDING OFFICER. The question is: Shall the opinion of the Chair stand as the judgment of the Senate? [Putting the question.] The "ayes" have it.

The Senator from Delaware is recognized.

Mr. TUNNELL. Mr. President, I shall not detain the Senate——

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. AIKEN. I simply wanted to inform the Chair that I voted the wrong way on that question. I voted "nay."

Mr. TUNNELL. Mr. President, I shall not attempt to answer any of the personalities or suggestions that have been projected into the debate by the Senator from Wisconsin. According to my understanding, the amendment suggested by the Senator from Wisconsin has behind it, as I recall his statement, only 23,000,000, or some such number as that; but, finally, as I understand his statement, the number behind it is represented by a lot of papers dumped in his lap this morning. I do not know whether he read them or not, and I was not able to find out. The amendment, however, would include agricultural employees and employees of grain elevators, as well as employees of canneries and employees of packing houses. It would include workers in agricultural dairy products, food, and kindred products.

This amendment is offered without any consideration by a committee, and in an informal manner, with the suggestion of lack of knowledge which has been made by the Senator himself, in saying that it was dumped in his lap. I do not know where he seems to think the argument is coming from. I believe that the Senate is entitled to give greater consideration to an amendment of this importance than we are now asked to give. I hope the amendment will be defeated.

Mr. McMAHON. Mr. President, will the Senator yield for a question?

Mr. TUNNELL. I yield.

Mr. McMAHON. Is it the meaning of this amendment that several million workers who now have the benefit of protection of the Fair Labor Standards Act might have such protection taken away from them?

Mr. TUNNELL. If the Secretary of Agriculture at the time happens to take that notion, as I understand.

Mr. McMAHON. If the proponents of the amendment did not think that the Secretary of Agriculture would do it, or might in the future do it, they would not propose it, would they?

Mr. TUNNELL. Undoubtedly that is true.

Mr. McMAHON. So really it is designed to eliminate from the present law the protection now given to several million agricultural processing workers.

Mr. TUNNELL. Undoubtedly; and as I believe, without proper consideration.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. WILEY].

Mr. AIKEN. Mr. President, I do not believe that a transfer of authority to define "area of production" from the Department of Labor to the Department of Agriculture would result in making the minimum-wage law work any better. In fact, I think it would result in a great deal more confusion. So far it has not been possible for the Department of Labor to draft a valid definition of "area of production" which is workable; and I fail to see how it would be any more feasible for the Secretary of Agriculture to do so. The Supreme Court has declared invalid an attempt by the Administrator to avoid competitive discriminations in defining the term on the basis of the number of employees in an establishment. This definition was the fourth that was tried and found wanting. To write separate definitions for each of the 300 or so agricultural and horticultural commodities produced in this country would be an insurmountable administrative task either for the Secretary of Agriculture or the Secretary of Labor. The production of most of the commodities is widely dispersed, and such commodities as poultry, eggs, milk, and many varieties of vegetables are produced in virtually every county in the country. Production is often concentrated in regions immediately adjacent to industrial centers and large cities. How can any administrator accurately and legally define an area of production of agricultural products which may be raised in the heart of a great city?

Previous to the issuance of the definition which was declared invalid by the Supreme Court, special hearings were held for particular groups of commodities. Over 200 representatives appeared at the formal hearings, and many more at informal conferences held in outlying regions easily accessible to groups in the industries concerned. Twenty-four volumes of evidence containing over 4,000 pages were taken at the formal hearings alone, in addition to hundreds of exhibits submitted. Special reports and studies were made by the age and hour division. Following the Supreme Court decision, five additional studies were made by the division, six hearings were held, and additional volumes of testimony taken. It was not for lack of study and investigation that the administrator concluded that the concept of area of production is unworkable unless severe competitive discriminations are created.

The Secretary of Labor asked us to define "area of production," and we must admit that we cannot do it. Yet we think we can direct the Secretary of Agriculture to do what the Congress must admit it is unable to do.

In the main the industries affected, or a substantial portion of these industries, are industrial in character. A canning plant has production lines and machinery like any electrical appliance plant. Most of the workers in canning plants are employed in plants with 50 to 200 workers during the active season, and one-quarter of the plants have more than 200 employees.

I understand that a great many of those plants are located in the cities, and that they use surplus and half-spoiled fruit which is sent to the market and is found to be unsaleable. Would New York City be called an "area of production" and exempted? Citrus packing plants also contain long lines of conveyor belts, expensive washing machinery, and production lines. About three-fourths of the workers are employed in plants with 100 to 500 workers.

About one-quarter of the cotton compresses employ 40 to 50 workers, one-third from 50 to 100 workers, and one-fifth over 100. Green leaf tobacco dealers on noncigar types of tobacco employ an average of 153 workers per establishment, with the State average for North Carolina 227 employees per establishment. Those cannot be called small farm operations, when they have several hundred employees.

The trend in processing and handling of agricultural commodities is toward greater industrialization and greater use of machinery, and it is inevitable that that trend will continue. Plants are increasing in size and scope. The dairy industry, for example, is constantly installing a greater number of integrated plants that process a large variety of dairy products starting with whole milk and utilizing all byproducts. Many of such plants will be found close to large centers of population, if not actually in the centers of population. Cotton gins are decreasing in number, and those that remain are larger in size. If the ginning industry follows the recommendations of the Department of Agriculture, the plants will combine compressing with ginning and thus further increase in size and scope of operations.

The problem of defining area of production involves considerations outside the scope of the Department of Agriculture's functions. In its decision, the Supreme Court stated that

"Area" calls for a delimination of territory in relation to the complicated economic factors that operate between agricultural labor conditions and the labor market of enterprises concerned with agricultural commodities and more or less near their production. The phrase is the most apt designation of a zone within which economic influences may be deemed to operate and outside of which they lose their force.

In defining the term "area of production," therefore, one of the most important criteria is the labor market of the enterprises affected. Since these are industrial enterprises, the task is not within the ordinary business of the Department of Agriculture. The Department of Agriculture performs functions relating to research, education, conservation, marketing, regulatory work, and agricultural adjustment. It is not concerned, and should not be concerned, with labor other than farm labor. To add the function of administering industrial labor would be to add an entirely new task to the Department.

This proposal would place the definition of the term under the jurisdiction of one executive department, while the administration would be a duty of another department. Conflicts of interpretation between these two departments will inevitably result. Under any definition, because of the competitive discriminations created, there will be areas of uncertainty regarding the inclusion of firms and there will be requests for revision of the definition to correct grave inequalities. Questions will arise on the definitions of the operations involved, what is included in canning, what is included in handling, what is included in preparing in the raw or natural state, and what is not properly within these and other terms used. Problems will also arise on what is included and what is excluded within the area of production, however that may be defined. The Wage and Hour Division in its 7 years of experience in administering the area of production provisions of the act had a constant stream of problems and litigation regarding such interpretations. It is certain that if the administration of this function is placed in the Department of Agriculture new problems and litigation will result. These problems will be accentuated because of differences of interpretation of congressional intent, with both departments possibly having separate views.

I maintain that it is only fair for the Congress to define the area of production, and not ask either department of government to do something which we must admit we are hopelessly unable to do ourselves. The proposal to turn over to the Department of Agriculture the duty of defining the area of production would require the setting up of a section in the Department of Agriculture to deal with this problem. Since liaison will be necessary with the Wage and Hour Division and with the Solicitor of the Labor Department, this would create an added expense as well as a slowing down of the rate at which decisions can be reached. I am surprised that anyone who stands for economy can advocate measures which would necessarily result in increasing the force of any of our departments when that is unnecessary. There would be created an added expense, as well as a slowing down of the rate at which decisions are made. The Congress has been urging for years that overlapping of functions be eliminated in the executive departments, yet this proposal will extend such overlapping besides making all kinds of trouble and making the wage-hour law function less effectively than it otherwise would. Instead of charging a single agency with the duty of administering a provision of the law, it will divide that responsibility and will create still another duality of administration in a government which is already too full of overlapping jurisdictions.

No conclusive evidence has been presented to show that these processing and handling industries cannot economically move along with the other industries toward improved standards for their employees. Many plants are paying 65 cents per hour at the present time, and are making profits. Practically no industries are paying less than 45 cents an hour, even to the relatively few unskilled workers. Most union contracts in these industries provide for rates of 65 cents an hour or higher.

Mr. President, I may say that before this bill came up at all, I contacted some of the best cooperatives in my section of the country, and they informed me that they were already paying more than the minimum wage which the bill provided for, and they did not ask for exemptions because of the area of production or even the first processing. They told me that if they could get the 14 weeks' exemption to cover the flush season, the peak of production, and thus could be exempted from the overtime provisions during that period, they could get along with the rest of the bill as it had been reported from the committee.

I may also say that the agricultural organizations in my State very frequently differ with the heads of the organizations who have written the letters to the Senator from Ohio [Mr. TAFT], and which were turned over to the Senator from Wisconsin for insertion in the RECORD. I must say that at this time I, too, have to differ with the heads of those agricultural organizations on this important matter because I really believe they are wrong, and that what they propose would in the long run, instead of helping agriculture, work just the other way.

Mr. President, the grain elevators in the Northwest grain areas are currently paying more than 65 cents an hour for casual labor, and higher rates for managers and second-men. It was testified by the elevator operators that they hire by the month, but that they pay far more than the minimum hourly wage which this bill would require. The 14-week exemption from the overtime provisions would cover the period in which grain comes in so rapidly that they have to work long hours. It is only right that they should receive an exemption for such peak seasonal work.

In the canning industry, the usual minimum wage is reported to be from 45 to 50 cents an hour, but on the west coast, which contains ⅓ of the industry, a minimum of 65 cents or higher prevails. Average hourly earnings, according to the Bureau of Labor Statistics were 77 cents an hour in 1944, on the west coast. Fruit and vegetable packing house rates are upwards of 65 cents an hour in the important west coast region. Florida citrus packing plants are generally at a 50-cent minimum, while union contracts have raised the rate to 65 cents in tomato packing houses. Cotton compress establishments are currently paying 45 cents an hour for unskilled labor in unorganized plants, with skilled labor at higher rates. Compressors in California and Arizona are paying 70 cents an hour, while those in other regions are paying 55 cents an hour under union contracts. Cottonseed crushing plants have an average wage of 53 cents an hour. Mr. President, let me say further that in urging the retention of the 14-weeks' seasonal exemption, I had in mind that it would cover the large percentage of the ginners of the South, as well as the elevator men in the grain country and the milk producers' plants in the northeastern section of the United States.

To show that the dairy products industry should not be particularly concerned with a minimum wage bill, except as it puts more purchasing power in the hands of their customers, let me say that the average hourly earnings in the butter industry in 1944 were 71 cents, in the ice cream industry 79 cents, and in condensed and evaporated milk industry 74 cents. Unskilled workers in these industries in the Middle West currently receive 50 to 55 cents an hour, and in the South as low as 40 cents an hour, but the great majority of the workers are paid higher wages.

There is no reason why the workers in those industries should subsidize the consumers of the country by being forced to receive low wages. The workers are entitled to a wage that will enable them to maintain a standard of decent living.

Mr. President, I do not know of any reason why anyone should oppose placing greater purchasing power in the hands of his own best customers. I know that many people and many farmers in my section of the country are greatly concerned lest the purchasing power of the milk consumers be reduced to a point where it will seriously affect the price which the dairy farmers will receive for their milk. During the war we have seen the demand for milk go far above the ability of the farmers of the United States to produce milk. That occurred because, for the first time in their lives, millions of workers in industrial plants have had sufficient money to enable them to buy a glass of milk whenever they wanted it, and they have proved that they will buy it when they have sufficient money. Unfortunately, today this country cannot produce enough dairy products to supply the demand. We are consuming our dairy products in the form of fluid milk. It pays the farmer better, when he has a good market, to sell his dairy products in

the form of fluid milk, if he wishes to continue to sell them at the higher price. If dairy farmers were forced, through the inability of their customers to purchase, to have their milk graded as class 2 milk, to be skimmed and made into butter, their income would drop so much that it would make agriculture far less attractive as an occupation than it is today.

Mr. President, I am sure that the farmers of the United States want their customers to have sufficient purchasing power to enable them to buy the products which the farmers produce.

The PRESIDING OFFICER (Mr. HATCH in the chair). The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. WILEY] to the Ellender-Ball amendment.

Mr. MORSE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Murray
Austin	Guffey	Myers
Ball	Gurney	O'Daniel
Bankhead	Hart	O'Mahoney
Barkley	Hatch	Overton
Bilbo	Hawkes	Reed
Brewster	Hayden	Revercomb
Bridges	Hickenlooper	Russell
Briggs	Hoey	Saltonstall
Brooks	Johnson, Colo.	Shipstead
Buck	Johnston, S. C.	Smith
Bushfield	Knowland	Stanfill
Butler	La Follette	Stewart
Byrd	Langer	Taylor
Capehart	Lucas	Thomas, Okla.
Capper	McClellan	Thomas, Utah
Carville	McFarland	Tobey
Connally	McKellar	Tunnell
Cordon	McMahon	Vandenberg
Donnell	Magnuson	Walsh
Downey	Maybank	Wheeler
Eastland	Mead	Wherry
Ellender	Millikin	White
Ferguson	Mitchell	Wiley
Fulbright	Moore	Willis
Gerry	Morse	Wilson
Gossett	Murdock	Young

The PRESIDING OFFICER. Eighty-one Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. WILEY] to the Ellender-Ball amendment.

The amendment was agreed to.

TREATY BETWEEN GREAT BRITAIN AND TRANS-JORDAN

Mr. MYERS. Mr. President, I rise to bring to the attention of the Senate a matter which I believe is of great importance. It was referred to yesterday by several Senators. I am moved to this action by a deep concern for the future. We live today in an atmosphere of extreme tension in the international scene—a tension that has been electrified by many violations of the rights of peoples and of nations.

We have assumed our rightful place as a moral force in the world, as a champion of the rights of the smaller nations to an equal place at the council table, and we thereby hope to maintain the peace of the world for generations to come.

Consequently, the United States cannot twiddle its thumbs when its solemn treaty rights are flagrantly violated, nor should the State Department ignore the abrogation of a treaty by unilateral action in contempt of the Senate of the United States.

Mr. President, I refer to the treaty just concluded by His Majesty's Government and Emil Abdullah of Trans-Jordan. This treaty purports to give to the territory now known as Trans-Jordan complete independence and statehood.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. BREWSTER. I noted the reference which the Senator made to "His Majesty's government," and I am wondering if the term is sufficiently clear. I believe there are a great many majesties scattered around the world.

Mr. MYERS. Perhaps I should have said "His Britannic Majesty."

Mr. BREWSTER. Very well.

Mr. MYERS. Mr. President, on its face, it would seem that the treaty to which I have referred represented a commendable action and a great step forward. But diplomacy has many faces. Let us explore some of them for a brief moment.

The territory of Trans-Jordan, in the terms of the original mandate for Palestine, is described as the "territory lying between the Jordan and the eastern boundary of Palestine." Under article 25 of the mandate, the mandatory could "postpone or withhold the applications of articles of the mandate" from this territory but could not, unilaterally, alter the mandate itself.

Great Britain had no right under the mandate to dispose of the territory "lying between the Jordan and the eastern boundary of Palestine." And, under the Anglo-American Convention of 1924 Great Britain could not change the terms of the mandate for Palestine, including Trans-Jordan, without the consent and permission of the United States of America.

Mr. President, have we given such consent? I know of no item on the agenda of this body that has ever mentioned the matter. The separation of three-fourths of the territory of mandated Palestine and the creation of this territory as an independent state, is a unilateral action on the part of Great Britain in direct violation of her treaty with the United States.

Here is another point. Article 3 of the treaty, which is generally known as the Anglo-American Covention of 1924, provides:

> Vested American property rights in the mandated territory shall be respected and in no way impaired.

Mr. President, more than $50,000,000 of American capital is invested in Palestine. Is there any question that depriving that country of three-fourths of its territory changes the economic and agricultural prospect of the country and jeopardizes American investments? Such unilateral disregard of treaty obligations creates a dangerous precedent when one considers the present scope of American investments abroad.

Not only is this action on the part of the mandatory in violation of her treaty with the United States, but it also strikes at the Charter of the United Nations. Section 80 of that Charter, subscribed to by the mandatory and by the United States, specifically states that no change may be made in the status of mandated territories without the approval of the General Assembly of the United Nations Organization. Mr. President, can we make issue of one violation and disregard others?

In protesting the unilateral action of the mandatory in abrogating her treaty with the United States, and in violation of the United Nations Charter, I have purposely avoided discussing the violations of the rights of the Jewish people of Palestine. Mr. President, we are guardians of those rights by virtue of the Anglo-American Convention of 1924.

Who was taxed to support the Emir Abdullah and his army and his administration? It was the Jewish people of Palestine proper who have financed the bill for the rape of their rights. Is there anything comparable to this situation in the annals of the United Nations?

What we are considering here is not two distinct countries loosely allied, but a single nation watered by the River Jordan.

Mr. President, there is no more justification for this separation than for the separation of the United States into two nations, trans-Mississippi and cis-Mississippi. Aaron Burr tried to do that to our Nation and he was tried for treason.

What makes the Trans-Jordan ready for such hastily acquired liberty? It has a population of 320,000 as against the 1,700,000 in Cis-Jordan, or western Palestine. It has 2 factories with 90 workers and 2 distilleries. It has no newspaper and the highest rate of illiteracy in the world.

Only 5 percent of the 34,740 square miles of Trans-Jordan is under cultivation; only 170,000 natives are settled, non-nomadic people; only 85,000 of these are agricultural workers.

This, Mr. President, is the section of mandated Palestine deemed ready for independence, while modern, literate Cis-Jordan, the Jewish Palestine, is subject to military law, drumhead justice, and a reign of terror.

Why this haste and stealth? The British Government, which has fought all attempts at freedom, all movements for independence in the Middle East, is now discovered in the gracious role of liberator. Are there perhaps some hidden resources, mineral wealth, or oil which are involved?

In order to place the facts before the Senate, I ask leave to insert in the RECORD at this point a memorandum on Trans-Jordan submitted to the British Government and to the General Assembly of the United Nations Organization by the Hebrew Committee of National Liberation.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

> On January 17, 1946, in an address to the General Assembly of the United Nations Organization, the Right Honorable Ernest Bevin declared: "Regarding Trans-Jordan, it is the intention of His Majesty's Government in the United Kingdom to take steps in the near future for establishing this territory as a sovereign independent state and for recognizing its status as such."

This sudden and unexpected announcement was confirmed on January 23, 1946, in the House of Commons by the Prime Minister, who further stated "that His Highness the Emir Abdullah of Trans-Jordan has accepted an invitation to visit London in the near future to discuss matters connected with the establishment of Trans-Jordan's independence."

This proposal by His Majesty's Government is contrary to the spirit and the letter of the British mandate for Palestine, and likewise contrary to the conditions that have been judged to be necessary by the Permanent Mandates Commission of the League of Nations before a mandated territory can be granted its independence. Thus, this proposal constitutes unilateral termination of the British Mandate for Palestine.

BASIC FACTS

Trans-Jordan is the name recently given to an integral part of Palestine. It is recognized as such in the Palestine Mandate where it is described as "territories lying between the Jordan and the eastern boundary of Palestine." Its area of 34,740 square miles constitutes more than three-quarters of the total area of Palestine.

Its population of 320,000—as against 1,700,000 in the 10,500 square miles of western Palestine—forms 1⅔ percent of the total population of Palestine. It is composed of about 50,000 full nomads, 130,000 half nomads, and a settled population of approximately 170,000, of which about 85,000 are agricultural workers. While the Arab population of western Palestine has more than doubled since 1920, due to a greatly reduced infant mortality, improved living conditions, and a large immigration from surrounding Arab countries (including about 230,000 "illegal" immigrants), the population of Trans-Jordan has remained static in these 25 years.

Trans-Jordan is one of the most backward countries in the world in the matter of industry, education, health services, and communications. The complete industry of Trans-Jordan consists of two tobacco factories employing 90 workers, one of which is a branch of a Haifa firm, and of two arrak distilleries. Only 5 percent of Trans-Jordan is at present under cultivation. Primitive methods of irrigation and agriculture provide barely sufficient means of subsistence in what was one of the largest granaries of the ancient world.

It is estimated that Trans-Jordan has one of the highest rates of illiteracy in the world, exceeding 90 percent. In 1938–39, the number of pupils and teachers totaled 13,854, constituting 4$\frac{3}{10}$ percent of the population. Except for an English missionary paper, there is no newspaper published in the whole of Trans-Jordan. Another instance lies in the fact that of a total of 645,000 pieces of mail handled by the Trans-Jordan post office in 1938, only 427,000 were letters, post cards, and newspapers, an average of one and one-half pieces of reading matter per person per year.

Neither the land nor the Government of Trans-Jordan is self-sustaining. The report of the Palestine Royal Commission (CMD 5479) declared that the cost of developing the country "could not possibly be made from the exiguous revenues of the Trans-Jordan Government." Subsidies from the Palestine administration, derived chiefly from the taxation of the Hebrews in Palestine, are annually granted to Emir Abdullah to provide public services and finance the military establishment.

POLITICAL STATUS OF TRANS-JORDAN

Trans-Jordan was set up as a separate principality within the Palestine mandate on September 1, 1922, under article 25, which stated:

"In the territories lying between the Jordan and the eastern boundary of Palestine as ultimately determined, the mandatory shall be entitled with the consent of the council of the League of Nations, to postpone or withhold application of such provisions of this mandate as he may consider inapplicable to the existing local conditions, and to make such provision for the administration of the territories as he may consider suitable to those conditions, provided that no action shall be taken which is inconsistent with the provisions of articles 15, 16, and 18." [1]

Nevertheless, the mandatory power immediately proceeded to violate these provisions by prohibiting the immigration, settlement, and even transit of Hebrews in Trans-Jordan. It also prohibited the purchase of land by Hebrews in that territory although Emir Abdullah and the Jewish agency had actually concluded an agreement to that end. Thus the British mandatory power created the first Judenrein state in modern times—11 years before the Hitler regime.

Equally significant is the fact that under the authority "to postpone or withhold application of such provisions of this mandate as he may consider inapplicable to the existing local conditions," the mandatory eliminated all its obligations "for placing the country under such political and economic conditions as will secure the establishment of the Jewish national home."

It will be seen that while the mandate sanctioned this action, it did so only as a temporary measure, for the text of article 25 authorizes Great Britain "to postpone or withhold," but not to exclude, the application of these provisions. The French text is perhaps still more explicit; it speaks of the right "de retarder ou suspendre" the application. "Suspendre" means, without the slightest doubt, a provisional arrangement which leaves things in suspense.

The mandatory was fully aware of this distinction. In the treaty of February 28, 1928, which recognized Emir Abdullah's administration, Great Britain reserves her "international obligations in respect of that territory." One of them was the development of the country to such a degree that the extension of the national home became possible. The establishment of Trans-Jordan as an independent state would render this impossible.

LEGAL ASPECT OF PROPOSAL

The proposal of His Majesty's Government to establish Trans-Jordan as an independent state has no basis in legality. That it evades "the international obligations in respect to that territory" which Great Britain assumed in accepting the mandate and acknowledged in her treaty with Abdullah, has been pointed out above. These obligations are specifically stated in articles 2,[2] 4, 6, 7, 11, 15, 22, and 25. It definitely contradicts the intent of article 5, which states: "The mandatory shall be responsible for seeing that no Palestine territory shall be ceded or leased to, or in any way placed under the control of, the government of any foreign power."

Similarly, the proposal contravenes article 80 of the United Nations Charter, which specifically prohibits the alteration "in any manner the rights whatsoever of any states or any peoples or the terms of existing international instruments to which members of the United Nations may respectively be parties." It also contravenes the basic principles of the Charter, enunciated in the preamble and article I, which states that the people of the United Nations are determined "to establish conditions under which justice and respect for the obligations arising from treaties and other sources of international law can be maintained and * * * to achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character and in promoting and encouraging respect for human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion."

The proposal abrogates the internationally recognized rights of the Hebrew people in the entire territory of Palestine whose boundaries were determined by the principal Allied Powers. The report of the Palestine Royal Commission declares: "The field in which the Jewish national home was to be established was understood at the time of the Balfour Declaration, to be the whole of historic Palestine."

No responsible body representing the Hebrew people has assented to the severance of a single acre of this territory. At a time end to their martyrdom and an opportunity when more than a million Hebrews seek an to live as normal and self-respecting human beings, the action depriving them of three-quarters of their territory is an offense against justice and humanity.

Finally, this proposal cannot be validated without the assent of the Government of the United States of America. The Palestine Mandate, including the preamble, was incorporated in the "convention between the United Kingdom and the United States of America respecting the rights of the Governments of the two countries and their respective nationals in Palestine," signed on December 3, 1924. Thus the terms and obligations of the mandate became part of a separate treaty between these two Governments. Moreover, article 7 of the convention states specifically that "Nothing contained in the present convention shall be affected by any modification which may be made in the terms of the mandate, as recited above, unless such modification shall have been assented to by the United States."

QUALIFICATIONS FOR INDEPENDENCE

The proposal to grant independence to Trans-Jordan must also be considered in the light of similar requests. When the application for the independence of Iraq was considered by the Permanent Mandates Commission of the League of Nations, the Commission judged certain conditions to be necessary before a nation was qualified for independent status. These conditions, stated in the minutes of the twenty-first session of the Permanent Mandates Commission are as follows:

(a) It must have a settled government and an administration capable of maintaining the regular operation of essential government services;

(b) It must be capable of maintaining its territorial integrity and political independence;

(c) It must be able to maintain the public peace throughout the whole territory;

(d) It must have at its disposal adequate financial resources to provide regularly for normal government requirements;

(e) It must possess laws and a judicial organization which will afford equal and regular justice to all.

At present Trans-Jordan is incapable of fulfilling any and all of these conditions. It is especially lacking in the qualifications regarding financial resources upon which all the other qualifications depend.

Due to the nomadic and illiterate character of the vast majority of the population of Trans-Jordan it must be judged incapable of creating a settled government and an ad-

[1] The provisions of arts. 15, 16, and 18 emphasize that: "No discrimination of any kind shall be made between the inhabitants of Palestine on the ground of race, religion, or language. No person shall be excluded from Palestine on the sole ground of his religious belief."

[2] Stated also in recitals 2 and 3 of the preamble of the mandate.

ministration that can offer a proper and representative legislative and judicial system that will provide public peace and security for its inhabitants. Due to lack of financial resources, it is incapable of maintaining an armed force sufficiently adequate to guarantee its territorial integrity.

There is not the slightest evidence that at the present time Trans-Jordan could fulfill these conditions without entering upon treaties and agreements with other states that would virtually make it dependent upon these states. It would have to undertake commitments in foreign and domestic affairs that would make a mockery of its independence and would serve to discredit the United Nations Organization which permitted the existence of this obvious sham. The geographical position of Trans-Jordan is such that as an independent state it would be subject to pressure from other states, notably Syria, Iraq, Saudi Arabia, and western Palestine. It would be equally subject to pressure from the great powers interested in the middle east.

SOCIAL AND ECONOMIC CONSIDERATIONS

In addition to the political aspects presented above, there are the most weighty social and economic reasons against this proposal. Properly developed, the whole of Palestine can support a population of some 5,000,000 people in fruitful industry and on a high standard of living. Ample evidence of this has been furnished by Hebrew conditions of both Hebrews and Arabs. No further testimony to this effect is necessary than the statement made in the report of the Royal Commission (CMD 5479): "The general beneficent effect of Jewish immigration on Arab welfare is illustrated by the fact that the increase in the Arab population is most marked in urban areas affected by Jewish development. A comparison of the census returns in 1922 and 1931 shows that, 6 years ago, the increase percent in Haifa was 86, in Jaffa 82, in Jerusalem 37, while in purely Arab towns such as Nablus and Hebron it was only 7, and at Gaza there was a decrease of 2 percent."

This fact is even more strikingly illustrated by the stagnant population of Trans-Jordan, thousands of whose inhabitants have crossed the river illegally to partake of the benefits enjoyed by their fellow Arabs in the territory developed by the Hebrew people.

The development of Palestine involves large irrigation and electrification projects which will affect the land on both sides of the Jordan River. They are obviously projects such as no Arab state has yet instituted in any part of the world and has shown no desire to promote. King ibn-Saud has publicly declared: "My people are nomads and warriors; they do not desire to be anything else."

The independence of Trans-Jordan would operate to shut off that territory from western culture and civilization, from western scientific, economic, and social progress. It would leave that land as barren and desolate as it has been for centuries and as it has continued to be even in the last 25 years of development of the western part of Palestine. To recognize the independence of Trans-Jordan will not benefit its Arab population. On the contrary, it will doom that population to the continued misery of oriental feudalism.

Moreover, it will also serve to prolong needlessly the suffering of the Hebrew people by withholding three-quarters of the land, in which they have a claim "as of right, not on sufferance," from settlement and colonization at a time when more than a million of the Hebrew people must find a haven in Palestine or perish.

CONCLUSION

The right of Great Britain to take decisions in respect of Trans-Jordan springs from the mandate, and the mandate alone, and such decisions as are taken must, therefore, conform to what the mandate has laid down regarding the future of that territory. It is clear from the wording of the mandate that the intention is that Palestine (including "the territories lying between the Jordan and the eastern boundary of Palestine," as Trans-Jordan is therein described) should be developed in such a manner as to "secure the establishment of the Jewish national home." Insofar as Trans-Jordan is concerned, provision is made in the mandate for the mandatory, with the consent of the Council of the League of Nations, "to postpone or withhold application of such provisions of this mandate as he may consider inapplicable to existing local conditions." But there is nothing in the document to suggest that Trans-Jordan should be excluded on a permanent basis from the general obligation to develop it in the terms laid down.

On no reasonable or logical interpretation of the mandate can authority be found for action which would result in Trans-Jordan being withdrawn from the general application of its provisions.

It may be argued that with the demise of the League of Nations the mandate lapses, and Great Britain assumes power to deal with the territory concerned as she thinks fit. There is no legal precedent for such an argument. Indeed, all legal precedents tend to show precisely the reverse. The death of the owner of an estate does not confer ownership of the property on the person whom he had employed as his agent or administrator. The terms of a trust are not varied by the death of the trustor so as to give the trustee freedom of action in his dealings with the subject matter of the trust. On the contrary, the administrator or trustee becomes responsible to the successor of the owner or trustor, if any successor has been named, or, in the case of intestacy, to such persons or bodies as the law provides.

In this case the League of Nations has not died intestate. Article 77 of the United Nations Charter, which was subscribed to by virtually all the member states of the League of Nations, states expressly that the trusteeship system to be established by the United Nations shall apply to "territories now held under mandate." Furthermore, article 80 of the same document states: "Nothing in this chapter shall be construed in or of itself to alter in any manner the rights whatsoever of any states or peoples or the terms of existing international intruments to which the members of the United Nations may respectively be parties."

It follows that Great Britain, having in the past been responsible for the administration of the mandate of the League of Nations, is now equally responsible to the United Nations, and that this change in responsibility in no way alters the terms of the mandate itself.

It is incontrovertible that the proposal to separate Trans-Jordan permanently from the remainder of Palestine by granting it its independence, and thereby withdrawing it from the scope of operation of the mandate, amounts to no less than the unilateral denunciation of an international treaty by one party thereto, and as such strikes a blow at the very fundamentals of international security, and is a direct challenge to the new world order founded on the United Nations Charter.

Until the mandate has been revised under the trusteeship system of the United Nations, or until the United Nations has given express permission for the mandate to be overridden, such action as that contemplated by Great Britain can have no legal basis whatsoever.

Mr. MYERS. Mr. President, this document goes into the matter in detail. I recommend it for study by every Senator.

I call upon the Department of State to explain its lack of protest when a solemn treaty has been abrogated. I believe that the Senate should demand a full and complete explanation.

I solemnly and vehemently protest Great Britain's disregard of the rights of the people of the United States and its violation of its treaty obligations.

If the peoples of the world are to have confidence in our moral leadership and in the United Nations Organization, then they must have——

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. WHERRY. Did the Senator refer to a "completed" investigation?

Mr. MYERS. No; I did not.

Mr. WHERRY. I did not mean to interrupt the Senator, but I was very much interested in what I thought I heard him state, because of the policies which are now being pursued by the State Department. I thought that possibly the Senator from Pennsylvania was in favor of investigating the State Department. I merely wish to invite his attention once again to the fact that I submitted Senate Resolution 197, the provisions of which, if brought before the Foreign Relations Committee and agreed to, would result in an investigation of the State Department and perhaps enable some of us to understand what the State Department is doing with regard to many of the controversial questions which are being brought to our attention from time to time.

Mr. MYERS. I heard the Senator from Nebraska refer to his resolution yesterday, and although I have not read it, I shall be very glad to do so and discuss his resolution with him.

Mr. WHERRY. I am sorry to interrupt the Senator, but I understood him to say something about an investigation, and I thought that was what he was referring to.

Mr. MYERS. I did refer to an investigation, and I think we should have an investigation into this particular subject. I did not say a full and complete investigation of the State Department.

Mr. WHERRY. I want the distinguished Senator to know that the provisions of my resolution will provide for the very thing he desires. I want the Senator's attention to the resolution, and I shall be very glad to have him read it and support it.

Mr. MYERS. I shall be glad to read it, and to confer with the Senator from Nebraska.

So, Mr. President, I protest Great Britain's disregard of the rights of the people of the United States in this violation of treaty obligations. If the peoples of the world are to have confidence in our moral leadership and in the United Nations Organization, then they must have evidence that we oppose, and that we will oppose, any and every violation of the right of any state or any people, it matters not how weak or small the injured nation or how great or powerful the transgressor.

Why have we allowed our treaty rights to be flouted? Why have we permitted this division and this separation of Palestine without our approval, and without the assent of the United Nations?

These are questions, Mr. President, which the Senate is entitled to have answered.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. MYERS. I am glad to yield.

Mr. BREWSTER. I was very much interested in the discussion which was referred to here on the floor yesterday. It is the Senator's understanding, I gather, that Britain would have no right to take action of this character without the permission of the members of the United Nations, and particularly the United States of America, under the Coolidge convention of 1924?

Mr. MYERS. Absolutely.

Mr. BREWSTER. Has the Senator taken any steps to ascertain whether or not such permission has been even asked?

Mr. MYERS. I have not, as yet.

Mr. BREWSTER. I may say that this very serious situation was brought to the attention of the State Department by those interested, I think by the head of the Zionist group, Rabbi Silver, in January of this year, as this action was then contemplated, but, apparently, it has not resulted in any representations which have been effective, at any rate. Yesterday in a public hearing I asked Mr. Clayton, the Assistant Secretary of State, who conducts all our trade relations, regarding it, and he stated that he at any rate had had no information about it, although it had been announced in the newspapers that treaties had been made. Is that the Senator's information?

Mr. MYERS. That is my information.

Mr. BREWSTER. Has the Senator any information as to whether those treaties have been published?

Mr. MYERS. I have not.

Mr. BREWSTER. Is it the Senator's understanding that Britain simply held the entire territory of Palestine, including Trans-Jordan, as a trustee, under the mandate of the League of Nations?

Mr. MYERS. Definitely.

Mr. BREWSTER. To which the United Nations are now the successor as mandatory bestower. How was the Government of Trans-Jordan brought into being, if the Senator has information; how is its ruler selected?

Mr. MYERS. I think Trans-Jordan was set up as a separate principality back in 1922, under the mandate. It was provided, however, that no action shall be taken which was inconsistent with certain articles.

Mr. BREWSTER. How did this Emir Abdullah become the ruler of Trans-Jordan?

Mr. MYERS. He might be nothing more than an interloper. I do not think he has any definite status.

Mr. BREWSTER. Has the Senator any information that anything in the nature of an election has ever been held within the territory to determine on the government?

Mr. MYERS. I have no knowledge whatsoever as to that, and I am quite certain no election was ever held.

Mr. BREWSTER. That is my information. I understand that this gentleman was merely selected as the ruler of this territory by the British Government, and is now recognized as the absolute dictator of this land and its 320,000 people, with nothing that in any degree resembles democratic institutions, for which, as I think the Senator indicated, there might be grave doubt whether they were prepared.

Did the Senator refer to the nature of the military agreements which were incident to this matter?

Mr. MYERS. No; I did not refer to them.

Mr. BREWSTER. It is announced in the press that Britain has made military arrangements of a mutual character by which Trans-Jordan is permitted to maintain troops in British territory, and the British are permitted to maintain troops in Trans-Jordan. What would be the Senator's view as to permission for the maintenance of occupying troops in Trans-Jordan by the Emir as a creature of the British throne, so far as qualifying under the provisions of the United Nations Charter with reference to occupying a foreign country are concerned—whether or not that would qualify British arms to occupy that country?

Mr. MYERS. I think that is one of the purposes.

Mr. BREWSTER. Of the entire transaction?

Mr. MYERS. Very definitely.

Mr. BREWSTER. I should like to ask the Senator whether or not he has any information as to the report in the press that Emir Abdullah is seeking to hire 20,000 Polish troops, with the apparent object of making war upon others of the Arab states to recover some of the territory of which he claims he has been unjustly deprived. Has the Senator any information as to that?

Mr. MYERS. I have no knowledge of that, and I did not see that in the press.

Mr. BREWSTER. That was in the newspapers yesterday, and it was intimated that Ibn-Saud, who has been the more aggressive of the Arab rulers in recent days, had apparently ousted Emir Abdullah, who is now ruler of Trans-Jordan, and that there was a distinct possibility of conflict in the attempt to reestablish their territories and their alleged rights.

Would these be matters which would be appropriate for consideration by the United Nations, under the Charter, as possibly provocative of armed conflict within an area that seems to be the breeding ground of future trouble for the world?

Mr. MYERS. I think they would very likely be provocative.

Mr. BREWSTER. I express my complete concurrence in the Senator's idea that the State Department should be asked for a full report on the situation. I hope the Senator will consider, perhaps, the introduction of a resolution unless he receives prompt advices as to this situation, and as to what action is contemplated by our Government under the treaties which are in force.

Mr. MYERS. I appreciate the comments of the Senator from Maine.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MYERS. I yield to the Senator from Washington.

Mr. MAGNUSON. I wish, also, to express my complete concurrence in what the Senator from Pennsylvania has said. In view of the apparently direct violation of article V of the mandate as given to Great Britain by the League of Nations, I wish to ask him what he thinks the action of this Government should be in recognizing this so-called puppet state, if, when this treaty is published, the facts as stated by the Senator from Pennsylvania are shown to be correct?

Mr. MYERS. I should first prefer to wait upon a report from the State Department before commenting on that.

Mr. MAGNUSON. Does not the Senator from Pennsylvania agree with me that if what we now believe should prove to be correct, namely, that Great Britain has violated article V of the mandate—and I am sure we will find the facts to be as stated when the treaty is published—the Government of the United States should not in any way recognize the Trans-Jordan so-called independent state.

Mr. MYERS. Quite definitely, I do not think we should recognize it.

Mr. MAGNUSON. I desire to ask the Senator from Pennsylvania another question regarding article III of the so-called Anglo-American treaty to which he referred, regarding vested American rights in the territory. Is it not a fact that Palestine has been built up, probably not in whole, but in the main, by American capital and American contributions?

Mr. MYERS. I think America made the greatest contribution.

Mr. MAGNUSON. And that our rights have been seriously impinged upon by Great Britain, which went ahead in the hiatus between the League of Nations and the United Nations and violated her mandate, instead of turning this whole matter over to the United Nations Organization, which I think the Senator from Pennsylvania agrees with me should have been done.

Mr. MYERS. Yes.

Mr. FULBRIGHT. Mr. President, will the Senator from Pennsylvania yield?

Mr. MYERS. I yield.

Mr. FULBRIGHT. The Senator says Great Britain violated the agreement with the League of Nations. Why is that of any interest to us? If I recall correctly, we are not members of the League of Nations.

Mr. MYERS. Answering the Senator from Arkansas, the creation of an independent State of Trans-Jordan violates certain articles of the mandate.

Mr. FULBRIGHT. The United States not being a member of the League of Nations, does that interest us?

Mr. MYERS. It violates article 80 of the United Nations Charter, which specifically prohibits the alteration in any manner of the rights of any state or any people by the terms of existing international instruments to which the members of the United Nations may, respectively, be parties under mandates from the League of Nations.

Mr. BREWSTER. Mr. President, in response to the inquiry of the Senator from Arkansas, the Coolidge convention of 1924 contained the complete provisions of the mandate.

Mr. FULBRIGHT. I was asking how what was done under the League of Nations mandate related to this country. We will come to the other in a moment. I was not asking about the Coolidge convention. The Senator from Washington said Great Britain violated a provision of the mandate of the League of Nations. I merely asked why, the United States not being a member of the League of Nations, our State Department should protest, even if the mandate were violated.

Mr. MYERS. I think the Senator misunderstood. I spoke of the United Nations.

Mr. FULBRIGHT. Have these mandates been turned over to the United Nations?

Mr. MYERS. To the United Nations Organization.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. BREWSTER. As the Senator from Maine has understood, the position of our country has been that the nations should observe their agreements, irrespective of whether those agreements are with us. It is true that under the League of Nations 45 or 50 countries imposed this mandate on Britain, which the Mandates Commission has clearly decided was violated. The United States subsequently became a party by the Coolidge convention, but irrespective of that, it certainly is not contended that Britain or any other country is at liberty to violate treaties if they do not happen to be treaties with the United States.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. MAGNUSON. I may be incorrect. I see present the distinguished Senator from Michigan [Mr. VANDENBERG], who was a delegate to the San Francisco Conference. It was my understanding that the signatories to the United Nations Organization at San Francisco, including Great Britain, agreed, either actually or impliedly, that the mandate which existed under the League of Nations would be turned over for disposition by the United Nations Organization. I may be incorrect in that understanding.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. MYERS. I yield.

Mr. VANDENBERG. There is no doubt about the language of article 80, which the able Senator from Pennsylvania has read, and there is no doubt that—

> Nothing in this chapter shall be construed in or of itself to alter in any manner the rights whatsoever of any states or any peoples or the terms of existing international instruments to which members of the United Nations may respectively be parties.

There is no doubt about that. I should say the only question here is a question of fact as to what the mandate was and still is.

Mr. MAGNUSON. Mr. President, will the Senator again yield?

Mr. MYERS. I yield.

Mr. MAGNUSON. In other words, a violation of the League of Nations' mandate, which has now been turned over to the United Nations Organization, would, in fact, now be a violation of article 80 of the United Nations Charter.

THE QUIETING OF TITLE TO CERTAIN SCHOOL-DISTRICT PROPERTY IN ENID, OKLA.

Mr. MOORE. Mr. President, I ask unanimous consent to take from the calendar order of business No. 1085, House bill 3796, to quiet title to certain school-district property in Enid, Okla. The bill was unanimously reported by the Committee on Public Lands and Surveys. I ask for immediate consideration and passage of the bill.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 3796) to quiet title to certain school-district property in Enid, Okla.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Oklahoma?

There being no objection, the bill (H. R. 3796) was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF FAIR LABOR STANDARDS ACT

The Senate resumed consideration of the bill (S. 1349) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

Mr. LUCAS. Mr. President, I ask unanimous consent to be absent from the Senate for a few days.

The PRESIDING OFFICER. Without objection, the leave requested by the Senator from Illinois is granted.

Mr. LUCAS. Mr. President, in view of the fact that I shall be compelled to leave the Senate Chamber not later than 4 o'clock, and thinking perhaps that I may not have an opportunity to vote on the final passage of the bill which is before the Senate, I desire to make my position known in advance. Some of my votes on amendments may be misunderstood in view of the final position I propose to take.

Mr. President, I have given considerable thought and study to various types and kinds of legislation which have come from time to time before the Senate of the United States which contained inflationary tendencies. I think it was the intention of the Congress of the United States, when we passed the Price Control Act, to hold the line if possible during the war and through the reconversion period. Everyone knows that the line has been bent. Everyone has talked about the bulge in the line as a result of the increase in wages, the increase in prices, and the increased cost of everything.

Mr. President, if this bill should become the law of the land, it would constitute, in my humble opinion, a most extraordinary measure of inflation. In view of what this bill in its entirety will do toward bringing about inflation, it seems to me it will be extremely difficult to keep the economy of this country from running wild. I am convinced beyond the question of a doubt that if the measure should become the law of the land it would be absolutely useless and futile for the Congress to attempt to continue any control over anything from this time on.

Believing as I do with respect to this important measure, Mr. President, I am compelled to vote against it in its entirety. I take that position for what I conceive to be the best interests of the people of America, as I see the ball of inflation rolling and rolling all the time. Some day, some time, unless the Congress of the United States has the courage to put an end to it, the spiral of inflation will overtake us all and no one can predict what may happen.

Mr. President, I may be unduly alarmed about this matter. Many other Members of the Senate will not see it as I see it, and certainly I do not claim any superior wisdom upon a question of this kind. But I am merely stating my position for the RECORD at this moment because I fear I may not have an opportunity to vote "nay" on the final passage of the bill. I say this with the utmost sincerity and good faith, believing that I can be of some service to the economic and social and political structure of America by doing whatever I can to see to it that this bill shall not become law.

Mr. CAPEHART. Mr. President, I offer an amendment to the Ellender-Ball amendment. My amendment is on page 2, line 4, in subsection 2, line 10, to strike out "60 cents" and insert "65 cents."

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. HICKENLOOPER. What is the amendment offered by the Senator from Indiana?

Mr. CAPEHART. The amendment is to increase the 60-cent minimum contained in the Ellender-Ball amendment, to 65 cents. I voted for the Russell amendment. I voted for it in good faith. I voted for the 60-cent minimum, and I voted for it in good faith. I was not a party to the so-called compromise that was reached under the direction of the able Senator from Florida [Mr. PEPPER], who has now left for parts unknown. It seems to me in all fairness to those who advocated the 65-cent, 70-cent, and 75-cent wage that the least that we should do is to make the minimum a flat 65 cents. I offer the amendment to that effect and I hope the Senate will agree to it.

Mr. WHITE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHITE. Is not this amendment in substance precisely the amendment heretofore voted upon fixing a 60-cent minimum rate?

The PRESIDING OFFICER. The Parliamentarian has just informed the Chair that the amendment is in order; that the amendment offered by the Senator from Louisiana was in fact a modification, it was not an amendment, and the amendment offered by the Senator from Indiana is in order. The Chair so holds.

The question is on agreeing to the amendment offered by the Senator from

Indiana [Mr. CAPEHART] to the Ellender-Ball amendment, as amended.

Mr. REVERCOMB. Mr. President, I suggest the absence of a quorum.

Mr. TAYLOR. Mr. President, will the Senator——

Mr. CAPEHART. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from West Virginia has made the point of no quorum, and the Senator from Idaho rose. The Chair asks the Senator from West Virginia if he will withhold his suggestion of the absence of a quorum.

Mr. REVERCOMB. I withhold it for a statement by the Senator from Idaho.

Mr. TAYLOR. Did I understand the Senator from West Virginia to suggest the absence of a quorum?

Mr. REVERCOMB. I did.

Mr. TAYLOR. That is the purpose for which I rose.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	O'Daniel
Austin	Gurney	O'Mahoney
Ball	Hart	Overton
Bankhead	Hatch	Radcliffe
Barkley	Hawkes	Reed
Bilbo	Hayden	Revercomb
Brewster	Hickenlooper	Russell
Bridges	Hoey	Saltonstall
Briggs	Johnson, Colo.	Shipstead
Brooks	Johnston, S. C.	Smith
Buck	Knowland	Stanfill
Bushfield	La Follette	Stewart
Butler	Langer	Taylor
Byrd	Lucas	Thomas, Okla.
Capehart	McClellan	Thomas, Utah
Capper	McFarland	Tobey
Carville	McKellar	Tunnell
Connally	McMahon	Vandenberg
Cordon	Magnuson	Walsh
Donnell	Maybank	Wheeler
Downey	Mead	Wherry
Eastland	Millikin	White
Ellender	Mitchell	Wiley
Ferguson	Moore	Willis
Fulbright	Morse	Wilson
Gerry	Murdock	Young
Gossett	Murray	
Green	Myers	

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). Eighty-two Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART] to the so-called Ellender-Ball amendment as amended.

Mr. CAPEHART. Mr. President, possibly some Members of the Senate do not understand the amendment. I have just offered an amendment to the Ellender-Ball amendment as amended, to increase the minimum wage from 60 to 65 cents, and I ask for a standing vote on the amendment.

Mr. BALL. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BALL. Mr. President, I wish to speak very briefly on this amendment. I do not know that we can do anything more to the bill than has been done to it. Originally the Ellender-Ball amendment provided for rates of 55 and 60 cents. The rate now fixed is 60 cents, and this amendment would increase it to 65 cents. I think it is unsound economics, but it certainly is no more unsound and no more inflationary than the so-called Russell amendment. I shall vote against it, as I expect to vote against the whole bill, which I think is now a complete legislative monstrosity.

Mr. President, I merely wished to make my position clear.

Mr. ELLENDER. Mr. President, I cannot understand the motive behind this amendment, except that it seems to me it is tainted with politics.

Yesterday the Senate went on record, by the overwhelming vote of 76 to 6, fixing the hourly wage rate at 60 cents, to become effective 6 months after the law becomes operative. Today it is suggested that we reverse that action.

There is little evidence, if any, to substantiate a 65-cent minimum wage at this time. As I stated last week during debate, the proponents of the pending measure have veered away from the philosophy of the 1938 Fair Labor Standards Act to rid the country of sweatshops. Today the cry is a legal wage sufficient to maintain a family of four. I favor a 65-cent minimum if time were given for industry to absorb the additional costs incident to such an increase. We are being urged to vote a minimum of 65 cents irrespective of industry's ability to pay it. I know of many industries that will not be able to stand the shock and unemployment will follow. I do not wish to reiterate the arguments I made last week, but I maintain that Congress is in no position to vote such an increase and thereby make it legal, for it will do violence to many industries. The high hourly rate as well as the additional coverage, insisted upon by the majority members of the committee, has been the cause for not bringing forth a reasonable bill which would have been enacted by the Senate without the Russell amendment. Today, to say the least, this great legislative body is being made ridiculous by being called upon again to vote on the rate, which was fixed yesterday by this Senate at 60 cents by an overwhelming vote of 76 to 6 as I heretofore pointed out.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TUNNELL. I do not believe that the vote yesterday indicated a judgment as to whether or not the 65-cent rate should prevail. At that time it was understood that there had been some sort of an agreement. While I had not participated in it, I was perfectly willing to abide by it. The reference by the Senator from Louisiana to the vote yesterday is a reference to a vote which was cast at a time when it was supposed that there was an understanding among enough Senators to prevail.

However, Mr. President, I intend to support the amendment of the Senator from Indiana. I do not anticipate that I shall have very much company in voting for it, because some Senators take the position that the Senator from Louisiana has taken, namely, that the matter is settled. However, in order that there may be no misunderstanding about where I stand, I now state that I stand for the rate which is proposed by the amendment of the Senator from Indiana, and I am against the parity amendment which was attached to the bill yesterday.

Mr. LA FOLLETTE. Mr. President, I should like to say that I think we ought to quit operating on the legislative cadaver which is now before the Senate, and we should send it as decently as possible and as quickly as possible to a legislative mortuary. [Laughter.] I wish to state that I think all the votes which have been taken here today are unfortunate in the respect that I do not believe they reflect the considered or carefully weighed judgment of the Senate on any of the proposals which have been under consideration or any of the amendments which have been offered. I make that statement without any desire in any way directly or indirectly to question the motives of any Senators who have offered amendments or of the votes which have been cast. But every Senator who is aware of the situation knows that this bill is a legislative dead duck; and therefore, quite naturally, there comes over the Senate, under those circumstances, a much more casual approach to fundamental issues which are presented here than would be the case if the Senate felt that the legislation would ultimately find a place on the statute books.

So I feel that under all the circumstances it is unfortunate that we cannot quickly conclude consideration of the bill and stop going through lost motion in the presentation of issues which already have been determined by the action of the Senate.

Mr. CARVILLE. Mr. President, I merely wish to make my position clear. So far as the amendment offered by the Senator from Indiana [Mr. CAPEHART] is concerned, I intend to vote for it. We have never had an opportunity to vote on the question of a 65-cent minimum. The other day I made an address before the Senate supporting the 65-cent minimum as the proper rate. I feel that it is the rate which should be adopted, regardless of whether the bill is a legislative dead duck. I think the 65-cent rate is the one which should be set as the minimum.

Mr. BARKLEY. Mr. President, I share somewhat the feeling of the Senator from Wisconsin [Mr. LA FOLLETTE] with respect to the pending legislation. I favored the original Senate bill providing for 65, 70, and 75 cents an hour, and I was prepared to vote for that rate, as the bill was originally reported by the Senate Committee on Education and Labor.

The Russell amendment injecting into the bill a new parity formula was offered. I voted against that amendment, not because I opposed a revision of the parity formula, but because I believed that the proposed revision brought here on the spur of the moment, without sufficient consideration, was unsatisfactory, and that most of the Senators who voted for it, including the author of the amendment himself, recognized that it was not a satisfactory revision of the parity formula. I think the parity formula based upon the period from 1914 to 1919 uses a base period which is too remote in the past, and I believe that very soon we must sit down seriously to consider the very technical subject of a parity formula. It is not one which can be written overnight; it is not one which can be written by any one man. It is one which must be written by

the conjunction of the minds of a great number of people who are interested in the question of agriculture.

In an effort to work out a bill which we could pass with some fair chance of final enactment, I participated in the conferences which agreed upon a flat rate of 60 cents an hour, which is some advance over the rate of 40 cents an hour now provided by the law. I am anxious to have some legislation enacted. I want to get something which can become the law. I am not playing politics in my votes on any amendments or on the bill itself. I wish to obtain legislation for the benefit of the working people who now are not covered by the law or, if they are covered, are covered at a ridiculously low rate of wages.

In the effort to do that and to bring about legislation which might have a chance of enactment, I voted yesterday for the 60-cent flat rate. Although the Russell amendment, as presented again, was adopted by the Senate, I do not intend to change my vote because of that. I recognize no obligation on my part, now that we are reaching the conclusion of the consideration of the pending legislation, to change a vote which I cast or an agreement which I, along with other Senators, made in an effort to obtain a bill which might become the law, and by which we agreed upon a flat rate of 60 cents.

All sorts of suggestions have been made here. One has been that we recommit the bill to the Committee on Education and Labor. Another one has been that we defeat it in its present form. On yesterday, late in the day, when we were about to adjourn, one of the authors of the bill preached its funeral and asked us to give it a decent burial in his absence from the Senate.

I do not share any of those sentiments. I shall vote for this bill and vote to send it to the House of Representatives, and I do not think anything about it is either wrong or lost until the last man has quit fighting. I am not willing to concede defeat in the effort to obtain minimum-wage legislation in the Congress of the United States, even though we may not get as much as we want, even though we may not get as much as we thought we were entitled to get when the bill was brought into the Senate.

I shall not vote to recommit the bill, if a motion to that effect is made, and I shall not vote against the bill on the question of its final passage. I shall vote to pass the bill and to send it to the House of Representatives, in the hope that it will be possible to work out legislation which will reasonably measure up to the requirements of the day in which we live, so as to give the men and women affected by the bill a fairer distribution of the income which the entire population of the United States makes.

Recently we passed a full employment bill. It went to the House of Representatives, and the House completely rewrote it. I do not recall in recent years as much difference existing between two measures as that which existed between the House and Senate versions of the full employment bill. All the pessimists said the House and the Senate never would get together on that legislation. However, we finally got together on the full employment bill, and the President has signed it and it is now the law.

I hope we shall not give way to pessimism in the present case and I hope we shall not run out because we cannot get all we want. I hope we shall pass the bill speedily and send it to the House of Representatives, and let the House of Representatives work on it and try its hand on it. If the House version and the Senate version are radically different, when they are sent to conference I think we may be able to work out a measure which will give proper treatment to the working people whom we are seeking to benefit.

For those reasons I shall not vote for the amendment offered by the Senator from Indiana, but I shall vote for the bill when it is completed, if and when it is completed by the Senate, in the hope that out of the processes of legislation which must take place between the two branches of Congress and in Congress, it may be possible to enact an acceptable bill in behalf of those who are intended to be aided by it.

Mr. CAPEHART obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. WHERRY. Mr. President, I ask unanimous consent that the junior Senator from New Jersey [Mr. SMITH] be excused for the remainder of the afternoon, because he is necessarily absent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAPEHART. Mr. President, I am not going to try to assume to say that any Senator or any other person is playing politics with this bill. I was never more sincere in my life than I was when I voted twice for the Russell amendment. I shall, if necessary, vote for it a third time or a fourth time or a fifth time, so far as that is concerned. I voted for the 60-cent minimum in the Ellender-Ball amendment. Yesterday I asked whether the Senate would be given an opportunity to vote on the 65–70–75-cent rate, and I was told by one of the authors of the bill, the Senator from Florida [Mr. PEPPER], that I would not be given such an opportunity.

I do not wish to charge anyone with playing politics. I am certain that the able Senators on the other side of the aisle who have spoken ahead of me are not accusing anyone of playing politics. If I thought anyone was playing politics, there are a few things which I might have to say on the subject. But I am certain that there is no politics in this matter. There is not as far as I am concerned.

Mr. President, I have had nothing to do with the compromise. No Senator consulted with me in regard to it. In my opinion, a 65-cent rate is probably more equitable than a 60-cent rate. Had I been one of the Senators participating in the compromise, inasmuch as the original bill provided for a rate of 75 cents, I believe I would have compromised at 65 cents. I believe that 65 cents comes nearer to being an equitable amount, and I hope my amendment will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana to the Ellender-Ball amendment as amended. On this question, the yeas and nays having been demanded and ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BANKHEAD (when Mr. HILL's name was called). My colleague, the junior Senator from Alabama, is absent because of the death of his father.

The roll call was concluded.

Mr. BRIDGES (after having voted in the negative). I voted, but I announce that I have a general pair with the Senator from Utah [Mr. THOMAS]. He is not present, so I shall have to withdraw my vote.

Mr. REED (after having voted in the negative). I have a general pair with the Senator from New York [Mr. WAGNER]. I thought that if present he would vote as I voted, namely, "nay". But the information I now have leaves me uncertain as to how the Senator from New York would vote; so I withdraw my vote and I stand on my general pair with the Senator from New York.

Mr. MYERS. The senior Senator from Pennsylvania [Mr. GUFFEY] is necessarily absent. If present, he would vote "yea."

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Ohio [Mr. HUFFMAN] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Georgia [Mr. GEORGE], the Senator from Illinois [Mr. LUCAS], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Florida [Mr. PEPPER] and the Senator from Utah [Mr. THOMAS] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Nevada [Mr. MCCARRAN] are absent on official business.

The Senator from Texas [Mr. O'DANIEL] is detained on official business at one of the Government departments.

I wish to announce further that on this question the Senator from Utah [Mr. THOMAS] has a general pair with the Senator from New Hampshire [Mr. BRIDGES].

I also announce that on this question the Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED].

I announce further that if present and voting the Senator from Nevada [Mr. MCCARRAN] would vote "yea."

Mr. WHERRY. The Senator from Delaware [Mr. BUCK], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from New Jersey [Mr. SMITH], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Ohio [Mr. TAFT] is necessarily absent by leave of the Senate.

The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The Senator from Connecticut [Mr. HART] and the Senator from Kentucky [Mr. STANFILL] are unavoidably detained.

The result was announced—yeas 41, nays 27, as follows:

YEAS—41

Aiken	Johnston, S. C.	Myers
Briggs	Knowland	O'Mahoney
Brooks	La Follette	Revercomb
Capehart	Langer	Russell
Capper	McFarland	Shipstead
Carville	McKellar	Stewart
Cordon	McMahon	Taylor
Downey	Magnuson	Thomas, Okla.
Ferguson	Maybank	Tobey
Gerry	Mead	Tunnell
Gossett	Mitchell	Walsh
Green	Morse	Wheeler
Hayden	Murdock	Young
Johnson, Colo.	Murray	

NAYS—27

Austin	Eastland	Moore
Ball	Ellender	Overton
Bankhead	Gurney	Radcliffe
Barkley	Hatch	Vandenberg
Bilbo	Hawkes	Wherry
Butler	Hickenlooper	White
Byrd	Hoey	Wiley
Connally	McClellan	Willis
Donnell	Millikin	Wilson

NOT VOTING—28

Andrews	Guffey	Robertson
Bailey	Hart	Saltonstall
Brewster	Hill	Smith
Bridges	Huffman	Stanfill
Buck	Kilgore	Taft
Bushfield	Lucas	Thomas, Utah
Chavez	McCarran	Tydings
Fulbright	O'Daniel	Wagner
George	Pepper	
Glass	Reed	

So Mr. CAPEHART's amendment to the Ellender-Ball amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question recurs agreeing to the Ellender-Ball amendment as amended.

(At this point Mr. JOHNSON of Colorado offered an amendment which the Chair held to be out of order. On request of Mr. JOHNSON of Colorado and by unanimous consent the debate was ordered to be transposed to a subsequent place in the RECORD.)

Mr. WILEY. Mr. President, I send to the desk an amendment to the Ellender-Ball amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 27, it is proposed to strike out the quotation marks at the end of line 14, and between lines 14 and 15 insert the following:

(d) The President is authorized, whenever he shall determine that an economic emergency exists within the United States, to suspend the provisions of section 6 or section 7, or both, and of any orders issued by the Administrator under section 8, for such period or periods as he may deem necessary or desirable in the public interest.

Mr. WILEY. Mr. President, I shall take only a moment to discuss the amendment. I wish to say to the Members of the Senate that the purpose of the amendment is very clear. In my short lifetime I have lived through three depressions. What a depression means is that the dollar goes up in purchasing power and the price of goods goes down. If the pending bill shall become law we will be freezing a level of 65 cents in wages and no one who is engaged in commerce can pay a smaller wage without becoming a criminal. Under present conditions, with our tremendous indebtedness of $300,000,000,000, more or less, with the tremendous need for money to pay Government expenses, under a Budget of $25,000,000,000, we all believe 65 cents is a small wage. But, Mr. President, we have seen the cycle turn around in our history. My point is that we are mortising that thing in, and if 2 or 3 or 4 or 5 or 6 or 10 years from now we should find that conditions in the world have changed and a depression such as we went through from 1929 on should befall this country our machinery would be inadequate. Oh, it may be said Congress can be called together and action can be taken. No, it cannot happen in that way because there would not be immediately at hand the tools, the legislative mechanism, that could do the job.

Under my amendment it would be up to the President to reduce the wage level if the public interest required it in the event of a depression.

I ask that my amendment be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. WILEY] to the Ellender-Ball amendment, as amended.

The amendment to the amendment was rejected.

Mr. MAGNUSON. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. At the appropriate place it is proposed to strike out section 10 of the Ellender-Ball amendment.

Mr. MAGNUSON. Mr. President, I am somewhat in the same situation as is the Senator from Colorado [Mr. JOHNSON]. I do not know the exact page in the Ellender-Ball amendment to which my amendment would apply. However, it strikes out all of section 10, which is section 16 of the Fair Labor Standards Act.

The Senator from Florida [Mr. PEPPER] left with me, upon his departure last night, a proposed amendment intended to be offered on behalf of himself and other Senators. It would provide for certain exemptions on behalf of employers who might be liable for wages and compensation if such employers relied in good faith upon the regulations of the Administrator of the act. That amendment was based upon the fact that under the terms of the original committee amendment there were further coverages under the act, and that some of the employers who might not know that the law then applied to their type of business, and who relied in good faith upon the regulations of the Administrator, would be penalized. But inasmuch as we are about to adopt the Ellender-Ball amendment, which will be the bill as it leaves the Senate, and there are no further coverages under the act in that amendment, it seems to me that there is no necessity for section 10, and that therefore the penalities under the present law should apply. The purpose of this amendment would be to have the penalties under the present law apply, as the law is now written, and not to add to the law section 10.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

Mr. CORDON. Mr. President, I make the point of order that the amendment is out of order, in that it goes beyond the Ellender-Ball amendment. It provides for the inclusion in that amendment of material in the committee amendment which is not included in the Ellender-Ball amendment at all.

The PRESIDENT pro tempore. If it is an amendment beyond the scope of the Ellender-Ball amendment it is not in order.

Mr. CORDON. Even though it includes matters which the committee amendment did not include in the first instance, in other sections of the committee amendment? Is my understanding of the ruling correct?

The PRESIDENT pro tempore. The Senator from Washington is proposing to amend section 10 of the committee amendment.

Mr. CORDON. May I suggest, Mr. President, that the Senator from Colorado [Mr. JOHNSON] attempted the same thing a few moments ago, and the ruling of the Chair then was that the Senator's amendment was out of order.

Mr. MAGNUSON. Mr. President, the Senator from Washington has sent to the desk an amendment which proposes to amend the Ellender-Ball amendment. It is an amendment to strike out section 10 of the Ellender-Ball amendment. That is also included in the committee amendment.

The PRESIDENT pro tempore. The point of order is well taken. The amendment is not in order at this time, but it may be offered later, after the Ellender-Ball amendment, which amends sections 2 to 9 only, is disposed of

Mr. MAGNUSON. In other words, after the Ellender-Ball amendment has been adopted, if it is to be adopted, I may offer my amendment?

The PRESIDENT pro tempore. The Senator may then offer his amendment.

The question is on agreeing to the Ellender-Ball amendment as amended to the committee amendment, as amended.

The amendment as amended to the committee amendment, as amended, was agreed to.

Mr. JOHNSON of Colorado. Mr. President, a moment ago I was ruled out of order when I attempted to offer an amendment. I now offer the amendment, and ask unanimous consent that my previous remarks, together with the letter from Secretary of Labor Schwellenbach, be transposed to this point in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(The debate transposed from a previous place on request of Mr. JOHNSON of Colorado, and by unanimous consent, is as follows:)

Mr. JOHNSON of Colorado. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Colorado will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

That section 16 (b) of the Fair Labor Standards Act is amended by adding at the end thereof a new sentence as follows: "No action may be maintained under this subsection unless commenced within 12 months from the date the cause of action accrued."

Mr. JOHNSON of Colorado. Mr. President, the pending bill is in very confused status, as all of us understand, and there is some language in the bill on this particular point. So I ask unanimous consent to perfect my amendment by providing that this language shall replace all the language appearing in section 12 of the Tunnell-Pepper committee amendment to S. 1349.

The PRESIDENT pro tempore. The Senator has a right to modify his amendment.

Mr. JOHNSON of Colorado. Mr. President, my reason for offering the amendment is that section 16 (b) provides a very harsh penalty, that is, an employee may bring a case against an employer indefinitely, collect all the back wages due, plus an amount equal to those wages, and, furthermore, attorney's fees, court costs, and other expenses are charged to the employer.

I have been besieged by a great many small businesses in Colorado who are not certain whether they are under the bill or whether they are not. If the cases against them should be prosecuted and the court should decide later that they are under the bill when they thought they were not, it would simply ruin them.

The House of Representatives has been dealing with this question, and the Committee on the Judiciary of the House reported to the calendar the so-called Gwynne bill, which would do the same thing my amendment would attempt to do.

In reporting the Gwynne bill, the committee made a report on the situation facing the country and facing the small businesses, and I ask permission to place 2 pages of their report in the RECORD at this point, namely, pages 4 and 5. However, I should like to read one short paragraph:

The taxpayer, too, has a heavy stake in this proposed legislation. Many cost and cost-plus-fixed-fee contractors have been and are being sued for unpaid overtime. Such overtime and liquidated damages, together with litigation expenses, are all reimbursable under cost and cost-plus-fixed-fee type contracts. The Comptroller General has so decided. One witness, testifying in the hearings, reported information that more than 5,000 suits had then been filed against contractors of the War Department alone and that the amount of contingent liability may be in excess of $2,000,000,000.

Mr. President, I ask that the language appearing on pages 4 and 5 of the report on the Gwynne bill be inserted in the RECORD at this point, and I ask that section 16 (b) be printed in the RECORD also.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

NEED FOR THIS LEGISLATION

It has long been the policy of the law to require the litigation of disputes within a reasonable time. Particularly is this true where the statute creating the cause of action subjects the defendant to unusual and arbitrarily determined damages or penalties. Then, too, liability often comes about by reason of the extension of laws through interpretation and application of administrative agencies. It is often where a new interpretation is applied that an employer for the first time finds himself liable for large sums for past services of individuals, many of whom may no longer be in his employ, but whose right to collect can be asserted as much as 12 years later.

A good illustration arises from the operation of the Fair Labor Standards Act. An employer who violates the provisions of this law relating to wages or hours may be subjected to suit for twice the amount involved together with costs and attorney fees. The application of this law has been greatly extended by administrative regulations. As a result an employer who may have, in good faith, relied upon a certain ruling, regulation, or practice, suddenly finds himself confronted with many suits, when a change is made either by the Administrator or by the courts. The enforcement of this new liability dating back to the enactment of the law would in many cases bankrupt the employer.

From the hundreds of examples that might be cited here, only a few will be mentioned.

For 4 years after the Fair Labor Standards Act was passed, building operators who rented space to persons or companies engaged in the production of goods for commerce assumed that their own employees who did not produce any goods were not subject to the act. In June 1942 the Supreme Court of the United States decided that the employees of these building operators were engaged in occupations necessary to production and consequently subject to the act.

Some years ago the Wage and Hour Administration advised that cookhouse personnel in logging camps were there for the convenience of the employees, were not engaged in an occupation necessary for the production of goods for commerce, and so were not under the act. Approximately 3 years later, the Administration announced that it had been in error in its first opinion and that employers would be required to make retroactive overtime pay adjustments to cookhouse employees.

For many years, both coal miners and operators generally agreed that "travel time" was not work time. Wages were adjusted on that basis. In fact, it was the subject of collective bargaining agreements between the operators and the union. In accordance with this understanding, the Wage and Hour Administrator ruled that such travel time was not work time under the act. Thereafter, in the case of *Jewell Ridge Coal Co.* v. *Local No. 6167, United Mine Workers* (322 U. S. 756), the Supreme Court of the United States held that, notwithstanding the collective bargaining agreement, travel time was work time. This decision had the practical effect of creating new and unforeseen contingent liabilities which both parties had deliberately attempted to avoid.

Among others affected by the Jewell Ridge Coal Co. decision is the logging industry. After the gasoline shortage developed, one company initiated the practice of transporting its employees to the place of operation, the time thus involved being about 2 hours per day. The straight time hourly rate of pay was $1.36 per hour and the overtime $2.04 per hour. This company, employing 100 men for 225 days a year, thus suddenly finds itself subject to an additional and wholly unexpected liability of $200,000 for 1 year.

In *Brooklyn Savings Bank* v. *O'Neil* (323 U. S. 698), the Supreme Court decided that the action given for liquidated damages under the Fair Labor Standards Act could not be waived by agreement between the employer and the employee. In *Missel* v. *Overnight Transportation Co.* (316 U. S. 572), the Court had this to say:

"Is this provision of the law as to liquidated damages mandatory or discretionary? Since the act has been violated in good faith in this case, we would indeed like to hold that it is discretionary. It seems a keen injustice for employers bewildered by strange legislation and confused by divergent authority in the courts to be subjected to such a measure. Yet no matter how much we lament its harshness, the section appears to be mandatory and virtually all the courts have so construed it."

Similar instances might be pointed out of cases arising under the Public Contracts Act, the Clayton Act, the Sherman Act, and many others. For example, the Supreme Court, in the case of *United States* v. *South-Eastern Underwriters Assn.* (322 U. S. 533), held that insurance transactions across State lines constituted interstate commerce, thereby reversing prior decisions of 75 years' standing. Immediately such transactions became subject to the antitrust laws, and insurance companies might be subjected to suits for treble damages for doing the very things the Court formerly said were lawful and which the various States in some instances actually required.

This legislation will be particularly beneficial to small employers. They generally do not have the large legal staff necessary to keep them posted daily on the volume of administrative regulations, rulings, and interpretations issued by Government bureaus. These regulations are the law under which the employer is expected to operate. Volumes are published and distributed weekly. The Code of Federal Regulations now has 41 bound volumes. The Daily Federal Register has become so bulky that few can find time to read it. Yet the manager of a small business must understand and comply with these multitudinous pronouncements or run the risk of suits for double and treble damages or drastic arbitrarily fixed penalties. Even if he could accomplish the remarkable feat of understanding and complying with all this, he would still not be safe. For without notice these rules might be changed and that which was lawful when done now becomes unlawful in retrospect.

The taxpayer, too, has a heavy stake in this proposed legislation. Many cost and cost-plus-fixed-fee contractors have been and are being sued for unpaid overtime. Such overtime and liquidated damages, together with litigation expenses, are all reimbursable under cost and cost-plus-fixed-fee-type contracts. The Comptroller General has so decided. One witness, testifying at the hearings, reported information that more than 5,000 suits had then been filed against contractors of the War Department alone and that the amount of contingent liability may be in excess of $2,000,000,000.

(b) Any employer who violates the provisions of section 6 or section 7 of this act shall be liable to the employee of employees affected in the amount of their unpaid minimum wages, or their unpaid overtime compensation, as the case may be, and in an additional equal amount as liquidated damages. Action to recover such liability may be maintained in any court of competent jurisdiction by any one or more employees for and in behalf of himself or themselves and other employees similarly situated, or such employee or employees may designate an agent or representative to maintain such action for and in behalf of all employees similarly situated. The court in such action shall, in

addition to any judgment awarded to the plaintiff or plaintiffs, allow a reasonable attorney's fee to be paid by the defendant, and costs of the action.

The PRESIDENT pro tempore. The amendment apparently is proposed as a substitute for section 12 of the committee amendment.

Mr. JOHNSON of Colorado. It is a substitute for paragraph 12 of the committee amendment. I do not know what paragraph it is in the bill as now constituted, but paragraph 12 has been carried into the bill and still remains in the bill, but whether the number is 12 or not, I cannot say. I do not think it is 12 any longer.

The PRESIDENT pro tempore. The amendment would be outside the Ellender-Ball amendment, which covers only sections 2 to 9. Therefore, the Senator's amendment would not be in order at this time.

Mr. JOHNSON of Colorado. It would not be in order?

The PRESIDENT pro tempore. It would not be in order at this time.

Mr. JOHNSON of Colorado. I ask unanimous consent that I may offer it at this time. I do not care to make my statement again.

The PRESIDENT pro tempore. Is there objection?

Mr. MURRAY. Mr. President, this matter was before the committee when the bill was being considered, and the proposal to adopt a 1-year statute of limitations was rejected. We received a communication from the Secretary of Labor in which he objected to it, and I should like to send his letter to the desk so that it may be read.

The PRESIDENT pro tempore. The clerk will read.

The Chief Clerk read as follows:

APRIL 2, 1946.

Hon. JAMES E. MURRAY,
Chairman, Senate Education and Labor Committee, United States Senate, Washington, D. C.

DEAR SENATOR MURRAY: This is to express the position of the Department of Labor that the present provision in S. 1349 for a 2-year statute of limitations applicable to employee suits should be amended to provide instead for a 3-year period.

One of the principal purposes of the provision for employee suits is to afford a private means of enforcement of the Fair Labor Standards Act for the benefit of the employees themselves, to compensate them for the loss in wages and overtime which they have suffered as a result of violations by the employer. As you know, this Department has favored the enactment of a Federal period of limitation on such suits, in order to promote uniformity in the enforcement of the law. But the period of limitation should not be so short as, in effect, to deprive the employee of the benefits of the act. Too short a period will place the conscientious employer at a disadvantage against the unscrupulous employers, who will gamble upon the likelihood that their employees will not assert their rights within the permissible period. Furthermore, the act was enacted in large measure because of unequal bargaining power between unorganized employees and their employers. Such employees may, and often do, fear to bring suit while they are still employed, because of the possibility of losing their jobs. A short period would bar such employees from any recovery of the minimum wages and overtime due them. It would also bar from recovery many employees who were unaware of their rights at the time the violations occurred. I might also point out that to place unreasonable difficulties in the way of bringing employee suits would increase both the burden and the expense of enforcement of the act by the Federal Government.

It is the view of this Department that a 3-year period should be provided within which employees may assert their claims to back wages, overtime, and liquidated damages under the act. The applicable State statutes in the large majority of States provide for a period of 3 years or more, with significant concentration on the 3-year period. A 3-year period would afford ample time for the employee to bring his suit, making allowances for all of the difficulties which are ordinarily involved in this procedure. It would also not place an unreasonable burden upon the employer, from the point of view of the preservation of the necessary records and the adequate defense of his own interests. Furthermore, it would be in accord with the precedents set by the largest number of States where the question of the applicable statute has received judicial consideration.

Yours very truly,

L. B. SCHWELLENBACH.

Mr. JOHNSON of Colorado. Mr. President, at this late hour, I do not intend to argue the matter further, except to say that it seems to me that there should be a very definite period of limitation in which suits of the nature I have referred to could be initiated. Otherwise the wages pile up, and a small concern, even a larger concern, when faced with a suit which it did not expect, with heavy costs, is more than likely to be put completely out of business. That is why the amendment has been offered by me. I cannot agree with the Secretary of Labor in believing that the period should be 3 years. I think 1 year is sufficient for starting the suits, and I think my amendment should be agreed to.

The PRESIDENT pro tempore. The Chair will put the request of the Senator that he be allowed to offer the amendment at this time, but the Chair will state to the Senator that after the Ellender-Ball amendment shall have been disposed of the Senator's amendment will be in order.

Is there objection to the request of the Senator from Colorado that he may offer the amendment at this time?

Mr. CORDON. Mr. President, I shall have to object at this time, until after the Ellender-Ball amendment is out of the way.

The PRESIDENT pro tempore. Objection is heard.

(The debate ordered transposed on request of Mr. JOHNSON of Colorado ends at this point.)

Mr. TUNNELL and Mr. CORDON addressed the Chair.

The PRESIDENT pro tempore. The Senator from Delaware.

Mr. TUNNELL. Mr. President, the question of a statute of limitations was considered by the committee. When the bill came to us it had a provision for a 5-year statute of limitations. The committee thought that period was entirely too long and that it would have the effect of keeping a person who was in business in doubt for too long a time as to how he stood financially. After a great deal of discussion, the committee reduced the period to 2 years.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. JOHNSON of Colorado. The committee reduced the period to 2 years in all cases hereafter; but in all cases prior to the enactment of the pending bill the statutory period was not reduced.

Mr. TUNNELL. Perhaps I minunderstood the Senator's amendment. Does the Senator's amendment refer only to the debt which may now be due?

Mr. JOHNSON of Colorado. My amendment refers to everything under section 16, whether it happened before the enactment of this bill or whether it happens afterwards. It provides for a 1-year limitation.

Mr. TUNNELL. Mr. President, I object to such a short statutory period of limitations. Many of the employees are not in a position to know the law as perhaps the employer does. To say that after 1 year an employee should be entirely deprived of his remedy is pretty severe.

Up until this time, under the law as it now stands, the statutes of limitation in the various States have applied. In some States I believe the statutory period is 6 or 7 years.

Mr. JOHNSON of Colorado. It is 8 years in some States.

Mr. TUNNELL. It is as much as 8 years in some States. Certainly provision for a period of 1 year in which to bring action is not intended to help in securing justice for anyone.

Mr. JOHNSTON of South Carolina. Mr. President, I wish to add to what the Senator from Delaware has said. We discussed in the committee at length the matter of limitation of actions, and we came to the conclusion that if we made the period too short, it would certainly penalize a great many workers throughout the United States.

Prior to becoming a Member of the Senate I handled hundreds of cases against various individuals and corporations. In every case which came to my attention the employee had let his case run for more than a year. I do not believe I had a single case in which the employee had not let the case run for more than a year.

I do not believe that the Senate wishes to penalize the workers of the United States by limiting the statutory period to 1 year. As has been stated, we have been governed and regulated by the statutes of limitation in the various States. In my State the statutory period is 6 years. I handled several hundred cases in North Carolina. In North Carolina the period is 3 years. It varies in the different States.

I believe that it would be a good thing to have a definite period of limitation uniformly throughout the United States. But I certainly would not say that 1 year would be proper. I do not believe that even 2 years is sufficient. Perhaps 3 years would be a proper limitation throughout the United States. I say that in all earnestness, because it will be found in industry, as was brought out by a Federal investigation some years

ago, that workers are intimidated to a certain extent while they are working for a corporation, because they fear—whether the fear is justified or not—that if they bring suit they will lose their jobs. That is one reason why they keep quiet.

So I urge the Senate not to make the period so short as to penalize the worker.

Mr. CORDON. Mr. President, yesterday I sent to the desk an amendment which I intended to offer, and which I hope presently to offer under the rules, concerning the same question of the application of the statute of limitations to causes of action arising under the Fair Labor Standards Act.

I am one of those who believe that every man should have his day in court, and that he should have a reasonable time in which to prepare to go into court. On the other hand, I believe that at some time there should be a finality to all disputes. There should be some time when a party to a dispute may know that he is no longer in danger of a continually mounting liability.

After careful consideration, and after a study of existing law and of the recommendation of the committee in the bill which we now have under consideration, I prepared an amendment.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. JOHNSON of Colorado. Is it the purpose of the Senator from Oregon to offer his proposal as an amendment to the amendment which I have just offered?

Mr. CORDON. Mr. President, it was my purpose presently to offer my amendment as a substitute for the amendment offered by the Senator from Colorado [Mr. JOHNSON]. I hope he may accept it as his amendment.

Mr. JOHNSON of Colorado. Mr. President, if I have the right to perfect my own amendment at this time, I should like to perfect it by adopting the language of the amendment of the Senator from Oregon.

The PRESIDENT pro tempore. The Senator from Colorado has a right to modify his amendment.

Mr. JOHNSON of Colorado. Very well, Mr. President; I so modify it.

The PRESIDENT pro tempore. The Senator from Colorado will send the modification to the desk so that it may be read.

Mr. JOHNSON of Colorado. Very well, Mr. President. I now send the modification to the desk and ask that it be read.

The PRESIDENT pro tempore. The amendment of the Senator from Colorado as modified will be read.

The CHIEF CLERK. On page 27, strike out line 25, and on page 28 strike out lines 1 to 20, inclusive, and insert in lieu thereof the following:

(b) Any employer who violates or has violated the provisions of section 6 or section 7 of this act shall be liable to the employee or employees affected in the amount of their unpaid minimum wages, or their unpaid overtime compensation, as the case may be, and in an additional equal amount as liquidated damages: *Provided*, That such liquidated damages shall not be allowed if it shall appear by a preponderance of the evidence that the violation was not willful and that the employer acted in good faith: *Provided further*, That action to recover such wages, compensation, and damages may be instituted at any time within 2 years from the accrual of such liability in any court of competent jurisdiction, and may be maintained by any one or more employees similarly situated, or such employee or employees may designate an agent or representative to maintain such action for and in behalf of all employees similarly situated: *Provided further*, That the court in such action shall, in addition to any judgment awarded to the plaintiff or plaintiffs, allow a reasonable attorney's fee to be paid by the defendant, and costs of the action: *Provided further*, That causes of action which had accrued prior to the passage of this act, and which had not become barred by any applicable statute of limitation may be maintained if commenced within 1 year after the date of enactment: *Provided further*, That no liability shall be predicated in any case on any action done or omitted in good faith in accord with any regulation, order, or administrative interpretation, or practice, notwithstanding that such regulation, order, interpretation, or practice, may, after such act or omission, be amended, rescinded, or be determined by judicial authority to be invalid or of no legal effect.

On page 29 strike out lines 1 to 8, inclusive.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Colorado as modified.

Mr. CORDON. Mr. President, the purpose of the modified amendment is to take the place of paragraph (b) of section 16 (a) of the original act, which is to be found on page 27 of the committee amendment, running over on to page 28; and to repeal section 12, which appears on page 29.

In order that the purpose of the amendment and its legal effect may be fully understood, I call attention to the fact that the committee recommended, in the committee amendment, language which in substance provided that anyone violating the Wages and Hours Act, either as to wages or as to hours, should be liable in the amount of the unpaid wages or for wages for overtime, plus an equal amount in liquidated damages, and then added the proviso that, however, in the trial of such a cause the court may, in its discretion, upon an affirmative showing by the employer that the violation was not wilfull and that he acted in good faith, reduce the liquidated damages in whole or in part.

The amendment which the Senator from Colorado has adopted as a modification of his amendment—and for his action in that connection I am deeply appreciative—provides, exactly the same as does the committee recommendation, down to the words "in whole or in part", with the following difference only: In the committee amendment, upon the trial of a cause, the court would have discretion to allow all or only part or none of the liquidated damages, if an affirmative showing were made that the employer had acted in good faith. I can see no reason for leaving open to discretion a decision of that character, after good faith has been affirmatively determined to the satisfaction of the court. If the employer has acted in good faith, then, as I view the matter, Mr. President, every employer who has acted in good faith should stand on the same level. If one should have double liability removed as to him, then all others standing in a similar position should have the same right and treatment.

My amendment provides that when the employer shows by a preponderance of the evidence that he acted in good faith, then he shall not be liable to the double or additional liability. But I call attention to the fact that that is an affirmative showing which must be made by the employer, and is not a burden to be carried by the employee who may be bringing the action for wages.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. FERGUSON. Is the pending amendment of the Senator from Colorado open to amendment?

The PRESIDENT pro tempore. The pending amendment of the Senator from Colorado, as modified, is an amendment in the first degree. The Senator from Colorado has asked unanimous consent to perfect his amendment, and has perfected it. Therefore, an amendment to his amendment is in order.

Mr. CORDON. Mr. President, I shall conclude my argument, and then at the appropriate time I shall address myself to suggestions regarding amendments.

I have been discussing the difference between the amendment now pending and the amendment proposed by the committee as to the question of the amount of wages and overtime and liquidated damages which are collectible, the only difference being that although the committee amendment provides that, as to liquidated damages, the court may allow all or part or none, according to the amendment now proposed, if good faith is shown, no additional or liquidated damages may be allowed.

Mr. President, in the committee amendment there is a provision for a 2-year statute of limitation; under the committee amendment the action must be brought within 2 years after the cause arises. In the amendment now under consideration, the same 2-year provision is applicable; there is no change in that regard. In both cases the action may be brought by an employee or by more than one employee or by an agent for all employees similarly situated. In both amendments the court is allowed to award to the plaintiff a reasonable attorney's fee, as well as costs which follow the action, of course.

Then, Mr. President, the amendment now under consideration differs markedly from the committee amendment, and I ask all Senators who are interested in the matter to pay particular attention to the portion of the amendment which I am now discussing. The amendment now under consideration reads as follows, after providing for attorney's fees to the prevailing party or to the plaintiff:

Provided further, That causes of action which had accrued prior to the passage of this act—

Or this amendment—

and which had not become barred by any applicable statute of limitation may be maintained if commenced within 1 year after the date of enactment.

In other words, under the amendment now under consideration, actions which may be brought upon causes which already have accrued and which have been accruing since 1938 must be commenced within 1 year after the adoption of this amendment.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. HAWKES. Does that mean that there will be 1 year from the time the statute is enacted, regardless of how much time may have run before, in which suit may be brought?

Mr. CORDON. It means, Mr. President——

Mr. HAWKES. I wish to be sure the Senator understands my question.

Mr. CORDON. I think I do.

Mr. HAWKES. Suppose there are only 6 months left after the law is enacted. As it stands, there will be a full year within which to bring suit.

Mr. CORDON. Mr. President, under the terms of this amendment, for a period of 12 months from the enactment of the law, any employee may come into court and may bring an action on any liability created in his favor under the Wages and Hours Act which has not at that time been already barred by some applicable statute of limitations; and if there be none, his right may conceivably go back to 1938.

This proposal merely provides that whatever right the person has at the time the act goes into effect must be exercised in the courts within 12 months, if such right was existing at the time the amendment was enacted.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. HICKENLOOPER. From a hurried review of the provision to which the Senator refers, it seems to me that this proposal would, in effect, limit the period which is now, I believe, 5 years. Am I correct about the 5 years?

Mr. CORDON. One of the very grave questions which now face employers and employees all over the country is, What statute of limitations is applicable? No one knows.

Mr. HICKENLOOPER. What I wish to have made clear in my mind is this: In an action which has heretofore accrued and, let us say has run up to the last 10 days of its total period on the date of the enactment of this amendment, the amendment would automatically extend the period for almost a year after the time had normally expired if no such amendment had been enacted.

Mr. CORDON. That is my understanding of the legal effect of the language.

Mr. HICKENLOOPER. Providing only that the cause of action had not already expired under the statute prior to the date of the enactment of the proposed language.

Mr. CORDON. The Senator is correct. If the right of action had not been barred as of the date of the enactment of the amendment, the holder of the right of action would have an additional 12 full months in which to realize upon his action.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. HAWKES. I thank the Senator for his explanation. As I understand, in some cases in which a cause of action has almost died, the individual will have extended rights which he would not ordinarily have as the law now exists. There may be other cases in which he would have a longer period than he would have if this proposal were not enacted into law. But, at the same time, we are standardizing the time in which those who have causes of action may bring suit in court.

Mr. CORDON. That is one of the major purposes of the amendment. It is an attempt to reach a clear understanding of what are reciprocal rights and liabilities of persons coming under the act, and to obtain a definite and final determination of such rights so that each party may know within what period of time he must exercise his rights.

Mr. HAWKES. I think the amendment is a very wise and fair one.

Mr. CORDON. The amendment is intended to give 12 full months after its enactment for the institution of actions which at that time had accrued.

The next proviso is that no liability shall be predicated in any case on any action done or omitted in good faith in accord with any regulation, order, or administrative interpretation or practice, notwithstanding that such regulation, order, interpretation, or practice may, after such act or omission, be amended, rescinded, or be determined by judicial authority to be invalid and of no legal effect.

The purpose of that proviso is to give an employer who has honestly tried to meet the requirements of the act, as the act has been interpreted by the Administrator and under the regulations promulgated by the Administrator and under the practice adopted by the Administrator, his clearance from any liability even though afterward the Administrator changes his mind, or the court finds that the Administrator was wrong in his interpretation. The proviso puts a premium on good faith and honest effort, and refuses to penalize good faith and honest effort if, as a result of a subsequent decision of a court the practice which has been indulged in in accordance with the Administrator's interpretation and regulation is determined to be invalid.

Mr. President, the reason this provision is a part of the amendment is this: The Fair Labor Standards Act, as it was enacted in 1938, did not contain, and does not now contain, any language defining what is meant by a workday or a workweek in the matter of actual hours. No one, be he an employer, an employee, or administrator, knows today what the act means in that regard. The matter becomes important and very pertinent at this time because, throughout the war period, and particularly in the lumbering areas where lumber operators were endeavoring to meet the terrific war demand, they were required to use housing facilities wherever they could be found in order to take care of the housing requirements of the workers. The workers would be transported from available houses located sometimes in little towns or cities, miles out where the work was performed in the woods and in the mills. In the vast Pacific Northwest those workmen were almost always men who belonged to groups of organized labor. They received wages far in excess of the minimum rate of wage. As nearly as could be understood, their hours were in accord with the Fair Labor Standards Act. But, in order to perform the work which it was necessary to perform in connection with the lumbering operations, men were transported to the woods. The time required to do that might entail as much as half an hour or an hour, and then the men later would be transported back from the woods. In the bargaining contracts which were made, neither side took the view that travel time was a part of the work time. Neither the employer nor the employee so understood, and the contracts which were entered into were lived up to in every respect. The Office of Price Administration put the prices on the products of the mills, based upon those agreements, and wages were paid under them. The Government of the United States renegotiated those contracts upon that basis.

Mr. President, the war is now over, and today actions are pending in the Federal courts the purpose of which is to reach a determination as to whether, during all those war years, the employees were entitled to time and a half for the period which they spent in traveling to and from their homes.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. FERGUSON. I am interested in this amendment because I have an amendment which I intend to propose to the bill in the form as reported by the committee, and the amendment would apply along the lines now being argued by the Senator from Oregon.

I wish to propound to the Senator a question. I ask him whether he feels rather certain that the amendment now pending is sufficiently broad to cover everything that has taken place during the past. I will state a hypothetical case.

In Michigan some truck drivers believed they were covered by virtue of section 13 (B) (1) of the act which provides that overtime provisions—

> Shall not apply with respect to any employee with respect to whom the Interstate Commerce Commission has the power to establish qualifications and maximum hours of service, pursuant to section 204 of the Motor Carriers Act of 1935.

Relying upon such a provision, the truck owners—that is, the common carriers—made contracts with their various employees for 48 hours a week, and they proceeded to carry out the terms of those contracts. They now find that, by virtue of a decision of the Supreme Court on January 28, 1946, and because of a circuit court of appeals case, and also a district court case, they would be liable for those overtime payments.

Does the Senator believe that kind of a case would come within the section he has now been discussing?

Mr. CORDON. Mr. President, the Senator from Oregon cannot offer any opinion as to whether the facts would or would not come under the section. The section does set up standards by which a court can at least consider that matter, and determine whether the travel time was or was not in accord with a regulation or interpretation or practice of the Administrator, and assuming that otherwise liability would exist.

Mr. FERGUSON. Mr. President, I realize that under this provision the truck owner would be compelled to prove he acted in good faith.

Mr. CORDON. That would relate to the liquidated damages only.

Mr. FERGUSON. Is that not true under the last proviso, lines 18 to 24, inclusive?

Mr. CORDON. Yes. The Senator means that the owner acted in good faith, in accordance with the regulations, and so on. That is correct.

Mr. FERGUSON. Suppose a case where the Administrator believed it came under a regulation, and therefore made no regulation. Is the amendment sufficiently broad to cover that kind of a case?

Mr. CORDON. In my opinion it is not sufficiently broad to do that, and I think the drafter of the language did not intend it should. There has been no intention, in the drafting of the amendment, to take away from any employee any right accruing to him up to the time the bill will take effect. If he has a right and it is vested, all the amendment does is to limit the period within which he may exercise it, and to limit his remedy to the extent that where good faith is shown, or reliance upon administrative practice, rule, or regulation is shown, that may either minimize or completely obviate the right.

Mr. FERGUSON. Am I to understand that the provision beginning in line 17 and continuing to line 24 would take away the right of an employee provided the employer acted in good faith under a regulation, order, interpretation, or practice of the Administrator?

Mr. CORDON. What is the Senator referring to?

Mr. FERGUSON. I am referring to the last "Provided further," lines 17 to 24, inclusive. Would not that take away the right of an employee, provided the employer acted in good faith in accordance with a regulation, order, interpretation, or practice?

Mr. CORDON. That would not give to an employee the right to go into court and claim any wages, overtime, or damages against an employer who acted under rulings.

Mr. FERGUSON. And so acted in good faith?

Mr. CORDON. That is correct, and that is limited to regulation, interpretation, or practice on the part of the Administrator, and to compliance therewith on the part of the employer.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. MAGNUSON. I wish to ask a question. In 1938 Congress passed a Fair Labor Standards Act, after due deliberation for the protection of the worker, the employee. If the Senator's amendment shall be agreed to, and an employer, acting in good faith, finds that he has violated the act, but in good faith, would the Senator's amendment cut out the provision for liquidated damages in such a case?

Mr. CORDON. That is correct, but it would leave the overtime or the wages, as the case might be.

Mr. MAGNUSON. Who would then suffer, the employee, or the employer?

Mr. CORDON. Neither would suffer, in that the employee would have gained his money for the time that he worked overtime, and the employer would not be mulcted or penalized in double that amount for a thing he did not intend to do.

Mr. MAGNUSON. Under the Senator's amendment the court would in whole or in part, as I read it——

Mr. CORDON. No, the Senator's amendment does not give the court any power to grant any part of the liquidated damages if the employer proves by a preponderance of the evidence that he was honest and acting in good faith in what he did, and he carries that burden of proof.

Mr. MAGNUSON. Then, I repeat my question. The Senator says the employee would not suffer. The proposed act is for the protection of the employee. Why would not the employee suffer?

Mr. CORDON. If the Senator from Washington were to ask whether this amendment would give the employee as much as he had without it, rather than ask whether he would suffer or not, perhaps the answer would be different. Under the amendment the employee would get his time and a half overtime, if he had it coming, he would get the costs of his action, and he would get his attorney's fees; but he would not get twice that amount. As I understand, the theory of the law is that the judgment is in the nature of a punitive legal act. It is intended to punish an employer, and personally the Senator from Oregon cannot go along with any doctrine that says a man shall be punished in such a case for a thing he did not intend to do, and would not have done had he known it was wrong, or not in accordance with the law, particularly when the administrator of the act himself does not know.

Mr. MAGNUSON. I understand that, but after all, I still return to the question. The proposed act is for the protection of the employee, but under the Senator's amendment as I read it, on page 2, line 18, it is provided:

> *Provided further*, That no liability shall be predicated in any case on any action done or omitted in good faith in accord wit! any regulation, order, or administrative interpretation, or practice, notwithstanding that such regulation, order, interpretation, or practice may, after such act or omission, be amended, rescinded, or be determined by judicial authority to be invalid or of no legal effect.

That includes unpaid wages, overtime, and any other compensation to which the employee may be entitled under the act, although the employer, in good faith, did not believe he was doing wrong.

Mr. CORDON. What is the Senator's question?

Mr. MAGNUSON. The Senator said the employee would not suffer; he said he would be paid.

Mr. CORDON. The Senator is referring to another part of the section. The first provision the Senator discussed was at the top of the page. Now he is at the bottom, and I shall be glad to discuss that with him.

Mr. MAGNUSON. It provides for what results in case of a violation of the regulation in good faith.

Mr. CORDON. They are two different places. I did not follow the Senator's discussion, because he first discussed the provision at the top of the section, and then discussed the proviso at the bottom. They are different.

Mr. MAGNUSON. Perhaps the Senator did not understand, and can explain to me the meaning of his proviso.

Mr. CORDON. The Senator from Oregon will not enter into a discussion as to whether he does or does not understand it. He prepared it, and he is willing to give to the Senator his best judgment on it, if he has judgment on it.

Referring to the question of the Senator from Washington as to the proviso at the bottom of page 2, that proviso in effect says that a workman who has been employed for a certain period of time, and perhaps during that time had been hauled to and from his work and a number of hours of time had accumulated when he had been hauled to and from his work, after a lapse of time the Administrator may bring an action in the court complaining that those hours used up in travel were actually work hours, and the court might sustain the Administrator's claim or deny it. We do not know what the court might do, because it has not done either yet, although the act was passed in 1938.

If the court sustains the claim, then, nevertheless, the liability would not exist in behalf of the employee, if his employer during that time had had from the Administrator a regulation saying that the travel time was not work time, or an interpretation of law saying that, or that his practice in similar cases had been to that effect. That means that if the employer had relied upon the only official in the United States on whom he could rely until the court determined the question—namely, the Administrator—and if then the Administrator was found to be wrong, the employee could not, so to speak, mulct the employer, inasmuch as the employer relied on the act of the Administrator.

Mr. MAGNUSON. Then in that case the employee could possibly receive no amount at all. In other words, no liability at all would exist under the act.

Mr. CORDON. That is true. That is the purpose of it.

Mr. MAGNUSON. Therefore the act, which is for the protection of the employee, would be in effect null and void in those cases.

Mr. CORDON. With respect to that matter the act would not create a liability against the employer and a right

in favor of the employee. I do not know whether it does now or not, and I cannot find anyone who does, including the Administrator.

Mr. President, I have covered the general provisions of the amendment, and I urge its adoption as being in the interest of equity and because it is fair both to the employer and the employee.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. AUSTIN. I should like to ask a question to clear up some doubt which I have concerning what the author of the amendment intends. I notice that in line 8 occurs the following language:

and in an additional equal amount as liquidated damages.

Did the Senator designedly choose the words "liquidated damages" in order to avoid the use of the word "penalty"?

Mr. CORDON. Mr. President, the language in question was copied from the appropriate section of the Fair Labor Standards Act, as being the language which had been enacted into law in 1938. I think it is unhappy language. I think "punitive damages" would have been more expressive.

Mr. AUSTIN. I not only think it is unhappy, but it is completely out of line with the history of our jurisprudence for endless time.

Mr. CORDON. I am in agreement with the Senator from Vermont. I endeavored in this amendment to keep as closely as possible to the established law which has been on the books since 1938, and to undo only those things that seem to me to result in injustice and inequity.

Mr. AUSTIN. Perhaps we might make a record here. Does not the Senator, as a lawyer, believe that if ever this provision came to issue in court, the court, after examining it, would say, "Why, you cannot have liquidated damages without a previous agreement between the parties that the damages shall be of a certain amount, so that the court will not have to pass upon them, and so that there will not be any question of liability both parties agree to be held?"

In this case, the parties not having agreed, and there being no provision in the law for making them agree, but the law laying its heavy hand upon them and saying, "You shall be liable for an additional sum as damages," would the Senator, as a lawyer, say that notwithstanding they were designated as liquidated damages, they were in law and in fact penalties?

Mr. CORDON. There can be no question about that at all. I am in entire agreement with the distinguished Senator from Vermont.

Mr. AUSTIN. The court would have to say that, notwithstanding that Congress had tried to say something different. And in that event would the Senator say that the penalty would be regarded as a forfeiture from which the defaulting party could be relieved?

Mr. CORDON. Generally speaking, that is correct, as I understand it.

Mr. AUSTIN. If they were liquidated damages in fact, the defaulting party could not be relieved. Is that not correct?

Mr. CORDON. The very purpose of the liquidation of damages is to determine the amount and its certainty in advance.

Mr. FERGUSON. Mr. President, I offer an amendment to the amendment of the Senator from Colorado [Mr. JOHNSON] as modified, and ask unanimous consent to read it into the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FERGUSON. My amendment is line 10 of the Johnson amendment, as modified, after the words "liquidated damages" to insert "and unpaid overtime accrued prior to the effective date of this act to any employee with respect to whom the Interstate Commerce Commission has power to establish qualifications and maximum hours of service pursuant to section 204 of the Motor Carriers Act of 1935."

Mr. President, my reason for offering that amendment is that I am of the opinion, after asking questions of the Senator from Oregon in relation to the provision of the amendment of the Senator from Colorado in lines 17 to 24, that the amendment does not include the provision I have in mind.

Mr. President, it appears that the Fair Labor Standards Act of 1938, among other things, provided for the payment of time and a half for all hours worked beyond 40 hours in any workweek. However, certain exemptions from the operation of this provision were granted to motor carriers by section 13 (b) (1) of the act which provides that overtime provisions "shall not apply with respect to any employee with respect to whom the Interstate Commerce Commission has power to establish qualifications and maximum hours of service, pursuant to section 204 of the Motor Carrier Act of 1935."

In reliance upon this exemption and in view of the fact that they were under the control of the Interstate Commerce Commission in the matter of maximum hours of service of their employees as well as their system of accounting and cargo insurance, the cartage industry paid time and one-half only in compliance with their collective-bargaining agreements had with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, A. F. of L. With few exceptions, the industry pays time and one-half for hours worked over 48.

Mr. President, I have a telegram from the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, Local 299, James R. Hoffa, President, from Detroit, Mich., showing how the union itself, which made these contracts, feels about this situation. The telegram is as follows:

Am strongly in favor of any efforts made on behalf of cartage companies to free themselves from the backlog of liability for unpaid overtime and liquidated damages under Fair Labor Standards Act. Have full realization of effect on companies if not relieved. Desire all to be done which will assist companies.

The exemption from section 7 of the Fair Labor Standards Act granted the motor-carrier industry, as well as other forms of transportation, was enjoyed by local cartage operators, in good faith, until very recently. At that time the Wage and Hour Administrator approved the commencement of actions against local cartage companies, which sought to enforce compliance with section 7 of the act on the theory that such local cartage companies were "engaged in the production of goods for commerce" as set out in section 7 (a) of the act. Any claimed violation of the provisions of section 7 of the act must be predicated upon a showing by the Administrator that a cartage company's employees are engaged either in commerce or in the production of goods for commerce. Significantly, these actions do not allege that cartage company's employees are engaged in commerce, for then such employees would be exempt from the coverage of section 7 of the act because they would then come within the coverage of employees with respect to whom the Interstate Commerce Commission has power to establish qualifications and maximum hours. This unmistakable effort to bring cartage companies within the ambit of the act has now led, logically, to the complete confusion of the industry. How a mere carrying for hire, from one place to another, is engaging in the production of goods for commerce is beyond anything Congress ever intended when it passed the act of 1938.

The United States Supreme Court has recently handed down decisions in the Roland Electrical Co. case, decided January 28, 1946, in the Michigan Window Cleaning case, decided February 4, 1946, and in the White Plains Publishing Co., Inc., case, decided February 11, 1946, which lend considerable support to the Administrator's position as taken against local cartage companies—so much so that on February 11 in the United States Circuit Court of Appeals for the Sixth Circuit the Administrator was sustained on an appeal by the Griffin Cartage Co. of Detroit from a judgment of the United States District Court for the Eastern District of Michigan, which held that the Griffin Cartage Co. was in violation of the overtime provisions of the act and ordered it to comply therewith. The circuit court in a very short opinion gave as the entire basis for its decision the decision of the United States Supreme Court in the Roland Electrical Co. case, namely, that the cartage company was engaged in the production of goods for commerce and that, therefore, such employees are not exempted from the requirements of the act under section 13 (b) (1) thereof. These decisions have clearly stripped from the cartage companies the exemptions from the overtime provisions of the act which they heretofore thought they had and leave the cartage industry wide open to innumerable employee suits for back wages based on a claim for time and one-half for hours worked over 40 in any workweek.

In view of the reasoned efforts of the Administrator to curtail the rights of local cartage companies to an exemption from the overtime provisions of the Fair Labor Standards Act and in trepidation of the Court's decisions, the industry has

endeavored, through amendment to Senate bill 1349, to free itself. That is the reason for offering this amendment.

Mr. President, unless this amendment can be adopted, it is apparent that not only in Michigan, but in other places, the small cartage companies, as well as the large ones, will be faced with ruin. It is for this reason that even the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, A. F. of L., realizing that in good faith it had entered into negotiated contracts during the war, when those services were needed, to work 48 hours a week, feel that if suits were now brought for damages they would ruin those companies. I can only cite a few cases which have been brought to my attention.

For example, one man has been in the cartage business for 20 years. He finds himself with assets of only $2,000. The backlog of liability would be $18,000. Are we going to allow men to be put out of business when in good faith they contracted through unions, who represented the employees?

Another case is that of a man who is worth probably $20,000. He now finds himself faced with $75,000 liability under the act as it now stands.

I hope the Senate will see its way clear to adopt this amendment, so that these men all over the country may be free from a liability which was never contemplated by the act. Under the stress of war a 48-hour week was essential, and no one thought that the employees came under this act.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. FERGUSON] to the amendment offered by the Senator from Colorado [Mr. JOHNSON], as modified.

Mr. BARKLEY. Mr. President, I should like to inquire of the Senate whether there is any likelihood that we can vote finally on this bill tonight, and how many other amendments may be offered, so that I may determine whether it is worth while to sit here longer to try to conclude consideration of the bill tonight. Are there any further amendments to be offered?

Mr. THOMAS of Oklahoma. Mr. President, several days ago I submitted an amendment, which was printed and now lies on the table. It is in the nature of a new section to the bill. I could not press the amendment until the main amendment had been agreed to. It is now in order. I desire to obtain the floor. Some time will be required to explain the amendment. It is important to the South as well as to New England, because it affects the cotton mills of New England as well as the cotton producers in the southern part of the United States.

Mr. WHITE. Mr. President, I have no information about amendments to be offered, but within the past half hour one Senator has indicated that he has a desire to speak for rather a substantial time. I do not know what that means.

Mr. BARKLEY. That might depend upon the identity of the Senator.

Mr. WHITE. I am not going to expose him. [Laughter.]

Mr. BARKLEY. Mr. President, I am not willing that the Senate shall remain in session until it gets itself into the posture it occupied last night in an effort to conclude consideration of the bill, and then have the bill go over. If we cannot conclude consideration of the bill within a few minutes, I feel that we need not remain here longer.

It is very important that we dispose of this legislation. Today I reported from the Committee on Banking and Currency the veterans' emergency housing bill, upon which depends the success of the program to try to build houses for veterans during 1946 and 1947. Nineteen hundred and forty-six is rapidly passing by; and if we are to approach the program which has been suggested for 1946 we must begin pretty soon. We cannot begin until the legislation is enacted.

I would be willing to have the Senate meet tomorrow to try to dispose of this bill and other matters which need to be disposed of so that we may clear the calendar for the consideration of the housing legislation which I mentioned. I realize the difficulty of getting anywhere on Saturday. Yet if we are to conclude our legislative program and make it possible for Congress to adjourn at any time near the date which I have had in my mind, we must get down to our knitting and we must work to some extent on Saturdays. I do not wish to force a session of the Senate tomorrow if it is not convenient, but I should like to ascertain the wishes of Senators so that I may be governed accordingly in any motion I may make.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TUNNELL. If the Senator will tell us that we are to remain in session 6 days a week, I will stay with him until Saturday night each week. But not knowing that it was possibly the desire to have a session tomorrow, I have made other arrangements for this week end, and I simply cannot stay.

Mr. BARKLEY. Mr. President, every time I have been bold enough to suggest that we meet on Saturday, Senators plead with me not to have a session on Saturday. Being a weak man, I usually yield, and the Senate adjourns until Monday.

I do not like to warn Senators that we must meet every Saturday. It depends altogether upon the state of the business. However, I believe that we ought to make up our minds that from now on we should hold ourselves available to be in session 6 days each week, because legislation is piling up, and important matters are coming before us for consideration. A great deal of legislation will be before us besides appropriation bills, which, of course, must be passed by the 1st of July.

I am willing to abide by whatever the Senate wishes to do about meeting tomorrow, because I have not given notice that we would try to hold a session tomorrow. The pending bill has been under consideration for 3 weeks. It has dragged along like a whole parade of snails. Here we are now at the end of the third week. What does the Senate want to do? I should like to hear; I should like to have an "experience meeting" here.

Mr. WHITE. Mr. President, the Senator is looking in my direction. I am a very significant part of the Senate——

Mr. BARKLEY. Oh, Mr. President, the Senator from Maine is much too modest.

Mr. WHITE. But I agree with the Senator's analysis of the situation.

Mr. BARKLEY. What is it? [Laughter.]

Mr. WHITE. The Senator from Kentucky has suggested that action on the pending measure has been dragged out and that progress has been slow. As the Senator from Kentucky has suggested, it is necessary that progress be made and that legislation be enacted. So far as I am concerned, I am willing that there be a session tomorrow. I hope it will be possible to conclude action on the pending measure tomorrow.

In addition, there is a piece of legislation in which I understand the Senator from Rhode Island [Mr. GREEN] is very much interested, and there is a conference report in which the Senator from Colorado [Mr. JOHNSON] is very much interested. If it is agreed to have a session tomorrow, I hope it will be possible to dispose of the pending bill then, and also of the two other measures to which I have referred.

Mr. BARKLEY. Mr. President, I do not like to force the holding of a session tomorrow on the pending measure, inasmuch as the Senator from Delaware will be compelled to be absent. He is in charge of the bill and he is standing on the bridge from which all but him have fled. [Laughter.] I do not like to blow the bridge out from under the Senator from Delaware.

I wonder whether it would be possible for us to have a session tomorrow to dispose of the Petrillo matter and also the soldiers' voting bill, and to agree as to some hour on Monday when the Senate would vote on the bill now pending and on all amendments thereto. Would it be possible to reach an agreement of that kind?

Mr. WHITE. It could be reached with me.

Mr. BARKLEY. Mr. President, I shall be bold enough to suggest it, and to request unanimous consent that on tomorrow the pending bill be temporarily laid aside, in order that we may take up the conference report on the Lea bill, better known as the Petrillo bill, and also possibly the measure in which the Senator from Rhode Island is interested; that the pending bill be laid aside until Monday, and that an hour on Monday be fixed on which the Senate shall vote on the pending bill and all amendments thereto. I would suggest that it be at 2 o'clock on Monday. Would that be agreeable?

Mr. MAGNUSON. Does the Senator from Kentucky believe that 2 o'clock would be the proper time?

Mr. BARKLEY. I was going to suggest that the vote be taken at 1 o'clock.

Mr. MAGNUSON. Mr. President, I shall wish to discuss the Cordon amend-

ment or, as perhaps I should say, the amendment of the Senator from Colorado [Mr. JOHNSON] as modified, and I know that other Senators will wish to discuss it. In addition, the Senator from Oklahoma has a matter which he wishes to discuss. I do not know how long he will discuss it.

If the hour were set for 3 o'clock or 4 o'clock on Monday, I am sure we could conclude by that time.

Mr. BARKLEY. If we fix the hour as 4 o'clock, we might as well make it the whole day.

Mr. President, it may be that 1 day does not make a great deal of difference in connection with the housing program, but I hope it will be possible to pass the measure quickly. There is no way of telling how long its consideration will take. For instance, we thought we might conclude action on this measure by 7 or 8 o'clock last night, but each new day bringeth forth a fresh crop of amendments. [Laughter.] I am not complaining about it; I am merely stating the fact.

Mr. President, I ask unanimous consent that when the business of the Senate is concluded today, the pending bill be temporarily laid aside until Monday, and that at an hour not later than 3 p. m. on Monday the Senate proceed to vote on the bill and on all amendments thereto.

The President pro tempore. Is there objection?

Mr. MORSE. I object.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. GREEN. I heartily approve of the suggestion to hold a session tomorrow to take up the soldiers' voting bill. All the services are agreeable to having it passed, as are the secretaries of state of the various States. I think that measure can be disposed of quite shortly, and I hope we shall convene at an early hour tomorrow, so that perhaps we may conclude the session early in the afternoon.

Mr. BARKLEY. Mr. President, under the circumstances I think we might continue for a while tonight, and see what we can do.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. FERGUSON] to the amendment offered by the Senator from Colorado [Mr. JOHNSON], as modified.

Mr. TAYLOR. I ask for the yeas and nays——

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. MAGNUSON. Are we about to vote on the amendment of the Senator from Colorado, as modified by the amendment of the Senator from Oregon, or are we merely about to vote to incorporate the amendment of the Senator from Michigan in that amendment?

The PRESIDENT pro tempore. The parliamentary situation is as follows: The Senator from Colorado [Mr. JOHNSON] accepted the amendment of the Senator from Oregon [Mr. CORDON] as his own. The Senate is now about to vote on the amendment of the Senator from Michigan [Mr. FERGUSON] to the amendment of the Senator from Colorado, as modified.

The amendment to the modified amendment was agreed to.

The PRESIDENT pro tempore. The question now recurs on agreeing to the amendment of the Senator from Colorado, as amended.

Mr. MAGNUSON. Mr. President, I rise in opposition to this amendment. I shall not take much time in presenting my views.

The present law provides for liquidated damages. There is good reason for that. The amendment of the Senator from Oregon, which has been adopted or accepted by the Senator from Colorado, would abolish liquidated damages in cases in which the employer showed good faith.

The purpose of the Fair Labor Standards Act, as has been made clear by the Supreme Court on many occasions, of course, is not to punish the employer, but to give compensation to the employee. The Court has pointed that out in many cases.

I asked the Senator from Oregon sometime ago who would suffer in case an employer unwittingly violated this act and if action were brought by an employee for damages which were rightfully his under the act. Of course, the employee would be damaged if he was not able to secure such damages.

The Senator from Oregon is attempting to change the act as it now stands. He referred to the committee's proposed amendment. I may point out to the Senate that the only reason why the committee proposed an amendment along the lines suggested by the amendment of the Senator from Oregon, was that under the original committee bill the coverage of the act was extended to a great many other persons and businesses, and therefore in the confusion incident to establishing new regulations and administration in respect to the new coverage, there might be some cases in which the employer unwittingly would violate the act because he did not know that he came under its provisions.

But since the adoption of the Ellender-Ball amendment, there is to be no new coverage under the act. In other words, the employers who were under the act from 1938 on, are still the only ones who will come under it. All employers employing labor in this country today know whether they come under the Fair Labor Standards Act or not. It would be rare indeed if they did not know it at this time.

In the beginning there was confusion, and the purpose of the committee amendment was to protect the employer in the initial period of the operations of the act, if the coverage were extended.

There is a second good reason why the amendment of the Senator from Colorado should not be adopted.

Mr. CORDON. Mr. President, will the Senator yield with respect to his first point?

Mr. MAGNUSON. I yield.

Mr. CORDON. The Senator will agree with me, will he not, that at this late time no one knows about the applicability of the law with respect to the so-called travel-time matter. No one knows that yet, and cases for the purpose of determining it have recently been instituted. So there would appear to me to be one major unlitigated question, after all these years.

Mr. MAGNUSON. I may say to the Senator from Oregon that I am familiar with those cases. I believe that the Labor Department has made itself sufficiently clear as to what it thinks travel time means, and whether or not it comes under the act. But, there are employers who, probably honestly, have disagreed with the interpretation of the Labor Department. The matter has been in litigation for a long time, and in some cases no decision has been reached. The war caused a postponement of many of those cases, and many of them have yet to be decided. But there has been no confusion on the part of the administrators of the act in regard to what they believed to be its meaning. Any question which has been raised in that regard has been raised by the employers.

Mr. President, there is a second very important reason why double damages should not depend upon the willful character of the employer's conduct. Such an amendment would treat double damages as a penalty. But actions for recovery of penalties cannot be brought in State courts since the judicial code now provides that Federal courts have exclusive jurisdiction of all statutes for penalties and forfeitures incurred under the laws of the United States. If we made the question one for the court to decide as to whether or not the employer's liability was willful, liquidated damages would be in the nature of a penalty. Any damages for the violation of the act itself, if it was not willful on the part of the employer, would be in the nature of a penalty. Under the present law liquidated damages are not considered a penalty but as compensation. The Supreme Court has repeatedly so held in many cases, the latest being the *Brooklyn Savings Bank* v. *O'Neil* (69 U. S. Supreme Court, p. 895), and in the *Overnight Motor Company* (315 U. S., p. 572). In all those cases the Supreme Court held that it was not punishment to the employer, but compensation to the employee.

Mr. President, I want to leave the present law as it has been in effect since 1938. I sincerely hope that the amendment will not be adopted.

Mr. CORDON. I invite the Senator's attention to the fact that whatever the Supreme Court may or may not have said about compensation, the Congress of the United States in the Fair Labor Standards Act termed the penalty "liquidated damages."

Mr. MAGNUSON. Nevertheless, the interpretation of the law since 1938 by the Supreme Court is that such damages have been treated as compensation to the employee, and not punishment of the employer. The Senator's amendment would take that provision away,

and any damages assessed to the employee would be in the nature of a penalty under our own laws, and they could not be enforced in any State court. Every suit would have to be brought in the Federal court. I think, therefore, that the amendment itself strikes at the very heart of the enforcement of this act.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Colorado [Mr. JOHNSON] as amended.

Mr. TAYLOR. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Murray
Austin	Hayden	Myers
Ball	Hickenlooper	O'Mahoney
Barkley	Hoey	Overton
Bilbo	Johnson, Colo.	Radcliffe
Bridges	Johnston, S. C.	Reed
Briggs	Knowland	Revercomb
Brooks	La Follette	Russell
Capper	Langer	Stanfill
Carville	McClellan	Stewart
Connally	McFarland	Taylor
Cordon	McKellar	Thomas, Okla.
Donnell	McMahon	Tunnell
Downey	Magnuson	Vandenberg
Eastland	Maybank	Walsh
Ellender	Mead	Wherry
Ferguson	Millikin	White
Gerry	Mitchell	Wiley
Green	Moore	Wilson
Gurney	Morse	Young
Hatch	Murdock	

The PRESIDING OFFICER. Sixty-two Senators having answered to their names, a quorum is present.

Mr. CORDON. Mr. President, I shall take just a moment to explain very briefly to the Senators who have not been able to be present the last half hour or so just what amendment is pending, why it is presented, and what it is claimed to do in connection with the pending legislative proposal.

The Senate is now about ready to vote upon an amendment of the Senator from Colorado, who accepted a substitute offered by the Senator from Oregon which was thereafter slightly amended by the Senator from Michigan [Mr. FERGUSON]. The purpose of the amendment, Mr. President, is to provide that an employer who violates the Wages and Hours Act shall be liable to his employee in an amount equal to the unpaid wages or the unpaid overtime, and that in addition to that he shall be liable in an equal amount of liquidated damages, unless he can prove by a preponderance of the evidence that his violation was not willful and that he acted in good faith.

The amendment provides that an action to recover under that liability may be brought by any one employee or more than one employee, or by an agent for all similarly situated.

The amendment provides that the court shall allow reasonable attorneys' fees and costs to a plaintiff who prevails.

The amendment then provides that as to violations which occurred prior to the time the amendment was adopted, the statute of limitations shall be 1 year, or 12 months, from the date of the adoption of the amendment, in place of the 2 years, but it saves all the rights which the employees have as of the date of the adoption of the amendment, so far as the collection of wages and overtime is concerned, with this exception, that there will be no liability predicated on any action or omission to act which was in good faith by the employer, and which was in accord with any regulation, interpretation, order, or administrative practice of the administrator of the act, even though such regulation or order was thereafter rescinded, and even though a court might thereafter determine that the regulation in the first place was invalid and of no effect.

The purpose of the amendment is to clarify the present relationship between employer and employee and to give specific time within which finality may be had with reference to disputed claims which now exist, and which otherwise might go on interminably.

I hope the amendment will be agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, as I understand the amendment now proposed, if it can be proved that an employer did not pay his employee, even though he did it in good faith, then the employee gets nothing out of a suit he may file but the amount of the wages which he should have received. Is that correct?

Mr. CORDON. I could not hear the first part of the Senator's statement.

Mr. JOHNSTON of South Carolina. The only thing the employee would receive would be the amount of wages he should have received in the first instance. Is that correct?

Mr. CORDON. That is correct.

Mr. JOHNSTON of South Carolina. I desire to show wherein that would not result in justice to the employee. If the amendment should become a part of the law, the very teeth would be taken out of the proposed act for the reason that it would say to an employee, "You can work 1 year, 2 years, or 3 years, but you will not get from the employer what you should have received in the first instance. You will not get any interest on your money. You will not get anything for going into court and fighting the suit. You will not get anything for standing the chance of being fired on account of bringing the suit."

The purpose of the pending legislation is to enable the employee to collect from those who ought to pay him in the first instance. It may be well to adopt a part of the amendment, to apply for 2 years, but when there is taken away from the employees what may be called the teeth of the measure which would enable them to collect from the employers, then the effect of the act itself is weakened. I fear such action will result in great injustice to the employees.

Mr. MAGNUSON. Mr. President, I move to strike out section 10 of the committee amendment.

Mr. CORDON. Mr. President, I should like to have the Senate understand what would happen should the motion prevail. The motion is to strike out section 10 of the committee amendment. There would then be nothing left to amend, so far as the pending amendment of the Senator from Colorado [Mr. JOHNSON] is concerned. The purpose of the amendment is to strike out entirely even the 2-year limitation which the committee itself recommended in its reported bill. It would leave the matter wholly in the air, with substantially no yardstick, with no means or method by which there could ever be within a reasonable time any termination of all the controversies which now exist throughout the United States.

Mr. President, section 10 of the committee bill would amend section 16 (a) of the present act. It carries the 2-year limitation as amended by the committee. The motion of the Senator from Washington is to strike that section entirely from the bill, leaving the Fair Labor Standards Act without any limitation whatever on actions, either 1 year or 2 years or 3 or 4 years.

Mr. MAGNUSON. Mr. President, the Senator from Oregon has given his interpretation of what the effect of the motion would be. The motion merely means that the present section 10 (b) with the so-called penalty section of the Fair Labor Standards Act would stand as it is. It would not change the law. It would leave the law the same as it has been since 1938.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Washington [Mr. MAGNUSON]. [Putting the question.] The Chair is in doubt.

On a division, the motion was agreed to.

The PRESIDENT pro tempore. Sections 1 and 11 are now open to amendment.

Mr. TAYLOR. Mr. President, I have an amendment which I offer. Inasmuch as the Senate has agreed to the Russell amendment, which attaches parity to wages, I feeel that the farm workers of America are entitled to participate in the benefits. I voted against the Russell amendment simply because none of the farm organizations were behind it, and because testimony was presented that 10 percent of the farms of America produced 54 percent of the farm products, and, therefore, it seemed to me that it was a measure calculated—whether it would do it or not—to benefit the big farmer; so I voted against it, and also because the President had said that he would veto the bill in such case, and, further, because we had testimony that it would be inflationary. But inasmuch as it has been adopted, I believe the farm workers of America are entitled to participate in the benefits which will accrue to the farmers themselves. So I offer the amendment, which I send to the desk and ask that it be stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

Subsection (a) of section 13 of the act is amended by striking out the following: "or (6) any employee employed in agriculture."

Mr. TAYLOR. Mr. President, that means that the exception for agricultural workers would be stricken out, and they would be covered by the minimum wage.

On my amendment I ask for the yeas and nays.

Mr. RUSSELL. I should merely like to ask the Senator a question. That also would mean that the farmer would be placed on a 40-hour-week basis; would it not?

Mr. TAYLOR. Yes.

Mr. RUSSELL. Very well.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Idaho [Mr. TAYLOR], on which he has asked for the yeas and nays.

The yeas and nays were not ordered.

The amendment to the committee amendment was rejected.

The PRESIDENT pro tempore. The question now recurs on the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. THOMAS of Oklahoma. Is it now in order to offer an amendment proposing a new section to the bill?

The PRESIDENT pro tempore. The Parliamentarian advises the Chair it would not be, because the committee amendment is a substitute for the entire bill.

Mr. THOMAS of Oklahoma. Mr. President, I take the liberty of making my remarks on the bill. If I did not think that what I shall have to say was important, I certainly would not impose upon the Senate at this time of the day.

Mr. President, what I shall have to say relates in the main to the trend of this Government. I have before me a news article which appeared in the Washington Post of yesterday morning, as I recall. The article is by the Associated Press. The heading is:

"Secretary Anderson forced to sign cotton order."

Armed with an order compelling Secretary Anderson to sign on the dotted line, the OPA yesterday set up new controls it hopes will curb cotton-clothing price increases.

I exhibit to the Senate the first page of the Evening Star of last night, and I read from the first page this sentence:

Mr. Anderson signed the cotton-margin order yesterday after Mr. Bowles directed him to do so.

Mr. President, what is this all about? I shall undertake to answer that question. There is no authority of law anywhere on the statute books for any man in the United States to direct the cotton exchanges of the country to increase their margin requirements for the sale or purchase of cotton.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. Did I correctly understand the Senator to read from the Washington Star that Mr. Bowles, in his position, directed and ordered the Secretary of Agriculture, who occupies one of the oldest Cabinet offices in the Government, to sign an order?

Mr. THOMAS of Oklahoma. That is exactly what I said.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield for a question.

Mr. BARKLEY. Inasmuch as consideration of the bill has been concluded and no further amendments may be offered, would the Senator be willing to suspend until tomorrow and make his remarks tomorrow?

Mr. THOMAS of Oklahoma. No; Mr. President. I think I had better do it now.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. I ask the Senator if it is not true that one of the causes for the unpopularity of the OPA is that it stretches its authority over areas where it has no authority, and has come to be a symbol of tyranny and autocracy throughout the country?

Mr. THOMAS of Oklahoma. The Senator is exactly correct.

Mr. President, the war has now been over for approximately 8 months. We still have a de jure war, but not a de facto war. The only power that the Administrator of the OPA has is under the laws enacted by Congress. I invite the attention of the Senate to Public Law 729 of the Seventy-seventh Congress. This was approved on the 2d of October 1942. This is the authority for Mr. Bowles' action in seeking to raise the margin requirements for the sale or purchase of cotton to $50 a bale. This is the first line of the law:

That in order to aid in the effective prosecution of the war—

All the subsequent provisions of this law follow that first line—"to aid in the effective prosecution of the war."

Everyone knows that the war is over. Instead of Director Bowles trying to let up on his authority and power, he is now from day to day extending the power which he assumed.

Mr. President, I exhibit to the Senate the Revised Statutes of the United States. This is volume 2, No. 67. It was published this morning. Tomorrow there will be another volume of the Revised Statutes of the United States. This volume of the Revised Statutes of the United States contains 50 pages, mostly new legislation and legislation amended at the instance of the Economic Stabilizer, Mr. Bowles.

I exhibit first the order which Mr. Bowles has issued to the Secretary of Agriculture. If the Economic Stabilizer can issue an order to a Cabinet officer of the rank of the Secretary of Agriculture, he can issue an order to the Secretary of the Treasury. He can issue an order to the Secretary of Labor. He can issue an order to the Secretary of State. If he can order Mr. Anderson to do something, who is there in this country that he cannot order to do something?

On the 13th of March Mr. Bowles issued a release suggesting that he planned to order the cotton exchanges of the Nation to increase their margin requirements from what they then were to $50 a bale. That is a proposal to take over the management of the cotton exchanges. If he can take over the cotton exchanges he can take over the wheat exchanges, the corn exchanges, the lead exchanges, the silver exchanges, and any other exchanges in the United States.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. In taking over the cotton exchanges of the United States, as Mr. Bowles attempted to do, the purpose is to take over the whole cotton business. I feel certain that the distinguished chairman of the Committee on Agriculture and Forestry will make it clear that when the cotton exchanges are taken over the cotton farmer, the cotton ginner, the cotton merchant, the cotton exporter, and the cotton mills are all taken over, with the exception of those that have sufficient money to put up $50 a bale. The order will have no effect on the big firms in Worth Street. It will have no effect on some of the big cotton-mill interests in Connecticut. It will have no effect on the big cotton interests. I sincerely hope that the Senator will make explicitly clear that the cross-roads farmer, the cross-roads merchant, and the cross-roads ginner in Oklahoma, Virginia, and South Carolina will be taken over; and Mr. Bowles will do the same thing to the wheat interests when he gets a chance.

Mr. THOMAS of Oklahoma. The statement made by the Senator is exactly correct. The amendment which I have on the table, and which will be called up shortly, is an amendment which directly affects every cotton producer in the South. It affects every cotton ginner in the South. It affects directly every cotton compress in the South, and it will affect every cotton mill in the South. Likewise it will affect cotton mills in the New England States along the eastern seaboard.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. Is it not perfectly apparent that the purpose of this order is to force down the price of cotton? The scale is graduated, and the higher the price goes the heavier the requirement as to margins becomes. So it is perfectly palpable that the object of the whole order is to hammer down the price of cotton.

Mr. THOMAS of Oklahoma. That is admittedly the purpose of the order.

Mr. President, before the war came on cotton dealers could hedge their sales on the exchanges for $500 per contract of 100 bales. That was true at Chicago, New York, New Orleans, and wherever else a cotton exchange existed. When the war came on and the price began to fluctuate somewhat, the exchanges, on their own motion, raised their margin requirements. The Chicago Exchange raised its margin requirement to $10 a bale, so that a country merchant who desired to hedge on 100 bales of cotton had to put up $1,000 on the Chicago Exchange.

Perhaps they had more money in New Orleans—I do not know—but the New Orleans Board of Trade decided to raise the requirement to $15 a bale, so that if a country merchant desired to hedge 100

bales of cotton on the New Orleans market, or if someone wanted to buy 100 bales, the margin requirement was $1,500.

In New York, where perhaps the most money is, the Board of Trade raised the margin requirement to $25 a bale. That meant $2,500 to hedge or to buy a contract of 100 bales in New York.

Now Mr. Bowles comes along and says that these margin requirements are not sufficiently high and so as to keep the price of cotton from mounting he has issued an order that anyone who desires to sell or buy cotton on the exchanges must put up $50 a bale, or $5,000 per contract of 100 bales.

I can speak only for my State. My State is a great cotton-producing State. Oklahoma can produce 1,000,000 bales of cotton. When the farmer produces cotton and has it picked he fills his wagon or truck and takes it to the gin. The gin takes the cotton, removes the seed, and puts the cotton lint in a bale. The farmer then takes the bale of cotton and either sells it at the gin, on the ground, or takes it downtown to a merchant who is buying cotton, and the merchants who are buying cotton have an opportunity to purchase it. That is the only market the farmer has—either the gin, where he has his cotton ginned, or a country merchant in a small town. Imagine what kind of a market the farmers of the South will have if a margin of $50 is required. That means that before the cotton merchant who buys the farmer's cotton can hedge 100 bales—and I believe that is the smallest contract that can be hedged—he must put up $5,000 with the exchange before he can protect himself in the market.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. I wish to remind the Members of the Senate that before any small cotton mill in the Carolinas or in New England or in Georgia or in Alabama can buy 100 bales of cotton to sell for future delivery, it likewise must put up $5,000. The result will be that all the small mills, all the small factories, all the small farmers, and all the small ginners will be wiped out.

Mr. THOMAS of Oklahoma. Mr. President, this is a real problem. What the Senator from South Carolina has just stated is correct.

This matter does not affect only the cotton farmer who sees his prices driven down cent by cent. It destroys the market for cotton throughout the South, because if the little merchant has to put up $5,000 in order to protect himself in the purchase of cotton, the chances are that he will not purchase cotton; he will go out of the cotton-purchasing business. On the other hand, if he decides to go into the business, and does not have $5,000 in his pockets, and he will have to go to the bank and say to the banker, "Mr. Banker, I want to go into the cotton business this fall. As I buy the cotton on the market, I will get the future price each morning and I will buy on that basis, and I will come in each night to report. I not only want money to buy the cotton, but I must have $5,000 to put up on the cotton exchange in order to protect myself in my hedges."

The banker will say, no doubt, that unless the merchant sells hedges against his purchases he will not loan him the money with which to buy the cotton; otherwise, the banker would be placed in the position of speculating upon the price of cotton.

So I maintain that the order of Director Bowles, if maintained and upheld by the courts, will destroy the cotton market in the South and everywhere else.

Mr. MAYBANK. Mr. President, will the Senator further yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. It will destroy all free enterprise in the South; there will be nothing left because, after all, our economy is a cotton economy.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. I do not wish to detain the Senator or to take up any of his time, but I ask whether he intends to discuss the effect which a similar order would have if extended to the grain markets. I wish to have the Senators from the Middle West know that, in feeding cattle, we operate on the same basis as do those who buy cotton.

Mr. THOMAS of Oklahoma. Mr. President, if Director Bowles can write an order and send it to the OPA and direct the OPA to issue it in regard to cotton, then he can go to the Secretary of Agriculture, Mr. Anderson, and direct him to approve a similar order in regard to some other commodity, and in that way he can take over any industry affecting agriculture in these United States.

Mr. WHERRY. Mr. President, what the Senator has said is correct, and that will affect the cattle feeders in the same way that it affects the men who process cotton. In other words, those of us who buy cattle to feed also buy corn on the market. We are required to put up a 10-cent margin, which amounts to $500 for 5,000 bushels. We put up the margin. Then, as corn moves along, we know what the corn will cost us.

If a similar order is applied to cattle feeders and if they are required to increase the margins, that will bring about an increase in the cost of operations in the cattle business.

Mr. MAYBANK. Mr. President, will the Senator from Oklahoma yield to me again?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. It would do the same thing with the Chicago Board of Trade. In fact, if Mr. Bowles can take this first step, he can take over everything. This is merely the beginning.

Mr. THOMAS of Oklahoma. Mr. President, I wish to have the RECORD show what is going on in this country. Congress did not create the position of Economic Stabilizer. Mr. Bowles does not hold his office as a result of any action by the Congress. His position was created by Executive order.

So here we have a man in these United States, never elected to any position, so far as I know—not even to the position of justice of the peace—here we have a man, elected to no position, who has the power of a dictator to dictate to the OPA, to dictate to the Secretary of Agriculture, and then with a political blackjack to make them sign on the dotted line.

That is not a figure of speech. I have talked to the Secretary of Agriculture. For 3 weeks he has held out against this order.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. The Senator said that Mr. Bowles has never been elected to any position. Does the Senator know that he is hoping to be? [Laughter.] Does the Senator know that he is a prospective candidate for Governor of Connecticut?

Mr. THOMAS of Oklahoma. Mr. President, it is currently said on the floor of the Senate, and especially in the cloakrooms, that he has higher aspirations than to be Governor of Connecticut or even Senator from Connecticut, and that he hopes the President of the United States will become so unpopular by the end of his term that he, Mr. Bowles, will be able to step into his shoes. That is rumor in the cloakrooms of the United States Senate.

Mr. President, this issue is not merely about margin requirements.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McCLELLAN. I have listened with a great deal of interest to the Senator's remarks and to those of other Senators regarding this matter. If Mr. Bowles is vested with the powers which he is now exercising, if that process is carried to its logical conclusion, there is no industry or no business in America which he cannot take over and regulate. Certainly, judging from what has been said, by virtue of this action he has become the dictator of the cotton industry of the United States and the potential dictator, at least, of all other agricultural commodities. If he can control the Department of Agriculture and control the prices of and regulate one phase of our economy, I see no reason why he cannot take over any other business or any other segment of the economy of this Nation and dictate the direction it shall take.

Mr. THOMAS of Oklahoma. The Senator is exactly correct.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LANGER. If Mr. Anderson held out 3 weeks, why could not he hold out longer? Mr. Bowles must have convinced him that the order was a good one.

Mr. THOMAS of Oklahoma. I cannot speak for Mr. Anderson; but I conferred with him in Albuquerque, N. Mex., about 10 days ago, and I conferred with him here in Washington, over the telephone, the morning of the day when he signed the order. He signed the order in the afternoon of that day. Although I cannot report exactly what was said, he led me to believe that he was against the order and that he would not sign it unless he had to. That is where the political blackjack came in, and that is what was used on Mr. Anderson, and it took that to do this job.

Mr. President, as I said a moment ago, this issue is not simply one in regard to margin requirements. This is not merely an issue over the prices of cotton. It is not merely an issue over the price of cotton cloth. Rather, this matter raises an issue with respect to the democratic processes of government, the processes of government under the Constitution of the United States. The Constitution of the United States provides for the establishment of three departments of government: First, the legislative; second, the executive; and third, the judicial. In the Constitution of the United States, the legislative department comes first, the executive department comes second, and the judicial department comes third. Of the approximately 4,000 words in the Constitution, Mr. President, 65 percent of them prescribe the duties and powers and limitations upon the Congress, the policy-making branch of the Government. Next, a small percentage sets forth what the executive may do, and the remaining words relate to what the judicial branch may do.

I contend that the Congress is the policy-making branch of the Government and that there is no other policy-making branch, unless the Congress sits supinely by and lets a dictator, as we now have one in an assumed form, tell the people what to do and when to do it.

Mr. President, at this time I ask unanimous consent to have printed in the RECORD at this point the preliminary notice which Mr. Bowles issued to the OPA.

There being no objection, the notice was ordered to be printed in the RECORD, as follows:

COTTON MARGINS

The Office of Economic Stabilization moved today to check speculative increases in the price of raw cotton and protect the joint OPA-CPA program to boost clothing production.

Chester Bowles, Director of Economic Stabilization, instructed the Office of Price Administration to prepare an order raising margin requirements on cotton futures purchases to a uniform level higher than the margins now required by the New York, New Orleans, and Chicago markets.

The uniform initial margins will be $10 a bale. When the price at which a transaction is entered into exceeds 25 cents a pound, the margin shall be $10 a bale additional for each 1 cent or portion of a cent of the excess. The new margins will be applied to the transactions to which they now are specified by the exchanges. Hedging and straddling transactions will not be affected by the regulation which OPA will issue.

Current margin requirements are $10 a bale in Chicago, $15 in New Orleans, and $20 in New York. The New York exchange advances the margin to $25 a bale when the price exceeds 27 cents a pound.

In directing CPA to require higher margins, Mr. Bowles said:

"Voluntary action has been taken by some of the cotton exchanges to curb speculative buying. Last week representatives of the exchanges came to Washington to discuss the need for further increases in margins. However, the proposal made by this office and OPA at that meeting, which was presented to the directors of the various exchanges, has been rejected.

"This is unfortunate. The price of cotton has risen sharply over the last 4 months and is now several cents above parity. OPA last week announced increases in cotton-textile prices which will in the aggregate total a quarter of a billion dollars. A substantial part of this increase is necessitated by the increase which has occurred in the price of cotton. If further increases occur in cotton prices, further increases in textile and in clothing prices will undoubtedly follow. The stabilization program cannot withstand a further rise in clothing prices of any substantial proportions.

"At the same time, every possible effort should be taken to protect textile-mill operators against a squeeze between speculative increases in costs and ceiling prices on their products.

"In this situation, I have no choice but to employ and exhaust all the legal means at my command to stabilize cotton prices. Everyone recognizes the tremendous difficulties inherent in the establishment and enforcement of ceiling prices for raw cotton. We consider that step as the last and least desirable alternative. Short of that the readiest means of reducing the unwarranted and at this time definitely harmful speculation in the cotton prices, is an immediate and substantial increase in the margin requirement of the cotton exchanges.

"Accordingly, I have directed the Office of Price Administration to increase those requirements."

Mr. THOMAS of Oklahoma. Mr. President, that order is a preliminary statement. It is a statement that he will do so and so. He ordered the OPA to prepare an order and put it into effect. At that time, no doubt, Mr. Bowles thought that the Secretary of Agriculture would approve the order. Last year when the OPA was extended, the Senate did its part in bringing about the extension. A bill finally went to conference. The Senator from Alabama [Mr. BANKHEAD] was a member of the conference committee. The Senator from Alabama, acting in behalf of the Senate in rewriting the extension measure, placed in the bill the positive injunction that nothing should be done affecting agricultural commodities unless upon the written order of the Secretary of Agriculture. A provision was placed in the bill insuring that no agency of Government, or any person, not even the President of the United States, had any authority to do anything with respect to the price of agricultural products unless the order covering the matter was signed by the Secretary of Agriculture. That is the law today.

Mr. President, following the preliminary notice which was issued by Mr. Bowles, the order was issued. The exchanges refused to accept the order. The Chicago Exchange said in effect, "No; we will not accept the order or raise our margin requirements." The New York Board of Trade said in effect, "We will not accept the order. We are requiring $25 a bale for margin requirement." The New Orleans Exchange said, "We will not accept the order because we are charging $15 a bale, which we think is ample."

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as part of my remarks telegrams from the heads of the three exchanges to which I have referred. One is from D. T. Manget, president of the New Orleans Cotton Exchange; one is from W. H. Koar, president of the New York Cotton Exchange; and the other one is from Harry C. Schaack, president of the Chicago Board of Trade. The messages speak for themselves. I shall not take time to read them. They are in opposition to the order. Those who sent them state that they will not accept voluntarily the order, and will not accept it at all unless they are blackjacked into accepting it.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

NEW ORLEANS, LA., *April 2, 1946.*

Hon. ELMER THOMAS,
Chairman, Senate Committee on Agriculture and Forestry, United States Senate, Washington, D. C.:

Re telegram: (1) Our exchange after careful consideration has gone on record with OPA as being unalterably opposed to their proposed increased margin requirements; (2) our present requirements $15 a bale to buy or sell speculative contract.

D. T. MANGET,
President, New Orleans Cotton Exchange.

NEW YORK, N. Y., *April 2, 1946.*

Hon. ELMER THOMAS,
Chairman, Senate Committee on Agriculture, Senate Office Building:

Answering questions in your telegram of yesterday: (1) Our exchange has not agreed to proposed order indicated. Felt present standard of margin requirements our exchange more than adequate, but added exchange contemplates no resistance to an order presented by an authoritative Government agency; (2) at present level our initial margin requirements are $25 per bale, $30 per bale at 28.01, and $5 additional each cent rise. Trade accounts are exempt from above margin requirements.

W. H. KOAR,
President, New York Cotton Exchange.

CHICAGO, ILL., *April 1, 1946.*

ELMER THOMAS,
Chairman, Committee on Agriculture and Forestry, United States Senate Office Building, Washington, D. C.:

Happy to receive your telegram with respect to existing margin requirements on cotton. Answering your first question, Chicago Board of Trade protested against OPA interference in margins and has not agreed to any change with respect to margins required under the rules of this exchange. Question 2: The record shows that the minimum initial margin requirement on transactions on this exchange is $10 per bale, or $1,000 per hundred bales. I reiterate my compliments previously expressed to you by telegram and letter on your splendid activity on behalf of the cotton merchants and cotton exchanges in the United States.

HARRY C. SCHAACK,
President, Chicago Board of Trade.

Mr. THOMAS of Oklahoma. Mr. President, I shall state what happened following the refusal of the exchanges to accept the order, and following the refusal of Mr. Anderson to approve the order, I am about to read the order of the dictator. It is printed in today's latest revised edition of the Federal statutes of the United States.

Mr. CONNALLY. The Federal Register.

Mr. THOMAS of Oklahoma. Yes, but this is the latest law. How can lawyers practice law in the United States unless they know what are the latest laws fresh from the public press? Laws are made and repealed daily. I read from page 3603 of the Federal Register, omitting the preamble:

1. The Price Administrator—

That is Paul Porter—

is authorized and directed to issue, and the Secretary of Agriculture is authorized and

directed to approve, a regulation establishing margin requirements on cotton futures purchases in accordance with the public announcement issued by the Office of Economic Stabilization on March 13, 1946.

I have already placed that announcement in the RECORD. Mr. Bowles says that the OPA Administrator is "authorized and directed." The Secretary of Agriculture is ordered and directed to approve the order. It is signed by Chester Bowles, Director. In order that the record may be complete, I ask that that directive on page 3603 of the Federal Register, under the heading "Chapter XVIII—Office of Economic Stabilization" be printed in the RECORD at this point as a part of my remarks. The document which I desire to have printed is the directive of Mr. Bowles.

There being no objection, the directive was ordered to be printed in the RECORD, as follows:

CHAPTER XVIII—OFFICE OF ECONOMIC STABILIZATION

[Directive 103]

PART 4004—PRICE STABILIZATION; MAXIMUM PRICES—COTTON MARGINS

I hereby find that the issuance of this directive is necessary to check speculative increases in the price of raw cotton, to protect the joint program of the Civilian Production Administration and the Office of Price Administration for the production of clothing, and to effectuate the purposes of the stabilization program.

Accordingly, pursuant to the authority vested in me by the Stabilization Act of 1942, as amended, and by Executive Order 9250 of October 3, 1942 (7 F. R. 7871), Executive Order 9328 of April 8, 1943 (8 F. R. 4681), Executive Order 9599 of August 18, 1945 (10 F. R. 10155), Executive Order 9651 of October 30, 1945 (10 F. R. 13487), Executive Order 9697 of February 14, 1946 (11 F. R. 1691), and Executive Order 9699 of February 21, 1946 (11 F. R. 1929), It is hereby ordered:

1. The Price Administrator is authorized and directed to issue, and the Secretary of Agriculture is authorized and directed to approve, a regulation establishing margin requirements on cotton futures purchases in accordance with the public announcement issued by the Office of Economic Stabilization on March 13, 1946.

2. The margin required shall be $10 per bale when the price at which the transaction is entered into does not exceed 25 cents per pound, and shall be increased by $10 per bale for each cent, or fraction thereof, by which the price exceeds 25 cents per pound.

3. The regulation may contain appropriate provisions exempting bona fide hedging and straddling transactions from the margin requirements to be established.

Issued and effective this 2d day of April 1946.

CHESTER BOWLES,
Director.

Mr. THOMAS of Oklahoma. Pursuant to that directive the OPA issued an order to the exchanges. That order is contained on page 3602 of the publication from which I have just read. I exhibit to the Senate a copy of the order. It is the order which Mr. Bowles directed the OPA to issue, and which Mr. Bowles directed Mr. Anderson to sign. I ask that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the matter was ordered to be printed in the RECORD as follows:

PART 1452—SPECULATIVE AND MANIPULATIVE PRACTICES

[Margin Requirement Reg. 1]

MINIMUM INITIAL MARGIN REQUIREMENTS FOR TRADING OF COTTON FUTURES CONTRACTS

A statement of the considerations involved in the issuance of this regulation has been issued simultaneously herewith and filed with the Division of the Federal Register.

(Authority: Sec. 1452.1 issued under 56 Stat. 23, 765; 57 Stat. 566; Pub. Law 383, 78th Cong.; Pub. Law 108, 79th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681; E.O. 9599, 10 F.R. 10155; E.O. 9651, 10 F.R. 13487; E.O. 9697, 11 F.R. 1691.)

SECTION 1. Types of transactions covered: This regulation shall apply to every type of transaction involving a cotton-futures contract for which on March 1, 1946, minimum initial margins were required by the rules of the contract market on which the futures contract is being traded. All transactions (except those executed prior to April 9, 1946) requiring minimum initial margins under the rules in effect on March 1, 1946, of any contract market are specifically covered hereby and must meet the requirements set forth in section 2. This regulation shall not apply to bona fide hedging transactions as defined in section 4a (3) of the Commodity Exchange Act nor to net positions in cotton futures to the extent that such positions are shown to represent straddles or spreads between cotton futures or markets, nor to minimum initial margins required by the clearing associations serving the contract markets.

SEC. 2. Minimum initial margin requirement: On and after April 9, 1946, the minimum initial margin requirement for transactions to which this regulation applies shall be $10 per bale when the price at which the futures contract is sold does not exceed 25 cents per pound. If the selling price of the futures contract is between 25.01 cents and 26 cents per pound inclusive the minimum initial margin requirement shall be $20 per bale. For each full cent that the selling price exceeds 25.01 cents per pound this minimum initial margin requirement shall be increased by an additional $10 per bale.

SEC. 3. Persons affected. (a) In effecting or executing a cotton-futures transaction on any contract market for any other person a futures-commission merchant shall, for that transaction, assure himself of the minimum initial margin specified in section 2 in the manner prescribed by the rules of said contract market in effect on March 1, 1946. The person for whom a cotton-futures transaction is being executed shall deposit the minimum initial margin specified in section 2 in the manner prescribed by the rules of said market in effect on March 1, 1946.

(b) Each contract market shall promptly report to the Office of Price Administration, Enforcement Department, Washington 25, D. C., any knowledge it has concerning violation of the regulation by any person making use of its facilities: *Provided*, That a contract market may defer such a report until it has made such investigation of its information or knowledge as may be appropriate under its rules.

SEC. 4. Validity of futures contracts: This regulation shall not affect the validity or negotiability of a cotton futures contract traded in contravention of this regulation.

SEC. 5. Enforcement: Any person violating any provision of this regulation is subject to the criminal penalties and civil enforcement actions provided by the Emergency Price Control Act of 1942, as amended.

SEC. 6. Definitions: When used in this regulation the term—

(a) "Person" includes an individual, corporation, partnership, association, or any other organized group of persons or legal successors or representatives of any of the foregoing;

(b) "Transaction" includes sales, trades, purchases, dispositions, and other transfers of contracts;

(c) "Cotton futures contract" means an agreement made through the medium of a cotton contract market to deliver or receive a specific quantity of raw cotton during a specific month as provided by section 5 of the United States Cotton Futures Act and the Commodity Exchange Act, as amended;

(d) "Minimum initial margin requirement" means the least initial amount of cash or cash equivalent a purchaser or seller of a cotton futures contract must deposit against each bale contained in such contract;

(e) "Bale" means a quantity of raw cotton bound in a single unit as required by standard specifications established by the rules of the cotton contract markets in effect on March 1, 1946:

(f) "Selling price" means the recorded price at which the contract is bought or sold;

(g) "Contract market" means a commodity exchange or board of trade designated as a contract market by the Secretary of Agriculture under the Commodity Exchange Act as amended;

(h) "Rules of a contract market" means the charters, bylaws, bulletins, or other rules adopted by such market;

(i) "Futures commission merchant" includes individuals, associations, partnerships, corporations, and trusts engaged in soliciting or in accepting orders for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market and that in or in connection with such solicitation or acceptance of orders, accepts any money, securities, or property (or extends credit in lieu thereof) to margin, guarantee, or secure any trades or contracts that result or may result therefrom.

This regulation shall become effective April 9, 1946.

NOTE.—The reporting provisions of the regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Issued this 3d day of April 1946.

JAMES G. ROGERS, Jr.,
Acting Administrator.

Approved: (By direction of the Director of Economic Stabilization) April 2, 1946.

CLINTON P. ANDERSON,
Secretary of Agriculture.

Mr. THOMAS of Oklahoma. Mr. President, I read the latter part of the order.

Issued this 3d day of April 1946.

It is signed:

James G. Rogers, Jr., Acting Administrator.

Mr. Porter was evidently out of town, or could not be reached, because Mr. Rogers signed the order. Then underneath the order is the following notation: "Approved."

I ask Senators to listen.

Approved: (By direction of the Director of Economic Stabilization) April 2, 1946.

Clinton P. Anderson, Secretary of Agriculture.

Mr. Anderson could have approved this order by signing his name and saying "Approved, Clinton P. Anderson." He did not do that. When he signed the order he said, "Approved", and added the words in parentheses, "By direction of the Director of Economic Stabilization." That is the situation. Mr. Anderson did not want to sign the order. He was either forced to sign it or step

out and let someone come in who would take orders.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. Is it not true that that was a direct violation of the law because, as the Senator has already said, in the conference committee the Senator from Alabama [Mr. BANKHEAD] had language incorporated in the law to the effect that such orders could not be issued except on approval of the Secretary of Agriculture. If someone other than the Secretary of Agriculture may direct that certain action be taken, it is not the Secretary of Agriculture who is doing it at all.

Mr. THOMAS of Oklahoma. Mr. President, I construe this to have been an act under duress, and by bringing to bear upon the situation everything which a man has power to use over another man in forcing him to do something against his will.

Mr. MURDOCK. Mr. President, does the Senator take the position that Mr. Anderson, a Cabinet officer, could be forced by Mr. Bowles to sign something against his will?

Mr. THOMAS of Oklahoma. I take the position that he has done so. Otherwise, why would he have held the order for 3 weeks?

Mr. MURDOCK. The Clinton Anderson whom I know, who was a Member of the House of Representatives, and with whom I served, the Secretary of Agriculture whom I know, this same Clinton Anderson, is not the type of man who, in my opinion, can be forced to do anything against his will.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article appearing recently in the Wall Street Journal. It is under the heading "Must Anderson sign cotton margin order?"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MUST ANDERSON SIGN COTTON MARGIN ORDER?—AGRICULTURE SECRETARY DOESN'T WANT TO, AND LEGAL QUESTION DELAYS ISSUANCE

WASHINGTON.—Issuance of the cotton margin order by the Office of Price Administration has been delayed by a series of disagreements as to which Government officials must sign the proposed regulation.

Secretary of Agriculture Anderson contends, probably because he does not wish to become further involved in the controversy, that the OPA can legally issue the order without his signature.

But some top officials at the pricing agency say that since the legality of the margin order probably will be contested in court, lack of Secretary Anderson's signature might cause legal complications.

Senator JOHN BANKHEAD (Democrat, Alabama), spokesman for the cotton bloc in the Senate, has entered the wrangle with the statement that in his opinion the OPA was not empowered to act in the matter without approval of Secretary Anderson. He stated he had been assured by Mr. Anderson that he would not sign the margin regulation.

Observers believe that, should the OPA and Department of Agriculture be unable to agree whether Mr. Anderson should sign the order, the matter will be referred to Economic Stabilizer Bowles. If Mr. Bowles feels that Mr. Anderson should "O. K." the regulation, he is in a position, as delegate of the President, to direct Mr. Anderson to sign.

Mr. THOMAS of Oklahoma. That was the question, Must he sign it? The Attorney General held that he had to sign it before it could become effective. The Attorney General made that decision on the law.

Mr. President, I shall read the law. This was a solemn act of the Congress, approved last year, on June 30, 1945, the law extending the OPA, and here is the provision of the law which the Congress placed in the bill, in order, as we thought, to protect the farmers and to protect the farmers' prices. This is the provision:

Notwithstanding any other provision of this or any other law—

No order could be contrary to this, no law could be in contradistinction to this—

Notwithstanding any other provision of this or any other law no action shall be taken under this act by the Administrator—

And listen—

or any other person, without prior written approval of the Secretary of Agriculture with respect to any agricultural commodity.

That is the law today, and it was made so broad as to catch everybody in the United States, even the President of the United States. I contend that that catches this man who holds an office which was not created by the Congress, a man whose appointment was not even confirmed by the Senate.

Mr. MORSE. Mr. President, does Mr. Anderson say that he did not sign the order willingly?

Mr. THOMAS of Oklahoma. I have not talked to Mr. Anderson since he signed the order, but he told me that he would not sign it unless he was made to do it. He did not use those words, perhaps, but that was the implication, and that was the understanding.

Mr. MORSE. I understood the Senator to say, in effect, that Mr. Anderson did not have any choice about the matter, he either had to sign it or get out.

Mr. THOMAS of Oklahoma. The Senator can draw his own conclusion. I can only have my conclusion. He was directed to sign it. He did not sign it voluntarily. He inserted in parentheses, when he did sign it, that he was directed to do it. If he had wanted to do it voluntarily, he certainly would not have forced another coofficial in the administration to issue an order and direct him to do it.

Mr. MORSE. Mr. Anderson is a Cabinet officer, and is it the Senator's implication that he was directed to do it by Mr. Bowles, or by the President of the United States?

Mr. THOMAS of Oklahoma. The Senator can have his own conviction about that matter. He can find out as well as I. I am going on the record.

Mr. MORSE. I have been trying to find out whether the Senator means there was coercion.

Mr. THOMAS of Oklahoma. The order, to any fair-minded man, from my viewpoint, shows it was coercion, intimidation, threat, political blackjacking, so to speak, that caused Mr. Anderson to sign this order.

Mr. President, this is not the first time this matter has arisen. Congress has passed upon the question already, in a way.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. I should merely like to ask the Senator two questions. At this season of the year there is not any cotton for sale by the farmers, to any considerable extent, is there?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. MAYBANK. The majority of the cotton is sold by the farmers in August, September, and October. Am I correct?

Mr. THOMAS of Oklahoma. Yes.

Mr. MAYBANK. Advantage is being taken of the farmers in the Senator's State and in my State today, while they are plowing and working and preparing the land in order to harvest the cotton in August, September, and October next year. While the distinguished chairman of the Committee on Agriculture and Forestry has read a few telegrams from exchanges, I wish to say that I have letters and telegrams, as he has, from farmers, from people who know what effect this order will have in August, September, and October. I merely wanted to bring out that point.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. FERGUSON. Would the Senator classify the coercion exerted upon the Secretary of Agriculture as political coercion rather than the ordinary coercion?

Mr. THOMAS of Oklahoma. I rely upon the record. Mr. Anderson occupies a great position. He is in a position to do great things not only for the country, but for the farmers of the United States.

I am in rather close contact with Mr. Anderson, and I believe he desires to do everything he can to help the farmers of the United States help themselves. He is surrounded with influences which may defeat him in that aspiration. We have the Labor Department constantly trying to have wages increased. The bill pending before the Senate at this time has for its purpose an increase in wages to underprivileged workers. The Administration has already approved an order increasing wages of skilled industrial workers 18½ cents an hour.

It seems to me that one part of the Government is trying to lift wages, and we have the Economic Stabilizer doing what he can, with authority or without authority, to bring down the income of the farmers of the United States. I cannot go along with that kind of a proposition. I am for high wages.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MURDOCK. Would it not be a reasonable assumption for us to make that the Secretary of Agriculture, if he were opposed to the signing of this order, would certainly have recourse to the Attorney General as to what the law was in the case, and is it not a reasonable assumption for us to make that, instead of being politically blackjacked into signing it, the Secretary of Agriculture in all probability took the matter up with the Attorney General, and that the Attorney General as a matter of law advised him that Director Bowles had the legal authority to direct him to sign that order, and that under the law he was required to do it?

It seems to me, if the Senator will indulge me for one further observation, that we must presume here in the legislative department of the Government that the men in the executive department of the Government also have some regard for what the law is. I have an idea that, if this matter is traced back, it will be found that it was referred to the Attorney General for his opinion, and that he ruled on it before the Secretary of Agriculture signed the order.

Mr. THOMAS of Oklahoma. The Senator is correct, as I am advised. Mr. Anderson did not act until he had advice from the Attorney General. The Attorney General held, I am advised, that this order could not be placed in effect until it was approved in writing by the Secretary of Agriculture. He did not hold that it would be legal if he approved it, but there could not be an attempt to place it in effect unless it had the written approval of the Secretary of Agriculture.

Mr. President, I might ask the question, Where did Mr. Bowles get his power to ask the Office of OPA or the Secretary of Agriculture to promulgate and put into effect such an order as this? The Congress never gave it to him. There is no law upon the statute books about the economic stabilizer, so far as I know. That office was created by an Executive order. I shall not go into that. The courts will go into it later in all probability.

Mr. President, this identical question has been considered by the Senate. In 1939, some 7 years ago, the then Senator from Iowa, Mr. Gillette, introduced a bill in the Senate, Senate bill 831, on January 19, 1939, and it was referred to the Committee on Agriculture and Forestry. I ask permission to have the bill printed in the RECORD at this point.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 831

A bill to amend the Commodity Exchange Act, as amended, to authorize the Commodity Exchange Commission to regulate customer margin requirements.

Be it enacted, etc., That the second sentence of section 4a (1) of the Commodity Exchange Act, as amended (2 F. C. A., title 7, sec. 6a), is hereby amended to read as follows: "For the purpose of diminishing, eliminating, or preventing such burden, the Commission shall, from time to time, after due notice and opportunity for hearing, by order, proclaim and fix the customer margin requirements in futures contract markets at a certain percentage, not less than 25 percent of the closing quotations, in and for the respective futures contract markets, of the last trading day of the same future of the preceding calendar year, and shall proclaim and fix limits on the amount of trading under contracts of sale of such commodity for future delivery on or subject to the rules of any contract market which may be done by any person as the Commission finds it necessary to diminish, eliminate, or prevent such burden."

Mr. THOMAS of Oklahoma. Mr. President, this bill had for its purpose the raising of the margin requirements in all the exchanges to the extent of 25 percent of the purchase price on the day the sale was made, or the day the purchase was made; the bill will speak for itself.

The chairman of the committee at that time, Senator Smith, appointed a subcommittee to consider the bill. On that subcommittee were Senator Bulow, of South Dakota, Senator Gillette, of Iowa, and Senator George W. Norris, of Nebraska. They were the three members of the subcommittee of the Committee on Agriculture and Forestry appointed to consider the proposed legislation.

Mr. President, this bill, before the subcommittee began its hearings on it, was sent to the Department of Agriculture for consideration and report. The Secretary made a report. The report was adverse. I exhibit to the Senate the report by the Secretary of Agriculture. It was not signed by the then Secretary. It was signed by the then Acting Secretary F. W. Reichelderfer. The report is dated April 9, 1939. I ask unanimous consent that the adverse report on this request to raise the margin requirement be placed in the RECORD in connection with my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, April 24, 1939.

Hon. E. D. SMITH, *Chairman,*
Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR SMITH: In accordance with your request of January 25, the Department submits its report on bill S. 831.

The bill would amend the Commodity Exchange Act to authorize the Commodity Exchange Commission (Secretary of Agriculture, Secretary of Commerce and Attorney General) to "fix the customer margin requirements in futures contract markets at a certain percentage, not less than 25 percent of the closing quotations, in and for the respective futures contract markets, of the last trading day of the same future of the preceding calendar year."

The legislative standard laid down for fixing margin requirements in terms of percentages of the closing prices for various futures during the preceding calendar year is not considered practical. Enforcement would be difficult as well as costly.

There are, for example, nine contract markets for wheat alone. Not less than four wheat futures are traded in on each such market during each calendar year. Unless by pure coincidence certain futures happen to have closed at the same price, commission firms would have to apply a different unit rate of margin to each of the several wheat futures, and also to the different commodities and markets. Most commission firms operate in more than one market and have customers who trade in various commodities. Aside from innumerable innocent violations which would occur under the proposed scheme the cost of enforcing it against intentional violations and evasions would be enormous.

The bill provides that the rate of margin shall be fixed "after due notice and opportunity for hearing." This is necessary, no doubt, from the legal standpoint. If, however, margin rates are to be fixed in terms of percentages of the closing prices of the various futures during the preceding calendar year, it follows that hearings must be held and margins fixed anew each year. The Department sees no advantage in such procedure and questions the desirability of attempting to fix margins in this manner. Obviously, a margin fixed on the basis of past prices may or may not be proper in relation to current prices.

The bill, being an amendment to the Commodity Exchange Act, necessarily restricts the application of minimum margins to those important agricultural commodities named in the present act. If customer margins are to be fixed under authority of law, it seems desirable that this be done with respect to all commodities. Trading will tend to center in those commodity markets in which the margin requirements are lowest. Such markets might attract more trading than is necessary or desirable. Conversely, the markets for the important agricultural commodities covered by the Commodity Exchange Act might suffer by lack of volume and become too narrow and restricted to serve the needs of hedgers.

Because of the objections stated herein the department's report upon bill S. 831 is unfavorable.

Upon reference of this matter to the Bureau of the Budget, as required by Budget Circular 344, the Director thereof advised the Department of Agriculture under date of April 20, 1939, that there would be no objection on the part of that office to the submission to Congress of this report.

Sincerely,

F. W. REICHENDERFER,
Acting Secretary.

Mr. THOMAS of Oklahoma. I read the last paragraph of the report:

Because of the objections stated herein the department's report upon the bill S. 831 is unfavorable.

So at a former time an attempt was made to raise the margin requirements. The Department of Agriculture was against raising the margin requirements, and submitted an unfavorable report, and as a result the subcommittee never even made a report to the full committee. The bill went the road taken by so many bills introduced in Congress, it went into a pigeonhole somewhere, and no doubt it is still there.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. Will the Senator advise us who was the Secretary of Agriculture at that time?

Mr. THOMAS of Oklahoma. It was Secretary Wallace.

Mr. MURDOCK. Mr. President, will the Senator yield to me?

Mr. THOMAS of Oklahoma. I yield.

Mr. MURDOCK. I do not want the Senator to get the idea that I take the position that the order to which he refers is correct or that it is based on law. My position is simply this, that I think it is reasonable for us to infer that the

Secretary of Agriculture sought the advice of the Department of Justice before he acted. But I am taking no position either one way or the other as to the correctness or legality of the order which the Senator has discussed.

Mr. THOMAS of Oklahoma. Mr. President, after the Secretary had reported against the Gillette bill, the subcommittee proceeded to hold hearings—and I exhibit to the Senate a copy of the hearings—on a bill to authorize the Commodity Exchange Commission to require the raising of margin requirements. These [exhibiting] are the hearings held before the subcommittee of the Committee on Agriculture and Forestry, in June and July 1939.

I desire to call attention very briefly to a few sentences from the testimony of witnesses who appeared before the subcommittee. I call attention first to the statement of John Lee Coulter, an economist. Mr. Coulter at one time was president of the North Dakota State Agricultural College. For a number of years he was a member of the United States Tariff Commission. This is what Mr. Coulter, after arguing against the bill, said:

In other words, futures trading has an outstanding function in the attempt to arrive at the price of a given commodity as of a certain futures date.

Mr. Coulter approved the existence of these exchanges. And, Mr. President, if it were not for the exchanges there would be no liquid cotton market in the United States. If it were not for the exchanges there would be no liquid wheat market in the United States. If it were not for the exchanges there would be no liquid market of any kind in the United States. It is the exchanges that make the liquid market. The futures market controls the spot market. The spot market controls the price the farmer receives for his cotton. The spot market on wheat controls the price the farmer receives for his wheat or for his corn, or for his livestock for that matter.

I quote further from Dr. Coulter:

There is a very large group of business interested in commodity exchanges, wholly and solely in order to avoid gambling or taking chances. When the operator or manager of a country elevator buys a load of wheat from each of ten or twenty threshing machines, and during the day takes in a thousand bushels and pays cash, he does not know what the price of that wheat is going to be when it is loaded on the car and delivered at the terminal elevator, and he, the manager of the country elevator desires to avoid taking chances. Therefore he hedges or he sells a thousand bushels because he bought a thousand, and he does not want to risk a change in price. He is certainly not gambling, but he is trying to avoid gambling.

That is the reason for the existence of these exchanges, and that is the kind of service they perform. When the little merchant in the United States buys a few bales of cotton he hedges against those bales on the exchange. He knows what he pays for them. At the same time he buys them he sells against them, so his position is protected. If cotton goes up he has an increased price of spot cotton to remunerate him. If the price goes down his hedge protects him in the loss on the spot cotton.

I read further:

To all of that group the exchange serves an insurance function and removes chance for him.

Again I read from Dr. Coulter, who mentions those who are interested in these exchanges. He first mentions the farmer. He mentions next the terminal elevator. Next he mentions the miller. Next the baker. Those people are all interested in these exchanges. Each one of them deals in grain. In order to protect himself against loss when he buys a certain amount of flour, the baker, when he buys flour has a chance to go in the market and sell a hedge against it so if flour goes down he is protected in the sale of the product.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. Is it not true that this is not a profit-making arrangement, but is purely one of insurance? The merchant hedges so as to assure against losing any money but he will not make any profit either. If he hedges he will not make any profit. He will not make any profit either way.

Mr. THOMAS of Oklahoma. The Senator from Texas is correct. If the Senator were a cotton merchant in Texas, where there are many small merchants, and were to buy tomorrow 100 bales of cotton, the chances are he would pay a certain price a pound for the hundred bales, say, 25 cents a pound. Then tomorrow afternoon, before the exchange closed, he would sell a hundred bales on the nearest exchange to him. He paid 25 cents a pound for his cotton. Whatever may happen to it, with the hedge his position is fixed. If the price should go to 30 cents, then he would have 5 cents profit, but would have 5 cents loss upon his hedge. His position is the same if cotton goes up or if it goes down. Destroy these exchanges, and where is the merchant, where is the terminal elevator, where is the cotton gin, where is the cotton compress, where is the mill, where is the large wholesaler who buys cloth by the hundreds of thousands of yards? They are all left without any protection whatever. They have no place to go to protect themselves.

Mr. President, the purpose of this order is to drive the price of cotton down. Otherwise it would not have been issued. If it drives the price of cotton down and at the same time drives the cotton exchanges out of existence, then where will there be any place in America where the cotton merchant or anyone connected with the cotton industry can go to protest himself? Where could he go for credit? The bank would not loan a man money unless he had other collateral. As our economic system is now operating, individuals can borrow money on wheat, they can borrow money on corn or on cotton, because the banks know that those commodities are liquid every day in the year. A man dealing in wheat can go to the bank and borrow the money he wants if he is a good businessman. But if these exchanges are closed, there will be no opportunity for anyone to hedge.

I read further from Dr. Coulter's testimony, and I shall not take the time of the Senate very much longer:

I am thinking along the line of attempting to steady the market and force it to function in the interest of the general welfare, if it is going to function at all, and I would say there that just as a State can accomplish nothing in the regulation of the exchanges, even the Federal Government in a matter of this sort would accomplish, I think, nothing by requiring a margin so great as to attempt by that to put the futures trading out of business, because I think it would merely drive it into Montreal, Toronto, Winnipeg, London, Paris, or some place else, and we would not only have accomplished nothing except driving it out of this country, but it would then be beyond our supervision.

If the exchanges were driven out of business, as I stated a while ago, there would be no place in America where businessmen could protect themselves. The exchanges would still be operating in Canada. They might still be operating in Mexico, or some other country. So if we drive the exchanges out of America, there is nowhere else in this country where these businessmen can protect themselves. If they protect themselves, it will be in some other country—in Canada in all probability, or in some other neighboring country. If that should happen, a very large amount of revenue would be lost to our Federal Treasury, and the revenue would go to some other country, and would not serve to help pay the expenses of this Nation.

Dr. Coulter states further:

Therefore, personally, I am not in harmony in my thinking with those who would merely use this as a device to raise margins in order to put the exchanges out of business or to drive them into other countries.

I shall not pursue Dr. Coulter's testimony further. I wish to refer to one or two other witnesses briefly.

Another witness who appeared before the subcommittee was Bernard A. Smyth.

Mr. Smyth was formerly of Omaha, Nebr. He now resides in Washington. He is a former member of the Omaha Grain Exchange, and former District of Columbia manager of E. A. Pierce & Co., a member of the New York Stock Exchange. He is a former member of the board of the Gallatin Institute of Applied Economics. Mr. Smyth said:

I will not go into the question of the economic value of speculation, but I dare say, in all fairness, that speculation as a part of the present system, has aided the farmer as much as it has injured him. And that the futures market as such—that is, hedging and speculation—is a fundamental and a necessary operation of the present system.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. YOUNG. I think there is one point which the Senator has not brought out very clearly, and that is this: in my home market wheat is now selling at $1.54 a bushel. If I went there tomorrow morning and sold 5,000 bushels, the operator would immediately wire Minneapolis and sell 5,000 bushels. If he could not hedge, he would discount my wheat 10 or 15 cents a bushel to insure his coming out whole. In other words,

if he could not hedge, the elevator man would take an extreme discount.

Mr. THOMAS of Oklahoma. The Senator is exactly right. Everyone who deals in grain knows that to be the truth. If we destroy the national market, if a farmer wishes to sell something he must first find someone who has the money to buy it, and someone who wants it. When he finds that person, he takes what the man who has the money will give him for it.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. I merely wish to say that the able Senator from North Dakota is eminently correct with respect to grain. I appreciate his remarks. The same thing applies to cotton. In the South most of the cotton is sold on Thursday, Friday, and Saturday, because on Monday, Tuesday, and Wednesday, in the fall of the year, as the distinguished chairman of the Committee on Agriculture and Forestry knows, the farmers are picking cotton. They sell it over the week end. If there were no exchanges I do not know what would happen to the farmers.

Mr. THOMAS of Oklahoma. Mr. President, I shall not detain the Senate much longer. To me this is a very important matter, and I wish to make a record.

I again quote from Mr. Smyth:

In conclusion speculation is fundamental to our present economic order of society and business, because it arises from the inevitable risk and the inherent vicissitudes of all industry and trade. It usually intervenes to adjust present prices to future but seemingly probable values.

Mr. Smyth further stated:

I further stated that when margins are increased the tendency is to reduce the number of traders and thereby curtail activity, which results in wider spreads between bid and ask prices. I should have added that as margins are increased, the bulk of the speculative trading, at least theoretically, is thrown or placed in the hands of the moneyed group.

That is what this economist says. As we restrict trading, prices are inclined to fall. As we restrict trading, it is limited to those who can afford it, the moneyed class.

Quoting again:

The activities of the group, without the resistance or interposing of the many small traders, who collectively absorb large quantities in both sides of the market, will not only tend to increase the likelihood of sizable fluctuations in the price level, but gives more power of control to the privileged ones who have been in the past accused and found guilty of manipulations.

This order provides that a man may hedge for a minimum amount of money. That is, a man may sell on the exchanges for a smaller amount of money. I think the hedging transactions are now about to be increased, so that when fall comes, as my friend from Mississippi knows is true in his State, and my friend from South Carolina knows is true in his State, the farmers will take their cotton to the market. The men who buy the cotton want to hedge. They can hedge for a minimum amount of money. In other words, they can sell for a minimum amount of margin. But the man who must buy the cotton must put up $5,000 a hundred bales, or $50 a bale. That puts a premium on driving the price of cotton down, and a penalty on those who want to keep the price up.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. The Senator is eminently correct. Cotton mills which want to buy so that they can sell their cloth for December and January deliveries next season must put up $5,000 a contract to protect themselves when they are trying to buy; whereas if the price of cotton goes down, then the cotton mills and those desiring to buy can buy cotton more cheaply. It is done for one purpose only, and that is to put a price control on cotton.

Mr. THOMAS of Oklahoma. If the Congress wishes to countenance a system of government by dictators who have the power to use what I have called a political blackjack, it has an opportunity to sit idly by and let this order go into effect. The order is issued to go into effect next Tuesday. If nothing is done it will go into effect next Tuesday. I cannot speak for the exchanges. I do not know what legal steps they will take, if any, to protect themselves. If the order does go into effect, and if the exchanges make no defense, the order will presumably be legal. Those who desire to purchase cotton on the exchanges will have to put up $50 a bale, or $5,000 to buy a 100-bale contract.

Then, Mr. President, when cotton can be sold at a minimum cost, and it costs $5,000 to buy it, what will be the effect upon the cotton market? The effect will be that which Mr. Bowles intends his order should have, namely, to drive the price of cotton down.

Mr. President, it has been shown—and has not been controverted—that the farmer gets for his work-hour just as much money for 1 hour as he can sell a pound of cotton for. If a farmer can sell a pound of cotton for 20 cents, he gets 20 cents an hour for his labor. For 25 years the price of cotton has been far below parity. In 1930, 1931, 1932, and 1933 the cotton farmers of the South had to raise their cotton and sell it at prices ranging between 3½ and 6 or 7 cents a pound, which meant that in those years the cotton farmers received only from 3½ to 6 or 7 cents an hour for their labor. That statement has not been contradicted.

I ask unanimous consent to place in the RECORD at this point the formula which demonstrates the truth of that assertion.

There being no objection, the formula was ordered to be printed in the RECORD, as follows:

COTTON PRICE PER POUND IS COTTON LABOR PRICE PER HOUR

When cotton sells for 10 cents per pound, the laborer receives 10 cents per hour for his work in producing the cotton.

If cotton should sell for 20 cents per pound, the producer would receive only 20 cents per hour for his labor.

At the present price of cotton—16 cents per pound—the grower receives 16.12 cents per hour for his labor.

The following analysis of receipts and expenses demonstrates the stated facts:

1. Average yield of lint cotton per acre, 10-year period (1919–28)—Authority: Agricultural Statistics, 1940, page 109, 162 pounds.

2. Average yield cottonseed per acre—Note: Double the weight of lint cotton, 324 pounds.

3. Average number hours of human labor necessary to produce 1 acre of cotton, 85 hours.

4. If it takes 85 hours of human labor to prepare the soil, plant, cultivate, pick, and market 1 acre of cotton, then we secure the following results:

5. By dividing the average amount of lint cotton produced per acre (162 pounds) by the total number of hours (85), we find that each hour produces lint cotton to the amount of 1.9 pounds.

6. By dividing the average amount of cottonseed produced per acre (324 pounds) by the total number of hours (85), we find that each hour produces cottonseed to the amount of 3.81 pounds.

7. The average price of spot cotton at the 10 designated markets on October 20, 1941, was $0.16 per pound.

8. The price of cottonseed on October 20, 1941, was $50 per ton.

Recapitulation

RETURNS

	Cents
1 hour human labor produces 1.9 pounds of cotton lint at 16 cents per pound (see 5 and 7 above)	30.40
1 hour human labor produces 3.81 pounds of cottonseed at $50 per ton or 2.5 cents per pound	9.52
Total returns for 1 hour human labor	39.92

EXPENSES

Expense—Ginning at $7 per bale (500 pounds) or 1.4 cents per pound: 1.9 pounds at 1.4 cents per pound	2.66
Expense—Fertilizer at average cost 1 cent per pound of lint: 1.9 pounds at 1 cent per pound	1.90
Expense—Poison at average cost 1.64 cents per pound of lint: 1.9 pounds at 1.64 cents	3.11
Total expense	7.67
Total return per hour of labor	39.92
Total expense	7.67
Net return	32.25
Landlord's share—one-half of 32.25 cents, or	16.12
Labor's share—one-half of 32.25 cents, or per hour	16.12

Mr. THOMAS of Oklahoma. In the hearings on the parity formula this question was gone into rather thoroughly. I exhibit to the Senate the hearings on the formula for determining parity prices. Those hearings were held on Senate Resolution 117. This volume [exhibiting] is part 2 of the hearings, which were held in the months of July, August, September, and October of 1941. The hearings are printed in the volume which I hold in my hand. On page 488 will be found the formula which the economists have worked out, which demonstrates that the price which the farmer receives for 1 pound of cotton is the exact amount which he receives for 1 hour of labor.

Mr. Bowles approved an increase of 18½ cents an hour for industrial labor. Another branch of this Government, the Department of Labor, is supporting the amendment pending in this bill, raising the minimum wage from 40 cents an hour to 65 cents an hour; and yet an effort is being made to drive down the

price of cotton, which means the hourly wage of the cotton growers of this country, below what it is tonight. Tonight spot cotton, the staple brand of seven-eighths cotton, is selling for 26 or 27 cents a pound. So the man who has raised spot cotton of the standard brand of seven-eighths inch staple, tonight gets less than 27 cents a pound for his cotton, which means that this fall when he produces a crop, if the price remains where it now is, he will receive only 27 cents an hour as wages for the work he has done. How can a man in an agricultural State produce his cotton and remain quiet when an order of this kind is placed before his face, and yet make no objection to the enforcement of the order?

Mr. LANGER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LANGER. Do the hearings show how much of the cotton is actually delivered and how much of it is phantom cotton in which the gamblers speculate?

Mr. THOMAS of Oklahoma. Mr. President, the record shows from day to day how much cotton is delivered and how much cotton the speculators deal in. This order will affect approximately two and one-half million bales of cotton; there is that much of an open interest on the exchanges of the United States tonight. Someone sold those bales of cotton; and when they are sold there must be someone to buy them. That means the open interest. So tonight there are citizens of this country or of other countries who have short interests in the cotton market to the extent of approximately two and one-half million bales. If this order becomes effective and if it does what Mr. Bowles thinks it will do—namely, drive the price of cotton down 1 cent—that will amount to $5 on a bale of cotton. Multiplying two and one-half million bales by $5, will show the amount of profit which the short interests will get as a result of a 1-cent drop in the price of cotton. If the drop in the price should be 2 cents, that would amount to a decrease of $10 in the price of a bale of cotton. So we can see just how much profit the speculators who are on the short side will get.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAYBANK. I should like to say to the Senator that a question has been asked as to how much interest the gamblers have. I wish to say that the Wall Street gamblers or other gamblers will not be very much affected, because it is not very much trouble for them to go down to the National City Bank or the Guaranty Trust Co. or the Chase National Bank or the Manhattan Bank or some other bank in the city of New York and obtain the money they need for their margins. The one who will be hurt will be the crossroads merchant or the small farmer or the small cotton ginner. He is the one who will be the worst hurt when the fall comes.

Mr. LANGER. Mr. President, will the Senator further yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LANGER. I think the Senator from South Carolina said the cotton farmer sold his cotton months ago.

Mr. MAYBANK. That is correct. I also said the cotton farmer would be the one who would be the worst hurt when the fall comes.

Mr. THOMAS of Oklahoma. Mr. President, let me clarify this matter. If this order goes into effect, the man who holds cotton will lose $5 or $10 a bale. The man who has sold the cotton short will gain $5 or $10 a bale. Those who wish to do that for the speculator and help him in that way are at liberty to take that side.

As for me, I am on the other side. I wish to see the price of cotton go up. I am in favor of high prices for cotton—not because I want high prices, but because high prices must come. I shall not take the time of the Senate to amplify that statement to any great extent; but we cannot service the national debt or pay for the National Army or take care of the returning veterans or meet the national budget on a low-price level. We cannot possibly do it on the present price level.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McMAHON. How high does the Senator want prices to be?

Mr. THOMAS of Oklahoma. I want them to be just as high as they have to be in order to keep this country a going concern.

Mr. McMAHON. How high would the price of cotton be at that time?

Mr. THOMAS of Oklahoma. Mr. President, I shall answer the question. After the last war, cotton sold for 44 cents a pound. Tonight the price is 26 or 27 cents a pound—scarcely half of what it was after the last war. After the last war it took the Republican administration 6 years to decide just where the price level should be placed. That was done in 1926.

We cannot tell now where the price level must be. I am not a seer, but it is my judgment that prices must edge up to the point where the people can make sufficient money to enable them to pay the taxes which are necessary in order to keep this Government a going concern. If they do not, we cannot pay the interest on the bonds and the bonds cannot be paid, and the country must go into default and repudiation.

I am not an inflationist. I am in favor of raising the price level to the point where it must be. I do not want to take an atom of wealth from any bondholder in the world. That will not be done with my consent. I want the bondholders to get every bit of value they can for all the bonds they hold. But if the price level is placed so low that the people cannot make sufficient money to enable them to pay taxes which are necessary to pay the interest and to pay for the bonds, then what will happen? That is my position. I should like to have someone controvert it if he can.

Mr. President, I have received hundreds of letters and many telegrams with respect to this matter. The commissioners and directors and secretaries of agriculture of the various States from whom I have heard are against this requirement. I hold in my hand two rather typical telegrams, one from the commissioner of agriculture of the State of Texas, Mr. J. E. McDonald. I shall ask unanimous consent to have that telegram, in which Mr. McDonald takes a position against the proposed order, printed at this point in the RECORD in connection with my remarks, and I also shall ask unanimous consent to have printed in the RECORD a telegram which I have received from the commissioner of agriculture of the State of Georgia, Mr. Tom Linder. I shall ask unanimous consent that they be printed in the RECORD without being read.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LANGER. Would the Senator mind reading the telegrams? I am especially anxious to hear the Linder telegram read.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the telegrams may be read by the clerk, at the desk.

The PRESIDENT pro tempore. Without objection, the telegrams will be read.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me, to permit me to propound a request for a unanimous-consent agreement?

Mr. THOMAS of Oklahoma. I shall do so after the telegrams are read.

The legislative clerk read as follows:

ATLANTA, GA., *March 14, 1946.*

Senator ELMER THOMAS, *Chairman,*
Senate Agriculture Committee,
Senate Office, Washington, D. C.

The Bowles' weevil again stabs the farmer in the back and attempts to reduce farm production at the most critical hour of our country's history.

As long as national and international interests could maintain a bear market on cotton exchanges it was all right with the Bowles' weevil and the board for bears to depress the price of cotton regardless of how small the margin required on the exchanges.

The day that natural economic conditions forces the price of cotton a few cents higher immediately the Bowles' weevil and the administration pretend to see the need to require large margins on exchanges. Of course, it is simply another way to put a ceiling on American cotton. It is a subterfuge and a fraud on the American farmer and will reach out to embrace all American farmers whose commodities are quoted on futures exchanges.

To preserve the life of the Bowles' weevil organization, commonly spoken of as OPA, is in the same category as preserving the life of the boll weevil, the corn weevil and all other insect pests.

The question now boils down to one issue—is it more important to preserve arbitrary Government controls or more important to preserve America?

It is impossible to keep arbitrary controls without finishing the destruction of America. Such arbitrary and unjust action of the OPA makes the complete elimination of OPA immediately necessary.

TOM LINDER.

AUSTIN, TEX., *March 14, 1946.*

Senator ELMER THOMAS,
Senate Office Building,
Washington, D. C.:

The suggestion and demand of Chester Bowles that cotton exchanges require additional 2-cents-per-pound margin for each 1-cent advance in the price of cotton is unfair to the American cotton grower and cotton merchant. The war is over, and Chester Bowles is wholly without authority to make such demand. His action shows to what

extent wartime-created Government bureaus will go in peacetime if the Congress will permit. For a century, cotton exchanges have provided facilities for marketing cotton, and Chester Bowles' margin-increase demand will impede and impair the functions of cotton exchanges approved and successfully used by cotton farmers and cotton merchants. Chester Bowles' latest demand is a clean-cut demonstration of communistic dictatorship functioning through Government bureaus, and the American people are waiting to see how long their Congress will tolerate interference with free enterprise and democratic principles established by our forefathers. I respectfully urge that the Senate Agricultural Committee immediately arrange for a hearing on Chester Bowles' demand for cotton margin increase.

J. E. McDONALD,
Texas Commissioner of Agriculture.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a news item appearing recently in the American Banker. It is under a Boston, Mass., date line, and the title of it is "Price Controls Drive Cotton From World Markets, Says Bank." The first paragraph reads as follows:

The First National Bank of Boston, in the current issue of its New England Letter, takes issue with people who urge a continuance of Government price fixing and subsidies, and cites the results of the price-control policy as it affects cotton.

Mr. President, I ask that the entire article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRICE CONTROLS DRIVE COTTON FROM WORLD MARKETS, SAYS BANK

BOSTON, MASS.—The First National Bank of Boston in the current issue of its New England letter, takes issue with people who urge a continuance of Government price fixing and subsidies, and cites the results of the price-control policy as it affects cotton.

Under the American price umbrella, the letter says, the production of foreign cotton has been greatly stimulated to the detriment of American cotton growers. The letter also refers to the loss of American finished goods market abroad, but points out that this was due partly to the disruption caused by war. The letter warns that due to the continuation of the administration's price-support policy a virtual elimination of our mills from the cotton goods export market is possible.

Mr. THOMAS of Oklahoma. I also ask to have printed in the RECORD at this point an editorial entitled "They Always Blame the Farmer" from the Norman Transcript of Norman, Okla.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THEY ALWAYS BLAME THE FARMER

When the steel, automobile, electrical, and other workers were demanding higher pay a few months back, the administration in Washington openly endorsed their proposal, up to 18½ cents an hour.

And when industry contended it could not grant such demands without increases in prices, the administration went right along and granted increases for steel, automobiles, and many other products. Higher prices for shirts, dresses, and other articles of clothing also have been granted.

Farmers are among those who will have to pay these higher prices. But when friends of farmers in Congress call attention to that and propose that the farmer be given higher prices for his products, the OPA and other administration spokesmen in Washington are highly outraged. It would mean increased cost of food. What is the farmer trying to do anyhow, they shout, drive the Nation into inflation?

The inflation spiral was started way back yonder when sky-high wages were paid for war work. It was given a big boost by the wage increases in the past few weeks. The farmers, along with white-collar workers, school teachers, and others, have tagged along behind all the time, working long hours and trying to make enough to enjoy some of the comforts of life that are taken for granted by industrial workers.

And now the farmer is to be blamed for the inflation others started. It is a queer world.

Mr. THOMAS of Oklahoma. Mr. President, I now send forward an amendment which I ask to have read.

The PRESIDENT pro tempore. The amendment will be read for the information of the Senate.

The LEGISLATIVE CLERK. At the proper place it is proposed to add the following new section:

SEC. —. In order to protect the income of the producers of farm commodities no official or agency of the Government shall have authority to interfere, directly or indirectly, in altering or fixing margin requirements on the purchase or sale of any farm commodity at any commodity exchange licensed to do business in the United States.

Mr. THOMAS of Oklahoma. Mr. President, under the existing law the Department of Agriculture does not have the power to interfere with margins. The SEC has no power whatever over commodity exchanges. The only power which Congress has given to control commodity exchanges has been vested in the Department of Agriculture. However, the commodity-exchange law does not give any person in the Department of Agriculture, not even the Secretary of Agriculture, the power to interfere in any way, shape, or form with the fixing of margins. So, Mr. President, at the present time there is no law which has been placed in the hands of anyone enabling him to direct exchanges to do this, that, or the other, so far as marginal requirements are concerned.

The order will not take effect until next Tuesday. I refer to the order which was approved by Mr. Anderson under protest. I know that to be true, unless he changed his mind after I talked to him in the morning. If it is sought to enforce the order it will be contested in the courts. I do not know what will be the effect of the order. I think it will drive down the price of cotton. Inasmuch as it will be contested in the courts, and we shall know within a few days what will be the effect of the order, I shall not ask the Senate tonight to vote on the amendment. But, Mr. President, I serve notice that if the order is placed into effect, and if it is sustained by the courts, when the measure providing for the extension of the OPA law comes before the Senate I shall submit an amendment repealing the order, and taking the assumed power away from any agency or person connected with this Government.

Mr. CONNALLY. Mr. President, had the Senator contemplated adding to his amendment the vacation of any existing order? I do not suggest that, but I think it is worthy of consideration.

Mr. THOMAS of Oklahoma. Mr. President, it is obvious that in order to get a vote tonight we shall have to have the presence of a quorum. I should like to see the courts pass on the question involved, which is now before the public. If the effect of the order is unfavorable to the farmer, as I think it will be, and if the courts sustain it, when the measure providing for the extension of the OPA law comes before the Senate and I am here, I shall, as I have already said, submit an amendment to repeal the order and abolish the power which may be in the hands of any one to control margins.

With that statement, Mr. President, I shall not offer the amendment at this time.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a copy of the broadcast by Fulton Lewis, Jr., last night.

There being no objection, the broadcast was ordered to be printed in the RECORD, as follows:

Now, there has happened here in Washington today a thing that is so far reaching in its importance, and which strikes so deeply at the basic morality of your National Government, that it deserves very particular attention, and, therefore, I hope that you'll listen with the utmost care to what I'm going to tell you from here on.

I might mention to begin with that I have been asked tens of thousands of times, over the country and by mail, by people who are dissatisfied with some of the things that happen in government, "What can I do about it?" By way of a specific answer, this is one of the things that would seem to deserve your first priority attention.

It involves a question, the merits or demerits of which have nothing whatsoever to do with the case. The Economic Stabilization Director, Mr. Chester Bowles, yesterday issued an order increasing the margin requirements on the future buying of cotton—in other words, an individual who wants to buy future cotton in the commodity exchanges, will under this order, have to put up a larger amount of capital than he put up before, in order to buy—on margin—the same amount of cotton. The purpose of that is to try to push down the price of cotton to the farmer, and it may or may not prove effective. It's entirely aside from the point as to whether it will do so or will not do so; it's entirely aside from the point as to whether it's a good idea to try, or a bad idea to try.

The sole question involved here is the manner and procedure by which this order was issued by Mr. Bowles, and the morals and actual legality of that procedure, and whether you—as the American people—believe that this is the way Government should be run; whether you believe that this is a Government of laws, or a Government by individually appointed officials who are not responsible to you, and who, instead of obeying the laws, run things the way they, and the political groups that are backing them, want them to run them.

When this order was made public yesterday, a terrific hue and cry arose from almost the entire Senate and House delegations from the southern cotton-raising States, and from the standpoint of practical political results, it probably was the straw that broke Mr. Chester Bowles' political back, so far as those elements of the Democratic Party are concerned. The comment was outspoken and unrestrained and highly bitter. There was open warning that when the OPA continuation bill comes before the Senate, the entire southern Democratic congregation will go to

work on it, and wreak vengeance on OPA and on Mr. Bowles alike.

But that indignation—and indignation it was—was not based on any mere consideration of what might happen to cotton prices. It was based, instead, on the history of Government rulings on matters of this kind, and that is the kernel of the whole story.

Back when the Price Control Act originally was being considered, in the days of Mr. Leon Henderson, there was a long and earnest controversy as to whether all powers over agricultural commodities, and the rationing and price control of them, should not be placed in the hands of the Secretary of Agriculture or whether, instead, they should be given to Mr. Henderson and the OPA.

President Roosevelt was very insistent at the time, under the influence of Mr. Henderson, that OPA must be given complete authority over the entire picture, and that it should not be divided, and so Congress finally gave in, by making the compromise that OPA should have rationing and price control and other powers, but that no order involving any farm commodity should be issued, unless it was done with the consent and approval of the War Food Administrator who is also the Secretary of Agriculture.

Things rocked along on that basis for a while, until former War Food Administrator Marvin Jones had some meat-control provisions put up to him, which he believed to be entirely unsound and improper, and he refused to sign them. Present Secretary of the Treasury Fred Vinson, at that time was Economic Stabilization Director, and he assumed the authority to settle these disputes between the OPA and the War Food Administration, and began a process—which was in great dispute at the time and continued to be—of directing and ordering the War Food Administrator to consent and approve these decisions and policies of OPA, even though the War Food Administrator disapproved of them, most violently.

It very obviously was a complete and direct defiance of the intention of the Congress, when that provision originally was written into law. They gave the powers of consent and approval to the War Food Administrator, because they wanted to give him a veto power over OPA on matters that affected farm commodities. But by a trick twist in the letter of the law, in the interpretation of the letter of the law, the intent of Congress was sidestepped, and the authority of the War Food Administrator, who knew about food and farm commodities, was reduced to the mechanical business of signing his name on a piece of paper.

About a year and a half ago, when Congress finally reached the breaking point on Mr. Chester Bowles' bungling of the Nation-wide meat situation, you may remember that there was a terrific battle which resulted in putting into the OPA continuation act—this was in 1945—a provision restoring the powers of the War Food Administrator, and ostensibly giving him full authority over the entire agricultural commodity picture of the Nation.

Because of the way the Office of Economic Stabilization had behaved, in assuming the authority to order the War Food Administrator to approve these policies and orders of the OPA, a new provision was written into the law, which said that "Notwithstanding any other provision of this or any other law, no action shall be taken under this act, by the Administrator, without prior written approval of the Secretary of Agriculture, with respect to any agricultural commodity."

Senator BANKHEAD of Alabama was the author of that provision, and at the time it was finally decided upon, Mr. Chester Bowles, and the then Economic Stabilizer Fred Vinson, and War Food Administrator Marvin Jones, were all called down to Congress, and they were told that they had violated the intent of Congress. It was explained at the time that the provision which I have just read you—which, by the way, is the verbatim language of the law—was intended to mean that in the future, nobody, not even the President of the United States, should have the right to force the War Food Administrator to approve or consent to any of these orders or regulations by OPA.

Senator BANKHEAD said today that the exact wording of the provision was read to the three men, including Mr. Bowles, and it was made perfectly clear to them what it meant, and they understood what it meant.

Very well. That brings us up to the present time.

In the present case, it is Mr. Chester Bowles, and not Mr. Fred Vinson, who is Stabilization Director—and Mr. Bowles, as you know, has long been the darling of the Political Action Committee of the CIO, and the rest of the radical left wing group in and out of Government. They have wanted and advocated a roll-back in cotton prices, and many of them have advocated this very move as a method of rolling back those cotton prices. When the order was issued yesterday, they came out with their usual laudation of Mr. Bowles for issuing the order.

That much for background.

Now, for the current developments.

Secretary of Agriculture Clinton Anderson is now the War Food Administrator, and to him have descended the veto powers which Congress gave him in the 1945 Price-Control Continuation Act, which I have just cited to you.

When Economic Stabilizer Chester Bowles came along with this present order, it was referred to War Food Administrator Anderson, and on careful study he refused to give it his approval. Senator BANKHEAD stated today that he has information that the question was put up to Attorney General Tom Clark, for a decision, as to whether Mr. Anderson's approval on the order was necessary or not, and that Attorney General Clark ruled that it was—that the order could not be effective unless it had the written approval of War Food Administrator Anderson.

Thereupon, Mr. Chester Bowles, in his present role as Economic Stabilization Director, went back to the old process that was in use before Congress ever passed this Bankhead amendment, and issued a directive ordering War Food Administrator Anderson to sign the document, and it was only on the strength of that directive that Mr. Anderson did so, yesterday, and the order went forth.

Once more let me say that whether it was a good idea or a bad idea to increase the margin requirement on cotton futures is entirely aside from the point. The cotton farmers of the South will think it was a vicious idea, and the people in metropolitan areas will think it was a good idea if it will help to bring down the price of clothing, which it probably will not.

But morals and integrity of Government far transcend any controversy about details of that kind. The question is whether this was a legal and ethical and legitimate procedure or whether it was a clear and direct violation of the express and clearly understood orders of the Congress. Senator BANKHEAD expressed the opinion this afternoon that this was a violation of law, but then he said a funny thing. He added that something ought to be done about it, but how in the world could anyone stir up any Nation-wide public sympathy on a cotton question that affects only the South?

I suggested to the Senator that while few people in the United States as a whole are interested one way or the other in the question of cotton futures, a whole lot of them are interested in the integrity of Government and in the legality of the activities and administration by appointed officials, whether it's a case that involves cotton or wheat, or automobile tires, or fresh fish. Morals transcend all of these things. Morals are universal.

I asked the Senator what could be done. He said that the only thing that could be done would be for suits to be brought in Federal courts, or for the public of the Nation to raise such a protest and to present such a demand on Members of Congress that the Senate and House of Representatives would, perhaps, pass a resolution to the President, condemning the action of Mr. Bowles and demanding a repudiation of it.

He said that action depends upon what sort of demonstration of public opinion is forthcoming from the people of the Nation in the form of letters and telegrams to Congress from their constituents back home.

There is the situation, ladies and gentlemen: From here on, it's up to you.

The PRESIDENT pro tempore. The bill is before the Senate and open to further amendment. If there be no further amendment to be offered the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. BALL. Mr. President, I move that Senate bill 1349 be recommitted to the Committee on Education and Labor.

Mr. GURNEY. I suggest the absence of a quorum.

Mr. BARKLEY. Mr. President, if we must consider the motion to recommit, it will be necessary to have a quorum call. I am prepared to move that the Senate recess until 12 o'clock noon tomorrow.

Mr. KNOWLAND. Mr. President, I also suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from South Dakota has suggested the absence of a quorum.

Mr. BARKLEY. Will the Senator withdraw his suggestion of the absence of a quorum? There is no use trying to obtain the presence of a quorum now.

Mr. RUSSELL. I think a quorum is now present.

Mr. GURNEY. I do not like to see the bill passed unless more Members of the Senate are present.

Mr. BARKLEY. If my motion to recess is agreed to, we will not pass the bill until tomorrow. However, I withdraw my request that the Senator from South Dakota withdraw his suggestion of the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BALL. Mr. President, I ask unanimous consent that the quorum call be vacated.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the quorum call is vacated.

The question is on agreeing to the motion of the Senator from Minnesota [Mr. BALL] to recommit the bill. [Putting the question.] The "noes" appear to have it. The "noes" have it, and the motion is rejected.

The PRESIDENT pro tempore. The bill having been read three times, the question is, Shall it pass?

The bill (S. 1349) was passed.

LEGISLATIVE PROGRAM

Mr. BARKLEY. Mr. President, I announce to the Senate, before Senators disperse, that it is my purpose to move

a recess until tomorrow, and that tomorrow the Senate take up the conference report on the so-called Petrillo legislation. I hope also we may pass the soldiers' vote bill, which is on the calendar ready for action.

BROADCASTING OF NONCOMMERCIAL CULTURAL OR EDUCATIONAL PROGRAMS

Mr. MORSE. Mr. President, in view of the fact that the Senate is to consider the so-called Petrillo bill tomorrow, I ask that there be published in the body of the RECORD an article which appeared in the Christian Science Monitor April 2, written by Mr. Richard L. Strout, entitled "Is Anti-Petrillo Bill Tight Enough?"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IS ANTI-PETRILLO BILL TIGHT ENOUGH?

(By Richard L. Strout)

WASHINGTON.—Even the authors of the wartime antistrike Smith-Connally Act now admit that it failed of its purpose. President Roosevelt vetoed it, but it was promptly passed over his veto. It was a bill directed at John L. Lewis, who did not mind it at all. It was an example of bungling legislation.

Now another bill is practically through Congress, directed at James Caesar Petrillo, head of the A. F. of L. Musicians' Union. It passed the House originally, 222 to 43, last month. On the second vote on the conference version the House lined up 186 to 16. So far the Senate has had no opportunity to vote on the measure except as a very much less detailed proposal, which it passed, without record vote, on February 1, 1945. How it will feel toward the Lea version (H. R. 5117) remains to be seen.

Of Mr. Petrillo himself, the less said the better. It is impossible to defend his attitude and his disregard of public opinion. Mr. Petrillo doesn't seem to know the kind of a world he is living in. He does organized labor a grave disservice.

Under these circumstances it would seem reasonable that Congress could do a competent job on the abuses which Mr. Petrillo represents. An effective legislature should be able to formulate competent measures to cure a given situation. There is grave doubt, however, whether the House has done so in this instance. According to the legal saying, bad cases make bad laws. It is questionable whether the anti-Petrillo bill, as the House has formulated it, is wise in some of its far-flung provisions; and some conservatives on the floor of the House challenge its constitutionality.

This bill does not apply merely to musicians. It applies to about anybody working on or around broadcasting stations and threatens to set important precedents for almost anybody drawing a royalty.

The language is loose. At one point there is the phrase "by other means," which seems to include strikes, and the penalty for invoking these "other means" may be a $1,000 fine or jail sentence of a year. This was too strong for Representative CHARLES A. HALLECK, Republican, of Indiana, a reasonable middle-of-the-roader. He proposed substituting, as a penalty, loss of rights under the Wagner Act, the proposal made in the Case bill. The House voted him down. Yet prison terms for refusing to work are surely uncommon in American jurisprudence.

Representative HOWARD W. SMITH, Democrat, of Virginia, co-author of the Smith-Connally Act, was asked whether workers who violated the provisions would be subjected to indictment, prosecution, and imprisonment.

"If 5 men, or 1 man, or 500 men violate the provisions of this act by doing any one of the things narrated therein," Mr. SMITH replied, "we might as well be frank about it, they subject themselves to the penalty of this bill."

Even the implied threat of strikes would apparently expose workers to criminal penalties.

The bill also enters a very complex and debatable field, the field of the artist versus the machine. Musicians have seen their performances recorded and then played over again on radios and juke boxes with misgiving. They are paid for their first performance, but how about all the others from canned music? In justice, is not some kind of fee or royalty for reproduction a reasonable objective? An author under copyright gets a royalty on each book sold; a music writer for each sheet of music. How about the performer, himself? Should he be debarred from appropriate fees on the multiple reproduction of his talent by mechanical means?

Perhaps this matter is debatable. But the pending bill seeks to fix the arrangements that are to exist between the musicians and the broadcasting companies. It would apparently ban such musicians' fees, or at least would ban them if they were backed up by strikes, or the threat of strikes.

It is hard to discuss a measure calmly in which James Caesar Petrillo figures. Yet, as one House Member put it, "I come not to praise Caesar—but I do not come, either, to bury the rights of labor."

LEAVES OF ABSENCE

Mr. RUSSELL. Mr. President, in view of the fact that I am compelled to be away from the city for a few days, I ask unanimous consent that I may have leave of absence from the Senate for a week.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to be absent tomorrow. I had already made arrangements to be in California.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MAYBANK. Mr. President, I ask unanimous consent that I may be absent tomorrow and perhaps Monday. I shall return Monday, if possible.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MORSE. Mr. President, I ask unanimous consent that I may be absent from the Senate tomorrow and such days next week as may be necessary to enable me to carry out my duties in connection with the Board of Visitors to the Naval Academy at Annapolis.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. LANGER. Mr. President, I ask unanimous consent that I may be absent tomorrow and Monday.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

THE REPUBLICAN NATIONAL COMMITTEE—STATEMENT BY SENATOR MORSE

Mr. MORSE. Mr. President, I ask that there be published in the body of the RECORD as a part of my remarks a statement I made in regard to the meeting of the Republican National Committee on April 1, last. I ask to have it in the body of the RECORD because there has already been published in the RECORD a statement of criticism of my comments, and in view of the fact that the statement in the RECORD does not contain my comments, I should like to have the Members of the Senate at least have a record of what those comments were.

Along with that statement as part of my remarks I should like to have published in the body of the RECORD an editorial which appeared in this morning's Washington Post entitled "GOP Chairman." It certainly is in support of the position which I took.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WAYNE MORSE

The meeting of the Republican National Committee at the Statler Hotel last night was a grand flop. If the program, which its leaders announced at the banquet, is to constitute Republican policy during the next 2 years, the Republican National Committee will reelect Harry Truman in spite of everything he is doing to defeat himself.

We listened to the same old clichés and reactionary nostrums ad nauseum which have produced Republican defeats since 1932. It is fortunate for the Republican Party that the overwhelming majority of Republican voters are progressive and forward looking. If they are given the chance, along with several million independent voters, to vote for forward-looking Republican candidates, the Republican Party will win in 1946 and 1948 irrespective of everything the reactionaries in control of the party machinery did yesterday to prevent it.

[From the Washington Post of April 5, 1946]

GOP CHAIRMAN

From the nature of the oratory which broke loose when the Republican National Committee met here the other day it is obvious that some GOP leaders are giddy over the prospects of victory in 1946 and 1948. They apparently consider their outlook more hopeful than at any time since 1928. But the committee gave no evidence that it is rising to the occasion with a new sense of responsibility. On the contrary, it turned out a typically uninspiring Old Guard performance.

Representative B. CARROLL REECE, who was elected Republican national chairman to direct the 1946 congressional campaign, is a wheelhorse who pulls for the most conservative faction of the GOP. His name was placed in nomination by Representative J. CLARENCE BROWN, a Bricker supporter. His voting record has the virtue of party loyalty, which means that it is largely negative and obstructionist. Former Gov. Harold E. Stassen, who has a large following among the more progressive elements of the party, hastened to take issue with Mr. REECE's "stand on many issues in the past" and to point out that his election as chairman should not constitute a decision on party policies and platform.

If the Republican hierarchy believes that the public will follow regardless of where it leads in 1946 and 1948, a rude awakening is probably in store. It is reasonable to assume that the GOP does have a great opportunity growing out of the fact that it has been the minority party through a period of peril and toil almost inevitably followed by a period of confusion and difficult retrenchment. But in our opinion, it will miss that opportunity if it assumes that the people will be content to relax and drift back to an era that, for better or worse, is gone. What is required now is vigorous leadership for the restoration and maintenance of peace.

INDUCEMENTS TO CITIZENS TO MAKE THE NAVY A CAREER

Mr. O'MAHONEY. Mr. President, for the use of the Senate, and for the Senate Committee on Military Affairs, I ask unanimous consent that the bill (S. 1438) to provide additional inducements to citizens of the United States to make the United States Naval Service a career, and for other purposes, be printed as passed by the House of Representatives with the amendments numbered.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of William G. Johnson, of Wyoming, to be register of the land office at Cheyenne, Wyo., which was referred to the Committee on Public Lands and Surveys.

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry.

Norris E. Dodd, of Oregon, to be Under Secretary of Agriculture.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

UNITED NATIONS COMMISSION ON ATOMIC ENERGY

The legislative clerk read the nomination of Bernard M. Baruch to be representative of the United States of America on the United Nations Commission on Atomic Energy.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask unanimous consent that the postmaster nominations be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the postmaster nominations are confirmed en bloc.

Mr. BARKLEY. I ask unanimous consent that the President be immediately notified of all confirmations of today.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

RECESS

Mr. BARKLEY. Mr. President, I move that the Senate take a recess until 12 o'clock noon tomorrow.

Mr. WHERRY. Mr. President, I appeal to the majority leader that we recess until Monday.

Mr. BARKLEY. I see no reason why we should not meet tomorrow and dispose of one or two matters, one of which is privileged, so that we can clear the way to take up the veterans' housing bill on Monday. I do not think the Senator should ask that we postpone that legislation, in view of the emergency which exists. There will be many more than a quorum in town tomorrow, and I think we can dispose of these matters speedily.

Mr. WHERRY. I suggest to the distinguished majority leader that there will be many Senators absent tomorrow.

Mr. BARKLEY. I do not think there will be many absent who are not absent today. I think every Senator who is here today will be here tomorrow.

Mr. WHERRY. I absolutely know that not every Senator who was here today will be here tomorrow.

Mr. BARKLEY. I think we should work tomorrow.

Mr. WHERRY. The Senator has held the Senate here for three nights, and the Senate has been working very hard.

Mr. BARKLEY. No; I have not held the Senate here three nights. We stayed a little late day before yesterday and yesterday, but we are in good shape.

Mr. WHERRY. In view of the fact that there will be some Senators absent tomorrow, I appeal to the distinguished majority leader to recess the Senate until Monday, if he can see his way clear to do so.

Mr. BARKLEY. Mr. President, I think we should work tomorrow. I hope I can accomodate the Senator at some other time.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Kentucky, that the Senate take a recess until tomorrow.

The motion was agreed to; and (at 7 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Saturday, April 6, 1946, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate April 5 (legislative day of March 5), 1946:

REGISTER OF LAND OFFICE

William G. Johnson, of Wyoming, to be register of the land office at Cheyenne, Wyo. (Reappointment.)

CONFIRMATIONS

Executive nominations confirmed by the Senate April 5 (legislative day of March 5), 1946:

UNITED NATIONS COMMISSION ON ATOMIC ENERGY

Bernard M. Baruch, to be the representative of the United States of America on the United Nations Commission on Atomic Energy.

POSTMASTERS

COLORADO

Beverly E. Hodson, Dove Creek.

ILLINOIS

Lee L. Herrin, Herrin.
John Q. Rose, La Prairie.

INDIANA

Hubert P. Warren, Cortland.

IOWA

Arlene L. Murray, Johnston.

OHIO

Hilbert H. Martin, Middletown.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 5, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou most beneficent God increase our conception of the power of Thy love, made manifest through Jesus Christ our Lord. We praise Thee for the confidence and the everlasting surety that nothing can separate us from Thy love; not by our own attainments but by the mercy of Him who is the author and finisher of our faith. Grant Thy blessing upon Thy church universal, that it may be more and more fruitful and confident in the strength of our Redeemer and less confident in its own strength. The whole earth is sick and hungry and waiting for the touch of Thy compassion and Thy wonder-working power; O Sun of Righteousness, arise with healing in Thy wings, and in Thy name shall be the praise both now and forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate disagrees to the amendment of the House to the bill (S. 704) entitled "An act to authorize the Secretary of Agriculture to continue administration of, and ultimately liquidate, Federal rural rehabilitation projects, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THOMAS of Oklahoma, Mr. EILBO, Mr. HOEY, Mr. AIKEN, and Mr. BUSHFIELD to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD and include an article from the New York Times.

THE PUBLIC ATTITUDE ON STRIKE LEGISLATION

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BUCK. Mr. Speaker, in working and voting for the enactment of the Case bill, I felt that I was acting not only in accordance with the wishes of the great bulk of the people I have the honor to represent in Congress but also in accordance with the wishes of labor-union members as well. I regarded the Case bill as prolabor rather than antilabor.

That I was right in my conclusions is evidenced by a Gallup poll published in this morning's Washington Post. Seventy percent of the people who expressed themselves in the poll were in favor of congressional action to remedy the strike

situation. Of union members themselves, more than a majority—52 percent—expressed a similar viewpoint. Only 36 percent of the union members were opposed to congressional action.

I regard these figures as highly significant. Labor leaders who place their own selfish interests above the interests of the Nation are no longer acting in accordance with the wishes of their own members.

EXTENSION OF REMARKS

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD and include a news item.

Mr. RICH asked and was given permission to extend his remarks in the RECORD in two instances; to include in one an article by Dan W. Gilbert entitled "Truth About Inflation" and in the other an article appearing in a Pennsylvania newspaper.

Mr. ANDERSON of California asked and was given permission to extend his remarks in the RECORD and include a letter and a news article.

Mr. FULLER asked and was given permission to extend his remarks in the RECORD on the subject of exportation of American grain.

Mr. BUTLER asked and was given permission to extend his remarks in the RECORD in two instances; to include in one a statement made before the Committee on Ways and Means on social security and in the other a newspaper article.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Milwaukee Journal.

Mr. McGEHEE asked and was given permission to extend his remarks in the RECORD in two instances; to include in one a letter from the American Veterans of World War II to Hon. Robert E. Hannegan, and in the other an article by George Sokolsky.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

DISTRICT OF COLUMBIA APPROPRIATION BILL, FISCAL YEAR 1947

Mr. COFFEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5990) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes; and, pending that motion, I ask unanimous consent that general debate on the bill be limited to 2 hours, the time to be equally divided and controlled by the gentleman from Nebraska [Mr. STEFAN] and myself.

Mr. STEFAN. Reserving the right to object, Mr. Speaker, is the gentleman from Washington willing to let debate go on and not limit it to any particular time?

Mr. COFFEE. That is agreeable to me. I am sure we will get through in a reasonable time.

The SPEAKER. Is there objection to the request of the gentleman from Washington, as modified?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Washington.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5990, with Mr. FORAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COFFEE. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the House has before it this afternoon the annual supply bill for the District of Columbia for the fiscal year ending June 30, 1947.

The committee had this year for the first time the services of Mr. Bob Lambert, who has been a deputy clerk of the House Committee on Appropriations for many years. The committee desires through me at this time to express gratitude to Mr. Lambert for the very skillful and expert help he rendered to the members of the committee and the devotion which characterized all of his work. He worked night and day in attempting to secure the accurate facts relative to the complicated District of Columbia government.

The membership of the committee this year, aside from myself as chairman, includes the Honorable KARL STEFAN, Member of Congress from Nebraska, to whom all of the House and the country, as well as the people of the District of Columbia, owe an unrequitable debt of gratitude because the gentleman from Nebraska has devoted a tremendous amount of time and his limitless talents to the work of solving the problems confronting the people of the District of Columbia. We, in Congress, are very fortunate in having the valuable services of the ranking Republican member of the committee in the person of the gentleman from Nebraska, KARL STEFAN, because he has given of his energies on countless occasions, and has quietly gone down and examined District institutions, has initiated visits on his own volition to various institutions, and has, as a result, been able to bring to the subcommittee and the full committee accurate reports of what he observed.

We also have on the committee Mr. J. V. GARY, a new Member of Congress from the State of Virginia, Richmond. The gentleman from Virginia is a very valuable addition to the subcommittee because as a lawyer and a private citizen prior to his service in Congress he was very active in connection with civic affairs in the Commonwealth of Virginia, not only in the city of Richmond but on various boards, bodies, and municipal corporations with which he was identified in his capacity as a private citizen. Therefore, the committee is very pleased that he saw fit to accept service on the District of Columbia subcommittee because of his tremendous experience and the help he has been able to render by reason of those services in the past.

A new member of the committee, the gentleman from Pennsylvania, Mr. DANIEL J. FLOOD, was appointed just before the bill was reported to the House. We have not had the benefit yet of his attendance at the hearings of the committee.

The gentleman from Massachusetts [Mr. CURLEY] was not able most of the time to be present at the hearings. We missed him very much because of his great experience as a municipal official in the past.

The gentleman from Washington, Mr. WALT HORAN, likewise a member, gave very valuable service to the committee because of his wide and diverse knowledge of municipal functioning in his own area in the State of Washington.

The gentleman from New Jersey, Mr. GORDON CANFIELD, another minority member, also is a very diligent member of the committee and helped us very much in our deliberations.

Mr. Chairman, service on the Subcommittee on the District of Columbia is generally regarded by our colleagues of the House as a thankless job. Certainly no one can claim that there is much political advantage to be derived by reason of service on the District of Columbia Appropriations Committee nor on the legislative committee. Actually, it might have a deleterious effect, if it could have any positive effect upon one's political fortunes, because it might be charged that the energy and time one is devoting to the District of Columbia might better be spent upon one's own district or one's own State. Personally, I regard it as a valuable opportunity for public service, because the District of Columbia and the city of Washington are, for all practical purposes, the property of the entire Nation, and not just the property of the people who reside here. This is the Capital of the Nation, and the Congress, under the Constitution, is the trustee for the efficient operation of the District of Columbia government and also for the city of Washington government, which are coextensive.

I have found in my service that the opportunity to learn more about the complicated functioning of city government has been valuable to me. Having had a great many years' experience in connection with the operations of city, county, and State governments, as well as other municipal corporations in my own State of Washington, I have been able to be of some help in connection with this sort of work. It is difficult to point out to the Members of Congress in a short time the procedures under which the city government here must operate. It is a very complicated setup. Many of the functions of the District of Columbia are overlapping. Many of the activities in which the District of Columbia government has to engage are intertwined with the Federal Government. In many cases the taxpayers of the District of Columbia pay for the operations of activities which are

in themselves peculiarly Federal in nature, or at least are interwoven with the Federal Government. A classic example of that is the National Zoo. Most Members of Congress are familiar with the National Zoo, the main entrance of which is off Connecticut Avenue just beyond the Shoreham Hotel. The National Zoological Park is a national operation. It is the possession of the entire Nation, just as the Smithsonian Institution is, but whereas the Smithsonian Institution is operated by the Federal Government and is paid for by the Federal Government, the National Zoological Park is operated by the Smithsonian Institution but paid for entirely by the city of Washington taxpayers.

At the time this bill came before the full committee, there was a considerable amount of information in the report in which there was detailed with some particularity various activities of the District of Columbia which the subcommittee felt should be paid for in whole or in part by the Federal Government.

It is well to point out that in the city of Washington the total amount of property which is privately owned, that is, taxable property, amounts to $1,381,881,052. The total amount of property within the confines of the District of Columbia owned by the United States and which is nontaxable is $708,986,150. The total amount of property owned by the District of Columbia government, which is nontaxable, is $91,454,047. The total amount of property owned by embassies, foreign governments, and otherwise in that category, and all of which is not taxable, amounts to $122,250,352, making a grand total of all property in the District of Columbia of a valuation of $2,304,571,601. The subcommittee, in the form of a sort of obiter dicta, directed the clerk to write in the report some expression regarding the $6,000,000 contribution. Most Members of Congress are aware of the fact that out of the total budget estimates each year for the District of Columbia there is included $6,000,000 contribution from the Federal Government. This is supposed, in part at least, to make up for the loss in tax revenues, and as reimbursable payments for certain Federal functions which are in fact actually paid for by the District of Columbia taxpayers.

The total budget, as submitted to our committee this year, amounted to $81,505,000, or about $15,000,000 more than it was last year. The subcommittee recommended, instead of $81,505,000, an appropriation by Congress of $72,585,009, or a decrease below the budget estimate of $8,919,991. Of that $72,000,000, $6,000,000 is contributed by the Federal Government.

The neighborhood associations, civic improvement clubs, boards of trade, and various service groups of the city of Washington and of the District of Columbia are unanimous in their contention that the Federal contribution should be greater than $6,000,000.

The committee in its hearings listed considerable testimony as to the justification for an increase in the Federal contribution.

I think it is very proper and pertinent on the part of the members of the subcommittee, just as a matter of information, to point out to the Congress the summarized reasons why individual members of the subcommittee felt that $6,000,000 was an inadequate Federal contribution.

I might say parenthetically, however, that we are not requesting the Congress to appropriate more than the usual $6,000,000. We felt it did not come specifically strictly within the purview of the Appropriations Committee of the House to recommend an increase in the Federal contribution. We felt that technically that might be regarded as legislation on an appropriation bill, and should properly be presented to the District of Columbia legislative committee and by them debated and considered, and let them bring before the House for its consideration such recommendation as that committee cares to make, if any, urging increased Federal contribution each year for the cost of maintaining the municipal services in the city of Washington.

I might add, in fairness to everyone present, that when the report was submitted to the full Committee on Appropriations, some of the members of that committee felt that if the statements were included in the report of the subcommittee to the House, urging that an increase be made in the Federal contribution, it might be construed by the other body or by the people here, and with some logic, that that was a commitment on the part of the House of Representatives that it believed there should be an increase in the Federal contribution.

The committee entertained the arguments promulgated by our colleagues on the full committee and, not desiring to inject anything of a controversial nature, agreed to eliminate that section of the original report submitted to the full committee, which included arguments as to why there should be an increase in the Federal contribution. Technically, those gentlemen who proposed that that section be eliminated were correct, for, as a matter of fact, it is not specifically before the Congress. We are not asking in this bill for an increase in the Federal contribution.

In order to understand the difficulties of the appropriations for the District of Columbia, it is well for the Members of Congress to know some of the features with reference to that subject. For instance, the water used by all Federal departments and agencies in the District of Columbia and adjoining areas, is paid for exclusively by District of Columbia taxpayers. The water per year alone, consumed by the Federal Government and for which no reimbursement is made to the city government, amounts to $870,000.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Washington. I yield.

Mr. SMITH of Ohio. What is the real-estate tax rate?

Mr. COFFEE. The real-estate tax rate in the city of Washington is 1.75 percent.

Mr. SMITH of Ohio. Tell me why it is so low.

Mr. COFFEE. I shall be very glad to answer the gentleman from Ohio. The real-estate-tax rate here of 17½ mills—1.75 percent—is relatively low because the valuation for tax purposes here is supposed to be 100 percent of the market value as nearly as they can approximate it, whereas in many jurisdictions the tax rate is figured on 40, 60, or up to 70 percent of the value.

Mr. SMITH of Ohio. Does the gentleman believe that the tax valuation in Washington is equal to the market value?

Mr. COFFEE. Not at the present time.

Mr. SMITH of Ohio. I have been here now since 1939 and have given some attention to this particular problem. The conclusion I arrived at early was that the rate was comparatively low.

Mr. COFFEE. I think the gentleman is correct when you consider the subject in relation to the major cities of the country. There is a table in the hearings showing a comparison.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. COFFEE. Mr. Chairman, I yield myself 10 additional minutes.

The CHAIRMAN. The gentleman is recognized for 10 additional minutes.

Mr. COFFEE. There is a table in the hearings showing a comparison between the city of Washington and comparable cities of 300,000 and over on real-estate taxes.

One reason for the current seemingly low tax valuation as compared to the actual valuation is because during the war there was, as the gentleman knows, a tremendous boom in the prices of residence property such as homes. In many cases the market value has gone up 100 to 300 percent, whereas the assessor of taxes has not caught up yet with those changes. He contends it is a temporary condition which will readjust itself shortly, but the committee has recommended that he promptly readjust the valuations for tax purposes of those residences in areas where the sales have shown a rapid increase in value.

I may also say to the gentleman from Ohio that the value of many commercial properties has mushroomed as high as four and five hundred percent since 1940 by reason of the fact that Congress never did pass a law fixing a ceiling on commercial rents. The gentleman remembers the Barry bill is now pending but has not yet been acted upon. This bill would have placed commercial rents under the same limitations as residential rentals, but the bill has never been acted on. As a consequence commercial rents have increased three, four, and five hundred percent in many sections of the city.

Mr. SMITH of Ohio. I feel the rates are too low and should be raised considerably. I do not think it is fair to the taxpayers of the United States to pay some of the costs in the District of Columbia that should properly fall upon it.

Mr. COFFEE. I shall be pleased to yield the gentleman time during general debate if he cares to have it.

Mr. PLUMLEY. Mr. Chairman, will the gentleman yield?

Mr. COFFEE. I yield.

Mr. PLUMLEY. I wish to ask about a matter the gentleman has not touched on yet and do so at this time because I

am compelled to go to a committee hearing. I am very much interested in what the committee has done with respect to teachers' salaries within the District. Can the gentleman tell me briefly or does not the gentleman wish to go into that at this point?

Mr. COFFEE. I was coming to that later. I may say to the gentleman from Vermont that the matter of teachers' salaries comes within the purview of the legislative committee on the District of Columbia. They have a bill now pending to raise the teachers' salaries and if that is acted upon favorably by the Congress then it will be given appropriate attention by our committee.

Mr. PLUMLEY. But I believe the gentleman agrees with me that it is more necessary to increase the salaries of teachers to such point as to assure the people of the District competent teachers than it is to get new buildings.

Mr. COFFEE. I agree with the gentleman.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. COFFEE. I yield.

Mr. REES of Kansas. Referring again to the tax in the District, the real-estate and personal-property rate in the District is but one rate; such property is not taxed several times.

Mr. COFFEE. That is right.

Mr. REES of Kansas. In our State, we might have a State tax, county, township, and city taxes.

Mr. COFFEE. Yes.

Mr. REES of Kansas. So the $1.75 per 100 is really extremely low compared with the tax rate in cities of similar size throughout the country, even in view of the fact that they are supposed to have a tax rate on the full value of the property. Does the gentleman know of any city of comparable size, with the exception of one or two, where the tax rate is more favorable?

Mr. COFFEE. I may say that in some States they have a legislative provision or provisions of State constitutions which strictly limit the amount of assessment on real estate. I do not know whether that applies in Kansas or not.

Mr. REES of Kansas. It does for State taxes, but the counties and cities can go ahead and make such levies as they see fit, within certain limitations.

Mr. COFFEE. They also fix the total amount of the levy, including the forms of taxation, city, county, and State. In many cities, like New York, Detroit, and other cities, they have imposed city taxes, not on real estate but in other forms, over and above the States taxes, such as occupational, cigarette taxes, and otherwise.

I may say to the gentleman that there is now a committee of experts engaged in studying the whole structure of the District with a view to making recommendations to the Congress for appropriate changes. We expect that to come up here within 2 or 3 weeks.

Mr. REES of Kansas. Yes.

Mr. COFFEE. It requires a study by experts in that field.

Mr. REES of Kansas. I think that is a very good idea.

Mr. COFFEE. Mr. Chairman, in connection with the remarks that I have heretofore made as to the various functions of the District of Columbia which might properly be said to be a moral obligation, in part or in whole, on the Federal Government, there is the matter of recordation of discharge certificates of all veterans, regardless of their place of domicile. Thirty-five percent of all the recordations of veterans discharge certificates emanates from outside the District of Columbia, yet the Federal law requires that the District of Columbia taxpayers pay for all those and that the veteran not be charged for same.

In the District of Columbia we maintain a soldiers' and sailors' home that is a Federal activity for persons who come to the District to transact business with the Federal Government. It is not generally known that veterans come here from all over the United States and often cannot find hotel accommodations. Those who may be indigent are able to go to the soldiers' and sailors' home and secure accommodations for not too long periods of time, probably from 2 days to a week; yet that home is maintained in toto by the taxpayers of the District of Columbia. The veterans organizations, the Veterans' Bureau, and the District of Columbia budget officers have been working for years trying to find some way whereby that expense would be assumed by the veterans organizations, by the Veterans' Bureau, or by the Federal Government. It is felt that the service performed by the home is a valuable one and should be retained, but all fair-minded appraisers of the subject matter feel it is not properly an expense chargeable to the District of Columbia.

The city of Washington's Metropolitan Police are used to augment the Capitol Police force in guarding the Capitol of the United States and such city policemen are paid by the city of Washington.

All Federal prisoners in local institutions are maintained at the expense of the city of Washington, D. C., or the District of Columbia. The estimated cost is about $50,000 per annum. Where such prisoners are kept in other cities the entire cost is borne by the United States, but that is not true here.

There is also the matter of snow removal from around Federal buildings. Here that is all paid for by the taxpayers of the city of Washington.

In Washington the gutters and curbs in front of Federal property are paid for by the taxpayers of Washington, D. C. In all other jurisdictions such construction items are underwritten by the United States Government.

An interesting case is the sedition trial which filled so much space in the newspapers in recent years. This was paid for 50 percent by the taxpayers of the city of Washington, D. C. If this trial had been held in any other city the entire cost would have been borne by the Federal Government.

Here we have the guarding of the President and the policing of crowds at public functions where the President appears paid for by the taxpayers of the city of Washington. Then there are functions around various embassies. The policing of the crowds and the guarding of all officials is underwritten by the city government of the city of Washington and the local taxpayers pay for those policemen.

However, the request for this service is made to the Metropolitan Police force by the State Department here in Washington. In this city we maintain schools for children of nonresidents, and no charge is made to the nonresidents. We have tried repeatedly to get a bill through the Congress that a charge be made against the nonresidents, exclusive of Federal officials and Members of Congress, but so far we have not been able to get one through both Houses of Congress. We maintain here the National Capital parks, and though the parks are operated by the Department of the Interior and the Park Service, the policing and maintenance of such parks is paid for by the taxpayers of the District of Columbia. Originally the Federal contribution to the total cost of operating the District of Columbia government amounted to 50 percent of the total budget. Today it is less than 10 percent of the total budget. I do not want to go into too many details with reference to the operation of the District of Columbia government because I realize that most Members are not particularly interested in all phases of the operation of the municipal government here.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

Mr. COFFEE. Mr. Chairman, I yield myself 10 additional minutes.

I think it is a matter of satisfaction to the Congress to know that we have been able in this appropriation bill at this time to reduce the amounts sought by the city government of Washington for its annual operations $9,000,000, which is a greater decrease, proportionately, than has been made, so far as I can ascertain, in any appropriation bill presented to the Congress. Naturally this reduction is causing a great many repercussions throughout the city of Washington. The School Board feels that they have been too drastically cut. The Board of Public Welfare likewise feels that they have been too grievously limited in their operations. The Library Board feels that they should have been given more funds.

The reason why the subcommittee recommended this formidable cut is, first, because we felt the consensus of all of the Members of Congress was in favor of rigid economy in the operation of public government. We felt that we should cut to the bone where the same could be done without impairing any of the essential services of the city of Washington. We felt likewise, in the interest of setting a precedent for other governmental agencies in the city of Washington, that an example should be set. We also felt that some of the new employees requested were not shown to be needed. We likewise cut out about $5,000,000 in the requested appropriation this year for new construction. The Wyatt report, the Executive order issued by this administration with reference to the need for new public construction, was given serious consideration by our committee. We, therefore, provided in the bill that there be no funds provided for new construction, although justification was

given for new buildings, new school buildings, new welfare institutions, new branch libraries and new branch police stations. The committee was unanimous in the view, by reason of the shortage of critical material for veterans' houses and for housing generally that Mr. Wyatt was correct insofar as his official order applies to the District of Columbia; that we could defer construction of these needed buildings for at least 1 year. We also had to cut to the bone because we would only have had a cushion of $800,000 left in the municipal treasury if we had allowed in full the Budget requests which were submitted to us. The committee in past years was able to wipe out indebtedness of the District of Columbia amounting to $11,000,000. We also were able to create a surplus fund in the sum of $10,000,000, making a total of $21,000,000 in the war years. The $10,000,000 was invested in United States War Savings bonds. We did not want that all wiped out, but we wanted to have for future contingencies a sum of eight or nine million dollars to hedge against the possibility of subsequent increases being voted in the compensation paid employees of the District of Columbia.

The bill which passed the House yesterday will cost the District of Columbia several million dollars additional, above and beyond what we have provided in this bill, if it becomes a law. Had we allowed the budget in full as requested there would have been scarcely any funds whatsoever out of which to take care of the payment for the additional compensation, in addition to which the law requires that the city government of Washington be operated on a pay-as-you-go basis. We cannot have any bonded indebtedness. Everything must be paid for out of the current year's revenues. We cannot carry over the load to subsequent years. That, in sum, is the reason why we pursued a policy which to many people of good intent seemed to result in too severe a cut.

The police department of the city of Washington requested an additional appropriation for 125 more policemen, over and above the Budget estimate. The committee allowed the full budget estimate for the Metropolitan Police Department of the city of Washington, but it was felt that in view of the fact that most of the city policemen that have heretofore been used for guarding the embassies, guarding the bridges, and guarding the White House have now been returned to their other duties within the city, we could postpone the appropriation for 125 policemen over and above the budget until next year.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. COFFEE. I yield to the gentleman from Michigan.

Mr. DINGELL. I appreciate the thoroughness with which the gentleman generally scrutinizes demands of this nature. I understand, too, his attitude with regard to the needs in connection with public safety. For many years I have been of the impression that the city of Washington needs a substantial number of policemen added to the force. I am more convinced of that now than ever. May I make the suggestion that the city of Washington should be provided with sufficient funds—and I am a taxpayer here now so I can say this with some degree of right and authority—to have at least 600 additional patrolmen—300 police patrolmen, 100 scout cars, and 100 motorcycle police. The beats in the city of Washington are not patrolled as thoroughly as they are in other cities. I think that deficiency is dangerous to the public safety. I think it is one of the most important things that Congress ought to look into. I respectfully submit to my friend from Washington, the distinguished chairman of the subcommittee on appropriations for the District of Columbia, that he should go into that matter very carefully. The figure I have submitted may not be correct, that it ought to be 600, but it certainly should not be 125. The least I would ever compromise with as a Member of this House would be three times the number the Budget allowed for.

Mr. COFFEE. May I say to the gentlemen from Michigan that the 1946 appropriation for the Police Department of the city of Washington was $3,955,000, and we have increased that this year alone to $5,045,900, which is over a 20 percent increase in one year. This would indicate that we have not neglected it.

Mr. DINGELL. But it does not include the increase in personnel.

Mr. COFFEE. It increases some of the personnel, but not the request over and above the Budget. That was not in the Budget, may I say to the gentleman from Michigan, it was asked by Major Callahan of the committee, although there was no Budget estimate for it. If a showing is made subsequently in a supplemental estimate, we will be glad to consider it.

Mr. DINGELL. Of course, I personally will back any demand which will provide at any time for an increase in the personnel of the Police Department here in the city of Washington.

Mr. COFFEE. I know that the school district of the city of Washington is one of the best in the Nation. It is not as good as we would like it to be. We would like it to be better. We know there are many new school buildings needed, particularly in overcrowded areas. We wanted to allow funds for the construction of these needed buildings. But we considered the matter very carefully and in view of the critical shortage of building materials and in view of the fact that we are paying the top prices at the present moment for such materials as are obtainable, and in view of the fact that the Government has established a policy against construction, we have postponed that construction for 1 year. We did allow in this Budget provision for court stenographers for the municipal courts here, because it was found in the operation of the District of Columbia courts the judges had to spend most of their time making elaborate notes in longhand on foolscap paper in order to present any kind of a record in the event of the case going up on appeal. We did not allow all of the stenographers requested, but allowed half of the requested number.

Mr. Chairman, I will be glad to yield if there are any Members who want to inquire with respect to any phase of the District of Columbia government, because the subject is so enormous that I could not attempt to cover it.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. COFFEE. I yield to the gentleman.

Mr. HOFFMAN. In one of the Washington papers the other day, I noticed some criticism of Congress. I suppose the criticism was voiced because of this recent jail escape unless somebody got out this morning that I have not heard about. What difference does it make what Congress does if those who are on guard do not perform their duties. Do you know of anything that we can do to keep men in the jail as long as those down there charged with their custody do not attend to their business?

Mr. COFFEE. The gentleman from Michigan, in my judgment, is speaking the facts and making a sound observation. Certainly Congress should not be held culpable for the omissions and negligence on the part of guards and jail officials of the city of Washington. No one can justify the negligence which characterized the activities of the jail officials. No one rationally can blame Congress for the omissions of these employees. We cannot personally supervise the administrative operations of the municipal government. I agree with the gentleman from Michigan.

Mr. HOFFMAN. If I may be permitted, I suggest that if the committee holds an investigation, they should call the editorial writer or the publisher of the Washington Post and ask him just what we ought to do. He seems to know all about everything or he thinks he does; and we might delegate to him, if Congress has the authority, the power to go down there and sit and watch the prisoners if he does not think it is being done right.

Mr. COFFEE. May I call to the attention of the gentleman from Michigan that the Committee on the District of Columbia, of which the gentleman from South Carolina [Mr. McMILLAN] is chairman; that is, the legislative committee, is now engaged in an investigation of that whole situation, and that recommendation might well be made to him.

Mr. BRADLEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. COFFEE. I am very glad to yield to the gentleman.

Mr. BRADLEY of Michigan. Should not the jail officials be charged with the responsibility for placing as a guard in the death house an officer, a traffic policeman, I believe, who within recent years has been called up four different times for dereliction of duty on the police force of the District of Columbia? It seems to me we had better check into the District Police force.

Mr. COFFEE. I agree thoroughly with the gentleman. There was no possible reason why this policeman with a very bad record should have been put in that responsible spot. So far as I am concerned, I am opposed to fraternization

between guards, policemen, and criminals in penitentiaries. It is inimical to morale.

Mr. BRADLEY of Michigan. Does the gentleman know of any other prison in the United States where that would be tolerated?

Mr. COFFEE. No; I do not. I agree with the gentleman.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5990) making appropriations for the Government of the District of Columbia, and other activities, had come to no resolution thereon.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On March 20, 1946:

H. R. 4269. An act for the relief of Ida Barger, Hazel A. Beecher, Etta Clark, Jesse Ruth France, John W. Nolan, Anna Palubicki, and Frank J. Schrom; and

H. R. 5239. An act to amend Public Law 277, Seventy-ninth Congress, so as to provide the Coast Guard, at such time as it is transferred back to the Treasury Department, with a system of laws for the settlement of claims, and for other purposes.

On March 21, 1946:

H. J. Res. 301. Joint resolution to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

On March 22, 1946:

H. R. 5458. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

H. J. Res. 243. Joint resolution tendering the thanks of Congress to General of the Army George Catlett Marshall and to Fleet Admiral Ernest Joseph King and to the members of the armed forces of the United States who served under their direction; and providing for the striking and presentation to General Marshall and Fleet Admiral King of appropriate gold medals in the name of the people of the United States.

On March 28, 1946:

H. R. 2670. An act for the relief of the legal guardian of Kathleen Lawton McGuire;

H. R. 3012. An act for the relief of George W. Murrell; Kirby Murrell, a minor; and the estate of Mamie W. Murrell, deceased;

H. R. 3904. An act for the relief of Raymond C. Campbell;

H. R. 5201. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1947, and for other purposes;

H. R. 5671. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; and

H. R. 2008. An act for the relief of the village of Cold Spring, Minn.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that Committee on Banking and Currency may be permitted to sit this afternoon during the general debate on the District of Columbia appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

COMMITTEE ON MILITARY AFFAIRS

Mr. MAY. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may sit today during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1947

Mr. COFFEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5990, the District of Columbia appropriation bill for the fiscal year ending June 30, 1947.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5990, with Mr. FORAND in the chair.

Mr. STEFAN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I want to thank the distinguished gentleman from Washington [Mr. COFFEE] for his kind words. I also want to join him in paying commendation to our clerk, Mr. Bob Lambert, for the excellent and efficient work he has done in connection with this bill. As the chairman has said, it really is a thankless job to work on this District budget.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. Yes. I yield to the distinguished gentleman from New Jersey.

Mr. CANFIELD. I am glad to hear the gentleman pay tribute to my good and long-time friend, Robert Lambert, the clerk of this subcommittee. I think the House should know that on the 14th of February last Mr. Lambert observed his 26th year as an employee on Capitol Hill. He has always been courteous, friendly, and efficient.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the distinguished gentleman from Washington.

Mr. HORAN. I want to pay my respects to Bob Lambert also. He has handled several very difficult bills in addition to the District of Columbia appropriation bill, which is always difficult to handle, and he has always acquitted himself well. I think the House should know of the efficient and faithful and able work of the one who served as clerk of this subcommittee.

Mr. STEFAN. I thank the gentleman. I join with him in those sentiments.

The committee should know that a number of us have been working on two appropriation bills at the same time. That has been true with some of these valuable and efficient clerks. But on this particular bill the gentleman from Washington [Mr. COFFEE] carried the load. As one member of the committee, I want to thank him for the wonderful work he has accomplished, for his great ability and great knowledge of civic affairs gained from his home town in Washington State. It has reflected an unusual amount of good to the taxpayers and the people who live in our Nation's Capital.

Mr. Chairman, we have just completed 2 weeks of hearings on this bill, and the record is rather voluminous. We had before us an official representative of each department and agency of the District of Columbia government. Some of these agencies are almost completely Federal in character, some quasi-Federal and some purely municipal. The municipal structure is composed of about 70 departments, boards, and agencies, and over some of these groups the Commissioners have no administrative control whatsoever. In 1917, the appropriations for the District of Columbia approximated $16,000,000. For 1947, we were requested to appropriate in excess of $81,000,000. In 1917, the population was approximately 400,000, whereas today the population approximates 938,000. The amount of the bill, as reported by the committee, is $72,585,009, which is a decrease of $8,919,991 as compared with the 1947 Budget estimates, but an increase of $6,200,044 over District of Columbia appropriations for 1946.

The Capital City has had a remarkable and steady growth through the years, and it is contemplated that this growth will continue until the saturation point is reached, which under the present zoning, is about 1,200,000. Sitting as a city council for an organization of this character is intensely interesting, but it involves a lot of work and a great amount of thinking to arrive at conclusions as to what is best for not only local residents but for all the Federal interests in this Federal city. We are convinced that we have a good clean government and one which has made a remarkable showing during the war years. Indebtedness in excess of $16,000,000 has been wiped off the books.

A tidy little sum of ten million was put aside for capital improvements when priorities would permit. The representatives of the various departments naturally are quite interested in expanded services and the Commissioners were justified in presenting a budget which would more adequately represent the needs of the community and provide those capital improvements which were necessarily delayed because of the war. However, in their presentation it was shown that to balance the budget it would be necessary to use practically all of the reserve, so that, if approved in its entirety, there would remain an insufficient cushion for contingencies, such as a further increase in employees' salaries. The committee was disturbed over this situation and over the fact that the District government would be in a very unfavorable financial situation for the fiscal year 1948 unless some steps were immediately taken. This committee, as you know, is not only concerned with appropriations but is also very vitally concerned with revenue availability. The District has no borrowed indebtedness and cannot go into debt, nor has

it any power to borrow any money from any source unless authorized by the Congress. Naturally, we inquired into the reasons for the present dark financial outlook, and it readily became apparent that through the passage of laws over which the District has no control, involving increased compensation for employees, shorter work hours with night differential, and time and a half for overtime, as well as rapidly increasing cost in almost every field, the District's mounting budget was unavoidable.

You might recall that Congress increased the salaries of all school teachers and employees of the public-school system and all members of the Metropolitan Police and the Fire Department. These increases, with those given to the classified service, as well as those by per diem wage scale boards, ran into millions of dollars. We, as well as you, want to know what is going to be done to meet these additional burdens which have been and which are going to be placed upon the local government.

In 1917 the schools received $3,205,337. For the fiscal year 1947 the schools' budget request amounted to $19,486,100, or nearly four million more than it took to run the entire District government 30 years ago.

In 1917 the police department received $1,047,841. For 1947 the requests amounted to $5,150,900.

In 1917 the fire department received $750,372. For 1947 the requests amounted to $3,038,700.

In 1917 the refuse department needs were met with an appropriation of $566,350. In 1947 the requests amounted to $3,879,000.

There is no doubt about it, this is now a large and expensive city. Its 18,000 employees are receiving approximately $41,000,000 per annum in salaries, and the possibilities are that more millions in increases will be added to the pay roll. Don't let us forget, however, that someone has to pay the bill.

In 1920, a postwar year, elementary teachers' salaries ranged from a minimum of $600 in the first and second grades to a maximum of $1,100 in the fifth and sixth grades. In 1946, the salary range of elementary teachers is $1,900 to $2,900.

In 1920 police and firemen's salaries ranged from $1,460 to $1,660 for privates.

In 1946 the salary range for privates in these departments is $2,387 to $2,981.

It is to be observed that Congress has not been unmindful of the needs of these employees.

The Teachers Salary Act of 1945 added $1,404,000 to the pay roll.

The Police and Fire Act of 1945 added $1,520,000 to the pay roll.

The classified employees' increases added $2,125,000 to the pay roll.

The per diem and unclassified increases added $1,815,000 to the pay roll.

The 40-hour week was established, and time and a half for overtime and night differential all have the effect of shooting up municipal costs.

Before we go much further, very serious thought should be given to just how we are going to come out financially.

Perhaps we should also pause and review what we have done. From all reports the overtime and night-differential idea is not working at all satisfactorily in this municipal structure. But can we pause, or is this terrific undercurrent which seems to be creating vicious circles going to keep spinning round and round? Dissatisfaction and discontent is in the air, and much of it, I am sure, is inspired. It is my hope that as far as this municipal government is concerned all of these adjustments can be handled in their broad aspects as an over-all proposition and not as to any particular group or groups. In other words, I would like to see equality of treatment for all District employees, whether organized or not, and this equality can only be assured by very careful analysis and open and frank discussions.

PUBLIC WORKS

Our committee for years has been very definitely interested in the District public-works program. Our able chairman, with other members of the committee, has visited personally the institutions referred to in this bill. We know the condition of the Home for the Aged, the District jail, the workhouse, Gallinger Hospital, the District Training School, and the Glenn Dale Sanatorium. We would be delighted to see the requested improvements authorized, for in a number of instances the conditions are far from satisfactory.

Your committee is not responsible for the unwholesome conditions existing in the construction field. You simply cannot get a fair contract because conditions are so unstable, so uncertain. I agree with my colleagues that public agencies should cancel all but the most essential work. We are merely postponing for another and better day the improvement program of the District.

TAX STRUCTURE

We have been informed that the Commissioners have appointed a committee for the purpose of making a survey of the tax structure of the District of Columbia. This committee is composed of officials of the District government and 10 of Washington's citizens: Bruce Baird, Edward Carr, Wilbur S. Finch, Robert V. Fleming, Woolsey W. Hall, J. M. Heiser, Rufus S. Lusk, B. M. McKelway, Fred Walker, and James C. Wilkes.

This group is now deliberating and when their activities are completed recommendations will undoubtedly be made to this Congress which may result in increases adequate to care for the city's future financial needs. Out of this city's population of almost a million, only a little over 100,000 individuals are paying real-estate taxes, while less than 100,000 filed income-tax returns for 1945.

This committee examined witnesses in reference to certain phases of the revenues and I am confident that with a little study, revenue sources can be tapped which will not work a hardship on the people of this city. It is my belief that the citizens of this community will back and support a well-rounded program to increase taxation so that the municipal services of Washington will be second to none in the Nation.

FISCAL RELATIONS WITH THE FEDERAL GOVERNMENT

There are compelling reasons, however, why the Federal Government should not permit the residents to assume all the extra financial burdens during the postwar years. The Federal Government obligation is not, and should not be, based on the District's ability to function without assistance. The Federal obligation should not be considered as a contribution but as a payment. While the appropriations for the District of Columbia, payable from the general revenues, have increased 180 percent since 1921, the percentage proportion of the United States share has decreased from 40 percent in 1922 to approximately 9 percent in 1946.

On July 1, 1946, the assessed value of real estate in the District of Columbia owned by the Federal Government was in excess of $710,000,000, which at the rate paid by the taxpayers—$1.75 per $100 of assessed valuation—would amount to over $12,500,000 per annum. Free water amounts to nearly $900,000 per annum, while improvements, maintenance, and policing of nationally owned parks is in excess of a million dollars. The expense of the National Capital Park and Planning Commission and the National Zoological Park, in excess of $300,000 gives a total of almost fifteen million which the District could prove as a claim against the United States. The time has now come when we should face this problem with minds attuned to equity. This city is national, and the Nation should share in its maintenance and upkeep. It may be some time before we will reach an agreement on a formula method of determining the amount of Federal participation in the payment of District expenses, but I do not believe the District should be penalized because of inability to reach such an agreement. I think all should be in favor of increasing this payment now and making adjustments when the agreement on the formula has been reached.

RETURNING WAR VETERANS

The committee was pleased to learn during the course of the hearings that 702 employees had returned from the armed forces for reinstatement in their positions or ones of like character in the District government. It is contemplated that some eight hundred and ninety-two will shortly be reinstated in like manner. These men and women, as well as the other thousands who left this city in defense of this Nation, should be assisted in every possible way in obtaining livable housing accommodations.

I congratulate my chairman, the gentleman from Washington [Mr. COFFEE] and the other members of the committee, particularly the gentleman from Virginia [Mr. GARY] and the gentleman from New Jersey [Mr. CANFIELD], two new members of our subcommittee, who were untiring in their zeal and effort to produce a well-considered bill.

Mr. HOFFMAN. Mr. Chairman, I make the point of order that a quorum is not present.

Thee CHAIRMAN. The Chair will count. [After counting.] Sixty-eight Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 78]

Adams	Elsaesser	Miller, Nebr.
Allen, Ill.	Engel, Mich.	Mundt
Almond	Fisher	Murdock
Andrews, Ala.	Fulton	Murphy
Andrews, N. Y.	Gardner	Neely
Auchincloss	Gearhart	Norton
Baldwin, Md.	Gerlach	O'Brien, Ill.
Baldwin, N. Y.	Gibson	Outland
Barrett, Pa.	Gifford	Pace
Bates, Ky.	Granahan	Peterson, Fla.
Beall	Green	Pfeifer
Bishop	Gwinn, N. Y.	Ploeser
Bolton	Hall,	Price, Fla.
Bonner	Leonard W.	Price, Ill.
Bradley, Pa.	Hancock	Rabin
Brumbaugh	Hart	Rains
Buckley	Heffernan	Rayfiel
Bulwinkle	Howell	Reece, Tenn.
Bunker	Jarman	Robertson,
Burgin	Jennings	N. Dak.
Byrne, N. Y.	Johnson, Okla.	Robinson, Utah
Byrnes, Wis.	Kean	Roe, N. Y.
Cannon, Fla.	Kearney	Rogers, Fla.
Cannon, Mo.	Keefe	Rooney
Celler	Kelley, Pa.	Rowan
Chapman	Kelly, Ill.	Sadowski
Chiperfield	Keogh	Shafer
Clark	Kerr	Sharp
Clippinger	King	Sheppard
Cochran	Klein	Sikes
Cole, N. Y.	Knutson	Simpson, Pa.
Colmer	LaFollette	Slaughter
Courtney	Lane	Taylor
Curley	Lanham	Thom
Davis	Larcade	Torrens
Dawson	Latham	Traynor
Delaney,	LeCompte	White
John J.	Link	Wigglesworth
D'Ewart	Luce	Wolfenden, Pa.
Doughton, N. C.	Lynch	Wolverton, N. J.
Doyle	McGregor	Wood
Dworshak	Mansfield, Tex.	Vorley

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 5990, and finding itself without a quorum, he had directed the roll to be called when 307 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5990, with Mr. FORAND in the chair.

Mr. STEFAN. Mr. Chairman, I had about concluded my statement when the point of no quorum was made. I have nothing further to add with the exception of telling the Committee how deeply the chairman of the committee and myself feel with reference to the services of the new members of the committee, the gentleman from Virginia [Mr. GARY], the gentleman from New Jersey [Mr. CANFIELD], and others.

I now yield to the gentleman from Pennsylvania [Mr. GAVIN] and I appreciate his waiting to interrogate me until I concluded my statement.

Mr. GAVIN. I want to compliment the gentleman on his very fine statement and I want to compliment the committee for the careful study that it has given this $72,000,000 District of Columbia budget, but I have been wondering whether the Congress would give as much consideration and detailed study to the $4,400,000,000 British loan which means, I might say, a tax of about $30 a head on every man, woman, and child in the Nation. I wonder, if we did introduce such legislation to take care of this proposed loan to Britain and the American people realized that they would have to pay $30 cash on the barrel head right now to loan $4,000,000,000, how many taxpayers would be in favor of the British loan. I think the American people should be made aware of that fact and the fact that if you do grant this loan and do not make arrangements to pay you are adding to our already overburdened debt that the American taxpayer must pay eventually. The boys who were over there doing the fighting, and who are now coming back home must take off their coats and get a job and earn the money to pay the taxes to meet the cost of this loan. What does the gentleman think about that?

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. STEFAN. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, I yielded to the gentleman for a question. Does the gentleman from Pennsylvania want me to answer the question?

Mr. GAVIN. Yes. I am asking the gentleman whether or not he thinks Congress is going to give the same careful, detailed study to the British loan that they are giving to the $72,000,000 District of Columbia appropriation, which the gentleman discussed in minute detail.

Mr. STEFAN. In answer to the gentleman's question, he must realize this bill has nothing to do with the British loan. But if I were to answer the gentleman's question as to what Congress is going to do, I will say that I cannot tell what Congress is going to do. I have already made my statement on the proposed loan. I feel our first concern must be the American people.

Mr. GAVIN. Well, I do, too.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Illinois.

Mr. MASON. Is there anyone outside of God that could possibly foretell what the Congress would do on any matter of any kind?

Mr. STEFAN. The gentleman answers his own question.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Michigan.

Mr. DONDERO. Is the $72,000,000 that portion which the Federal Government pays to the District budget, or is that the total budget for the District and the Federal Government?

Mr. STEFAN. The $72,585,000, may I say to the gentleman from Michigan, includes the $6,000,000 Federal contribution.

Mr. DONDERO. In other words, the Federal Government furnishes $6,000,000 of the $72,000,000 budget?

Mr. STEFAN. That is right.

Mr. DONDERO. Or about one-twelfth?

Mr. STEFAN. That is right.

Mr. COFFEE. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, the press of other business will make it impracticable for Chairman CANNON to be present during the general debate on this appropriation bill. If he were here, I know he would call attention of the House to the splendid work the District of Columbia subcommittee has done in shaping this bill.

The District of Columbia appropriation bill is one of the most difficult of the appropriation measures to prepare, because it deals with local matters, and the subcommittee, and particularly the subcommittee chairman, must give much time to hearings and to weighing the views of local citizens and local civic bodies. They have a responsibility to the Nation and to the people of Washington in the work which they do and they feel that responsibility and discharge it after much thought and study. The preparation of this bill has been a long and arduous task, in the performance of which the able chairman and the members of his subcommittee have given their time and energy without stint.

The chairman of the subcommittee, the distinguished gentleman from Washington [Mr. COFFEE], has acquired a truly remarkable grasp of the local government and of the conduct and functioning of its many phases, and we of the committee have great faith and confidence in his judgment and recommendations. The very capable ranking minority member of the subcommittee, the gentleman from Nebraska [Mr. STEFAN], has given much attention to the Nation's Capital and has a comprehensive knowledge of its affairs.

As acting chairman of the Committee on Appropriations, I feel that I should be derelict not to voice this sincere expression of commendation. The gentleman from Washington and the members of his committee, and the executive secretary of the subcommittee, Bob Lambert, deserve the thanks of the House for doing an excellent job.

Mr. STEFAN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. BRADLEY].

Mr. BRADLEY of Michigan. Mr. Chairman, after our daily chores have been done on the Hill, my wife and I enjoy no greater relaxation than to attend a professional boxing bout or a night baseball game or, in the fall on Sundays, enjoy one of the Redskins professional football games.

Mr. Chairman, I have never asked for a pass to any of these contests, always preferring to pay my own way, and I have enjoyed these contests, and I believe, generally speaking, I have received my money's worth. If there is a more avid sports fan in this Congress than I am I will debate the issue with him.

But, Mr. Chairman, on behalf of the public and on behalf of the patrons who support these various sports in our District of Columbia, I profess that I am seriously concerned about the aboveboard evidences of gambling—professional gambling, if you please—that surrounds every sporting event in the Dis-

trict of Columbia, be it amateur or professional. One cannot attend a baseball game and even approach the men's rest room without hearing wagers made and seeing bets exchanged on all hands. One cannot even approach the ball park in the fall without he hears odds being offered and accepted by known professional gamblers on the ultimate result of the football game about to be played. One cannot sit in a ringside seat at a boxing bout in this city without he hears bets openly made or talked about, at least, and prefight ring decisions arrived at before the contestants even enter the ring, and then, to make things worse, at the completion of a bout any ringside spectator—as I have often been myself—can hear over his shoulder what the decision will be, and I am sorry to say frequently the decision is unfavorable to the obvious winner but favorable to the gambling fraternity.

Now, Mr. Chairman, this spectacle has become disgusting and nauseating to all true lovers of sports. Therefore, Mr. Chairman, I have introduced a bill today which would make it a felony for anyone to engage in gambling on any sports event conducted within the confines of the District. Everyone who offers a bet, takes a bet, pays off on a bet, or accepts payment of a bet, if convicted, would be subjected to a maximum of $5,000 fine or 5 years imprisonment, and he ought to be, if we are to keep sports on a high level in the District of Columbia, the Nation's capital.

Now, Mr. Chairman, I hope that bill will be referred to the District of Columbia Committee and I hope the chairman of the subcommittee handling sports within the District, the gentleman from Mississippi [Mr. McGEHEE] will give me some prompt action thereon. I know it is difficult to put your finger on any one particular gambler or on any one particular clique, but no one who patronizes the sports as often as I do after office hours can shut his eyes to the fact that this program is going on for the lucrative benefit of the few and to the detriment of all true sports lovers.

Now, Mr. Chairman, in the event this first bill does not receive prompt passage, I have offered two other bills today which I likewise hope will receive prompt consideration by the District of Columbia Committee. I have offered one which would henceforth prohibit all professional boxing in the District. My good friend, the gentleman from New Jersey [Mr. HARTLEY] some years ago introduced a bill which legalized the resumption of professional boxing in the District, but I think he, too, will join me in the belief that professional gambling has taken an unsavory control over the operations of professional boxing in this District, the Nation's Capital. I know that was not his intention when he sought to and did restore professional boxing in the District. He is a true sportsman, as I try to be and believe I am, and he wants to see clean bouts honestly conducted and in this connection, Mr. Chairman, may I say this: I have no fault to find with any particular promoter in the District, although I must confess that some of our bouts stink to high heaven and some of their matchmaking is still worse, based on what I have seen with my own two eyes. I want to pay whole-souled tribute to the efficiency of the staff of referees who have been licensed by the District Boxing Commission. I doubt that one could find a more able staff of referees; yes, and even of judges, in the entire United States. I think they are all eminently fair insofar as their personal judgment is concerned. I think, too, the Boxing Commission is trying to do an honestly sincere and excellent job, but it is mighty difficult to explain some of the things that happen within the square ring in Washington, and if that cannot be controlled by men as outstanding as these men, well, then, it is about time to call a halt to boxing in the District.

For instance, to cite but a few examples. Recently a former world's champion fought a young man—an up and coming youngster—in the largest arena in the District. The former champion fought a heady fight and obviously considerably outpointed the youngster. But, it had been announced on that very day the bout was staged that this youngster had been booked to fight another prominent local boy in the ball park some time in May, when they would probably draw a minimum gate of $60,000. The final decision was in favor of the local boy and against the ex-champion. It was loudly booed. Gamblers sitting immediately behind me told me before the boxers entered the ring, who was going to win and they bragged about it afterward with an "I told you so." In the semifinal bout immediately preceding that main bout on that particular night, a colored boy was obviously defeated by a wide margin but the gamblers behind me bragged in advance the worst he would get would be a draw, and lo and behold he won the decision on which possibly they collected some money.

To cite just one further case. Just about a week ago a very promising young local white light heavyweight, Jackie Cranford, fought a more seasoned local colored heavyweight by the name of Jimmie Bell. Bell had an excellent record, including a recently won decision over one of the outstanding heavyweights of the country, Joe Baksi, according to the afternoon local papers. At noon the day of the fight the odds were 11 to 5 in favor of Bell. For some strange reason by the time of the bell, the odds had dropped to 6 to 5. I have seen Bell fight a number of bouts. He usually has been keen, energetic, aggressive, and active from the time he entered the ring until he either gave or took a licking. This night he was dull, frowning, scowling, obviously ill at ease. He stalled through six rounds and finally got a couple of slaps in the face, a couple of punches in the stomach and then suddenly became too sick to come out for the seventh round. Once again the gamblers leaped in joy and I heard many of them tell how many hundreds of dollars they won on the fight. I congratulate the District Boxing Commission on setting young Jimmie Bell down for a number of months as they should have, but I say in all sincerity that I feel Jimmie Bell was the victim of the machinations of the gamblers. I have seen him fight too many clean, honest fights—giving or taking a licking—to be obviously forced to drop a fight as everyone suspected him of doing in this instance. I wish to detract none from an ex-serviceman, young Cranford, but I also believe Jimmie Bell is not yellow, that he was under orders, disgraceful orders, to "lay down" that others might profit. For shame.

No, Mr. Chairman, we have to clean up this mess. We have to clean up this obviously attempted control of every sport—professional and amateur—in the District by this clique of professional gamblers; and that is why I have introduced these first two bills.

Now in conclusion I want to say I introduced a third bill—one designed to prohibit in the future participation between black and white fighters in professional boxing engagements. I have seen to many evidences of impending race riots developing as a result of obvious overmatching on the part of either white or black boxers. We want no race riots in the District of Columbia. We want no unjust discrimination, but apparently these professional gamblers would have it otherwise, and until they are controlled probably we had better discontinue mixed bouts.

Mr. Chairman, I hope that the chairman of the subcommittee handling sports within the District of Columbia, the gentleman from Mississippi [Mr. McGEHEE] will bring all three of these measures up for hearing in the very near future and I hope this House will act favorably on each of these various bills which I have introduced today. In the interest of good clean sports in the District of Columbia such action must be taken.

Mr. STEFAN. Mr. Chairman, I yield 10 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, whenever I see an appropriation bill reported by the Appropriations Subcommittee for the District of Columbia, I feel that at least here are a few heroes who contribute time and effort for the good of their country and for the good of the city of Washington for which they will get no thanks so far as I know in their own districts. At one time it was my privilege to serve on the Subcommittee of the Appropriations Committee for the District of Columbia and if ever anybody in my own district uttered a word of appreciation of that particular service it never came to my attention. Nevertheless, I know that these men who serve on this committee must put in a great deal of time not only on the bill but in dealing with District of Columbia matters generally. It takes a lot of time and energy and the only reward one gets is the feeling one has done something that has to be done together with the thanks that you get from the people in the District of Columbia.

I rose, Mr. Chairman, however, not only to say what I have about the work of the committee but also to call attention to a bill which I introduced a few days ago, House Joint Resolution 330. It is a resolution to create a capital clearance committee. I first introduced the bill

in the year before the war. It grew out of experience on the District of Columbia Appropriation Subcommittee and other appropriation committees dealing with the National Parks and Planning Commission. I found that we were continually being asked for funds to purchase land in the District of Columbia for Government buildings or for playgrounds or for parks that seemed to us to be very high in price. We also had called to our attention repeatedly the shortage of building ground for apartment units and houses, for commercial buildings as well as for Government buildings.

In observing the maps that were brought before us at various times it seemed obvious to me that a great deal of land was being devoted to purposes which might be better served in other locations. I have reference to large acreages used by such institutions as St. Elizabeths, the National Training School for Girls, the National Training School for Boys, and possibly the Soldiers' Home, although I think that is in a class different from these institutions which I have already mentioned, because the land was bought by funds of the soldiers themselves, although even there space might be found for placing some of the temporary housing for returned veterans.

At the time I first introduced the resolution there was considerable ground down near the old National Airport that was not being used for the best purpose to which it might be put. It may now all be gone, but that can be checked. And there are other places named in the resolution, running into several hundreds of acres.

The war came on and it seemed inadvisable to press the resolution at that time. However, it was discussed with members of the National Capital Park and Planning Commission and with Mr. Delano, the uncle of the late President Roosevelt. All of them showed a great deal of interest in the resolution and seemed to think there would be real value in having a survey and study made at least, to determine whether those large tracts of land in the District of Columbia might not be better applied to other uses, and the institutions that were presently located on them moved to points outside the District.

I do not know of any other large city in the country that affords itself the luxury of large acreages for such institutions as training schools within the city limits. In fact, a great many people would hold, I think, that it would be better for those training schools to be located outside the environs of a large city.

The same would probably hold true for St. Elizabeths. Everyone must have witnessed the gradual surrounding of St. Elizabeths with residential areas and in traveling to Congress Heights or the residential sections in that area have noticed the unusual amount of territory that is used by St. Elizabeths for farming purposes. Perhaps the farm offers good occupational therapy, but if so, more room exists outside of this growing city for more of it.

The Congress is called upon to appropriate out of both District funds and Federal funds for the purchase of land for parks. Although a great deal of that is reimbursed by District funds, yet it means a drain on the taxpayers in one form or another.

So it seems to me it would be appropriate for the Congress to authorize the creation of this Capital Clearance Commission to explore the situation and make recommendations. That is all the resolution which I have introduced does. It does not say that those institutions should be moved out of the District or must be moved. It merely says that the Chairman of the Capital Park and Planning Commission, the Administrator of the Federal Works Agency, and a representative from the Board of Commissioners for the District of Columbia should constitute a committee to determine whether or not those large acreages within the city are being put to their best use, and authorizes them to make recommendations on the basis of a survey and study.

I hope when the matter comes before the Committee on Public Buildings and Grounds that those of you who are interested in this matter will appear before that committee, and urge that the resolution be brought before the Congress for consideration.

Mr. Chairman, I yield back the remainder of my time.

Mr. STEFAN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

HOMES FOR VETERANS OR SUBSIDIES FOR BUILDERS

Mr. HOFFMAN. Mr. Chairman, everyone is deeply grateful to those who served our country in her time of need. Unfortunately, a few civilians seek to capitalize either politically or financially on the desire to aid them.

Even Congress sometimes has difficulty in determining whether proposed legislation ostensively offered to, in some measure, compensate veterans for their services and create for them equality of opportunity, will bring about the desired result or is just another plan through which certain individuals expect to profit financially or politically.

The so-called Wyatt housing bill has some provisions which make it the latter. It provided for planning and spending but would not build real homes. The controversy over that bill grew not out of any desire to deny homes to veterans but out of the well-grounded suspicion that instead of a bill to enable a veteran to acquire a home, it was a bill which as written would have enabled some groups to profiteer at the expense of the veterans.

A SCARCITY OF HOMES

There is no doubt but that in some areas there is a scarcity of homes, of housing. During the war civilian building was at a standstill. Building material of all kinds, home furnishings, were off the market because our factories had been converted to the production of munitions of war.

Comparative high wages in war industries drew hundreds of thousands of workers, men and women, from the farms and the smaller towns into the cities. There they were crowded into apartments, lived in trailer camps, or temporary barracks. Some of them enjoyed conveniences and access to entertainment which they could not get in the communities from which they came. Many of them when the war ended were reluctant at the moment to return to their former homes. Some will sooner or later discover that the city has its inconveniences, that the comparative wage paid in the city meets high prices when it goes to market. Some will ultimately learn that the old home in the small town with its garden, the farm even with its hard work, offers as much if not more of real comfort and security than does the city.

During the war and since the fighting ended, hundreds of thousands of refugees—no one knows how many—have come into this country. Congressmen have been unable to learn from the State Department or from any other department of the Government how many refugees have entered our country in violation of our immigration laws. Some of our seaboard cities are crowded with them.

While our sympathy goes out to the unfortunate people of other lands and an overwhelming majority of us are willing to do everything possible and reasonable to aid them, admitting them in violation of our laws and giving them homes while our own servicemen and women go homeless, live in shacks, in barracks, or trailers, does not, to some of us, make sense.

When we know as we do that since the fighting ended some 38,000,000 board-feet of lumber has been or soon will be shipped out of this country and, coupled with that knowledge, is the fact that building materials cannot be obtained even with a veteran's priority, we begin to wonder whether all of the noise made in support of the housing bill comes from those who are the real friends of the veterans or from would-be profiteers and speculators.

Though the majority of the 10,000,000 or more Americans who were drafted or who enlisted had good homes; though more than a million of them who were or are casualties are not in need of homes, nevertheless the drop in construction and the marrying of the veterans has created a situation which demands relief, for all admit they should have an opportunity to obtain homes.

Congress must act, and, unless the veterans are to be disappointed and disillusioned, it must act quickly and, of the utmost importance, wisely.

THE BOWLES-WYATT HOUSING BILL

Knowing as we do that every Member of Congress has a sincere desire to give real aid to the veterans, the howling that burst on the air when a majority of the House uncovered the subsidy joker in the Bowles-Wyatt housing bill and sought to make it something other than a fraud upon the veterans was proof that someone's toes were being stepped on, someone's shins being kicked, the door to the opportunity for graft and profiteering being slammed shut.

The administration demanded the passage of this bill, without the changing of the dotting of an "i" or the crossing of a "t."

The bill, in addition to an appropriation of a billion dollars to finance loans to veterans to enable them to purchase homes, carried an appropriation of $600,000,000 for subsidies to contractors constructing the homes. By an overwhelming vote of the House the provision for the subsidy, that is, dollars to builders, was stricken from the bill.

Mr. Wyatt immediately set up a howl and some radio commentators who, from their squawking, you might have thought were having their oxen gored, went on the air to abuse Congress.

One Quentin Reynolds, speaking for Pepsi-Cola, which certainly made at least a substantial profit out of the war and which may have received more than its share of bottle caps made from the tin hoarded by the housewives and which granted one of the Roosevelts an agency for the sale of its products in a certain section of the country during the war, was greatly outraged by the action of the House in striking the subsidy provision from the bill. Over a national hookup on March 17, Reynolds said:

> Not one Republican voted for the bill and 33 Democrats joined the Republicans in killing it. Where were the liberal Republican Congressmen we've all come to admire so much lately? They were absent. Where were the liberal Democrats?
>
> More than a hundred of them stayed away when it came time to vote. They didn't want to vote against the high-power real-estate and building-material lobbies and they didn't want to go on record as voting against a bill designed to aid veterans. These are the people you and I send to Congress. We voted them in, these miserable cowards of both parties who didn't have the guts to stand up and be counted. Let's remember their names when it comes time for reelection. And let's remember the Producers Council and the National Association of Real Estate Boards.

His statement was not true and at the time he made it he knew, or should have known, by the exercise of ordinary diligence he could have known, that it was not true. The bill passed by an overwhelming vote—but 50 out of 435 Members of the House were absent and presumably they were absent on official business or because of illness. But the Democrats are taking that one lying down.

Mr. John C. Williamson, assistant legislative representative of the Veterans of Foreign Wars, appearing before the House Committee on Expenditures in the Executive Departments, referring to the Bowles-Wyatt housing bill, among other things, said:

> On the housing bill, Drew Pearson came out and said the "following Members are VAV (voting against veterans)."

Then Mr. Williamson added, and I quote:

> If the Veterans of Foreign Wars wanted to label Congressmen as voting against veterans' benefits it would demand a better criterion than the housing bill.

Thus he intimated that the bill was not all it should be. And he added:

> Nobody can convince me that the chairman of this committee could have that label applied, or anybody else.

A VETERAN'S HOME

More than one-half of the men and women who went to war lived in small towns, villages, and on farms. They want homes, not pens, coops, trailers, or barracks. To them a home for the future means a structure for which they have planned, worked, and saved. A home is a place where they expect to live, if not for life, at least for years. In it is to be the room where their children will be born, perhaps the room in which they will die. A home is a place to which you go for rest and comfort after the day's work is over. It is the place where the family gathers to talk and visit with each other, to exchange experiences and confidences, to plan for the future. A home is something more than a place to stay, to eat, and to sleep.

It is a sanctuary, a shrine, a "man's castle" the saying has it.

Veterans are entitled, as are other American citizens, to the opportunity to plan and to build their own homes. Veterans, because of the sacrifices they have made, because they were away during the war, because some of them are still away, because others seized and used the opportunities which the veterans would have had had they remained at home, are entitled to a preference, to a priority, to something better than the average, better than the opportunity available to other citizens.

Such a preference, such a priority, is not a matter of charity. It is a matter of right, a right earned by the service rendered abroad which was over, above, and beyond the service rendered by those of us who stayed at home.

Congress, in granting a veteran preference, priority; in equalizing opportunity for the veteran, has the duty of seeing to it that no one, no group, however shrewd, cunning, greedy, or whatever his political pull, will be able to take advantage of, to overreach, to defraud the veterans, and divert either appropriations or preferences from the veteran to the pockets of would-be profiteers.

Because the Bowles-Wyatt housing bill opened the door to the unscrupulous, the greedy, to the political profiteer, many of us looked upon it in its original form as a deception and a fraud, masquerading under a false label. Some, even after the subsidy provision was stricken, still realized that all the loopholes had not been plugged. It still provides opportunity for bureaucratic planning and spending.

Hence, the objection to its final passage. Many of those who voted for it evidently relied upon the other body to perfect it—upon conferees to make it impossible for any of the advantages given to be diverted from the veterans.

THE JOKER

Let us take a look at some of the individuals and the possibilities lurking in the shadows back of the housing bill.

More than one plan to furnish ready-made homes has been suggested. In the March 11 issue of Life for 1946, beginning on page 47, there is an article featuring a "bungalow biddy." It is described as a 165-ton gadget equipped to lay one concrete house per day.

The promoter did not offer to build houses, but proposed to rent the "biddy" units to contractors for $11,000 per month, to pour a one-story 24 by 30 concrete house equipped with plumbing, wiring, painting, at a cost of approximately $2,600. Apparently this plan did not get very far, for we have heard little of it. Perhaps Mr. LeTourneau did not know the right people.

A prior suggestion, whose promoters evidently do know some individuals in the right places, capable of and willing to give assistance, was carried in Business Week of February 10, 1945, on page 40. The article was captioned, "House united." Then follows these lines, "Designer, plane builder, and union leaders combine to make 'dwelling machine' to bid for postwar mass market."

From the article we learn that a Beech aircraft plant at Wichita, Kans., was then turning out parts for the prototype model of a prefabricated dwelling. The house was to be called the Dymaxion dwelling machine. Among the men behind the proposed mass production of these dwellings was William S. Wasserman, reported to be a capitalist from Philadelphia; Lawrence Hartnett, described as a president of General Motors of Australia; Mr. T. K. Quinn, formerly a president of the Maxon Advertising Agency and the then president of the Monitor Equipment Corp.; Harvey Brown, president of the A. F. of L.'s machinists' union.

It was also proposed that an officer of the National Farmers Union was to have a seat on the board, as was Leon Henderson, upon return from his then current Government mission.

The corporation's bylaws, Business Week states—page 42—provided that the stockholders should also elect from the A. F. of L. International Association of Machinists one member, one from CIO-UAW, and another from the National Farmers Union.

Just how those back of this plan, with millions of Government subsidies and billions or more dollars available for loans to prospective purchasers, intend to harmonize the basic difference of opinion between A. F. of L. and the CIO union members has not yet been disclosed. The CIO will have men on the board. James Dickerson, international representative of the United Steel Workers, a CIO union, took the post with the approval of CIO President Phillip Murray. Harvey Brown, president of the International Association of Machinists, is also on the board.

He was suspended from the A. F. of L. council, and that union has had a series of jurisdictional disputes with A. F. of L. affiliates, including one with William L. Hutchinson's carpenters' union.

As we know from past experience, some of the A. F. of L. and CIO unions have at times bitterly opposed the use of prefabricated materials in the construction industry. As a matter of fact, some of the most bitter labor disputes, some which have caused a complete stoppage of construction work, have grown out of jurisdictional disputes, either between affiliates of the A. F. of L. or between affiliates of the A. F. of L. and affiliates of the CIO.

It is to be hoped, but it is too much to expect, that the union politicians will forget their differences of opinion when constructing homes for veterans.

Already we learn that one carpenters' union, A. F. of L., is opposing Wyatt's proposed guaranteed markets for prefabricated homes.

SOME WHO PUSH PREFABRICATED HOUSING

The name "Dymaxion dwelling machine" had little appeal, nor apparently did Dymaxion houses sell readily. Later the Beech Aircraft Corp. created Fuller houses. An illustration and a description of this so-called house are found in Life of April 1, 1946. There it is suggested as the "newest answer to housing shortage." It is described as "round, shiny, hangs on a mast, and is made in an airplane factory." It is one-story in height, 36-foot diameter, has four wedge-shaped rooms, two baths, range, dishwasher, refrigerator, garbage-disposal unit, three revolving closets, and three electric bureaus. The proposed price is $6,500.

It looks somewhat like an enlarged and glorified version of the metal brooder and hog houses one sees when traveling about agricultural districts. It looks strictly mechanically made, what some would call ultra-modern with apparently everything except a self-feeder. It may be the answer—who knows?

Whether veterans or others will buy it in quantities depends largely upon whether prospective purchasers like a prefabricated home all made to order as much like the neighbor's house as two peas in the same pod.

Others pushing prefabricated housing include former War Production Board employees, who are cashing in on their labor-management committee promotion as officials of the War Production drive. They are T. K. Quinn, who was director general of the War Production drive; Herman Wolf, who was chief of the drive's committee materials branch, otherwise known as the information or "propaganda branch," and Gregory Bardacke, who was active in the drive, although actually on the pay roll of the Office of Labor Production.

Business Week states:

> The labor-management cooperation angle in the new company developed after Fuller (R. Buckminster Fuller) met two young union men, quite by accident, in the Washington office of Representative CLARE LUCE. He was there to lunch with an old friend. They were there to discuss some pending labor legislation. They soon found they had common interests.
>
> The two young men were Gregory Bardacke and Herman Wolf, since become vice president and secretary-treasurer, respectively, of Dymaxion Dwelling Machines, Inc. Both had backgrounds as officials in the labor movement, Bardacke with the hatters' union, Wolf with the ladies' garment workers.

Bardacke is listed in the index of the congressional Committee on Un-American Activities. The committee provides the following information:

> Bardacke, Gregory: Student Congress Against War (December 1932); member, national committee (Syracuse University); executive hearings, page 3179; pamphlet, Fight War, page 4; Appendix, page 1620.
>
> Bardeke, Gregory: Communist Party members on CIO organization pay rolls: "206, Gregory Bardeke, Herkimer, N. Y. This man is an organizer for the Lady Garment Workers, which is a CIO affiliate. He was a student at Syracuse University and was known as one of the radical leaders of that school. He was also mixed up in the activities in the students union, which is a Communist outfit." Public hearings, page 128; testimony and records of John P. Frey, president of the Metal Trades Department of the American Federation of Labor.

Bardacke is a resident of the Defense Homes Corporation housing development, Naylor Gardens, in the Southeast. His wife, Beatrice, is a leader in a movement for a cooperative to purchase the buildings from Defense Homes.

Her name also came up recently at a meeting in a colored citizen's residence on Alabama Avenue, near Naylor Gardens, in connection with formation of a youth group with a colored mayor and white chief of police, or vice versa, for the purpose of the young people teaching tolerance to their parents.

In WPB, Bardacke went all out for the CIO at every opportunity, and made no bones about it. He acted as a member of the board of censorship for the Government weekly, Labor and Management News.

Wolf was in charge of the policies of Labor and Management News in his capacity as chief of the Committee Materials Branch, and was instrumental in having Bardacke serve as a "checker for labor policy," together with Roy Reuther, brother of Walter and Victor.

Wolf came to the War Production Board via the Treasury Department labor section of War bonds sales promotion. He has previously been engaged in labor publicity in New York, and was a member of the New York CIO Newspaper Guild. He was one of the members of the publications unit of the International Ladies' Garment Workers' Union on trial before the guild because of activities in connection with the Jewish Day strike. The trial was called off, it is understood, after Hitler invaded Russia.

Wolf, who has claimed to be a former editor of the Socialist Call, was described by the New York Times as spokesman for the labor press for the third term in 1940. He was then associated with David Dubinsky's Justice.

Wolf and Bardacke have been very close for years, Wolf himself has said. They started work on the Dymaxion deal sometime before resigning from WPB.

Theodore K. Quinn was brought in to be Director General of the War Production drive at a time when the drive was at a standstill. President of Maxon Advertising Agency in New York, he brought much promotional drive to the drive. He professed to represent management but actually sided in consistently with the CIO people, who made up by far the greater part of the War Production drive headquarters personnel.

His father was one of the early champions of the Knights of Labor. He is the author of Liberty, Employment, and No More Wars. He left Government to the tune of a blast on the floor of Congress from the gentleman from California [Mr. VOORHIS], who branded Quinn as an undesirable type of $1-a-year man.

The gentleman from California charged that Quinn had used the columns of the Government weekly, Labor and Management News, to advertise private sale at about $6 per copy of a labor-management manual, which Quinn published with Lou Falzer, of Chicago, the research head for the drive. Quinn is supposed to have returned to New York, accompanied by Falzer, to conduct a firm on labor-management relations.

Bearing in mind that the drive was run to increase the power and prestige of CIO unions in return for gaining support for the fourth term, it can be realized that harmony and teamwork between labor and management were not benefited greatly by the drive, which originated in the minds of Mr. Roosevelt and Mr. Donald Nelson in the early months of 1942. The drive was abolished after fulfilling the description given it by Henry Ford as a "political vehicle designed a long time ago to push labor farther into management."

It is ironic that Wolf and Bardacke, bitter in their denunciation of practically every American businessman and industrialist — "management stinks," "management is lousy," "Eddie Rickenbacker is public enemy No. 1," and so forth—should now be among the leading tycoons of the postwar housing industry.

Among their associates in Government were William Ellison Chalmers, formerly of the International Labour Office at Geneva; Alex Nordholm; Tommy Burns of the Rubber Union; Dorothea De Schweinitz; Flo Sochis, alias Pryor, formerly of the hosiery union and Washington CIO Newspaper Guild; Bernie Seaman, cartoonist for Dubinsky, who was placed on the Government pay roll by Wolf; Ted Sargent, Boston CIO Newspaper Guild, and many other left-wingers who ran the drive down a one-way street for the exclusive profit of the CIO. Miss Muriel Ferris of the drive, formerly of OPA Labor Section, left the drive following disclosures by the Dies committee. She worked in Miss De Schweinitz's section on committee information.

LIKE PEAS IN A POD

It has always been difficult to sell the same style dress, hats of the same type, to the women of the country. Perhaps veterans' wives and their husbands will temporarily, for want of something more individually designed, accept and purchase them. Perhaps veterans and their wives will want an old-fashioned home such as pa and ma had. Not everyone likes the same model automobile. If people generally or in this case the veteran can be induced to purchase a house, a home similar to that of another thousand or million veterans, the plan may be the answer.

Apparently those proposing this answer to the housing shortage were not content to invest their money, go into mass production, without some Federal assurance that the houses could and would be sold at a profit. It may be that the Bowles-Wyatt-Administration housing bill was the answer to their prayer. That bill not only carried a billion dollars to underwrite loans to veterans to purchase homes, but it carried a $600,000,000 subsidy. Is it probable that that $600,000,000 subsidy was inserted in the

bill at the request of Mr. Wyatt, at the request of Mr. Bowles?

Mr. Wyatt has repeatedly said in effect that without the subsidy the housing bill was worthless. Does not that show that Mr. Wyatt thinks they are worth less than the price asked—hence demands a bonus payment to Mr. Henderson and associates?

We are advised that as long ago as January 11, Mr. Bowles wrote Mr. Wyatt stating that the Government should place "large orders" with prefabricators at prices which would "assure the producers in this field a generous profit." Yesterday's press said 250,000 were to be built in 1946—600,000 in 1947. If each is to be produced at a "generous profit," as suggested by Mr. Bowles, that means, for 850,000 units, there will be a sizable kitty to be split.

Mr. Bowles, we recall, when head of the OPA was quite insistent that manufacturers and producers should be limited as to the price which they could charge buyers and consumers. He went so far as to adopt the policy that if a manufacturer was losing money he might only obtain a higher price for his product by making application to OPA after—note that "after"—he had for 6 months sustained a loss; provided, however, that he was not in any of his businesses or rather in his over-all business enterprises, making a profit, and provided further, that under regulation 119, he submitted in his future operations to being guided by the regulations of OPA; and provided, further, that after 6 months' losses he was still in business.

THE GOVERNMENT AS THE PURCHASER

Just why Mr. Bowles suggested to Mr. Wyatt that the builder of prefabricated houses should be given large orders by the Government at a price which would "assure the producers in this field a generous profit" is something of a mystery to some of us. It sounds like good advertising, but for whom is Mr. Bowles selling and what is he selling—homes for veterans or contracts for builders of prefabricated dwellings?

Just why, in his campaign to sell prefabricated housing, Mr. Bowles should also refer to Henry Kaiser as a man of "vision and boldness and drive" is likewise somewhat strange in view of the fact that many a manufacturer and businessman who never received a dollar of Government money, either as loan or subsidy, did as good and thorough a job as did Kaiser. Mr. Kaiser seems to be the administration's pet.

From Mr. Unzicker of RFC we received the report on March 22, 1946, that the balance outstanding as of February 28, 1946, on RFC loans totaled $286,653,000. The balance outstanding as of March 12, 1946, on loans to Kaiser Co., Inc., was $103,268,200 or approximately 36 percent of the total outstanding loans of RFC.

Kaiser, as we know, was able, notwithstanding the Federal Security Commission, to collect millions of dollars from sales of stock in the Kaiser-Frazer automobile outfit, even though the corporation's cars were not on the market for delivery.

KAISER, THE ADMINISTRATION'S PET

Mr. Kaiser, you will recall, is the administration's fair-haired boy. He it was who came arm in arm with Phil Murray out of the White House, announcing a settlement of his labor dispute. Kaiser was able to meet the demands of organized labor for an increase in wages because, under the policy of OPA, the price of any automobile which might be manufactured by him was not limited by the cost of production of previous years—under OPA as administered by Mr. Bowles, who praised him as a "man of vision and boldness."

Mr. Kaiser was able to get a price which included his labor costs as well as the prices of the material he used and other costs. His competitors, such as General Motors, Ford, and Chrysler, by Bowles' OPA regulation, had their present prices fixed by prices they charged for automobiles made in previous years when wages were much lower, prices of materials considerably less. The great advantage that Kaiser received under Bowles' OPA rules and regulations is apparent to all.

It is possible that Bowles was intending, by his laudatory reference to Kaiser, to put Kaiser into the mass production of prefabricated housing and in a position to receive a substantial part of the $600,000,000 subsidy; to have, as Bowles said, "a generous profit"?

We do recall that Kaiser has a scheme of his own to manufacture prefabricated houses. Not long ago, he put on a demonstration of his plan and house here in Washington.

WHO SHARES IN THE MELON CUTTING

Whether the $600,000,000 subsidy, or part of it, is to go to Kaiser, to Beech Aircraft Corp., manufacturers of the Fuller Homes, or to some other concern manufacturing prefabricated houses, we are not aware.

We are, however, aware that both Mr. Wyatt and Mr. Bowles are insistent that the bill carry a subsidy of millions of dollars; that Mr. Bowles, contrary to his announced policy in practically every other instance and line, suggests that the suppliers of prefabricated houses receive large Government orders at a price which will "assure the producers in this field a generous profit."

Well, few of us want to vote money which must be borrowed, in the end repaid in large part by the veterans and their descendants, as subsidies for the purpose of securing "generous profits" to anyone. It reads too much like postwar profiteers.

Veterans are entitled to homes; are entitled to homes which do not require them to pay either an exorbitant price or a generous profit to anyone. A reasonable, a fair, profit is all that any veteran should be required to pay when seeking a home. Veterans want, and should have, homes—not plans and subsidies to contractors.

IS WYATT A GOOD ADMINISTRATOR?

When the bill was under consideration on the floor of the House, the gentleman from Ohio [Mr. SMITH] charged that Mr. Wyatt recently sold a house which cost him $10,000 for $25,000. Friends of Mr. Wyatt defended the transaction.

It appears from the remarks of the gentleman from Kentucky [Mr. ROBSION]—CONGRESSIONAL RECORD, February 28, page 1772—that, while Mr. Wyatt was elected mayor of Louisville, Ky., in 1941, and served until 1945; that, while he developed a powerful political machine, the Republicans in 1945 elected all of the 12 aldermen, including one colored man, and practically all of the city and county officials.

That may or may not be an indication that Mr. Wyatt does not wear well. Sometimes even the best of men, the most competent administrators, are kicked out of office after a short public service.

On page 2 of the October 15, 1945, issue of the Kentucky Statesman there is a cartoon, and cartoons are often unjust, showing Wilson Wyatt as a Charlie McCarthy. Evidently a campaign was on, for Mr. Wyatt, as Charlie, is credited as saying:

> I am being slugged politically because I recognized that veterans coming through Louisville with money would be natural targets for hold-up men and the prey of "camp follower" types of girls. That three veterans have been victims in robberies and cuttings in the last 2 nights is naturally regrettable but it doesn't indicate that law enforcement has broken down here in the least.

If Mr. Wyatt then had the great desire to assist the veterans which he now seems to have, why did he not clean up the town instead of permitting veterans to be targets of hold-up men and the prey of camp-follower types of girls? Perhaps that is all water over the dam and there really was nothing to it.

It is a warning that we should watch closely the distribution of a $600,000,000 subsidy; that we should be sure to guard any further appropriation from any possibility that politicians might get their fingers in the pot.

VETERANS SHOULD NOT BE REQUIRED TO PAY "GENEROUS PROFITS"

Apparently, close collaboration between Mr. Bowles, who, in talking about furnishing homes for veterans, expressed the earnest desire that those selling prefabricated homes for the veterans should receive a "generous profit," and Mr. Wyatt, who is alleged to have sold a private home at a profit, indicates they may have similar ideas as to the method of procedure while in the case of others manufacturing goods for civilian and veterans' use he sought to deny a profit.

Mr. Wyatt, whose acceptance of something more than a generous profit when selling private property, coupled with Mr. Bowles' favorable praise of Mr. Kaiser, who borrowed millions from RFC and who during the war operated largely on Government money, convinces some that Wyatt should not be placed in a position where he can use hundreds of millions of dollars to aid manufacturers of prefabricated houses in their effor to supply veterans not with homes but with glorified brooderhouses.

VETERANS ARE ENTITLED TO HOMES

Veterans are entitled to the opportunity to purchase a home at a fair price and on fair terms. They should be given by the Federal Government whatever aid they

may need. Their desire to have homes of their own, built according to their own plans, on the locations selected by them, should be met by Federal legislation which will protect them from profiteers of all kinds, from those all too ready to exploit them, to sell them homes at an excessive price.

If Mr. Bowles had permitted—if Paul Porter will permit—the production of lumber, of building materials, of the electric equipment which every home needs, and should have, by allowing an adequate ceiling price on all those materials which are needed if homes are to be built, the veterans would today be able to build their own homes, out of the usual building material, if granted the aid which the Congress stands ready to give.

Not only has the OPA created a scarcity by its price limitations, but the administration has sent and continues to send not only building material but articles needed to complete a home, to make it livable, out of the country, beyond the reach of the veterans, to aid the peoples of other nations, some of whom fought against, some of whom caused the death of, the buddies of these veterans who are now asking just treatment.

Paul Porter, succeeding Bowles, should pound a little common sense into the OPA organization, should lift restrictions, Government regulations. Mr. Porter and Bowles should join Wyatt, forget prefabricated, packaged houses, do something to give veterans an up-to-date, old-fashioned American home. That is what the Members of Congress, including your humble servant, desire to do.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. STEFAN. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. HORAN], a member of the committee.

Mr. HORAN. Mr. Chairman, I shall not take the 5 minutes. I merely want to call the attention of the membership to the hearings that are furnished to the members of the committee at this time and to call their attention to the statements therein, particularly the statement of Mr. Walter Fowler, the able budget officer for the District government. It is always open season for those who wish to revise and change the system of government for the District of Columbia. I, personally, think it is a very, very rich field for reform, and proposals are constantly placed before us. I am sure that those who are interested in such matters, sincerely interested, who are looking for the facts, will find this set of hearings very helpful. You will find there the sources of revenue for the District of Columbia in the latest and most complete form. You will also find by looking through the hearings that your subcommittee of the Committee on Appropriations was diligent in trying to find new ways to raise tax revenues for the District of Columbia and to make a matter of record the revenues of each division. Those who may have some question in their mind as to where the revenues which run the metropolitan area that we call the District of Columbia come from may get an answer to their question by turning to pages 15 and 16 of the hearings.

Mr. COFFEE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I thank the chairman of the committee for giving me this time and wish to compliment him for his fine work on this bill. On yesterday there were some speeches delivered on this floor that I wanted very deeply to have the opportunity to answer at that time. They had to do with the subject of inflation, the general idea of them being that the bill we passed on yesterday to increase the pay of Federal workers was a cause of inflation, than which, it seems to me, nothing could be very much farther from the real mark.

The cause of inflation goes back to the period of the war; it goes back to the fact that the Congress did not at that time provide for sufficient taxation to pay for the cost of that war as it was being fought. Consequently we permitted a considerable proportion of the cost of that war, indeed a little more than half of it, to be paid out of borrowed funds. Furthermore, only about 58 percent of those borrowed funds came from money that was actually in the possession of the people who bought the bonds, and the other 42 percent of the borrowed money was accomplished by permitting the Federal Reserve banks or the commercial banks of this Nation to write up on their books in their war bond deposit accounts brand new deposits, absolutely new money, and to use that money for the purchase of interest-bearing obligations of the American people.

Today those banks hold $106,000,000,000 worth of bonds purchased in that way, and representing that amount of so-called debt that never should have been debt, because it resulted from the original creation of money which ought to be a function of the Government itself. There is where inflation comes from.

Some Members are constantly talking about Congress or the Government creating money. The fact is of course that, except only for a small amount of silver seigniorage, no agency of the United States Government has created a dollar of money since Abraham Lincoln did so to pay for a portion of the Civil War and thus saved the taxpayers of the Nation billions of dollars in interest. Instead, private banks have been allowed to create all the money of this sovereign Nation.

The consequence of this is that we have fastened over $106,000,000,000 of needless debt upon the people. But as to inflation the further fact is that, as the result of the manner of war financing, we have $106,000,000,000 more of money in circulation in this country than we had before. Furthermore, we have $178,000,000,000, approximately, of deferred buying power, that is, liquid savings, in the Nation, exclusive of holding of bonds. That is over twice as much money as was in existence in the United States of America in 1941.

Under these circumstances we have already got inflation and the causes of it are the two causes I gave. So when Members get up, having just gotten through voting for a tax-reduction bill of $5,000,000,000, and say that the House is creating inflation because we increase the salaries of Federal workers to accord with an increase in the cost of living, I cannot quite follow their argument. Of course, it is true that to the extent that we permit expenditures to exceed revenues we are contributing to inflation. There is no question about that. Our job is to see to it, on the one hand, that we pursue a courageous tax course, and, on the other hand, to keep down unnecessary Government expenditures.

There never was a time perhaps when it was as important as it is today to have an excess of revenues over expenditures. But, on the other hand, the only answer over the long pull to the present situation is to compare the money supply of this country with its production and act accordingly. Production, as currently carried on, will generate almost enough buying power to purchase all that is produced. Currently it will do that. The $178,000,000,000 of deferred buying power therefore, will, until it is absorbed in the market in some manner, be a constant inflationary pressure and will be bidding against the incomes of people which are generated by current production for the chance to buy the goods produced. Only maximum production over a long period can possibly solve this problem. Therefore there is no answer to the current problem excepting a gradual upward adjustment of the incomes of the people of the United States until such time as we have gradually brought about an equilibrium once again. Somehow that has got to be done, and the white-collar worker is likely to be the last one whose income will be so increased. In connection therewith it is quite clear to me that we have, from time to time, to make price adjustments also upward in order to assume maximum production.

The objective should be, therefore, to see that this process is accomplished in as gradual and orderly a way as possible, and that we do not at any point permit the sudden upward spiral to get started. But the basic truth about the matter is that inflation results from the creation of money at a faster rate than production increases, and deflation results from failure to maintain the supply of money at a level equal with the increase of production. That is where inflation and deflation come from. That is the root of the problem and it will not be solved except by attacking it at that point.

Mr. STEFAN. Mr. Chairman, I move that general debate close in 40 minutes.

The motion was agreed to.

Mr. STEFAN. Mr. Chairman, I yield 10 minutes of my time to the gentleman from Washington [Mr. COFFEE].

Mr. COFFEE. Mr. Chairman, I yield 16 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

FACTS AND THOUGHTS ON THE WESTINGHOUSE STRIKE

Mr. EBERHARTER. Mr. Chairman, this is the tenth week of the strike of 75,000 employees of the Westinghouse

Electric Corp. These workers are on strike for a $2-a-day wage increase to make up for the decrease in their take-home pay occasioned by the end of the war. During these 10 weeks Westinghouse employees have seen both General Electric and General Motors settle with their union, the United Electrical, Radio, and Machine Workers of America, CIO, for an 18½-cents-an-hour wage increase. They have seen the Radio Corp. of America settle for 17½ cents and six paid holidays. In Pittsburgh, where the home office of Westinghouse is located, just this past week they have also seen Westinghouse Airbrake and Union Switch & Signal settle for an 18½-cent-an-hour wage increase.

That is the picture the Westinghouse workers see in their particular industry. In the steel industry, the auto industry, the rubber industry, the oil industry, they see comparable settlements.

But what is the status of the Westinghouse strike? On March 25, 1946, two of the country's most outstanding mediators, William H. Davis and Arthur S. Meyer, after conducting mediation conferences with the Westinghouse Corp. and the United Electrical Workers rendered a report to Secretary Schwellenbach. This report tells the story of why Westinghouse refused to continue negotiations.

On March 19 the Westinghouse Corp. made an offer which the company represented as an 18½-cent-wage-increase offer, but which in the words of the mediators "is in substance neither an across-the-board offer nor an offer of 18½ cents or 17½ cents an hour in any of the classifications to which it applies."

The mediators describe how the offer of the corporation excluded large groups of low-paid workers, attempted to compromise a War Labor Board recommendation on the elimination of sex differentials, cut wages of day workers on an incentive basis an average of 7½ cents an hour, and so forth. The mediators found that the so-called 18½-cents-an-hour offer of Westinghouse is substantially less than 15 cents an hour. According to the analysis of the union, it came to an average increase of 9.7 cents an hour. The attempt of Westinghouse to represent its wage offer as an 18½-cents-an-hour increase is thus strongly refuted by the United States mediators.

The United Electrical union rejected this proposal of the corporation and proposed instead an 18½-cent wage increase across the board, the return to work of all employees without discrimination, and the negotiation for 30 days of all other issues in dispute, and then the unsettled issues to be submitted to arbitration.

The corporation rejected the union proposal. The union then offered to negotiate alleged abuses in the incentive system, and withdraw its objection to a change in the day workers' bonus plan. But the corporation refused to negotiate, or meet with the union, unless the union would agree, in advance, to accept all money terms of the company proposal without change.

The 25-page proposal submitted by the company on March 19 stipulated that the offer expired at midnight, March 31. The mediators considered the condition of acceptance within such a short period of time tantamount to an ultimatum, and asked the company to extend the time within which its proposals could be negotiated. This the company refused to do. The company indeed refused to continue negotiations, or to meet with the union, unless its wage offer was accepted in full.

Mr. Chairman, it is not my purpose to pronounce judgment as to who is right or who is wrong in this management-labor dispute. In passing, I may say that it is not easy to earn a reputation as a fair and considerate mediator. In this dispute two men who are recognized throughout the country as outstanding mediators concluded that the attitude of the Westinghouse Corp. created conditions that made mediation impossible. Should a person be charged with prejudice if he looks with suspicion at the advertising campaign of the Westinghouse Corp.?

Is the refusal to bargain warranted by the fact that Westinghouse cannot afford to pay its workers what other electrical manufacturing firms are paying? Does Westinghouse pay the highest wages in the electrical manufacturing industry, as it has been proclaiming in advertisements to the public?

Let us see the answers to these two questions:

First. Can Westinghouse afford to pay 18½ cents more? From 1939 to 1945 the increase in Westinghoue profits and reserve exceeded that of any other company in the electrical manufacturing industry. In 1939 Westinghouse surplus and reserves totaled $57,000,000; in 1945 their surplus and reserves totaled $136,000,000. Westinghouse net profits rose from $13,000,000 in 1939 to $26,800,000 in 1945.

Compare these figures with the average cut in take-home pay of Westinghouse workers of $17 a week. An 18½-cent increase will average only $7 a week to the 75,000 Westinghouse workers—they will still suffer an average loss of $10 a week from their wartime earnings. The average weekly earnings of Westinghouse employees, after deductions, since VJ-day are $35.

Second. Does Westinghouse pay the highest wages in the electrical manufacturing industry? In this connection a chart appearing in a War Labor Board decision comparing Westinghouse and General Electric rates is most illuminating. I set it out in full:

WESTINGHOUSE

Location	Range of women's rates		Male, common-labor rates
	Minimum	Maximum	
Baltimore	$0.575	$0.745	$0.695
Bloomfield	.615	.795	.785
Cleveland	.575	.735	.735
Derry	.615	.635	.795
East Pittsburgh	.625	.805	.785
Fairmont	.54	.72	.765
Lima	.525	.785	.705
Mansfield	.595	.745	.805
Newark	.575	.775	.805

GENERAL ELECTRIC

Taunton	$0.62	$0.74	$0.71
Pittsfield	.68	.92	.80
Pittsfield (chemical works)	.65	.92	.80
Lynn	.62	.80	.80
Ontario	.65	.71	.77
Lowell	.68	.84	
Fort Wayne	.68	.92	.84
Bridgeport	.62	.74	.80
Schenectady	.62	.84	.80

Westinghouse's rates, as this chart shows, are really lower than General Electric's, but Westinghouse has attempted to camouflage this fact by using figures based on incentive earnings. Sixty percent of Westinghouse workers are on incentive, as compared with 20 percent of the workers in the largest company in the industry. Incentive systems are designed for increased production, for which a company is willing to pay more. Westinghouse has used in its figures the total earnings of all workers, including incentive, and compared those with wage rates where there is no incentive or only a small group on incentive. For an honest comparison one must compare basic hourly wage rates in both cases. Incentive is for increased production and increased value to the company.

How can the Westinghouse Corp. meet the competition of its rivals in the electrical industry unless it settles the strike? The answer lies in the unconscionable carry-back provisions of the tax law which I have attacked on this floor, and for the correction of which I have introduced a bill, H. R. 5232. I am informed the Westinghouse Corp. can obtain from the Treasury a total of $11,200,000 if it breaks even on profits during 1946. I am also informed the company can obtain from the Treasury a refund of $19,750,000 if it loses $10,000,000, thus being assured of a profit of $9,750,000. It seems the Westinghouse Corp. is guaranteed enormous profits even if it loses money by its lack of operation. It is charged that Westinghouse intends to use public funds for the purpose of prolonging the strike.

Mr. Chairman, would it be wrong for the average citizen who is familiar with the facts, much less the interested employee of the corporation, to speculate as to whether the corporation intended to bargain in good faith, or to speculate whether it does not feel that it can, with its vast reserves and surplus, together with a reliance on huge tax refunds, defeat any wage claims and perhaps even break the union.

The House has just voted another pay raise for Federal employees. I find no fault with the decision it has made. Is it wrong for the employees of Westinghouse to ask for a fair increase?

The Westinghouse strike is the only major CIO strike not yet settled. In Pittsburgh, instead of efforts like that of the mediators to settle the strike, Governor Martin has called out State troopers and stationed them in the East Pittsburgh plant of the company. Such conduct is not designed to provide a favorable atmosphere for settlement of the strike. What is needed is some proposal such as was made by the electrical

union—to permit salaried workers not covered by bargaining units to cross the picket line, and return to work provided no production is resumed. The corporation and the union would then sit down and negotiate until a settlement is reached.

The record indicates that Westinghouse has turned down every proposal of the union. From the report of the mediators we can conclude it has refused to bargain in good faith. Is the public justified in asking whether a management-labor dispute between one of the world's largest manufacturers of electrical equipment and one of the world's largest units of organized labor is to be decided through methods that belong to the horse and buggy days of labor relations?

I have several times spoken of the report of the United States mediators. I was, along with thousands of other persons, much discouraged when that report was made. I had hoped for something better; I had hoped for real progress toward a settlement.

Mr. Chairman, the mediators withdrew from the case on March 22. From all I have been able to learn, since that day neither the Secretary of Labor nor any of the personnel in the Department of Labor, has indicated any interest whatsoever in this particular management-labor dispute. I confess I am at a loss to account for the lack of attention by the Department of Labor in what must be regarded as a most important case. It seems to me that with 75,000 employees idle; with millions and millions of dollars' worth of equipment lying idle in a period when speedy reconversion is of transcendent importance, the utmost in energy and determination toward reaching a quick settlement is called for. I deplore the evident apathy of the Department of Labor and the Conciliation Service in this particular case. It is so at variance with their record in the past.

Mr. STEFAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts, the minority leader [Mr. MARTIN].

PROGRAM FOR WEEK OF APRIL 8

Mr. MARTIN of Massachusetts. Mr. Chairman, I have asked for this time to ascertain if possible the program for next week.

Mr. McCORMACK. Monday will be District day and there will be four bills out of the District Committee, H. R. 4654, dealing with the American National Red Cross; H. R. 5719, amending the act authorizing blackouts; H. R. 5928, relating to the Charles A. Langley Bridge; and S. 1841, dealing with weights and measures.

There is a bill out of the Foreign Affairs Committee, H. R. 5244, for the appointment of additional foreign-service officers which we would like to take up this afternoon if sufficient time remains following the disposition of the appropriation bill now under consideration. I understood there was no objection to it. Should objection develop and it cannot be disposed of quickly it will have to be put over until some later date.

Mr. MARTIN of Massachusetts. I may say in that connection that several members of the committee are opposed to it and there will probably be some discussion. They would therefore prefer that it be taken up next week.

Mr. McCORMACK. Would Monday be all right?

Mr. MARTIN of Massachusetts. I understand a number of the Members will be away on Monday and Tuesday. It would have to come up after those days.

Mr. McCORMACK. I wish the members of the committee would try to get together and take some of these headaches off my shoulders. As far as I am concerned I am perfectly willing to try to meet whatever suggestion they agree on. I wonder if the gentlewoman from Massachusetts, who is most persuasive in influencing Members on both sides in legislative matters, would not confer with the genial chairman of her committee and fix a time when it would be agreeable to call it up?

I do not know if I can call it up next week, to be perfectly frank, if it cannot be considered on Monday or Tuesday; so I am not going to commit myself as to what I will do on it after Tuesday. I hope the gentlewoman from Massachusetts can agree with the gentleman from New York [Mr. BLOOM] and take some of the headache off my shoulders.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mrs. ROGERS of Massachusetts. I wish to remind the gentleman from Massachusetts that the very distinguished gentleman from New York does not always confer with me, and unfortunately does not always conform to my wishes.

Mr. McCORMACK. It is rather difficult for me to understand how anyone could fail to agree with the gentlewoman from Massachusetts in such matters, but I suggest that she take it up with the chairman and try to see if they cannot agree not to bring it up Monday or Tuesday. I cannot promise that I can call it up next week after Tuesday.

Mrs. ROGERS of Massachusetts. A number of the members of our committee will be away this afternoon and will be away next week. I feel that this is a very important bill, because it adds to our foreign service 250 persons supposed to be "crack" persons from the Army and Navy, and I suppose some of the leftovers from OWI. I feel that it may lead to sabotage of our foreign service, and it should be watched very carefully. It seems to me that it is very discouraging to our foreign-service personnel, but the foreign service is only 820 strong today, and it does need 250 additional men. Also it is possible to secure men coming out of the Army and Navy who have experience in foreign affairs.

Mr. MARTIN of Massachusetts. I cannot see much chance of its being taken up this afternoon, for we have not yet finished the appropriation bill under consideration, and there are several contests ahead in that bill.

Mr. McCORMACK. I suggest that the gentlewoman from Massachusetts undertake this diplomatic mission with the chairman of her committee.

Mrs. ROGERS of Massachusetts. I shall be glad to confer with the chairman of the committee. May I suggest also that the very distinguished majority floor leader also confer with us?

Mr. McCORMACK. I do not interfere with the internal affairs of committees. I leave that to the committee members to handle.

Mrs. ROGERS of Massachusetts. I wish the gentleman would, I may say to the gentleman from Massachusetts. He has great ability and influence.

Mr. McCORMACK. I have enough headaches without doing that.

We will handle it as the situation develops.

On Monday and Tuesday, in addition to that bill, there is a bill, H. R. 3864, to establish an office of Under Secretary of Labor and three assistants; S. 565, having to do with retirement of judges in Alaska, Puerto Rico, the Virgin Islands, and the Canal Zone; H. R. 5991, a bill reported by the Committee on Agriculture. That committee considered and has reported out a new bill unanimously, as I understand it, relating to farm security.

On Wednesday and Thursday the State, Justice, and Commerce appropriation bill will be considered.

I will ask unanimous consent later that on Friday we devote 1 hour to memorial services in memory of the late President Franklin D. Roosevelt.

On Friday and Saturday there will be considered the extension of the Selective Service Act and also H. R. 430, the so-called Dondero resolution.

I understand the Philippine rehabilitation bill has been reported out of the committee today and if there is any chance to work that in I would like to have it considered. If there is any possibility, we will consider that some time during the coming week, but I will not make any promises at this time.

Conference reports may be brought up at any time they are ready for consideration.

Mr. MARTIN of Massachusetts. The gentleman is not optimistic enough to believe that we can pass extension of the Draft Act in 2 days, is he?

Mr. McCORMACK. That is extreme optimism and I will be very frank with the gentleman. On the other hand, if we are going to adjourn or take a recess from the 18th, these things will have to be considered. The membership of the House has always been very kind in cooperating with the program, and that applies to the leadership on the other side. It might be possible by meeting at 11 o'clock or meeting under circumstances like that to provide what might otherwise be 3 days' legislative time.

Mr. MARTIN of Massachusetts. Personally, I would not have any objection to coming in at 10 o'clock in the morning.

Mr. McCORMACK. It can be done, probably. If the committee is ready by Friday we will consider it on Friday and Saturday by coming in earlier in the day and we probably can accomplish it.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from New York.

Mr. MARCANTONIO. I would like to ask the majority leader about a certain

bill. The Committee on Un-American Activities, according to the press, has reported out another contempt citation. Can we be given any information as to when that may come up?

Mr. McCORMACK. I am unable to state to the gentleman. That is a privileged matter. Of course, if I were consulted I would program it if they asked me to do so but that is a matter I cannot program because it is a privileged matter. Frankly, the committee, before any action is taken, ought to give the House at least 24 hours' notice and I assume that will be done, but I cannot guarantee it.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HORAN. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. The gentleman from Pennsylvania [Mr. EBERHARTER] made what I assumed was a factual statement with reference to Westinghouse strike in Pittsburgh, but he did not tell us at any time what the real difference was that prevented the settlement of this strike unless it be—and I am assuming—that it was the refusal of the company to grant the requested increase in wages.

Is that the only issue, may I ask the gentleman?

Mr. EBERHARTER. There are several, I may say in reply to the gentleman. There are several issues. The company made an offer which is analyzed by the union as being a 9.7 cents an hour increase.

Mr. HOFFMAN. I only wanted to know whether there were other issues. The gentleman says there are, so that answers my question. But the gentleman did not tell us in detail what the other issues were.

Mr. EBERHARTER. Oh, yes. My remarks certainly did bring out the question of the incentive plan and the differential in pay between the male and the female employees. There are two other issues. There are three issues, and there are other issues.

Mr. HOFFMAN. Well, the sum and substance of the gentleman's remarks, as I got it, was that the company refused in one way or another to give increases in wages; that is to say, that the only difference of opinion, as I understood his remarks, was one that related to how many cents were to be paid in return for service rendered. I think that is a fair and accurate statement. As a matter of fact, there are other differences.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes; I yield.

Mr. EBERHARTER. I hope the gentleman will read my remarks when they are printed in the RECORD, and he will see that I did call attention to other matters in dispute aside from the mere matter of wages.

Mr. HOFFMAN. Oh, yes; there were other matters in dispute, but he did not tell us what the issue was that was in dispute in these other matters, and I am sure I do not know. But, waiving all that let me get down to the last criticism he had, the criticism of Governor Martin. What did the gentleman criticize him for? Because he sent men, I understood the gentleman to say, down to Pittsburgh to prevent violence or to aid in enforcing a court order? Governor Martin is not responsible, in this particular case, for an action which gives reason for criticism. The Supreme Court of the State of Pennsylvania, as the gentleman being a lawyer, must well know, ordered the lower court in the city of Pittsburgh to issue an injunction restraining the union and its pickets from mass picketing and from violence on the picket line and expressly ordered the judge of the lower court.

If Governor Martin did order the State troops down there, he only did the thing that his oath of office requires him to do. He owes a duty to the people to enforce the laws of the State to enforce the orders of the courts.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. COFFEE. Mr. Chairman, I yield five additional minutes to the gentleman from Michigan.

Mr. HOFFMAN. Is there any reason why the Governor of a State, whose duty it is to preserve law and order, to protect the right of men who want to work, should not do so?

In Detroit at the present moment there is a wildcat strike that has completely tied up the transportation system of the city. Thousands of workers cannot get to their jobs because less than 200 men engaged in a wildcat strike have tied up the whole transportation system. Does that make sense? The Governor and the administration of the city of Detroit should apply the legal remedy for that sort of a situation. Why, it is just nonsense. It is just nonsense to permit a small group, in defiance of their own union, as well as in defiance of the laws of the State and the Nation, to tie up the activities of a whole city. After the UAW-CIO strike has been settled, after the steel strike has been settled and steel has begun to come out of the mills, after there was a prospect that the automobile industry might begin production, now we have a transportation strike. Does that make sense? To me it does not, and I do not believe the gentleman from Pennsylvania can justify it. I do not think he wants to justify any such procedure as that.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield for a question.

Mr. EBERHARTER. The gentleman from Michigan has made some assertions which are not in accordance with the facts.

Mr. HOFFMAN. What are they? Correct me.

Mr. EBERHARTER. There was no violence, nobody was hurt; there was no assault and battery; there was no difficulty of that nature at all.

Mr. HOFFMAN. I do not agree with the gentleman. To show that I am right I will quote from the opinion of the supreme court of his State:

> In some instances employees seeking to enter were prevented from doing so by force and violence.

When you get a mass picket line around a factory gate or a factory door and the workers try to get through—I can show you pictures in the press of the Pittsburgh police trying to break a picket line—you get violence, yet the gentleman stands here and tells me there was no violence. Tell that to somebody who is greener than am I.

Mr. EBERHARTER. That matter of the number of pickets had already been settled before the State police were called in.

Mr. HOFFMAN. The gentleman claims, if I understand him correctly, that a man has the right to ask for a higher wage, and, of course, I agree with the gentleman.

Mr. EBERHARTER. That is correct.

Mr. HOFFMAN. The gentleman says, and I agree with him, that the employee has the right to strike if he does not accept the offered wage. Does the gentleman agree with me that when the employee goes on strike he has no right to keep another man who wants to work away from his job? I do not hear an answer. Do you think the Governor of a State, when there is a line of men around the factory door preventing would-be workers from going in, should not open the way for the man who must work if his family is to eat, have clothing and shelter?

Mr. EBERHARTER. The record shows that employees were going into the factory every day and working, nonproduction employees.

Mr. HOFFMAN. Nonproduction employees?

Mr. EBERHARTER. Certainly.

Mr. HOFFMAN. Think of the generosity of the union.

Mr. EBERHARTER. They were not stopping anybody from going in.

Mr. HOFFMAN. They let a few men in, the men who own the factory, maintenance workers to keep the machinery in operation, or in a condition so that it could be later operated. The union was generous and let them in, but it would not let the poor devil who needed that wage, a weekly or a 2-weeks' pay check in order to support his family, it would not let him through. He says that is fair practice.

Mr. EBERHARTER. The gentleman is going on altogether a wrong assumption.

Mr. HOFFMAN. Oh, no.

Mr. EBERHARTER. There was no attempt to keep men out of the plant by force, therefore, there was no necessity for calling in the State police.

Mr. HOFFMAN. It may be the only difference of opinion between the gentleman from Pennsylvania and myself is as to the definition of "force." Maybe he thinks you have to have a wagon tongue and hit a man over the head with it before there is any force. Surely there is force when they march shoulder to shoulder in a tight flattened circle before the gate, and workers cannot get through.

You might just as well say that there was no force or a denial of right or an invitation to fight if a group of Republicans stood over before that door on the right and closed the entrance to the door so that you could not get through until

you shoved them aside. Would there be a threat of force and violence? You gentlemen would throw us clear down and out the farthest door. That is what you would do.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. EBERHARTER. The record in this case indicates that the question of mass picketing had already been decided.

Mr. HOFFMAN. Oh, of course. But read the supreme court decision of the State of Pennsylvania.

Mr. EBERHARTER. Certainly, I have read it.

Mr. HOFFMAN. You are a resident of that State. You are a lawyer from that State. You can read. Read the decision, and you will find what is violence and mass picketing. Just to set you right, I will read it myself, and print it, so you will know what it is and how mistaken you are. That opinion reads as follows—and I quote:

MAJORITY OPINION

Westinghouse Electric Corp. is engaged in the manufacture of electrical machinery and devices. It has five plants in Allegheny County, the largest being the East Pittsburgh works; it conducts also a research laboratory. In its manufacturing establishment it employs approximately 16,000 persons engaged in productive labor and plant maintenance; these are represented by the defendant union, the United Electrical, Radio and Machine Workers of America, Congress of Industrial Organizations, local 601. Another union, Association of Westinghouse Salaried Employees, represents some 200 technicians and clerks employed in the research laboratory and upwards of 6,000 employes in the manufacturing plants, mostly industrial engineers, draftsmen, salesmen, patent attorneys, cost accountants, clerks and stenographers. There is a third group of about 1,000 employees made up of the company's executive officers, supervisors, and scientists; this latter group is not represented by any labor union.

A dispute arose between the defendant union and the company in regard to a demanded wage increase of $2 per day. Protracted negotiations to settle the controversy proved abortive, and a strike began on January 15, 1946. Neither the Association of Westinghouse Salaried Employees nor the third group of employees previously mentioned have any present dispute with the company and are not on strike. The defendant union immediately established and has since continuously maintained a picket line at each and every gate of the company's plants and the research laboratory. The company filed a bill of equity for a preliminary injunction to restrain the officers and members of the defendant union from interfering, by mass picketing, violence, or intimidation, with employees of the company engaged in the operation and maintenance of its plants, and from preventing persons, whether employees or others, from entering or leaving its plants and properties. The court below denied the motion for a preliminary injunction and dismissed the bill.

All the testimony, which is extremely voluminous, was presented by plaintiff corporation; defendants offered no evidence and, as none of plaintiff's testimony was contradicted or impeached, there is no dispute on the present record as to the facts; the question for determination is purely one of the proper legal interpretation to be placed upon those facts. Under such circumstances, if the record discloses a fundamental misconception of the controlling law, the ordinary rule that the granting or refusal of a preliminary injunction is within the reasonable discretion of the court of first instance becomes inapplicable (*Casinghead Gas Co.* v. *Osburn* (269 Pa. 395, 112 A. 469); *Philadelphia Record Co.* v. *Curtis-Martin Newspapers, Inc.* (305 Pa. 372, 378, 158 A. 796, 798)).

The cases in which, and the extent to which, courts may issue injunctions in labor disputes are now determined, in this as in many other States and in the Nation, by statutory mandate. In Pennsylvania the Labor Anti-Injunction Act of June 2, 1937, Public Law 1198, prescribed that such injunctions should issue only when certain conditions existed and certain requirements were met; for example, the court must find that the public authorities were unable to furnish adequate protection to the complainant's property; also, the complainant must have made every reasonable effort to settle the labor dispute. Plaintiff admits that in this instance not all the conditions stipulated by that act exist nor have the necessary findings been made by the court, and therefore, if that statute controls, it is not entitled to an injunction (cf. *DeWilde* v. *Scranton Building Trades & Construction Council* (343 Pa. 224, 22 A. (2d) 897)). Plaintiff relies, however, upon the amendatory act of June 9, 1939, Public Law 302, which provides that the 1937 act should not apply in any case "Where in the course of a labor dispute * * * an employee, or employees, acting in concert, or a labor organization, or the members, officers, agents, or representatives of a labor organization or anyone acting for such organization, seize, hold, damage, or destroy the plant, machinery, or other property of the employer with the intention of compelling the employer to accede to any demands, conditions, or terms of employment, or for collective bargaining." Plaintiff contends that the acts of defendants, as established by the testimony, amount to a seizure and holding of its plants and properties, that therefore the restrictions imposed by the act of 1937 do not apply, and that the picketing is illegal and should be enjoined.

What are the facts? None of the officers, agents, or members of the defendant union, except those who are continuing their employment in the plants in order to protect and maintain them, has actually entered any of the company's properties or laid a hand upon any equipment, machinery, or other property therein contained. There has been no sit-down strike in the sense that any members of the union have barricaded themselves within any of the plaintiff's buildings or established themselves there in possession and occupation. But, when the strike was in contemplation and before it had actually started, a number of meetings were held between officers of the defendant union and representatives of the plaintiff corporation in the course of which the former requested the latter to prepare a list of persons who might be deemed necessary to protect the company's plants, defendants being willing, because of their interests as well as that of the company, to safeguard the physical maintenance of the machinery and equipment. However, as an official of the company who was present at the meetings testified, they "made it quite clear that anyone not agreed to on the list would not get admittance through the picket line * * * they would not be admitted to the plant unless their name was on a list in the union office." And, as another such official testified: "In reference to the lists we were informed that they would have to be the very minimum number of employees to have consideration by the union, that it was to include no person who would pursue any productive work, that it had to do only with plant protection." In response to a question as to how defendants intended to conduct the strike and whether they intended to let into the plant those people who were not on strike "their reply was to the effect that people would be permitted to enter, but only on passes issued by the union * * * They stated it was their intention to permit nobody to enter the plant except those who had passes issued by the union, and that it was their intention to picket the plant 24 hours a day." A list was prepared by the company which was carefully examined by the union and a large number of the names rejected by it; it approved about 300 in number, two-thirds of whom belonged to its membership, and it issued passes on a weekly basis to those persons; later, when the case came on for hearing before the court, defendants agreed to add to the list 71 other names of employees who were not members of the union and who, it was agreed, could be admitted on identification cards of the company; still later, during the course of the hearings, an additional 48 names were added to those of the persons whom the union would permit to enter the plants.

The consent of the union thus given to the admission of the persons listed naturally carried with it, as an implied corollary, that it would deny the right of entrance to all others; indeed, as appears from the testimony previously quoted, it was so expressly stated by the officers of the union, and in a letter written by its acting president to an official of the company shortly before the strike began, it was again explicitly declared that "only the passes issued by our strike committee will secure any recognition from the pickets." This avowed policy of the union was not merely academic or ideological, but was implemented by positive action in all the instances when it was put to the test. Thus, W. C. Rowland, manager of one of the divisions of the East Pittsburgh Works, testified that when he sought admittance to that plant a "captain" of the pickets told him that if I wanted to get in I would have to get a pass from the union. He then tried other entrances, but always the same statement was made to him and he was refused admittance. John Wood, a foreman or supervisor, testified that he was denied admittance to this same plant by those picketing the entrance gates; a "lieutenant" of the pickets "produced a list * * * and found that we weren't on it, and he said, 'Well, your name isn't on the list,' and we said 'What does that mean? Does that mean we don't get in?' and he said, 'You'll have to go to the union office for a pass'." The same thing happened again later, this time both a "captain" and a "lieutenant" of the pickets telling him that he "would have to go to the union office and receive a pass from the union," and that otherwise the pickets would not allow him to enter. He also testified that a nurse from the company's medical department was likewise refused admittance because she did not have a union pass. Another witness, G. M. Crawford, a patent attorney employed by the company, testified that he was barred from entering the plant, the pickets saying that his name was not on the list and "they were under orders to admit no one except those on this list." August Mayer, a maintenance supervisor, testified that a "captain" and a "lieutenant" refused him admittance; the "captain," after looking at his list, said: "You aren't on my list, so you can't get in"; on another occasion this same experience was repeated, the "lieutenant" stating, after looking at his list: "I'm sorry, boys, your name isn't on the list, you can't get in * * *. Go to union headquarters and get a pass if you insist on going in." M. Hetenyi, a research engineer, and Dr. Joseph Slepian, an associate director of research, both testified that they were denied admission to the research laboratory because a union pass was demanded of them and they did not have any. J. A. Hutcheson, also an associate director in the research laboratory, and John F. Hooper, a staff supervisor, testified to a similar demand by the pickets, with the same unfavorable result.

Plaintiff produced in all 21 witnesses who testified that they were employed by the company and that, on various occasions from

the time of the beginning of the strike to the time of the hearings, they were not allowed access, by the pickets on guard, to the East Pittsburgh plant, or to the research laboratory, or to the plaintiff's Nuttal works, or to a building leased by the company at 601 South Avenue, Wilkinsburg. During the early days of the strike the number of pickets in the line at each entrance varied from as few as 8 or 10 to as many as 50, 75, 100, or even 150; later, by the time of the hearings, the number had been substantially reduced, but was always apparently subject to augmentation if those forbidden to enter attempted to do so. The pickets walked closely behind one another at each gate in a compact circle or eliptical formation, and so near to the entrance that it would have been impossible for anybody to edge in without running the gantlet thus established. In some instances employees seeking to enter were prevented from doing so by force and violence, in others, those who were more cautious resigned themselves to the inevitable and—reluctant to engage in a scuffle that might possibly lead to bloodshed—departed in peace. Without attempting to reproduce the great mass of testimony in detail, it is sufficient to say that its cumulative effect is to establish beyond any doubt that the pickets of the defendant union never intended to let any person enter any of the company's properties without their consent and that they enforced that intention and that policy by means of persuasion when such methods were sufficient, but also, when necessary, by intimidation and threatened violence. That there were thousands of employees ready to work is demonstrated by a letter which was offered in evidence written, when the strike first started, by the president of the Association of Westinghouse Salaried Employees to an official of the plaintiff corporation, in which it was stated that they (the members of the association) were willing and wanted to work and would report for that purpose unless forcibly prevented from doing so.

The question then arises: Do the facts thus established indicate a seizure and holding of the company's property by defendants within the meaning of those terms in the act of 1939? We answer that question unhesitatingly in the affirmative. Defendants argue that at the time of the enactment of the 1939 amendment there had arisen an occasional practice on the part of strikers of taking possession of the employer's factory by physical entry and occupation—the so-called sit-down strikes—and that it was that kind of seizure and holding that the framers of the amendment had in contemplation. But, while the technique employed in such strikes may have changed, it is obvious that the seizure of a plant may, from a realistic standpoint, be effected in ways other than by actual entry into the building itself. It certainly is not necessary in order to constitute a seizure and holding that each and every brick and stone, each and every room and floor, be physically grasped and possessed. If the owner be deprived of the use and enjoyment of the property so that it becomes utterly valueless to him it is effectively seized and held whether the force employed for that purpose be exerted within the building or immediately without. The control of the entrances is the control of the plant. Surely defendants would not deny that, if 5, 10, 50, or 100 of their members stood directly within the gates and prevented the owners and their employees from entering, this would constitute a seizure of the property within the ordinary meaning of that word, and how is it less a seizure and a holding if the same number of persons, for the same purpose and with the same effect, stand immediately in front of the gates instead of behind them? Would defendants deny that, if they locked and bolted all the entrance doors and thereby prevented ingress and egress, such action would constitute a seizure and holding of the plant within the normal connotation of those terms and therefore within the meaning of the statute? But what difference is there between such a method of seizure and that of holding the gateways closed, not by mechanical devices, but by a chain of human beings stretched across those gateways and thereby even the more effectively preventing access to the property and its use by the rightful owner? And even if it were technically to be held that the force which accomplishes the seizure must be applied on the very premises of the employer, that technicality is satisfied when the pickets operate from positions in front of the gates, because ordinarily the title to property abutting on a public highway extends to the center of the highway, the sidewalk being for all intents and purposes a part of the owner's premises subject only to the public's easement of passage: *Duquesne Light Co.* v. *Duff* (251 Pa. 607, 97 A. 82); *Scranton* v. *Peoples Coal Co.* (256 Pa. 332, 335, 100 A. 818, 819); *Freinig* v. *Allegheny County* (332 Pa. 474, 477, 478, 2 A. (2d) 842, 845, 846); *Hindin* v. *Samuel, Mayor* (158 Pa. Superior Ct. 539, 542, 45 A. (2d) 370, 372).

For the reasons thus stated we reiterate what was said by Mr. Chief Justice Maxey in *Carnegie-Illinois Steel Corp.* v. *United Steel Workers of America* (353 Pa. 420, 429, — A. (2d) —, —), that "Forcibly to deny an owner of property or his agents and employees access to that property * * * is in practical and legal effect a seizure or holding of that property." We do not mean to be understood as ruling that any particular number of isolated instances of the application of force, violence, or intimidation to prevent persons from entering an employer's plant or factory necessarily amounts in legal effect to a seizure and holding of the property. But, when, as here, such occurrences are for the purpose of implementing an expressly declared intent or policy to prevent such ingress and egress there is a seizure and holding within the meaning of the act of 1939.

Freed from the restrictions imposed by the Labor Anti-Injunction Act, there is no doubt that plaintiff is entitled to an injunction in this case. The court is not unmindful of, and certainly not unsympathetic with, the trend which has developed in connection with the issuance of injunctions in labor disputes from the days when even peaceful picketing was enjoined to the present time when the Norris-LaGuardia Act and the Pennsylvania statute have declared current public policy with respect to that subject. We said in the *Carnegie-Illinois Steel Corp. Case,* supra (pp. 430, 431, — A. (2d) —, —); "Injunctions are not issued against picketing when the latter's only purposes are to advertise the fact that there is a strike in a certain plant and to persuade workers to join in that strike and to urge the public not to patronize the employer." We have so held since the decision in *Kirmse* v. *Adler* (311 Pa. 78, 166 A. 566). The right of picketing, when free from coercion, intimidation, and violence, is the right constitutionally guaranteed as one of free speech: *Senn* v. *Tile Layers Protective Union* (301 U. S. 468, 478); *Thornhill* v. *Alabama* (310 U. S. 88); *American Federation of Labor* v. *Swing* (312 U. S. 321); *Cafeteria Employes Union, Local 302* v. *Angelos* (320 U. S. 293). But picketing to the extent to which it is designed to seize and in effect does seize and hold the employer's plant by the methods here employed does not fall within either constitutional, statutory, common law, or equitable protection.

Plaintiff produced convincing evidence of irreparable damage, not because of any destruction of, or injury to, its plants, but because of the interruption of vital activities necessary by way of preparation for future business and production.

The order of the court below is reversed, and the record remanded with direction to issue an injunction enjoining and restraining defendant union, its officers, representatives, agents, and members, and all other persons acting in concert with them (1) from preventing or attempting to prevent, by mass picketing, violence, intimidation, or coercion, any person or persons from entering or leaving plaintiff's plants and properties and (2) from in any other manner seizing or holding said plants and properties. Said injunction to be effective upon the filing of plaintiff's bond in the sum of $10,000, with surety approved by the court, in manner and form required by law, and to continue until final hearing. Each party to bear its own costs.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. COFFEE. Mr. Chairman, I yield 4 minutes to the gentleman from Washington [Mr. SAVAGE].

Mr. SAVAGE. Mr. Chairman, a great statesman, Benjamin Disraeli, once remarked that it is a lot easier to be critical than it is to be correct. This will always be true, but it is especially true during a time like this reconversion period, when new ground is being broken, when brand-new problems are being faced, when a dozen different courses of action might be followed and there is no tried and true pattern to follow.

In such times the critics have a field day. "Price ceilings are smothering production. Take 'em off!" they shout. They say we need less Government control. At the same time others are calling for Government intervention to stop strikes and force labor and management to produce. They want more Government control.

It is easy for the critics and the calamity howlers; they do not have the responsibility. Thank God they do not. Anybody following the story of reconversion as they tell it—in the newspapers and also, Mr. Chairman, on the floor of this House—would get the idea that the whole change-over of American industry had bogged down in a series of catastrophes. The antidote for that dyspeptic state of mind, gentlemen, is the facts—the pure hard facts and the figures.

Reconversion Director John Snyder issued his sixth report the other day, and in it he gives the facts and the figures. He does not try to ignore, or explain away or gloss over, the set-backs we have had: the work stoppages, the critical shortages, the acute inflationary situation. But then he reads the reconversion record in facts and figures; and it is a record that ought to renew the weak faith of a lot of these free-and-easy critics. During the first quarter of this year, only 6 months after VJ-day, American industry was producing more civilian goods than ever before in its entire history—almost 40 percent more than in the good old boom days of 1929.

More Americans had jobs than ever before in peacetime history—or in most of the war as well. Employment was more than 10 percent above the good old boom days of 1929. Unemployment was lower than any of us believed possible. National income for the first quarter of 1946 is now at the rate of $150,000,000,000 compared with a national income of only $83,300,000,000 for the good old boom days of 1929.

Wages and salaries earned by Americans in private industry were by far the

highest in our peacetime history—70 percent above the good old boom days of 1929.

Collective bargaining between labor and management—the democratic way that the Government has adhered to—has paid off with genuine labor contracts in almost all major industries, good for a year of uninterrupted production.

This is the reconversion record, Mr. Chairman. I maintain that it is a record Americans will be proud of.

Mr. COFFEE. Mr. Chairman, the last Member who has requested time is the gentleman from Oklahoma [Mr. WICKERSHAM], to whom I now yield the balance of the time remaining.

Mr. WICKERSHAM. Mr. Chairman, the House Committee on Agriculture has been holding hearings for several days, which would convince any ordinary individual that price ceilings and subsidies should be removed from meats. There is, and has been, a surplus of livestock on the farms and ranges. The way that the OPA has handled this matter in the last few months is really ridiculous, and I cannot see how the OPA can continue such a policy and expect to get the votes of many of us who might want to vote for the continuance of OPA.

Furthermore, I want to point out to you something that has happened this week in Oklahoma which none of you will probably believe, but it is true. In the Federal court the OPA files produced two statements which were not sworn to, certifying that one little Wilson & Co. receiving station at Woodward, Okla., paid one and one-half cents per dozen too much on a few dozen eggs. The company was cited in court. The statements of the two men were refuted by sworn testimony in open court. The OPA requested that Wilson & Co. be forbidden from doing business in eggs anywhere in the United States, and the judge has issued an order not only as to eggs, but Wilson & Co. is forbidden from doing business anywhere in the whole United States on any products under the injunction issued and would be put entirely out of business in the entire country if any one of its small receiving stations made a small error.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I yield.

Mr. COOLEY. I wonder if the gentleman is entirely correct when he says they are prohibited from doing business. Is not the effect of the injunction to enjoin them from further violations?

Mr. WICKERSHAM. Well, the ruling will be left up to the circuit court of appeals, to which an appeal has been taken. In effect, it would result in that. This is an injunction, but in effect it will forbid it, because the time would soon come when some other produce-receiving station agent, no matter where he is in the United States, might make one mistake, and the whole company would be out in the cold permanently.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That there are appropriated for the District of Columbia for the fiscal year ending June 30, 1947, out of (1) the general fund of the District of Columbia, hereinafter known as the general fund, such fund being composed of the revenues of the District of Columbia other than those applied by law to special funds, and $6,000,000, which is hereby appropriated for the purpose out of any money in the Treasury not otherwise appropriated (to be advanced July 1, 1946), (2) the highway fund, established by law (D. C. Code, title 47, ch. 19), and (3) the water fund, established by law (D. C. Code, title 43, ch. 15), sums as follows.

Mr. STEFAN. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that it may be in order to offer amendments to any portion of the bill at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. HOFFMAN. Mr. Chairman, I make a point of order that a quorum is not present.

Mr. SMITH of Virginia. Mr. Chairman, I offer an amendment. Will the gentleman withhold his point of order until the amendment is read?

Mr. HOFFMAN. I withdraw the point of order for the time being.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Virginia.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Virginia: On page 31, line 22, after the period, insert a new paragraph, as follows:

"Refunding erroneous deductions: To enable the Commissioners in cases where deductions were made for meals not taken by employees in the penal institutions, Lorton, Va., and has been covered into the Treasury for personal services: *Provided*, That this appropriation shall be available for refunding to employees such deductions made from salaries for meals not taken as follows, not to exceed $1,040:

"Hospital Supervisor T. T. Grimsley, from November 1, 1938, through April 30, 1945, at rate of $80 per annum, $560.

"Special Disbursing Agent Kenneth Dove, from July 1, 1939, through June 30, 1945, at rate of $80 per annum, $480."

Mr. COFFEE. Mr. Chairman, I reserve a point of order against the amendment to permit the gentleman to discuss it if he so desires, but I shall make the point of order eventually.

The CHAIRMAN. The gentleman from Virginia is recognized for 5 minutes.

Mr. SMITH of Virginia. I would prefer that the gentleman make his point of order now, for I have no desire to consume the time of the House.

Mr. COFFEE. Mr. Chairman, I make the point of order that this amendment is out of order because it is legislation on an appropriation bill. It has to do with claims with reference to employees in a certain institution operated by the District government and should properly come from the Committee on Claims.

The CHAIRMAN. Does the gentleman from Virginia desire to be heard on the point of order?

Mr. SMITH of Virginia. Yes.

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. SMITH of Virginia. Mr. Chairman, there is nothing in the amendment that even looks like legislation. This is merely an appropriation to refund to employees of the particular department whose appropriation occurs at that stage in the bill, and these employees have had certain deductions made from their salaries in the past. All this does is merely to restore the money that has been improperly deducted from their salaries heretofore.

The CHAIRMAN. Will the gentleman from Virginia cite for the information of the Chair any point of law that would authorize such an appropriation?

Mr. SMITH of Virginia. We do not have to have a point of law to appropriate money in Congress. If we did probably a great many appropriations would never get through. The Chair means authorization, I take it.

The CHAIRMAN. Authorization.

Mr. SMITH of Virginia. There is authorization for all salaries of all employees of that Department. There is a general authorization for their pay.

The CHAIRMAN. Is there any authorization for the refunding of money erroneously withheld?

Mr. SMITH of Virginia. I do not know that there is any specific authorization for the specific purpose, no; but there is an authorization for the employment of personnel and for the payment of their wages. If money is unlawfully deducted from their wages, then it seems to me quite clear it is entirely proper in an appropriation bill to provide for the payment of those funds which have been unlawfully deducted.

The CHAIRMAN. Does the gentleman from Washington desire to be heard on the point of order?

Mr. COFFEE. Mr. Chairman, the only comment I care to make on the claim advanced by the distinguished gentleman from Virginia is that as far as I can ascertain there is no law authorizing the payment of refunds such as are sought to be obtained by this amendment; and it is on that basis, not being authorized by law, that I press the point of order, and I am sure the Chair will sustain it.

The CHAIRMAN. The Chair is prepared to rule.

It would appear from the information already given to the Committee by both the gentleman from Virginia and the gentleman from Washington that the authorization is nonexistent. Under those circumstances it would seem the advisable course would be to file a claim for this money to be refunded.

The Chair therefore sustains the point of order.

Mr. POWELL. Mr. Chairman, I offer an amendment.

Mr. HOFFMAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently no quorum is present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 79]

Adams	Barrett, Pa.	Bradley, Pa.
Allen, Ill.	Barrett, Wyo.	Brehm
Andrews, Ala.	Bates, Ky.	Brumbaugh
Andrews, N. Y.	Beall	Buckley
Auchincloss	Bishop	Bulwinkle
Baldwin, Md.	Bland	Bunker
Baldwin, N. Y.	Bolton	Burch
Barden	Bonner	Burgin

Byrne, N. Y.	Hancock	Murphy
Byrnes, Wis.	Hand	Neely
Cannon, Fla.	Harris	Norton
Cannon, Mo.	Hartley	O'Brien, Ill.
Case, N. J.	Havenner	O'Hara
Celler	Hébert	Pace
Chapman	Heffernan	Peterson, Fla.
Chiperfield	Holifield	Pfeifer
Clark	Holmes, Wash.	Price, Fla.
Clippinger	Howell	Price, Ill.
Cochran	Jarman	Rabin
Cole, Kans.	Jennings	Rains
Cole, N. Y.	Kean	Rayfiel
Colmer	Kearney	Reece, Tenn.
Curley	Keefe	Reed, N. Y.
Daughton, Va.	Kelley, Pa.	Rich
Dawson	Kelly, Ill.	Robertson,
Delaney,	Keogh	N. Dak.
John J.	Kerr	Robinson, Utah
D'Ewart	Kinzer	Roe, N. Y.
Dirksen	Kirwan	Rogers, Fla.
Doughton, N. C.	Klein	Rooney
Doyle	Knutson	Rowan
Drewry	LaFollette	Sadowski
Durham	Lane	Shafer
Dworshak	Lanham	Sharp
Eaton	Larcade	Sheppard
Elliott	Latham	Sikes
Elsaesser	LeCompte	Simpson, Ill.
Engel, Mich.	Link	Simpson, Pa.
Fellows	Luce	Somers, N. Y.
Fisher	Ludlow	Taylor
Gearhart	Lynch	Thom
Geelan	McConnell	Thomas, Tex.
Gerlach	McGregor	Tolan
Gibson	Madden	Torrens
Gifford	Maloney	Traynor
Gordon	Mason	Trimble
Granahan	Mathews	Vursell
Green	May	Wolfenden, Pa.
Griffiths	Miller, Calif.	Wood
Gwinn, N. Y.	Miller, Nebr.	Worley
Hall,	Mundt	
Leonard W.	Murdock	

Accordingly, the Committee rose, and the Speaker having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5990), the District of Columbia Appropriation Act for 1947, finding itself without a quorum, he caused the roll to be called when 280 Members answered to their names, a quorum, and he submitted herewith the names of the absentees for printing in the Journal.

The SPEAKER. The Committee will resume its sitting.

Mr. POWELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POWELL: In line 7, page 2, insert the following: "*Provided*, That no part of any appropriation contained in this act shall be used for any of the purposes therein mentioned by any agency, office, or department of the District of Columbia which segregates the citizens of the District of Columbia in employment, facilities afforded, services performed, accommodations furnished, instructions or aid granted, on account of the race, color, creed, or place of national origin of the citizens of the District of Columbia."

Mr. RANKIN. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. RANKIN. Mr. Chairman, I make the point of order that the amendment is not germane, and that it is legislation on an appropriation bill, in that it attempts to change the fundamental laws of the District of Columbia that have been established and in effect for at least 80 years or probably a hundred years.

This amendment, if adopted, would destroy the school system of the District of Columbia. It would stir up race hatred and bring about race trouble, the like of which nothing else has ever done in all the history of the District. If it is done, the effect will be to destroy the legislation providing funds with which to carry on the public schools in the District of Columbia.

Mr. MARCANTONIO. Mr. Chairman, a point of order. The gentleman is not addressing himself to the point of order but is addressing himself to the merits of the legislation.

Mr. RANKIN. I am not surprised that the gentleman from New York does not understand me when I am talking to a point of order.

The CHAIRMAN. The gentleman will address himself to the point of order.

Mr. MARCANTONIO. It is very difficult to understand the gentleman when he is talking propaganda.

Mr. RANKIN. Mr. Chairman, I am developing the point that if this amendment is adopted it will destroy the school system of the District.

The CHAIRMAN. The gentleman will talk strictly to the point of order.

Mr. RANKIN. That is what I am doing now.

It is legislation on an appropriation bill designed to destroy the school system of the District of Columbia for which we are required to appropriate. The people of the District of Columbia have to look to Congress to legislate for them. They have no legislative body of their own. They have maintained this separate school system at least for the last 80 years and probably ever since the District of Columbia was created. This amendment would destroy it, and in my opinion would close the white schools of the District. For that reason I say it is more far reaching than any mere limitation, it is a change in fundamental law, and the point of order should be sustained.

The CHAIRMAN. Does the gentleman from Washington desire to be heard on the point of order?

Mr. COFFEE. Mr. Chairman, I make the point of order that the amendment proposes to incorporate a legislative provision in an appropriation bill that does not come within the purview of the Holman rule and that it sets up an affirmative agency in the law.

Mr. SMITH of Virginia. Mr. Chairman, I desire to add further points of order upon which I should like to be heard at a later time in the discussion.

The CHAIRMAN. The Chair would appreciate very much the gentleman's talking to the points of order to help the Chair arrive at a decision.

Mr. SMITH of Virginia. I merely want to make them at this time. I will discuss them later.

Mr. MARCANTONIO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARCANTONIO. Then there will be two points of order pending at the same time.

The CHAIRMAN. Any number of reasons can be given for the point of order.

Mr. MARCANTONIO. But reasons are different from points of order. I submit the points of order to be dealt with one at a time and the first point of order raised must be passed on before others are made.

Mr. RANKIN. Oh, no. That is not the rule.

Mr. MARCANTONIO. The Chair will make the ruling, not the gentleman from Mississippi. I am addressing the Chair.

Mr. SMITH of Virginia. Mr. Chairman, I make the further point of order that this amendment would impose additional duties upon the executive officials.

I make the further point of order that it does not necessarily and will not even if carried out result in any reduction of expenditures as required under the Holman rule.

I make the further point of order that it is obvious on the face of the amendment that the object is not to effect a retrenchment, as required by the Holman rule, but to effect legislation.

I ask to be heard on these points of order at a later time.

The CHAIRMAN. Does the gentleman from New York care to be heard on the point of order?

Mr. POWELL. Mr. Chairman, I do.

The first point of order is that it would change the laws of the District of Columbia. There are no laws of the District of Columbia which guarantee segregation.

As to the second point of order that it would add to expenses, we can cite that segregation has always been more expensive than democracy.

Mr. MARCANTONIO. Mr. Chairman, I should like to be heard on the points of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. MARCANTONIO. Mr. Chairman, this amendment is definitely a negative limitation. It prohibits the use of funds appropriated in this bill for certain specific purposes which are enumerated in the amendment. It does not change any existing law and Congress has the right to withhold the funds for any purpose enumerated in an appropriation act or to withhold funds for any purpose for which an appropriation is being made.

This bill makes appropriations for the District of Columbia. The amendment simply states that none of the funds appropriated in this bill shall be expended to do certain things. We have had that up time and time again. I recall distinctly the Lea amendment in which funds were withheld from the National Labor Relations Board for taking jurisdiction over so-called agricultural workers.

There is no additional duty imposed upon anyone. The amendment deals with an existing condition, that is, segregation in education, segregation in recreation, in hospitals and other places. I respect there is no additional duty imposed on anyone. The amendment strictly is a negative limitation which we have had in this committee time and time again.

Mr. SMITH of Virginia. Mr. Chairman, may I be heard further?

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. SMITH of Virginia. Mr. Chairman, this question all revolves around the so-called Holman rule, which is rule XXI. The theory of the Holman rule is that legislation on an appropriation bill is out of order unless it retrenches expenses and to that has been added by various rulings of the Chair from time to time further limitations upon the rule.

The CHAIRMAN. Can the gentleman from Virginia give the Chair the benefit of his advice as to how this is a limitation of the fund?

Mr. SMITH of Virginia. It is a very definite limitation. It says, "No part of the fund shall be expended," for certain facilities, for certain things, either done or omitted to be done.

The CHAIRMAN. The Chair is trying to find out whether or not this is a proper limitation. The Chair does not believe that the Holman rule is involved so much as the limitation question.

Mr. SMITH of Virginia. Mr. Chairman, if we go to the question of limitation, we still have the same rule to this extent, and you will find it in the rule book under section 845. I will not undertake to read all of it:

> But such limitation must not give affirmative direction and must not impose new duties upon an executive officer.

I made that point of order because if this amendment were adopted it would cover every executive agent performing the duties covered by these appropriations to proceed to carry out this rule of segregation. It would impose not only affirmative duties but arduous duties upon every executive officer who has anything to do with carrying out these facilities.

It is a very definite rule which has been sustained time and time again by the Speaker and by the chairmen of various committees that no limitation is in order which imposes any other duty upon an executive officer.

Passing that point to another, let me quote:

> And it must not be coupled with legislation not directly instrumental in effecting a reduction.

Let us look at this amendment and see whether it effects any reduction. I ask the gentlemen who oppose the point of order, will this amendment, if adopted, save the District of Columbia a single dollar?

Mr. MARCANTONIO. Certainly it would.

Mr. SMITH of Virginia. Will it remove a single facility?

Mr. MARCANTONIO. Absolutely. Instead of having two school systems you will have one.

Mr. SMITH of Virginia. Exactly the same facilities will be required, exactly the same number of children will go to school and exactly the same number of teachers, janitors, the same amount of heat and every other thing appropriated for in this bill will be required.

Mr. MARCANTONIO. The gentleman has asked a question. May I answer it?

Mr. SMITH of Virginia. Let me finish.

Mr. MARCANTONIO. The gentleman has asked me a question.

Mr. SMITH of Virginia. And the gentleman has answered it in my time.

Mr. MARCANTONIO. The gentleman has not given me ample opportunity to answer his question.

Mr. SMITH of Virginia. I am sure the gentleman will avail himself of his right to speak on the point of order.

Mr. MARCANTONIO. The gentleman has taken most of the time so far.

Mr. SMITH of Virginia. I will yield, but I did not want to take up too much discussion on this matter.

Mr. MARCANTONIO. Will the gentleman yield now at this point?

Mr. SMITH of Virginia. Well, I think I might just as well.

Mr. MARCANTONIO. The point is, Mr. Chairman, in response to the gentleman's question, that with segregation you double the number of administrative offices, the number of facilities, and the expenditures are thereby increased, and therefore the amendment definitely is a saving to the Treasury of the United States.

Mr. SMITH of Virginia. That is just the gentleman's conclusion.

Mr. MARCANTONIO. Well, the gentleman asked the question.

Mr. SMITH of Virgina. My conclusion is just the opposite; that it will not do any such thing. As to the burden of proof when such an amendment is offered and the point of order is made the authorities are clear that it is the duty of the proponent of the amendment to show definitely that there will be a retrenchment in expenditures and a reduction in the necessary appropriations.

Mr. POWELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from New York.

Mr. POWELL. Since I am the proponent of the measure, I would like to tell my colleague, the gentleman from Virginia, that here in the District of Columbia an entirely duplicate system of superintendence is maintained out of the treasury of the District of Columbia. You have a Negro superintendent and a white superintendent with exactly the same position right down the line. That would be a saving.

Mr. SMITH of Virginia. And you would have to have just as many superintendents, and just as many schools, and just as many school children, and just as many teachers.

Mr. POWELL. But not as many superintendents.

Mr. SMITH of Virginia. I do not know about that. I expect you would have just as many, if not a few more.

Mr. Chairman, there is one other point I wanted to make. It is another very definite rule of parliamentary law.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Mississippi.

Mr. RANKIN. This would also increase the number of police required, and increase the expenses of the District instead of curtailing them.

Mr. SMITH of Virginia. Well, again, as I say, as I said to the gentleman from New York, that is just one man's opinion, and there has not been any proof that it will save a nickel.

I call attention of the Chairman to the third point I wanted to make. This is on construing a proposed limitation, and I think very crucial and very decisive on this point of order.

> In construing a proposed limitation, if the Chair finds the purpose to be legislative, in that the intent is to restrict executive discretion to a degree that may be fairly termed a change in policy rather than a matter of administrative detail, he should sustain the point of order.

Now, this is definitely a situation where obviously the purpose is to change an administrative policy, a policy that has long prevailed, and the authorities on that are so definite and so clear that it seems there can be no doubt left.

I would like to read the Chair what Chairman Luce said on January 8, 1925, when this amendment was up, which was offered by Mr. Hull, of Iowa, which reads:

> No part of the moneys appropriated in this act shall be used to pay any officer to recruit the Army beyond the limit of 100,000, 3-year enlisted strength.

There was long discussion about the point of order on that amendment, and this is the conclusion of the Chair on page 1497:

> In the judgment of the Chair there is no adequate proof embodied in the amendment, or any necessary conclusion from the amendment, that there will be a reduction of expenditure. Therefore, the Chair is unable to see that it complies in this regard with the second paragraph of rule XXI, commonly known as the Holman rule.

I think that is all I have to say except to call attention to one more extract of a ruling that took place on February 18, 1918, when Mr. Saunders. of Virginia, was in the chair and a similar question arose. He said:

> The situation developed by this amendment is as follows: The amendment first proposes to reduce the amount carried in this paragraph. That is perfectly competent under parliamentary law. In addition, it is proposed for legislation to accompany the reducing portion of the amendment. But this legislation has no sort of relation to the proposed reduction. It is perfectly competent to legislate on an appropriation bill, provided the legislation proposed necessarily effects a reduction; but it is just as plainly incompetent to propose a reducing amendment to an appropriation bill a motion which can be made at any time without reference to the Holman rule and then undertake to attach to this motion legislation which does not effect the reduction and is not in any wise related to it.

I submit, Mr. Chairman, that the amendment is clearly subject to the point of order.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Mississippi.

Mr. RANKIN. I call the gentleman's attention also to the fact that it has been held time and time again that the reduction or entrenchment must show on the face of the amendment. This amendment shows no such reduction.

Mr. SMITH of Virginia. That would show it would be a saving of money?

Mr. RANKIN. Yes. This amendment makes no such showing.

Mr. MARCANTONIO. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from New York.

Mr. MARCANTONIO. First of all, the Chair has ruled with regard to the Holman rule. What is involved here, as the gentleman from Virginia pointed out, is whether or not there is a change of policy or law; and when we are talking about policy we are talking about law. This amendment does not involve a change in the law at all. This restricts, or rather, prohibits the use of funds with regard to an administration which is not authorized by law at all. Congress has passed no law providing for segregation in the District of Columbia. Segregation is only an administration ruling applied by various agencies and departments of the District of Columbia. Congress certainly has the right to say, by means of a negative limitation, that none of those agencies can have any funds in carrying out that particular practice. I see no difference between this negative limitation and all of the others that we have had before this Committee. It simply says to the various bureaus, "No funds shall be given to you, not for the carrying out of any law, but no funds shall be given to you for the carrying out of a practice not authorized by law." Therein lies the distinction between the situation the gentleman from Virginia tried to set up and what we actually have involved in this amendment.

Mr. RANKIN. Mr. Chairman, I would like to be heard for a moment on the point of order.

The CHAIRMAN. The Chair will hear the gentleman from Mississippi.

Mr. RANKIN. I call the attention of the Chair to the fact, as I pointed out to the gentleman from Virginia a moment ago, that it has been held time and time again that in order to be in order under the Holman rule the reduction or retrenchment must show on the face of the amendment. All the reduction they propose is speculative.

If you are going off into the realm of speculation, I submit that this amendment will probably increase expenses far more than it will curtail them, by increasing the police force, hospital facilities, doctors, jail facilities, and other things of that kind. I submit that this is merely a fantastic attempt to stir up race trouble in the District of Columbia, and the point of order should be sustained.

The CHAIRMAN [Mr. FORAND]. The Chair is ready to rule.

The Chair has listened very attentively to the arguments pro and con and has reached the conclusion that the Holman rule is not in issue at the present moment. The wording of the amendment reads, "Provided, that no part of any appropriation contained in this act shall be used for any of the purposes therein mentioned," and they are enumerated.

After serious consideration, the Chair is of the opinion that the amendment is a proper limitation and overrules the point of order.

The gentleman from New York [Mr. POWELL] is recognized for 5 minutes in support of his amendment.

Mr. POWELL. Mr. Chairman, fellow Members of the House, in offering this amendment I want first to quote a sentence that the very distinguished and brilliant colleague from Virginia [Mr. SMITH] used. He came over to me and said: "What mischief are you up to now, POWELL?" And I said, "No mischief, but I am sure something that you might not agree with." He said: "That is probably true, but we can still not fight." I said: "I agree with you." Therefore, I hope we can follow what Mr. SMITH said, and not fight.

I believe in government. I believe government should operate first by law and then, in the second place, when laws are not adequate, it should operate by custom. However, here in the District of Columbia, because it is not a State, the District cannot be construed as being a part of any particular section of the country. If the District of Columbia was located further south, or further north, or further west, it would still be the District of Columbia, the Capital of the Nation. It would still be a district which includes people of every State, people of every race, people of every creed, people of every religion, and people of nearly every nation. Therefore, when it comes to legislating for the District of Columbia, I do not think it is correct to approach it on the theory of States' rights which, by the way, I believe in to a certain extent. I believe we must approach this as country-wide citizens, as national citizens, when we are considering legislation affecting the District of Columbia.

If you do not believe that segregation is practiced here by the District government may I say look at me, one of your fellow Congressmen. I cannot get a card to play tennis, for instance, in any of the parks of the District of Columbia. If tomorrow morning I went before the Recreation Service to try to get a card to play tennis in a public park which our money supports, I would not be allowed to because I would be told that only certain parks are set aside for Negroes. I had a serious operation this past winter and was referred by a specialist in New York to a doctor here in the District of Columbia. That doctor could not treat me here in the District of Columbia because there was no hospital to which he could take me because I was a Negro. He could only take me to one hospital and that was a hospital which was inadequately staffed and overcrowded.

Taxation without representation is bad enough for the District of Columbia. It is high time we gave the full rights of citizenship to the people of this District. But when you take taxation without representation and add to it segregation and discrimination, that is a blot upon democracy. Whatever we do in our separate States is the problem of the State. It is the problem of the people of the State. If it is a question of custom or public opinion it is for the people of the State to change it if they want to. But what we do in the District of Columbia should be a reflection of the best that is in a democracy. Unless it does reflect the best that is to be found in a democracy then we are not living up to the highest ideals of our Constitution and our Declaration of Independence. I am asking you gentlemen to hold up before the world, a world that has just gone through two wars in one generation to make the world safe for democracy, I am asking you to make the District of Columbia at least safe for the kind of democracy that our men shed their blood for, and which is being denied here in the District of Columbia to the most loyal element of this democracy, my people, the Negro people.

Mr. RANKIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. COFFEE. Mr. Chairman, will the gentleman yield for me to see if I can secure a limitation of debate?

Mr. RANKIN. I yield, if it is not taken out of my time.

Mr. COFFEE. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 25 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. RANKIN. Mr. Chairman, this amendment to deny funds to separate schools here in Washington is another one of those communistic movements to stir up race hatred in the District of Columbia.

It had its origin at the same source the FEPC movement started, and if adopted will result in destroying that friendly relationship that now exists between the whites and Negroes in the District, and elsewhere.

If I were a Negro I would want to be as black as the ace of spades, and I would not be running around here trying to play tennis on a white man's court. I would go with the other Negroes and have the best time in my life.

Mr. POWELL. Mr. Chairman, I ask that those words be taken down.

The CHAIRMAN. The Clerk will report the words objected to.

The Clerk read as follows:

If I were a Negro I would want to be as black as the ace of spades, and I would not be running around here trying to play tennis on a white man's court. I would go with the other Negroes and have the best time in my life.

The CHAIRMAN. The Committee will rise.

Accordingly the Committee rose; and the Speaker, having resumed the chair, Mr. FORAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 5990, the District of Columbia appropriation bill, 1947, certain words used in debate were objected to and on request were taken down and read at the Clerk's desk, and that he herewith reported same to the House.

The SPEAKER. The Clerk will report the words taken down.

The Clerk read as follows:

If I were a Negro I would want to be as black as the ace of spades, and I would not be running around here trying to play tennis on a white man's court. I would go with the other Negroes and have the best time in my life.

The SPEAKER. The Chair would think and would be compelled to hold that there is nothing in this language that refers to any specific person by name or otherwise as a Member of the

House of Representatives, does not reflect upon his character, his integrity, or attribute to him any moral turpitude.

The Committee will resume its sitting.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Mississippi [Mr. RANKIN] will proceed.

Mr. RANKIN. Mr. Chairman, as I was going on to state, if I were a Negro I would want to be as black as the ace of spades. There is no disgrace in being a Negro. I know as much about the Negroes, the real Negroes, the honest-to-God, hard-working, law-abiding, God-fearing Negroes, as any other man in Congress. Real Negroes have a good time when they are to themselves. They get along better where they have their separate schools, churches, and playgrounds. They want them, they want those separate schools so they can be together and have their own teachers.

Today we are trying to build a Negro veterans' hospital in Mississippi so the Negroes may be to themselves and have their own nurses and their own doctors; yet some communistic Negroes from some of the northeastern States came down here, with some other Communists who were not Negroes and protested against it, with the Negroes in the State of Mississippi begging for this hospital. These Communists want to force them into white hospitals, just as they are trying to force Negroes into the white schools here in Washington by this amendment, even though it would deprive the Negro doctors and Negro nurses of the opportunity of serving their own exservicemen.

Now, let us see what this amendment does. The Negroes in the Southern States when they get in trouble come to us white people. Have you heard of a race riot in Mississippi, or South Carolina, or Georgia, or Alabama since the War Between the States or the days of reconstruction? No; but you hear of race trouble where these Communists get out and stir it up. They went to Detroit, Mich., for the sole purpose of stirring up a race riot and did it with the result that hundreds of Negroes, many of them innocent Negroes, were killed, as well as a large number of white people.

Now, the people of the District of Columbia, the Negroes and the whites, have not asked for this change. They have their separate schools. The Negroes go to their schools, they behave themselves, and they can have their teachers, they have their own way of life.

You pass this amendment and you will do one of two things: You will destroy every white school in the District, or deny to the people of the District of Columbia the funds provided herein, and you will probably create a race riot, race hatred, and bitterness to an extent that has never been known here before.

But that is what the Communists want. They are out to stir a race war in this country. This is just a part of the plan.

I am speaking to you on behalf of the Negroes, the real Negroes, of the District of Columbia who go with the Negroes themselves, play on their own playgrounds, and go to their own schools, as well as the white people of the District at whom this vicious amendment is directed.

I would not have this kind of thing stirred up in my State for anything on earth, because I know that while the social climbing Negroes and their communistic cohorts would be back in New York or Boston or Hollywood, Calif., having a good time, the poor innocent Negroes would suffer along with the innocent whites. These Communists do not care how many innocent Negroes or innocent white people get killed, just so they can stir up trouble between the two races and keep it stirred. They are the worst enemies the Negroes have on earth.

I hope you will vote this amendment down. When you do you will render a real service, not only to the white people of the District of Columbia who have to look to us for their legislation, but you will be doing a greater favor to the Negroes of the District by saving them from the disastrous consequence of such a communistic movement.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. O'TOOLE. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman is not on the list. Was the gentleman on his feet when the time was fixed?

The gentleman from Texas [Mr. POAGE] is recognized for 5 minutes.

Mr. POAGE. Mr. Chairman, I want to call your attention to the fact that this is the second time within about 1 month that we have faced exactly the same issue. There are those of you who would not believe 1 month ago when the Member from New York offered a similar amendment to the school-lunch program that it had the implications that you now see so evident. One month ago there were those of us who pointed out to you that the Member from New York was determined to see that there were no school lunches throughout the United States unless the school lunches were served to whites and colored together. All of us here today can plainly foresee that the action proposed here is intended as a step in a program of change throughout this Nation. There is no man and no woman so dense on this floor today who does not realize that what is done here today will next month or next year be quoted as a precedent for doing the same thing in your State and in mine.

I care not that the Member from New York tells us that he sometimes respects States' rights. Neither he nor the rest of those who seek to enforce in the District of Columbia a disruptive program such as this, will be bothered about State rights when the time comes that they believe they can stir up trouble between the races in the various States of this Union; and be not deceived, there could be no quicker way of stirring up trouble between the races not only in the District of Columbia but all over this Nation, than to pass this kind of legislation.

None of you are so naive as to believe you can force a mixture of the races against the will of the children and against the will of their parents without having trouble in the District of Columbia, and you know it is going to be serious trouble. You know that following the passage of this kind of legislation there will be race riots; there will be killings; there will be anarchy in the Capital of this great Nation. You know it will be reflected down in the river bottoms of the South.

There are those of you from the northern cities who tell us down here that we ought to handle our problems better than we are doing. For 80 years we have labored in poverty, we have labored under handicaps, to try to solve one of the most difficult problems in this world. We think we have been doing a very good job of it. Why, Mr. Chairman, should you come in and thrust down upon our brow this crown of thorns and tell us that we must try to handle a problem almost impossible of solution in any different way than we have. This amendment will put the last straw on us which would make it utterly impossible for us to solve that problem. I plead with you to help the people of the South—black and white—to live together. Do not make it more difficult for us.

We have been making progress in the South; we have been eliminating lynchings; we have been educating the Negroes of our country; we have improved their economic status. Why not let us continue the good work? I warn you as one who knows the situations that you are going to make it utterly impossible to carry on the good work that has been started. You are setting the South back 80 years if you pass this kind of legislation today, and you know it.

Do you believe that it is worth while for any fleeting political advantage that you should do a thing of this kind charged with so much woe for the white and black races alike? If you are sincerely interested in the minority race, why not ask yourselves who is going to suffer the most when we see the specter of race riots rising in this country? You know the Negro will be the chief sufferer. If you believe in helping the Negro, do not pass this kind of legislation.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The Chair recognizes the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, the last speaker has evidently overlooked or attempted to have you overlook the fact that this amendment deals only with the District of Columbia. It does not deal with the gentleman's State, it does not deal with the State represented by the gentleman from Mississippi.

The District of Columbia, I submit, is still the Capital of all the United States. In the District of Columbia there are people from all parts of America and I submit that it is not asking too much that here in the District of Columbia we practice the fundamental precepts of democracy that we are asking all of the world to practice at this time.

As to the cry of race riots, we have heard that cry before. We heard that cry made when we attempted to pass an anti-poll-tax bill in this House of Representatives and in the other body. We heard the same cry raised in regard

to FEPC when we attempted to enact legislation which would guarantee employment without discrimination because of race, color, or creed. Now, we hear the same cry of race riots in respect to a simple request that this Congress rise up to the dignity of the Nation—the dignity that the world expects us to rise up to of practicing the fundamental precepts of democracy for which men died, both black and white. Race trouble! We know what it is and we know its fundamental causes. The denial of equality and of equal opportunity is the cause of race disturbances. The refusal of a job to a man because his color is black, or to compel him to go to a school other than the one he wants to go to because his color is black, to treat him differently from anybody else because he is a Negro, to heap the indignity of segregation on a person because of his color—that is what causes race disturbances. Remove the cause—segregation and discrimination—and you solve the problem of race relations.

This is not an amendment to agitate race disturbances. This amendment is merely a step toward a better civilization for mankind, and in America's march of progress toward the elimination of race hate and inequality.

Further, let us talk facts. Today race riots are incited by domestic Fascists and advocates of white supremacy.

We have before us a specific, concrete illustration of whether we mean what we say; whether we mean what we say when we talk to audiences from public platforms; whether we meant what we said when we spoke to the departing soldiers; whether we meant what we said when we went before our constituents. This is the first chance to invoke that democracy in the Capital of the Nation.

This is America, where the UNO is meeting. This is Washington, which many would make the capital of the world. Are we going to hesitate to remove fram the Capital of the United States the blot of discrimination and segregation? Further than that, shall we place the stamp of approval, by voting down this amendment, on this un-American principle? Please do not be frightened by the red-herring cry of communism which the gentleman from Mississippi raises against a proposal that he dislikes. The issue here is not communism; the issue is not Republicanism or the Democratic Party; the issue here is genuine Americanism; the issue is America, the Capital of the Nation, with no discrimination and no segregation.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. DE LACY].

Mr. DE LACY. Mr. Chairman, I do not believe many words are required on this issue. Your minds are pretty well made up. However, I would like to make this simple observation. Every Member of the House, no matter what his views, wishes to see better relationships between the races and the faiths that inhabit America.

Some of those who believe differently from me on this issue have stated on this floor on this and other occasions that we cannot legislate tolerance into the heart of a man, and that is correct, that we cannot use compulsion in the form of legislation to correct a problem which is one of understanding in the heart and an attitude of mind. There is a great deal of weight to that, but I should like to say to you, and I appeal to you, if we cannot do this by compulsion, if we cannot do it by legislation, then where do we propose to make the start to do it? We should be teaching, we should be exhorting, we should be pleading to our youth, to our children. In their minds we should eliminate prejudice. To them we should say, "Let us build a free America in which everyone has an equal job, an equal chance for work, an equal chance for education, and equal chance to rise to the heights or sink to the depths, in accordance with his own natural capacities." It is with the children we should start. Let us not commit the crime of driving prejudice into the minds of our little ones as they come up. Let us begin to make some progress to break the barrier down. Let us promote understanding to break the barrier down.

My point is this. Let us put the children together under the right kind of supervision, intelligent, trained people, with understanding and tolerance in their hearts, and let our Americans grow up together in understanding and common sympathy.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. DE LACY. I yield to the gentleman from North Carolina.

Mr. COOLEY. I understand, then, that the gentleman is bold enough and frank enough to advocate breaking down segregation not only in the District but throughout America?

Mr. DE LACY. The gentleman understands the amendment before us relates to the District of Columbia.

Mr. COOLEY. I understand; but the gentleman has not confined his observations merely to the District of Columbia. He says we should start here and ultimately we should do away with segregation throughout the country, and all because one Negro wants to play tennis on a white man's court. Is not that the proposal?

Mr. DE LACY. I do not agree that the gentleman has stated it correctly.

Mr. COOLEY. What is the trouble in the District now that brings about the necessity for trying to force white children to go to school with Negroes?

Mr. DE LACY. The trouble is not in the District; the trouble is in the Nation. The trouble is in the world. In this great Capital the statue of freedom that stands on top of this building is a symbol to the people of the United States; it is a symbol to the world of freedom and equality. In my district in my great State there is no discrimination in the schools, and there are no race riots, either.

Mr. COOLEY. If there is no trouble in the District, why should we disrupt the customary system which has existed here through the years?

Mr. DE LACY. Because as long as this dark blot of discrimination and inequality rests over the shadow of our United States, so long will our voice be stilled for justice and its edges blunted in the councils of the world.

Mr. COOLEY. The complaint that I heard was that the author of the amendment could not play tennis down here on a court that was reserved for white people, and another trouble was that he could not be operated on in a hospital that was reserved for white people.

Mr. DE LACY. I do not believe the gentleman wishes to pretend that these restrictions and indignities which were laid upon a Member of the House are anything but typical of the sufferings of a whole race of people.

Mr. COOLEY. There is suffering in the State of North Carolina. We provide them with the same facilities that we provide the white people, but we never mix them down there.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. DE LACY. I yield to the gentleman from New York.

Mr. MARCANTONIO. The gentleman has mentioned suffering. I do not see what greater suffering there can be than the indignity of depriving anyone of equal opportunity, whether it be education, recreation, or employment in the Capital of the United States or anywhere in the United States.

Mr. DE LACY. I thank the gentleman for his contribution.

The CHAIRMAN. The time of the gentleman from Washington has expired.

The Chair recognizes the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. BIEMILLER. Mr. Chairman, I think it is most unfortunate that again the red herring of communism has been dragged across this floor. We have heard from the gentleman from Mississippi that this amendment is inspired from Communist sources, and that the FEPC is inspired from Moscow. I think in so doing the gentleman from Mississippi, wittingly or unwittingly, has charged the common council of the city of Milwaukee with being Communist.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. BIEMILLER. No; I am not yielding.

Within the past 10 days the common council of the city of Milwaukee by a unanimous vote has passed a city FEPC law. There are 27 members of that common council. Surely none of those men, by the wildest stretch of anyone's imagination, are members of the Communist Party.

Furthermore, I think all of us who come from the North and the West recognize that in our school systems there is no segregation. I have gone to school, from the time I was 6 years old until I graduated from Cornell University, with Negro students. I have seen no race riots develop as the result of Negroes attending the public schools in Sandusky, Ohio, where I got my early education, nor at Cornell University, from whence I graduated in 1926. I am proud of the fact that in the schools I have attended there has been no discrimination. I think that is a good, sound, American doctrine, and good, sound, American principle. I believe firmly in equality of opportunity. I feel that in

the Capital of the United States we have a right to expect that the customs which prevail in the major part of the country should be the customs which prevail here.

I intend to vote for this amendment. I think it is a sound amendment and an amendment that will redress an old grievance, a grievance that has made many, many people throughout the United States hang their heads in shame for a long time. The majority of Americans, I am convinced, are opposed to the discrimination that has been practiced in our Capital City.

I sincerely hope that the House will see fit to redress this old grievance. I know, for example, that at the present time the most importuning that I am receiving for the FEPC and this whole question of discrimination comes from the church women of the city of Milwaukee. There is not a day goes by but that these good church women of my city are not requesting that we once and for all put a stop to discrimination. They recognize this issue for what it really is—a deeply moral question. I think today we have an excellent chance to strike a blow at the great moral evil of discrimination. I hope that is the course that this House will take this afternoon.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from New York [Mr. POWELL].

The question was taken; and the Chairman announced the noes had it.

Mr. MARCANTONIO. Mr. Chairman, I demand tellers.

Tellers were ordered, and the chairman appointed as tellers Mr. COFFEE and Mr. POWELL.

The Committee again divided; and the tellers reported there were—ayes 49, noes 122.

So the amendment was rejected.

Mr. COFFEE. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. COFFEE: On page 48, line 12, after the word "hydrant", strike out the comma and the figures $330,000.

Mr. COFFEE. Mr. Chairman, I might briefly explain this amendment. It is purely to correct a clerical error. The figure "$330,000" was inadvertently included in the printed bill, and the comma in connection therewith.

This activity covers all additions to the water distribution system. It covers in general such projects as laying water mains; installing fire hydrants; construction of a large trunk line water main, and construction of a roof over a large reservoir located in Fort Stanton Park.

Heretofore the appropriation was broken down into certain amounts for each of the specific projects, but since all the projects are related it was the purpose of the subcommittee to remove the different limitations and did eliminate the other designated amounts that went to make up the total of $615,000, but through oversight the figure of $330,000 was not eliminated. Under the present language and purpose of the section the figure does not have any clear meaning and since it was the intention of the subcommittee to remove the figure it is the purpose of this amendment to do so.

The amendment was agreed to.

Mr. STEFAN. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. STEFAN: On page 42, line 18, strike out the colon and insert a period, and strike out the entire proviso on lines 18, 19, 20, 21, and 22.

Mr. STEFAN. Mr. Chairman, this amendment would strike out the proviso that has been in this bill for a number of years. This proviso precludes the District from testing its own material. It makes it impossible for the District to use its own laboratory constructed and equipped some years ago at a cost of $100,000. So, the testing of material for the District of Columbia is done at the Bureau of Standards. The officials of the District that appeared before your subcommittee insisted that since 1934 it has cost the District of Columbia more than $100,000 in excess of what the cost would have been had the District used its own laboratory. They claim it is costing them four times as much to test material at the Bureau of Standards as it would cost if they were allowed to test it in their own laboratory.

Your subcommittee, feeling that this would be one place to save money for the District taxpayers, decided to eliminate the proviso and allow the District to test its own material and accomplish this saving.

However, I wish the committee to know that this proviso was placed in this bill by the full committee, by an overwhelming vote, on an amendment offered by the chairman of the Committee on Appropriations. But your subcommittee is unanimous in the belief that a saving can be made here. I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska.

The amendment was agreed to.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 55, after line 5, insert a new section as follows:

"3. Whenever under this bill it is proposed to expend any sum for any thing or service from the benefit of which members of any race are excluded an equal sum shall be expended for things and services for the benefit of the members of the race so excluded and in proportion to the percent of the population."

Mr. HOFFMAN. Mr. Chairman, the amendment was on two sheets and the complete amendment reads as follows:

Whenever under this bill it is proposed to expend any sum for any thing or service from the benefit of which members of any race are excluded an equal sum shall be expended for things and services for the benefit of the members of the race so excluded and in proportion to the percent of the population, the members of the excluded race bear to the whole population of the municipality where the proposed expenditure is to be made.

Mr. COFFEE. Mr. Chairman, I reserve a point of order against the amendment.

Mr. HOFFMAN. Mr. Chairman, we have heard considerable from Members of the majority party all to the effect that members of the Negro race—colored people we call them in my State—would by this bill as it is now written be excluded from benefits to which they are entitled.

I can see no reason for any discrimination in employment, educational advantages, whatever it may be, along that line. I know of no reason why we should attempt to legislate social equality. That is a matter of taste—of education—of personal preference. There is at least one woman in the city of Washington who has never asked me to any of her social functions, and she has held many of them—public and private. I have no desire to attend any of them. I think it would be just as silly, or rather just as absurd, for me to propose a bill requiring her to ask me out to her place to associate with her guests—refined, educated people, or whatever they may be—as it would be for this House to attempt to legislate social equality.

This amendment is offered in good faith; it is offered to meet the objection of the gentleman from New York [Mr. POWELL]. I have sat on the Labor Committee with him, I admire him and the way he handles the business of his constituents and the public business there, and I agree with him that we should not—it is most unjust—to exclude members of his race or any other race from the benefits obtained when tax money is spent; and so I have provided by this amendment that whenever it is proposed to spend a dollar for anything or any service from which members of any race are denied participation that an equal sum in that proportion that the members of that excluded race bear to the total population, shall be expended for their exclusive benefit. What is wrong with that? If the gentlemen from New York, either of them or both of them, want tax money expended for the benefit of every race here, this amendment will do it. If they want to legislate social equality this amendment will not do it.

Mr. COFFEE. Mr. Chairman, I renew the point of order. I make the point of order the amendment is legislation on an appropriation bill requiring affirmative action by District officials.

The CHAIRMAN (Mr. WALTER). The Chair is ready to rule.

Under this amendment, which, by the way, is not completed in that it ends with the word "which," it is provided that an equal sum shall be expended under the bill.

The bill now being considered contains no provision for equal appropriations and there is no authorization to make equal appropriations.

The Chair therefore feels that it is very clearly legislation, and sustains the point of order.

Mr. COFFEE. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WALTER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5990) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. COFFEE. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. Mr. Speaker, I am opposed to the bill.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with amendments reducing the amount of the appropriation out of the Treasury by $1,000,000.

Mr. COFFEE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

LIST OF RETIRED OFFICERS FOR WHOM DEPARTMENT OF STATE IS HOLDING DECORATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States of America:

I am forwarding, for the consideration of the Congress, a communication from the Secretary of State transmitting a list of those retired officers or employees of the United States for whom the Department of State under the provisions of the act of January 31, 1881 (U. S. C., title 5, sec. 115), is holding decorations, orders, medals, or presents tendered them by foreign governments.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 5, 1946.*

[Enclosures: 1. From the Secretary of State. 2. List.]

SIXTY-SECOND ANNUAL REPORT OF THE CIVIL SERVICE COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The SPEAKER laid before the House the following message from the President of the United States, which was read, and together with accompanying papers, referred to the Committee on Civil Service:

To the Congress of the United States:

As required by the act of Congress to regulate and improve the civil service of the United States approved January 16, 1883, I transmit herewith the Sixty-second Annual Report of the Civil Service Commission for the fiscal year ended June 30, 1945.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 5, 1946.*

YUMA PROJECT AND BOULDER DAM

Mr. SLAUGHTER, from the Committee on Rules, reported the following privileged resolution (H. Res. 584, Rept. No. 1879) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5674) to amend the laws authorizing the performance of necessary protection work between the Yuma project and Boulder Dam by the Bureau of Reclamation. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Rivers and Harbors, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MEMORIAL SERVICES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on Friday next, after the reading of the Journal, I may be recognized for 1 hour, the time to be controlled by myself, for the purpose of presenting memorial exercises and eulogies in memory of our late beloved President, Franklin D. Roosevelt.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. RIVERS asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Washington Daily News on Friday, April 5, on the subject of CIO-PAC.

Mr. PATRICK and Mr. CANNON of Florida asked and were given permission to extend their remarks in the RECORD.

Mr. RANDOLPH asked and was given permission to extend his remarks in the RECORD in two instances; to include in one an article from a magazine, and in the other an address delivered by one other than himself.

Mrs. DOUGLAS of Illinois asked and was given permission to extend her remarks in the RECORD and include an editorial.

Mrs. DOUGLAS of California asked and was given permission to extend her remarks in the RECORD in five instances and to include excerpts in each.

Mr. SAVAGE. Mr. Speaker, on behalf of my colleague the gentleman from Washington [Mr. JACKSON] I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill H. R. 5939, which was passed by the House yesterday.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD and include a statistical summary of the Veterans' Administration activities to March 31, 1946.

Mr. BARRETT of Wyoming asked and was given permission to extend his remarks in the RECORD.

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. BENNET of New York asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. BOYKIN (at the request of Mr. RIVERS) was given permission to extend his remarks in the RECORD in two instances; to include in one a letter with enclosures from the sheriff of Mobile, Ala., and in the other an address delivered by Conder C. Henry.

Mr. GILLESPIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. GILLESPIE. Mr. Speaker, a situation of gravest import for the future status of Palestine has arisen in the past few weeks. Acting arbitrarily and unilaterally in the face of three international agreements to which she is party, Great Britain has declared Trans-Jordan "independent and sovereign," and concluded a treaty with Emir Abdullah, which, in effect, leaves Great Britain more the master of that area than she has ever been.

Trans-Jordan, as you know, is the name for the territory immediately east of the Jordan River and is an integral part of Palestine—historically and geographically. It first came under the jurisdiction of Great Britain after the defeat of the Turkish Empire. As I understand it, the League of Nations granted a mandate to Great Britain over the whole of Palestine on condition that she supervise the establishment of a Hebrew National Home there. The history of Palestine since the granting of the mandate has been the history of British evasion, procrastination and delaying tactics in regard to the establishment of the National Home. This, in the face of the terrible hardships and suffering undergone by the Hebrew people in Europe. The supposed freeing of Trans-Jordan is a major step in the furtherance of that policy. It deprives the Hebrew nation of access to three-fourths of its territory. By changing the Jordan from a vital main highway into a boundary, it drastically reduces the economic potential of the lands on both sides of the river. It places an insuperable obstacle in the way of the vast power and irrigation plans that have been predicated upon the free use of the river. This superapplication of divide-and-rule methods suits British policy to a "t."

I think this will appeal to any fair-minded man to be not only unjust but absolutely illegal. Trans-Jordan is sparsely populated with nomadic Bedouins, in an undeveloped desert area. That area is now cut off from its western complement and from its only real hope for future development. The League of Nations Mandate Commission, when it considered the case of Iraq in 1927, laid down conditions for the freeing of a mandated area, which included an adequate judiciary system, an adequate fiscal system, the ability to protect its own frontiers, the ability to police its area, and so on. Trans-Jordan has for long been supported by western Palestine, by taxes almost entirely by Hebrews. Now, to replace that source of support, Britain has made a treaty with her sovereign creation in which she agrees to maintain troops within its borders and give it financial and other aid.

Coming at a time like this, when the newspapers are full of other things, this has escaped the attention of our people in general. The justice and logic of a situation, or the lack of them, may be easily obscured, but there are, in black and white, three international contracts by which Britain is bound not to do what she has just done. First, the mandate itself does not mention or imply that Trans-Jordan is not a part of Palestine. It specifically declares the purpose of the mandate to be the establishment of the national home, and it reserves, for the League, the right to withdraw the mandate should the mandatory power fail to pursue its purposes. Second, this mandate was made subject to the approval of the United States in the Anglo-American Treaty of 1924. Britain agreed not to make any changes in the status of the mandate without prior approval of the United States, which she has not, so far as has been announced, gotten. She agreed, also, to take no action which would impair American investments in Palestine. There are more than $50,000,000 worth of such investments by private American investors. And amputation of three-fourths of a country's area would seem to me to be impairment, particularly when that area is taken out of international jurisdiction and placed in the hands of such a government as has been established there. Third, in subscribing to the Charter of the United Nations Organization, Britain agreed to take no action altering the rights, interests, or status of states or peoples to which she has treaty obligations, without prior approval of the General Assembly of the United Nations Organization. Needless to say, she has ignored this obligation as well.

I strongly urge the Members of the House to explore this matter fully. It is about time the American people knew what is happening. It is about time we look to the protection of our interests abroad and to the way in which our international agreements are being honored.

CORRECTION OF ROLL CALL

Mr. PLUMLEY. Mr. Speaker, my attention has been called to the fact that I am recorded as absent as indicated by quorum roll call 75. This is not correct. I was present as many Members know, and I answered to my name. Because of my committee assignments I am forced to miss many useless quorum calls; so when I am here I like to get credit for it.

I wonder if the Members realize that in the Seventy-eighth Congress we wasted time in the amount of 45 days of 5 hours each answering quorum calls, many of which were made under a constitutional right to raise the point of order of no quorum, but the privilege is abused. We could amend our rules and protect constitutional rights.

The people laugh at us when we are seen running over here to quorum calls and running out again to our committees. We should show ourselves some respect if we expect the people we represent to respect us.

I ask unanimous consent that the RECORD and Journal be corrected accordingly .

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from South Carolina [Mr. HARE] is recognized for 30 minutes.

SOME OBSERVATIONS IN EUROPE

Mr. HARE. Mr. Speaker, in response to the action of the House of Representatives early last summer, I was honored by being appointed one of a committee of six Members to visit our embassies, legations, and consulates in various countries of Europe for the purpose of ascertaining their facilities for promoting our business and trade with such countries. As the committee will make a formal report of its observations, findings, and recommendations, I will not undertake at this time to say what the report will contain. However, as the membership of the House will be called upon from time to time to pass legislation relative to national policies or programs in foreign countries, I am taking this opportunity to express some personal conclusions reached and observations made in some of the countries visited. I assume other members of the committee will undertake, when opportunity affords, to furnish the Congress with the impressions they obtained.

Our itinerary was planned so as to visit most of the countries of Europe in August, September, and October of last year, but after hostilities ceased in Japan and the Congress reconvened, the committee was unable to complete its itinerary. However, we visited England, Scotland, Ireland, Wales, Belgium, France, Germany, Switzerland, Italy, Greece, Spain, and Portugal.

In addition to learning more about the facilities and needs of our foreign-service offices, I was interested in learning what effect the war had upon agriculture in the area visited. I am glad to report that agricultural prospects were better than I anticipated. It is true, the war took an enormous toll of meat supplies in both cattle and hogs. However, in England, Scotland, and Ireland the number of dairy cattle and sheep had not been reduced as much as one might have expected. In these countries farmers were completing their harvest of wheat and oats about the middle of August. The yields were good and the acreage about normal. The same appeared to be true in Belgium, Germany, and some of the other countries. We did not visit Russia for the reason we were advised upon our arrival in England we would be permitted to enter and go to Moscow upon condition that we use a plane furnished by Russia at Berlin. The committee demurred to this conditional entry on the ground we had been furnished with an American plane by the Army, and there was no good reason why Russia should insist upon such a conditional entry. Our Ambassador in Moscow was advised of this decision, and we did not receive notice that an amended permit had been granted until after VJ-day, and the committee had decided to return to the United States.

I was first greatly impressed with how completely our soldiers and air forces performed the task assigned to them in Europe. From what I saw and learned they left no stone unturned in their efforts to defeat the enemy as soon and as completely as possible. They did not fail to accomplish the job assigned, particularly in Italy and Germany, but more especially in Germany. It was physically impossible in the time at our disposal to visit and observe every locality. We did have opportunity to visit a number of the larger cities and in many cases observe conditions in rural communities. Words cannot adequately describe the destruction and devastation wrought by our men and other Allied forces. Their objective, of course, was to reach and destroy Berlin, and without doubt they accomplished their purpose. We spent 3 days in that city and I did not see a business activity within its limits that was not destroyed. Literally thousands of buildings were razed to the ground or demolished largely by the combined Allied air forces, al-

though there was plenty of evidence of capable, well directed and efficient service rendered by our artillery. In many parts of Berlin were trees measuring from 15 to 30 inches in diameter literally filled with bullets to a height of 10 to 12 feet from the ground, the bark on the trees having been completely removed by artillery fire. The tops of trees gave the appearnce of having suffered from a terrific windstorm or hurricane, limbs of different sizes having been cut from trunks of trees by rifles, machine guns and other implements of war in the hands of our artillerymen. It would be difficult to estimate, but under normal conditions I do not see how Berlin can be restored within a century or longer.

The high light of our visit to Berlin was the privilege of being favored with a position on one of the reviewing stands to witness a parade celebrating VJ-day where General Patton of the American Army and General Zhukov of the Russian Army were the conspicuous military figures. British, Russian, French, and American troops participated in this parade. It was the most outstanding demonstration of military power I ever witnessed. Foot soldiers numbering four or five thousand participated and led the procession, which was followed by an array of tanks, machine guns, and other fighting equipment used in war. There were many thousands, running into hundreds of thousands of uniformed soldiers of the Allied armies standing on the sideline to view the procession. One outstanding observation was the absence of applause or display of enthusiastic feeling by the spectators during the entire parade. People standing on the sidelines watching the procession for miles and miles seemed to be satisfied and contented with the feeling that the fighting was over. To me it was almost like a dream because I had followed in my mind the movements and activities of the various armies in all the theaters of war, but it had never dawned upon me I would be privileged to watch the American Army march to the strains of martial music and celebrate their victory by parading up Unter den Linden and Kaiser Wilhelmstrasse, the most popular and widely known avenues in the great city of Berlin—the very heart of the German Empire.

One interesting observation in this parade was the "goose step" manner in which the Russian soldiers marched, the uniformity of their size, and the soldier-like expression on their faces. I do not know, but it appeared to me the Russians had selected or picked their soldiers for this particular procession. If I am wrong in this impression and their soldiers in the parade were representative of the Russian forces it is not surprising they were able to hold the German Army at Stalingrad and force it back to Berlin. However, one could hardly restrain himself when the American units following the Stars and Stripes marched by with such dignified precision as to command the admiration of any American citizen, as well as those from other parts of the world who looked on.

Italy and Greece would probably like to have a republican form of government, but are apparently unwilling to pay the price. That is, they are unwilling to assume the personal responsibility incident to a successful democratic system of government. They prefer to have fewer opportunities and less freedom and be relieved of the responsibility of undertaking the solution of their own political problems. There is little stability of government in either of these countries. The people seem to lack confidence in their leaders. In fact, there is a shortage of capable leadership. The better informed and more cultured class is more interested in the ideals of centuries ago than in formulating ideals for the future.

They appear to have what one might call "undecided objectives" in both religion and government, but take much time emphasizing and commemorating past accomplishments. It is rather tragic to look upon the ruins of the Colosseum in Rome and the Acropolis in Athens, contemplate their greatness and glory in culture, art, education, and religion and compare them with their ruins and devastation of today, and then to think that what was once a great civilization is now bankrupt and, as some one said, "All gone to hell." However, the saddest mental and physical picture of all was to stand on the ruins of the Grecian Acropolis at Athens and look across at the desolation and desecration on nearby Mars Hill where the Apostle Paul preached the greatest sermons of all time. The situation staggers the mind and imagination in an effort to believe that we were witnessing such a picture. Our only conclusion of the whole situation is that such has always come to people when their civil rights are placed in the hands of any individual or group of individuals with exclusive powers to act as their agent.

The political situation in the countries of continental Europe is in a chaotic condition. Germany, France, Italy, and Greece, with a great history and a great civilization behind them are now destitute of leadership. The people are not lacking in feeling or emotions but they do not have sufficient confidence in themselves to undertake restoration. However, the rank and file of the people of France and Italy seem to be kindly disposed to the United States, but whether their gratitude can be crystallized into an actual demonstration of faith and cooperation remains to be seen. By maintaining an army of occupation in Germany and Italy for a few years we may be able to make a valuable contribution to the establishment of modified systems of government having for their objective the promotion of a lasting and permanent peace, but I am convinced that before we can expect or anticipate a lasting peace in continental Europe there must be a revival of the Christian religion, coupled with a system of government in which the people themselves will assume and exercise a responsibility for their administration.

There is a general feeling that the United States should undertake to participate in a program that will feed and clothe a large percentage of the people in the subjugated countries, despite the fact that there is not, in my opinion, the prospect of wholesale starvation prevailing anywhere to the extent it has been publicized through the press and otherwise. No doubt there will be serious hardships, and the people are going to have great difficulty in restoring themselves to normal life, but I am of the decided opinion we should not undertake to any great extent to relieve these countries of their repeated political errors. We may assist in many ways, but I question the wisdom of our country assuming the role of a Santa Claus. I know some will say that we should be charitable and generous in order to command friendship of these countries. The situation is very appealing, but we should remember that some nations are like some individuals, the more you do for them the more you will be called upon to do or else lose their friendship. Our sentiments and emotions may suggest otherwise, but the exercise of judgment, based upon history and human experience, seems to be the better guide. Our country has always endeavored to be fair, just, and generous, but it should never reach the point where it becomes generous to a fault.

From my point of view, the one great difficulty in continental Europe is that their governments heretofore have been largely under military control and military leaders, who have exercised the right and authority to promote and declare war almost at will, and this situation will not be corrected until there is a change in their system of government that will give a greater voice to the people in determining what their system of government will be, and my further thought is that this will be done through an awakened responsibility in the religious life of the people rather than from the angle of political reform. I do not mean that religion should dominate and control the administration of governments but that political action should be the product of religion. That is, good and lasting governments are the products of good citizens, and good citizens are the products of good religion; just like good clothes are the products of good cotton but the man who produces the cotton does not undertake to make the clothes. A further observation is that permanent world peace will be delayed until there is separation of church and state, not only in theory but in practice, in those political segments where the two are so closely related.

"Peace on earth and good will to men" may be a political ideal but the slogan is a religious objective and can only be reached through religious channels and not by political maneuvering or political strategies. The early religious and political pioneers in this country concluded that a permanent democratic system of government could not be created and maintained except through a formal separation of church and state. The basis of this idea is the declaration that we should, "Render unto Caesar the things that are Caesar's and unto God the things that are God's," irrespective of the system of government.

Another conclusion is, our Government should not adopt a general policy of making loans, donations, or gifts to other nations. There are two reasons for this

conclusion. One is, we are not financially able at present. We owe $280,000,000,000 war debt that must be paid. A government is like an individual or a business concern; it cannot continue to spend more than its income and expect to grow or prosper. Sooner or later it will go on the rocks and be stranded. We cannot make loans at this time without borrowing the money and we cannot afford to borrow money to lend money without first paying our own debts. Poor Richard said: "He who goes a-borrowing will go a-sorrowing." Furthermore, the theory of lending money to other nations on the basis it will cement national friendships is not supported by experience. Nations are not unlike individuals in this respect. When one undertakes to buy friendship with a money consideration he generally pays a good price for something he seldom receives. Therefore, if loans are to be made for business reasons they should be made solely on a business basis.

We will not make a lasting contribution to international good will simply by Government donations to the physical needs of the people of other countries or even in our own country. I am not undertaking to philosophize, but if this should become a permanent practice or policy of government it will tend to weaken or destroy the religious strength or fervor of our own Nation. I do not mean to discourage the idea of contributing to the physical needs of the poor and helpless to any people of any country. On the contrary, I would encourage such a practice or policy by the people of any nation, but I do not consider it a function of government. This is a function of the church. Charity is a quality of the soul and is, therefore, a personal matter. It is something that enriches the life of both the giver and receiver. A government may be generous but not charitable. A government may undertake to fix a standard of generosity for the taxpayer when it tells him how much he shall pay in order that it may be generous, but it is a dangerous policy. Such a program may afford physical relief to the needy but it is doubtful whether it contributes to peace and good will among men. It is my conviction that if the funds collected from the taxpayers were voluntary contributions to the church and dispensed to the needy as such it would not only add to the individual and collective religious life of the Nation, but would contribute much more to world peace and good will. On the contrary, if the people of our churches silently agree for the Government to determine and dispense their charities, or if our Government proceeds upon the theory it is a function of government there can be but one result and that is the Government will absorb the essential work of the church, which will mean the ascendancy of the former and decline of the latter. One of our great businessmen recently expressed my thought when he said: "Abolish private charity and the state takes over, in a grim, organized, statistical way, and we shall be robbed of the joy that lies in giving and the deep satisfaction in rescuing the afflicted."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. AUCHINCLOSS (at the request of Mr. TOWE), indefinitely, on account of death in family.

ADJOURNMENT

Mr. SAVAGE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 43 minutes p. m.), under its previous order, the House adjourned until Monday, April 8, 1946, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1199. A letter from the secretary, National Park Trust Fund Board, National Park Service, transmitting a report covering the fiscal year 1945 for the National Park Trust Fund Board; to the Committee on the Public Lands.

1200. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies; to the Committee on Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ENGLE of California: Committee on the Public Lands. H. R. 2854. A bill to add certain public and other lands to the Shasta National Forest, Calif.; without amendment (Rept. No. 1876). Referred to the Committee of the Whole House on the state of the Union.

Mr. BATES of Kentucky: Committee on Rules. House Resolution 584. Resolution providing for the consideration of H. R. 5674, a bill to amend the laws authorizing the performance of necessary protection work between the Yuma project and Boulder Dam by the Bureau of Reclamation; without amendment (Rept. No. 1879). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LINK: Committee on Immigration and Naturalization. H. R. 3532. A bill amending the act of October 14, 1940, entitled "An act to record the lawful admission to the United States for permanent residence of Nicholas G. Karas"; without amendment (Rept. No. 1874). Referred to the Committee of the Whole House.

Mr. MASON: Committee on Immigration and Naturalization. H. R. 4282. A bill for the relief of Vera Frances Elicker; without amendment (Rept. No. 1875). Referred to the Committee of the Whole House.

Mr. BUNKER: Committee on the Public Lands. H. R. 4113. A bill to authorize and direct the Secretary of the Interior to issue a patent for certain land to Mrs. Estelle M. Wilbourn; without amendment (Rept. No. 1877). Referred to the Committee of the Whole House.

Mr. BUNKER: Committee on the Public Lands. H. R. 3966. A bill authorizing the Secretary of the Interior to convey certain lands situated in Clark County, Nev., to the Boulder City Cemetery Association for cemetery purposes; with amendment (Rept. No. 1878). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT of Wyoming:

H. R. 6017. A bill granting to the State of Wyoming certain public lands in such State for the use and benefit of the University of Wyoming; to the Committee on the Public Lands.

By Mr. BRADLEY:

H. R. 6018. A bill making it a felony to make bets on the outcome of sporting contests in the District of Columbia; to the Committee on the District of Columbia.

H. R. 6019. A bill to prohibit mixed boxing bouts in the District of Columbia; to the Committee on the District of Columbia.

H. R. 6020. A bill to prohibit professional boxing in the District of Columbia; to the Committee on the District of Columbia.

By Mr. CANFIELD:

H. R. 6021. A bill to give veterans first priority in the sale or transfer of surplus property under the Surplus Property Act of 1944; to the Committee on Expenditures in the Executive Departments.

By Mr. DONDERO:

H. R. 6022. A bill to amend section 124 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. HAND:

H. R. 6023. A bill providing for the conveyance to the city of Atlantic City in the State of New Jersey, of lighthouse property at Atlantic City, for public use; to the Committee on the Merchant Marine and Fisheries.

By Mr. MANSFIELD of Texas (by request):

H. R. 6024. A bill relating to the prevention and control of water pollution, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. PRICE of Illinois:

H. R. 6025. A bill to give veterans first priority in the sale or transfer of surplus property under the Surplus Property Act of 1944; to the Committee on Expenditures in the Executive Departments.

By Mr. RICHARDS:

H. R. 6026. A bill to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave; to the Committee on Military Affairs.

By Mr. TALLE:

H. R. 6027. A bill to give veterans first priority in the sale or transfer of surplus property under the Surplus Property Act of 1944; to the Committee on Expenditures in the Executive Departments.

By Mr. BOREN:

H. R. 6028. A bill to authorize the establishment of air-mail service for mail matter other than that of the first class and the fixing of rates of postage, limit of weight and size and other conditions applicable thereto; to the Committee on the Post Office and Post Roads.

H. R. 6029. A bill to extend authority under section 405 of the Civil Aeronautics Act of 1938, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BULWINKLE:

H. R. 6030. A bill to amend the Civil Aeronautics Act of 1938, as amended, so as to improve international collaboration with respect to meteorology; to the Committee on Interstate and Foreign Commerce.

By Mr. PACE:

H. J. Res. 336. Joint resolution relating to cotton-marketing quotas under the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. SMITH of Virginia:

H. J. Res. 337. Joint resolution to prohibit the use of grain during the shortage of supply for the manufacture of alcoholic beverages; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MALONEY:

H. R. 6031. A bill for the relief of Mrs. Katherine Doerr; to the Committee on Claims.

By Mr. PRICE of Florida:

H. R. 6032. A bill for the relief of James V. Salerno and others; to the Committee on Claims.

H. R. 6033. A bill for the relief of Mrs. Grace Williams Coppock and others; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1767. By the SPEAKER: Petition of Effie Manuel and various citizens of Greater Cleveland, Ohio, petitioning consideration of their resolution with reference to protesting any action to establish a system of compulsory military training for young men and boys of the Nation, especially while beer is sold or given away in camps; to the Committee on Military Affairs.

SENATE

SATURDAY, APRIL 6, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, from whom all thoughts of truth and peace proceed, kindle, we pray Thee, in the hearts of all men the true love of peace, and guide with Thy pure wisdom those who here take counsel for the Nation and for the nations of the earth, that in tranquillity Thy kingdom may go forward till the earth is filled with the transforming knowledge of Thy love. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, April 5, 1946, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 5990) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes, in which it requested the concurrence of the Senate.

LEAVE OF ABSENCE

Mr. MOORE. Mr. President, I ask unanimous consent to be absent from the Senate for 2 weeks.

The PRESIDENT pro tempore. Without objection, the request of the Senator from Oklahoma is granted.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Murray
Austin	Gurney	O'Daniel
Ball	Hart	O'Mahoney
Bankhead	Hatch	Overton
Barkley	Hayden	Reed
Bilbo	Hickenlooper	Revercomb
Bridges	Hoey	Shipstead
Brooks	Johnson, Colo.	Stanfill
Bushfield	Johnston, S. C.	Stewart
Capper	La Follette	Taylor
Carville	Langer	Thomas, Okla.
Connally	McClellan	Thomas, Utah
Cordon	McFarland	Tunnell
Donnell	McKellar	Vandenberg
Downey	McMahon	Wherry
Ellender	Magnuson	White
Ferguson	Millikin	Wiley
Fulbright	Mitchell	Willis
Gerry	Moore	Young
Gossett	Murdock	

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Alabama [Mr. HILL] is absent because of a death in his family.

The Senator from Ohio [Mr. HUFFMAN] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from Virginia [Mr. BYRD], the Senator from Georgia [Mr. GEORGE], the Senator from Louisiana [Mr. OVERTON], the Senator from Maryland [Mr. TYDINGS], the Senator from New York [Mr. WAGNER], the Senator from Massachusetts [Mr. WALSH], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Pennsylvania [Mr. MYERS], the Senator from Illinois [Mr. LUCAS], the Senator from South Carolina [Mr. MAYBANK], the Senator from New York [Mr. MEAD], the Senator from Florida [Mr. PEPPER], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ], and the Senator from Nevada [Mr. MCCARRAN] are absent on official business.

Mr. WHERRY. The Senator from Maine [Mr. BREWSTER], the Senator from Delaware [Mr. BUCK], the Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. SMITH], and the Senator from Iowa [Mr. WILSON] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER], the Senator from California [Mr. KNOWLAND], the Senator from Oregon [Mr. MORSE], and the Senator from Ohio [Mr. TAFT] are necessarily absent by leave of the Senate.

The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The PRESIDENT pro tempore. Fifty-nine Senators having answered to their names, a quorum is present.

CURRENT ISSUES BEFORE CONGRESS—LETTER FROM JOHN W. DAY

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter from Dean John Warren Day, of Grace Cathedral, Topeka, Kans., discussing some current issues before the Congress. I wish to express my agreement with his views, particularly in opposing military conscription, and the policies being pursued in Germany under the Potsdam agreement. I am in thorough agreement with Dean Day in supporting the creation of a permanent Fair Employment Practice Commission. Like Dean Day, I am disturbed about the large number of antilabor bills before Congress. but in all frankness I am even more disturbed about the activities that have brought about the number of antilabor bills, as Dean Day calls them.

I have this suggestion for those in management who want labor to be Government-controlled, and also for those labor leaders who want management to be Government-controlled. Free enterprise and free labor go together. When free labor goes out, so will free enterprise go out. It is equally true, in my opinion, that when free enterprise goes out, free labor also is on the way out.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GRACE CATHEDRAL,
Topeka, Kans., January 5, 1946.

Hon. ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPPER: Let me express again my deep interest in the adoption of a bill making the Fair Employment Practice Committee a permanent part of our Government. The adoption of such a bill, it seems to me, is long overdue. We need it an' need it badly in order to implement the fourteenth amendment and the democratic ideals of our Nation.

I am quite disturbed about the large number of antilabor bills before Congress. I hope you will do everything you can to defeat bills against labor that seem to be the expression of class prejudice by economically healed pressure groups. I am in favor of legislation suggested by the President that would require a cooling-off period and fact finding.

I am also deeply concerned about the campaign of frightfulness and revenge that is going on in Germany and to which our Government has given its approval. The Potsdam agreement seems to have placed us in a category pretty close to that of Nazi Germany under Hitler. Wholesale starvation certainly cannot be considered any more merciful than the gas chamber. At least the gas chamber shortened the misery.

Again let me express my opposition to any peacetime conscription legislation—the one certain way to load upon the shoulders of American youth and the American people a form of totalitarianism which would, in time,

become the Frankenstein that would destroy democracy.

With every good wish for a happy and interesting year, I am,

Very sincerely yours,

JOHN WARREN DAY.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. O'MAHONEY introduced S. 2033, to provide support for wool, to amend the Agricultural Marketing Agreement Act of 1937, by including wool as a commodity to which orders under such act are applicable, to authorize the Secretary of Agriculture to fix wool standards, and for other purposes, which was referred to the Special Committee To Investigate Production, Transportation, and Marketing of Wool, and appears under a separate heading.)

By Mr. McFARLAND:

S. 2034. A bill to amend the laws authorizing the performance of necessary protection work between the Yuma project and Boulder Dam by the Bureau of Reclamation; to the Committee on Irrigation and Reclamation.

By Mr. McMAHON:

S. 2035. A bill for the relief of Lloyd P. Boyd; to the Committee on Claims.

By Mr. GREEN:

S. 2036. A bill granting the consent of Congress to the State of Rhode Island to construct, maintain, and operate a free highway bridge across the Sakonnet River between the towns of Tiverton and Portsmouth in Newport County, R. I.; to the Committee on Commerce.

By Mr. LANGER:

S. 2037. A bill for the relief of Mrs. Florence Dorreen, Lawrence Permaul, Neidu Permaul, Nehru Permaul, and Rajammal Permaul; to the Committee on Immigration.

(Mr. REVERCOMB (for himself and Mr. WILSON) introduced S. 2038, to increase the rates of monthly base pay of enlisted men of the lower five pay grades of the Army, Navy, Marine Corps, and Coast Guard, for the purpose of encouraging voluntary enlistments in the armed forces, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

PRODUCTION, TRANSPORTATION, AND MARKETING OF WOOL

Mr. O'MAHONEY. Mr. President, the Special Committee of the Senate To Investigate Production, Transportation, and Marketing of Wool has been engaged in a study for many months in the effort to formulate an official program to sustain a market for wool domestically produced. As a result of hearings held by this committee, the chairman of the committee presented a special request to the President that he should ask the executive agencies of the Government which have functioned with respect to wool to cooperate with the committee in the effort to work out such a program. The letter of the President to the chairman of the committee submitting a memorandum of a proposed program has been printed as Senate Document No. 140. I now have the tentative text of a bill to carry out the program described in that memorandum. However, it is not yet ready for reference to the legislative committee, the Committee on Agriculture and Forestry.

I desire to introduce the bill and to have it referred in the first instance, for study, to the wool committee before it is referred to the Committee on Agriculture and Forestry. Therefore, I ask unanimous consent that I may introduce the bill and have it referred for study only to the Special Committee To Investigate Production, Transportation, and Marketing of Wool. I also ask unanimous consent that the bill be printed in full in the RECORD.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (S. 2033) to provide support for wool, to amend the Agricultural Marketing Agreement Act of 1937 by including wool as a commodity to which orders under such act are applicable, to authorize the Secretary of Agriculture to fix wool standards, and for other purposes, was received, read twice by its title, referred to the Special Committee To Investigate Production, Transportation, and Marketing of Wool, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the Wool Act of 1946.

SEC. 2. (a) Beginning with the 1947 wool clip, Commodity Credit Corporation is directed, through loans, purchases, support payments, or other operations to support a price or assure returns to producers of each clip of wool shorn in the continental United States and Territories at levels established as follows: Except as provided in subsection (b) hereof, the support level for the wool clips shorn each year during the period beginning January 1, 1947, and expiring 2 years after the 1st day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that hostilities in the present war have terminated shall be 90 percent of the comparable price for wool as of January of the year in which the clip is shorn, and the support level for the wool clips produced after the expiration of such period shall be not less than 50 percent nor more than 75 percent of such comparable price, the support level generally applicable to the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts), as determined by the Secretary of Agriculture: *Provided, however,* That, until, as determined by the Secretary of Agriculture, the number of stock sheep (exclusive of sheep and lambs on feed) carried over on January 1 of any year equals or exceeds the number of such sheep carried over on January 1 in the preceding year, the price supported or return assured for each shorn wool clip shall be not less than the price at which the Corporation has undertaken to support the 1946 wool clip: *And provided further,* That any reductions necessary to adjust the price supported or return assured to the support levels above-mentioned shall be made gradually, at a rate not to exceed 8 percent in any one year.

(b) Nothing contained in this act shall be construed to prohibit the Corporation from adjusting support prices for individual grades and qualities of shorn wool for the purpose of bringing about a fair and equitable relationship in the support prices for the various grades and qualities of shorn wool or from making discounts from support prices for off-quality, inferior-grade, or poorly prepared shorn wool, or from making discounts from support prices for the purpose of discouraging unsound marketing practices.

SEC. 3. The Secretary of Agriculture shall establish the comparable price for shorn wool. The comparable price for shorn wool shall be that price which bears the same relation to the average parity prices of the basic agricultural commodities—cotton, corn, wheat, rice, tobacco, and peanuts—as the actual price for shorn wool bore to the actual average prices of such basic commodities during the period August 1934 to July 1939. Such comparable price may be adjusted for grade, quality, season, and location.

SEC. 4. If, pursuant to section 2 hereof, the Corporation supports returns to producers of any wool clip through support payments, the rate of the support payment shall be an amount which, together with the average farm price for wool for the 7 months, January through July, of the year in which such wool was shorn, will, as determined by the Secretary of Agriculture, provide producers an average return equal to the support level for such wool clip. Support payments may be limited to the wool of such clip sold by producers during the year in which such clip was shorn.

SEC. 5. The provisions of sections 385, 386, and 388 of the Agricultural Adjustment Act of 1938, as amended, shall be applicable to operations carried out pursuant to section 2 hereof.

SEC. 6. The Corporation may, without regard to restrictions imposed upon it by any law, dispose of wool at prices which will permit such wool to be sold in competition with imported wool.

SEC. 7. Such part of the proceeds derived from duties collected under the customs laws on and after the enactment of this act as is necessary from time to time, as determined by the Secretary of Agriculture, to reimburse the Corporation for losses realized by it, including the amount of any support payments, in connection with operations carried out pursuant to the foregoing provisions of this act are hereby authorized to be appropriated and made available to the Secretary of Agriculture for payment to the Corporation.

SEC. 8. The Agricultural Adjustment Act, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is further amended as follows:

(a) By adding at the end of section 2 (7 U. S. C. 1940 ed. 602), the following:

"(3) Through the exercise of the powers conferred upon the Secretary of Agriculture under this chapter to establish and maintain such orderly marketing conditions for wool in interstate commerce as will establish prices to producers of wool at the comparable price level for wool as set forth in section 3 of the Wool Act of 1946, but the interest of the consumers shall be protected by (a) approaching the level of prices which it is declared to be the policy of Congress to establish with respect to wool by gradual correction of the current level at as rapid a rate as the Secretary of Agriculture deems to be in the public interest and feasible in view of the current consumptive demand in domestic and foreign markets, and (b) authorizing no action hereunder which has for its purpose the maintenance of prices to producers of wool above the level which it is declared to be the policy of Congress to establish with respect to wool."

(b) By inserting in section 8 (c) (2) (7 U. S. C. 1940 ed. 608c (2)) the word "wool" immediately after the word "hops."

(c) By inserting in section 8 (c) (6) (7 U. S. C. 1940 ed. 608c (6)) the word "wool" immediately after the word "hops."

SEC. 9. The Secretary of Agriculture is authorized to expand and intensify research and studies, and to engage in demonstration work, as to problems relating to the production, processing, preparation, manufacturing, standardization, grading, marketing and utilization of wool, mohair, sheep pelts, goat pelts, and products thereof, including studies of competing materials and manufactures and including the establishment and maintenance of laboratories and pilot plants. In carrying out such studies, research, and other operations, the Secretary of Agriculture is authorized to cooperate with and enter into contracts with public and private organizations. The authority provided for herein shall be in addition to, and not exclusive of, any authority under existing law.

SEC. 10. (a) The Secretary of Agriculture is hereby authorized, after investigation and due notice and opportunity for a hearing, to fix and establish types and standards of quality and condition for the grading of wool, mohair, wool tops, and mohair tops and to conduct tests for the shrinkage, clean content, length, and fineness of fiber, and any other characteristics of wool, mohair, wool tops, and mohair tops. The standards fixed and established by the Secretary as provided herein shall be published in the Federal Register and 60 days after such publication shall become and be the official wool and mohair standards of the United States, and such official standards shall be substituted for and be used in lieu of any official wool or mohair standards heretofore established by the Secretary of Agriculture under the provisions of any existing law. The Secretary of Agriculture shall have the power to alter or modify, after investigation and due notice and opportunity for a hearing, such official standards whenever the necessities of the trade may require and such alterations or modifications shall likewise become effective 60 days after publication thereof in the Federal Register.

(b) Any person who has custody of or a financial interest in any wool, mohair, or tops therefrom may submit the same or samples thereof drawn in accordance with the rules and regulations of the Secretary of Agriculture, to such officer or officers of the Department of Agriculture, as may be designated for the purpose pursuant to the rules and regulations of the Secretary of Agriculture, for a determination of the true grade, shrinkage, or clean content, including the comparison thereof, if requested, with types or with other samples submitted for the purpose. The final certificate of the Department of Agriculture showing such determination shall be binding on officers of the United States and shall be accepted in the courts of the United States as prima facie evidence of the true type, grade, or comparison thereof when involved in any transaction or shipment in commerce. The Secretary of Agriculture shall make rules and regulations for submitting samples of wool, mohair, or tops therefrom for typing or grading.

(c) The Secretary of Agriculture may cause to be collected such charges as he may find to be reasonable for determinations made under subsection (b) of this section.

(d) Whenever the official wool and mohair standards of the United States established under this section shall be represented by practical forms, the Department of Agriculture shall furnish copies thereof, upon request to any person, and the cost thereof, as determined by the Secretary of Agriculture, shall be paid by the person making the request. The amounts collected therefrom and the amounts collected pursuant to subsection (c) of this section shall be used by the Secretary in paying expenses of the Department of Agriculture in connection with this section.

(e) The Secretary of Agriculture is authorized to effectuate agreements with wool associations, wool exchanges, and other wool or mohair organizations, either domestic, foreign, or international, for (1) the adoption, use, and observation of universal standards of wool and mohair grades, (2) the arbitration or settlement of disputes with respect thereto, and (3) the preparation, distribution, inspection, and protection of the practical forms or copies thereof under such agreements.

SEC. 11. There is hereby authorized to be appropriated annually commencing with the fiscal year 1948, out of any money in the Treasury not otherwise appropriated, such amount as may be necessary to enable the Secretary of Agriculture to carry out the provisions of sections 9 and 10 hereof.

HOUSE BILL REFERRED

The bill (H. R. 5990) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1947, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

PRINCIPLES OF SOUND PUBLIC RELATIONS—ADDRESS BY LESLIE C. STRATTON

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address on the subject How To Apply Principles of Sound Public Relations, delivered by Leslie C. Stratton, national director of public relations for the Boys Scouts of America, at Kansas City, Mo., December 6, 1945, which appears in the Appendix.]

LET'S DO AWAY WITH THE OPA—ARTICLE BY THURMAN SENSING

[Mr. BILBO asked and obtained leave to have printed in the RECORD an article entitled "Let's Do Away With the OPA," by Thurman Sensing, director of research of the Southern States Industrial Council, Nashville, Tenn., and published in the March 24, 1946, issue of the pamphlet Down South, which appears in the Appendix.]

CHESTER BOWLES' BLIND SPOT—ARTICLES BY MERRYLE STANLEY RUKEYSER

[Mr. BROOKS asked and obtained leave to have printed in the RECORD three additional articles entitled "Chester Bowles' Blind Spot," written by Merryle Stanley Rukeyser and published in the Chicago Herald-American, which appear in the Appendix.]

CONGRESS AND PRICE CONTROL—EDITORIAL FROM NEW YORK TIMES

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial entitled "Congress and Price Control," published in the New York Times of April 6, 1946, which appears in the Appendix.]

VOTING BY MEMBERS OF THE ARMED FORCES AND CERTAIN OTHERS

Mr. GREEN. Mr. President, last Tuesday, April 2, I asked and received unanimous consent to have the Senate take up the bill H. R. 5644, commonly known as the soldier vote bill. I proceeded to explain the bill when I was interrupted by my good friend the able Senator from Maine [Mr. WHITE], the minority leader, who came to me and said that he had received word from one of the absent Senators that he would like to object, and although, from a parliamentary standpoint, the objection was too late, I readily acceded, because I wanted to have real unanimity in the approval of this bill. A similar bill was reported to the Senate from the Committee on Privileges and Elections by a unanimous vote. No partisanship was involved. All the controversial items of the existing law had been omitted. A few days before the Senate bill was reported, the House of Representatives passed House bill 5644 by a unanimous vote, although the previous soldier vote bill had aroused considerable controversy in the House.

Mr. President, again I ask unanimous consent for the present consideration of House bill 5644. The Senator who objected last Tuesday, although objection was made for him at that time while he was absent, has withdrawn any objection, and says he approves the bill.

The PRESIDENT pro tempore. The clerk will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 5644) to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 5644) to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GREEN. I yield.

Mr. BARKLEY. It seems that there are two bills on our desks, one the Senate bill and the other the House bill. I presume it is the purpose of the Senator to act on the House bill.

Mr. GREEN. That is correct.

The PRESIDENT pro tempore. The House bill is now before the Senate.

Mr. GREEN. The Senate bill was introduced on behalf of the Senator from Illinois [Mr. LUCAS] and myself. The House bill was identical, and is acceptable. So, without regard to the name on the bill, I have asked that the House bill be considered.

Mr. BARKLEY. In view of the unanimity of the House in passing the bill and the unanimity of the committee in reporting it, it strikes me that we might proceed to act on the bill without unnecessary discussion, if that is agreeable to the Senator. As I understand, the other day the Senator explained the main features of the bill before he was interrupted.

Mr. GREEN. I did.

Mr. WHITE. Mr. President, I may say to the majority leader that I canvassed, as best I could, the minority members of the Committee on Privileges and Elections, as well as other Senators on this side of the aisle; and, as the Senator from Kentucky expresses it, I found almost complete unanimity of support for the measure.

Mr. GREEN. Mr. President, in view of the statements made by the majority leader and the minority leader, I forego an explanation of the bill, and ask for a vote. I ask unanimous consent, however, to have my statement printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Their purpose is to amend the present Federal servicemen's voting law so as to offer to members of the armed forces, members of the merchant marine, and civilians overseas officially attached to and serving with the armed forces, an opportunity of voting irrespective of the existence of a war. The present law is effective only in time of war.

These bills would amend the present law so as to provide for voting solely by State absentee ballot. It completely eliminates the use of the supplementary Federal ballot which was provided in the present law for use in general elections under restricted conditions.

Because the present law, Public Law 712, Seventy-seventh Congress, as amended, is applicable only in time of war, the question as to when its provisions might be suspended has created confusion for both the States and the Federal agencies. It is desirable that Congress clarify this situation as soon as possible. With the retention of sizable armed forces, it also is appropriate that the opportunity to vote be continued in the future.

In preparing S. 1876, I had the benefit of the very complete reports on the operation of serviceman voting in the 1944 election together with the recommendations and suggestions made by the agencies responsible for administration of the procedures. The bill is based on appropriate sections of the present law and incorporates the changes suggested after practical operation of the procedures. The Committee on Privileges and Elections held a hearing on S. 1876 on March 13, when representatives of the National Association of Secretaries of State, of the Army, of the Navy, of the Coast Guard, of the Post Office Department, and of the War Shipping Administration all appeared and testified in favor of the bill.

S. 1876 would strike out titles II, III, and IV of the present law and substitute new titles II, III, and IV.

The purpose of the new title II is similar to title II of the present law. It recommends to the States that they enact appropriate legislation and adopt certain administrative procedures so as to afford an ample opportunity of voting by State absentee ballot to members of the armed forces, to members of the merchant marine, and to civilians overseas officially attached to and serving with the armed forces. Sections 201 through 208 contain these recommendations to the several States. Sections 209 through 211 provide the steps to be taken, wherever practicable and compatible with military or merchant marine operations, by the appropriate Federal agencies to cooperate with the States in facilitating voting by State absentee ballot.

Title III of the present law provides for use of a supplementary Federal ballot and establishes a United States War Ballot Commission, whose principal duties relate principally to the Federal ballot. This title is eliminated and the new title III, consisting of sections 301 and 302, is composed only of voting safeguards. These safeguards are essentially the same as those in the present law and provide for secrecy of the ballot, protection against coercion of members of the armed forces, protection of members of the armed forces and others for acts done in good faith in connection with decisions as to what is practicable and compatible with operations, and prohibitions against polls of members of the armed forces as to their choice of or vote for any candidate.

Title IV of S. 1876 includes definitions of certain terms used in the bill, authorizes use of pertinent appropriations by the agencies to carry out the provisions, and includes clauses now in the law concerning separability and liberal construction. This title also continues with certain changes, the free postage, including air mail for State balloting units, and lists the responsibilities of the appropriate Federal agencies concerning the administration of the bill in respect to the persons to whom the provisions are applicable.

At the time the present law was passed in 1944, there were grave doubts as to whether it would be possible to afford to absent members of the armed forces and certain others an ample opportunity to vote only by State ballot. These doubts arose because of the limited scope of State provisions, the critical nature of military operations, and limited air-mail facilities. Hence, Congress provided the Federal ballot as a supplementary means of voting. However, the actual use of the supplementary Federal ballot was relatively small for several reasons. The majority of the States enacted improved legislation so as to make their procedures more effective. The facilities available for air carriage increased far beyond the most optimistic expectations. Finally, the procedures for utilizing the Federal ballot were excessively complex and could be used by only a small proportion of persons eligible to vote. A thorough review of the facts of the usage, the changed conditions, and the burden imposed on the services by the Federal ballot procedures led to the conclusion that the utility of the Federal ballot was insufficient to justify its continuance as voting procedure although it is still justified in principle. While its termination may deny to a few servicemen and certain others an ample opportunity of voting, the burden of administration does not warrant the retention of the Federal ballot procedures. The burden is now on the States to adopt the recommendations in this bill and any other procedures which will afford the maximum opportunity of voting to servicemen and certain others absent from their States.

Mr. REVERCOMB. Mr. President, I do not wish to prolong the discussion; but as a member of the Committee on Privileges and Elections, of which the able Senator from Rhode Island is chairman, I wish to say that the bill was unanimously approved by the committee, and was reported to the Senate with the consent of all members of the committee.

The bill does away with the Federal ballot, which was the most objectionable feature of the bill which was previously passed. It is a suggestion to the States to enact laws to permit those in the armed services and in the merchant marine to vote in absentia. I join the chairman of the Committee on Privileges and Elections in asking that the bill be passed.

The PRESIDENT pro tempore. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H. R. 5644) was ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 1876 will be indefinitely postponed.

BROADCASTING OF NONCOMMERCIAL CULTURAL OR EDUCATIONAL PROGRAMS—CONFERENCE REPORT

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate proceed to the consideration of the conference report on Senate bill 63.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Colorado.

Mr. TAYLOR. Mr. President——

The PRESIDENT pro tempore. The motion is not debatable.

Mr. JOHNSON of Colorado. However, the question of the adoption of the conference report will be debatable.

The PRESIDENT pro tempore. This is merely a motion to proceed to consider the conference report.

The motion was agreed to; and the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs.

Mr. JOHNSON of Colorado. Mr. President, I desire to make a brief statement with respect to the conference report.

Mr. REVERCOMB. Mr. President, will the Senator yield for a brief statement on another subject?

Mr. JOHNSON of Colorado. I yield provided I do not lose the floor.

The PRESIDENT pro tempore. The Chair will say to the Senator from Idaho that the conference report is now before the Senate and is debatable. Does the Senator from Colorado desire the floor.

Mr. TAYLOR. I wish to discuss the conference report.

Mr. JOHNSON of Colorado. Mr. President, the Senator from West Virginia asked that I yield; and I yielded to the Senator from West Virginia with the understanding that I would not lose the floor.

The PRESIDENT pro tempore. The Chair did not understand.

VOLUNTARY ENLISTMENTS IN THE ARMY

Mr. REVERCOMB. Mr. President, I thank the Senator from Colorado for yielding to me for a statement.

I wish to invite the attention of the Senate to some information which I received this morning, and which I think should be given to the Senate at this time. In a very few days I take it there will be brought to the floor of the Senate the question of whether or not the selective-service law should be extended beyond May 15, and if it is extended, for what length of time the extension should be made.

The Senate is well aware that under a law enacted in October 1945, voluntary enlistments in the Army have been proceeding at a rate which has been very satisfactory to everyone who is interested in building a volunteer army for this country. But now in the face of that good record we find that the Army has suddenly, and without apparent reason, issued an order that plainly has the effect of slowing up and retarding enlistments.

I learned this morning—and that information has been confirmed by the Army—that a month ago the Army raised the passing grade in what is known as the Army general competency test from a mark of 59 to a mark of 70. Why this step was taken I do not know, but its effect has been that the number of volunteers accepted into the Army of the United States has dropped since the change was made. Prior to that time an average of more than 20,000 men a week were being accepted into the Army as

volunteers. Since the raising of the passing mark from 59 to 70 the average has dropped to about 17,000 a week. If this change had not been made, it is my belief that the voluntary enlistments each week would have exceeded the prior average of 20,000. I cannot understand why the Army, if it really wants volunteers, should change the passing grade from 59 to 70. Boys were taken in the draft during the war, and passed at a grade of 59. They were then considered competent by the Army to fight the battles of this country on the basis of a passing mark of 59. If competent to serve in time of actual war, certainly they are competent for a peacetime army. Furthermore, for months—from October last until a month ago—they were taken in as volunteers on a passing grade of 59. The whole effect of this order by the Army has been to lessen the number taken into the Army from those who seek to serve there as volunteers.

This action has a very direct bearing on the question of the extension of the draft, because if it can be shown that a volunteer army can be raised sufficient to meet the calls upon the armed forces of this country, there is no need to extend the draft. It is a strange act on the part of the Army. In the midst of the consideration of extension of the selective-service law, the Army raises the passing mark which was used throughout the war, and as a result the number of voluntary enlistments has been reduced.

I hope the Senate will bear this fact in mind in considering any extension of the draft. I give this information to the Members of the Senate today so that they may have before them this act of our Army in raising the passing mark for volunteers, with the definite result of cutting down the number of enlistments and consequently affecting this very important subject. I maintain that we should have an Army of volunteers, rather than one of impressed service, and that no act should be countenanced or permitted that will interfere with the speediest possible creation of a completely volunteer Army and Navy.

BROADCASTING OF NONCOMMERCIAL, CULTURAL, OR EDUCATIONAL PROGRAMS—CONFERENCE REPORT

The Senate resumed consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs.

Mr. JOHNSON of Colorado. Mr. President, Senate bill 63, as it passed the Senate, was designed to eliminate certain practices which have prevented broadcasting of noncommercial educational or cultural programs presented by accredited tax-exempt educational institutions.

Hearings were held by the House Committee on Interstate and Foreign Commerce in February and May of last year on Senate bill 63 and on House bill 1648, a companion bill introduced in the House. It was developed at those hearings that certain other coercive practices affecting radio broadcasting, equally as objectionable as those at which the Senate bill was aimed, were being engaged in by Mr. Petrillo. As a result, the committee determined that more extensive legislation was necessary, held such hearings, and wrote a new bill, House bill 5117, the text of which was substituted on the House floor as an amendment to Senate bill 63.

The conferees, by a unanimous vote, have agreed upon a substitute measure which, in most respects, is identical with the House amendment.

The conference agreement would add a new section to title V of the Communications Act of 1934, making it unlawful to willfully coerce, compel, or constrain, or to attempt to coerce, compel, or constrain, a radio-station licensee to do certain acts or things specified in the bill. The acts or things which it is made unlawful to coerce, compel, or constrain a licensee to do are as follows:

First. To employ or agree to employ, in connection with the conduct of the broadcasting business of the licensee, any person or persons in excess of the number needed by the licensee.

Second. To pay or give or agree to pay or give any money or other thing of value in lieu of giving, or on account of failure to give, employment to any person or persons, in connection with the broadcasting business of the licensee, in excess of the number of employees needed by the licensee.

Third. To pay or agree to pay more than once for services performed in connection with the broadcasting business of the licensee.

Fourth. To pay or give or agree to pay or give any money or other thing of value for services, in connection with the conduct of the broadcasting business of the licensee, which are not to be performed.

Fifth. To refrain, or agree to refrain, from broadcasting or from permitting the broadcasting of a noncommercial educational or cultural program in connection with which the participants receive no money or other thing of value for their services, other than their actual expenses, and such licensee neither pays nor gives any money or other thing of value on account of the broadcasting of such program.

Sixth. To refrain, or agree to refrain, from broadcasting or permitting the broadcasting of any radio communication originating outside the United States.

The conference agreement also contains provisions relating to the use by broadcasters of recording and transcriptions. These provisions make it unlawful to coerce, compel, or constrain—or to attempt to coerce, compel, or constrain—a radio station licensee or other person:

First. To pay or agree to pay any exaction for the privilege of, or on account of, producing, preparing, manufacturing, selling, buying, renting, operating, using, or maintaining recordings, transcriptions, or mechanical, chemical, or electrical reproductions, or any other articles, equipment, machines, or materials, used or intended to be used in broadcasting or in the production, preparation, performance, or presentation of programs for broadcasting.

Second. To accede to or impose any restriction upon such production, preparation, manufacture, sale, purchase, rental, operation, use, or maintenance, if such restriction is for the purpose of preventing or limiting the use of such articles, equipment, machines, or materials in broadcasting.

Third. To pay or agree to pay any exaction on account of the broadcasting, by means of recordings or transcriptions, of a program previously broadcast, payment having been made, or agreed to be made for the services actually rendered in the performance of such program.

The House amendment contained a provision to the effect that nothing contained in the above provisions should be construed to make unlawful the enforcement or attempted enforcement, by means lawfully employed, of any contract right or legal obligation. This provision was retained in the conference agreement, and, at the insistence of the Senate conferees, was rephrased so as to make it absolutely clear that the rights protected included those arising under contracts entered into in the future, as well as under those now in existence.

Willful violation of these provisions would be punishable as a misdemeanor and would carry penalties of imprisonment not more than 1 year, or fine not to exceed $1,000, or both.

Mr. President, I should like to read an excerpt from the House committee report which I believe states correctly and concisely the purposes and effects of this measure:

> This subsection does not prohibit the right to strike or to withhold services, or force individuals to work against their will or desire. It will place no limitation whatever on the use of strikes for the accomplishment of legitimate objectives, such as wage increases or better working conditions. The subsection does not prohibit strikes as such. What it does do is to prohibit the accomplishment, by actual or attempted coercion, compulsion, or constraint, of certain unconscionable and wrongful objectives, regardless of the means used. A strike or threat of a strike is one method by which it is possible to exert or attempt to exert such coercion, compulsion of constraint, and, if it is the method used, the wrongful character of the offense is the same as though other means had been use.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a portion of the general statement contained in the report of the House Committee on Interstate and Foreign Commerce.

There being on objection, the portion of the statement in the report (No. 1508) was ordered to be printed in the RECORD, as follows:

PROHIBITING CERTAIN COERCIVE PRACTICES AFFECTING RADIO BROADCASTING

GENERAL STATEMENT

For some years the radio broadcasters of the Nation have been harassed by ever-increasing extortionate and racketeering demands to which they have been forced to yield by coercive methods. The tributes thus exacted are now measured by millions of dollars.

These exactions have not been in compensation for services performed for the broadcasters or in settlement of any obligations due from them. They have not been made for the enforcement of any rights due those who demanded them.

The object of this proposed legislation is to put an end to these exactions for the protection of the broadcasting industry and for the integrity of the Nation.

EVILS AT WHICH DIRECTED

Broadcasting has become one of the great industries of our time. It is now one of the chief means of communication of our Nation. It is one of our greatest implements for free speech. It promptly carries news to the remotest sections of the country. It is a forum for the discussion of our political economic, and social problems. It is a source of information, education, entertainment, music, culture, and a vehicle for the messages of all religions, utilized by practically every home in the Nation.

In recent years the broadcasting industry has been subjected to extortionate demands enforced by coercive methods which increasingly threaten to restrict and handicap it in performing its rightful functions to the Nation.

Those making these demands, empowered by organized groups, not only have exacted tributes from the broadcasters but have assumed and exerted the power to say what shall and shall not be communicated over the radio. True, they have limited their dominations and demands to purposes which serve their particular groups, but nevertheless they have set a pattern for a like power of private control exerted for mercenary purposes over other phases of the broadcasting industry of the Nation. The same power exercised for other purposes, if permitted, might make the right of free speech only a name and establish censorship of broadcasting for private gain.

Those who make these demands subordinate the rights of the people of the Nation to an untrammeled broadcasting service to their own mercenary purposes. They in effect say to the broadcasters, and say to the makers of recordings, "You must pay this tribute or we will not permit you to give this service to the Nation."

* * * * *

Among other things, the following demands upon the broadcasting industry have been made in recent years: That broadcasters employ persons in excess of the number wanted; that in lieu of failure to employ such persons the broadcaster should pay to the federation sums of money equivalent to or greater than funds required for the employment of members of the federation; that payments for services already performed and fully paid for should be repeated; that payments should be made for services not performed; that broadcasters should refrain from broadcasting noncompensated, noncommercial educational or cultural programs; that broadcasters should refrain from broadcasting musical programs of foreign origin; that tributes should be paid for using recordings, transcriptions, and other materials used for broadcasting; that restrictions should be placed on the manufacture and use of recordings or transcriptions for the purpose of restricting or preventing the use of such materials for broadcasting; that tributes should be paid for recordings previously paid for; that dual orchestras should be employed for a single broadcast over two or more outlets; that over 400 small broadcast stations in the country having no live orchestras would be compelled to employ such orchestras; that the use of voluntary noncompensated orchestras be barred from broadcasts unless an orchestra of the Federation of Musicians were also employed or that the union was paid an equivalent or greater amount than the regular charge for a federation orchestra.

Some of these demands began several years ago but in recent years they have become more frequent and for enlarged purposes and amounts. These boycotts and strikes and threats have coerced compliance with a number of these demands, with pending demands now being greater than ever before. The amount of money extorted from the broadcasting industry by these methods, without moral right, has reached millions of dollars in amount and if demands now pending were granted it would, by these racketeering and extortion methods, require the broadcasting industry to pay tribute probably much in excess of $20,000,000 a year for peace against these boycotts and threats.

The broadcasting industry has been surrendering to these demands for tribute to avoid the greater losses that would result from failure to comply.

MORAL QUALITY OF PRACTICES JUSTIFIES PENALIZATION

Under the terms of this bill certain specified types of coercive practices and demands are made unlawful. These prohibited practices are made misdemeanors and punishable as such.

The practices thus made unlawful are those directly affecting the broadcasting industry. By specific provisions of the bill it is not to be held to make unlawful the enforcement or attempted enforcement, by means lawfully employed, of any contract right or legal obligation.

The perpetration of the offenses penalized by this bill involve moral turpitude akin to that of larceny, embezzlement, the acquisition of another's property by false pretenses, racketeering, and extortion. They are not within the legitimate activities of any organized association of individuals for the cooperative purpose of their accomplishment.

The right to strike for a lawful purpose cannot be twisted into a right to combine together to commit crimes.

The moral quality of the offenses defined in the bill fully justifies their penalization.

These extortionate exactions from the broadcasting industry have been and are being accomplished by means of threats, intimidation, and coercive power of boycotts and strikes and threats of boycotts and strikes.

The practices proposed to be prohibited by this legislation are to prevent only the unlawful acts as defined in this bill. A strike is a privilege or right exercised for lawful purposes. The law does not contemplate that strikes shall be used as a cloak for the commission of crimes. The provisions of this bill define these unlawful practices and penalize their perpetration.

The restrictions imposed are not a limitation upon the legitimate activities of any association or combination of individuals. There is no more sanctity in crime committed by a combination of individuals than by an individual perpetrator.

POWER AND DUTY OF CONGRESS

Congress clearly has the power and the duty of protecting the public against such exactions.

The greatest exponent of Anglo-Saxon law declared that a law is a rule of conduct prescribed by the supreme power in the state commanding what is right and prohibiting what is wrong. The first fundamental under this approach is as to whether or not the act to be prohibited is wrong. In view of the record that has been made the answer to that question cannot be one of doubt. Conceding these practices are of such moral quality as to deserve condemnation as unlawful, the right and duty of Congress to suppress them are equally clear.

This bill provides no unjust limitation on the right to strike. The law recognizes the right to strike for lawful purposes and in a lawful manner. The right to strike should be exercised as other rights of the citizen. We have the right of free speech but that is not a justification for slander. We have the right to bear arms but that is not a justification of murder. Any person may properly organize for lawful purposes but criminal purposes are beyond their legitimate function.

A DISSERVICE TO LABOR

The offenses committed in the name of the American Federation of Musicians are a great disservice to legitimate labor organizations as well as to the public.

The situation presented by this legislation should call for the support of all branches of organized labor to give their condemnation to such outrageous practices committed in the name of labor. Legitimate labor organizations cannot afford to give their condonation to such practices or approve of them by assuming their defense.

It is incredible to believe that in the long run such practices as those hereby inhibited can redound to the credit or advantage of any organization which yields itself to these sordid methods.

Mr. JOHNSON of Colorado. Mr. President, with that brief analysis of the measure, I am ready to answer any questions or to attempt to clarify any portions of the proposed legislation about which inquiry may be made.

Mr. BALL. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. BALL. Can the Senator from Colorado inform us whether subsection (b) (1) would in effect outlaw the present contract or any attempt to enforce the present contract between ASCAP and the broadcasters, by which, for the use of compositions of the members, the stations pay a certain royalty?

Mr. JOHNSON of Colorado. No. If the Senator from Minnesota will refer to paragraph (c) he will find the following language:

(c) The provisions of subsection (a) or (b) of this section shall not be held to make unlawful the enforcement or attempted enforcement, by means lawfully employed, of any contract right heretofore or hereafter existing or of any legal obligation heretofore or hereafter incurred or assumed.

The effect of that language, of course, is to validate existing contracts.

Mr. BALL. Yes; the effect of the language is to validate existing contracts. As the Senator knows, some years ago the broadcasters had a row with ASCAP, and we heard no ASCAP music on the air for several weeks. When the contract expires, if ASCAP refuses to renew it, will the provisions of the conference report permit the broadcasters to use, without violating the law, the recordings of the compositions which have been copyrighted by ASCAP?

Mr. JOHNSON of Colorado. Is the Senator referring to the recordings which were made under the old agreement, or under a new agreement?

Mr. BALL. I am talking about a new agreement. When the present agreement expires, if the broadcasters refuse to renew it, would this measure permit them to use ASCAP material without paying a fee?

Mr. JOHNSON of Colorado. It would not permit any violation of the provi-

sions of the old contract. With reference to any new contract, the following language is provided:

It shall be unlawful * * * to coerce, compel, or constrain, or attempt to coerce, compel, or constrain a licensee or any other person—

And so forth. That is the language, in part, of section 506 (b). The new contract would be subject to those terms, and that is all.

Mr. BALL. It seems to me that the members of ASCAP would be handicapped in negotiating a new contract, because the broadcasters would be completely free to use any recordings of any ASCAP copyrighted material.

Mr. JOHNSON of Colorado. The Senator is referring to old recordings, I assume.

Mr. BALL. Yes.

Mr. JOHNSON of Colorado. The old recordings would be subject to the terms of the old contract. This measure validates the old contract. So the effect would not be what the Senator fears, because the old contract would be valid. When making a new contract the parties would be subject to the provisions which I have read. Those are the only provisions by which ASCAP would be limited. If, whatever the conditions may be, they enter into a contract with the broadcasters without coercion, compulsion, and without racketeering, and the broadcasters accept a contract under such terms and under such conditions, the contract will be lawful.

I see the Senator from Maine [Mr. WHITE] on his feet. Did he wish to add something to my statement?

Mr. WHITE. I was about to suggest a moment ago to the Senator from Colorado that complete liberty of contract is to be retained by all parties connected with the broadcasting industry, except that they may not undertake to make an unlawful demand upon anyone. So long as the proposed contract is not coercive in its character, and there is no resort to intimidation, threat, or duress, the contract is perfectly lawful, and there is complete liberty to contract between all parties connected with the transactions.

Mr. JOHNSON of Colorado. Will the Senator elaborate on the question of the Senator from Minnesota as to the old contract? That seems to be a point which is bothering him.

Mr. WHITE. The old contract is not touched at all.

Mr. JOHNSON of Colorado. The old contract is completely validated.

Mr. WHITE. Section 506 (c) states:

The provisions of subsection (a) or (b) of this section shall not be held to make unlawful the enforcement or attempted enforcement, by means lawfully employed, of any contract right heretofore or hereafter existing or of any legal obligation heretofore or hereafter incurred or assumed.

Therefore, so long as the parties keep away from unlawful intimidation or coercion, they have complete liberty of action.

Mr. BALL. The Senator from Maine is quite familiar with the copyright laws. I am thinking somewhat about the composers of the material which is used. For example, upon the opening of a new musical show on Broadway, I understand that the authors, or composers, collect very good royalties in the event the show is broadcast initially over the radio. Would the language in the subsection (b) (1) limit in any way the right of a copyright owner to refuse to permit the material copyrighted being used on the air, whether in the form of a transcription or any other form?

Mr. WHITE. No; it would not. If an artist should come to a broadcasting company and make a recording he could charge for it whatever he wished. It would be the subject of a contract voluntarily arrived at between him and the broadcasting company. The artist could receive any amount which was agreed upon between him and the broadcasting company or the recording company. When the recording company makes the record, then again there is complete freedom of action on the part of the recording company. It could turn around and lease rights under the contract to a third person, or it could continue to use the recording itself. But always there would have to be a voluntary and contractual relationship with reference to the use of the recorded material. As I have said, the parties would be at complete liberty of action, and inhibited only by the general principle that it shall be unlawful by threats, intimidation, duress, and otherwise, to coerce anyone. In other words, the action shall be unlawful if unlawful means are employed. Otherwise there is the most complete freedom of contractual arrangement between all the parties concerned.

Mr. JOHNSON of Colorado. I may say to the Senator from Maine that copyrighting is a legal process.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. AUSTIN. The particular point under discussion seems to me to be interesting because a discussion arose in conference and there was a disagreement with reference to the original language. We finally unanimously agreed to change the language. The language was changed from—I read from the original bill:

The provisions of subsection (a) or (b) of this section shall not be held to make unlawful the enforcement or attempted enforcement, by means lawfully employed, of any contract right or legal obligation.

There was doubt about the effect of that language. I talked with a number of very earnest members of the artists' organizations concerning the language. They were concerned about the very question which the distinguished Senator from Minnesota has raised. In order to make it clear—and I think we have accomplished it—that no wrenching of the normal rights which exist between an artist and a broadcasting company may be accomplished by this act, and that no change in contractual rights may occur, we spelled it out in the following language:

The provisions of subsection (a) or (b) of this section shall not be held to make unlawful the enforcement or attempted enforcement, by means lawfully employed, of any contract right heretofore or hereafter existing or of any legal obligation heretofore or hereafter incurred or assumed.

I cannot conceive of language more broad and comprehensive than those words afford to take in every conceivable obligation and keep it good.

If there has been an agreement by which royalties were to be paid upon a transcription, for example, for all time that obligation is undisturbed; in fact, it is given a little bit of sanction and validity by this provision. On the contrary, if there is a contract heretofore made which by its terms, and with stated considerations, will expire in a number of years, the obligation and rights under that contract remain undisturbed. It will expire according to the contract, of course. The sole point is that no one should have the right to employ coercion and force to make a new contract for the old performance.

So the answer to the question of the distinguished Senator from Minnesota seems to me this: The validity of contracts is undisturbed; the binding effect of obligations assumed or incurred in the past remains effective, and there is nothing in this statute that affects that relationship between artists and broadcasters.

Mr. TAYLOR. Mr. President——

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Colorado yield to the Senator from Idaho?

Mr. JOHNSON of Colorado. One moment. I might say that the Senator from Delaware [Mr. TUNNELL] was considerably concerned by this contract proviso, as were the other Senators, and that we tried to make it complete, comprehensive, and absolute.

Mr. BALL. Mr. President, I take it then that this section does not in any way restrict the right of a copyright owner to limit the use, whether in recordings or in any other way, of his compositions. Is that correct?

Mr. JOHNSON of Colorado. The supposition of the Senator from Minnesota is correct.

Mr. TUNNELL. Mr. President——

Mr. JOHNSON of Colorado. I yield to the Senator from Delaware.

Mr. TUNNELL. Mr. President, I desire to subscribe to all that has been said with reference to this bill by the members of the conference committee, and to make a brief statement as to how I think the bill will work.

Subsections (a) and (b) referred to in subsection (c) on page 2 refer to all the provisions of the act. When I read them and read the prohibitions in the proposed law before I read (c) I thought they were pretty dangerous, but when I came to read (c) which says:

The provisions of subsection (a) and (b)—

And keep in mind that those subsections contain all the prohibitions in the measure—

shall not be held to make unlawful the enforcement or attempted enforcement by means lawfully employed, of any contract right heretofore or hereafter existing.

That is any contract right heretofore existing would be enforced.

Mr. FERGUSON. Mr. President——

Mr. JOHNSON of Colorado. I yield to the Senator from Michigan.

Mr. FERGUSON. I should like to inquire at that point whether or not under the bill which is now proposed a strike would not be a legal remedy to enforce a contract. Strikes at the present time are legal.

Mr. TUNNELL. I do not see why it would not be.

Mr. FERGUSON. Therefore, a strike or a court proceedings or any legal process could be used to enforce rights under a running contract or obtain another contract. Is not that correct?

Mr. JOHNSON of Colorado. Not if duress is implied in the strike which is proposed.

Mr. TUNNELL. If it is lawful.

Mr. JOHNSON of Colorado. A strike is not the only remedy. Resort can be made to the courts, I may say to the Senator from Michigan, to enforce rights under a contract.

Mr. FERGUSON. Cannot the strike also be used?

Mr. JOHNSON of Colorado. Why should a strike be used to enforce a contract? A strike can be used, of course, if that is what is desired. But no one would want to do that.

Mr. FERGUSON. I am asking whether a strike, being legal, is not one of the remedies that could be used?

Mr. JOHNSON of Colorado. The things that are illegal under this bill are coercion and compulsion.

Mr. TAYLOR. Mr. President——

Mr. JOHNSON of Colorado. I will yield to the Senator from Idaho in a moment, as soon as the Senator from Delaware concludes what he desires to say.

Mr. TUNNELL. Mr. President, I am not going to take many minutes, but I should like to finish what I was saying. An individual can use means lawfully employed with reference to the enforcement of any contract right heretofore or hereafter existing. Then, fearing that "contract right" might not be sufficient, that there might be certain rights not covered by contract, rights that might be implied or might accrue by application to a legal obligation, or that the obligation that was passed on or that existed at that time might not be sufficient, there were put in the words "or heretofore or hereafter incurred or assumed."

So that the intention of the conferees was to cover any right which a person had or which he might contract for in the future and that he could use any means that are lawful to enforce such rights and obligations.

Certainly it was the intention of every member of the committee, I think, of both the House and the Senate that the bill should not do the very thing that people writing here today say it does. I do not think it does. I think the bill is legal; I think it reaches the very heart of the condition which has become unbearable to the American people.

I had something to do with this situation, to a certain extent, a long while ago when a committee was appointed of which the then Senator from Idaho, Mr. Clark, was chairman. We took testimony, including the testimony of Mr. Petrillo. I have his testimony here at this time. Only three or four copies of it were made, I believe, but we have his statement, in which he shows what he is trying to do. He said he has every professional musician in America in the organization of which he is the head. He stated further in the hearing that he was getting $49,000 a year as the head of that organization, $45,000 of which was salary and $4,000 a contingent fund that he did not have to account for, and I suppose, probably, he does not. Subsequently the Senator from Michigan [Mr. VANDENBERG] introduced a bill which was referred to a subcommittee of which I was the chairman. We reported that bill favorably, and it is included in this report. It was enlarged upon by the House, but it is reaching the very thing which has been the subject of investigation by the Senate for 3 years.

I believe the Senator from Michigan had particular ground for complaint. All through the hearing there has been reference to the school at Interlochen. When it was determined by Mr. Petrillo that young people in the school—and it was not a business matter at all, so far as the children were concerned—should not be allowed to broadcast because Mr. Petrillo objected, it aroused antagonism all over the United States.

Mr. President, I think the bill is all right in its present form, and I hope the conference report will be agreed to.

Mr. JOHNSON of Colorado. I thank the Senator from Delaware for his statement and the other Senators for their contributions.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Idaho first, and then I will yield to the Senator from Vermont.

Mr. TAYLOR. Mr. President, if the bill does not prevent people from striking or doing these other things, what does it do? What is the object of it?

Mr. JOHNSON of Colorado. The bill provides that "It shall be unlawful" to do certain things—that is the very first language. When the Senator reads that language he can skip some of the other words, which are thrown in for decoration, I suppose. "It shall be unlawful"—now skip down to where it says "to coerce, compel, or constrain"——

Mr. TAYLOR. Wait a moment. Do not skip down that far.

Mr. JOHNSON of Colorado. The Senator can put the words in if he desires, but I am trying to make a direct answer to his question.

> It shall be unlawful * * * to coerce, compel, or constrain or attempt to coerce, compel, or constrain a licensee—

To do (1), (2), (3), (4), and (5). Then the conditions are set up under subsection (b).

Mr. TAYLOR. Then, it would be against the law to strike, or in an effort to obtain agreements, to do any of the things which are specifically mentioned.

Mr. JOHNSON of Colorado. It would be unlawful to coerce, to compel, or constrain, or attempt to coerce, compel, or constrain a licensee to do certain things.

Mr. TAYLOR. Or use any other means to get what was desired. That would be against the law. They could not strike, because that is a method of coercion, is it not?

Mr. JOHNSON of Colorado. If it is a method of coercion on those particular points, it would be included. The bill provides it shall be unlawful to do these things, to coerce, to compel, to constrain, or attempt to compel, coerce, or constrain, a licensee, to do (1), (2), (3), (4), (5), or (6).

Mr. TUNNELL. Mr. President, may I ask a question?

Mr. JOHNSON of Colorado. Yes; I yield to the Senator from Delaware.

Mr. TUNNELL. According to the thought just suggested by the Senator from Idaho, I cannot see how we could get around his objection without saying "This section shall not be held to make unlawful the enforcement or attempted enforcement by means lawfully employed except strikes." Does the Senator want an exception as to strikes inserted? The bill takes in all legal methods, and leaves them to be enforced by any legal method.

Mr. TAYLOR. That is correct. The last paragraph says that all lawful methods and legal methods are permissible to enforce previous contracts.

Mr. JOHNSON of Colorado. That is correct.

Mr. TAYLOR. And subsequent contracts, but it does not say one can use these methods to get new contracts. If a radio station manager hands a contract to a person he can use these methods to see that the contract is lived up to, but he has no method of getting a contract in view of these provisions of the bill. In the first paragraph of the bill it is provided:

> It shall be unlawful, by the use of express or implied threat of the use of force, violence, intimidation, or duress, or by the use or express or implied threat of the use of other means.

And so forth. One could not even sit down and talk about it.

Mr. JOHNSON of Colorado. The bill prohibits all other means. It is as if we would pass a law and say it shall be unlawful to commit murder, and then list the ways one could commit murder, with a bow and arrow, with a shotgun, with an air rifle, with a knife, or other weapon. The bill says one cannot coerce or constrain or attempt to coerce or compel or constrain a licensee by any means.

Mr. TAYLOR. Will the Senator yield?

Mr. JOHNSON of Colorado. I do not see the conflict the Senator points out between (c) and the first paragraph under (a) or the first paragraph under (b). I do not find that conflict.

Mr. TAYLOR. Then these provisions (1), (2), (3), (4), (5), and (6) are outlawed, and one can not use any means to obtain a contract.

Mr. JOHNSON of Colorado. One can not use any coercive means to obtain one.

Mr. TAYLOR. Of course, there are no means of obtaining anything without coercion.

Mr. JOHNSON of Colorado. I should not care to subscribe to that theory. An artist sits across the table from the broadcaster, and offers to perform, to make some contribution of entertainment, and he bargains with the broadcaster. The entertainer or the artist does

not have to sing or play his mandolin or do anything else if he does not care to. It is up to him to do it. So they do have bargaining

Mr. TAYLOR. If one says, "I will not play my mandolin if you do not give me so much money," he is trying to coerce the man.

Mr. JOHNSON of Colorado. No; he is not trying to coerce him. If he should say, "You cannot place any restraint in any contract," or "You cannot have anyone else, or I am going to raise trouble," then he would be threatening, but so long as he deals with what he has to furnish, there is no coercion, it is plain bargaining.

Mr. TAYLOR. Mr. President, will the Senator yield further?

Mr. JOHNSON of Colorado. I yield.

Mr. TAYLOR. Let us consider the prohibitions which they cannot even talk about without being convicted under the bill. They are out. One cannot even talk about them.

To employ or agree to employ, in connection with the conduct of the broadcasting business of such licensee, any person or persons in excess of the number of employees needed by such licensee to perform actual services.

Mr. JOHNSON of Colorado. Would the Senator want them to hire someone they did not need? It is a prohibition against having to hire and pay for more than they need. That is all it boils down to. Is that what the Senator is contending for? Does he want persons to go out on strike to make a broadcasting company hire people for whom it has no need?

Mr. TAYLOR. That is the common practice in the field of labor relations. If a man is driving a truck, he does not have to jump off and go in and scrub the floors between times.

Mr. JOHNSON of Colorado. There is nothing like that in this bill. Under this provision no one is going to make Bing Crosby sweep any floors, if that is what the Senator is afraid of, or Frank Sinatra clean spittoons. There is nothing of that kind in it.

Mr. TAYLOR. I did not think that would be tried. I simply used that as an extreme illustration. In the past they used to require an actor to play as many as seven parts in one radio broadcast. Some of the actors were clever enough to disguise their voices and play seven parts, because no one could see them. The actors took the matter up, and now an actor cannot play more than two parts without receiving extra compensation. But under the conference report, the radio station can say, "We only need one man on this whole program. We have a clever guy, and we do not need any of the rest of you. Get out."

Mr. JOHNSON of Colorado. Who interprets it? Is it the radio station, in the Senator's opinion.

Mr. TAYLOR. Yes.

Mr. JOHNSON of Colorado. No; it is the district attorney who makes the determination whether they have more than they need. This is a criminal statute.

Mr. TAYLOR. Every time there is a dispute between a labor union and a station manager they have to go to a court and get an interpretation?

Mr. JOHNSON of Colorado. Of course, that is carrying it beyond reasonable extremes, too.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator.

Mr. AUSTIN. I do not desire to interrupt the colloquy, but merely to call attention to what the Committee on Interstate and Foreign Commerce of the House said about the point which is under discussion, and what the committee says is a part of the record covering the interpretations of the bill. I am reading from page 5 of that report.

A characteristic presumption of those who make these demands is carried in a telegram from Mr. Petrillo to the network in October 1945, as follows—this is a quotation from his telegram:

This is to advise you that after the meeting between your company and the American Federation of Musicians held in my office the matter was further discussed and we came to the final conclusion that beginning Monday, October 29, 1945, wherever musicians play for FM broadcasting and AM broadcasting simultaneously the same number of men must be employed for FM broadcasting as are employed for AM broadcasting, which means a double crew must be employed. Kindly govern yourself accordingly.

That is the end of the quotation from Mr. Petrillo. The committee continues, as follows:

The absurdity of such a demand is apparent. Two orchestras required for simultaneous broadcast would be an anomaly. It is reported that one of the networks has a staff orchestra of 95 pieces and compliance with this order would require the employment of 190 musicians to needlesly duplicate and embarrass the work of one orchestra.

A circumstance that gave impetus to this legislation was an edict directed at a music school in Michigan, which prohibited a broadcast by a school orchestra unless a tribute of three times the usual price of an orchestra of the federation was paid for that privilege. The Vandenberg bill which passed the Senate and the Dondero bill introduced in the House were outgrowths of that circumstance.

I think every reasonable man must recognize that that kind of a demand enforced by the implied threat of a strike is intolerable in the United States of America. And it is time that it was declared a misdemeanor to do such a thing.

Mr. JOHNSON of Colorado. I thank the Senator from Vermont. I think it should be said in connection with what the Senator from Vermont has already so well stated, that while the bill was being considered in the House the word was changed from employee "wanted" to employees "needed." That is a very important change. But that change was made, and the conference report and the measure now contain the word employees that are "needed"; not employees that are wanted, but employees that are needed.

Mr. BALL. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. BALL. Is it the Senator's interpretation of the language in the opening clause of both (a) and (b) "or implied threat of the use of other means, to coerce" that a strike by the musicians' union or any other union around a broadcasting station to compel the employer to sign a contract agreeing to any of these feather-bedding practices, so-called, would be an illegal strike, and those who called it would be in violation of this section?

Mr. JOHNSON of Colorado. Yes; if they attempted to make use of coercion or compulsion or constraint to accomplish their purpose, it would be unlawful so far as the six feather-bedding provisions are concerned.

Mr. BALL. Then, a strike certainly is an attempt to coerce. It has gotten a little beyond, I think, merely talking about it, or peaceful persuasion, and a strike to force any of those particular provisions into a contract would then become an illegal strike.

Mr. JOHNSON of Colorado. But a strike for other purposes, for other objectives, would be perfectly legal and would not be interfered with in any way by provisions (1), (2), (3), (4), (5), and (6).

Mr. TAYLOR. They could not strike, however——

Mr. JOHNSON of Colorado. They could not use coercion.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. TAYLOR. I should like to make my position clear to the Senator from Colorado and to other Members of the Senate. I hold no brief for Mr. Petrillo and his interfering with the broadcasting of the Interlochen group. I was not here when the bill of the Senator from Michigan [Mr. VANDENBERG] was introduced and passed. Frankly, I would be glad to vote for that bill. But this bill bears no resemblance to the bill of the Senator from Michigan. His bill was aimed at Mr. Petrillo and that evil practice. This bill would, I believe, work great hardship on the whole theatrical profession, that is, insofar as it is connected with radio. I have great numbers of telegrams from members of the radio profession, singers, actors, writers, directors, and I am put in a rather unusual position. If there were only one lawyer in the United States Senate and a bill came up in the Senate which all the lawyers of the country thought was going to be very detrimental to their best interest, they would probably get in touch with the one lawyer in the United States Senate to present their case for them. That is what has happened to me. It happens, I believe, that I am the only man with a theatrical background here, so people in the entertainment field have picked on me to try and help them in their extremity.

Mr. JOHNSON of Colorado. I will say they picked on a very good representative, and that he is doing a grand job for them, but unless they want to do one of the things that are listed in (1), (2), (3), (4), (5), and (6), this bill does not affect them in any way. I am sure that the artists whom the Senator so ably represents are not bent on compulsion of any kind, or coercion, or unlawful practices. I am sure that they have no such idea in their minds.

The Senator says that he approves the Vandenberg amendment. He will find that in paragraph (5) on page 2. That is one of the feather-bedding proposals which have been made unlawful. It is contained in the report.

Mr. TAYLOR. The Vandenberg bill is in the report, but with some of its clarifying language deleted. The Vandenberg bill made reference to duly accredited schools in broadcasts. That was eliminated. It is no longer in the bill. It is simply up to the radio station owner to decide what is an educational program. He can decide that almost anything is educational.

Mr. JOHNSON of Colorado. No; I do not think so. I think the decisions which are to be made under this bill will be made by the courts. If the parties are not satisfied, the courts have to make decisions, because it is a penal statute which we are writing.

Mr. TAYLOR. Of course, in that event it will call for a whole series of court interpretations.

Mr. JOHNSON of Colorado. I do not think it will call for any court interpretations, because the language is so plain that I do not believe it will ever reach the courts. But if by any chance the parties should go to the courts, that is where the final decision would be made.

Mr. TAYLOR. As the Senator from Colorado said, the artists of America are a rather tractable group, even though they do have the reputation of being temperamental and of being prima donnas. We have had very little labor trouble with them. They want to do right and they generally do. But from a reading of the first prohibition in the conference report trouble would arise if the radio station manager wanted a man to play more than two parts. There would be trouble right there. In negotiating a new contract the station manager may say, "I have a fellow who will play seven parts. I want to hire him." He will be told, "You have to pay him extra for playing more than two parts." If he disagrees it will be necessary to go to court for decision as to what is a reasonable number of parts for one actor to play in a broadcast.

Mr. JOHNSON of Colorado. No; the individual can simply say he will not play any part, if he wants to say that.

Mr. TAYLOR. He might want to play those parts. It is the union which wants to limit the number of parts a person may play.

Mr. JOHNSON of Colorado. I see the point the Senator is making. Some outsider might want to restrict the artist. I did not understand. I thought the Senator was complaining against the broadcasting company.

Mr. TAYLOR. Unions, of course, have certain rules. One of them which is written into every contract is that an actor may not play more than two parts without receiving extra compensation. That is reasonable.

Mr. JOHNSON of Colorado. An actor may carry that condition into his contract with the broadcasting company, if he wishes to follow the union's suggestion that he play only two parts. He can restrict himself to playing not more than two parts. Even an artist cannot be compelled to do things that he does not want to do.

Mr. TAYLOR. Of course, if a person were permitted to make a contract to suit himself, individually, it would in effect outlaw any closed-shop contract.

The second paragraph reads as follows:

> To pay or give or agree to pay or give any money or other thing of value in lieu of giving, or on account of failure to give, employment to any person or persons, in connection with the conduct of the broadcasting business of such licensee, in excess of the number of employees needed by such licensee to perform actual services.

Of course, that is a repetition.

Mr. JOHNSON of Colorado. Let us boil that down a little. Let us boil it down to this language:

> To pay money in lieu of employing persons he does not need.

That is, he does not employ them; he does not need them; and yet he is compelled, through coercion, to pay tribute to someone. That is one of the "feather bedding" provisions which the bill seeks to make unlawful.

Mr. TAYLOR. Paragraph (3) reads as follows:

> To pay or agree to pay more than once for services performed in connection with the conduct of the broadcasting business of such licensee.

If an artist made a record, he could not be paid a royalty on the record, after the first performance.

Mr. JOHNSON of Colorado. Oh, yes. Under the terms of this bill, he could be paid whatever his contract called for. Let us boil that provision down to more simple language. It prohibits paying more than once for services performed. That provision grew out of this condition: Mr. Petrillo would bring in a band and they would play. He would pay a man once for being a musician. Then he would pay him once for being the business manager for the musicians. Then he would pay him for being the leader of the musicians. One man would be paid, not once but three or more times. That is what this provision is aimed at. All these provisions have been placed in the bill to stop some of the fantastic and evil attempts by Mr. Petrillo——

Mr. McMAHON. Mr. President, will the Senator yield for a question?

Mr. JOHNSON of Colorado. I yield.

Mr. McMAHON. As a point of information, suppose an author should write a script, under a contract, we will say, to receive $250 for the script, to be broadcast over Station WTOP. Suppose a station in Illinois should pick up that broadcast, record it, and rebroadcast the recording. Would the writer be prohibited from collecting for the second broadcast?

Mr. JOHNSON of Colorado. I am presuming that he would copyright his script.

Mr. McMAHON. I assume so.

Mr. JOHNSON of Colorado. If he copyrighted it, the copyright laws would govern. The copyright laws are the law of the land; and if he copyrighted his script everyone would have to observe the copyright laws.

Mr. McMAHON. I thank the Senator.

Mr. TAYLOR. Paragraph 5 is supposed to be the Vandenberg amendment.

Mr. JOHNSON of Colorado. Yes.

Mr. TAYLOR. It does not provide that the schools must be duly accredited schools before the programs can be classed as educational programs.

Mr. JOHNSON of Colorado. No; but let us read the last part of that provision starting with the word "and":

> And such licensee neither pays nor gives any money or other thing of value for the privilege of broadcasting such program nor receives any money or other thing of value on account of the broadcasting of such program.

Does not that place the performance very definitely in the amateur class, if those employed do not receive pay for it?

Mr. TAYLOR. It could be used as a powerful weapon against the union in bargaining. The broadcasters might threaten to broadcast nothing but educational programs for a while; and if the law did not contain the qualifications in the original Vandenberg bill the broadcasters could pick up amateurs anywhere and not pay them. Amateurs would be glad to go on the air, in the hope that they might get into the radio business.

Mr. JOHNSON of Colorado. I do not believe that they could compete for very long or very satisfactorily with good artists. The American listener is too good a judge to be fooled by free entertainment. He wants the best, and he is not going to put up with amateurs simply because the radio station gets them free.

Mr. TAYLOR. Of course, the radio business is Nation-wide, and if listeners had to put up with amateurs, it would be on a Nation-wide basis. The radio broadcasting business is not competitive in the sense that other businesses are competitive. The union is Nation-wide and if a strike were called it would be on a Nation-wide basis. But the broadcasters could pick up amateurs and broadcast their performances all over the country.

Paragraph 6 reads as follows:

> To refrain, or agree to refrain, from broadcasting or permitting the broadcasting of any radio communication originating outside the United States.

I should like to know what would prevent the radio broadcasters from bringing in any number of broadcasts of symphony orchestras from overseas. Broadcasts from overseas could be brought in, and musicians could be obtained overseas for very much less than our own symphony musicians would have to be paid. In fact, a complete broadcasting outfit could be set up in Mexico, and nothing could be done about it, because a broadcaster could not be coerced in any way "to refrain, or agree to refrain, from broadcasting or permitting the broadcasting of any radio communications originating outside the United States."

Mr. JOHNSON of Colorado. I had always understood that the Senator from Idaho was a "one-worlder." I thought he believed in the united states of the world.

Mr. TAYLOR. That is correct. If everyone will agree to that, I will agree to this.

Mr. JOHNSON of Colorado. The Senator wishes to build a wall of isolation around the United States, and not allow any cultural programs to cross our borders. As a matter of fact, such broadcasts would be limited by the American listener. I do not believe that the thing would be overdone. I have great confidence in the American listener. He has excellent judgment, and if he is not satisfied he is going to tune out the radio program and turn to one which he likes. Perhaps the foreign entertainers——

Mr. TAYLOR. They would be just as good as ours. Foreign symphony orchestras are just as good as ours.

Mr. JOHNSON of Colorado. If they are, I should like to listen to them, and I think others would, too. The Senator from Idaho would deny us that right.

Mr. TAYLOR. No; but musicians can be hired in foreign countries for a fraction of what our own symphony musicians would receive in this country. I am sorry to say it, but I am convinced that listeners in America would think that they were getting something special if they had the Paris symphony on the air, or the Berlin symphony, the Rome symphony, or the London symphony. That would sound much more high-toned than the Philadelphia symphony, and they would be glad to listen to them. Every symphony musician in America might very well find himself out of employment if this bill should be enacted into law as it is written.

I have attempted to give a list of the things that could happen. A complete broadcasting outfit could be set up in Mexico, just over the border, and our artists could not complain, or they might be thrown into jail and fined $1,000.

Mr. JOHNSON of Colorado. I am perplexed, confused, and even disappointed with the Senator from Idaho. He wants world-wide government, and yet he wants isolationism in cultural matters.

Mr. TAYLOR. If it is the object of the bill to give away our broadcasting industry to foreign countries, then let us say so, and let it go at that. I am for world government. I think it is the only way we are ever going to keep peace in the world. I should like to invite the attention of the Senate to a very good statement by General MacArthur on the subject. I believe the statement was made on April 4, in Tokyo. It is a very good statement. The world government is coming along, incidentally.

But let us get back to the matter of broadcasting. This is subsection (b).

(b) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation or duress, or by the use of express or implied threat of the use of other means, to coerce, compel or constrain or attempt to coerce, compel or constrain a licensee or any other person—

(1) to pay or agree to pay any exaction for the privilege of, or on account of, producing, preparing, manufacturing, selling, buying, renting, operating, using, or maintaining recordings, transcriptions, or mechanical, chemical, or electrical reproductions, or any other articles, equipment, machines, or materials, used or intended to be used in broadcasting or in the production, preparation, performance, or presentation of a program or programs for broadcasting; or

(2) to accede to or impose any restriction upon such production, preparation, manufacture—

Mr. JOHNSON of Colorado. Mr. President, let us take one of them at a time, please.

Mr. TAYLOR. They are related, are they not?

Mr. JOHNSON of Colorado. No; they are not. They are separate. The first one has to do with manufacturing and producing. I am sure the Senator from Idaho does not want Mr. Petrillo to receive tribute on the manufacture of records.

Mr. TAYLOR. The RCA has a patent on the process of manufacturing electrical transcriptions, and General Electric has patents. Can they collect on the records which are made?

Mr. JOHNSON of Colorado. If they have a patent, of course they are entitled to whatever right the patent law gives them. But this provision applies to paying or agreeing to pay tribute "for the privilege of, or on account of, producing, preparing, manufacturing, selling, buying"—and so forth. Everyone who deals in transcriptions or in records will have to pay a tribute to Mr. Petrillo unless this provision is included.

I wish to say this about the entire measure: Anyone who heard Mr. Petrillo testify before Worth Clark's committee in the Senate must have been impressed, as I was greatly impressed, by Mr. Petrillo. I think he is one of the smoothest men I have ever listened to on the witness stand at any place or at any time. He is just as smooth as he can be. So far as I know, Mr. Petrillo has offered no objection at all to this measure, and that is what has worried me.

Mr. TAYLOR. Very well. The bill may have missed Mr. Petrillo, but it hits every entertainer in America. Mr. Petrillo is not worried at all, but the entertainers are worried, because this thing has misfired.

Mr. JOHNSON of Colorado. No, Mr. President; I cannot agree with the Senator as to his conclusion. But probably Mr. Petrillo has some way by which he thinks he will avoid the restrictions imposed by this measure, if it is passed.

Mr. TAYLOR. I have had no communications from Mr. Petrillo or the unions. All communications have come from persons in the entertainment field: Actors, singers, writers, and directors.

Mr. JOHNSON of Colorado. Mr. Petrillo's organization has even refused to testify. They acted with high disdain, and they have not paid any attention to this measure. But this language is included so as to tighten it up and button it up so that Mr. Petrillo will not be able to escape. Whether that will be the effect, I do not know, but that was the purpose, because we are dealing with a very slippery gentleman.

Mr. TAYLOR. I am not objecting, but I wish to have the Senate understand what it is before we vote on it.

Mr. JOHNSON of Colorado. Yes; and I think the Senator is rendering a worthwhile service, because I think the Senate and the Congress and the country should know.

Mr. TAYLOR. The next one is as follows:

(2) To accede to or impose any restriction upon such production, preparation, manufacture, sale, purchase, rental, operation, use, or maintenance, if such restriction is for the purpose of preventing or limiting the use of such articles, equipment, machines, or materials in broadcasting or in the production, preparation, performance, or presentation of a program or programs for broadcasting.

A while ago the Senator from Colorado said, I believe, that that provision would not interfere with the collection by ASCAP of royalties on the records for the writers of songs.

Mr. JOHNSON of Colorado. I said it would not if they have a contract and if the contract is validated. The second paragraph makes it impossible for Mr. Petrillo to limit the number of recordings and transcriptions. He will not be able to say, "You can make only 5" or "You can make only 10." Without that language he would be able, by the use of threats, coercion, and other means, to restrict and restrain the production of transcriptions and records.

Mr. TAYLOR. The last provision in which I would be interested is as follows:

(3) To pay or agree to pay any exaction on account of the broadcasting, by means of recordings or transcriptions, of a program previously broadcast, payment having been made, or agreed to be made, for the services actually rendered in the performance of such program.

Let me explain what the procedure is in this respect. When a program is originally broadcast, the artists, through their unions, permit a transcription to be made, and it can be played at any time within a week over any station of the network which was busy with some other program at the time when the original broadcast was made.

However, the provision I have just read would make it possible to play a transcription of the program at any time in the future, and as many times as might be desired. In a few years the audiences might forget all about it, and it could be played over again. That would work serious harm to the entertainers.

Mr. JOHNSON of Colorado. Not if there were a contract to do otherwise. At the time when the artist entered into a contract with the broadcasting company, he could very well have in the contract a proviso that he should receive a certain amount of pay if the transcription or recording were played 10 times or were played twice or were played even once. But he could not receive that payment time after time and time after time, and he could not coerce the broadcasting company into entering into a contract to keep on paying him forever.

Mr. TAYLOR. I do not know why he should not be paid forever if the broadcaster is paid each time he does the broadcasting. The artist is entitled to a part of the profits.

I may point out that the broadcasting business in America made $90,000,000 in profits last year. The physical equipment is worth approximately $100,000.

Because of the value attached to a franchise which was given by the Government—in other words, a monopoly—many of the stations sell for around $1,000,000. They are doing all right. I think the artists are entitled to a little consideration here, and they should not be imposed upon because of Mr. Petrillo. The bill misses him, in fact.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. AUSTIN. If I have correctly understood what the distinguished Senator from Idaho has said, I would reply that this provision assures the right which he seeks, namely, that the artist or performer shall have compensation for his services to the public. It is all up to him. He is a freeman. The artist has a right to demand for his services all that the public is willing to pay. If he has been skillful and has learned to apprize his services highly, he will charge, when he makes the first recording, a price which contemplates any number of uses of the product.

In other words, this measure is a benefit to the artist, instead of what the distinguished Senator from Idaho seems to think it is. This measure serves notice on his employer, the licensee, and it serves notice on anyone who is in the business of manufacturing records, and so forth, that the first time when the contract is entered into is the time when the agreement for payment shall be made, and that after that agreement has been made the artist is assured by the other provisions—namely, subsection (c)—that he can enforce that contract, even though the royalty runs until his death or after his death.

In other words, the artist is put under the protection of the law. It gives him a real standing in his dealings with his vis-à-vis, no matter whether that person is a broadcaster or merely a mechanic operating a recording device for the subsequent reproduction of sound. In each case he knows that his Government is behind him, and will enable him to enforce the contract which he enters into, with the full knowledge that he is entitled to have for his service all that it is worth.

Mr. JOHNSON of Colorado. I thank the Senator from Vermont for his very clarifying statement.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. HATCH. I hesitate to interrupt the Senator because I have been absent from the Chamber. It is very likely that the question I am about to propound has been answered and fully explained. If the Senator does not mind the interruption I should like to state that I observe in the conference report, beginning with section 506 (a) the following language:

> It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation, or duress—

And so forth Following that language there are paragraphs 1, 2, 3, 4, 5, and 6 which prohibit certain practices. I have not had an opportunity to study the language. In reading it hurriedly it occurs to me that all the things which are forbidden are forbidden only if they are induced or caused by threat, force, intimidation, or violence.

Mr. JOHNSON of Colorado. All those arrangements may be entered into under contract unless they are brought about by duress, compulsion, and so forth.

Mr. HATCH. And, I assume that the same interpretation applies to the next subdivision.

Mr. JOHNSON of Colorado. Yes.

Mr. HATCH. In other words, Mr. President, am I to understand that the entertainers of America are going to engage in threats, violence, duress, and coercion?

Mr. JOHNSON of Colorado. That is something which has puzzled me greatly, and when I received from Bing Crosby and other entertainers the telegram to which reference has been made, I could hardly resist telegraphing Bing Crosby and asking him if he wanted the privilege of using coercion and duress in order to gain these points which are set forth in the bill.

Mr. HATCH. Mr. President, it is a well-known understanding in connection with the law that contracts induced by threats and coercion are invalid.

Mr. TAYLOR. Then practically every contract in America is invalid.

Mr. JOHNSON of Colorado. But Mr. Petrillo, nevertheless, has imposed his will upon the broadcasting companies of America.

Mr. HATCH. Mr. President, I take issue with what the Senator from Idaho said, namely, that every contract in America is invalid, and that the business of this country is done under duress, threats, intimidation, and violence. Mr. President, a Senator who would make such a statement is not familiar with the courts and legal procedures of this country.

Mr. TAYLOR. Mr. President, I am not familiar with the courts and legal procedures. I pointed that out when I started to talk. I am not a lawyer, and I have tried to find out what the language in the bill means. Nobody seems to know. It contains the words "other means." Nobody knows what those words mean, and no one has been able to tell me whether the threat of a strike is coercion.

Mr. JOHNSON of Colorado. A while ago I attempted to tell the Senator that when we enact a law against murder it does not make any difference what means the murderer may use, whether a butcher knife, a shotgun, or a club, or anything else. The means which may be employed does not mean much.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. AUSTIN. I think the two questions which the distinguished Senator from Idaho has asked have been answered. Would he remind repeating his first question? If he will do so, I shall try and answer it immediately.

Mr. TAYLOR. The first question?

Mr. AUSTIN. Did the Senator ask what was comprehended by the words "other means"?

Mr. TAYLOR. Yes.

Mr. AUSTIN. In the conference we discussed fully those words, and it was definitely understood that they included strikes and boycotts. Is that what the Senator refers to?

Mr. TAYLOR. Persons may not strike——

Mr. AUSTIN. They may not strike in order to gain the advantage of these misdemeanors which are set forth. However, they may strike for anything which is not unlawful. With the exception of the nine things which are prohibited in the relationship between the licensee and his artists and between the artists and the reproducers of sound, the nine which are regarded as in conflict with our free institutions and our self-respect, there may be a strike for anything else. There may be a strike for a new contract with reference to wages, with reference to hours, or with reference to anything else except those things which are denounced because they have been proven through experience as being a type of tyranny which others should not suffer.

As to the Senator's other question, let us answer it from the record. If the Senator will look at page 6 of the Report No. 1508 which was made by Mr. LEA for the committee which reported the bill to the House, he will see the following language:

> This subsection makes it unlawful to coerce, compel, or constrain (or to attempt to coerce, compel, or constrain) any radio-station licensee to do any one or more of the things specified in paragraphs (1) to (6), inclusive, of the subsection, whether such actual or attempted coercion, compulsion, or constraint is exerted by the use, or threat of the use, of force, violence, intimidation, or duress, or whether it is exerted by the use, or threat of the use, of any other means (whether or not of the same character as force, violence, intimidation, or duress).
>
> It has been necessary to use the broad language "or by the use or express or implied threat of the use of other means" in order to make the legislation effective. It was necessary to use language broad enough to embrace actual or threatened boycotts and actual or threatened strikes, because these, as well as action or threatened action of like character, could well be among the means by which the coercion, compulsion, or constraint prohibited by the bill may be accomplished or attempted to be accomplished. If the language were not this broad the legislation would fail to accomplish its purpose.
>
> This subsection does not prohibit the right to strike or to withhold services, or force individuals to work against their will or desire. It will place no limitation whatever on the use of strikes for the accomplishment of legitimate objectives, such as wage increases or better working conditions. The subsection does not prohibit strikes as such. What it does do is to prohibit the accomplishment, by actual or attempted coercion, compulsion, or constraint, of certain unconscionable and wrongful objectives, regardless of the means used.

That, I think, is a full answer to the Senator's question. I think he is serving the public a great good by asking these questions, and causing the RECORD to show what was intended and what was considered by the conferees in building up this report.

Mr. JOHNSON of Colorado. I thank the Senator from Vermont. I have just

one more word I wish to say, and then I shall be glad to yield the floor.

Mr. DONNELL. Mr. President, will the Senator yield to me to ask a question of the Senator from Vermont?

Mr. JOHNSON of Colorado. I yield.

Mr. DONNELL. I should like to ask for a clarification of one of the subdivisions of section 506 (a). I refer to the language appearing in subdivision (6), as follows:

> To refrain, or agree to refrain, from broadcasting or permitting the broadcasting of any radio communication originating outside the United States.

May I suggest an illustration, and inquire of the Senator from Vermont, and also the Senator from Colorado, whether or not such a situation as I am about to mention was intended to be included within this subdivision (6)? Suppose the employees of a broadcasting station should threaten to strike if the station should broadcast a certain communication originating outside the United States, which communication the employees claimed would be defamatory of them. Would there be any penalty imposed under subdivision (6) upon the employees for striking in the attempt to cause the proprietor of the station to refrain from permitting such a broadcast?

Mr. AUSTIN. Mr. President, so long as men are frail, as they are, they are unable to enact legislation which will work perfectly in every case and do perfect justice. The question here is one which cannot possibly be answered in either the affirmative or the negative, without adding to it some conditions and facts.

If we are examining the proposed law to see whether it is in furtherance of good government and whether it embodies a policy which we find necessary in order to preserve the freedom of the employees to whom the distinguished Senator from Missouri refers, I would say that this provision does not bar them from protecting their good names, and is not intended to. If they struck, or accomplished their purpose by threat of a strike, if they prevented the broadcasting of the record from abroad, or an original act from abroad, and were brought into court under the penalty clause of the bill—which is reasonable, which is not cruel and unusual punishment, but is a punishment that is, in the maximum, only for a misdemeanor—when brought into court I have no doubt whatever that they would be able to establish that their strike was for a lawful purpose, if they were able to show that the broadcast was defamatory. That is the element in this question which it seems to me makes it impossible to answer "Yes" or "No." I think we would have to say that, so far as the proposed legislation is concerned, there is nothing we have done and nothing we can do now which would make it any easier to answer that question. The question cannot be answered except by a court when a prosecution under the penalty clause is brought. Does that answer the question?

Mr. DONNELL. I thank the distinguished Senator for his statement, and I think it is very helpful.

Mr. JOHNSON of Colorado. Mr. President, I should like to inject one other thought in addition to that expressed by the Senator from Vermont. Their remedy might lie in some other direction than through a strike. They might get a remedy against defamation in the courts, instead of going out on a strike. I think this matter of striking about every little thing men do not like is a very bad practice in America, when there are other remedies which should be resorted to instead of flying off the handle and going out on a strike.

Mr. DONNELL. Mr. President, may I ask the Senator to yield for a moment further?

Mr. JOHNSON of Colorado. The Senator from Vermont is on his feet, and perhaps he has something further to say.

Mr. AUSTIN. I do not wish to interrupt, but I want to call attention to the penalty clause, which I did not do. It does not levy a penalty merely upon the happening of the event. It is like the case of any other misdemeanor, it provides for intent. Whoever willfully violates any provision of subsection (a) or subsection (b) is the person who suffers the penalty, but it can be seen that the prosecutor would be required, in such a prosecution, to show that there was such a violation as was willfully intended to cut across the policy of the law. If there were, as the distinguished Senator suggested, a broadcast of a matter which was defamatory, the State would not be able to show that there was a willful violation, which the law declares must be established.

Mr. DONNELL. Will the Senator yield for a moment further?

Mr. JOHNSON of Colorado. I yield.

Mr. DONNELL. I appreciate the response of the distinguished Senators who have responded to my inquiry. As I have indicated, I think a useful purpose has been served by their responses, as undertaking in a sense to interpret the meaning of subdivision (6) of section 506 (a).

I think it would be particularly unfortunate if that section were to mean that employees of a broadcasting station would be subject to imprisonment and fine if they should strike in order to induce an employer, a broadcasting station, to refrain from using a communication originating outside the United States which was of a character defamatory of the employees.

Mr. HICKENLOOPER. Mr. President, will the Senator from Colorado yield?

Mr. JOHNSON of Colorado. I yield to the Senator.

Mr. HICKENLOOPER. Let me ask the Senator from Missouri what remedy would he as a private citizen, or the Senator from Vermont, or the Senator from Colorado, or any other citizen, have against the broadcasting company to prevent it from using something originating abroad which he thought was defamatory of him?

In other words, should the right of an employee in exercising supervision over what he judges to be offensive to him in connection with the business rise any higher or be any more extensive in the matter of equity than the right of an individual citizen?

Mr. DONNELL. Mr. President, will the Senator from Colorado yield?

Mr. JOHNSON of Colorado. I yield.

Mr. DONNELL. I take it that the thought in the mind of the distinguished Senator from Iowa is that the private citizen would be remitted to a suit for damages for defamation, or something analagous to such a suit. I have no doubt that the Senator is correct. On the other hand, as I understand, the Senator from Vermont takes the general view that a prosecution against a person or combination of persons who should strike in order to prevent an employer, the manager of a broadcasting station, from putting on the air defamatory matter originating outside the United States would fail because of the fact that willfulness, which is a necessary incident in order that the penal clause may apply, would not be shown to exist.

Mr. President, I can well see the two sides of this question, and I think the Senator from Iowa has likewise contributed a very important and valuable thought to the discussion.

To my mind it is of the utmost importance, however, regardless of which side may be correct upon the point suggested by the Senator from Iowa, to know, and to have our record here show, just what is the reason behind subdivision (6) of section 506 (a). I have no doubt it is a wholesome reason.

Mr. President, I share the view of the Senator from Colorado, in large part, that strikes should not be encouraged. This strange remedy which groups of workers may take into their hands should not be encouraged for any trivial purpose. On the other hand, Mr. President, I think it is of importance to have the RECORD clearly show what is the evil that is designed to be reached by subdivision (6) of section 506 (a), and with the consent of the Senator from Colorado, I respectfully request either he or the Senator from Vermont to give us a clear, definite exposition in the RECORD of what the evil is that is designed to be prevented by the inclusion of subdivision 6 of section 506 (a).

Mr. JOHNSON of Colorado. I am very glad to do that. It is to prevent Mr. Petrillo from stopping cultural and educational programs originating abroad coming through the radio stations of America. Of course, that is one of the things he does. If a program originates in England, let us say, or Mexico, Mr. Petrillo will not allow it on the air in this country. The people in this country may want to listen to it. Mr. Petrillo says, "No; you cannot do that. That originated in some other country, and we cannot permit that to come into this country over the broadcasting stations of this country."

The object of paragraph (6) is to meet that situation.

Mr. DONNELL. Mr. President, I very much appreciate the explanation given by the distinguished Senator, and I think it contributes very materially to the definition and clarification and interpretation of this particular subsection.

Mr. JOHNSON of Colorado. I thank the Senator.

Mr. President, I have just one more word to say, and then I shall take my seat. The Senator from Vermont [Mr. AUSTIN] called attention to this matter a moment ago, but I want to call the Senate's attention to the provision in paragraph (d), "Whoever willfully violates any provision of subsections (a) and (b) of this section." It seems to me that is very important in the consideration of legislation of this kind.

One more thing, Mr. President. In all the legislative history of this bill in its progress through Congress there has been no intention to prevent the use of reasonable cancellation clauses. I thought that was a point which ought to be clarified for the RECORD.

Mr. TUNNELL. Mr. President, I should like during this discussion to show some of the things which have been done, and which have made a bill of this kind almost necessary. I have before me the hearing before the Senate Committee on Interstate Commerce of January 12, 1943. Before the testimony was given a statement was made by the chairman of the subcommittee. This is the order which seemed to start the difficulty with reference to Mr. Petrillo at that time. He sent out to the transcription companies, and I believe to the broadcasting companies, this order or notice:

> Your license from the American Federation of Musicians for the employment of its members in the making of musical recordings will expire on July 31, 1942, and will not be renewed.

That is, that recordings would be stopped. These recordings are most important in the sick room and in all places of amusement. Under that order records could not be gotten such as are used in restaurants, in music boxes into which a nickel or a 10-cent piece is dropped and music comes forth. That notice was intended to prevent the preparation of such records entirely. The Senator from Montana [Mr. WHEELER], on page 30 of the record, made the following statement which is rather interesting:

> Senator WHEELER. Coming back to the question I asked you, what is your solution of it?

The Senator was talking to Mr. Petrillo.

> What do you want? You must have given a lot of thought and a lot of study to this problem. So far as I am concerned, I am sympathetic with the idea that the musicians of the country get what is really coming to them. But I do want to know, and I think the public wants to know, because nobody has stated what you want and from whom you want it. You have given a great deal of thought and study to the subject, and your organization ought to have something in mind so that you could tell the committee.

The Senator from Montana asked him at different times if he would say what he wanted, and I think after a while we come to it. The Senator from Montana said:

> I think you owe it to yourself, because, frankly, whether it is propaganda or whatever it is, the fact is that the American public is very much disturbed and a great many people feel that by your actions you are doing a great disservice to the labor movement in this country. Can you not give us just exactly what your solution is? It may not be one that will be accepted by the industry or the broadcasters or somebody else; but you ought to have in mind what your views are as to what the solution of the problem is, what you want and from whom you want it. Tell us that, if you will.
>
> Mr. PETRILLO. Of course, Senator, I believe you know by this time, in the few minutes that I have been sitting here, that I am not trying to duck anything. I don't want to say anything that I will have to retract. That I don't want to do. I told you in the beginning that it is a hard question to answer. It seems to me that the people we have got to do business with are the recording companies. But the radio companies have taken on the fight instead of the recording companies. Of course, I can understand that they will be hit indirectly if the recording companies don't make any records because of the action of the American Federation of Musicians. Naturally it is going to hurt the radio stations, and I can understand why they are in this fight.

How it reaches the radio stations was brought out by this. Many radio stations, of course, cannot use the living musicians. They cannot afford to have a living musician sing or play each time they want to broadcast a selection of music. Therefore, they are in the position of not being able to have music at all. They cannot use records if records cannot be prepared. Of course, there are some records in existence, but if no new ones can be made those who operate radio stations are going to find themselves without music. In that hearing it came out that there are literally hundreds of radio stations that are not in any way connected with chain broadcasting and could not supply music unless they could obtain records.

The Senator from Maine [Mr. WHITE] asked at that time this question, which appears on page 32 of the record:

> Do you mean that you are against the recording instruments and electrical transcriptions because they compete with the live musicians, as you call them?
>
> Mr. PETRILLO. That is right.
>
> Senator WHITE. Is that the only reason you have?
>
> Mr. PETRILLO. Because it competes with us and takes our work away; yes.

Mr. Petrillo is against the making of records. On page 40 of the testimony, Mr. Petrillo said:

> Let me see if I can't answer you this way. I have a note here that says we have 201 stations in the United States today that receive chain programs. They receive our finest symphonies and orchestras over the air without any cost. They receive our name bands from the hotels and cafes without any cost. They buy and play all the recordings.
>
> They not only get all this free of charge from the musicians, but the chain companies pay them for taking commercial programs. Now, in 201 stations in the United States we haven't got one live musician on the pay roll, and certainly not one of these 201 stations could live without the American Federation of Musicians. Now, we haven't got one man in the radio stations. Now, gentlemen, certainly that is not fair.

His position is clearly that the live musician must be used in order to comply with his demands.

On page 63 of the hearings we find the following:

> Senator MCFARLAND. But you know, do you not, Mr. Petrillo, that there are a large number of stations that do not even have hookups with these broadcasting companies?
>
> Mr. PETRILLO. Yes; I know that.
>
> Senator MCFARLAND. They are little stations. And the only type of music that they can get, good music, is from the chain broadcasting companies. Now, you would not want one of your good orchestras barred from the little towns out in the country, to those people, would you?
>
> Mr. PETRILLO. I don't know whether there is a station or city in the United States that hasn't got chain broadcasting.
>
> Senator MCFARLAND. Well, I can tell you that there are lots of them.
>
> Senator WHEELER. Oh, yes; lots of them.
>
> Senator CLARK. Lots of them.
>
> Senator MCFARLAND. Yes; there are lots of them. Now, you would not want one of your good orchestras barred from those little stations, would you? They probably could not afford to hook up now.
>
> Mr. PETRILLO. They could not afford to pay it.

So that, even according to Mr. Petrillo's own admission, if he has his way, many of the broadcasting stations are going to be cut out. I believe the statement was made at that hearing that probably one-third of the broadcasting stations of the Nation would have to close up if Petrillo is successful in preventing the making of records.

On page 66 the Senator from Montana [Mr. WHEELER] said:

> But, Mr. Petrillo, I did send for you and suggested that you and the industry get together, with some of the members of this committee, and see if we could not work out some program, and you sent word back to us that you did not want to meet with us, because of the fact that you felt you were going to get together. However, you never showed up.

That is all preliminary to this announcement which Mr. Petrillo sent out that there was not going to be a renewal of contracts for the making of records. He was determined that the making of records must be stopped. He stated his position plainly. In response to a question by the Senator from Arizona [Mr. MCFARLAND] he stated that there was just one thing that had to be done, and that that was the only thing that would answer his purpose, namely, the stopping of the making of records. That situation brought about the prohibitions in this bill. I do not see anything particularly objectionable about prohibiting any unlawful procedure to do an unlawful thing. This conduct on the part of Mr. Petrillo has made it necessary to place certain prohibitions in the bill.

Mr. TAYLOR. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair). Does the Senator from Delaware yield to the Senator from Idaho?

Mr. TUNNELL. I yield.

Mr. TAYLOR. The things which are prohibited are not unlawful. The bill simply says that they may not be done. It does not say that they are against the law.

Mr. TUNNELL. They will be unlawful after the bill is passed.

Mr. TAYLOR. No; they will not be unlawful. It wil be unlawful to use certain means to accomplish certain ends. If one can make an agreement with a radio station he can do those things. They are not unlawful; but certain

means to accomplish those ends may not be used.

Mr. TUNNELL. I think the Senator would conclude, if he happened to be charged with violating this proposed law, that the violation probably was unlawful, because on page 2 of the report is the following language:

> Whoever willfully violates any provision of subsection (a) or (b) of this section shall, upon conviction thereof, be punished by imprisonment for not more than 1 year or by a fine of not more than $1,000, or both.

I believe it would be unlawful.

Mr. TAYLOR. Of course, the person could be placed in jail, but the act for which he was put in jail would not in itself be unlawful. He would be in jail simply because he had used a certain method of attaining an end. On another radio station the employees might have an agreement, openly arrived at, and involving no strike, and they might be doing the very same things, and be scot free. But the other person would be put in jail because he had used certain means to accomplish the same end. It is not the act itself which is made unlawful. It is the method used to reach the end which is unlawful. As the Senator from Colorado [Mr JOHNSON] stated a while ago, it is not the murder which is outlawed. It is the way in which it is done. One may not use certain means to commit murder. If he can murder the other fellow, and it is agreeable to the other fellow, then it is all right.

Mr. TUNNELL. Let me say to the Senator that the conduct of those who are following the plan of Mr. Petrillo is such that while they are not committing murder, rape, or arson, they are doing something which is injuring the American people just as much, perhaps. If this bill does not make these acts unlawful, I should like to find some way to do it. A person may be put in jail or fined, and if his conduct has not been unlawful in my opinion he would be able to get out through a habeas corpus proceeding, or in some other way. I do not believe that the argument that these acts would not be unlawful would be very convincing to an appellate court, and might not even convince a nisi prius court.

The point is that these acts have become so objectionable to the American people that something must be done about it. Mr. Petrillo and his colleagues go outside of business and try to prevent the entertainment of people, involving broadcasts by children in a school. As Mr. Petrillo says, there can be no other answer than the complete stoppage of all making of records. That is his objective, and that is the only thing that will answer his purpose.

If the objective of Congress is not sufficient, I do not understand the purpose of the Congress. I have found no one who defends the action of Mr. Petrillo. The only objection that is made to the bill is by those who say, "Yes; Petrillo ought to be stopped, but do not let the bill become too broad." I agree entirely with that philosophy. It was not the intention of those who wrote the bill—because I heard them express themselves—to reach anyone except those who are doing the things prohibited by the bill; nor did the conferees have any such intention. I do not believe that the bill would reach any further. I entirely agree with Senators who have expressed themselves. I do not believe that the bill reaches those on whose behalf Senators are solicitous. I do not believe that any injustice will be done. I know that such is not the intention. There is no intention to reach the innocent. Certainly there is no reason why Members of the House or the Senate should want to reach innocent people, or interfere with the enforcement of their rights or obligations.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. LA FOLLETTE. I very much regret that I have not had an opportunity to study this proposed legislation. I have been absorbed in other matters. However, one point has been brought to my attention upon which I should like to have the opinion of the Senator from Delaware.

I do not know too much about the contracts which are in existence between the artists, the writers' guilds, and so forth, and the broadcasting companies. But, as I understand, for example, the contracts now in existence provide that if an artist or a group of artists give a performance on a radio station or a radio chain—a live performance, let us say—and a record is made of the performance and the record is later used, those who participated in either the preparation or performance of the program, under contracts which have been freely negotiated with the companies, shall receive additional compensation for the second use of the program in the form of a transcription.

Those people have been concerned because they have been advised by their legal counsel that he is apprehensive that the prohibitions contained in the bill would deprive artists and writers' guilds, when they come to renegotiate their contracts in the fall, when they expire, of their bargaining power, because, in order to reach some other practice, language has been employed by the conferees which would prohibit them from using their collective-bargaining power and their right to strike in attempting to renegotiate their contracts.

I should like to ask the Senator what his interpretation is, and what he understands the interpretation of the other conferees to be, with respect to subsection (c), and whether he believes that the apprehension which I have just voiced on the part of artists and writers is justified.

Mr. TUNNELL. Was the Senator present at the beginning of this discussion, when we went into that question? I do not believe he was.

Mr. LA FOLLETTE. I heard portions of it; and I also heard the Senator from Vermont [Mr. AUSTIN] make a statement which seemed to me to confirm this apprehension in the minds of those whom I have mentioned. The Senator from Vermont stated that the prohibitions in the specified categories would deprive anyone in the future from using his collective-bargaining power, and ultimately his right to strike, if necessary, in negotiating a new contract.

It seems to me, at first blush, that there is nothing against public policy in a provision in a contract that if a broadcasting chain hires an individual to give one performance, and he is paid on that basis, but at the same time the broadcasting company makes a transcription of the performance, if it wishes to use that transcription later it is obligated to pay additional compensation for what practically amounts to a second performance. Personally I can see nothing against public policy in such a provision. The performer is paid for one performance; and if the broadcasting company wishes to use the transcription later, and obtains additional revenue as a result of such second use of the performance, it seems to me that there is nothing contrary to public policy in providing that there should be additional compensation paid to those who have produced the first performance.

Mr. TUNNELL. Of course, the Senator knows that the bill is not intended to cover a situation such as he describes, or to prevent contracting for that very purpose.

Mr. LA FOLLETTE. I know that contracting is not prohibited; but the point is that this provision, as I understand, was negotiated in contracts when there was no prohibition against artists and others using the right which all other Americans have, to quit their work or strike, if necessary. I understand that the record shows that they have rarely used that right.

But now, as I understand, if I have correctly described the situation, when the time comes to negotiate new contracts next fall, artists and writers' guilds will not be in the same position in which they were when they negotiated their contracts in the first place. In the meantime this bill will have become law. According to their apprehension about the matter, which I have described, they would be prohibited from using their collective-bargaining power or their right to strike if the broadcasting company refused to incorporate such a provision in a new contract.

Mr. TUNNELL. I do not see anything in the measure which would warrant that conclusion.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. TUNNELL. I yield.

Mr. JOHNSON of Colorado. I, too, see nothing in the measure which would warrant that conclusion, because the freedom to make contracts would still exist.

Mr. LA FOLLETTE. Yes; but the Senator himself has been a member of a labor organization, and he knows that the ultimate power which gives a union or a guild any economic power in relation to the employer is its collective right, if it cannot obtain terms and conditions which it thinks equitable and just, to refuse to work any longer for the employer. That might be said about all labor. We might say, "We can deprive every labor organization in America of the right to strike"—if that were constitutional, although I do not believe it is; but the Senator could say, "We are going to deprive all labor organizations in America of the right to strike, but they

still will have the right to negotiate contracts."

Mr. JOHNSON of Colorado. Of course, Mr. President, that is not the situation. The artist can either give a performance or not give one. He is a free agent in that respect.

Mr. LA FOLLETTE. We could say that the employees of the Denver & Rio Grande Railroad do not have to work for the Denver & Rio Grande Railroad, but can work for some other railroad.

Mr. JOHNSON of Colorado. No; that is an entirely different situation.

Mr. LA FOLLETTE. Why is it?

Mr. JOHNSON of Colorado. Because the artist deals with a broadcasting station, to put on a performance.

Mr. LA FOLLETTE. As I understand, these are standard contracts which govern everyone in the guild, everyone who belongs to the organization. Of course, the individual may make a different bargain with the advertising agent or whoever puts on the program. He may obtain a higher price for his performance than some other person does. But, so far as the so-called basic agreement is concerned, as I understand, it applies to everyone, and the terms and conditions of the master agreement apply to all the individual contracts.

Mr. JOHNSON of Colorado. Mr. President, I do not wish to take too much of the time of the Senator from Delaware——

Mr. TUNNELL. That is quite all right.

Mr. JOHNSON of Colorado. But I should like to say that my understanding is that, of course, the contract is entered into freely on both sides; and if duress or threats or anything of that kind are not used, of course, the contract is valid.

Mr. LA FOLLETTE. Mr. President, the Senator from Colorado speaks of entering into the contract freely. It seems to me that the Senator is laboring under the misapprehension that these contracts are negotiated by individuals. They are not. As I understand the situation, it is just like that in relation to the Actors' Equity or the Authors' Guild or the Screen Writers' Guild or—I do not know what their names are—any other guild or group of people or artists who negotiate a contract with these companies. The contract covers everyone who belongs to that organization. It does not set out the compensation which all the individuals shall receive, but it sets a basic pattern. Then the individual artist is, of course, free to negotiate about the rate of compensation, with the persons who wish to employ his talent.

The point is that we would deprive these people of the right to quit work collectively, which is the right of all other employees in the United States. As a result, when they came to renegotiate their contracts, as I understand the situation, one of the prohibitions among the nine contained in this measure, so they contend, would prevent them from using the right and the power which they had when the contract was negotiated this year. They say that when the time came to renegotiate the contract, they would be deprived of that right; and they take the position that then all the companies could simply say, "Oh, well, that is prohibited. We are not going to have that in the contract." All the companies could get together and agree about that. There is nothing in the measure to prohibit them from banding together and saying, "Since Congress has made this unlawful, we will not even enter into negotiations about it with you. Congress has interdicted this and has banned this as a matter of public policy."

As I have said, I do not know very much about this matter. This bill came from a committee of which I am not a member, and I have been swamped with other matters. This matter was explained to me ex parte. But, as it was explained to me, I could not see anything wrong with a basic agreement or contract providing that if a person is paid for one performance, and if subsequently an additional performance is utilized through a transcription for which the companies receive additional money in the way of advertising fees, and so forth, the person who has performed originally shall receive additional compensation for the second performance, even though it is not alive, but is dead, so to speak, being in the form of a transcription.

If any Senator can point out to me that that is against public policy, I shall be very glad to have him do so. But it strikes me that such an arrangement would be only fair. In other words, if I were to engage the Senator from Minnesota as an artist on a program and if I paid him for one performance, and then I cut a transcription of it, I see nothing against public policy in providing that if I should later sell that program to some other advertiser and I received additional money for it, I should have an understanding that the Senator from Minnesota would be entitled to payment for the second performance, even though he was not there in person. Regardless of that, it would be his talent, his ability, and his following that I would have capitalized and received revenue for, on the second occasion.

Is there anything wrong with that, insofar as public policy is concerned?

Mr. TUNNELL. Mr. President, I would say to the Senator that he and I are proceeding on entirely different premises. I do not deny the Senator's argument, but I do deny his premise.

Mr. LA FOLLETTE. Very well. That is all I wish to have assurance of—namely, that I am wrong about this. If I am wrong about it, I should be delighted to find that out.

Mr. TUNNELL. I say to the Senator that if he is right in his argument, then I am opposed to the provision.

Mr. LA FOLLETTE. Let me read paragraph (3) of subsection (b):

> (3) To pay or agree to pay any exaction on account of the broadcasting—

I do not know what "exaction" means, but I suppose it means money.

Mr. JOHNSON of Colorado. It means a tribute. In the House language the word "tribute" was used, and the conferees changed the word "tribute" to "exaction."

Mr. LA FOLLETTE. At any rate, this is paragraph (3):

> (3) To pay or agree to pay any exaction on account of the broadcasting, by means of recordings or transcriptions, of a program previously broadcast, payment having been made, or agreed to be made, for the services actually rendered in the performance of such program.

Of course, I suppose it all hinges on what "exaction" means. But if that word covers compensation or additional compensation, then it seems to me it would be one of the interdicted misdemeanors, as the Senator from Vermont calls them.

Mr. TUNNELL. Mr. President, I might read to the Senator the definition; I think I have here a book which states it.

Mr. HATCH. Mr. President, while the Senator from Delaware is looking for the book, will he yield to me? I wish to ask the Senator from Wisconsin a question.

Mr. TUNNELL. I yield.

Mr. HATCH. Is the language which the Senator has just read—the language contained in paragraph (3)—the only language in the measure about which he is wondering? I am anxious to know if that is so.

Mr. LA FOLLETTE. No; I am not certain about that; I am not certain that that is the only paragraph about which I wish to inquire.

Mr. HATCH. Is that the specific one about which complaint was made to the Senator? I am anxious to understand the contention and to know just what it is and where the language about which complaint has been made appears.

Mr. LA FOLLETTE. I must confess that I was called off the floor of the Senate yesterday in the midst of the debate on all the amendments which we were considering in connection with the wage-and-hour bill, and I am not too sure that I have located the only paragraph about which complaint is made. But I read that one as one which caught my eye and which might include the language about which objection has been made. It might be one of those which would include it.

Mr. TUNNELL. Mr. President, the Senator asked about the word "exaction." Here is the definition of "exaction" as contained in Bouvier:

> A willful wrong done by an officer, or by one who, under color of his office, takes more fee or pay for his services than the law allows.

That is an "exaction."

Mr. LA FOLLETTE. Mr. President, that does not seem to be on all fours with this situation. This matter does not relate to an officer of the Government.

Mr. TUNNELL. Petrillo is an officer of the union, and is the one who is exacting these tributes.

Mr. LA FOLLETTE. I am not talking about that situation now. I am talking about the contracts of these artists and authors.

Mr. TUNNELL. Does not the Senator think that he is somewhat confused by not reading all of the prohibition con-

tained in subsection (b) (3)? It reads as follows:

(b) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation, or duress, or by the use or express or implied threat of the use of other means, to coerce, compel, or constrain or attempt to coerce, compel, or constrain a licensee or any other person—

* * * * *

(3) To pay or agree to pay any exaction on account of the broadcasting, by means of recordings or transcriptions, of a program previously broadcast, payment having been made, or agreed to be made, for the services actually rendered in the performance of such program.

Mr. LA FOLLETTE. But I heard the Senator from Vermont say everyone agreed that the words "other means" included the right to strike.

Mr. TUNNELL. After this prohibition was put into the act there was then inserted subsection (c), which satisfied me, and still does, to the effect that no person will be prohibited from insisting on his legal rights or his legal obligations. The language in subsection (c) reads:

The provisions of subsection (a) or (b)—

Which includes paragraph (3), to which the Senator referred—

of this section shall not be held to make unlawful the enforcement or attempted enforcement, by means lawfully employed, or any contract right heretofore or hereafter existing or of any legal obligation heretofore or hereafter incurred or assumed.

Mr. LA FOLLETTE. I would say that, if the Senator's interpretation is correct, and if these guilds are not prohibited from using their right to strike, in the event that they find during the course of their negotiations for new contracts that a strike is necessary in order to bring about the situation which I have described, then my apprehensions are set at rest.

Mr. BALL. Mr. President, if the Senator from Wisconsin is correct with reference to the effect which subsection (c) has, then, in my opinion, it would make the whole section meaningless.

Mr. TAYLOR. It would make it inoperative and would cancel the effect of the bill.

Mr. BALL. The language would mean that any of the feather-bedding practices which an attempt is being made to outlaw in subsection (a), which are now in effect, would be frozen into the contract in perpetuity. Is that the Senator's interpretation?

Mr. TUNNELL. My theory is that a person has the right to use any lawful means, and I think that in most instances strikes are a form of lawful means.

Mr. BALL. It seems to me that the language of subsection (c) is being stretched. It contains the words "enforcement or attempted enforcement, by means lawfully employed, of any contract right," and so forth. When a contract expires, the contract right expires.

Mr. LA FOLLETTE. Certainly.

Mr. BALL. It seems to me that in subsections (a) and (b) we have made unlawful the use of a strike to compel an employer to sign a contract, even though it is the same contract which existed before. If that has not been done, then I do not see what use can be made of the entire section.

Mr. LA FOLLETTE. Mr. President, I am not trying to defend any feather-bedding practices, but the contention seems to me to be well-founded that a person is entitled to additional compensation if he is paid on the basis of one performance, and then, through transcription, the employer receives additional revenue. In such a case it would be perfectly legitimate to provide in the contract that there should be an additional compensation paid to the person doing the work.

Mr. BALL. I agree with the Senator.

Mr. TUNNELL. I think the Senator is correct.

Mr. BALL. But I am afraid that the language of the section would make it questionable whether the employee would have a right to strike in order to secure such privilege.

Mr. LA FOLLETTE. That is my impression, but I have had no opportunity to study the matter.

Mr. TUNNELL. Mr. President, allow me to read the names of the Members of the other House who were in agreement with this language. They are CLARENCE F. LEA, A. L. BULWINKLE, OREN HARRIS, CARROLL REECE, and CLARENCE J. BROWN.

I am satisfied that the language is adequate and proper and the men whose names I have read seemed to be entirely satisfied with it. I do not know how we could obtain much better legal advice than we have had on the subject.

Mr. HATCH. Mr. President, I have not been so much concerned about the language in subparagraph (c), but I should like to know by what language in the bill we can arrive at the interpretation or conclusion that the right of collective bargaining is forbidden.

Mr. TUNNELL. I do not know.

Mr. HATCH. I have asked the Senator from Idaho, who has studied the bill, and he has told me that the restriction lies in the use of the words "other means." Am I correct in understanding that those are the words which he has in mind?

Mr. TAYLOR. The words "other means" are all-encompassing.

Mr. HATCH. Is the Senator from Delaware convinced that the language of the bill does not preclude the right of collective bargaining and the right to strike?

Mr. TUNNELL. I am convinced that those rights are not precluded.

Mr. JOHNSON of Colorado. I am also convinced that they are not precluded. There is nothing in the bill against collective bargaining. The prohibition is against the use of duress, threats, intimidation, and coercion.

Mr. HATCH. Those words have very well defined legal meaning. If everything were related to those words, I would not see anything which could be disturbing. However, there is some question with reference to the words "use of other means."

Mr. JOHNSON of Colorado. If the Senator from Delaware will permit me to say so, I may say that I think one must read very carefully the first sentence in section 506 (a). The language reads:

It shall be unlawful—

And then skipping a few words—

to coerce, compel, or constrain, or attempt to coerce, compel, or constrain a licensee—

And so on. Personally, I did not think that the language added anything to the strength of the paragraph. However, it was put in by the other House.

Mr. TUNNELL. Mr. President, before I take my seat I wish to read another short portion of the evidence which appears on page 44 of the record from which I have previously read. The questions and answers were as follows:

Senator TUNNELL. Mr. Petrillo, what percentage of the musicians of the company belong to your union?

Mr. PETRILLO. Senator, I will say right now that every professional musician in the United States and Canada belongs to the American Federation of Musicians.

Senator TUNNELL. Every one does.

Mr. PETRILLO. Yes, sir.

Senator MCFARLAND. Now, isn't that your unique position that you are talking about?

Mr. PETRILLO. I will say yes.

Senator MCFARLAND. Now, if that is correct, following up Senator WHEELER'S question, is it not absolutely necessary that you stop all recordings in order to accomplish your purpose?

Mr. PETRILLO. Yes.

Mr. President, that is what we are trying to eliminate by this bill. We are trying to eliminate those arbitrary acts on the part of men of the Petrillo type who attempt to prevent recordings in America. The bill attempts to eliminate the requirement that there must be hired one or more employees who are not needed, a practice which I am told is called feather-bedding That practice has been followed in order to enable the broadcasters to obtain records.

Mr. LANGER. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CARVILLE in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gossett	Millikin
Austin	Green	Mitchell
Ball	Guffey	Moore
Bankhead	Gurney	Murray
Barkley	Hart	O'Daniel
Bilbo	Hatch	O'Mahoney
Bridges	Hayden	Reed
Brooks	Hickenlooper	Revercomb
Capper	Hoey	Shipstead
Carville	Johnson, Colo.	Taylor
Connally	Johnston, S. C.	Tunnell
Cordon	La Follette	Vandenberg
Donnell	Langer	Wherry
Downey	McClellan	White
Ellender	McFarland	Wiley
Ferguson	McKellar	Willis
Fulbright	McMahon	Young
Gerry	Magnuson	

The PRESIDING OFFICER. Fifty-three Senators having answered to their names, a quorum is present.

Mr. BARKLEY. Mr. President, I express the hope that Senators will remain in the Chamber. I think we can have a vote on the conference report very shortly, and it would be very much appreciated on the part of all of us if those who are now present will remain.

Mr. TAYLOR. Mr. President, before a vote is taken I should like to make a brief statement. The measure now before the Senate is the so-called Lea bill, which originally left the Senate as the Vandenberg bill and was aimed at curbing Mr. Petrillo, head of the musicians' union, in order to prevent him from keeping school and educational programs off the air. That was the original object of the bill. I repeat, the bill which came back from the conference is not by any manner of means the bill which was originally passed by the Senate. It has been broadened, and I am in receipt of numerous telegrams in relation to it, from individuals in the radio field, from actors, from singers, from writers, and directors. I will say, incidentally, that I have had no communication from Mr. Petrillo or from any musicians. They seem to ignore the bill and feel that it is unconstitutional. That is the attitude they have adopted toward the bill.

We have discussed the bill for some time today and I should like to point out one or two things in it which I think are very objectionable. In the first paragraph it is provided:

It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation, or duress, or by the use or express or implied threat of the use of other means, to coerce, compel, or constrain or attempt to coerce, compel, or constrain a licensee—

To do different things. The Senator from Vermont [Mr. AUSTIN] said that included strikes. Strikes are not permitted for any one of a number of different objectives, some of which are now included in the contracts between the radio entertainers' unions and the employers.

Mr. AUSTIN. Mr. President, will the Senator yield at that point?

Mr. TAYLOR. I yield.

Mr. AUSTIN. I think there is a misunderstanding on the part of the distinguished Senator from Idaho about the meaning of my statement. I do not think I said—I certainly did not intend to say—that a strike, which is the sanction behind collective bargaining, is barred by anything in this bill relating to contracts, and if there is a misunderstanding, please let me clear it at once.

Mr. TAYLOR. I certainly do not want to misrepresent the Senator, but that is the way I understood him.

Mr. AUSTIN. This is the point: In subsection (b), paragraph 1, the misdemeanor denounced there is "to pay or agree to pay any exaction." If the Senator will look down to paragraph (3) of subsection (b), he will find that the misdemeanor that is described is "to pay or agree to pay any exaction." Now, notice that that is a selective word. It is a special word. It does not mean compensation, royalty, or other consideration for a contract. When we remember that and realize what the meaning of "exaction" is—that is, that it is an unlawful thing of itself, something not having any consideration for it—it will be seen that the matter of contract is left untouched, and the power of collective bargaining still has behind it the sanction of the power of striking.

I do not want my words to be interpreted to mean that I have represented that these provisions bar the use of the strike as a sanction for collective bargaining. If there is, as I think the distinguished Senator said, a contract right—something that grew out of the conduct of the business in the past—that is preserved by the bill as it is. If it is desired to enter into a new contract and provide for royalties—payment not only of the compensation for the act but for reproductions of it—that is not denounced in any way. It is the payment that amounts to an illegal exaction that is denounced.

The interpretation of "exaction" by Bouvier is very brief and reads as follows:

Exaction: A willful wrong done by an officer, or by one who, under color of his office, takes more fee or pay for his services than the law allows.

Between extortion and exaction there is this difference: That in the former case the officer extorts more than his due, when something is due to him; in the latter, he exacts what is not his due, when there is nothing due to him.

That is why the word "exaction" was adopted in the conference report instead of the word "tribute." Briefly stated, we find tribute to be a contribution which is sometimes raised by the sovereign from his subjects to sustain the expenses of the state. It is also a sum of money paid by one nation to another, under some pretended right. We thought that the element of sovereignty involved in the use of the word "tribute" might not reflect a precise use of that word, and in order to have our meaning perfectly clear we thought that we had better use the word "exaction." That being what is prohibited, and what is made an offense, the whole field of contracting is untouched by this prohibition. That field covers compensation, royalties, and any other consideration. The right of collective bargaining may be employed in making new contracts, with all its sanctions as they are today. They are not inhibited, prohibited, or proscribed by this bill.

Mr. TAYLOR. Mr. President, I hope the Senator is right. I hope we can take his word for it that that is the meaning of the bill; but not being a lawyer, I cannot hope to undertake to define the meaning of the bill. All I can do is to read it and take it at its face value. The bill provides that it shall be unlawful, by practically any means "to pay or agree to pay any exaction on account of the broadcasting, by means of recordings or transcriptions, of a program previously broadcast, payment having been made, or agreed to be made, for the services actually rendered in the performance of such program."

So it would be against the law to pay again for a program which had been previously performed on the air, and of which a transcription had been taken. It would be against the law to pay any fee again, so naturally it would be an exaction if the performer received any additional fee. The attorneys for the radio artists inform me that under those circumstances the artists would have to make their original fees sufficiently high to include any possible amount of rebroadcasting that might take place. At the present time they charge a reasonable fee for the original broadcast, and there is a provision in the contracts that if there are any subsequent broadcasts they are to be paid each time the performance is rebroadcast; but, if the bill is passed, they will have to increase their fees to take care of the whole thing at one time.

There is another provision, subparagraph (1), which reads as follows:

To employ, or agree to employ, in connection with the conduct of the broadcasting business of such licensee, any person or persons in excess of the number of employees needed by such licensee to perform actual services.

As I have previously pointed out, in the past some actors have played as many as seven parts on one radio program. The artists got together through their unions and decided that two parts were enough for any one person to play without receiving extra compensation. As I understand—I may be wrong—if this bill were enacted into law the performers could no longer say to the radio station operator that two parts were enough for one person to play. The radio-station operator would be the one to decide, and the artists would have no protection whatever.

There are other objectionable features to the bill, but I will pass over them and come down to subparagraph (6):

To refrain, or agree to refrain, from broadcasting or permitting the broadcasting of any radio communication originating outside the United States.

In other words, programs could be sent into this country—"piped," as it is called—from foreign countries, and our local American artists could not object by any means to this practice. The bill says "any program." A studio could even be set up across the border in Mexico to send programs to the United States, and still no objection could be made. It may be said that that would not be done; nevertheless, under the terms of the bill, it could be done. It takes away all protection from our American artists.

In closing, I should like to read an editorial from the Christian Science Monitor:

Even the authors of the wartime antistrike Smith-Connally Act now admit that it failed of its purpose. President Roosevelt vetoed it, but it was promptly passed over his veto. It was a bill directed at John L. Lewis, who did not mind it at all. It was an example of bungling legislation.

Now another bill is practically through Congress, directed at James Caesar Petrillo, head of the AFL musicians' union. It passed the House originally, 222 to 43, last month. On a second vote on the conference version, the House lined up 186 to 16. So far, the Senate has had no opportunity to vote on the measure except as a very much less detailed proposal, which it passed, without record vote, on February 1, 1945. How it will feel toward the Lea version (H. R. 5117) remains to be seen.

Of Mr. Petrillo himself, the less said the better. It is impossible to defend his attitude and his disregard of public opinion.

I wish to make it clear to the Senate that I have not been defending Mr. Petrillo's practice of not allowing cultural programs. I am not defending that. I am here trying to defend the rights of thousands of patriotic Americans who happen to be in the entertainment field in radio.

Mr. Petrillo doesn't seem to know the kind of a world he is living in. He does organized labor a grave disservice.

He certainly has, in this instance, by bringing down upon the whole amusement field this very bad bill.

Under these circumstances, it would seem reasonable that Congress could do a competent job on the abuses which Mr. Petrillo represents. An effective legislature should be able to formulate competent measures to cure a given situation. There is grave doubt, however, whether the House has done so in this instance. According to the legal saying, bad cases make bad laws. It is questionable whether the anti-Petrillo bill, as the House has formulated it, is wise in some of its far-flung provisions; and some conservatives on the floor of the House challenge its constitutionality.

This bill does not apply merely to musicians. It applies to about anybody working on or around broadcasting stations and threatens to set important precedents for almost anybody drawing a royalty.

The language is loose. At one point there is the phrase "by other means," which seems to include strikes, and the penalty for invoking these other means may be a $10,000 fine or jail sentence of a year. This was too strong for Representative CHARLES A. HALLECK, Republican, of Indiana, a reasonable middle-of-the-roader. He proposed substituting as a penalty, loss of rights under the Wagner Act, the proposal made in the Case bill. The House voted him down. Yet prison terms for refusing to work are surely uncommon in American jurisprudence.

Representative HOWARD W. SMITH, Democrat, of Virginia, coauthor of the Smith-Connally Act, was asked whether workers who violated the provisions would be subjected to indictment, prosecution, and imprisonment.

"If 5 men, or 1 man, or 500 men violate the provisions of this act by doing any one of the things narrated therein," Mr. Smith replied, "we might as well be frank about it, they subject themselves to the penalty of this bill."

Even the implied threat of strikes would apparently expose workers to criminal penalties.

The bill also enters a very complex and debatable field, the field of the artist versus the machine. Musicians have seen their performances recorded and then played over again on radios and juke boxes with misgiving. They are paid for their first performance, but how about all the others from "canned" music? In justice, is not some kind of fee or royalty for reproduction a reasonable objective? An author under copyright gets a royalty on each book sold; a music writer for each sheet of music. How about the performer, himself? Should he be debarred from appropriate fees on the multiple reproduction of his talent by mechanical means?

Perhaps this matter is debatable. But the pending bill seeks to fix the arrangements that are to exist between the musicians and the broadcasting companies. It would apparently ban such musicians' fees, or at least would ban them if they were backed up by strikes, or the threat of strikes.

It is hard to discuss a measure calmly in which James Caesar Petrillo figures. Yet, as one House Member put it, "I come not to praise Caesar—but I do not come, either, to bury the rights of labor."

Mr. President, that editorial expresses my feelings on this question exactly. As I have said, I am not defending Mr. Petrillo. But many radio artists are among our most prominent and most patriotic citizens. They gave freely during the war. They helped to raise money in the bond drives. Many of them served in the armed forces. They went overseas and entertained. It will always be found that people in the theatrical profession and the entertainment field are ready to help any worthy cause. We have not read of strikes upon their part. Nevertheless, they are greatly exercised over the provisions of this bill, and they want the right to bargain without being hog-tied.

Mr. President, I hope the Senate will not do this great injustice to these people who constitute a very patriotic and law-abiding segment of our population.

I ask for a yea-and-nay vote.

The yeas and nays were not ordered.

Mr. WHITE. Mr. President, as a signer of the report, I feel that I would be remiss if I did not state briefly my views about the situation.

I share none of the apprehensions which have been expressed this afternoon concerning the proposed legislation, but I give to it my wholehearted and unqualified approval.

It seems to me that in understanding this measure it is important to have in mind what section 506 (b) provides. I shall read and paraphrase it:

(b) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation, or duress, or by the use or express or implied threat of the use of other means, to coerce, compel, or constrain or attempt to coerce, compel, or constrain a licensee.

To do the particular things which thereafter are set forth in the various subdivisions or subparagraphs of the measure.

I think this main purpose is one which should have the approval of every Senator of the United States, because I cannot believe that any one of us could give his sanction to coercion, intimidation, threat, or duress for the purpose of compelling, coercing, or constraining an American citizen to do anything that is not lawful and that does not have the sanction of good usage and, as I believe, does not have the sanction of good morality.

I think we are familiar with the particular incidents which gave rise in the first instance to the agitation for such legislation. The first thing which came to my attention was an incident in the State of the distinguished senior Senator from Michigan [Mr. VANDENBERG] at Interlochen, where there was a school for boys and girls studying music, and the school orchestra assumed the right to broadcast over the air as a part of their work and their training. That school orchestra was prevented from broadcasting by order of the organization which has been referred to, unless fees and dues were paid to the organization for the nonperformance of such duties by its members. Mr. President, I think that incident was what brought the situation to the attention of the senior Senator from Michigan and caused him to utter the first word of protest in the Congress of the United States, a protest expressed in the measure known as the Vandenberg bill, Senate bill 63.

Having stated my approval of the general purpose of the measure, I wish to read to the Senate two or three brief comments or statements which were made when this measure was before the House of Representatives. It was before a Senate committee approximately 3 years ago, and it received long and serious attention by the members of a subcommittee of that committee. No legislation resulted from that study. In the House of Representatives only a brief time ago—I do not recall the exact dates—hearings were held on the so-called Vandenberg bill and on an amendment proposed by a Member of the House of Representatives. The then Chairman of the Federal Communications Commission, Mr. Paul Porter, in speaking of the legislation and of the offenses which gave rise to it, made the following statements:

In the first place, this action of the American Federation of Musicians results in a severe restriction being imposed upon what may be broadcast over the air. Under the American system of broadcasting, as you know, the Government is expressly forbidden to dictate to broadcasters what shall and what shall not be broadcast. This is in order to guarantee a free radio. But more than this is necessary if radio is really to be free. We must make sure that no arbitrary restrictions are imposed by private groups concerning material which shall be broadcast. It is the Commission's constant endeavor to see that the radio industry keeps itself as free as possible of all unreasonable fetters so that radio stations are in a position to discharge their obligation of operating in the public interest. Radio's ability to fulfill this obligation is hampered fully as much when its freedom of action is imposed by a labor organization as when it is self-imposed. If an organization can prevent radio stations from broadcasting a concert by high-school students, a precedent is established whereby broadcasts of speeches, forums, conventions, and so forth, will be prevented. Such a precedent should not be permitted to be established.

Then Mr. Porter, the Chairman of the Federal Communications Commission, made the following further statements:

The second evil is found in the effect of the American Federation of Musicians' action on small stations.

Mr. President, I call this portion of the statement particularly to the attention of those Members of the Senate who come from sparsely settled communities wherein there are no large centers:

We are all familiar with the fact that most professional talent is concentrated in the large cities. For the small station this means that it must to a great extent rely on amateur talent which it can find or develop in the community. Many of these communities have a good deal of latent talent that can be developed to the benefit both of the

talent and the community; this is particularly true of communities which have universities located nearby. However, the action of the American Federation of Musicians prevents radio stations from using musical talent of this kind, and if the American Federation of Musicians can prevent the use of musical talent, other groups will direct this activity at dramatic groups, singers, and so forth. Such action will force small stations either to broadcast network programs all day or to use records and transcriptions instead of developing their own individuality and contributing to the growth of their community.

I think that from what I have said you can realize the importance, so far as radio is concerned, of preventing arbitrary restrictions on the use of noncommercial educational or cultural programs such as that of Interlochen.

I commend that statement to the Members of the Senate. It is sound in every particular.

Mr. President, there is one other consideration to which I wish to allude briefly. We speak about a free radio. We have endeavored, in assuring a free radio to the people of this country, to assert Federal jurisdiction over the channels of the air and over the control and licensing of all those who use the air for broadcasting. We have placed certain regulations and authorities over that activity, and we have vested in the Federal Communications Commission certain responsibilities. That Commission determines the channels of the air on which stations shall operate, the time of day when they shall operate, and whether the stations are conforming to the technical requirements laid down by the Commission. We also have imposed upon the Commission, by existing law, the obligation to see to it that the stations serve a public interest, a public convenience, or a public necessity.

I say to the Members of the Senate that if we are to admit for a single moment that anyone other than the broadcasting stations, subject to the jurisdiction of the Commission, is to determine what shall or what shall not be broadcast over the air in the United States, we shall have taken from the Federal Communications Commission the responsibility which must be its, if we are to have an ordered system of radio communication in this Nation.

Mr. President, I think the conference report deserves the approbation of the Senate, and I hope it may receive the favorable votes of all Members of the Senate.

SEVERAL SENATORS. Vote Vote!

Mr. O'MAHONEY. Mr. President, will the Senator from Maine yield to me before he suspends?

Mr. WHITE. I yield.

Mr. O'MAHONEY. I have not had an opportunity to read the report today. The questions which have been raised by the able Senator from Idaho are serious questions which should be answered explicitly upon the record, it seems to me, if we are to vote understandingly upon this question.

I should also like to invite the attention of the senior Senator from Vermont to the questions I am about to ask.

Mr. WHITE. I shall yield to the Senator from Vermont.

Mr. O'MAHONEY. It has frequently been said, Mr. President, that a law is to be judged in its meaning, not so much by the subjective thought of its authors as by what they actually say. When we pass upon this report we must be clear in our own minds whether the language embodied in it goes beyond the correction of the admitted abuses which have been recited by the Senator from Maine and by others in connection with the particular case discussed.

So now, with respect to the interpretation of section 506 (a), I should like to ask the Senator the question which was raised by the Senator from Idaho. What is the meaning of the prohibition against "the use of other means, to coerce, compel, or constrain, or attempt to coerce, compel, or constrain a licensee" from doing any of the following six prohibitions? If, in the ordinary course of collective bargaining, a strike takes place for the purpose of enforcing the objectives which the strikers seek to attain, can it be said that such a collective bargaining strike, authorized by law, compels or constrains one of the parties to the agreement to adopt a certain policy?

Mr. WHITE. I will speak for myself, and then I shall let the Senator from Vermont speak with greater authority than I can speak. But, in my opinion, a strike may be lawful or it may be unlawful. If a strike is lawful I do not believe it is prohibited by this proposed legislation.

Mr. O'MAHONEY. Mr. President, that is not the question. The question is, What is the meaning and effect, and what meaning and effect would the court give to the words "to coerce, compel, or constrain" when used in connection with the other words "other means"? It must be admitted, I imagine, that no one would raise any question to the prohibition against "the use or express or implied threat of the use of force, violence, intimidation, or duress." But those questions are not here involved because the language of the section goes further and says, "or by the use or express or implied threat of the use of other means." So, Mr. President, it becomes essential to determine what other means are entitled to be employed, and whether an ordinary strike must be interpreted as a threat to compel or to constrain one of the groups involved in the collective bargaining.

Mr. WHITE. Mr. President, I return to what I had undertaken to say a minute ago. If a strike is lawful and for a lawful purpose, I do not believe it is breached or prohibited, or circumscribed in any degree, by the proposed legislation. I understand that is substantially the view which has been expressed by the Senator from Vermont, but he can answer more fully than can I.

Mr. O'MAHONEY. But when the Senator says "if a strike is lawful," he overlooks the fact that we are here creating a new unlawful act.

Mr. WHITE. I cannot undertake to enumerate all strikes which might be lawful.

Mr. O'MAHONEY. I ask the Senator to enumerate merely one.

Mr. WHITE. I have said that I thought a strike for a lawful purpose was not inhibited or prohibited by this proposal.

Mr. O'MAHONEY. Very well. Let me give the Senator a precise example.

Mr. WHITE. I think it is probably true that as cases arise there will be court action and court decisions as to a great many of these questions with reference to what is or is not a lawful strike.

Mr. O'MAHONEY. But when we undertake to make a new law we must at least be precise in our own minds as to what the words which we are using are intended to mean.

If the Senator will bear with me, I should like to read paragraph No. 1 of section 506 (a). First, allow me to say that it will be observed that one of the things which it will be unlawful to coerce, compel, or constrain, or attempt to coerce, compel, or constrain a licensee into doing is this:

(1) to employ or agree to employ, in connection with the conduct of the broadcasting business of such licensee, any person or persons in excess of the number of employees needed by such licensee to perform actual services.

I have read the conference report from the beginning to end, and I find no language in it which provides who shall determine whether or not the number of employees which the employer must employ is in excess of the number required to perform a certain function.

Mr. WHITE. I would say, without hesitation, that in all instances the employer should determine the question.

Mr. O'MAHONEY. Will the Senator allow me to complete the picture which I have in mind?

Mr. JOHNSON of Colorado. Mr. President, the Senator has asked a question. He has stated that it does not appear at any place in the bill that any person makes a determination. This is a penal statute, and the district court, as will be found on page 2, subparagraph (d) of the report, makes the determination.

Mr. O'MAHONEY. Mr. President, I disagree with the Senator. Subparagraph (d) states:

Whoever willfully violates any provision of subsection (a) or (b) of this section shall, upon conviction thereof, be punished by imprisonment for not more than 1 year or by a fine of not more than $1,000, or both.

Mr. JOHNSON of Colorado. And who determines that? The court determines it.

Mr. O'MAHONEY. Certainly the court determines it, but I am asking who determines whether or not the number of employees is in excess of the number needed.

Mr. JOHNSON of Colorado. The court.

Mr. O'MAHONEY. Oh, no; because here we are condemning a certain act. If we are to condemn an act we must know precisely what the act is which we condemn. Let me give the Senator the illustration which I had in mind.

Mr. WHITE. Mr. President, will the Senator first allow me to answer his question?

Mr. O'MAHONEY. If the Senator will permit me to give the illustration, then

he may answer the question. The illustration which I have in mind is this: Assume that in a broadcasting studio there are three artists who are performing night after night, on a particular program, and that they come to the conclusion that the strain upon their voices or the work which has been placed on their shoulders is too heavy, and they say to the broadcasting studio, "There ought to be five persons carrying on this program." Assume further that the broadcasting management replies, "No; three is enough." Then those three persons say, "Very well, we strike to make you employ five." Would such an act come within the prohibition of the proposed legislation?

Mr. WHITE. Beginning with the Senator's question, I think the first obligation of everyone concerned would be to negotiate and see if they could, by discussion and by concession, reach an agreement. If they could not and they arrived at an impasse, I think the employees could strike if they wished to do so. If they walked out, I think they would be doing something legal. I think they could then——

Mr. O'MAHONEY. I think the Senator's answer helps to clarify the proposed measure.

Mr. WHITE. I think the strike would be a legal one if the employees did not wish to continue any longer in the services of their employer.

Mr. O'MAHONEY. Does the Senator from Vermont agree that a strike under those circumstances would not come within the prohibition of this bill?

Mr. AUSTIN. Mr. President, the difficulty is in the circumstances. It is always a question of fact whether a person or a group of persons has committed a misdemeanor. The fact, in every case, depends on intent. If a group of employees say, for example, "There are too few of us to perform the work in justice to ourselves," and the employer replies, "No," a disagreement exists. The employees go out on a strike. Now, let the employer, at his risk, prosecute the strikers for violation of section 506 (a) (1). He takes the risk of failing to prove that the strike is a willful violation of the act. He is now before a tribunal which can determine the question.

In respect to their collective bargaining and their joint action, the strikers have not at all interfered with the law and the use of a lawful method of striking, unless it turns out that they were in the wrong, and that their act was a willful act against the law.

Mr. O'MAHONEY. The purpose of the inquiry, if I may say so to the Senator, is to determine what constitutes a willful act against the law. I gave the Senator the illustration of a precise situation. It arises by reason of the difficulty which Senators have had in interpreting the meaning of the words "other means."

Mr. AUSTIN. That is not difficult at all. We should not find it necessary again to go all over those words. We have been over them four or five times today, and the CONGRESSIONAL RECORD will help the Senator with regard to a definition of "other means." The RECORD definitely shows that the words include boycotts and strikes.

Mr. O'MAHONEY. Very well. That is precisely the point.

Mr. AUSTIN. There cannot be any ambiguity about it. The Senator has not been able himself to decide this question of fact, and he will not be able to do so in advance of the commission of one of these acts, such as compelling an employer to employ persons in excess of the number of employees needed. That is a fact to be found before anyone can have committed an offense under this law.

Mr. O'MAHONEY. Who is to determine how many employees are needed?

Mr. AUSTIN. The court. Assuming the employer and his employees agree, then there is not any issue.

Mr. O'MAHONEY. So I understand the Senator to say that in the event there are three or four or five employees in a broadcasting studio, and they in good faith believe that the work they are being called upon to perform should be performed by a larger number of persons, and they strike to bring their employer to that point of view, they are invoking the possibility that they may be prosecuted under the proposed law. Is that correct?

Mr. AUSTIN. In my opinion the words "in good faith" do not add anything to it at all.

Mr. O'MAHONEY. Then, why not strike them out?

Mr. AUSTIN. If we strike them out, the question becomes a question of fact, and no one can in advance decide that. If the Senator is willing to assume as a cold fact, not subject to controversy, not subject to the phrase "in good faith believe," that the number of persons they are striking for are indeed in excess of the number needed, then of course they would come under the law. If not, they would not.

Mr. O'MAHONEY. If the number is not actually in excess of the number needed, nevertheless, if the employer refuses to confer, the employees would at the same time be invoking the possibility of the application of the proposed law?

Mr. AUSTIN. Exactly; they take the risk.

Mr. O'MAHONEY. The Senator is very frank and clear, as always.

Mr. HATCH. Mr. President, I desire to say just one word. I do not know whether there is to be a roll call on the adoption of the report; but I wish to say that I am going to vote for the report, whether by roll call or otherwise. I do so with some misgiving as to certain of the language contained in the report. But in the light of the explanations which have been made on the floor of the Senate by distinguished Senators, I am quite sure that some of the fears expressed by the Senator from Idaho [Mr. TAYLOR], the Senator from Wisconsin [Mr. LA FOLLETTE], and the Senator from Minnesota [Mr. BALL] are unjustified and ungrounded. On the whole, the bill had better be enacted than not be enacted.

Personally I dislike very much to see criminal provisions put into labor legislation. I do not like that procedure, but under the existing circumstances I see perhaps no other adequate remedy. At least, it is too late now to try to adopt any other.

For the reasons I have stated, Mr. President, I shall vote for the conference report.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. BALL. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. WHITE. Mr. President, if I may be permitted, I desire to withdraw my point of no quorum.

The PRESIDENT pro tempore. Is there objection?

Mr. TAYLOR. I object.

The PRESIDENT pro tempore. The clerk will resume the calling of the roll.

The Chief Clerk resumed calling the roll.

Mr. TAYLOR. Mr. President, I withdraw my objection.

The PRESIDENT pro tempore. Without objection, the order that the roll be called is vacated.

The question is on agreeing to the conference report. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BRIDGES (when his name was called). I have a general pair with the Senator from Utah [Mr. THOMAS], which I transfer to the Senator from Nebraska [Mr. BUTLER], who, if present, would vote "yea." I vote "yea."

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. On this vote I transfer that pair to the junior Senator from California [Mr. KNOWLAND], who, if present, would vote "yea." I vote "yea."

The roll call was concluded.

Mr. HAYDEN. I announce that the Senator from Alabama [Mr. BANKHEAD] is unavoidably detained. He asked that the announcement be made that, if present, he would vote "yea."

Mr. WHERRY. I announce that my colleague the distinguished senior Senator from Nebraska [Mr. BUTLER] is necessarily absent. If present, he would vote "yea."

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. GLASS], and the Senator from West Virginia [Mr. KILGORE] are absent because of illness.

The Senator from Alabama [Mr. HILL] is absent because of a death in his family.

The Senator from Ohio [Mr. HUFFMAN] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from Virginia [Mr. BYRD], the Senator from Georgia [Mr. GEORGE], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Louisiana [Mr. OVERTON], the Senator from Utah [Mr. THOMAS], the Senator from

Maryland [Mr. TYDINGS], the Senator from New York [Mr. WAGNER], the Senator from Massachusetts [Mr. WALSH], and the Senator from Montana [Mr. WHEELER] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Pennsylvania [Mr. MYERS], the Senator from Illinois [Mr. LUCAS], the Senator from South Carolina [Mr. MAYBANK], the Senator from New York [Mr. MEAD], the Senator from Florida [Mr. PEPPER], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Nevada [Mr. MCCARRAN] are absent on official business.

I wish to announce that the Senator from Washington [Mr. MAGNUSON], the Senator from Utah [Mr. MURDOCK], the Senator from Montana [Mr. MURRAY], and the Senator from Oklahoma [Mr. THOMAS] are unavoidably detained.

I announce further that if present and voting, the Senator from Maryland [Mr. RADCLIFFE] would vote "yea."

Mr. WHERRY. The Senator from Delaware [Mr. BUCK], the Senator from Indiana [Mr. CAPEHART], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER], the Senator from California [Mr. KNOWLAND], the Senator from Oregon [Mr. MORSE], and the Senator from Ohio [Mr. TAFT] are necessarily absent by leave of the Senate.

The Senator from Wyoming [Mr. ROBERTSON] is absent because of illness in his family.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from California [Mr. KNOWLAND] would vote "yea" if present.

The result was announced—yeas 47, nays 3, as follows:

YEAS—47

Austin	Gossett	Millikin
Ball	Green	Moore
Barkley	Gurney	O'Daniel
Bilbo	Hart	O'Mahoney
Bridges	Hatch	Reed
Brooks	Hayden	Revercomb
Capper	Hickenlooper	Shipstead
Carville	Hoey	Stewart
Connally	Johnson, Colo.	Tunnell
Cordon	Johnston, S. C.	Vandenberg
Donnell	La Follette	Wherry
Downey	Langer	White
Ellender	McClellan	Wiley
Ferguson	McFarland	Willis
Fulbright	McKellar	Young
Gerry	McMahon	

NAYS—3

Aiken	Mitchell	Taylor

NOT VOTING—46

Andrews	George	Mead
Bailey	Glass	Morse
Bankhead	Guffey	Murdock
Brewster	Hawkes	Murray
Briggs	Hill	Myers
Buck	Huffman	Overton
Bushfield	Kilgore	Pepper
Butler	Knowland	Radcliffe
Byrd	Lucas	Robertson
Capehart	McCarran	Russell
Chavez	Magnuson	Saltonstall
Eastland	Maybank	Smith
Stanfill	Tobey	Wheeler
Taft	Tydings	Wilson
Thomas, Okla.	Wagner	
Thomas, Utah	Walsh	

So the report was agreed to.

Mr. BARKLEY. Mr. President, I am not going to move a recess now. I want to express my appreciation to all Senators who have remained here today and worked. I think the Senate has done a good day's work today in disposing of the matters which have been disposed of—the conference report and the soldiers' vote bill—and I want to express my appreciation.

INCREASE IN PAY OF ENLISTED MEN OF THE ARMED FORCES

Mr. REVERCOMB. Mr. President, out of order I ask unanimous consent to introduce on behalf of the Senator from Iowa [Mr. WILSON] and myself a bill entitled "A bill to increase the rates of monthly base pay of enlisted men of the lower five pay grades of the Army, Navy, Marine Corps, and Coast Guard for the purpose of encouraging voluntary enlistments in the armed forces."

I may say, Mr. President, that it is only fair that I give first credit for the introduction of this bill to the able senior Senator from Iowa. I am presenting it because he is necessarily absent at this time.

Furthermore, I want to say that the bill would increase the rate of monthly base pay for men already in the service, as well as those who will enter the service hereafter.

There being no objection, the bill (S. 2038) to increase the rates of monthly base pay of enlisted men of the lower five pay grades of the Army, Navy, Marine Corps, and Coast Guard for the purpose of encouraging voluntary enlistments in the armed forces was received, read twice by its title, and referred to the Committee on Military Affairs.

Mr. STEWART subsequently said: Mr. President, I did not hear the statement of the Senator from West Virginia with regard to the bill which was introduced a short time ago. I understand that the bill affects in some way the pay of soldiers. I should like to have him explain the bill briefly.

Mr. REVERCOMB. Mr. President, I introduced the bill on behalf of the senior Senator from Iowa [Mr. WILSON] and myself, and it has been referred to the appropriate committee. The title of the bill is "A bill to increase the rates of monthly base pay of enlisted men of the lower five pay grades of the Army, Navy, Marine Corps, and Coast Guard for the purpose of encouraging voluntary enlistments in the armed forces."

As I explained at the time of the introduction of the bill, the increase in base pay will apply to those now in the service, from the time of the enactment of the bill.

Mr. STEWART. Unfortunately I did not hear the Senator's explanation, and I wish to ask him a question. What percentage of increase would the bill provide over the present pay?

Mr. REVERCOMB. I shall be glad to state the increases. The able Senator knows that today the pay in the seventh grade is $54 a month. The bill would increase the pay in the respective grades to the following figures: For the seventh grade, $66; for the sixth grade, $72; for the fifth grade, $81; for the fourth grade, $90; for the third grade, $99. Those are all the increases. Men in the second grade would continue to receive $114 a month, and men in the first grade would continue to receive $138 a month.

Mr. STEWART. As the Senator has pointed out, this is for the purpose of giving encouragement to volunteers.

Mr. REVERCOMB. Yes; it is. I have very much favored, and I know that the Senator from Tennessee has favored, the building in this country of a volunteer Army and Navy.

Mr. STEWART. The Senator and I have frequently discussed that question, with the hope that legislation sufficiently worth while to attract volunteers could be enacted, as a complete substitute for the draft.

Mr. REVERCOMB. Furthermore, let me say to the Senator that others have had their pay increased, and it seems to me that it is only just that the men who are performing service in the armed forces of our country should have some increase.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. WHERRY. Before the Senator takes his seat, I should like to ask him a question. I know that the Senator from West Virginia has taken an interest in the draft and in volunteer enlistments. Will the Senator make a brief observation relative to the number of enlistments under the voluntary system, up to date?

Mr. REVERCOMB. Up to March 21, 952,000 men had volunteered for service in the Army alone. The Navy is receiving practically all its replacements through enlistments.

Mr. WHERRY. At the rate at which voluntary enlistments are proceeding, does the Senator care to make an observation as to when he feels there will be sufficient numbers to meet the requirements of a peacetime Army, Air Corps, and Navy?

Mr. REVERCOMB. A full discussion of the matter would entail some time, but I will speak in summary in this way:

Without questioning the Army's figure, which it sets for its forces, which figure has never been passed upon by the Congress or looked into to see whether it is wise and proper, let me say that the Army has stated that it wants 1,550,000 men by July 1, 1946; and from that time on its requirements grade down to 1,070,000 as of July 1, 1947.

At the present rate of enlistments there will be approximately 900,000 enlisted men in the ranks as of July 1 of this year. I do not know the exact number of officers, but it approaches 150,000. In addition, we are enlisting 50,000 Filipino Scouts, who are taken into the Army of the United States. According to the figures of the Army there will be in service on July 1 approximately 226,000 men who have not yet been in the

Army a year. I believe that that figure is low. I find that the figures of the Army are always very conservative when it comes to this question. During the past 12 months an average of 35,000 have been taken in the draft, which would mean more than 400,000 men with less than a year's service.

If the able Senator will add those figures he will find that on July 1 the Army will have more than its 1,550,000 men. As a matter of fact, if we follow this to its conclusion, the draft could be ended on May 15 without affecting the proper discharge of men from the Army.

Mr. STEWART. As I understand, earlier in the day the Senator spoke briefly on the subject of the draft. Unfortunately I was unable to hear him. However, I am informed that the Senator made the observation that the Army had increased its point requirements for volunteers.

Mr. REVERCOMB. Heretofore, up until 1 month ago, the passing grade for what is known as the competency test was 59. The competency test has been given, throughout the war and since the fall of Japan up to this time, to all men who entered the Army, whether they were draftees or whether they were volunteers, to determine whether or not the Army would receive them. This morning, for the first time, I received information that 1 month ago the Army raised that figure—for what reason I do not know—to 70. The result has naturally been a reduction and a set-back in the number of volunteers taken into the Army.

Mr. STEWART. Does that test apply both to volunteers and draftees?

Mr. REVERCOMB. Yes; as I understand, it has been applied since it was promulgated a month ago.

Mr. STEWART. I recall reading an article in one of the local newspapers a few days ago to the effect that the Army, because of its desire to increase the number of those taken in the draft, would probably begin to draft some of the IV–F men.

Mr. REVERCOMB. It has done so.

Mr. STEWART. Then the converse would be true.

Mr. REVERCOMB. Yes. The Army has made a call for IV–F men, and at the same time it has raised the standard of passing for the competency test, a standard which was used during the war. Thus the Army is saying to the Government and to the people of the country that a man who was competent to go into battle as a soldier is not now competent to serve in the peacetime army. It is the most unreasonable ruling that I have ever heard of. I have checked this information with a member of the General Staff of the Army, and I am advised that the order was issued raising the passing mark from 59 to 70. No reason was given as to why that was done.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. JOHNSTON of South Carolina. I should like to ask the Senator from West Virginia a question. Does it not seem to the Senator that in raising the standard of the passing grade at this time, when we are trying to test out the question of whether we can raise an army by the voluntary method rather than by conscription, the Army is trying to keep the boys from going into the service through the voluntary method?

Mr. REVERCOMB. Of course, I cannot know what motive is behind the action. I cannot see any appeal to reason in issuing such an order. At this time, when the Congress is faced with the great problem of whether the United States is to have a purely volunteer Army and Navy, I see no reason for the issuance of an order of that kind, when those in authority know that it will reduce enlistments and has reduced them.

Mr. President, the Members of the Senate know that until a few weeks ago the average voluntary enlistments amounted to more than 20,000 a week. In the last few weeks they have been reduced to a little more than 17,000 a week. I say that if this particular order had not been issued, in my opinion, the number of enlistments would have greatly increased. It is most unfortunate that at this time the Army has issued such an order which discourages and prevents enlistments by men who wish to serve voluntarily, and who in time of war would have been in the Army. However, as a result of the order they cannot get into the Army now.

Mr. JOHNSTON of South Carolina. So the order has a tendency, does it not, to reduce the number of enlistments?

Mr. REVERCOMB. I am advised that it has had that effect.

Mr. WHERRY. Mr. President, if the Senator will yield, I should like to ask a question. Regardless of the motive, the result is that it has reduced the number of enlistments; is not that correct?

Mr. REVERCOMB. I do not think there is any doubt about that. The situation is reflected in the enlistment figures.

Mr. WHERRY. Of course, the purpose of the Senator's bill is not only to give the men in military forces what they should have insofar as increased wages are concerned, but also to increase the size of the volunteer army. It seems to me that such an order certainly would have a tendency to decrease the size of the volunteer army.

Mr. REVERCOMB. Certainly. The Army and the Navy offer splendid advantages in respect to pay and also in respect to schooling, training, and so forth. It has been hoped that we can make service in the armed forces of the United States an attractive career for those who desire it, so that we shall have a large volunteer force. To my mind, a volunteer force is the only kind we should have.

Mr. WHERRY. Mr. President, if the Senator will yield further, I should like to ask another question. Does the Senator or does the Committee on Military Affairs contemplate an investigation into the order? It seems to me that if the Senate passes a bill providing for an increase in base pay as an inducement for increased enlistments in the armed forces, certainly the order which has been referred to should be scrutinized carefully, to make sure that it does not work at cross purposes and in contradiction of the very bill the Senator has introduced.

Mr. REVERCOMB. Mr. President, of course I cannot speak for the Committee on Military Affairs, because I am only a member—and an unimportant member—of it.

Mr. WHERRY. Mr. President, I wish to say that the Senator from West Virginia is one of the most hard-working members of the committee, and he has been rendering a real service to the people of the United States.

Mr. REVERCOMB. That is very kind of the Senator. But, Mr. President, I think this order should be considered on Tuesday, when we shall take up the question whether the draft should be extended and, if so, for what length of time.

Mr. WHERRY. Yes.

Mr. REVERCOMB. I made a statement to that effect earlier today on the floor of the Senate, when I learned of the order. I wished to have Senators know about it as quickly as possible, so that they might study it and make inquiries about it, and so that if the Army has an explanation, it may produce it.

Mr. STEWART. Mr. President, did I correctly understand the Senator to say that he understands that the order has been in effect for approximately a month?

Mr. REVERCOMB. A statement to that effect was made to me by a member of the General Staff who spoke to me about the order.

Mr. STEWART. That is news to me.

Mr. REVERCOMB. I wish to say that it is not generally known, and it is not known to the general public. I learned about it for the first time today.

Mr. STEWART. I thank the Senator.

VETERANS' EMERGENCY HOUSING ACT OF 1946

Mr. BARKLEY. Mr. President, I desire to make the veterans' emergency housing measure the unfinished business to be taken up on Monday. It is Calendar No. 1146, House bill 4761, and, with the understanding that it is not to be taken up until Monday, I move that the Senate proceed to the consideration of that bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, which had been reported from the Committee on Banking and Currency with amendments.

THE STATE OF THE NATION

Mr. WILEY. Mr. President, I have received today a letter, and I am sure other Senators have received letters of similar import, which would indicate

that the people back home are very much confused. The letter I received is from a very close friend of mine and begins:

We are disgusted with Washington. Things are starting to smell there.

Mr. President, as an antidote, I am glad to say that I read what I considered to be quite a remarkable editorial by Roscoe Drummond in the Christian Science Monitor. I should like to read a few ideas contained in the article because I think it is well that our people get back to what we might call normalcy, if it is possible. Mr. Drummond concludes his article as follows:

No; Washington is not falling apart, and it is not going to fall apart. America is here to stay.

The writer takes what I think is a very constructive position in relation to the responsibility of the press. His statement is as follows:

Fundamentally, as I see it, there are only two categories of news in the world—news of healed conditions and news of unhealed conditions—and a constructive newspaper and a constructive correspondent must be perpetually and prayerfully concerned with both.

Perhaps Washington columnists as a whole are too pessimistic a clan, so prone to see what's wrong that they fail to see what's right, so eager to correct what's going badly that they are inattentive to what's going well. This could be one of our occupational hazards.

There is no doubt that there's much that's right with Washington, and if the balance of appraisal over the past few weeks has left any different impression, then it might be useful to bring some of the credit side of the ledger into perspective. Here are a few of the more important entries:

1. The danger, which many felt, of one-man government, stemming from President Roosevelt's dominant personality and long tenure of power, no longer exists. * * *

2. There no longer is any rubber-stamp Congress. * * *

3. The Government has shown clear intention of getting rid of wartime controls as rapidly as possible. * * *

* * * * *

5. The State Department's special report on international control of atomic energy represents Government initiative, imagination, and forthrightness of the highest order. It clears the road of small-mindedness on a big subject—a notably constructive act.

6. The special McMahon Atomic Energy Committee in the Senate has also done a solid, sober, level-headed job in drawing legislation for domestic control—a Senate committee at its best.

7. The bipartisan La Follette-Monroney committee has with courage and insight recommended congressional reforms. * * *

8. Despite obstacles which a different administration might or might not have handled better, civilian production now is reported at the all-time peak of $150,000,000,000 annually.

9. The administration lately has shown new decisiveness in the conduct of foreign policy, and the unyielding support it has been giving the United Nations clearly reflects the united purpose of the American people.

10. The Republican Party has provided the Government with stalwart backing in foreign affairs, and the persistent pressing of leaders like Senator Arthur Vandenberg, Harold E. Stassen, and John Foster Dulles has given the administration the necessary lead when it has faltered.

Mr. President, in connection with my remarks I desire to invite the attention of the Senate to what I consider to be a matter of very great significance. It fits into the thing which we have been discussing today. I refer to a book review by Clifton Fadiman. The title of the book which he reviews is The First Freedom, by Morris L. Ernst. It brings into very clear review the situation which exists in this country in relation to how control of the press and control of the radio are creeping into the hands of a very few persons.

I ask unanimous consent that this review be printed in the RECORD at this point as a part of my remarks.

There being no objection, the review was ordered to be printed in the RECORD, as follows:

THE FIRST FREEDOM, by Morris L. Ernst

This book is devoted to the problem of the growing enslavement of the American mind. A few hundred men have now virtually succeeded in securing control of the press, radio, and screen; or, if you prefer to put the point another way, in these fields free enterprise is being deliberately and ruthlessly strangled. Such are the conclusions one is forced to draw from Mr. Ernst's startling but calmly written, solidly documented book. Here are a few of the facts Mr. Ernst adduces to prove this thesis that freedom of speech is being taken away from us by an unobserved and bloodless maneuver. Only 117 cities contain competing daily papers. One company dominates more than 3,000 weeklies. Fourteen companies, owning 18 papers, control one-quarter of our total daily circulation. One-third of the radio stations are interlocked with newspapers. A handful of advertising agents create the programs that bring the networks one-half of their income, which sum is contributed by only 11 advertisers. Five companies control the 2,800 key movie theaters, and 2 companies produce 90 percent of the raw film. And the growth toward monopoly continues unchecked. Mr. Ernst has no political ax to grind. He simply believes that both commercial and mental competition are being coldly stifled, and that unless the citizens do something about it, we will soon be part of an intellectual totalitarian state. He believes we can do something about it, and in his final chapter offers a series of practical suggestions, many of them involving the bringing of pressure to bear on Congress.—*Clifton Fadiman.*

NOMINATION OF NORRIS E. DODD TO BE UNDER SECRETARY OF AGRICULTURE

Mr. BARKLEY. Mr. President, there is only one nomination on the Executive Calendar, and I ask unanimous consent, as in executive session, that it be disposed of.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

The nomination will be stated for the information of the Senate.

The legislative clerk read the nomination of Norris E. Dodd to be Under Secretary of Agriculture.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed; and, without objection, the President will be immediately notified.

RECESS

Mr. STEWART. Mr. President, I believe there is nothing further to be done today. If that is so, I now move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 41 minutes p. m.) the Senate took a recess until Monday, April 8, 1946, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate April 6 (legislative day of March 5), 1946:

DEPARTMENT OF AGRICULTURE

Norris E. Dodd to be Under Secretary of Agriculture.

SENATE

MONDAY, APRIL 8, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God of peace, who hast taught us that in returning and rest we shall be saved, in quietness and confidence shall be our strength. By the might of Thy spirit lift us, we pray Thee, to Thy presence where we may be still and know that Thou art God; by the grief and sorrow under every sky, by the privation and hunger of mothers and children, by blighted lands strewn with poverty, shame, and suffering, by the crimson tide of sacrifice in which the treasures of manhood have been poured out, redeem us, O God, as a people unto Thy holy ways. Save us in this great hour from the madness of man's mistaken plans. In paths beyond our human eye to discover, lead us to that concord which is the fruit of righteousness. Grant us reason and insight to apply our hearts unto wisdom and to bring every thought and effort into captivity to the high endeavor of peace on earth. In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Saturday, April 6, 1946, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 63. An act to amend title V of the Communications Act of 1934 so as to prohibit certain coercive practices affecting radio broadcasting; and

S. 1425. An act to revive and reenact the act entitled "An act to authorize the county of Burt, State of Nebraska, to construct, maintain and operate a toll bridge across

the Missouri River at or near Decatur, Nebr.," approved June 8, 1940.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	Overton
Austin	Hart	Pepper
Ball	Hatch	Radcliffe
Bankhead	Hawkes	Reed
Barkley	Hayden	Revercomb
Bilbo	Hickenlooper	Robertson
Brewster	Hoey	Saltonstall
Bridges	Huffman	Shipstead
Brooks	Johnson, Colo.	Smith
Buck	Johnston, S. C.	Stanfill
Bushfield	Kilgore	Stewart
Byrd	La Follette	Taft
Capper	Langer	Taylor
Carville	McCarran	Thomas, Okla.
Connally	McClellan	Thomas, Utah
Cordon	McFarland	Tunnell
Donnell	McKellar	Vandenberg
Downey	McMahon	Wagner
Ellender	Mead	Wheeler
Ferguson	Millikin	Wherry
Fulbright	Mitchell	Wiley
George	Murdock	Willis
Gerry	Murray	Wilson
Gossett	Myers	Young
Green	O'Daniel	
Guffey	O'Mahoney	

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Alabama [Mr. HILL] is absent because of a death in his family.

The Senator from Florida [Mr. ANDREWS] and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], the Senator from Washington [Mr. MAGNUSON], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

The Senator from Massachusetts [Mr. WALSH] is a member of the Board of Visitors to the Naval Academy. The board is meeting today at Annapolis, and the Senator from Massachusetts is, therefore, necessarily absent.

Mr. WHERRY. The Senator from Oregon [Mr. MORSE] has been excused to attend to his duties as a member of the Board of Visitors to the Naval Academy in Annapolis.

The Senator from Nebraska [Mr. BUTLER], the Senator from California [Mr. KNOWLAND], and the Senator from Oklahoma [Mr. MOORE] are absent by leave of the Senate.

The Senator from Indiana [Mr. CAPEHART] is necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The PRESIDENT pro tempore. Seventy-six Senators have answered to their names. A quorum is present.

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the United Home Owners of Illinois, Chicago, Ill., praying for the enactment of legislation permitting property owners to secure a 30-percent increase in rentals now in force, which was referred to the Committee on Banking and Currency.

UNIVERSAL MILITARY TRAINING—RESOLUTION OF CAPTAIN EDGAR DALE POST, NO. 81, AMERICAN LEGION, EL DORADO, KANS.

Mr. REED. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Captain Edgar Dale Post, No. 81, the American Legion, of El Dorado, Kans., in favor of the American Legion plan for universal military training.

There being no objection, the resolution was received, referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

Whereas the American Legion is mandated to the belief that the only effective basis of a sound and continuing military and naval policy for a democratic form of government is the training of every able-bodied young man to defend his country, and has, since its inception, advocated the adoption of a system of universal military training in the United States of America; and

Whereas the American Legion further, by mandate of its 1944 National Convention in Chicago, Ill., endorsed and is committed to the immediate enactment, on the part of Congress, of legislation embodying not only the principle but specifically (1) that every qualified young American male shall receive the advantage of 12 months of required military training, integrated with his academic education, and at an age least apt to disrupt his normal educational and business life; and

Whereas, the national legislative committee of the American Legion has presented to Congress amendments to H. R. 515 which, if enacted, will place into legislation the desires of the American Legion as expressed by the twenty-seventh annual convention: Be it therefore

Resolved, That Captain Edgar Dale Post, No. 81, of the American Legion, endorses and approves the amendments to H. R. 515 as presented to the Congress by the American Legion, and calls upon the two United States Senators and the seven Congressmen from the State of Kansas to support this legislation.

INVESTIGATION OF TIRE MANUFACTURERS—RESOLUTION OF KANSAS INDEPENDENT TIRE DEALERS

Mr. REED. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Independent Tire Dealers of the State of Kansas, regarding an investigation of the tire manufacturers and indicating their hope and desire that the investigation will result in vigorous prosecution and substantial remedying of the present deplorable situation.

There being no objection, the resolution was received, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolution of Independent Tire Dealers of the State of Kansas

Whereas there is here assembled at a meeting in Wichita, Kans., on the night of April 3, 1946, a cross section of Independent Tire Dealers of the State of Kansas; and

Whereas full information has been given to said meeting in regard to the monopolistic and price discriminatory methods of the tire manufacturers, which are now being investigated by the Attorney General of the United States in relation to the alleged violation by said methods of the Sherman Antitrust Act; and

Whereas there has been full discussion of same by the tire dealers here assembled, representing every section of the State of Kansas: Now, therefore, be it hereby

Resolved, That the Attorney General of the United States be commended for his said investigation and urged to make said investigation as complete and thorough as possible and to follow it with all the prosecutions, both civil and criminal, that may be justified by the information and evidence emanating from said investigation to the end that the present deplorable situation may be remedied.

This resolution was carried unanimously. Following are the cities in Kansas the independent tire dealers of which were represented at the meeting and voted for the resolution: Wichita, El Dorado, Hutchinson, Independence, Garden City, Florence, Winfield, Kansas City, Arkansas City, Parsons, Eureka, Salina, and Emporia.

Respectfully submitted.

J. WALTER MARTIN,
Chairman of the Meeting.
W. F. HOLLEICKE,
Secretary of the Meeting.

RESTRICTION OF DELIVERY OF FLOUR TO BAKERS—TELEGRAM FROM KANSAS BAKERS ASSOCIATION

Mr. CAPPER. Mr. President, I am just in receipt of a telegram from the Kansas Bakers Association relating to the delivery of flour to bakers. I ask unanimous consent to present the telegram for appropriate reference and printing in the RECORD.

There being no objection, the telegram was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

JUNCTION CITY, KANS., *April 5, 1946.*

Senator ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.:

Information from Washington indicates consideration now being given a plan to restrict delivery of flour to bakers to 75 percent of 1945 use. This means bread rationing and American children will go hungry if that comes to pass. Present limitations on sugar, scarcity of fats, and 80-percent extraction flour have already forced bread quality far below prewar standards. Any further tampering with a basic item in the Nation's food supply is dangerous and must be stopped at all cost. Kansas bakers are cooperating with the program set up by the famine emergency committee, even though it requires great financial sacrifice. A 25-percent reduction in production in the face of constantly increasing labor and raw-material costs will make it impossible for bakers to continue to sell bread at present ceiling prices established in 1942. Poor quality products caused by long extraction flour will have a 10-year effect on wheat consumption and production. Rationing bread will extend this another 5 years. This program is vicious in the effect it will have on the Nation's consumers, bakers, and wheat growers. We respectfully urge you to do everything in your power to stop this program.

KANSAS BAKERS ASSOCIATION, INC.,
J. H. SHELLHAAS, *Secretary.*

CONTINUATION OF MILK SUBSIDIES—RESOLUTION OF THE LEGISLATURE OF NEW YORK

Mr. MEAD. Mr. President, I have in my hand a copy of a resolution which was adopted by the Assembly of the State of New York and concurred in by the State senate. It places the legislature of my State on record in support of the

continuation of milk subsidies. Because of the importance of the subject, I shall read the last two paragraphs of the resolution:

Resolved (*if the senate concurs*), That the Congress of the United States be and it hereby is respectfully memorialized and urgently requested to enact legislation or in cooperation with the Secretary of Agriculture take such other steps as may be necessary for the purpose of continuing payment of subsidies for a period of 1 year, or until the end of such crisis, to producers of dairy products in such manner and in such amounts necessary to insure fair cost thereof to consumers and fair prices therefor to producers; and be it further

Resolved, That copies of the foregoing resolution be transmitted to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, to each Member of Congress from the State of New York, and to the Secretary of Agriculture of the United States.

Mr. President, the question of milk subsidies and their continuation of course depends entirely upon the action taken by the Congress. Under existing plans they will be carried forward until June 30 next. After that legislation will be required, and I trust, because of the situation which exists at the present time, when drastic changes in price levels may result in serious difficulties, the subsidy suggested in the resolution adopted by the New York State Legislature will be continued.

Informed sources tell us that milk production is declining, and with the great and growing demand for increased food production, the very reverse should be the fact. Therefore subsidies should be continued until such time as an adjustment in the price level would be more easily brought about and more readily accepted.

Mr. President, I ask that a copy of a statement which I made some time ago on this subject be printed in the RECORD at this point.

There being no objection, the statement of Mr. MEAD was ordered to be printed in the RECORD, as follows:

The producers of dairy and other farm products of New York State should be given their rightful place in any social and economic readjustment arising in the postwar development.

It is important to our economy that the initiative, the resourcefulness, and the relative standing of the farmer be maintained, and that the Government agencies give him a greater measure of protection than ever before against those who unrightfully would deny him the fruits of his skill and labor.

That protection should be guaranteed him, first, as a matter of justice and, second, as a reward for the magnificent manner in which the farmer supplied our history-making demands for the food so necessary to victory.

There have been glaring inequalities in the important milk industry for more than a quarter of a century, and what the defenseless farmer has lost in terms of dollars and cents is incalculable.

That such a social and economic dislocation in the life of the farmer and his family has prevailed for so long is a reflection upon the progressive spirit of our governing authorities.

Some of our people see a ray of hope for the milk-producing farmers in the impending investigation of the dairy industry by the 17-member legislative committee set up by the Ives bill at the 1945 session of the State legislature. I hope and trust there is justification for this optimism.

It is advisable, in my opinion, that this committee lay great emphasis on the milk question for therein lies the farmers' most pressing problem. It is important (1) that thorough inquiry be made of the price spread between the producer and the consumer; (2) that complete and accurate data be collected with reference to the procedure of weighing the farmer's milk at plants; (3) that information be gathered with regard to the feasibility and fairness of a uniform inspection of dairy plants; (4) that supervision of the butterfat tests be investigated for the benefit of the producer and the consumer as well as the dealer, and (5) that every iota of information hinting at malpractice or deception in milk business procedure be compiled for submission to the State authorities as quickly as possible. Federal agencies having to do with farm equipment and supplies should cooperate fully in advancing the well-being of our agricultural producers.

Such a wholesome expedient as this will assure the milk farmer of our State a remedy for his present social and economic ills. Such a wholesome expedient as this will reflect credit upon the character and stability of the committee charged with the responsibility of the investigation.

Mr. MEAD. I also ask that a copy of the resolution adopted by the New York State Assembly on February 18, 1946, be inserted in the RECORD at this point.

The resolution of the Legislature of the State of New York was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, under the rule, as follows:

Whereas the public interest requires that producers of dairy and other farm products receive a just and fair price for their products, and at the same time, that consumers be protected from unjust and oppressive prices; and

Whereas the Federal Government, for the purpose of protecting both producers and consumers, has pursued a policy of paying producers a dairy feed subsidy; and

Whereas while this method of maintaining consumer ceiling prices established by the Office of Price Administration and of returning fairer prices to the producer does not seem to be approved by a great portion of the people as the most desirable method of accomplishing such purpose, it has, nevertheless, been successful to a degree and is now the only method being supported by the Federal Government; and

Whereas the State of New York, by its commission created pursuant to chapter 494 of the laws of 1945, is engaged in a study of the subject of price structure, as it affects producers and consumers of dairy products, but that such study by said commission and its report to the Legislature of the State of New York will not be completed in time for legislative action for some time; and

Whereas the extraordinarily high cost of dairy feed and farm labor continues, creating a financial crisis within the dairy industry, which, there is reason to believe, will continue for at least another year; and

Whereas it is vital to the welfare of the people in general, and to producers and consumers in particular, that such ceiling prices be maintained and that producers receive a fair and just return for their products by such means as may be at the disposal of the Government of the United States during such crises: Now, therefore, be it

Resolved (*if the senate concur*), That the Congress of the United States be and it hereby is respectfully memorialized and urgently requested to enact legislation, or, in cooperation with the Secretary of Agriculture, take such other steps as may be necessary, for the purpose of continuing payment of subsidies, for a period of 1 year or until the end of such crisis to producers of dairy products in such manner and in such amounts necessary to insure fair cost thereof to consumers and fair prices therefor to producers, and be it further

Resolved (*if the senate concur*), That copies of the foregoing resolution be transmitted to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, to each Member of Congress from the State of New York, and to the Secretary of Agriculture of the United States.

By order of the assembly:

ANSLEY B. BORKOWSKI,
Clerk.

In senate, March 19, 1946, concurred in, without amendment.

By order of the senate:

WILLIAM S. KING,
Clerk.

REPORT OF A COMMITTEE

Mr. ELLENDER, from the Committee on Claims, to which was referred the bill (H. R. 1352) for the relief of Herman Feinberg, reported it without amendment and submitted a report (No. 1132) thereon.

NATIONAL HOUSING POLICY—REPORT OF A COMMITTEE

Mr. WAGNER. Mr. President, on behalf of the Senator from Ohio [Mr. TAFT] and myself, from the Committee on Banking and Currency, I ask unanimous consent to report favorably with an amendment the bill (S. 1592) to establish a national housing policy and provide for its execution, and I submit a report (No. 1131) thereon.

The PRESIDENT pro tempore. The Parliamentarian calls to the attention of the Chair the fact that the bill just reported by the Senator from New York [Mr. WAGNER] is reported by him for himself and for the Senator from Ohio [Mr. TAFT]. It is suggested to the Chair by the Parliamentarian that, under the rule, a Senator cannot so report a bill. He must report it himself. So the addition of another Senator's name to his name must be stricken out.

Mr. BARKLEY. I may say that the reason that was done is because the Senator from Ohio [Mr. TAFT] is one of the coauthors of the bill. I am sorry the rule prohibits his name being attached to the report as presented to the Senate.

The PRESIDENT pro tempore. The Chair is also sorry, but must enforce the rule.

Without objection, the report will be received, and the bill will be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MEAD:

S. 2039. A bill to amend section 32 (a) of the Trading With the Enemy Act of October 6, 1917, as amended; to the Committee on the Judiciary.

By Mr. THOMAS of Utah:

S. 2040. A bill for the relief of the estate of Wendell D. Wagstaff; to the Committee on Claims.

By Mr. McCARRAN:

S. 2041. A bill to amend the act of May 28, 1896, as amended, relating to the appointment of assistant United States attorneys; to the Committee on the Judiciary.

By Mr. ELLENDER (by request):

S. 2042. A bill for the relief of Harry Burstein, M. D. Madeline Borvick, and Mrs. Clara Kaufman Truly (formerly Miss Clara M. Kaufman); to the Committee on Claims.

By Mr. PEPPER:

S. 2043. A bill to provide that the United States shall aid the States in the acquisition and development of systems of State parks, and for other purposes; to the Committee on Public Lands and Surveys.

DEPLETION OF ORE RESERVES OR MINERAL DEPOSITS—AMENDMENT

Mr. McCARRAN submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 1232) to protect mining companies from any administrative requirements inconsistent with settled law respecting the depletion of ore reserves or mineral deposits, which was referred to the Committee on Mines and Mining and ordered to be printed.

WORLD WARS MEMORIAL TEMPLE

Mr. PEPPER. Mr. President, I desire to amend Senate Joint Resolution 43, a resolution introduced by me to provide for the construction of a suitable memorial to those who were in the armed forces in World War I and World War II, to be known as World Wars Memorial Temple, by inserting as one of the introducers of the resolution the Senator from Maine [Mr. BREWSTER].

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PEPPER. Mr. President, in connection with the joint resolution, I should like to say that at a mass meeting held in the National Press Club auditorium recently a great many citizens of Washington gathered in support of the memorial sought to be built. There were a number of communications received at that time in support of the project, and I ask that they be incorporated in the body of the RECORD immediately at the conclusion of my remarks.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

CULVER CITY, CALIF., *April 2, 1946.*

FRANK W. LUTHER,
National Press Building,
Washington, D. C.:

I heartily endorse a memorial in Washington to our Nation's fighting men and women, so that there will be a living monument to the ideals for which they fought and won a terrible war. And it is only right, I believe, that this memorial should be a structure where the people of the Nation can pay tribute to their heroes, both living and dead, with both praise for the past and signs of the progress of the future. This is the way I am sure our fighting men and women want it. I wish you every success in the accomplishment of such a worthy cause.

DANIEL T. O'SHEA,
President, Vanguard Films, Inc., Makers of Selznick International Films.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 1, 1946.

Mrs. MARGARET NOHOWEL,
Washington, D. C.:

I think the idea of a practical World Wars Memorial Temple, to be used as an auditorium, is a fine thing and I wish to extend every good wish and encouragement to the committee of distinguished citizens who are giving their endorsement to this worthwhile project.

Kindest regards and best wishes.

Sincerely yours,

JASPER BELL.

NEW YORK, N. Y., *April 2, 1946.*

FRANK LUTHER,
National Press Building,
Washington, D. C.:

This is to express my endorsement in behalf of Paramount Pictures for the establishment of a World Wars Memorial Temple. Such an auditorium would provide a lasting tribute to the sacred dead of our armed forces and would assure superb facilities for the presentation of such ceremonies as would be proper in such surroundings. The people of Washington and this Nation have waited a long time for a forum within which the largest meetings might be held. Wherein the latest development of sound and film projection are incorporated. It is imperative that our Capital, to which all the world now looks constantly, should be properly equipped. I offer my personal support for the accomplishment of so weighty and worthy an objective.

Sincerely,

Col. CURTIS MITCHELL.

WASHINGTON HEBREW CONGREGATION,
Washington, D. C., March 27, 1946.

Mrs. ELIZABETH BUTLER HOWRY,
Washington, D. C.

MY DEAR MRS. HOWRY: I have tried hard to be free on the second and be with you at the Press Club meeting, but, as I had mentioned, a previous dinner where I am to make the principal address was scheduled many weeks before and all I can do now is to convey the greeting below for you to read to those who will gather that night.

I am wholeheartedly behind the legislation recommended by Senator PEPPER and Congressman RANDOLPH, and will do all I can to arouse further public support. There is no step I can think of that is more wholesome, will bring greater public blessing, and will be in fullest accord with the sacred purpose of a war memorial in the Capital of this free land—the world's last best hope on earth.

Sincerely,

NORMAN GERSTENFELD.

THE UNITED STATES HIGH COMMISSIONER TO THE PHILIPPINE ISLANDS,
Washington, D. C., February 25, 1946.

Mrs. ABIGAIL HOLMAN VILLARET,
Wardman Park Hotel,
Washington, D. C.

DEAR MRS. VILLARET: I have your note with enclosures concerning Senate Joint Resolution 43 and House Joint Resolution 182. You may count on my enthusiastic support. Washington's first need in public buildings is a suitable auditorium, and I can think of no more useful and fitting memorial to those who served in the armed forces during World War I and World War II.

With kindest regards and every good wish, I am,

Very sincerely,

PAUL V. MCNUTT,
United States High Commissioner.

WASHINGTON, D. C., *March 28, 1946.*

The Citizens' Committee for World Wars Memorial.

DEAR SIRS: I am heartily in favor of the construction in Washington of a World Wars Memorial Temple, as contemplated by the Pepper-Randolph bill.

Very truly yours,

DAVID FOOTE SELLERS.

NAVY DEPARTMENT,
OFFICE OF THE CHIEF OF NAVAL OPERATIONS,
Washington, D. C., March 30, 1946.

The Citizens' Committee for World Wars Memorial.

GENTLEMEN: I heartily endorse the construction in Washington of a World Wars Memorial Temple, a national civic center honoring those men and women who served in the armed forces of our country in World Wars I and II, without regard to race, creed, or color.

Sincerely,

C. W. NIMITZ,
Fleet Admiral, United States Navy.

PRINTING OF PRAYERS OF THE CHAPLAIN OF THE SENATE

Mr. HAYDEN submitted the following resolution (S. Res. 252), which was referred to the Committee on Printing:

Resolved, That 2,500 copies of the prayers offered by the Reverend Frederick Brown Harris, doctor of divinity, Chaplain of the Senate, at the opening of the daily sessions of the Senate during the Seventy-seventh, Seventy-eighth, and Seventy-ninth Congresses, inclusive, be printed and bound for the use of the Senate.

TEMPORARY PEACE AGREEMENT WITH ITALY

Mr. MEAD submitted the following resolution (S. Res. 253), which was referred to the Committee on Foreign Relations:

Whereas a just peace settlement with the new Italy is indispensable to world stabilization, security, and peace; and

Whereas the Big Four foreign ministers and their deputies have for months been engaged in negotiations marked by serious disagreements as to the terms of the Italian peace settlement and without any apparent prospect of reaching an accord; and

Whereas this deadlock has intensely aggravated international uncertainty and, thereby, gravely hampered postwar reconstruction and the full resumption of world trade—both of which are essential to the prosperity of America and all other nations; and

Whereas this deplorable delay has intensified feeling in the Venezia Giulia section of Italy, which is a veritable powderkeg beset by mounting dangers of a world-wide explosion; and

Whereas this prolonged disagreement among the Big Four has had the effect of retarding and impeding Italy's efforts to rebuild its economy, to attain its full national regeneration on a sound democratic basis, and to return to its rightful place in the community of free and peaceful nations; and

Whereas our country's predominant world position, the absence of punitive demands on the new Italy, the deep friendship and regard of the Italian people for our Nation and its democratic institutions, and the traditional firm and varied ties between the American and Italian peoples, render the United States of America best fitted to break this deadlock and set a good example for other nations to follow: Therefore be it

Resolved, That it is the sense of the Senate that our Government should propose the immediate conclusion of an interim agreement with Italy—subject, however, to the final treaty of peace whenever it may be agreed upon; and be it further

Resolved, That it is the sense of the Senate that in proposing this interim accord with Italy, our representatives should give full recognition to and be guided by the following principles:

(1) Even before the overthrow of the Fascist dictatorship, the late President Roosevelt, Prime Minister Churchill, and

Marshal Stalin, as the spokesmen of the Big Three Powers, always distinguished between the Italian people and the tyrannical regime which had plunged their country into a partnership with Hitler against their will and interests.

(2) Even before the Italian people were able to join arms with the Allies and fight heroically side by side with our troops and behind the enemy lines, the Allied powers repeatedly promised them that in the post-war settlement they would be given full credit for their contribution toward the defeat of Germany.

(3) All such promises made by representatives of the American people should be faithfully honored.

(4) For more than 2 years—in the decisive phase of the struggle against the Axis—Italy was a cobelligerent with the United Nations and rendered invaluable moral, material, and military contributions to the victory over the common enemy, contributions which were accorded the highest praise by Allied commanders in the field.

(5) Consequently, the interim agreement with Italy should be based on recognition and treatment of Italy as a friendly, peace-loving democracy worthy of the benefits of the Atlantic Charter.

(6) The interim agreement should fully recognize the national sovereignty of the Italian people and Italy's eligibility to membership in the United Nations.

(7) All restrictions on Italy's foreign trade and all obstacles to her resumption of normal commercial and financial relations with the United States should be removed.

INVESTIGATION OF EMPLOYMENT OF MINORITY GROUPS

Mr. WILLIS. Mr. President, during the war there was a sharp increase in employment opportunities for millions of workers, in which our colored citizens shared in large numbers. During this period there was a great shift in population, during which hundreds of thousands of Negroes and citizens of other minority groups migrated to war industry manufacturing centers.

During the reconversion period, which now is in progress, large numbers of members of minority groups have again been forced to migrate in search of employment. There has been a downgrading of workers in many industries and it may be that minority groups have been the chief sufferers in this process.

There has been no comprehensive survey made of the effect of reconversion upon colored workers and others of minority groups. While employment has been maintained far above the estimates made by Congress, officials, and economists, it is probable that many workers have suffered injustice through enforced shifts and downgrading in their occupations. It may be that the innate sense of fairness of Americans has resulted in less injury to minority groups than many feared would happen in the reconversion problem.

Mr. President, an act of Congress approved July 17, 1945, provides in effect for the termination of the Committee on Fair Employment Practice on June 30, 1946.

Recently the Senate debated at length the fair employment practice bill, which was stymied by a successful filibuster. This legislation will no doubt be considered again and it may be desirable for Congress to consider other measures affecting the economic future of our colored citizens.

In order that the investigation which I proposed should not be blamed for the delay of consideration of the fair employment practice bill, or other legislation, I have provided in the resolution that the committee shall make a report to the Senate within 90 days after its appointment.

A Senate investigating committee, by sending investigators to key cities and by holding a series of hearings, could establish the facts without the great delay which frequently accompanies an inquiry. A formal report by the committee would not only give Congress the necessary information in considering legislative matters but would focus the attention of the public on the grave problems of reconversion.

I ask unanimous consent to submit for appropriate reference a resolution providing for the appointment of a special committee of five members to investigate the effect of reconversion upon employment opportunities of minority groups.

There being no objection, the resolution (S. Res. 251) was received and referred to the Committee on Education and Labor, as follows:

Resolved, That a special committee of five Members of the Senate, to be appointed by the President pro tempore of the Senate, is authorized and directed to make a full and complete study and investigation to determine the effect of reconversion and the transition from a war economy to a peacetime economy upon the employment opportunities of minority groups, particularly the colored citizens of the Nation. The committee shall report to the Senate from time to time the results of its study and investigation together with such recommendations as it deems desirable. The first report of the committee shall be made not later than 90 days after the date of its appointment.

For the purposes of this resolution the committee, or any duly authorized subcommitteee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-ninth Congress, to employ such experts, and such clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

TRIBUTE TO THE LATE LT. COMDR. JOHN D. DALZELL

Mr. JOHNSON of Colorado. Mr. President, I wish to pay a brief tribute to the late Lt. Comdr. John D. Dalzell, of the Navy Flying Corps, a Denver boy. For several years one of the outstanding members of this branch of the Navy, he rose through the various grades to the rank of lieutenant commander. He was an expert in aviation, both as an aeronautical engineer and a flier. Before the war, with his own hands he built several planes in which he flew. Modest and unpretentious, he possessed courage, initiative, and daring, and in addition to being an excellent officer and aviator, he was a devoted son and brother.

It was a great shock to his family and his large circle of friends and admirers when last Thursday, while flying eastward from Arizona, from some cause yet undetermined, his plane crashed in New Mexico, and all 11 on board were killed.

In Lieutenant Commander Dalzell's passing the country loses a superb and valiant officer, his family an affectionate son and brother, and his State an outstanding, patriotic citizen, who gave great promise of becoming one of her most noted aeronautical engineers.

RELATIONSHIP BETWEEN OFFICERS AND ENLISTED MEN IN THE ARMY—LETTER FROM GEORGE R. POOLE

Mr. HOEY. Mr. President, I ask unanimous consent to present and to have inserted in the body of the RECORD a letter written to me by George R. Poole, a very splendid soldier from North Carolina, who served for more than 5 years in the Army, both in this country and abroad. He discusses some plans which might be adopted to democratize the Army, and I think his suggestions are valuable.

There being no objection, the letter was received and ordered to be printed in the RECORD, as follows:

KURE BEACH, N. C., *April 4, 1946.*

HON. CLYDE HOEY,
United States Senate,
Washington, D. C.

DEAR SENATOR HOEY: After more than 5 years' service as an Army officer, both in America and overseas, I am convinced that certain unnecessary inequalities do exist in the relationship of officers and enlisted men in the Army. These inequalities, in my considered judgment, can be corrected by appropriate congressional action, and their correction, I am sure, would be not only in the public interest, but would at the same time do much to allay public criticism of Army and its officers, which is recognized as being detrimental to our prestige among other peoples.

During the war years, as a major and lieutenant colonel, I commanded both battalions and regiments, and these commands afforded me an opportunity to closely observe the conduct and standards of several hundred officers and thousands of enlisted men. I can say, without reservation, that the very great majority of officers who have served under my command were genuinely interested and concerned with the welfare of their enlisted personnel; yet time-worn Army regulations and ancient "customs of the service" too often operate to unnecessarily segregate officers from their men, and create the impression in the minds of some of these men that their officers are unconcerned with anything but their own special privileges.

It has been my experience that very few enlisted men question the fact that officers must lead them in the Army and there is little controversy over the matter of discipline, it being generally recognized as necessary; but there is great and bitter resentment on the part of nearly all enlisted men over the social inequality that "customs of the service" enforce against them and their families.

There is simply no justification in a modern democratic state for a social system implicit in the phrase "officers and their ladies and enlisted men and their wives," and the practice of complete social segregation of the two groups. Nor is the phrase "officer and gentleman," with its implication that enlisted men are not gentlemen, anything but repugnant to any fair-minded officer. I be-

lieve that all reference to "officer and gentleman" should be deleted from the Articles of War and all War Department publications, social segregation should be prohibited on Army posts, and that democratic social practices would result if all Regular Army officers were required to reside 1 out of every 3 years, in peacetime, in civilian communities.

The use of the hand salute as a salutation should be prohibited except when the soldier is on duty. Requiring the salute from soldiers in civilian communities when they are on pass and often accompanied by their families is unnecessary and, in spite of anything said to the contrary, is a mark of servility under those circumstances.

The Army's Articles of War should be completely revised at the earliest practicable date. These articles and the offenses they enumerate date from the time of the Revolution, and, in spite of the 1928 revision, are extremely archaic. They clearly set forth one law for officers and another for enlisted men. They should be rewritten so that any offense and its punishment are applicable to all military personnel, commissioned or enlisted.

The requirement that the Articles of War periodically be read to enlisted men (but not to officers) dates back to the time when most soldiers were illiterate and could not read. This practice is an insult to the intelligence of the modern American soldier and should be stopped.

I believe that legally trained enlisted men should be eligible to be seated as members of courts' martial in cases involving enlisted personnel, and that summary courts, as now provided for, should be abolished altogether since few summary court officers have any legal training. Instead, I would strongly recommend that a legally qualified officer of the Judge Advocate General's Department be appointed as summary court to try all such cases in a given post or major command.

I urge that Congress require by law that officers wear the same uniform as enlisted personnel with the exception of rank insignia. The present Army uniform is well designed, but the wearing of tailored uniforms of varying color shades by officers is another Army practice that tends to accentuate segregation of officers and enlisted personnel.

In my opinion, separate officers' messes, except at officers' clubs, should be forbidden. In organizations that I have commanded, officers were invariably closer to their men and had their confidence to a greater degree when they ate with them every day. This is particularly true of company grade officers.

Use of military vehicles and hotels by officers for social purposes to the exclusion of enlisted personnel has been abused in overseas theaters as I have personally observed. Corrective action should be taken to make these facilities available to the officers and enlisted men alike on a percentage basis; 90 percent to enlisted personnel and 10 percent to commissioned. There would likewise appear to be no logical reason why enlisted men should not be able to accrue furlough time in the same manner leave is accrued by officers.

I respectfully urge your consideration of these somewhat lengthy comments, and assure you they are the result of much serious thought. In the event you feel that they would be of interest to the committee of Congress now considering these matters, their submission to that body will be appreciated.

Yours very truly,

GEORGE R. POOLE.

PUBLIC SERVICE OF SENATOR MITCHELL OF WASHINGTON

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an article written by Ross Cunningham and published in the Seattle Times relative to the public service of Senator MITCHELL, of Washington, which appears in the Appendix.]

HISTORY OF THE AIR-MAIL SERVICE

[Mr. MCKELLAR asked and obtained leave to have printed in the RECORD data prepared by E. W. Cooper, relative to the history of the air-mail service, and a speech delivered by Postmaster General Walker at San Francisco on September 8, 1944, which appear in the Appendix.]

PROPOSED CONGRESSIONAL INVESTIGATION OF SURPLUS PROPERTY

[Mr. CARVILLE, by request, asked and obtained leave to have printed in the RECORD a statement entitled "Amvets Ask for Congressional Investigation of Surplus Property," which appears in the Appendix.]

THE FARMER AND STRIKES

[Mr. HOEY asked and obtained leave to have printed in the RECORD an editorial entitled "The Farmer and the Sit-down Strike," published in the Progressive Farmer of Raleigh, N. C., and an article entitled "Let Labor Respect the Farmer's Rights," by H. E. Robbins, also published in the Progressive Farmer, and an article entitled "Outlaw Strikes," written by Maurice R. Franks, editor of the Railroad Workers' Journal, which appear in the Appendix.]

VETERANS' EMERGENCY HOUSING ACT OF 1946

The Senate resumed consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

Mr. BARKLEY. Mr. President, I desire to discuss briefly the bill that is now pending before the Senate, known as the Veterans' Emergency Housing Act. I might say that the Committee on Banking and Currency has had two housing bills before it, one the Wagner-Ellender-Taft bill, which has been pending for many months, and upon which exhaustive hearings were held, and which was reported today unanimously by the Committee on Banking and Currency, and which I hope will be taken up immediately upon the conclusion of the action on the bill now before the Senate.

The bill now pending is House bill 4761, which is designed to facilitate and hasten the construction of houses and housing facilities for veterans.

As I said a moment ago, the Committee on Banking and Currency has just reported unanimously the Wagner-Ellender-Taft bill, and it reported unanimously the bill which is now before the Senate, with, of course, some reservations on the part of some Senators to vote on the floor for amendments or to feel free to vote as they chose. Of course, that is always the rule, anyway, without any reservations being made.

The bill now before us is strictly a veterans' housing bill. It takes into consideration the enormous shortage of houses generally in the United States, which has been accumulating for a number of years because there have been practically no houses built since before the war. As our population has increased and the number of families has increased, as it always does in a growing population, the supply of houses has not kept up with the need for houses. That would be true if there had been no war, provided the rate of marriages and births should have continued during the war period and up until now at the same rate, or approximately the same rate, they have increased with the war being in progress.

At the beginning of 1946 there were 1,200,000 families living in what we call doubled-up accommodations in the United States. In other words, they were living two families to a house or an apartment. In most cases these doubling-up processes inevitably take place among families of moderate or low incomes, and also among families where the birth rate may be greater than the average or greater than it would be among those who live in higher-priced houses.

This bill does not deal with the 1,200,000 doubled-up families as of January 1. They are left as they were, because we do not attempt in this legislation to provide for their dispersion, or for the facilities making their dispersion possible from doubled-up housing accommodations. Of course, the 1,200,000 are not all veterans. Many of them are, but not all of them.

The official estimate is that 4,132,000 additional dwelling units will be required during the 2-year period between January 1, 1946, and December 31, 1947. One million and fifty-five thousand of the required units will be provided through existing vacancies or new vacancies, that is, by people moving from one residence into another, or as the result of deaths, removals, or other causes. Of course, the existing vacancies and the new vacancies do not last long. When a house or apartment becomes vacant, even though it may be vacant for only a day or a week, it is counted as a vacancy. Someone will move into it, and it will no longer be vacant; but statistically it is a vacancy, and is counted in the 1,055,000 vacancies, regardless of the length of the vacancy. During the 2-year period existing vacancies and new vacancies will reduce the number of dwelling units of new construction which are needed during the 2-year period to 3,077,000.

The supplying of these accommodations could not even be approximated, we think, without the provisions of this bill, which contemplates the beginning of 2,700,000 units during 1946 and 1947, 1,200,000 in 1946, and 1,500,000 in 1947, which makes a total of 2,700,000 housing units for veterans. Of the 2,700,000 started in the 2-year period, 2,319,000 or 2,320,000 will be completed. The remainder of the program will probably hang over for completion beyond the 2-year period.

That will still leave, at the end of 1947, approximately 1,958,000 dwelling units in which there will be a doubling up of those living in those units. Assuming that there will be only 2 families to each house where there is a doubling up, that means that even with our program complete, approximately 4,000,000 families will be living under conditions of doubling-up at the end of 1947. Even with the veterans' emergency housing program carried forward to fullest extent, at the end of 1947 4,000,000 families will be living under conditions of doubling-up.

I mention these facts, Mr. President, in order to emphasize the great need for expediting the construction of housing facilities for the people of the United States. In order that we may accomplish the modest program upon which we have set out, more houses will have to be constructed or commenced, at least, in 1946 than were commenced in 1925, which was the peak of all years in the history of the United States in house building. Fifty percent more houses must be started in 1947 than were started in 1925. More than four times as many houses must be started in 1946 as in 1945, last year, and almost six and a half times as many houses must be started in 1947 as were started in 1945.

The total volume of construction, including other than essential construction as well as veterans' housing, must increase at unprecedented rates of growth during 1946 and 1947. Looking back over a period of 25 years, the greatest rate of growth from any one year to the next succeeding year was 42.6 percent. We now need to expand total construction for 1946 by 87 and a fraction percent over 1945, and 51 percent in 1947 over 1946. We must do that in order to accomplish the program, modest as it is and inadequate as it will prove to be from the standpoint of housing as a whole during 1946 and 1947.

In order that we may do this tremendous increases must be stimulated and brought about in the production of essential materials to enter into the building of those houses. We shall need more lumber in 1947, for example, than was made available or produced during the war year of 1942, when we were building cantonments, barracks, and all sorts of facilities for war purposes, which required vast quantities of lumber. We shall need more lumber in 1947 than was available or produced and used for all purposes in 1942.

In these days of modern construction plywood has become a very useful and essential material in the construction of houses. Plywood is made largely of softwood. We shall have to have twice as much softwood plywood in 1946 as was produced in the year 1945 and almost twice as much in the year 1947 as was available in the year 1942.

Now, let us consider common face brick, which, of course, is essential in the construction of houses. We must accelerate the 1945 rate of producing brick by two and one-half or three times, and we shall have to do the same in 1947.

Of cast-iron radiation we must make four times as much as we did in 1945.

Of gypsum board and lath we must in 1946 almost double the 1945 production.

For most of these commodities, in 1947 we must produce more than was produced in the peak years of the past.

In order to obtain sufficient production of essential materials, it will be necessary to have an unusual and extraordinary rate of acceleration in the production of the commodities which not only are essential to the increase of our housing units in the way of individual houses or apartments for veterans, but are also necessary in order that ordinary construction may have any chance at all to go forward. In short, we must increase the accelerated rate of producing these materials more than is merely necessary in order to build houses for veterans. We must accelerate the rate of production sufficiently to provide a chance for other construction, in addition to the houses which are provided for under this measure.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Kentucky yield to the Senator from Nebraska?

Mr. BARKLEY. I yield.

Mr. WHERRY. Under the price-fixing program, will it be possible by means of incentives to obtain the production of nearly twice as many houses of this particular type as were produced in 1945, and still be possible to make inducements which will provide lumber for purposes other than the construction of the houses provided for by the pending measure? Is that contemplated in this program?

Mr. BARKLEY. Yes; I say to the Senator from Nebraska that with the premium payments which I shall discuss a little later, we shall be able to accelerate the production of all these materials which are in short supply. That will be done by offering a premium for their accelerated production. The premium will be offered for the amount which is produced in addition to the normal production and in addition to the present production. In that way we shall be able to bring about the production of the materials essential to carrying out this program.

Let me also say that we do not contemplate that there will not be some price adjustments up and down the line in regard to these materials.

Mr. WHERRY. Is there anything in the hearings to indicate that there will be price adjustments?

Mr. BARKLEY. Yes.

Mr. WHERRY. The Senator from Kentucky mentioned brick. I know that our Small Business Committee has held several hearings with respect to brick. We obtained one increase. But in my State today there are brickyards which are not operating because of the low price of brick. Will the price be made flexible, or will entire dependence be placed upon a subsidy which is considered an incentive?

Mr. BARKLEY. No; for brick and other materials both incentive payments and price increases in some cases are contemplated. I think it is contemplated that there will be an increase. Whether as much as is desired will be obtained, I do not know. I cannot answer yes, because I do not know what the increase will be. But it is not intended that we shall rely altogether and solely upon incentive payments. They are to be accorded to those who step up their production, and they are to be accorded for the part of production which is stepped up. But that does not bar increases or adjustments on building material prices, through the OPA.

Mr. WHERRY. It is true that such price-increase applications are before the Administrator of the OPA. But they are at the vertical level, as I understand, in the areas of production.

Does the Price Administrator contemplate that there will be an industry-wide increase in prices, or is the only increase that is contemplated, so far as price relief is concerned, an increase made on the basis of individual applications in areas that are now before the Price Administrator? There is a great deal of difference between individual price adjustments and price adjustments or increases on an industry-wide basis. It has been my position, and, I think, that of many others, that if we had flexible prices for brick, sewer pipe, and so forth, that would be the best way to obtain the desired production.

Is the program for incentives based solely upon the desire to obtain production of the particular brick which is needed for the construction of the houses contemplated by the pending measure, or will an incentive be offered for the production of materials for all types of construction, in addition to the construction of the houses dealt with by the pending measure, in order to obtain production clear through the lumber industry and the house-building industry?

Mr. BARKLEY. I cannot speak for the Administrator of the OPA. However, I know that the building and housing expediter, Mr. Wilson Wyatt, testified on this matter. No one from the OPA appeared with reference to this measure before the committee, although it was not necessary or essential that that be done, and we did not ask anyone to do it. But such increases as are granted may partake of two types. They may be over-all increases, industry-wide, or they may be individual increases granted in cases of hardship. For instance, I think separate applications for increases have been made to the OPA by the Western Pine Association and the Southern Pine Association. I imagine, although I cannot say with certainty, that whatever increases are granted will be granted for all the types of lumber which come under the Western Pine Association and the Southern Pine Association, and not simply as individual increases to individual firms, although both might be granted.

Mr. WHERRY. Mr. President, there is nothing in the hearings to indicate that any industry-wide increases are expected. I admit I was able to read the hearings only hurriedly and I wished to take up this matter with the Senator as he made his statement. But so far as I could determine from the hearings, the increases will be at the vertical level.

Mr. BARKLEY. There is no testimony to indicate that there will not be, either.

Mr. WHERRY. I understand.

Mr. BARKLEY. In other words, we did not go into that matter, except that we asked Mr. Wyatt about it. I think he even volunteered the information that he would expect that there would be adjustments in the prices of building materials, and that incentive payments are to be allowed only in cases of shortages which cannot otherwise be made up, in order that this program may go forward.

Mr. WHERRY. In the event that no industry-wide price increase is made and that the needed production is not obtained, then we shall have to rely entirely upon the incentive payments in the effort to obtain the necessary production of the building materials needed for this program.

I should like to ask the Senator this question: Does he contemplate the use of incentive payments to increase the production of materials to be used for building outside of this program, so that it will be possible to have supplies in the lumberyards all over the United States?

Mr. BARKLEY. Incentive payments are to be made with respect to all accelerated production which is above and beyond the normal or beyond what can otherwise be expected. If the veteran's housing program could be completed without using all the materials produced by reason of the incentive payments, the remainder would be available for use for other construction which might occur in the United States.

Mr. WHERRY. Mr. President, I should like to make a closing observation. I wish to say to the distinguished majority leader that it is the opinion of those of us who have held numerous hearings on the question of price-fixing on lumber that at this time the United States is in the most serious lumber-production crisis it has ever experienced. It has been clearly demonstrated that the difficulty is a question of price. It is my opinion and, I think, the opinion of our committee, that there must be a flexible price structure, not only by means of incentive payments, but otherwise, if it is hoped to obtain anywhere near the amount of lumber which will be needed for the construction of 2,300,000 homes. Certainly price adjustments should be made, and an opportunity should be afforded all the sawmills in the country to produce lumber not only for the construction of the particular types of homes to which reference has been made, but for use by the building industry Nation-wide.

Mr. BARKLEY. Mr. President, some testimony was heard. We did not go into great detail. Further detail will perhaps be gone into when the OPA hearings start, which will be on next Monday. Of course, there is a legitimate controversy as to whether the necessary amount of building materials of all kinds can best and most speedily be obtained by price increases alone, or by incentive payments plus whatever price increases may come along in the natural course of events. But, taking into consideration the entire question of building materials, the Senator will realize that it would require an extremely long time to work out price adjustments with regard to all building materials so as to bring about an acceleration in the production of such materials in time to carry out the proposed program, even assuming that ultimately increased prices will be granted to such an extent as to induce the construction of every building that may be necessary.

Mr. WHERRY. I thank the distinguished Senator for the explanation which he has given. However, allow me to refer to a situation which I have in mind. Take, for example, the application for an increase in western pine price order to which the Senator has referred. The application for the increase has been fought through the different branches of Government for more than a year, and unless it has been changed within the past few days the order still is in effect. It seems to me that when we announce a program of this kind, private enterprise should have an opportunity to produce bricks, cast iron, and lumber which will permit the construction of necessary buildings. The present administration has denied such right. Now we are to give an incentive which will produce needed building materials and lumber. Of course, that is one method of obtaining production. But unless we have a price-fixing program which will permit the production of lumber at the mills, all the incentives which may be offered will not produce the lumber that will be required. We must have a pricing system which will permit the production of lumber, cast iron, bricks, and so forth.

I hope that when hearings on the OPA bill are held, an opportunity will be afforded members of the lumber industry, and the producers of bricks to testify concerning the difficulties which they have had in obtaining adequate prices at the mills and at the brickyards on the basis of a flexible price program which would permit the achievement of a normal and ordinary production.

Mr. BARKLEY. Mr. President, I do not wish to enter into any discussion of what the administration has or has not done. It is easy for us to be drawn into a discussion of the virtues or shortcomings of the administration. I do not wish to get into such a discussion. The pending bill is not a political bill. It was reported by the committee without regard to politics. But, as I have already stated, we will begin hearings in the Banking and Currency Committee next Monday with reference to the subject of the extension of the OPA. I have no doubt that the persons to whom the Senator has referred will be present for the purpose of being heard, and we shall be very glad to hear them. We wish to find out the facts in regard to the matter.

In the pending bill one of the powers given to the Expediter is to—and I read from paragraph 2 on page 22 of the bill:

> Issue such orders, regulations, or directives to other executive agencies (including the Office of Economic Stabilization and the Office of Price Administration) as may be necessary to provide for the exercise of their powers in a manner required by or consistent with the execution of the aforesaid plans and programs, and to coordinate the activities of such agencies directed to the execution of such plans and programs.

So, in the proposed legislation we are giving the Expediter authority to issue directives and orders to the OPA and to the Stabilization Director in regard to various matters, including price adjustments. If the Expediter finds such directions or orders to be necessary and consistent in carrying out the program.

Mr. WHERRY. So this authority would give Mr. Wyatt the power to establish a production price which may be shown by the hearings to be necessary in order to obtain production.

Mr. BARKLEY. Yes; he would have authority to do that. If the Expediter finds that in addition to the incentive payments for which provision is made, price adjustments are also necessary, or if he finds that by allowing fair and adequate adjustments, production could be brought about without the incentive payments, he will have authority to direct that such adjustments be made.

Mr. OVERTON. Mr. President, I should like to ask the Senator from Kentucky a question with respect to the priority provisions in connection with this bill. I read section 4 (a) of the bill.

Mr. BARKLEY. To what page of the bill does the Senator refer?

Mr. OVERTON. I am reading from page 27, beginning in line 24.

Mr. BARKLEY. Very well.

Mr. OVERTON. The language reads as follows:

> Whenever in the judgment of the Expediter there is a shortage in the supply of any materials or of any facilities suitable for the construction and/or completion of housing accommodations in rural and urban areas, and for the construction and repair of essential farm buildings, he may by regulation or order allocate, or establish priorities for the delivery of, materials or facilities in such manner, upon such conditions, and to such extent as he deems necessary and appropriate in the public interest and to effectuate the purposes of this act.

Is it the Senator's opinion that the language which I have read constitutes a very broad authority on the part of the Expediter?

Mr. BARKLEY. It does give him a broad authority.

Mr. OVERTON. Is it contemplated by this language that he shall have authority to establish priorities for building materials necessary for the construction of veterans' homes to the exclusion of building materials for other purposes?

Mr. BARKLEY. If the Senator will read section 4 (b), the next paragraph, he will find the following language:

> (b) In issuing any regulation or order allocating or establishing priorities for the delivery of any materials or facilities under this section, the Expediter shall give special consideration to (1) the general need for housing accommodations for sale or rent at moderate prices, (2) the need for the construction and repair of essential farm buildings, and (3) satisfying the housing requirements of veterans of World War II and their immediate families. In order to assure preference or priority of oppotunity to such veterans or their families, the Expediter shall require that no housing assisted by allocations or priorities under this section shall be sold within 60 days after completion or rented within 30 days after completion for occupancy by persons other than such veterans or their families.

In other words, he has a broad discretion in issuing those priorities. But the subsection following emphasizes the things which he must take into consideration in exercising authority over priorities. Of course, the Senator must realize that this bill is fundamentally, essentially, and primarily a bill for the construction of housing accommodations for veterans.

Mr. OVERTON. That I think is a question, at issue, and I wanted the opinion of the majority leader. Taking subsection (b), which the Senator has just read, does that in any way militate against the authority of the Expediter to direct priorities for building materials for veterans' homes? When subsection (b) says that the Expediter shall consider "the general need for housing accommodations for sale or rent at moderate prices," that is for the whole American public, is it not, and does the public come ahead of the veterans?

Mr. BARKLEY. It is not intended that the public shall come ahead of the veterans because it is provided in that paragraph that in the case of houses constructed through priorities or through the assistance of priorities the general public shall not have an opportunity to buy until 60 days have elapsed after their completion, and, if it happens to be an apartment, that no member of the general public can rent it until 30 days have expired after its completion. In other words, the veteran is given in the case of the construction of a house 60 days following its completion, during all the period of its construction and 60 days after its completion to exercise his prior right to purchase the house, or, if it happens to be an apartment, 30 days in which to have priority for renting it.

Mr. OVERTON. I assume, then, that the Senator is of the opinion that the Expediter has sufficient authority vested in him by the provisions of this bill to require the production and delivery of sufficient material to build veterans houses.

Mr. BARKLEY. Yes, that is true. That is the assumption upon which we are basing this proposed legislation.

Mr. OVERTON. That is the conclusion I have reached and I am very glad to hear the Senator say so.

That leads me to another question. If the Expediter has authority to require the production of building materials to construct houses for veterans, why the necessity for incentive payments?

Mr. BARKLEY. I am coming to a discussion of that question.

Mr. OVERTON. I should be glad if the Senator would discuss it in this connection.

Mr. BARKLEY. I turn to pages 38 and 39 and read from the provisions of section 11 which has something to do with that question:

SEC. 11. (a) The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended (50 U. S. C. 902 (e)), shall not apply to subsidies, pursuant to section 5d (3) of the Reconstruction Finance Corporation Act, as amended (15 U. S. C. 606b (3)), in the form of premium payments used only to the extent that the Housing Expediter (after considering all available means) finds them temporarily necessary to increase the supply of materials for the veterans' emergency housing program and for other construction, maintenance, and repair essential to the national well-being.

The veteran has the priority, but in considering this program of accelerating the production of materials for the construction of houses or other construction, after the veterans' priority has been satisfied, the Expediter is, of course, not expected to overlook altogether other housing essentials necessary to the national well-being.

Mr. OVERTON. The $600,000,000 authorized to be appropriated as incentive payments are to be used not only in order to provide for veterans' houses but to provide for other construction.

Mr. BARKLEY. The other construction would be incidental, I may say to the Senator. That is provided in order to assure, insofar as it can assure, the production of sufficient materials to bring about the construction of 2,700,000 veterans' houses. Whatever else might be produced over and above the materials required for them would be incidental and might be used for other purposes. But the veterans' housing situation has the first call on the materials that will be produced by the incentive payments provided for in that section.

Mr. OVERTON. As I understand the explanation the Senator gives, the priority provision is sufficient to take care of the veterans, so far as their obtaining materials for the construction of houses is concerned, and the incentive payments could then be used in aid of other construction.

Mr. BARKLEY. No. The Senator does not get that straight. The priority of the use of materials is not one thing and the use of the incentive payments another; they both go together. The incentive payments are for the purpose of bringing about a greater production of materials. After they are produced, then the Expediter gives priority to the construction of veterans' houses. They are not separate and apart; they are linked together.

Mr. OVERTON. Of course, I can readily understand that, insofar as the producer is concerned, it would be, indeed, very agreeable to him to get an incentive payment for the production of materials; but if the Expediter can require him, unless he goes out of business, to furnish material for the construction of veterans' houses, he has sufficient authority to carry out the purposes of the act, so far as veterans' houses are concerned, without the use of subsidies.

Mr. BARKLEY. That would all depend, of course. If there were sufficient materials, without the use of subsidy premium payments, to provide these houses for veterans, we would not be here with this bill; we would not be asking for $600,000,000. That amount is asked because there are not enough materials and because we believe there cannot be purchased enough and rapidly enough to bring about the program without the incentive payments, unless it might be done—and I would not be willing to guarantee that it could be done even in that case—by such an increase in the price of building material as to bring about the production of as much material as we hope to get by the incentive afforded by the premium payments. I might say that if we were able to do that, if there should be brought about increased prices of building materials of all kinds, whereas the bill authorizes a maximum of $600,000,000 for premium payments, the additional cost of the materials by the increased prices made necessary, would be $2,200,000,000 more than the $600,000,000 provided for by the bill, and the total increased cost would fall upon the veterans who buy the houses, instead of falling as it will under the incentive payments, on the entire population of the country as a sort of war obligation.

Mr. OVERTON. I understand that, but I should like to make an observation, and for a moment to pass to something else if I may. I understand the position taken by the able Senator, but I am still inclined to the view that the exercise of the right of priority would be sufficient to get building materials for the veterans.

Mr. BARKLEY. In that connection, I should like to say that the exercise of the power of priority is of no value unless there is something to exercise the priority over.

Mr. OVERTON. It can be exercised to a certain extent, and the producer will have to go out of business unless he does produce materials for veterans' houses.

Mr. BARKLEY. Not necessarily.

Mr. OVERTON. Is there any question about the ability of a veteran who wishes to construct a home to finance it? As I understand the law today, the Federal Housing Administration has the authority to insure a loan up to 90 percent, based on a reasonable value after an appraisement is made. In addition to that under the GI bill a second mortgage can be granted, if my recollection serves me right, up to $4,000.

As I recall there is a further provision that after FHA makes a loan the amount which can be guaranteed under the GI bill is 20 percent of the value of the property, of the purchase price, or of the cost of construction, and so forth. Whatever the provision may be whether it is $4,000 or 20 percent added to the 90 percent that is insured by the FHA there is abundant provision, is there not, for a veteran to finance his home under existing law?

Mr. BARKLEY. Under the GI bill the amount a veteran might receive was first fixed at $2,000, but it has been changed to $4,000. He may receive as much as $4,000 to make the down payment on the home.

Mr. OVERTON. That takes the form of a second mortgage, does it not?

Mr. BARKLEY. That is correct. For instance, if a veteran buys a lot and wants to build a house on it himself, this bill revives title VI of the Federal Housing Administration Act, under which loans may be insured and the construction of the house may be insured up to 90 percent of the value thereof. We have made it 90 percent, although there were some objections to that figure. Some members of the committee desired to have it 85 percent or even 80 percent, but we made it 90 percent.

Mr. OVERTON. That is a reproduction of the FHA provision?

Mr. BARKLEY. That is title VI of FHA. So the veteran has that advantage which he may pursue.

Mr. OVERTON. Then, on top of that, he can get $4,000 under the GI bill?

Mr. BARKLEY. He can get $4,000 for a down payment, through the GI bill of rights.

Mr. OVERTON. Under a second mortgage?

Mr. BARKLEY. Yes. The banks which make the loan under the guaranty of the FHA take a first mortgage. They do not take second mortgages. They finance the construction and insure the loan, and then the veteran can obtain a $4,000 second mortgage on the same property.

Mr. OVERTON. The two combined, it seems to me, would certainly be sufficient to finance any home construction or home purchase to be effectuated by any veteran.

Mr. BARKLEY. If there were plenty of materials with which to build the houses they wanted, the question of financing would not be so difficult, but the GI bill of rights does the veteran no good unless he can get the things with which to build a house.

Mr. OVERTON. The Senator and I discussed that a few moments ago.

Mr. BARKLEY. The FHA assistance does not help him any unless he can get the materials.

Mr. OVERTON. That is correct.

Mr. BARKLEY. This bill is not designed to provide for payment of premiums on houses. The bill is not to finance houses as completed, except through the means facilitated, which are set forth. The bill primarily is to bring about the construction of sufficient materials with which to build houses which the veterans need and want and will be in a position to buy.

Mr. OVERTON. That is a matter which, in the beginning, the Senator very ably explained to me.

Mr. BARKLEY. I do not know how ably I did it.

Mr. OVERTON. Not convincingly, but very ably.

Mr. BARKLEY. I hope to be able to convince the Senator before we are through.

Mr. OVERTON. I hope so. I have not had an opportunity to read the bill, which has just been reported. I thank the Senator very much for the information he has given me.

Mr. BARKLEY. Mr. President, I wish briefly to state that the bill as it passed the House provided for an Expediter. The office of Expediter is now in existence by order of the President. The bill gives him certain authorities, certain priorities. It includes a revival and strengthening of title 6 of the FHA. We have changed that very little. We changed the title so as to make it conform more closely to the objectives of the bill.

The two outstanding provisions of the bill which have afforded ground for controversy are the premium payments and the ceilings authorized to be put upon existing houses.

I do not think anyone will deny the need for accelerating the production of building materials. We all receive letters on this subject. I receive bitter letters nearly every day from veterans and the wives of veterans who have returned to this country from the armed services and find it impossible to buy or rent a house or rent an apartment. Some of them are asking very searching and some of them very bitter questions. They say that "'Uncle Sam had the power to go out in this great war and build houses, build cantonments, build camps, build barracks, build everything, but now that we have made a contribution to the preservation of our country through our sacrifices in this war, we come back to the United States and cannot find a house in which to live and raise our children."

I think the veterans understand the situation. They understand that while the war was on we could not engage in any extensive construction of houses. But now that the war is over, and has been over for nearly a year, they are beginning to wonder why it is that the same power we exercised while the war was on cannot to some extent be exercised to provide homes for those who have come back and find none.

I do not intend to give all the figures about the shortages in different building material, but I shall give a sample or two.

In the case of common face brick, according to our capacity and our normal production, we are short approximately 18 percent.

In structural clay tile we are short approximately 27 percent.

In building blocks we are short 32 percent.

In clay sewer pipe we are short 12 percent.

In cast-iron soil pipe we are short 28 percent.

In gypsum board and lath we are short 31 percent.

In other building boards we are short 23 percent.

In cast-iron radiation we are short 52 percent.

In sinks that are to be put into kitchens and water closets we are short 39 percent.

In plywood we are short 29 percent.

And so on. There is a long list of shortages. I give these only as evidence of the fact that there is a widespread shortage of building material. The question with which we are confronted is whether we can obtain all these short materials by the normal, ordinary processes of manufacture. In some cases there is not the capacity to increase production, and we may have to stimulate and encourage an increase in capacity, even in an existing plant, or provide a new one; but if there is the capacity, the question is whether we should assist or attempt to assist by wholesale horizontal increases in prices in order to induce men to make more than they are now making, and thereby charge the veterans of the United States, by increase in prices, $2,200,000,000, or whether we should provide for the use of $600,000,000 in the form of premium payments, to be assessed, if it becomes necessary, against all the people of the United States.

Mr. WHERRY. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. Then, what is the basis for section (2) on page 22?

Mr. BARKLEY. The Senator means subsection (2), does he not?

Mr. WHERRY. Subsection (2). That is the only "(2)" which appears on page 22. It is subsection (2) of subdivision (b) of section 2. It has to do with the authority of the Housing Expediter to issue orders and directives to other agencies. I should like to know why it is necessary, apparently, to give the authority to the Housing Expediter to compel the Office of Price Administration to set prices under which production can be increased. Why can we not get the production without giving him that authority? In other words, if as a result of the hearings on the OPA extension bill it is determined that under a flexible pricing program private enterprise, which could afford employment to 1,600,000 veterans, could produce at prices under which the various industries could function, why cannot that be done this very day? Why do we have to give to one administrator the right to compel another administrator to do something he is not doing?

Mr. BARKLEY. I discussed that subsection a while ago, but I shall be glad to do it again.

Mr. WHERRY. I was present when the Senator discussed it, and I did not hear him suggest any reason——

Mr. BARKLEY. This is the reason, as I then said: We contemplate not only the use of incentive or premium payments, but we expect also that there may be price increases, though not all up and down the line, not all the way across the board. In cases, however, where, in addition to the incentive payments, the Expediter is convinced that there ought to be a price adjustment he may order the Administrator of OPA, or the Economic Stabilizer, or any other agency of the Government of the United States, to do that. We emphasize these two by including them in the language of the bill.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. I agree with the latter part of the Senator's answer that in the event production cannot be obtained, then there should be an incentive. I can see some justification for that, even though I am not for an incentive. I can agree with the Senator wholeheartedly upon that proposal if production cannot be obtained otherwise. But, Mr. President, we have not given private enterprise an opportunity to produce lumber in this country. The Office of Price Administration has not done that. And that statement is verified by all the testimony that comes from the industry, whether located in the West, the South, Michigan, or elsewhere. The OPA has not allowed a price that will permit the mills to operate at a profit. Yet men are standing idly by because they cannot get an opportunity to work, because production has been cut down by reason of a rigid and inflexible price which the Office of Price Administration does not see fit, apparently, to change. The bill as reported to the Senate with subsection 2 on page 22 apparently would give one director authority over another director who has refused to allow a flexible price program. That is exactly what is done by the bill.

Mr. BARKLEY. The Senator ought not to object to that, if he is speaking as a friend of the lumber producers, as I am. But there are many building materials in this country besides lumber.

Mr. WHERRY. What assurance can the majority leader give me that in the event we give this authority to the Expediter, Mr. Wilson Wyatt, whom I do not know, he can compel Mr. Bowles to establish a flexible price program which will bring about the production of lumber through the private enterprise route?

Mr. BARKLEY. We authorize him to do it. Mr. Bowles recently compelled the Secretary of Agriculture to issue an order which one of our colleagues did not like.

Mr. WHERRY. Then, the bill would permit one tyrant to compel another to take certain action. That is exactly what the language of the bill would accomplish.

Mr. BARKLEY. Of course, what is the use of putting language in a bill unless we mean to give the individual the authority to do what we want him to do?

Mr. WHERRY. I should like to ask the distinguished Senator this question: If and when the new Housing Expediter, whatever his title and authority may be, fails to compel the Office of Price Administration, which is now I think controlled by the Economic Stabilizer, to permit a flexible price for an increased over-all production of lumber and other materials for building houses, then is resort had to incentive payments, or do we go to the incentive payments immediately?

Mr. BARKLEY. We go to the incentive payments as soon as the measure is enacted into law.

Mr. WHERRY. Then a chance is not given private enterprise to produce at all?

Mr. BARKLEY. No; but they may go along hand in hand. The production of all building materials cannot be increased overnight even if that were the remedy. It cannot be done in a month.

Mr. WHERRY. If the distinguished Senator will yield further, I respectfully submit this suggestion to him: Hearings have not been had at all on the price program relative to the production of lumber, nor relative to the production of brick or of any other building materials. Yet a plan is brought to the Senate by which the Expediter is instructed to compel the directors of other executive agencies to give the price increase even before it is seen what the results will be. If the results can be obtained through private enterprise, I am as sure as I am standing here that the distinguished Senator from Kentucky would rather do it that way than by means of incentive payments. But here the incentive payment is added as an inducement immediately, without a chance being given to correct the rigid pricing program which has been in existence, and which we have tried to correct for more than a year and a half.

Mr. BARKLEY. I will say to the Senator from Nebraska that I would rather, under normal conditions, increase production of building materials without incentive payments, just as under normal conditions I would have preferred not to pay subsidies on meats or on petroleum or on anything else. But we were not able to do it in that way. And if I must make the choice between——

Mr. WHERRY. Mr. President, let me——

Mr. BARKLEY. Just a moment. Let me conclude.

Mr. WHERRY. But I wish to ask the Senator a question about the statement he just made, and before he proceeds to make another statement.

Mr. BARKLEY. Let me finish my sentence. If I have got to make the choice between paying incentives, or, if Senators want to use the uglier word, "subsidies"——

Mr. WHERRY. That is what we all understand them to be.

Mr. BARKLEY. And get the production of these houses for the veterans, where the difference in the cost to the individual veteran will average about $500, as between increasing prices sufficiently or paying incentives, I prefer the premium payment to the over-all increase of price.

Mr. WHERRY. Will the Senator yield further?

Mr. BARKLEY. Yes.

Mr. WHERRY. That is begging the question.

Mr. BARKLEY. No; that is not begging the question.

Mr. WHERRY. Oh, yes; it is begging the question.

Mr. BARKLEY. The Senator says it is begging the question, but I say it is not.

Mr. WHERRY. The Senator speaks of giving the veterans $500 difference. I will give a veteran just as much as the Senator will give a veteran.

Mr. BARKLEY. I probably am not able to give the veteran as much as the Senator from Nebraska would offer to give him.

Mr. WHERRY. I am a veteran, and I am entirely sympathetic to the needs of the veteran.

Mr. BARKLEY. We do not have a bill before us which would require us individually to pay anything out of our own private property except as it comes from the payment of taxes.

Mr. WHERRY. If the Senator will yield further—and as I understood him, he said he would be glad to yield——

Mr. BARKLEY. I have yielded to the Senator off and on for quite a little while, and I am glad to continue.

Mr. WHERRY. I thank the Senator. I should like to say in conclusion, then, if the Senator declines to yield further——

Mr. BARKLEY. No, Mr. President; I am not declining to yield. But the Senator is complaining because I want to complete a sentence in answer to one of his questions.

Mr. WHERRY. Mr. President, I certainly would not want to be disrespectful to the most distinguished majority leader from Kentucky in the Senate; but I want to ask a question.

Mr. BARKLEY. The field there is limited.

Mr. WHERRY. I beg the Senator's pardon.

Mr. BARKLEY. The Senator said I was the most distinguished majority leader from Kentucky in the Senate. I say the field is limited there.

Mr. WHERRY. If the Senator does not want me to speak of him as the most distinguished majority leader, I will withdraw that. I have high regard for the distinguished majority leader.

Mr. BARKLEY. I appreciate that, and I thank the Senator.

Mr. WHERRY. If the Senator felt that I dealt with too limited a field when I spoke of Kentucky, I will make it the whole United States.

Mr. BARKLEY. The Senator is getting somewhere now.

Mr. WHERRY. Yes; we are getting somewhere now. I should like to suggest to the distinguished Senator one more thing.

Mr. BARKLEY. Mr. President, let me finish first.

Mr. WHERRY. The Senator is asking us to provide an incentive. Now whether or not we agree respecting the incentive we agree on giving the veteran relief. What I wish to say to the distinguished Senator, if he will permit me to say it, is that we have not given private enterprise an opportunity to produce under a flexible price program which for a year and a half private enterprise has asked us for. At the same time this bill provides for giving the new Housing Expediter, the new czar, the authority to compel OPA to do thus and so, an incentive program is started. Why not now compel OPA to initiate a flexible price program in order to get production? If that fails, then let us use the incentive program. That is what I have in mind and that is the question I have asked the most distinguished Senator from Kentucky, the honorable leader of the majority.

Mr. BARKLEY. I thank the Senator.

Mr. AIKEN. Mr. President, may I ask a question?

Mr. BARKLEY. Just a moment. Let me take a whack at that one. [Laughter.] In the first place we have no authority to legislate prices by an act of Congress. We cannot by law instruct the Price Administrator what he shall grant in the way of prices on anything. We cannot do that any more than we can instruct the Interstate Commerce Commission what rate to fix with respect to the railroads or anything of that sort. We can give him authority; we can even hedge it around by all sorts of restrictions, but we cannot say to the Price Administrator what price he shall fix on anything.

The Senator complains about the Price Administrator not having given private industry a chance. That is a subject we will go into next week when we have hearings on the extension of the OPA law. The Senator knows that all the price increases necessary to bring about all the production of all the building materials essential to carry out this program could not be brought about in a day, nor in a week, and they might not be brought about in a month, indeed, they might not be brought about in all cases in 6 months. We are now waiting for someone to do something which we have no authority to compel him to do, while veterans are going without housing facilities. That is my answer to the Senator's question. It may not satisfy the Senator, but that is my answer.

Mr. WHERRY. Mr. President, will the Senator permit me to make an observation in reply to that statement?

Mr. BARKLEY. Yes.

Mr. WHERRY. It does not make any difference whether we go the incentive route or whether we raise prices, if we can get production.

Mr. BARKLEY. The incentive would go into operation at once. Price increases may not come into operation at once.

Mr. WHERRY. We want a flexible pricing program which will permit production to be obtained at once; and the Price Administrator has not brought that about in 2 years.

Mr. BARKLEY. If he has not done it in 2 years, how does the Senator expect it to be done by next Sunday night?

Mr. WHERRY. By removing him from office and installing someone who will give us a flexible pricing program to do the very thing we are trying to do.

Mr. BARKLEY. Congress cannot remove him, even if he ought to be removed—and I am not admitting that he ought to be removed.

Mr. WHERRY. Congress does have authority——

Mr. BARKLEY. Congress has no authority to remove or appoint executive officials.

Mr. WHERRY. I am not going to discuss that question. The distinguished Senator well knows that under the provisions of the Price Stabilization Act, it is the obligation of the Price Administrator to establish prices which permit production. He is not doing it. Industry knows that, and the distinguished Senator knows it. Men from his own State who are engaged in the production of lumber have advised him of that very fact, I am sure.

The whole question involved in the consideration of the bill is simply this: Do we want to go the incentive route, or do we want to obtain production through private enterprise? It is my theory that subsection (2) on page 22, if it is carried out to its logical conclusion, will compel the Office of Price Administration to establish a price which will be profitable for private production. If we can get production in that way, I believe that we should not go the incentive route. I hope we can get a flexible pricing program. If that fails, certainly all of us will be much more interested in approving an incentive to obtain production.

Mr. AIKEN rose.

Mr. BARKLEY. I now yield to the Senator from Vermont.

Mr. AIKEN. I should like to obtain a little information from the Senator from Kentucky. As I understand, subparagraph (1), taken in connection with subparagraph (2) on page 22, would authorize the Expediter to direct the Office of Price Administration and the Office of Economic Stabilization to raise the ceilings on certain building materials, which might be very badly needed, above the level to which those agencies might think they were restricted by the Price Stabilization Act. Could he direct them to break through what they might consider the top ceiling?

Mr. BARKLEY. If there were a rigid and mandatory provision in the law which they could not break, I would not say that the Expediter could compel them to go beyond that or through it. He is supposed to give them directions to do things within the power of those agencies.

Mr. AIKEN. But he could not direct them to go through the ceiling to which they were restricted by law, could he?

Mr. BARKLEY. I do not think so, unless we specifically authorize a change in the administration by removing the inflexibility to which the Senator refers.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. In connection with the question asked by the Senator from Vermont, let me say that in my opinion the Housing Expediter, under the terms of this bill, could raise any ceiling to any point he desired to raise it, except for the ceiling which is fixed in this bill with respect to existing houses, which is the fixing of a price by law, which cannot be changed. But so far as the prices of building materials are concerned, I should say that there is nothing in the law which would prevent his raising the prices of building materials to any reasonable level which might be requested.

Mr. BARKLEY. I will say to the Senator from Vermont that there are no fixed prices in the law. In the OPA Act we did not fix any prices. Therefore there are none fixed by the law itself, beyond which the Administrator may not go.

Mr. AIKEN. There are prices below which he may not go.

Mr. BARKLEY. Yes. There is a formula or floor; but no ceiling is fixed in the law in terms of figures. Therefore the Expediter could compel the Administrator of OPA and the Director of Economic Stabilization to go to any figure which he thought was reasonable, although the Administrator of the OPA and the Director of Economic Stabilization might not themselves think it was reasonable.

Mr. AIKEN. The Expediter, then, could direct them to break through any limits which the OPA or the Office of Economic Stabilization might have set up for themselves.

Mr. BARKLEY. That is true.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McCLELLAN. We recognize, of course, that lumber is a very vital building material. In connection with what the Senator from Nebraska has said with respect to the lumber industry during the past 2 or 3 years, let me say that it has undertaken to obtain price adjustments and to have price ceilings fixed by the OPA which the lumber industry considered necessary to enable it to produce at a profit.

I am more familiar with the southern pine industry than with other production. My recollection is that in 1943 or 1944 there was a total production of 11,000,000,000 board feet of southern pine lumber. But because of the failure or refusal of the OPA to increase the price sufficiently, a number of mills in that industry were driven out of business. Last year, the production of southern pine lumber fell off to a little more than 7,000,000,000 feet. In other words, a shortage of more than 4,000,000,000 board feet of lumber was created, and the production last year was four-fifths of normal. The industry contends that that result has been due primarily to inadequate ceiling prices.

I believe it is admitted by the OPA authority that of the 7,000,000,000 feet which are still being produced, between 75 and 80 percent of that lumber is being sold in the black market. At any rate, a considerable percentage of the production is being sold in the black market. That admission was made by the OPA officials in a discussion with them. I placed the figure at 66⅔ percent or 65 percent, and was told that it was greater than that.

That is the condition which has been brought about. Whether the Price Administrator is wholly to blame for it, I do not know; but certainly something has brought it about. Some unusual factor has entered into the situation which has brought about a lack of production, and also has contributed to the increasing black market in the product.

If that condition exists, and if the state of facts is as described, we know that the Price Administrator now has authority to correct the situation. Apparently it has not been corrected. Some modification of prices has occurred recently, but it is maintained that it is inadequate.

I am not familiar with the situation with respect to other building materials. I am somewhat familiar with the lumber industry, about which I am now speaking. But if the same situation obtains with respect to all other building materials, this is exactly what we have done, and what we are doing: By reason of the arbitrary action of the Price Control Administrator in refusing to grant adequate prices to obtain production, we have driven the production facilities out of business, to the extent that we have a very much curtailed quantity of production; and now we propose to remedy that condition by appropriating and spending $600,000,000 of the taxpayers' money to get those production facilities back into business.

Mr. BARKLEY. It is not primarily to get them back into business merely for the sake of getting them back into business. It is for the purpose of obtaining the materials with which to build houses for the men who fought for our country.

Mr. McCLELLAN. Yes; I appreciate that; and it may be necessary to do it. But I wish to say that if this has been an arbitrary, short-sighted, and harmful policy which has been detrimental to to the country, I think we should do something to correct it.

I observe that the bill proposes to give full authority to the Housing Expediter not only to order the OPA and its Administrator to fix prices at a certain level or at any level he may choose, but also

to order the Director of Economic Stabilization and the Office of Economic Stabilization to do anything he wants them to do, and also to take over all the powers of the Director of the Office of War Mobilization and Reconversion.

Mr. BARKLEY. Only insofar as they relate to this program.

Mr. McCLELLAN. Yes. So it is proposed that we place in the hands of the Expediter of this program, power superior to that of any other agency or authority of the Government which has been created, except the Presidency of the United States, as I interpret the language of this measure. Is that the Senator's understanding of it?

Mr. BARKLEY. Of course, the Presidency of the United States is not an agency within the meaning of the law referring to agencies.

Mr. McCLELLAN. Of course, I appreciate that.

Mr. BARKLEY. But insofar as those agencies and their functions relate to the emergency housing program, the Expediter will have the right to give directions and orders. We emphasized the Office of Price Administration, the Office of Economic Stabilization, and so forth. We did not spell out all the others, but we emphasized those in order that it might be perfectly plain that the Expediter would have authority to compel the Price Administrator to increase prices whenever he thought it was necessary to have that done in order to carry out the program, and that such price increases could not be nullified by the Office of Economic Stabilization, which ordinarily would have the right to override the Price Administrator.

Mr. McCLELLAN. In other words, by the pending measure we would reverse the situation which now exists, let us say, with respect to the OPA and the Office of Economic Stabilization, in that so far as this program and this agency are concerned, instead of letting the Office of Economic Stabilization have power to direct this agency, this agency or its Expediter could direct and order the Office of Economic Stabilization.

Mr. BARKLEY. That is correct, insofar as it relates to this program, but no farther.

Mr. McCLELLAN. That is correct.

Mr. BARKLEY. If the Senator will permit me to do so, I should like to say a word at this point in regard to lumber. We had testimony before the committee with respect to lumber. Representatives of several of the associations, including the Southern Pine Association and the Western Pine Association, appeared before us. Of course, an application is pending for an increase in the ceiling price of their lumber. They wish approximately $9 a thousand, and they said to us that they did not think the OPA would permit them more than a $4.50 or $5 increase, and they did not think that would be sufficient. Of course, I cannot tell what the correct figure would be; I cannot tell whether their figure is correct or whether the correct figure lies somewhere in between. I do not think the Congress can determine that. But in such a situation as that, where there is a disposition on the part of the OPA to grant an increase—although perhaps not so much of an increase as the inquiry itself wishes to have—or if there were no disposition to grant an increase, if the Expediter concluded that an increase was justified, he would have the power to issue an order for the OPA to grant whatever increase he thought essential.

I may say that in 1939 a total of twenty-eight-billion-plus board feet of lumber were produced in the United States. In 1941, 36,000,000,000 board feet of lumber were produced; and as of January, 1946, the production of lumber was at the rate of 26,000,000,000 board feet a year, which is 10,000,000,000 board feet short of what was produced in the United States in 1941. Our total estimated capacity for lumber production is thirty-six-billion-plus board feet a year. Of course, that takes into consideration all kinds of lumber, not simply western pine or southern pine.

I, myself, do not know and I would not undertake to estimate how long it would take the OPA to consider all phases of the entire lumber industry—hardwood, softwood, pine, poplar, oak, spruce, and all other varieties—so as to bring about an over-all increase in the price of lumber which would cover this building program and at the same time permit the construction with sufficient rapidity of homes for the returning veterans and their families to live in.

Mr. McCLELLAN. If it is necessary that that be done——

Mr. BARKLEY. It might be.

Mr. McCLELLAN. I think it is, but I do not see why the OPA, a long-established agency with experience, could not do it more quickly than a new agency could. It must be done.

Mr. BARKLEY. One of the complaints constantly made against the OPA is that it does not do anything quickly enough. That is not my statement, but that is a complaint which is constantly made in the Senate and it is a complaint which constantly comes to me from the people who have applications before the OPA. They complain that the OPA does not operate quickly enough. It may be that those who complain are in too big a hurry. The OPA feels an obligation to obtain all the facts. All of us know that it is necessary to take human nature as it is and to discount some of the representations which are made in such cases. That is true in respect to any industry.

Mr. McCLELLAN. Mr. President, no doubt there are applications which the OPA should not grant—possibly not only as to the lumber industry but as to others. But the point I make in regard to the harm that is done to the individual industry for which I am complaining—if I am in the attitude of complaining; I hope I am not—is that because of the procrastination and the failure to do the job to the best of their ability and the failure to take into account what must be considered and the failure to do what must be done in order to obtain the best results, the public suffers.

The failures which I have just mentioned are a part of the reason for the shortage, although perhaps not all the reason. As the Senator from Kentucky has said, our lumber industry has a production capacity of approximately 36,000,000,000 board feet a year, but today it is producing at the rate of only 26,000,000,000 board feet a year. In that situation there must be some reason for the lack of full production. I know of no reason other than the failture of the OPA and the industry to get together on a price which will permit production at such a rate that they can stay in business. The best evidence in the world of that is the fact that most of those who are now producing are in the black market.

Mr. BARKLEY. Mr. President, in regard to lumber production, let me say that I am sure the Senator knows that in the early days of the war, along in 1942, when our Government was engaged in enormous construction activities not only in the United States but all over the world, the Government took practically all the lumber there was.

Mr. McCLELLAN. That is true.

Mr. BARKLEY. There was a restriction on the use of lumber. The peak of Government building later dropped, but the restrictions remained in existence. It was almost impossible to obtain lumber, even after the Government stopped using it. I myself tried to obtain some fencing lumber, near my home, to use in fencing a little farm on which I live. I was not able to obtain it, and I have not yet been able to obtain it.

So the production drop from 36,000,000,000 board feet to 26,000,000,000 board feet was not altogether due to prices. It was due to a war condition which was brought about by the Government, which took all the lumber for its own use.

However, when the war ended in Europe and in Asia, we began to get back to normalcy in respect to lumber production. We have not yet gotten back to normalcy. It may be that the price situation has operated as a deterrent. But if it has and if the Expediter finds that out, he can order such increases. But he could not do so overnight; he could not do so after a day's investigation. He must know what he is doing. It may be that in certain cases he will find that it is necessary to provide for an increase in price, not only as to lumber, but, possibly, as to all other building materials. He might find that an increase in price was necessary, in addition to the use of premium payments, either with respect to lumber or with respect to a vast number of other commodities, some of which perhaps may not be involved in a situation like that confronting the lumber industry.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. SALTONSTALL. If the distinguished Senator from Arkansas is through, I should like to ask a question which may be along the same lines, but phrased a little differently. According to paragraph (2) on page 22 of the bill, a paragraph which we have been discussing, the Housing Expediter has supreme authority over various officers in setting prices when he deems it wise to exercise such authority. On page 27 of the bill, in section 4 (a) beginning in line 24, the Expediter is given authority to "allocate

or establish priorities for the delivery of materials" of which there may be a shortage. Under such authority why would it not be much quicker and more effective for the Expediter to issue appropriate orders and thus provide the necessary incentive than to fix an amount as a subsidy or as an incentive price?

Mr. BARKLEY. In the first place, the authority can apply only to materials which are already in existence. Priority takes effect immediately upon this proposed legislation becoming a law. The Expediter could exercise authority over the commodities in existence at that time, and before any increase has been put into effect in the form of either a price increase or an incentive payment. It is not contemplated by anyone, so far as I know, and certainly not by the Expediter nor by the committee, that the Expediter, by ordering the Price Administrator to increase prices all up and down the line at once, could act wisely in this field, and with judgment and with full information. He would be required to take these various steps one at a time. It is not contemplated that he shall take the place of the Price Administrator. It is only in cases in which he has been convinced from the facts submitted to him that an increase should be allowed in the price of some commodity, the supply of which is short, that he will do the things which are provided, whereas the premiums payments may be given at once without waiting for a price increase, and without all the facts being submitted through private statements, and without sending out inspectors, as it is sometimes necessary to do in order to make a survey of an industry. If the Expediter had to increase all prices which are involved in building materials the delay would be so great that I fear that by the end of 1946 we would not even more than have started the building program which we expect to be in effect by that time.

Mr. SALTONSTALL. Let us take, for example, shingles for a roof or two-by-fours for stanchions. If a priority were needed for the production of such materials the Expediter could pick out a certain article and say in effect, "We want priority for this" and fix a proper price. If his judgment in connection with fixing the price were good, it would not take him any longer to do that than to say, "This is the proper subsidy." He will either throw away Government money by not making the proper investigation, or else he will make a proper investigation in either case.

Mr. BARKLEY. No investigation is necessary for premium payments because they are made only in order to bring about an increase in production. If the shingle maker has not produced the required quantity of materials, he will not receive a premium. If he has been making, say, 50,000 bales of shingles and he continues to make only 50,000, he will receive no subsidy or premium payments. But if he is induced by the premium payments which will be offered him to increase his production to, say, 75,000 or 100,000 bales, he will be paid the premium on the extra amount which he produces. On the other hand, if he receives a price increase on everything that he makes, that increase will go into the 50,000 bales which he has been producing, and that in turn will go into the cost of the house which the veteran must buy. That situation would represent a higher outlay on the part of the veteran than would be the case if the premium were paid instead of an increase being allowed in the price.

Mr. SALTONSTALL. Let us take the Senator's example of 50,000 bales of shingles. The price is not right, and the production has not been increased. But the incentive price is allowed, and the increase goes to 75,000 bales. If the price is increased and the shingle maker knows that a demand for increased production is present, then he may increase his production to 100,000 bales. If he does, it may not make any difference in the cost to the veteran and still get the results desired much better than by the method of incentive payments.

Mr. BARKLEY. The shingle maker may increase his production to a hundred thousand bales. If he does so, it will be all the more favorable to the housing program. But if he undertook artificially to stimulate his production merely for the purpose of obtaining a premium on a quantity of shingles not needed, then the situation would be entirely different. We have stepped in and provided that for not more than 50 percent of the output of any new plant may premium payments be made, and that for not more than 30 percent of the entire output may premium payments be made.

Mr. SALTONSTALL. Will the $600,000,000, which is provided for in the pending bill, be anywhere near sufficient to provide the incentives which may be necessary in the building industry in this country?

Mr. BARKLEY. We think that $600,000,000, which is the maximum figure, will be sufficient. We hope that not all of it will be necessary. We believe the amount to be sufficient in order to carry out the program of constructing 2,700,000 housing units which are provided for in the proposed legislation.

Mr. SALTONSTALL. As I understand the Senator's argument, it is this: Here is $600,000,000 with which to proceed. We will increase the price of shingles today, and of 2 by 4's tomorrow, and of sewer pipes on Wednesday.

Mr. BARKLEY. No; we do not have to do all those things on separate days. We might deal with shingles, ? by 4's, and sewer pipes all at the same time. Whatever may be the increase, it will go into effect all at once; that is, as soon as the machinery can be organized. If this bill were signed by the President today, premium payments would not be paid tomorrow. But, as soon as the machinery could be organized and the plants began to increase production, the premium payments would be paid on the increased portion of the total output.

Mr. SALTONSTALL. Mr. President, I should like to propound to the Senator one more question on another subject which, perhaps, the Senator will not prefer to answer at this time.

There is in the bill a paragraph which provides that if a broker sells to a buyer above the proper price, the buyer may bring an action within a year and receive treble damages, and if he does not do so, the Government will step in. Is there any precedent anywhere for allowing a private person to sue another private person and receive treble damages because the defendant has violated a statute of the United States?

Mr. BARKLEY. The provision to which the Senator refers was in the bill in the form in which it came to the Senate, and we did not change it. However, there have been cases in which suits could be brought for double and treble damages. In the original Price Stabilization Act it was provided that treble damages could be recovered at the rate of three times the overcharge. We changed that later to some extent when we passed the extension measure. I grant the Senator that the recovery represents a penalty against an overcharge. The amount by which the price exceeds the ceiling which was fixed is trebled.

Mr. SALTONSTALL. But is not that a very bad precedent?

Mr. BARKLEY. It is not a precedent. It has been done. I could not give the Senator all the cases in which it has been done, but it has been done before. There are some bad features about it, I grant. No one ever has to pay anything for a house he does not want to pay. If I buy a house from the Senator I am not compelled to pay him all he wants for it. I am not compelled to buy it at all. But if I am in such dire need for a house for my family that I am compelled to pay the price asked in order to get a house at all in which to live and raise my children, if there is no other house anywhere, and the Senator is taking advantage of me because of that situation, and saying to me, "If you get this house you are going to pay me a thousand dollars above the ceiling fixed by the last sale," the provision operates as a penalty against the Senator, which I may invoke in the courts.

Mr. SALTONSTALL. Would the distinguished Senator object to an amendment to leave the matter in the hands of the Government?

Mr. BARKLEY. I shall be glad to consider it. I should like to look into it. This is a House provision, and I should like to look into it further; but I would consent to consider it.

Mr. McCLELLAN. Mr. President——

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Kentucky yield to the Senator from Arkansas?

Mr. BARKLEY. I yield.

Mr. McCLELLAN. I desire to ask a question in order to clarify the purpose of the incentive payments. As I understand, the primary purpose is to get increased production, for instance, to induce a plant to expand its capacity or step up its production. Under the bill would incentive payments be permitted or authorized to keep a plant in business? For instance, we were talking about the lumber industry a while ago. A sawmill has been producing, let us say, a given quantity of lumber per month, so many feet, but it finds that under existing prices it can no longer operate at a profit,

and is about to go out of business, though it may have been operating substantially to capacity, and has no prospect of increasing it. Would incentive payments be made to such an industry or to that plant in order to keep it in business and enable it to continue to produce, without necessarily increasing its production?

Mr. BARKLEY. Is it a plant that is at this time producing anything at all?

Mr. McCLELLAN. Yes; let us say it is producing. There are some that claim to be in that position, and claim they are having a struggle to remain in business and produce to capacity. They claim they are not making money. I suspect such a condition can be found in any industry. Some make that contention, and probably some of them are correct. Some may make the contention when it is not well-founded. In other words, if a plant is in operation and producing, but under such prices and conditions that it is not able to produce at a profit, and it is ready to go out of business, would the incentive payments be made to that plant in order to keep it producing?

Mr. BARKLEY. Not on what it is actually producing. If the plant is not producing anything at all——

Mr. McCLELLAN. If it is already closed down.

Mr. BARKLEY. If it is closed down, and therefore cannot be said to be producing anything, incentive payments could be made in order to induce it to start over and begin producing. All the production would be regarded as excess, that is, increased production. But there is nothing in the bill which authorizes the Expediter to finance a plant itself by installing machinery or anything else in it.

Mr. McCLELLAN. The Expediter does not finance the expansion itself?

Mr. BARKLEY. No; not the expansion itself.

Mr. McCLELLAN. But he assists by giving an increased price on the product as an incentive?

Mr. BARKLEY. Yes. I have taken more time than I had intended, but there are one or two more features I should like to discuss.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. VANDENBERG. Can the Senator tell me how the figure $600,000,000 was arrived at?

Mr. BARKLEY. It was arrived at by conference and consultation among all the housing agencies, and all those interested in housing, those dealing with veterans, the Veterans' Administration, and a whole mass of agencies and people who surveyed the situation and figured that $600,000,000 was an appropriate sum. I cannot say just what mathematical calculation they went through, but they all conferred about it and agreed upon that sum as the proper sum which should be sought. In addition, they consulted labor organizations and everyone else who had anything to do with construction and housing. They sought to get an over-all picture, as the various organizations and agencies were able to present it, in arriving at that figure.

Mr. VANDENBERG. It occurred to me that in arriving at that rather unusual figure there must have been some sort of a budget which would indicate where and how they contemplated making payments. I was wondering whether such information was available.

Mr. BARKLEY. There was not a break-down as to how much would be paid to the lumber industry, how much would be paid to the plywood industry, how much to the gypsum industry, how much to the brick dealers, how much to this or that particular category having to do with building materials. I am not able to give the Senator an answer to his question.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield, if the Senator from Michigan has concluded.

Mr. TAFT. The total cost of the conventional housing to which these payments apply is estimated to be $6,700,000,000 for the 2 years. The bill provides that the premium payments shall not be applied to more than one-third of that, which would mean that premium payments would be applied to approximately two and a quarter billion dollars.

The bill provides that not more than 25 percent can be applied on any product. So if that were applied to all the $2,250,000,000 we would get about $500,000,000. That is, roughly, the method by which the figure was calculated, I understand. The premium payments would be necessary only for 30 percent of all the building materials in other words, only to break bottlenecks. The plan is not intended to be a general plan for pricing materials.

Mr. BARKLEY. I had stated earlier that the 30 percent over all should be applied to materials upon which premiums would be paid. I thought the Senator from Michigan was seeking to have me break down the figures as to each industry.

Mr. VANDENBERG. I was trying to find out how the figure was arrived at.

Mr. BARKLEY. It was arrived at in a fairly safe calculation in respect to the amount of material that would be used in a period for the construction of what is called conventional housing. There is in the bill a provision for prefabricated houses, and also for use of new materials.

There is a guaranty provided—which I do not care to take the time to discuss, as I shall come to that later—a guaranty by the Government in order to induce the producers of materials for which the market may be timid, and yet which are essential to housing, to go into production. The bill provides for increased facilities, so that when it is all over, if the producers have left on their hands, some of the materials because the market has not been willing to accept them, the Government undertakes certain guaranties in regard to their resale, or purchase, in which case it would take them over at less than cost, in all probability. But that is another matter.

Mr. VANDENBERG. Mr. President, I ask the Senator to look at the language on page 40, beginning in line 3:

> Premium payments shall wherever possible be applied at a uniform rate within any industry requiring them rather than at varying rates for each producer.

Is that intended to mean that if premium payments are allowed in any given construction category everybody in the category shall be equally eligible to receive payments under the given circumstances?

Mr. BARKLEY. If they increase their production.

Mr. VANDENBERG. That is what I mean.

Mr. BARKLEY. Yes; if they increase their production. In other words, instead of selecting each firm which would be making plywood, let us say, or brick, and giving them a separate rate of premium, the Expediter would undertake to pay the premium uniformly to all those who increase their production, not uniformly in amount, but in rate, because if one man increased his 25 percent and the other 50 percent, of course the man who increased 50 would get twice as much by way of premium as the one who increased 25 percent. But the rate would be uniform wherever possible, and I think in most cases it would be possible. The only exceptions would be cases, if such cases are extraordinary, in which the Expediter might have to make a different rate in a community or in a place where there might be a different inducement offered. On the whole, the rates would be uniform.

Mr. VANDENBERG. In other words, every producer within a given category would stand on even ground so far as the application of the law was concerned.

Mr. BARKLEY. Absolutely.

Mr. VANDENBERG. That would be a complete answer to those who have suggested that the Housing Expediter could use his authority rather loosely to deal with his favorites, or those whom he might wish to favor.

Mr. BARKLEY. Yes; it would negative the argument. All Senators do not happen to know Mr. Wyatt, but I happen to have known him for years, and I do not think anyone who knows him would question his fairness. This language is supposed to apply to whoever might occupy his present position, and it would make it necessary for him to treat all in the same category alike.

Mr. VANDENBERG. I was not reflecting on Mr. Wyatt.

Mr. BARLEY. No; I understand that. But we always recognize that anyone who now holds an office may not always hold it, and we have to frame the law for the ones who may later hold it.

Mr. VANDENBERG. Furthermore, we are setting up a new bureau and establishing a new bureaucratic power, and, unfortunately, we might not be entitled to hope that the entire personnel would qualify on the level with Mr. Wyatt's capacity.

Mr. BARKLEY. I will say that if it did it would be of a very high standard.

Mr. VANDENBERG. Will the Senator yield for another question?

Mr. BARKLEY. Yes.

Mr. VANDENBERG. Am I correct in my understanding that on page 22, the language from line 8 to line 20 would authorize the Housing Expediter if, in his judgment, it were advisable to deal exclusively, if he wished, with this problem by price increases?

Mr. BARKLEY. I do not know. I do not think that is contemplated, I will say in all fairness to the Senator. I think that is supplementary.

Mr. VANDENBERG. I understand it is supplementary. But if he should conclude, after experimenting with this system, that repricing was the answer, which is probably my view of the thing, he could, could he not, under this language, confine himself to repricing?

Mr. BARKLEY. Technically I suppose he might. But the process of arriving at that conclusion and the necessity for making the investigation which would be necessary in order to justify him in reaching that conclusion with reference to all building materials, would, in my judgment, delay the whole process of getting these houses built for the people for whom they were intended, so that it would be utterly impossible for him to adopt it exclusively as the remedy for this situation.

Mr. VANDENBERG. I thank the Senator, and I ask for just one more clarification. The bill on page 24, beginning in line 8, creates the authority to "establish maximum sales prices for such housing accommodations or unimproved lands," and so forth. I assume I am correct in the assumption that the authority is limited by subsequent language which confines this power to the resale of houses?

Mr. BARKLEY. Yes. There is no limitation, I will say, in the bill toward the first sale that takes place following the enactment of this legislation. If when this law is approved by the President and goes into effect, I own a house for which I paid $5,000, I can sell that house at any time during the 2 years—this of course is a 2-year period we are talking about—for $10,000, $15,000, or $20,000, if anyone is willing to pay me that price for it, but after I sell it for that price the purchaser from me cannot thereafter sell it at a higher price during the 2-year period, except that he is allowed the commission and brokerage fees that are customary in the community, and also he is allowed to charge for any substantial improvement he may have made in the house during the term of his ownership.

Mr. VANDENBERG. On page 25 at line 12, the margin of profit allowed in construction is set at a profit comparable to the profit in the calendar year 1941. Is that language susceptible of translation into any percentage?

Mr. BARKLEY. It might be. We all know that building costs are higher today than they were in 1941, and that a given house of identical size, character, and construction would cost more money now than it cost in 1941. There certainly is nothing in that language, in my judgment, that would prevent the allowance of a comparable profit upon it, based upon its original construction cost. In other words, if I built a house and sold it in 1941 and made $100 on it, I would not be compelled, if I built a $10,000 house, to sell it at only $100 profit.

Mr. VANDENBERG. In other words this is a comparable percentage profit?

Mr. BARKLEY. A comparable percentage profit; yes.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CORDON. If that be the meaning of the language, why not change the word "margin" in line 12, on page 25, to the word "percentage"?

Mr. BARKLEY. The word "margin" is a familiar term——

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I do not agree with the Senator's interpretation. I think "margin" means a dollar margin as a rule, rather than a percentage profit. If it means exclusively one thing, it means a dollar margin, in my opinion. I do not think, however, it makes very much difference.

Mr. BARKLEY. I think it makes little difference, but I do not think a man can be compelled to build and sell a house costing him $10,000 in 1946 or 1947 for $100 profit, because in the building of a $5,000 house in 1941 he received a $100 profit.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. I am quite satisfied that in all the testimony we have taken relative to housing questions the witnesses made use of the expression "dollars-and-cents profit." May I respectfully point out to the distinguished majority leader that there certainly is a difference in percentage profit in the sale of a $5,000 house as compared to a $10,000 house or as compared to a $20,000 house. I think this should be dealt with percentagewise. The word "percentage" should be substituted for the word "margin." I hope the distinguished Senator from Oregon will offer an amendment to that effect.

Mr. BARKLEY. I will look into it, I will say to the Senator. I do not think it will make a great deal of difference so far as the ultimate result is concerned.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I think there is a rather substantial difference. In other words, if a man made a $100 profit on a $5,000 house, in 1941, that house today would cost about $7,000, or at least a 40-percent increase in cost. Forty percent is a fair estimate. Under this language, I am sure OPA would limit the individual to $100, not to $140.

Mr. BARKLEY. I will say to the Senator from Ohio that, so far as I am concerned, I am perfectly willing to change the word from "margin" to "percentage." It might be subject to regulation and interpretation on the part of the Expediter, but it seems to me that the fair standard would be the percentage profit rather than a fixed sum, no matter what the house cost, because the risk is always greater the more money is put into a house.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CORDON. It occurs to me, Mr. President, that some care should be given with reference to that particular matter, if we do not use the word "percentage," because of the simple fact that the dollar which the builder gets as his profit is not the kind of dollar that he received in 1941. When he spends it he is not going to get for it what he got for a dollar in 1941.

Mr. BARKLEY. I appreciate that, and I have said that when we reach that point I am willing to have the word changed to "percentage."

Mr. BROOKS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BROOKS. Turning to page 40, line 3, paragraph (3) provides:

> Premium payments shall wherever feasible be applied at a uniform rate within any industry requiring them rather than at varying rates for each producer.

Does the Senator interpret that to mean that the Expediter must offer the same opportunity to increase production to all producers, or does he have a discretion to pick out certain producers, and all those that he picks out shall be given the same rate of premium?

Mr. BARKLEY. I do not see anything in this language that gives him the right to go into a neighborhood and pick out one producer and say, "If you increase your production, I will pay you this premium. I think the language means to take into consideration those within the industry. I do not think there would necessarily be a uniform rule applying to dealers in California and in Florida. But in the industry which is to be covered by the premium all must have the same treatment, and I think each has an equal opportunity to increase his production if he sees fit to do so and obtain a premium.

Mr. BROOKS. The Senator says discretion exists with respect to sections of the country, but that there is to be a discretion as between individuals.

Mr. BARKLEY. No; I was not speaking of discretion as between individuals. I was saying that the rate must be uniform.

Mr. VANDENBERG. And the eligibility must be uniform?

Mr. BARKLEY. Yes; the eligibility must be uniform. It would be unthinkable that any administrator would have the right to pick out one brick company in your town or in mine and say, "Now, you step up your production here and we will pay you a premium on all you make over and above what your normal production is," and leave everyone else out.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. Would the same maximum sales apply to remodeled houses as

apply to new houses? By "remodeled" I mean taking a house that is not habitable at all and making it so.

Mr. BARKLEY. All old houses, even though remodeled, would come under the category of existing houses.

Mr. AIKEN. Quite a lot of that was done in New England. Old houses were acquired that had not been occupied in any way for a long time and were not habitable.

Mr. BARKLEY. That is true.

Mr. AIKEN. It usually costs 90 percent as much to remodel as it does to build new.

Mr. BARKELY. After a house has been remodeled the owner has the right to sell it for what he can get for it. There is no restriction on the initial price that can be obtained for a remodeled house. The restriction comes in after the initial sale following the remodeling.

Mr. AIKEN. For the first sale after the remodeling there is no restriction on the sale price?

Mr. BARKLEY. That is true.

Mr. FERGUSON. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. FERGUSON. The Senator has indicated that the Expediter may not select those who are to receive the premium payment. Would the Senator say that under the terms of this bill anyone could make application and offer proof that he was increasing his production above a certain amount, and that he would therefore be entitled to the premium?

Mr. BARKLEY. Yes, if the Senator is asking me the question. Anyone who is producing a given material is eligible. Let us say that there are three brickyards in a town, and that they are all producing. They are all eligible to share in the premium payments. If one of them does not increase production, it does not receive any premium payment. If the other two increase their production, they receive the premium payment. If the situation is such that a new plant ought to be established, the new plant has not produced anything. A new plant may be established, and it will receive a premium; but we have provided that in such a case it can receive a premium on only 50 percent of the total production. In other words, we do not propose to bring about the construction of new plants in competition with existing plants, and then pay the new plants a premium on all they produce, on the ground that it is an increase.

Mr. FERGUSON. I think the situation is clear as to new plants. However, I still feel that there is an uncertainty in the bill. The Expediter may determine that a premium should be paid for production above a certain point, and he will determine the point at which he will start the premium payments.

Mr. BARKLEY. The premium is to be paid upon all increased production. The Expediter must get the facts as to what the production was before the increase started; and, of course, he will obtain those facts by consultation with those in the industry. He may wish to make an independent investigation. I do not know how he would go about it; but he would wish to be sure, for example, if a factory is now producing 50 percent of its capacity and wishes to participate in the premium payments by stepping its production up to 75 percent of its capacity, that at the time the increase began the factory was producing at 50 percent of its capacity. In the interest of the public, and in order that the Government might not be in any way imposed upon, the Expediter would have to satisfy himself that at the time the increase began the factory was actually producing at 50 percent of its capacity.

Mr. FERGUSON. But no date is set for computing the premuim to be paid for production.

Mr. BARKLEY. No date is fixed in the law. Anyone would become eligible as soon as the law became effective. If he started the next day to increase his production, and the Expediter were satisfied of that fact, the producer would be entitled to a premium on the increased production. But no date is fixed in the law when the Expediter shall say that the incentive payment shall begin.

Mr. FERGUSON. Did I correctly understand the Senator to say that if a plant has a certain capacity, and is producing at 50 percent of that capacity, it can be paid for producing 25 percent more?

Mr. BARKLEY. Yes, if the plant produces 25 percent more than it was producing. The plant may be paid for whatever the increased production is, subject to the limitation that there cannot be paid to producers more than an over-all payment of 30 percent on the entire production of all building material. The Senator from Ohio [Mr. TAFT] spoke of the 30 percent as roughly one-third. Also, no new producer, who has not previously been in the business, may be paid a premium on more than half of what he produces. I think I am correct in that statement.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I think there is a very wide discretion given to the Expediter as to what the base shall be, if that is what the Senator from Michigan is inquiring about.

Mr. FERGUSON. That is what I am inquiring about.

Mr. TAFT. The opinion of the Expediter as to what might otherwise be produced would permit him to adopt a number of different standards. He might, for example, adopt the total capacity as a standard and say that anyone who increases his total capacity by operating two shifts is entitled to a premium payment. My impression is that it would be based upon the actual production, either before the war, in 1941, we will say, or possibly the actual production today. It could hardly be based on capacity.

Mr. BARKLEY. I was using the word "capacity" simply as an illustration, in answer to the question of the Senator from Michigan. Premium payments would not be made on the basis of capacity but on the basis of increased production. I was using the illustration that if a plant were producing only half of what it could produce, and under this incentive it produced half as much again, the law would authorize, and the Expediter would pay, a premium on the increased production above the amount formerly produced, regardless of the capacity. I was merely using that as an illustration.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. FERGUSON. The difficulty is in determining the base for increased production. Increased production over what? Full capacity or half capacity?

Mr. BARKLEY. Not full capacity, because if a plant were producing only 25 percent of its capacity, and the Administrator were to say, "We will pay you a premium on everything above full capacity," the producer would never receive any premium, because when we reached full capacity he could not go beyond it, and therefore there would be no incentive.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. If a plant is producing 50 percent of capacity, probably there is a reason why it is not producing more.

Mr. FERGUSON. Suppose the reason is price.

Mr. TAFT. It may be price. Obviously, a producer is not going to produce even 50 percent of his capacity at a loss. In any event, the price must be adjusted to a reasonable level. Possibly the reason why the plant is not running at full capacity is that much of its machinery is old and expensive to maintain, and it is not profitable to operate at full capacity. Possibly the reason why it is not running at full capacity is that in the particular neighborhood there is not sufficient labor, and labor must be paid more to induce it to come there, so as to get the additional production.

I believe that the criticism of the Senator from Michigan is justified. I think the thing is left wide open to the Expediter to decide what the base is to be. It might be prewar production. It might be present production. It might be capacity. It might be capacity of certain qualities. The Expediter might make a general rule. He might make many different rules. It must be admitted, therefore, that the provision is fairly wide open. Still, the general principle that a producer may be paid a premium only on increased production above something is a limitation of real value to those who do not want the program to go haywire.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. PEPPER. I should like to ask the able Senator, to whom we are all greatly indebted for his good work on this legislation, two questions.

First, is there any limitation on the value of the house which a veteran may build under the terms of this bill?

Mr. BARKLEY. This plan contemplates houses costing $6,000 and under. There is another stepped-up category, up to $10,000, but this program is intended largely to cover houses, the cost of which does not exceed $6,000.

Mr. PEPPER. At the appropriate time I wish to ask consideration by the Sen-

ate of the wisdom of that provision. My own impression is that it is unwise to impose any financial limitation on the cost of the house. I know that in my State hardly any kind of a house can be built for less than $10,000. If a man were a lawyer or a member of one of the other professions, and had a moderate income, he might not wish to make an unwise investment by building a cheaper house. Today, a $6,000 house is not much of a house.

Mr. BARKLEY. The bill itself imposes no financial limitation.

Mr. PEPPER. For all practical purposes, there is a limitation.

Mr. BARKLEY. It is brought about through the exercise of the priorities under the jurisdiction of the Expediter. In certain cases he may go as high as $10,000. But we realize that this program is intended largely for the veteran of moderate or low income. It is not intended to get into the high-priced category of houses. The veterans for whom we are seeking to enact this legislation do not, as a rule, belong in that category.

Mr. PEPPER. If the Senator will further yield, we must remember that this is not an automobile which the veteran is buying, and which will last 2 or 3 years. The veteran is buying a home in which, in many cases, he expects to spend the rest of his life and raise his family. In my opinion, we impose upon him an uneconomical purchase if, for all practical purposes, we limit the cost of the house to $6,000. I would rather see a limitation of, say, $25,000. There would not be a large number who would want to build houses costing as much as $25,000. But if a veteran is able, on a long-time purchase basis, to undertake the construction of a $25,000 house to be his home for the rest of his life, I think he is entitled to it. I do not believe that the number of houses which would fall in the higher cost category would appreciably limit the capacity of the country to afford the necessary materials and labor for the other type of houses.

That is the first inquiry which I wish to make.

Mr. BARKLEY. Let me reply to that question. In the first place, if a veteran belongs in the $25,000 category, he can buy a house from anyone who has one to sell. There is nothing in this bill which would prevent him from buying a house anywhere he wanted to buy it.

Mr. PEPPER. Provided he pays two prices to the man who owns the house.

Mr. BARKLEY. He is not compelled to buy it. If he is in the $25,000 category he is not in great need, in the same sense that those in the lower income categories are in need. We are trying to do something to help veterans of low and moderate incomes to buy homes. It may be that in many cases a veteran might not buy as expensive a home as he might like to buy. He might contemplate that when his family increases a little over a period of years he would like to sell his house and build or buy another. But we are trying to meet an immediate need among a large category of veterans who are now wandering around with their families, trying to find places to live. When a veteran gets into the $25,000 class, I think he is not in great need. If he is in that class, he has a better chance than the average veteran does to buy a home by means of a voluntary transaction.

Mr. PEPPER. Mr. President, when I referred to a house in the $25,000 class, I mentioned that as an extreme maximum in the present period of inflation in real estate. We all know that today a house sells for roughly twice as much as it would have sold for in 1940; that when a man buys a house for $25,000 today, he is obtaining what is practically a $12,000 house, and that a man who buys a house for $6,000 today is obtaining one which would not have cost more than $3,000 before the war. But I do not believe the average veteran would want to limit himself to a house in the latter category. I want to see such small houses built; of course, we all do. It may be that if my figure of $25,000 is too high, I would suggest $20,000. But I do not think a house selling for $20,000 today is in the luxury class.

I think we should think of the veteran who wishes to obtain a house for himself and his family. He has as much right as anyone else has. Perhaps he or his wife has saved a little money, and perhaps they wish to buy a house in the $20,000 class. I do not think such a house is the sort that would be purchased by wealthy people, in view of the inflated real estate prices of today. That is why I suggest a limitation of $20,000 or $25,000.

Mr. BARKLEY. No limit is contained in the bill itself, and the Expediter could provide for a change as priorities become necessary. But the problem is to get houses for the larger group of veterans who do not belong in that class.

I realize that there is inflation in the price of real estate. That is why we inserted the provision that after the first sale of a house, there shall be no increase in the price if and when it is subsequently resold. That provision is inserted because of the present spiral in real estate prices, for in many cases the prices of houses have risen 75 or 100 percent. There have been frequent turnovers, and in many cases they have involved price increases of 50 percent, 75 percent, or 100 percent. We feel that subsequent sales should be made at substantially the prices provided under this bill for first sales.

Mr. PEPPER. I am in favor of that.

Mr. President, my attention was called to the case of a veteran at Miami, Fla., who wished to build a house in an undeveloped area. He tried every Government agency—the FHA and every other Government agency he could contact—in his effort to obtain assistance in building the house at the place where he wished to build it. But none of the Government agencies would lend any money on a house built in that area, and the FHA would not lend any money unless his house was to be one of a group of houses built in an approved area. I am not blaming that policy on the FHA; but inasmuch as this bill has been declared by the committee in its report as a veterans' housing program bill, I wish to ask the Senator from Kentucky if it is clear that the veteran will be judge of where he wants to build his own home, and that no governmental agency will be able to tell him where he has to build it.

Mr. BARKLEY. Of course, Mr. President, the veteran will be the judge of where he wishes to have his home built and of whether he builds a house at all, if he is building it himself. The only difficulty which might arise in respect to the desire of a veteran to build what the Senator from Florida referred to a while ago as an expensive home would be whether he could obtain priorities on account of the shortage of materials. But there is nothing in this measure or any other measure which would prevent a veteran from buying a lot anywhere he wanted and from building a house on it if he could obtain the materials.

Mr. PEPPER. I think there is, because the FHA will not give him insurance on it if it is not in a group of houses in an approved location.

Mr. BARKLEY. However, that is another matter, which is not dealt with in this bill.

Mr. PEPPER. I wish to have it dealt with in this bill, because I want the Congress to provide in this measure that if a veteran desires to build his home on a site which he approves, he will be able to build it there without having anyone else approve the site.

Mr. BARKLEY. I say to the Senator that the situation to which he refers exists on account of the housing program throughout the war.

Mr. PEPPER. I desire to have a statement on this matter placed in the RECORD, so that if the administrative agencies have this matter brought up, the RECORD will show that it is the intention to have this program and the benefits under this measure available to a veteran who wishes to build a house wherever he wishes to build it.

Mr. BARKLEY. Certainly.

Mr. PEPPER. Very well. I think that will be taken as authoritative in regard to the intention of the committee and of the Congress.

Mr. FERGUSON. Mr. President, I should like to return to the matter we were discussing. On page 39, in line 12, this provision is found:

(1) Premium payments shall be used temporarily only with relation to additional units of production beyond that otherwise attainable, where such premium payments are necessary to stimulate such additional production with greater rapidity, economy, or certainty than other available methods.

My point is that it would appear to me that that provision simply means that the Expediter could pay the premium whenever in his discretion he believed that the payment of more money to that producer would result in the production of more materials, because the provision ends in line 16 with the words—

or certainty than other available methods.

If any other available methods will result in the desired production, the manufacturer or producer will not receive any premium payments for obtaining additional production by means of the use of better machinery, more men, or more highly skilled men. Premium payments will be made only if money alone will

operate to provide the increased production. Is that correct?

Mr. BARKLEY. The incentive to produce more is money. That is the incentive of premium payments. Of course, the words "additional units of production beyond that otherwise attainable" must be interpreted reasonably. It is impossible in this measure to catalog all the methods by which production of additional units may be attained. But if it is necessary to use the method of premium payments in order to obtain production in addition to that otherwise obtainable by any other method, the Expediter is authorized to make such premium payments—and if the increased production is attained with greater rapidity, economy, or certainty than by other available methods. Those two conditions must be tied together.

The other available method might conceivably be an increase in prices. That would be one way by which increased production might be brought about; it would be another available method. That is why the Expediter is authorized, whenever he thinks it necessary, to order the Price Administrator to increase prices.

It might be that the construction of an addition to a factory would be another method of obtaining increased production, but the Expediter is not authorized by this measure to finance the construction of an addition to a factory. If the owner of a factory enlarged it, and if he were willing to enlarge his plant and increase the production of the plant on the basis of obtaining for the new products the same rate of pay while he obtained for the ones he had been turning out, of course he would not expect the premium payment—although if that were the inducement which led him to enlarge his factory, he would be entitled, just as anyone else would be, to have the current price increased over and above the price which he received for the products he had been producing.

Mr. FERGUSON. It is a fact that this measure gives the Expediter the right to order the OPA to grant an increase in price. That being true, under the section I just read, provision is made for an increase in price in order to increase production. Does the Senator think such a provision will deter the Expediter from ordering the OPA to increase prices in order to obtain greater production? It seems to me that the Expediter would say, "I will use the $600,000,000 to provide an increased price to be paid to those from which I wish to obtain increased production," rather than to use it to provide for an increase in price all across the board as the result of an order by the OPA.

Mr. BARKLEY. I do not think so. The Expediter will have to grant an increase to all in a certain category; it will have to be uniform. He could not pick out one or two lumber mills or brickyards. The increase must be uniform. There is to be uniformity of eligibility.

If the operator of a given plant or factory saw fit to enlarge his plant or to build an extra shed or something of the sort, in order to increase production, he would not obtain any financial assistance from the Expediter in connection with increasing the size of his plant. But he would receive a premium payment for all production which represented an increase caused by the increase in the size of the plant.

Mr. FERGUSON. Mr. President, I am sorry that I cannot see that under this clause the Expediter would be compelled to make the premium payments to anyone to whom he did not in his discretion want to make them. It seems to me he could always say, "In my opinion you can increase your production regardless of an increase in pay, and therefore I will pay only the one who I believe can only by an increased payment produce more." That would be a detriment to a price raise across the board.

Mr. BARKLEY. The Senator is assuming that the Expediter will go to someone and say, "I do not want you to increase your output because I do not want to pay you any premium." But, if the producer does increase his output he is entitled to the same consideration that every other producer of a similar article is entitled to receive. I do not think the bill would give the Expediter any authority to act arbitrarily.

Mr. WILLIS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WILLIS. In the event that a premium payment is allowed to a producer so as to stimulate the production of articles of which there is a shortage, and he transfers all his operations to the production of an article with reference to which a premium is allowed, and as the result a shortage should develop along other lines, what would be the remedy?

Mr. BARKLEY. Does the Senator mean that the producer has a plant in which he is producing brick and lumber, and that if there is a greater shortage of brick than there is of lumber, the operator of the plant would start producing brick altogether, and therefore he would receive a premium on the increased output of his brick? Is that the situation which the Senator has in mind?

Mr. WILLIS. Let me put it in this way. Suppose the operator of the plant is producing flooring which is needed. Also assume that we are short of siding.

Mr. BARKLEY. If there was a greater shortage of flooring than there was of siding and the Expediter felt that there was a greater need for an increased production of flooring than of siding, he would be entitled to grant a premium payment for the increased production of flooring. Although I do not think that the Expediter would be authorized to enter into a contract by which any producer would cease producing a certain article in order to concentrate on the production of another article and receive a premium on the larger production.

Mr. WILLIS. There is no protection in the law against it.

Mr. BARKLEY. No; but the Senator must assume that the Expediter will exercise his authority in a reasonable and common sense manner. We cannot always write into the law provisions which will take care of every situation which might conceivably arise with respect to the execution of an official's authority.

Mr. WILLIS. The question in my mind is whether we will not make confusion worse confounded.

Mr. BARKLEY. No; I do not believe so.

Mr. WHERRY. Mr. President, with further reference to the question which was propounded by the Senator from Michigan as to the method by which the Housing Expediter might go to a certain producer with the offer of an incentive payment, I understood the answer of the majority leader to be that the Expediter would not make such a selection, but that the increase would be applied industry-wide.

Mr. BARKLEY. That is correct.

Mr. WHERRY. I suggest to the majority leader that at the present time where they are justified, we are granting increases in prices on application. Allow me to give an illustration. Here is a producer or a distributor—will the Senator from Kentucky give me his attention?

Mr. BARKLEY. I am listening.

Mr. WHERRY. The gentleman sitting near him can give the Senator the answer later on.

Mr. BARKLEY. If the Senator is trying to be facetious, and smart alecky, he may do so, but I was asking the clerk who sits near me to what section of the bill the Senator was referring.

Mr. WHERRY. There is no section in the bill that has anything to do with what is the continual practice of the OPA. I do not mean to be facetious, but I do wish the Senator to give me his attention.

Mr. BARKLEY. The Senator did not have to say that I was getting the answer from the gentleman sitting beside me. If I get the answer and it is correct, I do not see what difference it makes whether I get it from the gentleman who sits beside me, or from what source it may come.

Mr. WHERRY. Now the Senator is being facetious.

Mr. BARKLEY. Has the Senator completed his statement?

Mr. WHERRY. Yes. I suggest to the majority leader that the OPA is continuing to follow the practice to which reference has been made, and for many months has deliberately awarded an increase of a certain price to an individual, whereas his competitor across the road could not obtain it. The competitor was putting into effect within his plant an efficient production schedule, and making an article needed in building construction. He could not obtain an increase in the price which he charged for the article, but the man across the street who was engaged in the same kind of production was allowed an increase.

Mr. BARKLEY. Of course, the Senator is talking about the OPA which operates under a law authorizing it to deal with hardship cases. There is no hardship provision in this bill. The Expediter may not go to a brick or lumber manufacturer, or plywood manufacturer, or the manufacturer of some other material and say, "You are in hard luck, old boy; I want to give you an increase in price, or give you a premium." The OPA can deal with individual cases in which hardships are involved, but the

pending measure does not make provision for such procedure.

Mr. WHERRY. Mr. President, there is no provision in the bill which would prevent the Housing Expediter from following such a procedure.

Mr. BARKLEY. There is a provision which says that premium payments shall be uniform.

Mr. WHERRY. Yes, but only to the extent of 30 percent of the entire material.

Mr. BARKLEY. The entire premium payments may not go beyond 30 percent of the whole. That does not mean that discrimination may be practiced. The entire amount may not be more than 30 percent of the entire production.

Mr. WHERRY. Under section 2 of the bill the Expediter may grant increases by the incentive price method.

Mr. BARKLEY. Oh, no.

Mr. WHERRY. I withdraw the word "incentive." I refer to the flexible pricing system which is now in effect.

Mr. BARKLEY. Under the section to which the Senator refers the Expediter may order and compel the OPA to grant an increase in price. That has nothing to do with incentive payments. The same rule would apply as would apply to any other increases in price. However, that is different from incentive payments. The incentive payment is uniform.

Mr. WHERRY. I agree with the Senator, but the method is the same as the one which is being suggested in the pending measure. The very method which is described in section 2 in connection with increasing over-all prices is the method used by the OPA at the present time. Those matters arise under individual applications.

Mr. BARKLEY. That is true. They may arise under individual applications which would apply in hardship cases, but they may also come up under industrial applications which would apply to all industry of a given type in a given region. There was, for example, an application with reference to the Western Pine Lumber Association, which was separate from the one made by the Southern Pine Lumber Association. Each made individual applications. Their freight rates may be different, and other factors which enter into pricing may be different.

Mr. WHERRY. We not only have the Western Pine Lumber Association, but also thousands of individual applications asking for price increases.

Mr. BARKLEY. I presume that in ordering the Price Administrator to increase prices the Expediter would be governed by the same background and the same foundation as would be considered in connection with increases which are allowed now.

Mr. WHERRY. That is right. So, in those cases in which increases should be granted, the one who makes the application, as pointed out by the Senator from Michigan, will be granted an increase. So in reality the Housing Expediter does have such control and will grant an increase where he thinks it is necessary.

Mr. BARKLEY. He has the authority to do so.

Mr. VANDENBERG. Mr. President, I wish to revert to the language which my able colleague was discussing.

Mr. BARKLEY. To what page does the Senator refer?

Mr. VANDENBERG. Page 39, in line 12. "Premium payments shall be used temporarily only" under certain circumstances. What are those circumstances? Only when there is no other way to get greater rapidity, or economy, or certainty in the production of housing? Does the language mean that premium payments are the last recourse after other methods of stimulating production have been exhausted? For example, does it mean that if repricing would produce increased production more rapidly than would premium payments, the Expediter would be instructed to use repricing?

Mr. BARKLEY. I think this language is bound to be construed to mean that premium payments are, in effect, the last resort, where other methods, reasonable methods, have been exhausted. I do not mean to intimate that an enormous price increase should be put into effect in order to induce someone to increase his production. It should be done on the reasonable and proper and ordinary market value of a thing in order to get the necessary materials for which the veteran, whose homes we are seeking to construct, would have to pay. It would lead to an unconscionable tax upon him if the Expediter should compel the OPA to authorize an unreasonable increase in the price of something in order to bring it on the market, where it would increase the cost of the houses which we are seeking to have built. I think the language here means, in effect, that all other reasonable means must be exhausted before the premium payment is put into effect to bring about rapid and economical production.

Mr. VANDENBERG. If the Senator's interpretation is correct, it would remove about 80 percent of my prejudice against the incentive-payment idea.

Mr. BARKLEY. I am disappointed to find that the Senator has any percentage of prejudice.

Mr. VANDENBERG. I do have nearly 99.47 percent. I am that pure in my approach to the subject.

What I had feared was that this would be read as authorizing an immediate excursion into premium payments, willy-nilly, regardless of whether under section 2 (b) (2) perhaps the result could be achieved a little better, more rapidly, and with reaonably comparable economy, by repricing. Now, as I understand the Senator he would say to me that if repricing could produce greater production with equal or greater rapidity and within a reasonably economic range, it would be the duty of the Expediter to experiment with repricing before he experimented with premium payments.

Mr. BARKLEY. Yes; but that would naturally be subject to this qualification: If in any case the process through which repricing would be available would bring about such a delay as to nullify the word "rapidity," I think the Expediter would not be justified in waiting an interminable length of time in order to bring about repricing, and get all the facts that would justify it. In that case the terms in which this language is couched would not be fulfilled, but if he can get it with rapidity, with economy, and with certainty, I certainly think it should be restored to before the premium method is indulged in.

Mr. VANDENBERG. Of course, it does not say with rapidity and economy and certainty. It says with rapidity or economy or certainty.

Mr. BARKLEY. Any one of them is important.

Mr. VANDENBERG. The Senator's construction is very interesting to me, and I hope that if the bill is passed we are to proceed under the general interpretation which he indicates.

Mr. BARKLEY. I appreciate the Senator's question and his comments. Of course, the Senator knows I am always interested in his opinion and glad to have his intellectual alacrity brought to bear upon any bill with which I have anything to do.

Mr. HICKENLOOPER. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield, although I wish to yield the floor pretty soon.

Mr. HICKENLOOPER. This matter of repricing as a means of attaining production is certainly one which has appealed to me as being a very important element. I am not at all satisfied, and was not in the committee, with the $600,000,000 subsidy, or, as it is called, premium payment, which is a new, fancy name for subsidy, in my opinion, but amounts to the same thing. It is a payment of public money in order to acquire a certain production result. If that were necessary to acquire increased production, that would put a different light on it, in my opinion, but I cannot satisfy myself that the payment of premiums will increase production.

Let me give the Senator an illustration. I have some examples on my desk now of the situation I am about to describe, statements of some millwork companies, which today are producing about 25 percent of their capacity. They are old companies, some of them as old as 50 years. They cannot produce more than about a quarter of their capacity because they are losing as much now as they can afford to lose and keep their doors open. If they had a price that equaled at least the cost of production, they would be producing today, as I understand, at full capacity, without any premium payments.

There are lumber mills in certain places which today are completely shutdown because, as I am informed, they cannot produce and get their money out of the product. The OPA refuses to allow them a price which equals at least cost of production plus a modest profit.

The reason why I am confused about the premium payment proposed is that I cannot see how it will help the condition I have cited involving extra cost of production. I cannot see how a premium payment will cause extra production over and above the normal production on the part of those who, I am convinced in many instances, are at present losing

money. I cannot see how the Expediter is going to work that out.

Mr. BARKLEY. Has the Senator finished?

Mr. HICKENLOOPER. I am asking a question. In other words, if a man is in half production today and losing money, if he increased the other half——

Mr. BARKLEY. There is a question of how many are losing money, and what they are losing is a matter in dispute.

Mr. HICKENLOOPER. I am not asserting they are all losing money.

Mr. BARKLEY. In the case to which the Senator refers the company would receive a premium payment upon the increase above what it is producing now. It would have that incentive to increase its production, and when it added its increased production to its present normal production, and then added the incentive payment to the price which it is now receiving, the average it would receive would be greater than it is now obtaining. It may be that in that case there should be an increase in price.

Mr. HICKENLOOPER. That is what I am inquiring about.

Mr. BARKLEY. It may be that there should be an increase in price, but if there is no increase in price, and the plant increase its output, it will receive for the added production, over and above what it is now receiving on the market, the premium which will be paid, the addition of which will raise the average price of all it produces.

Mr. HICKENLOOPER. If a plant is producing today at 50 percent capacity at a loss, certainly there is no inducement for it to go ahead and produce 100 percent capacity, if on the last 50 percent it gets only enough to keep its nose above water.

Mr. BARKLEY. If it got a premium on the last 50 percent——

Mr. HICKENLOOPER. If it could stop making the first 50 percent and concentrate on the last, it would be all right.

Mr. BARKLEY. A man might produce what he is already producing at a loss, and if the premium he gets on the amount by which he increases his production would raise his average so as to put him in the black instead of the red, he certainly would be helped by the situation.

Mr. HICKENLOOPER. I had hoped the arrangement would be put on this basis—and I am not saying the Senator from Kentucky is putting it on any basis other than what is required by the bill—that, taking 100 percent of capacity, in the case of a plant, or an establishment of any kind, operating, for instance, on the basis of an 8-hour day or 40-hour week, the premium payment would be used to induce that plant to go, for example, on a 48-hour week, or a 52-hour week, and the increased cost over and above the cost of the 40-hour week would be taken up by the premium payment. That, of course, would presuppose that the 40-hour week was profitable for the company. If a 40-hour week should be unprofitable, if the plant could not make money on its product at the price allowed, then certainly the increased increment over and above 40 hours to 48 hours a week would not bring them out of the red.

Mr. BARKLEY. In that case suppose the plant is running on a single shift. We might even say that it is running at full capacity on a single shift, but by doubling the shift or trebling the shift it could produce more. It would be entitled to a premium on the amount by which it increased, by employing two or three shifts, what it was producing by the use of one shift.

Mr. HICKENLOOPER. As I understand, it would be entitled only to the increased dollar cost of running two shifts or three shifts as compared to the cost of running one shift.

Mr. BARKLEY. The premium payment accorded by the Expediter would be a uniform payment to all those eligible in the particular industry, whether they were running one shift or three shifts. Therefore, it would not be predicated so much on a dollar basis of pay, or on a 40-hour basis. The Expediter would base his premium payments upon whatever he thought was reasonable to induce increased production, and whether the increased production were brought about by doubling the shift or trebling the shift, or by any other method by which the production was increased, the plant would be entitled to the premium upon the excess amount.

Mr. HICKENLOOPER. I have understood the discussion today on this matter, but I was not in the committee when that particular phase of it was considered. It was my understanding in the committee that it was to be used to take up or to compensate for the extra cost over and above the normal, ordinary process necessary to produce an article.

Mr. BARKLEY. That might be true in a case like the one cited. It might cost more per unit, temporarily, based upon a two- or three-shift day, than on a one-shift day, and there might be increased cost per unit for a while. In every reorganization and reshuffling of a plant there is necessarily an increased cost per unit.

Mr. HICKENLOOPER. Getting back to the question of price, let me say that I have always been of the opinion that with the known demand by the public for building materials of all kinds, action should have been taken long ago. Letters I have received from lumber plants, the retail outlets, say that people come into them every day wanting lumber, but they cannot furnish their customers with lumber. The lumber producers say, "We could be producing and our mills would be running; we would rather have our plants operating than being idle, but we cannot operate and turn out the lumber in many instances at a profit at all. We have to turn it out at a loss. Therefore we cannot produce."

It would seem to me that some months ago we should have tried out at least a price adjustment between, for instance, rough lumber and siding, or rough lumber and flooring, to see whether that would not start production. It is my opinion, based upon the information I have been able to obtain from the retail outlets and from the mill operators themselves, that the wheels would have been turning 100 percent and they would have been getting somewhere near the 30,000,000,000 board feet capacity which they have, if that plan had been tried out.

Mr. BARKLEY. That is a speculative matter. I once delivered a speech in which I speculated upon what would have happened in the world if something else had happened which did not happen. It is a very interesting field for speculation. One could speak on ad infinitum and almost ad nauseaum on that subject. But I cannot answer that. I do not know what would have happened if something had happened 6 months ago that did not happen.

Mr. HICKENLOOPER. It is quite a serious question in our economy.

Mr. BARKLEY. We all know, regardless of the criticism that is heaped on the OPA from day to day, that the process by which they obtain information in order that they may render a decision on a matter is sometimes long drawn out. I myself have complained at times because it took them too long to reach a decision, but I think they try to get the facts before they reach a decision.

Mr. HICKENLOOPER. Have we any assurance that the Expeditor will use any different method than the governmental-machinery method the OPA has used? If he does not, we will never get around to expediting the building of houses.

Mr. BARKLEY. The very title "Expediter" carries with it the connotation of expedition.

Mr. HICKENLOOPER. It is a nice word.

Mr. BUCK. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BUCK. Is it not the understanding of the Senator from Kentucky that the Expediter has the authority to raise to the manufacturers the sales price of their goods even over the objection of the Administrator of OPA?

Mr. BARKLEY. Yes. We have been discussing that today, I will say to the Senator. The Expediter in this bill is given authority to compel the OPA to do so.

Mr. BUCK. And if he exercises such authority there will probably be very little need for the use of any of the $600,000,000 provided in the bill?

Mr. BARKLEY. That will depend. He has to feel justified that in any individual industry the price increase is a proper one, and that it will not increase the ultimate cost to the veteran so greatly as to prevent the economy in construction costs which we are seeking to attain. But the Expediter does have full authority with respect to any industry to order the Price Administrator to increase prices, and the Office of Economic Stabilization cannot nullify the Price Administrator's order.

Mr. BUCK. He ought to have that authority, and I contend that if he uses it he will not have much need for the money provided in the bill.

Mr. BARKLEY. I think he can minimize the necessity for using this fund by the exercise of the power we have given him.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. I have understood all along that this is a bill to provide housing for the ex-servicemen at reasonable cost. But all the argument I have heard here since 12 o'clock is concerned with the profit that is going to be made by the manufacturer, the contractor, or the lessor of the house after it is built.

Mr. BARKLEY. I hope the Senator will not say "all the argument" he has heard here today.

Mr. AIKEN. I mean all the argument directed at the Senator from Kentucky, if that will please him any better?

Mr. BARKLEY. Yes.

Mr. AIKEN. I wondered if the committee had any testimony to the effect that the $600,000,000 would result in holding down the cost of the houses to the servicemen, and whether weight was given to the possibility that the subsidy might enable the serviceman to get a house at a price within his reach.

Mr. BARKLEY. I stated earlier in my remarks in my effort to explain the bill, that without this $600,000,000 the increased cost of building materials going into the houses we seek to build for veterans would be $2,200,000,000, and that that would come out of the pockets of the veterans, which would average about $500 a house they would have to pay over and above what they would have to pay if, out of the Treasury, it should be found necessary to spend all the $600,000,000 provided by the bill. I emphasized that fact, and it was emphasized in the testimony before the committee, and the committee not only took that into consideration, but I think acted upon it in a wise and judicious manner.

Mr. AIKEN. I thank the Senator from Kentucky. I am very glad——

Mr. BARKLEY. In view of the fact that we are seeking to provide houses for veterans who went away from their homes and fought all over the world, leaving civilians at home to occupy all the houses which were available, and which are still available, it seems to me, that as a part of the war obligation which we owe to them we ought not to quibble about the possibility of spending $600,000,000 to get 2,700,000 homes for them—and even that number is not sufficient—rather than require price increases on building materials in order to build these homes that would cost them an aggregate of $2,200,000,000. That is the way I feel about it, and that is the way I believe the committee felt about it.

Mr. AIKEN. I am glad to have the explanation of the Senator from Kentucky, and to learn that, after all, the matter of homes for veterans is the prime motive of this bill rather than the matter of profit for contractors.

Mr. BARKLEY. Absolutely. This bill would not be here if it were not for our desire to provide homes for veterans.

Mr. AIKEN. I realize that.

Mr. BARKLEY. And if it were not for the fact that the overwhelming testimony, the uncontroverted testimony is that they need these homes and need them now.

Mr. AIKEN. Every one of us knows that they need them.

Mr. BARKLEY. Every one of us knows that they need them. We do not even have to have testimony to show that.

Mr. AIKEN. I realize that a manufacturer, or one engaged in the business of real estate, or the lessor of a home has to make a profit in order to live, but I think that we should consider this bill primarily from the point of view of the effect it will have in providing low-cost homes for the servicemen who, as the Senator has suggested, have fought for this country all over the world, and now come home, some of them bringing with them new families, and finding no place to live except to go home and live with the mother-in-law or with some other relative.

Mr. BARKLEY. I might say that even if we complete this program and build 2,700,000 homes for veterans at the end of 1947, there will still be about 2,000,000 families living in doubled-up accommodations, and most of them will be veterans.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AUSTIN. I desire to ask a question for information. In the paragraph which is being discussed on page 39, lines 12 to 16, it seems to me that the important word is "certainty." I should like to have the distinguished Senator's views about its use here. To bring that out I ask this question: Will it not be true in the operation of this act that always, under any and all circumstances, premium payments will be "necessary to stimulate such additional production with greater * * * certainty than other available methods"?

Will not that always be so?

Mr. BARKLEY. Of course, there are a great many elements which enter into this matter. One is economy. I have already alluded to that. The economy we are talking about here is the economy to the veteran in the purchase of his home. Undoubtedly the payment of premiums that hold down the over-all price of building materials will result in the building of a house that will be more economical to him. The testimony shows, and the facts are, that it will make a difference of about $500 in the cost of a house ranging in cost around $6,000. These premiums are to be paid "where such premium payments are necessary to stimulate * * * production with greater rapidity," with greater economy—the economy being to those who are going to buy these homes, and greater certainty. That is, we are actually going to accomplish that. We do not have to speculate about it. If those things, or any one of them—rapidity, economy, certainty—form the background for the payment of these premiums, then the premiums will be justified and be paid.

Mr. AUSTIN. Does it not lead to the conclusion that the premiums will be paid in any event, because of the word "certainty"?

Mr. BARKLEY. I think the chances are that the premiums will be paid up to the amount involved in the bill. I myself hope they will be paid, because it will result in enabling the American exserviceman for whom we are seeking to legislate, to buy a home more economically than he could buy one if he had to pay the increased cost of building materials.

Mr. WHERRY. Mr. President, will the Senator from Kentucky yield?

The PRESIDING OFFICER (Mr. CARVILLE in the chair). Does the Senator from Kentucky yield to the Senator from Nebraska?

Mr. BARKLEY. I yield.

Mr. WHERRY. If I correctly understand the majority leader, no attempt will be made to adjust prices, as provided for in subsection 2 on page 22?

Mr. BARKLEY. The Senator did not correctly understand.

Mr. WHERRY. Let me ask the majority leader a question. How can he harmonize subparagraph (1) under subsection (b) on page 39 with the statement which he made this morning, that he expected that the incentive program would be started immediately because it would be impossible to make price adjustments in time?

Mr. BARKLEY. I have never contemplated, and I do not now contemplate, that the Expediter will resort only to price increases, notwithstanding the authority which he would have to order the OPA to increase prices. I do not expect him, and I would not want him, to resort solely to the device of price increases, because that would result in an additional expense to the veterans in whose behalf we are legislating of $500, on the average. But that does not mean that under certain circumstances and in certain categories the Expediter may not order an increase, when he thinks it is justified, and when it may supplement the program which we are outlining by the provision for premium payments.

My reply to the Senator from Vermont is in no way to be interpreted as meaning that the Expediter would never use the authority given him on page 22, because if he never expected to use it there would be no point in putting it in the law.

Mr. WHERRY. I gather from the remarks of the distinguished Senator that he wants to afford relief to the veterans, and that he believes that the best way to do it is through incentive payments.

Mr. BARKLEY. I think that is the most rapid way to do it.

Mr. WHERRY. That brings me back to the question which I asked earlier. There is no inducement to the Housing Expediter to raise prices or to afford an opportunity for the production of lumber on the profit-motive basis, by increasing prices, because the Expediter will use the incentive route.

Mr. BARKLEY. The Housing Expediter is not going to take over the functions of the Price Administrator. He is going to act in cases in which he thinks he should act. He is not going to assume the over-all duties which are incumbent upon the Price Administrator. These two things go along together. My own judgment is that the incentive payments are more important, and that they will produce houses more rapidly, more certainly, and with greater economy to the veteran than would price increases if we could bring them about tomorrow in every field of building materials. That is what I think about it. Therefore, I hope that he will not necessarily use the whole

$600,000,000, but that the Expediter will use it insofar as it may be necessary to bring about the production of building materials and the construction of houses for veterans so that they may purchase them without unnecessary price increases.

Mr. WHERRY. Mr. President, will the Senator yield for one further question?

Mr. BARKLEY. I yield.

Mr. WHERRY. In the light of that explanation, taking the language on page 39, in subparagraph (1) of subsection (b), with respect to what materials—lumber, brick, or other materials—would the Senator start immediately to make incentive payments in order to obtain production? The language, on page 39, is:

> Premium payments shall be used temporarily only with relation to additional units of production beyond that otherwise attainable.

Mr. BARKLEY. I do not know on what building materials the Expediter would first pay a premium. I do not know that he would know the answer to that question if he were asked.

Mr. WHERRY. He could not know until he gave opportunity, under subparagraph (2), on page 22, to get production on the profit-motive basis.

Mr. BARKLEY. He is supposed to exercise his authority with some common sense and judgment. He certainly would not throw the $600,000,000 out the window and then say to Chester Bowles or Paul Porter, "Increase all prices. We want to build houses, no matter what it costs." We do not expect him to do that.

Mr. WHERRY. I think the answer is that he will pay the incentive rather than raise prices. That is the point which I made earlier in the discussion.

Mr. BARKLEY. It may be. I cannot predict what he will do.

Mr. WHERRY. There is no language in the bill to compel him to exercise control and ask the Price Administrator to give us a flexible pricing system which will allow production at a profit based upon current costs. He merely starts with an incentive program. If I correctly understand the distinguished Senator's interpretation, he starts in violation of the provision on page 39, in subparagraph (1) of subsection (b), which provides for the use of incentive payments only when it has been demonstrated that he cannot get production under a price-fixing program, which he could compel the Office of Price Administration to initiate.

Mr. BARKLEY. I am not predicting, and I doubt if Mr. Wyatt—if he is to continue as Expediter—could predict now how many price increases he will recommend to the OPA or order to be put into effect. I do not know. Neither do I know upon what commodity he will first begin to make a premium payment, or whether he will use the whole $600,000,000. No one can prophesy about that now. But we have placed this particular provision in the bill so that he may exercise that authority if in his judgment there ought to be price increases in certain categories of building materials, and I am sure that he will exercise the authority with judgment and discretion, and with fairness toward all concerned.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. SALTONSTALL. Earlier in the day I called the Senator's attention to subsection (d) of section 7, on page 31, which has to do with a violation of the regulations, and a civil action by the buyer against the seller. I ask the able Senator if he feels that that paragraph is clear. It does not seem clear to me. While this is perhaps a very small subject, it seems to me that that paragraph should be rewritten if it is to be included in the bill.

First, it provides that the buyer may have 1 year in which to bring action. On the next page, page 32, it is provided that if the buyer fails to bring an action within 60 days the Expediter may bring such action on behalf of the United States; but it does not say to whom the damages shall go if the Expediter brings the case, and it does not say whether the Expediter shall recover treble damages, as would the buyer. It seems to me that that provision should be rewritten if it is to remain in the bill.

Mr. BARKLEY. I thank the Senator. That provision may need some clarification, and I shall be glad to give it thought.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. REVERCOMB. A number of times the able Senator from Kentucky has referred to what will be done for the veteran, and for the benefit of the veteran. Of course, the bill bears the very attractive title of "Veterans' Emergency Housing Act." Is not the bill for the purpose of providing housing for all persons, veterans as well as nonveterans? Is it not for the benefit of all the people of the country?

Mr. BARKLEY. This bill is for veterans.

Mr. REVERCOMB. For veterans only?

Mr. BARKLEY. Yes. That does not mean that others may not obtain houses; but the priorities to be issued are to be in behalf of veterans.

Mr. REVERCOMB. I invite the Senator's attention to page 28, under subsection (b) of section 4. I read beginning with line 9:

> (b) In issuing any regulation or order allocating or establishing priorities for the delivery of any materials or facilities under this section, the Expediter shall give special consideration to (1) the general need for housing accommodations for sale or rent at moderate prices, (2) the need for the construction and repair of essential farm buildings, and (3) satisfying the housing requirements of veterans of World War II and their immediate families.

Mr. BARKLEY. Clauses (1) and (2) were placed in the bill by the House. When we added clause (3) the draftsmen failed to put it in its proper place. Clause (3) belongs where clause (1) is. I will say to the Senator that it is my purpose to transpose those clauses so as to give emphasis and priority to veterans and their families.

Mr. REVERCOMB. I thank the Senator. As the bill is written, the veteran is not given priority. He is put in third place.

Mr. BARKLEY. That subsection as it appears in the bill gives a false impression. Due to a mistake in draftsmanship clause (3) was not placed where it should have been placed.

Mr. President, I have taken more time than I intended to take. I feel that this bill, with the provision for incentive payments, will bring about increased production of building materials more readily, more economically, and more certainly than would any other method that has been devised or that can be devised. Therefore, I hope that the Senate will adopt that provision of the bill.

There has been a pyramiding of the prices of existing houses. A survey was made all over the country, in approximately 100 cities, to ascertain the facts as to the increase in prices of existing houses. The reports which were made showed that since 1941 existing houses have increased in price all the way from 25 to 100 percent, and in some cases more than 100 percent; and that even since VJ-day prices of existing houses have increased from 10 to 25 percent. Therefore, we have placed in the bill what seems to me to be a very mild ceiling on the prices of existing houses. There is no ceiling on the first sale. A man who owns a house for which he paid $5,000, 5 years ago, or 3 years ago, may sell it for $15,000 or $20,000 if he can find a purchaser. But after that sale the price may not be increased over that ceiling during the life of the act, which will expire at the end of 1947.

Inasmuch as the same situation exists with respect to building lots in cities and the outskirts of cities contiguous thereto, which are suitable for subdivision, and inasmuch as the price of the lot enters into the ultimate cost of the property and determines the ability of the veteran to buy a home, we have made the same provision with respect to unimproved building lots in cities and on the outskirts of cities, which are subject to subdivision, so as to provide that after the first sale of such a plot of ground following the enactment of this legislation—and the first sale may be at any price agreed upon between the purchaser and the seller—thereafter, during the life of this act, that price shall be the ceiling for that particular lot. In the cases of houses, the customary commissions are allowed in addition to the price, and allowance is made for any substantial improvements which the owner has made to the property during his ownership.

Mr. President, I apologize to the Senate for taking so much time. I hope that the questions and answers have been helpful, and I hope that we may speedily enact this legislation to bring about the remedying of a very great—and in perhaps hundreds of thousands of cases drastic and tragic—dislocation among those upon whom we have depended to defend our country, and who are anxious to own homes and establish themselves and their families, to the end that we may have a greater contentment

among the citizens of this country and a greater appreciation of the opportunities for which the veterans have fought all over the world to preserve the things that we hold dear.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I am about to yield the floor; but I yield.

Mr. TAFT. The Senator from Kentucky has not commented on what I think is the most doubtful part of the bill—namely, the last section, which deals with the guaranty of a market for prefabricated houses and new materials.

Mr. BARKLEY. I intended to comment on that, but I have already taken up so much time that I thought perhaps I might desist.

I did incidentally comment upon it earlier in the day by remarking that the materials provided for in the section to which the Senator from Ohio has referred—the one relating to prefabricated houses and new materials—involved a field in which there has not been great development. I realize that a start was made several years ago to build what were called prefabricated houses; in other words, houses built largely out of the same materials that would be used in building a house on a lot, but put together at a factory and shipped to the lot and put together on the lot by mechanics. Such a system produces a house which looks the same as a house which is built bit by bit on the site, provided the same materials are used. But there has been some timidity and some hesitation with respect to embarking very largely in the production of what are called prefabricated houses, that is, houses built at a factory, shipped knocked down, and assembled or put together on the lot, using some of the same procedure that is used in assembling automobiles at an assembly plant. After such houses are completed, they look as if they had been actually built on the lot.

Furthermore, Mr. President, there is a field in regard to new materials. I do not know to what extent such materials have been involved in the construction of houses, because I am not a builder and I have no connection with building associations; but I do know that experiments are being made with new materials. Some of the materials are represented as being as durable as brick or stucco or any other building material. But there has been timidity with respect to the acceptance of such materials by the general public.

The total number of the prefabricated houses to be built under the 2-year program is 850,000. In order to induce builders to erect them and make them available to veterans—and they are for veterans—we provide that 850,000 of them are to be built, although under the program at no time will there ever be an outstanding guaranty in regard to more than 200,000 of the prefabricated homes. That provision is made simply for the purpose of inducing those who are engaged in the production of such prefabricated houses to do so on a larger scale, so that the houses may become more immediately and more numerously available. In order to induce them to do that, we provide in the bill for the guaranty. It is provided on the same principle that was followed when we guaranteed loans made by banks under the FHA. The same principle applies, there is nothing particularly different. At no time can the guaranty cover more than 200,000 of such houses.

Some losses might be sustained by the Government. No one can tell. Now and then, the Government might have to take over some of the houses. Of course, if the Government took them over, it would take them over at less than the cost of the guaranty, and therefore the Government might be able to dispose of them ultimately without loss. But such a conclusion is speculative. I would not stand here and guarantee that the Government would never have any loss on account of these houses.

The sole purpose is to encourage the use of new processes, new materials, and new methods by which it will be possible to make new houses available more rapidly. The houses will be just as good as those previously erected; but, as we realize, there have been timidity and lack of assurance and initiative in regard to the construction of such houses and the use of such new processes and materials. This provision is made so as to induce people to proceed with the construction of such houses and the use of such materials.

Many houses of that sort have been built, and now are scattered all over the country. I have seen them in various cities. They are good looking, they are convenient, they have all the attraction which would be expected to be found among a diversity of houses built plank by plank and brick by brick on the sites. But there has been a fear that if the builders went too rapidly into the production of the prefabricated houses, perhaps not all of them would be sold, and there might ultimately be a loss.

Therefore, we have included in the bill the guaranty to induce those who are qualified and experienced in the production of this type of house to go forward with their production and to make the houses available. Then, after the program is over, if any of them are left on the builders' hands, the Government will undertake to underwrite them to the extent set forth in the bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. Was there not a statement that the association of prefabricators did not desire to have such a guaranty?

Mr. BARKLEY. Yes; but this morning I received from the association of prefabricators a statement that they do desire to have such a guaranty.

Mr. TAFT. Will the Senator place it in the RECORD?

Mr. BARKLEY. Yes. I recall the statement to which the Senator from Ohio has referred; but I learned on Saturday that the prefabricators had conferred and had given further consideration to the whole problem and that they were sending me a statement—and, I think, were issuing it to the newspapers—to the effect that they now favor this program and that they have altered their original opinion about it.

Mr. TAFT. That was purely a spontaneous statement, I suppose.

Mr. BARKLEY. I will say that I do not know anything about it. I do not even know who they are.

Mr. VANDENBERG. They have been "expedited."

Mr. BARKLEY. I have the statement somewhere among the papers on my desk. Here it is. It is a statement issued by the Prefabricated Home Manufacturers' Institute, 1232 Shoreham Building, Washington, D. C. The statement is dated April 6, 1946, and it is an advance release given out for the Sunday newspapers. The release consists of two mimeographed pages. Mr. President, I ask unanimous consent that it be placed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Prefabricated Home Manufacturers' Institute has been assured by National Housing Expediter Wilson W. Wyatt that only those prefabricated homes which conform to the high standards of the Federal Housing Administration will be eligible for priorities assistance under the veterans' emergency housing program.

Dawson Winn, newly elected president of Prefabricated Home Manufacturers' Institute, was elated with this assurance that only sound, durable, well-designed, and readily marketable homes would come under the veterans' emergency housing program, and he says, "This removes our objection to the guaranteed market provisions of the Patman bill because we were frankly afraid that the future of prefabricated homes would be severely jeopardized by the introduction of a lot of substandard, unconventional type of homes which we do not believe the veteran is ready and willing to accept.

"Mr. Wyatt pointed out to us," Mr. Winn continued, "that the section of the bill on guaranteed markets as reported out of the Senate committee provides that the number of prefabricated houses covered by outstanding guaranty shall at no time exceed 200,000 units. In order to protect established manufacturers of materials and houses, production of new types shall be encouraged only to supplement the expanded production of existing facilities as will be necessary to achieve the goals of the veterans' housing program."

Mr. Wyatt said that in order to achieve his goal of 250,000 prefabricated units this year and 600,000 units next year, he would need the authority to guarantee some producers (those, for example, that did not have their lines of distribution set up) that they would have a ready market, Mr. Winn continued.

"Mr. Wyatt further explained that he might not have to use more than a fraction of the amount being asked for but would need the authority to use it when and if necessary in order to produce the enormous expansion of factory-built homes necessary for the veterans' housing program.

"I am not opposed to the guaranteed market plan if properly safeguarded," Mr. Winn explained, "and now believe that it is so safeguarded in the Patman bill as reported out of committee.

"The plan as outlined in the bill would permit existing fabricators to bring their operations to capacity in time to meet the urgent need for full production.

"In addition to the points already mentioned as being in the Patman bill, the following are provisions with which we are in

accord: That there shall be 'reasonable prospect' of either (1) full return to the Government of any funds involved or (2) a net cost to the Government substantially lower than under any other available method of achieving the necessary expansion of production; the guaranty shall not be for the full amount of the producer's standard delivery price; the Expediter shall endeavor to keep the total net cost to the Government at less than 5 percent of the total amount guaranteed; emphasis shall be placed upon avoiding either economic dislocations or adverse effects upon established business; the producer must show that he has sufficient working capital and experience to achieve the desired production on conditions satisfactory to the Expediter."

Mr. BARKLEY. Mr. President, I thank the Members of the Senate for the patience with which they have indulged me, and I hope we may speedily consider and enact the pending bill.

ADDITIONAL APPROPRIATION FOR VETERANS' HOUSING AND RELATED EXPENSES

Mr. McKELLAR. Mr. President, I wish to ask the Senator from Kentucky and also the Senator from Ohio about the possibility of taking up several appropriation measures at this time. A while ago the Senator from Ohio told me that he intended to speak on the subject of the Veterans' Emergency Housing Act of 1946, which the Senator from Kentucky has been discussing at some length today. I wonder what arrangements, if any, have been made with respect to continuing the discussion of that measure today. I do not wish to interfere with consideration of that bill, of course. However, there are two comparatively small appropriation measures which should be passed, and one of them should be passed today.

If the Senator from Ohio will yield to me for a while, I should like to have the unfinished business temporarily laid aside, and have the Senate proceed to the consideration of the two appropriation bills.

Mr. BARKLEY. Mr. President, I have taken so much time today that I do not know whether any other Senator wishes to discuss the Veterans' Emergency Housing Act at this hour. If it is agreeable to the Senator from Ohio, I shall be glad to have the unfinished business temporarily laid aside, as the Senator from Tennessee has suggested.

Mr. TAFT. Mr. President, that will be perfectly agreeable. I should prefer to speak the first thing tomorrow.

Mr. BARKLEY. Very well.

Mr. McKELLAR. I thank the Senator.

Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed, first, to the consideration of House Joint Resolution 328.

The PRESIDING OFFICER. The resolution will be stated by title, for the information of the Senate.

The CHIEF CLERK. A joint resolution (H. J. Res. 328) entitled "Joint resolution making an additional appropriation for veterans' housing and related expenses."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the resolution (H. J. Res. 328) entitled "Joint resolution making an additional appropriation for veterans' housing and related expenses," which had been reported from the Committee on Appropriations with an amendment.

Mr. McKELLAR. Mr. President, I ask that the joint resolution be read for amendment, and that the amendment of the committee be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will state the amendment reported by the committee.

The CHIEF CLERK. On page 1, in line 8, after the numerals "(42 U. S. C. 1521)", it is proposed to strike out "subject, however, to the enactment of the bill (S. 1821) 'to amend section 502 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, so as to authorize the appropriation of funds necessary to provide an additional 100,000 temporary housing units for distressed families of servicemen and for veterans and their families', and to the provisions of such bill as enacted" and insert "subject to the provisions of Public Law 336, Seventy-ninth Congress, approved March 28, 1946."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment.

Mr. TAFT. Mr. President, do I correctly understand that this measure provides for the appropriation of the money which was authorized for an additional 100,000 units of temporary housing?

Mr. McKELLAR. That is correct. Mr. President, perhaps I had better read the statement contained in the report:

In December 1945 Congress appropriated $191,900,000 for the conversion and relocation, as emergency shelter for veterans, of publicly owned temporary structures such as military barracks, dormitories, and temporary war housing. It was contemplated that this sum would provide for 100,000 units. This number has proven entirely inadequate. Congress, therefore, enacted S. 1821, referred to above, which authorizes $250,000,000 additional for emergency temporary shelter for veterans. With the exception of $3,727,000, which is the unappropriated balance of title I, Lanham Act, funds authorized for diversion to this program by Public Law 292, Seventy-ninth Congress, the entire amount is for the purpose of carrying out the provisions of S. 1821. The amount contained in this resolution, $253,727,000, makes provision for the completion of the previous program of 100,000 units; provides for 102,350 additional units, and for administrative expenses, as follows:

For completion of previous program of 100,000 units	$5,000,000
For provision of 102,350 additional units	243,875,000
For administrative expenses	4,852,000
Total	253,727,000

I may say, Mr. President, that this bill was passed by the other House before we passed the previous deficiency bill, and the House at that time thought that the amendment could be incorporated in the bill. However, that was not done, and the amendment is to make the language in accordance with the facts stated.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. McMAHON. Is the appropriation for the remodeling of present structures? Does it apply in any way to new buildings?

Mr. McKELLAR. The appropriation is for the remodeling of present structures.

Mr. McMAHON. How does it occur that there are so many buildings on which we can spend such a large amount of money?

Mr. McKELLAR. The buildings have been erected for use at cantonments and as housing facilities for the military all over the country. An enormous amount of money can be saved by remodeling the old buildings and making them serviceable for occupants.

Mr. McMAHON. I assume that the buildings belong to many separate agencies.

Mr. McKELLAR. They do.

Mr. McMAHON. Is there a list of them in the RECORD?

Mr. McKELLAR. The type of structure is listed, but not the various houses and the places where they are located.

Mr. McMAHON. I should think that inasmuch as each Senator has received from persons within his own State many letters with regard to this matter it would be well if there were some convenient place in the RECORD to which we could refer in answering the questions of our constituents, and to indicate to them where in the respective States these projects will be located.

Mr. McKELLAR. I could get the Department to send that information here and have it put into the RECORD, but any Senator may secure the same information by telephoning the National Housing Authority. The Senator could obtain such information within 10 minutes over the telephone.

Mr. McMAHON. I thank the Senator.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendment and the third reading of the joint resolution.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution (H. J. Res. 328) was read the third time and passed.

SECOND SUPPLEMENTAL SURPLUS APPROPRIATION RESCISSION ACT, 1946

Mr. McKELLAR. I move that the Senate proceed to the consideration of Calendar No. 1122, House bill 5604, the Second Supplemental Surplus Appropriation Rescission Act of 1946.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 5604) reducing or further reducing certain appropriations and contractual authorizations available for the fiscal year 1946, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will state the amendments of the committee.

The first amendment of the Committee on Appropriations was, under the heading "Executive departments (non-war)—Department of Agriculture," on page 4, line 4, after the word "possessions", to strike out "$5,000,000" and insert "$3,000,000."

The amendment was agreed to.

The next amendment was, under the subhead "Department of Justice," on page 4, line 16, after the word "departments", to strike out "$6,703,143" and insert "$5,503,143."

The amendment was agreed to.

The next amendment was, on page 4, line 17, after "In all, title I", to strike out "$1,834,968,275" and insert "$1,833,768,275."

The amendment was agreed to.

The next amendment was, under the heading "Title II—Military Establishment," on page 6, line 19, after the numerals "1942-1946", to strike out "$66,140,457" and insert "$4,704,700"; in line 21, after "(1)", to strike out "Pay of the Army, $61,435,757; (2)"; in line 22, after the figures "$4,700", to strike out "(3)" and insert "(2)"; in line 23, after the figures "$450,000", to strike out "(4)" and insert "(3)"; in line 24, after the word "and", to strike out "(5)" and insert "(4)"; and on page 7, line 1, after the figures "$250,000", to insert a colon and the following:

Provided, That of the provisions of law of the United States conferring rights, privileges, or benefits upon any person by reason of the service of such person or the service of any other person in the armed forces of the United States or any component thereof, only those conferring rights, privileges, or benefits upon persons during the time they are on active duty and those listed below shall, after the date of enactment of this act, be deemed to apply to persons for service in the Philippine Scouts under the provisions of section 14 of the act approved October 6, 1945 (Public Law 190, 79th Cong.):

(1) The provisions of the act of March 9, 1928 (45 Stat. 251), as amended, relating to funeral expenses;

(2) Provisions of law authorizing the payment to enlisted men of a travel allowance upon discharge;

(3) Provisions of law authorizing retirement and prescribing or governing pay for Philippine Scouts placed on the retired list;

(4) The provisions of the act of December 17, 1919 (41 Stat. 367), as amended, authorizing the payment of a death gratuity equal to 6 months' active-duty pay to the dependents of military personnel whose death occurs while on active duty;

(5) The provisions of the Mustering-Out Payment Act of 1944 (Public Law 225, 78th Cong.), except that for the purpose of computing such payments for service in the Philippine Scouts, service wholly performed in the Philippine Islands shall be compensated for on the same basis as service wholly performed within the United States; and

(6) The provisions of laws administered by the Veterans' Administration providing for the payment of pensions on account of service-connected disability or death: *Provided further*, That payments made under the provisions of any law referred to in clauses (5) and (6) above shall be paid at the rate of one Philippine peso for each dollar authorized by such law: *And provided further*, That the provisions of the National Service Life Insurance Act of 1940, as amended, shall apply to persons who serve in the Philippine Scouts under the provisions of section 14 of the act approved October 6, 1945, only insofar as such provisions relate to contracts of insurance heretofore entered into.

The amendment was agreed to.

The next amendment was, on page 9, like 14, after the figure "$50,000,000", to strike out the comma and "and no part of such subappropriation shall be available after February 25, 1946, for acquiring land or building permanent structures within the continental limits of the United States, except structures not costing more than $20,000."

The amendment was agreed to.

The next amendment was, on page 12, line 14, after "In all, title II", to strike out "$1,615,926,369" and insert "$1,554,490,612."

The amendment was agreed to.

The next amendment was, under the heading "Title III—Naval Establishment", on page 12, line 17, after the numeral "1946", to strike out "$75,000" and insert "$36,000."

The amendment was agreed to.

The next amendment was, at the top of page 13, to strike out:

Naval Training Station, Port Deposit, Md., 1946, $200,000.

The amendment was agreed to.

The next amendment was on page 14, after line 6, to strike out:

Pay and subsistence of naval personnel, 1946, $400,000,000.

The amendment was agreed to.

The next amendment was, on page 14, line 11, after the numerals "1946", to strike out "$15,000,000" and insert "$13,657,000."

The amendment was agreed to.

The next amendment was, on page 14, line 12, after the numerals "1946", to strike out "$150,000,000" and insert "$119,474,300."

The amendment was agreed to.

The next amendment was, on page 15, line 2, after the figures "$190,000,000", to strike out the comma and "and the contractual authorization for 'Public Works, Bureau of Yards and Docks', available in the fiscal year 1946, is hereby further reduced in the sum of $5,000,000, applicable to projects within the continental limits of the United States, and neither the appropriation nor contractual authorization under this head shall be available after February 25, 1946, for the acquisition of land, except in pursuance of a specific appropriation" and insert a colon and the following: *"Provided*, That the restriction on the use of the appropriation and contract authorization in the amount of $1,500,000 applying exclusively for field house at United States Naval Academy, Annapolis, Md., including acquisition of land and accessories as authorized by law is hereby canceled."

The amendment was agreed to.

The next amendment was, on page 15, line 20, after the numerals "1946", to strike out "$215,887,000" and insert "$165,682,000"; and on page 16, line 4, after the word "to", to strike out "'$627,884,450'" and insert "'$678,089,450.'"

The amendment was agreed to.

The next amendment was, on page 16, line 15, after the figures "$20,387,000" to insert a colon and the following proviso: *"Provided*, That the proviso in Public Law 301, Seventy-ninth Congress, approved February 16, 1946, under the head of 'Increase and replacement of naval vessels, emergency construction', is amended to the extent that combatant vessels under construction on March 1, 1946, whose percentage of construction exceeded 20 percent on that date will be completed."

The amendment was agreed to.

The next amendment was, under the subhead "Transfer of appropriations", on page 19, line 3, after the numerals "1943", to strike out "$4,500,000" and insert "$5,000,000."

The amendment was agreed to.

The next amendment was, on page 19, line 15, after the words "In all", to strike out "$37,476,640" and insert "$37,976,640."

The amendment was agreed to.

The next amendment was, under the subhead "Naval stock account and fund", on page 19, line 21, after the word "to", to strike out "$1,650,000,000" and insert "$2,000,000,000."

The amendment was agreed to.

The next amendment was, on page 19, line 24, after "In all, title III", to strike out "$3,266,992,924" and insert "$2,784,680,224."

The amendment was agreed to.

The next amendment was, at the top of page 20, line 1, in the subhead, after the word "General", to strike out "Provision" and insert "Provisions", so as to make the subhead read "General Provisions."

The amendment was agreed to.

The next amendment was, on page 20, after line 14, to insert:

The defense aid (lend-lease) appropriations made to the President are hereby relieved from reimbursing the appropriations of the Military Establishment and the appropriations of the Navy Department and the naval service for any amounts owing on the date of this act to such appropriations for materials, supplies, equipment, or services which, pursuant to the authorization or direction of the former Foreign Economic Administration or the State Department, were furnished by either the War or the Navy Department to any foreign government under the provisions of the Lend-Lease Act, as amended.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is before the Senate and open to further amendment.

Mr. WILEY. Mr. President, I understand that this is the Surplus Appropriation Rescission Act of 1946.

Mr. McKELLAR. Yes. It is an amendment to the act which was passed some time ago.

Mr. WILEY. I understand that the total rescission amounts to $6,664,469,002, as shown on page 10 of the committee report. The bill merely rescinds appropriations which have been heretofore made. Am I correct in that statement?

Mr. McKELLAR. The Senator is correct.

Mr. WILEY. I thank the Senator.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 5604) was read the third time and passed.

Mr. McKELLAR. I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

Mr. WHERRY. Mr. President, before the motion of the Senator from Tennessee is acted upon, I wish to ask the Senator a question.

Mr. McKELLAR. I yield.

Mr. WHERRY. Some of us would like to know whether the amount of rescission in the Senate version of the bill is the same as that contained in the bill as passed by the other House?

Mr. McKELLAR. It will be found on page 2 of the report that the House figure has been reduced by $549,948,457.

Mr. WHERRY. I thank the Senator.

Mr. McKELLAR. Most of that amount was represented by a retraction in the item, "Pay of the Army and the Navy." The testimony before the committee was to the effect that both the Army and the Navy were already facing a deficit in the item, "Pay of personnel," and the committee was of the opinion that the rescission proposed by the House would only add to the deficit. That explains largely the retraction recommended by the committee.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. BROOKS, Mr. BRIDGES, and Mr. GURNEY conferees on the part of the Senate.

Mr. McKELLAR. Mr. President, I thank the Senate, and especially the Senator from Ohio [Mr. TAFT], who wishes to address the Senate.

VOTING BY MEMBERS OF THE ARMED FORCES AND CERTAIN OTHERS

Mr. TAFT. Mr. President, I was excused from attendance of the Senate and was unable to be present last Saturday when the Senate passed House bill 5644, commonly known as the soldier vote bill, which abolished the Federal ballot. I thoroughly approve of the action which was taken by the Senate in connection with the bill and the abolition of the Federal ballot. But I wish to make a few comments which I would have made if I had been present while the bill was being considered by the Senate.

The controversy regarding the Federal ballot was prolonged. It was a bitter political issue and on January 25, 1944, the Congress received a Presidential message dealing with this subject, one of the most intolerant messages I have ever read. I ask unanimous consent to have it incorporated in full at this point in the RECORD as a part of my remarks.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

The American people are very much concerned over the fact that the vast majority of the 11,000,000 members of the armed forces of the United States are going to be deprived of their right to vote in the important national election this fall unless the Congress promptly enacts adequate legislation. The men and women who are in the armed forces are rightfully indignant about it. They have left their homes and jobs and schools to meet and defeat the enemies who would destroy all our democratic institutions, including our right to vote. Our men cannot understand why the fact that they are fighting should disqualify them from voting.

It has been clear for some time that practical difficulties and the element of time make it virtually impossible for soldiers and sailors and marines spread all over the world to comply with the different voting laws of 48 States, and that unless something is done about it they will be denied the right to vote. For example, the statutes of four of the States permit no absentee voting at all in general elections. Eleven other States require registration in person in order to be able to vote. Others permit absentee registration; but in some instances the procedure is so complicated and the time is so limited that soldiers and sailors in distant parts of the world cannot practically comply with the State requirements.

But even if the registration requirements were met, there are still innumerable difficulties involved. For example, Pvt. John Smith in Australia and his brother Joe who is on a destroyer off the coast of Italy, who think they are entitled to vote as well as to fight, find that they have to write in and ask the appropriate public official in their own State for absentee ballots. In every State those ballots cannot even be printed until after the primary elections, and in 14 States the primaries do not take place until September. In due time the ballots are printed, but they cannot always be sent out immediately, since in about half the States the absentee ballots cannot be mailed until 30 days or less before the election. Weeks after they are mailed out, they reach John Smith in Australia and Joe aboard his destroyer. Even assuming that John and Joe, in the meantime, have not been transferred to another station or ship, or have not been wounded and sent to hospital, it is doubtful whether the ballots will get back in time to be counted. If they have been moved, as is very likely, the ballots may not even reach them before election day.

In 14 States the procedure is even more time-consuming and cumbersome, for instead of writing for an official ballot, John and Joe must first obtain special application forms for official ballots, which must be received and filled out and returned, before the ballots themselves are even mailed to them.

The Congress in September 1942 took cognizance of this intolerable situation facing millions of our citizens, and passed a Federal absentee balloting statute (Public Law 712). That law did three things: It provided for a Federal ballott to be prepared by the States; it abrogated State requirements for registration and poll-tax payments, insofar as they apply to members of the armed forces; and it required the War and Navy Departments to distribute postal cards to members of the armed forces with which they might request Federal absentee ballots from their State election officials.

The Federal law was a slight improvement, in that it provided absentee voting procedures in those cases where there had been no action by the States. It also eliminated some of the strict procedural requirements contained in many of the State laws. The great defect in that statute, however, was that it still involved a time lag, so that the voter might not receive his ballot in time to return it to be counted. This defect is inherent, and cannot be avoided, in any statute under which the forwarding of ballots for distribution must wait until the candidates have been selected in the primaries, or which requires correspondence between the local election officials and soldiers and sailors who may be transferred or moved at any minute. If any proof were necessary to show how ineffective this Federal statute was—the fact is that out of 5,700,000 men in our armed forces at the time of the general elections of 1942, only 28,000 servicemen's votes were counted under the Federal statute.

The need for new legislation is evident if we are really sincere, and not merely rendering lip service to our soldiers and sailors.

By the 1944 elections there will be more than 5,000,000 Americans outside the limits of the United States in our armed forces and merchant marine. They, and the millions more who will be stationed within the United States waiting the day to join their comrades on the battle fronts, will all be subject to frequent, rapid, and unpredictable transfer to other points outside and inside the United States. This is particularly true in the case of the Navy and merchant marine, components of which are at sea for weeks at a time and are constantly changing their ports of entry and debarkation.

Some people—I am sure with their tongues in their cheeks—say that the solution to this problem is simply that the respective States improve their own absentee-ballot machinery. In fact there is now pending before the House of Representatives a meaningless bill, passed by the Senate December 3, 1943, which presumes to meet this complicated and difficult situation by some futile language which "recommends to the several States the immediate enactment of appropriate legislation to enable each person absent from his place of residence and serving in the armed services of the United States * * * who is eligible to vote in any election district or precinct, to vote by absentee ballot in any general election held in his election district or precinct in time of war." This recommendation is itself proof of the unworkability of existing State laws.

I consider such proposed legislation a fraud on the soldiers and sailors and marines now training and fighting for us and for our sacred rights. It is a fraud upon the American people. It would not enable any soldier to vote with any greater facility than was provided by Public Law 712, under which only a negligible number of soldiers' votes were cast.

This recommendation contained in this piece of legislation may be heeded by a few States but will not—in fact, cannot—be carried out by all the States. Two States would require a constitutional amendment in order to adopt a practical method of absentee voting—which is obviously impossible to do before the November elections. Only a handful of the States—nine—will have legislatures regularly in session this year; and, to date, only eight other States have called special sessions of their legislatures for this purpose.

Besides, the Secretary of War, who will have the bulk of the administrative responsibility for distributing and collecting the ballots, has stated: "No procedure for offering the vote to servicemen can be effectively administered by the War and Navy Departments in time of war unless it is uniform and as simple as possible. Especially is this true with regard to the voting of persons outside the United States. * * * An Army engaged in waging war cannot accommodate that primary function to multiple differences

in the requirements of the 48 States as to voting procedure."

I am convinced that even if all the States tried to carry out the "recommendations" contained in this bill, the most that could be accomplished practically would be to authorize the Army and Navy to distribute and collect ballots prepared by the States in response to post-card requests from servicemen—the very procedure set forth in Public Law 712, which has been such a failure.

What is needed is a complete change of machinery for absentee balloting, which will give the members of our armed forces and merchant marine all over the world an opportunity to cast their ballots without time-consuming correspondence and without waiting for each separate State to hold its primary, print its ballots, and send them out for voting.

The recent bills proposed by Senators GREEN and LUCAS and by Congressman WORLEY—S. 1612, H. R. 3982—seem to me to do this job. They set up proper and efficient machinery for absentee balloting. These bills propose that blank ballots on special paper suitable for air delivery be sent by the War and Navy Departments to all the fronts and camps and stations out in the field well in advance of election day. Immediately after primary elections are held, the names of the various candidates would be radioed or wired to the various military, naval, and merchant marine units throughout the world—on the high seas, on every front, and at every training station. The lists of candidates would then be made available to the voters, and the ballots would be distributed for marking in secrecy. But even if the candidates' names had not been made available in an area in time to allow the ballots to be sent back to the United States, the voters could cast their votes by designating merely the name of the party of the candidates they desired to vote for. The voting date would be fixed in each area in sufficient time to get the ballots back home before election day, even if the actual names of the candidates had not been received in that particular area. The ballots would be collected and transmitted back to the United States by the quickest method of delivery for forwarding to the appropriate State election officials.

Each State, under these bills, would determine for itself whether or not the voter is qualified to vote under the laws of his State. Each State would count the ballots in the same way in which it counts the other ballots that are cast in the State. The sole exceptions would be those conditions of registration and payment of poll tax which could not be satisfied because of the absence of a voter from his State of residence by reason of the war. Those conditions were abrogated by the Congress when it passed the existing Federal absentee balloting law (Public Law 712).

There is nothing in such a proposed statute which violates the rights of the States. The Federal Government merely provides quick machinery for getting the ballots to the troops and back again. Certainly it does not violate States' rights any more than Public Law 712, which was passed by a substantial majority of the Congress in September 1942, and which specifically provided that no member of the armed forces had to register or pay a poll tax in order to vote in a Federal election. It is no more violative of States' rights than the Soldiers and Sailors Civil Relief Act, which the Congress passed in October 1940, more than a year before the war began.

It is true that these bills do not provide a simplified method of voting for State and local officials. The Congress has not the same authority to provide a simplified voting procedure for the thousands of State and local candidates that it has for Federal candidates. Nor would it be practicable to do so. The inclusion of all the State and local candidates would increase the size and weight of the ballot so as to make air delivery a physical impossibility. Furthermore, the transmission and distribution of names of the many thousands of State and local candidates throughout the United States to each voter in every military and naval unit and merchant ship raise insuperable difficulties.

Since these bills provide that if any voter wishes, he may use the procedure of his own State for absentee balloting, he is given, to the extent that there is any possibility of doing so, an opportunity to vote for State and local candidates. In fact, since they provide for a postcard system to implement the State laws, each voter is given at least as great an opportunity to vote for State and local candidates as he would have under any legislation.

The inclusion of other groups of voters who are engaged abroad in war work of various kinds would be desirable. But as to members of our armed forces and merchant marine, I deem the legislation imperative.

Our millions of fighting men do not have any lobby or pressure group on Capitol Hill to see that justice is done for them. They are not ordinarily permitted to write their Congressman on pending legislation; nor do they put "ads" in the papers or stimulate editorial writers or columnists to make special appeals for them. It certainly would appear unnecessary that our soldiers and sailors and merchant marine have to make a special effort to retain their right to vote.

As their Commander in Chief, I am sure that I can express their wishes in this matter and their resentment against the discrimination which is being practiced against them.

The American people cannot believe that the Congress will permit those who are fighting for political freedom to be deprived of a voice in choosing the personnel of their own Federal Government.

I have been informed that it would be possible, under the rules of the Congress, for a soldiers' vote bill to be rejected or passed without any roll call, thus making it impossible for the voters of the country—military or civilian—to be able to determine just how their own Representative or Senator had voted on such a bill.

I have hesitated to say anything to the Congress on this matter for the simple reason that the making of these rules is solely within the discretion of the two Houses of the legislative branch of the Government. I realize that the Executive as such has nothing to do with the making or the enforcement of these rules. Nevertheless, there are times, I think, when the President can speak as an interested citizen.

I think that there would be widespread resentment on the part of the people of the Nation if they were unable to find out how their individual Representatives had expressed themselves on this legislation—which goes to the root of the right of citizenship.

As I have said, this is solely a legislative matter but I think most Americans will agree with me that every Member of the two Houses of Congress ought to be willing in justice to stand up and be counted.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 26, 1944.*

Mr. TAFT. Mr. President, the message says:

It has been clear for some time that practical difficulties and the element of time make it virtually impossible for soldiers and sailors and marines spread all over the world to comply with the different voting laws of 48 States, and that unless something is done about it, they will be denied the right to vote.

The legislation which was adopted was then before us, and the President said:

I consider such proposed legislation a fraud on the soldiers and sailors and marines now training and fighting for us and for our sacred rights. It is a fraud upon the American people. It would not enable any soldier to vote with any greater facility than was provided by Public Law 712, under which only a negligible number of soldiers' votes were cast.

In the campaign which followed that was an issue which was certainly used against me in my election, and in a pamphlet which was issued by my opponent it was stated:

It is not surprising that the President, when he sent his message to Congress, called this sort of business a "fraud" on the soldiers. One of the leaders in this "fraudulent" business was Senator ROBERT A. TAFT.

Just after the election the Secretary of War, without very much attention being paid to it, issued a statement in which he said the Federal ballot was a complete failure. I read extracts from his report to the United States War Ballot Commission.

The percentage of soldiers of voting age overseas from the 20 States authorizing use of the Federal ballot was 5.3 percent. Because many soldiers executing Federal ballots in October later received, marked, and sent in their State absentee ballots in time to be counted, the effective Federal ballots cast by Army personnel would show a still smaller percentage.

Most servicemen who desired to vote were able to obtain, vote, and return their State absentee ballots, leaving relatively few who needed to (or legally could) use the supplementary percentage.

Mr. President, I merely wish to have these matters appear in the RECORD, in view of the fact that the administration now admits that the Federal ballot was never necessary, and is now undertaking to repeal the statute which created and supported the Federal ballot.

Mr. PEPPER. Mr. President, I entered the Chamber just in time to hear the Senator from Ohio say that the administration admits now that there never was a need for the Federal ballot. I merely wish to protest that statement, so far as I am concerned. There was a great need for it, and in my opinion it was a great tragedy that it was not used more widely. As one Member of the Senate I do not wish to let the statement go unchallenged that there is any admission on the Government's part that there was no need for a Federal ballot.

Mr. TAFT. Mr. President, perhaps the Senator did not hear the report of the Secretary of War which I read, in which the Secretary said that in those States which authorized the Federal ballot only 5 percent of the soldiers used it, and that most of them also voted the State ballot, and the implication of his statement, at least, was that the number of Federal ballots cast by the armed personnel showed a still smaller percentage than 5. I am merely quoting the administration's own admission, and the official report of the Secretary of War to the Federal Ballot Commission, on which the passage of the bill on Saturday was based.

Mr. PEPPER. Mr. President, it was my opinion that the reason why there was never a broader use of the Federal ballot was that Congress hamstrung the matter as it did, and for such a long time, when the question was before the Congress.

Mr. TAFT. With due respect, Mr. President, the bill was passed in plenty of time. The Federal ballot was perfectly convenient for use in any State that adopted it, and many of the States did adopt it, yet in the States which did adopt it few soldiers used it, and those who voted the Federal ballot voted the State ballot also if they could get it.

Mr. PEPPER. We all admit that if it had been possible for everyone to get a State ballot and get it voted, that would have been the perfect thing, but that was not possible in great numbers of cases, when it would have been possible in the case of a Federal ballot, if that had been the form generally used.

VETERANS' EMERGENCY HOUSING ACT OF 1946

Mr. McKELLAR. Mr. President, I ask that the Senate resume the consideration of the unfinished business.

The Senate resumed consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. CARVILLE in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Edward H. Foley, Jr., of New York, to be Assistant Secretary of the Treasury, in place of Herbert E. Gaston, resigned, which was referred to the Committee on Finance.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

Carrick H. Buck, of Hawaii, to be first judge of the first circuit, circuit courts, Territory of Hawaii;

Sam M. Driver, of Washington, to be United States district judge for the eastern district of Washington, vice Hon. Lewis B. Schwellenbach, resigned; and

Ray J. O'Donnell, of Ohio, to be United States attorney for the southern district of Ohio, vice Byron B. Harlan, resigned.

Mr. McFARLAND. Mr. President, as in executive session, I ask unanimous consent that I may report from the Committee on the Judiciary the nomination of Hon. Howard C. Speakman to be United States district judge for the district of Arizona. Judge Speakman is an able and outstanding lawyer in our State, and since the year 1930 he has served as superior judge in Maricopa County, in the State of Arizona. It is with a great deal of pride and satisfaction that I report his nomination favorably.

The PRESIDING OFFICER. Without objection, the nomination will be received and placed on the Executive Calendar.

RECESS

Mr. McKELLAR. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 13 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, April 9, 1946, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate April 8 (legislative day of March 5), 1946:

TREASURY DEPARTMENT

Edward H. Foley, Jr., of New York, to be Assistant Secretary of the Treasury, in place of Herbert E. Gaston, resigned.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 8, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, through the broken clouds may we obtain glimpses of a firm, clear, and permanent vision of a world at peace. With aching, weary eyes it has been looking for the blessed day of emancipation from its cumbersome load of strife, of deceptions, and multiplied contradictions. As we seek to bring in the fulfillment of this vision, O let us put our trust not in our own wisdom, nor even in our understanding, but in doing our whole duty, may we be directed by Thy counsel. So long Thy power has blessed us, sure it still will lead us on "o'er moor and fen, o'er crag and torrent, till the night is gone."

Thou Light of the World, how marvelous is Thy presence among men when with all their hearts they fervently seek Thee! Wilt Thou continue to guard and direct our President and all his counselors; grant unto them a wider outlook, that Thy kingdom may come and Thy will be done in all the earth. We pray in the name of Him who said:

Inasmuch as ye have done it unto one of the least of these My brethren, ye have done it unto Me.

Amen.

The Journal of the proceedings of Friday, April 5, 1946, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 3796. An act to quiet title to certain school-district property in Enid, Okla.; and

H. R. 5644. An act to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1349. An act to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1425. An act to revive and reenact the act entitled "An act to authorize the County of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.," approved June 8, 1940.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 63) entitled "An act to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or educational programs."

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1415) entitled "An act to increase the rates of compensation of officers and employees of the Federal Government," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. DOWNEY, Mr. BYRD, Mr. LANGER, and Mr. HICKENLOOPER to be the conferees on the part of the Senate.

The message also announced that the Vice President has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of Commerce.
3. Department of the Interior.
4. Department of the Navy.
5. Department of the Treasury.
6. Department of War.
7. Federal Security Agency.
8. Office of Alien Property Custodian.
9. Office of Price Administration.
10. Selective Service System.

EXTENSION OF REMARKS

Mr. PLUMLEY (at the request of Mr. MARTIN of Massachusetts) was granted permission to extend his remarks in the RECORD and include an address made yesterday at Valley Forge.

Mr. HOLMES of Massachusets (at the request of Mr. MARTIN of Massachusetts) was granted permission to extend his remarks in the RECORD and include a letter to the President.

THE LATE HONORABLE ROBERT LUCE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, it is my sad duty to announce the death of one of our beloved former colleagues, Hon. Robert Luce, of Massachusetts.

Those of us who have been here some years remember Mr. Luce as one of the really great statesmen of our times. He was an outstanding scholar, an author of distinction, and a man of great knowledge, high character, and courage. He was a man of great eloquence, and he used that talent to forcibly present the issues of the day. He was a skilled parliamentarian and was the author of a book on parliamentary law which was widely read.

Mr. Luce served his State of Massachusetts in the legislature, as Lieutenant Governor of that State, and then came here and gave brilliant service. Massachusetts has lost a great statesman and the country has lost an able American. It is with great regret that I announce his death.

Born in Auburn, Maine, Mr. Luce was graduated in 1882 from Harvard College, a year later received a master of arts degree from Harvard, and took a position as submaster at Waltham High School. He served as a reporter on the Boston Globe from 1884 to 1888, and then, with his brother, Linn, established the press-clipping bureau which now operates as the Luce Press Clipping Bureau in New York.

He served in the Massachusetts House of Representatives from 1898 to 1899 and from 1901 to 1908. Mr. Luce was admitted to the bar in 1908, and 2 years later was presiding officer of the Republican State convention.

In 1912 he was elected Lieutenant Governor. Until he was elected to Congress from the old Thirteenth District in 1918, he served on the Massachusetts Retirement Board, the Massachusetts Commission on the Cost of Living, and the Massachusetts Constitutional Convention.

In Congress, Mr. Luce became the ranking member of the Committees on Banking, World War Veterans, and Library. He was a regent of the Smithsonian Institution from 1929 to 1931.

The record of Mr. Luce in Congress was the climax of a useful life. His ability and fairness won him the respect and esteem of all our membership.

The United States has lost a great statesman and Massachusetts one of its outstanding citizens. Those who were privileged to serve with him and to enjoy his friendship appreciate the greatness of his loss.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. McCORMACK. Mr. Speaker, I am very sorry to hear of the death of my late friend, Bob Luce. In 1917 my first public office was as a member of the constitutional convention, of which our late friend, Mr. Luce, was also a member. Throughout the years there has been a close friendship existing between us.

I agree with everything my distinguished friend the gentleman from Massachusetts [Mr. MARTIN] has said. Mr. Luce was one of the most intellectual men I have ever known; and he was intellectually honest. He was a man of great courage and great stability; a man who devoted his entire life to the public service of the people of his State and of our country.

In the passing of Bob Luce Massachusetts has lost one of its most distinguished sons, and the country has lost a man who made great contributions in this very Chamber to the progress of our people; and I have lost a personal friend.

Mr. WIGGLESWORTH. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. WIGGLESWORTH. Mr. Speaker, the passing of Robert Luce will carry with it a sense of loss for all those who were associated with him here in the House of Representatives or elsewhere during his long career in the public service.

A member of the Massachusetts Legislature for many years, a member of the Massachusetts Constitutional Convention, Lieutenant Governor of Massachusetts, and subsequently a Member of this House for some 20 years, he served both the State and Nation with devotion and distinction for upwards of 30 years.

Scholarly, distinguished also as an author, an authority in many fields, I think those who served with him here will agree that he never took the floor of the House without making a contribution of real value.

Bob Luce will be remembered by his former colleagues with both affection and the highest esteem. Personally, I shall always be grateful to him for all that he did for me when I first became a Member of this House.

In his death Massachusetts and the Nation lose a gifted statesman in the true sense of the word.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Mississippi.

Mr. RANKIN. Mr. Speaker, as a Democrat from the deep South who probably crossed swords with Bob Luce as often as any other man in this body during the last 10 years of his services here, I want to join in paying tribute to the life of a great American.

He was one of the best-informed men I have ever met in debate, and in a heated contest with him, whether on a legislative issue or a point of order, one experienced what Scott called—

* * * the stern joy which warriors feel
In foemen worthy of their steel.

It is always a pleasure to debate with a man who knows what he is talking about and who possesses those qualities of sterling honesty that were manifested by Mr. Luce on all occasions.

The thing that impressed me most was his unswerving devotion to his country.

If I may paraphrase, or add to, an expression of Shakespeare, I would say that—

His life was gentle, and the elements
So mix'd in him, that Nature might stand up
And say to all the world, "This was a man."

And his devotion to his country was such that Columbia might stand up and say to all the world, "This was an American."

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, it was my privilege to serve with the outstanding American and former Member of this House, Mr. Robert Luce, for some 20 years. During those years I did not know a more cultured, intellectual, scholarly, and honorable gentleman. He had ability and patriotism, and in his death not only the Commonwealth of Massachusetts but the entire country loses a foremost citizen. I regret his death sincerely; we need more Americans such as he.

TO FIX THE SALARIES OF CERTAIN UNITED STATES JUDGES

Mr. SLAUGHTER, from the Committee on Rules, reported the following privileged resolution (H. Res. 585, Rept. No. 1880), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2181) to fix the salaries of certain judges of the United States. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PERMANENT APPOINTMENT IN THE REGULAR NAVY AND MARINE CORPS

Mr. VINSON submitted a conference report and statement on the bill S. 1907, an act to authorize permanent appointment in the Regular Navy and Marine Corps, and for other purposes.

SPECIAL ORDER GRANTED

Mr. HARLESS of Arizona. Mr. Speaker, I ask unanimous consent that I may address the House for 20 minutes today following the special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

EXTENSION OF REMARKS

Mr. McMILLAN of South Carolina asked and was given permission to extend his remarks in the Appendix of the RECORD and include a speech made before the State Legislature of South Carolina, by Mr. A. L. M. Wiggins.

Mr. ABERNETHY asked and was given permission to extend his own remarks in the Appendix of the RECORD and include a newspaper article.

Mr. LARCADE asked and was given permission to extend his remarks in the

Appendix of the RECORD in three separate instances, in one to include a newspaper article and in the other two letters from constituents with regard to OPA.

Mr. FLANNAGAN asked and was given permission to extend his remarks in the Appendix of the RECORD and to include an address by Mr. Joseph N. Cridlin, of Jonesville, Va.

Mr. LYLE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address recently delivered by the gentleman from Tennessee [Mr. PRIEST].

Mr. TRIMBLE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from a constituent.

Mr. ANDERSON of California (at the request of Mr. ENGLE of California) was given permission to extend his remarks in the RECORD in regard to the cannery dispute in California.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD in two instances, in one to include a statement of the president of the National Restaurant Association.

Mrs. DOUGLAS of Illinois asked and was given permission to extend her remarks in the RECORD.

Mrs. WOODHOUSE asked and was given permission to extend her remarks in the RECORD and include a statement from certain organizations in regard to extension of OPA.

Mr. TRAYNOR asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. LYNDON B. JOHNSON asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD on four subjects and include certain statements and excerpts.

Mr. JOHNSON of Indiana asked and was given permission to extend his remarks in the RECORD.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD on two subjects, namely, OPA meat control and socialized medicine.

Mr. WINTER asked and was given permission to extend his remarks in the RECORD and include an editorial by Frank Waldrop.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include a statement by J. H. Leib, national legislative director, Amvets.

Mr. FARRINGTON asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an editorial from the Chicago Tribune and in the other to include a resolution adopted by the Republican National Committee, both favoring statehood for Hawaii.

Mr. PITTENGER asked and was given permission to extend his remarks in the RECORD and include quotations from a couple of books dealing with Andrew Jackson.

Mr. LEFEVRE asked and was given permission to extend his remarks in the RECORD and include an editorial.

PERMISSION TO ADDRESS THE HOUSE

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

[Mrs. BOLTON addressed the House. Her remarks appear in the Appendix.]

SPECIAL ORDER GRANTED

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on Wednesday and Thursday next after disposition of matters on the Speakers table and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 15 minutes on each occasion.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SPECIAL ORDER POSTPONED 1 DAY

Mr. PHILLIPS. Mr. Speaker, I have a special order for 30 minutes today. I ask unanimous consent that that be vacated and that I may be permitted to address the House for 30 minutes after disposition of matters on the Speaker's desk and at the conclusion of any other special orders on tomorrow, Tuesday.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MERROW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

[Mr. MERROW addressed the House. His remarks appear in the Appendix.]

THE LATE COMMANDER JAMES W. ROBB

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BUCK. Mr. Speaker, on Thursday, April 4, Commander James W. Robb, of Staten Island, was killed in Puerto Rico when an airplane from the carrier *Tarawa* accidentally dropped a bomb on an observation tower in which Commander Robb was supervising air-support exercises.

In the eyes of Staten Island and the country, Jimmy Robb was a hero. In his own eyes, he was nothing of the sort. When the Japanese made their sneak attack on Pearl Harbor, Jimmy Robb, as he would, rushed to the airfield. He found nothing flyable but an unarmored training plane with no fire power. A nearby soldier, however, was carrying a Springfield rifle. In a matter of seconds, Jimmy and the soldier were aloft in pursuit of the fleeing Japanese. Two fearless men in a flimsy plane with a popgun versus the might of the Japanese air force.

The Navy Department awarded Jimmy the Navy Cross. The people of Staten Island awarded Jimmy their affectionate admiration.

The country has now lost that gallant, outstanding naval aviator. I know I speak for Staten Island and for all who knew him when I say, "Good-by, Jimmy. We shall miss you and remember you pridefully. May pleasant skies, happy landings, and multitudes of friends be yours throughout eternity."

WE WILL ALWAYS HAVE A UNITED STATES OF AMERICA IF WE DO NOT GIVE IT AWAY

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, we will always have a United States of America if we do not give it away. I think one of the first things we should do is to do away with the Johnson Act. Our first loss is our best if we learn by experience. Then we should look at the statement of our Federal Treasury and see what position we are in—in the red $275,000,000,000. Where are you going to get the money? Then if the people of this country want to buy bonds issued by Great Britain through the banks of this country, that is all right with me. They have that right and I will not do anything to stop them, but I do not think that this Congress has any business or any right to loan $3,750,000,000 to any country, regardless of who it might be, and put that obligation on this country of ours—on future generations to pay. We cannot stand it. We can never be considered solvent if we do that. On top of this request, requests for loans will be coming from all the nations of the world, and we ought to look after our own country first and keep our own house in order. Balance our Budget and become solvent. For 16 years you have run this country in the red. You have spent, spent, spent. Now you talk of lent, lent, lent. It is suicide for our Treasury to go farther in the red. Stop it. Do it at once. Congress, it is your duty to your country.

SPECIAL ORDER GRANTED

Mr. HOOK. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. STEVENSON asked and was given permission to extend his remarks in the RECORD in two instances—to include in one an article entitled "Lest Ye Forget," and in the other a letter from T. W. Landschultz.

Mr. RICH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a statement entitled "No More Money Should Be Loaned or Given to Our Defaulting Debtors," by Charles F. Potter, a Californian 84 years of age, member of the bar, and permitted to practice before the Supreme Court of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GWYNNE of Iowa asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HOOK asked and was given permission to extend his remarks in the RECORD and include an article on the atomic bomb by Senator BRIEN MCMAHON.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. STARKEY asked and was given permission to extend his remarks in the RECORD.

COMMITTEE ON RULES

Mr. SABATH. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report on the agricultural bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMUNISTS BOO NAME OF FORMER PRESIDENT HOOVER

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, we learn from the press and from disgusted eyewitnesses that this Red conference held in Washington a day or two ago, which called itself the Win the Peace Conference, heard a Member of this House [Mr. DE LACY] attack former President Hoover and heard practically every Communist in the auditorium boo Mr. Hoover's name.

Decent Americans are utterly ashamed of such a proceeding. I never voted for Herbert Hoover in my life, but he is a former President of the United States. He is now 72 years old, and one of the most honored of all Americans. He has no ax to grind, but at the request of President Truman he is giving his time and his talents now to trying to feed the suffering people of Europe in order that the Christians as well as others may be taken care of and prevented from starving to death.

I say patriotic Americans everywhere are ashamed that his name was booed by these Communists in the Commerce Building, over which he used to preside.

The SPEAKER. The time of the gentleman from Mississippi has expired.

FORMER PRESIDENT HERBERT HOOVER

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. Mr. Speaker, as one humble American who has always voted for that great American, Mr. Hoover, I want to say that it is the finest compliment ever paid to any American that he was booed by the Communists. I hope the leadership of the Republican Party will always be such stanch, genuine, and loyal Americans, and that none will ever be welcome in a Communist assembly.

This Republic of ours would be far better off today if the New Deal Administration was not on such friendly terms with the "pinks," "punks," and Communists.

If former President Hoover had been asked to serve in our food program 3 or 4 years ago, it would have saved the lives of millions of human beings, and thereby advanced the cause of peace.

DISTRICT OF COLUMBIA BUSINESS

The SPEAKER. This is District of Columbia day. The Chair recognizes the gentleman from South Carolina [Mr. MCMILLAN], chairman of the Committee of the District of Columbia.

THE CHARLES A. LANGLEY BRIDGE

Mr. MCMILLAN of South Carolina, Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H. R. 5928) to name the bridge located on New Hampshire Avenue, Washington, D. C., over the Baltimore & Ohio Railroad tracks the Charles A. Langley Bridge, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. MCMILLAN of South Carolina. Mr. Speaker, this bill was introduced by our colleague the gentleman from Maryland [Mr. SASSCER]. It seems that Mr. Langley, in whose honor this bridge is being named, was one of the leading citizens of that community. He had a great deal to do with the paving of New Hampshire Avenue, and it was through his efforts that a bridge was built across the railroad in his community.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the bridge located on New Hampshire Avenue in Washington, District of Columbia, over the Baltimore & Ohio Railroad tracks shall be known and designated as "The Charles A. Langley Bridge."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING AN ACT TO ESTABLISH STANDARD WEIGHTS AND MEASURES FOR THE DISTRICT OF COLUMBIA

Mr. MCMILLAN of South Carolina. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (S. 1841) to amend an act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921, as amended, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. DIRKSEN. Reserving the right to object, Mr. Speaker, and I shall not object, may I ask that the chairman of the committee explain the bill?

Mr. MCMILLAN of South Carolina. This bill, which meets with the approval of the Board of Commissioners of the District of Columbia, will have the effect of conforming the District of Columbia to the mechanical method of measurement of gasoline which is used in all the 48 States. It does not compel a station to remove the pumps it has at the present time, but directs new stations to install decimal system pumps similar to what we have elsewhere throughout the United States.

The SPEAKER Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act of Congress entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921, as amended, be further amended by striking out the period at the end of section 18, inserting in lieu thereof a colon, and adding the following: "*Provided*, That any automatic pump for the measurement of gasoline shall have graduations of fractional parts of a gallon in terms of either decimal or binary-submultiple subdivisions."

SEC. 2. Hereafter the Superintendent of Weights, Measures, and Markets shall be known as the Director of Weights, Measures, and Markets.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXEMPTING TRANSFERS OF PROPERTY TO AMERICAN RED CROSS FROM DISTRICT OF COLUMBIA INHERITANCE TAX

Mr. MCMILLAN of South Carolina. Mr. Speaker, I call up the bill (H. R. 4654) to exempt transfers of property to the American National Red Cross from the District of Columbia inheritance tax, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, effective as of the effective date of title V of the District of Columbia Revenue Act of 1937, section 1 (e) of title V of such act is amended by inserting after "within the District of Columbia," the following: "and property transferred to the American National Red Cross,".

With the following committee amendment.

At the end of the bill, insert:

"SEC. 2. This act shall not authorize nor require the refund of any taxes paid for the transfer of any property to the American National Red Cross except such taxes as may have been paid under protest."

Mr. DIRKSEN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, there is no objection to this bill. It simply provides tax exemption on transfers of property to the Red Cross in the District of Columbia in conformity with provisions of law existing in most of the States of the Union. There was some slight objection at the outset, but the objectionable feature has been deleted. Therefore, there is no objection to the bill that I can see.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. RICH. Does this mean that anyone who wants to make a bequest to the Red Cross will be exempt from taxation?

Mr. DIRKSEN. That is correct. This applies to inheritances that go to the Red Cross.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING AN ACT TO AUTHORIZE BLACK-OUTS IN DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I call up the bill (H. R. 5719) to amend the act entitled "An act to authorize black-outs in the District of Columbia, and for other purposes," approved December 26, 1941, as amended, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. RICH. Mr. Speaker, reserving the right to object, may we have an explanation as to what this bill provides?

Mr. McMILLAN of South Carolina. Mr. Speaker, this bill adds a new section to the black-out act, as amended, which will authorize the Commissioners of the District of Columbia during the existence of a state of war between the United States and any foreign country or nation, and for not exceeding 1 year thereafter, to provide services to veterans and war workers, and for this purpose makes available any moneys otherwise available for expenditure under the black-out act.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield.

Mr. DIRKSEN. May I say to the gentleman from Pennsylvania that during the war we authorized a black-out program here in the District of Columbia and provided rather substantial funds for that purpose. Now, of course, the war emergency is over and black-outs are not necessary. But there is a fund of approximately $100,000 unallocated. Now comes the problem, however, not necessarily of rehabilitation but at least the establishment of some agencies and some facilities for returning veterans. All this does is to make that money available for that purpose. I think it is a very useful purpose.

Mr. RICH. It may be a very useful purpose, but it seems to me it ought to be stipulated what the money is to be used for. It ought to be stipulated more concretely. We ought to know just what they are going to use the money for.

Mr. DIRKSEN. It is definitely understood that is the one and only purpose for which the funds are to be used.

Mr. RICH. Is there anything now scheduled by the District to be constructed for the purpose for which it is intended?

Mr. DIRKSEN. As a matter of fact, a number of the so-called service centers have been taken over in the District of Columbia and those facilities have been made available for veterans who are still coming into the National Capital.

Mr. RICH. Of course, you all know that every $100,000 or every dollar that we can have turned back which was appropriated during the war is certainly needed by the Federal Treasury, and we ought to have every penny we can if we are ever going to be able to keep this country from floundering in a financial slough of despond.

Mr. DIRKSEN. We should not lose sight of the fact that soldiers who are domiciled in almost every State of the Union come into the Nation's Capital, perhaps for the first time in their lives, and they should have recreational facilities. That problem has constituted a rather onerous burden upon the District. I think it is only fair.

Mr. RICH. I think it is wise to take care of the veterans, especially those coming into the District visiting. But it seems to me that $100,000 is a lot of money, and when you appropriate that for the care of veterans without stipulating exactly what it is for, we ought to keep our eyes on those pennies.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Act entitled "An act to authorize black-outs in the District of Columbia, and for other purposes", approved December 26, 1941, as amended, be further amended by adding thereto the following new section:

"SEC. 15. During the existence of a state of war between the United States and any foreign country or nation and for not exceeding 1 year thereafter, the Commissioners of the District of Columbia are authorized and empowered, in their discretion, to provide services to veterans and war workers and to expend any moneys otherwise available for expenditure under this Act for all necessary expenses, including personal services without regard to civil service or classification laws."

SEC. 2. There is hereby authorized to be appropriated out of any moneys in the Treasury of the United States to the credit of the District of Columbia not otherwise appropriated such sums as may be necessary to carry out the provisions of this amendment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. McMILLAN of South Carolina. Mr. Speaker, that completes the business for the District of Columbia Committee today.

EXTENSION OF REMARKS

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and include an article by Samuel Crowther.

Mr. WADSWORTH asked and was given permission to extend his remarks in the RECORD and include a letter written by Archibald G. Thatcher, as printed in the New York Times on or about March 20 of this year.

UNDER SECRETARY OF LABOR

Mr. SABATH. Mr. Speaker, I call up House Resolution 566 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3864) to establish the office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, later on I shall yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. Speaker, this rule makes in order the bill H. R. 3864, which provides for additional secretaries for the Secretary of Labor. It has been reported unanimously, I understand, from the committee. The rule also was granted by unanimous vote. In view of that and the fact that we all believe that the Secretary of Labor, whom we know so well as an able, hardworking gentleman, needs and should be given this additional help. I hope and trust there will be no opposition. Not only is he entitled to that help,

but I know that we in this House are entitled to a great deal of help, because the work is increasing from day to day.

I will not delay by making any long speech. I reserve the remainder of my time.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. RICH. For 10 or 12 years you had Madam Perkins as Secretary of Labor and you did not need anybody then. Now, since you have got a gentleman in there, you are going to have to set up a new Assistant Secretary. What is the reason?

Mr. SABATH. The reason is the work has increased tremendously. I recollect the gentleman from Pennsylvania, if I am not mistaken, and others, at one time, complained bitterly, and assailed and attacked Miss Perkins while she was Secretary of Labor. But no sooner was she out, then everybody realized she was a splendid official who had rendered splendid service. However, unfortunately, due to the ever-increasing amount of work that has been forced on to the Secretary of Labor, I feel he needs this additional help. It is the additional duties that he has to perform that require these assistants.

Mr. RICH. Well, are they going to let the Secretary of Labor handle these labor questions instead of setting up a dozen other outside boards like they did when Madam Perkins was here? That was the trouble. They would not even go to the Labor Department. Are you going to permit them to remain in the Labor Department and let these disputes be settled there?

Mr. SABATH. I will say to the gentleman that this Secretary of Labor is a resourceful, able, and capable gentleman, and is desirous of doing a job in the interest of our country and at the same time bringing peace and harmony to industry and labor. Now we have an exceptionally able gentleman as Secretary of Labor and I know it is impossible even for him to do all the work required of him. He needs these additional assistants and we ought to give them to him.

Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, the chairman has told you that this bill would create three additional offices in the Department of Labor, one to be known as the Under Secretary of Labor and the others as assistants.

One of the newer Members asked me a minute ago what an under secretary was. That is a foreign term applying to the first assistant. A few years ago our Government had no under secretaries. The Treasury Department came to Congress and asked that the Chief Assistant be designated as Under Secretary because it would be easier to deal with certain foreign countries where they called their first assistants "under secretaries." Congress acceded to the request, and since that time practically all of the departments of Cabinet status have under secretaries. The Labor Department does not, and this will change the name of the first assistant to under secretary.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. RICH. I may state that the question I asked the gentleman from Illinois was for this purpose: I believe if it is necessary to have this under secretary the office should be established, but if it is established are we then going to permit the Department of Labor to handle the various things that come under the Department or are they going to be passed on to any one of a half dozen new bureaus and organizations that proved so terribly expensive during the past 12 years, as was done by the Miss Perkins reign as Secretary of Labor? We should not do that again. If you are going to do that then we should not set up this assistant secretaryship and three additional assistants at $10,000 per year; but if these assistant secretaryships will prove an economy in operation it should be established, provided you do not take things away from the Labor Department which should be retained there for the orderly procedure of the handling of Government functions that naturally belong to the Department of Labor. Cut out the bureaus handling labor outside of the Labor Department, that will mean economy in the Department.

Mr. MICHENER. My only reply to the gentleman from Pennsylvania is that I am speaking as a member of the Rules Committee, which is procedural entirely. We have not conducted the hearings. The Rules Committee is not as familiar with the details of the bill and its necessity as are the members of the Committee on Labor. After this rule is adopted the gentleman's question will then be most apropos, and I hope he gets the information from the legislative committee reporting the bill.

I now yield such time as he may require to the gentleman from South Dakota [Mr. CASE].

EXTENSION OF REMARKS

Mr. CASE of South Dakota. Mr. Speaker, I have a request I wish to propound at this time: To extend my remarks in the Appendix of the RECORD and include a letter from the Commissioner of the Bureau of Reclamation.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was not objection.

Mr. MICHENER. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, I am in favor of this rule because our Government has now moved to a point in labor legislation and in labor relations where we have to strengthen the Department of Labor and at the same time make that Department more responsible to the people. Congress can help that situation a great deal by keeping labor problems within the Department of Labor more than it has in recent years.

In this connection I want to make just a few remarks pertaining to the Pace amendment submitted in the other body in connection with the wage and hour amendments, the Pace amendment having to do with the price of farm produce which a farmer places on the market and through the sale of that produce the farmer gathers in his wages. Whether it be on an hourly basis or on an annual basis is immaterial to this discussion.

I should like to see the Department of Labor and the proposed Under Secretary of Labor take a positive position on the proposition of it being fair for the Congress of the United States to consider the wages of farmers at the same time and in the same bill it considers minimum wages paid to those in industry, whether it be factory parollees or white-collar workers or what not.

It seems to me that the Pace amendment considered in the other body is entirely germane from the practical standpoint to the bill which has to do with increasing the minimum wages and hours of industrial labor. When the administration through the President takes the position that it will veto a bill from the Congress simply because the proposition of farm wages is mixed up with the proposition of industrial wages, I cannot see the logic of such a position being taken by the President.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Pennsylvania.

Mr. RICH. Does not the gentleman see the point? They are not going to be able to have these subsidies, they are not going to be able to control the farmers, they are not going to be able to get them to vote for the administration; so give them subsidies. That is the reason why the President does not want that bill passed.

Mr. CRAWFORD. That probably enters into it and that is one reason why I wanted to discuss this proposition at the present time.

Mr. Speaker, insofar as I am concerned, I insist that the farm people of this country be paid as much for each productive hour which they perform in the way of stoop labor and physical exertion as is paid per hour to the person who works in an industrial plant.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from West Virginia.

Mr. BAILEY. Does the gentleman think the matter can be approached by a differential in farm labor and placing a minimum scale for farm labor below that of the minimum for the country at large?

Mr. CRAWFORD. Does the gentleman mean a minimum for the farm worker below the industrial worker?

Mr. BAILEY. Yes.

Mr. CRAWFORD. That has always been the approach to the matter and that is the approach to which I object. Upon what ground, social, moral, or otherwise, can we justify a proposition that the farm people of this country should work in productive labor at from 15 cents to 30 cents per hour and at the same time establish by congressional edict a minimum wage of 65 cents or 75 cents

for the person who works in industry? I hope the farm people of this country will never accept such an inequitable deal from the Congress of this country. Let farm people have a fair wage along with others.

It is time that we begin to give consideration to those good people who perform stoop labor, who feed the world when it is starving, who never go on strike and who bull through as best they can without farm machinery and without repair parts for that machinery when the industrial workers are on strike. It is for those people I am speaking now.

Mr. Speaker, in this connection I wish to call the attention of the Members of the House to an editorial appearing in the Wall Street Journal of April 8, 1946.

The heading of it is "A grave for parliaments." The editorial writer, in part, says:

> When Congress begins to pass legislation which attempts to block the decisions of the free market, when it attempts to guide, channel, and restrict in the field of economics, what authority is there that can tell Congress you must do this and you must not do that? There is not any authority at all; or if there is such an authority, then there is no parliamentary government.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. MICHENER. Mr. Speaker, I yield the gentleman three additional minutes.

Mr. CRAWFORD. The editorial continues:

> In effect that is what the President and his various economic advisers are saying to Congress. They are saying, "We have a plan and you cannot exercise your discretion in the way you want or you will interfere with that plan." They say, "We know what must be done, and you must not interfere even though you disagree."
>
> That is the iniquity of the situation surrounding the Pace bill.
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> If it is bad—as we think it is—to raise and lower farm prices by legislative fiat, why is it not bad to set wages at what amounts to administrative decree? Obviously both are bad. The fact that a dominant sentiment was created which supported one action and that those responsible happen to have the means to create a sentiment adverse to the other does not change the essential nature of either action. The only difference between the two is the strength of their advocates. And it is highly significant that it is the parliament, and not those who are constitutionally supposed to be the creatures of the parliament, which is on the defensive.

I think, Mr. Speaker, that has a direct bearing on what the gentleman from Pennsylvania was just pointing out. On one hand, we have about 14,000,000 organized workers who have power in this Congress to dictate what legislation should be passed. On the other hand, we have some six or seven million farm operators, comprising a total family population on the farm of probably 30,000,000, but they are not protected as is organized labor, and, in my opinion, it is time for this Congress to give more attention and more protection to the farm people of this country, provided we intend to maintain planned economy in the United States. Wherein is there any substantial degree of fairness in protecting the group with great voting power and giving little protection to the group which is not so well organized or so vociferous? Let me again say that if the administration and the Congress are to force upon the citizen planned economy, then the administration and the Congress must assume some responsibility for all the people. But a return to the free market would make unnecessary paternalism on the part of the administration and the Congress.

Mr. SABATH. Mr. Speaker, I yield such time as he may require to the gentleman from North Carolina [Mr. BULWINKLE].

Mr. BULWINKLE. Mr. Speaker, I just want to announce to the Members of the House that the deadline is today on any orders that you may want to send in to the Government Printing Office for the Patman bulletin on the Government. You will remember that we had notice of it several weeks ago. So that if any of you want it, you better do it today.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Maryland [Mr. SASSCER].

Mr. SASSCER. Mr. Speaker, I should like to call to the attention of the Members of Congress a movement that has originated in my district through the efforts of an outstanding organization of small and independent business men and women. I believe this undertaking should benefit all small business men and women in every section of the United States and, therefore, should be encouraged.

The organization sponsoring this movement is the Independent Trade Association of Prince Georges County, Md. It has more than 200 members representing all types of small and independent business in Prince Georges County and has exercised effective and sound influence on many local matters affecting its members. It also is active in civic affairs. Among its accomplishments in this field is the establishing and operating of a highly successful office in the county which daily is assisting many veterans to reestablish themselves in civilian life. An average of over 300 a month of these cases is being handled by the committee.

What this group of Prince Georges County business leaders aim to accomplish is outlined in the following resolution which they unanimously adopted:

> Whereas studies made and information received over the past months by the Independent Trade Association, of Prince Georges County, Md., demonstrate that there is need for united and concerted action by independent businessmen throughout the country in order to assure the future of American small and independent business enterprises and prevent the continued concentration of economic power and the growth of monopoly; and
>
> Whereas there are many thousands of independent businessmen and business organizations of independent businessmen throughout the Nation all seeking these same broad objectives; and
>
> Whereas these organizations now are limited in what they can accomplish, because they operate as individual units: Therefore be it
>
> *Resolved*, That the officers of the Independent Trade Association of Prince Georges County are hereby authorized and directed to establish communication with the officers of organizations of independent businessmen with a view to establishing a national federation and affiliated State federations of these organizations and businessmen so that their activities, programs, and policies may be coordinated on State and National issues where there exists an area of common interest; and be it further
>
> *Resolved*, That the officers of this association are authorized to take such steps as they believe necessary and desirable to bring about the formation of such national federation and affiliated State federations.

Two of the leaders in this movement are Charles T. Hartley, prominent tire and auto accessory dealer of Hyattsville, Md., president of the Prince Georges business organization, and Frank B. Smith, of Mount Rainier, Md., editor and publisher of the Prince Georgean, a county newspaper, and holder of several important and official posts in the county and State government, chairman of the committee on organization of a national federation.

I believe Members of Congress will be interested in the practical approach these Prince Georges business men and women are taking to accomplish a betterment of the position of the small and independent business men and women because individual organizations affiliating are located in every congressional district. The best way I can do this is to quote from a statement of the Prince Georges group which appears in the current issue of American Small Business, and is being mailed to similar small and independent business groups throughout the country. The statement says:

> We have drafted and are submitting for your approval a constitution which we propose to submit to other organizations for ratification.
>
> We should like to point out that this constitution has been prepared so that coordinated action may be taken on any issue in which there is an area of mutual interest without any constituent organization relinquishing any of its autonomy, independence, or status as an independent organization.
>
> Under this proposed constitution the new national organization will be a federation of affiliated independent trade groups similar to the Independent Trade Association of Prince Georges County.
>
> It definitely will not be a top-side organization operated, directed, or controlled by a national headquarters or national officers primarily interested in perpetuating themselves in office and power or in the maintenance of membership, raising of funds, or collection of dues.
>
> Unfortunately, these appear to be the primary and major objectives of most so-called national organizations operating in Washington today. And for that reason Members of Congress do not regard these types of organizations as speaking for the people in their own districts and States.
>
> Instead, they discount the opinions and expressions of this type of organization because they believe the policies such top-side organizations advocate have been formulated by a small group of national officers or staff members and therefore do not represent the real "grass roots" thinking of the people in the States and congressional districts.
>
> All of us who are familiar in any degree with Washington and the many national organizations and pressure groups operating there know there are scores of these so-called top-side or staff-controlled organizations who claim to have members running into the thousands and who further claim that they speak for these members in appearing before Congress, legislative committees, and Government departments.
>
> Congressmen are realists. They know better than anyone else from experience, however, that spokesmen for such groups have

advocated courses of action that individuals in their State for whom they claimed to be speaking had not approved.

We want to meet and overcome these objections by setting up an organization in which Members of Congress and Government officials will have confidence because under the federation machinery they will be communicating and receiving expressions from individuals and groups in their own districts.

The constitution which we have drafted provides that the federation will serve as the machinery and mechanism through which each individual affiliated organization—such as the Independent Trade Association of Prince Georges County—may be kept promptly and accurately informed on all issues and questions involving National Government policy and legislation affecting independent business enterprises.

Thus completely and accurately informed, each individual group will be able to contact directly its Senators and Representatives as to their views and wishes on each issue at the appropriate time.

The national federation functions will be to coordinate by the dissemination of information the work and interests of all of these individual organizations located throughout the country.

Provision is also made for the affiliation of State federations when such federations are desired by the individual organizations within a State.

Mr. MICHENER. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I want to call attention to this fact, which appears in this bill. I did not notice it at first. In addition to the Under Secretary provided for in this bill, you have, in section 2, for the Department of Labor, three offices of Assistant Secretary of Labor, which will be filled by the President, by and with the advice and consent of the Senate. These are all $10,000 jobs. In other words, you are setting up four Assistant Secretaries here in this bill instead of one, as many of you believe is the case. I think the Members ought to know this. You know we gave the President 10 assistant secretaries a few years ago, and now instead of decreasing the cost of any Government enterprise, you are increasing it all the time, even in the President's own office, always going up, never a reduction of cost as should be the case. It seems to me that we ought to be eliminating Government bureaus instead of increasing them. We should be more economical rather than more extravagant.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Illinois.

Mr. MASON. I call the attention of the gentleman to the fact that the bill abolishes two offices and institutes four, which is simply an exchange of two for four.

Mr. RICH. It does not make any difference if it is two for four, we want to get one for four. We want to balance this budget pretty soon. We want to cut down on personnel and on expenses. This thing cannot continue, and have expenses added to all these bureaus. The more bureaus you get, the more secretaries you get, the greater you become befuddled and confounded. The first thing you know, you will go bankrupt. Where will you get the money to pay the bill?

(Mr. CRAWFORD asked and was given permission to revise and extend his remarks and include certain quotations.)

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. RANDOLPH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3864) to establish the office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3864, with Mr. FOLGER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. RANDOLPH. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the legislation we are now considering has been passed unanimously by the Senate of the United States. It is in essence a request made by the Secretary of Labor which is presented in the form of a House bill (H. R. 3864) which would create an Under Secretary of Labor and three Assistant Secretaries of Labor.

I have listened with interest to the remarks that were made during the debate on the rule. Particularly was I attracted to the comment of my friend, the gentleman from Pennsylvania [Mr. RICH], in which he discussed the apparent creation of further positions within the Office of the Secretary of Labor. In connection with that observation, I would call the committee's attention to the report which has been filed by the House Committee on Labor, which unanimously reported this bill for your consideration. In that report this language is used:

> At the present time, the War Labor Board, the War Manpower Commission, the United States Employment Service, and the Retraining and Reemployment Service have already been brought under the scope of the Department, and it is planned to consolidate all of the remaining labor agencies in the Department just as soon as it is practicable.

The gentleman from Pennsylvania will recall that recently we were considering the coordination of the farm-lending agencies, and I believe he was one of those members who believed we should coordinate and consolidate these various activities so as to get a better administration and in the ultimate reduce the cost of the operations. I believe the testimony given by the Secretary of Labor before the House Committee on Labor and the communications of July 17 and October 9 directed to the committee indicate that it is his desire to bring about the coordination and consolidation of many functions and that, since he is responsible for doing the job, he feels it is absolutely necessary that he have additional assistance if he is to carry forward effectively the duties of the office. In the over-all, I believe he desires, and I know I personally desire, a consolidation wherever practical. We want a reduction in the number of individuals who are doing the task.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. RICH. That was the thing that was in my mind. The consolidation of these various agencies and organizations that we have created—and I say "we" because I am a Member of Congress and anything the Congress does, whether I voted against it or not, I am still one of the "we"—is something that should be done. The situation is that we have set up so many organizations in the last 10 years, and instead of putting them under the Department of Labor where they should have been put in the first place, they took them out and made separate organizations of them.

Mr. RANDOLPH. May I say in connection with the gentleman's observation that I feel many of our labor-management problems which became very critical were caused by the fact that we had too many agencies dealing with the subject of employer and employee relationships. I believe we could have gotten better results had it all been coordinated under the Secretary of Labor.

Mr. RICH. That is right. For that reason, instead of helping and assisting in the settlement of labor disputes, we have only added coals to the fire and created a chaotic condition. If by putting these four Under Secretaries in and if the Secretary of Labor is going to see that all these things are handled under the Department of Labor so that we know whom to criticize if they are not handled properly, then we are to blame here in the House of Representatives. But if we have set up the right kind of organization and eliminate these various organizations that were set up, then I can see where the passage of this bill will be a matter of economy, good business, and a matter of expediting the settlement of these various disputes between employers and employees that are happening all over the country.

Mr. RANDOLPH. Mr. Chairman, the gentleman mentions the word "economy." I think it might be well to read one paragraph from the letter of Secretary Schwellenbach to our committee. That letter was received in October of 1945.

The Secretary said:

> We are all conscious of the need for economy in the conduct of Government affairs. Indeed, one of the most attractive features of the reorganization of the Department of Labor is the resultant assurance that a better job can be done for less money. Before the end of the war, at least $100,000,000 was being spent annually outside the Department of Labor on labor matters. I think the peacetime job can be done far better for far less money in the Department. But to accomplish this, I must have enough competent, well-paid, adequately titled assistants. My

considered judgment is that I shall need an Under Secretary and three Assistant Secretaries. This is the purpose of the legislation involved. And this is the reason I urgently recommend its enactment by the Congress.

In other words, what the gentleman from Pennsylvania [Mr. RICH] wishes is what the Secretary desires.

Mr. RICH. If the President will appoint capable men—men who want to see the right thing done between management and labor—you will accomplish something if you will adopt this legislation. But if you put men there with the idea that we are going to rip and tear apart all the people of this country who are in business, and that every man who is in business is a crook and a scoundrel, then you will not get any place. But it is up to the President of the United States, if we pass this legislation, and to the Secretary of Labor, to get good, sound, honest, conscientious, and capable men appointed.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Illinois.

Mr. MASON. All I have to suggest in answer to the gentleman from Pennsylvania [Mr. RICH] is this: Let us do our part to streamline and make this Department efficient, and then expect, and probably demand, that the executive department do its part.

Mr. RANDOLPH. I think that observation is correct.

Further, on the item not only of economy but of good administration, I will read a letter from William Green, president of the American Federation of Labor, addressed to myself. In that communication dated April 5 he asks the passage of this bill, and says:

It is my opinion that the enactment of this measure into law will serve to promote efficiency in the administration of the affairs of the Department of Labor.

So, if we can get economy and efficiency, those are the two goals toward which we work. Certainly, as one individual in Congress who has repeatedly fought for consolidation of Federal agencies, I believe this measure should be passed in the interest of good and less costly Government.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. JACKSON. As a matter of fact, this legislation should have been passed long ago. It has been pending for some time, and it was passed unanimously by the Senate.

Mr. RANDOLPH. I think the gentleman is correct.

Mr. PITTENGER. Mr. Chairman, will the gentleman yield?

Mr. RANDOLPH. I am delighted to hear the gentleman from Minnesota because I feel he will be in favor of this legislation.

Mr. PITTENGER. I want to say to the gentleman that I have not yet been convinced on this bill, although I have listened to the gentleman's powerful and persuasive argument with a great deal of interest. If the passage of this bill will help the troubled situation in the United States, I certainly will be for it.

Mr. RANDOLPH. I thank the gentleman. This legislation should become law.

The CHAIRMAN. The time of the gentleman from West Virginia has again expired.

Mr. WELCH. Mr. Chairman, it is not my purpose to take the time of the Committee, except to say that this bill was carefully considered by the Committee on Labor, and unanimously reported.

At the present time, as has been said, the War Labor Board, the War Manpower Commission, the United States Employment Service, and the Federal Reemployment Service have all been brought under the scope of the Department, and it is planned to consolidate other agencies of labor under the Labor Department. The committee recommended strongly the enactment of this legislation in order that the Secretary of Labor may be equipped with sufficient help to do a greatly enlarged job so necessary to the rebuilding of our peacetime economy.

I yield back the balance of my time.

Mr. RANDOLPH. Mr. Chairman, I have no further request for time, and yield back the remainder of my time.

The Clerk read as follows:

Be it enacted, etc., That there is hereby established in the Department of Labor the office of Under Secretary of Labor which shall be filled by appointment by the President, by and with the advice and consent of the Senate. The Under Secretary shall receive compensation at the rate of $10,000 a year and shall perform such duties as may be prescribed by the Secretary of Labor or required by law. The Under Secretary shall (1) in the case of the death, resignation, or removal from office of the Secretary, perform the duties of the Secretary until a successor is appointed, and (2) in case of the absence or sickness of the Secretary perform the duties of the Secretary until such absence or sickness is terminated.

SEC. 2. There are hereby established in the Department of Labor three offices of Assistant Secretary of Labor which shall be filled by appointment by the President, by and with the advice and consent of the Senate. Each of the Assistant Secretaries of Labor shall receive compensation at the rate of $10,000 a year and shall perform such duties as may be prescribed by the Secretary of Labor or required by law

SEC. 3. The office of Assistant Secretary of Labor established by section 2 of the act entitled "An act to create a Department of Labor", approved March 4, 1913, is hereby abolished and such section is amended by striking out the first two sentences thereof. The office of Second Assistant Secretary of Labor established by the act entitled "An act creating the positions of Second Assistant Secretary and private secretary in the Department of Labor", approved June 30, 1922, is hereby abolished, and such act of June 30, 1922, is repealed.

The CHAIRMAN, Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker pro tempore (Mr. LANHAM) having assumed the chair, Mr. FOLGER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 3864) pursuant to House Resolution 566, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table an identical Senate bill (S. 1298) to establish an office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor, for immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby established in the Department of Labor the office of Under Secretary of Labor, which shall be filled by appointment by the President, by and with the advice and consent of the Senate. The Under Secretary shall receive compensation at the rate of $10,000 a year and shall perform such duties as may be prescribed by the Secretary of Labor or required by law. The Under Secretary shall (1) in case of the death, resignation, or removal from office of the Secretary, perform the duties of the Secretary until a successor is appointed, and (2) in case of the absence or sickness of the Secretary, perform the duties of the Secretary until such absence or sickness shall terminate.

SEC. 2. There are hereby established in the Department of Labor three offices of Assistant Secretary of Labor, which shall be filled by appointment by the President, by and with the advice and consent of the Senate. Each of the Assistant Secretaries of Labor shall receive compensation at the rate of $10,000 a year and shall perform such duties as may be prescribed by the Secretary of Labor or required by law.

SEC. 3. The office of Assistant Secretary of Labor established by section 2 of the act entitled "An act to create a Department of Labor," approved March 4, 1913, is hereby abolished, and such section 2 is amended by striking out the first two sentences thereof. The office of Second Assistant Secretary of Labor established by the act entitled "An act creating the positions of Second Assistant Secretary and private secretary in the Department of Labor," approved June 30, 1922, is hereby abolished, and such act of June 30, 1922, is repealed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

On motion of Mr. RANDOLPH, the proceedings of the House whereby the bill (H. R. 3864) to establish the office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor, was passed, were vacated, and the bill was laid on the table.

RETIREMENT PRIVILEGE EXTENDED OF JUDGES OF CERTAIN DISTRICT COURTS

Mr. BATES of Kentucky. Mr. Speaker, I call up House Resolution 509.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself

into the Committee of the Whole House on the State of the Union for the consideration of the act (S. 565) to extend the privilege of retirement to the judges of the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone. That after general debate, which shall be confined to the act and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Judiciary, the act shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the act for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the act and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BATES of Kentucky. Mr. Speaker, this resolution, if adopted, makes in order consideration of the bill S. 565, which is a bill to extend retirement privileges to judges in the Canal Zone, Puerto Rico, Hawaii, and Alaska.

I have no requests for time on this side. At this time I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I have no requests for time. This matter should come before the House, but personally I am not so sure that the bill should pass.

Mr. Speaker, I yield back the balance of my time.

Mr. BATES of Kentucky. Mr. Speaker, I yield 5 minutes to the gentleman from Utah [Mr. ROBINSON].

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. ROBINSON of Utah. Mr. Speaker, within the past week my attention has been called, as perhaps also has yours, to the fact that during February of this year the highway fatality toll in the United States was 2,450 men, women, and children.

This tragic sacrifice to carelessness in February represents an increase of 45 percent over the total for the same month last year. In January 1946 traffic accidents claimed 3,000 lives, which was 49 percent over the corresponding month in 1945.

It is clearly evident that the fearful spiraling of highway deaths which began with the upsurge of traffic on VJ-day is rapidly approaching a critical and intolerable situation. The National Safety Council has estimated that at the present rate we are going the total lives lost in 1946 will be 38,000, a sensational increase of 10,000 over last year. That number, if we record it, will nearly equal the all-time peak fatality record of 1941, in spite of the fact that at present there are something like 5,000,000 fewer motor vehicles on the roads than there were before the war.

This is a grave problem, Mr. Speaker, which affects each one of us here—personally. It is a challenge to the public safety which has life-and-death importance to our constituents in every part of the land, in the cities and towns, and in the country areas.

The prevention of these accidents, most of them needless, is a matter of great economic concern. Losses to the family, community, the States, and the Nation are heavy. But more than this, highway safety is a great humanitarian challenge which transcends all partisan issues, and which can be met only by concerted, united, and aggressive effort.

In this spirit and to this end, President Truman some weeks ago announced his intention to call into conference here in Washington this spring the representatives of the States and municipalities, and of civic leadership throughout the land, for the purpose of devising ways and means to make our streets and highways safer.

The conference will be held in the departmental auditorium on May 8, 9, and 10. Governors of all the States have been invited to attend, and many of them already have indicated their intention to do so. Each governor has been asked by the President to head up his own State delegation, consisting of the heads of the governmental departments directly responsible for the several phases of traffic safety, together with mayors, police chiefs, engineers, city managers, and other local officials, and leading representatives from the public at large.

In addition, representatives of the Congress and of the Federal departments having jurisdiction in the matter of highway transportation have been invited, and representatives of the many great national organizations having a basic interest in highway safety.

Eight major committees are at work drafting the agenda of the President's highway safety conference, under the general chairmanship of Maj. Gen. Philip B. Fleming, the Federal Works Administrator, who was asked by President Truman to head up this conference.

The leadership and personnel of these committees, Mr. Speaker, speak eloquently of hope for constructive accomplishment by the conference. Among the chairmen engaged in the task are men like Owen J. Roberts, retired justice of the United States Supreme Court; Arthur T. Vanderbilt, distinguished jurist of New Jersey; Paul G. Hoffman, chairman of the Committee for Economic Development and of the Automotive Safety Foundation; W. J. Scripps, of the Detroit (Mich.) News and radio station WWJ; Dr. George D. Stoddard, president-elect of the University of Illinois; Roy A. Roberts, of the Kansas City (Mo.), Star; Dr. George Gallup, of the American Institute of Public Opinion; and Dr. Gibb Gilchrist, president of Texas Agricultural and Mechanical College.

A coordinating committee for the conference, composed of distinguished leaders, is headed by Thomas H. MacDonald, Commissioner of Public Roads, a man in the Federal service respected by us all, whose administration is most concerned with highway transportation matters.

The broad purpose of this conference, Mr. Speaker, is to provide through national leadership the means of focusing public attention on the highway accident problem and the proven methods of solving it, and to mobilize public support for those local, State, and Federal agencies who have legal responsibilities for safety on our streets and highways.

This is a timely and certainly a worthwhile objective. It is one in which I know that the Members of this body, and of the Senate, will wish unanimously to assist. In submitting a joint resolution for this purpose, Mr. Speaker, I ask that it be given prompt and vigorous approval, so that the leadership of the Congress may be felt in this great undertaking designed to save human lives and spare the other tragic consequences of accidents on the highway.

Whereas the President of the United States, deeply concerned by the alarming increase in traffic accidents since the end of gasoline rationing, has taken positive action to devise ways and means of making our streets and highways safer; and

Whereas to this end the President has called into conference on May 8, 9, and 10 the representatives of States, counties, and municipalities having legal responsibilities in matters of highway safety, together with representatives of national organizations which are concerned with highway safety; and

Whereas established standards and techniques for traffic accident prevention have proved effective when intelligently applied by public officials in States and communities where strong public support exists for these activities; and

Whereas the President's Highway Safety Conference will be dedicated to a review of these standards and techniques, and to the development of Nation-wide support for their prompt and uniform utilization: Therefore be it

Resolved, That the Senate of the United States, in recognition of the urgent need to curtail the loss of life, the bodily injuries, and the destruction of property resulting from traffic accidents, hereby pledges its full cooperation and support to the President's Highway Safety Conference and its objectives; and be it further

Resolved, That each Member of this body be encouraged to take all proper steps to bring before the American people their personal responsibilities for exercising utmost care in the avoidance of traffic accidents and supporting all sound and necessary highway safety programs.

Mr. BATES of Kentucky. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

Mr. BATES of Kentucky. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 565) to extend the privilege of retirement to the judges of the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky.

The question was taken; and on a division (demanded by Mr. KEEFE) there were—ayes 43, noes 5.

So the motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of Senate bill 565, with Mr. FOLGER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. BRYSON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this bill came over to us from the Senate designated as S. 565 and has heretofore been duly considered by your Committee on the Judiciary, and a report has been filed designated as Report No. 1031.

To my amazement, and I imagine to the astonishment of other lawyers, although I had been engaged in the general practice of the law for two decades or so before coming here, Territorial judges, that is, judges commonly referred to by us as United States district judges, who serve in our Territorial possessions other than Hawaii, are not accorded the privilege of retirement as are other Federal judges. As you probably know, the general law of retirement provides that if, as, and when a United States district judge reaches the age of 70 and when he has served a period equal to 10 years, he has the privilege of retiring.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. BRYSON. I yield to the gentleman from Michigan.

Mr. MICHENER. The gentleman does not mean to say that a Federal judge can receive retirement pay, regardless of his age if he has served 10 years. The law of course is that the condition of retirement is that a man must have served 10 years on the Federal bench and have reached the age of 70 years. There is no question about that.

Further, the judges referred to in this particular bill are not judges appointed for life. Federal judges are constitutional judges and are appointed for life. These judges in this bill are term judges. They have always been political judges, appointed usually for 4 years. They are appointed by the administration, whether it be Republican or Democratic. This bill would permit those judges to retire in 8 years. In other words, if a new administration came in, and a President stayed in office two terms and filled all of these places with new appointees, they could retire at the end of 8 years without contributing anything to the retirement fund.

Mr. BRYSON. I think the first part of the gentleman's statement is correct, that a judge must have attained the age of 70 before he is eligible to be retired.

I should like to give you this concrete example of why I am personally interested in this measure. Incidentally, it was introduced in the Senate by the junior Senator from my State. A former governor of our State, Judge Robert A. Cooper, is now 74 or 75 years of age. He has been serving as a district judge in Puerto Rico for more than 12 years. He is in bad health. Of course, he still discharges his official duties. He has served in political offices in our State beginning as prosecuting attorney of the district, later as governor, and then later with the Farm Loan Board. He has been in public life during his entire life, probably 25 or 30 years at least. He has no estate of any consequence. Pretty soon he is going to be incapacitated due to age or the failure of physical strength. He certainly is in a pitiful plight. Personally I do not think a man who has devoted the major portion of his life to public office ought to be thrown out without some privileges of retirement, especially when we have made provisions for those who happen to have been district judges of the United States.

Mr. PITTENGER. Mr. Chairman, will the gentleman yield?

Mr. BRYSON. I yield.

Mr. PITTENGER. Does this bill give judges outside the limits of the continental United States retirement privileges the same as judges within the continental limits?

Mr. BRYSON. That is right.

Mr. PITTENGER. How many judges are affected?

Mr. BRYSON. I do not know. There are some in Alaska, only one in Puerto Rico, I believe, and already the privilege has been given by the Congress to the judge in Hawaii. It is simply correcting an injustice that has crept into the law due to some oversight.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. BRYSON. I yield.

Mr. SHORT. I can see no reason, from the standpoints of logic, morals, and justice, why the Federal judges serving in the Virgin Islands, Puerto Rico, or Alaska, or the Canal Zone, should not be given the same privileges as Federal judges serving in the continental United States or the Territory of Hawaii.

Mr. BRYSON. I fully agree with the gentleman's observation. It seems to me it would be more strenuous on a man's mental and physical health to serve in one of those foreign places than in this country.

Mr. SHORT. I do not think there is any question about that. Any judge who serves in the Virgin Islands, the Canal Zone, or in tropical regions for 8 years will have his strength sapped much more than if he served that length of time here in the United States, particularly if he lives down in Missouri.

Mr. BRYSON. I believe that is correct.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. BRYSON. I yield to the gentleman from Michigan.

Mr. MICHENER. Will the gentleman discuss the basic question involved here? When Federal judges were placed on the retirement roll, the purpose behind the law was that a Federal judge should be independent. He was to serve following nomination by the President and confirmation by the Senate. His appointment was for life. No one could remove him except the Congress by impeachment. In other words, he was an independent agent permitted to act on behalf of all the people. Now we are changing that plan and providing that a judge appointed to serve for a definite term under certain circumstances can retire after 8 years, even though he has never been appointed as a regular Federal judge for life. When these judges accept these positions, they accept the office for a term of years, which term is generally coincident with the administration in power. It so happens we have had one administration in power longer than has been the custom. As a result, we have more judges in these off-shore possessions and territories holding office for a longer period of time. I do believe this is a very important matter.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BRYSON. I yield to the distinguished majority leader.

Mr. McCORMACK. Without undertaking to express an opinion on the bill, following the observation made by our friend from Michigan, may I say that the basic proposition here involved is the independence of the judiciary. We know that the purpose of appointing a judge for life is to give that judge independence, not as an individual, but as a representative of the judicial branch of the Government in the administration of justice. An appointment for life should remove a judge from the impact of the emotions of temporary public opinion where decisions are to be made involving property rights or the rights of life or liberty. We depend upon a judge to make decisions based upon the law and the evidence without thought of himself as an individual or of results that may be harmful to himself as an individual. I know about it because I have always believed in the independence of our judiciary, and the appointive system as being the best approximation of human perfection under our system of government. I campaigned against the election of judges years ago in one of my early campaigns for public office, because of the practical considerations, because I felt that where there were questions involving the life and freedom and property rights of persons, judges should be as independent as the law of the land would permit.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. BRYSON. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. WALTER].

The CHAIRMAN. The gentleman from Pennsylvania [Mr. WALTER] is recognized for 10 minutes.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. HOFFMAN. Some of us would be willing to vote for this retirement if we could be assured that when they retired they would stay retired and not come back into some political activity again. What bothers us is to have them get a pension and then have them come back into active political life again.

Mr. WALTER. I know of no such instance.

Mr. HOFFMAN. Why, Judge Murphy, now of the Supreme Court, is a shining example of that.

Mr. WALTER. Mr. Chairman, I do not yield further.

Mr. Chairman, I think if you consider the fact that it is difficult to find the type of men that you want to sit on the Federal bench, without giving them some

security more than the salary they happen to be receiving at the time of appointment, you will reach the conclusion that this is the way to do it.

After all, when a man takes an appointment to one of these outlying districts, he necessarily severs all of his ties at home. Of course, he does it with his eyes open. There is no question about that. But when he goes, he has placed himself in a position where, if his tenure is suddenly terminated, he will have to start from scratch with some other lawyer. It seems to me if you continue to follow that system you will not get the high type of men that you would get if, after serving faithfully for 8 years, he is entitled to retirement pay. After all, he cannot retire until he reaches the age of 70. What kind of a lawyer are you going to get to sit on the bench, who has experience, at the salary that Federal judges receive?

The reason for the 8 years is because these appointments are for various periods. Some of them 6 years, some 8 years, and some 10 years. We had in mind fixing the retirement pay on the percentage that 8 bears to 16, so that if a judge serves only 8 years and reaches the age of 70, he is entitled to only one-half retirement pay. If he serves the full 16 years—and he has to serve 16 years and reach the age of 70—he is entitled to the privileges enjoyed by Federal judges in other Federal courts of the land.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. BUCK. What salary do these positions carry?

Mr. WALTER. The salaries vary from $6,500 to $8,500.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. SHORT. While it might be argued that this bill under consideration might show favoritism to these judges, I would like to point out that we already have a precedent, because we pay all members of our armed services more money for service overseas than we pay those men who serve here at home. It is the same principle.

Mr. WALTER. That is quite true, but the thing that appeals to me most is the fact that when these men take these positions they just disconnect themselves from any of the means of support they had before. You are not going to get the type of men you want on the bench unless you give them more inducements.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. BARTLETT. The judges are now appointed for a term of 4 years. In the judgment of the gentleman, should they retire before reaching the age limit set forth in this bill or before serving 8 years would they be eligible for retirement under the Ramspeck Act?

Mr. WALTER. Yes; I think so, because as I understand it, the judges in Alaska make their contributions as do all Federal employees who participate in the retirement plan.

Mr. BARTLETT. I thank the gentleman.

Mr. GWYNNE of Iowa. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. BENNETT].

Mr. BENNETT of Missouri. Mr. Chairman, I hesitate to oppose this bill, but I shall have to do so, for it continues our present hodgepodge manner of providing Government pensions or retirement annuities. I think it comes here at an unfortunate time and there is considerable doubt in my mind as to whether it is needed at all in view of the statement just made by the Delegate from Alaska, who indicates that the Federal Territorial judges now participate in the retirement system on a basis similar to that of civil-service employees.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Missouri. I yield.

Mr. MICHENER. But those men must contribute. Under this bill there would be no contribution. A man would just be guaranteed a pension for life when he retired without any contribution at all.

Mr. BENNETT of Missouri. Yes; that is another reason I think we should pass over this matter at the present time. If it is good for Federal judges, it ought to be good for everybody. The Ways and Means Committee is now conducting hearings on the matter of revising social security and providing compensation for the senior citizens of this Nation who have been neglected for a long time. It is difficult for me to satisfy my own mind that it is right to give thousands of dollars in pensions to Federal judges drawing fine salaries and who can afford to pay for their retirement annuities, when we do not even give a pension adequate to purchase necessities of life to thousands of our aged and disabled citizens, who as taxpayers have supported the judges.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Missouri. I yield.

Mr. HALE. Does the gentleman feel that the present system of giving full noncontributory pensions to Federal judges is wrong?

Mr. BENNETT of Missouri. I do. I think they should be on the same basis as any other Government employee, and that we should not, as you here propose, extend such a system to Federal judges serving outside of the United States.

We hear a lot about the difficulty of finding competent men to fill these positions, but I fail to see any dearth of applicants or any flood of resignations because additional inducements are not given them. Yet, you are proposing here to retire these political appointees on pensions of several thousand dollars per year, after they have served only 8 years in office, if they have reached 70 years of age. If you applied such provisions to retirement of Members of Congress, everyone of you who voted for it would be defeated, and should be. What then makes it right for Federal judges? If it is right for Federal judges why do you require lower-paid civil-service and postal employees to contribute to their retirement? I do not like to see these discriminations and this haphazard method of operating the Government. It especially comes with poor grace on part of Congress to be providing these liberal pensions to political appointees at a time when there are thousands of citizens of this country who really need pensions and who cannot afford to contribute toward them. They are the forgotten men and women today.

I want to take this opportunity to urge Congress to straighten out the mess which exists in the matter of pensions and retirement annuities, sponsored by Government. We have a good opportunity to do that now. The Ways and Means Committee of the House is now holding hearings on revision of the Social Security Act. I hope that the Members of Congress will all avail themselves of the opportunity to appear before the committee to express their views on this vital subject, as I have been pleased to do.

All of us are familiar with the shocking conditions on every hand among the old people of this nation dependent on public assistance. We see them in our districts and we receive letters and petitions about them. For years campaign orators have been promising to do something about these conditions. Very little has been done although conditions have continued to grow worse due to the increased cost of living. Numerous good bills have been introduced to improve conditions but they have died in committee without hearings. I have signed discharge petitions to take these bills away from committee so that they could be debated and voted upon. Such efforts have failed because a majority of the Members have not signed these discharge petitions. Now the Ways and Means Committee is trying to work something out to meet the needs of today. It will soon, I hope, report a bill to amend the Social Security Act.

A DOUBLE STANDARD

In 1935 the Congress passed the Federal Social Security Act containing provisions for old-age pensions. It set up a system under which the Federal Government matches contributions of State governments for this purpose. Thus, in 48 States we have about 48 different amounts paid in old-age pensions—most of the amounts pitifully small. The size of the pensions and who gets them is decided by State officials and not by Congress. The so-called Social Security Act set up a dual system, with a different type of treatment for different kinds of people. It provided that those with fairly steady jobs in private business could get pensions subsidized by their employers. A small amount is deducted from the wage earner's check and the employer also contributes. Thus, we see that some contribute to their opportunities for retirement and others get a hand-out. No self-respecting citizen wants a hand-out. But, the self-employed citizens are denied the opportunity to contribute to a government retirement fund and have no other recourse when adversity besets them.

The industrial revolution has made most aged people dependent upon society for existence. Before our entry into World War II it was estimated that in 1941, of the persons 60 years of age and over in the United States, 54.9 percent were supported wholly or partially by public or private social agencies or were

dependent on relatives or friends for subsistence and care. This being a fact admitted by all, various pressure groups have been organized to obtain legislation to insure their members against want in old age. Those who have the most political influence and can yell loudest have been taken care of while others just as deserving have been left out in the cold. Special privileges have thus been established for civil-service workers, organized labor, Regular Army and Navy personnel who can retire on pensions without contributing a dime to the retirement fund, Federal judges who can retire on full pay ranging from $10,000 to $20,500 per year, also without contributing a dime for this specific purpose, and others, while the small businessman, the self-employed, the professional people, lawyers, doctors, teachers, city and county officials and employees, housewives, and farmers have been ignored under the social-security law and no other retirement program has been provided them. If they are unable to save enough out of their earnings to retire on, an increasingly difficult and almost impossible task because of the increased cost of living, they have only two alternatives facing them. They can accept the old-age pension provided for those who are down and out and willing to suffer the indignities I will now describe, or they can join the ranks of over 1,000 unfortunate elderly citizens of Missouri who have been committed to State institutions for the insane since they are senile and our old-age pension is inadequate for their care. A shameful situation. I hope to see the day when these seniles, who really are not insane, of course, are provided cheerful quarters separate and apart from the institutions they must now occupy or see them provided with adequate pensions to secure proper care in the twilight of their lives in their own homes among their loved ones if in a given case that seems the best course.

TIED DOWN

Let me point out that the favored groups under the social-security law and other Government retirement systems who have earnings big enough to build up a nice retirement fund, do not have to make any accounting as to their wealth or income to anybody. They spend it as they please and move around as they please. When they die, they can will their property to whom they please. On the other hand, let us consider those whose only resort is to old-age assistance. As taxpayers, many of them have contributed all their lives to pensions for their employees in Government classified civil service. As consumers, buying in the market place, they have contributed all their lives to pay the employer's share of the pension of those private employees who have been brought under the Social Security Act's contributory scheme. But, when it comes to their own old age they find a $40 monthly maximum pension in Missouri. The Missouri State average is only $27.19 per month and the national average is $29.97. Some States pay as high as $49.25 and others as low as $12.79. And, to get this pitiful sum on which to live, they must surrender their independence and freedom to a modern form of slavery.

What do I mean? To be specific, these citizens must surrender their privacy. They must give some stranger, a welfare worker, a complete accounting of their possessions and income. After waiting several months, and probably accepting grocery orders from relief headquarters in the meantime to keep from starving, they are placed on a meager budget made out by some often indifferent young woman who could not buy her own clothing on what she allows for food, clothing, shelter, recreation, and health for the pensioner.

As a further indignity the pensioner is tied to his place like a medieval serf in the Dark Ages was tied to his lord's estate. He cannot move around or he will lose his pension. He cannot live with a child in another State who, with the aid of the pension, would be able to provide better than a subsistence existence for the pensioner. He cannot have any more savings than $500 or possess property of a value exceeding $1,500. He must be down and out and stay there for at regular intervals some snooper will come around to find out whether or not the pensioner has had any good luck and if so will reduce or take away the assistance. This brings me to a very important point. The present inadequate and undemocratic pension system provided under the Social Security Act not only creates class distinctions in this Republic, but it sets up a bureaucracy of the worst kind. Provisions of the law make bureaucracy inevitable. People have been divided into classes and separate savings accounts for each individual have been set up. This has required establishment of an army of bookkeepers, investigators, supervisors, administrators, case workers, and just plain snoopers. The unemployed have been put to work regulating and checking up and keeping books on each other. If any doubt this they have only to take a trip through the offices of the Social Security Commission or through the State offices of this organization. The 1946 Official Manual of the State of Missouri, the so-called blue book, carries a list of 113 employees in the State social security office at Jefferson City and 1,291 in the 114 counties of Missouri. Criticism is being leveled today against old age pressure groups who want Congress and the President to make good on their promises. But the most powerful old age pension pressure group in this country is the great horde of administrators of the Social Security Act in Washington and in every county of the United States, lobbying for continuance of the system which provides them with jobs. You cannot blame them. Why should they try to beat the system? Congress set it up, and it has relieved much suffering and has performed some good in a haphazard way. But let us give the money appropriated for pensions to those who need it by abolishing the means test and all other red tape which simply increases the expense and bureaucracy and lessens the effectiveness of the law. Administrative expense of the present program in Missouri is $2,750,000 annually.

Mrs. Glenn Turner, of Madison, Wis., writing to one of my colleagues, made a very interesting argument in favor of revising the social-security law. I quote her:

It is strange that we who did such a remarkably fine piece of work in setting up an institution for the instruction of the young, should have made such a bungling job in our attempts to care for the old.

The American public school is, in my opinion, one of the finest and best-conceived institutions to be found anywhere in democratic civilization. The principles on which it is based are worthy of serious thought, for they are the fundamental principles necessary to a democratic institution.

The principles on which the American public school is founded are simple and obvious. First, it is paid for by taxation on the basis of ability to pay. Everyone who can, pays. Second, it is open to all on exactly the same basis. No one has to prove either wealth or poverty before he can make use of it. No line of parents forms on the first day of school waiting to be examined on their financial condition. Third, parents may prefer to use agencies which they think are better than the public school, or they may desire to supplement the public-school service with other services. That is permissible, but they do not lose their right to use the public school nor their duty and requirement to support it.

Henry David Thoreau had a saying, "Beware of enterprises that require new clothes." I think we might well say, "Beware of public enterprises that provide inequality of treatment." Insofar as we have inequality of treatment under the law, we do not have democracy.

I hope that I shall live to see the same sort of democratic treatment of the old which we provide for the young. Under a democratic pension system, the pension would be raised by a system of general taxation. An invested fund is necessary for a private insurance system and a private school system. It has no more place in a public pension system than in a public school system.

Under a democratic pension system, the pension would be the same for all, rich and poor. No pension should be higher than we can afford for all. If people want pensions larger than we can afford to provide for all, they should secure them through private investment of their own funds. It seems strange that people who constantly proclaim their devotion to the principle of private enterprise, will seek not only public assistance in the investment of their own money for their own old age but also public subsidy of that investment.

A fair pension system for the people of the United States demands a third feature. It must be national, not State, if we are to free the old from the peculiar form of serfdom which we have originated under our Federal-State pension system.

CHARITY BEGINS AT HOME

I would like to see a law which provides revenue for old age pensions, derived from a special tax and prorated among aged annuitants who do not pay income taxes. Annuities would be on pay-as-you-go bases. Annuitants would retire from gainful employment, leaving their jobs to younger people. They would be required to spend their annuity within 30 days of receipt, assuring a constant turn-

over of money and a constant stimulus to the market for American goods. If we can finance a new deal for the entire world and give foreigners billions in money and equipment without admitted expectation of getting it back any better than we did after the last war, then I think that we can take care of our own people too.

I would like to touch on another point before closing this discussion. I think that this plan should be on a pay-as-you-go basis. Under the Social Security Act, a trust fund is set up for payment of pensions, but the fund is used for other purposes and the Government puts its I O U's or bonds in place of the fund, which means a man who pays for his retirement has to do so twice. If a banker or trustee juggled his books like Uncle Sam does this so-called trust fund, he would be put in jail for embezzlement. As to the best form of taxation to pay for this plan, if one form does not work, another can be tried. The form of the tax is less important than that we abolish the slavery and bureaucracy and special privilege inherent in the present methods of caring for needs of the old. Yes; we owe it not only to ourselves but also to the world, which looks to us for leadership in establishing democratic principles of life and republican form of government, to find a way to do this.

IN SUMMARY

There is no use to talk about doing away with present pension or retirement systems authorized by the Federal Government. It cannot and will not be done. I am not advocating it. What I am pointing out is the necessity of better treatment for those who are ignored under the present set-up and for those whose pensions, in the form of gratuities, are inadequate. I suggest that if social security is good for some it is good for all and should be extended to cover all self-employed and others not now included, except for those covered by other systems—civil service, postal, and so forth—and that for those who under such extension are unable because of low income, or other reasons, to build up an adequate retirement annuity by Government standards, a pension be granted without the strings now attached and which hamstring and eat up the funds which should go direct to the old people. The time to act is now.

The magnitude of this problem and importance of doing something about it is very well illustrated by the following informative letter I have received from the Administrator of the State Social Security Commission of Missouri. It relates especially to conditions in my own congressional district, but is also of general interest. The letter follows:

STATE SOCIAL SECURITY
COMMISSION OF MISSOURI,
Jefferson City, Mo.

DEAR CONGRESSMAN BENNETT: We are very glad to have the opportunity to supply the information requested in your letter of March 14. The following table indicates the number of old-age assistance recipients, the total amount of payments, and the average payment for the State and for each of the counties in your district for the month of March 1946.

	Number of recipients	Total payments	Average per recipient
State	103,015	$2,800,539	$27.19
Sixth District:			
Barton	709	20,282	28.61
Bates	1,030	30,292	29.41
Cass	717	18,086	25.22
Cedar	673	18,464	27.44
Greene	3,167	97,482	30.78
Henry	1,101	27,917	25.36
Johnson	774	18,420	23.80
Pettis	1,384	41,379	29.90
Polk	932	26,150	28.06
St. Clair	644	15,521	24.10
Vernon	974	24,423	25.07
Total	12,105	338,416	

The Missouri Legislature initially appropriated $14,255,520 from the general revenue fund for old-age assistance during the fiscal year ending June 30, 1946. Due to the increase in the number of recipients since the end of the war and an increase in maximum payments which might be made, which became effective in July 1945, and other increases in payments which were found to be needed upon reinvestigation, this amount was insufficient and an additional appropriation of $2,050,000 has been passed by the Missouri House of Representatives and is now pending in the senate. This total amount of $16,295,520 is subject to Federal matching under title I of the Social Security Act of a like amount.

The Federal Government does not participate in the general relief (direct relief) program. With the exception of local contributions, which account for slightly more than 1 percent of the amount expended, this program is financed entirely by State appropriation from the general revenue fund. The appropriation for the present fiscal year is $2,275,000, which permits only 55 percent of the amount determined to be needed to be provided, with any other income deducted from this amount in determining the payment to an individual case. General relief is limited in Missouri to unemployable persons and families which do not contain an employable member. The estimated need for the present fiscal year was almost $5,000,000.

Percentage comparisons with aged populations in Missouri offer some difficulties due to the changes in population which have occurred since the 1940 census, which was taken almost 6 years ago. In the 1940 census, a total of 325,745 persons past age 65 were enumerated, of which the 103,015 who received old-age-assistance payments this month would constitute 31.7 percent. If a fairly conservative estimate of the increase in the number of aged persons of 5,000 per year is used—the total increase from 1930 to 1940 was approximately 80,000—it would indicate approximately 355,000 persons past age 65 at the present time, of whom the March recipients would represent 29 percent. The distribution of recipients throughout the State is naturally quite uneven, the lowest proportions of the aged population receiving assistance being in St. Louis, Kansas City, and adjacent areas, and the highest proportions in some of the Ozarks counties such as Ripley and Ozark. In your own district, the latest studies we have made indicate the smallest proportion of population to be receiving assistance is in Cass, Johnson, and Vernon Counties, and the largest in Barton and St. Clair Counties where almost one-half of the number of persons past 65 enumerated in the 1940 census are receiving assistance payments.

From the beginning of the old-age-assistance program until July 1945 the State law provided a maximum of $30 on payments which might be made to an individual and a maximum of $45 which might be paid to a married couple living together and both eligible for assistance. The present legislature removed this maximum and substituted as a maximum the amount in which the Federal Government would participate, which is, under the Social Security Act, $40 per person ($80 per couple). A total of about 41,000, or two-fifths of all recipients, were receiving maximum payments in July 1945. At present there are approximately 13,000 recipients who are receiving payments in the amount of $40, the new maximum. The average payment to recipients has been increasing rather rapidly, both as a result of the larger payments possible to recipients at the earlier maximum and as a result of increased costs of food, shelter, and other necessary items which are budgeted. The average payment has risen from $23.07 in March 1945 to the present $27.19 this month, an increase of $4.12 during the year. A comparable increase is necessarily anticipated during the coming year. This, coupled with the increase in number of recipients which has occurred each month since last August when the war ended, is substantially increasing the cost of the program.

Missouri, with per capita income lower than the national average and with a relatively high proportion of old-age assistance recipients—about ninth among States in proportion to aged population—is accordingly faced with greatly increased costs and may find it difficult to provide sufficient funds to meet the present high living costs of recipients. Relatively high recipient rates can probably be attributed to the fact that the State law has never contained provisions with respect to responsibility of relatives, liens on property, or local participation in costs. Obviously, a considerable number of Missouri counties would be unable to participate in the large costs of the program.

In the aid-to-dependent-children program, the Federal Government also matches, dollar for dollar, State appropriations under title IV of the Social Security Act. The problem of meeting living costs under this program is even more acute than under old-age assistance due to the limitation in the Social Security Act, which places a maximum of $18 in payment which can be made for the first eligible child and $12 in payment for each additional eligible child. These amounts are wholly insufficient to maintain a mother or other relative and dependent children unless there is other income available. About five-sixths of the payments under this program are and have been for the maximum amount permitted by law.

We will be very glad to supply any additional information which will be helpful to you in your consideration of these very large and important programs.

Very sincerely yours,

PROCTOR N. CARTER,
Administrator.

Mr. GWYNNE of Iowa. Mr. Chairman, I yield myself 5 minutes.

The CHAIRMAN. The gentleman from Iowa is recognized for 5 minutes.

Mr. GWYNNE of Iowa. Mr. Chairman, this bill is a very simple one. It proposes to extend the retirement privileges to certain judges not now covered. The judges included are these: Judges of the District Court for the District of Alaska; the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone.

The history of retirement for judges is substantially this: Some years ago

Congress passed the first law which allowed judges of the circuit court of appeals and judges of the district courts of continental United States to resign and become eligible to a full pension if they had served 10 years and had reached the age of 70. Later, in order to protect those judges who resigned from suffering reduction in compensation we amended the law so they could also retire, thereby still remaining judges, still being subject to some duties and yet be in a position where their pensions or their salaries could not be reduced. Later we extended that privilege of resigning or retiring to the judges of the Supreme Court of the United States; then, later, a bill introduced by the Delegate from Hawaii, Mr. King, was passed by the Congress which extended to the judges of Hawaii the privilege of resigning or retiring. There we took on a new class of judge.

The judges that had heretofore been covered by the Retirement Act were what might be termed constitutional judges. They were judges appointed for life and they exercised the constitutional authority as derived under the Constitution. The judges in Hawaii and in the Territories, and the judges mentioned here, are not constitutional judges; these judgeships were created under that provision of the Constitution which gives the Congress the authority to create inferior courts. We did, however, extend the retirement privilege to the judges of Hawaii with this exception: Then, of course, we had no life tenure, and, incidentally, I think that is one thing that should be done. Why should not a judge in Hawaii, in Alaska, or in the Canal Zone be appointed for life? That is something that could be easily done by this Congress because it is a subject upon which we have legislative authority. However, we have not done so. We gave the Hawaiian judges the right to retire after 10 years of service and upon reaching 70 years of age. In order to arrive at an amount they should receive we took 16 years as the base. The minimum then would be ten-sixteenths of their salary. So I have no objection to this bill. It simply extends the same privilege we have already given Hawaiian judges to these other judges.

Mr. Chairman, the objection I do have to the bill is the amendment proposed here by the House Judiciary Committee which would reduce the 10-year period to eight. I do not quite understand why any difference should be made between these judges and other judges who must serve 10 years; therefore, so far as I am concerned, I intend to vote against the amendment reducing the time from 10 to 8 years, then I shall vote for the bill.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield to the gentleman from Maine.

Mr. HALE. Will the gentleman tell the committee what the terms of these respective judges are at the present time?

Mr. GWYNNE of Iowa. They are appointed for 4 years, as I understand it.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield to the gentleman from Kansas.

Mr. REES of Kansas. I assume that the reason for the 8-year period is this: These judges are appointed by the President. Assuming that the President appoints them for a period of 4 years, that he has a second term, then they have an extra 4 years. If he does not get reelected they would not be eligible under the 10-year provision. Does not the gentleman think we are sort of garbling the thing a little when we put this group under the regular tenure of judges? In other words, as I understand the situation, the intention of the other act was to give security to these men who are appointed for life. Under this act we are giving security to appointees of the administration for 10 years without their making any contribution to the retirement fund. All other appointees of the Federal Government are required to contribute.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GWYNNE of Iowa. Mr. Chairman, I yield myself two additional minutes.

I get the gentleman's question. Let me say in answer to his question that every judge is a political appointee in the sense he is appointed by the President, even though he may be appointed for life.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. Perhaps the reason for reducing the number of years from 10 to 8 is that in the Virgin Islands and Puerto Rico I believe the judges are appointed for a term of 4 years.

Mr. GWYNNE of Iowa. That is right.

Mr. KEFAUVER. In the Canal Zone they are appointed for a term of 8 years.

Mr. GWYNNE of Iowa. That is correct.

Mr. KEFAUVER. If those who are appointed for 4 years serve two terms then they would be entitled to retire for half the amount they would otherwise receive had they served 16 years. If a judge had served 8 years in the Canal Zone and retired under the present law he would not receive any retirement benefit, whereas a Hawaiian judge, who served 10 years, would receive ten-sixteenths of his retirement.

Mr. GWYNNE of Iowa. That is correct. But it seems to me that the solution is this: Let us give them the same retirement privileges that we give justices of the Supreme Court and the judges of your and my State and take care of the other situation by amending the law so that all of these judges will be appointed for life. The weak spot of our judicial system, that no one can deny, is in the appointment of judges. How long is the public going to put up with this rewarding of judgeships to political henchmen? It should not be allowed. It has been done by both parties, and it is a national disgrace.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield to the gentleman from New York.

Mr. COLE of New York. Is it possible under this bill for a judge who has served 10 years and who retires, but who has not reached the age of 70, after he becomes 70 years of age, to come in and qualify for the annuity?

Mr. GWYNNE of Iowa. My understanding is that he could not. He must be 70 years of age when he retires and must have served 10 years. That is the general law, and that is not changed by including these judges.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield to the gentleman from New York.

Mr. BUCK. In other words, the judge must be in office when he reaches 70 years of age.

Mr. GWYNNE of Iowa. That is right. That is my understanding of it. That is certainly the general law, and I see nothing in this bill that would change that. He must have served 10 years; he must be 70 years of age, and he must retire from the bench.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. BRYSON. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, I certainly join in the sentiments expressed by the gentleman from Iowa in that these judges of the Territories ought to be appointed for life or good behavior, just as the Federal judges in the districts are appointed. We all agree that we need just as competent men as judges in Hawai, Alaska, the Canal Zone, and Puerto Rico as in any other district of the United States. In many ways these judges should be entitled to some additional consideration over an ordinary district judge, and that is true for this reason. A judge who remains in the United States and retires still has his connections; he has his friends; he has not been taken away from the members of the bar where he has practiced law, so he would be in a better position to go back into the practice of law than a judge who had removed from his home to one of these possessions.

Let us see what the situation is. Suppose a judge takes an assignment in the Canal Zone or in Puerto Rico for 4 or 8 years. During that time he will have lost all of the connections he had at home. It would be very difficult for him to go back into the practice of law at his home. It seems to me that it is entirely equitable to provide that after one of these Territorial judges has served 8 years he shall be given his proportionate retirement pay.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Missouri.

Mr. SHORT. Another point is the health factor. Any judge who serves down in the jungles where he is subjected to jungle rot and fungus and other diseases, as the gentleman knows, does not have healthful conditions or the comfortable living quarters that they have in this country.

Mr. KEFAUVER. The point of the gentleman is well made. As has already been pointed out, and this should be emphasized again, the fact is that men serving overseas in the armed services, or even in the possessions, are given more consideration and pay than when they

serve in the continental United States. If we want to continue to get members on the judiciary in these outlying possessions, I think it is only fair that we give them a retirement privilege, as is provided in this bill. I think the amendment allowing a proportionate retirement after 8 years' service should be sustained. There is no logic of not allowing a judge who served 8 years a proportionate part of his retirement, when we already allow some Territorial judges who served 10 years a proportionate part of his.

Mr. HANCOCK. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, this bill, S. 565, has been passed by the Senate. When the Senate considered it they passed it containing the provision that these particular judges, to whom we are now referring, could retire upon reaching 70 years of age if they had served 10 years as judges of that court. That was the Senate version. It came to the House and the Committee on the Judiciary amended it by striking out 10 years and substituting 8 years, thereby changing this entire plan of retirement insofar as the judges are concerned.

All of our judges under the present law have the right and privilege of retiring when they reach the age of 70 years, if they have served 10 years. That has already been extended to the judges in Hawaii. If we pass this law, we are going to classify these judges; in other words, we will have some judges who can retire when they reach 70 years of age, after they have served 10 years, and we will also have retirement provisions in our law that certain of our judges will have the right and privilege of retiring when they reach the age of 70 years, if they have served 8 years.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I do not think the gentleman is entirely correct, because after all this bill applies to the Supreme Court of the Territory of Hawaii and the district courts of the Territory of Hawaii, so that we do not classify them. They all go into the same category.

Mr. SPRINGER. But our Federal judges will retire at 70 years, after having served 10 years; consequently, you have that confusion, and that confusion would continue. The passage of this bill would not clarify or correct the matter to which I have just referred.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from New York.

Mr. COLE of New York. What representation was made before the Committee on the Judiciary in support of the 8-year limitation?

Mr. SPRINGER. As I recall, there was one instance. I do not want to give out any matter that is not entirely proper, but the Members of the House are entitled to know all of the facts and circumstances here involved, but there was one instance of one judge; I think it is Judge Gardner, from Kentucky, who is now serving in Panama. His health is not very good. He has not served 10 years yet. This amendment was proposed in order to qualify one judge for retirement. I think I am correct in that statement. If I am incorrect, I hope some member of the Judiciary Committee will correct me.

Mr. COLE of New York. That is the only instance presented to the committee insofar as the 8-year provision is concerned?

Mr. SPRINGER. That is the only instance that came to my attention.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. May I call the gentleman's attention to the fact that we already have judges classified. The Federal judges in the continental United States are in a category different from that of those serving in the Territories. In the continental United States a judge who serves 10 years and reaches the age of 70 retires with full retirement compensation.

Mr. SPRINGER. That is correct. Our Federal district judges, serving in the continental United States, are appointed for life.

Mr. KEFAUVER. However, in Hawaii now, for instance, if he serves 10 years and retires at the age of 70 he gets only 50 percent of his retirement pay, half the amount.

Mr. SPRINGER. As I understand, those judges who are now serving in our possessions receive their salary plus certain other emoluments in connection with their office, I have been informed, such as living quarters and other items, which judges serving in the United States of America do not get at all. I have been informed that such is the case.

Mr. KEFAUVER. I am not certain about it, but I have talked with a number of these judges. I think the gentleman must be mistaken about it.

Mr. SPRINGER. I have been advised exactly contrary to what the gentleman is now stating.

Mr. KEFAUVER. As I recall, the judge in Puerto Rico told me one time of the higher rental that he has to pay for his living quarters. I think the gentleman must be in error, but I am not certain about it. However, the point I wanted to bring out to the gentleman is that we have already classified the territorial judges in a different category from the continental judges. The classification is to the disadvantage of the territorial judges because under this law a judge who served under 8 years, and retired at 70 years of age would get only half of his retirement, whereas the continental judge serving 10 years and retiring at the age of 70 would get the full amount. Therefore, we are not yet giving the territorial judge an even break with the continental judges even though this amendment to the bill is adopted.

Mr. SPRINGER. There is one thing that I want to call to the gentleman's attention. As has been stated by the distinguished gentleman from Iowa, it is my considered judgment that these judges serving in our insular possessions and outside the continental limits of the United States of America should be appointed for life. I think that would aid materially in this matter because, as has been so well stated, we want to establish the independence of the judiciary of this country. That is one of the very important factors involved in this particular matter. But with respect to the particular pending legislation, I cannot convince myself that we should change from a 10-year service to an 8-year service in giving these judges retirement.

Mr. BUCK. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from New York.

Mr. BUCK. Is it the gentleman's opinion that life in Hawaii and Alaska is less healthful than life in the continental United States?

Mr. SPRINGER. Well, I do not know that it is. But these judges are appointed for a term. They understand that term when they accept the appointment. The gentleman from Pennsylvania mentioned something about the fact that they are taken away from their communities and from the lawyers that they know and that they are taken away from their practice. Of course, that is true of every lawyer who goes on the bench. The man who goes on the Supreme Court bench is taken away from his community and from the lawyers he knows so well, and also taken away from his practice. He practically divorces himself entirely from his practice in his community. He is faced with the same problem that these judges face who accept appointment in one of our possessions.

Mr. MATTHEWS. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman.

Mr. MATTHEWS. Do I understand the effect of this as a practical matter would be that a judge appointed at a fairly young age and serving 25 or 20 years, but who has not reached the age of 70, but whose term expires and is not reappointed, possibly because of a change in the political picture, would not receive any retirement, but a man appointed at the age of 63 and serving 8 years, would receive his retirement?

Mr. SPRINGER. I think the gentleman is entirely correct. That is true in many instances involving retirement. Some limit must be fixed. I think, under this law, a person who reaches the age of 70 years, and who has served 10 years, that is, under the version of the Senate, is entitled to retire under the provisions of this bill. If it should be passed in the manner in which it is amended by the Committee on the Judiciary of the House, when he reaches 70 years of age if he has served continuously for 8 years, then he is entitled to retirement privileges under the bill. Many judges never reach the age of retirement fixed by statute.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Michigan.

Mr. MICHENER. Referring to the inquiry made by the gentleman from New Jersey [Mr. MATHEWS] I would like to point out this exception in the case of Alaska where the district judges in these off-shore possessions come under the civil-service retirement law if they

so desire. But in doing that they must contribute just the same as other appointees serving in some other capacity in the same offshore possession at the time. This would not discriminate against other employees, but it would be giving privileges to some term appointees which the other term appointees do not have. I think they ought to all pay for their own retirement just as Congress will pay for its retirement, if it ever has courage enough to pass a retirement law.

Mr. SPRINGER. May I say to my distinguished friend, I have heard the question raised that if this pending bill should be passed in the form in which it is now presented to the House, it would probably entirely eliminate the civil-service retirement features. That is another question that must be considered carefully in analyzing this particular bill. I hope the committee amendment is defeated and the bill as passed by the Senate is approved—if approval of this measure is granted.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. SPRINGER] has expired.

Mr. BRYSON. Mr. Chairman, I have no other requests for time.

Mr. HANCOCK. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, as a member of the Judiciary Committee of the House, I voted to favorably report this measure. It has developed in the course of the debate that there is a judge serving in Panama who has been on the bench for 8 years. He was appointed when he was about 62 years of age. He has lost his health and he desires to retire. I do not think a man ought to have to pay with his life for the privilege of retiring, after having served 8 years and having served honorably. I think he should have that privilege.

I want to concur here and now with the statement that has been made in the course of this debate that a man from Iowa or Maine or Kentucky or Tennessee, who leaves these States where we have a climate that is conducive to long life and happiness and goes down to the miasma of the swamp, among the mosquitoes, where he might get yellow fever or contract some other tropical disease that will shorten his life, that serving 8 years down there is the equivalent of 16 years in the United States.

In addition, if we pass this measure and a man retires at 70, after having served 8 years, he gets only half the salary for which he has been serving. I have always desired to retain in my makeup a large measure of the milk of human kindness. I cannot measure in cold dollars and cents the value of human life. Suppose this man had served 10 years, under the law as it now is he could retire at ten-sixteenths of the salary at which he had been drawing. Of course, when I reach 70 years, having lived in Tennessee all of my life, I shall consider that I shall have about reached the threshold of middle life. I propose to grow young and not grow old, and I will tell you how I do it. I associate with young people. I look at life through the eyes of youth. But some men do not have the vitality and the vigor and ruggedness and toughness that was ingrained in me when I was growing up in the mountains of Campbell County, Tenn. I just grew strong because we just grow strong down there.

Here is a man who is broken in health, who has served conscientiously, faithfully, ably, for 8 years. So far as I am concerned I do not propose to ring down the black curtain of disappointment upon his career, force him to leave his office because he is physically incapacitated, without a dime. I think it is a just measure, and, I repeat, I would rather work for 16 years in the continental confines of the United States than go among strangers down in the miasma of the swamps where life may be cut short by some disease to which we are not immune who go down there from this north central climate, the finest in the world.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield to the distinguished gentleman from Kansas; I could not resist yielding to him.

Mr. REES of Kansas. The gentleman has made a very wonderful plea on behalf of one judge.

Mr. JENNINGS. I am talking about all judges. This act, my good brother, is all-inclusive; it covers them all; but since that was brought out I just wanted to reply to a feature of it which ought not to affect the merits of this measure.

Mr. REES of Kansas. Does the gentleman feel we ought to reduce the period of service generally to 8 years?

Mr. JENNINGS. No. I think this is a good measure. I would not go to Alaska for twice the salary of a Federal judge.

Mr. SHORT. And the gentleman would not go to Panama where the ants are bigger than grasshoppers?

Mr. JENNINGS. No. I do not wish to go down there under any circumstances.

Mr. GWYNNE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. GWYNNE of Iowa. Is it not true that in the case of many judges in the continental United States before they have served their 10 years, before they have reached 70 years of age they have become incapacitated and therefore not able to qualify for pension?

Mr. JENNINGS. Absolutely. I was elected to a judgeship when I was 38 for a period of 8 years, and I served nearly 5 when I saw it was going to kill me, and I quit. I did not want to be an umpire, I wanted to play on the team.

Mr. WALTERS. Mr. Chairman, I yield 2 minutes to the gentleman from Alaska [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, I want to emphasize that as long as appointments to judgeships in the territories are made politically it is almost essential that the 8-year provision prevail if these judges are ever going to benefit from any retirement provision. In Alaska the judges are appointed for 4-year terms. In the Canal Zone the term is 8 years. In Hawaii the term is either 4 or 6, depending upon the type of the court. In Puerto Rico the term is 8 years and in the Virgin Islands 4. I think the system ought to be changed. I have a bill now pending before the Committee on the Judiciary for the appointment of judges in Alaska for an indefinite term dependent on good behavior.

It is essential that this 8-year provision be included in the bill because under ordinary circumstances a man simply will not have opportunity to serve 10 years and will not be able to take advantage of any of the benefits of this bill.

In connection with the remarks of the gentleman from Indiana I wish to assure the House that judges in the territories do not receive any special emoluments; they receive their salaries only. For this reason I think it is most important that these judges be allowed to make a choice between legislation of this kind and the Civil Service Retirement Act. Most of them are appointed in their early fifties. They serve a few years, but few indeed can possibly meet the requirements as to length of service and as to age. It is necessary to keep this provision in the bill.

The CHAIRMAN. The time of the gentleman from Alaska has expired.

If there are no other requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the act entitled "an act relating to the retirement of the justices of the Supreme Court of the Territory of Hawaii and judges of the United States District Court for the Territory of Hawaii," approved May 31, 1938 (Public, No. 566, 75th Cong.), be, and the same is hereby, amended to read as follows:

"That every justice of the Supreme Court of the Territory of Hawaii, and every judge of the United States District Court for the Territory of Hawaii, the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone, may hereafter retire after attaining the age of 70 years. If such justice or judge retires after having served as a justice or judge of any of the aforementioned courts for a period or periods aggregating 10 years or more, whether continuously or not, he shall receive annually in equal monthly installments, during the remainder of his life, a sum equal to such proportion of the salary received by such justice or judge at the date of such retirement as the total of his aggregate years of service bears to the period of 16 years, the same to be paid by the United States in the same manner as the salaries of the aforesaid justices and judges: *Provided, however,* That in no event shall the sum received by any such justice or judge hereunder be in excess of the salary of such justice or judge at the date of such retirement.

"SEC. 2. In computing the years of service under this act, service in any of the aforesaid courts shall be included whether such service be continuous or not and whether rendered before or after the enactment hereof. The terms 'retire' and 'retirement' as used in this act shall mean and include retirement, resignation, failure of reappointment upon the expiration of the term of office of an incumbent, or removal by the President of the United States upon the sole ground of mental or physical disability."

With the following committee amendment:

Page 2, line 9, strike out "ten" and insert "eight."

Mr. GWYNNE of Iowa. Mr. Chairman, I rise in opposition to the committee amendment which raises the only question the committee members have in regard to this bill. I am personally for the bill but I do not see any reason for adopting the committee amendment reducing the number of years from 10 to 8.

Judges often say that hard cases make bad law. We seem to be legislating here for one particular case without giving consideration to the fact that for years after considering probably many hard cases, after considering the subject generally, we have concluded that 10 years is the proper period for a judge to serve. Now we propose to reduce that to 8 years apparently because some particular case is involved.

Mr. Chairman, I know of instances, and every Member here knows of instances, where district judges in continental United States before they had served 10 years or before they had arrived at the age of 70 have become disabled and were not able to qualify for these retirement benefits. We did not enact special legislation for their benefit.

Mr. Chairman, I trust at this time we will look at the pending bill from the standpoint of the future and not jeopardize what has been a successful retirement plan just to suit the convenience of one particular judge.

Mr. CRAVENS. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield to the gentleman from Arkansas.

Mr. CRAVENS. The purpose of the 8-year period that the committee has placed in the bill is obvious. It is not for the purpose of showing favoritism to any particular judge but is based on the theory that most of these judges are appointed for terms of 4 years. The judge who serves two terms should be entitled to the benefits that this act gives on retirement and not place a possible barrier there by making him serve more than two terms. The tenure of office is for 4-year periods.

Mr. GWYNNE of Iowa. When we extended the law to the judges of Hawaii we were not influenced by that argument. The answer, in my opinion, is to appoint the judges for life.

Mr. CRAVENS. I agree with that, but this bill does not do that. So to be practical we should make it 8 years—in other words, two 4-year terms. That is the practical number of years that we should agree to.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Does not the gentleman think this is sort of setting a precedent by reducing the number of years of service required by the judges of the Federal courts? Will there not be some excuse and some grounds for somebody coming in later on and saying, "Now, you provided for 8 years' tenure in place of 10 for those outside of the continental limits of the United States; you ought to do the same thing for those within this country"?

Mr. GWYNNE of Iowa. That is the purpose of my amendment.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield to the gentleman from Michigan.

Mr. MICHENER. I want again to call the gentleman's attention to the fact that these men are appointed for a term and not for life.

Mr. GWYNNE of Iowa. That is right.

Mr. MICHENER. They know, when they take office, that they are not assured of more than 10 years, and if they want to come in under the civil-service retirement law and receive the pension for which they pay, they can do so.

Mr. GWYNNE of Iowa. The gentleman is correct.

Mr. HANCOCK. Mr. Chairman, will the gentleman yield?

Mr. GWYNNE of Iowa. I yield to the gentleman from New York.

Mr. HANCOCK. Does the gentleman know whether there has been any dearth of competent candidates for appointment as Territorial judges under the present salary and retirement benefits?

Mr. GWYNNE of Iowa. I understand that the supply equals the demand.

Mr. BUCK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is the most extravagant retirement plan, either public or private, that has ever come to my attention. That a man after serving 8 years on a noncontributory basis can receive a half salary pension for life, or after serving 16 years, again noncontributory, can be pensioned at full salary for life, is just beyond belief. If this is an entering wedge to be applied to other judicial positions and then to be applied to our entire civil service, heaven help us.

Mr. CRAVENS. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Arkansas.

Mr. CRAVENS. Before any judge can get the benefit of this act he must have reached the age of 70. I am sure that the gentleman well knows from observation that judges of this country, with very, very few exceptions, live but a very short period of time after reaching 70 years of age and getting retirement benefits, so it is not going to cost the Government much.

The CHAIRMAN. The time of the gentleman from New York has expired.

The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. HANCOCK) there were—ayes 35, noes 45.

Mr. BRYSON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BRYSON and Mr. GWYNNE of Iowa.

The Committee again divided, and the tellers reported that there were—ayes 47, noes 57.

So the committee amendment was rejected.

The Clerk read as follows:

SEC. 3. That the title of the act entitled "An act relating to the retirement of the justices of the Supreme Court of the Territory of Hawaii and judges of the United States District Court for the Territory of Hawaii", approved May 31, 1938 (52 Stat. 591; 48 U. S. C. 634b and 634c), be amended to read as follows: "An act relating to the retirement of certain justices and judges in the various Territories and possessions."

Mr. KEFAUVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEFAUVER:

On page 2, beginning in line 7, strike out "after having served as a justice or judge of any of the afore-mentioned courts for a period aggregating 10 years or more, whether continuously or not" and insert "after service, whether continuous or not, and whether rendered before or after the enactment hereof, of not less than 10 years."

Strike out lines 20 to 23, both inclusive, and insert the following:

"SEC. 2. In computing the years of service under this act, all service as an officer or employee of the United States shall be included if not less than 8 years of service was performed as a justice or judge of any of the afore-mentioned courts. The terms 'retire'."

Mr. KEFAUVER. Mr. Chairman, when we consider the fact that judges in the continental United States reaching the age of 70 and after having served 10 years retire with full retirement benefits, certainly judges in the Territories, if they do not have a sufficient length of service to come within the present law of 10 years, but if they have other Federal service, ought to have that included in bringing up their number of years. That is what this amendment does. For instance, if a territorial judge has served his 8 years as a territorial judge and, say, 8 years as a district attorney in some possession or Territory, his district attorney time would be included in computing his years.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield.

Mr. KEEFE. In such a case then, if the gentleman's amendment is adopted, he would be entitled, as I understand it, to full compensation rather than the eight-sixteenths. That is the way the gentleman explained it. Is that true?

Mr. KEFAUVER. No. He would only be entitled to ten-sixteenths under the amendment. You cannot include the other service except to bring it up to 10 years. The other only can be added to bring it up to 10 years. In the case I gave he would only be entitled to ten-sixteenths of his time. I think this amendment is in the public interest because these judges who go to the Territories have to decide cases which are just as important as the cases which must be decided by the district judges in this country. On the other hand, district judges in this country who serve 10 years and reach the age of 70, get full retirement pay. They remain in this country. In case they return to the practice of law, they still have their friends and connections whereas the judge who goes to a Territory, not only has to sever all his connections, but must leave his friends and leave people whom it would be valuable for him to keep in contact with in the event he should return to the practice of law.

Mr. GWYNNE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield.

Mr. GWYNNE of Iowa. Does the gentleman's amendment mean that a judge may serve 6 years as district attorney and 2 years as a judge and then get his retirement pension?

Mr. KEFAUVER. If he serves 8 years as a judge and then serves 4 years as district attorney, then he would come within the act. He has to serve 8 years as a judge in any event.

Mr. GWYNNE of Iowa. Then 4 years in some other capacity is the minimum, is that correct?

Mr. KEFAUVER. Eight years is the minimum.

Mr. GWYNNE of Iowa. I mean that he must serve 4 years in some other capacity?

Mr. KEFAUVER. No, he must serve enough years to bring it up to 10 years. If he serves 8 as a judge and 2 as a district attorney, he would come within the provisions of the act.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield.

Mr. BATES of Massachusetts. Is not the real question involved the difficulty of getting judges to fill these positions, rather than establishing this precedent of 8 years' service?

Mr. KEFAUVER. I am advised that there is difficulty in securing the right types of men. There is that difficulty, and I think it is natural because their salaries are not high and their tenure is short. Therefore, they have difficulty in securing the best men.

Mr. BATES of Massachusetts. Then we are speaking about the inability of getting men because they have to give up their practice and their friends. Is that not true with many members of the legal profession who come here to Washington for 2 years and then remain for 4 years and 6 years, and who spend the major part of their life here and give up everything for what little they get?

Mr. KEFAUVER. Yes, that is true. I think we ought to do something about it in our case also.

Mr. CHAPMAN. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Kentucky.

Mr. CHAPMAN. I have personally known four men who served in the judiciary of Panama. An eminent jurist from my own congressional district was appointed by President Harding. He stayed down there a few months and had to come back because he could not stand the conditions of climate. Another man from my district served in one of the minor judicial capacities in Panama for a few years and he came home and died. Another, the former law partner of the late Senator Logan, of Kentucky, served 4 years and could not stand it any longer. He came home and died in a very short while. Another who has served down there with great distinction will now have to abandon his hope of retirement unless this bill is passed; and unless this amendment is adopted, will have to remain there to the detriment of his health another 2 years, even if the Senate bill becomes a law.

The question of independence has been raised. I maintain that it is just as important to have independence in a judge appointed for 4 years or 8 years as it is in a judge appointed for life. The great Chief Justice John Marshall said that the greatest curse that an angry God can send on a wicked and unrepentant people is an ignorant, corrupt, or dependent judiciary. I agree with statements that have been made here today that the territorial judges should be appointed for life, as a further assurance of their independence, but the fact that they are appointed for a shorter term at the present time makes no less important the assurance that they shall feel independent in accepting and serving in these positions.

I hope this amendment will be adopted.

Mr. KEFAUVER. I appreciate the contribution of the gentleman from Kentucky [Mr. CHAPMAN].

May I point out to the members of the Committee that if these judges were appointed for life, as they undoubtedly should be, and they served 10 years, they would get full retirement pay. As it is now they serve 10 years and get only half retirement pay. So they are discriminated against. Is it not fair for a judge serving 8 years as judge and 4 years or 2 years or 6 years as district attorney in one of these possessions, that his time served as district attorney be included to bring up the number of years to 10? I think it is just.

In appreciation of the service that these men have rendered and will render on the judiciary in our territories, I think this amendment should be adopted.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. KEFAUVER] has expired.

Mr. SPRINGER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am not quite certain whether I understand the amendment which the distinguished gentleman has offered or not. I notice at the conclusion he has the term "retire." That is all there is to that particular feature. Is that supposed to be a part of the amendment? I am glad the gentleman has clarified that matter by striking out that surplusage.

Now, since that has been clarified, if you will turn to the pending bill on page 2, in line 7, I can get this amendment before the Members of the House so you will understand it.

The amendment is, beginning in line 7, strike out the words following "retires" in that line, and continuing from that point until you get down to the comma following the word "not," in line 10. That is all stricken out. Then, this language is substituted instead of it, making it read:

> If such justice or judge retires after having served as a justice or judge of any of the afore-mentioned courts for a period aggregating 10 years or more, whether continuously or not.

Then the amendment contains the following further statement: To insert after the word "service"—the gentleman does not say on what line that is. Will he indicate that?

Mr. KEFAUVER. Line 14.

Mr. SPRINGER. In line 14, after the word "service", insert "whether continuous or not and whether rendered before or after the enactment hereof, of not less than 10 years."

That is the first part of the amendment. The second part of the amendment refers to section 2, and it strikes out section 2 as written in the bill, and contains the following language:

> In computing years of service under this act, all service of an officer or employee of the United States shall be included, if not less than 8 years of service was performed as a justice or judge of any of the aforementioned courts.

My interpretation of that language is this: That a person may serve on the bench for 8 years, and if he has served as an employee in any agency of the Government for any additional period of time, which, added to the service on the bench of 8 years, if that would aggregate 10 years or more, then he would come within the provisions of this law. I think I am correct. Is that the intention of the gentleman who offered the amendment? In other words, he would be putting a part of our judges upon a continuous judicial service for 10 years before they could retire when they reached the age of 70 years, and this other class of judges would be placed upon a basis of retirement if they had served 8 years on the bench and 2 years or more in any other governmental capacity, regardless of what it was. They could serve on OPA, they could serve as clerk in any department of the Government, and then would be entitled to this retirement.

Do you feel it is fair to put part of the judges on a 10-year continuous judicial service basis and the others on an 8-year judicial service plus 2 years of any other character of service as an employee of the Government?

Mr. CARLSON. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. CARLSON. I wonder if I understand the amendment correctly. As I understand it a man may serve as a judge in an outlying territory for 8 years, then come back in some Federal agency at $2,000 a year or whatever figure it may be, and after 2 years then be eligible for his pension.

Mr. SPRINGER. That is just exactly what this amendment means as I interpret it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SPRINGER. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Pennsylvania.

Mr. RICH. What would be his rate of compensation if he were to accept a lesser paying job than that of judge?

Mr. SPRINGER. As far as this amendment is concerned it makes no difference what the rate of compensation would be, he must serve for 8 years in the capacity of judge or justice and then the additional time in order to make the 10 years' service he may serve in any capacity, for any salary, and in

any agency of the Government as far as this amendment is concerned and it would apply to that service.

Mr. RICH. Does the gentleman think that is the right thing to do?

Mr. SPRINGER. I do not think that is right and I do not think it is proper.

Mr. KEFAUVER. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. KEFAUVER. I call the gentleman's attention to the fact that the amendment states that he must serve as an officer. He could not serve as just a regular employee.

Mr. SPRINGER. The amendment states: "All such service as an officer or employee." That is the language of the gentleman's amendment. That would mean in any service in the Government at which he drew any compensation, regardless of the amount of the compensation. I do not believe that would be a fair basis upon which to predicate a matter of this kind because it would be entirely unfair to every judge who goes under the retirement provisions of the law.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. REES of Kansas. Instead of putting these judges under retirement why not put them under civil service and be done with it rather than use this hodgepodge method?

Mr. SPRINGER. May I say to my distinguished friend from Kansas that that would be far better than the plan provided for in this amendment.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield.

Mr. JACKSON. Is it not true that at the present time a Member of Congress who serves in this body a given period of time, in excess of 5 years I believe it is, under existing law, may work for any agency of the Government for 1 day and qualify under the retirement law?

Mr. SPRINGER. They cannot work in any department or agency of our Government, and that time apply on retirement as a judge.

Mr. JACKSON. No; not as a judge. I mean for retirement purposes.

Mr. SPRINGER. It does not apply to the retirement of judges. That is far different from the matter to which the gentleman refers.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Kansas.

Mr. REES of Kansas. The thing to which the gentleman has called our attention should not be an excuse to do this sort of thing.

Mr. SPRINGER. The gentleman is entirely correct.

Mr. REES of Kansas. This would make it worse.

Mr. SPRINGER. May I say in conclusion, I hope the amendment just presented by the gentleman from Tennessee will be defeated.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. KEFAUVER. Mr. Chairman, I ask unanimous consent that in the second line of section 2 of the amendment, after the words "as an officer" the words "or employee" be stricken out and that in lieu thereof there be inserted the words "of a court."

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the gentlemen in charge of this legislation whether or not these judges in the Territories, the Virgin Islands, Puerto Rico, Hawaii, and Alaska, have the benefits of the contributory retirement program?

Mr. BRYSON. No. It is my understanding they do not.

Mr. KEEFE. Well, I just got through talking to the Delegate from Alaska. I listened to his speech on the floor, and I have received the very definite impression that at least so far as the judges in Alaska are concerned they are subject to the general retirement program and are making contributions to that program out of their salaries. Does the Delegate from Alaska so understand?

Mr. BARTLETT. That is correct with respect to Alaska.

Mr. KEEFE. What is the situation? Here we have the gentlemen in charge of the bill who state different things. The Delegate from Alaska, who certainly ought to know, says one thing, and the other gentlemen say something else, yet we are expected to vote intelligently upon this legislation. I think it is a sad commentary on the Judiciary Committee that we cannot have positive information. May I ask if there is anyone else who can answer whether or not men holding judicial positions in Hawaii are permitted to contribute to the general retirement fund and receive retirement under the civil-service retirement law? What is the answer?

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I would like somebody to answer the question. I do not know whether the gentleman from Pennsylvania can or not. I do not like to vote for this legislation until I know what the facts are. If these people are already subject to retirement and can become members of the regular Government program by making their contribution we ought to know that fact. The chairman of the committee says they cannot, the Delegate from Alaska says that so far as Alaska is concerned they can. Now, what about the rest of them?

Mr. BRYSON. Insofar as the gentleman's question relates to Hawaii, may I say that the judges in that particular Territory, unlike the judges in other Territorial possessions, have a right to the same retirement benefits that the district judges in the States have.

Mr. KEEFE. What about the Virgin Islands, Puerto Rico, and the Canal Zone?

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Pennsylvania.

Mr. WALTER. The retirement laws applicable to judges are the laws passed by the Congress. As far as the retirement of civil employees is concerned, that law is applicable only to those people in the executive branch of the Government. Where similar provisions apply to judges, it is through a special statute.

Mr. KEEFE. Has there been a special statute enacted for Alaska?

Mr. WALTER. Yes; there has been.

Mr. KEEFE. Has there been a special statute enacted for Puerto Rico?

Mr. WALTER. No; there has not been; nor the Canal Zone, nor the Virgin Islands. Those judges are not entitled to participate in retirement plans.

Mr. KEEFE. Where is this particular judge that the so-called scuttlebutt around the House indicated this legislation is being enacted for? Where is he located—in the Virgin Islands, Panama, or where? Let us be fair about this thing. If we are legislating in the interest of some one individual, I would like to know who that individual is and where he is, and not be legislating general legislation here under the guise that it is to affect all judges, when, as a matter of fact, as near as I can learn conversations on the floor of this House and from seeing what is going on, we are legislating in behalf of some one judge and trying to get him qualified in some way so that he can retire.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I will be glad to yield to my distinguished friend from Pennsylvania.

Mr. WALTER. Having served in the Navy for a few years, I know how reliable the scuttlebutt is that the gentleman is talking about. The fact of the matter is, I do not think that any attempt is being made to legislate for the benefit of any particular judge; at least, if that is the case, I have not heard about it.

Mr. KEEFE. I am willing to take the gentleman's word, but still the rumor persists, and I listened carefully to the remarks of my very good friend from Kentucky who indicated to me—after the amendment was defeated to reduce the years of service to 8, and then this other amendment immediately is proposed—that it is intended and designed to fit the particular affairs of some one individual who can conform today by saying that he has had 2 years of service as an aide or employee to some judge in one of these departments. I am only asking something that is fair and honest, and as a legislator I think I have a right to know, and if there is nothing in this situation that is floating around here that we are legislating to take care of some private individual that wants to be taken care of, that is one thing.

Mr. ENGEL of Michigan. Mr. Chairman will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Michigan.

Mr. ENGEL of Michigan. Perhaps the gentleman who just spoke could inform

us who, if anybody, would be eligible to retirement if this bill is passed, and who the first judge is that would be retired if the bill is passed.

Mr. KEEFE. I take it that they could, but that information is not made available.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Indiana.

Mr. SPRINGER. During the time this bill was under consideration—and I want some of my distinguished friends and colleagues to correct me if I am in error—it was discussed in the committee that Judge Gardner was the judge, and he is now serving in Panama; that his health is bad, and he could not qualify under the general law that is now on the statute books, and this is intended to make him eligible.

Mr. KEEFE. Judge Gardner of Panama?

Mr. SPRINGER. That is what I understood.

Mr. KEEFE. Will Judge Gardner qualify under this bill if we pass the amendment?

Mr. SPRINGER. If I am incorrect, will somebody correct me?

Mr. WALTER. No.

Mr. KEEFE. Is that correct? I would like to know what the situation is. If we are passing legislation here under the guise of general legislation to help out some one judge, then it seems to me that the matter is being very badly misrepresented to the House.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. MURRAY of Tennessee. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and four Members are present; a quorum.

Mr. HARE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, it is not my purpose to speak of the merits or demerits of the resolution before us, but as there seems to be some confusion or difference of opinion as to the retirement status of our judges in the Territories, I will endeavor to offer some clarification of the status. It is my understanding that by special action of the Congress some time ago the judges in the Territory of Hawaii were placed in the same retirement status as judges of the United States district courts. Then a few years ago, by special action of the Congress, the judge or judges in the Territory of Alaska were placed in the same retirement status as that provided for employees under the classified civil service. No special action has been taken by the Congress providing a retirement status for judges in other Territories, as the Virgin Islands, Puerto Rico, and the Canal Zone, and it is my understanding the purpose of the bill now before us undertakes to provide a similar retirement status for all of our judges in Territories, which would modify the retirement status of judges both in Alaska and Hawaii and provide a similar retirement status for the judges in the Virgin Islands, Puerto Rico, and the Canal Zone.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. HARE. I yield to the gentleman from Kansas.

Mr. REES of Kansas. All Federal judges serving outside the United States that do not come under any other retirement system are under the civil-service retirement system. That is correct, is it not?

Mr. HARE. No, that is not my impression.

Mr. REES of Kansas. I have just discussed the matter with the legal adviser of the retirement division of the Civil Service Commission. If I am not mistaken, under the act of 1942 any Federal judge who is not under the present retirement system comes under the civil-service retirement system, whereby he makes a contribution the same as Government employees under executive departments and under the civil-service retirement system. Therefore, all of these judges with the one exception the gentleman mentioned do come under the civil service.

Mr. HARE. If they make contributions to the retirement fund they do come under it, but if they do not they have an entirely separate status, and my understanding of this bill is to provide a similar retirement status for all.

Mr. REES of Kansas. Under this bill they just do not contribute, that is the difference.

Mr. HARE. You may be correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. KEFAUVER].

The question was taken; and on a division (demanded by Mr. KEFAUVER) there were—ayes 17, noes 51.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and Mr. SPARKMAN, having assumed the chair as Speaker pro tempore, Mr. FOLGER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 565) to extend the privilege of retirement to the judges of the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone, pursuant to House Resolution 509, he reported the same back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BRYSON) there were—ayes 69, noes 34.

So the bill was passed.

A motion to reconsider was laid on the table.

FEDERAL EMPLOYEES' PAY ACT OF 1946

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 1415, an act to increase the rates of compensation of officers and employees of the Federal Government, and for other purposes, with a House amendment; insist on the amendment of the House; and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]? [After a pause]. The Chair hears none and appoints the following conferees: Mr. RANDOLPH, Mr. JACKSON, Mr. MILLER of California, Mr. REES of Kansas, and Mr. BYRNES of Wisconsin.

FARMERS' HOME CORPORATION ACT OF 1946

Mr. BATES of Kentucky, from the Committee on Rules, submitted the following resolution (H. Res. 587) for printing in the RECORD:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5991) to simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions, by transferring assets to the Farmers' Home Corporation, by enlarging the powers of the Farmers' Home Corporation, by authorizing Government insurance of loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural rehabilitation projects for resettlement purposes, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 333, to provide for the reappointment of Dr. Vannevar Bush as citizen regent of the Board of Regents of the Smithsonian Institution.

The Clerk read as follows:

Resolved, etc., That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Dr. Vannevar Bush, of Washington, D. C., on April 4, 1946, be filled by the reappointment of the present incumbent for the satutory term of 6 years.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the resolution?

Mr. CANNON of Missouri. Certainly. As the gentleman is aware, the Smithsonian Institution is managed by a Board of Regents consisting of Members of the Senate, Members from the House, and an equal number of men of high scientific and scholarly attainment. Dr. Vannevar Bush, one of the most distinguished scientists of the country, and one who probably had as great a part in the scientific development which assisted in winning the war as any other man living, has been serving on this Board for a number of years. His term expired on the 4th of April. This resolution continues him on the Board.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, in the final analysis, the war was won through our superiority in scientific development. The gallantry of our armies and navies and the overwhelming production of our factories would have been unavailing without radar, the proximity fuse, the atomic bomb, and similar discoveries and inventions which gave our forces the advantage in equipment and arms.

Dr. Vannevar Bush, director of the Office of Scientific Research and Development, contributed as much as any man, in any theater of the war, to the application of science to modern warfare, and thereby to ultimate victory. And similarly, he has in the same way, and by the same tokens, contributed to the assurance that nations will not again resort to warfare which science has rendered so deadly as to approximate annihilation for the victor as well as the vanquished.

Under the provision of the statutes, the Board of Regents of the Smithsonian Institution consists of the Chief Justice and the Vice President of the United States, three Members of the Senate and the House of Representatives, respectively, and six citizens other than Members of Congress.

There is a vacancy on the Board due to the expiration of the term of Dr. Bush on April 4, 1946. The pending bill provides for his election for another statutory term of 6 years ending April 4, 1952.

I include a brief résumé from Dr. Bush's academic and professional dossier:

Dr. Vannevar Bush, Washington, D. C. Physics, electrical engineering. Everett, Mass., March 11, 1890. B. S., M. S., Tufts College, 1913; Hon. Sc. D., 1933; D. E., Massachusetts Institute of Technology and Harvard, 1916. Instructor and assistant professor electrical engineering, Tufts College, 1914–17; associate professor, Massachusetts Institute of Technology, 1919–23, professor electrical power transmission, 1923–32, dean engineering and vice president, 1932–39; president, Carnegie Institution of Washington, 1939– . Consulting engineer, 1919–32. Trustee, Tufts College; special committee, National Broadcasting Co., 1937– ; committee scientific aids to learning, National Research Council, 1937. Levy Medal, Franklin Institute, 1928; Lamme Medal, American Institute Electrical Engineers, 1935. National Academy; American Association (secretary engineering, 1933–36); fellow Electrical Engineers; Mechanical Engineers; Engineering Education; fellow Physical Society; Philosophical Society; fellow American Academy. Circuit theory; analyzing machines; gaseous conduction; dielectrics.

Mr. Speaker, I ask for a vote on the engrossment of the resolution.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. MARTIN of Massachusetts asked and was given permission to extend his remarks in the Appendix of the RECORD and include a biographical sketch of the gentleman from Tennessee, Hon. CARROLL REECE.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter concerning a bill he has introduced, H. R. 5449.

Mr. JUDD asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

THE PASSING OF THE LEAGUE OF NATIONS

Mr. FLOOD. Mr. Speaker, I ask unanimouss consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, today is the last session of the League of Nations in Geneva, and I should like to say to the shades of those who 25 years ago sponsored this League that it is not dead, that it is not forgotten, because from this League there is reborn a new spirit of international cooperation among the nations for world peace. We do not say good-by to the idea of the League, but we say hail and farewell to a society of nations and welcome a new spirit of cooperation to the United Nations for collective security and world peace.

True it is that the first really great opportunity of a practical plan for world peace was missed by the nations of the world, and this fact will linger in the minds of the nations' representatives in Geneva today as they ring the curtain down on the League of Nations. But we hasten to add that the curtain has already been rung up on a new society of nations, dedicated to the age-old dream of peace on earth, good will among men and the prevailing of law and order in our society.

It is significant that this event takes place in the spring of the year. Because this new concept of world cooperation, as found in the Charter of the United Nations, is in the springtime of its life, and all mankind hopes and prays that the budding United Nations will have the virility and the long life so fervently hoped for in all mankind. This is not the end of what the League of Nations was born to accomplish. This is not the finish of its embodied hope. Rather, this is the end of the beginning, as Winston Churchill said not long ago of a changing phase during the war.

This is not the end of a family or the end of a line of ancestors with great traditions. This is not the terminal point of a proud genealogy with no offspring to carry on. Because born from the trials and tribulations of the old League of Nations the newly born United Nations firmly holds aloft the torch of life for a new world, and it has already weathered and survived its first storm. The League was not a failure. Its success is proclaimed because of its successor, and the thing that lends emphasis to this fact is the much more significant fact that the greatest of the nations which did not join the old League is now the leader in the organization and the direction of the new United Nations—the United States of America.

The thing that is clear today as the member nations preside at the dissolution of the old League of Nations is the established fact that all nations and all peoples everywhere have reached the inescapable conclusion that peace among the nations can result only from unity among those nations to achieve and maintain that goal.

Let us pause to salute the memory of the great Woodrow Wilson for his spirit and his followers must get great joy and satisfaction from this transmitting of the unfinished business of the League of Nations to the United Nations. This is vindication at its fullest. And finally, as was said by the brilliant writer of the New York Times, Anne O'Hare McCormick:

> Woodrow Wilson will be remembered in the valedictory of the League, not as the leader of a lost cause, but as a prophet who was honored at last in his own country.

Truly can those who survive today and who were present at the original meeting a quarter of a century ago, pronounce from the fullness of their hearts the belief that:

They are not dead,
As we that are left shall die,
Age shall not weary them,
Nor the years condemn,
At the going down of the sun, and in the morning,
We shall remember them.

A new life is born in the New World, and to this new organization the New World will give its vigor, courage, and confidence. It is good that the United Nations has its permanent headquarters here because there is no doubt at all that everybody, every place is certain in their hearts that the success of the United Nations is entrusted to the leadership of the United States. With our motto of "In God We Trust," God grant we succeed.

The SPEAKER. Under the previous order of the House, the gentleman from Kansas [Mr. COLE] is recognized for 20 minutes.

THE PAN-AMERICAN HIGHWAY

Mr. COLE of Kansas. Mr. Speaker, a hundred-million-dollar farcial dream, or a sound investment for the future? A phony fraud and scandal involving millions of dollars of wasted money, or a project to guarantee future peace and prosperity of the Western Hemisphere?

These questions have been asked concerning the Pan-American Highway. I

recently had the privilege, as a member of a subcommittee of the Committee of Roads, to investigate this highway. We visited each country through which the highway is being constructed, and I traveled by car, station wagon, and jeep over a thousand miles of completed and uncompleted sections of the road.

This report, Mr. Speaker, is my personal impression of the highway and of some of its problems.

Pan American unity is not an idea of recent origin. In 1826, Bolivar called a conference to discuss problems of mutual interest and security, and, throughout the succeeding years, many such conferences and plans for cooperation have been proposed and activated. The Pan-American Highway is one such plan.

Congress in 1930 appropriated $50,000 for the purpose of surveying and locating a route of the Pan-American Highway, and drawing plans and specifications. In 1934, a million dollars was appropriated to be used to match funds of Central American countries for the construction of critical items on the route of the highway. In 1941, $20,000,000 was appropriated under a plan which called for a cooperative project in which the United States would pay two-thirds of the cost of construction of the highway, and the other countries would pay one-third. It should be noted that neither Mexico nor Guatemala participated in this cooperative venture, but have built the highway without a direct grant from the United States.

Mexico and the countries of Central America have received loans from the Export-Import Bank, the proceeds of which were used in constructing the highway.

The credit extended to each country is as follows:

Mexico, $40,000,000. Salvador, $680,000. Honduras, $1,000,000. Nicaragua, $3,815,000. Costa Rica, $3,000,000. And Panama, $2,500,000. The total credit thus advanced amounts to $50,995,000.

It should be noted, however, that Mexico has used only ten million of the credit, and that the total authorization to Mexico includes money for highways other than the Pan American. I understand all payments of interest and principal on all of these loans have been met promptly.

Upon completion of the highway, John Tourist may pile his family into the old bus and drive from Laredo, Tex., to Panama City. This excursion, in distance, would equal a trip from Boston to San Francisco. He would travel over quite an excellent black-top road, similar to the secondary road system in the United States—no sharp curves or difficult grades. The dexterity required in dodging oxcarts would not give concern to one accustomed to our traffic. Car trouble in some locations would cause considerable delay, and John should give some thought to the food he eats. Some of our modern conveniences would not be found—filling stations are now few and far between—gasoline is 30 cents to 40 cents a gallon—no tourist cabins or hot dogs. The larger cities have some excellent hotels and the rates are not prohibitive. The tourist would encounter many miles of drab, uninteresting country which would be compensated for by long stretches through magnificent scenic beauty. If the tourist is not too critical of things unfamiliar, and does not want to hang up a record for speedy driving from, "here to there," he will have an intensely absorbing experience, take home mental pictures of quaint and unusual scenes and a knowledge and feeling of sympathy with some of the sweetest, most contented and friendly people in the world.

Today, the tourist may drive on a well improved, oil-mat highway from the northern Mexican border, south through Mexico City to Juchitan, a distance of approximately 1,270 miles. Segments of the highway thereafter are in various stages of completion. Only 410 miles of the entire road are impassable. However, one may drive on all-weather and black-top roads entirely through Guatemala, Salvador, and Honduras. Except for a segment of miles near the border, all-weather roads stretch through Nicaragua and Panama. Some of this "all-weather surfacing" is, however, quite rugged.

Costa Rica, due to its exceedingly difficult terrain, has been a bottleneck which is now being conquered. Clinging for dear life to a jeep, I drove out to view the construction of what is said to be the most difficult road building the world has ever known. From an elevation of 5,000 feet, the highway rises to 11,500 feet and then drops to 2,500 feet above sea level in a distance of 72 miles. The road is chiseled out of almost perpendicular cliffs, and this through the most dense jungle known to man. One segment of the construction required moving of dirt at the rate of 750,000 cubic yards per mile. Compared to ordinary road construction the same work might be encountered in 15 miles of operation.

The United States has had a policy of furnishing supervisory engineering and auditing services, but utilizing local labor for all other personnel, including engineering as well as skilled and unskilled labor. If the construction of the highway is not delayed by lack of funds or political difficulties, it can be completed within 3 years. I am favorably impressed with the work which has been done, and believe the Public Roads Administration has, in general, done an excellent job.

To return to our questions. It has been said that some people are so prejudiced, they will not play both sides of a phonograph record. The record I have will be played upon both sides—the critical and the favorable. Both critical and favorable observations are solely my own, as our committee has made no report.

First, the critical side:

It is my opinion that too much money has been spent by the United States on road building in Central America. Also, much of the construction has been carried on during the war and at a time when road building in the United States was prohibited. This was a serious mistake unless the highway was a military necessity.

A curious situation developed when the War Department, in May 1942, decided that a highway should be constructed to Panama, but said it was of doubtful military necessity. This deprived the construction work of all priorities, and compelled the purchase of equipment and material in the open and limited market.

The War Department spent $38,000,000 on this project, which is in addition to the sums I have heretofore mentioned.

The Army was interested in building the most direct route to Panama. The Pan-American Highway was required, by political as well as practical implications, to connect large communities by a somewhat more circuitous route. A great deal of the Army-constructed road can be and is utilized, but many miles will be of no value to the Pan-American Highway.

It is my opinion that when the Army declared the road of doubtful military necessity, a closer correlation between the two roads could have been accomplished, resulting in obvious economies.

It would also be interesting to know how the Army expected to complete the road under these conditions in time for any military use during the war.

I recognize full well that installations of doubtful military necessity may become extremely critical in time of war, but it is my considered opinion that the Army is subject to severe criticism for this expenditure unless these questions can be satisfactorily answered.

One cost-plus contract has been let in the construction, the remainder of the work has been done by force account. This contract is in a mountainous section of Costa Rica, and may be the only method by which such work could be accomplished. The contractor is doing an excellent job. Cost-plus contracts, however, are subject to much criticism, and full public disclosure and accounting should be had of this contract.

Literally thousands of miles of farm-to-market roads in the United States are in desperate need of being lifted out of the mud. Can road building by the United States in foreign countries be justified in the face of this need at home?

With the return of many capable engineers and technicians from the service, it might be well to reexamine our personnel in these countries and possibly strengthen our supervisory force.

Now, let us turn over the record and examine the favorable side.

I have mentioned the tourist, the cultural and educational phases of the highway, offering as it does, foreign travel within the pocketbook range of most of us. The highway has many advantages economically to the United States, Mexico, and Central America. The outstanding mutual advantage is the fact that we are not economic competitors, but that our needs are complementary. We need their coffee, bananas, rubber, chicle, and many other products. They have a great market for our consumer goods, wheat, corn, and other agricultural commodities.

"The vanishing frontier" has been the concern of economists in America. This road opens up a frontier of vast potential production. Great fertile valleys and thousands of acres of grazing lands await the coming of the pioneer.

As progress quickly followed the building of transcontinental railroads in the

United States, so it is that transportation will be an immeasurable boon to these Central American countries. As they progress and develop, new and valuable markets will be opened.

I cannot overemphasize the tremendous impression I received of the opportunities offered in these countries—in business, the professions, and agriculture.

In areas other than economic, we have long recognized a common interest with Mexico and Central America. Our common goal of democracy and freedom has been cemented by the recent war. It is to our advantage that this continued mutual understanding be promoted.

The highway, therefore, is not only material evidence of our friendship, but it provides a means of association of our people with our neighbors on the south with the resultant better understanding.

Without question, the forces of both communism and fascism are interested in Mexico and Central America. These doctrines thrive on poverty, misery, fear, and discontent. Self-sustaining, free people are not interested in these principles of despair. Economically strong neighbors, familiar with us and friendly to our ideals, offer not only military but also political defense for our mutual protection. The highway, therefore, is not only an instrument of defense, but is a common bond of solidarity for our hemisphere.

I have examined some of the problems on both sides of the issue. I hasten to summarize my own opinion, lest I suffer the same fate as the justice of peace to whom argument on both sides of an issue was only confusing.

First. We must either complete our share of this highway or else abandon it to an uncertain future. It is my opinion that we should complete it.

Our commitment to this obligation was made many years ago. Now, it is not only a question of the integrity of the United States, it involves also the peace and security of the hemisphere.

Second, by "completion of our share of the highway" I do not necessarily mean that we should thrust money upon these people. Perhaps the all-weather construction and other refinements should be left to the initiative of our friends. They are a proud, intelligent, and progressive people.

The impassable sections, other than Costa Rica, are largely at the borders of the countries. Perhaps all we need to do is connect the road, and, as traffic conditions require improvements, the need will be met by the nation itself.

The average person in the United States views the road as a transcontinental highway. In Central America, it is considered a means of transportation to neighboring cities and adjacent countries. After the borders are opened and the highway completed sufficiently to permit travel from one end to the other, the means, as well as the desire to improve it, may be present.

It is interesting to note that change of administrations in these governments do not affect their cooperation and active participation in the Pan-American Highway.

We were impressed with the sincere friendship which they evidenced toward the United States. We were received with the utmost graciousness and hospitality, and returned home convinced that Central America and Mexico will uphold their part in the program of peace and solidarity which has been the mutual goal of our people throughout the years.

Yes; we must do our share. We desire the cooperation and friendship of our neighbors. But true friendship sometimes consists of a hand extended to assist in self-help. Friendship cannot be bought or sold. Parenthetically, I might add it was my observation that the average citizen of Central America is not overwhelmed by his gratitude to us for our part in this project.

Before additional funds are appropriated, therefore, it is my recommendation that these policies be carefully examined.

Thirdly, a direct and positive commitment should be secured from the Central American countries with respect to their obligation to maintain the highway after it is completed. There should be no misunderstanding of the fact that our financial obligations end with the completion of the road and that we do expect it to be properly maintained.

Fourthly, full public disclosure should be had with respect to fiscal matters, including cost-plus contracts, and plans carefully made to prevent waste or improper use of funds.

In conclusion, I again repeat that we should carry out our obligation to complete the highway. We should not sully our friendly relations with these neighbors by petty quibblings, but we should approach the problem in a cooperative manner consistent with diplomacy and good judgment.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. Prior to the visit of the House Roads Committee to Central America, which I made with the gentleman from Kansas, I had not become well acquainted with him. It was my opportunity during those weeks to find he was a hard worker and to learn he was doing a real job in cooperation with the other members of this subcommittee. I personally commend the young man from Kansas who is now speaking. He has the qualifications of a very fine Member.

Mr. COLE of Kansas. I thank the gentleman.

The SPEAKER pro tempore (Mr. BIEMILLER). Under previous order of the House, the gentleman from Kansas [Mr. SCRIVNER] is recognized for 30 minutes.

RESTORE CONSTITUTIONAL FUNCTIONS OF CONGRESS

Mr. SCRIVNER. Mr. Speaker, the regulators must be regulated. Congress must reassume its constitutional power and position by writing the laws governing this Nation. Congress must curb the unconstitutional, un-American practice of Government agencies issuing regulations having the force and effect of laws, many of which have been contrary to the expressed intent and purpose of the laws of Congress.

Article I of the Constitution declares:

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and a House of Representatives.

The abdication of Congress from its law-writing duty and the seizure of law-making powers by bureaus, boards, and agencies have been the subject of proper criticism twice in recent days.

The beloved gentleman from Texas [Mr. SUMNERS], in announcing his retirement from Congress after 32 years of service in this Chamber, expressed grave concern over the abuses by the ever-growing, rapidly expanding powers of Government bureaus. In his comments, he said:

> By concentration of governmental power, we have now a confusion beyond human comprehension, impossible of democratic control, extravagant, wasteful, inefficient, and by its nature the instrumentality of favoritism, tyranny, oppression, and corruption. * * * The more basic powers of Congress have largely been shifted to executive agencies and organized minorities.

Lest some may think that is the thought of an isolated individual who, for some personal reason, might have desired to vent his spleen, let us look at the report of the Joint Committee on the Reorganization of Congress—a bipartisan committee from the House and the Senate. This committee views with alarm the dangerous growth of government by men and regulations and the decline of government by laws written by the Nation's elected representatives. In almost the opening paragraph of the report we find these serious charges and grave warnings:

> Public affairs are now handled by a host of administrative agencies headed by nonelected officials with only casual oversight by Congress. The course of events has created a breach between Government and the people. Behind our inherited constitutional pattern a new political order has arisen which constitutes a basic change in the Federal design. Meanwhile, government by administration is the object of group pressures which weaken its protection of the public interest.

That these indictments are true is self-evident. Congress has abdicated. Congress has "passed the buck." Congress has permitted the form of our Government to be changed almost completely from a constitutional representative republic to a bureaucracy.

Part of this situation undoubtedly arose because, in the days when "rubber-stamp" charges were made and sustained, Congress did not function as the Constitution anticipated. The line of least resistance was followed—with the excuse of meeting proclaimed emergencies, real or fancied, the brain trust downtown wrote the laws; a subservient and obedient Congress passed them. Like a sleeping potion, the practice became habit forming.

Then came another, a greater emergency—the war—demanding rush, rush, rush. Time could not be taken to analyze and scrutinize each measure, weigh it, draft it, and redraft it. The easy way was to create an agency, provide it with an administrator, empower him to

issue regulations with the force and effect of laws, the penalty for violation in some instances as much as 2 years in the penitentiary and a $5,000 fine. By this process, just what did Congress do? Congress, in effect, appointed a law-writing agent—a law-making agent—which wrote, interpreted, and enforced its own laws or regulations after it had passed its own judgment on the intent of Congress.

In the creation of governmental bureaus, the delegation of law-making powers has been almost unlimited, especially in these later years.

It is a basic principle of law that in the appointment of an agent the principal may prescribe all the conditions upon which the power of the agent shall rest. The powers may be broad or narrow.

If, under such unlimited delegation, these agencies usurped power, cut a wide swath, wrote and enforced regulations having results never even conceived in the mind of the principal, the Congress, who is to be blamed? Power feeds upon power, and if Congress does not check that power or put on the brakes, who will stop them? Congress should! Congress must!

How?

The law-making power of these bureaus, as long as it is within the bounds of reason, as long as the regulations are fulfilling the intent of Congress, as long as no unusual or unexpected use is made of the law-writing power, is not subject to undue criticism. But, when the agencies go beyond the bounds of proper action, they should and must be stopped.

The rational constitutional way is for Congress itself to write the laws, going into detail in its expressions and definitions—doing in committee, after hearings and on the floor, in public sessions, what the bureaus do in the quiet of remote offices behind closed doors. If more attorneys and legislative experts are needed, hire them—but to draft laws for Congress, instead of regulations for bureaus.

Another method to be followed, where every detail cannot be written into the law, is to provide for congressional scrutiny of the regulations; provide that as a condition of the appointment of the law-writing agent, that agent, before its regulations become effective, must submit them for scrutiny to the congressional committee which reported the legislation creating that agency and giving it the power, so that the committee may be sure the agent has not exceeded the power granted it. Committees know best what they intended. After long days and weeks of work on it, they know the purpose of the bill and can readily ascertain the propriety of regulations.

Upon several occasions, I have offered an amendment embodying this idea. In June of 1945, the Servicemen's Readjustment Act was amended by unanimous vote, including therein a section similar to the following which was later offered as part of the bill creating a new Medical Department in the Veterans' Administration:

(a) Before any proposed regulation or order to carry out the purposes of this act shall be issued by the Administrator exercising authority conferred hereunder, other than administrative rules or orders governing the conduct of the activities of the Department of Medicine and Surgery or interagency rules governing its relations with other agencies of the Government, a draft thereof shall be submitted on the same day to the Committee on Finance of the Senate of the United States and to the Committee on World War Veterans' Legislation of the House of Representatives for study, to consider whether such rule or regulation is made in conformity with the spirit, letter, intent and purpose of this act, and that no unusual or unexpected use of powers herein granted is proposed. Such regulation or order may be approved or disapproved by the Committee on Finance of the Senate or by the Committee on World War Veterans' Legislation of the House of Representatives. In the absence of action by either committee approving or disapproving such regulation or order, it may go into effect not earlier than the fifteenth day following, but not including, the date of the receipt of the draft of such proposed regulation or order by the chairman of such committees. Disapproval of such regulation or order by either committee shall suspend its issuance: *Provided*, That such disapproval of such regulation or rule by the Administrator shall be in writing and shall clearly set forth their reasons therefor.

(b) For the purpose of this section, the Committee on Finance of the Senate and the Committee on World War Veterans' Legislation of the House of Representatives are authorized to sit and act by duly authorized subcommittees during the recesses and adjourned periods of the Congress.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. JENNINGS. I want to say in that connection that within the last 3 days I have received a letter from a lady in Knox County, Tenn. She is a school teacher. Her salary is barely enough to support the family. She is the wife of a preacher who has had a stroke and is incapacitated and cannot earn a dollar. They own a home. They fitted up an apartment in it, equipped it with an electric stove and a frigidaire, and it is well furnished. She was told by the man in charge of the OPA rent program in that county that she could rent that apartment for $40 a month. She did rent it. There was no complaint on the part of the tenant. Yet this same man who told her she could rent that apartment for $40 a month wrote her a letter threatening her with a suit involving three times the excess charge that he claims she has made, plus attorney's fees. She sends me that and states that heart-rending situation that has been imposed upon her by a man drunk with power.

Mr. SCRIVNER. Yes; but he got drunk on the power which Congress gave him when we wrote the Price Control Act.

Mr. JENNINGS. These men have consciously and deliberately violated the law.

Mr. SCRIVNER. Then perhaps this suggestion has some merit and will be considered by my colleagues in the House.

Mr. ELLSWORTH. Mr. Speaker, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. ELLSWORTH. As I understand the proposed amendment, there would not be very much delay in the final issuance of the order or enforcement of the order; it could not be more than 15 days.

Mr. SCRIVNER. The agency can appear immediately before the committee and if the regulation is proper it will be approved immediately. I do not see how it could take much time.

Mr. ELLSWORTH. But the maximum under the gentleman's amendment would be 15 days.

Mr. SCRIVNER. The gentleman is correct.

Mr. ELLSWORTH. One agency has been working 4 weeks on one form relating to surplus commodities. I do not feel, therefore, that the gentleman's proposal of a maximum of 15 days would hamper the operations of the executive departments in any way, if they do not move any faster than that.

Mr. SCRIVNER. I thank the gentleman for his observation.

This is not interference with the administrative functions of the executive branch of the Government; it is merely the retention of legislative power. The wisdom of a regulation, if within the power granted, is not to be questioned. If Congress has erred in the exercise of its power, the remedy lies in an amendment of the law. As long as the bureau does not go beyond the act, as long as the regulation is within the intent, purpose, and spirit of the act, its conduct is proper. If it does not make unusual or unexpected use of the power given it, its action is not subject to limitation by the creating committee acting on behalf of Congress.

In substance, this amendment says: "Congress deems it advisable to make you its agent to prepare detailed laws relating to this subject, but Congress desires to retain its law-making power—to keep control of the proposed measures—hence, you must submit for the approval of the Congress those laws you propose as our law-writing agent."

Every Member of Congress knows of one or many instances where governmental agencies have gone far afield in their regulations; where they have not carried out the intent of Congress; where they have gone absolutely contrary to the expressed purpose of the original act; where they have made unusual uses of powers granted.

The OPA Act, for instance, specifically provides that price controls shall not necessitate changes in established methods of doing business. Yet there is not a business in America which hasn't been required to make many changes in business practices, cost practices, and methods, all directly contrary to the express words of the law. Congress said, "No"—the OPA said, "Yes." If changes are essential, they should be written in the law—not in the regulations contrary to the law.

I suggest Congress give serious consideration to the inclusion of a section similar to the one above suggested in the proposed extension of OPA. This is not interference with the administrative function of the executive branch in its enforcement of laws enacted by Congress, as some objectors contend. We have seen these agencies write their own laws, thereby encroaching upon the constitutional function of the legislative branch. If there is to be encroachment, the Nation is safer under encroachment by

Congress, which is subject to frequent elections.

Another objection to this proposal has been that committees of Congress have neither the time nor adequate clerical and professional personnel. Congress can remedy that situation in short order by providing properly staffed committees which will give members more help and time.

When that is done, when the laws written by Government agencies are scrutinized by Congress and put into force and effect only after congressional approval, the Congress will have recaptured its constitutional power—and the regulators will be regulated.

Then, and then only, knowing they must face a critical principle, will our agents hesitate to bring before our committees wild-eyed, irrational, revolutionary regulations. This agent will then bring in carefully prepared, easily justifiable regulations, conforming in all respects with the spirit, letter, intent, and purpose of the basic law which the regulations are to implement.

Then, and then only, will the Congress, the creator of the administrative agencies, have regained its proper constitutional position and assumed its responsibility for the laws enacted, and we will have no further cause to complain about unwise or unlawful regulations promulgated by Government bureaus, the legislative creatures of Congress.

Then, and then only, will this Nation again be a Nation governed by laws enacted by its duly elected Representatives.

Then, and then only, will it cease to be ruled by men.

Then, and then only, will all legislative power be again vested in Congress.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I have listened with great interest to the gentleman's statement on this very important subject and, as the gentleman well knows, I was intensely interested in the amendments which he has frequently offered in an attempt to carry out the spirit and purpose of the thesis contained in today's remarks. The gentleman has partially answered a question I am about to ask in his prepared statement. I wonder whether or not it is going to be possible under the general policy of delegation of authority to administrative agencies of Government to impose upon that delegated authority these restrictions, and not come into some conflict with adjudications of the Supreme Court bearing upon that question. That is the one thing that concerns me in the gentleman's proposal.

Congress, of course, under the general theory of delegation of power to an administrative agency of Government, lays out a broad principle, an outline, within which the delegated authority is to carry out the congressional will; but here we go beyond that and we say that in carrying out the congressional will, even though we have laid out this broad outline of delegation of power and authority, we are not going to permit you as the delegated authority in the executive branch of the Government to carry that out in accordance with the ideas of the Executive; we are going to insist that you bring up to the Congress every time you issue an order under this broad delegation of power, acting for the Congress, each one of those orders or directives which has the full force and effect of law, then allow the Congress through its committees to determine whether or not the Executive authority and administrative authority are, in fact, carrying out the will of the Congress. I wonder whether we will not run into some very definite law on that subject as to this nebulous line of division between the executive and the legislative branch of the Government.

Mr. SCRIVNER. I have tried to answer that in substance in my prepared statement. What some of the members of the judiciary would say, I do not know, but if they read the Constitution as I read it, they would approve such limitations of power. That Constitution says that all legislative power is in the Congress, and nothing whatsoever about any agency or any administrative bureau having power to write regulations having the full force and effect of law.

To point out the dangers that might arise, any student who has studied the downfall of Italy, any student who has studied the downfall of Germany, will find that the beginning of that downfall came with the surrender of legislative powers by their parliamentary bodies and the ensuing control of the entire government by agencies and commissions, which eventually wound up with one man telling every one of those agencies and commissions exactly what they should do and how they should run the country. We have prided ourselves that this is a Union governed by laws and not governed by men, and as long as any law is passed by Congress with that ideal and that goal, I see no reason why the judicial branch should not hold that Congress can say "You can do that and no more."

Mr. LEFEVRE. Mr. Speaker, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from New York.

Mr. LEFEVRE. In the last few days I have had letters from automobile dealers in my district calling my attention to the full page ad of Gimbel Bros. in New York, a large department store, offering several thousand automobile trucks that were built for the Army to the public, and not through dealers. I hope an amendment such as this will go through because Congress is being blamed for allowing such transactions.

Mr. SCRIVNER. I appreciate the observation of the gentleman, and I ask him, if he has not already done it, to go back and read the entire statement made by the gentleman from Texas [Mr. SUMNERS] when he announced his retirement after 32 years of service. He stated, more clearly than I can say it, that the form of government that has arisen in this country has become by its nature the instrumentality of favoritism—and that answers the gentleman's question; of tyranny—to answer the gentleman from Tennessee; of oppression—which answers it in many cases where we have seen these agents go out and by their belligerent tactics domineer the public. He ends his statement by saying "of corruption."

We have seen many examples of this throughout the country. Some person has inside knowledge, or knows somebody who has a friend in some agency, and when some regulation is to be drafted he gets the inside track. What happens? He invests some money and purchases property prior to the issuance of that regulation, and thereby he benefits himself. I do not say that this suggestion I have made is the solution to our troubles; I do not say it is the only one. I am merely presenting it as an idea upon which some sound solution to our problems can be based and as a sound proposal by which we can stop the rule by governmental bureaus and agencies.

Mr. ELLSWORTH. Mr. Speaker, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Oregon.

Mr. ELLSWORTH. Was it the gentleman's thought to handle this matter by a separate piece of legislation which then would be held to apply to all existing law, or to incorporate the principle in future legislation, following the remarks of the gentleman from Wisconsin?

Mr. SCRIVNER. There is a bill coming before the Congress, the McCarran-Sumners bill, which takes a step in this direction. I understand there will also be another bill presented as a step in this direction. At present, my thought is that probably this sort of language should be in each act from now on, because if you have tried, as I know you have, to unravel the red tape with which we are entangled without completely eliminating these agencies, I doubt if you could put any provision in a measure now which would go back and unwind the red tape.

Mr. ELLSWORTH. My question had to do with the comment by the gentleman from Wisconsin [Mr. KEEFE]. I can see where there might be some difficulty in overriding existing bodies with a bill covering that subject, but I cannot see any reason in the world why amendments could not be placed on bills having to do with the creation of new agencies.

Mr. SCRIVNER. My recommendation is that this language be incorporated in future measures which will bring about new agencies, so that they will be properly controlled agencies.

EXTENSION OF REMARKS

Mr. ROBINSON of Utah. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article by Almo Beals Simmons entitled "Income Tax Insomnia." I am informed by the Public Printer that this will make four pages of the CONGRESSIONAL RECORD and will cost $240, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. DOLLIVER asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein a letter from Robert D. Blue, Governor of Iowa, and Harry D. Linn, Secretary of Agriculture of Iowa.

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. MASON] is recognized for 20 minutes.

SENTINELS ON THE WATCHTOWER OF LIBERTY

Mr. MASON. Mr. Speaker, on February 28, 1946, I discussed on this floor the Supreme Court's decision in the AP case. I did that in connection with H. R. 4665, "a bill to amend the act of July 2, 1890, commonly known as the Sherman Antitrust Act, as amended, so as to exempt therefrom the activities and operations of mutual news-gathering cooperatives."

Today I want to discuss a controversy that has arisen between the AP and the State Department, a controversy that arose when the AP served notice on the State Department that it would not continue in peacetime to make its services available to the State Department's proposed Office of Peace Information as it had done for the OWI during the war. This controversy has not been given the attention that its importance warrants. It is a controversy that is national in its scope and international in its ramifications. It is a controversy in which we, as Members of Congress under oath to support the Constitution, must line up on the side of the Associated Press.

Mr. Speaker, the proper function of a democracy is to preserve for its people the basic principles of a free press—the kind of press that we in America have guaranteed to us by the Bill of Rights, and without which our way of life and form of government cannot long survive. The founding fathers of our Republic realized this when they made the preservation of a free press a part of the first article in our Bill of Rights. Without a free press, truth is distorted and vicious government propaganda is substituted. This imperils any hope for a better understanding among the nations of the world, and opens wide the road to war and aggression. We need only to recall the Hitler propaganda machine of yesterday, or to note Stalin's propaganda machine of today, in order to realize the dangerous potentialities of state subsidized propaganda machines.

In the early days of the recent war, the world, especially the European world, was at the mercy of government-subsidized propaganda machines, machines that flooded Europe with processed and tainted news that distorted the truth, thereby setting the stage for Hitler, Stalin, and Mussolini as the main characters in the great tragedy now known as World War II. These subsidized propaganda machines masqueraded as government news agencies.

Mr. Speaker, in view of these recent world-wide, bitter experiences, and in view of the fact that our founding fathers guaranteed the free flow of news at home and abroad, we might do well to consider the purposes and the possibilities of the State Department's proposed OPI—the Office of Peace Information. We are told that the purpose of this new OPI—designed to replace OWI—is "that the story of America, the American conception of democratic freedom, the American way of life, American thought, might be told to the world in the fullest and most unbiased manner." A very laudable and plausible objective, one that we all approve. However, the point at issue in the controversy between the AP and the State Department is: How can the voice of America best be heard without compromising the integrity of the news, the objectivity of the news, which the voice of America is pledged to protect, and which our founding fathers guaranteed would be protected when they adopted the Bill of Rights? The board of directors of the AP had this thought in mind when they served notice upon the State Department that they would not become a party to, nor become a servant of, the new Office of Peace Information. They are to be commended for the courage they have shown, and we, as Members of Congress, should emulate their example.

Mr. Speaker, Daniel Webster once referred to the representatives of the people in Congress as "sentinels on the watchtower of liberty." If ever there was need for the protection of American liberty by Congress, that need is today; when, to protect rights fundamental to our conception of democracy, we must be on guard against foreign ideologists, whose sole aim is first to control the press, and then to control the people. In all too many instances today we see Government power vested in the hands of incapable or malicious individuals, many of whom by their own utterances have committed themselves to the policy of overthrowing our American form of government, first by subterfuge and then by force, if necessary. The power to suppress the news or to distort the news is their most powerful weapon. They know that with false or suppressed news they are better able to commit this country and its people to subversive foreign influences.

Mr. Speaker, we know, the AP knows, the UP knows, the INS knows, how our news was shaped and twisted, used and abused, by the Office of War Information. This was done for the purpose of aiding in the defeat of our common enemy. During war that perhaps might be considered legitimate activity toward a desirable objective. The recent action of the AP in serving notice on the State Department, however, constitutes both a challenge and a warning to all news-gathering agencies to ask themselves the question, To what extent can we, or dare we, permit our name to be associated with, or permit ourselves to become a party to, a high-powered subsidized Government propaganda machine in time of peace? That is a question we as Members of Congress must also face. We cannot evade that responsibility.

Mr. Speaker, at a time when the attention of the world is centered upon the atomic bomb, when the need to keep secret atom bomb and other security information is so essential, we were startled at the disclosure that some 2,000 active Communist spies hold top Federal Government jobs right here in Washington. A Catholic clergyman in a recent address revealed the horrifying story that Communists in our State Department have actually succeeded in photographing secret State Department documents and have regularly submitted official reports to Soviet Russia. We should not have been startled, however, because Congressman Dies from the well of this House, more than 3 years ago, made the same charge and offered proof in substantiation thereof. At that time many Members of Congress "pooh-poohed" the idea, and so nothing was done about it.

Mr. Speaker, this same State Department now proposes to embrace within its sphere of diplomacy a world-wide news dissemination agency, whose function would be to foster and encourage the free flow of news among world governments. The State Department asserts that dissemination of news under its control will engender a better understanding among nations of the world. I question that assertion. Does this mean, Mr. Speaker, that the loss of a free press is the price the American people must pay for the State Department's promise of achieving a better understanding with foreign countries? Have we not been cautioned that an enslaved press is doubly fatal in that it not only takes away the true light, but it also sets up a false one that decoys us to our destruction?

Mr. Speaker, as "sentinels on the watchtower of liberty" we must, in this crisis, pledge ourselves anew to the preservation of our American guaranty of a free press, or resign ourselves to a state of infamous indifference by permitting these assassins of liberty to make a travesty of our Constitution.

Freedom of the press is fundamental to our concept of democracy. It is at the very heart of the problem of individual liberty. It is synonymous with the basic tenet of our political philosophy—that truth will prevail only if the people are correctly informed.

Mr. Speaker, our American press has the proud tradition of adhering to the principle of honesty in news. To vest the State Department with control of American news in order to dominate American thinking would be a betrayal of American trust and a mockery of American tradition. The State Department cannot engage in newscasting "without creating the fear of propaganda"; nor can the State Department afford to speak the truth when it engages in power politics and participates in world crimes. It is hard to believe that the State Department could ever tell all the truth in short-wave broadcasts to Poland explaining its partition; or to Yugoslavia explaining its reign of terror; or to the Baltic States explaining the exiling and interning of large segments of their populations. The task, if it is to be done at all—truthfully and impartially—must be left to the American press. It alone has merited the respect of the American public and it alone should carry on the untrammeled exchange of unbiased news among nations. Truth is an American ideal. It must be preserved at all costs.

Mr. Speaker, during the era just ahead the world will look more and more to America for leadership, for guiding principles, for an example as the leading exponent of democracy. The peoples of the world will place their confidence and their hope in the spirit and traditions

which have always typified America. They will give their attention to postwar peace formulas, and to the meaning of freedom, particularly freedom of speech and of the press, because they have witnessed what has happened in nations where these basic freedoms were suppressed. If we once begin to tamper with news, to color or distort the truth in any way, even with the highest and noblest motives, we will find ourselves headed down the same slope that Mussolini traveled, that Hitler traveled, to the bottomless pit of perdition. Truth is sacred. Facts are sacred. That is why news should be sacred and should be guarded as such. No government, and therefore no government agency, can be trusted to handle news objectively. When governments go into the news business the freedom of the people is endangered, and democracy is placed in jeopardy. It is our duty and our responsibility as Members of Congress to prevent this. And so, we, the "sentinels on the watchtower of liberty," must be ever on our guard to see that democracy is preserved here at home, to see that our news agencies shall ever be clearing-houses for truth, if our Nation is to continue to be a beacon light of hope to an embittered world.

The SPEAKER. Under special order of the House, the gentleman from Arizona [Mr. HARLESS] is recognized for 20 minutes.

FEDERAL AID FOR EDUCATION

Mr. HARLESS of Arizona. Mr. Speaker, we are now closing our books on the greatest war in history. We have spent more than $350,000,000,000 to prosecute that war, which was thrust upon us. We fought to preserve our country against tyrants, dictators, and invaders. We fought to preserve our way of life. This great expense in lives and money was necessary to protect our democracy, yet, now that the war has ended, we have within our own borders a condition which might eventually weaken and even destroy this Government which we have fought to protect. I refer to the inadequacies in educating the youth of this country. As it is the business of this Government to protect itself from foreign invaders, it is equally important that we should protect ourselves from inward deterioration.

For years we have had before Congress proposals to give Federal aid to the educational institutions of this land. Recently the House of Representatives passed a bill which would guarantee that the school children of this country might have adequate lunches. It was refreshing and encouraging to have this proposal pass the House of Representatives, in view of strong opposition on the part of shortsighted and selfish interests. This indicates that the representatives of this Government are becoming aware of the necessity of the Federal Government to see that all the people of this country are adequately cared for. In line with this legislation, it is time that the Federal Government provided funds to properly pay the teaching profession of this country and to provide buildings and other facilities so that the children of this Nation might be educated.

I have had some experience in the field of education, having received a degree in education from my State university and having taught for 2 years. The knowledge I have concerning the educational conditions of our country compels me to urge immediate consideration and passage of Federal aid for this field of activity.

We all agree that the foundation of a democracy is built upon the education of the masses, yet we have only to take a casual glance to know that there are inequalities of opportunity in the school systems of our States. There are appalling differences both among and within our States. These differences are caused by economic conditions that are largely beyond the control of the States and their communities. There are differences in wealth, income, taxpaying ability, in the extent of absentee ownerships of national resources and industries, and there are differences in the number of educable children in proportion to the adults. The poor States and communities usually have the largest proportionate number of children. In many of the States a high degree of effort is exerted—high taxes are levied—but there is not enough wealth to properly support the schools.

The population of our country is constantly shifting. The people who grow to maturity in the have-not States frequently live their adult lives in the wealthier States as industrial workers. Why should not the communities which are better able to pay be instrumental in educating those who eventually are to become citizens of the same communities?

With the development of modern transportation, there is constant intermingling of the peoples of all sections of the country, so no section of our land can afford to smugly isolate itself and have no interest in the welfare of those in other States. The lifting of the educational standards of any portion of our country, which have heretofore been inadequate, will bring a happier and more abundant life to all of our country. As the understanding of all the people is improved, the economic life of all the people will be made more secure.

It has been contended by some that Federal aid for education would cause our schools to be dominated by the National Government. During this period when everyone is conscious of orders, regulations, and controls from Washington, it is natural that most people should be conscious of the dangers which might come from Federal domination of our school systems. However, I believe, after making a thorough study of the subject, that this fear is without ground. Our school systems will remain under the control of the State and community governments. The need is not for new machinery to run the educational systems, but for financial resources.

The Federal Government has been operating a program without undesirable controls since 1862. There are 69 land-grant colleges, and approximately one-third of their revenue comes from Federal appropriations. There has been no undue influence or domination over those colleges. This proves that the Government can adopt a policy consistent with the State and local autonomy in educational administration. The States have established agencies of administration, and educational institutions and their policies are controlled by the States. Vocational education as a part of the program of the AAA is an example wherein the Supreme Court held provisions invalid which undertook, through the appropriation of money, to take over the powers reserved to the States.

The education of the youth of this Nation faces a critical future. The salaries of the teachers are pitifully low. With the increase in the cost of living, the teaching profession has been drastically hit. It is a sorry situation for us to permit these faithful public servants to undergo the hardships they are suffering. We place in their trust our most precious possessions—our children—and we can hardly expect to keep a superior type of teacher unless we adequately care for members of that profession.

Hearings have been held on House bill 4929, and the evidence taken clearly shows the urgent necessity for Federal participation in our educational budget. The cost of living has continued to mount, yet the teachers of this country have not received a proportionate increase in salary. The annual turn-over in the teaching profession is appalling. During the war years it has increased from 10 percent to more than 20 percent per year. Economic conditions have forced the trained teachers of this country to leave their profession and seek better-paying positions. Something must be done soon to prevent great future loss and disaster to the youth of this country. Juvenile delinquency is mounting every day. The future generation is now in the balance. We must bring to the floor of this House as soon as possible H. R. 4929, which provides an adequate Federal-aid program for the schools of this Nation.

The SPEAKER. Under special order of the House, the gentleman from Michigan [Mr. HOOK] is recognized for 15 minutes.

THE NATIONAL ASSOCIATION OF MANUFACTURERS AND THE OPA

Mr. HOOK. Mr. Speaker, the National Association of Manufacturers has just spent $200,000 on a series of four advertisements in daily and weekly newspapers throughout the country. According to the trade journal Advertising Age these advertisements marked the opening of a million-dollar campaign.

The objectives of the campaign are clear. The association wants to undermine the Government's stabilization program. It wants price controls abolished and labor placed in a straitjacket. It wants, in other words, to return to the short-sighted policies that led the Nation to the brink of economic disaster after World War I.

Every Member of Congress is familiar with the program of the National Association of Manufacturers. The association's lobby is one of the most aggressive and experienced of the high-pressure groups now operating on Capitol Hill.

But the NAM lobby has not been entirely successful. The majority of the

Members of this Congress have insisted upon voting their own convictions, and the convictions of a majority of their constituents, as to what is best for their country. And so, time and time again, we have repudiated the policies of the National Association of Manufacturers. We repudiated them just a few weeks ago when the House voted to extend the Second War Powers Act and we shall do so again when the bill to extend the life of the Office of Price Administration reaches the floor.

The congressional independence has outraged the National Association of Manufacturers. And so it has dipped into its slush fund for a million dollars to go behind the backs of Congress and appeal to our constituents to join it in bringing pressure upon the Congressmen and Senators who refuse to do the bidding of the NAM.

It is no accident that these ads are appearing in the home-town newspapers of every Member of this House. Oh, no. The association saw to that. The advertising firm handling the NAM account took particular pains, we learned from Advertising Age, to be sure that all of the weekly publications on its schedule are published in the home towns of Senators and Congressmen. Each advertisement concludes, as all of you know, with an appeal to the home folks to bring pressure to bear upon their Representatives in Congress. "Talk to your Congressman, write to your Congressman," the advertisements implore.

The ads have been drafted very cunningly. They are concocted of one part truth, one part half truth, and one part falsehood. Let us analyze one, Mr. Speaker—the advertisement which appeared in the Washington Post of February 18, for instance.

In large type it is headed "Let's tackle inflation while we can," and it starts out truthfully enough. I will quote:

You don't want your dollars to buy less and less.

You don't want your savings to melt away, or the value of your life insurance dwindle.

Yet that is what inflation can do to all of us. Therefore, thoughtful people everywhere are concerned with ways to smother it before it gets out of hand.

One major cause of inflation is a shortage of goods when people have money to spend for things they want.

That cause can be eliminated by the production of goods fast—in quantity.

Mr. Speaker, with those simple truths no one can disagree. The American people are—as this advertisement points out—very deeply concerned with ways to smother inflation before it gets out of hand. They are overwhelmingly behind the stabilization program.

So the NAM copywriter at this point in the advertisement knows he has his readers agreeing with him. Now he starts dragging in his half-truths and falsehoods. Listen to how skillfully he goes about it:

During the war there wasn't enough labor and materials to meet the needs of war and still produce all the civilian goods people wanted and could buy.

Therefore, price controls on civilian goods were substituted for competition to keep prices down.

That is perfectly true. Of course, the NAM writer does not think this is the proper place to point out that under price control, industrial and farm production in this war rose fully five times as much as in World War I, and that during each year of the war more civilian goods were produced than had ever been produced before in peacetime. The NAM writer at this point is in a hurry to get away from the facts. Let us pick up his story:

Today this country has all the labor and materials necessary to turn out all the things people want.

Mr. Speaker, that statement just is not true, and the National Association of Manufacturers knows that it is a deliberate falsehood.

Every manufacturer knows that there is not enough capacity in this country to produce over night all of the things the people want. Mr. Henry Kaiser who is a manufacturer—and a very productive one—told the Banking and Currency Committee of the House that he, for one, cannot produce all of his products that the people want because there are not enough materials in the country right now to make them. He said:

The consumer demand for products requiring sheet steel is so great that it will require the operation for at least 3 years of all the steel capacity of the United States, including the additional capacity installed during the war.

Mr. Kaiser further pointed out that his company had been advised only recently that the earliest delivery of aluminum it could expect was 48 weeks.

The National Association of Manufacturers is fully aware of the acute shortage of building materials. It knows full well that even if there was no shortage of materials there would not be enough labor with the required kinds of skills to build all the houses the people want to buy.

The National Association of Manufacturers is fully aware of the acute shortages of tin, lead, raw rubber, cordage fibers and other imported raw materials which the country now faces and will continue to face for some time.

Mr. Speaker, the National Association of Manufacturers displays a calculated contempt for the freedom of the press when it buys newspaper space to carry such deliberate falsehoods.

But let us get back to the advertisement. It continues:

Yet goods are still scarce. Store shelves are still bare. The national pocketbook continues to bulge. Inflation grows.

Why? Because price controls in peacetime hinder the production of goods. Business cannot live by producing at a loss. And so, goods that cannot be made to sell at the prices fixed by the Government just don't get made.

Mr. Speaker, let us look at the record. The quarterly report of the Director of War Mobilization and Reconversion reports that in the first 3 months of 1946—the period in which the National Association of Manufacturers' advertisements appeared — total civilian production climbed to the highest level ever reached by the Nation in war or in peace—to an annual rate of more than $150,000,000,000.

Total nonagricultural employment increased by approximately 1,500,000 and today is higher than it was before VJ-day.

Private wage and salary payments which dropped to an annual rate of $65,000,000,000 after VJ-day have now returned almost to the VJ-day level of $82,000,000,000.

This happened, mind you, in a period of great industrial unrest while labor and management struggled to readjust their relationships and wages on a peacetime basis. During January, for instance, more than half as many man-days were lost as a result of labor-management disputes as were lost during the entire war. But even at the height of this unrest the great majority of workers kept on producing.

What happened to the things these workers produced? The NAM would have us believe they never reached the people who wanted to buy them. They say the store shelves are bare. Let us look at the record again.

After a Christmas buying boom such as the country experienced in the last quarter of 1945, the rate of consumer and business purchases ordinarily would have fallen by ten or twelve billion dollars. But this year the upsurge in demand and in production was such that private expenditures in the first quarter actually equaled those of the Christmas boom, according to the Director of War Mobilization and Reconversion. The Board of Governors of the Federal Reserve System point out in their March bulletin that the value of department stores' sales in January was 15 percent above last year and in the first half of February the increase was larger. Sales of major household appliances were 430 percent above a year ago. Retail sales at stores selling furniture, building materials, and other durable goods were from 25 to 40 percent above a year ago in January and the total value of retail trade since the first of the year has been about one-fifth higher than during the same period last year.

Does this sound like price control is preventing the production of goods? Of course it does not. More goods are being produced than ever before and the people are buying more of the things they want than ever before.

The National Association of Manufacturers chooses deliberately to disregard this unprecedented record of production because it has its own program. Here it is, as outlined in the advertisement:

Remove price controls on manufactured goods and production will step up fast.

Goods will then pour into the market and within a reasonable time—

What a reasonable time would be they do not say—

within a reasonable time prices will adjust themselves naturally—as they always have—in line with the real worth of things.

Competition has never failed to produce this result.

This is the way you can get the goods you want at prices you can afford to pay.

Mr. Speaker, that is bunkum, pure unadulterated bunkum. Mr. Bernard M. Baruch, one of this Nation's stoutest champions of free enterprise, told the

House Banking and Currency Committee the other day that the National Association of Manufacturers did not really know what it was talking about when it advocated removal of price controls at this time. If such advice is followed, Mr. Baruch said, the country will fall flat on its face. He was Chairman of the War Industries Board in 1918 and Mr. Baruch should know. He saw this country fall flat on its face after it listened to the NAM kind of advice following World War I.

The Armistice celebrations had scarcely died down in 1918 when price controls were lifted. Prices went up and up and up. Wages tried to follow. Businessmen could not figure their costs from day to day and they tried to accumulate abnormally large inventories. In so doing they placed duplicate and triplicate orders with producers. This wild scramble for goods created artificial scarcities and helped boom prices even higher.

It was in May 1920 that the bust came. I suppose the National Association of Manufacturers would call that a "reasonable time" for the adjustment of prices. It is true that prices came down, and competition had something to do with it. But those adjustments were not natural. When distributors hastened to cancel their excess orders, the factories laid off men. Purchasing power faded. There was no demand for the excess inventory stocks at the boom prices. Businessmen began to unload, cutting prices below cost, in an effort to stave off complete ruin. The loss on inventories in a single year amounted to $11,000,000,000. This was enough to wipe out completely the business resources accumulated during the war period. As a result 106,000 businesses failed; 450,000 farmers lost their farms through foreclosures; almost 6,000,000 people lost their jobs.

The National Association of Manufacturers is willing to gamble on a repetition of that catastrophe. I suppose some of its members did all right in the last disaster; some of them grabbed quick profits and unloaded before the bust came.

But the memory of that bust is too fresh in the minds of the American people for them to be fooled by false prophets again.

After the National Association of Manufacturers had spent its $200,000 the Gallup Poll made a survey which shows how many people were fooled by the misstatements in the series of advertisements. The question was: "The present price-ceiling law ends in June. Do you think the price-ceiling law should be continued or should it end in June?"

Mr. Speaker, 73 percent of the people polled said they wanted the law continued. Only 21 percent wanted it to end in June. Six percent had no opinion.

Dr. Gallup in announcing the results made this conservative observation:

> It would appear from the above that complaints made by manufacturers and others about OPA, however justified in the eyes of the complainants themselves, do not reflect general public sentiment and have not aroused much public sympathy as yet.

Mr. Speaker, the National Association of Manufacturers is entitled to fight the Office of Price Administration and the Government's stabilization program with every medium of expression at its command. The American people are entitled to hear all sides of every controversy. I would oppose any action that might attempt to restrict the legitimate arguments of an opponent, no matter how personally distasteful his arguments might be to me.

Nevertheless, the newspapers of this country recognize a very definite obligation to prevent abuses of the freedom of the press. They resist the efforts of pressure groups to use their news columns for false persuasion of the people. They will not print the press releases of pressure groups without first checking the facts and, when statements are clearly untrue, the editor will, in almost every instance, either kill the release or incorporate in it a statement of the truth of the situation.

The pressure groups attempt to avoid the removal of untruths from their statements by purchasing advertising space. In a paid advertisement they feel they can say what they please without regard to truth.

Because of the freedom which the press of our country extends so liberally to all parties in a dispute, provided they can pay the fee, the use of expensive advertising space as a medium for economic and political arguments is growing increasingly popular.

This freedom imposes serious responsibilities to abide by the truth upon those who use this medium.

Mr. Speaker, the National Association of Manufacturers and other wealthy organizations with funds to spend on million-dollar advertising campaigns would do well to remember the homely advice of Abraham Lincoln. He said:

> If you once forfeit the confidence of your fellow citizens you can never regain their respect and esteem. It is true that you may fool all of the people some of the time; you may even fool some of the people all of the time; but you can't fool all of the people all of the time.

The Gallup poll indicates that the NAM may still have some of the confidence of some of the people in the little minority of those polled who believed price control should be ended now. Obviously it has lost the confidence of 71 percent of the people. They do not believe what the National Association of Manufacturers spent $200,000 trying to make them believe.

If the association would retain some of the confidence of the minority it had better stop trying to fool them all of the time. In the future advertisements in its campaign it should stick to the truth.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. ANDERSON of California, Mr. ROWAN, Mr. FOGARTY, Mr. FALLON, and Mr. LATHAM (at the request of Mr. VINSON), April 8 to 11, inclusive, 1946, on account of being in attendance with the Board of Visitors, United States Naval Academy.

To Mr. WASIELEWSKI, for April 8 and 9, 1946, on account of official business.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1349. An act to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes; to the Committee on Labor.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following title:

S. 63. An act to amend title V of the Communications Act of 1934 so as to prohibit certain coercive practices affecting radio broadcasting; and

S. 1425. An act to revive and reenact the act entitled "An act to authorize the county of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.," approved June 8, 1940.

ADJOURNMENT

Mr. HOOK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 11 minutes p. m.) the House adjourned until tomorrow, Tuesday, April 9, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON FLOOD CONTROL

2. Tuesday, April 9. Atlantic coastal area, including New England and eastern New York, and streams flowing into the Gulf of Mexico east of the Mississippi River:

Lehigh River, Pa.; Lackawaxen River, Pa.; Potomac River, Pa., Md., Va., and W. Va.; Rappahannock River, Va.; James River, Va.; Altamaha River, Ga.

3. Wednesday, April 10. The Ohio River Basin, including additional authorization for the approved comprehensive plan:

Barren River, Ky. and Tenn.; Chestnut Creek, Va.; Wabash River and tributaries; Allegheny River, N. Y. and Pa.; Mill Creek, Ohio; Redstone Creek, Pa.

4. Thursday, April 11. Missouri River Basin, including additional authorization for the Corps of Engineers and the Bureau of Reclamation for the approved comprehensive plan:

Heart River, N. Dak.; South Platte River, Colo., Wyo., and Nebr.

5. Friday, April 12. The Great Lakes Basin and the Upper Mississippi River Basin, including additional authorization for the approved comprehensive plan:

Rock River, Wis. and Ill.; Mississippi River, local flood protection in Illinois; Clinton River, Mich.; Genesee River, N. Y.; Tonawanda Creek, N. Y.

6. Monday, April 15. Streams flowing into the Gulf of Mexico west of the Mississippi River, the Great Basin, and the Pacific region, exclusive of California, including additional authorization for the approved comprehensive plan for the Willamette River:

Leon River, Tex.; Boise River, Idaho; Amazon Creek, Oreg.; Queen Creek, Ariz.; Gila River at Tucson, Ariz.; Spanish Fork River, Utah; Jordan River at Salt Lake City, Utah; and Little Valley

Wash at Magna, Utah; Skagway River and Harbor, Alaska.

7. Tuesday, April 16. California streams, including additional authorization for the approved comprehensive plans for the Los Angeles River, and the Sacramento-San Joaquin streams:

Salinas River, Calif.; Santa Clara River, Calif.

8. Wednesday, April 17. Lower Mississippi River Basin, including the Red River, and including additional authorization for the approved comprehensive plan for the White and Arkansas River Basin:

Red River below Denison Dam, Tex., Okla., Ark., and La.; Bayou Pierre, La.; La Fourche Bayou, La.; Pontchartrain Lake, La.; Mermentau River, La.; North Canadian River, Okla.; Polecat Creek, Okla.; Grand (Neosho) River, Kans., Mo., and Okla.; Arkansas River, Ponca City, Okla.; Mississippi River, West Tennessee tributaries; Boeuf and Tensas Rivers and Bayou Macon, Ark. and La.; Big Sunflower, Little Sunflower, Hushpuckena, and Quiver Rivers and their tributaries, and on Hull Brake, Mill Creek Canal, Bogue Phalia, Ditchlow Bayou, Deer Creek, and Steele Bayou, Miss.

9. Thursday, April 18. Lt. Gen. R. A. Wheeler, Chief of Engineers, and other representatives of the Corps of Engineers, and proponents and opponents of projects in other regions.

10. Friday, April 19. Senators and Representatives in Congress and Department of Agriculture, Weather Bureau, and other Government agencies.

COMMITTEE ON RIVERS AND HARBORS

Revised schedule of hearings on the omnibus rivers and harbors authorization bill to start Tuesday, April 9, 1946, at 10:30 a. m., is as follows:

(Tuesday, April 9)

Portland Harbor, Maine.
Fall River Harbor, Mass.
Wickford Harbor, R. I.
New Haven Harbor, Conn.
Bridgeport Harbor, Conn.
Stamford Harbor, Conn.
Barnegat Inlet, N. J.
Abescon Inlet, N. J.
Delaware River, Biles Creek, Pa.

(Wednesday, April 10)

Sacramento River, Calif., deep-water ship channel.

(Thursday, April 11)

Sabine River, Adams Bayou, Tex.
Sabine-Neches waterway, Texas.
Trinity River below Liberty, Tex.
Mill Creek, Tex.
Aransas Pass, Intracoastal Waterway, Tex.
Brazos Island Harbor, Tex.

(Friday, April 12)

Schuylkill River, Pa.
Middle and Dark Head Creeks, Md.
Mattaponi River, Va.
Newport News Creek, Va.
Norfolk Harbor, Va.
Savannah Harbor, Ga.
St. Johns River, Fla., Jacksonville to Lake Harney.
Hollywood Harbor (Port Everglades), Fla.
Withlacoochee River, Fla.
Cleveland Harbor, Ohio.
Great Lakes connecting channels, Michigan.

(Monday, April 15)

Franklin Canal, La.
Mermentau River, La.
Lake Charles deep waterway, Louisiana.
Plaquemine and Morgan City route, Louisiana.
Red River below Fulton, La.

(Tuesday, April 16)

Cumberland River, Tenn. and Ky.
Big Sioux River, S. Dak.
Mississippi River seepage, Iowa, Minnesota, and Wisconsin.
Mississippi River at Lansing Iowa.
Mississippi River at Wabasha, Minn.
Mississippi River at Lake Pepin, Minn.
Mississippi River at Hastings, Minn.

(Wednesday, April 17)

Fairport Harbor, Ohio.
Calumet-Sag Channel, Ind. and Ill.
Chicago River, North Branch of Illinois.
Napa River, Calif.
Coos Bay, Oreg.
Columbia River at Astoria, Oreg.
Columbia River at The Dalles, Oreg.
Columbia River, Foster Creek Dam, Wash.

(Wednesday and Thursday, May 1 and 2)

Tombigbee-Tennessee Rivers.

(Friday, May 3)

Held open for description of projects favorably recommended by the Board of Engineers for Rivers and Harbors during its April meeting.

(Monday and Tuesday, May 6 and 7)

Big Sandy River, Tug and Levisa Forks, Va., W. Va., and Ky.

(Wednesday and Thursday, May 8 and 9)

Arkansas River, Ark. and Okla.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1201. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December 17, 1945, submitting a report, together with accompanying papers and illustrations, on a review of reports on, and a preliminary examination and survey of, the Schuylkill River, Pa., requested by resolutions of the Committee on Rivers and Harbors, House of Representatives, adopted on March 8, 1945, and the Committee on Commerce, United States Senate, adopted on May 20, 1944, and also authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 529); to the Committee on Rivers and Harbors and ordered to be printed, with six illustrations.

1202. A letter from the Attorney General, transmitting a report reciting the facts and pertinent provisions of law in the cases of 42 individuals whose deportation has been suspended for more than 6 months by the Commissioner of the Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension; to the Committee on Immigration and Naturalization.

1203. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill to amend the act of July 11, 1919 (41 Stat. 132), relating to the interchange of property between the Army and the Navy so as to include the Coast Guard within its provisions; to the Committee on the Merchant Marine and Fisheries.

1204. A letter from the Administrator, Federal Security Agency, transmitting a draft of a proposed bill to authorize assistance to repatriated American nationals, and for other purposes; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SLAUGHTER: Committee on Rules. House Resolution 585. Resolution providing for the consideration of H. R. 2181, a bill to fix the salaries of certain judges of the United States; without amendment (Rept. No. 1880). Referred to the House Calendar.

Mr. BATES of Kentucky: Committee on Rules. House Resolution 587. Resolution providing for the consideration of H. R. 5991, a bill to simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions, by transferring assets to the Farmers' Home Corporation, by enlarging the powers of the Farmers' Home Corporation, by authorizing Government insurance of loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural rehabilitation projects for resettlement purposes, and for other purposes; without amendment (Rept. No. 1886). Referred to the House Calendar.

Mr. FLANNAGAN: Committee on Agriculture. H. R. 5645. A bill to regulate the marketing of economic poisons and devices, and for other purposes; with amendment (Rept. No. 1887). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DOLLIVER: Committee on Immigration and Naturalization. H. R. 4254. A bill for the relief of Sarah Holmes Beeman; with amendment (Rept. No. 1882). Referred to the Committee of the Whole House.

Mr. BARRETT of Pennsylvania: Committee on Immigration and Naturalization. H. R. 4672. A bill for the relief of Francesco and Natalia Picchi; with amendment (Rept. No. 1883). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on Immigration and Naturalization. H. R. 4958. A bill for the relief of Edith Joyce Crosby; with amendment (Rept. No. 1884). Referred to the Committee of the Whole House.

Mr. BOYKIN: Committee on Patents. H. R. 5896. A bill to extend the term of design patent No. 21,053, dated September 22, 1891, for a badge, granted to George Brown Goode, an dassigned to the National Society, Daughters of the American Revolution; without amendment (Rept. No. 1885). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McGEHEE:

H. R. 6034. A bill to amend the act of August 19, 1937, relating to the incorporation of the Southeastern University of the Young

Men's Christian Association of the District of Columbia; to the Committee on the District of Columbia.

By Mr. ANDREWS of New York:

H. R. 6035. A bill to provide that there shall be no liability for acts done or omitted in accordance with regulations of the Director of Selective Service, and for other purposes; to the Committee on Military Affairs.

By Mr. BRADLEY of Michigan:

H. R. 6036. A bill to exempt certain vessels from filing passenger lists; to the Committee on the Merchant Marine and Fisheries.

By Mrs. DOUGLAS of Illinois:

H. R. 6037. A bill to eliminate certain oppressive labor practices affecting interstate and foreign commerce, and for other purposes; to the Committee on Labor.

By Mr. FLANNAGAN:

H. R. 6038. A bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture.

H. R. 6039. A bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture.

By Mr. HARNESS of Indiana:

H. R. 6040. A bill to increase the base pay of every member of the Army, Navy, and Marine Corps by $400 per year; to the Committee on Military Affairs.

By Mr. JOHNSON of Indiana:

H. R. 6041. A bill authorizing the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near Montezuma, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. SPENCE:

H. R. 6042. A bill to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. GRANGER:

H. R. 6043. A bill to provide support for wool, to amend the Agricultural Marketing Agreement Act of 1937 by including wool as a commodity to which orders under such act are applicable, to authorize the Secretary of Agriculture to fix wool standards, and for other purposes; to the Committee on Agriculture.

By Mr. ROBERTSON of North Dakota:

H. R. 6044. A bill to increase and stabilize the United States domestic wool production and to further stabilize the importation of raw wool from foreign countries; to the Committee on Agriculture.

By Mr. VINSON:

H. R. 6045. A bill to provide for voluntary enlistments in the armed services; to the Committee on Military Affairs.

By Mr. WALTER:

H. R. 6046. A bill authorizing the construction of flood-control work on Lehigh River in Pennsylvania; to the Committee on Flood Control.

By Mr. D'EWART:

H. R. 6047. A bill authorizing the use of certain appropriations for the education of Indian children of less than one-quarter Indian blood whose parents reside on nontaxable Indian lands; to the Committee on Indian Affairs.

By Mr. ROBINSON of Utah:

H. Res. 586. House resolution for prevention of highway traffic accidents; to the Committee on Roads.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Kentucky, memorializing the President and the Congress of the United States to pass House bill 5059; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHENOWETH:

H. R. 6048. A bill for the relief of J. Don Alexander; to the Committee on Claims.

By Mr. D'EWART:

H. R. 6049. A bill to authorize the Secretary of the Interior to sell certain lands in the State of Montana to Pershing Griffith; to the Committee on Indian Affairs.

By Mr. PFEIFER:

H. R. 6050. A bill for the relief of Nunzio Signorelli; to the Committee on Immigration and Naturalization.

By Mr. ROGERS of New York:

H. R. 6051. A bill for the relief of Laura Spinnichia; to the Committee on Claims.

By Mr. STARKEY:

H. R. 6052. A bill for the relief of Alfred O. Oslund; to the Committee on Pensions.

H. R. 6053. A bill for the relief of Jean M. Deiman; to the Committee on Claims.

By Mr. WICKERSHAM:

H. R. 6054. A bill for the relief of Mr. and Mrs. Frank Smith; to the Committee on Claims.

H. R. 6055. A bill for the relief of Grover F. Smith; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1768. By Mr. HOPE: Petition signed by railroad employees of Pratt, Kans., regarding the wording of the Railroad Retirement Act so as to make retirement optional at 60 years of age with 30 years of service without the reduction in annuity between ages 60 and 65 without being disabled; to the Committee on Interstate and Foreign Commerce.

1769. By Mr. STIGLER: Petition of R. Eager and others, regarding pensions for widows; to the Committee on Pensions.

1770. By the SPEAKER: Petition of the Townsend Clubs of the Fourth Congressional District, Fla., petitioning consideration of their resolution with reference to endorsement of House bills 2229 and 2230; to the Committee on Ways and Means.

1771. Also, petition of the Townsend Clubs of the Sixth Congressional District of the State of Florida, petitioning consideration of their resolution with reference to endorsement of House bills 2229 and 2230; to the Committee on Ways and Means.

1772. Also, petition of the Town Board of the Town of Lewisboro, N. Y., petitioning consideration of their resolution with reference to objection to the possible location of a portion or all of the headquarters of the UNO in their town; to the Committee on Foreign Affairs.

1773. Also, petition of various citizens of Atlantic City, petitioning consideration of their resolution with reference to renewing the powers of the OPA; to the Committee on Banking and Currency.

SENATE

TUESDAY, APRIL 9, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all grace and love, who coverest the earth with a tapestry of beauty, who art the source of our being and the goal of our striving, hallowed be Thy name. In the midst of the high concerns of public service in this demanding and confusing day of global change, we are grateful for quiet cloisters of the spirit where in moments of reverential calm Thou dost restore our souls. In a violent world we seek Thy rest and the refuge of Thy sheltering wing, yet we desire not the rest of those whose hands are folded and whose swords are sheathed. Weary and heavy laden, grant us inward rest, the peace and poise of the Master Workman who steadfastly faced hate's worst, and who says to all who follow in His train, "My yoke is easy and my burden is light." In His name we pray. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, April 8, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 565. An act to extend the privilege of retirement to the judges of the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone;

S. 1298. An act to establish an office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor; and

S. 1841. An act to amend an act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921, as amended.

The message also announced that the House insisted upon its amendments to the bill (S. 1415) to increase the rates of compensation of officers and employees of the Federal Government, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. RANDOLPH, Mr. JACKSON, Mr. MILLER of California, Mr. REES of Kansas, and Mr. BYRNES of Wisconsin were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 4654. An act to exempt transfers of property to the American National Red Cross from the District of Columbia inheritance tax;

H. R. 5719. An act to amend the act entitled "An act to authorize black-outs in the District of Columbia, and for other purposes," approved December 26, 1941, as amended;

H. R. 5928. An act to name the bridge located on New Hampshire Avenue, Washington, D. C., over the Baltimore & Ohio Railroad tracks "The Charles A. Langley Bridge"; and

H. J. Res. 333. Joint resolution to provide for the reappointment of Dr. Vannevar Bush as citizen regent of the Board of Regents of the Smithsonian Institution.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 3796. An act to quiet title to certain school-district property in Enid, Okla.; and

H. R. 5644. An act to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	O'Mahoney
Austin	Hart	Overton
Ball	Hatch	Pepper
Bankhead	Hawkes	Radcliffe
Barkley	Hayden	Reed
Bilbo	Hickenlooper	Revercomb
Brewster	Hoey	Robertson
Bridges	Johnson, Colo.	Saltonstall
Brooks	Johnston, S. C.	Shipstead
Buck	Kilgore	Smith
Bushfield	Knowland	Stanfill
Byrd	La Follette	Stewart
Capehart	Langer	Taft
Capper	McCarran	Taylor
Carville	McClellan	Thomas, Okla.
Connally	McFarland	Thomas, Utah
Cordon	McKellar	Tunnell
Donnell	McMahon	Vandenberg
Downey	Maybank	Wagner
Ellender	Mead	Walsh
Ferguson	Millikin	Wheeler
Fulbright	Mitchell	Wherry
Gerry	Murdock	Wiley
Gossett	Murray	Willis
Green	Myers	Wilson
Guffey	O'Daniel	Young

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Alabama [Mr. HILL] and the Senator from Ohio [Mr. HUFFMAN] are absent because of deaths in their families.

The Senator from Florida [Mr. ANDREWS], the Senator from Georgia [Mr. GEORGE], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], the Senator from Washington [Mr. MAGNUSON], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER] and the Senator from Oklahoma [Mr. MOORE] are absent by leave of the Senate.

The Senator from Oregon [Mr. MORSE] has been excused to attend to his duties as a member of the Board of Visitors to the Naval Academy in Annapolis.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The PRESIDENT pro tempore. Seventy-eight Senators having answered to their names, a quorum is present.

LEAVE OF ABSENCE

Mr. WALSH. Mr. President, the chairman of the Senate Naval Affairs Committee is by law a member of the Board of Visitors to the Naval Academy. The Board is in its annual session today, and has a meeting at 3:30 this afternoon which I feel I ought to attend. I ask permission to be absent for the remainder of today's session.

The PRESIDENT pro tempore. Without objection, the request of the Senator from Massachusetts is granted.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on April 8, 1946, he presented to the President of the United States the following enrolled bills:

S. 63. An act to amend title V of the Communications Act of 1934 so as to prohibit certain coercive practices affecting radio broadcasting; and

S. 1425. An act to revive and reenact the act entitled "An act to authorize the county of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.," approved June 8, 1940.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF THE INTERIOR (S. DOC. NO. 168)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Interior Department, amounting to $39,700, fiscal year 1946 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

INCLUSION OF COAST GUARD IN INTERCHANGE OF PROPERTY BETWEEN THE ARMY AND THE NAVY

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend the act of July 11, 1919 (41 Stat. 132), relating to the interchange of property between the Army and the Navy so as to include the Coast Guard within its provisions (with an accompanying paper); to the Committee on Commerce.

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General, transmitting, pursuant to law, a report reciting the facts and pertinent provisions of law in the cases of 42 individuals whose deportation has been suspended for more than 6 months by the Commissioner of the Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reasons for such suspension (with an accompanying report); to the Committee on Immigration.

DISPOSITION OF FEDERALLY OWNED PLANTS AND FACILITIES (S. DOC. NO. 167)

A letter from the Secretary of Agriculture, transmitting, pursuant to Senate Resolution 176 (79th Cong.), a report on federally owned plants and facilities (with an accompanying report); to the Committee on Agriculture and Forestry and ordered to be printed.

AMENDMENT OF THE SERVICEMEN'S READJUSTMENT ACT OF 1944

A letter from the Administrator of the Veterans' Administration, transmitting a draft of proposed legislation to amend section 100 of the Servicemen's Readjustment Act of 1944 (with an accompanying paper); to the Committee on Finance.

ASSISTANCE TO REPATRIATED AMERICAN NATIONALS

A letter from the Administrator of the Federal Security Agency, transmitting a draft of proposed legislation to authorize assistance to repatriated American nationals, and for other purposes (with an accompanying paper); to the Committee on Finance.

REPORT OF SMALLER WAR PLANTS CORPORATION

A letter from the Administrator of the Civilian Production Administration, transmitting, pursuant to law, the twenty-second bimonthly report of the Smaller War Plants Corporation, covering the period from December 1945, through January 1946 (with an accompanying report); to the Committee on Banking and Currency.

REPORT OF FEDERAL COMMUNICATIONS COMMISSION

A letter from the Acting Chairman of the Federal Communications Commission, transmitting, pursuant to law, the eleventh annual report of that Commission for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on Interstate Commerce.

SESSION LAWS OF HAWAII

A copy of the twenty-third session laws of the Territory of Hawaii, 1945; to the Committee on Territories and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A memorial of the Senate of the Legislature of the Territory of Alaska; to the Committee on Territories and Insular Affairs:

"To the Honorable Harry S. Truman, President of the United States; to the Congress of the United States; to the Honorable Julius Krug, Secretary of the Interior:

"Your memorialist, the Senate of the Legislature of the Territory of Alaska, in the extraordinary session of the seventeenth session assembled, does most respectfully represent:

"Whereas the present chief executive of Alaska, Gov. Ernest Gruening, responsible to the Federal Government and not to the people of Alaska because he is a federally appointed employee, has seen fit to attempt to use his Federal office for political purposes; and

"Whereas the present Governor has done so by writing official letters from the office of the Governor to members of the electorate soliciting their votes for certain candidates in purely local elections; and

"Whereas the present Governor has also used Federal funds, as well as Territorial funds under his control, for the purpose of printing and distributing booklets attacking certain members of the legislature for their actions as representatives legally elected by and responsible to the people, distributing these booklets in Federal franked envelopes, and has also used his appointive powers for political purposes; and

"Whereas the present Governor, during the past three regular sessions of the Territorial legislature, has attempted to wrest the control of the legislature from the people and place it in the hands of his office, and by so doing has disrupted cooperation and brought about stalemates between the two houses of our Territorial legislature and his office; and

"Whereas this legislature finds it increasingly difficult to mold legislative policies in freedom from executive dictation; and

"Whereas the Governor, under Alaska's Organic Act, has the power of vetoing any and all legislation passed by the legislature, whether or not it pertains to Federal functions; and

"Whereas the present Governor has abused this privilege by vetoing bills of purely local concern for political purposes; and

"Whereas no other Governor of Alaska, whether he was a resident of Alaska or a former citizen of some State, has been unable or unwilling to cooperate fully with the legislative body:

"Now, therefore, your memorialist, the Senate of the Legislature of the Territory of Alaska, does respectfully pray that the present Governor be removed from office with all possible dispatch.

"And your memorialist will ever pray.

"Passed by the senate March 29, 1946.

"EDWARD C. COFFEY,
"President of the Senate.

"Attest:

"JESTA M. YOUNG,
"Secretary of the Senate."

A resolution adopted by the Municipal Council of St. Thomas and St. John, V. I., favoring the enactment of legislation to include the Virgin Islands in the benefits of titles I, IV, V, and X of the Social Security Act; to the Committee on Finance.

A cablegram from Clem A. Akina, chairman, County of Hawaii Disaster Council, Hilo, T. H., favoring an appropriation of $6,000,000 for the housing of families rendered homeless by the recent seismic wave; to the Committee on Territories and Insular Affairs.

A resolution adopted by the general assembly of the Federation of Employees of the Insular Government, San Juan, P. R., relating to the political status of Puerto Rico; to the Committee on Territories and Insular Affairs.

By Mr. CAPPER:

A resolution adopted by the Mississippi Valley Association at St. Louis, Mo., protesting against the proposed St. Lawrence seaway and power project; to the Committee on Foreign Relations.

RESTRICTION OF DELIVERY OF FLOUR TO BAKERS—TELEGRAM FROM RALPH MITCHELL

Mr. CAPPER. Mr. President, I have received a telegram from the Mitchell Bakery, of Independence, Kans., dated April 5, 1946, protesting against the proposed order limiting bakers to a small quota of flour, which it is claimed will result in the closing of a great many bakeries. I ask unanimous consent to present the telegram for appropriate reference and printing in the RECORD.

There being no objection, the telegram was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

INDEPENDENCE, KANS., *April 5, 1946.*

Senator ARTHUR CAPPER,
Washington, D. C.:

Limiting bakers to a smaller quota of flour will create a chaotic condition. Only possible control would be Government rationing of bread purchases to consumer, and that we don't want. Due to Government advocated labor increases, plus ingredient costs, many bakers are now only existing because of volume. A reduction in volume will definitely mean many bakeries closing.

THE MITCHELL BAKERY.
RALPH MITCHELL.

VETERANS' EMERGENCY HOUSING ACT OF 1946

Mr. CAPPER. Mr. President, I have received an urgent appeal from Elisabeth Christman, secretary, and Mrs. J. Austin Stone, legislative chairman, the National Women's Trade Union League of America, Washington, D. C., urging favoring action by the Senate on the housing bills for veterans, H. R. 4761 and S. 1592, which provide for a long-range housing program. I ask unanimous consent to present the letter for appropriate reference and printing in the RECORD.

There being no objection, the letter was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

NATIONAL WOMEN'S TRADE UNION LEAGUE OF AMERICA,
Washington, D. C., April 5, 1946.

DEAR SENATOR CAPPER: The National Women's Trade Union League, with an individual and affiliated membership of over a million persons, respectfully urges your favorable support of the housing bill for veterans, H. R. 4761, when this bill comes to the Senate floor for action. At the same time we urge your favorable vote for S. 1592, for a long-range housing program. Both bills, we feel, are emergency legislation and both rank equally in importance.

The membership of our organization is realistic about the acute housing shortage and is aware that this condition has existed for many years and that the time has finally come for action by Congress now. Many of our members have come to grips with the zero in vacancies and have petitioned us to urge upon the Senate to take favorable action now so that the housing legislation can be translated into action, to provide healthful living quarters for every American family and at rentals which they can afford to pay.

We have faith that you will give your support for the immediate passage of both bills.

Sincerely yours,

ELISABETH CHRISTMAN,
Secretary-Treasurer.
Mrs. J. AUSTIN STONE,
Legislative Chairman.

GOVERNMENT FORMS—LETTER FROM LAWRENCE W. PRAKKEN

Mr. VANDENBERG. Mr. President, I am interrupting the current business only long enough to share with the Senate a letter I received this morning which would be amusing if it did not point a moral to adorn a rather dismal and discouraging tale. This letter is from Lawrence W. Prakken, the publisher of a small trade paper in Ann Arbor, Mich., known as School Shop, and identified as "the magazine for industrial education teachers." The letter, addressed to me, reads as follows:

Enclosed is a document called United States Standard Form 33 (Revised), calling for an invitation, bid, and acceptance for one subscription to School Shop magazine. The forms weigh 11½ ounces and consist of exactly 100 pages. After spending considerable time determining just what the War Department wished and the general provisions and conditions of the request, we finally determined that the 100 pages were sent to us so we could tell the War Department the price of a 1-year subscription to School Shop.

I exhibit the file which seems to be standard practice in this connection. By the way, I call attention to the fact that it is labeled "Short form contract"; in other words, this is not to be taken as a full measure of what bureaucracy could do if it really tried.

I now continue reading the letter:

The man-hours involved in our seeking to find out what the War Department wanted were considerable. However, what appalls me is the amount of time and material which the War Department expended in securing information which is available from any magazine subscription agency catalog. Or it could have been obtained directly from the publisher by a postal-card request.

If all this monkey business is required because of statutory provision, the statutes certainly ought to be changed. If it is due to the War Department's own procurement policies those policies certainly should be changed. The waste of time and materials is particularly obnoxious to a small publisher who is asked to pay high taxes to support such War Department circumlocutions and is having difficulty finding paper on which to print his own publications.

I think all of us can share the feelings of Mr. Prakken when he found himself bombarded with this file.

I do not know whether he has correctly interpreted this ponderous file which he received from the War Department, but it certainly represents some sort of magnificent waste of time, effort, money, and material.

I ask that the letter and its accompanying tonnage be referred to the Joint Committee on Nonessential Federal Expenditures.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HART, from the Committee on Commerce:

H. R. 4940. A bill granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate a toll bridge across the Connecticut River at or near Old Saybrook, Conn.; without amendment (Rept. No. 1133).

By Mr. OVERTON, from the Committee on Commerce:

H. R. 4190. A bill granting the consent of Congress to the Pennsylvania Railroad Co. to construct, maintain, and operate a railroad bridge across the Allegheny River at or near Warren, Pa.; without amendment (Rept. No. 1138);

H. R. 4914. A bill to revive and reenact the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944; without amendment (Rept. No. 1139);

H. R. 5275. A bill to revive and reenact the act granting the consent of Congress to the State highway department of South Carolina to construct, maintain, and operate a free highway bridge across the Pee Dee River, at or near Cashua Ferry, S. C., approved April 30, 1940; without amendment (Rept. No. 1140); and

H. R. 5544. A bill authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn.; without amendment (Rept. No. 1141).

By Mr. JOHNSTON of South Carolina, from the Committee on Claims:

H. R. 1073. A bill for the relief of Mrs. Gertrude Verbarg; without amendment (Rept. No. 1134).

By Mr. O'DANIEL, from the Committee on Claims:

H. R. 5664. A bill for the relief of Oscar R. Steinert; without amendment (Rept. No. 1135).

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

S. 1850. A bill to promote the progress of science and the useful arts, to secure the

national defense, to advance the national health and welfare, and for other purposes; without amendment (Rept. No. 1136); and

S. 1963. A bill to authorize additional permanent professors of the United States Military Academy; without amendment (Rept. No. 1137).

By Mr. O'MAHONEY, from the Committee on Military Affairs:

S. 1757. A bill to broaden the scope and raise the rank of the veterans' preference provided for in the Surplus Property Act of 1944; with amendments (Rept. No. 1142).

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate a report for the month of March 1946, from the chairman of a certain committee, in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which was ordered to lie on the table and to be printed in the RECORD, as follows:

APPROPRIATIONS

APRIL 4, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the name of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of March 1946, in compliance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Mrs. Mamie L. Mizen	1434 Saratoga Ave	District of Columbia government	$3,970

KENNETH MCKELLAR, *Acting Chairman.*

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Utah (for himself, Mr. HILL, and Mr. AUSTIN):

S. 2044. A bill to promote the common defense by unifying the departments and agencies of the Government relating to the common defense; to the Committee on Military Affairs.

By Mr. CARVILLE:

S. 2045. A bill to repeal section 1 (b) (3) of the Mustering-out Payment Act of 1944; to the Committee on Military Affairs.

By Mr. ELLENDER:

S. 2046. A bill for the relief of Harriet Ann Sherman; to the Committee on Claims.

By Mr. JOHNSON of Colorado:

S. 2047. A bill to amend section 500 (d) of the Servicemen's Readjustment Act of 1944, as amended, so as to include certain mortgage loan companies as lenders; to the Committee on Finance.

VETERANS' EMERGENCY HOUSING ACT OF 1946—AMENDMENTS

Mr. McCLELLAN and Mr. JOHNSON of Colorado each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, which were ordered to lie on the table and to be printed.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred, as indicated:

H. R. 4654. An act to exempt transfers of property to the American National Red Cross from the District of Columbia inheritance tax;

H. R. 5719. An act to amend the act entitled "An act to authorize black-outs in the District of Columbia, and for other purposes," approved December 26, 1941, as amended; and

H. R. 5928. An act to name the bridge located on New Hampshire Avenue, Washington, D. C., over the Baltimore & Ohio Railroad tracks "The Charles A. Langley Bridge;" to the Committee on the District of Columbia.

H. J. Res. 333. Joint resolution to provide for the reappointment of Dr. Vannevar Bush as citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on the Library.

PRINTING OF ADDITIONAL COPIES OF CERTAIN HEARINGS BEFORE COMMITTEE ON INTERSTATE COMMERCE

Mr. WHEELER submitted the following concurrent resolution (S. Con. Res. 60), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Senate Committee on Interstate Commerce be, and is hereby, authorized and empowered to have printed for its use 1,000 additional copies of parts 1 and 2 of the hearings held before the said committee during the Seventy-ninth Congress on S. 1253, a bill to amend the Interstate Commerce Act, as amended, and for other purposes, relative to modification of railroad financial structures.

HEARINGS BEFORE COMMITTEE ON INTERSTATE COMMERCE—LIMIT OF EXPENDITURES

Mr. WHEELER submitted the following resolution (S. Res. 254) which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures authorized by Senate Resolution 9, agreed to January 6, 1945, authorizing the Committee on Interstate Commerce to hold hearings during the Seventy-ninth Congress, is hereby increased by $5,000.

PRIORITIES TO VETERANS IN PURCHASE OF SURPLUS ELECTRONIC AND COMMUNICATIONS EQUIPMENT

Mr. WILEY. Mr. President, a few days ago I placed in the RECORD a copy of a letter which I had addressed to General Gregory, head of the War Assets Administration, relating to surplus electronic and electrical equipment in the Government. At this time I desire to read a letter which I have received from Carl G. Bertram, Director of Vocational and Adult Education at the Appleton Vocational School, Appleton, Wis., which graphically sets forth a situation which is truly tragic throughout the country so far as educational institutions are concerned.

THE APPLETON VOCATIONAL SCHOOL,

Appleton, Wis., April 5, 1946.

Senator WILEY,

House of Senate, Washington, D. C.

DEAR SENATOR: I have a copy of your letter of April 1 to Lt. Gen. E. B. Gregory of the War Assets Corporation.

Probably you will be interested, too, in our experience. I have been trying to buy electronics and electrical equipment from the War Assets Administration and to date have been unable to purchase a single item. I started with the old Reconstruction Finance Corporation and have passed through contacts with all the intermediate agencies. I sent a list asking for 183 items.

It looks to me as though there is a lot of foolishness going on. Did you see the February 15 listing by the War Assets Corporation? It is the Chicago district bulletin 5 SLG–349. It is a large-size printed publication with 70 pages. Item No. 469, file No. 25660, as follows: "Cover, frying pan, aluminum 9¾ inches diameter, weight 2 ounces, manufacturer, Wearever Aluminum Co.; condition, used, poor; quantity, 1; unit, each; unit price, $0.02."

These people fool around with a single hammered up frying pan cover for which the Government is going to get 2 cents less 40 percent if I buy it, but when it comes to buying a printing press or a blueprint machine for $800 or a tool and cutter grinder, such an item can't be located.

I have probably written 12 letters trying to find a model F Ozalid blueprinter. The manufacturer informs me that they placed 600 of these printers in the Wright aeronautical plants which were owned by the Government.

I won't take your time by writing more. Needless to say, we are utterly disgusted. I have sent orders and orders and haven't gotten a single thing as yet.

Yours very truly,

CARL G. BERTRAM,
Director,
Vocational and Adult Education.

Mr. President, the reason I take the time of the Senate on this subject is that neither the veterans nor the educational institutions of this country have been able to get this surplus material. We are talking today about helping veterans in relation to housing.

I ask that there be printed again, at the conclusion of my remarks, a copy of the letter which I wrote to Lt. Gen. E. B. Gregory, head of the War Assets Administration, on April 1, 1946, to which I have received no reply.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
April 1, 1946.

Lt. Gen. E. B. GREGORY,
War Assets Administration,
Washington, D. C.

DEAR GENERAL GREGORY: I would be grateful if you would answer certain questions and present certain information to me regarding the priority actually given veterans and educational institutions in buying electronics surplus.

I understand that the Government has $2,500,000,000 of surplus electronic and communications equipment, of which only one hundred and thirty million have been reported as surplus to date.

From letters addressed to me from veterans and educational institutions, it appears that they are patiently sending their certificates and applications for electronics surplus to Washington. But apparently, these are ending up in a dead-letter file here.

Under the plan already adopted by the Chicago Single Depot and expected to be adopted throughout the Nation, Washington now, unlike heretofore, has no file of agencies' declarations of surplus. Instead, manufacturers' agents serving as Government salesmen on a commission basis are authorized to have shipped to them direct from depots the equipment without the declarations going through the Washington office. I wonder how the Priorities Section of your Electronics Branch here can furnish priorities information to claimants when it does not have the necessary information, under the Chicago plan, as to just what surplus is available?

The following are the questions I would appreciate having answered:

(A) How many veterans have received electronics equipment under the Chicago set-up, in accordance with veterans' preference conferred by Congress under section 16 of Public Law 457, Seventy-eighth Congress?

(B) What are the number and status of pending veterans' applications for electronics equipment?

(C) How many educational institutions have received such surplus, in accordance with section 13 of Public Law 457?

(D) What are the number and status of schools' applications for surplus? I understand that in one southern university, where they expect some 6,000 veterans, up to date, they have not been able to get any of this electronics material.

It appears to me that there is something rotten in any system which apparently hoaxes veterans and schools into believing that they are going to have priorities in buying surplus, whereas their applications are actually pigeonholed and are unknown to the manufacturers' agents in the field who are functioning as Government salesmen in disposing of the surplus.

Surely the Government of the United States can tell these veterans and schools exactly what their prospects are of getting surplus, rather than misleading them. My next question is, therefore:

(E) Just what are the veterans and schools actual prospects of getting surplus?

(F) It is my understanding that 48 State representatives have been appointed by the governors and the legislatures of the States to assist in the disposition of surplus electronics and communications equipment as well as other surplus stock, which they expect to get. Moreover, I understand that the WAA through the Federal Security Agency has already appointed or will appoint Federal liaison men to these States to assist the State representatives. As I see it, these many jobs will in no way serve their purpose if the manufacturers' agents continue to sell property without any concern or information regarding veterans' certificates and schools' applications. I understand that information in the United States Office of Education is that 85 percent of the schools' requests for surplus goods relate to electronics and communications materials. How will these requests actually be met?

It seems to me that the Government's desire to liquidate war surplus quickly is in theory entirely commendable. We must insofar as possible prevent storage charges, obsolescence of equipment as time goes on, etc. But, surely we can tell our veterans and schools exactly what the score is.

It seems to me that under the Chicago system the left hand does not know what the right hand is doing, that is, Washington doesn't know what Chicago is doing and vice versa. Why could not the veterans' certificates and the schools' applications be placed in the hands of the agents in Chicago for immediate action instead of being sent to Washington to repose in a dead-letter file?

I know that you will accept these inquiries and suggestions in the constructive spirit in which they have been offered and that you will advise me regarding the matters herein as soon as possible. May I also hear from you as to future plans for extending the Chicago system of procedure?

Lastly, may I affirm that I, for one, will do everything I can to make certain that the will of Congress in setting up veterans' and schools' preference be respected in letter and spirit, as it apparently has not been respected to date.

Sincerely yours,

ALEXANDER WILEY.

ADDRESS BY SENATOR MEAD ON GROVER CLEVELAND DAY

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address delivered by him at a Grover Cleveland Day dinner at Buffalo, N. Y., on April 6, 1946, which appears in the Appendix.]

TERMITES IN THE HOUSING PROGRAM—ARTICLE FROM BUSINESS WEEK

[Mr. HAWKES asked and obtained leave to have printed in the RECORD an article entitled "Termites in the Housing Program," published in Business Week for March 30, 1946, which appears in the Appendix.]

HEALTH IN VIRGINIA—EDITORIAL FROM WASHINGTON POST

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Health in Virginia" from the Washington Post of April 9, 1946, which appears in the Appendix.]

REHABILITATION OF DISPLACED JEWS OF EUROPE—REPORT BY SIMON H. RIFKIND

Mr. WAGNER. Mr. President, I wish to introduce into the RECORD the final report to the Chief of Staff made by the Honorable Simon H. Rifkind as adviser to the theater commander on Jewish affairs. The report deserves the attention of the American people because of the subject matter with which it deals, and the personality of its author, which it clearly reflects.

I may be pardoned a note of paternal pride that the Secretary of War, General Eisenhower, and General McNarney recognized Judge Rifkind's great competence, judicial integrity, humanitarianism, and selfless devotion to the public welfare, when they invited him to act as adviser in so difficult but worthy a task as the rehabilitation of the remaining Jewish victims of nazism. These have been the qualities which Judge Rifkind possessed to high degrees when he was my legal assistant, and when he subsequently mounted the bench of the district court of the United States. These same qualities are clearly evident in the report.

All of us—yes; all the people of the United States—should pay heed to the findings and recommendations of Judge Rifkind in regard to the rehabilitation of the displaced Jews of Europe. The problem and its solution concern us greatly. Let us not forget, that those who almost annihilated the Jewish people proved our enemies as well, and if we and the rest of the world turn our back with callous indifference to the problem, it will mean that we possess neither the wisdom nor the humanitarian impulses to make the peace an enduring edifice. Throughout history the fate of the Jews has been the barometer of civilization.

I ask unanimous consent that the report of Judge Rifkind be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

HEADQUARTERS,
UNITED STATES FORCES,
EUROPEAN THEATER,
March 7, 1946.

Memorandum to: The Chief of Staff.
From: Adviser to theater commander on Jewish affairs.
Subject: Final memorandum.

1. On October 3, 1945, on the joint invitation of the Secretary of War and General Eisenhower, I accepted appointment as adviser to the theater commander on Jewish affairs for a period of 90 days. Upon the expiration of that period, at the request of the Secretary of War and General McNarney, my term of service was extended for an additional period of 60 days. That period, too, is now drawing to a close. This memorandum is the last I shall submit in my official capacity.

2. The Jews of the world are everlastingly in debt to the armed forces of the United States for the survival of a remnant of Israel in Europe. The rescue phases of the grim task of liberation were miracles of accomplishment. That there is in existence a people which constitutes the Jewish displaced persons problem is attributable to the heroic and selfless devotion of many medical and combat officers, and thousands of anonymous American soldiers of all creeds. The historic fact can never be slighted that all that remained after Hitler's war of annihilation against the Jews of Europe was, figuratively, a small dry heap of bones into which, like the prophet Ezekiel, the United States Army and its allies breathed the spirit of life.

Rescue was followed by the Army's great accomplishments in the second phase, that of semipermanent living. The broad policy directives promulgated by this headquarters have been instinct with deep and sympathetic understanding of the plight of these survivors of the horrors of the concentration camp. The directive setting up special assembly centers for Jewish displaced persons, whose problems are unique, has been the cornerstone of the improvement that has taken place. The classification of some displaced persons as "expersecutees" has permitted specialized treatment based on

need, and the establishment of a category of "assimilees" (that is, Germans assimilated to the status of United Nations displaced persons) has been exceedingly fruitful in drawing a line between the Germans and the German Jews against whom the former had waged relentless war.

The Army has, during the period of my stay, accorded to the Jewish displaced persons a wide measure of personal freedom, has encouraged self-government, permitted the use in the centers of displaced persons as police, and allowed the ex-persecutees broad freedom of movement. Gradually, many of the Jewish displaced persons centers ceased to be camps and became more nearly like communities. The Army has also repealed Germany's oppressive racial statutes and forced the German schools to make room for displaced persons as students. It has given the displaced persons, and especially the ex-persecutee groups, a higher caloric diet than it has permitted the Germans and has given them priority with respect to many items of supply and accommodation. It went to great lengths in providing a plane service to bring into the theater sorely needed instructors and supplies from Palestine. It has supplied Kosher food to those who require it. To those Jews who have infiltrated from east European countries and to whom it owed no legal obligation, but only human compassion, the Army has extended accommodation and care on a standard equal to that of other ex-persecuted displaced persons. The idea of securing the services of an adviser on Jewish affairs is a mark of its concern and desire to deal sympathetically with the problem. Nor is this, by any means, a complete catalog of the numerous instances which evidence the Army's warmheartedness in dealing with all displaced persons in general and ex-persecuted displaced persons in particular.

3. The problem of the displaced Jews of Europe, however, is not yet behind us.

An understanding of the problem must start with the fundamental realization that the United States Army has in its keeping not a group of discrete individuals but a "people" and that it is required to deal with one of the great migrations of history. Destiny has called upon the military forces to preserve that people and to channel its migration, and has thereby challenged the historic role of the United States as protector of the oppressed and persecuted. The manner in which the military forces rise to that challenge will determine not only whether the page of history now being written in this theatre will be bright or dark, but will indicate whether our country, having survived at great cost the travails of war and being preoccupied with the complex problems of reconstruction and world peace, has still the capacity and energy to deal justly with a cause that can make but a moral appeal to its conscience. It is an awesome responsibility that has been placed upon the United States Army. I have confidence that it will be so discharged as to reflect only credit upon the people of the United States.

4. The Jews presently in Germany and Austria are principally of Polish and Baltic origin. Smaller numbers of them are of Hungarian, Rumanian, and Czechoslovakian derivation. The native German and Austrian Jews form only a minor fraction of the problem; very few of them are left in central Europe. It is with east European Jewry, primarily, that we have to deal.

Many centuries ago the Jews began their movement eastward in search of lands where they could practice their religion free of molestation, raise their families in security, and live their lives in dignity. They never found what they sought, but in the course of their attempt they created institutions which through the long years enriched the civilization of the world.

In the eastern countries, principally in Poland and the Baltic States, the Jews developed a religious civilization far different from the native culture. They developed a way of life which was essentially their own. Despite poverty and oppression, it was rich in ethical significance, colorful in expression, and always intense. Scholarship was always accorded first priority in Jewish life in east Europe, and great academies of learning were built from which were graduated men of renown. Seminaries poured forth religious leaders who carried to Jewish communities all over the world spiritual inspiration and guidance. Jewish music was scored, a Jewish literature flowered, Jewish art and drama reached great heights. The foundation of this civilization was religious in character but it extended into secular fields as well. This religious civilization enriched not only the Jews of the world, but played an important part in the enhancement of human thought everywhere. Almost unnoted by the rest of mankind, this well-spring of cultural activity fed rivulets that flowed into the stream of life of the western nations.

The Jews of east Europe flourished in this way despite an environment which was essentially unfriendly. They have never really lived at peace. They have always been haunted by fear of the pogrom, of sudden death, and the slaughter of the innocent. They have always longed for a place or a time in which they would be free of this mortal fear.

5. With the coming of Hitler, anti-Semitism became an instrument of national policy. As one means of creating his totalitarian State, Hitler utilized that evil weapon to suppress dissent, to terrorize and eliminate the opposition of other nonconformist elements, to divide the democratic world, and create conditions favorable to his aggressive plans.

Hitler's first victims were the German Jews, because they were at hand. Starting with nonviolent forms of oppression, their persecution soon moved to brutal and sadistic forms of murder, forced labor, and mass starvation. But the German plan was never limited to the destruction of German Jewry; it always contemplated the elimination of the Jews in Europe and, indeed, in the world. It was not until the brute mass of the German Army moved eastward that Teutonic savagery reached its height. Upon the Jews of eastern Europe was loosed a plan of extermination so diabolical that it is impossible for a civilized mind to grasp. Never has the world seen such horror; never have a people undergone such torture. The infamous details have been spread upon the records of the International Military Tribunal at Nuremberg, and need not be repeated here. So ruthless was this campaign, so furious was its execution that some 6,000,000 Jews fell martyred by the Nazis. Today, no more than 1,250,000 Jews live in Europe east of the English Channel and west of the prewar borders of Russia, and the east European Jews are but a portion of that number.

6. The Jews who are today provisionally in Germany and Austria are small in numbers; approximately 100,000 of them are living in all zones of those countries; family life is practically unknown among them—the members of their families are dead; they are destitute—the Germans stripped them of everything; a child is a rare treasure among them—extermination of the young was a Nazi priority; they suffer from psychological and physical ills as a result of life in the concentration camps and the experiences they have endured. Their civilization, so laboriously created over the centuries has been brought low; its leadership is dead; its institutions—economic, social, religious, and scholarly—are demolished.

The one thing that Hitler failed to take from these people was their spirit. That is today burning brightly and steadily in the wastelands of Germany and Austria. Its indestructible quality has kept alive in them the germinating seeds of their civilization. That is why this small group represents a people—the remnant of Polish and Baltic Jewry—the growing tip of its future.

That spirit and the culture it represents have drawn together the Jews in Germany and Austria, and have provided them with a program for the present and a plan for the future. Many of the Jews who are today living in Poland, Czechoslovakia, Rumania, and Hungary are baffled and perplexed, insecure in the present, fearful of the future; not so the Jews in Germany and Austria. They know what they want; they want to quit Europe; they want to live together, not dispersed among a population that regards them as aliens; they desire to live in the pattern of their own historic culture; they visualize the realization of their desires in Palestine. It is a strange phenomenon that the Jewish displaced persons in Germany and Austria, because they have a policy and a program, have emerged as the vanguard of east European Jewry.

7. These considerations may seem irrelevant to the Army's task, but, indeed, they are crucially germane. They supply the clue to the sense of excitement one experiences in the Jewish displaced-persons centers—the high pitch of the publications, the mass meetings, the demonstrations, the petitions, and the general atmosphere of political fervor—in sharp contrast to the relative quietude in the other displaced-persons centers. They provide the reason for the Jewish displaced persons' impatience with measures that give an atmosphere of permanency to their enforced residence in Germany, and their reluctance to do anything that appears to integrate them with the German population.

And these considerations help explain why the Jewish population in the United States zone is increasing, whereas that of other displaced persons' groups is decreasing. Returning from the concentration camps, from the forests in which they fought as partisans, demobilized from the national armies in which they battled on the side of the Allies, coming from the places in which they hid from the Nazis, the Jews in the east European countries find themselves unwelcome in the lands of their origin. They discover that anti-Semitism did not vanish with the defeat of the Nazis. Indigenous, popular anti-Semitism flourishes and creates a climate of hostility on the part of the native populations against the Jews. In Poland they have been the victims of terroristic activity and there is evidence that the Government, despite its sincere efforts, cannot effectively protect them even against the more extreme forms of anti-Semitism. Moreover, the countries of their origin are to these Jews places of sadness and despair. On their return to their homes, they find no trace of their families; their friends and their old associations are gone. They find it impossble to take up normal living in a graveyard of memories. Consequently, they have taken to the road in search of new places, free of prejudice and bias, in which they can settle and be at peace. Unlike other displaced persons, they do not linger in or come into Germany because they find a particular political regime distasteful or because economic conditions are bad at home. No matter what the political or economic situation in their former homes, life there for them is impossible. They are in fact homeless through no choice of their own and cannot be repatriated.

8. A study of the flow lines of east European Jewry shows a constant and unvarying convergence upon the United States zones of Germany and Austria. This movement is primarily an expression of faith in the United States which has always afforded asylum for

the unfortunate. That is one of our great national assets, which has in the past paid rich dividends. The Army has thus far viewed with sympathetic understanding the plight of the Jews seeking asylum in the United States zone. A continuation of that policy is strongly urged. Its abandonment or limitation will constitute a denial of the humanitarian impulses whch should motivate the military in this connection. The numbers coming in, compared with the population of the zone, are relatively trivial; they constitute a very small charge upon the economy of the area. To forbid these persecutees entry on the basis of any statistical study of absorptive capacity, which must at best constitute a rough guess, is to elevate form over substance in the face of human tragedy and suffering. It would be deplorable were our reputation of affording refuge for the unfortunate, thus far treasured and preserved by the military statesmen in charge of our affairs in Europe, now to be dissipated.

The Jews coming into Germany seek here a provisional place of refuge that will serve as a staging and rehabilitation area for migration. The fact that they are seeking this haven in Germany is profoundly just. Their present lamentable condition is the result of German barbarism. In the process of exterminating millions of Jews, the German economy was enriched beyond measure. The fortunes of those who died as well as those who escaped are today being enjoyed by their persecutors. Where 600,000 Jews lived in Germany before Hitler, only a fraction of that number seek to sojourn now. Have these Jews not a claim upon the available habitations which is prior to that of the Germans? Have they not a claim against Germany's resources of food and clothing which takes precedence over that of the Germans? Are not the Jewish displaced persons eternally right when they say, "The Germans are our debtors," albeit they are not in a position to enforce reparations for the wanton destruction of their kin, their property, or the free labor they were compelled to perform?

Viewed in this light, the question whether the presence of the Jews constitutes too heavy a burden upon the German economy becomes irrelevant. Their claim is second only to that of the occupation forces. If the result is that some must live by the grace of charity and the standard which charity implies, it should be the guilty ones, not the victims. Simple justice dictates that these Jews be received and permitted to remain in Germany for a brief period until the world allows them to go where they can live in dignity and security.

9. Jewry's surviving remnant in Europe has no material claim against the United States or its people beyond the broad humanitarian claim that all persecuted groups have upon free men. These Jews recognize that they are already immensely in debt to the United States. But as Hitler's victims who lost the war, they look to their brothers-in-arms who won it, to enforce for them some small portion of their claim on Germany. They object to American food given to them as an act of grace. They prefer German food delivered to them as of right. They resent living in barracks while the Germans live in civilian homes. They wonder at our lack of comprehension when they are tendered the cast-off clothing collected in American salvage drives, instead of the new production of German factories. We must recognize that insofar as we fail to require the Germans to satisfy the needs of these Jews and satisfy them ourselves, we are discharging a portion of the debt owed by Germany. It would, it seems to me, be preferable, certainly from the moral point of view, to insist that Germany discharge that obligation in the first instance though this cause some discomfort to the German population.

10. The policies to be framed and administered with respect to the Jewish displaced persons in Germany and Austria will be sound and effective, and will evoke responsive cooperation from the displaced persons and commendation at home, to the extent that they are corollary to the major conception I have outlined of the nature of the problem. Whether the care afforded is adequate is therefore not to be measured by reference to standards for Germans or for derelict beneficiaries of charity.

The questions to which present and proposed directives should be subjected are: (a) do they contribute to the building of healthy and vigorous people capable of the pioneering effort which confronts them; (b) do they contribute to the enlargement of their skills and capacities for doing useful work; (c) do they accelerate the process of restoration of family life, normal communal activities, moral standards and qualities, good citizenship; (d) do they enlarge capacity for self-government, discharge of responsibility and afford opportunity for the development of new leadership?

11. Measured against these tests, the need of changes along several lines is indicated.

(a) The present practice with respect to the displaced persons' diet needs revision. While that diet is, in caloric content, above the subsistence level, it is so monotonous as to be unsuitable for more than a very short period of time and constitutes an ever-present provocation to black-market transactions. Some variety is urgently needed.

(b) The introduction of rehabilitation and training projects has been sluggish. Many of these concentration-camp survivors have lost their skills; many of the younger ones never had the opportunity to acquire any skills; others need to learn new trades useful in the lands to which they hope to emigrate. To accomplish these ends requires affirmative action in the way of making tools and equipment available from the German economy, in calling forward more personnel and material from the voluntary agencies, finding more space for training centers and farm projects. Whatever be the expenditure of effort and substance in such an undertaking, it is nominal in comparison to the social costs involved in the failure to take such action.

(c) In the provision of civilian rather than barrack-type housing for Jewish displaced persons considerable improvement has taken place in recent months. There is room for more. The Jewish displaced persons do not, morally, constitute a burden on the German population. Assuming the highest reported proportion of destruction of housing, the Germans are still the trespassers in the aggregate when they house 100,000 Jewish displaced persons in all zones where 600,000 Jews lived before.

The educational and religious programs need intensification. In their years in the concentration camps these people were subjected to the most brutalizing conditions. Law meant tyranny and the only means of survival was through its evasion. Unlike American prisoners of war, who were exposed to brutal treatment in the prisoner-of-war camps, these concentration-camp survivors did not upon liberation return to a welcoming homeland, to the bosoms of their families and friends. Liberation to them meant freedom from bondage—and the realization that their kin were gone, that they were alone in a largely hostile environment, in the grim atmosphere of a displaced-persons center from which there appeared to be no escape. It would be surprising if in these circumstances we found no antisocial tendencies among these survivors. They require reintroduction to a type of society from which they have been divorced for many years and orientation away from the degrading existence into which the Nazis forced them. This requires an educational program demanding the same type of affirmative action as has been indicated with respect to training projects.

Religious instruction is of great importance. These people have not had an opportunity to practice their religion for many years and they are in special need of religious reintegration. There is a great dearth of personnel available for pastoral duties among the Jewish displaced persons. I have discovered only one native German rabbi in all of Germany; and since intellectual training was not a factor which contributed to survival in the concentration camps, it is clear that help must be obtained from outside Germany. A more liberal policy for the admission of rabbis and religious teachers, as well as people in other cultured professions, is very much to be desired. Moreover, such religious personnel as is available in the centers should be afforded adequate opportunity to pursue their calling with dignity and facility.

No first-class effort has yet been made in the direction of providing opportunities for employment. Statements have been made that the Jewish displaced persons will not work. This is true of only a small percentage of them, who feel that they slaved so long and so hard for the Germans without compensation that the Germans should now labor for them. The Jews understandably refuse to work for the Germans or air in any way the German economy. This leaves three fields of possible employment; (a) Work for the occupation forces, both in the way of personal and industrial services; (b) work for themselves; (c) manufacture of items for sale. Efforts should be made along these lines to increase present employment opportunities. No such program can be effective, however, unless incentives for work are simultaneously established. All of us work for some reward; it is unrealistic to expect these people to labor without some form of compensation.

(d) Present tendencies in some quarters to regard the Jewish displaced persons as institutionalized "problem children," which they are not, are pointed in the wrong direction. These tendencies have not yet been formulated into policy directives. I hope they will not be. Plans which are designed to restrict movement, to intensify police control, to subject the residents to frequent searches, all in the interest of law and order, are permissible for security reasons in dealing with a conquered enemy people. They are not justified in dealing with friendly allies; and surely no free people would tolerate them. They are peculiarly inappropriate when applied to persecuted groups, Jewish and non-Jewish, in greater measure than to the Germans themselves. The use of German police in persecutee centers is not promotive of order. Careful screening would produce good ex-persecutee material for such policing. A program of education of the newly arrived troops and military police with respect to the misfortunes of these people and their present unhappy state, designed to evoke sympathetic and understanding treatment, would also be helpful in preventing unfortunate incidents.

12. There are other aspects of Jewish affairs in Germany and Austria that are receiving consideration by the military authorities, such as the question of restitution of property, especially where the Nazis have compounded robbery with wholesale murder so that no heirs survive; the disposition of Jewish communal, religious, and cultural property; extension of aid to ex-persecutees resident outside of assembly centers; documentation for migration, etc.; but it does not appear necessary to dwell upon them in this memorandum.

13. I recognize that no matter how wise the policies formulated and no matter how sympathetic their implementation, they can

only ameliorate the present conditions of life of the displaced Jews and prepare them more adequately for the future. They cannot solve the problem of the displaced Jews. Being a human problem, it resists definition by directive. It is not confined to the arbitrary geographical lines of the United States zone, but overflows the newly created zone boundaries as well as the more ancient national frontiers. It embraces not only those who fall within the technical definition of "displaced persons" but all those Jews of Europe who, by reason of the global war of 1939–45 and the war against the Jews since 1933, have had their home roots cut, so that they are in fact a mobile, floating population. It will cease to be a problem not when any specified agency has discharged its limited responsibility but when the Jews concerned have been restored to normal life in an abode in which they strike permanent roots.

Rapid, mass resettlement is the only means of solving that problem. Life in the displaced persons centers cannot, at its very best, begin to approach normal life and the inevitable consequence of a prolonged stay therein is demoralization. Disintegration has already begun and may rapidly spread. Frustrated in their attempt to find a place outside of Europe in which to live, unable to make a home in Europe, surrounded by a hostile population which serves to exacerbate old wounds and create new resentments, these people are coming to the end of their emotional tether. Unless the world is prepared immediately to make a place for them, it will drive to despair and disaster this handful of a decimated people. All of them have one earnest wish, to be quit of Europe; and most of them have one other compelling desire, to emigrate to Palestine. For reasons I have advanced at length before the Anglo-American Committee of Inquiry on Palestine, I believe that their problem is actually insoluble without Palestine. Whether or not the United States Army will this spring be faced with the necessity of dealing with people sickened by hope long deferred depends upon the action of that committee and the governments which must implement its decision. Every day's delay in solution boosts the price to be paid for the failure to act promptly.

14. Record should be made of the patent fact that of the several government agencies charged with responsibility, the Army is the only one that has to date made a substantial and noteworthy contribution. UNRRA has refused to contribute any supplies to the displaced persons. In the United States zone it has likewise failed to bring to its task the necessary initiative, administrative skill, and imagination. Conspicuous has been its lack of drive to implement ideas conceived both within and outside its staff. Its lower ranks have brought zeal, sympathetic understanding, and social welfare experience, and I cannot praise too highly the devotion to their task of the workers in the field. But too often this personnel—and more particularly the supervisory staff—does not possess the requisite know-how to deal with the routine tasks of housing, clothing, and feeding. While it is true that in some areas UNRRA personnel has been confronted by noncooperative and resistant military officers at the operating level, that circumstance would not have proved to be a serious obstacle had the UNRRA organization in the United States zone possessed the necessary executive capacity. Had this administrative weakness of UNRRA been foreseeable it would have been wise to limit its function to welfare and casework problems. It is too late to retrace the steps taken. But it is not too late for the Army to be aware of this defect in the performance of UNRRA, and to deal with it by instruction, inspection, and the fullest measures of cooperation on all levels.

15. Although resettlement is the ultimate objective, the Intergovernmental Committee on Refugees (IGCR), whose responsibility covers that field, has by its own directives rendered itself impotent to deal with the problem. It has accomplished nothing in the way of resettlement of the Jewish displaced persons, and can accomplish nothing under its present policies. Some few of these people have been resettled in Palestine through the Jewish Agency for Palestine, an organization accredited to UNRRA. The United States is now opening consular offices and taking steps to implement the President's directive with respect to emigration of displaced persons to the United States. But as far as I know, IGCR has to date taken no steps to make possible the settlement of Jewish displaced persons anywhere. By appearing to act in this field it has discouraged others from taking the initiative. Valuable time has been lost. It is plain that for those who desire migration to places other than Palestine, direct negotiation by the United States with other immigrant-receiving nations is necessary.

16. In closing, I wish to express my unstinted thanks for the kindness and courtesy with which I have been treated during the period of my service in the European theater. I have always received the fullest measure of cooperation in the performance of my duties, and the Army has exerted itself at all times to lighten my task. Never did it fail to give patient consideration to my suggestions. For all this I am most grateful.

It is my most earnest hope that the events of the succeeding weeks with reference to Palestine will relieve the United States Army of its grave responsibilities towards the Jewish displaced persons. And I pray that, with the fullest measure of its capacities, the Army will so devote itself to these unfortunate victims of the war that they will be able, as dignified and integrated individuals, to meet whatever future awaits them.

SIMON H. RIFKIND,
Adviser to the Theater Commander on Jewish Affairs.

VETERANS' EMERGENCY HOUSING ACT OF 1946

The Senate resumed consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment. The committee amendment being a substitute for the bill, perfecting amendments should be offered before a vote is had thereon. The committee amendment, for purpose of amendment, is regarded as the original text, and is not an amendment in the first degree.

Mr. TAFT obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. As the result of our discussion yesterday, if it is agreeable to the Senator from Ohio, I should like to offer to the text some amendments that will not be controversial, in order that we may get them out of the way.

Mr. TAFT. I think it is desirable that they be out of the way before I speak.

Mr. BARKLEY. Mr. President, on page 25, line 13, I wish to amend the bill by striking out the word "margin." The word "margin" appears in both lines 12 and 13, but it is the word "margin" in line 13 I want to strike out and insert in lieu thereof the word "percentage," so the language will be "a margin of profit reflecting the generally prevailing profit percentage upon comparable units."

Mr. VANDENBERG. That is the matter we were discussing yesterday, is it not?

Mr. BARKLEY. It is.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. BARKLEY. On page 28, in subsection (b), where there are three categories referred to, (1), (2), and (3), as I explained yesterday, (1) and (2) were in the House bill originally, and we added the third, and instead of making it No. (1), which was our intention, it was left as No. (3), because it was added to the other two. My amendment is to transpose No. (3) beginning in line 15 with the word "satisfying" down to and including the word "families" in line 16, so that it will appear as No. (1), in line 12, and make what is now No. (1) No. (3) at the end of the three categories.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. BARKLEY. On page 38 I wish to amend by striking out the following words, beginning in line 25, "pursuant to section 5d (3) of the Reconstruction Finance Corporation Act, as amended (15 U. S. C. 606b (3))," and insert in lieu thereof the following, "which the Reconstruction Finance Corporation may make hereunder"; so that whatever is done in the case of premium payments shall be done under this act, and not under some other act which we would have to refer to to find where it is provided for.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. BARKLEY. Mr. President, on page 39, in line 12, I wish to amend by inserting before the word "temporarily" the word "only", and after the word "temporarily" to insert the word "and", so it would read "Premium payments shall be used only temporarily and only with relation", and so forth.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. BARKLEY. On page 39, in line 14, after the word "attainable", I wish to amend by inserting, in parentheses, the following: "(as determined by the Housing Expediter by general regulation for the industry involved)." That is a matter which was discussed yesterday by the Senator from Michigan [Mr. FERGUSON]. In order that it may be specific so as to cover the industry generally, that language is offered as an amendment at that point.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. SALTONSTALL. Mr. President, I should like to ask the distinguished Senator from Kentucky [Mr. BARKLEY] another question along the lines of the one which I asked yesterday. If the bill is being amended for technicalities in

order to improve it, I respectfully call his attention again to paragraph (d) at the bottom of page 31, which allows a person to sue for treble damages if he brings suit within a year. On page 32 there is a provision that if the buyer fails to bring the action under this subsection within 60 days from the date of the violation, the Expediter may bring the action on behalf of the United States within 1 year from the date of violation. The provision does not say whether the Expediter shall bring a criminal or a civil action, how much the damages shall be, or to whom they shall be paid. In another section of the bill the Expediter is authorized to bring criminal actions under certain circumstances. It seems to me that this section, which is a technical section, should be clarified.

Mr. BARKLEY. Mr. President, we have discussed this question, and I think probably we can arrive at an understanding about it. As the Senator knows, of course, the treble-damage theory, which we discussed yesterday, was originally included in the OPA statute, which was intended as a civil penalty against violators of price regulations. It was carried in this bill as a civil penalty on behalf of the aggrieved person. I do not think it is vital to the administration of this bill, and I am perfectly willing to move, on page 32, line 1, to strike out the word "treble", so as to give the aggrieved party the right to bring suit for the amount by which the price has been exceeded.

Mr. SALTONSTALL. Personally I think it would improve the bill if the word "treble" were left out; but I think that would not cure the entire technical difficulty, which I should like to see cured.

Mr. BARKLEY. Is the Senator now referring to the omission of any language stating who should have the benefit of the recovery if it should be had?

Mr. SALTONSTALL. That is correct.

Mr. BARKLEY. At this moment I should not like to offer an amendment on that point, because it may be, under the theory of suits instituted by the Government of the United States, that whatever is recovered should go into the Treasury of the United States; and in that case the aggrieved person, who had paid the excess, would receive no benefit. I think we can devise language on that point which will be satisfactory. At this time I should like to have the amendment adopted eliminating the word "treble," on page 32, line 1.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. TAFT. Mr. President, I desire to say a few words on the bill which is before the Senate. I wish to make it clear that I am not sponsoring this bill; nor have I any responsibility about it, except to comment and give the reasons which led to the votes which I and other members of the minority cast in the committee on proposed amendments to the bill.

In the first place, this bill was written in the House of Representatives. Beginning on page 19, I believe that sections 1 and 2 follow almost completely the House provisions. As the bill passed the House, I did not see very much object in the bill, because the powers proposed to be given to the Housing Expediter are, for the most part, powers already conferred upon the President by the Second War Powers Act, dealing with priorities, and on the OPA dealing with prices. As a matter of fact, practically all the powers proposed to be given to the Housing Expediter are already given to him by an Executive order under the Second War Powers Act, under the Price Administration Act, and under the War Mobilization and Reconversion Act of 1944.

The bill does have the effect of continuing the powers, with respect to housing, of the Office of War Mobilization until the expiration of this act, at the end of 1947, even though they expire earlier as to other agencies. I think it is perhaps proper that a housing program undertaken at this time for postwar needs should continue from now through the years 1946 and 1947. If we are going to undertake a program at all, it will almost have to be for that length of time, because housing takes a long time to build. It cannot be constructed overnight.

I voted for the extension of the date from July 31 to the end of 1947. I think it is understood that the entire act will expire at that time. It will expire at a time when I hope Congress will not be in session, and no question of renewal will arise.

In the Committee on Banking and Currency, after we had heard a great deal in general terms as to Mr. Wyatt's program, the bill was finally presented in an amended form after the completion of the hearings.

Mr. Wyatt's program contemplates the encouragement by the Government of the construction of 1,200,000 residences this year and one and a half million next year. I do not believe that that program has been placed in the RECORD, and I think it would be wise to read it here, because it is fairly simple.

The 1,200,000 houses this year include 200,000 temporary houses which we authorized, and for which we appropriated the money yesterday, which are to be built by taking materials already in the hands of the Government in housing or barracks and putting it into housing or moving it and using it elsewhere in the construction of temporary housing for veterans, the temporary housing to be destroyed before many years.

In addition, it includes 50,000 trailers, which, after all, are the most temporary form of housing. It includes 650,000 conventional houses, 50,000 converted or rebuilt houses, and 250,000 prefabricated houses.

So the idea is to expand the existing program, or the existing estimate of construction without this bill, from perhaps 500,000 or 550,000 conventional houses to 700,000, and to add 250,000 prefabricated houses, as well as the temporary houses. That is not a very large expansion in 1946, but probably as great as can be completed.

In 1947 it is proposed to advance the construction of 850,000 conventional houses, 50,000 converted or rebuilt houses—that is, turning existing houses into a number of apartments—and 600,000 prefabricated houses.

Personally I believe that the program is perhaps a proper goal. I do not believe that the prospect of building 250,000 prefabricated houses in 1946 and 600,000 in 1947 is a practical goal. I do not think we can hope to construct 850,000 prefabricated houses. I hope that we may build more of the conventional type homes than the Expediter plans for.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. HAWKES. In connection with the matter of prefabricated houses, I should like to ask the Senator what is meant by the statement in the report on the bill that—

> The bill provides that outstanding guaranties at any one time shall not cover more than 200,000 prefabricated houses, including those that may be held by the Government.

In asking this question I have in mind ascertaining what the obligation of the Government would be in respect to its guaranty of a market for the prefabricated houses. If the builders constructed a great number of them and then found that many of them were not needed or wanted or desired, and if the Government then woke up some morning and found that it had guaranteed a market for 200,000 prefabricated houses which had been built at a cost of perhaps $5,000 or $6,000 or $7,000 apiece, the total liability involved would run into the billions of dollars.

Mr. TAFT. Mr. President, I may say to the Senator that personally I do not approve of the guaranty of a market for prefabricated houses. Of course, the theory is that the Government would guarantee a market for 200,000 houses of that type; that as those houses were completed and sold, of course, the Government would not then be required to take them over; and that then the Government would make an additional guaranty. So if construction were rapid, we might conceivably find that the Government would have guaranteed a market for the entire 850,000 prefabricated houses. I think Mr. Wyatt told us that his plan was to make such a guaranty for approximately 450,000 houses, altogether—about one-half of the total. Of course, the turn-over would permit him to do that, even though at any one time he could not have outstanding a guaranty for more than 200,000 of the houses.

Mr. HAWKES. Mr. President, the Senator from Ohio sees my point. If bad judgment were used by the Expediter—and bad judgment certainly has been used by a great many administrators—it would be quite possible that when the demand for prefabricated houses ended, the Government would still be carrying a guaranty of a market for 200,000 houses, at whatever the price might be.

This morning I was told—perhaps the Senator from Ohio is able to check on my information—that such prefabricated houses could very easily cost $5,000 or $6,000 apiece.

Mr. TAFT. No; I do not think so. I think the cost of prefabricated houses at

the factory would not average more than approximately $4,000 a house. Nevertheless, that is serious enough and I do not mean to depreciate the importance of the point the Senator from New Jersey has made, because at the $4,000 apiece, a guaranty on 450,000 houses, which I understand is about the program, would amount to a total guaranty of $1,800,000,000. If the houses were not sold and had to be taken over by the Government, presumably they would be taken over at the price they cost. Consequently, if the Government took over a $4,000 house, it certainly is not unreasonable to think that it might lose $1,000 a house. It might lose more. If the Government lost $1,000 a house, the total cost to the Government on 450,000 houses would be $450,000,000, as a loss. That would be the loss the Government would sustain if it had to take over 450,000 $4,000 houses and sell them for $3,000.

Mr. HAWKES. I calculate that if the Government had to take over 400,000 of the houses, and, in handling them, sustained a loss of $2,000 on each, the total loss to the Government would amount to $800,000,000.

Mr. TAFT. Yes.

Mr. President, I shall deal with the question later, but I think it should be emphasized that insofar as financial obligations are concerned, section 13 involves a financial obligation and possible loss to the Government which is just as great as that involved under section 12; in fact, I think the obligation accruing under section 13 on a somewhat less sound basis.

Mr. VANDENBERG. Mr. President, before the Senator leaves this point, I should like to ask him a question, if he will yield to me.

Mr. TAFT. Certainly.

Mr. VANDENBERG. I should like to know the meaning of the language on page 41 in line 18, reading as follows:

> The Housing Expediter shall maintain constant review of experience toward the objective that the total net costs to the Government shall in no event exceed 5 percent of the total amount of underwriting or guaranty undertaken.

Mr. TAFT. I was not very clear about that provision. It seems to me that it simply tells the Housing Expediter that the Government does not expect to lose more than 5 percent, and that if he finds he is beginning to lose, he should cease making guaranties. It seems to me that is what the provision means.

Incidentally, the guaranty will not be for the full amount of the producer's delivery price. In other words, the Government will not pay him $4,000, if that is the delivery price which he sets. The Government will pay him something less; but how much less is not stated.

But the 5-percent provision is, it seems to me, something of an expression of a pious hope that if the Housing Expediter does lose more than 5 percent, he will be criticized, and therefore he had better be careful in making his guaranties, if they begin to go sour. However, that is merely my interpretation.

But the Senator from Indiana will offer an amendment to strike out all of section 12, and I expect to support the amendment.

Mr. VANDENBERG. I do not see how it is practical or possible for the Expediter, when engaging in a mass adventure of this magnitude, to shoot at a 5-percent loss and be sure he will hit it.

Mr. TAFT. He cannot. But if he guarantees a market for 200,000 houses and if only 100,000 are sold, if the Expediter then is called upon to make good some losses, I think that would be an injunction to him not to work the revolving fund and add more guaranties which might involve further losses. That is about what I think the provision means.

Mr. LA FOLLETTE. Mr. President, on page 42 appears the following language, in line 6:

> (5) New type materials and prefabricated houses shall be tested for sound quality and (in the case of such houses) for durability, livability, and safety.

Did the committee discuss that provision with Mr. Wyatt? I have heard apprehension expressed that some of the veterans might get houses which would not have the permanent character which is essential to any sound investment. Did the committee discuss with Mr. Wyatt the question as to how this provision would be administered?

Mr. TAFT. He was asked about it. He stated that he would use the Bureau of Standards; that pending the adoption of the Wagner-Taft-Ellender bill dealing with research, he would set up a temporary section to make the inspections, and that he would rely principally upon the other Government departments.

Mr. President, I think I might as well finish my discussion of this point. I did not wish to begin with it, because I intend to support, in the main, the remainder of the bill. But inasmuch as I am on this subject, I might as well continue with it and say why I think the provision is unsound.

The prefabricated housing industry builds perhaps as many as 50,000 houses a year, although we cannot ascertain exactly the number. It is a new industry. It is one which I should like to encourage, but it is an experimental industry. Many new types of houses are being proposed, and all of them are experimental. There are plans to build houses in old airplane factories and to build them by means of mass production. At the moment there is no evidence that prefabricated houses are any cheaper than any other kinds of houses. Prefabricated house manufacturers usually claim that prefabricated houses are better, and some of them are; but there is no evidence that they are any cheaper. So we do not gain much by shifting the whole industry.

I have felt that if we said to those people, "We shall lease you the Government-owned plants that we have, at reasonable rentals, or we shall have the Reconstruction Finance Corporation help you finance a plant and help you put in machinery and finance it," that would be one sort of encouragement. It is admitted that the Reconstruction Finance Corporation can do that under existing law. The Administrator says he can do it without any authority from Congress, and he proposes that they shall do it. That will be a substantial assistance.

Now if, in addition to that, we say that if the manufacturers of prefabricated houses manufacture houses in accordance with a specification which we establish, which we have decided, after looking into the crystal ball, will result in the building of houses that people will want to buy, and if the manufacturers produce 50,000 of them, we shall guarantee to take them off their hands, it seems to me we are going way beyond anything the Government ought to do or can safely do. If a man cannot decide for himself what kind of houses people want to buy and if he cannot subsequently market them himself, it seems to me that such a proposal would take away a great deal of the incentive and the weeding out by the usual process of individual judgment which heretofore has guided the development of industry in this country.

The idea is that the situation is similar to that involved in the construction of a tank. For example, the Government lays down specifications for the construction of its own tanks. They are manufactured and shipped to the Army, and the Army has to accept them. But that is not the situation with respect to the construction of houses. These houses must be sold to someone. Someone must pay approximately $6,000 for each house. The person who buys one of these houses will want to exercise some choice in the selection of what he wishes to buy. We cannot merely order a hundred thousand houses and assume that they will be sold, and that the Government will not lose money on them. Every manufacturer, it seems to me, should be responsible for marketing the articles he produces. That is, he should be responsible for the selling process as well as for the manufacturing process. I do not think that we should relieve him from an obligation of that nature.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. VANDENBERG. There is a further phase of the matter which intrigues me. We are asked to pass on an emergency basis the proposed legislation, because at the present time there is a desperate need for housing. Theoretically, at least, there is an enormous demand for housing which should be supplied. Therefore, if prefabricated houses are accepted to veterans as buyers, there certainly will be no lack of a market, and no guarantee should be necessary. Under those circumstances, it seems to me, that the suggestion of a guaranteed market is a confession of doubt as to whether prefabricated houses made under this section of the bill will be acceptable to veterans.

Mr. TAFT. I think the Senator from Michigan is correct in his statement. I have another objection to the process. The Administrator will be required to say, in effect, "Mr. A, you are making a prefabricated house which I will guarantee," and he will say to Mr. B, for example, "You are not making a prefabricated house which I will guarantee." The Administrator will be in position to select a favored manufacturer if he so desires. In any event it is largely a matter of guesswork. The Administrator

might say to Mr. So and So, "I think you are a successful manufacturer, and I will guarantee the sale of 50,000 of your houses" and at the same time say to Mr. B, "I will not guarantee the sale of any of your houses." The Administrator would be given a wide discretion in the exercise of power.

With reference to the provision regarding premium payments, I may say that we have largely eliminated it. In this field the Expediter has complete discretion with regard to whom he will guarantee and whom he will not guarantee. I do not believe that to be a wise power, under existing conditions, to place in the hands of a Government official.

Mr. VANDENBERG. Mr. President, may I ask the Senator from Ohio a further question?

Mr. TAFT. I yield to the Senator from Michigan.

Mr. VANDENBERG. Is the manufacturer of prefabricated houses eligible to receive premium payments?

Mr. TAFT. No; he is not eligible to receive premium payments. Such payments must be made with reference to building materials. I do not say that the manufacturer could not obtain premium payments indirectly by having them applied with reference to some of the materials which he is, perhaps, making. That is to say, assume that a prefabricated-house manufacturer is making sashes and doors for the houses he is constructing, as I believe some do. He could, no doubt, participate in premium payments on the sashes and doors; but, as I understand the bill, he could not participate in premium payments on the finished house ready for shipment.

Mr. VANDENBERG. If we strike out the provision in the bill regarding prefabricated houses, we leave that element of the housing activity without any representation in the bill at all. Is that statement correct?

Mr. TAFT. The Senator is correct. The Expediter did not desire to offer premium payments to manufacturers of prefabricated houses. He so stated. I do not remember the reasons which he gave, but I do remember that he so stated.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. CAPEHART. I should like to answer the question propounded by the able Senator from Michigan as to whether the manufacturer of prefabricated houses would obtain any benefits. They would obtain the same benefits as would any other manufacturer of building materials, or builders of conventional-type houses. First, they would be given priority. Under the proposed legislation the Expediter would have the right to pick up anything he could find at any place and at any time, such as building materials, lumber, or anything of that nature, and allocate it on a priority basis to the construction of houses, either of the conventional or prefabricated type. Therefore, the manufacturer would receive a benefit as a result of the Expediter piling up materials in the manufacturer's factory. The manufacturer is assured of materials.

Secondly, the manufacturer receives the benefit of a subsidy which will be paid, if the provision for the payment of subsidies remains in the bill. The subsidy will apply to such building materials as plywood, nails, and other articles which are used in the construction of prefabricated houses. The manufacturer receives all the benefits which would be received by the manufacturer of a conventional type building. He receives the benefits of priorities in regard to materials.

Mr. VANDENBERG. Then, it is the viewpoint of the Senator from Indiana that the incentive-payment section of the pending bill reaches the manufacturer of prefabricated houses as well as the builder of the conventional type house.

Mr. CAPEHART. Yes. He receives all the benefits which I have enumerated. He also receives the benefit which results from the pushing by the Government of the housing program to the extent of 2,700,000 houses. I expect to address the Senate on that particular subject a little later.

Mr. TAFT. The premium payments, however, are confined to the purpose of encouraging an increase in the supplies of materials. At least, that is as I understand it. They would not apply to the finished house.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The manufacturer would receive a benefit provided he furnished materials on which a premium might be paid.

Mr. TAFT. Yes; or he would receive the materials at a lower price.

Mr. BARKLEY. He would receive an indirect benefit if he were building in a plant a house to be shipped in sections and erected on a building lot. He would receive the benefit indirectly of a lower price on materials which entered into the construction of the building, whether the materials consisted of lumber or some other article.

I may say that there seems to be a misapprehension with reference to the word "prefabricated." That word does not mean that the house must be built out of some fabrication. The house may be built in sections out of lumber, hauled to a particular community, and there erected on a lot. It may be just as good a house as if it were built plank by plank and brick by brick. Prefabricated does not in any sense mean that the material is artificial in character. It might be, but it would not necessarily be artificial.

Mr. CAPEHART. Mr. President, my understanding of the meaning of the word "prefabricated" as used in this bill is a house the parts of which are constructed or fabricated away from the place where the house will eventually be erected. It could be made out of lumber or some other material. The parts are cut at some point away from the place where the house will eventually be located, and out of any kind of material.

Mr. VANDENBERG. Of course, I have no misconception with reference to the term "prefabricated houses." The construction of prefabricated houses has been a substantial industry for some time in my home city of Grand Rapids, Mich. What challenges me regarding a Government guaranty of a market grows, in part, out of my familiarity with the fact that prefabricated houses have been built, and are being built, which are very attractive, wholly satisfactory, and completely competent to compete in the housing market with the conventional type of housing. In the presence of a great emergency in respect to a lack of housing facilities such as is contemplated in the proposed legislation, and when there is a vast, unfilled market awaiting all housing, I am totally unable to understand why we must guarantee a market for such housing unless, in some fashion, it is going to be so novel or so questionable that it is doubtful whether anybody will want to buy it.

Mr. BARKLEY. I do not want to take the time of the Senator from Ohio. If and when an amendment is offered on the subject, I shall discuss it, but I do not care to do it now.

Mr. TAFT. Mr. President, the other highly controversial section of the bill deals with the question of premium payments. When first proposed it seemed to me that the proposal for premium payments was in effect a proposal for a straight subsidy of prices in lieu of price increases; in other words, it was like the subsidy which is now being paid on meat. Today, in the case of meat, the Government is paying out $60,000,000 a month, or $720,000,000 a year, for the sole purpose of holding down the price of meat all the way across the board, and by paying $720,000,000 of Government money the consumers save $720,000,000. It has seemed to me always that that kind of a subsidy is wholly unjustified; that the consumer under those circumstances ought to pay the cost and that it ought to come out of the consumer who gets the meat and not out of the taxpayer who does not get the meat. I objected originally to the proposal on that ground.

Mr. Wyatt assured us, and I quite believe him, that that is not his purpose and not his idea. He realizes that there must be price adjustments on building materials. He realizes that these particular premium payments will not work unless there is some price adjustment. What he says, in effect, is that in many cases premium payments will bring about additional production whereas price increases may not bring about additional production; that if a special inducement is offered to increase production there is more likely, perhaps, to be an increase of production than there is by simply raising prices. People who are not energetic would like to have price increases and to obtain the additional money, but they do not want to go to the trouble and expense of expanding their plants or putting more capital into them or obtaining more capital. They are well satisfied with existing conditions and do not care about increasing their production. Mr. Wyatt's purpose in making premium payments is to put a premium on an increase of production. Furthermore, he feels that he can avoid to some extent price increases that might otherwise be necessary. That brings about the distinction in subsidies which I have always drawn on the floor of the Senate

and which I still draw in relation to this bill.

In the case of copper during the past war, we made premium payments to the high-cost producers of copper, to mines whose copper was so situated that it cost a little more to get it out than in the case of the larger mines. On that copper we paid, we will say, a total premium of $20,000,000 a year. Undoubtedly, if we had had to pay all copper producers what the high-cost producers received for their copper, it would have cost the Government an additional sum of $100,000,000 a year. I do not guarantee the accuracy of my figures, but the percentage is all I want to indicate. By paying $20,000,000 the consumer and the Government were saved $100,000,000. To the extent that kind of premium payments can be made, I think they may be justified in an emergency.

Furthermore, during the war many building plants went out of business. There was not much building, and brick plants shut down and, to a large extent, tile plants shut down. They were closed, and it takes some extra cost to reopen them. In many cases labor drifted away from those plants to other places, and it is necessary to pay a special inducement to get the plants back into production.

Mr. Wyatt claims, and I think with some justice, that even a temporary increase in prices, if they had to be increased for an entire industry, would result in increasing them far beyond what was necessary in many cases in order to increase production, and the consumer would have to be charged much more than the Government would have to pay in premium payments. That is the theory of premium payments. I think, if wisely used, they can be used to break bottlenecks and increase production.

I think Mr. Wyatt's own figures, or Mr. Small's, show that there is in this country a potential capacity to make building materials almost equal to the demand, at least in 1946. The only serious shortage of capacity is with regard to gypsum board lath and with regard to plywood, products which are in much greater use than before the war. In those two cases there would have to be a considerable increase in productive capacity. In other cases the problem would be one of utilizing existing capacity and putting it into a condition where probably the premium payments could be abandoned.

Largely at my request, Mr. Wyatt tried to spell out the limitations on premium payments so that they might be conformed to what he said he wanted, and could not be used merely as a plan to avoid a general price increase. These restrictions, as now amended, are:

> Premium payments shall be used only temporarily and only with relation to additional units of production beyond that otherwise attainable (as determined by the Housing Expediter by general regulation for the industry involved), where such premium payments are necessary to stimulate such additional production with greater rapidity, economy, or certainty than other available methods.

In other words, the premium payments are to be used only for additional units of production over some base, such, we will say, as present production or 1945 production or production of the last 3 months of 1945. If there was no production in these plants, there was some reason, there was involved lack of labor, or lack of material, or some extra cost, or need of capital which they could not get. There might be a good reason. If the man who is normally producing bathtubs knows that by increasing his production 50 percent he can get a premium payment on the 50 percent, I think he is somewhat more likely to increase his production than if he got merely a general increase on the more limited number of bathtubs he is making.

Mr. SMITH. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. SMITH. Am I correct in understanding that the Expediter has the sole discretion in determining the base on which he will figure the increased production?

Mr. TAFT. That is correct. As provided by the amendment proposed, however, he must do it by general regulation for the industry involved. In other words, he cannot merely say, "I think you can do more without a premium payment, and I will not give you any." He has to work out the rule, and of course it will have to be a reasonable rule under the general principles of law.

Mr. SMITH. He can say to a manufacturer, then, "If you go beyond what you are producing, you will get a premium payment"?

Mr. TAFT. Yes. That makes it clear, and I think Mr. Wyatt clearly admitted that in some industries there will have to be a price increase besides the premium payment. If one is losing money on 100,000 units, if he is going to get a premium payment on 50,000 more, he is not likely to go ahead with the 50,000, even with the premium payment. It is supposed to be an incentive factor, and I think one would probably like to know he is going to make some money on the original production. I feel very strongly that the two have to be helped together.

Mr. SMITH. As I understand from reading the bill, the Expediter has authority over the increase in price, that is, he can bring pressure on the OPA to insure some increase in price. He can give a directive, in other words.

Mr. TAFT. The Expediter can tell not only Mr. Porter, the head of the OPA, but Mr. Bowles, the Economic Stabilizer, that he wants prices raised, and they have to raise them. My only doubt about that arises from the fact that we have told the OPA to do some things, and they have not done them. As to whether they will do what the Expediter says or not I have a little reservation in the back of my mind, but Mr. Wyatt is given that power, and it is his responsibility. If he does not get the materials, he certainly is the man who is responsible, because under the bill he has every power anybody could ask to accomplish the result.

Mr. SALTONSTALL. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. SALTONSTALL. Would the Senator from Ohio care to discuss at this time, in this connection, along with the discussion of the $600,000,000 item for premium payments to increase production, the question of whether there is need for it, and whether it is sufficient to accomplish the purpose in view; or would he prefer to talk about that at a later time?

Mr. TAFT. I think I would rather discuss that later. The $600,000,000 is intended to cover two things. It is intended to cover new type materials, as well as conventional materials. My own feeling has been, since the Senator asks the question, that if we gave the Expediter three or four hundred million dollars now we could give the rest in 1947, if the plan works. We could therefore safely cut down the figure now, because $600,000,000 is for the entire 2 years. In the committee I supported a motion to cut it to $400,000,000. The Expediter may need a little more than half, because of the fact that the contracts have to be made somewhat in advance. They have to be assured a little in advance. This is in effect an appropriation. It will never go to the Committee on Appropriations, because the RFC is authorized to spend the money, and it bypasses the Committee on Appropriations, so that this is not merely an authorization; it is an immediate appropriation. I should not like to see the $600,000,000 spent in 1946, and then have the Expediter come back in 1947 and ask for more.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. OVERTON. Our chief concern in the proposed legislation is to take care of the veteran to the extent of providing housing as adequately as we possibly can. Viewing the legislation from the standpoint of the veteran, as I understand the situation, to start with, when it comes to the acquisition of property for the building of a home on a lot of ground, or piece of real estate, the veteran is amply financed by the Government under existing law, and under the provisions of the pending bill. I do not think there can be any question at all about that.

When it comes to the veterans being able to obtain materials for the construction of a house, the Expediter is given practically unlimited authority in establishing priorities in favor of the veteran. Therefore, if any kind of material be lacking, he can by priority regulation require that that material be first supplied to the veteran. Then, if there is still a lack of production because of prices or competition, the Expediter can compel the OPA, by fiat, as it were, to increase the price, and Mr. Bowles and no one else can gainsay his orders in that connection.

With all these things operating, I fail to see the necessity of $600,000,000, or any part thereof, being devoted to premium payments to the producers of materials.

Mr. TAFT. I have had some doubt, as the Senator knows, but it seemed to me that if wisely employed it could be used in many cases to get industries back into production, and to get people into production who otherwise probably could not compete successfully, and that probably in that way we could avoid the

size of price increase which might otherwise be necessary.

I do not agree with the Senator from Kentucky in saying that premium payments will save the veteran $500 a house. I do not think they will. But I believe that by spending a hundred million dollars on premium payments we should be able, if it is wisely used, to save the consumer $200,000,000 or $300,000,000 a year on the cost of the houses, and I think that is probably worth doing at the present moment.

Houses are extremely expensive, prices are going up rapidly, and I think some reasonable restraint on prices should be used. I believe that by cutting premium payments we can get additional production in some cases and in some industries which we would not get by price increases, or at least we can get it much cheaper.

I wish to point out that the bill definitely provides that only 30 percent of all the building materials can be accorded premium payments. The bill recognizes that 70 percent of the building-material industries are adequately taken care of, or can be adequately taken care of by price increases. It only suggests that there are serious bottlenecks in which premium payments can probably get results more cheaply than price increases.

Mr. OVERTON. Where there is a bottleneck, will the premium payment extend to all material that comes into the bottleneck, or will the Expediter have the authority to single out one particular company and say, "I think you need a little incentive, and you, company A, may have a premium payment, and you, company B, I do not think need a premium payment?"

Mr. TAFT. I do not think that can be done. I do not say the language is absolutely watertight. I did not draw it, but it seems to me as now drawn it accomplishes the purpose intended. It provides:

> Premium payments shall be used only temporarily and only with relation to additional units of production beyond that otherwise attainable (as determined by the Housing Expediter by general regulation for the industry involved), where such premium payments are necessary to stimulate such additional production with greater rapidity, economy, or certainty than other available methods.

It is true the Expediter might draw a general regulation which would be helpful to certain features of an industry and not to others, but still it has to be a general regulation. He cannot arbitrarily pick out Mr. X and give it to him and not give it to Mr. Y, if they are in the same situation.

Mr. OVERTON. Then, I fail to see any distinction between a premium payment on a unit of production which is lagging behind and an increase of price on that unit of production confined solely to the same unit of production. There is this difference, that the taxpayer pay for it when it is a premium payment.

Mr. TAFT. I think there is some additional advantage in giving a man an incentive only on his increase. Many producers are wholly satisfied with their present situation, and if they get a price increase so as to better their condition, they will not bother to go out and borrow money, expand their plants, and hire additional high-cost labor. That would upset their plans, and they would probably go on with the same production and enjoy their profits without increasing their production.

Mr. OVERTON. In either case the manufacturer will get a better price. The only objection is that under premium payments the price comes out of the Federal Treasury.

Mr. TAFT. In one case he gets a better price by increasing his production, in the other case he gets a better price by keeping his production where it is.

Mr. BARKLEY. He gets a better price in the case of a price increase on all he is now producing, as well as on any additional production, whereas under the premium payment he gets it only on the increased production.

Mr. TAFT. I think there are special cases in which if we pay a premium payment for increased production we will get an increase of production which we might not get by simply increasing the price.

Mr. CORDON. Mr. President——

The PRESIDING OFFICER (Mr. CARVILLE in the chair). Does the Senator from Ohio yield to the Senator from Oregon?

Mr. TAFT. I yield.

Mr. CORDON. I cannot quite follow some of the statements made with reference to premiums. The majority leader suggests that the premium is only to be paid on account of additional production. In that event the manufacturer has to have a price set for his present production which will permit him to produce. That price necessarily is going to be level, not only through the present production, but through any additional production which may be induced by virtue of a premium——

Mr. TAFT. Let me suggest to the Senator——

Mr. CORDON. Let me finish and see if I am correct. I am following what I understood to be the statement of the Senator from Kentucky. If I am correct in that understanding then there will be no reflection in the price of the materials so far as it concerns the purchaser of the materials or the purchaser of the housing in which the materials go. There will be a price that is fixed by current production, and there will be an additional payment made for additional production which will go to the producer, but it cannot reflect any change or any saving in the retail price of the article produced. Is that correct?

Mr. TAFT. No; that is not correct at all.

Mr. CORDON. Then, let us get it correct.

Mr. TAFT. An industry ordinarily is made up of efficient and inefficient producers. Here is a man who makes a profit at the top; here is another man who makes a little less profit; here is another man who makes still a little less; here is a man who merely gets his costs back; and here are men who operate below the costs.

If we want to increase production, the standard typical way and the usual way would be to increase the price, and if the price were increased it would bring into production many producers in the inefficient group. The individual who is making a profit will then make a good deal more profit. He does not need the additional profits. If premium payments are made to those down on the other end of the line—that is not what we are proposing to do here, but that is one of the means suggested—they can be brought into production without raising the general price at all, and their product will sell for just what it was selling for before, and the efficient producer's product will sell at just the price it was selling for before.

Mr. CORDON. What is intended to be done here? Is that the plan that is contemplated?

Mr. TAFT. The plan here is to pay for increased production, which might be by a new man who now cannot produce at all, or which might be by an efficient producer who desires to increase or can increase his production. I objected to a plan that would simply subsidize the inefficient producers. I thought that was an unsound proposal. But this plan subsidizes increased production. That means, of course, that the man at the bottom of the scale will get some advantage. He can increase his production successfully to some extent, and the efficient producer also will increase his production. We will have no price increase.

Mr. CORDON. Neither will there be any price decrease.

Mr. TAFT. No; nobody is going to get any price decrease. This is not a rollback subsidy.

Mr. CORDON. Then, how can there be any savings per house?

Mr. TAFT. Because the alternative the Senator is suggesting is a general increase in prices of materials, which will increase the prices of all houses. That is what we are trying to avoid. We have got to do both, as a matter of fact. We have got to increase the price of houses somewhat, but we are trying to keep it from being too much. That is the only purpose of Mr. Wyatt's theory.

Mr. CORDON. Then the correct statement, I take it, would be that if the premium-payment plan should go into effect there would not be an average increase of $500 per house as there might otherwise be?

Mr. TAFT. That is a correct statement. I think there will be some increase, because I think some price increases are absolutely essential if we are going to get production. So I would say that it comes roughly to this, let us say, that instead of increasing the price of houses $500 each we try to hold that increase down to $200. I have simply taken those figures out of the air.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. FERGUSON. This bill provides for premium payment only to the producer. The wholesaler or jobber or retailer is not considered in this bill. Is that a correct statement?

Mr. TAFT. That is correct, because the purpose is to increase production, not to increase wholesaling or retailing.

Mr. FERGUSON. Is it fair to say that we have in mind that the OPA will continue to control the price of lumber and building materials until the life of this bill expires, which would be 1947? Do not we contemplate in this measure that the operations of OPA will be in full force and effect, so far as control of prices of buildings and building materials are concerned, until this measure expires?

Mr. TAFT. Not unless we want to continue it.

Mr. FERGUSON. But this bill is framed on the basis that OPA is in existence.

Mr. TAFT. Under this bill the Housing Expediter can direct OPA what to do and exercise all the powers it has, whatever those powers are, so long as they are in existence. When they are no longer in existence he cannot direct them to do anything. He gets some additional powers himself under this bill. He gets rather extensive powers dealing with priorities. He gets powers under the War Mobilization Act which endure until the life of this measure expires. He gets powers to fix the price of existing houses under this bill. But so far as fixing the general price of building materials is concerned, that depends on the OPA Act and will expire when the OPA Act expires.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. CORDON. In addition to that he would get any and all powers the President might desire to give him, which might be anything so long as it is a power that is at least related to the purpose of the act?

Mr. TAFT. Oh, no. A power that the President has.

Mr. CORDON. Well, that is unlimited under the War Powers Act, as nearly as I can determine it.

Mr. TAFT. Oh, no; it is not at all unlimited. The President can do, of course, anything under the Second War Powers Act relating to priorities, but that is all that I know of.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Michigan.

Mr. FERGUSON. Yesterday I made objection to the language on page 39 respecting premium payment, and I understand it has been amended now to include the phrase "as determined by the Housing Expediter by general regulation for the industry involved."

Mr. TAFT. That is correct.

Mr. FERGUSON. That is much better language than that originally contained in the bill. But I am wondering whether it is not possible to provide in this bill some standard so that we will have a place from which to start. It appears that this measure would allow the Expediter to make a standard for all the industries, but there is no starting point. I will state what I have in mind. Let us take oak flooring. One manufacturer, A, is manufacturing it now and the price is $75 a thousand. Another man comes along and says he will manufacture flooring if he can get $100 a thousand, which is the amount the Expediter can pay him for 50 percent of his production, while paying him $75 a thousand for the other 50 percent, since he is a new manufacturer. Under this bill would it not be possible for the Expediter, in his own discretion, to start the manufacturing of flooring under such an arrangement, whereas if a manufacturer could increase his capacity only 30 percent he would be paid 25 percent for such increase? That is a correct statement, is it not? So the Expediter could say what manufacturer should be chosen to make new material and what manufacturer might be classified as increasing his output?

Mr. TAFT. He could not say what manufacturer can do so. He must make a rule. He could say, "It has got to relate to your present production, which is zero or 50,000 units"; or he could say, "It relates to your 1941 production capacity"; or he could say, "It relates to your present capacity instead of your present production." But whatever he does in the case of one member of an industry he has to do throughout the industry. I rather doubt whether we could lay down a rule which would apply to all industries. The needs in each industry are different, and I should think the Expediter would prescribe in the normal course different rules in different industries.

I was concerned about this question, and it is my objection which is responsible for this 50-percent provision, which was put in the bill to meet my objection. We said, "Take an old manufacturer who is in competition with a new manufacturer. A premium payment on 100 percent of additional production would be too much for the new manufacturer. It would set up a new manufacturer alongside an old operator, and subsidize the new manufacturers to compete with the old operator." It seemed to me that that was not fair, so we placed in the bill an over-all provision that premium payments could not be made on more than 50 percent of production. It might be that that would give the new manufacturer some advantage. On the other hand, it is a great deal of trouble to start a new business. Money must be obtained and a labor force must be built up. The additional advantage of a temporary subsidy to help a new manufacturer get started would not be enough in itself to enable him to compete with the old manufacturer. Incidentally, the old manufacturer would be in a far stronger position if he wished to double the size of his plant and receive a premium on 50 percent of his production, as compared with a new manufacturer.

Mr. WHERRY. Mr. President, will Senator yield?

Mr. TAFT. I yield.

Mr. WHERRY. But we do not know what basis would be established. We do not know what the Expediter would do. We do not know on what basis he would make his rules. If an old manufacturer were industrious and could attain a production far in excess of what he had ever achieved, how do we know that he would receive any incentive payments? It would be up to the Expediter to make the incentive proposals to the individual. It would not be on an industry-wide basis.

Mr. TAFT. It would be on an industry-wide basis.

Mr. WHERRY. There is no legislative requirement for it in the bill. We are depending entirely on the Expediter to make the rules.

Mr. TAFT. The plan would be determined by the Housing Expediter for the general industry involved.

Mr. WHERRY. The rules which he makes——

Mr. TAFT. The rules must apply to everyone in a particular industry.

Mr. WHERRY. How do we know what the Expediter will do?

Mr. TAFT. We do not know.

Mr. WHERRY. That is the difficulty.

Mr. TAFT. But the rule must be a general rule. The Housing Expediter could not say to one man, "I will give you a premium payment," and to another man, "I will not give you a premium payment."

Mr. WHERRY. The OPA is doing that now. It is making vertical adjustments in price levels throughout industry.

Mr. TAFT. That has no relation to this measure.

Mr. WHERRY. The administration of the proposed act would have to be on the same basis.

Mr. TAFT. It would not have to be on such a basis. The Senator has no authority for his statement.

Mr. WHERRY. There is no legislative requirement in the bill for an industry-wide basis.

Mr. TAFT. The OPA would in no way regulate the giving of premium payments. The language in this bill is entirely different, and the administration of the law must conform to the language of the new act.

Mr. WHERRY. Take the production of milk. There is a complete industry-wide rise in price. But under the terms of the proposed legislation the Expediter would make the rules. He would establish the base. Why should we offer an inducement to a manufacturer who is in full production, and who has all the capacity he desires? It is the marginal operator, the new producer, to whom the incentive must be given.

Mr. TAFT. Not at all.

Mr. WHERRY. We shall have to make new rules, or there will be no increased production. That is all there is to it.

Mr. TAFT. The Senator from Nebraska asked why we should subsidize an old manufacturer.

Mr. WHERRY. So as to get production.

Mr. TAFT. All we are interested in is more materials; and as a general rule we get more materials from those who are now making such materials.

Mr. WHERRY. They have not——

Mr. TAFT. Let me finish my statement. The old manufacturers have the know-how. They know how to produce the materials. They know where to sell them. They can reduce their overhead by increasing production. In all probability, the place where we will get the greatest increased production is among the old producers. We must have a rule

which will treat the old producer as well as the new producer. There must be a general rule for the industry involved.

Mr. WHERRY. I should like to point out to the distinguished Senator that if he wishes to accomplish the result which he has described, all in the world that is necessary is for the OPA to grant increased prices in the lower brackets on lumber, under the profit-motive incentive. We can obtain increased production much more quickly and much more effectively under that method than under any other.

Mr. TAFT. I have already stated my view that this plan will not work without an increase in prices, but the price increase need not be so large in many industries if we have a premium plan for increased production only.

The Senator from Nebraska has referred to the lumber industry. In my opinion, the premium plan will not work very effectively in the lumber industry.

Mr. WHERRY. That is correct.

Mr. TAFT. There are approximately 4,000 units manufacturing lumber. It is very difficult for me to see how the premium plan would work with respect to lumber. In the case of lumber, I think there is no question that the OPA is responsible for the shortage. At least, it is responsible for the shortage not being cured. In the case of lumber, the OPA gradually increased the prices of all kinds of heavy lumber and timbers. I have gone over the schedules, which show that the OPA has raised the price of heavy timbers—that is, green timbers, not kiln dried—to approximately $59 a thousand feet. At the same time, there was no great fuss about building materials, and the prices of kiln-dried lumber—2 by 4's, 1 by 6's, and sheathing—were held down to practically the original prices, although the cost of producing lumber increased very greatly, and wages increased. I believe that the figure which I saw for kiln-dried lumber was approximately $34.50 a thousand, as compared with the prices of large timbers. I do not know whether that situation has yet been corrected. Efforts were made to correct it 6 months ago, and yet the interminable process of the OPA has delayed those efforts.

I am certainly the last one to deny that the housing shortage has been seriously aggravated by OPA prices. In the case of lumber, what happened was this: Certain operators would buy green lumber at high prices, cut it up, and sell it on the black market at $100 a thousand feet instead of $34.50. Without any doubt an adjustment in the prices of housing lumber would have increased the production of lumber much more rapidly than it has been increased. Lumber is in a curious position. We are producing lumber today at the rate of approximately 26,000,000,000 feet a year. I believe that the estimated production for 1946 is approximately 30,000,000,000 feet a year; and all the lumber required for the entire housing program in 1946 is 7,000,000,000 feet. Of course, there are tremendous demands for lumber from other sources—by railroads and many other users. But so far as the lack of housing lumber is concerned, in my opinion it is due solely to the mispricing policies of the OPA.

I do not believe that the premium-payment plan would do much good in the case of lumber. As a matter of fact, the Housing Expediter did not propose such a plan, and laid before us no plan whatever for premium payments in the case of lumber.

Mr. WHERRY. I am in entire agreement with the Senator's last statement.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. CAPEHART. I should like to ask the able Senator to turn to page 39, line 12, clause 12, clause (1). I should like to read that, and then I wish to read clause (3) on page 40, beginning in line 3. I believe I shall be able to prove that the subsidy is purely a political pork barrel. It will do absolutely no good. It is unworkable and inconsistent, and will be so confusing that it will hinder rather than help.

I read from page 39, line 12:

(1) Premium payments shall be used temporarily only with relation to additional units of production beyond that otherwise attainable, where such premium payments are necessary to stimulate such additional production with greater rapidity, economy, or certainty than other available methods.

(3) Premium payments shall wherever feasible be applied at a uniform rate within any industry requiring them, rather than at varying rates for each producer.

The first paragraph I read has to do with individual producers. The second paragraph I read states that the premium payments shall be applied to an entire industry.

Mr. TAFT. Mr. President, let me say that the first part was amended. Perhaps the Senator was not in the Chamber at the time when that occurred. The provision on page 39, beginning in line 12, now reads as follows:

Premium payments shall be used only temporarily and only with relation to additional units of production beyond that otherwise attainable (as determined by the Housing Expediter by general regulation for the industry involved) where such premium payments are necessary.

And so forth.

Mr. CAPEHART. So the provision has been changed; has it?

Mr. TAFT. Yes, by the insertion of the additional words I have just read.

Mr. CAPEHART. As the provision is amended, does the Senator from Ohio understand it to mean that the Housing Expediter can pick out three factories, let us say, out of all those in a given industry? Does the Senator think the Housing Expediter would be authorized to pick out three factories which he thought needed help by means of premium payments, and that he could make such payments to them only?

Mr. TAFT. No, I do not understand that he could do so. The base he chooses must be applied to the whole industry.

Mr. CAPEHART. In other words, in the case of the plywood industry, with perhaps 100 manufacturers, regardless of how inefficient many of them may be, if the Housing Expediter found that one of the efficient ones needed the premium payments, he would be required to make such premium payments to all the manufacturers in the industry; would be?

Mr. TAFT. He must make a rule based on premium production, and must apply it universally within the industry.

Mr. CAPEHART. That is exactly my point. For instance, if in a given industry, there are 97 inefficient producers and 3 efficient producers, and if the Housing Expediter decides that he needs to give help to those 3 producers by means of the premium payments provided for by the bill, under the bill as it is written he would also be required to make the premium payments to the other 97 producers. Is that correct?

Mr. TAFT. Yes; if he wishes to increase their production by means of making the premium payments, he must treat every other manufacturer in the same way with respect to the premium payments for increased production, as I read the provision.

Mr. CORDON. Mr. President, has the Senator from Ohio given consideration recently to paragraph (3) on page 40, beginning in line 3, which seems to be inconsistent with the amendment made on page 39, beginning in line 12? Paragraph (3) on page 40 reads as follows:

(3) Premium payments shall wherever feasible be applied at a uniform rate within any industry requiring them, rather than at varying rates for each producer.

Mr. TAFT. Mr. President, so far as I am concerned, I should like to see those words stricken out.

Mr. CORDON. But so long as those words remain in the bill, they definitely modify the amendment which was made on page 39, and seemingly they definitely give to the Expediter the right to discriminate as between two individual firms manufacturing the same type of product.

Mr. TAFT. I think that in occasional cases it probably would permit a change in the rate. The two things are somewhat different, because in accordance with the other provision the increased production must be—

beyond that otherwise attainable (as determined by the Housing Expediter by general regulation for the industry involved) where such premium payments are necessary—

And so forth. In other words, what is determined by general regulation is the base on which the additional production is calculated. Paragraph (3) on page 40 relates to the rate of premium payments. But I agree with the Senator that I think they should be uniform.

Mr. LANGER. Mr. President, I should like to ask the Senator from Ohio if he believes that a veteran who wishes to live on a farm is entitled to the same chance to build a house that a veteran who lives in a city is entitled to.

Mr. TAFT. I think so.

Mr. LANGER. Then I call the Senator's attention to the provision on page 24, beginning in line 10:

Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of such housing accommodations or unimproved lands as in the judgment of the Expediter may be necessary to effectuate the purposes of this act.

Then on page 33 we find the following definition of "unimproved lands":

(e) The term "unimproved lands" shall mean any real property (to which there has not been affixed any building or structures) located within the corporate limits of municipalities or suitable for subdivision for use for the veterans' emergency housing program.

Under that definition I am wondering about a veteran who wishes to build a house 4 or 5 or 6 miles out of town, in Wisconsin or Michigan or North Dakota. How could he do so under the provisions of this measure?

Mr. TAFT. Mr. President, the Senator from North Dakota has referred to provisions which have nothing at all to do with the construction of houses. The language on page 24 which he read relates only to the fixing of prices on existing houses. It has nothing to do with the building of houses. The regulation which is limited in its scope to certain geographical areas is one which provides that if a house or an unimproved lot has once been sold for $1,000, that price remains the ceiling price for the next 2 years.

The definition of unimproved land was modified so as not to include farms, because we did not wish to say to a farmer, "If you buy land at a certain price after the passage of this act, you cannot turn around and sell it at an increased price."

The definition to which the Senator has referred is included for the purpose of defining unimproved lots, meaning building lots. Just as there has been speculation in homes, there has also been speculation in lots available for subdivision.

The purpose of the provision—although I am not supporting it—is to prevent speculation in building lots. The owner of a building lot may sell it the first time for any price at which he chooses to sell it; but having sold it at that price, it cannot be resold at a higher price. That is the provision. We did not wish to apply that rule to farms, because there is not the same reason for it, and there is not the same speculation in farms at the present time. But there is absolutely no distinction. Under this bill a veteran can build a house on a farm if he wishes to do so, and he can obtain all the advantages of the bill, whatever they may be.

Mr. LANGER. I thank the Senator. I wished to be sure about that.

Mr. TAFT. Yes; that is absolutely certain. In fact, the existing priorities—they are not provided by this bill—require that under present conditions no one but veterans or builders may build houses in the United States or obtain permits to build houses. We could not ask a builder to wait until he had 100 veterans lined up as potential customers, if he planned to build 100 houses. But if he wishes to build 100 houses, for 60 days after they are completed he must sell them to veterans only. The prices on the houses are fixed, and he must sell them only to veterans; or if he plans to lease the houses, he must lease them only to veterans.

Mr. LANGER. So under this measure if a veteran wishes to build a house far from the city of Washington, perhaps 5 or 6 miles away from any other house, or far out in the country in Iowa or in some other State, he will be able to build it and he will be able to obtain all the benefits which a veteran building a house on a town lot will be able to obtain; is that correct?

Mr. TAFT. I should not like to make so sweeping a statement, because today the FHA probably has limitations in regard to the building of houses on farms. I will say to the Senator that the last title of the Wagner-Ellender-Taft bill contains a provision to permit any veteran to build on a farm. That provision is made in connection with other rather elaborate housing provisions for the construction of houses which were worked out with the Department of Agriculture, and which would extend the FHA into that field, and also would provide for the making of direct loans for that purpose by the Secretary of Agriculture. So far as this bill is concerned, there is no discretion. It does not actually provide for the building of homes except as it concerns the provisions extending title 6 of the FHA Act. In general, the veteran is taken care of by the GI bill of rights. Of course, under that act, if he wanted to borrow the money he could obtain $2,000 for the construction of a house on a farm.

Mr. LANGER. What kind of a house could be built on a farm for $2,000?

Mr. TAFT. Perhaps the Senator would like to have enacted into law the Wagner-Ellender-Taft bill.

Mr. LANGER. The question in my mind is this: If we pass the pending bill, why pass the other one to which reference has been made? It appears to me that the poor veteran is going to be left out in the cold just as he has been in the past.

Mr. TAFT. I will study the section and see if some practical help cannot be offered.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. FERGUSON. Is it not true that the FHA today has authority to establish a standard, determine what kind of a lot a house may be erected upon, and prescribe where a veteran's home may be constructed in the event he wishes to secure an FHA mortgage?

Mr. TAFT. Yes; but I would say that a veteran with a $2,000 loan would have no difficulty in any city in borrowing the balance from a bank without any help whatever from the FHA. Today the financing of homes is comparatively easy.

Mr. FERGUSON. With regard to the question of production, I find no definition of "production" in the bill itself. Am I to understand that the language applies all along the line where any work is done on an article which is to be used in the construction of a home, and that a premium payment may be made on any phase of the processing?

Mr. TAFT. It would apply to all processing, I would say.

Mr. FERGUSON. Would it apply, for example, to the manufacture of cabinets?

Mr. TAFT. Yes; I believe that cabinets are considered to be a part of a house. I do not believe that it applies to furniture. I believe that it would apply to built-in kitchen cabinets.

Mr. FERGUSON. So the premium payment may be made on processing all along the line?

Mr. TAFT. That is correct.

Mr. LANGER. Mr. President, in the West, at least, the building and loan associations will not loan a farmer's son any money for the purpose of building a house in the country. So far as I know, the FHA has not done so.

Mr. TAFT. A provision was incorporated in the FHA law covering the situation, but I agree with the Senator. I do not believe that it has been effectively worked out. We were very much concerned about it in our general study of the subject of housing, and that is why we inserted the provision in the other bill with regard to the construction of farm housing and financing for that purpose.

Mr. LANGER. Does the Senator have a copy of the Wagner-Ellender-Taft bill handy so that I may examine it?

Mr. TAFT. Yes; I will hand the Senator a copy.

Mr. LANGER. I understand it is the next bill to be considered.

Mr. TAFT. I so understand.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. REVERCOMB. A few moments ago the Senator mentioned the subject of price ceilings on houses. The subject is refered to in the bill on page 24, section 3 (a). As I understand, the Expediter—a new name under the bill for an administrator—has the power, after one sale of a house has been made, to fix a ceiling thereafter at the price for which the house was sold. That authority applies not to new houses, but to houses which have been owned many years, and, perhaps for generations, by families in this country. Am I correct?

Mr. TAFT. Yes. After the enactment of this bill into law, a house which has been owned by a family for the past 20 years, for example, in the city of Washington, may be sold by that family for any price which it can obtain.

Mr. REVERCOMB. One sale.

Mr. TAFT. Yes. The person who buys the house is limited thereafter to selling it at the price which he paid for it. That is the rule provided. I am not proposing to defend it. I would prefer not to have any further price regulation, but I do not think the provision is very important, one way or the other.

Mr. REVERCOMB. I am glad to hear the Senator say that he will not defend the provision, but I do not agree with him in his statement that the provision is not important. I think it is the most far-reaching attempt to control the property of individuals, and particularly the homes of people, that I have ever seen made in connection with a proposed law. I can understand how it might be justifiable to exercise a control over properties which are to be used for commercial purposes. But, to say to the owner of the home, "You may not sell this property above a certain price," I think is going pretty far in invading the rights of people with respect to the

ownership of property. It is a definite control by the Government in connection with a person's use of his own home and his right to dispose of it. While I do not wish to address myself to this subject at the present time, I hope that before we vote on the bill section 3 (a) will be eliminated, and that the Government will be prevented from controlling the rights of families who have owned their homes for many years.

Mr. TAFT. I voted to strike the section out of the bill when it was being considered before the committee. However, a family which has owned a home for a great many years may sell it for any price it can obtain, but it may not sell it to a speculator. That is about what it amounts to. In effect, an effort is being made to force the sale of the property only to persons who really want it as a home. The provision to which the Senator referred would not be justified under any circumstances for more than a very temporary period of time. I do not say that it represents any more of a radical limitation on the rights of persons than were several thousand limitations which were imposed during the war, many of which I disapproved. I do not believe that the section has very much to do with the construction of houses for veterans.

Mr. REVERCOMB. Mr. President, I may say that while the property may not have been in the ownership of one family for generations, yet the sale involves a matter of dealing with those who have made the property their home, and the purchaser no doubt would buy such a property, large or small, as a house in which to live.

The Senator has mentioned speculators. Of course, we all wish to discourage speculation in connection with matters of this kind, but why deprive individuals of the right of selling their property and purchasing property on terms which can be agreed upon as to the value of the property?

Mr. TAFT. Why fix prices at all? Why fix prices on everything that we have been fixing prices on? One of my objections to the provision was that I thought it was very difficult to fix a price on capital goods without evasion. I am only afraid that this provision would result, so to speak, in a black market in houses. The evasion of the law might result in an illegal amount of as much, for example, as $5,000. There are many persons who are so weak as to be willing to evade the law in order to obtain that much money, whereas a current operator would not ordinarily wish to indulge in the practice of evading the law. So I think the provision would be evaded. That is one reason why I voted to strike it out.

Mr. REVERCOMB. Does not the Senator think it invites evasion? It is such a drastic new thing in American principles of government that people are not going to accept it very willingly.

Mr. TAFT. A man who has owned his home all his life can sell it for anything he desires to sell it for. So I do not think there is need for sympathy in the case of the long-owned family home.

Mr. REVERCOMB. Should we have sympathy for the home owner? This cuts both ways; it cuts against the veteran who buys his home, and moves out of town and makes a profit.

Mr. TAFT. That is one of the objections to it, because if, after he buys a home, he is forced to move out of town, he may have to sell it, and he is prohibited from selling at a profit.

Mr. FERGUSON. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Michigan.

Mr. FERGUSON. The bill would include a builder who buys a lot and builds on it, and then sells the completed home. He would not be permitted to make any profit whatever on the resale of the lot.

Mr. TAFT. He cannot now. A builder today is limited, in the selling of a house, to cost plus reasonable profit, and the bill in another provision puts that into the law in so many words. That is what the OPA is doing today, it is saying that a builder cannot build a house and sell it at more than it costs plus a reasonable profit.

Mr. FERGUSON. That at least is not in the law, but only in an OPA regulation.

Mr. TAFT. An OPA regulation, the validity of which I somewhat doubt, but it is in the bill, in the part dealing with new houses, which establishes a very fair basis, much fairer than the OPA regulation, because it requires that the builder be permitted to sell, taking into consideration, as provided on page 25, "reasonable construction costs" and "fair market value of the land—immediately prior to construction"—which language I think has been changed—"with the housing accommodations, and a margin of profit reflecting the generally prevailing profit margin." I think that has been changed to "percentage," and concludes, "percentage upon comparable units during the calendar year 1941." That is a much better deal than the OPA is giving most businessmen.

Mr. FERGUSON. As I understand, the bill is for the purpose of aiding veterans alone. Is that a correct statement?

Mr. TAFT. No; I do not think that is a correct statement. In a way, it is almost impossible to do that.

Mr. FERGUSON. That is what I had in mind in my next question. If we are to pay a manufacturer of flooring, we will say, a certain percentage of his 30 percent increase, say 25-percent increase in the price, and it turns out that all the material is used in a non-veteran's home, then the United States Government, through the taxing process, is paying a subsidy to the non-veteran. Is not that a correct statement?

Mr. TAFT. I do not think this subsidy can be justified on any basis as a subsidy for veterans. As a matter of fact, the production of materials is something which relates not only to housing, it relates to other private construction. In fact, other private construction will be in larger volume, other private construction and repairs will account for nearly twice the amount of material used in houses.

We cannot say, "You cannot have any lumber for railroads, you cannot have any lumber for ties, because we need it all for housing." If we are to stimulate production of lumber we have to stimulate it over-all, and whatever we do we simply hold down the price for everyone.

Furthermore, there is no particular reason for subsidizing veterans. Many veterans are wealthy and there is no reason why they should be subsidized. If there is a desire to subsidize veterans the way to do it is to pay the veterans a bonus. There is no reason why a veteran who wants to buy a home should be subsidized ahead of the veteran who does not want to buy a home.

Mr. FERGUSON. Is it not true that we have seen in news items and heard over the radio that this is a veteran's housing bill? Is it not true, as the able Senator from Ohio says, that if we pay a subsidy for cutting down a tree, the lumber may be used in a veteran's home or anyone else's home, or in a factory, or for the repair of a dock, or even a ship, as the case may be?

Mr. TAFT. That is correct.

Mr. FERGUSON. And it is proper to say that a subsidy is being paid for that rather than to say that it is being paid for the veteran's home.

Mr. TAFT. The subsidy is exactly the same kind of a subsidy as the copper subsidy was, that is, if it works out in the way it is intended to operate. The subsidy is an effort to show that it is sufficiently important to us to keep prices from going up in a field where there is a tremendous scarcity. A subsidy of $20,000,000 is justified, according to my argument, if we are to save the consumer, we will say, $50,000,000 a year.

So long as we have price control anyway, the subsidy is justified. I intend to oppose the continuation of the food subsidy, because in that case we do not save a cent. The whole subsidy is simply a subsidy to the consumer, and saves the consumer exactly the same amount of money that is represented by the subsidy. But if we can, by judicious use of premium payments, help in the problem of holding prices down, I think it is justified.

I think there has been much politics in connection with the bill, in favor of it, as well as some against it, so far as that is concerned. I think it is the only method I know of, one of whose results may be to increase veterans' housing, but certainly that is not the only result.

Mr. FERGUSON. Then it is not exactly a correct statement to say that this is a veterans' bill, because the veteran will benefit only, as I see the bill, when he gets priority for building materials with which to build a home.

Mr. TAFT. He now has such a priority.

Mr. FERGUSON. Then, what will the bill give him which he does not now have?

Mr. TAFT. The bill should afford it to him somewhat cheaper, and should result in his getting the material. The primary purpose of the bill is to increase production so that the veteran can get the materials with which to build a home, which today he cannot build. That is the main purpose of the bill. Whether it will accomplish the purpose I do not know. I do not like to deny Mr. Wyatt any reasonable means which he thinks

can produce the result, and which I think in some industries may produce the result, and in some industries may break bottlenecks, which might be broken by increasing prices, but might not, and which might be broken by increasing prices at two or three times the expense involved in the premium payments. But I think the means proposed, if used with care and discretion, and combined in proper cases with increase in price control, can increase production.

Mr. FERGUSON. Is there anything in the bill which requires the Expediter to file with Congress in any reasonable time; semiannually or annually, a report showing what he has done with the money expended in the form of premium payments?

Mr. TAFT. Does the distinguished Senator from Kentucky know whether there is provision for a report?

Mr. BARKLEY. There is no specific provision requiring the Expediter to report periodically, or at any particular time. Of course, the Reconstruction Finance Corporation does make reports to Congress, and inasmuch as it pays the premium payments itself, the committee did not think it necessary to require the Expediter to make a report, although personally I should have no objection to having him do so.

Mr. FERGUSON. If the bill contained such a provision, then we could see how he was using the money, and ascertain whether it was being used solely to obtain materials the veterans might need.

Mr. TAFT. I think the veterans will get whatever housing is built, and the whole problem is to increase the production of materials.

As I have said, there is one thing that is necessary. We cannot say that a veteran's priority shall extend to houses which are already arranged for by veterans. Many veterans want to rent, and we have to give priority to those who want to build apartment houses, and the like. However, we require that they give veterans a priority in renting, under those circumstances.

Mr. LANGER. Mr. President——

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Ohio yield to the Senator from North Dakota?

Mr. TAFT. I yield.

Mr. LANGER. I think the distinguished Senator will get some comfort out of an advertisement which appeared in the Bismarck Tribune, published at the capital of North Dakota, in its issue of last Saturday, entitled "The Truth About Home Building in 1946." It is a full page advertisement, and I read from it:

It's time veterans and all citizens were told the truth about the home building situation.

This sustains the contention of the distinguished Senator:

The main bottleneck to home construction is production of materials and equipment.

No legislation, Presidential announcement, Government control plan, or system can produce a single additional home until production of materials is speeded up.

Lumber dealers in the building industry are eager to build homes for veterans and all citizens who need them. The reason few homes are being built is because materials are not being produced.

WHY?

1. Governed by OPA's wartime pricing formulas, it is still more profitable for lumber mills to make items for export—

As the Senator well knows, over a billion feet of lumber were exported within a very short time to Mexico and South America—

and the items formerly required for war use than it is to make lumber usable in home construction.

I ask unanimous consent that the entire advertisement may be printed in the RECORD at this point.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

THE TRUTH ABOUT HOME BUILDING IN 1946

It's time veterans and all citizens were told the truth about the home-building situation.

The main bottleneck to home construction is production of materials and equipment.

No legislation, Presidential announcement, Government control plan, or system can produce a single additional home until production of materials is speeded up.

Lumber dealers and the building industry are eager to build homes for veterans and all citizens who need them. The reason few homes are being built is because materials are not being produced.

WHY?

1. Governed by OPA's wartime pricing formulas, it is still more profitable for lumber mills to make items for export and the items formerly required for war use than it is to make lumber usable in home construction.

2. OPA's wartime pricing formulas are still keeping thousands of small mills out of production.

3. OPA's enforcement policies have allowed the creation of a large black market in lumber which is moving outside of regular channels of trade.

4. OPA's slowness in adjusting mill ceiling prices on hardwood flooring, siding, millwork, and plywood has contributed to the difficulties mills are having in securing necessary manpower.

With 400 brick and tile plants closed, it took 6 months for OPA to adjust prices. Now an additional 125 plants have opened and production is up 35 percent.

Clay sewer pipe, cast-iron soil pipe, and gypsum board manufacturers have experienced a similar OPA delay in the granting of price adjustments to make increased production possible.

No amount of juggling with an insufficient supply will produce a single home more than can be built with material available.

The OPA can hardly hold present price ceilings when it has no control over volume of employment, labor wage rates, cashing of Government bonds, and installment or credit expansion—but the OPA can act as a block to reconversion by clinging to unrealistic wartime price ceilings.

Unblock the production of materials caused by unrealistic wartime price controls and the building industry will build enough homes for veterans and all Americans!

Any Government program that does not first remove the obstacles blocking production of materials will simply add additional difficulties to the problem facing the building industry.

This advertisement sponsored by the following dealers: O. E. Anderson Lumber Yard, Central Lumber Co., Quality Builders, Gerlach Sheet Metal Works, H. A. Thompson & Sons, Bismarck Lumber Co., Klein Lumber Co., Anderson Hardware, B. K. Skeels, Melvin Welch & Sons, Fred J. Hessinger Plumbing & Heating.

Mr. LANGER. Let me particularly call attention to the fact that this advertisement is signed by every lumber company and by every plumbing company and by every hardware company in the State of North Dakota. Some of these men are outstanding citizens. A good many of them had sons who were killed in the war. They are men who meet regularly and discuss these matters, and, in my judgment, are just as competent to speak about this matter as is Chester Bowles or almost anyone else in Washington.

Mr. TAFT. I think at this point, as a matter of interest, I should put into the RECORD the figures on lumber which were given to us. In 1939, lumber production in this country was 28,600,000,000 feet. In 1941 it was about 36,500,000,000 feet. Today we are producing at the rate of 36,000,000,000 feet, and we expect an estimated production in 1946 of 30,000,000,000 feet. The capacity of the mills is 36,000,000,000 board feet. The total requirement for the 1946 housing program is only 7,800,000,000 feet. So obviously the question of the production of lumber is not one of premium payments. It is a question of the lumber being diverted away from housing to other uses by reason of the mispricing of the OPA.

Mr. LANGER. Can the Senator tell us how much lumber was exported last year from this country and how much was exported the year before?

Mr. TAFT. My recollection is about 600,000,000 board feet. The export figure is not very important. It can be seen that out of 36,000,000,000 feet the export of 1,000,000,000 feet is not overwhelmingly vital. But I think the estimate for this year is that 600,000,000 feet may be exported.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The amount exported last year was about 350,000,000 board feet. It was not the type of lumber that is used in houses. And to offset that I might say that about 1,000,000,000 board feet were imported. That is, about three times as much lumber was imported as was exported. It is estimated that this year there may be a step-up in the exportation of the type of lumber that was exported last year, from 350,000,000 feet to a little more than 600,000,000 board feet, but it will not be the type of lumber that will go into the construction of houses in this country.

Mr. TAFT. I can assure the Senator that compared with the question of pricing, the amount of lumber exported is not material. The pricing is something I cannot understand. The distinguished Senator from Kentucky yesterday referred to the necessity for premium payments because of the interminable process, the length of time for getting price adjustments. In my opinion the OPA is wholly unjustified in requiring any such interminable process to make price adjustments.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator was not quite accurate in stating my position.

Mr. TAFT. Did I misstate the Senator's position?

Mr. BARKLEY. I said if we had to rely solely on price increases of building material that it might require such a length of time as would make it impossible to accomplish the task within the period fixed by this legislation. I have myself complained to the OPA on occasions for the delay in reaching a decision one way or another on applications, but I did not take the position that this legislation is necessary only because of the delays in the OPA in fixing the price of lumber. That is only one element. I do not think it is the determining element in the need for the pending bill.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. CAPEHART. I should like to ask a question in view of the statement just made by the able Senator from Kentucky. What has the OPA been doing for the past year? Why have they not adjusted the prices of building materials during the past 6 or 8 months? The shortage of housing was as acute 6 months ago as it is now.

Mr. BARKLEY. Without the Senator from Indiana intending it, it is a sort of a trick question. What has the OPA been doing for the past year? I have not been down there. I have not been sitting around watching what they have been doing. They have been busy. They have been adjusting prices of various kinds. There are many things they have to deal with besides lumber. It seems impossible to get some Senators to understand that there are many building materials that go into housing besides lumber. Lumber is only one of the things that go into a house. But if the Senator wants me to give a categorical, meticulous, specific, blueprinted answer to the question as to what the OPA has been doing, I would have to ask him to give me a little time to look into it.

Mr. CAPEHART. Mr. President, will the Senator again yield?

Mr. TAFT. I yield.

Mr. CAPEHART. I understood the Senator from Kentucky to say that the reason why we may not be able to do this job is because of the time required for the OPA to make certain adjustments of prices. My question, I think, was a sound one. Either the prices the OPA established—and they have established prices on all building materials—were fair and equitable, or they were not fair and equitable. They have already established prices. If the prices were not fair and equitable, I should not think it would be such a huge task to readjust them.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator from Indiana, of course, is entitled to his opinion with respect to OPA, and I do not want to get into an argument about the OPA. We will reach that soon enough, and pretty soon, I hope. But what I said yesterday, and what I reiterate today in answer to those who rely only on price adjustments to stimulate production, is that even if we could hope ultimately that prices would be adjusted sufficiently high to induce greater production, it would take a length of time that would make it impossible to carry out the program.

Mr. CAPEHART. Mr. President, will the Senator further yield?

Mr. TAFT. I yield.

Mr. CAPEHART. I rather think I am called upon, Mr. President, to make this statement: My observation has been over the past 12 to 14 years that the only known method in the city of Washington to meet an emergency or cure a bad situation is that of asking the Congress to vote an additional few billion dollars and to give the administration more power. In other words, they know only two ways to cure any economic difficulty—either through the appropriation of an additional billion dollars or the grant of more power, and in most instances, if not in every instance, they not only ask for more money but they ask likewise for more power.

At the moment we have an example of that in this bill. The emergency exists; we all agree that it exists. We need more houses. But instead of trying to solve the problem in the American way, through private enterprise, the administration rushes to the Congress of the United States and asks it to vote them a few extra hundred million dollars, and possibly before we are through with it it will run into a few billion dollars, and to vote them unlimited power, to be exercised by a Housing Expediter.

When Mr. Wyatt was before our committee I asked him, if he were a Senator, would he vote to give any one man the power he was asking us to give him? He hesitated a moment and said, "Yes, I think I would vote to give me—Wyatt—the power."

Mr. President, I dislike to make that observation, but I have come to the conclusion that the time has arrived when we should stop, look, and listen, and give a little more thought to trying to solve the problems that confront this Nation. I grant that there are many of them and that they are profound and difficult to solve; but let us see if we cannot at least once solve one of the problems in the American way, through private enterprise, and not by voting unlimited power to one individual and spending a few additional billions of dollars.

Mr. TAFT. Mr. President, referring again to the statement made by the distinguished Senator from Kentucky, he said yesterday:

> If in any case the process through which repricing would be available would bring about such a delay as to nullify the word "rapidity," I think the Expediter would not be justified in waiting an interminable length of time in order to bring about repricing, and get all the facts that would justify it. In that case the terms in which this language is couched would not be fulfilled.

What I object to is the fact that there is an interminable delay in OPA repricing. I have disputed with Mr. Bowles about that for the past 3 years. The reason there is interminable delay is that they do not care to see anybody make a profit; and before they can adjust a price they want all of a firm's financial statements for the three previous years. They want to calculate the return on the invested capital. They want vast reams of reports which are almost impossible to obtain. Mr. President, I think that is wholly unnecessary. Every businessman has to price his product without waiting for such figures. He has to make his own price. He has to take a rule of thumb guide.

If by any chance OPA should put the price a little higher than it ought to be, or a little lower than it ought to be, certainly that is much better than to wait 6 months, and let a business go on losing money in the interval, and cutting down production. That was not so bad in the war. When people fell by the wayside they were casualties of the war, and production was obtained by the Government buying goods and sending them to the Army and Navy. But today we want to encourage production in normal ways. Unfortunately we shall be faced next month with the choice of continuing the present control of OPA, or no price control at all. It seems to me that we ought to have a reasonable price control; but I think it should be recognized, whether we vote for the premium payments or not, that the basic cause for delay in getting production today in building materials is the delay of the OPA. I certainly subscribe to that statement 100 percent. However, I feel, as I have stated, that much can be accomplished by the judicious use of premium payments. Mr. Wyatt is not the OPA; his general views have not been those of the OPA. He would have power to force the OPA to act expeditiously, if he would exercise that power. We propose to give it to him to accomplish that result. I would have preferred to transfer to him all powers to fix prices upon building materials, and let him take over the existing personnel, or find his own personnel. But the power to order OPA to take action is worth something. Mr. Bowles might go to the President and say, "He cannot do this, or I will resign", and he might persuade the President to overrule the orders of Mr. Wyatt. But personally I am in favor of giving him that power. I think he can supplement the correction of price control of building materials by judicious premium payments. The theory of premium payments is that if we can obtain an increase in production by premium payments on one-third of the production without any increase in price, perhaps, in the other two-thirds, thereby the consumer of building materials will be saved three times as much as the Government subsidy which is paid. That plan has worked in some industries during the war, and I believe it can work in some phases of the building-material industry. Mr. Wyatt has been willing to limit himself to 30 percent of the whole field, and to limit himself in that field to treating every one in the industry alike, and to limit the total amount of premium payments, even in the case of a new producer, to 50 percent. The premium payments would be limited to additional production. So the thing for which we make premium payments is the very thing which we are trying to accomplish.

To sum up my views on the bill, first, it is wise to put the whole power, most of which already exists under existing statutes, in the hands of one man, the Housing Expediter, for the purpose of solving this particular problem.

Second, I think it is a mistake to guarantee markets to prefabricated housing manufacturers. I believe such a policy to be unsound.

Third, it is my opinion that something can be accomplished by premium payments.

Fourth, as to the fixing of prices on existing homes, I voted against it in the committee, but I do not regard it as of tremendous importance, limited as it is.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. KNOWLAND. I should like to ask the Senator if, as a matter of fact, the production premium payment would not be a reasonably good business proposition, when we consider the fact that we have appropriated approximately $403,000,000 so far for temporary veterans' housing, to produce some 200,000 units? If by appropriating approximately $600,000,000 we can furnish an incentive for producing 2,700,000 homes, it would seem to me that, as compared with the money which we have already appropriated, it would be a good business proposition.

Mr. TAFT. I think we would get a good part of the 2,700,000 homes without the premium payments, so the whole thing cannot be credited to premium payments. I agree with the Senator in this respect: I would far rather vote this money to accomplish this purpose in this way than to vote $400,000,000 for 200,000 temporary houses, because that would be money thrown away. Within 3 years those houses will be no good. This plan represents permanent housing. I hope it will be permanent. If the standards are properly maintained, they will be permanent houses. They are intended to be.

I answer the Senator's question by saying that I shall vote for this appropriation with much greater satisfaction than I voted for the $400,000,000 for temporary housing.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1907) to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 328) making an additional appropriation for veterans' housing and related expenses.

VETERANS' EMERGENCY HOUSING ACT OF 1946

The Senate resumed consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

Mr. MEAD. Mr. President, I should like to have the RECORD show my unqualified support of the pending measure, as well as the Wagner-Ellender-Taft bill, Senate bill 1592.

Before I enter upon a discussion of the necessity for housing, I wish to commend the Senate Committee on Banking and Currency, including the able chairman, my distinguished colleague the senior Senator from New York [Mr. WAGNER], and particularly the sponsors of the bill, the Senator from Louisiana [Mr. ELLENDER], the Senator from Ohio [Mr. TAFT], and the able majority leader the Senator from Kentucky [Mr. BARKLEY], who has to a very large degree taken over the work in connection with the pending measure.

I regard these measures, reported a few days ago by the Committee on Banking and Currency, as the most vital legislation we are being asked to enact in behalf of the country's veterans.

The veteran's need for housing is unquestioned. Our own action in authorizing funds for the provision of 200,000 units of temporary housing attests our knowledge of how desperate the need is. Nobody wants to continue processing temporary housing. We all agree that the veteran is entitled to something better than makeshift shelter. But in the present crisis temporary relief must be given to meet most urgent needs.

I introduced the legislation which provided the necessary authorizations for these 200,000 units of temporary housing for veterans. That was the necessary step that had to be taken until permanent housing could be provided. We do not want to continue to provide temporary housing or to use it any longer than absolutely essential. We must take necessary measures that will build permanent homes of a quality that our veterans will want the rest of their lives, and at a price or rent that veterans can afford.

We must act now if we are to get decent permanent homes for our veterans so that they will not have to continue living doubled up and being denied the normal home and family life which they so fully deserve. The general housing bill is the vehicle by which we can assure the veteran a permanent adequate house for himself and his family. It is a part of the answer to our pledge to all veterans that they will have an opportunity to share in America's abundance.

The provisions of the general housing bill are vital and indispensable to the success of the veterans' emergency housing program. The emergency legislative measures of the program incorporated in the pending measure are needed to stimulate the vast increase in materials production needed for the building of 2,700,000 homes and apartments for veterans in 1946 and 1947, to channel those materials into the construction of veterans housing, and to check inflation in housing prices. The provisions of the general housing bill are needed to make sure that those 2,700,000 homes and apartments are produced at prices and rents which veterans can afford to pay. Those provisions are also needed, Mr. President, to provide the foundation now for the long-range job of eliminating slums and rebuilding American cities and towns with good homes, good neighborhoods, and good communities for all families.

We know that private industry has been unable to provide sufficient suitable housing for the middle-income and the low-income groups. According to FHA figures, about 72 percent of the FHA insured housing in 1940 was produced for families having incomes above $2,000, which at that time was the top of the middle-income group. Practically all the remainder were produced for families with incomes between $1,500 and $2,000. In rental housing, there is an even more conspicuous inability under existing legislation to produce an adequate amount of rental housing for the middle-income group market, at rentals ranging from $40 or $50 to $20 or $30. Thus, there is no doubt that the middle-income families have been left largely in a "no-man's land" between private housing and public housing. Moreover, it would appear that private enterprise is unable to provide decent homes for low-income families who can pay less than $20 rent in smaller communities and less than $30 rent in the larger cities.

Mr. President, the deplorable fact is that there are many thousands of veterans who are without homes today, and many who are returning to civilian life day by day who are unable to pay for housing at the prices which private enterprise, unaided by the Government, can profitably provide. Right here is where the veterans emergency housing program and the general housing bill become one. For if the low-income and middle-income veterans are to have decent houses they can be provided by private enterprise only if the aids incorporated in the general housing bill become law.

The veterans' housing emergency is not an emergency only for the veteran whose income will permit him to pay for housing at prices which private builders now ask. The emergency is equally acute for the veteran who cannot pay those prices. In fact, it can be said that it is more acute for the lower-income veterans, inasmuch as they make up the bulk of those to whom decent housing is not available. Here it may be appropriate to paraphrase Abraham Lincoln's well-known statement by saying that God must love the low-income veterans, He made so many of them. They represent the largest percentage of the entire group of veterans and they must be dealt with by the combination of the legislative measures which are before us. We must realize that, unfortunately, most of the veterans are in the low-income group. It is our hope and our aspiration for them that through the economic program of legislation and the higher wage rates which have resulted from the agreements reached between employer and employee, the percentage of veterans in the lower-income group will decrease, and that the percentage of vet-

erans in the higher-income groups will constantly increase as we improve our American way of life.

Mr. President, it is the housing need of the veterans in the low-income group, now and tomorrow, that is the compelling reason for including the general housing bill as an integral part of the emergency housing program. The veterans' emergency housing program tells the veteran that he will have preference to buy or rent the houses that are produced, and it proposes to make certain that there is an adequate supply of labor and materials for the construction of such houses. But, Mr. President, without the aids to private and public housing provided by the general housing bill to assure that the housing produced will be within the means of veterans, the veterans' preference clause is only an empty gesture.

Senate bill 1592 contains provisions for a number of plans to stimulate privately financed FHA housing for middle-income families. That is done by means of providing for lower interest rates, long-term amortization, and smaller down payments. It is done by means of providing similar financial aids to mutual home-ownership projects and by means of providing for insurance of a minimum investment yield on large rental projects. It is also done through firm guaranties to builders, so as to enable them to reduce costs and to plan continuous production for a period of years.

Veterans' preference is particularly an empty gesture to the veteran whose income is so low as to rule out the possibility that he can afford any of the housing that private enterprise will be able to produce with the aids stated in the general housing bill. For those veterans, only a public-housing program can meet the need. Are there veterans with incomes so low that they are unable to afford private housing? The Army tells us that there are. There are groups of veterans who are in the unfortunate position of being unable to afford private housing without the specific aids provided by the general housing bill which now is on the calendar of the Senate. The Army estimates that two-fifths of veterans can afford only housing that costs under $30 a month.

Mr. President, that is an important statement, and I shall repeat it: The Army estimates that two-fifths of the veterans can afford only housing that costs less than $30 a month. That is an unfortunate reality, and it is an eloquent appeal for all the aid and all the benefits provided by the two pending housing measures. I hope the day will come when the Army will not be able to make such a statement. I believe our country is rich enough and courageous enough and that its legislative bodies have sufficiently able leadership to bring about such an improved economic situation that so great a percentage of the men who fight for our country will not be found in a group which can afford only housing that costs less than $30 a month. Mr. President, such a condition is an indictment against the day and the age in which we live.

Some of this need will be met by private enterprise with the aids provided by the general housing bill which will enable it to reach lower down into the housing market than it is able to do without aid. The plain fact is that the variation in the incomes of veterans is generally comparable to the variation in the incomes of all our people, and it is a well-known fact that the third of the Nation who are ill-housed are in that condition because their incomes are so low that they cannot afford decent housing.

Mr. President, what of those whose incomes are so low that private enterprise cannot provide them with housing, even with the assistance of the aids incorporated in this bill? For them the emergency is great, because the only housing in this country that is available to them at prices they can pay is housing that is largely unfit to live in, housing that is structurally bad, housing that lacks simple sanitary facilities, housing in areas that are badly overcrowded and are a menace to health, housing not fit for human habitation. Is that the type of housing which we can, in all conscience, offer to the veterans who risked their lives against the Nazis on the beaches of Normandy? Unfortunately it is the type of housing in which some of them will of necessity have to live unless we project this housing program even beyond present horizons and increase and improve the economic condition of the veterans. Do we wish to offer them this type of housing? Is that all we can offer to the veterans who stood under the withering fire of the Japs at Guadalcanal? Is that the type of housing to which we would want to have it said we have confined the widows and orphans of the heroes of Anzio, of Wake and Guam, of Tarawa, and of the Battle of the Bulge?

Mr. President, I bring this matter to the attention of my colleagues in order to point out to them that not only are we in duty bound to enact the proposed legislative program without crippling amendments, as we have been requested to do by the Housing Expediter and by the President of the United States, but that we should follow through in order to be able to expand the program far enough and wide enough to reach those who might not be touched by the provisions of the pending measure.

This bill cannot be our full and final answer to the veterans, nor can it be our full answer to the citizens who might find themselves consigned to live in houses which are not fit to be the homes of American families. It cannot be the answer to the widows of soldiers who gave their lives in our country's defense. Our answer must be a far more adequate one. We must provide decent homes of the type which only the general housing bill can assure, and at prices which our people can afford.

Slums and shacks unfit for habitation by American citizens are not isolated phenomena in the American scene. They exist widely, and they are a disgrace to the American standard of living. Millions of American families are now condemned to deadening, unhealthy, unsanitary living in slums near small and large cities, and in towns and small rural villages. Today we are confronted with a sheer shortage of houses for our American veterans, a shortage which is in excess of 3,000,000 houses this year and next. But, Mr. President, we are also confronted with a huge shortage of decent homes, a condition which is the outgrowth of long years of no building, and includes the needs of low-income families. Early in 1940 two-fifths of our total housing supply——

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. CAPEHART. The able Senator represents the great State of New York, which includes Greater New York, an area of approximately 14,000,000 population. In the bill which we are considering, the so-called Wyatt housing plan is primarily a 100-percent housing plan. Does not the Senator believe that we would be doing the veterans, particularly of Greater New York, a much greater service if we were considering the construction of apartment buildings? How will a veteran in Greater New York be able to construct a small house? Will the house be located 25, 30, or 40 miles from Greater New York? Is it not true that what the veteran of Greater New York, and possibly of Buffalo, needs is a small apartment of three or four or five rooms? Is it not true that the bill which we are considering is almost entirely a housing bill, involving small houses which will cost from $6,000 to $10,000? I fail to find at any place in the bill a provision dealing with the building of apartments for rental to veterans. The veterans need apartments. I am now speaking from experience, because I served in World War I. For 2 years after I left the Army I had several jobs, and traveled from city to city. Is it not a fact that today veterans are uncertain as to where they may wish to live, and what their jobs and incomes will be in the future? Would it not be of greater benefit to the veterans residing, for example, in Greater New York if we were to concentrate our work on legislation providing for the building of apartments instead of houses costing from $6,000 to $10,000 which will be built at some distance from the veteran's work, and away from the city? I ask the Senator the question.

Mr. MEAD. Mr. President, that is a very good question, but before answering it I shall yield to the Senator from Arkansas, who wishes to present an amendment.

Mr. McCLELLAN. Mr. President, I send to the desk an amendment which I ask to have printed and lie on the table.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The amendment will be received, printed, and lie on the table.

Mr. MEAD. I may say to the distinguished Senator from Indiana that any kind of construction, whether it be an apartment building or small family units, will be most helpful in the present crisis, because the crisis is so deep and widespread that even a temporary program will be of assistance. In my home

city of Buffalo we build, as a rule, only two-family houses when we go beyond the construction of private homes. Apartments are not the usual type of construction. With reference to the city of New York communities are developing outside the city limits. Transportation facilities are excellent. People are using automobiles and busses. There are 101 of those communities, which are healthful, and contain ample of available building space to which the general housing bill will make a marked contribution. The pending legislation will stimulate the production of an abundance of materials—or we hope it will—which will be helpful in the construction and rehabilitation of apartments. I am sure that by this approach we will improve the lot of the veteran. But even beyond such approach, I favor legislation which will make it doubly sure that the veterans shall be housed in apartments or homes, whichever may be necessary, in the localities where they must make their homes.

Mr. CAPEHART. The Wagner-Ellender-Taft bill provides for the construction of apartments. However, the pending bill does not. I was wondering if the able Senator from New York was aware of the fact that in his great State the people of Greater New York are interested in apartment buildings, and not in houses costing from $6,000 to $10,000. That situation is true with respect to Chicago, San Francisco, and other cities. I would say that at least one-third of the people of the United States are interested in what the Senator refers to as duplexes. They are not interested in $6,000 to $10,000 houses which may be erected in the country. For that reason, I dislike to see us become excited over this bill, which is called a veterans' bill, when, in reality, it is not truly a veterans' bill. I dislike very much to see Congress or the administration use the veteran for the purpose of "putting over" what I consider to be a bill which will not achieve the desired results.

Mr. MEAD. Mr. President, again I say to the Senator from Indiana that the veteran probably would not benefit by the construction of a one- or two-family unit if it had to be located on Times Square or on Broadway; but he would be benefited by the construction of homes in Nassau County, Queens County, Staten Island, up the Hudson for 50 miles, and in New Jersey where thousands of people reside and commute into New York every day. The rehabilitation and construction of apartments would, of course, be helpful. But the proposed legislation represents the best step in the right direction that we have taken in the matter of housing for a long time. I commend the Senate, and the committee of which the able Senator from Indiana is a member, for bringing these two measures before the Senate.

Mr. President, we are confronted today with a sheer numerical shortage of houses for returning war veterans, and again I emphasize the necessity of providing housing for war veterans. There is a shortage which will run to over 3,000,000 houses this year and next. But we are also confronted with a huge shortage of decent homes, the outgrowth of long years of underbuilding and neglect of the needs of low-income families. Even in 1940, two-fifths of our total housing supply off the farms was clearly below standard; today that percentage is much higher because of wartime curtailments in repairs and replacements. And on our farms the proportion of substandard houses is even greater.

Today there are 10,000,000 slum flats, ramshackle houses and disgraceful shacks in actual occupancy even though they fail to meet even the rock-bottom minimum standards for acceptable human shelter. Those houses must be torn down and replaced with decent homes before we can truly say we have mastered the American housing problem. And to do that job, the provisions of the general housing bill are indispensable.

The bill makes two far-reaching attacks on the critical problem of slums. First, it will provide Federal financial assistance to communities to buy up their slums, tear down the substandard structures, and make the land available at reasonable prices for either private or public redevelopment—all in harmony with a sound community plan. There is general agreement that the Federal Government will have to share with cities the cost of slum clearance if there is to be any substantial progress in overcoming the problem of the slums. Second, for families of veterans who are unable to pay the rent that private enterprise has to charge for decent housing, S. 1592 makes assistance available to local communities providing low-rent public housing. Such financial assistance to local communities is very necessary, and, in my judgment, will prove very effective.

The bill would continue and perfect the public low-rent housing program embodied in the United States Housing Act of 1937, which has proven so successful in administration. The bill would make it possible to provide 125,000 units a year over a 4-year period, or a total of 500,000 decent homes for low-income families. In addition, provision is made for a rural-housing program. Sometimes I fear we fail to realize the importance and the necessity of a rural-housing program. The record is replete with information and with facts and with statistics showing that a rural-housing program is as essential as any other housing program.

In both the programs, preference is given to veterans. Annual contributions are authorized which will make it possible to bring the rents in public housing within the financial reach of the families of low-income who would otherwise be compelled to live in the slums.

Our people deserve something better than the darkness of the slums as a place in which to bring up their families. The veteran and the widows made their sacrifices in behalf of a better world. The home is the keystone of a better world, and approval of the pending measure and of the general housing bill would be the Senate's ringing statement that it intends to see that every veteran and every American family shall eventually have a decent home in which to live.

Mr. President, I ask to have inserted in the RECORD at the end of the statement which I have just completed a table with respect to the low-rent housing program in New York State. It gives figures as to the existing dwelling units, the deferred dwelling units, and the requested additional units. This low-rent housing program is a very large one and a very necessary one, and I think these figures will be most illuminating. I ask that they be made a part of my statement.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

New York low-rent housing program

Existing dwelling units	14,125
Deferred dwelling units	1,412
Requested additional units	25,450

EXISTING UNITS	*Urban*
Buffalo	1,913
New York City	10,769
Syracuse	678
Utica	213
Yonkers	552
Total	14,125

DEFERRED UNITS UNDER CONTRACT	
New York City	1,352
Tuckahoe	60
Total	1,412

REQUESTED ADDITIONAL UNITS	
Buffalo	5,000
Fort Edwards	50
New York City	19,300
Utica	600
Yonkers	500
Total	25,450

Mr. MEAD. If there is any doubt that a very serious situation exists insofar as the housing program is concerned, I call attention to a poll taken by the magazine Fortune and to the information contained in the poll. The poll contains information to the effect that 48.1 percent of our people, namely, a plurality, indicated that they wanted the Government to embark on a large-scale home building program.

In a recent editorial in the New York Herald Tribune, based on the Fortune poll, it was pointed out that the people polled were in favor of a program beyond that of the Wagner-Ellender-Taft bill, namely, a program for Government home building.

I call this to the attention of the Senate, as evidence of the fact that such a program would be favorably received by the people. I call attention to it so as to expedite the enactment of the pending legislation, and, if it proves inadequate to meet the situation in order that we may perfect the legislation so that eventually there will be a decent home for every American family.

Mr. President, letters which I receive from college presidents throughout the country strongly recommend the bill which I introduced, namely, Senate bill 1770, authorizing the National Housing Administration to provide housing for colleges and universities under title V

of the Lanham Act. That proposal was similar to the housing authorized during the war, when the Government itself built houses for our war workers.

To return to the Fortune poll—and I shall ask to have it inserted in the RECORD as part of my remarks—it gives some very illuminating figures and facts as to the number of houses and the attitude of our people toward the housing question.

Mr. PEPPER. Mr. President, will the Senator from New York yield?

Mr. MEAD. I yield to the Senator from Florida.

Mr. PEPPER. I wish to add a word of testimony to the need for the kind of housing to which the able Senator has just referred, at colleges and universities, where veterans are today attempting to take advantage of the GI bill of rights. I could name several colleges and universities which I have visited in the past few months which have spoken about their sheer inability to let the GI's come and enjoy at their institutions the advantages afforded by the GI bill of rights, because they did not have the facilities for their housing. I think that everything that can be done to provide such facilities should be done and should be expedited.

Mr. MEAD. I appreciate the very helpful and very constructive statement of my able colleague, and I am sure it will be verified by the evidence which I shall place in the RECORD a little later.

To get back to the Fortune poll, among other things, the survey finds that—

First. Nine out of ten Americans are aware of a housing shortage in their own communities.

Second. About one-fifth say that they are doubling up because of lack of homes.

Third. Forty-six and seven-tenths percent, a plurality, think that the housing problem will not be straightened out until the Government takes much more action than it has taken.

Fortune asks this question: "Are you looking right now for some place else to live?"

Those who answered "No" were asked: "Would you be looking if there were no housing shortage?"

To this question came these replies:

Looking for a place to live, 19 percent.

Would be looking if no housing shortage existed, 12.8 percent.

Plan to stay in present home for the time being, 65.4 percent.

No answer from 2.8 percent.

Mr. President, the 31.8 percent which made the two first answers divided as follows, after further questioning:

Seven and six-tenths percent want to buy a house.

Seven percent would like to build a house.

Six and three-tenths percent want to rent a house.

Seven and eight-tenths percent want to rent an apartment.

Three and one-tenth percent are undecided.

Mr. President, of the 14.6 percent who want to buy or build, 45.8 percent named prices under $6,000 as the maximum they would be willing to pay.

Of the 6.3 percent who want to rent a house, 76.4 percent want to pay less than $50 a month.

Fortune magazine found that 91.7 percent of the people of the United States are aware of some housing shortage in their own communities, included 61.4 percent who term it "a serious shortage."

While the national average for doubling up is 18.7 percent of all families, hardship caused by sharing living space is greater in the lower middle group—23.2 percent—and the poor—18.3 percent—groups than it is in the rich or upper middle brackets, being about 12 percent.

Mr. President, I ask unanimous consent that the entire Fortune poll be printed in the RECORD at this point as a part of my remarks.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

FORTUNE SURVEY ON HOUSING FINDS THIRD OF THE NATION WANTING TO MOVE; BULK OF DEMAND IS FOR HOUSES COSTING LESS THAN $6,000, RENTING UNDER $50—91.7 PERCENT OF AMERICANS ARE AWARE OF HOUSING SHORTAGE IN THEIR OWN COMMUNITIES; 18.7 PERCENT OF FAMILIES REPORT "DOUBLING UP"

NEW YORK, March 29.—About one-third of the Nation definitely wants to move, Fortune's latest Survey of Public Opinion disclosed today. This survey, conducted by Elmo Roper, appraises the housing shortage, and is included in Fortune's all-housing April issue.

Nearly half the prospective buyers and builders in this group want to pay under $6,000 for a house, Fortune finds; while three-quarters of the prospective renters want to pay less than $50 a month.

Among other survey findings:

1. Nine out of ten Americans are aware of a housing shortage in their own communities (two out of three report a "serious" shortage);

2. About one-fifth say they are doubling up because of lack of homes;

3. Forty-six and seven-tenths (a plurality) think the housing problem won't get straightened out until the Government takes a lot more action than it has.

Fortune asked: "Are you looking right now for some place else to live?" Those who answered "No" were asked, "Would you be looking if there were no housing shortage?" The replies:

	Percent
Looking for a place to live	19.0
Would be looking if no housing shortage	12.8
Total	31.8
Plan to stay in present home for time being	65.4
No answer	2.8

The 31.8 percent divided as follows, after further questioning:

	Percent
Want to buy house	7.6
Want to build house	7.0
Total	14.6
Want to rent house	6.3
Want to rent apartment	7.8
Undecided	3.1
Total	31.8

Of the 14.6 percent who want to buy or build, 45.8 percent named prices under $6,000 as the maximum they would be willing to pay. Of the 6.3 percent who want to rent a house, 76.4 percent want to pay less than $50 a month.

Fortune found 91.7 percent of the United States people aware of some housing shortage in their own communities—including 64.4 percent who termed it a serious shortage. While the national average for doubling up is 18.7 percent of all families, hardship caused by sharing living space is greater in lower-middle (23.2 percent) and poor (18.3 percent) income groups than in the rich or upper-middle brackets (about 12 percent each), Fortune reports.

The survey asked: "Do you see the present housing shortage as a problem that industry, if left pretty much alone, would be able to work out itself or as a problem that won't get straightened out until the Government does a lot more than it has?" The replies:

	Percent
Industry left pretty much alone	38.5
Government does a lot more	46.7
Don't know	14.8

Other questions disclosed that 81.3 percent of the people want rent ceilings maintained; 63.3 percent want ceiling prices kept on building materials; 75.6 percent want these materials channeled into the low-cost residential field by Government action; 48.1 percent (a plurality) want the Government to embark on a large-scale home-building program; 80 percent want Government loans to individuals for low- and medium-priced housing.

"These measures happen to be fairly close to recommendations announced by Housing Expediter Wilson W. Wyatt after this survey was finished," Fortune points out. "The people seem to be in a mood to put overwhelming political pressure behind legislation that would implement Mr. Wyatt's program."

Opinion was almost evenly divided on whether the housing shortage would be ended in a reasonable length of time: 40.3 percent thought it was likely; 46 percent unlikely; with the remaining 13.7 percent undecided.

"Contrary to a long-held popular assumption that lack of closet space is the chief complaint among United States householders," Fortune reports, "the survey finds that a great many more, over 20 percent, are dissatisfied with their heating and plumbing arrangements."

The question: "What are the two or three things about your present home you wish you or the person who built it had planned differently?" Some leading criticisms:

	Percent
Larger house, more rooms	16.1
Better heating systems	14.1
Better arrangement of rooms	12.1
Larger rooms	10.5
Additions and improvements (chiefly porch, basement)	10.2
More closet space	8.7
More or better plumbing	7.3
Better kitchen facilities (cupboards, storage, etc.)	6.7

Fortune also asked: "If there were nothing to keep you from living wherever you wanted to, in what kind of location would you choose to live?" The preferences:

	Percent
A large city	14.7
A small city	17.6
Small town close to a city	35.8
Small town distant from a city	3.5
Out in the country	26.0

"Nearly two-thirds of the people now in cities of over 100,000 would rather live almost anywhere else," Fortune discloses, "while over 70 percent of those living on farms want to stay. Except for farmers, who seem to be the least discontented group in the country, the United States people show a pronounced yearning for life in the suburbs."

Mr. MEAD. Mr. President, I read from an editorial which was published in the New York Herald Tribune of recent date, as follows:

In the veterans' opinion, even more than the whole Wyatt program is not enough.

They were asked whether the Government should start right in and build on a large scale to sell and rent direct to veterans; more than half of them (58.8 percent) replied "Yes." In this they went beyond the Wagner-Ellender-Taft bill's resolutions, which stop with the proposal that the Government lend at low interest to local housing authorities for low-cost construction and slum clearance. The direct action was suggested in the Rabin bill, introduced last December in the House, however, and a revival of interest in such steps may be expected if there is protracted fiddling and consequently increased desperation.

Mr. President, I ask unanimous consent to have the editorial printed in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of March 21, 1946]

THE VETERANS ON HOUSING

The veterans have their say about the dearth of housing in a count of hands reported elsewhere in this newspaper today by Mr. Elmo Roper. Returned soldiers' responses toward various suggested solutions to their shelterless predicament—responses separated from others tallied in a cross-section survey of public opinion—constitute a loud demand from the ranks for action.

In the survey, made just before Mr. Wilson Wyatt's emergency program was announced, 87.5 percent of the veterans approved the Government's lending at low interest to people who wish to build their own medium-priced homes. About three-fourths (74.8 percent) were against removing ceiling-price controls on building materials. As to channeling building materials to low- and medium-bracket house construction even more (77.9 percent) said "Yes." And almost 9 out of 10 (89.3 percent) felt that rent ceilings should be kept a while longer.

The principles of those things are implicit in the Wyatt emergency program, which the House of Representatives stripped of vital provisions for ceiling prices on existing homes and premiums to promote a swift flow of building stuffs. But, in the veterans' opinion, even more than the whole Wyatt program is not enough. They were asked whether the Government should start right in and build on a large scale to sell and rent direct to veterans; more than half of them (58.8 percent) replied "Yes." In this they went beyond the Wagner-Ellender-Taft bill's solutions, which stop with the proposal that the Government lend at low interest to local housing authorities for low-cost construction and slum clearance. The direct action was suggested in the Rabin bill, introduced last December in the House, however, and a revival of interest in such steps may be expected if there is protracted fiddling and consequently increased desperation.

On almost every point the veterans stood by greater majorities than the general public for the remedial steps, though, significantly, a plurality of the latter, or a majority, favored the same measures. One-third of the public, in fact, supported compelling those who have unused rooms to rent them—and Mr. Roper persuasively surmises that the reason that only 35.6 percent of the veterans agreed to this is that they've already had enough "doubling up" to last a lifetime.

The survey is interesting as the first breakdown of public opinion by Mr. Roper as to veterans' and nonveterans' sentiment. It indicates that although the veterans have not formed themselves into huge pressure groups, they are thinking citizens, desirous of meaningful solutions of at least one exigent domestic problem.

Mr. MEAD. I have here an item from a newspaper which quotes the Economic Stabilizer, Chester Bowles. The item is as follows:

BOWLES PREDICTS HOUSING REVOLT, IF—

Economic Stabilizer Chester Bowles predicted to the House Banking Committee today a far more drastic, more regimented housing program will be handed to Congress a year from now unless the Administration's pending legislation is enacted, saying that if it isn't approved, the people will be so up in arms a year from now that Congress will have to take more drastic action.

Mr. President, I do not want to have anyone assume that I have been guilty of exaggeration. I am making a general appeal for the expeditious enactment of the pending housing program.

Mr. President, I have here some letters which I have received from housing authorities, from mayors of cities and from others interested in the housing program and those concerned with a correction of the existing situation or its expeditious improvement. I have a letter from Albert H. Schaaf, chairman of the Fort Wayne Housing Authority, who says:

The housing situation in Fort Wayne is very serious. It has been considerably aggravated by the requirements of the returning veterans. * * * At this time there are approximately 700 veteran applications on file for housing.

I have a letter from the chairman of the City Council of the City of Portland, Maine, who writes:

We have about 7,000 unemployed, predominantly veterans. Without the necessary industrial construction these will drift away and Portland may never recover.

Whatever may be the acute need in other parts of the country for shelter for veterans—in the Portland area our need is vital and immediate for construction material. Portland has negotiations for substantial increases in her industrial activity, if we can be assured sufficient allotment to this area. It is not too drastic to say that this is a critical situation where a few months may be decisive.

We ask your consideration of our problem and urge any relief your committee may be able to assure us.

Respectfully,

HELEN C. FROST,
Chairman of the City Council of the City of Portland, Maine.

Mr. President, I have a letter from the Hon. Walter Chandler, mayor of Memphis, Tenn., from whose letter I quote the following:

Now, we have need of at least 10,000 dwelling units.

Think of that, Mr. President. The city of Memphis, Tenn. has need of 10,000 dwelling units. When we think of that need, and then think of the other cities and communities in the United States which have a similar need, and try to add them together, we find the need to be appalling. I read again from the mayor's letter:

Now, we have need of at least 10,000 dwelling units, the majority of which are needed by war veterans.

Mr. President, I think we have a right to emphasize the fact that the war veteran is the one who is in the greatest need. He came home from the war when our existing dwelling units were filled, and naturally he is the one who is looking for a home to buy or to rent. Very naturally he will be found in many instances to be living doubled up with his kinfolk. I read further:

The majority of which are needed by war veterans and the remainder by war workers who are returning to Memphis from employment in war plants elsewhere throughout the country.

The mayor continues:

I would like to add that the only permanent solution will come when Congress passes S. 1592, known as the Wagner-Ellender-Taft bill, which will remove the slums which breed crime, disease, and dissatisfaction wherever they exist.

Mr. President, I have here a letter from the mayor of the village of Hibbing, Minn. This letter is signed by Gerald M. Thomas, mayor. He explains the need of housing, and he says the village of Hibbing is seriously concerned regarding housing for our returning war veterans. He urges the enactment of legislation to provide homes for the returning war veterans. Then he asks for information on the subject and concludes by saying:

Whatever information you may be able to furnish on this vital matter, or any information you may be in possession of as to where this information may be obtained, will be greatly appreciated.

From the city of Cedar Rapids I have a 3-page letter signed by F. K. Hahn, mayor. I read this comment:

A survey was made to determine how many persons would rent rooms or apartments to veterans. Exactly 118 rooms, 8 apartments and 2 houses were uncovered. Rentals were determined in advance and cleared through the housing committee office and the OPA area rent control director.

Our local Veterans' Service and Information Center furnished the veterans to fill the uncovered vacancies. That survey didn't even come close to filling our needs.

Then he goes on to say further:

The need, as we see it, is for houses costing about $3,500.

Mr. President, without some aid on the part of the Federal Government it will not be possible to furnish houses that cost somewhere in the neighborhood of $3,500. The mayor's letter continues:

The need, as we see it, is for houses costing about $3,500. The majority of veterans are earning between $130 and $200 a month. The Veterans' Administration limits monthly payments on loans to veterans to 25 percent of the ex-GI's monthly income. That income is too low for an $8,000 house, or even one at $5,500.

The five veterans' organizations in the city organized a housing committee to work with the mayor's housing committee, and they are working on a project to purchase surplus RFC grain bins to be used as the basis for a house. The bins measure 14 by 24. The veterans' committee intends to buy 60 of these, put them on concrete blocks, sell them to the veterans and let them finish the house as his family expands. The basic house and lot can be sold to the veteran for about $3,000.

These are our problems, and our partial solutions. Locally we are doing everything possible to get housing. We have had no help from the State government. The 80 trailers which we will receive from the FPHA will be filled the first day the project is opened.

before committees of Congress, by interviewing or seeking to interview Members of Congress, or by some other means, such as social contacts.

284. Question. Are lobbyists required to register?

Answer. Lobbyists are not required by the Federal Government to register, although such a control has frequently been suggested. Basically, lobbying is a form of petition, and the constitutional protection of the right of petition may explain in part the reluctance of the Government to enact restrictions.

American Policy in China

EXTENSION OF REMARKS
OF
HON. HUGH DE LACY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, June 10, 1946

Mr. DE LACY. Mr. Speaker, in response to a suggestion analysis of certain aspects of American policy in China which Miss Agnes Smedley made and I caused to be inserted in the RECORD, Mr. John Earl Baker has written to comment on one aspect of her remarks which he believes is in error.

Under the leave granted me, I wish to bring the attention of the House to his letter, which follows:

THE BELLEVUE HOTEL,
Washington, D. C., May 17, 1946.

Hon. HUGH DE LACY,
House Office Building,
Washington, D. C.

DEAR MR. DE LACY: My attention has been called to the memorandum written by Agnes Smedley and published in the CONGRESSIONAL RECORD Appendix, page A2485, under your leave to extend remarks. In the first column Miss Smedley states the following:

"The wheat loan, given in 1930–31 (as I recall), was allegedly to aid the victims of flood and famine, but it was used by Chiang to feed his armies which were waging war on the Communists."

I was responsible for the handling of the wheat and flour in reference from ship's tackle at the unloading port in China onward. All of this wheat and flour, except portions which I shall mention shortly, were distributed to flood victims, the most considerable portion being paid as wages to the 1,500,000 men who restored the dikes of the Yangtze and Huai Rivers and their tributaries. In so doing these laborers moved a quantity of earth equal to that which would be involved in an embankment 6½ feet high and 6½ feet broad around the world at the Equator.

When the work was done a considerable party consisting of both Chinese and foreign publicists and engineers made a physical audit of this construction so as to verify that the work had actually been done and the quantities were as stated. This is the first inference I have encountered that this huge piece of physical work was accomplished by magic.

The complete story of the above work is carried in the report of the National Flood Relief Commission which is on file in the Congressional Library.

With the permission of the American Government, a few shiploads of wheat were sold to mills on the Yangtze for the reason that we discovered after shipping two trainloads to the Huai Valley that the cars used in hauling the American wheat inland were loaded with native wheat on the return movement to meet needs in Shanghai. By these sales of the American wheat in Shanghai we saved for other economic purposes the precious transportation which otherwise would have been diverted to our uses. In addition, one shipload of flour was sold to the Russians for transportation to Vladivostok. The approximate equivalent of the proceeds of these sales was paid in cash to laborers who restored dikes along the Huai River and its tributaries.

May I hope that this correction can be given the same prominence as was given to the incorrect allegation?

Respectfully yours,

JOHN EARL BAKER.

Address of Hon. Edith Nourse Rogers, of Massachusetts, at Andover, Mass., June 1, 1946

EXTENSION OF REMARKS
OF
HON. EDITH NOURSE ROGERS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 3, 1946

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include my address at the three hundredth anniversary of the incorporation of the town of Andover, Mass., on June 1, 1946:

I come to your beautiful town of Andover tonight with pride and pleasure. Pride that you so generously voted me your Member of Congress; pleasure that I am to take part in your anniversary ceremonies.

It is a great privilege to join in the celebration today of the three hundredth anniversary of the incorporation of the town of Andover and pay tribute to the notable part that its citizens have played in the history of the Commonwealth of Massachusetts and that of the Nation. Andover typifies two great contributions which New England, through the years, has made to the Republic. One contribution is that of character and the emphasis on self-reliance, hard work, and the will to overcome obstacles. The second is the love of and respect for education, which found an expression in the establishment of Phillips Andover Academy, one of the great national schools of the country, long a training school for many of its leaders.

In all our wars, from the Revolution to World War II, the town of Andover has sent forth its sons in generous measure in defense of liberty and freedom. Many Andover boys have cheerfully made the supreme sacrifice. In honoring their sacrifice, we may well recall the immortal words which the Greek poet Simonides, more than 2,000 years ago, used in penning an epitaph on the Athenian dead at Plataea: "If to die nobly is the chief part of excellency, to us out of all men Fortune gave this lot; for hastening to set a crown of freedom on Hellas, we lie possessed of praise that grows not old."

As evidenced by the combat records of its alumni in the two World Wars and other wars, Phillips Andover Academy has been no less eager to serve the country in time of peril, and we can well be proud of the fact that an Andover alumnus, and president of the board of trustees, successfully and brilliantly directed the activities of the largest Army ever mobilized by the American people in their defense—Henry L. Stimson, Secretary of War in the Cabinet of President Franklin D. Roosevelt.

It is a compliment to Andover that Mr. Forrestal, the Secretary of the Navy, your distinguished speaker tonight, has sent his son to Phillips Andover. He has carried the Navy to victory. We are glad he has consented to serve in the emergency of the postwar period.

Andover has also made a very fine contribution to the education of girls. Abbot Academy was the first girls paid school to be incorporated in Massachusetts. Many distinguished women have been graduated from the academy and have been interested in it.

Other sections of the country are a bit envious of the educational leadership of New England and the home-spun New England virtues which have done so much to shape the building of the national character. in this, we of today must nevertheless prove worthy of our heritage, and look to the future and not alone to the past. It is fitting on this historic occasion, therefore, that we recall the suffering, the endurance, and the heroism of the men and women who laid the foundation of Andover and resolve to carry on the torch by applying their virtues and idealism in meeting the many and complex problems that face postwar America.

Citizens of Andover never took their hard-won liberties for granted. They were ever on the alert and ready to defend their freedoms. In this respect they have a great and important lesson to teach us—the lesson that we, too, must be prepared to guard our freedoms against the advances of those who, like the Communists, are seeking through subversive methods and undercover infiltration, to undermine the American way of life and alter our form of government. We want neither socialism, nor communism, nor fascism.

Today, as in the colonial period and the early years of the Republic, eternal vigilance is the price of safety and the preservation of our basic freedoms.

Andover was characterized by a fundamental unity of spirit, and still is. Though there was a variation of economic status among its citizens, a unity of effort marked its activities. As recent events so eloquently show, there is an urgent need today on a national scale of renaissance among all the elements that make up this Nation for this unity of effort.

There is a need, for example, for a better spirit of unity between capital and labor and the general public, a realization by both management and labor and the general public that each is part of the same team and that each has an equal stake in the prosperity and future of the country. Such a unity of effort would do much to improve management-labor relations and the general public relations, promote industrial peace, and increase the level of national prosperity. If unrest continues, the whole economy of the country will be destroyed, and we shall become a second-rate nation.

In his recent book, A Nation of Nations, Louis Adamic pointed out that diversity is a fundamental characteristic of the American people today—diversity of racial strains, religion and cultural and economic backgrounds. People of the English race made up the larger part of the small population of colonial New England. Our population today has grown to approximately 140,000,000, with nearly every country in Europe represented by substantial racial groups, each making a distinctive contribution to our national life.

Whatever their racial origins, all Americans are partners and stockholders in the world's greatest democracy. Racial prejudice has no place in American life, and racial prejudice will never endanger our national unity if we make as one of our major aims the cultivation of toleration, understanding, and good will among all the diverse elements that make up our population.

colleges and universities. In our opinion, the small allotment of trailers to this institution should at least be doubled, probably trebled, in order to meet the demands that will face the college to take care of the married veteran students.

I know you are sympathetic with the problem and that you are doing everything possible to secure approval of the bill that you introduced to the Senate. I wanted to take this opportunity of letting you know that our needs have not anywhere near been met with present legislation, and that additional funds will be needed if we are anywhere near to meet the problem.

Yours very truly,

E. J. HOWELL,
Dean.

WESTMINSTER CHOIR COLLEGE,
Princeton, N. J., March 2, 1946.

The Right Honorable Senator JAMES M. MEAD,
Senate of the United States,
Washington, D. C.

MY DEAR SENATOR MEAD: We, in Westminster Choir College, deeply appreciate your interest in veterans. Our college is a small institution, but next fall we must have housing for these men and do not know which way to turn. So we are appealing to you. Our only hope is what may be made possible through your amendment.

Sincerely yours,

J. F. WILLIAMSON.

MOUNT PLEASANT, MICH.,
February 16, 1946.

Senator JAMES M. MEAD,
Senate Building:

Subject: Bill S. 1770, extending authority of Federal Housing Agencies to meet acute housing shortage for college veterans through new construction.

Please be advised that housing shortage both for married and single veterans is extremely acute at Central Michigan College. One hundred family and 200 single units desperately needed. We strongly support passage of above-mentioned bill. Our application for above number of units has been on file with FPHA office in Cleveland since January 7, and just turned down because of lack of funds on February 13.

CENTRAL MICHIGAN COLLEGE,
N. C. BOVEE, *Business Manager.*

HORACE MANN-LINCOLN SCHOOL,
TEACHERS COLLEGE, COLUMBIA UNIVERSITY,
New York, N. Y., March 16, 1946.

Hon. JAMES M. MEAD,
Senate Office Building,
Washington, D. C.

DEAR SIR: The Government's emergency housing program for veterans as presented by Housing Expediter Wilson W. Wyatt, and its program to place ceilings on new and old housing should be regarded as "must" legislation by our Congress.

You are also urged to support the principles of the Patman bill (H. R. 4761) designed to curb inflationary prices of old and new homes. The prices of houses should be kept within the price range of our returning veterans.

Very truly yours,

T. EARL TILLEY,
Staff.

PHILLIPS UNIVERSITY,
Enid, Okla., February 21, 1946.

Senator JAMES M. MEAD,
Washington, D. C.

DEAR SENATOR MEAD: The housing situation, although eased momentarily, by the supply of 33 prefabricated housing units, is acute, in fact it is distressing here at Phillips University, located in Enid, Okla.

May I refer to Senate bill 1770 and urge you to lend your support to it and every other opportunity to supply immediately the houses necessary for these men.

Very sincerely yours,

EUGENE S. BRIGGS.

THE UNIVERSITY OF TEXAS,
Austin, February 21, 1946.

Senator JAMES M. MEAD,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MEAD: We are in receipt of a copy of your proposed bill to provide housing for veterans attending educational institutions (S. 1770). Any measure such as you have proposed will assist in alleviating the serious housing shortage for veterans at this, as well as other, institutions. It certainly has our endorsement and we sincerely hope that the measure will receive speedy congressional approval.

The University of Texas has one of the largest, if not the largest, veteran enrollment of any school in the South, and we confidently expect to have around 4,000 veterans enrolled at the beginning of our new semester on March 1. The university has done everything it can to provide housing for veterans by enlarging its own dormitory facilities and, in addition, has received several hundred family units under the terms of your earlier measure which appropriated $190,000,000 for the purpose of moving available housing. The University of Texas has also purchased prefabricated units to take care of single veterans; however, with all of this there will likely be a serious shortage at the beginning of the March term, and if predictions come true, certainly in September there will be an even more serious shortage. Therefore, any help that can be given us in providing living accommodations for both single and married veterans will indeed be appreciated by them and by this institution.

Sincerely yours,

THEOPHILUS S. PAINTER,
Acting President.

MONTANA STATE UNIVERSITY,
Missoula, February 19, 1946.

The Honorable JAMES M. MEAD,
United States Senate,
Washington, D. C.

DEAR SENATOR MEAD: On behalf of Montana State University, I want to endorse your effort to provide housing for veterans through new construction as set forth in S. 1770.

During the fall and winter, Montana State University has put forth every effort to secure living accommodations for veteran students. The people of Missoula have made a house-to-house canvass in an effort to unearth possible quarters in the city. We have secured some prefabricated houses, some trailer houses, and some housing units from FPHA, but our need is still critical if we are to provide accommodations for married veterans who plan to enroll here,

Sincerely yours,

JAMES A. MCCAIN,
President.

SOUTHERN STATE NORMAL SCHOOL,
Springfield, S. Dak., February 19, 1946.

Senator JAMES M. MEAD,
United States Senator,
Washington, D. C.

DEAR SIR: Everything possible should be done to secure housing for veterans. Indications are that this institution will soon have more single and married veterans than we can possibly house. We have recently made requests for temporary housing units and trailers but have been informed that the supply had been exhausted for educational institutions.

Sincerely yours,

J. HOWARD KRAMER,
President.

THE UNIVERSITY OF THE SOUTH,
Sewanee, Tenn., February 18, 1946.

The Honorable JAMES M. MEAD,
Washington, D. C.

DEAR SENATOR MEAD: For the University of the South and for myself I would like to write this word in behalf of the bill S. 1770 "to amend the act entitled 'An act to expedite the provision of housing in connection with the national defense, and for other purposes,' approved October 14, 1940, as amended to aid in providing housing for persons attending educational institutions in the pursuit of courses of training or education under title II of the Servicemen's Readjustment Act of 1944."

It is very necessary in my opinion that accommodations be provided for married veterans and for unmarried veterans at colleges and universities if the veterans are to enjoy the privileges and benefits of the educational provisions of the GI Bill. We have done the best we can to take care of married veterans but all accommodations now are filled. Next summer and next fall we will not be able to accommodate the unmarried or married veterans.

I hope very much that the bill which you have introduced or a similar bill will be passed by the Senate of the United States.

With best wishes, I am,

Cordially yours,

ALEXANDER GUERRY.

ROANOKE COLLEGE,
Salem, Va., February 18, 1946.

The Honorable JAMES M. MEAD,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MEAD: Through the courtesy of the American Council on Education, I have had the privilege of reading your bill, S. 1770.

Here at Roanoke College we have a real interest in your proposal since we are under the necessity of declining applications from veterans every day. Colleges like ours prefer permanent housing to temporary provisions which are not satisfactory. As you doubtless know, it is possible to construct first-rate modern dormitories on a self-liquidating basis. Prior to the war, it was possible to pay off the building costs or capital investment from rentals in not more than 25 years. The heavy increase in construction costs at the present time will make this technique impossible unless money can be had at an exceedingly reasonable rate of interest. I believe that if the Government would agree to finance buildings for college dormitory purposes at a rate not exceeding 2 percent per annum, many of our colleges would gladly avail themselves of the opportunity. This would make a cleaner deal than anything else that I can think of and would settle beforehand the relationship between the colleges and the Government at such time as the veteran's program has spent itself.

If you think well of it, I shall appreciate your filing this letter with the Senate Education and Labor Committee whenever hearings are undertaken.

Very truly yours,

CHAS. J. SMITH, *President,*

INDIANA UNIVERSITY,
Bloomington, Ind., February 16, 1946.

Senator JAMES M. MEAD,
United States Senate,
Washington, D. C.

DEAR SENATOR MEAD: I have looked over the statement before Congress by which you introduced Senate bill 1770. It was a fine presentation of the problem. For your information I am enclosing a copy of a letter which I am sending to Mr. Wyatt, Administrator, National Housing Agency. I trust that some early action can be taken on this matter so that we will not be forced to disappoint the veterans who wish to take advantage of the

educational provisions of the Serviceman's Readjustment Act next fall.

Yours very truly,

H. B. WELLS,
President.

[Enclosure.]

FEBRUARY 16, 1946.

Mr. WILSON W. WYATT,
Administrator, National Housing Agency, Washington, D. C.

MY DEAR MR. WYATT: Your regional office in Chicago has advised us by letter under date of February 12 that "it does not appear feasible to consider additional quotas for September 1946 need at the moment." They give as their reason the present drastic shortage of available units to meet programming requirements. The letter also indicated that recommendations you were making may provide additional resources at a later date. Indiana University appreciates very much the assistance it has received in the past in the housing of veterans. We do wish to point out, however, that unless funds are provided at an early date additional housing for September will not be ready. It would seem that Senate bill 1770, introduced by Senator MEAD, would be very helpful in carrying out this obligation.

About December 1 Indiana University filed with Chicago regional office an estimate of needs for September 1946. Since that time we have found that our request was too conservative and, therefore, should be increased, because enrollment is greater than was anticipated and also, because permanent facilities that we had planned to have ready by that time cannot now be completed. It now appears that we will need 500 to 600 family units and 3,000 dormitory spaces for single men. I am attaching copy of a letter which I have recently received from the director of our office of veterans' affairs. I think it is a very good general statement of the present situation. If additional information would be helpful we would be glad to provide some. We trust that you will be successful in working out some early solution of this matter.

Yours very truly,

H. B. WELLS,
President.

UNIVERSITY OF TOLEDO,
Toledo, Ohio, February 16, 1946.

Hon. JAMES M. MEAD,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: I have read with interest your release of January 28, and Senate bill 1770 having to do with permanent housing for veterans.

This institution now has 1,500 veterans enrolled. We expect perhaps 1,500 more by September if we can make room for them. We now have temporary housing for 32 veterans' families in extensible trailers and we have been awarded by the Cleveland office of the FHA 24 more units for married veterans and barracks type houses for 124 single veterans. These accommodations in addition to our permanent dormitories will be of great help to us but of course it is not anywhere near sufficient.

We are planning to build a new dormitory at a cost of about $450,000. We would like to change the design of this building slightly and instead of making it just available for women students we would cut it up into two room apartments each with a kitchenette so that it could be used for a married veteran and his wife. This would add somewhat to the construction cost but the building would be built so that after this need is passed away in 4 or 5 years it could be changed at very little cost to housing single women. That is, it would become a regular women's dormitory and building for the center of other women activities at the University.

Would your bill make it possible for the Government to give us a grant of about $200,000 to go ahead with this building? I think we could find the additional $300,000 so that the building could be put up at once to fulfill the needs for veterans within perhaps 12 months from now. The University does not have funds to go ahead with the complete building and we would not be justified to make it available for the veterans where the need might be only for 3 or 4 years. The modest grant such as I have outlined, however, would make the whole project feasible and we could get started at once.

I have outlined this specific instance in which your bill would make available 45 suites or apartments for married veterans in a permanent building situated on our campus. We figure that the rent for each of these apartments could be brought down to not more than $35 including all facilities except perhaps electricity.

Was it your intention that your bill should cover a case of this sort? If so, I should like very much to come to Washington to testify in favor of the bill when hearings are held. If the case that I have mentioned would not come under the provisions of your bill, I should like to know just how the bill could be used to help in the permanent housing of veterans.

Thanking you for information on this subject, I am,

Yours very truly,

PHILIP C. NASH,
President.

CENTRE COLLEGE OF KENTUCKY,
Danville, Ky., February 15, 1946.

Senator JAMES M. MEAD,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR MEAD: Please accept our sincere thanks for all the assistance you have given in housing veterans, especially married veterans now studying in our universities. We sincerely hope that bill No. S. 1770 will be speedily approved.

It is exceedingly important that the machinery of providing houses should be speeded up. Many GI's just can't find a place to live now. Even when official notice has come that houses have been assigned it sometimes takes a month or 6 weeks before the contracts are signed and a start is made to erect the housing units. At this rate they may be ready for the sons of the veterans.

Another very difficult problem connected with the education of veterans under the GI bill of rights is that of housing the additional faculty members required to teach these men. Our own institution finds it necessary to increase its staff about 50 percent. So far we have not been able to discover a house or apartment for even one of these new members of our faculty. Without these professors it will be impossible for us to receive veterans, so many of whom are applying. It is impossible to expect faculty members to join our staff without some place in which to live. Would it be possible for some provision to be made for these additional members of our staff? Could they be housed in the units provided for married veterans? Without houses for these faculty members there will be no need for houses for married veterans. What can be done about this?

Again thanking you for your interest in these important matters and with best regards, I am,

Yours cordially,

ROBERT J. MCMULLEN,
President.

MISSOURI VALLEY COLLEGE,
Marshall, Mo., February 16, 1946.

Senator JAMES MEAD,
United States Senate Office Building,
Washington, D. C.

DEAR SENATOR MEAD: I am enclosing a copy of a letter which I have sent to Senator FORREST C. DONNELL in regard to S. 1770 housing bill for veterans and the housing situation here at Missouri Valley College in Marshall, Mo.

Sincerely,

J. RAY CABLE,
President.

FEBRUARY 16, 1946.

Senator FORREST C. DONNELL,
United States Senate Office Building,
Washington, D. C.

DEAR SENATOR DONNELL: I am writing you with reference to S. 1770 housing bill for veterans. Our own college (Missouri Valley) was not awarded housing under the Lanham Act. Our enrollment of veterans jumped this semester from 10 to over 80, including 18 married veterans. We were able to house most of them, but it was only by conversion of two domitories into apartment units on a basis involving a good deal of expense and necessary future adjustment. A good many more married veterans would have enrolled if housing had been available. All indications point to heavy demand for admission of veterans at midsemester, in June, and September. Almost no housing will be available. The college has authorized the conversion of the basement of the chapel into a veterans' dormitory. This will be expensive and not too satisfactory, but since we were awarded no housing units, it was necessary to make this provision, although funds for it will have to be provided by public subscription. There is almost no housing available in town. I am sending you this in order that you may have some information relative to conditions in Marshall. I am sending a copy of this letter to Senator JAMES MEAD (New York) and to Mr. Wilson W. Wyatt, Administrator National Housing Agency, Washington, D. C.

Sincerely,

J. RAY CABLE,
President.

THE UNIVERSITY OF RICHMOND,
Richmond, Va., February 15, 1946.

Senator JAMES M. MEAD,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MEAD: I am writing in support of your bill S. 1770. The University of Richmond has already enrolled 850 veterans and is expecting a large increase in enrollment both for the summer session and for the winter session beginning next September. The Federal Housing authorities assure me that the appropriations already made are wholly inadequate to meet the needs of the colleges for the housing of veterans. We at this institution sincerely trust that the Congress may speedily pass your bill S. 1770.

Sincerely yours,

F. W. BOATWRIGHT,
President.

GEORGE PEABODY COLLEGE FOR TEACHERS,
Nashville, Tenn., February 15, 1946.

Senator JAMES M. MEAD,
Senate Building, Washington, D. C.

DEAR SENATOR MEAD: As president of George Peabody College for Teachers I feel that your proposed bill, S. 1770, if passed, will greatly relieve the housing situation for GI's who are begging for the opportunity to attend this college.

At the present time there are 240 veterans enrolled at Peabody—200 men and 40 women. Of this number 105 are married and several have one or two children each. Many of these married veterans live in single rooms in the dormitories or in private homes and have to go out for their meals. This arrangement is much more expensive than living in an apartment unit where they can reestablish normal family life and live on the $90 a month allotted for GI married students.

We applied for 50 housing units through FPHA, under the amended Lanham Act, but have the approval of only 26, which are now in the process of construction. This number hardly begins to take care of our needs. It is painful for us to have to tell married GI's, almost daily, that their applications for enrollment cannot be approved because we are unable to find housing facilities for them. We are in immediate need of 75 additional one- and two-bedroom apartment units, well designed for housing married veteran students.

Under inadequate budgets made leaner by wartime conditions, we are unable to construct these needed housing facilities without financial aid from some source. Your bill would greatly relieve the critical situation with us. We hope it will pass at an early date. If there is anything I can do to help out in the passage of the bill do not hesitate to call on me.

Sincerely yours,

HENRY H. HILL,
President.

BETHANY COLLEGE,
Bethany, W. Va., February 15, 1946.
The Honorable JAMES M. MEAD,
Senate Building, Washington, D. C.

DEAR SENATOR MEAD: We wish to express our endorsement of S. 1770, a bill to aid in providing housing for persons attending educational institutions under title II of the Servicemen's Readjustment Act of 1944.

Bethany College is a small liberal arts college established in 1840, fully accredited by the Association of American Universities and other accrediting agencies. The college has recently spent approximately $60,000 to improve and increase our housing facilities for men.

In addition to this, we have made application to the FPHA at Cleveland, Ohio, for 100 dormitory accommodations and 25 family units. Under the Lanham bill, we are advised that we may receive housing facilities for 20 families or 40 individuals. Unless additional facilities can be provided, the college will not be able to render maximum service in connection with veterans' education. No additional housing is available in the Bethany community. Enrollment at the present time matches the housing capacity of the institution.

If housing can be provided, the college will be able to provide educational opportunities to an additional 100 to 150 men in September. Otherwise Bethany and other colleges will be unable to care for many additional veterans at that time.

We believe that the only way in which this housing can be provided is through a Federal program such as is authorized under S. 1770. We are in favor of the passing of this bill by the Congress at the earliest possible date.

Respectfully yours,

W. H. CRAMBLET,
President.

NORTH DAKOTA SCHOOL OF FORESTRY,
Bottineau, N. Dak., February 18, 1946.
Hon. JAMES M. MEAD,
United States Senate, Washington, D. C.

DEAR SIR: This is to urge the immediate pasage of S.1770 so that more housing will be available for veterans who desire to enroll in colleges next fall.

Recent estimates indicate that the smaller colleges of our Nation would be able to care for at least 400,000 more veterans if housing conditions permitted. It is necessary that this legislation be made effective as soon as possible because this housing, if it is to be most useful, must be ready for occupancy by September 1, 1946.

Let me point out that most of the smaller colleges operating on very limited budgets do not have teaching staffs of sufficient size to start full-year classes at any time other than the beginning of the school year. Therefore veterans desiring to enroll are urged to enter at the beginning of the school year so that a full program of full-year subjects will be available. For this reason the smaller colleges find it absolutely necessary to have any housing projects completed by the 1st of September 1946 is they are to make use of them. Housing projects which are completed after that time will not be of the greatest possible use until September 1947. For this reason it is urged that immediate action be taken on S. 1770.

Our needs at the school of forestry can be met if we can secure 75 units for single students and 25 units for married students. This is the amount for which we made application to FPHA, Chicago.

Sincerely yours,

C. N. NELSON,
President.

RUTGERS UNIVERSITY,
New Brunswick, N. J., February 19, 1946.
Senator JAMES M. MEAD,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: We have been working earnestly here at Rutgers for some months regarding housing problems, particularly for married veterans who are students at this institution or who will enroll in the near future, and also for married veterans who are members of the staff of the university, or who will rejoin the staff in the near future, and we wish to express our appreciation to you for the effective and aggressive manner in which you have tackled this problem.

The bill bearing your name, appropriating approximately $190,000,000 for housing servicemen and their families, is, indeed, splendid and the additional bill providing for an appropriation of some $250,000,000 would be of great additional benefit in helping to solve these problems.

This institution, like others, is endeavoring to do everything possible to provide educational facilities, classrooms, laboratories, dining halls, and the like for these men and the great assistance under your program is most worthy.

Success to you in furthering the plans which you have in mind.

Sincerely yours,

A. S. JOHNSON,
Comptroller.

BREVARD COLLEGE,
Brevard, N. C., February 18, 1946.
Hon. JAMES M. MEAD,
United States Senate,
Washington, D. C.

DEAR SENATOR MEAD: I have before me a copy of S. 1770, a bill introduced by you January 28, 1946, to provide housing for veterans in colleges and universities.

The purpose of this letter is to indicate that there is a real emergency in this field. Brevard College has been able to provide housing accommodations for only about 30 percent of the veterans who are interested in attending this institution. Furthermore, efforts to obtain housing from the Federal Public Housing Authority have not resulted in relief. It seems perfectly evident that more housing will have to be provided from some source if veterans are to be adequately taken care of. I, therefore, strongly approve the bill which you are sponsoring.

Cordially yours,

EUGENE J. COLTRANE,
President of the College.

COLORADO COLLEGE,
Colorado Springs, Colo., February 27, 1946.
The Honorable JAMES M. MEAD,
United States Senate, Washington, D. C.

DEAR SENATOR MEAD: The pressure for admission to Colorado College is acute. In view of the need to care for the returning veterans to this campus, the housing situation is extremely critical. We do not see here in Colorado Springs any signs of lightening of the housing pressure within the near future.

The Federal Public Housing Authority has indicated it will provide additional units for married couples. This will ease the strain as far as married couples are concerned. However, we will urgently need units for at least 50 returning single veterans. Therefore, we are decidedly in favor of the passage of S. 1770.

Sincerely yours,

THURSTON J. DAVIES,
President.

NEW YORK STATE AGRICULTURAL
AND TECHNICAL INTITUTE,
Canton, N. Y., February 18, 1946.
Senator JAMES M. MEAD,
Washington, D. C.

DEAR SENATOR MEAD: I wish to express my hearty support of bill S. 1770 which provides for housing for veterans in education. At this institute, we are already signing up many veterans for enrollment here this coming September, but at the present time there is not a single house available in the town. We must have housing for approximately 300 veterans provided by September 16.

This institute offers 2-year courses in agriculture, home economics, and industrial work, especially technical electricity. We also expect to offer courses in industrial chemistry, plumbing and heating, and mechanical drafting. We plan to give considerable work in dairy industry in addition to the usual courses in agriculture.

That students want to attend here is evident by the number of inquiries that are coming in every day and by the fact that we have close to 100 boys here now.

I sincerely hope that you succeed in having this legislation passed soon and that it can become a reality here in Canton within the next few months for if we do not have housing, we shall be compelled to turn away all the veterans.

Sincerely yours,

VAN C. WHITTEMORE,
Director.

OHIO WESLEYAN UNIVERSITY,
Delaware, Ohio, February 21, 1946.
The Honorable JAMES M. MEAD,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MEAD: I notice that you are definitely interested in trying to help solve one of the most difficult problems that we university people are confronted with, namely, housing for GI's.

Our situation here is this: We have 58 men at the present time who are knocking at our doors to enter school March 1 and we have every facility for them except housing. We will have between 200 and 300 such persons by September.

We have $250,000 available for the building of a dormitory but, of course, it cannot be built at the present time and then, too, the $250,000 is worth only half of that any way.

Anything that can be done by the Congress to assist in this housing program to help solve this problem will be primarily a boon to the GI's, for we do not know what to do with these men. We do not have any facilities that will not be taxed to capacity. Every fraternity house will be filled. We hope to re-do our stadium to take care of 106 men. Every house in town that will open will be occupied and so it goes.

I sincerely hope that something will be done by the Congress at the earliest possible moment and I cannot emphasize too much the earliest possible moment.

Sincerely and cordially yours,

HERBERT J. BURGSTAHLER,
President.

COLLEGE OF ST. THOMAS,
ST. THOMAS MILITARY ACADEMY,
St. Paul, Minn., March 1, 1946.

Senator JAMES M. MEAD,
United States Senate,
Washington, D. C.

Mr. WILSON W. WYATT,
Administrator, National Housing Agency.

Mr. PHILIP M. KLUTZNICK,
Commissioner, Federal Public Housing Authority.

GENTLEMEN: I have just read Senator MEAD's statement on the floor of the Senate on the bill (S. 1770) providing for new construction of housing for veterans pursuing courses of training or education under title II of the Servicemen's Readjustment Act of 1944.

Please let me say that I agree heartily with the purposes of the bill and urge its immediate passage. Our institution has just been approved for a unit of 72 rooms to house unmarried men. We have applied for housing for married veterans, but are informed by FPHA that it is quite unlikely that any can be provided.

Under such circumstances, we have no choice but to refuse admission to married veterans who have no place to live. Such legislation as is proposed in S. 1770 is badly needed if the purposes of the GI bill are to be fulfilled.

Sincerely yours.

Very Rev. VINCENT J. FLYNN,
President, College of St. Thomas.

THE FLORIDA AGRICULTURAL AND MECHANICAL COLLEGE,
Talldhassee, Fla., February 21, 1946.

Senator JAMES M. MEAD,
Senate Building, Washington, D. C.

DEAR SENATOR MEAD: It has been brought to our attention that bill S. 1770 will provide additional housing facilities for veterans who may be seeking training at our educational institutions, and we write to urge and request you to do everything possible in seeing that the bill is given favorable consideration by the Senate.

There is a definite emergency need facing our institution, as well as the others in our State, for improved facilities, and we would certainly appreciate anything that you may be able to do for us in this matter.

Respectfully yours,

WILLIAM H. GRAY, JR.

ALBION COLLEGE,
Albion, Mich., February 21, 1946.

Senator JAMES M. MEAD,
United States Senate,
Washington. D. C.

MY DEAR SENATOR MEAD: Since Albion College is faced with the shortage of housing for veterans of World War II, who are returning to complete their education or to begin with the freshman course, we urge you to give favorable consideration to Senate bill 1770. The great expansion in industrial activity in the city of Albion during the war caused a shortage of rooms in private homes. Men students returning from the service are finding the rooms occupied by men and women employed in local factories.

The Federal Public Housing Administration is relieving the shortage of rooms for single men to some extent by furnishing us with a dormitory that will house 50 men. By the opening of our fall term next September we are certain that there will be need for additional housing to care for 150 single men and 50 married students and their families.

The opportunities for veterans to obtain food at reasonable prices are limited in this city. We must, therefore, provide a dining room which will house boarding facilities for 300 men. It is evident that every college and university in America is making every effort to meet the present emergency which has risen out of our desire to give returning veterans every opportunity to obtain an education. Favorable consideration of Senate bill 1770 by your committee will mean more than can be described by words to the thousands of veterans and their families who are seeking education in the colleges and universities of America.

Sincerely yours,

PAUL R. TRAUTMAN,
Business Manager.

LOWER COLUMBIA JUNIOR COLLEGE,
Longview, Wash., February 19, 1946.

Senator JAMES M. MEAD,
United States Senate,
Washington, D. C.

DEAR SIR: S. 1770 has come to our attention and we are very much interested. Veterans are finding it impossible to attend colleges and universities because of the housing shortage. The passage of such a bill would make it possible for veterans to take advantage of the GI bill.

At Lower Columbia Junior College we need 50 units for married veterans and accommodations for 75 unmarried veterans.

Anything that can be done to make housing possible will be appreciated both by colleges and veterans.

Yours very truly,

T. D. SCHINDLER,
President.

POMONA COLLEGE,
Claremont, Calif., February 20, 1946.

Senator JAMES M. MEAD,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR MEAD: I have read with much interest your bill, S. 1770, which proposes to extend the authority of the Federal housing agencies to include new construction to relieve the acute housing shortage for veterans in colleges and universities. I am in thorough accord with this proposal and hope very much that the bill may be passed.

Sincerely yours,

E. WILSON LYON,
President.

LEHIGH UNIVERSITY,
Bethlehem, Pa., March 5, 1946.

The Honorable JAMES M. MEAD,
Washington, D. C.

DEAR SENATOR MEAD: This letter is written with reference to the bill introduced by you on January 28, 1946, S. 1770, proposing new construction to supplement other efforts now being made to provide housing for veterans attending higher institutions under the Servicemen's Readjustment Act.

It is the hope of many who are concerned with veterans and their education that the Congress will extend every reasonable and possible aid toward early relief of the housing situation, especially in connection with married veterans, in colleges and universities.

Lehigh University has been certified by FHA as having critical need for 100 family housing accommodations, and application for such housing is now before FPHA. Situated in Bethlehem, Pa., in which the overall situation is such that FPHA has recently allocated an additional 120 units of family housing to the city, the university has other moves under serious consideration. Of 1,500 to 1,600 students enrolled for this coming semester, 75 percent will be veterans. We have overloaded the dormitories and are setting up temporary cots in the gymnasium. We are attempting to buy certain properties to be converted to apartments for married veterans. We have appealed, by advertisement and letter, to the townspeople to open up their homes. All of our efforts have met with some success, but a critical shortage in housing still faces us, and will become worse, as more of our veterans return during the year. The need, present and prospective, is still not met nor approximated.

The housing shortage is national in scope, but with the GI bill in effect the colleges and universities have become points of severe intensification of the widespread difficulties. The problem presented by great numbers of married veterans, with families and normal increases therein to be expected, is one which is completely outside the general experience or normal function of higher institutions at the undergraduate level. Coping with such a problem, with time of the essence, is likewise simply beyond the resources of the typical college and its community.

Our Nation was able to implement its wartime purposes with overwhelming success; now, expressed in the GI bill, the education of veterans is an impotrant peacetime purpose whose achievement depends on similar swift and purposeful marshaling of resources which are available or can be made available. The problem is over-all; it requires over-all action in at least some measure.

In this matter, now, or soon, either (i) the Nation makes it effectively possible for thousands of veterans to advance educationally or (ii) the GI bill becomes and will remain, for many men, in retrospect, a tragic mockery.

Lehigh University and the hundreds of veterans we want, but are unable to accommodate, urge you to support Senate bill 1770 and other appropriate legislation.

Yours very truly,

E. K. SMILEY,
Vice President.

STERLING COLLEGE,
Sterling, Kans., March 5, 1946.

The Honorable JAMES M. MEAD,
The Senate, Washington, D. C.

DEAR SENATOR MEAD: I have a copy of your bill to expedite the housing situation for veterans in college, and I am quite interested in it. However, I should like to call your attention to one phase of this situation which seems to have been overooked.

So far, the Government's cooperation in providing housing in the form of trailers, housing units, etc., has taken into account only the large colleges and universities, while many of the small colleges in America would be just as desirable, and, in some cases, more so, but they, too, are located in places where the housing situation is serious. Whatever is done, it seems to me, should be done to include all institutions, whether their needs be large or small.

If I had some way to take care of 8 or 10 families here, it would be a great convenience to these men and a help to a college which has been doing a fine piece of work. I know of many other such institutions in the United States. Of course, what is done should be planned rather promptly, because these men are eager to get into school, some of them for the summer term, and certainly not later than September.

I shall watch the progress of this matter very closely.

Thank you for your efforts to alleviate these difficulties.

Very sincerely,

H. A. KELSEY.

CENTRAL COLLEGE,
Fayette, Mo., March 7, 1946.

Senator JAMES M. MEAD,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MEAD: I certainly am for the amendment which you propose—S. 1770.

There is a matter which I think should be taken into consideration with it and that is housing for the faculty members to teach the increased number of veterans on campuses of colleges and universities.

With kindest regards, I am,

Sincerely yours,

HARRY S. DEVORE,

SAN BERNARDINO VALLEY JUNIOR COLLEGE,
San Bernardino, Calif., February 19, 1946.
Hon. JAMES M. MEAD,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MEAD: Notice from the American Council on Education indicates that you have introduced Senate bill No. 1770 as a means of providing funds whereby the Federal Government can increase housing facilities for veterans in educational and training institutions. The San Bernardino Valley Junior College is very much interested in the passage of such legislation, and it is very much in need of housing facilities for veterans returning from service who desire to continue their education.

The student population of the college has increased 100 percent within the college year. We have now about 165 veterans enrolled. At the opening of the fall term in 1946, we anticipate that the number will be probably in excess of 500. The number registered during the fall term will depend upon housing facilities, because there are at the present time no housing facilities to take care of either married or unmarried veterans who desire to attend this institution.

The San Bernardino Valley Junior College has no funds with which to construct housing facilities for veterans. Because we are a free public institution, supported by local and State taxes, it will be impossible for us to raise the necessary funds to build housing facilities for veterans without Federal aid. We have the space on our campus where housing facilities could be located and are willing to cooperate with the Federal Government in providing these living accommodations if money for such purposes were made available through Senate bill No. 1770.

This letter is written as a note of endorsement to the action you have taken in presenting the bill. Any help that can be given to colleges and universities in the country for the purpose of providing housing facilities for veterans and their families will mean much in the development of the whole program of veterans' rehabilitation throughout America.

Most sincerely yours,
JOHN L. LOUNSBURY,
President.

Mr. MEAD. Mr. President, the plight of the colleges and universities, some of which are mentioned in these communications, should recommend itself to the immediate attention of the Congress. As I stated a moment ago, we are calling upon them to accommodate the hundreds of thousands of veterans for whom we provided in the GI bill of rights, but unfortunately at that time we failed to make provision for the physical necessities, the expansion of classrooms and of college buildings, and the provision of adequate housing. I doubt very much whether we touched that subject to any marked degree in the temporary legislation which we have heretofore passed, and I doubt very much whether we can remedy that condition as it affects our colleges and universities in the pending legislative program. It may be necessary, and I believe it will be necessary, to consider the legislation which I have mentioned, Senate bill 1770, in order that we may come to the aid of the colleges and universities so that they can actually and physically accommodate the students who have been provided for in the GI bill of rights.

I trust, Mr. President, that Congress will enact these pending bills expeditiously, and then will proceed to a consideration of the question which is raised in these communications, namely, the necessity for assisting the colleges and universities of the country in order that they may adequately take care of the veterans as provided for in the GI bill of rights.

Mr. CAPEHART obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. CAPEHART. I yield.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gurney	O'Mahoney
Austin	Hart	Overton
Ball	Hatch	Pepper
Bankhead	Hawkes	Radcliffe
Barkley	Hayden	Reed
Bilbo	Hickenlooper	Revercomb
Brewster	Hoey	Robertson
Bridges	Johnson, Colo.	Saltonstall
Brooks	Johnston, S. C.	Shipstead
Buck	Kilgore	Smith
Bushfield	Knowland	Stanfill
Byrd	La Follette	Stewart
Capehart	Langer	Taft
Capper	McCarran	Taylor
Carville	McClellan	Thomas, Okla.
Connally	McFarland	Thomas, Utah
Cordon	McKellar	Tunnell
Donnell	McMahon	Vandenberg
Downey	Maybank	Wagner
Ellender	Mead	Wheeler
Ferguson	Millikin	Wherry
Fulbright	Mitchell	Wiley
Gerry	Murdock	Willis
Gossett	Murray	Wilson
Green	Myers	Young
Guffey	O'Daniel	

The PRESIDING OFFICER. Seventy-seven Senators have answered to their names. A quorum is present.

Mr. CAPEHART. Mr. President, I send to the desk an amendment to House bill 4761 which I submit and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 40, beginning with line 17, it is proposed to strike out all down to and including line 13 on page 42.

On page 42, in line 14, it is proposed to strike out "Sec. 13", and insert "Sec. 12."

Mr. CAPEHART. Mr. President, the purpose of the amendment is to eliminate entirely the provision that the Government shall guarantee to any manufacturer a market for a portion of the houses which he may be unable to sell. I believe that the wording of that section of the bill itself proves the wisdom of my amendment. I shall read paragraph (4) on page 42:

> Emphasis shall be placed upon avoiding either economic dislocations or adverse effects upon established business.

There must have been some fear in the minds of those who drafted this measure that it might result in the very things they mention in that paragraph

On the same page paragraph 5 provides that—

> New type materials and prefabricated houses shall be tested for sound quality and (in the case of such houses) for durability, livability, and safety.

Mr. President, if such houses are to be tested for sound quality, durability, livability, and safety, after the houses are found to meet those tests why should the Government guarantee the manufacturer a market for them? Furthermore, who knows whether after it is found that the houses meet the prescribed qualifications, it will be possible to say with correctness that they are livable, durable, and safe?

Therefore, Mr. President, I say that if houses meet all those requirements, it certainly is not necessary to guarantee the manufacturer a market for them, because under present conditions there is a great demand for houses and a great shortage of houses in the United States. In view of the demand and the shortage, if the houses built under this measure meet the requirements I have just stated, why should the Government be so foolish as to guarantee a market for them?

Then we find paragraph (6) on the same page which provides:

> (6) Any underwriting or guaranty shall require adequate showing by the producer that he has sufficient working capital and experience, and that he can achieve the desired production on time under conditions satisfactory to the Housing Expediter.

If a manufacturer meets those requirements, and if he is well financed and is going to build a good house, why should the Government guarantee that he will be able to sell it?

There is nothing new about prefabricated houses. That type of construction has been followed for approximately 20 years. The manufacturing of prefabricated houses is a proven industry. The manufacturers of new material and the manufacturers of prefabricated houses will be guaranteed, under the terms of this bill, through the priority system, through the authority given the Housing Expediter, through an allocation system, materials for the purpose of building all the houses which they have the capacity to build. Indirectly, they will obtain benefits as a result of subsidies, should the provision pertaining to subsidies remain in the bill.

Therefore, Mr. President, I can see no reason in the world why the Congress should guarantee to any manufacturer that the Government will purchase a part of his product in the event that he cannot dispose of it. There is no more reason for guaranteeing to the manufacturer of prefabricated houses that he will be in position to dispose of his products, than there is for guaranteeing similarly with reference to the manufacturer or builder of the conventional type of house. Such a guaranty would establish a bad precedent in America. It would not insure the construction of even one additional home. If our Government, in guaranteeing to new manufacturers in the building of prefabricated materials, is to establish a precedent of that kind, it is possible that the manufacturers may be encouraged to manufacture inferior materials, and within 2 or 3 years it might be found that the United States Senate had been responsible, indirectly, for having provided the veterans of America thousands and thousands of houses of an inferior quality. In that event we would have done the veteran a grave injustice.

Mr. President, I ask for the yeas and nays on the adoption of the amendment.

The PRESIDENT pro tempore. Is the request sufficiently seconded?

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, before we vote, I wish to address the Senate with reference to the amendment.

The same objection, in substance, which is now being urged with reference to the guaranty was made when we passed the Federal Housing Authority to insure loans made on homes. Objection was made at that time on the ground that the Government would be involved in tremendous losses by reason of the insurance of the loans. As a matter of fact, there has not only been no loss on the part of the Government but actually a profit by reason of the insurance of loans under the Federal Housing Authority.

The object of this guaranty, Mr. President, is to induce persons to enter into the construction of new materials and prefabricated houses which are to be subjected to a severe test. The word "fabricated" denotes no inferiority of quality. It merely indicates that a house may be constructed more rapidly by being built in sections at a factory or a plant and shipped to the place where it is to be erected, thereby facilitating speed and obtaining a house which is just as durable, just as practical, and just as convenient as if it had been erected brick by brick, plank by plank, and nail by nail.

The provision which the Senator from Indiana seeks to eliminate from the bill provides all the safeguards which are necessary for the protection of the Government. The Expediter is to see to it that not more than 5 percent of the total value of the houses guaranteed shall be involved, so far as the Government is concerned, and that at no time may there be a guaranty outstanding on more than 200,000 houses. Such a provision is necessary in order to obtain as quickly as possible the largest number of houses for the use of veterans during the emergency which now exists. While some risk is always involved, no risk is involved which is not justified by the existing need. While it is true there has been, in a sense, an industry engaged in the manufacturing of prefabricated houses during the period of approximately the past 20 years, the industry has not expanded as rapidly as it possibly could have expanded, nor as rapidly as the present emergency demands. In order to afford some assurance that there will be a market for the sale of houses built by those who otherwise might not feel justified in building them on a large scale, the committee has felt that the risk of loss which may be involved is not in any way comparable to the need which exists for such houes, and that in the long run no losses will be involved on the part of the Government.

I sincerely hope that the Senate will not eliminate the provision in the bill relating to the program of obtaining houses as soon as possible for use by the millions of veterans who, with their families, desire and need housing facilities.

Mr. LANGER. Mr. President, I should like to propound a question to the Senator from Kentucky.

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from North Dakota?

Mr. CAPEHART. I yield.

Mr. LANGER. If the guaranty to which reference has been made is to apply to 200,000 houses, why should it not apply to all the houses which may be constructed?

Mr. BARKLEY. The theory back of the limitation to 200,000 houses is that the plan calls for constructing 350,000 prefabricated houses during a 2-year period of time. Those houses will be sold. There will be a constant turn-over in connection with the buying and selling of those houses. The committee feels, and I personally feel, that there will be no need at one time for extending the guaranty to more than 200,000 houses, because as they are sold the necessity for the guaranty will be gradually eliminated. Even in those cases in which it will be necessary for the Government to take over the houses, the Government in turn will sell them and there will be no occasion for guaranteeing the sale of all the 850,000 houses, because they will be sold. But assurance is to be given that there will be a market for the houses if the veterans do not take them. I believe that they will take them. However, there is no need of a guaranty at any one time with relation to more than 200,000 houses.

Mr. CAPEHART. Mr. President, I may say that the manufacturers in America of prefabricated houses are opposed to the guaranties.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. BARKLEY. If the Senator has read yesterday's RECORD, he has seen on page 3283 thereof the statement which was published on Sunday in the newspapers by the Prefabricated Home Manufacturers Institute endorsing the provision of the bill about which we have been discussing. The Institute had opposed the provision because it was afraid that the provision might give rise to the construction of a cheap type of dwelling which might in some way damage the prefabricated house industry. However, after receiving assurance from the Expediter that he had no purpose to cheapen the quality of the houses which will be constructed, and that their quality would be equal to the quality of other houses, the institute not only withdrew its objection but issued a statement in which it endorsed the proposal.

Mr. CAPEHART. Mr. President, there is or there is not a shortage of homes in America. If there is a shortage, and if there is a tremendous market for homes in America, there is absolutely no sense in the Government's guaranteeing to any manufacturer that he will be able to sell his houses.

I again express the hope that the Senate will adopt the amendment.

Mr. MITCHELL. Mr. President, I rise in opposition to the amendment offered by the Senator from Indiana [Mr. CAPEHART]. I think the guaranty of a market for new materials, and of new methods of construction, is the vital part of the housing program.

Mr. President, the veterans' emergency housing program, as described in detail by Mr. Wyatt before the Senate Banking and Currency Committee, calls for the building of 850,000 prefabricated homes by the end of 1947. This represents almost one-third of the 2,700,000 homes which the program aims to get built in the same period.

Mr. Wyatt realizes, as we all must realize, that we are confronted with a condition, and not a theory. Veterans must have houses quickly, in sufficient quantities and at moderate prices. No amount of theorizing will dispel the need, and no stone can be left unturned in order to satisfy it. The large role assigned to prefabrication in the emergency program arises not from any particular predilection for this type of housing, but from the inescapable fact that customary methods of house building cannot alone satisfy the need or get the job done.

The whole country, not Mr. Wyatt alone, is rapidly becoming aware that houses in the volume required, and at a cost adapted to the veteran's pocketbook, cannot be produced exclusively by traditional methods. Engineers, technicians, and builders throughout the land are putting science to work on the housing problem. Every day new ideas are bearing fruit in cost-saving materials and methods.

Fortune magazine, which devotes its entire issue of April 1946 to housing, states editorially that "Public impatience with the archaic state of the house-building business and the traditional excuses offered for it is growing effective." In its opening paragraph, the Fortune editorial says:

> Fourteen years ago this magazine observed that the mass production of houses was perhaps the greatest single opportunity of the age. A lot has happened in housing since 1932 and what was then an opportunity of large but somewhat distant promise is now taking shape. In 1946 the man who wants to mass-produce houses can draw on a national surplus of industrial plants, which is a legacy of the war; new materials and new production techniques, many of them developed during the war; and cheap and plentiful investment capital. Most important of all, he can sell his product in a market that is desperately eager for anything with roof, walls, and plumbing.

To cite but one more of numerous public expressions on this matter, I quote from an editorial on housing in the Washington Post of March 28, 1946:

> Hope for achievement of the ambitious housing goal that has been laid down by Expediter Wilson Wyatt depends in considerable measure upon the development and use of new methods and materials. If we had to rely entirely upon the old-fashioned method of putting up a house brick by brick and board by board, the acute shortage of living quarters throughout the land might not be overcome in a decade. But invention and mass-production methods are playing a constantly larger part in housing, and one of Mr. Wyatt's foremost aims is to stimulate this tendency. * * * Home building in America has in the past lagged strangely behind most of our other major industries. It is still in the "horse and buggy" stage, and we are going to find it extremely difficult to provide decent homes for all our people until the full

play of American inventive genius and mass production are applied to the construction of living quarters. Especially in this period of critical shortages the public will be inclined to applaud every effort to bring new materials and factories to the service of families who are overcrowded or homeless.

The reference in the Post editorial to Mr. Wyatt's program as ambitious is true only in the sense that the building industry will have to produce at a rate never before achieved. The goal is not ambitious in terms of existing need. It is a bare minimum. If all the houses called for in the veterans' emergency housing program are built by the end of 1947, there will still remain 4,000,000 families living doubled up.

In considering the pending housing legislation, let us bear in mind that more houses must be built this year than were constructed in the peak year of the home-building industry, 1925. In 1947 the volume must be 50 percent greater than the all-time peak. To satisfy the minimum of veterans' housing needs, the building performance of the entire decade of the 1930's will have to be exceeded in the next 2 years.

Mass production of housing is essential not only for speed, but for cost-saving opportunities. Fabrication of houses at the site and in the factory will effect the economies necessary to put new housing within the reach of veterans. The cost of the structural shell of the average house has been estimated at 60 percent of total cost. The greater savings, therefore, can be made by reducing the capital costs of housing. Improved techniques and new materials provide the answer.

The answer will not come ready-made. An intensive program of housing research must be conducted to put mass production of housing on a par with other modern industrial processes. As the Fortune editorial points out:

The industrialization of the house is more than a matter of mass production. It is also a matter of engineering, technique, and materials. The present prefabricators basically are building conventional houses indoors, or manufacturing their larger parts for assembly outdoors. The industrialized house will have to be an entirely new house, the product of new design and new engineering. Here are openings for a spectacular increase in the amount of housing value the dollar can buy.

Producers can undertake to fabricate houses on a large scale only if a mechanism is established for ready and systematic distribution to consumers. The Government proposes, in the legislation before us, to offer a guaranteed market.

Mr. Wyatt has given his assurance that rigorous standards will be adhered to in offering Government guaranties for prefabricated houses and new-type materials, and these standards are written into the bill. In summary: First, prefabricated houses and new-type materials will be encouraged only to supplement and not to supplant conventional housing; second, the Government will get full return for its financial outlay or, alternatively, experience a lower net cost than is entailed by any other available method of achieving the necessary expansion of housing; third, the guaranties will be of temporary duration; fourth, emphasis will be placed on avoiding economic dislocations or adverse effects on established business; fifth, prefabricated houses and new-type materials must meet sound and tested quality standards; sixth, the producer must demonstrate his financial and technical ability to achieve the desired production.

These standards meet all the objections of the opponents of the housing program. If anything, the standards are too limiting. They show timidity and caution where boldness and daring are needed. I would say they reveal an overscrupulous concern for vested interests that are trying to hold back housing production. I say that no such interest should be permitted to stand in the way of housing so desperately needed by our veterans.

It is important to understand the nature of the campaign that is on foot to discredit the prefabrication part of the housing program. In part, this stems from the usual resistance to scientific change and technical progress. Advancing industrial technology to meet changing needs of society always encounters some opposition.

But this campaign is most violently encouraged by a small group of speculators who hope to profit from an enduring scarcity of houses. They fear that houses produced in volume will reduce costs and squeeze the water out of inflated real-estate values. They are falling all over themselves in their anxiety to reap windfall profits while discrediting the housing program and causing confusion in the public mind by all sorts of derogatory slogans. Their arguments when put side by side do not make much sense. This is to be expected when the object is confusion rather than clarification.

If we hearken to their strident demands and fail to pass the pending bill as amended by the Senate Banking and Currency Committee, we will regret the day that sanctioned a betrayal of our veterans. And the opponents of veterans' housing will regret it likewise, for failure to act now will prompt the veterans to demand that the Government go into the housing business directly. Public-opinion polls show striking evidence of this sentiment on the part of veterans. I say let private enterprise do the job with the help and encouragement of the Government. If we ignore the tremendous support of the American people for the full Wyatt program, we will be asking for something far worse.

Mr. TAFT. Mr. President, in the first place, I think the Wyatt program for 650,000 prefabricated houses in 1947 is out of all reasonable proportion. The million and a half houses he seeks to have constructed is, I think, a reasonable goal, difficult to attain, but I think attainable. But a program of 650,000 prefabricated houses, when they never have been manufactured in quantities of, let us say, more than 50,000 a year, is certainly highly experimental. I do not think it is sound. It is all very well to say that the Government is not interfering, but the Government is interfering. It must take materials for prefabricated houses from the builders of conventional-type houses.

There is no evidence whatever that prefabricated houses are cheaper than conventional houses. There is no claim that they are cheaper. I talked to the largest manufacturer of prefabricated houses at Christmas time, and his claim was that his houses were better. The Dymaxion house, which have been pictured here, in which different materials are used, will cost, on a very high production basis, $5,000 at the factory, which means that it will cost the veteran probably $6,500 to $7,000 when it is finally completed. They are no cheaper than conventional-type houses.

The guaranty called for puts the Government into the business of making prefabricated houses in competition with the ordinary conventional method of building houses.

I am in favor of encouraging the building industry, and without any legislation the RFC can finance them, can finance their building, can give them every help, and therefore I can see that if they can build a house the people want, they will have no difficulty in selling it without a guaranty. The only thing that is going to prevent their selling their houses, the only thing that is going to throw them back on the Government's hands, is the fact that people will not buy them, that they are not making the houses attractive to the people who want to live in the houses. If they can make a house that is attractive, then the house can be sold by them without any Government guaranty.

Mr. CORDON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Oregon?

Mr. TAFT. I yield.

Mr. CORDON. There is one matter which has been troubling me, and that is the prefabricated houses and the President's proposal to guarantee them. Assuming there be no guaranty, is it the Senator's understanding that the provision giving the Expediter authority to make premium payments would apply to prefabricated houses?

Mr. TAFT. Not to the houses as a whole. I think it might apply to some of the materials the prefabricator handles and probably processes in the steps leading up to the construction of the houses.

Mr. CORDON. I note on page 39 of the bill the use of the words: "The value of the units of production to which premium payments are applied." I wonder if the Senator feels that the term "units of production" might be broad enough to include the units of production in a prefabricated house, which would be all the materials, sized, measured, and ready to go into the house when it is erected?

Mr. TAFT. If the Senator wishes to go back to the premium payments, at the top of page 39 they are confined to "materials for the veterans' emergency housing program and for other construction, maintenance, and repair essential to the national well-being." The Housing Expediter must find that premium payments are "temporarily necessary to increase the supply of materials for the veterans' emergency housing program" and for other purposes.

I do not think the word "materials" is defined. I saw a definition of it once, but I could not find it anywhere in the bill, so I think we would have to define the word "materials" ourselves, and I do not think it would include prefabricated houses.

Mr. CORDON. Does the Senator believe that prefabricated materials, with the additional work and labor necessary to prepare them, might be included?

Mr. TAFT. If a prefabricated material manufacturer found a shortage of certain classes of materials, premium payments could be applied to them. If he himself were making some of those materials the payments could be applied to his manufacture of those materials. But I do not think they could be applied to the whole house under present conditions.

Mr. President, I have already expressed my opinion. I think also in this field, as in the other fields, there is an absolute discretion. The Government can decide "We like this housing manufacturer. We will guarantee him. Here is another one we do not like, and we will not guarantee him." I do not think the judgment of the Government as to what kind of houses American veterans and other citizens want to buy is of any real validity. It is hard for anyone to tell, but certainly a prefabricator himself ought to satisfy himself and ought to make a house that can be sold. That should not be decided by the Government. In effect in this part of the program, and only in this part of the program, the Government is telling the people of this country what kind of housing they will have to live in, because the Government is diverting the scarce materials to the manufacturer of particular kinds of houses which the Government says ought to be manufactured, and when they are manufactured, of course they are going to be sold somewhere. The Government may have to take them over, but if the Government takes them over at $5,000 the Government can probably sell them for two or three thousand dollars anyway, even if they are not marketable at their cost price.

So it seems to me that here the Government is stepping into the whole housing program and telling the people just what they will have to live in, as the Government is not doing under any other part of the bill. The other provisions of the bill are concerned only with the stimulation of the production of building materials for every kind of houses, prefabricated, conventional, temporary—every other kind covered by the program.

Mr. President, I myself feel that the bill would be much sounder if there were no such guaranty provisions for prefabricated houses.

Mr. OVERTON. Mr. President, I have not been able to attend the sessions throughout the debate on this phase of the bill. I do not know whether the thought which I am about to utter has been given expression to or not, but I think it is worthy of some consideration. The business of prefabricating houses will be concentrated necessarily in a comparatively few large concerns to the exclusion of men locally engaged in industry. It will deprive of employment the carpenter and the bricklayer, the retail lumberyard, and all those activities which locally supply labor for the construction of homes, and which represent the traditional American way of building American homes.

I am opposed to this phase of the bill. I think it is bad legislation, and I shall vote for the amendment to strike it from the bill.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. BARKLEY. Does the Senator from Louisiana realize that the American Federation of Labor, which contains within its membership practically all the building trades of the United States, has endorsed this legislation in its entirety?

Mr. OVERTON. Any endorsement by the American Federation of Labor has absolutely no influence on me.

Mr. BARKLEY. But the American Federation of Labor——

Mr. OVERTON. I care not what they may have done.

Mr. BARKLEY. The American Federation of Labor is supposed to be interested in the welfare of the carpenters and bricklayers who are the object of the Senator's solicitude in this regard.

Mr. OVERTON. The trouble is, Mr. President, that the Members of the Senate and the Members of the House have constantly to subordinate their views, as representatives of the American people, to the CIO and the A. F. of L. I for one am tired of it. I shall vote independently of either organization.

Mr. BARKLEY. I merely thought the Senator would be interested in the attitude of a national organization which has in its membership the very workers to whom he referred and for whose interests the organization would be supposed to have some regard.

Mr. OVERTON. Let me ask the able Senator a question. Does he not think that prefabrication of houses will be controlled by a few large concerns to the exclusion of the local retail dealer and the bricklayer and the carpenter?

Mr. BARKLEY. No, I do not think so. I think that one of the reasons for this guaranty is to encourage people, some of whom have never been engaged in that business, to go into the manufacture of prefabricated houses. When we consider the welfare of the veteran, for whose benefit this legislation is designed, we must weigh his benefit and the benefit to his family in finding a home in which to live, against any interest, local or national, that might wish to build houses nail by nail and plank by plank. It is only a temporary measure in order to meet an immediate need.

Mr. OVERTON. I am for taking care of the veterans. I shall support this bill to the extent that it is necessary to build houses for the veterans. I think they ought to be supplied with houses and with loans. But if we strike out the $600,000,000 for premium payments and the provisions in regard to prefabricated houses we will have a good, workable bill.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. OVERTON. Not just now. I shall yield in a moment. We will construct homes for the veterans. I have gone into that matter twice during this debate and undertaken to show that if we leave out the incentive payments, or subsidy payments, and leave out the provisions having to do with the prefabrication of houses, we will still have a splendid, workable bill.

Mr. BARKLEY. Of course, I do not agree with the Senator.

Mr. OVERTON. I know the Senator does not.

Mr. BARKLEY. I think if we should strike out this provision we would strike out the heart of the legislation, and even though as many houses might be built under some other plan, they would cost the veteran a considerable amount more per man and per family than they would cost him under this program.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. WHERRY. I might read from the RECORD a letter recently printed therein, which I think will answer the question which the Senator raised, whether or not prefabricated houses would be produced by a few individuals. There was printed in the CONGRESSIONAL RECORD of March 21 a letter written by Chester Bowles to the Honorable Wilson Wyatt, at a time when this matter was discussed in the House. In division 3, paragraph (d), of the letter written by Chester Bowles we find this language:

> The Federal Government must move vigorously in this direction.

He is talking about the production of prefabricated houses.

> We have today a large number of plants, notably the airplane plants, which are suited for the construction of prefabricated houses; and we have, too, men of vision and boldness and drive, such as Henry Kaiser and many others, who have demonstrated that they can develop the methods which are required for speedy production.

That is of this type of housing. That statement in the letter, Mr. President, is to me at least conclusive evidence that what Chester Bowles had in mind, and what Mr. Wyatt had in mind, was that if we adopted this program we would underwrite such men as Mr. Kaiser, who want a guaranty on prefabricated houses, and we would take business away from hundreds of thousands of small contractors who could today build these little houses in every hamlet in the land.

Mr. President, I think the Senator from Louisiana has contributed greatly to this debate and discussion, and he is absolutely correct when he says that the manufacture of these prefabricated houses would be in the hands of a few individuals. The fact that Mr. Bowles is so bold as to mention Henry Kaiser in this letter is convincing evidence of that fact.

Mr. OVERTON. I thank the Senator for his contribution. He has expressed my thought even much more clearly than I was able to do.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. LANGER. Does the Senator know of any reason why there should be a guaranty in the case of prefabricated houses, and not in the case of ordinary houses?

Mr. OVERTON. There is no special reason. Offhand, I suppose the reason is this: The prefabricated building industry is a new industry, and the large concerns wish to play on the safe side. They are not like the small contractors back home. They take their chances, but the large operators do not propose to take any chances. They want Uncle Sam back of their enterprise. Otherwise, they are not going into it. Mr. Wyatt knows it. Mr. Bowles knows it, and others know it. The large operators are not going into the business of producing prefabricated houses unless they know they are going to come out on top. In order to come out on top in that venture they want the guaranty of the United States Government; and they will get it if this bill is passed, to the detriment of the local home folks. I do not care what the A. F. of L. has to say about it. It is obvious to me that when houses are prefabricated by large concerns in the great centers of population, local industry is destroyed.

Mr. BARKLEY. Mr. President, I am sorry that I offended the Senator from Louisiana by mentioning the American Federation of Labor. I mentioned it merely because most of the carpenters and members of other building trades in the United States are affiliated with the American Federation of Labor, which has endorsed this legislation in the interest of the veterans.

The Senator from North Dakota [Mr. LANGER] asked the Senator from Louisiana [Mr. OVERTON] why there should be a guaranty in the case of prefabricated houses when there is no such guaranty in the case of houses built by a local carpenter.

There is nothing new in the industry of building houses locally of brick, stucco, cement, or lumber. The prefabricated housing industry is new. It is a timid industry. It is easy to raise a bogey against something which one opposes anyway, when he wants to find a bogey to help him fight it.

Mr. Kaiser's name was mentioned in a letter written by Mr. Bowles to Mr. Wyatt. Mr. Kaiser is not in the prefabricated house business. He has been in the shipbuilding business during the war. He has now gone into the automobile business. So far as I know—and there was no testimony on the subject—he does not even contemplate going into the prefabricated house business. All Mr. Bowles was doing was calling attention to the fact that there are a large number of Government factories, built for war purposes, which are now idle and which could be used to build these houses.

Prefabricated houses are built from the same materials as are the conventional type of houses. The lumber comes from the same trees, and they are constructed from the same kind of bricks.

In the case of the FHA we insured loans on houses in the United States. Let me say to the Senator that the FHA insured more than 3,000,000 houses in the United States. There was no loss, but the insurance was a guaranty in order to induce lending agencies, including banks, to make loans on houses which otherwise they would not have made. The object was to increase employment and to improve the housing situation in the United States.

Mr. LANGER. I still cannot see why both operations should not be insured.

Mr. BARKLEY. There is no need to insure the construction of an ordinary conventional house. That industry is not new. There is no occasion for insurance.

Mr. LANGER. Suppose a company should build a thousand conventional houses in Baltimore. Why should it not be insured?

Mr. BARKLEY. Because, as I tried to explain yesterday, and tried again today to explain, evidently without success, the general public has not taken hold of the prefabricated house as readily as it has engaged in the purchase of houses built in a conventional manner. The very word "prefabricated" has carried with it some indication that it was a phony house, that it was not the same kind of a house. As a matter of fact, a prefabricated house is built from the very same materials—lumber and other things—as go into the conventional house. For that reason the committee felt that it was worth while, in behalf of the veterans who need houses, to make this guaranty temporarily, while the industry is starting to build houses for the veterans.

Mr. KNOWLAND. Mr. President, it is not often that I disagree with my able colleague, the junior Senator from the State of Washington [Mr. MITCHELL]. However, I do not feel that there is any vast conspiracy on the part of either builders or manufacturers to deprive the American people and the veteran of homes. I believe that industry in general has faced a very critical situation under existing OPA regulations.

Last night I returned from a flying trip to California. I believe that my State faces one of the most serious housing shortages confronting any State in the Union. The area in southern California, particularly the Los Angeles district, has probably the most acute housing situation.

A few weeks ago it was my privilege to serve as chairman of a subcommittee of the Committee on Agriculture and Forestry, considering the reasons for the lumber shortage. We called before that subcommittee representatives of the manufacturers, representatives of the wholesalers and retailers, of the OPA, the CPA, the Department of Commerce, the Department of Agriculture, and other interested agencies. I believe that the testimony before that subcommittee showed beyond any reasonable doubt that it was essential that the OPA make changes in the price structure and get on a more realistic basis. In the case of countless items we found that the manufacturer could not manufacture except at a loss. It is unreasonable to assume that the manufacturer will go into production if he must produce at a loss. I believe that in many instances the OPA has made a fetish of holding the line when as a matter of fact the other end of the line was tied around the neck of American business and was strangling it to death. I believe that if the OPA were to take a more realistic viewpoint and permit industry to operate at a profit, we would realize the production which we so sorely need in this country.

I speak as one who does not believe that it is safe, under the present highly inflationary conditions, to abolish the OPA overnight. However, I believe that the answer to this problem is in obtaining full production, not only in the field of lumber, but also in the field of other building materials such as plumbing, soil pipe, and all the other materials which enter into the construction of houses. We cannot attain such full production unless the OPA takes a more realistic point of view.

I have been one, Mr. President, who has had grave doubt as to the wisdom of a subsidy. I am frank to say that if a vote had been taken on the proposed subsidy before I went to California, probably I would have voted to strike the subsidy from the bill. But while I was in California I had the opportunity of discussing with Federal Housing officials, with State and county officials, with veterans' organizations, with home builders, and with others, the critical situation which exists there, and which I am sure exists in other sections of the Nation. It is a situation which I believe is no less critical than some of the situations which faced us during the war. I believe that the same kind of effort on the part of industry, labor, the public generally, and the Government, working shoulder to shoulder, will be necessary in order to solve this problem.

While I was in Los Angeles I visited some of the temporary housing projects which were in process of construction, and for which we voted funds. I saw veterans, men with overseas service, men with their families, some with their children, looking for places in which to live, because for a period of several months they have not had a roof over their heads, and were compelled to live in their family automobiles, if they were fortunate enough to own family automobiles.

I talked with other men who had been living under doubled-up, and sometimes trebled-up, conditions. Such conditions are a strain on them and their families, and on others living in the same houses.

Those men have given a great deal to this Republic. During some of the best years of their lives they went out to do a job for the American people. I believe that they deserve more than they have been getting at the hands of this Republic.

For that reason, Mr. President, and because I believe that this emergency is no less acute than the emergency which faced us during the war; because I have great confidence in the ability and capacity of Mr. Wyatt; and because I believe that the so-called subsidy will be used as a production subsidy—more or less like a shotgun in the closet, to be used only to obtain additional production if Mr.

Wyatt finds that he cannot get it in any other way—I intend to support the bill as reported by the committee.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART] to the committee amendment as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the senior Senator from Nebraska [Mr. BUTLER], who is absent. I am informed that if he were present and voting he would vote as I intend to vote. Therefore, being at liberty to vote, I vote yea.

The roll call was concluded.

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Alabama [Mr. HILL] and the Senator from Ohio [Mr. HUFFMAN] are absent because of deaths in their families.

The Senator from Florida [Mr. ANDREWS], the Senator from Georgia [Mr. GEORGE], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], the Senator from Washington [Mr. MAGNUSON], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Maryland [Mr. RADCLIFFE] are absent on official business.

The Senators from Texas [Mr. CONNALLY and Mr. O'DANIEL] and the Senator from California [Mr. DOWNEY] are detained on official business at various Government departments.

The Senator from Massachusetts [Mr. WALSH] is absent on official business as a member of the Board of Visitors to the Naval Academy, which is meeting today at Annapolis.

I wish to announce further that, if present and voting, the Senator from Missouri [Mr. BRIGGS], the Senator from California [Mr. DOWNEY], the Senator from Ohio [Mr. HUFFMAN], the Senator from Washington [Mr. MAGNUSON], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Massachusetts [Mr. WALSH] would vote "nay."

Mr. WHERRY. My colleague the senior Senator from Nebraska [Mr. BUTLER] has been specially paired on this question with the Senator from Oregon [Mr. MORSE]. If present, the Senator from Nebraska would vote "yea," and the Senator from Oregon would vote "nay."

The Senator from Nebraska [Mr. BUTLER] and the Senator from Oklahoma [Mr. MOORE] are absent by leave of the Senate.

The Senator from Oregon [Mr. MORSE] has been excused to attend to his duties as a member of the Board of Visitors to the Naval Academy in Annapolis.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The result was announced—yeas 35, nays, 38, as follows:

YEAS—35

Austin	Ferguson	Saltonstall
Ball	Gerry	Smith
Bankhead	Gurney	Stanfill
Brewster	Hart	Stewart
Bridges	Hawkes	Taft
Brooks	Hickenlooper	Vandenberg
Buck	McClellan	Wherry
Bushfield	Millikin	Wiley
Byrd	Overton	Willis
Capehart	Reed	Wilson
Capper	Revercomb	Young
Cordon	Robertson	

NAYS—38

Aiken	Johnson, Colo.	Murdock
Barkley	Johnston, S. C.	Murray
Bilbo	Kilgore	Myers
Carville	Knowland	O'Mahoney
Donnell	La Follette	Pepper
Ellender	Langer	Shipstead
Fulbright	McCarran	Taylor
Gossett	McFarland	Thomas, Okla.
Green	McKellar	Thomas, Utah
Guffey	McMahon	Tunnell
Hatch	Maybank	Wagner
Hayden	Mead	Wheeler
Hoey	Mitchell	

NOT VOTING—23

Andrews	George	O'Daniel
Bailey	Glass	Radcliffe
Briggs	Hill	Russell
Butler	Huffman	Tobey
Chavez	Lucas	Tydings
Connally	Magnuson	Walsh
Downey	Moore	White
Eastland	Morse	

So, Mr. CAPEHART's amendment to the committee amendment as amended was rejected.

Mr. BARKLEY. I move to reconsider the vote by which the amendment to the committee amendment was rejected.

Mr. WHEELER. I move that the motion to reconsider be laid on the table.

The PRESIDENT pro tempore. The question is on agreeing to the motion to lay on the table the motion to reconsider. [Putting the question.] By the sound, the "ayes" seem to have it.

Mr. BRIDGES. Mr. President, I ask for a division.

The PRESIDENT pro tempore. A division is requested.

Mr. BARKLEY. Mr. President, the question is, as I understand, on the motion to lay on the table my motion to reconsider the vote by which the amendment to the committee amendment was rejected.

The PRESIDENT pro tempore. Yes; the question is on agreeing to the motion of the Senator from Montana to lay on the table the motion of the Senator from Kentucky to reconsider the vote by which the amendment to the committee amendment as amended was rejected. A division has been requested. The clerk will count.

The Senate proceeded to divide.

The PRESIDENT pro tempore. On this question the "ayes" are 33 and the "noes" are 32, and the motion to lay on the table is agreed to.

The committee amendment is open to further amendment.

Mr. CAPEHART. Mr. President, to the committee amendment I submit the following amendment: Strike out all of section 11, as amended.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Indiana to the committee amendment, as amended.

Mr. BARKLEY. Mr. President, section 11, as I recall, is the one providing for premium payments.

Mr. CAPEHART. That is correct.

Mr. BARKLEY. Mr. President, it seems to me that all Senators should know what they are about to vote upon. The amendment would strike from the bill the provisions for premium payments which are designed to expedite the production of materials for building. I certainly hope the amendment will be defeated.

Mr. OVERTON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the Senator from Nebraska [Mr. BUTLER]. Not knowing how he would vote, I transfer that pair to the Senator from Ohio [Mr. HUFFMAN], who, if present, would vote as I intend to vote. I am therefore at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Alabama [Mr. HILL] and the Senator from Ohio [Mr. HUFFMAN] are absent because of deaths in their families.

The Senator from Florida [Mr. ANDREWS], the Senator from Georgia [Mr. GEORGE], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], the Senator from Washington [Mr. MAGNUSON], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Maryland [Mr. RADCLIFFE] are absent on official business.

The Senators from Texas [Mr. CONNALLY and Mr. O'DANIEL] and the Senator from California [Mr. DOWNEY] are detained on official business at various Government departments.

The Senator from Massachusetts [Mr. WALSH] is absent on official business as a member of the Board Visitors to the Naval Academy, which is meeting today at Annapolis.

I wish to announce further that, if present and voting, the Senator from Missouri [Mr. BRIGGS], the Senator from California [Mr. DOWNEY], the Senator from Washington [Mr. MAGNUSON], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Massachusetts [Mr. WALSH] would vote "nay."

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER] and the Senator from Oklahoma [Mr. MOORE] are absent by leave of the Senate.

The Senator from Oregon [Mr. MORSE] has been excused to attend to his duties as a member of the Board of Visitors to the Naval Academy in Annapolis. If present he would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The result was announced—yeas 20, nays 53, as follows:

YEAS—20

Ball	Capper	Revercomb
Brewster	Gurney	Robertson
Bridges	Hawkes	Stewart
Brooks	Hickenlooper	Wherry
Bushfield	McClellan	Willis
Byrd	Millikin	Wilson
Capehart	Overton	

NAYS—53

Aiken	Hayden	O'Mahoney
Austin	Hoey	Pepper
Bankhead	Johnson, Colo.	Reed
Barkley	Johnston, S. C.	Saltonstall
Bilbo	Kilgore	Shipstead
Buck	Knowland	Smith
Carville	La Follette	Stanfill
Cordon	Langer	Taft
Donnell	McCarran	Taylor
Ellender	McFarland	Thomas, Okla.
Ferguson	McKellar	Thomas, Utah
Fulbright	McMahon	Tunnell
Gerry	Maybank	Vandenberg
Gossett	Mead	Wagner
Green	Mitchell	Wheeler
Guffey	Murdock	Wiley
Hart	Murray	Young
Hatch	Myers	

NOT VOTING—23

Andrews	George	O'Daniel
Bailey	Glass	Radcliffe
Briggs	Hill	Russell
Butler	Huffman	Tobey
Chavez	Lucas	Tydings
Connally	Magnuson	Walsh
Downey	Moore	White
Eastland	Morse	

So, Mr. CAPEHART'S amendment to the committee amendment as amended was rejected.

The PRESIDENT pro tempore. The question now recurs on agreeing to the committee amendment as amended.

Mr. REVERCOMB. Mr. President, I offer an amendment to the bill to strike out section 3 (a) on page 24. The section reads as follows:

SEC. 3. (a) Whenever in the judgment of the Expediter the sales prices of housing accommodations or unimproved lands (as defined in paragraph (e) of section 8) have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish maximum sales prices for such housing accommodations or unimproved lands in accordance with the provisions of this act. Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of such housing accommodations or unimproved lands as in the judgment of the Expediter may be necessary to effectuate the purposes of this act. Before issuing any regulation or order under this section, the Expediter shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendations which may be made by State and local officials concerned with housing conditions in any area affected by such regulation or order.

Mr. President, on page 26 of the bill, section 3 (c) provides for a certain limitation to be placed upon the Expediter in fixing maximum prices. The language, in part, reads as follows:

(c) Any regulation or order issued under the authority of this act establishing maximum sales prices for housing accommodations in existence on or prior to the effective date of this act or for unimproved lands shall establish as the maximum prices the price of the first bona fide sale of such housing accommodations or such unimproved lands, as the case may be, after the effective date of this act.

The whole effect of section 3 (a), which I have read, together with the language which I have read from section 3 (c) is to give power to the Expediter, who is the administrator under the proposed act, and to place solely in his hands the authority to fix maximum prices of houses, not only those which may be built under the provisions of the act, but any houses, however old they may be, or however much they may have been lived in during the past.

Mr. President, I assert that we are being asked to take a step further in the direction of absolute government control, and particularly in placing power in the hands of one man, than any step which has ever been taken under any act, including the OPA. I realize that the maximum price is to be fixed in accordance with the price which was received when the property was last sold. But, section 3 (a) would constitute an absolute prohibition upon the sale of property. It is an absolute block to free alienation of a man's real estate. It applies not only to a house, but to a lot upon which a house is to be built.

Mr. President, I can readily understand that under the stress of war we could feel justified in limiting rents to be paid on buildings used for commercial purposes. But, the section which I have read applies to a house in which a man and his family is to live. It is his own property, and he sells it to another in which to make his home. I hope that Congress will not go so far, in these days of Government control, as to place upon any man an absolute prohibition against the selling of his own house at a profit if he can deal with another who is satisfied to purchase at a price which may be agreed upon.

Mr. President, I may say that in dealing with this subject, so far as it concerns veterans, in the manner suggested we will create a situation which may be very harmful to the veteran. He may purchase his house and, with his family, live in it, and then find that for business reasons he wants to move to another community. If this bill shall be enacted with this section written into it he may lose when he sells his house, but he can never make a profit on the house he has purchased.

So, Mr. President, I urge that the section be stricken from the bill. I do so because I feel it is a block upon the free alienation of a man's own real estate, and something which we should not do, however far we may have gone heretofore in placing controls upon the individual in the handling of his property.

Mr. CORDON. Mr. President, I think there is no section of the bill which, if properly worded, could be more effectual in maintaining prices of housing than section 3 and paragraphs (a) and (b). I think it is general knowledge that housing prices have risen to unheard of heights in the last few years, and that they are rising yet by leaps and bounds, and I would favor this section if I could find some way to make it work.

I desire to call attention to the provisions of section 3 (a), and then I want some Senator to tell me how that section and that paragraph can be made effective without doing possibly terrible damage to many innocent homeowners.

It will be noted, Mr. President, that section 3 (a) does not undertake in itself to set any ceiling. It undertakes only to give authority to the Expediter to set a ceiling after making certain findings, and it does not require the Expediter to set even universal ceilings throughout the United States. It does not require him to set a ceiling on all types of housing, but he may use his discretion in determining the geographical area to which he shall apply his ceiling order. He may choose any of several classes of housing property to come within the terms of the order, or, to make it concrete, were he to apply it, let us say, to the city of Washington, he could take an area in the northwest or in the southeast and say as to that area, "This order shall be applicable in this area, and as to the remainder of the District of Columbia it shall not be applicable." He may say it shall be applicable to brick houses and not to houses built of wood. He may use his own judgment in determining the location of the property and the class of property to which his orders shall be applied.

Mr. President, let us take the next step. Let us say that Mr. GI has returned and bought himself a house, and that he bought it after this bill was enacted. Unless and until the Expediter shall make an order saying that with respect to the geographical area where that house is located and with respect to that type of house he may not sell it at a price above that which he paid for it; he may sell it for whatever the market price is. But once that order has been made, then he is limited in his sale to the purchase price at which he bought it.

How in the name of conscience is the home owner to know whether he is so limited or not? The law does not limit him. The law is notice to him that an Expediter may limit him. There is no provision in the section for the recording of any notice in his area telling him that he is so limited, not even a notice at his local post office much less actual notice.

Mr. President, this order, like all such orders, will be published in the Federal Register. I take it that legally that is constructive notice. How many of our 140,000,000 people even know there is a Federal Register, much less what is in it? Remember that it now contains more than 190,000,000 words and that it would take 10 years for a man to read it, at the average rate of reading, on the basis of the standard 40-hour week. Yet, so far as I know, that is the only record there would be of the order.

Mr. President, that would not be so bad were it not that the penalty section of the bill makes it a crime for any individual to violate that regulation, a regulation about which conceivably the citizen would never know anything. True, the penalty says he must willfully violate it. The general definition of the term "willfully" in the criminal law is that one has the intention of doing the thing he

does, and he is charged with a knowledge of those things which are of record; and this order, such as it is, would be of record somewhere in the voluminous Federal Register.

Mr. President, I have tried to find some way in which to amend this section so as to give to the average person, the average home-owner throughout this country, notice which would at least give him an opportunity either to obey the law or violate it with his eyes open. I know of no way to do it outside of possibly a provision requiring a copy of such order to be filed perhaps with the postmaster in the county seat, or perhaps some other place or places, but until there is some kind of notice by which the home owner can be put on notice himself that the thing he may do is prohibited, I certainly cannot vote for a bill which may bring him into court charged with a crime.

Mr. President, the first requirement of any law is certainty. The second is certainly adequate notice to those who may be affected by it. I find neither in this section, and unless something can be offered to the section which will provide for notice, I shall be compelled to support the motion to strike the paragraph. If provision with respect to such notice can be put in it, I shall be glad to support the paragraph as it is in the bill.

The PRESIDENT pro tempore. The question is on the motion of the Senator from West Virginia [Mr. REVERCOMB] to strike out section 3 (a) on page 24.

Mr. BARKLEY. Mr. President, section 3 is made up of several subsections, 3 (a), (b), (c), (d), (e), and (f). Subsection (a) of section 3 is the paragraph that gives to the Expediter general authority to fix ceiling prices, but subsection (a) is tied in with (b) and (c), so that all three of them must go together to determine what it is the Expediter is authorized to do.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. REVERCOMB. I think the Senator is entirely correct in that statement; that if subsection (a) is removed from the bill, certainly subsection (c) will go out and probably subsection (b).

Mr. BARKLEY. The three subsections, Mr. President, are the parts of the bill that authorize the fixing of ceilings. Subsection (a) which the Senator from West Virginia moved first to strike out is simply the general authority of the Expediter to fix ceilings. But that general authority is limited by subsection (b) and subsection (c). Subsection (a) provides:

> Whenever in the judgment of the Expediter the sales prices of housing accommodations or unimproved lands (as defined in paragraph (e) of section 8) have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish maximum sales prices.

And so forth. Subsection (b) provides:

> Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this act shall provide that no sale of any such housing—

That means new construction that is not completed until after this act becomes a law as distinguished from existing houses.

Mr. REVERCOMB. Mr. President, will the Senator yield at that point?

Mr. BARKLEY. I have not finished reading from subsection (b).

Mr. REVERCOMB. Section 3 (a) does deal with the power given the Expediter. Section 3 (b) deals with housing accommodations constructed after the effective date of this act. Section 3 (c) deals with the formula for fixing the maximum as the last bona fide sale.

Mr. BARKLEY. Subsection (c) deals with existing houses, and subsection (b) deals with houses completed after the enactment of this act, so it takes in both types of houses.

I read from subsection (b):

> (b) Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this act shall provide that no sale of any such housing accommodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Expediter a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit—

We have changed the language in that clause so as to read:

> A margin of profit reflecting the generally prevailing profit percentage upon comparable units during the calendar year 1941.

In other words, Mr. President, after providing for the expediting of the manufacture of building materials, as the bill provides the Expediter may do, he is authorized, based upon the cost of the building, the value of the land, and all the circumstances that go into it, and the fair market value, to fix a ceiling price upon it. It would be utterly futile for us to go to the extent of legislating here in order to expedite the production of building material by the payment of premium payments, if the sky is thereafter to be the limit on the houses which we are proposing to have built for the accommodation of veterans. Even in the House bill there was a ceiling upon new houses. No one has made any question about that. It was not seriously questioned in the House of Representatives so far as new houses were concerned. The difficulty arose with respect to existing houses.

Mr. HOEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HOEY. I desire to ask the Senator a question with reference to existing houses. The bill seems to contemplate that the Expediter shall have the authority to designate certain regions, and to fix prices based upon the first sale occurring after this measure becomes law. Does the Senator contemplate that the Expediter would make a general order covering the whole United States?

Mr. BARKLEY. No.

Mr. HOEY. How would the people in various communities know what regions the Expediter had designated and covered by his order?

Mr. BARKLEY. The Expediter is limited in the orders he would issue first by subsection (b) which provides for new construction. I am ready now to take up subsection (c), which deals with existing houses.

Mr. HOEY. On the question of new houses, that would be a general order covering the whole United States, would it?

Mr. BARKLEY. It might be, or it might not be. That would depend. We have some flexibility in this bill with respect to the cost of houses in urban centers, in large cities like New York. The Expediter could issue a general order which would have to comply with subsection (b) which I have just read, no matter where it may be applicable.

With regard to old houses, if the Senator will permit me to read that provision——

Mr. HOEY. I should be glad if the Senator would do so.

Mr. BARKLEY. I read:

> (c) Any regulation or order issued under the authority of this act establishing maximum sales prices for housing accomodations in existence on or prior to the effective date of this act or for unimproved lands—

Which are described—

> shall establish as the maximum prices the price of the first bona fide sale of such housing accommodations or such unimproved lands, as the case may be, after the effective date of this act.

In other words, in issuing his regulations and his orders he must comply with the provisions of subsections (b) and (c), subsection (b) being applicable to new construction finished after the act becomes effective, and subsection (c) applying to existing houses and to unimproved lands.

Mr. HOEY. Does the Senator from Kentucky think that under this bill, if it becomes law, the order would apply to all the existing houses in the United States, and be limited to the amount of the first sale? Would it apply to all the existing houses in the United States?

Mr. BARKLEY. No. The same ceiling could not be made applicable to the whole United States. It would have to be upon a geographical basis. Of course, the Expediter will have no control whatever over the first sale that takes place. The sale price after that would be the first bona fide sale.

Mr. HOEY. That is what I am asking about. If the bill becomes law would it affect every house in the United States? In other words, anywhere in the United States, if a sale were made, then thereafter there could be no sale of that same house at a greater price while this law is in effect.

Mr. BARKLEY. Yes, it would apply to all the residences in the United States.

Mr. HOEY. Is it not going rather far to say that anywhere in the United States——

Mr. BARKLEY. No. I do not know how we can by law say that this ceiling price shall apply in one State and not in another, or in one city and not in another.

Mr. HOEY. No; but I am coming to this proposition: On the other phase of the bill the Expediter is given authority to review and pass upon the sales prices in all localities after conferring with the local and State officials. But with reference to the phase of the bill we are now discussing, if a man owns his own house, he is covered by this part of the measure under which he is absolutely prevented from making sale of his property for a greater price, and no man could sell a farm anywhere in the United States at a greater price than it was sold for previously. If sold one day it could not be sold for a greater price while this law is in effect. It seems to me that is going entirely too far.

Mr. BARKLEY. The ceiling does not apply anywhere until the Expediter issues his regulations. Those regulations in one instance will apply to new houses. They will in the other instance apply to old houses, existing houses. Under the general terms of subsection (a), if there is no critical situation in a given geographical division, the Expediter may, by regulation, provide that the regulations shall not take effect in that particular area. He would not be required to place his regulations in effect in a particular community—for example, a rural community—unless a critical situation required it.

Mr. HOEY. That was the question which I was asking a while ago. I asked whether the regulations would automatically become effective.

Mr. BARKLEY. No; they would not automatically become effective; and they would never become effective unless the Expediter should issue regulations under subsection (a). In issuing those regulations under the provisions of subsection (a), which are general, he might take into consideration the critical situation in an urban section of the United States, and he might take into consideration the lack of a critical housing situation in a rural section, or in a small community.

Mr. HOEY. How would the people throughout the United States know whether they were included or not?

Mr. BARKLEY. The regulations which the Expediter would issue would be made public in the communities where they were to take effect. Obviously there would be no point in making them public in a community where they were not to take effect and in which they had no application.

Mr. HOEY. I can see the force and effectiveness of the argument with reference to the construction of new houses; but it seems to me that it is going rather a long way to give to any man the authority to say that every home owner in the United States is limited, and that if his home is sold once after the passage of the act, it may not be sold again for a greater price while the law is in effect.

Mr. BARKLEY. In the same connection, unimproved lands are defined as lands within the corporate limits of a city or so contiguous as to be subject to subdivision. We wrote that description so that it would not apply to farm lands and rural lands which are unimproved.

Mr. HOEY. It would not apply to rural land but would apply to the farmer's house.

Mr. BARKLEY. But the Expediter would have discretion, in issuing his general regulations, to exclude any region or territory in which no critical housing situation existed.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McCLELLAN. I ask the Senator if this is a substantially fair statement with respect to this particular section of the bill: Once this section becomes law, the Congress will have delegated to the Expediter and vested him with power, at any time thereafter and during the life of the act, to issue, if he desires to do so, a general order covering the entire United States and affecting every house in it. If in his discretion he does not choose to do so, then we shall have delegated to him the power and authority to single out any particular community, any particular State, any particular area, or any number of States, communities, or areas, and issue an order declaring such areas to be critical, and that ceilings will apply only within such areas, and nowhere else. Is that a correct statement of what the proposed law would do?

Mr. BARKLEY. The regulations provided for in subsection (a) are general.

Mr. McCLELLAN. Have I made a clear statement?

Mr. BARKLEY. Reasonably fair; yes.

Mr. McCLELLAN. In what respect is it unreasonable? I am asking for information.

Mr. BARKLEY. I am trying to answer the Senator.

Mr. McCLELLAN. I shall be glad to listen.

Mr. BARKLEY. Let me read again the general provisions.

Mr. McCLELLAN. I have read them.

Mr. BARKLEY. Many Senators seem to be growing impatient, and it might be better, since we cannot conclude consideration of the bill tonight, to let it go over until tomorrow. Would that be agreeable to the Senator?

Mr. McCLELLAN. It would be quite agreeable to me.

Mr. BARKLEY. I will take the floor the first thing tomorrow and go into that question. To do so at this late hour would take longer than I think Senators would be willing to remain here.

Mr. McCLELLAN. I am perfectly willing to have the bill go over. However, I wish to make this observation: As I understand, by this bill we are absolutely delegating to one man greater power than is today vested in any Cabinet member, and greater power than is vested in all the Cabinet members combined. We are going a long distance toward establishing dictatorship in this country.

Mr. BARKLEY. Let me say to the Senator that it sounds very bad the way he puts it. He states that we are delegating to one man greater power than is vested in any Cabinet officer, or all Cabinet officers combined. One might describe the authority of a dozen men in the Government in that pessimistic way if he wished to do so.

So far as our social organization is concerned, which centers around the home, we are dealing with a more critical situation with regard to the veterans of World War II than any single Cabinet officer has ever dealt with. We must confer authority upon someone. We must hold someone responsible. We must fix the responsibility. We cannot diffuse it among a great number of men. If we were to do so, we might say to one of them, "You are responsible for this." He might reply, "Oh, no. The other fellow is responsible." We must be able to say, "Thou art the man." We must give this responsibility to someone if we expect him to carry out the intention and reach the objective which we are seeking in the proposed law.

Mr. McCLELLAN. Mr. President, I do not yield to the Senator from Kentucky or any other Senator, or any other citizen of the Nation, in my desire to help the veteran when we can help him.

Mr. BARKLEY. I am not questioning the Senator's attitude; but a critical situation has arisen which makes it necessary for us to place the responsibility on some one person.

Mr. McCLELLAN. Yesterday in our discussion of some phases of this question the Senator remarked, regarding the OPA, that we are unable to do anything about what the OPA does in the exercise of the authority which we have delegated to the Price Administrator. Now it is proposed to establish a superauthority over the whole thing. If we cannot do anything with the OPA Administrator to get him to correct administrative policies which have brought about the very conditions under which we are now suffering, why should we enact another law and delegate still greater powers? If we cannot compel the OPA Administrator to correct these evils, how in the world can we retain any control over a Housing Expediter who would exercise supervision over powers which we have already delegated to someone else?

Mr. BARKLEY. I do not agree with the Senator that the conditions which we are trying to remedy have been created by the Price Administrator. The Price Administrator seems to be the "whipping boy" for all the grievances which center in the Senate. I presume that if I were to rise and read the Ten Commandments, some Senator would object on the ground that the OPA had something to do with them. [Laughter.]

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McCLELLAN. I wish to make this comment in regard to the remarks which I have made with respect to the OPA: I do not believe that the Senator will disagree with me when I say that he and I both know, and I believe all

other Senators know, that the attitude, practices, and policies of the OPA have been directed toward holding the line, as it is called, against inflation and against an increase in prices. In the manner in which it has undertaken to do so it has overlooked and forgotten the fact that in many instances it is also holding the line against production of vital materials needed today.

Let me give a concrete illustration. We have been talking about lumber. I believe every Senator is familiar with what has occurred in the lumber industry. In my State we have some brick plants. Today I was talking with the manager of one of them. He told me that his plant is no longer manufacturing common brick, but is manufacturing nothing but face brick, at a profit, and is doing very well. The reason his plant is not manufacturing common brick is that the ceiling price will not permit such manufacture at a profit. Therefore he is manufacturing face brick. When a veteran or anyone else wishes to purchase brick he must buy face brick to serve the purpose for which common brick was designed, and for which common brick would be preferable.

In addition to that, there are brick plants in my State which are not prepared to manufacture face brick. They are set up to manufacture common brick. Consequently, today they are closed down and are out of business because of the failure of the OPA to recognize existing conditions and to make proper adjustments in the ceiling prices. I say that those are the factors which have contributed as much as any other factor we can name to the conditions which we are now undertaking to remedy.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I do not have the floor.

Mr. BARKLEY. Mr. President, I wish to say a few words at this point. I have never contended that the OPA or anyone in it is perfect. I think they make their mistakes, just as all of us do. They, too, are human. They have a duty to perform and they are attempting to perform it.

Because we are subjected to pressure from those who are not satisfied with what the OPA has done, we feel those pressures and we hear those noises, and sometimes we are prone to think that they represent the whole body of the American people. We do not hear from the consumers who are protected——

Mr. WHERRY. Oh, Mr. President, will the Senator yield?

Mr. BARKLEY. Not at the moment.

Mr. President, as I was saying, we do not hear from the great body of the American people who are reasonably satisfied with the price structure which we have had. We hear largely from those who are dissatisfied. Not only is that true with respect to the OPA, but it is true with respect to taxes, with respect to the draft law, and with respect to the failure to muster the men out of the armed forces as quickly as we have tried to have them mustered out. Complaints with respect to all those matters come to us.

I know that, as I have sat in the cloakrooms, I have frequently heard about matters which led me to believe that the world was coming to an end and that the bottom was about to drop out of everything. Then I have gone home and have found that the people were going about their business as usual and that they had not heard the noise that almost scared me to death in the cloakrooms.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CAPEHART. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield first to the Senator from Nebraska, who has been throwing bricks at me.

Mr. WHERRY. Mr. President, the Senator from Kentucky said I have been throwing bricks at him. However, I have made only one speech today, and it was short, and it was a condemnation of what the Senator from Kentucky has been speaking about, namely, the stoppage of production which has been caused by the program of the OPA.

Mr. BARKLEY. I did not say that. The Senator from Ohio said that.

Mr. WHERRY. That is what I mean. I took the floor to make a brief speech about that point.

The Senator from Kentucky has said that we do not hear from the consumers. Mr. President, the distinguished Senator knows that we have received communication after communication in which complaints have been made about the OPA's policy and program. The lumber producers have come to Washington and have testified about it. Those who operate the mills have appeared before our committees. Senators who come from States in which the lumber industry is active know that the consumers and those who employ labor have come to Washington to plead with congressional committees to have the OPA permit a flexible price, so that it might be possible to obtain production. If the OPA had permitted a flexible price structure a year and a half ago, Senators would not now be asking for an incentive-payment program. The very fact that the Senate has just adopted the incentive-payment program is conclusive evidence that the Senate is attempting to remedy a situation which involves the question of prices. We are told to hold the price line and to pay the incentives to do this, that, and the other thing.

Mr. President, I should like to discuss one other matter. Some Senators tell us that the present situation is not the fault of the ceiling prices established by the OPA. I hold in my hand a letter from the Johns-Mansville Co. It does not matter whether Senators say it is a large operator or a small operator. The letter is signed by Mr. Harold R. Berlin, its vice president. I wish to read the letter into the RECORD at this point.

Mr. BARKLEY. Mr. President, I yield to the Senator for that purpose, provided I am not taken off my feet.

Mr. WHERRY. Very well.

The letter reads as follows:

JOHNS-MANVILLE SALES CORP.,
New York, N. Y., March 25, 1946.

The Honorable HOWARD H. BUFFETT,
House of Representatives,
Washington, D. C.

DEAR SIR: As you know from recent articles which appeared in the press, it became necessary for our company recently to stop the production and sale of certain building materials on which we were losing money. These products include asbestos cement roofing shingles, de luxe flexboard, asbestos board, insulating board sheathing, certain items in our asphalt roofing line, and certain items in our asphalt floor tile line.

It was with considerable reluctance that our company came to such a decision, because all these items are urgently needed in the construction industry under present conditions. We are eager to produce the maximum amount of materials in order to contribute to the emergency. Under existing OPA ceiling prices, however, it was impossible to continue these lines without a loss. Incidentally, all these products have been operating at a loss over quite a period of months. It is our intention to go back into production on these lines just as soon as we are able to obtain prices that will show us a fair profit return.

Yours very truly,

HAROLD R. BERLIN,
Vice President.

Mr. Berlin's closing statement emphasizes the point I have made.

Mr. President, the statements made in that letter are not idle ones. They are not merely general statements to the effect that there are "noises in the cloakroom." That letter comes from one of the largest producing companies in the United States, and it has had to suspend its production of all the items enumerated in the letter, even though they are sorely needed at this time, because of the inflexible price program the OPA has established. No one can deny that.

Senators may attempt to laugh it off and may make general statements to the effect that there is nothing to it, but the fact is that if we had had a flexible pricing system, we would not need the incentive program, we would have enough lumber today and we would have enough homes for the returning veterans.

Now we are going to have an incentive payment program. Of course I hope it will result in the desired production, because if that is the way the Senate wishes to proceed, we shall have to abide by the decision of the Senate. But I tell the Senate that such a program will not correct the black market situation. That situation will not be corrected until we obtain maximum production, and an incentive program has never produced maximum production of any commodity. It has not done it in respect to meat. Today the meat situation is in the worst shape it has ever been in. The Armour Packing Co. is closed. The packing companies in Omaha and St. Louis are shut down. Why? Because they cannot obtain animals to slaughter, because there is not sufficient production of the animals.

A similar situation exists with respect to lumber. The incentive program will not solve that problem. We shall see more black markets than we have ever

seen before, because incentive payments limit production. Incentive payments will not provide the increased production that the profit motive will provide.

The pricing policy of the OPA is the main issue, and it is the main reason why we do not have sufficient production in the United States today.

Those are the facts. They are not idle statements or boasts, and they cannot be laughed off.

Mr. BARKLEY. Mr. President, I am going to suggest to the Senator from Nebraska that he save his ammunition, because I know he will make the same speech when the question of extension of the OPA legislation is before the Senate.

Mr. WHERRY. And it will be a constructive speech and will tell the truth.

Mr. BARKLEY. I do not question that.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McCLELLAN. In response to the statement of the Senator from Kentucky that we do not hear from the consumers, I wish to say that we do not necessarily hear from consumers who complain about the ceiling prices, but we hear plenty of complaint from consumers who have to go to the black markets if they wish to get what they need.

Mr. BARKLEY. No one would have to go to a black market unless someone encouraged the black market. The very people who go to the black market are the ones who encourage it.

Mr. McCLELLAN. And the very thing that encourages the black market is the refusal of the OPA to allow prices sufficiently high to permit the production, without loss, of the goods which are needed.

Mr. WHERRY. That is correct.

Mr. McCLELLAN. The prices established by the OPA encourage the black market far more than purchases on the black market by any one man or a dozen men or a hundred men encourage it.

Mr. WHERRY. That is correct.

Mr. BARKLEY. Mr. President, that may be true; but even if the problem is one of increasing prices—and I have said this over and over again—and even if by increasing prices we could obtain all the building materials we need as quickly as they will be obtained under the premium payment plan, I still insist that a policy of increasing prices would cost the American veteran more than he will have to pay as a result of the program under this bill, and I still insist that the cost of the operations under the bill is a part of the war expense which the whole people should bear, rather than to have only the veterans bear it.

Mr. McCLELLAN. That has not proved to be true in the present situation.

Mr. BARKLEY. We have not tried it yet.

Mr. McCLELLAN. I wish to say with respect to consumers that we receive plenty of complaints from consumers about shortages. They say to us that they cannot get this or that or the other commodity, and they ask Congress to do something about it. We receive many such complaints from consumers. Certainly they are not going to complain about a ceiling price if it helps in respect to the price, but they do complain because they cannot get the goods.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. REVERCOMB. I understand from the majority leader that in a short time a recess will be taken until tomorrow, and that the amendment which I have offered will be pending when the Senate resumes its session tomorrow.

Mr. BARKLEY. That is correct.

Mr. REVERCOMB. The discussion has been interesting, but we have gotten a little away from the amendment which is pending.

Mr. BARKLEY. That is not unusual.

Mr. REVERCOMB. I find that whenever the OPA is discussed, there is such a tendency.

Mr. BARKLEY. It is a little misleading; it leads off the track more than almost anything else does.

Mr. REVERCOMB. I think it is germane, and I am glad to hear the discussion. But, as I understand, the Senate will recess until tomorrow, and we will then resume our consideration of the amendment now pending.

Mr. CAPEHART. Mr. President, I am praying for the day when the Congress of the United States will have enough courage to try at least once to solve in an American way some of the problems which confront the country, instead of appropriating billions of dollars in order to place into the hands of someone, somewhere, dictatorial powers over a certain segment of the American people.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. PEPPER. In all kindliness, I cannot refrain from saying to my able friend, the Senator from Indiana, that in his reference to the American way, he makes his statement as a basis for opposing a subsidy which would allow the veterans of World War II to have little homes in which to live with their families. However, I venture to assert that if a tariff bill were before the Senate for the protection of industries such as big billion-dollar corporations, we would not hear the able Senator from Indiana or any of his colleagues, saying that we should dispose of the matter in the American way and allow the American consumer to buy commodities for whatever he could get them in a free American market. I am not opposed to all tariffs. I might vote for some of them, but I do not believe the able Senator should say that, merely because we are trying to provide a small public subsidy in behalf of the boys who are returning from World War II, and their wives and their children, we are violating all principles of Americanism.

Mr. BARKLEY. Mr. President, I do not wish to get into a tariff argument, and I shall not yield for any Member of the Senate to make a tariff speech. If I had known that the Senator from Florida was about to inject the tariff subject into this debate, I would not have yielded to him.

However, I wish to say that the Senator from Indiana talks about doing things in the American way. My conception of the American people is that whatever they, through their representatives, indicate that they desire and believe is necessary to accomplish, is the American way although it may not be what it was 150 years ago.

Mr. CAPEHART. Mr. President, I wish to say a word to the able Senator from Florida. Every time any reference is made to the private enterprise system and the American system, and an effort is made to talk a little common sense on the floor of the Senate, an accusation is made that those who are speaking in that manner are un-American. It is all very well to wave the flag. It is all very well to refer to some group, as has been done by the able Senator from Florida. He talks about how poor some groups are and how they need this, that, and the other. I do not suppose there is anything wrong in that, but I return to the statement which I made a moment ago. The Congress and the administration have not offered any method to solve the problems which have confronted the American people during the past 12 or 15 years except by borrowing billions of dollars and asking for more power and regimentation.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HOEY in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Foreign Relations.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

The following-named officers for appointment as General of the Army in the Regular Army of the United States, under the provisions of law:

George Catlett Marshall, with rank from December 16, 1944;

Douglas MacArthur, with rank from December 18, 1944;

Dwight David Eisenhower, Chief of Staff, with rank from December 20, 1944; and

Henry Harley Arnold, with rank from December 21, 1944.

Col. Martin Conrad Shallenberger, for temporary appointment as brigadier general in the Army of the United States, under the provisions of law; and

Milton E. Ballangee, for appointment as Director of Selective Service for the Territory of Hawaii, under the provisions of law.

By Mr. BARKLEY (for Mr. WALSH), from the Committee on Finance:

Edward H. Foley, Jr., of New York, to be Assistant Secretary of the Treasury, in place of Herbert E. Gaston, resigned;

Robert E. Noonan, of San Diego, Calif., to be collector of customs for customs collection

district No. 25, with headquarters at San Diego, Calif., to fill an existing vacancy; and

Harry T. Foley, of Yonkers, N. Y., to be surveyor of customs in customs collection district No. 10, with headquarters at New York, N. Y. (Reappointment.)

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

UNITED STATES DISTRICT JUDGE

The legislative clerk read the nomination of Sam M. Driver to be United States district judge, eastern district of Washington.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Howard C. Speakman to be United States district judge, district of Arizona.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

JUDGE, CIRCUIT COURT, TERRITORY OF HAWAII

The legislative clerk read the nomination of Carrick H. Buck to be first judge of the First Circuit, Circuit Courts, Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The legislative clerk read the nomination of Ray J. O'Donnell to be United States attorney for the southern district of Ohio.

The PRESIDING OFFICER. Without objection, the nomination is confirmed, and, without objection, the President will be notified of all nominations confirmed today.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 47 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, April 10, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 9 (legislative day of March 5), 1946:

DIPLOMATIC AND FOREIGN SERVICE

William D. Pawley, of Florida, now Ambassador Extraordinary and Plenipotentiary to Peru, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

George S. Messersmith, of Delaware, now Ambassador Extraordinary and Plenipotentiary to Mexico, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina.

Joseph Flack, of Pennsylvania, now a foreign-service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bolivia.

J. Rives Childs, of Virginia, now a foreign-service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 9 (legislative day of March 5), 1946:

UNITED STATES DISTRICT JUDGES

Sam M. Driver to be United States district judge for the eastern district of Washington.

Howard C. Speakman to be United States district judge for the district of Arizona.

JUDGE, CIRCUIT COURTS, TERRITORY OF HAWAII

Carrick H. Buck to be first judge of the First Circuit, Circuit Courts, Territory of Hawaii.

UNITED STATES ATTORNEY

Ray J. O'Donnell to be United States attorney for the southern district of Ohio.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 9, 1946

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, in the parting of the curtains of the night and in the dawning of this day, Thou hast revealed Thyself anew; we seek Thy guidance and Thy blessing. We do not pray for ease and rest, but for powers equal to our duties. Let not our failures dishearten us or any cause of delay chill us. Be gracious to accept the motive when we fail to do the right. In Thy sight no life is common or worthless; so bless us that we may be real and abiding contributions to the moral and patriotic forces of our land. Enable us to do more perfectly the work to which Thou hast called us, that we may not fear the coming of the night, when we shall resign into Thy hands the tasks which Thou hast committed to us. We pray in the holy name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 328. Joint resolution making an additional appropriation for veterans' housing and related expenses.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. BROOKS, Mr. BRIDGES, and Mr. GURNEY to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5604. An act reducing or further reducing certain appropriations and contractual authorizations available for the fiscal year 1946, and for other purposes.

IMPORTATION OF THOROUGHBRED HORSES

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, my attention has been directed to an exhibition of more than 100 thoroughbred horses, many of them top-flight race horses, that have been shipped here by the Army from Austria and Germany, and placed on exhibition by Army officers at Front Royal, Va. I am an admirer of good horses, but I cannot see any excuse or reason why the Army should use its shipping space in bringing captured horses from Europe to be used for exhibition and show purposes when the shipping space is needed for the return of members of our armed forces. After all, 100 horses use a lot of shipping space. Surely, our men should come ahead of German horses. If there is more shipping space than is needed for our servicemen, it ought to be used for returning some of our valuable equipment and property. The Army does not belong in the thoroughbred or race horse business. Furthermore, the War Department recently decided horse cavalry should be discontinued.

It does not make very good sense that the Army should be shipping horses from Europe when our relief organizations are shipping carloads of horses from America to relieve the dire shortage of horses in Belgium and Holland.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I saw the horses Saturday afternoon to which the gentleman from Kansas has just referred. I doubt that the gentleman has, for if he had, or knew about them, I do not think he would have spoken as he did. These horses represent the finest blooded stock of thoroughbreds and Arabians that the Germans were able to produce through several hundred years of selective breeding. They constitute an almost priceless collection of select breeding stock for riding horses. There were also a few Lippizaners, the royal coach horse. Personally, I cannot say so much for them as horses for American use. However, they represent 300 years of breeding.

The dollar value of these horses has been estimated at anywhere from a few hundred thousand to $2,000,000, definitely worth the relatively small amount of shipping space required. I am advised they were brought over on slow ships which were not being used for other purposes and which were not needed for the transportation of men. Most of the horses, I understand, were captured during the war; a few were requisitioned afterward and will be applied on reparations. It was felt that it would be easier

to feed the horses here than to feed them in Europe, and so they were brought over recently when shipping space became available.

It is planned to put these horses out through the various remount depots where the value of their blood lines can be widely distributed. A few of them may be declared surplus and sold. In which case, the Army Remount Service will put some money into the United States Treasury. One horse alone, Nordlicht, has been said to be worth $200,000. In any event, this group of horses are valuable property, and I feel confident the Government can reimburse itself readily for any expense it has had on their account.

DISMISSING UNSUITABLE GOVERNMENT EMPLOYEES

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DONDERO. Mr. Speaker, I desire to commend the State Department for its efforts to clean house. In the Times-Herald of yesterday appeared information that almost half of 243 war agency employees dismissed as unsuitable after having been transferred to the State Department were questionable loyalty cases.

The other 60 percent were discharged as unsuitable largely because of moral turpitude, poor character references, and false statements in their civil-service papers.

These employees were transferred to the State Department from the Office of Strategic Services, Foreign Economic Administration, Office of Inter-American Affairs, and Office of War Information.

In defiance of the intent of Congress to liquidate these Government agencies and dismiss their personnel, the State Department received nearly 11,000 workers from them and only about half have been dismissed.

It is at least a beginning in the right direction and every loyal American will rejoice to know that one department of the Government is cleaning house.

AMPLIFICATION AND ACOUSTICS IN THE HOUSE OF REPRESENTATIVES

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BUCK. Mr. Speaker, in 15 days and at an expenditure of about a quarter of a million dollars, the gymnasium of a women's college was converted into United Nations headquarters. Included was an amplification system embracive of 22 microphones and a control room in charge of Maj. Robert Vincent, one of the Army's most expert sound engineers. All this was fitting and proper.

I do not know the age of the amplifying system of this Chamber. Basing judgment on its inadequacy, however, it must have come out of the infancy of sound engineering. Personally, I see no reason why this House should continue to suffer with archaic and inadequate sound equipment. The situation is woefully bad on the floor itself. In the galleries, visitors must mostly content themselves with watching, not listening.

DAIRY INDUSTRY PRICE INEQUALITIES

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOEVEN. Mr. Speaker, price inequalities in the dairy industry will soon compel Iowa creameries to cease the manufacture of butter. This will result in forcing many farmers out of the dairy business.

In order that the Congress and the country may know of the critical situation in Iowa, I include as a part of my remarks, the following joint letter received from the Governor and the secretary of agriculture of Iowa:

STATE OF IOWA,
OFFICE OF THE GOVERNOR,
Des Moines, April 6, 1946.

Hon. CHARLES B. HOEVEN,
United States Congressman,
House Office Building,
Washington, D. C.

DEAR MR. HOEVEN: Inequalities in prices paid to farmers for butterfat are creating havoc in the dairy business in Iowa.

Last October OPA price restrictions were lifted on sweet cream, with butter being left under unreasonable price ceilings. This condition created a prohibitive price barrier for the manufacturer of butter.

Since the action of the OPA, butter manufacture in the United States has been on a steady decline, with Iowa no exception to the trend in the industry. OPA must be forced at once to right this situation of price inequalities in the dairy business or Iowa creameries will cease to manufacture butter and many farmers will be forced out of the dairy business.

Very truly yours,

ROBERT D. BLUE,
Governor of Iowa.
HARRY D. LINN,
Secretary of Agriculture.

EXTENSION OF REMARKS

Mr. HALLECK asked and was given permission to extend his remarks in the RECORD and include an address he delivered in Akron, Ohio.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. ROMULO (at the request of Mr. DONDERO) was given permission to extend his remarks in the RECORD.

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BUCK asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. FARRINGTON asked and was given permission to extend his remarks in the RECORD and include excerpts from editorials on statehood for Hawaii, and further to extend his remarks and include a poem by a former Member of the House on the same subject.

Mr. DOLLIVER asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. GRANT of Indiana asked and was given permission to extend his remarks in the RECORD in three instances and include in each an article.

Mr. NORBLAD asked and was given permission to extend his remarks in the RECORD and include an editorial by Mr. J. H. Van Winkle appearing in the Oregon City Banner-Courier of April 2, 1946.

Mr. ARNOLD asked and was given permission to extend his remarks in the RECORD and include an article on the American Indian.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the RECORD in three instances and include in each an excerpt or the full copy of a letter from a constituent.

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD and include a news item.

Mr. LUTHER A. JOHNSON asked and was given permission to extend his remarks in the RECORD and include an article from the New York Times.

Mr. MANASCO asked and was given permission to extend his remarks in the RECORD and include an editorial from the Birmingham News dated March 29, 1946.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an article.

Mrs. WOODHOUSE asked and was given permission to extend her remarks in the RECORD and include excerpts from certain letters in regard to the Office of Price Administration.

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD and include an address by Ralph L. Van Name, secretary, New York City Employees' Retirement System, delivered before the New York chapter of the American Society of Chartered Life Underwriters.

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include as a part thereof an address I delivered at Walter Reed Hospital on March 21, 1946, on the subject of veterans' affairs. The Public Printer advises me that the material will make approximately four and one-third pages of the CONGRESSIONAL RECORD, and the cost will be $260. Notwithstanding the additional cost, I ask unanimous consent that this material may be printed in the RECORD.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent that certain members of the Committee on Banking and Currency be permitted to file a minority report on the bill to extend the Price Control Act.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

SPECIAL ORDER GRANTED

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent that tomorrow, at the conclusion of the legislative pro-

gram of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes on the subject, What is Happening to Butter in the United States?

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DISPOSITION OF SURPLUS PROPERTY

Mr. SLAUGHTER, from the Committee on Rules, reported the following privileged resolution (H. Res. 385, Rept. No. 1889) which was referred to the House Calendar and ordered to be printed:

Resolved, That there is hereby created a select committee to be composed of five Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

It shall be the duty of the committee to make a full and complete study and investigation of the operation of the program for the sale, leasing, or other disposition of surplus property, including plants, or other real estate, materials, munitions, vehicles, aircraft, vessels, camps, and cantonments, together with all other articles and facilities acquired by the Government of the United States, through its various departments, establishments, and agencies, in connection with the national defense and the war effort.

Such study and investigation shall embrace—

(a) The types and terms of contracts which are being entered into by and between the United States and purchasers and lessees of surplus real and personal property;

(b) The methods by which such contracts of sale or rental are awarded and purchasers and lessees selected;

(c) The opportunity which is being afforded States and municipalities, veterans, individuals, and small business concerns to bid on and to acquire such surplus real and personal property;

(d) The effect of such program of disposition with respect to labor and the stimulation and encouragement of employment;

(e) The disposition of such surplus property outside the continental United States, whether in Territories and possessions of the United States or in foreign countries, with particular reference to the effect of the disposition of such property upon the domestic economy and the foreign trade of the United States;

(f) The advisability of Government operation of plants, installations, facilities, and pieces of equipment in those instances where the same cannot be sold or leased to private business;

(g) The effect of competition on the part of the Government with private business by reason of the operation or proposed operation of plants, factories, and other facilities owned by the Government;

(h) The adequacy or inadequacy of present statutes under which the policy of surplus-property disposition is being formulated and carried out; and

(i) Such other matters connected with the disposal of surplus property as the committee deems appropriate.

The committee is authorized and directed to report to the House (or to the Clerk of the House if the House is not in session) whenever in the judgment of the majority of the committee or of any subcommittee thereof the public interest will be best served by the making of such interim reports, and the final report of the committee shall be filed not later than December 31, 1946.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-ninth Congress, to employ such attorneys, experts, clerks, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, and to take such testimony as it deems advisable. Subpenas may be issued over the signature of the chairman of the committee or any member designated by him and may be served by any person designated by any such chairman or member.

DEPARTMENT OF AGRICULTURE

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GROSS. Mr. Speaker, I call the attention of the House to an example of our spendthrift bureaucracy in operation. A friend of mine on a business trip to the Virgin Islands and Puerto Rico ran across two women and three men representing the Department of Agriculture here who were living in a hotel at $16 a day apiece and flying by plane from one island to another checking the school-lunch program for the Department of Agriculture.

Some time ago we were decrying the fact that some of the European governments would not take our food if they had to tell what they did with it, and we said they were not interested in their poor people. I wonder how much the Department of Agriculture is interested in these starving children down there, when they send five people on a jaunt like that, spending money like drunken warworkers and having a good time.

These five investigators for the Department of Agriculture flew to an island that had only 9,000 people. One man could have done the job himself in a day.

STATE, JUSTICE, COMMERCE, AND THE JUDICIARY APPROPRIATION BILL, FISCAL YEAR 1947

Mr. RABAUT, from the Committee on Appropriations, reported the bill (H. R. 6056) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1947, and for other purposes (Rept. No. 1890) which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union, and ordered to be printed.

Mr. TABER reserved all points of order on the bill.

PERMISSION TO ADDRESS THE HOUSE

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[Mr. JENKINS addressed the House. His remarks appear in the Appendix.]

COMMITTEE ON RIVERS AND HARBORS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the Committee on Rivers and Harbors may sit during general debate for the remainder of the week.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PERMANENT APPOINTMENTS IN NAVY AND MARINE CORPS

Mr. VINSON. Mr. Speaker, I call up the conference report on the bill (S. 1907) to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1907) to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with amendments as follows:

On page 2 of the House engrossed amendments, lines 3, 6, 8, 14, and 17, strike out "permanent"; and on page 2 of the House engrossed amendments, line 17, strike out "8 per centum" and insert in lieu thereof "7 per centum"; and the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same with an amendment as follows:

Amend the title to read as follows: "An act to increase the authorized enlisted strength of the active list of the Regular Navy and Marine Corps, to increase the authorized number of commissioned officers of the active list of the line of the Regular Navy, and to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes."

And the House agree to the same.

CARL VINSON,
P. H. DREWRY,
LYNDON B. JOHNSON,
ED. V. IZAC,
GEORGE J. BATES,
Managers on the Part of the House.

DAVID I. WALSH,
MILLARD E. TYDINGS,
PETER G. GERRY,
CHARLES W. TOBEY,
LEVERETT SALTONSTALL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1907) to authorize permanent appointments in the Regular Navy and Marine Corps and for other purposes, submit the following statement in explanation of the effect of the action agreed

upon by the conferees and recommended in the accompanying conference report:

The Senate receded from its disagreement to the amendment of the House and agreed to the same with an amendment.

The amendment agreed to in conference was the same as the House version of the bill except that the word "permanent" was deleted wherever it appeared in sections 2 and 4, and in section 4 the authorized number of commissioned officers on the active list of the line of the Regular Navy, exclusive of commissioned warrant officers, was changed from 8 percent of the authorized enlisted strength of the active list of the Regular Navy to 7 percent of the authorized enlisted strength of the active list of the Regular Navy.

The bill as it passed the House would provide for 51,880 commissioned line and staff officers, and as it passed the Senate it would provide for 38,672. As agreed to in conference the bill will now provide for 46,066 commissioned officers of the line and staff, 35,000 of which will be line officers. These figures are exclusive of commissioned warrant officers.

The change in the title of the bill is necessary to bring it in line with the body of the bill as agreed to in conference.

CARL VINSON,
P. H. DREWRY,
LYNDON B. JOHNSON,
ED. V. IZAC,
GEORGE J. BATES,
Managers on the Part of the House.

Mr. VINSON. Mr. Speaker, the effect of the conference report is that the Senate accepts the House version of the proposed bill to transfer officers from the Naval Reserve to the Regular Navy and to fix the authorized enlisted strength of the Navy at 500,000 men and the commissioned line officer authorized strength at 7 percent of that number of enlisted men. When the bill passed the House, we used the words "permanent enlisted strength" and "permanent authorized number of commissioned line officers." In conference, we struck out the word "permanent." The Senate agreed to that and accepted the House bill with the other amendment that the authorized number of officers be 7 percent of the authorized enlisted strength instead of 8 percent.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

VETERANS' HOUSING

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 328, making an additional appropriation for veterans' housing and related expenses, with a Senate amendment, and consider the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 1, line 7, strike out all after "1521)", over to and including "enacted", in line 5 on page 2 and insert "subject to the provisions of Public Law 336, Seventy-ninth Congress, approved March 28, 1946."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I move that the House concur in the Senate amendment.

Mr. Speaker, the bill as it passed the House provided that it should be subject to S. 1821 then pending in the Congress. That bill has since become law, and the Senate amendment merely substitutes for the name of the bill the number of the law.

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

A motion to reconsider was laid on the table.

PRICE CONTROL AND STABILIZATION ACT

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until 12 o'clock midnight tonight to file a report on the bill (H. R. 6042) to extend the Price Control and Stabilization Act.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FARMERS' HOME CORPORATION

Mr. BATES of Kentucky. Mr. Speaker, I call up House Resolution 587 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5991) to simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions, by transferring assets to the Farmers' Home Corporation, by enlarging the powers of the Farmers' Home Corporation, by authorizing Government insurance of loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural rehabilitation projects for resettlement purposes, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BATES of Kentucky. Mr. Speaker, this resolution if adopted, makes in order the consideration of H. R. 5991. That bill is the product of a very exhaustive study by a special committee appointed by the House, of which the gentleman from North Carolina [Mr. COOLEY] was chairman. They studied all the faults, failures, and defects of the Farm Security Administration, and have reported a bill which they think improves them considerably.

The rule provides for 2 hours' general debate, after which the bill will be read for amendment.

I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, this bill has been on the calendar for some time. There were two bills, the Flannagan bill and the Cooley bill, coming from the Committee on Agriculture.

There was some disagreement in the committee—as the Rules Committee was advised—as to some conflict between the two bills. The Flannagan bill has been passed by the House. The Cooley bill, H. R. 5991, as we are advised, now has the unanimous support of the Committee on Agriculture. Therefore there is no controversy in the committee.

I have no requests for time, Mr. Speaker, and I reserve the remainder of my time.

Mr. BATES of Kentucky. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. FLANNAGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5991), to simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions, by transferring assets to the Farmers' Home Corporation, by enlarging the powers of the Farmers' Home Corporation, by authorizing Government insurance of loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural rehabilitation projects for resettlement purposes, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5991, with Mr. IZAC in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. FLANNAGAN. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, as indicated by the report, the bill before the House has 23 very definite objectives. The objectives are very clearly and succinctly stated. I will read them during the course of this discussion.

This bill is an outgrowth of the work of the select committee appointed to investigate the Farm Security Administration. As you know, the report of the select committee was filed on May 9, 1944. In that report the committee submitted legislation and recommended the approval of H. R. 4384, which I introduced on March 13, 1944. The bill was referred to the Committee on Agriculture and extensive hearings were held. To the end that the bill might as nearly as

possible reflect the views of the entire committee, hearings were held by the House Committee on Agriculture, and when hearings were concluded the bill was again referred to the select committee for further study. After additional consideration, H. R. 4384 was revised and on May 24, 1944, I introduced H. R. 4876, which was reported by the House Committee on Agriculture on June 23, 1944. The bill was not acted upon during the Seventy-eighth Congress, but with certain minor changes and in substantially the same form I introduced H. R. 2239 on February 16, 1945. This bill was, of course, referred to the House Committee on Agriculture, and on March 18, 1946, after further consideration, the House Committee on Agriculture reported favorably on H. R. 2239. Thereafter H. R. 4873, a bill to create an agricultural credit agency and consolidate therein all Federal agricultural lending agencies, which had been introduced by the gentleman from Virginia, Chairman FLANNAGAN, was reported favorably by the Committee on Agriculture on February 6, 1946.

Rules were granted on both the Flannagan bill and H. R. 2239 on the same day, but pursuant to the wishes of the House Committee on Agriculture, the Flannagan bill was considered first, and, as you will recall, passed the House by a very substantial majority. Upon the passage of the Flannagan bill it appeared desirable that certain changes be made in H. R. 2239, and at the request of the House Committee on Agriculture, H. R. 2239 was not considered immediately following the Flannagan bill, but was taken back into the committee for further consideration and technical changes, perhaps the most important of which was a contingent provision which provided that in the event of the final passage of the Flannagan bill prior to the enactment of the bill now under consideration, the Farmers' Home Corporation would be transferred to the Agricultural Credit Agency created by the Flannagan bill. After further consideration and after making the changes, some of which I have referred to, I introduced H. R. 5991, the bill now under consideration. After such legislative history I am, of course, delighted that the House is at last considering basic legislation dealing with the Farm Security Administration, which has operated for 10 years as an agency created by the executive branch of the Government, and without any legislative authority other than that which has been provided by the Committee on Appropriations in various appropriation bills which have come before Congress.

Frankly, I have never fully understood the opposition of some of our leading farm organizations to the bills which had for their purposes the providing of basic legislation for an agency of the Federal Government dealing only with low-income farmers. In the bill now under consideration we have tried to reconcile all differences of opinion, and in our efforts we have had the cooperation of the majority leader, the gentleman from Massachusetts [Mr. MCCORMACK], who agreed not to call up H. R. 2239 when strong opposition to that bill developed.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BROWN of Georgia. I am very much interested in the Seed and Feed Loan Agency. I think this Agency has done more to help a certain class of people who were practically helpless than any other agency, and at a very small cost to the Government. I think most of these farmers to whom seed and feed loans have been made have paid their debts, and I would like very much to preserve the status of the Seed and Feed Loan Agency.

Mr. COOLEY. May I say to the gentleman from Georgia that I agree with his observations concerning the splendid work of the seed and feed loan offices. I desire, however, to call attention to the fact that the emergency crop and feed loan offices of the Farm Credit Administration are making loans identical with the rural rehabilitation loans which are being made by the Farm Security Administration. The two loans were so identical that no witness appearing before our committee could differentiate between the eligibility requirements. We now have two Federal agencies with offices in practically every agricultural county in America making loans to low-income farmers, and, as I have said, the eligibility requirements for such loans are in all respects identical. While the effect of this bill is to abolish the emergency crop and feed loan offices, and likewise to abolish the farm security rehabilitation loans, the bill activates the Farmers' Home Corporation, a corporation which Congress sought to create in 1937, when it enacted the Bankhead-Jones tenant bill. For reasons very unsatisfactory to our committee, the Farmers' Home Corporation was not permitted to function. In activating the Farmers' Home Corporation we confer upon it the identical powers which the emergency crop and feed loan offices now have, but we eliminate duplication of effort, which I am sure you will agree is in the interest of economy as well as in the interest of efficiency and better service to farmers. The following language, on page 15 of the bill, is substantially the same language as contained in the bill authorizing the emergency crop and feed loan offices. I read section B, on page 15:

(B) Loans to farmers and stockmen who are citizens of the United States for the purchase of livestock, seed, feed, fertilizer, farm equipment and supplies, and other farm needs, the refinancing of indebtedness, and family subsistence.

Mr. BROWN of Georgia. The gentleman agrees with me that the emergency crop and feed loan offices as now set up have done an excellent job. I would hate to see them interfered with in any way.

Mr. COOLEY. I agree with the gentleman. The emergency crop and feed loan offices have done an excellent job, and I may say further that in recognition of the splendid services rendered by the officers and employees of the emergency crop and feed loan offices the committee provided for the transfer of personnel in the following language, on pages 7 and 8:

(h) Any of the personnel that is being utilized on the effective date of this act for the performance of functions, powers, or duties abolished or transferred by this act, including, but not limited to those related to emergency crop and feed loans, shall be transferred to the Corporation if the Secretary of Agriculture determines that such personnel are qualified and necessary to carry out the activities of the Corporation.

I think that it is only reasonable to believe that the Farmers' Home Corporation will not need all of the personnel now employed by the Farm Security Administration or the emergency crop and feed loan offices. One of the main objectives of this bill is to eliminate duplication and by eliminating duplication we will certainly eliminate some of the personnel now employed.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Does this bill exempt the projects known as the Wheeler-Case projects carried under the Water Conservation and Utility Projects Act?

Mr. COOLEY. I suggest that my friend read pages 3 and 4 which refer to water conservation and utility projects.

Mr. CASE of South Dakota. In subparagraph (b) of section 2 there is some reference to it. I have not had a chance to study that section in this revised form of the bill.

Mr. COOLEY. Mr. Chairman, in the brief time remaining I desire to read from the committee report that part of the report which sums up the objectives:

The bill will accomplish the following purposes:

1. Prompt liquidation of Government interest in cooperative farming and landholding projects. Definite authorities and procedures for such liquidation are provided. It is required that all projects be discontinued and that the properties not suitable for farming be sold within 18 months.

2. There can be no more 99-year leases in the farm-security program.

3. There can be no land acquisitions by the Corporation for any purpose except in the normal collection of debts in foreclosure or when needed for the routine business purposes of the Corporation.

4. The industrial plants originally started by the Farm Security Administration, such as hosiery mills, furniture factories, woodworking shops, etc., not already disposed of, will be retransferred to the Corporation for liquidation.

5. Labor camps will be closed out not later than 6 months after formal termination of hostilities or as such camps are no longer needed in the farm labor supply program.

6. The trusts relating to the State rural rehabilitation corporations will have to be wound up.

7. The bill places a definite limit ($5,000) on the total amount which can be loaned to any one individual for general farming purposes.

8. The bill prevents any borrower from the Corporation from "staying on the Government" indefinitely. After a borrower has been financed by the Corporation for five consecutive years, he will have to pay his account in full before he can obtain further loans from the Corporation.

9. The bill eliminates the possibility of competition by this agency with farmers'

cooperative lending organizations and other responsible private lenders furnishing credit to farmers at reasonable rates and terms.

10. The bill provides preferences for veterans in the matter of obtaining loans to buy farm homes.

11. The bill provides for insured mortgages with which to purchase farm homes, with specific preferences for veterans.

12. The mortgage-insurance features of the bill make it possible for private capital to participate in financing the farm-home-acquisition program.

13. The bill prohibits any farm loans under the tenant-purchase program on the basis of inflated values. Loans must be based upon the fair and reasonable value of the farms to be purchased, based upon the normal earning capacity.

14. The bill prohibits any loan unless approved by a local committee of farmers.

15. The bill provides no basis for the paternalistic supervision and coddling practiced by Farm Security Administration in the past.

16. The bill minimizes duplication of Federal agencies making direct Government loans to farmers.

17. The bill eliminates regional offices by the agencies involved.

18. The bill provides for savings of manpower and money by eliminating duplication and reducing personnel.

19. The bill provides that only qualified and necessary personnel will be retained to carry on the functions authorized in the bill.

20. The bill will result in the saving of time of farmers by requiring all Federal agencies within the Department of Agriculture making loans or furnishing agricultural credit services to farmers to utilize common or adjacent offices wherever practicable.

21. The bill restricts the promiscuous printing and distribution of bulletins and pamphlets, by providing that information as to the operations and programs of the Corporation may be printed and published only when funds are specifically provided therefor by the Congress.

22. The bill requires an annual audit by the Comptroller General.

23. The bill requires an annual accounting of the affairs of the Corporation, with a full report to the Congress and the Secretary of Agriculture.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HORAN. I want to compliment the gentleman, and also the committee, on the work they have been doing on farm credit. It does need a lot of remodeling. I wonder if the gentleman could inform me whether there are any possibilities of extending the limit in certain areas where $5,000 might not be an adequate amount.

Mr. COOLEY. The gentleman will recall that the original bill abolished the Regional Agricultural Credit Corporation. Upon further consideration the committee decided not to abolish the Regional Agricultural Credit Corporation but to leave it intact, in an inactive status, so that the Corporation could be used in the event of a major agricultural disaster in any region of the country. We had in mind such disasters as have occurred in the gentleman's country in the past. With the Regional Agricultural Credit Corporation eliminated the bill before us now deals only with agencies of the Government now making loans only to low-income farmers who cannot obtain adequate credit from other sources.

Mr. HORAN. I wonder if the gentleman could explain to us briefly the difference and the relationship of the Flannagan bill, the Cooley bill, and the so-called Bankhead bill, all of which have something in common.

Mr. COOLEY. Frankly, I am not entirely familiar with the Bankhead bill, to which my friend has referred. I could, however, explain the Flannagan bill, but my explanation of the Flannagan bill might not meet with the approval of my colleague. I am sure you will recall that I opposed the Flannagan bill. I did not and I do not believe that it is a good bill or that it is in the interest of good government, or in the interest of the farmers of America. I think that the effect of the bill is to create, as I have heretofore designated it, a super-duper bureau, and confer upon bureaucrats carte blanche authority to write and administer policies. It would issue a blank check to a seven-man board and the board would be removed from the control of both the executive and legislative branches of the Government.

The bill before us provides a charter for the Farmers' Home Corporation which defines specifically powers of the Corporation and places upon it very definite limitations. While I was hopelessly in the minority when the Flannagan bill was considered in committee and when it passed the House, I have agreed to the contingent provision which would have the effect of transferring the Farmers' Home Corporation to the Agricultural Credit Agency which the Flannagan bill would create in the event the Flannagan bill finally is enacted into law.

Mr. HORAN. Is it not true that there is a possibility of three farm credit bills being considered by a conference committee at one time?

Mr. COOLEY. The bill before us should not be confused with any other bill. It should either stand or fall on its own merits. If the Flannagan bill is enacted prior to the time this bill is enacted and the contingent provision now in this bill is not eliminated in the Senate, the Farmers' Home Corporation, upon the final passage of this bill, will be automatically transferred to the credit agency created by the Flannagan bill, but if the Flannagan bill is defeated in the Senate, this bill can still become law and the Farmers' Home Corporation will be authorized to function as the one and only credit agency of the Federal Government dealing directly with low-income farmers.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. ABERNETHY. Mr. Chairman, I yield three additional minutes to the gentleman from North Carolina.

Mr. TARVER. Before the gentleman leaves the subject which he has just been discussing, I should like to ask him a question or two.

Mr. COOLEY. I yield to the gentleman from Georgia.

Mr. TARVER. I note that you have increased the limitation of the rural rehabilitation loan from $2,500, as provided in the bill H. R. 5605, the agricultural appropriation bill, to $3,500 on loans, with an over-all limitation of $5,000. The gentleman will recall that that subject matter became an issue in connection with the passage of the agricultural appropriation bill and that an amendment was offered to increase the ceiling which the committee provided in the agricultural appropriation bill, of $2,500. That was overwhelmingly rejected by the House. Is the gentleman in the attitude of asking the House to review the judgment which it took only 2 or 3 weeks ago and now increase that limitation?

Mr. COOLEY. I think the effect of this bill is to do exactly what the gentleman suggests. We had $2,500 in the bill originally, and at the urgent suggestion of the farmers who live in the northwestern part of this country and in the western part of the country we agreed to increase it to $3,500.

Mr. TARVER. Then the gentleman is in the attitude of asking the House to review its own judgment in that subject matter?

Mr. COOLEY. I think the gentleman has correctly sized up the situation.

Mr. TARVER. One other matter: We have carried from year to year certain limitations upon loans. I believe all of them have been substantially included in the gentleman's bill with the exception of one; that is, we have prohibited in the Agricultural Appropriation bill making loans for the purpose of paying dues to cooperative associations or the buying of shares of stock in cooperative associations, which we deemed to be necessary in order to prevent the occurrence of certain abuses which had grown up in the formation and operation of such associations. I note that the gentleman in his bill has removed that particular limitation. That also was a subject matter at issue when the Agricultural Appropriation bill passed the House 2 or 3 weeks ago, and an effort was made to strike out that limitation. The House overwhelmingly refused to strike it out. Is the gentleman now going to ask us to reconsider that action and to leave that limitation out of the law?

Mr. COOLEY. I think the gentleman correctly sums up the situation. That is exactly what the committee intends to do by this provision. I might say in that regard, I think the gentleman will agree that the Farm Security Administration got into trouble in the cooperative field, not because its borrowers were members of co-ops but because they diverted funds which we intended should be used in the production of crops and loaned it to cooperative associations.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ABERNETHY. Mr. Chairman, I yield two additional minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. We prohibit the granting of loans to corporations or cooperatives. We do not prohibit a borrower from using a part of the borrowed funds for the purpose of paying dues in a cooperative association. The Farm Security Administration loaned money to low-income farmers to enable them to buy stock or to pay dues in a cooperative association, and then loaned huge sums

to the association, and this resulted in many of the evils which our investigating committee found during the course of our investigation. Many of the corporations were nothing more or less than subterfuges and frauds, and in making loans to corporations and cooperatives the Farm Security Administration violated both the letter and spirit of the authority under which it was operated. This evil will not be possible under the pending bill.

Mr. TARVER. But you remove the inhibition against buying stocks in cooperative associations and the same abuses which grew up heretofore might be practiced again through the mere device of making, not loans to cooperative associations, but loans to members of cooperative associations who wish to buy stocks in those cooperations. I am wondering if the gentleman desired to remove in principle that limitation.

Mr. COOLEY. I am frank to say I was not one who sought to remove the limitation, but many members of the committee held very definite opinions and felt that the limitation would be construed as a repudiation of the cooperative movement in the country.

Mr. TARVER. We have had this limitation in law for several years. So far as I know, there has been no complaint on the part of any real cooperative as to the effect of the provision. May I inquire of the gentleman whether or not the principal farm organizations have indicated in the hearings before the gentleman's committee that they are opposed to the removal of this limitation?

Mr. COOLEY. My recollection is that the Farm Bureau is in accord with the gentleman's position, but the other farm organizations are in accord with the provisions of this bill. Certainly farmer-owned and farmer-controlled cooperatives are not in themselves evil enterprises, and I do not believe that the limitation the gentleman refers to is either necessary or desirable.

Mr. HOPE. Mr. Chairman, I yield 20 minutes to the gentleman from Oklahoma [Mr. RIZLEY].

Mr. RIZLEY. Mr. Chairman, my colleague from North Carolina [Mr. COOLEY] has gone into detail to some extent and ably pointed out the main objectives that the committee hopes this bill will accomplish if it is enacted into law. Somewhat prefacing a discussion of the merits of the bill, I want to point out that I have been amazed during the past few weeks and months at the number of letters I have received from veterans who have returned from the service recently and who are anxious to engage in agriculture. They want to secure an average family-size farm and build a home in the country and till the soil. I suspect that the strife and turmoil which they have recently experienced and the conditions under which they have labored and fought on foreign lands have much to do with that decision. Many of them, of course, were farmers in their own right before they enlisted in the service of their country. Many of them were the sons of farmers and their added years have brought them to maturity and they want to start on their own. In addition to the letters I have received from veterans, I find a great number of young men who were employed in industrial centers, now that the job of making tools of war is over, are anxious to get away from the hustle and bustle of city life and engage or reengage in agricultural pursuits. Personally, I think that is one of the healthiest signs of the times. To my way of thinking, we have developed in the country in the past few years too many of what some people term "city farmers."

Many people who never lived on a farm in their lives, such as lawyers, bankers, doctors, and businessmen, for the purpose of making good investments, have found that the safest investment they could make was to invest in farms, purchase tractors, plows, and other necessary equipment that enables them to engage in maximum production of crops, and employ farm laborers for a few weeks or months in the year to operate the machinery under their management and supervision. The result has been that we have had a tremendous exodus from the farms.

I happen to live in one of the largest wheat-producing sections of the United States. I am not going to say anything that can ever be construed as criticism of my wheat farmers, but the facts are that hundreds and hundreds of farms in my congressional district, which were once occupied by farmers, who perhaps had a section or a half a section of land under their own control, lived there on their farm, reared their families there and sent their kids to the country schools, are gone. The people who are farming those farms now live in the cities; not the people who originally owned them. They have built up large units, and they employ a few people a few months in the year. With the equipment that we use to farm wheat, and in about 3 or 4 months out of the year, they can do all the work that is necessary to make and harvest a wheat crop. Thousands of people have been removed from the farms.

One of the purposes of the Farm Security program, if it had been followed and practiced as was intended by Congress, was to take care of that situation and to find farm homes for those people who had to move off the farms, and who no longer had homes on the farms. It has been more profitable to landowners to farm that land themselves and take the benefits under the AAA program.

The net result has been that we have really had farm programs operating at cross purposes one against the other. Under the AAA program in many sections of the country we were taking a lot of people off the farms for the reasons I have stated, and then it was up to the Farm Security Administration to find other farms for these small operators who had been taken off the farms they once owned.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. VOORHIS of California. I think the gentleman has answered my question. I was going to ask whether he did not think this bill was aimed in the direction of correcting some of the situations he has described.

Mr. RIZLEY. I thank the gentleman. That is exactly what I was trying to say.

This bill has for its over-all purpose taken the Farm Security Administration out of what I have termed the "maverick" class and given it status under basic law. I am one of those who believe that whether you like the Farm Security program or not, it is here to stay. It has been here for several years now. But it has been operating all of these years not under basic law but by Executive order or Executive decree. The Appropriations Committee each year has to cry on the shoulders of the Rules Committee to make in order appropriations for Farm Security, because there is not any basic law authorizing the appropriations.

I think the FSA program has proven itself it is a good program for the man who wants a family-sized farm. As a member of the minority party, if I remember correctly, in many of our party platforms we stressed the necessity of family-sized farms, and while I do not always subscribe to everything they put in platforms, I want to point out that we have constantly as a party advocated family-sized farms as being sound basic agriculture.

Mr. Chairman, it will be remembered that the Resettlement Administration and its successor, the Farm Security Administration, were created by Executive orders and other pertinent documents dating back to April 30, 1935. The pertinent part of the creative Executive order provides, in part, as follows:

(a) To administer approved projects involving rural rehabilitation relief in stricken agricultural areas, and resettlement of destitute or low-income families from rural and urban areas, including the establishment, maintenance, and operation, in such connection, of communities in rural and suburban areas.

(b) To initiate and administer a program of approved projects with respect to soil erosion, stream pollution, seacoast erosion, reforestation, flood control, and other useful projects.

(c) To make loans as authorized under the said Emergency Relief Appropriation Act of 1935 to finance, in whole or in part, the purchase of farm lands and necessary equipment by farmers, farm tenants, croppers, or farm laborers.

In addition to the powers enumerated in the foregoing Executive orders, the Administrator of the Resettlement Administration (which later became the Farm Security Administration) was authorized to acquire by purchase, or by power of eminent domain, any real property, or any interest therein, and improve, develop, grant, sell, lease, or otherwise dispose of any such property or interest therein.

The Executive orders referred to were issued by the President by virtue of and pursuant to the Emergency Relief Appropriation Act for the fiscal year of 1935.

Now let it be understood that I am not here to defend the almost innumerable bad things that were done and the practices that were indulged in by Tugwell and numerous of his successors. I was a member of the committee which was set up by this Congress without a dissenting vote to make an investigation

of the Farm Security Administration. That committee consisted of four Democrats and three Republicans, and for those who may have forgotten, the personnel of that committee was the gentleman from North Carolina [Mr. COOLEY], our chairman; the gentleman from Virginia [Mr. FLANNAGAN], who is now the chairman of the House Committee on Agriculture; the gentleman from Missouri [Mr. ZIMMERMAN]; and the gentleman from Georgia [Mr. PACE]; and on the Republican side was the gentleman from Kansas [Mr. HOPE], ranking Republican Member of the House Committee on Agriculture; the gentleman from Illinois, Mr. ANTON JOHNSON, and myself. And I want to further say, at the expense of what might be termed bragging, this committee worked diligently and long and made what I believe to be a very thorough investigation and examination of the Farm Security Administration and its many and sundry activities, and we submitted to the Congress under date of May 6, 1944, a unanimous report of our findings and conclusions and set out in the report our recommendations in respect to FSA, and following the report, we prepared and introduced the bill which I have heretofore mentioned, which, after careful consideration by the full Committee on Agriculture, has been brought here by an overwhelming majority of the membership of the committee. In order that your memories may be refreshed as to the findings of the special committee which you authorized to investigate FSA, I want to review briefly the report made by the Cooley committee, having you remember, if you will, that this was the unanimous opinion of the four Democrats and three Republicans who made the investigation. I think it cannot be logically disputed that:

The clear intent and meaning of the Bankhead-Jones Farm Tenant Act was to encourage individual farm-home ownership and to aid and assist in the rehabilitation of destitute farm families on individual family-size farms rather than on resettlement projects such as had been theretofore created. The will of Congress in this regard was clearly expressed in language which was free from ambiguity. The Corporation which Congress sought by said act to create and clothe with authority was neither used nor permitted to function. The act of Congress was apparently soon forgotten and the programs of the Farm Security Administration were carried on and expanded, in many respects in direct violation of the views of Congress as expressed in said act.

By legal interpretations placed upon certain language contained in the several appropriation acts providing funds for the agency, the officials of the Farm Security Administration continued to operate an ever-expanding land-acquisition program under which it illegally acquired title to and possession of hundreds of thousands of acres of farm land, a very large part of which is not now occupied or in cultivation. Funds which were appropriated by Congress for the purpose of providing loans for needy farm families, to be used in the cultivation and harvesting of crops, were used in the purchase, through corporate devices and schemes, of approximately 2,000,000 acres of farm and ranch lands. At the time this investigation was undertaken by the committee, the Farm Security Administration, through the corporations and cooperatives and other projects which it has been responsible for having created, apparently owned and controlled more acreage of cultivated land than any other public or private agency in the Nation. Moreover, the Farm Security Administration is the Nation's largest landlord and is conducting farming operations on a larger scale than any other individual or corporate farm owner in America.

The most distressing and disappointing things about this land-acquisition program are the manner in which it has been carried on, the intent with which such lands were acquired, and the use to which such lands have been subjected. Obviously those responsible for having acquired such large tracts of land and such a large number of acres intended that the Government should have the ownership and retain the legal title to such property in perpetuity and, by such program, intended to prevent the return of the title to private ownership under fee simple deeds and conveyances. In this land-acquisition program, the Farm Security Administration, instead of starting low-income farm families on the road to home ownership and financial independence, has operated it in such a manner as to prevent actual home ownership and force tenants to remain tenants. Thousands of those whom the agency has ostensibly undertaken to aid are still tenants, working for the United States Government or an agency thereof, under contracts which in many instances are even more harsh and far more exacting than ordinary contracts between landlords and tenants.

Families have been colonized, regimented, and supervised to an extent which cannot possibly be justified. It has been insisted arbitrarily that they keep records which many of them have found impossible to keep and maintain. They have been told what crops to plant and how they must be cultivated. They have been told from whom they must purchase and to whom they must sell. Their bank accounts have been completely controlled and kept under joint ownership by the Government, and they have not even been permitted to select their own work stock and other equipment. Supervisors of the Farm Security Administration have insisted upon discussing with members of the family the most intimate relationships. Especially on resettlement and rural-rehabilitation projects, members of the family have been subjected to physical examinations which should not be required. The heads of the families have been given gratuitous advice as to the number of children they should have. On many of the projects, tenants, or clients, as they have been called by officials of the Farm Security Administration, have not been advised fully as to the rights and privileges which they should be free to exercise under contracts and agreements which they have made with the Government. They have been required to pay money without being informed of the purposes for which it was being paid. Their contracts and agreements have been frequently changed in accordance with the ever-changing wishes and desires of the officials in charge of the affairs of the agency. These factors have caused great uncertainty and confusion in the minds of these unfortunate farm families.

The kind and extent of supervision given, as indicated above, was another instance of the Administrators of Resettlement Administration and Farm Security Administration going to extremes. The Federal agency making loans to low-income farmers should be authorized, where necessary, to give sensible supervision to the farmers and their families. But this supervision, if that is the proper designation of the services in question, does not necessarily have to be furnished to every borrower, and the nature of it should be limited by the needs of the particular farmer. It should never be carried to the extreme of dictating the plans for the entire social, community, and family life of the borrower. It should be limited to reasonable and practical suggestions and advice in farm and home planning and management. Obviously, supervision of the character discussed in this paragraph is vastly different from requiring the borrower arbitrarily to keep voluminous records, demanding that he buy or sell to certain designated persons, and keeping all of the income from the farming operations under strict supervision and control of a Government official. Moreover, in all the transactions between borrowers and the agents of the Government furnishing the service, the borrowers should be dealt with fairly, should be fully informed of their rights and privileges, and their ideas and preferences for doing things should be given full weight by the Government agents.

Pursuant to the Executive orders hereinbefore referred to, the Administrators of the Resettlement Administration and the Farm Security Administration, having colonized and regimented destitute farm families as above stated, exercised the authority conferred upon them with great liberality as well as with extreme prodigality.

They established, maintained, and operated communities and villages in rural and suburban areas; built and maintained streets, roads, and highways, shops, stores, and warehouses, hotels and inns, recreational halls and community houses and playgrounds, and other places of amusement. They built power plants and water systems. They built hospitals and rest homes, sewage-disposal plants and irrigation systems, creameries and canneries, packing plants, and factories for the manufacturing of numerous articles, including pants for men and full-fashioned hosiery for women. They built and financed dairies and grain elevators, cotton gins, potato houses, and other storage facilities. They provided modernly equipped homes, with all conveniences and facilities. They made loans and grants of Federal funds according to their own wishes and desires and for just about everything from marriage licenses to burial expenses. They provided funds for the payment of lodge dues and poll taxes, for work stock, tractors and plows, and for farm implements of every kind and description. They furnished money with which to buy cows and sows, and bulls and boars, and with which to pay for family subsistence and for feed, seed, and fertilizer, and for the harvesting and marketing of crops. They provided funds for the purchase of stock in corporations and for the payment of dues in cooperatives.

Rural slum clearance is, of course, a consummation devoutly to be wished, but in the prosecution of an undertaking of such great magnitude, proper consideration should be given to the human elements involved. We cannot lose sight of the fact that Americans of today were born in a land of freedom, and though they may be poor, they are still devoted to the communities of their nativity and to the township or county in which their fathers and mothers have resided and in which they were born. The efforts of the Farm Security Administration to colonize unfortunate American families, most of whom were poor, but all of whom had a pride of ancestry and a love of their native communities, encountered many unsurmountable obstacles and in most instances, in its efforts to colonize such families, the agency met with dismal failure.

Americans still love the friends, the schools, the churches, and the other institutions which they knew and cherished in their childhood. In its efforts to transplant American families in places located at remote distances from the scenes of their early life, the Farm Security Administration apparently attached slight inportance to the natural instincts of the individuals it sought to aid and assist. The families were inspired by the hope that they would soon be on the

road to home ownership and financial security. They were reminded of their low standard of living and of the hardships which they were constantly encountering. They were tortured by stories of intolerant and mercenary landlords, who were exploiting them and depriving them of the better things of life. They were intrigued by stories of electric lights and bathtubs, refrigeration, pressure cookers, modern equipment, and the arts of good farming on fertile soil, and they were assured of a better environment and the comforts of a better home.

With great confidence and mental comfort and satisfaction, and relying upon the faith they had in their Government, they moved to Government projects in search of the promised land, in many instances only to find desolation and disappointment which they had not theretofore known. After moving on the Government projects, many of these families waited for long months for their homes to be built and for water with which to irrigate the parched lands upon which they were supposed to earn a livelihood. They waited in vain, while inexperienced engineers tried to build irrigation systems which, even now, are not functioning properly. Many families were induced and persuaded to move upon lands which the officials of the Farm Security Administration knew, or in the exercise of ordinary good judgment should have known, could not possibly be profitably cultivated. On many of these projects, there was not even a house that was fit for human habitation, and many of the families were forced by the necessities of their situation to live in hog houses while waiting for the Farm Security Administration to provide better dwelling places. With lands unfit for farming and houses unfit for human habitation, these families waited and continued to wait in vain for water and for homes. During all of this time, the Farm Security Administration provided the families with loans, which both borrowers and the lender knew could not be paid at maturity.

As a consequence of this short-sightedness and utter lack of good business judgment, the officials of the Farm Security Administration have been responsible for many worthy farm families being hopelessly burdened with debts which they cannot now possibly pay, debts which never should have been incurred, but which now should be adjusted, so that these worthy and unfortunate families might be relieved of financial burdens which they should not longer bear and which they may never hope to repay. Families living on resettlement farm units have no way of knowing when or whether they would be eligible for home ownership, and consequently they have gone on from year to year hoping that they would be given a deed to the tract or parcel of land in their possession, and be permitted to execute notes for deferred payments, to be secured by a deed or trust or mortgage. In the opinion of the committee, many of these families have even in great adversity demonstrated their competency, are worthy of home ownership and, upon a proper adjustment of their financial obligations, would be eligible for deeds to the property they are now occupying.

On the other hand, many of the families now occupying units on resettlement projects are not now and probably never will be eligible for home ownership, because of physical incapacity or mental incompetency to engage profitably in farming. Many of them were physically and mentally handicapped at the time they moved on resettlement projects and from the very start had little or no chance to succeed as farmers. Instead of aiding such families in finding more remunerative employment, the Farm Security Administration has continued to make loans upon loans knowing that in all likelihood such loans would never be repaid. By keeping such families on resettlement projects, the agency has prevented the occupancy of such units by persons who might have succeeded as farmers and might have attained economic and social stability within a reasonable time if they could have received the funds which Farm Security Administration continued to give to those whom it apparently considered as permanent beneficiaries of the funds appropriated for loans and grants.

Mr. Chairman, at the expense of being tedious, I have quoted somewhat at length verbatim from the report filed by the investigating committee and it should be understood that every member of that committee is a friend of the objectives of farm security as was contemplated by the Congress, and because of their friendship to those objectives and in order that it might have a permanent status, the committee immediately followed its report by introducing legislation which we believe will accomplish the objectives endorsed by the Congress and safeguard the funds that will be appropriated in the future from being exploited by either incompetent administrators, should we be unfortunate enough to find ourselves confronted with such, and also protect the use of the funds from the exploitation of those who might again get into the organization who are interested in sabotaging the fundamental concepts of land ownership and agricultural freedom and who might attempt to again put into operation the numerous communistic patterns that stood out so preeminently in the administration of the act under Mr. Tugwell and his very able successor, Mr. Baldwin, who now occupies a very prominent place in the CIO Political Action Committee. The so-called Cooley bill is an outgrowth of the work of the select committee and when it made its report on May 9, 1944, the same being House Report No. 1430, Seventy-eighth Congress, second session; Union Calendar No. 942; it accompanied the report by recommending approval for H. R. 4384, introduced on March 13, 1944, by Mr. COOLEY, chairman of the select committee. That bill was referred to the Committee on Agriculture, and after hearings held from March 29, 1944, to May 15, 1944, was again referred to the select committee for further study and after additional consideration and conference, H. R. 4384 was revised, reintroduced on May 24, 1944, as H. R. 4876, and favorably reported with amendments by the House Committee on Agriculture. The bill was not acted upon during the seventy-eighth session of Congress, and with certain minor changes in language and corrections in dates, was reintroduced in the Seventy-ninth Congress first session by the gentleman from North Carolina, Congressman COOLEY, as H. R. 2239. It was referred to the Committee on Agriculture and is in substance the same as H. R. 4876. On February 6, 1946, the House committee reported favorably H. R. 4873, setting up and creating an Agricultural Credit Agency. This bill is known as the Flannagan bill, having among its objectives a consolidation of all Federal agricultural lending agencies. The House, by an overwhelming vote, approved the Flannagan bill, and H. R. 2239 has been amended by the committee to conform with the provisions of the Flannagan bill.

Mr. Chairman, I respectfully submit that my position and record as a Member of Congress for the past 6 years in respect to curtailing the expense of Government in cutting appropriations to the bone, so to speak, in eliminating as many boards, bureaus, and commissions compatible with efficient and economic administration, is well known and the record will show that I have been as consistent for retrenchment and a balanced Budget as any Member of this House, and in supporting this bill I have neither retreated nor changed my position. I am convinced that the FSA program is the one program that will give to this country family-sized farms. It is the one program that will enable thousands of our citizens to own and reside on their own farms. It is a return to the homestead conception of American agriculture. The program is here to stay, and the only question remaining is whether or not we shall operate Farm Security from year to year by Executive order and Executive decree, or whether we shall give it a permanent status under basic law. If we give it a permanent status, if we adopt the provisions of this bill, I am fully convinced it can be administered much more economically. Under the provisions of the bill which will authorize insured loans, we will be putting to work the private capital of our citizens, whose funds will be loaned on land to farmers. There is no better security.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. ABERNETHY. I was not at that time a member of the Committee on Agriculture, but I have always been very proud of the fact that I voted for the resolution which brought about the investigation. I wish to congratulate the gentlemen who composed that investigating committee on the result of their effort, for as the author of the pending bill has stated, it resulted in the elimination of many objectionable and unauthorized practices in the Farm Security Administration. As it is now operating under new personnel of sound thinking, it is performing a very fine service to our small farmers.

Mr. RIZLEY. I thank the gentleman from Mississippi. I do not believe there has been a committee that worked more harmoniously. The result of that investigation is the bill which is now before us for consideration.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I have a great deal of confidence in the gentleman and in the members of the so-called Cooley committee. They have done a very splendid work in investigating the activities of the Farm Security Administration. I concur in the recommendations that they have made with reference to cleaning out these communistic projects and to force liquidation of some of the undesirable things that they found in the Farm Security operation. But I felt, as the gentleman knows, that the Flannagan bill, which attempts to set up

a new agency or a consolidated agency of farm credit, should be passed and become a law before we pass on the Cooley bill. The majority of the members of the committee did not agree with me. I would like to say this to the gentleman for the benefit of the House that it is my hope that the Flannagan bill, which seeks to set up a consolidated, efficient credit agency for agriculture, is passed before the Cooley bill is finally enacted into law so that it will fit into the new structure and serve a purpose for the people of the United States who are in need of direct credit.

Mr. RIZLEY. May I say to my distinguished colleague from Minnesota that I share the same hope. I supported the Flannagan bill, and I have every reason to believe that the Flannagan bill will be passed and become the law of the land. I would not go so far as to say, however, that I would want to make passage of the Flannagan bill by the Senate, and the signing of it by the President, a condition precedent to our passing this bill because I would not want to operate that way in respect to any legislation—that is to say, "Now, we have a bill and we think it is a good bill, but we want to make its enactment contingent on some other bill."

Let me say further to the gentleman—and he well knows this fact—that at the time the Flannagan bill was passed we had a rule for the consideration of this bill and it was scheduled on the calendar to come up within a day or two; we recalled the bill, took it back before our committee, again heard from representatives of the farm bureaus, and had the legislative counsel who prepares our bills appear there so that we could properly coordinate this bill with the Flannagan bill.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield further?

Mr. RIZLEY. I yield.

Mr. AUGUST H. ANDRESEN. I am sure that the gentleman will admit that there is less need at the present time than normally for this type of legislation, as far as credit is concerned. The Committee on Appropriations, as the gentleman knows, has already provided for Farm Security continuance by having granted appropriations for this coming fiscal year, so, considering land values and other excessive costs in connection with farming operations, I know that the gentleman will agree with me that there is less need for the legislation at the present time than there was during normal times.

Mr. RIZLEY. I do not know whether I want to go quite that far or not, I will say to my distinguished colleague from Minnesota. I realize that the country, presumably, is in a prosperous condition and everybody has a pocketful of some kind of money. But, as I stated in the beginning of my remarks, I have been amazed at the number of ex-servicemen who have been writing me and telling me that they thought they might be able to buy a farm, or make a down payment on a farm, under the so-called GI bill of rights, but they have been unable to do so. I have had letters from bankers and other businessmen in my community, who are familiar with the Pace provision of this bill, urging that we enact it into law so that private capital can be put to work.

I want to say further to the gentleman that I think we ought to stop as soon as we can administering any of these laws by Executive orders and Executive decrees. Let us either kill the Farm Administration or let us give it basic law under which to work.

Mr. AUGUST H. ANDRESEN. I agree with the gentleman that we want to do everything we can to provide for the veterans so they can get farms if they want them, but may I point out to the gentleman that I think we have one greater duty when we get back into a peacetime economy again, that is, to provide an adequate income for the farmers so they can meet their commitments to their Government.

Mr. RIZLEY. The gentleman knows he is not going to get any quarrel out of me on that score.

Mr. AUGUST H. ANDRESEN. I recognize that.

Mr. RIZLEY. I am one of those who have been saying that the farmers have been taking the gaff, so to speak, for a lot of people for a long time. It is an amazing thing to me why some of the people that are running the agriculture show apparently have much more concern for all other groups than adequate income and fair prices for the farmer.

I respectfully urge favorable consideration and a speedy enactment of the pending bill.

Mr. FLANNAGAN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the farm-security program, if rightly administered, and under the provisions of the bill we bring to you the proper safeguards have been set up, is in my opinion the greatest farm program ever inaugurated in America. For the benefit of those who may think I am a little reckless in my assertion, let me give my reason for my broad statement. It is the greatest farm program ever inaugurated because it anchors men to the land. The most malignant, cancerous growth on our Republic is the floating, shiftless share cropper and tenant who, having no interest in the land other than to eke out a bare existence, from year to year recklessly mines from the soil its substance and strength until at last it becomes an eroded and barren waste.

Under the farm-security program, where rightly administered, I have witnessed with my own eyes a wonderful transformation. I have seen the floating, shiftless tenant and share cropper, rehabilitated under the farm-security program, become through land ownership not only a lover of the land but a guardian of the soil. I have seen him under the program taken off the relief rolls and placed upon a farm, thus stepping from an object of pity and a public charge, necessarily a position so humiliating as to crush his spirit, to the proud position of landowner and taxpayer. I do not believe I could make a better speech—I know I cannot—in behalf of the farm-tenant program than to read one of the numerous letters I have recently received, from a tenant farmer down in my district. The letter reads:

JANESVILLE, VA., *April 5, 1946.*

Mr. JOHN W. FLANNAGAN, Jr.,
Congressman, Washington, D. C.

DEAR MR. FLANNAGAN: This past week I made the final payment on my farm, which I got through Mr. Banner's office in Lee County under the tenant-purchase program. When I began to tell Mr. Banner how much it means to me and to my family to own our own farm, he told me to write you about it, for this program would be coming up soon as to what they are going to do with it in the future.

In 1936 I was a tenant farmer with nine in my family. I went to Mr. Banner's office and got a loan for $290 to buy a mare, a sow, a set of harness, and some fertilizer. This gave me a better start in farming as I could rent a better farm with this stock. With my large family, I never had a chance to get ahead enough to buy this stock.

I did well with this loan for 2 years; then came a bad year and they renewed my note and carried me along, lending me the money for my fertlizer for the next year. In 1940 I found that the farm I was renting on might be for sale. I talked with Mr. Banner about it, and the committee recommended me for a tenant-purchase loan and bought the farm for me in April 1941.

The price of this farm was $5,040, and then Farm Security loaned me the money to operate for 2 years. I raised both strawberries and tobacco as cash crops and was able to pay all my indebtedness on the farm and to Farm Security and am now the owner of a 76.5-acre farm, free from debt.

I feel like the Government through this office has given me the chance to become a landowner, to raise my children and educate them and leave them something when I am gone, and I don't know of any other program that would have backed me and given me this chance. My only asset when I first applied for assistance was my family, and banks don't lend money or any other agency that I know of on that kind of security.

This program is the best thing that has ever happened to the poor farmer. If there is any way to keep this program going for the farmer, it should be worked out. This is a need that will always be present, for there are more of us small farmers than large ones and we are the people that need a break. Farm Security gives the poor farmer the best break in the world, and I hope you will see that he keeps on having this office to come to and get the help he needs. I want to again say a heartfelt thank you to the Department of Agriculture for the program that has done so much for me.

Yours very truly,

G. W. DENSON.

Permit me, through the reading of a letter, to let the County Committee of Lee County, Va., in which county Mr. Denson lives, make a speech in favor of the passage of this legislation. The letter reads:

JONESVILLE, VA., *April 5, 1946.*

Hon. JOHN W. FLANNAGAN, Jr.,
Congressman, Washington, D. C.

DEAR MR. FLANNAGAN: We, the County FSA Committee, for Lee County, Va., would like to submit the following information to you, knowing that the future of the Farm Security program will shortly be decided.

We have worked with this program in the capacity of a committee, both passing on loan applications, appraising farms under the tenant-purchase program, and giving supervision to problem cases when needed, here in Lee County.

At present there are some 510 families in this county with current loans, and more than 350 cases that have been made loans, and have repaid their indebtedness to the Government in full during the time this program has been operating in this county.

We have watched the progress of these farm families; seen them raise their standards of living from, in some cases, abject poverty to a decent living, and in many cases become landowners, not only under the TP program, but a great many cases where the FSA has financed a man to some livestock which enabled him to rent a better farm, he has in a few years made enough to buy him a small lot and house which gives him at least the security of a home for his family. This has happened in more cases than one would believe possible.

At the present time this county is making loans every day to new applicants, among whom are veterans of World War II and war workers returning to the land. Since January 1 of this year, the Lee County office has approved and made 68 new loans and 64 supplemental loans, and they are still making them. They have collected 115.75 percent of the amount scheduled for repayment this year and only have 40 cases that are delinquent over a period of 6 months. This kind of a program speaks for itself.

We are of the opinion that such a program will always be needed by the small farmer. Until the rural-rehabilitation program was set up in 1935 the tenant farmer and the one who had hit bad days got nothing but sympathy, and mighty little of that, from the public and from public lending agencies. Words mean less than nothing to a farmer who has not made enough to feed his family during the year and who cannot get credit because of lack of security in chattels or land. It would seem to us, from our observation of this program and work with it, that this should be put on a permanent basis. We remember well the year that this office was stopped from making loans for a period while the fate of appropriations and lack of lending funds was being weighed in the balance in Washington. There was deep consternation among the farmers that had looked to this office for the necessities of crop making. We do not think such a thing should happen again.

We believe that loans—supervised loans—should be made into a permanent organization that will become just as much a part of our business system as our banks have become.

We cannot help but feel that this is, and should be, a good business proposition, as well as a social experiment. The world is facing a food crisis such as it has never known before, and if you let down the poor farmers of our own country you will have the same crisis before long in our own country that we deplore in foreign ones.

The small farmer, the share cropper, who never had a friend before this program originated, is the forgotten man of our country. He lives under conditions that make the country gasp when some current writer gives the public such books as Tobacco Road to read and shudder over. He has no organization to bargain for him, and the first real break he has had was when the Government set up this agency that would lend him on his morals, industry and ability to sow and reap a crop.

He has responded to this agency with all the gratitude of his being. He does not, in our county, have to be sent a statement when his note is due. The first place he heads for when he sells his tobacco is the FSA office, and if your Agricultural Committee and our Congress could hear some of the stumbling expressions of deep appreciation that come from the lips of men that have never had a real chance before, there would be no need to plead the cause of FSA's future.

You are from our section. You know the conditions of the farmers in the South better than most of our lawmakers, and we urge that you do all in your power to make this permanent legislation now. Keep this agency alive and a growing one, for the little farmer, the one that needs the help that this program alone gives.

Respectfully submitted.

J. N. STEELE,
Chairman.
L. P. LITTON,
Committeeman.
ROBERT E. ROBERTSON,
Committeeman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. GROSS. Is that letter written on Farm Security Administration stationery?

Mr. FLANNAGAN. It is not. That letter came from Mr. Denson, whom I know personally. He is grateful to this Government for rehabilitating him and taking him out of the tenant class and putting him in the landowner class.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman.

Mr. TARVER. I think the gentleman knows of my deep interest in the work of the Farm Security Administration which I have endeavored to contribute to so far as I could through my service on the Committee on Appropriations. But I view with some alarm the proposal in this bill to double the limitation on the amount of loans which may be made in the rural rehabilitation program. It seems to me this is a program for the poorer farmers and that if the man on the farm has need of a loan in excess of $2,500, he ought to secure that loan from some other lending agency, perhaps from a Production Credit Association, rather than from the Farmers' Home Corporation into which the Farm Security Administration is to be transmuted by the terms of this bill. I wonder if the gentleman is strongly opposed to the proposal which I intend to make in the course of the consideration of the bill to restore the limitation which we have heretofore carried of $2,500 as the maximum amount of loan in the individual case.

Mr. FLANNAGAN. That is under the rural rehabilitation program?

Mr. TARVER. That is right.

Mr. FLANNAGAN. In my opinion, the program under the $2,500 limitation has worked out quite well. I know it has in my section. I do not know if there exists conditions in other sections that would require the raising of the limit to more than $2,500.

Mr. TARVER. The gentleman then would be inclined to support the amendment which I intend to offer?

Mr. FLANNAGAN. I would, if other sections will not be adversely effective, because it would mean there would be more money to spread out.

Mr. TARVER. I thank the gentleman.

Mr. FLANNAGAN. We are not rehabilitating people by lending them money. Do not get that into your heads. Oftentimes, that is the worst thing you can do to a man, to lend him money. I am in sympathy with the views expressed by the gentleman from Georgia [Mr. TARVER] that we should operate this program within reasonable limitations.

Mr. TARVER. I thank the gentleman.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I want to direct my remarks to a few of the objectives of the bill as set forth in the committee report. I admire those objectives, but I want to tell you that my confidence in the administration and a lot of these organizations and bureaus in this present Government just will not permit me to believe you will ever get any relief out of this bill.

The report says:

> After the borrower has been financed by the Corporation for five consecutive years, he will have to pay his account in full before he can obtain further loans.

Well, the history of that is that when he could not pay off the first obligation to a government agency, there was another government agency that was ready to loan him the money to pay off the first agency, and there was a third agency, many times, ready to loan him money to pay off the first two. So he paid off all right, but he was going into debt deeper all the while. At the same time we hear these "do-good" gentlemen stand up and tell how the farmer was paying off.

These agencies established out through the country to help the farmers, constitute gigantic pipe lines for New Deal propaganda. The 26 carloads of paper that are used every day in the Government Printing Office go through those pipe lines. These agencies have many farmers in their clutches like a giant octopus. They call the farmers together and sell them on subsidies and urge them to write us Congressmen to support the appropriations to keep them going. Yes, they definitely create situations to justify their continuation.

I can take you to an office now that is costing a good many thousand dollars to operate. There are five people in it. They have three telephones, and they do not get one telephone call a day, on the average. The man who is at the head of it gets nearly $4,000 a year. He comes there and unlocks the door in the morning and goes across the street and plays cards until it is time to lock the door again, every day. One of the women reads magazines all day, another one knits, and the other two do not do anything. That is the kind of thing I was talking about a few moments ago, about those five people from the Department of Agriculture that are down in the Virgin Islands and Puerto Rico investigating and checking on the school-lunch programs. They are living in hotels that cost $16 a day, driving airplanes from one island to the other. They are having the time of their lives, with children starving all around them. And those are the "do-gooders."

Now, there is only one answer to all this, that is courageous leadership in this Government and courageous Congressmen who will not make votes the first issue of business in this country. We need somebody at the head of the Government that is interested in good, sound domestic policy and in reducing the national debt in saving the taxpayers money. These agencies of the Federal Government out through the country have as much floor space rented in the country as 111 Radio City's combined—more than 200,000,000 square feet; 10 percent of all the office space in New York City rented to the Federal Government. That is terrible.

The gentleman from New York [Mr. WADSWORTH] told me one day that away back when the Department of Agriculture was young, his pappy was in the Senate, and he said: "JIM, I am alarmed at the growth of government. We have appropriated $150,000 for the Department of Agriculture this year."

Now, this year 1946, we have appropriated more money for travel for the agents in this one department of Government than it cost to run the Congress for a year. I stated before these agencies constitute a pipe line for New Deal propaganda.

In one of my counties I have a poor farmer who received a loan from the Government. He has hung on and still has the loan. The Philadelphia Record, a New Deal mouthpiece, carried a story on March 5, 1946, together with a large picture, a couple of Farm Security agents rode up to his farm some time ago when the old gentleman was away, and they got one of the boys to lead out an old jack and an old mare and two little mules which they had raised; one of them a year old and the other 2 years old. And they took a picture and published it in the Philadelphia Record. I have a picture of it in my office. "Here," they say, "is a man that Farm Security has saved from the sheriff." Now he is on the high road to prosperity with an old jack, an old mare, and a mortgage of $12,000, and a stack of bills and letters that say, "We are sorry to report."

Now it is ridiculous to claim that a man with an old jack, and an old mare that can only produce one colt a year which may or may not be any good is ever going to pay the interest, let alone the principal on such debt. This all shows the ignorance of the agents of the Department of Agriculture.

Ye gods! These pipe lines of propaganda that go out are disgusting and humiliating. The time has come for the taxpayers to rise in their wrath in arms against this thing.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. No; I will not yield. The gentleman knows this is the truth and that his party is responsible for it.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. ABERNETHY. Mr. Chairman, now will the gentleman yield?

Mr. GROSS. I cannot yield.

It is just perfectly ridiculous. Let us get back to this mule story up here in Pennsylvania, where the man had his picture published in the greatest Democratic newspaper in the country with two mule colts, one last year and one this year, and an old jack and an old black mare. He cannot by the rules of nature have more than one colt a year, and that puts him on the highway of happiness and prosperity through the Farm Administration to pay the interest on a $12,000 mortgage and all these debts. Now, let them be fair, let them be honest. This outfit has put more people in the hole than they have ever pulled out. They have made more Communists in this country and squandered more money in absolute silly hopeless propositions than one could ever believe.

The thing I resent throughout is the insincerity of the administration. They have but one objective, and that is votes. The joke, however, is that the trend is the other way. The entire country is disgusted. Just like it is here. There are a lot—several million—Government employees and they want their votes; nobody was ever able to explain how here in Arlington and Montgomery Counties, where there are more Government employees than any other place in America, they went Republican in the last election. Why? They just could not take it any longer. Many of them are honest. They would not be a party to it any longer. They saw where it was leading. They saw this program was going to leave them without jobs.

I want to say to you gentlemen from the South that if you will push this forward now, if you will have the courage to go ahead with this program I will help you forward it. It states here that you are going to stop sending out this propaganda. Well, you have many precedents to overthrow with this outfit. It states you are going to stop a lot of these functions that have been carried on under Executive orders, that you are going to combine these things. All these intentions are good, without doubt. One of the things I remember my mother's telling me when I was a kid was: "Son, the highway to hell is paved with good intentions." Here the administration has a challenge. Nobody knows that any better than the fellows in this administration. They have never had good intentions and they are not going to have a chance to carry them out for they have licked themselves by the reckless expenditure of our money and the regimentation of our lives. The country's only hope lies in a complete change and I am happy to say the arrow points in that direction.

Mr. Chairman, I yield back the balance of my time.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, the gentleman from Pennsylvania [Mr. GROSS] does not need to worry overmuch about the Members of the House from the South. The reports which come to us in the northern section of the country are to the effect that the gentlemen from the South are on their way out. Their buddies, the PAC and Sidney Hillman just do not like them any more.

The gentlemen from the South have gone along with Sidney and his outfit, but, as so often happens, you never can satisfy that kind of people, and they are not satisfied with you, although you may have done a very good job here for the country—that is, as good as you could under the leadership you had and the handicap you had. You have tried; we all admit it. I think most of the Republicans really love you deep down in their hearts; we would like to see some of you come back much rather than see Sidney's hired men, but you are on your way out.

We tried to warn you. I recall in 1937 and 1938, when the CIO was going strong up in Michigan and we had our sit-down strikes. Speaking from the well of the House, a gentleman from the South, that very distinguished, eloquent, fluent gentleman from Mississippi [Mr. RANKIN] asked: "Why do you not wash your dirty linen up in Michigan?" The reply was made to him: "The CIO will be down in your country." "No, no," said Mr. RANKIN, "they will not come down there. If they do we will take care of them."

But they are down there now, they are organizing, they are registering the voters and some of the Members have already met defeat. I recall that you had here at one time a gentleman from Alabama, a very, very patriotic American, well qualified to represent the people of his district and the people of the country—his name was Joe Starnes.

You also had a gentleman here from the far West, another qualified, active man—I think his name was Costello. But they went the way, they followed the path, pointed out by Sidney. Two good men you lost at one time, and there have been others.

Some of the present Members are so disheartened now I understand they will not even make the effort to run again. I may say to the gentleman from Pennsylvania, do not worry too much about these gentlemen from the South. They are here just temporarily, just for a short time. Wish them Godspeed and let them retire.

I was somewhat intrigued, I was almost persuaded, by the eloquence of the gentleman from Virginia [Mr. FLANNAGAN]. I listened to him very intently and I got the idea that the farmers' troubles were all over because some legislative program had been put through by the deficit spenders.

I joined, too, with the gentleman from Oklahoma [Mr. RIZLEY] when he expressed the hope that all the returning veterans were going to get out from under the brass hats. We have heard considerable in the last few days about the brass hats who, it is alleged, did not treat the privates with all the respect and consideration that the privates thought they should have received while they were in the Army. So the privates in the armed services want to get out from under restrictions.

Well, God bless the boys, they do not know what they are stepping into when they get out of the Army and get back home.

The gentleman from Oklahoma said they wanted to be out in the country where they could get some land and homes of their own, raise and educate their children, maybe have a cow, pig, and a few hens, perhaps now and then a duck, and feel at home down on the farm. Well, when those boys get out of the Army and if they are able to get a piece of land, and I hope everyone who wants to will, what will they find? They will find regimentation, restrictions, more regimentation than they had in the Army, even.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. HOFFMAN. Mr. Chairman, I thank the gentleman.

When the boys come home they will find out about a lot of things. When dad or the father-in-law puts up the money, or he uses that money he has saved while he was in the Army, to make a down payment on a farm, the first thing he will learn is that the old house needs some repairs. He will want one or two boards, perhaps a shingle or two or a roll of roofing paper. Where is he going to get it?

The last time I was home, and I have not been there for some time, I found that the water was running through the roof down on the oak floor there. I asked the boys, "Why in the world do you not get the roof fixed? Do you not know enough to keep the roof fixed?" They answered, "Dad, we cannot do it." So I went downtown. I was going to fix it up right away. I talked with all the roofing fellows in town and I could not get any roofing paper. They said, "You just cannot get it." I told the boys, "For heaven's sake, get some tar and gravel and fix it if you can."

You cannot buy any pans or tubs to put under the leaks in the roof to catch the water, so I had to do something. Well, I got a letter. They fixed the roof by putting some patches on it.

We had a store building that needed flooring. They wanted some lumber. I said, "Why don't you put some flooring in there and fix it up so that the A & P can move in there? They will pay you good rent." They said, "We cannot get the lumber."

Now, the veteran coming back home will find the same situation. He will want maybe a shovel, not to lean on, but to work with. A gentleman from down in Ohio who bought my lunch this noon, a manufacturer, said, "I want to get a price so that I can make shovels. We are losing 10 cents on every shovel we manufacture. But the OPA will not give us a price." I said, "That is all right; that fits into the pattern."

Pretty quick they will want them on relief so that they can tell them, "Don't you see what we are doing for you? Here is your check."

Maybe this boy that is coming back from the Army when he gets on the farm, maybe he will want to get his house fixed or his pig pen fixed. Maybe he will want to get a shirt, and maybe he will want a suit of clothes. Maybe he wants a drag or a plow or a disk. Is he going to get it?

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Sure, it is your constituents that keep us from getting those things. What does the gentleman have on his mind?

Mr. EBERHARTER. I was just wondering whether the gentleman from Michigan does not think that the veterans coming back home and finding all these conditions——

Mr. HOFFMAN. Will remember that the New Deal has been in power for 12 years. Sure he will——

Mr. EBERHARTER. That the veteran will realize that this shortage exists because the people of this country made up their minds to furnish the Army and the Navy and the Marine Corps with all the material they needed, and that necessarily there is a shortage now. The gentleman would not infer that we should have cut short the needs of the Army and the Navy and the Marine Corps so that when the veterans come back they could have all these things?

Mr. HOFFMAN. No. That is why I objected all the time while the war was on to those strikes that were hindering production; when the men in the front lines needed all this help. I was always kicking about those strikes. And as I remember, the gentleman from Pennsylvania was always excusing those men on strike.

Now that the veterans are coming home, they are going to find that the OPA has fixed the price so that no manufacturer can go ahead and make the goods to fill existing needs. You can talk about inflation and high prices, but, after all, when the boys come back and have this money in their pockets, and when they go to market and find they cannot buy a shirt, when they find they cannot buy farm machinery, when they learn that the Harvester employees are on strike—and many of these strikes are jurisdictional disputes—sure, they are going to come here and say, "What in the world did we fight for?"

Then, when the time comes along and they cannot do all the work themselves, they discover that, by getting up in the morning at half past four and working as farmers do, all day long until sun down, they cannot get the job done, then they find that they cannot get anybody to work for them because all the boys are in town working in the factories at $1.25 or $1.50 an hour.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Will the gentleman get me some more time if I do?

Mr. EBERHARTER. The gentleman has already had 13 minutes.

Mr. HOFFMAN. Oh, well, I will not bargain with you. I will yield to the gentleman from Pennsylvania, a good Republican.

Mr. GROSS. Will the gentleman tell me where they are getting all this lumber to build the Atlantic City race track? I understand they are getting carload after carload of it.

Mr. HOFFMAN. The New Deal is probably trying to take the minds of the people off of this trouble, and when they can get these people to go there and take their minds off by gambling, maybe nobody will criticize them for it.

Mr. EBERHARTER. The chief complaint I get from the veteran is this: That the prices of everything they need and they want to buy are too high, and 90 percent of the veterans I talked to are strongly in favor of a more stringent OPA than we have at present, so that they will be able to buy things that they need at a price that is reasonable and one that will not allow the profiteers to take advantage of them at this time.

Mr. HOFFMAN. The gentleman is talking about profiteers?

Mr. EBERHARTER. That is right.

Mr. HOFFMAN. All right. The veterans want houses. You remember what Bowles wrote on the 11th day of January to Wyatt. He said we must have these prefabricated houses and we must have $600,000,000 to pay the manufacturers so that they can have what? These are his words: "A generous profit." You think those veterans are going to be happy over paying the manufacturers of prefabricated houses a generous profit?

What the veteran wants is a home which he and his wife can build on their own land out of material such as daddy and granddaddy used to build their houses. They do not want any glorified brooder house or hog pen planned and manufactured at an exorbitant price by some bureaucrat here in Washington and which they will have to pay for at an outrageous price in the years to come.

Mr. COOLEY. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, I should like to confine my remarks to what we call part 2 of the bill, beginning on page 35.

I believe it will be agreed that there can never be security on the farm unless the farmer has fertile soil. I am sure most of you have seen farms where the price of the farm commodity was of small consequence. I have seen them where you could treble or quadruple the prices of the commodity and yet the farmer would have extreme difficulty in making a living, because the fertility of the soil was not there to produce the crops.

I think that a good portion, maybe the greater portion of the depletion of our soil, which is our greatest natural resource, has been brought about by tenancy. That is a natural consequence. If a man—and a tenant is usually a poor man—rents a place with his family to provide for, he is not permitted the opportunity, and frankly he rarely has the interest, to preserve and to build up the soil. Therefore, we have great areas of this country where our soil has washed away, is badly depleted, and its production is quite limited, due entirely to tenancy. I do not believe we will ever be

able to build up and to maintain the fertility of our soil until we have the family-size farm in every part of this Nation, where the man goes not as a tenant on a 12-month or 24-month lease, but enters upon the premises as his own home, something to love, something to work for. It is there that we find one who is interested in building and conserving the soil.

For a number of years the Congress has appropriated funds, beginning with $10,000,000 a year, then $25,000,000 a year, and now $50,000,000 a year, for use in a farm-tenant purchase program. That is Government money. It is appropriated out of the Treasury of the United States. Loans are made at 3 percent interest. Up to now, while that has been a helpful program, it has shown little effect in reducing tenancy throughout the Nation. Realizing that condition, Marvin Jones, who served in this House, I believe for 20 years, prepared a plan a number of years ago while he was yet chairman of the Committee on Agriculture, setting up a system of insured mortgages for farm-tenant purchases. That plan in substance, with some modifications, forms part 2 of this bill. The plan is self-supporting. The plan contemplates the use of private capital in lieu of taxpayers' money. There are now, as we all know, billions of dollars of private capital lying idle. This plan is to make use of that private capital rather than appropriations by the Government. Here is the plan. On the whole it is the same, with some necessary variations, with the FHA program which has been in effect now for 5 or 6 years. Under that plan millions of homes have been constructed in the towns and cities of this Nation. Under that plan the home builder buys a lot. That generally represents about 10 percent of the cost of the project, and he gets the balance of the loan from the bank and the Government insures the loan against loss. Under that program millions of homes have been constructed throughout this Nation and are now enjoyed by those who live in our towns and cities. What we ask in title II of this bill is that you grant the same privilege to those who live on the farms and to those who work in the fields and provide the food and fiber to feed and clothe the millions who are now living in the FHA homes in the towns and cities.

The newspapers reported last week that there was reported out by some committee of the Senate a long-term housing program for slum clearance. The newspapers announced that it carried a rural construction plan as a part of the program. That program provides for never-ending subsidies. You are all familiar with how these subsidies are paid now. That is continued. The Government makes a contribution of a certain percentage of the cost of construction and maintenance of those housing projects so that they may be rented at reasonable rates. I do not believe the farmers of this Nation are interested in such a program on the farms. On the whole, those who till the soil are independent men. They want to work for what they get and they want to get what they work for.

In my judgment, the provisions of the bill reported out by the Senate will receive but little interest from those who are on the farms. The proposal we are making to you today carries not one penny of subsidy. We hope very sincerely it carries not one penny of expense to the American taxpayers nor to the United States Government. Here is the way it works. John Smith is a tenant. He wants a little home and a little farm of his own. He selects a farm; he pays down 10 percent of the cost; he goes to the bank or other lender and he asks a loan of the additional 90 percent. The bank or other lender files an application with the insurance corporation for the insuring of that loan. It is appraised. The normal value is determined and the corporation then commits itself to insuring 90 percent of that value, just exactly as is done in FHA.

At this point I want to call especial attention to one provision of the bill. As you all know, we are now suffering from some inflation in farm land values. That was taken into consideration in the drafting of this legislation. So under this bill the values that are insured are on the basis of normal values. That is to say, not on the basis of reasonable values; not on the basis of present market values; but on values over a long period of years, dependent upon the earning capacity of the farm. So that the committee can assure you that in this section of the bill authorizing the insurance of tenant purchase loans there is not the slightest contribution toward any inflationary tendency, but just the reverse is the effect of the bill. All values must be on a long-time normal basis, based upon the earning capacity of the farm over a period of years.

The bill provides for the setting up of an insurance fund. It provides that the banks, insurance companies, private lenders shall receive interest on the insured loans of 3 percent. In addition to that, the borrower pays each year 1 percent into the insurance fund. That 1 percent is divided two ways. One-half of it, or one-half of 1 percent is paid into the insurance fund as a premium for the insuring of the mortgage. The other half of it, one-half of 1 percent, is paid into a special fund to pay the administrative expenses of administering the program.

I call that to your especial attention because it is the purpose of the committee that this program shall be self-sustaining without any cost to the Government and without cost to the taxpayers. The only assurance we can now give you is that if it does not prove to be self-sustaining, the one-half of 1 percent, then, of course, when that develops the committee will recommend legislation to make it self-sustaining.

By the lender receiving 3 percent, by the borrower paying an additional 1 percent into the insurance fund, this will make this type of loan, the farm-tenant purchase loan, bear an over-all rate of 4 percent, which is the same rate now charged for loans by the Federal land bank.

This program has been studied for years. It is not all my work. It is not entirely the work of the committee, but it is work over a period of years beginning with our former distinguished Member, Marvin Jones. I hope that this part of the bill at least, in fact all of the bill, may have the unanimous approval of the House.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. POAGE. I did not serve on the subcommittee that worked out the details of this bill, but I think the subcommittee which did it did one of the finest pieces of work that has ever been done for agriculture in a long time. I want to express my appreciation to this subcommittee that worked out the details for the fine work they have done, and to the gentleman now addressing us for the work he has done in bringing a sound plan into this bill and giving the farmers the advantage of the same sound financing that we provided for city people a long time ago.

Mr. PACE. I thank the gentleman.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, the New Deal administration secured from the Congress the authority to extend the Reciprocal Trade Treaty Act, with its further reduction of 50 percent in our tariff rates, under false and misleading representations.

Members of the House will vividly recall the dramatic presentation, on the floor of the House, June 15, 1945, when the Speaker, in reading a personal letter from the President of the United States, supporting the appeal of the New Dealers for the continuance of the Reciprocal Trade Treaty policy, emphasized that section of the letter wherein the President assured the Congress and the American people that "no segment of American industry, agriculture, or labor would be traded out."

Many Members of the House, Democrats as well as Republicans, were hesitant to authorize a further reduction of 50 percent in our tariff rates. These Members knew, as well as did those who voted against the authority requested, that in view of our higher standards of living and higher production costs, in the production and transportation of both farm and industrial goods, that competitive foreign goods and commodities can be and will soon be delivered into our American consuming markets at total delivered costs which are less than our costs of production.

In fact, it is my considered opinion that the Speaker and his associate leaders of the Democratic majority knew that unless some very definite assurances were given to many Members of the House by the President of the United States, the legislation would have been rejected.

How reciprocal are these allegedly reciprocal trade treaties?

The record of performance of these so-called reciprocal trade treaties show that every foreign country, other than possibly Canada and a few of the Latin-American countries, has repudiated in whole or in part the pledges which they made when they entered into these trade treaties with us.

Is it to be expected that the United States alone is bound to adhere to the

terms of these reciprocal trade treaties? Is it to be understood that we should continue in force reciprocal trade treaties with a country which furnished aid, munitions, and timing instruments to the Nazis during the war, and permit the officials of that country to penalize American industries by refusing to them the privilege of purchasing and securing the delivery of goods and merchandise of that country?

Is the New Deal administration to continue to adhere to a policy which threatens the continuance of one of America's principal national defense industries and which jeopardizes the work opportunities of several thousand of America's skilled workers by our Nation refusing to cancel or to terminate a so-called reciprocal trade treaty with a country which without hesitancy discriminates against American trade and commerce?

Has the appeasement policy of the New Deal extended to the point where any country in the world, especially those countries with which we have entered into reciprocal trade treaties, can thumb its nose at the request of the State Department officials seeking a correction in the terms of such trade treaties?

The records of the Ways and Means Committee are replete with pledges made by officials of the State Department that in any case where an American industry could show that increased imports were harmful to such industry that notice would be given the country from which these increased imports came and that correction would be made or that the trade treaty would be terminated.

Time after time when presented with facts, not theories, showing the dangers which confronted American industry, agriculture, and labor, the proponents of trade treaties talked about the protection which they had placed in the Mexican Trade Treaty. They implied that the same protection would be extended to all other trade treaties.

In this case, as in many others, the statements were false and were misleading. They were apparently used for the purpose of deceiving and hoodwinking the Congress and the American people.

The State Department officials have known for the past few years that imports of Swiss-made watches and watch movements had increased to a point where the imports alone each year exceeded the annual consumptive capacity of the American markets.

The State Department officials well knew that during the war, the entire productive capacity of the American watch industry was turned over to the armed forces producing timing mechanisms so essential to our winning of the war. They also knew that the Swiss watch cartel was not only shipping millions of watches and watch movements to American markets but they also knew that the timing mechanisms used by the Nazi in the killing and maiming of more than a million American boys and girls were supplied to them by the same Swiss watch cartel.

The State Department officials were officially advised by the industry, and by the representatives of the workers that this industry could not continue in business and compete with the American distributors of the Swiss watch cartel unless a quota limitation was imposed upon such imports.

The Assistant Secretary of State, acting in the absence of the Secretary, Dean Acheson, finally prevailed upon to issue a public statement following notification to the Swiss Government, that a limitation of 3,000,000 watches or watch movements for the 13-month period ending December 31, 1946 would have to be agreed to. For the 9 years prior to our entry into the reciprocal trade treaty with Switzerland, the average yearly imports controlled some 47 percent of the American market.

Mr. Chairman, during the war, with American plants and workers devoting their full production to the armed forces for essential war purposes, the Swiss cartel controlled 100 percent of the American market. During the later months of 1945, each month more Swiss watches and watch movements were imported than in any of the prewar years. Surely with such a record, a limitation of not more than 2,650,000 for a 12-month period was not excessively restrictive.

Is a pledge on the part of the President of the United States to the Congress and to the American people, made for the purpose of securing the adoption of legislation, to be lightly cast aside? Surely, not even the New Dealers will admit that they have stooped to such a low in order to have the Congress delegate to the Chief Executive powers reposed by the Constitution in the elected representatives of the people.

The President of the United States, through a letter presented to the House, pledged that, with the extending of the authority to continue reciprocal-trade treaties, we could be assured that no segment of American industry, agriculture, or labor would be traded out. Has that pledge been kept? It has not.

The President of the United States, in the making of that pledge, we all admit, is dependent on his appointees in the Department of State to carry out his commitment.

I note at page A1998 of the Appendix of the CONGRESSIONAL RECORD wherein 10 progressive members of the Massachusetts delegation, headed by the gentleman from Massachusetts [Mr. HOLMES] and, including among others the name of the esteemed minority leader, have reminded the President of the United States of his pledge. They have also called his attention to conditions which are deplorable and have asked him to review the sins of omission and commission on the part of the State Department officials who have weakly submitted to the demands of the American distributors of Swiss watches and watch movements, and to the refusal of the Swiss Government to live up to its agreement to advance and enlarge commerce and trade between these two Nations.

The appeal of the Massachusetts delegation is couched in plain and highly conservative language. They appreciate that the President of the United States has delegated the making of and the enforcement of reciprocal trade treaties to the officials of the State Department.

The State Department has failed, or has deliberately overlooked the fact, that the so-called reciprocal trade treaties we have entered into are a two-way street.

This particular situation is most interesting in that while our American productive plants wore out a good part of their machinery and tools in devoting their entire productive capacity to supplying the highly essential needs of our own and our Allied armed forces with those timing mechanisms so essential to our winning of the war, producers of the Swiss-watch cartel were producing similar timing mechanisms for the use of the Nazis to kill and maim more than a million American men and women.

The American watch-making industry can use available watch-making machinery available and for sale in Switzerland. The American distributors of Swiss-made watches and watch movements, who were able by devious means and methods to export from Switzerland, through the Nazis lines, some 28,000,000 watches and watch movements, during the period when the Nazi armed forces completely surrounded Switzerland, realized that a reconverted American watch-making industry, with a fair opportunity of selling the product of American labor to Americans, threatened the continuance of their onerous profits. Naturally, they opposed the limitation of three million on imports of Swiss-made watches set by the Department of State officials. Likewise, through their influence with the Swiss-watch cartel they forced the Swiss Government officials to deny to our American citizens the right to purchase and especially to secure delivery of available watch-making machinery.

Is it possible that under the terms of these so-called reciprocal-trade treaties, which we have entered into supposedly with the purpose of enlarging trade and commerce with other nations, that the other nations are permitted to refuse to permit delivery to American citizens of machinery and other articles freely offered for sale to others?

Some months ago, one of the oldest of the few remaining American watch-making companies, anticipating enlarged American markets, after surveying the country, honored the city of Lincoln, Nebr., a part of my congressional district, by deciding to establish a branch plant there. This plant, we understand, would provide profitable employment for some 2,000 workers.

Handicapped by the competition of competitive products, the total delivered costs of which, I understand, will be some 50 percent of the cost of American-made watches; further handicapped by the inability of the company to secure delivery of machinery and tools, available to citizens of other countries, how long will it be before this company and other American companies discontinue the production of American-made watches and become assemblers and distributors of Swiss-made watches and watch movements?

It is my understanding, from testimony presented to the Ways and Means Committee, that the profits available to the assemblers and distributors of Swiss made watches would greatly exceed the

profits available to these American companies who have provided employment for some six or eight thousand American workers, and more important than either, have provided an ever ready industry so essential to our national defense.

Secretary Wallace of the Department of Commerce was one of those who appeared before the Ways and Means Committee advocating the extension of the reciprocal trade treaties and the further reduction of our tariff rates of 50 percent. He is also a member of the Interdepartmental Board which initiates and controls our entry into and the enforcement of our trade treaties.

Secretary Wallace advocates full employment and predicts that we will soon have 60,000,000 Americans fully employed, provided that the Congress authorizes the expenditure on his part of an astronomical number of billions of American taxpayers dollars.

Just how are we to provide these 60,000,000 of jobs for America's workers and farmers if we are to transfer the jobs of thousands of our workers, especially those skilled in the production of weapons so essential to our national defense to countries so cooperative with our enemies?

How long are we to remain strong and powerful, as advocated by President Truman last Saturday, if we continue to jeopardize or eliminate those American industries which the Army, the Navy, and the Congress have publicly recognized as essential to our national defense?

The New Dealers, no longer sure of the support of that which was the Democratic Party, are now dependent on the CIO, the PAC, and their associated groups not only for votes but for the millions of dollars in campaign funds with which they hope to purchase the coming congressional elections.

It will not be denied that Henry A. Wallace, Secretary of Commerce, is a political spokesman for the CIO and the Political Action Committee. As the spokesman of that group, he recently, while holding office as a Democrat, urged the election to Congress of a left winger, alleged by some to be a Communist, instead of the nominee of the Democratic Party.

Likewise, it will not be denied that the same Henry A. Wallace, Secretary of Commerce, is the brother-in-law of the Swiss Minister to the United States.

Is it possible that the same foreign influences which have manifested a desire to weaken our national defenses, and which are known to have a tremendous influence in the CIO working together with those tied by family strings to the Swiss government have sufficiently influenced the Secretary of Commerce, supposedly acting as an American official, to intercede with the State Department in support of the American distributors of the Swiss watch cartel?

Mr. FLANNAGAN. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, this bill comes to you from the Committee on Agriculture as a part of a program by our committee to present to the House and have passed by the Congress and enacted into law a program for American agriculture which will be a program originating in the Congress of the United States. It happens that this particular part of the program is one in which I have a very deep and abiding interest.

I believe it is perfectly evident that the future of a democratic government, the future of a society such as we have cherished here in the United States through the years is dependent upon the presence in the Nation of the maximum number of independent, family-sized farm owners who can make a good living in the farming business. The whole objective of this legislation is to promote that end. As such, it is aimed to strengthen the very fundamentals of the whole American conception of agriculture.

In the second place, we have through the years been permitting a program under the Farm Security Administration to go forward. I have supported it earnestly, but the only basis upon which that program has been carried on has been the basis of Executive orders plus the passage of appropriation bills by the Congress. That is not the right basis. We have appointed a joint committee for the so-called reorganization of the Congress. I do not like to call it that, I like to speak about the strengthening of the Congress. One of the ways to strengthen the position of Congress is for Congress to lay out in basic legislation exactly how it proposes to have certain programs carried on and to stipulate in the most exact way it possibly can just what is to be done, how it is to be done, what the limitations of power are to be, what the objectives are to be, and the methods to be used for accomplishing them. That is what the subcommittee which worked out over many months' labor on this bill and brought before our full committee. It is what our full committee brings before the House today.

There are two parts to this legislation, roughly speaking; one of them is the production or rehabilitation loan program, and the other is the farm tenant loan program. Both programs are to be administered by the Farmers' Home Corporation, an agency authorized many years ago but permitted to rest in peace and quietude without anything being done about it during all that time. The bill proposes to use that agency and into that agency to cover all the direct lending activities of the Government with regard to agriculture. I happen to believe that the rehabilitation loans are very important. They might better be called production loans, for I think that is what they really are. Every single study of the problems of American agriculture that I have had an opportunity to read in recent years—and I have read a good many of them—has emphasized the fact that one of the answers to our problem had to be to enable that large group, about half of the farmers of this country, who actually produce only about 20 percent of the commercial crops that are sold, to enable that one-half of our farmers to have a better basis for success in their farmsteads and in their livestock and in their equipment than they have heretofore been able to have. The purpose, therefore, of these productions loans, these seed and feed loans or rehabilitation loans, is to enable the man who is on the land trying to make a go of it to have a better chance to do so, to enable him through these loans to not only repay the loan to the Government but also to be able to increase his own net worth and the efficiency of his farm operations.

It seems to me that it is evidently important in many, many parts of our Nation that there should be a greater diversification of agricultural activity. That is true, in my judgment, because our agriculture should so far as possible depend upon the domestic market for the marketing of as much of the farm crop as is possible. A further diversification of our agriculture would make that more nearly possible and will make possible the production of crops not only higher in nutritive value in many cases but also in return to the farmers. That also is the purpose of the rehabilitation loans.

I now come to the question of farm tenant loans which I shall discuss only briefly and say that I agree wholeheartedly with what the gentleman from Georgia has said about their importance and about the desirability of in this bill making possible a much broader program in this field than we have ever had before. I take it to be admitted by every single Member of this body that to that extent that man not owning a piece of land can be enabled to own a piece of land the social welfare of the Nation as well as its economic gain, and the preservation of our soil, have been greatly advanced. Whatever criticisms I might have, and I have some, of the particular method of handling these insured loans, I am not going to mention them today because the general objective is far too important for that.

I now want to speak about one point which may be a matter of controversy. It has already been raised. To my mind the one method that offers the very best opportunity that the farmers of America as well as other groups of people, for that matter, have of solving their economic problems without the help of Government, without any type of Government action coming into the picture in these difficult times is through the organization of cooperatives. What the cooperative amounts to is a business organization in which a large number of people with every small means or resources or capital are able to pool those small resources and carry on for the benefit of people as producers rather than for people as stockholders or for the benefit of people as consumers instead of for the benefit of people as stockholders, as a business undertaking.

I do not want this bill to carry any implication that in the minds of the Members of Congress the farm cooperatives of this Nation are not a most important and a most constructive element and force in enabling the farmer first, to have something to say about the price at which he sells his crop and, second, to have something to say about the price he pays for certain of his basic farm supplies.

Here we have a chance for people to do for themselves, to solve their prob-

lems for themselves and through their own efforts and by the application of sound principles.

I do believe that the bill should carry, as it does, a prohibition against any loans being made to a cooperative association. Nor would I object to a prohibition in the bill against any loan being made where there is a stipulation that a man should join a cooperative. I want it to be completely neutral about the matter because I do not believe that the Government should foster cooperatives. I think their virtue is that they are free agents created by the people for the people. I want them to stay that way. In view of the bitter attacks, based upon this information, that are now being made against farm cooperatives, it would be, in my opinion, a great mistake for us to carry in this bill language that could be interpreted as being an attack upon those institutions which I believe to be so constructive.

Mr. Chairman, I would like to pay my most sincere compliments to the members of the subcommittee who worked so long and so hard upon this bill. I had hoped for many years, even though I might not have the whole program for farm security that I might want, that nonetheless we would come to the day when the House would consider a piece of basic legislation so that it might stipulate how the program was to be conducted, correct things that might be wrong, and launch the program with a straightforward legislative authorization such as it should have had many years ago.

Mr. DE LACY. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Washington.

Mr. DE LACY. Is it the gentleman's understanding that the various functions that are now being performed by the FSA and other agencies are just transferred to the new corporation but in no wise limited or undermined?

Mr. VOORHIS of California. Those functions are all transferred to the Farmers' Home Corporation, and they are transferred with specific direction as to how the loan shall be made, to what group of borrowers, for what purposes, and all the rest of it which is set forth in the bill.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. We all know that the reason the special committee was set up to make an investigation of farm security was due to certain policies that had been followed by those who administered farm security.

Mr. VOORHIS of California. That is right.

Mr. ZIMMERMAN. They had done some things that did not meet with the approval of the public, and a lot of criticism was heaped upon Farm Security, and this committee went into these activities that had brought reproach upon this Farm Security and had brought a lot of people to oppose further continuance of Farm Security; so that in the special committee that was set up by the House to make this investigation, I may say to the gentleman from Washington, we sought to spell out the powers and the functions that could be carried out under the Farm Security Administration and we preserved, we felt, all of the essential and necessary powers that will be necessary to cause this institution to function in behalf of the people for whom it was created.

Mr. VOORHIS of California. In a word, I think what the subcommittee did was to preserve the core of the program as always intended.

Mr. ZIMMERMAN. That is correct.

Mr. VOORHIS of California. Namely, to enable the farmer to improve his opportunity for a prosperous and worthwhile farm life, and that they lifted out some of the other jobs that were from time to time given to that agency which had nothing to do with the central purpose.

Mr. HOPE. Mr. Chairman, I have no further requests for time.

Mr. FLANNAGAN. We have no further requests for time, Mr. Chairman.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc.—

SHORT TITLE

SECTION 1. This act may be cited as the "Farmers' Home Corporation Act of 1946."

Mr. FLANNAGAN (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that the bill be open to amendment and subject to points of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. TARVER. Mr. Chairman, I have several points of order to submit.

My first point of order is against the language contained on page 5, lines 4 to 15, inclusive, on the ground that it constitutes an appropriation upon a legislative bill and is out of order for that reason. That language reads as follows:

(c) The funds appropriated, authorized to be borrowed, and made available under the items "Farmers' crop production and harvesting loans" (under the heading "Farm Credit Administration"), "Loans, grants, and rural rehabilitation", and "Farm tenancy", in the Department of Agriculture Appropriation Act, 1946, to the extent that such funds are validly obligated or committed by the Secretary of Agriculture, the Governor of the Farm Credit Administration, or their delegates, shall not lapse on June 30, 1946, but shall be continued available for use by the Corporation in fulfilling such obligations or commitments, subject to the limitations set forth in the acts appropriating or authorizing such funds.

I make the same point of order against the language contained on page 6, lines 4 to 18, inclusive, as follows:

(e) All funds made available by appropriation or authorization to the Secretary of Agriculture for the fiscal year 1947 for loans and administrative expenses for carrying on the farm tenancy program shall be available to the Corporation for loans under the provisions of section 40 (d) (13) (A) hereof and for administrative expenses incident thereto. All such appropriations and authorizations for loans, grants, and rural rehabilitation and farmers' crop production and harvesting loans shall be available to the Corporation for loans for the purposes of section 40 (d) (13) (B) hereof and for administrative expenses incident thereto. The limitations on the amounts of each such appropriations and authorization for loans and administrative expenses for each such purpose shall be observed by the Corporation.

I make the same point of order against the language contained on page 6, lines 19 to 25, inclusive, and on page 7, lines 1 to 5, as follows:

(f) There is hereby transferred to the Corporation from the revolving fund established for the purpose of increasing the capital of the regional agricultural credit corporations, pursuant to section 84 of the Farm Credit Act of 1933, approved June 16, 1933, as amended (U. S. C., 1940 ed., title 12, sec. 1148a), $10,001,000. $1,000 of the funds so transferred shall be used for capital of the Corporation, as provided in section 40 (b) (1) of the Bankhead-Jones Farm Tenant Act, as amended, and $10,000,000 of such funds shall be covered into the farm tenant mortgage insurance fund, pursuant to section 11 (a) of the Bankhead-Jones Farm Tenant Act, as amended.

Mr. FLANNAGAN. Mr. Chairman, while I am not certain, I am afraid the points of order are well taken.

The CHAIRMAN (Mr. TRAYNOR). The points of order are well taken. The Chair sustains the points of order.

Mr. TARVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER: On page 11, lines 4 to 10, inclusive, strike out the proviso.

Mr. TARVER. Mr. Chairman, I do not believe it was the intention of the committee to insert the proviso with the implication which must necessarily adhere to the language my amendment proposes to strike. I read that language:

Provided, however, That expenditures for administrative costs involving more than one fund, such as for supplies, equipment, and personnel, may be apportioned by the Corporation equitably among the several administrative expense appropriations involved. All sums so appropriated shall be allocated to the Corporation in such amounts and at such time or times as the Secretary may determine.

It has always been the practice that the Committee on Appropriations or the subcommittee having jurisdiction of the particular appropriation bill under consideration should require justifications as to amounts necessary for supplies or equipment and for personnel for every organization in Government for which it becomes our duty to make appropriations. The language I am asking the Committee of the Whole to strike would give to the Corporation the authority to equitably apportion any appropriations which might be made for administrative expenses. Under this language, the Corporation might take appropriations which have been made for equipment and transfer funds provided for that purpose to the employment of personnel, or it could take funds provided for supplies and make them available for personnel, or it could take personnel funds and make them available for supplies or equipment.

I feel sure, after conferring with the chairman of the committee, the gentleman from Virginia [Mr. FLANNAGAN], that this was not the intention of the committee, and I hope that the amendment may be agreed to by the Committee in order that these subject matters may be subject to review by the appropriate appropriations subcommittee and such funds for the various types of expenses appropriated as may be justified by evidence, and not have the matter left in the discretion of the Corporation.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from North Carolina.

Mr. COOLEY. It occurred to me that the language on page 10, beginning in line 17, might do the same thing the gentleman has in mind.

Mr. TARVER. I have read that language, but it is in conflict, in my judgment, with the proviso which proposes to vest in the Corporation administrative discretion.

Mr. COOLEY. Does not the language on page 10 provide that Congress shall specify in each act appropriating funds the amount available for each of the authorized purposes of the Corporation?

Mr. TARVER. That is correct, but the gentleman goes ahead in this proviso and says that expenditures for administrative costs involving more than one fund, such as for supplies, equipment, and personnel, may be apportioned by the Corporation equitably among the several administrative expense appropriations involved. That is in direct conflict with the preceding provision. It proposes to vest in the corporation itself discretion as to how it will use the funds which have been appropriated for administrative expenses and will authorize the shifting of funds from one purpose to another without the previous approval of Congress. I think that is something the gentleman did not intend to authorize.

Mr. COOLEY. I just cannot agree with the gentleman that the language is at all objectionable because this Corporation will be administering rural rehabilitation loans and likewise will be administering tenant purchase funds—and also insured mortgage funds. They will be employing personnel, acquiring equipment and supplies, and so forth, and it seems to me that that is just a detail which should be left to the Corporation and the board of directors rather than to Congress.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman from Illinois.

Mr. DIRKSEN. The language that the gentleman from North Carolina refers to would apportion the money as between basic purposes as recited therein. Under the proviso, this money would be available for administrative expenses and would be apportioned within the administrative expenditures. I think the gentleman from Georgia is on perfectly sound ground.

Mr. COOLEY. Does the gentleman believe that Congress should be concerned about that detail?

Mr. DIRKSEN. Definitely.

Mr. COOLEY. Does the gentleman believe that Congress should specify how much of the administration money shall be made available for rural rehabilitation loans, how much for tenant purchase loans, and how much for insured mortgage loans?

Mr. DIRKSEN. That is taken care of in the earlier language you referred to. But if they come along with a million dollars for administrative expenses under the proviso, they can allocate all of it and transfer so much of it to supplies, so much of it to equipment, and so forth. That is a matter that ought to be justified before the Subcommittee on Appropriations.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. TARVER. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TARVER. Of course, if the only authority they desire is as interpreted by the gentleman from North Carolina, the inclusion of the proviso would be useless verbiage. If they intend to abide by the directions given by Congress in the appropriation of the funds and not use any more for personnel than Congress appropriates for the purpose of personnel, then why insert the proviso? The trouble is, the proviso expressly authorizes the taking of money which has been appropriated by Congress for one purpose and devoting it to another purpose.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield to the gentleman.

Mr. COOLEY. Suppose, as was suggested by the gentleman from California [Mr. VOORHIS], an employee is performing duties which affects three or four different funds. That certainly would be desirable. For instance, some clerk or secretary may have duties requiring her to work in connection with rural rehabilitation loans, insured mortgage loans, and tenant purchase loans.

Mr. TARVER. Every department has cases of that kind. The portion of the time attributed to one function would be apportioned to that function and the portion attributable to another function would be charged to the other function. The trouble is, your language here goes so far beyond any such provision as that—which provision would be entirely unnecessary because that is done every day in every department of the Government. You authorize the taking of money appropriated by Congress for one particular purpose and transferring it to another purpose without the consent of Congress.

Mr. COOLEY. I do not construe the proviso in the way the gentleman from Georgia does.

Mr. TARVER. I think it can clearly be construed only in that way. I certainly hope the Committee of the Whole will strike out the proviso and leave in the language of the bill which requires Congress to designate how much it intends for one purpose and how much for another and which would then require the administrative authorities to obey the directions of Congress as contained in the appropriation bill.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. VOORHIS of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to point out to the Committee that the purpose of this language is quite clear. It has to do with administrative expenses where one individual, for example, performs functions which affect both the farm tenant purchase loan program and also the production-loan program. There may be an individual, for example, who is a receptionist in the front office of the Farmers' Home Corporation. I think all this language provides is that the Corporation may itself say that half of her salary shall be charged against the rural rehabilitation loan program and half of it shall be charged against the tenant purchase loan program.

Furthermore, it would appear to me that is quite necessary to be done, in view of the language on page 10, which provides that Congress shall stipulate in the appropriation bill the exact amount that shall be used for the different parts of the program.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. COOLEY. Would not the same thing apply to equipment purchases? If it was used by three different funds, it could be apportioned among the three different funds, such as stationery and supplies, office furniture, equipment, and so forth.

Mr. VOORHIS of California. As I understand it, that is the purpose of the language. Personally, I do not think it is a particularly important point, but I do believe that before the House votes on it, it should bear in mind what the purpose of the language is. It seems to me to be an altogether proper provision.

The CHAIRMAN. The time of the gentleman from California has expired.

The question is on the amendment offered by the gentleman from Georgia [Mr. TARVER].

The question was taken; and on a division (demanded by Mr. TARVER), there were—ayes 7, noes 28.

So the amendment was rejected.

Mr. TARVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER: On page 15, line 14, strike out the word "initial" and insert "total";

In line 15, strike out "$3,500" and insert "$2,500";

In line 20, strike out "$5,000" and insert "$2,500."

Mr. TARVER. Mr. Chairman, the purpose of this amendment is to restore the limitation which we have customarily carried in the Agricultural Department appropriation bill of $2,500 upon the amount of any individual loan.

The bill as reported from the committee proposes to authorize a maximum loan of $5,000. The limitation of $2,500 was inserted by the committee and approved by the Congress several years ago for the purpose of stopping certain

abuses which had grown up in the administration of the affairs of the Farm Security Administration. It has been effective for that purpose.

This is a poor farmers' program. This is a program to help the most needy class of farmers in the United States. I have always supported it. I support it now. I believe it ought to be legislatively authorized for the reasonable purposes for which it is at present being carried on, but I do not believe that the limitation on the amounts of loans which can be made to individuals should be increased. If a farmer in this country is in need of a loan in excess of $2,500, he is a proper applicant for consideration by some production credit association or other lending agency of the Farm Credit Administration. There is no reason why he should, in attempting to legislatively authorize this program, undertake to increase the scope so as to make possible, to some extent at least, the abuses which have grown up in connection with administration of the Farm Security Administration's affairs during prior years.

I recall the contentions which were advanced on the floor of the House in connection with the passage of the Agricultural Department appropriation act for the fiscal year 1947, by certain gentlemen in western areas of the country, who insisted that some applicants for loans could not be benefited unless they could secure loans largely in excess of $2,500.

One gentleman at that time made reference to an applicant who had an 1,800-acre ranch. I insisted then as I insist now that such an applicant for a loan ought not to be a beneficiary of the Farm Security Administration program. His need for credit ought to be met some other way. At that time this House in this Committee of the Whole, voted down an amendment which proposed to increase the limitation provided in the Agricultural Appropriation Act for 1947. That was only a few weeks ago. Certainly nothing has transpired in the interim to justify any change of opinion with regard to that subject matter. I questioned the chairman of the committee, the gentleman from Virginia [Mr. FLANNAGAN] when he was debating this bill an hour or so ago with reference to his position on it, and he stated that he feels that the limitation which has been customarily carried in the agricultural appropriation bill ought to be restored and that so far as he is concerned he has no objection to the amendment which I have offered.

I understand, of course, that the gentelman from Virginia did not undertake to speak for the committee, but I believe that his judgment in the matter is probably fairly representative of the opinion of the Committee on Agriculture, at least of those with whom I have had opportunity to confer. I sincerely hope this amendment may be agreed to and the limitation heretofore carried in the appropriation bill for the Farm Security Administration for the amount of the over-all loans to individuals may be restored.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

I hope that the amendment offered by the gentleman from Georgia will not prevail. It may be true that in some parts of the country, and in some types of farming everywhere, the limitations which have been contained heretofore in the Department of Agriculture appropriation bill would now afford a sufficient amount of funds to carry on normal farming operations; it may be that a few years ago when those amounts were first carried in that bill they were sufficient to enable farmers to carry on normal farming operations at that time, but we all know that in the last few years prices have gone up, on livestock, on farm machinery, and on everything connected with the operation of a farm. And we must remember also that what might have been a perfectly legitimate and proper limitation in an appropriation bill which is in effect for only 1 year might be entirely wrong in a bill which establishes a long-time program and becomes permanent law. I believe we should not limit loans in this bill, which if passed will become permanent law, to $2,500 in the initial amount or a total of $3,500. If you go anywhere in the North or West today and attempt to set up almost any kind of farming operation you will find that amount is wholly inadequate. You cannot start a dairy farm, you cannot start a wheat farm, you cannot start a farm out on the Pacific coast with the special kind of crops which are grown there, on that amount. It may be that in the South and in some other areas that is an adequate amount, but I do not believe we should put a limit in this bill which is inadequate in many parts of the country.

Let me also call attention to the fact that very often the adequacy of the amount of loan which may be made initially will determine whether or not a man is going to make a success of his farming operations. I do not want to lend a man too much money. If you lend him too little, however, to enable him to get sufficient equipment and to carry on in an adequate way, then he would have been better off if you had made him no loan whatsoever.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. If conditions should develop that not more than $2,500 might be necessary, the Committee on Appropriations and the Congress could regulate that, could they not? They would not have to give $3,500 in every case?

Mr. HOPE. Certainly the judgment of those who are making the loans would determine how much would be loaned in any individual case. This does not say you have to lend $3,500 or that you have to lend $5,000. It simply says that you may lend up to that amount, if needed.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from California.

Mr. VOORHIS of California. This is permanent legislation and would be a legislative provision. I do not see how an appropriation bill could raise the statutory limit or change whatever is written in the bill.

Mr. ROBSION of Kentucky. I am making the point that if you have a ceiling of $3,500 it does not prevent the Appropriations Committee or the lending agency from cutting it down.

Mr. VOORHIS of California. I beg the gentleman's pardon. He is right. The amendment of the gentleman from Georgia is an absolute limit of $2,500. It does not provide $3,500 as a total overall limit. It is $2,500 in both places in the amendment.

Mr. HOPE. I appreciate the gentleman bringing that to my attention.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. TARVER. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Georgia.

Mr. TARVER. The gentleman knows that before this limitation was imposed loans were made to some individuals in amounts as great as $18,000 to individuals who were irresponsible financially and on account of which loans a tremendous loss was sustained by the Government. Does not the gentleman think that if a man is a needy farmer, in absolute need of some financial help in order to be rehabilitated, that the Government is being sufficiently generous in lending him $2,500; that if he has assets or if he is a type of farmer justifying a larger loan he ought to get his loan from some other source?

Mr. HOPE. I think it all depends on the part of the country in which he is farming and the nature of his farming operations. I am thoroughly in accord with the idea of putting a limitation on the amount that may be loaned. I think there ought to be a limit. The only place I would disagree with the gentleman from Georgia is where that limit should be. In the North and West a limit of $2,500 will not in all cases afford a loan which is adequate to carry on normal operations.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. May I inquire of the gentleman from Kansas if the individual loan was limited to $2,500 and the total loan limited to $3,500 instead of $5,000, would that take care of his section of the country?

Mr. HOPE. No. It would be better, of course. But I do not believe it would be sufficient.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there has been a lot of talk about cutting this or leaving it at $2,500, and I refer to the limitation on

loans. About 2 years ago I was very much interested in what the Cooley committee was doing in its initial hearings. At that time I began receiving letters from various agricultural officials of the Northeast. I am going to take this time to read from a letter which I received from the commissioner of agriculture of Massachusetts in regard to this $3,500 provision and I hope this letter will convince some of the Members, at least, that those in the deep Southland may be able to run farms of the $2,500 loans, but as far as upstate New York and northeastern dairymen are concerned, they have every right to anticipate the increase in this loan value that the Cooley bill proposes.

As I said, I am going to read to you from a letter which I received from the commissioner of agriculture of the State of Massachusetts. I recalled this letter as I heard the gentleman from Georgia suggesting that he would offer this amendment, and I scurried over to my office, and after looking around in my files for the year 1944, when this question first came up, I found the letter. The acting commissioner, Mr. Louis A. Webster, held the same opinion. I believe that the commissioner of agriculture of the State of New York was of a like mind, although he never so expressed himself to me.

To Members of the Northeastern Association of Commissioners of Agriculture:

It looks as if the report of the Cooley committee and the attitude of the House Committee on Agriculture, along with the present attitude of the large agricultural organizations, more or less guaranteed the continuation of the Farm Security Administration.

If this is the case, I think there are some modifications of the Cooley report that would be desirable, particularly from standpoint of northeastern agriculture.

As I understand it, there are five recommendations of the Cooley report which would seem harmful to our best interest in the Northeast.

Then he goes on to say:

Of course, a $3,500 loan is probably too much for most of the cotton share croppers and some other types of farmers, but for any sort of specialized operation on the west coast or the east coast it just wouldn't fill the bill.

In other words, he says that the proposed figure is not high enough. I would go along with an amendment suggesting that it be raised from $3,500 to $4,000, because that is the amount set in the GI bill of rights as the limit for loans to these returning soldiers, but I certainly cannot go along with leaving it at $2,500. I have the privilege of representing thousands and thousands of dairymen in the Northeast who are doing everything they can to feed the metropolitan districts of the Northeast, New York, Philadelphia, and all the up-State New York cities as well as other sections. Furthermore, they are doing everything possible to feed the starving world; to raise enough milk and dairy products so that those millions across the seas in Europe and Asia will also be able to keep from starvation. I am not going to try to depict the seriousness of the agricultural picture in the Northeast. All I have to say is that if the dairy farmers of up-State New York last another 6 months, then they are going to do better than I think they will. But I insist that now is not the time, when we are proposing this Cooley bill, of which the committee has made a great and thorough study, to try to curtail or draw in our horns and take away the opportunities which are created in this measure, so that the farmers in all parts of the country will have an opportunity to do their share, and to be able to borrow enough money to buy machinery, feed, seed, fertilizer, and for other things that they need to run their dairy farms with, so that they will be able to carry on.

Mr. FLANNAGAN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I want to make myself clear on the amendment before us. In answer to an inquiry of the gentleman from Georgia I stated that in my section I thought the program could be successfully carried on with a $2,500 limitation. I am afraid, however, that the limitation in other sections would restrict the program and probably make it unworkable.

I want to see this program work not only in my section but in every section of this country. If the limitation offered by the gentleman from Georgia of $2,500 is going to restrict or hamper the program in other sections, I do not believe the amendment should be adopted. I think we should look at this question from the standpoint not of my section or the section of the gentleman from Georgia but from the standpoint of the Nation. We should try to write into law a provision here that will make the program operative in every section of our country.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Arkansas.

Mr. GATHINGS. I represent a district where we have had floods for the last 2 years. When those flood waters come in there they wipe out fences and tear down houses. Under the provision proposed by the gentleman from Georgia there is no way in the world that the farmers can build these fences back and make repairs and be able to farm and carry on their operations, if you are going to curtail these amounts.

Mr. FLANNAGAN. I understand that under certain circumstances the limitation will be entirely too low.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Georgia.

Mr. TARVER. Of course, the gentleman realizes that the sort of loans the gentleman from Arkansas is talking about are not the loans that are made ordinarily under the Farm Security Administration. Certain appropriations which have been made heretofore for flood relief have been used for this purpose. But aside from that, the question has been raised here as to whether or not this is a sectional amendment. The amendment was written into the bill by seven men, two of whom came from the South, one from Minnesota, one from Vermont, one from Missouri, one from Illinois, and one from California. There can be no idea here justified that this is a sectional matter. The provision was made by the Subcommittee on Agricultural Appropriations, after hearing testimony over a long number of years, and for the purpose of correcting some very flagrant abuses.

Mr. FLANNAGAN. I do not think anyone wants to inject sectionalism into this argument, but it has been found that in certain sections the limitation contained in the gentleman's amendment would restrict the program or practically make it inoperative. I think the sensible thing and the fair thing to do is to write such language into this bill as will permit the program to be established and prosecuted in a successful way all over the country.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. I should like to emphasize this fact. When this bill was written by the subcommittee originally, great thought was given to this section of the bill, for this reason: We are here writing permanent legislation. When the gentleman from Georgia was writing from year to year limitations on the appropriation bill dealing with the Farm Security Administration, it was a yearly affair, but here we are writing permanent law and there ought to be some leeway to take care of various sections of the country, as the distinguished gentleman from Kansas [Mr. HOPE] so ably and logically pointed out. It seems to me we would be hamstringing the organization here in its very inception if we put this limitation on it. For that reason, I beg of this House to leave the limitation as placed by the committee.

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I would like to point out that in voting on this amendment we do not have any proposition before us as to the making of unlimited loans. It is only a question of where the limitation will be. I believe I am correct in stating that the abuses to which the gentleman from Georgia has pointed were due primarily to the fact that at that time there was no over-all limitation on the total amount of loans which could be made to an individual, which there is in the bill at a figure of $5,000. I would also like to point out that the gentleman from Georgia and his Committee on Appropriations will still annually have the opportunity to write into their legislation whatever they see fit. This basic legislation only states the over-all limitation on the amount of these loans. That same question can come up before us every year to determine what we want to do in the subsequent year.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. TARVER].

The amendment was rejected.

Mr. TARVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER: On page 17, after line 5, insert the following:

"(d) For the payment of dues to, or the purchase of, any share or stock interest in any cooperative association (except for med-

ical, dental, or hospital services), or for any expenditure other than that deemed necessary in the discretion of the Secretary for the production of agricultural commodities."

Mr. TARVER. Mr Chairman, the committee, in reporting the pending bill, has carried forward certain limitations as to the purposes for which loans could be made which our Subcommittee on Agricultural Appropriations has included in the agricultural appropriations bills over the last several years, with the exception of the one I have offered by this amendment which proposes to inhibit the making of loans for the payment of dues to, or the purchase of, any share or stock interest in any cooperative association except for medical, dental, or hospital services, or for any expenditure other than that deemed necessary in the discretion of the Secretary for the production of agricultural commodities.

This is one of the limitations which has been placed in the bill from year to year in an effort to stop a practice which has grown up of lending money to these rehabilitants with which they purchased shares of stock in cooperative associations which operated these so-called cooperative farming projects upon a basis similar to that which is said to function in Soviet Russia. We thought that was an important limitation. Judging from the actions which have been taken by the Committee of the Whole this afternoon, the Members of the Congress who are present today do not seem to feel these limitations are important. I have no means of knowing that your action on this proposed amendment will be favorable. In fact, I judge from the action that has been taken on the other amendment, your action now will probably be unfavorable.

I think our subcommittee has done a very good job in stopping abuses that have grown up in the administration of the affairs of the Farm Security Administration. I think we acted upon the basis of evidence developed over a period of years which has probably not come to the attention of a very great majority of the membership of this Committee of the Whole. I think it is important that these inhibitions, which have been found necessary and which you have approved by your votes over this period of years, should be continued.

When the Agricultural Department appropriation bill for 1947 passed this body a few weeks ago, an effort was made to strike this limitation from the bill, by the gentleman from California [Mr. VOORHIS], and the Committee of the Whole overwhelmingly rejected his amendment. I cannot see why there should be any change in your position in regard to these subject matters now. If this limitation should have been included in the appropriation bill 3 or 4 weeks ago, it should be included now. I sincerely hope that the amendment which I have offered may be adopted, for the purpose of preventing some very objectionable practices which were formerly carried on.

I think the present administration of Farm Security would not carry on those practices, but I do not know who is going to be in charge of its affairs administratively in the future. I do believe that this type of protection against abuses of discretion ought to be continued in this bill.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. GATHINGS. I am in full accord with your position on this amendment, and I hope you do not lose heart by virtue of losing out on your other amendments, because this time I think you will strike pay dirt.

Mr. TARVER. I will not lose heart. I intend to offer at least one other amendment, in the hope that something gleaned from my experience in handling this bill over the past several years may be found by the Committee of the Whole to be of value, but if you do not approve of the position I take, if you want to reverse the position you took yourselves only a few weeks ago on this subject matter, that is something that is within your own discretion.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. TARVER. I yield.

Mr. HARE. Will the gentleman give us for the RECORD some of the improper practices referred to, formerly exercised by the Farm Security Administration?

Mr. TARVER. The list of them would be so long that within the time of the afternoon it would be impossible for me to recount them. But among other things is what I referred to a while ago, projects in which a group of farmers worked together on a large tract of land, with the understanding that they would share in the profits, if any, from their farming operations, not upon the basis of what each contributed to the results but upon the basis of membership in the cooperative organization, without regard to who may have been industrious or who not. In other words, a socialistic plan of operation which we tried to prohibit, and which I hope you will continue to prohibit.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. VOORHIS of California. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, let me say at the outset that I am in favor of cooperatives. I think they have a real function to perform in America, and I think that function, in a nutshell, is enabling groups of people, notably perhaps American farmers, to solve their own economic problems by their own efforts and without reliance upon Government help. It has been done over and over again.

I am not talking at all about the type of things the gentleman from Georgia [Mr. TARVER] just mentioned. I am not talking about collective farming projects. I am talking about farm cooperatives, where the producers of a certain farm commodity form a cooperative in order to market that commodity cooperatively, and have something to say about the price they get in the market place, which they cannot have without the cooperative, because they will be at the mercy of what the middleman chooses to give them. I am talking about the cooperative where the farmers in a given area have to use great quantities of gasoline and petroleum supplies, for example, and where they have had the good sense to form a cooperative for the distribution of those supplies to one another, and thus save the margin of profit which would have flowed into the coffers of great big corporations in New York and Chicago, and keep instead that purchasing power at home in the local communities.

I should like to read to you a portion of this bill at the bottom of page 17 and the top of page 18. It states that this corporation shall make no loan—

(D) For the carrying on of any land-purchase or land-leasing program, or for the purpose of carrying on any operations in collective farming, or cooperative farming, or for the organization, promotion, or management of homestead associations, land-leasing associations, land-purchasing associations, or cooperative land purchasing for colonies of rehabilitants and tenant purchasers, except for the liquidation as expeditiously as possible of any such projects heretofore initiated.

This is a clear limitation in my opinion which states that loans shall not be used for any such purpose. It will make impossible the things that the gentleman from Georgia quite properly has objected to.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. TARVER. The limitation to which the gentleman has referred inhibits loans to associations but it does not inhibit loans to individuals to buy stock in associations or cooperatives; and if there is a lack of administrative discretion that procedure could be followed in future as it has been in the past unless there is a prohibition in the bill against it.

Mr. VOORHIS of California. I reply to the gentleman by saying I am quite positive that the language is a limitation against a loan being used for any of these purposes or against a borrower using it for any of these purposes.

I am sure I agree with the point that was not today made by the gentleman from Georgia but which has been made by a good many Members arguing this question, that the borrower of one of these loans can, of course, join a cooperative if he sees fit by using some other funds he may have available. Of course, he can do that.

My main purpose in opposing the amendment offered by the gentleman from Georgia is this: I know that at this very moment there is a bitter and to my mind unjustifiable attack being made upon the farm cooperatives of this Nation. I do not want Congress to write into this legislation which, remember, is permanent legislation—we are not talking about an appropriation bill here now, we are talking about a basic authorization—I do not want to see language written in there that implies in any way whatsoever that if a farmer joins a cooperative he is doing something he should not do. On the contrary, I think he may be doing the thing that will help him to help himself better than anything he might be able to do with a few dollars and I do not want him to be forbidden to do that. That is the reason why I am against the amendment in the form

it is offered by the gentleman from Georgia.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. MURDOCK. Is it not true that farmer cooperatives, as the gentleman has pictured them, have had the most remarkable growth in the Southwest in recent years?

Mr. VOORHIS of California. I think that is true. They have been of very great benefit to the farmers of our section as well as to the farmers in other sections of the country.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HOPE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope the amendment offered by the gentleman from Georgia will not prevail. We must remember that for a good many years it has been the policy of this Government, a policy which has been carried on during the incumbency of both political parties, to encourage the formation of farm cooperatives. Starting back with the Capper-Volstead Act, there have been numerous pieces of legislation passed upon both Democratic and Republican administrations to encourage farmers to form cooperatives; and I personally think cooperation is the alternative to more paternalism and Government control as far as agriculture is concerned. I would hate to see this House take a position today which would indicate that Congress no longer considers farmers' cooperative organizations a worthy type of endeavor.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from North Carolina.

Mr. COOLEY. Would it not be tantamount to Congress taking the position there was something evil and unholy about cooperative enterprise?

Mr. HOPE. I can see no reason for prohibiting something unless we do consider it to be evil. As the gentleman says, it would be a declaration on our part that there is something wrong about joining a cooperative. Of course, as the gentleman from Georgia has pointed out, in the past under the set-up of the Farm Security Administration, when it was operating without any authority of law and under Executive order, when it was running wild, so to speak, there were some abuses, but those abuses were more particularly in the lending of funds to cooperatives and not so much in lending them to individuals in order to join cooperatives, although the two things went together.

We prohibit in this bill any loan to a cooperative and I can conceive of no way that anyone engaged in the administration of this act could go out and promote any of the enterprises that the gentleman from Georgia has mentioned as being so obnoxious, and I agree with him as to the undesirability of any enterprises of that kind. I was a member of the Cooley committee and we went into that question very thoroughly. We have written this legislation with a view of prohibiting any of those practices that the gentleman from Georgia describes and which all of us, of course, must necessarily condemn. But to say that in a bill of this kind, which is permanent legislation, that it is wrong for a man to join a cooperative, and that is virtually what we would do, if we adopt this amendment, is taking a backward step.

Today in my district and in every congressional district there are small farmer cooperatives, cooperatives operating farmers' elevators, cotton gins, creameries, and other little local enterprises. Do we want to say that a man who gets a loan from the Farm Security Administration or the Farmers' Home Corporation under this bill is to be denied the opportunity to include in that loan a small amount with which he can buy membership in an association which will help him market his products? Do we want to say that he cannot join a little local association among his neighbors to buy a threshing machine, a bull, or some piece of machinery that can be used cooperatively in that area, thus enabling him and his neighbors to get the benefits of improved machinery and equipment? Yet, that is what we are doing if we say that he cannot use the proceeds of a loan of this kind for that purpose.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Georgia.

Mr. TARVER. The gentleman, of course, knows that it is not the purpose of the prohibition to prevent anybody from joining a cooperative. I agree with him as to the value of farmers' cooperatives. The purpose of the prohibition is to prevent some situations such as I have described and the prohibition I have offered in the form of an amendment would prevent that sort of thing. They cannot be prevented under the bill as it reads now. There will be nothing to prevent lending money to a farmer to buy stock, not merely to pay membership dues, but to buy stock in a cooperative association in any amount they may desire to lend him the money for the purpose.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. Chairman, if the gentleman does not want to prohibit the use of these funds obtained under the loans for the purpose of joining local cooperatives then he ought to draft some different kind of language than he has used in this amendment. I do not believe it is necessary to have any amendment, but if the gentleman has an idea that there is something that can be done under this bill which ought to be prohibited, then I say the gentleman should draw up appropriate language to carry out that purpose. I do not think he should come in and say that no farmer getting a loan under this bill should be permitted to use that money for the purpose of joining a cooperative.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. TARVER. Mr. Chairman, I ask unanimous consent that the gentleman be given two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TARVER. May I ask the gentleman if there should be eliminated from the language of my amendment the words "the payment of dues to" so that it would simply read "for the purchase of any stock or stock interest in an association," would he object to the amendment?

Mr. HOPE. I think it would be subject to the same objection because the local cooperatives that I am talking about not only have membership dues, but they must have capital with which to operate, and necessarily a member joining one of them must purchase stock if they are going to have the capital. We do not always recall, perhaps, that a cooperative does not have the opportunity for financing itself that many other business organizations have. They have to depend very largely upon stock subscriptions by their members to finance their operations.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. TARVER. Mr. Chairman, I ask unanimous consent to modify the language of my amendment by eliminating the words "the payment of dues to, or" so that the amendment as so modified will read, "For the purchase of any share or stock interest in, any cooperative association," and so forth.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The Clerk will read the amendment as modified by the gentleman from Georgia.

The Clerk read as follows:

Amendment offered by Mr. TARVER: Page 17, after line 5, insert:

"(b) For the purchase of any share or stock interest in, any cooperative association (except for agricultural, dental or hospital services) or for any expenditure other than that deemed necessary in the discretion of the Secretary for the production of agricultural commodities."

Mr. WICKERSHAM. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Georgia.

Mr. Chairman, I fear if this amendment is adopted that it will prohibit the individual farmers from securing stock in a frozen food locker, a REA co-op, a gin, or some other such local cooperative organization, which is of great benefit especially to the poorer class of people who would benefit under the provisions of the Cooley bill. Therefore, I am opposed to the amendment.

Mr. HARE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise for the purpose of making inquiry either of the author of this amendment or the author of the bill as to whether or not the subject matter we are now discussing would apply

to a situation that has arisen in the last year, and which has given rise to a great deal of complaint. In my section of the State I hear frequent complaints from private enterprise where persons have subscribed to stock, maybe three, half a dozen, or a dozen, and formed an organization, calling it a cooperative organization of farmers in order to avoid income tax, and that such associations are now operatingly solely as business enterprises. The stockholders may or may not be made up of farmers, but in reality they are cooperatives primarily to avail themselves of exemptions from income taxes provided for farm cooperatives under our existing revenue law, and I am wondering whether or not the amendment the gentleman from Georgia has offered is designed to strike at that particular practice, because they pay no income tax and they drive their neighbors, who are in private enterprise, out of business.

Mr. TARVER. The amendment offered by me does not strike out any practice except the type of practice which I have undertaken to describe. The individuals concerned, that is, the rehabilitants, could use any funds that they might have available for purposes such as the gentleman describes, but they could not use funds loaned to them by the Farmers' Home Corporation for that purpose. That is the only inhibition.

Mr. HARE. Then it would not prevent the continuation of the practice of such so-called cooperatives, but it would only prevent them from borrowing funds from the agency herein provided to take stock in such an association or organization.

Mr. TARVER. You might prevent it insofar as they might be using funds from the Farm Security Corporation, but that is the only way that I can see in which the question that the gentleman has in mind might be affected.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. HARE. I yield to the gentleman from California.

Mr. VOORHIS of California. May I point out that if three farmers, as the gentleman has postulated, did form a cooperative, those three farmers would have to pay as individuals the same rate of income tax upon any income that was derived from that enterprise as would have to be paid by three other people who formed a partnership in the same business.

Mr. HARE. I am not certain of that, because I understand the revenue act exempts the cooperative farmer organizations from paying an income tax on their business and rightly so, but the complaints that have come to me are to the effect that there are some cooperatives laboring under the guise of farm cooperatives, whereas they are just business enterprises.

Mr. VOORHIS of California. It does exempt certain types of farmer cooperatives as cooperatives, but I was not speaking of the cooperative, I was speaking of the individuals who are members of it, because the income will come back to those people as individuals.

Mr. HARE. The point I was getting at was whether or not we were encouraging the establishment of cooperative enterprises similar to those of which so much complaint has been made. I am strongly in favor of the cooperative idea, and I want to give farm cooperatives all the support they can possibly have under the law, but I am not prepared to subscribe to the policy that under the guise of cooperation organizations should be permitted which stifle private enterprise and private activities and at the same time unlawfully stifle the Treasury of the United States by unlawfully being exempt from the payment of legitimate income taxes.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HARE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I think we all recognize the danger the gentleman has in mind, but my viewpoint on that is that certainly we are not going to destroy any worthy activity like cooperatives. I am not talking on the amendment, I am talking on the broader question.

Mr. HARE. I was not talking on the particular amendment, I was just trying to get information.

Mr. McCORMACK. I know the gentleman would not want to do that, and I am not by making this observation indicating in the slightest way that I think he would. I do not think any of us who try to look at things constructively would want to destroy a worthy activity like cooperatives, whether farmer or otherwise, simply because of abuses. When abuses occur, we try to control them after we have ascertained the facts. Does not the gentleman think that is a sound approach and a proper way to do it?

Mr. HARE. I thoroughly agree with the gentleman.

Mr. COOLEY. Mr. Chairman, I move to strike out the last three words, in order to ask some of the gentlemen who are more familiar with the cooperatives of the country if it is not true that in some of the cooperatives there is a requirement that each member shall be a stockholder.

Mr. H. CARL ANDERSEN. That is true in reference to most cooperatives.

Mr. COOLEY. I was under that impression. If that is the situation, then this amendment as amended is just as objectionable as it was in its original form, and should, therefore, be defeated.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last four words, and rise in support of the amendment.

Mr. Chairman, it is said that those in favor of this amendment are trying to strike at and make illegal and wrong membership in a cooperative. I think that is an unfair statement. Certainly nothing has been said here by the gentleman who has offered this amendment to indicate that. I happen to serve on his subcommittee, where this subject has been gone into rather thoroughly. Certainly it is all right for a borrower to join a cooperative and there is nothing wrong with a borrower from the United States going into a cooperative if he wishes to. There is nothing wrong with it and there is no desire to make it wrong for him to do so. But here is the point to which I think the amendment is directed, and I think it should merit your consideration.

You know that if this man is permitted to use the funds that he borrows from the United States for the purpose of buying stock in a cooperative, all you have to do is sell that Government agent, who handles the loan, whether he be a representative of the Farm Security Administration or whoever he be, the idea that some certain cooperative is worthwhile, or if such Federal representative is already behind a certain cooperative or wishes it, you will find that that representative of the Federal Government will soon be convincing the man who comes in and asks for help in preparing his application for funds that he should write into that application a request for funds for the purpose of obtaining membership or stock in the cooperative that the Government representative is sponsoring.

You are going to find after this bill becomes operative, in the event it is passed, that that man is going to have part of his money taken out of his check which he has borrowed to rehabilitate himself for the purpose of farming. He is going to have the money taken out for some cooperative before he can get out of the office with his check. That is the type of thing that we do not want. If they had good cooperatives, if they picked one that really rendered service to the people, perhaps it would not be too bad. But we have seen the actions of certain governmental agencies in the past and some of the things they have sponsored. We have seen memberships in certain unions they thought worth while. We have seen them try to include money for those purposes in funds borrowed. I think it is a mistake to permit these borrowers to borrow money for the purpose of buying stock in a cooperative when we know the Government representative is going to prepare his application for funds and he is going to write into his application a request for money to purchase stock in such cooperatives as the agent wants the man to go into. Thus, it will not be a free and independent act on the part of the borrower. I think it is much better to say that he cannot borrow money to go into a cooperative. We are not against cooperatives, but let that cooperative sell itself to that borrower. Do not leave it where that Government representative or that Government agent can put him in it before he ever gets started and, as I say, in a few months get it to the point where he actually has the money taken out of his check and the man put into the cooperative that the Government representative wants him in before he ever can get out of the office with his check and the funds which he is supposed to have borrowed under this legislation for the purpose of carrying on farming and farm enterprises. This amendment is not opposed to cooperatives. We are not opposed to this man going into a cooperative, but let him do it because he believes the cooperative has some merit and will render service, and not because some Government representative wrote into his application a request for $10, $15, or $25 to put him into the cooperative of the Government representative's choice before he knew anything about the kind of service it

would render. That is the point to which this amendment is directed. Just as sure as you fail to adopt this amendment, you are going to find the Government representative building up favored cooperatives with money that these folks borrowed without the borrower having a thing in the world to do with it.

Mr. HILL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope you will not be carried away with any of the argument in support of this amendment. The committee went into every detail of this very subject. I do not think there is an idea that has been brought out on the floor this afternoon that we have not discussed from absolutely every angle. Let me read you this paragraph from the report. May I say with reference to this money that some of our colleagues are fearful will be used illegally, it will not be used illegally because under this bill you have a county committee set up and it will operate entirely differently from any legislation we have had heretofore. The report reads as follows:

This subsection, however, would not prohibit individual farmers from using the proceeds of loans from the corporation to pay for membership in cooperative associations furnishing services to farmers such as those services ordinarily supplied by purchasing, marketing, medical, or veterinarian associations.

Let me give you one illustration. I do not think the House needs to worry this afternoon as to what this particular bill will establish. Let us consider farming in the western section of the country. If they want to have a piece of machinery or a land leveler or some livestock like a sire or stud, under the terms of this amendment the farmers in that particular locality who wish to have a very high-grade bull and who wish to buy it cooperatively could not spend one dime of this money for this purpose. There is no use confining this bill in such a manner as that if we wish to help the small farmers and wish to have them succeed. I think entirely too much weight is being given to the danger of the extreme left-wing borrowers, if you wish to call them that. That is not what this program is established for. We are setting up this measure for the farmer who wishes to go out and succeed on his farm. If he wishes to succeed in his farming, and the neighbors who live around about him wish to cooperate with him in the purchase of a piece of machinery, why should the Congress of the United States wish to prohibit that cooperation? That is exactly what you do when you vote for this amendment, regardless of the charges that have been offered.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. HILL] has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I oppose this amendment because it is unworkable. I call to the attention of the gentleman from Georgia [Mr. TARVER] that when I haul any produce from my farm in Minnesota to one of the cooperatives, whether I am a member of that cooperative or not, immediately my dividends begin to accumulate toward the purchase of a share of that particular cooperative. When the time comes that a certain amount has accumulated, I am automatically given a share upon the books of that particular cooperative, and become a member. Under the gentleman's amendment, in my opinion, it would make it impossible for any member taking a loan through this particular organization to do business with any cooperative.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. TARVER. I am aware of the gentleman's interest in cooperatives and in the subject matter involved, but the amendment I have offered would not interfere in any way with a rehabilitant becoming a member of a cooperative association, except that it would provide that the Government should not loan him the money to buy stock in it. If he became a member by hauling his produce to the cooperative, as the gentleman has suggested, there is not anything in the amendment that prohibits that.

Mr. H. CARL ANDERSEN. May I call the gentleman's attention to the fact that a farmer is purchasing a share of stock as he hauls produce into this particular cooperative. It would be impossible to determine just what particular money this farmer was using; whether it was his own money which was in one pocket or whether it was the money from the Farm Security which he had in the other pocket. In my opinion, it would do considerable harm to the cause of cooperatives.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to my good friend from Mississippi.

Mr. WHITTEN. I think the point the gentleman makes is good, that you cannot tell which money he uses, but if this amendment is adopted it will keep it from being set up in his original loan. If the amendment is adopted no effort can be made to keep him from joining later and paying later with any money as he wants to. I doubt if you could keep him from using some of this money, but if the amendment is adopted, the stock in that corporation cannot be set up in his original application for funds and cannot be taken out of his funds before he gets the remainder.

Mr. H. CARL ANDERSEN. May I say to the gentleman from Mississippi, for whom I have a very high regard, as well as the gentleman from Georgia [Mr. TARVER], if the gentleman from Georgia would change his amendment so as to provide that they purchase not more than one share in a particular cooperative, then it would be workable, because no farmer needs more than one share to do business with a cooperative and to share in its earnings.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The question is on the amendment offered by the gentleman from Georgia [Mr. TARVER].

The question was taken; and on a division (demanded by Mr. TARVER) there were—ayes 15, noes 49.

So the amendment was rejected.

Mr. TARVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER: On page 1, line 1, after the word "corporation", insert "if appropriations are made therefor by Congress."

Mr. TARVER. Mr. Chairman, I have at last devised an amendment which is satisfactory to the chairman of the committee. I understand he will accept it.

Mr. FLANNAGAN. As far as I am concerned I see no objection to the amendment.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 8, line 7, after the word "corporation", strike out the period, insert a comma and add the following: "*Provided*, That not to exceed 75 percent of the personnel who were on the rolls of the agencies herein abolished or who are engaged in exercising the functions, powers, and duties that are herein abolished or repealed on the effective date of this act shall be transferred to the corporation."

Mr. DIRKSEN. Mr. Chairman, about 7 or 8 years ago I served on a special committee that handled the President's reorganization bill. I recall vividly when the first copy of that bill came to the committee. In so many paragraphs, in so many sections, they used the phrases "to simplify the executive branch of the Government," "in the interest of economy, efficiency, and elimination of duplication." I expect those words have been used millions of times since then: "To bring about economy in Government," "to simplfy the complexities of the Federal agencies," "to eliminate duplication."

You recall so well when the first reorganization plan came to Congress it set up for instance the Federal Works Agency, the Federal Security Agency, and the Federal Loan Agency. After they were created they came before the Appropriations Committee and the system was about like this: At the top was the Administrator. Down below were all these constituent agencies that had been thrown in under this reorganization plan. Over every constituent agency there was a director or chief or some other administrative head. In the following year it was rather amazing to watch how this thing began to expand. The Administrator had to have more money, and so while he got more money by direct appropriation, yet out of the money that was provided for the constituent agencies they transferred additional funds to him. So in a little while where he may have begun with $200,000 he was up to $500,000. Then the various component agencies had to have more money, and when we got through we found that we had so far simplified these agencies that we had simplified them into double the personnel they had before.

It is proposed today to simplify the credit agencies in the Department of Agriculture. The second word in the title of the bill is "to simplify and improve." If we are going to simplify, if we are going

to consolidate, let us also get the benefit of a few economies; and so this amendment simply provides that when you have taken these scattered agencies and functions, when you have abolished some, when you have repealed others, and when you have given to the Secretary of Agriculture under this bill the power to transfer whatever personnel he deems necessary—that is the language of the bill—let us put an objective on it, some kind of a target, some kind of a goal. That is what the amendment proposes. It says when they get ready to transfer personnel they cannot transfer more than 75 percent of those who were on the rolls pursuing these functions on the effective date of this act. It proposes now to curtail Federal personnel somewhat.

I commend it to you for your consideration at a time when it is so necessary in the interest of the taxpayer to diminish the number of people who are on the Federal rolls today.

Mr. CLEVENGER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Ohio.

Mr. CLEVENGER. Will the gentleman modify his amendment to the extent that when this trimming is done it will take off these Johnny-come-latelys from the pay roll?

Mr. DIRKSEN. I prefer to let the Secretary exercise some discretion in the matter. I believe we help him, I believe we render a service to the administrative head of any department of government, when we are able to say to him, "Very well, simplify, consolidate, but when you have done so let us be sure that at least one out of every four persons has been eliminated from the rolls." That is what this amendment does.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Arkansas.

Mr. GATHINGS. I can point out to the gentleman right now where they could lop off quite a number from the pay roll at this time. For example, the home administration work being carried on by the Farm Security Administration is a clear-cut case.

Mr. DIRKSEN. I agree with the gentleman.

Mr. GATHINGS. I am for the gentleman's amendment.

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois.

Mr. Chairman, I regret to oppose the amendment offered by my distinguished colleague from Illinois. I am in hearty accord with the objective he has in view, but I do not think it can be accomplished or ought to be accomplished in the way in which he proposes.

We have cooperated together in trying to reduce the administrative expenses of the Farm Security Administration and the number of its personnel has been reduced from about 21,000 a few years ago to 8,400 for the next fiscal year. The number in the 1943 fiscal year, I believe, was 17,000.

It may be possible under the provisions of this bill to effect further reductions; but this is not, in my judgment, the way in which those reductions ought to be accomplished. You will recall that early in the proceedings I made points of order against the portions of this bill which proposed to make available funds to the new Farmers' Home Corporation, which points of order were sustained. There is not, therefore, any provision in this bill as it stands at the present time which makes available any money to the Farmers' Home Corporation.

What does that mean? It means that if this bill passes in its present form and is enacted into law it will be necessary for the Farmers' Home Corporation to come to the Committee on Appropriations and justify whatever request it may submit, not only for personnel but for all other expenses and activities of the Corporation as well. That is the place where the matter ought to be reviewed.

I do not know how the gentleman from Illinois arrived at his figure of 75 percent of the personnel which he proposes to authorize transferred. It may be that 75 percent is the correct per centum. It may be 50 percent or it may be 80 percent. I do not know, you do not know; we have not heard any evidence relating to that subject matter. The question ought to be thoroughly examined after the bill is enacted, if it shall be enacted, and in turn an estimate made as to what personnel it may be possible to eliminate under the terms of the bill. His amendment provides for 75 percent of the present personnel. Would that be 75 percent in number or 75 percent in amount of funds involved? Will certain higher-paid types of personnel be eliminated or certain lower-salaried personnel be eliminated?

Those matters ought to be intelligently determined upon the basis of evidence as to just exactly what types of personnel would be no longer needed, and the determination can only be made after complete hearing. So I hope that the amendment offered by the gentleman will be rejected, with the assurance that the subject matter will be thoroughly explored if the bill is enacted before funds are made available to the new Farmers' Home Corporation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 26, noes 38.

So the amendment was rejected.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. DIRKSEN: On page 20, after line 24, insert a new subparagraph, as follows:

"(D) At the end of each fiscal year the Corporation shall report to Congress the names of all persons against whom claims in excess of $1,000 have been compromised, the address of such person, the nature of the claim, the amount of the compromise, and the reason therefor."

Mr. DIRKSEN. Mr. Chairman, the language speaks for itself, and I think the purpose and objective of the amendment is quite evident. Congress is, after all, the steward of the purse and is the only agency in Government that can appropriate money for the Federal Treasury. After that money is appropriated it is proposed by the terms of this bill that where there are amounts due to the United States of America, which means to the people of the United States of America—because it is their money—certainly there ought to be an accounting of those compromises. If they come into my State or into the State of Ohio or the State of Montana or elsewhere and compromise a claim in excess of $1,000, that fact should be made known.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. The only thing the amendment offered by the gentleman from Illinois would do, as I understand, is this: The corporation would have to report to Congress each year the names of all persons whose claims in excess of $1,000 have been compromised.

Mr. DIRKSEN. That is correct.

Mr. FLANNAGAN. Personally I think it is a wise provision, and I hope that it will be the pleasure of the House to adopt it.

Mr. DIRKSEN. I shall not belabor the matter any more except to say that I agree with the gentleman. I think it is a very salutary provision.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 23, line 14, after the word "corporation", strike out the period, insert a comma and add the following: "*Provided*, That no person shall be appointed as president, vice president, or secretary-treasurer of the Corporation who has not had not less than 5 years of actual experience in the field of farm loan financing and mortgage insurance."

Mr. DIRKSEN. Mr. Chairman, we propose in this bill a rather expanded program of farm financing and the insurance of farm tenant loans. One needs only to look at the totals of the Federal Housing Administration and its insurance program to note the astronomical amounts that are already involved. I apprehend the day will arrive when this organization will reach astronomical proportions. Certainly, in giving consideration to the matter, the men who stand at the top of the corporation, who direct its policies and in many instances fashion its policies, should have some experience. I thoroughly agree with what the great Senator from Georgia, Senator GEORGE, once said a year or so ago, that one of the great difficulties in government today is to get men who will express in administrative form the intent of Congress. The difficulty lies in the fact that too often they have not had any experience.

The gentleman who is the head of the Farm Security Administration would, in my judgment, qualify under this amendment. I have the utmost confidence in Mr. Lasseter. That confidence I think will be requited, because he does have experience in that field. As we project this program, why not require that when the

Secretary of Agriculture appoints a president, a vice president, and a secretary-treasurer of this organization they shall have had at least 5 years of actual, practical experience in that field?

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Georgia.

Mr. TARVER. I confess that I do not know whether the gentleman's statement regarding the qualifications of the present Farm Security Administrator is correct or not, but I have some question as to whether he has had 5 years of experience in farm loan financing and mortgage insurance. I agree with the gentleman that our present Farm Security Administrator is an excellently qualified gentleman and is establishing a good record for himself in that place.

I would have no objection to the gentleman's amendment if it does not have the effect of ousting the incumbent, who is doing a good job. I am afraid it might have that effect.

Mr. DIRKSEN. The statement I made with respect to the qualifications of Mr. Lasseter was based upon conversations that we had with him both in the committee and outside the committee.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. Mr. Lasseter never had any experience in mortgage insurance.

Mr. DIRKSEN. It ran in my mind that he did have. If that particular phrase is objectionable, I have no objection to amending the amendment to strike out the last three words, so that it will read "in the field of farm loan financing."

Mr. FLANNAGAN. I believe the last three words certainly should be stricken, because I doubt seriously if Mr. Lasseter has ever had any experience in mortgage insurance.

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to modify the amendment by striking out the last three words.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 23, line 14, after the word "corporation" strike out the period, insert a comma and add the following: "*Provided*, That no person shall be appointed as president, vice president, or secretary-treasurer of the Corporation who has not had not less than 5 years of actual experience in the field of farm loan financing."

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS of California to the amendment offered by Mr. DIRKSEN: After the words "in the field of", insert "farming or."

Mr. VOORHIS of California. Mr. Chairman, this amendment would make the Dirksen amendment read that no one should be appointed to any of these three positions unless he had had at least 5 years' experience in the field of farming or farm-loan financing. You can take your choice. But the persuasive eloquence of the gentleman from Illinois sometimes takes the House off its feet, and so I wanted to let 5 minutes intervene between his speech and the time we had to vote.

The thought I have in my mind is briefly this: I am acquainted with a number of men who have had a lot of experience in agriculture but never a bit, so far as I know, connected with any financial institution. I could think of some of those gentlemen that are altogether familiar with all the principles of farm financing that anybody would want to know, but who could not be said to have had actual experience in that field. I think it might be a great mistake to preclude the possibility of some such individual serving in this capacity. I think we might make an error if we narrow this field too much. I would hope in the appointments that were made certainly consideration would be given to the provision of the gentleman from Illinois. I do not believe my amendment harms his amendment, and it would only leave the door open for the type of individual I have mentioned.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. VOORHIS] to the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN] as amended.

The amendment as amended was agreed to.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: On page 56, line 4, strike out all of line 4 and insert the following:

"SEC. 9. This act shall take effect on the day following the effective date of the Agricultural Credit Act (H. R. 4873, 79th Cong., 1st sess.), passed by the House of Representatives on March 20, 1946."

Mr. DIRKSEN. Mr. Chairman, on the 20th day of March the House passed H. R. 4873, which was introduced by the gentleman from Virginia [Mr. FLANNAGAN], chairman of the Committee on Agriculture. That bill is now pending in the Senate. You will recall it provides among other things for the creation of an agricultural credit agency, the establishment of an agricultural credit board, the installation of an agricultural credit administrator, and then it sets out various divisions in this agricultural credit agency for the simplification of our whole farm-credit structure. That bill is pending at the present time. You will observe in the pending bill on page 54 in section 8 this language. It recites that in the event the Agricultural Credit Act, H. R. 4873, to which I have just alluded, passed by the House on March 20, becomes law prior to the effective date of this act, the functions, powers, and duties vested in the Secretary of Agriculture by this act and the Bankhead-Jones Farm Tenant Act, as amended, shall be vested in the Agricultural Credit Agency.

In other words, if the Flannagan bill becomes law before this pending bill becomes effective, then these powers that we are creating today and this simplification that we are seeking to develop would become effective and invested in the Agricultural Credit Agency that was created in the bill that was passed by this House on March 20.

It would occur to me that a very logical thing to do is to so time the effective date of the bill that is before us now that it shall antedate the effective date of the Flannagan bill and then automatically the thing we do here today logically goes to the Agricultural Credit Agency that was created in the Flannagan bill.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. TARVER. I understand there is very grave doubt as to whether the Flannagan bill will ever be enacted into law or passed by the Senate or receive Presidential approval. What would be the situation if the gentleman's amendment is adopted and the Flannagan bill never becomes law?

Mr. DIRKSEN. I think the appropriate response to that observation is simply that this bill could very well wait until the Flannagan bill is adopted. I am not insensible of the fact that somebody may say, "You are using one bill as a sort of weapon or as a motivating power to push another bill through the Senate." But I think it is infinitely more important that the Flannagan bill be first enacted into law and then place these functions in the credit agency that was created in the Flannagan bill. That, to me, looks like the logical thing for this House and for the Senate to do.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, after the Flannagan bill passed the House and was sent to the Senate, the House Committee on Agriculture recalled this bill, H. R. 5991, or the bill that immediately preceded it, H. R. 2239, and placed into the bill a contingent provision for the transferring of the Corporation to the Agricultural Credit Agency sought to be created by the Flannagan bill.

Frankly, I want to be fair to the amendment that is pending, but it is nothing more nor less than an amendment which is designed, perhaps—certainly well calculated—to sabotage this bill. I think that only an optimist would attempt to predict that the Flannagan bill would become law, notwithstanding the substantial majority by which it passed the House.

This House knows that the Secretary of Agriculture is unalterably opposed to the Flannagan bill. We have a right to assume that the Secretary of Agriculture reflects the views of the White House.

By this amendment we would say that unless the Senate of the United States and the President approved the Flannagan bill we would just throw up our hands and say, "We will not have any Farm Security Administration. We will

go ahead and tolerate this intolerable situation which now exists, with all of its duplication of effort and personnel."

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. HOPE. While I do not take the same position on the Flannagan bill that the gentleman from North Carolina takes, I am in hearty agreement with his viewpoint that this legislation should stand on its own feet. It is drawn up to meet a situation which exists, and I do not think its effectiveness or its operation, when it is passed by the Congress, should depend upon the passage of any other legislation.

Mr. COOLEY. I thank the gentleman.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ZIMMERMAN. This House set up the Cooley committee to investigate and make a report to Congress on farm security. After 2 years this committee has made a report and brought out this bill, which received the report of the Committee on Agriculture. The Committee on Agriculture has been criticized by this House, and properly so, because farm security has been brought in here, year after year, without any basic legislation to support it. After 2 years of hard work, this committee has brought this bill to the House, approved by the Committee on Agriculture, seeking to give substantive law for the support of farm security. It seems to me that this bill ought not be sabotaged in this way by making it contingent upon the passage of some other act.

Mr. COOLEY. I thank the gentleman.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Arkansas.

Mr. GATHINGS. May I say to the gentleman from Missouri, as well as the gentleman from North Carolina, that the Committee on Agriculture voted by a great majority that it was the intent of the committee that the Flannagan bill be first enacted into law before the Cooley bill.

Mr. COOLEY. There is no dispute about that. I stated to the Rules Committee that our committee preferred consideration of the Flannagan bill first. It was considered and passed, and the majority leader so arranged it on his program. But what I am saying now is, Are those of us who opposed the Flannagan bill and who want some basic legislation for Farm Security to be placed in the position of having to sit idly by and wait for some action in the Senate of the United States and the White House before we can provide basic legislation for Farm Security? If that is the situation we are in, I am afraid that we will adjourn this Congress and we will have no basic legislation for Farm Security.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, I do not believe the House has ever been placed in this position before, certainly not during the 12 years that I have served. I believe all of us will agree that whether or not the Flannagan bill ever becomes law, it is high time for Congress to enact legislation with regard to the Farm Security Administration.

For more than 10 years the Farm Security Administration has been permitted to operate as an agency of the executive branch of the Government. It has no basic legislative authority. The only legislation it has had has been contained in the several appropriation bills. Congress has been severely criticized for failing to provide legislative authority for the Farm Security Administration. Frankly, Congress has been responsible for many of the ills and evils of the Farm Security Administration for the reason that we have failed to provide the agency with a charter to place upon it desirable and definite limitations. After dilly-dallying with the Farm Security Administration for all these many years we are now told that we should take no action until another bill, which deals in a rather general fashion with farm credit, is enacted into law. Who ever heard of such a proposition as this? Are we impotent to act or unwilling to legislate?

While we have turned over to the Farm Security Administration hundreds of millions of dollars, much of which has been squandered and wasted on projects that were never even remotely contemplated by Congress, and although we have known the true facts for 2 years or more, we still have not enacted legislation to curb its activities nor to define its powers.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. VOORHIS of California. I would like to ask the gentleman whether in his judgment a vote for this amendment would not in effect be tantamount to a vote to recommit the bill.

Mr. COOLEY. That is exactly the effect that the amendment would have. I doubt if ever in the legislative history of America such a proposition has ever been submitted to either branch of Congress.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. FOLGER. The gentleman spoke of squandering a lot of money. I want to keep the records straight. Is it not a fact that after Frank Hancock took over the Farm Security Administration he straightened it out?

Mr. COOLEY. He not only straightened it out but he recovered a lot of money which might otherwise have been lost. As far as it was humanly possible for him to do so he ascertained the unofficial views of Members of Congress and he made many changes in both personnel and policies, and he is to be commended for his splendid efforts in improving the situation which our investigating committeee discovered.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. DIRKSEN. I think that the Committee of the Whole ought to reserve judgment for a moment, that we might hear from the chairman of the Committee on Agriculture.

Mr. COOLEY. Oh, yes; I am sure the gentleman believes that the Committee of the Whole should reserve judgment. That is exactly what I am complaining about. We have been reserving judgment too long already. This bill has been kicked about for more than 2 years. We should not reserve our judgment any longer. Neither should we delay action on the pending measure. The legislative history of this bill indicates clearly the great delay which has already taken place. Certainly I do not believe that we ought to use this bill as a crowbar to force through a piece of legislation which is now pending in the Senate. Frankly, I doubt if that legislation will ever be enacted into law. Each bill should be considered on its own merit and neither should be contingent upon the passage of the other. Congress should make the policies and provide the programs and we should not issue blank checks to either bureaus or boards.

If the Flannagan bill becomes law the Farmers' Home Corporation may or may not become a part of the agricultural agency created by that bill. The Farm Credit Administration could be an independent agency, operating under a nonpartisan board, as contemplated by the Flannagan bill, and yet, at the same time, the Farmers' Home Corporation could remain in the Department of Agriculture and make small loans to low-income farmers who cannot obtain adequate credit from other sources. Frankly, I do not believe that sound credit and soft credit, low-risk and high-risk loans, should be made or administered by the same agency and I certainly do not believe that any agency of the Federal Government making agricultural loans should be, as an independent agency, completely removed from both the executive and legislative branches of our government.

I hope that the amendment will be defeated.

Mr. RIZLEY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, my good friend from Illinois [Mr. DIRKSEN] in his usual and effective manner has offered an amendment, the effect of which will give the pending bill the kiss of death.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield? Before he gets away from that point will he not yield?

Mr. RIZLEY. I yield.

Mr. DIRKSEN. I hope the gentleman will not let the RECORD show that I am interested in killing this legislation. I think that the amendment that is on the desk is a very logical thing for this House to do.

Mr. RIZLEY. I accept the statement of my distinguished friend as being genuine and sincere, but the effect of his amendment is evidenced by its very language. I can only judge the gentleman's

intention by his written handiwork on the Clerk's desk.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield.

Mr. McCORMACK. Without expressing an opinion on the bill, I have read the amendment. The amendment might just as well have read that the bill would not become effective until some bill filed and pending before any committee of the House and never even reported was considered and became law.

Mr. RIZLEY. Why, of course. The distinguished majority leader is correct. He might as well have said that we indefinitely postpone this bill until such time and such place as the other body enacts some other law and it is signed by the President of the United States.

Mr. McCORMACK. It might be a bill not yet considered; it might not even be introduced. The language of the amendment is tantamount to saying that this bill's becoming a law would be dependent upon a bill to be introduced by some Member 10 years from now. You could go on ad infinitum. That, of course, is a little extreme, but it illustrates the point and the result of this kind of policy. It would be just as logical to say that this bill was not to become effective until some bill not yet introduced was introduced, had been considered by the committee, passed by both Houses and enacted into law.

Mr. RIZLEY. I agree with the gentleman.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I yield to the gentleman from North Carolina.

Mr. COOLEY. May I ask the author of the amendment one question. Even if the Flannagan bill never becomes law and dies in a committee of the Senate, does not the gentleman think it is our duty, as Representatives of the people, to pass some basic legislation for the Farm Security Administration or the agencies of Government dealing with the low-income farmers?

Mr. DIRKSEN. I may say to the gentleman that after the Subcommittee on Appropriations for Agriculture cleaned up the Farm Security Administration, under the chairmanship of the gentleman from Georgia [Mr. TARVER], we could pass a simple resolution letting this responsibility devolve upon the Subcommittee on Appropriations and they can do almost the same thing.

Mr. COOLEY. It was because of the gentleman's committee that this is being done.

Mr. RIZLEY. Mr. Chairman, I cannot agree with the gentleman from Illinois that it was his subcommittee that did the great job of completely cleaning up Farm Security. I think as a result of the investigation that the House unanimously authorized and directed and the reports and recommendations that were made by the investigating committee the Farm Security Administration started to clean up pretty fast. We recommended privately as well as publicly that a lot of people have their heads chopped off down there, like Mr. Baldwin, who has gone with the CIO Political Action Committee. We got rid of him and a lot of other people who had been ignoring Congress and the laws enacted by the Congress for the guidance of those administering Farm Security Administration. I think the subcommittee and the House Committee on Agriculture had quite a little part in cleaning up Farm Security.

For more than 10 years, as my colleague from North Carolina has said, we have been operating this agency by Executive order. If the gentleman's amendment prevails it might be entirely possible we would continue for 10 more years to operate it the same way. I remember the gentleman's subcommittee has repeatedly said to the Agricultural Committee: "We want some basic legislation so far as Farm Security is concerned."

The CHAIRMAN. The time of the gentleman from Oklahoma has exipired.

Mr. RIZLEY. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. RIZLEY. Mr. Chairman, we are getting tired of crying on the shoulders of the Rules Committee every year in order to get permission to bring in appropriations for FSA when there is no basic law for it. We are in here with a bill for that purpose. This legislation is long overdue. Most everyone agrees it is a pretty good bill. The gentleman from Illinois said, "I do not want you to say I am trying to give the kiss of death to it," so, evidently, he thinks it is a pretty good bill, too. But he wants us to continue to wait and do nothing about it until some other bill that the Congress passes becomes law.

I was for the Flannagan bill; I spoke for the Flannagan bill and I am still for the Flannagan bill. We had a rule already granted by the Rules Committee to consider this bill when the Flannagan bill was reported. It was on the calendar, but in order to work with those gentlemen who wanted to coordinate this bill and make it work with the Flannagan bill, we recalled the bill, amended it, worked it over, called in the Farm Bureau and obtained further suggestions from that organization. We thought we had satisfied everyone. We tried to. Now they say they want the enactment of this bill to be contingent upon enactment of some other law.

Mr. Chairman, let us either give Farm Security a permanent basis or let us kill it here and now and quit talking about it.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. CLARK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, it seems to me it might not be amiss right here to have a little word from a member of the Rules Committee. As has already been said, this program from the beginning has been made possible because the committee of which I happen to be a member has each year granted a rule waiving points of order and so forth.

The Rules Committee does not like to do that. It is not orderly procedure. If it is done in one case the same thing is asked for in other cases, which might lead us into a great deal of confusion.

This Farm Security Administration was set up under extraordinary conditions, at a time of great stress and need throughout the country, and as the Committee on Appropriations would come in from year to year we have granted that kind of a rule, without which the program could not have continued. Eventually we called this pretty sharply to the attention of the great Committee on Agriculture, and we have repeatedly expressed our desire to be relieved from the embarrassment of granting this kind of an unusual rule. It is becoming harder and harder each year to get that kind of a rule from the Committee on Rules, and with the situation having been called to the attention of the legislative committee as far in advance as is now the case, I would not at all want to say that the Committee on Rules would feel like continuing this practice, so that in the absence of this kind of legislation you leave the whole farm security program dependent upon the uncertain question of whether or not the Committee on Rules under these conditions, and after so long, with such repeated suggestions to the legislative committee that it should do something, will continue from year to year to grant a rule. Certainly I feel that Congress ought to take action; it ought to legislate. The Flannagan bill, as has been said, was before the Committee on Rules at the same time this bill was before the Committee on Rules. We felt that the whole subject was going to be dealt with and that legislation would be enacted, and that we would not be called upon again to grant one of these extraordinary rules or let Farm Security hang by such a slender thread. I hope that this pending amendment will not be agreed to, and that the bill will pass.

Mr. FLANNAGAN. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, while I am deeply interested in seeing enacted into law the Farm Credit Act passed by this House on the 20th of last March, I do not think that the great Farm Security program should rest upon the passage of that legislation. I am in hopes that the Senate will take favorable action on the Farm Credit Act. I believe it will. If it does, then the legislation we have under consideration will come under the independent establishment created by that act. I do not believe that it is the proper way to legislate to make one piece of legislation dependent upon the passage of another piece of legislation. I think Farm Security legislation should stand here today upon its own shoe leather, and I think that the record that Farm Security has made after it was cleaned up fully justifies the membership of this House in voting for the legislation that we have brought before you. This legislation has been well considered. I believe it sets up a constructive program for the underprivileged farmers of this country.

I hope the amendment will be voted down and that the legislation will pass.

Mr. MURRAY of Wisconsin. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, this legislation has arrived here after a very turbulent career. I hope that the amendment offered by our distinguished colleague from Illinois is overwhelmingly voted down. The Committee on Agriculture showed every respect that any committee could show to its chairman, the gentleman from Virginia [Mr. FLANNAGAN]. The committee was tolerant and waited and waited for the Flannagan bill to be passed by the committee. The supporters of the Cooley bill exercised patience in waiting for the Flannagan bill to have preference before the Rules Committee. It has not been an easy job to bring a bill out of the Committee on Agriculture without a dissenting vote. I do not think that this is the time for any particular argument between the Committee on Agriculture and the Subcommittee on Agricultural Appropriations. Such an argument could easily be inspired. I do not like to feel as if we are taking a "baby" away from them—a child that they have kind of nursed along and brought up from young childhood. At least it is 10 years old. This Cooley bill is the most constructive piece of agricultural legislation that has been brought out on the floor during the 8 years I have had the honor and the pleasure of being a Member of Congress. I hope no action is taken now to nullify all the efforts that have been made by the Committee on Agriculture in trying to approach a problem which is in itself the only reconversion agricultural program that has been offered to this Congress, the only thing for agriculture on a reconversion basis so far as owning a farm that has been offered to this Congress. Remember, peoples anywhere in history have not been interested in "ism" when they owned and operated a tract of their own land.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Wisconsin. I yield to the gentleman from Nebraska.

Mr. STEFAN. I understand there was not one dissenting vote in the gentleman's committee on this bill.

Mr. MURRAY of Wisconsin. That is correct.

Mr. STEFAN. It comes to this House with a unanimous vote on the part of both the minority members of the committee and the majority members, favoring the passage of the bill as is.

Mr. MURRAY of Wisconsin. There was not a dissenting vote.

I may say at this time that the longer I am here the more I can see that, so far as agriculture is concerned, we are going to take Mason and Dixon's line and shove it up to the Canadian border, because as far as agriculture is concerned we are not still fighting the Civil War. We have come to the point where we realize that the agricultural people as a group in this Nation are in enough trouble without getting into any scraps among themselves.

I hope that now that we have this bill this far along we will not do anything to jeopardize it, that we will deal very politely and very gently with our distinguished colleague from Illinois by just saying, "No, no, no," and pass the bill the way it is. The future of this legislation depends entirely upon the administration of its provisions. The Farm Security has many, many agricultural trained employees. Many of these employees have been with the Federal land bank.

Let us approach this legislation with a constructive viewpoint. Let us appreciate the fact that the way to help the tenant farmer is by giving him a chance to own a farm, and then see to it that he gets an income both hourly and annually that is on equal terms with all other groups of our Nation. There may be some magic way, but this is the only sound way and fair way I have ever heard about. After voting "no" on the amendment, let us all unitedly support the Cooley bill and feel we have made a most fair and constructive approach to solving a national problem—and a solution for all the rural sections, and not for only the few of them.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, perhaps I should yield the floor and let the committee vote, because I can sense your desire to pass the bill without this amendment, but I ask the committee to indulge me just a moment for a strictly personal comment. I had hesitated to speak on any of the amendments since my past affiliation with the Farm Security Administration might give the appearance of a sentimental interest in this highly important piece of legislation.

The chairman of the Committee on Agriculture has just made a magnanimous statement. I know that his heart is in the Flannagan bill, and this would have been one means by which it could have been furthered. He has disclaimed that and asked that the amendment offered by our good friend the gentleman from Illinois be defeated.

I voted for one of the amendments offered by the gentleman from Illinois [Mr. DIRKSEN], and I want to say in opposing his amendment in this case, that I think he and other critics of Farm Security have rendered a good service at times in offering criticisms of the Farm Security Administration. Every new agency requires and may expect special scrutiny of methods.

I became an assistant to the Administrator of Resettlement in 1935 and between that date and my election to Congress was associated with the agency.

When I came in from the field I said to my friends in Arkansas referring to the cleavage between field offices and Washington, "Now that I am going to Washington I am on their side against the field." When I was elected to Congress I said in all good humor to my bureaucratic friends, considering the same tendency toward cleavage, "I am now on the side of Congress," and I have tried to think objectively about these problems, even with the deep sentiments that I entertain for my old associates of Farm Security.

I think the House, in adopting this bill today, is doing something that has tremendous significance in the improvement of the lot of the low-income farmers of this country. The Cooley subcommittee and the Agriculture Committee have worked hard on this measure, and I predict that if it becomes law, as I fervently hope it will, it will never be basically disturbed because of changes in administration.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. WHITE. Does not the Farm Security Administration have a better opportunity today than ever before to acquire surplus equipment to help settle these soldiers who are returning on reclaimed and cut-over land in the West that is just as good as land in Ohio and Indiana?

Mr. HAYS. Exactly. I thank the gentleman.

Mr. Chairman, in conclusion, may I say I appreciate the tolerance of the committee in bearing with me and for the favorable action the House has taken with reference to one of the bills I recently put forward which I thought would improve the procedure. The principal point I want to make is that, reinforcing what the gentleman from North Carolina said, the time has come for Congress to prescribe procedures by which this great program shall be conducted so that it shall cease to be exclusively an executive function. If the provisions of this bill are not acceptable to the committee, then, of course, amendments ought to be added. But the time has come for Congress to assert itself and to recognize the tremendous social and economic significance of what has been done by the Farm Security Administration through the help of Congress through the years. Farm Security has come of age.

There is a story of a little school in my district. The teacher said, "Who is President of the United States?" No one knew. Finally one little fellow in the back of the room timidly held up his hand and the teacher said, "Johnny, can you tell us who the President is?" He said, "Miss Watkins, I do not know who is the President, but Mr. Hanna is the Farm Security supervisor." To me, that incident is revealing. It represents an important force in many rural sections of this country where the Farm Security Administration provides the only contact that some families have with their Government. It is to put our congressional approval on the procedures designed to admit or to readmit hundreds of thousands of farmers to a firmer place in our economic life that we are engaged in the passage of this legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The amendment was rejected.

Mr. PACE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PACE: On page 42, line 21, strike out the last sentence in section 11a and insert "There is authorized

to be appropriated to the Farmers' Home Corporation the sum of $10,000,000 to constitute such fund."

Mr. PACE. Mr. Chairman, the purpose of this amendment is to take care of one of the points of order made by my distinguished colleague the gentleman from Georgia [Mr. TARVER]. The bill provides that the revolving fund of $10,000,000 for the uninsured loans would be taken by transfer from the regional Agricultural Credit Administration. The point of order was made that it was in the form of an appropriation. So this is necessary to authorize the appropriation of a similar amount. That is the sole purpose of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. PACE].

The amendment was agreed to.

Mr. GOSSETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GOSSETT: On page 56, after line 2, insert a new section, as follows:

"SECTION 9. Any conveyance of real estate by the Government or any Government agency under this act shall include all mineral rights."

In line 4, change "Section 9" to "Section 10."

Mr. GOSSETT. Mr. Chairman, I have submitted this amendment to both the majority and minority members. Some members were of the opinion that the matter had been cared for in the bill, but a careful examination of the bill fails to disclose any treatment of the subject. Most of you, like myself, until recently did not know that under the Bankhead-Jones Farm Tenant Act, farms sold by the Farm Security Administration were sold by conveyance which retained three-fourths of the minerals. The Federal Housing Agency has been retaining all of the minerals in even 1-acre plots sold in housing developments. This has been very disturbing to the petroleum industry and to the farmers all over the Southwest. There is no reason for retaining minerals under a 40-acre or a 100-acre or a 160-acre farm that is sold anywhere in the United States. This amendment is just to take care of that situation, and to make sure that hereafter these conveyances of title shall carry with them the conveyance of the mineral rights.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. HOPE. The gentleman's amendment deals only, as I understand it, with conveyances which are made by the Government or Government agencies.

Mr. GOSSETT. That is exactly right. The amendment provides conveyances made by the Government or Government agencies.

Mr. HOPE. It would not have any relationship to any of the transactions under the insured-loans provisions of the bill?

Mr. GOSSETT. No, sir; it would not.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. POAGE. This matter was discussed in the committee, and I think the members of the committee will recall it was agreed at one time that we should make provision that the mineral rights should go with the rest of the land when we were selling land. Some way in the rewriting of this bill, which was rewritten several times, that provision seems to have dropped out.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield.

Mr. FLANNAGAN. The gentleman from Texas has made a correct statement. This matter was discussed before the committee to some considerable extent and it was agreed that the tenant should have the mineral rights.

Mr. GOSSETT. I thank the gentleman.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. GOSSETT].

The amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On page 10, line 6, after the comma following "$1,000", strike out the remainder of line 6, lines 7 and 8, through the period after "1946", and insert "which said sum is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated."

Mr. COOLEY. Mr. Chairman, this amendment is necessitated by the same situation as was the amendment offered by the gentleman from Georgia [Mr. PACE] a few minutes ago.

In view of the point of order made by the gentleman from Georgia [Mr. TARVER] with reference to the transfer of funds, it is necessary to amend the bill so as to authorize an appropriation of $1,000 which would constitute the capital stock of the Corporation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and Mr. COOPER having assumed the chair as Speaker pro tempore, Mr. IZAC, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 5991), pursuant to House Resolution 587, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. FLANNAGAN asked and was given permission to extend the remarks he made today and include certain letters received from constituents in his district.

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GILLIE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a resolution in opposition to the proposed loan to Great Britain.

Mr. MANSFIELD of Texas (at the request of Mr. GOSSETT) was given permission to extend his remarks in the Appendix of the RECORD and include a statement by Lt. Gen. Raymond A. Wheeler.

Mr. SABATH asked and was given permission to extend his remarks in the Appendix of the RECORD and include two editorials and one article.

Mr. MERROW asked and was given permission to extend his remarks in the Appendix of the RECORD and include House Resolution 423, which he introduced on November 29, 1945.

Mr. WHITE asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and to include therein certain excerpts.

Mr. MONRONEY asked and was given permission to extend his remarks and to include testimony before the Banking and Currency Committee given by the American Association of University Women.

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein a copy of a report on the Compton School.

I further ask that the RECORD show that I have returned following my short absence on account of critical illness in my own immediate family in California.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

REHABILITATION OF THE PHILIPPINES

Mr. BELL. Mr. Speaker, I ask unanimous consent to have until midnight tonight to file a report from the Committee on Insular Affairs on the bill (S. 1610) to provide for the rehabilitation of the Philippine Islands, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

RULE WAIVING POINTS OF ORDER ON STATE, JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATION BILL, 1947

Mr. SABATH from the Committee on Rules, reported the following privileged resolution (H. Res. 588, Rept. No. 1920),

which was referred to the House Calendar and ordered to be printed:

Resolved, That during the consideration of the bill (H. R. 6056) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1947, and for other purposes, all points of order against the bill or any provisions contained therein are hereby waived.

A SOLID FRONT FOR OLD-AGE PENSIONS

Mr. STEWART. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include two letters.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. STEWART. Mr. Speaker, all of Oklahoma's eight Congressmen have formed a solid front in writing a joint letter to their colleagues, petitioning them to sign discharge petition No. 21, which proposes to bring H. R. 1831, by STEWART, before the House for consideration.

To point out a few of the salubrious effects this bill would have on our present system of giving financial aid to the aged, it would remove the constant fear of having their pension cut by a case worker; it would enable the businessmen to intelligently extend credit to a recipient when he knows that the recipient will receive a certain sum on the first of each month; it would mean that a person would not have to be a slothful pauper in order to be eligible for aid as under this bill, a person can own a little property or have a small income from other sources and still be eligible. I beg each of you to sign this discharge petition, and let us pass this bill this session, not keep dragging it on and on.

The letter sent by the Oklahoma delegation to our colleagues is as follows:

In re discharge petition No. 21 for H. R. 1831.

DEAR COLLEAGUE: H. R. 1831 is offered as an amendment to the Social Security Act to equalize old-age assistance in each of our States. It would permit a recipient to have an income from other sources not to exceed $1,200 per annum for a man and wife, or $750 for a single person; and/or have capital assets not to exceed $15,000 for a man and wife, or $10,000 for a single beneficiary. It would also remove the eternal dread of the old folks of having their pension reduced by a case worker.

The entire Oklahoma delegation is in full agreement in support of this measure. Senate bill 436, by THOMAS of Oklahoma, is a companion bill. We would certainly appreciate your signing discharge petition No. 21 to bring this bill to the floor subject to amendments.

Respectfully submitted.

PAUL STEWART,
ROSS RIZLEY,
W. G. STIGLER,
GEO. B. SCHWABE,
JED JOHNSON,
VICTOR WICKERSHAM,
LYLE H. BOREN,
MIKE MONRONEY,
Members of Congress.
ELMER THOMAS,
United States Senator.

Hon. O. J. Fox, president of the Welfare Federation, Inc., the old-age pension organization of Oklahoma, an ardent supporter of H. R. 1831, has written a letter commending and endorsing the action of the Members of Congress from Oklahoma for their teamwork to bring about the passage of this bill. His letter is as follows:

WELFARE FEDERATION, INC.,
Oklahoma City, Okla., April 9, 1946.

Congressman PAUL STEWART,
Washington, D. C.

DEAR PAUL: I am writing you, along with the other seven Members of the House and Senator ELMER THOMAS for the Welfare Federation, Inc., of Oklahoma, to commend and endorse your progressive action in initiating Discharge Petition No. 21 to bring to the floor of the House H. R. 1831, by STEWART.

This legislation warrants action at once and your joint letter to all the Members of Congress should be very effective in securing sufficient signers of the discharge petition to bring it to the floor for passage. And no doubt in my mind, when a majority of the signatures of Congress have been subscribed to the petition, it will be a happy day for our senior citizens on old-age pension rolls throughout America and many others eligible to be on the rolls who are not now.

Yours truly,

O. J. Fox,
President, Welfare Federation, Inc.

SPECIAL ORDER GRANTED

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that the special order of 30 minutes I had for this afternoon may be transferred to Thursday next, following the special orders already entered for that day.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to address the House for 7 minutes today following the special orders heretofore entered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

REHABILITATION OF THE PHILIPPINE ISLANDS—ORDER FOR CONSIDERATION OF THE BILL

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order tomorrow, or any day this week, or any day next week, to consider the bill (S. 1610) to provide for the rehabilitation of the Philippine Islands, and for other purposes, in the House as in the Committee of the Whole, and that there be not to exceed 1 hour general debate to be equally divided.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I shall not, the bill will be read in the usual way, will it not? This simply obviates the necessity of a rule.

Mr. McCORMACK. The gentleman is right.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. BYRNE of New York asked and was given permission to extend his remarks in the RECORD and include an editorial from the Albany Knickerbocker News, entitled "Dewey Out of Step."

The SPEAKER. Under previous special order, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is recognized for 7 minutes.

CHESTER BOWLES AND THE DAIRY PROBLEM

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I charge that Chester Bowles, the Economic Stabilizer for the Truman administration, is willfully and maliciously attempting to wreck the dairy industry of the United States. For more than 5 months, Mr. Bowles, as Director of the OPA, and now as Economic Stabilizer, has been fully aware of the dairy situation and existing price discriminations against butter and other dairy products. I charge that he has deliberately refused to take any action, making necessary corrections in the price structure of dairy products. The results of his dictatorial and unbending policies to correct past mistakes of the Truman administration in the handling of dairy problems has accomplished the following disastrous situation:

First. A decrease for 1946 of more than 4,000,000,000 pounds in milk supplies for human consumption. Many communities will have no milk supply within the next 30 days unless existing policies are immediately changed.

Second. Butter production has declined to the lowest point in 25 years. Producers of butter are selling their product at a loss of at least 12 cents per pound in relation to the price of cream sold for industrial and other purposes. To secure butter, the average housewife must either go into the black market and pay up to $1 per pound, or buy cream and churn it at home, at a cost of up to $1.50 a pound. Mr. Bowles has fostered and legalized the black market in butter. One would think that he is a member of the oleomargarine trust, which group is feverishly working to stop all butter production in the United States. Had Mr. Bowles deliberately set out to destroy a great American industry, he could not have done a more complete job than what he is doing with the butter industry of this country.

Third. The policies of Mr. Bowles for the Truman administration, and he is the responsible officer acting for the President, have created shortages of cheese, evaporated milk, and other dairy products, and soon there will be a decided shortage of fluid milk for human consumption.

On January 2, 1946, the Secretary of Agriculture informed Mr. Bowles in writing of the need for drastic changes in price policies on dairy products, but Mr. Bowles failed to act on the recommendation made by Secretary Anderson, and still refuses to correct his mistakes.

For many months, yes, for more than a year, experienced men in the dairy industry, dairymen, processors, and distributors, have pointed out the destructive policies of the OPA. They have demanded and pleaded for action from Mr. Bowles and his associates in the OPA. But Mr. Bowles refuses to act, and hundreds of creameries have been forced out of butter production, and America's greatest agricultural industry is on the way to rapid liquidation.

On March 8, the Pace Committee to Investigate Food Shortages, after extensive hearings, strongly recommended drastic changes in dairy policies to Mr. Bowles and Mr. Porter, but still no action. Does Mr. Bowles want the American people to have butter, cheese, and milk at all, at a reasonable price, or does he want to force all dairy products into the black market?

Since Mr. Bowles refuses to act, I want to urge all Members of Congress to join with me in securing amendments to the price-control law when the bill comes up for consideration in the House next week, so the American people will be provided with an adequate supply of all types of dairy products at reasonable prices. To stop inflation and black-market operations, we must have maximum production with distribution of dairy products and other food through legitimate production, processing, and distribution channels. Policies now in operation discourage production and create black markets. The time has come for Congress to act before it is too late.

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. AUGUSTUS H. ANDRESEN. I yield to the gentleman from California.

Mr. PHILLIPS. I am very glad that the gentleman is bringing this out in the open. The gentleman himself is an authority on this subject and I can assure him of my support of any amendments of that kind which are brought up next week for consideration. I would like to ask the gentleman a question. As he knows, there have been meetings in the OPA for several days now on prices to be set upon dairy products, including fluid milk. Has the gentleman heard whether any decision has been reached as yet?

Mr. AUGUST H. ANDRESEN. I may say to the gentleman from California that for the last 30 days they have promised action.

Mr. PHILLIPS. Definitely.

Mr. AUGUST H. ANDRESEN. I now understand that Mr. Bowles does not intend to act favorably upon the recommendations made by the Secretary of Agriculture or by the Pace committee, or by the industry.

Mr. PHILLIPS. Then I can assure the gentleman this is a very serious matter and will affect the consumers of the United States.

Mr. AUGUST H. ANDRESEN. It will not only affect the consumers, it will decrease their supply of butter, milk, and other dairy products and it will work to the detriment of the American people generally.

Mr. CARLSON. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Kansas.

Mr. CARLSON. I want to compliment the gentleman for bringing this matter to the attention of the House. I think it is a serious situation in a nation such as ours when we have a butter shortage, and that there is no excuse for it, except asinine regulations by some bureau, and that is the OPA in this instance.

Mr. AUGUST H. ANDRESEN. The gentleman is correct, and I am glad he is working with us to get these matters corrected.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Kansas.

Mr. HOPE. I, too, am very grateful to the gentleman for bringing the matter up in this effective way. I am getting many complaints from the butter producers in my district and State who point out that unless some relief is shortly given they are going to find themselves entirely out of business. Of course, we know that is not only the problem of the dairy producer, but it is the problem of the public as well which is dependent upon dairy products.

Mr. AUGUST H. ANDRESEN. I thank the gentleman. May I say further that in the State of Minnesota, where we had 800 creameries making butter, about 25 percent of them are engaged in butter production today because of the policies of OPA.

Mr. SMITH of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. I am wondering if the gentleman knows why Mr. Bowles takes this attitude?

Mr. AUGUST H. ANDRESEN. The only way I can figure that out is that he is more interested in seeing the milk dealers go around with empty milk pails than he is in having the people get milk.

Mr. SMITH of Wisconsin. I am wondering if his attitude is one whereby he is attempting to play with one group as against another.

Mr. AUGUST H. ANDRESEN. There is no question about that.

Mr. SMITH of Wisconsin. Might there be some polictics in this situation?

Mr. AUGUST H. ANDRESEN. Decidedly, there is politics, but this hold-the-line promise to certain groups in this country at the expense of the producer groups will be disastrous in the end, and most consumers will be forced to go into the black market and pay tremendously higher prices than the ceiling price fixed by Mr. Bowles.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. TABER. Mr. Speaker, I ask unanimous consent that the gentleman be allowed to proceed for two additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I will be glad to.

Mr. TABER. Is there any difference about this particular operation of Mr. Bowles than the regular routine operation of the OPA in promoting inflation by throttling production in every line?

Mr. AUGUST H. ANDRESEN. He is following the customary blue print in dealing with the dairy problem.

Mr. TABER. It may be worse in one line than another, but that is the fact.

Mr. AUGUST H. ANDRESEN. I feel the gentleman is correct, because I have tried to give this matter conscientious study. I want to get production going in this country as most others do, but it looks to me as though Mr. Bowles, both as OPA Administrator and as Economic Stabilizer, is hell bent for continuing scarcities in the United States so that he and his group may stay in power, to permanently control the lives and business of every American.

Mr. TABER. And so that we will have wildcat inflation.

Mr. AUGUST H. ANDRESEN. That is right.

Mr. TABER. That is what it will result in.

Mr. AUGUST H. ANDRESEN. It is fostered by them, because scarcity always breeds inflation.

It should be elementary by now, even to Mr. Bowles, that the policies set in motion by him cause scarcities, and that scarcity, with great consumer demand and purchasing power, cause inflation. The people of the United States cannot and will not tolerate a spiral of inflation, and therefore, Mr. Bowles and the President had better change present policies so maximum production will be realized for the benefit and stability of our country. It may be too late to secure results, but, unless immediate policy changes take place to reverse the scarcity trend, the forces of inflation will really function to the detriment of everyone in this country.

Mr. Speaker, at a later date, I will discuss the developments in meat, grains, flour and other civilian necessities, which are in short supply.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD in three instances and include resolutions from the Legislature of the State of Massachusetts memorializing Congress.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3796. An act to quiet title to certain school-district property in Enid, Okla.; and

H. R. 5644. An act to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended.

BILLS PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day pre-

sent to the President, for his approval, bills of the House of the following titles:

H. R. 3796. An act to quiet title to certain school-district property in Enid, Okla.; and

H. R. 5644. An act to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended.

ADJOURNMENT

Mr. HAYS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 30 minutes p.m.) the House, under its previous order, adjourned until tomorrow, Wednesday, April 10, 1946, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON FLOOD CONTROL

3. Wednesday, April 10. The Ohio River Basin, including additional authorization for the approved comprehensive plan:

Barren River, Ky. and Tenn.; Chestnut Creek, Va.; Wabash River and tributaries; Allegheny River, N. Y. and Pa.; Mill Creek, Ohio; Redstone Creek, Pa.

4. Thursday, April 11. Missouri River Basin, including additional authorization for the Corps of Engineers and the Bureau of Reclamation for the approved comprehensive plan:

Heart River, N. Dak.; South Platte River, Colo., Wyo., and Nebr.

5. Friday, April 12. The Great Lakes Basin and the Upper Mississippi River Basin, including additional authorization for the approved comprehensive plan:

Rock River, Wis. and Ill.; Mississippi River, local flood protection in Illinois; Clinton River, Mich.; Genesee River, N. Y.; Tonawanda Creek, N. Y.

6. Monday, April 15. Streams flowing into the Gulf of Mexico west of the Mississippi River, the Great Basin and the Pacific region, exclusive of California, including additional authorization for the approved comprehensive plan for the Willamette River:

Leon River, Tex.; Boise River, Idaho; Amazon Creek, Oreg.; Queen Creek, Ariz.; Gila River at Tucson, Ariz.; Spanish Fork River, Utah; Jordan River at Salt Lake City, Utah; and Little Valley Wash at Magna, Utah; Skagway River and Harbor, Alaska.

7. Tuesday, April 16. California streams, including additional authorization for the approved comprehensive plans for the Los Angeles River, and the Sacramento-San Joaquin streams:

Salinas River, Calif.; Santa Clara River, Calif.

8. Wednesday, April 17. Lower Mississippi River Basin, including the Red River, and including additional authorization for the approved comprehensive plan for the White and Arkansas River Basin:

Red River below Denison Dam, Tex., Okla., Ark., and La.; Bayon Pierre, La.; La Fourche Bayou, La.; Pontchartrain Lake, La.; Mermentau River, La.; North Canadian River, Okla.; Polecat Creek, Okla.; Grand (Neosho) River, Kans., Mo., and Okla.; Arkansas River, Ponca City, Okla.; Mississippi River, West Tennessee tributaries; Boeuf and Tensas Rivers and Bayou Macon, Ark. and La.; Big Sunflower, Little Sunflower, Hushpuckena, and Quiver Rivers and their tributaries, and on Hull Brake, Mill Creek Canal, Bogue Phalia, Ditchlow Bayou, Deer Creek, and Steele Bayou, Miss.

9. Thursday, April 18. Lt. Gen. R. A. Wheeler, Chief of Engineers, and other representatives of the Corps of Engineers, and proponents and opponents of projects in other regions.

10. Friday, April 19. Senators and Representatives in Congress and Department of Agriculture, Weather Bureau, and other Government agencies.

COMMITTEE ON RIVERS AND HARBORS

Revised schedule of hearings on the omnibus rivers and harbors authorization bill to start Tuesday, April 9, 1946, at 10:30 a. m., is as follows:

(Wednesday, April 10)

Sacramento River, Calif., deep-water ship channel.

(Thursday, April 11)

Sabine River, Adams Bayou, Tex.
Sabine-Neches waterway, Texas.
Trinity River below Liberty, Tex.
Mill Creek, Tex.
Aransas Pass, Intracoastal Waterway, Tex.
Brazos Island Harbor, Tex.

(Friday, April 12)

Schuylkill River, Pa.
Middle and Dark Head Creeks, Md.
Mattaponi River, Va.
Newport News Creek, Va.
Norfolk Harbor, Va.
Savannah Harbor, Ga.
St. Johns River, Fla., Jacksonville to Lake Harney.
Hollywood Harbor (Port Everglades), Fla.
Withlacoochee River, Fla.
Cleveland Harbor, Ohio.
Great Lakes connecting channels, Michigan.

(Monday, April 15)

Franklin Canal, La.
Mermentau River, La.
Lake Charles deep waterway, Louisiana.
Plaquemine and Morgan City route, Louisiana.
Red River below Fulton, La.

(Tuesday, April 16)

Cumberland River, Tenn. and Ky.
Big Sioux River, S. Dak.
Mississippi River seepage, Iowa, Minnesota, and Wisconsin.
Mississippi River at Lansing, Iowa.
Mississippi River at Wabasha, Minn.
Mississippi River at Lake Pepin, Minn.
Mississippi River at Hastings, Minn.

(Wednesday, April 17)

Fairport Harbor, Ohio.
Calumet-Sag Channel, Ind. and Ill.
Chicago River, North Branch of Illinois.
Napa River, Calif.
Coos Bay, Oreg.
Columbia River at Astoria, Oreg.
Columbia River at The Dalles, Oreg.
Columbia River, Foster Creek Dam, Wash.

(Wednesday and Thursday, May 1 and 2)

Tombigbee-Tennessee Rivers.

(Friday, May 3)

Held open for description of projects favorably recommended by the Board of Engineers for Rivers and Harbors during its April meeting.

(Monday and Tuesday, May 6 and 7)

Big Sandy River, Tug and Levisa Forks, Va., W. Va., and Ky.

(Wednesday and Thursday, May 8 and 9)

Arkansas River, Ark. and Okla.

COMMITTEE ON THE POST OFFICE AND POST ROADS

The Post Office and Post Roads Committee will meet on Tuesday, April 16, 1946, at 10:30 a. m., at which time a hearing will be had on H. R. 5427, 5560, and 5942, bills relating to the rate of postage on air mail of the first class.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1205. A letter from the Administrator, Veterans' Administration, transmitting a draft of a proposed bill to amend section 100 of the Servicemen's Readjustment Act of 1944; to the Committee on World War Veterans' Legislation.

1206. A letter from the Acting Postmaster General, transmitting a tabulation showing the number of envelopes, labels, and other penalty inscribed material on hand and on order June 30, 1945, the number of pieces procured, the estimated mailings, and the estimated cost, by departments and agencies, for the period July 1 to December 31, 1945; to the Committee on the Post Office and Post Roads.

1207. A letter from the Administrator, Civilian Production Administration, transmitting the twenty-second bimonthly report of the Smaller War Plants Corporation; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. PATMAN: Select Committee To Investigate and Study the Problems of Small Business submits an interim report pursuant to House Resolution 64, on the competition of cooperatives with other forms of business enterprise (Rept. No. 1888). Referred to the Committee of the Whole House on the State of the Union.

Mr. SLAUGHTER: Committee on Rules. House Resolution 385. Resolution to provide for a study and investigation of the operation of the program for the disposition of surplus property; without amendment (Rept. No. 1889). Referred to the House Calendar.

Mr. RABAUT: Committee on Appropriations. H. R. 6056. A bill making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1947, and for other purposes; without amendment (Rept. No. 1890). Referred to the Committee of the Whole House on the State of the Union.

Mr. PACE: Committee on Agriculture. House Joint Resolution 336. Joint resolution relating to cotton marketing quotas under the Agricultural Adjustment Act of 1938, as

amended; without amendment (Rept. No. 1912). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA: Committee on Interstate and Foreign Commerce. S. 1601. An act to revive and reenact the act entitled "An act granting the consent of Congress to the counties of Valley and McCone, Mont., to construct, maintain, and operate a free highway bridge across the Missouri River at or near Frazer, Mont.," approved August 5, 1939; without amendment (Rept. No. 1913). Referred to the House Calendar.

Mr. BULWINKLE: Committee on Interstate and Foreign Commerce. H. R. 5187. A bill granting the consent of Congress to the Norfolk & Western Railway Co. to construct, maintain, and operate a bridge across New River near Radford, Montgomery County, Va.; without amendment (Rept. No. 1914). Referred to the House Calendar.

Mr. CROSSER: Committee on Interstate and Foreign Commerce. H. R. 5384. A bill granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River, at a point between the boroughs of Elizabeth, in Elizabeth Township, and West Elizabeth, in Jefferson Township, in the county of Allegheny, and in the Commonwealth of Pennsylvania; without amendment (Rept. No. 1915). Referred to the House Calendar.

Mr. CROSSER: Committee on Interstate and Foreign Commerce. H. R. 5387. A bill to provide for the construction of a bridge across the Monongahela River; with amendment (Rept. No. 1916). Referred to the House Calendar.

Mr. GILLETTE: Committee on Interstate and Foreign Commerce. H. R. 5403. A bill to revive and reenact the act entitled "An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River at Bridge Street in Plymouth Borough, between Plymouth and Hanover Townships, in the county of Luzerne, and the Commonwealth of Pennsylvania"; without amendment (Rept. No. 1917). Referred to the House Calendar.

Mr. CHAPMAN: Committee on Interstate and Foreign Commerce. H. R. 5444. A bill to revive and reenact and amend the act entitled "An act authorizing the county of Gallatin, State of Illinois, its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near the city of Shawneetown, Gallatin County, Ill., to a point opposite thereto in the county of Union, State of Kentucky," approved July 18, 1939; without amendment (Rept. No. 1918). Referred to the House Calendar.

Mr. PETERSON of Georgia: Committee on Rivers and Harbors. H. R. 2033. A bill authorizing Federal participation in the cost of protecting the shores of publicly owned property; with amendments (Rept. No. 1919). Referred to the Committee of the Whole House on the State of the Union.

Mr. SABATH: Committee on Rules. House Resolution 588. Resolution waiving points of order against H. R. 6056; without amendment (Rept. No. 1920). Referred to the House Calendar.

Mr. BELL: Committee on Insular Affairs. S. 1610. An act to provide for the rehabilitation of the Philippine Islands, and for other purposes; with amendment (Rept. No. 1921). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 6042. A bill to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes; with amendment (Rept. No. 1922). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORRISON: Committee on Claims. H. R. 781. A bill for the relief of Douglas Charles McRae, a minor; with amendment (Rept. No. 1891). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 1299. A bill for the relief of Morris Fine; with amendment (Rept. No. 1892). Referred to the Committee of the Whole House.

Mr. MORRISON: Committee on Claims. H. R. 1754. A bill for the relief of Edwin Doyle Parrish; with amendment (Rept. No. 1893). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 2242. A bill for the relief of Mrs. Lessie L. Bryant and Miss Jimmie Alexander; with amendment (Rept. No. 1894). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 2248. A bill for the relief of Joseph E. Alarie; with amendment (Rept. No. 1895). Referred to the Committee of the Whole House.

Mr. MORRISON: Committee on Claims. H. R. 3270. A bill for the relief of James B. McCarty; with amendment (Rept. No. 1896). Referred to the Committee of the Whole House.

Mr. COLE of Kansas: Committee on Claims. H. R. 3340. A bill for the relief of Mrs. Merla Koperski; with amendment (Rept. No. 1897). Referred to the Committee of the Whole House.

Mr. MORRISON: Committee on Claims. H. R. 3599. A bill for the relief of Ama L. Normand; with amendment (Rept. No. 1898). Referred to the Committee of the Whole House.

Mr. MORRISON: Committee on Claims. H. R. 3665. A bill for the relief of Needom Rashal, father of William Needom Rashal, a minor; with amendment (Rept. No. 1899). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 3726. A bill for the relief of Marvin Marshall and Fred C. Mitchell; with amendment (Rept. No. 1900). Referred to the Committee of the Whole House.

Mr. HEDRICK: Committee on Claims. H. R. 3880. A bill for the relief of Nicholas Ray Schlegel; without amendment (Rept. No. 1901). Referred to the Committee of the Whole House.

Mr. RAMEY: Committee on Claims. H. R. 4122. A bill for the relief of Guy B. Slater; with amendment (Rept. No. 1902). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4237. A bill for the relief of Mrs. Katherine I. Brooks and Sally Brooks, with amendment (Rept. No. 1903). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4639. A bill for the relief of C. LeRoy Phillips; with amendment (Rept. No. 1904). Referred to the Committee of the Whole House.

Mr. BARRETT of Pennsylvania: Committee on Claims. H. R. 4689. A bill for the relief of Mrs. Jean Russo; with amendment (Rept. No. 1905). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 4750. A bill for the relief of C. C. Vest; with amendment (Rept. No. 1906). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims, H. R. 4915. A bill for the relief of Irving W. Learned; with amendment (Rept. No. 1907). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims: H. R. 5049. A bill for the relief of the estate of Obaldino Francis Dias; with amendment (Rept. No. 1908). Referred to the Committee of the Whole House.

Mr. MORRISON: Committee on Claims. H. R. 5071. A bill for the relief of Mrs. Dora Foster; with amendment (Rept. No. 1909). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims: H. R. 5111. A bill for the relief of Mrs. Mildred L. Bupp; with amendment (Rept. No. 1910). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims: H. R. 5525. A bill for the relief of Sylvia Wagner; with amendment (Rept. No. 1911). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 6057. A bill to amend the act of July 11, 1919 (41 Stat. 132), relating to the interchange of property between the Army and the Navy so as to include the Coast Guard within its provision; to the Committee on the Merchant Marine and Fisheries.

By Mr. TRAYNOR:

H. R. 6058. A bill to provide for the payment by the United States of premiums on bonds given to the United States by persons employed in the field and departmental service of the Post Office Department; to the Committee on the Post Office and Post Roads.

By Mr. JACKSON (by request):

H. R. 6059. A bill to authorize the sale of certain lands of the L'Anse Band of Chippewa Indians, Michigan; to the Committee on Indian Affairs.

By Mr. CELLER:

H. Con. Res. 142. Concurrent resolution condemning the unilateral action of the Government of Great Britain in conferring independence on Trans-Jordan; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DONDERO:

H. R. 6060. A bill to record the lawful admission to the United States for permanent residence of Shigeno Takai Kanow; to the Committee on Immigration and Naturalization.

By Mr. GEARHART:

H. R. 6061. A bill for the relief of Willie B. Smith; to the Committee on Claims.

By Mr. LEFEVRE:

H. R. 6062. A bill for the relief of Nicholas Garadiasz; to the Committee on Claims.

By Mr. TOWE:

H. R. 6063. A bill for the relief of D. Lane Powers, Elaine Powers Taylor, and Monroe W. Taylor; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1774. By Mrs. BOLTON: Petition of sundry citizens of Greater Cleveland, Ohio, protesting any action to establish a system of compulsory military training for young men and boys of the Nation, especially while beer is sold or given away in camps, which is clearly detrimental to the moral fiber of teen-age youth; to the committee on Military Affairs.

1775. By Mr. BRUMBAUGH: Petition of Martinsburg Sportsmen Association, Martinsburg, Pa., protesting the enactment of legislation providing for the registration of certain firearms with the Federal Bureau of Investigation; to the Committee on the Judiciary.

1776. By Mr. HOLMES of Washington: Petition of 41 patients in Veterans' Hospital, Walla Walla, Wash., urging passage of House bill 3426 providing for continued ratings of permanent and total degree where active tuberculosis has been established and to terminate reduction of pensions, compensation, or retired pay under laws administered by the Veterans' Administration in the cases of veterans without dependents who are hospitalized or domiciled; to the Committee on World War Veterans' Legislation.

1777. By the SPEAKER: Petition of the League for Columbia Valley Authority, petitioning consideration of their resolution with reference to the antilobby resolution, and requesting passage of same; to the Committee on Rules.

1778. Also, petition of the general assembly of the Federation of the Employees of the Insular Government, petitioning consideration of their resolution with reference to the political status of Puerto Rico; to the Committee on Insular Affairs.

1779. Also, petition of Mrs. Mertha Keller and others, petitioning consideration of their resolution with reference to endorsement of House bills 2229 and 2230, and Senate bills 690 and 809; to the Committee on Ways and Means.

SENATE

WEDNESDAY, APRIL 10, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God our Father, Thou searcher of men's hearts, help us in this opening moment of a new day's council to draw near to Thee in tranquillity, in humility, in sincerity. Thou hast so fashioned us that when no low ceiling shuts us from the bending sky our hearts turn to Thee as gladly and naturally as summer flowers turn to the sun.

We thank Thee for friendships that enrich our lives and for duties that challenge our powers, for rainbows of radiant hope and for rosaries of precious memories, for joys that cheer us and for trials that teach us to put our trust utterly in Thee. With Thy benediction, may we face the toil of this day with honest dealing and clear thinking, with hatred of all hypocrisy, deceit, and sham, and in the knowledge that all great and noble service in this world is based on gentleness and patience and truth. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. THOMAS of Utah, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, April 9, 1946, was dispensed with, and the Journal was approved.

LEAVES OF ABSENCE

The PRESIDENT pro tempore. The Chair is in receipt of a letter from the senior Senator from Georgia [Mr. GEORGE] stating that it will be necessary for him to be absent from the Senate for the next few days, and asking leave of absence from the Senate.

Without objection, the request of the Senator from Georgia will be granted.

Mr. WHERRY. Mr. President, I ask unanimous consent that the senior Senator from Indiana [Mr. WILLIS] may be granted leave of absence for the next 2 weeks. He will be absent on very important business.

The PRESIDENT pro tempore. Without objection, the request for leave of absence on behalf of the Senator from Indiana is granted.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 5991) to simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions, by transferring assets to the Farmers' Home Corporation, by enlarging the powers of the Farmers' Home Corporation, by authorizing Government insurance of loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural rehabilitation projects for resettlement purposes, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 565. An act to extend the privilege of retirement to the judges of the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone;

S. 1298. An act to establish an office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor;

S. 1841. An act to amend an act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921, as amended; and

H. J. Res. 328. Joint resolution making an additional appropriation for veterans' housing and related expenses.

CALL OF THE ROLL

Mr. THOMAS of Utah. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Bridges	Carville
Andrews	Briggs	Connally
Austin	Brooks	Cordon
Ball	Buck	Donnell
Bankhead	Bushfield	Downey
Barkley	Byrd	Ellender
Bilbo	Capehart	Fulbright
Brewster	Capper	Gerry
Gossett	McFarland	Saltonstall
Green	McKellar	Shipstead
Guffey	McMahon	Smith
Gurney	Magnuson	Stanfill
Hart	Maybank	Stewart
Hatch	Mead	Taft
Hawkes	Millikin	Taylor
Hayden	Mitchell	Thomas, Okla.
Hickenlooper	Morse	Thomas, Utah
Hoey	Murdock	Tunnell
Johnson, Colo.	Murray	Vandenberg
Johnston, S. C.	O'Daniel	Wagner
Kilgore	O'Mahoney	Wheeler
Knowland	Overton	Wherry
La Follette	Pepper	Wiley
Langer	Reed	Wilson
McCarran	Revercomb	Young
McClellan	Robertson	

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Alabama [Mr. HILL] and the Senator from Ohio [Mr. HUFFMAN] are absent because of deaths in their families.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Maryland [Mr. TYDINGS] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

The Senator from Pennsylvania [Mr. MYERS] and the Senator from Massachusetts [Mr. WALSH] are absent on official business as members of the Board of Visitors to the Naval Academy.

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER], the Senator from Oklahoma [Mr. MOORE], and the Senator from Indiana [Mr. WILLIS] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Michigan [Mr. FERGUSON] is necessarily absent.

The PRESIDENT pro tempore. Seventy-seven Senators have answered to their names. A quorum is present.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PENALTY MAIL MATTERS

A letter from the Acting Postmaster General, transmitting, pursuant to section 2 (b) of Public Law 364, approved June 28, 1944, a tabulation showing the number of envelopes, labels, and other penalty inscribed material on hand and on order June 30, 1945; the number of pieces procured; the estimated mailings, and the estimated cost, by departments and agencies, for the period July 1 to December 31, 1945 (with an accompanying paper); to the Committee on Post Offices and Post Roads.

DISPOSAL OF MATERIALS OR RESOURCES ON CERTAIN PUBLIC LANDS

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to provide for the disposal of materials or resources on the public lands of the United States which are under the exclusive jurisdiction of the Secretary of the Interior (with an accompanying paper); to the Committee on Public Lands and Surveys.

AMENDMENT OF SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation

to amend section 17 (a) of the Soil Conservation and Domestic Allotment Act (49 Stat. 1151) (with an accompanying paper); to the Committee on Agriculture and Forestry.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the Legislature of the State of New York; to the Committee on Post Offices and Post Roads:

"Whereas in December 1945 there was introduced in the House of Representatives H. R. 5059 and in the United States Senate S. 1715, providing for temporary additional compensation for postmasters and employees of the postal service; and

"Whereas these faithful public servants, whose services are at times performed under the most trying difficulties, have not adequately been compensated for their services and in spite of the additional demands made upon them as a result of increased communications resulting from the war, they have devoted themselves cheerfully to the tasks of seeing that the mails go through; and

"Whereas provisions have been made for other public employees for increased salaries so as to maintain a decent living standard under the greatly increased cost of living and the postal employees, who are a part of our everyday life, have not been given the same consideration as other Federal employees; and

"Whereas the postal revenues have increased to such an extent that the postal service is showing a substantial profit, due largely to the faithful employees who have assumed the additional burden of those in the service who have joined armed forces: Now, therefore, be it

"*Resolved* (*if the senate concur*), That the Congress of the United States be and it hereby is respectfully memorialized to speedily amend and enact H. R. 5059 and S. 1715 or other legislation to the end that additional permanent compensation in the sum of $500 per annum be provided for postal employees; and be it further

"*Resolved* (*if the senate concur*), That a copy of this resolution be transmitted to the President and Secretary of the Senate, to the Speaker and Clerk of the House of Representatives, and to each Member of Congress elected from the State of New York."

By Mr. SALTONSTALL (for himself and Mr. WALSH):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Military Affairs:

"Resolution memorializing Congress relative to providing for the maintenance by the Federal Government of Camp Edwards in this Commonwealth for the hospitalization of war veterans and as a place for their convalescence and recreation

"*Resolved*, That the General Court of Massachusetts urges the Congress to take immediately such action as may be necessary to provide for the continued use of Camp Edwards in this Commonwealth by the Federal Government by maintaining the facilities at said camp for the hospitalization of war veterans and as a place for their convalescence and recreation; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the State Secretary to the President of the United States, to the Secretary of War, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth."

(The PRESIDENT pro tempore laid before the Senate resolutions of the General Court of the Commonwealth of Massachusetts identical with the foregoing, which were referred to the Committee on Military Affairs.)

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"Resolution memorializing Congress in favor of extending the benefits of the GI bill of rights, so-called, to persons who served in the merchant marine of the United States during World War II

"*Resolved*, That the General Court of Massachusetts hereby urges the Congress of the United States to extend the benefits provided by the Federal law known as the Servicemen's Readjustment Act of 1944, and also called the GI bill of rights, to persons who served in the merchant marine of the United States during World War II; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth."

(The PRESIDENT pro tempore laid before the Senate resolutions of the General Court of the Commonwealth of Massachusetts identical with the foregoing, which were referred to the Committee on Finance.)

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"Resolution memorializing Congress to adopt an adequate anti-poll-tax bill

"Whereas there exists in a number of the States of this Nation a policy of requiring payment of cumulative poll taxes as a condition to the right of citizens to vote; and

"Whereas the vast proportion of the citizens, many millions in number, both white and colored, are prevented from exercising their right of franchise because of poverty; and

"Whereas the governments of these several States have done nothing to alleviate this undemocratic situation: Therefore be it

"*Resolved*, That the General Court of Massachusetts urges the Congress of the United States to adopt an adequate anti-poll-tax law which would remove forever the vicious poll-tax system which has now and for many years deprived millions of our citizens of their constitutional right to vote; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth."

(The PRESIDENT pro tempore laid before the Senate resolutions of the General Court of the Commonwealth of Massachusetts identical with the foregoing, which were referred to the Committee on the Judiciary.)

COMPULSORY MILITARY TRAINING—EXTENSION OF DRAFT LAW

Mr. CAPPER. Mr. President, I have received many letters on the question of peacetime compulsory military training and the extension of the present draft law. Among them is a letter from the Reverend A. B. Madison, of the First Methodist Church, Minneapolis, Kans., in which he gives several excellent reasons why he is opposed to a continuation of the draft and the institution of a policy of compulsory military training in this country. I ask unanimous consent to present the letter for appropriate reference and that it be printed in the RECORD.

There being no objection, the letter was received, referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

THE FIRST METHODIST CHURCH,
Minneapolis, Kans.

Senator ARTHUR CAPPER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I want to commend you on your views, expressed publicly on the matter of universal military training. It appears now that the strategy of the administration and the military forces is to get the present draft measure extended.

I am unalterably opposed to universal military training and I am likewise opposed on most counts to any extension of the present draft law.

Concerning the whole matter of military training, I quote Francis Bacon who wrote The Greatness of Kingdoms. He said "Walled towns, stored arsenals, goodly races of horses, chariots of war, and all such like is as a sheep in a lion's skin unless the breed and disposition of the people is strong. Numbers mean nothing if the people are of weak courage, for as Virgil saith, 'it never troubles a wolf how many sheep there be.'"

Militarism, at best, makes sheep of us. The strength of the British and American nations in the past has been due to the character and quality of its citizens. Militarism will destroy that strength—as it has destroyed it in all nations, save Russia, which has tried it.

It seems strange that we could rise to such strength and greatness, surrounded by powerful nations, and now when we stand supreme, with only one possible nation to threaten, we need peacetime military training. Have we not learned from the nations who followed that road? Where are the nations which regimented and militarized their citizens until they goose-stepped to every command, right or wrong, of their rulers?

Indeed, "It never troubles a wolf how many sheep there be." Would we not prefer a few Patrick Henry's than all the armed sheep one could command?

Specifically, as concerns the imminent attempt to extend the draft law, I have this to say:

If granted, it will lead eventually to universal military training.

It takes men too young. Eighteen-year-old boys are hardly third-grade troops. One-third as many of more mature age would be more effective, especially to do the police duty now required of our forces.

If these boys are not required for some real active duty, then to herd them in camps will mean serious deterioration. Inactive men rot.

I served in World War I. My Tenth Division paraded before you, Senator, with Gen. Leonard Wood at Camp Funston. I know of moral conditions.

Now, my GI friends and chaplains report that moral conditions during this war are much worse. Fathers and mothers bitterly resist loaning their sons to the military to have them subjected to every evil moral influence which predatory evil and indecency can devise.

I trust therefore, my dear Senator, that you will use all of your influence against extending the present draft law, imposing universal military training, or allowing to be fastened upon this Nation the curse of Europe without which, during its history, our Nation has been able to attain its present place of supreme power and leadership.

Respectfully yours,

A. B. MADISON.

INCREASE IN PRICE OF MILK—PETITION

Mr. REED. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in

the RECORD, as a part of my remarks, a petition signed by William A. Miller, and 17 other dairymen of Wellington, Sumner County, Kans., in which they request the Office of Price Administration, a living price be paid to milk producers.

There being no objection, the petition was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

APRIL 5, 1946.

THE REGIONAL DIRECTOR, OFFICE OF PRICE ADMINISTRATION,
Fidelity Building, Dallas, Tex.

DEAR SIR: We, the undersigned, producers of grade-A milk for the city of Wellington, Sumner County, Kans., respectfully petition the Office of Price Administration, for a raise in the prices paid to milk producers.

The present price ceilings are discouraging grade-A milk production because:

1. No price differential between grade-A and grade-C milk (uninspected).

2. Wichita, which is in the same area as Wellington, is paying $3.65 per hundredweight of milk testing 3.8 percent butterfat.

3. Wellington is paying $3.35 per hundredweight of milk testing 4 percent butterfat.

Wellington is our trade center, and the natural market for our production. We prefer to sell to Wellington distributors if the price differential is removed.

In order that we continue producing grade-A milk for the city of Wellington, we request a price change for milk, equal to the Wichita milkshed ($3.65 per hundred).

BALANCING THE BUDGET

Mr. LANGER. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD a resolution adopted by the board of directors of the North Dakota Taxpayers' Association in which they request a balanced Federal Budget.

There being no objection, the resolution was received, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Whereas we firmly believe that sooner or later the Federal Government must balance its Budget and return to a period of pay-as-you-go, or the result will be national bankruptcy and financial chaos; and

Whereas we firmly believe that the time has come when the Federal Budget can be balanced and national finances placed on a sound basis; and

Whereas 16 prominent leaders in Congress, both Democrats and Republicans, did, on March 3, issue a statement insisting that the present Budget for the period from July 1, 1946, to July 1, 1947, be balanced; Now, therefore, it is

Resolved unanimously by the board of directors of the North Dakota Taxpayers Association, That the action of the 16 congressional leaders receive our heartiest commendation;

That the Senators and Congressmen from North Dakota be urged to join in the movement for a balanced Federal Budget;

And that a copy of this resolution be forwarded to North Dakota's two Senators and two Congressmen.

PLACING OF NATIONAL FARM LOAN ASSOCIATION EMPLOYEES UNDER CIVIL-SERVICE RETIREMENT

Mr. LANGER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a letter from C. H. Erbele, secretary-treasurer, Grandnel National Farm Loan Association, Larimore, N. Dak., relating to the placing of National Farm Loan Association employees under civil-service retirement.

There being no objection, the letter was received, referred to the Committee on Civil Service, and ordered to be printed in the RECORD, as follows:

GRANDNEL NATIONAL FARM LOAN ASSOCIATION,
Larimore, N. Dak., March 28, 1946.

Hon. WILLIAM LANGER,
Senator, Washington, D. C.

DEAR MR. LANGER: Some time ago I wrote to you regarding putting National Farm Loan Association employees under the Civil Service Retirement Act provisions. Since then you have introduced a bill to do this and I want to thank you for your efforts.

Last week the secretary-treasurers of the Federal land bank, St. Paul district, met in St. Paul. At that meeting we unanimously passed the following resolution:

"Whereas national farm loan associations are an integral part of the Federal Land Bank System, and are wholly and entirely subject to the supervisory authority of the Farm Credit Administration; and

"Whereas by an act of Congress, passed January 24, 1942, the employees of the Federal land banks were covered under the Civil Service Retirement Act (sec. 3 (a)); and

"Whereas employees of national farm loan associations, most of whom have been in the employ of these associations for more than 12 years, are not covered by any system of retirement benefits: Therefore be it

"Resolved by all secretary-treasurers of the seventh farm credit district in a conference assembled at St. Paul, Minn., on the 20th day of March 1946, That we urge the speedy enactment by the Congress of legislation which shall provide for the inclusion of all the employees of national farm loan associations under the same provisions for civil-service retirement benefits as are now accorded to the employees of the Federal land banks; and be it further

"Resolved, That a copy of this resolution be forwarded to all United States Senators and Members of Congress from the States of North Dakota, Minnesota, Wisconsin, and Michigan."

We believe that employees of national farm loan associations and production credit associations should have some form of retirement provision and we feel that civil-service retirement would best fit.

Anything that you can do to further this aim will be sincerely appreciated. We know that you are for this and hope that some action will be taken by Congress.

Thank you.

Yours very truly,

C. H. ERBELE,
Secretary-Treasurer.

CONTINUATION OF FARM SECURITY ADMINISTRATION

Mr. LANGER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the board of directors of the Devils Lake (N. Dak.) Chamber of Commerce, favoring the continuation of the Farm Security Administration.

There being no objection, the resolution was received, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas it has come to our attention that allocated funds to the Farm Security Administration are virtually depleted; and

Whereas the board of directors of the Devils Lake Chamber of Commerce believes that the Farm Security Administration has been an important contributing factor toward extending loans to veterans of World War II for the purpose of establishing themselves on farms or farm projects; and

Whereas, if this Administration should become inactive through lack of funds, it would result in creation of a great injustice to those veterans who desire to avail themselves of this service: Now, therefore, be it

Resolved, by the board of directors of the Devils Lake Chamber of Commerce, in regular meeting in Devils Lake, N. Dak., on this 19th day of March 1946, That the Congress of the United States be urged to appropriate necessary funds for the efficient continuation of the Farm Security Administration; be it further

Resolved, That copies of this resolution be sent to all North Dakota Members of the Congress of the United States and to the Chairmen of the Appropriations Committees of the United States Senate and House of Representatives, and that copies be furnished to Walter J. Maddock, State director of the Farm Security Administration, Bismarck, N. Dak., and to the press.

LYLE HARRINGTON,
President.
DONALD J. DONAHUE,
Secretary.

Adopted March 19, 1946.

APPEAL BY INDEPENDENT DAIRY OPERATORS IN CHICAGO (ILL.) MARKETING AREA

Mr. BROOKS. Mr. President, Mr. H. J. Ward, secretary, Chicago Milk Dealers Association, 6607 Greenwood Avenue, Chicago, has handed to me an appeal signed by members of independent dairy operators in the Chicago (Ill.) marketing area. They requested the incorporation of this appeal of independent dairy operators in the CONGRESSIONAL RECORD, and I accordingly submit it for the consideration of the Senate and ask that it be inserted in the RECORD following my remarks.

There being no objection, the appeal was received and ordered to be printed in the RECORD, as follows:

CHICAGO, ILL., *March 12, 1946.*

To the Congressmen of the United States of America.

HONORABLE CONGRESSMEN: As businessmen affected by the rules and regulations of the Office of Price Administration and the Federal Market Administration, we need your help in securing relief from this oppressive and autocratic governmental imposition.

We, a group of independent dairy operators in the Chicago marketing area, have experienced several years of financially unprofitable, industrially unsound and undesirable regulations under the complicated orders of the above-named governmental agencies. Now we are faced with extinction unless relief is granted. Not only have we suffered because of the orders and regulations but also because of the inefficient confusion and arbitrary policies of the above-named agencies. We call your attention to the substantiating fact that 32 dairies, well-established businesses representing the true American principles of individual enterprise, have been unable to continue operations in a vital health product largely because of the oppressiveness of the above-named agencies. The survivors carry the heavy burden of the cost of operation of the governmental regulations with no benefit to the individual businessman, to the industry in the area, to the industry as a whole throughout the country or to the general public from a social-welfare viewpoint.

Under the Federal Milk Market Administration in the Chicago area, the price of milk has increased; the cost of other supplies, bottles and machinery have also increased. Under another governmental regulation the drivers have been given an increase in wages, also an increase has been granted inside workmen, and another increase is now being asked. Under the Office of Price Administration, the price of milk and its products have been held at a ceiling which makes it impossible to operate (one example, for instance, is outter).

We do not propose to criticize and not to suggest. We believe no milk-market administration is necessary, as this only imposes false economy upon an otherwise healthy industry, well regulated by the laws of supply and demand. However, we believe that if the President deems Federal regulation of milk and its allied products in the Chicago area is essential to fair treatment of the producers, fair regulations or orders simple, reasonable, and sound should be submitted to correct the glaring economic mistakes now existing, and now driving individuals out of their established business. The same suggestion in our mind is applicable to the Office of Price Administration.

We will be pleased to have your assistance in every way possible toward the alleviation of the difficulties we now face.

Sincerely yours.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERTSON, from the Committee on Commerce:

S. 1834. A bill granting the consent of Congress to the Iowa State Highway Commission to construct and maintain a free bridge across the Des Moines River at the town of Farmington, Iowa; with amendments (Rept. No. 1143).

By Mr. WALSH, from the Committee on Finance:

H. R. 5856. A bill to provide for trade relations between the United States and the Philippines, and for other purposes; with amendments (Rept. No. 1145).

By Mr. JOHNSTON of South Carolina, from the Committee on Claims:

H. R. 1235. A bill for the relief of John Bell; without amendment (Rept. No. 1146);

H. R. 1262. A bill for the relief of W. E. Noah; without amendment (Rept. No. 1147);

H. R. 1759. A bill for the relief of Mildred Neiffer; without amendment (Rept. No. 1148);

H. R. 2217. A bill for the relief of Rae Glauber; without amendment (Rept. No. 1149);

H. R. 2331. A bill for the relief of Mrs. Grant Logan; without amendment (Rept. No. 1150);

H. R. 2509. A bill for the relief of the legal guardian of James Irving Martin, a minor; without amendment (Rept. No. 1151); and

H. R. 2682. A bill for the relief of John Doshim; without amendment (Rept. No. 1152).

By Mr. ELLENDER, from the Committee on Claims:

S. 1201. A bill for the relief of Arthur F. Downs; with amendments (Rept. No. 1153);

S. 1742. A bill for the relief of Socony-Vacuum Oil Co.; without amendment (Rept. No. 1154);

H. R. 988. A bill for the relief of Bernice B. Cooper, junior clerk-typist, Weatherford, Tex., Rural Rehabilitation Office, Farm Security Administration, Department of Agriculture; without amendment (Rept. No. 1155);

H. R. 1269. A bill for the relief of Virge McClure; without amendment (Rept. No. 1156);

H. R. 2156. A bill for the relief of Lee Harrison; without amendment (Rept. No. 1157);

H. R. 2885. A bill for the relief of Mrs. Frank Mitchell and J. L. Price; without amendment (Rept. No. 1158);

H. R. 2904. A bill for the relief of Clyde Rownd, Della Rownd, and Benjamin C. Day; without amendment (Rept. No. 1159);

H. R. 3161. A bill for the relief of Mrs. Ruby Miller; without amendment (Rept. No. 1160);

H. R. 3217. A bill for the relief of Mattie Lee Wright; without amendment (Rept. No. 1161);

H. R. 3483. A bill for the relief of Mr. and Mrs. Cipriano Vasquez; without amendment (Rept. No. 1162);

H. R. 3591. A bill for the relief of Addie Pruitt; without amendment (Rept. No. 1163);

H. R. 3846. A bill for the relief of the estate of Eleanor Wilson Lynde, deceased; without amendment (Rept. No. 1164); and

H. R. 3948. A bill for the relief of Mrs. Clifford W. Prevatt; without amendment (Rept. No. 1165).

By Mr. RADCLIFFE, from the Committee on Commerce:

H. R. 5316. A bill to repeal the law permitting vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes; without amendment (Rept. No. 1166).

LOAN TO GREAT BRITAIN—REPORT OF COMMITTEE ON BANKING AND CURRENCY

Mr. BARKLEY. Mr. President, from the Committee on Banking and Currency, I ask unanimous consent to report favorably with an amendment Senate Joint Resolution 138, to implement further the purposes of the Bretton Woods Agreement Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, which is ordinarily referred to as the British loan, and I submit a report (No. 1144) thereon.

I wish to state to the Senate that the report I am submitting in connection with the joint resolution is quite comprehensive, and it will be, I think, available to Senators tomorrow. I hope Senators will study the provisions of the joint resolution as well as the statements in the report. I wish to state further that when the bill now under consideration is concluded, which will be followed by the next housing bill, that is, the Wagner-Ellender-Taft bill, I wish to follow that by having the Senate take up for consideration next week the joint resolution providing for the British loan.

The PRESIDENT pro tempore. Without objection, the report submitted by the Senator from Kentucky will be received, and the joint resolution will be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KILGORE:

S. 2048. A bill granting an increase of pension to Charles D. Booth; to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

S. 2049. A bill to amend section 508 (d) of the Federal Crop Insurance Act (7 U. S. C. 1508 (d), 52 Stat. 75) as amended; and

S. 2050. A bill to amend section 508 (a) of the Federal Crop Insurance Act (7 U. S. C. 1508 (a), 52 Stat. 75) as amended; to the Committee on Agriculture and Forestry.

By Mr. McCARRAN:

S. 2051. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act; to the Committee on the Judiciary.

By Mr. BRIGGS:

S. 2052. A bill to establish a national memorial forest park in the State of Missouri as a memorial to World War II veterans; to the Committee on Public Lands and Surveys.

By Mr. McFARLAND (for himself and Mr. McCARRAN):

S. 2053. A bill to incorporate the Amvets, American Veterans of World War II; to the Committee on the Judiciary.

FEDERAL AID TO STATE OR TERRITORIAL HOMES FOR SUPPORT OF DISABLED SOLDIERS AND SAILORS—AMENDMENTS

Mr. WALSH submitted amendments intended to be proposed by him to the bill (S. 1845) to increase the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States, which were referred to the Committee on Military Affairs and ordered to be printed.

REEMPLOYMENT RIGHTS OF VETERANS UNDER SELECTIVE SERVICE AND TRAINING ACT OF 1940—AMENDMENT

Mr. JOHNSON of Colorado submitted an amendment intended to be proposed by him to the bill (S. 1823) to provide for continuing the reemployment rights of veterans under the Selective Training and Service Act of 1940, as amended, and for other purposes, which was referred to the Committee on Military Affairs, ordered to be printed, and to be printed in the RECORD, as follows:

At the proper place insert the following additional section:

"SEC. —. The sixth proviso contained in section 3 (a) of the Selective Training and Service Act of 1940, as amended, is amended to read as follows: '*Provided further*, That (1) on July 1, 1946, the number of men in active service in the Army shall not exceed 1,550,000 and such number shall be reduced at an average monthly rate of 40,000 a month for the 12 months following such date; (2) on July 1, 1947, the number of men in active service in the Navy shall not exceed 558,000, and the number of men in active service in the Marine Corps shall not exceed 108,000; and (3) until May 15, 1947, the monthly requisitions on selective service under this act by the Secretary of War and the Secretary of the Navy shall not exceed the number of men required after consideration of the actual number of volunteer enlistments obtained during the preceding month. The men inducted into the land or naval forces for training and service under this act shall be assigned to camps or units of such forces.'"

HOUSE BILL REFERRED

The bill (H. R. 5991) to simplify and improve credit services to farmers and promote farm ownership by abolishing certain agricultural lending agencies and functions, by transferring assets to the Farmers' Home Corporation, by enlarging the powers of the Farmers' Home Corporation, by authorizing Government insurance of loans to farmers, by creating preferences for loans and insured mortgages to enable veterans to acquire farms, by providing additional specific authority and directions with respect to the liquidation of resettlement projects and rural rehabilitation projects for resettlement purposes, and for

other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

ADOPTION OF PROVISIONS IN STATE DEPARTMENT REPORT ON ATOMIC ENERGY

Mr. MITCHELL (for himself, Mr. KILGORE, Mr. FULBRIGHT, and Mr. MORSE) submitted the following resolution (S. Res. 255), which was referred to the Special Committee on Atomic Energy:

Whereas the Secretary of State's Committee on Atomic Energy has issued a report outlining a feasible method for the control of the production of atomic energy by all nations;

Whereas this recommended method does not entail the surrender of any atomic bomb secrets until effective international control protecting all humanity is assured.

Whereas available evidence indicates that prevention of atomic warfare is the only effective defense against the destructive force of the atomic bomb;

Whereas no nation can be secure when the scientists and industrialists of all nations are free to discover and make atomic bombs;

Whereas it is necessary to end all competition between nations to make bigger and more destructive atomic bombs: Therefore, be it

Resolved, That it is the sense of the Senate that the security of the United States and of all nations requires prompt action on an international basis to give effect to the proposals embodied in the State Department publication entitled "A Report on the International Control of Atomic Energy," and that negotiations within the United Nations be undertaken immediately upon the basis of the report to the end that its provisions be adopted and a realistic hope of peace be substituted for the present universal fear of mass annihilation through atomic war.

RECOMMITTAL OF A BILL

Mr. ELLENDER. Mr. President, I move that the bill (H. R. 2091) for the relief of Joseph E. Bennett, be taken from the calendar and recommitted to the Committee on Claims.

The motion was agreed to.

GUARANTEE AGAINST WAR—A PEACETIME ARMY—ARTICLE BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article entitled "Guarantee Against War—A Peacetime Army," written by him and published in the Army Day Review of April 6, 1946, which appears in the Appendix.]

SITTING DUCKS IN OUR AIR FORCES—ARTICLE BY SENATOR THOMAS OF UTAH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article entitled "Sitting Ducks in Our Air Forces," written by him and published in the April issue of the Amerigan magazine, which appears in the Appendix.]

HOW GOOD ARE THE SCHOOLS IN YOUR STATES?—ARTICLE BY DR. JOHN W. STUDEBAKER

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an article entitled "How Good Are the Schools in Your State?" written by Dr. John W. Studebaker, commissioner of education, and published in the April issue of the American magazine, which appears in the Appendix.]

REORGANIZATION OF CONGRESS

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an editorial from the Pioneer Press of St. Paul, Minn., of the issue of March 6, 1946, entitled "For a Modernized Congress"; an editorial from the Cedar Rapids (Iowa) Gazette, of March 6, 1946, entitled "Right Direction"; an editorial from the Lewiston (Idaho) Tribune of March 11, 1946, entitled "Reorganizing Congress," and an editorial from the Salt Lake City Tribune of March 10, 1946, entitled "Antiquated Legislative Machinery May Finally Be Modernized," which appear in the Appendix.]

EXTENSION OF SELECTIVE SERVICE—ADDRESS BY SENATOR JOHNSON OF COLORADO AND EDITORIAL COMMENT

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD a radio address delivered by him on April 9, 1946, together with an editorial from the Washington Post of April 2, 1946, and an article by Thomas L. Stokes, published in the Washington Daily News of April 8, 1946, dealing with the subject of extension of selective service, which appear in the Appendix.]

SOIL CONSERVATION IN CONNECTICUT—ADDRESS BY SENATOR McMAHON

[Mr. McMAHON asked and obtained leave to have printed in the RECORD a radio address entitled "Soil Conservation in Connecticut," delivered by him on April 9, 1946, which appears in the Appendix.]

FOOD FOR FREEDOM—ADDRESS BY GORDON ROTH

[Mr. LANGER asked and obtained leave to have printed in the RECORD a radio address delivered by Gordon Roth, director of public relations, Farmers Union Grain Terminal Association, on the Food for Freedom program, March 31, 1946, which appears in the Appendix.]

A. F. OF L. LABOR STATESMANSHIP PAYS OFF—ADDRESS BY W. C. DOHERTY

[Mr. LANGER asked and obtained leave to have printed in the RECORD an address entitled "A. F. of L. Labor Statesmanship Pays Off," delivered by W. C. Doherty, vice president of the American Federation of Labor, on February 28, 1946, which appears in the Appendix.]

REAL LABOR STATESMANSHIP—EDITORIAL FROM COLLIER'S MAGAZINE

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "Real Labor Statesmanship," published in Collier's magazine for April 13, 1946, which appears in the Appendix.]

ARMY'S NEEDS ARE MODESTLY ESTIMATED—ARTICLE BY ARTHUR KROCK

[Mr. AUSTIN asked and obtained leave to have printed in the RECORD an article entitled "Army's Needs Are Modestly Estimated," written by Arthur Krock and published in the New York Times of April 9, 1946, which appears in the Appendix.]

THE CONSERVATIVE SOUTH: A POLITICAL MYTH—ARTICLE BY WILLIAM G. CARLETON

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article entitled "The Conservative South: A Political Myth," by William G. Carleton, published in the spring issue of the Virginia Quarterly Review, which appears in the Appendix.]

VETERANS' EMERGENCY HOUSING ACT OF 1946

The Senate resumed consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The question is on agreeing to the amendment of the Senator from West Virginia [Mr. REVERCOMB] to strike out section 3 (a) on page 24. Without objection, the language proposed to be stricken will be printed in the RECORD at this point.

The section proposed to be stricken out by Mr. REVERCOMB is as follows:

SEC. 3. (a) Whenever in the judgment of the Expediter the sales prices of housing accommodations or unimproved lands (as defined in paragraph (e) of section 8) have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish maximum sales prices for such housing accommodations or unimproved lands in accordance with the provisions of this act. Any such regulations or order may be limited in its scope to such geographical area or areas and to such types or classifications of such housing accommodations or unimproved lands as in the judgment of the Expediter may be necessary to effectuate the purposes of this act. Before issuing any regulation or order under this section, the Expediter shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendations which may be made by State and local officials concerned with housing conditions in any area affected by such regulation or order.

Mr. REVERCOMB. Mr. President, yesterday I offered an amendment to strike out section 3 (a) of the pending bill. The effect of striking out that section would be to eliminate the power proposed to be given to the Expediter to place a ceiling price on the sale of houses. I desire to perfect my amendment by asking that section 3 be stricken out, and in lieu thereof to insert the section dealing with this subject which came over from the House of Representatives and which has been passed by the House. I send the perfecting amendment to the desk and ask that it be stated.

The PRESIDENT pro tempore. The Senator has the right to perfect his amendment. The perfecting amendment will be stated.

The CHIEF CLERK. It is proposed to strike out section 3, on pages 24, 25, 26, and 27, and to insert in lieu thereof subsections (a), (b), (c), and (d) of section 703 appearing on pages 6, 7, 8, and 9 of the printed bill now before the Senate, as follows:

SEC. 703. (a) Whenever in the judgment of the Expediter the sales prices of housing accommodations the construction of which is completed after the effective date of this title have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish maximum sales prices for such housing accommodations in accordance with the provisions of this title. Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of such housing accommodations as in the judgment of the

Expediter may be necessary to effectuate the purposes of this title. Before issuing any regulation or order under this section, the Expediter shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendations which may be made by State and local officials concerned with housing conditions in any area affected by such regulation or order.

(b) Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this title shall provide that no sale of any such housing accommodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Expediter a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941. Any prospective seller of such housing accommodations may apply for such certification at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a certification of approval of a proposed maximum sales price has been issued prior to the completion of construction, the prospective seller may, at any time before the first sale, apply for such revision of the maximum sales price previously certified as may be justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification. The first sale of housing accommodations the construction of which is completed after the effective date of this title shall not be made at a price in excess of the maximum sales price certified under this subsection. The actual price at which any such housing accommodations is first sold, plus any increases authorized pursuant to subsection (c), shall be the maximum sales price for any subsequent sale of such housing accommodations.

(c) The Expediter shall by regulation or order provide for appropriate price increases for major structural changes or improvements, not including ordinary maintenance and repair, effected subsequent to the first sale after the effective date of this title.

(d) The Expediter may promulgate such regulations as he deems necessary and proper to carry out any of the provisions of the title and may exercise any power or authority conferred upon him by this title through such department, agency, or officer as he shall direct. Any regulation or order under this title may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the Expediter are necessary or proper in order to effectuate the purposes of this title. The Expediter shall have power to forbid the export of any lumber or other materials to any foreign country which are needed for the housing program.

Mr. REVERCOMB. Mr. President, the whole effect of this modification of the amendment is that it would permit ceilings to be placed on new houses built under the Government-aid plan, but it would not permit the Expediter to place ceiling prices on dwellings and houses that are in existence at this time.

I think the Senate fully understands the situation. I do not believe the amendment need be a subject of long discussion, certainly not on my part, after I have called to the attention of the Senate its meaning and intent. I may say that if section 3 is enacted into law the Expediter is given the unusual power, the most far-reaching power I think ever given to any single Government official, to determine what property shall be brought under this act or under his control, and under price-fixing, and then to say that the first sale price of a dwelling shall be fixed as the resale price. After the first sale, during the time this bill remains in effect, regardless of how long a person may own the property, regardless of how much a prospective purchaser may desire it, the owner cannot sell for any more than he paid for it. I think that is a power Congress does not intend to give to any man.

However much those on the administrative side may desire to exercise controls over the people of this country, I certainly do not believe that in the case of dwelling houses already constructed, houses built by the people with their own money and representing their invested capital, there should be any curtailment or block upon them in dealing with and trading in the properties which they own. I can understand with respect to new houses built under this plan, for whose construction the Government is expending a large sum of money, that there may be some reason for giving the power to limit the sale price of such houses, so that the Government may hold prices in line. For my part, I would prefer that this power be not given with respect to any property; but some feel that it should apply with respect to new dwellings which may be built hereafter.

I am asking that the view be taken which was taken by the House of Representatives when this subject was before the House and the bill was passed. The House of Representatives took the position that the power of limiting the sale price should be given only with respect to new houses built with the help of the Government. The amendment which I am offering would strike out section 3 in the Senate committee amendment, which restricts the sale price of old houses. If my amendment is adopted, the power will not apply to old houses, but only to those built in the future.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. REVERCOMB. I yield.

Mr. LANGER. At the present time has the Government the power of eminent domain for the purpose of taking land?

Mr. REVERCOMB. Oh, yes. The Government has the power of eminent domain to take land or property for public purposes.

Mr. LANGER. Could such land be used for the building of houses for those who are not veterans?

Mr. REVERCOMB. No; it could not be used to build houses for other people. The power of eminent domain can be exercised only where the land or property taken is to be used for governmental purposes.

Mr. LANGER. Would the Senator say that it could be taken for the purposes covered by this bill?

Mr. REVERCOMB. No; I do not believe it could be taken by eminent domain for the purposes of this bill because the houses to be built are to be owned by private citizens in their own right. They will be private property and not Government property.

Mr. LANGER. Then the only way the Government could obtain a tract of land for this purpose would be through the passage of this bill.

Mr. REVERCOMB. As I understand, the bill does not contemplate the purchase of land by the Government. It does contemplate Government assistance in expediting the production of materials so that houses may be built and sold to veterans.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. FULBRIGHT. For tax purposes a profit arising from the sale of a house which has been held more than 6 months is treated as a gain in capital assets.

Mr. REVERCOMB. I did not catch the question.

Mr. FULBRIGHT. If a person purchases a house and holds it for 6 months, and then sells it at a profit, for tax purposes the profit is treated as a capital-assets gain, and the tax is only 25 percent.

Mr. REVERCOMB. I have always understood that the general rule was that the profit arising from the sale of a capital asset was treated as a capital-asset gain, and so taxed.

Mr. FULBRIGHT. Would there not be better control of inflation in the case of real estate if such profits were subjected to the ordinary taxes? That is the more normal way to control inflation.

Mr. REVERCOMB. That is a thought. I had not considered it.

Mr. FULBRIGHT. In the case of stocks, if a person buys a stock and holds it for more than 6 months, and sells it at a profit, the profit is taxed at the rate of only 25 percent. That is one way to avoid the very heavy taxes on income above a moderate amount.

Mr. REVERCOMB. It also discourages speculation.

Mr. FULBRIGHT. Yes. It seems to me that that might be one way to deal with the problem.

Mr. REVERCOMB. I appreciate the thought of the Senator from Arkansas.

The whole purpose of the amendment is to remove from the pending bill the power proposed to be given to the Housing Expediter to fix a ceiling price after the first sale of property which is now in existence, regardless of how old the property is, whether it is 100 years old or whether it was built last year. I feel that the Expediter has no right to interfere with the investment of the people of this country in their homes, whether they be humble or great. He has no right to say that they may not sell their property, even if they acquire it after the passage of the act, if it is old property, and place a limitation on the sale price.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. OVERTON. I believe that the purpose of the amendment suggested by the Senate committee is to prevent speculation in real estate which is to be used for homes. I fail to see why there should be any distinction, such as the Senator makes, between houses which are built pursuant to the provisions of the bill, and hereafter to be constructed, and houses which are already in existence, except for the point which he makes, that the Government is perhaps contributing largely in a financial way to the construction of the new houses. But a home is a home; and the whole purpose of the bill is to provide homes for veterans at reasonable cost.

The purpose of the committee amendment is to prevent a rise in values which would occur if existing houses fell into the hands of speculators. It is very rare that property of this type moves twice within a year and a half. If there is another sale within a year and a half, it is usually by a speculator. When one buys a house to use it as a home—and that is the whole purpose of the legislation—he keeps it as a home. He does not turn around and sell it the next day. I do not believe that the provision in question would have much effect on the right of the individual property owner. I believe that the effect would be very limited in that field. I think it is necessary to carry out the broad purposes of the legislation.

Mr. REVERCOMB. One of the rights of ownership which should continue to exist—the very word "ownership" implies it—is the right of an owner to deal with his own property as he pleases, and to sell it if he wishes to do so. The Senator says that only a speculator would sell property within a short time after buying it. I cannot agree with that statement. Frequently in every community a man buys a home, lives in it for a while, and then his work calls him elsewhere, and he desires to sell it. Shall we say to that man that he shall not sell his property for a profit if someone else wishes to buy it and is willing to pay the price which he asks?

Mr. OVERTON. My statement was a statement of the general rule. I did not say that there were no exceptions.

Mr. REVERCOMB. I rather think that the exceptions mentioned represent a large number of cases in the sale of property. The word "speculation" is mentioned as a bug-a-boo to frighten us. What is speculation with respect to real estate? Are we going to deprive a man who owns property of the right of selling it when he can find a purchaser who is willing to pay the price which he asks for it?

From my own viewpoint, both with respect to new houses and old houses, I would rather not see such great power placed in the hands of an official with respect to any property. However, it is felt by some that it should apply to new houses built with the assistance of the Government, because the Government has an interest in them, and has adopted the policy of going into this business and making an appropriation. Therefore it is felt by some that because of this policy, and because of the financial aid of the Government, the power of limitation upon the sale price might well be granted.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. DONNELL. As I understand section 3 as contained in the committee amendment, it would not permit the Expediter to fix a price with reference to presently existing houses so far as the first sale is concerned.

Mr. REVERCOMB. That is correct.

Mr. DONNELL. If that be true, I do not see at the moment any special equity in the person who makes the first purchase from the previous owner, if such first purchase be made after the law goes into effect. I can understand the argument to the effect that if the Senator from West Virginia or I had constructed a house 10 years ago, relying upon conditions existing at that time, we should not have our right to sell that property restricted by any authority on the part of the Expediter to fix the sale price. But I am in doubt as to the validity of the criticism directed against the person to whom it may be sold. If I may amplify the question, if the Senator or I had built a house 10 years ago, as I understand section 3 in the committee amendment, we would not be prevented from selling it at any price we might be able to obtain for it. After the house is sold to John Smith, let us say, if he then wishes to sell it, then comes the restriction. It would appear to me offhand, at any rate, that he stands precisely in the position of a person who builds a house after this law goes into effect, and he does not have existing in his favor the equity which exists in favor of a person who built his house prior to the passage of this act.

I should like to have the Senator give me his views in response to my inquiry, if I have made it sufficiently intelligible to him.

Mr. REVERCOMB. The Senator has made it very clear. Mr. President, I think that the John Smith of whom the Senator has spoken, who buys a house after this act goes into effect, and buys it as a dwelling house for himself, has the same right which our people have had since time immemorial, as incident to the ownership of a house, to sell it for what he can get for it. I do not believe this restriction should be placed on either new or old property, although there seems to be more reason to place it upon property which is built with Government aid, so as to let the Government keep its hands on the property. However, I think it is absolutely wrong to impose such a restriction on property which was built 10 years ago without Government aid. I think it is wrong to say that the first price on such property shall fix the future selling price for as long a time as this act shall last—and no one knows how long it will last. I do not think the Government has the right to say to the owner of such a house, "You can sell it at a loss, but you cannot sell it at a profit." I think that is absolutely wrong.

I can understand that there should be a limit on rents in the case of property which is rented on a commercial basis, as a business transaction, such as a building which is not the dwelling of the owner, but is rented as property in which other people may live as tenants.

But the house which a man owns and lives in as his own home—I care not how humble it may be—is his, and he should have the right to sell it for what he can get for it.

Mr. DONNELL. Mr. President, will the Senator yield to me once more?

Mr. REVERCOMB. I yield.

Mr. DONNELL. I wish to say that the argument the Senator makes applies with some force, it seems to me, although possibly not equal force, to a person who builds a house after this law goes into effect, because certainly since time immemorial the owner of a house has had the right to dispose of it at any price at which he wishes to sell it.

My only question is whether a man who purchases a house which is in existence when this law goes into effect has the same equity which is had by the original owner who owned the property before the law went into effect. I can well understand that if the Senator from West Virginia or I owned a piece of property today, there would be serious question as to the right of the Government to say to us that we could not sell it, after this law goes into effect, save at a price fixed by the Expediter. But the difficulty I have is in understanding how, after this law goes into effect, a man who purchases an already existing house has an equity equal to that which is had by the man who owned the house before the law went into effect.

I do not desire to argue the point, and I greatly appreciate the courtesy of the Senator from West Virginia in giving me the benefit of his views in response to my inquiry.

Mr. REVERCOMB. Mr. President, I am very glad to have the benefit of the statement by the able Senator from Missouri.

I believe I have made my point of view clear. I cannot get away from the very old principle which exists under Anglo-Saxon law and under the law of the United States, namely, that the ownership of a house carries with it, as part and parcel of it, the right to sell the property under any terms which the owner may be able to make under a contract of sale.

There is quite a difference between ownership of a piece of property for the purpose of engaging in the commercial enterprise of renting and ownership of a piece of property as the home, the dwelling house, of the owner. I think it would be wrong for the Government to step in, today, and take from a man who owns his home, as his own dwelling house, the right to sell it at any price he is able to obtain for it, regardless of whether he is a veteran. I think there is a very small distinction, indeed, between a house built after this act goes into effect and one which was built before it goes into effect. I repeat that I do not think the act should apply to either one. Some persons think it should apply to houses built hereafter, because of the

aid given by the Government to new construction. That was the position taken by the House of Representatives when it passed the bill, and the same position was taken by the majority of the Senate committee in reporting the bill. Some Senators believe that the restriction should apply to all houses, both those built before this bill is enacted and those which are built after it is enacted.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. HICKENLOOPER. I should like to say to the Senator from West Virginia that it seems to me that a very definite principle is involved in this amendment.

In the first place, under the emergency of war and because the war effort demanded the complete concentration of all our efforts and activities, thereby restricting building during the wartime, we were thoroughly justified as an emergency measure in controlling rents, in controlling consumer goods, and in controlling the prices of scarce commodities. Such steps were justified because the major effort was being made in connection with the production of war goods. I think that is a philosophy which can be justified at any time during an emergency; and it seems to me that during a period of reconversion, until it is possible to return to a normal flow of goods, certain sensible and practical controls can be very beneficial.

By the same token, during this period, which we may regard as an emergency—and the only justification for this housing program is the emergency—by Government money, by Government regulation, by Government supervision, we are stimulating abnormally, if you please, an unusual production of housing. That is done as a result of the aid rendered by the Government. Therefore, in the production of such housing it would seem to me to be justifiable to prevent speculation upon such emergency housing which is built with Government aid and under Government supervision.

But a home which is already constructed represents, in the overwhelming number of cases, not a speculative investment on the part of the person who builds it, but a permanent investment for his home, and I assume that almost everyone who builds a home expects it to be his permanent home. Such houses as are already completed are not necessarily, except in perhaps a very few cases, wartime construction, but they are houses which have been built in the past and have become a part of the owner's capital investment, for use as his home and for his long-range occupancy. When the Government, under the guise of an emergency, attempts to invade the traditional and inherent right of an American under our laws and Constitution either to sell or to retain his home, which is a capital investment on his part, which was built under peacetime conditions, as a rule, I think such a step should be considered very carefully indeed, not so much because of the proposed control of the price, but because of the very basic principle of the peacetime freedom of the individual, a freedom which we are now attempting to strangle by means of this law.

True, let me say to the Senator, it could be said, perhaps, that it is strangling to impose ceilings on rentals of houses. But I still think that the existence of the emergency and the fact that rentals may be termed a consumable item and the fact that they are an absolutely vital item, probably justify the taking of that step.

I do not think the control of the prices of existing homes will add one bit to the availability of such homes, because there is nothing in the pending bill, even as it is presently written, which provides that a man must sell his home. It would be just as bad to say that anyone who needed a home could require the owner of a house—assuming that the house had one or two rooms more than the owner needed—to sell it to him at a certain price. That is the logical conclusion of this price control, and it would be the only method by which existing homes could be made more freely available to those who need them. As a matter of fact, I do not believe this will cause the sale of a single home.

Mr. REVERCOMB. I agree, but it will prevent the sale of them. The right to sell is a right which every man who possesses property should have.

Mr. HICKENLOOPER. There is nothing in this bill that denies a man the right to say that he will sell or that he will not sell. No owner of a home will sell it under control or out from under control unless, first, he finds a buyer who is willing to pay a price which the owner is willing to accept. A few owners may sell under distress. But this bill, in its present form, will not move a single existing home, and it will violate one of the basic principles of property ownership, namely, the right of an individual to retain that which he possesses. Under the present emergency I can see no justification for such control as is being requested. I think the language of the bill which we have been discussing will not only not accomplish anything worth while but will violate, without excuse, some of the fundamental principles of home ownership.

Mr. REVERCOMB. Mr. President, I thank the Senator for the very able statement which he has made.

I submit my amendment, which has the effect of placing back into the bill the section which was passed by the House of Representatives, with the exception of one subsection thereof, and displacing the all-coverage control which it is proposed to place in the hands of the Expediter over all the homes in this country.

Mr. BARKLEY. Mr. President, I rise in opposition to the amendment offered by the Senator from West Virginia. I can well appreciate that if the Senator could have his way he would not allow any ceiling of any kind to be established with reference to houses involved under the terms of the proposed legislation. I realize that any proposal of this sort grows out of abnormal conditions. If such abnormal conditions were not present in many cases, we would not be here advocating legislation designed to correct them.

Mr. President, I wish to invite the attention of the Senate to what has transpired and what is now transpiring with reference to existing houses. In order to obtain information on the subject, a survey was made. It was a hastily made survey, but it was the best survey that could be made under the circumstances since the proposed legislation was initiated. A survey was made in 92 cities in the United States having a population of 100,000 or more, according to the census of 1940, as well as in 250 smaller cities having a population of less than 100,000. With reference to the period from the spring of 1940 to February 1946, of 84 cities in the United States containing a population of more than 100,000 9, or about 11 percent of the total number reporting, showed an increase of 100 percent or more in the prices of existing houses. Twenty-three of the 84, or 27 percent of the whole, showed an increase of from 75 percent to 100 percent in the selling prices of existing houses. Thirty-four of the 84 cities, or 40 percent of the total, showed an increase in the selling prices of houses of between 50 percent and 75 percent.

Among the smaller cities, those with a population of less than 100,000, 47 of them, or 17 percent of the total, showed an increase of 100 percent or more in the resale prices of houses. Another 66, or 24 percent of the whole, showed a rise of from 75 percent to 100 percent in the resale prices of houses. Another 102 cities, or 36 percent of the whole, indicated an increase of from 50 percent to 75 percent. Another 58 cities, or 21 percent of the total, showed an increase of from 25 to 50 percent.

Since VJ-day, which was last September, reports from the smaller cities indicate that more than 50 percent of those reporting experienced price increases up to 25 percent within the 6-month period. Another large number of cities indicated increases in the past 6 months since VJ-day of from 25 percent to 50 percent.

Mr. President, every time there is a sale of an existing home there is an eviction. Perhaps I should not say every time; but if the house happens to be rented and it is sold, there will be, in all likelihood, an eviction, especially if the purchaser is buying the house for a residence or a home for himself. If he is buying it for speculative purposes he will increase the rent to the occupant or tenant of the house.

Mr. REVERCOMB. Mr. President, does the Senator mean to say that he would discourage the purchase of homes?

Mr. BARKLEY. No; on the contrary, through the proposed legislation, I am trying to encourage home ownership.

Mr. REVERCOMB. The Senator has said that the rent would be raised. Does not the Government still exercise control over rents?

Mr. BARKLEY. Not everywhere. The Government controls rents in certain areas which have been designated as defense areas, but it does not control rents outside those areas.

Mr. REVERCOMB. If there should be any abuse with reference to rents, I

should think that such abuse could be controlled.

Mr. BARKLEY. Mr. President, I am speaking of the effect of speculative reselling of existing homes. We all know that if a house is rented for which the owner may have paid $5,000 or $6,000, or even $10,000, and is purchased by someone for $10,000 or $12,000, which is not at all unusual because of the speculative spiral and the increase in the selling prices of houses which has taken place, the rent upon that house will likewise be increased, or else there will be an eviction. I may say that the survey shows that evictions from existing houses throughout the United States at the present time are taking place at the rate of a million a year. Of course, not all of the persons being evicted are veterans. But if the speculative increase to which I have referred in the price of existing houses is to be allowed to continue until 1947, and no curb is placed on the speculative sales of houses which may take place during the remainder of 1946 and all of 1947, I think it is fair to say that a majority of the evictions in the year 1947 may well be of veterans who were able to obtain houses for rental. The veteran will either have his rent increased or he will be evicted by the new purchaser, who may wish to rent the house to someone who is abler to pay the increased rent. So that, Mr. President, the amendment offered by the Senator from West Virginia sets up two classes of houseowners. One class consists of those who are willing to go forward and help to stimulate the production of new houses, those who are willing to invest their money in the purchase of building materials in order to provide housing facilities. The man or the organization willing to participate in the production of houses under the amendment offered by the Senator from West Virginia will be penalized as compared to the owner of an existing house, who is put in a specially preferred class simply because he owned the house when this proposed law becomes effective.

Mr. REVERCOMB. Mr. President, will the Senator yield at that point?

Mr. BARKLEY. I yield.

Mr. REVERCOMB. The fact of the matter is that if this bill is passed as written, there will be a great discrimination made between the man who has a house today and the one who builds a house in the future because the bill lays down two formulas. A house existing today has ceiling prices set after the first sale that is made, but the house that is built after this bill shall be passed, has a ceiling price fixed upon the cost, plus a reasonable profit, plus any improvements which may be made, not only before the first sale but from time to time so long as this bill remains in force. In other words, there are two formulas, one applying to the old house, the house which now stands, the sale price of which is arbitrarily fixed at the price paid at the first sale, but the new house which is built with Government aid can be sold at a price to be fixed by the Expediter, based upon a fixed formula in this bill that includes from sale to sale the improvements which may have been made.

Mr. BARKLEY. The Senator is entirely mistaken. Under the very mild formula of ceilings on existing houses, a man who owns a house can sell it in the first instance for whatever he can get for it. If he bought it 10 years ago or 5 years ago or 1 year ago or 6 months ago and paid $5,000 for it, he can sell it for $15,000 if somebody is willing to pay him that much for it. After that the purchaser who paid $15,000 for the house, which will, of course be a speculative value, cannot sell it for more than $15,000, except that he is allowed to add the cost of any improvements he has put into the house and he is also allowed to add any commission or brokerage fees that are customary in the neighborhood where the house is sold. That is the same rule that applies to houses that are built under new construction. From time to time any purchaser or any owner may have an allowance made for additional room. If he installs another bath room, that is a permanent improvement, and he may be allowed to add that to the price, and he may also be allowed, as the bill provides specifically, the customary brokerage fees which are allowed in the community where real-estate men make their living out of the sale and transfer of real property. So there is little difference.

Mr. REVERCOMB. Let us look at the bill to see whether there is but little difference. I refer the able Senator to subsection (c) on page 26, which reads:

(c) Any regulation or order issued under the authority of this act establishing maximum sales prices for housing accommodations in existence on or prior to the effective date of this act or for unimproved lands shall establish as the maximum prices the price of the first bona fide sale of such housing accommodations or such unimproved lands, as the case may be, after the effective date of this act.

There is the formula that applies to houses in existence today. Now I call the Senator's attention to page 24.

Mr. BARKLEY. The Senator did not read all of subsection (c). Let me read the remainder of it. It is as follows:

Any regulation or order under this subsection shall provide for the making of appropriate adjustments in the maximum sales price where substantial improvements to any housing accommodations or betterments to unimproved lands have been made subsequent to the last sale.

Mr. REVERCOMB. I did not think it necessary to read that. It goes along with the provision I read. Of course, it allows for improvements that are added.

Now let us go to the formula to be used for houses constructed after the bill goes into force. On page 24 the following appears in subsection (b):

(b) Any regulation or order issued under the authority of this section with respect to housing accommodations the construction of which is completed after the effective date of this act shall provide that no sale of any such housing accommodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Expediter a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941.

Then it goes on and refers to prospective sellers.

Mr. President, in the case of an old house, once a sale is made and the price is paid for it, the Expediter does not have the power to raise that price in future sales except for actual improvements made. So there cannot be a profit on that house after the first sale under this act. But in the case of a house that is built after the act goes into force, there is allowed on any sale made, to be fixed by the Expediter, "a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941." So I submit there is a difference.

Mr. BARKLEY. Let me advert to what the Senator has just stated. The Senator, in connection with that section is talking about new houses. The builder of the new house may have had a priority given to him in order that he might obtain materials with which to build the house. He may have bought materials upon which premium payments have been made, which enabled him to buy them cheaper in the market than otherwise would have been possible. That situation does not surround the owner of an existing house. We did not propose by this legislation to say that the builders of houses shall not have a margin of profit on their construction. The average profit of the builder, I think, is recognized to be anywhere from 5 to 10 percent; I think in many cases, perhaps in most cases, a profit margin of 10 percent upon the construction of a house is usually expected. That is one of the stimulants that induce men to put their money into the building of houses. We could not in this legislation, without absolutely stifling the construction of houses on the part of many who have money to invest in houses, provide that they shall merely be allowed what the house cost, what the material and labor that went into it cost, without allowing a reasonable profit. But that situation does not exist with reference to the man who already owns a house and sells it for whatever he can get for it the first time.

After the price has been fixed, including the cost of the materials and the cost of the labor that goes into it, which the owner of an existing house does not have to deal with, after the certification has been given, allowing a ceiling price upon the first sale, including a reasonable profit—after all that the same rule applies on the resale of that house that applies to the second or third or fourth sale of an existing house.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from West Virginia, and then will yield to the Senator from Missouri.

Mr. REVERCOMB. Where is there in the bill, or under the formula, anything to require the Expediter to peg the price of the newly built house? The bill expressly says that the first sale shall fix absolutely, without change, the price of the old house, and the seller cannot make a profit above that, but for the newly built house it lays down a formula, under which the Expediter has the discretion of taking into consideration all these elements of building and a reasonable profit on top of that. There is no limit as to what the profit may be on any sale made of the new house in the future.

Mr. BARKLEY. Technically, of course, we do not spell out what the profit shall be.

Mr. REVERCOMB. Oh, no.

Mr. BARKLEY. But in fixing the price the Expediter must take into consideration "reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction," that is, the cost of the material and the labor, and also "the fair market value of the land, (immediately prior to construction)." All those things have to be taken into consideration, together with "improvements sold with housing accommodations and a margin of profit."

We cannot say what that profit shall be. We have to leave it to the Expediter in his discretion, based upon the total cost of the house, to determine what a reasonable profit may be. After that has been determined and a certificate has been issued with respect to it and a sale has taken place, thereafter the same rule applies to the new house that applies to the old house. I now yield to the Senator from Missouri.

Mr. DONNELL. Along the line the distinguished Senator from Kentucky was just discussing, I think it would be well that the RECORD should show that, as I see it, in very large part, if not in all respects confirming what the Senator from Kentucky has said, the concluding language of section 3 (b) is as follows:

> The first sale of housing accommodations the construction of which is completed after the effective date of this act shall not be made at a price in excess of the maximum sales price certified under this subsection.

Then it provides:

> The actual price at which any such housing accommodations is first sold, plus any increases authorized pursuant to subsection (d), shall be the maximum sales price for any subsequent sale of such housing accommodations.

As I see it, that is precisely the rule, as the Senator from Kentucky has indicated, which is applicable to houses which have already been constructed, because subdivision (c) proceeds:

> (c) Any regulation or order issued under the authority of this act establishing maximum sales prices for housing accommodations in existence on or prior to the effective date of this act or for unimproved lands shall establish as the maximum prices the price of the first bona fide sale of such housing accommodations or such unimproved lands, as the case may be, after the effective date of this act.

That is then followed, as the Senator from Kentucky has pointed out, by the statement:

> Any regulation or order under this subsection shall provide for the making of appropriate adjustments in the maximum sales price where substantial improvements to any housing accommodations or betterments to unimproved lands have been made subsequent to the last sale.

If the Senator from Kentucky will yield for one further observation, it seems to me, therefore, that the concluding language of subdivision (b) of section 3 establishes that after the first sale of any newly constructed property shall have occurred, the actual price of the first sale shall be the maximum sales price for any subsequent sale of such housing.

Then, in the case of old property, the price of any sale subsequent to the first sale shall be exactly the same, subject only to this possibility, that there might be some argument that the language of the last sentence of subdivision (c) somewhat differs from the language of subdivision (d), but to my mind it would seem that the obvious purpose of the draftsman who drew the last sentence of subdivision (c) is to accomplish, in substance, at any rate, the same thing that is accomplished by subdivision (d).

If the Senator from Kentucky will yield further, to my mind he is correct in saying that after the first sale shall have been effected, with respect to both newly constructed property and with respect to existing property, substantially the same rule is intended to, and I believe does, apply under the committee amendment.

Mr. BARKLEY. I thank the Senator from Missouri. Of course, it would be impossible to fix the same standard upon the first sale price of any existing house that we fix upon the first sale price of a new house. It may be impossible to obtain the figures as to the cost of constructing the old house, either as to materials or as to labor. Therefore, in the absence of the ability to fix the same standard for the first sale of the old house as is fixed in the case of the new house, all we have been able to do is to say that the first sale, whatever it may be, shall be the standard of value by which future sales shall be governed.

Mr. DONNELL. That is, the same standard applies with respect to new construction. Substantially it would seem to me, that after the first sale has been effected, in both instances substantially the same rule applies with respect to resale both of new construction and of existing property.

Mr. BARKLEY. There is no doubt at all about that, and there is a reason why we have to set up a little different standard for the first sale of a new house than for the sale of an old house. It is easy to ascertain how much material went into the new house, it is right there before our eyes, and one can understand how much labor went into it, and when we add all those things together, plus a reasonable profit, we can fix the price. After that the same rule applies that applies to old houses, after the first sale of an old house.

Mr. President, I hope the amendment will not be agreed to. The committee felt that it was not fair or wise to men who are willing to put their money in new houses to fix a sale price upon a new house for the first sale, and allow the speculative orgy to go on which is now in progress in many of the cities of the United States, without any sort of control over the sales which take place subsequent to the purchase.

There is nothing unfair about it. If a man has owned a house for years and years he may sell it for twice as much as he paid for it to someone who is willing to pay twice as much. The proposed law does not interfere with that. If he is buying it for a home he will want to move into it, and he is not buying it for speculative purposes. But it is unfair to those who are putting their money and their energy into the construction of new houses for veterans to say to those who are able to buy and speculate in existing houses—and in many cases bring about the eviction of a veteran who is renting an existing house—"There will be no curb on you, no control; the sky is the limit with respect to you, but we are going to curb those whom we induce to go into the building business and the construction of houses for veterans."

It would be an unfair distinction, and the latter class should not be placed in that different category after there has been an establishment of the market value of the house itself, which in the case of the old house is the first sale, and in the case of the new house is the first sale with the ingredients that go into the certification as to the selling price of the new house.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. REVERCOMB. The Senator has been speaking of fairness. I ask him a question in good faith. Very few sales are speculative, in most cases houses are bought by people who desire to live in them. Suppose a man who is a veteran, or one who is not a veteran, because of his occupation has to move to another place and takes his family with him, and he has an opportunity to sell his property. The proposed law says he cannot sell it at a profit. He can sell it at a loss, but he cannot sell it at a profit. Is that fair?

Mr. BARKLEY. I have heard the argument that to put a ceiling on an old house at the figure of the first sale is unfair to veterans, because a veteran might have bought it and might have to move. My answer to that is that the veterans who are buying homes are not buying them for speculative purposes, they are buying them to live in them with their families. They want to take their families out of the cramped quarters in which they now live, perhaps even in automobiles. The Senator from California [Mr. KNOWLAND] yesterday recited that he saw in his own State ex-servicemen with their wives and

children actually living in automobiles, crying for houses in which to live. Those who are able to buy houses are not going to buy them for speculative purposes, they are going to buy them as homes for themselves and families.

This restriction will be in effect only for the remainder of 1946 and during 1947. I can see that it might be possible, in some isolated case that a veteran who has moved into a new community or into another city, after having bought a home, might not be able to make a profit from the sale of the house he had bought in the community from which he moved; but for every veteran who will be denied the right to make a profit out of the resale of a home he has bought, there will be thousands of veterans who will be evicted from the homes they are now renting, if we do not take the proposed action. Evictions will occur by reason of the speculative value of houses which will be taken advantage of by those who seek to speculate in houses. Those who will do that will not be the veterans, but will be those who seek to make money out of the speedy and frequent resale of houses.

Mr. President, we know what is going on. My attention was called to a house in Washington built to sell at $5,000 and which did sell for $5,000 just prior to the war. It sold subsequently for $7,500, and sold subsequently to that for $10,000, and the present owner is asking for that house $12,500, and probably will obtain it. I do not think we will be doing the veteran any harm by making such a thing impossible. If we permit the spiral of increased prices in real estate to continue we will do infinitely more harm to the veterans than could possibly come to them by doing what we now propose to do, by which we seek to do good for the veterans.

So, Mr. President, it seems to me there is no justification for the amendment offered by the Senator from West Virginia, and I hope it will be defeated.

Yesterday afternoon the Senator from North Carolina [Mr. HOEY] asked me a question with respect to farms. This bill does not relate to farms. A farm is sold including the house, and this bill does not deal with the sale of farms. We speak of the sale of a farm, including all the improvements. It is still the sale of a farm. This bill does not deal with farms. It deals with new construction. It might be outside the corporate limits of a city, in a community that is susceptible to subdivision for new housing projects. Fifty or 75 or 100 houses might be built on the outskirts of a city, without the corporation limits. We have provided in our definition of unimproved lands that they shall be either city lots or unimproved lands outside that are susceptible to subdivision into housing projects. So the sale of a farm as a farm, with the house on it, is not included in the bill. There is no control over that. We do not seek any control over it. I think that answers the question which the Senator from North Carolina propounded to me yesterday.

Mr. REVERCOMB. Mr. President, the Senator from Kentucky is making an appeal for the veterans. I wish to say that no one is more deeply interested in the welfare of the veteran than am I. But when the Senator speaks of speculation, certainly I know that these houses are going to be bought by veterans and by others to live in, and not to speculate in. I feel that when the suggestion as to speculation is brought up it is a smoke screen. That is not the actual condition we will meet. Those who will buy these houses will want to live in them with their families, and now it is proposed to provided by legislation that they may sell these houses at a profit, and they will really sell them at a loss if they want to go somewhere else to live and must sell their houses. If a veteran wants to buy a larger house he cannot sell the smaller one at a profit.

Mr. BARKLEY. The Senator from West Virginia uses the word "smoke screen." If what I have said in behalf of the veteran, in opposition to the Senator's amendment, is a smoke screen, then the entire bill is a smoke screen, because the bill was initiated and conceived for the benefit of the American veteran. I am not hiding behind the American veteran. I am not required to do that. The American veteran knows what the bill provides for. The veterans' organizations here in Washington have read the bill and they know what it provides. Representatives of every one of the veterans' organizations—the American Legion, the Veterans of Foreign Wars, and all the other organizations of veterans—came before our committee and endorsed the legislation with the provision in it for ceilings upon existing homes. So if there is a smoke screen I have not observed it, and I certainly did not create it.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. REVERCOMB. I have not accused the Senator from Kentucky of hiding at all.

Mr. BARKLEY. The Senator was referring to what I said as a smoke screen.

Mr. REVERCOMB. As I view the situation, I think the subject of speculation is given too much emphasis. Speaking of the veterans' organizations, the same veterans' organizations appeared before the committee of the House of Representatives, and the House adopted the provision in the form I have submitted it in my amendment, as modified. They felt that this limitation should not be placed upon existing structures.

Mr. BARKLEY. Of course, the Senator from West Virginia must also know that the House of Representatives did not include the premium payments which were endorsed in the Senate yesterday and adopted by a vote of 53 to 20.

Mr. REVERCOMB. That is correct.

Mr. BARKLEY. The veterans' organizations were for any legislation which gave any reasonable hope of providing homes for veterans, and the program of premium payments and of this very mild provision for ceiling prices on existing houses had not been worked out when the House committee was considering the bill. It was hastily thrown together and debated on the floor, and the House rejected both of them. But that in no way means that the veterans' organizations are satisfied with the bill as it was reported by the House committee and as it was passed by the House. Be that as it may, the veterans' organizations, after observing the provisions of this bill, have endorsed them wholeheartedly and enthusiastically.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CARVILLE in the chair). Does the Senator from Kentucky yield to the Senator from Vermont?

Mr. BARKLEY. I yield.

Mr. AIKEN. As I understand, if the veteran buys an old house, then the price he pays for that house becomes the ceiling at which it has to be sold in the future. If he occupies it for a year and then has to give it up or move away he can still sell it for the price he paid for it, without deducting what it has been worth to him to live in it for a year.

Mr. BARKLEY. Oh, yes; he can still sell it for what he paid for it, plus any improvements he may have put into it, and he can also include real-estate brokerage fees that are customary in the neighborhood.

Mr. AIKEN. If he occupied it for a year, and it was worth $40 a month to him to occupy it, he could really have that $480 profit, plus brokerage fees.

Mr. BARKLEY. Well, it would be equivalent to paying rent to himself while he occupied it.

Mr. AIKEN. Yes.

Mr. BARKLEY. And if he occupied it a year, depending on when he moved into it, the whole period would almost have expired, because this provision is effective only to the end of 1947. So even if he had to wait for a month or two after he moved out in order to sell it for more than he paid for it, if he could do so, it would not be such a great hardship.

Mr. AIKEN. Oh, strictly speaking, he would not sustain any great loss.

Mr. BARKLEY. No. And the number of veterans who will be reselling old houses they have bought for homes will be infinitesimal compared to those who buy houses for speculative purposes.

Mr. AIKEN. They could not be thrown out before the end of the period anyway, because I think that in most States the law permits them to stay at least a certain number of months, or a year.

Mr. BARKLEY. That is true, but if they were moving into another community, or into another city, they would probably want to move out voluntarily.

Mr. HOEY. Mr. President, I have been very much interested in the discussion of this housing bill, and especially interested in the discussion by the distinguished Senator from Kentucky [Mr. BARKLEY] today.

I voted for the subsidy in this measure, although I do not believe in subsidies as a general rule, but I was so anxious to do something to increase housing facilities for veterans that I was willing to forego my opposition to subsidies generally and support the premium payment. I am extremely anxious that housing

facilities be provided in the greatest possible degree for veterans, and I would vote for the committee provision with regard to price ceilings if I felt that it was essential or desirable in attaining the main objective. I do not think so. I intend to support the amendment offered by the Senator from West Virginia [Mr. REVERCOMB], and I wish to mention some of the reasons why I am supporting that amendment.

There is nothing in the committee provision relating to existing houses which would tend to supply houses to veterans, or would aid in that program in the slightest degree. The provision preventing the sale of existing houses more than once at an increase in price has no relation to providing a single additional house for veterans, or providing housing facilities for them.

I believe that this is a wholly discriminatory measure. Let us consider what the distinguished Senator from Kentucky stated a few moments ago. He wishes to prevent inflation or speculation in houses and real property. Yet he admits that every farm in America would be exempt. Therefore the farms, along with the houses on them, could all be sold over and over again for whatever prices the sellers and the buyers might agree upon. There would be no limitation or restriction upon the sale of farms and the houses which go with them. A large number of the veterans would like to purchase farms. If the idea is to control prices so that they will not get out of hand, there is no restriction on the prices of farms and houses located on farms. That is one discrimination.

On the other hand, it is said that the Expediter should have the right to adopt regulations which would cover the sale of existing houses. In other words, after the first sale, a house could not be sold for a greater price during a period of 2 years. However, that is not a general provision. The Expediter would be given authority to make such a rule applicable all over the United States, but the bill provides that he shall investigate the various communities and geographical locations and specify the places where the restrictions should apply.

What does that mean? Either the Expediter will make a general order covering the whole United States, or he will consider conditions in the various areas of the United States. There would be no end of confusion. In one city, town, or village there might be restrictions, so that a house could be sold once at any price, and then, within a period of 2 years, could not be sold at a price exceeding the price of the first sale. In other sections there would be no limitation or restriction. How is the average person to know where restrictions exist and where they do not? The United States covers a great deal of territory. The Expediter could make an order covering the entire United States, or he could issue orders covering individual sections or locations. I believe that that would lead to endless confusion. What would probably happen would be that he would put an order into effect all over the United States, without making investigations. To begin with, he would not have the time or opportunity to make investigations in all localities in the United States to determine whether or not the necessities required putting such an order into effect in a given locality.

Coming down to the basic principle, why should a man who has built a home and paid for it or who has bought an already existing house and paid for it, be restricted in its sale? The Government has made no contribution, either by subsidy or by granting priorities. Why should he be restricted in the sale of his property?

I think we have gone a long way in taking away individual rights of American citizens. I am unwilling to vote for any measure which writes into law a provision that any home owner in America may not sell property which belongs to him one time, two times, or three times, without obtaining the consent of the Expediter, or permitting the Expediter to prevent him from selling it at a price more than the original selling price.

I am willing to go to the extent indicated in the amendment offered by the Senator from West Virginia, and to say that with respect to new construction, for which the Government has granted priorities, premium payments, or subsidies, prices may be regulated so that they will not get out of hand. Such buildings would be erected by virtue of Government favor, Government priorities, and Government subsidies. Therefore, the obligation rests with the Government to see that there is no speculation in those houses for the immediate future.

But the Government has performed no such service for the citizen who owns an existing house. It has granted him no favor and no special privilege. Why, in peacetime, should we undertake to put into effect a policy which would take away from every home owner in America the right to dispose of his home as he sees fit as often as opportunity may occur to sell it? I think we are going further in this measure than we went in wartime. I do not believe there is any justification for it. It will not provide a single home for a veteran in addition to what is now available.

I am hopeful that the subsidy provision, for which we voted yesterday, will aid in obtaining productior of building materials so that the homes may be readily provided for veterans. For that reason I supported it. But this provision would not furnish a home for a single veteran in America. It would merely invade the rights of private citizens and take from them their right to control the property which they buy and pay for, and to which they have legal title. I am opposed to the Government invading the rights of American citizens further than is absolutely necessary. It is not essential, either for the benefit of the veteran or anyone else.

So far as speculation is concerned, as I stated a few moments ago, we shall not be able to curb speculation if we exempt all the farms in this country and permit them, together with the houses on them, to be sold over and over again at whatever prices can be obtained for them, and at the same time apply the restriction solely to people who have bought homes—perhaps as wage earners—and undertake to curb them, so that when a man works for a long time and pays for his property he will still have the Government standing over him saying, "Even though you can sell your home and make a profit on it, you will not be permitted to do so."

I know that the idea is to curb the speculator. That is a very broad term. It covers a great many people. This provision would not only affect speculators; it would affect every man who buys a home, even a house which already exists. I believe that this is an unnecessary invasion of the rights of citizens. I believe there would be more resentment against the Congress and the administration because of the proposed law than there could be with respect to practically any other law that might be enacted.

I hope that the amendment offered by the Senator from West Virginia will be adopted. I wish to see some rights still preserved for American citizens. I wish to see the man who works and pays for his home have a right to sell it as he chooses.

It is said that if a home owner makes improvements, he can obtain credit for them. Let us see about that. Everyone knows that when a person buys a home he usually paints it or papers it, and makes other improvements to suit himself. The bill provides that after a house is sold the first time the owner may apply to the Expediter for the privilege of selling it again at a price which will cover the substantial improvements which have been made.

In the first place, the improvements must be substantial. The Expediter would say, "Painting and papering are not substantial improvements. They merely take care of the ordinary wear and tear and offset deterioration." A man who spent a considerable amount of money in painting and papering would have no recourse it for any reason—because of misfortune or for any other reason—he should be forced to sell his home. He could not get a cent more than he paid for it.

How long would it require to obtain action on an application filed with the Expediter? This operation would cover the entire United States. Senators know how long a time is required to obtain an answer from the OPA. An application is filed and weeks and months pass. If a man who had made improvements to his property were to make an application to the Expediter for a determination of the substantial value which he had added to his property, weeks and months would pass before he could get the privilege of selling it. His application would have to be acted upon, and in the meantime the purchaser would go elsewhere and buy some other property.

It would mean denying to every purchaser of a home any sort of compensation for the improvements made on his home, if for any reason, it became necessary for him to sell it again or if he wished to sell it again.

I am opposed to restricting the activities of our people. I think this

measure would cause the real estate market in the United States to become stagnant. It seems to me that would be the worst thing that could happen to this country. There are worse things than inflation. Stagnancy is one, and we have tried it. If we provide that there can be no increase in price after the first sale of a house, there will be stagnation wherever the law goes into effect. I think that would be worse than inflation on a moderate scale.

Mr. President, no one forces a man to sell his house. That is a privilege. If the owner of a house wishes to sell it and if he sells it to a man who wishes to buy it, that is free action. I do not think the Government can take a man by the throat and say to him that he cannot sell his house—which he has paid for—at a price which will enable him to obtain a reasonable profit, if he is able to do so.

Therefore, Mr. President, I am earnestly in favor of the amendment which has been submitted by the Senator from West Virginia.

Mr. TAYLOR. Mr. President, I also am in favor of the greatest possible amount of freedom for our citizens, but, on the other hand, when I consider the arguments that have been made, I recall that ceilings have been placed on the prices of automobiles. It is now provided that automobiles may be sold for only a certain amount of money. Yet the Government had no part in manufacturing the automobiles, any more than it did in building the houses on which it is proposed to place price ceilings. So in that respect I do not believe the argument which has been made is valid.

It is also argued that a man who buys a house will not be permitted to sell it at a profit. But most people who buy houses to live in do not buy them with the expectation of selling them at a profit. So the only people whose toes we would consciously by tramping on would be those who are speculators.

When it is said, as the Senator from West Virginia has said, that there is not much speculation in houses at the present time, I can hardly agree. I have just come from lunch with a constituent of mine, who is in Washington visiting his family. It happens that his grown sons and daughters live here. He said that all of them are well to do. We mentioned the housing situation, and he said that all his children are making a lot of money nowadays, speculating in real estate. They are not in the real-estate business, but on the side they are cleaning up a fortune in real estate. He told me frankly, "They buy a house one day and sell it the next day at a big profit."

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. TAYLOR. Yes; I gladly yield.

Mr. MURDOCK. I am interested in the statement the Senator from Idaho is making. It seemed to me, while the distinguished Senator from North Carolina was speaking, that the same argument he made against any restriction on the selling price of houses could be made against any restriction in regard to the price of any article of property which now is subject to control by the OPA.

Mr. TAYLOR. That is precisely the way I feel.

Mr. MURDOCK. If the argument which has been made by the Senator from North Carolina is logical and sound as to houses, then there should be no OPA controls at all.

Of course, I am sure that the Senator from Idaho and the junior Senator from Utah would agree with the distinguished Senator from North Carolina that if times were normal, if business were being carried on in an ordinary manner, of course the American way would be to avoid any controls. But during the war we found it necessary to impose certain controls in order to prevent runaway inflation, and we found that the American people were absolutely wiling to submit themselves to such controls.

Today we are confronted with a shortage of houses for the men who have been on the battle fronts, fighting our battles, and who now have returned and are asking us to help them obtain houses.

As I understand, the Senator from North Carolina has said that housing is in a somewhat different category than other property, and that therefore no restrictions should be imposed on housing. In my opinion, the Senator from Idaho is correct, Mr. President, for it seems to me that the same argument which the Senator from North Carolina made could be made in regard to every article which now is subject to OPA controls.

Mr. BRIGGS. Mr. President, will the Senator yield?

Mr. TAYLOR. I yield.

Mr. BRIGGS. Is it not a fact that the price of a home decreases, because of deterioration, each day under normal circumstances?

Mr. TAYLOR. Yes; I think that is an undisputed fact.

Mr. BRIGGS. Then if we are setting a ceiling we shall not be preventing a man from making a legitimate profit, because under normal circumstances the home he owns today is not worth the price which was paid for it yesterday.

Mr. TAYLOR. That is correct.

Mr. BRIGGS. I merely wished to make that point.

Mr. TAYLOR. Mr. President, as the Senator from Utah has said, the argument that people are entitled to a profit on their homes could be applied with a great deal more logic to the articles on which OPA price ceilings are established at the present time, and which were manufactured for a profit in the first place.

It has been stated that the imposition of price ceilings on houses will not make one more house available to the veterans. That may be true. Of course, after this law goes into effect, a man who buys a house will not be able to resell it at a higher price. Under this law, if he subsequently is forced to move and therefore has to resell his house, he will not lose anything, and possibly some veteran will have an opportunity to buy that house at the same price at which it was sold the first time after the law went into effect. So the law could benefit veterans in that way.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. TAYLOR. I am happy to yield to the Senator from Louisiana.

Mr. OVERTON. And when a veteran goes to a new location and undertakes to buy a house already existing there, he will not have to pay a speculative price for it.

Mr. TAYLOR. That is correct. He will not have to pay a higher price than the price at which the house presently sells.

Mr. President, I know something about this matter, because I had to buy a house last spring in order to find a place to live in. I paid $15,000 for it, and that price was $3,000 or $4,000 more than it was worth before the war. After reading in the newspapers the prices which now are being asked for houses, I am quite certain that at the present time I could sell that house for $18,000 or $20,000. I myself would be perfectly willing to have a price ceiling established at the present time on the basis of the price at which the house was last sold, so far as I am concerned. I could use the money I would obtain if I sold my house speculatively. But I am willing to make that sacrifice for the good of all of us, for the general welfare. I believe that is what this matter boils down to: whether the people of America are willing to sacrifice temporary, unexpected, speculative gains for the general welfare.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia [Mr. REVERCOMB], as modified.

Mr. MURDOCK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Daniel
Andrews	Hatch	O'Mahoney
Austin	Hawkes	Overton
Ball	Hayden	Pepper
Bankhead	Hickenlooper	Reed
Barkley	Hoey	Revercomb
Bilbo	Johnson, Colo.	Robertson
Brewster	Johnston, S. C.	Saltonstall
Bridges	Kilgore	Shipstead
Briggs	Knowland	Smith
Brooks	La Follette	Stanfill
Buck	Langer	Stewart
Bushfield	McCarran	Taft
Byrd	McClellan	Taylor
Capehart	McFarland	Thomas, Okla.
Capper	McKellar	Thomas, Utah
Carville	McMahon	Tunnell
Cordon	Magnuson	Vandenberg
Donnell	Maybank	Wheeler
Downey	Mead	Wherry
Fulbright	Millikin	Wiley
Gerry	Mitchell	Wilson
Green	Morse	Young
Guffey	Murdock	
Gurney	Murray	

The PRESIDENT pro tempore. Seventy-three Senators having answered to their names, a quorum is present.

The question is on agreeing to the amendment of the Senator from West Virginia [Mr. REVERCOMB] as modified, which will be stated.

The CHIEF CLERK. It is proposed to insert, in lieu of section 3 of the committee amendment as amended, subsections (a), (b), (c) and (d) of section 703

of the original House text, beginning on page 6, line 10, as follows:

SEC. 703. (a) Whenever in the judgment of the Expediter the sales prices of housing accommodations the construction of which is completed after the effective date of this title have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this act, he may by regulation or order establish maximum sales prices for such housing accommodations in accordance with the provisions of this title. Any such regulation or order may be limited in its scope to such geographical area or areas and to such types or classifications of such housing accommodations as in the judgment of the Expediter may be necessary to effectuate the purposes of this title. Before issuing any regulation or order under this section, the Expediter shall, so far as practicable, advise and consult with representative members of industries affected by such regulation or order, and he shall give consideration to their recommendations and to any recommendatons which may be made by State and local officials concerned with housing conditions in any area affected by such regulation or order.

(b) Any regulation or order issued under the authority of this section with respect to housing acommodations the construction of which is completed after the effective date of this title shall provide that no sale of any such housing accomodations shall take place until after the builder thereof has filed with the appropriate agency designated by the Expediter a description of such accommodations, including a statement of the proposed maximum sales price, and has received from such agency a certification that such price is reasonably related to the value of the accommodations to be sold, taking into consideration (1) reasonable construction costs not in excess of the legal maximum prices of the materials and services required for the construction, (2) the fair market value of the land (immediately prior to construction) and improvements sold with the housing accommodations, and (3) a margin of profit reflecting the generally prevailing profit margin upon comparable units during the calendar year 1941. Any prospective seller of such housing accommodations may apply for such certification at any time, including before the commencement of construction, during its progress, or after its completion. In any case where a certification of approval of a proposed maximum sales price has been issued prior to the completion of construction, the prospective seller may, at any time before the first sale, apply for such revision of the maximum sales price previously certified as may be justified by a showing of special circumstances arising during the course of construction and not reasonably to have been anticipated at the time of the issuance of the earlier certification. The first sale of housing accommodations the construction of which is completed after the effective date of this title shall not be made at a price in excess of the maximum sales price certified under this subsection. The actual price at which any such housing accommodations is first sold, plus any increases authorized pursuant to subsection (c), shall be the maximum sales price for any subsequent sale of such housing accommodations.

(c) The Expediter shall by regulation or order provide for appropriate price increases for major structural changes or improvements, not including ordinary maintenance and repair, effected subsequent to the first sale after the effective date of this title.

(d) The Expediter may promulgate such regulations as he deems necessary and proper to carry out any of the provisions of the title and may exercise any power or authority conferred upon him by this title through such department, agency, or officer as he shall direct. Any regulation or order under this title may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the Expediter are necessary or proper in order to effectuate the purposes of this title. The Expediter shall have power to forbid the export of any lumber or other materials to any foreign country which are needed for the housing program.

Mr. REVERCOMB. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. BANKHEAD. I have a general pair with the Senator from Nebraska [Mr. BUTLER]. Not knowing how he would vote, I transfer that pair to the Senator from Ohio [Mr. HUFFMAN], who if present and voting would vote as I am about to vote. I am therefore at liberty to vote, and I vote "nay."

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Alabama [Mr. HILL], and the Senator frrom Ohio [Mr. HUFFMAN] are absent because of deaths in their families.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Maryland [Mr. TYDINGS] is necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

The Senator from Texas [Mr. CONNALLY], the Senator from Louisiana [Mr. ELLENDER], and the Senator from Idaho [Mr. GOSSETT] are detained on official business at various Government departments.

The Senator from Pennsylvania [Mr. MYERS], and the Senator from Massachusetts [Mr. WALSH] are absent on official business as members of the Board of Visitors to the Naval Academy.

I wish to announce further that, if present and voting, the Senator from Pennsylvania [Mr. MYERS], and the Senator from Massachusetts [Mr. WALSH] would vote "nay."

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER], the Senator from Oklahoma [Mr. MOORE], and the Senator from Indiana [Mr. WILLIS] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Michigan [Mr. FERGUSON] is necessarily absent. If present he would vote "yea."

The Senator from Nebraska [Mr. BUTLER] has a general pair, which has been heretofore announced and transferred.

The result was announced—yeas 41, nays 33, as follows:

YEAS—41

Austin	Carville	McClellan
Ball	Cordon	McFarland
Bilbo	Gerry	McKellar
Brewster	Gurney	Millikin
Bridges	Hart	O'Daniel
Brooks	Hawkes	Reed
Buck	Hickenlooper	Revercomb
Bushfield	Hoey	Robertson
Byrd	Johnston, S. C.	Saltonstall
Capper	McCarran	Shipstead
Smith	Thomas, Okla.	Wiley
Stanfill	Vandenberg	Wilson
Stewart	Wheeler	Young
Taft	Wherry	

NAYS—33

Aiken	Hatch	Mitchell
Andrews	Hayden	Morse
Bankhead	Johnson, Colo.	Murdock
Barkley	Kilgore	Murray
Briggs	Knowland	O'Mahoney
Capehart	La Follette	Overton
Donnell	Langer	Pepper
Downey	McMahon	Taylor
Fulbright	Magnuson	Thomas, Utah
Green	Maybank	Tunnell
Guffey	Mead	Wagner

NOT VOTING—22

Bailey	Glass	Russell
Butler	Gossett	Tobey
Chavez	Hill	Tydings
Connally	Huffman	Walsh
Eastland	Lucas	White
Ellender	Moore	Willis
Ferguson	Myers	
George	Radcliffe	

So, Mr. REVERCOMB's amendment, as modified, was agreed to.

Mr. REVERCOMB. I move to reconsider the vote by which my amendment, as modified, to the committee amendment, was agreed to.

Mr. BUCK. I move to lay that motion on the table.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Delaware [Mr. BUCK].

The motion to lay on the table was agreed to.

Mr. WHERRY. Mr. President, for myself and on behalf of other Senators I offer an amendment which I send to the desk and ask to have stated, and I ask that the names of the sponsors of the amendment be read.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. Mr. WHERRY, for himself, Mr. CAPEHART, Mr. REVERCOMB, Mr. BROOKS, Mr. ROBERTSON, Mr. CORDON, and Mr. WILSON, offer the following amendment: On page 38, beginning with line 23, it is proposed to strike out all down to and including line 16, on page 40, and insert in lieu thereof the following:

SEC. 11. The Administrator of Veterans' Affairs is authorized and directed to pay, under such regulations as he may prescribe, to or on behalf of any veteran of World War II a sum equal to 5 percent of the cost of a dwelling heretofore purchased or constructed by such veteran and to be occupied by him or his family as a home. No payment in excess of $500 shall be made to or on behalf of any such veteran and no payment shall be made to or on behalf of any such veteran with respect to more than one dwelling. Regulations prescribed under this section shall contain such provisions as the Administrator deems necessary to insure the use of payments made under this section for the purpose for which such payments are made.

Mr. WHERRY. Mr. President, the amendment needs very little explanation. I would say it is self-explanatory. What we propose by the amendment is to pay to the veterans by way of a direct benefit the $600,000,000 subsidy proposed to be paid to producers. Generally speaking, I have always been opposed to subsidies, though. I have voted for some. I voted against the production subsidy yesterday because I do not think it will result in producing any more lumber. Under the action taken

by the Senate yesterday a production subsidy will be given to the producers of the country, and the veteran will not receive any benefit at all thereunder. In fact the veteran does not receive any aid under the provisions of the bill as amended, because any other person can build a house just as cheaply as the veteran can even though he receives the so-called aid provided in the bill. Any other individual can build a house just as cheaply as the veteran can in spite of the aid proposed to be given to him under this so-called veterans' bill. The only advantage in the world that is given to the veteran under the bill as now amended is that he is given a priority. He does not get a special reduction in the cost of his house, because the same reduction is given to anyone else who builds a house.

The bill is framed on the old theory that if an incentive is made the cost of production is kept down. But if we really propose to give the veteran something, let us be fair, let us be honest about it. By the provisions of this bill we are not giving the veteran the advantage that some have claimed are given to him. Everyone in the United States is given the same benefit that is given the veteran under this bill. In fact, what is actually being done is to get the Senate to adopt incentive payments to producers, and that is being done by riding on the coattails of the veterans. The people of the country are being misled. The veterans are being misled. The veterans are not being given any benefit at all by this bill.

Now, what would the amendment just offered do? It would use the amount which would otherwise be paid out in subsidies to make direct payments to the veterans. The subject was discussed on the floor of the Senate yesterday by the able Senator from Ohio [Mr. TAFT] and by the able Senator from Kentucky [Mr. BARKLEY], and they said the bill would save to the veteran about 5 percent of the cost of the house. It was estimated that if he built a $6,000 house, the bill would save the veteran about $300, or if he built a $10,000 house, it would save him about $500.

Let me say, Mr. President, that there is nothing in the bill which would give the veteran a dime, no, not even a penny, if he were to buy a house. There are many veterans who would rather buy houses than build them. The only way some veterans are ever going to get houses is by buying them.

Mr. President, the previous title of legislation has been "National Housing Act." We call it now "Veterans' Emergency Housing Act." That is the title of the pending bill. We tell the veteran that this is an emergency measure. Why should we mislead the veteran. It is my opinion that if we strike out the provision with respect to incentive payments and require the Housing Expediter to allow flexible price ceilings we will get the needed production in the private profit motive way, and we will get more production than can be gotten by the incentive route. That is my position. If it is our purpose to give the veteran anything, let us be honest and honorable about it, and give the veteran a subsidy rather than give it to the producer, to whom benefits could come through production by the profit-motive way.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BANKHEAD. Is this proposal in addition to the general incentive, or in lieu of the general incentive?

Mr. WHERRY. No; this proposal is in lieu of the incentive. The Senate has already voted to provide premium payments in the sum of $600,000,000. Our proposal is that instead of giving this money to the producer, as the result of which the veteran will have no favoritism shown him, or will receive no advantage, we should give the money to the veteran by way of direct aid. We propose to give it direct to the veteran instead of to the producer, because we can obtain needed production by the profit motive way to build the needed houses.

Furthermore under our amendment aid is given to the veteran who buys a home. There are 35,000,000 homes in this country, and some of them are going to be sold, and veterans are going to buy them. Instead of letting someone ride on the coattails of the veterans in obtaining subsidy payments, let us be fair about the matter; let us give the man who is buying a home the same advantage he is supposed to receive under the incentive subsidy, which is about 5 percent.

Mr. McCLELLAN. Will the Senator yield?

Mr. WHERRY. I yield.

Mr. McCLELLAN. As a general principle I believe I would favor the direct payment, possibly over the incentive payment provided in the bill. But this is what disturbs me about the amendment just offered. I also have some misgivings with respect to the incentive payments. By this legislation some veterans would be favored, but no provision is made to take care of other veterans. In other words, only the veteran who wants to buy a house in the future is provided for. Some veterans have already bought homes. They have obligated themselves to pay for them, and they still have the debt. The amendment just offered would make no provision to take care of the veteran who is in that situation. There are other veterans who perhaps own a home which has a mortgage on it, who are undertaking to go into business and become adjusted to civilian life, who need financial aid, and yet no provision is made for them. How are we going to justify an expenditure of Federal funds to give assistance to a veteran who merely wants to buy a home, and at the same time not make similar provision or comparable provision for payment to all other veterans?

Mr. WHERRY. I think the Senator has misread my amendment. The pending bill does the very thing the Senator is talking about. All the bill does is to provide an incentive to help veterans who want to build houses from this time on. The amendment I have just offered provides that a veteran who wants to buy a house for $10,000 will be given a $500 payment, and the one who wants to buy a $5,000 house will be given a $250 payment. It was asserted yesterday that a comparable saving would come to the veteran through the incentive payments made to the producers, but I do not think that saving will come back to the veteran. I want to include all veterans who want to buy houses, and if the Senator desires to bring under the bill all veterans who have bought houses since VJ-day, and give all of them the 5 percent, I have no objection. If the Senator wishes to amend the amendment and permit every veteran of the Second World War to receive the benefit payment, very well.

Mr. McCLELLAN. Mr. President, will the Senator yield further?

Mr. WHERRY. Yes.

Mr. McCLELLAN. I do understand the bill as it is at present with respect to the incentive payment. I voted to strike out the $600,000,000 subsidy.

Mr. WHERRY. So did I.

Mr. McCLELLAN. But I did it because I do not think that is the remedy for the present situation. I think the power already exists in the authority which OPA has, to adjust prices on all critical materials so as to obtain production. That power is already delegated by the Congress, and reposes in an official of the Government. It is not being exercised. It is not being administered to that end and to get those results. My position simply is that even if incentive payments are made, unless and until the condition which now exists is corrected, we are not going to get the needed production. The basic evil is the present pricing of critical materials, so that it is no longer profitable to produce them, and those who are in a position to produce are not producing, and our capacity for production is not being utilized. The incentive payment is not the cure for the situation.

Mr. WHERRY. I agree absolutely and in toto with what the distinguished Senator from Arkansas has stated. I, too, voted against incentive payments yesterday for the same reasons so ably set forth by the Senator from Arkansas. But I want to say to the distinguished Senator that the Senate now has willed to pay the incentive premiums. We have in this bill a subsidy of $600,000,000. What we want to do is to see that the subsidy gets to the veteran, and not to producers, to be reflected back to the veteran.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. McCLELLAN. The Senator's amendment, if adopted, would certainly offer no incentive toward production, would it?

Mr. WHERRY. I agree entirely with what the distinguished Senator has said, that the way to get production is exactly as he has described, that is, to require the Housing Expediter to compel OPA to provide a flexible pricing system which would result in increased production of lumber. When we get increased production of lumber, there will be no need for any incentive. We can get it in the way which has been suggested, as I shall attempt to prove later, whereas we could never get it through

the so-called emergency premium payments.

Mr. McCLELLAN. If the Senator will further yield, I should like to make my position clear.

Mr. WHERRY. I yield.

Mr. McCLELLAN. Since the Senator's amendment is not designed to increase production, but is designed to make a direct payment to the veteran, the position I am taking is that it is hardly fair for Congress to make a direct payment to one veteran who chooses to engage in one pursuit and acquire a home, and not make a similar payment to another veteran to do something else. Therefore we are discriminating against a great number of veterans.

Mr. WHERRY. That is what we would be doing in connection with the $600,000,000 subsidy. We propose to spend $600,000,000 so that some veterans may build homes, while we make no provision whatever for veterans who wish to buy homes. There is no provision in the bill to aid a veteran in buying an already existing house.

Mr. McCLELLAN. I do not believe that the incentive payment would actually help the veteran.

Mr. WHERRY. I agree with the distinguished Senator from Arkansas completely relative to the bill as it now stands. I do not believe that incentive payments would result in any more production than we have now. The only thing left in the bill which gives the veteran any benefit is the priority. I agree that priority in obtaining materials which are channeled by the Housing Expediter would be a direct benefit.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. CAPEHART. I should like to say a word in response to the able Senator from Arkansas.

In the first place, this bill is not a veterans' bill. In the second place, the bill plays favorites all the way through. It is proposed to grant a subsidy of $600,000,000. It is also proposed to guarantee the market for the sale of prefabricated houses. No one knows how much that would cost. It is estimated that the cost might be as much as $1,000,000,000. Yet we call this a veterans' bill. It takes care of only the veteran who wishes to buy a new house, a house to be constructed in the future. Why it was ever called a veterans' bill is beyond my comprehension. In the bill we single out veterans who wish to purchase new houses to be built in the future. We are doing absolutely nothing for the veteran who wishes to purchase an existing house. I do not know how many veterans will wish to purchase houses. Many of them will. But we are picking out the class of veterans who wish to purchase houses, and saying to them, "Hereafter we will give you 30 days in which to purchase all the new homes built in America. At the end of 30 days, if you have not purchased the house, they will be sold to nonveterans."

That is all we are doing so far as the veteran is concerned. We are doing nothing for the hundreds of thousands of veterans who would like to build a commercial place of business. We are doing nothing for the farm veteran who would like to buy a farm, a tractor, or other farm implements. We are doing nothing for the veteran who is a doctor, so far as renting a location for him or buying equipment for him is concerned. We are saying to one class of veterans, "We are going to do something for you." Then we are fooling them by making them believe that they are going to be able to buy houses cheaper, and that they are going to be able to get more houses because we have authorized the expenditure of a few hundred million dollars to pay subsidies and premium payments, or guarantee the market for prefabricated houses, when the manufacturers and businessmen of America are against the subsidy plan. They are against guaranteeing the market for prefabricated houses.

I was happy to join the Senator from Nebraska in offering the amendment. It is really and truly a veterans' measure. It would do something directly and specifically for the veteran, and it would do something for him now, not later. I hope the amendment will be adopted.

Mr. WHERRY. I thank the distinguished Senator for his contribution.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the distinguished Senator from Arkansas.

Mr. McCLELLAN. The remarks of the Senator from Indiana have emphasized the position which I have taken with respect to the bill from the very beginning. But the point I am making is that if we do not stick to the incentive payments as provided in the bill, and undertake to make payments directly to veterans in connection with the purchase of houses, we shall be in the position of expending whatever sum of money is appropriated for the group of veterans who wish to buy houses, without doing anything, comparatively, for those who may choose to do something else. It seems to me that we are favoring a group of veterans and not favoring veterans as a whole. Those who are not interested in buying houses are going to be in the position of saying, "You gave $300 or $500 to certain veterans to buy houses. We think we ought to be taken care of proportionately in some other way." We are going to invite some criticism.

Mr. WHERRY. Mr. President, I should like to reply to the statement of the Senator. What are we doing under the pending bill but favoring a group of veterans?

Mr. McCLELLAN. I do not believe that we would be favoring a group of veterans at the expense of the Government if we were to stick to the proposition of channeling the material into construction and having prices fixed on a basis which would encourage production.

Mr. WHERRY. I agree absolutely with the Senator. The Expediter would have the right, without giving an incentive payment, to do what the Senator has suggested. But if we make incentive payments, we shall require every veteran, through taxes, to pay his share of the subsidy whether he uses it or not. So under the present provisions of the bill there is a great deal of discrimination against the veteran who does not build a house.

Mr. President, it is my opinion that there is more than one way to get production of houses. We have heard an abundance of evidence, ably presented to the Senate, to the effect that the way to obtain increased production is through an incentive program. After all, the interest of the veterans will best be served by a program which achieves the greatest number of houses of the best possible quality at the lowest possible cost. We are all agreed on that. The question is, Should that result be accomplished solely by the incentive route, or should it be done by establishing flexible prices under which private industry can furnish the lumber and other building materials?

Mr. CORDON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. CORDON. The suggestion has been made that the amendment now pending would not in any way provide an incentive for the production of the materials necessary for a housing program. I am in agreement with that statement as a single statement of fact. The payment of a percentage of the cost of a house to the veteran who purchases it would not, in itself, provide the incentive necessary for a vast expansion of housing construction.

But the point I wish to make, if the Senator will indulge me a moment, is this: This bill puts into the hands of the Expediter the power to create that incentive; and he can create it in other ways, rather than by attempting to buy it. He can create it under paragraph (2) on page 22, and that is how it should be created. That paragraph provides that the Expediter may "issue such orders, regulations, or directives"—I do not like any one of those three words—"to other executive agencies, including the Office of Economic Stabilization"—which is Mr. Bowles—"and the Office of Price Administration"—which is the other bottleneck in production.

If Mr. Wyatt, or whoever the Expediter may be, will issue the appropriate orders to those agencies, there will be no need of any price incentive or premium payments. Production will come in a flood. The payment of the 5 percent, or maximum of $500, to the veteran will give to the veteran the offset which is necessary if he is to be given any preferential treatment whatever. God knows, if he is not entitled to preferential treatment, certainly all of us, who have done nothing but wait for him to win the war for us, are not entitled to it, as we would get it under the bill as it came from the committee.

The bill itself carries the authority to create all the production which is necessary; and the amendment which has been offered would channel any funds which are to be handed out to anyone, to those who have earned the right to receive them.

Mr. WHERRY. Mr. President, I thank the distinguished Senator from Oregon for his contribution, and for the points which he raises. I had planned to discuss those points, but they have been so

ably put that I am saved the trouble of discussing them.

As I have already stated, it is my sincere feeling that we all want to help the veteran. The question is how best to do it. Those who believe in the incentive method have a perfect right to their opinion, and I have a perfect right to mine. My experience as a member of the Small Business Committee, in talking with hundreds of producers of lumber and other building materials, leads me to the conclusion that the profit motive offers the best method of obtaining production; but that we must have a flexible pricing system—and by "flexible pricing system," I mean that we must establish prices which will permit the making of a profit based on current costs.

Mr. CORDON. Mr. President, will the Senator yield to me once more?

Mr. WHERRY. I yield.

Mr. CORDON. I am sorry to interrupt the Senator, but I hope he will give consideration to another criticism of the amendment, made by the distinguished Senator from Arkansas, which seems to me to be valid, and which I believe would improve the amendment if the distinguished Senator from Nebraska were to modify it accordingly.

The Senator from Arkansas calls attention to the fact that the amendment is prospective only in its operation, that it would provide a subsidy for only veterans of World War II who purchase or build houses after the date of enactment of the bill.

Mr. WHERRY. That is correct.

Mr. CORDON. If veterans are to receive the subsidy it would seem to me altogether proper to provide that any veterans who have purchased or built houses since the emergency began should be placed in the same position. I suggest that the Senator consider modifying his amendment to the extent of adding the words "heretofore and since December 7, 1941," following the word "hereafter" in the fourth line of the amendment, so that the amendment then would read:

> The Administrator of Veterans' Affairs is authorized and directed to pay, under such regulations as he may prescribe, to or on behalf of any veteran of World War II a sum equal to 5 percent of the cost of a dwelling hereafter or heretofore and since December 7, 1941, purchased or constructed by such veteran—

And so forth.

Mr. WHERRY. I accept the modification, Mr. President, because, after all, the Veterans' Administration is responsible for handling the benefits received by veterans, and it is the authority which defines the status of the veteran. I shall be glad to modify my amendment so as to make it cover all veterans of World War II, so that no partiality shall be shown in respect to giving to veterans the aid which will be provided by my amendment and by the act.

The PRESIDING OFFICER. The Senator has a right to modify his amendment, and it will be modified accordingly.

Mr. WHERRY. Mr. President, I should like to return for a moment to a discussion of the question of production. As I have said before, I feel that all of us have a right to express our opinions about the way to obtain production. I know that maximum production has a terrific effect upon prices, and I know that an ample supply or a surplus of a given commodity has a tendency to keep down its price, and it serves a useful purpose because then everyone who wishes to obtain the commodity is able to do so.

I know that in this country the private enterprise system has always produced sufficiently, if given a chance. No country in the world had a better production record during the recent war than did the United States, and our production record was made the free enterprise way.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. WHERRY. Mr. President, I shall be very happy to yield. I always yield. I should like very much to explain the amendment first; and if the Senator from West Virginia will ask me his question afterwards, I shall be glad to answer it. Will that be satisfactory to the Senator?

Mr. KILGORE. Mr. President, I might merely observe that the Senator from Nebraska has yielded to Senators on his side of the aisle, but he does not now yield to a Senator on the other side of the aisle.

Mr. WHERRY. Mr. President, if the Senator feels that way about it, I shall be glad to yield.

Mr. KILGORE. I withdraw my request.

Mr. WHERRY. Mr. President, I am speaking in favor of the veterans. If we are going to give aid to the veterans, I think we must put the aid in the hands of the veterans, rather than in the hands of the producers.

If the Senator from West Virginia feels that I have been partial in yielding, I shall be very glad to yield to him now. If not, Mr. President, I should like to continue my statement, and to say for the third or fourth time that I think all of us have a right to express our opinions about production. I am one of those who firmly believe that if we establish prices under which production can be obtained, regardless of whether it is production on the farm or in the forest, whether it is production of lumber or of other commodities, we shall be making the best possible contribution.

Mr. McFARLAND. Mr. President, I suggest that the Senator also include the production of copper.

Mr. WHERRY. Mr. President, of course there are times when there is a scarcity of production of the goods we are talking about—for instance, when too low a ceiling is placed on the price of the goods, and especially when domestic production is interfered with by goods coming from abroad under a reciprocal trade agreement, particularly from countries where lower wage scales exist. That, however, is an entirely different situation, and is not at all comparable with the one we are now considering.

Today we no longer have any tariff to speak of. So now the system has been changed, and today the requirement is that the prices of commodities must include or reflect the labor costs, as well as other costs both at home and abroad.

However, I am not talking about that problem. I am talking about the wholesale production of lumber, food, and various other commodities which can be produced in this country, and with respect to which no difficulty arises because of competition with foreign countries. That is an entirely different matter. Here in the United States we can produce the lumber and the brick we need. In my own State there are half a dozen brickyards that are closed today. If the OPA had, 6 months ago, granted an increase of $2.50 a thousand on brick, those brickyards would be operating today; but as conditions now are, they simply cannot operate under the price ceilings which the OPA has fixed.

Yesterday I read to the Senate a letter which was written by the vice president of the Johns-Manville Corp. In his letter he states that his corporation has stopped manufacturing about a dozen different articles, including shingles, which are used in house construction. Why? Because they cannot produce them at a profit, under the prices allowed by the OPA. All Members of the Senate know that to be so.

So if the establishment of a flexible price structure is permitted, it will be possible to obtain the needed production, and then it will not be necessary to pay subsidies in order to help the veterans indirectly. As a matter of fact, in my opinion the subsidies will never get back to the veterans.

Mr. McFARLAND. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Nebraska yield to the Senator from Arizona?

Mr. WHERRY. I yield.

Mr. McFARLAND. When I spoke a few minutes ago, I was not trying to take issue with the Senator.

Mr. WHERRY. I realize that.

Mr. McFARLAND. I simply wished to ask the Senator to help us get a fair price established for copper.

Mr. WHERRY. Mr. President, I will say to the Senator from Arizona that there is no Member of the Senate whom I have tried to help more than I have tried to help him. My first speech in the Senate was made in an effort to help the Senator from Arizona in connection with a bill in which he was interested. As a matter of fact, I received a tremendous number of letters protesting against that action on my part. [Laughter.]

Mr. McFARLAND. Mr. President, perhaps I had better sit down.

Mr. WHERRY. Oh, no; not at all. I wish to help the Senator; and I have the highest regard for him, as he knows.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. OVERTON. Let me inquire whether the amendment would permit the Administrator of Veterans' Affairs to take care of the widows of veterans?

Mr. WHERRY. The Administrator of Veterans' Affairs can take care of the widows of veterans today. Any right

which accrues to a veteran can be extended to the widow of a veteran by the Veterans' Administration.

However, if the Senator from Louisiana is able to suggest more appropriate language—and I realize that I am now talking to one of the most able lawyers in the country——

Mr. OVERTON. I thank the Senator.

Mr. WHERRY. If the able Senator from Louisiana can suggest a modification of my amendment by which the widows of veterans can be better helped, I shall be glad to accept it.

The Veterans' Administration will administer this matter in the same way that it administers any other benefits which veterans receive. So I say that if the Senator from Louisiana is able to suggest more appropriate language—and he knows I have the highest regard for him, and as I have said, he is a distinguished and able lawyer—I shall be glad to accept it as a modification of the amendment.

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. McFARLAND. First, I wish to say that I agree that an increase in the price of lumber and in the prices of other materials will result in increased production. We have been working for a reasonable increase in prices, and recently there has been an increase in the price of western pine.

Mr. WHERRY. The increase in price has been confined to just one product—western pine.

Mr. McFARLAND. It includes western pine.

Mr. WHERRY. That is correct.

Mr. McFARLAND. There should be other adjustments. However, I wish to ask the Senator whether the adoption of his amendment will result in increased production.

Mr. WHERRY. It will.

Mr. McFARLAND. How?

Mr. WHERRY. I am about to explain that now, if the Senator will permit me to do so.

Mr. McFARLAND. We are talking about production. I think increased production will help the veterans. It will mean more homes for them. So it seems to me that the real question is whether the Senator's amendment will result in increased production.

Mr. WHERRY. It will.

Mr. McFARLAND. Frankly, Mr. President, I have talked to a considerable number of ex-servicemen along the line of the amendment offered by the Senator from Nebraska and they have expressed doubt that it will increase production. Of course, that is what we are trying to accomplish.

Mr. WHERRY. Allow me to ask the distinguished Senator a question. Does he not feel that if flexible prices were allowed in the building industry we would obtain production?

Mr. McFARLAND. When I voted for premium payments I did so because I thought they would be used to stimulate production.

Mr. WHERRY. I understand. I myself believe that most of the Senators who voted for the amendment yesterday did so on the theory that it would stimulate production. But I assert to the distinguished Senator from Arizona, and I can back up my statement by reference to numerous statistics showing production during the past 160 years, that if we remove the restrictions from the backs of producers, and give them merely a bare profit on which to operate, we will have production in a greater volume and at a lower cost than we will ever obtain under a system of incentive payments.

Mr. McFARLAND. I do not like subsidy payments for the building industry, but I recognize that a great emergency exists involving housing for veterans.

Mr. WHERRY. The emergency will continue to be just as urgent, whether lumber is produced by the incentive payment route, or by the profit-motive route. There are those among us who believe that production can be increased by the profit-motive route. I do not wish to quote anyone, but yesterday several Senators wrapped the flag around themselves in protestations of help for the veteran. The proposal I offer would help the veteran by giving him a direct benefit.

Mr. McFARLAND. I believe that every Senator who voted for the subsidy did so because he felt that in so doing he was helping the veteran.

Mr. WHERRY. That may be true, but those of us who did not vote for it felt that we could help the veteran a great deal more by pursuing another course.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. KILGORE. The Senator from Nebraska has used the term "flexible prices." I should like to know what is the proper definition of "flexible prices." I should like to have the Senator give a definition of the term.

Mr. WHERRY. I shall be glad to do so. A flexible price does not mean that ceilings should be removed from the price of building materials. I am merely arguing that the price be a flexible one. "Flexible" is a word which is used by economists, and they define it as a price sufficient to produce a reasonable profit, based on current costs.

Mr. KILGORE. Is it true that under the plan being proposed the profit motive may be no part of a plan to stimulate production?

Mr. WHERRY. That would be up to the Housing Expediter. He would have absolute authority, under the bill, to settle that matter.

Mr. KILGORE. Allow me to cite an example. Let us say there are five automobiles in a certain town, and that 10 persons want to buy them. Six of them have unlimited funds, and the remaining four have limited funds. To give those persons $100 each would not help them in their purchase of automobiles. The thing that would help them buy automobiles would be to place 10 automobiles in the town so that competition would result in selling them. If we have a flexible price we must have competition in selling the article which producers wish to dispose of.

Mr. WHERRY. I agree with the Senator. If, 6 months ago, we had given the automobile companies a flexible price system so that they could produce automobiles at a profit, even a small profit, we would have 100 automobiles where we now have only one. I happen to know something about that subject. Today we are expecting a dealer in automobiles to sell them for the same price he sold them for in 1942. It is an acknowledged fact that labor costs have increased 40 percent. Only a month ago we gave union labor a considerable increase in the compensation they receive.

Mr. KILGORE. Mr. President, I apologize to the Senator for diverting from the subject at hand and getting onto the subject of automobiles.

Mr. WHERRY. No, Mr. President; the Senator from West Virginia does not need to apologize. He has given the best illustration of which I know. If we had given the automobile companies the right to charge an adequate price for their products there would be many more automobiles in West Virginia than there are today.

Mr. KILGORE. Of course, the first thing we must do in connection with meeting the demand for housing is to obtain steel and other building materials.

Mr. WHERRY. Very well; then let us get back to the subject of lumber.

Mr. KILGORE. I am talking about the housing situation. I am very sincere in my statement, but I believe that the building and ownership of homes can be stimulated if we help the veteran. But merely giving him a small sum of money will not produce for him a house if the number of houses to be constructed is limited.

Mr. WHERRY. Mr. President, the same answer could be made to the Senator's observation as the one which I made with reference to automobiles. Some time ago I spent 2 weeks in Nebraska, and visited a number of small retail lumber yards. Senators would be surprised to know the small stocks of materials now lying in those yards. It is impossible sometimes to prove the existence of black-market operations, but if one will listen to those who are seeking relief from OPA restrictions, one will learn that in States such as Oregon, California, Washington, Idaho, Minnesota, Michigan, and in various sections of the South, a great bulk of the lumber being sold is hauled on trucks and disposed of on the black market.

Mr. MURDOCK. Mr. President, am I correct in understanding that the Senator's amendment is limited to the veteran who wishes to buy a home?

Mr. WHERRY. Oh, no.

Mr. MURDOCK. I am sorry if I misunderstood the Senator.

Mr. WHERRY. The amendment provides——

Mr. MURDOCK. I am sorry that a copy of it is not available to Senators on the floor.

Mr. WHERRY. I submitted it only recently. I shall be glad to let it lie over until tomorrow if the Senator wishes to study it in the meantime. The amendment has been modified to include not only those who wish to buy or build

homes, but those who may have purchased homes prior to the enactment of the legislation, and would be entitled to such consideration as veterans of World War II.

Mr. MURDOCK. I know that the Senator does not wish to discriminate against any veteran.

Mr. WHERRY. No.

Mr. MURDOCK. He does not wish to differentiate between this veteran and that veteran.

Mr. WHERRY. No.

Mr. MURDOCK. I believe that the evidence before the committee will bear out my position. I can imagine that there will be millions of veterans in this country who will not want to build or buy homes, but will, nevertheless, need homes in which to live.

Mr. WHERRY. Yes.

Mr. MURDOCK. In all probability, those veterans will rent homes. Under the Senator's amendment, what consideration is to be given to them?

Mr. WHERRY. Let me ask the Senator, What will be done with the veterans under the amendment which was agreed to last night?

Mr. MURDOCK. As I understand, the pending bill contemplates that some veterans will wish to build homes, and that others will wish to buy homes.

Mr. WHERRY. What benefit does such a veteran receive under the bill?

Mr. MURDOCK. Other veterans will wish to rent homes. I am not so sure that the pending bill represents the only remedy, or the best one, but in my opinion, it is the best one that has yet been submitted, and each veteran in the United States will come under the provisions of the bill. If he wishes to rent, it is hoped that under the provisions of the bill an apartment will be made available to him at a reasonable rental.

Mr. WHERRY. Mr. President, there are no provisions in the bill with reference to apartments.

Mr. MURDOCK. Yes; there are.

Mr. WHERRY. Where are they?

Mr. MURDOCK. I know there are no apartment provisions, as such, but there are provisions in the bill, if the Senator will indulge me, which provide for incentive premiums to be paid for the construction of apartments.

Mr. WHERRY. Yes; for the production of materials.

Mr. MURDOCK. Yes; in order to obtain materials.

Mr. WHERRY. And the priorities go into the construction of houses.

Mr. MURDOCK. What the Senator wishes to do is to make every veteran in the United States a victim of some real-estate program.

Mr. WHERRY. Every veteran in the United States is to be required to pay his share of a subsidy which the Senator would give to the producers, whether the veteran wished to build a house or not.

Mr. MURDOCK. I may say, however, that the remaining people in the United States would be included.

Mr. WHERRY. That may be.

Mr. MURDOCK. One hundred and forty million people in the United States would be included.

Mr. WHERRY. I contend that in many ways the veteran will receive no benefit whatever.

Mr. TAYLOR. The Senator said that the veteran receives no benefit. He receives priorities.

Mr. WHERRY. Oh, no. The Senator was not here when I made my statement. If he will listen to me now——

Mr. TAYLOR. I have been here all the time.

Mr. WHERRY. I have stated not only once, but at least half a dozen times——

Mr. TAYLOR. At least that many times.

Mr. WHERRY. Yes; so the Senator should have heard me. I said that the only thing which the veteran receives is a priority. I admit that. If the RECORD does not show it, I should like to have it underscored.

Under the bill the only benefit the veteran gets is a priority. He builds a house, or I build a house. I am not a veteran of this war, so I am not entitled to a priority, but I go out and build a house as a civilian. I pay the same price the veteran pays, he pays the same price I pay, and we all pay the subsidy. What are the veterans receiving except a priority, and if the priorities do not work any better in this case than they have worked as to lumber up to now, the results will be negligible. We have had priorities in force on lumber. The Senator knows that to be so, for he is on the committee. It all goes into the black market, where there can be no priority.

I should like to call attention to the speech of the senior Senator from New Mexico [Mr. HATCH] relative to the priorities that were not observed in the disposal of surplus property. He said the condition was terrible, and he has introduced a bill to see if there cannot be some protection against the black marketing of surplus property, and to see if we cannot somehow provide that the veteran shall get his priority.

We have not any assurance, and I cannot believe, that the incentive premium plan will result in the production of any more lumber, or that it will result in any lumber being taken out of the black market.

Mr. TAYLOR. I can tell the Senator that it would, but I cannot prove it in advance.

Mr. WHERRY. There is no evidence to show that it can be done.

Now let me continue to expound my philosophy of private enterprise, which I think is the thing which has made America great. We never made America great by paying subsidies or paying incentives, and we did not know what black markets were until subsidies were provided, and we have not heard the last of them.

Speaking of incentives, the bill as it passed the House gives the Housing Expediter virtually czarist powers over all new construction. Just think of it, he has more power than Congress ever gave Bowles. Of course, he will not assume as much power as Bowles assumed. The Expediter can control prices on all new houses at every step of their construction. He can control prices of new houses in the first sale and in the resale. He can issue orders.

Listen to what the Housing Expediter can do to make an incentive. He can issue orders or directives to other executive agencies. He can compel OPA to fix a price that will permit the production of lumber. He can direct OPA to make such price adjustments as are necessary, and such price adjustments as would have been made 2 years ago if there had been a desire to bring about heavy production of lumber.

He can give such directives as to stop the exportation to other countries of lumber which our veterans need now. I understand that day before yesterday an order was issued to cut it 25 percent. He can carry out the billion dollar mortgage insurance program intended to encourage the production of rental houses.

These are only a few of the powers which the Housing Expediter has under the bill, and which he can use to help the veteran get a house.

Think of it! We are asked to give an incentive to the producer under the theory that the producer can thereby produce more quickly and at less cost, and furnish more material, which will be reflected to all the people of the United States.

I may say to the distinguished Senator from Idaho—and I think he must know it to be so—that if we could get a flexible price increase which would permit production at a fair profit on current costs, we would get all the lumber we needed to build these houses. I make that statement based upon authority, because we already have assurance that 1,500,000 houses will be built this year. That is the testimony, that 1,500,000 will be built anyway, without any incentive program.

Furthermore, yesterday we provided for a guaranty on prefabricated houses to Mr. Kaiser, or anybody else who wants to build them, up to the number of 200,000, at any time they are in construction. It really means we guarantee 850,000 houses, if we take the explanation of the majority leader as to how the guaranty will be applied, that is, that the Expediter will continue to guarantee 200,000 houses all the time. If there were 200,000 houses and 20,000 were sold, when the 20,000 were sold 20,000 more would be put in the program. So that until the program is completed it is really a floor we guarantee under 850,000 homes of the 1,500,000 houses which the majority leader and the Senator from Ohio say will be built whether we have an incentive program or not.

Just think of that as we hear it said that the producers should be given an incentive so that assistance may be afforded to the veterans if and when they build houses under a veteran's building program. We voted a $600,000,000 subsidy, and all I am asking the Senate to do is to take the $600,000,000 and give it to the veteran, let him buy a house, and help him to the extent of 5 percent; that is all.

Mr. TAYLOR. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. TAYLOR. Yet a while ago the Senator voted not to put any ceilings on houses, and then he would give the veteran money to pay any price, clear to the sky.

Mr. WHERRY. Mr. President, if we may have a housing program, if the lumber may be furnished, old houses will go down in price so that they will not bring half what they are selling for today. There is going to be a black market in housing just a there is in building materials if ceilings are put on. Mr. Snyder testified before the committee, and if I recall his words correctly he said it would be almost an impossible task to abolish the black market in the sale of houses if a ceiling is put on. The only way in the world to clean up a black market is to get production, exactly as in the case of used automobiles. Just as soon as the manufacturers announced the new cars and the new prices, the prices of the old cars were cut in two. Is that not correct?

Mr. TAYLOR. No; it is not.

Mr. WHERRY. It is correct. There is no one who would give half as much for an old Ford as he would have given 6 months ago, because the new cars are just around the corner, and people are going to buy the new cars at a price set by the Administrator. It applies not only to the low-priced cars, but to the high-priced cars; the prices of used automobiles are going down every day. The same thing will happen in regard to houses.

Mr. TAYLOR. I agree with the Senator that the prices will go down, but so far they have not gone down much, if in any degree.

Mr. WHERRY. I have all kinds of testimony to that effect, and the Senator knows it. He is a member of the committee.

As to incentive payments, let me make a further statement. I am sorry the distinguished senior Senator from Michigan is about to leave the Chamber, because I should like very much to have him hear the example I am about to give.

Mr. VANDENBERG. Will the Senator yield?

Mr. WHERRY. I yield.

Mr. VANDENBERG. I have to go and listen to another atomic bomb explode. [Laughter.]

Mr. WHERRY. I should like to say to the distinguished Senator if that is why he is leaving, he has my permission. I only hope the atomic bomb here will go so high and go so far that the Senate of the United States, if it is going to give a subsidy to anybody, will give it to those to whom it should be paid, and not to a group of producers who do not need it. We should give them a price under which they can operate, and which will also make it possible for the Government to collect taxes on their profits—and we are going to need plenty of taxes to pay the $275,000,000,000 debt which the country owes today.

Of course, Senators will smile when I mention meat, but I shall refer to that subject. Meat incentives did not result in the production of meat. I know something about meat, as does the Senator from Idaho. Does he know how much subsidy we pay on a thousand-pound steer today if it brings $17.50 a hundred? Does the Senator know?

Mr. TAYLOR. No.

Mr. WHERRY. We pay $51.46. We pay that as a premium incentive to get production of meat. I have here a market letter which came in today, which says:

> The black market in meat is worse than it has ever been.

By the way, it has been in operation ever since Mr. Vinson gave the directive back in 1943, and it is getting worse every day, and yet, I want Senators to know, we have 10,000,000 more cattle in this country than we had in the 10-year average period before the war. We have so many cattle we do not know what to do with them.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. TAYLOR. I saw an article in the paper a few days ago to the effect that some employees of a big packing company were asking for a congressional investigation. They said the big packers were responsible for the meat shortage.

Mr. WHERRY. I should like to say to the distinguished Senator that I have two communications in my pocket from union labor leaders who are asking that OPA restrictions be taken off entirely from the production of meat because it is destroying their jobs. They do not have jobs.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. CAPEHART. I should like to ask the able Senator from Idaho when the packers ever grew any cattle, hogs, or lambs, or ever produced any animals of any kind? All they can do is take what is raised by the farmers and delivered to their plants. Therefore it would be impossible for them to be responsible for the meat shortage.

Mr. WHERRY. Mr. President, let me read from one of these letters—

> The black market in meat is worse than it has ever been. Black market profits in cattle now run $50 a head. Swift & Co. at Fort Worth is laying off its men. Its cattle kill is running 15 percent of normal.

Just think of it, 15 percent of normal.

> The new cattle rustlers grab the rest, slaughter them in dirty barns, and the profits, of course, pay no taxes.
>
> In Kansas Swift, Armour, Wilson, Cudahy, and Morrell are said to have reduced their operations by 80 percent.

Just think of it, 80 percent of their normal kill. Why?

> OPA can't force them to lose $15 a head forever. Government officials estimate that noninspected black-market meat has tripled since last fall.

The Senator well knows that whereas there were 4,000 packers in the United States before the war, the number has now increased to more than 24,000. Many of those do not even expect to collect their subsidies because they sell their meat on the black market.

My reason for mentioning this is that it is the result of incentive payments. If the OPA would open up the market as it should have done—the Senator from Wyoming [Mr. ROBERTSON] knows about it, as he is familiar with meat production—if OPA had opened up the price in 1943 and permitted us to produce we would have furnished at reasonable prices all the meat we needed and need now, and our people would not have had to buy their meat in the black market, which has been the result. That is what has happened in the great meat industry.

Now we are asked to apply the same treatment to the lumber industry. That is exactly what will happen. We simply cannot get production by the incentive route. When we start restricting, start licensing, start dealing out assistance here and there, then we play favorites, and the first thing we know we get a black market. There will be more black markets in lumber than we have ever had if this incentive program goes through. That is the testimony of those in the business, those who know what they are talking about.

Senators might say it is inflationary. If it is inflationary to give the veterans 5 percent directly it is just as inflationary to give the producer $600,000,000 by way of incentive payments. What is the difference? The one is just like the other. It is too late now to say that this thing cannot be done because it is inflationary. The Senate has already voted to provide $600,000,000 by way of incentive payments. Let me tell you, Mr. President, that if the $600,000,000 does not do the job we will have a deficiency bill in the Senate in 6 months providing for an additional $600,000,000, and if that further sum does not do the job there will be another deficiency bill calling for the appropriation of $600,000,000 more, because we are never going to let these veterans down.

Mr. President, no one knows whether this program is going to cost $600,000,000 or $6,000,000,000. The foot has been placed in the door, and we have to make good on the program. If it is inflationary to give the money directly to the veteran, it is inflationary to give it to the producer. There is no difference between the two methods. One is the same as the other. As I said, we have already voted $600,000,000, merely to begin this program.

The history of subsidies is that Congress has never appropriated sufficient money in the first instance. Consider the food subsidy. I shall never forget the address delivered by the Senator from Georgia [Mr. GEORGE] when we elected to go the subsidy route. I ask Senators to read that speech. What he said in that speech has come true today. He made it back in 1943. It is one of the finest speeches I have ever heard delivered. Once we elect to go this route, we cannot stop. If the first $600,000,000 appropriated does not do the job, another $600,000,000 will have to be appropriated. No one can say that $600,000,000 will do the job. If it is inflationary to make a direct payment to the veteran, it is also inflationary to give the producer the incentive subsidy.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. HAWKES. I want to accentuate the truth of everything the Senator from Nebraska is saying concerning subsidies. I have had a way for a great many years of saying that one subsidy leads to another subsidy, and the other subsidy leads to still another subsidy, and the whole thing leads to socialism.

Mr. WHERRY. That is correct.

Mr. HAWKES. The Senator said that it was not the subsidy process that was followed in the building of America. I will say that if such a process had been followed, we would not have had our America; America would not have existed at all. I shall have considerable to say about the subject of subsidies some of these days, and about the trend of America toward socialism, and what it means.

The Senator just made a statement that we were not going to let the veterans down; that we would vote $600,000,000, and then vote another $600,000,000, and then vote another $600,000,000. The Senator is a veteran; he is an American; is he not?

Mr. WHERRY. Yes.

Mr. HAWKES. Does he not have an interest in the United States of America?

Mr. WHERRY. Yes.

Mr. HAWKES. Did he not think he was fighting the war to preserve the American way of making a living?

Mr. WHERRY. Yes.

Mr. HAWKES. Then, would he not be let down if we destroy the foundation of the thing he thought he was fighting to preserve?

Mr. WHERRY. Yes.

Mr. HAWKES. I want to say to the Senator that unless we watch out and are careful of what we do with the veterans' money; if we do not give him any benefits when we throw this money out in the street the way we are doing, then we are letting him down. The Senator and I are in favor of giving the veteran a square deal. The Senator and I know that there is no way that we can ever repay the American soldier who has gone abroad and fought in this war. There is no way of repaying him, but we want to do an honest job and give him a square deal in trying to help him obtain a home and help him out of his difficulty. We want to help him back on his feet as a great American citizen.

Mr. WHERRY. I thank the distinguished Senator from New Jersey for his contribution. I know how deeply he feels about the philosophy he so ably expounds. I trust he will not delay too long making the speech he proposes to make on subsidies. If there were ever a time when we needed such a speech it is now.

Mr. President, I have voted against subsidies because I do not believe in them, and the Senator knows it. But we have already provided $600,000,000 in this bill. Instead of giving it to the veteran, we are giving it to the producer. If what we do runs true to the history of everything else we have done, it will not help the veteran; it will help only the producer. It will not get back to the veteran. Oh, yes, Senators will stand on the floor and say, "It will result in holding prices down." But such action has not resulted in holding prices down in connection with any other industry that I know of, and it will not do it with respect to lumber.

Mr. President, I wish to say in all sincerity, and with no animosity toward anyone, nor do I quarrel with those who believe in the other system—and if they want to vote the amendment down, that is their privilege—but I want to say to my Legion friends and to those whom I represent in my home State that I think this bill is a misnomer. I do not feel that it provides a subsidy to the veteran at all. It does not give him an advantage over anyone else. I can build a house just as cheaply as a veteran can under this bill. The only advantage he has over me is that of priority, as was brought out by the distinguished Senator from Idaho [Mr. TAYLOR]. I agree with him on that.

I wish to say that if we can get production by the profit motive route we will not have to worry about allocations, we will not have to worry about priorities. We will get the lumber, we will get the brick, we will get the pipes if we will give the producers a chance to produce at a profit. I make that statement after 2 years of intense study, and after attending meeting after meeting of the Small Business Committee, of which the able Senator from Montana [Mr. MURRAY] is chairman, and the distinguished Senator from Idaho [Mr. TAYLOR] is a member. He knows from the reams of testimony that have been taken in that committee, not only in respect to lumber, but in respect to other industries, that the trouble we have encountered at the very outset has been due to price impediments. I think it is not an exaggeration to say that nine times out of ten the trouble is the matter of price. What is the difference whether we obtain production by proper pricing or giving an incentive payment? We will all have to pay the bill. One method is just as inflationary as the other. But in this particular case we give the veteran who has bought or built a house a break if we use the direct payment method. The veteran does not have to go to an administrative agency, because the money is his. He can apply it on the purchase of the house or in building the house. What is unfair about that? If the bill is passed in that form it will provide a direct subsidy to the veteran. If we are to go the subsidy route, let us give the money to the veteran himself and not to some producer who will not reflect it back in the price of his material.

Under the bill the Housing Expediter has absolute authority. He is a czar. He can do as he pleases. He can set the prices. He can raise them. He can lower them. He can do anything he wants to do to create an incentive to obtain production. So why are we giving the incentive to the producer? If there is to be a subsidy at all, let us give it to the veteran who needs it, who has earned it.

Mr. HAWKES. Mr. President, will the Senator yield for a moment?

Mr. WHERRY. Yes.

Mr. HAWKES. I want to emphasize the point we have been making, the validity of which a number of Senators have questioned. They say that the bonus arrangement, or the payment of 5 percent to the veteran, discriminates against the veteran who does not buy a house right now, or against the veteran who might not be interested in buying one. I want to emphasize the fact that so far as I can see, it does not discriminate in any different degree than the bill as it stands discriminates.

With respect to one little privilege contained in the bill as it stands, which gives the veteran 60 days in which to buy a house and 30 days in which to rent it, a veteran will have to be pretty quick on his feet to take advantage of that provision.

Mr. WHERRY. That is correct.

Mr. HAWKES. And I can conceive of thousands of veterans losing the opportunity because they have not been quick enough on their feet. Therefore we are subsidizing industry to give opportunities to other people than veterans to buy houses.

Mr. WHERRY. Mr. President, I thank the Senator from New Jersey for his contribution.

I am sorry I have imposed upon the time of the Senate as long as I have. I am sincere in what I say about the amendment. It is offered with the best of motives. If the Senate decides not to give the direct subsidies, very well. Every Senator has the right to do as he pleases. But I am sincere about the matter. I have not offered the amendment, as suggested by the Senator from Florida, as a crippling amendment, because the measure already carries $600,000,000. It is merely a question of whether we want to give the money to the veteran or to the producer. I feel that if we should give any subsidy at all it should go to the veteran. That is one side of the question. Senators can eliminate the whole subsidy, and if the Housing Expediter will give us price ceilings under which we can operate at a profit we will obtain the lumber. The $600,000,000 has been tied in with the other provisions of the bill. That is why I am offering the amendment.

Mr. President, in conclusion I wish to say that in my opinion, if we continue the $600,000,000 subsidy provided by this bill until December 1947, we shall absolutely have guaranteed the extension of OPA. If Senators want to extend OPA, very well. If they wish to extend it for a shorter period of time than the House has done, very well. But the Housing Expediter will use the OPA to enforce the provisions of this bill, and if we vote a continuation of the $600,000,000 subsidy until December 1947, we in reality put our stamp of approval indirectly on OPA. Senators can take issue with that statement, but I think it is true. That subject is brought up in connection with this bill, and just as sure as that I stand here, when extension of the OPA comes before us we will hear it said, "We need OPA because we have to have OPA in connection with this veterans' housing proposition." Some may say, "It has no place here." OPA is in the bill. It is the agency which enforces prices. It is the agency to which the Expediter gives his orders. If we pass this bill as it is it will mean the extension of OPA.

Mr. President, I ask for a yea-and-nay vote on the amendment.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. WHERRY. I yield.

Mr. MORSE. I am sorry that I did not hear all of the Senator's speech. The point which is troubling me is that the bill as it now stands does not contain any ceiling on old houses. I am sure that the Senator from Nebraska will agree with me that a great many veterans are being gouged today by the prices which they are forced to pay for houses, prices which are out of all relation to their true value. Sooner or later those veterans will have to hold the sack for the exorbitant prices which they have had to pay for old houses. Without a ceiling on old houses, and with the adoption of the $500 figure which the Senator suggests—and for which I would vote if there were a ceiling on old houses—would not one of the effects of the amendment be that the speculators would see to it that the veteran was "soaked" another $500 by an increase in the price, because he must have a house? The speculator would know that the veteran had an additional $500 to sink into a house which was not worth the price he was asking.

Mr. WHERRY. That criticism is a very just one. But the veteran is not compelled to buy an old house. My provision would give him the money to use in building a new house. Materials are to be allocated by the Expediter, and the veteran can always build a new house. That should be the guide, and will be the guide, as to whether a veteran pays an exorbitant price for an old house.

Secondly, $500 is the maximum amount. It was contended yesterday that the saving which would be made to the veteran would be approximately 5 percent, or $300 on a $6,000 house. It was stated that the program provided for the construction of houses costing as much as $10,000. My amendment does not provide that the veteran shall receive $500. He will receive 5 percent of the purchase price or the construction cost of a house costing up to $10,000. Five hundred dollars would be the maximum. If a veteran wished to buy a house the price of which was exorbitant, he could always build a house, under the terms of the bill. There is no provision for one who wishes to buy an existing house. Many veterans would like to buy existing houses which are decently priced—perhaps from some friend or relative. A veteran may not wish to wait and build a house. He should not be precluded from buying an existing house. Certainly the veteran would have all the advantages. He would not pay an exorbitant price for an old wreck of a house, in view of the fact that he could always build a new house.

Mr. MORSE. I thank the Senator. I think I understand his point of view.

Mr. WHERRY. The Senator's criticism is a good one.

I should like to say something else to the distinguished Senator from Oregon. I have received many communications from writers in his section of the country asking that flexible prices be established. There is no ulterior motive in my philosophy. I feel that the Housing Expediter, who would be given the authority of a czar, could set prices which would give us production immediately. If we wait until the incentive-payment plan is put into effect, to be based upon what a manufacturer did during a certain base period, and until every manufacturer has been granted a vertical increase, it will be next December before we can start the construction of houses. It is an impossible task. If the Expediter could agree upon a flexible price system so that mills in Oregon could produce at a profit, the distinguished Senator knows as well as I do that such a plan would give us immediate production. If we can get production, it will do more to remove the pressure of high prices for old houses than anything I know of.

Mr. MORSE. I thank the Senator. I merely wish to make this comment: Without the ceiling to protect the veteran, with the short supply of housing accommodations for him, and with what will be interpreted as an additional $500 in his pocket, the way the law of supply and demand will operate, I think we shall see prices go up enough to absorb the $500. There is danger that the veteran will not gain a single dollar of benefit without a ceiling.

Mr. WHERRY. I think the Senator has a perfect right to his opinion.

Mr. TAFT. Mr. President, there may be a very legitimate dispute as to the effectiveness of premium payments in order to obtain production; but I cannot see any argument for the amendment proposed by the Senator from Nebraska. It is proposed to give any veteran who wishes to buy a house $500——

Mr. WHERRY. Mr. President, that figure has been used——

Mr. TAFT. Five percent of the cost, not to exceed $500.

Mr. WHERRY. That is correct; and he would receive $500 only in the case of the purchase or construction of a $10,000 house.

Mr. TAFT. Let me suggest what any veteran could do. He could build a $10,000 house and sell it the next day for $10,000, and make $500.

Mr. WHERRY. The amendment provides that he must live in the house and own it himself.

Mr. TAFT. He could sell it after a while. The Senator is not proposing to prevent him from selling it. He could not do so, and he should not.

Mr. WHERRY. Certainly not, after he has built it.

Mr. TAFT. In that connection——

Mr. WHERRY. Mr. President——

Mr. TAFT. Mr. President, I do not yield to the Senator. I listened to him with interest for more than an hour without interrupting. I shall be glad to yield at the conclusion of my remarks; but I do not wish to get into a running controversy.

Mr. WHERRY. The Senator should not misquote me.

Mr. TAFT. The whole problem of offering subsidized houses by paying $500 or $250 toward construction was considered by our committee, and we found that it was a wholly impracticable idea. In effect, it makes a present to the veteran to whom it is given. Sooner or later he could sell the house. A group of veterans could be organized to do the same thing, if it were desired to do so. In effect, we would be giving him a house at less than the normal market price of the house.

Furthermore, the great bulk of veterans do not wish to buy houses. During the next 5 years most veterans will live in rented houses if they can possibly obtain them.

The bill provides a very effective means for builders to construct houses under 90-percent mortgages from the FHA. The FHA is now making contracts with builders to give them priorities, if the builders will agree that they will hold a certain number of houses for 2 or 3 years and rent them instead of selling them. Veterans who rent such houses would be wholly excluded from the bonus. The veteran who wished to rent would not receive anything. The veteran who wished to buy a house would receive a maximum of $500. Many veterans perhaps neither need to buy nor rent, and they would not receive anything. If we are to make a payment of $500 to veterans because they are veterans, we had better give a bonus of $500 to all veterans. Then we can accomplish the purpose of helping the veterans.

I do not defend some of the publicity on this bill. So far as I am concerned, I voted in committee on the bill itself. The bill does not emphasize the veterans' feature. The title does not emphasize it. The first paragraph of the bill, even though we give certain priorities to veterans, does not emphasize the veterans' feature. The first sentence of the bill is as follows:

> The long-term housing shortage and the war have combined to create an unprecedented emergency shortage of housing, particularly for veterans of World War II and their families.

Mr. BROOKS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BROOKS. The Senator stated that the title of the bill does not refer to veterans. The distinguished majority leader [Mr. BARKLEY], in advocating the bill, stated that it was proposed to change the title, so that the act could be cited as the Veterans' Emergency Housing Act of 1946.

Mr. TAFT. I do not find that in the title.

Mr. BROOKS. The amendment of the title is found on page 42; and on page 19, line 21, we find the following:

> That this act may be cited as the "Veterans' Emergency Housing Act of 1946."

I think that should be stricken from the bill.

Mr. TAFT. I agree. I do not believe that that is a proper title for the bill.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. The only way we can benefit the veterans is to provide more housing. Any bill which would provide more housing would benefit the veteran, primarily. Aside from the veterans, there is no very large group of people without housing. If a person who now occupies a

house moves out and builds another house, the chances are that the house which he vacates will then be available to a veteran. The shortage of housing relates to veterans, and the only way to meet that shortage is to produce more materials. There is no other way. Selling at a cheaper price may be an incident in the whole process; but the main purpose is to produce more materials.

I fully agree with much of what the Senator from Nebraska [Mr. WHERRY] has said. I fully agree that the shortage of materials today is largely due to the OPA. I fully agree that the problem cannot be solved without a substantial change in the present prices prescribed by OPA for building materials, and particularly for lumber.

Furthermore, I call attention to the fact that premium payments are only incidental, because it has been made clear that 70 percent of the building materials must be handled without premium payments. As to that 70 percent, price adjustment is the only remedy given to the Housing Expediter. That is recognized, and the Housing Expediter recognizes that that is the main tool which will have to be used to obtain building materials. I cannot make the statement with complete certainty, but I believe that he realizes that the lumber situation is one which cannot be handled by premium payments. It is probably the most difficult situation in the building material field. I do not see how premium payments could be applied in that industry. Lumber falls within the class of 70 percent of building materials which will have to be handled by price adjustments.

In my opinion, premium payments are not subsidies. So far as the continuation of food subsidies is concerned, I shall vote against it, because food subsidies are merely a provision for shifting the cost from the consumer to the taxpayer. Under this bill premium payments may be applied only on increased production. They may be used only in particular cases in which that kind of payment is calculated by the Expediter to increase production. That is the purpose. If unwisely used, they will not be effective. However, I feel that if wisely used, if used in the proper places, to break bottlenecks, they will provide an incentive for increased production, which a mere increase in prices would not do.

Furthermore, if they are effectively used, they can be used to prevent as high a price increase as might otherwise occur in some fields. We might have to allow a very high price increase temporarily to act as a stimulator of production. I believe that premium payments, applied to only a part of the production of an industry, and by uniform rules so that there will be no favoritism, may successfully increase production and break some serious bottlenecks in the production of materials.

I myself cannot see that the mere fact that something is called a subsidy makes it desirable. We may call it names, but that will not mean anything. For years we paid subsidies to the farmers. We paid subsidies to the merchant marine. We paid subsidies in many fields of operation. I never liked to do it. I certainly do not approve of a subsidy like the meat subsidy, under which we simply pay out $720,000,000 and thereby reduce the consumer's bills by that amount, but add that amount to the burden on the taxpayers. That is a general across-the-board subsidy which I think is wholly unjustified.

But when we consider subsidies for the purpose of securing production and which incidentally may do away with the rapid increase in the price of houses which is occurring today, and which under the proposal of the Senator from Nebraska and under my own will have to continue, because we shall have to increase the cost of many building materials, it seems to me that if we can check that process somewhat by the use of premium payments, that is worth doing.

However, that is not the primary object of the pending bill. The primary purpose is to obtain greater production. We shall not obtain one more stick of lumber or one more house by adopting the amendment offered by the Senator from Nebraska.

Mr. BARKLEY. Mr. President, I do not wish to delay a vote on the amendment, and I shall not do so, because all of us hope to have the bill passed today.

Let me say that the Senator from Nebraska seems to feel that in some way the bill would break down private enterprise. However, under the bill the Government of the United States will not go into the business of producing building materials. All the bill will do will be to offer to private enterprise an inducement to increase its output of such materials. That is all the bill will do. There is no trend toward socialism or any other "ism." The bill is simply an effort to stimulate production by offering premium payments for the part of production which represents an increase.

Mr. HAWKES. Mr. President, will the distinguished Senator from Kentucky yield to me for a moment?

Mr. BARKLEY. I yield.

Mr. HAWKES. When we delegate such vast authority and power to one man—giving him the power to say where the incentive payments shall be made, how they shall be made, and when they shall be made—and when we also delegate the authority to do all the many other things in connection with the houses after they are built, does not the Senator think that we shall have the Government running private enterprise and throttling it rather closely?

Mr. BARKLEY. No; I do not.

Mr. HAWKES. Mr. President, I must differ with the distinguished Senator from Kentucky, for whom I have a very high regard. I do not believe that we can go much further in respect to delegating authority to regulate and control, the way we have been doing, if we in the United States are to continue to have the American system.

Mr. BARKLEY. That could be the subject of a long argument between the Senator from New Jersey and me. But I think that we are now confronted with such a situation that we must provide some authority, unless we wish to permit it to get out of hand and run away. I do not think even the Senator from New Jersey favors that.

Mr. HAWKES. Mr. President, let me ask the Senator from Kentucky if he had any particular purpose in using the word "even" in his last sentence. It might be construed in a rather unfortunate way.

Mr. BARKLEY. No; I had not.

Mr. HAWKES. I thank the Senator very much.

Mr. BARKLEY. Mr. President, I have, as I am sure all Senators realize, the highest respect for the Senator from New Jersey. It may be that the word "even," as used by me, connoted that the Senator from New Jersey leans a little further against any Government regulation than I do.

Mr HAWKES. I thank the Senator.

Mr. BARKLEY. Mr. President, it may be that sooner or later we shall have to consider the question of a bonus for the ex-servicemen of World War II. We paid bonuses to veterans of the First World War. I voted for that bonus, and I have never apologized for doing so.

I hope that when we have all the facts before us and when we have an opportunity to consult with veterans and to understand their views about legislation for their benefit, we may work out a sound, well-considered piece of legislation for that purpose. But it certainly seems to me that this haphazard, jumped-up way, under the amendment now before the Senate, of paying a bonus to veterans is not the proper way to proceed.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. The Senator from Kentucky has referred to the "haphazard, jumped-up way" under the pending amendment. I should like to say that we have only now had an opportunity to offer the amendment. I know it is not perfect; but I remember that the Senator from Kentucky himself had to modify his own bill four or five times before he could get it before the Senate in the proper form.

It may be that the amendment is not perfect, but it is one way of doing what is right. If the amendment, as presented, is adopted and taken to conference, it will be possible for the conferees to write it in a better form than the one in which I have been able to submit it.

Mr. BARKLEY. Mr. President, the committee held hearings on the bill, but at the hearings no one came forward with such an amendment. An amendment of this sort was offered in the House of Representatives, but it was overwhelmingly defeated there.

Mr. WHERRY. Mr. President, will the Senator yield to me again?

Mr. BARKLEY. I yield this time.

Mr. WHERRY. I understood the Senator from Ohio to say that an amendment similar to the pending one was presented to the Banking and Currency Committee.

Mr. TAFT. I do not think I said so.

Mr. WHERRY. I understood the Senator from Ohio to say that.

Mr. TAFT. No; I do not think so.

Mr. BARKLEY. No, Mr. President; the Senator from Ohio did not make such a statement. If he had, he would have been mistaken.

Mr. WHERRY. Very well. I do not know; I am not a member of the committee.

Mr. BARKLEY. Mr. President, I wish to conclude rather quickly. This amendment would give a bonus to the veteran who could get a house, but it would give nothing to a veteran who could not get a house. A veteran who had to rent an apartment for himself and his wife and children would receive nothing; he would not be recognized as having any need.

When we pay a bonus to the soldiers—and I am quite satisfied that I shall be advocating paying them a bonus when we have had sufficient time to work out the matter, as I indicated a moment ago—I wish to treat all of them alike. I wish to put all of them on the same basis. I do not wish to pick out a few who are to be favored simply because they are in a position to buy a house, and to favor no others, no matter where they fought or whether they were wounded or what their condition may be.

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. TAFT. I may also point out that the veterans represent a cross-section of the people of the United States. Only about half of them are in a position to buy new houses at present prices, even with the proposed 5-percent deduction or subsidy. So we would be paying a subsidy to the top half of the veterans, but we would be excluding the bottom half of the veterans, because they are not in a position to buy a house and to pay the charges incident to living in it. Perhaps they could buy a house on credit, but they would be forced to sell it in a short time.

Mr. BARKLEY. Undoubtedly that is true. I also agree with the Senator from Ohio and the Senator from Oregon [Mr. MORSE] that whenever it became known that the 5 percent was to be allowed to veterans in connection with purchasing houses, the prices of the houses to the veterans would go up 5 percent. If a veteran contemplated buying a $10,000 house, the price would go up $500. The veteran might or might not know it, but the increase would be there. The situation would be very much like that in connection with the expense account of a traveling salesman who had been on a long business trip. When he returned from the trip he submitted his expense account. On examining the account, the company's auditor found that there was an item of $27.50 for a raincoat which the salesman had bought when he was on the trip. The auditor said to him, "Well, we cannot allow you for that raincoat. That is your own personal property."

The salesman replied, "Well, if I had not been traveling for the company, I would not have needed the raincoat and I would not have had to buy it. But I had to buy it, and I think it should go into my expense account."

But the auditor would not allow it, and he struck that item from the account.

At the end of the next month the salesman returned from another trip which he had been making for the company, and again he submitted his expense account. When the auditor looked over that one, he said to the salesman, "Well, I see that you don't have the raincoat in there now."

The salesman replied, "Yes, it is in there, but you can't see it."

So, Mr. President, that is what will happen in this case. An additional 5 percent will be included in the price of the house, but the veteran will not be able to see it.

Mr. President, I hope the amendment will be rejected.

Mr. CORDON. Mr. President, the distinguished Senator from Ohio [Mr. TAFT] in discussing the pending measure either yesterday or the day before said, as I recall, that in the testimony before the committee Mr. Wyatt made it clear that very little, if any, of the $600,000,000 to be made available for premium payments would be used to obtain an increased production of lumber. I believe that is the substance of his statement. I do not know what percentage of the houses to be built within the next year or two will be constructed of lumber, but my guess is that of the 4-, 5-, and 6-room homes which will be constructed during that period, and which are so desperately needed, perhaps 75 percent will be constructed of lumber. At the moment, the materials needed for the construction of walls, floors, and roofs, are the most essential. Hardware could come along 2 or 3 months from now and not be too tardy. That statement would be true also with respect to fixtures. So far as I know, the manufacturers of plumbing, hardware, nails, and so forth, need to do little or no reconversion in order to get into high gear in the manufacture of that type of material. The Reconversion Act was passed for the purpose of speeding the process of reconversion. Certainly, if a reasonable price is allowed to manufacturers, they will go into full production. I do not believe that any manufacturer is deliberately withholding production.

I am not as familiar, Mr. President, with the situation with respect to the field of hardware, plumbing fixtures, and similar articles, as I am with the situation in connection with the field of lumber. Because I come from the greatest lumber-producing State in the United States, I know something about lumber conditions. I apprehend that the conditions which face the lumber operators are very much the same as those which face other industries whose products are necessary in connection with the construction of housing.

Mr. President, I do not wish unduly to delay the vote which is about to be taken. On the other hand, the people of this country have been complaining about the lack of production. They have laid the blame here and have laid it there. I believe that perhaps a clarification of the situation will not be out of order this afternoon, even if it consumes a little extra time of the Senate. Therefore, I shall read a letter from one of the large lumber operators in the Pacific Northwest. He is one of that high type of businessmen who patriotically went through the war and, in numerous instances, produced articles in their mills at a loss, but will not go forward on that basis any longer. Because his letter clearly pictures the situation which faces us today, I ask my colleagues to indulge me while I read it to them, and reveal some of the real basic reasons for the absence of 100 percent production at the present time.

The letter was addressed to one of the customers of this lumber operator. He had called upon the operator to fill certain orders for housing materials. The letter otherwise is self-explanatory. It reads as follows:

DEAR WALES: Your concern as to our increasing inability to supply you and your trade with all the items of lumber and lumber products you formerly depended upon us for is well founded. Unless OPA either is thrown out or very quickly brings about a complete reversal of their destructive policies, the list of items that we are making is going to decline still further.

Mr. President, I interpolate that if the writer had stopped with the words "destructive policies," I would not now be reading the letter. I continue reading:

As you saw for yourself, we have a lot of idle equipment at our plant.

Again, Mr. President, I interrupt the reading of the letter to say that it was written on April 4, 1946, at a time when there existed the necessity for full production.

I continue reading:

As you saw for yourself, we have a lot of idle equipment at our plant. We have always refined a larger portion of our sawmill production than most western pine mills. We have provided more labor per unit of sawmill production as a result. The equipment that is now idle represents over 100 jobs. If these jobs were marginal we could have no complaint. The thing that irritates us most is that the jobs we are not filling are being filled in other parts of the country at a higher cost to the consumer and, what is even more important, by the waste of scarce and urgently needed lumber. OPA policies are directly responsible for this.

Among the items we can no longer make are the following:

Building lath, car strips, shade roller stock, cut stock, moldings, industrial boxes of all kinds, as well as a number of operations such as lumber resawing, Linderman, jointing for boxes, box nailers, box stitchers, etc.

We are no longer functioning to care for the needs of the trade—we are merely shadow-boxing and forced to change our scheme of operation from time to time to meet changes in OPA needs. For a firm who has really served the trade this is an unfortunate change for the national economy, which needs production so urgently now.

Among the items discontinued that you are probably most interested in are moldings for the building trade. Unfortunately for both you and ourselves, the OPA seems even less interested in molding production than in most items.

For about 15 years we produced a wide variety of moldings, most of which were for the building trade. We kept this department operating despite constant needless operating and sales handicaps imposed by the OPA. A recitation of all of them would make a lot of red faces in Washington.

Finally, during November 1945, we were forced to suspend operation to cut off the loss. On November 16, 1945, the OPA pub-

lished MPR No. 601, which resulted in lower molding prices for us than we had had in the so-called base period of October 1941–March 1942. This list was published the same week that we had an increase in wage rates of 12½ cents per hour. This department was already operating "in the red" before the simultaneous cut in prices and increase in wages.

In the fall of 1941, our average wage rate for our entire operation was 90 cents—now it is 126 cents, an increase of 36 cents or 40 percent. We were making no such profit on moldings in 1941 that we could absorb such a wage rate increase with resulting wartime decreased production per man-hour, and then take a cut in selling prices at the same time.

If you were to discuss this with OPA officials, they probably would tell you that the changes were made only after long discussions with the industry. They probably will not tell you that every change they made in the molding prices shut off some more production and was made over the opposition of the industry.

During the first 9 months of 1945, monthly sales of moldings by Western Pine Association members were 60 percent below the same 1941 months. Since then, our production has been stopped and I don't know how many others.

Our molding production for many years was about eighteen to twenty million lineal feet, mostly building moldings. This would provide needed moldings for several thousand GI homes that are being talked about so much these days.

Our moldings were made entirely from lumber and edgings of our own production. The lumber grade most largely used is "molding" grade. The edgings, which represent probably one-third of our raw material, actually are salvaged from waste. A goodly portion of this waste is now being burned. This is a fine tribute to OPA business management. The moldings that we are not now making are being made from higher grades of lumber.

We are piling up our molding grade lumber and salvaging the larger edging for use after the OPA may be out of business or may have changed their pricing approach. That won't help build GI homes in the spring of 1946.

Your suggestion that some pictures be taken to illustrate some of these things more effectively than repeated letters is certainly timely. I am happy to hand you herewith a few sets of these pictures.

Mr. President, any of my colleagues who desire to see the pictures I shall be happy to have do so.

Picture No. 1 is view of the interior of one of our sheds that is about half filled with molding lumber and edgings. This shed is about 175 feet long. It now has over a half million board feet of lumber and edgings. The edgings are ripped to size, all ready to be run to pattern.

No. 2 is a close-up of several loads of edgings.

No. 3 shows our three idle—

I call attention to the word "idle"—

No. 3 shows our three idle molding machines. About 16 American citizens formerly were employed here at wages well over the national average.

No. 4 shows smaller edgings being fed into a hog where they are being ground up to make fuel, the need of which is not very great and certainly much less than the small moldings that could be produced, such as screen moldings, glass bead moldings, etc.

At the time the OPA was about to publish the molding price list last November, I was in Washington. I discussed this matter with OPA representatives both before and after publication of the list. Among the OPA personnel who listened more or less patiently were Messrs. Ingram, Young, and Grossman.

Mr. President, I hope Mr. Wyatt will read this letter in the RECORD when he gets ready to put out his directives, orders, and regulations, because OPA is certainly going to need them.

Since then, I have written Mr. Ingram twice on the matter and Mr. Young once. I have not even had an acknowledgment of those letters, despite having asked for information as to how we should go about making application for price adjustments in line with President Truman's public statement that any manufacturer who had had wage advances of 33 percent since January 1941, could apply for an increase.

Mr. President, that means, if I may again interpolate, that this man was trying to get a basis upon which he could manufacture those products. Up to now he has not had the courtesy of an answer to his request as to how he might proceed.

In going to OPA for price adjustments—and we have done it many times—their reply invariably is either (a) submit your cost and profit-and-loss statements for many years to demonstrate whether your over-all profit position justifies an increase, or (b) make an industry-wide survey on the same statements.

OPA policy for integrated operations such as ours provides that, if we make a profit on the manufacture and sale of our lumber, we should not be allowed to make a profit on any refining of it. Why should we be forced to operate our molding department, for example, at cost or at a loss? The profit incentive is one of the very fundamentals of the American way of life. We feel no more obligation to run this department without a profit than a bureaucrat does to work without salary. By the same token, we feel no more obligation to run it at a loss than any bureaucrat does to pay for the privilege of working.

In the past we have participated in some industry-wide surveys. We shall not do it again. Such a survey takes the more profitable figures of the producer who has blackmarketed, cheated, chiseled, and taken every advantage of any loophole that has presented itself and averages them with the less profitable figures of the manufacturer who has conscientiously complied with the conflicting socialistic pricing regulations. The resulting "average" is fair neither to producers nor the public.

A comparison of our past and present molding prices follows. The item used as an example is pattern No. 8065, ¾ by ¾ inch, quarter-round molding, an item needed literally by the hundreds of million lineal feet. The prices are per 100 lineal feet delivered on the Atlantic coast.

Mr. President, these figures are eloquent:

Our price in August 1941, straight or mixed cars, 74 cents.

Our price in March 1942, 70 cents.

OPA MPR 601 price in straight cars, 67 cents * * * in mixed cars with lumber, 71 cents.

Can there be any question, Mr. President as to why we are not getting production, in view of those facts—in view of the fact that the timber itself has risen in price—increased because the Government of the United States increased the price of publicly owned stumpage? That price went up, wages have risen, other costs have risen, but the price of the finished product has gone down. Would it not be a beautiful picture now to ask Mr. Wyatt to dig down into the pockets of the taxpayers of this country and make a premium payment to bring that price into line? Where has reason gone if we are to follow that sort of practice?

Mr. President, the letter continues:

After closing our molding department, we contacted many of our eastern trade to ascertain if they could now buy moldings elsewhere, and, if so, what prices they were paying. With few exceptions, they replied that they were obtaining some poorly manufactured, locally produced moldings and were paying $1.50. One stated he was making them himself at a cost of over $2. Others stated they could find none at any price.

We would be happy to resume molding manufacture on present lumber and wage values with a price on the above item of 95 cents, with other items in proportion. That would be a substantial "bulge" in the price line but it would represent a very worth while saving to the GI who wants to build a home. Further, it would produce a lot more moldings than will ever be produced at $1.50 in the East.

I have often thought that if we could persuade some responsible policy-making official of the OPA to visit our plant, see this idle equipment, inspect the offal being burned instead of converted into needed GI homes and other items, and let us show him just why it is idle, we could convince him that a change was needed and quickly. If you should run into any such official who is interested let me know who he is. I want to extend him an invitation to visit us.

There, Mr. President, is clearly set out the real outstanding bottleneck in the production of materials needed in housing, and, as I suggested earlier, when the pending bill passes giving authority to the Housing Expediter to issue his orders, regulations, or directives to the Office of Economic Stabilization and the Office of Price Administration, that bottleneck can be broken immediately.

It will result in some price increases, it is true. Those price increases as to the veteran will be offset by the subsidy we will pay him if the Wherry amendment shall be adopted—and I hope it will be agreed to; at least I shall support it. It will leave the veteran in the same condition, so far as the purchase of his home is concerned, as he would be in under the statement of the majority leader if the $600,000,000 were spread all across the board in premium payments, a type of premium payment that has not yet been explained on this floor, at least to my satisfaction. Everyone who has talked about premium payments up to now has had a different idea of how they are going to work.

Mr. MAGNUSON. Mr. President, will the Senator from Oregon yield?

Mr. CORDON. I am glad to yield.

Mr. MAGNUSON. I wonder if the Senator would mind telling, if it is not confidential, what company he is speaking of?

Mr. CORDON. I shall be glad to furnish the name of the company to the Senator from Washington. I do not care to put it in the RECORD, because I do not have permission from the writer of the letter to do so, but I shall be glad to furnish it to the Senator from Washington.

Mr. MAGNUSON. The letter is to a third party, I understand?

Mr. CORDON. Yes, written to a customer in South Carolina.

Mr. MAGNUSON. I wish to say to the Senator from Oregon that I appreciate what he has said. The same situation occurs in respect to fir doors, plywood, and many allied building materials, but I think it is only fair to point out that recently—and I share the feeling the Senator has regarding the lumber situation—recently we have had not complete, but some success, as the Senator, who participated in these conferences well knows, in getting a reasonable price for building materials.

As the Senator has pointed out, unless we can provide some profit incentive to our western pine and Douglas fir mills to divert from profitable war manufacture and production of lumber into so-called building materials, we are never going to get the production of western lumber that is so widely needed.

I hope, if the bill passes, that Mr. Wyatt, or whoever the Expediter might be, will see to it that the OPA acts upon these matters. I find after we go to OPA and finally get a decision from OPA that in most cases it is fairly satisfactory, but the delay, in so far as western lumber is concerned, has been unconscionable, particularly in the case of housing materials which we now see are so desperately needed. Molding is one of the items.

The western producer of lumber is willing to go ahead, but because he diverted his plant to making boxes and other things needed for the war, it is not profitable for him to go back to making building materials. Until that is done the bottleneck will never be broken with respect to the lumber end of building materials.

There has been an unconscionable delay in OPA. Last week we secured a raise across the board with respect to western pine—not all that was wanted—and with respect to fir doors and plywood in process. An order is being issued to take care of that situation. But I hope that, as soon as this bill is passed, OPA will dig into the lumber situation because, as the Senator pointed out, houses cannot yet be built without lumber.

Mr. President, before I take my seat I want to make a correction. The Senator from Oregon said he comes from the greatest lumber State in the world. I am sure he means "one of the greatest lumber-producing States of the world."

Mr. CORDON. I do want to divide the honors with my colleague from Washington, although I am afraid that in order to do so I must be generous.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. WILEY. I think the illustration used by the senior Senator from Oregon with relation to molding is very pertinent. He said, in substance, that the 1941 price for molding was 74 cents. He said that OPA had apparently approved a price in the East of $1.50 or $2 and would not grant a price up to 95 cents to the people in the West for making this molding.

Mr. CORDON. May I say that that is not the price granted to them in the West, but is a price at which they would transport it and deliver it on the Atlantic seacoast.

Mr. WILEY. I am glad to have that clarification. We have been talking about molding. It seems to me there is something moldy down in OPA. The picture that has been given us by the Senator from Oregon is typical of what has occurred in the so-called production field clear across the board. In my own State there are those who have asked for increases to produce certain materials, and have demonstrated that they could not produce them at the price they were receiving. But OPA said, "But you are making money in other fields," and OPA would not grant the increase requested. As a result, the manufacturer, whom we will call A, he has gone out of production. Then right down the street or in the next city OPA has granted an increase correspondingly as great as in some of the cases recited, an increase of 100 percent to someone else, the one to whom the increase was granted being a bungler or new in the field. From that the inference has gone out that perhaps there were those in Government who wanted to see producers go out of business. It seems to me that if in any way we can get instructions or directives across to the Expediter, Mr. Wyatt, so that he will understand that there is no limitation in his power to see that production goes into full swing and we actually get into operation, then we will have the answer.

I have spoken many times on the subject of production. Months and months ago I spoke over a national hook-up on the subject Production, Production, Production. We have not been getting production. The reason we have not been getting production is that the square pegs in the round holes in OPA are still square pegs. I do not call individual names, but the situation was made clearly apparent by the distinguished Senator from Oregon when he mentioned three names. A manufacturer comes here and submits a proposition. He says he has sold a bill of goods clearly and definitely showing a loss. The country is calling for the article he produces. Yet he cannot get his letters addressed to OPA answered. Certainly there is something rotten in Denmark when the servant in OPA will not give a courteous answer to his master, our constituent.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. TAFT. There is one feature of the bill which I think should be emphasized. Up to this time price control has been under the rules of the Stabilization Act, and under that act, and going beyond, I think, the real purpose of the act, the Price Administrator has in effect said that the price level is the first consideration over every other consideration, including production and even the existence of business, and many other things. Now for the first time in this measure we take away from him the power to direct price control and give it to the Administrator, with the injunction that it is for the purpose of increasing production. It seems to me that that transfer should have a very effective and salutary result if Mr. Wyatt will exercise the powers that are given to him. But I think Congress here for the first time is indicating that production is more important in that field than price control.

Mr. CORDON. Mr. President, I thank the distinguished Senator from Ohio, and I hope that he joins me in the deep regret that a time has come in the history of government in the United States when we must depend for the success of a law upon the judgment and whim or caprice of any single individual.

Mr. TAFT. Mr. President, will the Senator yield again?

Mr. CORDON. I yield.

Mr. TAFT. I am afraid Congress has long ago given away that power. In foreign policy we have vested the power to make war in one man. It rests in him and his caprice to make war or not to make war. There are many circumstances in which we have gone much further than we have in this bill.

Mr. CORDON. Permit me to say to the distinguished Senator from Ohio that those things were done under the Constitution, and that now the Congress seems to be bent on doing it by statute, and I am opposed to that.

Mr. TAFT. Mr. President, will the Senator again yield?

Mr. CORDON. I yield.

Mr. TAFT. I think the Senator voted for the bill which transferred to the President, in the UNO Act, complete authority to make war or not make war in complete violation, I believe, of the Constitution of the United States.

Mr. CORDON. Again I will have to differ with the distinguished Senator as to whether that was or was not in violation of the Constitution of the United States.

I want to say, Mr. President, that I may have to hold my nose and vote for this bill. I do not want to do it, but I do not see any other way at the moment to get some of these things done except to vote for the bill. But I insist, and shall insist insofar as I can, on maintaining all the controls we can maintain, and particularly do I want to place in the measure a provision for the shortest possible period of time for its operation and the earliest possible time for its termination.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. MAGNUSON. I think the Senator, like myself, being interested in the lumber situation, will vote for this bill. I hope the Senator will agree with me that it is not so much what the OPA does about these matters, once they consider them and make a decision, but there have been great delays. We are giving the title "Expediter" to the Administrator in this bill. If we can expedite these things the lumber industry will get along all right. I hope the Senator will vote for the bill. I am sure if he does he will probably find that if we get the right kind of administrator our moldings and fir doors and all the things that go into houses will be speedily taken care of.

Mr. CORDON. I wish I could be as optimistic as is my distinguished col-

league from Washington. I had the pleasure of working with him recently for several days in an attempt to get some type of price adjustments into the heads of OPA, and as the Senator has suggested, we partially succeeded. We can be hopeful at least when we see OPA commencing to show some signs of intelligence, even if we have to wait until the last few days of its life, when OPA is breathing its last, and wants to get another lease on life.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. CORDON. I yield to the Senator from New Jersey.

Mr. HAWKES. I wish to ask the Senator from Washington [Mr. MAGNUSON] if he really meant what he just said, that it does not make so much difference what OPA does, so long as we can get it to do something. I think it makes a tremendous difference.

Mr. MAGNUSON. Mr. President, the Senator misunderstood me. I stated that my experience in connection with lumber has been that when the OPA ultimately arrives at a decision, most of the time the decision is pretty fair. It is not always exactly what the industry wants, but it moves along, and the price ceilings are in many cases raised. The problem which both the Senators from Oregon and I, and others in lumber-producing States, have had is to get the OPA to act. I hope the Senator will not misunderstand me.

Mr. HAWKES. I think the Senator will find from the RECORD that he stated that it did not make much difference what the OPA did, if it could be induced to act. That is the point which I wish to correct. There are two factors. First, there is the desire or the necessity for getting the OPA to act; and second, there is the necessity for OPA acting intelligently, with some knowledge of what brings about production.

Mr. MAGNUSON. The Senator has expressed my opinions; and I am sure the RECORD will be corrected.

Mr. CORDON. Mr. President, I should like to make one or two further observations, and then I shall conclude.

I recognize that the amendment now before us needs some working over. I recognize that due to the shortness of time it is not a perfect document. I also recall that on numerous occasions under similar circumstances the argument has been heard on the floor to the effect that imperfections can be cured in conference, when there is more time. I suggest that that can be done in this case.

I recognize the force of the argument of my distinguished colleague from Oregon [Mr. MORSE] that as to existing houses any subsidy given to a veteran may well be considered simply additional money in his pocket, from the standpoint of the real-estate seller to be taken advantage of by an equal increase in price, particularly now that there is no basis for a ceiling on existing houses. However, that situation does not apply as to houses to be built, because under the terms of the bill as it is now written a ceiling can be placed on such houses. If the amendment is adopted, I think the conference committee should give some consideration to broadening it to include widows of veterans.

Mr. President, I wish to close with this statement, because to me it is the very meat of the whole argument; if this bill is enacted we shall have clothed the Housing Expediter with authority over presently existing executive bureaus, so that he can compel action in every one of those bureaus, directed toward the one object of breaking the log jam and causing a flood of building materials. That authority will be granted to him no matter what we do with the pending amendment. I hope the amendment will be adopted, I agree with the distinguished majority leader that one of these days we shall probably be called upon again to consider, as the Congress considered after the last war, the matter of a veterans' bonus. At that time I am perfectly willing to support legislation which will provide, in such bonus law, for an offset or deduction in every instance of the amount paid to any veteran because of this legislation, so that in the end all will be treated alike. By such procedure the man who must have his house today would, in effect, simply obtain an advance on account of a settlement yet to be made. I am perfectly willing to serve notice now that I believe that such a settlement should be made. I do not believe that the debt is yet paid to the men and women who saved civilization in this world.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Pepper
Austin	Hayden	Radcliffe
Ball	Hickenlooper	Reed
Bankhead	Hoey	Revercomb
Barkley	Johnson, Colo.	Robertson
Briggs	Johnston, S. C.	Saltonstall
Brooks	Knowland	Shipstead
Buck	La Follette	Smith
Bushfield	Langer	Stanfill
Capehart	McCarran	Stewart
Capper	McClellan	Taft
Carville	McFarland	Taylor
Connally	McKellar	Thomas, Okla.
Cordon	McMahon	Thomas, Utah
Donnell	Magnuson	Tunnell
Downey	Maybank	Vandenberg
Ellender	Mead	Wagner
Fulbright	Millikin	Walsh
Gerry	Mitchell	Wheeler
Gossett	Morse	Wherry
Green	Murdock	Wiley
Guffey	Murray	Wilson
Gurney	O'Daniel	Young
Hart	O'Mahoney	
Hatch	Overton	

The PRESIDING OFFICER. Seventy-three Senators having answered to their names, a quorum is present.

Mr. BROOKS. Mr. President, I should like to observe that the title of the pending bill is a complete misnomer. As the bill came from the House of Representatives, its title was in the correct form. The title then was "To amend the National Housing Act," and so forth. That is still all the bill is. The only benefit a veteran, as compared to anyone else, will receive from this measure is a preference to buy a house, if he is able to find out where the houses are and if he ever is able to determine what his rights are. The only other benefit the veteran will receive will be the doubtful one of having his name attached to this bill. It is now to be called the "Veterans' Emergency Housing Act of 1946."

The amendment which has been proposed by the junior Senator from Nebraska [Mr. WHERRY], and in which I join, merely attempts to give to the veteran some benefit under his own name, under an act which the Senate pretends is a Veterans' Emergency Housing Act. When it said that we are subsidizing the upper half of the group of veterans, because the others cannot afford to buy houses, I ask what we are doing in this bill when we provide $600,000,000 for so-called incentive payments. They will not increase the ability of our people to buy houses. We are simply subsidizing them in another way.

What this measure really does is, not to continue the OPA, but to bring into existence and power a super OPA. The bill continues the War Powers Act, and it is merely another tentacle of the octopus that is strangling this country.

I agree with the Senator from Nebraska that we have not yet tried in the American way to obtain normal production. All the way through the OPA has said, "Hold the line," and they fixed prices on the ordinary articles used by Americans. But the manufacturers got around that by putting frills on the ordinary articles, and then they were able to sell them at higher prices. Today it is impossible to buy an ordinary shirt, but it is easy enough to buy all kinds of sport shirts at high prices. The OPA has said, "We have held the line." But today the women of the United States find that it is impossible to buy ordinary house dresses in the stores, although they are able to buy all sorts of elaborate dresses at higher prices. The OPA said that it held the line all the way, but it has prevented the production of the things the people of the United States need.

When the OPA was given all those powers, we were told that it was for the duration of the war. But, Mr. President, the war will never end so long as the bureaucrats can keep it alive. Every Senator in this Chamber knows that we cannot get a bureau of this Government out of existence to save our souls. Now they are coming in droves. During the war we were told that they were needed because of the war. Now we are told that they are needed for the veterans. Every department is asking for more and more employees because, so we are told, the veterans need their help.

Mr. President, if the veterans were able to hear the bureaucrats who are asking for more employees and more money, they would raise literal Cain when they went into the offices around the country and were shunted from pillar to post. If the veterans could hear the leeches who come before congressional committees and ask to be allowed to perpetuate themselves with the power they now have, the veterans would start a new march of victory.

Mr. President, I tell you that this type of legislation is a fraud on the veterans. It puts all Members of Congress in a very peculiar position, because all of us hate to vote against a bill which is proclaimed as one to provide houses for veterans.

Of course, all of us want to help provide more houses.

I desire to explain my position on this measure. I wish to give the incentives to the veterans and I wish to take steps to have the American producers given an opportunity to produce. If we do that, we shall be fair to both, we shall in some measure be paying the debt we owe the veterans who wish to have houses, and we shall make more houses available to everyone throughout the land.

If the Senate votes to reject the amendment which would give the so-called subsidy directly to the veterans, the Senate had better change the name of the bill, for it will no longer be a "Veterans' Housing Act."

Mr. CAPEHART. Mr. President, I rise to make a brief statement which is not particularly on the subject now being considered, but is in line with what the able Senator from Illinois has just stated.

Today there is in Washington a radio manufacturer from Indiana, with whom I have absolutely no connection. During the past 4 months that manufacturer has made six trips to Washington in an endeavor to obtain from the OPA a price of $7.04 on a radio set which he will manufacture. That would be his price to the distributor. The radio set would sell at retail for $12.75. The manufacturer's cost is $6.50. The best price the OPA will allow the manufacturer is $6. He has been before the OPA all day today wrestling with it. A moment ago I received a telephone call that the OPA has declined to permit the price of $7.04 to the manufacturer—a manufacturer who has orders for 170,000 sets to be sold to the public, the poor people, at $12.75; a manufacturer who will put to work, tomorrow, 400 or 500 people, if the OPA will permit him to sell that radio set to his distributors for $7.04. Think of that, Mr. President. The manufacturer is asking the OPA to permit him to set a price of $7.04 to the distributors, on radio sets which will be sold to the public for $12.75. Yet the OPA denies that right to the manufacturer, although he is asking for a profit of only 54 cents on each set. Yet there are those who say that the OPA is not interfering with production in America. I say to you, Mr. President, that the OPA is interfering with production in America. Furthermore, I say that the OPA is violating the law when it denies any manufacturer or anyone else who is in business a legitimate profit.

I apologize to the Members of this body for getting off the subject, because what I have said certainly is not particularly germane to the matter now under consideration. But I just received the message that the bureaucrats have denied the manufacturer the right to make a 54-cent profit on a radio set which would be sold to the public for $12.75.

Mr. BARKLEY. Mr. President, may we have a vote on the pending amendment? The yeas and nays have been ordered. I ask all Senators to remain in the Chamber after the vote is taken on the amendment, in order that we may conclude action on the bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. WHERRY], as modified, proposing a substitute for section 11 of the committee amendment, as amended, which then would read as follows:

SEC. 11. The Administrator of Veterans' Affairs is authorized and directed to pay, under such regulations as he may prescribe, to or on behalf of any veteran of World War II a sum equal to 5 percent of the cost of a dwelling hereafter or heretofore and since December 7, 1941, purchased or constructed by such veteran and to be occupied by him or his family as a home. No payment in excess of $500 shall be made to or on behalf of any such veteran and no payment shall be made to or on behalf of any such veteran with respect to more than one dwelling. Regulations prescribed under this section shall contain such provisions as the Administrator deems necessary to insure the use of payments made under this section for the purpose for which such payments are made.

On this amendment the yeas and nays have been demanded, but they have not been ordered.

Mr. BARKLEY. I think they have been ordered, Mr. President.

Mr. WHERRY. I believe that the yeas and nays have been ordered.

The PRESIDENT pro tempore. The yeas and nays were demanded, but the Chair is advised that they were not ordered.

Is there a sufficient second?

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the senior Senator from Nebraska [Mr. BUTLER]. Not knowing how he would vote, I transfer that pair to the Senator from Ohio [Mr. HUFFMAN], who, if present and voting, would vote as I intend to vote. I am, therefore, at liberty to vote. I vote "nay."

Mr. WALSH (when Mr. MYERS' name was called). I announce that the Senator from Pennsylvania [Mr. MYERS] is attending a meeting of the Board of Visitors at the Naval Academy in Annapolis. If present and voting, he would vote "nay."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. Not knowing how he would vote, I transfer that pair to the Senator from Pennsylvania [Mr. MYERS] who, if present and voting, would vote as I intend to vote. I am, therefore, at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Alabama [Mr. HILL], and the Senator from Ohio [Mr. HUFFMAN] are absent because of deaths in their families.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS] and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

The Senator from Mississippi [Mr. BILBO], the Senator from West Virginia [Mr. KILGORE], and the Senator from Virginia [Mr. BYRD] are detained on official business at various Government departments.

I wish to announce further that, if present and voting, the Senator from Florida [Mr. ANDREWS] and the Senator from West Virginia [Mr. KILGORE] would vote "nay."

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER], the Senator from Oklahoma [Mr. MOORE], and the Senator from Indiana [Mr. WILLIS] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Michigan, [Mr. FERGUSON] and the Senator from Maine [Mr. BREWSTER] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Nebraska [Mr. BUTLER] have general pairs which have been heretofore announced and transferred.

The result was announced—yeas 19, nays 54, as follows:

YEAS—19

Brooks	Hickenlooper	Stanfill
Bushfield	Langer	Wherry
Capehart	O'Daniel	Wiley
Capper	Reed	Wilson
Cordon	Revercomb	Young
Gurney	Robertson	
Hawkes	Shipstead	

NAYS—54

Aiken	Hatch	Murdock
Austin	Hayden	Murray
Ball	Hoey	O'Mahoney
Bankhead	Johnson, Colo.	Overton
Barkley	Johnston, S. C.	Pepper
Briggs	Knowland	Radcliffe
Buck	La Follette	Saltonstall
Carville	McCarran	Smith
Connally	McClellan	Stewart
Donnell	McFarland	Taft
Downey	McKellar	Taylor
Ellender	McMahon	Thomas, Okla.
Fulbright	Magnuson	Thomas, Utah
Gerry	Maybank	Tunnell
Gossett	Mead	Vandenberg
Green	Millikin	Wagner
Guffey	Mitchell	Walsh
Hart	Morse	Wheeler

NOT VOTING—23

Andrews	Eastland	Moore
Bailey	Ferguson	Myers
Bilbo	George	Russell
Brewster	Glass	Tobey
Bridges	Hill	Tydings
Butler	Huffman	White
Byrd	Kilgore	Willis
Chavez	Lucas	

So Mr. WHERRY's amendment was rejected.

ALBERT CANTALUPO

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1089) for the relief of Albert Cantalupo, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate and agree to the same with an amendment as follows:

Amendment No. 3: In lieu of the sum inserted by the Senate amendment insert $1,708; and the Senate agree to the same.

ALLEN J. ELLENDER,
WAYNE MORSE,
Managers on the Part of the Senate.

DAN R. MCGEHEE,
J. EDGAR CHENOWETH,
Managers on the Part of the House.

The report was agreed to.

JAMES LYNCH

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2835) for the relief of James Lynch, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agreed to recommend and do recommend to follows: In lieu of the sum inserted by the Senate amendment insert the sum of $4,514.60; and the Senate agree to the same.

ALLEN J. ELLENDER,
W. LEE O'DANIEL,
Managers on the Part of the Senate.

DAN R. MCGEHEE,
J. M. COMBS,
W. A. PITTENGER,
Managers on the Part of the House.

The report was agreed to.

PERMANENT APPOINTMENTS IN THE REGULAR NAVY AND MARINE CORPS—CONFERENCE REPORT

Mr. WALSH submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1907) to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with amendments as follows:

On page 2 of the House engrossed amendments, lines 3, 6, 8, 14, and 17, strike out "permanent"; and on page 2 of the House engrossed amendments, line 17, strike out "8 per centum" and insert in lieu thereof "7 per centum"; and the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same with an amendment as follows:

Amend the title to read as follows: "An Act to increase the authorized enlisted strength of the active list of the Regular Navy and Marine Corps, to increase the authorized number of commissioned officers of the active list of the line of the Regular Navy, and to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes"; and the House agree to the same.

DAVID I. WALSH,
MILLARD E. TYDINGS,
PETER G. GERRY,
CHAS. W. TOBEY,
LEVERETT SALTONSTALL,
Managers on the Part of the Senate.

CARL VINSON,
P. H. DREWRY,
LYNDON B. JOHNSON,
ED. V. IZAC,
GEORGE J. BATES,
Managers on the Part of the House.

The report was agreed to.

AGREEMENT BETWEEN THE UNITED STATES AND GREAT BRITAIN RELATING TO AIR TRANSPORTATION

Mr. MCCARRAN. Mr. President, about 6 weeks ago I discussed at some length, in this Chamber, the bilateral agreement between the United States and the United Kingdom which had then just been negotiated at Bermuda. To identify this agreement for the benefit of Senators who may not have been present when I discussed it late in February, I may say that the Bermuda agreement covers certain rights to fly into and across the United States, which the agreement purports to grant to air lines of the United Kingdom, and certain similar rights which, by the terms of the agreement, would be granted to United States air lines with respect to flights into and across the United Kingdom. The agreement also comprehended approval by the Civil Aeronautics Board of the International Air Transport Association Conference procedure for fixing rates for international air transportation, and the Civil Aeronautics Board has, pursuant to the Bermuda agreement, approved this ratemaking procedure.

For several weeks the Senate Committee on Commerce has been holding hearings on Senate bill 1814, which was introduced by me, and which would require that international agreements of this type be made, if at all, by treaty.

Those hearings were concluded this morning. I had the honor of being permitted to conclude the hearings with a statement summarizing the issues raised during the hearings, and commenting upon the questions presented. In this statement I also endeavored to lay before the committee a carefully considered opinion on the legal points involved.

Because the subject involved is of tremendous importance to the Nation, and, I think, of considerably more than passing interest to the Senate, I now ask unanimous consent that the statement to which I refer, and which I made before the Commerce Committee, be inserted in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. Chairman, in concluding this hearing on my bill, S. 1814, I shall try to tie up a number of loose ends. I shall discuss certain testimony which has been received during these hearings. I shall discuss the Bermuda agreement from several angles. And I shall discuss the bill itself. I shall also have a few words to say, before I am through, on the question of what is a treaty and the distinction between a treaty and an executive agreement.

I wish to make it clear that I do not propose to discuss all the testimony which has been heard, nor all the phases of the Bermuda agreement. I do not even propose to say all that might be said about the bill or about the question of treaty versus executive agreement. Senators who have not been present at the hearings will, I am sure, wish to read the record for themselves, and the record includes not only the full text of the Bermuda agreement, and the full text of the majority and minority reports of the Civil Aeronautics Board in connection with approval of the Iata conference procedure, but also lengthy discussions of the difference between a treaty and an executive agreement.

Also worthy of study by members of the committee are the statements on behalf of the International Association of Machinists, the Brotherhood of Locomotive Engineers, and the Brotherhood of Railroad Trainmen, and the statements of several other nongovernmental witnesses.

I wish to call the attention of all members of the committee particularly to the very fine statement made on behalf of the American Federation of Labor by Mr. Lewis G. Hines, national legislative representative of the Federation, who appeared before the committee on Tuesday, April 2.

Frequent references have been made during these hearings to the Chicago aviation agreements. I am sure members of the committee are familiar with the transport agreement, commonly referred to as the five freedoms agreement, which came out of the Chicago conference before this committee, and on other occasions, representatives of the State Department have made much of the fact that a substantial number of nations have signed this five freedoms agreement. I invite the attention of members of the committee to the charts inserted in the record at the first day of these hearings, showing the status of the Chicago documents.

The United States has signed the five freedoms agreement; and the State Department says we are bound by it. Now, what other countries have signed? Let me read the list. Afghanistan, Bolivia (but the State Department's chart does not show formal acceptance by Bolivia), China (with a reservation), Costa Rica, Cuba, the Dominican Republic, Ecuado (but no formal note of acceptance has been received from Ecuador, according to the State Department's chart), El Salvador, Ethiopia, Guatemala (but the State Department chart shows no receipt of any note of acceptance from Guatemala), Haiti (but no note of acceptance), Honduras, Iceland (but no note of acceptance), Lebanon (signed ad referendum, and no note of acceptance), Liberia, Mexico (no note of acceptance recorded), the Netherlands, Nicaragua, Paraguay, Peru (no note of acceptance), Sweden, Syria (with a reservation, and no note of acceptance yet received), Turkey (with a reservation), Uruguay (no note of acceptance), Venezuela (signed ad referendum, and no note of acceptance received), the Danish Minister (but Denmark has formally accepted only the interim agreement, and has not accepted the five-freedoms agreement), and the Thai Minister.

Mr. Chairman, the benefits which the United States will receive from the rights granted by those nations in return for the rights they are entitled to from us, as a result of their signature to the five-freedoms agreement, are of very little value to American aviation. Now, what about the nations which really have something to trade? Great Britain has not signed the five-freedoms agreement, nor has any one of the British dominions. France has not signed the five-freedoms agreement. Norway has not signed. Portugal has not signed. Spain has not signed. Other participants in the Chicago conference which have not signed the five-freedoms agreement include Australia, Belgium, Brazil, Canada, Chile, Columbia, Czechoslovakia, Egypt, Greece, India, Iran, Iraq, Ireland, Luxemburg, New Zealand, Panama the Philippine Commonwealth, Poland, Switzerland, the Union of South Africa, and Yugoslavia. With some of these nations, as in the case of Great Britain and France, we have signed bilateral air transport agreements. But those agreements comprehend only an exchange of rights between the United States and the other signatory to the agreement in each case. The theory of the five-freedoms agreement was a reciprocal granting of rights to all other signatories. Because we have signed the five-freedoms agreement, every bilateral agreement we conclude or have concluded with another country, covering air transport, is binding against

us in favor of any nation which has signed or does sign the five-freedoms agreement. But the other signatories to bilateral agreements with us, who have not signed the five-freedoms agreement, are bound only by the terms of the bilateral agreement. They have preserved their bargaining power as against other nations and, as to all matters outside the four corners of the bilateral agreement, as against us. Mr. Chairman, I think those facts are important, and I wanted them in the record.

Mention has been made during these hearings of the fact that the Bermuda agreement comprehends no control whatsoever over frequencies of flight by international air carriers. In connection with this point, there has been some confusion. It should be made clear that whereas section 401 (f) of the Civil Aeronautics Act of 1938 specifically prohibits exercise by the Civil Aeronautics Board of any control over the frequencies of United States air carriers holding certificates for air transportation between this country and foreign nations, section 402 (f) of the act includes broad authority for the Board to prescribe terms, conditions, and limitations which shall attach to any permit issued to a foreign air carrier. This clearly appears to embrace the power to control frequencies of foreign air carriers. It is this power which the Civil Aeronautics Board is giving up under the Bermuda agreement. It is significant that the Congress made different provisions in this respect for United States air carriers, on the one hand, and foreign air carriers, on the other. The intention of the Congress, as ascertained from the Civil Aeronautics Act of 1938, is quite clear. It was the view of the Congress that United States air carriers should not be restricted as to frequencies, but that power to control the frequencies of foreign air carriers should rest with the Civil Aeronautics Board, as an incident to protection of American aviation. This is, therefore, another instance in which the will of the Congress has been flouted by the Bermuda agreement.

During his testimony on the opening day of these hearings, Mr. Baker, of the State Department, called attention to what he said was a fact recognized by the American delegates when they went to Bermuda, namely, that a country into whose air space we wished to fly could prevent us from doing so if our companies charged rates which the foreign nation believed uneconomic. So that there may be no misunderstanding on this point, I should like to make it clear that our position in this respect was not improved by the Bermuda agreement. Unless and until the Congress grants to the Civil Aeronautics Board authority to control rates, the British have reserved all of the rights which they had before the Bermuda Conference relative to stopping American companies from flying into British points. If the Congress does grant the authority to control rates, the Bermuda agreement pledges the Civil Aeronautics Board to use that authority in accordance with what Mr. Baker called advisory opinions of PICAO. Since the British and other foreign governments outvote us on PICAO, it can be seen that under the Bermuda agreement the British will retain effective control over the rates of American carriers landing in British territory, whether Congress acts or not.

Perhaps that point needs a little explanation.

Article 9 of the Bermuda agreement summarized in subparagraph 7 provides, in effect, that any dispute between the two nations relating to the interpretation or application of the Bermuda agreement which cannot be settled through consultation shall be referred for an advisory report to PICAO. Article 8 of the Bermuda agreement provides that if either nation wishes to modify the terms of the annex (which covers routes) it shall consult the other nation, party to the Bermuda agreement. Then, under article 9, if an agreement cannot be reached, the matter is to be referred to PICAO. Subsection (g) of paragraph 2 of the annex to the Bermuda agreement provides that when the two nations cannot agree within a reasonable time upon the appropriate rate after consultation, either party may request, and the other party must agree, to submit the question to PICAO; and both nations agree in advance to use their best efforts under all powers available to them to put into effect the opinion expressed by PICAO in its advisory report.

Thus, in effect, the CAB has abdicated any rights which it may have with respect to rates (and perhaps also with respect to routes) in favor of an international organization on which United States air line can be out-voted 42 to 1.

In this connection, it is interesting that the Bermuda agreement binds the executive branch of the United States Government to seek congressional authority to fix rates for United States air carriers on international air services. But the provisions of article 9, just outlined, provide in effect that if Congress grants such power, the CAB can only use that power in a way approved by the United Kingdom; or, lacking such approval, in whatever way PICAO may direct. In other words, Congress is asked to provide a power but is being told in advance (in an executive agreement) how that power shall be exercised, and under what conditions; and Congress is also being told that the power which it is to be asked to grant shall be subservient to a higher power vested in an international organization. Thus, in effect, Congress is being asked to abdicate its own powers to PICAO.

I call the attention of the committee to the colloquy between Senator CORDON and Mr. Baker, of the State Department during the first day of hearings on this bill. Senator CORDON, speaking of the Bermuda agreement, said: "Your view is that the executive agreement has been reached, signed, and is a fait accompli so far as this country is concerned now?" Mr. Baker replied: "It is my understanding." Senator CORDON then said: "As far as the presentation to this committee is concerned, you are simply presenting a history of something that is done." Mr. Baker replied: "As far as the executive agreement, the air-transport agreement, which is considered to be an executive agreement—that would be true, Senator. It gets a little complicated because part of the agreement is that the executive branch of the Government would urge upon the Congress certain future action, which would be solely within the province of the Congress."

I think that colloquy is important for two reasons. First, it makes it very clear that the State Department's attitude is that the Bermuda agreement, arrived at in secret and without any consultation with the Congress, is completely binding, and that Congress can do nothing to undo it. Secondly, the latter part of Mr. Baker's statement, which I have just read, was somewhat misleading. The "future action" which Mr. Baker referred to as to be urged upon the Congress by the executive branch of the Government, is the proposal to grant statutory authority for the regulation of rates and frequencies in international air transportation. Mr. Baker said this would "be solely within the province of the Congress." The fact of the matter is, as I have just pointed out, that under the Bermuda agreement, any authority of that nature which the Congress might grant would have to be exercised not at the discretion of the Civil Aeronautics Board, but in accordance with the actions of PICAO. In other words, the provisions of the Bermuda agreement, which Mr. Baker has said constitute a fait accompli, signed, sealed, and delivered, would by their terms control the exercise of any authority over rates, fares, and frequencies which the Congress might see fit to grant to the Civil Aeronautics Board. Mr. Chairman, if that is not a clear attempt to tie the hands of Congress with respect to its future action, I have never seen one.

Members of the committee will also find interesting an interchange between Senator BREWSTER and Mr. Baker, which also occurred on the first day of the hearings. Speaking of the Bermuda agreement, Senator BREWSTER asked: "Is this now a fait accompli? Does it require the approval of the President or Secretary of State?" Mr. Baker replied: "As I understand it, I was specifically granted by the President full powers to sign an executive agreement at Bermuda after he had had described to him the material which was to be signed." Senator BREWSTER then asked: "You were given full authority to sign for the President and you did so?" Mr. Baker replied: "I did so."

Mr. Baker of the State Department testified before this committee that the purpose of the Civil Aeronautics Board, in asking for authority from Congress to fix and control rates in international air transportation, and the desire of the State Department in negotiating an agreement that such authority from the Congress would be sought, was to give the Civil Aeronautics Board discretion to go into rate matters and to control such matters. As a matter of fact, the executive branch of the Government already, and before any power of that nature has been granted by the Congress, has abdicated its discretion in that respect, through the provision of the Bermuda agreement requiring ultimate submission of disagreements to PICAO, and binding this Government to do everything in its power to put into effect the advisory opinion which PICAO may render in any case. Since we have agreed to do everything we can to make a PICAO opinion valid, and to enforce it, even to the extent of pledging in advance the authority which Congress has been asked to grant it cannot be denied that the opinions which PICAO will render are certainly somewhat more than advisory.

Members of the committee will remember the lengthy statement of the State Department which Mr. Baker read into the record in answer to an anonymous memorandum which apparently concerned him greatly. That statement of the State Department contains one very interesting passage. After stating that it is assumed that Great Britain will operate its air lines at a lower cost than is possible for American carriers, that statement of the State Department went on to declare that if it is true that the foreign operators are to be the low-cost operators of the future, then—and I quote—"control of rates through adequate powers conferred upon the CAB is not only advantageous but essential for the development of American international aviation." That is our State Department speaking, Mr. Chairman. And yet, in the face of that statement, the power of the CAB to control the rates of foreign air carriers has been traded away under the Bermuda and Paris agreements. In that connection, Mr. Chairman, I should like to point out that the power to control rates which the CAB is asking Congress to grant refers only to the rates of United States air carriers in international air transportation. With respect to foreign air carriers, the Civil Aeronautics Act granted to the CAB powers which would enable it to control the rates of such carriers; and, except to the extent that those powers may have been traded away at Bermuda and elsewhere, they are possessed by the CAB today. The situation, therefore, is exactly this: We have traded away our right to control the rates of foreign air carriers, but the Congress is now being asked to grant control over the rates of United States air carriers, with the express understanding that such power, if

granted, will not be exercised in the discretion of the Civil Aeronautics Board, but in accordance with the findings and opinions of PICAO, an international body on which we are heavily outvoted. We have given up our right to control the rates of British air carriers, but, on the other hand, have agreed to try to hand over to Great Britain and her satellite nations, through PICAO, a measure of control over the rates of United States air carriers which Great Britain could not acquire in any other way.

Now let me turn to another phase of this matter.

Under date of February 11, 1946, the State Department issued a press release explaining the Bermuda agreement. Subparagraph (i) of paragraph 6, on page 2 of this release, stated that one of the high lights resulting from the Bermuda Conference is—and I quote—"Rates to be charged by air carriers operating between points in the United Kingdom and points in the United States are to be subject to governmental review." Mr. Chairman, there is no present authority in law for any agency in the executive department of the United States Government to control or "review" rates to be charged by United States air carriers operating between any point in the United States and any point outside the United States, in international air transportation. Therefore, such rates can be made subject to governmental review only on the theory that the Bermuda agreement itself conveys the right for such review. Since the Bermuda agreement is, according to the State Department, an executive agreement, and not a treaty, it cannot convey any rights nor supersede, amend, amplify, or alter any statutes. Therefore, the Bermuda agreement, if this statement of the State Department is to be accepted at face value, binds the United States to a principle for which there is no legal authorization. It commits the United States to a "review" of rates which it has no right to require and which it cannot enforce.

Section 801 of the Civil Aeronautics Act of 1938 provides that "the issuance, denial, transfer, amendment, cancellation, suspension, or revocation of, and the terms, conditions, and limitations contained in, any certificate authorizing an air carrier to engage in overseas or foreign air transportation, or air transportation between places in the same territory or possession, or any permit issuable to any foreign air carrier under section 402, shall be subject to the approval of the President." Granting to the United Kingdom the freedom to determine the frequency of operations of its air lines to and from the United States must be interpreted either as (1) abrogating this right of the President to approve, or (2) relegating Presidential approval to the status of a mere ministerial act by requiring him to rubber stamp any decision which the United Kingdom may make with regard to its air lines operating to and from this country. It is extremely doubtful, in law, whether the right of approval specifically granted to the President by act of Congress, and by its terms (as well as in practice, heretofore) a discretionary power, can be nullified or coerced in any such way, by means of a mere executive agreement.

From a national defense standpoint, the Bermuda agreement, the agreement with the French, other bilateral air transport agreements entered into between the United States and foreign nations, and the five freedoms agreement which we signed at Chicago should have, and undoubtedly do have, great interest to the high command of our Army, Navy, and Air Force. The combined effect of all these agreements is to grant rights to a number of foreign nations to operate unlimited schedules across the United States. No one can say yet how many foreign air lines eventually will have such rights. It has been clearly brought out during these hearings that the rights which we have granted to the British, and to the French, are a controlling element with respect to the rights which we must grant to any other nation which elects to sign the five freedoms agreement. I do not know whether it is the policy of the State Department to permit the high command to voice opinions when diplomatic negotiations for the surrender of our air sovereignty are pending. I cannot imagine that our high command would favor or does favor the idea of 10 or a dozen or more foreign air lines operating unlimited schedules on routes crisscrossing the United States. The right for any foreign country to fly over the United States at will, to use the strategic outposts of Hawaii, Midway, and Guam, is a question of great concern to our national security. That is one reason why the Congress provided, in section 402 (g) of the Civil Aeronautics Act of 1938, that any permit issued to a foreign air carrier might be altered, modified, amended, suspended, canceled, or revoked by the Civil Aeronautics Board whenever the Board should find such action to be in the public interest. It is one reason why the Congress provided, in section 402 (e) of the Civil Aeronautics Act, that permits to foreign air carriers should be granted only after public notice and after opportunity for any interested person to file a protest or memorandum of opposition to the issuance of the permit. Those provisions of the act appear to have been either overlooked or deliberately nullified by the representatives of this country in negotiating the Bermuda agreement.

Mr. Chairman, the committee certainly should give consideration to the views of the President in this matter. President Truman's statement on the Bermuda agreement, issued on February 26, has been made a part of the record in these hearings. Let me quote from that statement:

"Because civil aviation involves not only problems of transportation but security, sovereignty, and national prestige problems as well, the joint working out of air-transport agreements between nations is a most difficult one. Many countries, naturally desirous of having air-transport companies of their own and with treasuries heavily depleted by their war efforts, have a genuine fear of the type of rate war with which the history of various forms of transportation has been so full. In the Bermuda agreement the executive branch of the United States Government has concurred in a plan for the setting up of machinery which should protect against the type of rate war feared by so many of the countries through whose air space we desire that our airplanes have the right to fly."

Mr. Chairman, what the President says there is, in effect, that foreign countries are afraid they cannot operate as cheaply as we can; and that the Bermuda agreement protects these countries against any possibility that American companies will give the public the advantage of this ability to fly more cheaply. In other words, the President says—and he is right—that not only Great Britain, but many other countries who have been worrying for fear we should get most of the overseas traffic by doing the job cheaper than anyone else, now have nothing to worry about on that score. I am unable to tell whether the President is happy about this, and whether he has endorsed the Bermuda agreement in spite of this or because of it.

The passage I have just quoted from the President's statement indicates that the decision with respect to rate regulations, which was reached at Bermuda, involved considerations of security, sovereignty, and national prestige. Later in his statement, the President quoted approvingly what he called the major purpose of the two Governments, using the language of the Bermuda agreement that—and I quote:

"The two Governments desire to foster and encourage the widest possible distribution of the benefits of air travel for the general good of mankind at the cheapest rates consistent with sound economic principles."

Certainly, Mr. Chairman, such considerations as security, sovereignty, and national prestige, and the desire of many countries to have air-transport companies of their own, have nothing to do with "sound economic principles." Perhaps it is noteworthy that the President did not say that the Bermuda agreement carries out the major purpose which he approved, but rather stated only that the results of the Bermuda Conference "constitute a * * * forward step."

Mr. Chairman, the question of what kind of a trade was made at Bermuda has been very thoroughly explored at these hearings. These are just a few points I want to clear up for the record.

It has been stressed several times during this hearing that the United States obtained, under the Bermuda agreement, landing rights at 17 points in the British Empire in exchange for a grant to the British of landing rights at 9 traffic centers in the United States. This comparison does not tell the whole story. The important factor is the volume of tourist traffic and business passenger traffic originated at the respective points at which landing rights have been granted. Involved in this consideration are such questions as the composition of the population, relative standards of living, traveling habits, and so on. When these considerations are taken into account, it becomes very clear that the potential traffic opened up to the British is substantially greater than the traffic American lines may hope to obtain from the 17 points in the British Empire at which landing rights have been granted to us.

In his statement before the committee on February 27, Mr. Welch Pogue said that—and I quote: "It is, of course, impossible to compute mathematically the passenger miles which the agreement provides United States carriers or the passenger miles which it provides British carriers." Mr. Chairman, that statement is technically correct. It is impossible to compute mathematically the figures in question. It certainly should not be impossible to make fairly accurate estimates, on the basis of known travel figures. But Mr. Pogue and Mr. Baker told us, in response to subsequent questioning, that no such estimates had been made. Yet a little farther along in the same paragraph from which I have already quoted, Mr. Pogue said—and I quote: "However, since the important thing is not the length of the route, but the amount of traffic which is carried over the route, estimates of route mileages are only misleading. * * * Passenger mileage is the significant statistic." Mr. Chairman, I think it is proper to ask, since it was recognized that passenger mileage over these new routes was the most important factor, why no effort was made to estimate the passenger mileage involved in the routes which we granted Great Britain and those which we received in return.

Now, another point. A member of the commitee expressed the opinion, during the course of these hearings, that Americans would prefer to travel on American-flag lines and therefore that there was no danger of traffic being diverted from American air carriers to British or other foreign air lines. I think an excellent answer to that assumption is the record of the historic traffic pattern in surface transportation overseas. The report on overseas air-service patterns, prepared by Mr. F. H. Crozier, of the Civil Aeronautics Board, and issued in December 1944, shows that 89 percent of all the money paid by United States residents for travel overseas on surface vessels went to foreign steamship lines. The same study shows that 72 percent of all money paid for overseas travel between the United States and foreign countries, by surface vessels, was paid by United States residents. Yet United States steamship lines

received only 9.4 percent of all overseas surface travel revenues. Breaking those figures down further, we find that United States residents, in the calendar year 1938, spent $61,800,000 for travel across the Atlantic by surface vessel; and they spent $55,000,000 of that total for travel on foreign steamships. That certainly does not establish any traditional preference by Americans for travel on American-flag ships.

Perhaps this is as good a time as any to raise a point about which I feel very strongly. In his report on this bill the Secretary of State declared that—and I quote—"During the last several years, the Department of State has conscientiously and, I believe, effectively carried out a policy of consultation with appropriate congressional leaders on important foreign negotiations." Mr. Chairman, this statement by the Secretary was cited with approval by the Director of the Budget in his brief report on this bill, which echoes an amen to the report of the Secretary of State. Summarizing the Secretary's statements in this regard, the Budget Director referred to the State Department report as one—and I quote—"in which the Department indicated its complete satisfaction with the policy which has been pursued during the last several years of consulting with appropriate congressional leaders on important foreign negotiations which may be expected to develop into the conclusion of agreements or treaties requiring action on the part of the executive branch of the Government." Mr. Chairman, if that is the policy of the State Department, the Department certainly departed from its policy in connection with the Bermuda and Paris agreements. Those agreements were negotiated in secret, and entirely without either prior or contemporary consultation with any Members of Congress, so far as I know. Certainly this committee was not consulted, and Mr. Baker testified he had not consulted any Member of Congress. Perhaps the State Department did not feel there were any Members of Congress who were "appropriate" for consultation in this case. Mr. Chairman, I want to say most emphatically that, in my opinion, while consultation between executive departments of the Government and Members of Congress is a highly desirable practice, I do not believe it is proper for any executive department to decide for itself, in a case of this kind, who are the appropriate Members of Congress to be consulted. The matter of our international aviation policy is one for the Congress as a whole to determine.

Members of the committee have asked me to make some comment on the authority by which the Bermuda agreement was consummated and implemented.

This question divides itself into two parts: First, the authority by which the State Department entered into the agreement; second, the authority under which the Civil Aeronautics Board approved the IATA conference-procedure agreement. There are some other questions of authority, such as the apparent commitment of the Civil Aeronautics Board under the Bermuda agreement to review rates of United States air carriers in international air transportation, but since, so far, there has been no attempt by the Civil Aeronautics Board to exercise authority in these other fields I speak of, the question of authority narrows down to the two points I have just mentioned.

With respect to the authority of the State Department to negotiate the Bermuda agreement, the State Department's position was made clear in a memorandum read by Mr. Blake, which members of the committee will recall Mr. Blake said was in answer to an anonymous memorandum which he said had been circulated among Members of Congress. In the State Department memorandum, which Mr. Blake read, the following statement was made:

"Under the Civil Aeronautics Act of 1938, the President is empowered to grant air-transport rights to foreign nations through the CAB by means of agreements negotiated by the Department of State in consultation with the Board. These agreements must be within the framework of the existing statute. The State Department believes that the air-transport agreement with Great Britain was negotiated within these powers and conditions." Mr. Chairman, I have already pointed out that the State Department did not contend that its authority to negotiate an executive agreement at Bermuda was derived from the constitutional powers of the President, but that it was statutory authority. The quotation I have just made from the State Department memorandum sums the Department's position up quite clearly; and since Mr. Blake told us that memorandum was prepared in answer to criticism on this point of authority, I think we may quite properly take this statement from the State Department memorandum as the basis for discussion of this point.

Let me read it again:

"Under the Civil Aeronautics Act of 1938, the President is empowered to grant air-transport rights to foreign nations through the CAB by means of agreements negotiated by the Department of State in consultation with the Board. These agreements must be within the framework of the existing statute. The State Department believes that the air-transport agreement with Great Britain was negotiated within these powers and conditions."

Mr. Chairman, section 801 of the Civil Aeronautics Act provides that:

"The issuance, denial, transfer, amendment, cancellation, suspension, or revocation of, and the terms, conditions, and limitations contained in, any certificate authorizing an air carrier to engage in overseas or foreign air transportation, or air transportation between places in the same territory or possession, or any permit issuable to any foreign air carrier under section 402 shall be subject to the approval of the President. Copies of all applications in respect to such certificates and permits shall be transmitted to the President by the Authority before hearing theron, and all decisions thereon by the Authority shall be submitted to the President before publication thereof. This section shall not apply to the issuance or denial of any certificate issuable under section 401 (e) or any permit issuable under section 402 (c) or to the original terms, conditions, or limitations of any such certificate or permit."

Section 802 of the Civil Aeronautics Act reads as follows:

"The Secretary of State shall advise the Authority of, and consult with the Authority concerning, the negotiation of any agreements with foreign governments for the establishment or development of air navigation, including air routes and services."

Section 1102 of the Civil Aeronautics Act reads as follows:

"In exercising and performing its powers and duties under this act, the Authority shall do so consistently with any obligation assumed by the United States in any treaty, convention, or agreement that may be in force between the United States and any foreign country or foreign countries, shall take into consideration any applicable laws and requirements of foreign countries and shall not, in exercising and performing its powers and duties with respect to certificates of convenience and necessity, restrict compliance by any air carrier with any obligation, duty, or liability imposed by any foreign country: *Provided*, That this section shall not apply to any obligation, duty, or liability arising out of a contract or other agreement, heretofore or hereafter entered into between an air carrier, or any officer or representative thereof, and any foreign country, if such contract or agreement is disapproved by the Authority as being contrary to the public interest."

Now, Mr. Chairman, each of these three sections of the Civil Aeronautics act has at one time or another been cited by one or more proponents of the Bermuda agreement as the basis for the authority to negotiate that agreement. Let us consider them one by one.

Section 801 comes closest to meeting the statement of the State Department that under the Civil Aeronautics Act of 1938, the President is empowered to grant air transport rights to foreign nations through the CAB by means of agreements negotiated by the Department of State in consultation with the Board. Actually, of course, both sections 801 and 802 must be considered together to get any such concept. And, if we examine these sections very, very perfunctorily, it might appear that they do grant such authority. A somewhat closer examination, however, reveals several interesting facts.

First, section 801 does not grant the President the right to give air transport rights to foreign nations. It does provide that the CAB can act in this regard only subject to the approval of the President. That may sound like a technical distinction, but it is a very important one. It is important because, on the one hand, you have an assumption that the President may do whatever he pleases about granting rights to foreign air lines, and merely use the CAB as an implement for his actions. On the other hand—and this, Mr. Chairman, is what the Civil Aeronautics Act provides—the President is given only what amounts to a veto power over the actions of the CAB in connection with rights granted to foreign air carriers, or to United States air carriers to engage in overseas or foreign air transportation. I believe it is going entirely too far to assume that this veto power implies the power of the President to go ahead, after he has disapproved a CAB finding, and make whatever agreement or grant whatever rights he may see fit to make or grant. The President does not have that power under the Civil Aeronautics Act. Let me point out further, that section 801 requires that copies of all applications in respect to certificates and permits for overseas or foreign air transportation shall be transmitted to the President before hearing. That portion of the section was not complied with in the case of the Bermuda agreement. As a matter of fact, as we all know, the Bermuda agreement granted rights to foreign air carriers without any hearing whatsoever. Mr. Chairman, it is axiomatic in the law that he who seeks to invoke a statute must himself comply with it. I do not see how the State Department or the Civil Aeronautics Board can claim any authority under section 801 of the Civil Aeronautics Act unless the authority in question was exercised in full compliance with that section.

Now let us consider section 802. This section does not, as the State Department memorandum would lead us to believe, convey any authority to the State Department to negotiate agreements granting air transport rights to foreign nations. Let me read the language of section 802 again:

"The Secretary of State shall advise the authority of, and consult with the authority concerning, the negotiation of any agreements with foreign governments for the establishment or development of air navigation, including air routes and services."

All that section says is that when the Secretary of State is about to negotiate or is negotiating any agreements with foreign governments for the establishment or development of air navigation, including air routes and services, he shall advise the Civil Aeronautics Board of the negotiations and shall consult with the Board concerning them. This is not a grant of power; it is a restriction upon the authority of the State Depart-

ment. The authority to negotiate agreements with foreign governments for the establishment or development of air navigation, including air routes and services, lies outside this section; it lies outside the Civil Aeronautics Act. All this section does is say that in exercising whatever authority he may have for the negotiation of such agreements, the Secretary of State shall advise the Civil Aeronautics Board of, and consult with the Board concerning, the negotiation of agreements of the type specified. If the Secretary of State has authority to negotiate a certain agreement by treaty, and only by treaty, then section 802 of the Civil Aeronautics Act says that if that agreement concerns establishment or development of air navigation, it can be negotiated only after advice to and consultation with, the Civil Aeronautics Board.

The State Department complied with section 802 of the Civil Aeronautics Act in negotiating the Bermuda agreement, since the representatives of the Civil Aeronautics Board were present in Bermuda and, in fact, we are told, actually negotiated the agreement, the State Department representative only signing what had been negotiated by the CAB. However, the fact that the Department complied with the provisions of this section has no bearing on the question of whether the Department had any authority in law to negotiate the agreement.

Now, Mr. Chairman, let us look at section 1102 of the Civil Aeronautics Act. This is the other side of the coin. Whereas section 802, as we have seen, put a limitation on the power of the State Department, namely, that in negotiating agreements with foreign governments for the establishment or development of air navigation, whether by treaty or otherwise, it should advise and consult with the Civil Aeronautics Board, section 1102 provides that the Board, in exercising and performing its powers and duties under the Civil Aeronautics Act, shall have due regard for obligations assumed by the United States in any treaty, convention, or agreement that may be in force between the United States and any foreign country or foreign countries. Section 1102 does not convey any authority to the Civil Aeronautics Board. It is a restriction upon the Board. It refers to the powers and duties of the Board under this act. That is, the powers and duties granted by sections of the act other than section 1102. It provides that in exercising and performing its powers and duties under the act, the Board shall do so consistently with any obligation of the United States that may be in force between the United States and any foreign country or foreign countries. Note the language of the section:

"Any obligation assumed by the United States in any treaty, convention, or agreement that may be in force." This clearly contemplates that treaties, conventions, or other agreements may be entered into; and it provides that when they have been entered into, the Civil Aeronautics Board shall exercise and perform its powers and duties consistently with any obligations thus assumed by the United States. I think members of the committee will agree with me that a treaty, convention, or agreement is not in force between the United States and any foreign country unless it has been negotiated and entered into under existing constitutional or statutory authority. Thus the question of whether the Bermuda agreement was entered into under proper authority and is, therefore, binding on the United States, is a question preliminary to determination of whether the Civil Aeronautics Board, under the provisions of section 1102 of the Civil Aeronautics Act, must exercise and perform its powers and duties under that act consistently with the Bermuda agreement. Since it is necessary to show conclusively that the agreement is in force before we can apply to the Civil Aeronautics Board the restriction imposed by section 1102, certainly we may not put the cart before the horse and say that section 1102 makes the Bermuda agreement good, regardless of whether it was negotiated and consummated under proper authority.

So much for the question of the authority under which the Bermuda agreement was entered into. Now, Mr. Chairman, let us consider the question of the authority of the Civil Aeronautics Board to approve the IATA conference procedure.

Members of the committee will recall that Mr. Pogue took issue with Senator BREWSTER when the Senator made reference to the "Legal validity of the Board's assumption of jurisdiction here."

Mr. Pogue said, at that time—and I quote—"The authority to decide on this specific kind of a set-up is in section 412, and it specifically mentions this kind of thing on rates."

Section 412 of the Civil Aeronautics Act provides as follows:

"(a) Every air carrier shall file with the Authority a true copy, or, if oral, a true and complete memorandum, of every contract or agreement (whether enforceable by provisions for liquidated damages, penalties, bonds, or otherwise) affecting air transportation and in force on the effective date of this section or hereafter entered into, or any modification or cancellation thereof, between such air carrier and other air carrier, foreign air carrier or other carrier for pooling or apportioning earnings, losses, traffic, service, or equipment, or relating to the establishment of transportation rates, fares, charges, or classifications, or for preserving and improving safety, economy, and efficiency of operation, or for controlling, regulating, preventing, or otherwise eliminating destructive, oppressive, or wasteful competition, or for regulating stops, schedules, and character of service, or for other cooperative working arrangements.

"(b) The Authority shall by order disapprove any such contract or agreement, whether or not previously approved by it, that it finds to be adverse to the public interest, or in violation of this act, and shall by order approve any such contract or agreement, or any modification or cancellation thereof, that it does not find to be adverse to the public interest, or in violation of this act."

Mr. Chairman, I was intimately concerned with the framing and enactment of the Civil Aeronautics Act of 1938. I spent a good deal of my time for many weary months laboring with this subject. We tried as best we could to anticipate every possible contingency, and to phrase the language of the act so carefully as to cover every such contingency. I am sorry if we failed. But I want to say, here and now, that if we had anticipated that any such interpretation would have been placed upon section 412 as has been placed upon it by the Civil Aeronautics Board in connection with the Board's approval of the IATA conference procedure, we should certainly have amended the language. This is one contingency we did not foresee. This section was intended to require the filing of tariffs by United States air carriers engaged in air transportation within the United States, over whose rates and fares the Board has jurisdiction. It was intended also to require the filing of agreements for joint rates and fares, for divisions of such fares, for pooling of equipment, and for various other matters which might be the subject of agreements between air carriers, whether foreign or domestic. It was also intended to require the filing of any agreements between an air carrier and any other carrier—rail or steamship, for instance, to the end that all such fares and agreements might be scrutinized by the Board before becoming effective. In writing the provisions of the act with respect to agreements between air carriers and other common carriers—those provisions are contained in section 1003 of the act—we used language which makes it clear that the rates, fares, and charges referred to were joint rates, fares, and charges. In writing the language of section 412, we were not, perhaps, quite so careful.

But I submit to you that the intent of the Congress in this connection is readily ascertainable from a reading of the act as a whole, even though it is not spelled out in the section cited. In fact, it is my belief that a reading of section 412 as a whole, without tearing any single phrase out of its context, makes it clear what the Congress intended. I am happy to say that at least one member of the Civil Aeronautics Board understood well enough what the Congress intended. I hope every member of the committee will read carefully, if he has not already done so, the minority opinion of Mr. Josh Lee in connection with the CAB decision on the IATA case. Let me quote one paragraph from Mr. Lee's opinion:

"I further recognize that it will be necessary for the carriers to arrive at understandings in order to facilitate the establishment of through service and joint rates. The Board can, therefore, at its discretion look favorably upon the agreements between connecting carriers for the interchange of traffic, for the coordination of schedules, for the establishment of through services, and for the fixing of joint rates. If these agreements are worked out directly between the connecting carriers themselves without involving other carriers, such agreements should have no adverse effects upon the reservation of competitive incentives and the determination of competitive rates by the action of each carrier. That is, I believe, the type of agreement which Congress anticipated might receive the Board's approval under section 412 (b) of the act."

Mr. Chairman, I have spent perhaps too much time on the question of the intent of Congress in enacting section 412 of the Civil Aeronautics Act. I have done so because I feel particularly well qualified to express an opinion as to that intent, and because it is my belief the committee is entitled to whatever light I may be able to throw on that question. The real crux of the situation, however, is whether the Civil Aeronautics Board has acted within the authority conveyed by section 412, whatever that authority may be.

On this point I can do no better than to again quote Mr. Lee:

"The IATA traffic conference resolution or agreement is admittedly intended to facilitate rate fixing and other joint action with regard to the kind and amount of service to be furnished by international air carriers. Such negotiations or agreements would constitute violations of the antitrust laws of the United States unless the basic agreement providing for this concerted action is approved by the Board, which approval will, pursuant to section 414 of the act, relieve the persons affected from the application of the antitrust laws.

"Section 412 of the act directs that the Board disapprove any contract or agreement submitted to it that it finds to be adverse to the public interest. In my opinion"—and I want to say there, Mr. Chairman, that is not only Mr. Lee's opinion; it is my opinion as well—"the traffic conference agreement submitted to us herein is adverse to the public interest for the reason that it is incompatible with the carefully established international air policy of the United States, and no sound reasons have been advanced why we should abandon this policy, permanently or temporarily."

Mr. Chairman, it has been stated at this hearing that the IATA Conference procedure for fixing rates in international air transportation is a cartel agreement. I do not wish to labor this point, but so that members of

the committee may ponder the matter for themselves, I want the record to contain a statement of what a cartel is.

Broadly speaking, a cartel is an agreement between companies, nominally competitive, to eliminate competition between them. Most cartel agreements contain provisions for the limitation of output, division of markets, and often for the fixing of prices. The word is often used interchangeably with the word "monopoly," although such use is probably not technically correct since the word "monopoly" also connotes the control of an industry by a single company as well as control by many companies operating through agreements. The word "cartel" does not apply to single-company domination, but rather applies to the understandings and agreements between companies for the joint control and private regulation of production and marketing. Cartel agreements are not necessarily formal or in writing.

The encyclopedia of the social sciences describes a cartel as an association based upon a contractual agreement between enterprises in the same field of business, which, while retaining their legal independence, associate themselves with a view to exerting a monopolistic influence on the market.

In common parlance the word more often refers to agreements between companies of different countries (sometimes cartels have been called private international economic governments), but the term does not necessarily refer merely to international agreements. It has also sometimes been used to refer to agreements between domestic companies, to regulate domestic production and marketing.

Now, Mr. Chairman, let me call the attention of the committee to a paragraph from the statement made by Mr. L. Welch Pogue, before this committee, on February 27. Mr. Pogue said—and I quote—"In addition to air transport rights in * * * strategic United Kingdom territories, it is also essential to obtain rights in several other strategic areas whose governments are guided by the United Kingdom in their policy and attitude toward air transport. Although obviously this agreement could not avoid landing rights in the territories of these sovereign countries, there is little doubt that the manifested willingness of the United Kingdom not only to cooperate with the United States but in large part to embrace its basic air-transport policy, will be of great assistance in obtaining the necessary traffic rights in these other countries." Mr. Chairman, Mr. Pogue was talking about the Bermuda agreement. I submit that the language which I have just quoted means only one thing: That in negotiating the Bermuda agreement, we were dealing with Great Britain as the head of a cartel, and that we recognized that fact.

Mr. Chairman, I promised to discuss the question of the difference between a treaty and an executive agreement. We have had considerable difficulty with that question during the course of these hearings.

The letter of the Secretary of State, which was read to the committee by Mr. Miller, reporting on this bill, refers to numerous agreements with foreign countries respecting aviation, and declares that "in all of these cases the agreements have been consistent with and could be carried out under the terms of existing legislation." A little later in that statement, the Secretary of State points out that "throughout the history of this country, there have been numerous instances where foreign negotiations have been concluded through agreements authorized or approved by acts of Congress in one of the fields of congressional responsibility under the Constitution. So long as these agreements remain with the scope of declared congressional policy, there would appear to be no objection whatever to this procedure."

In other words, Mr. Chairman, the Secretary of State recognizes the principle that executive agreements must be carried out consistent with and under the terms of existing legislation, and within the scope of declared congressional policy. The authority for executive agreements, therefore, is statutory. Now, that being the case, certainly Congress can withdraw that authority, either with respect to specific statutes, or with respect to any particular field of negotiations. That should dispose of any contention that S. 1814 is either unconstitutional or improper. The authority for making executive agreements comes from Congress; and Congress can take it away or modify it or circumscribe it, as Congress will.

In that connection, I call the attention of the committee to the statement made by Mr. Miller on the occasion on his appearance before the committee on March 7, that the Bermuda agreement "was only deemed to be within the power of the Executive because of the existing authority vested in the Executive by virtue of previous legislation in Congress."

I am rather inclined to approve the definition of executive agreement offered by our chairman, who said that "an executive agreement is an agreement entered into by the executive department with another country, on behalf of the United States, founded upon an existing treaty or derived from an act of Congress and existing only so long as the authority of the Congress exists."

While Mr. Miller of the State Department, in his discussion of executive agreements, contended that one source of authority whereby foreign agreements may be concluded, other than as treaties, is the inherent constitutional power of the President as the Chief Executive and diplomatic officer of the Government and Commander in Chief of the armed forces, to conclude agreements with foreign countries within the scope of his constitutional responsibilities, Mr. Miller went on, as I have pointed out, to make it clear that he does not consider the authority for making the Bermuda agreement, or similar agreements, to stem from this source. In fact, Mr. Miller cited what he referred to as, and I quote, "the various so-called executive agreements in the field of international civil aviation," as examples of agreements 'concluded by the executive branch in conjunction with legislative action by the Congress under one of its delegated powers." And Mr. Miller went on to say that "while for want of a better term such an agreement is customarily referred to as an executive agreement, it might with equal correctness be called a congressional agreement, since in the nature of this type of instrument its provisions could not be binding upon, or carried out by, the United States without legislative action by the Congress." Pointing out that there may be several different methods in which action by the legislative and executive branches may be combined to bring into being an agreement of this nature, Mr. Miller said that "in the first place, an agreement may be entered into with a foreign country under general powers vested in the executive branch through previous action by Congress." He then cited the various so-called executive agreements in the field of international civil aviation as examples of this type of agreements.

On this question of treaties versus executive agreements, I am somewhat inclined to agree with William Ephraim Mikel, who wrote in his book Limitations on the Treaty-Making Power that something has been written on the extent of the treaty-making power of the President and the Senate. Little has been decided.

Article II of the Constitution, section 2, clause 2, gives the President the power to make treaties by and with the advice and consent of two-thirds of the Senate present at the time, and such treaties are the supreme law of the land. These constitutional provisions contain no definition of the word "treaty" or the words "executive agreements."

It has long been recognized that a treaty is not immutable, but rather is subject to acts of Congress. In 112 U. S. 580, the Supreme Court, back in 1884, declared that: "We are of opinion that, so far as a treaty made by the United States with any foreign nation can become the subject of judicial cognizance in the courts of this country, it is subject to such acts as Congress may pass for its enforcement, modification, or repeal."

Bouvier's law dictionary, third revision, volume 2, page 3312, defines a treaty as a compact between two or more independent nations with a view to the public welfare. Bouvier's continues: "Treaties are for a perpetuity, or for a limited time. Those matters which are accomplished by a single act and are at once perfected in their execution are called agreements, conventions, and pactions, but the distinction in name is not always observed."

Here is another pertinent quotation from Bouvier's: "A treaty may supersede a prior act of Congress, and an act of Congress may supersede a prior treaty." And again: "When a treaty is inconsistent with a subsequent act of Congress, the latter will prevail, the Constitution does not declare that the law established by a treaty shall never be altered or repealed by Congress, and while good faith may cause Congress to refrain from making any change in such law, if it does so, its enactment becomes the law. No person acquires any vested right to the continued operation of a treaty. Although the other party to the treaty may have ground of complaint, still everyone is bound to obey the latest law passed."

In the case *Altman and Co.* v. *U. S.* (224 U. S. 583), the question was raised but not decided, as to whether under the provisions of the Constitution of the United States an agreement is a treaty unless made by the President and ratified by two-thirds of the Senate.

Black's Law Dictionary, third edition, page 1752, defines a treaty as an agreement, league or contract between two or more nations or sovereigns, formally signed by commissioners properly authorized, and solemnly ratified by the several sovereigns or the supreme power of each State.

Mr. Charles Cheney Hyde's textbook on International Law, volume 2, page 1405, carefully points out that the Constitution contains no definition of a treaty and no statement declaring under what circumstances a conventional arrangement purporting to bind the United States must be dealt with according to the procedure that is mandatory in the case of treaties."

Mr. Green Haywood Hackworth, in his Digest of International Law, volume 5, page 390, cites with approval a memorandum prepared by a former solicitor of the Department of State, classifying agreements made by the Executive and not submitted to the Senate as (1) "Agreements made pursuant to authority contained in acts of Congress," and (2) "Agreements entered into purely as Executive acts without legislative authorization."

On page 402 of the same volume, Mr. Hackworth quotes Under Secretary of State Grew as follows:

"In addition to the authority of the President under the Constitution to negotiate and sign treaties with foreign governments and by and with the advice and consent of the Senate to ratify them, the Executive is empowered without legislative sanction to conclude with foreign governments certain classes of agreements which are not classified as treaties in the sense in which that term is used in the Constitution. These agreements are concluded by virtue of the authority inherent in the Chief Executive under the Constitution, and are confined to subject matter within the purview of his constitutional authority."

Mr. Wallace Mitchell McClure, in his book International Executive Agreements, at page 277, says: "Perhaps there is no exact definition possible of the expression 'executive agreements.' It is doubtless used to include international agreements made by the Executive (whether under statutory authority or not), but excluding those made by and with the advice and consent of the Senate. In this sense it is obvious that the term comprises agreements and acts of a quite varied nature; for while such an agreement may finally be made by the President or under his direction, it may in some cases have a very different basis of authority from others; it may rest on a statute; it may follow a treaty; it may be an exercise of the power of the President under the Constitution and without the aid of statute or treaty, such as a modus vivendi or an agreement for the determination of claims of American citizens against another country; or it may, as in the case of an armistice, be his act as Commander in Chief."

An article in the Illinois Law Review, volume 35, page 375, expresses the opinion that executive agreements "are not the supreme law of the land," that they "cannot invalidate conflicting previous legislation," and that they are "not binding on individual citizens"; but then expresses the final conclusion that they are "nonetheless binding on the Nation as a whole."

The article in the Yale Law Journal, which was quoted approvingly to this committee by Mr. Miller, of the State Department, appears in volume 54. The committee might be interested to know that Mr. Miller deleted a phrase from the passage which he quoted. The full passage is as follows: "Despite many attempts to make distinctions between treaties and executive agreements in terms of form, subject matter and legal practical consequences, and however surprising or even shocking the conclusion may be to any who have not examined the record, this common usage is the only distinction that the facts of our constitutional law and practice will sustain." This article continues: "There are no significant criteria, under the Constitution of the United States or in the diplomatic practice of this Government, by which the genus "treaty" can be distinguished from the genus "executive agreement" other than the single criterion of the procedure or authority by which the United States consent to ratification is obtained. More explicity, agreements with other governments, when consummated pursuant to congressional authorization or when subsequently sanctioned by Congress, have the identical legal and practical consequences both under the municipal law of the United States and under international law, as treaties, consented to by two-thirds of the Senate. Agreements with other governments made pursuant to the President's authority alone, when within the scope of his independent powers, has furthermore, substantially the same status as treaties, except in some cases where there is contradictory legislation." Mr. Chairman, although the writer there states definitely his opinion that everything which is not a treaty is an executive agreement, he certainly implies by his choice of language that executive agreements fall into two classes, namely, agreements with other governments consummated pursuant to congressional authorization or subsequently sanctioned by Congress, and agreements with other governments made pursuant to the President's authority alone and within the scope of his independent powers. That is, to my way of thinking, coming a good deal closer to a definition that Mr. Miller led us to believe.

This same article in the Yale Law Journal contains a very interesting comparison between treaties and executive agreements. It is printed in parallel columns. I believe the distinctions made are so important, particularly in view of the fact that the State Department has quoted this article with approval, that it is worth while to take up the time of the committee to call attention to at least some of them.

A treaty, this article points out, is like a constitutional amendment. It can deal with any subject appropriate to international negotiations. On the other hand, the article states, "An executive agreement is strictly limited. It can deal only with subjects especially delegated by Congress, or if made independently by the President, can deal only with normal powers vested in the Commander in Chief and principal diplomatic officer.

A treaty, says this article which the State Department regards as authoritative, can do what Congress cannot. It confers legislative power on Congress. On the other hand, the article declares, an executive agreement cannot do what Congress cannot. It cannot confer on Congress powers of legislation it did not have before.

A treaty, says this article, must be ratified to be binding. An executive agreement, on the other hand, "need not be ratified by the United States." Mr. Chairman, that language is interesting and the reason for it is explained in the next distinction which the article makes between treaties and executive agreements.

A treaty, says the article, binds the United States for its duration. It cannot be repealed by act of Congress except for domestic purposes only. The international obligation remains binding. An executive agreement, on the other hand, this article points out—and I quote—"Binds only as long as it suits both sides. It morally binds only the signing executive, not his successors. If they wish it to continue, it is by voluntary act. An executive agreement is subject to repeal by act of Congress domestically and internationally. Unilateral indication of desire to terminate suffices. Repeal of authorizing statute suffices."

Mr. Chairman, it surprised me somewhat to find this comparison in the article from which the State Department representative was quoting. If Mr. Miller read this comparison, I cannot understand why he did not bring it to the attention of the committee. Perhaps he did not have time to read the whole article. The portion which he quoted was from about page 181. The comparison from which I am now quoting begins on page 623.

"A treaty," says this article, "has a special significance in constitutional law. It can repeal an act of Congress. An executive agreement is unmentioned in the Constitution and has grown only through the necessity of making agreements of a character not to warrant submission to the Senate. It can be repealed by Congress at any time, but cannot repeal an act of Congress. It can of course be nullified or abrogated by treaty, prior or subsequent."

The article points out that a treaty, under the Constitution, is the supreme law of the land, whereas an executive agreement, "with a few exceptions as to contrary State law or when made pursuant to act of Congress" is not supreme law of the land.

The article then points out that a treaty lasts, with unimportant exceptions, as long as its terms provide. On the other hand, the article states, an executive agreement—and I quote—"Is terminable at any time at the unilateral wish of one of the parties. This is true even if it purports to run for a given number of years. No successor to the President is bound by the latter's agreement, although he may consent to permit it to stand."

Mr. Chairman, this comparison concludes with what I consider to be something of a masterpiece of understatement. Pointing out that "no secret treaty can be made by the United States," the article states that: "An executive agreement invites secrecy since the President can make it without notifying anybody. Several secret agreements are now known."

Now, Mr. Chairman, I have just one more matter to discuss and I shall be through.

It has been loosely stated that S. 1814 would prohibit the executive branch of the Government from making any agreements respecting aviation. That is not so. The bill merely requires that certain types or kinds of agreements, in the field of international aviation, shall be made in the form of treaties if they are to be made at all. The kinds and types of agreements to which this requirement would be applied are carefully delineated in the bill. I know the committee will wish to consider this point, so let me paraphrase the bill to make this point clear.

One of the kinds of agreements which the bill would require to be made by treaty is an agreement with any foreign government restricting the right of the United States or its nationals to engage in air transport operations. That seems to be a perfectly proper provision. Restrictions on the right of American citizens to engage in international air transportation should not be made effective by this Government except through the orderly and constitutional processes which guarantee an opportunity for the persons affected by the proposed restrictions to have their day in court.

The next kind of agreement which the bill would require to be made by treaty is an agreement with any foreign government generally granting to such government or its nationals, or to any air line representing such government, any right or rights to operate in air transportation or air commerce other than as a foreign air carrier in accordance with the provisions of the Civil Aeronautics Act of 1938.

The Civil Aeronautics Act sets up a specific procedure and method for granting to foreign air lines operating rights in the United States. It provides for notice and opportunity for hearing. It provides for findings with respect to public convenience and necessity. It provides for Presidential approval. That is the pattern laid down by the Congress. Nothing in S. 1814 would change that pattern. On the contrary, enactment of S. 1814 would insure that the procedure set forth by the Congress shall be followed. Since this procedure is laid down by an act of Congress it cannot legally be changed by an executive agreement. If it is to be changed, it must be changed by treaty or by a subsequent act of Congress. Therefore, the provision of S. 1814 that no attempt may be made to change this procedure except by treaty certainly does no violence either to the Constitution or to the principles of international law.

One other kind of agreement would be required, under S. 1814, to be made by treaty, if at all. That is, agreements with foreign governments respecting the formation of, or the participation of the United States in, any international organization for regulation or control of international aviation.

Mr. Chairman, participation of the United States in an international organization for regulation or control of international aviation necessarily involves giving up some part of the sovereignty of the United States. No such waiver of sovereignty should ever be made by the mere action of the executive branch. Here, if anywhere, is a proper field for the exercise of treaty powers. Here, again, is a matter of vital interest to the public; a matter upon which all interested persons should have an opportunity to be heard, and upon which the will of the people, expressed through their elected representatives, should be listened to.

Participation by the United States in an international organization for regulation or control of international aviation is a continuing matter, of considerable permanency.

By any accepted definition, arrangements for such participation must be regarded as properly the subject of a treaty, rather than an executive agreement.

Those are the provisions of S. 1814. It does not usurp any powers of the President. It does not take away from the executive branch of the Government any powers which it legally has or can lawfully exercise. In a very large degree, this bill is only an attempted assertion of what is already the law.

This bill is an effective vehicle for the expression of the will of the Congress on this subject. A mere resolution by the Senate would not be effective.

This is a matter which cries out for assertion by the Congress of its right to form and control the policy of the United States. This bill is a means for asserting that right effectively and unequivocally, in the present instance. If the Congress, with all the evidence before it, refuses to assert its rights now, it will by its silence assume responsibility for what the executive agencies of the Government have done and may do; and if the result is loss by this country of its rightful place in world aviation, the fault will lie, in the eyes of the future, not with any official or department in the executive branch, but at the door of Congress, where it will then belong.

Mr. McCARRAN subsequently said: Mr. President, in the New York Times of March 10, 1946, there appeared a news article entitled "British Would Block United States Air Line in Italy." In keeping with the subject matter of my presentation earlier this afternoon, and in keeping with the study which is being made by the Senate Committee on Commerce with reference to the Bermuda agreement, the article to which I have referred is exceedingly interesting, and I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITISH WOULD BLOCK UNITED STATES AIR LINE IN ITALY

ROME, April 9.—The British are exerting pressure through their Embassy here on the Italian Government to hold up ratification of the Trans-World Airline contract with the Italians for joint operation of Italian internal airways, it was asserted here tonight by a highly qualified person.

This is the newest move in an earnest undercover fight, with no holds barred, which has gone on for months between American and British air interests. The whole proceedings are invested with a heavy air of mystery, which can no longer be laid to a need for "security" but which is assiduously maintained.

The contract between TWA and the Italian Government was signed February 11 and approved by the combined Chiefs of Staff. The Allied Commission so informed the Italian Government March 22. Ratification by the Italian Government is still necessary.

The British have been bitter over their exclusion from Italian internal traffic and claimed the contract was negotiated without their knowledge. That is difficult to understand, since the Allied Commission representatives, including the British, were necessarily in touch with all developments.

Now it is charged the British are blackmailing the Italian Government with suggestions that, although the British cannot prevent the execution of the contract, they can make life easier or more difficult for Italians when the peace treaty is negotiated.

VETERANS' EMERGENCY HOUSING ACT OF 1946

The Senate resumed consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The PRESIDENT pro tempore. The question now recurs on agreeing to the committee amendment as amended.

Mr. McCLELLAN. Mr. President, I send forward an amendment which I ask to have read.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 21 it is proposed to strike out lines 4 to 23, inclusive, and insert in lieu thereof the following:

SEC. 2. (a) There is hereby created an office to be known as Housing Expediter; and the President is authorized, by and with the advice and consent of the Senate, to appoint an existing official of the Government to serve as Housing Expediter, or to appoint the Housing Expediter either within any existing agency or as an independent officer of the Government. In the event of an appointment of an existing official, he is hereby authorized and permitted to continue in his present post while serving as Housing Expediter, except that he shall receive no additional compensation by reason of his appointment hereunder. If, however, such Housing Expediter is appointed within an existing agency of the Government, he shall receive compensation in compliance with the laws and regulations applicable to officers within such agency; if the Housing Expediter is appointed as an independent officer of the Government, he shall receive compensation at the rate of $12,000 per annum.

Mr. BARKLEY. Mr. President, if the Senator yields, may I inquire if I am correct in stating that the amendment provides for senatorial confirmation of the Housing Expediter, no matter whether he be an existing official of the Government or is appointed within any existing agency, or as an independent officer of the Government?

Mr. McCLELLAN. That is the objective of the amendment.

Mr. BARKLEY. I have no objection to the amendment, Mr. President.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Arkansas [Mr. McCLELLAN] on page 21 of the committee amendment, as amended.

The amendment to the amendment was agreed to.

Mr. BUCK. Mr. President, I send forward an amendment which I ask to have stated. On page 39 of the bill, in line 8, after the word "than", I propose to strike out "$600,000,000" and insert in lieu thereof "$400,000,000."

Mr. President, I am opposed to subsidies, although yesterday I voted very reluctantly to retain subsidies in the bill. I did so because Mr. Wyatt, who appeared before the committee, gave us to understand that unless he had access to money for premium payments, this bill would not be effective. He stated that he would not be able to provide for the erection of houses as rapidly as we all want them to be constructed in order that they may be made available to veterans. He did not, however, to my satisfaction, tell us why $600,000,000 was fixed upon. He may have reached out into the air and gotten it, but, be that as it may, it is questionable whether it is too much or too little. I should much prefer to see the sum cut down and the Administrator come to Congress again and ask for an additional sum if he finds, in due time, that additional money is needed.

Mr. President, I hope the amendment I have offered will be agreed to.

Mr. BARKLEY. Mr. President, I do not like to find it necessary continually to be rising, seemingly monopolizing all the time, but I hope the pending amendment will not be agreed to. It was estimated before the committee that there would be a total of almost $14,000,000,000, at the retail level of building materials, necessary for the 2-year period, and this is a 2-year program. On the producers' level it would be a little above $9,000,000,000. It is estimated that there would be premium payments made upon 30 percent—we provided in the bill that it could not be beyond 30 percent—of the total amount of material. That would make it necessary to spend on the whole program a total of $426,000,000 in premium payments for the conventional material.

The Senate has authorized the Expediter to pay premium payments upon new materials which will amount to $200,000,000. In other words, the total amount estimated to be necessary to carry out the 2-year program is $626,000,000, but we are providing for only $600,000,000 as the maximum allowable under the bill.

If we cut this amount below $600,000,000, the Expediter must make his plans for the 2-year period according to the cloth he has. He cannot depend upon coming back to Congress at the beginning of 1947 and getting more money if he finds he needs it. He has to prepare a program for 1946 and 1947.

We have authorized the Expediter to use the premium payments. Certainly we are not going to be niggardly with him and hobble him in carrying out the program which we have authorized, by reducing the amount by one-third. If it turns out not to be necessary to use the entire $600,000,000, it will not be used, but if we cut it to $400,000,000 the Expediter will be required to prepare his plans for 1946 and 1947 based upon the $400,000,000 figure. He cannot go beyond that by one cent, and it would be entirely too late, anyway, to come back to Congress next January or February, or sometime in 1947, and try to amend his program so as to make it what it is necessary to make it now, in order that the 2-year program can be carried forward. I hope the amendment will not be agreed to.

Mr. TAFT. Mr. President, in the first place, the Expediter has no program. He is able to say that here and there he needs premium payments. So far as

making up a program as to where premium payments are to be made is concerned, he has not even gotten to that point yet.

The $600,000,000 is an appropriation. The Committee on Appropriations will never get another look at this money. It is handled in the same manner as subsidies have been handled. It will be handled by the RFC borrowing money to pay it, so that in effect we are now not only authorizing the $600,000,000 but we are making the appropriation. We are doing what we are refusing to do for every other department of the Government: we are at one time making an appropriation for 2 years.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. It is not an appropriation in the ordinary sense. It is authority to the Reconstruction Finance Corporation to provide the premium payments to the extent of $600,000,000, as they have provided other payments out of money from sources available to them. It is not necessary for the Reconstruction Finance Corporation to come to the Committee on Appropriations or to Congress every time it makes premium payments, or pays subsidies, or whatever it may pay. The Committee on Appropriations does not have any jurisdiction over this amount, in the sense that it is an appropriation. It is authority to the Reconstruction Finance Corporation to use this amount, and, if necessary, in making premium payments, to obtain the amount from the sources from which it has received other funds.

Mr. TAFT. I do not think there is anything the Senator from Kentucky has said which contradicts anything I have stated. It is not really an appropriation, but in effect it is an appropriation. Unlike the situation in the case of most authorization bills, it is not necessary to come back to Congress for an appropriation. That is the point I am trying to make. If the Expediter did have to come back, I am quite certain that in this case the Committee on Appropriations would give him only the money he needed for 1946, or for the fiscal year 1946.

The $600,000,000 is to be spread over all of 1946 and all of 1947. It seems to me we should have another look at the program. Even its most earnest advocates must admit it is an experimental program. I think the amount should be cut to $400,000,000, and when Congress meets next January, if the experiment is a success, and if it is necessary to continue it, we can give the Expediter the other $200,000,000.

If we appropriate the $600,000,000, we cannot stop the program without direct and positive legislation, which probably could not be adopted, but if the Expediter needs more money he can return to Congress, and we can decide whether the program shall continue through the year 1947. I think we should have another look at the program.

Furthermore, if we give him now the $600,000,000, there is absolutely nothing in the bill to prevent his spending all of the $600,000,000 in 1946, and then coming back at the end of 1946 and saying, "I have established these rates, and they should not be changed, and I want more money."

It seems to me perfectly logical, assuming that $600,000,000 is to be spent over the whole program, if it continues, that we limit the appropriation at this time to $400,000,000, with the invitation to the Expediter to return next January, if he wishes, and if the program is a success we can look it over at that time, and retain the power in our hands to stop the program then if we think it should be stopped.

Mr. President, that is the purpose of offering the amendment, and on the amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, just one word in reply to one of the suggestions of the Senator from Ohio. He says the Expediter has no program. He has a program. He has a program of 1,200,000 houses in 1946 and 1,500,000 in 1947, which makes a total of 2,700,000 houses for veterans.

Two hundred thousand of those houses are provided for by appropriations which we have already made for veterans' housing, which reduces the number to 2,500,000. If we reduce the authorization by one-third, we reduce the number of houses in the program by one-third, and instead of getting 2,700,000 houses in 1946 and 1947, we will get about 1,600,000, plus the 200,000 for which we have already provided.

It will be impossible for the Expediter to bring about the necessary increase in production, which is the prime objective of the premium-payment program, if he has to wait until 1947 to begin the process of increasing production for the houses to be built in 1947.

The result will be that he will have to thin out his program and spread it out over a 2-year period, which will make it impossible to build the number of houses called for by the program.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. VANDENBERG. Is the $600,000,000 intended to cover a 2-year program?

Mr. BARKLEY. It is.

Mr. VANDENBERG. What would be the objection to a slight protection at this point to insure that it is not all exhausted in the first year, so that we then would confront the necessity of making a supplemental appropriation? In other words, I am asking the Senator what his reaction would be to an amendment which said, "Provided that not more than $600,000,000 shall be used for such premium payments, of which not more than $400,000,000 shall be used or obligated during the calendar year 1946."

Mr. BARKLEY. It may be necessary in 1946 to enter into contracts with producers by which they will be paid the premium on the increased production in 1947, or during the period 1946 and 1947. There ought not to be any prohibition against making provision in advance for the payment of the amount that will be due in 1947.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. There is nothing that I know of relating to any contract with producers. No premium payments up to date have been made under contract. The private producers have announced what they are going to do, and when they stop doing it they will stop doing it. I would say that if we were going to limit the expenditure in 1946 it ought to be limited to $300,000,000 in 1946, because we have only part of the year to consider, as against 1947, if it is only payments that are involved. If obligations are involved, then I can agree to the $400,000,000 figure, because I take account of the fact that we have to provide for the first 3 months of 1947.

Mr. BARKLEY. I will say to the Senator from Michigan that there is this difficulty about it. What we need is an increase in production of building materials, not only for the building of veterans' homes, but for the building of other homes. If possible, we should stimulate production to the extent that all these homes could be built, and others besides, that is other construction. If it is possible to increase the production of building materials in 1946 to carry out the veterans' program in 1946 and 1947, it is doubtful whether the Expediter ought to be restricted in his ability to pay premiums on a sufficient amount of building materials to carry out the program.

Mr. VANDENBERG. That is the reason for my suggestion. I suggested $400,000,000 for 1946. I think there is force in the suggestion that, inasmuch as we have authorized the program, we ought to authorize the payments. But I think it may also be said, as the result of our experience with subsidies, Mr. President, that when once a program of this sort is initiated we too frequently confront an expansion of the program to such an extent that it exceeds anything we originally contemplated.

Mr. BARKLEY. That could not take place under this legislation unless Congress hereafter increases the amount beyond the $600,000,000.

Mr. VANDENBERG. I quite understand that; but if the Expediter spends the entire $600,000,000 in 1946, whereas he has already been committed to another year of operations, he would be in pretty good position to come here and justify his additional request.

Mr. BARKLEY. No. This is what would happen in that case: If he paid out in 1946 enough premium payments to bring about the increased production necessary to carry out this program it would mean that there would be enough building material available in the beginning of 1947 almost to guarantee that the program for that year could be continued.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CONNALLY. If the $600,000,000 can be spent legitimately in 1946, why does anyone want to postpone the spending of any of it to 1947? The need is now, and the more quickly these houses

can be constructed, or the more quickly they can be contracted for or obligated for, the more desirable it is.

Mr. VANDENBERG. Very well. Let us apply it all to this year.

Mr. CONNALLY. I make that statement simply in answer to what the Senator from Michigan said.

Mr. BARKLEY. The objective of the $600,000,000 is to stimulate production of building material. If we stimulate it sufficiently in 1946 to bring about the increase in building material sufficient to carry out the program, there is a serious question whether the Expediter should be required to wait until 1947 to pay premium payments on products of 1946 for the program.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. VANDENBERG. I simply want to add that I am sorry to say I cannot conceive of a situation, under our experience with subsidies, which would lead me to the optimism that even if the scheme succeeded as completely as the Senator from Texas envisions and the $600,000,000 were spent successfully in the first year, there would then be a voluntary abandonment of the program in the year following. That would be just a nature fake.

Mr. BARKLEY. The voluntary abandonment of the program, of course, would not involve the program for building of houses, which the Government is not doing. It is stimulating the production of the material necessary to build the houses in the 2-year period.

Mr. President, regarding subsidies, the constant increase in authorization is more apparent than real. As a matter of fact a considerable amount of the subsidies authorized has already been saved and reallocated to another purpose, to be expended up until the 1st of July of this year. We did not increase the appropriation. We did not increase the authorization. But we transferred the savings in an amount authorized for subsidies in one category over to another in order to carry on the program until June 30, at which time the OPA situation will be gone into.

Mr. VANDENBERG. I will say to the Senator that I certainly do not intend to cut the appropriation with respect to the 2-year program. But I should like an opportunity to vote to be sure that we are financing a 2-year program.

Mr. BARKLEY. I agree with that objective. I think that is what we are doing. But if we say that the Expediter can spend so much of it in 1946 and so much of it in 1947, it might turn out that he would be handicapped in paying the premiums necessary to get the materials essential to begin the program of 1947 by the time 1947 arrives.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Delaware [Mr. BUCK] on page 39, line 7, to strike out "$600,000,000" and insert in lieu thereof "$400,000,000."

Mr. BUCK. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. WALSH. I announce that the Senator from Pennsylvania [Mr. MYERS] is attending a meeting of the Board of Visitors at the Naval Academy in Annapolis. If present and voting, he would vote "nay."

Mr. BANKHEAD. I have a general pair with the Senator from Nebraska [Mr. BUTLER]. Not knowing how he would vote, I transfer that pair to the Senator from Ohio [Mr. HUFFMAN], who if present and voting would vote as I intend to vote. I am therefore at liberty to vote. I vote "nay."

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. Not knowing how he would vote, I transfer that pair to the Senator from Pennsylvania [Mr. MYERS], who if present and voting would vote as I intend to vote. I am therefore at liberty to vote. I vote "nay."

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Alabama [Mr. HILL], and the Senator from Ohio [Mr. HUFFMAN] are absent because of deaths in their families.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER], the Senator from Oklahoma [Mr. MOORE], and the Senator from Indiana [Mr. WILLIS] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Maine [Mr. BREWSTER] and the Senator from Michigan [Mr. FERGUSON] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Nebraska [Mr. BUTLER] have general pairs which have been heretofore announced and transferred.

The Senator from Michigan [Mr. FERGUSON] and the Senator from Indiana [Mr. WILLIS] would vote "yea" if present.

The result was announced—yeas 25, nays 50, as follows:

YEAS—25

Ball	Hickenlooper	Saltonstall
Brooks	Langer	Smith
Buck	McClellan	Taft
Byrd	Millikin	Wherry
Capehart	O'Daniel	Wiley
Capper	Overton	Wilson
Gerry	Reed	Young
Gurney	Revercomb	
Hart	Robertson	

NAYS—50

Aiken	Bushfield	Ellender
Austin	Carville	Fulbright
Bankhead	Connally	Gossett
Barkley	Cordon	Green
Bilbo	Donnell	Guffey
Briggs	Downey	Hatch
Hawkes	McMahon	Shipstead
Hayden	Magnuson	Stewart
Hoey	Maybank	Taylor
Johnson, Colo.	Mead	Thomas, Okla.
Johnston, S. C.	Mitchell	Thomas, Utah
Kilgore	Morse	Tunnell
Knowland	Murdock	Vandenberg
La Follette	Murray	Wagner
McCarran	O'Mahoney	Walsh
McFarland	Pepper	Wheeler
McKellar	Radcliffe	

NOT VOTING—21

Andrews	Ferguson	Myers
Bailey	George	Russell
Brewster	Glass	Stanfill
Bridges	Hill	Tobey
Butler	Huffman	Tydings
Chavez	Lucas	White
Eastland	Moore	Willis

So Mr. BUCK's amendment was rejected.

Mr. BARKLEY. Mr. President, I wish to offer an amendment which I am sure will be agreed to. The amendment is on page 32, to strike out lines 4 to 9, inclusive.

The PRESIDENT pro tempore. The amendment offered by the Senator from Kentucky will be stated.

The LEGISLATIVE CLERK. On page 32, after line 3, it is proposed to strike out:

> If the buyer fails to bring an action under this subsection within 60 days from the date of the violation, the Expediter may bring such action on behalf of the United States within 1 year from the date of the violation. If such action is brought by the Expediter, the buyer shall thereafter be barred from bringing an action for the same violation.

Mr. BARKLEY. Mr. President, the language proposed to be stricken out provides that if the buyer fails to bring an action under the subsection within 60 days from the date of the violation, the Expediter may bring such action on behalf of the United States within 1 year. Personally, I do not think it is important. If the purchaser of a house who has been compelled to pay more than the ceiling price is not willing to bring suit to recover the difference, I do not see why the Expediter should be charged with that obligation. Therefore, I offer the amendment to strike out lines 4 to 9, inclusive, on page 32.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY].

The amendment was agreed to.

Mr. BARKLEY. Mr. President, I wish to say to the Senator from Michigan [Mr. VANDENBERG], with reference to the suggestion which he made a while ago to limit the expenditure of the 1946 budget to $400,000,000, that the bill must go to conference. There is nothing in the House bill with reference to premium payments, and I should like an opportunity to look into the feasibility of the suggestion, to see whether such a limitation would be harmful. If it would not interfere with the program, I should be glad, in conference, to try to arrive at such a limitation of the expenditure. I think we can do it a little more intelligently in conference than here on the floor of the Senate.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. At what point may the title be amended?

The PRESIDENT pro tempore. After the passage of the bill.

Mr. CORDON. Mr. President, do I correctly understand that the title may be amended only after the passage of the bill?

The PRESIDENT pro tempore. Only after the passage of the bill.

Mr. JOHNSON of Colorado. Mr. President, I have an amendment on the desk. I shall not press it because I have just been informed that the FHA and the NHA both prefer title VI in the present legislation to the amendment which I was about to offer.

I ask unanimous consent that my amendment be printed in the RECORD at this point as a part of my remarks.

There being no objection, the amendment intended to be proposed by Mr. JOHNSON of Colorado was ordered to be printed in the RECORD, as follows:

Amend paragraph (b) of section 711 by striking the period at the end thereof, inserting a colon and adding the following: "*Provided further*, That if the dwelling is designed for a single-family residence and the mortgagor is the owner and occupant of the property at the time of the insurance and is a person who is eligible for the benefits of title III of the Servicemen's Readjustment Act of 1944, as amended, the mortgage may involve a principal obligation not to exceed 100 percent of the Administrator's estimate of the necessary current replacement cost of the property, which otherwise complies with the provisions of this paragraph: *And provided further*, That any excess in the amount of the mortgage over 90 percent of the estimated necessary current replacement cost of the property shall be endorsed on the veteran's discharge or eligibility certificate, together with a notation of the type of insurance used, and such endorsement shall have the same effect upon the aggregate amount of the guaranty available to such veteran under the provisions of section 500 (a) of the Servicemen's Readjustment Act of 1944, as amended, as if such excess had been fully guaranteed under the provisions of title III of such act."

Mr. CORDON. Mr. President, I move that the bill be amended by striking out all the language appearing in lines 21 and 22, on page 19, the language reading as follows:

That this act may be cited as the "Veterans' Emergency Housing Act of 1946."

In my opinion, that title is a misnomer. I do not believe that the act should be cited as the "Veterans' Emergency Housing Act of 1946," or held out to anyone as such an act. It is a housing act for 140,000,000 people, of whom not more than 12,000,000 are veterans.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. CORDON].

Mr. BARKLEY. Mr. President, just a word about the pending amendment. The title was changed by the committee because, instead of being a mere technical amendment to the present housing laws, it is a bill intended to expedite the production of building material primarily for the benefit of veterans.

I hope the amendment will not be adopted.

Mr. MILLIKIN. Mr. President, I should like to read into the RECORD excerpts from a telegram pertinent to the pending bill which I have received from an American Legion post in Denver, Colo., of which I am a member:

At a regular meeting of Leyden-Chiles-Wickersham Post, No. 1, of American Legion, which has membership of over 8,300 and is the second largest post in the United States, it was voted to urge your opposition to the Patman Act and all similar legislation that will result in socialization and regimentation of housing. Since VJ-day continued Government wartime controls have prevented the huge construction industry from building homes needed by veterans, thus also denying employment to hundreds of thousands of veterans and other labor. Government agencies offer as a substitute unsound new legislation. Such proposed solution by public housing propagandists is opposed by veterans. Private enterprise throughout the country is ready with experience, building sites, and money to build more low-priced homes faster and better than any municipal, State, or Federal bureau, but because of Government policies materials and equipment are not available to them. In Denver alone 1,814 low-priced homes stand uncompleted because of lack of materials. We recommend that positive action be taken as follows:

1. Defer for 1 year all nonessential Federal, commercial, and industrial construction, plus construction of deluxe-price residences.

2. Lifting of price ceilings to enable full-scale production of materials and equipment used in homes to be built in the United States of America.

3. Prohibition of continued wholesale foreign shipments of lumber and other building materials.

4. FHA be made responsible that veterans be given 30 days' preference to purchase or rent new homes and apartments and for other directives to implement the spirit of low-priced homes for veterans.

The time has come for a show-down whether the United States of America is going to become socialistic or remain a strong nation of free enterprise.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. CORDON], on page 19, after line 20, to strike out "That this act may be cited as the 'Veterans' Emergency Housing Act of 1946.'" [Putting the question.]

Mr. MILLIKIN. Mr. President, I ask for a division.

Mr. BARKLEY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. WALSH. I anounce that the Senator from Pennsylvania [Mr. MYERS] is attending a meeting of the Board of Visitors at the Naval Academy in Annapolis. If present and voting he would vote "nay."

Mr. BANKHEAD. I have a general pair with the Senator from Nebraska [Mr. BUTLER]. Not knowing how he would vote, I transfer that pair to the Senator from Ohio [Mr. HUFFMAN], who, if present and voting, would vote as I intend to vote. Therefore, being at liberty to vote, I vote "nay."

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. Not knowing how he would vote, I transfer that pair to the Senator from Pennsylvania [Mr. MYERS], who, if present and voting, would vote as I intend to vote. I am, therefore, free to vote, and I vote "nay."

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], and the Senator from Virginia [Mr. GLASS], are absent because of illness.

The Senator from Alabama [Mr. HILL], and the Senator from Ohio [Mr. HUFFMAN] are absent because of deaths in their families.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], and the Senator from Illinois [Mr. LUCAS], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER], the Senator from Oklahoma [Mr. MOORE], and the Senator from Indiana [Mr. WILLIS] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Maine [Mr. BREWSTER] and the Senator from Michigan [Mr. FERGUSON] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Nebraska [Mr. BUTLER] have general pairs which heretofore have been announced and transferred.

The result was announced—yeas 31, nays 45, as follows:

YEAS—31

Austin	Hawkes	Shipstead
Ball	Hickenlooper	Smith
Brooks	Langer	Stanfill
Buck	Millikin	Taft
Bushfield	Morse	Vandenberg
Capehart	O'Daniel	Wherry
Capper	Overton	Wiley
Cordon	Reed	Wilson
Donnell	Revercomb	Young
Gurney	Robertson	
Hart	Saltonstall	

NAYS—45

Aiken	Hatch	Mead
Bankhead	Hayden	Mitchell
Barkley	Hoey	Murdock
Bilbo	Johnson, Colo.	Murray
Briggs	Johnston, S. C.	O'Mahoney
Byrd	Kilgore	Pepper
Carville	Knowland	Radcliffe
Connally	La Follette	Stewart
Downey	McCarran	Taylor
Ellender	McClellan	Thomas, Okla.
Fulbright	McFarland	Thomas, Utah
Gerry	McKellar	Tunnell
Gossett	McMahon	Wagner
Green	Magnuson	Walsh
Guffey	Maybank	Wheeler

NOT VOTING—20

Andrews	Ferguson	Myers
Bailey	George	Russell
Brewster	Glass	Tobey
Bridges	Hill	Tydings
Butler	Huffman	White
Chavez	Lucas	Willis
Eastland	Moore	

So Mr. CORDON's amendment was rejected.

The PRESIDENT pro tempore. The question now recurs on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDENT pro tempore. The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill was read the third time.

The PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

Mr. BARKLEY. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, before the roll is called, I wish to say that yesterday, during the colloquy between the Senator from Louisiana [Mr. OVERTON] and myself, I stated that the American Federation of Labor has endorsed this legislation in its entirety. I have received a letter from Mr. Harry C. Bates, chairman of the housing committee of the American Federation of Labor. Attached to his letter he sends me a statement issued by the housing committee of the American Federation of Labor. The statement contains their recommendations with respect to this legislation, and in the statement they deal with various phases of the legislation, including the maximum resale prices on existing homes, priorities and allocations, and extension of emergency wartime FHA insurance under title VI, which is included in the bill, and various other provisions. I ask unanimous consent that the statement, together with Mr. Bates' letter, be printed at this point in the RECORD.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

AMERICAN FEDERATION OF LABOR,
Washington, D. C., April 10, 1946.

Hon. ALBEN W. BARKLEY,
United States Senate,
Washington, D. C.

DEAR SENATOR BARKLEY: In the course of the debate on the veterans' emergency housing bill (H. R. 4761) you stated that the American Federation of Labor "has endorsed this legislation in its entirety." Attached is a copy of a statement setting forth the official views of the American Federation of Labor with regard to this legislation, calling for a number of important changes which we believe essential to protect the interests of the veterans and others against foisting on them high-priced, substandard housing which the present version of the bill would foster. Your efforts to perfect this legislation along the lines recommended will be appreciated.

Sincerely yours,

HARRY C. BATES,
Chairman, Housing Committee,
American Federation of Labor.

STATEMENT BY THE HOUSING COMMITTEE, AMERICAN FEDERATION OF LABOR, ON H. R. 4761 (THE PATMAN VETERAN HOUSING BILL) AS APPROVED BY THE SENATE BANKING AND CURRENCY COMMITTEE

In a letter to the President on February 8, 1946, the American Federation of Labor expressed its support of the veterans' emergency housing program and made certain recommendations regarding standards and procedures which this program should embody. A copy of that letter is attached.

The following is a statement of our views regarding the Patman bill (H. R. 4761) as approved by the Senate Banking and Currency Committee.

MAXIMUM RESALE PRICES ON EXISTING HOMES

The amendments of the Senate committee are directly in accord with the recommendation made by the A. F. of L. that control to prevent further inflation in the price of existing housing be accomplished by placing a ceiling on resale of residential properties, including land, after the first bona fide sale. While we consider the original version of the price control provisions, as proposed in the House in the Patman bill, too broad, general, and, therefore, administratively unworkable, we believe that with the Senate amendments this section becomes wholly acceptable and recommend its adoption in that form.

PRIORITIES AND ALLOCATIONS

Allocation of scarce building materials to assure construction of urgently needed housing was urged by the A. F. of L. nearly a year ago. Last summer and last fall we urged that the wartime limitation order on building materials be replaced with an allocation order which would assure orderly transition in the supply of scarce building materials. This advice was ignored by the Director of the Office of War Mobilization and Reconversion who directed the repeal of the wartime order without any affirmative action to meet the emergency. This has greatly contributed to the scramble for scarce materials and the resulting maldistribution of material supplies, has stimulated much speculative commercial building of small structures throughout the country, and has made the shortages more acute.

The provisions of the bill dealing with priorities and allocations of building materials are in accord with our previous recommendations. We believe, however, that in this portion of the legislation Congress should recognize that certain types of nonresidential construction are needed just as much as homes in order to meet the housing emergency itself and in order to speed reconversion. The proposed act contemplates construction of housing on a large scale. This means development of new neighborhoods and of whole housing projects. It will create an immediate need for new schools, hospitals, and other community facilities to serve this new housing development. Materials needed for utilities—water, sewage, streets, sidewalks, etc., must also be safeguarded. In addition, there will be continued urgent need for industrial construction related to reconversion. There will be many instances of such industrial construction related to reconversion which will bear directly on the expansion of production and employment. We doubt that it is the intent of Congress to assure needed homes to veterans and others, and at the same time deprive them of job opportunities and, therefore, incomes which would enable them to pay for these homes, by stopping industrial construction necessary for productive expansion. In view of this, we ask that statutory provision be made in the proposed system of priorities and allocations to give equal priority status to schools, hospitals, community facilities, industrial construction related to reconversion, and other necessary nonresidential building, in order to make this type of construction eligible for scarce materials without which it cannot be built.

EXTENSION OF EMERGENCY WARTIME FHA INSURANCE UNDER TITLE VI

The Patman bill would extend title VI of the National Housing Act and provides for a further increase in the maximum mortgage amounts insurable by FHA under that title. We reiterate our vigorous opposition to the extension of title VI and disagree strongly with Mr. Wyatt's view that this extension will in any way contribute to the solution of the housing emergency. We believe that the form in which this title is proposed will do nothing but fleece the veteran and the taxpayer by having the Federal Government underwrite mortgage loans at excessive interest rates for emergency-built homes of questionable quality, financed without any risk to the lender. What justification is there for a 4-percent interest rate when a 90-percent commitment by the Government gives the lender an effective 100-percent guarantee and renders the loan absolutely riskless? The committee itself admits that "it is more than likely that much of this housing under title VI will be priced at more than $6,000" and that "at least half of the veterans and their families cannot afford housing in this price range." Actually the proposed title raises the maximum price to $9,000 for a single family house. Most houses during the emergency will be priced near or at the maximum. There are almost no veterans who can afford $9,000 homes. Clearly, then, this provision is designed to benefit not the veteran but the speculative builder.

Titles III and IV of the Wagner-Ellender-Taft general housing bill, S. 1592, as introduced on November 14, 1945, provide a sound, effective, and well-designed program of bringing a large volume of rental housing, as well as sale housing, within the reach of veterans and other families of modest means. We urge that this peacetime extension of wartime title VI be stricken from the proposed bill, and that, instead, Congress give its prompt and unqualified approval to S. 1592.

PREMIUM PAYMENTS AND GOVERNMENT MARKETING

The American Federation of Labor could not support the Monroney amendment on premium payments which was considered and rejected by the House. We offered a number of specific objections to that amendment, which gave a blanket delegation of authority to the Housing Expediter for the disbursement of these incentive payments and set no minimum standards for the products to be produced with the aid of public funds. The Senate committee version meets most of our objections to the form of the Monroney amendment on premium payments which was considered and rejected by the House. The standards which the Housing Expediter must apply under section 13 (b) of the Senate committee version are in general accord with the recommendations of the American Federation of Labor. However, even in this form, the bill does not provide the safeguard which, we insist, is vital to the veterans and other home buyers. In return for special financial aid the Federal Government should require that minimum standards of durability, livability, and safety be met by the producers of homes receiving such aid. Sections 11 (a) (5) and 12 (a) (5) merely provide that materials produced and houses built with such aid be tested for sound quality, and, in the case of houses, for durability, livability, and safety. Nowhere in the bill is there a requirement that a minimum standard of quality of materials and of durability, livability, and safety of homes be met as a condition of financial aid and with proper provision for compliance. Nor is there a requirement that producers and builders receiving premium payments pay not less than the minimum wage standards prevailing in the locality.

Apart from this consideration, we have grave doubts regarding the soundness of the proposal to put the Government in the marketing business. Of all the problems surrounding the present crisis and likely to persist for some time, ready sale of available good homes is certainly not one. If it is contemplated that the Government is to market the homes it buys at a loss, such a double subsidy should be clearly spelled out in the statute and the intent of Congress with respect to it stated in unmistakable

terms. If the Congress does authorize the market-guaranty procedure, it is its clear duty to spell out specific minimum standards for the products it proposes the Government would be marketing. Without such specific standards the effect of the enactment would be to leave the marketing of good housing in private hands while making it the responsibility of the Government to act as an agent for dumping substandard homes, bearing the seal of the United States, upon the unsuspecting veteran.

It is the hope of the American Federation of Labor that H. R. 4761 may be perfected in accordance with the foregoing recommendations and that, with these changes, it will be promptly enacted into law.

HOUSING COMMITTEE,
AMERICAN FEDERATION OF LABOR,
HARRY C. BATES, *Chairman.*
BORIS SHISHKIN, *Secretary.*

Mr. WHERRY. Mr. President, a telegram has been sent to me by R. J. Gray, chairman of the executive council of the building trades department, and Herbert Rivers, secretary-treasurer of the building trades department. The telegram reads as follows:

APRIL 10, 1946.

Senator WHERRY,
United States Senate,
Washington, D. C.:

There appears on page 3351 of CONGRESSIONAL RECORD of April 9, 1946, the following statement made by Senator BARKLEY in addressing the Honorable Senator OVERTON: "Does the Senator from Louisiana realize that the American Federation of Labor, which contains within its membership practically all the building trades of the United States, has endorsed this legislation in its entirety?" We have this day wired Senator BARKLEY that he is mistaken in this statement that the building and construction trades department of the American Federation of Labor has not and does not endorse the proposed veterans housing legislation in its entirety. We are submitting to the Honorable Senator TAFT and Senator BARKLEY written statement of the position of the building and construction trades department on this bill signed by Harry C. Bates, chairman of the A. F. of L. housing committee.

R. J. GRAY,
Chairman, Executive Council Building Trades Department.
HERBERT RIVERS,
Secretary-Treasurer, Building Trades Department.

Mr. BARKLEY. Mr. President, I wish to say that I have not seen that telegram. Although it may be at my office, I have not seen it at all.

Mr. WHERRY. I have submitted it in order to clear the record.

Mr. BARKLEY. I do not object to that. But the colloquy to which reference has been made occurred yesterday under circumstances which all of us can remember, and I simply wished to put the American Federation of Labor on record as it wishes to be put on record.

The PRESIDENT pro tempore. The question is, Shall the bill pass. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the senior Senator from Nebraska [Mr BUTLER]. Not knowing how he would vote, I transfer that pair to the Senator from Ohio [Mr. HUFFMAN], who, if present and voting, would vote as I intend to vote. I am therefore at liberty to vote. I vote "yea."

Mr. WALSH (when Mr. MYERS' name was called). I announce that the Senator from Pennsylvania [Mr. MYERS] is attending a meeting of the Board of Visitors at the Naval Academy in Annapolis. If present and voting, he would vote "yea."

The roll call was concluded.

Mr. BANKHEAD. My colleague, the junior Senator from Alabama, is absent on account of the death of his father. If present and voting, he would vote "yea."

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Alabama [Mr. HILL], and the Senator from Ohio [Mr. HUFFMAN] are absent because of deaths in their families.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS] and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

I wish to announce further that, if present and voting, the Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senators from Georgia [Mr. GEORGE and Mr. RUSSELL], the Senator from Illinois [Mr. LUCAS], and the Senator from Maryland [Mr. TYDINGS] would vote "yea."

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER], the Senator from Oklahoma [Mr. MOORE], and the Senator from Indiana [Mr. WILLIS] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Maine [Mr. BREWSTER] and the Senator from Michigan [Mr. FERGUSON] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER] has a general pair which has been heretofore announced and transferred.

The Senator from Michigan [Mr. FERGUSON], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Indiana [Mr. WILLIS] would vote "yea" if present.

The result was announced—yeas 63, nays 14, as follows:

YEAS—63

Aiken	Downey	Knowland
Austin	Ellender	La Follette
Bankhead	Fulbright	Langer
Barkley	Gerry	McCarran
Bilbo	Gossett	McClellan
Bridges	Green	McFarland
Briggs	Guffey	McKellar
Buck	Hart	McMahon
Byrd	Hatch	Magnuson
Capehart	Hayden	Maybank
Capper	Hoey	Mead
Carville	Johnson, Colo.	Mitchell
Connally	Johnston, S. C.	Morse
Donnell	Kilgore	Murdock
Murray	Smith	Tunnell
O'Mahoney	Stanfill	Vandenberg
Pepper	Stewart	Wagner
Radcliffe	Taft	Walsh
Reed	Taylor	Wheeler
Saltonstall	Thomas, Okla.	Wiley
Shipstead	Thomas, Utah	Young

NAYS—14

Ball	Hawkes	Revercomb
Brooks	Hickenlooper	Robertson
Bushfield	Millikin	Wherry
Cordon	O'Daniel	Wilson
Gurney	Overton	

NOT VOTING—19

Andrews	George	Russell
Bailey	Glass	Tobey
Brewster	Hill	Tydings
Butler	Huffman	White
Chavez	Lucas	Willis
Eastland	Moore	
Ferguson	Myers	

So the bill H. R. 4761 was passed.

The PRESIDENT pro tempore. The question now is on the amendment to the title as reported by the committee.

Mr. TAFT. Mr. President, I invite the attention of the majority leader to the fact that, in the first place, the words "and existing" and the words "and real estate" were stricken out of the bill, so the title does not conform to what the bill contains.

In the second place, the availability of housing should be stated at least as it is stated in section 1 of the bill. There the language reads:

> The long-term housing shortage and the war have combined to create an unprecedented emergency shortage of housing, particularly for veterans of World War II—

And so forth. I think the title of the act should be amended so as to read, in part, "An act to expedite the availability of housing, particularly for veterans of World War II."

Mr. BARKLEY. Mr. President, that would not be an appropriate title.

Mr. TAFT. Mr. President, I think the title should conform to what is stated in section 1. There the language reads "particularly for veterans." The words "and existing" and the words "and real estate" in the last line of the title should be stricken out.

Mr. BARKLEY. Mr. President, I do not believe that is essential. If there is any change to be made in the wording of the title, it can be done in conference.

Mr. TAFT. I wish to suggest to the Senator that the title contains the words, "by curbing excessive pricing of new and existing housing and real estate." We struck out all curbing of prices of existing housing, and all curbing of prices of real estate. Therefore, the words "and existing" and the words "and real estate" should be stricken out.

Mr. BARKLEY. The Senator is correct about the words "and existing" and the words "and real estate."

Mr. TAFT. I move that the words "and existing" and the words "and real estate" appearing in the last line of the title be stricken out.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Ohio to the amendment to the title.

The amendment to the amendment was agreed to.

Mr. TAFT. I myself believe that the word "particularly" should be inserted

in the second line of the title after the word "housing."

The PRESIDENT pro tempore. Without objection, the title will be amended so as to read: "An act to expedite the availability of housing for veterans of World War II by expediting the production and allocation of materials for housing purposes and by curbing excessive pricing of new housing, and for other purposes."

Mr. BARKLEY. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to.

The PRESIDENT pro tempore. The conferees will be appointed later.

NATIONAL HOUSING POLICY

Mr. WAGNER. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1147, Senate bill 1592.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1592) to establish a national housing policy and provide for its execution.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from New York.

The motion was agreed to; and the Senate proceeded to the consideration of Senate bill 1592 to establish a national housing policy and provide for its execution, which had been reported from the Committee on Banking and Currency with an amendment.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Maj. Gen. John H. Hilldring, United States Army, to be an Assistant Secretary of State;

George S. Messersmith, of Delaware, now Ambassador Extraordinary and Plenipotentiary to Mexico, to be Ambassador Extraordinary and Plenipotentiary to Argentina; and

Duane B. Lueders, of Minnesota, to be a foreign-service officer, unclassified, a vice consul of career, and a secretary in the diplomatic service.

By Mr. OVERTON, from the Committee on Commerce:

Capt. Thomas A. Shanley, United States Coast Guard, to be appointed a rear admiral for temporary service in the United States Coast Guard to rank from the 25th day of February 1946 while serving as district Coast Guard officer, Fifth Naval District, or in any other assignment for which the rank of rear admiral is authorized;

Capt. Louis W. Perkins, United States Coast Guard, to be appointed a commodore for temporary service in the United States Coast Guard to rank from the 16th day of March 1946, while serving as commander, North Atlantic Ocean Patrol, or in any other assignment for which the rank of commodore is justified;

Admiral Russell R. Waesche to be an admiral (retired) on the retired list of the United States Coast Guard;

Leo Otis Colbert, of the United States Coast and Geodetic Survey, to be Director of the Coast and Geodetic Survey for a term of 4 years, effective April 8, 1946;

Col. Edwin H. Marks, Corps of Engineers, for appointment as president, California Debris Commission, vice Brig. Gen. Philip G. Bruton, Corps of Engineers, to be relieved;

Rear Adm. Merlin O'Neill, United States Coast Guard, to be appointed a rear admiral for temporary service in the United States Coast Guard with date of rank as such from the 15th day of February 1946; and

Sundry employees of the Coast and Geodetic Survey to the position of aide with rank of ensign in the Coast and Geodetic Survey.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

TREASURY DEPARTMENT

The Chief Clerk read the nomination of Edward H. Foley, Jr., to be Assistant Secretary of the Treasury.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

CUSTOMS SERVICE

The Chief Clerk read the nomination of Robert E. Noonan to be collector of customs, collection district No. 25.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Harry T. Foley to be surveyor of customs in customs collection district No. 10.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

SELECTIVE SERVICE SYSTEM

The Chief Clerk read the nomination of Milton E. Ballangee to be director of selective service for the Territory of Hawaii.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

The PRESIDENT pro tempore. Without objection, the Army nominations are confirmed en bloc, and, without objection, the President will be notified at once of all confirmations of today.

INTER-AMERICAN COFFEE AGREEMENT

Mr. CONNALLY. Mr. President, I move that the Senate ratify the extension of the Inter-American coffee agreement on November 28, 1940, Executive A, which is now on the calendar. This is merely an extension of the coffee agreement we have had for a number of years, and it is very desirable that there be prompt action.

Mr. TAFT. Mr. President, I do not object to this treaty being set down for consideration, but I should like to make some remarks on it, and I am not ready at the moment. This is in direct violation of all the reciprocal trade proposals. It is in direct violation of the State Department's policy in the British loan regarding multilateral trade without quotas. It continues the quota arrangement as to coffee, and is completely inconsistent with everything else the department is urging us to do. I should like to have an opportunity to make a few remarks on the treaty. I had no notice it would come up today.

Mr. CONNALLY. If the Senator will get his remarks ready, I shall not push the matter now.

INTERNATIONAL SUGAR AGREEMENT

Mr. CONNALLY. Mr. President I ask that the Senate consider Executive B, a protocol dated in London, August 31, 1945, relating to the regulation, production, and marketing of sugar.

Mr. TAFT. Mr. President, I suggest that if the two treaties are coming up, we be given notice. One day is enough.

Mr. CONNALLY. They have been on the calendar for more than a month.

Mr. TAFT. I understand that, and for that reason they have slept on their rights, so to speak.

Mr. CONNALLY. If the Senator insists, I do not object.

Mr. TAFT. I have prepared some material, but I do not have it here with me.

Mr. CONNALLY. I serve notice that at the next executive session I shall move that these agreements be considered and ratified.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 52 minutes p. m.) the Senate took a recess until tomorrow, Thursday, April 11, 1946, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 10 (legislative day of March 5), 1946:

TREASURY DEPARTMENT

Edward H. Foley, Jr., to be Assistant Secretary of the Treasury.

CUSTOMS SERVICE

Robert E. Noonan to be collector of customs for customs collection district No. 25, with headquarters at San Diego, Calif.

Harry T. Foley to be surveyor of customs in customs collections district No. 10, with headquarters at New York, N. Y.

SELECTIVE SERVICE SYSTEM

Milton E. Ballangee to be director of selective service for the Territory of Hawaii, with compensation at the rate of $6,650 per annum.

IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

Generals of the Army in the Regular Army of the United States

George Catlett Marshall to be General of the Army in the Regular Army of the United States, with rank from December 16, 1944.

Douglas MacArthur to be General of the Army in the Regular Army of the United States, with rank from December 18, 1944.

Dwight David Eisenhower to be General of the Army in the Regular Army of the

United States, with rank from December 20, 1944.

Henry Harley Arnold to be General of the Army in the Regular Army of the United States, with rank from December 21, 1944.

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

Martin Conrad Shallenberger to be a brigadier general.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 10, 1946

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Master, the world's Saviour, Thou who remainest the same today and forever, we rejoice that Thy mercy never faileth. We pray Thee to cleanse our thoughts and purposes by the inspiration of Thy spirit, that we who take counsel for our Nation shall give the true perspective of our times. O keep us from running in self-chosen and self-pleasing ways and thus we shall maintain our rich estate—the mastery of life. We praise Thee for the heart-winning words of our Saviour, which would teach us the virtue of humility, the real nature and value of wealth, and the capacity to serve in public and in private life. Grant us the spirit of good will, devotion to the truth, the strength to do our work, and the courage to turn our words into deeds. In our labors dispel every shadow of self-seeking, that our hope in Thee may be free from the mark of distrust and the fear that dishonors Thee. We pray that Thy guiding radiance above us shall be a beacon to God, to love, and loyalty. Amen.

The Journal of the proceedings of yesterday was read and approved.

BOARD OF VISITORS—UNITED STATES MILITARY ACADEMY

The SPEAKER laid before the House the following communication:

APRIL 8, 1946.

Hon. SAM RAYBURN,
The Speaker,
House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: Under date of January 6, 1945, I notified you, pursuant to the provisions of the act approved May 17, 1928 (10 U. S. C. 1052a), of the names of the members of this committee I had designated as members of the Board of Visitors to the United States Military Academy for the Seventy-ninth Congress.

This is to advise that I have designated Hon. W. F. NORRELL, of Arkansas, to fill the vacancy resulting from the death of Hon. J. Buell Snyder.

Sincerely yours,
CLARENCE CANNON,
Chairman.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a short address he made at a reception tendered to the French consul at Chelsea, Mass.

SPECIAL ORDER GRANTED

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that today, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. OUTLAND (at the request of Mr. SAVAGE) was given permission to extend his remarks in the Appendix of the RECORD and include a statement from the National Planning Association entitled "America's Stake in the British Loan."

Mr. ELLIS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

PERMISSION TO ADDRESS THE HOUSE

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a magazine article.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

[Mr. ELLIS addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. FARRINGTON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the United Press about Daniel Webster and Hawaii.

MORE BUNGLING

Mr. STIGLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. STIGLER. Mr. Speaker, upon receiving information on March 1 that the Office of War Mobilization and Reconversion had allocated 10,000 tractors to UNRRA, I immediately dispatched a telegram to the Director protesting such action, and asking him to please advise if this information were true. Not having received an answer to my telegram, I dispatched another on March 18 reasserting my protest, and again called on him to advise me if such action had been taken.

On March 27 I received a very short letter in answer to my telegram of the 18th—nothing was said about the one on March 1—advising me that members of his staff were going into the matter and they would communicate with me in regard to it in the near future.

A few days thereafter I received a letter a little more in detail, advising me that—I quote:

The availability of tractors in the war-torn areas abroad will be an important factor in determining the amount of food which these areas can produce, and thus in lessening the danger of mass starvation overseas.

The quote is somewhat vague, but I assume the tractors were sold or given to UNRRA.

What about the farmers of America? And particularly the veteran? Here we are being called upon to feed the world and our veterans are clamoring for farm machinery and cannot get it. And yet, the over-generosity of some of our officials sanctions the sending of 10,000 tractors overseas.

Mr. Speaker, I know it has been estimated that there are 500,000,000 people in war-torn Europe and elsewhere on starvation. As one, I am willing to miss a meal each day so they may have food, but I was burned up when I read about a war veteran in the State of Washington offering to trade his Distinguished Service Cross for a priority on a tractor and cannot get one.

Think of it—all these tractors being sent to Europe and elsewhere, and our veterans going without.

I call this to the attention of the House in the hope that our Committee on Expenditures in the Executive Departments will correct this situation before it happens again.

EXTENSION OF REMARKS

Mr. RICH asked and was given permission to extend his remarks in the RECORD and insert an editorial from the Williamsport Gazette and Bulletin, entitled "The Land of the Free."

Mr. MCCORMACK asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Boston Post of April 8, entitled "Truman's First Year."

Mr. RANKIN. Mr. Speaker, yesterday I secured unanimous consent to correct the RECORD to insert some material that was inadvertently left out of a speech which is printed in the RECORD of April 5 on the Tennessee-Tombigbee inland waterway. Since those items are rather lengthy, I ask unanimous consent to have the speech reprinted in the Appendix with those corrections.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PHILIPPINE REHABILITATION ACT, 1946

Mr. BELL. Mr. Speaker, pursuant to the order made yesterday, I call up for immediate consideration the bill (S. 1610) to provide for the rehabilitation of the Philippine Islands, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Under the order made, the gentleman from Missouri is recognized for 30 minutes, and the gentleman from California [Mr. WELCH] is recognized for 30 minutes.

Mr. BELL. Mr. Speaker, I yield 5 minutes to the Commissioner from the Philippine Islands, General ROMULO.

Mr. ROMULO. Mr. Speaker, I want to express the gratitude of the people of the Philippines to the people of the United States for the legislation which is now before the House. This legislation, providing for the rehabilitation of

the Philippines, passed the Senate a few weeks ago. It is the product of the observations and thinking of some of the best minds in America, with the cooperation of President Osmeña and other Filipino representatives. But it is more than that. It is the product of the many years of collaboration between the American and Filipino peoples—of the common ordeal through which we have passed—and, most of all, of the undying friendship between us.

I do not presume to appeal to you now for passage of the bill. Rather, I take it for granted that you are going to help us rebuild our shattered land, and I stand before you as the spokesman of 19,000,000 Filipinos who want me to tell you of their appreciation and to give you some of the background information on Philippine rehabilitation.

My homeland, Mr. Speaker, is in ruins. Its proud capital is no more. Its industries are silent, for few wheels turn. Its fields too often lie untended, for there is no means of transporting their produce to market. Its trade and commerce languish. The people hunger.

This is the price we paid for our loyalty to the United States. The Japanese attacked us while our soil was still protected by the American flag, and the tens of thousands of Filipinos who died during the war years were American nationals. We do not regret our stand. We are proud of it. And today, in our pride, we look only for the help that will permit us to get back on our feet and pick up once again the tools of progress.

In his report to the Senate when the Philippine rehabilitation bill was submitted to that body, Senator TYDINGS declared:

> Prior to the Japanese invasion the Filipinos were carrying on virtually their entire government and doing it successfully. Had there been no war with Japan the problem of transition from their existing status to complete independence would have been relatively simple. The ravages of war with Japan have completely altered this happy prospect. When the Philippines do become independent next July, they will start on the road to independence with a country whose commerce, trade, and political institutions have been very, very seriously damaged. Years of rebuilding are necessary before the former physical condition of the islands can be restored. Factories, homes, government and commercial buildings, roads, bridges, docks, harbors, and the like are in need of complete reconstruction or widespread repairs. It will be quite some while before the Philippines can produce sufficient food with which to sustain themselves.
>
> The internal revenues of the country have been greatly diminished by war. Much of the assessable property basis has been destroyed. Foreign trade has vanished. Internal commerce is but a fraction of what it used to be. Machinery, farming implements, ships, bus and truck lines, interisland transportation and communications have been wrecked.

This report, which received the unanimous vote of the Senate Committee on Territories and Insular Affairs, cites figure after figure in the statistical analysis of destruction in the Philippines. Statistics may have no heart, and they may paint no graphic picture of handsome buildings now gutted, of human beings massacred with cold steel, of homeless children clad in rags. But, by their very impersonality, they tell an impressive story. Let us look at some of these statistics, gathered, not from Filipino sources but from American sources.

I pick these figures at random from the report. The value of the public property in the possession of the national government alone was $116,186,825. Of this amount, exactly $99,561,425 has been lost in the war. Communications and electric plant, including cable lines, was valued at $2,764,875. The loss was $2,764,875—exactly 100 percent. Machinery, tools, and furniture of the national government alone was valued at $15,287,700. The loss was $15,287,700—exactly 100 percent.

Private property was hit equally hard. I quote a single paragraph from the Senate report:

> There is some damage in all districts in Manila, but the most valuable sections have been practically destroyed. The port area and the Santa Cruz district have suffered a 90 percent loss; Malate and Intramuros, 93 percent; Paco, Ermita, and Binondo, from 68 to 85 percent. Most of the damage occurred when the Japanese were driven from the city in December 1944 and January 1945. As the Japs withdrew they deliberately set fire to most of the buildings in the financial, retail, and high-class apartment and residential districts.

Do you want to know what Manila looks like today? Imagine Washington in ruins. All Government buildings are tumbled to the ground, excepting only the White House. This very building in which we sit now leaning crazily on its side, the walls caved in, and the world-famed cupola lying shattered in the Capitol subway. The busiest intersection in Washington—Fourteenth and F Streets, for example—no more than a crossroads in the midst of ruins neatly cleared away to allow the jeeps and trucks and wayfarers to find their way about. All of the great department stores gone. They are at best empty shells with glassless windows yawning an invitation to the winds and rain. The residential districts from here to Chevy Chase are flattened, and the fine embassies along Massachusetts Avenue but a memory. This Congress would be meeting, perhaps, in what is left of the high school in the Georgetown district, and the Members would walk many miles each day to get there from the impromptu dwellings they had fixed up for themselves in rat-infested cellars. For months all of Washington must go without electricity and running water, and, because of the shortage of essential supplies, prices are sky high. Along business streets, like Connecticut Avenue, merchants have erected makeshift stalls to carry on their pathetic trade. And everywhere there is wreckage, misery, ruin.

If Washington had undergone Manila's Calvary, that is what this capital city would be like today. And remember, Mr. Speaker, that the destruction in the Philippines was not limited to Manila. It reached out into the smaller cities—Cebu, almost totally destroyed, for example—and to the tiniest villages from northern Luzon to Mindanao.

Any person who has visited the Philippines since liberation knows that our country could not possibly revive, restore, rebuild, and rehabilitate, without help from you. Our islands are rich with natural resources. Our people are anxious to work their way back to a high standard of living. Our businessmen stand ready to reestablish the commercial relations which, in the past, have contributed so much to the United States as well as to the Philippines. But we cannot begin this work without money and materials.

The whole future of the Philippines depends upon the help we get from you. Next July, at the latest, we embark upon a new chapter in our Nation's history. At that time, we shall achieve the independence we have earned so painfully. But independence without rehabilitation would be a mockery of the sacrifices of the men who fought and died for freedom—freedom from want as well as the other three great freedoms.

That is why I speak in the name of all my countrymen in telling you of our heartfelt gratitude for the action you will soon take in passing the Philippine rehabilitation bill. This bill is part of a five-way program of assistance which the United States is undertaking in the Philippines.

First of all, it provides for compensation of war damages, to the amount of $400,000,000. These damages occurred as a result of enemy attack, action taken by the enemy, action by or at the request of the United States armed forces in prosecuting the war, or looting, pillage, and disorder. At the time the damages occurred, the Philippines was under the sovereignty of the United States of America. Though we fought back because we were Filipinos, and Filipinos will always fight for freedom, we were also fighting as American nationals in defense of the American flag. This compensation, therefore, is no more than a matter of simple justice on the part of the American people.

As the bill stands, there is provision for the payments ultimately to be made by the very people who were the cause of all the destruction in the Philippines: the Japanese. Any sums received from Japan by way of reparations or indemnity will be covered into the Treasury of the United States until they are equal to the amounts paid out for Philippine war damage compensation. Once this amount has been reached, any further reparations payments from Japan will be used to satisfy claims still unpaid or not fully paid.

This war damage compensation will benefit, not only the wealthy, but also the little fellow whose hundred-dollar losses are as important to him as the hundred-thousand-dollar loss is to the rich man. And it is our expectation that all sums received as compensation for war damage will be used solely for useful, productive purposes in the Philippines.

The second point in the rehabilitation program, also covered by this bill, is the transfer of surplus property to the Philippine Government, to the amount of $100,000,000. This surplus property,

I am informed, will include practically all of the materials no longer needed by the armed forces in the Philippines, excepting, of course, military weapons, munitions, and toxic gas. It will include building and construction equipment and materials, vehicles, and other necessary items. This surplus property is already in the Philippines. We need it badly. If we do not get it, the property would have to be shipped back to the United States, at great cost to the Government and at a time when all shipping space should be used to bring high-point troops home for discharge or to carry food to the hungering people of Asia and Europe.

We can use this surplus property to repair and replace Government buildings, equipment, and other property; to restore and provide essential public buildings, services, works, and utilities, including hospitals, schools, and other health and welfare institutions; and to rehabilitate our economy and encourage private enterprise in the Philippines.

The third point in the rehabilitation program, which is covered by this bill, is the restoration and improvement of public property and essential public services. For this purpose, the bill appropriates $120,000,000. This money will be used to put our roads, streets, and bridges back into commission. The communications system in the Philippines has virtually collapsed because of the war. Except for highways maintained for military purposes, our roads are in disrepair, and we have hardly a permanent bridge left in the entire country. Out of these funds, too, it will be possible for the Corps of Engineers to rebuild the port and harbor facilities destroyed by the war. Assistance is also provided in the fields of public property, public health, inter-island commerce, weather information, fisheries, and coast and geodetic surveys.

These are the essentials to a restoration of normal economic life in the Philippines. We cannot survive unless we receive this help.

The fourth point in the rehabilitation program, which is partially covered by this bill, is the technical assistance we shall receive from the United States. While, from the point of view of the money required, this does not compare with the other aspects of rehabilitation, we consider it one of the most important of all. For we know very well that no nation can take its permanent place in the family of sovereign states unless it has competent technicians to handle its essential services.

Because of the war, we have lost many of the most highly trained and most experienced of our Filipino technicians. We must replace them, quickly. This bill provides for a thorough training program—10 Filipino engineers to be trained in the maintenance and operation of highway transport facilities; 10 Filipino engineers to be trained in the construction, improvement, and maintenance of port facilities and other river and harbor improvements; 100 Filipinos to be trained in public-health methods and administration; 50 Filipinos to be trained each year in the United States Merchant Marine Cadet Corps and at the United States Merchant Marine Academy; 50 Filipinos to be trained each year in air navigation and air traffic; 50 Filipinos to be trained the first year, and 25 Filipinos to be trained each succeeding year, in meteorology and weather service; 125 Filipinos to be trained in deep-sea fishing and other fishery techniques, with the establishment of fishery schools in the Philippines by the Fish and Wildlife Service; and 20 Filipinos to be trained each year in Coast and Geodetic Survey work.

In addition to the training provisions in this bill, certain agencies and departments of the United States Government are conducting programs of assistance to us in training Filipinos in other fields of governmental and economic service.

We need this help. We need the technical assistance, the advice, the experience, the know-how, of the most successful Nation on earth. And we are grateful to you because, in your wisdom, you are making it available to us.

The fifth point in the rehabilitation program is not covered by this bill. It is the entire matter of future trade relations between the United States and the Philippines. All of the other four points will depend, to a very great extent, on these trade relations. The House has already unanimously passed the Philippine trade bill, and it is our hope that the Senate will do the same thing within the next few days—or even hours.

I do not think it is necessary for me to go into greater length on the urgent need for the Philippine Rehabilitation Act in my homeland. But let me—as a Filipino born on the other side of the Pacific Ocean—remind you of America's direct self-interest in Philippine rehabilitation.

You made a commitment to the Filipino people before the war and during the war. Before the war, the United States committed itself to the recognition of our independence by July 4, 1946. You were keeping your promise when the Japanese attacked, and that was one of the chief reasons why we unhesitatingly stood by your side. During the war, the United States committed itself to the proposition that our independence would be maintained as well as established, and that the ravages of the war in the Philippines would be fully repaired. The people of the United States are in the habit of keeping their promises. That is reason No. 1 why we take it for granted that the bill will pass.

Reason No. 2 is American security. The United States will continue to maintain great bases in the Philippines for the defense of its own integrity, as well as for the peace of the world. No base can be truly safe unless it rests upon the foundation of a contented, law-abiding, prosperous civilian population. And no civilian population will be contented, law-abiding or prosperous if, after suffering the untold devastation of the war, it is not enabled to return to the ways of normal, progressive life.

The third reason is perhaps the most important of all: the prestige of the United States throughout the Far East. One billion human beings in the Orient are watching the noblest experiment ever conducted in the Eastern Hemisphere—the ever-growing friendship and cooperation between a powerful western nation and a small eastern nation. So far this friendship has met the test of war. Now it faces the test of peace. If the United States provides the Philippines with the assistance it needs—as I know it will—American prestige will soar. If the United States were to ignore its responsibilities in the Philippines, American prestige would plummet to earth. Prestige, Mr. Speaker, may be an abstract idea. But wars are brewed in the cauldron of national reputations. I say to you now that the United States was attacked by Japan in 1941—in part, at least—because its prestige was low. The United States has now reached a new high throughout the Orient as an enlightened, disinterested champion of human freedom. It cannot afford to lose its moral strength in these trying days of peacetime maneuverings. This legislation is more than help for the Philippines. It is a rock of strength for American prestige in the Far East, and therefore it is a force for enduring peace throughout the world.

For our part, we of the Philippines want to thank you most sincerely for the understanding and sympathy and generosity with which you have tackled our mutual problems. We have been loyal to you because we believe with you in the basic ideals of free men—the ideal of democracy, and peace, and brotherhood, and understanding. Today, as you consider this legislation which translates into the brittle words of legal terminology the principles for which we both have fought and suffered, we assure you that we shall continue to stand by your side, in peace as in war, in victory as in defeat, in the future as in the past.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. ROMULO. With pleasure.

Mr. RANKIN. I agree, of course, with what the gentleman is saying. I am gratified beyond expression that the Filipinos are now obtaining their independence. I wish for them unbounded peace, happiness, and prosperity.

Several days ago some very distinguished men from the Philippines came to me and asked that the Veterans' Administration facilities be left in the Philippines for a time at least after July 4, when their independence goes into effect. We could not do that, of course, unless it were satisfactory to the Philippine Republic. Does the gentleman know what the feeling is about it?

Mr. ROMULO. I thank the gentleman from Mississippi for the interest he has taken in this matter. I have spoken on the floor about it once, and I want to reiterate to him the desire of my people that our veterans be given the justice they deserve. We want the Veterans' Administration to continue in the Philippines, and I hope we can enlist his support to this end. The gentleman from Mississippi has always shown himself to be a true friend of the Philippines.

Mr. BELL. Mr. Speaker, I yield myself 5 minutes.

The SPEAKER. The gentleman from Missouri is recognized for 5 minutes.

Mr. BELL. Mr. Speaker, it has been less than half a century since the armed forces of America drove from the Philippine Islands the Spanish tyrants who had for centuries held the Philippine people in a state of serfdom. For the first time in the history of the long centuries that have gone before, a great power brought to a weaker and subject nation the open hand of friendship and the offer of nationhood and liberty. Gradually, the processes of free government were worked out. Step by step, the blessings of liberty were brought to the Philippines. Schools and roads, orderly processes of government, a higher standard of living became a recognized and a settled part of the policy of America toward the Philippines. When in 1941 the ruthless hordes of Japan swept across the Philippines like a devastating flood, the citizens of that island republic were first given the acid test. They were crushed but not conquered. In their wooded hills and among the underground places of their cities the fires of liberty and hope were kept burning and they never failed in their courage, their loyalty, and their devotion to the cause of liberty, and never once did they falter in their complete and magnificent loyalty to the people of the United States whom they believed to be their friends. They were weighed in the balance and they were not found wanting. You men of America today, when you vote upon this bill, will face a test. You will have your sincerity, your friendship, and your loyalty to those friends in that far-off island country tested in the crucible of action upon this bill. America is asked to give out of its great treasures in order that the farms and industries of the Philippines and the necessary functions of government may be restored and permitted once more to function. I know that this body will not fail to do its duty. This bill, however, is not entirely one-sided. The appropriations and expenditure of the moneys authorized in this bill will bring returns and prosperity in trade and in those intangible values which friendship in a troubled world must carry, many times overshadowing the actual cost in dollars and cents.

Gentlemen, you will recall that it has only been a few days since this House passed the Philippine trade bill, a bill which I filed in the House, setting up a liberal program of trade relations between the United States and the Philippines, a program frankly designed to bring prosperity through the expansion of private industry and the building of trade and commerce between the two countries. This bill furnishes the sinews whereby the trade bill can be made to function with effectiveness. This bill provides for the rehabilitation of harbors and port facilities; for transportation and communications systems in the Philippines; for rebuilding of warehouses and factories, manufacturing plants and utilities, and the rebuilding of government buildings so that there may be an orderly handling of the business of the nation. The public health service, of course, must be restored, for without this a stabilized business program in a tropical country would be impossible. Churches and schools are to be rebuilt. Our own ancestors, when they first came to America, built churches and schools and it has been recognized by Americans ever since that without these things, there could be no ordered civilization. Without these things, the great program of trade and commerce visualized in the trade bill would not be able to function.

Mr. Speaker, this is one bill authorizing an appropriation which, I think, will return to the American people many times the amount authorized to be appropriated. The bill sets up the Philippine War Damage Commission, and authorizes the payment of certain sums to rehabilitate the economy of the Philippines. I do not need tell you, Mr. Speaker, that every city has been devastated, every industry has been devastated, even the farmers across those islands have been ruined, their carabao have been taken, their machinery has been destroyed. The Philippines without the assistance given in this bill will find it impossible to rehabilitate their economy. By doing the things that are authorized in this bill, we will rehabilitate the Philippines and we will recreate our sixth best customer in world commerce. Everybody in the South has an interest in this because it is the first market outside the United States for their cotton products. The people of New England have an interest in it because the first market outside of the United States for the products of the New England cotton mills is in the Philippines. The dairy farmers have an interest in it because the Philippines is the best market outside the United States for dairy products. The wheat growers in the Middle West have an interest in the passage of this bill because there is no other source outside the United States which furnishes as large a market for flour and the products of the farms of the Middle West as the Philippines. So while it is a thing that we owe the Filipinos because we promised it to them, it is also a moral obligation and it is a thing that we ought to do for our own selfish interest as well. If we do not pass this bill we will be depriving this country of vast amounts of trade. We will not only be failing in our duty to a gallant little country whose people fought with unfailing loyalty and courage in the recent conflict, but if you vote down this bill you will dry up a golden stream of commerce that will bring wealth and welfare to both countries.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. BELL. I yield to the gentleman from Indiana.

Mr. SPRINGER. I have not had the opportunity of going through this report. May I ask, what is the total amount of the appropriations which this bill will carry?

Mr. BELL. Five hundred and twenty-five million dollars. There are $400,000,000 for rehabilitation of the physical property of private concerns, farmers, and so forth; $120,000,000 to rehabilitate and rebuild the buildings that are necessary for the operation of the government there; then $5,000,000 which is necessary to rebuild our own buildings which we will need for an embassy and for the numerous buildings to accommodate the necessary United States departments over there.

Mr. SPRINGER. I thank the gentleman.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. BELL. I yield to the gentleman from New York.

Mr. COLE of New York. In addition to the sums which the gentleman has identified as being authorized, there is also a further authorization of surplus property to the extent of $100,000,000.

Mr. BELL. The gentleman is correct.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BELL. I yield to the gentleman from Pennsylvania.

Mr. RICH. I note from the hearings that they figure the recapitulation of all losses in the Philippines amounts to $818,000,000-plus. The gentleman says we are appropriating $400,000,000; in other words, about half of the amount that will be required for complete rehabilitation?

Mr. BELL. If we give them that much help, private industry will be able to carry the balance of the load and we want to do it as cheaply as we can; therefore we are not appropriating enough to do the job entirely, but we do believe that with this help private industry over there can go ahead and carry the balance of the load and the Philippines will be rehabilitated.

Mr. RICH. That is the point I want to bring out. I think they ought to try to help themselves. We are going to give them their independence on the 4th of July. This bill continues for 5 years our aid. In what manner might we conflict by this appropriation with the government of the Philippines by continuation of this proposal as outlined in the bill when they gain their independence? They will set up their own government and they may not want our committee there to carry on the provisions of this bill.

Mr. BELL. There will be no conflict, because they will be an independent power and whatever is done will be done as a matter of mutual agreement between the two powers.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. BELL. Mr. Speaker, I yield myself two additional minutes.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. BELL. I yield to the gentleman from Mississippi.

Mr. RANKIN. In addition to what the gentleman from Missouri has said, the Philippine Islands will be extremely friendly to the United States and will be the outstanding Christian country in the Orient.

Mr. BELL. That is unquestionably true.

Mr. RANKIN. Those of us who have known the Filipinos all these years and have studied their history know that they will carry on the same kind of civilization that we are endeavoring to carry on here in America.

Mr. BELL. That fact alone would justify the appropriation if it did not have many other justifications.

Mr. RICH. May I ask a question for information? The gentleman has discussed this matter carefully and thoroughly with the Resident Commissioner from the Philippine Islands?

Mr. BELL. Many times. He has just made a speech a few moments ago urging the passage of this bill.

Mr. RICH. You have come to the conclusion that if we pass this bill it will be a sufficient contribution from the Federal Government of the United States with the passage of this bill so that when the Philippines become an independent nation they are not going to come back to us again for something that has been left out of this bill? This must be a termination of our promises both by legislation and by any promises made by any of our officials. In other words we want no implied obligations after this unless the Congress acts for that purpose.

It is a complete understanding between the Commissioner of the Philippines and this Government, so that when we carry out the provisions of this bill we have completed all the necessary arrangements for the complete rehabilitation of their Government so far as the obligations that are imposed on our Government are concerned.

Mr. BELL. I have not gone into the future with the Commissioner, but I do believe, and the committee believes, I am sure, that if this bill carries, it will go a long way toward the rehabilitation of the Philppines. We believe that it will rehabilitate their economy. We believe that if we do not pass this bill, it will not only be a great discredit to us, but we will lose a customer that is tremendously valuable.

Mr. RICH. I was trying to see if we could get a terminal agreement here of all promises legislated, spoken, or implied for the future.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. WELCH. Mr. Speaker, I yield myself 5 minutes. Mr. Speaker, this bill, S. 1610, supplements H. R. 5856 which was passed by the House last week. The Committee on Insular Affairs has given very careful consideration to this legislation and without opposition has recommended its passage.

The bill simply provides for the partial restoration of war damages.

No other nation in the recent war suffered as relatively great war damage as did the Philippine Islands.

Their entire country was overrun.

Their social structure was destroyed.

Their economy was completely obliterated.

Their farms were ruined.

Their cities and buildings in their cities, particularly in the Pearl of the Orient—Manila, received far greater damage than any other large city in any country.

Their machinery was confiscated and taken from the country.

Their animals were killed and the entire country was devastated by the invaders.

Their interisland shipping, so important to intercommunication between the 7,000 islands of the Philippines, was wiped out.

We have attempted to reestablish a sound foundation to Philippine economy by passing the Philippine trade bill. The values of this bill, however, will not be felt for at least 3 years. Your Committee on Insular Affairs has been advised that at least 3 years will elapse before normal sugar operations will be effective. Sugar is the primary cash crop of the Philippines.

This War Damage Act will provide a means of assisting the Philippine people in the immediate future and for this reason I strongly favor its early passage.

Mr. BELL. Mr. Speaker, I yield such time as he may desire to the distinguished majority leader, the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, I want to compliment the chairman of the Committee on Insular Affairs and all the members for the manner in which they have devoted themselves to the consideration of this important piece of legislation and for the care that they have taken in considering and reporting the bill now before the House, representing the unanimous opinion of the committee. The work that they have done in this committee, when this bill is finally enacted into law, will be a heritage to each and every one of them for years to come, because the results that will flow from this bill will have a very far-reaching effect on world affairs, and especially to the national interest of our own country.

I also want to call attention to the able and distinguished service not only on the field of battle, but on the floor of this Chamber, rendered by our beloved colleague, who represents the people of the Philippines, General ROMULO. The position of General ROMULO in the hearts and minds of all of the Members is one of extreme closeness; we all have a very high regard for him, and the people of the Philippines are indeed fortunate in having such an outstanding gentleman representing them in this body.

Mr. Speaker, the people of the Philippines have emerged from war a stricken people inhabiting a country devastated by the ravages of the enemy. The war has ended—but the surrender of Japan has not rebuilt the homes nor ameliorated the living conditions of those brave Filipinos who nobly rallied to the cause of democracy and side by side with America endured bloody disaster for 3 years of martial holocaust and went on to suffer through the harsh occupation of the enemy in a manner more horrible than even imagination can picture. Hundreds of thousands of Filipinos were destroyed—not only the heroic defenders of Bataan, nor the 28,000 who lie at Capas where the March of Death came to an end, not only the defenders of Cebu, nor the guerrillas who made possible the survival of American fighting men through their valor and sacrifice, but also the countless thousands of civilians who were brutally murdered by the enemy or who died from lack of food and medical supplies. The men and women of the Philippines suffered through years of privation, starvation, and humiliation, only in the end to have the Japanese wreak their hated vengeance upon the innocent. Cities were sacked, business centers razed, the entire country prostrated by the havoc of war. Today 18,000,000 Filipinos await the aid of the United States which is necessary for the rehabilitation of a people economically and physically desolated.

On January 6, 1942, within a month after Pearl Harbor, President Roosevelt stated:

> It was bitter for us not to be able to land a million men and a thousand ships in the Philippine Islands. But this adds only to our determination to see to it that the Stars and Stripes will fly again over Wake and Guam, and that the brave people of the Philippines will be rid of Japanese imperialism and will live in freedom, security, and independence.

The Stars and Stripes fly over Wake and Guam. Japanese imperialism has been destroyed forever. The Filipinos live not under the threat of the sword but as the nation among the Allied nations of the world which perhaps suffered most in the cause of liberty and justice. They live, but they cannot continue to live in the promised freedom, security, and independence if they are to be the unaided victims of starvation and famine, without clothing, without homes, without marts, without the bare necessities of human existence. America, speaking through their President in the early days of the war, uttered no mere idle words. The help to be extended to the Filipinos to enable them to live in peace and independence was to be real, not imaginary, actual not theoretical. America has never broken bond. America will not fail in the matter of Philippine rehabilitation.

The history of the relationship between America and the people of the Philippines relates the proud story of two peoples and two nations keeping faith with each other. Each, confident in the other, through cooperative leadership, counted the other a friend. The United States and the leaders of the Filipino people for many long years provided facilities in the islands for education, health, and the common weal of the Filipino, with the definite thought that after a period of local autonomy under a commonwealth form of government with its own constitution, complete independence of the Philippines would be consummated. Then came the day of infamy and the treachery of Japan.

Throughout the ordeal of fire and war, the brave people of the Philippines stood shoulder to shoulder with America in every battle. Who is there with memory so short that he forgets Bataan and Corregidor? There a handful of American combat troops, Filipino scouts, and Filipino reserves in heroic battle fought the enemy of mankind until weapons fell from hands made impotent through fatigue and these valiant men and women—the bravest of the brave—gave way before the foe—not in defeat, but in despair that the flag of America could not continue in glorious permanence over the

land for which this Nation gave of its fortune and its blood. No. The bravery and sacrifice of the Filipinos in the cause of free mankind helped keep alive the fires of freedom the world over. Their cross shall not have been borne in vain. America will not forget the courage and devotion of the Filipino whose example established for his country a place among the free nations of the world. Let us not forget that they with us were glorious in an army which won the commendation, "No army has ever done so much with so little."

The Filipinos have been assured by our Government that their freedom will be redeemed and their independence established and protected. We have pledged the entire resources of the United States to their redemption.

President Truman has on different occasions paid tribute to the gallantry and courage of the Filipinos. On February 20, 1945, in commenting upon the status of Philippine Army veterans, he stated:

I consider it a moral obligation of the United States to look after the welfare of the Philippine Army veterans.

Again on March 16, 1946, he stated:

The Philippines are scheduled to become an independent republic on July 4 of this year. I am certain that the Philippine people are fully capable of assuming all the duties and obligations of self-government. I believe that these heroic people, out of their own devotion to democratic ideals, will eliminate from their material and political life all those of questionable allegiance to those democratic ideals.

These words of our President, as those of other great Americans uttered in the past, have inspired courage and confidence in the people of the Philippines and given them the moral aid to carry on their fight for rehabilitation. These men and women have suffered in their loyal devotion to the United States. We send foreign countries food, clothing, money for rehabilitation, rebuilding, and repair. We will not allow the factories, farms, and homes of the Philippines to remain in ruins. We will not stand idly by while the men and women of that country, so long nourished, guarded, and protected by our Government, suffer the confusion attendant upon frustration, uncertainty, and despair. Their national economy has been shattered The Commonwealth government is helpless without our aid to move toward rehabilitation. We have for years promised. They have believed in our promises. We are obliged to fulfill our obligations. We must and we will help the Filipinos regain their economy so that they may, in justice, take their place as a healthy, strong, free, and liberty-loving democracy in accordance with the principles we have taught for 50 years.

This is our solemn duty. Therein we must not, we shall not, fail.

The bill under consideration is a step in America's keeping faith with the people of the Philippines, who, during the years they have been under the jurisdiction of our country, and especially in view of the relationship that existed during the war, for all practical purposes have been just as much Americans as those of us who are actually citizens of the United States.

Mr. BELL. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, with the enactment of this bill, S. 1610, the United States will have redeemed its pledge to the people of the Philippines. We told them that their sacrifices were our sacrifices and that we would stand by them in the troublous postwar years.

The lesser nations are watching what we do here today. Their eyes are on us. With the passage of this bill our prestige will rise with those nations throughout the world.

The destiny of this country is in the Pacific Basin. It is to the West that we must look for trade and inspiration. By our actions today we weld another bond of mutual respect and understanding that ties us the tighter to the great Christian nation of the East—the Commonwealth of the Philippines.

Trade is the lifeblood of nations. We need the goods of the Philippines and they need the goods we manufacture. The good will engendered by this legislation gives us a favorable position in trade with the East. All the nations of Asia applaud and approve our action.

This bill will assist in rehabilitating the economy of the Philippines. It makes no gifts or provides no funds for those things that are not directly connected with that economy. It is not an act to indemnify those who lost property in the Philippines as the result of the war. It only offers the hand of assistance to reestablish those businesses and institutions fundamentally necessary to carry on that economy on a self-sustaining basis.

What is the cost of this bill? It is $500,000,000, one hundred million of which is in surplus property already in the islands—property it would hardly pay us to reship to this country. Five hundred million, or to be exact, four hundred million in cash and a hundred million in kind is a lot of money.

The money we are giving the Philippines would have run the war for less than 30 hours. Measure the cost in this term. Thirty hours of all-out war.

The Philippine people by their heroic resistance and glorious sacrifices shortened the war in the Pacific by many months. Had they bowed to their Japanese oppressors and accepted their overlordship as certain nations in Europe did in that theater, we would still be fighting from island to island at a cost of a hundred times that which we seek to appropriate.

We on the Pacific coast now know that Bataan and the resistance movement on the Philippine Islands made us safe. We can look across the western sea to the suffering and destruction in the Philippines and say with the philosopher, "There but for the grace of God go I."

We salute our valiant brothers in arms, the Commonwealth of the Philippines, and offer them this small token to help bind up the wounds they received in fighting our common enemy.

Mr. BELL. Mr. Speaker, I yield such time as he may desire to the distinguished gentleman from Illinois [Mr. SABATH].

INDEPENDENCE FOR THE BRAVE FILIPINOS

Mr. SABATH. Mr. Speaker, the gentleman from Mississippi [Mr. RANKIN] already has stated that the Filipino people are entitled to all the aid and assistance provided in this bill, because they are the outstanding Christian nation in that part of the world.

Knowing, Mr. Speaker, that nearly all of these brave and gentle people had been converted to Catholicism some three or four centuries ago, it was for that reason I introduced in Congress, almost 20 years before the gentleman from Mississippi came to this House, a resolution providing for their independence and guaranteeing their neutrality against the threat of Japanese aggression, which I feared even then.

Consequently, I am immensely pleased that this great Nation of ours is according to the Filipinos the aid and assistance authorized in this bill, and that on this coming July 4 we shall finally grant to the new republic of the East that full independence for which they have been waiting, praying, working, and fighting for almost a half century, after long, long years of oppression by the Spanish conquerors, four decades of helpful government by the United States, and four frightful years of inhumane and barbarous treatment by the murderous, heartless Japs, which destroyed nearly all their belongings, their trade, their resources, and left them in deplorable and unfortunate circumstances.

The aid we are making available in this bill is absolutely necessary to assist them in the rehabilitation of their country and their economy. Ever since the Spanish-American War I have studied the history of the people of the Philippine Islands, and I have come to the conclusion, not only that they are good Christians, but that they practice the teachings of real Christianity. Unlike some who talk but unfortunately do not practice the teachings of Christ, they are charitable, honest, industrious, and that they have appreciated the aid we have given them in the past, and have proved themselves worthy and capable of self-government, is conceded by all.

We who have known their Resident Commissioners in Congress—courageous Manuel Quezon, who became President of the Commonwealth and gave his life to his country as surely as if he had fallen in battle; brave Joaquin Elizalde; and the present gallant Commissioner, General ROMULO—have recognized the true worth, the sincerity, and intrepid honesty, the intelligence and energy of the Filipino people, and have realized they are fully capable of independence and self-government, notwithstanding charges to the contrary. I am proud that I have been able to aid the independence of the Philippines, just as, after the First World War, I was able to aid the birth of small independent nations—Czechoslovakia, Poland, and others—in Europe.

I hope, Mr. Speaker, that other great nations may follow our example, and do what we have done in Cuba and in the Philippines, if the dependencies desire their freedom; or as I hope we shall do in the near future for Hawaii, for Alaska, for Puerto Rico, and grant the full statehood they are pleading for.

I am fervently hoping that the aid and assistance provided for in this bill will mitigate the suffering of the Filipino people, and I know that in the near future they will prove their appreciation and their satisfaction with the amount we are providing. The bread we cast, not upon the water, but across a great body of water, will return to us manifold.

Mr. WELCH. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. LEFEVRE].

Mr. LEFEVRE. Mr. Speaker, I very strongly favor this legislation. I do not believe it is necessary to again go into detail describing the plight of the Philippines as a result of the war. Every Member of the House heard the eloquent speech of General ROMULO and other Members of the House related the existing conditions when we had before us the Philippine trade-relations bill, only a few days back.

The Filipinos today are confused and puzzled. They look at their devastated lands, their ruined homes, and cannot understand what has paralyzed their national economy.

In the bill before us, we are providing ways and means to help rebuild the Philippines. For the hardships they have and still are suffering, and the loyalty shown throughout the war, they are entitled to our fullest support. The bill provides that a half-billion dollars of war-damage payments will be used to reconstruct and repair homes and buildings made useless by fire and shell during the war. All of the money appropriated must be reinvested in the Philippines to insure the replacement of the necessary facilities to carry out the purposes of the act.

This legislation is long overdue and I sincerely hope this measure is approved by our body today.

We must bear in mind that the eyes of the other great nations of the world are upon us. These Oriental people are our friends and will, without a doubt, be our best customers. The Filipinos held firmly to their faith in democracy throughout the war. They fought for it even through those blackest of days when the islands were dominated by the Japanese. We must, in every way, help this new democracy reach success.

Mr. WELCH. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. MCDONOUGH].

Mr. MCDONOUGH. Mr. Speaker, I am strongly in favor of the passage of S. 1610. The economy of the Philippines as well as the educational and spiritual institutions lay prostrate, ravaged and destroyed, as a result of the loyal support to the United States in our war with Japan. It should be the duty and obligation of the United States to assist in rehabilitating the Philippines. We recently passed a bill to provide proper trade relations between the Philippines and the United States. We should now pass this bill so that the economy, education, and cultural institutions may be reestablished. The Philippines will become a free and independent nation on July 4. We should help them take their place among the nations of the world. They have earned this support and our confidence.

Mr. WELCH. Mr. Speaker, I yield as much time as he may desire to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Speaker, it is a profound privilege and a very great pleasure for me to rise, today, and speak a few words in favor of the passage of this measure, S. 1610, which will aid in the rehabilitation of the Philippine Islands, and the good people who inhabit those islands. I have just listened to Delegate CARLOS ROMULO, who represents the Philippine Islands, who has presented the urge and great need for the passage of this measure in forcible fashion. He is one of the greatly loved persons in this lawmaking body. He has served his people and his country well in time of war, and in time of peace. I first became acquainted with the achievements of Delegate ROMULO through the agency of Rotary International, and I discovered that his activities in all worth-while civic matters have been outstanding. Since he came to this body, his activities have been such as to give to him a mark of distinction. He is honored and revered by every Member of this body—and I take great pleasure in extending to him, today, this well-earned tribute.

Mr. Speaker, this pending legislation should be passed by this body. While the Philippine Islands will soon be granted their independence, and, when that gladsome day arrives, I am confident the people of those far-flung islands will experience extreme happiness—and my wish to them is that they will make great progress in the days and years to come. My wish for them is that they will go forward, unhampered and untrammeled, throughout the years to come in an unbroken trend of progress toward the goal of perfection in human accomplishment.

This measure, Mr. Speaker, will lend aid in making possible that opportunity. It is a privilege for me to add my support to this legislation. The people of the Philippines have long been our friends, both in peace and in war. They have suffered untold misery and hardships in the late war, but they have ever gone forward with us, until ultimate victory was ours. Their people have been injured and killed in this war, and their houses and their homes have been destroyed; their businesses have suffered destruction, and their cities have been demolished; their possessions have been taken, and but little has been left to them save and except their grim determination to fight on for home and country and for the preservation of their native land. They have proven their valor and their fortitude, and they have never faltered in their march with us toward the ultimate victory that is ours. It is very little that we give to them in the face of that warm and sincere friendship that exists between us, when we seek to aid them in restoring and rehabilitating only in a small degree their country and their homes. I am confident, Mr. Speaker, that it is the wish and the will of every American that we do this. It would be unthinkable for our country to turn our backs upon our loyal and fast friends, and our Nation will never do that. We are ever agreeable to rewarding our friends, and especially those who need our help most. So this measure will accomplish this purpose in a small way, and I will give to it my warm and wholehearted support.

Mr. Speaker, as the years pass, and the centuries come, we will be looking forward toward the Philippines, and when those islands, now almost destroyed and their cities reduced to mere shambles, lift their heads as one of the prograssive groups of the world, with freedom, liberty, and independence theirs, a touch of extreme happiness will certainly come to all Americans; that happiness which comes to those who have aided others in time of great need and distress. Ours will then be a happy day to all those who then remain, because we have been instrumental in a small way in aiding our friends, those in the far Pacific, who have been so loyal to us.

Mr. WELCH. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, the shooting part of World War II is over, but there is a fierce political and ideological war going on all over the world to determine who really won the shooting war. I think historians will eventually agree that more than anything else World War II all along was a war to determine who is going to control the development of Asia because the greatest undeveloped areas in the world are in Asia—manpower, resources, and markets. Hitler frankly admitted that. The Japanese admitted it. The Russians, by their actions, have proven they are fully aware of it. The British, Dutch, and French, by their vigorous attempts to restore their empires in Asia, have made clear they understand that World War II will have been won by the nation or nations whose ideas ultimately dominate in the reconstruction of Europe and the development of Asia. We should understand it, too.

There are about four possibilities. This bill can have a great deal to do with deciding which will prevail.

Will large sections of Asia be forced back into the colonial pattern under the old empires of Europe? If that happens, Asia will explode, and explode in our faces as much as in the faces of the British, Dutch, and French.

Second, will millions of people in Asia in despair be driven to accept the basic thesis that the Japanese propagandists proclaimed, namely, that the white man never has treated and never will treat decently the colored peoples on this earth and, that therefore, there was and is no hope for the peoples of Asia unless they unite against the white peoples. Japan failed in her original attempt to bring about this division of the world along racial lines. But her basic idea has not been defeated. It took root in fertile soil in Asia, and other parts of the world, too. It can spring up again if there is not vigorous, positive, and effective leadership in other directions.

The third possibility is that Asiatics will be intrigued or beguiled into accepting totalitarianism of the communistic pattern. If they do, they will find themselves not "liberated" from the old imperialism, but merely put under the

new imperialism which Russia is imposing or her neighbors—as cruel and ruthless an imperialism as any ever established by the old empires of Europe. Such a course would not be good ultimately for Russia, nor for Asia, nor for us, nor for world peace.

Or, will the peoples of Asia be given the chance to develop more nearly along the truly democratic pattern worked out and established in the Philippines through the joint efforts of Filipinos and Americans over this 50-year period of friendly relationship? It began as overlordship, moved rapidly to trusteeship, and on July 4 will become full-fledged partnership. All Asia watches eagerly this transition, unprecedented in all of human history. There is no question but that it is the general pattern which other Asiatics want, too.

In dealing with this legislation today, we ought to keep clearly in view above the trees of its immediate provisions, the whole forest—the long-term implications for all of Asia and for the world. This experiment in helping establish on its own feet one of the so-called dependent peoples is one of the most significant occurrences in the history of the human race on this planet. That is the larger significance of the legislation before us.

The transition to full independence would have been difficult enough under the best circumstances. How much harder now, when the Philippines are prostrate because of the terrible destruction and dislocations of war. An almost impossible burden has been placed upon them, and it was made heavier because of their unswerving loyalty to us.

I need not discuss the bill in great detail. First, it authorizes up to $400,000,000 for war damage, with payments only to those who will use the money or materials to restore or rehabilitate their property or industry or education or other useful activities in the Philippines. As you will remember, we ourselves committed most of the physical destruction in the process of driving the Japanese out. It was necessary. Nobody holds it against us. Nevertheless, it was American guns and planes rather than Japanese which did most of the damage.

Second, it provides for use of much of our surplus property in the Philippines to help in rehabilitation. Up to $100,000,000 worth of it can be transferred without reimbursement to the Philippine government and to the provincial and municipal governments to rebuild their public buildings and property, their streets and bridges, their utilities, their water, and gas and sewage systems that have been destroyed in the war. Also, other surplus property there can be disposed of under the terms of the Surplus Property Act, just as it is disposed of here, with certain special provisions to deal with the special situations there.

In addition, we authorize up to $120,000,000 to help restore and reestablish the essential public services in the Philippines, including roads, harbor facilities, public health, interisland commerce, fisheries, coast and geodetic surveys, weather bureau, and so forth.

The SPEAKER. The time of the gentleman from Minnesota [Mr. JUDD] has expired.

Mr. WELCH. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. JUDD. I believe it is good sense to pass this bill for the economic reasons, which have been reviewed by the able chairman of our committee the gentleman from Missouri [Mr. BELL]. The Philippines can be again a market of great importance for ourselves. We need them as well as they need us.

It is also good sense for political reasons, from the standpoint of our national security. In the years ahead we are going to need friends in this world, and the Filipinos are the only so-called colonial or dependent people—although that is not an accurate description of the relationship which prevailed—who fought loyally by the side of those who had originally been their masters. There is no better way to retain our friends in Asia and gain others than to show in peace as well as in war that we are worthy of the Filipinos' friendship.

But beyond these economic and political reasons there is a higher reason, a moral reason. We have a sacred obligation to those who have been our wards in a very special sense. Even if it were against our immediate economic interests I would still say we should pass this act. Fortunately in this instance, the thing we ought to do for political and economic reasons coincides with what we ought to do for moral reasons.

I doubt that $400,000,000 will ultimately be enough and I want the RECORD to show that fact. We in the committee recognize that we may have to increase the amount somewhat. We were conservative in our estimate. We said, let us authorize this amount now until we see how things go. If another hundred million or even two hundred million is eventually needed to put the Philippines back on a sound basis, I am sure we will do it, because it is good business, it is good protection for the United States and for world peace, and it will help determine which way a billion people in Asia are to go, whether back into the old colonial pattern which they do not want; or driven into the racial pattern which they do not want; or persuaded by force to take communism which they do not want; or whether they will have a chance at genuine democracy, more nearly after the pattern that we and the Filipinos have succeeded in establishing during these 50 years of our mutually beneficial friendship—which is what the people of Asia do want, overwhelmingly.

The SPEAKER. The time of the gentleman from Minnesota has again expired.

Mr. WELCH. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. Mr. Speaker, this bill has had careful consideration by the Committee on Insular Affairs for several weeks. As everyone knows, this bill does not in itself grant independence to the Philippine Islands. It is only part of the program of independence. We passed an election bill some time ago. Last week we passed the trade relations bill. This bill, now under consideration, known as S. 1610, passed by the Senate last December and recently before the Insular Affairs Committee, undertakes to restore, rehabilitate, and reconstruct the economy and industry of the Philippine Islands.

As the gentleman from Minnesota [Mr. JUDD] said, $400,000,000 probably will not do the entire job. I wish to say a word of commendation for the work of the chairman of the committee the gentleman from Missouri [Mr. BELL], who has done a splendid job in holding the hearings and considering the problems of the Philippines. He has had the assistance of the gentleman from California the ranking member of the committee [Mr. WELCH] and the very valuable assistance of our colleague from the Philippines [Mr. ROMULO], and also that of the gentleman from Minnesota [Mr. JUDD], and other members of the committee. Mr. Paul McNutt, High Commissioner of the Philippines, was present at the hearings before the committee, not once but a number of times, and gave us valuable assistance.

The Philippine Islands, I believe, is the only place under the American flag that suffered devastation by reason of enemy invasion. Of course, there was the one treacherous attack at Pearl Harbor on December 7, 1941, but the enemy actually came into the Philippine Islands, occupied the islands, devastated the country, and destroyed property and lives.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. LECOMPTE. I yield.

Mr. COLE of New York. It is not important, but I should like the gentleman not to overlook the damage that was done to Guam.

Mr. LECOMPTE. That is true, but I think the gentleman will agree that the damage there was not comparable in amount to that suffered in the Philippine Islands. Probably the same could be said of Wake and Midway.

It is correct and proper that we undertake to restore the economy of the islands as we grant them independence.

Mr. Speaker, I am not in full accord with some of the provisions of the bill. I myself think it is a mistake to fix the salary of the Commissioners at $12,000 a year, more than Members of Congress receive, more than Senators receive, and write into the bill a provision allowing them to fix their own per diem expenses without any limitation whatever. They could put in a bill for $50 a day for expenses continuously if they wanted to do that. I realize that the High Commissioner, Mr. McNutt, said that he felt the unlimited expense account is necessary in order to get the right kind of men, and under conditions of inflation as they exist in the islands today, it is possible that a stipulated per diem might not be as exact as one could wish, but to me it does not seem justifiable to place in the bill this language:

> Members of the Commission shall receive their necessary traveling and other expenses incurred in connection with their duties as such members or a per diem allowance in lieu thereof to be fixed by the Commission without regard to the limitations prescribed in any existing law.

That is a pretty liberal expense account. Further, we also permit the Commission to appoint and fix the compensation and allowances of attorneys, officers,

employees, and so forth, without any reference to the civil-service laws or Classification Act.

On the whole, however, Mr. Speaker, I believe this is a fine bill, and I believe it is going to be helpful in the years to come in our happy relations with the Orient.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. WELCH. Mr. Speaker, I yield such time as he may desire to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Speaker, I wish to join the majority floor leader and other Members of the House in paying tribute to Gen. CARLOS P. ROMULO, a hero of Bataan, the Resident Commissioner of the Philippine Islands, who came to this Chamber today from his sick bed to help passage of this legislation. His eloquence in explaining the needs of the Philippines has won much help in passage of this kind of legislation.

Mr. Speaker, the passage of this legislation, when the news reaches the Philippine Archipelago, will bring a real ray of sunshine to the stricken Philippine people. This news to the Philippines will make possible on the next Fourth of July one of the greatest Independence Day celebrations in history.

Mr. WELCH. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I am very much interested in this bill and I am also interested in the Philippine Islands and its people. I am desirous that we start those people on the road to rehabilitation and I want to help them as well as people all over the world. However, I am also desirous of looking after the welfare of our own country; of keeping our Nation solvent.

On page 12 of the bill the first amount considered was $330,000,000, which was increased to $400,000,000. The expense of the Commission was estimated to be one and a half million dollars, which was later changed to $4,000,000. They have increased this a considerable amount over what they evidently thought was necessary when the hearings were concluded. Just the disposition to be generous with the other fellow's money, the taxpayer's money.

We want to help those people until they get their independence on July 4 and for the 5 years thereafter during which time this bill will be in effect, but, Mr. Speaker, the Congress of the United States must remember that every time it appropriates $400,000,000 it has got to find $400,000,000 in the way of taxation. We should not, therefore, give the Philippine people the idea that after this bill is passed they can expect we are going to furnish everything that is necessary from that time on. There must be a terminating date as the conclusion of our responsibilities implied by any legislation we pass or statement made by any Government official.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Minnesota.

Mr. JUDD. Does not the gentleman know that a termination date is set for claims to be paid by the War Damage Commission, which represents the largest amount under the bill, $400,000,000? Its work is to be concluded within 5 years. May I also add: The gentleman will agree the Philippines by their loyalty to us saved our country $4,000,000,000 in the war, if not forty billion.

Mr. RICH. Well, I do not know how the gentleman arrives at that figure.

Mr. JUDD. To say nothing of American lives saved by their loyalty.

Mr. RICH. When we come to figuring good will and Christian brotherhood, of course, we have our responsibilities to the Philippines and to all nations of the world and to our own people in America.

Mr. JUDD. I am speaking not about good will in the future but about performances in the past.

Mr. RICH. Well, we have been very good godfathers to the Filipinos in the past.

Mr. JUDD. And they have been mighty good brothers in arms to us.

Mr. RICH. The gentleman is quite correct, but, perhaps there is something else involved. We were all fighting for a common cause. I hear many statements made about the great help and assistance that other countries gave the United States, but I am constrained to believe, while appreciating their great assistance, that they were also fighting for their own preservation. Perhaps it could be argued with force that the United States and its people rendered these countries assistance in that regard.

But, be that as it may, Mr. Speaker, may I call attention to the fact that the United States is now in debt to the extent of $274 386,382,040.14 as of April 5. You may chide me for bringing that up at this time, but this deficit is such a serious matter that I cannot help but bring it up, a bankrupt nation cannot help anybody financially, and in this connection I want to quote what the chairman of the House Judiciary Committee—and he is a Democrat—said on this floor a few days ago:

> By concentration of governmental power and drafts upon the Federal Treasury, we have now a financially busted, great piled-up mass of governmental confusion beyond human comprehension, impossible of democratic control, extravagant, wasteful, inefficient, and by its nature the instrumentality of favoritism, tyranny, oppression, and corruption, and the destroyer of the self-reliance and self-respect and governmental capacity of the people, qualities without which no people can remain free.

That statement comes from a Democrat and a chairman of one of the powerful committees of this House.

The point I want to make, Mr. Speaker, is that while we owe an obligation, not only to the Philippines and to all the governments of the world, we owe a greater obligation to ourselves. These countries are going to come in here with the big tin cup, as was suggested a few days ago by the gentleman from Illinois [Mr. DIRKSEN], asking for $3,000,000,000, $400,000,000, or $500,000,000. If we are not going to become a "financially busted" country, it is your responsibility and my responsibility to see that America remains strong so that we may continue to aid and assist other countries. A busted nation can help no one. Let us be cautious, be careful, and be wise.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. BELL. Mr. Speaker, I yield such time as he may desire to the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Speaker, this is a bill for rehabilitation of the Filipino people, who are familiarly known to us as our wards. They are rightfully called the gem of the Orient. Their recent suffering entitles them to our utmost consideration and such minor expression of appreciation for their loyalty and efforts as are reflected in this bill. It was General MacArthur who said "I will return," and this is the return of the American people to their friends in the far-off Pacific. This action of ours will bring forcibly to the minds of these people so far removed from us the love and devotion of this country, and I am happy to be able to say a word at this time in reference to this measure.

The SPEAKER. The Clerk will read the bill and the committee amendments.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Philippine Rehabilitation Act of 1945."

TITLE I—COMPENSATION FOR WAR DAMAGE

SEC. 101. (a) There is hereby established a Philippine War Damage Commission (in this title referred to as the "Commission"). The Commission shall consist of three members, to be appointed by the President of the United States. One of the members of the Commission shall be a Filipino. The members of the Commission shall receive compensation at the rate of $10,000 a year. The terms of office of the members of the Commission shall expire at the time fixed in subsection (d) for winding up the affairs of the Commission. A vacancy in the membership of the Commission shall not impair the authority of the remaining two members of the Commission to exercise all of its functions. Vacancies occurring in the membership of the Commission shall be filled in the same manner as in the case of the original selection. Members of the Commission shall receive their necessary traveling and other expenses incurred in connection with their duties as such members, or a per diem allowance in lieu thereof.

(b) The Commission may, without regard to the civil-service laws or the Classification Act of 1923, as amended, appoint and fix the compensation of such officers and employees, and may make such expenditures, as may be necessary to carry out its functions. Officers and employees of any other department or agency of the Government may with the consent of the head of such department or agency, be assigned to assist the Commission in carrying out its functions. The Commission may, with the consent of the head of any other department or agency of the Government, utilize the facilities and services of such department or agency in carrying out the functions of the Commission.

(c) The Commission may prescribe such rules and regulations as are necessary for carrying out its functions, and may delegate functions to any member, officer, or employee of the Commission or of any other department or agency of the United States or of the Commonwealth of the Philippines.

(d) The Commission shall, so far as practicable, give consideration to, but need not await, or be bound by, the recommendations of the Filipino Rehabilitation Commission (created by the act approved June 29, 1944) with respect to Philippine war damage. The Commission shall wind up its affairs not

later than 2 years after the expiration of the time for filing claims under this title.

SEC. 102. (a) The Commission is hereby authorized to make compensation to the extent hereinafter provided on account of physical loss of or damage to property in the Philippine Islands occurring after December 7, 1941 (Philippine time), and before October 1, 1945, as a result of one or more of the following perils: (1) Enemy attack (including action taken by or at the request of the military, naval, or air forces of the United States in resisting enemy attack); (2) action taken by enemy representatives, civil or military, or by the representatives of any government cooperating with the enemy; (3) action by the armed forces of the United States or other forces cooperating with the armed forces of the United States in expelling the enemy from the Philippine Islands; (4) looting, pillage, or other lawlessness or disorder accompanying the collapse of civil authority or incidental to control by enemy forces: *Provided,* That such compensation shall be payable only to qualified persons having, on December 7, 1941 (Philippine time), and continuously to and including the time of loss or damage, an insurable interest as owner, mortgagee, lien holder, or pledgee in such property so lost or damaged: *Provided further,* That any qualified person who acquired any deceased person's interest in any property either (1) as heir, devisee, legatee, or distributee, or (2) as executor or administrator of the estate of any such deceased person for the benefit of one or more heirs, devisees, legatees, or distributees, all of whom are qualified persons, shall be deemed to have had the same interest in such property during such deceased person's lifetime that such deceased person had: *Provided further,* That no payment or payments shall be made in an aggregate amount which exceeds whichever of the following amounts, as determined by the Commission, is less: (a) The actual cash value, at the time of loss, of property lost or destroyed and the amount of the actual damage to other property of the claimant which was damaged as a direct result of the causes enumerated in this section; (b) the cost of repairing or rebuilding such lost or damaged property, or replacing the same with other property of like or similar quality: *Provided further,* That in case the aggregate amount of the claims which would be payable to any one claimant under the foregoing provisions exceeds $500, the aggregate amount of the claims payable to such claimant shall be reduced by 25 percent of the excess over $500.

(b) When used in this section, the term "qualified person" means—

(1) any individual, who on December 7, 1941 (Philippine time), and continuously to the time of filing claim pursuant to this title, was a citizen of the United States or of the Philippine Commonwealth or of the Philippine Republic;

(2) any individual, who at any time subsequent to September 16, 1940, and prior to August 14, 1945, served honorably in the armed forces of the United States or of the Philippine Commonwealth, or honorably performed "service in the merchant marine" (as defined in the first section of the act entitled "An act to provide reemployment rights for persons who leave their positions to serve in the merchant marine, and for other purposes", approved June 23, 1943);

(3) any church or other religious organization; and

(4) any corporation (or, upon dissolution, its successor if it satisfies the requirements of this paragraph (4) organized pursuant to the laws of any of the several States or of the United States or of any Territory or possession thereof (including any corporation, or sociedad anonima organized pursuant to the laws in effect in the Philippine Islands at the time of its organization), but excluding any corporation wholly owned by the Commonwealth of the Philippines (or the Philippine Republic).

SEC. 103. The Commission shall make no payment under the provisions of this title—

(a) to any enemy alien;

(b) to any person who, by a civil or military court having jurisdiction, has been found guilty of collaborating with the enemy, or of any act involving disloyalty to the United States or the Philippine Commonwealth;

(c) to any corporation, or sociedad anonima owned or controlled by any of the persons specified in clauses (a) and (b) of this section;

(d) to compensate for any loss of or damage to property which, at the time of loss or damage, was insured against any one or more of the perils specified in section 102 hereof, except to the extent that the loss or damage exceeds the amount of such insurance, whether or not collectible;

(e) to compensate for any loss or damage—

(1) for which the War Department or the Navy Department is authorized to make payment, or

(2) for which compensation or indemnity is otherwise payable, or has been paid, or is authorized to be paid, by the Philippine Government, or by the United States Government or by their respective departments, establishments, or agencies,

unless the Government, department, establishment, or agency concerned has declined to pay compensation or indemnity for such loss or damage;

(f) unless the claimant shall file with the Commission, within 9 months after the enactment hereof, a claim in reasonable conformity with the requirements of this title and such reasonable regulations as shall be established by the Commission.

SEC. 104. (a) No claim shall be paid unless approved by the Commission or its authorized representatives, and on account of each claim so approved the Commission may make immediate payment of (1) so much of the approved amount of the claim as does not exceed $500 or 1,000 Philippine pesos, plus (2) 80 percent of the remainder of the approved amount of the claim. After the time for filing claims has expired, the Commission shall determine the amount of money available for the further payment of claims. Such funds shall be applied pro rata toward the payment of the unpaid balances of the amounts authorized to be paid pursuant to section 102 of this title.

(b) Of the funds appropriated for the purpose of paying compensation under this title, $5,000,000, $10,000,000 shall be set aside for the payment of claims filed by churches and other religious organizations on account of loss of or damage to property consisting of churches, parish houses, and other property devoted to religious purposes (excluding schools, hospitals, and other charitable institutions). Subsection (a) of this section shall not be applicable with respect to claims filed by churches and other religious organizations with respect to such property; but, after the time for filing claims has expired, the funds set aside pursuant to this subsection shall be applied pro rata toward paying such amounts as are authorized to be paid pursuant to section 102 with respect to claims filed by churches and other religious organizations with respect to such property, and shall be applied without discrimination to the proportional payment of all allowable claims filed by churches and other religious organizations with respect to such property. No payments with respect to such claims shall be made except from the funds set aside pursuant to this subsection.

(c) The Commission may, at its option, make payment, in whole or in part, of the amount payable in the case of any claim authorized to be paid under this title by rebuilding or repairing lost or damaged property, or replacing it with other property of like or similar kind. The amount expended for such purpose in any case, including the fair value of property transferred to the claimant, shall be deemed to have been paid to the claimant on account of his claim, and such amount shall in no case exceed the amount authorized to be paid under this title on account of such claim. The Commission is authorized to acquire such property, to have such work done, to make such contracts, and to take such other action as may be necessary for the purposes of this subsection.

(d) All of the provisions of this title shall be subject to the requirement that, to the fullest extent practicable, the Commission shall require that the lost or damaged property be rebuilt, replaced, or repaired before payments of money are actually made to claimants under this title.

SEC. 105. Not later than 6 months after its organization, and every 6 months thereafter, the Commission shall make a report to the Congress concerning operations under this title.

SEC. 106. (a) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amount of $330,000,000 for the purposes of paying compensation to the extent authorized by this title, and of such sum, not to exceed $1,500,000 shall be available to pay the expenses of the Commission.

(b) Any sums received by the United States from the Japanese Government or the Japanese people by way of reparations or indemnity on account of the war—

(1) shall be covered into the Treasury of the United States until the sums so covered into the Treasury are equal to the sum of the amounts appropriated for the payment of compensation under this title and the amounts appropriated for carrying out the purposes of title II of this act;

(2) when the amounts covered into the Treasury under clause (1) are equal to the amounts so appropriated, one-half of any further sums so received by the United States from the Japanese shall be covered into the Treasury of the United States and the other one-half shall be paid to the government of the Commonwealth of the Philippines (or the Philippine Republic) until the amount so paid to such government plus the amounts appropriated for the payment of compensation under this title and the amount appropriated for carrying out the purposes of title III are equal to the amount estimated by the Commission to represent the total loss of and damage to real and tangible personal property in the Philippine Islands from the causes enumerated in section 102 (a); and

(3) thereafter shall be covered into the Treasury of the United States.

SEC. 107. Whoever, in the Philippine Islands or elsewhere, makes any statement or representation knowing it to be false or whoever willfully overvalues loss of or damage to property, for the purpose of obtaining for himself or for any claimant any compensation pursuant to this title, or for the purpose of influencing in any way the action of the Commission with respect to any claim for compensation pursuant to this title, or for the purpose of obtaining money, property, or anything of value under this title, shall, upon conviction, be punished by a fine of not more than $5,000 or by imprisonment for not more than 2 years, or both.

SEC. 108. No remuneration on account of services rendered or to be rendered to or on behalf of any claimant in connection with any claim for compensation pursuant to this title shall exceed 5 percent of the compensation paid by the Commission on account of such claim. Any agreement to the contrary shall be unlawful and void. Whoever, in the Philippine Islands or elsewhere, receives on account of services rendered or to be rendered in connection with any claims

for compensation hereunder, any remuneration in excess of the maximum permitted by this section shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $1,000 or imprisoned for not more than 6 months, or both.

SEC. 109. Except as lawfully provided in policies of insurance heretofore or hereafter issued by the War Damage Corporation pursuant to subsection (a) of section 5g of the Reconstruction Finance Corporation Act, as amended, the authority herein granted to the Philippine War Damage Commission shall be in lieu of and shall supersede all authority previously conferred on the War Damage Corporation to furnish protection or pay compensation with respect to property situated, at the time of loss or damage, in the Philippine Islands, and the protection authorized to be extended and the compensation authorized to be paid by the Philippine War Damage Commission shall be in lieu of all protection heretofore extended or authorized to be extended by the War Damage Corporation with respect to property situated, at the time of loss or damage, in the Philippine Islands, except to the extent provided in policies of insurance heretofore or hereafter issued by the War Damage Corporation. The War Damage Corporation is hereby prohibited from providing for or paying compensation for war damage in the Philippine Islands except to the extent provided in its policies of insurance heretofore or hereafter issued in consideration of a premium paid therefor.

SEC. 110. The classes of property enumerated in this section, whether situated in the Philippine Islands or elsewhere, are hereby excluded from protection, compensation, or consideration under this title, and the Commission shall not make any payment, directly or indirectly, on account of loss of or damage to such classes of property:

(1) Accounts, bills, records, films, plans, drawings, formulas, currency, deeds, evidences of debt, securities, money, bullion, furs, jewelry, stamps, precious and semiprecious stones, works of art, antiques, stamp and coin collections, manuscripts, books and printed publications more than 50 years old, models, curiosities, objects of historical or scientific interest, and pleasure aircraft;

(2) Vessels and watercraft, their cargoes and equipment, except (a) vessels used or intended to be used exclusively for storage, housing, manufacturing, or generating power, (b) vessels while under construction until delivery by the builder, or sailing on delivery or trial trip, whichever shall first occur, and (c) vessels propelled by sail;

(3) Real property (other than standing timber, growing crops, and orchards) not a part of a building or structure;

(4) Intangible property;

(5) Passenger-carrying motor vehicles except those used principally for commercial purposes;

(6) Property diverted to the Philippines, by authority of the United States Government or otherwise, as a result of war conditions; and

(7) Property in transit (a) which at the time of loss or damage was insured against war perils, or (b) with respect to which insurance against such perils was available, at the time of loss or damage either at reasonable commercial rates or from the United States Maritime Commission.

SEC. 111. All departments, commissions, offices, agencies, and instrumentalities of the United States Government, upon the written request of the Commission, are authorized to make delivery and conveyance to designated claimants, or to the Commission, of any surplus property of the United States in the Philippine Islands deemed by the Commission to be similar to that for which compensation is requested, or to be suitable for the rebuilding or repair of the property damaged or destroyed. The transfer of such property to such claimants shall be at the fair value of the property as fixed by the disposal agency. The Commission shall pay such fair value to the disposal agency.

SEC. 112. The War Damage Corporation is authorized and directed to consult with, and in every manner possible to assist and cooperate with, the Commission, to aid the Commission in its performance of duties hereunder, and to make available to or deliver to the Commission all records, claims, files, and other documents in its possession pertaining to Philippine claims. The Commission is authorized to give such weight as it may deem proper to any reports, certificates, or recommendations of the War Damage Corporation, or its adjusters or claims service offices.

SEC. 113. The Commission shall notify all claimants of the approval or denial of their claims, and, if approved, shall notify such claimants of the amount for which such claims are approved. Any claimant whose claim is denied, or is approved for less than the full allowable amount of said claim, shall be entitled, under such regulations as the Commission may prescribe, to a hearing before the Commission or its representatives with respect to such claim. Upon such hearing, the Commission may affirm, modify, or reverse its former action with respect to such claim, including a denial or reduction in the amount of a claim theretofore approved. All findings of the Commission concerning the amount of loss or damage sustained, the cause of such loss or damage, the persons to whom compensation pursuant to this title is payable, and the value of the property lost or damaged, shall be conclusive and shall not be reviewable by any court.

TITLE II—DISPOSAL OF SURPLUS PROPERTY

SEC. 201. In order to expedite the disposition of surplus property of the United States in the Philippine Islands and to aid in—

(1) repairing and replacing buildings, equipment, and other property of the Commonwealth of the Philippines and other governmental units in the Philippines, in cases where such buildings, equipment, or other property have been damaged, lost, or destroyed in the war, and otherwise restoring and facilitating the normal operations of governmental units in the Philippines;

(2) restoring and providing essential public buildings, services, works, and utilities, including hospitals, schools, and other institutions furnishing essential health and welfare services, in the Philippines; and

(3) rehabilitating the economy of the Philippines and aiding and encouraging private enterprise in such economy;

The Department of State, the disposal agency for the Philippines designated under the Surplus Property Act of 1944, acting through the Foreign Liquidation Commissioner (hereinafter referred to as the "Commissioner"), is hereby authorized, notwithstanding any other provision of law, to transfer to the Commonwealth of the Philippines, without reimbursement, property of the United States now or hereafter located in the Philippine Islands and declared surplus under the Surplus Property Act of 1944, upon such terms and conditions, including the use or disposition of such property by the Commonwealth of the Philippines, as the Commissioner may deem appropriate to carry out the purposes of this title.

SEC. 202. At the time any such property is so transferred to the Commonwealth of the Philippines, the Commissioner shall make a record of (1) the items transferred, (2) the condition of such items, and (3) his estimate of the fair value of such items. The Department of State shall furnish a copy of such record to the Surplus Property Administrator, and shall also make quarterly reports to the President and the Congress concerning the administration of this title.

SEC. 203. Any surplus property now or hereafter located in the Philippines which is not transferred to the Commonwealth of the Philippines, under section 201, may be disposed of by the Commissioner by sale, upon such terms and conditions as the Commissioner determines to be best suited for achieving the purposes stated in section 201, and without regard to other provisions of law relating to the sale or disposition of property of the United States. Any such sale may be made for a consideration greater or less than the fair value of the property concerned. In making such sale, the Commissioner may accept pesos as consideration. Any such surplus property which has not been disposed of by the Commissioner may be requisitioned by any other department or agency of the United States for its own use; and, upon the receipt of any such requisition, the Commissioner shall transfer such property to the requisitioning department or agency upon reimbursement of the fair value thereof. The proceeds derived from any disposal of surplus property by the Commissioner under this title shall be covered into the Treasury of the United States. If the consideration upon any disposal of property by the Commissioner be other property, such other property may be disposed of by the Commissioner in the same manner as surplus property located in the Philippines.

SEC. 204. No military weapons, munitions, or toxic gas shall be transferred or otherwise disposed of under this title.

SEC. 205. The Commissioner is authorized to appoint an advisory committee to advise him upon the action to be taken by him under this title.

SEC. 206. The fair value of the property transferred to the Commonwealth of the Philippines under this title, as estimated by the Commissioner, shall not exceed $30,000,000 in the aggregate.

SEC. 207. The Commissioner may prescribe such rules and regulations as may be necessary for the performance of his functions under this title, and may delegate and authorize successive redelegations of any authority conferred upon him by this title to any officer or employee of his agency or of any other department or agency of the United States or of the Commonwealth of the Philippines.

TITLE III—RESTORATION AND IMPROVEMENT OF PUBLIC PROPERTY AND ESSENTIAL PUBLIC SERVICES

SEC. 301. As a manifestation of good will to the Filipino people, there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, (1) the sum of $120,000,000, to be allocated from time to time by the President of the United States among the various programs set forth in sections 302, 303, 304, and 305, and (2) such additional sums as may be necessary to carry out the purposes of sections 306 to 311, inclusive.

Public roads

SEC. 302. (a) As recommended in a report based upon an investigation made in the Philippine Islands by the Public Roads Administration of the Federal Works Agency and to the extent that the findings in such report are approved by the President, the Public Roads Administration is authorized to plan, design, restore, and build, in accordance with its usual contract procedures, such roads, essential streets, and bridges as may be necessary from the standpoint of the national defense and economic rehabilitation and development of the Philippine Islands.

(b) The Commissioner of Public Roads is authorized, under such regulations as he may adopt, to provide training for not to exceed 10 Filipino engineers, to be designated by the President of the Philippine Islands from the regularly employed staff of the Philippine Public Works Department subject to

the provisions of section 311 (c), in the construction, maintenance, and highway traffic engineering and control necessary for the continued maintenance and for the efficient and safe operation of highway transport facilities.

Port and harbor facilities

SEC. 303. (a) As recommended in a report based upon an investigation made in the Philippine Islands by the Corps of Engineers of the United States Army and to the extent that the findings in such report are approved by the President, the Corps of Engineers is authorized to carry out a program for the rehabilitation, improvement, and construction of port and harbor facilities in the Philippine Islands, such work to be done by contract, insofar as practicable, under the direction of the Secretary of War and the supervision of the Chief of Engineers, and in accordance with established procedures applicable to river and harbor projects.

(b) The Chief of Engineers of the Army is authorized, under such regulations as he may adopt, to provide training for not to exceed 10 Filipino engineers, to be designated by the President of the Philippine Islands from among the engineer officers of the Philippine Army and the regularly employed staff of the Philippine Public Works Department subject to the provisions of section 311 (c), in the construction, improvement, and maintenance of port facilities and other works of improvements on rivers and harbors.

Public property

SEC. 304. The Philippine War Damage Commission, within the limits of the appropriations allocated to it for carrying out the provisions of this section, is authorized to compensate the Commonwealth of the Philippines (or the Philippine Republic), the provincial governments, chartered cities, municipalities, and corporations wholly owned by the Commonwealth of the Philippines (or the Philippine Republic), in the Philippine Islands, for physical loss of or damage to public property in the Philippine Islands occurring after December 7, 1941 (Philippine time), and before October 1, 1945, as a result of the perils listed in section 102 (a) hereof, in any case in which compensation for such losses or the rebuilding, repair, or replacement of the lost or damaged property is not provided for by the transfer of surplus property under section 201 hereof, or provided for under the provisions of this title other than this section or otherwise provided for by the United States Government or any department or agency thereof. To the fullest extent practicable, the Commission shall require that any lost or damaged property for which it decides to award compensation under this section shall be rebuilt, replaced, or repaired before payments of money are actually made to claimants under this section. The Commission in its discretion may request the Federal Works Agency or the Corps of Engineers of the United States Army to undertake the rebuilding, repair, or replacement of property for which the Commission awards compensation under this section, and, from the funds available for carrying out the provisions of this section, may transfer to such Agency or Corps of Engineers the funds necessary to pay for the work requested. The Federal Works Agency and the Corps of Engineers are authorized to rebuild, repair, or replace property in accordance with any such request of the Commission and to expend the funds so transferred to them for such purpose. The Commission shall have full power to select, and fix the priority of, cases in which compensation will be awarded or property rebuilt, repaired, or replaced under this section, and to determine the amount of such compensation and the extent to which such property will be rebuilt, repaired, or replaced, taking into account the relative importance of various projects to the reconstruction and reconversion of the economy of the Philippine Islands and such other factors as the Commission deems relevant.

Public health

SEC. 305. (a) The Public Health Service of the Federal Security Agency is authorized to cooperate with the Government of the Philippine Islands, and with other appropriate agencies or organizations, in the rehabilitation and development of public health services and facilities throughout the Philippine Islands.

(b) To accomplish such purposes the Public Health Service shall at the earliest practicable time survey the health situation in the Philippine Islands, and is authorized to replace, expand, or install such health services and facilities in the Philippine Islands, as are deemed essential to preservation of health, and may assist in the rehabilitation and development of a Philippine quarantine service for prevention of introduction of disease from abroad or from one island to another. The Public Realth Service may set up demonstrations and establish training centers in the Philippine Islands; may establish and maintain in the Philippine Islands a school or schools for the purpose of providing practical instruction in public health; and may, at any time prior to January 1, 1948, provide 1 year of training in appropriate schools or colleges in the United States to not more than 100 Filipinos, to be designated by the President of the Philippine Islands subject to the provisions of section 311 (c), in public-health methods and administration. It may replace equipment and supply reasonably necessary additional equipment, utilizing for this purpose, so far as possible, surplus property, and may recommend to the Commission the repair or construction under the provisions of section 304, at any time prior to July 1, 1950, of buildings deemed essential to the rehabilitation of public health and quarantine functions.

Inter-island commerce

SEC. 306. (a) In order to restore and improve inter-island commerce in the Philippine Islands the United States Maritime Commission is authorized to charter under such terms and conditions (including nominal rates of charter hire) vessels of less than 2,000 gross tons to individuals, corporations, or cooperatives or other forms of business organizations in the Philippine Islands if the Commission determines that they possess the ability, experience, financial resources, and other qualifications, necessary to enable them to operate and maintain the vessel in the inter-island commerce in the Philippine Islands: *Provided*, That any charter entered into under the authority of this section shall contain a provision requiring that the vessel shall be operated only in the inter-island commerce in the Philippine Islands.

(b) The Chairman, United States Maritime Commission, is hereby authorized to permit not exceeding 50 Filipincs each year, to be designated by the President of the Philippine Islands subject to the provisions of section 311 (c), to receive instruction in the United States Merchant Marine Cadet Corps and at the United States Merchant Marine Academy at Kings Point, N. Y. The persons receiving instruction under authority of this section shall receive the same pay, allowances, and emoluments, to be paid from the same appropriations, and subject to such exceptions as may be determined by the Chairman, United States Maritime Commission, shall be subject to the same rules and regulations governing admission, attendance, discipline, resignation, discharge, dismissal, and graduation, as cadet midshipmen at the Merchant Marine Academy appointed from the United States; but such persons shall not be entitled to appointment to any office or position in the United States merchant marine by reason of their graduation from the Merchant Marine Academy.

SEC. 307 (a) The Administrator of Civil Aeronautics of the Department of Commerce is authorized to acquire, establish, operate, and to maintain a system of air-navigation facilities and associated airways communications services in the Philippine Islands for inter-island airways operation and to connect the Philippine airways with international and interoceanic routes.

(b) The Administrator of Civil Aeronautics is authorized, under such regulations as he may adopt, to train not exceeding 50 Filipinos each year, to be designated by the President of the Philippine Islands subject to the provisions of section 311 (c), in air-traffic control, aircraft communications, maintenance of air-navigation facilities, and such other airman functions as are deemed necessary for the maintenance and operation of aids to air navigation and other services essential to the orderly and safe operation of air traffic.

Weather information

SEC. 308. (a) The Chief of the Weather Bureau of the Department of Commerce is authorized to establish meteorological facilities in the Philippine Islands as may be required to provide weather information, warnings, and forecasts for general agricultural and commercial activities, including meteorological service for the air routes on which air-navigation facilities are operated by the Civil Aeronautics Administration, and to maintain such meteorological offices until the Philippine Weather Bureau is reestablished and in position to assume responsibility for the service.

(b) The Chief of the Weather Bureau of the Department of Commerce is authorized, under such regulations as he may adopt, to train not to exceed 50 Filipinos in the first year and not to exceed 25 Filipinos in each succeeding year, the trainees to be designated by the President of the Philippine Islands subject to the provisions of section 311 (c), and the training to include meteorological observations, analyses, forecasting, briefing of pilots, and such other meteorological duties as are deemed necessary in maintenance of general weather service, including weather information required for air navigation and the safe operation of air traffic. The training of these employees shall be in addition and not in lieu of Weather Bureau employees to be trained under current Weather Bureau appropriations.

Philippine fisheries

SEC. 309. (a) The Fish and Wildlife Service of the Department of the Interior is authorized to cooperate with the Government of the Philippine Islands, and with other appropriate agencies or organizations, in the rehabilitation and development of the fishing industry, and in the investigation and conservation of the fishery resources of the Philippine Islands and adjacent waters.

(b) To accomplish such purposes the Fish and Wildlife Service shall conduct oceanographic, biological, fish cultural, technological, engineering, statistical, economic, and market development studies and demonstrations, and fishery explorations, and in conjunction therewith may establish and maintain a vocational school or schools of fisheries in the Philippine Islands for the purpose of providing practical instruction and training in the fisheries; and may, at any time prior to July 1, 1950, provide 1 year of training to not more than 125 Filipinos, to be designated by the President of the Philippine Islands subject to the provisions of section 311 (c), in methods of deep-sea fishing and in other techniques necessary to the development of fisheries.

(c) The Fish and Wildlife Service is authorized to acquire, construct, maintain, equip, and operate such research and experi-

mental stations, schools, research and exploratory fishing vessels, or any other facilities in the Philippine Islands that may be necessary to carry out the purposes of this section.

(d) The United States Maritime Commission is authorized, upon recommendation of the Fish and Wildlife Service of the Department of the Interior, to make arrangements for the transfer by sale or charter of small vessels, considered by the United States Maritime Commission to be satisfactory for the purpose, to be used in the establishment and continuance of a fishing industry to be operated in or near the Philippine Islands. Such transfers may be made on such terms and conditions, including transfer for a nominal consideration, as the United States Maritime Commission may approve, but only if, in the opinion of the Fish and Wildlife Service, such small vessels so to be used for Philippine Island fishing are not needed by the fishing industry of the United States, its Territories, and possessions.

Coast and Geodetic surveys

SEC. 310. The Coast and Geodetic Survey of the Department of Commerce is authorized to continue, until June 30, 1950, the survey work which was being conducted by it in the Philippine Islands prior to December 7, 1941. The Director of the Coast and Geodetic Survey is authorized to train not exceeding 20 Filipinos each year, to be designated by the President of the Philippine Islands subject to the provisions of section 311 (c), in order that they may become qualified to take over and continue such survey work on and after July 1, 1950, and to pay all expenses incident to their temporary employment and training.

General provisions

SEC. 311. (a) The Government of the Philippine Islands shall provide all lands, easements, and rights-of-way necessary for the execution of the projects herein authorized.

(b) The several bureaus and agencies of the Government authorized by this title to undertake projects in the Philippine Islands are hereby authorized, in the prosecution of such projects, to cooperate with the Government of the Philippine Commonwealth (or the Philippine Republic), and to accept contributions of labor, materials, and money from such Government and its political subdivisions and to utilize such labor, materials, and money in the prosecution of such projects.

(c) Wherever in this title the training of Filipinos at the expense of the United States Government is authorized, the head of the bureau or agency under whose supervision or control the training is given may establish minimum requirements as to education and experience, provide for competitive examinations, or establish such other standards for qualification for such training as in his judgment may seem necessary and advisable, and under such regulations as may be adopted from time to time may provide for the payment of all expenses incidental to such training, including, but not limited to, actual transportation expenses to and from and in the United States, allowances for tuition, educational fees, and subsistence.

(d) Any Filipino who is designated for training or instruction as provided in this act may be admitted to the United States for such training or instruction upon certification to the Immigration and Naturalization Service by the head of the bureau or agency under whose supervision the training or instruction is to be given that such entry is necessary in connection with the training or instruction, notwithstanding the provisions of section 8 of the act of March 24, 1934 (48 Stat. 462; 48 U. S. C. 1238), and notwithstanding any provision of the laws of the United States relating to the immigration, exclusion, expulsion, or registration of aliens: *Provided*, That such admissions shall be deemed pursuant to section 3 (2) of the Immigration Act of 1924 (43 Stat. 154; 47 Stat. 607; 54 Stat. 711; 8 U. S. C. 203): *Provided further*, That the privilege of entering or remaining in the United States for such purposes shall end within a reasonable time, to be fixed by regulation of the Commissioner of Immigration and Naturalization with the approval of the Attorney General, after termination of the training or instruction: *Provided further*, That the head of the bureau or agency concerned may at any time terminate the training or instruction of any person under this act if in his judgment the best interests of either the United States or the Philippine Government makes such action advisable, and his decision shall be final and conclusive: *Provided further*, That any such Filipino who shall fail to depart from the United States within the reasonable time fixed by regulation, as herein prescribed, shall be subject to being taken into custody and deported, as provided by section 14 of the Immigration Act of 1924 (43 Stat. 162; 8 U. S. C. 214)

(e) Unless otherwise provided by law this title shall expire on June 30, 1950.

TITLE IV—THE UNITED STATES HIGH COMMISSIONER

SEC. 401. Until the Philippine Islands attain their independence, the functions, powers, and duties exercised in the Philippine Islands by any officer, employee, department, or agency of the United States in carrying out the provisions of this act shall be exercised under the general supervision of the United States High Commissioner to the Philippine Islands, and the officers, employees, offices, missions, and other agencies exercising such functions, powers, and duties shall be deemed to be attached to the office of the High Commissioner.

With the following committee amendments:

Page 1, line 4, delete "1945" and insert in lieu thereof "1946."

Page 1, line 10, delete the period after "States", insert in lieu thereof a comma, and insert "by and with the advice and consent of the Senate."

Page 2, line 1, delete "$10,000" and insert in lieu thereof "$12,000."

Page 2, line 12, delete the period after "thereof", insert in lieu thereof a comma, and insert "to be fixed by the Commission without regard to the limitation prescribed in any existing law."

Page 2, line 15, after "compensation" insert "and allowances."

Page 2, line 15, insert a comma after "officers" and insert "attorneys."

Page 3, line 5, delete the period after "Philippines" and insert "and shall give public notice of the time when, and the limit of the time within which, claims may be filed, which notice shall be given in such manner as the Commission shall prescribe."

Page 3, line 12, delete the period after "title" and insert "if possible but, in no event later than 5 years from the enactment of this act."

Page 3, line 15, after "loss" insert "or destruction."

Page 3, line 16, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 3, line 18, after "attack" delete "including action taken by or at the request of the military, naval, or air forces of the United States in resisting enemy attack);" and insert in lieu thereof "(2) action taken by or at the request of the military, naval, or air forces of the United States to prevent such property from coming into the possession of the enemy;"."

Page 3, line 21, delete "(2)" and insert in lieu thereof "(3)."

Page 3, line 23, delete "(3)" and insert in lieu thereof "(4)."

Page 3, line 25, after "in" insert "opposing, resisting or."

Page 4, line 1, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 4, line 1, delete "(4)" and insert in lieu thereof "(5)."

Page 4, line 3, after "authority" delete "or incidental to control by enemy forces:" and insert "determined by the Commission to have resulted from any of the other perils enumerated in this section or from control by enemy forces."

Page 4, line 17, after "no" delete "payment or payments shall be made" and insert "claim shall be approved."

Page 5, line 4, after "claims" delete "payable to" and insert "approved in favor of."

Page 5, line 11, delete "Philippine Commonwealth" and insert in lieu thereof "Commonwealth of the Philippines."

Page 5, line 12, delete "Philippine Republic;" and insert in lieu thereof "Republic of the Philippines or who, being a citizen of a nation not an enemy of the United States, which nation grants reciprocal war damage payments to American citizens resident in such countries, was, for 5 years prior to December 7, 1941, a resident of the Philippines;"

Page 5, line 16, delete "Philippine Commonwealth" and insert in lieu thereof "Commonwealth of the Philippines."

Page 5, line 24, after "any", insert "unincorporated association, trust, or."

Page 5, line 25, after "successor", delete "if it satisfies the requirements of this paragraph (4)."

Page 6, line 3, after "any", insert "other unincorporated association, trust."

Page 6, line 5, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 6, line 8, delete "Philippine Republic" and insert in lieu thereof "Republic of the Philippines."

Page 6, line 15, delete "Philippine Commonwealth" and insert in lieu thereof "Commonwealth of the Philippines."

Page 6, line 16, after 'any", insert "unincorporated association, trust."

Page 7, line 7, delete "Philippine Government" and insert in lieu thereof "Government of the Commonwealth of the Philippines (Republic of the Philippines)."

Page 7, line 10, after "the", delete "Government," and insert "War Department, Navy Department, respective."

Page 7, line 14, after "within", delete "nine months after the enactment hereof" and insert "twelve months after the date on which public notice is given as prescribed in section 101 (c) of this title."

Page 7, line 23, after (2)", delete "80 percent of the remainder of the approved amount of the claim." and insert "such percentage, not in excess of 80 percent of the remainder of the approved amount of the claim as the Commission shall take applicable to all approved claims, due consideration having been given to the total funds available for distribution."

Page 8, delete lines 6 to 25, inclusive.

Page 9, line 1, delete "(c)" and insert in lieu thereof "(b)."

Page 9, line 4, delete "rebuilding or repairing lost or damaged property, or."

Page 9 line 5 after "placing", delete "it" and insert "lost, damaged, or destroyed property."

Page 9, line 14, at the end of the line add a new sentence: "To accomplish the purposes of this section such surplus property of the United States, wherever located, as the President of the United States by Executive order shall direct, shall be transferred to the Commission. The Commission shall pay to the disposal agency the fair value of the property as agreed to by the Commission and the disposal agency."

Page 9, line 15, delete "(d)" and insert in lieu thereof "(c)."

Page 9, line 19, delete the period and insert in lieu thereof a colon, and insert "*Provided*, That if the Commission determines it is impossible for any reason beyond the control

of the claimant, or is impractical to rebuild, replace, or repair the lost or damaged property, the Commission may make payment to the claimant without making said requirement: *Provided, however,* That, as a condition to the making of such payment, the Commission shall require that the whole of such payment shall be reinvested in such manner as will further the rehabilitation or economic development of the Philippines: *And provided further,* That nothing in this subsection shall preclude the partial payment of claims as the rebuilding, replacing, or repairing of the property progresses."

Page 10, line 2, delete "330,000,000" and insert in lieu thereof "400,000,000."

Page 10, line 4, delete "1,500,000" and insert in lieu thereof "4,000,000."

Page 10, line 6, after "Any" delete "sums" and insert "money or bullion."

Page 10, line 8, after "of" delete "the."

Page 10, line 8, delete the dash after "war" and insert "losses in the Philippines—."

Page 10, line 10, after "the" delete "sums" and insert "value of said money or bullion."

Page 10, line 11, delete "are" and insert in lieu thereof "is."

Page 10, delete all of lines 15 to 25, inclusive, and

Page 11, delete all of lines 1 to 6, inclusive, and insert in lieu thereof the following:

"(2) when the amounts covered into the Treasury under clause (1) are equal to the amounts so appropriated, the excess over the amounts so appropriated shall be used, first, to satisfy in full the balance unpaid of any approved claims under this title; second, toward the payment of any amount by which any claim was reduced under section 102 (a) hereof; third, toward the satisfaction of any approved claim of the Government of the Commonwealth of the Philippines (or the Republic of the Philippines), its provinces, cities, municipalities, and instrumentalities, not compensated under this act; and

"(3) the balance shall be covered into the Treasury of the United States.

"(c) Notwithstanding any other provision of law, any other property received by the United States from the Japanese Government or the Japanese people, whether by way of reparations or restitution on account of war losses in the Philippines, may be transferred, by Executive order of the President of the United States, to the Commission, to be applied in kind, under such regulations as may be adopted by it, to the payment of losses or damages covered by this act, or in such other manner as the Commission may determine to be necessary to carry out the purposes and policy of this act.

"(d) Nothing in this act shall prejudice the right of any claimant not covered by this act to recover damages from the Japanese Government or the Japanese people, by way of reparations or indemnity on account of the war, for losses not, or not fully, compensated for hereunder."

Page 11, line 7, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 11, line 9, delete the comma after "false."

Page 11, line 9, after "willfully", insert "and fraudently."

Page 11, line 10, insert a comma after "property."

Page 11, line 17, after "both" delete the period and insert a comma, and insert "and shall not receive any payments or other benefits under this title and, if any payment or benefit shall have been made or granted, the Commission shall take such action as may be necessary to recover the same."

Page 11, line 23, delete "Whoever, in" and all of lines 24 and 25, and on page 12, delete all of lines 1 to 5, inclusive, and insert in lieu thereof the following:

"Whoever, in the Philippines or elsewhere, pays or offers to pay, or promises to pay, or receives, on account of services rendered or to be rendered in connection with any claim for compensation hereunder, any remuneration in excess of the maximum permitted by this section, shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $5,000, or imprisoned for not more than 12 months or both, and, if any such payment or benefit shall have been made or granted, the Commission shall take such action as may be necessary to recover the same, and, in addition thereto, any such claimant shall forfeit all rights under this title."

Page 12, line 15, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 12, lines 20 and 21, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 13, line 2, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 13, line 6, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 13, line 17, insert after the word "pleasure" and before the word "aircraft", the words "watercraft and pleasure."

Page 13, line 17, after the word "aircraft" delete the semicolon and insert in lieu thereof a colon, and insert "*Provided, however,* That such protection, compensation, or consideration shall extend to such of the foregoing items as may have constituted inventories, supplies, or equipment for carrying on a trade or business within the Philippines."

Page 13, line 23, after "occur," delete "and."

Page 13, line 23, after "(c)" delete "vessels propelled by sail;" and insert the following: "watercraft and commercial vessels of Philippine registry and watercraft of Philippine or American ownership, in harbors and territorial and inland waters of the Philippines, and (d) cargoes and equipment on vessels and watercraft described in (a), (b), and (c) above; except as modified by and subject to clauses (1) and (5) of this section."

Page 14, line 1, and line 2, delete.

Page 14, line 3, delete "(4)" and insert in lieu thereof "(3)."

Page 14, line 4 and line 5, delete.

Page 14, line 6, delete "(6)" and insert in lieu thereof "(4)."

Page 14, line 6, add "s" to "Philippine" and delete "Islands."

Page 14, line 9, delete "(7)" and insert in lieu thereof "(5)."

Page 14, line 19, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 14, line 24, delete "fixed" and insert in lieu thereof "agreed."

Page 14, line 24, insert after "by" the words "the Commission and."

Page 16, line 5, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 16, delete all on lines 6 to 20, inclusive, and insert the following: "and to aid in repairing and replacing buildings (including hospitals, educational and charitable institutions furnishing essential health, educational, and welfare services), works, utilities, equipment or other property, owned by the Commonwealth of the Philippines, provincial governments, chartered cities or municipalities, or other governmental units in the Philippines, in cases where such government-owned buildings, works, utilities, equipment, or other property have been damaged, lost, or destroyed in the war, and otherwise to aid in facilitating the normal operations of existing governmental units in the Philippines."

Page 16, line 25, delete the comma before "notwithstanding."

Page 16, line 25, delete "notwithstanding any other provision of law."

Page 17, line 1, after "Philippines," insert "provincial governments, chartered cities or municipalities."

Page 17, line 3, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 17, line 9, after "Philippines" insert "(Republic of the Philippines)."

Page 17, line 12, after "The", beginning a new sentence, delete "Department of State shall furnish a copy of such record to the Surplus Property Administrator, and shall also make" and insert the following: "Commissioner shall make."

Page 17, delete all of lines 17 to 24, inclusive; and on

Page 18, delete all of lines 1 to 16, inclusive, and insert in lieu thereof the following:

"SEC. 203. Surplus property now or hereafter located in the Philippines shall be disposed of only in accordance with the provisions of this act and the Surplus Property Act of 1944 as heretofore or hereafter amended. Such disposals shall not be subject to the provisions of any law inconsistent herewith. The Commission shall, so far as practicable, dispose of surplus property in the Philippines in such a manner and in such quantities, within the provisions of the Surplus Property Act, as will prevent unnecessary distribution costs and excessive profits."

Page 18, line 18, delete "this."

Page 18, line 19, delete "title" and insert "section 201."

Page 18, delete all of lines 20 to 22, inclusive.

Page 18, line 23, delete "206" and insert in lieu thereof "205."

Page 18, line 24, after "Philippines", delete "under this title," and insert "(Republic of the Philippines), provincial governments, chartered cities or municipalities under section 201,".

Page 19, line 1, delete "$30,000,000" and insert in lieu thereof "$100,000,000."

Page 19, line 3, delete "207" and insert in lieu thereof "206."

Page 19, line 9, after "Philippines", insert "(Republic of the Philippines)."

Page 19, line 23, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 20, line 3, after "authorized", insert a comma and the words "after consultation with the Philippine Government,".

Page 20, line 7, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 20, line 11, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 20, line 20, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 20, line 23, after "authorized", insert a comma and the words "after consultation with the Philippine Government,".

Page 20, line 25, delete "Philippine" and insert in lieu thereof "Philippines."

Page 21, line 1, delete "Islands."

Page 21, line 9, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 21, line 20, delete "Philippine Republic)" and insert in lieu thereof "Republic of the Philippines)."

Page 21, line 22, delete "Philippine Republic)" and insert in lieu thereof "Republic of the Philippines)."

Page 21, line 23, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 21, line 24, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 22, line 15, after "undertake", insert a comma and the words "after consultation with the Philippine Government,".

Page 23, line 6, after "and", at the beginning of the line, delete "reconversion" and insert in lieu thereof "rehabilitation."

Page 23, line 6, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 23, line 11, delete "Philippine Islands" and insert in lieu thereof "Philippines (Republic of the Philippines)."

Page 23, line 14, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 23, line 17, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 23, line 19, delete "Philippine Islands" and insert in lieu thereof "Philippines."

Page 23, line 24, delete "Philip-."
Page 23, line 25, delete "pine Islands" and insert in lieu thereof "Philippines."
Page 23, line 25, add "s" to "Philippine."
Page 24, line 1, delete "Islands."
Page 24, line 6, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 24, line 17, delete "Philippine Islands" and insert "Philippines, notwithstanding the provisions of any existing law."
Page 24, line 20, after "vessels" delete "of less than 2,000 gross tons" and insert "suitable for operation in the interisland commerce of the Philippines."
Page 24, line 22, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 25, line 1, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 25, line 5, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 25, line 9, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 25, line 11, after "at" delete "the" and insert in lieu thereof "a."
Page 25, line 12, after "Academy" insert a period and delete "at Kings Point, New York."
Page 26, line 6, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 26, line 12, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 26, line 22, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 26, line 11, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 27, line 18, after "addition" insert "to."
Page 27, line 23, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 28, line 3, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 28, line 10, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 28, line 14, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 28, line 22, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 29, line 8, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 29, line 19, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 29, line 22, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 30, line 5, add "s" to "Philippine."
Page 30, line 6, delete "Islands."
Page 30, line 10, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 30, line 12, delete "Philippine Commonwealth (or the Philippine Republic)," and insert in lieu thereof "Philippines,".
Page 31, line 16, after "exclusion", insert "or."
Page 31, line 16, delete the word "or" at the end of the line.
Page 31, line 17, delete "registration of aliens:" and insert "except registration and fingerprinting as provided in the Alien Registration Act of 1940 (8 U. S. C. 451, et seq.):".
Page 32, line 5, delete "Philippine Government" and insert in lieu thereof "Philippines."
Page 32, line 13, after "title" insert a comma and the words "except the last proviso to subsection (d) of this section,".
Page 32, line 17, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 32, line 19, delete "Philippine Islands" and insert in lieu thereof "Philippines."
Page 32, line 22, add an "s" to "Philippine."
Page 32, line 23, delete "Islands."
Page 33, after line 3, insert the following:

"SEC. 402. On and after the date upon which the Philippines attain their independence the power, authority, duties, and functions authorized under this act to be exercised by the High Commissioner to the Philippines shall vest in and be exercised by such representative or representatives of the United States as shall be appointed for that purpose by the President of the United States.

Insert a new title, as follows:

"TITLE V—RESTORATION AND IMPROVEMENT OF THE PROPERTY OF THE UNITED STATES

"SEC. 501. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $5,000,000 for the restoration, repair of damage to and improvement of lands and buildings referred to in paragraph (3) of subsection (c) of section 3 of Public Law No. 300, Seventy-sixth Congress, first session (53 Stat. 1226), and for the acquisition or construction of additional buildings to house the civil agencies, including the diplomatic and consular establishments of the United States operating in the Philippine Islands."

Insert a new title, as follows:

"TITLE VI—GENERAL PROVISIONS

"SEC. 601. No payments under title I of this act in excess of $500 shall be made until an executive agreement shall have been entered into between the President of the United States and the President of the Philippines, and such agreements shall have become effective according to its terms, providing for trade relations between the United States and the Philippines, and which agreement shall also provide for the same offenses, and penalties upon conviction thereof, as are set forth in section 107 and section 108 of title I of this act.

"SEC. 602. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby."

The committee amendments were agreed to.

Mr. COLE of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: Page 25, line 2, after the word "time", insert a comma and the following: "but not later than the fiscal year 1950."

Mr. COLE of New York. Mr. Speaker, under title III the amount of $120,000,000 is authorized to be appropriated, which will be allocated by the President from time to time for the purpose of permitting certain Federal agencies to cooperate with the Philippine Government and officials in rebuilding their public and civilian economy, such as public roads, harbor facilities, hospitals, fisheries, and so forth. It permits certain selected Filipino individuals to be trained in some of our academies, such as the Merchant Marine Academy. Some of the sections are limited in the time that the funds can be used, and others are not limited. The purpose of the amendment which I have offered is to make certain that the expenditure of this $120,000,000 shall not carry on beyond the fiscal year 1950.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is this $120,000,000 in addition to the $400,000,000?

Mr. COLE of New York. It is in addition to the $400,000,000.

Mr. RICH. So that it is $520,000,000?

Mr. COLE of New York. Well, it is more than that, it is $620,000,000.

Mr. RICH. That is what I wanted to find out. I have been trying to find out what the total sum of the bill entails. It is $620,000,000?

Mr. COLE of New York. Four hundred million dollars is authorized to pay damage claims and $100,000,000 worth of surplus property is authorized to be used in rebuilding Filipino public property. In addition to that $120,000,000 is authorized for continued Federal assistance under title III. That is the authorization to which I am making reference now.

Mr. RICH. I hope that the House in handling these bills in the future, when we try to find out what a bill entails, will give a complete and concise statement of just the amount that is involved in each one of these bills.

Mr. COLE of New York. I am quite certain that the report contains all of these figures.

Mr. LECOMPTE. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Iowa.

Mr. LECOMPTE. The $100,000,000 worth of property is property that is already in the Philippine Islands, and does not entail any additional cost, and would cost considerable to bring back to this country, is that not correct?

Mr. COLE of New York. The gentleman is correct.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Illinois.

Mr. CHURCH. With reference to surplus property, the $100,000,000, is that based on original cost of the surplus property, or is it based on some other valuation?

Mr. JUDD. It is based on a fair valuation to be determined by the Foreign Liquidation Commissioner.

Mr. CHURCH. Is not that very indefinite?

Mr. COLE of New York. Can the gentleman suggest to us any better way of measuring the value of the surplus property to be made available?

Mr. CHURCH. Not at the moment.

Mr. COLE of New York. I am sure the committee is receptive to any constructive suggestions.

Mr. CHURCH. The gentleman from Minnesota, Dr. JUDD, is on the Committee on Expenditures in the Executive Departments, and perhaps his judgment should be followed.

Mr. MILLER of California. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from California.

Mr. MILLFR of California. I subscribe to the theory that the gentleman advances in putting a limitation on this, but I wonder if 1950 is not a little too close. For instance, the boys that go to those academies and train for officers in the future Filipino merchant marine can hardly complete courses within that time. You will not have them here for another year or two, then you top the thing off by 1950. I wonder if the gentleman has given thought to that sort of thing.

Mr. COLE of New York. The reason I selected the year 1950 is that some of

the programs were limited to that period of time.

Mr. MILLER of California. That is right; I appreciate that.

Mr. COLE of New York. I can appreciate the complications such as the gentleman has suggested, and am sure that if this amendment is adopted those will be considered when the bill goes to conference, and it will be worked out satisfactorily.

Mr. MILLER of California. I just wanted to make sure of that.

Mr. BELL. I see no objection to the amendment offered by the gentleman from New York, Mr. Speaker.

The SPEAKER. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. JUDD. Mr. Speaker, I offer an amendment, the first of a series of amendments I intend to offer.

The Clerk read as follows:

Amendment offered by Mr. JUDD: On page 31, line 1, after "year" and preceding the comma, insert the words "prior to July 1, 1950."

Mr. JUDD. Mr. Speaker, each of these four amendments supplements the amendment that has just been adopted, but I think they should be adopted to make sure there are definite limits to the program for training Filipinos in merchant marine, fisheries, weather bureau, and so forth. If the Members will look on page 31 of the bill, line 6, and read with me that sentence, you will see that it authorizes Filipino midshipmen to be trained under other authorizations than those carried in this act. It says beginning in line 6 on page 31:

The persons receiving instruction under authority of this section shall receive the same pay, allowances, and emoluments, to be paid from the same appropriations, and, subject to such exceptions as may be determined by the Chairman, United States Maritime Commission as cadet midshipmen at the Merchant Marine Academy.

They are to be trained under other funds than the funds authorized under this act and are not covered by the limitation of the amendment by the gentlemen from New York. Therefore, I think we ought to put in line 1 the amendment that has just been read. so that the subsection will start:

The Chairman, United States Maritime Commission, is hereby authorized to permit not exceeding 50 Filipinos each year prior to July 1, 1950, to be designated by the President of the Philippines—

And so on. Then it will be clear that we are not authorizing appointments to be made after that date, although after being appointed I think they ought to be allowed to complete their training. I hope that this amendment will be accepted. If when July 1, 1950, comes there is evidence more Filipinos should be trained, we can extend the date. Without this amendment it appears men could be appointed each year indefinitely. If then one day we would have to cut them off, it might look as if we were short-changing them or going back on a promise. I hope the chairman will accept the amendment.

Mr. BELL. I see no objection to the amendment, Mr. Speaker.

The SPEAKER. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

Mr. JUDD. Mr. Speaker, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD: On page 32, line 2, after "year" insert "prior to July 1, 1950."

Mr. JUDD. Mr. Speaker, this is exactly the same thing.

The SPEAKER. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

Mr. JUDD. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD: On page 32, line 25, after "year" insert "prior to July 1, 1950."

The amendment was agreed to.

Mr. JUDD. Mr. Speaker, I offer an amendment.

Amendment offered by Mr. JUDD: On page 35, line 10, after "year", insert "prior to July 1, 1950."

The amendment was agreed to.

Mr. COLE of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 6, line 24, after "corporation" insert "(composed of individuals otherwise qualified)."

Mr. COLE of New York. Mr. Speaker, my attention has just been called to a situation which was not considered by the committee at the time the bill was under deliberation.

The House will note that an individual claimant for reimbursement of property damaged by reason of the war must be a citizen of the United States or of the Philippine Islands, or if not a citizen of either of those two nations, then he must be a resident of the Philippines for a period of 5 years, providing he is a citizen of a nation which grants reciprocal benefits to American citizens damaged in those foreign countries by the war. In addition to those individuals who can qualify as claimants, subparagraph 4 further provides that any unincorporated association, trust, or corporation can qualify as a claimant. Therefore, it is entirely possible that an unincorporated association consisting entirely of Japanese nationals living in the Philippine Islands or nationals of any country other than the United States or the Philippines could come in and qualify under the provisions of this bill. The amendment which I have offered is drawn rather hastily and perhaps does not correctly cover the situation, but in order that something may be contained in the bill that the conferees can consider when they meet to iron out these differences between the two measures, I suggest the favorable consideration of this amendment.

Mr. BELL. Mr. Speaker, there is no objection to the amendment.

The SPEAKER. The question is on the amendment offered by the gentleman from New York [Mr. COLE].

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. BELL. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

COMMITTEE ON MILITARY AFFAIRS

Mr. MAY. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may have permission to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PAN AMERICAN DAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the proceedings whereby House Resolution 522 was agreed to on February 13, 1946, be vacated, and I ask for its present consideration for the purpose of offering an amendment thereto.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the resolution, as follows:

Resolved, That the House of Representatives hereby designates Monday, April 15, 1946, for the celebration of Pan America Day during which no business or remarks except appropriate to such an occasion may occur.

Mr. McCORMACK. Mr. Speaker, I offer an amendment:

Amendment offered by Mr. McCORMACK: On page 1, lines 3 and 4, after the word "Day", strike out the words "during which no business or remarks except appropriate to such occasion may occur", and insert "on which day remarks appropriate to such occasion may occur."

The amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATION ACT, 1947

Mr. RABAUT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6056) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1947, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue during the remainder of the day, the time to be equally divided between the gentleman from Nebraska [Mr. STEFAN], the ranking minority member, and myself; and that the first paragraph of the bill

be read for amendment at the conclusion of general debate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. STEFAN. Mr. Speaker, reserving the right to object, and I am not going to object, do I correctly understand that the request of the gentleman is that debate go on throughout the day and that no time limit is being set for general debate?

Mr. RABAUT. That is correct.

Mr. STEFAN. The first paragraph of the bill will be read after general debate has been concluded?

Mr. RABAUT. That is correct.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan [Mr. RABAUT].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of H. R. 6056, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. RABAUT. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, your committee has labored long on this bill. We started immediately upon our return from the Christmas holidays, and we have been in session almost daily ever since.

I want to pay tribute to my colleagues on the committee on both sides of the aisle.

I should like to open discussion on this bill with a thought which I and the committee generally have had for curtailing expenditures in the legislative establishments.

The change from war to peace and the further increased Federal indebtedness gives added reason for the reduction of Federal activities by the elimination of many desirable and well-meaning functions and the retention only of those functions which are necessary to the proper administration of Government and the maintenance of the national economy and the national welfare. Increases have been allowed in a number of projects which seem to the committee to be necessary to reestablish our peacetime economy but the committee wishes to state at this time that as reconversion progresses it will become increasingly more determined to limit appropriations, not only to the extent of eliminating increases but even reducing the base on which those increases are established. There seems to have developed during the war years what some have termed a "spending psychology" and the committee is fearful that this spending psychology has become somewhat too deeply entrenched in the minds of the officials responsible for the operation of our Federal establishments. It must be eliminated.

There can, of course, be no such thing as a return to conditions which existed prior to the war years. Responsibilities of Government have increased through the enactment of additional legislation, wages are on a higher level, certain war-created activities must be continued for some time, and problems attendant to the reestablishment of our national economy have arisen. All call for increased activity on the part of the Federal Government. Nevertheless, a concerted effort must be made by all concerned to reduce the cost and limit the size of our Government. It would seem to the committee to be more logical for the departmental officials who are more familiar with their activities to initiate reductions in expenditures, rather than to have them reduced by the committee, pursuing, perforce at times, an arbitrary course.

We of the committee are also becoming increasingly cognizant of the apparent lack of alertness on the part of the agencies and departments of the Government embraced by the bill with respect to keeping alive and current the legislative mandates under which they operate. The activities of many bureaus and other subdivisions are based on statutes enacted 50 or 100 years ago. While this legislation may have served a purpose at the time of its enactment, or even for many years after its enactment, much of it is outmoded and does not serve the present needs of the Nation. The departments and agencies whose activities are based on such antiquated legislation should make it their business to suggest from time to time revisions in order that we may more clearly define the functions of government as between the various units of organization. On the other hand, there are agencies operating on enabling legislation that was drawn on such broad terms as to enable them to justify almost any conceivable activity thereunder.

I want to take this opportunity to suggest that the Bureau of the Budget devote more time to the over-all coordination of the functions and activities of the various departments and agencies of government generally and less to the issuance of directives governing details of administrative management and planning. There is too much duplication of effort in the Government, and the Bureau of the Budget, as the central coordinating agency of all functions of the executive establishment, is the logical and only organization to undertake this reform.

It has come to the attention of the committee that many inequities have been permitted to creep into the Federal salary structure with respect to the classification of positions in the executive department. It was generally admitted, for instance, that positions established in the war agencies were rated higher in salary than positions in the old-line agencies, the reason given being that the Government had to recruit a high grade of personnel in a short period of time and also that the employees engaged were entitled to somewhat more consideration because of the fact that their positions were of a temporary nature.

It has now developed, however, that many of these employees have been transferred to the old-line agencies of the Government at the same salary rates, the only changes effected being in the names of the agencies at the head of their job-description sheets. This has had a very detrimental effect on the morale of the older employees, who have served in these agencies for many years prior to the war and who stayed at their posts during the war.

It is my personal belief that the magnitude and responsibilities of our Federal Government demand the retention of the highest-type employees that can be secured. It is realized that the Federal establishments cannot under all circumstances compete with the salary structure obtained in private enterprise. However, it would seem that there is too much at stake in the control and direction of our national economy to permit the employment of any other but the highest type of individual.

I am for adequate salaries. It does seem to me that the present system with respect to employment and retention of these more qualified employees could be considerably improved upon, and I strongly urge that the Civil Service Commission take such steps as may be required to eliminate the inequalities that have come to light during the hearings on the pending bill.

I am aware of the fact that a number of the Members of the House have attempted to reduce the activities of some of the agencies to a prewar level. I also, would like to see this accomplished. However, it appears to me that the facts are such as to make this objective impossible of accomplishment, and I am speaking only for the four activities encompassed in this bill. Cost of government has grown, not so much because of increased salaries, increased costs necessitated by the 40-hour workweek, the Ramspeck Act, and other uncontrollable items, but primarily because of the fact that the steady enactment of additional legislation imposes additional responsibilities on the executive departments.

Mr. NORRELL. Mr. Speaker, will the gentleman yield?

Mr. RABAUT. I yield.

Mr. NORRELL. I wish to concur with what the gentleman has said. He is a great member of this committee. I should like to ask the gentleman this question: What percentage of the appropriation being made available in this bill are fixed by statutory authorization? It must be tremendous, something that the Appropriations Committee cannot do anything about.

Mr. RABAUT. The gentleman is absolutely right.

Mr. NORRELL. Can the gentleman venture a statement as to the percent?

Mr. RABAUT. I cannot say offhand, but it is substantial.

Mr. NORRELL. Would the gentleman say that 75 or 80 percent is covered by statute?

Mr. RABAUT. Much more than that.

Insofar as the bill before you is concerned, we must add the problems which have arisen as a result of the war and the projects within some of the departments which would have been carried on had it not been for the war and for the

resumption of which some provision is made in the bill.

The total of the Budget estimates for the four departments is something over $415,000,000. The reduction effected by the committee totals a little over $56,000,000, or something over 13.5 percent.

DEPARTMENT OF STATE

The amount of $104,700,000 is being recommended for this Department. This is an increase of some $11,000,000 over the current year's requirements and a reduction of a little over $23,000,000 in the budget estimates. I do not subscribe fully to the saying that diplomacy is cheap and war is expensive—they are both expensive—however, a comparison of these costs have certainly brought me to the realization that we cannot afford in the future to be too parsimonious with that Department of our Government created to maintain the peace. By that I do not mean that the Department should proceed on a continuing and indiscriminate expansion of its activities. I personally am not satisfied with the present organizational structure of this Department and have so expressed myself during the hearings and in the report on the bill now before you. However, I do not feel that this is the time for a too radical reduction. The world is still in a turmoil and this Nation must continue to keep its eyes and ears open as to the political and economic developments throughout the rest of the world. The rapid methods of transportation and communication have brought the individual nations of this world much closer together and has made each realize that the problems of one nation, no matter how small, are increasingly becoming the problems of all nations. No matter how hard we may try, we cannot, in my opinion, at least, revert to the isolationism of the prewar years.

Considering on an over-all basis the amount of $11,300,000, representing the increase over the current year, the figure would not seem large in view of the fact that there is included in the bill four new items, namely, $10,000,000 for the information and cultural program; approximately $8,000,000 for the beginning of construction of a dam on the Rio Grande in conformity with a treaty between this country and Mexico; the amount of $6,300,000 for United States participation in the United Nations; and the amount of $700,000 for the foreign economic liquidation program.

I want to say a word about the informational and cultural relations program. Personally, I do not think that there has been in the past enough interchange of information among the nations of the world. Without being a student of the causes of war, one cannot help but feel that even this last war might have been averted had we had greater understanding between the peoples of the world. Perhaps history some day will prove or disprove this thought. Furthermore, I do not think that this country can afford at this time to sit idly by while our motives and intentions are being misrepresented by one or two nations to the rest of the peoples of the world. I feel very strongly that something must be done to protect our interests in this regard.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Minnesota.

Mr. JUDD. Am I correct in inferring from the gentleman's remarks that if this congressional committee had not gone and checked up on the situation this exchange of surplus property for buildings for our foreign service would not have been effected?

Mr. RABAUT. I am very certain that the gentleman is correct. The thought was born in the minds of this committee, and the committee was so interested in it that they appointed a subcommittee of two, when we were in Paris, to fly to London to confer and to present our views to the Secretary of State who was there at that time.

Mr. JUDD. I want to congratulate the committee and at the same time express my chagrin as well as shame that the executive agencies of the Government would not be on the alert constantly to protect every interest of the country along that line.

Mr. RABAUT. I will say further to the gentleman that it results in a tremendous saving, because these surplus properties are distributed all over the world. We make them available to the country where they are located, and in exchange we take real estate which will be used to house our foreign service all over the world.

Mr. JUDD. Obviously it is a very good proposition. I am only overwhelmed with surprise that we had to get members of a legislative body to see the necessity of it and push it through. That is what surprises me.

Mr. RABAUT. As you have already seen in the papers, the amount of something over $4,150,000 requested for the intelligence program has been eliminated. It was felt that the program would merely create another superstructure within the Department and that little or nothing additional to what the Department is already doing would be accomplished.

I would like to advise the membership that the report of the Appropriations Subcommittee, having jurisdiction over the Department of State, has included in the hearings under the caption "Foreign service" its report of the recent trip to Europe.

A number of unsatisfactory conditions with respect to the operation of our foreign service establishments were disclosed and appropriate recommendations were made for the correction or elimination of these conditions.

I am also happy to inform the membership that the committee had considerable success with respect to the acquisition of properties abroad through surplus material disposals and lend-lease settlements.

Briefly I want to report that agreements concerning the acquisition of properties concluded or awaiting signatures total $66,222,000. Of this amount, $38,272,000 have been concluded and are now in effect. In addition to this there are pending agreements in the amount of $35,000,000. These agreements have been concluded or are presently being negotiated with 20 different countries.

DEPARTMENT OF JUSTICE

The bill includes something over $95,000,000 for this Department, a reduction of about $10,500,000 under the current year's requirements and $1,600,000 under the Budget estimates. I might also add that the 1946, or current, appropriation is approximately $11,000,000 under the appropriations for the fiscal year 1945. This Department is primarily a service department, the extent of whose activities depend on the criminal and civil statutes in force. The activity within this Department calling for the largest appropriation continues to be the Federal Bureau of Investigation, for which the amount of $28,700,000 is recommended. This is a decrease of more than $8,000,000 under the current year's requirements. This bureau is still burdened with work as a result of the war, such as war frauds work, apprehension of escaped prisoners of war, war-risk insurance work, and others. Director Hoover was also very apprehensive as to the sufficiency of funds for this next year because of the possibility of a crime wave which, experience shows, seems to follow every war. I personally feel that we must be prepared to cope with such a condition should it arise.

Some aspects of the crime wave, particularly with respect to youth in crime, are discussed in the following testimony of Director Hoover, which I quote:

"The matter of youth in crime is one of our greatest problems today. We in law enforcement—local, State, and Federal—view this increase in crime with great concern. I have always said that much of this type of crime is due to parental laxity. You cannot have teen-age hoodlumism unless there is parental laxity—and it is always present—in the home from which the hoodlum comes. The outdoor haunts, the dives, the street corner that he hangs out on, and the crowd he goes with—all point to the lack of parental discipline. This is the problem which I think the adults of this country must recognize and take steps to cope with it.

Mr. PITTENGER. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Minnesota.

Mr. PITTENGER. Is the gentleman reading from Mr. Hoover's testimony?

Mr. RABAUT. I am reading from Mr. Hoover's statement.

Mr. PITTENGER. I suppose at some appropriate time the gentleman will tell us how much money he wants to spend in peacetime more than he did during the war. I understand the bill generally increases expenditures.

Mr. RABAUT. Our bill carries a reduction of $8,000,000 for Mr. Hoover.

Mr. PITTENGER. I was told by one of the committee members, not with reference to Mr. Hoover, but generally speaking, that the sum total of the appropriations for these departments is over $40,000,000 more than it was last year. I wonder if that is true.

Mr. RABAUT. I just finished telling the committee the whole story. I do not know whether or not the gentleman was here.

Mr. PITTENGER. I was here.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Michigan.

Mr. HOFFMAN. How much does the bill carry?

Mr. RABAUT. I will come to that in a minute. I want to finish this statement first.

I am quoting from Mr. Hoover's testimony:

For instance, 21 percent of the arrests today involve youngsters under 21 years of age. There are more arrests at the age of 17—

Mind you, 17. Take that home to your district when you return, and make a statement about it. We should be interested in the youth of this country.

There are more arrests at the age of 17 than at any other age, and thereafter there is a decrease in the arrests under 21.

It will be observed that in connection with the arrests of youths from the ages of 16 to 24, the age of 17 is high and from that time it goes on down. The arrests under 21 for the first 9 months of this year showed that 15 percent of all murders in this country are committed by persons under 21 years, 36 percent of all robberies are committed by persons under 21, 51 percent of all burglaries are committed by persons under 21, 34 percent of all thefts are committed by persons under 21, 26 percent of all crimes of arson are committed by persons under 21, 30 percent of all rapes are committed by persons under 21, and 62 percent of all car thefts are committed by persons under 21. These are figures that come in from all parts of the country.

What I want to bring out is that the age of 17 is an age closely allied with the graduation age of high-school students. There must be something wrong some place in the homes and in the schools of this Nation that brings about a report such as I am making here today.

It is high time that those in charge of educational facilities in this Nation use the slogan of the railroads. "Stop, look, and listen." Over and above that, they should act, act in devotion to America—act in devotion to its homes—act—for heaven's sake, act.

The amount of $24,500,000 included for the Immigration and Naturalization Service is a reduction both under the current years requirements and under the Budget estimates. There is no doubt but what, as transportation facilities become increasingly available, responsibilities of this Service will increase proportionately. The Commissioner told the subcommittee that a rather serious situation prevails along the Mexican border and that his border patrol is inadequately staffed to guard this area of our country properly. However, it is doubted that this border could be guarded effectively even if the personnel on the border patrol was quadrupled, and the subcommittee suggested to the Service that a more effective liaison be developed and maintained between the Service and the authorities of the States and municipalities along the border.

The operating costs for the Federal Prison System are mostly a matter of calculation. The estimates of the prison population, on which requests for funds have been based, have been surprisingly accurate for the past several years. For example, the estimate for this year were based on the population of 19,000 prisoners. As of the date of the hearings, there was a total of 18,669 prisoners. The estimates for next year is based on a total of 21,000 prisoners, the increase being attributable in large measure to the court-martial prisoners taken over from the Army.

DEPARTMENT OF COMMERCE

The amount included in the bill for this Department is $143,000,000, an increase of nearly $40,000,000 over the current year's requirements and a decrease of approximately $31,000,000 under the Budget estimates. The largest items of increase allowed are as follows: Approximately $3,500,000 for the office of the Secretary, which amount, however, includes an increase of $3,100,000 for technical and scientific services. This activity is the outgrowth of the old National Inventors Council and still does a small portion of its previous work in the interest of national security. The group of 19 eminent American scientists and industrialists are still serving this activity on a nonsalaried basis. The major portion of the work in this unit, however, is that of analyzing, translating, and distributing scientific and technical data captured in Germany, and to some extent in Japan. It was testified that the classification of these data for the use of American business is perhaps the only reparation this country will receive from this war, and this is probably true.

The bill contains the amount of a little over $28,000,000 for the Bureau of the Census, an increase of nearly $19,500,000 over the current year's appropriation and a decrease of $5,350,000 under the Budget estimates. In the amount recommended are included $10,000,000 for the census of business and $5,000,000 for census of manufactures, which are new items, not provided for in the current year's appropriation. The subcommittee had considerable discussion concerning these two items, both during the hearings and in executive session, and it was finally concluded by the majority of the subcommittee that these functions should be started at this time. The dislocations caused by the war and the fact that such censuses could not be taken during the war make these two activities necessary at this time. The country must have bench-mark data on which the development and progress of our economy are to be based. While the census of religious bodies is not specifically mentioned in the bill, as are not the other censuses taken under this item, it was the committee's intent that the census of religious bodies be taken, and it was thus provided.

For the Civil Aeronautics Administration, the bill contains the amount of $63,450,000, an increase of something over $7,000,000 over the current year's requirements and a decrease of nearly $11,000,000 under the Budget estimates. The renewed activity in the domestic and foreign aviation, making necessary additions to our Federal airways, as well as the modernization of our airways, and the additional cost in maintaining these airways is the major cause of the increase. In addition to that, the great number of airplanes that are expected to be in production and in the air during the next year will cause additional responsibilities in the Safety Regulation Division.

Mr. HOFFMAN. Mr. Chairman, a point of order. This bill carries something like $400,000,000. I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 80]

Allen, Ill.	Fallon	O'Brien, Ill.
Anderson, Calif.	Feighan	O'Neal
Auchincloss	Fellows	Patrick
Baldwin, Md.	Fisher	Peterson, Fla.
Baldwin, N. Y.	Fogarty	Pfeifer
Beall	Fuller	Ploeser
Bender	Gary	Plumley
Bishop	Gifford	Powell
Bland	Goodwin	Price, Fla.
Boykin	Gorski	Price, Ill.
Bradley, Mich.	Granger	Quinn, N. Y.
Bradley, Pa.	Griffiths	Rains
Brumbaugh	Gross	Randolph
Buckley	Hall,	Rayfiel
Bunker	Leonard W.	Reece, Tenn.
Burgin	Hancock	Roe, Md.
Butler	Harless, Ariz.	Rogers, N. Y.
Byrne, N. Y.	Hébert	Shafer
Canfield	Heffernan	Sharp
Cannon, Fla.	Hendricks	Sikes
Celler	Herter	Smith, Va.
Chiperfield	Holmes, Mass.	Stewart
Clippinger	Hook	Sumner, Ill.
Cochran	Howell	Taylor
Colmer	Jarman	Thom
Courtney	Kefauver	Thomas, Tex.
Crawford	Kelly, Ill.	Tolan
Curley	Knutson	Wasielewski
Curtis	Kopplemann	Weaver
Dawson	LaFollette	West
Delaney,	Latham	White
James, J.	Link	Wolcott
Delaney,	Luce	Wolfenden, Pa.
John J.	McKenzie	Wood
Dingell	McMillen, Ill.	Woodhouse
Dirksen	Miller, Nebr.	
Dworshak	Norton	

Accordingly the Committee rose; and the Speaker pro tempore, Mr. SPARKMAN, having assumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6056) and finding itself without a quorum, he had directed the roll to be called, when 318 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER pro tempore. The Committee will resume its sitting.

Mr. RABAUT. Mr. Chairman, at the time the point of order of no quorum was made I was talking about the Civil Aeronautics Administration.

The bill also includes the amount of $1,500,000 for what has since become a controversial item, that is, the maintenance and operation of aircraft. The Administration now has 231 airplanes required for use in checking the equipment on Federal airways, transportation purposes in Alaska, and safety-regulation work. The Administration now has approximately a 5-year supply of parts for these airplanes, and it is strongly recommended that the program as developed by Mr. Wright, the Administrator, be put into effect. I am sure that

it will result in considerable savings to the taxpayer.

There has come to the attention of the committee an apparent weakness in air-safety regulations insofar as the human element is involved. A mishap occurs, an investigation is made, and there the matter ends. The responsibility for each accident, no matter how minor, should be determined, and if the human factor is involved the person or persons responsible should be grounded or relieved of their duties without pay for a specified period of time. The committee also feels that too much laxity exists with respect to drinking by pilots, not at times of take-off, but the night before. Any pilot who has been drinking the night before is just not in condition to assume responsibility for a load of passengers the next morning. Public safety must be protected vigilantly and at all costs. It is strongly urged that regulations be drafted to require airline companies to give spot and surprise tests to determine the physical fitness of a pilot just before a take-off. It is understood that such tests could be completed within a few minutes, and would have no effect on operating schedules.

The entire increase of $923,000 over the current year's appropriation for the Coast and Geodetic Survey is due to the necessity for resuming the coastal survey work which was suspended during the war. This service is now having returned to it, from the Navy, three coastal survey vessels which must be manned and maintained. It is likewise behind in its chart production work and in the maintenance of revisions on the charts which are currently required for nautical and aeronautical purposes.

As for the Bureau of Foreign and Domestic Commerce, the bill includes $7,100,000, an increase of about $4,250,000 over the current year, but a decrease of $5,800,000 under the estimates. This activity is the heart of the department and there is no question but what the services of this bureau will be vitally needed in the development of the economy of our Nation during the next few years. Certainly it would seem that the development of positive aids to business and assistance to the exporters and importers of this country will result in a greatly increased national income. In line with this theory, the department proposed to establish 75 field offices throughout the Nation, at a total cost of $6,500,000. This estimate was reduced by $4,000,000, allowing only $2,500,000 with which to set up a greater number of offices but not to be staffed to the extent originally planned in the estimates.

There is very little to say concerning the Patent Office, for which the Budget estimates of $6,027,000 were approved. They are so far behind in the examination of patent applications, it is doubted that they will be able to keep their heads above water even with this amount.

The National Bureau of Standards shows an increase of something over $2,250,000 over the current year's requirements. Approximately $1,000,000 of the increase is for specialized equipment required in the study of X and beta radiation and $600,000 is for the improvement of buildings and facilities which were neglected during the war.

The bill contains the amount of $16,300,000 for the Weather Bureau, a reduction of something over $2,800,000 in their regular activities. The Budget estimates called for approximately $9,000,000 to be expended for aviation weather service. It was the thought of the subcommittee that this Bureau is going to the extremes in furnishing weather service to the air-line industries and also that perhaps the air-line industries might be requested to share a portion of this cost since they are the beneficiaries of this specialized service.

In addition to the above Weather Bureau reduction, the subcommittee eliminated the amount of $1,750,000 for the completion of the Weather Bureau Building, on the premise that what building materials are available could be used to better advantage for general housing purposes.

THE JUDICIARY

The appropriation of $15,850,000 is included in the bill for this activity, an increase of $118,000 over the current year and a decrease of $734,000 under the Budget estimates. The major increases, offset by decreases in other items, are for salaries and expenses in the Court of Claims, necessitated by the increased activity of the court under the Contract Settlement Act, and an increase of $265,000 for miscellaneous salaries. This last increase is more apparent than real, by virtue of the fact that there was absorbed during the current year in this item, for requirements under the Pay Act, approximately the same amount. There is $100,000 additional for the salaries of court reporters to provide court reporters for the courts that could not be provided for under the reduced expenditures for the current year.

I now yield to the gentleman from Michigan [Mr. HOFFMAN] for a question.

Mr. HOFFMAN. You were speaking a while ago about delinquency among children. Does that not grow out of the fact that the children are not being trained at home as they were in years gone by—not supervised at home? We have been looking to the Federal Government altogether too much?

Mr. RABAUT. I have not implied that the Federal Government was responsible for the delinquency of children.

Mr. HOFFMAN. I did not say you; I said the people generally.

Mr. RABAUT. I said there were three agencies that should have a deep interest in the children, and I put them in an order. First, the home; second, the school; and, third, the church.

I said, however, there is a very close proximity to the high-school graduating age, which is usually 18, and the 17-year age which is the top age in crime today. So there must be something wrong someplace, and I am just calling it to the attention of the educational people of this Nation. Does the gentleman disagree with me?

Mr. HOFFMAN. As I understood the gentleman's reference, he was calling attention to the lack of training or something that was wrong because so many of the younger people are being arrested for criminal action; and my thought was that part of that condition was due to the fact that we are not taking care of our own children in our own homes as we should, but are relying altogether too much upon Federal agencies. The Federal Government is sticking its fingers into everything, into the schools, into the homes, to such an extent that there is no home training in some localities as there was in days gone by.

Mr. RABAUT. I do not think the Federal Government is doing anything about it inasmuch as the gentleman has asserted the viewpoint he has. I hope the gentleman is not trying to lecture me because I have nine children and feel I have been successful with them.

Mr. HOFFMAN. I am not lecturing the gentleman; I would not be so presumptuous. I do not even know what the gentleman's conclusions were as to the remedy. As I understand, the gentleman is just complaining because the children of today are not all they should be.

Mr. RABAUT. I am complaining of a condition that the gentleman from Michigan and every other Member of this body can take home to his own district and shout it from the curbstones of every corner. It is something that demands correction. The crime wave in this country is a thing that has astounded every decent person. I hope the gentleman does not disagree with that.

Mr. HOFFMAN. I do not disagree with that.

Mr. RABAUT. It is apparent any place one looks; and the top age of those who commit these crimes is 17 years.

Mr. HOFFMAN. No; the gentleman will not find any such condition as he has been pointing out in the rural districts; he will not find it in the Fourth District of Michigan. He might find it in Detroit but not on the western side of the State.

Mr. RABAUT. If the gentleman will listen a moment, Mr. J. Edgar Hoover said this report comes from every section of the country, and that includes the gentleman's district. They have gone all over the country.

Mr. HOFFMAN. That statement is not in accord with the facts; that is all. It does not exist in rural western Michigan.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield.

Mr. DOYLE. I think it is proper at this time in view of the distinguished gentleman's remarks about the problem of juvenile delinquency to call the attention of the House to the fact that 2 weeks ago, before I went home just for a moment on account of critical illness, I filed House Resolution 595 which calls for a Nation-wide study and survey and report back on this very problem of juvenile delinquency as it relates to the whole Nation. It does not sponsor any bill or any particular theory but is just intended to get at the facts, whatever they may be.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield.

Mr. CELLER. I believe the gentleman in my absence made a statement about a census of religious bodies.

Mr. RABAUT. I did.

Mr. CELLER. As I understand it, and after conversation had with Dr. Eckler of the Census Bureau the language on page 52 of the bill is not sufficiently broad to require the Director of the Census to make that census of religious bodies which is asked for by the Federal Council of Churches of Christ in America, various Catholic societies, and Jewish societies. Will the gentleman explain about that census a little further?

Mr. RABAUT. I included in my remarks this morning with a moral persuasion to the Department and by direction of the committee, as far as this census is concerned, what we desire and what we say must be done.

Mr. CELLER. Would the mere statement of the committee be a directive to the Director of the Census? As I understand. back in 1902 the Census Act gave permission to the Director of the Census to make a census of religious bodies. That act was amended in 1906 again authorizing but not expressly directing the Director of the Census to make such a census. The language still remains permissive and the general apprporiation is $13,000,000. If perchance the $13,000,000 is exhausted by the other enumerations that the Director makes there would not be any money left to make the permissive census of the religious bodies.

Mr. RABAUT. I understand the gentleman's inquiry, and I want to quote my remarks made this morning:

> While the census of religious bodies is not specifically mentioned in the bill as are not the other censuses taken under this item, it was the committee's intent that the census of religious bodies be taken and it was thus provided.

That will take care of the religious census.

Mr. CELLER. I thank the gentleman for his observation. Would there be any objection to mentioning on page 52 that the amount usually appropriated of $250,000 shall be used for that purpose? What objection would there be to that?

Mr. RABAUT. The bill will be read for amendment on tomorrow, and it can be taken up at that time.

Mr. PHILBIN. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Massachusetts.

Mr. PHILBIN. Is there any provision in this measure for increasing the salaries of the regular district Federal court judges?

Mr. RABAUT. There is not. That is not done in this bill.

Mr. PHILBIN. There is a provision in this bill for increasing the salaries of the judges of the Court of Claims?

Mr. RABAUT. No; not any increases in salaries.

Mr. PHILBIN. There is no provision for salary increases of any Federal judges?

Mr. RABAUT. No.

Mr. PHILBIN. I thank the gentleman.

Mr. STEFAN. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, the bill we present today carries appropriations for the Departments of State, Justice, Commerce, and the Judiciary for the fiscal year 1947. As the ranking minority member of your subcommittee, I wish to pay a tribute to the chairman and other members of the committee who have been working on this bill diligently for many days. I want to especially commend the committee clerk, Mr. Corhal D. Orescan, for his valuable and efficient assistance to the committee and especially for his unusual ability in getting the bill in shape after many perplexing changes have been made.

Mr. Chairman, we have lost two valuable members of this committee, the gentleman from North Carolina, the Honorable JOHN KERR, a great statesman, a man who has been my friend and adviser through 12 years of my service here. He has now assumed the chairmanship of another very important subcommittee; and the gentleman from Illinois, Hon. TOM O'BRIEN, who has become a member of the Ways and Means Committee. We have added to our committee the gentleman from New York [Mr. ROONEY] and the gentleman from Virginia [Mr. GARY], who are very able, and we welcome them to membership on this committee which deals with problems that are so important that I hope many Members will remain on the floor during the reading of the bill because there are many controversial items in it. We also have as members of that committee the gentleman from South Carolina [Mr. HARE], the gentleman from Ohio [Mr. JONES], and the gentleman from Colorado [Mr. GILLESPIE].

The bill was especially hard to draw up due to the fact that two of the Departments, namely Department of State and the Department of Commerce are being reorganized and expanded. In my opinion, this is one of the most important bills ever brought before this House.

It contains many increases in the total amounts, in the number of employees and in the functions of the various departments as compared with the bill we presented to you last year. While your committee made many decreases in the bill as compared to the amounts of money originally requested, additional decreases may be suggested in committee as the bill is being read for amendments.

The grand total of this bill $358,825,758, as compared with $318,314,999 during the fiscal year 1946. These totals include the increases in salaries called for in Public Law No. 106. This shows an increase in this bill of $40,510,759 as compared with the 1946 figure. The three departments, originally asked for $415,017,688. The gigantic increase in this bill even though the war is over is accounted for by the proposed great expansions in the Departments of Commerce and State. Two new items in Commerce include the business and manufacturers census which accounts for $15,000,000 of the increase. The reclassification of positions and the transferring into the regular services of various war agencies represents much of this huge increase. In the Department of Commerce the increases are greatest and are explained by the fact that Commerce has been more or less dormant during the war and is now in need of some expansion.

The greatest increase in the number of employees is found in the Commerce and State Departments. In 1946 Commerce had 21,870 man-years. This Department originally requested 38,670 man-years for 1947, and the committee cuts should decrease this request to approximately 30,000 man-years, which still represents a large increase of man-years for this department. The Department of State, which had 13,165 man-years in 1946 requested 20,185 man-years for 1947. Your committee made cuts in this request which would trim its figure down to around 17,000 man-years for 1947 for the Department of State, which would still show a large increase in the number of employees for this ever-expanding department.

A number of requests for new divisions in the Department of State were rather confusing due to the fact that these divisions were not broken down in the committee print in such a way that members of the committee could readily determine the break-down in number of employees and functions. These new divisions cannot be found in the bill which is now in your possession, and Members wishing to learn about same will have to get their information from the reading of the report and the reading of the hearings.

Many details of this bill have been already explained, and although I expect to discuss some other matters more generally when we start reading the bill for amendments, at this time I wish to confine myself to two of the important items, namely, the Informational Service in the State Department and the Federal Bureau of Investigation in the Department of Justice.

AN INTERNATIONAL INFORMATION PROGRAM

Mr. Chairman, these are the days in which all of us are taking inventory. The Members of the House of Representatives are—or they ought to be—deeply concerned with the balancing of the Nation's Budget. Throughout this Republic, families are engaged in a like task, trying to make their income a little more than their expenditure so that the resultant saving will be at the same time a bulwark against possible emergencies and a stake for future progress. That is why it is so important right now, at this very moment, to act to eliminate waste in Government and to make those Federal agencies which survive our careful examination earn every cent of their keep.

It is equally important, however, that, in our patriotic zeal to economize, we do not amputate useful arms of the executive branch and paralyze, either partially or totally, still other useful arms. If we helped to bring about this condition, we should be as deserving of censure as if we permitted reckless expenditure of the American taxpayers' money. We must watch with equal vigilance against the harmful effects of unchecked spending and the harmful effects of hamstringing governmental efficiency. That, under the Constitution, is the double responsibility of this body.

It has been brought forcibly to my attention—as I know it has been brought to your attention—that in this first year of

peace some Federal agencies have submitted requests for funds from 50 to 300 percent in excess of like requests for like agencies at any other time in their history. In meeting this challenge, I shall go along with any reasonable paring down of these blueprints for operation during the fiscal year beginning July 1, 1946.

Within the next few minutes, I intend to examine with you specifically the problem of our underwriting the International Information Program of the Department of State for the coming fiscal year. I have a twofold interest in this particular problem. First, I am interested in it because what action we take in regard to it will set a precedent in regard to our other actions to be taken concerning other phases of government of similar size and requiring similar amounts to keep in operation. Second, I am vitally interested in any organization which has for its job the telling of the American story and the telling of that story everywhere and now.

When the matter of providing appropriations for the Office of International Information and Cultural Affairs under Assistant Secretary of State Benton first came before our committee I had formed no set opinion about continuing it. I wondered—I very naturally wondered—whether or not the OIC would be established as a purely propaganda organization; and if it was created for such a purpose, whether or not such propaganda issuing from governmental sources would be necessary or even advisable under the changing condition of foreign affairs. Throughout the time I have been considering possible appropriations for OIC, I have tried to suggest savings wherever those savings could be brought about without destroying the effectiveness of the task to be accomplished. The recommendations of the Subcommittee on State Department Appropriations of the Committee on Appropriations and the recommendations of the entire committee still guide my ultimate decision regarding the OIC. Nevertheless, after a careful, objective study of what the OIC intends to do and what money it needs to do its job, I have come to the conclusion that there is justification for a well-planned, well-supervised, modest program of international information and cultural affairs.

I am not one of those timid souls who cringe at the very word "propaganda." The newspaper who comments editorially on a news story on its front page is carrying on propaganda. I certainly would not advocate the abolishing of the editorial writer who expresses the policy of his paper or support any measure which would infringe in any way upon the absolute freedom of the press. Every commercial you hear over the radio is a form of propaganda. Yet, it would be unfortunate, indeed, if commercials—yes, propaganda commercials—were excluded from the air, for then radio would have to depend upon Government support for its existence and Government-supported radio would be the first step toward the socialization of all our information and communications industries.

Propaganda, as such, is not necessarily evil—and it can be an instrument for good. But, it is the duty of Congress to be on the alert where propaganda is used. We must not be complacent. A good thing may be used for evil purposes. A kitchen knife, made for slicing bread, could be used to kill.

Even under these circumstances, I still believe a modest, purely factual international information program would be a good thing. I base my conclusions on hard facts gained from our experience in the late war.

The Office of War Information was set up as a psychological warfare weapon. In spite of the widespread criticism of OWI—part of which was justified—it helped to shorten the shooting war and thus to save American lives. It did this through a consistent policy of telling the truth about what America was thinking and doing to the brave resistance groups in enemy-occupied countries, to neutral nations, to our allies and to our enemies. Congress itself contributed in no small degree to the success of this psychological warfare. I am reliably informed that 111 Members of Congress took part in preparing material for broadcasts, statements which were published in the newspapers of neutral nations for infiltration into enemy and enemy-controlled areas, pamphlets which were dropped by our planes over contested regions, and articles for underground newspapers and magazines, as well as regular commentaries for particular areas.

I am convinced that those of us who worked with the OWI in this endeavor told the truth as we saw it. For my own part, I have seen psychological warfare in action especially in the Philippines. In the crucial Philippines, our words of encouragement, counsel and advice reached the fierce-fighting Filipino guerrillas, counteracted their almost daily dosage of Japanese propaganda and helped to mold them into one of the most efficient guerrilla fighting forces anywhere on record.

We are not at war today. We do not need the tremendous overseas informational machine which was necessary during the war. We can get along with one only a third as large. But, we do need to give truth to foreign peoples. We do need to tell the American story. We do need—and I coin a word—"psychological peace-fare".

Today, we are faced with the ominous certainty of communism spreading over vast regions of Europe and Asia. They, these hungry, desperate people, are the "rice Christians" of our generations. They do not think things through. They only act for survival. They are ready to accept that ideology which feeds them, which promises to feed them or which consistently takes the credit for feeding them. They are ready to follow anybody or any way of life which provides a measure of security and something to eat. Foreign governments, especially that of the Soviet Union, have embarked on a program of claiming credit for all attempts to bring relief to these suffering, bewildered peoples. They have been deluged with waves of misinformation about the United States and the intentions of the American people to the extent that within 8 months after the end of the war in Europe a wall has grown up between us and many of those captive nations, a wall which Soviet propaganda is building higher and higher.

This very day, Britain is broadcasting to the hunger areas and, as reported in the New York Times of March 19, they have even instituted Russian-language broadcasts to the Soviet people whom Ambassador Harriman recently said possessed "60,000 to 70,000 short-wave receiving sets capable of hearing American broadcasts." Without some sort of an international information program, we could never expect to surmount the wall of censorship which intervenes between the American people and those peoples living in the realm of hunger; nor could we expect to reach even a few of the Russian people who have short-wave receiving sets.

It is not a matter of keeping up with the Joneses. We do not anticipate competing with the vast propaganda machines of Britain and Russia. But, we do need—and that need is an urgent, pressing need—a modest, effective oral and visual information program to get the message to the starvation areas of Europe and Aasia that our great Nation is united in its desire to be of real help to men and women the world over, to give food for their bodies and hopes of freedom and self-government for their immortal souls. We must give those who hunger after food and hope a true picture of what the United States is and the principles and ideals for which the United States stands.

This can only be done through an international information program—yes, perhaps, small—but efficiently organized, efficiently staffed and efficiently directed. That is the kind of a program which is absolutely necessary to the conduct of our foreign affairs. That is the kind of an international information program which I can support, which I do support, and which I will support.

FBI APPROPRIATION

Mr. Hoover, the Director of the Federal Bureau of Investigation, realizing fully the necessity for continued economy in Government expenditures, requested of the Bureau of the Budget for the fiscal year 1947 an amount of $31,605,310. This amount reflected a voluntary reduction on the part of Mr. Hoover in his appropriation request of more than $4,000,000.

It has been heartening to the members of your committee to note that Mr. Hoover has continuously effected reductions in his appropriation requests for the FBI. The peak year of the FBI, insofar as expenditures are concerned, was 1944, when an amount of $45,235,679 was expended. The number of persons employed by the FBI was 12,432. Through careful administration, Mr. Hoover has been able to report savings in his appropriations. For the fiscal year 1943, approximately $1,000,000 was returned by him to the Treasury as savings. During the fiscal year 1944, $1,500,000 was saved and in the fiscal year 1945, an amount of

$6,810,458 was voluntarily returned by the FBI to the Treasury.

The requests for personnel for the operations of the Bureau have likewise showed a continual decrease. For the fiscal year 1947, Mr. Hoover requested 8,223 employees, of which number 3,000 would be special agents assigned to field investigative work. At the time Mr. Hoover appeared before our committee, he advised that there were actively employed by the FBI, 8,758 persons. His request therefore reflected an actual decrease in persons employed of more than 500. The Bureau of the Budget materially reduced Mr. Hoover's request, allowing only 7,000 employees for the fiscal year 1947, with a total Budget estimate of $28,700,000.

In the amount approved by the Bureau of the Budget, provision was made for the field staff as was originally requested by the FBI. However, a drastic cut was made in the staff at the seat of government. This cut totaled 1,223 persons and as a result it would be necessary for Mr. Hoover to materially curtail the activities of the Fingerprint Division and other divisions of the FBI at the seat of government.

I feel that we can be assured in the future, as we have in the past, that through efficient management, the expenditures of the FBI will be maintained at an absolute minimum.

Mr. Hoover, in his testimony before our committee, advised us that the work of the FBI continues to be extremely heavy. He furnished alarming statistics concerning the crime trends in the country. I feel that the Members of this body should know of the rapid increase in crime which is spreading throughout our country today.

At the present time, the FBI has pending more than 58,000 investigative matters which must receive attention. A great many of these matters do not pertain to internal security matters. We have been advised that crimes such as kidnaping, bank robbery, extortion, prison escapes, thefts of Government property and other such matters are continuing to show an alarming increase. Due to the tremendous bulk of work being referred to the FBI for attention, there are more than 19,000 delinquent investigative matters at present. This delinquency in the handling of work is approximately 38 percent, and when compared with the percentage delinquency of investigative work reported to Congress last year of 33 percent, an increase is reflected.

Last year when I spoke to you concerning the work of the FBI, each field special agent was carrying an average case load of 18.36 cases; today each agent is carrying approximately 20 cases and even though the workweek has been reduced, the staff of the FBI must continue to perform duties greatly in excess of a 40-hour workweek without additional compensation. Crimes of violence, such as kidnaping and bank robbery, cannot be investigated on a time schedule. It is necessary for the agent personnel of the FBI to many times work around the clock in order to bring to successful conclusions many such cases.

During the fiscal year 1945, the FBI secured 13,813 convictions with sentences totaling approximately 32,000 years and with recoveries, fines, and savings totaling $16,500,000. Through the efforts of its investigative staff, 8,955 fugitives, who were wanted for violations of the Federal statutes, were located by the Bureau.

In addition to the criminal work which must be handled by the FBI, there is a great bulk of work, the result of the recent war, which has been referred to the FBI for handling. At the present time there are thousands of Selective Service Act cases pending attention. These cases are those of individuals who have willfully violated the Selective Training and Service Act laws and who will be apprehended and prosecuted or inducted into the military service. A great many war fraud cases are being referred to the FBI for attention, and through the work of this agency millions of dollars will be saved to the Government. I earnestly suggest that the Members of this body review the hearings on this appropriation so that they will have in their possession detailed information concerning the work and accomplishments of this activity.

The Identification Division work continues in much greater volume than before the war period. The Identification Division of the FBI is receiving in excess of 20,000 sets of fingerprint records daily. These are the records of not only criminals apprehended by police throughout our country but fingerprint records of individuals seeking employment on the most confidential Government projects; of civil-service employees applying for appointment in the Government service; of individuals being inducted, enlisting, or being commissioned in the military or naval service; and of citizens of the country, recognizing the worth of this particular fingerprint record, filing their fingerprint records for personal reasons and for their future protection.

I feel very keenly that this work must continue. There are more than 100,500,000 sets of fingerprint records on file in this repository at this time. Through the cooperation of the Identification Division of the FBI, local law-enforcement officers throughout not only our country but throughout the world receive information of previous police records of individuals taken into custody by those particular agencies. Through the efforts of this particular division, many individuals, who were applying for positions of trust in the Federal Government service and in national-defense industry during the war period, have been stopped from securing such employment.

At the present time it is particularly important that we have assurance that only those having the highest degree of loyalty be employed by our Government.

I fear that if the operating staff of this particular division is drastically curtailed the country as a whole will suffer due to the FBI not being able to promptly advise local law enforcement officers and Government employment agencies of derogatory criminal information it possesses in its files. I feel that an ounce of prevention is worth a pound of cure and since this service has proven itself so admirably during the most critical period in our history we should not at this time, particularly in view of the increasing crime trends in the country, become overconfident and feel that we no longer need the protective service which has been previously rendered by this agency.

Last year when I appeared before you in connection with this particular appropriation, I reported that many thinking citizens felt that it was possible that we might experience a serious postwar crime wave. At that time I stated that the belief was based upon several premises, one of which was the startling increase in juvenile delinquency which had occurred during the war period. Those fears have been realized. A serious crime wave is upon us. From a survey of records received by the FBI from police agencies throughout the country during 1945, a continued increase in major crime was reflected. From the reports it is estimated that a total of 1,565,541 major crimes were committed in 1945, an increase of 171,886 such crimes over the calendar year 1944. Also several million lesser offenses were committed. A great number of these crimes are being committed by youngsters. A survey of more than 500,000 arrest records showed that 21 percent of all arrests were of juveniles under 21 years of age. More persons aged 17 were arrested than in any other age group.

A survey of 2,000 cities, having an aggregate population of more than 65,000,000, reported an increase of more than 12 percent in crime for 1945 when compared with 1944. There was an increase in robbery of 23.6 percent; automobile theft, 18.7 percent; burglary, 17 percent, negligent manslaughter, 16.2 percent; murder, 10.1 percent; aggravated assault, 8.7 percent; larceny, 8.6 percent; rape, 5.7 percent.

These figures reflect that we must at this time maintain our law enforcement agencies at a safe and sane operating level. I know that no Member of this body is desirous of in any way handicapping any of our country's law enforcement agencies when it is so essential that every effort be bent toward controlling and subduing those elements which began during the war period and are continuing the present crime wave.

This deplorable condition can be traced to the increase in juvenile deliquency througnout our country. Now is the time for all of the thinking citizens of the country to band together to rout out at its source the evils which have made juvenile deliquency the problem it is today and through continued controls reduce to a minimum the waywardness of our young people who tomorrow will have to assume the burdens of our country. It is our responsibility to do this. We can do it by maintaining law enforcement at a high level.

We have found through the years that Mr. Hoover, in his administration of the FBI, has continued to perform his duties in an economical manner. Through his efforts law enforcement has been banded into a countrywide, harmonious, cooperative unit without any stigmatism of

a national police. Through his national academy, through his understanding of local law-enforcement problems, through his cooperation with law enforcement generally we now know that our country successfully came through one of its most perilous periods on the home front without suffering any of the disasters which were experienced by our country in World War I. I feel that if the appropriation recommended by your committee for the activities of the FBI for the fiscal year 1947 is approved, the Bureau will continue to function economically for the good of all of us and no funds not absolutely needed for the performance of its duties will be expended.

SUMMARY OF OTHER APPROPRIATIONS

Airport control towers, in my opinion, should be operated by trained employees of the Civilian Aeronautics Administration, for the sake of safety in air navigation and safety on the airports with the increasing load of traffic. It will be dangerous to eliminate that item, in my opinion.

That information regarding these airport control towers, regarding which you will hear from home, will be found on page 24 of the committee report under the head of "Maintenance and operation of air-navigation facilities." The amount of $32,000,000 is approved for this item, a reduction of $4,004,000 under the budget estimates. Included in this reduction is the amount of $3,060,582 estimated as the cost of operating 110 airport traffic-control towers. The committee wrote in the report that it recommends that the States and the municipalities pay for the operation of these towers, but that they must employ CAA-trained employees and reimburse the CAA for the operation of the tower. It is going to represent a hodge-podge navigation control, for the reason that there is no municipality in my particular part of the country that will stay by the rules that this committee writes in a report. They will hire whomever they please and pay whomever they please to operate their control towers, and you will have a terrible situation insofar as the conditions that will exist on some of these airports are concerned.

I want to speak of one more item which is in controversy and about which you have been hearing from home, too, and that refers to an item of repair under the CAA. The Army is turning over to the CAA a large number of airplanes. The Army is turning over, too, $5,000,000 worth of airplane parts. The CAA has requested of this committee an amount of money sufficient to repair its own airplanes and establish a storage house and a repair shop in an Oklahoma locality.

In justice to private industry, I wish to inform the committee that private industry is intensely worried that perhaps the CAA is going into private industry by repairing airplanes. The Administration has 231 of these airplanes. In my opinion, the committee did well in allowing a modest amount of money in the bill to permit this agency to store its valuable airplane surplus parts. An amendment will be offered to strike the entire amount with the exception of the storage plant and a modest repair item, in order to satisfy the demands of private industry, which fears that the CAA is going into competition with private industry.

The department assured us that there is no intention on the part of the department to compete with private industry. But for the sake of saving us five or six million dollars' worth of airplane parts and in order to facilitate more rapidly the repair of their own planes, they want to continue this program for 5 years. The majority of the committee felt that what money is left in the bill would allow them to do that. You will find private industry is very much opposed to the entire program.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I am very happy to yield to the gentleman from California.

Mr. HINSHAW. Mr. Chairman, I would like to return for a moment to the item which the gentleman referred to a moment ago. Some $3,000,000 for the manning of air traffic control towers has been stricken from the bill. May I recall to the Members of the House that five Members were appointed in 1940 to a committee known as the select committee of the House of Representatives to investigate air accidents. One of the first decisions the committee made was that unquestionably air traffic control towers at the principal airports in the United States where the traffic is the heaviest should be manned by the Civil Aeronautics Administration personnel and should be under the complete control of that personnel and that the Civil Aeronautics Administration should have every jurisdiction over air traffic control even to the landing and taking off of aircraft. They came to that conclusion for the purpose of saving the lives of the people of the United States. We found that many accidents resulted from the improper handling of air traffic control towers at airports and we were insistent that that be done. Ultimately, the Civil Aeronautics Administration did man those towers and as a result the number of accidents that have taken place in and around airports has materially decreased since that time.

Mr. STEFAN. I deeply appreciate the gentleman's contribution and I agree with every word he says. Your committee, headed by our late colleague, Hon. Jack Nichols, did a splendid job. The results of your investigation, in my opinion, brought about many changes in air regulations which proved of inestimable value in saving the lives of people in the air transport field. I am glad that the gentleman who has had this experience agrees with me that an amendment should be offered to replace this item which was approved by the Budget. The President's Budget approved this item and apparently agrees with the gentleman from California and myself. I hope the gentleman is prepared to offer that amendment because if he does not, I will be happy to offer such an amendment myself. If the gentleman offers it, I will support the amendment.

Mr. HINSHAW. If nobody offers the amendment, I will offer it because that is money that will save the lives not only of passengers on commercial aircraft but the lives of thousands and thousands of private flyers and of our servicemen who fly the Army and Navy planes who usually use these airports. The gentleman knows very well that the great bulk of the use of airports and air traffic control towers and landing facilities is by private flyers and by the Army and Navy and not by the commercial air lines.

Mr. STEFAN. Of course, the gentleman realizes I agree with him, and between the gentleman from California and myself, we will see that an amendment is offered.

Mr. HINSHAW. I trust it will be adopted.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. PRIEST. May I say to the distinguished gentleman that if he or the gentleman from California does not offer such an amendment that an amendment will be offered. I am having an amendment written at the present time. I will offer an amendment myself or support such an amendment offered by any other Member to restore this money in this bill. I think the elimination of this money from the bill is the biggest blow to air safety at this time.

Mr. STEFAN. I thank the gentleman very much for his assistance.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman.

Mr. MASON. I would like to refer to the information and cultural program which is supposed to be set up under the State Department and for which the committee has allowed a request of $10,000,000. That is this Office of Peace Information which is to take the place of the Office of War Information, as I understand it. It is a proposal that the Associated Press and the United Press state they would not furnish information for, because we have had a horrible example of what a Government-subsidized propaganda machine can do and has done in the Hitler propaganda machine, in the present Stalin propaganda machine. I doubt that we want to aid those two in this Office of Peace Information that the State Department wants to set up.

Mr. STEFAN. Did the gentleman rise to ask me a question or to make a speech?

Mr. MASON. Yes. I want to know why the committee allowed $10,000,000 for that purpose.

Mr. STEFAN. In explanation, the Department of State requested $19,000,000-plus for this new item, which has not been authorized by law. In addition to that they requested $6,000,000-plus to continue the cultural-relations program in Latin America, China, and the Near East, which is authorized by law. The committee cut down the first item $19,000,000-plus to $10,000,000, for the item which is not authorized by law, and allowed a total of $5,000,000 to continue the cultural-relations program in Central and South America.

Further in reply to the gentleman's question, I feel that cut of nearly $9,000,000 was substantial, because I know per-

sonally, on account of my knowledge of conditions which exist in Europe and all over the world, and because of my knowledge of what is going on in Russia in the way of transmitting misinformation throughout the world regarding the United States of America, we should have a modest informational service from the United States to inform the world the truth about America.

Mr. MASON. Mr. Chairman, will the gentleman yield further?

Mr. STEFAN. I yield.

Mr. MASON. Does not the gentleman think that this information to the world about America could be and would be carried on much more clearly and much more efficiently through the regular news agencies than through a subsidized Government propaganda machine to color the news and to delete the facts and the truth and present only half truths?

Mr. STEFAN. Of course, I believe in the conservative truth of the Associated Press, the United Press, and the other free press services of the United States. I want to protect these American news agencies. I know what the gentleman has reference to—the controversy between the news-gathering agencies and the Department of State—we don't want to get into that controversy. Your committee, in allowing this modest sum, felt that in no way will the news be colored, nor will there be misinformation, because it will be well supervised under the direction of a man in whom I have complete faith, Mr. William Benton.

Mr. MASON. I would like to pursue this a little further, if the gentleman will yield.

Mr. STEFAN. I am going to speak on the subject further, if the gentleman will allow me to yield to others at this time.

Mr. MASON. I spoke on this subject on the floor of this House quite thoroughly and completely as against this item.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. Yes; I yield to my colleague on the committee.

Mr. HARE. I am sure the inquiry could not have been made of any member of the committee better qualified to answer my good friend from Illinois [Mr. MASON]. But the gentleman from Nebraska merely stated that the difference between the news carried by the press may be that in one it carries with it the seal of the Government of the United States, and in the other it is carried "It is reported" or "It is said" or "Somebody said so and so." This is an opinion as outlined by some other agency or some other activity; this is the information we have, the only information as I understand that will be carried by this agency and that it will be furnished by the State Department. It is a guaranty that carries with it the seal of the Government of the United States.

Mr. STEFAN. My colleague is right, and I thank him for his contribution.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. VORYS of Ohio. This controversy, with which the gentleman is familiar, between the two great press associations and the State Department, involves a very fundamental element in preserving a free press and in determining what sort of Government propaganda we shall have. I wonder if the gentleman's subcommittee heard from any representatives of the press or either of these news services on this matter?

Mr. STEFAN. Not in the hearings. I will answer the gentleman. In our hearings we heard nothing officially from any of the press organizations, in whom all members of the committee have great faith. We did not want to inject ourselves into any controversy like that.

Mr. HARE. Mr. Chairman, if the gentleman will yield further——

Mr. STEFAN. I yield.

Mr. HARE. The question raised was not discussed in the committee as to whether it would be furnished or carried by this particular news agency or that particular news agency; in other words, we did not know what vehicle the State Department would use. The chances are it will use these press agencies for carrying the information, but the point this committee was emphasizing was that the information carried, regardless of truth, will be information obtained directly from the State Department and carry with it the seal of the Government.

The committee did not undertake to enter into the discussion as to what vehicle or agency would be used in carrying this information to other countries.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. If the gentleman would like to have some time to present his views I shall be glad to yield him some, but I should like to continue for I have prepared some remarks on this subject and would like to proceed.

Mr. COX. Mr. Chairman, will the gentleman yield at that point?

Mr. STEFAN. I yield to the gentleman from Georgia.

Mr. COX. The accuracy of the gentleman's statement as to the benefits that would inure from an activity of this character depends, of course, upon the type of people selected to do the job. I believe the whole proposition is worthy of the careful and serious consideration of the membership of the Congress. The proposal is obliged to be considered in the light of the provisions of the so-called Bloom bill. It is known by many that the purpose of that bill was to revitalize, to reactivate, to rejuvenate the old OWI, which did a scandalous job in misrepresenting America. The idea has been that those of the OWI not already covered into the State Department would stand by until the Bloom bill could be passed, when there would be a renewal of the work they were doing as the OWI, that it would start all over again carried on by the same organization that misrepresented this country and did it an incalculable injury in all the other parts of the world.

I say that this whole proposal—and it may be said that I am responsible in a way for the rule waiving points of order on the bill because I can see there is justification and maybe need for doing a work of this kind.

Mr. STEFAN. I know what the gentleman is referring to, and if the gentleman had listened to what I said in my opening statement, the gentleman would have heard me tell the membership of this Committee that it was impossible because of buried items which were not provided for by law in the bill in such way that the membership of the committee could get no information without reading very minutely the information that came to them from copies of justifications from the agencies.

Nothing in legislation should be hidden. If it is good or bad, I want it out here on the floor of the House and have it considered on its merits. I am very happy to know that we still have a Congress where we can at least control some of these agencies through controlling appropriations. We cut this item 50 percent, believing that we can inaugurate a modest informational service which will not do the things that the gentleman says have been done in the past. Personally I favor a modest information service should be continued because of the dangers that are existent in the world today.

Mr. COX. Mr. Chairman, will the gentleman permit me one more statement?

Mr. STEFAN. Yes.

Mr. COX. I was largely influenced in favoring the waiver of points of order on this bill because of certain language used by the gentleman's committee in the making of its report, which language condemned much of what I object to.

Mr. STEFAN. The gentleman knows that we see eye to eye on many subjects.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. I have two questions. First, in reference to the $10,000,000, how did you arrive at that figure?

Mr. STEFAN. In what item?

Mrs. BOLTON. How did you arrive at this cut from $19,000,000 to $10,000,000? What do you leave to be done by that? Do you stipulate what they can do?

Mr. STEFAN. No. We make no policy. The committee felt that with $10,000,000 plus added to $5,000,000 which they already have, making a total of $15,000,000 plus, there would be left sufficient funds in the bill to disseminate an informational cultural program which would be modest and in line with the thought of the American people.

Mrs. BOLTON. In considering this item in the bill, the gentleman has announced that it is without proper legislative authority.

Mr. STEFAN. There is no legislation for it.

Mrs. BOLTON. Why does the Appropriations Committee consider it and put any of it in the bill at all until it has come through with the proper legislative background?

Mr. STEFAN. I may answer the gentlewoman in another way. Why does an agency offer an appropriation bill, and why does the Budget bring in an appropriation bill, without authority of law?

Mrs. BOLTON. But how easily the Appropriations Committee could stop that by refusing to consider those items.

Mr. STEFAN. The gentlewoman can do that. If the gentlewoman wishes to offer an amendment I can suggest to her a way whereby she can eliminate the entire item in spite of the fact that you will get a rule here tomorrow, a gag rule, waiving all points of order. If the gentlewoman wishes to eliminate this item she can write an amendment reading as follows: "No part of these funds shall be allowed to be spent for any item in this bill which is not authorized by law." That item will go out.

Mrs. BOLTON. I happen to feel that much of the work included in the State Department bill is exceedingly important both to the United States and to the whole program of international relations. For this reason I particularly regret that adequate authority does not accompany the request for funds.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Is it correct to assume from the gentleman's statement that the original request was for $19,000,000 and that the committee cut that to $10,000,000, but there is no authorization for the appropriation of any sum?

Mr. STEFAN. Yes; there is an authorization for $6,000,000 which was requested of the committee and the committee allowed $5,000,000. That is for a program which is already in existence and in operation in Latin America, China, and the Near East.

Mr. HOFFMAN. Is there any authorization for the expenditure of any money for the dissemination of information?

Mr. STEFAN. Yes; and the gentleman perhaps voted for that at one time.

Mr. HOFFMAN. Not for the $10,000,000.

Mr. STEFAN. No.

Mr. HOFFMAN. How much does this bill carry for entertainment and liquor?

Mr. STEFAN. That is not in this information item we are discussing.

Mr. HOFFMAN. No; not in this item, but is there not an appropriation in there for that?

Mr. STEFAN. The gentleman is referring to the representation allowance for the Department of State. They requested, as I recall it, $900,000, and we cut that $100,000, making a total of $800,000.

Mr. HOFFMAN. Then, there are $800,000 for liquor?

Mr. STEFAN. No.

Mr. HOFFMAN. For what?

Mr. STEFAN. For representation.

Mr. HOFFMAN. Consisting of what?

Mr. STEFAN. Public and official functions.

Mr. HOFFMAN. But, when you have entertainment you have shows, for example.

Mr. STEFAN. It has been carried in this bill for many years.

Mr. HOFFMAN. No; the point is this——

Mr. STEFAN. Is the gentleman trying to put words in my mouth about whisky, and so forth?

Mr. HOFFMAN. No; I am trying to get information. Due to my own lack of intelligence, perhaps, I did not catch it. but the President said that we must conserve our wheat—I think there was something in the paper here that we must convert that into flour. Is this entertainment to consist of the using of things that are transformed from wheat into some liquid form? Is that what the $800,000 is for?

Mr. STEFAN. No; the representation allowance item to which the gentleman refers has been carried in appropriation bills for the Department of State for many years.

Mr. HOFFMAN. Not this $800,000.

Mr. STEFAN. No; not $800,000, the amount has grown and grown in the years. I have continually tried to hold this fund to modest proportions.

Mr. HOFFMAN. Does the gentleman mean we have been more accustomed to drinking, or something?

Mr. STEFAN. The gentleman is still trying to put words into my mouth about drinking whisky.

Mr. HOFFMAN. Oh, no.

Mr. STEFAN. I am telling the gentleman that the representation allowance money is for the purpose of official contact with foreign representatives by our representatives, no matter where they may be in foreign countries. It is a custom followed by all governments and diplomats in the world. The United States requests very little this way as compared to other governments.

Mr. HOFFMAN. But it is not for transportation, we know that, because there is another item in the bill for that.

Mr. STEFAN. The gentleman may be satisfied with the answer that it is representation allowance, and that there is some entertainment in connection with the same. May I say further to the gentleman that if he will look in the hearings he will have full information about it.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield further?

Mr. STEFAN. I have no further time to yield now.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield to the gentleman from Illinois.

Mr. MASON. The gentleman says we need to tell the truth.

Mr. STEFAN. Yes.

Mr. MASON. How can the State Department tell the truth to Poland and tell the truth to Czechoslovakia after all the agreements they have entered into and become a party to during the war, with our allies?

Mr. STEFAN. That is a very embarrassing question.

Mr. MASON. There is no one knows better than the gentleman.

Mr. STEFAN. The truth has not been told to Poland, it has not been told to Czechoslovakia, it has not been told to Estonia, Lithuania, Latvia, and others, because those who are controlling those people will not allow the truth to come in. An effort now is being made through this modest program in some way, perhaps, to bring the light and really tell the truth to those suffering people who are still slaves.

Mr. MASON. The State Department that was a party to those agreements will never be able to tell the truth about those agreements to those nations that were raped.

Mr. STEFAN. I thank the gentleman for his contribution.

Mr. ROONEY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, I desire to call attention to a very strange performance on the part of the French Government. At the present time there is held in custody by the French the so-called Grand Mufti of Jerusalem Haj Amin el Husseini. He was a Hitler stooge and is a nefarious war criminal and should be treated and tried as such. After the revolt in Iraq which the British put down, a revolt which he instigated, he fled to Germany, where the carpets were rolled out for him by Hitler and his cohorts. He lived in grand style in Berlin and nightly appeared on the radio, broadcasting in Arabic to the Arab world, urging the Arabs and all Moslems to rise against the United Nations, including the United States, Great Britain, Russia, and France. He organized in that manner the Arab Legion which fought American soldiers and British soldiers. Significantly, some 2,000 of those members of the Arab Legion are now held in custody as prisoners of war at Camp Opelika in Alabama. Despite the machinations of this Grand Mufti, despite his war crimes, and despite the fact that the government of Yugoslavia has demanded that he be held as a war criminal, the French Government, be it known to their shame, refuses to yield him and holds him in what is called residential surveillance where he is free to go and come at will and to hobnob with socialites in Paris. Now the report comes to us that over and above that, the French Government is about to release him completely to allow him to go back to the Levant and there to continue his shenanigans. He was guilty back in 1929 to 1936 by way of instigating the Arabs in staging pogroms against the innocent inhabitants of Palestine. He should be brought to book, and he is no different than Hitler, Goering, or Goebbels. He is just as guilty of the destruction of countless thousands of lives of the people of the United Nations. It is incredible that Britain asked for the heads of Joyce and Amery because they broadcasted for Hitler and Mussolini, and that the French have executed traitors for their enemy broadcasts. We have punished Americans who broadcasted for Hirohito. But the Mufti is spared and is treated like a petty prince and a holy man. He still continues furious propaganda against Jews.

Leon Blum, former Premier of France, was in this country recently. He is now in Canada and is about to return. He is a very distinguished gentleman. I hope he will read these words. I implore him, as I do the French Ambassador to this country, Mr. Bonnet, another very distinguished gentleman, to take heed of what I say, because if this Grand Mufti goes back to Palestine to continue his raids, his plunders, and pogroms of countless innocent people again, the blood of those innocent victims, those martyrs, will be on the hands of those in authority today in France. I ask, nay I demand, that these gentlemen intervene with the Quai d'Orsai to the end that the Mufti

will be continued in custody and branded and tried as a war criminal.

If this infamous character is allowed to escape punishment and to return to Arab countries he will constitute a menace to the peace in the Near and Middle East. He would cause the extermination of thousands of Jews in Arab and Moslem lands.

I say to France, the world watches what you do with the Grand Mufti, the greatest of religious fakers. We shall watch carefully the action or non-action of France. She is on trial—in a way. She needs friends in America. She can afford not a single enemy, not one iota of ill will. She needs economic support badly. America will help—but only if France abides by the rules of justice. Those rules demand the punishment of the Mufti.

Mr. ROONEY. I commend the gentleman on his statement, and appreciate the timeliness of it.

The CHAIRMAN. The time of the gentleman from New York [Mr. CELLER] has expired.

Mr. STEFAN. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. JONES].

Mr. JONES. Mr. Chairman, this bill is about the best bill that this subcommittee has ever reported, so far as relation to the Budget estimates for the fiscal year for which it is reported are concerned. From that standpoint it is a step forward over the previous years. I suspect that before this supply bill becomes law, regardless of what amount the House passes, we shall have a real job trying to keep down the amount of increases that will be made at the other end of the Capitol. I shall save the major portion of my speech until that time when the bill comes back on a conference report. If we follow the usual procedure writing appropriation bills in conference that we have in the past, there will be a fight to hold the line at the smaller amount that was passed by the House. Any amount of cuts that we may make during the course of the reading of this bill will be empty and meaningless, unless we can hold the House line when the conference report on the differences between the House and Senate versions of the bill come before the House for consideration and adoption.

There are some portions of the bill to which I am certainly opposed. I refer to the information program, for which there is a Budget request of $19,284,778.

I had a chance to observe the information program of the State Department in Europe last August and September. About the only thing I can say for it, at best, is that the OWI creates an appetite and desire on the part of poor unfortunate people in war-torn areas to come to the United States, the land of promise, the land of borrowed money, and the land where, they think, their burdens might be lightened. But 140,000,000 people in America cannot provide a haven of rest or a land of working opportunity, if we try to take on the whole population that would come to America. We have not solved the job on our hands to take care of our own nationals.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. MASON. Would the gentleman say it is absolutely foolish to work up an appetite for something that cannot be satisfied?

Mr. JONES. I think it definitely is foolish. The proponents of the information program and the cultural relations program observe that there were many people in Greece and in Italy trekking to the libraries of information provided by the OWI while our committee was there. I can see in that argument only a hopeless, pitiful situation. The Greeks and Italians were seeking relief, relief from the oppressing conditions accompanying a terrible war. The OWI, which I observed in Europe, could only create in them a great desire to get away from what they all cannot escape and which we could not relieve. And how foolish it is to work up their desire to come to America when we know we cannot satisfy it.

Mr. HOFFMAN. Can the gentleman tell me how many are coming into this country each year, each 6 months, or each month who are not entitled to admission under our laws?

Mr. JONES. At this point I shall refer to an article that appeared in the Washington Post on the 16th day of March under the byline of Mr. Dillard Stokes. Mr. Dillard Stokes points out—and I quote portions of his article:

ALIENS IN THE UNITED STATES

You may wonder what aliens are getting into your country but the Immigration Service—which lets them in—won't tell you.

For the Service is run in totalitarian secrecy. Who gets into America, and who is kept out, and why, is kept from the public.

The secrecy of the Immigration Service was not set up by Congress, by law, but by one man, by order as farreaching and harsh as anything ever dreamed of by the Gestapo. This is Order 3229 of the Department of Justice, issued May 2, 1939, by Attorney General Frank Murphy, who now is a Supreme Court Justice.

And here it is:

"Pursuant to authority vested in me by R. S. 161 (U. S. Code, title 5, sec. 22) it is hereby ordered:

"All official files, documents, records, and information in the offices of the Department of Justice, including the several offices of the United States attorneys, Federal Bureau of Investigation, United States marshals and Federal penal and correctional institutions, or in the control of any officer or employee of the Department of Justice, are to be regarded as confidential. No officer or employee may permit the disclosure or use for any purpose other than for the performance of his official duties, except in the discretion of the Attorney General, the assistant to the Attorney General, or an Assistant Attorney General acting for him."

The order goes on to say that even the courts cannot have any papers or information and that if they send a summons for them somebody is to go to court and respectfully decline to produce the records, information, and so forth.

The law given as authority doesn't sound like Congress had blanket secrecy in mind at all, and whether it authorized Order 3229 might be something for lawyers to argue about. Here's what the law says:

The head of each department is authorized to prescribe regulations * * * for the government of his department * * * and the custody, use, and preparation of the records, papers, and property appertaining to it."

Order 3229 makes even its own words "confidential" and an Immigration Service official refused to tell what the order said. Another refused to say what his job was. That, he said, was "information" and was confidential.

The article then goes on to say that "both were within the rules," but "this did not appear until the Post got a copy of Order 3229 from Assistant Attorney General James P. McGranery, one of the only two men who have the right in their discretion to tell a citizen what the rules of the Department of Justice are."

Writer Stokes then goes on to point out that, while Mr. McGranery might have refused, he did not do so, and quoted that official as saying the order was never "meant to turn the Department of Justice into a supersecret bureau," but was designed to protect FBI reports, testimony of Government witnesses, letters from informers, and the like. The article went on:

But Order 3229 does not stop with such things. It makes "all information" confidential.

The story concludes on the theme that several Department officials "said they never heard of Order 3229 and would pay no attention to it if they had," and:

Even the Immigration Service—which claims Order 3229 as authority for not telling what aliens have applied to enter the country—was courteous and cheerful about violating the same order in answering questions about particular persons.

On November 26, 1943, Mr. Breckenridge Long, of the State Department, testified at an executive session of the House Committee on Foreign Affairs concerning the admission of aliens, on House Resolution 350 and House Resolution 352:

Resolutions providing for the establishment by the Executive of a commission to effectuate the rescue of the people of Europe.

The committee later released excerpts from Mr. Long's testimony, with an accompanying notice that it was not considered necessary longer to keep it secret.

In the excerpts, Mr. Long stated, in substance, that an agency for the rescue of Europeans had been in operation for 5 years or more.

At page 19 of the excerpts it appears that the refugees were admitted to this country on visitors' visas; and Mr. Long said, in part:

We found ourselves in a situation that the quotas were exhausted in the territories from where the people originated, and under our law, a man who is born in Germany comes under the German quota irrespective of where the man finds himself. If he is born in Germany he is under the German quota and the countries from which these refugees originated—Germany, Czechoslovakia, Holland, Belgium, northern France, Austria, and so on, have relatively small quotas. The total quota for that area is about 57,000. Well, 57,000 visas were just insufficient to express the humane desire of the American Government and the American people to try to save these persons. During

the 12 months which ended in June 1941, enough visas were granted to physically save 135,000 of these people, and in the period from 1938 to 1942 a total of over 307,000 visas of all kinds were granted to persons coming from enemy or enemy-occupied territory.

My conclusion is that we have a housing shortage in this country that works to the particular detriment of the veteran because he has had to come back to America and find a home for himself and family. All of the foreigners that have been allowed to come in above the quota are living in space that might be used by the veteran. Granted that we should have humane desires to favor the preservation of the people of other countries, but I feel in the first place it was definitely wrong for the State Department and the Immigration Service of the Justice Department to keep these figures secret until the housing shortage for the veterans is critical. We do not know now how many veterans are displaced by foreigners secretly allowed to come in by the State Department above the quotas, and had the people an opportunity to decide as between humane desires for our veterans and humane desires for foreigners, I think they would choose our veterans.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Michigan.

Mr. HOFFMAN. What it adds up to is this: No matter how much nor how great our desire may be to provide homes for our veterans, we do not know and cannot know how many homes are needed until we learn how many have come in from abroad?

Mr. JONES. That is right.

Mr. HOFFMAN. We do not know how many people have come in, we do not know how many are occupying homes that should be available to our returning veterans.

Mr. JONES. May I answer that a recent inquiry by telephone of the Bureau of Immigration and Naturalization, Department of Justice, elicited the following information: That as of December 20, 1940, it was estimated there were 4,889,000 aliens in this country other than those who came in under the immigration quota. It was stressed that due to deaths, departures, and so forth, the number as of July 1, 1945, is estimated at 3,350,000.

It certainly seems there must be and are more aliens than represented. It is not believed that the figures are anywhere near accurate, as near as I can get at the picture. It seems to me that we ought to have a full investigation of this matter. Last year I remember distinctly the gentleman from Nebraska [Mr. STEFAN] and I both asked about the over-all, comprehensive admission of aliens into this country for any and all purposes and any and all pretexts, and we were not given any figures to compare with this analysis that has recently come to light in Breckenridge Long's testimony.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Illinois.

Mr. MASON. May I say that those who have been coming in have not come in under our laws but in violation of our laws to a very large extent.

Mr. JONES. I hope that the gentleman, being a member of the Committee on Immigration and Naturalization, will look into these figures and cover them with a fine tooth comb.

Mr. LESINSKI. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Michigan.

Mr. LESINSKI. I believe that the quotas the gentleman is referring to are all the aliens that have been registered in this country. Some of them have been here 20 or 30 years and legally. That is the over-all amount of aliens in this country. Now there are visitors coming here who have to go back; they go to and fro, but when it comes to the amount of aliens in this country there are about 4,000,000, and that is all.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Illinois.

Mr. VURSELL. Is it not a fact that people living in a foreign country, say one of the countries of Europe, can come in on a visitor's visa and then go over into Canada and come back and then are able to stay here and seek American citizenship? Is that not being worked all the time?

Mr. LESINSKI. Mr. Chairman, if the gentleman will yield, may I answer that?

Mr. JONES. Yes.

Mr. LESINSKI. There is a certain amount of that.

Mr. VURSELL. And that also applies to Mexico?

Mr. LESINSKI. Those people are charged to the actual quota of the particular country they come from; in other words, if they stay here, no one else from another country can come in under the quota.

Mr. JONES. There is one other factor that has not been brought out, and that is once one member of an alien family comes in under the quota, under the immigration law provision of uniting families they can bring in several more members of the family. It all adds up to aliens, admitted during the war, getting the houses the veterans need now. Let me apply this material to the information program of the State Department. Power of suppression of information was practiced by the Department of Justice to hide information so that Congress does not have the full and complete facts—and I do not think we do. I point out the further fact that an information service on behalf of the State Department to cover our relationships spreading information to the other countries of the world about America is just as dangerous, because the State Department will tend to point out the things that gild the lily of their decisions. I think we are in much safer hands if all of the information in regard to our relationships with other countries would be brought down upon the anvil of good reporting in private enterprise, and then you would find the selfish interests of these reporting associations, like International News, AP, UP, and other services, checkmating each other on the ground of good reporting and good journalism.

It is my observation that the Department of State gives too much emphasis to the value of the information program. Taking the long view of our relationships with our neighbors, it is claimed that Russia is spending considerable funds for information service to put us in a bad light, comparatively speaking, so that she can extend her influence in eastern and southern Europe and the Far East. Britain, on the other hand, is represented to be spending more money in the Embassy at Washington, D. C., than we spend in the entire world for representation allowance. Both of these countries are asking America for substantial loans—$4,200,000,000 in one case and $6,000,000,000 in the other. I say to you that rather than loan them this money so that they can release more of their own funds to carry on a propaganda campaign against us in international trade and international relationship, we had better hold the money here in our own pockets and let them find a way to get the propaganda money that we have to appropriate and compensate for Uncle Sam. This $20,000,000 is just a starter for a program that cannot do anything else but grow and grow and grow as the exigencies of the case demand, and as the complexion of the world picture gets more complicated, then they are going to come in and ask for more money for newspapers and magazines, the dissemination of radio news, for the training of actors, for high price photographic tabloids like Look, Life, and Pic, to glamorize American nationals in office. The gentleman from Michigan [Mr. HOFFMAN] recently put a script in the RECORD of one of these proposed information programs glamorizing Henry J. Kaiser.

I have great respect for the ability of Mr. Kaiser as a great producer, both in the war effort and before the war effort, in the construction game, but there are many American people in business who probably do not have the favor that Mr. Kaiser enjoys with the present administration, who never got a cent of money from the Government to put into their investments with which to produce goods for the American and world economy.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Michigan.

Mr. HOFFMAN. In March of this year one-third of the total amount outstanding and owing to the Reconstruction Finance Corporation was owed by Kaiser. Of course, if you can get Government money and Government plants and Government preferences, you can do business. If you look at the daily press of yesterday, some of the Chicago papers, you will see an outline there written by a gentleman just returned from abroad, Mr. Fisher, setting forth some of Kaiser's activities which show conclusively that he has been operating all the time on Government money and at Government expense.

Mr. JONES. I point out further in line with what the gentleman has just said

that the administration may be Republican or Democratic, if there would be an attempt to set up an information program to explain our country to the rest of the world, based purely and solely upon glamorizing the administration in power and, if necessary, to cover up its mistakes. Such an information program will be selfish in its point of view and deliver probably a distorted picture of many of the things that made America great.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. STEFAN. Mr. Chairman, I yield five additional minutes to the gentleman from Ohio.

Mr. PITTENGER. If the gentleman will yield before he leaves that subject, how much money is in this bill for Kaiser? He seems to have taken over the Government.

Mr. JONES. Of course, there is no money in here directly for Mr. Kaiser. He got his long before this bill came to the floor.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from California.

Mr. VOORHIS of California. May I point out that Mr. Kaiser is, I think, at least to be commended for the terrific job of production he did during the war, and, furthermore, that as far as I am aware, Mr. Kaiser is the only industrialist who has offered to repay the Government the entire amount of the so-called war costs of the plants he used.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Michigan.

Mr. HOFFMAN. I call the attention of the gentleman from California [Mr. VOORHIS] to this. Let him go out here and read the paper, and I will show him.

Mr. VOORHIS of California. I am glad the gentleman will call my attention to something.

Mr. HOFFMAN. I will call the gentleman's attention to something. Kaiser today is asking for a cut-down or a cutback on the cost of these plants. The gentleman will find out that the only thing he has not cut down on is his profits.

Mr. VOORHIS of California. The fact of the matter is that Mr. Kaiser's proposition——

Mr. JONES. I refuse to yield further. The gentlemen can get time in general debate themselves. I have only 5 minutes.

Mr. VOORHIS of California. Does not the gentleman want to yield to me to answer the gentleman from Michigan?

Mr. JONES. You have both had your time.

Mr. VOORHIS of California. The trouble is, I had mine first.

Mr. HOFFMAN. The gentleman wants it first and last, both.

Mr. JONES. Mr. Chairman, I refuse to yield further.

Turning now to the Commerce Department, a year ago when the State, Justice, and Commerce appropriation bill came before the House it was accompanied by a report of this committee that more of the appropriations for the Civil Aeronautics Administration and the Civil Aeronautics Board and the Weather Bureau should be paid by the commercial air lines, because the commercial air lines are making a profit from the expenditures of the United States Government in those functions, to keep their airplanes aloft, and provide safety for the public. That question came up again this year. The hearings will show that the Secretary of Commerce was asked about it, and Mr. Burden, the Assistant Secretary of Commerce, was asked about it. One year has elapsed, and not one recommendation has been made tending to make the commercial air lines defray the expenses of this enormous annual fixed cost the Government is paying. I think the time has come, with enormous appropriations being made in order to keep the air lines afloat—carrying passengers at a profit—when the commercial air lines must pay a portion of this expense. It is a definite fixed charge on their operation, of a type which other transportation companies must pay. I think the time to do it is now.

I regret very sincerely that the Secretary of Commerce takes the attitude that the members of the committee who are trying to collect from the air lines the weighted cost or a fair cost for this service are representing the point of view of the railroads or some other competitive form of transportation. I regret that he has cast aspersions upon the views of the Republican and Democratic members of the committee who have come to this conclusion after examining these requests for appropriations and have seen them grow year by year until they are enormous. We do not think it is fair for the public to have to carry this financial burden so that officials of commercial air line companies can make their enormous salaries, their enormous expense accounts, but because they got into the game early get priorities for increases in stock at less than market value as their companies expand their capital structure. I have looked over some of the brochures put out when these air lines attempt to sell another block of stock or when they attempt to sell an issue of bonds. I also have looked over the beautiful advertisements that appear in the national magazines circulated throughout the country. I know you cannot pay for those magazine ads with hay. Then they come to Uncle Sam and want us to pay a part of their operation expenses. I have looked over several commercial air line brochures and find these blocks of stock have been given to the air-line officials who got into the game in the early days and are now entrenched. The value of those stocks is enormous and they have made enormous profits. So I resent it, as an American taxpayer. I resent Secretary Wallace casting aspersions upon me as a member of the committee and as a Member of Congress as well as a taxpayer, and I call this to his attention.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. STEFAN. Mr. Chairman, I yield two additional minutes to the gentleman.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. HOFFMAN. The gentleman from California was talking about Mr. Kaiser. Here is an article from the Chicago Tribune dated April 8 which is written by one John Fisher, a young man who has just returned from the service. He knows what he is talking about. He knew what he was talking about before he went to war. He knew what he was talking about when he wrote in those days and he knows since he came back what he is writing about now. It is a factual account. It is headed "Kaiser obtains steel mill and United States foots the bills." Now, if the gentleman from California will read and learn, he will learn what Kaiser has been doing.

This is the way it reads:

KAISER OBTAINS STEEL MILL AND UNITED STATES FOOTS BILLS—PLANT LOSES ELEVEN MILLIONS ON WAR OPERATIONS

(By John Fisher)

WASHINGTON, D. C., April 8—Early in 1941, Henry J. Kaiser, the big man from California, had lunch with President Roosevelt and discussed the feasibility of establishing some steel plants on the Pacific coast. Within a year Kaiser was granted a Government loan of $111,805,000 to build such a plant in southern California.

The Government is still paying money on that plant, which lost approximately $11,000,000 in its wartime operation.

The loan was granted by the Reconstruction Finance Corporation upon orders from the War Production Board, which was armed with such authority in an Executive order from the President. The loan was upon the usual terms of Kaiser loans, 4 percent interest annually and secured by a mortgage on the property and assignment of profits from shipbuilding under Maritime Commission contracts.

GOT SHIPYARD FEES

Kaiser Co., Inc., wholly owned by Henry J. Kaiser, built the mill at Fontana, Calif., and turned over the fees from three shipyards which it operated, one at Richmond, Calif., and two at Portland, Oreg. Last fall Kaiser estimated the profits from these yards at about $44,000,000.

The Maritime Commission paid Kaiser Co. fixed fees for the building of ships and the company was granted a certificate of necessity for the steel mill. This allowed the company to retain ship fees against 20 percent allowed amortization annually for the plant, and saved them from paying income taxes on this amount.

In 5 years the plant would have been paid off for Kaiser in ship fees from the Maritime Commission. Except for the certificate of necessity Kaiser would have had to pay 72½ percent of the total ship fees in income taxes.

DEBT STILL ON BOOKS

As the war ended last August with the surrender of Japan, the plant was not completely written off, and as of June 30, 1945, the debt to the RFC on the plant had been reduced only to $102,828,000, including $92,510,000 in plant investment and $10,318,000 in working capital which had been advanced by the RFC.

Kaiser asked for a downward adjustment of the debt to the Government, claiming that he was placed in an unfair position against other steel competitors and should not be saddled with such a big debt arising from war operations. The RFC was equally interested in placing the loan on a more businesslike basis, since ship profits would cease with the ending of the war.

The RFC requested Arthur G. McKee & Co., steel industrial engineers of Cleveland, Ohio, to make a detailed survey and appraisal of the plant on behalf of RFC. They found that the contemporary reproduction value of the plant, less all war costs and errors in construction, was only $63,500,000 and that depreciation further reduced its value to $58,000,000.

REDUCE THE MORTGAGE

Therefore, on August 20, 1945, the RFC agreed to adjust the indebtedness of Kaiser Co., Inc. It reduced the first mortgage from $102,828,000 to $68,318,000, representing the present-day value of the plant, plus the $10,318,000 of operating capital in the business.

In addition, the RFC had to agree to lend the company an additional $11,500,000 in new money for improvements and additions so that it might be converted to profitable peacetime operations. This brought the new first mortgage to $79,828,000, due in 15 years. Kaiser estimated that it would require 2 years to convert the plant to civilian production so interest of 4 percent was waived for the first 2 years, unless earned.

AMORTIZATION IS DELAYED

It was also agreed that there should be no amortization for the first 2 years. After 2 years the interest rate is to be 4 percent on the loan and amortization for the next 3 years is to be $1,596,000 annually. For the last 10 years the amortization is to be $2,192,000 annually.

For the remaining $34,510,380 of the loan the Kaiser Co. gave the RFC a second mortgage, maturing in 25 years and carrying no interest. The only payments that the RFC required from earnings are that after deducting interest and principal payments on the first mortgage from net earnings, 25 percent of this figure is to be applied to the second mortgage.

The RFC also required that the 72½ percent of ship fees which Kaiser would otherwise have been compelled to pay as income taxes must be applied to liquidation of the second mortgage debt, and the other 27½ percent of such fees must be used in clearing up the first mortgage debt.

TWENTY-FIVE MILLIONS IN FEES

The shipbuilding division of Kaiser Co., Inc., holds approximately $25,000,000 in fees which are assigned to the steel mill debt but which are being used as operating capital for the shipyards.

The original agreement also provided that the company should issue to the RFC $10,318,000 in 4-percent preferred stock to cover the working capital contributed by the RFC, but Kaiser lawyers objected vigorously to this provision last fall, contending that the dividends on such preferred stock would not be tax-exempt and that there were other objectionable features to such stock under the State laws of incorporation. The RFC did not press the point and agreed to knock out the preferred-stock provision.

KAISER WANTS NEW CUT

Although the new terms reduced the interest bearing debt to the Government substantially and gave the company a breathing spell of two years in which to catch up with competition, Kaiser is still said to be dissatisfied and wants further action in writing down his obligation to the Government.

Moreover, there is no telling how much more Government money might be necessary to put the plant on a profitable basis, so that original Government money can be paid back. He has put the Government into the steel business.

How Kaiser, even with Government backing, can face private competition in the steel industry, considering the location and structural handicaps of the plant, remains to be seen. The private engineering report on the Kaiser plant sheds further light on this and will be discussed next.

Mr. RABAUT. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, the truth of the matter is that the Kaiser plant at Fontana, which furnished much of the steel that was used on the west coast for the war, was a plant built at Mr. Kaiser's own risk on money that he borrowed and paid interest on. That is a striking contrast to what was done by some of the companies which some of the other gentlemen on the other side of the aisle are so enamored of who simply got the United States Government to put up all the money and pay all the costs of the plant and who now in many instances are buying these plants with all the so-called war costs deducted from the price. In Mr. Kaiser's case, I note that nobody seems to have complained about Mr. Kaiser as long as the war was in progress because, after all, they, like every other American, were dependent in part upon the production of ships and other things that he was responsible for. It seems to me rather significant that they should come in now and quote from the Chicago Tribune and other sources against one who, in my mind, is one of the great industrial leaders in the United States. The trouble with Mr. Kaiser, of course, is that he is in essence an independent American businessman. He is the kind of producer who likes, if he can, to produce something at a cheaper cost to the consumers of the country. He likes to produce as much as possible. At the moment the reason Mr. Kaiser has asked for a reasonable computation of the war costs of his plant, and the reason he is asking for a fairer and more just deal with the Reconstruction Finance Corporation is precisely because he wants to run the steel plants on the west coast in such a way that he can break down the Pittsburgh-plus method of pricing steel on the west coast. For my part, I am for him. I think we ought to be able to have steel on the west coast for what it costs to produce that steel on the west coast. That is the whole objective of this proposition. Mr. Kaiser has offered to pay the entire amount of the war costs back to the Government. So far as I am aware, his is the only proposal of that sort which has yet been made. I believe that, far from attacking him, he is to be commended. In many, many instances in the past Mr. Kaiser has made himself unpopular with certain great industrial corporations because he did attempt to sell his products at a fair margin of profit and because he did not always accord with monopolistic-rigged pricing. I remember the time when these same charges were made against Henry Ford because he did precisely the same sort of thing. The American economy needs a few people like this to be the leaven in the loaf, and, for my part, I say Mr. Kaiser has rendered this Nation great service during the war, and that he will in the future render great service. I do not believe his detractors have very much of a leg to stand on.

The CHAIRMAN. The time of the gentleman from California [Mr. VOORHIS] has expired.

Mr. RABAUT. Mr. Chairman, I yield the gentleman two additional minutes in order to supplement his remarks. Some years ago the common council of the city of Detroit gave permission to Henry Ford to run his car on the streets at night, but he had to have it off the streets before the milk wagons and horses were on the streets in the morning. "Just let the poor nut run this thing and get it out of the way." He revolutionized the world, and today the world rides on the product of Michigan. Today, thanks to the ingenuity of Henry Ford, the world rides. He has a grandson, Henry Ford 2d, who is following in his footsteps.

Mr. VOORHIS of California. I appreciate the gentleman's contribution, and I would like to make again the point I made in my speech, and the point which is implied in the gentleman's remarks, namely, that here is an example of a great American industrialist who operated independently and did not take dictation from either Wall Street or other sources that have attempted to dictate too often the price at which American people would get the goods that were produced.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield there?

Mr. VOORHIS of California. I yield.

Mr. HOFFMAN. And Henry Ford did it all without a dollar from the Federal Government.

Mr. VOORHIS of California. Mr. Ford has had his full share of profits during the war.

Mr. HOFFMAN. He turned back all his profits. He turned back every cent of profit he made.

Mr. VOORHIS of California. Mr. Kaiser has been taxed the same as Mr. Ford has. When the gentleman talks about earnings in the Kaiser shipyards, I call attention to the fact that all earnings from the Kaiser shipyards were put up as security for the repayment of the loan for the Fontana steel plant, in order to pay the debt that Mr. Kaiser owed the United States on that plant.

The CHAIRMAN. The time of the gentleman from California has again expired.

JUVENILE DELINQUENCY—A NATIONAL STUDY AND REPORT IS SOUND AND APPROPRIATE NOW

Mr. RABAUT. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, it seems very appropriate to me that at this time, when we are chiefly considering the matter of profits, money, and the property element in connection with this bill, that we also call attention to the fact that there are some human values and assets which must be discussed and taken into account by this great body in connection with this H. R. 5606. I therefore say that I was very happy to have my attention called to the very timely remarks of the distinguished gentleman from Michigan [Mr. RABAUT], on the sub-

ject of juvenile delinquency. It should be significant that the distinguished gentleman from Michigan felt it of such national concern that he took the time of the valuable Appropriations Committee, a few minutes ago, to dwell upon it. Also, I call your attention to page 15 of the committee report commending the United States Attorney General for his recent emphasis on this particular and vital field. It would appear that the attention of the Nation's Attorney General to it as a problem, establishes a national concern, and that while the local level is where the effort must be placed, national interest and concern is most appropriate and constructive.

For instance, I call your attention to the statement by J. Edgar Hoover made recently, February 2, 1946, in which he relates the result of a study of some 11 of the most important and largest cities of the United States for the first 10 months of the year 1945. All of those 11 cities reported an increase in murders ranging as high as 115 percent, and each of these 11 cities reported increases in robberies ranging as high as 161 percent. metropolitan cities reported increase in assaults up to 94 percent. Ten of these metropolitan cities reported increase in burglaries as high as 74 percent, and all of these 11 cities reported increase in larcenies and auto thefts ranging as high as 20 percent and 54 percent, respectively. Mr. Hoover's word is ample proof of reason for national concern and study.

In other words, we are reaping the harvest that we had a right to expect, as a result of the World War, to say nothing of conditions that were growing rapidly in our Nation before that war came and which could hardly result in less than an increase in juvenile delinquency. Recently, too, J. Edgar Hoover reported that there had been an increase in crime in our Nation since 1939 of 198 percent; also in arrests of girls 18 years of age and under. Think of it. Girls 18 years of age and under. Boys and girls under 21 are now responsible for 15 percent of the murders, 36 percent of the robberies, and 51 percent of the burglaries.

I thank the committee for granting me these few minutes, because I want to urge respectfully to the attention of the House very sincerely and emphatically, the contents of a resolution I filed the other day, House Resolution 575, in which the introductory paragraph states:

> Whereas it is recognized that the welfare of our Nation in time of peace and the security of our Nation in time of war depends upon the training of the children and youth of the present day of our Nation, and the future of the United States of America rests upon the shoulders of those children and that they are at one and the same time its greatest resource and greatest responsibility—

I will not read the rest of the text, but simply state that I filed it because you will all agree with me, that it is not less important that the Nation know what the facts are with reference to this juvenile problem, than it is important that the Nation also know how much money it has and what its Budget is. The children of our Nation, after all, are the greatest resources we have. Our national defense depends upon their character, their sinews, and patriotism. My resolution is not directed to any particular theory or any particular fancy or the support of any particular measure in Congress, either now or in the future. It is directed to a Nation-wide survey that this Congress may ascertain and know the facts; whatever they are. Only by so learning the truth can we intelligently assume or discharge our duty to our children, who will soon be our national leaders.

Mr. CARNAHAN. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the distinguished gentleman from Missouri who established himself in the forefront of school circles of his State before he came here.

Mr. CARNAHAN. I wish to compliment the gentleman from California for having introduced this resolution; and I may say that when we think of juvenile delinquency we immediately think of our schools and our churches, the American home, and public entertainment, and all of the agencies that are concerned with the training of children. Sometimes we are prone to criticize these organizations and perhaps attribute delinquency to failure on the part of these organizations. I hardly go along with that theory.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. RABAUT. Mr. Chairman, I yield one additional minute to the gentleman from California.

Mr. CARNAHAN. I hardly go along with that philosophy and I will say I think all these agencies will welcome the investigation suggested by the gentleman's resolution.

Mr. DOYLE. I thank the gentleman for his very valuable contribution to our thinking.

Now, with reference to my own State of California, for instance, the California Youth Authority states that 40 percent of the serious public offenses in my own native State were committed by persons between the ages of 15 and 21, and that these young people between these ages constitute but 13 percent of the total population. You will see, therefore, how out of proportion the very serious problem is, and California is no exception. The problem of juvenile crimes is not a new one by any means, but all conditions of our Nation at large seem to call for a study and survey of it, Nation-wide.

My resolution calls for a congressional committee of seven members to be named by the Speaker to report their study and findings back to Congress. I did not propose this resolution to support any pet theory or bill proposal either I or anyone else has in hand, as far as I know. But I do know that it is imperative that the Federal Government have its full knowledge of what the juvenile-delinquency problem in the Nation is. This study will get the volunteer benefit of help from all States, courts, schools, churches, agencies, cities, veterans' organizations, parent-teacher associations, welfare groups, sectarian and nonsectarian groups, police officials, employers' associations—all are equally concerned. It is the Nation's business to know about the children it must depend upon for national security in event of war and for leadership in time of peace.

What are the facts about the extent of juvenile delinquency?

What are the basic causes of juvenile delinquency?

What are sound and reasonable steps to be taken by those units of Government, by parents, by schools, by churches, by individuals, by all concerned, to deter or prevent juvenile delinquency?

I will recognize that what might be termed "individual factors" materially enter into our thought, such as physical and biological conditions, physical or mental handicap, physical disorders, lack of religious instruction, instability of the individual, emotional instabilities, acquired habits, wrong companions, lack of discipline in home life, community conditions, broken homes, effects of war, the adult attitude of the community, and so forth.

These items mentioned by me are, of course, not intended by me to be either inclusive or exclusive. Nor, do I intend to indicate by my naming them as I have extemporaneously that they are in any order of importance or strength or weakness in my own thinking about this vital matter. No doubt each of you will immediately mentally add several I have not mentioned.

Since filing my resolution, H. R. 575, I have already received a goodly number of requests therefor from various sections of the country. This shows immediate concern of the problem. I have no preconceived notions about what this survey will show as to cause and effect. I do know it should result in a further awakening and an enlivened consciousness of the tragic results of not coordinating information and approach resulting from real facts and knowledge in the field.

Several Members have asked me as to my deep concern in this field of human endeavor and relationships. So all my colleagues may know it is a very real and practical thing with me. I respectfully relate that I was formerly probation officer of the juvenile court of Los Angeles County under Hon. Curtis D. Wilbur, the very human and distinguished juvenile judge on the west coast at the time Judge Lindsey was in Denver juvenile court. Then for 3 years I was boy counselor and instructor in government at the California Junior Republic, a 24-hour-a-day private school for boys. Then, during the last 15 years of my law practice at home I was president of the recreation commission and served a short time on the California State Board of Education.

I bespeak your kindly and emphatic support of this resolution in the interest of the youth of our present generation and for the domestic stability and national security of our beloved land.

Mr. STEFAN. Mr. Chairman, I yield 20 minutes to the gentleman from Colorado [Mr. GILLESPIE].

Mr. GILLESPIE. Mr. Chairman, I think the Chairman of our Subcommittee handling this bill, the gentleman from Michigan [Mr. RABAUT], deserves a great deal of credit. He was present all the time, worked very hard, and, while we did not all agree on everything, we did agree on most of the major items.

Mr. Chairman, we all tried to effect economies wherever possible. We all realized that even under our crushing tax burdens of today, the income of the Government is limited; therefore, the expenditures of the Government must also be limited. It seems that recently there has been an idea in Government agencies that, when they come in for money, it is not entirely a question of how much money they need to do a job, it is a question of how much money they can get out of the Appropriations Committee. There is no such thing as a Government agency coming in and asking for less, or even the same amount as they had the previous year. They always ask for much more than they had in the past year, notwithstanding the fact that we are struggling under the heaviest debt load in our history.

Men have honest differences of opinion as to what is, or is not, economy. I might think something is extravagant; some one else on the committee might think my idea is false economy and that it would be penny-wise and pound-foolish. In a few cases I thought some money ought to be spent that even our chairman did not think should be spent. So, we were in agreement most of the time, although we did disagree occasionally.

One of the best compliments I have ever heard paid to a committee of this House was the compliment paid last night by Fulton Lewis, Jr. Every member of the committee ought to be proud of what that great commentator had to say.

I do not want to go into too much detail with reference to the work we did because it has been pretty well covered and will be fully covered later on. The time has come in America, Mr. Chairman, when we will have to start economizing in earnest. We cannot continue spending more than we take in. We know that our Budget requirements are great and that we cannot balance the Budget while continuing to overspend our income.

Mr. Chairman, today the tax burden of every breadwinner in America is approximately $60 a month, or $720 a year, which is more than the average earning of working people in most countries of the world. In other words, our tax bill is more than their total earnings. The tax bill of America today is greater than that of any other country on earth and the percentage of taxes to the earnings of American workers is far greater than in any other country on earth. This has to some extent been covered up by withholding, so that a person making so much a month is not too conscious of what his tax bill is. In speaking to people I learned a rather amazing thing. If their check is for $200 a month, they say, "I am only making $2,400 a year." They do not count the money they pay out in taxes. I sometimes wonder, in order to make people tax conscious, if it would not be a good thing to have them paid the money, then require them to pay it out in taxes after they have received it.

I wish to say that the members of this committee did try to do a good job on this bill in cutting it over $56,000,000, and it is my opinion that we should cut these appropriations still further. I am still of the opinion that further savings can be made. Fully realizing that anyone who tries to save money in business or government is always unpopular, I want to say that we are soon going to find that the people of America expect us to effect necessary economies.

Mr. STEFAN. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, this noon I went over the figures as they appear in the Treasury statement for the latest day available and I got this very definite idea out of the statement: That probably the expenditures for the current fiscal year, 1946, will be right around $65,000,000,000; that the receipts from every source will be about $42,000,000,000, leaving a deficit for the year of approximately $23,000,000,000.

I got to figuring a little bit on what they might do next year. Of course, you cannot tell very well at this stage of the proceedings, but if you listen to the Army and the Navy and to the State Department and to these agencies that want gratuities out of the Federal Treasury, you can spread the range of what the expenditures might be over quite a territory. The lowest anybody could guess, in my opinion, from what I have been able to gather, would be $34,000,000,000; it might run up as high as $42,000,000,000 if we have the British loan and the French loan, and a very large increase in appropriations and allotments for foreign relief.

The rates for next year, unless there are some very substantial cuts in the taxes which would affect next year's receipts, will probably run in the neighborhood of $35,000,000,000. That may be reduced by tax cuts or anything of that kind that might happen, or by other things like a slack in our employment, which does not seem to be in sight, or a curtailment of inflation which the OPA has been promoting, which does not seem to be in sight, although some of us would like to see that stopped.

This bill represents a cut below the Budget estimate of approximately $56,000,000 out of a total estimate of $415,000,000 or a cut of about 13, 14, perhaps 15 percent.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Nebraska.

Mr. STEFAN. It should be noted, though, that it is an increase of over $40,000,000 above the fiscal year.

Mr. TABER. It is $40,000,000 above the present fiscal year. I intend, as I go along, to analyze that $40,000,000 because I believe that is the place where we might contribute a little toward doing our duty by the Federal Treasury.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. JONES. $20,000,000 could be accounted for in two items in the bill: One, the information program in the State Department of $10,000,000, which does not have any basic legislation and, second, the $10,000,000 for the business census, which does not have authorizing legislation. Those two items are not authorized by law, and by not adopting the rule tomorrow those amounts could be stricken from the bill.

Mr. TABER. And they could also be stricken by amendment adopted in the committee, even if the rule should be adopted.

Mr. JONES. That is right.

Mr. TABER. I am in hopes that the Congress may have a sense of responsibility and a little interest in the taxpayers when it comes to those items.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. How does this appropriation compare with the prewar appropriations, in millions?

Mr. TABER. I do not have the exact figures here, but the figures for the Department of Justice are a little bit higher than they were in the prewar days. Those for the Judiciary are a little higher, perhaps 25 percent. The increase in both these figures is due largely to the inflationary trend that is under way.

The appropriations for the State Department, I think, are at least three times what they were in 1939. I refer to the figure the committee has recommended, not the Budget estimate. This is partly due to the inflationary trend; perhaps 25 percent of the total is due to inflation. This means in the State Department appropriation about $26,000,000 or $27,000,000 out of the $104,000,000. The rest of it is due to increased activities of one kind or another.

As to the appropriation for the Department of Commerce, the amount carried here being $143,000,000, I would guess that you could put down 25 percent as due to inflation, maybe more, perhaps 35 percent, because that involves a lot of part-time jobs in connection with the proposed Census operations. You could figure that the inflation of those things would run 35 or 40 percent. The other operations there would be up 25 percent due to the inflation, and they are probably at least double after you have subtracted the inflation. There is probably a $50,000,000 increase in the Department of Commerce activities outside of these inflationary items.

Mr. GILLESPIE. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Colorado.

Mr. GILLESPIE. There is an item here regarding field offices. Last year they had $445,000. They asked for $6,500,000. We gave them $2,500,000, which is over $2,000,000 above what they had last year.

Mr. TABER. Yes.

Mr. GILLESPIE. This is more or less a new activity, giving the merchants more to do in the way of forms to be filled out, and so forth. I do not think it has any merit at all. I think that $2,000,000 can be saved there. What does the gentleman think about it?

Mr. TABER. I would be inclined to think that the gentleman from Colorado is correct.

One item in here that appears to be fairly well based that is an increase is the item for going over the German scientific discoveries, patents, and ways of doing business, and making them available to the people of the United States. If that is done, and well done, I would expect that that expenditure would be pretty fairly well justified.

There are items here for the so-called information service in the State Department providing for $10,000,000, to which the gentleman from Ohio [Mr. JONES] called attention. I would like to ask the Members this question: How would you like to be an Ambassador to some foreign country and have some fellow from outside broadcasting into that country, perhaps in English, so that a translation could be very badly garbled or even in the language of that particular country at the same time that you were trying to represent the United States? Now, do you see what that results in? It results in almost impossible confusion. It destroys the effectiveness of our representation. I do not know how it is going to work out, but I would like very much to have this situation cleaned up. I would like to see the whole picture straightened out. I want to read you something on page 19 of the hearings on the State Department, which I think the Congress ought to have in mind as it approaches this problem. Secretary Byrnes was testifying. He said:

I talked last night to Mr. Benton—

Mr. Benton is the Assistant Secretary of State who has direct supervision over this particular picture—

and he told me that in the Information Service, they had reduced the number of employees from 11,000 to 3,000. Is that right, Mr. Benton?

Mr. BENTON. It will be 3,000 very shortly. Radio broadcasting is a perfect example of something that is now in the Department that, by the end of the fiscal year—Secretary Byrnes has decided this and I am fully in agreement with him—we should get out of the Department. It is a function, like Surplus Property, that was inherited by the Department. It should be set up and handled by a separate organization. This is as good an illustration, I suppose, as you could pick, Mr. Secretary.

Why do we provide for this thing and why do we have such a thing as this after that statement?

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. RABAUT. With reference to the opening remark that the employees were reduced from 11,000 to 3,000, that reduction to 3,000 was under the expectation of a $19,000,000 appropriation. That has been cut in half by the committee.

Mr. TABER. I appreciate that, and I would want everyone to understand that.

Mr. RABAUT. It will correspondingly affect the employees.

Mr. TABER. I appreciate that. It will cut them in half, at least. But that would not affect the principle of this activity which it seems to me is bound to get us into trouble.

I would like to call attention to page 7 of the committee's report, beginning in the middle of the page. I would hope you would read what the committee says there. I had a telephone call this morning from Mr. Benton. I had previously given him some information about some parties connected with that organization who I felt were not the sort who had their first loyalty to the United States. He had sent four or five men around to me to try to explain that they were all right. I knew better. I was told this morning he had found out that I was right.

Now, that is indicative that maybe they are beginning to wake up over there. That is what the committee says is a good sign. I want to compliment the committee right now while I am speaking, on the fact that they have decided to cut out this so-called McCormack set-up in the State Department. I have with me the records of some of the folks who are involved in that set-up. Frankly, I do not believe they should be in our State Department. I am not going to read their names here. I am not going to get into that question today. On the other hand, it is a situation that calls for a house cleaning. These people are presently on the roll and they ought not be on the roll. If we are going to have a State Department and it is going to look after the interest of the United States, we must follow down the line what this committee in its report on page 7 has said. We must clean house and keep only those people whose first loyalty is to the United States of America. I do not think this can be repeated too often.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. RABAUT. Can I believe my ears? Is the gentleman praising the committee?

Mr. TABER. Well, you know when the committee does something that it really ought to do, the next thing is to make the State Department do what the committee has said it ought to do. I do not think the gentleman would find any more loyal supporter than myself in the efforts that he might make to try to make the State Department do what it ought to do.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. STEFAN. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. CLEVENGER].

Mr. CLEVENGER. Mr. Chairman, from Virginia and Missouri—far apart geographically, but united in desire to maintain Government solvency—has come vigorous opposition to Federal grants-in-aid to the States, which it is contended, are subversive of State sovereignty and put a heavy drain on the Federal Treasury.

In Virginia the opposition was expressed by Gov. William M. Tuck in his recent inaugural address. In Missouri it was in a resolution introduced in the State house of representatives proposing that Missouri—

give notice to the Congress of the United States that Missouri now takes the lead among the States in helping solve the Federal debt crisis and that we will refrain and forbear from demanding further grants from Congress.

Grants-in-aid not only are destructive of State sovereignty, Governor Tuck contended, but they also result in far less return than when the States raise and spend the same sum directly.

Money paid by the taxpayer to the Federal Government and then returned by it to the States is burdened with the collection and handling charges incurred by that Government.

He said:

It is also burdened with the operating costs of the headquarters of the bureau in Washington which passes upon the grant and regulates its expenditures. Finally, it is burdened with the salaries and expenses of the Federal agents who are sent into the States to personally regulate the State agencies in their spending of what is left of the money received from the taxpayer. The amount left is about half.

Governor Tuck declared that the proposed program of Federal aid to education will eventually result in control of schools from Washington. If taxpayers do not want this, he said, they must see to it that States give adequate financial support to their public-school systems, and urged increased expenditures for this purpose by the Virginia State government.

Our debt, funded and other, stands at approximately $300,000,000,000, almost exactly twice the total of property assessed for taxes in the 48 States.

The dread four horsemen of the New Deal—Debt, Deficit, Delirium, and Despair—are riding headlong.

The 1947 peacetime, ordinary Budget of $36,000,000,000 is equivalent to $720, or $60 per month, for each of 50,000,000 of gainfully employed. On top of that we propose billions more of deductions for various social welfare schemes—medical, hospital, and old-age deductions, until verily many an American thinks "the deducts have got him." Dozens of direct taxes hit him and his employer, dozens and dozens of hidden excise taxes are wrapped up in all he buys and must have, millions of Government employees harass him, and devour his substance.

A crushing interest burden on debt, the ever-recurring deficits in income, the delirium of emergencies ever-justifying all these extraordinary actions, and the crushing despair of the toiling millions of ever regaining their liberties, their political and financial security, their control of this governmental juggernaut, this New Deal Frankenstein, are destroying the American Republic and the American way of life.

Added to all these problems which bedevil the people of America—and they are personal bedevilments of each citizen—the dark and menacing shadow of ruinous inflation hangs over this Nation to add to the despair.

It seems incredible, and yet it seems to be true, that we talk as much as we do about inflation and do nothing about it except to keep pouring more gasoline onto the fires of inflation. Before the war ended we could clearly foresee a dangerous inflationary pressure which inevitably would arise from the accumulated purchasing power of the people pressing against the reduced and limited supply of consumer goods—necessities which men, women, and children sorely need.

We know that every additional dollar that is expended by the Government, unless it represents goods or services produced, will add to the inflation. We know that inflation ruins first the wage earners of this Nation and the farmers of this Nation. We know that the economic fallacy of increased wages without adequate, necessary increase in prices, if added to a multiplicity of stifling and strangling governmental regulations and red tape, are carried to the point where they are allowed to stop reconversion and production, inevitably will produce a condition of inflation that will completely ruin the workingman and the farmer as well as the rest of us. If industry is to be prevented by those who are playing politics with price control from producing jobs and goods and services, then we can expect black markets and inflation to thrive and to eat into the vitals of our economy like a canker.

Those in control of the Government know what sound economics are, but the temptation to yield to political expediency seems to be too strong for the common sense of good government to prevail. Inflation, if it is not checked, will ruin us all. Those who talk about the danger of inflation occurring in this country are like a man pitted from head to foot with smallpox talking about the danger of his sometime getting smallpox. The plague of epidemic inflation is on this country now. We are in the middle of it. It is growing worse. If those in charge of the Government do not move to eliminate the causes and check the contributory conditions to inflation, we will lose the peace and this country will go down in confusion and economic chaos. That would spell utter ruin.

How did we get that way? Now let us consider two great Americans, two Texans—one who rose to preside in turn over each of the great legislative branches of our Government and who retired to his native State disillusioned and saddened by the result of his party's part in the rape of America and American institutions. Not so many years ago he said, "Every time a damyankee gets a hambone, I aim to get a hog." And then the scheme of matching funds with the States was born and it continues in full flower. It has turned from a "do-good-ing" program into one of distributing the wealth. Six great Northern States will pay 51.95 percent of this latest matching game. They will match 42 States putting up 48.05 percent of the money. To get some of this money the States have parted with their sovereignty, their States' rights. They have sold their birthrights for a mess of socialistic-fascistic pottage. More patriotic Texans give up their seats in Congress. The venerable and able chairman of the Judiciary Committee, Hon. HATTON SUMNERS, makes this statement from the sadness of his heart:

> By ignoring principles and the lessons of history, and accepting the theories of men and political expedience for our guidance, we have made vassals of our States and dependents of our people. By concentration of governmental power and drafts upon the Federal Treasury, we have now a financially "busted" great piled-up mass of governmental confusion beyond human comprehension, impossible of democratic control, extravagant, wasteful, inefficient, and by its nature the instrumentality of favoritism, tyranny, oppression, and corruption, and the destroyer of the self-reliance and self-respect and governmental capacity of the people, qualities without which no people can remain free. The people are coming to realize what has happened, Republicans and Democrats; people of all stations and political faiths. But they are yet too much depending upon the Congress.
>
> The powers of the Congress are not what they used to be. Largely because of this concentration, even the policy-fixing and legislative power, the most basic of the essential powers of the Congress, have largely been shifted to the executive agencies and organized minorities.
>
> The time of the Congressman is now taken up largely as go-between for his constituents, and these agencies, writing innumerable letters about their matters, with little time left for attending to even the most important legislative matters, and almost no time for the duties of statesmanship at a time when our circumstances require of us the highest type of statesmanship ever required, perhaps of any people.
>
> There is practically no opportunity for the Member of Congress to be home and explain legislation and defend his position. Clearly this is the people's job.

This matching of funds for a multitude of purposes—highways, rivers, and harbors, airfields, agricultural extension work—all of them of laudable purpose, is affording a wonderful opportunity for those of our electorate who would destroy our free economy to join forces with the radicals as well as the charitable. To combine with the political demagogue, the professional uplifter and do-gooder who just loves to give away things, other people's things. The demagogue can spout about what he gets for his State or district. The Red can help take America nearer the inevitable collapse, and the do-gooder can get a warm glow distributing the fruits of other people's labor. The four horsemen gallop thundering along the road to national bankruptcy, confusion, anarchy, and despair. I have prepared some figures that should prove interesting. They are taken from Treasury statement for 1944, and report accompanying H. R. 3370, the Federal school-lunch bill. Six Northern States—New York, Pennsylvania, Massachusetts, Illinois, Michigan, and Ohio—are broken down, showing they contain 36.65 percent of the population—1940—pay 51.95 percent of all Federal revenue—1944. Of the $50,000,000 for school lunches, they would furnish $25,841,000 and would receive from the $50,000,000, $8,642,000 and be required to match it with another $8,642,000.

	Percentage population, 1940	All taxes, percent tax, 1944	States tax share of $50,000,000	H. R. 3370. States matching required	H. R. 3370. States allotment under plan
New York	10.20	18.47	$9,235,000	$1,907,000	$1,907,000
Pennsylvania	7.49	8.42	4,210,000	2,277,000	2,277,000
Ohio	5.23	7.35	3,675,000	1,276,000	1,276,000
Michigan	3.98	5.91	2,955,000	1,050,000	1,050,000
Illinois	5.98	8.12	4,031,660	1,357,000	1,357,000
Massachusetts	3.27	3.74	1,735,000	775,000	775,000
Total	36.65	51.95	25,841,660	8,642,000	8,642,000
Alabama	2.14	.62	310,000	609,400	1,441,700
Arkansas	1.48	.23	115,000	548,300	1,103,300
Mississippi	1.65	.22	110,000	661,000	1,410,000
Georgia	2.36	.96	480,000	858,900	1,367,700
Tennessee	2.21	.76	380,000	800,400	1,272,500
South Carolina	1.44	.43	215,000	593,100	1,061,000
Total	11.28	3.22	1,610,000	4,071,100	7,656,200

Now, let us take six Southern States, Alabama, Arkansas, Mississippi, Georgia, Tennessee, and South Carolina. These States contain 11.28 percent of the population, pay 3.22 percent of the taxes. They would furnish $1,610,000 of the $50,000,000. They would receive $7,656,200 and match with $4,071,100. These matchings may be services, and so forth, in lieu of cash. What an attractive scheme to trade States' rights and sovereignty for a political tie-up with northern cities to perpetuate the New Deal.

Is it any wonder that labor unrest and strikes are rife in these six milch-cow States? And they stand meekly for the milking. There are as many more where the ratio is almost as great. Consider little Delaware by herself; to this $50,000,000 subsidy, she contributes $520,000 for her school lunches; she is allotted $43,200. Is not that a trade to make Delaware proud of the political bondage in which she finds herself rated? But she and the other States must help free themselves. Only the brave deserve to be free.

TABLE 3.—*Summary of internal revenue collections, year ended June 30, 1944, by States and Territories*

States and Territories	Population as of Apr. 1, 1940 (Bureau of the Census estimate)	Percent of total population	Income (including excess profits) tax collections	Percent of income-tax payments	Miscellaneous internal-revenue collections	Percent of miscellaneous internal-revenue payments	Employment taxes, including carriers' taxes	Percent of payroll tax payments	Total internal-revenue collections	Percent of total internal-revenue payments
Alabama	2,833,000	2.14	$217,605,458.00	0.66	$15,101,459.48	0.28	$15,262,426.29	0.88	$247,969,343.77	0.62
Alaska	61,500	.05	16,893,775.08	.05	1,380,658.24	.03	531,512.62	.03	18,805,945.94	.05
Arizona	499,000	.38	61,363,254.51	.19	5,176,296.82	.10	2,458,077.03	.14	68,997,628.36	.17
Arkansas	1,949,000	1.48	79,914,481.44	.24	8,336,484.07	.16	4,044,572.37	.23	92,295,537.88	.23
California	6,907,000	5.23	2,865,182,503.96	8.67	361,768,620.84	6.76	144,746,837.16	8.33	3,371,697,961.96	8.40
Colorado	1,123,000	.85	169,285,341.16	.51	36,172,288.83	.68	9,119,558.21	.52	214,577,188.20	.53
Connecticut	1,709,000	1.29	801,719,397.42	2.43	63,298,057.48	1.18	39,582,951.87	2.28	904,600,406.77	2.25
Delaware	266,000	.20	390,229,182.10	1.18	13,383,937.64	.25	14,070,237.70	.81	417,683,357.44	1.04
District of Columbia	663,000	.50	378,780,522.16	1.15	27,428,480.53	.51	$13,539,637.14	.78	419,748,639.83	1.05
Florida	1,897,000	1.44	289,102,389.79	.88	42,307,785.91	.79	12,532,860.80	.72	343,943,036.50	.86
Georgia	3,124,000	2.36	326,576,557.82	.99	42,537,300.90	.79	17,004,509.23	.98	386,118,367.95	.96
Hawaii	425,900	.32	133,139,930.52	.40	14,357,015.11	.27	3,284,363.91	.19	150,781,309.54	.37
Idaho	525,000	.40	51,613,804.32	.16	4,611,035.70	.09	2,537,721.16	.15	58,762,651.18	.15
Illinois	7,897,000	5.98	2,682,008,659.04	8.12	394,792,820.08	7.37	155,046,483.94	8.92	3,231,847,963.06	8.06
Indiana	3,427,000	2.59	632,428,410.83	1.91	171,791,247.97	3.21	27,295,215.34	1.57	831,514,874.14	2.07
Iowa	2,538,000	1.92	262,261,786.04	.79	20,485,644.74	.38	10,494,453.65	.60	293,241,884.43	.73
Kansas	1,801,000	1.36	313,380,073.16	.95	24,850,869.63	.46	17,577,926.11	1.01	355,808,868.90	.89
Kentucky	2,845,000	2.15	264,131,634.75	.80	273,309,168.33	5.10	14,814,776.84	.85	552,255,579.92	1.38
Louisiana	2,364,000	1.79	243,183,030.41	.74	52,996,279.79	.99	13,206,878.82	.76	309,386,189.02	.77
Maine	847,000	.64	130,899,533.35	.40	8,972,758.00	.17	8,039,246.37	.46	147,911,537.72	.37
Maryland	1,821,000	1.38	518,249,999.91	1.57	160,801,916.57	3.00	31,320,214.21	1.80	710,372,130.69	1.77
Massachusetts	4,316,000	3.27	1,292,919,080.75	3.91	145,928,236.10	2.72	60,328,326.17	3.47	1,499,175,643.02	3.74
Michigan	5,256,000	3.98	2,110,238,060.58	6.39	144,524,268.17	2.70	115,883,909.77	6.67	2,370,646,238.52	5.91
Minnesota	2,792,000	2.11	467,739,739.73	1.42	75,940,710.11	1.42	32,892,064.38	1.89	576,572,514.22	1.44
Mississippi	2,183,000	1.65	78,121,934.79	.24	6,349,455.76	.12	3,694,966.33	.21	88,166,356.88	.22
Missouri	3,784,000	2.86	780,938,379.32	2.36	141,337,505.60	2.64	48,645,702.75	2.80	970,921,587.67	2.42
Montana	559,000	.42	48,296,611.14	.15	6,756,788.84	.13	1,781,070.49	.10	56,834,470.47	.14
Nebraska	1,316,000	1.00	173,176,031.11	.52	32,240,213.21	.60	18,137,821.00	1.04	223,554,065.32	.56
Nevada	110,000	.08	32,078,078.02	.10	2,751,459.91	.05	872,038.06	.05	35,701,575.99	.09
New Hampshire	491,000	.37	63,681,636.74	.19	7,097,919.80	.13	3,356,117.66	.19	74,135,674.20	.18
New Jersey	4,160,000	3.15	1,119,789,916.05	3.39	214,796,680.06	4.01	58,050,474.72	3.34	1,392,637,070.83	3.47
New Mexico	532,000	.40	32,988,619.25	.10	3,139,047.40	.06	1,103,844.20	.05	37,231,510.85	.09
New York	13,479,000	10.20	6,332,491,637.76	19.16	755,989,200.30	14.11	320,987,452.43	18.47	7,409,468,290.49	18.47
North Carolina	3,571,000	2.70	374,442,607.96	1.13	495,880,723.82	9.26	21,982,030.91	1.27	892,305,362.69	2.22
North Dakota	642,000	.49	31,129,645.88	.10	2,617,188.74	.05	859,686.73	.06	34,606,521.35	.09
Ohio	6,907,000	5.23	2,542,608,729.67	7.69	293,450,218.19	5.48	114,420,813.48	6.58	2,950,479,761.34	7.35
Oklahoma	2,336,000	1.77	207,132,843.86	.63	53,293,785.90	.99	10,775,567.63	.62	271,202,197.39	.67
Oregon	1,089,000	.82	282,334,562.48	.86	18,415,965.17	.34	15,105,272.00	.87	315,855,799.65	.79
Pennsylvania	9,900,000	7.49	2,742,916,456.62	8.30	452,145,427.40	8.44	181,797,794.84	10.46	3,376,859,678.26	8.42
Rhode Island	713,000	.54	224,949,778.54	.68	21,606,709.61	.40	10,308,746.14	.59	256,865,234.29	.64
South Carolina	1,900,000	1.44	158,238,443.43	.48	8,747,302.16	.16	6,872,481.98	.40	173,858,227.57	.43
South Dakota	643,000	.49	32,692,202.11	.10	3,571,923.44	.07	1,105,704.69	.06	37,369,830.24	.09
Tennessee	2,916,000	2.21	262,275,898.97	.79	26,858,979.71	.50	14,553,861.31	.84	303,688,739.99	.76
Texas	6,415,000	4.85	855,317,095.70	2.59	137,932,963.10	2.57	44,141,628.29	2.54	1,037,391,687.09	2.59
Utah	550,000	.42	72,280,309.14	.22	9,945,263.54	.19	3,694,049.68	.21	85,919,652.36	.21
Vermont	359,000	.27	45,879,949.41	.14	3,787,239.65	.07	2,535,593.23	.15	52,202,782.29	.13
Virginia	2,678,000	2.03	429,022,717.70	1.30	378,434,057.26	7.07	23,091,450.03	1.33	830,548,224.99	2.07
Washington	1,736,000	1.31	540,532,316.47	1.64	39,944,285.81	.75	24,997,720.82	1.44	605,474,423.10	1.51
West Virginia	1,902,000	1.44	151,580,943.61	.46	17,546,290.89	.33	10,137,799.02	.58	179,265,033.52	.45
Wisconsin	3,137,000	2.37	688,814,069.94	2.09	104,551,832.79	1.95	28,794,717.63	1.66	822,160,650.36	2.05
Wyoming	251,000	.19	24,783,186.71	.08	3,209,521.33	.06	953,268.75	.05	28,945,976.79	.07
Puerto Rico			26,835.60		3,368,212.24	.06			3,395,047.84	.01
Total	132,145,400	100.00	33,027,368,164.21	100.00	5,356,019,632.67	100.00	1,738,372,435.89	100.00	40,121,760,232.77	100.00

EXHIBIT B.—*War Food Administration Commodity Credit Corporation, Office of Supply*

ALLOCATION OF SCHOOL LUNCH FUNDS WITH APPORTIONMENT BASED ON FORMULA IN PROPOSED SCHOOL LUNCH BILL

Region and State	Proposed apportionment [1]	Amount matching required [2]
Northeast	$7,769,200	$7,453,900
Connecticut	243,200	243,200
Delaware	42,300	42,300
District of Columbia	91,700	91,700
Maine	204,500	204,500
Maryland	370,100	370,100
Massachusetts	775,500	775,500
New Hampshire	134,000	107,500
New Jersey	683,900	683,900
New York	1,907,000	1,907,000
Pennsylvania	2,277,100	2,277,100
Rhode Island	116,300	116,300
Vermont	95,200	82,300
West Virginia	828,400	552,500

[1] Basis of apportionment is on number of children, 5 to 17 years, inclusive, and relation of the per capita income in the United States to the per capita income in the State.

[2] Each dollar of Federal payments must be matched by $1 from sources within the State except in the case of any State whose per capita income is less than the per capita income of the United States, the matching required shall be decreased by the percentage which the State per capita income is below the per capita income of the United States.

EXHIBIT B.—*War Food Administration Commodity Credit Corporation, Office of Supply*—Continued

Region and State	Proposed apportionment	Amount matching required
Southern	$11,082,300	$6,535,200
Alabama	1,441,700	609,400
Florida	553,400	469,300
Georgia	1,367,700	858,900
Kentucky	1,321,800	781,200
Mississippi	1,410,000	661,300
North Carolina	1,787,100	1,072,300
South Carolina	1,061,000	593,100
Tennessee	1,272,500	800,400
Virginia	867,100	689,300
Midwest	8,209,900	7,875,500
Illinois	1,357,100	1,357,100
Indiana	754,400	754,400
Iowa	602,800	574,500
Michigan	1,050,500	1,050,500
Minnesota	726,200	644,900
Missouri	980,900	851,600
Nebraska	331,400	301,200
North Dakota	183,300	172,700
Ohio	1,276,000	1,276,000
South Dakota	197,400	162,100
Wisconsin	750,800	730,500
Southwest	6,003,100	4,342,200
Arkansas	1,103,300	548,300
Colorado	285,500	262,900

EXHIBIT B.—*War Food Administration Commodity Credit Corporation, Office of Supply*—Continued

Region and State	Proposed apportionment	Amount matching required
Southwest—Continued		
Kansas	$430,100	$418,500
Louisiana	923,600	640,100
New Mexico	253,800	161,400
Oklahoma	853,100	603,100
Texas	2,153,700	1,707,900
Western	2,185,500	2,124,200
Arizona	186,800	145,900
California	997,500	997,500
Idaho	141,000	130,600
Montana	130,400	130,100
Nevada	21,200	21,200
Oregon	186,800	186,800
Utah	162,200	158,800
Washington	289,100	289,100
Wyoming	70,500	64,200
Total	[3] 35,250,000	28,331,000

[3] $1,000,000 of $50,000,000 appropriation withheld for nonprofit child care centers. 3 percent set aside for administrative costs and 22 percent for direct purchase of commodities. $1,500,000 set aside to be apportioned among Alaska, Territory of Hawaii, Puerto Rico, and the Virgin Islands.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I just want to take this opportunity to compliment the gentleman from Ohio. I have served on a committee with him for several years, and I know that he is sincere and honest, and that there is not a better businessman in the House than is the gentleman from Ohio. I have not agreed with him on all occasions, but I just want to take this opportunity to say that it has not been that I did not have the highest regard for the gentleman.

Mr. CLEVENGER. I thank the gentleman for those kind words.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. I take this opportunity to pay tribute to the gentleman from Ohio. He is one of the few men who votes exactly the way he talks, and that is very admirable in this day and age.

Mr. CLEVENGER. That is very touching, coming from the lady the bravest in the land.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CLEVENGER. I yield to the gentleman from New York.

Mr. TABER. Does the gentleman think that these people who wrote in here to their Congressmen realize what kind of a thing they were saddling onto the country when they promoted the school-lunch program?

Mr. CLEVENGER. Sometimes I am afraid they do not. Even in my State, which pays from $3 to $4 for every one they get back, minus the cost of Federal operation, I have people who instead of appealing to our State treasury which has a surplus of $100,000,000, write letters asking me to be untrue to my faith and to my conviction and promise to my district and vote the money here.

Mr. STEFAN. Mr. Chairman, I yield 10 minutes to the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Chairman, the OPA produces a sinister growing Nation-wide racket which, unlike blackmarkets, operates within the law. It consists of buying up choice properties owned by citizens who are prevented from operating by OPA. A typical example in the hearings was an Illinois workglove manufacturer. He was sued by OPA for three-fifths the value of his property. Two respectable Federal courts held he had not violated OPA's regulation, only to be overruled by a United States Supreme Court decision. In no time some harpie was dickering for his factory.

Similarly OPA has made it possible for financiers to "muscle in" on packing plants, textile mills, and other businesses forced into the red by OPA. As one disgusted witness told us, "The woods are full of them. If Congress wants to investigate, all you have to do is look up the statistics showing the mergers which have taken place the past year." Maybe the person who gets the business you spent years building up will be only a friend innocently trying to save you from bankruptcy. More likely he will be one of the Government enriched "carpetbaggers" with enough influence to secure from OPA the higher price ceiling or favorable ruling you have sweated and pleaded in vain to obtain. Often the new master benevolently lets you stay on and work in return for a small interest in the business which, except for OPA, would still be wholly and indisputably yours.

This muscling in is not done with machine guns. It is a thoroughly legal by-product of price control, and nothing short of liquidating OPA will stop it. Of course, OPA should have been liquidated a year ago. Instead it was extended to cover war industries trying to reconvert, and that is why reconversion is suffering from infantile paralysis. The OPA officials now promising to ease up restrictions and even liquidate OPA within a year promised to ease restrictions last year when the OPA bill came up before Congress. But as soon as Congress passed the bill, OPA started driving the housing industry, the household-appliance industry, and other businesses out of production. The bureaucrats know, of course, that what they decontrol today they can recontrol tomorrow—when foreign governments start the increased buying which will cause inflation the same way foreign lending caused inflation in 1919.

The President's "economic advisers" now predict that OPA is vital to the heading off of an inflation otherwise due within 12 months. But they are the same soothsayers who admitted in the hearings that they went wild on their corn-crop predictions last year—Mr. Anderson, of the Agriculture Department—and also on their prediction—by Mr. Bowles—of mass unemployment last fall at the time the bureaucracy was propagandizing for unemployment laws and appropriations. The argument that price control is necessary to prevent inflation is the same argument—word for word—which Goebbels used to enslave German industry. Someday, perhaps too late, Americans now doped with propaganda will wake up and realize what Rip van Winkles they have been.

OPA is a racket by which darlings of the politicians in power are able to get something for nothing. OPA, to be sure, is not the only racket serving that purpose. There are also the materials priority racket, the rapid tax amortization racket, the excessive estate and super-income-tax racket and others including the treasonable Bretton Woods, lend-lease, and UNRRA rackets which enable foreign governments to get American goods for nothing.

There is some creative business enterprise today because businessmen, even when Government prevents their getting a profit, hope to hang on to their capital investment, believing the blithe bureaucratic promises that the totalitarian controls are only temporary emergency measures. But like flies struggling to stay alive after they are caught on fly paper, they cease to struggle as soon as they realize how hopelessly they are stuck.

Mr. TABER. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. TABER. Is it not true that production is the only way to throttle inflation?

Miss SUMNER of Illinois. There are two ways to throttle inflation; one, permit production to go into volume; and, two, stop Government spending. Both are necessary.

Mr. TABER. Is it not true that the OPA has been throttling production all the way through this last year and that they have been responsible for most of the inflation we have been up against?

Miss SUMNER of Illinois. The OPA has throttled production long before this last year. The reason it has been so much more obvious this past year is because the OPA, immediately after the cut-back began, was extended to cover all the war industries so that it was more noticeable than it was before when the OPA only covered a few industries. During the war the OPA did not cover the manufacture of airplanes and other types of war production.

Mr. TABER. Of course, the things that the War Department contracted for or the Navy Department or some other Government department were not governed by the OPA, and the manufacturers with 10 percent or 15 percent of their production allocated to civilian goods could take a loss on that without losing any money because it would figure out against their whole expense.

Miss SUMNER of Illinois. The gentleman is correct.

Mr. TABER. And when the war was over and the Government ceased to be a purchaser, they were up against the proposition where they were stopped from producing as a result of OPA's operations. They could not produce without a loss. They could not take a loss without going into bankruptcy.

Miss SUMNER of Illinois. Precisely. Do not forget it is not the fault of the OPA that the OPA did not cover war production. Leon Henderson and his henchmen fought a great fight and struggled to get their clammy hands on war production, but the War Department, led by Mr. Patterson, steadfastly and successfully resisted the efforts of the OPA.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. MURRAY of Wisconsin. May I say first that I regret very much the distinguished lady is not going to be here very much longer.

Miss SUMNER of Illinois. I thank the gentleman.

Mr. MURRAY of Wisconsin. There is one thing that confuses me. I do not know just who is being deceived, but I just want to be sure that I am not the one. From reading the hearings before your committee, I noticed the great contribution by the mayor of the great city of New York. He wants to be sure to keep the price of food down. That is the way it looks now. They are going to get Paul Porter's foot off of everybody's neck except the farmers.

Miss SUMNER of Illinois. Do not worry. There is nothing to prevent putting their foot right back on after they

get the bill passed. That is the way they always work it.

Mr. MURRAY of Wisconsin. I hope not. I hope they do not get the farmers in a class all by themselves. I would like to have the distinguished gentlewoman from Illinois explain this situation. She has been on the Banking and Currency Committee all this time. From one side of their mouth, they tell us that the cost of living has gone up. Yesterday, the Washington Star published a table. They had a chart with the table. You do not have to read the table. They want to picture it for you so that you can see it in the form of a chart. They show that the prices have not gone up on food and all these other things all during this time to any appreciable extent. Now, I do not want to get in wrong with the housewives of this Nation, but the chart shows that round steak is 11 percent less on February 1, 1946, than it was in 1943. It shows pork chops are 10 percent less.

Miss SUMNER of Illinois. Try and get them.

Mr. MURRAY of Wisconsin. It shows potatoes are 23 percent less. In other words, they are selling one group of people, a certain bunch of consumers, on what a wonderful job they have done. Then, on the other hand, they say they have to have more money because prices have not been held down.

Miss SUMNER of Illinois. About all you can say about these statistics and charts of the OPA is that you can prove anything by statistics.

The CHAIRMAN. The time of the gentlewoman from Illinois has expired.

Mr. STEFAN. Mr. Chairman, I yield the gentlewoman 2 additional minutes.

Mr. MURRAY of Wisconsin. Will the gentlewoman yield further?

Miss SUMNER of Illinois. I yield.

Mr. MURRAY of Wisconsin. That is a real answer, but this is a serious matter. The chairman of the Committee on Agriculture, the gentleman from Virginia [Mr. FLANNAGAN], had an article in the Sunday paper saying we should take the ceiling off of meat. It seems to me that sometime somebody has to think more than 15 minutes ahead of time. I would like to know how this administration or their spokesman can say that they want to take the ceiling off of something and at the same time they support a program that keeps it on. In other words, if you take the ceiling off of meat, anyone who has gone to school a few rainy Saturdays knows that you cannot take it off of one thing without taking the ceiling off of associated things without getting in trouble. You know what will happen if you take the ceiling off of meat.

Miss SUMNER of Illinois. You will get more meat.

Mr. MURRAY of Wisconsin. How about taking it off of meat and not taking it off of dairy products?

Miss SUMNER of Illinois. You are not quarreling with me. I voted against the OPA last year.

The CHAIRMAN. The time of the gentlewoman has again expired.

Mr. RABAUT. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, inasmuch as this OPA question has come up this afternoon, I would like to say a word about it.

In the first place, we hear the term "bankruptcy." What is the percentage of bankruptcy in this country compared to ordinary times? Does anybody want to say it is bad? No one will rise to talk about it, but they use the term "bankruptcy."

What about the volume of business in the department stores of this Nation today? Does anyone want to say anything about it? Not a word, because you cannot. There are men in this room as old as I am. Every one of you who has age upon his brow knows what the absence of OPA did to us after World War I, when things went to that pyramided height for a great number of months, and then took a toboggan and in 13 months hit the bottom and wrecked everybody with whom it came in contact. Those are the facts. It is bad enough to be in error once, but to be in error twice, when it has made such a significant impression upon your brow, is something that is beyond the thoughts of a thinking man. Yes. We can thank God today for the OPA. Somebody across this aisle just said something about looking 15 minutes ahead. I am telling you to look 15 minutes ahead before you go back to your constituencies which know the value of OPA, know what it has done for the little fellow down at the bottom, know what it has done for the homes of America, know what it has done for the U. S. A. If I had my way about it, the name of Chester Bowles would be written in neon lights in every town of America. He bared his breast alone—alone—to selfish interests, who would tear asunder, and forget human rights and stand for property proposals.

Mr. GILLESPIE. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. Yes; I yield to my distinguished colleague, a member of the committee, whom I greatly respect.

Mr. GILLESPIE. Do you not think that property rights are human rights?

Mr. RABAUT. I do not.

Mr. GILLESPIE. What is the difference, if a man works hard and gains a little property? Suppose a man goes into the woods, as my grandfather did, and hews out a farm and builds a house out of logs; was that a human right for him to occupy it? I think property rights and human rights are inseparable.

Mr. RABAUT. I distinguish between human rights and property rights in saying to my friend that the ax preceded the bank into the community, but after the bank came, in some instances it took over the community, for we had an obsequious feeling in this country for many years about the banker, forgetting that it took 21 years to form a man.

During the war we cried for men, "Give us men!" We did not shout "Give us banks." We did not cry: "Give us this business, give us that business, give us the other business." No. We cried: "Give us men and we will make the wheels of industry turn"—and we did it.

Mr. GILLESPIE. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield.

Mr. GILLESPIE. Speaking about the banks, when we gave the bankers of the country their own choice of loans I think the banks did a good job. They certainly did a big job in winning the West; but the Government now has taken the banks over and supervises every move they make. You now find that in the question of loans a man's honesty has nothing to do with it; if he has enough collateral he can get it whether he has an honest name or not.

Mr. RABAUT. Do you remember the economy of this Nation when the banks were running on the old system? You had a $38,000,000,000 economy for every transaction from the smallest loan to the largest business transaction that took place in the whole Nation on an annual basis. Last year we had a $41,000,000,000 tax bill and took it off the top without affecting the business structure. Compare that with the economy you had before Roosevelt came on the scene.

Mr. GILLESPIE. Yes; under a war economy, of course.

Mr. STEFAN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. VORYS].

THE STATE DEPARTMENT AND PROPAGANDA

Mr. VORYS of Ohio. Mr. Chairman, I wish to go over the situation once more with reference to the State Department's information program. There is one thing that is more powerful in this world than the atomic bomb, for good or for evil, and that is propaganda. If peace propaganda is strong enough the atomic bomb will never be used. If the propaganda for sharing the atomic bomb is strong enough, we will furnish atomic information to would-be enemies, and then if war propaganda becomes strong enough, all of us will start blowing each other up. In each case, propaganda controls the atomic bomb.

We all know what we mean by propaganda; we all dislike to use the word when applied to our side in a controversy. One of the rules of propaganda is never to call it propaganda.

Assistant Secretary of State William Benton is a great master of propaganda. His firm of Benton & Bowles made a fortune out of propaganda in its commercialized form, advertising. Mr. Benton says that the best propaganda is truth. I believe him, and I agree with him. If we can tell enough of the truth about America to the world, we will never need the atomic bomb. The issue on Mr. Benton's information program is this: Who is to pick out what part of the truth about America to tell to the world?

Mr. Benton, speaking on March 31 to newspaperwomen, said:

> Now, I have not come here tonight to tell you that the Associated Press and the United Press and International News Service have the responsibility to provide a comprehensive program of information abroad, knowledge and cultural interchange for the rest of the world. The American people have that responsibility themselves through their Government.

Thus, Mr. Benton feels that the Government should decide what truth about America to tell the world, and under

this bill Mr. Benton, himself, is the person who will make these decisions for the Government. I believe he is intelligent, patriotic, and high minded. I will go further: I believe that he is surpassingly brilliant in his ability to select and disseminate information about America. To use the unmentionable word, he is a great propagandist. The question still remains, whether we should turn over the power and money in this appropriation bill to one man, even though he be such a paragon, or whether the Congress, itself, should not put limits upon his power, so as to insure and encourage the free selection and dissemination of truth through a free press.

A bill, H. R. 4368, to authorize Mr. Benton's program was brought to the Foreign Affairs Committee last October, in a form that was utterly unacceptable to the committee. It provided, for instance, that the Secretary of State could make practically unlimited grants of money, services, or property. Another bill, H. R. 4982, was written, and the Foreign Affairs Committee recommended that bill for passage in December. After that, the Associated Press and the United Press withdrew their services from the Government newscasting program. I want to read quotations from these statements of the Associated Press and the United Press.

On January 15th the Associated Press released the following statement explaining its decision:

> The Associated Press stands committed to the principle of freedom of access to the news and to the free flow of news throughout the world.
>
> It holds that news thus disseminated by nongovernmental news agencies is essential to the highest development of mankind and to the perpetuation of peace between nations. It recognizes the possibility of useful purpose served by governments in the maintenance throughout the world of official libraries of information. It applauds the vigorous manner in which the present national administration has advanced in the doctrine of news freedom. It holds, however, that government cannot engage in newscasting without creating the fear of propaganda which necessarily would reflect upon the objectivity of the news services from which such newscasts are prepared.

On January 27 the United Press withdrew its services from the State Department for these newscasts, and I quote the explanation given by Hugh Baillie, president of the United Press:

> We have seen it demonstrated that no government, no matter how scrupulously careful it may be, can distribute news and not be suspected of spreading propaganda.
>
> The great strength of the American press associations always has been that they were not identified, even indirectly, with government propaganda. Thus the American press associations have developed into vital national assets.
>
> If the State Department wants to open an official American agency to distribute news abroad, that will be the concern of the Congress and the American people. But our participation in any such program would be a historic step backward.
>
> We do not agree that out of a news distribution contest among governments can come better international understanding and amity.

After these statements and other public statements by distinguished men, a number of members of the Foreign Affairs Committee, realizing that we had not heard this point of view, urged further consideration of H. R. 4982. On February 13 I wrote our chairman, Mr. BLOOM, asking for further hearings on our bill. Meantime, we urged the Rules Committee not to bring up the bill, and the Rules Committee did not bring that bill to the floor. Last Friday, the Foreign Affairs Committee voted unanimously to consider further the subject matter of H. R. 4982, the information program to hear witnesses and consider amendments.

On last Monday, a so-called point of order bill from the State Department, H. R. 5949, was brought into our committee. It had been filed on March 29. No action has been taken by our committee on either of these measures, but we now find that a rule is proposed to the State Department appropriation bill which would bring this controversial information program to this floor without any committee of Congress having an opportunity to consider the views of the Associated Press, the United Press, and Mr. Benton and permit them to discuss their views before a committee.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. STEFAN. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. VORYS of Ohio. Mr. Chairman, there has been no opportunity for a committee of Congress to go into this vitally important matter of whether the Government broadcasting of news would interfere with the free press the world over as has been charged and not retracted by these two great press services.

On January 16, Assistant Secretary of State Benton wrote to the AP suggesting an investigation of the State Department propaganda, saying:

> I would like to suggest that such an investigation be put in the hands of Mr. Wilbur Forrest, assistant editor of the New York Herald Tribune, Mr. Ralph McGill, editor of the Atlanta Constitution, and Mr. Carl Ackerman, Dean of the School of Journalism of Columbia University. These three men traveled around the world last year as the "World Freedom of Information Committee" officially representing the American Society of Newspaper Editors.

He suggested these three men as men who would be competent to investigate this since they officially had represented the American Society of Newspaper Editors.

I have here in my possession on the floor word from two of these gentlemen, Dean Ackerman of Columbia University and Mr. Wilbur Forrest, of the New York Herald Tribune, that they are ready to appear before a House committee to explain their views and, at least in one case, attempt to work out a compromise in this legislation which would avoid Government competition and insure a free press. I have been unable to get any hearings on this.

In his March 31 speech Mr. Benton accused the AP and UP of three secret motives, unacknowledged reasons, for refusing to furnish their service for his shortwave voice broadcasting, in addition to the reasons they proclaimed. These three unacknowledged reasons are, he said:

First. "Plain dislike of Government and attitude of 'If it's the Government I'm against it.' "

Second. "Fear of competition, fearing that the Government was going to operate a rival wire service; a second kind of competition which they feared is that old bogey, voice broadcasting of news."

Third. "The rivalry between the wire services themselves."

These are serious charges. The charges AP and UP have made against Mr. Benton's program are serious.

Remember, these charges are not just part of a general discussion about things in general. These charges and countercharges involve the very appropriations that are proposed in this bill which are brought here without authority in law. This bill deals with a question which is very perplexing but very important. How can a republic, committed to free speech and a free press, disseminate cultural propaganda in competition with Government-controlled propaganda of more totalitarian states? We do not solve this dilemma by giving the State Department complete discretion as in the present bill, or by forbidding them to act at all. Something in between is needed, and the intelligent American way to determine this is to hear the opposing viewpoints before a legislative committee. The views of the AP and UP have never been heard before the Foreign Affairs Committee, or the Rules Committee, or the Appropriations Committee. We should at least consider these views in some committees. We should not merely beg the question by giving complete discretion to Mr. Benton, as the present bill provides.

Mr. Chairman, what impresses me about this matter is the lack of teamwork between the State Department and the House. If our Department of State's conduct of its affairs with other countries is typified by its conduct of its affairs with the House of Representatives, then it is easy to see why we are in diplomatic difficulties all over the world. The post of Assistant Secretary of State for Congressional Relations is now vacant. Perhaps this job should be filled. Warned nearly a year ago that they should seek legislative authority before coming here with an appropriation bill, they came into the committee with a part of this last fall, and since these objections to their information program have come up, we have had no hearings. They come in with the rest of the program on March 29, then before it can be considered by a legislative committee we have a rule obtained waiving points of order and going ahead on this vitally important matter without any legislation at all.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield to the gentleman from Michigan.

Mr. MICHENER. Whose fault is it? The gentleman is a member of the Committee on Foreign Affairs. The Bloom bill was before the committee for a long time. The Bloom bill was reported authorizing a program that might amount

to $25,000,000. The gentleman's committee has refused to hear the very people he has made reference to.

Mr. VORYS of Ohio. The gentleman is in error. Our committee voted unanimously last Friday to hear witnesses on this matter. I think the delay is unconscionable and urged this 2 months ago, as I have said, but the fact is that our committee has finally agreed to go into this.

Mr. MICHENER. Well, better late than never. After this bill is out, the gentleman's committee finally concedes that it will hold hearings. I do not like waiving points of order. I expressed myself before the Committee on Rules a number of times regarding this matter. I have not voted to waive points of order, but if a legislative committee will stall week after week, and month after month, and year after year, and do nothing about it, something must be done. I would like to see the gentleman's suggestion followed and hope that he can wake up his committee and have them take some action and hear these men.

Mr. VORYS of Ohio. I hope that this matter which, it seems to me, is of vital importance, does not get off into a mere quarrel as to jurisdiction and activity between three House committees. Every one of these committees involved, the Committee on Rules, the Committee on Foreign Affairs, and the Committee on Appropriations, is controlled, and properly so, by the party in power, the administration which also controls the State Department. My concern is that the Department of State, with that possibility for liaison with the legislative body, has not been able, along with the leadership of our House, to bring this up to us so as to secure legislative authority for this program before they seek appropriations for an unauthorized program never attempted before in peacetime by this country.

Mr. MICHENER. I think the House and everybody else will take judicial notice of that fact.

Mr. VORYS of Ohio. The remedy for this will lie on a vote on the rule tomorrow.

Mr. RABAUT. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, I have noticed in the newspapers a report on the current labor dispute between the Atlantic coast sugar refineries and the unions representing their workers.

There is a very important angle connected with this dispute. We are all aware that in most of the major industries in this country, certain patterns of wage increases for this postwar period have been established. Steel has given its employees 18½ cents; electrical manufacturers have done the same, automobile manufacturers have done approximately the same. The meat-packing workers have received 16 cents.

Yet at the present time it appears that these sugar refining companies are refusing to come up even to the lowest of these patterns of wage increases. When an agreement could not be reached on the wage issue the unions, which incidentally are made up of both A. F. of L. and CIO locals acting in cooperation, offered to accept any reasonable means of deciding the issue. They offered to arbitrate. They offered to accept the findings of a fact-finding board.

The companies, however, have flatly refused to accept any means of settling the dispute. They will not arbitrate. They will not agree to submit to and accept recommendation of a fact-finding panel. They will not agree to conform to any of the established wage-increase patterns.

The American public should recognize that these sugar-refining companies on the Atlantic coast have especially weak justification for assuming so arbitrary a position. These sugar refineries have been the subject of some very exceptional favors and protections under the laws of the United States. This Congress in years past has established by law certain quotas—very fixed limits—on the amount of sugar which may be brought into the United States, not merely from foreign countries but from areas which are part of United States territory, namely, Puerto Rico, Hawaii, and the Virgin Islands. These refineries have been given by law protection against competition. That law is still on the books of the Nation and will come up for renewal in December of this year.

The theory of this special protection has been that it preserves good jobs for American workers in these Atlantic coast refineries. Yet, now we find that when those workers try to secure from these companies some assurance that those jobs will be kept up to American standards and that wage levels will be adjusted as they have been in all other American industries, they meet with rejection by the companies.

Moreover, at a time when the sugar situation is most critical these companies refuse to accept any peaceful method of resolving the conflict by arbitration or by agreeing to accept the recommendations of a fact-finding board. Instead, the companies insist on provoking a stoppage of production.

It is certainly to be hoped that these companies will yield to the public interest and agree to conform to the reasonable suggestions made by their employees.

Mr. STEFAN. Mr. Chairman, I yield 10 minutes to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Chairman, this appropriation bill is peculiarly interesting to me as a member of the Committee on Foreign Affairs of this House, because it contains items which have been under discussion in our committee for some weeks, but for which authorization is still lacking. Under the usual rule these items would have been subject to points of order on this appropriation bill. We learned earlier today from the mouth of the eminent gentleman from Georgia that he feels himself largely responsible for the rule under which the bill will be considered. In view of his distaste for certain activities covered in the bill, I confess to considerable confusion of mind. Had the usual order obtained, these items could have been readily deleted from the bill by points of order, giving opportunity to the Committee on Foreign Affairs to develop proper authority for such programs. The present situation is becoming confusion worse confounded.

At the moment I shall not discuss the State Department appropriation as a whole, nor what I consider an unfortunate procedure. I shall confine myself to considering one particular activity which this bill eliminates entirely, that is, the magazine we print in the United States for distribution and sale in the U. S. S. R. called Amerika. Granted that 15,000 copies for a population of roughly 190,000,000 is absurdly small; granted that many copies go to those who are opposed to every effort we attempt to use to spread information of our way of life among the vast hordes of the country we are still inclined to call Russia.

The fact remains that we have retained a toehold. To me, and I spent about 2 weeks in the Union of Soviet Socialist Republics last fall, this toehold is of great importance not only to us as a nation but to the whole international picture. The Russian people, the great mass of more than 180,000,000, are wanting to know more of us. It is true that barely a handful of these have any idea that such a magazine even exists, but those few are a leaven in the long-range process we must bring to fruition if the world is going to understand Russia (the Union of Soviet Socialist Republics), and the Union of Soviet Socialist Republics is going to understand the world.

I cannot believe this toehold is so unimportant that it can be thrown out in this fashion and at this moment without dire or at least unfortunate results. Until we have a better way through this iron wall of prejudice and intolerance and ignorance that the small minority of the Kremlin have built around the very wonderful people of that country, we shall be very unwise to destroy the one instrument we have made acceptable to Moscow. Particularly is this true when this annihilation is brought about by a wholly wrong method of approach, from my point of view, to the Congress by the State Department.

That the Committee on Appropriations has seen fit to increase the amount designated for our foreign service personnel and other such items is very heartening. We can no longer function on a prewar scale. Our responsibility to the world and in the world is far too great. We absolutely must increase our whole structure in the foreign field if we are to carry the responsibility that is ours. I feel certain I am not overstating when I suggest that the members of the Appropriations Committee who were overseas last fall are deeply aware of the needs and anxious to see adequate funds voted by the Congress.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill down to and including page 1, line 6.

Mr. RABAUT. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6056) making appropriations for the Departments of State, Justice, Commerce, and the judiciary, for the fiscal year ending June 30, 1947, and for other purposes, had come to no resolution thereon.

COMMITTEE ON MILITARY AFFAIRS

Mr. RABAUT. Mr. Speaker, at the request of the majority leader, the distinguished gentleman from Massachusetts, I ask unanimous consent that the Committee on Military Affairs may have until midnight tonight to file a report on the so-called selective service bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. RABAUT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourns to meet at 11 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. O'KONSKI asked and was given permission to extend his remarks in the RECORD in three instances.

Mrs. DOUGLAS of Illinois (at the request of Mr. CARNAHAN) was given permission to extend her remarks in the RECORD.

Mr. TABER asked and was given permission to revise and extend the remarks he made this afternoon in the Committee of the Whole and include short quotations from the committee report.

Mr. JENSEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from H. R. Conklin of Griswold, Iowa.

Mr. CLEVENGER asked and was given permission to revise and extend the remarks he made in Committee of the Whole today and include a table from the Treasury Department.

Mr. JONES asked and was given permission to revise and extend the remarks he made in Committee of the Whole today and include certain extraneous matter.

Mr. VORYS of Ohio asked and was given permission to revise and extend his remarks made in Committee of the Whole and include certain quotations.

Mr. BIEMILLER (at the request of Mr. SAVAGE) was given permission to extend his remarks in the RECORD.

The SPEAKER. Under previous order of the House, the gentleman from Washington [Mr. SAVAGE] is recognized for 30 minutes.

PRIVATE POWER LOBBY

Mr. SAVAGE. Mr. Speaker, the Electrical World in its news issue of March 23, 1946, referred to a speech I delivered on this floor on February 27, 1946. In evaluating any news item from this high-class publication, it must be realized that a substantial part of the circulation of this paper covers the operators, employees, and friends of the private power companies. Naturally this publication would be irked, and I consider that their remarks about my efforts is the best compliment I have received. On page 1 of this news issue, the reporter admits that the recent resolution asking for a lobby probe was conceded to have excellent chances of passage. Consequently, their reference is an admission that I have gotten under their hide.

No attempt was made to answer any of the factual information I submitted. Since that time developments have caused me to continue the research job applying to this subject. I am today reporting on further findings, and in so doing, I want to stress the fact that I have used extreme care to preserve the accuracy of the record. In my conclusion I will document sources where confirming information and facts can be found to back up every statement I will make. I have used this extreme care in order to give those who are on the other side of this issue an opportunity to dig deeply before attempting to challenge any of this information.

PATTERN OF PROPAGANDA OPERATIONS

It is now nearly 14 years since the late President Roosevelt threw out his power challenge in a speech delivered in Portland, Oreg., in September 1932. The series of events following the Portland speech are being forgotten and are being drowned out by the loud protests of the private power lobbies. Reading the recent testimony before congressional committees convinces me that this lobby feels that the events which led up to the Holding Company Act did not occur, and this act was a great mistake. All of these recent activities definitely indicate that the private utilities have not altered their ways as promised or improved upon their former tactical pattern for misleading the American people.

The recent record forcibly indicates that the same old technique of misrepresentation and evasion still prevails. In my speech of February 27, last, I pointed out their stooge connections and the avenues used to secure congressional presentation. The visible and invisible approaches are now plainly evident. In support of these statements I will now couple past history with present performance.

PAST HISTORY—NATIONAL CAMPAIGN FROM 1919 TO 1932

The national propaganda campaigns during these 13 years have been previously investigated and have been recorded in public records following Senate Resolution 83 of the first session of the Seventieth Congress, and the Walsh resolution. Resolution 83 directed the Federal Power Commission to inquire into and report on the extent of private power propaganda and the use of money to control the avenues of publicity as well as efforts to influence or control public opinion. This same ground was covered in the Federal Trade Commission investigations.

The record made in the cited Federal Commission investigations establishes beyond doubt that the electric and gas utilities af the Nation from 1919 to 1932 carried on an aggressive national propaganda campaign. In this campaign every available facility was used, but in addition the power industry enlisted the help of outside organizations, some openly, some secretly. In this campaign all forms of publicity were used as well as all types of effort to block free expression on the issues.

The record shows that these propaganda activities were carried on through the old National Electric Light Association. This association comprised a membership of over 90 percent of the private electrical industry. In this propaganda effort, the NELA was assisted by the American Gas Association which is also a national association of the gas industries, comprising over 90 percent of this industry. The National Electric Light Association for purposes of administration divided the country into 12 geographical divisions. In addition, the NELA also maintained State associations. The geographical divisions and the State associations were organized and operated under similar rules. The functions of these suborganizations were to carry to the grass roots the national program planned by the NELA.

Power propaganda had its origin in the Insull Illinois campaign of 1919. The record shows that the NELA adopted the pattern of the "Illinois plan" and used this as a model for all propaganda activities. Early in this campaign the director of the NELA boasted that "the public will pay for all expenses of this campaign." Evidently he was referring to use of funds collected by the operating company through their billing charges to consumers. The Federal Power Commission investigation uncovered a memorandum written by the assistant director of the Illinois committee advising his agents not to attempt to meet the arguments of public interest but to pin the red or communistic label on the proponents of the rights of the people. Those speakers who took the public side of the discussion were labeled Bolsheviks, Communists, reds, or parlor pinks. The same technique is still being used, and in this connection I wish to call attention to a speech made by Mr. Kinsey M. Robinson, president of the Washington Water Power Co., as reported in the Spokane (Wash.) Spokesman Review of November 18, 1943.

The record of these investigations shows further that measured by quantity, coverage, and cost, that this was the greatest peacetime propaganda campaign ever conducted in the history of this country. The record shows that this activity was carefully considered and exclusively planned by the responsible heads of the private power industry. This campaign was built upon the theory that the two greatest public-opinion-forming agencies, present and future, were the press and the schools. In selecting personnel the greatest consideration was given to those who had the connections and the ability to contact and exploit these two public-opinion sources. So-called institutional advertising was used to the maximum extent. School people were obtained and influ-

enced by many methods. This was initiated by inviting such personnel to address utility meetings.

Others engaged in school work were employed during the vacation period. Furthermore, committees were set up to plan courses for utility studies, and members of educational and publicity staffs were invited to participate. Payments for special studies or written articles were numerous and large. Many of our higher class educational institutions were not omitted from such endeavors. Textbook surveys were made and pressure instituted to eliminate subject matter which might be detrimental to their campaign. Proof was obtained during these investigations that pressure was first applied on large publishers for the secondary effect on smaller news outlets. During this whole period the investigation brought out that these methods were fully known to the regulatory commissions and only in a few instances were efforts made to stop the use of consumers' fund in this effort. The member companies widely publicized the complete effectiveness of their campaign as a prevention of further Federal or local regulation. The investigations further brought out that in many States the power companies engaged in direct political activities against many public projects and in favor of men and measures agreeable to those who controlled the program.

One of the destructive features of this campaign was the attempt to create public acceptance of manipulated values behind private power security issues. During the years 1928 and 1929 no other American industry put out such a quantity and variety of security issues as did the holding companies and their allies. Following up this campaign, superholding companies were created and organized which issued limitless securities with little attention being paid to underlying values or the soundness of such securities. These worthless services were in many cases given the stamp of regulatory approval.

Those who wish to refresh their memories should review the operations of the Insull Utilities Investment, Inc., and the Corporation Securities Co. of Chicago; also the Hopson group which controlled the Associated Gas & Electric, also the Tri-Utilities, the Standard Gas & Electric, the Central Public Service Co.—the Pierce group which operated in Portland and Seattle—and the Cities Service Co.'s. All of these organizations adopted door-to-door-selling campaigns using the employees of the subsidiary operating companies. High-pressure sales campaigns and methods were planned and used, such as following up death notices and siphoning off insurance payment from widows and orphans.

The investigation established the fact that it was impossible to fully measure the losses inflicted upon the innocent investing public and not including the losses by speculators. The selling prices varied so greatly that it was found impossible to assemble all the data. However, this pyramiding resulted in the collapse of 1929. These investigations established the conclusion "that it would probably not be overstating to say that the losses to investors in utilities securities attributable to utilities campaigns ran into billions of dollars." The effect of this campaign on price trends unquestionably resulted in the collapse of 1929. Companies like the Electric Bond & Share, for example, following the collapse, wrote off $600,000,000 in one step, at the expense of innocent investors. By 1932 public opinion was so incensed that the NELA was forced out of business. Following this action, the private power industry formed the Edison Electric Institute and promised the American people that the industry would desist from antisocial activities.

In my former presentation I outlined activities since 1932 showing that this promise has not been kept. Today I am outlining further evidence bearing on this same subject.

INFLATED SECURITY VALUES

To determine the resulting inflation in utility balance sheet values is a task of large proportions, however, to provide a ready index I have analyzed the write-off reports covering seven private power companies which directly or indirectly operate in the Pacific Northwest—California-Oregon Power Co., Eastern Oregon Light & Power Co., Mountain States Power Co., Northwestern Electric, Pacific Power & Light Co., Portland General Electric, and Washington Water Power Co. The data available for such analysis covered the period from 1941 to 1943 which comparatively is not a long stretch. In analyzing the official write-off records I find that the combined book value of these seven properties totaled in round numbers $234,000,000. The write-down legally ordered or pending during these 2 years as applied to these companies total $46,613,000. This comparison shows that in 2 years' time 19.9 percent fake values were revealed in the balance sheets of these companies. One of these seven companies, the Eastern Oregon Light & Power Co., had a balance sheet that contained over 45 percent of unreal values. These cited write-downs, which resulted from the investigations of the Federal Power Commission and the Washington and Oregon Regulatory Commissions, represent recent actions. Data on these cases are readily available, as public documents, in the files of the Power Commission.

When the Walsh resolution was before a Senate committee in the winter of 1927 and 1928 lobby representatives of the power companies advised the Senate that such an investigation was wholly unnecessary as regulatory practices were so secure that no abuse could possibly be found. Nevertheless, the Senate adopted the Walsh resolution and the Federal Trade Commission commenced its investigation in March 1928. In October 1929, the stock-market crash occurred. The Federal Trade Commission investigation continued until 1935 with the record of over 85 large printed volumes of testimony.

This record contains voluminous evidence of highly improper use of propaganda, money, and influence.

Between 1929 and 1935 many private power holding companies collapsed financially. From September 1929 to April 1935 53 holding companies, with outstanding securities amounting to over one and two-thirds billion dollars, went into receivership or made application under section 79b of the National Bankruptcy Act. In this same period 36 operating companies representing $345,000,000 of securities followed the same course. In addition during this same period 39 companies representing $690,000,000 in securities were either in default or offering adjustment or extension plans. In 1936 Judge Healy, who conducted the Federal Trade Commission investigation and was later a member of the Securities and Exchange Commission, made an analysis of power-company security inflation. From this analysis it is evident that the record I am citing did not by any means cover the entire field.

These established facts clearly show the great damage resulting from the propaganda campaign of 1919–32 and how wrong were the congressional representations of the power lobby. This record furnishes outstanding proof that such lobby presentations cannot be used as given, and by no means should legislation be based on such evidence.

PROPAGANDA CAMPAIGNS IN THE PACIFIC NORTHWEST

I have briefly covered the expenditure side of this recent propaganda effort in my discussion of February 27. Time does not permit giving all the details developed from the recent investigation of the Federal Power Commission. Anyone who wants to find out how over $1,000,000 was spent in a few years to defeat the passing of benefits to electric consumers can find a full record in the Federal Power Commission's docket, File No. I. T. 5647. This recent record gives names, circumstances, and amounts of private power company money disbursements made solely for the purpose of controlling public opinion. The large extent and the nature of these recent propaganda activities were concealed until this investigation brought them to light. These companies had previously reported to the public that these citations were activities of disinterested organizations and citizens working for the common good. The excess of $1,000,000 found on the books of these five private companies show how the activities originated, who were the stooges, and how the money was spent. The alleged disinterested organizations in the States of Washington and Oregon were found to have been financed by these companies. Such organizations as the Washington State Taxpayers Association, the People's Voting League, the Washington Bureau of Governmental Research, the Washington Business and Investors, Spokane Taxpayers Economy League, Oregon Business and Tax Research, Oregon Tax Facts, Inc., Oregon Tax Review Publishing Co., and many fake citizen committees and local groups had their origin with the power companies. All were financed by power-company funds. The account-book examination also brought out that half of these political expenditures were charged directly to the rate payer. These facts demonstrate that the public was paying for a campaign whose end result was to keep the benefits

of low-cost power from being passed to the consumers. This record outlines the propaganda work of the various front organizations, which were provided with power-company funds. The record further shows that the power companies conducted systematic house-to-house campaigns by using employees who had been schooled for this purpose.

In the Spokane election the Washington Water Power Co. used approximately one-eighth of its entire organization in full-time doorbell-ringing campaigns. The same procedure was followed in the attempted passage of initiative 139 and the more recent defeat of referendum 25. The record shows that the Washington Water Power Co. spent over $173,000 in 3 years on such campaigns. A good deal of the expense could not be uncovered, but the large amount uncovered indicates the extent of political expenditures which were used to keep low-cost power from the people.

Along this line I should like to point out a situation in my own district in the State of Washington.

In the city of Vancouver, Wash., located in Clark County, two private power companies, the Portland General Electric and the Northwestern Electric, have been serving that area until recently when the Clark County Public Utility District, established by a vote of the people, purchased properties of the Portland General Electric. The Northwestern Electric Co. has refused to sell its properties to the people at a reasonable price so it is faced with a condemnation suit coming up in November, at which time the PUD is almost sure to purchase its properties.

The Northwestern Electric Co., a subsidiary of the Electric Bond & Share Co., now has approximately 30 employees going from door to door conducting a smear campaign against the people's power district. The immediate purpose of this campaign of falsehoods is to get customers that the PUD has already purchased from the PGE to disconnect from the PUD and connect with the Northwestern so they can again collect for the business of those customers next November. This will force the people of Clark County to pay the private power companies twice for the same customers.

As a part of their campaign they have twice reduced their rates in recent months, in spite of the fact that they held up their rates for years when they had no competition. They are now flooding the newspapers of the area with propaganda telling of their low rates and the amount of money they pay in to the county for taxes, despite the fact that the PUD's pay more taxes in the State of Washington than did their private predecessors.

At this point, Mr. Speaker, I should like to refer to a portion of a speech delivered by Mr. Heye Meyer, Clark County Public Utility District commissioner, to members of the Clark County Pomona Grange on March 13.

Mr. Meyer is a respected and well-known member of the Washington State Grange. At the present time he is a State deputy and a member of the State executive committee of the Grange. His statements cannot be challenged. They bear out my remarks in detail. I quote:

I have been asked to make a short report to you on your PUD since it acquired the Portland General Electric Co. properties in the county last January.

So far as the operation of the physical plant is concerned, we have nothing but praise for the capable manner in which our staff has taken hold of their duties. We want to take this opportunity to express our gratitude publicly. We also appreciate the fact that most of the staff of the private company has remained with us, and are among our most loyal employees. This has made our task much easier.

But unfortunately, if I am to be honest with you, I shall be obliged to tell you some unpleasant things. Unpleasant from the standpoint of the unfair, unbelievable tactics now being used against us by the enemies of public power in an attempt to embarrass and discredit your PUD.

These enemies of ours apparently haven't the slightest regard for ethics, for fair play, or even for the truth. They are now engaged in a smear campaign that reminds us of their ruthless tactics of a number of years ago when the people of this State voted for public ownership. Somehow we had hoped that the power trust had had a change of heart—had been converted, let me put it, to a behavior at least on a little higher plane than in those rough-and-tumble days when they had things all their own way. But they haven't changed a bit. If anything, their tactics are more brazen, more insulting to the common people than before.

The immediate program of these enemies of ours is to take business away from your PUD by telling untruths. By so doing they hope to force the people of Clark County to pay twice for these customers.

As you know, when we took over PGE the court set a fair value on the property, a value based on the physical property and the amount of business the company had. Now the Northwestern Electric Co. has taken a good many customers from us, and by misrepresentation hopes to take away more, so that when we acquire their holdings next fall, we will have to pay a higher price. It's just another neat little trick to milk the people of Clark County for extra thousands of dollars.

Here are some of the stories these folks are telling in an attempt to injure your PUD:

They have told a number of apartment house and building owners that delinquent PUD bills are liens against their property. This is absolutely false.

They have told a number of uninformed persons that our source of electric power is unreliable, because of the storms in the Columbia Gorge. This is perhaps the most ridiculous statement ever made. As you know, we buy our power from the Bonneville Administration, which wholesales the power generated at Bonneville and Coulee. This source of power has been called the most reliable in the world. The Pacific Northwest power pool was set up to meet wartime emergencies, even enemy attack, and now, in peacetime, we continue to get the benefits of this great system. Bonneville and Coulee generate 51 percent of all power used in Washington, Oregon, Utah, Idaho, and Montana, and the private company that spreads this story buys a majority of its own requirements from this same source.

In November the PGE company read meters for an average of only 27 days, and the bills their customers received in December were consequently about 10 percent lower. Then, in December, just before we acquired the properties, the PGE read the meters for an average of 33 days, so that bills received in January were for 5 to 6 days more than the previous bill. We purchased these accounts and sent out the bills.

Immediately, when the bills started going out, doorbell ringers from the private company made a house-to-house canvass of our customers and inferred that PUD rates were now higher than PGE's. For proof, they referred them to their last two bills. They neglected to explain that these bills were for power supplied by the private company before we took over, and for a period of 33 days.

Now Northwestern is writing to our customers urging them to forsake their own public power system for one owned and controlled by Wall Street (but of course, they don't mention Wall Street).

Nor do they let these people know that when they change over from the PUD they are taking tax revenues away from their schools, their roads, their county and city government. As you know, your PUD pays a 2-percent gross revenue tax in place of a property tax, and the more business we have, the more taxes we pay.

Now we have the spectacle of the private company asking the city commissioners of Vancouver to take away part of our city business, so they can further embarrass and discredit public power. However, such a spontaneous reaction of public opinion resulted that I doubt if the city will take such action. Meanwhile, we have offered the city a new contract, providing a $10,000 annual saving. In other words, a saving to the city amounting to $1,000 more than the total 1946 property taxes paid in all of Clark County by the PGE company.

I don't think the city fathers of Vancouver want to become part of any conspiracy to injure the people's own power system.

And here's another one. The port of Vancouver, operating another big public utility, namely, public-port docks and warehouses, has switched from PUD to the private company. Here is a public body that asks you and me for tax support and votes, joining in a conspiracy to discredit the PUD and make the people of Clark County pay twice for the customers they buy when they take over Northwestern next fall.

TAXES

In my previous discussion of lobbying activities I outlined the part presently being played by Kinsey M. Robinson, president of the Washington Water Power Co., of Spokane. This is the same Mr. Robinson who was associated with the Gadsden efforts from 1936 to 1940.

Last November the same Mr. Robinson testified before one of the subcommittees of this House. On his return to Spokane this testimony was covered in the Spokane Spokesman Review of November 25, 1945. According to this account Mr. Robinson testified before the House committee on tax inequalities and told the Spokane newspaper that the committee "was visibly stirred by his testimony." Such account naturally aroused my curiosity and I secured a mimeographed copy of his presentation. If the committee "was stirred" by such an endeavor it certainly did not see through his testimony. A casual reading discloses that this testimony contains outstanding jokers. It is a clear cut case of a deliberate attempt to mislead Congress. In his testimony Mr. Robinson made much of the taxes paid by the Northwest private utilities compared with the reported revenue figures of the Federal Power system in that region. The jokers arise from the neglect of Mr. Robinson to point out that he used 22 private companies as the basis for his statistics without noting that these 22 companies serve a vastly greater area than covered by the Federal system. His

exhibit fails to stress or cite that these companies are largely in the retail business whereas the Columbia power is only sold at wholesale. The Robinson tax figures submitted to the committee also included taxes on nonoperating and nonelectric properties, and about 50 percent of the taxation cited was for Federal income and excess profit taxes. His statement shows how excess profits were derived from the resale of power purchased from the Federal Government. The cited companies elected to keep rates elevated and pay excess profits taxes rather than to pass the benefits on to the people as they are supposed to do, according to law.

Mr. Robinson's presentation before this Committee also failed to bring out that his company purchased nearly one-third of its power requirements from the Federal plants. It is interesting to note from his exhibit that the northwestern power company paying the largest excess profits tax in 1944 was the Portland Co., which purchased about 65 percent of its requirements from the Federal Columbia River plants. His exhibit instead of bringing out his generalized points furnishes conclusive evidence that the companies are not fully passing along the benefits derived from low cost Federal power. Mr. Robinson cited average tax bills expressed in mills per kilowatt hour. He failed to note that they included nonelectric properties; therefore, such unit costs have no place in such a comparison. These cited jokers show that if Mr. Robinson really stirred this group then their sights need to be reoriented. Such testimony also furnishes conclusive proof that the private power lobby has not changed its tactics or has lived up to the promises made to the people during the depths of the last depression. The same old technique is still being worked. Instead of presenting factual material, the lobby reverts to misrepresentation and raises the cry of socialism and communism. Such a false allegation never seems to be worn out by use.

It is not necessary to go very far in any research to find substantial indication that such lobbies are no more to be trusted today than when they appeared before the Senate Committee and urged that the Walsh Resolution was unnecessary. Such deliberate misrepresentations of facts, and their self-serving disregard for public interest certainly demands full exposure.

CONCLUSION

I wish the time were available to cite a great many further instances, from the CONGRESSIONAL RECORD, official documents, and from national publications showing the propaganda efforts of the private power lobby.

The facts that I have cited can be verified from the recent sources indicated throughout my remarks and from the record of investigations growing out of Senate Resolution 83, Seventieth Congress, first session. Release No. 244 of the Federal Power Commission dated December 11, 1934, and the voluminous record of the Federal Trade Commission from 1928 to 1935 will confirm the historical facts I have given. Docket IT-5647 of the Federal Power Commission is full of later confirming evidence. Further evidence can be found in the House hearings on H. R. 7642, Seventy-fifth Congress, first session, the CONGRESSIONAL RECORD of March 4, May 12, 1937, and March 10, 1939. All the hearings and floor debates in both Houses on the various Interior supply bills from 1939 to date can also be used to confirm the material I have presented. Further detailed confirming evidence will be found in the article by F. J. Chamberlain, in the Washington State Grange News of June 10, 1939.

The address of Mr. Bernard F. Weadock, vice president and managing director of the Edison Electric Institute, which appeared in the April 1939 issue of the Edison Electric Institute Bulletin furnishes further factual information. Those who want to go further might properly read the statement of Mr. C. W. Kellogg, president of this institute made at the seventh annual convention of the institute and quoted in the June 1939 bulletin. The Edison Institute bulletin of April 1939 also contains similar information.

A reading of these latter citations and a factual comparison of the war contributions of the State of Washington, will show how wrong the private power propaganda was in the period immediately preceding Pearl Harbor. Through 25-year record I have traced misleading information which has been supplied to the Congress by the succeeding private power lobbies. Certainly on the basis of such a record it is time to stop, look, listen, and investigate. The public interest demands that the sources of this misleading information be exposed, and the adverse effect on public welfare matters be eliminated.

(Mr. SAVAGE asked and was given permission to revise and extend his remarks in the RECORD and include portions of a speech delivered by Mr. Heye Meyer, Clark County public utility district commissioner, to members of the Clark County Pomona Grange on March 13.)

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. STEVENSON] is recognized for 30 minutes.

I WONDER WHAT'S BECOME OF BUTTER?

Mr. STEVENSON. Mr. Speaker, one startling item in the Washington newspapers this week was the report of the death of a housewife who had been compelled to stand in line for a long time waiting her turn to buy a few ounces of butter from one of the local grocery stores.

Who would have ventured the prophecy a few years ago that our good people in the leading dairy Nation of the world would have to stand in line to buy butter for the family table? But such is true in the United States National Capital today. Butter is now a luxury, it appears, and very difficult to get in our large cities. I do not intend to take the time of the House in this address to repeat what has been said so many times in this body outlining the large percentage of dairy herds offered for sale at public auction every day in our daily and weekly newspapers throughout the land, and the countless herds that have been offered for sale the past several years, as more and more farmers are compelled to give up their dairy herds and quit the dairy business.

We have also read for months of the butter factories throughout the country that have closed their doors for want of cream to produce butter on the one hand, and for the want of a market for the sale of butter on the other. It is only an economic consequence then that with no cream being delivered at the butter factories to be made into butter, and with butter factories closing down for lack of a butter market, less and less butter is being manufactured in this country. If this continues, there will come a time when butter will be practically unavailable for the ordinary household.

People are gradually being compelled to develop a habit of eating substitutes for butter. Here in Washington for many months leading hotels and restaurants have not served butter. They say they cannot get it. So they serve the public substitutes for butter—the most healthful spread for bread ever conceived by man from ancient times to the present day. Butter-making was the principal industry in the Euphrates Valley thousands of years before the coming of Christ. In the excavations and in the ruins of the ancient city of Ur, scientists found temples erected and dedicated to the dairy cow. On the frieze of the temples erected more than 3,000 years before Christ scenes are depicted showing how the people of 60 centuries ago milked their cows, and churned their butter from the cream skimmed from cow's milk. The butter industry since ancient times was the foundation of the health and prosperity of the peoples of each succeeding generation from the time of Abraham.

Let us see what the Bible has to say about butter.

The only time angels are portrayed as eating food, is referred to in the Book of Genesis—18: 8—where the incident is mentioned that three angels visited Abraham at his tent on the plains of Mamre:

> And he took butter and milk—and set it before them; and he stood by them under the tree, and they did eat.

In the Book of Job we find this reference:

> The wicked and the hypocrite shall not see—the brocks of honey and butter. (Job 20: 17.)

And in Isaiah—7: 15—it is said:

> Butter and honey shall he eat that he may know to refuse the evil, and choose the good.

In Judges—5: 25—according to the song of Deborah and Barak:

> She brot forth butter in a lordly dish.

So, Mr. Speaker, you see butter was a food for kings.

But now we are about to see the butter industry of this country wiped out because of certain rules laid down by Washington agencies and the OPA. A Nation-wide propaganda against the butter industry began in the summer of

1941, when the Consumers' Counsel Division of the United States Department of Agriculture was given the privilege of conducting a national radio broadcast over the facilities of NBC on July 5, 1941.

To take the stigma off the real name of oleomargarine, the broadcast opened with the statement that there would follow a little family discussion about margarine. Sounds nicer than "oleo" does it not? Little Barbara, her mother, Mrs. Miles, and a young man named Carl took part in the skit. As I describe the little propaganda skit that went over the air into millions of homes in the United States and elsewhere, I want you to take particular note of the artful method used to break down the universal good-will of the public toward butter. Barbara started by asking her mother what she was mixing up in the bowl she had.

"Looks sorta like butter to me."

Mrs. Miles replied: "It's something we're going to use, instead of butter for awhile." Barbara is apparently surprised: "Instead of butter? Why, what's the matter with butter?" Notice how slyly they put the idea in the minds of the listening public that something was the matter with butter. Then Mrs. Miles gave our good nourishing butter the first jolt when she said: "It costs a lot of money for people like us who have to watch our pennies." "I'm just mixing in the color. You can have uncolored margarine much cheaper, and color it yourself. That's probably a new idea for lots of people, isn't it, Carl?" Carl agreed it was. Mrs. Miles clinched her argument with the remark: "That's mighty important right now, with the price of butter what it is."

Let me ask every housewife and every worker who has been in the habit of eating butter since childhood, if they think the cost of butter—if we could only get some—is too high or unreasonable. But this propaganda skit gave the world the impression that butter is unreasonably high, and that people cannot afford to buy it.

The propaganda continued, and Carl went on with the most falacious argument of the entire broadcast, as follows:

"Of course you know both butter and margarine are chiefly fat. By law or Government rules both margarine and butter must be at least 80 percent fat. Butter is made of butterfat, the fat from cream. And margarine can be made from animal fat or oil, or vegetable fat or oil, or a combination of the two." Then to complete the picture, Mrs. Miles said:

"So the biggest part of both butter and margarine is just fat." And so the people listening in on that broadcast were led to believe that butter and margarine are alike and the same—because it was said they are both mostly fats.

The closing hoax was offered the public by the young man, Carl, who then remarked: "Fats are important in your food because of the large number of calories—you know, for fuel and energy." He was asked, "Is there any difference between fat in butter and fat in margarine?" But instead of giving the real, true, and correct answer to that $64 question, he asked another question and parried the $64 question like this: "How do you mean, difference? You mean, is one fat more digestible than the other?" Then he answered his own easy question by saying: "There's very little to choose on that score between the various kinds of pure fats; they are all more or less equally digestible and equally rich in fuel value." According to this we might better eat tallow candles to get the fuel and energy contained in candles. In fact the Eskimo prefers to eat tallow candles for heat and energy. He prefers tallow to oleomargarine in his diet. But that is no reason why we should eat "oleo" instead of butter.

Then they brought up the subject that finished off the butter industry. Answering the question, "Is there a difference in other food values between butter and margarine," the character Carl said: "That depends. You know, butter has vitamin A in it. Over the year a pound of butter will average about 9,000 USP units of vitamin A. But under the new law and new standards, if manufacturers add vitamin A to margarine, they must add 9,000 USP units to make it about the same as the average pound of butter." He continued: "The labels on the margarine package will tell you lots of things—what margarine was made from, whether a preservative was used, and what it was; whether vitamin A was added, and whether it was artificially flavored or colored."

They concluded this propaganda skit with the remark: "We can find out practically all we need to know about margarine just by reading the labels." Just to prove to you how misleading that artful statement was, I have here a carton cover of a pound of oleo sold in Washington. Listen to what the label says, and then tell me if you think the label has told you "practically all you need to know about oleo just by reading the label."

The new Creamo vegetable oleomargarine contains 5 percent cream. Vitamin A added—Sodium benzoate added as a preservative—Artificially flavored—2 ounces supply 28 percent minimum adult daily requirement of vitamin A.

If this margarine called Creamo contains only 5 percent cream, that means every pound of it contains less than one ounce of cream. To be exact, only four-fifths of an ounce of cream per pound. According to the Federal law cream must contain 18 percent butterfat. So this margarine sold under the name "Creamo" contains less than one-seventh of an ounce of butterfat per pound. A pound of butter contains 12.9 ounces of butterfat. Some difference! Ninety and one-third times as much butterfat in a pound of butter as in a pound of oleo.

From a recent bulletin issued by the Department of Agriculture, bulletin No. 571, table No. 2, shows the vitamin A potency of creamery butter produced in winter and summer in the 14 dairy States. I include this table at this point of my remarks.

TABLE 2.—*Vitamin A potency of creamery butter produced during the winter and summer months in 14 States*

Region, and participating State	Average yearly butter production			Average vitamin A potency per pound		
	Total	Winter months	Summer months	Winter butter	Summer butter	Annual
	Million pounds	*Percent*	*Percent*	*International units*	*International units*	*International units*
North Central:						
Minnesota	304.4	43.3	56.7	10,808	17,946	14,855
Wisconsin	151.2	34.6	65.4	10,663	18,884	16,039
Ohio	69.5	31.4	68.6	9,698	15,459	13,650
Iowa	241.0	37.4	62.6	10,946	17,434	15,010
Nebraska	93.3	36.5	63.5	11,287	20,667	17,030
Kansas	74.7	37.8	62.2	11,606	15,030	13,768
Total or average	934.1	38.3	61.7	10,863±267	17,810±870	15,150±535
South Atlantic and South Central:						
North Carolina	1.8	29.5	70.5	9,674	16,253	14,312
Louisiana	.8	29.2	70.8	12,283	18,068	16,379
Mississippi	4.0	22.8	77.2	12,014	17,868	16,533
Total or average	6.6	25.4	74.6	11,301	17,471	15,903
Rocky Mountain and Pacific coast:						
Washington	32.0	17.8	82.2	12,162	19,827	18,467
Oregon	28.2	34.7	65.3	12,899	18,464	16,535
California	43.2	19.0	81.0	15,140	18,968	18,241
Idaho	37.1	37.1	62.9	13,312	18,197	16,384
Montana	12.7	29.7	70.3	18,636	22,018	21,014
Total or average	153.2	26.9	73.1	13,931	19,170	17,754
Grand total or average	1,093.9	35.7	64.3	11,160	17,955	15,529

This table shows the average vitamin A potency during the winter months averaged for all the dairy States, 11,160 USP units and for summer months, 17,955 units. The average for all the dairy States for both summer and winter is 15,529 USP units. From the table you will also note that certain dairy States produce creamery butter averaging 17,754 USP units for both winter and summer; and that one State averages over 21,000 USP units per pound.

Thus you behold the misleading and untrue representations of the Consumers Council of the Department of Agriculture when they broadcast to the world the fallacy that by adding 9,000 units of vitamin A to margarine, it is about the same as the average pound of butter.

The oleo interests have been misleading the public for years. This type of radio propaganda is only one of the many examples. The vitamin A gag is the more apparent when we realize that no oleo

manufacturer is compelled to inject vitamin A into his product.

Let me ask you a few questions that answer themselves:

"If oleo is more nourishing than butter why did the Russian Government refuse to accept our lend-lease shipments of oleo to Russia and insist that butter be substituted instead!"

"If oleo is more healthful than butter why did our own Army and Navy doctors insist on having wounded soldiers and sailors placed on a butter diet instead of oleo!" The proof is that wounded and sick soldiers and sailors failed to gain in health on a diet of oleomargarine, but showed rapid gains after being put on a butter diet.

"Why did our Air Forces refuse to have oleo in their rations; but insisted on good pure creamery butter instead?"

Where do these facts leave the oleo promoters? These self-styled good health boys—the oleo nutritionists.

Regardless of the fact that butterfat in a pound of creamery butter is 90⅓ times greater than in a pound of oleo, the OPA has set a ceiling price of 55 cents a pound for butter and a sliding scale of ceiling prices for a pound of oleomargarine, running from 27 cents a pound down to 17 cents. Thus you will note how the OPA gives the oleo boys a lot of money for what they give the unsuspecting public. Those who buy oleo get one-seventh of a pound of butterfat in a pound of oleo at the OPA price of 27 cents if they give it a shot of vitamin A. But for 55 cents you get over 90⅓ times as much butterfat in a pound of butter, and from 1½ to 2½ times as much vitamin A as you get in oleo.

And if the OPA allows some manufacturers of oleo to sell their product for 17 cents a pound and others for 27 cents a pound—somebody somewhere is getting "gypped" and somebody is making exorbitant profits at the expense of the gullible public who have been misled by the misrepresentations of the oleo interests in this country. The OPA has set a ceiling price on butter at 55 cents a pound. This ceiling price of 55 cents per pound for butter reflects a return to the farmer of about 55 cents a pound for butterfat. However, butterfat has no OPA ceiling price, and there is a market for Wisconsin cream in some southern States where it is sold for more than 55 cents a pound—in some instances Wisconsin cream is bought for 75 cents and more per pound and used in the process of making "blended" milk. The cream or butterfat is blended with skim-milk powder and water, bottled and sold as "blended" milk for 20 cents and more per quart. Thus butterfat, or cream, that sells for as high as 75 cents per pound, is shipped to southern markets, where it is mixed with skim-milk powder, and lots of water, and resold by large corporate dealers for five times what the cream cost in Wisconsin.

That, Mr. Speaker, is what has become of butter. Our farmers can get more for fluid milk and cream than they can get for butter under OPA ceiling prices, so the farmer does not sell his milk or cream as butter, but as fluid milk and cream where he can get a price for his milk and cream that pays him the cost of production.

The OPA has set a ceiling price of 13½ cents for cottonseed oil and other vegetable oils used in the manufacture of oleomargarine. After the cottonseed oil has been processed into oleomargarine the OPA gives it a ceiling price of 27 cents per pound. Just add to cottonseed oil some diacetyl acid to make the oleo taste like butter, wash it with skim milk to make it smell like butter, then adulterate it with benzoate of soda to keep it from going rancid and developing an odor that will drive you out of the house; then put it in a pretty box, decorated with pretty pictures, give it a pretty name, add a fancy price, and you have oleomargarine—the substitute that is driving good, pure, unadulterated, healthful, and nourishing dairy butter off the legitimate market. But disguise it as you will, it is still "oleo."

It is high time Congress brought pressure to bear on the agencies in and out of Washington to let them know in no uncertain terms that while we are appropriating millions of dollars annually for such agencies to advance agriculture and agricultural industries in this country, including the butter industry, these departments and agencies of our Federal Government must stop all further use of such appropriations to fool the public. They must not mislead our people into the false assumption that oleomargarine is anywhere near as nutritious or as healthful as creamery butter. They must not aid the oleo interests to supplant the creamery butter industry in this country with such a poor butter substitute as oleomargarine.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to the gentleman from Michigan.

Mr. RABAUT. The substitute the gentleman referred to is really in the form of a jelly; it is not anything else. I never receive a substitute other than jelly served in any hotel in Washington.

Mr. STEVENSON. I agree with the gentleman from Michigan.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. Does the gentleman have an extra copy of the Bible he could send to OPA?

Mr. STEVENSON. I have a copy in my office which I think would be good for them to see.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to the gentleman from Minnesota.

Mr. PITTENGER. As I understand, that was a radio broadcast by the Consumers Counsel Division of the Department of Agriculture.

Mr. STEVENSON. That is right.

Mr. PITTENGER. Is not that the same kind of broadcast the Department of Agriculture has been putting out in past years at the expense of the taxpayers as against the interests of the farmers?

Mr. STEVENSON. I would not be surprised.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. During our hearings before the Subcommittee on Appropriations for the Department of Agriculture I asked Dr. Stiebeling, the head of the Bureau of Home Economics, whether or not her division had made any study into the comparative value of butter and oleo. The lady was very reluctant to admit anything in her reply and did not even go so far as to say that there was any difference. In fact, from her testimony, I was led to believe that she, the head of a great division in our own Department of Agriculture, was in favor of promoting oleo. I told her at the time that in my opinion she was not working for the good of the farmers of the United States by refusing to hold up the superiority of butter over oleo and expressed my personal opinion in addition that, in spite of her good work in other lines, she knew very little about the comparative values of these products. I hate to see people in our great Department of Agriculture unwilling to come out and defend the dairy cow.

Mr. STEVENSON. I am glad to have that reference by the gentleman from Minnesota.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to my distinguished colleague from Wisconsin.

Mr. MURRAY of Wisconsin. I think, in fairness to Dr. Stiebeling, it should be said that her department has not carried on enough experiments to be able to answer the gentleman from Minnesota. She does not have sufficient experimental information to draw too many conclusions as to the merits of oleo and butter. It was her co-workers last year who first found out that butter even had vitamin A in it. Up to a year ago they did not seem to know. They had not run the experiments to find out. The oleo people for all these years had been getting away with their advertising of the 9,000 international units. The dairy interests evidently had not even bothered to find out if there was any vitamin A in it or how many international units of vitamin A the butter had in it.

The dairy department, and I can verify that by the gentleman from Minnesota [Mr. H. CARL ANDERSEN], explained the situation to us one day at Beltsville and showed us the tables in circular 571. Is not that right?

Mr. H. CARL ANDERSEN. That is right, as to the tables.

Mr. MURRAY of Wisconsin. Until that time the dairymen did not have this information. Dr. Stiebeling therefore is in no position to know too much about it because there had not been enough experimenting done on this part of dairy science.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield.

Mr. H. CARL ANDERSEN. In my opinion, Dr. Stiebeling knows full well but she fears that perhaps if she does say that butter is better than oleo, some of these southern gentlemen in the House

of Representatives might take exception to it because of their natural interest in cottonseed oil.

Mr. STEVENSON. It is a fact that we feed our infants on butter, not on oleomargarine, to make them healthy.

Mr. O'KONSKI. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to my colleague from Wisconsin.

Mr. O'KONSKI. Does the gentleman know what oleo sold for in 1941? What percentage of price increase has been allowed in the last 5 years?

Mr. STEVENSON. I cannot answer that in exact figures; but there has been some increase in the price of oleomargarine on the market.

Mr. O'KONSKI. I believe the gentleman will find that OPA has allowed substantial increases for oleo but has denied any to butter. It looks to me like a conspiracy on the part of OPA to wipe out the dairy industry of the United States of America. That is the way it appears to me.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to my friend from Michigan.

Mr. RABAUT. There is just one thing I cannot understand about the dairy industry, and that is this: It was very unmindful during the whole of the war period when butter could not be had, when the housewives of the Nation were forced to mix a pound of oleo every day that they might feed their children some sort of fat, when there was a great shortage of labor they still forced this waste of time. That does not seem right to me; it resembled gross indifference. Then, too, they wanted to stop the oleo people from putting the very coloring matter into oleo that the dairy people themselves put into butter. They use coloring matter in butter and still they will not permit coloring matter to be used in oleo.

I am favorable to butter, as favorable to butter as anybody else, but when the dairy interests cannot supply the demand, and they were unable to, they should not try to stop the sale of oleo. Right downstairs here in our restaurant day after day we have not been able to get butter. Some day I hope somebody in this House will be big enough to say: "Put the sign up on the mirror: 'Oleo is served here.'"

Mr. HORAN. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to my friend the gentleman from Washington.

Mr. HORAN. I am very much sold on butter after listening to the gentleman from Wisconsin. I wonder where I can buy some?

Mr. STEVENSON. That is what a lot of us want to know. I wonder what has become of butter?

Mr. HORAN. Mr. Speaker, will the gentleman yield further?

Mr. STEVENSON. I yield.

Mr. HORAN. What will be necessary in order to get dairy production up that we may have some butter? I understand the production of dairy products has dropped? Is that so?

Mr. STEVENSON. That is correct.

Mr. HORAN. What will be necessary in order to get greater production of butter so we can all have some?

Mr. STEVENSON. Perhaps the gentleman from Minnesota can answer that.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield.

Mr. H. CARL ANDERSEN. May I say to the gentleman from Michigan that if he would use his great influence in trying to persuade OPA to do right by the butter producers he would not have to shed tears here on the floor for the oleo people and we would have plenty of butter for the children of America.

Mr. RABAUT. At what price?

Mr. H. CARL ANDERSEN. At a price which would assure production.

Mr. RABAUT. What is the price? You name it.

Mr. H. CARL ANDERSEN. It might require an additional 10 cents a pound for real honest-to-God manufactured butter instead of requiring the housewives of America to go into the black market to buy cream.

Mr. RABAUT. Let us keep out of the black market.

Mr. H. CARL ANDERSEN. And produce butter for about $1.10 per pound.

Mr. RABAUT. I am asking the gentleman what a legitimate price for butter should be, a price in keeping with the ability of the ordinary people of the country to pay.

Mr. H. CARL ANDERSEN. If the OPA would wake up and permit an increase of about 10 cents or 15 cents, we would have all the production of butter we need in this great Nation in very short order, provided cream itself did not also advance to offset this raise in butter price.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. May I say this to the gentleman from Michigan [Mr. RABAUT]. The dairy farmers of the Nation last year received between 40 and 50 cents an hour for their labor. Now, if the gentleman wants to have plenty of butter I am sure if he would provide the dairy farmers of this country half as much per hour for their labor as the automobile workers in Detroit get for making automobiles he would get all the butter he wants. They do not get enough money from their labor to produce it in sufficient amounts for the gentleman from Michigan.

Mr. RABAUT. The gentleman has never heard the gentleman from Michigan in his life try to hold down anybody's wages in this country. I have never said one word against wages on the farm or anywhere else. I have supported many farm bills. I want to know how we can do away with this dog-in-the-manger attitude, how we can stop the dairy interest from making every housewife in America stand over a churn with a spoon, as my wife has had to do, and as the wives of many Members of the House have had to do every day.

Mr. GWYNNE of Iowa. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to the gentleman from Iowa.

Mr. GWYNNE of Iowa. Further answering the question raised by the gentleman, I would like to submit one sentence from a letter I have received from the Governor of Iowa and the secretary of agriculture of Iowa. This letter states:

> OPA must be forced at once to right this situation of price inequalities in the dairy business or Iowa creameries will cease to manufacture butter and many farmers will be forced out of the dairy business.

That comes from the governor and the secretary of agriculture of one of the great dairy States of the Union.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to my colleague, the gentleman from Wisconsin.

Mr. KEEFE. It seems to me this RECORD should not be left in the shape it is in due to the interjection of the distinguished gentleman from Michigan. Anyone who knows anything about the dairy business knows that the farmers have produced in this country the most unheard-of production of milk, which is the foundation of all the dairy business. A gradual reduction is taking place in the production of milk itself all over the United States due to the inability, first, of the farmers to get high-protein feed to put into those cows in order to produce milk; second, their inability to secure the labor that is necessary on a dairy farm to produce milk. The production is going down.

What has happened to your butter is a very simple thing. The OPA puts a ceiling price on butter; it puts no ceiling price on cream, which is a constituent part of butter. What happens?

Here is a creamery making butter for which there is a ceiling of about 55 cents a pound. Other fabricators of dairy products come into that same area and offer the farmer 85 and 90 cents a pound for his cream, his butterfat, and, as a result, the manufacturer of butter simply cannot compete. He cannot get the cream to start with into his creamery. It is a perfectly reasonable thing for a farmer to take 90 cents a pound for his butterfat instead of 57 cents a pound for it or 60 cents, if he can get it, the latter figure being the maximum amount he can get if it is fabricated into butter.

Now, your sweet-cream market is absorbing the butter due to OPA's inability to understand what is taking place in the dairy market. We see the thing happening that the big operators are buying sweet cream, condensing or powdering the skimmed milk, shipping the sweet cream into places where they can get a big fluid milk price for it, shipping the condensed or powdered into the same place, reconstituting it by adding water, and getting two or two and a half dollars a pound for their butterfat. That is what is happening, and that is where your butter is going, and you will never have any butter so long as that situation is allowed to prevail. The only thing that will bring butter back on the market is to give to the producer of milk and cream which is put into butter a price that will enable him to compete with the other fabricated

items in the dairy business. There is nothing else that will solve the problem.

I want the gentleman from Detroit to understand this, that there has been no effort on the part of the farmers of this country to deny to the little children and to the housewifes the benefit of decent, nourishing butter, but they have been put in this unfortunate situation due to the machinations of the great dairy monopoly that exists in this country that is able to take these dairy products and transform them into the things that will make the most money for them. That is the situation. OPA does not seem to understand that, and as a result you do not get butter, and you cannot get oleomargarine because they have limited the amount of fat and oil that goes into oleo. You cannot buy oleo so easily as the gentleman from Michigan would seem to indicate.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to the gentleman from Michigan.

Mr. RABAUT. Nobody has been a greater contributor to the dairy interests than the gentleman from Michigan. I have only raised nine children, and they had all the butter and all the milk they wanted, and from world travel I am very pleased to note the dairy industry of this Nation is as good as it is. But my criticism is regarding the control by the dairy industry over the processors of oleomargarine with a type of legislation that makes every housewife in America stir away and mix a pound of oleo, together with some coloring matter added to feed her children, when the butter makers do the same thing themselves by machinery.

Mr. STEVENSON. I presume the gentleman from Michigan did not feed any of those beautiful children of his oleomargarine in their infancy, because they are too good singers at the present time to have been raised on oleo.

To conclude my remarks, Mr. Speaker, I was going to mention the fact that the blended-milk industry has made serious inroads in the production of butter, to answer the question asked by the gentleman from Washington [Mr. HORAN], "Why has butte gone off the market?" We do have a blended-milk industry. It was referred to incidentally by the gentleman from Wisconsin [Mr. KEEFE]. For instance, a few weeks ago the secretary of the Goat Owners Association of Florida wrote me, and the last thing he said was, "Keep your Wisconsin milk out of Florida." I wrote back and told him in words to the effect that if Wisconsin milk was going to Florida it probably was going there because the Florida people were demanding it.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STEVENSON. I understand that in the Southern States especially, they will buy cream or butterfat, at whatever price they can get it, good Wisconsin butterfat. There is no ceiling on that. They will pay, as was mentioned here, 75 or 85 cents a pound for it. This butterfat is then shipped to these particular States where blended milk is consumed, mixed with a little skim milk powder, and watered from the good fountains of Florida as well as other Southern States. That is what they call blended milk, which they charge as much as 20 cents a quart for.

They can buy the butterfat that goes into a pint of blended milk for 3 cents. They sell the pint of milk for 10 cents, so you see they are making a pretty good profit, and the OPA does not stop them. That is where a lot of the good cream of Wisconsin goes, and why it does not go into butter that has a ceiling price of 55 cents.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I feel that the gentleman from Wisconsin is to be congratulated upon his protecting the interests of the dairy industry, because after all the dairy industry of America is the backbone of agriculture. In my opinion, the gentleman from Wisconsin [Mr. STEVENSON] has always tried to do his best for the farmer and, as a farmer myself, I want to thank him.

Mr. STEVENSON. I thank the gentleman from Minnesota very much.

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. MADDEN] is recognized for 30 minutes.

THE EIGHTIETH CONGRESS

Mr. MADDEN. Mr. Speaker, Congress is facing problems today which will decide the destiny of American economy and international peace for generations to come. The legislative branch of our Government needs the advice and counsel of the people back home more than any time in our history. It is unfortunate, during this war emergency, that Congress cannot recess more frequently, thus enabling its Members to return to their districts and consult with the people on these unprecedented problems. Our two-party system is the only successful method by which the people can register their approval or disapproval of the platforms and policies of the two major political parties. It is, therefore, highly important that our system must continue and the leaders of our two major parties present clear and concise programs to the people for their decision.

Reconversion after World War I was difficult, but problems today are far greater in comparison. After the armistice was signed in 1918 our war-tired citizens, weary of sacrifice and inconveniences caused by the world economic upheaval, were easily influenced by false propaganda, and in 1920 voted for a change in national administration regardless of issues and consequences.

When the great depression hit us in 1929 the thinking people of our country realized the great mistake which our voters made in the 1920's by following false and impractical leadership.

The back-to-normalcy platform of the Republican Party in 1920 laid the foundation for inflation and the companion real-estate and stock-market booms which led us to almost economic ruination in 1929.

Whenever a great crisis arises, the American people call upon the Democratic Party to take the helm of government and lead us safely through the troubled waters. On March 4, 1933, labor groups, chambers of commerce, the American Manufacturers Association, big business, little business, and even Republican leaders came to Washington and asked a newly elected Democratic President to save the business structure of our country from complete ruination.

Tens of thousands of business institutions had already collapsed during the dark years from 1929 to 1933. Life savings were wiped out overnight by the failure of our banking system throughout the country. Millions of homes were being foreclosed; farms by the dozen were being sold under the hammer in every rural county seat in the Nation. Smoke had long since ceased pouring from the smoke stacks of our industries. In metropolitan centers millions of families were on relief, and men, women, and children were poorly clothed and undernourished. This condition in our country was brought about by 10 long years of Republican special privilege and misgovernment. The country called upon the Democratic Party to lead us back to the sunshine of prosperity and the fruits of a true American way of life. Our party accomplished this great task under the leadership of a great statesman and world leader, Franklin D. Roosevelt. No President in history shouldered greater problems than President Truman did 1 year ago this week. Against selfish opposition, he is masterfully guiding our Nation through the troubled waters of after-war reconversion.

COMMUNISM

In the last two campaigns we have heard a great deal from the opposition about communism. We remember in 1931 and 1932 when farmers of the Middle West gathered in groups with pitchforks and ropes going about the countryside on trucks threatening judges and lawyers against the epidemic of foreclosures and sheriff sales. We also remember the hunger marches to Washington. In those dark years before the voters repudiated the Republican leadership, America was in real danger of revolution and communism, and if it had not been for the Democratic Party, the so-called American way of life which the Republican leaders today enthusiastically embrace, would have been destroyed. Therefore, I claim that Republican national leadership with its old-time reactionary policies is the greatest indirect friend communism has in America today.

DEMOCRATIC LEADERSHIP

There must be some fundamental reason why the American people have kept the Democratic Party in power nationally on four successive Presidential elections. The end of 1948 will mark the

16th year of successive Democratic administration in our country. I attribute this unprecedented continuation of the Democratic Party in power to two major reasons: No. 1, our party has been constant and steadfast in fighting for the rights of the great masses whether it pertained to business, labor, or agriculture; secondly, the national Republican leadership has not given the American people a progressive program since the days of Theodore Roosevelt. Even Republican newspapers editorially comment with apologies that their leadership has again failed to offer a constructive forward-looking program.

A party devoted to the goddess of special privilege with no real sympathy for the oppressed will not be entrusted with the responsibilities of government for very long. The loyal opposition loves to exalt on rugged individualism but when they speak so lovingly of rugged individualism they do not mean that labor, farmer groups, the white collar workers, and small business should be considered in their way of government. "Rugged individualism" to them means an uncontrolled, unregulated profit system with all restrictions, restraints, and responsibilities removed; and they themselves want to run the system.

Doctrines and principles in pious platitudes are not enough for a party to set out in its platforms. These promises are not superpropelled. It takes capable, outstanding elected officials to carry out noble party aspirations—men who believe and practice their belief that public office is a public trust. The Democratic Party today has such leadership.

The Republican Party leaders are on dead center. They will not admit their past failures and they will not endorse the progressive policies of the Democratic Party because that admission will keep them away from power and victory; but we have their record of the past before us and that record is black with tragedy and disaster.

PERMANENT PEACE

On Pearl Harbor Day, December 7, 1941, the American people again realized the great mistake they made in 1920 when the enemies of Woodrow Wilson's great permanent peace program were elected and proceeded to sabotage the League of Nations. Thinking Americans today agree that all possibilities for future peace were ruined when we refused to accept our world responsibility after World War I, but instead followed the leadership of isolation. The United Nations Organization of today is a direct descendant of the Democratic Party's great peace program of 25 years ago under the leadership of Woodrow Wilson. Had we joined the League, its success would have saved millions of lives, billions of dollars, and prevented World War II. The political propaganda which caused the great mistake a quarter of a century ago is still active, and in the congressional elections of 1946, we must not allow history to repeat itself.

LABOR AND AGRICULTURE

Republican strategy in the last three elections was to drive a wedge between the rural voter and the industrial worker. Millions of dollars have been spent through the newspapers, radios, and magazines to build up a spirit of resentment among the farmers against labor organizations. The Republican leaders have to a certain degree succeeded in their program to promote antipathy and bitterness between these greatest groups in our economy. I believe the Democratic leadership has been lax in neglecting to properly organize the rural communities so as to overcome this false propaganda and inform the farmer that his income rises and falls with the prosperity of the industrial worker. The interests and welfare of the American worker and farmer are interdependent—good wages for the worker means higher income to the farmer.

During the Republican days of the 1920's, before organized labor received its just recognition, the American farmer did not enjoy the prosperity that he has experienced in the last 10 years. Twenty years ago the Brookings Institute, one of our most conservative institutions, made a survey to determine the economic relationship between the worker and the farmer. The report stated that 70 percent of the industrial families of America made less than $2,500 a year and further that if the income of this 70 percent of our population had been increased to an average of $2,500 per year, the farmers' income per annum would have increased $14,000,000,000.

VETERANS

Propaganda has already started in an effort to drive a wedge between other groups of our society in America. Tons of literature have been sent to ex-servicemen in an effort to poison their minds against organized labor in America. The same interests that are financing this propaganda during the last 10 years also financed "special-privilege" lobbies in Washington to combat every progressive piece of legislation which has been enacted for the interests of the common people. Within the last 3 weeks, the greatest special-interest lobby in history came into Washington in opposition to President Truman's veterans' housing bill. This lobby succeeded on the House floor by defeating two of the most important provisions of this legislation.

As a veteran of World War I, I have personally experienced the difficulties and hardships involved when a returned serviceman starts to reestablish himself in civilian life. This Congress must stress every effort to afford the veteran aid, financially and otherwise, to make this transition period as easy as possible.

PROFITEERS

The profiteer's lobby has been operating in Washington against price control and the OPA, not only since VE-day but during the great war emergency. I will admit there have been inequalities and in certain instances injustices exercised in the enforcement of OPA, but, nevertheless, the consumer, and especially the American housewife, realizes that the OPA has been their savior during this war emergency. During World War I and 2 years thereafter the cost of living increased 108.4 percent. Up until September 1 last year the cost of living in World War II increased on the average 30.7 percent. In other words, without OPA during World War I the cost of necessities of life were 78 percent higher than with OPA under World War II.

I believe every Member of Congress is anxious that the wartime powers and restrictions be removed as rapidly as possible. This Nation stands at the crossroads, one direction leads to economic disaster, the other to a future of long-range prosperity. We must deal with the present emergency in the same spirit and manner which we met a similar emergency during the war. We must not create a false sense of security by eliminating price control at this time. Every businessman should be given fair consideration so he can plan ahead with complete confidence and he must know that prices and costs will remain stable. The American people should feel secure in their ability to stave off a disastrous inflation during these critical months ahead and still create a flood of production that will in a short time wipe out the necessity for price control and the danger of runaway inflation.

Democratic leadership has submitted a concrete program to solve all these important after-war problems while the Republican leadership is without a constructive solution to these unprecedented difficulties and is confining its activities to criticism and obstruction.

THE ATOM AGE

We are today embarking upon a new period in modern civilization. Science has plunged us into the atomic age. We do not know what revelations the next few years may bring through the science of atomic production but we do realize the catastrophic results of another war through atomic destruction. From now on, wars may be a matter of days instead of years and the first casualty list may be the last. We must look forward to collective, instead of individual, security. The oceans will no longer protect us from future enemies. The heavens will be areas of potential death. One atomic bomb has the energy release equivalent to 20,000 tons of TNT and the power of uranium is 3,000,000 times that of TNT. This terrifying power of the atomic age is still in its infancy. We must successfully outlaw the use of the atom bomb for military purposes everywhere on earth. This can only be done through international cooperation and a successful United Nations Organization. If this fails, the peace-loving nations of the world will be victims of their own laxness.

The world knows through centuries of sad experience that science, progress, and the foresight of statesmen has failed to outlaw hatred and war. As a result, we have reaped the whirlwind of destruction and death. In the future we must have the active cooperation of all nations and the guidance of our Christian and spiritual leaders to help inculcate in the hearts of men and governments the doctrine of the fatherhood of God and the brotherhood of man. The United Nations Organization must teach the people of the world that there are greater glories than international combat and that the creations of science were intended for a society of men to live

ethically, morally, and at peace with each other. Understanding and tolerance must form the foundation for future world bargaining. Cooperation and compromise between nations are necessary for permanent peace.

EXTENSION OF REMARKS

Mr. HOFFMAN (at the request of Mr. MURRAY of Wisconsin) was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. HORAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the Seattle Times.

MONOPOLY VERSUS THE PEOPLE OF CALIFORNIA—THE CENTRAL VALLEY WATER AND POWER PROJECT

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PATTERSON. Mr. Speaker, I wish to speak regarding two appropriation items in H. R. 5400, namely $1,000,000 for the construction of the Isabella Dam on the Kern River in California, and $1,000,000 for construction of the Pine Flats Dam on the Kings River. In doing so, I intend to point out the serious significance of the methods used by the Corps of Engineers, United States Army, to promote the construction of these dams. The high-water level dams are desirable to develop power and multiple-purpose programs under the Reclamation Bureau and is necessary to carry out the full and proper development of the Central Valley water and power project.

California is one of the States in which for many years a conflict has been slowly increasing. On the one hand are the owners of factory farms, backed by California's banks and commercial interests, and closely allied with owners of huge tracts of undeveloped land. The latter stand to garner enormous speculative profits as a result of Federal appropriations for irrigation development.

On the other hand are the great mass of California farmers who own small but profitable tracts, with whom are allied the organized industrial workers of the State, and consumer groups. These people demand that the benefits of agricultural and industrial expansion be spread widely among the people of California, rather than to accrue chiefly to those who already are rich and powerful.

As I develop this picture you will realize that the Army Corps of Engineers is closely allied with the monopolistic interests, while the Bureau of Reclamation, which has offered a plan for coordinated development of the natural resources of the State, is defending the welfare of all of the people.

Here we have the spectacle of one agency of the Federal Government working in the interests of special privilege and another for the average citizen—a condition which I believe most of you will agree is prejudicial to the prestige of your Government and provocative of disastrous social conflict.

Even the President of the United States is powerless to end this strife between two Government agencies, if you gentlemen wish to prolong it by providing the funds with which to feed class strife. You must act decisively; and when you see clearly what is involved I do not entertain the slightest doubt as to which side of this controversy most of you will take.

Some months before this country entered the war this situation was coming to a head. It was laid before the late President Roosevelt who recognized that the interests of the average citizen would not be served if the Corps of Engineers were to take over construction of proposed dams on the Kings and Kern Rivers. You may recall that President Roosevelt at that time—on May 5, 1941, to be specific—wrote to the Secretary of War reaffirming an earlier decision that the Kings River project should be constructed by the Bureau of Reclamation.

But the War Production Board suspended all operations upon these Central Valley projects, except those which would produce electrical energy required to activate the great munitions industries established in California. Shasta Dam, one of the key structures in the Central Valley project, was pushed to completion, and although the war was nearing a conclusion before it came into effective operation, it made a substantial contribution to our victory.

The monopolistic interests of California, however, never ceased their effort to have the Corps of Engineers build the dams on the Kings and Kern Rivers. Why were they so much interested? In the first place, the Pine Flats Dam on the Kings River will be capable of developing electrical energy. Administered by the Bureau of Reclamation, this power would help to break the power monopoly of the Pacific Gas & Electric Co. in central California. The irrigation group in the Kings River area, however, was convinced that if it permitted the P. G. & E. to develop the power possibilities of the project that it would acquire revenue from its operation. At that time it was also suffering from the illusion that Congress would permit the Corps of Engineers to charge off most of the expense of the dam to flood control, and that the cost of irrigation water would be lower under such procedure.

This situation appeared to offer to many water users in California a chance to get something for nothing. Having two rival agencies in the field, one could be played off against the other. The great danger to the taxpayers of the United States was that they would be in a position of subsidizing the farmers of California through gifts of public funds. Under the reclamation laws the water users repay the Government for the construction of these facilities, except for interest upon the principal invested for irrigation purposes. Upon the money spent for power development there is a return of 3 percent to the Government, which is collected in power revenues. The net result is that the Government is reimbursed within a reasonable period for its entire expenditure on Reclamation projects. This is not the case in connection with Corps of Engineers projects.

When the Flood Control Act of 1944 was passed, after searching debate in Congress, an attempt was made to remedy this situation. While the Corps of Engineers was permitted to continue to make studies on the Kings and Kern Rivers projects, the Flood Control Act made it clear that all irrigation works were to come under the reclamation laws and were to be constructed and administered by the Bureau of Reclamation. All power developed at federally constructed dams was to be marketed by the Department of the Interior.

At that time President Roosevelt again took close cognizance of this situation, and when he signed the War Department's civil functions appropriation bill for fiscal 1946 he declared that he was reluctant to do so, because it contained appropriations to the Corps of Engineers to make further studies on the Kings and Kern Rivers. He added that in the near future he intended to submit to the Congress recommendations for legislation transferring jurisdiction over all of the Central Valley projects to the Bureau of Reclamation. In the near future he passed away, however, and such recommendation never was submitted.

President Truman, of course, was unable to escape this controversy, which to some appeared an ordinary struggle between the Corps of Engineers and the Bureau of Reclamation as to who would get the job of building these works. Had it been an ordinary fight for power between Federal agencies, it would have been settled long before this.

In truth it is a great struggle between the reactionary forces of California and the forces that stand for human progress which will determine eventually the pattern of modern civilization to this State. It is only incidental that the military arm of the Federal Government is alined with the reactionary group and the Bureau of Reclamation with the liberals. The real battle is between the monopolistic interests of California and a majority of the people. The question before Congress is on which side Congress will align itself. I hope you will align yourselves on the side of the people and the Bureau of Reclamation.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted Mr. STIGLER, from April 10 to April 15, inclusive, on account of business in Oklahoma.

ENROLLED JOINT RESOLUTION AND BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 328. Joint resolution making an additional appropriation for veterans' housing and related expenses.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 565. An act to extend the privilege of retirement to the judges of the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone;

S. 1298. An act to establish an office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor; and

S. 1841. An act to amend an act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes" approved March 3, 1921, as amended.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval a joint resolution of the House of the following title:

H. J. Res. 328. Joint resolution making an additional appropriation for veterans' housing and related expenses.

ADJOURNMENT

Mr. RABAUT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, April 11, 1946, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON ROADS

The Committee on Roads will meet on Thursday, April 11, 1946, at 10 a. m., in room 1011, at which time a hearing will be had on H. R. 5088.

COMMITTEE ON FLOOD CONTROL

4. Thursday, April 11. Missouri River Basin, including additional authorization for the Corps of Engineers and the Bureau of Reclamation for the approved comprehensive plan:

Heart River, N. Dak.; South Platte River, Colo., Wyo., and Nebr.

5. Friday, April 12. The Great Lakes Basin and the Upper Mississippi River Basin, including additional authorization for the approved comprehensive plan:

Rock River, Wis. and Ill.; Mississippi River, local flood protection in Illinois; Clinton River, Mich.; Genesee River, N. Y.; Tonawanda Creek, N. Y.

6. Monday, April 15. Streams flowing into the Gulf of Mexico west of the Mississippi River, the Great Basin and the Pacific region, exclusive of California, including additional authorization for the approved comprehensive plan for the Willamette River:

Leon River, Tex.; Boise River, Idaho; Amazon Creek, Oreg.; Queen Creek, Ariz.; Gila River at Tucson, Ariz.; Spanish Fork River, Utah; Jordan River at Salt Lake City, Utah; and Little Valley Wash at Magna, Utah; Skagway River and Harbor, Alaska.

7. Tuesday, April 16. California streams, including additional authorization for the approved comprehensive plans for the Los Angeles River and the Sacramento-San Joaquin streams:

Salinas River, Calif.; Santa Clara River, Calif.

8. Wednesday, April 17. Lower Mississippi River Basin, including the Red River, and including additional authorization for the approved comprehensive plan for the White and Arkansas River Basin:

Red River below Denison Dam, Tex., Okla., Ark., and La.; Bayou Pierre, La.; La Fourche Bayou, La.; Pontchartrain Lake, La.; Mermentau River, La.; North Canadian River, Okla.; Polecat Creek, Okla.; Grand (Neosho) River, Kans., Mo., and Okla.; Arkansas River, Ponca City, Okla.; Mississippi River, West Tennessee tributaries; Boeuf and Tensas Rivers and Bayou Macon, Ark. and La.; Big Sunflower, Little Sunflower, Hushpuckena, and Quiver Rivers and their tributaries, and on Hull Brake, Mill Creek Canal, Bogue Phalia, Ditchlow Bayou, Deer Creek, and Steele Bayou, Miss.

9. Thursday, April 18. Lt. Gen. R. A. Wheeler, Chief of Engineers, and other representatives of the Corps of Engineers, and proponents and opponents of projects in other regions.

10. Friday, April 19. Senators and Representatives in Congress and Department of Agriculture, Weather Bureau, and other Government agencies.

COMMITTEE ON RIVERS AND HARBORS

Revised schedule of hearings on the omnibus river and harbor authorization bill to start Tuesday, April 9, 1946, at 10:30 a. m., is as follows:

(Thursday, April 11)

Sabine River, Adams Bayou, Tex.
Sabine-Neches waterway, Texas.
Trinity River below Liberty, Tex.
Mill Creek, Tex.
Aransas Pass, Intracoastal Waterway, Tex.
Brazos Island Harbor, Tex.

(Friday, April 12)

Schuylkill River, Pa.
Middle and Dark Head Creeks, Md.
Mattaponi River, Va.
Newport News Creek, Va.
Norfolk Harbor, Va.
Savannah Harbor, Ga.
St. Johns River, Fla., Jacksonville to Lake Harney.
Hollywood Harbor (Port Everglades), Fla.
Withlacoochee River, Fla.
Cleveland Harbor, Ohio.
Great Lakes connecting channels, Michigan.

(Monday, April 15)

Franklin Canal, La.
Mermentau River, La.
Lake Charles deep waterway, Louisiana.
Plaquemine and Morgan City route, Louisiana.
Red River below Fulton, La.

(Tuesday, April 16)

Cumberland River, Tenn. and Ky.
Big Sioux River, S. Dak.
Mississippi River seepage, Iowa Minnesota, and Wisconsin.
Mississippi River at Lansing, Iowa.
Mississippi River at Wabasha, Minn.
Mississippi River at Lake Pepin, Minn.
Mississippi River at Hastings, Minn.

(Wednesday, April 17)

Fairport Harbor, Ohio.
Calumet-Sag Channel, Ind. and Ill.
Chicago River, North Branch of Illinois.
Napa River, Calif.
Coos Bay, Oreg.
Columbia River at Astoria, Oreg.
Columbia River at The Dalles, Oreg.
Columbia River, Foster Creek Dam, Wash.

(Wednesday and Thursday, May 1 and 2)

Tombigbee-Tennessee Rivers.

(Friday, May 3)

Held open for description of projects favorably recommended by the Board of Engineers for Rivers and Harbors during its April meeting.

(Monday and Tuesday, May 6 and 7)

Big Sandy River, Tug and Levisa Forks, Va., W. Va., and Ky.

(Wednesday and Thursday May 8 and 9)

Arkansas River, Ark. and Okla.

COMMITTEE ON THE POST OFFICE AND POST ROADS

The Post Office and Post Roads Committee will meet on Tuesday, April 16, 1946, at 10:30 a. m., at which time a hearing will be had on H. R. 5427, 5560, and 5942, bills relating to the rate of postage on air mail of the first class.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1208. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill to amend section 17 (a) of the Soil Conservation and Domestic Allotment Act (49 Stat. 1151); to the Committee on Agriculture.

1209. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill to provide for the disposal of materials or resources on the public lands of the United States which are under the exclusive jurisdiction of the Secretary of the Interior; to the Committee on the Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAY: Committee on Military Affairs. H. R. 6064. A bill to extend the Selective Training and Service Act of 1940, as amended, and for other purposes; without amendment (Rept. No. 1923). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAY:

H. R. 6064. A bill to extend the Selective Training and Service Act of 1940, as amended,

and for other purposes; to the Committee on Military Affairs.

By Mr. LAFOLLETTE:

H. R. 6065. A bill authorizing the Indiana State Toll Bridge Commission to construct, maintain, and operate a toll bridge or a free bridge across the Ohio River at or near Cannelton, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. RANDOLPH:

H. R. 6066. A bill to promote the common defense by unifying the departments and agencies of the Government relating to the common defense; to the Committee on Expenditures in the Executive Departments.

By Mr. ALLEN of Louisiana:

H. R. 6067. A bill to increase the subsistence allowances to veterans receiving education or training pursuant to the Servicemen's Readjustment Act of 1944; to the Committee on World War Veterans' Legislation.

By Mr. ENGLE of California:

H. R. 6068. A bill to authorize the Secretary of Agriculture to permit the prospecting, development, and utilization of the mineral resources of national forest lands not subject to the operation of the general mining laws or the Mineral Leasing Act; to the Committee on Agriculture.

By Mr. RANKIN:

H. R. 6069. A bill to amend section 100 of the Servicemen's Readjustment Act of 1944; to the Committee on World War Veterans' Legislation.

By Mr. BEALL:

H. R. 6070. A bill to amend section 4 of the act of August 25, 1937, so as to provide a filing procedure in cases of adoption outside the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

H. R. 6071. A bill to provide for the extension of the time limitations under which patents were issued in the case of patents which have not been exploited during World War II on account of shortage of materials; to the Committee on Patents.

By Mr. BENNETT of Missouri:

H. R. 6072. A bill to amend the Adjusted Compensation Payment Act, 1936, so as to extend the time within which overseas veterans of World War II may apply to receive payment of adjusted service certificates; to the Committee on Ways and Means.

By Mr. SOMERS of New York:

H. R. 6073. A bill to provide for the establishment of a United States Military Medical School; to the Committee on Military Affairs.

H. R. 6074. A bill to provide for the establishment of a United States Naval Medical School; to the Committee on Naval Affairs.

By Mr. ZIMMERMAN:

H. R. 6075. A bill to establish a national memorial forest park in the State of Missouri as a memorial to World War II veterans; to the Committee on the Public Lands.

By Mr. SABATH:

H. J. Res. 338. Joint resolution to authorize the United States armed services to accept enlistments of former members of the Polish armed forces; to the Committee on Military Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Massachusetts, memorializing the President and the Congress of the United States to adopt an adequate anti-poll-tax bill; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States to amend and enact House bill 5059 and Senate bill 1715; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEALL:

H. R. 6076. A bill to authorize the Secretary of the Interior to grant a private right-of-way to Roscoe L. Wood; to the Committee on the Public Lands.

H. R. 6077. A bill for the relief of Warren D. Fales, Jr.; to the Committee on Claims.

By Mr. ENGLE of California:

H. R. 6078. A bill to authorize the Secretary of Agriculture to convey certain land for a fair consideration; to the Committee on Agriculture.

By Mr. REED of New York:

H. R. 6079. A bill for the relief of Mrs. Margaret D. Surhan; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1780. By Mr. CLASON: Memorial of the General Court of Massachusetts, urging the Congress of the United States to adopt an adequate anti-poll-tax law; to the Committee on the Judiciary.

1781. Also, memorial of the General Court of Massachusetts, urging the Congress of the United States to extend the benefits provided by the Servicemen's Readjustment Act of 1944 to persons who served in the merchant marine of the United States during World War II; to the Committee on the Merchant Marine and Fisheries.

1782. Also, memorial of the General Court of Massachusetts, urging the Congress of the United States to provide for the maintenance by the Federal Government of Camp Edwards in Massachusetts for the hospitalization of war veterans and as a place for their convalescence and recreation; to the Committee on World War Veterans' Legislation.

1783. By Mr. NORBLAD: Petition signed by Mrs. Jessie M. Isely and 19 other citizens of Marion County, Oreg., urging the United States Congress to defeat proposals for peacetime compulsory military training and seek instead an international agreement to abolish conscription everywhere; to the Committee on Military Affairs.

1784. By Mr. GAVIN: Petition of Mr. and Mrs. H. T. Wingard, Shippenville, Pa., and other residents of Clarion County, protesting passage of House bill 4730; to the Committee on Interstate and Foreign Commerce.

1785. Also, petition of B. V. Cobler, Knox, Pa., and other residents of Knox, Pa., protesting passage of House bill 4730; to the Committee on Interstate and Foreign Commerce.

1786. Also, petition of J. W. Deitz and other residents of Clarion County, protesting passage of House bill 4730; to the Committee on Interstate and Foreign Commerce.

1787. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, urging adoption of an adequate anti-poll-tax bill; to the Committee on the Judiciary.

1788. Also, memorial of the General Court of Massachusetts, favoring extension of the so-called GI bill of rights to persons who served in the merchant marine during World War II; to the Committee on the Merchant Marine and Fisheries.

1789. Also, memorial of the General Court of Massachusetts, urging maintenance of Camp Edwards, Mass., as a veterans' hospital; to the Committee on World War Veterans' Legislation.

1790. By the SPEAKER: Petition of the chairman, disaster council, county of Hawaii, petitioning consideration of their resolution with reference to amendment of the Hawaiian relief bill; to the Committee on the Territories.

1791. Also, petition of New York League of Women Shoppers, petitioning consideration of their resolution with reference to endorsement of legislation renewing the powers of the OPA; to the Committee on Banking and Currency.

SENATE

THURSDAY, APRIL 11, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, who desirest truth in the inward parts, we would come to Thee in that fear of the Lord which is the beginning of wisdom. Keep us, we beseech Thee, from the folly of attempting to deceive Thee, unto whom all hearts are open, all desires known. As those whose powers are dedicated to the Nation's weal, make us ever faithful to each challenging duty, loyal to every high claim, responsive to the human needs of this suffering earth. Setting a seal upon our lips so that no thoughtless words of ours shall sting or harm another, valiantly may we meet this day's waiting tasks with laughter and kindness and cheerful good will. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, April 10, 1946, was dispensed with, and the Journal was approved.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on April 10, 1946, he presented to the President of the United States the following enrolled bills:

S. 565. An act to extend the privilege of retirement to the judges of the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone;

S. 1298. An act to establish an office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor; and

S. 1841. An act to amend an act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921, as amended.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced

that the President had approved and signed the following acts:

On April 8, 1946:

S. 473. An act relating to pay and allowances of officers of the retired list of the Regular Navy and Coast Guard performing active duty in the rank of rear admiral.

On April 9, 1946:

S. 976. An act for the relief of the estate of Howard Francis Waldron;

S. 983. An act for the relief of A. F. Crawford;

S. 1319. An act for the relief of Mrs. Alice Condon;

S. 1411. An act for the relief of Alfred Osterhoff, doing business as Illini Reefer Transit, Champaign, Ill.;

S. 1504. An act for the relief of Edith Roberta Moore;

S. 1609. An act for the relief of Catherin Gilbert;

S. 1622. An act for the relief of Gordon Cole Hart;

S. 1627. An act for the relief of Mrs. Isabel N. Mifflin;

S. 1657. An act to amend Public Law 779 of the Seventy-seventh Congress, entitled "An act to provide for furnishing transportation for certain Government and other personnel necessary for the effective prosecution of the war, and for other purposes," approved December 1, 1942, and for other purposes; and

S. 1739. An act to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of fires which occurred at various Navy shore activities.

On April 10, 1946:

S. 286. An act for the relief of James F. Desmond;

S. 1184. An act for the relief of A. L. Clem and Ida M. Bryant; and

S. 1840. An act for the relief of the Danvers Shoe Co., Inc.

On April 11, 1946:

S. 1841. An act to amend an act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the Superintendent of Weights, Measures, and Markets of the District of Columbia; and for other purposes," approved March 3, 1921, as amended.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 1610) to provide for the rehabilitation of the Philippine Islands, and for other purposes, with amendments in which it requested the concurrence of the Senate.

LEAVE OF ABSENCE

Mr. HATCH. Mr. President, due to a previous standing engagement, I am compelled to leave the city of Washington this afternoon. I ask unanimous consent that I may absent myself from the sessions of the Senate until such time as I may return.

The PRESIDENT pro tempore. Without objection, the leave is granted.

OBSERVANCE OF NATIONAL SUNDAY SCHOOL WEEK

Mr. BRIDGES. Mr. President, the Laymen's National Committee has called upon the people of the country to observe the period of April 8 through April 14 as National Sunday School Week.

The President and many of the Governors of the States are recognizing this observance. I think it fitting that a moment be taken here to note the occasion.

The Sunday school has long shared with other institutions the responsibility of making the young citizens of America mindful of the Nation's reliance upon its faith in God. Religion has always been one of our greatest attributes as a people. Belief in God has given each generation of Americans strength for faith in the progress and future of our country.

It is well that throughout this week the people should give special thought to the significance of the Sunday school and its immeasurable contribution to the moral strength of our country.

This is a period in which institutions like the Sunday school can help gird the Nation for the challenging days ahead. These institutions are basic to the very structure of our country. By encouraging them, we encourage the Nation. The increasing strength of the Sunday school and other institutions which teach faith in God and man means an even stronger moral fiber for the United States of America.

DISPOSITION OF EXECUTIVE PAPERS

The PRESIDENT pro tempore laid before the Senate a letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

RUSSIA'S REFUSAL OF FOOD TO UNRRA FOR THE STARVING PEOPLE OF EUROPE AND SALE OF FOOD TO FRANCE

Mr. BRIDGES. Mr. President, I desire to speak for a few moments of a matter about which I feel very strongly and which concerns the country and the world as a whole. I refer to the question of Russia's contribution to the food situation as it relates to the starving people of Europe.

Here in America we are straining our very economic structure in order to provide food, not only for our own people but to make our contribution to UNRRA abroad. We have in both the eastern and western sections of this country a very serious situation, so far as feedstuffs for poultry and cattle are concerned. Feed is unobtainable for poultry and dairy cattle in these sections. In New England poultry flocks and dairy herds are being liquidated. Now, we are desperate, but we would feel better if there were greater fairness and justice relating to feedstuffs.

I was greatly interested to note that recently UNRRA made a request of Russia for a contribution to her quota for supplying food to starving Europe. What has happened? Some time back two states of the Soviet Union, namely, the Ukraine and White Russia, made a request of UNRRA themselves for $250,000,000 of foodstuffs, and it is my understanding that UNRRA supplied 110,000 tons of foodstuffs to the two Russian states.

On the one hand, we have Russia refusing to contribute her share to UNRRA, and then we find two of the states of the Soviet Union requesting aid from UNRRA to the tune of $250,000,000 and receiving 110,000 tons of foodstuffs. Then we see on top of that Russia agreeing to sell to France 500,000 tons of foodstuffs, and we read that the first shipment under that arrangement was announced with great gusto by the head of the Communist Party in France.

To my mind, those facts do not go together. There is something wrong.

Mr. TAYLOR. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from New Hampshire yield to the Senator from Idaho?

Mr. BRIDGES. I yield.

Mr. TAYLOR. Does the Senator from New Hampshire know whether or not in the food Russia got through UNRRA there was any wheat?

Mr. BRIDGES. I understand that 110,000 tons of foodstuffs which they got from UNRRA were in part grain products or byproducts of grain. They might not have been all grain, but substantially so.

The point I want to make is that I am perfectly willing, and, indeed, very happy, that America is playing her part, but I want all other nations to play their part. I cannot understand, on the one hand, one of our allies denying her share of the quota of foodstuffs to UNRRA and yet selling 500,000 tons of grain to France, and having it announced by the head of the Communist Party, while at the same time two states of the Soviet Union request aid from UNRRA and receive it. The combination of facts and circumstances do not go together. We were all Allies together in the war, and we should all be trying to help in a very critical situation. It is time for full cooperation all down the line—for cooperation rather than for playing politics or reneging on an obligation or for one country trying to influence a turn-over of the political set-up in the country of France. No one in America wants food used for political purposes or gain. We want to help the stricken people wherever they are, without regard to race or creed. Let the facts on this food situation come into the light.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on Commerce:

H. R. 4239. A bill granting to Guy A. Thompson, trustee, Missouri Pacific Railroad Co., debtor, and to his successors and assigns, authority to relocate, maintain, and operate a single-track railway across United States Government reservation at lock No. 3, White River, Independence County, Ark., and for other purposes; without amendment (Rept. No. 1168).

By Mr. HATCH, from the Committee on Public Lands and Surveys:

S. 2029. A bill to authorize the Director of the United States Geological Survey to produce and sell copies of aerial or other photographs and mosaics, and photographic or photostatic reproductions of records, on a re-

imbursement of appropriations basis; without amendment (Rept. No. 1169).

By Mr. MAGNUSON, from the Committee on Commerce:

S. 943. A bill granting the consent of Congress to the State of Washington to construct, maintain, and operate a bridge across the Columbia River at Northport, Wash.; with amendments (Rept. No. 1172).

By Mr. MAYBANK, from the Committee on Military Affairs:

S. 1357. A bill to increase the pay of certain personnel of the military and naval forces while on sea duty or duty beyond the continental limits of the United States or in Alaska; without amendment.

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

S. 1869. A bill to amend the Pay Readjustment Act of 1942, as amended, so as to provide an increase of 20 percent, and for other purposes; without amendment.

By Mr. REVERCOMB, from the Committee on Military Affairs:

S. 2038. A bill to increase the rates of monthly base pay of enlisted men of the lower five pay grades of the Army, Navy, Marine Corps, and Coast Guard for the purpose of encouraging voluntary enlistments in the armed forces; with amendments.

By Mr. ELLENDER, from the Committee on Naval Affairs:

H. R. 5765. A bill authorizing the Secretary of the Navy in his discretion to deliver to the custody of the city of New Orleans the silver service and silver bell presented to the United States for the cruiser *New Orleans;* without amendment (Rept. No. 1171).

By Mr. WHEELER, from the Committee on Interstate Commerce:

S. 1253. A bill to amend the Interstate Commerce Act, as amended, and for other purposes; with amendments (Rept. No. 1170).

EXTENSION OF SELECTIVE TRAINING AND SERVICE ACT—REPORT BY MILITARY AFFAIRS COMMITTEE

Mr. GURNEY. Mr. President, the Committee on Military Affairs has approved an original bill to extend the Selective Training and Service Act of 1940, as amended, until May 15, 1947, and for other purposes, and has directed me to report it to the Senate. I therefore ask unanimous consent to report the bill in question, and I submit a report (No. 1167) thereon.

There being no objection, the report was received, and the bill (S. 2057) to extend the Selective Training and Service Act of 1940, as amended, until May 15, 1947, and for other purposes, was read twice by its title, and ordered to be placed on the calendar.

Mr. GURNEY. Mr. President, I also ask unanimous consent to submit an amendment intended to be proposed by me to the bill just reported, S. 2057. The amendment proposes, in addition to the increased pay of enlisted men provided in the bill which I have just reported, to increase the salaries of lieutenants and officers of equal grade in the Navy and Marine Corps by 20 percent; and the salaries of officers above the grade of lieutenant in all branches of the armed forces by 10 percent.

The PRESIDING OFFICER. Without objection, the amendment will be received, printed, and lie on the table.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HATCH:

S. 2054. A bill to provide for the reservation and maintenance of the B–29 bomber from which an atomic bomb was dropped on the city of Hiroshima and for its eventually being displayed near Alamogordo, N. Mex., at the site of the detonation of the first atomic bomb; to the Committee on Military Affairs.

By Mr. McMAHON:

S. 2055. A bill to amend section 5 of the Home Owners' Loan Act of 1933, as amended; to the Committee on Banking and Currency.

S. 2056. A bill for the relief of Manuel Ferrereira Antunes; to the Committee on Immigration.

PHILIPPINE TRADE ACT OF 1946—AMENDMENT

Mr. MYERS submitted an amendment intended to be proposed by him to the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes, which was ordered to lie on the table and to be printed.

STUDIES AND INVESTIGATIONS BY COMMITTEE ON PUBLIC LANDS AND SURVEYS

Mr. HATCH submitted the following resolution (S. Res. 256), which was referred to the Committee on Public Lands and Surveys:

Resolved, That the Committee on Public Lands and Surveys, or any duly authorized subcommittee thereof, be, and hereby is authorized and directed to make a full and complete study and investigation of any matter or subject which the committee by resolution finds to be within its jurisdiction, and to report to the Congress its findings and conclusions thereon, together with its recommendations for such legislation as it deems necessary or desirable.

SEC. 2. For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-ninth Congress, to employ such experts, and such clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

SEC. 3. No portion of the funds hereby made available shall be used for any study or investigation except (1) after a budget showing proposed expenditures in connection with such study or investigation shall have been submitted to and approved by the Committee to Audit and Control the Contingent Expenses of the Senate and (2) within the limitations of such approved budget; and in passing upon vouchers for the expenditure of such funds, the Committee to Audit and Control the Contingent Expenses of the Senate shall consider whether expenditures for which approval is sought were made in accordance with the provisions of such a budget so submitted and approved. Compliance with the provisions of this section shall be deemed to be compliance with the requirements of Senate Resolution 77, Seventy-ninth Congress, respecting the submission of budgets of proposed expenditures for studies and investigations.

VETERANS' EMERGENCY HOUSING ACT OF 1946—PRINTING OF HOUSE BILL 4761

Mr. HATCH. Mr. President, I ask unanimous consent that the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, which passed the Senate yesterday, be printed showing the Senate amendments numbered.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDITIONAL DISTRICT JUDGES, NORTHERN DISTRICT OF CALIFORNIA—CHANGE IN CONFEREE

Mr. HATCH. Mr. President, I was appointed one of the conferees on Senate bill 1163, to provide for the appointment of two additional district judges for the northern district of California. Due to my coming absence from the city, it will be impossible for me to attend the sessions of the conference. Therefore, I ask that my name as a conferee be withdrawn and that there be substituted in place of my name that of the chairman of the Committee on the Judiciary, the Senator from Nevada [Mr. McCARRAN].

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New Mexico? The Chair hears none, and the substitution will be made.

ARMY DAY ADDRESS BY THE PRESIDENT

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD the Army Day address delivered by the President in Chicago, which appears in the Appendix.]

THE THEATER INDUSTRY—ADDRESS BY S. H. FABIAN

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address by S. H. Fabian, president of the American Theaters' Association at the convention of the association in St. Louis, Mo., on April 1, 1946, together with a statement regarding the occasion, which appear in the Appendix.]

THE ATOMIC BOMB PROBLEM—DISCUSSION BY SENATOR WALSH

[Mr. WALSH asked and obtained leave to have printed in the RECORD a series of questions asked him concerning the atomic bomb problem and answers given by him in a radio broadcast at Worcester, Mass., which appear in the Appendix.]

UNITED NATIONS LEAGUE OF LAWYERS—ADDRESS BY HON. WILEY RUTLEDGE

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an address entitled "The Alternative," dealing with the United Nations League of Lawyers, delivered by Associate Justice Wiley Rutledge in Washington, D. C., March 30, 1946, which appears in the Appendix.]

NATIONAL HOUSING POLICY

The Senate resumed consideration of the bill (S. 1592) to establish a national housing policy and provide for its execution.

Mr. WAGNER obtained the floor.

Mr. BARKLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Mahoney
Austin	Hatch	Overton
Ball	Hawkes	Pepper
Bankhead	Hayden	Reed
Barkley	Hickenlooper	Revercomb
Bilbo	Hoey	Robertson
Bridges	Johnson, Colo.	Saltonstall
Briggs	Johnston, S. C.	Shipstead
Brooks	Kilgore	Smith
Buck	Knowland	Stanfill
Bushfield	La Follette	Stewart
Byrd	Langer	Taft
Capper	McCarran	Taylor
Carville	McClellan	Thomas, Okla.
Connally	McFarland	Thomas, Utah
Cordon	McKellar	Tunnell
Donnell	McMahon	Vandenberg
Downey	Magnuson	Wagner
Ellender	Maybank	Walsh
Ferguson	Mead	Wheeler
Fulbright	Millikin	Wherry
Gerry	Mitchell	Wiley
Gossett	Morse	Wilson
Green	Murdock	Young
Guffey	Myers	
Gurney	O'Daniel	

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Alabama [Mr. HILL] and the Senator from Ohio [Mr. HUFFMAN] are absent because of deaths in their families.

The Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS] and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], the Senator from Montana [Mr. MURRAY], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER], the Senator from Oklahoma [Mr. MOORE], and the Senator from Indiana [Mr. WILLIS] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The PRESIDENT pro tempore. Seventy-six Senators having answered to their names, a quorum is present.

Mr. WAGNER. Mr. President, it is my understanding that the junior Senator from Louisiana [Mr. ELLENDER] and the senior Senator from Ohio [Mr. TAFT], cosponsors with me of this measure, propose to discuss it in detail. For that reason, I shall confine myself to a few general matters of controlling importance.

First of all, I hope that the Senate and the whole Congress will regard this measure as being largely noncontroversial. As is amply demonstrated by its sponsorship, it is certainly nonpartisan and nonsectional.

It is not by accident that the bill has attained this kind of sponsorship. It is the result of hard work, extending over 2 years or more. It is the result of compromise, not the kind of compromise which sacrifices principles or objectives but rather the kind of compromise which is required for the democratic system to function. This means reconciliation of methods and details in the search for the attainment of a common objective.

On this common objective, there has not been, and I do not believe there reasonably can be, any disagreement.

The objective is to unify the housing activities of the Federal Government, after many years of scattered and experimental efforts.

The objective is to place main reliance upon private enterprise and local initiative, while recognizing that housing is a national problem which the Government must help to solve.

The objective is to establish a firm foundation for one of our highest domestic duties over the next 10 years, the provision of a decent home for every American family.

The objective is to provide these decent homes in our cities, where the problem has not been dealt with adequately, and in our rural areas, where the neglect has been even greater.

The objective is to emphasize and give priority to the needs of veterans and their families. At the same time, those who supported the war on the home front, as well as those who fought the war overseas, are American citizens whose housing needs must be met.

The objective is to encourage sustained employment, opportunity for investment, and useful business activity, all of which a large home-building program does.

Now, how does the pending bill seek to attain these objectives?

There is nothing in the bill which is entirely experimental or entirely untested by practice. Most of its provisions are extensions and improvements in existing law. These are based upon study by the committees of Congress which have been dealing with these laws. They are also based upon the recommendations of those who have been administering these laws.

In 1932, under a Republican administration, we established the Federal home-loan bank system. Its purpose has been to foster the small institutions throughout the country which are devoted to thrift and home ownership. Over the years, the Congress has improved this system. This bill seeks to improve it further. All of the improvements relating to this system have been endorsed by the Commissioner of the Federal Home Loan Bank Administration, Mr. John H. Fahey. Mr. Fahey is known to almost every Member of this body for his long and distinguished work in housing and in many other fields. I do not recall that there was any dissent in the Banking and Currency Committee to any provisions in the bill dealing with the home-loan bank system and its related institutions.

In 1934, under a Democratic administration, the Federal Housing Administration was established. Its purpose was to stimulate private investment in homes and in rental housing, through the use of mortgage insurance. The FHA has proved to be perhaps one of the most popular programs initiated within recent times—popular throughout the country and popular in Congress. This bill contains a number of improvements with respect to the FHA system. All of these improvements, as now contained in the bill, have been approved by the Commissioner of the Federal Housing Administration. I do not recall that any member of the Banking and Currency Committee has dissented from any of these provisions of the bill. Personally, I should have preferred some further innovations in the FHA system beyond those which the bill contains; but a majority of the committee did not favor these further innovations. The bill, despite its comprehensive character, has, insofar as the FHA is concerned, been confined to proposals about which the committee was unanimous.

In 1937 Congress approved the United States Housing Act, to extend aid to localities for slum clearance and low-rent public housing. During the war this program was interrupted. But the agency which had been responsible for this program gave a magnificent demonstration of its capacity to help in the war housing job. Now that the war is over, the low-rent housing program should be resumed for those who need it. The bill so provides.

Public housing may be controversial among those who favor nothing except what benefits them personally. It was certainly not controversial in the Banking and Currency Committee, and I do not believe that it will be controversial in this great, impartial deliberative body.

Most of our housing efforts in the past have been concentrated upon urban areas.

The present bill, on the contrary, contains a comprehensive rural housing program. This program was worked out in concert with the Secretary of Agriculture. It has his full approval. It is broad enough to meet the needs of three kinds of farmers: First, those who have self-sustaining farms, but who require governmental loans to bring their housing up to decent standards; second, those in an immediate area between self-sustaining farms and depressed groups, who require loans and also require some aid in the form of grants for a limited period of time; and, third, the depressed farmers and farm workers who require low-rent public housing fully as much as do their urban counterparts. The bill is broad enough to cover the whole rural situation, off the farm as well as on the farm.

In addition to these features, the bill contains several others which are equally essential to a well-rounded housing program.

One of the titles deals with the subject of land assembly and preparation for redevelopment. This is a proposal for combined Federal and local effort, to clear slums and to stimulate the rebuilding of these decaying areas at the core of our cities. The bill does not prescribe the types of rebuilding that would be done, except to require that it shall be in accord with a general plan approved by the locality. The rebuilding would include private housing of various types, as well as commercial facilities, recrea-

tional facilities, public housing, public works, and other aspects of community life. It should be made clear, however, that this title of the bill does not finance these redevelopments. It merely helps to clear the slums, so that the redevelopments can take place.

Another title of the bill provides a basic research program, so that the costs of housing may be brought progressively lower. This will open up more of the field to private enterprise, and consequently reduce the ultimate need for governmental assistance.

Still another extremely important title of the bill contemplates an annual inventory of housing needs and housing goals, so that the Congress may be kept constantly informed of the state of our housing progress.

Finally, the bill contemplates a permanent consolidation of housing activities of the Government into a single National Housing Agency, under a single responsible administrator.

The Members of the Senate, who have just acted favorably upon the veterans' emergency housing bill, may be tempted to ask why the current bill is equally necessary. The answer is plain. The emergency bill, with which we dealt earlier this week, is primarily a measure to expedite the availability of materials for house construction for veterans. It also provides for the allocation of these materials, with a preference for housing for veterans.

But these expediting measures, necessary though they are, cannot provide housing for veterans unless the houses are properly priced. Before the war, there were plenty of materials, but most of the income groups in which veterans now find themselves were not provided with good housing. This is merely stating the truism that we had a huge housing problem before the war. And we would have had an even greater housing problem by now than in 1939, even without the war. The current bill directs itself to the solution of this general problem, by bringing housing within the financial means of veterans—by more favorable plans for privately financed housing, by large-scale rental projects, and by public housing where needed in urban or rural areas.

To say that we do not need a housing program because we have just approved a bill to expedite the flow of materials is fallacious. It is just like saying that the whole problem of education, or health, or employment will be solved when there is no shortage of materials to build factories or hospitals or schools.

Without the bill that we approved yesterday it would be impossible to get the materials to carry out the program under the bill which we are now considering. But without the bill which we are now considering, the bill which we approved yesterday would be a delusion and a false promise, so far as the majority of veterans are concerned.

The horrible slums which infect our city life were not caused by a shortage of materials. The tragic shacks and hovels in our rural areas were not caused by a shortage of materials. The abnormally low rate of home building, during the 10 years before the war, was not caused by a shortage of materials. The periodic depressions in the whole home financing and house construction industries, which have done so much to cause general depressions, were not caused by a shortage of materials. Our inability in the past to carry out our inspiring paper plans for the modernization and growth of our communities was not due to a shortage of materials. All these liabilities in our national life existed before the war, when materials were plentiful. That is why we have had a housing problem. It is these root difficulties that we must attack and dispel in order to solve our housing problem.

Certainly there is an emergency shortage of materials today. But if we deal with that phase of the emergency alone we shall commit again the errors of the past. Those errors consisted in meeting one housing emergency after another without full contemplation of permanent solutions. Today, to deal with one phase of the emergency alone would be a double disaster, because it would not even solve the immediate emergency problem. We must build houses that veterans can occupy and will occupy—and not just build houses.

It is a fortunate circumstance that the Banking and Currency Committee has been able to consider the expediting bill and the program embodied in this bill at the same time. In studying them both, the committee became convinced of their intimate relationship. It is for that reason that both bills were reported at approximately the same time. It is also for that reason that the two bills have been brought up successively for consideration in the Senate. It is for that reason that both of them should be put into effect at the first possible moment.

There are some who criticize the Members of the Congress for responding to public pressures. I do not share that view. I think our first responsibility here is to respond to such public pressures as can be shown to be a true barometer of public needs.

I think it may be fairly stated that the variety and extent of public support for this bill have been even greater than the support for the program to expedite the production of building materials. That is because the innate common sense of the American people has once more manifested itself. The American people know that the grave housing situation which they now face, while aggravated by the war, was not caused by the war. They want a solution which deals not only with the problems of the next few months, but also with the problems of the next few years. They want a solution which does not merely get us back to normal, but carries us forward to something better in housing than we ever had before. What we had before was not nearly good enough.

In conclusion, Mr. President, I wish to urge that the Senate react to the bill before it in the same spirit which has motivated its presentation—the spirit of nonpartisanship, founded upon acute realization of the urgency of the task before us—and guided by a complete optimism that we have the resources and the intelligence to do the whole housing job.

I now give way to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, when the general housing bill was introduced last November, I stated that I took particular satisfaction in joining with the distinguished senior Senator from New York [Mr. WAGNER] and the distinguished senior Senator from Ohio [Mr. TAFT] in introducing it. I gave as the reason for that satisfaction, the fact that I regarded the housing problem as perhaps our most important single postwar economic and social issue.

Events since then have, of course, amply confirmed the correctness of my judgment. Far-reaching and drastic action has already proved necessary, including the appointment of a Housing Expediter and the setting of a goal of 2,700,000 new homes to be erected during the next 2 years. These actions have placed housing, by general accord, in the immediate forefront of our basic postwar problems. They have emphasized, more than ever, not only the necessity but the urgency of a comprehensive, thoroughgoing treatment of the whole housing situation.

It is not only because of its importance to the national welfare that I take particular satisfaction in being one of the joint sponsors of the bill. It is also because of the manner of its origin and its history.

First of all, this measure, as much as any bill I can think of which has been considered by the Congress in the years of my membership, is a congressional bill in the full sense of the term. Its initiation and its planning and the development and drafting of its provisions either directly embody, or are the specific result of, the efforts and views of representative committees and Members of this body.

Secondly, it is a bill which has been developed and prepared on the basis of a nonpartisan and most painstaking study and investigation of all facets of the problem, and after careful hearing of all the groups, and interests involved.

In a broad sense, the origins of this bill go back perhaps almost a decade. I think it is for at least that period of time that all three sponsors of the bill have been acutely aware of the necessity of far-reaching action in the housing field on a national scale.

More immediately, this bill can be directly traced back to a Senate resolution introduced in March of 1943 by the senior Senator from Ohio, for himself, the senior Senator from New York, the senior Senator from Utah, and myself. That resolution provided for the appointment of a special committee on housing, to be composed of three members of the Committee on Education and Labor and three members of the Committee on Banking and Currency, to make a thorough investigation and study of the housing activities of the Government and to prepare a comprehensive plan for the postwar housing program of this country. However, in order to integrate the activities on the subject

of housing with the activities of the overall Special Committee on Postwar Economic Policy and Planning, headed by the distinguished senior Senator from Georgia [Mr. GEORGE], the committee was actually appointed by the Senator from Georgia as a Subcommittee on Housing and Urban Redevelopment of that committee. Both the Education and Labor and the Banking and Currency Committees were, as originally contemplated, represented on the subcommittee.

I hope that it will not be considered immodest for me to say that that postwar subcommittee, of which I had the good fortune to be a member, set a high mark by the thorough and exacting manner in which it investigated and scrutinized every aspect and phase of the housing problem. In a most impartial and unbiased spirit, it gave every group and interest concerned an opportunity to make known its needs, desires, and opinions. At the very outset, the selection of a chairman, the senior Senator from Ohio, was itself made on a nonpartisan basis.

In its search for information, both as to the scope of the problem and the manner in which it could best be attacked, the committee gave all of the important interested organizations at least two opportunities to be heard. One was in mid-1944 when the committee sent out a detailed written questionnaire to such organizations requesting their views and recommendations. The other opportunity came in early 1945 when open hearings were held by the committee for a period covering a month. In addition, in its zealous striving for complete and impartial information, the committee invited and obtained, at the Government end, not only the views of the National Housing Administrator, but also of the Commissioners of the Federal Housing Administration, the Federal Home Loan Bank Administration, and the Federal Public Housing Authority, as well as all other Government agencies which we had any reason to believe could contribute to our investigation.

After painstaking consideration and study of the wealth of materials collected and testimony received, the subcommittee submitted on August 1, 1945, its unanimous report to the Congress in which it set forth its recommendations as to our postwar program. It was in furtherance of the recommendations of this report that a general housing bill, Senate bill 1342, was immediately introduced by the senior Senator from New York [Mr. WAGNER] and myself. That bill, however, was superseded several months later by the introduction of the much broader and greatly perfected pending bill, Senate bill 1592, of which the senior Senator from Ohio [Mr. TAFT] also joined as sponsor.

Detailed hearings were held by the Committee on Banking and Currency between November 27 of last year and January 25 of this year in which an opportunity, a third one in effect, was again afforded to all concerned and interested to present their views. Following the conclusion of these hearings, and on the basis of the testimony received, the bill was gone over not only word for word but comma by comma and period by period by the committee, and further perfected on the basis of the testimony.

I have dealt for some length on this history for two reasons:

First. Because it emphasizes that it is a bill not prepared by an executive agency, not prepared by lobbyists, and not prepared by or for special or limited interests, either in the Government or outside the Government. On the contrary it is, as I have stated, a bill representing the efforts of this body itself, acting through representative committees and Members.

Second. Because it corroborates how exhaustive and painstaking has been the care given to the whole subject and its analysis. It, therefore, makes specious, and subject to suspicion as to motive, any contention that consideration of the bill ought to be deferred until further study can be given to this problem. If any error has been committed, it has been because we have been too zealous in the thoroughness of our investigation, and that, as a result, action has been too long deferred.

If there was any one single lesson which those of us who were privileged to work either on the postwar committee or on the Senate Banking and Currency Committee derived from the mass of evidence gathered by these two committees, it was very clearly this: We could no longer continue to treat our housing problems, with their multiple ramifications in our national welfare and economy, in the hit-and-run method of the past. This was made strikingly obvious by the shocking deficiencies in our housing plant, as revealed both by our independent studies and by the testimony. It was made equally obvious by the extremely fluctuating and unstable character of the housing industry which has, in its turn, actively encouraged an economy of alternating speculative booms and depressions of increasing severity. And it was made disheartenigly evident by the obvious overlapping of activity by our housing agencies on the one hand; the huge gaps in the areas served on the other; and the widespread complaints as to Federal agencies in the same field working at cross-purposes.

The evidence made it absolutely clear that we had to have legislation which would set forth—for the first time in our history—a clear-cut, integrated national housing policy and objectives, as well as provide practical methods for attaining these objectives. The evidence showed that we had to have legislation which would deal with the preliminary and underlying phases of technical research, market analysis, and periodic housing inventories, as well as with the ultimate actual construction. It showed that we had to have legislation which would fill in the gaps in our present laws so as to provide for the varied needs of our urban and rural areas alike. It showed that we had to fill in these gaps also so as to assure that those of moderate and low income, as well as those higher in the income scale, would be able to obtain adequate housing accommodations within their means. In this connection, it showed particularly that we needed legislation which would concentrate on the encouragement and protection of home ownership, and at the same time pay full heed to our rental housing needs, bearing always in mind the special needs of our returning veterans. It showed that at the very least, and on the basis of highly conservative estimates, we needed a program which would provide about 15,000,000 new dwellings over the next decade in urban and rural areas.

The evidence further showed that we needed legislation which would carefully delimit the respective spheres of action of the Federal Government and of local communities, and of private enterprise and public endeavor.

It made especially evident that there could be no pretentions of adequacy unless our housing legislation guaranteed that, at the Federal end at least, there would be a unification of activity and purpose, a harnessing of responsibility, and a simplicity of organizational pattern that would eliminate many of the deterrents and obstacles which have hindered housing and related community development in the past.

And, with all this, it was necessary to have a bill which somehow would manage to cover all the various tag ends which always seem to be present, including the bringing up to date of our legislation on the disposition of war housing and the variety of perfecting amendments to all of our existing Federal housing legislation which operations had indicated were needed.

This, in short, was the job that had to be done if a bill at all adequate was to be drafted, and this is the job that I hope and think was done. It was, of course, impossible to do it with a bill of only 5, 10, or 20 pages. Thus, while the general housing bill consists of 100 pages or more, in the light of its comprehensive nature and the manner in which it would bring a consistent, well-thought-out plan into our housing activity for the first time; in light of the chaos it would remove; and in light of the manner in which it would serve the housing needs of all groups, all areas, all types of communities, and all income levels, the bill is, in fact, suprisingly succinct, simple, and brief.

Point No. 1, then, was that we felt we had to do a thorough job.

Point No. 2 was equally obvious to all of us who participated in the activities of either the postwar committee or the Banking and Currency Committee. It was that we had to provide as the keystone of our national housing policy, to which every provision in the bill would have to be attuned, the assurance that private enterprise would be given every opportunity and every encouragement to do as much of the total job as it possibly could do. We felt that all governmental aid and activity in the housing field had to be predicated on this approach. This, we made so explicit throughout the entire length of the bill that I ordinarily would feel it to be highly gratuitous for me to mention this point other than perhaps as a passing reference. It is, also, a deep mystery to me how anyone could honestly believe or suggest that I, or the Senator from Ohio, or the Senator from New York, or the entire membership of the Subcommittee on Housing and Urban Re-

development, or the Senate Banking and Currency Committee could sponsor or approve legislation which had any other objective. However, there have, unfortunately, been some loose, ridiculous, and, it might fairly be said, vicious, charges made about this bill as being a socialistic or communistic bill in disguise, a wolf in sheep's clothing, so to speak. Therefore, for purposes of the record, at least, I feel constrained to take a few moments to show how absolutely unfounded and how completely superficial or deliberately misleading such charges are. All I need to do to show this is simply to summarize the contents of the bill.

At the very outset, the policy preamble of the bill explicitly establishes as the underlying basic policy of the entire bill (1) that private enterprise shall be encouraged to serve as large a part of the total need as it can; and (2) that governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need. Complementary to this policy, it further states that governmental aid to clear slums and provide adequate housing for groups with incomes so low that they cannot otherwise hope to be served shall be extended only to those localities which demonstrate that their needs cannot fully be met through reliance solely upon private enterprise and without such aid.

Title I of the bill establishes a National Housing Agency. Title II provides for research and studies for the very purpose of enabling private enterprise and localities to meet more of the need for housing and related community development through their own efforts. Title III of the bill contains long-sought-after improvements in the operations of Federal savings and loan associations, the Federal home loan banks, the Federal Savings and Loan Insurance Corporation, and the Federal Housing Administration, all of which organizations exist to encourage or to insure private investment in housing. Title IV of the bill contains new FHA plans to enable private enterprise, through FHA insurance, substantially to expand its operations downward in the income scale with respect to both home ownership and rental housing. Title V of the bill sets up a new plan to encourage direct investments by insurance companies and other private financial institutions in rental housing for families of moderate income. Title VI of the bill is designed to enable private enterprise to participate much more extensively in the development or redevelopment of slums and other areas than they now find possible.

Skipping for a moment over titles VII and VIII, title IX of the bill provides for the disposition of war housing presently owned by the Federal Government to localities and to individuals, with preference to veterans. Title X provides for periodic inventories of housing needs, and title XI simply contains the usual separability clause and a miscellaneous provision.

When we come back to title VII of the bill, which provides for the continuance of the urban low-rent public-housing program, and title VIII, which provides governmental aids for rural housing, we find the emphasis is still very definitely on private enterprise. I say this because title VII does not simply limit the low-rent housing program to the area which private enterprise cannot serve. In fact, it goes so far as to provide for a 20-percent gap below the area being served by private enterprise into which public housing cannot enter. This gives private enterprise every possible guaranty of no competition and every possible inducement to expand its area of operations downward in the income scale. Title VIII similarly, in providing for loan assistance by the Secretary of Agriculture to farm families, not only limits such assistance to cases where private credit sources are not available, but, in addition, requires that, even after such assistance is given, if refinancing can at any time be obtained on appropriate terms from private sources, the Federal assistance must be ended.

Now, let me prove this point by figures also. S. 1592 is designed to stimulate and encourage a house-building program of about a million and a half family dwellings a year in urban and rural areas for at least the next decade. Of this amount, it provides aid for only 125,000 units of public low-rent housing a year in urban areas and then only for a 4-year period. It provides for only about 30,000 units of public low-rent housing a year in rural areas, and then only for a 5-year period. Thus, even for this limited period the public housing contemplated under the bill is only about one-tenth of the total housing contemplated during the same period.

Moreover, the annual amount of housing which the bill contemplates that private enterprise shall be encouraged to construct—more than a million and a quarter units a year—is almost five times as much housing a year as private enterprise built on the average in the last 10 years before the war.

It is almost fantastic, therefore, to state that the bill stands in the way of private enterprise. Indeed, it is a matter of simple indisputable fact, that most of the very same groups who have been leveling the charges against S. 1592 have, for many years, been advocating the very forms of aid to private enterprise which are embodied in the major portions of S. 1592. These same groups are vigorously on record as favoring lower interest rates; extending the loan repayment period to 32 years or even longer; 85 percent or even 90 percent firm commitments to builders; technical research into costs by the Federal Government; Federal aid to communities for land assembly and slum clearance; and various other of the types of provisions or programs that are included in S. 1592.

In fact, just a few weeks before S. 1592 was introduced, a combination of 13 private-enterprise groups presented to the sponsors a program of their own drafted in the form of a bill. This bill was called the private-enterprise bill. In substance, it contained many of the proposals in S. 1592 relating to the stimulation of private enterprise, the liberalization of credit for home ownership, efforts to serve middle-income families, and urban redevelopment. This "private enterprise" bill differed from S. 1592 mainly in that (1) it omitted any public housing program; (2) it omitted provisions for a permanent National Housing Agency; and (3), perhaps most significant of all, it did not go nearly so far as S. 1592 in enabling private enterprise to expand its area of operations to serve the varied needs of our citizenry.

The organizations submitting this private-enterprise bill included the National Savings & Loan League; the National Retail Lumber Dealers Association; the National Real Estate Foundation; the Mortgage Bankers Association; the United States Savings and Loan League; the Perpetual Building & Loan Association of Washington; the Structural Clay Products Institute; the National Lumber Manufacturers Association; the United States Chamber of Commerce; the Metropolitan Home Builders Association of Washington; the Urban Land Institute; the National Association of Home Builders; and the National Association of Real Estate Boards.

At the Senate hearings on S. 1592, the record of these private-enterprise groups in support of many of the provisions of the bill relating to the encouragement of private enterprise was placed before them. Few of them denied that they had been and still would be in favor of these provisions.

It should likewise be noted at this point that the provisions in connection with the improvement of Federal Home Loan Bank Administration operations are supported by FHLBA Commissioner Fahey, and that the provisions relating to FHA's programs are supported by FHA Commissioner Foley. Parenthetically, I might point out that, while Mr. Foley, at the Banking and Currency Committee hearings, indicated certain dissatisfaction with some of these provisions as contained in the bill as introduced, amendments made by the committee have served to satisfy his objections.

In view of all this, any claim that the bill is not mainly a private-enterprise bill represents the flimsiest of fictions. The bill is designed to help meet the whole housing needs of the whole American people, through methods wholly consistent with our traditional way of life.

Why, then, have we had these charges and attacks upon the bill? The answer is simple enough. It is that a number of groups, due to their mistaken opposition to any public-housing program whatsoever, have decided to oppose S. 1592 because it includes some public housing. This has led to a distortion of their views on the whole bill. It has also led them into palpable inconsistencies, since all the provisions of the bill, except those relating to public housing, have in substance been advocated and urged for many years by some of these groups.

Some of the best friends of private enterprise are very much concerned that some of the private-enterprise spokesmen have temporarily reversed their own position against their own best interests simply because of their mistaken objection to any public-housing program whatsoever.

Frankly, I have always found distasteful an attitude of "We won't play, even if

you give us everything we want, if you let Johnny have some, too." In the instant case, I find such an attitude very disturbing, involving as it does a complete callousness to human values and needs. For, in effect, it is a recommendation for the condemnation indefinitely of millions of our citizenry, through no fault of their own, to lives of squalor, disease, in many cases crime, and in any event to an environment of a thoroughly depressing and antisocial nature.

If ever statistics were not just cold and lifeless figures, it is in connection with what they show as to the condition of the housing with which millions of our American families have in the past had to suffer because of inadequate aids. The 1940 census showed that, of the 27,000,000 nonfarm families covered, 6,500,000 families, comprising more than 24 percent of the total, paid between $10 and $20 a month in rent or its equivalent, and that more than 60 percent of the housing occupied by this group was bad in some degree. The census further showed that an additional 4,500,000 families, coming to about 16 percent of the total, paid less than $10 a month rent or its equivalent, and that more than 94 percent of the housing occupied by this group was deficient to some degree. In other words, the census confirmed once again what has long been known to those who have made any survey or investigation into the condition of our housing plant: That private enterprise has been and is unable—and I do not say this as a criticism, but as a statement of simple fact—to provide decent housing for families of very low income at prices they can afford to pay.

Based on highly conservative estimates, it has been found that we need a minimum of 12,600,000 units of new construction in urban areas over the next 10-year period. Careful analysis has shown that, of these 12,600,000 family units, about 3,600,000, coming to about 28 percent of the total, would be needed at monthly charges of less than $20. This is precisely that area, it will be noted, which the housing census, as well as scores of other authoritative investigations, has revealed that private enterprise cannot serve at all adequately. It is also worth mentioning that these estimates for the next 10-year period are on the assumption that only one-half of our substandard housing will be replaced during the next decade. Thus, the need and the seriousness of the problem is considerably greater than indicated even by these figures.

Of course, there are areas with low construction costs where decent housing has been furnished in substantial amount at below the $20 a month figure, but I am talking in terms of national averages. If, therefore, this figure is high for some areas, it is, by the same token, low for others.

As a matter of undisputed fact, no real pretense was made by even those most ardently opposing public housing that it was at all possible to provide adequate housing for families who could afford to pay only $15 to $20 a month and less for housing, except through substantial public subsidies. The National Association of Home Builders, for example, testified before the Postwar Committee that the best that the private builders could hope to do in Washington was to build housing to rent at about $25 a month, and then only if governmental subsidies were furnished them to reduce land costs.

The only real area of disagreement was found to be as to method. This area was, therefore, made the subject of thorough investigation by the Subcommittee on Housing and Urban Redevelopment. After a year and a half of such investigation the committee found that the only conclusion it could possibly come to was that the method of financing public housing already tried and tested by experience is far better than any alternative method that has been proposed. In fact, we found that no concrete alternative method had been proposed.

For example, some witnesses suggested reliance upon the so-called rent-certificate method whereby families in need of subsidy aid would be given cash or an equivalent certificate by relief or charity agencies to enable them to pay their rent. But investigation showed that such a method would most likely prove more expensive to the taxpayer. It showed also that wherever some such method has been tried in the past it has tended to result not in the subsidization of existing decent housing but in the actual subsidization of slum dwellings.

Some occasional mention was even made to reliance upon the filtering-down process of housing from the higher- to lower-income levels. But this was done in complete disregard of the fact that this is the very process that has been relied upon in the past and that it is because it has been found so sadly wanting that initiation of the public-housing program was found necessary.

Likewise, obviously on the basis of pure theory rather than of actual investigation or examination into actual experience, or cost figures, the argument was advanced by some that, if we have to provide public housing, we ought to do it in the form of rehabilitation of old buildings rather than by the construction of new. Invariably disregarded by those suggesting this alternative was the fact that any savings in initial costs as compared with new construction would be more than counterbalanced by the shorter useful life and by the higher annual costs of operation.

It was, therefore, the considered conclusion of the committee that this tool could hardly be expected to produce any real volume of housing. However—and I point this out as another example of the manner in which the bill leans over backward in satisfying, wherever possible, the views of the so-called private-enterprise groups—we have included in the bill special provisions enabling the use of the public-housing fund authorizations, wherever feasible, for the remodeling of existing structures. The bill, therefore, permits an adequate exploration of the possibility of rehabilitation of existing housing for use by families of low income.

From even this sketchy outline as to the need of the public-housing provisions of S. 1592, which only faintly suggests the overwhelming evidence gathered by both committees, I think it is clear why neither I nor the Senator from Ohio [Mr. TAFT], nor the Senator from New York [Mr. WAGNER], nor the whole membership of the postwar committee, nor the Banking and Currency Committee, felt that we could prepare or recommend a postwar housing program which did not contain at least some provision to meet the needs of our lowest-income families. Frankly, there was never any doubt in our minds that we could all be saved a great deal of trouble and difficulty, and that we could considerably smooth the way for passage of a postwar housing bill, if we were to eliminate provision for these families. But we just could not see how, in all fairness and as a matter of simple justice, we could recommend a program that would extend aid to all groups of our citizenry except the very one that needed aid the most.

Nor could we see, in our considerations as to method, how we possibly could, as a matter of elemental honesty, recommend reliance on aids that could prove to be only a delusion and a mockery.

Before leaving the subject of public housing, it is interesting to note that one particular result of the opposition to the bill, because of its limited public-housing feature, has been the conjuring up of certain apparently independent arguments against the bill which are especially being pressed at the present time. These are the arguments suggesting that the bill, while perhaps ultimately a good bill to pass, right now should be laid aside because it is untimely.

As I recall it, this argument first made its appearance well over a year ago, at that time specifically in connection with the public-housing feature of the bill. It went something like this: The present backlog in the demand for housing resulting from the wartime cessation of building means that for some time to come the private building industry can utilize all of the materials and labor that will be available simply in satisfying the demands of the higher income groups. Therefore, any public-housing program would be taking away labor and materials that private industry could use and so would be competing with private industry.

This approach, once conceived, apparently was considered to be a very happy thought by its originators and allied groups because by the time the Banking and Currency Committee hearings had come around, it had been developed into one of the arguments that was stressed by the opponents to S. 1592 perhaps more than any other. It had become so expanded that it was almost impossible to recognize its origin and underlying motive. For now it had developed into an argument against the programs of S. 1592 generally, including those relating to the middle-income group as well as the low-income families. The argument now was that S. 1592, by making home ownership easier and so increasing the demand, would be inflationary in effect. To strengthen this argument, it was further contended that the real causes for our housing difficulties were the materials and labor bottle-

necks, and that it is on those conditions that we ought to concentrate, to the complete exclusion of the S. 1592 programs. And it was argued that, anyway, our banks and other financial institutions are bulging with funds to such an extent that there was enough credit available without S. 1592.

It does not take much scrutiny and analysis to show the untenability of these arguments. In the first place, they are even mutually contradictory. If there is the plenitude of credit that is claimed, the argument that S. 1592 would be inflationary because it provides for credit obviously cannot stand up, for the inflationary factor would necessarily already be in existence. Actually, while these two arguments are contradictory, neither of them is correct.

First, as to the inflationary argument. This erroneous argument, in effect, is that veterans' families and others of low and middle income, who are desperately in need of housing now, can best be helped by keeping them in a position where they cannot afford housing, thereby reducing the inflationary pressures. This is tantamount to saying that if a shortage and high prices exist for a necessary commodity, we should let a situation continue which makes the commodity available only to those who can pay the high price. This is economically and socially wrong.

The only real cure for inflation is ample production. There can be ample production only if it is adjusted to the price needs of the masses of the people. S. 1592, by lowering the cost of private housing through a coordinated attack upon land costs, building costs, and financing charges, and through its public-housing provisions as well, takes the approach of bringing those families who need housing into the housing market instead of excluding them from the housing market.

This does not increase the demand for housing. It merely makes it possible for those who need the housing most to satisfy a demand which already exists. The solution is not artificially to limit the demand, but realistically to increase the supply.

To say that middle-income and low-income families should be kept out of the housing market until the shortage is over, and until prices go down, is the same as if we had said during the war that most of the meat should go to upper-income families since it would be hard enough to satisfy their demands without bringing middle- and low-income families into the picture. This is a fair analogy because housing, like food, is a basic commodity which affects the welfare of all the people.

The argument as to the abundance of credit is similarly ironical. It is, to begin with, not one that has just appeared on the scene, but one that has been made by practically the same interests in opposition to all the Federal legislation which has led to sounder and cheaper home-financing practices since 1932. In 1932, in the depth of the depression, when home building had come almost to a stop, some of the same people who now oppose S. 1592 said that there was no need for the Federal Home Loan Bank system proposed under President Hoover. They said there was plenty of credit then. In fact, they said there was plenty of housing then. They said that the establishment of the home-loan bank system would lead to a surplusage, both of housing and of housing credit.

In 1934, when the FHA program was being set up, certain mortgage interests bitterly opposed the idea and said that there was plenty of housing credit on good terms without any FHA. Later, this same group became one of the main beneficiaries and users of the FHA system. Nevertheless, they are now opposing the further improvements in the FHA contained in S. 1592, on the ground that there is already plenty of credit. In all fairness to them, it may well be that it is just out of force of habit.

Yes, there is plenty of credit, but it is not available on satisfactory terms and costs for middle-income families who represent most of the housing needs of veterans and others. Or, to put it more simply, there is plenty of credit, but not for those who need it. The best proof of this is that the Congress found it necessary to enact the housing provisions of the GI bill, placing a Government guaranty in back of certain housing loans, and exerting pressure simply in order to reduce the interest rate on the guaranteed loan to 4 percent. Yet, as everyone knows, even the GI bill has not provided sufficiently liberal credit to make it possible for the majority of veterans to finance homes at costs within their means, quite aside from the shortages of labor and materials.

Also, at the very same time the clamor is raised as to the amplitude of credit, it is argued that, because of the current emergency, we need to revive the liberal credit terms provided in FHA's war housing title VI. The House of Representatives has already found it necessary to pass a bill doing so.

There was plenty of credit before the war, just as there is now, but not in a form satisfactory to those who need it most. The figures show that, even with benefit of FHA insurance, most of the housing built has been concentrated in the upper income third, and practically none of the privately financed housing gets built for the lowest income third.

In 1940, the last full year before the war, for example, the distribution of new construction was as follows: In high-construction-cost metropolitan areas, 93 percent of the new dwellings were built to rent at $40 a month or more; only 3 percent to rent from $20 to $40 a month; and only 4 percent to rent under $20. Even in the metropolitan areas where construction costs were low, 55 percent of the new dwelling units were built to rent for more than $40; 40 percent to rent from $20 to $40 a month (and many of these were much nearer to $40 than to $20); and 5 percent were built to rent below $20 a month. These, of course, are figures for private enterprise, and they do not include public housing.

It is data like this that explains why the 1940 census revealed that in 1939 almost 875,000 of the nonfarm families paying between $20 and $40 a month for their housing lived in houses in the worst classification—those needing major repair. Please keep in mind that I am not talking now about low-income families, but about those in the middle-income brackets. Another 265,000 of the middle-income families lived in houses without running water or plumbing—although not needing major repair. Still another 960,000 of those families lived in houses lacking basic sanitary facilities, such as private baths or flush toilets. Thus, more than 2,000,000 middle-income nonfarm families were deprived of housing coming up to what could be called an American standard. On the farms, the situation was relatively worse.

Does that sound like we have been having a plentitude of credit available for the people who are in need of it?

At the same time that the evidence showed that our existing aids have been inadequate to serve the middle-income group who can pay only between $20 and $40 a month for their housing, it further showed that, of the 12,600,000 units of new construction required over the next 10-year period, to which I have already referred, 4,800,000 of those units, amounting to about 38 percent of the total, will be needed at monthly charges between $20 and $40.

I am aware of the many loose statements that have been made about FHA's serving the "middle income" group under its present legislative program. Actually, the figures presented by Commissioner Foley himself at the hearings before the Banking and Currency Committee are a complete refutation of such statements. According to his figures, 95 percent of all the home buyers in 1940 under the FHA small-homes plan had family incomes above $1,500 a year; 17½ percent of those home buyers had incomes above $2,000 a year. In other words, practically all of the FHA housing was produced for families with incomes of over $1,500 a year, and almost three-fourths of it was produced for families with incomes of over $2,000 a year. Moreover, the monthly cost to the "typical" home owner under the FHA program, exclusive of heating and utility costs, is not $20, or $30, or even $40, but $45. These figures relate to home ownership. In rental housing, the inability under present plans to produce an adequate amount of rental housing at the right price for middle-income families has been even more conspicuous. The amount of peacetime rental housing thus far stimulated by FHA insurance has been relatively very slight, despite years of effort before the war.

Thus we see in cold figures the utter unreality of the claim that the great bulk of FHA operations has been in the middle-income market. Again, I do not say this in criticism, but simply to point out the limitations and deficiencies present under our existing statutory aids.

Before I go on let me emphasize a point made at the hearings of both the Postwar and the Banking and Currency Committees. It is that the number of families who do not have sufficient incomes to constitute an effective demand for good housing at current or prewar housing costs is not merely of social significance. It is also of economic significance. It explains the past incapacity of housing to maintain a regular rate of

production. It explains why residential construction has been marked by almost unique instability. It consequently explains the nature of the remedies which must be applied, to bring housing production and housing employment up to the levels required for a generally prosperous economy.

Certainly breaking the present labor and materials bottlenecks is necessary. But taken alone, it would merely revert us to the prewar situation, when materials were plentiful, but when most of the housing was built for the upper-income third, relatively little for the middle-income third, and practically none for the lowest-income third. In fact, the situation would be in some ways worse than before the war, in view of the present higher price level and the fact that most of the veterans' families and other families needing housing are in the middle-income third or the lowest-income third.

After the last war, when materials became plentiful, we got a speculative building boom for well-to-do families. It did not satisfy the housing needs of the Nation. It ended in a serious housing depression in 1925 that helped to bring on the general depression in 1929. We cannot afford to repeat that experience. Homes that cost more than $7,500, which would represent most of those that would be built without the aid of Senate bill 1592, would repeat that experience. This is corroborated by the testimony of the private-enterprise groups themselves. Time and time again it was to the effect that the interest of the building industry continued to be in the higher-income levels, and it was in that area that they proposed to concentrate their efforts during the postwar period.

So there is no merit in the argument that all we need to do is to overcome the special evils caused by the war—the materials shortages, labor shortages, and inflation. Overcoming those and doing nothing else would take us back to normalcy in housing. That would be back to the prewar situation—back to the cumulative results of a shortage in housing for most of the people beginning in 1925. It is because this shortage has been accumulating for 20 years, and not just since the war, that it is so serious.

The programs provided by Senate bill 1592 and the necessary emergency measures to overcome the evils caused by the war must be combined simultaneously to remedy the evils which existed before the war and are still present in order that the postwar housing program may be just and productive.

It is for this very reason that the President has stated that this bill is important if we are to adequately meet and cope with our housing problems. It is for this reason that the Housing Expediter, Mr. Wyatt, has found it necessary, from the very outset, to include the enactment of this bill in his emergency program.

Among the smoke screens that the opponents of Senate bill 1592 have used in their attempts to defeat the bill has been their statement that the bill will hurt the veteran and this despite the fact, evident upon even the most cursory reading of the bill, that Senate bill 1592, throughout, calls for concentration of our national effort in meeting the needs of returning veterans and their families.

Reduced to its simplest terms, the argument made here is that S. 1592, by making it easier for middle- and lower-income families in general to obtain housing, would increase the competition for housing and thus make it harder for veterans to satisfy their needs.

The gist of this argument is founded upon the theory of scarcity. By its very nature, therefore, it is an unsound argument. The truth is that, so long as veterans and others are competing for a critically short supply, neither will be adequately served. The only real remedy is to serve both.

The argument is fallacious for still another reason. Presently, the Government is allocating materials for housing under a priorities system which requires preference for veterans on all privately financed housing. Likewise, by law and administrative decisions, veterans are receiving preferences in all available public housing space. Similar preferences are provided in S. 1592 itself. Consequently, by making it easier for middle-income families and low-income families to obtain housing within their means, Senate bill 1592 would operate first of all in behalf of veterans.

In addition, S. 1592 in almost every title contains many provisions directed toward meeting the needs of veterans, and is of particular benefit to them. It contains provisions enabling Federal savings and loan associations, the Federal home loan banks, and allied home-financing institutions to participate more effectively under the GI bill of rights home-loan program and so serve the veteran more effectively.

In connection with the FHA program, it provides for time extensions for veterans or their dependents who have been unable to keep up mortgage payments during the period of military service.

In connection with its liberal credit plans for the middle-income family group, it explicitly ties those plans to the needs of veterans and their families. It also makes them specifically available to educational institutions so as to enable them to provide adequate housing accommodations for their student veterans.

In connection with permanent-type war housing, the bill amends existing provisions relating to the disposition of such housing so as to establish the principle of preference to veterans. It further establishes this principle of preference to veterans in connection with the 500,000 new family units of public low-rent housing which has been provided for, and in connection with rural housing aids.

Even more important is the fact that for the first time in many cases, Senate bill 1592 gives the veteran rights and preferences which do not represent mere hunting licenses for housing that does not exist, or for the type of housing accommodation that the veteran does not want or cannot afford. It makes available to him a 95-percent mortgage—the other 5 percent can be obtained under the GI bill of rights—a 32-year period within which to repay the mortgage, and a maximum 4-percent interest rate, as a result of which he can undertake ownership, say of a $4,000 house at a total monthly cost of only $32.50, including maintenance costs as well as interest and principal payments and taxes and insurance.

Only under the S. 1592 program, also, could the moderate and low-income veteran who prefers or needs rental housing be adequately served, or the veteran who can undertake home ownership only under a mutual home ownership plan, or the veteran who needs public low-rent housing, or the veteran returning to rural areas, or the veteran attempting to complete his education.

What would really make things unbearable for the veteran would be the concentration of the home building industry on housing costing in the main $7,500 or more, and that is exactly what neglect of S. 1592 would mean.

If more need be said, let me point out that all three of the veterans' organizations that appeared before the Banking and Currency Committee endorsed S. 1592 and recommended its passage.

Mr. President, what about the costs of the bill? I should like to dwell on that point for a few moments for two reasons: First, because, in any event, the Senate, in giving proper consideration to the bill, should know what it will cost; and, second, because in this respect, too, extravagant arguments have been made.

Briefly, these are the facts: Many of the programs under S. 1592 would not cost the Government anything at all. Some of them, such as the liberalized FHA provisions for middle income home ownership and rental housing, would be insurance systems, and the Government would collect a premium not only to cover possible losses but also to cover administrative expenses. The loan aids for urban and rural public housing, and for urban redevelopment, would also be repayable in full with interest.

I would be the last to deny, however, that the bill would involve certain costs to the Government. Those costs would be in the form of subsidies or annual contributions to help reduce the rents on low-rent housing, to help farmers obtain decent housing, and to pay part of the write-down on urban land made available for redevelopment. There would also be certain costs in the form of Federal grants or expenditures for research and for local planning.

The bill provides for a 4- to 5-year program of building and redevelopment. At the end of that period all the subsidies or annual contributions would be in full operation, and they would amount to a maximum of $143,000,000 a year. Except for $10,000,000 of that amount, which would be payable only over a period of 10 years, the annual contributions—$133,000,000 in amount—could, theoretically, at least, be payable for periods running up to 45 years.

The opponents of the bill multiply $133,000,000 annual cost by 45 years, arrive at a very large figure, and call it the initial cost of the program. Calling a 45-year cost an initial cost is clearly an error. Moreover, totaling up the cost of

any program for 45 years results in a very large figure. If we were to total up social-security costs, or Federal-aid-to-highways costs, or agricultural-benefits costs, or public-works costs for the next 45 years, the figures for any one of them would be many times greater than the housing figure.

There are other basic fallacies in this resort to multiplication tables. In the first place, the annual contributions to reduce rents, and for other purposes may not continue for 45 years. If the country becomes more prosperous and incomes improve, the contributions may be reduced in the future.

Nor is this pure conjecture on my part for the purposes of argument. It is noteworthy that, in connection with the existing United States Housing Act authorization of $28,000,000 a year, those opposing its enactment similarly pointed with horror to the staggering amount involved by multiplying this amount by the maximum 60-year period over which it was authorized to be paid. The actual experience since then has been that in the first 7½ years of operations under that act, the Federal Government was required to pay out not seven and one-half times the maximum $28,000,000 under contract authorized, which amounts to $210,000,000, but only $43,000,000, or about 20 percent of that amount.

More significant still, as a result of financing plans and economies developed in those 7½ years, it has been possible to include in S. 1592 a provision reducing the maximum period over which future annual subsidies for public housing may be contracted for from 60 to 45 years—a 25-percent reduction in itself.

Moreover, even if the contributions under S. 1592 do last 45 years, they will represent 45 years of continuing benefits. For example, the subsidies to reduce the rents on low-rent housing, paid each year, enable a family to live for a year in a low-rent housing project instead of a slum. If this subsidy is paid for 45 years, one family, or a succession of families, will benefit by 45 years of reduced rentals which enable decent instead of slum living.

It is, therefore, no more justified to conjure up a staggering amount by multiplying an annual contribution to reduce rentals by 45 years than to try to attribute to the ownership of a $5,000 FHA-insured home, amortized, say, over a 25-year period, the staggering cost that would result if we considered such cost to be the aggregate of all the interest and principal payments, all the taxes and insurance payments, and all the costs of maintenance and repair, over the 25-year period. Such totals would obviously be meaningless, and they are just as meaningless in the one case as in the other.

In other words, as a matter of both sound sense and experience, the only statement about costs which is fair, relating to S. 1592, is that it contemplates a maximum of $143,000,000 in Federal expenditures a year, representing the total effort of the Government in the housing and related community development field each year.

This $143,000,000 a year for housing is less than one-half of what the Government spent each day to win the war. It is less than 1 percent of any proposed normal postwar Federal budget, exclusive of expenditures for national defense. It is a great deal smaller than Federal expenditures for other major items relating to the welfare of the people.

Moreover, we must measure these costs in terms of their benefits. The benefits of a long-range housing program, aimed toward the ultimate goal of a decent home for every American family, are incalculable. Decent housing instead of slums means less crime, less juvenile delinquency, and lower costs for police and fire protection. It also means better health and lower costs of medical care.

A survey was made some time ago in a very large center, and it showed that where housing was needed the deaths from pneumonia were three times greater than in other parts of the locality where there was good housing, that crime was five times as great, that infant mortality was six times as great, that deaths from tuberculosis were ten times as frequent, and that there were 50 times more identified criminals in the locality. Consequently, our communities will save enormous amounts through the liquidation of their slums.

A housing and urban rebuilding program of this size will also contribute enormously to investment opportunities for private enterprise, and to maximum employment. In fact, it is clear that we cannot maintain even reasonably high and stable levels of employment and prosperity without a very comprehensive housing program.

S. 1592 is merely the foundation for a long-range program of housing and consequent employment. The immediate goal of S. 1592 is about 1,500,000 new homes a year. This would provide 3,000,000 to 4,000,000 jobs each year, for work on the site and in factories and industries servicing the home-building industry. It would mean $6,000,000,000 to $7,000,000,000 in annual capital investment. It would also provide investment opportunities and jobs through demand for household furnishings, furniture, electrical and other utility equipment and appliances, and so forth.

With respect to the urban redevelopment program contemplated by the act, it has been estimated that this program alone might produce $5,000,000,000 to $6,000,000,000 worth of rebuilding activity. Ultimately, the clearance of all our slum areas might generate $50,000,000,000 to $60,000,000,000 worth of building activity and constitute a primary outlet for investment and initiative in an expanding economy.

The cost of doing this job will not be large in terms of the gains. The cost of neglecting the job would be staggering in terms of the evil consequences that would result.

This is a bill that caters to no one special group or interest, but encompasses within its four corners programs designed to be of material assistance to the great mass of our citizens, whether they live in the city or on the farm; whether they have a high, middle, or low income; whether they live in the North, South, East, or West; whether they need encouragement and protection to enable them to undertake home ownership, or need or prefer rental housing. The bill is effectively designed to reach, once and for all, down to the very roots of our housing difficulties, and to eliminate one of the most serious and disturbing of our postwar problems.

In contrast to the scattered and piecemeal measures that have characterized all previous legislative attempts to deal with our housing needs, the bill will make possible comprehensive thoroughgoing, and well-integrated action on the housing front. Only with its passage can we have any real assurance that the sobering and tremendous job ahead of us can be done. And if it is passed, it will be done.

Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks the detailed section-by-section analysis of the bill which appears in the report of the Committee on Banking and Currency, beginning on page 20.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

(15) DETAILED SECTION BY SECTION ANALYSIS OF THE BILL

POLICY PREAMBLE

The purpose of this policy preamble is to set forth succinctly our national housing objectives as established by the Congress and the basic underlying principles to be followed in attaining these objectives.

Section 1: This section provides a short and convenient form of citation to the bill, "General Housing Act of 1946." It also provides a table of contents.

Section 2: This section, as the policy preamble to the bill, sets forth this country's primary housing objectives. In so doing it stresses the Nation's interest in housing production and related community development because of the basic contribution they can make both (1) toward improving the health and living standards of the people and (2) toward an economy of full production and full employment. Thus the policy preamble calls attention specifically to the need for housing production and related community development sufficient to remedy the serious cumulative housing shortage, to eliminate slum and blighted areas, to realize as soon as feasible the goal of a decent living environment for every American family, to redevelop communities so as to advance the growth and wealth of the Nation, and to enable the construction industry to make its full contribution toward an economy of full production and full employment.

The keystone of the national housing policy established by the Congress in this preamble to facilitate the attainment of these objectives is that private enterprise shall be encouraged to serve as large a part of the total need as it can and that governmental assistance shall be utilized where feasible to enable private enterprise to serve still more of the total need. As a complementary policy the section states that governmental aid to clear slums and provide adequate housing for those whose incomes are so low that they could not otherwise be served shall be extended only to those localities which estimate their own needs and demonstrate that these needs cannot fully be met by reliance solely upon private enterprise and without such aid.

So that the responsibilities and activities of the Federal Government may be properly geared and best adapted to contribute effectively toward the attainment of the national housing objectives, the section establishes as

an additional underlying policy that the main functions of the Federal Government in housing and related community development shall be consolidated for unified and efficient action at the Federal level.

TITLE I—NATIONAL HOUSING AGENCY

This title consolidates the basic housing functions of the Federal Government into a single agency, upon which the responsibility for attaining the national housing objectives and effectuating the national housing policy can be focused in clear-cut manner. In so doing, the title does not disturb the basic permanent pattern established hitherto by the Congress, involving three major operating units in the housing field, but it does gather together these units and their functions and activities into a single agency under the same policy-making head.

Section 101: This section establishes a National Housing Agency for the purpose of achieving the unified and coordinated activity in executing the national housing policy, and of promoting the economy and efficiency, specified in the policy preamble set forth in section 2.

Section 102: This section provides for a single administrator as the head of the agency, to be appointed by the President with Senate approval, and to receive compensation at the rate of $12,000 per annum. The section transfers to him (in addition to such other functions as he may obtain from other provisions in the bill) the main policy functions, powers, and duties under Federal war-housing legislation which are now vested in the Administrator of the temporary, wartime consolidation of housing agencies effectuated in 1942.

The section also provides for an official seal for the agency.

Section 103: This section provides for three constituent units representing the three basic task forces or action agencies which are to carry into operation, under the general coordination and supervision of the National Housing Administrator, the national housing program. These three constituent units would be known as the Federal Home Loan Bank Administration, the Federal Housing Administration, and the Federal Public Housing Authority; and each of them would be headed by a Commissioner appointed by the President, with Senate approval, and receiving compensation, respectively, at the rate provided under present law for the Chairman of the Federal Home Loan Bank Board, the Federal Housing Administrator, and the Administrator of the United States Housing Authority.

Section 104: This section sets forth specifically the functions vested in each of the three Commissioners. It places in the Federal Home Loan Bank Commissioner the functions, powers, and duties of the Federal Home Loan Bank Board, the Board of Trustees of the Federal Savings and Loan Insurance Corporation, and the Board of Directors of the Home Owners' Loan Corporation. (As a practical matter, this vests in the Commissioner only the functions of a single board since by law the members of the Home Loan Bank Board are automatically also the Board of Trustees of FSLIC and the Board of Directors of HOLC.)

The section vests in the Federal Housing Commissioner the functions, powers, and duties of the Federal Housing Administrator and places under his jurisdiction the Federal National Mortgage Association (which was chartered by FHA for the purpose of assuring a secondary market for FHA insured mortgages and is now under the jurisdiction of the Federal Loan Agency which owns its capital stock).

In the Federal Public Housing Commissioner are vested the functions, powers, and duties relating to the public-housing activities of the Federal Government. These include the prewar public-housing functions consisting of (1) the low-rent housing and slum-clearance program authorized by the United States Housing Act of 1937, and (2) the non-farm-housing projects of the Farm Security Administration already transferred to FPHA under the temporary wartime consolidation of housing agencies. They include also all of the public war-housing functions (exclusive of those transferred to the National Housing Administrator under sec. 102 and those relating to War and Navy Department housing located on military or naval reservations).

Section 105: This section provides for the transfer to the National Housing Agency of all property and personnel held or employed in connection with the administration of any function being transferred to the Agency.

Section 106: This section is a technical provision providing for the transfer to the National Housing Agency of all unexpended portions of appropriations and authorizations heretofore made available for the functions being transferred to the Agency.

Section 107: This section provides for the preservation of all rights under existing obligations and contracts made in connection with any of the functions being transferred to the National Housing Agency, and for the continuance of all rules and regulations issued in respect of any such functions until modified or repealed by appropriate administrative action.

Section 108: This section vests in the Administrator and the Commissioners the usual administrative powers necessary for efficient operations, such as powers relating to appointment of personnel, travel, purchase of supplies, etc.

Section 109: For purposes of sound and efficient administration, this section authorizes the Administrator and the Commissioners to delegate to subordinate officers such of their functions, powers, and duties as may be found desirable.

Section 110: This section is a technical provision authorizing the appropriation of the moneys necessary for administrative expenses of the Agency.

Section 111: This section calls for an annual report to the Congress on the operations of the agency, with which would be submitted the reports required under present law from each of the three major operating units being consolidated into the agency.

Section 112: This section sets forth the usual provision with respect to the authority of heads of Government agencies or units to make such rules and regulations as may be necessary for the performance of the functions vested in them.

Section 113: This section sets forth as the effective date of title I the date when the National Housing Administrator and the three Commissioners, first appointed under the act, have taken office. It further provides that on such date Executive Order 9070, providing for the wartime consolidation of housing functions, shall cease to be effective.

TITLE II—RESEARCH, MARKET ANALYSIS, AND LOCAL PLANNING

The purpose of this title is to authorize a program of housing research and of encouragement of local community study of local housing needs and markets and of improvement in local planning, toward the end that private enterprise and localities will be better equipped to meet more of the total housing need through their own efforts.

Section 201: This section authorizes the National Housing Administrator to undertake a comprehensive program of technical research and related studies which will stimulate the increased production of housing and make possible progressive reductions in housing costs. The Administrator is also authorized to make studies and reports relating to the improvement of employment and investment opportunities in house building, better methods of home financing, and other matters affecting housing and related community development. The section provides no money authorizations but merely authorizes the appropriation of such sums as may be necessary to carry out these purposes.

The section further authorizes the National Housing Administrator to encourage localities to make studies, surveys, and plans with respect to their own housing needs, markets, and development, and to provide them (where requested and needed) with technical advice and guidance for these purposes.

Section 202: This section authorizes the National Housing Administrator to provide local public bodies with financial aid for the making of the local studies, surveys, and plans specified in section 201. Any such financial aid would be on a matching basis, with the Federal aid limited to 50 percent of the cost of such studies, surveys, and plans. The section authorizes for this purpose the appropriation of not to exceed $25,000,000 over an initial period of 5 years.

Section 203: This section provides that, where a local public agency undertakes studies, surveys, and plans of the character described in section 201 in preparation of land assembly or low-rent housing projects for which Federal assistance is authorized by this bill or the United States Housing Act of 1937, loan assistance may be made to such agency to aid in financing the cost of such surveys, studies, and plans and other necessary work in the preparation of the projects. Such loans would be made on the condition that they would be repaid with interest out of any funds which become available to the local agency for the undertaking of the project involved.

TITLE III—AMENDMENTS TO EXISTING AIDS TO PRIVATELY FINANCED HOUSING

The basic purpose of this title is to strengthen the already existing housing tools of the Federal Home Loan Bank Administration and the Federal Housing Administration so as to enable them to service the moderate income groups and our returning veterans much more effectively than they are able to under present statutory provisions. Thus, this title is intended appreciably to broaden the area that private enterprise could serve. Toward this end, the title provides for improvements in the operations of federally chartered savings and loan associations, the Federal home loan banks, the Federal Savings and Loan Insurance Corporation, and the Federal Housing Administration.

FEDERAL SAVINGS AND LOAN ASSOCIATION OPERATIONS

Section 301: This section expands the lending powers of federally chartered savings and loan associations so as to permit such associations to participate more effectively in the servicing of the over-all and varied housing needs of this country. This section would:

1. Authorize Federals to participate in the FHA insurance program without restriction. (At present Federals are not authorized to make home-repair or modernization loans insured by FHA unless they are also secured by first mortgage; or home-mortgage loans insured by FHA unless the dwelling is within a 50-mile radius of the home office; or, except to a limited extent, rental-housing-project loans insured by FHA under its section 207 program. The section, in removing these restrictions, would remove them also with respect to mortgages which FHA has made a commitment to insure.)

2. Permit Federals to participate without restriction also in the Federal home-loan guaranty and insurance program for veterans provided by the GI bill of rights, and in any other home-loan insurance or guaranty program of a Federal agency. (The GI bill of rights itself has already provided for such participation with respect to any loan,

at least 20 percent of which is guaranteed by the Veterans' Administrator. It failed, however, to make any such provision with respect to loans insured under that act. Section 301 would make this provision and would eliminate similar problems in the future with respect to any other program of Federal insurance or guaranty of home loans.)

3. Authorize Federals to participate, either individually or jointly with other home-financing institutions, in the yield-insurance program for direct investment in rental housing provided under title V of this bill.

4. Provide a clarifying amendment required to remove an ambiguity in the present law as to the lending powers of Federals with respect to homes. Under present statutory language, a federally chartered association may make real-estate loans only on first liens of not more than $20,000 on homes or combination of homes and business property within 50 miles of its home office, except that not over 15 percent of its assets may be loaned on first liens or other improved real estate without regard to these limitations as to amount and location. Under this wording there is doubt whether homes (and combination of homes and business property) are included within this 15-percent provision, and the purpose of the amendment would be to make it clear that they, as well as commercial properties, are included.

FEDERAL HOME-LOAN BANK OPERATIONS

Section 302: The purpose of subsection (a) of this section (which, together with sections 303 and 304, is designed to improve Federal home-loan bank operations) is to remove present restrictions relating to participation by the bank system and its members in the FHA insurance and Veterans' Administrator guaranty and insurance programs and any other home-loan insurance or guaranty program of a Federal agency. Specifically, it permits such banks to accept as collateral for advances to member home-financing institutions any home loan insured or guaranteed, or as to which a commitment to insure or guarantee has been made, by the FHA, Veterans' Administrator, or other Federal agency. As in the case of those FHA-insured mortgages which are already eligible as collateral under present statutory provisions, such advances would be authorized in amounts not exceeding 90 percent of the unpaid principal of the loan being used as collateral. (Under present law, home-loan banks may not accept as collateral for their advances loans insured by FHA under its title I home repair and modernization program; rental-housing mortgages insured by FHA under its section 207 program; or home loans with more than 20 years' maturity insured by FHA under its section 203 program. Nor may they presently accept as collateral home-repair loans to veterans guaranteed by the Veterans' Administrator, or second-mortgage loans guaranteed by such Administrator.)

Subsection (b) of this section would encourage and facilitate the making of home loans with longer than 20-year maturities by Federal home-loan bank members by authorizing the banks to make advances to such members on home-mortgage loans (whether or not FHA insured) with maturities of up to 25 years as contrasted with a present limitation of 20 years.

Section 303: This section would enlarge the base for issuance of debentures by the Federal home-loan banks (to obtain funds to make advances to members) by including in such base Government obligations owned by the banks. The original legislation establishing the bank system provided for the issuance of debentures in a maximum amount based upon collateralized loans made to member institutions, including loans collateralized by obligations of the Federal Government held by the members. The debenture base, however, was not made to include investments made by the banks directly in Government obligations. This situation would be rectified by this section.

Section 304: This section would amend the present statutory provision requiring semi-annual examination of the Federal home-loan banks by FHLBA so as to require only annual examination. Under this amendment, FHLBA would still have the power, as at present, to examine the banks at any time, but would not be required to do so more than once a year. This change, therefore, while preserving all essential authority, would make possible substantial savings both in money and personnel.

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION OPERATIONS

Section 305: This section, together with section 306, provides for certain basic changes in the financial operations of the Federal Savings and Loan Insurance Corporation. When FSLIC was established in 1934, its entire capital stock in the amount of $100,000,000 was provided by HOLC, and the statute providing for such capital subscription required that FSLIC pay to HOLC an annual dividend at a rate equal to the interest rate on the bonds issued by HOLC to provide the funds for the subscription. The bonds so issued bore an interest rate of 3 percent, so that this has determined the amount of the annual dividend to HOLC to date. However, these 3-percent bonds have been refunded, with the result that the cost to HOLC on its capital subscription to FSLIC is now less than the amount the statute requires FSLIC to pay in dividends to HOLC. Subsection (a) of this section would correct this situation by providing that henceforth such dividends shall be in line with the current cost to HOLC on its borrowings.

The purpose of subsection (b) of section 305 is to strengthen the insurance protection afforded by FSLIC by authorizing, but not requiring, the Treasury to purchase FSLIC's debentures. In this way, there is better assurance that FSLIC will at all times be able to meet its insurance obligations without undue difficulty. The subsection limits the aggregate amount of debentures that the Treasury might thus purchase to three times FSLIC's capital stock, reserves, and surplus.

Section 306: This section would, in line with FSLIC's experience with respect to losses and income in its 11 years of operations, reduce the premium chargeable for FSLIC insurance from one-eighth of 1 percent (of accounts insured plus creditor obligations) to one-twelfth of 1 percent. This change in premium rate would become effective as of July 1, 1946.

FEDERAL HOUSING ADMINISTRATION OPERATIONS, MODERNIZATION AND IMPROVEMENT LOANS

Section 307: This section, together with the remaining sections in title III, is designed to effect improvements in FHA operations with respect to all three of its present insurance programs, including home modernization and improvement loans, home mortgage loans, and rental housing mortgage loans.

Section 307 itself extends and expands FHA's title I modernization and improvement insurance program by authorizing it (1) to insure loans under this program with maturities of up to 5 years, as compared with a present limitation of 3 years, and (2), in the case of multifamily houses and institutional properties, to insure loans of up to $10,000 in amount (as compared with a generally applicable $2,500 maximum) and 7 years in maturity. At the same time, there would be eliminated from the title (1) the present time limitation as to insuring activities under the title (July 1, 1947), and (2) the title's special war-housing provisions (insurance of loans of up to $5,000 in amount and 7 years in maturity for home modernization and improvement which would assist the war effort).

INSURANCE OF EXISTING HOMES

Section 308: This section eliminates two limitations on FHA insuring activity with respect to mortgages on existing homes. Under the present statute, the aggregate amount of mortgages on existing dwellings that FHA may insure (using mid-1939 as the base date) may not exceed 35 percent of the total amount of FHA insured mortgages. Also, under the present statute FHA would not be able to insure mortgages altogether on existing properties after July 1, 1946, unless the property has previously been covered by an insured mortgage. Both these provisions are eliminated from the statute by this section.

ENCOURAGEMENT AND PROTECTION OF HOME OWNERSHIP

Section 309: The purpose of subsection (a) is to encourage home ownership by authorizing a maximum maturity of 25 years with respect to home mortgages on new construction generally, instead of limiting such maturity to newly constructed single-family, owner-occupied, homes costing $6,000 or under.

Because of the problems created by current higher construction costs, subsection (b) authorizes FHA, with respect to any of its home-mortgage-insurance programs, and subject always to the test of economic soundness, to increase the maximum amounts presently prescribed for such mortgages by the amounts (which may in no event exceed $1,000) necessary to compensate for such higher costs. This power may be exercised only until December 31, 1947.

Section 310: Subsections (a) and (b) of this section permit a pro rata refund of insurance premium where the mortgage is paid off within a premium year. Under the present statute, such refund may be made only if a new mortgage on the same property is accepted for insurance at the time of the payment of the one previously insured.

The purpose of subsection (c) is to make possible necessary protection to those undertaking home ownership and other mortgagors by authorizing FHA to permit or require provisions in any mortgage insured by it, with respect to the deferment of monthly mortgage payments in cases where the mortgagor, because of unemployment, economic conditions, or misfortune beyond his control is unable to meet such payments. Under this authorization, the maturity of the mortgage could be extended, as a result of such deferments, for a period not exceeding 3 years in the aggregate.

TIME EXTENSION FOR VETERANS

Section 311: This section is designed to protect those veterans and their dependents who have been unable to keep up their mortgage payments during the period of military service. It authorizes the FHA to consent to the modification and extension of the maturity of any such mortgage, so long as the extended maturity within which the mortgage is to be amortized does not exceed the unexpired term of the mortgage plus a period equal to the period of military service. In effect, this permits the FHA and the mortgagee to accord to the veteran by voluntary agreement the same relief which he could obtain by court action under the provisions of the Soldiers' and Sailors' Civil Relief Act, but without the expense and delay attendant upon such action.

MISCELLANEOUS AMENDMENT WITH RESPECT TO HOME OWNERSHIP

Section 312: This section reinstates a recently expired authorization to FHA to include certain foreclosure costs among the insurance benefits in the case of mortgages

covering homes of $6,000 or under, the purpose of this reinstatement is to insure continued participation by lending institutions in the financing of low-cost homes on the most favorable terms possible to the moderate-income home owner.

RENTAL HOUSING INSURANCE

Section 313: Subsection (a) would perfect the provision in the National Housing Act which makes participation in FHA's rental housing program possible in the case of Federal or local public instrumentalities, or limited-dividend corporations restricted by State law as to rents, rate of return, and methods of operation. It would do so by also including State-regulated redevelopment and other housing corporations in this list of eligible mortgagors, and by providing as an alternative to the present requirement calling for controls by State law itself, regulation by the State banking or insurance department.

Subsection (b) would in effect reinstate FHA's section 210 program which was stopped in 1939 and under which FHA was authorized to insure mortgages of up to $200,000 in amount on housing projects or developments constructed for either rental or sale purposes. The basic differences between the plan of operations under section 210 and under FHA's section 207 program were (1) the concentration of section 210 on the small-sized project or development; and (2) the statutory requirements present in the case of section 207 projects, but absent in the case of section 210 housing, calling for the formation of special, limited dividend, corporations and for FHA controls over management and operations.

Subsection (b) would reinstate the section 210 program by appropriate amendment to section 207 rather than by a reenactment of the old section 210 itself. It does so by making inapplicable to section 207 mortgages not exceeding $250,000 in amount (as compared with the previous $200,000 limitation in sec. 210), the statutory requirements calling for the formation of special corporations and for FHA controls over management and operations.

Section 314: This section provides for three basic improvements in section 207 rental housing operations:

1. It perfects the present provisions with respect to the amount of project cost that may be covered by the mortgage loan. Two basic limitations provided in the present statute are: (i) That the loan may not exceed 80 percent of project value, and (ii) that it may in no event exceed the cost of the completed physical improvements. However, in defining "costs" for the purpose of determining the portion thereof that may be covered by the mortgage loan, certain items such as taxes, financing charges, utilities, and other expenses are excluded. In order to facilitate the evident intent of the act to permit the insurance of a true 80-percent loan, and on the basis of experience under FHA's title VI war-housing program, this section would amend the statutory definition of project "value" and "costs" so as to include certain of the presently excluded cost items.

2. It authorizes insurance of mortgages up to $50,000,000 in amount (as compared with the general limitation of $5,000,000) if the housing project is undertaken by a Federal, State, or municipal instrumentality, or a limited-dividend, redevelopment, or housing corporation restricted by Federal or State law or regulations of State banking or insurance departments as to rents, charges, capital structure, rate of return, or methods of operation. It would also make inapplicable to these projects the statutory limitation that the mortgage loan may not exceed the cost of the completed physical improvements; that is, land costs may be included so long as the total amount of mortgage loan does not exceed 80 percent of project cost. These amendments are intended to make possible assistance under the FHA-insurance program to large rental-housing projects contemplated under State urban-redevelopment laws.

3. It would substitute, with respect to the size of the mortgage, a maximum limitation of $1,500 per room (or $1,800 where cost levels so require) for the present limitation of $1,350, and in this way permit greater flexibility.

Section 315: This section would permit FHA to charge a maximum fee of 1 percent (of the mortgage loan) to cover appraisal and inspection costs on rental-housing projects, as compared with the present maximum of one-half of 1 percent. This would enable the FHA to recover its actual cost of processing in certain cases where the application for insurance is withdrawn before the loan is insured.

Section 316: This section eliminates the present statutory requirement that where FHA takes over a rental-housing project as a result of default of the mortgagor and, through its efforts, ultimately realizes a profit on the transaction, such profit must be turned over to the mortgagor. It is not believed that the defaulting mortgagor corporation is entitled to such a gratuity but that such profit, if any, should accrue to the insurance fund to offset losses incurred in other cases.

TITLE IV—PRIVATELY FINANCED HOUSING FOR FAMILIES OF LOWER INCOME

This title recognizes that there are income groups which can and should be served by private enterprise rather than by public housing endeavor, but whom private enterprise would not be able to serve under existing programs even when strengthened by the provisions of title III. It, therefore, provides, in the case of both home ownership and rental housing, for a supplementing of the existing systems of FHA mortgage insurance with special aids for families of lower income and for the special needs of veterans who require more favorable terms than such existing systems offer. Thus, it would effectively complement title III in appreciably broadening the area which private enterprise can serve.

Section 401: This section points out specifically that title IV is not designed to supplant or alter any of the existing systems of mortgage insurance under FHA, but only to supplement them with special systems for families of lower income who require more favorable terms than can be offered under FHA's existing programs. It further states that, as basic policy underlying the title, it is contemplated that the liberalized forms of consumer credit provided shall be combined with all proper incentives to cost reduction through adoption of appropriate new materials, techniques, and methods, and through increased efficiency in production and elimination of unnecessary restrictive practices.

FHA SUPPLEMENTAL MORTGAGE INSURANCE FOR HOME OWNERS OF LOWER INCOME

Section 402: This section, together with section 403, provides the supplemental system of mortgage insurance for individual family homes. It authorizes, where necessary, in order to assist lower-income families who could not be served under the existing FHA program, a combination of a 95-percent loan, 32-year maturity, and a maximum 4-percent interest rate. (Present maxima are a 90-percent loan, 25-year maturity, and 5-percent interest rate.) This supplemental program would be limited to mortgages not exceeding $5,000 in amount, or a lesser amount when the Administrator finds that for any section of the country or at any time a lower-cost dwelling for families of lower incomes is feasible without sacrifice of sound standards of construction, design, and livability. In order to stimulate building activity in this low-cost home field, the section authorizes firm mortgage insurance commitments to builders of such housing in amounts up to 85 percent of appraised value as compared with the generally applicable limitation of 80 percent. This would enable them to build more houses at once with the same amount of personal capital, reduce their marketing risks, and effect other economies reducing housing costs.

Section 403: The purpose of this section is to provide increased insurance benefits to the mortgagee lending institution in order to encourage participation by home-financing institutions in this supplemental program. Under the provisions of the section, the mortgagee would receive reimbursement not only for unpaid principal as under the present law, but also for two-thirds—or $75, if that proves to be a greater amount—of the foreclosure costs incurred by it, thus substantially reducing the possibility of loss that the mortgagee assumes under the existing FHA home-mortgage-insurance program.

FHA-MUTUAL OWNERSHIP AND RENTAL HOUSING

Section 404: This section, together with section 405, sets forth the special supplemental program needed for large-scale housing projects for families of lower income. The program involves, subject always to the condition of economic soundness, a combination of a 90-percent loan, 40-year maturity, and maximum interest rate of 3½ percent. Also, in order to encourage and make possible home ownership for those families of lower income who could undertake such ownership only under some plan such as mutual ownership housing, the section makes this liberalized combination of mortgage terms available for projects undertaken by nonprofit mutual ownership housing corporations, with the additional liberalization—since home ownership is involved—of insurance of 95-percent loans. This additional liberalization is further made available to rental projects undertaken by Federal, State, or municipal instrumentalities, or State-regulated limited dividend, redevelopment, or housing corporations, to take care of those families of lower income, or veterans and their families, who could not be served even under the 90-percent rental housing or 95-percent mutual-ownership loan plans provided in this section. It is also made available to educational institutions to enable them to provide adequate housing accommodations for their student veterans.

Section 405: In order to attract participation by lending institutions, this section increases the insurance benefits under the section 404 program. As in the case of the section 402 home-mortgage-insurance program, there would be reimbursement to the mortgagee of foreclosure costs up to two-thirds thereof (or $75, if this proves a greater amount). In addition, this section adopts the pattern established by FHA's title VI war-housing program and further provides that the debentures issued to the mortgagee in payment of his claim shall be dated as of, and so bear interest from, the date of default rather than foreclosure, and that if the mortgagee elects to assign the mortgage itself to FHA, there shall be deducted from the insurance benefits only 1 percent of the unpaid principal as compared with 2 percent under FHA's existing title II program.

Section 406: This section follows the pattern established in 1938 when the National Housing Act was amended so as to provide for the present program of FHA insurance of 90 percent, 25-year, mortgage loans on new owner-occupied homes costing $6,000 or under. As a corollary measure, the Federal National Mortgage Association was created to assure a market for such mortgages if the market already established for FHA-insured mortgages should prove inadequate for this new, higher-ratio, longer-term, mortgage note.

Similarly, section 406 provides that if at the outset there should fail to be an adequate market for FHA-insured mortgages on housing projects for families of lower in-

come eligible for mortgage insurance under section 404, the Federal National Mortgage Association may provide such a market. In doing so, it would follow the pattern prescribed in section 404 with respect to mortgages taken up by private financing institutions. Also, because of the special problems attendant upon the formulation of these projects, the FNMA is further authorized to make preliminary advances for such projects at a 3-percent interest rate for necessary expenses up to the point where application can be made for the loan or mortgage insurance, but in no event in an amount in excess of 1 percent of the estimated project cost.

TITLE V—DIRECT PRIVATE INVESTMENT IN HOUSING FOR FAMILIES OF MODERATE INCOME

This title recognizes that, while the encouragement of home ownership is a fundamental objective in our national housing policy, nevertheless there is a large segment of our population which, because of income, mobility, custom, or local conditions, requires or prefers rental housing. The section also recognizes that up until now the provision of such housing, particularly for families of moderate income, has been inadequate and that such inadequacy has in very large part resulted from a reluctance on the part of institutional investors to make direct investments in such housing.

The title, therefore, provides for a special program of yield insurance, to be administered by FHA, designed to encourage direct investment in rental housing for families of moderate income by guaranteeing to those making such an investment to the extent of 100 percent of project cost, a minimum return (exclusive of amortization) of 2¾ percent per annum on outstanding investment until such time as only 15 percent of the original capital investment remains unamortized. As in the case of FHA's existing insurance programs, a self-sustaining program made possible by appropriate premium charges, is contemplated.

Section 501: This section places the proposed yield-insurance program under the jurisdiction of FHA, and as a title VII to the National Housing Act, which title would consist of 13 sections, Nos. 701 through 713, and provide as follows:

"Title VII—Insurance for Investments in Rental Housing for Families of Moderate Income."

Section 701 of the proposed title VII provides the general authority to FHA to insure (and to make commitments to insure) a minimum annual return to the investor, consisting of (1) 2 percent of the original capital investment (as amortization on such investment), plus (2) a 2¾ percent yield on the portion of the investment still unamortized as of the particular year involved.[1] Such insurance may be provided only for the period during which more than 15 percent of the original capital investment in the project remains unamortized (or, in effect, for not more than 42½ years).

Section 702: Subsection (a) sets forth as the basic requirements for eligibility for yield insurance (1) that there be a need for the project in the locality to serve families of moderate income at the rentals proposed, which need is not adequately being met by private enterprise without yield insurance; (2) that the project be economically sound and afford reasonable assurance of stability and economy both in construction and operation; and (3) that the dwellings be properly designed and available for families of moderate income at rentals within their capacity to pay.

Subsection (b) of this section provides the usual clause as to incontestability with respect to any insurance contract undertaken by FHA under this title.

Section 703: This section fixes the premiums and fees that may be charged in connection with the yield insurance program. It authorizes first an annual premium charge of not more than one-half of 1 percent of the investment outstanding for the particular year for which the premium charge is payable. It authorizes also reasonable fees (but not in excess of one-half of 1 percent of the estimated capital investment) for FHA examination and inspection of the project during construction.

Section 704: This section, which relates to the rents that may be charged for the dwellings in the project, requires approval of the rent schedule by FHA. The yield insurance plan provided under this title does not make the 2¾-percent minimum yield guaranteed by FHA, also the maximum the investor is permitted to derive on his investment. This is specifically recognized by the provisions of this section which provide for FHA approval of rent schedules so set up as to allow the investor a yield of 3¼ percent on outstanding investment. At the same time, however, FHA must also find that the rentals provided in the schedule are no higher than necessary to meet the needs of the families of the incomes proposed to be served.

Section 705: This section provides that in those years, if any, in which the project yields revenues more than sufficient to provide a 3¼-percent yield on outstanding investment for that year, one-half of such additional earnings may be retained by the investor as a further return on his investment, but only to the extent that this does not result in a return for that year of more than 4 percent on outstanding investment. For the purposes of the insurance contract the balance would be regarded as being applied to accelerating the amortization of the capital investment, one effect of which would be to reduce the life of the insurance contract. The section provides, however, that in the event the project has had operating deficits in preceding years (which deficits are not covered by the insurance under this title), the excess earnings are to be applied, first to the reimbursement of such deficits, and, second, to the payment of any premium charges previously waived because of such deficits.

Section 706: This section provides for the submission of annual financial and operating statements to FHA for its approval. The FHA is authorized to make such submission and appproval a condition precedent to the payment of claims for insurance benefits.

Section 707: This section provides for cash payment of properly proved claims for insurance benefits.

Section 708: This section is designed for the situation where a project continues to operate at a loss for a substantial period, thus requiring special action. It provides that if the aggregate of the amounts paid as insurance benefits to the investor should ever equal or exceed 15 percent of the original capital investment, FHA is to have the right to take over the project against issuance to the investor of debentures having a value equal to 90 percent of the portion of the capital investment still unamortized. Conveyance to FHA at the option of the investor is authorized if the aggregate of the operating deficits (to the extent they are not made good) should ever equal 5 percent of the original capital investment. In either case the debentures issued would bear interest at not to exceed 2¾ percent per annum, have a maximum maturity of 40 years, be fully guaranteed by the United States, and have the same tax-exemption privileges as debentures issued by FHA under its mortgage-insurance programs.

The section also sets forth the necessary provisions for the temporary management and disposition of any projects taken over by FHA under this section.

Section 709: This section vests in the investor the right to terminate the written contract at any time upon written notice to FHA, and it vests in FHA the authority to prescribe the conditions under which it has the option to terminate the insurance contract. The section further authorizes an adjusted premium charge in the event of termination.

Section 710: This section creates a special insurance fund (Housing Investment Insurance Fund) as a revolving fund for meeting the payment of insurance benefits, and also of administrative expenses incurred in connection with the program, and allocates $10,000,000 to set up such fund. All income derived in connection with the program is to be deposited in the fund and all expenses, whether in payment of insurance claims or of administrative expenses, are to be paid from the fund. The faith of the United States is pledged to the payment of all approved claims for insurance benefits in the event the fund fails to make any such payment when due.

Section 711: This section provides that no real property acquired by FHA under the yield-insurance program shall be exempt from local taxation simply because of such acquisition.

Section 712: This section provides for the issuance of such rules and regulations as may be necessary or desirable for carrying out the yield-insurance program, including such rules and regulations as may be necessary with respect to maintenance and inspection of project records, or as may be necessary for effecting appropriate changes in the insurance base in the event of capital improvements or additions to the project on the one hand or sale of or damage to part of the project on the other.

Section 713: This section sets forth the definitions of the basic terms used in the title. Through these definitions, the section provides that the yield-insurance program is open to any individual, group, or association, or other legal entity qualified to undertake the construction and operation of the type of project that may be assisted under the title. Through these definitions, also, the section makes appropriate provision for cases where the investor has a leasehold rather than a fee interest in the land on which the project is constructed. The definitions also indicate that a project may include such community and commercial facilities as are necessary or desirable.

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Section 502: This section amends three provisions of the National Housing Act which were intended at the time of their enactment to be applicable to FHA's insurance programs generally, so that such provisions will by explicit reference be applicable to the yield-insurance program. The provisions affected are section 1 of that act, which sets forth the

[1] It is to be noted that the insurance is only of a yield on the capital investment itself. The insurance does not cover against the improbable situation of deficits in expenses of operation (i. e., the amount, if any, by which operating expenses in any year exceed the revenues of that year). Should the gross revenues in any year actually be less than the aggregate operating expenses, then the actual return to the investor (exclusive of the 2 percent amortization return) in effect would be an amount equal to the difference between (1) 2¾ percent of the outstanding investment, and (2) the deficit in operating expenses for the year. However, sec. 703 provides that in any such year the insurance premium shall be waived to the extent of such operating deficit, and sec. 705 provides that in any subsequent year in which there are excess earnings, such excess may be applied to make up such operating deficit (to the extent it has not been previously made up).

general administrative powers of FHA, section 4, which provides for cooperation by the Reconstruction Finance Corporation in providing the funds necessary for the proper administration of FHA's various insurance programs, and section 5, which requires annual reports to the Congress on FHA activities under each of its insurance programs.

TITLE VI—LAND ASSEMBLY FOR PARTICIPATION BY PRIVATE ENTERPRISE IN DEVELOPMENT OR REDEVELOPMENT PROGRAMS

This title authorizes a program of limited Federal aid to local communities to enable them to undertake positive and comprehensive steps for the clearance of their slum and blighted areas, so as to make such areas available for redevelopment, with the active participation of private enterprise, in accordance with sound planning principles. Two basic forms of assistance are authorized.

1. Loans, both temporary and long-term (but not in excess of 45 years in any event), to finance necessary project costs to the extent funds for this purpose cannot otherwise be obtained, and at an interest rate designed to return to the Government the cost to it of the funds it obtains to make the loans; and

2. An annual subsidy where necessary to enable the land in the slum or blighted area to be made available for redevelopment at prices consistent with proper and sound land use and planning, the payment of which subsidy is made subject to a variety of restricting provisions designed to delimit sharply the conditions under, and the amounts and periods which it may be made.

The title places the administration of this program of assistance for land assembly and clearance under the jurisdiction of the National Housing Administrator and requires adherence by him to the following cardinal principles in his administration of the program:

1. That any project assisted be directly related to the improvement of housing conditions in the locality;

2. That Federal assistance be confined to purposes of land assembly and clearance as distinguished from actual redevelopment of the area;

3. That every project assisted be a local undertaking, locally planned, locally approved, and designed to serve local needs in every sense of the term;

4. That the plan for redevelopment shall afford maximum opportunity to, and require maximum reliance upon, private enterprise;

5. That there shall be local financial cooperation and participation to the fullest extent consistent with the ability and resources of the locality, and, in any event, in an amount equal to at least one-third of the difference between the project cost and the new capital or re-use value of the land comprising the project area;

6. That adequate provision be present for the rehousing of the families displaced by the clearance of the area; and

7. That Federal participation, whatever the form, be strictly limited to rock-bottom minimums.

Section 601: This section sets forth the general purpose of the title and declares it to be to encourage private enterprise to participate more extensively in the development or redevelopment of slum or other areas. Such encouragement would be in the form of aid to localities for the acquisition and preparation of land for redevelopment in part by private enterprise on terms comparable to the aid extended in connection with slum clearance under the United States Housing Act of 1937.

Section 602: This section sets forth the definitions of the basic terms used in the title. Through these definitions, the section provides that no area selected for redevelopment would qualify for Federal aid unless it involves either the clearance of a slum area or the development or redevelopment for predominantly residential uses of a deteriorated or deteriorating area or a defunct subdivision or other open land whose development is necessary for sound community growth. Through these definitions also, the section limits Federal assistance to the furtherance of such purposes as: (1) the acquisition of the land in the area requiring redevelopment; (2) the removal of existing structures; (3) the provision of the utilities essential for the new land uses contemplated; and (4) the making of the land available for redevelopment at prices consistent with its proposed new uses. Aid under this title to assist the construction of any of the buildings contemplated by the redevelopment plan is expressly barred. Still another effect of the definitions is to require a redevelopment plan for the project area and contiguous land sufficiently complete to indicate its relationship to definite local objectives, and to indicate also the proposed new land uses and building requirements.

Section 603: The purpose of this section is to assure that aid to projects under this title will be based upon local determination of need and maximum reliance upon private enterprise. Accordingly, it provides that any contracts for financial aid under the title may be made (1) only with a duly authorized local public agency and (2) only if the redevelopment plan is approved by the governing body of the locality. Moreover, such approval must include findings that the redevelopment area could not be made available for redevelopment by private enterprise alone and without the Federal aid sought; that the plan will afford maximum opportunity to privately financed development or redevelopment; and that the plan is based upon a local survey and conforms to a comprehensive plan for the locality as a whole.

Section 604: The purpose of this section is to assure that all projects assisted will (1) actually conform to the locally approved redevelopment plan, and (2) be consistent with the interests of the locality as a whole. The section, therefore, provides that as a condition to Federal assistance, the local public agency must agree to obligate those to whom it sells or leases the land in the project area, to devote the land to the use specified in the redevelopment plan and actually to begin the building of their improvements within a reasonable time. The section further requires that there be feasible and satisfactory methods or opportunities for both the temporary and permanent relocation of the families who have been living in the redevelopment area and who are displaced as a result of the clearance of the area. In this connection it specifically requires that any such displaced families who are families of low income shall be given preference in admission to low-rent housing projects aided by the Federal Public Housing Authority, subject, always, to the preference to be given servicemen and veterans.

Section 605: This section, together with section 606, sets forth the forms and degree of Federal financial assistance for land assembly and clearance projects. Section 605 itself provides for assistance in the form of loans by the National Housing Administrator. The loan provisions are premised on the expectation that the definitive financing of the cost of the project will basically be accomplished by reliance upon private capital. The section, therefore, authorizes the National Housing Administrator to make such temporary loans as may be necessary prior to definitive financing (which must be undertaken not later than 5 years following the date of the first such loan for the acquisition of land), and it authorizes permanent loans (1) for only such part of the project area as the local public agency leases for redevelopment, and (2) only to the extent that loans payable from the rentals from such leased land cannot be obtained from other sources at sufficiently low interest rates. Any loans made under this section (whether temporary or definitive) must bear interest at not less than the rate specified in the most recently issued bonds of the Federal Government having a maturity of 20 years or more at the date the contract for the loan is made (the "going Federal rate," which rate, however, is, for the purposes of this title, to be deemed to be not less than 2½ percent), and the permanent loans must mature within a period not exceeding 45 years from the date of the definitive bonds.

To provide the funds necessary to make these loans, the section authorizes the National Housing Administrator to issue and have outstanding at any one time obigaltions in the aggregate amount of $500,000,000 from which amount, however, only $50,000,000 in outstanding definitive loans may be made by the Administrator on and after the date of enactment of the title, which limit is to be increased by further amounts of $50,000,000 at the beginning of each of the second, third, fourth, and fifth years from the date of such enactment.

Section 606: This section provides for the subsidy assistance that may be provided by the National Housing Administrator in those cases where such assistance is necessary if the land in the project area is to be available for proper use and soundly planned redevelopment at prices consistent with such use and redevelopment.

In recognizing the need and providing for this subsidy—"annual contributions"—the section also recognizes, and immediately provides, that it must be strictly limited to the amounts and periods necessary to carry out the purposes of the title. In no event may the annual contributions be made over a period exceeding 45 years; nor may the maximum amount payable for any particular year exceed an amount equal to 1 percent above the going Federal rate applied against the difference between (1) the costs involved in connection with the project and the undertakings relating thereto, and (2) the new capital, or reuse, value of the land in the project area after its clearance. Also, there is excluded from this subsidy base any part of such costs as are met by any cash or other local donations received in connection with the project. And in no event may the subsidy base—for all federally assisted projects in the community considered in the aggregate—exceed two-thirds of the difference between such costs and the new capital or reuse value of the land in the project area.

As a still further limitation on the amount of Federal subsidy and the period over which it may be made, the section provides that if in any year the receipts derived from the project exceed expenditures and charges, such excess must be used for purposes which will effectuate a reduction in subsidy in subsequent years or to repay subsidies made in previous years. Also, at any time after 10 years following definitive financing of project cost, the Administrator has the right to substitute for the payment of subsequent annual contributions a single lump-sum payment equal in amount to the capitalized value of such contributions.

In addition to these various provisions designed to strictly limit the amount and period of Federal subsidy, the section further contemplates that the plan of Federal annual contributions be utilized to reduce the Federal loan assistance needed. Toward this end, it provides that payment under the annual-contributions contracts may be pledged as security for borrowing by the local public agency, a provision which will facilitate the financing of project costs by private capital at the lowest possible interest rate.

The section authorizes the National Housing Administrator, upon enactment of the title, to enter into contracts providing for annual contributions aggregating not more than $4,000,000 per annum, which limit is

to be increased by further amounts of $4,000,000 at the beginning of each of the second, third, fourth, and fifth years after the date of such enactment. The funds necessary to make these annual contributions are to be made available by appropriations of the Congress, and the faith of the United States is pledged to the payment of the annual contributions contracted for pursuant to the provisions of the title.

Section 607: The purpose of this section is to assure that the aid provided for land assembly and clearance under the program provided by this title, which program is predicated on maximum opportunity to privately financed redevelopment, will be comparable to the aid made available under the United States Housing Act of 1937 for land acquisition for public low-rent housing projects, and, in this connection, to assure also that the financial aid provided in this title will not result in a double subsidy for public housing. The section, therefore, provides (1) that the obligations issued by the National Housing Administrator to obtain funds for loans under this title are to be guaranteed by the United States just as are the obligations issued by the Federal Public Housing Commissioner to obtain funds for loans for low-rent housing and slum clearance; (2) that certain provisions contained later in the bill (at sec. 704) designed to facilitate the local enlistment of private capital to finance substantially the entire cost of low-rent housing projects at very low interest rates shall also apply to land-assembly projects undertaken under this title; and (3) that the obligations issued by local public agencies to finance the cost of land-assembly projects shall have the same tax exemptions as obligations issued by local public agencies for low-rent housing. The section assures that the financial assistance under this title shall not result in a double subsidy to low-rent housing which would give it an advantage over private housing development, by providing that any land in the project area made available for low-rent housing must be paid for by the agency undertaking the housing project.

Section 608: This section is intended to assure that the locality will bear its fair share of the cost of any project assisted under this title and that it will call upon the Federal Government for aid only to the extent necessary. Toward this end, the section provides:

1. That no Federal financial assistance, either in the form of loans or annual contributions, will be given to a community for its land assembly and clearance projects where the write-down in property values is such that the new-use value of the land comprising the project area becomes less than 50 percent of the costs involved in connection with the project and undertakings relating thereto (exclusive of the cost of the old buildings destroyed and their demolition), unless the difference is made up by contributions from the locality;

2. That in any event the local community must itself participate financially to the extent of at least one-third the difference between the project cost and the new capital or reuse value of the land comprising the project area. Such local participation may take the form of: Direct reduction of project costs or expenditures, by contributions made in cash or its equivalent; public improvements and utilities necessitated by the project or of direct benefit to it; or periodic assistance increasing project revenues and so decreasing the need for subsidy.

Where a locality undertakes more than one project with Federal assistance, these two requirements relate to such projects considered in the aggregate.

Section 609: This section, designed for the protection of labor standards, requires prevailing wages to be paid to those employed in the development of any land assembly, and clearance project assisted, makes the kick-back statute applicable to all such projects, and requires monthly reports by all contractors used on the project to the Secretary of Labor as to the number of persons employed by them, the aggregate amount of their pay rolls, the total man-hours worked, and expenditures for materials.

Section 610: The purpose of this section is to give to the National Housing Administrator the technical powers necessary for the proper performance of his duties under this title. In this connection, it authorizes him to appoint a director to carry out the provisions of the title under his general supervision.

Section 611: This section authorizes the sale of any Federal real property surplus to the needs of the Government and within the area of a land assembly project, to the local public agency undertaking the project at a price equal to its fair value for the use specified in the redevelopment plan.

TITLE IV—AID TO LOCALITIES FOR LOW-RENT HOUSING

This title provides for the resumption of the public low-rent housing and slum-clearance program needed to serve those families whose incomes are so low that private enterprise, even with the improved aids provided in this bill, cannot hope to service them. In so doing the title sets forth various provisions calculated to assure complete consistency with the basic objectives of primary reliance upon private enterprise to do as much of the total housing job as possible; increasing emphasis on community responsibility and local initiative; concentration upon the needs of veterans and their families; enlistment of local capital to do the whole job of financing the capital cost of low-rent housing projects; rehabilitation, where in order, of existing dwellings; and a general tightening up with respect to the amount and period of Federal annual subsidy to achieve low rents. The title also contains a miscellany of technical and perfecting amendments to the United States Housing Act of 1937 that the 8 years of operations under it have indicated to be desirable.

LOCAL DETERMINATION OF NEED; TENANCY ONLY BY LOW-INCOME FAMILIES

Section 701: This section sets forth, at the very outset of the title, the governing principle that aid shall be extended under the title to those localities which assume community responsibility and initiative in estimating their own needs and demonstrating that private enterprise alone cannot do the whole job. Toward this end the section requires that, as a condition of Federal financial assistance, the local public agency must submit an analysis of the local housing market showing not only that there is a need for low-rent housing which cannot be met by private enterprise, but also that a gap of at least 20 percent has been left between the upper rental limits for admission to the proposed project and the lowest rents at which private enterprise is providing (through new construction and existing structures) a substantial supply of decent housing toward meeting the need of an adequate volume thereof. Thus, the section establishes as basic national policy that, even with respect to a sizable segment of the area which private enterprise cannot now serve, every opportunity is to be given it to sharpen its tools and extend its servicing capacity downward in the income scale.

As further assurances of attainment of basic aims, the section provides that the governing body of the locality must approve the provision of any low-rent housing to be assisted by the Federal Government; that, as indicated by actual investigation, every family admitted to the project must have been ill-housed or displaced by a slum-clearance project (this requirement, however, does not apply to servicemen or veterans); and that every family admitted is actually one of low income. Also, after admission, periodic examination must be made of the incomes of the families living in the project so that, if such income increases to the point where the family can obtain decent private-housing accommodations at rentals within its means, it will be required to move from the project.

VETERANS' PREFERENCE

Section 702: This section guarantees preference to servicemen and veterans where appropriate in the administration of the low-rent housing program. Specifically, as between applicants equally in need, it requires that preference be given to the families of servicemen and veterans. The section, in harmony with most State laws, also provides that low-rent housing projects may serve veterans and servicemen without families and other individuals requiring low-rent housing.

COST LIMITS

Section 703: This section is designed to end certain discriminations, inequities, and uncertainties resulting from present cost limits on low-rent housing assisted by the Federal Government. Experience has indicated that existing provisions, which place a ceiling on dwelling units, as well as on room cost, and which provide for higher cost ceilings for cities of more than 500,000 population, are inadequate or faulty in that: (1) a limitation on cost of the entire dwelling unit hampers the provision of housing for the larger-sized family of low income and so discriminates against such families; and (2) the reason for higher ceilings for our large cities—the higher construction costs in such communities—is equally applicable to our large metropolitan districts even though the central city in the district may by itself have a population of less than 500,000. The section, therefore, eliminates the limitation on dwelling unit cost (but not the limitation on room cost, so that the essential limitation on construction costs is still retained in the act), and makes the higher ceiling for large communities applicable to cities in metropolitan districts of over 500,000 population as well as to any city which itself has that population.

In order that current higher costs of construction may not prevent the provision of housing needed for veterans of low income, the section (following the pattern established in title III with respect to FHA's programs) authorizes an increase in the cost limitations otherwise applicable by not more than $250 per room in areas where it would not be feasible without such an increase to construct the project, consistent with the objective of providing housing for veterans of low income, and where there is an acute need for such housing for veterans of low income. This authorization is limited to contracts for financial assistance made before December 31, 1947.

In addition, to make possible greater certainty in determining compliance with the cost limitations, particularly at the time of the award of the construction contract, this section would provide that the cost limitations are applicable to the cost of construction and equipment, avoiding the uncertainties involved in making allowances for the not readily ascertainable anticipated overhead.

Because of special cost problems in Alaska, the section also has special provisions permitting higher costs in that Territory if found necessary.

LOCAL FINANCING

Section 704: The basic purpose of this section is to amend the financing provisions of the United States Housing Act of 1937 so as to make possible 100 percent definitive financing of low-rent housing projects by

local capital and thus in effect limit Federal lending assistance for low-rent housing to the temporary interim financing necessary prior to the issuance of definitive bonds. Essentially, this section provides that, in the event of a substantial default by the local public agency in its covenants to FPHA of a nature which would entitle the FPHA to suspend or terminate the payment of its annual subsidies to the local agency, such project is to be conveyed to the FPHA (subject to the right of the local public agency to reconveyance upon a satisfactory curing of the default), and FPHA would continue to make annual contributions to the project. This would assure both (1) that the project will continue to operate as a low-rent housing project, and (2) that those who have furnished the capital funds for its construction in reliance upon the continuance of its low-rent character, and the making of annual contributions therefor, during the entire life of the loan, will have their investment adequately protected. With this assurance there is every reason to anticipate that local capital will be willing to undertake the job of furnishing 100 percent of capital cost in long-term loans and to do so at very low interest rates.

In addition to substantially reducing the need for Federal loan assistance, the section also adds new limitations with respect to Federal subsidy assistance. It does so by providing (1) that in any year when the receipts derived in connection with the project assisted exceeds expenditures and charges, the excess must be used for purposes which will reduce subsequent annual contributions; and (2) that contracts for loan and annual contributions based on one "going Federal rate" may, in the case of a change in such rate, be amended so as to base the loan interest rate, and maximum contribution payable, on the new rate whenever this would promote economy and be in the financial interest of the Federal Government.

Other fiancing provisions contained in the section:

1. Reduce the maximum loan period from 60 years to 45 years in the case of projects where the annual contributions are limited by statute to a 45-year period;

2. Reduce the minimum interest rate on Federal loans made for projects where the maximum loan and annual contribution period is 45, rather than 60, years, from the applicable "going Federal rate" plus one-half of 1 percent to simply the "going Federal rate";

3. Relate the going Federal rate (which determines the minimum loan interest rate and the maximum annual-contribution rate) to the interest rate on Federal obligations with a maturity of 20 years or more, rather than 10 years or more. (Experience has indicated that by considering as the going Federal rate interest on obligations with the relatively short maturity of 10 years, changes in such rate result in many instances, not from a change in the cost of money to the Federal Government, but simply from the irrelevant factor of the particular maturity of the most recently issued Federal bonds.) Such rate, however, is in no event to be deemed to be less than 2½ percent. Also, under this section, the governing rate is the one as of the date of Presidential approval of the contract for loan or annual contributions rather than the date the contract happens to be signed by FPHA and the local public agency;

4. Adapt the statutory language with respect to FPHA's borrowing authorization to the changes in FPHA's lending program that would result from the provisions of this title, by relating the gross amount authorized ($800,000,000, which amount is not increased by this bill) to the amount of obligations that may be outstanding rather than to the aggregate amount that the FPHA may issue exclusive of refunding obligations;

5. Authorize adjustments in capital costs of a project after initial completion to reflect either capital items which cease to be a part of the project or which add to the cost through additions or capital improvements.

REHABILITATION

Section 705: In order to conserve the existing housing supply and to assist in the use, when financially feasible, of existing buildings instead of new construction for low-rent housing, this section authorizes a program of Federal aid for the rehabilitation of existing dwellings located in neighborhoods where the spread of blight can be prevented or arrested. The maximum amount of loan and rate of annual contributions for a particular project under this program would necessarily be somewhat larger in amount than for new construction—that is, the maximum amount of Federal loan could be in an amount equal to the cost of the project and the maximum annual contribution rate could exceed the maximum rate authorized on new construction by 1 percent of development cost. On the other hand, such assistance would be limited to 30-year periods as compared with the 45-year periods authorized with respect to new construction. Also, where appropriate, the section authorizes assistence for the leasing and rehabilitation of existing dwellings as distinguished from their purchase and rehabilitation. No special loan or annual contributions authorization is provided for this program.

Section 706: In order to make adequate provision for the special problems present in the case of projects undertaken in the Territories, dependencies, or possessions of the United States, this section authorizes a higher rate of annual contribution in the case of land and utility projects; that is, projects consisting of the provision of adequate land space and sanitary facilities for existing dwellings. As in the case of the rehabilitation program, a rate higher by 1 percent of development cost is authorized.

ANNUAL CONTRIBUTIONS AUTHORIZATION FOR ADDITIONAL PROGRAM

Section 707: This section increases FPHA's annual contributions authorization. It authorizes additional contracts, which may be entered into upon enactment of this title, providing for annual contributions aggregating not more than $22,000,000 a year, which limit would be increased by further amounts of $22,000,000 at the beginning of each of the second, third, and fourth years following such enactment.

In providing this additional authorization, however, the section limits the period over which the annual contributions may be paid to 45 years as contrasted with the present authorization of 60 years. Also, the section limits the use of this additional authorization to the provision of not more than 500,000 dwelling units involving new construction without further authorization from the Congress.

Section 708: This section provides technical amendments to the United States Housing Act of 1937 most of which are required as a result of the substantive amendments to that act provided in this bill. One provides a needed refinement of the existing provisions of that act relating to the equivalent elimination of substandard dwellings.

TITLE VIII—HOUSING ON FARMS AND IN RURAL AREAS

While assistance to families of low income in rural areas is authorized under the present provisions of the United States Housing Act of 1937, the special and different problems attaching to housing in such areas require special provisions for such housing. This title, in making these provisions, recognizes the intimate relationship between farm housing and the entire farm economy and so places the basic responsibility for aids to provide adequate housing on farms upon the Department of Agriculture rather than the Federal Public Housing Authority. FPHA's basic responsibility is related to persons living in rural areas who do not occupy or operate their property primarily for agricultural purposes and to farm laborers who do not reside on the farm.

FARM HOUSING ASSISTANCE BY THE SECRETARY OF AGRICULTURE

Section 801: This section authorizes the Secretary of Agriculture to provide financial assistance to farm owners in the United States, and in Alaska, Hawaii, and Puerto Rico, when necessary to enable them to provide decent farm dwellings and related facilities for themselves, their tenants, share croppers, or laborers. (For the purposes of the title, a farm owner is considered to be the owner of a unit of agricultural land operated as a farm which produces a return equal to at least 25 percent of the annual income of the operator.) Financial assistance under the title is explicitly limited to farm owners who are without sufficient resources to provide the necessary housing on their own account and who are unable to secure the credit necessary for such housing from other sources upon terms and conditions which they could reasonably be expected to fulfill.

Section 802: This section provides for the assistance needed for those farmers lacking acceptable housing who cannot afford to improve their housing facilities if they are required to secure the needed credit assistance on the usual cooperative or private credit terms prevailing in the area but who could do so on the basis of liberal credit terms. For farm owners in this group, the section authorizes loans for periods not in excess of 33 years, bearing interest at a rate not exceeding 4 percent per annum, and secured by the applicant's equity in the farm. In order further to assure the use of cooperative and other private credit sources to the fullest practicable extent, the section requires that the borrower shall refinance his loan through such credit sources whenever he should reasonably prove able to do so.

Section 803: This section provides for the assistance needed for those farmers whose present income is such that some assistance over and above the long-term, low-interest credit provided in section 802 is necessary in order to put them into a position to acquire and maintain acceptable housing and related facilities, but whose farm enterprise is capable of being redeveloped by improvement or enlargement of the farm, or by adjustment of farm practices or methods, so as to bring them within a reasonable period of time within the group of farmers in need only of liberal credit aids. With respect to such farmers, the section provides that, if the applicant undertakes an adequate farm enlargement or improvement or adjusted practices plan (either with or without special assistance from the Department of Agriculture) the loan assistance provided in section 802 may be supplemented by annual contributions during the temporary period of time (which may not exceed 10 years) that the redevelopment of the farm enterprise is being effected. These contributions would take the form of credits against the installment of principal and interest due for any annual installment period and would be limited to a sum not greater than the annual installment of interest plus one-half of the annual installment of principal.

Section 804: This section provides for the assistance that may be given to those farmers who do not possess adequate family-type farms and for whom there are no apparent means of providing an adequate income by a process of farm enlargement or redevelopment within a 10-year period. In order to avoid the possible danger that by establishing permanent dwellings for farmers under these circumstances, the perpetuation of the present unsatisfactory situation (which would seem to require different approaches)

would be encouraged, the section authorizes only special loans and grants for temporary improvements such as roof repairs, toilet facilities, a sanitary water supply, and other facilities designed to protect the health of the farmers and to so improve their living conditions that their situation is not a threat to the public health. Such assistance is limited to $1,000 per family unit (not over $500 of which may take the form of a grant or contribution), and to $2,000 in the aggregate to any one individual.

Section 805: In order to facilitate the provision of decent farm dwellings generally, this section authorizes the Secretary of Agriculture to furnish, without charge (or at appropriate charge), to all persons technical services such as building plans, specifications, construction supervision and inspection, and advice and information. The section authorizes the Secretary and the National Housing Agency to cooperate in research and technical studies in the rural housing field and also authorizes the Secretary to utilize (through the Agricultural Extension Service) the facilities of State agencies and educational institutions in furnishing the services and information authorized by this section.

Section 806: This section requires that the Secretary of Agriculture give preference to veterans in administering the provisions of the title.

Section 807: This section authorizes the use by the Secretary of Agriculture of local county or parish committees of farmers to examine applications of farmers desiring to obtain the benefits provided by the title and to submit recommendations in appropriate form to the Secretary with respect to each application.

The section further enables the Secretary to make the assistance authorized under sections 802 to 805, inclusive, available through the use of local public agencies authorized to assist in providing housing for families in rural areas or to arrange for Federal Public Housing Authority assistance to any such local public agency under the rural housing title of the United States Housing Act enacted by section 813 of this title.

Section 808: This section vests in the Secretary the power to establish standards of adequate housing necessary for the purpose of operations of the title. It also authorizes him to require that any recipient of financial assistance agree that the housing provided with such assistance shall not be a justification for changing the terms of the lease or occupancy agreement with the occupants of such housing to the latter's disadvantage without the approval of the Secretary.

Section 809: This section provides the various administrative and related powers necessary in order that the Secretary of Agriculture may administer the program authorized in the preceding sections.

Section 810: This section provides that the Secretary of Agriculture is to obtain the funds to make loans under the title from the Reconstruction Finance Corporation at an interest rate not in excess of 1¾ percent per annum. Such borrowings are limited to the amounts necessary to make loans not in excess of $25,000,000 during the first year, $50,000,000 during the second, $75,000,000 during the third, and $100,000,000 during the fourth year after the date of enactment of this bill.

Section 811: This section authorizes the Secretary to make contributions or grants pursuant to section 803 or 804 of not to exceed $2,500,000 during the first year after enactment of the bill, $5,000,000 during the second, $7,500,000 during the third, and $10,000,000 during each of the next 10 succeeding years.

Section 812: This section authorizes the appropriation of the amounts necessary to make the contributions provided for in the title and for such other amounts as may be necessary for the carrying out of the provisions of the preceding sections of the title.

APPLICATION OF THE UNITED STATES HOUSING ACT OF 1937 IN RURAL AREAS

Section 813: The purpose of this section is to authorize assistance comparable to that furnished to urban low-income families under the United States Housing Act of 1937, to provide adequate housing for agricultural workers and other low-income families in rural areas who cannot obtain such housing through financial assistance from the Department of Agriculture as provided in the foregoing sections of this title. The section calls for the enactment of an additional title, specifically relating to rural housing, to the United States Housing Act of 1937, consisting of six sections, Nos. 201 through 206:

The proposed section 201 authorizes and directs the FPHA to develop and undertake a program to assist local public agencies in providing housing in rural areas for families of low income who could not obtain decent housing through assistance from the Department of Agriculture or otherwise. The section provides that such assistance may be extended for the provision of nonfarm housing with sufficient land for home gardens but that the assistance shall be subject to the condition that the housing will be so located that sources of employment will be accessible to the families to be housed. The section provides also that in this rural program, as in the urban low-rent housing program, preference be provided to families of servicemen and veterans.

The proposed section 202 authorizes the giving of an option to purchase to any lessee of a rural house assisted under the title. In connection with the exercise of any such option, the lessee may be given credit for lease payments made by him or his predecessors which were applied toward amortizing the cost of the house.

The proposed section 203 authorizes FPHA loan assistance to local public agencies to finance the provision of rural housing for families of low income. Such loans may not exceed the cost of the housing, must bear interest at a rate not less than the "going Federal rate" (the rate on the most recently issued Federal bonds at the date of Presidential approval of the loan contract with a maturity of 20 years or more but in no event less than 2½ percent), and be repaid within a period not exceeding 45 years. The section provides no additional loan funds for this program but simply makes available to FPHA for this purpose its existing general borrowing authorization under the United States Housing Act of 1937.

The proposed section 204 is the section that provides for the annual subsidy ("annual contributions") necessary so that the local public agency assisted may be able to make the housing available within the means of low-income rural families. Such annual contributions must be strictly limited to the amounts and period necessary. In no event may they be made for a period exceeding 45 years; nor may the contribution to be paid for any year exceed the difference between (1) the estimated annual costs to the local public agency with respect to the housing, and (2) the estimated receipts to the local public agency from the lease payments from the families housed, which payments are required by the section to at least be equal to the average of the annual principal payments which would be required to repay the cost of the house over its useful life. Such contributions, moreover, must be reduced or terminated when no longer needed, and in the event the local public agency has in any year an excess of receipts over expenditures, the amount of such excess must be used for purposes which will reduce subsequent annual contributions. The section further provides that appropriate increases shall be required in the lease payments in the event of increases in ability to pay.

A special annual contributions authorization for rural housing is proposed by this section, under which FPHA is authorized, upon enactment of the title, to enter into contracts for such contributions aggregating $5,000,000 per annum, which limit is to be increased by further amounts of $5,000,000 at the beginning of the second, third, fourth, and fifth years after the date of such enactment.

The proposed section 205 defines rural areas for the purposes of the operations of the title and, in so doing, relates such definition to Bureau of the Census designations.

The proposed section 206 ties in this proposed new title II of the United States Housing Act of 1937 with the present provisions of that act, which are to become title I.

Section 814: This section includes the technical amendments to the United States Housing Act of 1937 made necessary by the addition of this new rural housing title.

TITLE IX—DISPOSITION OF PERMANENT WAR HOUSING AND OTHER FEDERALLY OWNED HOUSING WITH PREFERENCE TO SERVICEMEN AND VETERANS

This title is designed to bring up to date the legislation already enacted by the Congress with respect to the disposition of permanent war housing, and other federally owned housing held by the Federal Public Housing Authority under the United States Housing Act of 1937. In so doing, it establishes the cardinal principle of preference to servicemen and veterans.

Section 901: This section sets forth the general proposition that permanent war housing, and other federally owned housing held by FPHA under the United States Housing Act of 1937, shall be disposed of consistently with the postwar need and with preference to the families of servicemen and veterans.

Section 902: This section provides that, when the President finds that any permanent type war housing provided with appropriated funds is no longer needed for war purposes, and the local governing body finds that it would be in the best interests of the community or of the families of local servicemen and veterans to make such housing available to families of low income, the National Housing Administrator may authorize the sale by FPHA of any such project to a local public agency for low-rent housing purposes. The proceeds from any such sale would be handled in the manner provided in the Lanham Act with respect to war housing, which sets forth the provisions relating to the time for covering balances into the Treasury as miscellaneous receipts.

Families of veterans and servicemen would have the same preference in admission to war-housing projects sold under the provisions of this title as is provided in section 702 with respect to low-rent housing projects assisted by FPHA.

So that Federal projects sold under this title may serve the purposes intended, the price of the project may consist of the payment of all of the net income from the project during its useful life.

This section makes clear, however, that none of its provisions are to be construed to prevent the sale of permanent war housing at its fair value on a home-ownership basis (with preference to servicemen and veterans) wherever feasible.

TITLE X—PERIODIC INVENTORY OF HOUSING NEEDS AND PROGRAMS

This title provides for a periodic inventory of the needs and programs in housing and related community development toward the end of bringing to the attention of the Congress the most effective action to achieve our national housing objectives and policy.

Section 1001: This section provides that such inventory shall be made by the National Housing Administrator, and shall be presented to the Congress not less than once a year, in a comprehensive report including: the most current estimates of our housing needs for all income groups and areas; the

rates of employment and investment in housing and related community development, as compared with the rates required for the construction industry's part in full production and full employment; Nation-wide progress in meeting these needs and requirements; and recommendations as to any additional specific programs and action needed to carry out the national housing policy and achieve the national housing objectives.

Section 1002: This section provides that, in the preparation of the report and recommendations, the National Housing Administrator shall cooperate with and seek the advice of appropriate Federal and local officials and of representatives of the various groups interested in housing and community development as producers and consumers.

TITLE XI—MISCELLANEOUS PROVISIONS

This title simply contains two standard provisions generally contained in enabling legislation.

Section 1101: This section contains the standard provision providing that the provisions of this act shall control in the case of inconsistency with other legislation.

Section 1102: This is the usual separability clause.

During the delivery of Mr. ELLENDER's speech the following occurred:

Mr. BARKLEY. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. BARKLEY. I would not ask the Senator to yield except that I have to leave the Chamber.

Mr. President, in regard to the pending bill, I was the chairman of the subcommittee which considered the proposed legislation, and when it was in the subcommittee the question arose of the insertion of a provision requiring payment of prevailing wages on all housing contemplated by the bill. I voted for the prevailing-wage provision in the subcommittee, and it was adopted by a vote of 4 to 3.

When the bill got into the full committee Mr. Raymond M. Foley, Commissioner of Federal Housing, wrote me a letter in which he set forth certain objections of the Federal Housing Administration to the inclusion of the prevailing-wage provision with respect to the bill, on the grounds stated in his letter, in which he claimed that to require it in all cases where loans upon houses are insured would very materially reduce the number of loans which would be made, and the number of houses which would be benefited, for reasons which he indicated.

I presented the letter from Mr. Foley to the full committee at the time the committee had the bill before it, and the full committee voted not to insert the provision with respect to the prevailing wage. Therefore it is not contained in the bill.

Mr. President, I also have received from Mr. William Green, president of the American Federation of Labor, a telegram in which he urges that the prevailing-wage provision which was omitted from the bill be restored by the Senate.

I also have a telegram from Mr. W. B. Sanders, of Paducah, Ky., my home city, one from Mr. Edward H. Weyler, secretary of the Kentucky State Federation of Labor, and one from Mr. P. H. Reardon, secretary of the Louisville Building Trades Council, urging the restoration of the prevailing-wage provision in the bill by the Senate.

I ask unanimous consent that following the address of the Senator from Louisiana Mr. Foley's letter to me be printed, and that following that the telegrams of Mr. Green and the other gentlemen whom I have mentioned be printed.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

NATIONAL HOUSING AGENCY,
FEDERAL HOUSING ADMINISTRATION,
Washington, D. C., March 29, 1946.

Hon. ALBEN W. BARKLEY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR BARKLEY: It is my understanding that the committee is considering a proposal to include in the general housing bill (S. 1592) a provision which would make the prevailing-wage requirements applicable to the insurance mortgages under any section of the National Housing Act, and that you would like an explanation of my views concerning the effect of such a proposal upon our operations.

I am informed that the proposal takes the form of an amendment to section 212 (a) of the National Housing Act by the substitution of "any section of this act" in place of the rental housing sections specifically mentioned therein so that the subsection would read as follows:

"(a) The Administrator shall not insure under [section 207 or section 210 of this title or section 608 of title VI] *any section of this act,* pursuant to any application for insurance filed subsequent to the effective date of this section, a mortgage which covers property on which there is or is to be located a dwelling or dwellings, or a housing project, the construction of which was or is to be commenced subsequent to such date, unless the principal contractor files a certificate or certificates (at such times in course of construction or otherwise, as the Administrator may prescribe) certifying that the laborers and mechanics employed in the construction of the dwelling or dwellings or the housing project involved have been paid not less than the wages prevailing in the locality in which the work was performed for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor prior to the beginning of construction and after the date of filing of the application for insurance."

Let me state first that the Federal Housing Administration is entirely in sympathy with the objective of having prevailing wages paid to all who labor in the production of houses. Throughout its operation its practice has been to allow in its appraisals for payment of such wages but under the terms of the National Housing Act our contract of mortgage insurance is necessarily with the mortgagee and not with the contractor or builder.

In my opinion, this proposed amendment would seriously curtail, if not completely, destroy, one of the major operations of this Administration, namely, the insurance of mortgages on one- to four-family dwellings for the following reasons:

1. Banks and other lending institutions would be unwilling to advance construction funds in reliance upon our commitment to insure upon completion because such commitments would be of no effect if upon completion the contractor, over whom the lender has no control, was unable or unwilling to certify that he had paid the prevailing wage. Many banks and other lending institutions are not authorized by law to make high percentage loans except upon a binding commitment by this Administration to insure the mortgage upon completion. Such lending institutiones would be unauthorized or unwilling to assume the responsibility of controlling or determining the wages actually paid by the contractor under his contract with the owner or of advancing its funds in reliance upon a commitment which was subject thereto.

Since participation of lending institutions in our program of mortgage insurance is purely voluntary and since no such requirement would attach to uninsured mortgages or to mortgages guaranteed or insured by the Veterans' Administration under the Servicemen's Readjustment Act, it seems clear that few, if any, lending institutions would be willing to participate in the Federal Housing Administration plan for the financing of new construction.

2. The amendment would appear to have the effect of completely preventing this Administration from insuring any mortgage on existing construction, the construction of which was begun after June 3, 1939. While I am confident that this was not the intent of its proponents, your attention is called to the language of the provision which refers to construction which "was or is to be" commenced subsequent to the "effective date of this section" (approved June 3, 1939) and requires a determination by the Secretary of Labor "prior to the beginning of construction and after the date of filing of the application for insurance." Such condition would, of course, be impossible to meet with respect to existing construction.

3. The administrative difficulties presented would cause serious delay and uncertainty at a time when speedy construction of new dwellings is of the utmost importance.

I call your attention to a memorandum from the Department of Labor, which Senator WAGNER presented to the Senate during consideration of a similar proposal in 1938. It is printed in the CONGRESSIONAL RECORD of January 31, 1938, at page 1663, and contains the following statements:

"(1) It would mean that a prevailing wage rate would have to be determined in virtually every community, no matter how small, in the United States. The administrative difficulties involved would be very great, and delay that would be incurred would be a deterrent to the active construction so much needed in the very near future.

"(2) The word 'adequate' is not defined, nor can it be well defined as it refers to labor standards in this case. There is no definition in the law, and as a practical matter it would be almost impossible to define it administratively. It would have to vary from city to city and from town to town.

"(3) It would make it extremely difficult for families who need to do most of the building of their own houses to get their loans, and this is exactly the type of construction which we do not wish to discourage.

"The amendment vitiates the fundamental purpose of the bill, which is to get private capital immediately and quickly into the construction activity of the country for the purpose of relieving unemployment and find a suitable investment for idle capital."

These administrative difficulties would not be alleviated under the proposal now under consideration but would be vastly increased because not only would a determination of prevailing wage be required "for every community however small" but a separate determination would have to be made with respect to each application for insurance, since the provision requires it to be made "prior to the beginning of construction and after the date of filing the application for insurance."

Section 212 of the National Housing Act was designed to apply only to large-scale rental housing projects where the mortgages are insured, not upon completion, as in the small-house program, but prior to the start of construction, which is subject to constant

inspection by this Administration. Each advance by the mortgagee during the progress of construction is made only after this Administration has determined that the prevailing wage has been paid and has specifically authorized the advance. Such a procedure would be wholly impracticable in connection with the small-house program because of the delays and expense involved in the more complicated procedure.

I am hoping that this letter may be helpful in clarifying your understanding of the effect of this proposal upon our operations.

Sincerely yours,

RAYMOND M. FOLEY,
Commissioner.

PADUCAH, KY., *April 6, 1946.*

ALBEN W. BARKLEY,
Senate Building:

Commissioner Foley argument against prevailing wage untrue. We urge you reverse your provision and support the prevailing wage clause and Senate bill 1592.

W. B. SANDERS.

LOUISVILLE, KY., *April 6, 1946.*

Senator ALBEN W. BARKLEY,
Senate Office Building:

Commissioner Foley argument against prevailing wage untrue. It is merely argument against wage standards. We prevail upon you to reverse your position and support the inclusion of the prevailing rate in Senate bill 1592.

KENTUCKY STATE
FEDERATION OF LABOR,
EDWARD H. WEYLER,
Secretary.

LOUISVILLE, KY., *April 6, 1946.*

Senator ALBEN W. BARKLEY,
Senate Office Building:

We prevail upon you to reverse your position and support the inclusion on the prevailing rate in Senate bill 1592, as Commissioner Foley argument against prevailing wage untrue.

LOUISVILLE BUILDING
TRADES COUNCIL,
P. H. REARDON, *Secretary.*

WASHINGTON, D. C., *April 8, 1946.*

Hon. ALBEN W. BARKLEY,
Senate Office Building,
Washington, D. C.:

Strongly urge your support of amendment to be introduced from the floor to S. 1592, extending requirement to pay not less than minimum prevailing wage in the locality to cover all FHA insured housing. This would in no way delay or interfere with speed of FHA insured housing construction, since the minimum would be based on prior wage determinations by Secretary of Labor. This would prevent spread of substandard wages in home building and result in better housing built under sound labor conditions. Also urge you support reinstatement of sections providing for builders 18-month warranty to home buyer, 32-year amortization, and protection against eviction of home buyers in case of emergency under lapsed-payment plan, as these sections appear in original bill introduced November 14, 1945. These are vital to bring good housing within reach of veterans and other families of modest means, and to assure sound and stable home ownership.

WILLIAM GREEN,
President, American Federation of Labor.

Mr. SALTONSTALL. Mr. President, will the Senator from Louisiana yield to me so I may ask the Senator from Kentucky a question on that point?

Mr. ELLENDER. I yield for that purpose.

Mr. SALTONSTALL. Would the Senator explain a little more fully Mr. Foley's reasons, because I, too, have received many such telegrams, and I wondered why those words should not be included.

Mr. BARKLEY. Among other things Mr. Foley stated in his letter that these loans are to be insured under the FHA program as it has heretofore existed. These loans are to be made, not by the Government, but by private lending institutions, largely banks, and that if the loan cannot be insured unless the prevailing wage is paid, it puts upon the bank or the lending institution the obligation to watch and see whether the prevailing wage is being paid, because if it is not being paid the loan cannot be insured, and therefore it would reduce the number of loans which would be made under the FHA.

Another objection that was heard in the committee was that in small communities where there are no labor organizations, some county seat towns, for instance, where there are no labor organizations of carpenters, bricklayers, and so forth, it would be difficult to establish what is the prevailing wage. In all communities where there is a standard of wage paid to union labor and to those in building trades it would be easy to establish what is the prevailing wage, but in other communities where there are no such organizations it might be difficult.

I do not know whether that is a legitimate objection. It did not appeal particularly to me as strong enough to induce me to vote against it in the subcommittee, but when the committee as a whole was considering it, and Mr. Foley sent his letter here, I felt that as the head of the Federal Housing Administration he might be right about it, and I changed my vote. In other words, I reversed in the full committee the vote I had cast in the subcommittee. It is due to that fact that these telegrams have been received by me and other Senators with respect to the prevailing wage.

I have always favored the prevailing wage provision, and it has always been included in connection with houses which were financed by the Government. It is claimed that in the insurance by the Government of the loans made by banks for improvements upon houses a different situation exists from that which exists where the Government itself is helping to finance construction of the houses or the housing projects.

In spite of the very sincere objections registered by Mr. Foley, my own inclination is to believe that, on the whole, the prevailing wage is a fair standard by which men should be employed, and that, while we are not putting up money for these houses out of the Government Treasury, we are insuring them in order to induce banks and other lending agencies to make the loans, and to that extent the Government may have an obligation to see to it that those who build or who improve these houses shall be paid the prevailing wage in the community where the work is done. It might result in some cases in the banks saying "Well, we cannot send a man to the place where construction work is proceeding to watch the men doing the work, and we cannot dictate to the builder and to the contractor what wages shall be paid. We have no opportunity to supervise that, and therefore we will not make a loan, because the Government will not insure it." I do not know how much of that might result. It is a difficult situation presented by the Housing Administration.

Mr. SALTONSTALL. May I not ask if the provision in question is not contained in the various housing laws, particularly where the Government does do some insuring?

Mr. BARKLEY. It is not in the law with reference to FHA. It was in the law with respect to housing projects, slum clearance, and all those things which the Government helped to finance. It is, as I recall, in all legislation of that sort.

But the wage provision is not contained in legislation dealing with the Federal Housing Administration.

Mr. SALTONSTALL. Why, then, cannot the provision be placed in the bill to apply at least so far as the work is done by the other agencies?

Mr. BARKLEY. It is in the law. That is the present law. That law is not changed by this bill. What is sought to be done is to include it where there is only an insurance of the loan and not a grant or a financing by the Government of the United States through local political subdivisions.

Mr. SALTONSTALL. But the Senator's feeling is that if that amendment were offered on the floor of the Senate he would be inclined to vote for it?

Mr. BARKLEY. That is my feeling; yes. I make that statement because I am compelled to leave, as I said earlier today, and I may not be here if that question is voted upon in the Senate. I wanted the RECORD to show that, based upon all the facts I have up to now, I would feel inclined to vote to include in the bill the prevailing wage provision.

Mr. President, I wish to say that if the Senate concludes action on the pending bill today we will nevertheless have a session tomorrow in order that the calendar may be called and such other business as is necessary may be transacted. If the Senate does not conclude action on the bill today, then, if it is agreeable to the Senator from Ohio [Mr. TAFT], the Senator from New York [Mr. WAGNER], and the Senator from Louisiana [Mr. ELLENDER], it would be agreeable to me that the bill be laid over until Monday in order that we might do tomorrow the very things we will do anyway if we conclude action on the bill today.

Mr. ELLENDER. Mr. President, I am very hopeful we can get through with the bill today.

Mr. BARKLEY. So am I.

Mr. WHERRY. I should like to say to the majority leader that we all hope we can pass this bill as quickly as possible, but I think a large majority of the membership of the Senate think the bill could very well go over until Monday, after it is discussed today, and proceed with the other business tomorrow.

Mr. BARKLEY. I have discussed that matter with the Senator from Ohio and the Senator from New York, and I think we can conclude the discussion

of the bill today, or very nearly conclude it, and it can then go over until Monday for a vote.

Mr. LA FOLLETTE. Mr. President, I have just returned to the Chamber, having stepped out for a moment. I hope the Senator has in mind the possibility of giving us an opportunity to take up Calendar No. 1161, House bill 5856, to provide for trade relations between the United States and the Philippines.

Mr. BARKLEY. Yes; I think that is entirely possible.

Mr. LA FOLLETTE. I certainly hope that will be done.

Mr. BARKLEY. I am anxious to have that measure disposed of as soon as possible. If the pending bill should be disposed of within a reasonable time, we might take up the Philippine bill this afternoon.

LIBERALISM

After the conclusion of Mr. ELLENDER's speech:

Mr. WILEY. Mr. President, there was called to my attention recently a very fine editorial in Life magazine, the issue of January 7. The editorial is headed "What is 'liberalism'?" The subtitle says that "Mr. Laski, a Socialist, wants it to come out and fight. But its triumph will not be that easy."

In this editorial there is some very provoking language. It concludes with this thought:

The liberal's first task in the coming era, and the mark by which you can tell a true one, is to remind men that only good individuals—

I emphasize the word "good"—not crooked or synthetic thinking—

whether rich or poor, can make a good society.

Mr. President, in connection with the latter statement, I wish to say that what we have seen for a long time in America has been a tendency to think that only through and by legislative means we can correct economic ills, as well as moral ills.

I quote further from this rather thought-provoking editorial, which mentions a book by Orton, the title of which is the Liberal Tradition. The editorial says that Orton holds that liberty is the highest political end, and brings out the thought that there are three tenets of liberal tradition which Socialists either deny or forget. The first he suggests is that every government must acknowledge some law behind the law—some outside limitation on its power.

There can be no such thing as a good omnipotent government, whether it claims its authority from force, from God, or from the people.

The editorial continues:

The second principle of liberalism is that good ends never justify dubious means.

Mr. President, I think that might well be thought over in the Halls of Congress. We have bills with noble titles, we have great objectives shot at us, and then we have a broken-down vehicle in the form of some kind of legislation, and give the impression that that will do the job. This writer is talking about the true liberal:

A second principle of liberalism is that good ends never justify dubious means; especially do humanitarian ends not justify restrictions on liberty.

Mr. President, I think that is a fit subject for a long talk by my distinguished friend the senior Senator from Missouri [Mr. DONNELL].

Mr. DONNELL. Mr. President, I thank the Senator for his allusion.

Mr. WILEY. Mr. Orton says that humanitarian ends do not justify restrictions on liberty. Listen to this:

The besetting temptation of all democracies is to become welfare states. Americans know this temptation at first hand; Huey Long made a welfare State of Louisiana. Says Orton, "One has to respect personality very much indeed to reject doing good by force."

Let us beware of the welfare boys as well as the welfare state. Liberty is far better than welfare slavery.

The editorial continues:

A third principle is an abiding distrust of pure, unaided reason. This may seem paradoxical, for liberalism is the architect of the community.

It continues:

The liberal tradition has always remembered—sometimes just in time—that no political system offers the perfect answer.

Mr. President, I wish every American could realize the vitality and validity of that statement, because we have been educated into believing that in and by a political system we can get the perfect answer.

The true liberal values spiritual and political freedom above welfare mechanisms and statism methods. The true liberal is not fooled by noble-sounding words, in the mouth of loose thinkers. While politics is the science of government, only good men can make society and government good.

Utopias are not in the liberal tradition. This is because mind can never define the life that is both mind and so much more than mind. When human reason thinks it has the final answer to the social problem, it falls into the sin of pride, like Mr. Laski. Liberalism, says Orton, is the denial of all absolutes in the realm of political organization.

I call the Senate's attention to one other statement:

No man can be a liberal who does not believe that faith and morals are independent of politics, more important than politics and essential to political liberty.

One might say that in the great international picture of today, especially with relation to the United Nations, that thought has special application. The important thing is the moral quality and character of the nations. The United Nations Organization will be successful only if there is back of it the will, the intent, and the purpose of the nations to keep faith. All the mechanisms in the world will be of no avail otherwise. It is well for us to remember, when we deal with great resources such as atomic power, other great values, such as international friendship. It is well for us to remember that we are living on a stage which is constantly in flux, where nations are pretty much what they have always been, selfish, looking after their own, seeking to further their individual interests. A real liberal will not in this critical hour forget to be good to America and ever alert to the changing scheme.

Mr. President, I ask unanimous consent that the entire editorial from Life of the issue of January 7, 1946, entitled "What Is Liberalism?" be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHAT IS LIBERALISM?—MR. LASKI, A SOCIALIST, WANTS IT TO COME OUT AND FIGHT—BUT ITS TRIUMPH WILL NOT BE THAT EASY

That stock character of the twenties, the visiting British lecturer, has an interesting survival in Mr. Harold Laski, the famous political scientist who happens also to be chairman of Britain's Labor Party. Last month Mr. Laski lectured a large audience in New York on the challenge of the atomic bomb. After roughing up his pet hate, the businessman, Mr. Laski got off these memorable words:

"We have come to the boundaries of the final dividing line between liberalism and socialism. * * * There is no middle way. Free enterprise and the market economy mean war; socialism and planned economy mean peace. All attempts to find a compromise are a Satanic illusion. We must plan our civilization or we must perish."

Despite their applause many among his New York audience must have felt uncomfortable. After all, they were guests of the Nation, generally known as a liberal weekly; they had always thought of themselves as liberals. Liberalism, to Americans, has always been such a vague and roomy kind of faith, meaning no harm to anyone, least of all to socialist Russia whose freedom from businessmen Mr. Laski so much admires. Yet here he was setting up a bloody barricade against liberalism. What was one to think?

If he causes his liberal friends to think at all, Mr. Laski's visit will have been a public service, especially if he causes them to think about the meaning of the word "liberal." As he himself uses it, it is almost synonymous with a believer in free enterprise and a free market. Since most Americans believe in that, they are liberals in his sense. Mr. Laski, though wholly committed to socialism, argued a few years ago that it would come about through orderly balloting: "Revolution by consent," he called it then. The American reply to that was indeed easy: Whatever England may do, America has not yet reached the age of consent. But now Mr. Laski is more implacable and a gentle answer is not so easy. A believer in free enterprise is tempted to accept his challenge, to declare war on socialism as he has declared war on us. That would certainly simplify the problem of definitions and force our liberals to decide which side of the economic argument they are on.

SOME LIBERAL TENETS

Yet "liberalism," however Mr. Laski may define it, actually means a great deal more than an economic system. And because it means more, battle with Mr. Laski must be refused, at least on his narrowly chosen ground. Seen from a height, liberalism is a very broad river which rose long before Adam Smith. It rushes past the tuffet from which Laski hurls his shrill defiance, and it has much, much land to water before it meets the sea.

Such a height is provided by William A. Orton's recent book, The Liberal Tradition. To read it is a good way to find out whether you should call yourself a liberal or not. You may be a conservative or a collectivist instead—both perfectly respectable positions.

Orton's liberalism has many tenets with which a Laski would agree. He holds that liberty is the highest political end, but he skirts the pitfall of individualism and insists that a well-ordered community life is indispensable to freedom. He is also no friend of laissez faire, which, though originally a liberal principle, lost that standing when politics in its name tried to abdicate all responsibility for the economic system.

But there are at least three tenets of the liberal tradition which Socialists either deny or forget. The first is that every government must acknowledge some "law behind the law," some outside limitation on its own power. There can be no such thing as a good omnipotent government, whether it claims its authority from force, from God, or from the people. It is the principle which the early Christians asserted against the Roman Empire and which liberals have been asserting against one or another tyranny ever since.

A second principle of liberalism is that good ends never justify dubious means; especially do humanitarian ends not justify restrictions on liberty. The besetting temptation of all democracies is to become welfare states. Americans know this temptation at first hand: Huey Long made a welfare State of Louisiana. Says Orton, "One has to respect personality very much indeed to reject doing good by force." Liberals do reject it.

WILL LIBERALS FIGHT?

A third principle is an abiding distrust of pure, unaided reason. This may seem paradoxical, for liberalism is "the architect of the community" (as conservatism is the guardian) and is congenitally friendly to experiment, change, and new theories of government. It is extraordinary how many different political movements, for example, have at one time been espoused by liberals: anticlericalism, laissez faire, nationalism, Wilsonian internationalism, positivism (a sort of scientific sociology), Rousseau's mystical democracy, and what not. But the liberal tradition has always remembered—sometimes just in time—that no political system offers the perfect answer. Utopias are not in the liberal tradition. This is because "mind can never define the life that is both mind and so much more than mind." When human reason thinks it has the final answer to the social problem, it falls into the sin of pride, like Mr. Laski. Liberalism, says Orton, is the denial of all absolutes in the realm of political organization.

This humble relativism, this readiness to compromise, is what sometimes irritates men of action about the liberal tradition. It puts them in mind of the English statesman who "never deviated from the straight and narrow path between right and wrong." But that is exactly the path that the true liberal will not walk. His area of endless compromise is politics: things that are Caesar's. On questions of morals he will not compromise at all.

No man can be a liberal who does not believe that faith and morals are independent of politics, more important than politics, and essential to political liberty. Thus, while the liberal can refuse Mr. Laski's latest challenge, he must oppose the essential materialism of Laski's viewpoint without quarter.

"We must alter the central principle of our civilization," says Mr. Laski, "to plan production for community consumption. From that central principle alone do there flow the ethical values which can renovate and refresh this dying civilization." The basic difference between a Laski and a liberal lies in those words. The difference is not about the desirability of an age of plenty nor about the possibility of attaining it. But Laski seems to think that "ethical values" will automatically flow from it once attained. The liberal knows that ethical values do not flow from such a "central principle" any more than they flow from central heating. They flow only from the hearts of men who believe in something greater than any political or economic system.

ALTRUISM AND HIGH EXPLOSIVES

During the twenties, when "community consumption" reached new highs in this country, an American professor named Irving Babbitt (who also in 1924 predicted the atomic bomb) described western civilization as "a mixture of altruism and high explosives. If anything is amiss with the altruism," he said, "the results may prove rather serious."

Well, something was, and they did. They will again. Altruism, as the liberal knows, is just another name for the things hell is paved with. When attempts are made to erect it into a social philosophy the liberal takes alarm. He remembers how and at what cost he once went for Rousseau, who first planted the hope in man's breast that social reform would make self-reform unnecessary. A century and a half of steady social reform since then—and where are we? The liberal's first task in the coming era, and the mark by which you can tell a true one, is to remind men that only good individuals, whether rich or poor, can make a good society.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. WILLIAM O. BURGIN, late a Representative from the State of North Carolina, and transmitted the resolutions of the House thereon.

DR. CALVER AND WISCONSIN CHEESE

Mr. WILEY. Mr. President, there was called to my attention an article published in the April 13 issue of the Saturday Evening Post entitled "The Man Congress Always Yeses." It is an article by Howard Whitman in relation to our dear friend Dr. Calver. He draws a fine picture of the man and presents a very good description of his activities. But, Mr. President, I particularly call attention to the fact that the doctor apparently attributes his ability as a physician to handle Senators and Representatives to the fact that he is a great consumer of Wisconsin cheese. The article concludes with this statement:

A Wisconsin cheese is his favorite and he consumes such quantities that once when a truck pulled up to deliver three cases—

I presume that means of cheese [laughter]—

the driver asked one of his daughters, "Does your father have a cheese store?"

"No; he eats it," she directly replied.

The article contains another significant statement—and I say it is significant because I have been at the doctor's house. I noticed that he had a dog who seemed to be full of atomic energy. This is what the article says:

The doctor's dog, Chipper, has become a cheese eater, too, and hovers beside the dinner table when a big, round, red-paraffined offering is brought on.

I am quoting this from the article, because it is not only significant in itself but it shows that that great magazine, the Saturday Evening Post, is really becoming informed, because the article concludes with this statement:

He—

Meaning the dog—

fully agrees with his master that there's nothing quite like a big hunk of cheese with a little apple pie on top.

Mr. President, the reason I have called this to the attention of the Senate is that a number of my associates have asked, "When can we get Wisconsin cheese?" I notice that my colleague in the Senate [Mr. LA FOLLETTE] this noon was lunching with the two big cheese men of our State. It was my privilege to consult with them some time ago, and I want to say that just as soon as OPA and the Department of Agriculture acquire and evidence a little horse sense Wisconsin will truly resume the production of cheese.

Mr. President, the reason why cheese and butter are difficult to obtain is very plain. In Wisconsin we have been producing more milk than at any time in our history. As Senators know, from cow's milk we make the finest cheese in the world. But this is the rub. The farmer is like everyone else. He will sell his product where he can get the best price. The Government has made it advantageous for him to sell milk for the eastern market, where it is used to make canned milk, fats, and ice cream. The cheese maker cannot pay the same price for the milk to make cheese, because of the low ceiling price on cheese. The remedy is very simple, but it takes those downtown a long time to apply common sense or horse sense to the situation. The remedy is: Give the cheese maker a price on cheese so that he can pay as much as those who buy the milk and utilize it for ice cream. But, Mr. President, I still have hopes that into the brains of those in OPA there will come light sufficient so that Senators can get the cheese they want, and so that once again on the tables throughout America Wisconsin cheese can be served in abundance.

INTERNATIONAL CONTROL OF ATOMIC ENERGY

Mr. FULBRIGHT. Mr. President, a few days ago the Department of State released a report on the international control of atomic energy. This report was primarily the product of a board of consultants appointed by the Secretary of State's Committee on Atomic Energy. I have just finished reading this report, and I wish to take this opportunity to congratulate the members of the board of consultants and the State Department for a splendid piece of work. I have on occasions in the past seen fit to criticize the policies of the State Department, but this time I am glad to state that in this report they have made a real contribution toward the solution of a most urgent and difficult problem with which all rational people are profoundly concerned.

Mr. President, 3 years ago this month, on April 5, 1943, I submitted in the House a resolution which was later adopted by an overwhelming majority of the Representatives. That resolution stated

that the Congress favored the creation of appropriate international machinery with power adequate to establish and to maintain a just and lasting peace among the nations of the world, and favored the participation by the United States therein through its constitutional processes. At that time we were in the throes of a deadly struggle with two dangerous enemies. We had just begun to recognize that war is not a profitable business, and that it was our duty to participate in, rather than to withdraw from, a concerted effort of decent peoples to create a peaceful world. We should not forget that it was only 3 years ago that many Americans thought it rather a bold step to declare our intention to participate in international machinery to keep the peace.

Since that resolution was adopted we have come a long way along the road toward the creation of the machinery contemplated by it. We still have a long and dangerous road to travel before we provide that machinery with the power adequate to achieve its purpose. But it is my belief that this report of the consultants envisages the kind of action on our part which, if carried through, will give to the machinery the power and vitality necessary to make it effective. I am pleased to say that this is the most original, the most encouraging, proposal that has come to my attention since the adoption of the Charter.

I want to call the attention of the Senate to the resolution which was submitted yesterday, sponsored by four Senators, including myself, relating to this subject.

In view of this significant proposal, I believe that it is not inappropriate to recall for a moment some of the events which have taken place during the past 3 years.

Not long after the House of Representatives so convincingly expressed its opinion in the resolution alluded to above, Secretary Hull, in a meeting at Moscow with the Foreign Ministers of Russia and Britain, joined in a declaration committing us to the establishment of a general international organization for the maintenance of international peace and security. Following that declaration the Senate of the United States, being a more deliberative body than the House, adopted the Connally resolution containing provisions similar to the Moscow declaration.

In the fall of 1944 at Dumbarton Oaks, the tentative outline of the machinery was agreed upon. After thorough discussion by our people this plan ripened into the United Nations Charter in July of 1945, and the Senate agreed to the Charter on July 8, 1945, only a few days before the first atomic bomb fell on Hiroshima. All these steps, it will be noted, took place before the war with Japan was concluded and while we were confronted each day with tragic reminders of the futility and horror of war. Under these circumstances we assumed the responsibility of participating in the international machinery. It is fitting now to examine some of our efforts at participation in this undertaking subsequent to the pressure of war.

Any criticism of our Government's actions is not offered in condemnation of those immediately responsible for our actions, but solely as an effort at self-analysis in order that we may correct any mistakes in policy that we may have made. I recognize that our hindsight may be better than our foresight. It should not be forgotten that since the days of Washington and Jefferson we as a people believed that we could exist apart from the world. We believed that we could create a paradise on earth here within our protected borders and that, by refraining from participation in the affairs of the world insofar as possible, that that world would let us alone. There are still those among us who think we can do that. One consequence of this traditional attitude was that we found ourselves at the end of the war with a poorly paid, understaffed, inexperienced State Department to handle the affairs of peace. In addition we suffered the loss of our President, who had especially interested himself in our relations with foreign countries. With this background it is not unusual that everything has not gone smoothly or that we have made mistakes.

At San Francisco, one of the first errors that we made was the forcing of the issue over the admission of Argentina. Leaving aside for the moment the merits of our position regarding the Argentine, the method we used to force the issue indicated our lack of maturity in international politics. The overwhelming number of votes we marshalled against the determined opposition of Russia reminds one of the ruthless use of political pressure by highly organized political machines in certain sections of this country, which likewise are a sign of political immaturity. Our victory on this issue did not prove the justice of our cause, but it did strengthen the suspicions of Russia as to our motives and our fairness and confirmed her attachment for the veto in the Security Council.

Another instance of poor judgment at that time was our insistence that we should retain exclusive possession of strategic bases in the Pacific. This policy was and is inconsistent with the fundamental theory of the United Nations. It set a precedent for similar demands by other countries, demands which we can resist with poor grace in view of that action. In stating that this country is not interested in one inch of territory except that which we consider necessary for our defense, our Government was not being very constructive. It is obvious that any country can claim that contiguous territory, especially if it be that of a small and weak neighbor, is as necessary to its defense as Okinawa is to ours. It is quite indefensible for us to adopt one rule for our own conduct and at the same time advocate a different rule for others. If we really intend to rely upon the UNO for our security then we should ourselves accept its jurisdiction in those matters which we consider important to us if we expect other nations to do likewise.

Shortly after the devastating introduction of the atomic bomb, a moment when this Nation was without question the most powerful military power in the world, we had a unique opportunity for any nation. If at that time we had made a proposal such as is contained in this recent report, I believe the world would have responded to our leadership. However, instead of this positive, statesmanlike approach, our Government, in a casual way, announced that we were going to keep the bomb to ourselves, that we considered ourselves the sacred trustee of the bomb for the welfare of humanity. It is not strange that such an assumption of moral superiority on our part was not enthusiastically received by Russia. Here again the implication of such an attitude was that first and foremost we intended to assure our own security in the traditional nationalistic manner, then if the other nations were willing to put their faith in UNO we would go along on matters of less apparent interest to us. Coincident with the announcement of our atomic policy, we precipitately withdrew our troops and demobilized our armed strength. We suddenly abolished rationing and many controls. We even abolished wartime excess-profit taxes long before a balanced budget was in sight. To a world still conscious of our refusal to participate in the League of Nations after the first war, this unseemly haste to return to normalcy brought back many bitter memories. If the United States should again withdraw into its shell the UNO would be worthless.

All of these actions, both in domestic and foreign affairs, indicated that we really did not understand the real meaning and responsibility of the role we had undertaken, nor did we properly assess the forces of disorder which were generated by the war, but held in check by governmental controls. Again, as after the first conflict, war was to be forgotten as soon as possible. The repeal of excess-profit taxes touched off the disastrous industrial strife which has paralyzed our production and prepared the way for an explosive inflation through constantly increasing wages and prices. Our idleness and confusion at home have drastically limited our ability not only to supply our own needs but also to supply the dire needs of war-torn Europe and Asia. Until the devastated areas of western Europe are enabled to get back to work, there cannot be stable or rational government created to reestablish order and tranquillity. The longer these countries are without the means to resume a productive existence, the more likely they are to succumb to the desperation of dictatorship, anarchy, or communism.

In the wake of this period of confusion and indecision, the first meeting of the UNO was held in London. The organization of the machinery of the Charter proceeded satisfactorily. The acrimonious debates between Bevin and Vishinsky apparently left no ineradicable scars, but all during this meeting and subsequently thereto, there has been no action or statement by any of the three great powers which positively and convincingly has given the world much confidence in the efficacy of the UNO. We still profess our faith in the Charter, but neither our actions nor those of Russia have contributed much to fortify that faith.

In such an atmosphere of doubt and disappointment, this proposal of the consultants comes like a breath of fresh air in the proverbial smoke-filled room. It is a positive, forthright proposal with all the aspects of careful and mature thought and a creative imagination. It does not rely on the sterile concept of outlawing the atomic bomb in a world without law. On the contrary, it proposes that we create rules of conduct governing atomic energy which have as their sanction not the traditional repressive police force, but the dynamic participation of the finest scientific minds of all nations in a creative undertaking for the development of atomic energy for the benefit of mankind.

This proposal seeks to enlist in the cause of peace not merely the repressive, heavy hand of brute force, but the highest and most creative intelligence of the scientific world. The policemen will be the scientists themselves, instead of the blackjack and the tommy gun in the hands of men trained to wage war.

If this proposal can be adopted and put into effect, I believe that it will be effective within the limits of its responsibilities. This alone would not be sufficient to prevent another war, but if the peoples of the various nations could once establish an agency which functions effectively in a field involving power, there is every reason to believe that the confidence thus inspired would grow and spread into other fields. In other words, if we can once make a breach in the hard crust of suspicion and jealousy which has always enveloped the question of sovereign armed might, we will have opened the door, at least a small crack, to the settlement of all questions by reason. If all nations could be made to feel that at last they have participated in an undertaking which has successfully mastered a really important threat to their security, I believe it would be a significant step toward the creation of that sense of community which is essential to the ultimate creation of a rule of law. Up until the present there is little reason for any nation to have much confidence in the efficacy of international agreements concerning force. Time and again they have seen treaties among sovereign nations violated in every crisis. But this report calls for something quite different from the traditional treaty between sovereign nations. It is true that it must be created by a treaty, but once accepted and put into operation, for a reasonable period of years, it will provide for greater assurance of restraint of aggressors than do ordinary agreements. It would prevent secret preparations for atomic warfare, and at the same time it would give to the world clear and definite warning if any nation should withdraw or violate the agreement. Such a warning should not leave the world in doubt as to the proper course of action. At least it should prevent the gradual approach of war by incidents which, in themselves, do not seem to justify positive action, but which cumulatively make war inevitable. As Secretary Byrnes put it, we do not want to stagger into a situation where no one wants war, but where war becomes inevitable.

TREATMENT BY OPA OF TEXAS DAIRY INDUSTRY

Mr. O'DANIEL. Mr. President, I wish to read into the RECORD a telegram which I have received from Mr. M. E. McMurray, manager of the Texas Dairy Products Association, with reference to the treatment which the dairymen of Texas are receiving from the OPA. I receive many telegrams of this nature and refer them to the OPA or to other departments of the Government. However, I have received very little satisfaction in connection with the matter. So I wish to read the telegram to which I have referred in order that it may appear in the RECORD so that citizens of the Nation who read the RECORD may see what is being done to the dairy industry by the OPA. The telegram reads as follows:

FORT WORTH, TEX., *April 3, 1946.*

Hon. W. L. O'DANIEL,
Senate Office Building,
Washington, D. C.:

One thousand two hundred and thirty key Texas dairymen, in a series of seven meetings held during March, representing the industry from the Panhandle to Rio Grande Valley, and from El Paso to Texarkana, expressed themselves forcefully as having their backs to the wall and facing disaster if immediate action is not taken to afford relief.

They ask why our Government insists on ruin for this Nation's greatest agricultural enterprise, and why those in authority sit by and permit our milk supply to dry up, butter and cheese plants close, and allow black-market activities in feed, supplies, and dairy products.

They are unanimous in demanding removal from OPA jurisdiction and that dairy products be eliminated entirely from all price controls. How can Congress ignore the plea of millions of farm families, who are fast losing confidence in their Government and its officials?

They are tired of waiting for action that never materializes while thousands of dairy cattle go to the slaughterhouse each day, at a time when our country is begging for more milk and cream.

It just doesn't make sense to Texans. They ask to know not when but how quick can they get relief. Not only do they believe the House, Senate, and committees should give this problem first attention, but also that it is a grave responsibility of the President of the United States. Nothing short of immediate and drastic action can satisfy and restore confidence in our officials.

Texas farmers look upon certain branches of their Government as being responsible for their condition. We expect Congress to act immediately to give us relief from this situation. Delayed action or promises will not get the job done this time.

Copy of this message being sent air mail to Texas Members House of Representatives and members House Banking and Currency Committee.

TEXAS DAIRY PRODUCTS ASSOCIATION,
M. E. MCMURRAY, *Manager.*

NATIONAL HOUSING POLICY

The Senate resumed consideration of the bill (S. 1592) to establish a national housing policy and provide for its execution.

Mr. BUCK. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Mahoney
Austin	Hatch	Overton
Ball	Hawkes	Pepper
Bankhead	Hayden	Reed
Barkley	Hickenlooper	Revercomb
Bilbo	Hoey	Robertson
Bridges	Johnson, Colo.	Saltonstall
Briggs	Johnston, S. C.	Shipstead
Brooks	Kilgore	Smith
Buck	Knowland	Stanfill
Bushfield	La Follette	Stewart
Byrd	Langer	Taft
Capper	McCarran	Taylor
Carville	McClellan	Thomas, Okla.
Connally	McFarland	Thomas, Utah
Cordon	McKellar	Tunnell
Donnell	McMahon	Vandenberg
Downey	Magnuson	Wagner
Ellender	Maybank	Walsh
Ferguson	Mead	Wheeler
Fulbright	Millikin	Wherry
Gerry	Mitchell	Wiley
Gossett	Morse	Wilson
Green	Murdock	Young
Guffey	Myers	
Gurney	O'Daniel	

The PRESIDING OFFICER (Mr. TAYLOR in the chair). Seventy-six Senators having answered to their names, a quorum is present.

Mr. TAFT. Mr. President, I desire to speak in behalf of Senate bill 1592. The purpose of the bill is to establish a permanent housing policy for the Government of the United States, and not to deal particularly with any immediate emergency in housing. The bill was conceived and written before the present housing emergency arose, and is designed to establish a permanent organization within the Government, as well as a permanent policy.

There are many provisions of the bill, however, which I believe can be immediately helpful in the present situation, particularly in connection with those who are endeavoring to stimulate the construction of rental housing, which is very difficult to obtain today because of a general tendency to build for sale only.

The bill is very long because the housing problem is a very complicated problem. The different features dealt with in the different titles of the bill are all directed toward the general purpose to build up a housing plant which will afford decent housing to all the people of the United States.

Probably no problem is more important to the people as a whole than is the housing problem. Not only does it affect directly the happiness of many million families, but it has to do with affording equal opportunity to the children of this Nation so that they may get ahead in life, and begin their lives in the kind of surroundings which are necessary if they are to develop that degree of character and ability which will enable them to make progress in the world. At the same time, the construction of homes involves one of the most important, I believe the second largest, industries in the United States.

From the point of view of the economy of the country, of the employment of millions of people, and the investment of money, housing has another aspect which is also of tremendous importance. We hope that under the program proposed in this bill we may have a rather steady construction over a period of many years of a million and a half homes

each year. That would mean the expenditure each year of $7,500,000,000. It would mean the employment of from 3,000,000 to 5,000,000 men directly and indirectly in the construction of homes. Moreover, a wise direction of the housing policy should assure a stability of employment which we have never attained before. No industry has been so much up and down, and so irregular, as has the housing industry. No other industry has so upset the economy of the country, and has gone so low in hard times or so high in good times.

The history of housing in the 1920's is typical of the entire history of the industry. Starting from 247,000 units in 1920, it gradually rose until, in 1925, it reached a construction peak of 937,000 houses in 1 year. Then, for reasons which I shall describe later, building began to fall off before we reached the height of prosperity in 1929, until in 1933 there were constructed only 93,000 houses, or one-tenth of the number constructed in 1925. Then gradually in the 30's we came back to three or four hundred thousand houses a year.

Our comittee made a study of the problem, and came to the conclusion that every year there was a need for 1,250,000 non-farm homes in the United States, at least for the next 10 years, and probably 250,000 farm homes in addition. If we can keep that necessary construction on a fairly even keel, we will probably do more to maintain a steady level of prosperity in the United States than by any other single action we can take.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MAGNUSON. I notice that on page 15 of the report, under the heading: "Cost of the program to the Government," the committee says:

> Most of the programs contained in the bill would not involve ultimate cost to the Government.

Later in the report, on page 15, the committee estimates that this activity will cost the Government not to exceed $143,000,000 a year. That is broken down as follows: For low-rent public housing, which is the bulk of the $143,000,000, the estimate is $88,000,000. I should like to have the Senator from Ohio explain the language "for assistance to farmers on a home-ownership basis, a maximum annual rate of $10,000,000." What is meant by that?

Mr. TAFT. That deals with the ordinary rural-housing plan which was submitted by the Department of Agriculture about 2 months ago. It is a plan which I shall describe later, but, roughly speaking, it proposes that the Government lend to farmers who cannot otherwise obtain money for homes—men living on farms which are able to support such homes—the money necessary to build a house, even though they may have a mortgage on the farm. It is thought that will not involve any expense. But when the same principle is applied to the second group of Mr. Anderson's farms, the farms which are not able to pay for such houses, but, in the opinion of the Department, can be made so by proper reconstruction and improvement, then during the 10 years, until they are made self-supporting farms, there is provided Government assistance or a subsidy to enable them to pay the interest and sinking fund on the home.

The third class are farms which are wholly unable to be economic farms, for which the Department proposes to extend assistance on a grant-in-aid basis of one-half the total amount required up to $500 a house for not more than two houses on a farm. The $10,000,000 is to pay the loss involved in connection with the last two classes of farms.

Mr. MAGNUSON. There is a fourth section which says, "for land assembly for development and redevelopment, a maximum annual rate of $20,000,000."

Mr. TAFT. That involves urban redevelopment, which I shall describe when I come to it in the bill. In general, it involves the purchase by cities of slum areas to be used not only for public housing, but for private housing, or for any other purpose for which the land may be sold. This amount is for assistance to the locality in working out such a plan.

Mr. MAGNUSON. The bulk of the aid under the bill would be such as we could reasonably estimate would be repaid to the Government?

Mr. TAFT. The $143,000,000 will not be repaid.

Mr. MAGNUSON. Other than the $143,000,000.

Mr. TAFT. The rest of the aid is in the form of loans which should be good loans, so far as we can see. The history of similar loans shows that they should be good.

Mr. President, the subject of housing has been of interest to me for many years. I looked up the record today, and I found that on June 7, 1939, the year I came to the Senate, we had before us a general housing bill proposing to extend the then existing program of housing. I objected to the size of the amount involved, and proposed an amendment to cut the amount, and to have a committee appointed in the meantime to study the whole problem of housing and the various Government activities involved in housing, which even at that time were very complex and contradictory to each other, and the subject had never been approached from the standpoint of a unification of activities.

I was unable at that time to obtain the appointment of such a committee. I presented the same idea repeatedly, until finally 2 years ago, when the postwar planning committee was appointed, the matter of a survey of housing was referred to the committee, and I was chairman of a subcommittee which, during the year 1944, held extensive hearings, heard from every element of all the industries involved, and particularly considered the question of public housing, whether the subsidy plan, which had been in effect for a long time, was the best method of furnishing low-rent housing, or whether there were available alternatives. The committee made a report on August 1, 1945, which is on Senators' desks.

After that the Senator from New York [Mr. WAGNER], the Senator from Louisiana [Mr. ELLENDER], and myself worked out the housing bill, which is now pending. There have been extensive hearings on that bill also before the Committee on Banking and Currency, and consideration by the committee, and many amendments were offered.

Mr. President, these two surveys are the first which have been made for an over-all policy for the Federal Government. The Federal Home Loan Bank was proposed, I think, in the Hoover administration, and was set up at that time, to finance building-and-loan associations so that they might lend money for homes more effectively and at lower rates.

We had then the FHA, to insure mortgages on homes. We had the USHA, which financed the public-housing program for metropolitan housing authorities throughout the United States. Each one was set up after an investigation of the particular matter, without an overall study of what the whole problem required. In addition to those three activities there were many other departments of the Government engaged in housing. So that when I came to the Senate, and for some years afterward, housing presented a typical example of overlapping and contradictory policies within the United States Government.

For a long time we urged that the activities be consolidated, that they be brought together under a single policy. Finally, under the war powers, that was done, a National Housing Administration was created, and all housing matters were transferred to it. The three constituent agencies mentioned were set up within the National Housing Administration, of which Mr. Blandford was Administrator, ultimately succeeded by Mr. Wyatt.

In the bill, as well as in our investigations, we have tried to cover all phases of the problem. We have tried to improve the operations of the Federal home-loan bank system. We have tried to extend the powers of the FHA and the effectiveness and usefulness of the FHA. We are proposing an extension of the public-housing program, which, incidentally, is the real controversy involved in the bill. At least, it is the subject of the opposition which has arisen among certain groups which are opposed to public housing.

The housing problem is as serious as any we face. There are approximately 37,000,000 families in the United States, about 30,000,000 nonfarm families and about 7,000,000 farm families. The object of a housing policy should be to see that there is a housing plan which provides decent shelter and decent housing for all those families. We do not have such a plan today. I do not think the most optimistic American or the most optimistic admirer of private enterprise could wander through the city of Washington, or go into any rural district, and see the kind of shacks in which people live, and feel that we have solved in any way the problem of housing, or that we are particularly advanced in the subject of housing.

For the first time in the history of our country we had a housing census in 1940. It showed that of something less than 30,000,000 nonfarm homes, about 4,000,000 need major repairs and are in such bad condition that they are not fit to be lived in.

Furthermore, some 3,000,000 nonfarm families have no running water in their houses, about 2,500,000 have water but no inside toilets. Under farm conditions that may be consistent with a perfectly decent home, but when we consider the urban homes of the United States, it hardly is consistent with what we think of as the American way of life.

Altogether, that makes a total of 9,500,000 houses. We estimated there were three or four million houses, located, perhaps, on the outskirts of cities or in small towns, which, even though lacking certain plumbing facilities considered necessary in every city, were decent and habitable. But we felt that without question 6,000,000 of the 9,500,000 houses should be replaced; that 6,000,000 were completely substandard homes in which Americans should not live.

Mr. President, we estimated that, in addition to the 6,000,000 to be replaced by the time this program ends, in about 10 years, we would need at least 6,000,000 additional homes for additional families. We already need about 3,000,000 additional homes, and we add about 250,000 families a year, so that in 10 years we would need another 2,500,000 homes.

We estimated that with a very reasonable program of replacement of the houses which are completely unsuitable, plus new houses needed, we would need at least 12,500,000 nonfarm houses in the United States in the next 10 years. The program we should aim at is 1,250,000 homes a year during the next 10 years. In addition to that, while the estimate of 250,000 farm homes a year is not based on such complete figures, I think it is a very reasonable guess. So it is believed that about 1,500,000 homes a year are needed during the next 10 years if we are to have at the end of 10 years somewhat improved and reasonably satisfactory housing in which the American people may live.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. VANDENBERG. Would these figures be in addition to those that attach themselves to the legislation the Senate passed yesterday?

Mr. TAFT. The legislation passed yesterday proposes a program of 1,200,000 houses in 1946, and 1,500,000 in 1947. That program would correspond with what we figure to be necessary for the next 10 years; about a million and a half houses a year. The bill passed yesterday would cover the first 2 years of those 10 years. We felt at the time that we were unlikely to come up to that figure in the first year or two, and we are not likely to come up to it even with the bill passed yesterday. But we hope that with the adoption of that measure we may approach nearer to the goal in the first 2 years than we would otherwise.

Mr. President, the basic difficulty in dealing with the housing problem relates to the cost of housing in relation to the income of the people of the United States. We cannot build new houses in the United States for more than the upper half of the income groups in the population.

It is somewhat tricky to deal with figures, because figures have constantly changed, but the prewar figures on income show that a 4-room family home could not be built for much less than $4,000. That was about an average. In some sections it may have been more. Perhaps in the South it may have been somewhat less. A man who earned $30 per week at that time, or $1,500 a year, could afford to pay perhaps $30 per month for rent, or $360 a year. Twenty-five percent of a man's income is about as much as he can reasonably hope to pay for rent. That would about justify the purchase of a $4,000 home. More than 13,000,000 families, or nearly half of the nonfarm families, were earning less than $1,500 per year in 1939.

At the present time the cost of housing has gone up, and incomes have gone up. We have no reliable figures today on either, but I think we can assume that, roughly speaking, the proportionate increase is about the same. So that because of the condition with respect to costs and income, the market for new homes today is confined to less than half the population. That is the difficulty we face.

There was a tremendous sale of houses in the twenties, up to 1925, and then, although the prosperity of the country increased, the number of houses decreased, because the market had been used up and the people in the lower income brackets were unable to buy new houses.

As a matter of fact, taking the prewar figures on income, rents, and costs, about 30 percent of our nonfarm families, or 8,500,000, had an income of $1,000 a year or less, and these families, and others with a slightly higher income, were able to find some 11,000,000 homes that rented for less than $20 a month. Nearly half of them were in rural districts, and largely acceptable. In other words, they found hand-me-down homes and second-choice homes. Many of these low-income families were apparently able to find reasonably decent homes in proper surroundings for $20 a month and less, but the 6,000,000 substandard homes are rented by 6,000,000 low-income families at rentals averaging less than $15 a month. They rent for that sum because they are bad housing.

The problem which we have today is how to reduce the cost of housing, and how to take care of those at the lower end of the scale. The cost of housing consists of cost of material, labor, and of financing. The Federal Government has been able to do something about financing, and we are going to do something more about financing, which is a material part of the cost of living in a house. For instance, if the total over-all cost, including interest and amortization, is 8 percent on a $5,000 house, that means $400 a year, whereas at 10 percent on a $4,000 house it is $400 a year. In other words, if we can cut the total over-all interest rate 2 percent, from 10 percent to 8 percent, we are achieving the equivalent of a reduction of a thousand dollars a house in the actual construction cost of the house. Unfortunately, the other end of the costs has not been successfully dealt with. Industry has not increased its production. Building codes have imposed unnecessary restrictions. Labor unions have imposed unnecessary restrictions, particularly on the number of brick that can be laid and the various methods that can be used in the construction of homes. Most of those matters are beyond the reach of Federal legislation, and lie within the voluntary work of industry, which should be stimulated by a national housing administrator concerning himself with an appeal for that kind of voluntary improvement.

There is a greater lack of new rental housing than there is of housing to buy, because very few people are willing to invest their money in rental housing. It has not been very successful. The fact that they must obtain rents which half the people cannot pay means that they are rather unwilling to invest in new rental housing, particularly at present high costs.

It is claimed that private enterprise, without any aid from the Government, can solve the problem. I think that is contradicted by the facts and the figures. Private enterprise cannot solve the problem, because it cannot build for half the population. It cannot be done. The thought of those who say it can be done rests on the theory that second-hand houses can be passed down. Second-hand automobiles are passed down, and no doubt to a certain extent that works, but it does not work completely. In slum areas housing which rents from $10 to $15 a month, or less than $20 a month, cannot be gotten rid of by private enterprise, because private enterprise cannot build for people who can pay only from $10 to $15 a month. It is not possible to do it. A second-hand house ought to rent, if it is in good condition and the neighborhood is good, for almost as much as a new house. It is just as good as a new house for all practical purposes.

I say the hand-me-down theory takes care of a certain number of people, but it still leaves, we estimate, about 6,000,000 people in wholly substandard housing, and, without some stimulation from the Government, I do not see what can be done to cure the situation.

What we generally propose is to try to push private enterprise down into this group as far as we can by lower financing costs, by encouraging the construction of rental housing, and then to provide for some public housing at the bottom so as to wipe out and eliminate the slums, which apparently we are never going to get rid of unless some such drastic action is taken.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WHERRY. Does the Senator have the figures of the number of homes in the United States today?

Mr. TAFT. Yes. There are approximately 35,000,000. I am not perfectly certain about that. There were supposed

to be, according to the 1940 census figures, 29,683,000 nonfarm homes, and from six to seven million farm homes. So the number would be in the neighborhood of 35,000,000 or 36,000,000; and there are about 37,000,000 families.

Mr. WHERRY. What is the Senator's definition of a substandard home? Is it one which is not usable at all?

Mr. TAFT. They are usable because they are being used. A substandard home is one which needs major repairs. I do not know how accurate the Census Bureau estimates are, or how good their standards are, but they were fair, I am sure. They felt that a substandard home was one which needed major repairs. It could be repaired possibly, but not simply by papering or plastering or work of that sort. Actually the house would have to be torn apart and repaired. It was a house which had no running water, so far as urban housing was concerned, and which had no private toilet. Such houses total, as I said, about nine and one-half million. From that we have arbitrarily deducted a certain number located, perhaps, in small towns or on the outskirts of cities, which we think would be perfectly decent housing, even though they have no plumbing, no running water. But I think the estimate of 6,000,000 is fair.

Mr. WHERRY. Does that include the nonfarm homes?

Mr. TAFT. The figure given is for nonfarm homes exclusively; it does not include farm homes at all. Farm home conditions in general, I think, are probably worse than urban home conditions.

Mr. WHERRY. So that the 6,000,000 substandard homes are all urban homes?

Mr. TAFT. Urban and rural nonfarm homes. That would include homes in small towns and homes which were not on farms.

Mr. WHERRY. So that out of the 36,000,000 homes, 6,000,000 are what the Senator would define as substandard?

Mr. TAFT. Yes.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. TAYLOR in the chair). Does the Senator from Ohio yield to the Senator from Massachusetts?

Mr. TAFT. I yield.

Mr. SALTONSTALL. In the District of Columbia slum clearance bill there was a provision that the Government should acquire the area by condemnation process, and then if private industry could not build houses, the Government would build them. As I read this bill, the redevelopment section does not permit public funds to be used for the actual construction of buildings. Public funds may be used only for purchase or condemnation of land. Does that mean that in other sections of the bill where there is provision for the local public-housing authorities to construct buildings, it is contemplated that local public-housing groups or bodies shall go into the development area and build if private industry does not build?

Mr. TAFT. In the first place, the present public-housing plan provides for the acquisition of land and the construction of public housing. Originally such land could be used only for public housing. The new section in the bill dealing with urban redevelopment provides that a city may acquire slum areas and then may use such areas for public purposes—parks and playgrounds, if it wishes—or the construction of schools; or it may sell or lease such areas to private or semiprivate organizations interested in the construction of housing—limited-dividend corporations and such organizations; or it may sell the land to a public-housing authority, which, under the public-housing section of the bill, may construct public housing. It may sell some parts of the land for commercial purposes. Before the local public-housing authority can ask for approval of the urban redevelopment plan, it must have the whole plan worked out, and the program must be approved by the Federal Housing Administrator, or the man under him who has charge of urban redevelopment. When that is done the land may be used in any way. There is no requirement that it be used first for public housing. The city planning commission of the particular city which is undertaking the program may decide how the development is to be carried out, the classes of housing, and other uses.

Mr. SALTONSTALL. But if the housing is to be constructed by a public agency it must be done primarily by a local public-housing authority, with the assistance of the Federal Government, but not under the direct supervision of the Federal Government.

Mr. TAFT. That is correct. Metropolitan housing authorities are already established under State laws. They are governed by State laws. They must conform to standards of the Federal public-housing authority in order that they may receive the subsidies which enable them to rent houses at low rents—roughly, $20 a month and under—instead of the rents which would have to be charged by private industry.

Under the Washington theory, if private industry builds a house under those circumstances, I question very much whether such a house could be rented for less than $35 or $40 a month, on the basis of present costs. There was no way in which we were able to work out a subsidy for a private operator. I do not know that he would want it particularly. In effect private operators build for middle-income families. They get down toward the group for which they have previously been unable to build.

Mr. SALTONSTALL. But the responsibility for constructing public housing in the redevelopment areas is placed in the local group; and if there is not a local group established under a State law or municipal law, then there will be no public housing in that locality. Is that correct?

Mr. TAFT. That is correct. Not only must there be a local public-housing authority, but the application must originate with such authority. It must be approved by the city council or city governing authority of the city in which it is placed, and the project must be operated by the local authority.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Vermont.

Mr. AIKEN. Does the same thing hold true for rural and farm homes?

Mr. TAFT. No. The rural plan is entirely different. I shall describe it.

In the rural areas there is a program which is somewhat similar, for local housing authorities. Georgia is perhaps the only place where that plan has been used. I do not believe that it is a very practical plan. It operates in about the same way as the plan which I have described. The county officials establish the housing authority; but those homes must be built on 1-acre lots, and they do not fit in particularly well with the farm economy. They may enable a laborer on the farm to own his own lot, off the farm.

I should like to say a word about the general claim that there is something socialistic about a program of subsidized low-cost housing or low rents for the low-income group. I should like to say something about my general philosophy with respect to social legislation. I have seen many bills for social legislation, and I have tried to arrive at a consistent theory, because I believe that many such measures violate the principles of our Constitution and the general character of the organization under which we live. However, I feel very strongly that while the private-enterprise system, through the incentives and rewards which it affords, gives life and progress to the economic system and produces a higher average income than any other system in the world, it does not necessarily provide so well for those of low income, that is, those who cannot work, those who are handicapped in some way in working, and those who are working at poorly paid jobs. Under our economic system a man cannot be paid more than his work is worth. If people will not buy the product of his labor at a higher price he must accept a lower price for his work. We can correct that situation to some extent by education and a minimum-wage law; but we cannot fundamentally cure that inequality. Even when everyone is employed, many will be employed at such low wages that they cannot obtain a decent living. I believe that we should establish a floor under the essential necessities for people of that class. I believe that the country is so productive, and is able to produce so much, that we cannot afford to let extreme hardship and poverty continue to exist in the United States.

There is an economic argument to the effect that if we let the free-enterprise system have full scope and make all the improvement it can make, letting the devil take the hindmost, and letting the poor people fall by the wayside, in the long run we shall be better off, because in the long run the general average will be higher. I do not propose to argue that economic question, because it involves a step which I do not think the American people will stand for. I believe that a humane people will insist, as they always have in theory insisted, that the lower-income groups should have decent subsistence, a minimum education, and medical care. I believe that they should have minimum housing. For many years we have admitted in principle that we are going to take care of the poor and pro-

vide some kind of assistance so that they may continue to live. For many years we have given medical care to the poor. There is nothing new in that principle. We provide general hospitals. We provide the services of doctors for those who cannot pay for them.

This country has gone further in education than has any other country. We have always taken the position that every child, no matter how poor, should have a minimum education. That has been our theory. We have not carried it out effectively; but I believe that the measures which come before us now should be viewed in the light of effectively carrying out that theory, to see that a floor is established under the necessities of life, to see that there is not extreme hardship or extreme poverty, and that there is a reasonable floor under subsistence, medical care, and education.

I believe that it is absolutely necessary to extend that principle to housing, because I believe that housing has much to do with reasonable family life, and, above all, with a reasonable opportunity for children to grow up and get a start in life equal to that of other children.

That is all that the subsidy of low-cost rents does. It is the best method which I have been able to discover. It is somewhat different from the method pursued in other fields, but it is the best method which I have been able to discover, after 2 years or more of hearings, by which we can hope to provide a reasonably decent standard of housing for a large number of people who are unable, whether through their own fault, through the fault of the system, or through misfortune, to obtain with their own means a reasonably decent standard of housing accommodations.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. AIKEN. Does this bill make provision for eliminating slums and substandard housing as fast as better houses are built? Is that the idea incorporated in the bill?

Mr. TAFT. There is a provision that before a slum area is torn down some place must be found to accommodate the people who live in the slums.

I believe that the amount carried in the bill is very reasonable. I do not believe that we would have any difficulty in building 125,000 units a year without any interference with the construction of other houses.

Mr. AIKEN. The bill is so long that I have not had an opportunity to read it. Does it supplant the present slum-clearance program?

Mr. TAFT. No. It adds to it and extends it. For some years there has been no opportunity to go further. The money ran out. This measure would extend the public-housing program to the extent of 500,000 units in 4 years, with subsidies costing approximately $88,000,000 a year at the end of that time.

Mr. President, there are certain principles which I believe we must apply if we are to try to place a floor under the essentials of a decent living. In the first place, I feel very strongly that the program must be based on local initiative and local administration.

The public-housing program has been referred to. It is in charge of metropolitan housing authorities. They must initiate every project under the provisions of the law, and they must administer the law.

I believe very strongly also that we should interest ourselves only in the low-income groups. Because these are primarily local concerns and local responsibilities, the Federal Government should interest itself only in the low-income groups, and only to the extent that the State governments and local governments cannot themselves successfully operate to provide the safeguards which should be provided.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. SALTONSTALL. The Senator from Ohio has just stated that the Government should come in only at the lower-income group levels. I have received objections to the bill from insurance companies who say that they will not be able to build houses for the middle-income groups if this bill becomes law because it would make it impossible, because of lower interest rates and other burdens, for insurance companies or companies of like character to build houses of middle cost. Does the Senator from Ohio agree?

Mr. TAFT. No, Mr. President; I do not agree. I do not quite see why that should be. As a matter of fact, I have not received any objections from insurance companies. This bill has a special provision to enable insurance companies to invest in housing.

The objections which have been filed have come primarily from the home builders' associations, which claim that in some way a program under which the Government will build public housing to the extent of 125,000 units out of a total program of a million and a half units will compete with them and discourage them. But I can see no justification for that objection, because the people who live in public housing cannot possibly buy or rent new houses built by private enterprise or rent new apartments built by private enterprise, for today it is impossible for private enterprise to build apartments which can be rented for less than $30 a month, and the people who will be covered by the public housing program are not able to pay any such rental.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WHERRY. Following the question propounded by the distinguished senior Senator from Michigan [Mr. VANDENBERG] about whether the program under the pending bill includes the number of houses which will be built under the bill which the Senate passed yesterday, I should like to say that my understanding, based on the Senator's answer, is that the program under the bill we passed yesterday is a part of the program under the pending bill. Is that correct?

Mr. TAFT. The program under the pending bill is not like the program under the bill which the Senate passed yesterday. In this bill we are not promising. We are simply saying that we should build a million and a half new units and that we shall provide all the means we can think of to make it possible for people to build a million and a half housing units. The job of building them will be purely a private undertaking.

Of course, if the Government, under the Wyatt program, stimulates the building of 1,200,000 units this year and 1,500,000 next year, that construction will be credited to the goal set by the pending bill.

Mr. WHERRY. That is the question I wished to have answered.

Mr. TAFT. Yes.

Mr. WHERRY. In other words, shall we be able to build the number of units of housing which are asked for under this program before, let us say, 3 years? In other words, can we start this program now, and also carry on the Wyatt program under the bill which was passed yesterday by the Senate?

Mr. TAFT. Yes. All the Wyatt program does is try to get the materials.

Mr. WHERRY. That is correct.

Mr. TAFT. The Wyatt program tries to get the materials which will be needed in carrying out the program under the pending bill or any other program. As a matter of fact, what the pending bill chiefly does, so far as the immediate future is concerned, is to make provision in connection with the FHA so that it will be easier under the Wyatt program to build rental housing.

Mr. WHERRY. Perhaps I did not make my point clear. My understanding is that under the Wyatt program bill we grant priorities to the veterans; and even though the priorities run to the materials, in reality they run to the building of homes. Am I not correct?

Mr. TAFT. That is correct.

Mr. WHERRY. So again I propound the question: In the event that the veterans take advantage of the Wyatt program, the number of houses built under that program will be credited to the total number covered by the program under the pending bill over the 10-year period; is that correct?

Mr. TAFT. Certainly, because all the Wyatt program means is that the veterans are to be taken care of first.

Mr. WHERRY. That is correct.

Mr. TAFT. Of course, most of the people who need houses today probably are veterans.

Mr. WHERRY. So the veterans will be taken care of first; and if the veterans do take advantage of the provisions of the bill which the Senate passed yesterday, those who would like to come under the provisions of the pending bill will have to obtain their housing materials after the veterans have obtained their houses, will they not?

Mr. TAFT. That is correct. Of course, most of the rental housing will be used by veterans.

Mr. WHERRY. I understand.

Mr. TAFT. In other words, I suppose that the men who will build most of the housing for veterans will build 100 houses at a time, for that is the only way they can be built cheaply. Such builders will construct 100 houses or so at one time, and will lay out a whole subdivision, with

adequate protection so that the various units of housing will not depreciate in value. Most of them will be occupied by veterans, who either will buy or rent them.

So the problem before us here is one which exists under the present FHA law. Regardless of whether the veterans build houses or rent them, the problem is to finance them.

Mr. WHERRY. Yes.

Mr. AIKEN. Mr. President, will the Senator from Ohio yield to me?

Mr. TAFT. I yield.

Mr. AIKEN. Is not the problem one of replacing several million homes which now are occupied but are not fit for occupancy?

Mr. TAFT. Yes. I would hope that we might get rid of 6,000,000 of such homes.

Mr. AIKEN. And when we take into consideration the increased demand for homes because of the normal increase in the population of our country——

Mr. TAFT. I estimate it is about 250,000 or 300,000 families a year.

Mr. AIKEN. And the number of homes built for them would be in addition to the number of housing units covered by the program under the pending bill; would it not?

Mr. TAFT. Yes. At the beginning of the program we would be short approximately 3,000,000 homes, and we would need approximately 3,000,000 more by the end of 10 years. So, in addition to the 6,000,000 which need to be replaced, approximately 6,000,000 more would be required to take care of new families. So, altogether, we estimate that 12,000,000 will be needed during the next 10 years, or 1,200,000 a year, generally speaking. That is the need for nonfarm families. If the farm families are added, the need will be 1,500,000 a year.

Mr. AIKEN. I judge that the Senator from Ohio has no fear that we shall have a surplus of livable houses.

Mr. TAFT. No. The difficulty is the cost; that is the trouble. I think it will be possible to build a million and a half homes a year, and probably sell them, for 2 or 3 years. We shall not be able to reach the total production until 2 or 3 years have passed, and then they will be sold during a period of 2 or 3 years. Thereafter, we shall face the problem of finding a market for the houses, in view of the fact that there are so many people whose means are insufficient to enable them to buy homes.

Thus, the general plan is to build public housing which people of lesser means will be able to buy.

One of the objections to public housing is that it competes with private housing because people stay in the public housing, instead of eventually purchasing private housing. It is true that during the war, people were permitted to stay in public housing, even though their incomes reached a rate which would permit them to be prospects for the purchase or rental of housing from private builders. But because no privately constructed housing was available in the war period, they had to remain in the public housing.

In this bill it is provided that no one can get into a public-housing, low-rent, subsidized project unless the amount which he can pay for rent is 20 percent less than the going rate for private housing, old or new, in the community. What will happen to the people in between, I do not know. But we hope that the private builders will reduce their costs until they will be able to take up that 20-percent gap.

At any rate, this bill provides strictly that only people with low incomes who can afford to pay only low rents will be permitted to live in public housing. That requirement is made in an attempt to meet the argument of the private builders—namely, that, in some way, public housing competes with the new housing they construct—an argument which I think is unsound when made against the pending bill.

Mr. President, to get back to the requirements of a social-welfare program, I wish to say, first, that I believe there must be local initiative and local administration. That is one of my objections to the health program which provides for compulsory, federally administered health insurance with a vast amount of money coming into Washington and with a vast number of doctors employed all over the United States, so that the doctors become in effect employees of the Federal Government. I think that violates every sound principle which is involved in providing for social improvement. In the second place, it should be confined to low-income groups. The people who are able to pay their own way should be permitted to pay their own way, in the manner in which they wish to pay it. In the third place, we cannot have unreasonable floors, because, after all, the cost of supporting the one-fifth, or whatever the number may be, or assisting them to live must fall on the other four-fifths, and we cannot so discourage them by heavy taxation and heavy burdens that they will lose their initiative and the advantage to which their better workmanship and greater ability entitle them under our system, if we are to have any rewards for incentive and hard work and ability.

I believe that the pending bill conforms to the principles I have laid down. It provides for local administration. It is confined to low-income groups. The total cost of the housing program at the end of 6 years will be $143,000,000 a year. The bill contains a number of provisions for the making of loans, but I think in all cases they will be good loans which will be repaid. As I have said, the total cost at the end of 6 years is to be $143,000,000 a year, reached as follows: In the first year, $38,500,000; in the second year, $73,000,000; in the third year, $105,000,000; in the fifth year, $139,000,000; and thereafter, $143,000,000 a year.

In the other fields which I have been considering, I have rather estimated that in education we could go up to a total expenditure of approximately $250,000,000 a year, and in health, to approximately $350,000,000 a year, to carry on the aims I have advocated—or a total of approximately $750,000,000 a year over present costs.

The estimates for the Budget of the United States run from $20,000,000,000 to $25,000,000,000 a year. I myself feel very strongly that if we can eliminate nonessentials, if we can devote the money of our Government to objects for which it is really needed, $750,000,000 a year spent for an improved social-welfare program is not an excessive amount. But we cannot do it if we are going to add frills here and frills there, if we are going to consider every bill and pass it simply because we happen to like it. If we do that, we shall have to go far beyond the reasonable over-all cost to the people for the kind of program I have outlined.

As I have said, I believe that $750,000,000 a year will be a reasonable expenditure for the health and education programs. In the case of housing, we have about the most reasonable program, because $143,000,000 a year is less than 1 percent of the total Federal Budget.

Mr. President, I shall attempt briefly to go over the bill and try to explain some of its provisions. It is divided into approximately 10 titles. The first title is intended to consolidate under a national housing agency all the agencies of the Government now dealing with housing. The agencies were established by the President under the First War Powers Act. However, unless we take some action following the war to insure their permanency, they will all fall apart into separate pieces. I feel that the entire housing program, including the FHA, should be guided by an over-all policy. From the beginning I have urged that we eliminate the conflict between bureaus, and that we consolidate them into one department.

Considerable objection has been voiced by the building and loan people, and also the builders, on the ground that they do not want the FHA and home-loan banks consolidated into one department with the public-housing program. They fear that the over-all appointee may lean toward public housing. I believe that such fear is unjustified because Congress writes into the statute laws governing the FHA and laws governing the home-loan banks. I can see no way by which the Administrator can swing everything under public housing. After all, he may be a private-housing man. Mr. Wyatt is neither. He was at one time mayor of Louisville and, so far as I know, has no leanings in either direction. His present desire is to promote private housing. I believe that any fear to the effect that by adopting the suggested policy we subject one person to someone else is completely fallacious. The three units, the Federal Home Loan Bank Administration, the Federal Housing Administration, and the Federal Public Housing Authority, will be autonomous. They are set up by special acts which provide for their powers, and what they shall be. While there will be supervision by the Administrator, they will, to a large extent, exercise independence of their own.

Title II of the bill provides for research in housing. One of the most important problems is to ascertain how houses can be built at a lower cost than they are now being constructed. There are many problems in connection with development and planning over which there has been no over-all direction up to the

present time, and I believe that the proposal which is contained in the bill is a very reasonable one for the establishment of a research department, including a 50–50 arrangement with reference to localities having a somewhat similar plan, providing they match the money with an equal amount.

Title III deals with the Federal home-loan banks and increases their authority. It enables them to take full advantage of the various provisions of the FHA law, and tries to put those private institutions into the same situation as those which are in any way favored by the FHA, and meet with the general approval of the building and loan associations.

Page 135 of the bill contains proposed revisions of the FHA law. That law is complicated. But, roughly speaking, this particular section makes the FHA terms somewhat more liberal than they are at the present time. It provides for a special extension of FHA insured mortgages for veterans. It makes the insurance somewhat more attractive. I believe that this particular provision extends somewhat the time of FHA mortgages, and increases the amount of the mortgage which may be made, because of an increase in cost. There are various miscellaneous amendments which increase the power of the FHA to guarantee mortgages on rental housing.

We restored a provision which was repealed, permitting insurance to be placed up to 80 percent of value on apartment houses running up to $250,000. We also permit the insurance of mortgages up to $50,000,000 for some of the New York limited dividend corporations which are very active in the city of New York. We increased the amount per room of houses which may be financed from $1,500 a room to $1,800 a room, because of the increase in present-day costs.

Title IV makes some fundamental changes in the FHA law. The first part of it provides especially for low-cost houses. In order to encourage the construction of low-cost houses mortgages are permitted up to 95 percent of the appraised value. Without being required to find a buyer, the builders may obtain a mortgage up to 85 percent of the appraised value of the property. The interest rate on such low-cost housing is reduced from 4½ percent to 4 percent, and the insurance is made somewhat remunerative and attractive to the people who lend, because they receive back some part of the cost of foreclosure. The mortgage is extended from 25 to 32 years, thereby reducing the amortization charge.

There is also in the bill a special provision for large-scale projects in connection with public corporations, cities, and so forth, for limited dividend corporations, and for universities which desire to build permanent dormitories for the use of veterans. In those cases the interest rate is 3½ percent, if it can be obtained, and the term is even longer than the 32-year period provided for in connection with individual houses. It is required that the FHA shall find economic soundness in the particular project involved. A similar situation is included with reference to mutual housing corporations, of which there are several, one being in Dayton, Ohio, and one in Detroit, Mich. The whole venture is an experiment which I think should be encouraged.

Title V of the bill imposes an entirely new idea so far as the FHA is concerned. It provides for a program of yield insurance so as to encourage insurance companies investing in large projects not on a mortgage basis but on a fee basis. Some of the insurance companies have already done that. Today insurance companies have accumulations of savings for investment which are larger than the accumulations of any individuals or organizations in the United States. If we want money to be invested in rental housing, the insurance companies represent the first source to which we should look. Under the terms of the bill insurance companies can be guaranteed a return of 2¾ percent, by the payment of a premium on the money which they invest in rental housing, provided they do not in any event receive more than, I believe, 3¼ percent. However, they are guaranteed a return up to 2¾ percent. All the insurance companies feel that it will be a substantial inducement to them, if their local State laws permit, to put a 100-percent equity investment in rental housing. Senators have seen some of that type of housing in Washington. I believe that it represents an experiment, but I think it would cost the Government nothing, and it should encourage the construction of large public-housing units.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WILEY. I believe I understood the Senator to say something in relation to insurance companies. Is there any such provision in relation to banks?

Mr. TAFT. No; banks are not supposed to invest funds in real estate. That is, they are not ordinarily supposed to do so. There is a provision in the bill to the effect that the building and loan associations, or the Federal building and loan associations, may invest up to 15 percent of their assets in such projects if they desire to do so.

Mr. WILEY. The reason I asked the question is this: In changing times and conditions practically all banks throughout the country have on deposit tremendous sums of money. They have invested, of course, large sums in Government bonds which yield the banks approximately 2 percent. It seemed to me that a limitation might well be written into the bill, if we are going to enlarge the capacity of everyone else, whereby banks, in the interest of the local communities—and in the smaller communities throughout the United States, where houses are needed is where the problem will be solved—whereby the banks themselves would invest, not their money, but the depositors' money. It might be an incentive for them.

Mr. TAFT. Savings banks, perhaps, might invest their money, but certainly I do not think commercial banks should invest their money in permanent real estate. They are supposed to be in a reasonably liquid condition. They are permitted and are encouraged to invest in FHA insured mortgages, but those mortgages are practically salable, they are liquid assets, whereas the ownership of a large housing project, particularly in hard times, is not a liquid asset. It is a pretty difficult thing to get rid of. So that I do not believe it should be extended to banks.

Referring to the total which insurance companies may receive, they have to fix their rents so that they may not get more than 3¼ percent on their investment, and the rentals they may charge are subject to the approval and direction of the FHA.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. FULBRIGHT. The Senator called attention to the lowering of the interest rate. I have here a comment, or criticism, which has been offered to that section, I think it is section 402. I wonder what the Senator would think of it?

> Availability of credit is thus not the factor which limits additions to the supply of housing, and may not be for some years to come. While materials and manpower are short, further liberalization of credit terms would merely add to inflationary pressures.
>
> Further—
>
> It would be illusory or misleading to the general public to enact legislation which in effect would serve only to intensify the demand factor without adding anything whatsoever to the supply side of the equation. If it is desired to increase the proportion of houses built in the lowest price ranges, action along lines of material allocation would appear to hold more promise.

What does the Senator think of that?

Mr. TAFT. I do not think it has any relation to the present situation. So far as the demand today is concerned, it is so much greater than the supply that it does not make any difference whether the figure is larger or smaller. In fact, Mr. Eccles is saying that we had better limit the law so as to permit only the richer third of the population to buy any houses now, because if we make it so that the others can buy them, we are going to have too much inflation. I do not think that is a reasonable argument.

Mr. FULBRIGHT. What is wrong with the proposal that they allocate material for this low-priced housing?

Mr. TAFT. What makes it low priced? The object of the lower interest rate and the longer term is not to finance houses. The object is to make the houses cheaper. The cheaper financing is one of the elements which enables a man with lower income to live in that kind of a house. We are not trying to make it easier to finance. Anything can be financed for the next 3 years. We do not need anything added to our banking facilities. The object of the lower interest rate and the object of a longer-term mortgage is to make charges lower, so that poorer people can afford to buy houses. That is the purpose.

Mr. FULBRIGHT. I think that is a proper purpose.

Mr. TAFT. If we make it possible for more people to buy houses, we have a greater demand, and at the moment we

do not need greater demand. There is a demand for everything that can be built. The price of houses is fixed today, and all the houses that can be built will be built, anyway.

Mr. FULBRIGHT. Does the Senator think there is a likelihood that the same thing might happen in the case of building that happened in the case of textiles under OPA, that people will not build anything but the most expensive?

Mr. TAFT. That, of course, would be restrained by the priority system which is now being set up. The lower rates and the special privileges relate in one case to the $5,000 house only; in other cases to about a $10,000 house. We do not need any especially large mortgage or especially long term for an expensive house.

Mr. President, I have dealt with title 6, which is the urban redevelopment plan, which I have already described. The objection is made that today, if we want to do the public a service, the only way is by providing low-rent housing. The purpose of the section we are discussing is to indicate that a locality can determine whether it wants to build in its area public housing, or encourage private housing for middle-income families, or use the land for commercial purposes, or use it for playgrounds. It certainly gives a very strong additional tool for the elimination of slums. It has not any particular relation to the building of more houses, except to make available land which may be sold for that purpose.

Mr. DONNELL. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. DONNELL. Let me ask the Senator whether or not under title V of the bill any particular type of investors are contemplated as those who may take advantage of it, or may any investor take advantage of the insurance provisions of the title?

Mr. TAFT. I think anyone can take advantage of it. I think it was suggested that perhaps some larger estates or foundations which are looking for investments might be permitted to operate under it.

Mr. DONNELL. If the Senator will yield for a further inquiry, what method, if any, is provided by the bill to require diligence on the part of an investor to rent his property? The particular point I have in mind is that an investor may secure one of these insurance policies from the Government, put up a building, and then rest on his oars and say, "I will have a guaranteed income of 2¾ percent on my investment regardless of any effort on my part to rent the property." Is there any incentive or requirement in the bill which would tend to incite the investor to use reasonable diligence, or, on the other hand, is there danger, in the opinion of the Senator, that investors might take advantage of this by merely making their investments and resting on their oars, and making no effort to rent the property, relying solely on the return guaranteed by the Government?

Mr. TAFT. The Administrator has power to take over a whole project at any time if he does not like the way it is being handled. But I think an investor would not be satisfied ordinarily with 2¾ percent. He could get that return, without trouble, by putting his money in Government bonds. He wants to get somewhat more, up to 3¼. I think he can get up to 3¼ if he wishes to do so.

Mr. ELLENDER. Mr. President——

Mr. TAFT. Perhaps the Senator from Louisiana remembers the exact provision of the section.

Mr. ELLENDER. There is a provision that if the Government has to take over a project, it is taken over on the basis of 90 percent of what is left that has not been amortized. Investors would be faced with a loss of 10 percent.

Mr. DONNELL. If I may have the Senator's indulgence a moment, the thought I had in mind was that under conditions where it is difficult for an investor to invest his money at more than 2½ or 2¾ percent, and there have been times when it has been difficult for the banks of our country to make investments which would return them more than that rate, would there or would there not be any provision in the law which would prevent an investor from saying, "As the Government guarantees me a return as great as I can normally get, I will simply make the investment, rest on my oars, and make no effort to rent the property." Is there any such danger?

Mr. ELLENDER. In making an investment, whoever constructs a project would have to use his own money, and the Government would guarantee 90 percent of the amount invested. So, it would naturally follow that the person who makes the investment would certainly not want to make it possible to lose the 10 percent of the money he put up.

Mr. TAFT. I do not think there is any danger of a man putting millions of dollars into a housing project and then letting nobody live in it. He certainly would be taking a step calculated to result in loss of the money. He would be violating his contract, and I doubt if the Government would have to pay him anything under the circumstances the Senator described.

There is a good deal to be said on the subject, but I think the Administrator has almost complete power to tell the investor the rent schedule, and as he can tell him to reduce his rent, he has a very direct power over him. Whether he can explode an atomic bomb under him to make him get out and hustle more than he is hustling I do not purport to say. But I think there is not involved the danger which the Senator suggests. I shall be glad to go into it further a little later.

Mr. DONNELL. May I say to the Senator that I thoroughly agree as to the undoubted intent of the framers of this proposed statute not to permit such a situation to develop, but I realize that in some instances an investor who puts up a building, and who is the holder of a guaranty from the Government might not use due diligence, and that the Government might be likely to sustain a loss unless there was something in the statute itself making it obligatory upon the investor to use due diligence to rent his property. I wanted to know whether there was anything in the bill which would prevent such a thing happening. That is the reason I made the inquiry.

Mr. TAFT. When the Government provides the guaranty the property can be taken over, and the investor takes a chance of losing a considerable portion of his investment.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ELLENDER. In further answer to the inquiry made by the Senator from Missouri, the insurance does not cover operating expenses of the person putting up the project. So it would be up to the operator to make certain that he would obtain them. In other words, he is guaranteed the 2¾-percent yield, but at the same time it is necessary that the operator make enough out of it aside from that 2¾ percent so as to pay the operating costs.

Mr. TAFT. Yes. If he does not make his expenses he will lose the operating costs regardless of the guaranty. He will lose the difference in the expenses. All that is guaranteed is the return over expenses, to compensate him for the capital invested. So that he runs the risk, if he is careless, of losing all his current expenses.

Mr. DONNELL. Then, the Senator does not construe the word "return" in section 701, line 3, on page 151, to mean net return?

Mr. TAFT. The definitions are contained on pages 164, 165, and several pages following. "Established investment," "operating expenses," "gross income," "net income," and so forth, are all defined there over four or five pages. If the Senator will study them he will find that if the man actually loses money, if his operating expenses are more than his income, he stands that loss. All the Government insurance policy would cover would be 2¾-percent return on the money invested in the property.

Mr. DONNELL. I thank the Senator.

Mr. WHERRY. Mr. President, before the Senator goes to title VII will he yield for a question?

Mr. TAFT. Yes.

Mr. WHERRY. What is the over-all guaranty at any one time? There is a restriction, surely, on how much money can be guaranteed.

Mr. TAFT. In this particular title it is $1,000,000,000.

Mr. WHERRY. What title is that?

Mr. TAFT. Title V. Up to investments of $1,000,000,000.

Mr. WHERRY. Let us consider all the titles. Are there other guaranties in other titles?

Mr. TAFT. I do not know what the FHA insurance amounts to. We increased the title VI insurance yesterday from $2,800,000,000 to $3,800,000,000. I do not think we increased the FHA insurance. It is estimated it would be sufficient under the law which we passed several years ago.

Mr. WHERRY. It has been sufficient under the present situation, but if there should come a time—it seems impossible now, but over a 10-year period it might come—when we overbuilt, with these guaranties up as high as 85 percent, 90

percent, and in one instance 100 percent, does the Senator care to make an observation with respect to whether there might be a loss incurred because of these huge guaranties?

Mr. TAFT. While there was a tremendous drop in values in the great depression, in general all those values have been restored. A mortgage company which had sufficient capital to stick by its guns has been able, in spite of probably the greatest loss in value that ever occurred, in the 1932 depression, to get back its mortgage money. In other words, values dropped, but they came back. Of course the FHA has lost no money. I agree that that is no proof of what might happen, because FHA has not had to go through a major depression since it was organized. If such a condition should arise again, undoubtedly a good deal of Government money would have to be put up. But we must remember that we had to put up some three or four billion dollars for the home-loan banks to save the homes of this country at the time of the depression. So that one way or another the Government would undoubtedly afford assistance.

My own judgment is that the FHA insurance is good insurance. The Government will not lose any money, although in a depression we may have to appropriate quite a bit of money to hold the line and keep holding it until the values are restored. With a full employment bill providing that we will not have to have depressions any more, perhaps we will not have to meet any such situation.

Mr. WHERRY. Now that we have taken care of the situation by the full employment method so we will not have any more depressions, I want to ask the Senator this question: Under title V, the total amount to which the Administrator can commit the Government is $1,000,000,000?

Mr. TAFT. Yes; as an insurance feature.

Mr. WHERRY. As an insurance feature. Then there should be added to that, in the event one desired to find what the limit of our liabilities might be with the over-all guaranties, the Federal insurance under the FHA system, which we now have, and which is subject, of course, to fluctuations in the future market.

Mr. TAFT. Yes; I can tell the Senator just what that is. The total limitation for FHA, under existing law, which is not affected by this bill, is about $6,000,000,000, and they have actually guaranteed approximately $4,000,000,000. I think that is outside of title 6, which was the war proposition, which we increased in the bill passed yesterday.

Mr. WHERRY. Is there any limit to the FHA loan insurance?

Mr. TAFT. Six billion dollars.

Mr. WHERRY. Has that been increased in this bill?

Mr. TAFT. No.

Mr. WHERRY. It is not increased?

Mr. TAFT. It is not necessary, at the present time at least, because there is a $1,000,000,000 leeway, and the President could give FHA another billion dollars.

Mr. President, I think I have dealt with the public housing in title VII, which, I should say, is the main controversial feature of the bill. I shall be glad to answer any further questions about it.

On page 198 there is one feature of an extension of public housing which I think is very important. A method has been worked out, again experimentally, by which the Public Housing Authority, instead of building new housing, may rehabilitate existing housing. There are large sections of many cities where a systematic plan for rehabilitating existing housing may be considerably cheaper than the construction of new houses, and may be equally satisfactory. I think it is an important extension of the general plan, and I hope the plan we have prepared may work out satisfactorily.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. DONNELL. Referring to page 164 of the bill, I note that "investor" is thereunder defined to mean certain persons, corporations, and so forth, and included in the subdivision appearing in part on page 164 is the further language: "which the Administrator (i) shall find to be qualified by business experience and facilities, to afford assurance of the necessary continuity of long-term investment, and to have available the necessary capital required for long-term investment in the project, and (ii) shall approve as eligible for insurance under this title."

This inquiry is not made in any sense as a criticism, but as undertaking to ascertain the thought of the committee in regard to the discretion which is therein granted to the Administrator to make a finding as to whether one individual is qualified, by reason of business experience and facilities, to afford the assurance therein mentioned. Is there, in the opinion of the Senator, any probability of abuse of the discretionary power vested in the Administrator, so that of two applicants, for illustration, possessed each of the same financial resources, one might be arbitrarily found by the Administrator to have the necessary business experience and facilities, one might not? My inquiry is, in brief, whether or not in the opinion of the Senator there is a sufficient standard prescribed in that section to guarantee that there will be no abuse of the discretion of the Administrator to determine to whom will be issued policies of insurance contemplated in the act.

Mr. TAFT. I can only say that if the Government is authorized to insure investors on a large scale the Administrator must in some way have discretion to turn down an individual who does not meet the qualifications, whether of ability to perform, character, or otherwise. I do not see how we can escape the exercise of such discretion if we are to insure investors. Certainly every insurance company exercises that discretion. FHA must pass on the economic soundness of each proposition. Undoubtedly that gives the Administrator some power to discriminate. I can only say that, so far as I know, with respect to FHA there has been no charge of discrimination made at any time in the past. It has been a strictly business proposition with FHA. Undoubtedly there is a discretion there which might be abused.

Mr. DONNELL. The Senator believes it is necessary to have such discretion reposed somewhere?

Mr. TAFT. Yes. There are so many things to determine before we can safely undertake to insure a tremendous subdivision proposition that I think discretion must be given, although it might be abused.

Mr. DONNELL. I thank the Senator.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WHERRY. As I understand, the total amount of the subsidy payments would be about $143,000,000 a year for the entire program.

Mr. TAFT. That is correct. That would be after 6 years. The payments would not reach that figure for about 5 years. Incidentally, the payments may not be quite so much, because what we do is to make an agreement to pay out a cetrain amount. We may or may not be called upon to pay the total amount. But if the Federal public housing authority is operated in a certain way, the local authorities may not be entitled to call upon it for the full amount of the guaranty. However, I think that we can fairly say that $143,000,000 represents a proper figure.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ELLENDER. The maximum amount would not be more than $143,000,000 for 15 years. As the Senator recalls, the $10,000,000 guaranty for farm houses is to last for only 10 years. So at the end of 10 years the entire subsidy cannot be in excess of $133,000,000.

Mr. WHERRY. Perhaps I misunderstood. I understood that the total amount of the subsidies would be approximately $750,000,000.

Mr. TAFT. No. That figure represented the total social-welfare program, including education, health, and everything else.

Mr. WHERRY. Does the Senator mean that these subsidies would run on and on?

Mr. TAFT. The subsidy will be approximately $143,000,000 every year.

Mr. WHERRY. For how long?

Mr. TAFT. For as long as we are subsidizing low-cost housing. I believe there is a limit of 45 years. It represents a permanent addition to the budget for the purpose of providing housing. It is just as though we were to add $200,000,000 a year for education. We would continue to pay $200,000,000 a year for education. If we had a subsidy of $75,000,000 a year for hospitals, there would be an annual expenditure of $75,000,000 for hospitals.

Mr. WHERRY. Let me get it straight. The proposal is that there shall be a subsidy which may reach a maximum of $143,000,000 in 15 years.

Mr. ELLENDER. That is correct.

Mr. WHERRY. And whatever the subsidy is, it will continue.

Mr. ELLENDER. After 15 years it will continue at $133,000,000 for a total of 45 years.

Mr. TAFT. I may say to the Senator that as long ago as 1939, when I had a strong argument with Mr. Strauss, I said—perhaps injudiciously—that if we could solve the whole housing problem of the United States at a cost of $500,000,000 a year—and that figure was larger then than it is now—I would be willing to do it. I think it is a sufficiently important problem so that, certainly, in a total budget of $20,000,000,000, if we can solve the housing problem for $500,000,000, it is not too much. I do not pretend to say that this program will solve the housing problem. It is only a step in that direction—I hope a substantial step. If under certain circumstances the cost of housing can be reduced, if we can develop business methods of building houses, I believe that we may never have to extend further the public housing program. It all depends on whether we can get a better relationship between the cost of housing and the income of the people.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ELLENDER. I should like to make this observation in connection with the subsidy program: Today the amount for which the Government has obligated itself in connection with existing public housing programs is $28,000,000 a year. Over a period of 7½ years the Government could have been obligated to the extent of 7½ times $28,000,000; but in that period only $42,000,000 was necessary in order to meet the bill.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WHERRY. In order that I may understand the mechanics of this program, I should like to ask a further question. The Senator has outlined the program, and it is in the bill, but the bill is very comprehensive.

Mr. TAFT. It is very complicated.

Mr. WHERRY. We know the amount of the subsidy, or, at least, the maximum amount at the end of the 15-year period, and for a total period of 45 years. But who pays the subsidy?

Mr. TAFT. Through appropriations by the Congress.

Mr. WHERRY. To whom?

Mr. TAFT. The Federal Government.

Mr. WHERRY. Through what agency?

Mr. TAFT. The money is paid to various metropolitan housing authorities, such as cities, which are public subdivisions created by the State in each case.

Mr. WHERRY. And the money is paid to such subdivisions when they meet certain requirements which entitle them to the subsidy?

Mr. TAFT. The public housing is built. It is then leased at low rents. Today the metropolitan housing authority ordinarily sells its bonds to the public to obtain the money with which to build the housing. Then those eligible are permitted to rent the housing facilities, and there is a deficit, because the local housing authorities are required to rent at $15 or $20 a month, we will say, for an apartment. The local authority has to meet the interest charges on its bonds, and it has various operating expenses to meet. There is therefore a deficit, and the Federal Government pays most of that deficit, but not all of it. The city must provide tax exemption, or, in lieu of that, the local citizens or the State may pay their contribution in cash. But most of the deficit is paid through subsidies from the Federal Government.

Mr. WHERRY. One further question. Who will be entitled to go into the low-rent houses?

Mr. TAFT. The bill provides that only people with incomes below a certain level shall be eligible. Generally speaking, if a person pays 20 percent of his income for rent, and can afford to pay only $15 or $20 a month, he is eligible. First, the general level of rents in private housing in the particular city is ascertained. Then, assuming that a person can afford to pay only 20 percent of his income for rent, if he can afford to pay within 20 percent of what he would have to pay for private housing, he is not eligible for public housing. Roughly speaking, a man with an income of $1,200 a year can afford to pay $240 for rent. That is $20 a month. He would be eligible for public housing. Because probably it would be found that in that city he could not obtain decent private housing for less than $30 a month. If that were the general level, then anyone who could pay not more than $24 a month would be eligible for public housing. If he were able to pay more than $24 a month for rent, he would not be eligible for public housing.

Mr. WHERRY. Who would make the determination?

Mr. TAFT. The determination would be made by the local metropolitan housing authority, and it would have to be approved by the Administrator.

Mr. WHERRY. Will that determination be made in each town, or in various areas throughout the country?

Mr. TAFT. The situation in every town is different. I was rather anxious to impose specific income limitations; and amendments may be offered in the House to impose such limitations. The difficulty is that the limitation must be different in nearly every city in the United States. Furthermore, the limitation cannot be made strictly on the basis of the size of the city. For example, New York is the largest city, and the income limitation in that city would be high. On the other hand, a city in the South might have a much lower income limitation than a city of the same size in the North.

Mr. WHERRY. And the accommodations might not be any better.

Mr. TAFT. That is true. We could not work out any plan for imposing specific dollar limitations, so this formula was devised. It provides that if a person is able to buy private housing he is not eligible. If he is 20 percent short of being able to buy private housing, he is eligible for public housing. In order for a person to be eligible, his income must be below a certain level. The program reaches those in the lowest income scale. In most cities the lowest 20 percent would be eligible—not more than that.

Mr. WHERRY. The local housing authorities will determine those who are eligible, based upon their ability to pay.

Mr. TAFT. In each case a dollar-income limitation will be fixed. In Cincinnati, for example, the general rent level will be determined, and perhaps it will be determined that in that city no one will be eligible for public housing if his income is more than $1,200, we will say. The figure wil be different for each city; but it is my guess that, roughly speaking, the limitation will be somewhere between $1,000 and $1,500 a year, depending upon the location of the city.

Mr. WHERRY. I can see how the local authority could devise a plan based upon the general level of rents, and reach a determination as to what would be required to make a person eligible for public housing; but it seems to me that it will be a difficult job. I am thinking about the administration. It will be a very difficult task to decide who is eligible and, of those who are eligible, which ones should be permitted to move into the public housing.

Mr. TAFT. That is a question which will require some discrimination. But in each city the problem will be solved by going through the necessary calculations to fix a definite figure, so that everyone will know that, for example, in Cincinnati, anyone who has an income of $1,200 a year or less will be eligible. The task of determining who, among those who are eligible, shall be allowed to move into the public housing will also be attended with difficulties.

Mr. WHERRY. When it comes to the middle brackets of income, will the problem be handled in the same way?

Mr. TAFT. Those in the middle brackets will receive no subsidies.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. HAWKES. I have just entered the Chamber. I wish the Senator would explain to me what constitutes the income which determines whether a person is eligible for public housing. Suppose a man and his wife are both working, and that perhaps one or two other members of the family are working. Is the determination to be made on the basis of total income?

Mr. TAFT. The total family income.

Mr. HAWKES. I think that is a very wise provision.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. AIKEN. Suppose a man and his wife are both working because they must work in order to pay for their rent and food. But suppose the wife ought not to work. If the family were eligible for this subsidy, could the woman who ought not to work then stop work?

Mr. TAFT. If a man made application and were told, "You and your wife are both working," he might say, "It is true that my wife is working, but her health is such that the doctor says that she ought not to work." In such a case I believe that probably she should be excluded from the calculation. On the other hand, if the wife were able to work and should say, "I would like to quit," I

do not believe that she should be excluded from the calculation.

Mr. AIKEN. In that case the local government would make a determination, would it?

Mr. TAFT. Yes.

Mr. AIKEN. What this subsidy actually does, in effect, if not directly, is to make up the difference between what a family can pay for rent and what the building should rent for if the tenants were able to pay enough rent to make it a decent investment. Is that correct?

Mr. TAFT. That is correct. Probably the subsidy is a little more than that, because I cannot help but think that public housing is a little more expensive than would be private housing.

Mr. AIKEN. I think that is true.

Mr. TAFT. Nevertheless, even private housing would have to be subsidized almost as much.

Mr. AIKEN. No doubt the Senator from Ohio recalls that when we had he rings on the question of public housing and when we placed a ceiling of $4,400 a year, I believe, it was found then, as I recall, that some units were being built for $2,750. But as quickly as we established the ceiling of $4,400, they immediately cost $4,400.

Mr. TAFT. Yes.

Mr. President, as to the question of the public-housing subsidy, I merely wish to say that we investigated other methods of trying to subsidize low-rent housing for those whose incomes are insufficient to enable them to pay for decent housing. It has been proposed that rent certificates be issued to all persons with insufficient incomes. The difficulty with that plan is that the issuance of rent certificates would not insure the building of new houses or getting rid of slums. The issuance of such rent certificates simply would enable the landlords to obtain more money, and no one would build any new houses or any new rental housing in the hope that, when built, there would be a sufficient number of people with rent certificates to rent it.

So it seems to us that the rent certificate plan would not in any way accomplish the purpose. Furthermore it would be much more expensive. It would cover more people, but it would be more expensive, because everyone whose income was less than a certain amount would be entitled to an equal division of the rent certificates.

LEGISLATIVE PROGRAM

Mr. HATCH. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. HATCH. I do not like to interrupt the Senator; but it will be necessary for me to leave the floor to catch a train.

It is my understanding that it was tacitly understood—at least, today several Senators left Washington with that understanding—that no vote would be taken on the pending bill until Monday.

It is also my understanding that it is agreed that at the beginning of the session tomorrow, the so-called Philippine trade bill will be taken up.

Mr. WHERRY. That is correct.

Mr. HATCH. If there is no objection, I ask unanimous consent that the order of business I have just stated be agreed to—namely, that at the conclusion of the session today, the pending measure go over until Monday; and that at the beginning of the session tomorrow the Senate proceed to the consideration of House bill 5856, the so-called Philippine trade bill.

The PRESIDING OFFICER. Is there objection?

Mr. LANGER. Mr. President, I object. I have no objection to the first part of the unanimous-consent request, but I object to the second part. The Senator is asking for two things.

Mr. HATCH. Then let us separate them, Mr. President.

First, I ask unanimous consent that at the conclusion of the session today consideration of the pending bill go over until Monday.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HATCH. Now, Mr. President, I ask unanimous consent that at the beginning of the session tomorrow, the Senate proceed to the consideration of House bill 5856, the so-called Philippine trade bill. I hope the Senator from North Dakota will not object to that request. Of course, the bill will be debated. My request is merely that the bill be taken up tomorrow.

Mr. LANGER. Mr. President, I object at the present time because I wish to take up another matter which will require approximately an hour and a half or more of the time tomorrow. It involves surplus property and the way it has been handled.

Mr. HATCH. I am sure the Senator from North Dakota will have an opportunity to take up the other matter tomorrow. But this agreement has been worked out. Several Senators have made their plans accordingly, and I hope the Senator from North Dakota will withdraw his objection.

Mr. LANGER. I have no objection to an agreement that the Philippine trade bill shall be taken up for consideration at, let us say, 1:30 p. m. tomorrow.

Mr. HATCH. The request is that it be made the pending order of business tomorrow.

Mr. LANGER. At 1:30?

Mr. HATCH. No; when the session begins at 12 o'clock.

Mr. LANGER. But I wish to discuss the surplus-property matter tomorrow.

Mr. HATCH. The Senator could make his request or his motion at that time, if he so desired.

Mr. LANGER. How long will consideration of the Philippine sugar bill require?

Mr. HATCH. I understand it will not take too long. It had been planned to have a call of the Consent Calendar after disposing with that bill.

Mr. LANGER. Would the Senator say that consideration of that bill would take an hour and a half or 2 hours?

Mr. HATCH. I do not know.

Mr. VANDENBERG. Mr. President, I think there is very little controversy about the Philippine trade bill. Its importance arises in view of the fact that Philippine independence is to be established on July 4, and preceding it there must be these agreements and negotiations. So every moment is important in that connection.

In answer to the Senator's other inquiry, although he knows it is impossible to give a guaranty upon such matters——

Mr. LANGER. Yes.

Mr. VANDENBERG. Nevertheless, I think there is very little controversy regarding that measure.

Mr. LANGER. Would the Senator say that it would be possible to conclude its consideration within a couple of hours?

Mr. VANDENBERG. I would hate to underwrite that, but I do not think there is serious conflict about the bill.

Mr. LANGER. Mr. President, I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico that at the beginning of the session tomorrow, the Senate proceed to the consideration of House bill 5856, the so-called Philippine trade bill? The Chair hears no objection, the request is agreed to.

ATOMIC ENERGY COMMISSION OF THE UNITED NATIONS—TELEGRAM FROM BERNARD M. BARUCH

Mr. VANDENBERG. Mr. President, will the Senator from Ohio yield to me?

Mr. TAFT. I yield.

Mr. VANDENBERG. I wish to make a request. Ordinarily I would wait until the Senator from Ohio had concluded, but I must leave the floor in a short time.

Mr. President, at the time when Mr. Bernard M. Baruch was appointed American representative upon the Atomic Energy Commission of the United Nations, I sent him an inquiry, asking for answers to certain fundamental questions, to make very sure that Mr. Baruch was in complete command of accurate information regarding the attitude of the Senate and of the American delegation at London respecting the formula which must be developed.

Mr. Baruch responded in a telegram on March 21, which I neglected to have placed in the RECORD at that time. I think it should be part of the public record. I may say that his answers were totally satisfactory; but for the purpose of making the record, I ask unanimous consent that his telegram be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *March 21, 1946.*

Hon. ARTHUR H. VANDENBERG,

United States Senate, Washington, D. C.:

I have your telegram asking my interpretation of the language of the resolution adopted by the General Assembly of the United Nations Organization establishing a Commission for the Control of Atomic Energy. My understanding of this situation is outlined in the following:

Section 3 of the act of Congress approved December 20, 1945, providing for the appointment of representatives of the United States in the organs and agencies of the United Nations, states:

"The representatives provided for in section 2 hereof, when representing the United States in the respective organs and agencies of the United Nations, shall, at all times, act in accordance with the instructions of

the President transmitted by the Secretary of State unless other means of transmission is directed by the President, and such representatives shall, in accordance with such instructions, cast any and all votes under the Charter of the United Nations."

In the report of the United States delegation to the General Assembly of the United Nations Organization, which was recently released by the President, there appears a statement of the United States position with regard to the resolution. That statement, which was submitted by Senator TOM CONNALLY, chairman of the Senate Foreign Relations Committee and one of the delegates to the General Assembly, contains the following:

"As Secretary of State Byrnes stated on December 30 after returning from Moscow:

" 'The four objectives set forth in the proposed resolution establishing the Commission are not intended to indicate the order in which they are to be considered. In particular, it was intended and is understood that the matter of safeguards will apply to the recommendations of the Commission in relation to every phase of the subject and at every stage. Indeed, at the root of the whole matter lies the problem of providing the necessary safeguards.' "

As the statement submitted by Senator CONNALLY was really a statement made by Secretary of State Byrnes, I must assume that it was, in the language of the law, "the instructions of the President transmitted by the Secretary of State."

After this statement was submitted by Senator CONNALLY as the position of the United States, the delegation of the United States, of which you were a member, together with every other delegation, voted for the adoption of the resolution.

Obviously, I am in thorough accord with that statement or I would not have indicated my willingness to accept the appointment.

As to your second question, in the statement in the report of the position of the United States, submitted by Senator CONNALLY, there also appears the following statement:

"In performing its work the Commission must obviously operate within the framework of powers conferred upon the United Nations Organization by its Charter. It is authorized to make recommendations but not to compel action upon the part of any states. Each state will be free to consider the acceptance or rejection of the Commission's recommendations in accordance with its own constitutional processes."

As I read the resolution, the Commission is authorized only to submit recommendations to the Security Council.

Members of the Congress are better qualified than I am to determine the powers of the Commission of the United Nations Organization. But if you wish my opinion, I agree with the statement of Senator CONNALLY that the United States will be free to accept or reject the Commission's recommendations in accordance with its own constitutional processes.

Thanks for your complimentary reference to my nomination.

BERNARD M. BARUCH.

Mr. VANDENBERG. I thank the Senator from Ohio.

LEAVE OF ABSENCE

Mr. TUNNELL. Mr. President, will the Senator yield to me?

Mr. TAFT. I yield.

Mr. TUNNELL. I am compelled to be away tomorrow. I ask the permission of the Senate for that purpose.

The PRESIDING OFFICER. Is there objection? Without objection, consent of the Senate is granted.

Mr. TUNNELL. I thank the Senator from Ohio for yielding to me.

NATIONAL HOUSING POLICY

The Senate resumed consideration of the bill (S. 1592) to establish a national housing policy and provide for its execution.

Mr. TAFT. Mr. President, I merely wish to say that another substitute which was proposed for the present public-housing subsidy was to subsidize private housing. The difficulty with that is that it requires an indefinite amount of Government regulation, and I do not believe that the people who build private housing are willing to submit to that kind of regulation. Furthermore, while it could be done, it would cost more in actual cash outlay than the public-housing subsidy costs, for the reason that the public-housing subsidy covers not only what we pay, but also the cost of exemption from local taxation. A private institution is usually unable to obtain such exemption, and also the private institution is not able to sell its securities on the same basis as that on which municipal corporations are able to sell their securities.

So the actual outlay to the Federal Government, if we try to subsidize private housing in a way exactly parallel and similar to the way we subsidize public housing which is being subsidized, would be considerably greater than the outlay for the present subsidy.

So it did not seem to us that that would be very practical, nor did we find any private operators who were willing to build housing for low-income families on a subsidized basis, with all the controls and Government regulations which would necessarily be involved—for instance, supervision in connection with the selection of tenants, and so forth—regulations and controls which are necessary or are now imposed by the public authority.

So I have not been able to find any method of providing low-rent housing for families wholly unable to pay the costs of private housing, except the method we now continue in the pending bill, for housing at the rate of 125,000 units a year for 4 years.

Mr. LANGER. Mr. President, if the Senator will yield to me, I should like to direct attention to page 203 of the bill.

Mr. TAFT. Yes; that is under title VIII, which deals with farm housing.

Mr. LANGER. I should like to ask some questions in that connection. It seems to me that the language on page 203 is the same as the language adopted by the Federal land bank which has caused so much difficulty in the Northwest.

In line 9 we find the following:

(2) That said land is and will be operated primarily as a farm.

Some technical fellow might claim that a ranch is not a farm. We might find that a man with a great deal of land and with a great many cattle would be unable to build a house upon it because it would be claimed that he was operating a ranch, not a farm.

I wonder whether the Senator would have any objection to including the word "ranch" after the word "farm."

Mr. TAFT. I think not. I think it would be entirely proper. This language was suggested by the Department of Agriculture.

Mr. LANGER. Yes.

Mr. TAFT. Of course, the purpose is only to identify who is a farmer, so as to know who can obtain the loans for homes.

Mr. LANGER. Then in the provision numbered (3) we find the following language:

(3) That the net return from the farm amounts to at least 25 percent of the annual income of the operator of said farm.

Of course, it might frequently happen that a farmer who was farming 40 acres of land in a very fine location might also be farming other land a mile or 2 miles or 3 miles away. As the Senator from Ohio well knows, in the West today, in view of the use of mechanical equipment of various types, sometimes a farmer will go as far from his main location as 15 or 20 miles to farm additional land. It seems to me that that language should be amended so that as long as the farmer is making 25 percent of his income from farming or ranching, whether on a particular farm or not, he should be entitled to the loan.

Mr. TAFT. I do not believe there would be much objection to it. A man who owns a farm and makes three times as much from other sources, or from other farms as he makes from the farm on which he lives, probably would have enough money to pay for his own house.

Mr. LANGER. The Senator seems to take the same attitude that is taken by the Federal land banks. It has not done business in our State since 1932. It has not made a loan in the State of North Dakota for 14 years, and we do not want it. Unless it complies with our North Dakota law, the further away the Federal land bank stays from our State, the better we will like it. However, I do not propose to sit here and allow legislation of the kind being proposed to be written into law without making a protest. Why should this language remain in the bill? Let us assume, for example, that a man wishes to build a house, and he is without sufficient resources to provide a house for himself. Why should he have to swear to some bureaucrat that he is without sufficient resources to provide the necessary housing on his own account?

Mr. TAFT. We are proposing to build houses for persons who cannot afford to build them. We are imposing the same restrictions with respect to farms as we do with respect to cities. As a matter of fact, in most cases, there is an ample supply of rural credit. It may be that a man has a farm on which a mortgage exists, and consequently he will find it difficult to obtain additional money with which to build a house on his farm. In that case the Secretary of Agriculture will lend him money. If the farm is a good one, he will be required to pay off the loan. If it is not a good farm the Secretary of Agri-

culture will remit, to some extent, the interest on the loan.

Mr. LANGER. What the Senator has said sounds here in the Senate Chamber as though it might be true. But, as a matter of fact, he has not stated accurately the situation. Where may an Indian obtain a loan in the Northwest?

Mr. TAFT. If he cannot obtain a loan, the Secretary of Agriculture is allowed to lend him money. If the Indian is without resources so as to provide the necessary housing for himself, and no one will lend him sufficient funds, and he falls within the terms of this act, the Secretary of Agriculture may loan him money.

Mr. LANGER. The Secretary of Agriculture may say, "You go to a bank and borrow the money." Are we going to compel that Indian to go to every bank in the State until it is shown that he cannot secure the necessary credit? In my State we have thousands of Indians who have made a marvelous record in paying back loans. Under the FSA they received only 12 loans, 6 to the Elbow Woods Reservation and 6 to the Standing Rock Reservation, and they made a greater effort to pay back loans than did some of the white folks. Yet, they cannot borrow a dollar from a bank.

Mr. TAFT. Under the conditions described by the Senator, the Secretary of Agriculture would be authorized and, I believe, obligated to loan money for the construction of houses.

Mr. LANGER. Will the Senator say that the Secretary of Agriculture owes the same obligation to an Indian that he does to a white man?

Mr. TAFT. Absolutely.

Mr. LANGER. Referring again to subsection (3), I should like to get that language clear in my mind. Is it the Senator's understanding that the net return from the farm must amount to at least 25 percent of the annual income of the farmer?

Mr. TAFT. I believe that is so.

Mr. LANGER. Does the Senator believe that the language could be changed?

Mr. TAFT. I would not want to change it without consulting with the Department of Agriculture, because they worked out that part of the bill. However, I would be very glad to consult with the Department before next Monday.

Mr. LANGER. I ask the Senator from Vermont if it is customary in his State for a man to live on one farm and own another one and receive an income from both.

Mr. AIKEN. Yes; and he may obtain a loan from the Federal land bank on his land a mile away so long as the mortgage also covers the homestead where he is residing.

Mr. TAFT. I cannot believe that there would be any objection to saying that the net return from the farm should amount to at least 25 percent of the annual income of the operator of the farm. Of course, a man who does a little gardening in his back yard, for example, and receives an income from some other source may not be considered to be a farmer.

Mr. AIKEN. Mr. President, I do not understand about section 801. Is it true that it provides that loans shall be made only to those who are unable to secure necessary credit from other sources, and upon terms and conditions which the borrower could reasonably be expected to fulfill? That sort of puts him in the farm security class. The language states that loans may be made "to owners of farms to enable them to construct, improve, alter, repair, or replace dwellings and facilities incident to family living on their farms to provide them, their tenants, share croppers, and laborers with decent, safe, and sanitary living conditions as specified in this title."

I was wondering what a man in the farm-security class would be doing with tenants, share croppers, laborers, and so forth, on his farm.

Mr. TAFT. He would not be in the farm-security class. There may be a man, say, with a mortgage on his farm, but with a very inadequate house on the farm. Under this bill, without being required to give a second mortgage, and in spite of the fact that he has a first mortgage which cannot be increased, he would be allowed to obtain a loan for the construction of his house.

Mr. AIKEN. Does not section 802 include the man who will be able to pay back his loan in full?

Mr. TAFT. Yes; but under subparagraph (b) the language provides for a primary base for any operation under section 802, or under section 803, or under section 804. All those persons must qualify as farmers. If they are able to secure from other sources all the credit necessary for the construction of their houses, they are not supposed to be covered by this bill.

Mr. AIKEN. However, section 801 would provide assistance to the farmer who is being helped by the Farm Security Administration, would it not?

Mr. TAFT. Yes.

Mr. AIKEN. That has been one of the weaknesses of the Farm Security Administration. It has not been able adequately to aid in constructing or repairing buildings, or even in the purchase of additional land. Some persons are receiving help from the Farm Security Administration because they do not have sufficient land or sufficient stock to support themselves.

Mr. TAFT. They fall under section 804. If they reside on farms which cannot be made to return a reasonable sum, all that will be done is to help them make minor repairs to their houses.

Mr. DONNELL. Mr. President, I wish to obtain from the Senator from Ohio his view with respect to this question: Section 109 gives to the Administrator the power to delegate to such officers as he may designate within the National Housing Agency any of his functions, powers, and duties. In view of the fact that he may delegate duties, does the Senator deem it advisable that there should be a board of an advisory nature with which the Administrator should be required to consult? I may amplify that question to this extent: As I understand, numerous important duties are placed upon the Administrator, such as, for example, the duty prescribed by section 501 with respect to the insurance matters which may result in the creation of a contingent liability of a billion dollars.

Mr. TAFT. That responsibility is cast on the shoulders of the Federal Housing Administrator. There are duties which are cast on the National Housing Administrator himself. For example, the entire problem of the improvement of urban redevelopment areas is cast on the National Housing Administrator, and it is his duty to consider the plans presented for urban redevelopment and determine whether they should be assisted. I do not see why he should not delegate such duties to someone whom he appoints as administrator of urban redevelopment.

Mr. DONNELL. The thought which I had in mind was this: As I understand, section 501 creates the authority to insure. Under that authority commitments may be made to the extent of a billion dollars. Those commitments, as I understand it, are made by the Administrator.

Mr. TAFT. No; they are not. They are made by the Commissioner of the Federal Housing Administration.

Mr. DONNELL. Perhaps I misunderstood, but I am referring to the language of section 701 on page 150.

Mr. TAFT. That is because in the National Housing Act, which sets up the Federal Housing Administration, originally all the language related to the Administrator, but it meant the Administrator of the Federal Housing Administration.

Mr. DONNELL. Section 109 does not refer to the Administrator as that word is used in section 501?

Mr. TAFT. No. Section 501 would be covered by the language at the bottom of page 124, beginning in line 23, "Said Commissioners may likewise delegate to such officers within their respective constituent units as they may designate any of their functions, powers, and duties." The same rule would apply. I do not quite understand what the Senator's difficulty is in our permitting a man to delegate his duties to someone.

Mr. DONNELL. The thought I have in mind is that the President, we will say, will appoint an Administrator, and the appointment of that Administrator is subject to the advice and consent of the Senate. The Senate will look to one given individual and determine his qualifications. If that individual can in turn delegate not merely his functions and powers, but delegate his duties, so as to relieve himself of those duties and cast those duties upon someone else, is there not a danger that although the Senate may have been very careful in its confirmation of the appointment of a person as Administrator, the actual performance of the duties may be shifted by the Administrator to someone whom the Senate would not have confirmed?

Mr. TAFT. I think the words "or duty" should come out. "Function or power" I think would accomplish every purpose desired.

Mr. DONNELL. It would appear to me that the shifting of duties might be inadvisable.

Mr. TAFT. While we are on the subject, I move that on page 124, line 20, the words "or duty" be stricken out, and

the word "or" inserted in place of the comma between the words "function" and "power."

Mr. DONNELL. Before that is passed upon, Mr. President, if I may ask the Senator another question, it occurs to me that my criticism may in part be answered if it be true that the officers to whom the commissioners may delegate their duties are all officers whose appointments are confirmed by the Senate.

Mr. TAFT. I do not think they are.

Mr. DONNELL. Then, inasmuch as it would permit the Senate to pass upon the appointment of a commissioner, look at his qualifications, and then have the commissioner delegate his duties to someone whose appointment would not be confirmed by the Senate, I think my objection is good. It appears to me that the motion made by the Senator from Ohio to eliminate the words "or duty" and insert the word "or" between the words "function" and "power" is a proper motion.

The PRESIDING OFFICER (Mr. GOSSETT in the chair). The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. TAFT. I move also that in line 19 the words "and duties" be stricken out and that between the words "functions" and "powers" the comma be stricken out and the word "and" inserted.

The amendment was agreed to.

Mr. TAFT. I move that the same amendment be made on line 1, page 125, to strike out the words "and duties", and that the word "and" be substituted for the comma between the words "functions" and "powers."

The amendment was agreed to.

Mr. DONNELL. Mr. President, I thank the Senator from Ohio for giving consideration to my suggestion.

Mr. TAFT. Title 9 provides for a method of disposing of permanent war housing, either to private individuals or to local bodies for public housing.

Title 10 merely provides for a new inventory and report by the National Housing Administrator.

Mr. President, I have tried to go through the bill and give a summary of it sprovisions. In conclusion, the bill is intended to meet the permanent housing difficulty of this country by providing methods by which housing may be supplied to income groups which are not met by present methods available to private enterprise.

Mr. DONNELL. Will the Senator yield for a further query?

Mr. TAFT. In just a moment. I hope very much the bill may be passed. I hope it may be enacted into law this year. Many of the provisions, those relating particularly to rental housing, will afford means of providing housing for veterans today which I think they will desire. It will provide particularly for those veterans who desire to rent, and who do not wish at this time to commit themselves to the construction of houses at very high cost. I believe the bill is for the benefit of all concerned.

I now yield to the Senator from Missouri.

Mr. DONNELL. I assume, Mr. President, that the query I am about to address to the Senator has, in effect, been answered by the bill, yet I should like to present it to the Senator so that we may have his views upon it.

He has referred to other legislation in process, either already enacted, or to be enacted, perhaps, with respect to broad extensions of power along general welfare lines. I have in mind one bill, a bill which is known as the Wagner-Murray-Dingell bill, now pending in committee, which provides for the creation of an advisory council which is to counsel with the Surgeon General in connection with the administration of very important powers.

The inquiry which I desire to propound to the Senator, which is not intended as a criticism, but is merely an inquiry, is whether or not the committee, in view of the extensive powers conferred upon the Administrator under the National Housing Act, has given consideration to the question whether there should or should not be created some type of advisory council with which he might counsel.

In connection with the query, I call attention to the fact that very broad and extensive powers, involving tremendous sums of money, are vested in one individual, the Administrator. That may be perfectly wholesome, perfectly proper, and perfectly advisable, but I should like to have the Senator's judgment as to whether or not it would not be advisable to have at least in some portions of the bill provisions made applicable by which some advisory board would be created, not necessarily with salary at all, but an advisory board with which the Administrator would be permitted to confer. I should like to have the Senator's judgment on that question.

Mr. TAFT. I have no great objection to it. At different times we considered different boards. We considered a board to act in place of the Administrator himself. We came to the conclusion that a single Administrator provided the best form of administration.

One difficulty with a board of advisers is that it has to be so large in connection with housing. There are the banks, there are the building and loan associations, there are various forms of investment agencies, then there are all the construction agencies and all the consuming agencies, persons who are interested in different types of housing, all the real-estate boards, all the building-material manufacturers, all the contractors who build houses; and all of them want to be on the board. We started out to create a board, but finally we saw that it would be so large that we decided we had better cut it out.

I do not think such an advisory board would operate very effectively in restraining the powers granted to make contracts with cities for subsidies. If there were to be a board, it should probably be made up of the head of the FHA and the commissioners in the agencies themselves. I think, on the whole, the problems resulting from trying to create a board are greater than the dangers which would arise by leaving questions to the Administrator.

The actual dispensing of money in most cases is handled by three agencies. The largest sum of money involved is that of the FHA, and that is administered by, and is completely under, the discretion of the Commissioner of the Federal Housing Administration, who is checked by the National Housing Administrator, having the general supervision, at least the power of inspection, an opportunity to know what is going on.

The Federal Public Housing Administrator has all discretion with regard to letting public-housing contracts in connection with metropolitan housing authorities. He, again, is checked by the National Housing Administrator. The only thing the National Housing Administrator does himself is in connection with urban redevelopment, which is directly under him, and involves a comparatively small sum of money.

The head of each of the three constituent agencies is made responsible and is confirmed by the Senate, then, with the National Housing Administrator at the top, I think there will be sufficient check to prevent abuses of power.

Mr. DONNELL. Mr. President, will the Senator yield to me for a moment?

Mr. TAFT. I yield.

Mr. DONNELL. I can readily appreciate the point which the Senator makes, and I have no doubt that thorough and adequate thought has been given to the matter by the committee and by the distinguished Senator from Ohio. I think there is always present in a matter of this kind ground for debate whether or not, in the interest of efficiency, power should be vested in one individual without provision being made to check that individual by a board. I am quite content to accept the judgment of the committee and the judgment of the distinguished Senator from Ohio in this case. My only purpose was to bring out the question as to whether or not thought had been given to this problem, and, if so, to bring out the thoughts which had animated the committee in arriving at its conclusion thereon. I thank the Senator from Ohio.

LABOR-DISPUTES LEGISLATION

Mr. BALL. Mr. President, I wish to urge upon the Senator from Montana [Mr. MURRAY], who is chairman of the Committee on Education and Labor—unfortunately he is not in the Chamber at the moment—that he report to the Senate as soon as possible House bill 4908, the so-called Case labor-disputes bill, which the committee voted unanimously to report on March 20. Some of us are desirous of filing minority views on the bill, and we cannot do so until the chairman reports the bill to the Senate.

Mr. MORSE. Mr. President, will the Senator yield to me on that point?

Mr. BALL. I yield.

Mr. MORSE. I wish to say that as one of the majority of the committee I join with the Senator from Minnesota in the request. As the Senator from Minnesota knows, I have taken the position before the committee for some time past that there is no justification for the Committee on Education and Labor not report-

ing any labor legislation. I think the legislation ought to come before the Senate at the earliest possible hour.

However, in fairness to the Senator from Montana, I am pleased to inform the Senator from Minnesota that I have been in touch with the committee, and I am told that the report is ready to be presented to the Senate. A press release is in process of preparation, and I am sure the report will be ready to be made tomorrow.

Mr. BALL. I thank the Senator from Oregon.

EXECUTIVE SESSION

Mr. HOEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. GOSSETT in the chair), laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. HATCH, from the Committee on Public Lands and Surveys:

William G. Johnson, of Wyoming, to be register of the land office at Cheyenne, Wyo. (Reappointment.)

By Mr. CONNALLY:

From the Committee on Foreign Relations: William D. Pawley, of Florida, now Ambassador Extraordinary and Plenipotentiary to Peru, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

From the Committee on Finance:

LUTHER A. JOHNSON, of Texas, to be a judge of The Tax Court of the United States for a term of 12 years from June 2, 1946;

Bolon B. Turner, of Arkansas, to be a judge of The Tax Court of the United States for a term of 12 years from June 2, 1946; and

J. Russell Leech, of Pennsylvania, to be a judge of The Tax Court of the United States for a term of 12 years from June 2, 1946.

By Mr. WHEELER, from the Committee on Interstate Commerce:

Rosel H. Hyde, of Idaho, to be a member of the Federal Communications Commission for the unexpired term of 7 years from July 1, 1945, vice William Henry Wills, deceased;

Claude L. Draper, of Wyoming, to be a member of the Federal Power Commission for the term expiring June 22, 1951 (reappointment); and

William J. Kennedy, of Ohio, to be a member of the Railroad Retirement Board, for the remainder of the term expiring August 29, 1947, vice Murray W. Latimer.

The PRESIDING OFFICER. If there be no further reports of committees, the Senate will proceed to consideration of the calendar.

EXTENSION OF INTER-AMERICAN COFFEE AGREEMENT OF NOVEMBER 28, 1940

Mr. CONNALLY. Mr. President, the first subject on the Executive Calendar is the Inter-American coffee agreement.

Mr. TAFT. Mr. President, I raised some objection yesterday to that treaty as well as the following treaty. I find that the quota provisions on coffee have been eliminated. For the present the organization is retained for only another year to look into the general question. I have no objection.

Mr. CONNALLY. Several Senators have expressed some concern over the sugar agreement, which is the second agreement on the calendar. Therefore I agreed that I would not press for action on it today. So far as concerns the coffee agreement, since there is no objection, I should like to have action on it.

The Senate, as in Committee of the Whole, proceeded to consider the Protocol, Executive A (79th Cong., 2d sess.), a protocol to extend for 1 year from October 1, 1945, with certain modifications, the inter-American coffee agreement signed in Washington on November 28, 1940, which was read the second time, as follows:

PROTOCOL FOR THE EXTENSION OF THE INTER-AMERICAN COFFEE AGREEMENT FOR 1 YEAR FROM OCTOBER 1, 1945

Whereas an Inter-American Coffee Agreement (hereinafter referred to as "the Agreement") was signed in Washington November 28, 1940;

And whereas by a Protocol signed in Washington on April 15, 1941, the Agreement was regarded as having come into force immediately in respect of the Governments signatory to that Protocol;

And whereas it was provided in the said Agreement that it should continue in force until October 1, 1943;

And whereas by unanimous consent the Governments signatory to the Agreement have twice extended the said Agreement unchanged for one-year periods, these extensions being duly attested by two certified and signed Declarations passed by the Inter-American Coffee Board on May 12, 1943 and July 25, 1944, respectively, which were duly deposited in the Pan American Union on June 11, 1943 and September 11, 1944, respectively, in accordance with the procedure established in Article XXIV of the Agreement.

Now, therefore, in support of a recommendation made by the Inter-American Coffee Board on June 13, 1945, the Governments signatory to the present Protocol, considering that it is expedient that the Agreement should be prolonged for a further term, subject to the conditions stated below, have agreed as follows:

ARTICLE 1

Subject to the provisions of Article 2 hereof, the Agreement shall continue in force between the Governments signatory to the present Protocol for a period of one year from October 1, 1945.

ARTICLE 2

During the period specified in Article 1 above, the Governments signatory to the present Protocol agree that the provisions of Articles I through and including VIII of the Agreement shall be inoperative, except that, under emergency conditions, such articles of the Agreement shall again become effective upon a motion approved by at least a 95% of the total vote of the Inter-American Coffee Board.

ARTICLE 3

a. The Governments signatory to the present Protocol agree that, during the period specified in Article 1 above, the Inter-American Coffee Board shall undertake to prepare a thorough analysis of the world coffee situation and shall formulate recommendations, for the consideration of the governments now participating in the Agreement and of other governments that might be interested in participating in a revised agreement, regarding the type of international cooperation that appears most likely to contribute to the development of sound, prosperous conditions in international trade in coffee equitable for both producers and consumers.

b. Such recommendations shall take due account of any general principles of commodity policy embodied in any agreement which may be concluded under the auspices of the United Nations prior to the submission of such recommendations.

ARTICLE 4

The present Protocol shall be open for signature at the Pan American Union from September 1, 1945, until November 1, 1945, provided, however, that all signatures shall be deemed to have effect as of October 1, 1945.

In witness whereof the undersigned, being duly authorized thereto by their respective Governments, have signed the present Protocol.

Done at the City of Washington in English, Spanish, Portuguese, and French. The original instrument in each language shall be deposited in the Pan American Union and certified copies shall be furnished to the Governments signatory to this Protocol.

Brazil:
(Sgd.) E. PENTEADO
Colombia (ad referendum):
(Sgd.) EMILIO TORO
Costa Rica:
(Sgd.) J. RAFAEL OREAMUNO
Cuba (sujeto a ratificación por el Senado):
(Sgd.) GUILLERMO BELT
Dominican Republic:
(Sgd.) EMILIO GARCÍA GODOY
Ecuador (ad referendum):
(Sgd.) JORGE REYES
El Salvador:
(Sgd.) HÉCTOR DAVID CASTRO
Guatemala (ad referendum):
(Sgd.) ENRIQUF LÓPEZ HERRARTE
Haiti:
(Sgd.) ELIE GARCIA
Honduras:
(Sgd.) JULIÁN R. CÁCERES
Mexico:
(Sgd.) RAFAEL DE LA COLINA
Nicaragua (ad referendum):
(Sgd.) ALBERTO SEVILLA SACASA
Peru (ad referendum):
(Sgd.) H. FERNÁNDEZ DÁVILA
United States (subject to ratification):
(Sgd.) DEAN ACHESON
Venezuela (ad referendum):
(Sgd.) M. A. FALCÓN BRICEÑO

I hereby certify that the foregoing document is a true and faithful copy of the original of the Protocol for the Extension of the Inter-American Coffee Agreement from October 1, 1945, deposited in the Pan American Union on November 1, 1945.

WASHINGTON, D. C., *December 5, 1945.*

[SEAL] L. S. ROWE,
Director General of the Pan American Union.

The PRESIDING OFFICER. The protocol is before the Senate as in Committee of the Whole, and open to amendment. If there be no amendments to be proposed, the protocol will be reported to the Senate.

The protocol was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of (Executive A, 79th Cong., 2d sess.) a protocol to extend for 1 year from October 1, 1945,

with certain modifications, the inter-American coffee agreement, signed in Washington on November 28, 1940.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the protocol is ratified.

The clerk will state the nominations on the calendar.

DEPARTMENT OF STATE

The legislative clerk read the nomination of Maj. Gen. John H. Hilldring, United States Army, to be an Assistant Secretary of State.

Mr. HOEY. I ask that the nomination be confirmed.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FOREIGN SERVICE

The legislative clerk read the nomination of George S. Messersmith, of Delaware, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Duane B. Lueders, of Minnesota, to be foreign service officer, unclassified, a vice consul of career, and a secretary in the diplomatic service of the United States of America.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

CALIFORNIA DEBRIS COMMISSION

The legislative clerk read the nomination of Col. Edwin H. Marks, Corps of Engineers, to be president.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES COAST GUARD

The legislative clerk read the nomination of Russell R. Waesche to be admiral (retired) on the retired list.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk proceeded to read sundry other nominations in the United States Coast Guard.

The PRESIDING OFFICER. Without objection, the further nominations in the United States Coast Guard are confirmed en bloc.

COAST AND GEODETIC SURVEY

The legislative clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

The PRESIDING OFFICER. Without objection, the Coast and Geodetic Survey nominations are confirmed en bloc.

Without objection, the President will be immediately notified of all nominations this day confirmed.

DEATH OF REPRESENTATIVE BURGIN OF NORTH CAROLINA

Mr. HOEY. I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed consideration of legislative business.

The PRESIDING OFFICER laid before the Senate a resolution (H. Res. 589) coming over from the House of Representatives, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
April 11, 1946.

Resolved, That the House has heard with profound sorrow of the death of the Honorable WILLIAM O. BURGIN, a Representative from the State of North Carolina.

Resolved, That a committee of four Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. HOEY. Mr. President, I have the painful duty to announce to the Senate the death of the Honorable WILLIAM O. BURGIN, Representative from the Eighth District of North Carolina. At some appropriate time I wish to pay a tribute to his memory.

I now offer a resolution and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution submitted by the Senator from North Carolina will be read.

The resolution (S. Res. 257) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. WILLIAM O. BURGIN, late a Representative from the State of North Carolina.

Resolved, That a committee of two Senators be appointed by the President pro tempore of the Senate to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDING OFFICER. As the committee provided for in the resolution, the Chair appoints the senior Senator from North Carolina [Mr. BAILEY] and the junior Senator from North Carolina [Mr. HOEY].

Mr. HOEY. As a further mark of respect to the memory of the deceased Representative, I move that the Senate now take a recess until tomorrow.

The motion was unanimously agreed to; and (at 5 o'clock and 18 minutes p. m.) the Senate took a recess until tomorrow, Friday, April 12, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 11 (legislative day of March 5), 1946:

DIPLOMATIC AND FOREIGN SERVICE

Walter Thurston, of Arizona, now Ambassador Extraordinary and Plenipotentiary to Bolivia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Mexico.

SECURITY COUNCIL OF THE UNITED NATIONS

Herschel V. Johnson, of North Carolina, to be the deputy representative of the United States of America, with the rank and status of Envoy Extraordinary and Minister Plenipotentiary, in the Security Council of the United Nations.

THE TAX COURT OF THE UNITED STATES

LUTHER A. JOHNSON, of Texas, to be a judge of The Tax Court of the United States for a term of 12 years from June 2, 1946.

Bolon B. Turner, of Arkansas, to be a judge of The Tax Court of the United States for a term of 12 years from June 2, 1946.

J. Russell Leech, of Pennsylvania, to be a judge of The Tax Court of the United States for a term of 12 years from June 2, 1946.

REGISTER OF LAND OFFICE

Paul A. Roach, of New Mexico, to be register of the land office at Las Cruces, N. Mex. (Reappointment.)

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

TO BE BRIGADIER GENERAL

Col. Thomas Donald Campbell (temporary colonel, Army of the United States, Air Corps), Army of the United States.

POSTMASTERS

The following-named persons to be postmasters:

COLORADO

Clifford I. Parsons, Central City, Colo., in place of P. L. Robb, removed.

GEORGIA

Jack H. Bowman, Rock Spring, Ga. Office became Presidential July 1, 1945.

IOWA

Theodore H. Seyb, Donnellson, Iowa, in place of H. A. Lowenberg, transferred.

Morten E. Petersen, Turin, Iowa. Office became Presidential July 1, 1945.

KANSAS

Raymond J. Gegen, Colwich, Kans., in place of Bernard May, transferred.

Emma V. Hedge, Hoxie, Kans., in place of I. M. Menefee, resigned.

Harold R. Winter, Scott City, Kans., in place of E. L. G. Epperson, resigned

LOUISIANA

Geneva S. Hoffpauir, Estherwood, La. Office became Presidential July 1, 1945.

Alice B. Meador, Greenwell Springs, La. Office became Presidential July 1, 1944.

Anna M. Broussard, Jefferson Island, La. Office became Presidential July 1, 1945.

Guy W. Harkness, Sibley, La., in place of O. T. Slater, deceased.

MARYLAND

Betty P. Jones, Parsonsburg, Md. Office became Presidential July 1, 1945.

MASSACHUSETTS

Mildred H. Hall, Acton, Mass., in place of K. M. Condon, resigned.

John C. Kelleher, Holden, Mass., in place of M. T. Harrington, resigned.

MINNESOTA

Ethel H. Poynter, Erhard, Minn., in place of N. C. Worden, resigned.

Clifford Hitterdal, Hitterdal, Minn. Office became Presidential July 1, 1944.

MISSISSIPPI

Barbara F. Gerrard, Bentonia, Miss., in place of C. J. Moore, Jr., transferred.

Hazel D. McDonald, Osyka, Miss., in place of M. P. Varnado, retired.

MISSOURI

Hazel Munkirs, Kearney, Mo., in place of W. D. Groom, transferred.

MONTANA

Otto Wyatt, Terry, Mont., in place of P. P. Brandenthaler, resigned.

Charles A. Watkins, Townsend, Mont., in place of F. R. Murray, deceased.

Lucile R. Cloud, Wolf Point, Mont., in place of H. B. Cloud, deceased.

NEBRASKA

Lois Hopkins, Venango, Nebr., in place of A. O. Erdman, transferred.

NEW JERSEY

Arthur F. Metz, Cranford, N. J., in place of W. H. D'Arcy, removed.

Patrick F. Whelan, Jr., Somerdale, N. J. Office became Presidential July 1, 1943.

NEW YORK

Ivanna O. Lewis, Alfred Station, N. Y. Office became Presidential July 1, 1945.

Mamie S. Otten, Commack, N. Y. Office became Presidential July 1, 1944.

Casmira S. Jendral, Mastic Beach, N. Y., in place of R. O. Chester, declined appointment.

NORTH CAROLINA

Gwendolyn H. Deviney, Casar, N. C. Office became Presidential July 1, 1944.

Claude W. Eason, Lowgap, N. C. Office became Presidential July 1, 1945.

James A. Rawls, Oak City, N. C., in place of S. L. Johnson, retired.

Nellie H. Goodman, Oakboro, N. C., in place of A. E. Howell, transferred.

William J. Moore, Rosman, N. C., in place of L. V. Sigmon, deceased

NORTH DAKOTA

Alta M. Hansey, Nome, N. Dak., in place of R. H. Beechie, transferred.

Gladys V. Bachmeier, Selfridge, N. Dak., in place of J. A. Nagel, resigned.

OKLAHOMA

Robert D. Farish, Konawa, Okla., in place of A. A. Collins, transferred.

PENNSYLVANIA

Kenneth C. Hilliard, Mount Bethel, Pa. Office became Presidential July 1, 1943.

SOUTH CAROLINA

Sarah L. Bussey, Modoc, S. C., in place of L. E. Dukes, resigned.

Horace T. Fanning, Springfield, S. C., in place of W. W. Barr, Jr., deceased.

TEXAS

John E. McDuffey, Seymour, Tex., in place of W. B. Alexander, removed.

VERMONT

Elmore H. Chase, St. Johnsbury Center, Vt. Office became Presidential July 1, 1945.

VIRGINIA

Atlee B. Crowder, Clarksville, Va., in place of A. B. Chappell, failed to qualify.

WASHINGTON

Harriett B. Konopaski, Beaver, Wash. Office became Presidential July 1, 1945.

Evelyn E. Ackerman, Sekiu, Wash. Office became Presidential July 1, 1945.

Grace W. Schroeder, Zillah, Wash., in place of Cecilia Allen, resigned.

WEST VIRGINIA

Virginia O. Pomeroy, Kopperston, W. Va., in place of U. A. Cobb, resigned.

WISCONSIN

Arthur H. Schrank, Dancy, Wis., in place of L. E. Dupre, removed.

WYOMING

Mabel E. Nolan, Mills, Wyo. Office became Presidential July 1, 1945.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 11 (legislative day of March 5), 1946:

DEPARTMENT OF STATE

Maj. Gen. John H. Hilldring, United States Army, to be an Assistant Secretary of State.

FOREIGN SERVICE

George S. Messersmith to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Argentina.

Duane B. Lueders to be a foreign-service officer, unclassified, a vice consul of career, and a secretary in the diplomatic service of the United States of America.

CALIFORNIA DEBRIS COMMISSION

Col. Edwin H. Marks, Corps of Engineers, to be President of the California Debris Commission.

UNITED STATES COAST GUARD

APPOINTMENT ON THE RETIRED LIST

Russell R. Waesche to be admiral (retired) on the retired list.

APPOINTMENTS FOR TEMPORARY SERVICE

Merlin O'Neill to be a rear admiral, with date of rank as such from February 15, 1946.

Thomas A. Shanley to be a rear admiral, to rank from February 25, 1946, while serving as district Coast Guard officer, Fifth Naval District, or in any other assignment for which the rank of rear admiral is authorized.

Louis W. Perkins to be a commodore, to rank from March 16, 1946, while serving as commander, North Atlantic Ocean Patrol, or in any other assignment for which the rank of commodore is justified.

COAST AND GEODETIC SURVEY

TO BE DIRECTOR OF THE COAST AND GEODETIC SURVEY FOR A TERM OF 4 YEARS, EFFECTIVE APRIL 8, 1946

Leo Otis Colbert

TO BE AIDES WITH RANK OF ENSIGN, EFFECTIVE ON THE DATE SET OPPOSITE THEIR RESPECTIVE NAMES

Wilbert M. Hellman, August 1, 1945.
Gerald L. Short, October 1, 1945.
John O. Phillips, October 1, 1945.
Robert D. Singel, November 1, 1945.
John E. Schultz, February 1, 1946.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 11, 1946

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father of love and mercy, again we are in a sudden pause, but Thou dost hear and there is no grief that Thou dost not share. One of us knows now the end of time and has tasted the deathless life; we lament that his voice is silent. While there are waters of darkness, there is an ocean of light that touches the shore line of every soul. O breathe tenderly upon all who sorrow and bless their souls with Thy peace.

"Sunset and evening star
And one clear call for me!
And may there be no moaning at the bar
When I put out to sea.

"But such a tide as moving seems asleep,
Too full for sound and foam,
When that which drew from out the boundless deep
Turns again home.

"Twilight and evening bell,
And after that the dark!
And may there be no sadness of farewell,
When I embark;

"For tho from out our bourne of time and place
The flood may bear me far,
I hope to see my Pilot face to face
When I have crossed the bar."

In the precious name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

HOUR OF MEETING TOMORROW AND SATURDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 10 o'clock a. m. and that when the House adjourns tomorrow it adjourn to meet on Saturday at 10 o'clock a. m.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON RULES

Mr. SABATH. Mr. Speaker, in view of the fact that the House will adjourn shortly and I will not have an opportunity to file privileged reports, I ask unanimous consent that I may have until midnight tonight to file such reports from the Committee on Rules as are reported this afternoon.

Mr. CHURCH. Mr. Speaker, reserving the right to object, will the gentleman itemize the reports that he is asking unanimous consent to file?

Mr. SABATH. One will be on the military bill and one will be on the OPA bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE LATE HONORABLE WILLIAM O. BURGIN

The SPEAKER. The gentleman from North Carolina [Mr. DOUGHTON] is recognized.

Mr. DOUGHTON of North Carolina. Mr. Speaker, it becomes my sad and painful duty to announce to the House the death of Hon. WILLIAM O. BURGIN, a Representative in Congress from the Eighth District of North Carolina. I am informed that Mr. BURGIN passed away early this morning. I am sure every Member of the House realizes the great loss sustained by the House as well as by his district and the country in the passing of this able and outstanding man. His district and mine are adjoining and one might say we were neighbors. In the State of North Carolina there was no man who stood higher or more closely in the affections of the people than Mr. BURGIN. He served 4 years as mayor of the town of Thomasville.

After that he served two terms in the General Assembly of North Carolina, one term in the house of representatives and one in the senate.

Mr. BURGIN was first elected to the Seventy-sixth Congress; then reelected to the Seventy-seventh, Seventy-eighth and Seventy-ninth Congresses. He had announced that he would not be a candidate for reelection, possibly on account of his failing health. He had not been in robust health for more than a year.

But he was so popular with his people that had he chosen to have been a candidate for reelection, I have no doubt he would have been renominated without opposition and reelected without doubt or difficulty.

Mr. BURGIN served on the important Committee on Foreign Affairs, and we all know of the fine service he rendered on that committee and in the House.

To his bereaved wife I extend my deepest and most sincere sympathy, as one who, by experience, knows how to sympathize with the widow of this outstanding and useful man. My hope is that a kind and merciful Providence, whose actions we cannot question, and to whose mandates we must all cheerfully bow, will aid and comfort the bereaved widow and the family in their great sorrow.

I have never known a man who was more beloved by his people, who was more conscientious in the discharge of his duties, nor who served his country and his people more faithfully than did Hon. WILLIAM O. BURGIN. Truly a great and good man has passed away.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON of North Carolina. I yield to the distinguished majority leader.

Mr. McCORMACK. Mr. Speaker, the gentleman from North Carolina [Mr. DOUGHTON], our distinguished colleague, well said that our late colleague, Mr. BURGIN, was a gentleman. I think that characterizes the life of our late colleague in about as concise a way as his great life could be characterized. A gentleman; one who is gentle in mind and gentle in character; one who possesses nobility of mind and nobility of character. To me there is nothing more beautiful to witness than a person who has a noble mind, and one who has a noble mind possesses as a result thereof a noble character.

Sincere, broad, tolerant, understanding, all of the fine elements that make up a noble mind are necessary to be possessed by one who can be properly termed a gentleman.

My late friend lived up to that by his conduct throughout his life, and the example he set for all others. One of the most stable, sincere, and conscientious Members of this House, dignified at all times, a dignity that was refreshing and wholesome, and to me an inspiration, he made his contribution in this body during his life of service by that form of dignity that we who knew him, knew he possessed. He exerted tremendous influence as a result of his extraordinary capacity, his gentleness of approach, his firmness and dignity of character.

Our distinguished colleague from North Carolina [Mr. DOUGHTON] referred to Mr. BURGIN'S outstanding service on the Committee on Foreign Affairs. I know of no committee which in my time has exceeded the contributions made by the members of that committee during the wartime and during the period preceding the war, when danger was imminent to our country; and in the consideration of the important legislation in those days that meant so much to our country and to our successful contribution to the recent war, our late friend, as a member of that committee and as a Member of the House, played a very important part.

It is hard to see a friend pass from this world, but those of us who believe in the hereafter, know that such passing is only temporary. Certainly his life was such that when he meets his Maker and his Great Judge we all know he will be judged right.

To his widow I extend my deepest sympathy. To the North Carolina delegation I speak the sentiment of all my colleagues on both sides in extending our sympathy. Not only the State of North Carolina, but also the country, has lost a great American in the passing on of our late beloved friend.

Mr. DOUGHTON of North Carolina. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. KERR].

Mr. KERR. Mr. Speaker, it is very hard for a man of my sentiment to speak on an occasion of this kind.

I had known Mr. BURGIN for a number of years before he came to Congress. I knew his reputation throughout the State of North Carolina; I knew how the people of Davidson County, one of the great counties of my State, respected and honored him. I know that the voters and citizens of his county were ever willing to extend to him any honor he requested.

To know Mr. BURGIN was to love him. He was just that kind of character. He was smart—he was incisively smart and bright when he thought seriously about a matter. He was innately good, and he was loyal to his friends. Those characteristics readily endeared him to the people of North Carolina. His district was the second largest in my State, and I have no doubt that had he sought renomination to the Eightieth Congress, his district would have accorded him the honor of being its Congressman as long as he wished. He was gentle, he was kind to everybody. He was born in a community that had the highest characteristics which endow human nature. Mr. BURGIN was born and reared in a community that was characteristically religious and godly. His forbears came to this country among the first settlers who entered my State; they sought religious freedom, and the great State of North Carolina owes that community an immeasurable debt because of the tremendous moral uplift that community has contributed to my State. Just a few years ago, in Dr. Abbott's great paper, I read a statement which I think was a fine tribute to North Carolina and to our citizenship. He said that most of the evangelistic ministers of this world came from four Southern States: North Carolina, Georgia, Texas, and Kentucky. This was a great tribute paid by a great man to the South as well as a great tribute paid to that section where our distinguished colleague was reared and where he served his people with fidelity and distinction.

Mr. Speaker, I shall greatly miss Mr. BURGIN. Those whom he loved and who loved him will never forget his charitable approach to all things which involved human welfare and his kindly attitude toward the people among whom he lived and served. It may well be said of this fine character what was once said of a great English statesman, that "he would not do an unjust thing for any earthly prize or motive."

I add my tribute to the memory of this fine character who was loved so much by the people of the great State of North Carolina, and whose life and deeds have contributed so much to its fine history. It has been well said that "Character must stand behind and back up everything, the sermon, the poem, the picture, the play. None of them is worth a straw without it." Our deceased friend and colleague's character was the source of his power and his influence. He made friends, drew patronage and support and opened a sure and easy way to honor and happiness. May God's richest blessings forever rest upon the devoted wife and all the loved ones of our friend and beloved colleague.

Mr. DOUGHTON of North Carolina. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. CLARK].

Mr. CLARK. Mr. Speaker, Mr. BURGIN was my close personal friend. I knew him well and it has never been my privilege to know a finer character.

Mr. DOUGHTON of North Carolina. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Speaker, I am afraid I shall find myself unable to speak adequately of my very good friend, Mr. BURGIN. I have known him since we were both in the State senate in 1931 and from that day until the hour that he passed away my admiration for his honesty, his sincerity, his utter lack of pretense, his trueness to the things he believed in have grown as the days have gone by.

He was not a man of great display. He really must have been known intimately to have been appreciated. There is not anything of a pretentious character that brings an understanding of the House and the Members thereof the greatness of this man's character, because, in truth, we are unable to tell you all about it.

Mr. Speaker, I slipped away from the House day before yesterday, having received differing reports as to Mr. BURGIN'S condition. I went, knowing from the advices I had that I should probably not get to see him, but would get to see his splendid wife and fine brother. I found there was a little more hope. His wife told him I was out in the sitting room and he said, "I would like to see him but the doctors say I must not have any company."

Mr. Speaker, a great man, and I say that advisedly, a good man—after all greatness is no more than coequal with goodness—has passed from among us and we will mourn his passing. We extend our deepest sympathies to his wife, to his kin, and to the people of his district.

Mr. DOUGHTON of North Carolina. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. BULWINKLE].

Mr. BULWINKLE. Mr. Speaker, twice now within a few short months, death has come to the North Carolina delegation.

Last night our colleague, WILLIAM OLIN BURGIN, died here in the city of Washington, D. C. Congressman BURGIN was born in Marion, N. C., on the 28th day of July 1877. He was educated in the public schools and at the Rutherfordton Military Institute. He studied law at the University of North Carolina, and has practiced law continuously since his admission to the bar. Prior to being admitted to the bar, for short periods of time he was a clerk in a store and a traveling salesman.

Congressman BURGIN was recognized in his home city of Lexington, N. C., as a lawyer of outstanding skill and a man of great mental ability and moral integrity. He has held various public offices, including the mayor of his city, a representative in the house of representatives in the General Assembly of North Carolina, and a senator in the General Assembly of North Carolina. He was elected to the Seventy-sixth, Seventy-seventh, Seventy-eighth, and Seventy-ninth Congresses. He just recently announced that on account of his illness he would not be a candidate for reelection. This brief biography by no means gives a true picture of our late colleague.

As I have said, our late colleague, Mr. BURGIN, had ability. He had sound common sense, and an unusual sense of humor; every inch a gentleman and a Christian man. He was beloved by all who knew him. Here in the House of Representatives he was ever faithful to the trust imposed in him. Day after day, and many times when he was not well, he came to his office and attended the sessions of his committee—the Committee on Foreign Affairs—and the sessions of the House.

He was a Democrat all his life. He was liberal in his views on public questions. He was progressive, and it is not amiss for me to say that he was very successful in business affairs and was a director in quite a number of corporations.

I know that every Member of the House joins with me and with the North Carolina delegation in extending to Mrs. Burgin and his brother and other relatives in North Carolina our deepest and our most sincere sympathies.

Mr. DOUGHTON of North Carolina. Mr. Speaker, I yield to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, when Mr. BURGIN passed on I lost not only a colleague but a friend. Those who knew him best liked him most. Ever gentle and kind, always considerate of others, courteous in the extreme, he well typified the southern gentleman of the old school. His integrity was unquestioned, his ability compelled recognition. He was loyal to his convictions just as he was loyal to his friends. Interested in his colleagues, he rejoiced in their success. To him jealousy was unknown. If he could not say a helpful word then he said nothing.

His counsel and advice, especially in reference to foreign affairs and matters in which he specialized in Congress, were freely sought and graciously given.

We made our Washington home in the same hotel and I knew him intimately and well. He had not been in good health for some time and the steady, faithful grind of his congressional work took its toll. However, no one ever heard him complain. He read good literature and was a well-informed and entertaining conversationalist. He had little use for the demagog, did not hesitate to express his convictions, and always voted as he talked. He will be missed.

Mr. Speaker, we all extend our sympathy to his charming wife in this her hour of greatest distress.

Mr. DOUGHTON of North Carolina. Mr. Speaker, I yield to the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. Mr. Speaker, the Congress of the United States has lost a very useful and very valuable Member in the death of our colleague and friend Mr. W. O. BURGIN, of North Carolina. We entered Congress together in 1939 and almost immediately a friendship sprang up which developed into a true affection. The majority leader paid a fine tribute that Mr. BURGIN richly deserves when he said that he was in every sense a true gentleman. I believe that I have never known a man with a finer conception of public service. Mr. BURGIN never cast a vote for political expediency. I do not believe that he ever experienced any temptation to do anything or make any gesture except for the highest and best interests of his country. He was as gentle as a child but when any issue of importance was at stake he was as firm as granite and withal he had such a fine philosophy of life that he never questioned—even in his own mind—the judgment or motives of those who did not agree with him. His friends will remember him as a stalwart and courageous public officer, always a friend of the underprivileged, and a most charming and interesting companion.

Mr. DOUGHTON of North Carolina. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Speaker, BILL BURGIN has left us. His engaging personality, his smiling countenance, his wise counsel, will no longer be here to help us in our daily task. We will miss BILL as will his constituency which he served so well during the past 7 years or more. We can truly say that he served as another soldier during this emergency and period of war.

Our sympathy goes one to his wife whom he loved so dearly. In her deep sorrow, Mr. Speaker, let us hope she will find consolation in the knowledge that he lived an exemplary life—a life of devotion to his family, to his country, to his State, and to the fine constituency which he represented in the House.

An able legislator, a true patriot has left this world for the Great Beyond. He has gone but he will not be forgotten by those of us who have served with him in this great body. BILL BURGIN'S memory will live on and his deeds will be lasting memorials of his devotion to the cause of humanity. This world is better because BILL BURGIN has lived.

Mr. DOUGHTON of North Carolina. Mr. Speaker, I yield to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, Carlyle once said, speaking of Sir Walter Scott, "When he departed he took a man's life with him. No sounder piece of British manhood was put together in that eighteenth century of time."

So of our friend, the later WILLIAM BURGIN, it may very properly be said that when he departed he took a man's life with him. That in the period of time in which he lived no finer piece of Christian manhood was put together.

Mr. DOUGHTON of North Carolina. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. EATON].

Mr. EATON. Mr. Speaker, in common with the entire membership of the House, I was profoundly shocked and saddened to learn this morning of the death of our dear friend BURGIN. He was a valued colleague of mine on the Committee on Foreign Affairs and I learned to love and admire him, because of the simplicity, modesty, and integrity of his character. He was possessed of shrewd judgment. He had a fine sense of humor. He was a real American; a true Christian gentleman. His passing will be a loss to our committee, as well as to the House and to the great State which he had the honor to represent. He was a spiritually minded man. This gave tone and color to his every thought and action. We had many wonderful conversations. He agreed with me that at the end of his career, as of that of all men who believed in the Divine Redeemer, it would be a supreme sustaining hope to be able to say with the poet:

When in life's late afternoon, where cool and long the shadows grow
I walk to meet the night that soon shall shape and shadow overthrow,
Shall I not see Thee, waiting, stand;
And white against the evening star,
The welcome of Thy beckoning hand?

Mr. DOUGHTON of North Carolina. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, the passing of Representative WILLIAM O. BURGIN has brought general sorrow to the entire membership of the Congress. I am personally grieved. Since he became a Member of the Seventy-sixth Congress, he and his charming wife have lived at the Wardman Park Hotel, where Mrs. Whittington and I reside. I counted him among my dear personal friends.

Mr. BURGIN was exceptionally well-qualified by training and experience for efficient service as a Member of Congress. He was widely informed. He had had previous experience in both branches of the Legislature in North Carolina, and he was a keen student of public affairs. He was industrious and effective.

Mr. BURGIN was a gentleman. He was always kind and considerate. He made friends easily. He always retained friendships made.

Our lamented colleague was a patriot. He loved his State. He was devoted to his country. While zealous for the interests of his State, he kept in mind the interests of the Nation.

As a member of the Committee on Foreign Affairs, Mr. BURGIN during World War II was exceedingly valuable, not

only in committee, but in counsel respecting all problems in connection with the successful prosecution of the war.

The country has lost a valuable public servant. North Carolina has lost a devoted son. I join in sincerest sympathy to the great bereavement that has come to his devoted wife, and I extend my sympathy to all members of his family.

Mr. DOUGHTON of North Carolina. Mr. Speaker, I yield to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, the House and indeed the country have lost an outstanding Member and an outstanding American citizen. It was my honor and privilege to know Mr. BURGIN and to follow his activities in this House. I never knew a more honorable, a more sincere, a more devoted man to his country than our departed colleague. It came natural to him to be right, to look after the interests of his district, his State, and the country. He was the very portrait of the true southern gentleman, as I have pictured the southern gentleman, cultured, urbane, and courteous, from my youth.

Always, to my knowledge since I have been a Member of this House, the State of North Carolina has been the most progressive of all the Southern States, and no State has been better represented, nor represented by more outstanding statesmen and legislators and loyal Americans. I can well recollect when I first entered the House, and an outstanding Democrat and a very great gentleman, Claude Kitchin, was a leader of the North Carolina delegation and of the House. He served his country and his constituency so well that I sought his friendship and guidance, and ever since I have tried to gain the friendship of the delegation from North Carolina. If I were never to be compensated in any other way than to have had the honor and the privilege of serving with those outstanding Carolinians, I think I would have received complete reward for my services here.

I join with the other Members in their expressions of sympathy at the death of this outstanding man from that great State, and regret exceedingly that that delegation has lost one of its most able and most deserving men. As has been stated, our late colleague was a true Christian statesman who practiced as well as preached the tenets of Christianity.

Mr. DOUGHTON of North Carolina. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. ERVIN].

Mr. ERVIN. Mr. Speaker, once again we are confronted by the touching truth that in the midst of life we are in death. We are shocked and saddened beyond measure by the passing of our friend and colleague, Congressman WILLIAM O. BURGIN, of the Eighth North Carolina District.

BILL BURGIN, as he was familiarly called, and I had many things in common. We were born in adjoining counties in the foothills of the Blue Ridge Mountains of North Carolina. We served together in the North Carolina House of Representatives in 1931. This general assembly was confronted by very serious problems arising out of the depression and remained in session for a longer period of time than any North Carolina Legislature since the days of reconstruction.

During that long legislative session, I learned to admire and love BILL BURGIN for his sterling qualities of head and heart. BILL BURGIN was a tireless worker. He studied profoundly all legislative problems. He had a rare intellect and an honest mind. Consequently, his studies of legislative problems always brought him to intelligent and intellectually honest conclusions. He always had the courage to stand for such conclusions, regardless of the effect of his stand upon his own political fortunes. BILL BURGIN'S intelligence, intellectual honesty and courage made him a most valuable Member of Congress. His death inflicts an irreparable loss upon his district, his State, and the Nation.

This House sympathizes most deeply with Mrs. Burgin in her lasting loss.

BILL BURGIN'S passing illustrates anew the poignant truth spoken by the Persian poet many centuries ago:

For some we loved, the loveliest and the best
That from his vintage rolling time hath prest,
Have drunk their cup a round or two before.
And one by one crept silently to rest.

Mr. DOUGHTON of North Carolina. Mr. Speaker, I yield to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS of Ohio. Mr. Speaker, I was shocked to hear of the passing of our colleague and my friend, WILLIAM O. BURGIN. He was in every sense of the word, the gentleman from North Carolina. Quiet, courtly, and gentle in his demeanor in committee and on the floor, he had the affection and respect of all who knew him. On the Foreign Affairs Committee his quiet yet searching questions often helped to bring out information and points of view which others had overlooked. We shall miss him.

He was always willing to help his friends. I remember asking his suggestions when I wanted to spend a few days in North Carolina, and the helpful way in which he made arrangements for me to have a pleasant stay in his beautiful district. He described the country he loved to me in a way which made me share his feeling for it.

I am sure the heartfelt sympathy of everyone of us goes out to his gracious wife, his family, and friends and the district which he served so well.

Mr. DOUGHTON of North Carolina. Mr. Speaker, I yield to the gentleman from Michigan [Mr. JONKMAN].

Mr. JONKMAN. Mr. Speaker, it was with keen sorrow that I learned of the passing of our colleague, WILLIAM OLIN BURGIN. While my associations and acquaintance with him were largely confined to our meetings and work as members of the Committee on Foreign Affairs, these had generated affection and respect for his fine qualities as a gentleman and a legislator. I always found him frank, courteous, and helpful.

In his death the House has lost a valuable Member and the country a stanch, capable, and patriotic citizen.

I join with deep sincerity in extending to his family heartfelt sympathy in their loss.

Mr. DOUGHTON of North Carolina. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the life and character of the late Mr. BURGIN may be permitted to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON of North Carolina. Mr. Speaker, I offer a resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 589

Resolved, That the House has heard with profound sorrow of the death of Hon. WILLIAM O. BURGIN, a Representative from the State of North Carolina.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER. The Chair appoints as members of the committee the gentleman from North Carolina [Mr. DOUGHTON], the gentleman from North Carolina [Mr. KERR], the gentleman from North Carolina [Mr. CLARK], and the gentleman from Iowa [Mr. LECOMPTE].

The Clerk will read the reminder of the resolution.

ADJOURNMENT

The Clerk read as follows:

Resolved, That as a further mark of respect, the House do now adjourn.

The resolution was agreed to; accordingly (at 11 o'clock and 39 minutes a. m.), pursuant to its order heretofore entered, the House adjourned until tomorrow, Friday, April 12, 1946, at 10 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON FLOOD CONTROL

5. Friday, April 12. The Great Lakes Basin and the Upper Mississippi River Basin, including additional authorization for the approved comprehensive plan:

Rock River, Wis. and Ill.; Mississippi River, local flood protection in Illinois; Clinton River, Mich.; Genesee River, N. Y.; Tonawanda Creek, N. Y.

6. Monday, April 15. Streams flowing into the Gulf of Mexico west of the Mississippi River, the Great Basin, and the Pacific region exclusive of California, including additional authorization for the approved comprehensive plan for the Willamette River:

Leon River, Tex.; Boise River, Idaho; Amazon Creek, Oreg.; Queen Creek, Ariz.; Gila River at Tucson, Ariz.; Spanish Fork River, Utah; Jordan River at

Salt Lake City, Utah; and Little Valley Wash at Magna, Utah; Skagway River and Harbor, Alaska.

7. Tuesday, April 16. California streams, including additional authorization for the approved comprehensive plans for the Los Angeles River and the Sacramento-San Joaquin streams:

Salinas River, Calif.; Santa Clara River, Calif.

8. Wednesday, April 17. Lower Mississippi River Basin, including the Red River, and including additional authorization for the approved comprehensive plan for the White and Arkansas River Basin;

Red River below Denison Dam, Tex., Okla., Ark., and La.; Bayou Pierre, La.; La Fourche Bayou, La.; Pontchartrain Lake, La.; Mermentau River, La.; North Canadian River, Okla.; Polecat Creek, Okla.; Grand (Neosho) River, Kans., Mo., and Okla.; Arkansas River, Ponca City, Okla.; Mississippi River, West Tennessee tributaries; Boeuf and Tensas Rivers and Bayou Macon, Ark. and La.; Big Sunflower, Little Sunflower, Hushpuckena, and Quiver Rivers and their tributaries, and on Hull Brake, Mill Creek Canal, Bogue Phalia, Ditchlow Bayou, Deer Creek, and Steele Bayou, Miss.

9. Thursday, April 18. Lt. Gen. R. A. Wheeler, Chief of Engineers, and other representatives of the Corps of Engineers and proponents and opponents of projects in other regions.

10. Friday, April 19. Senators and Representaives in Congress and Department of Agriculture, Weather Bureau, and other Government agencies.

COMMITTEE ON RIVERS AND HARBORS

Revised schedule of hearings on the omnibus river and harbor authorization bill to start Tuesday, April 9, 1946, at 10:30 a. m., is as follows:

(Friday, April 12)

Schuylkill River, Pa.
Middle and Dark Head Creeks, Md.
Mattaponi River, Va.
Newport News Creek, Va.
Norfolk Harbor, Va.
Savannah Harbor, Ga.
St. Johns River, Fla., Jacksonville to Lake Harney.
Hollywood Harbor (Port Everglades), Fla.
Withlacoochee River, Fla.
Cleveland Harbor, Ohio.
Great Lakes connecting channels, Michigan.

(Monday, April 15)

Franklin Canal, La.
Mermentau River, La.
Lake Charles deep waterway, Louisiana.
Plaquemine and Morgan City route, Louisiana.
Red River below Fulton, La.

(Tuesday, April 16)

Cumberland River, Tenn. and Ky.
Big Sioux River, S. Dak.
Mississippi River seepage, Iowa, Minnesota, and Wisconsin.
Mississippi River at Lansing, Iowa.
Mississippi River at Wabasha, Minn.
Mississippi River at Pepin, Minn.
Mississippi River at Hastings, Minn.

(Wednesday, April 17)

Fairport Harbor, Ohio.
Calumet-Sag Channel, Ind. and Ill.
Chicago River, North Branch of Illinois.
Napa River, Calif.
Coos Bay, Oreg.
Columbia River at Astoria, Oreg.
Columbia River at The Dalles, Oreg.
Columbia River, Foster Creek Dam, Wash.

(Wednesday and Thursday, May 1 and 2)

Tombigbee-Tennessee Rivers.

(Friday, May 3)

Held open for description of projects favorably recommended by the Board of Engineers for Rivers and Harbors during its April meeting.

(Monday and Tuesday, May 6 and 7)

Big Sandy River, Tug and Levisa Forks, Va., W. Va., and Ky.

(Wednesday and Thursday, May 8 and 9)

Arkansas River, Ark. and Okla.

COMMITTEE ON THE POST OFFICE AND POST ROADS

The Post Office and Post Roads Committee will meet on Tuesday, April 16, 1946, at 10:30 a. m., at which time a hearing will be had on H. R. 5427, 5560, and 5942, bills relating to the rate of postage on air mail of the first class.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Petroleum Subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., April 16, 1946. Business to be considered: Public hearing to receive the final report of the Petroleum Administration for War.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SABATH: Committee on Rules. House Resolution 590. Resolution providing for the consideration of H. R. 6064, a bill to extend the Selective Training and Service Act of 1940, as amended, and for other purposes; without amendment (Rept. No. 1924). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 591. Resolution providing for the consideration of H. R. 6042, a bill to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes; without amendment (Rept. No. 1925). Referred to the House Calendar.

SENATE

(Legislative day of Tuesday, March 5, 1946)

FRIDAY, APRIL 12, 1946

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of the living and of the living dead, by the passing to the great beyond to another room of service in the Father's many-mansioned house of those who here stood in posts of honor and power and helped to mold their day and generation, by the dedication as shrines of grateful remembrance of the grassy mounds where worn and tired bodies rest as the souls of the valiant go marching on in the great causes to which they gave their all, we are reminded of our own mortality and how brief the hours of labor as swift to its close ebbs out life's little day. While daylight lasts may our toil merit the Master's "well done" when darkness falls. As one age has passed the torch to another—

"Thy love hath led us in the past;
In this free land by Thee our lot is cast;
Be Thou our ruler, guardian, guide, and stay,
Thy word our law, Thy paths our chosen way."

Amen.

THE JOURNAL

On request of Mr. WALSH, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, April 11, 1946, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 1907) to increase the authorized enlisted strength of the active list of the Regular Navy and Marine Corps, to increase the authorized number of commissioned officers of the active list of the line of the Regular Navy, and to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes, and it was signed by the President pro tempore.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, UNITED STATES SUPREME COURT (S. Doc. No. 169)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Supreme Court of the United States, amounting to $7,500, fiscal year 1946 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PROPOSED PROVISION PERTAINING TO BUREAU OF RECLAMATION OF THE DEPARTMENT OF THE INTERIOR (S. Doc. No. 170)

A communication from the President of the United States, transmitting a proposed provision pertaining to the Bureau of Reclamation of the Department of the Interior for the fiscal year 1946 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORT OF MIGRATORY BIRD CONSERVATION COMMISSION

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report of the

Migratory Bird Conservation Commission for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORTS OF LIBRARIAN OF CONGRESS AND REGISTER OF COPYRIGHTS

A letter from the Librarian of Congress, transmitting, pursuant to law, the annual reports of the Librarian of Congress and the Register of Copyrights for the fiscal year ended June 30, 1945 (with accompanying reports); to the Committee on the Library.

AMENDMENTS TO CANAL ZONE AND ALASKA RAILROAD RETIREMENT ACTS

A letter from the President of the United States Civil Service Commission, recommending the enactment of legislation to amend the Canal Zone Code of June 19, 1934, as amended, to provide for the compounding of interest on a calendar year basis in lieu of a fiscal year basis, and to amend the act entitled "An act for the retirement of employees of the Alaska Railroad, Territory of Alaska, who are citizens of the United States" of June 29, 1936, as amended, to provide for the compounding of interest on a calendar year basis in lieu of a fiscal year basis; to the Committee on Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the Legislature of the State of New York; to the Committee on Immigration:

"Whereas immigration into this country is governed and regulated by Federal laws and regulations under which quotas have been determined and proclaimed for persons of the several nationalities; and

"Whereas the existing immigration quotas are highly restrictive, having been limited in 1929 under the so-called national origins plan to a total annual quota of about 150,000 persons for all quota countries and all nationalities by restricting the number of immigrants from any country to the percentage that persons of that nationality or descended from that nationality contributed to the population of this country as a whole in the year 1920; and

"Whereas such existing quotas are annual quotas and are not cumulative, and, if not filled in 1 year, they may not be exceeded in any subsequent year; and

"Whereas the problem of liberalizing the immigration laws of this country in the light of present-day needs and requirements which followed in the wake of the sudden termination of the World War II has been the subject of study by the House Committee on Immigration and Naturalization; and

"Whereas such committee, after holding and conducting hearings in New York, Cleveland, Chicago, San Francisco, and Los Angeles, made a report to the Congress on November 27, 1945, in which, among others, the following recommendations were made:

" 'It is therefore recommended that Congress appoint a commission of full-time experts qualified to undertake impartial and complete research and analysis into all phases of the problems presented. The commission should be empowered to recommend to Congress changes similar to the Nationality Act of 1940, and to recommend changes in nationality laws which may have been found desirable in the course of experience with the present act.

" 'It is further the conclusion of the subcommittee, on the basis of the hearings held, that no widespread popular demand exists for immediate, drastic changes in the existing law, and that, in fact, no such changes are now required.

" 'It is therefore recommended that no general alteration of existing quotas or selective provisions, or detailed revision of any major area of the immigration laws, be undertaken until such time as a thorough study has been made;' and

"Whereas there is now pending in the House of Representatives of the United States a bill bearing number H. R. 3663, introduced by Mr. GOSSETT on July 3, 1945, which, contrary to the recommendations hereinabove set forth, proposes to amend the Immigration Act of 1924, as amended, by cutting in half all of the existing immigration quotas; and

"Whereas the Gossett bill was introduced prior to the date of the report of the House Committee on Immigration and Naturalization, and is apparently hasty and ill-considered legislation and would seem to be directly opposed to the best interests of the people of this country and of the world and, if enacted, would inevitably assign this country to a role of isolationism at a time when world-wide coperation among the nations of the world is indispensable if a just and enduring peace is to be established and maintained: Now, therefore, be it

"Resolved (if the senate concur), That it is the sense of the people of the State of New York manifested by the considered judgment of their duly elected representatives in the legislature that the Gossett bill is inimical to the best interests of the people of this Nation as well as the peoples of the world, that the Congress of the United States should reject it and any other legislation having similar aims and objectives, and that no legislation on the vital problems of the liberalization and modernization of the immigration laws of this country should be enacted by the Congress until after the compilation of study and investigation recommended by the report of the House Committee on Immigration and Naturalization under date of November 27, 1945; and it is further

"Resolved (if the senate concur), That copies of this resolution be immediately transmitted to the President of the United States, the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, and to each member of the Congress of the United States duly elected from the State of New York and that the latter be urged to devote themselves to the task of accomplishing the purpose of this resolution."

A resolution adopted by the New Mexico Cattle Growers' Association, Albuquerque, N. Mex., favoring discontinuance of price controls on meat and livestock; to the Committee on Banking and Currency.

By Mr. WALSH:

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"Resolution memorializing Congress for the adoption of a complete system of national pensions covering all adult citizens of the United States

"Resolved, That the General Court of Massachusetts hereby urges the Congress of the United States to enact into law the substance of a bill entitled 'A bill to provide every adult citizen in the United States with equal basic Federal insurance, permitting retirement with benefits at age 60, and also covering total disability, from whatever cause, for certain citizens under 60; to give protection to widows with children; to provide an ever-expanding market for goods and services through the payment and distribution of such benefits in ratio to the Nation's steadily increasing ability to produce, with the cost of such benefits to be carried by every citizen in proportion to the income privileges he enjoys,' being H. R. 2229 and H. R. 2230, Seventy-ninth Congress, first session; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the State secretary to the President of the United States, to the Presiding Officers of each branch of Congress, and to the Members thereof from this Commonwealth."

(Mr. SALTONSTALL presented resolutions of the General Court of the Commonwealth of Massachusetts identical with the foregoing, which were referred to the Committee on Finance.)

CONTINUATION OF OPA PRICE CONTROL

Mr. MITCHELL. Mr. President, I desire to say a word in behalf of those businessmen, big and little, who favor continuation of OPA to guard against inflation. The loud voices raised in some quarters against continuation of OPA should not be taken as evidence of unanimous sentiment in the business community. In fact, a poll taken recently by the editor of Modern Industry magazine indicates that men who direct the greater part of production in American industry believe OPA must be kept going in this emergency period. I ask permission to present and to have printed in the RECORD and appropriately referred a resolution of the Ephrata (Wash.) Chamber of Commerce favoring continuation of OPA price control.

There being no objection, the resolution was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Whereas it is the belief of this chamber of commerce that the removal of all price-control measures by OPA at this time would result in increased rentals, inflationary prices in all commodities, and a greater shortage of critical items: Therefore be it

Resolved, That this chamber go on record as favoring the continuation of OPA price control for the time being, and that copies of this resolution be sent to neighboring chambers of commerce and to our representatives in Congress.

EPHRATA (WASH.) CHAMBER OF COMMERCE.

Passed March 13, 1946.

COMPULSORY MILITARY TRAINING

Mr. CAPPER. Mr. President, I have received a letter from Dr. W. W. Peters, president of McPherson College, McPherson, Kans., embodying resolutions adopted by the board of trustees of that college, taking a stand against compulsory military training in peacetime. The trustees of this institution also urge that we do everything possible to strengthen the UNO and to form a strong world federation with a constitution and supporting international laws.

I ask unanimous consent to present the letter for appropriate reference and printing in the RECORD.

There being no objection, the letter was received, referred to the Committee on Military Affairs, and ordered to be printed in the RECORD, as follows:

MCPHERSON COLLEGE,
McPherson, Kans.

The 23 members of the board of trustees of McPherson College, representing the States of Arkansas, Colorado, Idaho, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, and Texas, in regular session, February 17, 1946, passed by unanimous vote the following resolutions:

"1. We express ourselves without reservations, to be opposed to the proposition of

compulsory military training in the time of peace in the United States. Such training, we believe, is opposed to the fundamental principles of democratic government provided in the Constitution for free people. Preparations for war do not prevent war, but do arouse fears and stimulate competitive armaments.

"2. We favor the proposal of Representative JOSEPH MARTIN for the international abolition of conscription in peacetime.

"3. We petition Congress to declare war officially at an end as of September 2, 1945."

Respectfully submitted.

W. W. PETERS,
Ex officio Member of the Board of Trustees.

DISCONTINUANCE OF OPA

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and printing in the RECORD a telegram I have received from certain businessmen of Wichita, Kans., urging that the OPA be discontinued.

There being no objection, the telegram was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

WICHITA, KANS., *April 4, 1946.*

Hon. ARTHUR CAPPER,
United States Senate, Washington, D. C.:

We are protesting the renewal of OPA because they have utterly failed. They have been arbitrary and grossly inefficient. The total results are to be shown by the release this week end of five postwar employed veterans in our meat department due to the OPA bungling of meat ceiling prices and methods.

FINER FOOD MARKET NO. 2.
LUTZ & MANKINS.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

S. 1917. A bill to enact certain provisions now included in the Naval Appropriation Act, 1946, and for other purposes; with amendments (Rept. No. 1173); and

H. R. 5356. A bill to provide assistance to the Republic of China in augmenting and maintaining a naval establishment, and for other purposes; with amendments (Rept. No. 1174).

By Mr. ROBERTSON, from the Committee on Naval Affairs:

S. 1802. A bill to provide for permanent preservation as historic relics of the silver service, ship's bell, and name plate from the battleship U. S. S. *Nevada;* with amendments (Rept. No. 1175).

Mr. Mr. McCARRAN, from the Committee on Public Lands and Surveys:

S. 33. A bill relating to the management and administration of national forest grazing lands; with amendments (Rept. No. 1176); and

S. Res. 256. Resolution authorizing studies and investigations by the Committee on Public Lands and Surveys; without amendment, and, under the rule, the resolution was referred to the Committee To Audit and Control the Contingent Expenses of the Senate.

PERSONS EMPLOYED BY COMMITTEES WHO ARE NOT FULL-TIME SENATE OR COMMITTEE EMPLOYEES

The PRESIDENT pro tempore laid before the Senate a report for the month of March 1946, from the chairman of a certain committee, in response to Senate Resolution 319 (78th Cong.), relative to persons employed by committees who are not full-time employees of the Senate or any committee thereof, which was ordered to lie on the table and to be printed in the RECORD, as follows:

SENATE MILITARY AFFAIRS COMMITTEE, SUBCOMMITTEE ON WAR MOBILIZATION

APRIL 1, 1946.

To the Senate:

The above-mentioned committee hereby submits the following report showing the names of persons employed by the committee who are not full-time employees of the Senate or of the committee for the month of March 1946, in accordance with the terms of Senate Resolution 319, agreed to August 23, 1944:

Name of individual	Address	Name and address of department or organization by whom paid	Annual rate of compensation
Ann S. Gertler	3721 39th St. NW., Washington, D. C.	Department of Interior, Washington, D. C.	$2,980.00
Joan P. Karasik	1919 19th St. NW., Washington, D. C.	Foreign Economic Administration, Washington, D. C.	4,300.00
C. Theodore Larson	3917 N. 5th St., Arlington, Va.	National Housing Agency, Washington, D. C.	6,230.00
Fritzie P. Manuel	1621 T St. NW., Washington, D. C.	State Department, Washington, D. C.	5,180.00
Darel McConkey	509 Fontaine St., Alexandria, Va.	Department of the Interior, Washington, D. C.	6,230.00
Cora L. Moen	5327 16th St. NW., Washington, D. C.	Office of Price Administration, Washington, D. C.	2,650.00
Elizabeth H. Oleksy	1620 Fuller St. NW., Washington, D. C.	Office of War Mobilization and Reconversion, Washington, D. C.	3,090.00
Mary Jane Oliveto	500 B St. NE., Washington, D. C.	National Housing Agency, Washington, D. C.	2,100.00
Francis C. Rosenberger	5814 64th Ave., East Riverdale, Md.	Office of Price Administration, Washington, D. C.	6,230.00
Herbert Schimmel	5603 Minnesota Ave. SE., Washington, D. C.	Office of War Mobilization and Reconversion, Washington, D. C.	9,012.50

H. M. KILGORE, *Chairman.*

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH:

S. 2058. A bill for the relief of Stanislaw Nahorski; to the Committee on Immigration.

By Mr. VANDENBERG:

S. 2059. A bill for the relief of Gentaro Takahashi; to the Committee on Immigration.

By Mr. BANKHEAD:

S. 2060. A bill to provide continued ratings of permanent and total degree where active tuberculosis has been established and to terminate reduction of pension, compensation, or retired pay under laws administered by the Veterans' Administration in the cases of veterans without dependents who are hospitalized or domiciled; to the Committee on Finance.

By Mr. THOMAS of Utah:

S. 2061. A bill to provide for sundry matters affecting the armed forces, and for other purposes; to the Committee on Military Affairs.

By Mr. RADCLIFFE:

S. J. Res. 153. Joint resolution providing for the comprehensive observance of the bicentennial of John Paul Jones; to the Committee on the Library.

HEALTH PROGRAMS FOR GOVERNMENT EMPLOYEES—AMENDMENT

Mr. MURDOCK submitted an amendment intended to be proposed by him to the bill (H. R. 2716) to provide for health programs for Government employees, which was ordered to lie on the table and to be printed.

ISSUANCE OF OIL AND GAS LEASES COVERING CERTAIN LANDS—INDEFINITE POSTPONEMENT OF SENATE JOINT RESOLUTION 150

Mr. CAPEHART. Mr. President, I ask unanimous consent that the Committee on Public Lands and Surveys be discharged from further consideration of Senate Joint Resolution 150, authorizing and directing the Secretary of the Interior to issue oil and gas leases covering certain lands, introduced by me, and referred to that committee, and that the joint resolution may be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TITLE TO CERTAIN SUBMERGED OIL LANDS—INDEFINITE POSTPONEMENT OF SENATE RESOLUTION 222

Mr. CAPEHART. Mr. President, I ask unanimous consent that Senate Resolution 222, temporarily postponing hearings on Senate Joint Resolution 48 and House Joint Resolution 225, relating to title to lands under certain tidewaters and navigable waters, submitted by me on January 28, 1946, and which was ordered to lie over under the rule, may be indefinitely postponed.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE NEW DRUG RUTIN—ARTICLE BY GERSON H. LUSH

[Mr. BILBO asked and obtained leave to have printed in the RECORD an article by Gerson H. Lush, dealing with the source of rutin, a new drug to combat high blood pressure, published in the Philadelphia Inquirer of April 7, 1946, which appears in the Appendix.]

AMERICA AS A WORLD EXAMPLE—ARTICLE BY MERWIN K. HART

[Mr. BUCK asked and obtained leave to have printed in the RECORD an article entitled "America Has Abandoned Her Role," written by Merwin K. Hart, president of the National Economic Council, Inc., which appears in the Appendix.]

DEMAND FOR HIRED FARM LABOR—ARTICLE FROM BISMARCK (N. DAK.) TRIBUNE

[Mr. YOUNG asked and obtained leave to have printed in the RECORD an artcle entitled

"Demand for Hired Farm Labor Continues as Major Problem," published in the Bismarck (N. Dak.) Tribune of April 9, 1946, which appears in the Appendix.]

PEACETIME MILITARY TRAINING

[Mr. WHEELER asked and obtained leave to have printed in the RECORD a letter dealing with peacetime military training and conscription, from James D. Graham, president of the Montana State Federation of Labor, which appears in the Appendix.]

PHILIPPINE TRADE ACT OF 1946

The PRESIDENT pro tempore. Under the unanimous-consent agreement of yesterday, the Chair lays before the Senate House bill 5856.

The Senate proceeded to consider the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes, which had been reported from the Committee on Finance, with amendments.

Mr. WALSH. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gossett	Myers
Andrews	Gurney	O'Daniel
Austin	Hart	O'Mahoney
Ball	Hawkes	Overton
Bankhead	Hayden	Radcliffe
Barkley	Hickenlooper	Reed
Bilbo	Johnson, Colo.	Revercomb
Bridges	Knowland	Robertson
Brooks	La Follette	Saltonstall
Buck	Langer	Shipstead
Bushfield	Lucas	Smith
Capehart	McCarran	Stanfill
Capper	McClellan	Stewart
Carville	McFarland	Taft
Connally	McKellar	Taylor
Cordon	McMahon	Thomas, Utah
Donnell	Magnuson	Vandenberg
Downey	Maybank	Walsh
Ellender	Millikin	Wheeler
Ferguson	Mitchell	Wherry
Fulbright	Morse	Wilson
Gerry	Murdock	Young

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Alabama [Mr. HILL] and the Senator from Ohio [Mr. HUFFMAN] are absent because of deaths in their families.

The Senator from Georgia [Mr. GEORGE], the Senator from New Mexico [Mr. HATCH], and the Senator from Delaware [Mr. TUNNELL] are absent by leave of the Senate.

The Senator from Missouri [Mr. BRIGGS], the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from West Virginia [Mr. KILGORE], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], and the Senator from Oklahoma [Mr. THOMAS] are detained on public business.

The Senator from North Carolina [Mr. HOEY] is a member of the committee on the part of the Senate attending the funeral of the late Representative from North Carolina, Hon. William O. Burgin, and is, therefore, necessarily absent.

The Senator from Florida [Mr. PEPPER], the Senator from Rhode Island [Mr. GREEN], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from South Carolina [Mr. JOHNSTON], the Senators from New York [Mr. MEAD and Mr. WAGNER], and the Senator from Maryland [Mr. TYDINGS] are necessarily absent.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER], the Senator from Oklahoma [Mr. MOORE], and the Senator from Indiana [Mr. WILLIS] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The PRESIDENT pro tempore. Sixty-six Senators having answered to their names, a quorum is present.

CONFIRMATION OF NOMINATIONS TO THE TAX COURT

Mr. WALSH obtained the floor.

Mr. CONNALLY. Mr. President, will the Senator yield to me?

Mr. WALSH. I yield.

Mr. CONNALLY. The President of the United States has sent to the Senate three nominations to The Tax Court of the United States, which are on the Executive Calendar. I ask unanimous consent that, as in executive session, the nominations may now be considered and confirmed.

The PRESIDENT pro tempore. The clerk will state the nominations for the information of the Senate.

The legislative clerk read the nomination of LUTHER A. JOHNSON, of Texas, to be judge, for a term of 12 years from June 2, 1946.

The PRESIDENT pro tempore. Is there objection to the present consideration of the nomination?

Mr. WHERRY. Mr. President, I have no objection to consideration of the nomination, but I should like to ask the distinguished chairman of the Foreign Relations Committee if the committee held a hearing on this nomination?

Mr. CONNALLY. Yes; a formal meeting of the committee was had on the nomination.

Mr. WHERRY. And the committee favorably reported the nomination?

Mr. CONNALLY. Yes; the committee unanimously reported the nomination; the committee reported all three nominations favorably.

Mr. WHERRY. Very well. I have no objection to consideration of the nomination.

The PRESIDENT pro tempore. Is there objection to the present consideration of the nomination? The Chair hears none, and, without objection, the nomination is confirmed, and the President immediately notified.

The clerk will state the next nomination.

The legislative clerk read the nomination of Bolon B. Turner, of Arkansas, to be judge for a term of 12 years, from June 2, 1946.

The PRESIDENT pro tempore. Is there objection to the present consideration of the nomination?

Mr. WHERRY. Mr. President, will the Senator from Texas give us some information concerning this nomination?

Mr. CONNALLY. Judge Turner is the present presiding judge of the court, and he has been reappointed.

Mr. WHERRY. I thank the Senator.

The PRESIDENT pro tempore. Is there objection to the present consideration of the nomination? The Chair hears none, and, without objection, the nomination is confirmed, and the President immediately notified.

The legislative clerk read the nomination of J. Russell Leech, of Pennsylvania, to be judge for a term of 12 years from June 2, 1946.

The PRESIDENT pro tempore. Is there objection to the present consideration of the nomination.

Mr. WHERRY. Mr. President, may we have a statement from the distinguished Senator from Texas respecting this nomination?

Mr. CONNALLY. Mr. Leech is a former Representative in Congress. He has been on the court for many years. He is from Pennsylvania and is a good Republican.

Mr. WHERRY. And it was not necessary to have a hearing in his case?

Mr. CONNALLY. Oh, yes; we had a hearing on all three of the nominees.

The PRESIDENT pro tempore. Is there objection to the present consideration of the nomination? The Chairs hears none, and, without objection, the nomination is confirmed, and the President will be immediately notified.

FOREIGN SERVICE

Mr. CONNALLY. I also ask unanimous consent, as in executive session, that the Senate consider the nomination of William D. Pawley, of Florida, to be Ambassador to Brazil.

The PRESIDENT pro tempore. The clerk will state the nomination for the information of the Senate.

The legislative clerk read the nomination of William D. Pawley, of Florida, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

The PRESIDENT pro tempore. Is there objection to the present consideration of the nomination?

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator from Vermont [Mr. AUSTIN] if the Committee on Foreign Relations has considered the nomination, and if he cares to make any observations with respect to the nomination?

Mr. AUSTIN. Mr. President, the reason I am particularly interested in having this nomination considered at this time is that at my request the Senate Committee on Foreign Relations passed it over so that an investigation could be made of a matter, which I did investigate, and found was without foundation as an objection to the confirmation of Mr. Pawley. I am entirely in favor of the confirmation of his nomination, and because of the delay which I caused I am very glad to have it considered out of order at this time.

The PRESIDENT pro tempore. Is there objection to the present consid-

eration of the nomination? The Chair hears none, and, without objection, the nomination is confirmed, and the President will be immediately notified.

Mr. CONNALLY. Mr. President, I wanted to make it clear that I wish to have the President immediately notified of the confirmation of these nominations, and I ask unanimous consent that he be notified.

The PRESIDENT pro tempore. The Chair will state to the Senator from Texas that such an order has been made.

THE HOUSING SHORTAGE

Mr. WHERRY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "The Old Elixir," published in the Omaha (Nebr.) Morning World-Herald of April 10, 1946, which was before the vote was taken on the so-called emergency veterans' housing bill. I wish to invite attention particularly to the three closing paragraphs in the editorial.

To the rational mind it would seem obvious that, if the prices of building materials are not high enough to stimulate the utmost production, they should be raised. And the necessary advance should be charged to those who wish to, and are able to, build new homes. There are enough such, as any builder or architect will testify, to buy all the housing that can be provided for many years to come.

If, under such a set-up, it were felt that veterans were unduly handicapped, then perhaps Congress ought to consider offering them some additional benefits, to be given to all alike, in recognition of their services to the country.

But to offer Government bonuses to industry, on the theory that one relatively small group of veterans will be slightly benefited, is about as cockeyed a scheme as the mind of the bureaucrat has yet conceived.

Mr. President, I ask unanimous consent that the entire editorial be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE OLD ELIXIR

Once again the administration shakes up its bottle of elixir of subsidy and prepares to give an ailing patient a heavy dose.

This time it is the housing industry.

The trouble, everyone agrees, is acute. Returning veterans can't find homes. Neither can other workers who for one reason or another are obliged to move from one city to another. Living in the street or with in-laws isn't very attractive.

Manifestly the housing industry isn't able to supply the demand. There isn't enough lumber, there aren't enough plumbing fixtures, and the like. So the need, obviously, is to stimulate production of the many items that go into the make-up of a modern American home.

There is strong testimony to the effect that OPA ceilings are to blame. Manufacturers of building materials have no incentive to produce bountifully. In some cases, it is stated, they can't operate at all without running into the red.

Even Washington's most advanced thinkers agree with this general analysis of the problem. But do they also agree that price ceilings should be modified in such a way as to permit the utmost production? Heavens, no! That, they say, would be inflationary.

Instead they ask that the Government borrow another $600,000,000 and use it as a sort of bonus, or bribe, to induce the housing materials industries to increase their output. The amount to be handed out to each subdivision of the many industries would be determined by the slide-rule lads in Washington.

Under that system every citizen who pays a Federal tax—as who does not?—would be making a contribution to the fortunate few who managed to get on the housing priority list. And the payments would continue far into the unpredictable, atomic future.

To the rational mind it would seem obvious that, if the prices of building materials are not high enough to stimulate the utmost production, they should be raised. And the necessary advance should be charged to those who wish to, and are able to, build new homes. There are enough such, as any builder or architect will testify, to buy all the housing that can be provided for many years to come.

If, under such a set-up, it were felt that veterans were unduly handicapped, then perhaps Congress ought to consider offering them some additional benefits, to be given to all alike, in recognition of their services to the country.

But to offer Government bonuses to industry, on the theory that one relatively small group of veterans will be slightly benefited, is about as cockeyed a scheme as the mind of the bureaucrat has yet conceived.

PHILIPPINE TRADE ACT OF 1946

The Senate resumed consideration of the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes, which had been reported from the Committee on Finance with amendments.

Mr. WALSH. Mr. President, House bill 5856 has already passed the House. It is an attempt to define the future trade relationship between the United States and the Philippines. As is well known, on July 4 next the Philippines will become independent; and unless some legislation is enacted, the Philippines will have a trade relationship with our country the same as that of every other country. Because of the friendly relationships which have existed through the years between the Philippines and our own Government, and because of the extreme sacrifices made and the economic ruin which has come to the Philippines because of their participation in the war in the Pacific, it has been felt essential that legislation should be enacted indicating to the Philippines what obligations we are willing to assume in our future trade relations and also defining the obligations of the Philippines.

I am sure that it is unnecessary for me to deal at length with the tremendous sacrifices, the loyalty, and the wonderful effort made by the Filipinos in the recent war, or to describe the desolation, ruin, and financial hardships which confront that country today and in the immediate future.

The bill fixing trade relationships consists of five titles. Although the bill appears to be long and complicated, in reality it is very simple.

The first title is confined to definitions. It is important to know what those definitions are, because later in the bill the definitions are not set forth in detail, but reference is made to the earlier definitions set forth in title I.

Title II sets forth the laws and proposed obligations of the United States.

Title III sets forth the obligations of the Philippines.

Title IV sets forth the requirements for the executive agreement between the United States and the Philippines.

Title V contains miscellaneous provisions.

The first and earlier proposal in regard to these relationships which was given consideration in the House Ways and Means Committee was that the Philippines should enjoy a relationship of free trade with our country for 20 years, and that we should have the right to export articles and commodities produced in this country on the same basis for 20 years. Let me add that the House Committee on Ways and Means spent many weeks and months on the bill. In reviewing the bill the Senate Finance Committee was able to find only a single change in the whole structure of the bill which was considered necessary. I shall refer to it in a moment.

The House Ways and Means Committee saw fit to change the period of time to be covered by the bill, and its action was approved by the House. The bill provides for 8 years of free trade between the United States and the Philippines, and thereafter 20 years of a sliding scale of tariff duties on the commodities mentioned in the bill. This period of time was fixed in anticipation of the fact that that number of years would be required for the Filipinos so to adjust their economic structure as to be able to get back to normal conditions and to enjoy what we all most ardently desire, an era of prosperity. That provision seems reasonable to the Finance Committee—namely, 8 years of free trade and 20 years of a sliding scale of rates, beginning at 5 percent and increasing to 100 percent, so that in 1974, when this contract expires, there will be a relationship between the Philippines and our own country similar to that between this country and every other country in the world, unless further legislation is enacted.

An important feature of the bill is that it provides for an executive agreement to be made by the President of the United States with the President of the Philippines. That agreement is to be made along the lines and in the details which are set forth in this bill. In other words, the President is expected to incorporate in the agreement with the Philippines, when the treaty is made, the exact terms and conditions which are imposed by this bill. I do not think it is essential to go into the details of the provisions of the bill insofar as our obligations to the Philippines are concerned or insofar as the obligations of the Philippines to us are concerned, except to say that the bill is drafted along the lines of maintaining the present trade relationship which we have for many years had with the Philippine people, and to maintain that relationship for the next 28 years, with the exception that during the first 8 years there is to be a relationship of free trade and thereafter progressively increasing preferential duties. The committee chose to

follow this course on the theory that we should give encouragement to the Filipinos, that we should not suddenly and quickly, on the 4th of July next, put the Filipino people in the position of complete severance of preferential trade relations with us and not give them the benefit of the concessions which heretofore they have enjoyed. So with practically no exceptions whatever, the trade relationships under the provisions of the agreement are to be in conformity with existing dealings, under law, between the United States and the Filipino people.

The executive agreement which is provided for by the bill can be terminated by either party on 5 years' notice. It can be terminated on 6 months' notice if the President of the United States finds that the Philippine Government is not living up to its obligations. The bill authorizes the President to impose quotas if the importations are doing harm or injury to, or are working to the prejudice of, the United States of America.

Very briefly, Mr. President, those are the outstanding features of the bill.

The obligations into which we shall enter with the Filipinos under the laws which we are to pass in connection with our trade relations with them are to be practically identical with their obligations to us during the designated period of time.

If there are any questions which Senators wish to ask, I shall be pleased to answer them. Let me say briefly that the idea or the purpose is to perpetuate over a period of 28 years the friendly trade relationships and to permit the Filipinos to restore the economy which they enjoyed prior to the war, but which of course, has disappeared. Today, the Philippine Islands are prostrate and the people are in a very sad plight. It is believed that this legislation will give them hope, will inspire them to carry on, and will indicate to them that the United States has not let them down suddenly and quickly without giving them a helping hand during the years ahead when they are to reconstruct their country and reconvert it to its normal business life and conditions.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from Massachusetts yield to the Senator from Vermont?

Mr. WALSH. Certainly.

Mr. AUSTIN. I do not wish my question to have the implication that I am not in favor of this bill and of as much help as we can afford to give to the Filipino people. I greatly respect the people of the Philippine Islands, after having visited them and after learning as much as I could about them; and, of course, I feel a great sense of gratitude to them for their utter loyalty to the United States in the war, and a great gratitude for the sacrifices they have made; and I think we owe them what we are doing for them. I think it is a moral obligation.

I am about to ask a rather technical question. I observe that the executive agreement will not become effective unless and until it is approved in constitutional form by the Philippine Congress. This is my question: What would happen if the terms of the bill were exceeded in the negotiation of the agreement? Would such an agreement have any effect in respect to such terms as might exceed the provisions of the bill, or would the President have to return that matter to the Congress and have the Congress pass upon it?

Mr. WALSH. In my opinion, the President would have to return it to the Congress and have the Congress pass upon it.

Mr. AUSTIN. I thank the Senator.

Mr. WALSH. Mr. President, the theory of the bill is that the President should follow the provisions of law set forth in the bill, and it is proposed as legislation to be enacted at this time so as to avoid the difficulty to which the Senator has referred, namely, the impossibility of negotiating a treaty between now and July 4, when the new government of the Philippines will take over.

If the President is not given the cooperation of the Filipino people, and if they refuse to enter into the agreement under the terms set forth in this bill, the President can cancel the trade preferences.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. WALSH. I yield.

Mr. FERGUSON. I should like to inquire about this bill in relation to the most-favored-nation clauses in our treaties with other countries. Will this bill apply to those clauses?

Mr. WALSH. This bill will be an exception.

Mr. FERGUSON. How can we make an exception under those clauses, if independence is granted to the Philippine Islands in July?

Mr. WALSH. It is felt and believed that other nations will recognize the relationships which heretofore have existed between the United States and the Philippines, and also that they will appreciate the importance of making an exception to the most-favored-nation clauses to which the Senator has referred. That matter was discussed at length by the representative of the State Department, Mr. Clayton, who, as the Senator knows, is in charge of negotiating trade agreements in the State Department with other countries. He sees no difficulty in respect to making this exception. He thinks the other nations of the world will recognize the special reasons and unusual circumstances which require the making of an exception to the rule, in regard to the Philippines.

Mr. FERGUSON. But this bill will, in effect, affect our present agreements with other nations in which we have used the language of the most-favored-nation clause; and if we were to live up to the agreement, we would have to reduce our tariffs to them on certain items. However, as I understand, Mr. Clayton expects that they will waive that provision, insofar as it relates to our agreement with the Philippines.

Mr. WALSH. I do not understand that it will be necessary for them to waive that clause insofar as our agreement with the Philippines is concerned. It is expected that they will respect the agreement and will understand and appreciate the reasons for the exception to the general rule. There is a specific provision in this bill to the effect that the tariff benefits of this bill will not apply to other nations.

Mr. FERGUSON. Mr. President, will the Senator yield for a further question?

Mr. WALSH. I yield.

Mr. FERGUSON. I should like to ask the Senator a question in relation to our negotiations with Britain and with the British Commonwealth of Nations. They have certain quota arrangements and they have certain agreements. If we are going to deal separately in this bill, have we made to Britain commitments which will be changed by virtue of this bill?

Mr. WALSH. Mr. Clayton testified before the committee that he expected Great Britain to accept the conditions contained in this bill. He expressed no apprehension of difficulty in that regard.

Mr. FERGUSON. Will Great Britain recognize them as an exception to the rule?

Mr. WALSH. Yes.

Mr. FERGUSON. She will not insist that she has the right to enter into similar agreements with all other independent nations.

Mr. WALSH. That is Mr. Clayton's opinion.

Mr. FERGUSON. Did he have any facts on which to base such an opinion?

Mr. WALSH. No; except that he seemed to be confident that Great Britain and other nations would understand and appreciate the situation, and would be willing to agree that our past relationships with the Filipinos have been so intimate that some such understanding as the one being proposed for a temporary period of time should be entered into.

Mr. FERGUSON. My own belief is that we should do something like this, but I wanted to know how it might complicate the situation in relation to our other agreements.

Mr. WALSH. Yes.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. VANDENBERG. It occurs to me that so far as the technical situation is concerned, this agreement is being made with the Philippine government before it becomes independent. We have had this sort of an arrangement for some time. It would not occur to me that the mere act of crowning our liberal policy toward the Philippines by this act of grace on July 4, when we recognize their complete independence, would create a totally different situation.

Mr. WALSH. The Senator is correct. The agreement cannot be entered into between the Executive and the Philippine government until after the Philippine government becomes a sovereign state on July 4.

Mr. VANDENBERG. I quite understand.

Mr. WALSH. But the provisions in this bill are such that the present existing conditions will continue until July 4.

Mr. TAFT. Mr. President, is it not true that for a long time we have had a special agreement with Cuba, and that all nations recognize that the agreement with Cuba does not violate the most-favored-nation clause?

Mr. WALSH. That is my understanding.

Mr. FERGUSON. Mr. President, I should like to have a clear understanding as to when this bill will become effective?

Mr. WALSH. It will become effective upon its enactment. The bill contains provisions showing what shall be done between now and July 4. They provide practically for a continuation of the present relationship. After July 4, when the Filipinos achieve an independent government, our President is supposed to negotiate a treaty between them and our Government embodying the provisions which are set forth and defined in the bill as a guide to both governments, and as an encouragement to the Filipino people so that they may know between now and July 4 what they may expect in the way of favorable treatment on the part of our Government.

Mr. FERGUSON. But in the able Senator's use of the word "treaty"——

Mr. WALSH. I am sorry; I should have used the words "executive agreement."

Mr. FERGUSON. Yes. So, in effect, the President is instructed to put into effect, by virtue of an executive agreement, the terms of the pending bill.

Mr. WALSH. He is authorized to do so.

Mr. FERGUSON. He is authorized, and not instructed.

Mr. WALSH. We cannot instruct the President.

Mr. FERGUSON. We can direct him, can we not?

Mr. WALSH. I do not think we could do so. If he does not wish to carry out the terms of the agreement he would not be bound to enter into it. At least, that is my judgment.

Mr. FERGUSON. Then we would proceed under the law which already exists in relation to trade agreements.

Mr. WALSH. If the President should refuse to enter into an executive agreement, the matter would then come back to Congress for further study and consideration.

Mr. FERGUSON. After independence had been achieved by the Filipinos, would not the President be authorized to enter into trade relations, that is, enter into executive agreements under our regular law which now exists?

Mr. WALSH. The only thing, I believe, that could be done in the event this whole proposal should fail, would be for trade agreements to be entered into by the President with the Filipinos in the same way as is done with relation to other countries.

Mr. FERGUSON. The Senator has answered the question.

Mr. WALSH. That would not permit the terms of the pending bill being carried out, because it provides for a period of free entry. As the Senator knows, the power with relation to such negotiations is limited in certain ways.

Mr. FERGUSON. Yes; I am familiar with that fact.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. TAFT. When this bill is enacted into law the President's power to make executive agreements with the Filipinos will come to an end. Am I not correct in that statement?

Mr. WALSH. Yes.

Mr. TAFT. I refer to reciprocal trade agreements.

Mr. WALSH. Yes.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. AUSTIN. I believe that both questions which have been propounded are specifically answered in the bill. Section 408, appearing on page 37 of the bill, states that the effective date of the agreement shall be proclaimed by the President after he is satisfied that the Congress of the Philippines by law has accepted the agreeement and enacted the terms thereof into law.

The question relating to the power to make trade agreements is taken care of in section 508 on page 46 of the bill, which definitely postpones such power until after the executive agreement provided in title IV of the bill has terminated, or until after July 4, 1974.

Mr. WALSH. I appreciate having my attention called by the Senator from Vermont to that language.

Mr. ELLENDER. Mr. President, I notice that on page 4 of the report the quotas on imports on sugar are 850,000 short tons.

Mr. WALSH. I was about to speak about that matter. There is one amendment recommended by the Finance Committee to change the language "850,000 short tons of sugar" to "850,000 long tons of sugar." That amendment will have to be acted upon by the Senate.

Mr. ELLENDER. Does the Senator have any information as to what extent the production of sugar, cordage, rice, cigars, scrap, and filler tobacco, coconut oil, and pearl buttons is controlled by absentee ownership?

Mr. WALSH. After July 4 none of it will be controlled except by the Filipinos and the Americans.

Mr. ELLENDER. To what extent is the sugar industry controlled by absentee ownership?

Mr. WALSH. The evidence before the committee showed that about 45 percent of the control resides in the Filipinos, about 30 percent in Americans, and about 25 percent in Spaniards.

Mr. ELLENDER. Do the persons or corporations which control the 55 percent to which the Senator refers live in the Philippines or elsewhere?

Mr. WALSH. I suppose that the management resides there, but perhaps the stockholders reside in this country and in other countries.

Mr. ELLENDER. Can the Senator give us any information as to absentee ownership with reference to other commodities for which quotas are provided in the bill?

Mr. WALSH. I understand there is none whatever.

Mr. ELLENDER. My hope is that something will be done for the Filipino people themselves.

Mr. WALSH. That is my hope and expectation.

Mr. ELLENDER. Personally I would hesitate to oppose this bill if the Filipinos themselves would benefit by it. But, as I understand the situation, many of the products on which import quotas have been fixed are owned and controlled by absentee ownership, and they would become, largely, beneficiaries instead of the Filipinos.

Mr. WALSH. Of course, after July 4 the Philippine government will have absolute authority over who shall control and who shall not control; but there is provision that the Philippine government cannot interfere with American ownership.

Mr. ELLENDER. Yes; but the Filipinos are the people whom this bill was designed to benefit.

Mr. WALSH. I heartily agree with what the Senator says.

Mr. LANGER. Mr. President, will the Senator from Massachusetts yield?

Mr. WALSH. I yield.

Mr. LANGER. Can the Senator tell us what the daily wage is for labor on the farms in the Philippine Islands where these products are being raised?

Mr. WALSH. That question was not considered, but I assume the wages there are lower than ours.

Mr. LANGER. Are they not very, very much lower than ours?

Mr. WALSH. I would assume so; in fact, I am quite sure it is so.

Mr. LANGER. In other words, the farmers of America who raise sugar and pay high prices for labor will be in competition with the cheap labor of the Philippine Islands.

Mr. WALSH. In my judgment, the quota fixed in this bill for the importation of sugar will not interfere or be in competition with the domestic producers of sugar. The Philippines will be in competition with the producers of sugar in Cuba and elsewhere outside continental United States.

Mr. LANGER. The Senator is familiar with the fact, is he not, that before the war the Department of Agriculture limited the amount of sugar which could be produced in this country.

Mr. WALSH. Yes. The Senator is referring to the law which fixed the percentage of domestic sugar and the percentage of foreign sugar.

Mr. LANGER. Yes.

Mr. WALSH. I am familiar with that.

Mr. LANGER. In other words, thousands of farmers in the Northwest who wanted to raise sugar were not allowed to do so by the Federal Government. The result was that in this country land lay idle while in the Philippine Islands, in Cuba, Puerto Rico, and other places sugar was being produced on land which, in a great many instances, was owned by corporations located in the eastern section of the United States which were using

cheap labor. The Senator will not deny that, will he?

Mr. WALSH. No.

Mr. LANGER. Mr. President, in view of the fact that there may not be a yea and nay vote on this bill, I want, at this time, to state my opposition to the bill, and I desire to be recorded as voting against it.

Mr. WHERRY. Mr. President——

Mr. WALSH. I yield to the Senator from Nebraska.

Mr. WHERRY. Recurring to the question raised by the junior Senator from Michigan [Mr. FERGUSON] and to the observation made by the senior Senator from Michigan [Mr. VANDENBERG,] I should like to ask the distinguished Senator for a further explanation. It seems to me, if I caught the statement of the Senator from Massachusetts correctly, that the bill authorizes the President to negotiate this trade agreement now.

Mr. WALSH. After July 4, when the Philippines become independent.

Mr. WHERRY. Yes; after July 4. This bill provides the basis upon which the agreement will be negotiated, but it will not be signed until after the Philippines get their independence.

Mr. WALSH. That is true.

Mr. WHERRY. Therefore the observation made by the distinguished senior Senator from Michigan does not clear up the question asked by the junior Senator from Michigan, in view of the fact that negotiations will be entered into before but will not take effect until after the Philippines become independent. Is not that correct?

Mr. WALSH. Let me put it a little differently, if I may.

Mr. WHERRY. Certainly.

Mr. WALSH. In this bill we define what the trade relationship shall be between now and July 4, during which period the Philippines are dependent upon us. Up to that time the bill carries on the same relations that have existed in the past. After July 4, when a sovereign Philippine government is set up, then it is expected that the President will negotiate an executive agreement with the government of the Philippines embodying the terms and principles and obligations fixed in this bill, obligations which are to be carried out by both the United States and the Philippine Islands.

Mr. WHERRY. However, that fact does not clear up the question raised by the junior Senator from Michigan, for we authorize the President to make the agreement and when he finally enters into it the Philippine government will be an independent state. So the question as to whether or not this is an exception to the favored-nation clause in our treaties is pertinent, and it is not cleared up by the fact that we enter into the negotiations now. Am I correct about that?

Mr. WALSH. It had not occurred to me, but I think there is something in the Senator's suggestion. Of course, we are only proceeding to define what may be done between now and the date the executive agreement takes effect; otherwise, as the agreement might not be entirely consummated for 2 or 3 years, the Filipinos would not know what their rights and obligations were and we would not know what ours were in that period.

Mr. WHERRY. I want to make my position clear. I am in favor of this bill and I shall vote for it, but my feeling is that, inasmuch as we authorize the President to enter into negotiations at once but the agreement is to be signed with an independent country, it does contradict or violate the favored-nations clause. I shall vote for the bill with the idea that it is an exception and not a precedent as to any other country. I think it ought to be made plain on the floor of the Senate that, because of our unusual relationship to the Philippine Islands, it is an exception so far as concerns the favored-nations clause which has been incorporated in our agreements with other nations.

Mr. HAWKES. Mr. President, will the Senator from Massachusetts yield for a moment?

Mr. WALSH. I yield.

Mr. HAWKES. I should like to say to the Senator from Nebraska that I sat through all the hearings in connection with this bill and one thing that was impressed on me from the start to finish was that this was a special case the like of which never has existed in the previous history of the United States and probably never will exist again.

I thought perhaps the distinguished Senator from Massachusetts would permit me to read into the record some compilations I have made with respect to sugar. I think they may be interesting to all Senators.

The average yearly production of sugar in the United States from 1935 to 1944 has been 2,200,449 tons.

The total annual average consumption of sugar in the United States, civilian consumption, has been 6,931,818 tons. We will leave the military consumption out of the picture because we hope it will not continue.

It may be interesting to note that the average yearly imports from Cuba, during those years, 1935 to 1944, were 2,688,186 tons—all the figures I am giving refer to short tons and only to raw sugar—which was 38.7 percent of the total consumption in this country.

The Virgin Islands, which we hear frequently referred to, have only sent to this country an average of 2,786 tons during the same period of years.

This is very important: The average yearly importations of sugar from the Philippine Islands into this country during those years from 1935 up to and including 1941, when Philippine importations practically ceased, were 918,888 short tons, as against the quota authorized by the proposed law, which means when we convert 850,000 long tons into short tons, an amount equal to 952,000 short tons, or 13.7 percent of the United States consumption of sugar.

The consumption of sugar is growing very rapidly in this country. I was willing to go along with this bill and change the short tons into long tons, because of the fact that the difference is almost imperceptible, being an increase of only one-half of 1 percent over the average importations in this country from the Philippines from 1935 to 1941.

Mr. MURDOCK. Mr. President, I wonder if the Senator from Massachusetts would yield so the Senator from New Jersey could repeat the last figures as to the Philippine Islands?

Mr. WALSH. I think the Senator should point out that the large year of importations of sugar was an abnormal year, and that in only one year has there been an approach to the imports of sugar reaching the possible quota fixed in the present law.

Mr. HAWKES. That is not quite correct. The average for the years 1935 to 1939, according to the figures I have here, computed in short tons, was 956,781 tons. The average over that period of years was slightly in excess of the amount we are now authorizing. In 1940 we came very close to reaching the figure which we are authorizing in the pending bill, because the importations from the Philippines amounted to 945,582 tons as against the the authorization in the bill of 952,000 short tons.

I might say that there is no Member of the Senate more interested in protecting our own sugar industry than am I, but I again reiterate that from everything I have heard, and from my knowledge of our relationship with the Philippine Islands over the years, and the fact that we are giving them their independence at a time when they are practically leveled to the ground and have to rebuild, and the further fact that they cannot expect to rebuild and obtain capital for investment unless they have some assurance of outlet for their products over more than the period of 3 years or 5 years which might be covered by the Sugar Act itself—if it were not for all those facts and, taking the picture as a whole, I might have questioned some of the things which are asserted, but I have gone over the situation very carefully, and, with due respect to our great country, which we want to protect, I believe the pending bill is in the interest of a better relationship. I believe it is justified by the past, and I am in favor of it.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Massachusetts yield?

Mr. WALSH. I yield.

Mr. JOHNSON of Colorado. I desire to thank and compliment the Senator for his very frank answers to the questions which have been propounded. I am especially grateful to the Senator for making it clear that the most-favored-nation clause, which is the policy of this country, does not operate in this particular case, and for his other reply that after July 4, next, the Philippine Islands will be a foreign nation, that importations of sugar from the Philippines must be considered in connection with importations from other foreign nations, and not be considered in prejudice against domestic production. I am very grateful to the Senator.

Mr. WALSH. I am glad to learn that the Senator agrees to what I stated. The testimony before our committee was to the effect that if we retained the language of the bill as it passed the House, the term "short tons," the country which would benefit would be Cuba, and not the domestic producers. That testimony was

overwhelming. I am glad to have the Senator state that the change would not interfere particularly with the domestic producers.

Mr. JOHNSON of Colorado. I think we owe much more to the Philippines than to Cuba, if it is a question of owing any country anything.

Mr. WALSH. I agree with the Senator's statement.

Mr. WHERRY. Mr. President, will the Senator from Massachusetts yield?

Mr. WALSH. I yield.

Mr. WHERRY. I wish to ask a question, not concerning the pending bill, but as to when are we to take up the question of quotas. Are they provided for under a separate measure?

Mr. WALSH. Yes; the quotas on sugar are under a separate sugar act which will expire next year. It was to run for a term of 3 years.

Mr. WHERRY. Let me suggest to the Senator that a bill relating to that question is on the calendar, but we have not yet given it our attention. Is not that correct?

Mr. WALSH. No.

Mr. WHERRY. What opportunity will we have to discuss the sugar quotas under any agreements which may be made?

The point of my inquiry is this: Will the domestic producers of sugar beets have an opportunity to be heard before agreements are entered into, so that they will have opportunity to submit evidence and to know something about the quotas of the domestic producers compared with other quotas?

Mr. WALSH. I yield to the Senator from Colorado, who is an expert on sugar law.

Mr. JOHNSON of Colorado. I am not an expert, but I know that the bill to which the Senator from Nebraska refers will be coming along perhaps in a very few months. I am certain that hearings will be had before the Committee on Finance, that everyone will have an opportunity to state his position, and that the whole matter will be considered by that committee, and afterward by the Senate.

Mr. WHERRY. If the Senator from Massachusetts will yield, I thank the Senator from Colorado for his observation. Then the Committee on Finance will be the place where the distinguished Senator from North Dakota can go relative to quotas. As I understand, that has not anything to do with the legislation now proposed. We are setting up machinery, in an authorization act, and when the question of quotas arises, we can argue it.

Mr. JOHNSON of Colorado. The pending bill has nothing to do with quotas except, as the Senator from Massachusetts has made clear, that whatever generosity we have shown to the Philippine Islands must be assessed to other foreign nations and not to our domestic producers.

Mr. WHERRY. I understand.

Mr. TAFT. Mr. President, will the Senator from Massachusetts yield?

Mr. WALSH. I yield.

Mr. TAFT. I should like to make a comment on the pending bill. I am afraid I shall not be able to remain to vote on it.

The Senator from Massachusetts has set forth the reasons why we should be generous to the Philippines. I wish to call attention to the fact that we took over the Philippines in 1900. Since that time we have built up the economy of the islands. It has been built up behind the tariff wall of the United States just as much as the beet-sugar industry in this country has been built up behind our tariff wall.

It happens that so far as sugar is concerned tariffs are not quite so important now as are quotas. I think we should be more generous than the pending bill is so far as the Philippines are concerned, not in amount, but what I object to in the bill is that we take the tariff and gradually increase the tariff for 20 years, 5 percent a year, until we reach a full tariff against the Philippine Islands.

I can see no reason why that is not going to stifle the sugar industry in that period just as much as if we did it today. We are responsible for having built up the economy of the Philippines based on particular tariffs applicable to Philippine industries. We have very much the same situation in Puerto Rico. I think we should recognize permanently a special relationship with the Philippines, and not pretend that 20 years from now it is going to be any different from what it is today, after they become free in July. They will be an independent nation, but they will always have a special relationship to the United States, and I think we should so recognize, and should determine what the relationship shall be, both from a political and from an economic standpoint.

I intend to support the bill, because haste in getting it through is of such importance that I would rather take it in its present shape than argue the general question as to whether the tariff exemptions should not be permanent. I think they should be permanent.

The distinguished Senator from Nebraska [Mr. WHERRY] referred to the British. The British have special relationships with countries all over the world. Canada is an independent nation for all purposes, but it has a special economic relationship with Great Britain. That is brought about by empire preferences. So far as we know, the system of empire preferences will continue. The truth is that the State Department is using this gradual elimination of tariffs as an argument to use with the British in an attempt to get them to abandon gradually empire preferences. But there is absolutely no assurance they are going to get such an agreement from the British. Personally, I do not think they are, and, personally, I do not think they should. I do not see why nations should not have a special relation as to customs matters.

We are going to have military bases in the Philippines; we are going to have Americans established in Manila for many years to come. I do not see why we should not recognize in the economic field a permanent relationship, just as much as we recognize it in the political field. Under the treaties regarding military bases and the protection of the Philippines, the Philippines are going to be our bases in order to keep Japan from developing as an aggressive nation, and the Philippines should always be an American outpost in the Pacific. The fact that they have a completely independent, autonomous government is, I think, a good thing. We should rather not interfere in their internal affairs. But certainly we shall always be a big brother, if you please, to the Philippine Islands. I do not think merely because the State Department has a theory of universal free trade, which is a dream which never will be brought about, that, therefore, we should entirely eliminate any tariff preference to the Philippines at the end of 20 years. I hope very much Congress may consider the question at a subsequent appropriate time. This change does not occur for 8 years, and perhaps that is long enough so it will not discourage the investment of capital for the present because most people expect to get their money back in 20 years—certainly from investments in foreign countries. But I think that question should be reconsidered as we work out the military treaties we shall have to make with the Philippines. Therefore, I feel strongly that we should vote for the bill as it is, and we should vote for the 850,000 long tons. I do not think that will affect domestic producers.

So far as the most-favored-nation clause is concerned, that has always yielded; it yields in the case of Britain to the empire preference. There is no reason at all why in our case it should not yield to the Philippines as it has always yielded to Cuba. This is just as much in violation of the most-favored-nation clause as a permanent 20-year treaty. What I would do is to fix the exemption from tariffs for 20 years and redetermine the question at the end of 20 years. That is the policy I would recommend, but I still support the bill and hope it will be passed, with the slightly more generous treatment which the Senate committee accorded the Philippines than that accorded by the House of Representatives.

Mr. WALSH. Mr. President, I desire to say in reply that many members of the committee share the views of the Senator from Ohio, especially in reference to a more generous treatment of the Philippines. But we are confronted with a situation which demands action at once. The Philippine election of president and a new government will take place on April 26. What the United States is going to do, what is contained in this bill, is a matter of discussion and dispute there. Then, of course, after July 4 it will be important to know what our obligations are, and what their obligations are. So we have found it very necessary to obtain action at once, to confine this bill to the essential features it contains, and to limit any amendment simply to the one which is designed to assure the Filipino people on the eve of their independence that we will not change our relationship with them in the matter of imports of sugar after they shall have become independent. In other words this amendment provides for a continuation of the amount of

Philippine sugar we have allowed in the past to be imported into this country.

Mr. MURDOCK. Mr. President——

The PRESIDING OFFICER (Mr. TAYLOR in the chair). Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. WALSH. I yield.

Mr. MURDOCK. I should like to propound a question jointly to the Senator from Massachusetts and to the Senator from Colorado [Mr. JOHNSON]. The sugar allotment contained in this bill to the Philippine Islands is to be preserved in the consideration of the Sugar Act which expires on December 31, 1946? That is the purpose of it, is it not?

Mr. JOHNSON of Colorado. Yes; it is an absolute quota.

Mr. MURDOCK. I may say, in answer to the Senator from Nebraska [Mr. WHERRY], if I understood his question correctly, that when the sugar bill is considered by the Senate it is my understanding that, so far as the Philippine Islands are concerned, their sugar quota is fixed by this act, and cannot be decreased at a later time in the consideration of the sugar act. Am I correct in that?

Mr. JOHNSON of Colorado. Yes, that is correct.

Mr. MURDOCK. That is the very purpose of it, is it not?

Mr. JOHNSON of Colorado. The Philippine quota is an absolute quota, and whatever adjustments may be made, will have to be made as against other foreign exporters and not as against the domestic producers.

Mr. MURDOCK. So we are confronted, are we not, with the proposition that when we come to the consideration of the sugar bill, whatever the increase to the Philippine Islands is under this bill, if there is an increase, must either come out of some other foreign country's quota or result in a decrease of production in the United States. Am I correct in that?

Mr. JOHNSON of Colorado. It must come out of some other foreign country's production.

Mr. MURDOCK. I know that that will be the Senator's attitude, and that will be mine. I hope that other Senators in voting for the Philippine bill today will join me and the senior Senator from Colorado and Senators from other sugar producing States when we consider the sugar bill in seeing to it that any advantage extended to the Philippine Islands, insofar as sugar is concerned, will not be deducted from domestic sugar production, but from the production of other foreign countries.

Mr. WALSH. The quota of long tons has been the same for 10 years without change.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. WHERRY. I want to thank the distinguished Senator from Utah for his observations, and also thank the Senator from Colorado for the observations he made. The reason I raised the question is that the total sugar quotas in production will be discussed at a later date. We are now giving the Philippines a definite flat quota.

Mr. MURDOCK. Yes; which cannot be reduced.

Mr. WHERRY. It will not be raised or lowered. I agree with the distinguished Senator from Colorado. Those of us from sugar-beet areas are not going to permit the increase to come out of the domestic quota, however friendly we may be with the Philippines. We want it to come out of the quota of other countries. This bill is the authorization, but when the sugar act comes up for consideration we certainly ought to remember our own domestic production. We are treating the Philippines in that same spirit. But the increase certainly has to come out of some other country under the production quota. I am glad this matter has been brought out on the floor of the Senate. Am I correct in my understanding that we are giving this a permanent quota to the Philippines? Is that the interpretation the Senator from Colorado and the Senator from Utah would place on it, as well as the Senator from Massachusetts?

Mr. WALSH. There is no doubt about that.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. ELLENDER. I express the hope that Senators will bear in mind that the time for fixing quotas for domestic producers will soon be at hand. We should first take care of our own producers. Of course, I am rather disappointed. Although, as I said, I shall vote for this measure, I am disappointed that the committee saw fit to change the language of the House bill.

Mr. President, I have before me a table showing the total exports of Philippine production for a period of 6 years, and the quota allowed for the Philippines today is much greater than the average of their total exports from 1935 to 1940.

Mr. WALSH. The Senator is referring to sugar exports?

Mr. ELLENDER. Yes. My fear is that that will be an incentive on the part of the Philippines to continue to expand their present sugar production. I have no doubt that within the next few years—before the 28 years expire—the same interests which have come before the committee advocating that we give as many as 850,000 tons, which was the quota allotted to the Philippines since we have had a quota system, will be back again for an extension of it, and that will run counter, in my opinion, to the statement made by the Hon. Francis B. Sayre, who as we all know, was Assistant Secretary of State, and I think was High Commissioner to the Philippine Islands.

Mr. WALSH. That is true.

Mr. ELLENDER. After a study of the economic situation of the islands he came to this conclusion which appeared in the Atlantic Monthly of March 20, 1945:

When liberation comes to the Philippines, presumably sugar cultivation in the Philippines will be on a home-consumption basis. If the new Philippine government after the war is wise enough and strong enough to prevent a return of prewar sugar production figures, one of the great milestones on the way to economical independence will be passed.

But I think this will never come to pass, because we are now giving to them the same quota they have enjoyed in the past, and there is no doubt that they will hold on to what they have. As I have just indicated, I believe the same interests that have been instrumental in maintaining that quota will come back before 20 years expire and ask that it be continued.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. MILLIKIN. I suggest to the distinguished Senator from Louisiana that he read the next three or four paragraphs of the same article. They are very interesting.

Mr. ELLENDER. All I have is a quotation from the CONGRESSIONAL RECORD. If the Senator has the entire statement available. I will appreciate it if he will read it.

Mr. WALSH. The statement is to the effect that we should encourage diversity of production and industry, is it not?

Mr. MILLIKIN. The point is that if we continue to grant this favored treatment to the Philippines, they will never develop a balanced economy of their own, and that if we really meant it when we said we wanted them to have independence, we should encourage them to have economic independence as well as political independence.

Mr. ELLENDER. With the permission of the Senator, I ask unanimous consent to have printed in the RECORD at this point the remainder of the statement to which reference has been made.

Mr. WALSH. I have no objection.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

When liberation comes, presumably sugar cultivation in the Philippines will be on a home-consumption basis. If the new Philippine Government after the war is wise enough and strong enough to prevent a return to prewar sugar production figures, one of the great milestones on the way to economic independence will be passed.

The building of the new Philippine economy will call for a high order of planning and statesmanship. Largely because of American activity for the past 40 years, the Filipino's standard of living and also his living costs have risen considerably above those of his competing far eastern neighbors.

Of course, the bulk of production will continue to be for home consumption, and here other considerations will apply. But the Filipinos will need imports from abroad, and to buy these they must produce a considerable quantity of goods for export.

If and when independence shuts the Filipinos out of the protected American markets, they will be forced to sell in world markets in competition with other areas with lower standards of living and production costs. They will have to turn away from the production of surpluses like sugar, which are salable only in the protected American market, and learn to produce goods which they can sell at a profit in world markets. To achieve this, Filipinos must improve and lower the cost of their products through increased skill and scientific knowledge, through labor-saving devices, through utilization of byproducts, through inventive ingenuity along a thousand different lines.

The solution of their economic problem will be a thorny and difficult task. It is not insoluble. American ingenuity and technical skill will be at the call of the Filipinos to help in the solution.

Last June Congress passed a joint resolution (S. J. Res. 94) creating a Filipino Rehabilitation Commission, composed of an equal number of Americans and Filipinos, to investigate all matters affecting postwar economy, trade, finance, economic stability, and rehabilitation of the Philippine Islands, and to formulate recommendations based upon such investigations and for future trade relations between the United States and the independent Philippine Republic when established.

Because the present economic dependence of the Filipinos upon the United States is largely of our own making, and because it is to our own interest to build for future stability in the Pacific, the Filipino people must be given their independence under such conditions as will assure them sound economic foundations for their future. The American people will not be content with anything less.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. HAWKES. I invite attention to the fact that the Senator from Ohio [Mr. TAFT] referred to the program as a 20-year program. It is really a 28-year program.

Mr. WALSH. Eight years of free trade and 20 years of a sliding-scale change in tariff rates.

Mr. HAWKES. I should like to say for the benefit of Senators who come from sugar-producting States that this proposal is a meeting of the minds, a compromise agreement, something that we could get together on quickly.

I am one who does not favor looking into the future too far. I cannot go along with the philosophy of the Senator from Ohio that this arrangement should be made permanent, on the free-trade basis or any other special basis, beyond 28 years. Every bit of evidence which came before the committee showed conclusively that 28 years was long enough to give the Philippines an opportunity to establish themselves and diversify their production, and do some of the things which they must do to become a self-sustaining nation.

I leave this admonition with the Senate: We can always be generous; and if at the end of 20 years or 28 years we wish to make a change and do more, we can do it. But after we have done a thing we can seldom back up with good grace.

I am very sympathetic with Senators who come from beet-sugar producing States. I know a great many of the beet-sugar manufacturers. They are looking to us to protect their interests. Personally, I believe that this is a fair bill, under the conditions as they exist today.

I thank the Senator from Massachusetts.

Mr. WALSH. Mr. President, it seems to me that we are almost ready for a vote on the question of long tons or short tons.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. AUSTIN. There is one brief part of the agreement entered into between Great Britain and the United States which I should like to read. It will take only a moment. The treaty with Great Britain illustrates that this agreement is excluded from the most-favored-nations clause by a special arrangement. Whether it applies to all other nations depends upon whether agreements with other nations do the same thing; but this treaty, by law, clears the most-favored-nations obligation from the matter under consideration. I read the provision to which I refer:

Article XXI: Except as otherwise required by article III of this agreement, or by any of the schedules annexed hereto, (a) nothing in the agreement shall entitle His Majesty the King to claim the benefit of any treatment, preference, or privilege which may at any time be accorded exclusively by the United States of America, its Territories or possessions, or the Panama Canal Zone, to one another, or to the Republic of Cuba. The provisions of this subparagraph shall continue to apply in respect to any benefits now or hereafter accorded by the United States, its Territories or possessions, or the Panama Canal Zone, to the Philippine Islands, irrespective of any change in the political status of the Philippine Islands.

Mr. WALSH. I thank the Senator.

Mr. WHERRY. Mr. President, I thank the Senator for permitting me to make a statement.

Mr. WALSH. Mr. President, we seem to be ready for a vote. The question of short tons or long tons involves this consideration: "Long tons" means continuing the quota which has existed for the past 10 years between the United States and the Philippines.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. DONNELL. On behalf of my colleague the junior Senator from Missouri [Mr. BRIGGS] and myself, I should like to read to the Senate a statement which was made on April 3, 1946, before the Finance Committee of the Senate. This statement was so made by Hon. Harry B. Hawes, a former Member of the United States Senate from Missouri, in the capacity of legal adviser of the Philippine Commonwealth and counsel for the Philippine Sugar Assocation, and it is pursuant to his desire that the statement will now be read to the Senate. I am not expressing, on behalf of my colleague or for myself, any view with respect to this statement. Personally, I have not considered the question to which the statement refers, except as I have heard that question mentioned today. The statement which I thus read on behalf of my colleague and myself is as follows:

A defined, definite American trade policy with the Philippines is vitally essential for its recovery and rehabilitation. Its entire economic life may be destroyed by error at this time.

The House Ways and Means Committee, in its worthy and commendable effort of securing unanimous agreement, substituted the word "short" for "long" in sugar tonnage.

In the year 1933, a conference of all sugar producers under the American flag allotted to the Philippines 1,110,000 tons annually, an excess of 250,000 tons over the 850,000.

The first Independence Act, after exhaustive hearings, contained 850,000 long tons. The bill was vetoed by President Hoover and was then passed by a two-third majority of both the House and the Senate, carrying 850,000 long tons.

The second Independence Act passed in March 1934, carried 850,000 long tons.

In 1938, a Joint Preparatory Commission was appointed by the President to consider and report to the Congress on the matter of future trade relations after independence. This commission held extended hearings in Washington, San Francisco, and Manila, and unanimously reported in favor of 850,000 long tons to be extended in trade relations until the year 1960.

Philippine trade relations had thorough, extended hearings before the Insular Affairs Committee of the House and Territories and Insular Affairs Committee of the Senate and before the Filipino Rehabilitation Commission, and no evidence was introduced asking for a change from long tons to short tons.

Unfortunately, none of this evidence was submitted to the Ways and Means Committee of the House in considering H. R. 5856.

Reviewing the printed copy of the hearings embodying 333 pages, I find that only one witness, Earl B. Wilson, either suggested or recommended a change in this figure which had met the approval of Congress and trade authorities for years.

The change is opposed by every living ex-Governor-General of the Philippines since the passage of the Independence Act, Governor Murphy, now Justice, Governors McNutt and Sayre.

The Philippine Sugar Association, in existence for many years, was not heard as no change from long to short tons was anticipated.

The Philippine Commissioner, Gen. CARLOS P. ROMULO, was attending the UNRRA Conference at Atlantic City. Upon being advised of this contemplated change, he wired the committee, but the message was apparently received too late for consideration. Attached herewith is a copy of this able, comprehensive telegram and I hope it will be made part of the records of this committee.

It is quite apparent that the benefits of this change will go almost exclusively to Cuba.

During the war not a sword was drawn nor a gun fired in Cuba.

In the Philippines during this period, there was murder, torture, rape, complete destruction of its beautiful capital, Manila, and other cities, farms, factories, roads, and bridges.

No territory under the American flag and American sovereignty suffered such loss or damage.

The estimated population of the Philippines today is 18,000,000. Manila has a population of over 1,000,000. Cuba's population is 4,500,000.

The Philippines were, prior to the war, our sixth best customer in the world. Cuba ranked ninth.

Of Philippine exports, 35 percent is sugar. This industry has been developed, enlarged, and nurtured during our 48 years of occupancy.

There had been no intimation, no suggestion, no expressed thought, of depriving the Philippines of part of the quota of their principal export.

We are approaching the final chapter of an experiment chronicled throughout the world. There is not a spot in China, India, Africa, or any European nation that is not familiar with our efforts to introduce democracy, self-government, and prosperity to the Philippine people.

Now, at the very conclusion of this period of preparation for liberty, after the generous assurances of our Governor Generals, after the great idealism of the school teachers that we sent there to teach American traditions, are we to say to these Filipinos: Good-by, God bless you. We are sorry but we are compelled to take from you 102,000 short

tons annually of your largest industry and present it to Cuba.

The knowledge of this act will go to every man, woman, and child in the Philippine Islands. It will reach all classes of its people.

It will change their mind about the generosity of well-wishing America. It will be discussed everywhere, and everywhere it will be condemned.

What a painful thought that in the last hour, the last minute, we despoiled the Filipinos to give to Cuba.

When Cuba was suffering under the brutalities of General Weyler, we went to war for the sole purpose of stopping this brutality, of protecting the Cuban, of saving life and property, and at the conclusion of the war, Cuba was given its complete independence.

That it exercises individual sovereignty today, that it escaped the ravages of war, that it smiles, has its fiestas, and its business growth, was due to the United States.

Must we take this lifeblood of trade from the Filipinos at this eleventh hour and give it to Cuba who does not need it?

We all desire Cuba to be rich, to prosper, to expand, to be happy and do not want to take anything from her, but we should not reach clear across the world and take from the bleeding Philippines $168,000,000 to hang on a Cuban Christmas tree.

What will the rest of the world think when we say good-by and instead of a pat on the back, a handshake and a bright smile, we administer a kick.

The people of the United States will not approve, the Filipinos will be shocked, and the rest of the world will wonder at our strange psychology.

Every newspaper review has condemned the proposed change. Not in a single publication has there been approval.

The world will not understand because this proposed act of despoilation is beyond comprehension.

Respectfully submitted.

HARRY B. HAWES.

Mr. LA FOLLETTE. Mr. President, I realize that the Senate is ready to vote on this measure, but I wish to trespass on the patience of the Senate for a minute or two in order to make a very brief statement concerning my own attitude toward this proposed legislation.

During all my service in the Senate, Mr. President, I have on every occasion registered my sympathy and approval of the desire of the Filipino people for independence. In taking that position I was following the example set me by my father during his long service in this body.

It is a matter of great regret to me that the pending bill came into the possession of the Finance Committee so shortly before the time when the Filipinos will become an independent nation, as they have expressed their desire to do and will do. Because of that circumstance, the committee was virtually precluded from any de novo consideration of many of the vital and important issues which are in this measure. It contains many provisions which I would have opposed to the best of my ability if I had had a full and free opportunity to do so.

I think we owe a great debt of gratitude to the Filipino people. Every American must admire the courage and the fortitude with which they resisted an overwhelming army of occupation. Their deeds of collective and individual heroism will go down in the annals of history as an outstanding example of inspiring and courageous conduct.

I believe that the United States has a great future relationship with all the Far East, and as a result of the manner in which we have treated the Filipinos as our wards, and as I hope we shall treat them as a friendly, independent nation, I think we have a great opportunity to exert our leadership for the betterment of mankind living in that portion of the globe. Therefore, as I said, I regret some of the terms in this bill. I think some of them are unduly harsh. I think some of them go beyond the point to which we should go in forcing the Philippine Government to conform to certain provisions of this bill.

But be that as it may, time has become of the essence in this matter. The complete destruction and the resultant exhaustion of the Filipino economy is so great that delay in enacting this legislation may occasion a complete collapse. In the committee and on the floor of the Senate I have supported this bill, and I intend to vote for it. I hope that in doing so we shall in some measure express our appreciation of the heroic attitude which the Filipino people took during the terrible days of the war.

I am persuaded to take this position and to withhold any effort to make any changes of a substantial character in the bill by the fact that all the official representatives of the Filipino people, and representations made by the Filipinos themselves, speaking through either their Resident Commissioner or their present government, have urged action upon this measure, even though they did have objections to some of its provisions.

Under all the circumstances, Mr. President, I have come to the conclusion that the best service which those who wish to be friendly to the Filipino people can render is to speedily enact this measure.

The PRESIDING OFFICER. The clerk will state the committee amendments.

The first amendment of the Committee on Finance was, on page 11, under the heading "Part 2—Quotas," at the beginning of line 17, to strike out "short" and insert "long"; and in the same line after "50,000", to strike out "short" and insert "long"; in line 20, after "425,000", to strike out "short" and insert "long"; and in line 21, after "25,000", to strike out "short" and insert "long."

The amendment was agreed to.

The next amendment was, under the heading "Sec. 402. Obligations of Philippines", on page 32, line 1, after the word "years", to strike out the word "of."

The amendment was agreed to.

The next amendment was, under the heading "Sec. 504. Quotas on Philippine Articles", on page 42, line 1, after the words "than the", to strike out "smallest."

The amendment was agreed to.

The next amendment was, on page 48 in line 3, after the word "Application", to insert "Of Internal Revenue Laws."

The amendment was agreed to.

The PRESIDING OFFICER. That concludes the committee amendments.

The bill is before the Senate and open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time. The bill (H. R. 5856) was read the third time and passed.

THE CALENDAR

Mr. WALSH. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of unobjected-to bills on the calendar, beginning with Calendar No. 1020, House bill 5504.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts?

Mr. WHERRY. I do not object, but one of the Members on this side of the Chamber desires to make a speech.

Mr. WALSH. I have no objection to the Senator addressing the Senate, even if the Senate agrees to proceed to considering unobjected-to bills on the calendar.

The PRESIDING OFFICER. The question is on agreeing to the request of the Senator from Massachusetts.

Mr. WALSH. Mr. President, I ask that the Senator from North Dakota [Mr. LANGER] be permitted to address the Senate regardless of the call of the calendar.

The PRESIDING OFFICER. Without objection, the Senate will proceed to consider the unobjected to bills on the calendar, and the Senator from North Dakota is recognized.

INVESTIGATION OF ALLEGED VIOLATIONS OF VETERANS' PREFERENCES IN DISPOSAL OF SURPLUS PROPERTY

Mr. LANGER. Mr. President, I send to the desk a resolution and ask that it be read.

The PRESIDING OFFICER. The resolution will be read.

The Chief Clerk read the resolution, as follows:

Resolved, That a special committee composed of five Senators (not more than three of whom shall be members of the same political party) to be appointed by the President pro tempore of the Senate is authorized and directed to make a full and complete investigation with respect to alleged violations of veterans' preference provisions of the Surplus Property Act by Government officers charged with the disposal of surplus property with a view to ascertaining (1) whether such violations have occurred, (2) the identity of the officers alleged to have committed such violations, and (3) whether officials charged with the disposal of such property have adopted unfair policies with regard to purchases by veterans. The committee shall report to the Senate at the earliest practicable date the results of its investigation together with such recommendations as it may deem desirable.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-ninth Congress, to employ such experts and such clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses, and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The

cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. LANGER. Mr. President, approximately a year and a half ago upon this floor it was unanimously agreed that one of the most important matters with which the Senate had to deal was $104,000,000,000 worth of war surplus materials. If ever the majority party in the United States Government had a solemn duty, of which they were fully aware, it was the Democratic Party of the United States of America. Time, time, and time again on this floor the matter of $104,000,000,000 worth of war surplus materials was brought forward for discussion, and time, time, and time again, Mr. President, the graft, crookedness, and stealing in connection with war surplus property following World War I was discussed. If ever in the history of this body there devolved a duty upon the leaders of the Democratic Party, it was then when disposition was to be made of $104,000,000,000 worth of war surplus materials.

Mr. President, I am not absolving the Republican Party entirely, but, nevertheless, the fact remains that in this body there is a majority of approximately 20 Democrats. They determine the policies of the Senate. In the last analysis they decide, as every Member of the Senate knows, what is to be done. Yet, Mr. President; in spite of the record which was made following World War I, what do we find? First of all, a bill was introduced creating a war surplus board consisting of three members. The bill was passed. Day after day went by, week after week went by, and, finally, month after month went by without the members of that board being appointed by the then President of the United States. Nothing was done by the majority party to protect the taxpayers of the United States of America. Finally, a board was created which consisted of Mr. Heller, of California, and others. It was said that there was a desire to appoint Mr. Heller to the board because he was a very wealthy man, a great businessman, who had had vast experience. Then Mr. Hurley was appointed to the Board. Although objection was voiced on this floor against Mr. Hurley, I voted for him. Finally, the former Senator from Iowa, Mr. Gillette, was appointed to the Board.

When the bill, a copy of which I have in my hand, was passed—and it was passed away back, as I recall, in October 1944—word went out that the farmers of this country and the veterans of this country and the taxpayers were going to be protected, that there was going to be no graft, no dishonesty, and that the property would not be squandered.

What happened, Mr. President? The board took office. Time and time and time again some of us Senators went to the board. First of all, we were told that the Board did not have as much authority as it should have, that not enough money was being given to it by those in authority, that it could not set up the proper personnel. So all over the country the farmers and the veterans did not get any of the surplus war material.

Two or three months went by, and then we suddenly found that the Board was to be abolished. It had done such a miserable job—and that job, in the final analysis, the Democratic Party must be responsible for—that the Board was abolished, and a new Board was provided for. That Board held office for a while, and nothing more was accomplished.

Finally a new bill was passed providing for a Surplus Property Administration. We had Mr. Symington, who tried hard to do a good job. He was in office some 3 or 4 months. Then we found the office abolished, and we now have another arrangement made by the Democratic Party known as the War Assets Corporation.

Mr. President, we find that in a period of 15 months there are four different organizations handling $104,000,000,000. If anything goes wrong, one outfit blames the other. In Italy we found the property sold at 2 cents on the dollar. In every foreign country, although the farmers of America were begging for farm machinery—were begging for combines, tractors, trucks, jeeps, and what not—it was being sold, when it was sold, as it was only a few weeks ago, believe it or not, under these circumstances, our Government loaned a few million dollars to each of those individual countries which bought the very machinery, the very articles, which we need in the United States of America.

The Democratic Party was so inefficient, was so irresponsible in its leadership in handling $104,000,000,000, that in 15 months it could not find one man or one board to handle it. That is the record of the Democratic Party, and it is a record on which sooner or later it will have to meet face to face the farmers and the veterans and the taxpayers of the United States of America.

Mr. President, that is not all. The men in charge showed their absolute contempt for the very law Congress passed. I refer now to section 17, providing for disposition of surplus material in rural areas. It provided:

The Board—

The Board later was changed to Mr. Symington, and today is the War Assets Corporation—

The Board shall devise ways and means and prescribe regulations in cooperation with the War Food Administrator providing for the sale of surplus property in such quantities in rural localities—

I repeat that, because that is the amendment I myself drew up, and it was adopted at the time the bill was passed—

in rural localities and in such manner as will assure farmers and farmers' cooperative associations equal opportunity with others to purchase surplus property.

Mr. President, I challenge any Democratic Senator on this floor to name just one place where this law was carried out. Democratic Senators cannot name a single rural area—and there were hundreds of thousands of men idle—where this great army took some of these trucks and jeeps and tractors. They did not take them in Nebraska, they did not take them in Montana, they did not take them in Idaho.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WHERRY. I agree with the distinguished Senator from North Dakota that they did not take them out there. In fact, when a farmer or a veteran went to one of the central points and tried to buy them he could not buy anything. The quotas were too high, or something else prevented the very farmers who were supposed to get the trucks from getting the benefit of the amendment the Senator had written into the act. I remember well when he discussed it on the floor of the Senate.

Mr. LANGER. The condition became so rotten that we finally got together 75 dealers in North Dakota who sent their representatives to Washington. The dealers said they would handle the machinery almost at cost, just so that the farmers could get the material. In Georgia and in Texas the Army had declared surplus vast quantities of trucks, for illustration. Yet when people went from North Dakota, those in charge refused to sell a single truck, although they were needed in North Dakota in order to enable the farmers to haul wheat. They did not have tires, they did not have trucks. In the county of Hettinger, N. Dak., of which Mott is the county seat, in 1943 the county agent testified that the farmers there had lost a million dollars worth of wheat and flax and other crops because they did not have trucks, and did not have other machinery with which to handle the crops.

Mr. WHERRY. Will the Senator yield further?

Mr. LANGER. I yield.

Mr. WHERRY. Not only did they fail to sell to the farmers and the small dealers, but I should like to ask the distinguished Senator whether there are any dealers in North Dakota who have any of these trucks or jeeps, or anything of the kind, for sale to the farmers? Can the Senator find one small dealer who has them?

Mr. LANGER. No.

Mr. WHERRY. They did not get a chance to buy them.

Mr. LANGER. No; they did not.

Mr. WHERRY. So the Government did not distribute them out through the proper channels, as written in the law.

Mr. LANGER. No, it did not distribute them, and it made no attempt to distribute them.

I desire to show where they went, and what I say should make members of the majority party hang their heads in shame.

I have in my hand a copy of the New York World-Telegram for Tuesday, April 4. I find here the statement that Mr. Gregory, who is at the head of the War Assets Corporation, testified. I quote from the article:

General Gregory testified before the House Committee on Expenditures in the Executive Departments. He had been asked to do so by Representative DONALD L. O'TOOLE, who said that a New York department store—

A New York department store, Mr. President—

had obtained 600 Army trucks which were advertised to sell at $2,990 apiece.

Listen to this:

The War Assets Administrator told the committee that the Government had sold the trucks for $1,900 apiece.

In othe words, Mr. President, the War Assets Corporation only a few weeks ago sold 600 brand-new trucks to a department store in New York City for $1,900 apiece. I have the advertisement here, and I shall read it into the RECORD in just a moment. They did that at a time when right in New York City there were 13,900 veterans who had priority certificates.

Mr. WHERRY. Mr. President, not only did they have the priorities, but they could not buy the trucks. Is not that correct?

Mr. LANGER. They could not buy them.

Mr. WHERRY. I mean that the War Assets Corporation refused to sell them to them.

Mr. LANGER. That may be correct. I shall read the rest of the article.

Representative O'TOOLE declared that the question of the disposal of motor vehicles in particular was a justifiably bitter one to veterans.

"Many veterans," he said, "who have preference certificates have been unable to obtain trucks with which they might establish themselves in business, yet a great corporation is able to walk into War Assets Corporation and buy these vehicles."

Mr. President, I ask unanimous consent that the article from which I have been reading, which appeared in the New York World-Telegram, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONGRESS PLANS SURPLUS PROPERTY ACT OVERHAUL—EX-SERVICEMEN WILL GET PRIORITY ON PAR WITH FEDERAL AGENCIES

(By Roger Stuart)

WASHINGTON, April 4.—Stirred by two recent instances of discrimination against veterans in the purchase of surplus property, Congress today prepared to overhaul the Surplus Property Act to accord ex-servicemen priority on a par with Federal agencies.

The two factors which, after months of talk but no action, have spurred Congress to action in the veterans' behalf were understood to be:

1. The run-around accorded hundreds of veterans at a "colossal" sale of photographic equipment in Baltimore.

2. An admission by Lt. Gen. Edmund B. Gregory, head of the War Assets Corporation, that Army trucks were sold to dealers in Cincinnati while veterans clamored in vain to buy them.

TRUCK SALE CITED

General Gregory testified before the House Committee on Expenditures in the Executive Departments. He had been asked to do so by Representative DONALD L. O'TOOLE, Democrat, New York, who said that a New York department store had obtained 600 Army trucks which were advertised to sell at $2,990.

The War Assets Administrator told the committee that the Government had sold the trucks for $1,900 apiece.

A bill, similar to the one now being prepared by the House committee, also has been introduced in the Senate. However, the Senate bill, sponsored by Senator O'MAHONEY (Democrat, of Wyoming) would give the veterans only a No. 2 priority—ahead of States and municipalities but behind Federal agencies.

Representative O'TOOLE declared that the question of disposal of motor vehicles in particular was a justifiably bitter one to veterans.

VETS UNABLE TO BUY

"Many veterans," he said, "who have preference certificates have been unable to obtain trucks with which they might establish themselves in business, yet a great corporation is able to walk into War Assets Corporation and buy these vehicles."

Asserting that "something smells somewhere," the New Yorker asked, and obtained, the promise of General Gregory that a full report on the Cincinnati truck sale would be made.

Meanwhile, officials of the disposal agency blamed several regional offices for failing to notify veterans not to come to the Baltimore sale after priority groups had bought the pick of the goods, valued at more than $1,000,000.

Mr. MAYBANK rose.

Mr. LANGER. Mr. President, I believe I can save the Senator from South Carolina some time. I shall read to the Senate what the Senator from South Carolina as well as the Senator from Wyoming [Mr. O'MAHONEY] had to say on this subject. I will say for the RECORD that they lately have made a grand fight for the veterans, and I shall quote some of the things they have said.

Mr. MAYBANK. I want to thank the able Senator for his very kind remarks, but I shall, when it is convenient to the Senator, ask him if he will permit me to insert something in the RECORD.

Mr. LANGER. These 600 new trucks were sold to Gimbel's of New York, a concern which handles women's clothing. Mr. President, will someone tell me what in heaven's name they were doing with trucks?

Mr. WHERRY. Mr. President, they surely did not have to have so many trucks to deliver nylon hosiery, did they?

Mr. LANGER. No. I ask Senators to look at the advertisement which I exhibit:

Gimbel's has 600 brand-new Studebaker 2½-ton heavy-duty trucks made for the United States Army.

I particularly call attention to this part of the advertisement which says:

Brand-new trucks.

Then in big type "$2,900." Trucks they had bought for $1,900. And here in this big advertisement we see "$2,900."

Truck cab and chassis delivered in New York City $966.66 down. Up to 18 months to pay (plus service charge). Prompt delivery—in 1 to 5 weeks.

Get this picture of the trucks, Mr. President. They are the kind of trucks that the farmer of West Virginia or Idaho or Nebraska or Indiana or North Dakota uses upon his farm. I show the picture to Senators. They have seen thousands of such trucks. Below the picture it says:

This is the Studebaker 2½-ton truck as used in actual combat conditions.

The advertisement says:

Read the specification: Six by six—six-wheel drive, or four-wheel drive on open road; three sturdy driving axles—two in rear; 162-inch wheel base; weighs 7,835 pounds stripped.

My distinguished colleague from North Dakota [Mr. YOUNG] uses trucks upon his farm continually. He is one of the few actual dirt farmers upon the Senate floor. He knows what it has meant to the farmers in North Dakota in the last 4 or 5 years, as well as to the farmers in Montana and South Dakota not to be able to buy trucks. Farmers could not get them. Under this administration trucks were loaded on flat cars and were hauled through North Dakota, Mr. President, and delivered in Canada. Time and again I have gotten up on the Senate floor and told the Senate that in 1 week hundreds of trucks were going through Portal, N. Dak., while the farmer whose son was fighting for this country was unable to take his crop off his land.

Here are more specifications:

Ten ton gross vehicle weight; as tractor-trailer, 14 tons g. v. t.; 10 tires—8-ply—7.50 by 20 "ground grip"; never "strips" in mud or off highway; six cylinder gasoline L-head motor; fuel capacity, 40 gallons.

The very thing a farmer needs, Mr. President.

Here are more specifications:

Cruising range 236 miles; comfortable, closed, solid type cab, with adjustable windshields; traction on all 10 wheels when needed.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. LANGER. I yield to the distinguished Senator from Indiana.

Mr. CAPEHART. Where did Gimbel's secure these trucks?

Mr. LANGER. From the War Assets Corporation the advertisement says.

Mr. CAPEHART. How long ago?

Mr. LANGER. A matter of a few weeks.

Mr. CAPEHART. On what basis? Were they not declared surplus?

Mr. LANGER. They were declared surplus and sold by the War Assets Corporation.

Mr. CAPEHART. How did it come that they were not sold to the veterans?

Mr. LANGER. I do not know. I am trying to find out why they were not sold to the veterans.

Mr. CAPEHART. I remember when a subcommittee of the Small Business Committee was in Los Angeles holding hearings that one of the representatives of the War Assets Corporation came before the subcommittee and admitted of record—it is in the hearings—that the War Assets Corporation had requests from veterans for priorities for some 600,000 trucks, and they gave that as the reason why the veterans who were complaining before our committee were unable to secure trucks. They said there were so many requests they could not be filled. I shall procure the name of the young man who complained to us that he could not purchase trucks, and I shall place in the RECORD the statement made by one of the officials of the War Assets

Corporation in which he gave the reason why this ex-soldier possibly was unable to secure a truck, which was the fact that at that time they had some 600,000 requests for priorities from veterans and that therefore it was impossible for them to spread the few trucks they had among some 600,000 veterans. I shall place that in the RECORD at the next session of the Senate.

Mr. LANGER. I was asked a moment ago where this occurred. The advertisement tells where the company got the trucks. This advertisement appeared in the New York Times of March 31. It says:

These trucks were purchased from the War Assets Corporation.

That statement appears in the advertisement—

They were made for the armed forces and stored in the Army Ordnance Depot—

Of all places—

at Terre Haute, Ind.

Mr. CAPEHART. Mr. President, I resent the statement "of all places, Terre Haute, Ind."

Mr. LANGER. The reason I made that statement was because the Senator said the veteran who complained before his committee, in Indiana, as I understood, could not obtain a truck and here we find that these trucks were obtained from Terre Haute, Ind., where they were stored. That is why I said "of all places, Terre Haute, Ind." At the very time the veteran told the Senator's committee he could not get such a truck in Indiana, we find by this advertisement that the trucks referred to in the advertisement were stored in Indiana.

Mr. CAPEHART. Mr. President, the hearings that I spoke of were held in California.

Mr. WHERRY. Mr. President, it might be just a trifle embarrassing to bring in the State of Indiana and "Terre Haute of all places," because in the gallery there sit, as guests of the junior Senator from Indiana I think, 50 high-school students from Huntington, Ind., and we should want them at least to carry away the impression they surely have had hitherto that there is no place like Indiana. [Manifestations of applause in the galleries.]

Mr. LANGER. I will state, Mr. President, that next to North Dakota, Indiana is a good State.

I read further from the advertisement:

They are being assembled under expert care and carefully checked. They are being road-tested before delivery and then driven 796 miles from the Army depot to New York. They are being inspected to be sure that they are in good working order.

Mr. President, I wish to read the rest of the specification. I had just gotten nicely started when a little colloquy was had between me and the Senator from Indiana.

Handy dog hooks on front; pintle hook on rear, holds heavy loads; over all: 20 feet 10⅝ inches long, 7 feet 4 inches wide, cab 7 feet 3 inches high; speedy—will keep up with any truck traffic; all made for military use to incredibly detailed specifications; all O. D. color. United States numbers on sides of hood only.

Extra equipment, no extra charge.

Following extra equipment comes on both trucks but cannot be guaranteed on all: fire extinguisher, extra black-out driving lights.

I want the distinguished Senator from Nebraska to get this, because I know he will want to use it in speeches in the future. This is extra equipment. On every truck there is a fire extinguisher. Then there are extra black-out driving lights.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. LANGER. I will yield as soon as I get through reading the remainder of the specifications.

Extra marker lights; extra black-out tail lights; adjustable windshield; headlight foot switch; assembly operations manual, 96 pages; War Department technical manual, 366 pages, profusely illustrated, describing, listing, and picturing all parts and lubrications.

So the buyer not only gets the truck, but a 96-page book entitled "Assembly Operations Manual," and another book of 366 pages, entitled "War Department Technical Manual," profusely illustrated, describing, listing and picturing all parts and operations.

Then there is a detailed lubrication chart and the following:

Tire change for front and rear wheels; starting crank; tire pressure gage; hydraulic lubricating gun; 3-ton hydraulic jack; oil can; tire pump; tool kit, including machinist's hammer, pliers, small and large screwdrivers, 11 different sizes and types of wrenches, and many other accessories.

I now yield to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FULBRIGHT. What is the business now pending before the Senate?

The PRESIDING OFFICER. The Senator from North Dakota was granted unanimous consent to proceed. The call of the calendar is the pending business.

Mr. WHERRY. He was not only granted unanimous consent to proceed, but to make a statement. There was no objection.

Mr. FULBRIGHT. I am not objecting. I am merely inquiring what is the pending business.

Mr. WHERRY. I am trying to tell the Senator what the pending business is. The Senator was not present when unanimous consent was given. The Senator from North Dakota was not only given unanimous consent to proceed, but to make a statement.

Mr. FULBRIGHT. Is the call of the calendar the regular order of business?

Mr. WHERRY. The order of business will be the call of the calendar as soon as the distinguished Senator from North Dakota has yielded the floor.

Mr. FULBRIGHT. That is what I wished to know.

Mr. LANGER. The advertisement further states:

Prompt delivery—in 1 to 5 weeks.

Then this question is asked:

"When can we buy a new truck?"—

That is what every veteran who wanted a truck was asking all over the United States. In New York there were 13,900 veterans who had certificates, and who wanted to buy new trucks—

"When can we buy a new truck?"—All business has been asking.

It was not only business that was asking, Mr. President. The farmers were asking. I have before me many letters and telegrams, some of them 3 years old, begging for trucks—a second-hand truck, or any kind of a truck that would operate so that grain could be moved.

Mind you, Mr. President, I had written to the various boards time and time again, saying that farmers wanted trucks. Time and time again on the floor of the Senate I had read telegrams and letters which I had received from farmers begging for trucks. I had shown on this floor that in 6 weeks, from July 1 until August 15, 655 trucks had been sent through the little town of Portal, N. Dak., alone, into Canada, while the farmers of the Northwest were egging for trucks.

"When can we buy a new truck?" all business has been asking. "Now—600 of them," says Gimbels—"and a world famous mighty military Studebaker—brand new!"

The stand-up stamina of these rugged Studebaker trucks is world famed. In almost every theater of the war, from Africa to China, from England to India, from the Alcan Highway to the Russian front, many thousands of these mighty multiple-drive heavy-duty Studebakers wrote brilliant new pages of transport history. Gimbels makes new retail history—

Indeed it is new, Mr. President, for this firm, which sells women's wear—

Gimbels makes new retail history by offering 600 of these new Studebakers on sale tomorrow morning at 9:30 a. m. These are not salvage—they are brand new—purchased from War Assets Corporation—just being assembled now, and driven to New York on a road-test delivery of 796 miles. They will serve any number of purposes, as they have so faithfully proved during the war. Remember, this 2½-ton truck has g. v. w. (gross vehicle weight) of 20,150 pounds, and as a tractor-trailer 28,140 pounds g. v. t. (gross vehicle train).

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. CAPEHART. If I correctly understand the law, it provides that surplus property must first be offered to Federal authorities or agencies, then to States and municipalities, then to tax-free organizations, and the last priority is to the veteran. After that, it is required to be sold through regular channels of business. I believe that is the way the law reads. If I am mistaken, I shall be glad to be corrected.

Mr. LANGER. The Senator is correct. I have the law before me.

Mr. CAPEHART. I am certain that that is the law. I am wondering how Gimbels, who never handled an automobile or truck, would be considered a regular channel of trade, and how Gimbels department store, which has no way of servicing trucks, and has never sold trucks or automobiles, would be considered a regular channel of business. Again I ask the question, who sold the trucks to them? How did they come to buy them? Why should such a condition exist in America, with thousands upon thousands of veterans in the

market wanting to buy and needing trucks?

It seems to me that what the Senator is bringing out here should be investigated by the United States Senate. I am wondering how much more skulduggery there is going on in respect to surplus property. To me this condition is absolutely shocking. There is absolutely no excuse for it. Will someone please tell me by what stretch of the imagination Gimbel's department store could be considered as a truck or automobile dealer, or considered under the law to be a regular channel of business? I think the situation is scandalous. I believe that a resolution should be submitted calling for an investigation of this particular transaction, and to determine how many more transactions of this nature there have been.

Mr. LANGER. Such a resolution has already been submitted, asking for the appointment of a special committee to investigate the entire question.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. BARKLEY. Does the Senator think that an episode with respect to Gimbel's is of sufficient importance or dignity to justify a senatorial investigation? We have so many senatorial investigations going on now that the regular committees cannot attend to their duties.

Mr. LANGER. Let me answer the distinguished Senator. The senior Senator from Kentucky was a Member of this body when section 17 was adopted. I call upon him to name one rural area where this Board carried out its duties as prescribed by law. It did not do so in Kentucky, the very State from which the distinguished majority leader comes. The leaders of the Democratic Party ought to hang their heads in shame, when they knew that all over the country there were veterans wanting trucks and begging for them. They begged for them in 1942. They begged for them in 1943. They begged for them in 1944; and they begged for them in 1945. Today we find the distinguished majority leader apologizing for such a condition.

Mr. BARKLEY. Oh, Mr. President——

Mr. LANGER. The Senator does not believe that this condition is worth an investigation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LANGER. Not now.

Mr. BARKLEY. I am not apologizing for anything.

Mr. LANGER. The Senator may speak in his own time.

Mr. BARKLEY. I want to know why an episode with respect to Gimbel's should be considered of sufficient importance to justify a senatorial investigation.

Mr. LANGER. The law provides that these trucks should be made available to the farmers of America. Instead of being made available to the farmers and to veterans, they are made available to a department store selling women's wear. The Senator from Kentucky says that an investigation would not be worthwhile. When the farmers in one county lose $1,000,000, as was the case in Hettinger County, N. Dak., because they could not get trucks and machinery, I say that such a condition is worth investigation. It is worth investigation in every single agricultural county in the United States.

Mr. McMAHON. Mr. President, will the Senator yield for a question?

Mr. LANGER. I should like to finish, but I yield to the Senator for a question.

Mr. McMAHON. When the Senator read this advertisement, did he telephone the Director of the War Assets Corporation?

Mr. LANGER. I did not.

Mr. McMAHON. Did the Senator write him a letter and ask him how or why?

Mr. LANGER. I did not. I will tell the Senator why I did not. When Senator Chandler, of Kentucky, was still a Member of the Senate from the very State which the distinguished majority leader represents, he, together with the distinguished junior Senator from Tennessee [Mr. STEWART] and myself, went to the outfit now known as the War Assets Corporation and begged for trucks for the farmers. What is the use of writing to those folks? All one gets in reply is a letter, after a while, stating that no trucks are available. Our previous letters are on file but we get no follow-ups on them. The veterans cannot get them. That is the answer which one gets. Either that, or the statement is made that the agency will write to Minneapolis, San Francisco, or some other place.

Mr. McMAHON. I think the Senator would get an answer if he were to send the advertisement to the Director of the War Assets Corporation and ask how this particular concern got the trucks, from whom they were bought, and who authorized the sale.

Mr. LANGER. Mr. President, I wish to say to the distinguished Senator that those hearings were held, and I quoted Lieutenant General Gregory's testimony. He was asked about these trucks by Representative O'TOOLE, before the House committee.

Mr. McMAHON. What did he say?

Mr. LANGER. He said the War Assets Administration told the committee that the Government had sold the trucks for $1,900 apiece. That is what he told them.

Mr. McMAHON. What else did he tell them?

Mr. LANGER. I put in the whole article a few minutes ago. It is all in the RECORD. But that is the substance of it.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. CAPEHART. What difference does it make what he did or did not say?

The fact remains that Gimbel's Department Store is advertising 600 trucks for sale. The advertisement states that the trucks were purchased from the War Assets Corporation. I believe that there be an investigation because, as I stated a moment ago, the law specifically provides that all such merchandise shall be sold through normal channels of trade and that preference shall be given to those who have priority. How could anyone, by the greatest stretch of the imagination, claim that Gimbel's department Store, in New York City—a store which never has handled trucks or automobiles for sale—is a normal channel of trade?

Again I say that there has been some skullduggery somewhere, and it is my personal opinion that anyone who opposes an investigation of such a situation as that is attempting in some way to cover up something.

Mr. President, I hope the resolution will be adopted.

Mr. LANGER. Mr. President, apparently these trucks were first sold to someone in Cincinnati.

Mr. BARKLEY. Mr. President, will the Senator yield to me at this point?

Mr. LANGER. I yield.

Mr. BARKLEY. Let me say that I have been informed that the Surplus Property Subcommittee of the Military Affairs Committee has gone into this matter and has ascertained that these trucks were advertised disassembled—in other words, knocked down—and that very few veterans desired to purchase them in that condition. That may explain why so few of them went to veterans.

Mr. LANGER. I say to the distinguished Senator that the New York World-Telegram for Thursday, April 4, contains the following statement:

> An admission was made by Lt. Gen. Edmund B. Gregory, head of the War Assets Corporation, that Army trucks were sold to dealers in Cincinnati while veterans clamored in vain to buy them.

That is part of the article.

Mr. BARKLEY. Mr. President, of course, I have not read that article, and I do not know the basis of it. But the information I have just conveyed to the Senator was given my by the committee of which the Senator from Wyoming [Mr. O'MAHONEY] is chairman.

Mr. LANGER. I referred to that. The Senator from Kentucky was not in the Chamber when I said that the Senator from Wyoming [Mr. O'MAHONEY] in his investigation lately did a good job, and so did the Senator from South Carolina [Mr. MAYBANK].

Mr. President, I wish to refer again to the fact that notwithstanding that section 17 provides that the farmers shall have a chance to buy these trucks, that provision has never been complied with; and none of the four boards or the individuals, aside from Mr. Symington, visited the West and tried hard to get the trucks for the farmers accomplished that objective.

Mr. President, I ask unanimous consent that the advertisement to which I have referred be printed at this point in the RECORD as a part of my remarks. It states exactly what wonderful machines these trucks are.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

GIMBELS HAS 600 BRAND NEW STUDEBAKER 2½-TON HEAVY DUTY TRUCKS MADE FOR THE UNITED STATES ARMY

Truck cab and chassis $2,900, delivered New York City; $966.66 down, up to 18 months to pay (plus service charge).

Prompt delivery in 1 to 5 weeks.

"When can we buy a new truck?"—all business has been asking.

"Now—600 of them" says Gimbels, "and a world famous mighty military Studebaker—brand new."

The stand-up stamina of these rugged Studebaker trucks is world famed. In almost every theater of the war, from Africa to China, from England to India, from the Alcan Highway to the Russian front, many thousands of these mighty multiple-drive heavy duty Studebakers wrote brilliant new pages of transport history.

Gimbels makes new retail history by offering 600 of these new Studebakers on sale tomorrow morning at 9:30 a. m. These are not salvage—they are brand new—purchased from War Assets Corporation—just being assembled now, and driven to New York in a road-test-delivery of 796 miles.

They will serve any number of purposes, as they have so faithfully proved during the war. Remember, this 2½-ton truck has a G. V. W. (gross vehicle weight) of 20,150 pounds, and as a tractor-trailer, 28,140 pounds G. V. T. (gross vehicle train).

Come in and see this great military vehicle on Gimbels street floor. Notice the heavy 6-cylinder motor, rated at maximum horsepower 93, with 320 cubic inch displacement. See the 10 tires, eight ply—(7.50 by 20) all ten of which can give traction when needed in mud or rugged transport.

Truck men call this a 6 x 6, which means a six-wheel drive. It has a double transmission—to the front axle and to the two rear axles. For city and open road driving, the rear wheels can drive alone; this is both a six- and four-wheel drive.

The cab is a comfortable, closed, solid type. You can put almost any type of body on this rugged chassis.

Ample towing facilities: the sturdy "pintle" hook in the rear can pull many times the truck's weight. The two "dog" hooks on front serve many useful purposes.

The gas consumption is economical. This truck will speed along the road with any average passenger traffic. The Army designed them for troop transport as well as cargo, which means speed. 162-inch wheel base. Over-all dimensions are 20'10⅝" long, 7'4" wide, 7'3" high. Weight empty, 7,835 pounds net. All are o. d. color, with U. S. A. number markings on the side of the hood, easily eliminated. Five forward speeds (three low gears, direct drive, and over drive).

Ninety-four-year-old Studebaker more than made good on their famous slogan, "Give more than you promise" in these big trucks. During the war, Studebaker was one of the largest producers of heavy-duty military trucks in the world. World-wide service gave abundant evidence that the reputation of Studebaker engineering and craftsmanship is well deserved.

READ THE SPECIFICATIONS

"6 by 6"—6-wheel drive, or 4-wheel drive on open road; 3 sturdy driving axles—2 in rear; 162-inch wheel base; weighs 7,835 lbs. stripped. 10 tons gross vehicle weight. As tractor-trailer, 14 tons G. V. T. 10 tires—8 ply—7.50 by 20, "ground grip" never "strips" in mud or off highway. 6-cylinder gasoline L-head motor. Fuel capacity, 40 gallons; Cruising range, 236 miles; comfortable, closed, solid type cab; with adjustable winshield; traction on all 10 wheels when needed. Handy dog hooks on front. Pintle hook on rear, pulls heavy loads. Over-all 20'10⅝" long, 7'4" wide, cab 7'3" high. Speedy—will keep up with any truck traffic. All made for military use—to incredibly detailed specifications, all o. d. color. United States numbers on sides of hood only.

EXTRA EQUIPMENT, NO EXTRA CHARGE!

Following extra equipment comes on most trucks but cannot be guaranteed on all:

Fire extinguisher; extra blackout driving lights; extra marker lights; extra blackout tail lights; adjustable windshield; headlight foot switch; assembly operations manual, 96 pages; War Department technical manual, 366 pages. profusely illustrated, describing, listing and picturing all parts and operations; detailed lubrication chart; tire chains for front and rear wheels; starting crank; tire pressure gage; hydraulic lubricating gun; 3-ton hydraulic jack; oil can; tire pump; tool kit: including machinist's hammer, pliers, small and large screw drivers, 11 different size and type wrenches, and many other accessories.

Fleet owners will buy them by the dozen—anyone may buy who will use these trucks—none will be sold to dealers.

These trucks were purchased from the War Assets Corporation. They were made for the armed forces and stored in the Army Ordnance Depot at Terre Haute, Ind. They are being assembled under expert care and carefully checked. They are being road-tested before delivery and then driven 796 miles from the Army Depot to New York. They are being inspected to be sure they are in good working order. All sales final.

Mr. LANGER. Mr. President, I come now to the hearings of the subcommittee which met on December 12, 1945. Today is April 12, so that was exactly 4 months ago today. I read from the hearings:

The subcommittee met, pursuant to call, at 10:30 a. m., in room 424, Senate Office Building, Senator JOSEPH C. O'MAHONEY presiding.

The Senator from Wyoming [Mr. O'MAHONEY] himself put into the RECORD a statement of what took place. He tried to do a good job. If the other Democratic leaders in the Senate earlier had done as good a job as the Senator from Wyoming did, we would have gotten along all right and the farmers would now have some trucks. Let me say that the Senator from Wyoming was assisted very ably by the distinguished Senator from South Carolina [Mr. MAYBANK].

So the subcommittee held the hearing. As I stated a few minutes ago, Mr. President, the Senator from Wyoming said the following at the hearing:

The first task of the Surplus Property Administration was to establish the over-all policies and to devise the regulations under which disposal should be undertaken. In addition, it was the duty of the Administrator to prepare and submit to Congress reports concerning the disposal plans for certain categories of Government property costing more than $5,000,000. This task has now been substantially completed and, in recent months, the Administrator, Mr. Symington, has been giving close study to ways and means of handling the sale of consumer goods to the public generally and, particularly, to veterans.

So I repeat that Mr. Symington was the man who did a good job, and that is what the Senator from Wyoming said.

Now we come to some of the testimony. The Senator from Wyoming said—and this was on December 12, just 4 months ago:

Why wouldn't it be a sensible thing if necessary to amend the law, to require all of the owning agencies to declare a surplus within a given specified time the transportation facilities, photographic equipment, and small arms and ammunition that the veterans have been asking for in the 3 months you have been Surplus Property Administrator?

Then, with those things all declared surplus, provide by law, if necessary, for the disposition of those to the veterans and end it all, get rid of the surplus property, your consumer goods, by marketing them quickly and equitably throughout the country.

That is what the Senator from Wyoming wanted to do, and that is what Mr. Symington wanted to do.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MAGNUSON. I wish to call to the attention of the Senator from North Dakota the fact that pending on the calendar today there is a bill which will give the veterans in purchasing surplus property the same priority the Federal Government has. I am sure that bill will be passed unanimously, and of course we are trying to take up the calendar. I hope we are able to pass that bill today, so as to correct some of the things the Senator from North Dakota has been discussing.

Mr. LANGER. Mr. President, I say to the Senator that after the Senator from New Mexico [Mr. HATCH] introduced that bill only a week ago, I myself took the floor and urged all speed and haste in its passage. I sincerely hope that will be done.

Mr. MAGNUSON. If the Senator will permit us to take up the bills on the calendar we shall be able to pass the bill in 15 minutes' time.

Mr. LANGER. Mr. President, I have taken only a little time in discussing this very important matter. After 18 months of dilly-dallying and shilly-shallying on the part of those who knew months and months ago that there were billions of dollars' worth of surplus materials to dispose of, I will take 15 minutes more time to comment on the situation.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. CAPEHART. I now understand that a large department store in Indianapolis, Ind., has advertised trucks and is getting ready to sell them—a department store which I know has never before handled trucks, and does not normally handle them, and cannot be considered as a normal channel of trade. If that situation is occurring in department stores in Indianapolis, perhaps it will show up in department stores all over the United States.

Again I say that I think the matter is of such great importance that the Senate should check into it, because certainly to sell surplus equipment through channels which are not considered normal is a violation of the law.

Mr. LANGER. Mr. President, I may say to the distinguished Senator that the testimony of General Houseman, of the Surplus Property Board, when he was addressing the Senator from Wyoming was as follows:

Well, sir, it is true, of course, that surpluses are generated at 2,000 different places throughout the United States.

And Mr. Scott, then a member of the Board, said:

That is right. That is the place to sell them.

Mr. President, in my State, at Camp Grafton, which is nearly 400 miles away from Fort Snelling, there were 27 trucks. Believe it or not, an effort was made to take those 27 trucks out of North Dakota, where thousands of farmers were begging for them. They were to

be sent down to Fort Snelling. That was stopped only at the very last moment when I personally contacted the Secretary of War. After that movement of the trucks was stopped, what happened? Believe it or not, Mr. President, someone from the Surplus Property Agency or from some other place went there and took every tire off of the 27 trucks. So they stayed there, until Mayor W. E. Hocking, at Devil's Lake, N. Dak., got on the telephone, telephoned all over the country, and finally located tires for the trucks. Not until then were the farmers able to get the trucks for their use, and sometimes there were as many as 80 farmers there at one time trying to purchase the trucks, but they were unable to purchase a single one of them.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. FERGUSON. I agree with the Senator that this subject is very important insofar as our domestic economy is concerned. I believe that Senators receive more complaints regarding the conduct of the sale of surplus property than they do in respect to any other single item.

Mr. President, the policies and the operation of the War Surplus Property Board, now known as the War Assets Corporation, was called to the attention of the Senate on April 4 by the able Senator from New Mexico, [Mr. HATCH], not in relation to trucks, but in relation to the way in which veterans were being treated in connection with a sale in Baltimore of photographic equipment. It will be found all over the country that persons who should be given priorities, according to a fair interpretation of the law, are not receiving such priorities. Educational institutions which desire to educate our returning veterans are finding that the law is not being enforced according to its letter or its spirit. I think the time has arrived when the matter has gone beyond an investigation by the Senate. I think a reference of some of these matters should be made to the Attorney General in order that he may ascertain why we may not have a fair interpretation made of a law which was passed by the Congress.

Mr. President, I wish to say that I believe the Senator from North Dakota is bringing this matter forward at a time when it should be considered and dealt with in order that the people may understand what is taking place.

Mr. LANGER. Mr. President, I thank the Senator from Mighigan. It is very apparent from what I have submitted that the law is being treated with absolute contempt. It is being treated as though the law had never been enacted.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. BARKLEY. There is a bill on the calendar which was unanimously reported——

Mr. LANGER. That bill is not as important as what I am saying.

Mr. BARKLEY. That may or may not be true.

Mr. LANGER. Moreover, I shall be through within a few minutes, and then the Senator from Kentucky may talk.

Mr. BARKLEY. Very well.

Mr. LANGER. Mr. President, I call to the attention of the Senate how the distinguished Senator from Wyoming understands the situation. On April 4, 1946, the Senator from Montana asked and received permission to have printed in the RECORD extracts from the hearings held by the Committee on Military Affairs in regard to the subject of selling surplus property to veterans. During the course of those hearings the following colloquy took place, as set forth on page 3083 of the RECORD.

Senator O'MAHONEY. And what I am afraid of is that unless the War Assets Corporation and the Surplus Property Administrator are willing to go to bat on this thing and straighten this situation out and make it known publicly and quickly, we will be accused of giving the veterans another runaround, and that is what we do not want. Personally, I want to get this matter settled as quickly as possible.

The Senator from Wyoming subsequently said:

The primary cause of that is that there is not enough surplus property to meet the veterans' demand.

Mr. President, I wish particularly to call that to the attention of the distinguished Senator from South Carolina [Mr. MAYBANK] because he was present and tried to help the veterans. He tried to carry out a good job and help the Senator from Wyoming. I wish to repeat what the Senator from Wyoming said:

The primary cause of that is that there is not enough surplus property to meet the veterans' demand.

Mind you, Mr. President, the Senator from Wyoming said that there was not enough surplus property to meet the veterans' demand. Yet, we know about the sale of these 600 trucks. Mr. Stein said, in reply to the Senator from Wyoming, as follows:

I think that is a most important cause but certainly not the only cause.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MAYBANK. I greatly appreciate what the able and distinguished Senator from North Dakota has had to say about the matter. I wish to say that the bill which was introduced some time ago to broaden the scope of the act would in no way affect the Senator's resolution. If, after the Senator has completed his address, the bill could be passed, I am sure that it would be of great help in curing some of the ills about which the Senator complains.

Mr. LANGER. I assume, then, that the distinguished Senator from South Carolina is in favor of the resolution?

Mr. MAYBANK. I am in favor of the resolution, but I should like the Senator to permit us this afternoon, after he has completed his address, to try to do something constructive with regard to the matter of disposing of surplus Government property.

Mr. LANGER. Mr. President, I am very glad to know that the Senator from South Carolina will be here to help us find out where surplus war property has gone, and under what terms. I am sure that the Senator has read in the newspapers statements with regard to the sale of a great number of trucks. Here were 600 trucks on which a profit of $600,000 was made, or a profit of $1,000 on each truck.

Mr. President, I hold in my hand a telegram which I received from a veteran at Wing, N. Dak., on April 9. It reads as follows:

I am a serviceman. Must have tractor to do my farming with. I have contract on 800 acres. When I was in the Army I saved enough money to buy equipment with, but I am unable to get it. Please let me know if you can help me. I have a serviceman's priority but cannot locate any equipment.

The only answer in the world that I can telegraph to him is, "You can get your equipment in a ladies' clothing department store in New York City. That is where they are selling trucks and some of the surplus farm machinery."

I have before me a letter which I received this morning. It is dated April 6. I shall read only the first page of it:

DEAR MR. LANGER: I am writing to you concerning the food shortage. Well, if we farmers will have to feed the whole world and have our boys taken away from us, then I don't see nothing else ahead but starvation as us older fellows can't go out and slave all our lives which we just won't do, as I for one can't go on working in the field all day and come home and do chores until 10 o'clock at night like I used to do. I will have to sell my cows. We used to milk 24 and were trying to get more, and now one of my boys is in the Army.

Mr. President, I hope that I have made myself clear. More than 18 months ago I was one of three Senators on the Republican side of the Chamber who voted to confirm the nominations of Mr. Heller, Mr. Hurley, and Mr. Gillette. I did everything I possibly could do in order to see that Government surplus property would be sold. I have supported every bill that has been introduced in the Senate in connection with this matter. The Senator from Connecticut will remember that he and I got together 1 day on the subject of surplus war property. He introduced a bill and nothing came of it.

A few days ago I received a letter from an ex-serviceman at Jamestown, N. Dak., whose name is McCullough. He said, substantially, "I hold you just as responsible as any other Senator down there in Washington for what is taking place with reference to lumber and farm machinery." I submit that after I have done all I can possibly do—I believe this is about the ninth or tenth time I have brought this matter to the attention of the Senate—and have not yet been able to obtain priorities for veterans, there is nothing out of reason in consuming 15 or 20 minutes, or even a half an hour, once more in bringing the matter to the attention of the Senate.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. ELLENDER. I have been very much interested in what the Senator has

been saying. Just recently I telephoned to the War Assets Corporation to ascertain the facts. I am sure the Senator could obtain the facts as easily as I obtained them. According to the information which was given me, the Cleveland, Ohio, district, composed of four States, advertised for sale, under the law, 728 trucks. They were offered first to the Federal agencies on a specified day. They were then offered to the second priority group, namely, the State and local agencies. They were then offered to the third group, namely, the veterans. Of 728 trucks which were sold, the States received 2, the veterans received 40, and the remainder were sold to a few dealers in the Cleveland district.

Mr. LANGER. Who were the dealers?

Mr. ELLENDER. They were automobile dealers.

Mr. LANGER. Who were they, and in what proportion did they receive the trucks?

Mr. ELLENDER. I did not obtain the names of the dealers. After making every effort to sell the remainder of those trucks, 600 in number, 8 dealers from the Cleveland district got together and each of them bought from 72 to 74 trucks, making up the total remaining number of 600. Those dealers sold the 600 trucks to Price Associates, Inc., in New York, and they in turn got Gimbel Bros. to advertise the trucks for sale. I was told that the law was adhered to, and that every effort was made to sell those trucks through the 11 regions throughout the country. Every effort was made to let the veterans purchase the 728 trucks.

Mr. LANGER. Does not the Senator see that in addition to the veterans there is one other group, under section 17, which is entitled to these trucks? It provides:

The Board—

Which is now the War Assets Corporation—

The Board shall devise ways and means and prescribe regulations in cooperation with the War Food Administrator providing for the sale of surplus property in such quantities in rural communities and in such manner as will assure farmers and farmers' cooperative associations equal opportunity with others to purchase surplus property.

Mr. ELLENDER. I might state, if the Senator will permit me, that 4,900 catalogs were mailed into four States comprising the Cleveland, Ohio, district, and an equal number, if not more, were sent to the remaining 11 districts, and I have just indicated the number of bids that were received.

Mr. LANGER. The Senator was on this floor when my amendment was adopted, at the request of the then Senator from Kentucky, Mr. Chandler, and the Senator from Colorado [Mr. JOHNSON]. It was specifically mentioned at that time, and the Senator will find it in the RECORD, that the Administrator of War Surplus Property, or whoever might have charge, should send the property to towns in Louisiana, for example, if necessary, so that the farmers could actually look at them and actually try them out to see if they were good. But the War Assets Corporation, according to what the Senator has said, never sent them out to the farmers. They sent out some catalogs. Did they send them to farmers? No; of course not, because there are millions of farmers in that locality.

Mr. ELLENDER. They had a chance to purchase them if they had interested themselves in them, just as the veterans did.

Mr. LANGER. They did not have a chance, because the War Assets Corporation, under the law, had the duty of devising ways and means and prescribing regulations. Why limit it to four States?

Mr. ELLENDER. That was in the region. That region sent to the 11 remaining regions a complete catalog of all the trucks which were for sale, and gave prospective purchasers more than a month in which to buy them.

Mr. LANGER. What good does it do to send a man in Belle Fourche or in Minneapolis a catalog? The whole intention of my amendment was and is to get this property actually out to farmers, where they can look at it and try it out before they buy and that was not done in this case.

Mr. President, I yield the floor.

The resolution (S. Res. 258), submitted by Mr. LANGER, was referred to the Committee on Military Affairs.

Mr. WHERRY. Mr. President, I should like to make an observation relative to the answer given by the distinguished Senator from Louisiana [Mr. ELLENDER]. Even though what he said was done, they still sold the trucks to the department store in New York, away outside of the region.

Mr. ELLENDER. No; they did not.

Mr. WHERRY. They got them.

Mr. ELLENDER. No. There were eight dealers, I am informed, who bought them, and the dealers in turn sold them to Price Associates, and Price Associates obtained the services of Gimbel Bros. in order to dispose of them.

Mr. WHERRY. That is why I think we need an investigation, in order to ascertain who actually bought them, and how Gimbel Bros. got them.

Mr. ELLENDER. I am telling the Senator how they got them.

Mr. WHERRY. What I should like to have appear in the RECORD is that Gimbel Bros. are a department store. They are not the ones who should sell these trucks. The regulation should prescribe where they should go, as the law requires—that is, through the normal channels of trade—and if there is any subterfuge whereby they got them, it should be investigated. It is my opinion that if the men entitled to buy the trucks had been given an opportunity, and if the trucks had been sold on priorities, the trucks would not have found themselves in the hands of Gimbel Bros. in New York. So I say, Mr. President, that is all the more reason why there should be an investigation, under the terms of the resolution, in order to ascertain why they did not go where they belonged under the law.

Mr. ELLENDER. The Senator admits——

Mr. WHERRY. I do not admit anything.

Mr. ELLENDER. That the War Assets Corporation could sell them to the regular dealers?

Mr. WHERRY. Certainly, after all the requirements were met. But this is an unusual situation. I do not know where the Senator got his information——

Mr. ELLENDER. I got it from the president of the War Assets Corporation.

Mr. WHERRY. Then let us have a complete investigation. That is their statement. Let us find out why it was that a department store, which sells everything but trucks, got so many men to go out and bid on these trucks, and got them to New York, and are now putting advertisements in the paper relative to the sale of the trucks. That was not a disposition through the normal channels of trade. There are 50,000 retail automobile dealers in this country, and I should like to know how many of them had the information about the trucks.

Mr. ELLENDER. They got the advertisements, and they could have bought them the same as the eight who did. If there was any wrong done, it was by the eight dealers, and I told the president of the War Assets Corporation that such dealers should be blacklisted. The fact remains, however, that the law was followed in trying to distribute the trucks.

Mr. WHERRY. Just one more statement. The fact remains that eight dealers got the same number of trucks, and that all eight dealers sold them to Gimbel Bros. Department Store.

Mr. ELLENDER. No; to Price Associates.

Mr. WHERRY. That is merely another subterfuge. So, Mr. President, I agree with the distinguished Senator from North Dakota, who certainly has made a very valuable address this afternoon about the sale of surplus property. It is more convincing evidence than ever that we should adopt the resolution, and should have an investigation of how this matter is being handled.

Mr. MORSE. Mr. President, I should like to say, briefly, that I think the Senator from North Dakota is to be commended for raising the issue which he has presented on the floor of the Senate this afternoon. I do not see how any Senator can read his mail—and I am sure the mail is rather uniform on this point—without recognizing that there is widespread dissatisfaction throughout the United States in regard to the disposition of surplus property. I think it is perfectly clear that an investigation should be made.

I wish to point out that veterans are finding it almost impossible to buy any surplus property because of the red tape involved. Many of them feel that they are being discriminated against in the disposal of the property. They report that frequently they wake up to discover that property in which they would have been interested has been sold prior to their having an opportunity to receive a notice that it is up for sale. I charge that veterans are not receiving a fair and square deal by this administration in the disposing of surplus property. Many of them are fighting mad about it and they have a right to be. Likewise many city,

county, State, and school groups are very critical of the fact that they have not been able to buy surplus property which somehow has found its way into commercial hands for disposal.

I shall at a later date discuss the surplus property problem, at length but at this time I may say that I have letters in my file from municipal officials and from State government officials, pointing out that due notice has not been given them in time to make purchase of much property from the War Assets Corporation in accordance with their priorities.

What is happening in many parts of the country is that there is a great deal of dismantling of very valuable Government property taking place at great loss to the taxpayers of this Nation, and it is being sold for junk all over the country. Much of this property should be sold by the Government without its being dismantled and it should be sold directly to veterans, farmers, schools, and Government units in accordance with their priority rights. Some of it such as camp buildings should not be sold at all so long as those camp structures can be used to relieve housing needs. There are many Army camps in this country now disbanded which should not be dismantled as long as they can be used in connection with the veteran housing program.

I fear that the greedy theory of making a profit out of war has also crept into the policy of disposing of surplus property through middlemen. I believe that surplus property should be disposed of by the Government in a manner that will not make profits for speculators and middlemen.

I know of few activities of this Government which deserve more immediate investigation by the Senate of the United States than this matter of disposing of surplus property. I believe the administration owes it to the country to support such an investigation.

I shall make one more point and then conclude. I want the RECORD to show that every time a proposal is made on this side of the aisle for an investigation of some Department of the Government, Senators on the other side are quick to oppose the investigation. I wish to say that it is my honest judgment that one reason why this administration does not want us to proceed with investigations, for example, of OPA, of surplus property, court-martial practices and many other things is because the administration knows that it cannot stand an investigation of the record. Inefficiency, red tape delays, waste, extravagance, and downright incompetent administration characterizes the party in power.

If that is not true, then I should like to see the Senators on the other side of the aisle support some of the resolutions which are pending before the Senate calling for an investigation of surplus property policies, OPA, court-martial practices, and State Department policies. If the administration is not afraid of such investigations then it should give full support to them. The American people have a right to a full disclosure of the facts. If the charges are without foundation in fact the proposed investigations will show it. Hence Democratic Senators should help us pass these resolutions for investigations and prove us wrong if they can. However, in the name of good government they cannot justify opposing just such an investigation into surplus property disposal as this resolution offered today calls for.

I am satisfied that the sad truth is that any of the investigations which have been proposed will discredit this administration and the Senators on the other side of the aisle know it and fear it.

FRANKLIN D. ROOSEVELT—IN REMEMBRANCE—EDITORIAL FROM NEW YORK TIMES

During the delivery of Mr. LANGER'S speech:

Mr. MAYBANK. Mr. President, will the Senator yield to me to place something in the RECORD?

Mr. LANGER. As soon as I am through telling what a fine fellow the Senator from South Carolina is, and what he did to help the farmers.

Mr. MAYBANK. I appreciate that.

Mr. LANGER. The Senator from South Carolina and the Senator from Wyoming [Mr. O'MAHONEY] did a good job in trying to get trucks for the farmers. Both Senators are entitled to a great deal of credit.

Mr. MAYBANK. I merely wish to place an article in the RECORD following the remarks of the Senator; and when he is ready to yield to me, I should like to have the opportunity of placing the article in the RECORD.

Mr. LANGER. I yield to the Senator to place something in the RECORD.

Mr. MAYBANK. Mr. President, throughout the country today many articles are appearing in newspapers paying homage to our late great leader, Franklin D. Roosevelt. I was particularly interested in an editorial which appeared in the New York Times. I wish to read a few lines from the editorial, and have the remainder of this excellent editorial placed in the RECORD:

> All over the world today Franklin Roosevelt will be remembered. From the fjords of Norway to the plains of China, from the Philippines to the English midlands, millions of people he never saw still think of him as a lost friend.

I ask unanimous consent that the entire editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IN REMEMBRANCE

Few men live to see their dreams come true. But Franklin Roosevelt came so near the realization of the main purpose of his later life that a year after his death the official representatives of the United Nations join with his successor and his own countrymen in dedicating his home and the ground where he is buried as a national shrine. The last thoughts of the leader who led this Nation to the eve of victory were devoted to the organization of international security. The chief object of his last, hard journey to Yalta was to merge and widen the Big Three partnership into a great coalition to maintain the peace. The words he was planning to speak when he died were the words opening the conference at San Francisco which translated this purpose into reality.

The late President was in a hurry to get the peace structure started before the war ended. He never doubted for a moment that the project he sponsored answered the hopes of all mankind, or that it would come to pass. Confident as he was, however—and who will forget his smiling optimism?—he could hardly have anticipated that on the first anniversary of his death the United Nations would be a going concern and that the Security Council would be meeting in the United States, and in his own State.

All over the world today Franklin Roosevelt will be remembered. From the fjords of Norway to the plains of China, from the Philippines to the English midlands, millions of people he never saw still think of him as a lost friend. Few leaders of his time, or any time, made so many human beings feel that he spoke for them and the things they hoped for. This is partly because in the darkest days of history he exemplified the shining attributes—assurance, resourcefulness, faith in the future—the world associates with America itself. And partly it was because in a time of incredible ferocity and brutality he stood out as a figure of the humanity mankind must believe in to go on living.

But of all the tributes to Roosevelt none is more fitting than the memorial service at Hyde Park today. For this is not only his own country doing honor to a man who presided over the third great chapter in the American story. The United Nations are there, too, not symbols or figures of a dream, but real men laying down for a day the hard and wearisome business they are engaged in to revere the memory of the founder of the enterprise. The United Nations is Roosevelt's living monument. In the swift march of events, we hardly realize how remarkable it is that it should be settled here, already burdened with the most contentious problems of the world, on the first anniversary of his death.

NAVAL ATOMIC-BOMB TESTS AT BIKINI

Mr. HART. Mr. President, I ask unanimous consent that I may address the Senate for 10 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut? The Chair hears none.

Mr. BARKLEY. Mr. President, I do not object to this request, but the whole proceeding for some time has been out of order. We are proceeding under the order of a call of the calendar, during which the rule applies. No Senator has objected, but if we are not going to get to a call of the calendar today, we might as well abandon it and let it go over to some other day.

The PRESIDING OFFICER. The Senator from North Dakota was granted leave to address the Senate.

Mr. BARKLEY. I have no objection, but I intend to insist that we either call the calendar today or abandon the effort to do so, after the Senator from Connecticut shall have concluded.

Mr. HART. Mr. President, a few days ago a resolution was offered by the distinguished junior Senator from Ohio [Mr. HUFFMAN] to effect the cancellation of the atomic-bomb experiments. The first of those tests is now scheduled for July 1 at Bikini Atoll. The very able Senators from Illinois and Ohio who sit on the majority side have both addressed the Senate and given various reasons why the first two tests at Bikini should not be held. The resolution and the remarks of my esteemed colleagues do not oppose the third atomic-bomb experiment—which is the deep submergent ex-

plosion—and perhaps it is not unfair to assume that the two Senators favor holding that particular test.

The statements made when the resolution was offered, which appear on page 2790 of the CONGRESSIONAL RECORD, were not challenged in any way at the time. I shall not reply now to the objections advanced; but I do wish to take a little of the Senate's time to put on record some of the reasons why, in my opinion, the first two Bikini tests should be held without further delay. The 6 weeks' postponement to July 1 has already created an unfortunate situation.

Mr. President, it has been charged—and with a certain amount of justification—that the military never learns anything between wars. It is said that the Navy has always gone into war with much the same equipment and fighting methods with which the last war ended, and that it is mainly the fault of the Navy for lack of imagination, ultraconservatism, and so forth.

Well, our last war ended with the advent of the atomic bomb. The Navy had not had much to do with the development of that weapon and had been spending years in fighting its way across the northern Pacific. In that long campaign the strong Japanese Navy and much of the Japanese air power had been absolutely ruined. At long last the war had been carried right to the doorstep of Japan, so that all our other forces were ready to force open the door and apply their power on the Japanese islands. Incidentally, Mr. President, the history of those years will show that the Navy's record constitutes the strongest demonstration of what can be done with sea power that the world has ever known.

So, Mr. President, when we had established close-in flying fields it became possible to atom-bomb Japan. Then the Japanese took the occasion to throw in the sponge. Then the Navy began to take stock of the situation and try to calculate how the new weapon would affect them. In all three bombs had been exploded, two of them over Japanese cities. Some of the results of those explosions had become known, but a great deal remained unknown. After our observers examined those two cities, the physical results of atomic bombs on that kind of buildings were known but not much else.

It must be noted that there was available at Hiroshima and Nagasaki none of the instrumentation necessary to obtain basic scientific data, the fundamentals in the case. There has been considerable dispute about the results, and many contradictory statements have been made concerning what really happened at those two cities. For instance, one writer who perhaps is widely read has proclaimed, far and near, that the effect of an atomic bomb is not much greater than that of a 10-ton blockbuster with ordinary high explosive. Incidentally, he supports his statements by claiming to be an expert, an expert who was sent out to Japan to make official observations. It turns out that while he is an expert in propaganda his title does not go much beyond that, but still his statements have been spread over the land.

Whatever uncertainty there may be about results over land, the Navy soon found that, insofar as its own field was concerned, there was extremely little to go upon with regard to the effects of atomic bombs. Therefore, so far as the new weapon is concerned, the Navy quite properly took the stand that it cannot possibly plan for the future with the information now available, and that it simply must know what will happen to ships under atomic bomb attack.

It was clear, crystal clear, that available data did not begin to supply the needed information and that only a full experiment could supply that knowledge. Consequently, the Navy began months ago to plan those atomic bomb tests—the first of which is scheduled to be held at Bikini—with practically all elements of the armed forces participating. Such was the inception of those tests which have been carefully arranged with the following primary objectives:

They seek to learn what happens to ships of all types, at various distances, at sea or in port, when atomic bombs are detonated over, on, and under the sea. The Navy needs to know the crushing effect on structures caused by the air blast. It needs to know the effect of heat on those structures, on ammunition and other inflammables in the ships, and the effect upon life itself. We need to know much more of the effect upon life of radioactivity, whether in the form of direct emanations or from spray and rain contaminated by gamma rays from such explosions. The Navy needs to know the effect of ocean waves caused by such explosions, particularly if on or near the surface of the sea. Also, it needs to determine the effect of underwater shock in ripping off and throwing the interior fittings about ships. Lastly, Mr. President, there is the effect of underwater pressures with regard to rupturing the hulls of the ships.

Those were the primary objectives when the plans for the tests began, and they constitute the principal things which the Navy needs to know. However, during the vast amount of planning for the first two tests—one of which is to be an explosion in the air and the other to be on or near the surface of the water—it has been found possible also to obtain a great deal of additional information which is still lacking and which should be obtained.

In the first place, the Army also wishes to obtain data for its own purposes as to the effects of an atomic bomb upon a wide variety of ground weapons and equipment. Then, too, there is the effect upon aircraft, both while air-borne and on the ground. All of that is needed so that all concerned may know what redesigning of weapons may be necessary and what degree of dispersal is needed to minimize the effects of an atomic-bomb explosion.

Mr. President, what is perhaps still more important, the experiments are planned to obtain much necessary data on the various effects upon life. We can gain valuable information on the protection of people against radiation and heat by shielding them with various materials and structures. We can learn much more than we know on early diagnosis after subjection to gamma and other rays. We can learn much concerning the treatment for personnel who may sometime be exposed to atomic heat and radiation during time of peace or in the unhappy event of an atomic-bomb attack. That we need to know.

Finally, and perhaps most important of all, the Bikini tests are expected to disclose much further information of general scientific value concerning the phenomena which accompany atomic explosions. At Bikini we will have what did not exist on the other occasions, which is an elaborate and well-instrumented system of observation designed to record a great deal of the fundamental scientific data which, at this stage of the world's development, certainly needs to be known—at least by us.

We did not get that data at Hiroshima and Nagasaki. There could be no instrumentation there. As a matter of fact, many of the instruments had not only not been built, but had scarcely been thought of when the plans for the Bikini tests were begun. The field has opened up very widely during the planning process, and it well may be that what we learn in other fields will prove fully as important as what the Navy seeks to know for its own purposes.

Mr. President, the resolution submitted by the very able junior Senator from Ohio proposes entirely to cancel the first two Bikini tests. In the various interested fields as a whole, those two tests—the above-water and the surface-of-the-water experiments—are precisely the ones which are expected to give the greatest returns. Moreover, as judged from what is now known or is subject to reasonably accurate estimate, the Navy thinks that those first two experiments are the most important ones for its own purposes—that is, in determining the effect upon ships. I know that it is frequently otherwise stated. However, the prospects now are that the very deep-water explosion will prove to be the least dangerous form of atomic-bomb attack upon ships.

Many scientists do not agree to that, and base their opinions upon calculations which involve a great many preliminary assumptions. There is nothing else to go upon now. The scientists are possibly correct in their theoretical calculations, but in any case they have wholly missed the point that an atomic bomb attack at deep submergence is technically a most difficult affair. However, it may be designed, a bomb can sink through water very slowly. There is a good deal of time to act before the bomb reaches its set depth; and modern ships are so fast that there is considerable time for maneuver and avoidance of the dangerous area. Moreover, ships at sea, while remaining in tactical contact, are easily dispersed, so that there is a goodly distance between any two of them.

The other point which is missed by those who emphasize the deep-water test is that such an attack is not feasible

upon ships in a harbor. That, as everyone knows, is the condition in which they are most vulnerable to the ordinary form of air attack. A deep-water bomb would not explode in the depth of water in which ships anchor.

Therefore, Mr. President, I submit that the resolution on the Senate's Calendar is entirely incorrect, in that it is primarily directed to cancel the two most useful and important of the three tests, while on its face giving presumptive approval of the least valuable one of all.

However that particular feature may be, the crux of the entire situation is that the Navy wants to know. Moreover, I submit that it has a right to know. All three of the atomic-bomb experiments should be carried out with as little delay as possible; and I hold that there should be neither cancellation nor any further loss of time.

THE CALENDAR

The PRESIDING OFFICER. In accordance with the order previously entered, the Clerk will proceed to call the calendar, beginning with Calendar No. 1020.

Mr. BARKLEY. Mr. President, I suggest the absence of a quorum. I do not believe that we should call the calendar with so few Members in the Chamber.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gossett	Myers
Andrews	Gurney	O'Daniel
Austin	Hart	O'Mahoney
Ball	Hawkes	Overton
Bankhead	Hayden	Radcliffe
Barkley	Hickenlooper	Reed
Bilbo	Johnson, Colo.	Revercomb
Bridges	Knowland	Robertson
Brooks	La Follette	Saltonstall
Buck	Langer	Shipstead
Bushfield	Lucas	Smith
Capehart	McCarran	Stanfill
Capper	McClellan	Stewart
Carville	McFarland	Taft
Connally	McKellar	Taylor
Cordon	McMahon	Thomas, Utah
Donnell	Magnuson	Vandenberg
Downey	Maybank	Walsh
Ellender	Millikin	Wheeler
Ferguson	Mitchell	Wherry
Fulbright	Morse	Wilson
Gerry	Murdock	Young

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair). Sixty-six Senators have answered to their names. A quorum is present.

The clerk will state the first business on the calendar.

BILL PASSED OVER

The bill (H. R. 5504) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, was announced as first in order.

Mr. BARKLEY and Mr. McCARRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. BARKLEY. The Senator from Louisiana [Mr. OVERTON] asked that this bill go over.

The PRESIDING OFFICER. The bill will be passed over.

RESERVATION OF DEPOSITS OF FISSIONABLE MATERIALS ON THE PUBLIC LANDS

The bill (S. 1856) to reserve for the use of the United States all deposits of fissionable materials contained in the public lands was announced as next in order.

The PRESIDING OFFICER. House bill 5594, Calendar 1116, is a similar bill. Is there objection to substituting the House bill for the Senate bill?

There being no objection, the bill (H. R. 5594) to reserve for the use of the United States all deposits of fissionable materials contained in the public lands was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1856 is indefinitely postponed.

Mr. McMAHON subsequently said: Mr. President, I ask unanimous consent that the vote by which Senate bill 1856, Calendar No. 1022, was passed, be reconsidered, and that the bill be restored to the calendar. I had an agreement with the Senator from New Mexico [Mr. HATCH], chairman of the Committee on Public Lands and Surveys, that the bill should go over when reached.

The PRESIDENT pro tempore. The Chair will state to the Senator from Connecticut that Senate bill 1856 was not passed, but was indefinitely postponed. Calendar No. 1116, House bill 5594, was substituted for the Senate bill and was passed. Without objection, the vote by which House bill 5594 was passed will be reconsidered, and the bill will be passed over.

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 61) proposing an amendment to the Constitution of the United States relative to equal rights for men and women was announced as next in order.

Mr. BILBO. Let the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

REIMBURSEMENT FOR PERSONAL PROPERTY LOST AT NAVAL AMMUNITION DEPOT, HASTINGS, NEBR.

The bill (S. 1812) to provide reimbursement for personal property lost, damaged, or destroyed as the result of explosions at the naval ammunition depot, Hastings, Nebr., on April 6, 1944, and September 15, 1944, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed $25,000, as may be required by the Secretary of the Navy to pay claims, including those of naval and civilian personnel of the Naval Establishment, for privately owned property lost, damaged, or destroyed as the result of explosions at the naval ammunition depot, Hastings, Nebr., on April 6, 1944, and September 15, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

REPEAL OF REQUIREMENT TO FURNISH COPIES OF REGULATIONS AND GENERAL ORDERS OF THE NAVY DEPARTMENT TO CERTAIN OFFICERS

The bill (S. 1862) to repeal section 1548 Revised Statutes (34 U. S. C. 592) was announced as next in order.

Mr. REVERCOMB. Mr. President, may we have an explanation of the bill from the Senator from Massachusetts?

Mr. WALSH. Mr. President, the purpose of the bill is to repeal the existing law which provides that each commissioned or warrant officer of the Navy, on his entry into the service, be furnished with a copy of the regulations and general orders of the Navy Department then in force, and thereafter with a copy of all such regulations and orders as may be issued. This is unnecessary, as such regulations and orders are sent to every shore station and every naval vessel. The bill would save to the Government the cost of giving each individual a copy of the regulations and general orders.

Mr. REVERCOMB. It occurred to me that furnishing a copy of the regulations to each individual was a very good practice. Of course, if the able chairman of the Committee on Naval Affairs believes that that practice should be stopped, I certainly shall not object. However, it impresses me as an excellent practice within the Navy to furnish each man with a printed copy of the regulations. What is the reason for stopping the practice?

Mr. WALSH. Do I correctly understand the Senator to say that he does not object?

Mr. REVERCOMB. What is the reason for stopping the distribution of the regulations?

Mr. WALSH. One of the difficulties is that a great many of the regulations have been lost. Amendments are made from time to time; and if the men must be furnished with copies of the regulations, it involves quite an expense and bother. It is sufficient to provide that the regulations be posted and furnished to each naval station and shore station, and to every vessel.

Mr. REVERCOMB. In other words, the men will read them on the bulletin board, instead of from copies furnished to them?

Mr. WALSH. Or they may ask for copies.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 1862) to repeal section 1548 Revised Statutes (34 U. S. C. 592) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1548, Revised Statutes (34 U. S. C. 592), which provides "The Secretary of the Navy shall cause each commissioned or warrant officer of the Navy, on his entry into the service, be fur-

nished with a copy of the regulations and general orders of the Navy Department then in force, and thereafter with a copy of all such as may be issued," is hereby repealed.

RANK OF ORIGINAL APPOINTMENTS IN THE CORPS OF CIVIL ENGINEERS OF THE NAVY

The Senate proceeded to consider the bill (S. 1872) to provide for the rank of original appointments in the Corps of Civil Engineers of the United States Navy, and for other purposes, which had been reported from the Committee on Naval Affairs with an amendment, on page 1, line 5, after the word "grade", to strike out "and" and insert "of assistant civil engineer with", so as to make the bill read:

Be it enacted, etc., That hereafter, original appointments as officers in the Corps of Civil Engineers of the United States Navy shall be in the grade of assistant civil engineer with rank of ensign or of lieutenant (junior grade) in accordance with such regulations as the Secretary of the Navy may prescribe.

SEC. 2. The second paragraph under the heading "Fuel and transportation" in chapter 180, Thirty-ninth Statutes at Large, 1168, which is the first paragraph on page 1184, is hereby repealed.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADVANCES TO VETERANS UNDERGOING VOCATIONAL REHABILITATION

The bill (S. 1877) to amend paragraph 8 of part VII, Veterans' Regulation No. 1 (a), as amended, to authorize an appropriation of $1,500,000 as a revolving fund in lieu of $500,000 now authorized, was announced as next in order.

The PRESIDING OFFICER. House bill 5574, Calendar 1117, is a similar bill. Is there objection to substituting the House bill for the Senate bill?

There being no objection, the bill (H. R. 5574) to amend paragraph 8 of part VII, Veterans' Regulation No. 1 (a), as amended, to authorize an appropriation of $1,500,000 as a revolving fund in lieu of $500,000 now authorized was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1877 is indefinitely postponed.

MARY G. PAUL

The bill (H. R. 3003) for the relief of Mary G. Paul was considered, ordered to a third reading, read the third time, and passed.

JURISDICTION OF CLAIM OF LEWIS E. MAGWOOD

The bill (H. R. 4797) to confer jurisdiction upon the United States District Court for the Eastern District of Virginia to determine the claim of Lewis E. Magwood was considered, ordered to a third reading, read the third time, and passed.

LANDER H. WILLIS

The bill (H. R. 841) for the relief of Lander H. Willis was considered, ordered to a third reading, read the third time, and passed.

J. TOM STEPHENSON

The bill (H. R. 3677) for the relief of J. Tom Stephenson was considered, ordered to a third reading, read the third time, and passed.

B. H. SPANN

The bill (H. R. 2884) for the relief of B. H. Spann was considered, ordered to a third reading, read the third time, and passed.

LEGAL GUARDIAN OF JAMES THOMPSON, A MINOR

The Senate proceeded to consider the bill (H. R. 3543) for the relief of the legal guardian of James Thompson, a minor, which had been reported from the Committee on Claims, with an amendment, on page 1, in line 7, after the words "United States for" to strike out "personal injuries, medical and hospital expenses sustained by his minor son, James Thompson, as a result of being struck by a United States Army vehicle on February 2, 1944, on United States Highway No. 17, in front of Crofts Grocery Store, in Windermere, Charleston, S. C." and insert "compensation for the expenses incurred by him by reason of the injuries sustained by his minor son, James Thompson, when struck by a United States Army truck on February 2, 1944, on United States Highway No. 17, in Windermere, Charleston, S. C., and to pay to the legal guardian of James Thompson, a minor, the sum of $1,000 in full settlement of all claims against the United States for compensation for personal injuries sustained by the said James Thompson in the said accident."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act for the relief of Elmer D. Thompson and the legal guardian of James Thompson."

HERMAN GELB

The bill (H. R. 4957) for the relief of Herman Gelb was considered, ordered to a third reading, read the third time, and passed.

F. W. BURTON

The bill (H. R. 3431) for the relief of F. W. Burton was considered, ordered to a third reading, read the third time, and passed.

HARRY COHEN

The bill (H. R. 1950) for the relief of Harry Cohen was considered, ordered to a third reading, read the third time, and passed.

MORGAN CREAMERY CO.

The bill (H. R. 4335) for the relief of the Morgan Creamery Co. was considered, ordered to a third reading, read the third time, and passed.

MRS. TRIXIE MINNIE TWIGG

The bill (H. R. 804) for the relief of Mrs. Trixie Minnie Twigg was considered, ordered to a third reading, read the third time, and passed.

LEO STUHR

The bill (S. 1604) for the relief of Leo Stuhr was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Leo Stuhr, of Grand Island, Nebr., the sum of $149.57, in full satisfaction of his claim against the United States for payment under the Commodity Credit Corporation's offer to make dairy production payments, for the period from April 1, 1945, to and including June 30, 1945, such payment having been denied on the ground that application therefor was not filed within the time prescribed by regulations of the Department of Agriculture: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

DELIVERY TO THE STATE OF ARKANSAS OF THE SILVER SERVICE PRESENTED TO THE UNITED STATES BATTLESHIP *ARKANSAS*

The bill (H. R. 5121) authorizing the Secretary of the Navy in his discretion to deliver to the custody of the State of Arkansas the silver service presented to the United States for the battleship *Arkansas* was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF ACT ENTITLED "AN ACT TO PREVENT PURCHASE AND SALE OF PUBLIC OFFICE"

The bill (S. 1714) to amend the act entitled "An act to prevent purchase and sale of public office," approved December 11, 1926, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of December 11, 1926, entitled "An act to prevent purchase and sale of public office" (44 Stat. 918), is amended by adding the following new paragraph to section 2:

"SEC. 2. (a) It shall be unlawful for any person, firm, or corporation to solicit or receive any sum of money or thing of value whatsoever in consideration of aiding or assisting any person to obtain any appointive office or employment under the Government of the United States, either by referring his name to any executive department, agency, or independent establishment of the United States for consideration, or otherwise, or to require the payment of a fee from any person because such person has secured any appointive office or employment under the Government of the United States."

ADDITIONAL JUDGE FOR THE DISTRICT OF DELAWARE

The bill (S. 1801) authorizing the appointment of an additional judge for the district of Delaware was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States, by and with the advice and consent of the Senate, shall appoint an additional judge of the district court of the

United States for the judicial district of the State of Delaware, who, except where because of seniority other provision is made, shall possess the same powers, perform the same duties, and receive the same compensation and allowance as the present judge of said district.

TRAVEL ALLOWANCES AND TRANSPORTATION OF DEPENDENTS OF MEMBERS OF THE NAVAL FORCES

The Senate proceeded to consider the bill (H. R. 4896) to provide for payment of travel allowances and transportation and for transportation of dependents of members of the naval forces, and for other purposes, which had been reported from the Committee on Naval Affairs, with amendments.

The first amendment was, on page 2, in line 6, after the word "payment", to strike out "in advance or otherwise."

The amendment was agreed to.

The next amendment was, in line 10, after the word "travel", to insert "when such travel shall have been completed: *Provided*, That prior to July 1, 1946, such payments may be made, under such conditions as the Secretary of the Navy may prescribe, in advance of actual travel by dependents otherwise entitled to transportation."

Mr. JOHNSON of Colorado. Mr. President, I should like to have the bill go over for a few minutes until I can speak to the Senator from Massachusetts about some amendments which I have ready, which would make the bill apply to the Army and the War Department, in the same way that it does to the Navy, the Marine Corps, and the Coast Guard.

Mr. WALSH. I have an amendment to make the bill apply to the Coast Guard. But I do not know about amendments to make the bill apply to the Army. I see no objection to having the bill go over, unless the Senator from Colorado is prepared to offer the amendments at this time.

Mr. JOHNSON of Colorado. As I have said, I have amendments to make the bill apply to the Army and the War Department in the same way that it applies to the Navy. I offer my first amendment to the committee amendment now pending.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 2, in line 13, after the words "Secretary of", it is proposed to insert "War or the Secretary of"; and in the same line, after the word "Navy", it is proposed to insert a comma and the word "respectively" and a comma.

The PRESIDENT pro tempore. The question is on agreeing to the amendments offered by the Senator from Colorado to the committee amendment.

The amendments to the amendment were agreed to.

The PRESIDENT pro tempore. The question now is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The next amendment of the committee will be stated.

The next amendment was, on page 3, in line 5, after the word "act" and the period, to strike out:

Determinations of dependency, distances, and the places between which transportation or travel is authorized, made by the Secretary of the Navy, or such persons as he may designate, shall be conclusive for accounting purposes.

The amendment was agreed to.

The next amendment was, at the end of the bill, to insert:

SEC. 5. Determinations of dependency and distances for the purpose of this act, made by the Secretary of the Navy, or such persons as he may designate, shall be conclusive.

SEC. 6. The provisions of section 5 of this act shall terminate on September 1, 1948.

Mr. JOHNSON of Colorado. Mr. President, to that committee amendment I offer the amendments, which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendments will be stated.

The CHIEF CLERK. In the second line of the committee amendment, after the words "Secretary of", it is proposed to insert "War and the Secretary of"; in the next line, after the word "Navy" and the comma, it is proposed to insert "respectively" and a comma; and in the same line, after the words "persons as", it is proposed to strike out "he" and insert "they."

The PRESIDENT pro tempore. The question is on agreeing to the amendments offered by the Senator from Colorado to the committee amendment.

The amendments to the amendment were agreed to.

The PRESIDENT pro tempore. The question now is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. That completes the committee amendments.

Mr. JOHNSON of Colorado. Mr. President, I now send to the desk amendments which I offer to the bill, and I ask that they be stated.

The PRESIDENT pro tempore. The clerk will state the amendments offered by the Senator from Colorado.

The CHIEF CLERK. On page 1, in line 3, after the words "member of the", it is proposed to insert "military or."

The amendment was agreed to.

The CHIEF CLERK. On page 2, in line 4, after the words "personnel of the", it is proposed to insert "Army."

The amendment was agreed to.

The CHIEF CLERK. On the same page, in line 19, after the words "Secretary of", it is proposed to insert "War and the Secretary of"; and in the same line, after the word "Navy", it is proposed to strike out "is" and insert a comma and the words "respectively, are."

The amendment was agreed to.

The CHIEF CLERK. On the same page, in line 21, after the words "dependents of", it is proposed to insert "military and."

The amendment was agreed to.

The CHIEF CLERK. On page 3, in line 3, after the words "Secretary of", it is proposed to insert "War and the Secretary of"; and in the same line, after the word "Navy", it is proposed to strike out "is", and insert a comma and the words "respectively, are."

The amendment was agreed to.

Mr. JOHNSON of Colorado. That completes the amendments I have to offer, Mr. President.

Mr. WALSH. Mr. President, I offer and send to the desk an amendment which would include provision as to the Coast Guard in connection with the bill.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. At the end of the bill, it is proposed to insert a new section, as follows:

SEC. 7. In cases involving the personnel of the Coast Guard at times when the Coast Guard is not operating as a part of the Navy, the authorities, powers, and functions prescribed for the Secretary of the Navy in sections 2, 3, 4, and 5 of this act shall be performed by the Secretary of the Treasury in the same manner and under the same conditions as are prescribed herein for the Secretary of the Navy.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

If there are no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 4896) was read the third time and passed.

The title was amended so as to read: "An act to provide for payment of travel allowances and transportation and for transportation of dependents of members of the military and naval forces, and for other purposes."

DISPOSAL AGENCY OF SURPLUS PROPERTY OUTSIDE CONTINENTAL UNITED STATES, ITS TERRITORIES, AND POSSESSIONS

The Senate proceeded to consider the bill (S. 1636) to amend the Surplus Property Act of 1944 to designate the Department of State as the disposal agency for surplus property outside the continental United States, its Territories, and possessions, and for other purposes, which had been reported from the Committee on Military Affairs with an amendment on page 3, after line 14, to strike out:

(2) In carrying out the provisions of this section, the Secretary of State is hereby authorized to enter into an agreement or agreements with any foreign government for the use of currencies, or credits for currencies, of such government acquired as a result of such surplus property disposals, for the purpose of providing, by the formation of foundations or otherwise, for (1) financing studies, research, instruction, library operation, and other educational activities of or for American citizens in schools and institutions of higher learning located in such foreign country, or of the citizens of such foreign country in American schools and institutions of higher learning located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, including payment for transportation, tuition, maintenance, and other expenses incident to scholastic activities; or (2) furnishing transportation for citizens of such foreign

country who desire to attend American schools and institutions of higher learning in the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands: *Provided, however,* That no such agreement or agreements shall provide for the use of the currencies or credits for currencies of any one foreign country in excess of $2,500,000 annually at the official rate of exchange for such currencies, unless otherwise authorized by Congress.

And insert:

(2) In carrying out the provisions of this section, the Secretary of State is hereby authorized to enter into an executive agreement or agreements with any foreign government for the use of currencies, or credits for currencies, of such government acquired as a result of such surplus property disposals, for the purpose of providing, by the formation of foundations or otherwise, for (A) financing studies, research, instruction, library operation, and other educational activities of or for American citizens in schools and institutions of higher learning located in such foreign country, or of the citizens of such foreign country in American schools and institutions of higher learning located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, including payment for transportation, tuition, maintenance, and other expenses incident to scholastic activities; or (B) furnishing transportation for citizens of such foreign country who desire to attend American schools and institutions of higher learning in the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, and whose attendance will not deprive persons who shall have served in the military or naval forces of the United States during World War I or World War II of an opportunity to attend such schools and institutions: *Provided, however,* That no such agreement or agreements shall provide for the use of an aggregate amount of the currencies, or credits for currencies, of any one country in excess of $20,000,000 or for the expenditure of the currencies, or credits for currencies, of any one foreign country in excess of $2,500,000 annually at the official rate of exchange for such currencies, unless otherwise authorized by Congress, nor shall any such agreement relate to any subject other than the use and expenditure of such currencies or credits for currencies for the purposes herein set forth: *And provided further,* That in the selection of American citizens for study in foreign countries under this paragraph preference shall be given to applicants who shall have served in the military or naval forces of the United States during World War I or World War II, and due consideration shall be given to applicants from all geographical areas of the United States. The Secretary of State shall transmit to the Congress not later than the 1st day of March of each year a report of operations under this paragraph during the preceding calendar year. Such report shall include the text of any agreements which have been entered into hereunder during the preceding calendar year, and shall specify the names and addresses of American citizens who are attending schools or institutions of higher learning in foreign countries pursuant to such agreements, the names and locations of such schools and institutions, and the amounts of the currencies or credits for currencies expended for any of the purposes under this paragraph in each such foreign country during the preceding calendar year.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

Mr. FULBRIGHT. Mr. President, a slight modification has been proposed by the Senator from West Virginia, who took part in preparing some of the language of the bill. In the committee amendment, on page 5, in line 11, after the word "deprive", it is proposed to strike out "persons who shall have served in the military or naval forces of the United States during World War I or World War II," and insert "citizens of the United States."

At this time I offer that amendment to the committee amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question now is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1636) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 10 of the Surplus Property Act of 1944, as amended, is hereby amended by adding a new subsection (c) to read as follows:

"(c) Except as provided in subsection (b) of this section, the Department of State shall be the sole disposal agency for surplus property located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, and with respect to such property the Secretary of State shall exercise the functions heretofore conferred upon the Surplus Property Administrator by Public Law 181, Seventy-ninth Congress. The Secretary of State shall, subject to the provisions of the War Mobilization and Reconversion Act of 1944, have sole responsibility for carrying out the provisions of the Surplus Property Act of 1944, with respect to surplus property located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands."

SEC. 2. Section 32 (b) of such act, as amended, is hereby amended to read as follows:

"(b) (1) The provisions of this act shall be applicable to disposition of property within the United States and elsewhere, but the Secretary of State may exempt from some or all of the provisions hereof dispositions of property located outside of the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, whenever he deems that such provisions would obstruct the efficient and economic disposition of such property in accordance with the objectives of this act. In addition to the authority conferred by section 15 of this act, the Department of State may dispose of surplus property located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, for foreign currencies or credits, intangible rights, or benefits or the discharge of claims resulting from the compromise or settlement of such claims by any Government agency in accordance with the law, whenever the Secretary of State determines that it is in the interest of the United States to do so and upon such terms and conditions as he may deem proper. Any foreign currencies or credits acquired by the Department of State pursuant to this subsection shall be administered in accordance with procedures that may from time to time be established by the Secretary of the Treasury and, if and when reduced to United States currency, shall be covered into the Treasury as miscellaneous receipts.

"(2) In carrying out the provisions of this section, the Secretary of State is hereby authorized to enter into an executive agreement or agreements with any foreign government for the use of currencies, or credits for currencies, of such government acquired as a result of such surplus property disposals, for the purpose of providing, by the formation of foundations or otherwise, for (A) financing studies, research, instruction, library operation, and other educational activities of or for American citizens in schools and institutions of higher learning located in such foreign country, or of the citizens of such foreign country in American schools and institutions of higher learning located outside the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, including payment for transportation, tuition, maintenance, and other expenses incident to scholastic activities; or (B) furnishing transportation for citizens of such foreign country who desire to attend American schools and institutions of higher learning in the continental United States, Hawaii, Alaska (including the Aleutian Islands), Puerto Rico, and the Virgin Islands, and whose attendance will not deprive citizens of the United States of an opportunity to attend such schools and institutions: *Provided, however,* That no such agreement or agreements shall provide for the use of an aggregate amount of the currencies, or credits for currencies, of any one country in excess of $20,000,000 or for the expenditure of the currencies, or credits for currencies, of any one foreign country in excess of $2,500,000 annually at the official rate of exchange for such currencies, unless otherwise authorized by Congress, nor shall any such agreement relate to any subject other than the use and expenditure of such currencies or credits for currencies for the purposes herein set forth: *And provided further,* That in the selection of American citizens for study in foreign countries under this paragraph preference shall be given to applicants who shall have served in the military or naval forces of the United States during World War I or World War II, and due consideration shall be given to applicants from all geographical areas of the United States. The Secretary of State shall transmit to the Congress not later than the 1st day of March of each year a report of operations under this paragraph during the preceding calendar year. Such report shall include the text of any agreements which have been entered into hereunder during the preceding calendar year, and shall specify the names and addresses of American citizens who are attending schools or institutions of higher learning in foreign countries pursuant to such agreements, the names and locations of such schools and institutions, and the amounts of the currencies or credits for currencies expended for any of the purposes under this paragraph in each such foreign country during the preceding calendar year."

EVACUATION AND REPATRIATION OF REMAINS OF PERSONS BURIED OUTSIDE THE UNITED STATES

The Senate proceeded to consider the bill (H. R. 3936) to provide for the evacuation and repatriation of the remains of certain persons who died and are buried outside the continental limits of the United States and whose remains could not heretofore be returned to their homelands due to wartime shipping restrictions, which had been reported from the Committee on Military Affairs, with amendments.

The PRESIDENT pro tempore. The clerk will state the amendments of the committee.

The first amendment was, on page 1, in line 4, after the words "evacuation and", to strike out "repatriation," and insert "return."

The amendment was agreed to.

The next amendment was, in line 6, after the word "September", to strike out "16, 1940" and insert "3, 1939."

The amendment was agreed to.

The next amendment was, on page 2, in line 2, after the words "evacuation and", to strike out "repatriation" and insert "return."

The amendment was agreed to.

The next amendment was, in line 4, after the word "and", to strike out "repatriation" and insert "return."

The amendment was agreed to.

The next amendment was, in line 12, after the word "cemeteries", to insert "provided such remains are entitled to interment therein."

The amendment was agreed to.

The next amendment was, in line 14, after the word "September" to strike out "16, 1940," and insert "3, 1939."

The amendment was agreed to.

The next amendment was, on page 3, in line 7, to strike out "repatriation" and insert "return."

The amendment was agreed to.

The next amendment was, on page 4, in line 7, to strike out "repatriation" and insert "return."

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I wonder whether the Senator from Connecticut will answer a question which I have in regard to the bill.

Mr. HART. Certainly.

Mr. MAGNUSON. Does the bill apply only to cases in which request is made that the bodies be brought back to this country, or under the provisions of the bill would all bodies now buried on foreign soil be returned to the United States?

Mr. HART. Mr. President, the bill as drawn contains the words "and upon application by the next of kin, in the case of identified remains." In the case of unidentified remains, the bill provides that all shall be returned forthwith.

Mr. MAGNUSON. I do not quite understand. If the remains are not identified, will they automatically be returned to the United States, regardless of whether request has been made?

Mr. HART. Yes.

Mr. MAGNUSON. What is the reason for that provision?

Mr. HART. Because there would be no one who would be in a position to make such a request. In various parts of the world there are cemeteries in which unknown dead are buried. It is thought best that steps be taken so that all relatives who are uncertain about their losses can at least know that in all such cases the remains have been brought to the United States and interred in a national cemetery.

Mr. MAGNUSON. Of course, there will be some cemeteries on foreign soil in which will be buried the remains of those whom the next of kin do not wish to have brought back to this country. Under this bill, will those cemeteries be maintained by the United States Government?

Mr. HART. Yes. This bill amounts to a consolidation of everything on this subject under the War Department. The Navy already has had authority to repatriate the remains. The Navy was authorized to do whatever it saw fit to do. It has joined the Army in handling this matter, and the Navy now leaves all arrangements to the Army. So the treatment is exactly the same.

The Navy Department includes in the agreement that the Army Graves Registration Service shall continue to act and shall be the agency, under the Secretary of War, which will handle that duty all over the world.

At the present time there are many more cemeteries than there were after the First World War. Just what the administrative results of this proposal will be remain to be seen. It will depend on how many remains are evacuated from the various cemeteries in foreign lands. When the time arrives when there will be only a few graves in a particular cemetery on some island in the Pacific, and it will be impracticable to maintain the cemetery, a consolidation will then be made.

Mr. MAGNUSON. Does the Senator have any information with reference to the number of applications which are now pending in the War and Navy Departments for the return to this country of remains in foreign cemeteries?

Mr. HART. No; but I understand that they are not very numerous.

The PRESIDENT pro tempore. The bill is before the Senate and open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to provide for the evacuation and return of the remains of certain persons who died and are buried outside the continental limits of the United States."

WILLIAM ROSENBERG

The bill (H. R. 1616) to grant an honorable discharge from the military service of the United States to William Rosenberg, was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF VENANCIO LLACUNA AND OTHERS

The bill (H. R. 3670) for the relief of the estate of Venancio Llacuna and others, was considered, ordered to a third reading, read the third time, and passed.

MRS. C. A. LEE, ADMINISTRATRIX OF THE ESTATE OF ROSS LEE

The Senate proceeded to consider the bill (H. R. 941) for the relief of Mrs. C. A. Lee, administratrix of the estate of Ross Lee, deceased, which had been reported from the Committee on Claims with an amendment, on page 1, line 7, after the words "sum of", to strike out "$5,500" and insert "$2,500."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MRS. LUCILLE SCARLETT AND CHARLES SCARLETT

The bill (H. R. 3698) for the relief of Mrs. Lucille Scarlett and Charles Scarlett, was considered, ordered to a third reading, read the third time, and passed.

MRS. LUCY PALMISANO AND LEGAL GUARDIAN OF ANTHONY PALMISANO, JR.

The bill (H. R. 1399) for the relief of Mrs. Lucy Palmisano and the legal guardian of Anthony Palmisano, Jr., was considered, ordered to a third reading, read the third time, and passed.

EDWARD W. THURBER

The bill (H. R. 2244) for the relief of Edward W. Thurber, was considered, ordered to a third reading, read the third time, and passed.

CATHERINE V. SWEENEY

The bill (H. R. 2251) for the relief of Catherine V. Sweeney, was considered, ordered to a third reading, read the third time, and passed.

WARRANT OFFICER WAYNE C. PROPER

The bill (S. 593) for the relief of Warrant Officer Wayne C. Proper, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Warrant Officer (jg) Wayne C. Proper, personnel adjutant, Eighteen Hundred and Eighty-first Engineer Aviation Battalion, United States Army, is relieved of all liability to pay to the United States the sum of $4,998.33. Such sum represents personal funds of Army personnel deposited with him at Port Moresby, New Guinea, for transmission to payees in the United States, and stolen while in his custody on the night of November 15-16, 1943. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, an amount equal to the aggregate of any amounts which have been paid by the said Wayne C. Proper, or which have been withheld from amounts otherwise due him, in partial satisfaction of the claim of the United States arising by reason of such theft.

JOHN P. MAHER

The bill (H. R. 1264) for the relief of Lt. Col. John P. Maher, Field Artillery Reserve, Army of the United States, was considered, ordered to a third reading, read the third time, and passed.

MRS. MAY HOLLAND

The bill (H. R. 5010) for the relief of Mrs. May Holland, was considered, ordered to a third reading, read the third time, and passed.

GRENADA COUNTY, MISS.

The bill (H. R. 3195) for the relief of Grenada County, Miss., was considered, ordered to a third reading, read the third time, and passed.

MONTGOMERY COUNTY, MISS., DISTRICTS 2 AND 3

The bill (H. R. 2842) for the relief of Montgomery County, Miss., districts 2 and 3, was considered, ordered to a third reading, read the third time, and passed.

FRED C. LITER

The bill (H. R. 3554) for the relief of Fred C. Liter, was considered, ordered to a third reading, read the third time, and passed.

ERNEST PEDRO FERREIRA

The Senate proceeded to consider the bill (H. R. 3159) for the relief of Ernest Pedro Ferreira, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$1,500" and insert "$2,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ESTATE OF CHANCIE LEE BRISBIN

The Senate proceeded to consider the bill (H. R. 4253) for the relief of Mrs. Beatrice Brisbin, and the legal guardians of Wynona Gene Brisbin, Nelda Elaine Brisbin, Gwendoline Louise Brisbin, and Jacqueline Nadine Brisbin, minors, which had been reported from the Committee on Claims, with an amendment on page 1, line 5, to strike out "appropriated, to Mrs. Beatrice Brisbin, of Holland, Tex., the wife of Chancie Lee Brisbin, deceased, the sum of $3,313, and to the legal guardians of Wynona Gene Brisbin, a minor, the sum of $1,000, Nelda Elaine Brisbin, a minor, the sum of $1,000, Gwendoline Louise Brisbin, a minor, the sum of $1,000, and Jacqueline Nadine Brisbin, a minor, the sum of $1,000, each of said minors being the daughters of Chancie Lee Brisbin, deceased, and each residing at Holland, Tex., in full settlement of all claims against the United States for the death of the said Chancie Lee Brisbin on January 24, 1945, caused by a block of ice negligently thrown from a train by a soldier about 1 mile south of Holland, Tex., on the same date", and insert "appropriated, to the estate of Chancie Lee Brisbin, deceased, of Route No. 1, Holland, Tex., the sum of $6,313, in full settlement of all claims against the United States for the personal injury and death of the said Chancie Lee Brisbin as the result of being struck by a block of ice thrown by a soldier from a moving railroad train on the Missouri, Kansas and Texas Railroad Co.'s right-of-way near Holland, Tex., on January 24, 1945."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act for the relief of the estate of Chancie Lee Brisbin, deceased."

MR. AND MRS. JAMES SHERRY

The Senate proceeded to consider the bill (H. R. 2528) for the relief of Mr. and Mrs. James Sherry, which had been reported from the Committee on Claims, with an amendment on page 1, line 6, after the words "sum of", to strike out "$12,500" and insert "$9,167.47."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MRS. OLLIE PATTON

The Senate proceeded to consider the bill (H. R. 1674) for the relief of Mrs. Ollie Patton, which had been reported from the Committee on Claims with an amendment on page 1, line 5, after the words "sum of", to strike out "$5,000" and insert "$3,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CHARLES BROWN, LEGAL GUARDIAN OF LULA MAE BROWN, AND OTHERS

The bill (H. R. 3590) for the relief of Charles Brown, legal guardian of Lula Mae Brown; Charity Hospital of New Orleans, La.; and Dr. Edward H. Maurer, was considered, ordered to a third reading, read the third time, and passed.

BOROUGH OF PARK RIDGE, N. J.

The bill (H. R. 1562) for the relief of the Borough of Park Ridge, Park Ridge, N. J., was considered, ordered to a third reading, read the third time, and passed.

OWNERS OF CERTAIN LAND AND PERSONAL PROPERTY OF FORT KNOX AREA, MEADE COUNTY, KY.

The bill (H. R. 2266) for relief of land and personal-property owners of Fort Knox area of Meade County, Ky., was considered, ordered to a third reading, read the third time, and passed.

OWNERS OF LAND AND PERSONAL PROPERTY OF FORT KNOX AREA, HARDIN COUNTY, KY.

The bill (H. R. 2265) for the relief of owners of land and personal property of the Fort Knox area of Hardin County, Ky., was considered, ordered to a third reading, read the third time, and passed.

FERRIS RUGGLES

The Senate proceeded to consider the bill (S. 1563) for the relief of Ferris Ruggles, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$3,358.05" and insert "$2,167.78", and on the same page, in line 8, after the word "sustained", to strike out "and for expenses incurred"; so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ferris Ruggles, of Clovis, N. Mex., the sum of $2,167.78, in full satisfaction of his claim against the United States for compensation for property damage and loss of earnings sustained by him as a result of an accident which occurred when a trailer tank truck owned by him was struck by a United States Army vehicle on United States Highway No. 60, near English Air Field, Tex., on April 18, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DESIGNATION OF DECEMBER 15, 1946, AS BILL OF RIGHTS DAY

The joint resolution (S. J. Res. 86) to provide for the proper observance of the one hundred and fifty-fourth anniversary of the adoption of the first 10 amendments to the Constitution, known as the Bill of Rights, was announced as next in order.

Mr. McCARRAN. Mr. President, there is on the calendar House Joint Resolution 273, which is an identical measure. I move that the Senate proceed to consider the House joint resolution.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (H. J. Res. 273) authorizing and requesting the President to issue annually a proclamation designating December 15 as Bill of Rights Day.

Mr. McCARRAN. Mr. President, I move that the joint resolution be amended on page 1, in line 3, after the word "is" by inserting "hereby", and in line 5, after the numeral "15", to insert a comma and "1946", and a comma.

The amendment was agreed to.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

The title was amended so as to read: "Joint resolution to provide for the proper observance of the one hundred and fifty-fifth anniversary of the adoption of the first 10 amendments to the Constitution, known as the Bill of Rights."

The PRESIDENT pro tempore. Without objection, Senate Joint Resolution 86 will be indefinitely postponed.

CONVEYANCE OF LAND AT NAVAL SUPPLY DEPOT, BAYONNE, N. J.

The bill (S. 1871) to authorize the conveyance of a parcel of land at the naval supply depot, Bayonne, N. J., to the American Radiator and Standard Sanitary Corp., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to convey to the American Radiator and Standard Sanitary Corp., for use in expanding its industrial plant facilities at Bayonne, N. J., upon such terms and conditions as he may prescribe, all right, title, and interest of the United States of America in and to a parcel of filled-in land at the naval supply depot, Bayonne, N. J., containing eight hundred and eighty-five one-thousandths of an acre, more or less,

metes and bounds, description of which is on file in the Navy Department.

SEC. 2. The consideration to be paid for the parcel described in section 1 shall not be less than the cost of the said parcel to the United States of America.

USE OF NAVAL VESSELS TO DETERMINE THE EFFECT OF ATOMIC WEAPONS

The joint resolution (H. J. Res. 307) to authorize the use of naval vessels to determine the effect of atomic weapons upon such vessels, was announced as next in order.

Mr. WALSH. Mr. President, I move that the joint resolution be recommitted to the Senate Committee on Naval Affairs for further amendment.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Massachusetts.

The motion was agreed to.

DOMESTIC RAISING OF FUR-BEARING ANIMALS

The bill (H. R. 2115) relating to the domestic raising of fur-bearing animals, was announced as next in order.

Mr. REVERCOMB. Mr. President, that bill, if enacted into law, would make foxes, rabbits, and other small animals agricultural products. I should like to know the purpose of the bill.

Mr. LA FOLLETTE. Mr. President, if the Senator from West Virginia will yield to me, I shall be glad to explain the bill.

First, Mr. President, I should like to dispose of the parliamentary situation, if I may do so. I see the able Senator from Colorado [Mr. JOHNSON] on his feet, and I suppose that he rose to speak with reference to what I have in mind.

Mr. JOHNSON of Colorado. Mr. President, there is a companion bill to Calendar No. 1078, House bill 2115, namely, Senate bill 566. Some time ago I entered a motion to reconsider the action of the Senate in passing Senate bill 566. I now ask unanimous consent that the vote by which the bill was passed be reconsidered and that the bill be restored to the calendar.

The PRESIDENT pro tempore. Without objection, it is so ordered, and Senate bill 566 will be restored to the calendar.

Mr. REVERCOMB. What is the calendar number, Mr. President, to which the Senator refers?

Mr. LA FOLLETTE. Mr. President, there is no calendar number. The bill is one which was passed by the Senate last December. The Senator from Colorado entered a motion to reconsider the vote by which the bill was passed. The purpose of the motion was to have the bill restored to the calendar, and then if favorable action could be taken on the House bill it would be in order to move that consideration of the Senate bill be indefinitely postponed.

Mr. REVERCOMB. What is the nature of House bill 2115?

Mr. LA FOLLETTE. It is identical with a bill which I introduced for myself and several other Senators, and which was passed by the Senate last December. However, as has already been stated, the Senator from Colorado entered a motion to reconsider. He now has asked that the vote by which the bill was passed be reconsidered and that it be restored to the calendar. I am now about to explain the bill.

Mr. REVERCOMB. The Senator is now referring to Calendar No. 1078, House bill 2115?

Mr. LA FOLLETTE. I am referring to the companion bill to House bill 2115, which I introduced and which was passed by the Senate last December.

Mr. REVERCOMB. I am trying to find out if the bill is identical to the one which has been announced as next in order before the Senate?

Mr. LA FOLLETTE. It is identical to House bill 2115, the bill which has been announced as next in order.

The PRESIDENT pro tempore. The Senator will find that a motion to reconsider appears on page 24 of the calendar.

Mr. LA FOLLETTE. Mr. President, has the unanimous-consent request of the Senator from Colorado been granted?

The PRESIDENT pro tempore. It has been granted.

Mr. LA FOLLETTE. I may say to the Senator from West Virginia, and to other Senators who may be interested, that the raising of fur-bearing animals on farms for the production of fur has grown to be a very important industry in the United States within the past 10 years. Previously, the Wildlife Service of the Department of the Interior had jurisdiction over fur-bearing animals raised on farms. It is the desire of the farmers all over the country who are engaged in raising fur-bearing animals to have that portion of the industry relating to fur-bearing animals which are raised in captivity and on farms transferred to the jurisdiction of the Department of Agriculture, which has jurisdiction over all the other activities in which farmers are interested.

Testimony was taken with regard to the subject by the House committee and also by the Senate committee. A bill was reported unanimously by the Senate committee, and it was passed by the Senate. But the Senator from Colorado [Mr. JOHNSON] wished to offer an amendment to the bill, and he entered his motion to reconsider the vote by which the bill was passed. In the meantime the other House passed the bill which has been announced to the Senate as next in order, without objection, but after some debate.

I can state to the Senate of my own personal knowledge, because this industry has grown very rapidly in my own State, that it is to the interest of the farmers who are engaged in this activity to have the administration of matters affecting the raising of fur-bearing animals transferred from the Wildlife Service, which is now under the Department of the Interior, to the Department of Agriculture.

Moreover, the bill would also accomplish the purpose of classifying the raising of domestic rabbits and domestic fur-bearing animals as an agricultural pursuit, so that those engaged in that business might derive the benefit of that change in the administrative policy.

Mr. President, I am convinced that it is not going to cost any more money, but it will merely place the activities of fur farmers, as they are called, in the same position and under the same administrative set-up as the activities of other farmers. I believe it is in the public interest that the bill should be passed.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. AUSTIN. Mr. President, the second section of the bill reads:

All the functions of the Secretary of the Interior and the Fish and Wildlife Service of the Department of the Interior, which effect the breeding, raising—

And so forth. Is that an error? Should the word "effect" be "affect"? There is quite a difference in the meaning. It turns on whether we use an "e" or an "a" there. It is in line 6, page 2.

Mr. LA FOLLETTE. I think probably it is a typographical error.

Mr. AUSTIN. I thought it was myself, but I do not know enough about this business to be sure.

Mr. LA FOLLETTE. I do not know whether the error appears in the copy of the bill which passed the House, or whether it is merely a typographical error made at the Printing Office. I think the error should be corrected. I move that on page 2, line 6, the word "effect" be stricken out and the word "affect" be inserted.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDENT pro tempore. Without objection Senate bill 566 will be indefinitely postponed.

BONNEVILLE PROJECT

Mr. MAGNUSON. Mr. President, I ask unanimous consent for the present consideration of Senate bill 1516, Calendar 724, a bill to amend section 12 of the Bonneville Project Act, as amended, which was passed over the last time the calendar was called.

The PRESIDENT pro tempore. Is there objection?

Mr. WHERRY. What was the request? I did not hear it.

Mr. MAGNUSON. I ask unanimous consent that Calendar No. 724, Senate bill 1516, be considered. It was passed over at the last call of the calendar. I shall be glad to explain the bill.

Mr. BARKLEY. Mr. President, I have just suggested privately to the Senator from Washington that I do not think it would be wise to go back beyond the beginning of the call today.

Mr. MAGNUSON. I withdraw the request.

CALVERT DISTILLING CO.

The bill (H. R. 4208) for the relief of the Calvert Distilling Co., was considered, ordered to a third reading, read the third time, and passed.

LOAN PROGRAMS TO VETERANS AND LOW-INCOME FARMERS

The bill (S. 1507) to better adapt the loan programs authorized by the Bankhead-Jones Farm Tenant Act, as amended, to the needs of veterans and low-income farmers, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 (a) of the Bankhead-Jones Farm Tenant Act, as amended, is hereby further amended by deleting the last word "farms", inserting a comma after the word "acquire," and adding the following: "repair, or improve family-type farms, to enlarge undersized farms, or to refinance indebtedness against undersized or underimproved farm units when loans are being made by the Secretary to enlarge or improve such units. Loans may also be made to assist borrowers under this title in making the repairs and improvements needed to adjust their farming operations to changing conditions."

Section 1 (b) of the Bankhead-Jones Farm Tenant Act, as amended, is hereby further amended to read as follows:

"Any veteran (defined herein as a person who served in the land or naval forces of the United States after December 6, 1941, and who shall have been discharged or released therefrom under conditions other than dishonorable) who is found by the Secretary by reason of his ability and experience, including training as a vocational trainee, to be likely to carry out successfully undertakings required of him under a loan which may be made under this title shall be eligible for the benefits of this title to the same extent as if he were a farm tenant. Except with respect to veterans, only farm tenants, farm laborers, sharecroppers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations shall be eligible to receive the benefits of this title. In making available the benfits of this title, the Secretary shall give preference to persons who are married, or who have dependent families, or, wherever practicable, to persons who are able to make an initial down payment, or who are owners of livestock and farm implements necessary successfully to carry on farming operations. No person shall be eligible who is not a citizen of the United States."

Section 1 (c) of the Bankhead-Jones Farm Tenant Act is amended to read as follows:

"No loan shall be made for the acquisition, improvement, or enlargement of any farm unless such farm will be of such size and type as the Secretary determines to be sufficient to constitute an efficient family-type farm-management unit and to enable a diligent farm family to carry on successful farming of a type which the Secretary deems can be successfully carried on in the locality in which the farm is situated: *Provided*, That loans may be made to veterans, as defined in section 1 (b) hereof, who have pensionable disabilities, to enable such veterans to acquire, enlarge, repair, or improve farm units of sufficient size to meet the farming capabilities of such veterans and afford them income which, together with their pensions, will enable them to meet living and operating expenses and the amounts due on their loans."

Section 3 (a) of the Bankhead-Jones Farm Tenant Act is amended to read as follows:

"Loans made under this title shall be in such amount (not in excess of the value of the farm as certified by the county committee) as may be necessary to enable the borrower to acquire or enlarge the farm or to make the necessary repairs and improvements thereon, and shall be secured by a first mortgage or deed of trust on the farm. Loans may not be made for the acquisition or enlargement of farms which have a value, as acquired, enlarged, or improved, in excess of the average value of efficient family-type farm-management units, as determined by the Secretary, in the county, parish, or locality where the farm is located."

Section 4 of the Bankhead-Jones Farm Tenant Act is amended by designating the present language as subsection "(a)," changing the period at the end of such subsection to a colon, and adding the following: "*Provided*, That there may be distributed in any fiscal year to each State or Territory such amount not in excess of $100,000 as is determined by the Secretary to be necessary to finance loans in such State or Territory under this title.

"(b) Special appropriations for the benefit of veterans may be allocated equitably among the several States on the basis of need, as determined by the Secretary without reference to the formulae set forth in subsection (a) hereof."

Section 6 of the Bankhead-Jones Farm Tenant Act is amended to read as follows:

"To carry out the provisions of this title, there is authorized to be appropriated not to exceed $50,000,000 for each fiscal year, beginning with the fiscal year ending June 30, 1946, and such further sums as may be necessary for administrative expenses in carrying out this title during such fiscal year."

Title I of the Bankhead-Jones Farm Tenant Act is further amended by the insertion of a new section 7 immediately following section 6, to read:

"SEC. 7. Sums heretofore appropriated or otherwise made available hereunder shall be subject only to the limitations contained in this title, as amended."

Section 21 (a) of the Bankhead-Jones Farm Tenant Act is amended by adding the following at the end thereof:

"Grants may also be made to such eligible individuals, where necessary to aid in their rehabilitation, and to cooperative associations furnishing medical, dental, or hospital services to such individuals."

Section 21 (c) of the Bankhead-Jones Farm Tenant Act is amended to read:

"There are eligible for the benefits of this title (1) veterans, as defined in section 1 (b) hereof, who desire the practical guidance in farm and home operations supplied by the Farm Security Administration to its borrowers, and (2) farm owners, farm tenants, farm laborers, share croppers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations, and who cannot obtain the necessary financing elsewhere at reasonable rates and terms."

Section 23 of the Bankhead-Jones Farm Tenant Act is amended to read:

"There are hereby authorized to be appropriated such amounts as the Congress shall from time to time determine to be necessary to enable the Secretary to carry out the purposes of this title."

Section 41 (g) of the Bankhead-Jones Farm Tenant Act is amended by changing the period at the end thereof to a comma and adding the following immediately thereafter: "including the release from personal liability, without payment of further consideration, of—

"(1) borrowers who have transferred their farms to other approved applicants under agreements assuming the outstanding indebtedness to the Secretary under this title; and

"(2) borrowers who have transferred their farms to other approved applicants under agreements assuming that portion of their outstanding indebtedness to the Secretary which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the county committees certify and the Secretary determines that the borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities."

Section 42 (b) of the Bankhead-Jones Farm Tenant Act is amended to read:

"Each member of the committee shall be allowed compensation at the rate of not to exceed $5 per day while engaged in the performance of duties under this act. The number of days per month that such members may be paid shall be determined and approved by the Secretary. In addition, they shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses."

PROMOTION OF NAVAL PERSONNEL

The Senate proceeded to consider the bill (S. 1805) to authorize the promotion of personnel of the Navy, Marine Corps, and Coast Guard, who were prisoners of war, which had been reported from the Committee on Naval Affairs with amendments, on page 1, line 4, after the word "officer", to insert "and nurse", on page 2, line 1, after the date "1941", to insert a comma and the words "and prior to August 16, 1945", on line 12, after the words "on the", to strike out "effective date of their promotion" and insert "date prescribed by the President in each case." Each appointment or entry in service records issued or made under this act shall indicate the effective date thereof for purposes of pay and allowances;" and at the end of the bill to add sections 5, 6, 7, and 8, as follows:

SEC. 5. Each enlisted person and nurse not entitled to a subsistence allowance at the time he or she became a prisoner of war shall be credited with a subsistence allowance at the rate of 70 cents per day during such period as he or she was a prisoner of war and not otherwise entitled to be credited with a subsistence allowance.

SEC. 6. Within the scope of the authority granted by this act, the determination by the President, or by such person as he may designate, of the date of termination of a prisoner of war status in any case shall be final and conclusive.

SEC. 7. All prisoners of war who subsequent to their return to the jurisdiction of the United States shall have been discharged, released to inactive duty, or retired shall be entitled to receive the benefits of this act, and the accounts of all deceased prisoners of war shall be credited with such increases in pay and allowances to which entitled by virtue of retroactive promotions, advancements, or appointments, herein authorized.

SEC. 8. The appropriations for pay and allowances of personnel of the services concerned currently available at the time payment is made shall be available for the payment of all sums which accrue by reason of the retroactive provisions of this act.

So as to make the bill read:

Be it enacted, etc., That for all purposes of this act the term "prisoner of war" shall include each officer and nurse and enlisted person of the Navy, Marine Corps, and Coast Guard, and of the Reserve components thereof, whether living or deceased, who, by reason of his or her capture by an enemy, escape or evasion from an enemy, or, because of his or her being in an internee status, is, was, or may be separated from the jurisdiction of the United States at any time after December 7, 1941, and prior to August 16, 1945.

SEC. 2. Prisoners of war shall be promoted in accordance with regulations prescribed by the President. Promotions of prisoners of

war may be made without regard for the needs of the service.

SEC. 3. Any increases of pay and allowances to which prisoners of war may become or have become entitled by reason of promotion pursuant to section 2 of this act or otherwise, shall be held and considered to have accrued retroactively to the credit of and to be payable to the prisoners of war beginning on the date prescribed by the President in each case. Each appointment or entry in service records issued or made under this act shall indicate the effective date thereof for purposes of pay and allowances.

SEC. 4. Nothing within this act shall be construed as preventing the promotion of any person pursuant to other provisions of law, as reducing the pay or allowances to which any person may be entitled under other provisions of law, or as authorizing the promotion of officers to ranks above those of captain in the Navy or Coast Guard or colonel in the Marine Corps.

SEC. 5. Each enlisted person and nurse not entitled to a subsistence allowance at the time he or she became a prisoner of war shall be credited with a subsistence allowance at the rate of 70 cents per day during such period as he or she was a prisoner of war and not otherwise entitled to be credited with a subsistence allowance.

SEC. 6. Within the scope of the authority granted by this act, the determination by the President, or by such person as he may designate, of the date of termination of a prisoner of war status in any case shall be final and conclusive.

SEC. 7. All prisoners of war who subsequent to their return to the jurisdiction of the United States shall have been discharged, released to inactive duty, or retired shall be entitled to receive the benefits of this act, and the accounts of all deceased prisoners of war shall be credited with such increases in pay and allowances to which entitled by virtue of retroactive promotions, advancements, or appointments, herein authorized.

SEC 8. The appropriations for pay and allowances of personnel of the services concerned currently available at the time payment is made shall be available for the payment of all sums which accrue by reason of the retroactive provisions of this act.

Mr. REVERCOMB. Mr. President, I should like to make an inquiry of the Senator from Massachusetts about the bill.

Mr. WALSH. Mr. President, the bill applies to members of the naval personnel who were prisoners of the enemy, and lost their promotions on account of their imprisonment. The bill is to give the Secretary of the Navy and the President authority to make regulations to see to it that these persons receive the promotions they would have received if they had not been prisoners.

Mr. REVERCOMB. I may say to the able Senator from Massachusetts that I am thoroughly and heartily in accord with the purposes of the bill, but is there a similar bill applying to Army personnel?

Mr. WALSH. That is up to the Army authorities. The Senator from Connecticut [Mr. HART] is very much interested in the bill, and was largely responsible for its presentation.

Mr. HART rose.

Mr. WALSH. I may say to the able Senator from Connecticut that I do not understand there is any objection.

Mr. REVERCOMB. I am not objecting, but I am inquiring whether this bill, which applies to the personnel of the Navy, the Coast Guard, and the Marine Corps, should not apply to the Army.

Mr. HART. I think I can answer the question of the Senator from West Virginia. Whether or not legislation is needed to take care of similar cases in the Army, I do not know, but I think not. The Army operates under a different set of laws, of course. The pending bill permits the President to issue regulations and to make adjustments for a great number of cases which are wholly different from the ordinary case. It is largely a matter of clearing the Comptroller General so that he can certify to vouchers meeting the requirements of these men. In the Army the cases are usually different, and are taken care of under a different set of laws.

The PRESIDENT pro tempore. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GRATUITIES TO AVIATION CADETS

The bill (S. 1959) to authorize the payment of additional uniform gratuity to reserve officers commissioned from the status of aviation cadets was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 11 of the Naval Aviation Cadet Act of 1942, as amended (57 Stat. 573; 34 U. S. C. 850j), is hereby amended by striking out the period at the end of said section and adding the following: ": *Provided further*, That officers commissioned pursuant to this act or to the Naval Aviation Reserve Act of 1939 (53 Stat. 819) shall be entitled to the additional uniform gratuity in the amount of $50 in like manner and under the same circumstances as is provided in section 302 of the Naval Reserve Act of 1938 (52 Stat. 1180; 34 U. S. C. 855a)."

KINGS CANYON NATIONAL PARK

The bill (H. R. 2418) to authorize the United States commissioners for the Sequoia National Park to exercise similar functions for the Kings Canyon National Park was considered, ordered to a third reading, read the third time, and passed.

AVAILABILITY OF THE DEPARTMENT OF THE INTERIOR APPROPRIATIONS

The bill (S. 1857) to authorize the availability for certain necessary administrative expenses of appropriations for the Department of the Interior was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That appropriations for field work of the Department of the Interior shall be available for the hire, with or without personal services, of boats, work animals, and animal-drawn and motor-propelled vehicles and equipment.

SEC. 2. Appropriations for contingent expenses of the Department of the Interior shall be available, to the extent specified therein, for the payment of damages to private property (not to exceed $500 in any one case) caused by the negligent operation of motor vehicles under such appropriations.

SEC. 3. The Secretary of the Interior, in carrying out the act of February 22, 1935, as amended (15 U. S. C., ch. 15A), is authorized to cooperate with Federal and State authorities.

BILL PASSED OVER

The bill (H. R. 3704) to amend section 1 of the Federal Power Act with respect to the terms of office of members of the Federal Power Commission was announced as next in order.

Mr. REVERCOMB. Over.

The PRESIDENT pro tempore. The bill will be passed over.

PHILIP NIEKUM, JR.

The bill (S. 1978) to authorize the restoration of Philip Niekum, Jr., to the active list of the United States Navy with appropriate rank and restoration of pay and allowances was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States is hereby authorized to appoint Philip Niekum, Jr., now an officer on the retired list of the United States Navy, an officer on the active list of the line of the United States Navy in the permanent grade of lieutenant commander and in the grade of captain for temporary service pursuant to the act of July 24, 1941 (55 Stat. 603), as amended. Upon such appointments Philip Niekum, Jr., shall have the same precedence on the active list in his permanent and temporary status that he would have had if he had been promoted on said active list to the permanent grade of lieutenant commander with date of rank from July 1, 1940, and had been appointed on December 15, 1942, and August 30, 1944, to the grades of commander and captain, respectively, for temporary service pursuant to the act of July 24, 1941, as amended.

SEC. 2. The Secretary of the Navy is hereby authorized and directed to pay to Philip Niekum, Jr., upon his appointment pursuant to section 1 hereof, out of the appropriation "Pay and subsistence of naval personnel," the full amount of active-duty pay and allowances which would have been paid to him if he had been promoted and appointed with the precedence described in section 1 hereof less the amount of pay and allowances actually paid to him for service since July 1, 1940.

ACADEMIC DEAN OF THE POSTGRADUATE SCHOOL OF THE NAVAL ACADEMY

The Senate proceeded to consider the bill (S. 1854) to establish the civilian position of academic dean of the Postgraduate School of the Naval Academy and compensation therefor, which had been reported from the Committee on Naval Affairs with an amendment, on page 1, after line 4, to insert:

The Secretary of the Navy, upon recommendation of the postgraduate school council, which shall consist of the Superintendent, Deputy Superintendent, and the directors of the technical, administrative, and professional divisions of the postgraduate school, shall appoint an academic dean to serve for periods of not in excess of 5 years.

So as to make the bill read:

Be it enacted, etc., That the civilian position of academic dean of the postgraduate school of the Naval Academy is hereby established. The Secretary of the Navy, upon the recommendation of the postgraduate school council, which shall consist of the Superintendent, Deputy Superintendent, and the directors of the technical, administrative, and professional divisions of the postgraduate school, shall appoint an academic dean to serve for periods of not in excess of 5 years. The Secretary of the Navy is hereby authorized to pay as compensation to such dean not more than $12,000 annually from appropriations made for operation of the Naval Academy and postgraduate school, and

said dean shall be considered as a member of the civilian teaching staff of the postgraduate school of the Naval Academy insofar as provisions of law regarding retirement are concerned.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TRANSFER OF CANDELABRA TO MAY MORGAN BEAL

The bill (S. 1916) to authorize the Secretary of State to transfer certain silver candelabra to May Morgan Beal, was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

Be it enacted, etc., That the Secretary of State is authorized and directed to transfer to May Morgan Beal, of Newton, Mass., all right, title, and interest of the United States in and to the two silver lanterns or candelabra which were originally given to Ambassador Edwin V. Morgan by citizens of Brazil and subsequently presented as a gift to the United States by the said May Morgan Beal in July 1934, for use in the United States Embassy in Rio de Janeiro, Brazil.

AWARD OF DODECANESE ISLANDS TO GREECE

The resolution (S. Res. 82) favoring the award of the Dodecanese Islands to Greece was announced as next in order.

Mr. BARKLEY. Over.

The PRESIDENT pro tempore. The resolution will be passed over.

W. P. RICHARDSON

The Senate proceeded to consider the bill (S. 470) for the relief of W. P. Richardson, as successor and assignee of W. P. Richardson & Co., of Tampa, Fla., a partnership composed of W. P. Richardson, George W. Hessler, and L. C. Park by reason of certain claims arising within the World War period, which had been reported from the Committee on Claims, with an amendment, to strike out all after the enacting clause and insert the following:

That jurisdiction is hereby conferred upon the Court of Claims of the United States to hear, determine, and render judgment upon the claim, or claims, of W. P. Richardson, as successor and assignee of W. P. Richardson & Co., of Tampa, Fla., a partnership composed of W. P. Richardson, George W. Hessler, and L. C. Park, for any losses and damages sustained under the terms of a contract entered into with the United States Shipping Board Emergency Fleet Corporation involving a housing development at or near South Jacksonville, Fla., on or about July 8, 1918, by reason of certain housing needs during World War I.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the date of enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, and appeals from any payment of any judgment thereon, shall be in the same manner as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of W. P. Richardson, as successor and assignee of W. P. Richardson & Co., of Tampa, Fla."

MURPHY AND WISCHMEYER

The bill (S. 287) for the relief of Murphy and Wischmeyer was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he hereby is, authorized and directed to settle and adjust the claim of Murphy and Wischmeyer on account of the increased costs incurred in the performance of the said firm's architectural-engineering contract numbered WA-1064, dated January 5, 1942, with the Federal Works Agency, by reason of unavoidable delays on the part of other contractors in the construction and completion of the defense housing project at East Alton, Ill., and to allow in full and final settlement of the claim the amount of, not to exceed, $3,323.90. There is hereby appropriated the sum of $3,323.90, or so much thereof as may be necessary, for the payment of the said claim.

DAVID SISKIND

The bill (H. R. 3050) for the relief of David Siskind was considered, ordered to a third reading, read the third time, and passed.

MRS. EVELYN MERRITT

The bill (H. R. 2927) for the relief of Mrs. Evelyn Merritt was considered, ordered to a third reading, read the third time, and passed.

MRS. MIRTIE PIKE

The bill (H. R. 2318) for the relief of Mrs. Mirtie Pike was considered, ordered to a third reading, read the third time, and passed.

MAJ. EDWARD A. ZAJ

The bill (H. R. 1980) for the relief of Maj. Edward A. Zaj was considered, ordered to a third reading, read the third time, and passed.

GEORGE O. WEEMS

The bill (S. 1442) for the relief of George O. Weems was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George O. Weems, of Lafayette Plantation, Tallahassee, Fla., (1) the sum of $825, in full satisfaction of his claim against the United States for reimbursement for the death of his five saddle horses as a result of their drinking water from a pond on his property which was polluted by the presence of fluorine in the waste water discharged into such pond and originating in the laundry of the Federal Correctional Institution, Leon County, Fla.; and (2) the sum of $780, in full satisfaction of his claim for compensation for property damage sustained by him when his pasture adjoining such pond was rendered unfit for use as a result of the above-described condition: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

GEORGE STILES

The bill (H. R. 2837) for the relief of George Stiles was considered, ordered to a third reading, read the third time, and passed.

MRS. MARIE A. SHEDD

The bill (H. R. 1732) for the relief of Mrs. Marie A. Shedd was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF BANKRUPTCY ACT

Mr. McCARRAN. Mr. President, the Senator from Louisiana is now on the floor. I ask unanimous consent to revert to Calendar 1020, House bill 5504, which went over until the Senator from Louisiana could be present. I am advised that he has no objection to the bill.

The PRESIDENT pro tempore. The bill will be stated by title.

The CHIEF CLERK. A bill (H. R. 5504) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 7, after the date "June 4", to strike out "1947" and insert "1946", so as to make the bill read:

Be it enacted, etc., That section 75 (c) (U. S. C., title 11, sec. 203) of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, be and is amended to read as follows:

"(c) At any time prior to June 4, 1946, a petition may be filed by any farmer, stating that the farmer is insolvent or unable to meet his debts as they mature and that it is desirable to effect a composition or an extension of time to pay his debts. The petition or answer of the farmer shall be accompanied by his schedules. The petition and answer shall be filed with the court, but shall, on request of the farmer or creditor, be received by the conciliation commissioner for the county in which the farmer resides and promptly transmitted by him to the clerk of the court for filing. If any such petition is filed, an order of adjudication shall not be entered except as provided hereinafter in this section."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CAPE & VINEYARD ELECTRIC CO.

The bill (H. R. 2249) for the relief of Cape & Vineyard Electric Co. was considered, ordered to a third reading, read the third time, and passed.

MRS. JANET McKILLIP

The bill (H. R. 2901) for the relief of Mrs. Janet McKillip was considered, ordered to a third reading, read the third time, and passed.

HARRY F. VINTON, JR.

The bill (H. R. 3127) for the relief of Harry F. Vinton, Jr., was considered, ordered to a third reading, read the third time, and passed.

REGULATION OF MANUFACTURE, ETC., OF BARBITURATES IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 1986) to regulate the manufacture, sale, distribution, and use of barbiturates in the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments, on page 2, line 13, after the word "than", to strike out "3 years" and insert "1 year"; and in line 18, after the word "than", to strike out "3 years" and insert "1 year."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subsection (n) of section 1 of the act of June 20, 1938 (52 Stat. 785), is hereby amended by inserting immediately after the word "cannabis", the word "barbiturates."

SEC. 2. Section 1 of the act of June 20, 1938, is hereby further amended by adding the following new subsection (t) at the end thereof:

"(t) 'Barbiturates' means the salts of barbituric acid (malonylurea), any derivative of such acid or of any of its salts, or any preparation or mixture of any such salt or derivative."

SEC. 3. Section 23 of the act of June 20, 1938, providing penalties, is amended to read as follows:

"(23) Penalties: Any person violating any provision of this chapter, or of any regulation made by the Board of Pharmacy under authority of said sections, shall upon conviction be punished, for the first offense, by a fine of not less than $100 nor more than $1,000, or by imprisonment for not exceeding 1 year, or by both such fine and imprisonment, and for any subsequent offense by a fine of not less than $500 nor more than $5,000, and by imprisonment for not less than 1 year nor more than 10 years. In imposing sentences upon such subsequent offenders, nothing contained in the Indeterminate Sentence Act of July 15, 1932, as amended, shall be construed as authorizing a minimum term of imprisonment of less than 1 year."

CLAIMS OF BOARD OF TRUSTEES OF SAUNDERS MEMORIAL HOSPITAL

The Senate proceeded to consider the bill (S. 1932), conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina, to hear, determine, and render judgment upon the claim of the board of trustees of the Saunders Memorial Hospital, which had been reported from the Committee on Claims, with an amendment on page 2, line 8, after the word "within", to strike out "six months", and insert "one year", so as to make the bill read:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon, notwithstanding the lapse of time or any provision of law to the contrary, the claim of the board of trustees of the Saunders Memorial Hospital, Florence, S. C., against the United States for damages arising from the negligence of the Army officials in advising and notifying Saunders Memorial Hospital that the Army had exercised its option dated November 16, 1942, to lease the Saunders Memorial Hospital for the use of the Army; notwithstanding the provision of the said option requiring written notice on the part of the United States of its intention to exercise its option. Such suit shall be instituted within 1 year from the date of the enactment of this act, and the liability of the United States in such suit shall be determined as if the Army officials advising and notifying Saunders Memorial Hospital were at the time authorized agents of the United States, for whose negligent acts it shall be liable; the measure of damages to be the same as if the controversy was between private individuals.

The amendment was agreed to.

Mr. CORDON. Mr. President, that is one of the bills conferring jurisdiction on a Federal court to hear and determine certain claims. I object to the language. I hope that the bill may be amended. I have no objection to conferring jurisdiction; but on page 2, in line 1——

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. MAYBANK. I may say that my colleague the junior Senator from South Carolina [Mr. JOHNSTON] is absent on important business. I would not suggest that the bill go over. Perhaps it might be passed now. But if the Senator from Oregon wishes to discuss the bill in detail I should rather have it go over, and have it considered when my colleague returns.

Mr. CORDON. I do not think there will be any objection to the passage of the bill, but I should like to see it amended. However, I suggest that it be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. MAYBANK subsequently said: Mr. President, I ask unanimous consent that the Senate return to the consideration of Senate bill 1932, Calendar No. 1105. I should like to ask the Senator from Oregon if he has some suggestions he would like to make with respect to the bill, because I understand from members of the Claims Committee that my colleague is extremely anxious to have the bill passed at this time.

Mr. CORDON. Mr. President, my suggestion with reference to amendment is simply to leave the court with full power to determine the facts alleged.

The PRESIDENT pro tempore. The bill has been passed over. Is there objection to the present consideration of the bill? The Chair hears none, and the bill is before the Senate.

Mr. CORDON. I should like to amend the bill by inserting the word "alleged" before the word "negligence", in line 1 on page 2.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. CORDON. On page 2, in line 10, I wish to amend by striking the word "the" appearing before the word "Army" and inserting in lieu thereof the word "any."

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

The question is on the engrossment and third reading of the bill.

The bill (S. 1932) was ordered to be engrossed for a third reading, read the third time, and passed.

TAX EXEMPTION OF CERTAIN PROPERTY OF THE DISABLED AMERICAN VETERANS

The Senate proceeded to consider the bill (S. 1961) to exempt from taxation certain property of the Disabled American Veterans in the District of Columbia, which had been reported from the Committee on the District of Columbia, with an amendment on page 1, line 8, after the words "provisions of", to strike out "section 8 of the act of March 3, 1877, as amended and supplemented (D. C. Code, title 47, sec. 801), providing for exemptions of church and school property" and insert in lieu thereof, "sections 2, 3, and 5 of the act entitled 'An act to define the real property exempt from taxation in the District of Columbia', approved December 24, 1942", so as to make the bill read:

Be it enacted, etc., That the property situated in square 153 in the city of Washington, D. C., described as lot 132, owned, occupied, and used by the Disabled American Veterans, is hereby exempt from all taxation so long as the same is so owned and occupied, and not used for commercial purposes, subject to the provisions of sections 2, 3, and 5 of the act entitled "An act to define the real property exempt from taxation in the District of Columbia," approved December 24, 1942.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RESOLUTIONS AND BILLS PASSED OVER

The resolution (S. 161) authorizing an investigation of all means of interstate and foreign commerce, was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The resolution will be passed over.

The resolution (S. Res. 244) further increasing the limit of expenditures on a study and survey of the distribution and utilization of health personnel, facilities, and related services, was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The resolution will be passed over.

The resolution (S. Res. 245) increasing the limit of expenditures for the investigation of the better mobilization of the material resources of the United States was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The resolution will be passed over.

The bill (H. R. 3424) to permit renewal of certain trade-mark registrations after expiration thereof and for other purposes, was announced as next in order.

Mr. REVERCOMB. That seems to be a very important bill, relating to the extension of trade-marks to nationals of other countries. May we have an explanation of it? I do not want to object unless there is ground for it, but I think we ought to know at what the bill is aiming.

The PRESIDENT pro tempore. The Senator who reported the bill from the

committee is not present. If no other Senator asks that the bill be passed over, the Chair will make the request that the bill be passed over, and, without objection, the bill will be passed over.

The bill (H. R. 4080) to amend section 476 revised statute (U. S. C., title 35, sec. 2) providing for officers and employees of the Patent Office and for other purposes, was announced as next in order.

Mr. REVERCOMB. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 5258) granting a renewal of patent No. 113,244 dated February 9, 1939, relating to the flag of the Church of God, was announced as next in order.

Mr. BARKLEY. Mr. President, it seems to me to be bad practice to pass bills relating to extensions or renewals of patents without some explanation, and I ask that House bill 5258, Calendar No. 1112, as well as the bill immediately following, Senate bill 1808, Calendar No. 1113, be passed over.

The PRESIDENT pro tempore. Without objection, House bill 5258 and Senate bill 1808 will be passed over.

EXPORTATION OF CERTAIN COMMODITIES

The Senate proceeded to consider the bill (S. 1980) to continue in effect section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, relating to the exportation of certain commodities, which was read as follows:

Be it enacted, etc., That section 6 of the act of July 2, 1940 (54 Stat. 714), as amended by the act of June 30, 1942 (56 Stat. 463), the act of July 1, 1944 (58 Stat. 671), and the act of June 30, 1945 (59 Stat. 270), is hereby further amended by deleting from subsection (d) thereof the words "June 30, 1946" and substituting therefor the words "June 30, 1947."

Mr. BALL. Mr. President, may we have an explanation of the bill?

Mr. THOMAS of Utah. The bill merely provides that the embargo on materials used in our defense industries be continued for another year. The bill expires at the end of each year, and it is being renewed now at the request of the Secretary of Commerce, who is given the responsibility for administering the act by the President.

Mr. BALL. An embargo on imports or exports?

Mr. THOMAS of Utah. An embargo on materials used in our defense industries. It places an embargo on exports. It prohibits the goods that we have imported for defense purposes from going out of the country. The bill was enacted at a time when we were in need of very many materials of a strategic nature for our defense program. The war in Europe had begun and foreign individuals started to buy up our surplus materials and export them. The embargo was placed on such exports in 1939 and 1940 and has been in force ever since. It has been very effective. It is one of the very necessary war measures, and the people of the country have sustained our Government absolutely in respect to such action.

Mr. BALL. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I am glad to.

Mr. BALL. Does the measure apply to specific materials? Does it apply to any essential raw materials?

Mr. THOMAS of Utah. The legislation applied originally to materials which were imported for defense purposes, such as rubber, copper, and strategic materials of that nature. An embargo on them was necessary in order to keep foreign nations or the agents of foreign nations from buying up our surpluses and exporting them for their own use.

Mr. BALL. Does the legislation still apply to that sort of material?

Mr. THOMAS of Utah. Oh, yes. The language of the law is not changed at all, excepting for the date. Under the legislation, there is not a general embargo on everything.

Mr. BALL. In other words, an American who owns rubber or copper cannot export it without a license?

Mr. THOMAS of Utah. That is the way it works; yes.

Mr. BALL. But it applies only to raw materials in which we are domestically deficient, and which we import?

Mr. THOMAS of Utah. Yes; materials which we actually need and use for our defense purposes in Government plants. It has an effect, of course, greater than merely preventing materials from going out of our country. It makes it impossible for the prices of these materials to skyrocket.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I am glad to yield.

Mr. CORDON. Does the President's qualified embargo or allocation-control order, which is limiting the exportation of lumber products, come under the authority of this act which we are proposing now to extend?

Mr. THOMAS of Utah. I imagine that if the lumber products are used for defense purposes they too are included.

Mr. CORDON. The Senator will recall that toward the close of the war lumber was one of the most critical materials on the war list.

Mr. THOMAS of Utah. Yes; and there was a prohibition against exporting it at a time when we needed it, and I suppose we need it now for veterans' housing, and for other housing.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. THOMAS of Utah. I yield.

Mr. MAGNUSON. I understood the Senator to say that the measure applied only to products we had imported.

Mr. THOMAS of Utah. It applies to everything we need.

Mr. MAGNUSON. So if lumber were one of those items there could be no export of lumber out of this country without a permit?

Mr. THOMAS of Utah. That is correct.

Mr. MAGNUSON. But it is possible to obtain a permit to export lumber?

Mr. THOMAS of Utah. Yes.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill (S. 1980) was ordered to be engrossed for a third reading, read the third time, and passed.

ELIAS BAUMGARTEN

The bill (H. R. 1356) for the relief of Elias Baumgarten was considered, ordered to a third reading, read the third time, and passed.

LAWFUL ADMISSION TO UNITED STATES OF NORA R. NEVILLE

The bill (H. R. 1350) to record the lawful admission to the United States for permanent residence of Nora R. Neville was considered, ordered to a third reading, read the third time, and passed.

MERCY DUKE BOEHL

The bill (S. 875) for the relief of Mercy Duke Boehl was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of the immigration laws, the Attorney General is authorized and directed to permit Mercy Duke Boehl, the wife of an American citizen, to remain permanently in the United States.

JOSEPH TARANTOLA AND IDA TARANTOLA

The bill (H. R. 2415) for the relief of Joseph Tarantola and Ida Tarantola was considered, ordered to a third reading, read the third time, and passed.

FRANK E. WILMOT

The bill (H. R. 4240) for the relief of Frank E. Wilmot was considered, ordered to a third reading, read the third time, and passed.

MRS. JUD HENDRY AND HER DAUGHTER, GLADYS HENDRY

The bill (H. R. 4056) for the relief of Mrs. Jud Hendry, and her daughter, Gladys Hendry, was considered, ordered to a third reading, read the third time, and passed.

H. A. EDD

The bill (H. R. 4054) for the relief of H. A. Edd was considered, ordered to a third reading, read the third time, and passed.

MRS. JEAN TAUBE WELLER

The bill (H. R. 3126) for the relief of Mrs. Jean Taube Weller was considered, ordered to a third reading, read the third time, and passed.

BRAXTON B. FOLMAR AND OTHERS

The bill (H. R. 3513) for the relief of Braxton B. Folmar and Mary Inez Folmar, William Ernest Evans and Dora Ethel Evans, Joseph Thomas Avery and Maggie M. Avery, Robert H. Phillips and Hattie P. Phillips, and the legal guardian of James T. Avery, a minor, was considered, ordered to a third reading, read the third time, and passed.

LEGAL GUARDIAN OF WILMA SUE WOODS AND OTHERS

The bill (H. R. 2848) for the relief of the legal guardian of Wilma Sue Woods, Patsy Woods, Raymond E. Hilliard, and Thomas E. Hilliard, minors, was considered, ordered to a third reading, read the third time, and passed.

NICHOLAS T. STEPP

The bill (H. R. 4560) for the relief of Nicholas T. Stepp was considered, ordered to a third reading, read the third time, and passed.

HUTCHINSON'S BOAT WORKS, INC., AND OTHERS

The bill (H. R. 1217) for the relief of Hutchinson's Boat Works, Inc., and others, was considered, ordered to a third reading, read the third time, and passed.

JOHN C. SPARGO

The Senate proceeded to consider the bill (S. 1747) for the relief of John C. Spargo, which had been reported from the Committee on Claims with amendments on page 1, line 6, after the words "sum of", to strike out "$5,350" and insert "$2,500"; and in line 7, after the word "compensation", to insert "for medical and hospital expenses incurred and"; so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John C. Spargo, of Seattle, Wash., the sum of $2,500, in full satisfaction of his claim against the United States for compensation for medical and hospital expenses incurred and for personal injuries and loss of earnings sustained by him, as a result of an accident which occurred when the automobile which he was driving was struck by a United States Army vehicle, between Shelton, Wash., and Bremerton, Wash., on May 1, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EDWARD OATNEAL AND OTHERS

The bill (H. R. 2931) for the relief of Edward Oatneal, John N. Oatneal, Jr., and James R. Oatneal, was considered, ordered to a third reading, read the third time, and passed.

CLAIM OF A. G. BAILEY

The bill (H. R. 1838) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of A. G. Bailey against the United States, was considered, ordered to a third reading, read the third time, and passed.

ALDONA KOJAS

The Senate proceeded to consider the bill (S. 997) for the relief of Aldona Kojas, which had been reported from the Committee on Claims with an amendment on page 1, line 6, after the words "the sum of", to strike out "$10,000," and insert "$4,044"; so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Aldona Kojas, of Bridgeport, Conn., the sum of $4,044, in full satisfaction of her claims against the United States for compensation for personal injuries sustained by her, for reimbursement of hospital, medical, and other expenses incurred by her, as a result of an accident which occurred while she was riding as a passenger in a Coast Guard vehicle No. T-2682 on October 20, 1944, when it was involved in a collision at the intersection of Orange Avenue and Admiral Street, West Haven, Conn.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DAVE TOPPER

The bill (H. R. 2062) for the relief of Dave Topper was considered, ordered to a third reading, read the third time, and passed.

ELIZABETH M. SIMMONS AND ROBERT H. SIMMONS

The bill (H. R. 3121) for the relief of Elizabeth M. Simmons and Robert H. Simmons was considered, ordered to a third reading, read the third time, and passed.

COLUMBUS THOMAS

The bill (H. R. 2289) for the relief of Columbus Thomas was considered, ordered to a third reading, read the third time, and passed.

SAM BECHTOLD

The Senate proceeded to consider the bill (S. 1286) for the relief of Sam Bechtold, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "the sum of", to strike out "$19,839.40", and insert "$6,239.40"; so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sam Bechtold, of St. Ignatius, Mont., the sum of $6,239.40, in full satisfaction of his claim against the United States for compensation for personal injuries sustained by him, on November 27, 1944, when escaped prisoners from the northwestern branch, United States disciplinary barracks, Fort Missoula, Mont., assaulted him and stole his automobile, and for reimbursement of medical, hospital, and other expenses incurred by him as a result of such injuries and theft: *Provided*, That no part of the amount apropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ORVIS WELCH

The Senate proceeded to consider the bill (H. R. 2167) for the relief of Orvis Welch, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "the sum of", strike out "$4,523.45" and insert "$3,523.45."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ELI L. SCOTT

The bill (H. R. 1721) for the relief of Eli L. Scott, was considered, ordered to a third reading, read the third time, and passed.

LEGAL GUARDIAN OF JAMES HERBERT KEITH, A MINOR

The bill (H. R. 3301) for the relief of the legal guardian of James Herbert Keith, a minor, was considered, ordered to a third reading, read the third time, and passed.

GEORGE F. POWELL

The bill (H. R. 3430) for the relief of George F. Powell, was considered, ordered to a third reading, read the third time, and passed.

JOSEPH SCHELL

The bill (H. R. 4297) for the relief of Joseph Schell, was considered, ordered to a third reading, read the third time, and passed.

ESTHER L. BERG

The bill (H. R. 2826) for the relief of Esther L. Berg was considered, ordered to a third reading, read the third time, and passed.

HERMAN FEINBERG

The bill (H. R. 1352) for the relief of Herman Feinberg was considered, ordered to a third reading, read the third time, and passed.

TOLL BRIDGE ACROSS THE CONNECTICUT RIVER AT OLD SAYBROOK, CONN.

The bill (H. R. 4940) granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate a toll bridge across the Connecticut River at or near Old Saybrook, Conn., was considered, ordered to a third reading, read the third time, and passed.

MRS. GERTRUDE VERBARG

The bill (H. R. 1073) for the relief of Mrs. Gertrude Verbarg, was considered, ordered to a third reading, read the third time, and passed.

OSCAR R. STEINERT

The bill (H. R. 5664) for the relief of Oscar R. Steinert was considered, ordered to a third reading, read the third time, and passed.

ADDITIONAL PERMANENT PROFESSORS, UNITED STATES MILITARY ACADEMY

The bill (S. 1963) to authorize additional permanent professors of the

United States Military Academy was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That one additional permanent professor is hereby authorized for each of the nine departments of instruction of the United States Military Academy for which one such professor is now authorized. Such professors shall have the rank, pay, allowances, retirement rights, and other benefits authorized for other permanent professors of the Academy: *Provided,* That the senior professor in each department of instruction shall be the head thereof.

SEC. 2. The positions of professor of law and professor of ordnance of the United States Military Academy hereafter shall be filled by the appointment of permanent professors, who shall have the rank, pay, allowances, retirement rights, and other benefits authorized for other permanent professors of the Academy.

SEC. 3. There is hereby authorized, as an additional permanent professor of the United States Military Academy, a dean of the Academic Board, who shall have such duties as may be prescribed from time to time by the Superintendent of the Academy with the approval of the Secretary of War. Appointments to this position shall be made from among permanent professors who have served as heads of departments of instruction of the Academy. The dean of the Academic Board shall have the rank, pay, allowances, retirement rights, and other benefits authorized for permanent brigadier generals of the Army, except that the statutory retirement age shall be the same as that of other permanent professors of the Academy.

BILL PASSED OVER

The bill (S. 1850) to promote the progress of science and the useful arts, to secure the national defense, to advance the national health and welfare, and for other purposes was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The bill will be passed over.

MISSISSIPPI RIVER BRIDGE NEAR CLINTON, IOWA

The bill (H. R. 4914) to revive and reenact the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944, was considered, ordered to a third reading, read the third time, and passed.

RAINY RIVER BRIDGE NEAR BAUDETTE, MINN.

The bill (H. R. 5544) authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn., was considered, ordered to a third reading, read the third time, and passed.

PEE DEE RIVER BRIDGE NEAR CASHUA FERRY, S. C.

The bill (H. R. 5275) to revive and reenact the act granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Pee Dee River, at or near Cashua Ferry, S. C., approved April 30, 1940, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 4190) granting the consent of Congress to the Pennsylvania Railroad Co. to construct, maintain, and operate a railroad bridge across the Allegheny River at or near Warren, Pa., was announced as next in order.

Mr. AIKEN. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

VETERANS' PREFERENCE UNDER SURPLUS PROPERTY ACT OF 1944

The Senate proceeded to consider the bill (S. 1757) to broaden the scope and raise the rank of the veterans' preference provided for in the Surplus Property Act of 1944, which had been reported from the Committee on Military Affairs, with an amendment, to strike out all after the enacting clause and insert:

That section 16 of the Surplus Property Act of 1944 is hereby amended to read as follows:

"DISPOSAL TO VETERANS

"SEC. 16. (a) The Administrator shall prescribe regulations permitting veterans to acquire appropriate quantities of surplus property to enable them to establish and maintain their own small business, professional, or agricultural enterprises, and dispositions of surplus property to veterans under this section shall be given priority over all other disposal of property provided for in this act, except transfers to Government agencies under section 12.

"(b) The Administrator shall cause to be set aside or otherwise to be made available, for such period or periods of time as he may determine, appropriate types and quantities of surplus property for exclusive disposal to veterans for their own personal use or to enable them to establish and maintain their own small business, professional, or agricultural enterprises. The Administrator shall prepare regulations designed to achieve the equitable distribution of such surplus property among veterans. In selecting any types of surplus property for disposal in accordance with the provisions of this subsection, the Administrator shall give due consideration to the availability of adequate facilities for and the cost of the distribution of such surplus property. The Administrator shall from time to time cause to be compiled and publicized widely information as to the types and quantities of such surplus property which has or will become available within a given period of time for exclusive disposal to veterans in accordance with the provisions of this subsection."

SEC. 2. Subsection (a) of section 12 thereof is hereby amended by adding at the end thereof the following: "except disposals under section 16 (b)."

SEC. 3. Subsection (f) of section 13 thereof is hereby amended by adding at the end thereof the following: "and disposals under section 16 and subsection (e) of section 18."

SEC. 4. The last sentence of subsection (e) of section 18 thereof is hereby amended to read as follows: "The disposal of surplus property under this subsection shall be given priority immediately following transfers to other Government agencies under section 12 and disposals to veterans under section 16. The provisions of subsection (c) of section 12 shall be applicable to purchases made under this subsection."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the Surplus Property Act of 1944, as amended, so as to broaden the scope and raise the rank of the veterans' priority."

DES MOINES RIVER BRIDGE, FARMINGTON, IOWA

The Senate proceeded to consider the bill (S. 1834) granting the consent of Congress to the Iowa State Highway Commission to construct and maintain a free bridge across the Des Moines River at the town of Farmington, Iowa, which had been reported from the Committee on Commerce with an amendment, to strike out all after the enacting clause and insert:

The consent of Congress is hereby granted to the State of Iowa or Iowa State Highway Commission to construct, maintain, and operate a free highway bridge and approaches thereto across the Des Moines River, at a point suitable to the interests of navigation, at or near Farmington, Iowa, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill granting the consent of Congress to the State of Iowa or the Iowa State Highway Commission to construct, maintain, and operate a free highway bridge across the Des Moines River at or near Farmington, Iowa."

JOINT RESOLUTION PASSED OVER

The joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom and for other purposes was announced as next in order.

Mr. BARKLEY. Let the joint resolution go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

LEGAL GUARDIAN OF JAMES IRVING MARTIN, A MINOR

The bill (H. R. 2509) for the relief of the legal guardian of James Irving Martin, a minor, was considered, ordered to a third reading, read the third time, and passed.

MRS. CLIFFORD W. PREVATT

The bill (H. R. 3948) for the relief of Mrs. Clifford W. Prevatt was considered, ordered to a third reading, read the third time, and passed.

BERNICE B. COOPER

The bill (H. R. 988) for the relief of Bernice B. Cooper, junior clerk-typist, Weatherford, Tex., rural rehabilitation

office, Farm Security Administration, Department of Agriculture, was considered, ordered to a third reading, read the third time, and passed.

JOHN BELL

The bill (H. R. 1235) for the relief of John Bell was considered, ordered to a third reading, read the third time, and passed.

LEE HARRISON

The bill (H. R. 2156) for the relief of Lee Harrison was considered, ordered to a third reading, read the third time, and passed.

MILDRED NEIFFER

The bill (H. R. 1759) for the relief of Mildred Neiffer was considered, ordered to a third reading, read the third time, and passed.

MRS. FRANK MITCHELL AND J. L. PRICE

The bill (H. R. 2885) for the relief of Mrs. Frank Mitchell and J. L. Price was considered, ordered to a third reading, read the third time, and passed.

JOHN DOSHIM

The bill (H. R. 2682) for the relief of John Doshim was considered, ordered to a third reading, read the third time, and passed.

VIRGE McCLURE

The bill (H. R. 1269) for the relief of Virge McClure was considered, ordered to a third reading, read the third time, and passed.

MRS. GRANT LOGAN

The bill (H. R. 2331) for the relief of Mrs. Grant Logan was considered, ordered to a third reading, read the third time, and passed.

W. E. NOAH

The bill (H. R. 1262) for the relief of W. E. Noah was considered, ordered to a third reading, read the third time, and passed.

MR. AND MRS. CIPRIANO VASQUEZ

The bill (H. R. 3483) for the relief of Mr. and Mrs. Cipriano Vasquez was considered, ordered to a third reading, read the third time, and passed.

MATTIE LEE WRIGHT

The bill (H. R. 3217) for the relief of Mattie Lee Wright was considered, ordered to a third reading, read the third time, and passed.

RAE GLAUBER

The bill (H. R. 2217) for the relief of Rae Glauber was considered, ordered to a third reading, read the third time, and passed.

MRS. RUBY MILLER

The bill (H. R. 3161) for the relief of Mrs. Ruby Miller was considered, ordered to a third reading, read the third time, and passed.

CLYDE ROWND, AND OTHERS

The bill (H. R. 2904) for the relief of Clyde Rownd, Della Rownd, and Benjamin C. Day was considered, ordered to a third reading, read the third time, and passed.

ADDIE PRUITT

The bill (H. R. 3591) for the relief of Addie Pruitt was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF ELEANOR WILSON LYNDE, DECEASED

The bill (H. R. 3846) for the relief of the estate of Eleanor Wilson Lynde, deceased, was considered, ordered to a third reading, read the third time, and passed.

SOCONY-VACUUM OIL CO.

The bill (S. 1742) for the relief of Socony-Vacuum Oil Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Socony-Vacuum Oil Co., of Detroit, Mich., the sum of $5,231.99, in full satisfaction of its claim against the United States for compensation for property damage sustained by it as a result of an accident which occurred when a United States Navy airplane crashed into a group of its oil tanks and burned, at the Flat Rock works near Trenton, Mich., on February 12, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ARTHUR F. DOWNS

The Senate proceeded to consider the bill (S. 1201), for the relief of Arthur F. Downs, which had been reported from the Committee on Claims, with amendments, on page 1, line 6, after the words "the sum of," to strike out "$2,119.96," and insert "$849.36"; and on page 2, line 3, after the word "November," to strike out "25," and insert "24," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Arthur F. Downs, of Portsmouth, N. H., the sum of $849.36, in full satisfaction of his claim against the United States for compensation for personal injuries and loss of earnings sustained by him, and for reimbursement of hospital and other expenses incurred by him, as a result of having been shot by a member of the United States Marine Corps, near the Newington crossroad, between Portmouth, N. H., and Rochester, N. H., on November 24, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TRANSPORTATION OF IRON ORE BY CANADIAN VESSELS—BILL PASSED OVER

The bill (H. R. 5316) to repeal the law permitting vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes was announced as next in order.

Mr. AIKEN. Let the bill go over.

Mr. RADCLIFFE. Mr. President, I thought I heard the suggestion that House bill 5316, Calendar 1182, be passed over. I should like to make a very brief statement in connection with the bill.

It does nothing but restore the law to the situation in which it was before the war. During the war we did not have sufficient transportation facilities for the transportation of ore between the Lake Superior region and the section around Lake Erie, for example. In order to meet that emergency a law was enacted permitting Canadian vessels, under certain conditions, to transport ore. It was highly essential to do so for the sake of the war effort. The need for such facilities has passed. It is not at all necessary to permit Canadian vessels to pass between two American ports. Consequently, in view of the fact that there is no need for this special war legislation, we should go back to the situation which existed before the war.

Mr. AIKEN. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

OPERATION OF RAILWAY ACROSS GOVERNMENT RESERVATION, WHITE RIVER, ARK.

The bill (H. R. 4239) granting to Guy A. Thompson, trustee, Missouri Pacific Railroad Co., debtor, and to his successors and assigns, authority to relocate, maintain, and operate a single-track railway across United States Government reservation at lock No. 3, White River, Independence County, Ark., and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2057) to extend the Selective Training and Service Act of 1940, as amended, until May 15, 1947, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The bill will be passed over.

SALE BY UNITED STATES GEOLOGICAL SURVEY OF AERIAL AND OTHER PHOTOGRAPHS, ETC.

The bill (S. 2029) to authorize the Director of the United States Geological Survey to produce and sell copies of aerial or other photographs and mosaics, and photographic or photostatic reproductions of records, on a reimbursement of appropriation basis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That so much of the act approved March 4, 1909 (35 Stat. 945, 989; 43 U. S. C., sec. 45), reading "The Director of the Geological Survey shall hereafter furnish to any person, concern, or institution, in the interest of education and

the dissemination of knowledge, that shall pay in advance the whole cost of material and services thereof, copies of any photographs or lantern slides in the possession of the United States Geological Survey; and the moneys received by the Director for the same shall be deposited in the United States Treasury" is hereby amended to read as follows:

"The Director of the United States Geological Survey hereafter may produce and sell on a reimbursable basis to interested persons, concerns, and institutions, copies of aerial or other photographs and mosaics that have been obtained in connection with the authorized work of the United States Geological Survey and photographic or photostatic reproductions of records in the official custody of the Director at such prices (not less than the estimated cost of furnishing such copies or reproductions) as the Director, with the approval of the Secretary of the Interior, may determine, the money received from such sales to be deposited in the Treasury to the credit of the appropriation then current and chargeable for the cost of furnishing copies or reproductions as herein authorized."

INCREASED PAY FOR MEMBERS OF THE ARMED FORCES—BILL PASSED OVER

The bill (S. 1357) to increase the pay of the military and naval forces while on sea duty or duty beyond the continental limits of the United States or in Alaska was announced as next in order.

Mr. REVERCOMB. Mr. President, there are several bills of this nature for increased pay for members of the armed forces, and I feel that they all ought to go over and be considered together.

The PRESIDENT pro tempore. The bill will be passed over.

RETURN TO CITY OF NEW ORLEANS OF SILVER SERVICE, ETC., OF THE CRUISER "NEW ORLEANS"

The bill (H. R. 5765) authorizing the Secretary of the Navy in his discretion to deliver to the custody of the city of New Orleans the silver service and silver bell presented to the United States for the cruiser *New Orleans* was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1869) to amend the Pay Readjustment Act of 1942, as amended, so as to provide an increase of 20 percent, and for other purposes was announced as next in order.

Mr. WHERRY. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2038) to increase the rates of monthly base pay of enlisted men of the lower 5 pay grades of the Army, Navy, Marine Corps, and Coast Guard for the purpose of encouraging voluntary enlistments in the armed forces, was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1253) to amend the Interstate Commerce Act, as amended, and for other purposes, was announced as next in order.

Mr. CORDON. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

COLUMBIA RIVER BRIDGE AT NORTHPORT, WASH.

The Senate proceeded to consider the bill (S. 943) granting the consent of Congress to the State of Washington to construct, maintain, and operate a bridge across the Columbia River at Northport, Wash., which had been reported from the Committee on Commerce with amendments, on page 1, line 4, after the name "Washington", to strike out the comma and the words "or its assigns"; and in line 5, before the word "bridge", to insert "free highway", so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of Washington to construct, maintain, and operate a free highway bridge and approaches thereto across the Columbia River at a point suitable to the interests of navigation, at or near the town of Northport, in Stevens County, Wash., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

The right to alter, amend, or repeal this Act is hereby expressly reserved.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill granting the consent of Congress to the State of Washington to construct, maintain, and operate a free highway bridge across the Columbia River at Northport, Wash."

The PRESIDENT pro tempore. That completes the calendar.

LITIGATION AFFECTING BONNEVILLE PROJECT

Mr. MAGNUSON. Mr. President, I ask unanimous consent for the present consideration of Senate bill 1516, Calendar No. 724.

The PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1516) to amend section 12 of the Bonneville Project Act, as amended.

Mr. WHERRY. Mr. President, was unanimous consent given for the consideration of Senate bill 1516?

The PRESIDENT pro tempore. The Senator from Washington is now asking unanimous consent for the consideration of Senate bill 1516, the title of which has just been stated by the clerk.

Mr. MAGNUSON. I shall be glad to explain the bill to the Senate.

Mr. WHERRY. Mr. President, I wish to keep faith with Senators who have left the Chamber on the assumption that the call of the calendar would start with Calendar No. 1020. This bill precedes the point where the call of the calendar started today. I do not wish to delay the Senate or the Senator from Washington. I do not know anything about the bill.

Mr. MAGNUSON. I shall be glad to explain it.

Mr. WHERRY. If there is anything controversial in the bill, it should be passed over.

Mr. MAGNUSON. It is not controversial at all.

Mr. President, the bill has been on the calendar for 3 or 4 months. About 3 months ago the Senate and the House, by unanimous vote, passed a bill which amended the Bonneville Project Act. The bill consisted of seven or eight sections. Under one section the employees were given the right to certain increases, classifications, and so forth. Other sections allowed them certain travel pay. One of the sections included in the bill provided for transfer from the Department of Justice to the Bonneville Authority itself of legal authority to try condemnation cases; and under that section the Bonneville Project Authority would maintain its own legal department.

After the bill was passed and sent to the White House, it was threatened with a veto.

The Senator from Oregon [Mr. CORDON] and I have been interested in this matter for a long time. In order to save the other eight sections of the bill, which are extremely vital, I suggested that it was entirely possible that the Commerce Committee had not given this particular section the consideration it should have had at the time, the testimony from the Department of Justice being the only evidence taken. I introduced a bill to repeal that section and leave the law as it was regarding legal services with respect to the Bonneville Authority. The bill was referred to the Committee on Commerce, which unanimously reported it. All it does is to repeal one section, so that the Attorney General will have authority to do the legal work for the Bonneville project.

Mr. WHERRY. Was the bill reported unanimously by the Committee on Commerce?

Mr. MAGNUSON. It was.

Mr. WHERRY. And so far as the Senator knows, there is nothing controversial in the measure; is that correct?

Mr. MAGNUSON. That is correct. I have explained all that the bill does.

Mr. WHERRY. I withdraw the objection.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (S. 1516) to amend section 12 of the Bonneville Project Act, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 12 of the act entitled "An act to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes," approved August 20, 1937, as amended, is amended to read as follows:

"SEC. 12. The Administrator may, in the name of the United States, under the supervision of the Attorney General, bring such suits at law or in equity as in his judgment may be necessary to carry out the purposes of this act; and he shall be represented in the prosecution and defense of all litigation, affecting the status or operation of Bonneville project by the United States attorneys for the districts, respectively, in which such litigation may arise, or by such attorney or attorneys as the Attorney General may designate as authorized by law, in conjunction with the regularly employed attorneys of the Administrator."

PRESERVATION AS HISTORIC RELICS OF SILVER PLATE FROM BATTLESHIP "NEVADA"

Mr. McCARRAN. Mr. President, during the call of the calendar today the Senate has passed bills providing for turning over to the respective States the silver services of the battleship *Arkansas* and the cruiser *New Orleans*.

Today there has been reported from the Committee on Naval Affairs, by the Senator from Wyoming [Mr. ROBERTSON], a bill to deal similarly with the silver on the battleship *Nevada* and the silver on the battleship *Wyoming*. The bill is not on the calendar. I ask unanimous consent that it may be considered at this time, even though it is not on the calendar.

The PRESIDENT pro tempore. Is there objection to the request for present consideration of the bill.

There being no objection, the Senate proceeded to consider the bill (S. 1802) to provide for permanent preservation as historic relics of the silver service, ship's bell, and name plate from the battleship U. S. S. *Nevada*, which had been reported from the Committee on Naval Affairs, with an amendment to strike out all after the enacting clause and to insert:

That the Secretary of the Navy is hereby authorized and directed to deliver to the custody of the Governor of Nevada for use as a display in the Nevada State Museum the name plate, the ship's bell, the silver service, and the magnesium chest of the U. S. S. *Nevada*.

SEC. 2. The Secretary of the Navy is hereby authorized and directed to deliver to the custody of the Governor of Wyoming for exhibition, educational purposes, and use by the University of Wyoming the name plate, the ship's bell, and the silver service of the U. S. S. *Wyoming*.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "An act to provide for the delivery of custody of certain articles of historic interest from the U. S. S. *Nevada* and the U. S. S. *Wyoming* to the State of Nevada and the State of Wyoming, respectively."

COMPENSATION FOR EMPLOYEES SUFFERING INJURIES WHILE IN THE PERFORMANCE OF DUTY

Mr. FULBRIGHT. Mr. President, during a previous call of the calendar, Senate bill 1325 was passed over upon the objection of the Senator from Oregon [Mr. CORDON]. Since then I have discussed it with him. I understand that he has withdrawn his objection, and that now he has no objection.

Therefore, I ask unanimous consent for the present consideration of the bill.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1325) to amend the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended, which had been reported from the Committee on Education and Labor with amendments, on page 3, line 2, before the figure "(2)", to insert "or"; in line 3, after the word "Act", to strike out "as amended; or (3) any benefit in respect to the payment of which the injured person or his dependent had contributed, in whole or in part" and insert "or the Railroad Retirement Act"; on page 5, line 1, after the word "officers", to insert "(including Members of Congress)"; in line 2, after the words "United States", to strike out "or" and insert "and"; and on page 6, line 25, after the word "by", to strike out "section 12 or", so as to make the bill read:

Be it enacted, etc., That section 7 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, is hereby amended to read as follows:

"SEC. 7. (a) The provisions made by this act, or by any extension thereof, for the payment of compensation for the injury or death of an employee shall be deemed to be in full satisfaction of all liability of the United States or of any of its departments, independent establishments, or agencies (including Government-owned or Government-controlled corporations) to pay damages or compensation to the employee or to any other person on account of such injury or death; and, notwithstanding any other provision of law, no action at law, in admiralty, or under any workmen's compensation law shall be maintainable against the United States or any of its departments, independent establishments, or agencies to recover damages or compensation on account of any such injury or death, unless such action is specifically authorized by a special act of Congress conferring jurisdiction upon a court to hear a particular claim or particular claims.

"(b) Whenever any person is entitled to receive any benefit under this act, or any extension thereof, by reason of his injury, or by reason of the death of a person to whom this act or any extension thereof may apply, and such person is also entitled to receive directly from the United States or any department or independent establishment or agency thereof (including Government-owned or Government-controlled corporations), any compensation, payment, gratuity, or benefit, under any other act of Congress, or pursuant to any agreement or other arrangement (other than (1) the proceeds of any insurance or insurance policy; or (2) any benefit under the Social Security Act, or the Railroad Retirement Act, and such compensation, payment, gratuity, or benefit is payable (a) on account of the same injury or death and (b) because of service by him (or in the case of death, by the deceased) as an employee within the meaning of this act or any extension thereof, then unless otherwise provided by law such person shall elect which benefit he shall receive. Such election shall be made, in such manner as the Commission may prescribe, within 1 year after the injury or death, or such further time as the Commission may for good cause allow, and when made shall be irrevocable, unless otherwise provided by law. Payments which may be made pursuant to this act or any extension thereof, or pursuant to such other right, pending or prior to the making of such election, shall be credited, in such manner as shall be equitable, against the benefit elected. In all other cases, the receipt of compensation under this act or any extension thereof, or the receipt of payments or benefits of any kind under any other act of Congress, or otherwise, shall not reciprocally bar or diminish the other right of an individual, unless otherwise provided by law."

SEC. 2. Section 12 of such act of September 7, 1916, as amended, is hereby amended to read as follows:

"SEC. 12. In determining the monthly pay of any person at the time of injury or death, for the purpose of computing compensation for injury or death, the value of subsistence and quarters, and any form of remuneration for services rendered, the value of which can be estimated in money, shall be included as part of the pay. Overtime pay shall not be taken into account in determining compensation for disability or death, including the determination of pay at time of injury, or the wage-earning capacity after injury. For the purposes of this act, the monthly pay of persons serving without pay, or for nominal pay, shall be deemed to be at such rate as may be determined by the Commission. In determining such monthly pay, the Commission shall give due consideration to the earnings of other employees of the same or most similar class in the most similar Federal employment and to any other relevant factors which indicate the wage-earning capacity of the injured person in relation to his employment at the time of injury."

SEC. 3. The sentence in section 40 of such act of September 7, 1916, as amended, which contains a definition of the term "employee" is hereby amended to read as follows: "The term 'employees' includes (1) all civil officers (including Members of Congress) and employees of the United States and of the Panama Railroad Company; (2) commissioned officers of the Regular Corps of the Public Health Service; (3) officers in the Reserve of the Public Health Service on active duty; (4) persons rendering personal services (including services in an advisory capacity) to the United States or to any department, independent establishment, or agency thereof (including Government-owned or Government-controlled corporations), without compensation or for nominal compensation, in any case in which acceptance or use of such services is authorized by an act of Congress or in which statutory provision is made for payment of the travel or other expenses of such person; and (5) persons, other than independent contractors and their employees, employed on the Menominee Indian Reservation in the State of Wisconsin, subsequent to September 7, 1916, in operations conducted pursuant to the act entitled 'An act to authorize the cutting of timber, the manufacture and sale of lumber, and the preservation of the forests on the Menominee Indian Reservation in the State of Wisconsin,' approved March 28, 1908, as amended, or any other act relating to tribal timber and logging operations on the Menominee Reservation."

SEC. 4. (a) Section 7 of such act of September 7, 1916, as amended by this act, shall apply retrospectively as follows: (1) subsection (a) thereof shall apply in any case of injury or death occurring prior to the date of enactment of this act, in which liability other than that arising under such act of September 7, 1916, is undetermined as of the date of enactment of this act; (2) subsection (b) thereof shall apply in any case of injury or death, regardless of the date thereof, in which benefits under such act of September 7, 1916, as amended or extended, are payable in the future, except that no benefit under such act, payable because of the application of such subsection (b), shall accrue for any period prior to the date of enactment of this act.

(b) Section 12 and section 40 of such act of September 7, 1916, as amended by this act, shall apply in cases of injury or death occurring on or after December 7, 1941, except that no benefit under such act, payable because of the amendment of such sections, shall accrue for any period prior to the date of enactment of this act, except that the Commission may, to the extent authorized by

such act of September 7, 1916, pay or reimburse for medical, surgical, and other similar expenses incurred subsequent to December 7, 1941. The time limitations of such act of September 7, 1916, with respect to the giving of notice of injury and the filing of claim for compensation, in any case brought within the purview of such act of September 7, 1916, by section 40 of such act, as amended by this act, shall not begin to run until the date of enactment of this act.

(c) The provisions of this act shall not be construed as authorizing the payment of any benefit in any case where, pursuant to private relief legislation, a beneficiary of such legislation has accepted payment of a grant in satisfaction of the liability of the United States or any department or independent establishment or agency thereof (including Government-owned or Government-controlled corporations) in such case.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONSIDERATION OF EXECUTIVE NOMINATIONS

Mr. BARKLEY. Mr. President, as in executive session, I ask unanimous consent for the present consideration of certain nominations on the Executive Calendar which were not confirmed earlier in the day, but which I should like to have considered at this time.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky? If not, the clerk, as in executive session, will state the nominations.

FEDERAL POWER COMMISSION

The legislative clerk read the nomination of Claude L. Draper, of Wyoming, to be a member of the Federal Power Commission for the term expiring June 22, 1951.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed; and, without objection, the President will be immediately notified of the confirmation of the nomination.

RAILROAD RETIREMENT BOARD

Th legislative clerk read the nomination of William J. Kennedy, of Ohio, to be a member of the Railroad Retirement Board for the remainder of the term expiring August 29, 1947.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed; and, without objection, the President will be notified forthwith.

FEDERAL COMMUNICATIONS COMMISSION

The legislative clerk read the nomination of Rosel H. Hyde, of Idaho, to be a member of the Federal Communications Commission for the unexpired term of 7 year from July 1, 1945.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed; and, without objection, the President will be notified forthwith.

REGISTER OF LAND OFFICE

The legislative clerk read the nomination of William G. Johnson, of Wyoming, to be register of the land office at Cheyenne, Wyo.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed; and, without objection, the President will be notified forthwith.

Mr. BARKLEY. Mr. President, does that conclude the Executive Calendar?

The PRESIDENT pro tempore. It does.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Capt. Harold M. Bemis, United States Navy, to be a rear admiral in the Navy, which was referred to the Committee on Naval Affairs.

AUTHORIZATION FOR SIGNING ENROLLED BILLS

Mr. BARKLEY. Mr. President, I ask unanimous consent that the President pro tempore of the Senate be authorized to sign enrolled bills during the recess of the Senate.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CASE LABOR-DISPUTES BILL—NOTICE OF MOTION TO DISCHARGE COMMITTEE

Mr. BALL. Mr. President, on yesterday I protested at the length of time the chairman of the Committee on Education and Labor has taken to report House bill 4908, the so-called Case labor-disputes bill, which was unanimously ordered to be reported by the committee on March 20, more than 3 weeks ago. I understand that the Senator from Montana [Mr. MURRAY], who is chairman of the committee, is out of the city today. I merely express the hope that he will file a report on the bill and will report the bill on Monday, when we meet again. If he does not do so, I think I shall file notice of a motion to discharge the committee from further consideration of the bill.

RECESS UNTIL MONDAY

Mr. BARKLEY. Mr. President, I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 40 minutes p. m.), the Senate took a recess until Monday, April 15, 1946, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate April 12 (legislative of March 5), 1946:

Capt. Harold M. Bemis, United States Navy, to be a rear admiral in the Navy, for temporary service.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 12 (legislative day of March 5), 1946:

FOREIGN SERVICE

William D. Pawley to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

FEDERAL POWER COMMISSION

Claude L. Draper to be a member of the Federal Power Commission, for the term expiring June 22, 1951.

RAILROAD RETIREMENT BOARD

William J. Kennedy to be a member of the Railroad Retirement Board, for the remainder of the term expiring August 29, 1947.

FEDERAL COMMUNICATIONS COMMISSION

Rosel H. Hyde to be a member of the Federal Communications Commission, for the unexpired term of 7 years from July 1, 1945.

THE TAX COURT OF THE UNITED STATES

JUDGES

LUTHER A. JOHNSON to be a judge for a term of 12 years from June 2, 1946.

Bolon B. Turner to be a judge for a term of 12 years from June 2, 1946.

J. Russell Leech to be a judge for a term of 12 years from June 2, 1946.

REGISTER OF LAND OFFICE

William G. Johnson to be register of the land office at Cheyenne, Wyo.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 12, 1946

The House met at 10 o'clock a. m.

Mr. HOFFMAN. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Prayer will be offered by the Reverend Crawford W. Brown, Director, Chaplaincy Service, Veterans' Administration.

Rev. Crawford W. Brown offered the following prayer:

Most Gracious God, we humbly beseech Thee, as for the people of these United States in general, so especially for their Representatives assembled, that Thou wouldst be pleased to direct and prosper all their consultations, to the advancement of Thy glory, the good of Thy church, the safety, honor, and welfare of Thy people; that all things may be so ordered and settled by their endeavors, upon the best and surest foundations, that peace and happiness, truth and justice, religion and piety, may be established among us for all generations.

We thank Thee, O Father, for the lives of Thy faithful servants who, having run the race without fear, and having finished their course, do now rest from their labors.

These and all other necessaries, for them, for us, and Thy whole church, we humbly beg of Thee, our Heavenly Father, the Creator of all men, whose ways are the ways of peace, and whose righteousness exalteth a nation. Amen.

The SPEAKER. Does the gentleman from Michigan insist on his point of order at this time?

Mr. HOFFMAN. No; there are only four or five Members here. I do not insist, Mr. Speaker.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, its enrolling clerk, announced that the Senate had adopted the following resolution (S. Res. 257):

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. WILLIAM O. BURGIN, late a Representative from the State of North Carolina.

Resolved, That a committee of two Senators be appointed by the President pro tempore of the Senate to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now take a recess until 12 o'clock noon tomorrow.

The message also announced that the Senate had ordered that Mr. McCARRAN be appointed a conferee on the part of the Senate to the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1163) entitled "An act to provide for the appointment of one additional district judge for the northern district of California," vice Mr. HATCH excused on his request.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H. R. 1089. An act for the relief of Albert Cantalupo; and

H. R. 2835. An act for the relief of James Lynch.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1907) entitled "An act to authorize appointments in the Regular Navy and Marine Corps, and for other purposes."

The message also announced that the President pro tempore has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies.

1. Department of Agriculture.
2. Department of the Navy.
3. Federal Power Commission.
4. Federal Works Agency.
5. General Accounting Office.
6. National Archives.
7. Petroleum Administration for War.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. GORE asked and was given permission to extend his remarks in the RECORD and include an article from Collier's magazine.

Mr. BECKWORTH asked and was given permission to extend his remarks in the RECORD.

Mr. NEELY asked and was given permission to extend his remarks in the RECORD and include two articles, first, an editorial that recently appeared in the Fairmont Times and second, a letter from the sponsor of Government Action for the Control of Cancer.

Mr. SPARKMAN asked and was given permission to extend his remarks in the RECORD and include a couple of editorials and articles from newspapers.

Mr. LUDLOW asked and was given permission to include in the remarks which he will make on the pending appropriation bill certain telegrams.

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. DIRKSEN asked and was given permission to extend his remarks in the RECORD and include a speech delivered by Frank R. Schwengel before the National Association of Beverage Control Administrators at Atlantic City April 2, 1946.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include a letter received from a meat-packing industry in his district which the head of the meat-packing industry has been sending out to its customers showing what the OPA is doing to him.

Mr. WEICHEL (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the RECORD in three instances and include excerpts from letters received from people in Oklahoma.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BOREN asked and was given permission to extend his remarks in the RECORD and include an address by Dr. Blake R. Van Leer.

Mr. BONNER asked and was given permission to extend his remarks in the RECORD and include a tribute paid by a young lady of his district to the late President Franklin D. Roosevelt.

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the RECORD in two instances and include various newspaper articles.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include an excerpt from the Boston Globe.

EXTENSION OF REMARKS

Mr. PETERSON of Georgia asked and was given permission to extend his remarks in the RECORD and include an address by Dr. Blake R. Van Leer.

Mr. BYRNES of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an advertisement and an editorial.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD into two instances and include an editorial and a newspaper article.

Mr. GAVIN asked and was given permission to extend his remarks in the RECORD.

Mr. ADAMS asked and was given permission to extend his remarks in the RECORD in two instances and include two editorials.

Mr. McGREGOR asked and was given permission to extend his remarks in the RECORD.

CALL OF THE HOUSE

Mr. LANE. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. RANKIN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 81]

Allen, Ill.	Fulton	Marcantonio
Baldwin, Md.	Gardner	May
Barrett, Pa.	Gary	Monroney
Barry	Geelan	Morrison
Bell	Gerlach	Murphy
Bishop	Gibson	Murray, Wis.
Boykin	Gifford	Norblad
Bradley, Mich.	Goodwin	Norrell
Bradley, Pa.	Granahan	Norton
Brumbaugh	Granger	Patrick
Buckley	Griffiths	Peterson, Fla.
Bunker	Hale	Pfeifer
Byrne, N. Y.	Hall, Edwin Arthur	Powell
Camp	Hall, Leonard W.	Price, Fla.
Cannon, Fla.	Hancock	Rains
Cannon, Mo.	Harless, Ariz.	Reece, Tenn.
Celler	Hays	Resa
Chiperfield	Healy	Robertson, Va.
Clark	Hébert	Roe, N. Y.
Clippinger	Hedrick	Rogers, N. Y.
Cochran	Heffernan	Shafer
Colmer	Hendricks	Sharp
Cooley	Huber	Sikes
Courtney	Johnson, Okla.	Simpson, Pa.
Cox	Kee	Smith, Maine
Crosser	Keogh	Somers, N. Y.
Curley	Kerr	Stigler
Daughton, Va.	King	Sumner, Ill.
Dawson	Kirwan	Sumners, Tex.
Dingell	Klein	Sundstrom
Domengeaux	LaFollette	Thom
Doughton, N. C.	LeCompte	Traynor
Durham	Lewis	Vursell
Eberharter	Luce	Wadsworth
Fellows	McDonough	Wasielewski
Fisher	McKenzie	White
Flood	McMillen, Ill.	Winter
Fogarty	Mahon	Wolcott
Fuller	Mansfield	Wolfenden, Pa.

The SPEAKER. On this roll call 312 Members answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SPECIAL ORDER

The SPEAKER. Under previous special order of the House the gentleman from Massachusetts [Mr. McCORMACK] is recognized for 1 hour.

THE LATE FRANKLIN DELANO ROOSEVELT

Mr. McCORMACK. Mr. Speaker, 12 months ago today Franklin Delano Roosevelt, sitting quietly in the living room of his home at Warm Springs, said very simply, "I have a terrible headache." The next instant the mantle of the office of Chief Executive of the most powerful Nation in the world had fallen from his slumping shoulders. Our President had given his life for the land he loved and entered into eternal rest. Franklin Delano Roosevelt belongs to the ages, but his passing from the stage of life left a void in the world and loneliness in the hearts of those who even from afar had learned to know him as a leader of men and to love him for his humanity for his brother man. On April 12, 1945, his dynamic, energetic body sank to its last sleep, but on that day his spirit, glowing, fervent, vibrant, and American, cast a flaming challenge to the world to carry the fight for the crushing of tyranny wherever existent and the winning of a peace wherein men and women the world over, freed of the foot of the oppressor and the threat of war, would be able to live their lives as God had ordained in happiness and security.

Franklin Roosevelt was as much a casualty of World War II as any soldier killed by a bullet. He carried

through the war years a burden and a responsibility beyond the physical capacity of man. He succumbed—but as a hero. He knew his failing strength. He knew the risk of death. Without fear, conscious of his ultimate destiny, with indomitable courage he carried on in his duty as he saw it until tired—too tired to longer carry the fight—he went to God victorious in death and glorious in his victory.

First President of the United States to serve three terms in office and be elected to a fourth, he has stamped American life, American thought, American political economy, and American ideals with an indelible imprint of his personality and character which will never fade. And let it never be doubted that America learned to follow the star which ever beckoned him onward and upward in his zeal for the greater good of the common man. In his death, America arose surgent with a raging might, inspired by his memory, enlightened by his foresight, trained in his wisdom, driving the enemies of mankind to abject defeat and placing the diadem of victory through unconditional surrender of the Axis in the hands of the United Nations. In his death America, animated by his teaching, spirited by his valor, stirred by his impersonal ambition for the greatness of our Nation, has gone ever forward in the soul-sharing struggle for lasting world amity. We are winning the peace.

Critical evaluation of the public life of Franklin D. Roosevelt lies with history. Any review of his official career would at this time serve no useful purpose. He was the greatest of our war Presidents. And yet it is not of his achievements in war that I would speak. The deeds of the gallant leader who laughed as he fought our battles, stirred the nations of the world, as he, with a patience learned in pain, chartered the course of triumph, demanding the difficult, assuming the impossible, calling for 100,000 planes, 75,000 tanks, 10,000 ships, 10,000,000 guns, and making the inconceivable the usual, are living memories in the minds and hearts of every American. I would pause a moment to consider the foundations of the sound social order he builded for the greatest industrial power on the face of the earth—the United States of America. He pointed the way for the larger participation of the common man in the wealth and prosperity of this Nation.

We all remember the despair which gripped the hearts and minds of men throughout this country when Franklin D. Roosevelt was first inaugurated President of the United States. The crash of the spiraling house of cards which overspeculation had built on financial quicksand, the closing of the tottering banks, the bread lines, the apple sellers, the cowering and frightened citizenry, is a chapter in the life of this Nation which can never be forgotten. He became our Chief Executive—and suddenly as a cry in a wilderness came the clarion call to the colors of our flag—clear, challenging, exhorting, encouraging—"the only thing we have to fear is fear itself." The new captain of our destinies rallied America to the cause of social and industrial justice and measure after measure for the betterment of man and the protection of the American way of life raised the standard of living and erected a national structure of strong government under our constitutional guaranties which made this Nation the greatest potential force for good the mind of man had ever conceived. We became the leader in the family of nations. We took our place in the vanguard of democracies and were able to maintain our preeminence because our citizens had grown strong and virile under the legislative and executive social benefits made possible through the imagination, intellectual strength, and moral courage of Franklin D. Roosevelt.

Higher income and inheritance taxes, Federal aid for the unemployed, minimum wages, public works, home-ownership assistance, mortgage relief, unemployment and old-age pensions through social-security laws, protection against destructive financial fiasco through security-exchange legislation—these and many more then called revolutionary ideas emanated from the White House and cast their spell upon a changing world. The Brahmans of special interest and the Bourbons who would have clung obstinately to ideas adapted to a world that was gone ranted and raved that socialization of capital and regimentation of agriculture and industry, through the establishment of a fascist or communist dictatorship, threatened America with destruction. The vested interests, so-called, faced with a more equitable distribution of worldly goods, were frightened. They decried Roosevelt though they knew he was not greedy for personal power and sought only the larger good of the American people. They screamed epithets though they knew he yearned for peace, for justice, for the means for America to live in happiness and self-respect.

The new deal for the forgotten man stirred hope throughout the land. Within 100 days after his inauguration in 1933 Congress gave the President peacetime powers never before entrusted to any President. The exercise of those powers with swift and keen perception and complete comprehension of the ills of America brought order out of chaos and hope from the ashes of dejection. A new order had commenced. A new America was born. American courage became resurgent. The American flag was again the flag of the brave and the free. Ever since has it flown on high—the symbol of America—revivified under the leadership of President Roosevelt.

Public confidence grew greater with each passing day under the economic policies of Franklin Delano Roosevelt. Within 10 days after his accession to office he proclaimed a banking holiday. Then followed in quick succession laws guaranteeing bank deposits and Government aid for home owners facing mortgage foreclosure. Alphabetic agencies became the rule of the day. The NRA, later declared unconstitutional, and the AAA, also later declared unconstitutional, evidenced the initial efforts of Roosevelt to bring immediate assistance to the farm and labor groups, aided so frequently in the later years of his administration. Reform and relief legislation increased with sound vision. Prohibition was repealed, social security provided, wage-hour law enacted, a good-neighbor policy established, stock-control regulations drawn, and the dollar devalued. Then commenced the fireside chats. President Roosevelt drew the country to him. The simplicity of his diction, the charm of his voice, the sincerity of his hopes, the vigor of his plans for America enchained the hearts of all Americans. A sense of the unusual in the office of the President and the appeal of the drama in the approach of the Chief Executive to the humblest citizen created and maintained, not only hope in the hearts of men and women throughout the Nation, but faith that that hope would be realized. The average American began to live. He had finally been recognized. And from that recognition blossomed the flower of American greatness. No longer a slave of the interests, the man in the street became conscious of his potentiality and appreciative of his dignity as a self-respecting citizen. From the early days of President Roosevelt, the world knew America revitalized was a new Nation to conjure with. Americans knew the day of national supremacy was at hand. Nothing in the future was impossible. America had banished fear. America had arrived.

This change is directly attributable to President Roosevelt and the sound economic policy formulated by him and executed through the legislative and administrative processes of this Government under his leadership. The narrow pathways of the twenties barred by plutocracy became through democratic processes broad highways leading to the security and happiness of sound social order. Economic despotism was finally ended. Franklin D. Roosevelt was the unseen guest in every home in the Nation from the day of his inauguration until the minute of his death. The American people lived with him in closeness. He was their guide and counselor as well as their President. The four freedoms, the promise of the founders of this Nation, and the guaranty of our constitutional form of government infused into one the world over the vision of the world that is to be.

Franklin D. Roosevelt knew that a world security organization with power to preserve peace by the use of force, if necessary, was the cornerstone of international amity. He called for the creation of such a council in 1944. The United Nations Organization is the child of his ideal of international friendship. We are leading the world along the pathway of permanent peace. Our leadership is real because America became domestically united and strong under the leadership of democratic men and women who realized that the days of government by inaction had ended and believed in the vision of the future as unfolded by their Chief Executive during the last 13 years.

We honor today the memory of a man who was the spirit of America. Franklin Roosevelt kept his rendezvous with destiny. The United States of America will keep faith with him. He shall not

have died in vain. We will, with high courage, meet our responsibilities to America and the world. Democracy, the political ideal of all humanity, under great strain during the past 15 years, due supremely to Franklin Delano Roosevelt has been tested and found worthy. The natural rights of man have found protection. The laws of God are recognized in the Nation as the foundation of our spiritual stature. The life of Roosevelt illumines the way. The America of our day follows in his footsteps, confident of every tomorrow.

Mr. Speaker, I yield to the distinguished gentleman from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. Speaker, I wish to join very briefly in paying tribute to that great world leader who went away a year ago today. How well I remember the first time I ever saw Mr. Roosevelt. It was in the early part of 1933, following his election and preceding his taking office. He made a trip through the Tennessee Valley and stopped for a short speech in Decatur, Ala. I remember so well his optimistic promise at that time for the development of the Tennessee River. People from the section that had been for so long treated almost as a colonial possession marveled at his assurance and wondered as to its realization. In the years that followed, those people saw it more than fulfilled. His perception as to the possibilities of the Tennessee Valley was typical of the remarkable grasp that he had of persons, places, and of things. I never ceased to marvel at his wide knowledge and understanding.

Mr. Speaker, no tribute that we can pay here can be adequate. In fact, the greatest tribute ever paid to any man came from the unashamed tears of people all over the world, people of all ages and stations in life, rich and poor alike, when the sad word of President Roosevelt's passing came to them. People felt in their hearts and said that it was just as if a member of the family had gone. Could there be a greater tribute?

The ancient Romans, when speaking of a man who had passed on from this life, did not say, "He has died." Instead, they said, "He has lived." Because of the bigness of his concept of national and world affairs, the peoples of all the world, down through generations yet unborn, can truly say with a new spirit of freedom and with gratitude in their souls that Franklin Delano Roosevelt has lived.

Mr. McCORMACK. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, 1 year ago today the entire world was startled as the news flashed over the wires that Franklin Delano Roosevelt, the foremost man in all the earth, had suddenly died at Warm Springs. Less than 3 months before he had been inaugurated as the first and only President elected for a fourth term, and, for that matter, for a third term. The inauguration was unique in at least two other respects. It was the first time that an elected President took the oath of office and delivered his inaugural address at the White House; secondly, the address, while unprecedently brief, was a masterpiece.

The inaugural ceremonies occurred on the south portico. The President had been reported to be in bad health. I thought he looked unusually well. He seemed to be in high spirits. The inauguration was scarcely over before the President left Washington for Yalta. The conference and its pronouncements are well known. The President returned by ship. The Yalta address to the Congress on March 1, 1945, was never to be forgotten. The President sat for the first time in personally addressing the Congress. His voice was weak, his hand trembled; a decline in his physique was noticeable. It was evident that the burdens of public service were telling on him and taking a tremendous physical toll.

Franklin D. Roosevelt was a dreamer. He planned for the betterment of all mankind. He proclaimed the four freedoms, freedom of speech, freedom of religion, freedom from want, freedom from fear. He advocated preparedness. He promoted national defense. When he saw that World War II was inevitable, he appealed to Hitler and to Mussolini directly. He appealed directly to the Mikado. He also appealed directly to the Prime Ministers of Great Britain and France. He saw that war would involve the United States. He not only urged preparedness, but he took the longest step toward world unity ever taken by mortal man. He undertook to avoid the experiences of Woodrow Wilson. He was not perfect. No man is. He met Bagehot's definition of a popular and successful leader: "An uncommon man with an understanding of common ideas."

Franklin D. Roosevelt was bold. He was courageous. He had friends and enemies as is always the case with a strong character. He did not know the meaning of fear. He was a great statesman. Like Jefferson, he was an aristocrat, but he loved the common people. He was the most consummate politician of his day. A great Democrat, he believed in the Democratic ideal. With Wendell Willkie, he believed that the world was one. He believed in party rule and party government.

He was a man of great personal charm. He possessed a marvelous personality and an unusual memory. He was the most magnetic man I ever met.

Franklin Delano Roosevelt was the President of the greatest nation and the Commander in Chief of the mightiest army in all the tide of time. As he went the way of all the earth, the immediate surrender of Germany was evident. The conquest of Japan was only a matter of a few weeks or months. He was the most influential figure in all the world. Like Moses of old, he was not permitted to see the hour of victory, but, like Moses, he really died amidst the dawn of victory with unconditional surrender. As an advocate of world peace, he will be greater in death than in life.

The lines of the prose poet, John Oxenham, are appropriate:

> Lord, when Thou see'est
> That my work is done,
> Let me not linger here
> With failing powers,
> A workless worker in a
> World of work;
> But with a word,
> Just bid me home
> And I will come,
> Right gladly will I come,
> Yes—right gladly will I
> Come.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Speaker, I esteem it a great privilege to join with other Members of the House of Representatives in raising my voice in brief but very sincere tribute to our late distinguished and great President, the Honorable Franklin D. Roosevelt.

I think it is quite fitting and appropriate that we should pause during this busy session of the Congress to pay deserved tribute to this great leader on this, the first anniversary of his death.

I believe that when the historian comes to write the history of the period covered by Mr. Roosevelt's leadership he will find more material out of which to fashion history than in any other period of our Nation or the world.

The great heart of this distinguished American beat in tune with the welfare and interest of the masses of the people of our great country and the entire world.

He stands out in bold relief as one of the greatest statesmen ever produced by this country or the world; and his stature will continue to grow throughout the coming ages.

Mr. McCORMACK. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. SABATH].

FRANKLIN DELANO ROOSEVELT: IN MEMORIAM—WE OWE IT TO HIS MEMORY TO STRIVE FOR THE KIND OF PEACE TO ATTAIN WHICH HE GAVE HIS LIFE

Mr. SABATH. Mr. Speaker, again I regret my inability fittingly to state my innermost feeling for the greatest President of our Nation.

Our Nation has been served by great Presidents — Washington, Jefferson, Jackson, Lincoln, Wilson—but I honestly believe all their splendid attributes were embodied in Franklin Roosevelt, one of the greatest Presidents that history will record—a man to whom we today pay our humble tribute.

I know he is loved for his protection of humanity and the people of our country; that his aim was to bring about freedom to all and peace to the world; and I pray that God will bless our endeavor and effort to the best of our ability to bring about that peace, that unity, and that justice to all for which he gave his life.

Mr. Speaker, I had the pleasure and the privilege of having known the late Franklin D. Roosevelt well ever since 1915. Little did I think, then, that I should have the honor and the privilege

of working closely with him, of aiding and cooperating with his legislative program, with this greatest and most humane of all our Presidents.

Mr. Speaker, when in the tide of human events great crises occur, some guiding genius, kinder to us than we deserve, produces a leader to meet the need of the hour.

A LEADER FELL IN SERVICE

Such a leader fell a year ago today—fell in the service of his country and ours.

Franklin Delano Roosevelt was still a young man when he lay down his life on the altar of victory of good over evil. He was only 63 years old.

His mature political life—his period of great contribution to his Nation and his world—came relatively late in life. I knew him when he was a young, eager and charming man ably, but without his later profound understanding, promoting the presidential candidacy of Woodrow Wilson. I knew him as an assistant secretary of the Navy, still charming, able, enthusiastic; but just beginning to understand that a nation is all the people, not just the "nice" people. I advocated, yes, helped nominate him for vice president in 1920 at the San Francisco convention, and to cement the long friendship which existed between us.

THEN TRAGEDY STRUCK

Then tragedy struck, and a new Roosevelt was born—the Roosevelt of world leadership, of peaceful revolution, of the Presidency. Out of his personal tragedy, Mr. Speaker, Franklin Delano Roosevelt found, not despair, not hopeless fear and weakness, but hope and strength and courage and wisdom for the tasks to come.

The chill waters of New Brunswick, whose shock brought paralysis, helped remake the world. The hot steel of Franklin Roosevelt was tempered in the cold Atlantic.

Aristocrat, child of wealth, diletante, yet out of shock and sorrow Roosevelt found the people, and the people found Roosevelt. To paraphrase what has been said of another great President, "They were his people; he was their man; couldn't quite tell where the people left off and Roosevelt began."

He was elected and reelected Governor of the great State of New York. The night of his reelection by a tremendous majority I telegraphed him that the overwhelming vote given him as Governor made him automatically the standard bearer for the Democratic candidacy for the Presidency. In January 1932 I visited him at Albany and found him in perfect health and in a receptive mood toward the Presidential nomination. From that moment onward I, with a myriad of his other close friends and admirers, who knew him so well and valued his character and very great ability so highly, continuously advocated and worked for his candidacy and election; and notwithstanding covert and overt implications as to his physical fitness for the great office of President, he was nominated, and what happened thereafter is indelible history.

THE HELMSMAN HID

Can you still remember, Mr. Speaker, the year 1932? Can you remember the fear, the hunger, the suicides, the layoffs, the desperation? Can you remember how our ship of state was tossed in the storm, the helmsman hiding from the fury in the cabin of do-nothing?

And then, Mr. Speaker, do you remember the great inaugural crowd outside this Capitol, how you and I, and many other old familiar faces, and many who are gone, heard that wonderful voice of hope and confidence, and those revivifying words of the first inaugural speech? On March 4, 1933, Mr. Speaker, Franklin D. Roosevelt, now President of the United States and at the full zenith of his political maturity, said these words as part of his pledge to the Nation:

> We face the arduous days that lie before us in the warm courage of national unity; with the clear consciousness of seeking old and precious moral values; with the clean satisfaction that comes from the stern performance of duty by old and young alike. We aim at the assurance of a rounded and permanent national life.
>
> We do not distrust the future of essential democracy. The people of the United States have not failed. In their need they have registered a mandate that they want direct, vigorous action. They have asked for discipline and direction under leadership. They have made me the present instrument of their wishes. In the spirit of the gift I take it.
>
> This is a day of national consecration, and I am certain that my fellow Americans expect that on my induction into the Presidency I will address them with a candor and a decision which the present situation of our Nation impels.
>
> This is preeminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country today. This great Nation will endure as it has endured, will revive, and will prosper.
>
> So first of all let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustifiable terror which paralyzes needed efforts to convert retreat into advance.

HIS VOICE RANG AROUND THE WORLD

That voice, those words, rang around the world.

They startled a mustachioed little paperhanger in Berlin. They shocked a bull-faced martinet in Rome. They filled the heart of the world with hope and trust. We remade America in the next hundred days, and the people started to go to work. Reform followed reform at home, and the man who believed in America and in American democracy so strongly and so firmly that it never occurred to him to be afraid resolved crisis after crisis.

May I say that the Speaker of this House was one of those who made it possible for our country to honor such a great man as our late leader, Franklin D. Roosevelt. I remember at the convention when the present Speaker came out and said, "Texas is ready and willing to support Franklin D. Roosevelt," which brought about the final successful effort on the part of his friends to nominate him. We all knew that meant his election.

But Roosevelt entered a sick world. Out of his own paralysis and gallant struggle to overcome his physical handicap, he found the strength and wisdom to restore our own Nation to health and sanity. With our liberal and progressive purpose, we moved forward steadily toward prosperity and unending peace, could we but have lived alone in a little isolated world of our own.

That could not be. The danger of nazism, of fascism, of reaction was no longer creeping through the back streets of Europe; it was a swiftly spreading plague which threatened the peace, security, and happiness of the world's 2,000,000,000 hapless souls. While millions of us in America could not see the danger, and said it was not our business, Franklin D. Roosevelt saw clearly that democracy and authoritarianism could not live in the same world. Only one could survive. If America yielded to the Nazi evil, American democracy would die; and if American democracy yielded, then America would die.

ROOSEVELT WARNED OF DANGER

The wonderful clear voice, confident and bold, warned us time after time. Many of us were deaf. There were those of us who could not hear, because our ears were stuffed with the fat of democratic enterprise; and there were those of us who refused to listen because of a deep hatred of the democratic way of life.

Roosevelt spoke with the words of wisdom, but they were only words. Soon Hitler and Mussolini spoke with the thunder of war, and we had to listen. In Ethiopia, in Spain, in Czechoslovakia, in Austria, in Poland, tanks rumbled an accompaniment to marching feet, warplanes roared through the sky, and the big guns thundered so loudly the echo crossed the Atlantic.

Seldom has any man in history been so abused and so beloved. The common people of all the world worshiped the name of Roosevelt, as few men have been worshiped. The exploiters, the economic royalists, the aggressors, hated him with a devouring hatred.

Through storm and stress, through castigation and battle, Roosevelt moved on with certitude, with the strength his faith in America and in democracy gave him. Through the years when war moved ever closer to America, with the absolute certainty that the dictators meant to destroy America, Roosevelt moved calmly and surely to protect America from foreign aggression just as he had moved calmly and surely to protect America against revolution in the depths of economic depression.

LEADER OF THE PEOPLE

Through all this strain our personal friendship grew broader and deeper. In Franklin Roosevelt I found a true leader of the people, one with the people, the exponent of the common man, and I fought with all my strength for his ideals and for his legislative recommendations.

Before war struck us, with all its horror and hardship and suffering, Roosevelt did all in his power to ward it off. When war came, we did all in our power to help bring victory. It is sad to look back and know that he is gone, that he was taken

away in the eleventh hour before final victory over the enemies of the world and of the people, but it is wonderful to look back and remember that in the greatest strains of war, with the weight of world responsibility heavy on his tired shoulders, he never faltered in his faith in democratic forms of government and in the common people.

There were no Red hunts under Roosevelt, such as marred the last war, except such as came from Capitol Hill; there were no wholesale arrests, no persecution of good Americans with foreign-sounding names. Though the Roosevelt haters promised us there would never be another election, there were elections, free elections, and the people, making a free choice, chose Franklin D. Roosevelt again, and again, and again. The people chose the architect of the peace who planned for peace before the war began.

Now the war is won. We are trying hard to win the peace. We have in our hearts the same vision of unending peace and prosperity, free from wars, through the operation of the United Nations that Roosevelt had in his heart when he first realized that we could not escape war without losing our freedom.

We owe it to ourselves and to his memory to strive with all our might to bring about the kind of peace to attain which he sacrificed his life.

I desire to include in my remarks, Mr. Speaker, two of the tributes to President Roosevelt given over the radio a year ago, as gathered together by Donald Porter Geddes and presented in the book, Franklin Delano Roosevelt: A Memorial. I wish it were feasible to reprint this entire volume in the RECORD, that all who read might see gathered there the touching tributes and poems and the extracts from the Roosevelt speeches and addresses which give the key to his whole philosophy of political action.

TRIBUTE TO FRANKLIN D. ROOSEVELT BY JAN A. CIECHANOWSKI, AMBASSADOR FROM POLAND, APRIL 12, 1945

The news of President Roosevelt's passing has profoundly grieved me. His loss will be greatly felt throughout the world. In this hour of destiny when the victory of the United States is about to come, his far-sighted statesmanship and his indefatigable work for the triumph of our common cause, his death will be mourned by all the peoples who looked to his leadership for the establishment of a better world in which the rule of right over might should prevail. The name of President Roosevelt was held in love and respect by the people of Poland, who laid their fervent trust for Poland's independence in his spirit of justice and democracy, and in his profound understanding of the great problems of humanity.

TRIBUTE TO FRANKLIN D. ROOSEVELT BY VLADIMIR M. HURBAN, AMBASSADOR FROM CZECHOSLOVAKIA, APRIL 12, 1945

I attended today the funeral of the late minister of South Africa. The officiating clergyman quoting the scriptures stressed the sublime idea that physical death is not annihilation of the spirit. Upon hearing the news of the sudden death of President Franklin Delano Roosevelt this thought came back to me immediately. The life work of President Roosevelt based on absolute integrity is so deeply rooted in the minds of decent people all over the world that in spite of his physical absence it still remains with us. He remains with us who try the utmost to assure the best spiritual and material assistance to mankind. As Czechoslovakian Ambassador to whom Franklin Delano Roosevelt as President of the United States gave his strongest support in the most critical times, I bow my head in deep reverence and gratitude. The memory of President Roosevelt will never be forgotten by the people of Czechoslovakia.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Speaker, President Roosevelt has his place in history. As time wears on and the years pass by he will be recorded among the truly great. He was indeed the friend of the common man. I can never forget that bleak day on March 4, 1933, when he took the oath of office in front of this great and historic Capitol. We were on the very brink of national disaster. He restored faith and confidence. Domestic reforms were inaugurated that saved the economic life of the country. When the war clouds got lower and lower in Europe he pleaded and fought for an Army and Navy that would preserve our liberty. No man knew and understood world problems better than he. No man contributed more to the freedom we enjoy today than he. I am happy to be present today and join in this deserved tribute to his life and works. I feel honored to have been a Member of Congress under his leadership. In my judgment he was among the great statesmen of all time.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. BIEMILLER. Mr. Speaker, today we honor one of the greatest Americans of all time, Franklin D. Roosevelt. A year ago he was taken from us on the very threshold of the great victory he had worked so hard to achieve.

What is it that made Roosevelt such a great man? I think it was, most of all, that quality which he shared with Lincoln of belonging to all the people. When he said "My friends" he really meant it—it was not just a conventional phrase with him.

That quality led him to sponsor the greatest program of legislation for improving the conditions and opportunities of all the people which has ever been drafted. Under his leadership the country came to accept the idea of Government responsibility for the prosperity of the Nation and of all the individuals in it.

Roosevelt's greatest legacy to us was his economic bill of rights, for America and for all the world. In his own words, "There must be abundant life for the masses of the people in all countries." He urged us to "work for the establishment of this second bill of rights to lay a new basis of security and prosperity for all, regardless of station, race, or creed."

As we look back over the presidential career of Franklin D. Roosevelt, we see a record of achievement equalled by no other President. He came into office in a time of economic depression and black despair. In 1929 the inflated bubble of Republican speculation had burst, leaving the country on the verge of bankruptcy. And 4 years of Hoover's bungling had pushed it over the verge, so that millions were jobless and penniless, farmers were losing their land, corporations were on the rocks, and the last savings of businesses and individuals disappeared as banks closed their doors.

F. D. R. stepped into this desperate situation with characteristic confidence and vigor. He closed the banks, reorganized them, put them on their feet. He fed the hungry, gave them jobs, and put them on their feet. As soon as the people understood what he was doing, they got behind him and gave him everything they had.

Despair changed to hope and apathy to action. Working together with F. D. R., the country began to pull itself out of the depression and back to prosperity.

As the most pressing needs of the immediate emergency were met, Franklin D. Roosevelt turned to the fundamental reforms needed to help keep the country on the right track. The public development of power in the Tennessee Valley opened a whole region, formerly one of the most poverty-stricken in the country, to self-sustaining independence, and at the same time brought power to a wide area formerly meagerly served.

The Nation's richest agricultural resource—the soil—had been wasted by generations of improper use. A huge program to conserve and restore our soil by sound methods of cultivation and reforestation and wise protection of watersheds was instituted. While it will take years of labor to replace the destruction of the past 2 centuries, this program has already paid enormous dividends in farm lands and farm families saved from destruction, and in abandoned lands restored to use.

While soil conservation helped to save the farmers' land and livelihood, Farm Security helped him finance his future on the land. Government policies of helping cooperatives to function encouraged farmers to work together for their own advantage.

F. D. R. always recognized the importance of unions in improving conditions for wage earners, who have no individual control over their wages and working conditions. In sponsoring the Wagner Labor Relations Act he lifted the discriminatory bans which had long hampered the organization of unions, and gave them official recognition as a valuable part of American life. This made it possible for the unions to help break the vicious circle of wage cuts and dismissals and falling purchasing power which was holding back recovery.

Roosevelt's Social Security Act made another frontal attack on the problem of lost purchasing power. Since no one in modern life could keep up his current obligations and at the same time save for emergencies of long duration, the jobless and the aged soon became public charges. Society had to suffer their loss as customers, and to support them in one way or another. Social security protects the interests of government, taxpayers, and individuals by helping the jobless and the aged to get along on a self-respecting basis.

While the people of the United States were lifting themselves out of depression by voluntary democratic action under F. D. R.'s scintillating leadership, a po-

litical movement was growing in a different direction across the sea. Adolf Hitler was building a dominion of hate and fear which was soon to spread outside the borders of Germany and threaten to engulf first Europe and then the Western Hemisphere. One of the first to recognize the menace in its true proportions was Franklin D. Roosevelt. Long before most Americans were willing to see that we were in danger, F. D. R. was mobilizing to help those who would be drawn into the fight against Nazi domination. He realized from the first that we must aid Hitler's enemies if we did not want to have him grow strong enough to fight us alone.

And in the face of bitter blind opposition, he made us get ready for the war he knew we had to fight. He persuaded some industries to retool for war production, and started training our men, reluctant though everyone was to cooperate in a war that seemed so remote. Because of his program of preparedness, we were ready to snap into action when the Japs struck at Pearl Harbor, and swept down across southeast Asia and the Pacific Islands.

He led us successfully through those long years of war. He brought us into close cooperation with those other nations from whom we had always held aloof, and made us understand that we had to work with them to win the war and to keep the peace.

And then, on the very threshold of victory, he left us. And he left us his unfinished work to complete. On us rests the responsibility of carrying on his work for economic security at home and international security abroad.

The people of America loved and trusted F. D. R. and all he stood for. They want to keep his memory green by continuing the policies he started. It is up to us to see that he is not forgotten but continues to live through his work, carried on by the rest of us as he would have wanted it done.

People all over America are joining today in tribute to the greatest man of our time. I would like to read you a proclamation by the Honorable John L. Bohn, mayor of Milwaukee, which I think very well expresses the respect we all feel for Roosevelt's memory and our dedication to his ideals:

A PROCLAMATION

Whereas April 12, 1946, marks the first anniversary of the untimely death of Franklin D. Roosevelt, that great architect of victory and of a world peace, security, and freedom; and

Whereas throughout the Nation, grateful Americans will bow their heads in reverent tribute to the memory of the late President of the United States, Franklin D. Roosevelt, and rededicate themselves to the Roosevelt policy of Big Three unity as the very foundation for the United Nations to guarantee the peace and to achieve the goal of well-being for all peoples; and

Whereas it is important that we, citizens of Milwaukee, pause in our daily tasks to pay tribute for 3 minutes at 3 p. m. on April 12, 1946, to the late President of the United States, Franklin D. Roosevelt; and

Whereas in Milwaukee and throughout the Nation, committees have been organized to honor the memory of the late President and to rededicate themselves to the principles of Franklin D. Roosevelt;

Now, therefore, I, John L. Bohn, mayor of the city of Milwaukee, do hereby call upon the people of Milwaukee to pause for 3 minutes at 3 p. m. on April 12, 1946, in silent tribute to the late President of the United States, Franklin D. Roosevelt, and rededicate themselves to the policy of Big Three unity.

If civilization is to survive we must cultivate the science of human relationships—the ability of all peoples of all kinds to live together in the same world at peace. What was won in battle must not be lost by lack of vision, or lack of knowledge, or lack of faith, or by division among ourselves and our allies. It is well, that during the 3-minute tribute to President Roosevelt, we pledge to work for the security and prosperity of all regardless of station, race, or creed.

In testimony whereof, I have hereunto set my hand at the city hall of Milwaukee, Wis., this 1st day of April 1946.

JOHN L. BOHN, *Mayor.*

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from California [Mr. OUTLAND].

Mr. OUTLAND. Mr. Speaker, it is difficult to put into words my feelings on this day, the first anniversary of the death of Franklin D. Roosevelt. Today, not only in this House, but throughout the Nation, and indeed throughout the entire world, people are paying tribute to the memory of the greatest man of our time and one of the greatest men of all time. I am quite certain there is nothing I can say that will add to the tributes. When I think of his outstanding achievements in our democratic economy and when I think of his tremendous accomplishments in the field of international cooperation, I stand in awe. Americans will not have to wait several generations to appreciate his true greatness; that greatness is realized today in the hearts of the great mass of people everywhere for whose service he gave his life.

Rather than make a speech in honor of Franklin D. Roosevelt, I would prefer to hope that those of us to whom he was a symbol of all that is good, and just, and decent in this life, would devote our energy and our time to working for the ideals for which he stood. I would rather think that we will concentrate on that vital legislation for which he was fighting, and that we will continue to fight rather than simply pay lip service to his memory. For my part, as long as I remain in public life, I expect to do everything that I can to carry on for those principles which caused the American people to elect Franklin D. Roosevelt to the Presidency four times, the only American in our history who has been so honored. If we can concentrate on working for these ideals, I have confidence that his program will, both domestically and internationally, be achieved and that this great champion of democracy and peace, although he did not live to see the fulfillment of his hopes, will not have died in vain.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from California [Mr. IZAC].

Mr. IZAC. Mr. Speaker, on this first anniversary of the death of our greatest President I should like to comment very briefly. Franklin Roosevelt was an ideal which many of us will follow through the years of our lives. That ideal was granted to a sorely beset world at a time the significance of which could only have been known to the Almighty. Most of the world was in complete ignorance that in our midst was occurring a struggle between basic concepts of government and even of human behavior. Roosevelt it was who grasped the meaning of this struggle and eloquently interpreted it in terms no people could misunderstand. He showed how the dictators' exploitation of all the people for the benefit of a few autocrats at the top was the aim and the inevitable result of nazism and fascism. He warned that this new philosophy was being avidly accepted by the very people it was destined to destroy. He encouraged us to advance against this cruel force bulwarked by the belief that only under democracy could the hopes and aspirations of the common people be achieved. In the ensuing struggle the forces of evil were conclusively beaten down by the might of united and democratic action.

It was this gift of hope to a confused world that sets Roosevelt above other men of our generation. Throughout his whole public life he devoted his efforts toward bringing democracy's benefits to the people of every nation. The great measure of his success is but just now beginning to dawn on the consciousness of the world. It will become more evident as time goes on.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have permission to extend their remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HOOK. Mr. Speaker, Franklin Delano Roosevelt died a year ago today. The great force of his personality was removed from the world at a time when we could little afford such a loss. The months that have passed dull the sharp shock of grief at his death, but the passage of time does not alleviate the tragedy of the passing of his heroic figure from the confused and troubled world.

Roosevelt's moral and intellectual strength, his courage, and integrity had been bulwarks against the tides of reaction rising all over the world in the decade before the war. He came to the Presidency at a time of crisis in this country—when poverty and confusion were eating away at the foundations of democracy here.

Franklin Roosevelt met that crisis with bold and forthright action. He challenged the power and the influence of unscrupulous greed in high places. He declared war on the money changers in the temple. He brought hope and courage again to the little men and women who had been abandoned to poverty and insecurity.

Because he was not afraid; because he had courage and daring and imagination; because he was more concerned with the survival of democracy than with political effect, he earned for himself the undying enmity of the powers he challenged.

Looking back now, it is hard to remember how great the task was that

Roosevelt shouldered in his first term in the White House. It is hard to remember when there was no Social Security Act, no Fair Labor Standards Act, no Agricultural Adjustment Act, no Securities and Exchange Act, no Labor Relations Act. These laws and many other fundamental reforms, achieved only after long years of bitter battle in Congress and the courts, are now so much a part of the fabric of democracy in America, that we are too inclined to take them for granted; inclined to forget that the same forces which opposed them are still active, still deathlessly opposed to the philosophy of liberal democracy which made them possible.

Despite the opposition, unprecedented in bitterness and fantastic malevolence, to Franklin Roosevelt and his program, the people of the United States endorsed him for the Presidency in four contests.

The people of the United States knew the man Roosevelt for his courage, his imagination, and his foresight. The war brought him before the people of the world as a vigorous champion of democracy, an implacable foe of oppression.

To the weary millions under the thrall of cruel tyranny the world over Franklin Roosevelt became the symbol of hope, of freedom, of victory over their oppressors.

During the grueling years of the war when the United States and the other United Nations met the greatest challenge of modern times, Roosevelt, as Commander in Chief of the armed forces of the United States and as a strong voice in the councils of the United Nations, met the test of true greatness. Undeviated by pessimism and fear, he charted the course of victory with great daring and imagination. With great singleness of purpose, he did what had to be done to achieve victory.

Roosevelt died when the tides had turned, when the armies of the Nazis and the Japanese were on the defensive. He did not live to see the final victory. He was a casualty of battle, one of the hundreds of thousands of Americans who died to secure victory for us.

The tribute to the memory of Franklin D. Roosevelt must be the same tribute we accord to all the dead heroes of World War II. It must be a tribute of deeds. A translation into being of the ideal of world peace for which they died.

Much has been said in the past year, much will be said today on this anniversary of the death of Franklin Roosevelt, in fitting eulogy to his memory. Some who now work against what were the mainsprings of Roosevelt's program when he was alive will euologize him in death. This is a mockery and a travesty on the memory of a man dedicated to the welfare of the people.

Who can say what Roosevelt's program would have been today? In the last years of his life he was concerned with the great and grave concerns of a world at war. He laid down the ground work for a workable peace, an international organization to preserve the peace.

It is futile to conjecture what specific proposals he would have forwarded for this period at home, what he would have favored or rejected. We do know, we can read the record of his years of service to his country to know that the welfare of all the people as opposed to the welfare of the few would have been the touchstone of his policies. An ever expanding security, an ever improving standard of living for the common people is the goal he would have sought. It is the goal we must strive for in concrete legislative terms.

The speech which Franklin Roosevelt prepared the night before he died might well have been prepared for delivery today. It concluded with an eloquent expression of his faith in the people of America, of what must be our faith in ourselves.

He said:

> The only limit of our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith.

Mrs. DOUGLAS of Illinois. Mr. Speaker, today is the first anniversay of the death of Franklin Roosevelt as tomorrow will be the two hundred and third anniversary of the birth of Thomas Jefferson. The careers of these noble Americans were strikingly similar. Both were born into wealth and high social position. It would have been easy for each of these men to have relaxed into a life of ease or to have used their abilities to maintain their class privileges. But each instead devoted his energies and talents to freeing the less fortunate and giving to them added dignity and power. For this each was attacked by the wealthy and powerful as being "enemies to their class." But both were instead loyal friends to the broader comradeship of humble men and women the world over.

Both were liberals from youth. But just as Jefferson's soul was forged into greatness by the fires of the Revolutionary War so was Roosevelt transformed into a truly noble spirit by the chilling attack of infantile paralysis which struck him down in the vigor of young manhood. From his long bedridden battle, facing first death and then a life of invalidism, Franklin Roosevelt learned at first hand many lessons. He learned patience under pain and discouragement, sympathy with those whose lot in life was hard, and, perhaps most of all, the need to face possible death and defeat with gallant courage. Those 7 years from 1921 to 1928 were indeed Franklin Roosevelt's real college and postgraduate training in that most difficult of all schools—life—and were far more valuable to him than Groton, Harvard, and Columbia.

When he rose from his sickbed to become Governor of New York, he was ready to serve as a soldier of the common good. Just as Jefferson had leveled privilege as Governor of Virginia by splitting up the big estates through the abolition of primogeniture and entail, and by establishing complete religious freedom, so did Roosevelt lay the foundations of security by establishing old-age pensions and becoming the first political leader to advocate unemployment insurance.

Swept into the Presidency as the old order broke down in the crash of the world's worst depression, Roosevelt devoted himself for the first 6 years to starting industry going again and building greater security for workers, farmers, investors, and white-collared folk by the far-reaching reforms of social security, farm relief, the SEC, and the rules governing labor and capital. These measures were bitterly criticized at the time, but they are now generally accepted and will probably continue as permanent bases of American life. It is not too much to say that Franklin Roosevelt saved millions from starvation, prevented revolution, and laid the basis for a more just social order. He did all this moreover within the framework and spirit of American democracy. No opposition newspaper was closed down and no opponent was thrown in jail. Everyone was given the chance to speak and object, but the people were themselves allowed to speak and speak they did in overwhelming tones. As Europe slid backward into dictatorship, America moved forward into greater democracy. Under Roosevelt, we demonstrated that the democracy which Jefferson had so largely helped to found could operate in rough as well as in smooth weather and was virile and not decadent in its humane handling of domestic problems.

As fascism took the aggressive in Manchuria, Ethiopia, China, and on the Rhine, Franklin Roosevelt saw the dangers abroad. It was only 8½ years ago that at the Outer Bridge in Chicago he warned the peace-loving nations of the world that they must combine to check aggression. Had we all followed his advice, it would then have been possible to have stopped Hitler, Mussolini, and the Japanese imperialists before they became so strong and thus have saved millions of lives and oceans of misery. But neither the nations abroad nor we at home would listen. Roosevelt was denounced from one end of the country to the other as a warmonger who was seeking to embroil us in a foreign war. No action could, therefore, be taken, and as the inevitable consequence, Hitler in March of 1938 moved into Austria and the next fall into Czechoslovakia. Then in August of 1939 came Armageddon as Hitler crashed into almost defenseless Poland. The next spring Denmark, Norway, Holland, Belgium, and France fell swiftly, and Hitler's hot breath was on the Atlantic and reaching out toward us. Roosevelt saw the danger and acted. He had already been building up the Navy, and now construction was redoubled. Although it was an election year and the political dangers were great, compulsory military service was introduced and a mass army began to be trained. Then came one of the best bargains we ever made. We exchanged 50 over-age destroyers which Britain needed to keep Hitler away from them and from us, and in return we got the Atlantic air bases we needed as an inner line of defense.

The opposition to all these measures was terrific, but the people showed their trust in Roosevelt by an overwhelming vote against a worthy opponent. Then, over bitter opposition, lend-lease was passed. This later proved indispensable in helping our allies to aid us when we

were fighting for our life. By the bare margin of one vote, we continued the draft which alone prevented our Army from being disbanded on the eve of Pearl Harbor.

Then the Japanese struck us at Pearl Harbor, and Germany declared war. We were in it, but thanks to Roosevelt, we were partially armed, and we had allies who were still on their feet. For over 3½ years the war raged. The initial advantage went to the foes of humar freedom, but beginning in September 1942 the tide began to turn. In a year and a half more we invaded the continent of Europe, and in another year Hitler and nazism were knocked out, and Japan was on the verge of surrender.

We have reason to be proud of our record in this war. There was of course some selfishness and some mistakes were made. But there were fewer errors than in any previous war. We built up and threw into action a powerful, well-trained, well-equipped Army of 8,500,000 men and a Navy and Marine Corps of over 3,000,000 more. We built the most powerful air force, merchant marine, and fleet the world had ever seen and turned out the most effective weapons in the largest quantity in the whole history of mankind. Credit for all this goes to scores of millions of men and women, but surely the major credit must go to our President. Certain of his decisions were especially crucial. I shall mention only four. First he decided to throw our greatest initial strength at that area where the danger was immediately greatest, namely Europe. This was wise, and yet the Navy was also built up so fast that the surrender of Japan followed that of Germany by only 3 months. Secondly, he resisted popular pressure for a premature invasion of the continent of Europe in late 1942 which at that time could only have resulted in military disaster. Third, against the advice of most military leaders, he concluded that Russia would not give in and he backed her to the limit with guns, planes, tanks, munitions, and equipment of all kinds. This aid helped to turn the tide in the east and paved the way to final victory. Two truths need to be recognized by all, namely that Russia by her heroic defense at Stalingrad and other cities helped to save the war for us and that we in turn by the supplies we gave Russia and by our pressure from the south and west helped to save her. Fourth and finally, by his decision to gamble on the development of the atomic bomb and to spend $2,000,000,000 upon it, the war with Japan was probably shortened by a year and hundreds of thousands of the lives of our boys were saved. Had anyone of these or countless other decisions been wrong, not only would Roosevelt have been covered with bitter ridicule, but, what is more important, disaster would have befallen our arms. But every major decision proved itself right in the fierce crucible of war.

This record will stand through time. Bitter and partisan souls may seek to besmirch the war record of our great President as they did that of Lincoln, but the fact remains that more than anyone else he saved the world from fascism and our own country from destruction. Those who attack this record will end only in convicting themselves.

But the war to Roosevelt was only a means and not an end in itself. The end was peace for all—a peace in which the "four freedoms" would thrive—freedom of speech and religion and freedom from want and fear. As the best way of guaranteeing peace, his was the prime voice in organizing the United Nations. Here the vision of Woodrow Wilson was to become a reality, namely an association of nations to pool their forces against aggression and thus deter the aggressors as the policeman restrains the footpad. And yet though the United Nations was to be a policeman to protect the peace of the world, it was not to be only that. It was also to feed the starving, to raise the standard of life of all, and to knit the peoples of the world together in fraternal affection.

Franklin Roosevelt died before final victory came over Germany and Japan and before the United Nations was set up. Like Moses, he did not see with his eyes the promised land. But by his leadership he helped to bring us closer to it. We are at times appalled by the difficulties and dangers of the times in which we live, but we should take heart in the fact that they cannot be more difficult nor more dangerous than the obstacles he so valiantly overcame. Our best tribute to him should be not by words nor by flowers but by keeping our spirits generous and pure and our acts worthy. Let us labor in his spirit to make this beloved Nation of ours one of justice, tolerance, and plenty. And let us work to make the nations truly united in spirit and strong to resist aggression from any source. In our day and generation, let us be partners in thought and deed to the principles of Jefferson and Roosevelt.

Mr. PRICE of Illinois. Mr. Speaker, tears will come to the eyes of millions of Americans today and sorrow will come into their hearts as they realize that a year ago this April 12, President Franklin Delano Roosevelt died in office. It was a tragic day a year ago when the Nation felt the shock of the sad news. I remember that even though it had been flashed over the radio I could not believe—I did not want to believe—and a whole Nation felt likewise.

The plain people of the world loved President Roosevelt. In him America found a champion of human rights. In the people's darkest hours he was their stalwart friend. He was truly a man of destiny, sent to lead a great people when they needed a strong leader most.

Roosevelt showed the American people the way to a more abundant life—he guided the world toward a policy of good neighborship which, may we hope, will be the foundation of a just and enduring peace. He believed in an equal opportunity for all people to enjoy the good things of life.

The record and achievements of the administrations of President Roosevelt would fill volumes. His was a social program for the betterment of the way of life of the plain people of America: the farmer, who forms the backbone of our great Nation; the laborer, whose toil and productive capacity placed our country far ahead of all others; the merchant, the banker, and the professional people. All owe much to the zeal, energy, and progressiveness of this great man. For them, in the Nation's darkest hour, by fearless action, he rescued a tottering economic system and put it back on its feet.

Yes; America owes much to Franklin Delano Roosevelt, and the longer he has been away from us the more people will realize it.

Many have the good judgment to recognize already the benefits our Nation reaped from his farsighted program.

The American farmer does.

The Roosevelt programs which restored to the forgotten man his rightful place in a democratic society made agriculture strong and resourceful.

When Roosevelt's first term began in March of 1933, agriculture was bankrupt. Farmers were rapidly losing their lands and their homes, and their life savings were being lost as rural bank after rural bank closed their doors.

In a very short time Roosevelt reversed the trend. Farmers' net income was tripled. Thousands of homes and farms were saved from foreclosure. Markets were regained. A program of soil conservation laid the basis for permanent plenty. Banks were made financially secure and savings deposits were protected by Government guaranty.

When war came, and the freedom of the world depended so greatly upon American agriculture, our farmers could and did respond gloriously. Their production is now saving millions of lives.

Franklin Delano Roosevelt was the best friend the farmer ever had. He saved them when they needed saving. He saved them by progressive steps taken in the nick of time.

Wage earners of America will always remember Roosevelt for the new hope he brought into their lives at a time of black despair.

President Roosevelt once said, and it sums up his philosophy:

> Always the heart and soul of our country will be the heart and soul of the common man—the men and women who have never ceased to believe in democracy. The spirit of the common man is the spirit of peace and good will. It is the spirit of God. And in His faith is the strength of all America.

Truly, Franklin Delano Roosevelt was the man of destiny, protector of our great country and its so many millions of common folk.

A beloved man—a devoted worker in the cause of world democracy and peace—is gone but his memory shall be forever cherished by a grateful nation—and all the peoples of the world will join with America in perpetuating his glorious name.

FRANKLIN D. ROOSEVELT LIVES ON

Mr. LANE. Mr. Speaker, he was the first global leader in history, a symbol of hope for the common man at home and abroad, a foe of privilege, a champion of the people. The hardest job in the

world was his but he thrived on responsibility, turning every increase in power toward the welfare of humanity. We remember his precedent-shattering leadership, his energy and vision, his achievements in bringing economic, political, and financial power under democratic controls, his gallant fight to save the spiritual values of our civilization, his determination to outlaw aggression and bring all men together in the family of nations. We remember the long cigarette holder titlted upward at a rakish angle, the laughing eyes, the gay chuckle, and the fireside chats when he visited us in our homes. We came to know him and love him and with cheerful affection we called him F. D. R.

In many ways he was more than one man. He became the spokesman of a world-in-change, giving voice to all of our hopes and aspirations. Through storm and stress he led his people and the world by the hand, out of the ruins of yesterday, through the dark night of depression and war, to the first faint glimpse of the brighter, fairer world of tomorrow. By ability and temperament he was destined to meet and master crises. But the greatness of his heart, reaching out to all of suffering humanity and taking all of its troubles to its care, was stronger than the mortal frame of man could bear. In his thirteenth year as President of these United States, in the midst of his labors, he was called to his reward, leaving the inspiration of his memory to guide us for the rest of our journey.

Franklin D. Roosevelt is a man for the ages. History says that we must wait for the perspective of time to establish a great man's worth. With lesser men that is true. But we, living through the greatest crisis in the thousands of years that mark man's time on earth, one that has brought us to the dawn of the atomic age, know that F. D. R. does not have to wait. Before our eyes we have seen the revolution of his accomplishments, that history can only add to his brilliant record of public service. As time goes by the world will catch up with the genius of his insight. Generations as yet unborn will be nourished by his example.

Of distinguished Dutch ancestry, Franklin Roosevelt was born to a life of comfortable ease. Educated at Groton and Harvard, he studied for the law and practiced his profession before engaging upon a public career. He was in the national eye long before he entered the White House. He had been a New York State senator. There, as a young man, he attracted attention by his single-handed attack upon, and his defeat of, the powerful political organizations of that time. He served as Assistant Secretary of the Navy in World War I and he was the unsuccessful candidate for Vice President when James M. Cox was defeated for the Presidency. Then came the tragic day in 1921 when he was stricken with infantile paralysis while swimming at the family home at Campobello, New Brunswick. He had plunged into the cold surf with his usual zest. A few hours later he had to be carried away on a stretcher. For months his life hung in the balance. And when he recovered, it was only to find that he would never walk again as other men walked. A bedridden life, or one doomed to a wheel chair, was a double blow to a man of Roosevelt's vitality. He was not the type to accept defeat and watch the life he loved go by his window. There, through the terrible ordeal he endured, were forged the qualities of mind and spirit that made him utterly fearless.

One day, the veteran newspaperman and devoted friend, Louie Howe, who saw his lifelong faith justified when Franklin Roosevelt finally entered the White House, came into the invalid's room. Roosevelt lay in his bed that day with his face twisted in some concentration of thought or effort. Great beads of perspiration rolled from his wrinkled forehead.

"Boss, what is it?" Louie called, as he hurried to the bedside.

The man fighting on that bed of pain took a deep breath and opened his eyes. He looked up at Louie and a beaming smile came through the sweat on his face, like sunshine through the rain. By the power of will he made reluctant nerve centers respond.

"Louie," he said, "you don't know how much fun it is just to try to move your big toe—and to do it."

Small wonder that Louie Howe had such faith in the dauntless courage of this man. Others would come to know it. Gamely, Roosevelt fought the disease, and, after tiresome, discouraging months of treatment, was able to walk with steel braces, crutches, and finally with the aid of canes. And yet, such was the personality of the man, he turned our attention away from his afflictions. He looked, he acted like a healthy, confident man. But the newspapermen who were close to him knew, and it became an unwritten law with them never to refer to this. The agony which marked his efforts to move about never showed in his face. It was necessary for him to sit on the floor of an automobile, place his hands on the edge of the floor behind him, and, while attendants lifted his legs, he would raise himself by the strength of his arms. Once in the seat, he would immediately smile and start kidding the reporters. Before this greatness of spirit, who could but admire the man.

In spite of this handicap, Franklin Roosevelt engaged in more grueling campaigns and traveled more miles—300,000 of them—than any President in our history. He appeared at public functions supported by a military aide or leaning upon the arm of a son. Ramps were used to assist him onto planes and railroad trains and in parts of the Executive Mansion. He permitted his birthday to be used for celebration throughout the country to raise funds for sufferers from the disease. Because he found the waters at Warm Springs, Ga., helpful, Mr. Roosevelt established the Warm Springs Foundation so that others suffering from the same affliction, but without the money to go there, might enjoy the benefits.

Once he told a close friend he thought his crippled condition was an asset. He explained that while others might be tempted to get up now and then to look out of the window or stretch their legs, he was riveted to his desk and thus was able to concentrate on his work.

After two terms as Governor of New York, he came to the White House in the midst of a strangling depression, proclaiming that there must be a "new deal" for the "forgotten man." His predecessor presented him with 12,000,000 unemployed, prices depressed to new low levels, a shrunken foreign trade, and thousands of bank failures. The whole Nation had the jitters, and if any man was in a tough spot, it was Franklin Delano Roosevelt. With characteristic fearlessness he told the Nation, "The only thing we have to fear is fear itself." Then he tackled the mess. One of his first acts was to proclaim a national banking holiday that closed every financial depository in the country for 10 days while readjustments were made. He summoned Congress into special session to implement by law a national recovery program that broke all precedents. One hundred days later every one of his requests had been granted and he held powers never before entrusted to a President in peacetime. The Nation rallied to his confidence and drew badly needed strength from it.

The Constitution was amended to repeal national prohibition. Social-security benefits were provided by legislation. A wage-hour law was enacted for labor. A Securities and Exchange Commission was set up to curb gambling with the Nation's economic welfare. A good-neighbor policy was established for the Western Hemisphere. The Civilian Conservation Corps, the National Youth Administration, the Works Progress Administration—these and many other alphabetical agencies became familiar household terms. Mr. Roosevelt swiftly became known as the country's foremost practical liberal and a leader of a social revolution.

It was to hold aloft the New Deal banner for a second term that the President was unanimously renominated by the Democrats in 1936 and overwhelmingly defeated his opponent in the election. At this time he said:

America will not forget these recent years. We feared fear. Today we have conquered fear. But I cannot, with candor, tell you that all is well with the world.

He raised his voice against economic despotism, which he likened to the tyranny of political autocracy that precipitated the American Revolution.

Out of this modern civilization—

He continued—

economic royalists carved new dynasties. They created a new despotism and wrapped it in the robes of legal sanction. The collapse of 1929 showed up the despotism for what it really was. The election of 1932 was the people's mandate to end it. Under that mandate it is being ended.

In his first two terms, Mr. Roosevelt was concerned primarily with domestic problems. The Agricultural Adjustment Administration was designed to help farmers through crop control measures and subsidies. The TVA—Tennessee Valley Authority project of flood control, navigation, and electric-power distribution—was the striking example of the

President's rate yardstick for public services. In 8 years alone, Mr. Roosevelt pushed through Congress expenditures of $850,000,000 for vast construction such as Bonneville and Grand Coulee power and irrigation plants on the Columbia River. By the end of his second term, these public enterprises were supplying more than one-twentieth of the country's electricity.

Though up to his neck in the work of national economic recovery, Mr. Roosevelt, with his world view, glimpsed war on the horizon. As early as 1937, in a Chicago speech, he demanded the quarantine of aggressor nations. He repeatedly advised America to prepare for any emergency. Europe went to war in September 1939, and Roosevelt watched the Axis run roughshod over country after country. The President took realistic steps.

He and his supporters in Congress remodeled the Neutrality Act to allow "cash and carry" purchase of arms by belligerents—a step favoring the Allies. After the Nazis swarmed through Holland and Belgium in 1940, Mr. Roosevelt set up a $1,000,000,000 emergency arms program and a National Defense Advisory Commission. He laid down the principle that the preservation of Britain and the British Navy were necessary to defend American safety, and, in September 1940, traded 50 old destroyers to Britain for naval and air base sites in the western Atlantic. The next month selective service became law. A new Army was drafted. Naval and air programs were accelerated, industry put on a wartime basis, and America became the "arsenal of democracy."

Engrossed in questions of defense and foreign policy, Mr. Roosevelt refrained from stumping for a third term until the week before election, but he defeated his opponent by 4,000,000 ballots.

In March 1941 the dollar sign was wiped from munitions for the Allies in a multibillion lend-lease program, and, on May 27, 1941, a few months after his third term began, the Chief Executive declared an "unlimited national emergency."

There were months of great debate, both in and out of Congress. The well-organized isolationists, closing their eyes to international realities, fought the President every step of the way. Almost alone, the President undertook the task of educating the American people to the fact that the insularity of the past was gone. Oceans were no barrier to airplanes, radio and propaganda, and more terrible weapons defying distance, which were already in the experimental stage. We did not live in an ivory tower where we could choose to ignore the rest of the world. We were a part of that world and we would have to face the dangers and the responsibilities that went with it. Because of the great faith which Americans had in Franklin Roosevelt, they listened, and learned, and applied pressure to Congress to support his policies. Thank God that we had such a realistic leader. With someone else, we might have been doomed.

But suddenly Japan, borrowing a technique of surprise and treachery from her Axis partners in crime, struck Pearl Harbor at the very moment when her mouthpieces in Washington were deceitfully talking conciliation with the Secretary of State, Cordell Hull.

It was a day, Mr. Roosevelt declared, which will live in infamy.

Our enemies thought they had Mr. Roosevelt where they wanted him, but they did not know Mr. Roosevelt. Thirty days after Pearl Harbor, Congress gasped when the Chief Executive proposed a 2-year production of 185,000 planes, 120,000 tanks, 55,000 antiaircraft guns, and 18,000,000 tons of shipping.

Fantastic, impossible, many declared, but Mr. Roosevelt knew no such words. It was typical of the man. He had vision, but the practical capacity to make it become fact. Stalin called him the great organizer. Production goals, stupendous as they seemed, subsequently were expanded, again and again. America amazed herself and the world. The Allies achieved a crushing superiority of arms over their foes.

Taking time out from these great efforts, Mr. Roosevelt proclaimed to Congress his famed "four freedoms"—freedom of speech and religion, freedom from want and fear—as fundamental to a lasting peace. In part, they formed the basis of our peace aims and were incorporated into the Atlantic Charter, drafted by the President and Prime Minister Churchill in their first meeting aboard warships anchored off the Newfoundland coast.

In addition to his many talents, the President was an able strategist. Churchill gave him credit for being the author of the mighty undertaking in north Africa. The Allies swept the enemy from the African Continent, out of Sicily, and finally, in Italy, carried warfare to Europe itself. The President's activity was prodigious. He flew to Casablanca for another consultation. For the first time during a war, an American Chief Executive had gone to foreign soil. Not since the days of Abraham Lincoln, who did not have to leave the District of Columbia, had a President been in a combat zone. But this was only one of his many travels, observing and coordinating the strategy of global warfare. He journeyed to Quebec, to Cairo, to Teheran, and Hawaii.

In 1944, he was again overwhelmingly elected on a platform of winning the war and establishing the peace. But the strain was beginning to tell. By this time we had 7,000,000 men overseas. We had landed in Normandy and driven the enemy back into his own country. In the Pacific, the Japs were defeated in Burma, flushed from one island stronghold after another, his navy worn down by attrition and his homeland subjected to the mounting fury of B–29 bombers.

Then came the conference with Stalin and Churchill at Yalta. Those of us who saw pictures of this meeting in the newsreels became uneasy. The President was thin and drawn, his cheeks hollow, and he wore a shawl around his shoulders. When he came back to report to Congress, the anxiety of those who saw him deepened. Then he left for Warm Springs. Already he was preparing for the great peace whose foundations would be built at the forthcoming San Francisco Conference of the United Nations. His armies were at the gates of Berlin and Tokyo. Victory was in sight. And the next task was the job of organizing the peoples of the world into a family of nations, with security and opportunity for all. On the afternoon of April 12, 1945, he was working on his papers when he looked up and said, "I have a terrific headache." In a few minutes he had lost consciousness. At 3: 35 p. m. he died of a massive cerebral hemorrhage.

The world was stunned. Common people in every country wept openly when they heard that their friend was gone. The most striking thing about his death was that millions took it as a personal loss. One of his "young guard" Democrats, Representative LYNDON JOHNSON, of Texas, said:

> There are plenty of us left here to try to block and run interference, as he had taught us, but the man who carried the ball is gone—gone. He was just like a daddy to me, always; he always talked to me just that way. He was the one person I ever knew—anywhere—who was never afraid. God, how he could take it for us all.

Mrs. Eleanor Roosevelt said, when informed of the death of the President:

> I am more sorry for the people of the country and the world than I am for us.

The First Lady received Vice President Truman in her second-floor sitting room, which adjoins the President's bedroom in the White House.

She told Truman, "The President has just passed away."

"What can I do?" Truman said.

"Tell us what we can do," Mrs. Roosevelt replied. "Is there any way we can help you?"

There was the valiant spirit working through those close to him, reaching out to help all people. The true mark of greatness is the unselfish devotion which it inspires in others.

We meet to honor the personality of Franklin D. Roosevelt. We shall perpetuate it—as he would want us to—not in backward-looking requiem but in the spirit that never dies. We shall carry into our private lives and our public duties the gallant and generous love of mankind which was his.

And as we journey up the staircase of time, that great heart shall never be far away. In times of doubt and stress we shall hear his friendly voice saying, "Carry on. There is nothing to fear but fear itself."

Franklin D. Roosevelt showed the way. With his spirit still with us, we shall follow through, as better men and better Americans, to finish the job he so nobly began. F. D. R. lives on, in us.

Mr. RABIN. Mr. Speaker, I appreciate the opportunity to join in this great tribute on the first anniversary of the death of Franklin Delano Roosevelt. It is very difficult for me to express my feelings on this occasion. How can I put into language a description of my emotions? Only those who have the gift of eloquence can do that.

As for myself, I want to express the gratitude that overwhelms me for there

having been given to us this man whose heart was so big that it could include all; whose courage was so great that he could lead us in the fight for the principles of righteousness; whose feelings were so tender that he could, with understanding, consider the needs of the most humble and helpless.

There is also in my heart the prayer that we may establish the peace for which he so nobly fought and for which he made such a tremendous sacrifice.

Mr. FORAND. Mr. Speaker, I am proud to have the opportunity to pay my humble tribute to that great humanitarian who, during World War II, was the tower of strength and the symbol of hope for the peoples of the world—that great President, Franklin Delano Roosevelt.

Just 1 year ago today, when news of his death was flashed to the four corners of the earth, the shock was so great that all were stunned. It was as if a switch had been thrown and for a moment the lights of the world had been extinguished.

Franklin Delano Roosevelt gave his all for his country. He sacrificed his life for the welfare of our people. Because he lived, our country and the world is better today.

PRESIDENT ROOSEVELT FELT THE PULSE OF HUMANITY

Mr. DOYLE. Mr. Speaker, Americans big enough to be humble enough to sense greatness in others will always cherish the attitude of our late beloved President toward mankind.

He felt the pulse of humanity the universe over, because his own heart was in tune with the infinite.

Methinks his most emphatic political opponents of those years he kept returning to the White House by the vote of his fellow citizens have long since had to conclude that a citizen so signally honored as to be thus trusted election after election was in tune with the pulse of the heartthrob of humanity. Men who thus achieve the trust of their fellows live long after brick and mortar crumble and decay.

As I sat here these 2 hours listening to the eloquent words so richly spoken to his memory and saw the generous applause given by most of the Republican Members of this great legislative body, I realized more than ever that time calls forth the most sincere impulses and thoughts of men. For I saw but very few who did not applaud the eloquent words of our distinguished majority leader and the distinguished Speaker of the House.

And I think this is as it should be in our American life. No political party has any part or portion of a monopoly of all the truth or of the greatness of the brains and patriotism of men. In his lifetime President Roosevelt gave ample proof of his sincere recognition of this fact. It would strengthen the sinews of our Republic if we, as those who carry on in this generation, would pay him just tribute by honoring humble greatness wherever we see it.

His triumph over physical disability will always stay a beacon and ray of hope to men and women handicapped by physical limitations and his fondness for his fellow man will ring down through the ages.

He had concern for the happiness of mankind. His heart was full of concern that mankind everywhere should have a more abundant life. To me, the measure of a man's greatness is the extent to which he goes to make the world a better place to live in. This is what our late President gave his life for.

Differences of belief had in political philosophy or theories fade into insignificance when face to face with the service this great American rendered to the peace of the world.

To these principles of brotherhood between the peoples of the world and to an enduring world peace we can well assign our time and our talents by way of best perpetuating the ideals of as great a neighbor and President as we have yet been honored with as a nation. Yes; perhaps the history of time will tell of him as the greatest, for we are now so close to the page we cannot read what it says.

His being in time with the Infinite made it a natural result that he would feel the pulse of humanity and would pour his life blood into his every being that men and women everywhere might have life and have it more abundantly.

That is why the heart of the common people of the Nation and of the world wept when Franklin Delano Roosevelt answered the call and heard the voice say, "Well done; enter then into the joy of the Lord."

Mr. KOPPLEMANN. Mr. Speaker, Tuesday afternoon of this week it was my privilege to sit in on a meeting of the United Nations Security Council. I was awed and thrilled. I felt that the chief legacy bequeathed to the world by Franklin Delano Roosevelt had been given to me personally. Undoubtedly the other visitors felt the same way. Here it was before me, the evolution of the hope of mankind—the development of a family of nations, dreamed of and bled for during all the generations that have preceded ours, finally attaining living reality through the courage and vision of a man whose lifelong career of public service culminated in presenting the world with the blueprint of lasting peace.

I remembered his words, spoken to the Congress on January 6, 1945, that "International cooperation on which enduring peace must be based is not a one-way street."

> That we can fulfill our responsibilities for maintaining the security of our own country only by exercising our power and our influence to achieve the principles in which we believe and for which we fought. * * * We shall strive for perfection. We shall not achieve it immediately, but we shall still strive.

And again:

> In the days and months and years to come, we shall be making history—hewing out a new shape for the future. And we shall make very sure that that future of ours bears the likeness of liberty.

These words were uttered 3 months before his death, more than 3 months before the San Francisco Conference was started. Tuesday afternoon, 15 months later, I sensed these declarations some day were going to be fulfilled as though they were a prophecy. I listened to the give and take of the delegates. I was conscious throughout of the obstructions along the road that we have encountered since the Charter was drawn up; of the obstructions we would yet encounter. But they are all part of the striving for perfection.

The victory achieved by the countries which these delegates represented was not a one-way street, nor will the peace be a dead-end thoroughfare. We will be moving up and down, giving and taking, suffering our hours of doubt and frustration, and scaling the heights of achievement and mutual confidence before the perfection we long for will be attained.

This world organization dreamed of by Wilson was conceived by Roosevelt. It is still but a living embryo, yet to be born. A grateful world will pay its mighty tribute to this revered leader by constant vigilance that this child of his brain will in time come fully to life and bring about the fulfillment of civilization's dearest hope—liberty for mankind everywhere, peace for mankind eternally.

Whatever achievements of the Roosevelt administration will spell progress for our Nation and for the world, this, the United Nations, will crown them all.

Mr. FEIGHAN. Mr. Speaker, today we commemorate the first anniversary of the death of our beloved leader in war and in peace, Franklin Delano Roosevelt. The whole world, rich and poor alike, should pause to pay tribute to this great leader in the cause of justice, liberty, and the well-being of all mankind. With devotion to these high principles under his unparalleled leadership, our country survived its worst economic depression and progressed toward the goal which we seek—peace and economic security for all. Under his peerless and courageous leadership we carried through the trying war years and won the victory. That he did not live to see our armies crush the Axis nations and raise the American flag over Berlin and Tokyo was a tragedy. He died just a month before victory in Europe and it can be said of him that he died a soldier's death. He made the supreme sacrifice even as any soldier who died on the battlefield and he carried the troubles of the world upon his shoulders. History will accord him a place with Washington and Jefferson and Lincoln. History will pay him the honor that is due him and should be his. Though he is gone his spirit marches on in progressive legislation.

Mr. VOORHIS of California. Mr. Speaker, after the great eulogy upon President Roosevelt delivered by the Speaker of the House today there is comparatively little to be added. Franklin D. Roosevelt will go down in history as one of America's four or five greatest Presidents. He will be remembered for having met with courage, foresight, and positive action the greatest depression in the Nation's history. He will be remembered for the progressive legislation on behalf of the common man which he sponsored and which is now on the statute books of the country. But most of all I believe he will be remembered as a

farsighted leader who foresaw the terrible danger to the peace and freedom of the world which was rising in the 1930's in Germany and Japan, who warned his country against it, fought to bring about unified action to meet the danger, and who led the forces of freedom through the most terrible war in all history to final victory.

Franklin D. Roosevelt was a great leader, a great President, and a great man.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Speaker, 1 year after the death of Franklin Roosevelt I think it becomes abundantly clear that he never will need a monument of marble, or a statue of stone, or other figures chiseled in bronze or brass to keep alive his memory in the hearts of humanity. We may eulogize him in all the years ahead in eloquent and imperishable rhetoric.

But the spirit and the achievements of the man himself always will be greater than anything that can be said about him. On this first anniversary of his death I find it extremely difficult to single out for emphasis one policy, one achievement, or one quality of character above another in the life of a man who had many talents and who served the greatest Nation in the world during the most turbulent period of world history.

But if I singled out any one thing today, 1 year after he passed away so quietly in Warm Springs, Ga., I think it would be his unlimited and his abiding faith in the United States of America and in the people of this great Nation. He never for a second doubted the ability of this Nation to reach any goal or to fulfill and carry out any program to which a majority of the people of the country was committed.

I think second to that, perhaps, I would emphasize his desire, a desire so intense that it became a driving urge, to see that the world was organized on such a basis that differences among governments and among nations could be settled without the mass killings of millions of people. You may recall that just before he passed away a year ago in the early morning hours he penned his last message to the American people. A short time later he passed away. In that last message his thoughts, as indicated by the text of it, were on that great question of organizing the world for peace. May I quote very briefly an excerpt from that last message:

> The work, my friends, is peace. More than an end to this war—an end to the beginnings of all wars. Yes, an end, forever, to this impractical, unrealistic settlement of the differences between governments by the mass killings of peoples. Today, as we move against the terrible scourge of war—as we go forward toward the greatest contribution that any generation of human beings can make in this world—the contribution of lasting peace, I ask you to keep up your faith. I measure the sound, solid achievement that can be made at this time by the straightedge of your own confidence and your resolve. And to you, and to all Americans who dedicate themselves with us to the making of an abiding peace, I say:
>
> The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith.

Mr. McCORMACK. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Ohio [Mr. RAMEY].

Mr. RAMEY. Mr. Speaker, post mortem eulogies are only back pay. For our living great we often have epithets; only those who have passed on have epitaphs. Franklin D. Roosevelt was no exception.

I concur in the judgment of most of those who have spoken. I do not concur with one statement made by the gentleman from Mississippi, who said that Franklin D. Roosevelt had his enemies. He loved his enemies; therefore he lost them.

To my mind one statement he made is an example to us. In spite of the fact that Franklin D. Roosevelt loved freedom of speech as much as any man, he made this statement: "Freedom of speech means nothing if we have nothing to say."

If Members of Congress would take that admonition to heart, the CONGRESSIONAL RECORD would be a much more significant document. Many of us are frequently guilty of making windy speeches for the consumption, we hope, of the home folks, wasting the time of a busy Congress, and the newsprint stockpile of our country, when we might much better be studying the merits of the issues before us.

What Congress needs is less oratory and more research. It is an old dodge to substitute rhetoric for constructive ideas. Congressmen, under our present imperfect organization, are expected to be experts on all subjects at a drop of the hat. Facilities for rapid, accurate research are lacking to us. We mumble oratory to disguise our ignorance of matters we have no reasonable means of knowing.

Let us study more and talk less and let us strive to reorganize this body so that adequate research facilities will be available to all Members, regardless of party or of their individual financial ability to pay. Then we will speak more intelligently, and the CONGRESSIONAL RECORD will become the significant document it should be in the libraries of our Nation.

Mr. McCORMACK. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Speaker, when Pope Leo XIII died, he who had for a long period of time held the office of pontiff, a brilliant cartoonist of this Nation pictured the world with a wreath of mourning around it. A similar cartoon well could have been made for our late President, the greatest lover of humanity that has held high office in the history of our Nation.

I was at home sick at the time the word came over the air that he had passed. I was asleep at the time, and was not to be awakened until a later hour. My daughter came to my room and called me, and I opened my eyes and said to her, "What is wrong? Something terrible has happened. It is written in your face." She said, "Father, I am afraid to tell you." "No," I said, "you may tell me." I braced myself for a shock as if something had happened in my family. Many of the other children were there and my wife was there. Mary Jane said, "Father, you could not guess. The President is dead."

I never rose to my feet. I rolled out of that bed and onto my knees, and they joined me in kneeling. We prayed for him, crying in the room. The beautiful prayers of supplication for the dead. That scene took place all over this Nation and all over the world. The lover of humanity had passed.

Msgr. John A. Ryan, his great friend, said of him over the air to the world, "His place in history is secure, and I confidently believe that his place in eternity is likewise secure."

How we can picture him here this morning as he came up that ramp and smiled at our Speaker, the smile of a friend, how he nodded to us when he stepped into the room, how he chided us sometimes across the aisle with that familiar gesture of his, the extension of his chin.

What a man, what a character. How we miss him now. How often his successor refers to him with devotion and the hope of encouragement. Oh, truly we were blessed with knowing him, and what a blessing he was to this Nation. What a friend he had in the poor of the land, and those who, with other than the best of intentions, feared him as long as he lived. Remember that scene at the time of his funeral, how the people stood in the night along the railroad tracks. They could see nothing but the train go by, and they bowed, and they cried. They loved him.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Speaker, words are pitiably inadequate, and my command of them is insufficient to fully express my gratitude for the life of Franklin D. Roosevelt. Paul said, "And now abideth faith, hope, charity, these three; but the greatest of these is charity." Charity is love. I have never known nor have I read of any man who had a greater love for humanity than Franklin D. Roosevelt, save Jesus Christ, the very Son of God. I remember in the White House when I went there one time with others thinking to hear him talk about great matters of state and the condition of affairs and matters of that sort; but do you know what he talked about mostly? He talked about the returning soldiers. It was about the middle of the war. He talked to us of those who would come home wounded and crippled. He said, "We must do something to take care of these fine men, to rehabilitate them, and to put them in a position where they will not feel they are wards of the Nation." He said, "We must make it possible for them to do for themselves and have that assurance that we are able to give them."

You and I remember that he inaugurated a program of underpasses for railroads in this country, firm in the conviction that that would save the lives of many people, people he could never know. He did not dislike anybody. He had political differences with others, but he had

his ideas as to his obligation and of the circumstances of men in life. But he loved everybody. He believed in what Democrats delight to refer to as the foundation principle of our party, "Equal rights to all men with special privileges to none."

"Faith, hope, and charity"—these three qualities he possessed, and with a great ability he devoted himself to the welfare of mankind.

In 1932 I was with him, in 1936 I stood by him.

Perhaps the most effective service I ever rendered to my State and to the Nation was my acceptance of the chairmanship, in 1940, of the program in my State called "North Carolina for Roosevelt." I had been warned that there might be the possibility of poltically unfavorable reaction to me should I accept this position. My reply was, immediately and without hesitation: "It makes little difference what becomes of me. In my opinion, it makes all the difference to the country as to whether Franklin D. Roosevelt shall be again elected President, in the face of an impending and a threatened war." That movement was successful, and I do not think there are many who have ever regretted that he was at the helm during the trying days of 1941-44. Powerful of mind, though somewhat impaired in physical strength, but which he was for a long time able to withstand, spiritually equipped, he was the President and friend of all the people of the United States. One year ago today, in one sense he passed from among us, but his life and works do follow him to bless the world.

Mr. McCORMACK. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Washington [Mr. SAVAGE].

Mr. SAVAGE. Mr. Speaker, today we are paying tribute to the memory of a man who did more to bring social justice and economic equality to the people of America than any other President in our history—Franklin D. Roosevelt.

Much has been said and written about Franklin Roosevelt and a great deal more will be said and written about him through the years. We speak of him as a great statesman, an eloquent orator, an adroit politician, and a world leader, but I like to think of him, too, as a very human man—a man capable of great loyalty to his friends and tolerance toward his traducers; a man who liked the little homely things of life such as a hot dog or a baseball game; a man who, through his own triumph over a crippling illness, did more than any other to bring new hope and new ambition to those of our people suffering the handicaps of illness or disease.

The fact that Franklin Roosevelt could rise to the eminency of the Presidency of the United States; that he could be reelected to a second, a third, and a fourth term, and could successfully lead this Nation through a long and dangerous war in spite of the handicap which was his to bear, was I believe one of the most amazing triumphs of a very remarkable career.

I feel it a special privilege to stand on the floor of the House of Representatives and pay my tribute to his memory, for indirectly the late President Roosevelt inspired me to enter public service. His great legislative program calling for the raising of the living standards and economic opportunities of the underprivileged citizens of this Nation caused me to run for the legislature in my State because I wanted to be in the position to help bring such a program to the people of my State. In 1944, after three terms in the Washington State Legislature, I ran for Congress on a platform of full support for the Roosevelt program. President Roosevelt's courageous loyalty to the American people, which was beyond the ability of special privilege to dissuade, was my inspiration to enter public life and will always be my inspiration and guiding star.

I was in Philadelphia on April 12 of last year, the day which brought us the sad news of President Roosevelt's death, with a subcommittee from the Committee on Public Lands. We had been holding hearings on the question of establishing a national shrine at Independence Hall and had just returned from a visit to Valley Forge when the news came. It was a great shock to all. I saw people hurriedly buy extras on the street and stand and read the whole story oblivious to all that was going on around them, some with tears in their eyes. I suddenly realized a great vacancy in my own life had occurred. The man I came to Congress to work with for the betterment of the American people was gone. That was a year ago today, but that feeling still remains a sad part of my life.

I am of the ranks of the common people myself and I know that they loved Franklin Roosevelt and believed in him. They loved him because he offered them hope and opened up new horizons of equality and opportunity. He gave them the honest leadership needed to bring unity in democracy. It was the same with the people of the whole world. I was in several different countries in Europe shortly after the President's death and in each country the people spoke sadly of the loss of the great leader. They felt that he was their President as well as ours. They felt a very deep sense of loss because Franklin Roosevelt was a true world leader, a symbol and an inspiration to the oppressed peoples of the whole globe.

I believe that a clear indication of Mr. Roosevelt's character and deeds can be gained from the fact that very few people had a negative response to his personality. They either loved him or they hated him bitterly. Among the masses who loved him were the little people—the underpaid, underfed, ill-housed people of the Nation who saw in President Roosevelt's program a promise for better days ahead. Those who hated him and are still trying to destroy his standing in history by besmirching his reputation, were the greedy, reactionary holders of most of the wealth of this Nation and their hangers-on. No greater tribute has been made to the memory of Franklin Roosevelt than the desperate efforts being made by this motley crew to vilify him even though he is in his grave. They know that the program which Roosevelt stood for would and will mean the loss of their power and control over the American people. No wonder they are so desperately trying to prove that Franklin Roosevelt was not a great man.

I have asked myself over and over, when will the American people again be able, in spite of the great wealth of the reactionary forces of the Nation, to elect another President who will not deem it necessary to appease these groups to the detriment of the Nation—a President who believes America is for all the people and not for just a privileged few?

The memory of Franklin Roosevelt, engraved in the hearts and minds of the people who loved him, can no more be erased by lies and slander than could their trust in him be shaken while he was alive. The words and deeds of Franklin Roosevelt remain alive in the greater equality, economic freedom, and opportunity now enjoyed by all the people of America and form a memorial to him more unwearing than granite and more ageless than marble—a memorial which will keep his name green in the hearts of his people and resounding in the pages of history.

Mr. McCORMACK. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Pennsylvania [Mr. KELLEY].

Mr. KELLEY of Pennsylvania. Mr. Speaker, today Franklin Delano Roosevelt is gone 1 year. His presence cast a long shadow. Generations will live and die within the scope of his shadow. Time is the only measure of greatness. Something of it can be had by us, his contemporaries, from his stature, his talents, his deeds.

Stricken in early manhood by a malady not as yet conquered, he rose above the handicap. Somehow he did not permit it to interfere with his work. It took almost infinite courage and a fighting heart to do this. Well might he be an example to all less afflicted. Four times he rose to the Presidency of the greatest Nation on earth, led the Allies in the greatest war of history against the Axis Powers; laid the cornerstone of the United Nations to achieve a permanent peace—from a wheel chair.

Fame will enshroud him for many things, most of all an acute talent for placing first things first—human values ahead of material values—and having it almost universally accepted. Millions of hearts had longed and ached for such a champion. The ugly specter of fear from want was curbed. A great government, the first in history, showed an interest in the welfare of its poorest, lowliest citizen, and placed upon him the cloak of importance and respectability. No more will he be left to be the victim of unbridled economic forces. No more will he be left to be exploited by a few more fortunate. No more will human values be entirely forgotten. Henceforth his dignity and self-respect will be of deep concern.

Today Franklin Delano Roosevelt is dead 1 year. Today Franklin Delano Roosevelt, the humanitarian, still lives, lives in the hearts of countless once care-

worn, worried fathers and mothers, and the once gaunt, hollow-eyed children relieved by him from undernourishment, fear, and want during the dark, appalling days of 1931–32.

His passion for aiding mankind the world over left its mark upon millions. The sorrow following his passing was like a black cloud settling over the earth. The world paused in anguish. A man is truly great if it can be said that mankind is better for his having lived. This can be said of Franklin Delano Roosevelt. His glory, his fame will rest eternally in the memory of countless millions. He is enshrined forever in the heart of the world.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON of Virginia. Mr. Speaker, those who seek to magnify the State and to disparage the individual contend that it is history that makes the man. I believe the prophet who said, "Where there is no vision, the people perish." I believe that the attribute of vision is vouchsafed to the select few and that it is the quality above all others that casts them in the role of leadership. And I believe that it is their leadership that makes history. History did not make George Washington, Patrick Henry, Thomas Jefferson, Benjamin Franklin, Alexander Hamilton, and John Adams, to mention only a few of our colonial ancestors who had a vision of the rights of man. History did not make Woodrow Wilson. He had a vision of the rights of man in terms of the twentieth century and furnished world leadership to perpetuate those rights both here and abroad by means of international cooperation. The plan he presented to the world for the preservation of peace and the survival of democracy failed of consummation. It fell to the lot of another man of vision, Franklin Delano Roosevelt, to hold aloft the torch that fell from the faltering hands of the leader of World War I and to furnish world leadership for the cause of democracy in World War II. Courageously he carried that torch and fell 1 year ago today without faltering in his belief that "life goes down with a better grace, foaming in full body over a precipice, than miserably straggling to an end in sandy deltas."

We have met today to do honor to his memory. The best monument we could erect to the memory of our late war leader would be to carry on the principles of international cooperation for which he fought and died—a monument by which the world might be taught to remember not where he died but where he lived. His body lies buried at Hyde Park, but "the whole world," said Pericles, "is the sepulchre of famous men; and their story is not graven only on stone over their native earth, but lives on far away, without visible symbol, woven into the stuff of other men's lives."

In helping to frame the Atlantic Charter and the Constitution of the United Nations, President Roosevelt sought to make it possible for all nations who preferred a democratic form of government to have it. It was his ambition that we, the most powerful nation in the world, should furnish world leade ship in the cause of a lasting peace.

History will record the fact that no world leader more clearly foresaw the ultimate effect of the Japanese aggression in China and the German aggression in Austria than Mr. Roosevelt, and no one was more effective than he in arousing the democracies of the world to combat that aggression. In a speech delivered in Chicago in the fall of 1937, Mr. Roosevelt denounced the Japanese invasion of Manchuria, and in return many papers in this country denounced him as a warmonger. Yet it is now generally recognized that if Japan had been stopped in Manchuria, Mussolini in Ethiopia, and Hitler at Munich, World War II might have been averted.

In September of the following year, when it became apparent at the Munich Conference that both France and Great Britain were unwilling to take a firm stand against German aggression, President Roosevelt sent a plea to Hitler, urging him not to breach the peace of the world. When Hitler invaded Poland, and France and Great Britain belatedly decided to fight, President Roosevelt clearly realized that if they went under we would eventually have to face the Axis Powers alone, a task for which we would be unequal. No one now cares to admit that he is an isolationist, or ever has been one, but in 1939 the isolation sentiment in this country was so strong that every step taken by President Roosevelt for preparedness at home and for support of the democracies of Europe abroad was bitterly contested. They fought his plans for a stronger navy and air force, for peacetime conscription, for amendment of the Neutrality Act—in fact, everything that he did to help those who were making the vital fight for survival of democracy in the world.

The war in Europe, which some had termed "a phony war," and which many had claimed would never involve us, finally did involve us. In spite of the best efforts of President Roosevelt in 1940 and 1941 to prepare us for what he saw was coming, we were still unprepared when it came. Thanks to the aid that President Roosevelt had given to the democracies of Europe, they were able to hold the line for us for another year while we rushed our preparations for an all-out offensive.

It has been said that our future choice will be between one world and no world. A scientist from the University of Chicago recently said that 500 atomic bombs would be sufficient to kill approximately 90 percent of the people in this country. Some day the secret of the atomic bomb will be generally known. The chances are that it will be known before any adequate defense against it has been discovered. Civilization, as we know it, would not survive another war in which the atomic bomb was used. President Roosevelt made the decision to invest approximately $2,000,000,000 in the plant, equipment, and scientific research which resulted in the manufacture of atomic bombs. Before his death he knew that we had discovered the secret of the atomic bomb. But he had endorsed the principle of international cooperation years before scientists had learned how to split the atom. After World War I he urged our entry into the League of Nations and membership on the World Court. In the second year of his first term he announced his good-neighbor policy and recommended to the Congress the passage of a bill to authorize him to negotiate reciprocal trade agreements to break down the barriers to world trade. He fully recognized the type of world in which we were living; the economic interdependence of the nations of that world; the relationship between political and economic independence; that the airplane had wiped out space and the radio had given to ideas the wings of the morning. His foreign policy, therefore, was aimed at supplanting international suspicion and distrust with international friendship and confidence, and international trade wars with mutually beneficial international trade.

It is a distressing fact that after the most costly war in history, in which our enemies were completely vanquished, the lasting peace for which we and the people of the world so earnestly long appears to elude our grasp. We would be less than frank if we did not admit that world conditions are distinctly unsettled, and that 1946 will be a year of vital decisions. Under such circumstances we would do well to apply to our current problems the fundamental principles of Roosevelt's foreign policy. We must remain strong enough to command the respect of those who may have an inclination to impose upon weakness or to challenge the leadership of those who are without power. But over and above all else we must demonstrate to the world our desire to be a good neighbor. It will not be enough to merely voice that desire—we must show our faith by our works. It was fortunate for our Nation, and for the future peace of the world, that it was ordained that President Roosevelt should be succeeded in the White House by one who has dedicated his best efforts to carrying forward the Roosevelt program of international cooperation. In that undertaking President Truman is entitled to our fullest support.

In the months that lie immediately ahead, millions in Europe and elsewhere are looking to us for the food that will keep them from starvation. We must not fail them, even though the sharing with others may involve some sacrifice on our part. We must live up to the commitment we have made to our allies to maintain in Europe and the Orient armies of occupation until peace treaties have been signed and new duly constituted governments have taken over. We must meet our commitment to the United Nations to furnish our share of any required international police force whose duty it will be to enforce international law and to stamp out international anarchy. To the end that nations, struggling to preserve democratic institutions, may be able to repair some of the ravages of war and prevent financial chaos, we

must be willing to render to them appropriate financial aid. In granting such aid we have the right to insist upon cooperation in the preservation of the private-enterprise system in the handling of foreign commerce.

And last, but not least, we must bring to bear upon the solution of our postwar problems the same type of courage exhibited by Franklin Delano Roosevelt in mastering a physical handicap to which a man of weaker heart would have surrendered. It is the boast of our Anglo-Saxon system of jurisprudence that there is no wrong without a remedy. There is no inherent reason why the signatory nations to the Charter of the United Nations cannot work out a system of international law that would embody that fundamental principle. In that undertaking our manifest destiny is to furnish the leadership.

Mr. HAYS. Mr. Speaker, my friendship with the late President was not an intimate one, but for 7 years in the first part of his administration I was a member of the national committee of the party in power and I claimed him as my personal friend. The things that impressed me most about him have been so much more eloquently presented to you by others that I hesitate to refer to them, but I think of them in these terms: First, his love of the people and his concern for their welfare; and, second, his recognition of the fact that new world forces were sweeping over us and that America's policy had to be attuned to new world conditions.

We often use the expression "immortality" in connection with a man's influence as well as to the immortality of his soul. Franklin D. Roosevelt's influence is immortal because the idea to which he attached himself is an immortal idea. I speak of the idea of world cooperation for peace, peace based on freedom and on justice, and no other kind of peace is secure or endurable. It was not a new idea, it was an old one, and yet his eloquent voice gave it new impetus. I think that is his most fitting memorial. Plans will be advanced for physical memorials and I shall not be excited about them, for his greatest, his most lasting memorial is the affection with which his memory is held in the hearts of millions of people as a result of his world vision.

Victor Hugo had something to say about this in his most famous epigram:

There is nothing so powerful as an idea whose time has come.

It was fortunate for the people of this world that our beloved President recognized that the time for world cooperation had arrived and that he became its great vehicle, and its effective voice. I am glad, therefore, Mr. Speaker, to raise my voice in tribute to him. My reference to his undying influence is inspired by the appreciation which leads us to refer to the immortal Gladstone, to the immortal Lincoln—and all of the world's great who have served so nobly the cause of humanity.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK. Mr. Speaker, it is impossible for the human mind at once properly to assess the deeds of a great man or the significance of a great event. The historian must await the passage of time to get the proper perspective. Even Herodotus was unable to assess the events of his day quite adequately.

It is said that a great institution is but the lengthening shadow of a great man. Twentieth-century American democracy is a great institution. In the main it is the lengthening shadow of this great American, Franklin D. Roosevelt. He has left his impress for all time upon our thought and institutions.

His most powerful opponent in the world was the arch enemy of liberty and individual equality, Hitler. It was Hitler who thought that by his forces he could determine the direction of history for at least a millennium, but he was defeated. We hope and believe that our victory under the leadership of Franklin D. Roosevelt means a victory that will be significant for the next thousand years. Therefore, we may henceforth speak not only of the century of the common man which he did so much to determine but of the millennium of the common people which he helped to usher in.

Reference has been made by colleagues who have preceded me to President Roosevelt's solicitude for our veterans. I can gladly and positively confirm that fact. Among my most prized possessions is the original of a letter, which I think was the last communication which our honored and departed President sent to any group in Congress. This letter is a plea for congressional action affording right and generous treatment for our returning veterans. This letter was received at my office and read before the Committee on Irrigation and Reclamation on the morning of April 12, a year ago today, and is a part of the records of that committee. My secretary, who is an ardent admirer of President Roosevelt, was saddened that day some hours before she knew of the President's death by the sight of an unsteady hand as shown by that signature. The point to note is that his heart and spirit were strong, in the advocacy of a great purpose, even as the working tools of life fell from his faltering hand.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from Texas, our beloved Speaker [Mr. RAYBURN].

The SPEAKER. The gentleman from Kentucky [Mr. BATES] will kindly take the Chair.

Mr. BATES of Kentucky assumed the Chair as Speaker pro tempore.

Mr. RAYBURN. Mr. Speaker, a short year ago the foremost man of all the earth passed from action. He was not only the foremost man of this earth; he was the leader of the greatest and most powerful nation that has existed since the dawn of civilization. He had no small part in keeping the Nation that he found great and making it greater.

He was the greatest imaginative leader this country has produced since Jefferson. He was the most dynamic and virile leader this country has seen since Andrew Jackson.

When tempers cool and reason reigns again the historians in the quiet places will record him as one of the greatest leaders of all time. When he said in his fireside chats "My friends," the people believed their friend was speaking to them. They believed it to the extent that he broke a precedent that no one living in 1932 ever thought would be broken. I did not think at that time that any man would ever be elected President of the United States three times, much less four times.

Some people thought there were some things unlovely in his personality; some people thought there were some things unlovely about the way he approached certain problems; but, be that as it may. I have held office continuously since I was 24 years of age. I have looked into the faces of many men and women. On the floor of this House I have looked into the faces of more than 2,000 men and women in the thirty-odd years I have had the honor to be a Member. I think I know people, and I know that the assertion of Franklin D. Roosevelt that he was a friend to the plain man was true.

I have watched him under stress and strain, when the fate of this Nation depended on his leadership and our action in carrying out his recommendations. Jefferson, in my opinion, was the greatest democrat—and I mean that in the proper sense—who ever lived. He believed in the capacity of the people under proper leadership to govern themselves. That leadership of Jefferson was asserted and followed for a half century, from 1776 until 1826, when he came to the end of the road.

Franklin D. Roosevelt will go down in impartial history standing alongside of Washington, Jefferson, Jackson, Lincoln, Theodore Roosevelt, Cleveland, and Wilson. There are mountain peaks, there are valleys, and there are hills in the history of every country and of every age. Franklin D. Roosevelt will be known as one of the mountain peaks of the United States of America and of the civilized world as long as history is recorded. Peace to his ashes, and may the things that he believed in influence us throughout the unending years of the life of this the greatest of all governments ever instituted by man.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members have five legislative days in which to extend their remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. STEFAN asked and was given permission to extend his remarks in the RECORD and include an address delivered by Hon. Paul McNutt, High Commissioner of the Philippine Islands.

Mr. NORBLAD asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HOPE asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. LEFEVRE asked and was given permission to extend his remarks in the RECORD and include an article from the New York Tribune.

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD and include a magazine article.

Mr. WADSWORTH asked and was given permission to extend his remarks in the RECORD and include a document prepared by Mr. Francis A. Adams, of New York City, in the nature of a petition to Congress.

Mr. TALBOT asked and was given permission to extend his remarks in the RECORD and include a statement.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in two instances; to include in one a resolution introduced in the New York Assembly, and in the other an editorial appearing in an Oregon newspaper.

Mr. H. CARL ANDERSEN asked and was given permission to extend his remarks in the RECORD and include a letter from a veteran of World War I.

Mr. SCRIVNER asked and was given permission to extend his remarks in the RECORD.

Mr. ANDREWS of New York asked and was given permission to extend his remarks in the RECORD and include two short articles by George Fielding Eliot.

Mr. GREEN asked and was given permission to extend his remarks in the RECORD and include a statement on the pending sugar strike in Philadelphia.

Mr. ROWAN asked and was given permission to extend his remarks in the RECORD and include an editorial from the New York Times under date of April 9 entitled "More Mail by Air."

Mr. GAMBLE asked and was given permission to extend his remarks in the RECORD in five instances and include news items and editorials.

Mr. HENRY asked and was given permission to extend his remarks in the RECORD and include an editorial which appeared in the Daily Jefferson County Union, Fort Atkinson, Wis., on April 4, 1946.

Mr. CASE of South Dakota (at the request of Mr. MICHENER) was given permission to extend his remarks in the RECORD and include a letter he has written.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD on the subject Where Is the Butter?

SPECIAL ORDER GRANTED

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that on April 18, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore granted, the gentleman from Indiana [Mr. LAFOLLETTE] may be permitted to address the House for 40 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH. Mr. Speaker, the city of San Francisco is spending an additional $20,000,000 on its great international airport. This will be supplemented by the sums made available to it under the postwar civil aviation program to be carried into effect by the terms of legislation recently enacted by Congress. San Francisco will have one of the finest and best equipped international airports in the world.

To attain its greatest success the Civil Aeronautics Board must take early favorable action on the data collected by its own investigators in hearings which were held a year and a half ago to provide for commercial airline expansion on the Pacific coast.

San Francisco is one of the great crossroads of the world for both air transportation and surface-ship transportation. It has become the great seaport city that it is because its superb natural harbor has been recognized and used. With the same foresight that brought about this development the people of San Francisco have embarked upon a program of commercial air transportation by making its airport the great institution it already is, and by providing the necessary funds for its further development. Progress means to go forward. It has already been demonstrated that additional airlines—both feeder lines and another transcontinental airline with its terminus in San Francisco—are necessary. It is imperative, therefore, that the Civil Aeronautics Board take early action on this matter.

EXTENSION OF SELECTIVE TRAINING AND SERVICE ACT

Mr. SABATH. Mr. Speaker, I call up House Resolution 590 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6064) to extend the Selective Training and Service Act of 1940, as amended, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed one day to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Military Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this is an open rule, making in order the consideration of the bill extending the Selective Training and Service Act of 1940. It provides for an entire day of general debate. In view of the fact that this matter is of great importance, I hope gentlemen will utilize the liberal time in a manner that will bring information and light to the country on this important subject.

In bringing in this rule, as I have often stated, I have been guided by my feeling that any bill brought in by a legislative committee should reach the floor so that Members of the House can pass upon it and vote according to the dictates of their conscience. This being, as I have stated, an open rule, Members will have a full opportunity to amend any provision, or to offer new amendments, or any amendments they desire.

I know the chairman of the Committee on Military Affairs is eager to explain the provisions of the bill. All I wish to say is that it provides for the registration for selective training and service of men from 18 to 29, inclusive, excepting farmers. The bill gives that special exemption to the men engaged in farming, giving the local boards complete power. I hope that power given to the boards will not be abused. I fully appreciate that we need food and that the men who farm are needed; nevertheless, there have been many instances where men have been exempted who should not have been exempted.

The bill restricts the number of men in training or service in the Army to 1,070,000, in the Navy to 558,000, and in the Marine Corps to 108,000. I hope it will not be necessary to utilize this legislation. I am satisfied that with proper inducement we can obtain the additional men who are needed. I hope no one will feel this legislation aims to increase or strengthen our Army because it is going to be needed in the near future. I am hopeful that for centuries it will be not necessary to utilize our Army or Navy; and that every effort will be made to bring about unity among all the nations, and that peace for which this great President who passed away a year ago today actually gave his life, and which was uppermost in the mind of the great President, Franklin D. Roosevelt, to whose memory we make our eulogies today.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. SABATH. I yield.

Mr. HOFFMAN. Is this bill brought up at this time before the recess because you are afraid that if we go home and hear from our people you will not be able to get it through?

Mr. SABATH. I am not a mind reader and I do not know why the Committee on Military Affairs brought this bill up now. I presume they feel it might be the proper time to give it consideration. You understand, of course, that this rule gives you and all other Members the right and privilege to vote your convictions on this matter. Those who feel that this legislation is not needed or should not be considered have the privilege and the right to vote against it. Those who feel that it is needed in the best interests of our Nation will naturally vote for it.

Mr. HOFFMAN. The gentleman will recall that sometime ago, when the Congress had a recess, the President asked the people to talk to us and tell us what they wanted. Now, instead of having an opportunity to go home before we vote on these two measures—and we are going home soon, as I understand—and learn what our constituents want, this bill is brought up just before we go home. Is it because the administration is afraid

the people might tell us to vote against the bill and the OPA?

Mr. SABATH. No; I feel that the people have had ample opportunity to communicate with all the Members during the last few months that this matter has been before us and before the American people. I hope that the membership will familiarize themselves with the wishes of the people. I hope they will vote on all questions in accordance with the wishes of the American people. If they would do so, and if they had done so heretofore, many other bills in the interest of our country would already have been on the statute books.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. HOFFMAN. Would it not be well as long as you feel that way about it and you want the Congressmen to vote as their constituents want them to vote, would it not be well for us to go home now and learn what our people want about this draft law and about this extension of the OPA instead of jamming these things through here by sessions running from 10 o'clock on indefinitely each day and even Saturday, an almost unheard of procedure?

Mr. SABATH. Has the gentleman concluded his question?

Mr. HOFFMAN. No; do you not think it would be a good thing to go home and find out what our people want?

Mr. SABATH. I will answer you, sir. I take it for granted, and I believe I am right when I say that the membership of the House is composed of intelligent, well-informed men and women, and by this time they know what the country desires.

I have received hundreds upon hundreds of letters on this matter, as well as on the question of extending the OPA, and I know the gentleman from Michigan must have received many communications and by this time he should know what his people desire, and what the viewpoint of the American people is.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield? I think you referred to me when you said the gentleman from Michigan.

Mr. SABATH. That you had received communications.

Mr. HOFFMAN. Yes; I have; and they are asking me whether we want to trade American boys for dollars' worth of foreign trade. That is what they are asking me.

Mr. SABATH. Well, we have a lot of cranks in the country, and I receive some foolish letters frequently from people who do not think. Perhaps the gentleman may have some such people in his district; but when I referred to the fact that this House is composed of men and women of intelligence, familiar with the needs and wants of the country, I also included the gentleman from Michigan.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. BULWINKLE. Does not the gentleman think that a Member of Congress who does not know how to vote without having to go back to his district to find out, is in rather bad shape?

Mr. SABATH. As I said, I believe the membership of this House is composed of intelligent, well-informed men and women.

Mr. BULWINKLE. Assuming for the sake of argument that what the gentleman says is true, that does not yet answer my question.

Mr. SABATH. I fully appreciate the question which the gentleman has submitted. I feel I have already answered it to the satisfaction of the gentleman, as well as to the satisfaction of the House, and I feel the country has confidence in the Members, because they have been advocating and urging increases in salaries and therefore they must have confidence in the Members of the House. Otherwise, they would not have gone on record so frequently in that respect. I feel that the Members should be informed and should possess the knowledge that is expected of them in order to vote intelligently on any and all subjects.

I remember one time, about 6 years ago, several delegations called on me who demanded to know if I would vote in accordance with some resolutions they had adopted, which opposed preparedness of any kind, opposed repeal of the Neutrality Act, and, in short, opposed everything the President was doing in the defense program. Sensing that they had been sent by the America First Committee, or by We the Mothers, or by other pacifist and isolationist groups, I asked them some questions, and soon came to the conclusion that none of them knew very much about what was in the resolutions except the leaders, who, if I recall correctly, were a Mrs. Dilling and a Miss Keefe, who had drummed up these delegations. After ascertaining that the majority was uninformed and did not really know why they had been brought to me, I told them bluntly that after my years of experience and service to my country I felt myself to be more competent to judge what was in the best interest of the country than they were, and that I would vote in accordance with what I believe to be my duty and the needs of the country, and that should apply to the gentleman from Michigan and to every Member.

Mr. HOFFMAN. Now, Mr. Speaker, will not the gentleman yield?

Mr. SABATH. I cannot yield further.

Mr. HOFFMAN. Just once more?

Mr. SABATH. No, Mr. Speaker, I cannot yield. I think I have been more than kind to the gentleman from Michigan—kinder than he would have been to me had he control of the floor.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from North Carolina.

Mr. BULWINKLE. I just want to congratulate the gentleman from Illinois on his reply.

Mr. HOFFMAN. I must confess that I am not as smart as the gentleman from North Carolina [Mr. BULWINKLE]. I do not know it all. I can learn something by consulting with my people. Is it not better to go home and take the advice of the home folks—do as they wish, if we can—than it is to trot down to the other end of the Avenue for orders?

Mr. Speaker, I make a point of order that a quorum is not present. We ought to have a quorum to hear this fine address the gentleman is making.

Mr. SABATH. I hope the gentleman will withdraw his point of order.

Mr. HOFFMAN. Does not the gentleman want a quorum present to hear this address?

Mr. HOOK. Mr. Speaker, I demand the regular order.

Mr. SABATH. No; I personally do not want to bring the Members here on a quorum call. I hope the gentleman will withdraw his request.

The SPEAKER pro tempore. Does the gentleman withdraw his point of order?

Mr. HOFFMAN. I do, unless the gentleman from Michigan [Mr. HOOK] insists on having it made. He asked for the regular order.

The SPEAKER pro tempore. The Chair asked the gentleman if he withdrew his point of order.

Mr. HOFFMAN. I said I did if the gentleman from Michigan [Mr. HOOK] did not insist on it.

Mr. HOOK. The gentleman from Michigan does not insist on anything but order.

The SPEAKER pro tempore. The gentleman from Illinois will proceed.

FRANKLIN DELANO ROOSEVELT

Mr. SABATH. The reason I did not wish the gentleman to insist on his point of order was because I did not want to deprive the Members of the House of time in which to make speeches, for under the rule there is but one day provided for general debate. I shall conclude within a minute or two, but I did wish to say something more about the late President Roosevelt. The gentleman from Massachusetts yielded me only a few minutes and consequently I could not say all I wanted to say and did not bring to the membership of this House my great friendship for the greatest President the United States has ever had. If I had had the time I would have stated that I began to advocate his candidacy in 1930 after he was reelected Governor of New York. In conjunction with the Speaker and others I aided in bringing about his nomination in 1932 and I was indeed gratified when the Speaker at that time changed the vote of the great State of Texas from Garner to Roosevelt, for that meant Mr. Roosevelt's nomination. In view of President Roosevelt's great record and his efforts in behalf of the common people I urged him to be a candidate for the third term and I am indeed gratified that he was. Again, nearly a year before his third term expired I stated to him that he owed it to himself and the country to be a candidate for the fourth term. I knew he was not desirous to run for either the third or fourth term, but believing that he could be of real service to his country he consented, and because he did his election for the third and fourth terms was a blessing to our Nation and to the world. It was a blessing to the world, and I hope he has not given his life in vain. I hope that those things nearest and

dearest to his heart—peace for the world, happiness, and the elimination of fear—will be enjoyed by not only our people but the people the world over, and that we will dedicate ourselves to the cause for which he gave his life.

Mr. Speaker, I now yield 30 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, as has been suggested, this rule allows one legislative day for general debate on this very controversial draft question. The House met this morning at 10 o'clock in order that there might be a full day provided for this purpose. It is now a little after 12. General debate will continue as long as there are those who want to be heard, as I have been advised, and as the Rules Committee understood when the rule was granted.

Later the bill will be read under the 5-minute rule.

I may say that the rule requires general debate to be confined to the bill. I have no demands from anyone who wants to speak on the rule; therefore, I reserve the remainder of my time.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

Mr. MAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6064) to extend the Selective Training and Service Act of 1940, as amended, and for other purposes.

The motion was agreed to.

Accordingly the Committee resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6064, with Mr. BULWINKLE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MAY. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the bill under consideration is really an amendment to the Selective Training and Service Act of 1940, as amended. May I say that the last time this act was extended was during the time of the war. Congress, in line with its very fine record during the period of the war, permitted an extension of the act for a period of a year by unanimous consent in less than 5 minutes. I mention that merely for the purpose of showing just how wholeheartedly the House of Representatives performed its solemn duty when our country was in peril.

We are asked now to make a further extension of the act because it is believed by the officials of the War Department, and of the Army of the United States, that it is necessary that it be done in order to tide us over, so to speak, the period of transition from war to peace, and pending the solution of many grave problems that are now under consideration by diplomats and statesmen representing our Government. I must confess, and I do it reluctantly, that I am not wholeheartedly in agreement with the pending bill. I shall vote for it, whatever is done to it by this House, but I have some exceptions to it. I do not think anybody will say that I and my committee have not done our whole duty during the period of the war, but some of us feel that there is quite a bit more anxiety about the world situation than there actually is in existence.

I want to explain the bill and say just what it does, and then after I do that I think it will be in order that the Members have all the time that we can give them for the discussion of the bill. Under the terms of the bill it is extended for a period of 9 months after May 15, 1946, or until February 15, 1947. The bill includes, subject to registration and induction, all citizens of the United States and all naturalized aliens between the ages of 18 and 30. The original act as now in effect is 18 to 45. That is all the first section does. Section 2 of the bill fixes a limit or a ceiling upon the number of men that may be in the service as of July 1, 1947, in the Army, and the Navy, and the Marine Corps.

It also provides in section 2 that when the Secretaries of War and the Navy make requisitions upon the Selective Service Bureau for the induction of men they must, in view of the ceiling which has been set for the Army as of July 1, 1947, of 1,070,000 men, take into consideration the voluntary enlistments for the months that are to be considered. I understand that to mean simply this—and I think it is the real truth—that the Army does not want to induct anybody under the selective-service law if it can get the necessary volunteers. That provision was advocated by the Army because it wants to encourage enlistments just as much as possible. If the Army's forecast for its requirements should be 30,000 for the month of April and it should secure through voluntary enlistments 40,000, it will have achieved 10,000 more than its requirements. We will assume that for the month of May there are 40,000 requirements. Having received 10,000 in excess of their requirements for the month of April, they will reduce their quota and call for only 30,000 in the month of May instead of 40,000. That is my understanding of the meaning of that provision. If I am wrong, I should like to have some members of the committee correct me.

Now we go to section 3 of the bill, which provides that section 3 (b) of the Selective Training and Service Act of 1940, as amended, is amended to read as follows:

> Each man heretofore or hereafter inducted under the provisions of subsection (a) shall serve for a training and service period of 18 months, unless sooner discharged.

That, of course, provides that they cannot keep the inductees longer than 18 months.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. That covers not only those who may be inducted under this amendment to the Selective Training and Service Act but those who have heretofore been inducted under that act.

Mr. MAY. The gentleman is correct.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. I think it should be pointed out in that connection that this provision will shorten by 6 months the term of those men who have heretofore been drafted; in other words, the War Department's regulation today provides for a maximum service of 2 years. This will reduce to 18 months the maximum service of any man who has been inducted heretofore.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Texas.

Mr. THOMASON. It will do a lot more than that; it will also let out of service every man who has been in 18 months.

Mr. MAY. When they will have served the 18 months they will be released. To illustrate, if a man has been in 12 months he will have only 6 months more to serve.

Mr. SHERIDAN. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Pennsylvania.

Mr. SHERIDAN. The chairman realizes that according to the press release the War Department issued April 4 the policy of the War Department is now to release them at 20 months and not at 24. This release reads:

> The present policy of the War Department is to release nonvolunteers after 20 months of service.

Mr. MAY. After 20 months of service.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. MAY. I yield briefly.

Mr. HOFFMAN. You recall when the War Department goes before the Committee on Appropriations it tells them how much money they want and also what they are going to use it for, to a certain extent. Do you not think it would be well when they ask for men instead of dollars that they tell us where they are going to use them and what they need them for?

Mr. MAY. Of course, the same press release referred to by the gentleman from Pennsylvania contains the statement of the Secretary of War. He sets out in that press release the very places where they are going to be used, namely, Germany, Japan, and Korea.

Mr. HOFFMAN. For what purpose?

Mr. MAY. For the purpose of policing and maintaining peace and preserving order until the countries can be turned back to their native people under a democratic form of government, or at least under systems by which they can operate economically and conduct their own affairs.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield for a question?

Mr. MAY. I yield to the gentleman.

Mr. BRADLEY of Pennsylvania. Can the distinguished chairman of the Committee on Military Affairs tell the House how we can reconcile the statements of the War Department officials now with what they said several months ago when

they were endeavoring to get a peacetime conscription bill passed? At that time they said that the 18-year-old boys would not be sent out of the country and that they would not be in the Army but would merely be in training, indicating that at that time they felt there was no need to have 18-year-old boys in the service for any military duties of an active nature. Now they come back and they tell the Congress we have to have those 18-year-old boys for service out of the country. There is a direct contradiction in statements that they have made at different times.

Mr. MAY. May I say that when we first amended the act to include those under 21 years of age we had been at war for 2 years and the Chief of Staff, the Secretary of War, and other high Army officials came before the committee and urged us to do it. I do not suppose there is any Member here who does not know that I was opposed to it then. But under the stress of war and under the plea of the Chief of Staff and the leaders of the military forces at a time when we were at war, we yielded, and I think properly so. But when the time comes that we are at peace, I think I have the right to reserve my opinions and not follow blindly the leadership of anybody on the question of who should or should not be inducted.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. PACE. Does the gentleman agree that these youngsters of 18 and 19 years of age are not suitable for police duty in foreign countries?

Mr. MAY. I agree with that, particularly in view of the statement of General Eisenhower to the effect that they were not desirable occupation troops.

Mr. PACE. Does not the gentleman, then, think they should be exempted from induction under this bill?

Mr. MAY. I expect to offer an amendment to that effect myself, sir, and I hope the Committee will approve it.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. BRADLEY of Pennsylvania. The Congress of the United States is the legislative body for the District of Columbia. Do you think the Congress of the United States would pass legislation to permit the employment of 18-year-old policemen in the District of Columbia? I do not think they would, and still we are being asked to induct 18-year-old boys to police foreign countries.

Mr. MAY. I would hate to say what they would do on that question.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. THOMAS of New Jersey. I hope when the chairman introduces this amendment to change the age, and I understand he is going to introduce an amendment to draft only those from 21 to 35; is that correct?

Mr. MAY. From 20 to 30, inclusive.

Mr. THOMAS of New Jersey. I hope when he discusses his amendment he will tell the House exactly the number of men the War Department told him we would be able to get under his amendment.

Mr. MAY. I have those figures available.

The Army figures and tells us, and no doubt the figures are accurate, that they have discharged since VE-day 6,600,000. They want to have in the service as of July 1, 1946, 1,550,000.

They want to have in the service as of July 1, 1947, 1,070,000. As of April 1, they have had 672,723 volunteers on the basis of their previous estimate that they would not get more than 300,000 in that time. The men received in March, in 1 month, were 73,000, and the estimate for April is somewhat in excess of that.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. PACE. Is the 73,000 in March included in the 672,000?

Mr. MAY. It is included, yes.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. ARENDS. It may be interesting to inform the House that 53 percent of the volunteer enlistments are on the basis of a 3-year period.

Mr. MAY. Yes.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. MAY. I yield.

Mr. HOFFMAN. I understood the gentleman to say that General Eisenhower said they were going to use so many men here, there, and every place.

Mr. MAY. Yes.

Mr. HOFFMAN. Is it not a fact that when the 200,000 men go into the service they will do what the international staff directs them to do?

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. MAY. Mr. Chairman, I yield myself five additional minutes.

There is not any international staff that I know of. That has not yet been set up.

Mr. HOFFMAN. Well, who directs the activities of the police force that comes under the United Nations? General Eisenhower does not do it.

Mr. MAY. That thing has not been created, and I am wondering just what 200,000 men the gentleman has reference to.

Mr. HOFFMAN. I refer to the ones mentioned in the papers yesterday and today, where the paper says our contribution to the international police force is to be 200,000 men. They will not be under the direction of General Eisenhower or any other American general. They will be under the control of the military staff of this Council.

Mr. MAY. I have been so busy up to this time that I have not seen this morning's paper, but I think the gentleman is correct as to who will control that force.

Mr. STEFAN. Mr. Chairman, will the gentleman yield to me?

Mr. MAY. I yield to the gentleman from Nebraska.

Mr. STEFAN. That armed situation will be under what is known as the Security Council of the United Nations Organization. Each government's military representatives will be officered by their own officers, but the official name of the organization under which the military will operate will be the Security Council of the UN.

Mr. MAY. That is my understanding about it.

Now, I would like to proceed with some figures with respect to the Navy, and then I will be glad to yield.

The Navy at this time has 434,000 men who have enlisted for from 2 to 6 years under contract to serve that long. Their requirements as of July 1, 1948, are 558,000, which leaves a deficit of only 124,000.

We were told by representatives of the War Department that pursuing the procedure under the Selective Training and Service Act for the next period, from now to July 1, 1947, with their present estimates, they would be short only 170,000 men.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. BARDEN. I understood the gentleman to say that General Eisenhower did not approve of the 18-year-olds for occupational duties in foreign countries.

Mr. MAY. I think his statement was that they were not satisfactory troops for that purpose.

Mr. BARDEN. Then upon whose recommendation and request were the 18-year-olds included in this draft bill?

Mr. MAY. It is the report of the Committee on Military Affairs of the House of Representatives. The Army now says they must have them.

Mr. BARDEN. The gentleman says "the Army." Who is the Army?

Mr. MAY. The Secretary of War, Mr. Patterson, and the Secretary of State, who speaks on the foreign situation.

Mr. BARDEN. Does Secretary of War Patterson say we do need them and General Eisenhower say we do not need them?

Mr. MAY. General Eisenhower has not said we do not need them. I said that he said they would not make desirable occupational troops, and he preferred not to use them for that purpose.

Mr. BARDEN. I am assuming that someone asked him the question in the committee what he did intend to do with them. Did he give an answer to that?

Mr. MAY. I do not think he was asked that particular question, but I am sure his testimony taken as a whole will show that is what he meant and what I am saying is that I do not remember the particular details of his statement on that point.

Mr. JOHNSON of California. As a matter of fact he said he would use them for domestic purposes; and about 60 percent of our total force will be for domestic service. The plan is to use the youngsters here before they are shipped overseas.

Mr. MAY. In other words, use them as men in the Ground Forces within the continental limits of the United States.

Mr. JOHNSON of California. Yes; and in the Air Forces, too.

Mr. BARDEN. Mr. Chairman, will the gentleman yield further in line with that suggestion?

Mr. MAY. I yield.

Mr. BARDEN. I ask the gentleman if the War Department representatives did not tell us that very same thing when we put the 18-year-olds under selective service? That they were not going to use them in foreign service until they had given them from 6 to 12 months' training?

Mr. MAY. It might be argued——

Mr. BARDEN. Did they not make that statement?

Mr. MAY. I think that was substantially what they said.

Mr. BARDEN. Then if we could not rely on them in those circumstances how are we going to be able to rely upon them now?

Mr. MAY. Let me straighten that out. As I remember the testimony of those days—and that has been a long time ago and considerable water has gone under the bridge since then, but my recollection is that there was quite an argument here and the gentleman will recall there was an attempt on the floor of the House to require that they give them 12 months' training before they sent them abroad.

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. MAY. Mr. Chairman, I yield myself 10 additional minutes.

Their answer at that time was that they would give them all the training they could in the United States and that if they sent them overseas they would finish their training and would not put them into combat until they had had at least 6 months' training. Later it was cut to 17 weeks.

Mr. THOMASON. If the gentleman will yield——

Mr. MAY. I yield.

Mr. THOMASON. In confirmation of what the gentleman is saying, does not the record disclose that General Eisenhower said there are comparatively few teen-age boys in the center of Europe or overseas, and that he expected to get them back home as soon as possible because he wanted volunteers in the army of occupation? And is not that policy being carried out?

Mr. MAY. That is substantially what he said when you take all of his statement together. But he did say that he did not think that youths of that age were desirable as occupation troops.

Mr. THOMASON. And that is one reason why he wants to get them out of the army of occupation as fast as possible and bring them back home and replace them with volunteers. That was his statement.

Mr. BARDEN. Mr. Chairman, will the gentleman yield for a further question?

Mr. MAY. I yield.

Mr. BARDEN. For what purpose did General Eisenhower say he could use these 18-year-old boys that would be better than permitting them to continue their schooling?

Mr. THOMASON. If the gentleman will read the hearings and also make inquiry at the War Department, he will find that many educational opportunities are offered to these young men.

Mr. BARDEN. By whom?

Mr. THOMASON. By the War Department.

Mr. BARDEN. When did the War Department get the idea that it could do a better job educationally than our schools?

Mr. THOMASON. Nobody has said that the War Department could. As was pointed out by spokesmen for the War Department who appeared before our committee, if we have certain commitments overseas in the way of occupation we have got to have men engage in that laudable purpose.

Mr. MAY. Mr. Chairman, I cannot yield further, for I want to explain other provisions of the bill and submit to any questions that may be propounded to clarify it.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. PACE. I wish to return to that portion of the gentleman's statement where his calculations showed that the purpose of the bill was to raise only 170,000 men. Was that the conclusion to be drawn from the figures the gentleman submitted?

Mr. MAY. No; that was an estimate of the deficit they expect to have as of July 1, 1947. The total requirement of the Army is 1,070,000. They figure that if they can have this selective law in effect they will have no trouble in getting the number of volunteers they want and probably will not have to induct them through the Selective Training and Service Act. Is that a satisfactory answer?

Mr. PACE. I regret to say that it is not. The gentleman submitted figures as to the number of volunteers, the number of men in service, and before the last interruption he offered figures to show there would be a shortage of 170,000 men, indicating that that was the number that would have to be obtained under the Selective Service Act. I think that that is not the conclusion the gentleman wanted to leave, from his last answer.

Mr. MAY. No; with the Selective Service Act in effect, based on certain forecast estimates month by month, a year from now, July 1, 1947, they will still be short 170,000 men, assuming these estimates are accurate. That is my understanding of it. If I am incorrect, I would like to be corrected.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from New York.

Mr. ANDREWS of New York. I may say to the gentleman from Georgia that if the provisions of this act go into effect, making the release of men after 18 months mandatory, then the load of discharges automatically becomes heavier each month.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. The War Department has estimated that if we discontinue the draft as of May 15 and if we reduce the maximum length of service of all draftees to 18 months, the monthly volunteers throughout this year would drop from an average of 75,000 to 20,000 and next year would drop even to 12,500, and based on that they estimate we will have a deficit of 170,000 by July, 1947. So their estimate of volunteers, if we stop the draft is so conservative that they are probably trying to play safe in saying they will have a deficit of only 170,000.

Mr. MAY. I think the gentleman has made a very clear statement of the testimony and what was proven.

Mr. HARNESS of Indiana. In my opinion, they are overly conservative. They will get many more than that. I do not think we need the draft at all.

Mr. MAY. We were surprised with their estimate of 300,000 when it has gone to 600,000 plus. We have pending now a measure to increase the pay and give additional advantages, which will probably stimulate enlistments.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Georgia.

Mr. TARVER. I would like to direct the attention of the chairman of the Committee on Military Affairs to section 4 providing for the noninduction of fathers. I am in accord with the principle involved, but I direct particular attention to the following language:

> As used in this paragraph the term "child" means a legitimate or illegitimate child from the date of its conception.

Does the gentleman understand that language to mean that if a boy has become the father of an illegitimate child and that fact can be determined 30 days after the date of conception, he shall not be inducted into the Army on that account?

Mr. MAY. I think the gentleman is correct. The purpose of the provision was to be certain that there was no discrimination as between a legitimate and illegitimate child based upon the idea, not that it was right to have illegitimate children but on the idea that an illegitimate child is not responsible for its illegitimacy and ought to have the same fair treatment that a legitimate child receives.

Mr. TARVER. I have in mind the statement that he shall be considered a father from the date of conception. In other words, you are offering an inducement to a young man to, if possible, become the father of an illegitimate child, and if that fact can be determined before his induction into the Army, even though the period of conception might have been only 30 days, he is not inducted.

Mr. MAY. I do not know just what the gentleman has in mind. The gentleman from Georgia certainly knows that if a man is in the Army 18 months and conception is effective before he goes in, there will be a child in the family before he gets back.

Mr. SPARKMAN. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Alabama.

Mr. SPARKMAN. Is it not true that the language incorporated here is the regulation under which the Selective

Service has been operating since September 1942, and is not new in this bill?

Mr. MAY. That is exactly so. It was inserted by the legislative counsel in the original bill I drew, because, he said, it was a legal requirement.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Illinois.

Mr. ARENDS. The thought might be further developed that the gentleman from Indiana brought out. The estimates that the War Department gave us of the shortage of 170,000 men on July 1, 1947, completely ignored the fact that they anticipate bringing in 50,000 Philippine Scouts.

Mr. MAY. Mr. Chairman, I want to make an explanation of another section of the bill that I think is vitally important, section 6, which deals with section 16 (b) of the original act. It provides as follows:

All the provisions of this act, except the provisions of sections 3 (c), 3 (d), and 8, and the fourth proviso of the second sentence of section 3 (a), shall become inoperative and cease to apply on and after February 15, 1947.

I want to explain those provisions that are not suspended but continue in existence, and that section 3 (c) is the section which provides that all the inductees under this law shall be placed in a reserve for a period of 10 years after they have served their 18 months.

Section 3 (d) permits them to be the beneficiaries of pay allowances, pensions, and disability and death compensation and other benefits as now provided by law; in other words, they will draw just as much as any other soldier for disability, even though they are back in the Reserve.

Section 8 of the act is the one that guarantees a man priority or seniority rights to a job, or to his old job when he returns from the service and we have maintained that provision and made it perpetual so long as the act is in effect. I might add, however, that we have pending before the Committee now a separate bill the purpose of which is to make that a permanent statute so that men will have priority on their jobs as they go back after they are in the service.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. I would like to know what our military commitments are, to whom they were made, and who made them.

Mr. MAY. The gentleman has asked me a question that I cannot answer. I will be frank about it. I think the Army knows what its commitments are and the Secretary of State probably knows what our commitments are, but at any rate, we do have commitments to maintain the necessary forces in the armies of occupation in Germany, Japan, and Korea until peace is established or until such time as harmony is provided for in those countries and they can get down to a civil government. Our former enemies must be completely disarmed and rendered incapable of ever again making war upon the rest of the world.

Mr. ANDREWS of New York. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, and members of the committee, I should like very much to make my statement in regular order, because by so doing it will answer most of the questions that were submitted to the chairman of the committee, the gentleman from Kentucky [Mr. MAY]. May I also say to the Members on the minority side that we can debate here today as long as any one wishes to be heard. I think we can take care of everyone who up to the present time has made a request for time. Those who wish, if you will so indicate, may extend your remarks in the body of the RECORD. Mr. Chairman, a year ago, if you will take yourselves back to that time we were in a situation in this country with the largest Army, Navy, Air and Marine Corps in the history of the world. The campaign in Germany was readying itself into the final thrust. The German surrender came in May. The Japanese surrender came in August.

Along in May we set up the so-called United Nations at San Francisco. There participated in that conference at San Francisco representatives of both great parties, I expect representatives of all parties in this country. A preliminary organization was set up. That Organization's Charter was not ratified by 59 nations until along this fall. The Security Council was set up subsequent to that. The Security Council for all practical purposes is just in being. So far no peace treaty has been signed with anyone. The Secretary of State is endeavoring to arrange a peace conference for the settlement of the Italian question early in May. The United Nations Organization is still in its infancy. Unless I am entirely wrong in my understanding of what is going on today, the Republican Party backs the United Nations as well as does the Democratic Party. The distinguished gentleman from New Jersey [Mr. EATON] participated in all the deliberations at San Francisco, and the very distinguished Senator from Michigan [Mr. VANDENBERG] certainly played a most prominent part in the formation of the United Nations. I think it is the wish of the great majority of Americans that the United Nations continue, because we all realize it is the only real hope we have for the establishment of a sound peace in the world.

Let me give you a rough idea of the demobilization that has taken place during less than a year. Before Japan collapsed and soon after the German surrender we started demobilizing. During the period between the ending of hostilities in Europe and the 31st of March of this year, less than 11 months, 6,750,000, almost 7,000,000 men and women, were discharged from the American Army. That is exclusive of another 1,000,000 who were discharged from the Army prior to VE-day. We expect to discharge another 1,000,000 between now and the end of June, only 2½ months away. Broken down, that would show discharge for length of service, on points, 5,392,000, for medical reasons 432,000, for age 420,000, and for hardship, national safety and health, and miscellaneous, 632,000.

ROUGH RÉSUMÉ OF DEMOBILIZATION

During the period between the ending of hostilities in Europe and March 31 of this year, less than 11 months, 6,750,000 Army men and women have been returned to civil life. Another million—1,050,000—will be returned between April 1 and June 30 of this year. This presumes gains May 15 to July 1 of 300,000—approximately one-half from enlistments and one-half selective service.

Total returns to civil life VE-day through April 5, 1946:

Points and length of service	5,392,000
Medical reasons	332,000
Age	420,000
Hardship, national health, safety and interest, miscellaneous	692,000
Total	6,836,000

From a VE-day strength of 8,300,000 the Army has decreased to a net strength of 2,300,000 on April 1. Further reductions will bring the Army down to 1,550,000 on July 1, 1946, the required strength as of that date.

Furthermore, in the 12 months from July 1, 1946 to July 1, 1947, at least an additional 500,000 men and women will be returned to civil life, in addition to the turnover through Selective Service and enlistments, as the Army reduces from 1,550,000 on July 1, 1946, to a net strength of 1,070,000 on July 1, 1947.

With my compliments to Fielding Eliot I say, our foreign and military policies are interlocking and interdependent.

Just at present, we are going through a period of political and of military transition. We are endeavoring to get the United States running as the stabilizing influence in world affairs, at the very time when our military power is in process of drastic change from its wartime establishments to peace establishments of a character and size for which we have no precedent in our history.

These twin uncertainties bear upon each other. If the political status of the world were well set and without serious friction, there would be less pressure to make haste in filling American military requirements. If our military forces were firmly organized and ready to meet any eventuality, and political climate of the world would be at a lower temperature, among other reasons because we ourselves would be less jittery.

But with both situations in a state of flux, our difficulties and confusions are vastly increased in each department by the lack of support from the other.

It is for this reason that the State Department is supporting the Secretary of War and the Chief of Staff in seeking extension of the Selective Service Act. The need for this extension lies in the fact that manpower is the foundation of military strength, and the assurance of an adequate supply of manpower is the first essential to sound military planning.

The enactment of the Selective Service Act was the first step in the creation of the Army which won the war, because no plans at all could be made until there could be an accurate estimate of the number of men that would be forthcom-

ing, and the times at which they would become available.

In building our postwar military forces, it is likewise necessary to know how many men will be available, and when they will be available in order to depart from improvisation and build upon the firm rock of certainty. We do not know yet how the volunteer system is going to work under postwar conditions. We have not had sufficient experience with it, as a long-range proposition, to place full dependence in it or to learn just how much dependence we can afford to place in it. We do not, in particular, know whether the new pay bill providing for a 20 percent all-around increase for the armed services will materially step up recruiting or not—presuming that Congress passes it without substantial alteration, and we do not know whether even the present rate of voluntary enlistments will be maintained if the Selective Service Act is allowed to expire, thus removing one of the incentives to volunteer. The young man who is going to be picked up by the draft anyway and be required to serve for 18 months or 2 years is quite likely to enlist in order to obtain the very considerable benefits of a 3-year voluntary enlistment. If the draft incentive were removed, it would be uncertain whether these benefits would prove as attractive as they are now or as they may become if the draft law is extended.

We cannot afford such uncertainties. We do not live in a stable, ordered world in which such risks can be taken, in which it is safe to experiment in these matters. We live in a tortured, miserable world which is just beginning to recover from the most terrible war in history, a world in which men are striving according to their lights to establish safeguards against the recurrence of such a holocaust, but a world in which such striving must stand on the firm ground of order and supported law.

Our military needs at the moment are for available, well-trained units—air groups, naval task forces, Army divisions—with their proper allotment of officers, noncommissioned officers and specialists, ready for the performance of duty wherever called upon. This means, first drawing together in such units the permanent personnel now available.

If this process could be carried on with the present and expected flow of voluntary enlistments, that would be the most satisfactory method of securing the new regular establishments, and thereafter in maintaining them at full strength, but there are indications that voluntary enlistment is falling off and uncertainty as to the future in this respect. We need the extension of the Selective Service Act for a period of 1 year. That will give us time to see how voluntary enlistment goes, and it will give us time to advance, in parallel, our political spearheads into the present areas of uncertainty.

When this period is up, perhaps we shall find that there is sufficient political progress to make some military adjustments possible, and that the draft will no longer be necessary. Or perhaps we shall have reason to be very glad indeed that we did not dispense with it now. What we cannot afford to do is to take chances in a world so charged with menace and a world in which we have so overwhelming a responsibility for the building of a better future.

But I think if you have any estimate or any idea of the situation and more of the figures that I am going to give you, you cannot help but come to one conclusion, which is that for a reasonable time—certainly, for 9 months—whether we want to or not, we must continue the extension of Selective Service as a safeguard. The House committee have wisely adopted and is ready to report a bill to increase the pay of all ranks in the Army, providing for a large increase for enlisted men in the lowest grades. There are numerous other proposals, such as that of the gentleman from Georgia [Mr. VINSON] and the proposal of Mr. GURNEY in the Senate. Of course, money talks, and I assume that increased pay for those in the enlisted ranks will be an incentive for volunteer enlistments in the Army. Let me say right here that General Eisenhower has repeatedly said he would prefer volunteers in the Army if he could get them. He put the responsibility on the Congress. Very well, the pay bill is ready, and I have no doubt that a bill will be passed by the House and Senate very shortly increasing the pay.

The entire program for the coming year, so far as the Joint Chiefs of Staff, General Eisenhower, and those in authority, can see, are based upon certain assumptions: That the occupation of foreign countries is going to remain as peaceful as it is today. I might say with the accomplishment of this program we will have 200,000 troops policing a section of Germany comprising a population of 17,000,000 Germans. It is based upon our allies continuing to share the occupation with us. It is based upon the continued use of prisoners of war for work and the use of foreign nationals, with more additions to our forces in Japan from other United Nations countries. It is based upon our being able to expedite and accomplish as quickly as possible the disposal of surplus property. It is based upon treaties being consummated and it is based, last of all, upon United Nations becoming effective.

I pass from the question of our occupation of Germany and Japan to the matter of maintenance and support of strategic bases which you and I know we must maintain. These are other questions to be considered: The support of the United Nations through its military section, to which all of those who participated in the United Nations discussion representing this country agreed, that is, a military police. We have our military representatives on that police force headed by Gen. George Kenny of the United States Army Air Force and comparable naval and ground force men. The maintenance of intelligence and research having to do with atomic bomb studies and other important considerations. Our lines of communication. Our continued treatment of wounded in hospitals and the training of replacements whether they are volunteers or inductees. I should like to give you another figure which the Army is rapidly approaching in its reduction in general officer ranks. We had over 2,000 general officers of the Army during this last war. By July 1, under orders which are coming through, our five-star generals will remain at 4; the four-star generals at 9; the lieutenant generals at 21; the major generals at 136; the brigadier generals at 245. That totals 425 generals remaining in an Army of 1,000,000 as compared to 2,000 generals during the World War.

That is demobilization of the most difficult kind.

I have some figures here, which I will insert in the RECORD, which have to do with the disposition of our troops, worldwide. This includes the European, north Atlantic, which on July 1 was 3,703,000. Today it is 512,000. On July 1 it will be 346,000, and on July 1, 1947, it will be 200,000.

Disposition of troops world-wide

[All figures in thousands]

	VE-day	VJ-day	Apr. 1	July 1, 1946	July 1, 1947
European and North Atlantic	3,703	2,524	512	346	201
Pacific	1,637	1,967	490	438	276
Caribbean	76	86	35	40	46
Alaska	54	46	16	22	19
Total overseas	5,470	4,623	1,053	846	542
Total, United States	2,830	3,400	[1] 1,247	[1] 704	[1] 528
Grand total	8,300	8,023	2,300	1,550	1,070

[1] Includes some en route overseas. These totals will be revised to show this in later reports.

There are similar dispositions, going down through the Pacific, the Caribbeans, and in Alaska, which has reached a low ebb, but in which we are going to increase our complements. The grand total of our dispositions shows that on VE-day we had 8,300,000 and on VJ-day 8,023,000 and at the present time 2,003,000. It is slightly less since this table was made up. On July 1 we will have 1,550,000, which includes 400,000 men in the Air Corps. Somebody asked where the 18-year-olds were going. A large portion of the 18-year-olds, mechanically inclined, will go into the Air Corps to keep the ships flying. We have plenty of pilots and plenty of planes, but they cannot find mechanics.

We have about 500 men left in Australia. They will be completely evacuated by the end of June. Cuba has 360. They will be gone by May 20. Eastern India will be virtually eliminated by late summer, except for two or three hundred Air Transport Command men and Weather Bureau station men to care for property that we have there.

China and Belgium will be down to several thousand by July 1. I think the figure for China is 3,000. Those are retained by General Marshall himself. A considerable number of older-age officers in China who are going out on this so-called work, retained by General Marshall himself, represents the American Government in its desire to remedy the situation in China having to

do with the differences between the regular government and the Communists.

We have enlisted since the program got under way last June, roughly, 673,000 men. That breaks up into 22 percent, or 150,000 for 1 year only; 24 percent, or 160,000 for 18 months; and 1 percent for 2 years and 53 percent for 3 years. That 53 percent represents practically the entire Regular Army we had before Pearl Harbor.

It is reasonable to suppose that anybody who had experience in this war and then enlisted for the short term, that is, 1 year or 18 months—it is reasonable to suppose that there will not be a great many of them, on the basis of studies, who will want to enlist again. They took the short-term enlistment for obvious reasons. We would be wrong if we anticipated any large number of further enlistments coming from that group.

I shall put in a statement to show the enlistments by months for the entire period. I want to bring out the fact that in January we enlisted 113,000, in February we enlisted 93,000, in March we enlisted 73,000, rapidly going down under the present pay scale.

Enlistments

[All figures to nearest 1,000]

	Total (June 1945 through Mar. 31)		Monthly in 1946		
			Jan.	Feb.	Mar.
(a) By length of term:	*Thous.*	*Pct.*			
1 year	150	22	21	11	8
18 months	160	24	31	36	29
2 years	8	1	2	2	1
3 years	355	53	59	44	35
Total	673	100	113	93	73
(b) By type of enlistment:					
Original (no prior service)	141	21	24	24	28
Enlistment (AUS men)	443	66	69	54	41
Reenlistment (former RA now AUS)	89	13	10	5	4
Total	673	100	113	93	73

Another important thing to take into consideration is the fact that during January, February, and March one-half of the enlistments have been from among men already inducted. For obvious reasons, a man coming in with no limitation on the service can fix his stay in the Army, can take one of the short-term enlistments in the Army. If the gentleman from Georgia [Mr. VINSON] were here, he would admit the fact, which seems to be true, that a lot of men still like to join the Navy and see the world. Enlistments in the Navy—a study has been made of this—are almost entirely due to the fact that otherwise they would be inducted and possibly go into the Army.

Reenlistment in the Regular Army of former regulars is only 13 percent. The enlistment of men with no prior service during the whole period is 22 percent, or 141,000. The enlistment of those who served during this war is 443,000 or 66 percent. Some of those of course will probably stay in, but it cannot be expected that they will stay in in any large number, otherwise they would have taken a longer enlistment period.

Now I wish to say something about discharges anticipating perhaps the passage of this bill. You recall the section of the bill on page 2, toward the upper part of the page, in which it prescribes that the Secretary of War or the Secretary of the Navy may call upon Selective Service for a load each month based upon the figures of the Army for July 1, 1947, taking into consideration the enlistment load in the month previous. Obviously, the discharge load will have something to do with things also, for there are a large number of 1-year enlistments. Fifty percent of all the enlistments which run out during this coming fall and giving effect to the 18 months' provision for service hereafter the discharge load for July would be 135,000, for August 65,000, for September 50,000, for October 60,000, for November and December 105,000; running up to July of next year we are committed through the passage of this bill and otherwise to the discharge of 840,000 more. It is General Eisenhower's pledge, and it is going to be carried out, that by July 1 of this year there will be only 1,500,000 remaining in the Army; and we know we are going to lose 840,000 during the year.

Discharges to be expected after July 1, 1946 (allows for expirations of enlistments and release of men with 18 months' service). (Discharges to enlist and of men who may reenlist are included in strength totals).

	Enlisted men (in thousands)
July	135
August	65
September	50
October	60
November	105
December	105
January	70
February	70
March	65
April	45
May	40
June	30
	840

But we must maintain our Army at 1,050,000, including a large air force. Unless we find some new method of controlling Germany, unless something entirely unforeseen happens, we cannot keep less than 200,000 men in Germany and the same in Japan. There are at least 400,000 men we shall have to keep abroad. Then we always have from 65,000 to 75,000 men in transit, going home on furlough or on furlough. So you have then 65,000, 75,000, up to 85,000 in that category. Then we have men in the hospitals and also the matter of training replacements. Then we have got to occupy our bases in the Caribbean, Panama, Alaska, and the Pacific. All of which brings me down to the realization, whether I like it or not, Congress likes it or not, that we are in this thing. The American people in a sense are extremists. They were all for winning the war when we were at grips with Japan, when we were fighting with Germany. I do not think the average American realized, or does yet, what a perfectly terrific situation we have been in. I do not believe they realize that it is not so easy to pull out, particularly if they want the United Nations to work. Nobody wants to see an 18-year-old boy inducted in the Army, but he is not going to be shot at. Some say: Let us raise the age to 19. Every 19-year-old boy has been screened and of those who have been screened the figures show we would not get 3,000 monthly from this group. If you take him at 19, after you refuse to take him at 18, he is more set for the future and he will be more upset than the 18-year is now. The same thing may be said about the 20- and 21-year-olds.

Are you going to take the 18-year-olds? That is the question. If you were a major in charge of a battalion, a general or a corporal, or if you were General Eisenhower, obviously you are going to use as a background for your forces in Japan and Germany the reenlistments from your trained veterans as a nucleus or a skeleton. You may have to fill in here and there with a good mature 18-year-old boy. But what is wrong with that? What difference does it make whether he serves in South Carolina, Montana, or over in Germany? He has got to be in 18 months. That is the story.

I have a feeling that with the passage of the Increased Pay Act, providing it is properly worked out, and it has to be properly worked out—you cannot take some figures and say you are going to raise everybody in the Army that much and let it go at that—you will find that we will make more trouble for ourselves unless we do it carefully. I am sure that the present bill on pay, which has the approval of the Military Committee, is reasonably well worked out for all ranks. It was Theodore Roosevelt who said once, and I have heard it quoted here by numerous persons on this floor, "The proper way to conduct your foreign policy is to speak softly and carry a big stick." To be sure, we are speaking of the selective service and our military policy for the moment, but it goes hand in hand with our world situation.

It reminds me of a story I heard the other day at an affair attended by numerous Members of the House. A gentleman from Texas said he was in an elevator not long ago with another man coming down from the twenty-sixth floor. The friend in the elevator did not like the way the elevator was being operated, and they called the attention of the elevator operator to it. He stopped the elevator half way down, got out, and said, "If you do not like the way I am running the elevator, when we get to the bottom I will go outside with you." The gentleman from Texas said, "Look here, do you know who this man is?" "No." "This is Gene Tunney with me," and then the elevator operator said, "Get back in the elevator. I will run the elevator any way you want it run."

That applies here today. It is unfortunate that we have come to this situation.

I would like to say one more thing about General Eisenhower. He has said and we all must realize that extension of service has nothing whatever to do with the subject of universal training. That is something we might consider after we have stopped selective service and after the necessity for selective service has ceased. In the meantime there is no alternative. Some of you may find excuses, but it is a bad time to gamble.

We have not finished the war, we have not finished our deal, we have not finished our commitments to the United Nations, made by Republicans as well as Democrats, and above all to those who gave their lives. I say, let us be strong so that we can finish the job for peace.

Mr. MAY. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. SHERIDAN].

Mr. SHERIDAN. Mr. Chairman, I have listened intently to the excellent speech made by the gentleman from New York [Mr. ANDREWS], a comember on the committee with me, but I must take issue with many of the statements he has made. I do not believe there is any Member of the House who does not appreciate the remarks of our great general, General Eisenhower. He is a great American, yes, but there are 150,000,000 other Americans. As we stand here today, whether we extend the draft or not, we are in the unique position where every church denomination in the country—Catholic, Protestant, and Jew—is opposed to the extension of the draft. We have the great labor union, the American Federation of Labor, opposed to the extension of the draft. After all, it is the duty of Congress to fix the size of the Army after certain factual matters are given us by the leaders of the Army and the military. It is upon these factual matters that we have to depend to make our ultimate decision.

Let us look at some of the factual matter that was given to us to review when we were considering the bill in our committee. Judge Patterson, our Secretary of War, came before us back in October when the consideration of peacetime military conscription was before our committee and also the consideration of the extension of the draft and he told us that under no consideration could we raise more than 300,000 through voluntary enlistments.

Well, you heard the figures given by our distinguished chairman a few moments ago that we have now over 673,000 voluntary enlistments. The Secretary of War was off on his estimate approximately 250 percent. Then he appeared before the Military Affairs Committee of the Senate and said that we would be short as of July 1, 1947, which is a year from this coming July, 170,000. That was only back on the 28th of March. Two days later General Textor, who has the duty of appraising or projecting the voluntary enlistments, said that we would be short 51,000 at the same period, July 1, 1947. I asked the general when he appeared before our committee whether he had given those figures to his superior, Judge Patterson, and he said he had. So evidently on the projection of the proposed peacetime voluntary enlistments, Judge Patterson did not place too much confidence in the general who was delegated with that duty. It just happens that one member of the committee, in looking over the general's appraisal requirements and the availables, showed the availables as 1,019,000 and the requirements as of July 1, 1947, as 1,070,000, a deficiency of 51,000. When we asked him about the 50,000 Philippine Scouts who are part of the Regular Army, he had not included that figure in his totals of availables. I asked him why. His reply was that they had not yet been trained, although the kid down at the corner is recruited as of the day he signed on the dotted line. There were two divisions that they had forgotten about in the Philippines, the Philippine Scouts, a total of 50,000 men, and when we add that to the availables, they would only be short 1,000 as of July 1, 1947.

Mind you, the general projected his figures on the basis of a voluntary enlistment of 12,500 a month from January 1 to July 1, 1947. Then we refer to the estimate for the same period by Judge Patterson, and his appraisal of voluntary enlistments for the same period was, January 1947, 20,000, and each month thereafter to July 1, 1947, 20,000. So they are out about 8,000 a month there. If you take the 6-month period before that, from July 1 of 1946, when Judge Patterson appraised 30,000 voluntary enlistments a month, you have approximately another 100,000 that they are in error. How can we pass any legislation based upon their facts, in all due deference to General Eisenhower?

I should like to refer to some of the other matters that came before our committee. I well recall a luncheon we had over in the Pentagon Building, and I am not breaching any confidence because we are here to pass the legislation. The Air Corps asked for 700,000 in the Air Corps, with approximately 50,000 officers. They settled for 400,000 enlisted personnel and 26,000 officers, a drop of almost 50 percent. Suppose we had accepted their first proposal?

Let us go one step further: When we asked General Porter, and I may be off somewhat sometimes in reference to the names, but when General Porter and Judge Patterson were before our committee and I asked them whether they had included the 400,000 in their 1,500,000 for the Army, they said they did not yet agree to give the Air Corps that number of men. When you ask us whether we doubt the statement of General Eisenhower, why within the Army itself they do not take the recommendations of General Arnold and General Spaatz.

Then we come to General Hershey. With due deference to that school teacher, I have heard it said here—statements that were given before our committee by General Hershey—a diametrically opposite statement was given before the Senate Military Affairs Committee by the same general, which led us to the conclusion that any statement emanating from General Hershey should not be believed. Let us take him on the facts, as he gives them to the public. I refer specifically to March 28, when General Hershey said:

> The extension of the Selective Service Act is essential for the procurement of an additional number of men to meet the needs of the naval forces.

Are you aware that for some months the United States Navy Recruiting Service has not taken men over 30 years of age because, they say, they can get all they want on voluntary enlistments? The Navy Department does not want the extension of the draft, and I quote none other than Captain Donaho to that effect:

> The threatened end of the draft in May will not affect the Navy's manpower.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. SHERIDAN. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. Did Secretary Forrestal testify before the committee as to whether or not the Navy desired an extension of the draft?

Mr. SHERIDAN. I believe he did. I should like to ask the chairman whether he made any direct statement for the extension.

Mr. MAY. I think he did. My recollection is that there was a session which I did not attend, and that was the one at which he testified, although I am not certain about it. I know he did in the Senate.

Mr. ABERNETHY. Does the gentleman recall whether or not he put himself squarely on record for or against the extension?

Mr. SHERIDAN. I would have to refer to the record of the Senate Military Affairs Committee, which I do not have available.

Mr. ABERNETHY. My only purpose in making that inquiry was in view of the fact that the gentleman has just stated that the Navy did not desire that the draft be continued.

Mr. SHERIDAN. In answer to the gentleman, I will quote verbatim the statement by Captain Donahue on naval procurement:

> The threatened end of the draft in May will not affect the Navy's manpower in the slightest degree. We do not need the draft either now or in the future to recruit the peacetime Navy.

I assume the captain is speaking for the Navy.

Mr. LYNCH. Mr. Chairman, will the gentleman yield?

Mr. SHERIDAN. I yield.

Mr. LYNCH. Is the gentleman familiar with the release that was issued just a few days ago to the effect that all Navy reservists would be demobilized by September 1 next?

Mr. SHERIDAN. I have seen the public release to that effect. But let us go back again to some of the past statements of those high in the armed forces as to the need for which they are now asking this Congress to legislate. It is not so far back when they appeared before our committee with the threat that the Nation would fall apart unless we organized manpower and that the people of the Nation either be put in the Army or under military jurisdiction to work in civilian enterprise. But we did not do it. We did not put them in involuntary servitude as they now want to put the 18-year-old youths of the Nation. You recall also the alleged necessity when they appeared before our committee for the induction of nurses. They said they must be put in by means of induction. We did not do it, and still we won the war, and nobody was hurt for want of professional nursing care. Is that the type of official statement which you want us to rely on

now, to put these 18-year-old boys overseas? I would like to go into another phase since the gentleman from New York referred to the fact, "Yes; they might have to put the 18-year-olds into various components of the Army as a matter of necessity." Perhaps that was true when the combat was at its height. But I would like to have the gentleman call the Surgeon General's office and ask how the venereal-disease ratio has swung up since January 1, 1946. I believe it is about double now. The one figure that was given is 41,000 incapacitated from military duty in the ETO because of social diseases.

Mr. MANSFIELD of Montana. Mr. Chairman, will the gentleman yield?

Mr. SHERIDAN. I yield.

Mr. MANSFIELD of Montana. Is it true that physical standards for volunteers in the Army have been raised 11 or 12 percent since the first of the year?

Mr. SHERIDAN. I understand that only within the last few weeks the educational standards of the Army have been increased, which in my opinion will prevent voluntary enlistments to a large degree.

Mr. MANSFIELD of Montana. What about the physical standards? I believe the physical standards have been increased.

Mr. SHERIDAN. They have been lowered.

Mr. MANSFIELD of Montana. Then my information is incorrect?

Mr. SHERIDAN. I think so.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. SHERIDAN. I yield.

Mr. BROOKS. May I say that the physical standards have been lowered very considerably in the last 30 days.

Mr. SHERIDAN. I just made that statement. Now, gentlemen, we must determine some time whether we are going to be ruled by a military clique or whether the standards for which our forefathers fought and for which the boys, some of whom are in the gallery today, fought for on the far-flung shores, are going to be followed. Let us look at the record. Only a few days ago, and I regret it was done, although we have the greatest respect for our five-star generals and our admirals of the fleet, they were given full active-duty pay for the rest of their lives. They were given a $5,000 bonus for pocket money and they were referred to as elder statesmen.

Recently we passed necessary legislation permitting General Smith to be Ambassador to Russia, without loss of his present military status. General Marshall is proceeding in the same manner in China. General Gregory has been placed at the head of the War Assets Corporation; General O'Brien, Chief Counsel; General Mosley, head of the aircraft; all key positions governed by high-ranking military officials.

They have a different view than we do. They do not have to see a child of 18 taken out of high school or the first year in college.

Let me deviate there for a moment. This war in its final stages was won by this great Nation by the scientists and technicians in the laboratories. Where are we going to get them in the future if we are going to continue as the greatest Nation on the face of the earth, if we take the youngsters who are just receiving their first year in college or last year in high school and ship them off to a foreign shore for 18 months, where the standard of living is much lower than the lowest in this Nation?

Mr. MANSFIELD of Montana. Mr. Chairman, will the gentleman yield?

Mr. SHERIDAN. I yield.

Mr. MANSFIELD of Montana. In response to my previous question, and having in mind the statement made by the gentleman from Louisiana [Mr. BROOKS], and the gentleman from Pennsylvania [Mr. SHERIDAN], I quote from the CONGRESSIONAL RECORD, page A2045, a speech delivered by Hon. EDWIN C. JOHNSON, of Colorado:

> On March 1 of this year the War Department raised the standard of recruits 11 points because they were receiving too many volunteers. On March 1 of this year the standards which were good enough all through the war were raised by 11 points for volunteers, but, strangely enough, not for conscripts.

Mr. SHERIDAN. I thank the gentleman for his contribution.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. SHERIDAN. I yield.

Mr. HAYS. I wanted to ask the gentleman about testimony presented to the committee with reference to the establishment of an educational force in the occupied territory for youths of this age bracket.

Mr. SHERIDAN. I do not know whether such a program has been established, but those who have been in combat in the European theater today are entitled to receive some advanced studies which are required by accredited schools.

Mr. HAYS. It is reported that efforts are being made to establish an educational force for this age bracket, and for which credit will be given by certain schools and universities here. However, testimony was not presented in your committee; is that correct?

Mr. SHERIDAN. I do not recall it.

Yesterday we passed in our committee a pay bill increasing the basic pay for a "buck" private from $50 to $75; a first-class private from $54 to $80, and a similar scale in the higher grades of noncommissioned officers. I believe if we pay adequate remuneration to our armed forces we will get volunteers. We must appreciate the fact that today and for the next 2 years there will be competition with industrial reconversion of the Nation that would attract these young men of the Nation. Why not be honest about it? We are going to be called upon in a few days to pass upon authority to loan Great Britain $3,750,000,000, or thereabouts, with no interest charge until the year 1951.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MAY. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. SHERIDAN. We have already appropriated $1,350,000,000 to the United Nations Relief. We will be called upon to pass upon loans to Russia, France, and China. I call attention to the fact that when a veteran goes to get a loan, he pays 4 percent interest on the loan, after having served 30 or 35 months in combat, but other nations get it at 2 percent, the same United States Treasury money, and some nations demand it without interest payment! Even a 2 percent interest rate on those loans would yield approximately $178,940,000, that could be used to defray some of the additional funds to be paid the "buck" private, the first-class private, the corporal, and the "buck" sergeant.

Mr. Chairman, let us try for the next 9 months without the extension of the draft. We can always pass necessary legislation, but let us try to see whether we cannot get the volunteer army that General Eisenhower prefers. That is the American way to do it. Let us continue the American endeavor.

Mr. SHORT. Mr. Chairman, I yield myself 15 minutes.

Mr. SHORT. Mr. Chairman——

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. BREHM. A few minutes ago the gentleman from Kentucky referred to so-called illegitimate children. In my opinion there are no illegitimate children. The parents may have been illegitimate, but not the child. In my opinion it would be more appropriate to refer to these children as the children of illegitimate parents if we must discuss them. I wonder if the gentleman from Missouri agrees with that statement and would care to comment on it?

Mr. SHORT. I quite agree with the gentleman from Ohio. Perhaps this provision to exempt all fathers from the draft was written into the bill in order that we might breed more men for more wars so that next time we will have more cannon fodder, whale food, and shark meat to feed the gory god of war. Certainly it is going to encourage early marriages, promote promiscuity in this country, and I do not think we need either at this particular time.

Mr. Chairman, in the 14 years I have served in this body there is no question that has troubled or disturbed me more than the one we now have under consideration. Your Committee on Military Affairs, regardless of politics, has worked long, faithfully, and hard upon a complex, complicated, and intricate problem. From any angle you approach it you run into almost inextricable difficulties.

The first lesson I think any legislator learns is that it is very difficult to help somebody without hurting somebody else; and regardless of how you vote on this particular measure you are going to be criticized; but I know I speak for the members of my committee and I think for the entire membership of this House, which is composed of honest, intelligent, and patriotic men and women, that when we cast our vote on this bill it will be based upon whether or not this thing is right or wrong, whether it is necessary or unnecessary.

All of us want America to remain strong in this postwar period in a war-torn world that is broken, bleeding, and

bruised, with uncertainty that hangs like a pall over our heads, with unsettled conditions and with a future which nobody can predict until the United Nations Organization becomes firmly established—and it is only an infant now crawling on its hands and knees. But I voted for UNO as did practically every Member of this House because I felt it was the only hope of the world. America must maintain, I say, the largest and best Navy in the world, a superior air force, not necessarily the largest but certainly the most highly trained and best equipped and well disciplined Army on the face of this earth.

As George Washington once said, "If we wish to avoid insult, we must be prepared to repel it."

We know that certain brigands are still loose in this world and that there are yet people who believe only in physical force. That is the only language they understand or respect and they have only contempt for weakness.

So none of us on either side of this aisle differ one whit in our desire to keep America strong and able to defend herself. We are going to trust God, but we are going to keep our powder dry. We will "speak softly but will carry a big stick." The only thing we differ about, and it is an honest difference, is the method whereby we can achieve the common objective, which is to establish a just and a lasting peace upon this earth. I submit to you that while we preach peace and though we have entered the United Nations Organization, on the other hand we are placing our faith and trust in "horses that run upon the rocks." There is a certain power called moral force that we should not lose sight of. We need something more than physical might. We should heed the word of the Lord unto Zerubbabel, "Not by might, nor by power, but by my spirit, saith the Lord of hosts."

Yet today you would think that the future of mankind depends on military conscription in peacetime in this country and that the armed might of America is the only thing that will guarantee the future peace of the world. To me that is a serious mistake. If we continue conscription or extend the draft in peacetime, it is a challenge to the other nations of the world to arm to the teeth. What we need is universal disarmament with only a police force in UNO to maintain world peace. We have got to stop preaching one thing and practicing another. Our emphasis should be on peace and not war. We should now be considering the Martin resolution.

We must be frank and forthright with ourselves and with all people. We are not exactly being honest in bringing this bill out today. Do you know why? We should have brought in the increased pay bill first. We now have the cart before the horse. Only yesterday our committee hurriedly reported out an increased pay bill for all members of our armed services, but who here has any assurance it will be called up in the near future or that it has any chance of passage? If we were to increase the pay of these GI Joes—I mean the privates—we would not have this legislation before us at this hour.

I have the highest respect for our admirals and generals who won the greatest war or two wars in our history; I surrender to no man in my admiration and gratitude for the marvelous tasks they have accomplished, but I do not yet consider them infallible men. In fact, we were told by the highest military authorities a few months ago that perhaps by the first of May this year we would have 300,000 volunteers. The truth of the matter is we have almost reached 700,000 volunteers. General Textor, appointed by the Secretary of War to make a personal independent study of the recruiting system, told our committee—it was more or less in executive session, but I do not think it is revealing any secret, and the membership of the House should know—if we increased the pay only $10 a month to the privates we would increase voluntary enlistments by 30 percent. If this be anywhere near accurate, the extension of the draft is wholly unnecessary.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Kentucky.

Mr. MAY. I want to say to the gentleman from Missouri that I shall urge early consideration of the pay bill. If it is delayed, it will not be my fault.

Mr. SHORT. I know that our chairman is an honest man and keeps his word. He has influence but is not all-powerful. Knowing some of the New Deal promises that have been made in past years, I have no faith in them. I say we should have brought the pay bill in here first and voted on it, then you would not have to consider a continuation of the draft. That is what you are insisting upon. But, no; we bring this bill in here just on the eve of a recess when Members are anxious to get home over Easter. You know, more bad legislation is always passed on the eve of a recess or an adjournment than any other time. We let down the bars. We become careless. We are anxious to go home, and right after all the enthusiasm of Army Day we take advantage of the psychological moment— and I am blaming no one for doing that—to come in here under emotional pressure, and with a lot of bugaboos and scares, to cram down the throats of a tired, weary, and worn membership a bill that in my opinion is altogether unnecessary, and I will tell you why.

The War Department out of its own mouth stands condemned. You can take the figures and test them; figures offered by various witnesses that appeared before the Military Affairs Committees of both Houses, and their statements are so contradictory, not only one man contradicting another, but the same man contradicting his own testimony at different times, that you cannot make heads or tails out of it. I am sorry that there are no printed hearings available. Not one Member of this House, not even members of our committee, has access at this moment to any printed hearings, because they have not been printed.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Texas.

Mr. THOMASON. I think the gentleman ought to be fair about it, because it was as late as 5 o'clock yesterday afternoon before the chairman was able to send the stenographic transcript to the Printing Office, because the gentleman knows that the clerk of the committee, Mrs. Watterson, has been sick.

Mr. SHORT. I am not condemning the chairman of our committee. Nor am I criticizing our efficient clerk. Both are fine.

Mr. THOMASON. They will be here in a few minutes.

Mr. SHORT. But we could have waited a few more days until the hearings were printed to bring this bill up for consideration.

Mr. THOMASON. The printed hearings will be here in a few minutes.

Mr. SHORT. Yes; the printed hearings on this bill will be here in a few minutes. But no Member has had a chance to read, let alone study, them.

Mr. BRADLEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Michigan.

Mr. BRADLEY of Michigan. How many weeks has the committee been considering this question?

Mr. SHORT. I will say this generally, sir, that we have considered this question not for days, but for months and years; the draft, military training, and other related subjects.

Mr. BRADLEY of Michigan. Then why should we not have these hearings before us?

Mr. SHORT. I do not know why.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the distinguished chairman.

Mr. MAY. I would like to say in answer to the gentleman's statement that the clerk of the committee that handles these matters has been extremely sick for the last 10 days. We finished the hearings while she was ill and, of course, I could not find time to put them together and would not know how to have done it if I had time. But they went down to the printer and will be here shortly.

Mr. SHORT. The illness of the clerk of our committee was most unfortunate, but it is even more unfortunate that on such a vitally important issue as this that affects the lives of millions of our citizenry that we do not have the benefit of the printed hearings before us. We are taking a leap into the dark.

Now then, this bill by statute establishes the size of our Army on July 1, 1947, at 1,070,000, the size of our Navy at 558,000, and the size of the Marine Corps at 108,000. The Secretary of War himself testified that we would have a shortage of about 170,000 men by the first of July 1947, but that figure did not include the 50,000 Philippine Scouts, 17,000 Puerto Ricans that are going to serve in the armed services, 12,000 to 30,000 Wacs, depending on how much they are going to reduce them, nor did it include 90,000 men now deferred in industry, colleges and other institutions of

learning, or more than 200,000 men deferred in agricultural pursuits. They were not included, and I say to you Members, though you suspend induction over a period of time, you will not give the volunteer system a fair chance or trial unless you vote an increase in pay as an inducement or incentive to increase the number of volunteers. But they are afraid to do it. Why? Because we were told only a few months ago that we would raise only 300,000, and now we have already raised 700,000.

I have always believed, sir, that the volunteer army is the best army on earth. I have always believed that free men could outwork, outproduce, and outfight slaves. The War Department has been wrong not only in this estimate of the number of volunteers, it was wrong when it recommended we draft nurses, and it was wrong when it tried to force slave labor in this country. As much as I was opposed in some elections by certain minority groups of organized labor, I stood in the well of this House a year ago and led the fight against the work-or-fight or work-or-jail bill that would have made serfs out of our American working men and women.

We were told in conference by one of the Senators, now sitting on the highest tribunal in this land, that it would be a tragedy if we did not pass that bill that would absolutely have established involuntary servitude in this country. The Senate did not pass it. We did not get it. So the War Department was wrong again.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from New York.

Mr. ANDREWS of New York. May I remind the gentleman as a matter of record that for some 2 months I have been urging the Committee on Military Affairs to consider first things first, particularly pay. May I add to the gentleman's remarks when he spoke of varied estimates from the War Department that most of their estimates have been on the basis of varying statements from the two committees, of the Senate and the House. When we say they are not to serve more than 18 months, it automatically changes the War Department's estimates.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. ANDREWS of New York. Mr. Chairman, I yield five additional minutes to the gentleman from Missouri.

Mr. SHORT. I thank the gentleman very kindly. He has insisted on early consideration of the pay bill but in vain. He was right about that.

My very good friend and able colleague from New York [Mr. ANDREWS], already has told you that we are bringing back quickly these occupational forces from all parts of the world. We are bringing them back from Australia, Cuba, India and Burma. All of them will be brought back from those theaters within a very short time. We are reducing the number in China and in the islands of the Pacific. Many youngsters are stranded on atolls and islands in the Pacific who had better be at home in school or on the farm. If we are doing this, why must we continue this draft, when we have a reserve pool, a reservoir, of more than 8,000,000 men who have had months and even years of training and could be called back in case of any emergency? They are in the Reserve for the next 10 years.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from North Carolina.

Mr. COOLEY. What pay increase is provided in the pay bill to which the gentleman refers?

Mr. SHORT. We propose to boost the pay in different classes. It jumps the private from $50 to $75, the next to $80, the next to $90, $100, $115, $135, and $165. These increases apply to enlisted personnel. Increases are provided also for all officers. All this, however, is a separate measure. It is not tied in with this bill. We hope to call it up soon. But it is only a hope, not a certainty. I insist we should have passed it first as an inducement to get increased numbers of volunteers. The gentleman from New York [Mr. ANDREWS] wanted the pay bill considered first. If we had, we would not have this argument here today. If we extend the draft here in peacetime, it is the first time in peace in 150 years of our history that we have done it. I do not think it is an omen of good will nor does it augur well for the future peace of the world in these troubled times.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Is the Navy urging the adoption of this conscription measure?

Mr. SHORT. No. They do not want it. We will have no trouble in getting officers for the Army. We have more officers trying to get into the permanent establishment of the Army today than we can possibly take care of. Particularly is this true of the Air Corps. There are from 40,000 to 60,000 men now anxiously waiting to get in. All we have to do is to offer an incentive to the poor buck private, give him a chance for promotion within the ranks, give him increased pay, something that is more or less comparable to the wages paid in industry, give him a chance for travel and educational opportunities, abolish the infernal and damnable caste system in the Army, with its social distinctions and differences, and we will have a sufficiently large and a very democratic Army in this country.

Mr. ROBSION of Kentucky. As I understand it, the Navy does not desire conscripted men for its service, yet it is claimed today that they are short more men at this time than the Army.

Mr. SHORT. Perhaps technical experts. Much of the Navy is highly specialized.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. SHAFER. Aside from the argument for the pay bill, which is not before us now, the figures given in the other body show that the total enlistments according to the Army figures on July 1 will be 1,726,000. They will have 150,000 officers; 50,000 Filipino scouts; men not in the service a year, 226,000; and draftees not yet in a year, 400,000. That makes a total of 1,726,000.

Mr. SHORT. I think those figures are correct. If so, it is more men than they ask for. I want to say in closing that we all know that 18-year-old boys do not make good policemen. There is not a police force in this country that would hire them and there is not a sheriff in any State in the United States or any county in any State who would dare hire an 18-year-old boy as his deputy. They were good in combat over there. We recognize their daring and their resiliency. They are tough, bold and even reckless. It is all right, maybe, when it comes to the question of the Nation's salvation in wartime to use them in combat, although I was against it originally. I think is was a dreadful mistake because the officers I have talked to told me that the casualties among the 18- and 19-year-old boys were enormous. These kids cannot take care of themselves as older men do. I think we made a mistake by drafting them even in wartime. I certainly am going to oppose drafting them now, because we need older men with more mature judgment to occupy Germany and Japan and not mere kids who are scarcely dry behind the ears and who are susceptible to every temptation that they come across.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. ARENDS. Mr. Chairman, I yield two additional minutes to the gentleman.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. COOLEY. May I suggest to my friend that the House of Representatives even refuses to hire an 18-year-old boy as a guard here on the Metropolitan Police force.

Mr. SHORT. The gentleman is right. Of course, he is right. Let me tell the gentleman from North Carolina I have talked to several chaplains. I have received letters from officers as well as enlisted men and from my own nephews in occupied areas. They have told me that more harm and damage have been done to those teen-age boys in occupied Germany and Japan than was done to all of them during the bitter months of combat. They are being debauched and corrupted every day. It is no place for an 18-year old boy to be. He should be back home in school or helping his dad on the farm who is told that he must produce more food to feed the hungry and starving people of the world. And his dad is so short of help and so short of machinery that he cannot produce that food and is reaching the point where he is selling his dairy herd and other livestock and has about decided that he is going to raise just enough food for ma and pa and the little kids and the rest of the world can go to blazes. Now, that is about where we have reached. I know. I am fresh from my district. I have been out there 2 weeks. Unless we get immediate relief from OPA the farmers are through. But we will deal with OPA next week.

Yet, you are going to continue to take these 18- and 19-year-old boys. Eight and 10 years from now, gentlemen, we are going to wake up with an acute shortage of doctors, dentists, scientists, engineers, technologists, and technicians. We do not have half as much sense as either Russia or Britain because they have these youngsters in technical schools and are training them for the next war if there be one, which will be a scientific war, one fought in laboratories and test tubes and not by massed armies but by push-buttons that will touch off rockets carrying atomic bombs and by pilotless planes flying at lightning speed.

Mr. Chairman, it is argued that we continue the draft in order to carry out our foreign commitments. Pray tell me, sir, what our foreign commitments are. You do not know, I do not know, nor does any Member of this Congress know. Certainly the public does not know.

We have had entirely too much secret diplomacy before, during, and since this global war. The American people were not let in on the deep, dark secrets of the war in Europe and Asia, although the people did the fighting and the dying and will do the paying for many, many years to come. Oh, that we had a Woodrow Wilson today who would insist upon "open covenants openly arrived at." None of us know what promises were made or pledges given at Casa Blanca, Cairo, Teheran, Yalta, Quebec, Potsdam, or Moscow. It is doubtful that we know all that is now transpiring in New York. If our State Department had a definite foreign policy and if the administration would take the American people completely into its confidence the War and Navy Departments would know better how to make their plans and carry out the policy which they do not formulate but which they are charged with the responsibility to carry out.

Everyone knows that Germany, Japan, and Italy have been all but annihilated. It is also common knowledge that both our great allies, Britain and Russia have been exhausted by this war and that China is chaos.

With the vast reservoir of trained men and women who fought in this war, with our scientific knowledge and possession of the atomic bomb, with thousands of men volunteering in our armed services every month, there can be no sound argument for the continuation of the draft 8 months after VJ-day.

We will keep American strong but we will keep her free. We do not want to Prussianize this Republic the last best hope of earth. We will not, in the name of emergency or under the pressure of fear, saddle upon our people a peacetime draft which often has been tried by many countries of the Old World and which has always failed.

Let the present law expire on May 15, next month, as we intended it to, give the volunteer system a fair chance and after a few months trial, should it fail, the Congress can reenact the law at any time it deems necessary.

Mr. MAY. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, I hope in the brief time allotted to me to be fair in whatever presentation I am able to make, and above all, I hope to be factual and realistic.

Like all of you, I always listen with great interest to my distinguished friend the gentleman from Missouri [Mr. SHORT], but I must say that sometimes I think he takes a little unfair advantage. I think he did that in his reference to the hearings on this very bill. I am one of those who late yesterday afternoon urged and insisted that the hearings be gotten here as soon as possible. While I do not always agree with my distinguished chairman, the gentleman from Kentucky [Mr. MAY], and do not about some of the provisions of this bill, yet I have never known him to resort to any form of procrastination or improper methods to delay a bill. The very efficient lady who is secretary of our committee has been quite ill for several days. So I think it is a little unfair, because there was some delay at the Government Printing Office last night in getting the hearings printed and back here. I am advised by the chairman that they will be here during the afternoon. And I repeat, I think it is a little unfair to leave the inference that there is some kind of trickery or skulduggery about the presentation of this bill.

Mr. SHORT. Well, if the gentleman will yield, I certainly did not insinuate that, or at least I did not intend to. I beg the gentleman's pardon.

Mr. THOMASON. I accept the gentleman's statement. But, Mr. Chairman, this is a very serious and important bill. It carries with it, as I see it, a great deal affecting the peace of the world, and especially during the next few months. Let us be frank about this thing. I have children myself. I am interested in boys. I wish we did not have to extend selective service a single day. Heaven knows I wish we did not have to draft or bring into the military service by any means a single 18-year-old boy in this country. But now you are faced with this situation: The heads of this Government, from the President down, including the Secretary of War and the Secretary of Navy, together with the representatives of our allies met in several conferences and determined what we were going to do, not only in support of the United Nations Organization, but likewise in our commitments in the occupied countries. A few months ago a demobilization storm struck Congress from the people back home, especially from the fathers and mothers and husbands and Congress in turn put the heat on the War Department and the Navy Department, and we have demobilized an Army of about 8,000,000 men down to about a million and a half.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. THOMASON. I yield.

Mr. TABER. I wonder if the gentleman would not give us a picture of the obligations and the numbers required for these occupied zones.

Mr. THOMASON. I will be very happy to do so. I am sorry I cannot speak with accuracy, because the hearings are not at hand. I will say this: That when the President of the United States, the Prime Minister of Great Britain, and Mr. Stalin met in the recent conferences, there was an agreement, in order to carry out and effectuate the peace of the world, that certain parts of the world would be occupied by certain governments until peace is restored. In that solemn agreement to which the President of the United States, and I say the Congress of the United States gave approval, tacitly at least, it was agreed that we should occupy Japan, Korea and other strategic areas in the Pacific. It was also agreed that we should occupy a certain part of Germany. So, following that solemn agreement, General Eisenhower said that approximately 400,000 men would be needed—365,000 or 370,000 or whatever the number is, would be necessary in order for us to properly occupy Germany and the other parts of Europe until the peace conference meets and peace terms agreed upon.

Likewise in the Orient that same commitment was made by General MacArthur, that about 200,000 men were necessary to occupy Japan and Korea until peace was restored in that part of the world, and certainly nobody wants to take all of our soldiers out of Panama, Alaska, and some of our Pacific island possessions and out of the Caribbean. By whatever process you use you arrive at the total figure as to the number of men that General Eisenhower, the Secretary of War, and every other man who speaks with authority, says are necessary to carry out that obligation, which, on July 1, 1947, will be 1,070,000.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. VORYS of Ohio. I see in this morning's paper that the United Nations requirement for our contingent will be 200,000 men. Does the gentleman know whether that 200,000 for the United Nations force is included in the 1,070,000?

Mr. THOMASON. I do not speak with any authority on that but I assume this has nothing to do with the Security Council or whatever is necessary to carry out the obligations of the Security Council. These are the commitments that I say our President and the other Allied leaders made at their conferences at Berlin, Tehran, Yalta, and other places as to our armies of occupation.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. MAY. The 200,000 referred to by the gentleman from Ohio is included in the 1,070,000.

Mr. THOMASON. Perhaps so; I am glad to be corrected because, frankly, I do not know whether it is or not.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. EDWIN ARTHUR HALL. I should like to ask the gentleman from Texas whether he or any member of his committee have any available figures as to the extent of the demobilization by other nations such as Great Britain and Russia since the war?

Mr. THOMASON. I think it is rather interesting to note, having listened to our eloquent friend from Missouri talk about doing away with our Army or a large part of it—it is very interesting to note that Russia now has more than 5,000,000 men in her standing army, and she also has universal military service, not training. I think it is rather interesting to note that Great Britain today has a larger army than we and also has universal military service, not training. I think it is also interesting for us to remember if we are to have an army of 1,070,000 that approximately 600,000 of them are in armies of occupation. I think it is important when we hear so much sympathy expressed for young men who have not served a day that we not forget that many thousand fathers and teen-age boys have been overseas now for some 2 years and deserve to come home. My question is, Where are you going to get the replacements? You cannot get them from men over 21, because there just are not any, unless, of course, you want to take fathers.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. BARDEN. Can the gentleman give us any information as to how many we now have in the United States?

Mr. THOMASON. I cannot give you the exact number without the hearings. I would say that at the present moment there are close to 2,000,000 men altogether in the Army all over the world.

Mr. BARDEN. The gentleman has indicated that about 600,000 were overseas.

Mr. THOMASON. I have accounted for that many and probably more outside the United States. I am not including the Army in Alaska, the Caribbean, and our other possessions.

Mr. BROOKS. I have figures from the War Department as of April 1 showing 2,300,000 persons in the Army as of that date.

Mr. THOMASON. I think the gentleman from North Carolina [Mr. BARDEN] wants to know the distribution of those soldiers, and I do not have it, but they will be provided for the record later.

Mr. BARDEN. My reason for asking that is that in recent months the War Department, whether intentionally so or not, has rather confused many of us with the figures and statistics they have put out.

Mr. THOMASON. I may say to my friend from North Carolina that I think there has been a lot of confusion, but I know it was not done deliberately or purposely in order to deceive Congress, because I have a statement right here that was sent by the War Department this morning in connection with the testimony of General Textor before the Senate committee. It is too long to read for it would take too much time, but nevertheless when they were figuring how many volunteers they might get nobody could approximate the number with accuracy. There has been a difference in estimates ranging all the way from 170,000 to 400,000 as to the number of men necessary to meet the situation. Frankly I have not heard anybody in authority who put the figure lower than 170,000.

As has been stated, the committee yesterday voted out by an almost unanimous vote an increased pay bill. That bill is now being printed, and will soon be available to every Member of the House. It will come up in the House for passage just as soon as the leadership will recognize the chairman of the Committee on Military Affairs to call it up.

Let us be frank about this thing. There is not a man or woman among us who would not like to get these men by the volunteer method, if it is possible. In my opinion, there is a very good chance to do that. The new pay bill has many inducements, and will increase the pay of enlisted men by 50 percent. General Eisenhower testified and I am sure nobody disbelieves him that if enough volunteers can be obtained, not a single man will be drafted under the terms of this bill. As the chairman of the committee said in his opening statement, if there is a call this October for say 30,000 men and you get 20,000 of them by the volunteer method, then only 10,000 will be drafted; or, conversely, if you call for 30,000 and you had a surplus of 10,000 then that number is applied as a credit on the next month. I want this to be the last extension of selective service and I think it will be, but we can take no chances during the next few months.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Does not the gentleman believe the United States is disarming to the point of weakness just as it did after the last World War when other nations were not disarming? That is the thing that alarms me very much.

Mr. THOMASON. The lady is exactly right. If we read history, we will find that we are going down the same path we followed after World War I. I agree with the statement made by a great man not long since that there are certain powers in the world today that respect military strength, but they have a contempt for military weakness. So far as I am personally concerned, I am not going to vote for anything that takes us back to the condition of weakness in which we found ourselves after the other war and even up until about 5 or 6 years ago. I am going to place national safety above everything else.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. Is it not true that under the War Department estimates there will be no shortage of their requirements until after the 1st of January next year?

Mr. THOMASON. That is not correct. My recollection is that the selective service advised us, perhaps the War Department too, it was likely they would meet their requirements, their monthly quotas, up until October of this year.

Mr. HARNESS of Indiana. But the fact is they will not have a deficit, according to their own figures, until July 1, 1947.

Mr. THOMASON. The gentleman is mistaken. Nobody can tell exactly when it will develop but certainly we will have a deficit if this bill is not passed. There is this angle to it; You have to have those men in sight, from some source. We want to get them by the voluntary method if we can. If not, I wish somebody would point out to me where we are going to get them. I hear Members say that they are not willing to take teen-age boys and send them overseas and make policemen out of them. Nobody is doing that and, besides, General Eisenhower made the statement that he expected to take every one of those boys out of the army of occupation just as rapidly as he can and, he said further, he did not want anybody in the army of occupation except volunteers and seasoned soldiers.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Will the hearings indicate how many physicians are retained in the Army at this time?

Mr. THOMASON. I am not sure. I do not remember about the number of physicians, but I know not too many, if enough. Thousands have been released.

Mr. MILLER of Nebraska. It has been said that there are more physicians and dentists in the Army now than at the height of the war.

Mr. THOMASON. I am certain that is not true. When you say that you want to amend this bill and cut out the teen-age boys and make it 21 to 30, you are going to be confronted with this situation: You have got to have 170,000 more men if we are going to live up to our requirements and our commitments and if you have any faith and confidence in General Eisenhower. If that amendment prevails the only place you can get these 170,000 men would be from those between the ages of 21 and 30. There are about 60,000 all told between 21 and 30 who have not already been called or found to be IV–F's. Of that 60,000 only 30,000 of them will pass the physical examination. Several thousand of them are fathers. You know that would not be fair.

If you want to have an army the strength that General Eisenhower and our leaders in whom we have confidence say we must have, and you also want to bring those boys back home who have been over there for a year or two—and under the terms of the bill everyone who has been in 18 months is going to be discharged—then I would just like to ask you where you are going to get them?

Mr. MILLER of Nebraska. Do the hearings show how many boys become 18 years of age every year?

Mr. THOMASON. Yes; approximately 1,000,000 boys.

Mr. MILLER of Nebraska. One other question. The Congress on two occasions passed the so-called Tydings amendment which was specific and clear, and yet Selective Service saw fit to violate the will of Congress.

Mr. THOMASON. That is completely answered in the bill because it is put in there specifically that the so-called Flannagan amendment is reacted into law, that every farm boy in the United States who is actually and actively engaged in farming is deferred, and I leave

that to my good friend the gentleman from Illinois [Mr. ARENDS] who has actively sponsored that amendment.

Mr. MILLER of Nebraska. We said that before, but we did not follow it.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Illinois.

Mr. ARENDS. But the discretion of deferment will be left entirely in the draft board.

Mr. THOMASON. That is right. Surely you can trust your local boards for they are the friends and neighbors of the boys affected.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Ohio.

Mr. McGREGOR. I believe that the gentleman told us that the military leaders wanted this bill. Is that correct?

Mr. THOMASON. General Eisenhower and the Secretary of War told the committee that if we were going to have an Army big enough to carry out our commitments as to occupation, and also provide national security, this size Army is absolutely necessary.

Mr. McGREGOR. Is that not the same group of individuals that demanded of Congress a few months ago that in order to win the war we must draft the nurses, that we must pass that fight-or-go-to-work bill? Is that the same group of individuals that told us that a few months ago?

Mr. THOMASON. That is not a fair statement. The answer to that would be, No. Mistakes were made, and while the war was on nobody knew all the answers, but we won the war and preserved our freedom. I saw in my home paper this statement, which attracted my attention. These words were written 200 years ago by a veteran who served under the Duke of Marlborough. It would probably apply today to some people:

God and the soldier we adore,
In time of danger not before;
The danger past and all things righted
God is forgotten and the soldier slighted.

As far as I am concerned, maybe I have too much confidence in men like General Marshall, General MacArthur, General Eisenhower, and many others, but I am not going to be quick to forget their accomplishments. They may have made some mistakes, but they are great men and I trust them. This is what they say we must have unless we want to gamble on our future peace and security. As for me, I am not going to take any chances.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from North Carolina.

Mr. BARDEN. I would like to ask the gentleman from Texas this question. Why is it that the gentleman has the attitude that unless we pass this bill we cannot get the men? Why does not the gentleman approach the problem from this angle: First, make all reasonable and decent and respectable inducements to get the men and then go to the extreme that the gentleman is now talking about.

Mr. THOMASON. That is the very thing the new pay bill does. I am actively supporting it. Certainly we want volunteers if we can get them.

We passed the GI bill, and then we came along with a bill yesterday raising the pay with all the perquisites about 50 percent to the enlisted men, I have an idea that is the best pay that any servicemen receive anywhere in the world.

Mr. BARDEN. Let me remind the gentleman that I have, and so does the gentleman, many male clerks right now in Europe, in the Pacific, as well as in the United States, who are drawing $50 a month, and we voted week before last to raise the pay of the men who are filling their jobs $400 a year.

Mr. THOMASON. I admit that is not fair or consistent. That is the very reason why the pay bill was reported yesterday.

Mr. BARDEN. It did not take a $400 increase to keep them there.

Mr. THOMASON. In fact, there are a good many advocates—I see the gentleman from Indiana [Mr. HARNESS] standing—who favored raising every man in the armed services $400 a year, but when you come to figure that out, that is very impractical and very difficult to work out on a fair basis. Let me say to my friend, and I hope I am not misunderstood, I am just as anxious as he or anybody else to get these men by voluntary methods. I will support any reasonable inducement. But we must have the men during these next few months.

Mr. BARDEN. Why does not the gentleman bring those things in?

Mr. THOMASON. I hope we will get them, but I, for one, am not willing in this, probably the most critical period of all the world's history, with the United Nations Organization just meeting and deliberating right now in New York, with an honest effort on the part of the peace-loving people of the world to try to make some arrangement by which we will not have to go through another terrible war—I say that during these next few months, the most critical times that could happen to us in the postwar period, I am not willing that the Army reach the low level it did after the other war. If we cannot get the necessary men by voluntary methods, I say there is nothing to do except extend the Selective Service Act for a few months.

Mr. BARDEN. Does the gentleman think that is necessary?

Mr. THOMASON. I think that is necessary in view of the present situation. There is no other alternative.

Mr. BARDEN. Why did not the gentleman join in bringing in that type of bill before he did, then?

Mr. THOMASON. The committee has been working on this bill and the pay bill for several months?

Mr. BARDEN. The gentleman says the other methods is preferable, and he believes it will work.

Mr. THOMASON. What would happen if we did adopt the gentleman's way—junk this bill and resort to voluntary methods, and they were not successful?

Mr. BARDEN. Then you would go back to the draft.

Mr. THOMASON. No; you would not.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Perhaps the gentleman has already answered this question; if so, I missed that part of the discussion. What would be the effect of current regulations as applied by this bill to boys of 18 or 19 who are in the midst of a school year?

Mr. THOMASON. They would be permitted to serve out their term.

Mr. CASE of South Dakota. They would be permitted to serve out their term before they were drafted?

Mr. THOMASON. That is the law on regulations now. There is no change from existing conditions.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. The gentleman mentioned the name of General MacArthur. Is it not a fact that all the generals, including General MacArthur, were asked to endorse the conscription plan and that General MacArthur did not endorse it?

Mr. THOMASON. He has made no statement to the committee regarding conscription. This is a selective-service bill. This is the extension of selective service, and not the universal military training bill. General MacArthur said he wanted 200,000 men for the Pacific. If you want to let some of those young boys come home who have been over there a year and a half or longer, many of whom have been in combat, and you still want to give General MacArthur 200,000 men, you have to send him some replacements. If you can get them by voluntary methods, that will be fine. If not, what do you propose to do about it? Thousands of the men overseas are fathers, thousands of them have been over there for 18 months. Let us think about them, as well as these boys at home, for whom the gentleman from Missouri [Mr. SHORT] expresses such sympathy. In view of what happened recently in Iran, I am not going to gamble. I want trained men and plenty of them. I want adequate national defense and security, no matter how many men it takes. We must never have another Pearl Harbor. To insure that we must have trained men.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from North Carolina.

Mr. COOLEY. Can the gentleman, as a member of the House Committee on Military Affairs, give us any idea about how long our marines will be forced to remain in China, and can the gentleman tell this House why our marines are now in China?

Mr. THOMASON. No. I am not Secretary of the Navy or Secretary of War.

I cannot answer why, but I am certain there is good reason. General Marshall could probably provide the answer.

Mr. COOLEY. There are thousands of them over there who would like to have the answer.

Mr. THOMASON. I cannot give the gentleman the answer because I cannot speak with authority.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. THOMASON . I yield to the gentleman from New York.

Mr. ANDREWS of New York. I understand on most reliable authority that General Marshall, within another week or two, possibly by now, will announce that there will be only 3,000 American armed forces in China, exclusive of officers working on his teams.

Mr. BATES of Massachusetts. I think the gentleman is mistaken in that remark. I think that applies only to the 10,000 soldiers in south China and has no relation whatever to the marines in north China.

Mr. ANDREWS of New York. That is correct. The gentleman might ask that question of the gentleman from Georgia [Mr. VINSON].

Mr. THOMASON. They are entitled to come home. I repeat, thousands of them are fathers, thousands of them have been there over 18 months. Thousands of them have been there over 18 months. Thousands are boys in their teens. We must get replacements, but there are only two ways to get them. One by volunteers and if you fail that way, there are none left but draftees.

Mr. COOLEY. They would like to know why they are there.

Mr. SPARKMAN. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. SPARKMAN. As a matter of fact, under the terms of surrender of Japan, did we not obligate ourselves to repatriate the Japanese military people and also to disarm the Japanese wherever they might be?

Mr. THOMASON. That is right.

Mr. SPARKMAN. Are we going to leave any of these places without carrying out our obligation?

Mr. THOMASON. Of course we are not. We are an honest people who carry out our promises and contracts.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. ANDREWS of New York. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. CLASON].

Mr. CLASON. Mr. Chairman, this bill having been brought to the floor of the House without the hearings having been printed has placed everybody, including the members of the committee, in a very difficult position. It is therefore perhaps necessary to keep rehearsing some of the figures because you do not have them available to you so that you may read them.

Mr. MAY. Mr. Chairman, will the gentleman yield? I have inquired about that, and have been informed that the hearings will be here in about 30 minutes.

Mr. CLASON. It is unfortunate that they could not have been here or been ready yesterday in order that the Members could have had a chance to study them last night. However, as I see it, the problem which faces the House is the question of furnishing 1,070,000 men for the United States Army on July 1, 1947. In checking on the figures for these 1,070,000 men, we find that 130,000 at least will be officers, commissioned men, and there will be no question of securing them by draft or any other means. They are volunteering so fast there are far more than enough of them applying for commissions who have already held commissions to fill all of these requirements. Sixty-two thousand of those will be in the Air Forces, and 68,000 or more will be in the ground and service forces. We were also told that of the 1,070,000 needed on July 1, 1947, 50,000 will be Filipino scouts. They have already been activated. They will be trained and ready to take over by that date. We have 180,000 persons at least to deduct from the 1,070,000 men that are needed. That shows that the United States Army will need 890,000 enlisted men on July 1, 1947. The figures as of March 31 on enlistments has reached the great total of 672,723 and yet it was no later than November 8 of last year that Secretary Patterson told our committee after the enlistment campaign had been on since August 15, that they could not hope to get more than 30,000 men a month by enlistment and from 300,000 to 350,000 in a full 12 months.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield? Could the gentleman give me the percentage of the 3-year period of enlistments out of that 673,000?

Mr. CLASON. It is my understanding that it is more than 50 percent—53 percent or so.

Of the 890,000 enlisted men needed on July 1, 1947, 672,723 have already enlisted. The War Department states that they will have at least 800,000 and probably many thousands above that number by enlistment on July 1, 1946. Assuming it is 800,000, our problem during the 12 months between July 1, 1946, and July 1, 1947, is to raise 90,000 enlisted men plus men to replace those enlisted men who have gone in for 1 year or 18 months and whose periods of enlistment will run out during these 12 months. Now, as a matter of fact, everybody who has enlisted under this program will be in uniform on July 1, 1946, because enlistments started on August 16, 1945. Therefore, it is only going to be necessary to secure, month after month, after July 1, 1946, by voluntary enlistments, 90,000 men, plus those men needed to replace enlistees who have been discharged and who do not reenlist.

Another feature which has been brought to my attention by the War Department, with whom I have been in communication as late as today, is the fact that in these 672,723 men who have already enlisted, only 20.95 percent—less than 21 percent—are original enlistments. All of the others have either enlisted before, or else have seen service by induction prior to their enlistment. So it is very evident that the persons who are faced with induction, although they are enlisting in large numbers, comprise less than 21 percent of those who have enlisted so far.

We know from the expressions which have been made by various generals, Secretary Patterson, and others before our committees, that they want older men. They do not want the 18-year-old boys.

It is also interesting to note that Gen. Gordon Textor, who came before our committee from the Office of Chief of Staff, has told us that he figures there will be a deficit of 221,000 on July 1, 1947, but he was not able to break it down. That is based upon 18 months' service for each man. It is interesting to note that in these figures he had not taken into account the Wacs, the 50,000 Filipino Scouts, or the thousands of Puerto Ricans who will be in the service and will be included in the 1,070,000 men on July 1, 1947.

It does not seem to me that our task is unsurmountable from the standpoint of voluntary enlistment.

I wish those of you who can do so would read the statements of General Eisenhower at different times. He himself is authority for the fact that "there is no one I know of either in or out of the Army who would rather have selective service inductees could he get all volunteers." In other words, he is putting it up to us to get the volunteers. I think they can be obtained.

He also said:

> I can't tell any more than anyone else what this unknown factor of the 20 percent—proposed base-pay increase—will make on our recruiting. I believe in it.

That is what he says.

> The 18-year-old man is not so suitable as an older man for a number of duties in the Army—including garrison duty.
>
> If there is some other way of raising this Army, giving us an Army of 3-year volunteers, sir, to do these jobs, you may be sure I will welcome it.

Now, I am going to offer an amendment tomorrow when this bill is read, for the purpose of offering an inducement in the way of money for those persons to have in mind who would like to join the Army. I do not believe this pay bill which has been put out—I have a copy of it here—is a satisfactory one. In the first place, while it gives a 50-percent increase to the buck private, from $50 to $75, his increase is $300 a year; yet up in the top brackets some of the generals are getting two or three times that amount. In other words, it is not an incentive directed at securing voluntary enlistments in an intensive campaign. It is simply another Army pay bill, based upon bringing into line the pay for our men in the services, both commissioned men and enlisted men, in comparison with today's wages in private life. For that purpose it is a good pay bill, perhaps. I think it has a lot of good features, but it is not here before us, and it will not be passed and become a law before May 15, when this bill will become law.

I am therefore going to offer an amendment which will be in terms along the following lines:

> Since all persons now or hereafter subject to the Selective Service Act, as amended, will not be called to active duty by virtue

of this act due to enlistments, exemptions, deferments, the quota requirements of the services, and for other causes, there is hereby authorized to be paid to each person who has heretofore registered or shall hereafter register under the Selective Service Act, as amended, the sum of $33.38 each month that he shall be on active service as an enlisted man in any grade in the Army, Navy, or Marine Corps after this amendment to said act becomes effective for the period of 3 years.

This sum of money shall be paid to such registrant in addition to any pay to which he may be entitled as an enlisted man in the Army, Navy, or Marine Corps.

That will be an incentive for enlistment and there is no reason why we should not make Army service attractive. It should not be put off to some day in the future but should be definitely incorporated in this bill and become a part of it.

There are two other amendments I intend to offer. One concerns those boys who have served in the merchant marine or Maritime Service: For instance, a boy was in college in July 1944, at the summer term. He leaves college, does not become 18 until October. He goes into the merchant marine. He is ambitious and wants to get a commission and it looks like the best way. He becomes a cadet midshipman in due course and then serves for 6 months in three different war theaters in the merchant marine. He served well for a year and he wants to go back to college. He has left the merchant marine after this service and the war is over. I feel that boys like that who have already given over a year out of their lives and in view of the fact that it is not expected that everyone who becomes 18 shall be taken under this extended draft, I believe that he should be given the opportunity to return to college and his studies. He has already given a year and a half out of his life. So I am going to offer this amendment:

After May 15, 1946, no individual who has served in the merchant marine or Maritime Service or as cadet midshipman at merchant marine academies for a combined total of more than 12 months, a part or all of which service was prior to September 2, 1945, shall be inducted without his consent for training and service under this act.

I feel certain that amendment will be agreeable to my colleagues of the House because these boys who have already given a year of their time in the merchant marine while hostilities were on and entered dangerous areas ought not now to be required to take this full 18 months of service.

The third amendment is this:

Any person between the ages of 18 and 30 years who is studying for a scientific degree or in a medical, dental, or theological school or seminary or, having received a scientific degree shall be pursuing graduate work in science or working in scientific fields, shall be exempt from induction under this act.

If something along that line is not adopted, this country will fall far behind in technological research and work. I wish everybody within the sound of my voice would read the testimony of Dr. Howard A. Meyerhoff, a former Yale and Smith College professor, on page 895 of the second volume of the hearings on universal military training. It is positively astounding to realize that Russia, Canada, Great Britain, and the other countries who were more sorely pressed than we during the period of hostilities, attempted to look out for their scientific students and actually started thousands of their boys on their scientific studies during that period; and I feel that at this time it is only fair, when our people are behind to the extent of 17,000 in the grade of doctor of science and over 150,000 behind in the grade of bachelor, that in order to protect our military development of the future as well as our industrial development there should be put into this bill an amendment which will protect these students.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield.

Mr. KEARNEY. Does the gentleman believe also along the lines of his proposed amendment about the merchant marine that these lads who become 18 now and who have served months in the Army and months in combat some of them, should not also be exempt?

Mr. CLASON. Certainly we ought to exempt them.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield to the gentleman from Ohio.

Mr. BENDER. Does not the gentleman feel that the job in Europe and Asia is a man's job as far as the United States is concerned, and we should be thinking about sending men over there rather than boys?

Mr. CLASON. I think that is General Eisenhower's position.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that in England not only did the Government not draft these men with scientific ability but refused to allow them to volunteer because they were so much more valuable to the war effort and the future of the country by staying in their scientific work?

Mr. CLASON. That is correct.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. VINSON].

Mr. VINSON. Mr. Chairman, the distinguished gentleman from Massachusetts has called attention to certain amendments he proposes to offer tomorrow. The purpose in addressing the committee this afternoon is likewise to call attention to an amendment I propose to offer to the bill when it is considered under the 5-minute rule.

Mr. Chairman, I shall propose that there shall be a suspension of the draft from May 15, 1946, to October 15, 1946, and during that period of 5 months that an intensive campaign be made by the War Department to see if it is humanly possible to obtain voluntary enlistments for the Army. If it becomes necessary later on and the attempt fails to get those enlistments, and the President so proclaims that a national emergency confronts the country, then you are justified in drafting the men.

During the years I have been a Member of Congress I have supported every draft measure which has been before it, and I did that on the theory that an emergency confronted the Nation. Back in 1917 the Military Affairs Committee brought out a volunteer system and somewhat of a draft system. At that time an emergency confronted the Nation.

I have no hesitancy in supporting a draft. I have had no hesitancy at any time to support a draft when an emergency confronted the Nation. I assert there can be no justification in normal peacetimes, however, for a draft in order to provide men to man the Army and the Navy. The only justification for a draft is when there is a national emergency confronting the country.

From the testimony that the distinguished gentleman from Massachusetts just read, quoting General Eisenhower, they have no objection to trying out a voluntary system. Why should not the Congress see if it is humanly possible to obtain an army by the volunteer system before invoking the power of a draft? Of course, it would have been far better if in this bill there had come with it a pay provision, but it was not parliamentarily possible to do that; therefore it has got to be done by a separate measure. The Military Affairs Committee on yesterday afternoon voted out a pay bill to offer an incentive to people to volunteer. If they do not volunteer, if you cannot get an army of 1,070,000 men, if you cannot get a navy of 500,000 men, then let the President proclaim that a national emergency confronts the country, and in that event there will be no hesitancy on the part of the Congress to invoke the draft, because we all know you must have an army, you must have a navy, and you must have occupational forces. But let us first try to get it by the volunteer method before we invoke the stern method provided by a draft.

It was said when I introduced that bill on this subject on April 8 that I was dodging the issue because at that time I happened to set the date after the November election. The theory and the motive that prompted me was to provide 6 months in which to try this out, but in the proposed amendment that I will offer, if the Army cannot get these men by October 15, at least 18 or 20 days before the election, and the President makes a proclamation to that effect, then the draft goes into effect. I say we should exhaust every effort by inducement for voluntary enlistments and see if we cannot get the volunteers. If you can get them, there is no need or necessity to have a draft.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I thoroughly agree with the gentleman's thought in making the date in advance

of the election, because I think the Congress does not want to be put in that position.

Mr. VINSON. Of course not. We did not want to play politics with national security. I never have done it and I do not intend to do it now.

Mr. CASE of South Dakota. I just want to raise the question whether or not it might be better to have the date made September 15 merely for the purpose of considering the time at which school starts in the fall.

Mr. VINSON. All I want is a reasonable length of time, and let the Army make a determined effort, with some inducement offered to the men. That is all the requirement that we should demand of them.

Mr. CASE of South Dakota. The reason I ask the question is that October 15 would come about 2 or 3 weeks after the average high school starts.

Mr. VINSON. That may be true; but making it less than 5 months may not give full opportunity for an intense campaign. I want this country to have the opportunity to see if we cannot raise 1,070,000 men for the Army and 500,000 for the Navy by voluntary enlistment, and then if we cannot get them, let the President proclaim that fact and then the draft can go into effect.

Mr. CASE of South Dakota. This legislation should complete its course through the House by the 1st of May, and if we have the months of May, June, July, August, and September we would have 5 months.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Michigan.

Mr. MICHENER. A member of the Committee on Military Affairs stated just a little while ago in debate that according to the estimate of the Army there will be no shortage before the 15th of October.

Mr. VINSON. That is right.

Mr. MICHENER. Therefore, if these estimates are correct no shortage will occur if induction is postponed to the 15th day of October.

Mr. VINSON. The gentleman from Michigan is absolutely right.

Mr. ANDREWS of New York. A provision in this bill provides that a man shall serve 18 months.

Mr. VINSON. Let me read my amendment. On page 3, strike out all language between the word "apply" in line 22 and the comma in line 25, and insert in lieu thereof the following:

from May 15, 1946 to October 15, 1946, during which time no requisitions for men shall be made on Selective Service by either the Secretary of War or the Secretary of the Navy and thereafter only with approval of the President because the personnel strength of the Army, Navy, and Marine Corps is less than the maximum numbers set forth in section 3 (a), as amended, of the act.

Which is 1,070,00 for the Army, 558,000 for the Navy, and 108,000 for the Marine Corps. As a matter of fact, you do not need today any selective service law to get what the Navy and the Marine Corps need. The Navy's authorized strength in the bill recently passed by Congress is 500,000. We have today 430,000 men who are enlisted in the Regular Navy for anywhere from 2 years to 6 years. The Army have over 600,000 men who enlisted under contract with the United States Government to serve so many years in the Army. Now I come merely asking this Congress to give the Army and the Navy an opportunity to see if they can make up the difference of about 400,000 in the Army and about 70,000 in the Navy by the voluntary method.

Mr. ANDREWS of New York. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, it is probable, in fact it is highly probable, that I cannot offer much of an addition to this discussion. I have listened to it thus far with deep interest, an interest I have always maintained in the subject of national defense.

One thought occurs to me. It may not seem important to any of the Members present in the committee. In connection with the proposals for increase in pay, we have discharged from the Army and the Navy over 7,000,000 men. They fought a war. They served on ships being blown up. They landed on beaches—Army, Navy, and Marine Corps. They lay in fox holes under fire, day after day living on battle rations, with no hot food. I am wondering what their attitude and thoughts will be if the Congress should pay men who are to serve in peace much higher than they, the veterans, were paid only 7 months ago. I imagine it will be a somewhat cynical response. I just drop that thought to you.

Speaking of pay, and I am not passing judgment on the bill which I understand has been endorsed by the Committee on Military Affairs, the cost of living does not affect very much the single or bachelor soldier. He is fed and clothed, his medical service is given to him free of charge, and, incidentally, it is an excellent service. Moreover, he is well fed and he is well clothed. If an inducement is to be offered to further enlistments as volunteers, obviously we would have to rely upon men in their middle twenties more than upon men of 18 and 19. Those are the men who, if they are about to go into the service of either the Army or the Navy, would have certain home problems which they would have to solve before going into the service. It may very well be that if they could be assured in connection with those who were dependent upon them at the time, although they are bachelors, or may become dependent upon them in whole or in part after they have joined the service, that the Federal allotment to dependents would be increased in proportion to the increased cost of living, in that way we could meet that particular problem.

The enlisted man, the private in the Army, or the seaman second class in the Navy, with $50 in his pocket will not be made particularly happier if he has $75 in his pocket and is serving on a China station or with an army of occupation in Germany. He will live just as well with the lower amount. It may be wise to increase it somewhat, but I warn you that 7,000,000 veterans already discharged will have a little laugh.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. CASE of South Dakota. Can the gentleman state whether or not the 18-month peacetime serviceman will be entitled to the same GI benefits the wartime soldier receives under the GI law?

Mr. WADSWORTH. That is my understanding. The bill now pending makes no change in the GI bill of rights.

Mr. CASE of South Dakota. There may be a little cynicism on that point too.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from New York.

Mr. KEARNEY. I believe I can answer that question by saying we are still in a state of war.

Mr. WADSWORTH. We have not made peace with a single one of our former enemies.

Mr. KEARNEY. The provisions of the GI bill carry through and apply to those who go into the service now.

Mr. WADSWORTH. I understand that it does.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. VORYS of Ohio. The question I want to ask is in connection with a matter in which I think the gentleman has already expressed himself. While we use the expression "peacetime soldier" and compare them with the men who bore the brunt of battle and while this is not a war period in which there is fighting going on, yet so far as the Congress and the President have expressed themselves, we are still at war and insofar as the international situation is concerned, it is quite a bit different from what we ordinarily think of peacetime. I know the gentleman has given much thought to this twilight zone in which we are in. I will be glad to have the gentleman's comment as to whether we are at peace practically or technically.

Mr. WADSWORTH. The gentleman is giving the gentleman from New York a big order. We are in a twilight zone—if anybody knows what that means. We are in an interim period. The war is not over in a technical sense, of course. Not a single peace treaty has been signed, and from the looks of things now, it will be a good many months before any peace treaties are signed. What will happen in those months none of us knows. We hope for the best, and the chances probably are in favor of the world remaining in peace. There may be little outbreaks here and there. There are outbreaks going on in China right now. There are outbreaks threatening in Trieste on the Adriatic. We hope that they will not occur further or to any greater extent. We have troops incidentally in Italy, not many, some of them are on duty in Trieste. I am told on fairly reliable authority that that is the only division of the American Army that is fit to take the field today. The others have all suffered such disintegration as a result of

our overhasty demobilization that literally we have very few units in the whole Army today, including the Air Corps, that are fit to take the field to meet an emergency.

Mr. ROE of Maryland. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman.

Mr. ROE of Maryland. The gentleman expressed himself a while ago about giving the fellows who have not fought more than the fellows who did. As a matter of fact, most of these volunteers are men who fought in the war, and they will be given these increases. These increases will mostly go to men who have already been in the war.

Mr. WADSWORTH. From now on I doubt whether we will get as many volunteers from the veterans as we did during the first 6 months that the voluntary recruitment campaign was on.

Mr. ROE of Maryland. But quite a large percentage of the volunteers have been in the war.

Mr. WADSWORTH. Quite a large percentage of them are, but from now on increasing percentage of them will be young men who have not served at all.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Kentucky.

Mr. MAY. I agree quite frankly with the gentleman from New York there seems to be quite a bit of unfairness in paying men to go out and fight and die in foxholes $50 and paying a man in peacetime $75 a month. But if we look back at record right now, we will find out that we have done still worse things. We provided in the GI bill of rights that the serviceman who is unemployed after his discharge can have $20 a week for 52 weeks. That is $80 a month. The Veterans' Administration told me this morning that there were 1,500,000 on that pay roll now.

Mr. WADSWORTH. Those are little things that we can look back on and I hope we will learn lessons as we look back on our experiences.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. SHAFER. I would like to raise a point as to the enlistments. If this draft act is not extended, certainly the enlistments will not keep up at the pace we have enjoyed in the last few months?

Mr. WADSWORTH. That is my belief.

Mr. SHAFER. And it is the belief of many in the military service.

Mr. WADSWORTH. I thank the gentleman.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. JUDD. I am grateful to the gentleman for calling to our attention the plight of the dependents of these men now in the service. Since this Big Steel formula was determined of approximately an 18-percent increase in wages for our workers, I, and other Members, have introduced bills to increase right now the allotments to wives and dependents of men in the service by 18 or 20 percent, or whatever the figure would be. Organized forces in this country can take care of themselves but we have not properly taken care of the dependents of our own men in the armed services. We should do that regardless of this bill.

Mr. WADSWORTH. I thank the gentleman for his contribution.

May I point to another thing which may not have much to do with this bill, but it has something to do with the psychology of soldiers and sailors. I have watched the Army and the Navy people for nearly 30 years. I have seen men start in the service at the lowest rate and go clear through to the top. I have known lieutenant generals who started as privates. I have watched a young second lieutenant remain in the service year after year after year, at pay which you and I would call almost starvation. It was not the pay that kept them in, Mr. Chairman. It was the love of the service.

Incidentally, how many Members of Congress are here who come here for the pay? Mighty few. It is a liking for the service, of whatever kind the service may be. Take the man who commanded four or five million men in Europe. He lived as a second lieutenant, as a first lieutenant, and a captain on less than $3,000 a year, year after year, paying all his own expenses except quarters; clothing and feeding himself. Why did he do that? Was it the pay that kept him in the Army? No. It was the love of the service. You should go back and look at the old regular in the Army and the Navy. I have heard them testify before a joint pay committee of the Congress, away back in 1922. I was chairman of that committee. We talked with men from a corporal and seaman first class, clear through to General Pershing and to admirals. We talked with old sergeants of that day who had been in the Army for 22 or 24 years, and chief petty officers who had been in the Navy for a like period and who with great frankness described the difficulties they were having to take care of their families on the pay at that time. We suggested to a chief petty officer that he should have left the service. The angry retort was, "What? Me on the outside? You don't know what shipmates is." He loved the service. In the long run, those are the kind of men who are going to man our peacetime professional Army, Navy, and Marine Corps. Of course, they should be well paid, but boosts of 100 percent or boosts of $100 a month are not going to increase their number permanently. The men just like the life. They are great sailors and great soldiers. As a matter of fact, the noncoms and chief petty officers in the services are the backbone, and they stay in year after year after year, and are proud of it.

They will tell you they serve on the best "blank" battleship that sailed the seas, they they were in the best "blank" regiment that ever marched on land. That is the way they feel. Now, we want to get volunteers, but please do not put too much faith in the increase in pay. Those men who were in this war who have now volunteered to stay in the Army did not do so to get the money; they made up their minds that they liked the Army and would like to try it for a little longer; that is the reason.

The thing we are facing now is somewhat of a gamble. The Government of the United States has a compact with its other allies. It has undertaken certain commitments. We did it freely. They have to do with the terms of surrender of Germany and Japan, and the Germans and Japanese must submit to certain treatment in their respective countries. Those terms are not unjust but they are severe and they should be. Now, how best can we be certain that the terms of surrender will be carried out to the very end? Incidentally, none of us knows how long it will take at this writing. Only if we are strong—that is the only thing the Germans and the Japanese respect, strength. We are not making much progress in Germany in teaching democracy. You have all heard that, and it is true. Strength is the only thing that is respected by these two peoples, strength, I say, exerted in the long run in the interest of righteousness in international conduct. That is the objective of the United States, and we expect to lead the world along that road.

I am not willing to take any chance whatever even of being 100 men short on July 1, 1947, no chance whatsoever. We must not drop down 1 inch. We hope, I hope, that we will get enough volunteers, but are we going to gamble on that? Suppose we do not get them, the whole world will know it, the Germans will know it, the Japs will know it, and other elements in this world that are none too friendly to our form of government will know it.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. O'HARA. Would the gentleman support permanent peacetime conscription?

Mr. WADSWORTH. Not conscription, no; I will support universal training; I have done that for 26 years.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield.

Mr. WADSWORTH. I yield.

Mrs. ROGERS of Massachusetts. Does the gentleman know that 85 percent of the soldiers on Bataan, those who were not injured, the heroes on Bataan and Corregidor, reenlisted? Eighty-five percent.

Mr. WADSWORTH. I have no knowledge of that particular fact.

Mrs. ROGERS of Massachusetts. That is what they told me in Boston on last Tuesday evening.

Mr. WADSWORTH. I have no knowledge of that. Mind you, nearly all the American soldiers captured at Bataan and Corregidor were regulars, regulars who had been in the American garrison in the Philippines for years. As soon as they got a chance they wanted to resume that old life of theirs; they liked it.

Mr. HINSHAW. And the California National Guard, do not forget.

Mr. WADSWORTH. I said "Nearly all"; there were some exceptions.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MAY. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. WADSWORTH. I am not sure that I should inflict myself upon the Committee for another 2 minutes. I am not a member of the Committee on Military Affairs and I have not that intimate information which members of the committee have about numbers in this category or that category. However, as I read this bill, it is a precautionary measure. As I read it, if we get enough volunteers from month to month, then we will not draft anybody. If we fail a little bit or a little more from month to month, then we will draft only a few. That is all. It is a precautionary measure, it is here as an insurance that we are going to succeed in carrying out the terms of the surrender. And that does not mean merely that we shall have troops in Germany and Japan. It means those troops have to be supplied and their replacements have to be trained in this country. It takes thousands of men, men in transportation, men holding outposts like Guam, Okinawa, Hawaii, Panama, and other stations in the West Indies. There is not a man on the floor of this House who would give up those places today. Should we have to give them up through lack of personnel the whole world would know it. They would say, "There is Uncle Sam again. He is willing to talk peace but he is not willing to do anything about it."

Mr. ERVIN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from North Carolina.

Mr. ERVIN. May I ask the gentleman from New York if he does not think if this Nation prior to Pearl Harbor had emphasized enough common sense to keep itself adequately prepared we would not have witnessed the disgrace of allowing those men on Corregidor to die without this powerful Nation being able to render any aid or assistance whatever?

Mr. WADSWORTH. That opens up a large field for discussion, but may I make this observation, and I may be regarded as presumptuous in making it: Had we had universal training through the twenties and the thirties, with constantly on hand two or three million trained citizen soldiers, ready to respond to the call in an emergency, I doubt if there would have been an emergency.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Ohio.

Mr. BREHM. I wonder if the gentleman can tell us who would decide just which boys would be taken. Say the volunteer method fails and each county is supposed to furnish so many. Before, you see, they took the entire quota that the county furnished. Who would decide now whether Mrs. Jones' or Mrs. Smith's boy would go from a particular county?

Mr. FOLGER. Mr. Chairman, I have been wondering about that myself. I cannot tell the gentleman, and I do not think anybody else can.

Mr. Chairman, it is rather a strange coincidence that the gentleman from New York who has just left the floor and myself have become separated in our thoughts, our opinions, and our judgment in reference to this bill, remembering that on every occasion, not missing one, did the gentleman from New York and myself differ in our votes and speaking. I wrote four-hundred-and-thirty-odd Members of this House, pleading with them to extend the selective service and to do the other things that were necessary to get ourselves ready for a war that seemed to me inevitable, and which did come.

We come now, however, to the approach to a proposal to invoke the selective service or conscription law in peacetime. Let that be interpreted as it may, it means that Germany and Japan have surrendered unconditionally. What are we about? What does this all mean?

Mr. Chairman, I hear every once in a while the injection of the thought about a war with somebody. It is clothed in peculiar language and sometimes not easily interpreted, but, after all, that seems to be a part of the consideration for this unusual—may we say harsh and heartless—proposal that the United States of America in its power and glory shall lay its ruthless hands upon 18-year-old boys yet and send them for a term of years, whether they will or not, to some foreign field. To do what? To get ready for another war?

Let me read you what one of the scientists said in respect to such a contemplation. Oh, how vital it seems for us to howl that we want to keep ourselves strong; we want to impress Russia and Germany and Japan, if they shall ever rise again, and make them realize that we are strong. Here we say we trust not to any power except force, and we want them to look at our force and our power and be afraid.

Here is a statement made by one of the scientists. It is headed "I'm a frightened man," by Dr. Harold C. Urey:

As a scientist, I tell you there must never be another war.

We are all crowded together into a single house. Beneath the floor of our house there is a time bomb ticking away, as I write this—as you read this. The explosion of an atomic war would smash our house of civilization—smash it beyond human comprehension. Those who even think of an atomic arms race, those who boast of battleships and air power, those who speak of using national force to maintain peace, simply do not understand this crowded house of fear. They do not think of what the situation may be a few years from now.

As our problem is fully comprehended, I think we may hope realistically for a patriotism not to one country only but to the human race.

No country knows the devastation of war better than Russia. Nor Germany or Japan. None has lost more in men and material. Russians understood this war and they will understand atomic war. No one who understands atomic war wants anything but peace.

Today we are not so much in competition with other countries—humanity is in competition with itself. Think. Because we would not face the obvious, mankind allowed fascism to blast Europe. Now if we still refuse to learn the lesson of cooperation it will be not Europe, but the world, which will lie in ruins. What we would not learn from Hitler we must learn from Hiroshima. Other issues wait. Other problems will stand delay. But the main race between man's powers for evil and his powers for good—that race is close to a decision. The bomb is fused. The time is short. You must think fast. You must think straight.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Does the gentleman realize that under the language of section 3 any man who otherwise would be subject to the draft may obtain exemption if he becomes the father of an illegitimate child? Is not that the queerest way of securing exemption that the gentleman ever heard of?

Mr. FOLGER. Mr. Chairman, I might answer the gentleman "Yes," but I want to go ahead. I believe that this proposal is ascribed to a fear that we may become short of the quota of men that we contemplate, in July 1947, with an acknowledgment that there is no shortage of men now; with an acknowledgment that it would be well to try the volunteer system; that that would make a better army, in the language of General Eisenhower. Why is it that we are unwilling in this Congress today, with no present shortage of men in the Army or the Navy, to pass one of these bills that would raise inducements for volunteer enlistment, and see if that will work, without resorting to the harsh method of conscripting men from 18 to 30 years of age? To go into some country for police duty? Maybe so. To go somewhere to guard a depot of some near-worthless property? Maybe so. To go into some country to guard a boundary line? Maybe so. But at the same time we admit that we have no shortage of men and that it is absolutely within the contemplation of the Army and the Navy to release those men who are there and who are being replaced by volunteers, to the total of 580,000 men in the Army between September 1945 and February 1946, and volunteers in the Navy of 390,000 between September 1945 and February 1946.

They say, "Oh, we will just have them register and then induct them as necessity may require, but we will go ahead with the volunteer system." I do not know what it means when I find that it appears in this debate today that the requirements for enlisted men have been raised from 59 to 70 points, and that the conscription provision has been lowered. That does not look like promising us a great deal of effort to try out in sincerity the volunteer system of securing the men who are necessary to do that which we have been told is all that is necessary and all that is desirable in getting a sufficient number of men to do the work and to provide 1,070,000 people in 1947, more than 670,000 of whom we have already received by enlistment now, and added to that the regular Army and the others whom you have heard named. Let us give the volunteer system an honest chance, and if as a last resort it appears necessary to lay our hands on these men, then maybe we can do it.

Why not approach this subject in order? Let us try the volunteer system.

Let us be sincere about it. If we could secure 580,000 men in the Army and 390,000 in the Navy between September 1945 and February 1946, may we not expect to be able to provide, by voluntary action, the 1,070,000 said to be required in 1947? Are we holding a big stick, through conscription, to compel voluntary enlistments? It is admitted that the great majority of enlistments were reenlistments, and no big stick was held over them.

It is quite evident from our experiences, from voluntary enlistments and reenlistments, that we shall be altogether able to maintain what the War Department and the Navy say is the required number and, at the same time, release those who are in service and want to come home. We want them home. They ought to be at home, unless they themselves elect to reenlist and remain in service. Hundreds of thousands of men have indicated their voluntary desire to remain in the service, as well as others to enter, and this conscription law is too harsh to resort to to accomplish something that we honestly see can be accomplished through the voluntary action and free will of men who are willing to serve.

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Chairman, I have listened with a great deal of interest to the discussion carried on today. I was quite interested in listening to my good friend from New York [Mr. WADSWORTH]. I have the greatest admiration for that gentleman. I think he is one of the finest Americans I have ever known. But even a lesser person such as I occasionally will either disagree with him or see the weakness of his logic. I have seen him in the well of this House when he was a power and a great influence on matters when he could put his whole heart into them. I must admit that either for lack of ammunition or for some other reason he was not effective today.

I could not understand the implication which he apparently intended to make when he asked the question, "I wonder what the boys on the other side would think if you raised the pay of the boys who are to replace them in peacetime?" I know what they would think. They would think it was a godsend if you would send them over there and let them come home. They are still human even though the War Department knows them only as No. So and So, and there is not much glory or inspiration seen by the boy who is called upon to go 3,000 to 6,000 miles from home to be a policeman, guard, or stevedore. And well does the very distinguished gentleman from New York recognize that.

We were not quite so cautious about cost when we were voting appropriations in this House to pay men in the shipyards $15 a day while the same men that the gentleman from New York [Mr. WADSWORTH] was talking about were eating K-rations and fighting in the trenches for $50 per month. But we did it. We are now paying to men walking the streets $20 a week or $80 a month, while those same fellows who were in the fox holes eating K-rations getting $50 a month are still in foreign lands. The answer is simply this, gentlemen, that in time of war men do not fight for money. That is the answer. In time of war, Americans have always been ready and willing to defend their country whether there was 1 cent paid or $100 paid. The last war was fought on $20 and $30 a month. We let the pay of a soldier drop to $20 a month. Then what kind of an army did we have? The distinguished gentleman who guided the destiny of 5,000,000 men in Europe, the man who served as a second lieutenant that the gentleman referred to, and the first lieutenant and the captain who got around $3,000 a year, were directing privates who were drawing $20 a month. We might give that some thought. I think we might give some thought to the economy of our own Nation and the social life of our own Nation which in the future, to some extent, will be composed of the very men who are going to make up our standing Army. Who is it that would say that a private in the Army drawing $20 or $30 or $50 a month could live a normal life or ever hope to have a family or raise a family and enjoy any of the privileges and happiness that even the second lieutenant to whom the gentleman referred was able to enjoy on $3,000 a year?

This Congress has in its wisdom, and I think the country very wisely has adopted the policy of a large standing army. Years back we established a policy of rendering mail service to the people of this country. We established the Post Office Department. That Post Office Department does not operate with employees drawing $50 a month. That department operates with employees drawing from $2,700 to $6,000, $7,000, and $10,000 a year. If we expect to have a satisfied army composed of men who are capable and have a possible chance of living a life with any kind of decent standards, then when the policy of a large standing army is adopted we must be ready to show a little of our own patriotism, if you may call it that, and say that we are willing to pay them at least such an amount as would give them an opportunity to live a respectable and decent life. A man in uniform cannot do it on $50 a month and there is not a man in this House who would say that he could. In time of war, men will fight for their country without compensation if need be. During this war I am told that great soldier and leader, General Patton, did not draw a pay check. He turned every dollar of his money over for the relief of the families of the soldiers. Was that man fighting for money during the war? No. No; he was not fighting for money. And there are many men just as grand and great as the men mentioned by the gentleman from New York who were in the regular service who could not afford to do what General Patton did. They must have something for their loved ones, if they do not have a family. Then should we not give some consideration to the possible effect one and a half million men, incapable of supporting a family, would have were they permitted to roam without an anchor?

For me to drop the gate in front of those men who are rendering vital, necessary, indispensable, and important service to this country, and to say to those men if they are willing to render that service then they must sacrifice the possibility of living a normal life and having a family and children—no. The man in the fox holes does not advocate that. The man in this country does not advocate that. The man in this country, in my opinion, will not tolerate that, because they will be reluctant to join.

I heard the gentleman from Texas [Mr. THOMASON] make his statements. The gentleman from Texas said he wanted to be factual about it and wanted to be fair, and he is very fair. He will not state anything knowingly that is not a fact. Of that I am quite sure. But the gentlemen in this House have been confused by statements from the War Department, and the gentleman from Texas was relying upon statements made by the War Department. I want to say in all frankness, I think the weakest case has been made for this bill of any major bill I have seen come on this floor in the last 6 months. The propaganda put out by the papers and by the War Department have given figures to the country that are not only conflicting but confusing.

I listened with a great deal of interest to the debate today. Usually I do not remain on the floor all day when general debate is going on, but I have been here since 10 o'clock this morning; it is now 4:30 p. m.; and I must confess the weakest case has been made for this bill of any bill of major importance I have seen come to this floor. The answers have not been clear. The attack by the opposition has been strong and the defense has been awfully weak. When they begin to discuss the 18-year-old boys they quote General Eisenhower as saying he does not want them overseas, according to the chairman of our committee, and then the Secretary of War, Mr. Patterson, says we must have them in this country; then I asked the gentleman from Texas, "What are you going to do with them?" Then he said they were going to give them certain kinds of training and teaching, and so forth.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. BARDEN] has expired.

Mr. MAY. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. BARDEN. I think this country had better begin to give a little consideration to what kind of teaching and training the Army proposes to give. Is there a man in this House who would say the War Department is in better shape to give a college training or the kind of training that many of these boys seek in the colleges and established institutions of this country? No. There is not a single one. Yet they want them. For what purpose I am still in a fog.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. CHENOWETH. As chairman of the great Committee on Education of this House, I would like to inquire of

the gentleman if the War Department has submitted any plans to him?

Mr. BARDEN. They certainly have not. The record made by them in the training programs during this last war has not been any too good. There is a real educational deficit in this country right now.

Mr. O'HARA. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield.

Mr. O'HARA. Does the gentleman think the Army can do a better job in guiding the morals of the youth of this country, based upon our Army experience?

Mr. BARDEN. I am reluctant to criticize the officers of the Army and those who directed it, because they have done a good job. They are fine gentleman. I just differ with their judgment. No. They cannot do it, and the gentleman knows it as well as I know it.

There is a real educational deficit existing in this country, I mean an educational deficit that is of serious proportions. I know this is true. No one has ever seen a church congregation as large as the preacher wanted, and no one has ever seen an Army as large as the general wanted. I think you can be guided by that statement pretty well. If we just think for a little further, since we have gotten to the point where we are within approximately 100,000 of the number of men they say they will need, if they miss their estimate next July anything like the way they missed them for the past 12 months we will have 100,000 men too many. I cannot understand why we should be called upon to pass this bill now. If they, the proponents of this bill could show the need for men to relieve those who have been on the front, or if they could show a real need for men it might be different. But so far every man, including officers, who has returned from overseas tell me that there are five times too many men over there now. So my position is that until the proponents of this measure make out a case for need I am against it.

Nothing but an emergency of the most serious nature will justify the passage of a conscription act or act imposing involuntary servitude of any type in a democracy—and such has certainly not been shown to exist.

Mr. ANDREWS. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. ELSTON].

Mr. ELSTON. Mr. Chairman, it has been no easy task to bring before this Committee a bill to extend the Selective Service Act. Before reaching any conclusion the Military Affairs Committee heard from representatives of the War Department, including the Secretary of War and General Eisenhower. It also listened to the testimony of witnesses opposed to a continuation of the act. Many of the objections voiced by these opponents were well founded. Some of these objections have been met in the pending bill. Some cannot be met at all, while others may be overcome by further amendments by this Committee.

In the first place, it must be recognized that conscription of men during peacetime is traditionally un-American. We would be unfaithful to that tradition if we were to continue into peacetime a program of selective service without exhausting every means to obtain volunteers. If there is any way in which a sufficient number of volunteers can be obtained, we have no right to vote for legislation extending the present Draft Act. In any event, I feel we should first present a program for the enlistment of volunteers before resorting to conscription. That program, I believe, has been presented by the enactment of the Voluntary Recruitment Act, which Congress passed some months ago, and the amended increased pay bill which our committee reported to the House yesterday. It is conceded that if the new pay schedule is adopted, voluntary enlistments will be greatly stimulated. In all probability sufficient to meet the objectives of the Army, the Navy, and Marine Corps by July 1, 1947. These objectives are 1,070,000 men for the Army, 558,000 for the Navy, and 108,000 for the Marine Corps. I do not believe these figures have been seriously questioned.

It is the province of the services to indicate to the Congress the number of men who are needed. It is our province to decide upon the methods by which they shall be obtained. The Army, Navy, and the Marine Corps prefer volunteers. Having this in mind we have written into the bill now under consideration a provision which will definitely prohibit the induction of any men so long as voluntary enlistments meet the Army's and Navy's quotas, month by month. Heretofore there has been no limit on the number of men who might be inducted in any month, nor has there been a ceiling on the total number of men needed for the armed forces at any time. Since the authorities have indicated that they will not need more than 1,070,000 men for the Army, 558,000 for the Navy, and 108,000 for the Marine Corps on July 1, 1947, the pending bill has definitely provided that the number of men in active training or service shall not exceed these figures and that the monthly requisitions of Selective Service shall not exceed, after consideration of the actual number of voluntary enlistments during the previous month, the number of men so required. To illustrate, if the quota for the month of August is 30,000, and 29,000 enlisted in July, only 1,000 men could be inducted. If the enlistments should exceed the quota, the surplus would necessarily be carried over and credit given in the following month. I believe this to be the most important section in this bill. The adoption of this provision, plus the adoption later on of the new pay increase bill, will be an assurance that very few, if any, men will have to be drafted after May 15, 1946.

It will, of course, be contended that if the pay-increase bill passes there is no necessity at all for continuing the Selective Service Act. Perhaps it may work out that way, but no one has the assurance that the requirements of the services can be entirely met under the voluntary system. Moreover, in view of the international situation as it exists today, we may well doubt the wisdom of completely terminating the Selective Service Act at this time even though we could be assured all requirements can be met with volunteers. In view of the section of the pending bill to which I have just referred, we will keep the Selective Service Act on the statute books, and, at the same time, give assurance to the American people that no man will be drafted so long as requirements are met by volunteers. This is quite a departure from present procedure in that it will strip Selective Service of all right and authority to induct men as that agency or the War and Navy Departments see fit. In this connection it must also be borne in mind that a complete termination of the present act might require combat veterans and others with long service to remain in the service for a longer period of time than they otherwise would. These veterans have every right to insist that everything possible be done to assure their return to their homes without unreasonable delay. The adoption of the present bill will give them that assurance.

While I am of the opinion that the measure now before us has met most of the principal objections of those who are against the extension of the Selective Service Act, I also feel that the bill may be further improved upon. I believe we may safely exempt all 18-year-olds from registration and induction. With the passage of the increased pay bill, shortages of men are bound to be small, if perchance they exist at all. Certainly they will be low enough to exclude 18-year-old boys. I would like to exempt all of those below the age of 21, but we are informed that the pool of available men above that age is practically negligible. In any event, we can definitely eliminate 18-year-olds, and then, as a protection to those in the 19- to 20-year-old group, require the use of all eligibles between the ages of 21 and 30 before calling upon those who are 19 or 20 years of age. With this in mind it is my purpose to offer an amendment to require that this be done, assuming no previous amendment entirely excludes those within these ages from the provisions of the bill. I believe the act will be considerably strengthened if my proposed amendment should be adopted.

In conclusion, I believe that the bill, amended as suggested, will be entirely consistent with our traditional American policy against the drafting of men in peacetime. It will be an assurance to veterans of long service that they will be demobilized as early as possible; it will entirely eliminate high school boys in the 18-year class; it will require, if inductions are to take place at all, that those over 21 years of age be first called; it will definitely require, so long as any volunteers are available, that no man of any age be drafted; it will assure our military leaders of all the manpower they need to safeguard the security of the country; and last, but by no means least in importance, it will serve notice upon all the world that we are not scrapping the machinery we might need to meet any crisis.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield to the gentleman from New York.

Mr. KEARNEY. If this bill is voted down and the Army fails to receive the necessary recruits by the volunteer system, what is there to prevent the Army from throwing out the window the discharge point system that is now in effect and saying to those boys in the service, "We cannot get any further recruits. You are in for the duration"?

Mr. ELSTON. I do not think there is anything at all to prevent them from doing that, and that is what they might have to do. I feel we owe an obligation to these men already in the service to say to them that we are going to provide replacements for them and make it possible for them to get home within a reasonable period of time.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. Have not the Secretary of War and General Eisenhower told us, not only in a meeting of all the Members of Congress over here in the Library but repeatedly before our committee in the last few weeks, that they were going to follow out the commitments and the promises they had made, regardless of anything, and that the demobilization program would be carried on just as they told us it would be?

Mr. ELSTON. The question the gentleman asked me was whether or not they could do it. Of course, they may honestly intend, and I do not doubt but what they honestly intend, to follow that out to the letter. But a situation might develop that might require them to change it, and they would be perfectly justified in changing it under proper circumstances.

Mr. HARNESS of Indiana. You would only have a shortage of 170,000 at the most on July 1, 1947, if their estimates of volunteers are accurate.

Mr. ELSTON. If they have a shortage of 170,000 on July 1, 1947, and they can meet that shortage by the volunteer method, then there would not be a single person drafted under this bill.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield to the gentleman from Michigan.

Mr. SHAFER. In that connection, has there not been testimony before the committee that most of these enlistments are the result of the draft bill, and that most of these boys who are enlisting are doing so because they can select their branch of service?

Mr. ELSTON. Yes. The testimony before us has been to the effect that if the act is entirely repealed, it will considerably slow up enlistments.

Mr. MARTIN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield to the gentleman from Iowa.

Mr. MARTIN of Iowa. In reply to the question raised by the gentleman from New York, Congress itself has not only the power but the very solemn obligation under the original selective service law to terminate the service of the men inducted 6 months after the official end of the war as declared either by the President or by a concurrent resolution of the Congress. The War Department does not have the power to extend the service of these men beyond that time.

Mr. ELSTON. The gentleman does not know, and neither do I, when that will take place. It might be in a year, it might be 2 years, and it might be several years more.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield to the gentleman from Texas.

Mr. THOMASON. It is also true that if this bill passes releasing all those who have had 18 months of service there will be 300,000 or 400,000 of them released before July 1, 1947, and some provision has to be made to take care of that situation.

Mr. ELSTON. There is no question but that replacements have to be provided.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. ELSTON. I yield to the gentleman from Ohio.

Mr. McGREGOR. Does the gentleman feel that if this bill should become a law the War Department will continue or at least carry forward a further enlistment program, an attractive voluntary program, more than we have now?

Mr. ELSTON. We have the promise of General Eisenhower that that will be done. I for one am willing to believe what General Eisenhower tells us. Let me say to the gentleman from Ohio that the efforts the War Department has already made to recruit men under the Voluntary Recruitment Act have been very satisfactory.

Mr. MAY. Mr. Chairman, before yielding to the next speaker, I desire to make a brief announcement. The committee hearings, about which complaint has been made here, are now available in the Chamber, and have been for quite a while. I hope all those who are interested will obtain copies and read them. They may be found at the desk.

Mr. Chairman, I yield 15 minutes to the gentleman from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. Chairman, I listened very attentively to the preceding speaker. I think the first part of his speech was one of the best analyses we have had of this bill and the conditions that make its enactment necessary.

We have been proceeding quite rapidly with our demobilization. In the last day or two it has been my pleasure to talk with some newspapermen who have just come back from the Pacific bases, after visiting all of them. I jotted down some rather scattered notes, and I should like to call them to your attention.

Since VJ-day we have taken 3,000,000 out of the Pacific area. We have now in those bases in the Pacific area $1,500,000,000 worth of surplus property. Thirty-four of our bases have been completely closed up and all of the men evacuated. This surplus property has been very largely concentrated at a few places—Manus, Samar, Okinawa, Guam, and Tinian. There are not enough men, these reporters tell me, to man the ships to bring back the material we have there. There are not enough to collect, catalog, store, and care for the surplus property. It has become a question almost of throwing away our surplus property or slowing down the demobilization.

I am told that on one air strip on Oahu there are 4,500 vehicles, and they are still coming in at the rate of 100 a day. The total force to take care of those vehicles consists of six enlisted men and two officers.

The Marine Corps in the Pacific has demobilized 168,000 out of 243,000, including 41,000 fliers. The service command by July 1 will have been reduced from 20,000 to 5,000. On Guam, our sixth Air Service Command operated 1,000 planes during the war. They now have a half-billion dollars worth of surplus property and equipment, not including planes. The enlisted personnel has been reduced from 10,000 to 650. I am told that an engineering depot there has $137,000,000 worth of property. The number of enlisted men has been reduced from 5,610 to 56.

The question sometimes comes up that we ought to hire the natives to take care of this property. I am told that on Guam there are 23,000 natives and that every effort has been made to employ them. Only 3,000 have been hired. They just simply do not want to do the work. On Saipan, I am told, we need 10,000 additional men in order to take care of our great B–29 airfields so that these airfields can be kept in proper shape. On Okinawa, which is one of our best bases, the Navy has cut its personnel from 80,000 to 17,000. By September 1 it will be reduced to a total of 1,700, including Marines. They have there surplus property worth a half billion dollars. They have been able to hire 8,000 workers. They are not good. There are language difficulties and many other difficulties. If it were not for the prisoners of war, there would probably be no way of maintaining these bases at the present time. Fortunately, we are working 14,000 prisoners of war. There is no way to carry on the necessary repair, maintenance work, and training on the 5 B–29 and 17 other fields to accommodate the smaller planes. One engineering depot in Okinawa has $64,000,000 worth of property. There are 200 men stationed there. All of the Seabees have been taken out of the Pacific. There are not enough men left to build the necessary housing. The 5,000 troops on the island now will be reduced to a total of 3,500 by midsummer. One airstrip there has 17,500 usable vehicles. The service crew consists of 25 men. The vehicles are valued at $125,000,000.

In Japan proper, we have repatriated since VJ-day under the terms of surrender 1,500,000 Japanese soldiers. There remain to be repatriated 4,000,000 scattered all over the Pacific and in China. We are obligated under the terms of the surrender to get them back. Yet, when we bring them back we increase the problem of food and the problem of policing. A total of 78 percent of the Japanese have been disarmed. Twenty-two percent are still armed. The backbone of our police force in Japan consists of the Eighth Army on Honshu. That was at one time approximately 400,000 in size. It has

been reduced to 170,000 and will be reduced still further until we get down to 112,000 this summer. There is a small force on the Hakkaido, the Eleventh Airborne Division. On Kyushu the Sixth Army consists of four divisions. We are controlling 80,000,000 people, many of them just recently disarmed with a total force of 150,000 and the battleship *Iowa* sitting in Tokyo Bay. By May 1, all of our troops will be out of China.

It has been said it would take us at least a year to get in position of putting a fighting outfit into the field again. I do not think we are going to war again and I am not citing these figures for that reason. I am simply saying that these men whom we have entrusted with this job, the men who have won the war and who are going to police the conquered nations after the war is over, have cut their forces to the very bone, as can be seen by the facts that I have cited. After they have all been cut, they tell us that the total force that they need by July 1, 1947, is 1,070,000 men. Remember, that consists of 400,000 Air Force men, leaving the total ground forces and service forces and all of the others 670,000. The figure does not seem unreasonable to me.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. In just a moment.

President Truman, in his Chicago address on Army Day, I think stated the case very clearly. I know of no way of stating it better than he said, and I quote:

> We have won the war; we must now make the victory secure. Victorious nations cannot, on the surrender of a vicious and dangerous enemy, turn their backs and go home. Wars are different from baseball games, where, at the end of the game, the teams get dressed and leave the park. In wars the victors must make sure that there will not be a recurrence of enemy aggression and tyranny. Tyranny must be rooted out from the very soul of the enemy nation before we can say that the war is really won. The American people recognize that fact. But the process is long and exacting. It requires an army of many men. And that army of many men can be continuously and adequately supplied for another year only by the Selective Service Act. If the act is not extended beyond next month when it will otherwise expire, we face these alternatives: Either we shall have to keep men indefinitely in foreign lands who, by reason of long service, are justly entitled to come home to their families; or we shall turn our backs upon the enemy before victory is finally assured. Justice to the men still in the armed forces, justice to all our people and to civilization itself, forbids the choice of either of these alternatives. And the Congress, I am sure, will not choose either.

I now yield to the gentleman from North Carolina.

Mr. BARDEN. I would like to ask the gentleman, in view of the fact that he recited the figures on all of the billions of property, if he is aware of the fact that a committee of this House, of which I am a member, has been for several months engaged in trying to find out why they did not send those vehicles back here to be used by the people who need them before we get into production? At first they said there was not the tonnage; the ships. Then they said, "No, we have plenty of ships," and for the past short time they have said, "We are going to get to it pretty soon."

The answer to the problem the gentleman is talking about is to load those jeeps, those trucks, and those tractors on boats and send them back here where they will do the American people some good. Then you will not need these soldiers.

Mr. SPARKMAN. I appreciate the gentleman's statement. Of course, I agree with him, but it is so easy to say, "Load those things on boats"; but it takes men to load those things on boats.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I cannot yield further at this time.

Mr. RICH. I am a member of that same committee.

Mr. SPARKMAN. I have another point to make before I can yield further. Because two or three speakers have referred to the 50,000 Philippine Scouts, I want to say a word about that. Let us not fall into the error of counting 50,000 Philippine Scouts immediately, because we do not have them. Furthermore, we do not use Philippine Scouts to replace men—that is, man for man. What we are planning to do is to train two complete divisions of Philippine Scouts; but remember they will not replace a single man until they are trained and ready to take their place as divisions. They are not individual replacements; and the same thing, if I understand correctly, applies to the Puerto Ricans mentioned here today.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield at that point?

Mr. SPARKMAN. I will yield in just a minute. There is no Member of this House who hates worse than I do to continue taking the 18-year-olds. I was against dropping to 18 years at the time if we could possibly find any way around it; but, be that as it may, we dropped to 18, and for 3 years we have been taking the 18-year-old boys until there just are not any left. So the thing we have got to decide is simple and clear: Are we going to continue to make it possible to induct 18-year boys, or are we going to keep those boys that are already in, many of whom bore the brunt of actual combat? Are we going to hold them there, and are we going to keep the fathers in the service?

We have a promise here, it is carried in this bill, to turn them out after 18 months of service, and also to turn out the fathers.

Something was said about estimates of the War Department in the matter of the recruiting program and the comment was made that if their figures were as badly off as they have been in the past that our voluntary enlistments would be sufficient. Let me say that after the War Department made its original estimate as to the number of recruits they would get we came in here and passed the Voluntary Recruitment Act of 1945 with many incentives added to it that were not considered when the War Department made its estimates; and if the gentleman will analyze it he will find that the great bulk of the voluntary enlistments came as a result of the added incentives that were not there when the War Department made its estimates.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. MAY. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I yield

Mr. HARNESS of Indiana. I wanted to call the gentleman's attention to the chart that the War Department prepared and the Secretary of War brought before our committee. The gentleman will find the charts in the hearings. He will find that the 1,070,000 they expect to have on July 1, 1947, includes 50,000 Philippine Scouts. Therefore the so-called deficit they say they will have of 170,000 men on July 1 would be less the 50,000 they included in their requirements.

Mr. SPARKMAN. No. The gentleman quotes the Secretary of War. The Secretary of War said his figures showed they would be 170,000 short.

Mr. HARNESS of Indiana. Then again, according to General Textor, the Army will be short only 51,000 on July 1, 1947.

Mr. SPARKMAN. The estimates are made in different ways, and everyone said they were simply estimates.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I yield.

Mr. RICH. The gentleman was speaking a while ago with reference to property mentioned by the gentleman from North Carolina. I want to say that the Committee on Expenditures in the Executive Departments are trying to determine why a lot of that has not been disposed of. Let me give you one recent example. Mr. Lane, who is chairman of the Foreign Liquidation Commission, says they now have 215 men here in Washington creating a policy. Mr. Lane is chairman of that group. This group does not know what is going on in these various foreign countries and they so gave that information to the committee. If they do not know what is going on over there and the Army has not informed them what is going on, no wonder we have not disposed of any surplus property. It is the fault of the administration.

Mr. SPARKMAN. I simply gave the figures of the number of men there now taking care of the property to show that our commanding officers have cut their numbers right down to the very minimum. The only thing we have got to decide is, are we going to hold up their hands and let them have a force according to the number they say is necessary in order to carry out our commitments? I say we ought to continue this law. It will do no harm if we get the volunteers.

Mr. RICH. If you get the volunteers; but you are not going to get volunteers. You are going to force them in. If you give them a chance to volunteer by increasing their salaries you would get all the men you want. That has been proven already.

Mr. SPARKMAN. We are bringing in a bill to increase the pay and we are

going to put on a vigorous campaign. If we get the number, if it works out according to the gentleman's prediction, then we shall not have to induct a single man. But we shall have it as a safety measure and we shall be serving notice upon the nations of the world that we are not going to weaken ourselves to a still greater impotency than now.

Mr. RICH. Why does the gentleman put the cart before the horse, then? If you want to pull something along you put the horse ahead of the cart and you are able to pull the cart along. Now you are putting the horse behind the cart, and you expect a bill of that kind to pass.

Mr. SPARKMAN. The gentleman knows that the Selective Service Act expires on May 15 and he knows that there is more urgency in getting this legislation acted on so we will know what to count on than there is on the other bill.

Under leave, I include an editorial from the Washington Star of April 11, 1946, and a recent article by Ernest Lindley.

They follow:

[From the Washington Evening Star of April 11, 1946]

FACING THE DRAFT FACTS

In scrapping the dangerously risky draft "holiday" (until after the elections) proposal and other short-sighted amendments, in favor of a straight 9-month extension of selective service, the House Military Affairs Committee has evidenced a belated but nonetheless praiseworthy determination to face the grave array of facts presented to Congress by General Eisenhower and other competent authorities. The refusal of the committee as a whole to be enticed by suggested modifications based on political expediency, wishful thinking, or other unsound reasoning followed closely General Eisenhower's earnest and convincing warning to the Senate Military Affairs Committee against taking chances with America's security at a time like this.

The Chief of Staff and his colleagues have urged a 1-year extension of the draft law. The 9-month proposal may be inviting as a compromise—if compromise becomes necessary. It is to be hoped, however, that the Senate committee will approve a full 12-month extension and that both Houses eventually will adopt the War Department's 1-year recommendation. Whether the draft be extended 9 months or 12 months, the effect will be to guarantee for that length of time enough manpower to restore and maintain the strength and prestige of our armed forces in a world still beclouded by military and diplomatic uncertainties.

To rely on voluntary recruitment alone would be to invite grave shortages. Nobody knows how many volunteers can be obtained, but the best Army opinion is that not enough can be had and that a draft continuance is therefore essential if we are not to take a dangerous risk. As General Eisenhower frankly put it to the Senate committee, to rely solely on volunteers would be "a gamble any way you look at it. And, gentlemen, in my opinion, any gamble with the national security of the United States at this time is a gamble with the peace and security of the world. With all the sincerity and force that I possess, I urge you, do not take this gamble."

Congress will be following a reckless course if it fails to heed this clear warning from a man who speaks with unchallengeable authority on what the Army needs in this difficult and critical transitional period. The draft extension is imperative. If it were to be voted down, General Eisenhower's words might come back to haunt the politicians sooner than they think.

DRAFT IS ONLY CHOICE

(By Ernest Lindley)

The most thoroughly unpopular item on the administration's legislative program probably is extension of the Selective Service Act. Hardly a Member of Congress would vote for it if urgent necessity could not be proved. During the winter many conscientious Members led themselves to believe that voluntary enlistments would obviate the necessity. But the facts indicate that there is no other means of assuring the Army the manpower it needs.

The War Department has asked for an extension of 1 year; it would settle for 10 months. Anything less than that, it believes, would jeopardize the performance of its minimum tasks.

Since November, the number of voluntary enlistments has fallen month by month. For March it was less than 75,000. Half or more of the enlistments have been for 1 year or 18 months. The 1-year enlistments are by draftees who already have served 6 months. By enlisting they can set a definite limit to their service. The 18-month voluntary recruits come chiefly from the ranks of men who would otherwise be drafted.

Thus approximately half of the voluntary enlistments since VJ-day may be attributed to selective service.

INEVITABLE DEFICIT

The War Department estimates that if selective service is allowed to expire it may be able to recruit 30,000 men a month the rest of 1946 and 20,000 men a month in 1947. Even if this schedule were met the Army would have a serious manpower deficit by the middle of 1947.

If selective service is continued, however, these longer-term enlistments will be supplemented by short-term enlistments, as they have been since the voluntary recruiting campaign began. The recommended 20-percent increase would also help to maintain the flow of manpower. The pay increase and the renewal of selective service, together, might well mean that very few men would actually have to be drafted.

The Army's manpower estimates have been pared close to the bone. They scale down to 1,070,000 on July 1, 1947. The total includes 400,000 for the Air Forces. Thus the Ground and Service Forces would shrink from 1,150,000 this July to 670,000 in July 1947. That is close to the minimum required to maintain armies of occupation.

NO SPARE TIRE

All of these estimates, it cannot be overemphasized, are based on very favorable assumptions. They assume that the occupation will be peaceful; that Allied troops will replace some of the American troops in Japan; that our forces will continue to use prisoners of war and foreign nationals; that peace treaties will be signed.

If, for example, there is delay in agreeing on a treaty with Italy, it probably will be unsafe to withdraw the division on the Morgan line. The Army's manpower needs are so closely calculated that, according to responsible authorities, they leave no margin for such a disappointment as this.

The War Department, however, is willing to rest its case on these very favorable assumptions. The duty thus placed upon Congress is unpleasant, but it cannot be evaded without risks too grave for conscientious men to take.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. SHAFER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, for many months I have sat in various committee meetings and the whole House Military Committee listening to testimony regarding what the size of our permanent Army should be and what our future peacetime policy should be; that is, universal peacetime conscription and extension of the present Selective Service Act.

We have listened to some very able people, for and against the policies. We believe all were sincere and honest in their statements. Today and tomorrow we will discuss the problems of extension of the draft and the contemplated size of our peacetime military service forces.

Mr. Chairman, the thing that disturbs me most is the uncertainty in the testimony of those who should know what our real requirements should be and the constant change in their figures; also our lack of information on what our international commitments are. It would seem to me that we should have a forthright expression from the State Department as to just what we are to expect from commitments made in various conferences before and after the war.

It is true that we had Secretary Byrnes before our committee in executive session. He outlined to us in brief fashion some of his experiences, but nothing more than what has appeared in all newspapers since that time. There is no doubt in my mind, however, that Secretary Byrnes is also disturbed.

At the outset, permit me to say that I voted for the Selective Service Act in 1940, at which time I realized that we were war bound and that preparation was necessary; but, today, we have a different picture unless, of course, our leadership is convinced that a third world war is in the making. Personally, I do not know, because, as I said before, the State Department will not tell us the things we should know to act intelligently on this question. We have just conquered Germany, Japan, and Italy, who were, of course, our enemies. I say "we have" because without our Army, Navy, Marine and Air Corps, the finest military force ever assembled, would a victory have been possible. We all know that. With the shooting over and the belligerent countries prostrate, the boys who did the job want to come back to their homes and their loved ones. So we began to demobilize our military forces. The question is, Did we demobilize too quickly? If we did, then why did not our State Department protest? They were in possession of all the information regarding commitments and whether or not we would be in great danger in the near future. The people in this country are entitled to such information. Congress certainly has the right to know. The Committee on Military Affairs of the House gave full and complete consideration to the extension of the Selective Service Act beyond May 15, 1946, with what information was available, confusing though it was.

For instance, the War Department only several months ago told us that by no stretch of the imagination could they

secure more than 300,000 men by voluntary enlistment by July 1, 1946, yet today we are told that we have secured approximately 700,000 and that by July 1, 1946, we will have over 800,000 volunteer enlistments. That is exclusive of 100,000 to 150,000 officers that we will get voluntarily. We also were told that the reason that these volunteer enlistments were so great was due to fear of the draft act being extended, and that they had better join voluntarily or be drafted, yet the real facts are that 81.3 percent of all the recruits are veterans and are not persons liable for military service under the draft act. Then we were told by General Eisenhower that he would advise an indefinite extension of the draft, while Secretary of War Patterson advocated a 1-year extension. The very next day the Secretary of War informed us that he had had a conference with General Eisenhower and that they had compromised on the Secretary's time of 1-year extension.

It was further intimated that an extension was desired whether they secured one man through the draft or not. Again the question is, Why do they want the extension if they do not need it? As far as volunteers are concerned, I am certain that the required number can be obtained especially since there will be undoubtedly a pay increase. Our committee has thought about that phase as an additional incentive for recruits. We think it necessary to increase the pay, and I hope that this House will see fit to pass some bill, whether it is our committee bill or a similar one. So far as volunteers are concerned you all remember how just 1 year ago the War Department was so insistent upon drafting nurses. That bill, of course, passed the House and was pigeonholed over in the Senate committee. It was found that we did not have to draft nurses, but that they began immediately, 2 months later, to discharge them by the thousands. I stated that while serving on various subcommittees of the House Committee on Military Affairs I had heard much testimony regarding our military establishments. The parents and the families of our boys have much to be concerned about.

Our system of military courts martial needs revamping. One editorial, in speaking of curtailed enlistments, says:

> For the United States does desperately need a large army at present. It can reasonably expect its youth to sacrifice personal comfort and convenience—yes, even personal safety—in order to implement the national gains so recently purchased with blood and tears, on the battlefields of the world. But it cannot expect young men brought up in the American heritage of equality before the law and of protection for the rights of even the most hardened criminal voluntarily to surrender that heritage by enlisting in a military organization which guarantees them neither.

So you see there is quite some concern as to the manner in which our boys are being treated when they get into Army life. I am personally acquainted with many cases from my own district, all swell kids and young men before going into the service. Certainly the relatives of these boys want them treated the same as in civil life.

The only deferment mentioned in this bill is for agriculture, nothing has been provided as far as educational deferments are concern and with the scarcity of people in the medical field it should be considered.

I could go on and on in this debate. I want to protect my country at all times, but I cannot subscribe to this bill in its present form.

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, most of the points with reference to this matter have been covered. I expect to make my remarks regarding it brief.

Mr. Chairman, I think that I speak the truth without any reservation when I say that certainly no one on the Military Affairs Committee of the House of Representatives wants to draft men in times of normal peace. I think I speak the truth when I say that no one on the committee wants to use any method other than a voluntary method except as a last and a final resort. I think I could say without reservation that the committee has taken that attitude and has gone over this matter most carefully, most searchingly, in a desperate effort to find some way out of this problem other than the extension of the draft. It is not an easy matter, Mr. Chairman, to bring a bill like this to the floor of the House for consideration and for a vote.

The remarks which I have to make are in reference to the problem which has been presented to the Army by virtue of the cessation of hostilities. At that time, Mr. Chairman, we found that we had an army of approximately 8,000,000 men, and this Army was to be demobilized as quickly as possible. Through the months since VJ-day the demobilization processes have been going on. From 8,000,000 the Army has pursued the matter of reduction of forces until by July 1, 1947, it will have an Army of 1,070,000 men.

On October 1 of this year the Army will have reduced to 1,390,000 men. That is a point which, according to the testimony, will produce a serious situation in Army organization and demobilization. At that time, Mr. Chairman, we will run into the proposition of losing men who have since the end of the fighting volunteered to serve. For instance, I present to you figures which have been previously given you in reference to enlistments to illustrate what I have in mind. Last October 1945 the Army obtained 65,000 volunteer men. Approximately 50 percent of these men enlisted for a 3-year period and the balance for a 1-year period. On that date of October 1 the Army will still be demobilizing in its normal manner and will run into the fact that these volunteers obtained since VJ-day are subject to release from the service by virtue of the expiration of their term of enlistment. That, according to my figures, would mean that at the end of October, about 32,500 men would be subject to release from the Army by virtue of the termination of their enlistment since VJ-day. By the end of November of this year there will be approximately 92,000 men in that status. At the end of December there will be 67,000 men in that status. At the end of January of next year there will be something like 50,000 men in that status; and by the end of February next year there will be something like 46,000 men in that same status. By the end of March 36,000 men will be in that status. That means to me that as the Army attempts to continue and complete its demobilization it is also faced with holding the men it already has who volunteered. In addition to that, there will be the problem of releasing the fathers, some 120,000 of them, as provided by the terms of this bill. In addition to that, there will be the problem of the treatment to be accorded to those men inducted into the service who have already served more than 18 months. We can look about us here in industrial life and we can see the industries and businesses which have run into the problem of changing from war to peace. The Army is in the midst of that same problem. It is trying to get out of its large mobile wartime forces and build on a more permanent basis, looking to a normal peacetime establishment.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. If this bill passes, does it not mean that the number of Army posts that are now being disbanded and given up will be kept open?

Mr. BROOKS. Of course, the number that will be kept open, I am sure will be in accordance with the size of the service. If the Army is retained at the figure which the War Department has set for it, namely, 1,070,000, it will need the establishment to take care of that number of men.

Mrs. ROGERS of Massachusetts. For instance, at Fort Devens they are considering keeping that on a caretaker's basis. That is the only post we have in New England.

Mrs. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield.

Mr. ANDREWS of New York. My understanding is that demobilization will be over by July 1, and a great many more Army bases will be available after July 1.

Mr. BROOKS. Proceeding with my thought which I am trying to present, in the midst of a period of cutting down, you run into irregularities attendant on releasing certan groups, such as I have mentioned to you. We face this proposition at a critical point in our history, when all over the world there are crises arising from day to day. We read about them in the press. I think we are going through a like period as that which we ran into after the last war. We are either sowing seeds of permanent peace or sowing seeds of war. I think it is a most critical time, when we should maintain our Army up to the utmost figure required. As has been said before, this is insurance.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. DURHAM. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. BROOKS. In considering this legislation I felt it should be accepted in the light of insurance. I have been working for a number of days on a subcommittee of the Committee on Military Affairs, to attempt to work out and report a pay bill to the Military Affairs Committee and subsequently to the House of Representatives. After laborious work we have produced figures which I think will help a good deal in getting the enlistments which we need. But at this particular point, i we wait until after May 15 to check up and find out whether or not a pay bill will do the job, we have in the meantime lost the entire set-up of selective service throughout the United States. For instance, there are some 78,000 boards throughout the country whose records of registrations are kept up from day to day, and all of those things which are vital to any kind of a Selective Service System.

Immediately after the 15th of May, unless the Selective Service System is extended, those go out completely and cease to be of value for this purpose. So if we are to be assured of having a strong, needed, and, according to the authorities, required Army of 1,070,000 men, if we are to be assured that this will occur, we must take the means of preserving those records.

I think, Mr. Chairman, I am going to support one or two amendments to the bill, but I think this is a most vital question that is presented to you today. I know that every Member is viewing it, as every member of the Military Affairs Committee viewed it, in a most conscientious, serious, and searching light.

Mr. ANDREWS of New York. Mr. Chairman, I yield 15 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, there are few subjects closer to my interest than this matter of military service and of military training. I have devoted a considerable amount of time to that field of work during the last 30 years. I have given considerable thought to the matter of national defense and preparedness. Preparedness covers a large range of important topics. Perhaps it would be well to mention two or three here, to which I have given considerable time and thought, in order to orient ourselves properly in our approach to a consideration of the training program and the extension of the draft. We have the problem of building stock piles of strategic materials. We must begin there if we are to have any defense worthy of the name. We have the problem of creating proper research and development programs, including the training of scientists. I was terribly shocked in committee proceedings to learn that today in all the schools of science and engineering in the country only 38 percent as many people are studying science and engineering as were studying these subjects at the outbreak of the war, notwithstanding the fact that we have the GI bill, the educational program, and a huge reservoir of young manpower which is supposed to be returning to the study of all subjects at this time.

Another important field that we should include is proper provision for a service of intelligence and information. Without this we are flying blind, so to speak. Another is an adequate program of industrial production, and in that a very important factor is the setting up of pilot plants. I have not seen enough activity in that direction by the military authorities of the Nation to keep us well prepared, looking ahead. Another important field to consider is the matter of supporting an adequate Regular Army, Navy, and National Guard to meet any immediate emergency that might come up. Another point is that of building up an adequate reserve power, and it is in these last two fields that the subject of the draft must be oriented. We also have one other important factor to bear in mind; that is, the will to rise and defend our Nation in time. Military might alone will not do the job. We must have the will, the determination to carry on with what we have. America has shown great strength in that regard but we must not lose sight of the fact that conditions can arise that will challenge us just as they arose to challenge France and England in 1935 and in 1937 when they neglected the warnings of war arising in the world.

In approaching the study of the draft and the subject of military service as contrasted with a training program I think most of you know that I have been a vigorous supporter of a military training program for our Nation. On the other hand, I have always opposed the use of the draft or compulsory military service as a peacetime policy for our Nation. During the hearings I was shocked to hear the representatives of the War Department state that they anticipated having to renew their request for extension of the draft, and Gen. Willard S. Paul—G–1 (Personnel)—of the Army said it may have to be renewed many times. General Eisenhower first came out and said he favored an indefinite extension of the draft. What is going through their minds? Why did they modify it? I think I know what is going through the military mind. They would rather have selective service and compulsory military service than go through the efforts to serve the Nation through a voluntary force. I disagree with them violently on that policy because it will take us off the deep end into militarism. On the other hand, we have a serious obligation in this Nation to provide an adequately trained civilian personnel to come to the defense of the colors whenever an emergency might arise.

Again, I asked the military representatives who appeared before the committee whether or not they thought an army of 1,000,000 men could provide through those discharged an adequate reserve in point of size for any future emergency of the country and they answered me that it could not. I knew that had to be their answer.

Where are they going to get the trained men they will need in the next war, if there is another war? They also have indicated their belief, and it is my belief, that you cannot have compulsory military service and a universal military training program simultaneously. So this forces us into the dilemma that we either provide the Army with a lazy and all-powerful provision to draw men into the armed forces to serve the Nation against their will in time of peace, on the one hand by the extension of the draft, or we will have the Army and Navy serving the Nation by setting up an adequate training program for enough of our young men to meet the emergency in any future war. You have got to take your choice. Temporarily, the war-trained men serve as a backlog of trained men, but that training fades into the background mighty rapidly. I know that from actual experience because I stayed in the Army for several years after World War I, and I know we did not give our Reserve officers the opportunity to do anything until 1924 when they were given the responsibility of training the CMTC men. I served in the CMTC when it was wholly within the jurisdiction of the Regular Army and the Reserve officers at that time, 5 years after the First World War, had not had any opportunity to command troops.

We are not going to fight any future war with 1,000,000 men, with 2,000,000 men, nor with 3,000,000 men. We have got to have a trained backlog of citizenry available to build up an armed force to a size larger than that. The Army, in asking for extension of the draft, in my opinion, is paying a terrific price in surrendering that backlog of trained men for this system of compulsory military service of too few men to meet our national emergency in any future possible war. That is the weakest point in their position, so far as this bill is concerned.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield to the gentleman from New York.

Mr. ANDREWS of New York. This program has nothing to do with another war or with the training of men for another war. This is to bring about peace as a result of the recent war and we have not had peace as yet.

Mr. MARTIN of Iowa. I think it has a very decided bearing on the next war, in that it is delaying our preparedness for the next war because they cannot have, under military conscription, an adequate training program to train enough men to meet the next emergency. That has been the point of my discussion.

There are other problems about the matter of the draft. In my view, the proper role of the Army and the Navy is that of service to the Nation, service in meeting an emergency quickly and effectively, service in training our citizenry to defend themselves in the event war is thrust upon us. I am opposed to the theory of extending the Army and the Navy the power over our citizenry as masters, to draw them into the Army and Navy, make them amenable to the Articles of War against their will in order to make the Army and Navy job of raising their immediate needs easy.

Let us have the Army and the Navy fill the role of a service organization in

training the manpower; put it on a volunteer basis as far as service is concerned, and then use the Army and the Navy to train the manpower through a universal-training program adequate to the Nation's needs. That will be using the Army and the Navy in a much better role of a service agency, rather than a master in the regimentation and control of our manpower against their will as a peacetime policy.

There is another great issue involved here, and that is the power of the President as Commander in Chief of the armed forces. It was my argument in 1940 and it is still my argument that the power over the manpower of the Nation should be retained in Congress and not divested from Congress and placed under the executive branch, and it is just as sound today as it was then. The only reason we surrender that power in wartime is the sheer necessity of having that dictatorship over our manpower for the waging of actual war. But there is no just ground for extending those powers to the executive branch and taking them away from Congress in peacetimes.

I will not take the time now but I will place in my remarks an investigation and a careful study I made of the problem involved in divesting Congress of control of manpower and placing it in the Executive when, under our Constitution, the President serves as Commander in Chief of the armed forces. Your proposed extension of the draft takes the men into the armed forces. I ask you to read the extension of my remarks and the discussion there by former President Taft and Elihu Root who were the most recognized authorities in that field, and then consider the power you are extending to the President over the citizen in peacetimes.

It is a dangerous extension, and I have always argued to keep that power over the citizenry here in Congress. In 1940 the need was really to get trained men. When trained they could have been taken into the armed forces in 1 day, and if you want to read an example of that, read the extension of my remarks in which I will cite you the actual experience of the British in 1939. They had a training program established in May 1939, and on the very day that they declared war on September 3, 1939, Great Britain passed an act of Parliament creating compulsory military service. It took them just 1 day to pass it, the same day that they declared war against Germany. They passed an act of Parliament creating compulsory military service.

The problem you cannot do in a day is to train the men, and I am for a system where you can train the men, keep them within the control of the Congress, and then not hand it over to the Executive, the President, as Commander in Chief of the armed forces, until there is actual war, and then only because that is the only way we can fight a war efficiently.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. ANDREWS of New York. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. MARTIN of Iowa. In closing I want to tell you that this is not an overnight thought on my part. I have followed with great interest the resolutions passed by the American Legion in 1919 at their first annual convention. I have set those resolutions out in my extension of remarks, and I beg you to read them and see the distinction between military service and military training as a peacetime policy.

Then I call your attention to the fact that I had worked along that line for some 5 years before that. That has always been my philosophy in this matter, and I advocated that policy when I served as assistant professor of military science and tactics at the University of Iowa from 1921 to 1923. This is no overnight thought on my part. I have examined the authorities in this matter of the division of power between the President and the Congress in this field and I know I am sound on this distinction. It is vital to our Nation, do not overlook that. Study and read it and carry on from there, because it will serve our Nation best to establish a sound national defense policy that is adequate for our Nation's need and not dangerously off the deep end into militarism.

I

The first point I wish to discuss is the effect of the continuation of compulsory military service upon the maintenance of an adequate reserve force of trained men.

During the course of the hearings, representatives of the General Staff and the War Department indicated that compulsory military service and universal military training cannot be carried on successfully together, and you will note in the hearings that Gen. Willard S. Paul replied in answer to my questions that the Regular Army of 1,070,000 men could not provide our Nation with a large enough reserve force to fill our needs for any future war. Those two factors confront us with the choice of ending compulsory military service in order to have a universal training program or sacrificing a very important factor in our national defense structure, namely, an adequate reserve of trained men. Furthermore, the absence of an adequate reserve of trained men will make necessary the maintenance of a much larger and much more expensive standing Army and Navy than would be necessary if a universal training program were adopted. To my way of thinking, the extension of compulsory military service in peacetime at the expense of an adequate training program for our citizenry is too high a price to pay just to provide the Army and Navy with an easy method of maintaining the Regular or standing Army and Navy.

II

The second point in my analysis of this problem is the matter of preserving the proper role of the Army and Navy in our Nation. I have always looked upon the role of the Army and Navy in peacetime as that of voluntary service to our Nation rather than that of exacting service of citizens who may be forcibly placed within their jurisdiction through the medium of compulsory military service. I consider the greatest obligation of the Army and Navy in peacetime the protection of our Nation against any attack and the training of our citizens so that they may be able to defend themselves and our Nation as quickly as possible whenever war may befall us. The Army and Navy in asking for the extension of compulsory military service have completely sidestepped one of these obligations, namely, that of training all our male citizenry in the art of national defense.

III

The third point in my analysis of this legislation has to do with the division of powers between the President and the people as represented by Congress. Selective Service places men in the armed forces of the United States. Universal military training does not. Selective Service brings men as soldiers and sailors involuntarily within the command of the President as Commander in Chief of the armed forces. This power over all men in our Nation is very essential in wartime, but it should be carefully examined and thoroughly understood before it is adopted as a peacetime policy.

I have been impressed with the wide divergence of views with reference to the powers of the President as Commander in Chief of the armed forces of the United States in peacetime. It is extremely important at this time that we examine as carefully and thoroughly as possible the extent of these powers. At the outset of my search for information, I was very much impressed when I found in reading the book, The Making of the Constitution, page 530, by Charles Warren, the following statement:

> On August 27, 1787, another power suggested by the committee was granted to the President, without debate (so far as appears from Madison's notes) that of "Commander in Chief of the Army and Navy of the United States and of the militia of the several States when called into the actual service of the United States." Such a power had been vested in the State governors in practically all the State constitutions; and in some the Governor had few powers or functions other than military.

That is why they did not debate the matter very thoroughly in the Constitutional Convention. So going back to the Constitutional Convention you cannot find any very great light on the division of power between the President and the Congress in the matter of national defense. The wording of the Constitution, of course, is quite general.

I was very much impressed in reading the annotations of the Constitution of the United States to find so few references therein to discussions of the peacetime power by our Supreme Court. In some of these cases, the statement is made that Congress has the power not only to raise and support and govern armies but to declare war and that it has therefore the power to provide by law for carrying on war. The Court in these cases states further that the command of forces and the conduct of campaigns are powers derived from the Constitution, but inasmuch as neither is defined by that instrument, their extent must be determined by their nature and by the principles of our institutions. The Court states also that the power to make the necessary laws is in Congress and the

power to execute is in the President, and each includes all authority essential to its due exercise "but neither can the President, in war more than in peace, intrude upon the proper authority of Congress, nor Congress upon the proper authority of the President" (*Ex parte Milligan* (4 Wall. 2, 139 (1866)); *Swaim* v. *United States* (28 C. Cls. 173, 221 (1893)), affirmed 165 U. S. 553 (1897)).

I have made a very brief search for authoritative statements with particular reference to the powers of the President as Commander in Chief of the armed forces of the United States in time of peace, and I will ask unanimous consent at the proper time to have them inserted in the RECORD immediately following these remarks. Insofar as my time permits, I will read portions of these quotations. My purpose in making this small contribution to the discussion at this time is to impress upon the House the importance of the full exercise at this time of such powers as the House may wish to exercise in restricting the power of the President.

Prof. Edward S. Corwin, on the President's Control of Foreign Relations, states:

I conclude that the Presidential power under survey (the right to perform acts of war without congressional authorization where the question is as to his right to take measures which are technically acts of war in protection of American rights abroad) is somewhat analogous to the so-called right of self-preservation at international law. Theoretically the power is a defensive power and reserved for grave and sudden emergencies. Practically, the limit to it is to be found in the powers of Congress and public opinion.

Elihu Root, in a famous debate in the Senate in 1912, had the following statement to make:

In my judgment, there is no law which forbids the President to send troops of the United States out of this country into any country where he considers it to be his duty as Commander in Chief of the Army to send them, unless it be for the purpose of making war, which, of course, he cannot do.

Doubtless, Congress could by law forbid the troops being sent out of the country; doubtless Congress has not done it; and I apprehend that any Congress which undertook to do it would find a general protest from the people of the United States against depriving the Commander in Chief of the Army of the power to protect our citizens under those circumstances which exist widely throughout the world, in countries whose governments have not the power to maintain order within their jurisdiction. From time immemorial it has been the practice of civilized nations to send troops into those countries whose governments were too feeble or too ill-organized, too deficient in power to enforce their laws and protect foreigners.

This has primarily to do, of course, with protecting our own citizens abroad.

Prof. Clarence A. Berdahl, in his book, War Powers of the Executive in the United States, has the following to say:

An eminent authority (Elihu Root) thinks that Congress could probably by law forbid the troops being sent out of the jurisdiction of the United States in time of peace; but in time of war the authority of the President is recognized as being absolute as to where the war is to be conducted, whether to await the onslaughts of the enemy and wage a purely defensive war within the boundaries of the United States, or to send the armed forces of the United States out of the country to carry on an offensive war in the enemy territory, in the territory of an ally, or perhaps even in the territory of a neutral.

William Howard Taft, in one of his lectures on "Our Chief Magistrate and His Powers," had the following to say:

The President is the Commander in Chief of the Army and Navy, and the militia when called into the service of the United States. Under this he can order the Army and Navy anywhere he will, if the appropriations furnish the means of transportation. Of course, the instrumentality which this power furnishes, gives the President an opportunity to do things which involve consequences that it would be quite beyond his power under the Constitution directly to effect. Under the Constitution, only Congress has the power to declare war, but with the Army and the Navy, the President can take action such as to involve the country in war and to leave Congress no option but to declare it or to recognize its existence. This was the charge made against President Polk in beginning the Mexican War. War as a legal fact, it was decided by the Supreme Court in prize cases, can exist by invasion of this country by a foreign enemy or by such an insurrection as occurred during the Civil War, without any declaration of war by Congress at all, and it is only in the case of a war of our aggression against a foreign country that the power of Congress must be affirmatively asserted to establish its legal existence.

What constitutes an act of war by the land or naval forces of the United States is sometimes a nice question of law and fact. It really seems to differ with the character of the nation whose relations with the United States are affected. The unstable condition as to law and order of some of the Central American Republics seems to create different rules of international law from those that obtain in governments that can be depended upon to maintain their own peace and order. It has been frequently necessary for the President to direct the landing of naval marines from United States vessels in Central America to protect the American consulate and American citizens and their property. He has done this under his general power as Commander in Chief. It grows not out of any specific act of Congress but out of that obligation, inferable from the Constitution, of the Government to protect the rights of an American citizen against foreign aggression, as in the Kotza incident, cited by Mr. Justice Miller in the Neagle case. In practice the use of the naval marines for such a purpose has become so common that their landing is treated as a mere local police measure, whereas if troops of the Regular Army are used for such a purpose, it seems to take on the color of an act of war.

Thus it would be difficult to explain the landing of our Army in Vera Cruz by force as anything but an act of war to punish the government of Huerta in Mexico for its refusal to render what was deemed by President Wilson as a proper apology for a violation of our international rights in the arrest of some of our sailors. This act was committed before authority was given by Congress, but the necessary authority for it had passed one House and was passing another at the time, and the question as to the right of the Executive to take the action without congressional authority was avoided by full and immediate ratification.

In Nicaragua in my administration an insurrection had led to the immurement of American citizens by insurrectos and the threatened destruction of American property. The President of Nicaragua, whom we had recognized and whose minister we had received, called upon us to protect our own citizens and their property because he was unable to render them the protection which their treaty rights gave them. This led to the landing of marines, and quite a campaign, which resulted in the maintenance of law and order and the elimination of the insurrectos. This was not an act of war because it was done at the request and with the consent of the lawful authorities of the territory where it took place.

IV

The fourth point I wish to discuss is the importance and desirability of voluntary military service and of universal military training as the best method of maintaining adequate national defense.

Mr. Chairman, those of us who served during World War I were impressed with the great lack of preparedness in this country at the outset of that war. At the end of the war, most of us veterans were interested in seeing to it that no future war should find America so unprepared. For that reason there was great interest in the resolutions adopted by the great convention of the American Legion at Minneapolis, Minn., in 1919. Those resolutions came as near expressing the universal opinion of all war veterans as any statement I can now recall, and, for your information and to refresh your memory, I will set out at this point the resolutions adopted at that convention bearing on the future military policy of the United States:

RESOLUTIONS ADOPTED AT THE MINNEAPOLIS CONVENTION OF THE AMERICAN LEGION ON THE FUTURE MILITARY POLICY OF THE UNITED STATES

1. That a large standing army is uneconomic and un-American; national safety with freedom from militarism is best assured by a national citizen army and navy based on the democratic and American principles of the equality of obligation and opportunity for all.

2. We favor a policy of universal military training, and that the administration of such policy shall be removed from the complete control of any exclusively military organization or caste.

3. We are strongly opposed to compulsory military service in time of peace.

4. We have had a bitter experience in the cost of unpreparedness for national defense and the lack of proper training on the part of officers and men, and we realize the necessity of an immediate revision of our military and naval system and a thorough house cleaning of the inefficient officers and methods of our entire Military Establishment.

We favor a national military and naval system based on universal military obligation, to include a relatively small Regular Army and Navy, and a citizen army and navy capable of rapid expansion sufficient to meet any national emergency, on a plan which will provide competitive and progressive training for all officers, both of the Regular Army and Navy and of the citizen forces.

We believe that such military system should be subject to civil authority. Any legislation tending toward an enlarged and stronger military and naval caste we unqualifiedly condemn.

5. The national citizen Army, which should and must be the chief reliance of this country in time of war, should be officered by men from its own ranks and administered by a general staff on which citizen-soldier officers and Regular Army officers shall serve in equal number.

We recommend that military training in high schools and colleges be encouraged.

6. We favor the continuance of training camps for the training and education of officers to serve in case of national requirement.

I should call your attention further to the fact that is probably well known by all of you that Great Britain and the United States have stood almost alone within recent years for the principle of voluntary service in peacetime, and most of us in America have grown up to look upon this feature of our military policy as one of our right, privileges, and immunities, held so dear to us all in our form of government.

I think it would be well at this point to examine the military policy that has prevailed in Great Britain. On May 26, 1939, Great Britain enacted a military training act providing for the conscription of men between the ages of 20 and 21 years for a period of 4 years, the first 6 months of which shall be given to active training. This act was to have been enforced for a period of 3 years with provision for its termination or extension under certain circumstances set out therein. The act provided that any man so conscripted for training may, at any time during the period for which he is so deemed to have been enlisted, enter or enlist, with the approval of the army council, for service in the Royal Navy or the regular air force. The act provided further that the trainee may, at any time during his training period, after completing the special course of training, enter or enlist with the approval of the army council, for service in any of His Majesty's reserve and auxiliary forces for a period which is not less than 3½ years.

Then came the European war. On September 1, 1939, Germany invaded Poland. On September 3, Britain declared war on Germany. On September 3, Britain also enacted the National Service (armed forces) Act of 1939. This act provided as follows:

(1) Until the end of the present emergency, the provisions of the Military Training Act, 1939, requiring persons to register under that act shall cease to have effect, and no person shall be liable to be called up for military training under that act.

(2) Any person who at the commencement of this act was registered under the Military Training Act, 1939, or who was required to be registered at any time before the commencement of this act, shall be liable to be called for service under this act notwithstanding that he may not be so liable by virtue of any proclamation made under this act.

(3) Any person who at the commencement of this act is registered under the Military Training Act, 1939, shall be deemed, in the case of a person registered in the military training register under that act, to be registered in the military service register under this act.

It is worthy of our consideration at this time to note that Great Britain clung to her freedom from conscription for military service until the outbreak of war and that she had launched a training program separate and apart from the regular armed forces with provisions for voluntary enlistment in the armed forces by any trainee who had been conscripted for training only. It is interesting also to note that the National Service Act which provided conscription for service in the armed forces was enacted on the same day that war was declared.

It seems to me that our own legislative process should be relied upon to likewise meet any such emergency calling for the change from a training program to a program of conscription for service during wartime.

I am certain that the preservation of the institutions and customs that typify our American democracy is a cause sufficiently worthy to challenge us to the utmost to find ways and means for meeting our defense needs without resorting to measures that resemble the practices of totalitarian governments.

I myself am opposed to conscription in peacetime for service. I am not opposed to conscription in wartime. I am in favor of universal training in time of peace.

What I am opposed to is placing the Army in the position of bringing civilians into the Army by the draft in peacetime for service, completely and totally under the control of the Regular Army, Regular Navy, and the War and Navy Departments. The background for my approach to this matter of obtaining adequate training and yet not going off the deep end in totalitarianism started several years prior to the Legion convention back in 1919.

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, I have always had very high respect for the viewpoint in regard to military security of the gentleman who just preceded me. I am sorry I have to differ with him on some of his views, especially in regard to our training program.

A lot of figures have been shown here this afternoon that I think have got everybody somewhat confused. It was almost impossible to get together in the committee on our viewpoint as to this legislation, and I think there is just about as much difference in views here in the House.

We are face to face, of course, with another very serious situation in our committee. I say serious because this committee has been on the spot now for some 7 or 8 years and it has not been an easy job. It has been continuous. The committee has always endeavored to bring out on the floor of this House, since the beginning of the emergency, what we felt to be sound legislation for the security of our people and our country. I think, as we look back over those days, the country and this House and the Congress should have respect for and should appreciate what this committee has done. I do not say that because I have been a member of this committee, I say it because I know how conscientious each man on that committee is. Whether or not the country agrees with us on this measure, we are face to face again with the job. Some people believe we can get along and have security and carry out our commitments without the necessity of extending this measure. I am not thoroughly convinced of that and I still have an open mind on it. I personally offered some amendments to the committee bill which I thought were good and which I felt would be enough to furnish the men for the Army. We have heard and listened to what we felt to be the best advice we could secure from the War Department and from the people who are supposed to know. They told not only us but the country that this clean-up job is necessary. It is necessary to secure the peace of the world as well as to take care of what we have and what we still have in surplus property throughout the world.

The question of whether it will be 18 years of age or 19 years of age or 20 or 21, of course, is an important problem. If we raise the age to 21 years, we will find there are simply no men in that group so we would just be fooling ourselves. We possibly could get a large number of men by lowering it to 19 years of age. We have some 94,000 men that have been deferred because they had to finish the semester in the high schools and the colleges of this country. If this shortage is going to occur around December, which seems possible, then this group or most of them certainly would be around 19 years of age. Therefore, they would be eligible if you care to raise it to 19 years. I have a boy who went into the service when he was 17. He was well developed. But I believe I can say from my own personal observation that he has not been hurt very much. I am not worried particularly about that. Some boys, however, I know are not developed and probably should not go into this. But we have had in this country a training program that has affected a large percentage of our boys, especially those who have gone through the Scout program in this country. I will put those boys against any boys anywhere in the world. I have traveled, as practically all the Members of the House have, throughout the world in the last 5 or 6 years, and I have been in all parts of the world. The American boy, from my observation, is able to take care of himself in practically every country of the world. They were good soldiers. They won the war, and they are coming back.

It is getting late and I do not care to take up the time of the Committee further. I think we could talk on this subject for hours and hours. Much has been said and most of the points have been explained with reference to the bill. I do want to read into the RECORD an editorial that appeared today in the Greensboro Daily News of Greensboro, N. C., as follows:

COURAGEOUS ACTION

The House Military Affairs Committee, in approving legislation which would extend the draft in modified form for 9 months, or until next February 15, should be given credit for acting courageously and putting principles above politics.

Members have obviously been impressed with the necessity of meeting American commitments and the tremendous stake which is involved in establishment of a peaceful and secure world. While heavy pressure has been exerted for termination of the draft, it is decidedly to these Congressmen's credit that they have withstood it even in an election year and exhibited that sort of courage and statesmanship which caused them to put national security ahead of their own political

ambitions and careers. They properly preferred taking a chance on their own reelection to that gamble which Gen. Dwight Eisenhower warned should not be taken with national security and world peace.

Our hope is that the House committee has set an example which Senate committeemen and membership of both branches, when the issue is actually posed, will emulate and even learn, on the morning after election, that theirs is the kind of public service which the American citizenry after all wishes and approves in the direction and administration of its affairs. The way to get courageous Congressmen is not to punish them, but rather to reward them, for their courage.

Mr. ANDREWS of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Nebraska [Mr. BUFFETT].

Mr. BUFFETT. Mr. Chairman, when will the freedoms our citizens possessed before the war be restored?

Demobilization and retooling are important, but the paramount task in reconversion is the recovery of freedom in America. That means the Draft Act should expire.

You can dress up a new Draft Act to give it popular appeal, but there can be only one honest conclusion. A draft extension brings about peacetime compulsory military service in the United States.

It should be voted on by this membership forthrightly and frankly on that basis. Only by such a clear-cut decision will Congress be honest with the people whose hopes and lives would be impaired by this peacetime draft.

Besides formalizing peacetime conscription, this bill drastically affects the lives of the people in other ways. It abolishes in peacetime, without the consent of the people, two of the three inalienable rights of the Declaration of Independence—liberty and the pursuit of happiness—for young men now reaching eighteen.

YOUTHS IN CANADA HAVE LIBERTY

It reduces American youth to a second-class citizenship, inferior to that of 18-year-olds in Canada and other lands. For in Canada, 18-year-olds had their rights of liberty and the pursuit of happiness restored on VE-day. No trick emergency is being used in Canada to conscript their youth. They have a full opportunity to plan their own futures without the heavy hand of government wrecking their hopes.

Mr. Chairman, are Canadian youths entitled to the inalienable rights of the Declaration more than American youths, whose ancestors fought to gain those liberties? Is Congress to reduce our youth to a sad condition where young people, born in other lands, are assured of a better opportunity in life than boys born in America?

Mr. Chairman, the sacred birthrights of Americans—liberty and the pursuit of happiness—are commitments which this bill would wantonly violate.

COMMITMENTS ABROAD LARGELY A HOAX

We have been receiving and passively accepting many solemn utterances about military commitments abroad. I have sought from General Eisenhower and other officials the facts about our commitments abroad. Finally I sought the assistance of the Legislative Reference Service of the Library of Congress. From them, I have obtained what I believe to be an unbiased and authoritative statement of "commitments abroad."

In brief, the Legislative Reference Service report may be summed up in a sentence—the only international commitment of the United States today entailing the use of armed forces, is to furnish a portion of the international police force of the United Nations. That is our only commitment. Our segment of the international police force, according to advance reports, would not run over 200,000 men.

Mr. Chairman, the Library of Congress report makes it plain that persistently repeated claims from high places that hundreds of thousands of American boys are required to keep a multitude of "commitments abroad" is a hoax, foisted on the American people by propaganda and repetition.

Let the advocates of this peacetime conscription give us the full facts in detail about our armies and their plans abroad. With 8 to 12 months to bring about Axis disarmament having passed, what is our position and outlook in Axis lands?

Are American military forces remaining in Germany, Japan, and Austria for permanent military rule in the pattern of the Roman Empire?

Or is it our purpose to allow these peoples self-government quickly, with a small force, adequately armed to prevent a resurgence of militarism, stationed temporarily?

Or is it possible that this administration is afraid withdrawal of our large armies abroad will be followed by further Soviet expansion in both Europe and Asia?

The foregoing questions deserve full answers now. If our armies are remaining abroad for still other reasons, we should have the facts.

FREEDOM OR IMPERIALISM?

Whatever our position abroad is, I make this point. If voluntary recruitments will not fulfill present plans abroad let the incentives for military service be increased. If an increase in attractiveness of military service fails to expand our armies to the desired numbers then our ambitions abroad should be reduced proportionately.

No objective abroad, in peacetime, equals in importance the restoration of liberty in America.

Mr. Chairman, there is no surer road to trouble for America than to keep large bodies of troops permanently stationed in foreign nations far removed from the continental limits of the United States. To the people of these lands, the presence of large American military forces can only mean that we are either war-minded or imperialistic.

The situation is not entirely unlike having a force of Russians, for example, stationed in Central America, where revolutions often occur.

DRAFT CAUSING MORAL BREAK-DOWN IN AMERICA

Beyond the foregoing, I know of no way to more certainly destroy America than to risk its seed corn annually by forcing our best young men into conscript foreign service under chaotic moral conditions.

We profess to be alarmed about juvenile delinquency. Yet in peacetime the draft would take our youth at 18 and hustle them off to foreign lands, far from all the family bulwarks for character building, so vital at that age. Likewise, youths under 18 are rapidly acquiring a devil-may-care attitude, as they survey the prospect that their hopes and plans for careers are soon to be violently interrupted by forced military service.

Theoretically, we propose to teach the Germans and the Japs the benefits of liberty and freedom. Yet this bill would enslave our young men and send them abroad to teach the benefits of liberty and freedom—a procedure that makes a mockery out of the whole business.

CONSEQUENCES OF MILITARY OCCUPATION

On the effects of an army of occupation, I wonder if there is a single southerner in this House who will contend that Union forces in the South after the War Between the States contributed to the restoration of peace and good will. If any nation should know the futility of armies of occupation, America should. Yet, apparently, we have forgotten that force always creates hate, and hate creates revenge.

Mr. Chairman, peacetime conscription to secure occupation troops will not preserve the strength of America. It will not save Europe. It will not contribute to peace. But it will impair the social, moral, and spiritual foundations upon which our Government is based.

Mr. Chairman, I restate my charges against the extension of the War Draft Act:

First. It brings about peacetime compulsory military service by indirection.

Second. It repudiates and destroys "inalienable rights" of our youth.

Third. It is required for no actual commitments abroad.

Fourth. It will tend toward war.

Fifth. It will corrupt the morals of our youth.

Sixth. It will spread ill-will and distrust in a world where the people are longing for peace.

Besides turning down this proposal, this Congress should immediately declare the war over so far as those drafted for selective service are concerned. Then they can be home in not to exceed 6 months, if they desire to return to civilian status. The principles outlined herein apply with equal or increased importance to them. Congress will be continuing a grave evil if we do not take prompt action to restore freedom to these Americans.

TEXT OF THE LEGISLATIVE REFERENCE SERVICE REPORT ON MILITARY COMMITMENTS

World War II Commitments of the United States

An international commitment, to be legally binding upon the United States, must have the explicit approval of two-thirds of the United States Senate, or, it must be negotiated by executive agreement. In this sense, articles 42 and 47 of the Charter of

the United Nations constitute the only commitment made by the United States entailing the employment of armed forces. These articles read as follows:

"ART. 42. Should the Security Council consider that measures provided for in article 41 would be inadequate or have proved to be inadequate, it may take such action by air, sea, or land forces as may be necessary to maintain or restore international peace and security. Such action may include demonstration, blockade, and other operations by air, sea, or land forces of members of the United Nations.

"ART. 47. There shall be established a Military Staff Committee to advise and assist the Security Council on all questions relating to the Security Council's military requirements for the maintenance of international peace and security, the employment and command of forces placed at its disposal, the regulation of armaments, and possible disarmament." (Source: Facsimile of the Charter of the United Nations, in Five Languages, pp. 9, 10.)

In a looser sense, the understandings and declarations cited below have often been referred to as "commitments." They do not, however, appear to be legally binding upon the United States.

The communique issued on November 1, 1943, after the Moscow Conference of Foreign Secretaries of the United States, of the United Kingdom, and of the Soviet Union, reads:

"Second only to the importance of hastening the end of war was the unanimous recognition by the three Governments that it was essential in their own national interests and in the interest of all peace-loving nations to continue the present close collaboration and cooperation in the conduct of the war into the period following the end of hostilities, and that only in this way could peace be maintained and the political, economic, and social welfare of their peoples fully promoted." (Source: The United States and the Peace, pt. I, a collection of documents issued as a supplement to the United States News, April 5, 1945, p. 6.)

Part of the report on the Crimea Conference issued on February 11, 1945, following the meeting of the Big Three, reads:

"The Premier of the Union of Soviet Socialist Republics, the Prime Minister of the United Kingdom, and the President of the United States of America have consulted with each other in the common interests of the peoples of their countries and those of liberated Europe. They jointly declare their mutual agreement to concert during the temporary period of instability in liberated Europe the policies of their three governments in assisting the peoples liberated from the domination of Nazi Germany and the peoples of the former Axis satellite states of Europe to solve by democratic means their pressing political and economic problems." (Source: the United States and the Peace, pp. 56–7.)

The Charter of Inter-American League, known as the Act of Chapultepec, of March 3, 1945, reads (the Act of Chapultepec merely implements the Monroe Doctrine):

"The principles and procedure contained in this Declaration shall become effective immediately, inasmuch as any act of aggression or threat of aggression during the present state of war interferes with the war effort of the United Nations to obtain victory. Henceforth, and with the view that the principles and procedure herein stipulated shall conform with the constitutional principles of each republic, the respective governments shall take the necessary steps to perfect this instrument in order that it shall be in force at all times." (Source: the United States and the Peace, p. 74.)

General of the Army George C. Marshall in his report as Chief of Staff to Members of Congress on September 20, 1945, stated:

"The problem is to determine definitely, as early as possible, the forces we are to maintain overseas, and what personnel is to be required in this country to maintain these overseas forces. I don't believe that this matter will be settled conclusively by July 1, 1946, because we probably will not have the terms of the peace treaty by then, and its terms in relation to air forces and similar matters will be unknown. The target date of July 1, 1946, a date that should register a transition from the present fluid situation to one where we should be pretty well cleared in our minds as to just what is required to maintain those troops, and how much of a force, otherwise, we should have." (Source: Demobilization of the Army (79th Cong., 1st sess., S. Doc. 90), p. 10.)

General of the Army Dwight D. Eisenhower in a prepared statement to a special meeting of Members of Congress on January 15 declared:

"Perhaps we sometimes speak in too general terms of what our troops are doing in Europe, obscuring the manifold tasks to which men are assigned. We speak of 'commitments' and 'obligations.' Let me translate such words into a picture of their meaning as an army of occupation goes about the daily tasks of policing an enemy country and disposing of the prodigious stores assembled to fight the war.

"Start with our primary and continuing mission of occupation duties. Troops assigned to this work supervise the German and Austrian Governments. It is a complex job. We are going through the throes of reconversion in this country—Germany and Austria are going through reconversion, too. In our zones in those two unhappy countries the Army is responsible for supervising all the headaches of a change-over from war to peace, with the added directive that we must make certain these people are so disarmed, both economically and in a military sense, that they cannot make war again." (Source, the New York Times, January 16, 1946, p. 14.)

(A. O. Sarkissian, General Research Section, Library of Congress Reference Department, Legislative Reference Service. April 9, 1946.)

Mr. ANDREWS of New York. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I feel that we have a very great responsibility in connection with this legislation. I know the Members realize that from the beginning of this Government those who have wished to guard the liberties of our sovereign citizens have sought to protect them against militarism. I quite agree with the distinguished gentleman from Iowa [Mr. MARTIN], who discussed that subject and that danger. For 150 years or more, under the provisions of our Constitution, it has thrown a bulwark between the free people of this country and the encroachments of militarism. At first thought it may not seem to be dangerous, but just look at the history of countries for the last 2,000 years and see what has happened when the military became too strong, and where they had compulsory military service. Millions of people have come to this country to escape the disease of ruthless militarism.

This bill seems to be a rather simple affair and under the technicalities of the existing war the military powers are hoping to fasten this idea of conscription upon the people. There is wherein the danger lies. I am not directing any personal criticism at any officer in the Army, but power feeds upon power. The military throughout all history has sought to encroach a little at a time until they finally took over the affairs of government. You may say, "Well, that is going a long way in this country." But there is the coiled serpent in the brains of certain military men who make a life study of military power, and who are given great power during wartimes over the citizens of the country and over millions of young men. As officers they can order them as they wish; they can court martial them for life for some boyish prank, as we know they have done during this war, and when the shooting is over and the fighting is over they still want to exercise that power over the citizens of the country. They feel that they can discipline the country so well that there will be no danger at all in case of an emergency, if the Army be allowed to run the Nation.

Let me give you an idea while we are talking about this question of educating our young men. The Army wants to set up schools and take over the youth as a part of their program. I will challenge any one of you to try to find this provision from the Army training manual from 1928 to 1932, yet for 5 years this went out to the young men in the Army. They were not content to carry on their own functions in the War Department, but they wanted to enter the domain of civic education, and, among other things, gave this verdict on democracy for which presumably they had fought and died.

Here is what I want to give you. This is a single paragraph taken from the training manual of the Army, 1928 to 1932. This is the description they gave of democracy to the young men of this country:

> Democracy: A government of the masses. Authority derived through mass meeting or any other form of "direct" expression. Results in mobocracy. Attitude toward property is communistic—negating property rights. Attitude toward law is that while a majority shall regulate whether it be government based upon deliberations or government by passion and prejudice and impulse without restraint or regard to consequences results in demagogism, license, agitation, discontent, anarchy.

Now that went out for 5 years, and finally people familiar with constitutional law discovered that this instruction and definition was being put out to the young men. There was such a protest of public indignation from all over the country that finally it was deleted from the Army Manual. I called the Library of Congress: Did I find a copy of the instructions?

Oh, no.

Did I find it down in the War Department?

No.

The philosophy and idea of our so-called democracy is still in the minds of the military. They want to give to the youth of America their military interpretation of democracy. That is quite different from the definition of democracy that we hear propounded on the floor of the House.

Now, I want to call your attention to the fact that after that definition of democracy was suppressed one would have thought it would not come up again; but when Mr. Woodring was Under Secretary of War we find this:

Let me speak frankly—

Said Assistant Secretary Woodring—

If this country should be threatened with foreign war, economic chaos, or social revolution, the Army has the training, the experience, the organization, and the men to support the Government and direct the country in the national interest.

I thought that was a function of the people through their Congress; but, no, that is their idea, that they could do it better than any other department of the Government.

My time is running out fast and I cannot quote as much of this now as I would like to, but I will extend more of it when I revise my remarks and include some paragraphs which you will find interesting.

He goes on further in this statement to say that as a further evidence of the Army's ability to carry out a major economic policy he mentions the fact that the Finance Department of the Army was recently employed to make disbursements for the Department of Agriculture in paying the meat packers, that that was the only organized set-up already in the field that could take over this emergency duty without additional costs and additional organization.

Then, leaving out the political part where they refer to the Democratic platform, this article states:

In my opinion, next year the individual CCC set-up should be eliminated in the interest of economy and efficiency and the work be taken over by the Army as part of its regular duties. We do not desire to make soldiers out of the CCC boys against their will, but we do desire to help direct and develop this great experiment in long-range social economics and in physical training.

They want to take over the functions of Congress and also of our educational institutions.

This brings me down to something that I had not intended to put in the RECORD and it has to do with a boy in my district. The other day I had a call from a young man who had lost his right leg below the knee. The leg was injured at Cassino. I know the boy and I know his family. They are a fine farm family living back in the hills in my county. The father and mother of this boy had a 98-acre farm and they furnished four boys to this war. Two of them are in the service now. One of them is out of the Army now, but with both legs injured, and because of the injury he is having much difficulty, and is greatly handicapped in his effort to support his family. This boy had been in the Army since 1942. He served in England, he served in Germany, and in Africa, and wherever the Army happened to send him. Finally he arrived in Italy, and at Cassino his leg was injured and finally amputated. He has been out at Walter Reed Medical Center. They have kept him in the Army. He has wanted to get out.

Up in my country we have severe winters. This boy went home on a furlough in 1944. He wanted to spend Christmas with his father and mother who were both ill. Incidentally, they had given up all of their livestock and all of their other activities on the farm because they had no boys to help them.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CLASON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. REED of New York. Mr. Chairman, this boy went home for Christmas and he was snowed in 5 miles back in the hills, with snow 20 feet deep in places. He was on leave and when he could not get out to return on time, he notified the Army hospital. They extended his leave. But finally he had to come back. He waded in snow up to his waist with his crutch and one leg 5 miles over country roads; then he hitch-hiked 10 miles in order to get a train to come down here. When he got back he was tried by court martial. He was sentenced to 2 months in the guardhouse at hard labor and fined $200.

Mr. Chairman, this boy wants to get out of the Army. I went out there the other day to see him. The officers said they wanted to operate on him again, but he does not want to be operated on. He wants to get home. He is married. He has a child. They do not want to let him out on the plea, of course, they want to operate on him further. As a matter of fact, they are prejudiced against him.

Mr. Chairman, this is militarism at work. That is what it is. I took it up with the gentleman from Kentucky [Mr. MAY], chairman of the Committee on Military Affairs, and I will say that he gladly offered to cooperate in order to get this boy out. But what happened? I went out to see the lad. I saw the officers. I interviewed General Beach, then I went out and saw the captain over this boy.

We had a conference there, and after the conference I said, "If you men will go out now that you have told the boy what you want to do, I will see what he has to say." He said to me, "I still want to get out."

I did not hear anything further and supposed they had tried to process this lad and get him out of the Army. Then I learned that a Colonel Slocum had gone out to see him. They reported to me then that the boy had asked and negotiated to stay in. I called up the boy to know if that was true, and he said "No." I said, "I would like to have your statement over your signature, because this is pretty serious." So this note came to me today, and it reads as follows:

There seems to be a misunderstanding regarding my discharge. Colonel Slocum suggested I stay in 3 weeks to a month to learn how to use the artificial leg. I did not agree. I don't remember the exact date, but it was 2 days after you were out to the hospital.

Thanking you for your appreciated help.

The young man signs the letter.

Now, Mr. Chairman, that is militarism. You talk about getting volunteers? If the Army wants to get volunteers, they will have to stop this unfair treatment of the soldiers just because some officer in the Army is prejudiced against the boy. Imagine this boy who fought at Cassino, Italy, who lost a leg in the service of his country, being subjected to such treatment. Moreover, his father and mother, who have given four boys to the service and given up, also, their means of support from a 98-acre farm, should have some consideration. Why should the Army retain the soldier on the plea they want to help him? As a matter of fact, until I brought pressure to get him out the Army, it was the first time the officers paid any attention to the treatment of his amputated leg. He has a wife and baby. He wants to get out of the Army. He wants to get a job. He wants to work and support them. A fine surgeon at home, so I am told, said, "I will take care of his leg and see that he gets an artificial limb." But here are the bureaucrats in the Army, men who want to put militarism through by means of this draft bill in peacetime, so that they can fasten it on the people permanently. They have been at it for years. You know they have never lost an opportunity in an attempt to do so.

If this Congress is going to stand for that type of injustice, what kind of defense are we going to have in the future? Is there any necessity for this draft to get men? Read the analysis of Army figures:

ANALYSIS OF ARMY FIGURES IF DRAFT IS NOT EXTENDED BEYOND MAY 15, 1946 (ALL FIGURES EXCEPT AS OTHERWISE INDICATED ARE THOSE OF THE WAR DEPARTMENT)

JULY 1, 1946—REQUIREMENTS AND AVAILABLES

Volunteer men	800,000
Volunteer officers	150,000
Draftees still in service	600,000
Total	1,550,000
Required	1,550,000
Deficit	None

JULY 1, 1942—REQUIREMENTS AND AVAILABLES

(Totals derived from adding War Department figures below)

Volunteer men	772,748
Volunteer officers	129,000
Draftees still in service	236,141
Wacs	12,000
Philippine Scouts	50,000
Total	1,199,889
Required	1,070,000
Deficit	None

The following is a more detailed analysis of those required and available July 1, 1947.

REQUIREMENTS

Four hundred thousand Air Forces, of whom 62,000 are to be officers (figures from General Spaatz' office).

Six hundred and seventy thousand ground froces, of whom 10 percent or at least 67,000 are to be officers. Total men required 941,000. Total officers required, 129,000. Total required, 1,070,000.

"We anticipate no difficulty in securing these officers" (as volunteers).—Secretary Patterson, March 21, 1946, to House Military Affairs Committee.

AVAILABLE

The following who will have volunteered as indicated will still be in service July 1, 1947.

Date	3 years	2 years	18 months	1 year
June 1 to Oct. 1, 1945	12,093			
October	50,843	313		
November	95,547	1,307		
December	59,392	1,209		
January 1946	58,740	2,374	31,084	
February	43,206	1,579	36,305	
March	37,294	1,632	30,830	
April	29,000	1,500	20,300	
May	20,000	1,500	14,000	
June	15,000	1,500	10,500	
July	15,000	1,000	3,000	1,000
August	15,000	1,000	3,000	1,000
September	15,000	1,000	3,000	1,000
October	15,000	1,000	3,000	1,000
November	15,000	1,000	3,000	1,000
December	15,000	1,000	3,000	1,000
January 1947	9,375	625	1,875	625
February	9,375	625	1,875	625
March	9,375	625	1,875	625
April	9,375	625	1,875	625
May	9,375	625	1,875	625
June	9,375	625	1,875	625
Total	568,065	22,664	172,269	9,750

Total volunteers (exclusive of officers) in service July 1, 1947	772,748
Total volunteer men in service July 1, 1947	772,748
Volunteer officers	129,000
Philippine Scouts, authorized by Congress	50,000
To be retained in Women's Army Corps	12,000
Men drafted between Jan. 1 and May 15, 1946, still liable for service July 1, 1947, under 18-month term:	
January	34,494
February	31,647
March (minimum estimate)	30,000
April (selective service quota)	125,000
May 1–15 (minimum estimate)	15,000
Total, of whom a percentage become volunteers after induction	236,141
Grand total	1,199,889

Grand total indicates excess of 129,889 over 1,070,000 requirement for July 1, 1947.

SIZE OF ARMY IF PAY IS INCREASED

General Textor told the House Military Affairs Committee April 5 that a 10-percent increase in base pay would result in an estimated 30-percent increase in volunteers. On this b sis the following figures reveal even less need for a draft:

Estimated volunteers if pay is increased 10 percent	839,336
Volunteer officers	129,000
Philippine Scouts	50,000
Women's Army Corps	12,000
Draftees still in service under 18-month term	236,141
Total	1,266,477

This is an excess of 196,477 over the requirement of 1,070,000 for July 1, 1947.

REPLACEMENTS WILL BE ADEQUATE WITHOUT DRAFT

The War Department has claimed that without a draft extension it could not replace fathers or men now in service who have been in a long time. The following indicates that there will be adequate replacements without any further draft of men:

The Army has had authority all the time to release fathers and only after threat of congressional action stopped drafting fathers at the end of 1945. The Army is expected to release from the present 2,500,000-man army about a million men to bring the Army to its 1,550,000 level on July 1, 1946. Without giving any special consideration to fathers there will be on July 1 only 120,000 fathers in the Army. Special consideration, or a revision of the point system, could get them out of the Army by July 1, 1946.

More than a million men will have been drafted between January 1, 1945, and May 15, 1946, all of whom, having less than 18 months service, will be still liable fo. Army service July 1, 1946. However, with 950,000 volunteer officers and men July 1, 1946, and the Army's expressed intention of keeping only 600,000 draftees to make up its total of 1,550,000, the Army will be in a position to discharge almost half a million men who will have had less than 18 months' service. Why not give the fathers preference?

The Army is scheduled to be reduced from 1,550,000 on July 1, 1946, to 1,070,000 on July 1, 1947. The size of the Army is therefore scheduled to be reduced by 480,000, making the rate of decrease 40,000 men per month. Accepting Secretary Patterson's estimate of 30,000 volunteers per month from July 1 to December 31, 1946, the Army could afford each month to release 70,000 men. This could all be done without any further extension of the draft.

VOLUNTEER ENLISTMENTS ARE NOT CAUSED BY DRAFT THREAT

Figures obtained from Maj. Gen. Edward F. Witsell, The Adjutant General, United States Army, reveal that 81.3 percent of all recruits are veterans and hence not persons who are liable or who are about to become liable for military service under the draft. Only 18.7 percent are young men, mostly 17- and 18-year-olds.—New York Times, March 14, 1946.

Volunteer enlistments were 65,000 in October 1945; 185,000 in November; 131,000 in December; 113,000 in January; 93,000 in February. Over half of these were 3-year enlistments who were obviously not volunteering to escape the draft or they would have volunteered for the permissible 1-year or 18-month terms.

ARMY ACTION LOWERS VOLUNTEER RATE

A question may be raised as to why the Army raised its passing grade from 59 to 70 on the Army general competency test (which all volunteers must take), but did not do so for drafted men. As a result of this action the weekly volunteer rate has dropped from 20,000 to 17,000.

THE DRAFT DOES NOT AFFECT THE NAVY

The statement of Capt. G. R. Donaho, Navy Director of Recruiting and Induction, is reported in the New York Times of February 2, 1946 as follows:

"The threatened end of the draft in May, he said, would not affect its (the Navy's) manpower inflow in the slightest degree. 'We do not need the draft either now or in the future to recruit for the peacetime Navy', Captain Donaho stated. He added his belief that current Navy enlistments were not influenced in the slightest by the threat of the draft."

DISCREPANCIES IN WAR DEPARTMENT CLAIMS

Army spokesmen do not even have the same figures when testifying as to the deficit which there would be July 1, 1947. The New York Times of March 18, 1946 reported that General Eisenhower had told the House Military Affairs Committee "that failure to renew the draft law would leave the United States with an Army of only 570,000 men on July 1, 1947" and the Army would therefore be short 500,000 men. But on March 21, 1946 Secretary of War Patterson told the House Military Affairs Committee that the Army on July 1, 1947, would be short 170,000 men. And on April 3 General Textor told the Senate Military Affairs Committee the Army would be short only 51,000 men on July 1, 1947 and on another chart 271,000 if men are limited to an 18-month term.

In the Senate hearings on the voluntary enlistment bill, the Army testified that they needed by July 1, 1946, 650,000 enlistments, and the best they could expect from voluntary enlistment would be 300,000. They now have more than 650,000 voluntary enlistments and there are more than 2 months still to go before July 1.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Chairman, today the Members of the House of Representatives paid sincere and appropriate tribute to the memory of our late President, Franklin D. Roosevelt, who died 1 year ago. I have often thought of the heavy burden which he carried, not only as President, but as Commander in Chief of the armed forces during our participation in the tragedy of World War II. I thought not only of his leadership as a man of war but of the well springs of his thinking in connection with the hoped-for period, a permanent period of world peace. In this connection I recall the lines written in 1886 by Tennyson when he glimpsed a future that I believe was the type of future President Roosevelt hoped for very much, using the words of Tennyson, "Earth at last a warless world."

A few hours after we have paid these eulogies to the late President we are considering in this body legislation which is directed at the possible extension of the so-called Draft Act, and also in its overall objectives to the defense of America and the security of our people not only in time of war but in time of peace. Perhaps tomorrow, when the bill is read for amendment, I shall take time to express my sentiments and my feeling about this bill as it comes to final passage. However, because of the lateness of the hour and my desire to have the membership study a proposed amendment which I will place in the RECORD so that it may be read in the morning, I briefly call your attention to it at this time. In essence it will be stated thus:

Students in advanced training as professional personnel in scientific fields and all men engaged as professional personnel in scientific research and development, and all men engaged as essential technicians in scientific research and development shall be required to register but, upon certification under appropriate regulations prescribed by the President, shall be deferred from training and service so long as they are so engaged.

Mr. Chairman, President Roosevelt on November 17, 1944, directed a letter to Dr. Vannevar Bush in which he discussed a postwar scientific program. Four questions were asked of Dr. Bush, and I think that one of them especially has a direct bearing upon the legislation, in connection with draft deferment. That question was this:

Can an effective program be proposed for discovering and developing scientific talent of American youth so that the continuing future of scientific research in this country may be assured on a level comparable to what has been done during the war?

That is the end of the question by the late President. Dr. Bush in July 1945 in the form of a report entitled "Science, the Endless Frontier" made reply to President Truman:

WE MUST RENEW OUR SCIENTIFIC TALENT

The responsibility for the creation of new scientific knowledge—and for most of its application—rests on that small body of men and women who understand the fundamental laws of nature and are skilled in the techniques of scientific research. We shall have rapid or slow advance on any scientific frontier depending on the number of highly qualified and trained scientists exploring it.

The deficit of science and technology students who, but for the war, would have received bachelor's degrees is about 150,000. It is estimated that the deficit of those obtaining advanced degrees in these fields will amount in 1955 to about 17,000—for it takes at least 6 years from college entry to achieve a doctor's degree or its equivalent in science or engineering. The real ceiling on our productivity of new scientific knowledge and its application in the war against disease, and the development of new products and new industries, is the number of trained scientists available.

The training of a scientist is a long and expensive process. Studies clearly show that there are talented individuals in every part of the population, but with few exceptions, those without the means of buying higher education go without it. If ability, and not the circumstance of family fortune, determines who shall receive higher education in science, then we shall be assured of constantly improving quality at every level of scientific activity. The Government should provide a reasonable number of undergraduate scholarships and graduate fellowships in order to develop scientific talent in American youth. The plans should be designed to attract into science only that proportion of youthful talent appropriate to the needs of science in relation to the other needs of the Nation for high abilities.

INCLUDING THOSE IN UNIFORM

The most immediate prospect of making up the deficit in scientific personnel is to develop the scientific talent in the generation now in uniform. Even if we should start now to train the current crop of high school graduates none would complete graduate studies before 1951. The armed services should comb their records for men who, prior to or during the war, have given evidence of talent for science, and make prompt arrangements, consistent with current discharge plans, for ordering those who remain in uniform as soon as militarily possible, to duty at institutions here and overseas where they can continue their scientific education. Moreover, the services should see that those who study overseas have the benefit of the latest scientific information resulting from research during the war.

It is obvious, my colleagues, that if we are to continue the draft, even for a limited time, that it should not interfere with the training of scientific and technological students.

The seed corn of our future leadership in world science must be planted now in our colleges and universities if we are to compete in the years to come with the other great nations. United States alone of all the major nations continued to draft its scientific and technological students during war. Now is the time to correct that error. The atomic race is on.

Russia has given science a top priority. She is continuing in peace as in war to direct mass attacks on problems of scientific research. Manpower for these projects is not only free of duty to the state, but enjoys special benefits.

The deficit in scientific and technological manpower must be made up now before the opportunity passes. The first step is to conserve our manpower and give it the opportunity to apply its efforts where it will produce the most effective results.

Scientific and technological manpower must be relieved of military service and put to work in the laboratories of our institutions of learning. This is the only guaranty the United States can count on continued leadership in the world of science.

Mr. CLASON. Mr. Chairman, I yield 10 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, it does not seem to me that the argument the gentleman from New York made regarding his constituent, the boy who gave his leg for us on the Anzio beachhead, has anything to do with this bill. Being prepared, to my mind, is the very thing that will keep the men from giving their arms and their legs in battle.

I have for a long time protested against the severity of the fines and the imprisonment given by the courts martial to our disabled men. I appeared before General Doolittle's committee for about an hour recently. As you all know that committee is considering the relationship of the enlisted men and the officers. One of the things I brought up at that time was the severity of the punishment for our disabled men, often given them for some minor infraction of the rules. They seemed to be very much interested and asked many questions. I would suggest to the gentleman from New York that he take up with the other special committee that is now making a study of courts martial this very problem. I plan also to ask for a hearing. There has been great injustice done our disabled men both in imprisonment and in fines.

Mr. DURHAM. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from North Carolina.

Mr. DURHAM. I may say to the gentlewoman that a subcommittee of the Committee on Military Affairs has been studying courts martial for some 8 months, and the report is ready to submit to the full committee now on this whole matter.

Mrs. ROGERS of Massachusetts. I would be very glad to see that report.

Mr. DURHAM. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. IZAC].

Mr. IZAC. Mr. Chairman, I asked for this time earlier in the afternoon so that I could say at least a few words about this bill, inasmuch as I expect to be about 3,000 miles away by this time tomorrow, and will not have an opportunity to vote on the bill.

I thought I might give just one little angle that perhaps is not known to the members of the House Committee on Military Affairs generally, and that is the experience we have had to date with the Navy and the Marine Corps. I presume the members of the Committee on Military Affairs have given the same conscientious attention to this problem that we have in our committee. I presume that when they tell you they need 1,070,000 men by the 1st of July 1947 they are correct in that. Certainly I would be the last one in this House to vote against what they deem necessary for the military commitments we have throughout the world. So I hope they get the 1,070,000, and I hope the Navy gets the 558,000 and the Marines the 108,000 I notice are mentioned in the bill.

Let me tell you just what I had in mind. On the 20th of December last we passed what is known as the Fleet Reserve bill or the incentive bill. Our idea was that instead of using 18-year-olds to police foreign countries—our former enemies—and having an immature personnel of the Navy, we would make it possible for men in both the Army and the Navy to follow a career, and at the end of 20 years have a decent retirement on the condition that they would remain available for the Army and Navy for 10 years, so that at the end of 30 years they would be totally retired with pay of 2½ percent per year of whatever rate they had attained.

That bill—and this is the crux of my remarks—passed this House unanimously. When it reached the other body with an amendment offered by the gentleman from Alabama [Mr. SPARKMAN] which gave exactly the same incentive to the Army personnel as ours did in the Navy bill to the Navy and the Marine Corps, that body failed to take any action. As you can see, that was over 3 months ago. I say, if we will forget some of this atom bomb difficulty and doubt and uncertainty, and forget something about the troubles of the executive branch of the Government in relation to how the Army and Navy shall be set up, in other words, this unification problem, and get right down to brass tacks, we can have enough men in both the Army and the Navy at a decent pay through this incentive bill and by making provision on a 4-year basis for men of maturity, not 18-year-olds, to form the armies of occupation which are so badly needed to make unnecessary, if you please, the third world war. That is the only thought I have to offer. I hope when the amendments are offered tomorrow you will bear that in mind and see if we cannot through this incentive method and through an increase in pay make unnecessary recourse to the selective-service draft.

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Chairman, first let me thank my distinguished chairman for his courtesy and compliment him for his fairness and impartiality in the consideration of this vital question.

This bill is the first step toward peacetime militarization of the country and let us not delude ourselves about that fact. It is also the first step toward universal compulsory military training.

I have made as careful a study as possible of this question and the testimony presented before the Military Affairs Committee. It is my strong conviction that the American people are opposed to compulsory military service in time of peace, unless, and until, it is clearly demonstrated that an adequate army, navy, air force, and marine corps to defend the United States, to carry out occupational duties and international commitments, cannot be raised by voluntary measures.

At present we have the greatest Navy and the most powerful Air Force in the world and intend to retain them as long as necessary. We have a strong mechanized Army and behind it a large, powerful reserve of vigorous, experienced young men just returning from active wartime service, of more than 8,000,000. We have the atomic bomb—a weapon of devastating power beyond comprehension. These defenses can spring into action on very short notice.

Since last October we have recruited about 800,000 men for the Army alone which was some 500,000 more than the War Department estimated. The Navy has already stated that it can recruit enough personnel without the draft. It does not need or want the draft. In the month of March just passed we recruited about 73,000 men for the Army alone on a voluntary basis.

These figures clearly indicate that we will have no difficulty getting sufficient men for all needs of the Army and this will be more than assured if we increase the pay to attract and induce enlistments. If the number of men already enlisted and serving in the Army on a voluntary basis are properly deployed and utilized we will have no difficulty in meeting all our obligations, filling all our military needs and returning all wartime personnel to their homes at an early date.

There has been no reason whatever, save whim and caprice of military leaders, why fathers should have been retained in the Army after VJ-day. They must be released immediately. There is no justification for taking our young men away from their schools and their careers and drafting them into a peacetime army. Many of them so taken will never return to school, or to the farm or the home. I do not believe there is a single member of this body who is willing to gamble with the national security of our country. We have provided and will continue to provide an adequate and powerful defense which will serve all our needs and fulfill our obligations. But neither do we intend to gamble with the lives, careers, and future destinies of of millions of young men who will be the future leaders of this country. In my opinion we should and must give the traditional peacetime American voluntary system a chance to demonstrate its effectiveness as it is now doing before we resort to compulsion, before we take 18-year-old boys, indeed before we take any of our boys by the neck and draft them into a peacetime Army. We would not assume responsibility for putting an 18-year-old boy on the police force of Chicago, Boston, or New York and neither should we put such a boy on the police force of Tokyo, Berlin, or Trieste. Older seasoned regular troops should perform those tasks. Our aim at the very earliest time should be and can be a strong, closely-knit, scientifically-trained volunteer Regular Army, predicated on the realities of atomic power and which will serve all our requirements.

To extend the draft at this time without giving the voluntary draft system a chance is unwise, un-American, and will set a poor example indeed to other nations which like our own are desirous of achieving lasting peace.

There is no justification for using compulsion to build up our armed forces until voluntary methods fail. The American people expects its Congress to protect democratic institutions and to protect its young men in their right to life, liberty, and the pursuit of happiness and their opportunity to education, advancement, and decent civilized living.

We are told we must support this extension of the draft law for various reasons. First, because the war is not actually ended we must carry out certain international commitments not precisely defined; secondly, because the draft is necessary to maintain the Army at 1,070,000 men; thirdly, because it is the only way we can secure replacements for demobilizing Army troops. Fourthly, because not to extend the draft would be to gamble with the security of our country. I cannot accept any of these assumptions because on all the evidence I do not believe that it is impossible, if a real, honest, sincere effort is made, to secure a sufficient complement of men to raise as strong and adequate an Army as we need for all our purposes by the voluntary method.

There are so many broad discrepancies and inconsistencies in statements and statistics presented by the Army to bear out their contentions in behalf of this measure that time does not permit me to give them detailed discussion. However, it should be noted that the Secretary of War, himself, has underestimated on his own figures presented to our committee by a mere matter of some 500,000 the number of men that could be obtained up to this time under the voluntary system. It should also be noted that General Textor, special Army statistician on the subject, testified before the Military Affairs Committee of the other body that by some of his calculations the Army would be short only 51,000 men July 1, 1947. Clearly, if the present rate of enlistments continues and we secure 73,000 men per month, which was the figure for March, or even only 50,000 men per month, we shall have more than enough on that date.

On the other hand if the Congress raises the pay of enlisted men so as to offer further inducements, as we surely propose to do, the Army states that this will increase enlistments 10 percent. In my opinion it is entirely reasonable to suppose that it will increase enlistments by a much larger percentage. Let it be noted also that at present there is a great surplus of officers in the Army and that there is no question raised here as to the ability of obtaining the necessary number of officers by voluntary means. A very large number of officers are anxious to remain in the Army.

We should have it in mind also that the Navy has handled satisfactorily its demobilization program and has stated that it can achieve its full peacetime strength without the draft. I believe there is no reason whatever on present available figures why the Army cannot do likewise.

Another glaring inconsistency exists in the recently adopted regulation of the Army raising its passing grade on the general competency test for volunteers while at the same time it is drafting men on the old basis. Physical and mental requirements for enlisted men and draftees should be uniform and it is a sham and a deceit to continue drafting physically and mentally unqualified men into the Army. As was the case during the war this policy will only serve to fill the hospitals and necessitate discharges of those who are not fit to serve and who should never have been taken in the first place.

It is also clearly demonstrated that there is no very substantial relationship between the existence of the draft law and current enlistments since only 18 percent of the volunteers are young men in the 17- and 18-year-old category. In other words, the draft is not a necessary spur of volunteer enlistment.

According to today's press, the quota of the United States for the proposed international police force, if it is effectuated, is only 200,000 men, and these men under the plan may serve in the United States until called to answer some foreign emergency. The fixing of this force makes it abundantly clear to me that this great Nation of 140,000,000 people should not and will not have difficulty raising adequate armed forces for all commitments and purposes on a voluntary basis.

I think I also ought to make some reference to the kind of an Army we must have in the future. It is impossible to appraise accurately at this time the effect of the atomic bomb upon the size and character of our future Army. But some things are clear. It is certain that in the main the day of the foot soldier and other traditional effectives is past. It is certain that the real effective of the future Army will have to be a highly trained and highly skilled technical specialist. He will have to be trained certainly not exclusively in the Army camp under previous principles of basic training. The whole strategic and tactical picture has changed. He must be trained, partly in the scientific laboratory, partly perhaps in the schools and colleges, and partly in the factory. He must be familiar with new industrial and scientific techniques which are likely to change overnight and render obsolete the knowledge and methods of his predecessors. He must be a master of complicated scientific mechanisms and devices which cannot be understood or operated without specialized instruction and experience. To adapt and streamline our Army to the atomic age and the rapidly shifting and developing scientific inventions of this age calls for something more than a large force of basically

trained foot soldiers such as is contemplated by this draft. It calls for something more than mass manpower inducted by selective service. The Army of the future, if it is to serve all our purposes, must be manned by regular volunteers—professionals, if you will—who are willing to make a career out of Army life and who will through careful highly specialized training acquire the exceptional skills and proficiencies necessary to deal with complex and intricately developed scientific instruments, devices, and techniques.

While I am sure, at least I hope, that the Army which in the past has not been particularly noted for its willingness to adapt itself to all modern developments has full realization now of the need for a new approach to these great problems of science which have changed and will increasingly change as we go forward the character of warfare and necessarily the character of armies, in this atomic age we certainly cannot afford to have repetition of the attitude displayed by the Army with respect to the importance and reality of modern air power. I say this without reflection on our high command which during the war has on the whole manifested a superb leadership for which we are all so very deeply grateful. I point it out as a simple reminder of some of our congressional obligations to the national defense.

I think that every Member in this House understands the widespread and deep-seated opposition of the American people toward the peacetime militarization or regimentation of our institutions. We are already regimented far more than we should be and instead of accentuating and expanding regimentation of our Government and way of life, it is, in my opinion, the duty of the Congress to reverse this dangerous trend before it completely envelopes us in totalitarianism and destroys and dismantles our democracy.

There is no freedom and no liberty in the military way of life. In its very nature it is of necessity perhaps arbitrary and undemocratic. Rightly or wrongly, it is a necessary evil which has to be tolerated until mankind can find some better way of settling its problems than by resort to mass murder and wholesale slaughter of the best and finest of its sons at regular and shortened intervals. One of our great objects in the war was to defeat supermilitaristic national systems led by crazed despots and tyrants who were seeking the destruction of democratic government and democratic ideals. Now that we have accomplished the defeat of these evil forces, now that we have spilled precious American blood and have made immeasurable sacrifices to sustain the system of government which we believe is best, we have a distinct obligation, I believe, to win the peace, and to make every effort humanly possible to preserve law and order in the world, to banish and prevent exploitation by nations whether it stems from ruthless social ideologies, or simply from plain, old-fashioned imperialism just as we have sought with no inconsiderable success to prevent the exploitation of the weak and helpless by the powerful and privileged in our own country.

Before we institute measures like this, which, whatever some may think of them, will just as surely as the sun rises tomorrow result in the encouragement and adoption and extension of similar measures elsewhere, we should give profound and serious consideration to insuring the peace, not only to renounce war as an instrument for settling disputes, but to abolish and banish the causes of war in their manifold manifestations, one of the principles of which has been, as recorded history clearly shows, the existence of large military establishments based on the compulsory principle.

We are all agreed that our country must be adequately protected against every possible contingency that might threaten its security, and I have no doubt but that it will be. But we have not as yet brought all our boys back from one great war. In the name of humanity and justice, let us not start to lay the plan which may in the end send these boys and others like them of this and future generations into a final struggle that may surely spell the doom of all civilization.

The American people are watching the events that are transpiring here today. Parents in the homes, the mothers and fathers, teachers in the schools, eminent educators, ministers of the gospel of every creed and persuasion in their pulpits, labor in the shops, farmers in the fields, managers in the factories, indeed every class and segment of the American people are watching to see whether this Congress is going to vote to send 18-year-old boys into foreign lands to serve as policemen, whether this Congress is going to vote to disrupt the education and careers of millions of American boys who seek only the opportunity for the free way of life that was guaranteed and given to those who preceded them, to see whether this Congress is going to establish the warlike principle of peacetime conscription at a time when we are not faced with war and when there is no danger of war and when talk engendering or inciting war is a betrayal of those who lost their lives for the cause of democracy and peace.

I cannot in conscience vote to regiment our American youth in peacetime. And I cannot bring myself by my vote to take these young men away from their homes, families, schools, churches, and subject them unnecessarily to the hazards and temptations of Army life in remote corners of the earth. Before we adopt this measure let us try the voluntary method; let us try the American method. Let us honestly try recruitment and enlistment. I have full faith that this can be accomplished, and not to try it now before we adopt compulsion and regimentation will be in my opinion a most unwise and dangerous departure from the basic principles of our Constitution and Government. Let us defeat this dress rehearsal for totalitarianism—this prelude to peacetime militarism, this palpable threat to the peace of the world.

I am including in my remarks some very interesting and persuasive statements and statistics regarding this question which I urge the members to read carefully.

TESTIMONY BEFORE THE HOUSE COMMITTEE ON MILITARY AFFAIRS, THURSDAY, APRIL 4, 1946, BY MRS. ALEXANDER STEWART, NATIONAL CO-CHAIRMAN, WOMEN'S COMMITTEE TO OPPOSE CONSCRIPTION

The extension of the Selective Service Act means America is starting peacetime conscription, which is something she has never had before in peacetime history except for a brief period during an obvious emergency preceding World War II. These appear to be self-evident truths:

1. Extension of selective service is peacetime conscription by subterfuge.

2. The War Department is planning to draft 18-year-olds by the thousands, not only for training as they testified in the fall and winter but for actual service all over the world, in more than a score of countries.

3. The Russian war scare has nearly accomplished one of its major purposes, namely, to frighten Congressmen and people into accepting certain military measures which they would not have eccepted several weeks ago. This is in spite of the fact that President Truman and the Secretary of State have intimated that there would be no war and that they were not worried over the present difficulties in relation to Russia.

4. Nearly every Congressman with whom I have talked has deplored the continued drafting of 18- and 19-year-olds for several reasons:

A. They agree that 18-year-old boys are better off in their own communities continuing their school work or vocational plans and under the influence of home, church, and school.

B. No American city would turn its police force over to 18-, 19-, and 20-year-olds; therefore, these boys should not be assigned to occupation troops where more mature judgment is needed.

C. The moral problems involved are serious. Let me read you portions of a letter sent by the mother of a young man who has been in the Navy 41 months. He started as an enlisted man and is now a lieutenant, junior grade, and he writes of the second trip that he has made to Japan. His mother wrote when sending his letter, "He was in the Battle of Okinawa and entered the harbor right after the surrender so he knows what he is talking about." Here are some statements from his letter: "I guess I ought to be glad that I am getting to see all these things and these places but I am not satisfied. Why last night the ship even had a big party with all the local girls, and what a crumby mess that was, but we all went, laughed, and were disgusted. I think that I will crusade for the cleaning up, with carbon-tet and a vacuum cleaner, the minds of all returned servicemen, including my own. I am forever thankful that I had a set outlook on life before I joined this outfit. I can't think of anything worse than to put all the kids just out of high school in the Army or Navy and have them learn, see, think, do, and talk of all the things the Army and Navy does. The moral standard of the United States would drop 50 percent in the first year and heaven help the country when the first batch started raising kids of their own."

Isn't it time that we stopped talking so glibly about the "stock pile of 18-year-olds" as though they were part of Army statistics and not individuals, flesh and blood, youth with dreams and ideals with a desire for education and a vocation where they might do something creative? These are the youth that the generals and department officials talk so glibly about sending into the aftermath of war as though they were the latest crop of robots being sent into the areas of pain, suffering, famine, disease, and so forth.

Why, how many, and where? The War Department answers the "why" for national defense. It is not national defense that is keeping over a million boys in more than a score of countries all over the world. We have 6,768,000 young men now in the Reserves and a million more who are being discharged by July 1. All of these are reserves for 10 years and are a backlog for an emergency. Secretary of War Patterson yesterday refused to tell why and where these boys were deployed all over the world. When pressed for a reason one of his answers was to guard surplus property. I should have to say that no amount of surplus property, be it ammunition, jeeps, blankets, and other equipment is worth the drafting of the 170,000 that the War Department say they will be short July 1, 1947. Certainly by that time some of this surplus will have been sold, given away, transported back home, or dumped into the ocean before these young boys are trained to go over to guard it. Why should we not challenge the War Department to show it's figures of its assignments all over the world and be asked to reduce their requirements rather than take the dangerous and unprecedented step of fastening peacetime conscription upon the youth of our land for any period of time, 6 weeks, 3 months, 6 months, 1 year, or indefinitely.

Let me call to your remembrance that the Army has made a number of serious misstatements before this. Witness the nurses draft which I know more intimately because of fighting it last year. The House passed this bill because the War Department made them feel that it was necessary. It was blocked in the Senate because we proved that there were untapped resources available and that there was false propaganda and there were erroneous figures. It was interesting indeed to have Mr. Patterson use the arguments in May which we advanced in April showing that the draft would not be necessary after all. Likewise there are a number of discrepancies and apparent errors in the Army figures on the proposed extension of the draft.

I wish to introduce Mr. John M. Swomley, Jr., a Methodist minister who was for some years vice president of the National Council of Methodist Youth and who has recently done some research for the Women's Committee to Oppose Conscription. He will explain an analysis and a chart which we have prepared to show that there need be no extension of the draft after May 15, 1946.

ANALYSIS OF ARMY FIGURES IF DRAFT IS NOT EXTENDED BEYOND MAY 15, 1946 (ALL FIGURES EXCEPT AS OTHERWISE INDICATED ARE THOSE OF THE WAR DEPARTMENT)

JULY 1, 1946—REQUIREMENTS AND AVAILABLES

Volunteer men	800,000
Volunteer officers	150,000
Draftees still in service	600,000
Total	1,550,000
Required	1,550,000
Deficit	None

JULY 1, 1947—REQUIREMENTS AND AVAILABLES

(Totals derived from adding War Department figures below)

Volunteer men	772,748
Volunteer officers	129,000
Draftees still in service	236,141
Wacs	12,000
Philippine Scouts	50,000
Total	1,199,889
Required	1,070,000
Deficit	None

The following is a more detailed analysis of those required and available July 1, 1947:

REQUIREMENTS

Air Forces, of whom 62,000 are to be officers (figures from General Spaatz' office)	400,000
Ground Forces, of whom 10 percent or at least 67,000 are to be officers	670,000
Total required	1,070,000
Total men required	941,000
Total officers required	129,000

"We anticipate no difficulty in securing these officers" (as volunteers).—Secretary Patterson, Mar. 21, 1946, to House Military Affairs Committee.

AVAILABLE

The following who will have volunteered as indicated will still be in service July 1, 1947. (These are General Textor's figures and estimates.)

Date	3 years	2 years	18 months	1 year
June 1 to Oct. 1, 1945	12,093			
October	50,843	313		
November	95,547	1,307		
December	59,392	1,209		
January 1946	58,740	2,374	31,084	
February	43,906	1,579	36,305	
March	37,294	1,632	30,830	
April	29,000	1,500	20,300	
May	20,000	1,500	14,000	
June	15,000	1,500	10,500	
July	15,000	1,000	3,000	1,000
August	15,000	1,000	3,000	1,000
September	15,000	1,000	3,000	1,000
October	15,000	1,000	3,000	1,000
November	15,000	1,000	3,000	1,000
December	15,000	1,000	3,000	1,000
January 1947	9,375	625	1,875	625
February	9,375	625	1,875	625
March	9,375	625	1,875	625
April	9,375	625	1,875	625
May	9,375	625	1,875	625
June	9,375	625	1,875	625
Total	568,065	22,664	172,269	9,750

Total volunteers (exclusive of officers) in service July 1, 1947	772,748
Volunteer officers	129,000
Philippine Scouts, authorized by Congress	50,000
To be retained in Women's Army Corps	12,000
Men drafted between Jan. 1 and May 15, 1946, still liable for service July 1, 1947, under 18-month term:	
January	34,494
February	31,647
March (minimum estimate)	30,000
April (selective-service quota)	125,000
May 1–15 (minimum estimate)	15,000
Total, of whom a percentage become volunteers after induction	236,141
Grand total	1,199,889

Grand total indicates excess of 129,889 over 1,070,000 requirement for July 1, 1947.

SIZE OF ARMY IF PAY IS INCREASED

General Texter told the House Military Affairs Committee April 5 that a 10-percent increase in base pay would result in an estimated 30-percent increase in volunteers. On this basis the following figures reveal even less need for a draft:

Estimated volunteers if pay is increased 10 percent	839,336
Volunteer officers	129,000
Philippine Scouts	50,000
Women's Army Corps	12,000
Draftees still in service under 18-month term	236,141
Total	1,266,477

This is an excess of 196,477 over the requirement of 1,070,000 for July 1, 1947.

REPLACEMENTS WILL BE ADEQUATE WITHOUT DRAFT

The War Department has claimed that without a draft extension it could not replace fathers or men now in service who have been in a long time. The following indicates that there will be adequate replacements without any further draft of men:

The Army has had authority all the time to release fathers and only after threat of congressional action stopped drafting fathers at the end of 1945. The Army is expected to release from the present 2,500,000-man Army about a million men to bring the Army to its 1,550,000 level on July 1, 1946. Without giving any special consideration to fathers, there will be July 1 only 120,000 fathers in the Army. Special consideration, or a revision of the point system, could get them out of the Army by July 1, 1946.

More than a million men will have been drafted between January 1, 1945, and May 15, 1946, all of whom, having less than 18 months' service, will be still liable for Army service July 1, 1946. However, with 950,000 volunteer officers and men July 1, 1946, and the Army's expressed intention of keeping only 600,000 draftees to make up its total of 1,550,000, the Army will be in a position to discharge almost half a million men who will have had less than 18 months' service. Why not give the fathers preference?

The Army is scheduled to be reduced from 1,550,000 on July 1, 1946, to 1,070,000 on July 1, 1947. The size of the Army is therefore scheduled to be reduced by 480,000, making the rate of decrease 40,000 men per month. Accepting Secretary Patterson's estimate of 30,000 volunteers per month from July 1 to December 31, 1946, the Army could afford each month to release 70,000 men. This could all be done without any further extension of the draft.

VOLUNTEER ENLISTMENTS ARE NOT CAUSED BY DRAFT THREAT

Figures obtained from Maj. Gen. Edward F. Witsell, The Adjutant General, United States Army, reveal that 81.3 percent of all recruits are veterans and hence not persons who are liable or who are about to become liable for military service under the draft. Only 18.7 percent are young men, mostly 17- and 18-year-olds. (New York Times, March 14, 1946.)

Volunteer enlistments were 65,000 in October 1945; 185,000 in November; 131,000 in December; 113,000 in January; 93,000 in February. Over half of these were 3-year enlistments who were obviously not volunteering to escape the draft or they would have volunteered for the permissible 1-year or 18-month terms.

ARMY ACTION LOWERS VOLUNTEER RATE

A question may be raised as to why the Army raised its passing grade from 59 to 70 on the Army general competency test (which all volunteers must take), but did not do so for drafted men. As a result of this action the weekly volunteer rate has dropped from 20,000 to 17,000.

THE DRAFT DOES NOT AFFECT THE NAVY

The statement of Capt. G. R. Donaho, Navy Director of Recruiting and Induction, is reported in the New York Times of February 2, 1946, as follows:

"The threatened end of the draft in May, he said, would not affect its (the Navy's) manpower in-flow in the slightest degree. * * * 'We do not need the draft either now or in the future to recruit for the peacetime Navy,' Captain Donaho stated. He added his belief that current Navy enlistments were not influenced in the slightest by the threat of the draft."

DISCREPANCIES IN WAR DEPARTMENT CLAIMS

Army spokesmen do not even have the same figures when testifying as to the deficit

which there would be July 1, 1947. The New York Times of March 18, 1946, reported that General Eisenhower had told the House Military Affairs Committee "that failure to renew the draft law would leave the United States with an army of only 570,000 men on July 1, 1947" and the Army would therefore be short 500,000 men. But on March 21, 1946, Secretary of War Patterson told the House Military Affairs Committee that the Army on July 1, 1947, would be short 170,000 men. And on April 3, General Textor told the Senate Military Affairs Committee the Army would be short only 51,000 men on July 1, 1947, and on another chart, 271,000 if men are limited to an 18-month term.

In the Senate hearings on the voluntary enlistment bill, the Army testified that they needed by July 1, 1946, 650,000 enlistments, and the best they could expect from voluntary enlistment would be 300,000. They now have more than 650,000 voluntary enlistments and there are more than 2 months still to go before July 1.

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. VOORHIS].

DEMOCRACY AND SCIENCE—TWO GREAT NEEDS OF OUR ARMED FORCES

Mr. VOORHIS of California. Mr. Chairman, every Member of Congress has felt the impact of the resentment of former servicemen who have, after long service in the Army or Navy, returned to civil life embittered and disillusioned, due to the lack of democracy within the armed forces. After careful study, I am convinced that there is sound basis for this feeling, and I am certain these matters have vital bearing on the legislation now before the House. Sometimes most innocently, and sometimes in flagrant violation of our democratic ways, Congress has legislated an undemocratic caste system into the armed forces. The process has been going on for many years, and almost imperceptibly. We inherited a feudalistic army, founded on Old World concepts of class distinctions, from the British at the time of our War for Independence. That system was strengthened through the influence of Baron von Steuben, who served on Washington's staff. Since that time Congress has perpetuated and strengthened the system until today few realize how complete and how rigid have become the class cleavages of our Army and Navy caste system. Congress can no longer remain blind to the situation, or to its responsibility for taking remedial action.

The time is opportune. The potentialities of the atomic bomb and other scientific developments force us to reevaluate our entire military policy. The old theories of military science are gone forever. Our Army of the future will stress the need for technical specialists and scientists as never before. A caste system, with its social and economic distinctions, can have no place in our American way of life if we are going to preserve the heritage for which Americans have fought and died so valiantly throughout our entire history.

Although the caste system applies to the Navy, as well as the Army, I wish to concern myself at this time particularly with the problem as it affects the Army.

If we analyze the Army as a national institution we shall find that class distinctions have become imbedded in practically every phase of Army life. Let me review a few of the more outstanding departures from the American way.

ECONOMIC DISTINCTIONS

When you set up economic distinctions between an officer caste and an enlisted caste you strike an American citizen at a most vulnerable spot. We find within the Army's economic structure the most amazing and deplorable financial discriminations against enlisted men. Here are a few of the more glaring illustrations:

TERMINAL LEAVE FOR OFFICERS—NONE FOR ENLISTED MEN

One of the inequalities most constantly attacked is that of terminal leave for officers, with full pay, and no like provisions for enlisted men. It arises from the fact that for many years, under the law, officers have been permitted to accumulate leave of absence at the rate of 30 days per year, up to a maximum of 4 months, which they may take upon being separated from the service. Enlisted men have never been granted the right to accumulate such leave. Most officers received adequate salaries while they served in the armed forces. Enlisted men received small compensation for their efforts. Yet, at the conclusion of service officers are granted terminal leave, with pay, which often amounts to more than $1,000. Their monetary award gives them ample opportunity to reestablish themselves as civilians. Enlisted men receive a mustering-out pay, which is small indeed, but are not granted a final leave status with pay. To make the situation worse, officers under the rank of major receive both mustering-out pay as well as terminal leave pay. "All this, and Heaven, too."

Here is the way it works out, and I quote from a letter I received from a veteran constituent:

So, I came home, was mustered out and went back to work. But do you know what I found? Majors and lieutenant commanders working in the office at full pay and drawing terminal leave pay also. Do I need to tell you my thoughts upon hearing from them what this terminal leave was? They were drawing pay for accrued furlough time, and here I was, 4 years and 18 months in service, overseas all but a few days of the war, and not a single day's furlough to my credit.

Mr. VOORHIS. I do not believe in indiscriminately passing out money to veterans. But this is an inexcusable, unjustified, and, above all, undemocratic discrimination that should never have found a place in our society, much less our armed forces, and one that should be honestly acknowledged and corrected. We were shoved around for years because it was necessary; we saw the brass taking privileges that would make your hair curl, but it was all part of the war. But I cannot conceive of any plausible explanation for the carry-over of class privileges into the change from service to civilian life.

I am frank to say that I must agree with this veteran. Is there anyone who can possibly justify this practice? There is legislation pending in Congress, the petition for which I have, of course, signed, which seeks to remedy the situation by making accumulated-leave payments available also to enlisted veterans and to men still serving in the armed forces. An aroused public opinion will, I am confident, force action on this type of discrimination against enlisted men.

LUMP-SUM PAYMENTS

Mr. Chairman, let me give another glaring example of pay discriminations. By act of Congress Air Corps Reserve officers receive, when released from active service, $500 for each year of active duty in lump-sum payment. This applies to Reserve officers who received their training as Air Corps cadets. Take a hypothetical case: two Air Corps officers, one a reservist who qualifies for this payment, and the other a member of the Army of the United States, who flew together on the same flights, participated in the same combat missions, ate in the same mess, slept in the same billets, returned to the United States with the same decorations at the same time, were relieved from active duty at the same place and hour after the same length of service. Under all of these identical circumstances one officer, the Air Corps Reserve officer, receives $500 for each year of service, and the other, a member of the Army of the United States, receives the regular mustering-out pay. If they served 4 years, the Reserve officer receives $2,000 on separation and the AUS officer receives $300. Each may, of course, receive his terminal-leave pay in addition.

Remember, these payments are received by officers only, and the discriminations apply to officers. Enlisted men who flew in the same planes on the same missions and took the same risks receive no such bonus as is given to the Reserve officer. I call this a discriminatory discrimination—an inequity within inequities.

OTHER FINANCIAL DISCRIMINATIONS

If you will check the Army pay schedules as I have done, you will find a great hodgepodge of other discriminations and inconsistencies. They exist in travel allowances, under which an officer receives 8 cents per mile and an enlisted man 5 cents per mile. They exist in retirement benefits under which both officers of the Regular Army and of the emergency forces, and enlisted men of the Regular Army, may be retired for physical disability in line of duty at three-fourths of their active-duty pay, whereas an enlisted man of the emergency forces, that is wartime forces, cannot be retired, but must process his claim through the Veterans' Administration and must accept compensation on a sliding scale according to degree of disability. On the average his compensation will be less than the amount of three-fourths of active-duty pay. They exist in rental and subsistence allowances, which contain such variations in amounts that only a fiscal expert could explain the amounts payable under different conditions, and which are always based on the presumption that an enlisted man, being on a "lower social and economic level," is not entitled to equal allowances for himself and family.

Many of these discriminations are a carry-over of World War I, when the

Army General Staff revised the pay schedules in 1922. They reduced the pay of a private from $30 per month to $21 per month, and the pay of other enlisted men proportionately. They also reduced the pay of junior officers who were most seriously hit by the postwar inflation. Then, keeping the total appropriations at the same level, and using the funds obtained by reductions in pay, they piled it all upon their own group, some of whom received increases of as much as 37 percent.

I do not disagree for a moment with the contention that increased responsibility demands increased compensation. I do not advocate reducing the compensation of members of our armed forces. On the contrary, for such a technical and scientific Army as our country must organize, we should expect to pay higher salaries to qualified personnel to make the Army desirable and attractive as a career. If we build our Army about the new techniques, which should reduce the numbers to a minimum, we can increase salaries and still keep the total budgets within proper bounds. What I do object to is this very hodgepodge of discriminations and inconsistencies, which are based upon the concept of an officer caste and an enlisted caste, which create unfair distinctions among personnel still in service, and which carry over those distinctions into civil life after the men have left the service.

Legislation is now ready for presentation to the House by the Military Affairs Committee for increasing the pay of the armed forces in order to stimulate voluntary enlistments and to avoid the necessity of drafting men into the service. I am heartily in favor of that legislation. I am of the opinion, however, that from the point of view of long-range planning, what is needed is a complete restudy of the entire pay system of the Army to bring it into alignment with our requirements for the democratic army we propose to create for the future, and particularly to eliminate all economic implications of caste.

May I say at this point that it is my opinion that many men in high positions in the War Department and the Army would like to see the changes made which I am advocating. The Secretary of War has appointed the Doolittle committee. He has made other moves that indicate his concern and the direction he would like to move. But it is my judgment that these objectives can only be actually obtained by the most relentless pressure from and the most forthright action by Congress.

SOCIAL DISCRIMINATIONS

The social discriminations of our military caste system are no less invidious than the economic. It is here that the caste system becomes visible to the naked eye. Let me summarize some of its most prominent characteristics.

UNIFORM DISTINCTIONS

An important social distinction is the difference in uniform of officer and enlisted man. In combat areas the Army is not too eager to have this difference projected, but in noncombat areas differences are accentuated. Officers are natitly attired in well-tailored, variously colored uniforms of exceedingly fine cloth. Enlisted men, on the other hand, are dressed in standard-issue uniforms of poorer quality, often badly tailored and ill-fitting. This distinction in dress is bound to give the enlisted man a feeling of inferiority, and to inflate the ego of the officer. It is a typical example of the encouragement of military class or caste consciousness.

I believe all uniforms worn in the service should be furnished by the Government, without expense to either officers or enlisted men. They should be standard in design except for insignia. A good dress uniform for social purposes should be styled and made available to both men and officers without distinctions except as to insignia.

The Army has already initiated action toward placing all personnel in the same uniform. This is certainly a step in the right direction, and shows, I am happy to say, that the Army itself recognizes the implications of the uniform problem.

FRATERNIZATION

In the American Army fraternization between officers and enlisted men is discouraged more vigorously than is fraternization between our soldiers and our former enemies. One may search long and patiently for law or directive setting up rigid social barriers between the two groups, but "customs of military service"—the unwritten law of the Army—have the binding effect of law in establishing these barriers. Enlisted men and officers are not supposed to mingle socially. They are only supposed to come in contact in curt, sharp, and formal military manner where duty necessitates. Commissioned women in the services are even subject to discipline if escorted by enlisted men. Commissioned men may not, according to the custom of the service, escort enlisted women. Commissioned women are not permitted to fraternize with enlisted women.

Special messes are established for officers and for enlisted men. The enlisted man eats his food from a mess kit, while on the same stations officers are seated at tables. On transports officers are seated at tables covered with clean linen table cloths, and are served excellent food by white-coated mess attendants. Outside on the decks the enlisted men pass by in a line with their mess kits, and eat the standard rations.

Enlisted men are segregated from officers in places in which they eat, sleep, and take their amusement. This is always true on an Army post, and is frequently true even off the post. The latter applies particularly overseas where places of recreation were few and officers received the best of what was available.

During the war when supplies were sorely needed for the successful prosecution of the war, officers received liquor rations regularly although our supply ships could have been loaded with those things actually demanded for successfully waging war. Sometimes liquor was flown in by air for officers' clubs. Even in the distribution of liquor and the encouragement of vice, the Army and Navy made concessions to officers. One soldier in Europe relates the following incident:

> To say nothing of humiliation, I think the low point in my morale was reached one night when I was on guard at an officers' quarters—a huge mansion—outside of town. What I guarded was a drunken spree, something that can be pretty ignominious to say the least.

An editorial in the Washington Post on November 13, raises far more serious issues than any yet spoken of. No one will be so naive as to expect that there will be universal restraint among servicemen. But it is another matter to try to contemplate with equanimity the sort of moral and health conditions apparently existing among naval personnel in Japan. The Post editorial is based on a letter from a Navy chaplain, now in service in Japan, and in a position to know whereof he speaks. I shall not repeat the details related in the editorial nor its direct quotations from Lieutenant Lacour. But along with its attack on the Navy's policy of permitting sailors free access to houses of prostitution in Japan, the Post states that for officers special places are provided. "Even in vice," remarks the Post, "the sacred naval caste system is preserved."

Another letter from a veteran residing in my district shows how serious the problem is and relates also special concessions granted to officers:

> On Luzon our Division, the Twenty-fifth, saw 165 days of combat. Now about the furloughs. Ha! On Oahu, officers had nighttime passes, in New Zealand many of them had 10-day leaves, on New Caledonia they had luxurious rest camps. We GI's got daytime passes with only an occasional overnight leave. True, on New Caledonia I went to a rest camp for 5 days, 2 of them going to and from our camp. We had nice cots in tents on the beach, a regular GI mess, and Noumea to visit. Have you ever been to Noumea, the Paris of the Pacific? The only attraction was the Navy-operated pink house and it rained too much to stand in line for that.

Our National, State, and local governments have discouraged, through law, vice of any kind, for our soldiers and civilians here at home. But the Army and Navy have at the very least closed their eyes to its existence, and applied the caste system in the process.

I raise the question of the salute. An enlisted man still in the service writes:

> To me it seems an antiquated gesture of subservience and obeisance, designed to stamp indelibly upon the consciousness of the individual the fact that one man is inherently superior to another. If, as the Army maintains, the salute is only a gesture of greeting and good will, then why are the armed forces loath to abolish it, and why are men court martialed, broken, and even at times put at hard labor for failure to salute?

He continues:

> I have read in an Associated Press article that of the first 700 families to go to Europe to join their soldier husbands, only 24 are the families of enlisted men. In another article I have found that of 175 families going to Yokohama area only three of them are families of enlisted men. The remainder are wives and other dependents of officers and Red Cross workers. Does anyone believe that enlisted men do not love their wives and

children as much as officers? Does anyone believe that enlisted men do not want their families close to them as much as do officers? Isn't it much more logical to assume that (1) either enlisted men did not have the same opportunities as officers and civilians (Red Cross workers) to bring their wives overseas, or (2) that the conditions under which dependents of enlisted personnel were expected to live were intolerable?

Another discrimination between officers and enlisted men has received little attention. This is the practice of the Army to send certain officers who have returned from overseas to rest camps in swank hotels in Florida or Atlantic City or other favorable surroundings, and to permit them to be accompanied by their families, for considerable periods which are not counted against their accrued leave of absence. Has anyone heard of enlisted men returned from overseas after months of hard fighting, being given a vacation at a swank rest camp?

ARMY JUDICIAL SYSTEM

No free society can endure unless it is founded on justice under law. One of the worst features of the entire Army caste system is its judicial system.

Actually, there is no real system of justice in the Army, but only a system of discipline and punishments. The entire judicial process is under the domination of the Army officer caste, in the chain of command. The commander is in a position to dominate judicial proceedings from beginning to end. He can become, in effect, accuser, judge, jury, court of appeals, and executioner. The enlisted man is considered guilty before he is brought to trial. No enlisted man can sit as a member of a military court, and consequently an enlisted man cannot be tried by a jury of his peers but must submit to trial by a court composed of the very men who in civilian courts would not be allowed to sit on the bench or participate on a jury because they were automatically considered prejudiced.

The staff judge advocate has one client—the commander. The most skilled attorney is selected to represent the commander, and the defendant must generally accept as a defense counsel a relatively inexperienced officer who can best be spared. Members of the court are generally untrained. The accused, therefore, is subject to being tried by an inexperienced court, and defended by inexperienced counsel, all of whom are, in the nature of the case, dominated by, and under discipline from, the commander who has appointed the court.

To add to the injustice, appeal from the court cannot be taken to a higher court, but must be taken to a higher commander who is, himself a product of the caste system. The decision of the court is final except for review as to legality, where the accused has no representation, by higher headquarters. So powerful is the influence of the commander that the severity of the sentences of his courts over a period of time, may rise or fall according to the disciplinary requirements of the command as a whole.

In this brief summary I have given the barest outlines of one of the most important problems facing the country today—the need to build a new, democratic, scientific army. The only purpose in recounting defects at the present time is to prepare the way for remedial action. The Army is demanding a continuation of selective service because it states it is unable to obtain a sufficient number of men by voluntary enlistment. One of the major factors which stands in the way of a greater flow of enlistments is the kind of a caste-ridden Army in which our young citizens are called upon to enlist. It is a serious confession to make that at a time when 1,000,000 trained veterans are unemployed and approximately 2,000,000 more are undergoing training and will soon be seeking employment the Army does not offer itself as a profession in which needy veterans can serve with an unquestioned sense of dignity. If we would at this time reconstruct our armed forces in the light of the new weapons, and form an organization in which our men could serve with pride, in which their dignity and intelligence were recognized, and in which they could look forward to an honorable career, even as the officers have found a career, we would not need to consider extending the draft.

I visualize a new Army for the future. Certainly it must be formed about the new weapons and techniques, and not about the old techniques which have become obsolete since we dropped the first atomic bomb. In such a force science and techniques should be of particular importance, and thus we should be able to reduce manpower to a minimum.

Such a highly technical Army would be inconsistent with the continuation of the un-American caste system. We cannot place an atomic scientist or an expert in electronics in a position subservient to a second lieutenant of the old school, who may have reached his preferred position by good luck and not by ability. What needs doing is to wipe out all false barriers between individuals at one stroke and cease talking about officers and enlisted men, but speak hereafter only of soldiers.

Lest we be unduly concerned about the problem of discipline in such a homogeneous force, let us remember that a captain and a major may fraternize at a cocktail party in the evening, and yet the next morning no one doubts who is in the position of authority. The same is true in the ranks at present, for no one in the organization questions that the first sergeant is boss of the outfit, even though he may fraternize with the men while off duty.

In the preferred corps of specialists which the Army would become, I would have all men wear the same uniforms, except for insignia of rank and authority, as already mentioned. I would also have them quartered in the same barracks, and eat the same food at the same messes. If a degree of privacy is desired for those of greater responsibility, that could easily be provided in much the same manner as is now done for the senior noncommissioned officers, who are provided separate tables at mess and special rooms in quarters.

Social distinctions within the Army must be completely eliminated. Individuals should be permitted to choose their own friends, as is done in civil life, but artificial barriers which set one group apart from another merely by virtue of rank, must be removed.

The pay schedules must be completely revised for such a technical army, to wipe out unjust discriminations which exist from one end of the Army to the other, and to establish rates which would parallel salaries which are paid in civil life for the same technical qualifications. The patchwork process that has been going on for generations must be wiped out completely, and we must start with an entirely clean sheet.

The Army system of justice must be completely revised, to take control out of the hands of the commanders and make the courts independent of the chain of command. Appeal must be from one court to a higher court, and not from one commander to a higher commander. All personnel must be indictable before the courts, seniors as well as juniors, and all personnel must be eligible to sit as juries as members of the courts. Courts should be empowered to hear complaints of wrongs of seniors against juniors, and to take remedial action.

The Secretary of War has recently appointed a board of eminent jurists to make a study of the Army judicial system. We, as Members of Congress, have a direct responsibility to see to it that any new system which that board may recommend, does conform to the basic principles of justice under law, regardless of rank. The Military Affairs Committee will, I understand, soon report to the House on this subject. We will await their report with keenest interest.

One of our most important problems in connection with our new Army will be the procurement of our future military leaders. Certainly we must assure advancement through all of the grades, from lowest to highest, in order that the Army may truly offer a career to capable men. We will require highly qualified personnel even at the lower levels. The best of these should be given assurance that through diligence, and through perfecting themselves in their profession, they may rise to top leadership.

It would appear highly advisable that all of our leaders should have had practical experience at the lower levels, in order to qualify for higher responsibility, and in order to have a thorough understanding of the point of view of men below them. I believe, therefore, that all of our junior leaders should be procured initially from within the lower ranks, and then should be required to qualify for higher command by practical experience and at Army schools, which should be properly integrated with training in industry and in colleges.

If officers were procured by this means it would become necessary to restudy the training given at our military academies. If we seek to achieve military efficiency based on technical qualifications we must insist upon candidate selection on that

basis. We cannot accomplish this goal through appointments to the academies by Members of Congress. Such methods of appointment ought to be discontinued and admission to the academies should be open only to men who have entered upon their training in the Army itself, and who would win admission by proving their worth and by competitive tests and examinations.

The appointment of candidates to the Academies constitutes a serious departure from our democratic competitive system. Some Congressmen, myself, included, do conduct competitive examinations, but such examinations are not nearly as good a method as the one suggested above. If selection is to be made from the Army, the Army could readily establish competitive examinations of its own. In the latter event, the Academies would become, in effect, graduate schools permitting maximum training in the over-all techniques of the service.

I am sure that all Americans have a deep appreciation of the contribution made to our country by our service Academies throughout their long, honorable history. No one, certainly not I, has any intention of depreciating the high standards of integrity, of devotion to duty, and of character which they inculcate in our young men. Nevertheless, since we are concerned with the problems of caste in the armed forces, we cannot overlook the fact that official and social class distinctions are indoctrinated in our young men during this period of training. Such indoctrination is inconsistent with the philosophies which we propose for our new Army, and must be replaced with a new democratic indoctrination. It should not be difficult to preserve the good features of these schools, while at the same time bringing them into line with our new views on a casteless Army.

Provision should be made for advancement in the ranks according to demonstrated efficiency. In our old Army many an officer attained high rank merely by remaining alive, refusing to commit himself to any positive course of action, and keeping out of trouble through inaction. Promotion according to efficiency may be difficult to achieve practically as long as there is dependence upon efficiency reports which put some premium at least on subservience to the rating officer. This is hardly a way of keeping our Army alert and competent. One of our most important problems, and one which must be solved, is the need to recognize real leadership, based upon ability of the individual to inspire the voluntary and enthusiastic cooperation of his comrades, rather than his qualifications as a driver. Physical qualifications should be relaxed according to the special job which the applicant seeks. At the present time those who are only slightly disabled have slim hope of ever working their way to a commission even though the job they seek does not demand physical perfection. It is true that a man may request a waiver for physical defects, but that course embraces a multitude of concessions and sacrifices, and also entails the use of "influence."

The American people deserve the best Army in the world, until such time as all armies may be demobilized and world peace may be based upon cooperation and understanding, and not on force. Our present Army as at present constituted, is outmoded, particularly in its adherence to the trappings of the dead, feudalistic caste system. Our Army of the future must offer an opportunity for achievement and for a career. Let us organize a real army of the people, formed about the new weapons of science and technique; relatively small but of tremendous striking power; freed of artificial distinctions of caste; indoctrinated with the spirit of democracy; justly administered; generously paid; offering free opportunity for promotion from bottom to top according to ability and not through "influence" or subservience. We cannot go back into the 150 years of class discriminations and correct all of the social and economic errors that have been made. We can, however, make sure that we do not continue those same discriminations into the future. Now is the time to reorganize. This is the responsibility of Congress.

It may be considered presumptuous on my part to speak of these things. I am about as far from a military expert as a man can be. But I do know something about human relations, human reactions, and American principles. These have been my life's work. And I am profoundly devoted to seeing the right kind of military policies adopted by our country.

Every bit of America's military strength must be devoted to the maintenance of peace. Our whole history dictates that; the exigencies of the hour demand it. But until the foundations of peace have been deeply laid, through years of peace, America must do her part to maintain peace in cooperation with other nations. During all that time whatever Military Establishment we do have must be of the best, the most modern, the most in accord with American principles. To that cause this speech is dedicated. It is dedicated also to the principle of volunteerism, which its proposals would make altogether effective.

My speech is not mine alone. It is the distillation of the thoughts of thousands of men from both enlisted and officer ranks which I have studied over a period of months.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That so much of the first sentence of section 3 (a) of the Selective Training and Service Act of 1940, as amended, as precedes the first proviso is amended to read as follows:

"SEC. 3. (a) Except as otherwise provided in this act, every male citizen of the United States, and every other male person residing in the United States,, who is between the ages of 18 and 30, at the time fixed for his registration, shall be liable for training and service in the land or naval forces of the United States."

Mr. MAY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker, having resumed the chair, Mr. BULWINKLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 6064) to extend the Selective Training and Service Act of 1940, as amended, and for other purposes, had come to no resolution thereon.

REPORT ON PAY BILL FOR ARMED FORCES

Mr. MAY. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may have until midnight tonight to file a report on the pay bill for members of the armed forces.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

EXTENSION OF REMARKS

Mrs. LUCE (at the request of Mr. MARTIN of Massachusetts), was given permission to extend her remarks in the RECORD and include an editorial.

APPOINTMENT OF ADDITIONAL FOREIGN-SERVICE OFFICERS IN THE CLASSIFIED GRADES

Mr. BLOOM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5244) to authorize the appointment of additional foreign-service officers in the classified grades.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mrs. ROGERS of Massachusetts. Mr. Speaker, reserving the right to object—and I shall not object—this bill was reported unanimously by the Foreign Affairs Committee and is considered extremely necessary if our foreign service is to function adequately during the next few months. It is an emergency measure.

Mr. MARTIN of Massachusetts. Mr Speaker, reserving the right to object, will the gentleman explain the bill?

Mr BLOOM. Mr. Speaker, H. R. 5244 is a bill to employ 250 foreign-service officers in the Department of State to fill the urgent need caused by the 4-year suspension of recruitment during the war

The question has been asked, What is the foreign service? Before 1939, the Treasury Department, the Agriculture Department, the Department of Commerce, the Bureau of Mines, in addition to the State Department, all had foreign-service officers serving in our embassies and legations abroad as commercial attachés and in various technical capacities.

In 1939 these men were all unified under the supervision and control of the Department of State. Through them, the State Department carries out necessary functions for the various other departments of our Government as well as necessary activities of the Department of State.

Additional foreign-service officers are especially needed for economic work. Their shortage has been felt most directly and acutely in connection with the

reopening of posts in the liberated areas of Europe and the Far East.

In 1939, the State Department had 833 men in the classified foreign service. Now it has only about 800. Energetic measures have been taken to bring in new men at the bottom. An examination for candidates in the auxiliary and clerical services produced 45 new officers last fall, while an examination recently held for young men in the armed forces and another to be held this year are expected to yield 400 new junior officers.

This bill, however, provides for highly skilled, mature men, over 31 years of age, who have either served in the armed forces during the war, or who have had qualifying experience in a responsible Government position during the war. These men are immediately needed to take care of the deficiency in special knowledges and technical skills and would would be appointed to the classified grades commensurate with their ability and age.

The approximate cost of employing all 250 of these new foreign-service officers, including their salaries and allowances, would probably be between $1,500,000 and $2,000,000.

Mr. MARTIN of Massachusetts. This bill carries the unanimous report of the gentleman's committee?

Mr. BLOOM. It has a unanimous report. It is very necessary to have these additional people.

Mr. REED of New York. Mr. Speaker, reserving the right to object, are those men needed in this country or abroad?

Mr. BLOOM. They are needed abroad. The Department of Commerce, the State Department, and other departments of the Government have heretofore had these people, but now this is all placed under the head of one department, the State Department.

Mr. RABAUT. Mr. Speaker, reserving the right to object, I have two amendments to the bill which I submitted to the committee.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BLOOM]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to appoint, by and with the advice and consent of the Senate, not to exceed 250 persons to positions as foreign-service officers. Each such appointment shall be by commission to a classified grade and shall be in addition to all other appointments of foreign-service officers.

SEC. 2. A person appointed under this act may, under such regulations as the Board of Foreign Service Personnel for the Foreign Service may prescribe, be commissioned as a foreign-service officer of any classified grade, depending upon his age, experience, and ability. Upon appointment, any such foreign-service officer shall receive the lowest basic salary of the classified grade to which he is appointed.

SEC. 3. No person shall be eligible for appointment as a foreign-service officer under this act unless—

(a) he is an American citizen and has been such at least 15 years;

(b) he has served (1) in the active military or naval service of the United States on or after September 16, 1940, and has been separated or released therefrom under honorable conditions after active service of 90 days or more, or by reason of an injury or disability incurred in service in line of duty, or (2) since December 7, 1941, for not less than two years in a position or positions of responsibility as an officer or employee of the United States, or of any corporation, wholly or partly owned by the United States, which is an instrumentality of the United States;

(c) he has been designated by the Secretary of State as a candidate for examination for appointment as a foreign-service officer and has passed such examination as the Secretary may prescribe; and

(d) he was at least 31 years of age at the time of application.

SEC. 4. No appointment under this act shall be made after the expiration of 2 years after the date of enactment of this act.

With the following committee amendments:

Page 2, line 10, after the semicolon, insert the word "and."

Page 2, line 21, strike out the word "States" and insert the following: "States, whose service and experience can qualify them as a foreign officer; and."

The committee amendments were agreed to.

Mr. RABAUT. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RABAUT: On page 3, at the end of the bill, add a new section, as follows:

"SEC. 5. Each employee who has been designated as vice consul, not of career, by the Secretary of State shall, upon completion of 15 years of service in that capacity, be appointed as foreign-service officer without examination, at a salary not lower than the employee received at the time of such appointment: *Provided*, That during the next two succeeding fiscal years not less than 40 of such employees shall be so transferred during each fiscal year: *Provided further*, That thereafter such employees as become eligible for transfer in pursuance hereof shall be so transferred."

Mr. MARTIN of Massachusetts. Mr. Speaker, I move to strike out the last word. Will the gentleman explain what departure this is from the past?

Mr. RABAUT. Mr. Speaker, up to the present time there has been sort of a class system in the Department in which some men are called officers of the foreign service and others are called foreign-service officers. This takes the personnel who were in the position of vice consul and puts them into the foreign-service-officers class after they have served a period of 15 years. It makes quite a difference in the status of these people, because they deal with officials of other governments who have that status. The way it exists today, they are really clerks dealing with others who are officers.

Mr. MARTIN of Massachusetts. Does it carry any pay increase?

Mr. RABAUT. No. They must get the same pay.

Mrs. ROGERS of Massachusetts. It is truly a very democratic thing to do, and gives the men in that group a little recognition.

Mr. BLOOM. It is very constructive, too.

Mrs. ROGERS of Massachusetts. Yes.

Mr. MARTIN of Massachusetts. It is sort of a promotion system?

Mr. RABAUT. It puts them in the proper category.

The SPEAKER. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. RABAUT. Mr. Speaker, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. RABAUT: On page 3, at the end of the bill insert a new section, as follows:

"SEC. 6. The provision of 22 United States Code 23h is hereby amended to read as follows:

" 'The correspondence and records of the Division of Foreign Service Personnel shall be confidential except to the President, the Secretary of State, the members of the Board of Foreign Service Personnel, the Assistant Secretary of State supervising the division, the legislative and appropriations committees of the Congress charged with legislating for and appropriating for the Department of State, or their duly authorized representatives, and such employees as may be assigned to work on such correspondence and records.' "

Mr. MARTIN of Massachusetts. Mr. Speaker, I move to strike out the last word.

Will the gentleman please explain what this accomplishes?

Mr. RABAUT. I will be very pleased to explain it to the minority leader. This adds the provision that the two committees of Congress, the Legislative and the Committee on Appropriations, or their agents, may investigate the status of the people in the foreign service in addition to those who were permitted to investigate it heretofore.

Mr. MARTIN of Massachusetts. They never had this power before?

Mr. RABAUT. It gives these congressional committees the power to investigate.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. It really is a great move against communism and a great protection to the country.

Mr. RABAUT. It gives Congress an opportunity to make these further investigations.

Mr. BLOOM. It gives them power that they did not have before.

Mr. RABAUT. In further explanation of my two amendments, I wish to say the following:

These employees have served for 15 years or more as vice consuls, and not of career, at that. It is a reflection on them as well as on the Department. The Department tried to ease their feelings by calling them "officers of the foreign service", as contrasted with the regular term "foreign-service officers". These employees are required to perform international functions and make contacts with foreign offices of other governments. It is embarrassing to them to be known as clerks. If they perform international functions they should be given international status, that is, a title recognized by the other governments. If an employee has not proved his worth in 15 years sufficiently to be recognized he should be asked to resign, or under such

circumstances, he could be asked to resign his designation as vice consul and be retained only in an administrative capacity. The Foreign Service Journal is replete with references to the status of noncareer vice consuls. Many of the foreign-service officers do not like the situation. As one foreign-service officer so aptly put it—"they are neither fish nor fowl." I felt that no additional appointments, or designations of vice consuls, not of career, should be made. The Department should gradually abolish this service, but if it should desire to continue the system generally, it should certainly give recognition to the employees who have served 15 years in that capacity.

With respect to the second amendment, this will merely give the two committees of the Congress, responsible for legislating and appropriating for the Department of State, an opportunity to review the records of foreign service officers. They do not have this right at the present time.

The SPEAKER. The question is on the amendment offered by the gentleman from Michigan [Mr. RABAUT].

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 581 was laid on the table.

EXTENSION OF REMARKS

Mr. ALLEN of Louisiana asked and was given permission to extend his remarks in the RECORD and include a table giving information received from the Director of the Budget.

Mr. HAYS asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in Collier's magazine relating to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. FERNANDEZ asked and was given permission to extend his remarks in the RECORD and include a statement by J. H. Leib, national regional director of Amvets.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point and include therein a resolution unanimously adopted by the Committee on Agriculture recommending the abolition of meat subsidies.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. FLANNAGAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution of the Committee on Agriculture of the House of Representatives:

Whereas the Committee on Agriculture of the House of Representatives has just completed extensive hearings which were held for the purpose of inquiring into the present chaotic condition of the livestock and meat industry; and

Whereas during the course of such hearings testimony was presented to this committee by the Secretary of Agriculture, the Office of Price Administration, and by representatives of all segments of the livestock and meat industry, including representatives of (1) producers of cattle, hogs, and sheep; (2) feeders of cattle, hogs, and sheep; (3) livestock marketing agencies; (4) stockyard operators; (5) packers, including what are generally known as the big packers and other slaughterers generally known as small or independent packers; and

Whereas in general the testimony revealed the following facts:

(a) There is an ample supply of livestock in America. Our cattle population is close to 80,000,000 head, which is some eight to ten million head above prewar levels, and the Secretary of Agriculture has been advising producers to reduce their herds by culling out the poorer grades. The hog population is around prewar levels. There seems to be no doubt about our supply of livestock being sufficient to meet our normal demands for meat.

(b) The legitimate packers and slaughterers cannot comply with the regulations set up by OPA governing price, weight, and grade of livestock. The regulations simply impose the impossible upon the packers and slaughterers. Not being able to comply has resulted in thousands of small packers going out of business and the large packers running their plants from 10 to 50 percent of capacity. This in turn has resulted in the black-market operators stepping in and practically taking charge of the meat industry, until today we find (1) the legitimate buyers are being forced off the cattle markets by the bootleggers paying prices they are unable to pay and stay in compliance, (2) the number of slaughterers have increased since OPA regulations went into effect from 1,492 to 26,665, (3) the livestock marketing system that has been set up and established over the years being destroyed and (4) the American housewife forced to pay on an average some 10 to 11 cents per pound above ceiling prices for the greater part of the meat purchased; and

Whereas the witnesses representing producers, feeders, market agencies, stockyard operators, and packers, large and small, were of one voice in recommending the removal of both price ceilings and subsidies with respect to the production, sale, and distribution of livestock and meat (in which view a great majority of the committee concurred) but were further of the opinion that if this could not be accomplished, then that subsidies should be removed and a corresponding increase made in the retail ceiling prices of meat; and

Whereas the committee, after due consideration, could not reach a unanimous agreement as to the removal of price ceilings due to the fact it was not fully advised just what effect such action would have upon grains, it did reach a unanimous agreement that subsidies should be removed and a corresponding increase made in ceiling prices. In support of this conclusion the committee respectfully presents the following facts:

I

Compliance with such regulations is virtually impossible and is largely a game of chance. Whether a purchaser of cattle is in compliance or is a law violator depends upon two guesses which he is forced to make at the time live cattle are purchased. First, he must estimate the amount of meat the cattle will yield after they are slaughtered and secondly, he must guess the grade that a Government grader will place upon the meat. If he makes a mistake and guesses wrong on either of these he is in violation of the regulations and is subject to penalties in the form of loss of subsidy payments, injunction suits, fines and imprisonment.

The extreme difficulty in complying with these regulations is shown by the fact that there is as much as $20 per head difference, from a compliance standpoint, between two adjacent grades of beef and that fully 30 percent of the cattle are what is known as "liners," that is, they could easily fall within either of two grades. For example, two packers could buy 100 steers of similar quality at the same price. The beef of one is graded A and he is in compliance and the beef of the other is graded B and he is out of compliance and a violator—or one packer might receive a dressed weight yield of 61 percent and the other a yield of 60 percent—and again the packer with the 61 percent yield is in compliance and the one with a yield of only 60 percent is out of compliance and a violator.

Automatic penalties are imposed by OPA regulations for mistakes in guessing by the withholding of subsidy payments. Subsidy payments are withheld as follows: 10 percent if the cost of cattle exceeds maximum permissible cost by an amount not in excess of one-fourth of 1 percent; 30 percent if the cost of cattle exceeds the maximum permissible cost by an amount in excess of one-fourth of 1 percent but not in excess of 1 percent; 60 percent if the cost of cattle exceeds the maximum permissible cost by more than 1 percent but not more than 2 percent; 100 percent if the cost of cattle exceeds the maximum permissible cost by more than 2 percent.

II

Meat subsidies instead of stabilizing prices are, in fact, fostering the black market. This is in part due to the fact that retail price ceilings by virtue of subsidies have been fixed so low in relation to the actual prices which consumers are willing to pay that at present most sales of meat are made at black-market prices. This is demonstrated by the facts obtained through an independent market survey of 11 cities, including New York; Newark, N. J.; Providence; Washington, D .C.; Chicago; Indianapolis; Milwaukee; Memphis; Houston; Denver; and Los Angeles. This survery shows:

1. That 83 percent, or 5 out of every 6 of the 1,803 stores visited in 11 cities, were selling meat at prices in excess of Office of Price Administration ceilings.

2. That 68 percent, or two-thirds of the meat purchased from the 1,803 stores, averaged 11 cents per pound, or 29 percent, above Office of Price Administration ceiling prices.

3. That the average overcharge on all meats purchased, including that purchased at ceilings and that purchased below ceilings, was 20 percent, showing that the consumer on the average must spend $1.20 to obtain a dollar's worth of meat at Office of Price Administration ceiling prices.

4. That if the amount paid for meat above the ceiling is as great throughout the entire country as it is in the 11 cities surveyed, consumers are paying $1,250,000,000 in excess of Office of Price Administration ceiling prices annually.

III

Meat subsidies and their use to obtain compliance with Office of Price Administration price ceilings are disrupting and destroying the entire livestock marketing and distribution system and are fostering the black market. The evidence shows:

1. That in 1939 there were 1,492 meat-packing companies in the United States doing a business of $5,000 or more annually. In contrast to this figure, the Department of Agriculture reports show that in July 1945 there were 26,665 packers and commercial slaughterers in the United States. This does not include farm slaughterers.

2. That notwithstanding the unprecedented marketing of cattle and calves during the period from 1941 to 1945, the period during which price control and subsidies came into being, the slaughter of cattle and calves by theretofore federally inspected plants increased only 10 percent between 1941 and 1945. In contrast, other slaughter and dis-

appearance of cattle and calves during the same period increased 70 percent.

(3) That many of the large packing plants located at the terminal markets are presently operating at less than 50 percent of capacity, and at times cattle slaughter has been reduced to only 10 percent of capacity.

IV

Meat subsidies have created an atmosphere of confusion, uncertainty, and fear in the minds of producers and feeders of livestock. This confusion, uncertainty, and fear is shown by the following facts:

(1) The entire amount of the meat subsidy, totaling approximately $700,000,000, is reflected directly in livestock values and prices. This has resulted in an artificial price structure for livestock because a substantial portion of the value of the livestock is predicated on a subsidy. Approximately 10 to 20 percent of the inventory value of each steer and approximately 12 percent of the inventory value of each hog is represented by a subsidy. Subsidies, therefore, in the minds of the producers represent a potential and very substantial "possibility of a break" in livestock prices, which, for example, on choice cattle amounts to as much as $3 per hundredweight. A break in cattle prices to such an extent would mean bankruptcy for most producers. The removal of subsidies would remove this fiction from the price structure and would restore the confidence of producers.

(2) Adjustments and threats of adjustment in price ceilings and subsidies are made from time to time which create additional hazards and risks for producers. This is illustrated by a proposal made in February to reduce ceiling prices of heavier hogs by 50 cents per hundredweight, although producers had been told that no change would be made in ceiling prices on hogs prior to September 1, 1946. The proposed action was not taken, but hog producers were again informed on March 3 that the Office of Price Administration was considering lowering the subsidy on heavier weight butcher hogs some time before September 1. Announcements such as these tend to keep producers in a continuous state of confusion.

(3) Meat subsidies interfere with financing operations of producers and feeders because banks and lending agencies refuse to recognize the fictional values created by subsidies, and such agencies discount the proportion of the inventory value which is reflected by subsidies.

(4) Many producers and feeders of livestock are limiting or curtailing their operations, the ultimate result of which will be to reduce the supply of livestock and meat available in the future; and

Whereas the committee, based upon the evidence adduced in the course of these hearings, is of the opinion that the present chaotic condition of the livestock and meat industry will not be corrected until such time as ceiling prices and subsidies can be eliminated; it is the unanimous opinion that the elimination of meat subsidies with a corresponding increase in maximum price ceiling on meat to the extent necessary to compensate for the elimination of subsidies will contribute greatly toward stabilizing the livestock and meat industry and correcting many of the evils affecting it (1) by eliminating the confusion, uncertainty, and fear which subsidies have created in the minds of producers and feeders through the establishment of abnormal price relationships between livestock and meat; (2) by facilitating a return to normal marketing methods in connection with the sale and purchase of livestock and the distribution of meat; and (3) by depriving black marketeers of a $700,000,000 market within which to operate and by furnishing consumers with meat at prices no higher than the actual prices now being paid and, at the same time, saving $700,000,000 in taxes: Now, therefore, be it

Resolved by the Committee on Agriculture of the House of Representatives, That this committee does endorse and approve the following proposed amendment to H. R. 6042, a bill to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, which is now pending before the House, to wit:

That H. R. 6042, a bill to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, be amended as follows:

(1) Amend section 5, page 6, line 23, by striking out "Meat, $715,000,000:".

(2) Amend section 5, page 7, line 22, by inserting, in line 22, after the word "That", the following: "no funds heretofore or hereafter appropriated to, borrowed under congressional authorization by, or in custody or control of any governmental agency, including Government-owned or controlled corporation, shall be used to continue any existing program or to institute any new program for the payment of subsidies on livestock or meat derived from livestock, or for the purchase of such commodities for resale at a loss, thereby subsidizing directly or indirectly the production, sale, or distribution of such commodities, except that nothing contained herein shall prevent the payment of obligations created under existing programs which accrued prior to June 30, 1946; *Provided further*, That in order to prevent a reduction in livestock prices upon the elimination of meat-subsidy operations, the Administrator shall make corresponding increases in maximum prices of meat and meat products to the extent necessary to compensate for the removal of such subsidies: *And provided further*, That,".

JEWISH REFUGEES

Mr. DE LACY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. DE LACY. Mr. Speaker, another great tragedy is taking place in the little port of Lascpieza, Italy, where 1,100 Jewish refugees, most of them from the concentration camps in Germany, having worked their way through the continent into Italy and gotten onto ships, hoping that they might somehow get into Palestine, have been stopped by the British. I hope that the great heart of America and the great strength of this Nation will intercede, that they may proceed peacefully to their destination.

PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. VOORHIS of California addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. SMITH of Ohio asked and was given permission to extend his remarks in the RECORD and include the minority report on extension of the Price Control Act.

Mr. CLASON asked and was given permission to extend his remarks in the RECORD and to include a memorial from the Commonwealth of Massachusetts.

Mr. REED of New York asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include certain statistical information and some quotations.

Mr. HORAN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. GOODWIN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SPARKMAN asked and was given permission to revise and extend the remarks he made in Committee of the Whole today and include two newspaper articles.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BAILEY, for Saturday, April 13, on account of important official business; and

To Mr. GERLACH (at the request of Mr. TIBBOTT), indefinitely, on account of illness.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1907. An act to increase the authorized strength of the active list of the Regular Navy and Marine Corps, to increase the authorized number of commissioned officers of the active list of the line of the Regular Navy, and to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes.

ADJOURNMENT

Mr. SPARKMAN. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 47 minutes p. m.), under its previous order, the House adjourned until tomorrow, Saturday, April 13, 1946, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1210. A letter from the President, United States Civil Service Commission, transmitting drafts of proposed bills to amend the Canal Zone Code of June 19, 1934, as amended, to provide for the compounding of interest on a calendar-year basis in lieu of a fiscal-year basis; and to amend the act entitled "An act for the retirement of employees of the Alaska Railroad, Territory of Alaska, who are citizens of the United States" of June 29, 1936, as amended, to provide for the compounding of interest on a calendar-year basis in lieu of a fiscal-year basis; to the Committee on the Merchant Marine and Fisheries.

1211. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

1212. A letter from the Librarian of Congress, transmitting the annual report of the Librarian of Congress for the fiscal year ending June 30, 1945, and the annual report of the Register of Copyrights for the same period; to the Committee on the Library.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1926. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. BLOOM: Committee on Foreign Affairs. House Joint Resolution 305. Joint resolution providing for membership and participation by the United States in the United Nations Educational, Scientific, and Cultural Organization, and authorizing an appropriation therefor; with amendment (Rept. No. 1927). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LANE:

H. R. 6080. A bill to permit payments to States equal to one-half of the amount expended by the States for aid to dependent children without regard to the amount expended with respect to any dependent child for any month; to the Committee on Ways and Means.

By Mr. LECOMPTE:

H. R. 6081. A bill granting the consent of Congress to the Iowa State Highway Commission to construct, maintain, and operate a free highway bridge across the Des Moines River at or near the town of Eddyville, Iowa; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLER of California:

H. R. 6082. A bill to guarantee preference for veterans and former Federal employees in filling temporary appointments in the Federal Government; to the Committee on the Civil Service.

By Mr. OUTLAND:

H. R. 6083. A bill to amend section 6 of the Classification Act of 1923, as amended; to the Committee on the Civil Service.

By Mr. BROOKS:

H. R. 6084. A bill to amend the Pay Readjustment Act of 1942, as amended, so as to provide an increase in pay for personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service; to the Committee on Military Affairs.

By Mr. FLANNAGAN:

H. R. 6085. A bill to improve the administration of the Production and Marketing Administration, United States Department of Agriculture; to the Committee on Agriculture.

H. R. 6086. A bill to extend the period within which the Secretary of Agriculture may carry out the purposes of the Soil Conservation and Domestic Allotment Act by making payments to agricultural producers; to the Committee on Agriculture.

H. R. 6087. A bill to give the Secretary of Agriculture permanent authority to make payments to agricultural producers in order to effectuate the purposes specified in section 7 (a) of the Soil Conservation and Domestic Allotment Act; to the Committee on Agriculture.

H. R. 6088. A bill to amend section 17 (a) of the Soil Conservation and Domestic Allotment Act (49 Stat. 1151); to the Committee on Agriculture.

By Mr. HAND:

H. R. 6089. A bill to provide specially constructed automobiles for paraplegic veterans; to the Committee on World War Veterans' Legislation.

H. R. 6090. A bill to permit partially disabled World War II veterans to reenlist in the armed forces of the United States, including the Coast Guard, for limited duty; to the Committee on Military Affairs.

By Mr. SHAFER:

H. R. 6091. A bill to authorize the appointment as chaplains in the Regular Army of certain members of the Officers' Reserve Corps over 45 years of age who served on active duty in the Army of the United States for at least 5 years; to the Committee on Military Affairs.

By Mr. GREEN:

H. R. 6092. A bill to include Amvets, American Veterans of World War II, among the organizations which shall be recognized by the Administrator of Veterans' Affairs in the presentation of claims; to the Committee on World War Veterans' Legislation.

By Mr. HAND:

H. R. 6093. A bill to amend the act of April 14, 1930, to provide increased retired pay for certain members of the former life-saving service; to the Committee on the Merchant Marine and Fisheries.

By Mr. McCORMACK:

H. R. 6094. A bill to fix the compensation of the Director of the Federal Bureau of Investigation; to the Committee on the Judiciary.

By Mr. RABAUT:

H. R. 6095. A bill to include Amvets, American Veterans of World War II, among the organizations which shall be recognized by the Administrator of Veterans' Affairs in the presentation of claims; to the Committee on World War Veterans' Legislation.

By Mr. REES of Kansas:

H. R. 6096. A bill to increase the rates of monthly base pay of enlisted men of the lower five pay grades of the Army, Navy, Marine Corps, and Coast Guard for the purpose of encouraging voluntary enlistments in the armed forces; to the Committee on Military Affairs.

By Mr. ROBERTSON of Virginia:

H. R. 6097. A bill to amend the act of March 10, 1934, entitled "An act to promote the conservation of wildlife, fish, and game, and for other purposes"; to the Committee on Agriculture.

By Mr. ROE of New York:

H. R. 6098. A bill granting a right-of-way at a revised location to the West Shore Railroad Co., the New York Central Railroad Co., lessee, across a portion of the military reservation at West Point; to the Committee on Military Affairs.

By Mr. VOORHIS of California:

H. Res. 592. Resolution favoring adoption of the provisions contained in the report of the State Department on atomic energy; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN of New York:

H. R. 6099. A bill for the relief of Louis Jonckers and Mrs. Philomane Vermeulen; to the Committee on Claims.

H. R. 6100. A bill for the relief of Mr. A. F. Sozio; to the Committee on Claims.

H. R. 6101. A bill for the relief of the estate of Mrs. Charles Bath and others; to the Committee on Claims.

H. R. 6102. A bill for the relief of Kent L. Sonnenberg; to the Committee on Claims.

By Mr. HAND:

H. R. 6103. A bill for the relief of Mrs. Katherine Gehringer; to the Committee on Claims.

By Mr. HÉBERT:

H. R. 6104. A bill for the relief of Harriet Ann Sherman; to the Committee on Claims.

By Mr. HINSHAW:

H. R. 6105. A bill for the relief of Allen T. Feamster, Jr.; to the Committee on Claims.

H. R. 6106. A bill for the relief of Mrs. Dora Catherine Stab; to the Committee on Pensions.

By Mr. LEA of California:

H. R. 6107. A bill for the relief of Lawson Ashby et al.; to the Committee on Claims.

By Mr. McCONNELL:

H. R. 6108. A bill for the relief of Mrs. Marie Salamone; to the Committee on Claims.

By Mr. MILLER of California:

H. R. 6109. A bill for the relief of Albert G. Runnels; to the Committee on Claims.

By Mr. PHILBIN:

H. R. 6110. A bill for the relief of Eleanor J. Griggs, Dorothy L. Griggs, and Vernon M. Griggs; to the Committee on Claims.

By Mr. RABIN.

H. R. 6111. A bill for the relief of Paul Goodman; to the Committee on Claims.

By Mr. SOMERS of New York:

H. R. 6112. A bill for the relief of Petrol Corp.; to the Committee on Claims

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1792. By Mr. GRAHAM: Petition of the board of trustees and librarians of the Carnegie Free Library, Midland, Pa., favoring House bill 5742 and Senate bill 1920, providing for the demonstration of public-library service in areas without such service or with inadequate library facilities; to the Committee on Education.

1793. By Mr. HART: Petitions of Lackawanna Railroad Post, No. 3725; Day-Smith Post, No. 133; George L. Vreeland Post, No. 3092; Camden Company Post, No. 18; Clark Moetz Post, No. 2319; Anthony J. Balone Post, No. 5383; Elmslie Miles Post, No. 4839; and Fred C. Hall Post, No. 1398, protesting against housing bill as passed by the House of Representatives, and urging that said bill be recalled from the Senate and that the original Wyatt housing bill be passed and enacted into law; to the Committee on Banking and Currency.

1794. By Mr. KEOGH: Petition of residents of the Ninth Congressional District of Brooklyn, in opposition to the present curtailment of grain for the production of beer; to the Committee on Agriculture.

1795. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, urging enactment of House bills 2229 and 2230; to the Committee on Ways and Means.

1796. By the SPEAKER: Petition of Eulalia M. de Rodriguez and others, petitioning consideration of their resolution with reference to protesting against the continued existence of the Fascist regime in Spain; to the Committee on Foreign Affairs.

1797. Also, petition of the Dallas Clearing House Association, petitioning consideration of their resolution with reference to the proposed credit to the United Kingdom; to the Committee on Banking and Currency.

HOUSE OF REPRESENTATIVES

SATURDAY, APRIL 13, 1946

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Lord God of hosts, today we catch the vision of the Master's consecration as, with passionate ardor, He gives Himself to His heroic mission and approaching sacrifice. As we near the day of Thy triumphal entry into the holy city, we offer Thee our hearts' praise and grati-

tude and pray that our words and conduct may always attest to the teachings of the King of Kings. With a spirit of unwavering diligence and loyalty, make us as dauntless as the holy Galilean, who, though denied by rulers in high places, was ordained of God. Grant that we may give Thee a Sabbath rest and devotion and crown Thee king of our hearts, victorious over time and change. Break all fetters that bind us to selfish, sordid interests, and send us forth with willing hearts along the path of sacrificial service. With all our souls let us say: Not unto our goodness or our wisdom but unto Thee be eternal praises forevermore. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 804. An act for the relief of Mrs. Trixie Minnie Twigg;

H. R. 841. An act for the relief of Lander H. Willis;

H. R. 998. An act for the relief of Bernice B. Cooper, junior clerk-typist, Weatherford, Tex., rural rehabilitation office, Farm Security Administration, Department of Agriculture;

H. R. 1073. An act for the relief of Mrs. Gertrude Verbarg;

H. R. 1217. An act for the relief of Hutchinson's Boat Works, Inc., and others;

H. R. 1235. An act for the relief of John Bell;

H. R. 1262. An act for the relief of W. E. Noah;

H. R. 1264. An act for the relief of Lt. Col. John P. Maher, Field Artillery Reserve, Army of the United States;

H. R. 1269. An act for the relief of Virge McClure;

H. R. 1350. An act to record the lawful admission to the United States for permanent residence of Nora R. Neville;

H. R. 1352. An act for the relief of Herman Feinberg;

H. R. 1356. An act for the relief of Elias Baumgarten;

H. R. 1399. An act for the relief of Mrs. Lucy Palmisano and the legal guardian of Anthony Palmisano, Jr.;

H. R. 1562. An act for the relief of the Borough of Park Ridge, Park Ridge, N. J.;

H. R. 1616. An act to grant an honorable discharge from the military service of the United States to William Rosenberg;

H. R. 1721. An act for the relief of Eli L. Scott;

H. R. 1732. An act for the relief of Mrs. Marie A. Shedd, Mrs. Maude C. Denney, Mrs. Mabel Glenn Gray;

H. R. 1759. An act for the relief of Mildred Neiffer;

H. R. 1838. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of A. G. Bailey against the United States;

H. R. 1950. An act for the relief of Harry Cohen;

H. R. 1980. An act for the relief of Maj. Edward A. Zaj;

H. R. 2062. An act for the relief of Dave Topper;

H. R. 2156. An act for the relief of Lee Harrison;

H. R. 2217. An act for the relief of Rae Glauber,

H. R. 2244. An act for the relief of Edward W. Thurber;

H. R. 2249. An act for the relief of the Cape & Vineyard Electric Co.;

H. R. 2251. An act for the relief of Catherine V. Sweeney;

H. R. 2265. An act for the relief of owners of land and personal property of the Fort Knox area of Hardin County, Ky.;

H. R. 2266. An act for the relief of land and personal-property owners of Fort Knox area of Meade County, Ky.;

H. R. 2288. An act for the relief of Columbus Thomas;

H. R. 2318. An act for the relief of Mrs. Mertie Pike and the estate of Mrs. Burnice Smotherman, deceased;

H. R. 2331. An act for the relief of Mrs. Grant Logan;

H. R. 2415. An act for the relief of Joseph Tarantola and Ida Tarantola;

H. R. 2418. An act to authorize the United States commissioner for the Sequoia National Park to exercise similar functions for the Kings Canyon National Park;

H. R. 2509. An act for the relief of the legal guardian of James Irving Martin, a minor;

H. R. 2682. An act for the relief of John Doshim;

H. R. 2826. An act for the relief of Esther L. Berg;

H. R. 2837. An act for the relief of George Stiles;

H. R. 2842. An act for the relief of Montgomery County, Miss., districts 2 and 3;

H. R. 2848. An act for the relief of the legal guardian of Wilma Sue Woods, Patsy Woods, Raymond E. Hilliard, and Thomas E. Hilliard, minors;

H. R. 2884. An act for the relief of B. H. Spann;

H. R. 2885. An act for the relief of Mrs. Frank Mitchell and J. L. Price;

H. R. 2901. An act for the relief of Mrs. Janet McKillip;

H. R. 2904. An act for the relief of Clyde Rownd, Della Rownd, and Benjamin C. Day;

H. R. 2927. An act for the relief of Mrs. Evelyn Merritt;

H. R. 2931. An act for the relief of Edward Oatneal, John N. Oatneal, Jr., and James R. Oatneal;

H. R. 3003. An act for the relief of Mary G. Paul;

H. R. 3050. An act for the relief of David Siskind;

H. R. 3121. An act for the relief of Elizabeth M. Simmons and Robert H. Simmons;

H. R. 3126. An act for the relief of Mrs. Jean Taube Weller;

H. R. 3127. An act for the relief of Harry F. Vinton, Jr.;

H. R. 3161. An act for the relief of Mrs. Ruby Miller;

H. R. 3195. An act for the relief of Grenada County, Miss.;

H. R. 3217. An act for the relief of Mattie Lee Wright;

H. R. 3301. An act for the relief of the legal guardian of James Herbert Keith, a minor;

H. R. 3430. An act for the relief of George F. Powell;

H. R. 3431. An act for the relief of F. W. Burton;

H. R. 3483. An act for the relief of Mr. and Mrs. Cipriano Vasquez;

H. R. 3513. An act for the relief of Braxton B. Folmar and Mary Inez Folmar, William Ernest Evans and Dora Ethel Evans, Joseph Thomas Avery and Maggie M. Avery, Robert H. Phillips and Hattie P. Phillips, and the legal guardian of James T. Avery, a minor.

H. R. 3554. An act for the relief of Fred C. Liter;

H. R. 3590. An act for the relief of Charles Brown, legal guardian of Lula Mae Brown; Charity Hospital of New Orleans, La.; and Dr. Edward H. Maurer;

H. R. 3591. An act for the relief of Addie Pruitt;

H. R. 3670. An act for the relief of the estate of Venancio Llacuna and others;

H. R. 3677. An act for the relief of J. Tom Stephenson;

H. R. 3698. An act for the relief of Mrs. Lucille Scarlett and Charles Scarlett;

H. R. 3846. An act for the relief of the estate of Eleanor Wilson Lynde, deceased;

H. R. 3948. An act for the relief of Mrs. Clifford W. Prevatt;

H. R. 4054. An act for the relief of H. A. Edd;

H. R. 4056. An act for the relief of Mrs. Jud Hendry and her daughter, Gladys Hendry;

H. R. 4208. An act for the relief of the Calvert Distilling Co.;

H. R. 4239. An act granting to Guy A. Thompson, trustee, Missouri Pacific Railroad Co., debtor, and to his successors and assigns, authority to relocate, maintain, and operate a single-track railway across United States Government reservation at lock No. 3, White River, Independence County, Ark., and for other purposes;

H. R. 4240. An act for the relief of Frank E. Wilmot;

H. R. 4297. An act for the relief of Joseph Schell;

H. R. 4335. An act for the relief of the Morgan Creamery Co.;

H. R. 4560. An act for the relief of Nicholas T. Stepp;

H. R. 4797. An act to confer jurisdiction upon the United States District Court for the Eastern District of Virginia to determine the claim of Lewis E. Magwood;

H. R. 4914. An act to revive and reenact the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944;

H. R. 4940. An act granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate a toll bridge across the Connecticut River at or near Old Saybrook, Conn.;

H. R. 4957. An act for the relief of Herman Gelb;

H. R. 5010. An act for the relief of Mrs. May Holland;

H. R. 5121. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the State of Arkansas the silver service presented to the United States for the battleship *Arkansas;*

H. R. 5275. An act to revive and reenact the act granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Pee Dee River at or near Cashua Ferry, S. C., approved April 30, 1940;

H. R. 5544. An act authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn.;

H. R. 5574. An act to amend paragraph 8 of part VII, Veterans Regulation No. 1 (a), as amended, to authorize an appropriation of $1,500,000 as a revolving fund in lieu of $500,000 now authorized;

H. R. 5664. An act for the relief of Oscar R. Steinert; and

H. R. 5765. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the city of New Orleans the silver service and silver bell presented to the United States for the cruiser *New Orleans.*

The message also announced that the Senate has passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 941. An act for the relief of Mrs. C. A. Lee, administratrix of the estate of Ross Lee, deceased;

H. R. 1674. An act for the relief of Mrs. Ollie Patton;

H. R. 2167. An act for the relief of Orvis Welch;

H. R. 2528. An act for the relief of Mr. and Mrs. James Sherry;

H. R. 3159. An act for the relief of Ernest Pedro Ferreira;

H. R. 3543. An act for the relief of the legal guardian of James Thompson, a minor;

H. R. 3936. An act to provide for the evacuation and repatriation of the remains of certain persons who died and are buried outside the continental limits of the United States and whose remains could not heretofore be returned to their homelands due to wartime shipping restrictions;

H. R. 4253. An act for the relief of Mrs. Beatrice Brisbin, and the legal guardians of Wynona Gene Brisbin, Nelda Elaine Brisbin, Gwendoline Louise Brisbin, and Jacqueline Nadine Brisbin, minors;

H. R. 5504. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

H. R. 5856. An act to provide for trade relations between the United States and the Philippines, and for other purposes.

CALL OF THE HOUSE

Mr. MURRAY of Tennessee. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 82]

Allen, Ill.	Fisher	Norton
Bailey	Fogarty	Patrick
Baldwin, Md.	Gerlach	Patterson
Barrett, Pa.	Gibson	Powell
Barry	Gifford	Price, Fla.
Bates, Ky.	Graham	Rains
Bell	Griffiths	Rayfiel
Bennet, N. Y.	Hale	Reece, Tenn.
Bishop	Hall,	Reed, Ill.
Bland	Edwin Arthur	Robertson, Va.
Bloom	Hall,	Roe, N. Y.
Boykin	Leonard W.	Sabath
Bradley, Pa.	Hancock	Sharp
Brumbaugh	Hart	Sikes
Buckley	Hedrick	Smith, Maine
Bunker	Hendricks	Somers, N. Y.
Byrne, N. Y.	Heselton	Starkey
Chiperfield	Hinshaw	Stigler
Clippinger	Izac	Stockman
Cochran	Johnson, Okla.	Sumner, Ill.
Coffee	Kefauver	Sumners, Tex.
Colmer	LaFollette	Tolan
Cox	Lea	Traynor
Crosser	Luce	Voorhis, Calif.
Curley	McDonough	Wolcott
Dawson	McKenzie	Wolfenden, Pa.
Dingell	McMillen, Ill.	Zimmerman
Eberharter	Mansfield, Tex.	
Fellows	Marcantonio	

The SPEAKER. On this roll call 338 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

HON. SOUTH TRIMBLE

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes on the birthday of Hon. South Trimble, Clerk of the House.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. CHAPMAN. Mr. Speaker, I am commissioned by the Kentucky delegation to call the attention of the House to the eighty-second birthday anniversary of a great American, a beloved Kentuckian, a distinguished former Member of Congress, a devoted public servant, the cherished friend of the membership of this body, the venerable Clerk of the House, South Trimble.

Mr. Trimble was born on the one hundred and twenty-first anniversary of the natal day of the greatest political philosopher and most versatile genius America has produced, the Sage of Monticello, Thomas Jefferson. Parenthetically, I, a successor of Mr. Trimble in the House, was born on the one hundred and twenty-eighth anniversary of the birthday of the second patron saint of the party to which both of us bear allegiance, Andrew Jackson.

Mr. Trimble is a scion of the hardy, sturdy race of pioneers, intrepid men and dauntless women, who, armed with the rifle, the ax, and the Holy Bible defied the perils of the treacherous trail through trackless wilderness and over towering mountains into the Dark and Bloody Ground of Old Kentucky; braved the menace of wild beasts and savage men; cleared the forests, raised their cabins, tilled their fields, reared their children; builded in the western wildwood the imperial commonwealth we love to call our "Old Kentucky Home"; and dedicated it as a sanctuary of liberty and justice.

Mr. Trimble was born only a few miles from the historic spot where Daniel Boone first cast his enraptured gaze on the promised land of his dreams. The outstanding episodes of his career have been associated with some of the most dramatic and stirring scenes in the colorful drama of Kentucky's history.

In the spring of 1864 Kentucky was truly "The Dark and Bloody Ground" of tradition. The gallant sons of a house divided against itself—father against son, brother against brother—were covering themselves with immortal renown, some of them wearing the blue of the wind-swept North, and some the gray of the sun-kissed South. The venerable Clerk of the House was only a few weeks old, literally a part of the infantry in the War Between the States, when the "Thunderbolt of the Confederacy," Beau Sabreur of Kentucky's soldiery, the knightly and glamorous cavalry general, John Hunt Morgan, led his cavalier brigade along a highway only a few miles from where the future statesman sniffed the battle afar off and bawled in his cradle because he could not join in the heroic raid.

Soon he moved to a Franklin County farm, within rifle range of the capitol of Kentucky. His Grandfather South was one of the most colorful and popular political leaders of his time. His kinsman, David Trimble, a veteran of the War of 1812, had been a Member of Congress. His relative, Robert Trimble, had briefly but brilliantly served as an Associate Justice of the United States Supreme Court, the appointee of John Quincy Adams. Frankfort was a perennial political battlefield. In that arena of intraparty and interparty strife, South Trimble grew to manhood.

In 1896, when such eminent older leaders of Kentucky Democracy as Henry Watterson, John G. Carlisle, Simon Bolivar Buckner, William Lindsay, and W. C. P. Breckinridge enlisted under the gold standard, young Trimble became a leader among the younger Democrats who rallied to the shining banner of the "Boy Orator of the Platte." The following year he entered the General Assembly of Kentucky. I wonder sometimes if there could be any significance in the fact that Mr. Trimble's native county of Wolfe is the legendary site of the fabulous "Swift Silver Mine," which has intrigued adventurers, explorers, novelists, and historians for nearly 200 years. Be that as it may, the fact stands out that there is probably no greater living authority than South Trimble on the history and economics of the monetization of silver.

The year 1900 was the most dramatic and tragic in the history of Kentucky politics. In a bitterly contested caucus, Mr. Trimble won the nomination for speaker by one vote over the gallant and redoubtable J. Campbell Cantrill, who afterward gave 15 years of his life to distinguished service in this body. From that day until Cantrill's noble spirit took flight to the bosom of its Maker, Trimble and Cantrill were the warmest, truest friends.

Speaker Trimble was elected to preside over a house whose principal responsibility was to decide a contest over the governorship of Kentucky. The lightning of slander flashed from every hilltop; the thunder of vituperation rolled in every valley. The legislature was driven by bayonets from the capitol grounds. The contestant for the governorship was assassinated from ambush as he walked toward the State senate, of which he was a member. Chaos reigned in the seat of government. Blood was on the moon. Speaker Trimble attracted Nation-wide admiration by his poise, judgment, wisdom, and courage in that crisis. The clear head and stout heart and strong arm of South Trimble led to a decision of the contest while the stricken chieftain languished on a bed of agony in the shadow of imminent death.

Peace and order were restored. South Trimble's name became a household word throughout Kentucky. That very year, 1900, he was elected to Congress by the historic and eminent district that had sent to Congress Henry Clay, William T. Barry, Richard M. Johnson, Thomas F. Marshall, John J. Crittenden, John C. Breckinridge, James B. Beck, Jo C. S. Blackburn, W. C. P. Breckinridge, and Evan E. Settle. William McKinley was President of the United States. David B. Henderson, of Iowa, was Speaker of the House. Young ADOLPH SABATH, present father of the House, had 6 years to wait before beginning his distinguished career in this body.

At the end of his third term, in 1906, Mr. Trimble was not a candidate for reelection.

In 1909 came the historic revolt against the rules of the House, and "Uncle Joe" Cannon was shorn of much of the Speaker's power. As the 1910

elections approached, the former Congressman from Frankfort, Ky., was largely instrumental in opening headquarters for the congressional campaign that resulted in the election of a Democratic majority in the House of Representatives. Champ Clark became Speaker, Oscar W. Underwood, majority leader, and South Trimble, Clerk of the House. He was reelected biennially until his party lost its majority in the congressional election of 1918. Mr. Trimble continued every 2 years to be his party's caucus nominee for Clerk until the Democrats again elected a majority in 1930. He was elected Clerk of the House and has continued to serve in that important position continuously. For the past 36 years Mr. Trimble has been the Democratic Party's only nominee for Clerk of the House, and has filled the position with outstanding ability and devotion to duty for 24 years.

A veteran Congressman once told me of an incident that occurred in the Speaker's lobby that aptly describes Mr. Trimble. Speaker Clark was talking with a new Member. Mr. Trimble passed and he and the Speaker exchanged cordial greetings. The new Member said: "Mr. Speaker, who is that man?" Champ Clark answered: "That is South Trimble, of Kentucky, Clerk of the House, the man who knows more and says less than any other man in Washington." He is a sage in the councils of his party and a signally able official in the service of his country. Slightly paraphrasing Shakespeare's description of Cleopatra, we may truthfully say of our venerable and beloved friend that time cannot wither, nor custom stale his rare and infinite variety. His splendid public service, like that of our distinguished colleagues, the gentleman from North Carolina [Mr. DOUGHTON], the gentleman from Illinois [Mr. SABATH], and the gentleman from Texas [Mr. MANSFIELD] makes it easy for us to understand how William E. Gladstone did much of his best work after passing the eightieth milestone and why Palmerston was familiarly called "The Old Boy" when he was the octogenarian Prime Minister of England. Mr. Trimble, like these other colleagues of ours, has found under the majestic dome of this Capitol and in the hearts of devoted friends the fountain of perpetual youth which the Spanish explorer, Ponce de Leon, sought in vain amid the everglades of the Land of Flowers.

Mr. Trimble is the typical Kentucky gentleman. He loves the history and tradition, the institutions, manners, and customs of his native State. He loves its land, its people, its scenic beauty, its historic shrines. For more than half a century he has seldom missed that gala day in May, when the band plays My Old Kentucky Home, and some equine king or queen wears the floral wreath of the winner in the Kentucky Derby. He never misses an election; or hardly ever, as Henry Watterson was wont to say, "a foot race, a fight, or a frolic." His heart beats faster whenever he casts his gaze and turns his footsteps toward the beautiful, gently undulating pasture lands of the fairest country beneath the sky—the Bluegrass Region of Old Kentucky. His life is the exemplification of the truth of the oft-quoted axiom, "Once a Kentuckian, always a Kentuckian."

He is faithful to his friends and is the object of their sincere affection. Sometime, many years hence, when he gathers his friends around him for a festive hour, I expect to propose a toast like this:

We've had some ups and downs in life
And growing kinder old;
But hearts are warm as ever,
And they never will grow cold.

So far as him and me's concerned
Not even over thar,
Where all are called to answer
At the final judgment bar.

For friendship's close to holiness,
And blamed if I can see,
How we'll ever get licked for that,
Old South and me.

EXTENSION OF REMARKS

Mr. HOBBS asked and was given permission to extend his remarks in the RECORD and include excerpts from articles.

Mr. HARE asked and was given permission to extend his remarks in the RECORD.

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a manuscript entitled "Stevens Builds a Directory." I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $180, but I ask that it be printed notwithstanding that fact.

I reserve the right to change the title, Mr. Speaker.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. COOLEY asked and was given permission to extend his remarks in the RECORD and include a poem.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a telegram from the chairman of the Special Committee Studying Feed Shortages in Massachusetts.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD in three instances.

Mr. JACKSON asked and was given permission to extend his remarks in the RECORD in two instances and include in one certain letters.

Mr. HÉBERT asked and was given permission to extend his remarks in the RECORD and include a radio address he delivered last night.

Mr. LYNDON B. JOHNSON asked and was given permission to extend his remarks in the RECORD.

Mr. LARCADE asked and was given permission to extend his remarks in the RECORD in three instances, and to include in each a letter from a constituent.

Mr. WALTER asked and was given permission to extend his remarks in the RECORD and include an editorial.

THOMAS JEFFERSON'S ANNIVERSARY

Mr. RANKIN. Mr. Speaker, since this is the anniversary of the birth of the greatest Democratic leader of all times, Thomas Jefferson, I ask unanimous consent to address the House for 5 minutes and to quote from his first inaugural address in which he laid down the fundamental principles by which our Nation should be guided.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, since I was attacked by Pravda and the Moscow radio this morning because I am not radical enough, I deem it not inappropriate that I rise to pay my humble tribute to the greatest political philosopher of all times, Thomas Jefferson, whose political philosophy I embrace, and who was born 203 years ago today.

I want to quote his immortal words in which he laid down the fundamental principles that should guide our Government now and for all time to come, and which he said constitute the "sum of good government."

In his first inaugural address Thomas Jefferson said:

> About to enter, fellow citizens, on the exercise of duties which comprehend everything dear and valuable to you, it is proper that you should understand what I deem the essential principles of our Government, and consequently those which ought to shape its administration. I will compress them within the narrowest compass they will bear, stating the general principle, but not all its limitations. Equal and exact justice to all men, of whatever state or persuasion, religious or political; peace, commerce, and honest friendship, with all nations—entangling alliances with none; the support of the State governments in all their rights, as the most competent administrations for our domestic concerns and the surest bulwarks against anti-republican tendencies; the preservation of the General Government in its whole constitutional vigor, as the sheet anchor of our peace at home and safety abroad; a jealous care of the right of election by the people—a mild and safe corrective of abuses which are lopped by the sword of the revolution where peaceable remedies are unprovided; absolute acquiescence in the decisions of the majority—the vital principle of republics, from which there is no appeal but to force, the vital principle and immediate parent of despotism; a well-disciplined militia—our best reliance in peace and for the first moments of war, till regulars may relieve them; the supremacy of the civil over the military authority; economy in the public expense, that labor may be lightly burdened; the honest payment of our debts and sacred preservation of the public faith; encouragement of agriculture, and of commerce as its handmaid; the diffusion of information and the arraignment of all abuses at the bar of public reason; freedom of religion; freedom of the press; freedom of person under the protection of the habeas corpus; and trial by juries impartially selected—these principles form the bright constellation which has gone before us, and guided our steps through an age of revolution and reformation. The wisdom of our sages and the blood of our heroes have been devoted to their attainment. They should be the creed of our political faith—the text of civil instruction—the touchstone by which to try the services of those we trust; and should we wander from them in moments of error or alarm, let us hasten to retrace our steps and to regain the road which alone leads to peace, liberty, and safety.

[Prolonged applause, the Members rising.]

EXTENSION OF REMARKS

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include a letter and an editorial.

Mrs. BOLTON asked and was given permission to extend her remarks in the RECORD on the subject This Is Know-Your-Public-Health-Nurse Week.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include a statement prepared by the National City Bank showing the ratio of earnings to gross sales of 1,017 manufacturers.

Mr. TOWE asked and was given permission to extend his remarks in the RECORD in two instances and include articles on different subjects.

Mr. ROBERTSON of North Dakota asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. COLE of New York asked and was given permission to extend his remarks in the RECORD and include an article on Puerto Rico.

Mr. THOMAS of New Jersey asked and was given permission to extend his remarks in the RECORD and include two editorials from two New Jersey newspapers.

Mr. REES of Kansas asked and was given permission to extend his remarks in the RECORD.

Mr. RIZLEY asked and was given permission to extend his remarks in the RECORD and include two letters.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include a suggestion she made to General Bradley for improving the rating on veterans' claims for the Appeal Board.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and include some correspondence.

Mr. FULLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include therein an address by J. Howard Pew entitled "Tomorrow's Oil."

The SPEAKER. Without objection, the extension may be made.

There was no objection.

Mr. BEALL asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein an editorial from the Baltimore (Md.) Sun.

Mr. HOLMES of Massachusetts asked and was given permission to extend his remarks in the Appendix of the RECORD and include a tribute to the public service of the late Honorable Robert Luce; and in another instance to include a letter from George W. Brothers, of Weston, Mass.; and a newspaper article.

Mr. SABATH asked and was given permission to extend his remarks in the Appendix of the RECORD on the life, activities, and admonitions of Thomas Jefferson.

Mr. HOOK asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and to include an analysis of the lumber production and forecast conservation problem by Ellery Foster, and in another instance to include an editorial from the newspaper Labor.

Mr. SAVAGE asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD and include addresses made yesterday at the dedication of the shrine of the late President Franklin Delano Roosevelt by President Truman, Mrs. Roosevelt, and Secretary of the Interior Krug.

EXTENSION OF SELECTIVE TRAINING AND SERVICE ACT

Mr. MAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6064) to extend the Selective Training and Service Act of 1940, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6064, with Mr. BULWINKLE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose yesterday, the first section of the bill had been read.

Mr. MAY. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MAY: Page 1, line 9, strike out "eighteen" and insert in lieu thereof "twenty"; and in line 10, after the comma, insert "or who attains the age of twenty after having been required to register pursuant to section 2 of this act."

Mr. MAY. Mr. Chairman, I am not going to take much of the time of the Committee in explaining this amendment because it is so apparent on its face as to its meaning that everybody understands it. I am going to agree emphatically with General Eisenhower in presenting this amendment. When he was before the Senate Committee on Military Affairs, he was asked by Senator O'MAHONEY with reference to the 18- and 19-year-old boys. His answer was:

I think the 18-year-old man is not so suitable as an older man for a number of duties in the Army. He is a good fighter, but in jobs of this kind he is at a more immature age and I would rather have others.

Then he discussed the question of the exhaustion of that group by the draft. Later, he was asked this question by Senator JOHNSON:

Does that include boypower—18-year-old power? Is it manpower or boypower, is my question.

General EISENHOWER. I do not see where I am called upon to express such an opinion, that being the responsibility of you gentlemen. But I do know this: I have seen 18-year-olds fight like tigers.

Senator JOHNSON. Do they make good policemen?

General EISENHOWER. I do not think they do.

Senator JOHNSON. Does New York City or Washington or Philadelphia or any other city in our country have 18-year-old policemen?

General EISENHOWER. I am not acquainted in detail, but I should say not.

Now, it is perfectly apparent that General Eisenhower agrees with the Military Affairs Committee of the House. Every man on that committee who has mentioned this subject has expressed regret at being under the necessity of ever having inducted 18- and 19-year-old boys. Any Member who has spoken on this floor, regardless of the committee of which he is a member, has said he did not like to induct 18- or 19-year-old boys. Where does that dislike come from? It comes from the consciousness that it is wrong to put children in camps overseas, away from the parents and all the influences under which they have developed their tender lives. I am against it. I hope the House will rise up in its might and say to the country that in peacetime we can get enough men out of the groups that have heretofore been deferred to enable the Army to occupy whatever countries we have to occupy in order to fulfill our commitments.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. THOMAS of New Jersey. Is the chairman of our committee in favor of the rest of this bill?

Mr. MAY. I am in favor of the extension of the bill, and I think it would be tragic not to extend it.

Mr. THOMAS of New Jersey. Will the gentleman tell the House how many men we can call if his amendment should be agreed to?

Mr. MAY. I will answer that by saying I do not believe we will have to call a single man if we will go after the induction of volunteers as we ought to, and they are now coming in at the rate of seventy-odd thousand per month.

Mr. THOMAS of New Jersey. I will say this to the chairman that I have repeatedly asked that question of the chairman right from the beginning, all the way through the committee hearings, and he refused to answer the question.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Georgia.

Mr. VINSON. Is the gentleman from Kentucky also in favor of a suspension from May to October 15?

Mr. MAY. I certainly think that would be a prudent move, because that will give the country a chance to test out the question of whether or nor voluntary enlistments in time of peace will work. If they will not work, then we will have ample time in which to get the necessary men to fill the quota in 1947 of 1,070,000 men.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that the gentleman from Kentucky may have five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CASE of New Jersey. Mr. Chairman will the gentleman yield?

Mr. MAY. I yield.

Mr. CASE of New Jersey. Is it not a fact that the War Department has advised that the group between 20 and 30

will produce not more than 3,000 men a month?

Mr. MAY. The figures that they gave us from the Selective Service indicated that in the group from 18 to 19 there were about 161,000; in the group of 19 to 20 there were 18,000 per month; in the group 20 to 21 there was a still smaller number. But I call attention to the figures that were furnished by the Selective Service Board to the committee on the question of IV–F's. Did you ever hear of those fellows? They are the men who went into jobs with fat pay during the time that the 18-year-olds were fighting, from October, 1944, until the time the fighting ceased. They were the men who were deferred to live on the farms. Of that number in the non-father group—now, do not forget that—in the non-father group as of the first day of January 1946, there were 1,115,100. With fathers and those that are non-fathers inclusive, there were 1,987,400. I mention that only because of the fact that under this bill they will not be taken in the future. So there is that pool, and then there is the further pool of those who have advanced from 20 years of age to 21 since the enactment of this act and since the closing of the war.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. RICH. If this amendment is added to the bill now why was it not added to the bill before the committee reported it out?

Mr. MAY. I shall have to say to the gentleman that it was added at one time on a vote of the committee, but the committee on reconsideration took it out by a vote.

Mr. RICH. Why was it not left in?

Mr. MAY. Because there was a motion to reconsider the vote and it lost by one vote.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. POAGE. If the gentleman's amendment is adopted the provision for the discharge of fathers who are now in the service will still prevail, will it not?

Mr. MAY. Yes; it does not affect that. Furthermore, this amendment would prohibit the induction of 18- and 19-year-olds, and those already in the service will be released on 18 months' service.

Mr. POAGE. There is some talk that the War Department has advised the gentleman's committee that they do not expect to have to draft any of these men until up into next year. Is that information correct?

Mr. MAY. I think that time was fixed probably in October; in other words I think their shortage would begin to become apparent in October or November, if I recall correctly. If not, I would like some member of the committee to correct me about it.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. HARNESS of Indiana. I do not believe there will be any shortage under the War Department figures until after January 1 of 1947. They have in the service today approximately 2,500,000 men. Under the demobilization program they expect to reach 1,550,000 on July 1, 1946, and gradually decrease until on July 1, 1947, they expect to have 1,070,000. Under their enlistment program without any inductions they do not expect to have an actual deficit or shortage until after January 1.

Mr. MAY. And even then under the statement of General Eisenhower to a question by Senator O'MAHONEY, the Senator's question being that if the War Department estimate of a deficit of 165,000 on July 1, 1947, is the best of these three estimates then we can be certain it means not more than half of that—and he said: "Yes; it is sufficient."

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. HARNESS of Indiana. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Indiana is recognized for 5 minutes.

Mr. HARNESS of Indiana. Mr. Chairman, I am heartily in favor of this amendment. I believe that the chairman made an accurate statement when he said that there will be no further inductions under the Selective Training and Service Act, even though it may be extended for the 9-months or 1-year period. I support that statement because I am confident we shall be able to get the necessary men for the armed forces through voluntary enlistments. What I had hoped we could do was to suspend the operation of the act for a period of 9 months insofar as inductions are concerned. I offered that amendment in the committee, but it failed of passage. My proposal was that we extend the act for 9 months but that we suspend its operation as to induction and give the country an opportunity to find out once and for all whether out of 140,000,000 people in this country we can recruit a million volunteers for our Regular Army. I feel confident that even under the present pay schedule and the opportunities offered to men to make the Army, the Navy, and the Marine Corps a career we can get them. However, it is proposed now to increase the pay for the armed forces, which will certainly stimulate enlistments.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Georgia.

Mr. VINSON. Is it not a fact that suspension has no reference to registration? They will continue to register in the period of suspension?

. Mr. HARNESS of Indiana. Suspension of inductions would have nothing to do with the carrying out of other parts of the act. We would have selective service just as it is today, the draft boards continuing with their functions and in taking care of the veterans that come back, registering, qualifying, and classifying all those who do register; we would have the act exactly as it is today with the one exception that we would stop inducting men while we determine whether the voluntary enlistment method will work. I would like to have somebody tell me what is wrong with that proposal?

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. It was stated in the debates in the committee yesterday that the War Department had set a quota of about 1,070,000 on July 1, 1947. I think all the Members of the House would like to know what the quota month by month is that the War Department states it will have to have. If we have that figure then we can gage whether or not the present Army, minus the demobilization, will take care of its requirements.

Mr. HARNESS of Indiana. I think I am accurate in this statement. I would like to be corrected if I am not. I believe that an average of 30,000 volunteers a month will make their quota. Now we are getting over 75,000 a month, but the War Department estimates that enlistments will drop from 75,000 to 20,000 the balance of this year and to 12,500 next year if we stop selective service. Well, they may be right, I am not saying they are not, but, in my opinion, that is a very conservative estimate.

There is some doubt in the minds of the officials of the War Department, and they are sincere. I do not have the slightest doubt that they are sincere. They feel that we cannot meet manpower requirements without selective service, but I think we can. Furthermore, I think we should find out at this first opportunity.

Mr. Chairman, I want to speak further about the amendment offered by the gentleman from Kentucky. I am sure this country wants to stop drafting 18-year-old boys into this peacetime Army. Certainly every War Department official who has come before us would prefer not to use them in the occupation forces. It is generally agreed that these boys are not mature enough for police work in enemy countries.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HARNESS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. I understood the gentleman to say a while ago that the Army would have enough men until January 1, 1947. Is that correct?

Mr. HARNESS of Indiana. Yes; that is my understanding.

Mr. COLE of Missouri. There is no reason then to extend this act and no reason for the operation of this act until that time?

Mr. HARNESS of Indiana. That is right.

Mr. COLE of Missouri. Can the gentleman tell me the cost of administering the selective service as it now stands?

Mr. HARNESS of Indiana. I am sorry. I cannot give the gentleman that figure. Of course, it is very high, but it would not cut down the cost very much if we extended the act for 9 months and suspended inductions. It would not save very much money.

Mr. COLE of Missouri. Then why should we not let the Selective Service Act die as of May 15?

Mr. HARNESS of Indiana. I was hoping that we could let it die on May 15, and I regret very much this House is called upon to extend it. While I offer no objection to the extension of the act as a safety measure and as an insurance to the officials of the War Department that they can get the manpower if we fall down on enlistments, I am convinced we will not fail on the enlistment program.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Kansas.

Mr. HOPE. The gentleman has expressed the belief that it will not be necessary to induct anyone under this act, if it is passed, and I am sure we all share in that hope. But suppose we are all wrong and we do have to induct boys under this act, will you be able to get the men if you leave the limit at 20 years, as proposed in this amendment?

Mr. HARNESS of Indiana. I was coming to that when I yielded to the gentleman from Missouri. I started to say a few minutes ago that all the officials of the War Department who have come before us have said that they did not want to use these 18- and 19-year-old boys for foreign service, because they are just not mature enough to be used for policing, and the duties that devolve upon men in foreign service. Now, they say it is important to continue drafting them anyway because there is not a sufficient pool of men in the 20- and 21- year-old groups to provide the necessary manpower; yet there are some 90,000 men who were deferred for school and who are still under deferment. Some of them were deferred last year at the age of 19; some of them were deferred last year at the age of 18. Those boys are getting older every day, and the War Department is not going to have a shortage, as I said, until some time in the spring of 1947. They will have 1,550,000 in the service on July 1, 1946, and the demobilization program will continue. Of course, it will be more rapid if we enact this measure limiting the service to 18 months, and I certainly hope we can enact it. But it still will not leave them a deficit until July 1, 1947, and by that time we will have a greater pool of 20- and 21-year-old boys who will be available in the event they must be drafted.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Michigan.

Mr. DONDERO. I am in complete accord with the gentleman's views and also the gentleman from Kentucky that the 18- and 19-year-olds should not be drafted. This is the question I have in mind. Is there anything in the amendment or this bill or under selective service that would prevent the 18- and 19-year-old boys from enlisting if they desire to do so?

Mr. HARNESS of Indiana. Not a thing in the world. We changed the law some time ago and gave the 18-year-old boys the right to enlist in the Army without the consent of his parents. This would not prevent enlistments. I think it would help the enlistment program and get more good career men in the Army if we did not hold this draft over the heads of these 18-year-old boys, and through that try to get them to enlist. I simply cannot bring myself to support an extension of the draft if it were continued to take 18-year-old boys into this peacetime army. I know that everyone has been hoping and praying that we could discontinue the draft as of May 15, after we have won these two wars, and now I hope this House will support my chairman in this move to try to stop taking these boys into this Army.

Mr. ANDREWS of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I merely want to state that every 19-year-old man in the United States has either been in the armed services or he has been screened within the year. That is equally true of those 20 and 21 years of age. Consequently, you know roughly how few men in those age brackets you would get.

Answering the gentleman from Massachusetts who interjected a few moments ago, I call your attention to a table which I put in the RECORD yesterday which shows the commitments of the Army to discharge under the provisions of this bill. From July 1, 1946, to July 1, 1947, the total is 840,000 men. It is given there by months.

I also call your attention to the fact that of the enlistments we have received since June of last year a very large proportion, and for the last 3 months almost half of them, have been from among men already inducted, for the obvious reason that they want to terminate their service within 1 year or 18 months.

To my mind, most Members of the House realize what the situation is. It is not a question of what age you take them at, it is a question of whether we must continue selective service or not. If we do, obviously it should include 18-year-olds.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. I yield to the gentleman from Kansas.

Mr. HOPE. I want to ask the gentleman a question I tried to ask the gentleman from Indiana before his time expired, that is, What effect will the adoption of this amendment have upon the enlistment of boys under 18? I understand a large proportion of those who are enlisting now are boys under 18.

Mr. ANDREWS of New York. That is true.

Mr. HOPE. What effect does the gentleman think the adoption of this amendment would have on the enlistments?

Mr. ANDREWS of New York. My own personal opinion is that if you discontinue selective service you will decrease enlistments in the Army and Navy.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I wonder if the gentleman from Indiana thinks some legislation should be enacted which would prevent boys under 18 from enlisting today? If those who are drafted are undesirable, certainly those who enlist should not be taken if they are not capable of doing the job.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield so that I may answer the gentlewoman? She asked me a question, I believe.

Mr. ANDREWS of New York. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. Of course the gentlewoman knows that some boys of 17 and 18 years of age are more mature than others. If a boy 17 years of age wants to enlist in the Navy and his parents give their consent, I see nothing wrong with it. I do not think we ought to change that law, but we have changed the law insofar as requiring the parents' consent for the enlistment of 18-year-old boys.

Mrs. ROGERS of Massachusetts. I think the gentleman stated that these boys are not capable of doing the work.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of New York. I yield to the gentleman from Minnesota.

Mr. JUDD. Did the gentleman's committee consider whether it might be better for the Nation as a whole to induct men between 20 and 30 for 2 years of service, rather than to take boys of 18 and 19 and all the rest for 18 months of service; if necessary, to extend it to 2 years in order to get enough manpower?

Mr. ANDREWS of New York. Indirectly we considered that, but obviously the committee were not in favor of it. The commitee were in favor of 13 months as a limitation of the service. A great many of the figures referred to here by the gentleman from Indiana and others as to the possible shortage not amounting to very much are based upon a 24-months service. If the provisions of this bill go into effect, we must release all inductees when they have served 18 months. The amendment offered by the gentleman from Kentucky obviously is saying you are for the bill and then being for a bill which would produce few men.

Mr. JUDD. What would be the effect on the boys 19 years of age who are now in the service, having been inducted last month, if this bill were to pass and then for 2 years no boys of their age would be inducted?

Mr. ANDREWS of New York. They would get out in 18 months.

Mr. JUDD. They would be resentful of the other people's being exempted.

Mr. BROOKS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered to strike out the forcible induction of the 18-, 19-, and 20-year-old groups.

I realize, Mr. Chairman, I was one of the Members who during the war very reluctantly felt we should go below the age of 20 years in inducting under the

Selective Service System men to fight the battles of this Nation and save this country and the institutions for which it stands. By doing this, and following the recommendations of the War Department, we have indeed won this war, the greatest of all wars, and brought peace to the world. Now, the question comes as to whether or not this Selective Service System should suspend its forcible induction of teen-age boys or continue to induct them against their will, and against the will of their families, and send them to foreign lands for the purpose of carrying out the commitments of this Nation. I think the matter can be worked out by the Army and Navy without doing that. In arriving at this conclusion, I have taken the figures of the War Department itself to the effect that today, that is, as of April 1, 1946, this Department yet has in service 2,300,000 persons. The Department is using that figure to gradually reduce from month to month the Army to the demobilization figure of 1,070,000. At the same time that we have now in the service 2,300,000 men, 1,250,000 more than is needed on the basis of the figure which the Department set as the Army strength at the conclusion of their demobilization program, they are inducting into the service monthly many thousands of men. When we consider, for instance, the last figure given us as of March of this year, we find 73,000 men came into the service voluntarily for this month. To continue selective service and to forcibly induct 18- and 19-year-old men and take them out of their homes and schools and send them to foreign lands, 6,000 to 9,000 miles away, to fraternize with these Japanese girls and drink the Japanese liquor when we are at peace, is wrong in my opinion, and I am not going to support that policy as long as the military services are getting the present monthly number of voluntary enlistments. I do not think forcible induction is necessary.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to my colleague, the gentleman from Georgia.

Mr. BROWN of Georgia. Was not one of the compelling reasons that we reduced the age limit to 19 and then later to 18, so that these young boys could be trained in the Air Corps?

Mr. BROOKS. The promise was given us at that time that no unit would be sent overseas without at least one full year of service. That general policy was followed although individual and small groups were sent over with much less training than 1 year. May I say further that the War Department itself in effect shows it will run into no difficulty at all. We will have in the Army in October 1946, 1,390,000 which is far more than the number necessary to continue the operation.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. THOMASON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I repeat what I said yesterday and what every man and woman in this body feels; that is, that nobody relishes the idea of inducting 18-year-old boys into the service at this time. But my approach from a practical standpoint to this situation at this time is that we are either for General Eisenhower and believe what he says has to be done, must be done, in order to meet present world conditions, or we are not for him. I am sure we trust and believe in him. If you will read pages 3, 4, and 5 of the hearings, and I do not want to take up the time of the committee to read all the questions and answers contained therein, you will find that General Eisenhower says we must have as of July 1, 1947, 1,070,000 men. You will also find where he says that by every kind of method they have tried they will be at least 165,000 men short on July 1, 1947. I ask my chairman, I ask any member of my committee, or anybody else to show me where you can get that 165,000 shortage if you are going to raise the age limit to 20 years. You cannot do it. There are just not many eligible men in those age brackets.

There is another situation that I say is not fair. Since VE-day 673,000 men have enlisted in the services. Of course, the overwhelming majority of them, I take it, were men who reenlisted or saw the draft approaching, but in the latter category probably 90 percent of them are 18-year-old boys. They are already in the service. In addition to that, there are literally thousands—I do not have the figures at hand—but there are literally thousands of men who, perhaps, are 19 or 20, who have been overseas for some year and a half or 2 years, and want to come home, and deserve to come home. Some of them are fathers with babies they have never seen. I undertake to say that you can consult anybody in the War Department or anybody in the Selective Service, and you cannot find 165,000 eligible men, if you are going to meet the requirements and commitments of General Eisenhower. I say it is just not fair, it is just not right to say to the 500,000 boys 18 years old, who have gone into the service since VE-day, and who are now in training in this country, not acting as policemen in some foreign country—it is not fair to those boys already in the service that we now come and raise the age limit, and their buddies who have been at college or still back in the old home town having a good time, shall not render 1 day's service. I wonder if the author of the amendment the gentleman from Kentucky [Mr. MAY] will agree to release all men under 20 now in the service if his amendment is adopted.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. VINSON. Is it not a fact that the 500,000 of 18-year-old boys, under the provisions of the bill, will come out after they have served 18 months?

Mr. THOMASON. Of course. That makes the situation even more serious. If we are going to live up to our promises in this bill that every boy who has 18 months' service, every man who is a father, every young man who is honestly and actively engaged in farming is going to come out or not be inducted, you cannot reach the 1,070,000 to save your life, if you keep the age at 20. It is a question of whether or not we are going to support General Eisenhower in his needs.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. THOMAS of New Jersey. If the chairman's amendment should pass, is it not true that there will be many American boys who are now overseas who will have to remain overseas a greater length of time?

Mr. THOMASON. Why, of course. If General Eisenhower does what he says he must do to meet our requirements, both as to occupational forces in Europe and in the Pacific, and you do not get that required number, of course the boys who are overseas will stay there for quite a while. I am for them coming home. Let those who have not served a day and seen no combat take their places.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. HARNESS of Indiana. How could they possibly keep those men overseas if we specify by law that the maximum period of service is 18 months, and the War Department has asked us to say that.

Mr. THOMASON. Let us illustrate that by saying that General MacArthur finds it necessary that he have 200,000 men in Japan and Korea. Suppose we do not provide the replacements. You know he has to keep the men there who have been there 18 months. We can not walk out on our victory and turn the country back to the Jap war lords.

Mr. HARNESS of Indiana. If the gentleman is right, we will never get rid of selective service.

Mr. THOMASON. You will get rid of selective service if you increase the inducements for volunteers. I am trying to help write the last extension of selective service. I expect that to be done within the next 9 months. But I am not willing to wreck this bill in view of present world conditions and commitments.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. THOMASON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SHERIDAN. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Pennsylvania.

Mr. SHERIDAN. The gentleman just said we should go along with the request of General Eisenhower. Is that true?

Mr. THOMASON. That is absolutely true, as far as I am concerned, because he has done a magnificent job. He is one of the greatest military leaders of all time. He led our boys to victory and brought our flag back home without a spot or blemish on it. He will lead us to lasting peace if we follow him again. I am going to vote for the men he says is necessary to accomplish that great objective.

Mr. SHERIDAN. Is it not true that when General Textor appeared before

the committee he gave the committee a copy of his graph showing a projection of the Army as of July 1, 1947, and showing a shortage of 51,000?

Mr. THOMASON. Yes; on the basis that selective service would not be extended under any condition, but he gave different results under other conditions.

Mr. SHERIDAN. His views are quite different from those of General Eisenhower.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. ANDREWS of New York. The statement of General Textor, referred to by the gentleman from Pennsylvania, was based upon the men staying in the Army 24 months.

Mr. THOMASON. Not only was it based on the men staying in the service for 24 months but also it was based on the assumption that this act was not to be extended.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. KILDAY. I think attention should be called to the fact that men who have been released from service are still subject to be reinducted. In the event the available pool is reduced in this manner, it is going to mean that men who have served and been discharged must be recalled to active service.

Mr. THOMASON. That depends upon the facts. This amendment was voted down several times in the committee. Everybody would like to see this teen-age group excluded from the bill but it is just a question of whether or not you are going to meet the War Department's requirements. I challenge anybody to show by the figures either from the War Department or Selective Service that we can get the necessary men without these age brackets. You just cannot exclude the 18- and 19-year-olds and meet the requirements. If we pass the pay bill, I believe we will get enough men by voluntary enlistment. The passage of this bill including the teen-age boys, will also increase the number of volunteers.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. BATES of Massachusetts. Under the present Selective Service System if these men either have not graduated from high school or have not arrived at age 20 they are not drafted.

Mr. THOMASON. I think the gentleman is mistaken in his assumption.

Mr. BATES of Massachusetts. I had occasion yesterday to speak to Selective Service officials in respect to the case of a boy who was a junior in high school. They stated that as long as he was in high school and that he desired to graduate or had not arrived at the age of 20 he would not be drafted if he made an application that he be deferred.

Mr. THOMASON. He might be deferred to finish the present scholastic year, that is all.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. ARENDS. I think the gentleman made a misstatement a moment ago, entirely unintentionally in connection with the figures given by General Textor. That figure he gave for July 1, 1947, was on the assumption that the Selective Training and Service Act would be discontinued and that volunteering would drop to a figure of only 20,000 a month.

Mr. THOMASON. Perhaps so, but we have got to be realistic in facing the situation. We have got to realize that more than half of the volunteers in the last 6 months have been young men approaching the draft. Seeing the draft board getting ready to call them, they enlisted so they could pick their theater of operations and the branch of the service they wanted to enter, and also to reduce their service to 18 months. It is a smart thing for them to do.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. ANDREWS of New York. Merely from observation, in my opinion, formed from my contact with the situation, there is one group in this country, and it is a very large group, consisting of every man in the family, every man who has served during this war. They know what the situation is; and if you raise the draft to 18, they know why you do it.

Mr. THOMASON. We took several millions of these teen-age boys, and even sent them in combat, and they rendered distinguished service. Those boys still in Europe and the Pacific would like to get back home, and what harm does it do these able-bodied young fellows to serve for a little while? Nobody likes to have them do it; but if there is no other way to meet the requirements General Eisenhower says we must meet, then there is no alternative. You cannot do it if we raise the minimum age to 20. You might do it if it is raised to 19, but I doubt it. The adoption of this amendment will wreck the bill. We just as well might be honest and let the law die on May 15. In any event, if the amendment is adopted and we want to be fair, all men under 20 now in service should be immediately discharged.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MAY. Mr. Chairman, inasmuch as everybody understands this question, apparently, and knows what the issue is, and I am sure knows how he wants to vote, I would like to get a reasonable time fixed, if I can, for debate.

Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 30 minutes.

Mr. RUSSELL. Mr. Chairman, I have a substitute amendment on the Clerk's desk.

Mr. MAY. That would not affect the substitute.

Mr. THOMAS of New Jersey. Mr. Chairman, I object.

Mr. BALDWIN of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. ANDREWS of New York. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto close in 1 hour.

The motion was agreed to.

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. I would like to know whether the 5 minutes allotted the gentleman now on the floor will be deducted from the 1 hour.

The CHAIRMAN. The gentleman from New York had already been recognized.

Mr. O'HARA. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. O'HARA. How many Members are listed for time?

The CHAIRMAN. Thirty-two Members. Each Member will be recognized accordingly.

Mr. CRAVENS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CRAVENS. Mr. Chairman, I propose to offer an amendment to the amendment. When would the proper time be to offer it?

The CHAIRMAN. When the gentleman is recognized.

Mr. RUSSELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RUSSELL. Mr. Chairman, I have had an amendment on the Clerk's desk since early yesterday, as the Chairman knows. Now it is changed and will be a substitute amendment for the one offered by the gentleman from Kentucky, chairman of the Committee on Military Affairs. Is my amendment included in this time limit?

The CHAIRMAN. It is. Only members of the committee have been recognized so far.

The gentleman from New York [Mr. BALDWIN] is recognized for 5 minutes.

Mr. BALDWIN of New York. Mr. Chairman, I rise in opposition to this amendment and in defense of one of the greatest groups in this country, the 18-year-old boys. I think anyone from any foreign country sitting in our galleries today would go away under the assumption that most of us here consider the 18-year-olds more or less morons. I went into the First World War at 18 years of age, and I do not think I was a moron. I have a son 18 years old who is presently in the Army, and I know he is not a moron. He is capable of doing any job that the Army wants him to do. Two of my family were killed before they were 20, fighting in this war, and another was paralyzed from the neck down, wounded in Normandy, before he was 20.

I submit that if you put it to a vote of the parents in this country, they would say, "Yes, we would like to have them serve for at least 18 months before they go to college, after they leave high school, rather than have them interrupt their college career or their business career when they reach the age of 20. I speak now as a father who has such an interest in the boys. I also speak as a father who would like eventually to see his son come home and continue his education and get out and get to work. The

thousands and thousands and thousands of boys abroad I think are looking to us to work out a sensible solution of this extension of selective service, and not play politics with it.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN of New York. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The 18-year-olds can enlist if they want to, can they not?

Mr. BALDWIN of New York. If they can enlist, then they can be taken by selective service. If they are good enough to be taken by enlistment, they are good enough to be taken by selective service. Let us play fair with this situation.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN of New York. I yield to the gentleman from Colorado.

Mr. CHENOWETH. What would you do with the 18-year-olds who have entered college?

Mr. BALDWIN of New York. I think that you can depend, from my own experience, on selective service itself permitting a boy to finish his final term in high school and in college when he is 18, and knows what he is facing, if he has a very good excuse for remaining. I think we know that the Selective Service Board can be depended upon to use judgment.

Mr. CHENOWETH. Just until recently they would not permit them to finish high school.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN of New York. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Under the present law a boy may enlist at the time he reaches the age of 17, can he not, under a bill approved by Congress?

Mr. BALDWIN of New York. That is right. Mr. Chairman, I hope that we do not go off the deep end here in this crucial period in the world's history. We should at least give the Army what it is asking for, give the President what he is asking for, and give the community what they are asking for. Just because a few people in our own districts may have telegraphed to us, because they have gotten oversentimental, does not mean that the bulk of the community shares their views and that we should not have a strong Army.

I hope, Mr. Chairman, that the amendment fails.

Mr. BATES of Massachusetts. To clarify the statement I made a moment ago, the present policy of Selective Service is that if a boy wishes to finish his high-school course, he may do so. If he finishes his high-school course, then he is subject to the draft, or he may stay in high school until he is 20 years of age, whichever comes first.

Mr. BALDWIN of New York. That is right.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN of New York. I yield to the gentleman from Kentucky.

Mr. MAY. I would like to correct the gentleman. What he said, I think, is a misunderstanding of the law. It applies only to the last semester or the semester in which he has enlisted, and he would be inducted at the end of the semester.

Mr. BATES of Massachusetts. The regulations of Selective Service today state that if a boy is in high school and he wishes to continue in his high-school training, he can do so until he has finished, or if he becomes 20 years of age in the meantime, then he is subject to the draft, whichever comes first. That is upon his request for deferment.

Mr. BALDWIN of New York. That is my understanding.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. RUSSELL].

Mr. RUSSELL. Mr. Chairman, I offer a substitute for the May amendment.

The Clerk read as follows:

Amendment offered by Mr. RUSSELL as a substitute for the May amendment: On page 1, line 9, after "ages of", strike out "eighteen" and insert "twenty-one"; and in line 10, after the comma insert "or who attains the age of 21 after having been required to register pursuant to section 2 of this act."

Mr. BOREN. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL. I yield to the gentleman from Oklahoma.

Mr. BOREN. Mr. Chairman, since the gentleman from Texas and I have the same thought, and since the amendment I intended to offer is similar to his, I am 100 percent for his amendment, and I ask unanimous consent that the time allotted to me be added to his time. My amendment provides that 21 years of age be the minimum age. It is required that a man must be 21 years of age before he can vote, make legal contracts, get married without his parents' consent, and many other basic privileges of American citizenship.

I have always held that the full responsibilities of citizenship should not be exacted from one to whom the full privileges of citizenship are denied.

It is clear by the argument today that the majority of you on the committee believe no draft is necessary between May 15 and October or January. Then why bring in a bill now? Why keep peacetime conscription when no current need can be established? Is it not soon enough to consider enacting it when the need is apparent? If it is not needed now, as most of you contend, but might be needed next October, let us be sensible. Let us enact legislation when it is needed or when the need becomes apparent. If it is necessary to the Nation next October—you guess, maybe, perhaps, possibly so—why do you want it today? Is it needed? If not, why have it? Is it clear that it will be needed next week, next month, or next year? To bring in this bill at this time and advocate its passage on such arguments is ridiculous. The committee should know if it is needed and not have the House to vote for a bill unless, and until, the national need can be shown.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. CRAVENS. Mr. Chairman, in view of the fact that I also intended to propose a substantially similar amendment, I ask unanimous consent that the 2 minutes' time allotted to me be given to the gentleman from Texas [Mr. RUSSELL] so that the amendment may be adequately presented.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. RUSSELL. Mr. Chairman, I have offered this substitute amendment to the amendment offered by the gentleman from Kentucky because, although I am in favor of his amendment as far as it goes, I do not think it goes far enough.

In the majority of the States of our Nation 21 years is the majority age. My distinguished colleague from Texas, who spoke so eloquently a while ago in favor of the draft of the 18- and the 19-year-old boys because General Eisenhower had told him it was necessary, did not mention the fact that when this teen-age draft bill was passed it was his contention, and he so stated, that he would not be in favor of it unless it appeared absolutely necessary for the preservation and protection of our country and ourselves. I must admit that it was upon that theory that the bill was passed at that time. Now General Eisenhower admits that there are not enough qualified teen-age boys to render that service that is so vital to the world today and so vital to our country that it be carried on in the proper manner. If an 18-year-old boy is not qualified mentally to carry on the occupation service and to render that kind of service, according to the Chief of Staff, then I say he is too young to be taken out of school.

The reason some of you are so much in favor of drafting the teen-age boys is that it has been a longer time since you experienced that age, perhaps, than I. I remember very well my mental capacities and my physical capacities at that time. My physical capacities then were all right, but my mental capacities had not yet reached the stage that is demanded now for our occupation troops by General Eisenhower and the other authorities. To take these boys away from their homes now and put them in the Army, with the moral surroundings they will have there teach them to gamble, teach them to dissipate, teach them to drink, would be the worst thing you could do. Why are we having a wave of unrest? Sometimes I might want to whisper that crime follows war. What is the cause of the crime wave after our citizens have been engaged in a war? How many mothers' boys, how many daddys' boys are going to be ruined by this? Is it not time now, since the war is over, to think carefully about this? Many times during the war we went along with the authorities in behalf of measures which we had reason to doubt, but, being desirous of doing our bit and doing everything we could, to help the war effort on many occasions we surrendered our doubts and gave those in power what they asked for, because we did not want to put our judgment against military experts.

But I will tell you how you can get plenty of volunteers. You will get a lot

more just as soon as you quit paying out this unemployment compensation and they have to go to work. You would get a lot more if you would do something about these ungodly un-American court-martial trials to the tune of 40,000 that have been carried on so disgracefully to the disparagement of the American way of life. I will mention a little case, the statement of facts concerning which is on my desk right now, where they court-martialed and tried a boy and convicted him and gave him a dishonorable discharge. They gave him a pretty heavy penalty and put him in prison for doing an act for which they ought to have pinned a medal on his chest. Another statement of fact is on my desk showing where they tried a boy. He was proved innocent by every witness that was put on the stand by the prosecution, and yet they gave him 6 years' confinement in the penitentiary and a dishonorable discharge. If you would just sort of clean up in a measure this system which, may I say to the gentleman from Texas, my worthy colleague, that I have never heard mention—the caste system which exists in the armed forces, contrary to the American way of life—you will get more volunteers. If you would bring about these three reforms, you would get more volunteers than you have heretofore been getting. Vote for my amendment, gentlemen. Do not send these boys—the teen-age boys—into the Army when it is not necessary to do so. They are not needed. They cannot perform occupation services in the best manner. The Chief of Staff says so. Why should we do that which is not necessary and at the same time deprive these boys of an education, and in doing so we might ruin their lives, their future, their all?

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CLASON], a member of the committee.

Mr. CLASON. Mr. Chairman, I take this time in order to present some of the figures as I understand them. I secured these figures in part directly within the last 48 hours from different heads in the War Department. I understand we are going to have an Army of 1,550,000 on July 1, 1946, and out of that number 840,000 are expected to be discharged. That leaves 710,000 who will be in the Army on July 1, 1947, who were in it on July 1, 1946. They only plan to have an army of 1,070,000 on July 1, 1947. You take away 710,000 who were still in, if you do not get anyone else into the Army and the number you have to replace is 360,000. From that 360,000, you immediately deduct 50,000 Filipino Scouts and all the Wacs who remain in the service and such Puerto Ricans as may go in, and it will bring the number down to less than 300,000 for a period of 12 months. Therefore, you only have to have a volunteer enlistment of a total of 25,000 a month to reach this number. As for the number that enlisted in March, there were 73,499, and there has not been any lessening in the number of persons who were trying to enlist. In other words, just as many are going to the recruiting stations, but the Army has raised the standards from 59 to 70. I am told that before the Army raised the standards only one out of 7 persons was rejected, now three out of seven are rejected. That accounts for the apparent falling off in enlistments. In fact, it indicates that the Army is now demanding better than average men for volunteers. Almost 80 percent of the men who have enlisted voluntarily have had previous service, contrary to the statement sometimes made that these enlistments are almost wholly from 18-year-old men who wish to avoid induction. They are securing better men today, men capable of learning to handle the intricate vehicles and weapons of modern warfare. Regardless of the method of enlistment or induction the Army will get capable men.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. LYLE].

Mr. LYLE. Mr. Chairman, the cause of peace appears to be begging again. I came from Europe to this Congress a little more than a year ago. There are many things that I have not been able to understand about the thinking of the people who appear not to know the bloodiness and the dirtiness and nastiness of war. I did not have anything to do with sending 18-year-old boys or anybody else into this conflict, but many millions of men, including 18- and 19-year-old boys, have done a mighty job. They did it under the sanction of this Congress. I am not sure that it took a lot of courage during wartime for the people or the Congress to step up and say we should send men into conflict to die, and suffer things worse than death, because people seem to respond to war with a great deal more enthusiasm than they do to peace.

To me the price of peace is worth a great deal more than the price of war. I wish it were possible to say to the 18-, the 19-, the 21-, and the 30-year-old boys, "You paid your price for liberty. Now you can go home." I wish I could say that to the mothers of my district, who love their sons, and I have just as much respect for them as you have, but also I have a great deal of respect for the men who fought and died to make peace possible. I am dedicating everything within me to the preservation of that peace. I sincerely believe that a strong armed force is necessary to preserve the peace. In September of last year the CONGRESSIONAL RECORD will show I proposed to the War Department and recommended the discontinuance of the drafting of 18- and 19-year-old boys, and it was only when I was convinced that such could not be done and at the same time maintain a force sufficient to maintain peace that I withdrew my insistence.

The CHAIRMAN. The time of the gentleman from Texas [Mr LYLE] has expired.

Mr. TRIMBLE. Mr. Chairman I ask unanimous consent that the time allotted to me be given to the gentleman from Texas.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. LYLE. I say advisedly I have no apologies to offer to any American for asking a young man or an old man to serve in time of peace when he does not have to go to work under machine-gun fire, or mortar fire when he does not have to go through the terrible realities of a bombing raid or landing on a hostile shore. I cannot have any apologies in asking a man to spend 18 months of his life if it means the preservation of peace. I do not think the Army ruins 18- and 19-year-old men. Some of the nicest, cleanest boys I have ever known wore the uniform, and they wore it with the sanction of this Congress. I have not heard any proposals that if you stop the drafting of 18-, 19-, and 20-year-old boys, that you are going to send home those already in, under 18 months. What kind of apologies or explanation are you going to offer to those who have already gone?

Mr. Chairman, I am not a member of the Committee on Military Affairs. I am not a military man. I am not in a position to advise as to whether or not we can get along with this, but I do sincerely believe that America and the Members of this Congress ought to support peace and the preservation of a decent world as enthusiastically and as courageously as men have fought and died for it. I am afraid you are making a mistake if you adopt this amendment.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. LYLE. I yield.

Mr. THOMASON. My colleague from Texas had a brilliant record in this war in Italy and other parts of Europe.

Mr. LYLE. I am sorry. I do not have a brilliant record.

Mr. THOMASON. That is what the record shows and also what your friends and colleagues from Texas think, your thousands of friends. Your contribution to the war effort was very large. By the statement you just made, you are also making a great contribution to the cause of permanent peace. If I understand what you say, from your experience, you are against this amendment?

Mr. LYLE. I am against it.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

The gentleman from Tennessee [Mr. JENNINGS] is recognized for 2 minutes.

Mr. JENNINGS. Mr. Chairman, the most persuasive and I believe the best qualified witness who was heard on this measure was none other than General Eisenhower. He said, unequivocally, that he desires volunteer troops for occupational duty in these foreign lands. Here are his exact words:

> I am quite sure, sir, that we ought to have a volunteer army for occupation because one of the things that is so important there is the morale and discipline of the troops. I mean down to the individual discipline of the troops.
>
> Every one of them is an example before a foreign nation. I am very anxious to get these forces organized on a volunteer basis as rapidly as we can during this period. Let us say, you try a 20-percent increase in pay. If it brings in men, fine. It not, we probably would have to find some other way to replace those people.
>
> But during this interim period I would very much like to see us get to the volunteer basis and to meet our requirements that way.

And by the volunteer system the Army has been getting men since Japan surrendered at the rate of 75,000 per month Then General Eisenhower was asked the question if 18- and 19-year-old boys made good occupation soldiers or men for police duty. Honest man that he is, he evaded a direct answer to that question. Now, it does not take much common sense or much experience for a man to know that an 18- or 19-year-old boy ought not to be sent over there to perform police duty. There is not a city in the country that employs 18- and 19-year-old boys as policemen. They certainly should not be sent abroad for that purpose.

I am afraid there is in the attitude of those who want to railroad through this measure a reluctance on their part to take the hands of the Government off the 18- and 19-year-old boys in this country, I am not prepared to go along with my friend from New York who says that the parents of this country want them to go. I know they do not want them to go. I received a letter the other day from a parent in which he quoted the statement of the President to the effect that 18-year-old boys ought to be given the vote. That parent says: "For God's sake, give them the vote, and they will attend to these fellows who want to take them out of school and away from home and put them on police duty in Germany, Japan, and all over the world thousands of miles from home."

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

The gentleman from North Carolina [Mr. COOLEY] is recognized for 2 minutes.

Mr. COOLEY. Mr. Chairman, if there is an urgent need for increased manpower within the armed forces, I would like for some member of this committee to tell the House why the committee provided in the bill a deferment for expectant fathers of illegitimate children. The next thing you know you will be wanting to give them the Distinguished Service Cross. Now, if I understand the bill and interpret that provision correctly, all that a man has to do when the draft board calls him in is to say, "I expect to become a father." Then the draft board is automatically constituted a bastardy court to determine whether or not the bastard is going to be born.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I have but a moment.

Mr. MAY. That clause in this bill is the exact regulation of the Bureau of Selective Service and was sent up here in a bill of the War Department.

Mr. COOLEY. Suppose a man is inducted and after he goes abroad he starts fraternizing and is advised by some geisha girl in Tokyo that she is expecting a baby and that he is the father, are you going to let him out?

Mr. MAY. I will admit there is room for a great deal of abuse there. I do not think that it ought to be done or that it will be done.

Mr. COOLEY. I know; but are they to discharge men because they expect to become fathers?

Mr. Chairman, now, addressing myself seriously to the amendment under consideration. Having visited Europe and many of the countries thereof shortly after VE-day, and having visited the islands of the Pacific shortly after VJ-day, I am unwilling to continue the drafting of 18- and 19-year-old kids and subjecting them to the evil environment of either Europe or Asia. The situation was quite different, I am sure, during the war, when men were fully employed and strictly disciplined, but now that the war is over our occupying forces are nothing more nor less than policemen, and thousands of our men in both theaters are spending their time in complete idleness. There is an old saying that "An idle mind is the devil's workshop." These young men should be permitted to continue in school and prepare themselves for the burdens and responsibilities of the new civilization in which they will live. If we are unwilling to make an 18- or 19-year-old boy eligible for appointment to the Capitol Police force, the duties of which position involve no great risks, either morally or physically, why would we be willing to send these 18- and 19-year-old boys into cities like Tokyo, Tientsin, and other cities where prostitution and vice flourish, or even to cities in Europe where a similar situation obtains?

I have always been definitely opposed to the drafting of teen-age boys, and since visiting Europe and Asia I am more than ever convinced that they should not be drafted. I, therefore, hope that the pending amendment will be adopted.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The gentleman from Michigan [Mr. HOFFMAN] is recognized for 2 minutes.

SACRIFICING SCHOOLBOYS FOR WORLD TRADE—PARTICIPATION IN WORLD POLITICS AND WARS

Mr. HOFFMAN. Mr. Chairman, by the bill now under consideration by the House, it is proposed to draft 18-year-old boys for foreign service, even though the war has been won.

The truth is that it is now proposed that we draft these young men because, it is said, by so doing, by participating in the game now being played by ambitious world politicians, and by giving billions of dollars to other nations, we may increase our foreign trade and perhaps become one of the dominant controlling factors in a super world organization known as United Nations.

A few short months ago, when Congress was in recess and the people's Representatives were at home, the President called upon the people to put the heat on their Representatives, to force them to support the President's fact-finding bill and other administration-proposed legislation.

Today, as Congress stands on the verge of a recess, the Administration is insisting that, before Congressmen can go home and get the advice of their constituents, the Congress put through, this week and next, legislation to continue the life of OPA, to continue the conscription of American youth for service abroad, even though General Eisenhower has publicly stated that young drafted men are not suitable for police work in foreign lands—and that is where they are to be used.

The administration's political advisers know that the people, once they fully realize the falsity of its propaganda, will give it short shrift. Hence, the anxiety to put through its pet schemes to surrender a part of our sovereignty, bring us completely under domination of United Nations, insure its power to completely regiment us, compel all to come to Washington and its bureaucrats for continued existence.

It was in June of 1937 that a distinguished member of the majority party, speaking on the floor of the other body, said:

> The last election was carried by people who were getting favors from the Government, people who were subsidized by the Government, people who were on relief rolls, and people who were sanctioning the invasion of private property and its occupation, as is being done now.

Today, more than 8 years later, that is still the policy and method of those in control of the Democratic Party.

From that day to this, practically every move of the majority party has been designed to destroy the freedom and the independence of our people; give us more and more government by bureaucrats; less and less of equal justice under law.

Those who were dissatisfied with our form of government, those who enjoyed freedom and prosperity because of the soundness of the principles written into our Constitution and the constitutional manner in which they were interpreted and applied, would destroy the very foundation which gave them that freedom and prosperity.

They succeeded in shoving us into a war which they told us was to carry the "four freedoms" to all the world; which would, they said, bring us world-wide, everlasting peace.

To carry out their plans, more than 10,000,000 men were drafted. There were more than a million casualties; more than 800,000 young Americans live no more.

RECONVERSION HINDERED

The war over, the victory won, today there is quarreling and bickering and the makings of war throughout the world. Instead of the "four freedoms," more than one people, more than one nation, is being suppressed, enslaved, denied all freedom, and, to our shame be it said, revolutions having freedom as their objective have been suppressed with the aid of lend-lease munitions of war.

Here at home, the picture is no brighter. In a land rich in natural resources, unsurpassed in its ability to produce, the planners, the bureaucrats, the know-it-alls, the do-gooders, have managed in one way and another to stifle production, to create a scarcity, to give away and to ship out of the country the things upon which our own national welfare and security depend.

Yes, today in America, that wonderful productive machine which, during the war, astounded the world; into which was woven the farmers, the workers in industry, and the management, and which, during the war, created far beyond the dreams of the most optimistic, has been so dismantled, its operations so sabotaged that we find a scarcity of bread,

of meat, of butter, of clothing, of farm machinery, of lumber, of a hundred and one necessities which our people must have if they are to prosper; to aid in feeding, clothing, and sheltering those by war made destitute and hungry.

THE GOOD EXCHANGED FOR THE BAD

Yes, the good old Declaration of Independence; the Constitution, written by our forefathers; the policies and the methods which came to life under it; that magnificent machinery, tied to the solid rock of the Constitution, must have inserted in it some new gadget, which all with common sense and good judgment know will in the end completely wreck it.

When historians write the record of our time, they will be amazed at the foolishness of a people who, having reached the pinnacle of the world's then progress, scrapped and threw into the junk pile the principles and the implements which brought them to the top.

Only a fool, having in his hand a loaf of good bread, throws it away for a synthetic substitute made of sawdust. Only a fool, knowing that hard work, thrift, endurance, honesty, and square dealing make for prosperity, happiness, and security, sits in the rocking chair, waiting for some Government agency to feed, clothe, and shelter him.

Only a fool or a man devoid of a willingness to do his part, living in a nation which depends for its very existence upon the collection of tax dollars, really believes that he can live in comfort and in ease without paying a part of the cost.

Only a fool or the wilfully blind or a do-gooder, with his head in the clouds and his eyes blinded by the glory of the vision which he thinks he sees, will neglect the means for making the future of his nation secure; rely upon the promises of the leaders of those peoples, who, throughout history, have for more than a half of the time of their existence been engaged in war, in the subjugation of other peoples, in the extension of what they are pleased to term their world trade—the latter, being interpreted, meaning their greed for profit.

Twice, because of the soundness of its principles of Government, of the manner in which they have been applied, this Nation, through the fighting ability and the courage of its youth, has saved the British Empire from destruction.

ONE DICTATOR INSTEAD OF ANOTHER

Hitler threw the German army into Poland. Britain and France followed with a declaration of war. America rescued them from defeat. The war won, Stalin and Russia dominate Poland and a half dozen other countries.

So comes the question, Of what benefit to us the sacrifice of almost a million lives, the more than a million casualties, the astronomical debt, the disruption of our domestic machinery, the curtailment here at home of our constitutional liberty and freedom of action?

And what benefit to the world if we have but traded a Hitler and his dreams of world power for a Stalin standing astride Europe?

Count for me, if you will, the nations and the peoples who have been freed from the yoke of an oppressor; number for me, if you please, the people who throughout the world have more of food, of the necessities of life, and tell me then if that number is greater or less than the number of those similarly situated prior to the war.

Is there today less of want and famine, more of freedom and prosperity, than there was before the war?

Now that our men and millions of others throughout the world have died, is the condition of our country, of other countries, better than it was before? Are the forms of government which the nations throughout the world are about to choose or have imposed upon them more productive of material things or of freedom and liberty than those which they had?

SURRENDERING OUR INDEPENDENCE

Yet there are those in our land who have said, who are saying, that we must surrender a part of our sovereignty; that we must, to some extent at least, become subordinate to a world organization—the organization known as United Nations. To aid in that purpose, we today propose to draft the youth who have reached the age of 18 years.

Oh, but you say, "That no longer is an open question. United Nations is here and, like it or not, you have it and you will be disloyal, unpatriotic, if you oppose it." Only the weak, the subservient, give up the fight for independence, for national freedom.

I adhere to the Ten Commandments. May I say without sacrilege that I believe with equal sincerity in the principles of the Declaration of Independence. I believe in the teachings of the Bible and I believe in the principles laid down in the Constitution.

Faith, hope, and charity lift the soul of every man. Hope is but an idle thought unless followed by acts. Faith, "if it hath not works, is dead, being alone." Charity—why think of charity without ability to give?

The nation which surrenders its independence has neither faith, hope, nor charity. When it loses its ability to protect itself, its people become but the tools, the slaves, of other nations. It abandons hope. Its faith in its future is futile because it will not work to make that future secure. It is incapable of charity. It has nothing to give. It is itself dependent upon the charity of other nations.

Oh, yes; the mastery of the air. Modern science has, so we are told, made the whole world kin, but unless America watches its step, its people will be indefinitely working, slaving for and supporting, fighting the wars of, its so-called kin.

The morning press tells us that the international staff of UN—and you had better sigh instead of grunt when you say it—sitting yesterday in New York, determined that 200,000 American youth should join the international police force—not only to fight and to die, if ordered so to do by the Chief of Staff of United Nations, but, if ordered, to black the boots and clean the quarters of some British, French, Russian, or Chinese officer.

WHOLE WORLD KIN, BUT OUR KIN FIGHT

All pretense that we are to have world-wide, everlasting peace is ended. Now we are told that, being kin with all the world, we can no longer be independent; we are but one of a great family and that, to secure our share of world trade, we must not only give to others the lumber we need for the construction of homes for our veterans, the machinery our farmers need to produce the food for which the world is hungry, the dollars which would restore our prosperity, but we must conscript the youth of our land for an international police force.

We must have, so it is said, world trade, and to get it we must give—though it is called a loan—billions upon billions of dollars to both Russia and Great Britain. Yes; and to all who ask. The idea of giving a prospective purchaser of one's goods dollars with which to buy seems to some of us who lack higher learning just foolish. Why follow so circuitous a course? Why not just give the goods? When we sell to them we get back only a part of our own dollars.

WHO WANTS WORLD TRADE?

International bankers; some to whom gain and profit is far more precious than the limbs and lives of American schoolboys; those who make munitions of war and profit by the war, love the sound of the bell on the cash register, the clink of gold that they can hoard away, but they are never present to hear the moans nor the groans of the boys whose lives are ebbing away on the battlefield.

They never visit the hospitals filled with the wrecks of young men who lost their chance of future happiness. They think of profits, but they never count the cost in suffering that others must pay. They are present with band and flags when the boys march away, but they never visit the hospitals, where, on return, lingering, the boys suffer—some of them to the end of their days.

Many internationalists, childless themselves, have no thought for the vacant chair—the emptiness of the home from which the young man has gone.

Do they ever think of, and if they do, do they care about, the millions of young women who, growing up in this country, are deprived of all chance of marrying a worth-while boy—of having a home and children of their own?

They go to the Stork Club, to other places where money and wine flow like water. They eat and they drink, and never a thought do they give to the sorrowing wife or mother who lost a husband or a son. They live in security, in luxury. They go north in the summer and south in the winter and, as long as the profits roll in, for all they care, the blood may flow out of the youth of America.

Yes, a bill was introduced the other day to buy automobiles for amputees. It was a fine gesture. We are all for it. But is an automobile more desirable than a hand, an arm, a foot, or a leg?

Foresight, which keeps our men out of war where they die or become amputees

or mental wrecks, is far better than the afterthought which gives them an automobile, a pension, or a home. Those who are so anxious to pose as friends of the veterans might well examine their past to see if they did all they could to avoid war, one of the results of which is more and more veterans—some always physical or mental wrecks.

Can we not in the future pursue the wiser course and avoid the suffering, the conditions which render aid to veterans necessary? Can we not avoid making hundreds or thousands or millions of our men veterans of another war?

MUST THE EAGLE HIDE BEHIND THE LION?

Internationalists, "one worlders," say we must surrender our independence, at least a part of our sovereignty, to United Nations which, they tell us, will protect us from all harm. Since when must the Eagle hide behind either the Lion or the Bear? If the other members of United Nations can't make up their minds to quit quarreling and fighting among themselves, will they save us from war? Each of the others wants us in on its side, with our dollars, our munitions of war, our men, and if we keep fooling around, playing with the idea, we will be in another world war—World War III, to be fought by the schoolboys of your town and mine. They have sucked us into two world wars. Will we let them do it again?

As stated before, yesterday the military staff of United Nations decided that 200,000 young Americans should go into the international police force to keep order in other lands, to fight and die when ordered into battle by a British, a Russian, or a Chinese officer.

United Nations has no power to prevent war. Each of the major nations has reserved the right to veto, to disobey, any order issued by it.

The internationalists' ambition for power, greed for the acclaim of foreign rulers, liking the tinsel and the show which come with a place in that organization, moves them to insist that schoolboys—perhaps your boy—shall be drafted and sent to serve abroad.

EIGHTEEN-YEAR-OLDS HAVE POWER

The boys of 18 have no vote and, when they are drafted, deprived of their opportunity to live and grow and carry on in a normal American way, their neighbors soon forget, but it may be that not always will they and their parents and the ones who love them remain inarticulate, ineffective. The parents, the brothers and the sisters, the returning veterans, and some day the conscripted men who survive, have one weapon—the ballot. It is my hope that they use it to protect America, not to force future generations to participate in future wars.

I would think it more than strange—if I vote to continue to conscript young men—schoolboys—to fight and to die in the effort to settle Europe's quarrels, in the attempt to give us world trade so that we may have more millionaires and multimillionaires—that the mothers and fathers, the sisters and the brothers, of those who live in my district, should vote for me, come the November election.

CONSCRIPTED MEN MAY CHANGE POLITICAL COMPLEXION OF CONGRESS

Yes, Congress has the power to conscript these young men—200,000 of them—to serve in the United Nations police force under the orders of a foreign-born, foreign-trained commanding officer; a million or more others for military service abroad, to promote world trade, to protect the millionaire's dollars invested abroad. But why sacrifice American young men and national independence for either world trade or world power or for both?

While the war was on, we heard, from Army and Navy chaplains, of organized prostitution, winked at by those in authority in our own armed service. More recently, we have read of several thousand babies born of foreign women but of fathers of another race.

Into this country have come thousands of war brides. When our soldiers choose to marry them, we cannot deny soldiers' wives entrance to this country, but every one who comes in displaces an American young woman.

Are these schoolboys to be taken from their homes, sent abroad, there to fraternize with the girls of England, of France, of Italy, of Belgium, and of Germany, or of Japan? And are we, in the years to come, to bring back to this land, when and if our men return, thousands of babies of a mixed race?

All these are questions which the boys themselves, as well as their fathers and their mothers, should consider well when choosing their Representatives in Congress, for Congress has the power, in peacetime as well as in wartime, to conscript the young men for service abroad.

Congress has the power to replace all those it sends abroad by continuing to permit refugees, men and women from other lands, to come into this country in defiance of our law. But it should not do so.

We should permit all who have served abroad who wish to come home to do so. None but volunteers should be sent into foreign service.

That General Eisenhower believes that, for service abroad, we should not conscript men, but use volunteers, is shown by his testimony given before the House Committee on Military Affairs, when he said:

> I am quite sure, sir, that we ought to have a volunteer army for occupation because one of the things that is so important there is the morale and discipline of the troops.

Nor should the Congress longer wink at the practice of permitting refugees—men and women—to come into this country from other lands, in violation of our laws, and here to take the places and occupy the homes of men who are conscripted for foreign service.

THERE IS A BETTER WAY

But the day may come—and it may come in 1946, not waiting for 1948—when the folks back home will send to the Congress new faces, men who think first of America and her future, men who think of freedom and liberty for our people, of lives and the future of our youth, rather than of surrendering our independence, hoisting over the Stars and Stripes the flag of United Nations—men who can and will, when thinking of our youth, of the integrity of our Nation, or our Nation's future, forget profits and dollars and international trade.

In peacetime, when our country is not at war, we need no conscription. Conscription is the method of a Hitler, of a Stalin, of all despots and tyrants.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. Mr. Chairman, I rise in support of the May amendment to raise the draft age from 18 to 20 years. As one who reluctantly supported the Army's insistence that 18-year-old boys be drafted during the war, I cannot find it in my heart to do so in peacetime. Even during a grave emergency, when the very existence of our country was at stake, the drafting of 18-year-old boys was by all odds the hardest vote I ever cast during my extended service in the Congress.

Today, we have heard some criticism of the Army. It is not my purpose to unduly criticize the American Army, which, without doubt, was the greatest and most efficient army in the world during the recent war. But I am getting a bit fed up with some of the brass hats who are continually lambasting Congress or anyone else who may not agree with their peacetime plans or ideas. According to an Associated Press dispatch, a well-known lieutenant general lashed out against what he called termites in Washington who opposed certain plans of the Army. I yield to no one in my respect for our great military leaders, such as Generals Marshall, Eisenhower, and MacArthur, along with many other outstanding officers, but if the Army will get its own house in order, if it actually will get rid of its own "termites," or "parasites," who have caused such a wide breach between the enlisted men and the officers, it will not have so much trouble getting men to enlist and reenlist in the Army.

We are told that Army officials complain because volunteer enlistments have slowed down. There are many who feel, however, that if the pay of the enlisted man was substantially increased, especially for those called upon to serve overseas, and if the Army caste system, now being investigated, should actually be discarded, if Army court-martial procedure could be reformed so that the enlisted man would have the assurance of having a square deal and the guilty officer meted out the same punishment as an enlisted man, it would no doubt eliminate the need for the extension of the draft.

Unfortunately, there is a radical element who in wartime or peace have unduly and unreasonably criticized the American Army which we must keep strong and make more efficient. But for a responsible Army official to denounce all who dare criticize the Army as "termites" is inexcusable. It is that same spirit of superiority and bigotry in

the Army that has caused so much dissension and resentment among the enlisted men of the armed forces.

It has been pointed out that there are nearly 2,000,000 men who were deferred during the war because of physical disabilities. Many of those men held down well-paying jobs during the war. Of that 2,000,000 men, 115,000 were in the nonfather class. We are told that the Army, which now has 2,500,000 men, will be reduced to 1,070,000 by July 1947. Surely the draft boards can screen that group of 2,000,000 men and find the 1,070,000 men it says it will be short by that date unless the draft law is extended. Then, Mr. Chairman, if the Vinson amendment is agreed to, to delay for 5 months the induction of men for the purpose of giving the Army the opportunity to get its full quota without the draft, I am convinced that it will not be actually necessary to draft anyone. General Eisenhower makes it plain in his testimony before the committee that he prefers the older men for the policing of foreign countries. The General pays a tribute to the fine fighting record of 18-year-old boys, but emphasizes the need for older and more seasoned men to be sent for overseas duty. To me this is a point that cannot be ignored.

Let us raise the age limit by at least 2 years, substantially increase the pay of all enlisted men, especially for overseas service, eliminate the Army's caste system, and then give the Army a chance to build an efficient peacetime Army without the draft. Should that fail, there will be plenty of time to exercise the draft.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Chairman, not so long ago the Congress drafted 18-year-olds to suffer the soul-searing hell of battle. Personally, I am unable to reconcile that action with this sudden solicitude to protact and shelter boys of that age against peacetime military service, and thereby slow down demobilization of those men who have already performed their service to their country.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, the amendment the gentleman from Kentucky [Mr. MAY], chairman of the committee reporting this legislation, would exclude the 18- and 19-year-old boys from the provisions of the Selective Service Act. It would prevent the drafting of 18- and 19-year-old boys.

This is a most important issue, Mr. Chairman. It is preeminently important to the people of this Nation, and perhaps a most desperately important issue to the future of our country. The war is over but the emergency and the crisis still exist. We are in this transition period from war to peace.

First, Mr. Chairman, let me emphasize that I am strongly in favor of preparedness and finishing the job by carrying out our commitments and assuming the responsibilities of occupation. The future peace requires that we do not fail this obligation. I recall vividly when the extension of the Selective Service and Training Act was considered by this Congress in August 1941. It was soon to expire and we were on the verge of the greatest and most tragic war in the history of our Nation. It was a controversial issue and the question was whether or not we would even have a selective-service program. What a tragedy and a travesty had it not been extended.

I voted for the extension and it carried in this House by one vote. After Pearl Harbor and we were mobilizing our military and industrial forces that would bring us victory, the War Department advised us of the serious plight in which we found ourselves. We all remember that we did not know but what our own shores were to be attacked. Led by General Marshall, in whom we had explicit faith, the War Department insisted that it was necessary to the winning of the war to reduce the age limit to 18 and induct the 18-, 19-, and 20-year-old boys. Carrying out my consistent support of our mobilization and providing whatever was necessary to win the war, I supported General Marshall and other military leaders and voted to draft these boys for the service.

I have no apology to make, Mr. Speaker, for that vote in behalf of my country, and I do not regret it today. Those boys have rendered a great service. They majestically fought the battles and helped carry Old Glory to victory.

It has been said truly that the gentleman from Texas, my esteemed friend, Mr. LYLE, who spoke to you a moment ago, had an outstanding record in the Italian campaign. I agree with him that we must provide the needs for winning the peace and maintaining the United Nations for future peace and security. But, Mr. Chairman, we cannot become too emotional about this situation. It is an issue that we must face as a nation and as we have throughout the war in a practical and realistic manner.

Now, let us analyze this problem. I will admit that I am somewhat confused as to what the true situation is. We agree that we must provide the needs. Then the issue is whether or not it is necessary that we continue to have the 18- and 19-year-old boys to complete the job. If I were convinced that it is necessary, I would certainly vote against this amendment. I believe a great many of the Members of this House would do likewise. If it is not necessary, then I say to you that we should not take these boys of the teen-age group from the influence of the home life, from the schools, and send them 8,000 miles to fraternize with the Germans and the Japs, imbibe with their liquors, and be subjected to the influences that an Army life imposes on a boy.

Personally, from the information that we have, as revealed from the hearings and this entire debate, I do not believe it is at all necessary.

Why do I say this? In the first place, it has been established that it will not be necessary to draft men in the service to meet the needs until the first part of next year—1947—because our voluntary enlistment program will supply the requirements. That has not been denied by anyone, as I recall, in this debate.

Last September when Japan surrendered we provided a voluntary enlistment program giving to the War Department a mandate to carry it out and make every possible effort to obtain the needs by such a procedure. You recall, Mr. Chairman, the War Department was reluctant in subscribing to that program and told us that we could not expect under such a program more than 300,000 men for the services. That was their estimate, but the record shows, Mr. Chairman, that as of March 31 we have through the enlistment program 673,000 men in the service—more than twice the estimate of the War Department last September. More than half of the number have enlisted for 3 years. Revealing, is it not?

We are told that by July 1, this year, that our requirements will be 1,550,000 men in the service. We will have far more than this number at that time. We are told that by July 1, 1947, to carry out our commitments in occupying the enemy countries and providing for the future peace we will need 1,070,000 men. Six hundred and seventy-three thousand of that number have already enlisted. Though by that time a great many of those who volunteered for 1 year will be going out of the Army, with continued emphasis on the voluntary enlistment program we certainly can expect to get more than 400,000 that will be needed. The War Department itself maintains that it will be short by only 165,000 men by July 1, 1947, if we do not continue to draft the 18- and 19-year-old boys.

If they are as far off in their estimate on this figure as they were last September on their estimate as to what the voluntary enlistment program would do, they will have far more than they will need to complete the job.

I do not believe that 18- and 19-year-old boys are the proper age group for police duty. And so long as I am not convinced that their use is necessary in carrying out our obligation and responsibility, I cannot bring myself to vote that they continue to be drafted.

It is very obvious that we have no trouble in getting all the officers needed, and more. If this ancient system translated in modern social terms known as the caste system is broken up and a system in keeping with our American traditions inaugurated, it will increase tremendously our voluntary enlistment program. Such favoritism from officers is not in keeping with our democratic principles even under the misnomer of "Army discipline." The investigation presently under way will no doubt adequately adjust the situation that has so vividly come to the forefront during the war. So long as these men know what their duties are and what the Army can or cannot do to them, they will be more willing to enlist in the service.

Therefore, Mr. Chairman, let us complete this job in a democratic way, and I hope this amendment prevails.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I am sure that no one wants to draft 18-year-old boys unless it is necessary. Certainly I do not. I have listened to all the debate. I have read the hearings. I have talked with Members of the Committee on Military Affairs, and nowhere have I been able to find where we are going to get men, if we have to draft them, if we do not include the 18-year-olds. It seems to me that it is a foolish and a futile thing to pass a bill and then include in that bill a provision which will absolutely prevent it from going into operation. That is neither good sense nor common honesty. The only argument that has been advanced for this amendment is, "Well, we are not going to have to draft anybody anyway; we are going to get enough volunteers." That is fine. I hope we do, and if we do then it is not going to hurt to leave the 18-year-old provision in the bill. You do not need this amendment in that case. On the other hand I think we are going to get fewer volunteers if we adopt this amendment because we are going to stop the stream of those volunteers who have been coming in under 18 years of age in order to avoid the draft.

I expect to support the Vinson amendment. I expect to support a reasonable pay-increase bill when it comes along. I hope we can get sufficient volunteers, but I want to know that if we do have to draft men, that the men will be there. They will not be if the May amendment is adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. SHERIDAN].

Mr. SHERIDAN. Mr. Chairman, the question was asked, Where will we get the 18-year-olds which will be conscripted under the extension of the bill without the May amendment? I can answer that question by saying that on Wednesday the Security Council of United Nations, to which this body was committed by unanimous vote, set the world police force at 2,000,000, which, in their opinion, represents the combined military needs of the world. If 2,000,000 is sufficient to maintain the peace throughout the world, our contribution toward that is 200,000. All during our hearings before the Committee on Military Affairs not once, if you will refer to the hearings, will you find one iota of evidence from the War Department as to what our commitment would be with respect to the international police force. The 1,500,000, which will be reduced to 1,070,000 on July 1, 1947, is predicated upon a strong army because they did not know what our commitment would be as to the international police of the United Nations Organization. In answer to the gentleman, I must say it is not a question of the 18-year-olds. The primary, basic consideration is whether we commit ourselves to maintaining peace throughout the world by the United Nations or whether we have 18-year-olds in the Army in contravention to our solemn obligations to the United Nations.

The CHAIRMAN. The Chair recognizes the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Chairman no one here is more aware than I of the tremendous contribution 18-year-olds have made during the war, nor is there anyone more aware of the contribution to the peace of the world made by our fighting forces. Much of our problem rests upon whom we shall believe; what the figures really add up to.

May I remind you, without any desire to appear to criticize either the War Department or the General Staff, that figures are often both confusing and unreliable. It was not so very long ago that we had before us a bill to draft nurses. During its consideration by the Military Affairs Committee, so many confusing figures were submitted and so many differing interpretations made that clarification did not come until this House had sent the bill to the Senate, where it was held in abeyance. We had contended that once given the actual picture in terms they could understand the nurses of the country would volunteer. This they did magnificently. I cannot help wondering whether we really can be certain of all the figures that have been quoted here today. My interpretation of the figures quoted and of the discussions of these days leads me to support the amendment of the gentleman from Kentucky [Mr. MAY].

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. ALLEN].

Mr. ALLEN of Louisiana. Mr. Chairman, I was one of those who voted for the original Draft Act in 1940. I voted for its extension in 1941, when it won by one vote. I voted to draft the 18- and 19-year-old boys in 1942 although I did not want to do it. As has been said here, that was probably the hardest vote in my life, and I did it because we were told that the welfare of the Nation, the very life of the Nation, was at stake. When Congress was told by General Marshal and other military leaders that, in effect, the life of the Nation depended upon getting the teen-age men in the service, Congress went along, although it was a terrible thing to have to do. This House voted nearly unanimously for that in 1942.

I took the trouble yesterday to go back and read the debate in 1942. I wish some of you gentlemen would go back and read now what you said then. Many of you said almost directly, and certainly by inference, that you voted for it solely because our military leaders felt it had to be done to save this Nation from being overrun by the Germans and Japs. You said by inference that you would not do it in peace. Now we are called upon in this bill to continue the drafting of young boys after May 15.

Mr. Chairman, I love my country and we are all willing to go to any lengths to save our Nation in times of great peril when the enemy is hammering at our very door, as was the case in those dark days of the Second World War. Those were dark days indeed. Our Nation was hard pressed. Enemy submarines were boldly entering our home waters. The Nation made the great sacrifice to stay the hand of those seeking to destroy us. But, Mr. Chairman, who says it is now necessary to send these young boys overseas to do what amounts to police work? I understand that even General Eisenhower wants more mature men. We are told that the Navy does not want this done. The chairman of this great House Military Affairs Committee, the man who handled all this legislation through this terrible war, now presents this amendment to remove the 18-year-old and the 19-year-old boys from this bill. He feels that it is not necessary to continue to draft these young boys after May 15. No one can question the high purposes of the gentleman from Kentucky, Chairman MAY. He has loyally supported the War Department all these years.

Mr. Chairman, I have likewise always supported the War Department. I want the War Department to have what it needs to safeguard the interests and commitments of this Nation. I have listened patiently two whole days to this debate. I have sought to ascertain the facts, but I find that there is a lack of unanimity even among the members of the Military Affairs Committee as to what the needs are. My colleague, the gentleman from Louisiana, the Honorable OVERTON BROOKS, who has been a very studious member of this Military Affairs Committee for his entire tenure in this House and who has given this very question close study, is also supporting this amendment to exclude the 18 and 19-year-old boys from this bill. Other very patriotic members of that great committee likewise are supporting this amendment and feel that it is not necessary to include these teen-agers. I am, therefore, constrained to feel that the situation can be solved without subjecting these young boys to conscription to do guard duty in Japan, Germany, and elsewhere in times of peace. More mature men anyway are needed for that purpose.

As I stated, I want the War Department to have what is necessary. I want this Nation to do its full duty. But I think there is a way to do this without robbing our high schools of these teen-age boys. If this Congress will increase the pay of the men and give more inducement in other respects, I think we will get the men needed. I think the remedy lies in that. Make the service more attractive in many respects. I, therefore, urge that a bill be brought to this House at an early date to increase the pay. In fact, it should have been done before this. The cost of living has increased. We might as well recognize the fact that we must increase the Army and Navy pay, and I think in that way we will secure the men we need. Other measures should be taken, such as giving terminal leave to enlisted men as well as officers. While I want this Nation to meet its commitments, I am unwilling to admit that this great Nation of 135,000,000 or 140,000,000 people can meet its commitments in time of peace only by continuing to draft these young boys and sending them all over the world. I, therefore, favor the amendment of the gentleman from Kentucky [Mr. MAY], the able chairman of the House Military Affairs Committee, to exclude from

this bill these 18 and 19-year-old men or boys. As a matter of fact, I want the teen-age boys now in the services returned as quickly as possible, and if we will increase the pay and provide other inducements, it will probably give us enough voluntary enlistments in time to meet the entire situation.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, the pending bill, H. R. 6064, presented by the Military Affairs Committee of the House, contains an over-all program for drafting all male persons between the ages of 18 and 30 years of age, without exception, other than the special exceptions contained in the measure. The exceptions provided are contained in section 4 and in section 5 of the pending proposed legislation. These exceptions refer to men with children, and the measure makes provision that the word children shall include both legitimate and illegitimate children, and the measure goes much further than any previous legislation upon this subject, because it applies to the "date of conception." This opens up rather a broad field in this respect. As we think seriously upon this subject, we are constrained to believe that this provision opens wide the door for all kinds and types of fraud and deception upon this particular subject, and advantage will certainly be taken of this very provision if it is written into this law.

The second provision for exemption is contained in section 5, of the committee bill, and this relates to those boys engaged regularly in an agricultural occupation or endeavor. Of course, under the provisions of this measure, the burden of proof would rest upon the boy, and the power of decision or determination would rest entirely with the draft board. The experiences of the past with respect to classifying boys as "essential," "less essential," or "unnecessary," in agricultural pursuits, has been submitted to many of the Members of the House, and so many mistakes have been made in making those decisions that it is very hard to understand the policy herein provided in this measure. Many boys were inducted into the service, who had farms, farming equipment, live stock, and all kinds of personal property—and they were actually farming—and at the same time they were married, with children; yet, the decision rendered was to the effect that they were "not essential," and they were inducted into the service, and many of them are still in the service. If this extension is forced through, it is hoped that this policy will be entirely eliminated in the future. This war is over, and the duty to be performed in the future is "police duty"—and we hope in this body that our farm boys, and our farmers, will not be taken into the service—especially when a famine is threatened in our own country, as well as throughout the world.

Mr. Chairman, this measure will take the teen-age boys in the future. These boys of 18 and 19 years of age were taken during this war, to which policy I was opposed. Now, when the war is over, and those young boys who were taken into the Army at that tender age suffered tremendously as casuals. They had not reached the age of mature judgment, and they took great chances, and they suffered immeasurably. Now the job before us is that of policing, very largely, and these young lads, who have not yet reached the age of mature judgment, should not be taken into that character of work with which they are entirely unfamiliar. They are yet in school trying to secure an education; they are trying to outline their future activities insofar as possible; the prospect of having to face the draft will, I am confident, create uncertainty and confusion upon their part; they will not know just what they can do, or what they cannot do. I do not want to submit my vote for any policy which is not entirely necessary and which will create utter confusion and chaos among our boys, who will, in the future, become the fathers of the future generations, and who will control the destinies of our Nation.

Mr. Chairman, these are some of the ills contained in the committee bill, which is now before us. The plan of making voluntary enlistments more attractive is the method whereby more men can be brought into the military service, and with this method inaugurated and put into force and effect I am confident it is unnecessary to call upon the married men, the fathers, the teen-age boys, or the boys engaged in agricultural pursuits for police duty in the occupied areas following the war, just ended. I hope this unthinkable policy, provided in this pending bill, will not be forced upon the people of this country, because such a rigid policy is unnecessary.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, like the gentleman from Louisiana, I voted to lower the draft age in the middle of the war when we were called upon to do so. I did it with great misgivings but for the same reason that he did, because we were told it was necessary and because we were told that the strength and drive and vigor of these young men were the things which were needed in combat against the enemy and the great danger our country faced. Now, my own common sense and my own experience throughout my life tells me that whatever may have been the validity of that argument then, exactly the opposite is true when we are deciding what men will do occupational duty in peacetime in foreign countries. I am as positive as I can be of anything that the group of men who are least fit for that type of duty by age, by training, and by their natural impulses, are the younger men. I think it is going to be a very bad thing for the future of our Nation to use those boys for this kind of service. For that reason, I am going to vote for the amendment offered by the chairman of the committee.

I also would like to point out in connection with America's international obligations, whatever they may be, that we are going to have to one day directly face the question as to whether or not they are going to be fulfilled by the volunteer system or by conscripts. I submit that when we have to face that question we are going to decide that in the United States the only way we can have the right kind of a force overseas to fulfill those obligations is by the volunteer system. I believe the gentleman from Louisiana is correct about the importance of pay. I think we need to go beyond that, as I said yesterday. What has to be done fundamentally is to make a military career in the United States a career of dignity and honor and with compensation comparable to that of any other career in this entire country. That is the real answer to the problem. For it is the one way we can have the kind of peacetime military forces which the times demand and which will be in accord with the principles our Nation seeks to advance around the world.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Chairman, I am in favor of the amendment as proposed by the gentleman from Kentucky. All of the testimony which was given before the Committee on Military Affairs indicates that the generals prefer an army of volunteers, and that 18-year-old boys do not make good occupation forces. It seems to me it is the duty of Congress to find ways and means of raising an army. It is the duty of the military to tell us what they need.

I have been impressed with the large amount of pressure and propaganda put out by the Army in the hearings which you have before you now. The pressure from the military has been heavy; in my opinion, they go too far.

There is another matter which I want to bring to the attention of the committee, and that is the number of doctors presently in the Army. I inquired yesterday from the medical department, and I find that on April 6 there were 17,581 doctors still in the Army. The Army had 2,300,000 men in uniform. Just take your pencil and you will find that is a ratio of 1 doctor to 130 men, or 7.6 per thousand. During the war the ratio of physicians in the Army was 5½ to the thousand. So they have more physicians in the Army at this time than they had at the height of the war. Many of these physicians and dentists are needed at home. In the Army now there is little work for them.

I have repeatedly called these figures to the attention of the Surgeon General of the Army.

About the same proportion rests with the dentists. There are 5,607 dentists in the Army as of April 6, which makes a ratio of 1 to 425 men in uniform. That is also higher than we had during the wartime. I would like to ask somebody on the Military Affairs Committee if something cannot be done to direct the attention of the Surgeon General to this condition. I have written the Surgeon General, General Eisenhower, and Secretary of War Patterson, asking them to look into the matter of surplus doctors and dentists in the Army. I look forward to their reply, and when it is received it will be passed on to this House.

The CHAIRMAN. The time of the gentleman has expired.

The gentleman from North Carolina [Mr. FOLGER] is recognized.

Mr. FOLGER. Mr. Chairman, I am opposed to the bill altogether. I think we ought to give the voluntary effort an honest and sincere and fair chance. We have 2,300,000 in the military service, as you have just heard. We are turning this thing around and not giving voluntary enlistments a chance. Somebody suggests that to hold this as a stick over a boy would make him go in. Are you that impolite? Are you that inconsiderate of the honor and the standing of the American boy that you must hold a stick over his head to induce him to enlist in the Army or the Navy of his country? Let us give the voluntary system a fair chance, and we will thereby get exactly what General Eisenhower wants: a volunteer army. You will thereby get the men who he says are best equipped and best suited to the duties that are to be performed by the men who are either going to be conscripted or allowed to volunteer—and 580,000 did volunteer in the Army between September and February, and 390,000 in the Navy. Do we have any right to question that the enlistment by voluntary action will succeed? Oh, you come with a lot of figures, as though men were not going to get any older.

I am going to vote for the May amendment.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The gentleman from Minnesota [Mr. O'HARA] is recognized.

Mr. O'HARA. Mr. Chairman, I rise in support of the May amendment.

I recall very distinctly the representations that were made to us back in 1942 as to the need for lowering the draft age from 20 to 18. I was one of 16 Members who voted against that amendment. I have never been more proud of a vote that I cast in this House than the vote I cast on that occasion, and I will tell you why. I remember the Army promised us that they were going to give these boys 9 months to a year of training. I know personally boy after boy who was sent overseas immediately after he finished his 16 weeks' basic training.

I remember very well the Belgian Bulge incident, when they shoved a bunch of these green youngsters, 18 years old, into that mess, which was so disastrous not only to the lives of those men but to the safety of our whole front.

Mr. Chairman, when many of these boys become of age, if they want to serve in the Army, they should have a right to volunteer. I was a volunteer at the commencement of World War I, as my sons were volunteers in World War II. It is one thing to draft an 18-year-old boy in time of war, but it is an entirely different thing to draft him in time of peace. That becomes, instead of a pleasure and an adventure for that boy, the serving of a jail or penitentiary sentence so far as my recollection of how these boys feel who are being drafted in time of peace. I regret from bitter experience to view with skepticism many of the statements of some of these spokesmen of the War and Selective Service Departments. I urge the passage of the May amendment.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The gentleman from New York [Mr. ROONEY] is recognized for 2 minutes.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent to proceed out of order and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield.

Mr. FOGARTY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Chairman, I think it is fair to say, generally speaking, that the Selective Service System is not a desirable thing except in time of war. No one argues that we should keep the draft for its own sake.

The appeal is made that it is necessary to extend the life of the Selective Service System because the Nation needs a certain number of men in its armed forces, and these men can be obtained in no other way.

The Army has examined its obligations and has arrived at a certain figure which it must maintain in order to carry out the duties assigned to it.

The Navy has done likewise and it is on the basis of these figures that we must make the decision today.

It is my belief that the Navy is not really a factor in the consideration of this problem of extending the draft. The Navy's plans call for 558,000 men as of July 1, 1948. At the present time the Navy has 434,000 men who have enlisted to serve for periods of 2 to 6 years. That leaves the Navy at this moment only 124,000 men short of its goal.

The Navy seems to be experiencing no difficulty in recruiting manpower and I believe I recall hearing yesterday a statement to the effect that a naval officer had said the end of the draft in May will have no effect on Navy's manpower.

I have had experience with some men who wished to stay in the Navy after they were eligible for discharge. I discovered the Navy is rather selective and certainly does not indicate its eagerness to take everyone who seeks to enlist.

The Army's plans call for an army of 1,070,000 men on July 1, 1947. As of April 1 of this year the Army had 672,723 volunteers. It is worth while noting that this figure is just over twice as much as the Army's best estimate of enlistments.

According to the figures given us by the chairman of the Military Affairs Committee, "The men received in March (volunteers) were 73,000 and the estimate for April is in excess of that figure." The chart introduced into the RECORD yesterday shows that 53 percent of the volunteer enlistments are on the basis of a 3-year period.

Back in October of last year, when the Secretary of War was arguing for conscription, he stated that the Army would be short 170,000 men by July of 1947. The Army arrives at this figure through a peculiar process. Although in March there were 73,000 volunteers, the Army estimates that enlistments will fall off to 20,000 a month and next year they claim the enlistments would drop to 12,500. I think it is fair to compare this reasoning with the Army's assertion that 300,000 volunteers was the absolute top figure they could count on. They have over twice as many now and their predictions about the reduced enlistments are also bad guesses, in my estimation.

These estimates of the War Department do not take into consideration the legislation which is now pending in the House intended to increase the buck private's pay from $50 to $75, and the first class private's from $54 to $80. Neither does it take into consideration the Secretary's committee which is intended to eliminate some of the chief causes for dissatisfaction with an Army career. Neither is there any evidence in the estimates that the War Department intends to put itself out to make a career in the Army attractive to high-type young men.

On the figures presented by the branch of the armed forces most interested in this legislation, it appears to me that an extension of the draft is not proven necessary.

There is another element which should be considered most seriously. During the war years this country sacrificed a lot of potential scientists, engineers, doctors, and other professional and skilled men. There is serious danger that we shall suffer unless we devote attention to replenishing our educational stock pile. You cannot expect to take 18-year-old boys out of high school, subject them to the demoralizing life of an army in foreign lands, and then after 18 months or 2 years have them return humbly to the classrooms.

We know from the daily papers what has happened to a lot of young men in Japan and Germany and elsewhere. It is not right to contemplate a continuation of this thing unless there is absolutely no other way. I am not convinced that that is the case.

We hear and read every day terrifying stories about the possibilities inherent in recent scientific discoveries. Yet, instead of emphasizing the need—the vital need—of educating young men in the sciences, we plead for their induction into the Infantry.

It is very true that we have responsibilities to the peoples of the world which we cannot shirk. But it is also true that we have responsibilities to Americans which we cannot shirk. Our country needs the benefit of the trained minds of as many young men as it can get.

I can understand the pressure which comes from the Selective Service System. I have read some of its beautiful literature which has come to my office.

But it is my belief that the Selective Service System was intended to be an administrative establishment, taking care of the mechanics of the draft. I think

that is the duty given to them by the Congress.

The Army's figures are, at least, subject to some doubt. It is readily apparent from the debate here in the House that there has been a great deal of conflict between various official statements.

However, taking the Army's figures at their best, and stacking them up with the admitted enlistments as of today, it is not shown that such continued voluntary enlistments will not provide full strength for the Army.

In addition, I am confident the increased pay will bring a boost in enlistments. I am confident also that Secretary Patterson's committee, if its recommendations are followed, will cause the elimination of many of the discouraging features in Army life.

One other thing—the elimination of selective service will put the Army on its mettle. An Army career can be made attractive to a lot of high-type young men. If the Army does not have the draft it will have to make its service attractive to the right kind of men. The result will be a far superior army than one made up of unenthusiastic conscripts.

It is my sincere belief that the vast majority of the people of the country want to get rid of military domination as quickly as possible. Military minds will always be unwilling to admit there is no need for further conscription. Military men will always want bigger and bigger establishments. We are dedicated to the supremacy of the civilian over the military power. We have to provide a little leveling at this point.

I think the draft is disagreeable to most every civilian. I think it is fair to say it should not be continued unless it is clearly established that its continuance is absolutely necessary.

Accepting the Army's own figures for its estimated needs, it is apparent that these figures can be met through volunteer enlistments, taking the present rate of enlistments as the guide.

For this reason, I am not at all convinced that there is need for continuance of the Selective Service System.

The CHAIRMAN. The gentleman from New York [Mr. ROONEY] is recognized.

Mr. ROONEY. Mr. Chairman, I am taking this time, which I could not obtain earlier this morning, to make a few observations about Italy.

Mr. Chairman, I am in receipt of a communication from Secretary of State Byrnes advising me that it is not the policy of the State Department to reward Italy's contribution as a cobelligerent to the Allied cause by a harsh or punitive peace.

I have never been able to fully understand the delay on the part of this Government and our allies in according justice to the people of Italy by rewarding them for their splendid and wholehearted cooperation during the war, following their voluntary overthrow of the yoke of fascism. I have felt that long before now we should have recognized Italy as an ally and declared for her a just peace, pursuant to our pledged word.

As one who has observed at first hand the economic plight of the unfortunate people of Italy as the result of the ravage of war, I am sure that further delay in fair treatment to these friendly fellow human beings, particularly the aged, the women, and children, will only jeopardize their chances of full rehabilitation.

When I say friendly I emphasize exactly what I personally found to be the situation in Europe in December 1944—that the people of no nation in Europe enjoyed a more friendly and cordial status with our GI's than did the Italian populace.

It is to our advantage to promptly aid and assist the people of Italy in getting back on their feet if, for no other reason, we are to benefit from the amicable trade relations we had with them for many, many years. A democratic Italy is essential for the peace and economic reconstruction of the whole of Europe, and all Americans, regardless of race or creed, should be deeply and sincerely interested in the conclusion of a just peace.

The following is a public declaration by the Committee for a Just Peace With Italy, which I have wholeheartedly endorsed:

A PUBLIC DECLARATION BY THE COMMITTEE FOR A JUST PEACE WITH ITALY

America cannot be indifferent to her responsibility of exercising international leadership in the rebuilding of a war-stricken world.

More than 6,000,000 Americans of Italian origin, whose contributions to the war effort bespeak their deep and abiding loyalty to America, are united with all other Americans in the conviction that the first concern of humanity today is a just and lasting peace.

It must be recognized that Italy has, for nearly 2 years, fought on the side of the Allies with its entire fleet and with its land and air forces. The spirit of resistance and sacrifice was exemplified by the Italian partisans who, in the words of Marshal Alexander and General Clark, constituted the most effective resistance movement in Europe.

It must be recognized also that a free democratic Italy in the heart of Europe is essential to the maintenance of the very peace of Europe.

It is in this spirit that we urge our Government to insist with all its authority and prestige that Italy be given a peace in accordance with the Potsdam declaration and the pledges made by President Roosevelt and President Truman.

For the good name and faith of America, and in the interests of a lasting world peace, the Government of the United States should insist:

1. That the boundary between Italy and Yugoslavia be based on the Wilson line as modified by the State Department in September 1945; that Trieste remain, as it is in fact, an Italian city; and that if the port of Trieste is internationalized, it then be put under Italian administration.

2. That France and Italy find an amicable solution to their frontier problems; that because of their importance to the economic life of Italy, Tenda, and Briga remain Italian.

3. That the present Austrian-Italian frontier be maintained in view of the paramount economic importance of that region to Italian national life.

4. That all colonies acquired by Italy before the Fascist assumption of power remain Italian. The proposal to transfer such colonies to the United Nations Organization does not meet with our approval unless this principle is given universal application and is not used as a pretext to give these Italian colonies to other nations.

5. That war reparations or indemnities be not exacted of Italy—this, in accordance with the declared policy of our Government.

6. That restrictions presently imposed on Italian sovereignty by the terms of the armistice be abolished forthwith and in advance of the final peace treaty which may yet require several months before it is concluded. This would recognize Italy's rights as a cobelligerent nation.

7. That all restrictions to Italy's resumption of normal commercial and financial relations with other nations be removed forthwith to enable her to acquire basic commodities such as foodstuffs and raw materials which are indispensable to her national recovery.

8. That the remaining units of Italy's merchant marine, without which she cannot survive, be restored to her.

9. That in accordance with the Potsdam declaration, Italy be actually granted the rights of a friendly, peace-loving democracy, and that she be not considered as an enemy nation. Italy has clearly earned this distinction through her enormous sacrifices and her gallant contributions to the Allied cause.

10. That Italy be accorded membership in the United Nations Organization.

THE COMMITTEE FOR A JUST PEACE WITH ITALY.

On March 28, last, I addressed the following letter to Hon. James F. Byrnes, Secretary of State, and I include his reply:

MARCH 28, 1946.

Hon. JAMES F. BYRNES,
Secretary of State, Department of State, Washington, D. C.

MY DEAR SECRETARY BYRNES: I have the honor to address you for the purpose of urging your support for a just peace with Italy in accordance with the principles enunciated in the enclosed declaration submitted by the Committee for a Just Peace With Italy, 1775 Broadway, New York 19, N. Y.

I am particularly concerned about Italy's future participation in world affairs, representing, as I do, a great number of citizens of Italian birth or extraction and feel that a democratic Italy is most essential for the peace and the economic reconstruction of Europe as a whole. The Italian people are justly entitled to a fair deal and assistance to once again tread the road to recovery and you may be assured that your cooperation in this matter will be deeply appreciated.

With cordial regards, I am,

Sincerely.

DEPARTMENT OF STATE,
Washington, April 12, 1946.

The Honorable JOHN J. ROONEY,
House of Representatives.

MY DEAR MR. ROONEY: I have for reply your letter of March 28, 1946, enclosing a declaration submitted by the Committee for a Just Peace With Italy. I note that you endorse the declaration and that you support the principle of a democratic Italy as a positive participant in world affairs.

As you are aware, the peace treaty with Italy is now in process of negotiation in London by American representatives in conjunction with representatives of other interested powers, and other considerations must of necessity be met besides those directly related to Italy alone. However, it is the belief of the Department of State that a sound, democratic Italy is essential to a peaceful and stable Europe, and it is certainly not the policy of this Government to reward Italy's contribution as a cobelligerent to the Allied cause by a harsh or punitive peace.

I need not assure you that your letter has received the consideration of the appropriate officials in the Department. Your interest in writing is very greatly appreciated.

Sincerely yours,

JAMES F. BYRNES.

The CHAIRMAN. The time of the gentleman from New York has expired.

The gentleman from North Dakota [Mr. LEMKE] is recognized.

Mr. LEMKE. Mr. Chairman, I am for the May amendment. I cannot support this bill. It was conceived and born, surrounded by foreign ideologies—the Hitler ideology. Its support is based upon falsehood. Four or five of the "50 peace loving" nations are determined to enter into an armament race. Each of these "peace loving" nations wishes to govern the rest of the world by fear. Each wants to become such a grand bully that any other nation looking at it will tremble in its boots.

It is based upon the false Hitler-Stalin-Mussolini ideology. There must be no other gods before us. We are the just and infallible ones. We must have a larger Army and a larger Navy than the combined armies and navies of the world. We never make mistakes. A mere recital of these facts should convince us of the falsity of our position. It puts the brand of falsehood upon our "peace loving" pretense. It is about time that we drop the false and hypocritical expression "50 peace-loving nations."

What are the facts? It is the first time in the history of our Nation that we have put our stamp of approval upon liquidation and theft by three of the bigger nations of the smaller nations' people and territory. We had better let some other nation pass judgment upon us rather than to rest secure by the ignorant, self-laudation, and admiration that we hear from time to time by those who think more of the ideologies of foreign nations than of our own.

America, watch your step! There are things going on here in Washington that are not healthy for democracy. This bill is one of them. It is time that we realize that as a people we have been sleeping at the switch. We are allowing our form of government to slip away from us. In place of a peace-loving Nation, we are becoming a militaristic Nation. Some of the brass hats are no longer satisfied in running the Army, but intend to lord it over the civilians as well. They are the stay-at-home termites boring from within to destroy our form of government.

Our Nation today is rumbling along on a strange highway in an international vehicle. Our people are sitting carefree in the rumble seat—in a what-do-I-care attitude. They are becoming the easy victims of the hyphenated, hybrid Americans—those with foreign ideologies—those who think more of other nations than of our own.

We have been deceived in the past and we are being deceived now. We were told that Bretton Woods would satisfy these "50 peace-loving nations," that it was the road to eternal peace. Then we were told that UNRRA was our salvation, that by acting as Santa Claus for a select few nations was the road to permanent peace.

Then we were told the reciprocal trade agreement was sure enough the road to heaven, eternal joy and peace forever. Finally it was drummed into us that UN was the dove of peace with pure white wings, the only way to outlaw war.

Now the same advocates of these things tell us that we must have a larger Army and a larger Navy than the combined armies and navies of the world. These same advocates now wish to rob the cradle of our 18-year-old boys, and send them gallivanting all over the world. Take them from their mothers, take them from their homes, destroy their education and their ambitions in order to tutor them in an Army camp with the morals or lack of morals that are usually associated with an Army camp.

We are told that we must have peacetime draft, to prevent Germany, Italy, and Japan from again disturbing the peace. I challenge not only the correctness of that statement but its sincerity. Every intelligent person knows that Germany has been so thoroughly crushed, that her people are now being starved a la Morgenthau policy, that she is no longer a threat to any nation. The same is true of Italy and Japan. If you must fool the people, do not fool yourself by insulting our intelligence.

History teaches us that this world never has been or can be ruled by fear—by one nation overawing all other nations. It teaches us that "one world" lunacy never succeeded and never will succeed. Even if temporarily successful, it always falls to pieces because of its own corruption.

To live in peace, not in fear, must be the future aim of the family of nations. Caesar, Alexander the Great, Charlemagne, and Napoleon all died of the same disease—"one world" lunacy. Hitler's and Mussolini's ambitions hit upon the same rock.

The time has arrived that Members of Congress get the facts as they are and not as they are being represented on the floor here. On March 26, the Navy still had 1,603,923 officers and enlisted men, of which 185,012 were reenlistments since the surrender of Japan. If the Navy is to be reduced to less than 500,000, as we are told, then there are 1,103,923 enlisted men and officers that ought to be discharged. Why all this delay? These men are needed on the farms to help feed the world.

Then there are still 290,805 in the Marine Corps. If the strength of the Marine Corps is to be kept at 100,000 then there are 190,805 in the Marine Corps that should be discharged. Again, why the delay?

On March 1, 1946, there were still 2,673,000 men in the Army. If the Army is to be reduced to 1,000,000, then there are still 1,673,000 men in the armed forces that should have been discharged long ago. Among these are 750,000 fathers. Of the 2,673,000, over 617,172 have volunteered and enlisted since the surrender of Germany and over 548,000 have been drafted. This makes a total of 1,165,172 draftees and volunteers, or 165,172 more than the estimated necessary strength of 1,000,000.

Recently the War Department and the Chief of Staff attempted to make a trade. They suggested that they would discharge the fathers if Congress would extend the draft act. Let me warn these gentlemen that America does not believe in that kind of horse trading. They had better get busy and get the fathers back home to their families or they will get a taste of an indignent American people.

We are all for national defense, but the juggling with 750,000 fathers is nauseating to the American people. It will not long be condoned. These fathers were drafted for the duration and 6 months. The war has been over for more than 6 months.

The American people and the servicemen demand honesty from the War Department as well as from every other department of Government. The time has arrived for Congress to declare the war ended as of September 2, 1945. There is no longer any room for cringing. Anything that is really necessary for national defense, the President can get from Congress for the asking. But Congress will make sure that it is national defense and not just an attempt to permanently militarize our Nation.

The married men should be returned to their families and their homes. This is no trifling matter. Again, among that 1,673,000 are many young men whose financees have waited for them, and it is about time that these be returned. If we are not careful, we will lose part of a generation of people because of the stupidity and slowness in demobilization.

Many misleading and deceptive statements have been made to Members of Congress when they were invited to listen to the War Department and to generals and admirals in the Congressional Library on two or three different occasions. First, we were told that all men with the required points would be back home by April 1. Then, we were told a different story on a second occasion, and now we are told that if we will trade, the married men will be back home.

I believe the time has come when Congress should demand that the promises made by General Marshall and the War Department at the first meeting be now at least carried out. This, unless we are on the verge of World War III. If we are, we have a right to know. We were told that the UN would take care of World War III. If we are mistaken, let us have the facts—all the facts.

It is a deception and fraud to continue this war when everyone knows it has been over since September 2, 1945. All the servicemen were entitled to be discharged within 6 months after September 2. If we are going to have real national defense, we must play the game square with the men in the service.

Again, some of the Pentagon brass hats are deliberately wrecking agriculture. They are deliberately ignoring the Tydings amendment. In hundreds and thousands of cases they are taking the last man off the farms. As a result of this ignorance, millions of acres will be unplanted. This at a time when half of the world is starving, and when our own Nation is threatened with a lack of sufficient food.

I have the highest regard for the generals and admirals who won the war on the field of battle. I cannot have that regard for some of the stay-at-home brass hats in the Pentagon Building. I have discovered that a little knowledge on the part of some of these is a dangerous thing. In place of wasting our time on this un-American legislation, we

should have here a resolution of impeachment of some of those in charge of Selective Service. That would be real national defense. They have violated their oath of office to uphold and obey the laws of the Nation—the Tydings amendment.

The CHAIRMAN. The gentleman from Colorado [Mr. CHENOWETH] is recognized.

Mr. CHENOWETH. Mr. Chairman, I rise in support of the May amendment. We are faced today with making a cold, brutal, harsh decision. I doubt if we will be called upon to make a more important decision while we are Members of this House. We are going to determine by this vote whether or not it is to be the policy of the United States in time of peace to draft 18- and 19-year-old boys and send them to the uttermost parts of the earth for occupational duty and to serve as policemen. It is a rather sad commentary on present conditions that we are even debating such a question. Surely out of a Nation of 140,000,000 people we can obtain an Army of 1,000,000 men without taking these 18- and 19-year-old boys. I am surprised that we are even considering such a step, except as a last resort. There is a moral element involved in this decision that I fear has been overlooked. It is here proposed to take these boys out of school and send them around the world where they will be exposed to all sorts of temptations. Just this week I had an Army officer in my office who had just returned from Germany. He commented on the vicious moral surroundings in which these young boys are placed. It is a serious mistake to send these boys to serve in the occupation zones, either in Germany or Japan. This Congress owes them and their parents an obligation that can only be discharged by excluding them from the provisions of any bill that may be passed extending the Selective Service Act.

Mr. Chairman, I contend that we cannot evade our responsibility or pass it on to General Eisenhower, or to anyone else in the Army. It is your decision and my decision. We represent the people of this great country, and they are depending on us to put an end to the drafting of these boys. I am convinced that it is the overwhelming sentiment over this country that these 18- and 19-year-old boys be kept at home and be permitted to remain in high school and college where they belong. Up until just recently the Selective Service officials even refused to permit 18-year-old boys to finish high school. Many were inducted while in their senior year. Under present regulations an 18-year-old boy is not permitted to complete his first year in college. This is certainly a most unwise and short-sighted policy. There can be no military justification for taking these boys in time of peace.

In my opinion, Mr. Chairman, the Army will get all of the men needed through enlistments and reenlistments in the Regular Army. It is one thing to draft a man to fight for his country in time of war, and quite another to conscript him to do police duty in a foreign country in time of peace. We should make the Army more attractive, both by pay increases and more frequent promotions. Even under present conditions the results of the recruiting program have been most satisfactory, and far beyond what War Department officials had predicted. In support of my position, I quote from a letter from the Office of the Chief of Staff giving a report on the enlistments as of March 31, 1946:

Total enlistments and reenlistments	672,723
Enlistments for week ending Mar. 31	20,624

At the above rate we will have an Army of over 1,000,000 men through enlistments by July of this year, and it is interesting to note that of these enlistments 52.78 percent are for a period of 3 years. These figures offer convincing proof that our present military requirements are being met in a most satisfactory manner, and without doubt the rate of reenlistments will increase rapidly when the pay rates are revised.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Chairman, in 1917 and 1918 this Nation raised a great Army and sent it to Europe, yet never went below the age of 21 in the draft system. I happened to have been among those who were drafted. I had offered to enlist twice, I was rejected, then called in the draft. I was proud of the part that I played in that Army, I was proud of the fact that this Nation did not have to go below the age of 21 for draft. There were many young men who volunteered and served nobly below the age of 21 and to the age of 17.

Today Members of this House realizes the responsibility of maintaining peace. In the past 4 years every Member of this House has realized his responsibility to pass legislation that would successfully prosecute the war. The Congress passed that legislation and the Congress now will pass this legislation which will maintain peace at any price. But I say Mr. Chairman, I do not think it is necessary to continue further to draft young men 18 years old in order to maintain peace on the face of this earth. General Eisenhower has stated that a volunteer Army is best for occupation purposes. We have made more attractive volunteering enlistment by pay and other inducements, and it is generally thought that a sufficient number of men can be secured in such a manner. General Eisenhower has further stated he prefers older men for the army of occupation.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. Chairman, every Member of this committee is struggling with himself in order that he might cast the right vote on this amendment. We want to assure our military organization of enough men to take care of our commitments. We must give consideration to the men now in service. As I sit here listening to the debate, I admit I become confused. I am confused because of the various figures that have been presented to the committee today and in the debate yesterday. Surely both the Army and Navy should give us figures that could not be challenged.

When I think back to the day that we passed the bill to draft labor, and I voted for it, we were told that we had to pass that bill. Our war effort was being delayed and jeopardized. It never became law and everyone now agrees it was not necessary. We were told at another time we had to draft nurses, and I voted for that bill, yet we never drafted nurses. It was demonstrated we could get all the nurses needed by volunteers. Now we are told that we must draft 18-year-old boys—we must continue the draft. Must our decision today be based on the same kind of information that the House had on the previously mentioned bills?

Mr. Chairman, it seems to me there is something wrong with our military organization. The Military Affairs Committee of the House should determine whether we must secure our army and navy by conscription or by volunteers. We ought to get sufficient volunteers in peacetime. Either we are not paying them enough or else it is the Prussian attitude on the part of some officers, or it is the caste system in our military organization that discourages boys from entering the military service.

Today we are voting on extending the draft when, in my opinion, we should, first, vote to increase the pay of our military personnel; second, we should eliminate the caste system which permeates our entire military organization. There is no use denying the fact that an enlisted man in the ranks is made to feel that he is an inferior citizen. Let us make our Army more democratic. Let us secure our Army by the volunteer method during peacetime.

The CHAIRMAN. The Chair recognizes the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Chairman, it seems to me that this amendment is very important, perhaps because 20 years ago when I first started practicing law in Chicago, I remember that in my first criminal case, where the court appointed me as a defender, I went over to the jail to aid and assist some defendants who were accused of stealing automobiles. What did I find? They were mere boys of 18, 19, and 20 years of age. As I continued going to the jail I learned that almost all of those in Chicago who had been apprehended and accused of stealing automobiles, robbery, theft as well as other crimes which gangs are guilty of, were young boys. I think it is a contemptible thing even to consider drafting these boys of tender age under 21 years of age into the peacetime Army. I cannot believe that the Members of this House would even consider passing such a bill, unless this country is already mentally taken over by the same kind of government they have in Russia.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. Chairman, a great many Members talk about this situation as if it were a matter of commencing to take our 18-year-old boys. We commenced that back yonder 2 years ago. I was against dropping down to 18

years. I wish we had never done it, but we did it, and since that time we have been using up our 18-year-old boys. If you change it to 20, there just simply not any left, that is all there is to it. Goodness knows, I hope that the volunteer system works, but let us assume for the sake of argument it does not work and we shall have to have some additional boys. Where will we get them? Remember this, we have exempted 85,000 to 90,000 18-year-olds during the past year to go to school, while the others in the 18-year-old group have been taken into the service and are now serving. You are especially favoring that group that you deferred in order to go to school.

Furthermore, there is one other group in this country, and the Members of this House who are interested in farm deferment should listen to this. There are 201,000 persons in the United States that are deferred for farming purposes. If we have a shortage of men, where do you suppose our draft boards are going to turn to get them? About the only ones left above 20 years of age are on the farms of this country. It is the only reservoir of any size from which we can get people above that age, and that is where we shall have to go. It is just one alternative. It is either take those boys or leave in the service those that have already been there and served their 18 months; leave them in there for 24 months or even longer than that, and leave the fathers in the service. We are going to decide that question when we vote on this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK] to close debate.

Mr. McCORMACK. Mr. Chairman, several of the Members have made the statement that the war is actually over. It is true the war is actually over, but peace has not arrived. I have listened to the arguments of emotion against reason, and, as usual, the probabilities are that emotion will prevail. The question involved here is the national interest of the United States of America. I stood in this well 2 months before Pearl Harbor and fought for the passage of selective service when the national interest of the country was involved and argued, and it passed by one vote. I wonder where we would be now if that bill had not passed. We are now concerned with the extension of that law for 9 months. We have drafted young men 18 years of ago to wear the uniform, to fight, and die. We are concerned now about drafting boys for 9 months to serve in peacetime—at a time when war does not exist. The national interest of the country is what appeals to me. I would do anything for the national interest of my country. We have won the war but we have not won the peace. Two million three hundred thousand young men wear the uniform. Hundreds of thousands of them have fought. They served during the war. They naturally want to come home. They deserve to. If the amendment offered by the gentleman from Kentucky [Mr. MAY], the chairman of the House Committee on Military Affairs, is adopted it will hold back the discharge of tens of thousands of those young men. As between those who are in the service now, who were inducted under wartime conditions, and those who will be inducted under conditions where no war exists, I think the men who are in there now have the greater equity.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. All time has expired.

The question is on the substitute amendment offered by the gentleman from Texas [Mr. RUSSELL] to the amendment offered by the gentleman from Kentucky [Mr. MAY].

Mr. DONDERO. Mr. Chairman, for the benefit of the House, I ask unanimous consent that the substitute amendment offered by the gentleman from Texas be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk again read the Russell amendment.

The CHAIRMAN. The question is on the substitute amendment.

The question was taken; and on a division (demanded by Mr. BOREN) there were—ayes 62, noes 149.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. MAY].

The question was taken; and the Chair being in doubt, the Committee divided; and there were—ayes 191, noes 121.

Mr. THOMASON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MAY and Mr. THOMASON.

The Committee again divided; and the tellers reported that there were—ayes 195, noes 96.

So the amendment was agreed to.

Mr. DURHAM. Mr. Chairman, I offer an amendment, which is on the desk.

The CHAIRMAN. The Chair wishes to say to the gentleman from North Carolina that that is a new section.

Are there any other amendments to section 1?

Mr. VINSON. Mr. Chairman, I offer an amendment to section 1.

The Clerk read as follows:

Amendment offered by Mr. VINSON: On page 1, in line 11, after the colon and before the quotation mark in section 1, insert the following proviso: *"Provided,* That so much of the second sentence of section 3 (a) of the Selective Training and Service Act of 1940, as amended, as precedes the first proviso in such sentence is amended to read as follows:

" 'The President is authorized after, and not before, October 15, 1946, to select and induct into the armed forces of the United States for training and service, in the manner provided in this act, such number of men as is required for such forces to bring them to the strength authorized by the Congress, and no monthly requisitions for men shall be made on selective service by either the Secretary of War or the Secretary of the Navy between May 15, 1946, and October 15, 1946, and thereafter only with the approval of the President.' "

Mr. HARNESS of Indiana. Mr. Chairman, I have an amendment to the amendment.

Mr. VINSON. Mr. Chairman, I ask recognition on my amendment.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. MAY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Georgia yield for a parliamentary inquiry?

Mr. VINSON. With pleasure.

Mr. MAY. Is this amendment offered as a substitute for the section just adopted?

Mr. VINSON. No; not at all. It is offered as an amendment to section 1 which relates to section 3 of the act. As the gentleman and the committee will understand, it provides that——

Mr. THOMASON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Georgia yield for a parliamentary inquiry?

Mr. VINSON. Certainly.

Mr. THOMASON. I am not familiar with what section the gentleman from Georgia seeks to amend, but I do know that a member of the committee, the gentleman from North Carolina [Mr. DURHAM], was seeking recognition to amend the same subject matter.

Mr. VINSON. He was offering a new paragraph, a new section, and I am amending section 1 of the bill. I, therefore, have priority.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I ask unanimous consent that this not be taken out of the time of the gentleman from Georgia, that he be allowed to proceed for his full 5 minutes.

The CHAIRMAN. The gentleman from Georgia can ask for additional time if he so desires.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. VINSON. With pleasure.

Mr. HARNESS of Indiana. Will the gentleman yield for an amendment to his amendment?

Mr. VINSON. For the purpose of being read or for the purpose of being considered?

Mr. HARNESS of Indiana. For the purpose of being read, so the gentleman may discuss it in his remarks in connection with his amendment.

Mr. VINSON. If it is not taken out of my time I have no objection.

The CHAIRMAN. But it is taken out of the gentleman's time.

Mr. VINSON. Then I am very sorry but I cannot yield.

Mr. RABAUT. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. VINSON. I yield.

Mr. RABAUT. If these amendments are related one to another I think the House ought to be informed what they are. I think we ought to ask that the gentleman have additional time to permit these amendments to be considered, that we may understand it a little better.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that the gentleman from Indiana [Mr. HARNESS] may be permitted to offer his amendment and that it not be taken out of my 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. THOMASON. Reserving the right to object, Mr. Chairman, I wonder if the gentleman from Georgia would be willing for another member of the committee, the gentleman from North Carolina [Mr. DURHAM], to offer his amendment? I ask this because there is a misunderstanding as to which section he is trying to amend.

Mr. THOMAS of New Jersey. Mr. Chairman, I demand the regular order.

The CHAIRMAN. The regular order is demanded. The regular order is: Is there objection to the request of the gentleman from Georgia that the gentleman from Indiana be allowed to offer his amendment, if not to be taken out of his time?

There was no objection.

Mr. HARNESS of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARNESS of Indiana: At the end of the amendment offered by the gentleman from Georgia, insert a new section, as follows:

"That (a) the first paragraph of section 9 of the Pay Readjustment Act of 1942, as amended, is hereby amended to read as follows:

" 'The monthly base pay of enlisted men of the Army, Navy, Marine Corps, and Coast Guard shall be as follows: Enlisted men of the first grade, $165; enlisted men of the second grade, $135; enlisted men of the third grade, $115; enlisted men of the fourth grade, $100; enlisted men of the fifth grade, $90; enlisted men of the sixth grade, $80; and enlisted men of the seventh grade, $75. Chief petty officers under acting appointment shall be included in the first grade at a monthly base pay of $150.'

"(b) The third paragraph of section 9 of the Pay Readjustment Act of 1942, as amended, is hereby amended to read as follows:

" 'Every enlisted man paid under the provisions of this section shall receive an increase of 5 percent of the base pay of his grade for each 3 years of service up to 30 years. Such service shall be active Federal service in any of the services mentioned in the title of this act or reserve components thereof; service in the National Guard of the several States, Territories, and the District of Columbia; and service in the Enlisted Reserve Corps of the Army, the Officers' Reserve Corps of the Army, the Naval Reserve Corps, the Marine Corps Reserve, and the Coast Guard Reserve: *Provided*, That retired enlisted men heretofore or hereafter retired with credit for 30 years' service in the Army, Navy, or Marine Corps and who served beyond the continental limits of the United States between 1898 and 1912, such service having been computed under previous laws as double time toward retirement, shall be entitled to receive the maximum retired pay now provided for the grade in which retired.'

"SEC. 2. (a) The second and third paragraphs of section 8 of the Pay Readjustment Act of 1942, as amended, are hereby amended to read as follows:

" 'First mates and assistant engineers of the Army Mine Planter Service shall receive base pay at the rate of $2,340 per annum and shall be entitled to the money allowances for subsistence and for rental of quarters as established by sections 5 and 6 of this act for officers receiving the pay of the first period.

" 'Chief warrant officers of the Army except masters and chief engineers in the Army Mine Planter Service, and commissioned warrant officers with less than 10 years of commissioned service, of the Navy, Marine Corps, and Coast Guard, shall receive base pay at the rate of $2,520 per annum and shall be entitled to the money allowances for subsistence and for rental of quarters as established by sections 5 and 6 of this act for officers receiving the pay for the second period: *Provided*, That a commissioned warrant officer or chief warrant officer promoted from the grade of warrant officer or warrant officer (junior grade) shall suffer no reduction of pay by reason of such promotion: *Providing further*, That nothing herein contained shall be held to affect the authority of the Secretary of War to designate permanent or temporary chief warrant officers of the Army to receive the base pay and allowances of the third and fourth pay periods as provided in section 3 of the act approved August 21, 1941 (Public Law 230, 77th Cong.).'

"(b) The seventh paragraph of section 8 of the Pay Readjustment Act of 1942, as amended, is hereby amended to read as follows:

" 'When the total pay and allowances authorized by this section for any person shall exceed the rate of $550 per month, the amount of the allowances to which such person is entitled shall be reduced by the amount above $550.'

"SEC. 3. The first paragraph of section 7 of the Pay Readjustment Act of 1942, as amended, is hereby amended to read as follows:

" 'The annual base pay of a brigadier general of the Army or the Marine Corps, rear admiral (lower half) of the Navy, the Coast Guard, or the Coast and Geodetic Survey, the Assistant Commandant of the Coast Guard, the Engineer in Chief of the Coast Guard, commodore of the Navy, an Assistant Director of the Coast and Geodetic Survey, and an assistant to the Surgeon General of the Public Health Service, shall be $6,600; and the annual base pay of a major general of the Army or the Marine Corps and of a rear admiral (upper half) of the Navy, the Coast Guard, or the Coast and Geodetic Survey or the Surgeon General of the Public Health Service shall be $8,800. Every such officer shall be entitled to the money allowances for subsistence and for rental of quarters authorized in sections 5 and 6 of this act for officers receiving the pay of the sixth period.'

"SEC. 4. The second paragraph of section 1 of the Pay Readjustment Act of 1942, as amended, is hereby amended to read as follows:

" 'The first period, $2,160; the second period, $2,400; the third period, $2,640; the fourth period, $3,300; the fifth period, $3,850; and the sixth period, $4,400.'

"SEC. 5. The increases in pay specified in this act shall be applicable to the active duty, retired, retirement, or retainer pay of all persons whose pay is governed by, or by reference to, those sections of the Pay Readjustment Act of 1942, as amended, which are amended by this act.

"SEC. 6. The increases in pay provided by this act shall become effective on the first day of the second calendar month following its enactment, and no increase in pay for any period prior thereto shall accrue by reason of the enactment of this act."

Mr. BROOKS. Mr. Chairman, I make a point of order against the amendment.

Mr. Chairman, I make the point of order that the amendment to the amendment on a bill dealing with selective service seeks to write a general Army pay bill, and this pay bill, if passed, would cover millions of soldiers, sailors, and marines not brought within the terms of selective service either during the war or at the present time, and, therefore, is not germane or related to the subject matter of drafting men into the service.

The CHAIRMAN. Does the gentleman from Indiana wish to be heard?

Mr. HARNESS of Indiana. Yes; Mr. Chairman.

Mr. Chairman, I believe every Member wants to vote on this increase in pay to stimulate volunteer enlistments. The original Selective Service Act contained a provision on pay for men inducted under the act. I cannot see any reason why we should not consider the matter in connection with the extension of selective service, especially in connection with the amendment offered by the gentleman from Georgia to suspend the act, pending a trial period for obtaining voluntary enlistments. It is admitted by Members of this House and by War Department officials that an increase in pay as provided by this amendment will stimulate enlistments. This amendment is the bill reported almost unanimously by the House Committee on Military Affairs yesterday. I cannot understand why the gentleman from Louisiana, who is chairman of the subcommittee that wrote the bill, which was later approved unanimously by the full committee, should now make a point of order and prevent consideration of the very matter that every Member of this House wants to vote on.

Mr. SHERIDAN. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Pennsylvania.

Mr. SHERIDAN. Perhaps the gentleman wants to correct the RECORD. The bill was not reported unanimously. As the gentleman knows, I voted against it.

Mr. HARNESS of Indiana. I am sorry. The gentleman is the only Member of the committee, then, who voted against it.

Mr. BROOKS. Mr. Chairman, if the gentleman will yield, the gentleman will recall that the committee voted expressly not to mix the two together; that they were not germane and they should not be in the same bill.

Mr. HARNESS of Indiana. Does the gentleman know of any reason, after the debate we have had here today, why we should not consider it? Does the gentleman know of any reason why we should not consider an increase in pay along with the extension of the draft?

The CHAIRMAN. The Chair is ready to rule. The amendment offered by the gentleman from Indiana is neither germane to the amendment offered by the gentleman from Georgia, nor is it germane to the bill as reported, and which the House is now considering. The Chair sustains the point of order.

Mr. VINSON. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON. Mr. Chairman, the amendment that I have submitted for consideration by the Committee is an amendment to section 1 of the bill now before us, H. R. 6064. It relates to sec-

tion 3 (a) of the Selective Service Act of 1940.

Section 3 (a) of the act of 1940, which I am amending, has in it the following language:

> The President is authorized from time to time, whether or not a state of war exists, to select and induct into the land and naval forces of the United States for training and service, in the manner provided in this act, such number of men as in his judgment is required for such forces in the national interests.

Section 1 of the bill before us deals with that section, so it is very pertinent at this point to amend that section. I propose to amend it in the following way:

> The President is authorized after, and not before, October 15, 1946, to select and induct into the armed forces of the United States for training and service, in the manner provided in this act, such number of men as is required for such forces to bring them to the strength authorized by the Congress, and no monthly requisitions for men shall be made on Selective Service by either the Secretary of War or the Secretary of the Navy between May 15, 1946, and October 15, 1946, and thereafter only with the approval of the President.

The objective of this amendment is threefold: First, it prohibits the induction by the President of any man between May 15 and October 15; second, it prohibits the Secretary of War and the Secretary of the Navy from calling on the Selective Service System to fill their requisitions; and third, it provides that when the draft starts again the Commander in Chief of the armed forces will have to order it.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Pennsylvania.

Mr. BRADLEY of Pennsylvania. I know the gentleman voted with the overwhelming majority of us for the May amendment. May I ask him, for the information of the House, what effect his amendment if carried would have upon the May amendment after October 1 or whatever date he has set? Would the 18- to 20-year-olds still be eliminated from the draft?

Mr. VINSON. Yes; all this does is merely hold the induction machinery in status quo. The draft registration will continue. If this act, with the May amendment, becomes law, only those between 20 and 30 will be subject to the draft.

Mr. BRADLEY of Pennsylvania. Let us be clear on that. Under the gentleman's amendment, the boys between 18 and 20 will not be subject to the draft?

Mr. VINSON. They will not be subject to the draft, but all those between 20 and 30 will continue subject to the draft. In other words, this amendment would stop the draft for a period of 5 months to give the Army an opportunity to see if it can get an Army in peacetime by the volunteer method.

Mr. ERVIN. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from North Carolina.

Mr. ERVIN. The bill also has the effect of "passing the buck" to the President on a proposition which Congress ought to decide.

Mr. VINSON. I disagree entirely with the distinguished gentleman. It does not "pass the buck." To the contrary, it places a limitation on the delegated power that the President now has under the present law. That power was delegated to the President by the Congress because of the war emergency. Because the war is over now, this amendment would properly limit such delegated power. It proposes the well-established American method of obtaining men by voluntary enlistment. If it cannot be done in that way, then the Commander in Chief of the Army and Navy can order the machinery to go to work again.

The distinguished gentleman from Kentucky, the chairman of the committee, said he was in favor of this proposed suspension of the draft. In view of that statement, I wonder if his committee is not willing to accept the amendment?

Mr. MAY. May I respond to that by saying this: The House Committee on Military Affairs had before it a substitute containing the identical provision. It was the intention of the gentleman from North Carolina [Mr. DURHAM] to offer that as an amendment to this bill. The gentleman from Georgia simply beat him to it by offering his amendment to section 1, and Mr. DURHAM'S amendment was to section 2. I do not think the committee is opposed to the idea of suspending the draft temporarily.

Mr. VINSON. That is my understanding.

Mr. MAY. But we did not come to any final decision about it in the committee.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Texas.

Mr. THOMASON. I want to keep the record straight. As for myself, I do not agree with the gentleman.

Mr. VINSON. Of course. As a matter of fact, the committee, of which the gentleman is a member, did not vote it out. Therefore, I assume that the majority of the Committee on Military Affairs is opposed to it.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman.

Mr. THOMAS of New Jersey. This came up on two separate occasions in the committee. The first time it came up there were four votes in favor of it; the second time it came up, which was about 2 days later, there were nine votes in favor of it. While it seems to be gaining some ground, we have not unanimously decided against it.

Mr. VINSON. I think every member of the committee knows what this does. It merely suspends the draft for a period of 5 months. I certainly hope the committee will adopt it and give the Army a bona fide opportunity to see if it can recruit its armed strength by the volunteer method. If it cannot do this, then the induction machinery of the draft is invoked on the order of the Commander in Chief of the Army and Navy.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I know the gentleman has made a very careful study of this matter. I am strongly inclined to support his amendment. Does the gentleman believe from all the evidence he has and the investigations that he has made, he being the distinguished chairman of the great Committee on Naval Affairs, and being deeply interested in the national defense of this country, that there is any likelihood that we will not secure a sufficient number of men by October 15?

Mr. VINSON. I can only say as far as the Marine Corps is concerned and as far as the Navy is concerned, we do not need any law relating to the draft whatsoever. Enlistments have already brought the Navy to within 70,000 enlisted personnel of its postwar goal. In the Army they have already enlisted under contracts for a definite period of years some 600,000 men. I certainly think an opportunity should be given to the youth of America to see if they want to volunteer and couple with it the service-pay-increase bill which the committee unanimously reported out. If that is done, I have no fear about getting the 400,000 more men that the Army needs.

Mr. THOMASON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, our friend, the gentleman from Georgia [Mr. VINSON] is a very clever and very plausible man. I know he knows all about the Navy and he runs it well. He knows nearly everything about the Army, but his last statement to the effect that the Navy has procured enough men by the volunteer system presents a very different situation when we consider that the Army requires three times as many men as the Navy. I think we should be perfectly frank about this thing. You have raised the age limit to 20 years. The chairman of the Military Affairs Committee [Mr. MAY] has won a glorious victory and passed his amendment. Now if the chairman of the Naval Affairs Committee [Mr. VINSON] can pass his, there will be nothing left but the title. I can only repeat that I am still wondering where you are going to get the men because enough men above 20 are not to be had unless you are going to take fathers and IV-F's. They are just not in existence, so why not be frank and honest? If you are against the bill, let us kill it by direct means. Of course, I appreciate this is an election year, but nevertheless there is a lot more at stake right now, if you still have confidence in men like General Marshall, General Eisenhower, the Secretary of War, the Secretary of Navy, and the President of the United States, than the approaching congressional election. I shall watch with interest the vote on this amendment when I see numerous men on both sides of the aisle, particularly my Republican friends, who are always opposing a delegation of power, vote to place this whole program in the lap of a Democratic President. Congress is now in session although it is reported that it will not be in session on

October 15, so if this amendment is adopted we will pass the buck to the Commander in Chief who has sent message after message to the Congress of the United States that if we are going to carry out our commitments and make the UN a success we must have an extension of the draft at least for a few months. That is political cowardice. That is a cowardly run for the election fox holes. That is to hide until the shooting is over.

We are living in a sick world, and it is now proposed to throw national defense, national security, and the hope for world peace into politics. If you want to suspend inductions for political reasons until the middle of October, 17 days before election, I will promise you you will get what you are looking for all over the country. Fathers and mothers, boys who want to go to college, boys who love the old home town and want to get their cars and go to football games, instead of trying to get out and take the place of their buddies, who have been overseas for 2 years, who have little babies at home whom they have never seen, and you come in here with a proposition to raise the age limit to 20 years when there are only 60,000 all together available between 20 and 30. Then, in addition to that, you now say, "Well, Congress will be gone this fall. There is an election coming up, so we will just pass the buck to the Commander in Chief. I have to get reelected to Congress." I do not believe for a minute you will do it. I will gamble you will not do it if I can get a record vote.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. THOMAS of New Jersey. The gentleman mentioned politics. But it is a Democrat who has offered this amendment.

Mr. THOMASON. Well, that part of it is all right. I will say he is a good one. But he is not the one who offered it in the Committee on Military Affairs. The gentleman from Indiana [Mr. HARNESS], a Republican leader, offered it and got two votes on the first roll call. Later on he got four or five votes. He was defeated in the committee several times by large majorities.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. SHORT. The gentleman from Indiana [Mr. HARNESS] did offer an amendment, but the gentleman from Alabama [Mr. SPARKMAN] also brought in an amendment, and he loved it so much, and the gentleman from Texas [Mr. KILDAY], that they voted it up. You led us down a blind alley and threw us a foul ball.

Mr. THOMASON. All right. You have already proved what the effect of this amendment would be among the politicians in both parties. You are both already saying, "Yes. It is politics. We cannot take these boys in. There is an election on the 3d of November; so let us suspend this thing, and we will not assume our responsibility. We will do the cowardly thing and pass it back to the President of the United States." I say to you it is our responsibility and we ought to meet it like men.

No, I do not care which side of the aisle you are on. This thing has no place in politics, if you have faith in our leaders and want to see UN succeed.

The CHAIRMAN. The time of the gentleman from Texas [Mr. THOMASON] has expired.

Mr. THOMASON. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMASON. General Eisenhower and the other military and diplomatic leaders including Mr. Byrnes, the Secretary of State, who is representing us at the UN Conference in New York, are either right or wrong. They say we must have 1,070,000 men by the 1st of July, 1947, in order to keep our conquered enemy countries in line, and if we are going to carry out our commitments in Europe and the Pacific, as well as play safe at home. If you have confidence in General Eisenhower, General Marshall, Secretary Byrnes, Secretary Patterson, and Secretary Forrestal, and the President of the United States, you have got to do something to get 1,070,000 men in the Army by the first day of July 1947. Mark my prediction: You will not get them if you stick to the 20-year amendment, because there are not that many living eligible men. But the issue now is, Shall we run out on that request of General Eisenhower and those who speak with authority, and come in here and by any kind of an amendment say, "No. We Congressmen are going home before long. The fathers and mothers and boys will come to see us and we will tell them not to worry for we voted to extend Selective Service but at the same time we suspended sentence. We passed the buck to the President, that if he thinks it is necessary, he can reinstate selective service. Oh! What a travesty in view of what we did after World War I! It is proposed to tie the feet of selective service, and then tell them to walk.

Talk about delegation of authority. Talk about shirking responsibility, in view of the price our fighting men have paid for victory. My colleague from Texas, Major LYLE, elected to this Congress while he was still with a combat outfit in Italy, told you the story a while ago. Are we willing to fight for peace as well as for war? I plead with you, under the circumstances, for us not to shirk our responsibility and pass our sworn duty to the President, but let us keep faith with our own people at home and our allies abroad. If you adopt this amendment, along with the May amendment, the bill is wrecked. It is worse than a joke. It is a futile gesture in the midst of world crisis. It is politics getting priority over world security and lasting peace. If adopted, let us be honest and turn out every boy now in service under 20, and amend the title to read "The Demobilization Act of 1946."

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. HARNESS of Indiana. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. MAY. Mr. Chairman, I wonder if my colleague from Indiana, while we are all in good humor, would yield to me to make a unanimous-consent request?

Mr. HARNESS of Indiana. I hope the gentleman will wait until I have finished my remarks.

Mr. MAY. Very well.

Mr. HARNESS of Indiana. Mr. Chairman, I am supporting vigorously the amendment offered by the gentleman from Georgia. I offered a very similar amendment to this in the committee last week. I offered it on Friday and at first the committee was very much in favor of it. I think it would have carried by a big vote had we voted on it last Friday, but we adjourned over to the following Tuesday and something in the meantime happened, for there were a number of Members who have apparently changed their minds over the week end. Then my colleague the gentleman from Alabama [Mr. SPARKMAN] came in on Tuesday with an amendment very much like the one the gentleman from Georgia is offering today. So we voted on both his amendment and mine. The only difference was that my amendment provided that we extend the Selective Service Act for 9 months but suspend inductions under it until February 15, 1947. I did that because I knew Congress would be back in session on January 3 and we would have from January 3 to February 15 to reexamine this matter and find out whether we had to continue to induct men.

I pointed out to the committee that there would be no shortage of men in the Army on February 15, and that statement is confirmed by the figures of the War Department. Now, what is the trouble? What is the dispute? The War Department comes in and says that if we limit service of these men who have been drafted and are now overseas to a maximum period of 18 months and then we stop the draft on May 15, we will have a shortage of about 170,000 men on July 1, 1947, that is, 170,000 short of 1,070,000 that they want in the Army. I have no criticism whatsoever of the Army in maintaining a force of 1,070,000; I think it is a conservative figure: I believe the security of the Nation demands that we keep an army of that size.

The question then is, Who is right about the volunteers? They have been getting over 75,000 a month since last October. The War Department says that if we discontinue the draft on May 15, those voluntary enlistments will drop to 20,000 a month the rest of this year and will go to 12,500 a month next year. I do not believe they are correct in these figures, although I do not doubt their sincerity. They want to be sure so they have set the rate so low that there is no possible risk of failure. My feeling is that we will get twice that many, and if we can just recruit 30,000 men a month you will never have another man drafted under this act.

What is wrong, tell me, with taking away the power the President now has to draft men and saying: "You cannot draft any more men, Mr. President"—because the act gives him control over selective

service—"you cannot draft any more men until October 15, during which period we will try out voluntary enlistments?"

Yes; I say to the gentleman from Texas [Mr. THOMASON], I shall be glad to go back to my constituents and say that I supported a suspension of the draft until this time in order to prove to the Nation that we can get the Army, the efficient Army, that General Eisenhower asked for, through voluntary enlistments.

I shall say to them, "Yes; I helped to stop compulsory military service in peacetime, at least until we prove that we cannot fulfill our commitments without it." I shall be glad to report that I tried to restore to Congress another section of authority which rightfully should rest in the peoples' representatives in peacetime; and at the same time sought to reconstitute an adequate Regular Army of volunteer specialists which I am convinced every one of our military leaders would honestly prefer today.

My desire to make service in our armed forces more attractive is certainly well known in this body, and, I believe, elsewhere. I have worked for added reasonable inducements to military service, and I will continue to do so. , I have proposed an increase of service pay in all grades, and it was suggested here today as an amendment to the measure under consideration. That suggestion was approved by a subcommittee of my committee, and by the full committee. And I am sure the sentiment in this body today is overwhelmingly favorable to my proposal.

I sincerely regret that my esteemed colleague, the gentleman from Louisiana, chairman of the subcommittee which favorably considered the original proposal, felt impelled to prevent consideration of the proposed pay increase as a part of this question, for I believe it is pertinent to the main issue involved here; and I am convinced that this body is eager to authorize added inducements to make a military career attractive for the volunteer.

I shall be glad to go directly to the people on this issue, for I see nothing wrong with this proposal. Instead of delegating more wartime extraordinary authority without check during a period long after hostilities have ended, we would rightfully withdraw some of the unlimited authority already given him by saying, "You cannot induct any man into the military service during the period May 15 to October 15." Is there politics in that?

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HARNESS of Indiana. I yield to the gentleman from Kentucky.

Mr. MAY. This amendment does not disturb inductions from now until May 15, is that right?

Mr. HARNESS of Indiana. It has nothing to do with the act until after May 15.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. JOHNSON of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to discuss a slightly different phase of this matter than the gentleman from Indiana [Mr. HARNESS] just discussed. I agree with the arguments he made and the reasons for supporting this amendment.

One of the matters troubling a great many Members I find, in talking to them, is whether we can by this method sustain enough military strength to have influence in the United Nations so that we can develop a strong peace program. I am as anxious to win the peace as anyone in this House. The Secretary of State, General Eisenhower, and others told us that to have persuasion, to have influence, in order to shape and bend the course of affairs toward a peaceful world, we must have military strength. Many say we cannot obtain this military strength if we suspend inductions up to October 15. I deny that statement.

In the first place, I believe the voluntary enlistments will produce all the men we need. Every single man who appeared before our committee stated that a volunteer army is far preferable to a conscript army, especially in time of transition toward world peace.

Mr. Chairman, what is our military strength? What is our real strength? Here is the military strength of America today and for the next few years: We have four or five million Reserves who have just gotten through fighting a victorious war in every part of the world and on every sea of the world; men who will be available in case of conflict in the next 10 years. We have the largest Navy that ever floated the seas, with the most modern equipment and the greatest striking power of any navy in the world. We have a great potential air force. We are at the present time reducing in size an air force that was never dreamed of 10 years ago, an air force which can be brought back in the event of conflict to strike and crush any enemy in the world. We have a tremendous land army and a tremendous service army, with a great mass of reserves who can be called in case of conflict. On top of that we have the most effective industrial system in the entire world that can be geared to war production quickly. Then we have the atomic bomb which no other nation has, and which I hope we will never need to use.

When the other nations of the world sit down and talk to us and they look over our shoulder to see if we have military strength, those are the factors they will consider. They must realize that America today is the greatest potential military power the world has ever known. It is not necessary to add a few more conscript soldiers or a few more extra ground soldiers to make those people realize that we are a very powerful country militarily, in fact the most powerful and balanced military power in the world.

On the other hand, look at the potential enemies we have, whom I do not concede to be enemies but allies and former partners. There is not one of them that has a great well-balanced military force. The largest power has a great land army.

It has almost obsolete modern warfare equipment. It has a very ineffective air force. It has a very limited productive capacity. It has no navy at all. The other great country that was with us in the war has been battered and beaten in two wars until she is almost a second-rate nation. So I plead with you to grant this extension. Let us not take these men in the Army in peacetime. Let us give the voluntary enlistments an honest-to-goodness chance. It will not deplete or diminish our influence among the nations of the world. We will retain the military strength that it is claimed is necessary for us to have influence in the family of nations.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Kentucky.

Mr. MAY. Does not the gentleman feel that every nation on the face of the earth will remember our performance in this war and realize that we can come back if we have to?

Mr. JOHNSON of California. That is exactly it. They realize the strength we have because of our glorious recent performance. I believe this is a very fair amendment. As I say, I am more anxious to win the peace almost than I was to win the war. I came out of the first war with many other men of this House, and we saw the sacrifices of our comrades dissipated during the twenties so that the war we fought in 1918 was in reality a nullity in its results as real peace was not accomplished. We do not want that to happen again, and it will not happen, and this amendment will not affect our position in that regard. This war will only be really won when we have also won the peace.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Michigan.

Mr. SHAFER. Can the gentleman tell us what effect this amendment would have regarding our efforts to bring the long-term soldiers home?

Mr. JOHNSON of California. I do not believe this would disturb that effort at all. In the first place, the law that we are passing provides that all men with 18 months of service must come out.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. JOHNSON of California. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHNSON of California. In the second place, the enlistments, I think, would take care of all the depletions. For instance, we have enlisted by voluntary methods 674,000 men for the Army since last October, and with the increase in pay that we are offering I do not have the slightest doubt in my mind but that we will get a minimum of 30,000 a month, which will take care of all depletions.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Indiana.

Mr. HARNESS of Indiana. There cannot be a question of a doubt about causing one single drafted man to stay in the Army longer than 18 months if this bill is passed, because we wrote a provision

into the law that they could not be kept longer than 18 months.

Mr. JOHNSON of California. This bill provides for 1,070,000 men on July 1, 1947. Because I admire General Eisenhower and because I admire President Truman is no reason why we cannot do a little reasoning of our own. Many of us think we should not draft these boys in peacetime, even though we had to do it in wartime, but my main objective is to try to lay the groundwork for a permanent peace.

Mr. MANSFIELD of Montana. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Montana.

Mr. MANSFIELD of Montana. It appears to me that this amendment offered by the gentleman from Georgia [Mr. VINSON] will, in effect, shift the responsibility from the shoulders of Congress, where it belongs, onto the shoulders of the President, because on that date, October 15, it will be up to the President to decide whether or not this policy shall be carried out instead of our deciding it ourselves. I feel that we should record ourselves by a yea-and-nay vote on both this amendment and the bill itself, so that the country will know where we stand.

Mr. JOHNSON of California. There is no shifting of responsibility. As the gentleman from Indiana [Mr. HARNESS] said, we are withholding his power merely for a period of 5 months.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from Minnesota.

Mr. JUDD. It is not rather the case that we are shifting responsibility for 5 months to ourselves?

Mr. JOHNSON of California. That is correct.

Mr. ERVIN. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of California. I yield to the gentleman from North Carolina.

Mr. ERVIN. The gentleman stated that he thought the House ought to exercise some judgment of its own. May I ask the gentleman if the amendment which he supports does not relieve the House of any obligation to exercise any judgment of its own? Does it not relieve us of the necessity of deciding whether we should or should not have selective service, and pass that question to the President instead? Is that not all the amendment does?

Mr. JOHNSON of California. No; that is not it at all. The gentleman puts it in a very unfair way, in my opinion. We passed the law for volunteer enlistments, and all we are saying now is, "Give us 5 months and see if that law will work." It has worked to date, and I believe it will work for the next 9 months. This amendment will not diminish our influence for world peace, which we hope and pray will soon come.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, we have to consider this amendment in the light of another amendment recently adopted, the May amendment. Whatever force and strength the amendment offered by the gentleman from Georgia, chairman of one of the two great national defense committees of the House, would have, the merit would lie really if we were to continue drafting the 18-year-olds. Now we have eliminated the 18-year-olds. It is pretty well agreed that you cannot get the replacements necessary from those 20 years old and up.

If the Committee of the Whole in its judgment and consideration, having increased the age to 20 years—and I voted against it, but I accept the majority rule—now accepts the amendment offered by the gentleman from Georgia, then we are engaged in a legislative mockery. That is my opinion. What little strength there is to the bill with the age limit of 20 is lost. We might just as well face the facts. This is a question that concerns us as Americans, not because the Democratic Party happens to be in power. This is a matter which concerns us as Americans. The adoption of the May amendment—and it will be adopted, of course; the overwhelming vote showed that—and the adoption of the amendment offered by the gentleman from Georgia simply means that we are continuing a law for 9 months but nothing can be done until October 15. Then if the voluntary enlistments are not sufficient, Congress does not act. We make a complete abdication of our responsibility—you notice I say "responsibility"—to the President of the United States. You cannot get away from that, because the induction of men 20 years of age and up as of October 15 will not be dependent upon an act of Congress but upon an action by the President of the United States. If that is not a complete abdication of responsibility, I do not know what abdication of responsibility is.

I am fearful of one other thing. I am fearful of the result of what is happening here today. I am fearful of the natural and probable consequences flowing from it. There is no period after we take action today. The old law of natural and probable consequences commences to apply. What is the message to the other countries of the world, what is the message of the responsibility, what is the message of the passage of a law that is harmful to American might being retained in the manner necessary to win the peace? One gentleman referred to the power of our country. We were powerful after the other war. A lot of us served in that war, some of us as privates. I served as a private. Yes, we were powerful then, but we saw our might disappear in a wave of pacifism. None of us intends to be a contributor to pacifism again, but the natural and probable consequences of the adoption of the May amendment, taken together with the adoption of the Vinson amendment, in my opinion will be the start of a wave of pacifism; at least, the other countries of the world will say, "America is uncertain and wavering in assuming its responsibilities."

I am not going to argue about the adoption of the May amendment. It is all over and I accept it. I am game. I respect the opinions of those who voted for it, in disagreement, and I know they respect mine. But do not, I ask you—I am not going to use the word "beg" because I do not feel I ought to go down so far as to beg another Member of Congress to vote one way or the other. I am here as a result of the vote of the people of my district, and so are you. I respect each and every one of you. But I am going to task you to pause, to "stop, look, and listen," and realize that we have adopted the May amendment, and then say, "What will be the significance of the Vinson amendment if it is also adopted?"

The Vinson amendment should be defeated.

Mr. TIBBOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am very much concerned over the security of our country. I likewise am concerned about the youth of our Nation. This presents a serious problem to us. It seems to me that it should be solved by the consideration of more fundamental problems, of which not only the continuance of the draft, but the organization and purpose of the armed forces themselves are only a part.

I am concerned about the extension of the draft, especially as it relates to the 18-, 19-, and 20-year-old boys. The almost universal testimony from people who have visited our Army camps recently, and of the returning boys themselves as they come home on leave, is that such moral and disciplinary measures as existed during the war, lax enough as they were, are much laxer now.

I view this with apprehension, as undoubtedly many others do. There would be much less apprehension if they were 21 or 22 years old.

To overcome this, I agree with those who advocate a program of voluntary enlistment, raising the pay, and getting the right kind of people. I cannot believe that the boy of 18, 19, or 20, by the very nature of his experience, is equipped with the kind of judgment necessary to permit him to work effectively with people in other lands. That is what these young boys would be compelled to do, if we draft them according to the wishes of many, for occupational purposes and for replacements.

If we are to give consideration to the building up of our Nation, not only for peacetime, but for educational purposes, we must give the 18, 19, and 20-year-old boys an opportunity to pursue their ambitions in science, professions, and business.

I do not, in anywise whatsoever, believe we should weaken the position of our armed forces, as weakness invites attack. We have no desire to engage in another war, but we wish to be free from the threat of war. We should be strong enough to defend ourselves against aggressor nations. For our national security, we should have a strong Army and Navy.

If we cannot get the required number of men through the voluntary system, and we must have the Draft Act extended now, let us do so by excluding the 18-, 19-, and 20-year-old boys from it.

Mr. SPARKMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I rise at this time in order to say something in an effort to

keep the record straight. I do so because of the statement made by the gentleman from Missouri [Mr. SHORT]. Unfortunately, I do not see him on the floor at this time. Also, because of the statement made by the gentleman from Indiana [Mr. HARNESS] to the effect that this amendment now pending before us is the same amendment that I offered in the committee and then voted against. Mr. Chairman, I wish to say unequivocally that is not true. I offered the amendment. Here is the bill with the amendment on it exactly as I had it in the committee.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. If the gentleman will permit me to finish my statement, I will yield to him.

Mr. HARNESS of Indiana. The gentleman is making a misstatement about me. I did not say that you did not vote for it.

Mr. SPARKMAN. I thought the gentleman said that.

Mr. HARNESS of Indiana. I did not say it.

Mr. SPARKMAN. If the gentleman did not say it, I am very sorry, and I certainly will withdraw that statement.

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I yield.

Mr. THOMAS of New Jersey. I believe the gentleman also made a misstatement about the gentleman from Missouri [Mr. SHORT]. The gentleman from Missouri is on the floor.

Mr. SPARKMAN. I am glad he is on the floor. I simply said that I did not see him on the floor at that time. I want him to be on the floor because I want him to hear this statement.

On April 2 I introduced a bill, H. R. 5972, proposing to extend the draft for 12 months with certain limitations providing for the release of fathers and men who had served 18 months. The gentleman from Indiana [Mr. HARNESS] introduced his substitute to extend it to February 15 and then immediately to suspend it for the same length of time. I agree with the gentleman from Indiana that it received considerable favorable consideration, so much, in fact, that I felt we had better work out a compromise because it was my opinion that the amendment offered by the gentleman from Indiana would absolutely ruin selective service. Therefore, when we went to the committee meeting on Tuesday I had these proposed amendments, one of which was a pay bill, an another in substance the pending amendment. Another was a limitation which is written into the bill as it is presented to us today. I stated on that occasion that in the event the committee voted down the substitute offered by the gentleman from Indiana it was my purpose to offer this substitute. I did that. I did it in good faith, and we worked a good part of that day perfecting my substitute and agreed to everything in it with the exception of the pay bill. The pay provision was stricken out by a vote of the committee because a subcommittee was then working on a pay bill and promised to report a pay bill promptly. The date to which I proposed to suspend inductions, November 15, 1946, was amended to read December 15, 1946. With those two exceptions, this bill, as I show it to you now, was perfected. Then the vote came on accepting that as a substitute for the original May bill which was pending before the committee, the Harness substitute having been voted down in the meantime. On the roll call, and the records of the committee will show it, I voted for my substitute as it had been perfected and so did the gentleman from Texas [Mr. KILDAY] who someone said a moment ago did not vote for it. I offered it in good faith and I worked for it in the committee as a compromise settlement and voted for it. I supported that on roll call. Of course, at that time we were not changing the age. The age, as then proposed, was 18 years. The Vinson amendment would not be bad if the age were held to 18, but is bad with the age raised to 21. The slow-up threatens to be too much.

Mr. HARNESS of Indiana. Mr. Chairman will the gentleman yield?

Mr. SPARKMAN. I yield.

Mr. HARNESS of Indiana. I just wanted to say to the gentleman I have great admiration for him, as he well knows. I did not make any statement—I certainly did not intend to make any statement—that the gentleman had voted one way or the other on any measure in the committee.

Mr. SPARKMAN. I am sorry.

Mr. HARNESS of Indiana. I do not know what the gentleman from Missouri [Mr. SHORT] said, but I want to make it clear that I made no such statement.

Mr. SPARKMAN. I certainly withdraw anything I said about the gentleman from Indiana. All I am trying to do is to get the record straight.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. SPARKMAN] has expired.

Mr. SPARKMAN. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HARNESS of Indiana. I would like to make one further observation.

Mr. SPARKMAN. While we are on that question, let me ask the gentleman from Missouri [Mr. SHORT] if he desires to make any correction.

Mr. SHORT. The gentleman will recall that we had about 50 votes that day.

Mr. SPARKMAN. Yes.

Mr. SHORT. And there was a great deal of confusion. The original substitute was offered by the gentleman from Indiana [Mr. HARNESS].

Mr. SPARKMAN. Correct.

Mr. SHORT. Which was to extend the draft law until February 15, 1947, but to suspend its operation.

Mr. SPARKMAN. That is correct.

Mr. SHORT. Which I called "dishonest murder." You wanted to extend it but suspend it.

Mr. SPARKMAN. Not I.

Mr. SHORT. No. That was the original. Then, the next day the gentleman from Alabama brought in a similar substitute to extend the law until May 15, 1947, but to suspend all inductions from May 15 this year until November 15.

Mr. SPARKMAN. That is correct, and the committee amended it.

Mr. SHORT. Then, I was the one who made the observation in committee, "Gentlemen, if we pass such a provision as that, I can hear every commentator on the radio in this country, I can read the columnists in every newspaper calling us a bunch of moral cowards who did not have the guts to stand up and face the issue." I said, "We will each have to face that in every meeting between now and November 5." Did I not?

Mr. SPARKMAN. That is correct.

Mr. SHORT. And then they crawfished and backed down. I am against any extension of it, because I want to stand up and be counted.

Mr. SPARKMAN. Very good. Thereupon the gentleman from Texas [Mr. KILDAY] offered an amendment to suspend it until September 15, in order to meet the gentleman's objection, but it got nowhere fast. Only a few of us voted for this date.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. MAY. Will the gentleman yield for me to see if I can reach some agreement to limit time?

Mr. HOLIFIELD. I yield.

Mr. MAY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at 2:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. HARNESS of Indiana. Reserving the right to object—

Mr. MAY. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close at 2:45.

The CHAIRMAN. The question is on the motion offered by the gentleman from Kentucky [Mr. MAY].

The motion was agreed to.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield for a consent request?

Mr. HOLIFIELD. I yield.

Mr. HARNESS. Mr. Chairman, I ask unanimous consent that the gentleman from Wisconsin [Mr. HULL], may extend his own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HULL. Mr. Chairman, I voted for the Russell amendment to the May amendment to this bill, and for the May amendment, which carried. If the bill is to become law, I hope that it will be further amended and liberalized. I shall vote for all such amendments.

This measure comes in place of the universal military training bill which has long been before the Committee on Military Affairs. Notwithstanding the advocacy of that bill by the generals and admirals, and other officers of the armed forces, and the widespread propaganda of the administration in its favor, the sentiment of the country was and is so strongly opposed to compulsory military training in peacetime that its sponsors

gave up the fight temporarily, hoping that a more favorable Congress may be elected, when it will be brought forth from the pigeonhole of the committee which now declines to report it.

To take its place, this measure proposes to continue the draft for 9 months from May 15, 1946. It is a compulsory measure. It was originally intended to continue the drafting of boys 18 years of age and over, just as the present law permits and authorizes. The May amendment will make the age limit 20 years. But that question has been before Congress for weeks. The amendment comes as a concession from the military bosses to obtain the passage of the bill. Like other amendments to the draft law, the purpose is to have a compulsory training law for another 9 to 12 months.

Much has been said in this debate that our Army must be maintained at War Department estimates in order to fulfill our "commitments to foreign nations." Nobody knows nor explans just what those commitments are, and when and where they were made. All the Congress and the people know is that behind closed doors in foreign lands, the leaders of nations met and secretly promised to each other the very same kind of power guaranties as have so often brought on wars for centuries past. Only infrequently we learn of some secret commitment made, yet denied when publicized.

But there is a commitment we all know about. It was made by Congress to the people of our country when May 15, 1946, was fixed as the limit of compulsory induction into our armed forces. That commitment is still in full force and effect. There was no promise nor suggestion in that commitment that Congress under any circumstances would violate it.

Certainly our people and our armed forces in particular will regard the present proposal as a breach of faith, a violation of a sacred pledge. That commitment was made when we still were winning a war for freedom. That war is won and over. Those in power in Congress and elsewhere can and will be held responsible if this measure prevails.

Over 700,000 men have volunteered for services in the armed forces since VJ-day. The number would have been much larger except for the low pay and the caste system which are so disadvantageous and so objected to by enlisted men.

For weeks the question of volunteers in the armed forces has been before Congress. Even now there is withheld from the House a bill favorably acted upon by the committee to increase the pay of enlisted men by 20 percent. It could have been and should have been passed weeks ago. Then the number of volunteers would have been so great that conscription would be unnecessary.

There are over 1,726,000 men in the Army. Thousands of them should have been discharged and brought home. Further conscription is not necessary to obtain their release. There are and will be an ample number of volunteers to take their places abroad. Of our 700,000 volunteers so far inducted, 79 percent are well-trained privates recently discharged. General Eisenhower promises that all fathers in the Army can be, and will be, brought home by August 1. That commitment surely should be kept, along with other promises so frequently made and disregarded.

There are 150,000 officers in the Army. There are some who seem to want the Army held to its present size to keep the officers on their jobs. Reduction of the Army to 1,000,000 men would reduce the number of officers by 50,000.

In Wisconsin farmers are desperately in need of help to produce the food supply for our country and the world. There now are needed 25,000 year-round workers on the dairy farms and four times as many for the crop season. In other States there is a similar situation. Yet the induction of farm boys continues.

Conscription should end on May 15, 1946, as Congress promised it would.

Mr. HOLIFIELD. Mr. Chairman, let us see what the May amendment did. The May amendment took out of the induction class all but 60,000 men. According to selective service if we extend this act for 9 months we have 60,000 men that are in the induction class. And if we are going to suspend it 5 months—because we have said in this bill that the induction amount shall be put on a monthly basis by the War Department—an average monthly amount—we take out five-ninths of 60,000. What does that leave you? It leaves 26,670 men available for induction. If that does not leave you with a gutted act I do not know what I am talking about. Now, let us consider this suspension from the standpoint of congressional responsibility, and I would like for my good Democratic colleagues at least to listen to this—on October 15 the President will reinstitute the draft because he already said he is in favor of it, and you have 19 days to go before your constituents before the November 4 election, and your Republican opponent has 19 days to go before your constituents and tell them that a Democratic President is now going to take their boys and send them overseas. Let us think about that before we vote. It is an election year.

I will tell you what we ought to do, we ought to extend this draft and take in all the men from 18 to 30 that are in the available class if they are needed; and we ought to vote against it if they are not needed. I am going to vote against the draft and I hope it is a clear-cut issue when it comes before me so that I can vote against it.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. SHORT. I want to congratulate my good friend from California for his moral courage. That is the issue and we should be willing to face it. Had we brought the pay bill in here first, we would never have had this program.

Mr. HOLIFIELD. You would not be talking about extending the draft if you had brought the pay bill in first because the rate of volunteers under the volunteer-recruitment bill we passed last fall has been twice as much as they predicted it would be, and the pending pay bill will give volunteer enlistment a similar boost.

Mr. SHORT. It has been two and one-half times as much; and we were getting 73,000 volunteers a month, last month.

Mr. HOLIFIELD. Now we are talking about raising the buck private and the first class private 50 percent in pay, to $75 and $80 a month. With enlistments coming in at the rate they are on the inducements we offered them last year, if we raise the pay 50 percent, what is the volunteer rate going to do? It is going to go up.

Mr. SHERIDAN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. SHERIDAN. Is it not true that the high-ranking military officials have informed us that if the pay is increased only 30 percent there will be an increase of one-third in voluntary enlistments?

Mr. HOLIFIELD. No; General Textor said that if the pay was increased 10 percent the volunteer-enlistment increase would be 30 percent. If I thought for one minute that our volunteer enlistment would not be sufficient to give the military forces adequate personnel to meet our commitments I would vote to extend the draft.

But I have seen too much waste of Army personnel in military bases. I have seen too many of our boys doing jobs in foreign countries that could be done by hired natives of those countries.

Let the military leaders screen our foreign bases and eliminate the unnecessary occupation of countries and bases no longer requiring occupation troops.

We will pass a pay bill on the floor before summer adjournment. The subcommittee of the Military Affairs Committee, of which I am a member, has passed such a bill. It is a good bill and will insure all the personnel needed on a volunteer basis.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. LESINSKI].

Mr. LESINSKI. Mr. Chairman, while we are arguing over the draft extension, I want to call the attention of the Members of the House to the fact there are soldiers in Europe today which we are feeding. I refer to the old Polish army and the Yugoslav army. The Allies do not know what to do with those soldiers. They are seasoned men, they are men who have gone through the war. When we had VE-day in Europe and when most of our Army had been taken out of Europe, we had to hire some of these men to take care of the ammunition dumps and all of the other matériel that the Germans left behind.

Why not think of that? You can hire these men for $18 a month, and that is what the Army is doing now. Why not hire all displaced Allied soldiers? They are not as expensive or well seasoned, and have your own boys stay at home where they belong.

Mr. EDWIN ARTHUR HALL. And there are not any better fighting men in the world.

Mr. LESINSKI. They were the best fighters in this war.

The CHAIRMAN. The Chair recognizes the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, on Tuesday last, General King and the survivors of Bataan and Corregidor marched in the streets of Boston. In the evening as the guest of

those heroes I heard General King say that they were betrayed because of unpreparedness. He gave the charge to his men that night at that dinner to that effect. I felt the charge was given to me also, and I am going to read you the charge.

General King said:

> God has been good to you and me. I have charged you in the past with things you have willingly and cheerfully done. I charge you now to so conduct yourselves in the service and out of it that no American will ever again be betrayed by unpreparedness as those we left behind were betrayed.
>
> I charge you to remember that many of those who were left in the Philippines were not Americans, and to see to it also that they do not suffer. They were loyal to us when it cost them something to be loyal.

Mr. Chairman, we betrayed those men. We gave them our love, we gave them our prayers, but we gave them nothing else. We did not give them what they needed. We did not give them men, we did not give them supplies. If the United States had been prepared there would have been no Pearl Harbor. There would have been no Bataan. There would have been no Corregidor.

Maj. Albert D. Talbot, new chaplain of Bilibid prison, now stationed at Fort Devens, charged:

> The real heroes of Bataan will never return. They have hallowed the soil of the Philippines. They would want us to fight as valiantly to preserve peace as they did in war.

The heroes of Bataan and Corregidor have reenlisted—85 percent of them—all who are physically able are reenlisting. The heroes of Bataan alone cannot keep America strong. We must help.

After World War I I did everything I could to keep America strong, and I am doing so after World War II. The Vinson amendment will weaken our defense. I shall vote against it.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, if the men at Bataan and Corregidor were betrayed, it was by the ones who court-martialed Gen. Billy Mitchell and prevented us from having an adequate air force.

I am opposed to universal compulsory military service in times of peace. Militarism consists of universal compulsory military service in times of peace with the armaments that go with it. If we are going to embark upon a policy of militarism the American people ought to know it.

The gentleman from Texas [Mr. THOMASON] said if we are going to back up UNO, we must carry on the draft. That means, as I understand it, he would carry on the draft just as long as UNO survives the confusion of tongues. If you are going to do that, then you are embarking the American people upon a policy of universal compulsory military service in time of peace from now until doomsday.

I am opposed to that policy, and I believe the American people are opposed to it. I shall vote for the amendment offered by the gentleman from Georgia, but I regret that he lays it on the President's doorstep to reinstate the draft if Congress is not in session. I am willing to take my part of the responsibility.

I remember the militarists after the last war tried to impose militarism on this country. I opposed it then and I am opposed to it now.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, the May amendment has been adopted. I was opposed to it. If we also adopt the Vinson amendment we might as well strike out all after the enacting clause because there is not very much left to the bill.

Mr. Chairman, we have disbanded our armed might too quickly. We are not being true to the cause for which our men fought. We won a great victory but we, the Members of this House, are not doing our share to help win the peace. The challenge is now ours. We are not meeting it. We withdrew from our responsibility after World War I. We might have prevented this last horrible holocaust if we had kept our Nation strong and had not retreated to isolationism. I fear we are about to do the same thing now.

This Nation is taking its place of leadership among nations of the world. The only way we can afford to talk loud is to back up what we say. We have to have strong armed forces if we are going to make our influence felt and ready to take our part in making peace treaties. Theodore Roosevelt, I believe it was, said, "Speak softly and carry a big stick." Well, we are talking loud and carrying a mighty little stick. That is the position the May and Vinson amendments place us in.

Furthermore, Mr. Chairman, what if the President, come October 15, decided he wanted to play politics, too? That is what we are doing if we adopt this amendment. We are placing the burden on the President, and we can tell those who do not want the draft, "Well, it is up to the President." We can tell those who think selective service should be continued, "It is up to the President." That is no way for Congress to do. Let us stand up and meet the issue and stop this buck passing. The effectiveness of Congress is at issue. Many people are wondering if Congress is the best method of establishing governmental policies. They will be given substantial ammunition for their attack upon us if we avoid our duty here today.

Mr. Chairman, I do not think there is going to be a major war during the next few years. But the germs of a future devastating conflict may be planted in the decisions made during the next few months. Grabbing a little territory here and there—violating a right of a small nation may cause injustices which will be the basis of a future conflict—our ability to prevent this sort of thing is measured by how strong we are. It is measured by the temperament of the American people as evidenced by the action of the House on this measure. Get soft—emaciate the selective service extension and you will see a corresponding expression of greediness on the part of certain nations. And we will not be able to thwart it. The voices of our State Department representatives will be as the sounding brass and tinkling symbol.

At least until the peace treaties are written, let us stay strong. Let us show the world that we mean business this time.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. BELL].

Mr. BELL. Mr. Chairman, while I have the very highest regard for both the ability and the sincerity of the gentleman who offered this amendment, I think if this amendment should be passed by this House it would be misinterpreted all over the world. The people outside of the United States would say that the American Congress did not have the courage to go ahead and provide the necessary men for an army. Sometimes we have been prone to criticize our Department of State for not standing up sufficiently strong against people who wanted to do things that we thought ought not to be done and may I pause here to pay tribute to our great Secretary of State, whom I believe to be ably and sincerely trying to conduct our foreign relations to the end that real peace may be established. I think the test in this vote today is whether or not we are going to stand back of our Government; or whether we are going to say to the whole wide world, that Congress has the courage to keep this Nation strong. "While peace theoretically has come, the sabers are still rattling, the world is not yet really at peace." While I would ordinarily be opposed to the draft and to large armies and all that sort of thing, yet we must be realists. We must defend these homes of ours here in America and defend the things that we believe in and stand for. Therefore I am opposed to the amendment.

Mr. BENDER. Mr. Chairman, the bill extending our present selective-service regulations for an additional period is frankly a compromise. In my personal judgment, the necessity for maintaining a large standing Army or Navy for any purpose whatever should logically wait until we have concluded the test of the atomic bomb scheduled for this summer in the Pacific area. If the tests demonstrate the overwhelming power of such weapons on the sea as we have already seen that power demonstrated on land, our entire thinking in connection with national defense and security and the training for that defense must be reconsidered.

Meanwhile, a companion measure before Congress provides for increased pay for all ranks of enlisted personnel and officers and further provides that no inductions shall take place in any month if quotas have been filled by voluntary enlistments during the preceding 3-month period. It further exempts fathers of children under 18 years of age and provides for the discharge of fathers now in the service upon their request after August 1.

The further limitation of service to 18 months fixes a maximum time limit which should prevent any serious abuse of the selective-service program. It is only with these safeguards inserted that I believe we can justify any extension of selective service at this time. I shall urge

Congress to reopen the entire matter for further discussion immediately after the completion of the atomic tests this summer.

Mr. Chairman, I wholly disagree with my good friend and colleague from Missouri [Mr. BELL] that favorable action on the Vinson amendment will be misinterpreted throughout the world. The same argument was advanced by the gentlemen from Texas [Mr. THOMASON] when the "work or jail" bill was up for a vote last year. All of you recall the line of argument used by the proponents of that legislative monstrosity when it was jammed through the House, only to be declared wholly unnecessary, by the then Assistant President of the United States, Jimmy Byrnes, who, when the measure was before the other body, suggested that they throw it out the window.

Many of our military experts appeared before congressional committees, and in public statements declared that by the first of May 1946 it would be possible to obtain 300,000 volunteers. Actually, at the present time, even with no special inducements or pay adjustments, we have been successful in obtaining over 700,000 volunteers. If the companion bill that the gentleman from Indiana [Mr. HARNESS] today endeavored to attach to this bill is adopted, providing for better pay and other inducements, I am sure we will have the Army of 1,000,000 men needed and the draft law will not need to be invoked on October 15.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. STEWART].

Mr. STEWART. Mr. Chairman, I am opposed to the Vinson amendment. I think we should face our responsibility in voting for or against the extension of the draft, upon that issue and that alone and not adopt an amendment that smacks with politics. Placing the date at October 15 has the same effect on those of us in strong Democratic districts as placing the date at November 15, after the general election, would have on the whole country. I just do not believe in legislating that way. I think we are making a mistake, and I think it is going to be interpreted as such throughout the entire country. As for me, I am for the continuation of the draft and I am going to vote for it. I believe you will make a mistake if you adopt the Vinson amendment.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman, I asked for this time, and I am glad it is only a minute and a half, to deny that there is any political implication to be attached to my stand upon this question. In fact, if it would not seem to be impolite, I would say I resent the implication. I certainly never have in my life cast a vote in the legislature at home or the Congress here upon the consideration of whether I would get votes at home or not, and I never expect to. I thoroughly believe, from the statements made by General Eisenhower and others and from the evidence that has been adduced and has been given us here by word of mouth, which I accept, that we can confidently rely upon that character of Army which General Eisenhower says is the best, a volunteer Army, composed of men who freely enter into the service, to be achieved. It is our obligation to offer such inducements as will add to the justification and willingness of these men to enter the service. One time we say we are going to use these men for guard duty and that we do not want 18- or 19-year-old boys, and another time we seem to think we want to scare the world. They are already impressed with our power. They know what we can do, but they know, too, we want a peaceable world.

The CHAIRMAN. The Chair recognizes the gentleman from New Mexico [Mr. FERNANDEZ].

Mr. FERNANDEZ. Mr. Chairman, a Member of Congress cannot say very much in a minute or a minute and a half. I have been here all day trying to get 5 minutes. I think that throughout the day nobody has gotten 5 minutes except members of the committee, who have priority. I am going to continue trying to get 5 minutes, not because I want to say so much for myself, but because I have with me some letters from veterans who have been overseas and who are entitled to be heard. I want to have the opportunity of reading these letters, not in a minute and a half, but in 5 minutes or more, if that is necessary. I think if there is anybody we should listen to, it is the boys who were overseas and are back with us now and who want to be heard. We are here to represent them. I shall continue to try to get 5 minutes, and I hope the chairman of the committee will not again close off debate after other members of the committee have gotten through until some of the rest of us have had a chance to say a few words.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, I voted to amend H. R. 6064 so as to eliminate young men 20 years or younger from the draft when the Draft Act expires on May 15, 1946. Under this amendment, only those can be drafted who meet the requirements between the ages of 20 and 30 years. I have never favored the drafting of 18- and 19-year-olds, and I have never heard any Member of the House in the many speeches I have heard on this subject express a desire to draft 18- and 19-year-olds in time of war. Those who voted for the drafting of 18- and 19-year-olds gave as a reason that we were in war and that that action was necessary, and at the same time were deploring the fact that it was necessary, and, of course, might have been some justification for taking 18- and 19-year-olds away from their homes, churches, schools to defend our country at a time of great danger. The war is over, we are now at peace, and I cannot see how anyone can find justification for drafting them now, and I am very glad, indeed, to have an opportunity today to eliminate them from the provision of the draft law. I have a very voluminous file of letters, telegrams, petitions, and resolutions urging me to vote to discontinue drafting them. These requests come from schools, colleges, universities, parents, ministers, priests, and bishops of all denominations and faiths. They point out that our Army is to do police duty in Japan, Germany, Korea, and other parts of the globe, and they emphasize the temptations, dangers to the health and morals of our young boys from the surroundings in those countries.

We have heard something from the story of officers, men, and chaplains as to the unfavorable surroundings to which our young boys have been subjected and will be subjected. They also make a telling point that these boys are too young and too immature to become police officers among foreign people and under very unusual conditions and circumstances. The city authorities in no town or city in my district would appoint 18- or 19-year-olds as their police officers, and I dare say there are no such youthful police officers in any city in the United States. I am unwilling to take these boys away from the fine influences of their mothers, fathers, families, churches, schools, and subject them to doing police duty in these foreign lands. General Eisenhower admits frankly that they are too immature for that type of service.

This amendment was offered by the chairman of the Military Affairs Committee of the House and was adopted by the Committee of the Whole by a vote of 195 to 96, and if there is a record vote in the House I shall vote for it. I arise at this time to speak in support of the amendment offered by the gentleman from Georgia [Mr. VINSON], chairman of the Naval Affairs Committee. His amendment would defer calling all draftees until October 15, 1946. This would give the Army and Marine Corps, War and Navy Departments, 5 months to make a test as to whether or not we can secure all the men we need for our armed services. In the meantime it would require, as the law does now, male citizens to register but would limit it to those between the ages of 20 and 30, but none of these registrants would be inducted into the armed services until after October 15, 1946, and after October 15, 1946, only when the President shall determine that we are not getting enough volunteers to meet the requirements of our armed services, and then he could only call the number the difference between the required number and the number of volunteers. If it should turn out that we were securing sufficient men by volunteers, then there would be no persons inducted under the draft. Under this bill the draft law will expire finally February 15, 1947, and there can be no drafting or induction of anyone after that date. I trust that this amendment will be adopted and that the War Department may get busy and give the volunteer plan a real and fair test.

WE DO NOT NEED THE MEN NOW

We have heard from other sources and today on the floor the gentleman from Georgia [Mr. VINSON], chairman of the Naval Affairs Committee that considers legislation for the Navy and Marine Corps, stated that the Navy and Marine

Corps were meeting their requirements of manpower by the vounteer system and that the Navy and Marine Corps did not desire any legislation to draft any men. The Navy has been very successful in securing volunteers. The War Department is the only branch of our armed services that is urging the extension of the draft and the induction of draftees. The question is, Do they need additional men at this time or before October 15, 1946?

Congress in this bill fixes the size of the Army at 1,070,000 officers and men for all purposes. The Army now has nearly 2,500,000 and in carrying out their demobilization plans, they think the Army will be reduced by July 1, 1946, to 1,550,000, but they are now taking in volunteers at the rate of 75,000 a month. It is a well-known fact that the Army never is satisfied. They never have enough men, according to their views. They constantly want more men and more men. In that respect they are different from the Navy and Marine Corps. Perhaps there are too many generals. They must have a large army.

The Army's estimate is generally overconservative. Some months ago they claimed that we could only recruit about 300,000 men using the volunteer system by April 1, 1946. The fact is that we recruited nearly 700,000 during that period. They were wrong over 150 percent or more. In the month of March there were approximately 75,000 volunteers. Perhaps 53 percent of these were trained men in the service who were reenlisting in the Regular Army. With these hundreds of thousands of volunteers coming in and having 1,550,000 as of July 1, we certainly will not fall below 1,070,000 before October 15, 1946, when induction may start again if the President finds that we are not securing sufficient volunteers for the Army to reach its goal of 1,070,000 by July 1, 1947.

I am thoroughly convinced that we will have all and more men than are needed under the volunteer system and that we can permit these registrants to remain at their homes, carry on their school work, aid their parents, and not be inducted into the service at the cost and expense of the Government. I want to see the draft law end. This Nation has never used the draft law in time of peace.

It is claimed that a bill has already been approved, granting increases of pay for those in the armed services. If such a bill is passed, I firmly believe that we shall have many more volunteers than we need or can use. The draft casts obstruction over the pathway of our young men. They do not know how to order their lives. They cannot plan. We must remove this obstruction from their pathway so that they can take up some occupation, pursue their work in school, establish homes, and once more have a feeling of security. We should remove from them that feeling of fear and uncertainty that they may any day be snatched from their family and homes and sent to foreign lands. Let those who want to make the Army their career or those who want to serve and go through the experience of seeing foreign lands carry on the job of policing the countries required.

There are other provisions in the bill that are attractive and are of interest to those who volunteer or are inducted. Every man who has heretofore or may hereafter be inducted under the Selective Service Act, shall not be required to serve for more than 18 months unless sooner discharged. There are hundreds of thousands of our young men who are now serving an indefinite period. This fixes a definite period of service of 18 months and those who have served a year, more or less, are entitled to be discharged at the end of the 18 months' service and this is true of those who may be inducted hereafter but it does not apply to those who join the Regular Army for a definite period of time.

After May 15, 1946, no man who has a child or children shall be inducted without his consent. It also gives special preference to those who are engaged in agriculture. There are other amendments to the Selective Service Act that commend themselves, but under this bill the Selective Service Act will expire finally February 15, 1947, or at such earlier date as may be specified in a concurrent resolution passed by the Congress. If these amendments are finally written into the law, although I am opposed to the draft in peacetime, I may vote for it, but if they are eliminated on the vote in the House, I feel that I must vote against the bill. I am very much interested in eliminating the 18- and 19-year-olds and in giving the volunteer system a real test.

The War Department claims that they will have a shortage of 170,000 men on July 1, 1947, unless we extend the Selective Service Act for 1 year. Other representatives of the War Department claim that we will have only a shortage of 51,000, but they admit they do not include the 50,000 Philippine Scouts which are a part of our armed forces and they do not include 200,000 other persons. If these are taken into consideration on the War Department's own figures you will have an Army on July 1, 1947, of more than 1,070,000. Anyhow, we are not at war. Congress is in session almost constantly. If an emergency should arise, Congress could take appropriate action to meet the emergency. I do not expect our country to be at war in the predictable future. Let the President and his diplomats urge other nations not to engage in an arm's race. Let us tell them frankly that they must use their money and efforts to feed and clothe their people instead of expending billions on huge arms and armaments.

We are sending relief to Russia and other countries and they are insisting on more relief and loans running into billions. Let us and the United Nations set about to take from the backs of the people of the world the heavy burden of armaments. Let us devote more of our money, resources, and our manpower to rebuilding our own country and promoting world peace.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Chairman, I did not make any request for time; but since time has been allotted to me, I ask unanimous consent that my time may be added to the time allotted to the gentleman from South Carolina [Mr. RICHARDS].

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, I am opposed to the Vinson amendment for more than one reason. I am opposed to it first because there are thousands of boys throughout the United States today subject to the draft who want to go to high school and college next fall. Most school years begin in September. They want to know where they stand now, not next October 15. This amendment heaps confusion upon confusion by making it impossible for boys in this category to know where they stand in this connection.

I am opposed to this amendment because tragic history is repeating itself here today. We have marched up the hill and are marching down again, just as we did after the First World War, and no doubt the whole world wonders at what is taking place here now.

I am opposed to this amendment because I believe it sidesteps responsibility. The American people are not that easily fooled. Do not forget that for a minute. They know what we are doing here today. I agree with the majority leader, who said that the passage of this amendment would be a legislative mockery. The people of the United States want to see the Congress meet its responsibility in a straightforward way, election year or not.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, like many other members, I proceeded very reluctantly in the matter of extending selective service. It was never my intention to go through an idle ceremony. The bill is now in such a condition that it is practically an idle ceremony because there are no people within the age group that you now have included in the bill. To make ourselves even more ridiculous, we are now talking about a suspension for 5 months when you have already suspended the operation of the Selective Service System for all practical purposes for a period of 2 years. There are no men in the age bracket from 20 up and there will be none in that age bracket until the present 18-year-old pool has grown for two more years and reaches the 20-year age so that not only have we been marching up the hill and down again, but we are making ourselves completely ridiculous. I think the details of our action in the committee will show that we did consider this proposal. We considered it very carefully, and notwithstanding the statement of my friend, the gentleman from Missouri, I did vote for the proposal when we were trying to get on some common ground. But

surely we never at any time considered changing the draft age to 20 years and also suspending it because the two ideas just do not go together. I hope the amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. COLE].

Mr. COLE of New York. Mr. Chairman, I desire to correct a false impression which I think was created by the statement of the gentleman from Georgia [Mr. VINSON], when he said that the Navy and the Marine Corps did not need the draft. I am sure the gentleman did not deliberately desire to mislead the membership of the House when he made that statement. The fact is that the Chief of the Bureau of Personnel, Vice Admiral Denfeld, was quoted as stating that it is true the Navy and Marine Corps have been able to procure all of its personnel without resort to the draft procedure but that that success was due to the operation of the draft itself. Further than that, there occurs to me the thought that when the Army expresses its expectation to be able to obtain enough volunteers and enough personnel through the voluntary system, that is based upon the assumption that the draft operation will continue. So when we withdraw from the Army the operation of the draft, then to that extent we make it impossible for the Army to obtain enough soldiers through the voluntary method.

The CHAIRMAN. The time of the gentleman from New York has expired.

The gentleman from Pennsylvania [Mr. SHERIDAN], is recognized.

Mr. SHERIDAN. Mr. Chairman, in answer to the statement just made by the gentleman from New York [Mr. COLE] the facts do not substantiate the position the gentleman has taken. If he will refer to the figures submitted by the Selective Service and also by the War Department, he will find that 81.7 percent of those who have reenlisted are not among those who are eligible under the 18- and 19-year categories. Of the 2-year enlistments it is a little over 1 percent—less than 2 percent; while of the 3-year enlistments it is better than 50 percent. So that the facts stated by the gentleman from New York [Mr. COLE] are not substantiated in respect to the voluntary enlistments.

With a 50-percent increase in the base pay of the buck private, we will have a surplus of volunteer enlistments, without the Selective Service.

Mr. HARNESS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. SHERIDAN. I yield.

Mr. HARNESS of Indiana. Does the gentleman know of any reason why the pay bill to increase the pay of the private to $75 a month should not be considered today in connection with this extension?

Mr. SHERIDAN. I agree with the gentleman from Indiana. I believe we have the cart before the horse on this legislative proceeding today.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The gentleman from Indiana [Mr. HARNESS] is recognized.

Mr. HARNESS of Indiana. Mr. Chairman, I regret, and I know most of the membership is disappointed, that a point of order was made against the amendment which I offered to increase service pay. The amendment I offered was the bill reported by a subcommittee, headed by the gentleman from Louisiana [Mr. BROOKS]. It was reported almost unanimously by the full committee. I think there was only one vote in opposition to it. That bill would increase the pay of the enlisted men to $75, or 50 percent, but it was graduated down to 10 percent for those in the higher brackets. It does not go as far as the bill I proposed, in that it does not increase the pay of the enlisted men as much as I wanted, but the bill reported by the committee is a good one and I think it is unfortunate that it cannot be considered here in connection with this legislation. If and when it is adopted, everyone agrees it will stimulate and increase enlistments and help us get a volunteer army.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

The gentleman from North Carolina [Mr. DURHAM] is recognized.

Mr. DURHAM. Mr. Chairman, I yield back my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. VINSON].

The question was taken; and on a division (demanded by Mr. VINSON) there were—ayes 107, noes 101.

Mr. THOMASON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. MAY and Mr. THOMASON.

The Committee again divided; and the tellers reported that there were—ayes 149, noes 127.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 2. The fourth proviso of the second sentence of section 3 (a) of the Selective Training and Service Act of 1940, as amended, is amended to read as follows: "*Provided further*, That on July 1, 1947, the number of men in active training or service shall not exceed 1,070,000 in the Army, 558,000 in the Navy, and 108,000 in the Marine Corps; and the monthly requisitions on Selective Service under this act by the Secretary of War and the Secretary of the Navy shall not exceed, after consideration of the actual number of voluntary enlistments during the previous month, the number of men so required."

SEC. 3. Section 3 (b) of the Selective Training and Service Act of 1940, as amended, is amended to read as follows:

"(b) Each man heretofore or hereafter inducted under the provisions of subsection (a) shall serve for a training and service period of 18 months, unless sooner discharged."

Mr. BLAND. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Page 2, line 19, before the quotation marks insert the following: "In the cases of any such men who have served for at least 6 months of substantially continuous service in the merchant marine, each such man shall receive credit for the aggregate period of his substantially continuous service in the merchant marine for the purpose of complying with the said 18 months' period of training and service. Such periods of substantially continuous service shall include periods of training for service in the merchant marine at any merchant-marine school, merchant-marine academy, or other training school for seamen, periods of hospitalization, medical treatment, internment by an enemy nation, or allowable credit for shore leave."

Mr. MAY. Mr. Chairman, I reserve a point of order against the amendment.

Mr. BLAND. Mr. Chairman, the purpose of this amendment is to provide for protection from induction of those men who have faithfully served in the merchant marine. For a long time the men in the merchant marine were operating practically in the military service, and to a certain extent they are now, so far as there is any military activity. Finally, there was evolved by the Selective Service Director a system whereby at least 32 months of substantially continuous service would exempt men in merchant marine service from the draft and from induction. That system was evolved in order to conform, as nearly as the situation would permit, with the policy of the Army and the Navy. Although the order did not include the military services, the result has been that when the points in the Army and Navy were lowered subsequently, the 32 months of substantially continuous service in the merchant marine remained the same. Many of these men now in the service find themselves unable to get out without danger of being caught in the draft. Their schooling has been interrupted. They cannot resume their activities. Many of them were young men when they went in.

As was said in the statement issued with the discharge system for merchant seamen based on length of wartime service, while seamen serving in the merchant marine are civilians, such service, often performed under great hazard and hardship of actual combat conditions, has placed the merchant marine alongside the Army, Navy, and Marine Corps on all war fronts. As civilians, seamen in the ages of 18 through 25 were subject to draft upon leaving the service of the merchant marine, even though they had served faithfully and continuously through the war period.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Kentucky.

Mr. MAY. The people who would be included in the amendment which the gentleman has offered are all civilian employees of the merchant marine, in the same sense that employees of the Post Office Department are civilians. None of them are military personnel, are they?

Mr. BLAND. I agree; they are not military personnel. I agree with the statement made by the gentleman, except I would not say they are in the same sense as post-office employees. Most of them were in combat service, as the gentleman well knows. Post-office employees were not so engaged.

Mr. MAY. Will the gentleman tell us something about the compensation of these employees while they were serving; that is, serving in the same general capacity, you might say, as a private in the Army would serve?

Mr. BLAND. I would not be able to give you now the definite figures, but I have seen them. It is very reliably stated and will be shown that when we take into consideration what they have to pay out, that even with allowances that are made for these seamen, yet they have very little more left in the end than do the military. I think that this will be fully demonstrated in subsequent bills that will be presented to the House. The compensation has never been in take-home pay as large as it has been represented to be.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Louisiana.

Mr. BROOKS. What about the extra compensation paid during the war to these men for extra hazards?

Mr. BLAND. I intended to include that in my statement.

Mr. BROOKS. I was told that these men for making one trip to the Mediterranean were entitled to $100 extra as a bonus on account of the hazards.

Mr. BLAND. There were bonuses paid, very large bonuses, which on their face would appear to justify the gentleman's statement, yet when they are analyzed, it will be found that after considering the deductions that they must make, taxes they had to pay, sums they had to spend, and the failure to get allotments, exemptions, and other benefits that they would get from military service, they really got very little more than men in the service, if any more.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Proportionately speaking, is it not true that more men died in the merchant marine than in any of the armed services?

Mr. BLAND. I do not think that can be questioned. I urge the adoption of the amendment.

Mr. CLASON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am in favor of the amendment offered by the gentleman from Virginia. Yesterday I suggested that I would offer an amendment along the same line further along in the bill. However, the gentleman has offered his amendment at this place, and I think it is absolutely fair. Many boys left high school and college and entered the maritime service. That service was recruiting men, asking them to go to the Merchant Marine Academy and enter the maritime service. The idea was that they were needed and were essential—on hazardous duty. It is my understanding that these young men were told that they would go into areas of hostility. I have in mind one young man who came to me and told a story of how he left college and went into the merchant marine. He did so because there was a chance to go ahead to a commission. He went into these areas of hostility and later received three theater ribbons because he did. He served for well over a year, but under the terms of the law as it is now, this boy who interrupted his school career to go into the merchant marine at the request and urging of the Government now finds himself in the position, after having returned to college, of having to leave college and go back into another form of service for 18 months under this law.

Mr. HERTER. Mr. Chairman, will the gentleman yield for a question?

Mr. CLASON. I yield.

Mr. HERTER. Is it not true that today, under the selective-service regulations, men who have served honorably in the merchant marine are exempt from further induction under the draft, and that this amendment merely carries on through this bill what is now the practice of the War Department?

Mr. CLASON. It is in a way, except that I understand you have to serve 32 months to be exempt at the present time, and until you have had 32 months' service, you do not get a formal certificate from the merchant marine which exempts you from the draft. But now the war is over, and these boys who served and did go into areas which were dangerous, and having had their scholastic and other careers interrupted by their service during the war at least ought to be given credit for the number of months they served as against the 18 months mentioned in this bill. For that reason I hope my colleagues will support the amendment.

Mrs. MANKIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I speak in favor of the amendment in order to express my appreciation for the service rendered this country, in time of war, by our merchant marine. My son is in the merchant marine, and he served throughout the war in this service. I cannot sit in this Chamber and hear the men who served in the merchant marine compared in point of service with organizations of civilians, compared to us who stayed in this country throughout the war.

Who carried the high-octane gas to Europe? Who carried it to the Pacific? The men of the merchant marine. Who carried the ammunition? The men of the merchant marine. And who carried the food that our boys ate? On the decks of the T–2 tankers that carried our high-octane gas was carried ammunition, and for 3 years my son sailed on one of those ships, down in the engine room. If a torpedo hit, not a man in the engine room—and they knew it when they went down there—had a chance to escape. Those boys went into the North Atlantic. They went into the Mediterranean, and into the Pacific when things were at their worst. And some on this floor would compare the service of those boys to that of a civilian organization.

Mr. CANFIELD. Mr. Chairman, will the gentlewoman yield?

Mrs. MANKIN. I yield.

Mr. CANFIELD. The House should know also that Gen. Jonathan Wainwright's son sailed on one of those tankers during the period of the war.

Mr. FULTON. Mr. Chairman, will the gentlewoman yield?

Mrs. MANKIN. I yield.

Mr. FULTON. I might say that as far as the tankers are concerned in the Philippines, they went right up to the advance bombardment units and were right in many of the mine fields. They were in much slower vessels so if you put it on a 6-months basis, they would be in the war just as long as the servicemen were.

Mrs. MANKIN. Mr. Chairman, there was just as strenuous an enlistment crusade put on to get the boys into our merchant marine as into any one of the other services. Have any of you ever heard of Torpedo Junction? Do you know that Torpedo Junction was the graveyard of the ships of the merchant marine in the West Indies? I think the boys who served in our merchant marine have done as much for this Nation as the boys who served in any other branch of the service, and my hat is off to them.

I do not think much of this bill as it will be passed. I think the guts have been cut out of it. I did not mean to speak on this bill but I seem to be up here doing it.

We have entrusted our military leadership to certain men who did a wonderful job for us. But I feel this war is not over. The fighting has ceased but I do not think that peace has come to the world.

When our military men come to us and make certain requests of us, it is incumbent upon us to back them up today as much as it was when the firing was going on. If we are going to pass this bill I feel when it comes out it should come with as much respect for the men of our merchant marine as for the men of our other services. This bill could not affect my youngster, because he has more than 32 months' service. Nevertheless, I feel that if we pass this bill we should allow the men of the merchant marine who have served as much as 18 months to have the same exemption that we are granting to other men.

The CHAIRMAN. The time of the gentlewoman from Georgia [Mrs. MANKIN] has expired.

Mr. KILDAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not think anyone familiar with the facts would say that the merchant marine had not rendered outstanding service. What I have to say is no reflection on the outstanding and essential service they rendered. I do want to urge you not to undertake to write legislation on this floor on a matter that is as involved as this. If this amendment is adopted it constitutes recognition by Congress that the service of the merchant marine was military service. There are bills pending to grant the members of the merchant marine the rights of veterans.

In that connection we must remember that those men sailed as civilians, and their pay was figured on the basis of civilians. On board tankers and merchant ships sailing with the merchant seamen were members of the United States Navy, drawing regular service pay and nothing more. When we drew the GI bill of rights and veterans' compensation bills, we made an attempt to compensate the members of the armed forces for the inadequate pay which they received while on duty, and we made an attempt to assist them with the education that had been interrupted. If

we recognize this, in this casual sort of way, as military service, then you will have to grant all of the benefits that were supposed to make up to the servicemen the amount of compensation he did not get during the time he was on duty. If that is to be done, I think the provision will have to be written in committee. To what extent was their compensation greater than that received by the armed forces? Are they therefore entitled to the same benefits under the GI bill or rights, or should those benefits be decreased for men whose compensation exceeded the compensation of members of the armed forces? At the present time, if a merchant seaman has served 32 months in the merchant marine, he is not subject to be drafted. That is the present regulation and I think we should leave it as a matter of regulation until such time as the committee charged with the duty of handling that legislation has gone over it and analyzed it and integrated the program, in which the distinction between servicemen and merchant seamen may be taken into account.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. JACKSON. The gentleman just said that selective service already gives recognition to 32 months' service.

Mr. KILDAY. That is correct.

Mr. JACKSON. So that there is no danger of any precedent being established by this amendment?

Mr. KILDAY. I think there is a very dangerous precedent established by this amendment, because it specifically recognizes the merchant-marine service as being military service. If it is military service, they become entitled to rights under the GI bill of rights, and you have set a precedent that will require you to go ahead and give them the balance of the benefits that go to servicemen.

Mr. JACKSON. I think the precedent is already set.

Mr. KILDAY. Not by Congress. Congress has not set it, and Congress is going to have to pass legislation bringing them under.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. BROOKS. I join with the gentleman in saying I do not detract one iota from the magnificent service these men rendered in the merchant marine during the world war but I want to call the gentleman's attention to another group of civilians that I think rendered magnificent service. I refer to the Civil Air Patrol that daily flew out over the ocean along the Caribbean, and the Gulf of Mexico, incurring all sorts of hazards in fighting the submarine menace that was so severe at that time. What does the gentleman think with reference to that particular group?

Mr. KILDAY. I think that emphasizes the danger I am talking about of trying to legislate in this matter with all of its ramifications. Other similar groups may come along. It opens up such a vast field of possibility that I think it ought to be prepared the same as legislation on any other major subject and not be brought up on the floor of the House without the consideration of a committee.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MAY. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 10 minutes.

Mr. CELLER. I object.

Mr. MAY. Mr. Chairman, then I move that all debate on this amendment close in 10 minutes.

The motion was agreed to.

Mr. CELLER. Mr. Chairman, I ask for recognition on the amendment.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. CELLER. Mr. Chairman, the gentleman from Texas is worried that if we pass this amendment those in the merchant marine will be treated exactly like those in the military service. Why not treat them as we do those in the military service. What difference does it make what label we place on the services? These men in the merchant marine rendered services as dangerous and as effective as those in the Army and the Navy. Our entire armed forces work as a unit and certainly in the war the merchant marine was an integral unit of the armed forces. No one component of our armed forces works in a vacuum or operates separately and distinctly from the others; they all dovetail together and act as a whole. The Army is just as important as the Navy and the Navy is just as important as the merchant marine and the merchant marine is just as important as either the Army or the Navy. Our Army would have been ineffective in the theaters overseas, if there were no merchant ships to carry the men and matériel.

The gentleman from Texas says these men in the merchant marine who rendered such yeoman service, who showed fortitude, intrepidity, and bravery just as all the others did, can get exemptions from the draft after 32 months' service. As to that I ask from what sublime heights do we condescend to give these brave lads of the merchant marine that privilege? They are inherently entitled to that and much more—as much indeed as all others in the armed services.

The gentleman from Kentucky, the distinguished chairman of the Military Affairs Committee, says that if we open the door to the men of the merchant marine we may have to do it to the farmers and the laborers and others that he designated. There is no merit whatsoever in that type of argument. The farmers and the laborers in the war plants did not risk going through the valley of the shadow of death. You cannot put the farmer in the same category as a member of the merchant marine.

It is said that we should not embrace this amendment because it would be legislation on the floor of the House. Well, what are we here for? We are hearing debate to determine what is right and what is just and to discern between the right and the wrong.

Since when are we precluded from offering amendments or shall be precluded from offering amendments on the floor of the House? Does all wisdom reside in the Military Affairs Committee? I am sure you will agree with me it does not; that there is some wisdom within the confines of this very Chamber.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from New York.

Mr. MARCANTONIO. I am in favor of the amendment. It renders delayed justice to the seamen. With reference to the objection that this is writing legislation on the floor, we have had that time and time again. Witness the legislation that was written on the floor in connection with the Case bill and other antilabor legislation. Now that this amendment favors labor we hear the hypocritical objections that this is writing legislation on the floor. The shoe just happens to be on the other foot.

Mr. CELLER. You can refer to dozens and dozens of such bills which were written exactly in the way that is objected to by the gentleman from Texas.

I have seen boys of the merchant marine who have had two and three ships shot from under them. They always came back for more. Yet we treat them like stepchildren. The gentleman from Kentucky speaks of their high pay. Yes; high wages per day but not per year. Their pay is suspended between voyages. Their pay only covers days at sea. The yearly sum total is small.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, the discussion of the bill before the House to extend the Selective Service Act points up a situation which should be brought to the attention of every citizen in the United States. When the United Nations Charter was being considered by the Congress I pointed out, as did others, that its ratification would mean the surrender by the Congress of its constitutional power to determine whether or not this Nation shall engage in war. That was vehemently denied. It was argued that the power to declare war would still be retained by the Congress. The international police force, provided by the Charter, would be authorized to do no more than police duty, whatever that was intended to mean. Actual participation in war would still be left to the Congress. That was the contention of the proponents of the United Nations Organization and our participation in it.

Now what do we find? The United States has obligated itself to furnish 200,000 soldiers for the international police force. Those soldiers will not be under the jurisdiction of the United States. They will be under the control of an international body. The Congress will have nothing to say about their disposition, where they are to serve or what they are to do. Stalin will have just as much jurisdiction as the President of the United States. This is the situation.

The Congress is being asked to extend the Conscription Act. Conscripts are to be raised to furnish our quota of 200,000 soldiers for the International Police Force. Marshal Stalin of Russia, Premier Atlee of England, Generalissimo

Chiang Kai-shek of China, President Gouin of France, Emperor Haile Selassie of Abyssinia, and the heads of the other nations composing the United Nations Organization are going to be boss over our conscripts, for the United States will be in the minority.

The following colloquy, quoted in part, between myself and the chairman of the House Committee on Military Affairs, should reveal to the American people something of the dilemma our country faces:

Mr. SMITH. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Ohio.

Mr. SMITH. I would like to know what our military commitments are, to whom they were made, and who made them.

Mr. MAY. The gentleman has asked me a question that I cannot answer. I will be frank about it. I think the Army knows what its commitments are and the Secretary of State probably knows what our commitments are, but at any rate, we do have commitments to maintain the necessary forces in the armies of occupation in Germany, Japan, and Korea until peace is established or until such time as harmony is provided for in those countries and they can get down to a civil government.

The chairman of the Military Affairs Committee, the gentleman from Kentucky [Mr. MAY], says the Army knows what its commitments are and that the Secretary of State "probably" knows what our commitments are. Either he himself knows or he chooses not to tell the House what our commitments are. In any event this is a dark secret which must be kept from the Congress and the American people.

The American people may well wonder what other secret commitments and agreements the New Deal government has made and entered into.

We also may well wonder whether our Government is not laying the foundation for our participation in World War III.

I, for one, shall vote against conscripting any of our young men to be placed under the command of foreigners. Every conscript still in service should be immediately discharged. Voluntary enlistments are now more than ample to provide all of our occupational needs. Long ago I introduced a bill providing for this, which is substantially what General Eisenhower is now recommending.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Chairman, this amendment is nothing but plain justice to the men of the sea and I urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BLAND].

The question was taken; and on a division (demanded by Mr. CELLER and Mr. MARCANTONIO) there were—yeas 42, noes 144.

So the amendment was rejected.

Mr. RIZLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RIZLEY: On page 2, line 18, after the word "months" and before the word "unless", insert the following: "except that every individual heretofore inducted under the provision of subsection (a) who has a wife and one or more legitimate children, shall upon his request in writing be excused from further service and shall be separated from the service within 60 days from and after the effective date of this act."

Mr. MAY. Mr. Chairman, I reserve a point of order against the amendment.

Mr. RIZLEY. Mr. Chairman, the Committee has gone quite a long way today in trying to take care of everybody who is out of the service. We have said that we are no longer going to draft the 18- and 19-year-olds, and that we are going to withhold further inductions until October 15. The Committee on Military Affairs, in its wisdom, brought in a bill in which they said that we were going to limit the service from hereon to 18 months, and that it should be retroactive as to those that have been heretofore inducted. It went further than that. It said that so far as married men with families are concerned, no further inductions shall be permitted. They even go so far as to say that any individual who is the father of an illegitimate child shall be exempted from service. We already have many men in the service, as well as some going in right now, who have a wife and a child or children. I think there is probably nothing that has affected the future and stability of this country so much as the family ties that have been broken by the fact that husbands have been separated from their wives and children for long periods of time. This seemed to be necessary during the war, but the fighting war is over and these fathers should be sent home. Somebody on the committee said that they are going to get these married men with families out of the service soon. Then I heard the gentleman from Texas, a distinguished member of the committee, today say that if we adopt one or two of those amendments—which we did adopt—that it might be necessary to keep these men overseas for an indefinite length of time. What are you going to do? What is your answer going to be to the men with a wife and child or children who went into the service within the last week or the last month, or is taken now or up until May 15? Are you going to say to him, "Yes; you can stay in the service for 18 months, but we are not going to take anybody else; we are not even going to take the father of an illegitimate child, one that has just been conceived, according to this bill?"

Let us be fair about this thing. If you want to be fair about it, certainly you should do as much for a married man with a family who is already in the service as some prospective married man or father who is about to go into the service.

I hope that the amendment will be agreed to.

Mr. MAY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MAY. Having reserved a point of order on the amendment, Mr. Chairman, does that point of order have to be ruled upon when the party offering it finishes his debate?

The CHAIRMAN. It should be. The gentleman will state his point of order.

Mr. MAY. Mr. Chairman, my point of order is that this amendment has the effect of requiring the Army to discharge a certain group of people that are already in the service. The statute under consideration to which the gentleman's pending amendment is offered is an induction statute and not a discharge law.

The CHAIRMAN. Does the gentleman from Oklahoma desire to speak on the point of order?

Mr. RIZLEY. I think certainly the amendment is pertinent to this very section of the bill. The bill provides that no one can be taken into the service for more than 18 months, and I simply offered an amendment which excepts married men already in the service and says that they shall be discharged within 60 days from the effective date of this act.

The CHAIRMAN. The Chair is ready to rule on the point of order.

The amendment offered by the gentleman from Oklahoma relates to the discharge of men. It is not germane either to the section or to the bill. The Chair sustains the point of order.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Are we still considering section 3?

The CHAIRMAN. Yes.

Mr. CASE of South Dakota. May I invite the Chair's attention to the fact that section 3 does deal with men who are already in the service, and affects their discharge, because it states:

Each man heretofore or hereafter inducted under the provisions of subsection (a)—

Mr. MAY. Mr. Chairman, I make the point of order that the Chair has already ruled on the amendment.

The CHAIRMAN. This amendment permits a man to ask for his discharge and be discharged thereby.

Mr. CASE of South Dakota. The language in section 3 reads:

Each man heretofore or hereafter inducted under the provisions of subsection (a) shall serve for a training and service period of 18 months, unless sooner discharged.

May I ask the Chair whether or not he took that into consideration in making his ruling?

The CHAIRMAN. The Chair did take that into consideration.

Mr. FERNANDEZ. Mr. Chairman, I move to strike out the last word, and ask unanimous consent that I may be permitted to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. FERNANDEZ. Mr. Chairman, no one can quarrel with the proposition that we must have a strong Nation if we are to fulfill the destiny of this Nation in helping to lead the world to peace, an enduring peace. As was very properly said by the gentleman from California [Mr. JOHNSON], we have a strong Navy, we have a strong Air Force, we have the

greatest resources of any Nation, and in addition may I say a citizen army of 10,000,000 trained men on call at any time that we need them to enforce the peace. This should be warning enough to others who may be thinking about war.

Nor can there be any quarrel with the proposition that we have certain commitments to help occupy and police the countries of our war enemies, but those commitments were made by men and should be kept by men. We should not be sending children to keep commitments made by men.

Some of the men who have been serving overseas have now come back, and there is no question in their minds on this point. I have in mind, for example, the words of one, Sergeant Miller, of Albuquerque, who was a prisoner of war in Japan for 4 years. He came to my office and said, "There is only one thing that we ask of you, and that is that you do not send boys to occupy those areas. If necessary," he said, "send us back to finish the job."

Mr. Chairman, we should send men to keep those commitments made by men, not children. We should go further today, and not only exempt the children from May 15 but exempt them now. If we pay sufficient wages to volunteers, men who will volunteer, we will not need to send children.

I have a letter here from a veteran, Corp. Wilbur G. Williams, and I have his permission to read it to you. He says:

PORTALES, N. MEX, *January 25, 1946.*

DEAR SIR: I am writing you, not to take sides in the demobilization dispute, but to offer a solution. Being a GI, I feel that I am qualified to offer suggestions. Please have the patience to read and study this.

I think that you can readily see that the only way we can have an efficient peacetime army is by voluntary enlistment. Congress had the solution in their hands once, and muffed it badly. Everyone, even the high military officials, readily admit that GI Joe is doing a big and important job in policing the countries of our defeated enemies; then why aren't these men paid in accordance to the importance of their job?

If you could take a poll of enlisted men, you would find their two major complaints are lack of pay and lack of democracy in our armed forces. Correct this unfairness and you will solve the whole problem. Start a private at $80 per month, a private first-class at $90, a corporal at $100, a sergeant at $110, staff sergeant at $120, technical sergeant at $130, master and first sergeants at $140. Officers' pay doesn't need to be increased. Proof of that can be seen by observing how many of them desire to remain in the Army. The saying "They never had it so good" is true. This, you will say, takes money; so does war, so does inefficiency in our Army; and so do dozens of useless governmental agencies and bureaus. This money could be raised by streamlining our Government and running it more efficiently. The GI is doing a much more important job than some of our swivel-chair Government men who are filling created political jobs. No fair-minded American will resent paying a high rate of taxes to maintain a peacetime Army, providing it can be proven to him that his dollars are buying a maximum of security and efficiency, which is sadly lacking in our present Army.

Pass legislation making our Army more democratic. Give the enlisted men the right to sit as jurors in courts martial. The unfair court-martial practices have embittered countless thousands of enlisted men. Give them the same off-duty privileges enjoyed by officers; in short, make the Army such a good deal that it will become competitive, then the commanding officer can say, "Jones, if your work doesn't improve, I am going to be forced to discharge you," instead of threatening him with court martial or KP. Then and only then will the Army attract intelligent and progressive men, instead of bums who are only looking for security. We don't want our country to depend on security seeking bums for protection, but on intelligent, well-paid, proud, progressive, professional soldiers. Let officers take competitive examinations to qualify for promotions, and to hold their present ranks.

The present demonstrations by enlisted men are repercussions caused by a lack of intelligence and farsightedness by our military leaders and by our Congress. Our military leaders claim now that the Army is being demobilized too quickly. They should have been farsighted enough to see this difficulty when they promised to have 2-year men out by March. They have broken their promises and enlisted men have no way of knowing they won't continue breaking promises.

Why wasn't selective service continued at a high rate? As an example: "Joe Jones worked in a defense plant during the war; now his job is no longer essential, but as he is 26 years old he is too old to be drafted. He is too old to police our enemies who were defeated by men who are 30, 35, and 40 years of age, so Joe Jones is now in a picket line instead." Does this sound reasonable? If he is too old, then why aren't all men above the age of 26 released from the service?

Another example: They have stopped drafting fathers; then what about the countless thousands of fathers who have already given 2, 3, and 4 years of their lives to the service? Don't they have the right to return to their families immediately?

This unfairness is causing our present difficulties. Either let everyone take their turn at military duty or make the Army such a good deal that voluntary enlistments will fill our needs.

Thanking you, I am,

Very sincerely yours,

Corp. WILBUR G. WILLIAMS.

Mr. Chairman, if we do that, if we provide the money for adequate pay of volunteer men, then we can have an Army of men to send to the occupied areas. I am for the bill when it is limited to those from 20 to 30 years of age. I am for the bill so that if volunteers are not sufficient we can get men to these occupation areas to replace boys who ought to be home in school. Yes; they will say that we do not have them available over 21. That cannot be true. There were plenty of men who took essential war jobs and were deferred during the war. Our veterans are now coming back taking their places and those men are entitled, if I may put it that way, to go as men and take care of those occupation areas and do the policing instead of sending children to keep the commitments of men.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: On page 2, line 19, after the period and before the quotation marks, insert the following: "and upon discharge, may be entitled to terminal-leave pay as is provided for commissioned officers."

Mr. MAY. Mr. Chairman, I reserve a point of order against the amendment.

Mr. ROGERS of Florida. Mr. Chairman, to my mind this is a good place to take care of the GI Joes on the matter of terminal-leave pay. You will notice that this provides each man hereafter or heretofore inducted under the provisions of subsection (a) shall serve for a training period of 18 months unless sooner discharged. I simply add to that, Mr. Chairman, that upon discharge these enlisted men shall be entitled to terminal-leave pay. I think this is a good amendment, provided it is germane. There may be some question as to its germaneness. I have discussed this from that point for the reason that the title of the bill says it is to extend the Selective Training and Service Act of 1940, as amended, and for other purposes. I think if this amendment is held germane or if the point of order is not insisted upon, and if we say here and now that they are entitled to terminal leave, then the Congress can come in later and provide how much that terminal leave shall be and how it shall be set up.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Does not the enlisted man need terminal-leave pay more than the officers? It is a great injustice that it was not given to them in the beginning. I commend the gentleman for offering his amendment.

Mr. ROGERS of Florida. There is certainly no question about it.

Mr. MAY. Mr. Chairman, I insist upon the point of order that the amendment is not germane to the bill.

The CHAIRMAN (Mr. BULWINKLE). The Chair is ready to rule. For the same reasons given with respect to the Harness amendment which was offered to the first section of the bill, the amendment offered by the gentleman from Florida is not germane and the point of order is sustained.

Mr. MAY. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments close at 4:15.

Mr. COOLEY. Reserving the right to object, Mr. Chairman, does the gentleman's request include all amendments to the bill?

Mr. MAY. Yes. There are a great many of them that are very brief.

Mr. Chairman, I move that all debate on the bill and all amendments thereto close at 4:15.

The CHAIRMAN. The question is on the motion offered by the gentleman from Kentucky [Mr. MAY].

The motion was agreed to.

Mr. CHURCH. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. CHURCH: Page 2, line 19, before the quotation marks insert the following: "In the cases of any such men who have served for at least 6 months of substantially continuous service in the merchant marine, each such man shall receive credit for one-half of the aggregate period of his substantially continuous service in the merchant marine for the purpose of com-

plying with the said 18 months' period of training and service. Such periods of substantially continuous service shall include periods of training for service in the merchant marine at any merchant marine school, Merchant Marine Academy, or other training school for seamen, periods of hospitalization, medical treatment, internment by an enemy nation or allowable credit for shore leave."

Mr. MAY. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill.

Mr. CHURCH. Mr. Chairman, I would like to be heard on that.

Mr. MAY. There are several amendments that are germane, and the gentleman should not take up time on amendments that are not.

Mr. CHURCH. If the gentleman will reserve his point of order, I will make my speech in 1 minute.

Mr. MAY. Mr. Chairman, I reserve the point of order.

Mr. CHURCH. Mr. Chairman, members of the committee are familiar with the action of the House taken on the amendment offered a few minutes ago by the gentleman from Virginia, Judge BLAND. It asked for full credit for the men in the merchant-marine service, and I voted for it. My amendment is identical except that it asks for one-half credit for the men in merchant marine. Under my amendment each of the men in the merchant marine would receive credit for one-half of the given period of continuous service in the merchant marine; one-half credit instead of full-time credit.

Mr. MAY. Mr. Chairman, I insist on the point of order.

The CHAIRMAN. The Chair wishes to state this is similar to the Bland amendment, and the Chair holds it is germane.

The question is on the amendment offered by the gentleman from Illinois [Mr. CHURCH].

The amendment was rejected.

Mr. FULTON. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. FULTON: On page 2, line 19, at the end of the sentence add: "With the exception of cadets of the Military Academy and midshipmen of the Naval Academy who have been certified by the Secretary of War or the Secretary of the Navy to have completed successfully 18 months of satisfactory service."

Mr. FULTON. Mr. Chairman, I will speak very shortly but I wish to make an explanation of the amendment. This is simply to make everybody in the Naval Academy and the Military Academy equal with other draftees. The other draftees under this bill are in for 18 months. As it now stands anybody can resign or flunk out of either the Military Academy or the Naval Academy, and if they have served 6 months in a satisfactory manner, they are kept in class I–C under present draft regulations and are not put in class I–A and are not drafted. This amendment will keep anyone from taking advantage of any congressional appointment or otherwise in the Academies to get out with less than 18 months' military service and be free from call. I have provided that they shall not be drafted after they have been certified by the Secretary of War or the Secretary of the Navy to have had 18 months' satisfactory service in one of the Academies. The trouble now is that Hershey, under an administrative ruling, has said that if such Academy students serve 6 months they will not be drafted.

This amendment will have the effect of treating all alike. If you want democracy in the Army and Navy, let us do away with this favored treatment for special classes of officers and the cadets in the Naval and Military Academies. This amendment will do it.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. ANDREWS of New York. I suggest to the chairman of the committee that this is a good amendment. I think the committee should accept it.

Mr. MAY. I do not have any particular objection to the amendment. When I first heard it I thought it was intended to give credit for time served in the Academies, but as I understand the amendment as the gentleman is now presenting it, it requires them to serve just as anybody else would serve.

Mr. FULTON. That is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

Mr. CLASON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CLASON. Mr. Chairman, in view of the situation after the vote taken on the motion of the gentleman from Kentucky to limit debate to 4:15, I wonder if amendments to all parts of the bill are now in order.

The CHAIRMAN. The gentleman may make that request.

Mr. CLASON. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as read, to be printed in the RECORD at this point, and to be subject to amendment at any place.

Mr. MAY. Mr. Chairman, I agree that amendments may be in order to any part of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

(The balance of the bill reads as follows:)

SEC. 4. Section 5 (e) of the Selective Training and Service Act of 1940, as amended, is amended by adding at the end thereof the following new paragraph:

"(3) After May 15, 1946, no individual who has a child or children shall be inducted without his consent for training and service under this act. As used in this paragraph the term 'child' means a legitimate or illegitimate child from the date of its conception, a child legally adopted, a stepchild, a foster child, and a person who is supported in good faith by the individual in a relationship similar to that of a parent and child but such term does not include any person 18 years of age or over unless such person is physically or mentally handicapped."

SEC. 5. Section 5 (k) of the Selective Training and Service Act of 1940, as amended, is amended by adding at the end thereof the following new paragraph:

"In carrying out the provisions of this subsection the local selective-service board in classifying the registrant shall base its findings solely and exclusively on whether the registrant is necessary to and regularly engaged in an agricultural occupation or endeavor."

SEC. 6. Section 16 (b) of the Selective Training and Service Act of 1940, as amended, is amended to read as follows:

"(b) All of the provisions of this act, except the provisions of sections 3 (c), 3 (d), and 8, and the fourth proviso of the second sentence of section 3 (a), shall become inoperative and cease to apply on and after February 15, 1947, or on such earlier date as may be specified in a concurrent resolution of the two Houses of Congress for that purpose, except as to offenses committed prior to such date. On February 15, 1947, or on such earlier date as may be specified in such concurrent resolution, all of the functions, responsibilities, records, and property of the Personnel Division of the Selective Service System shall be transferred to such agency of the Federal Government as the Congress may designate, or, if not so designated, to such agency of the Federal Government as the President may prescribe."

Mr. CLASON. Mr. Chairman, I offer an amendment which has been sent to the desk which has to do with the deferment of persons studying for scientific, medical, dental, and other degrees.

The Clerk read as follows:

Amendment offered by Mr. CLASON: Page 3, after line 7, insert the following new paragraph:

"(5) After May 15, 1946, no person between the ages of 18 and 30 years who is studying for a degree in science or in a medical, dental, osteopathic, or theological school or seminary, or, having received a scientific degree shall be pursuing graduate work in science or actually engaged in scientific work, shall be inducted without his consent for training and service under this act."

Mr. MAY. Mr. Chairman, I reserve a point of order against the amendment.

Mr. CLASON. Mr. Chairman, the purpose of this amendment is to exempt from the draft those persons between the ages of 18 and 30 who are studying in scientific schools, medical schools, dental schools, and theological schools, in order that we may have in this country a sufficient number of men in these fields during the next generation. As a matter of fact, the testimony shows that Canada, Russia, Great Britain, and other countries during the war permitted their boys to go to schools of this type, realizing they were going to need men of this type after the war was over. Our country was shortsighted, with the result we are now 150,000 graduates behind from scientific schools alone and will be badly behind in the other schools.

It is also interesting to note that while the colleges seem to be full of various kinds of students, particularly the returning GI's, that does not apply to the scientific schools.

Ordinarily the scientific schools of this country have 35,000 freshmen each year. This year there are only 32,000 freshmen, and of that number only 9,000 are returning GI's. In the sophomore year they have less than half of their students and in the junior and senior years even less. The reason, as it was told to us by scientific men who appeared before the committee, is because of the fact that it takes a long period before you earn very

much money in the scientific field and unless we want to build a proper group of technological men for the future, we are going to be weak 20 years from now, when we may need them badly for military purposes.

It seems to me that, if this particular type of legislation is considered good and worked out satisfactorily in other countries, it is only fair that we give these men a chance to go to school during these years, because it is a long, long road they have to travel. It is essential in order that we may have sufficient men in these different groups 20 years from now.

In my own district there is one town of four or five thousand persons, for example, in which there was no doctor for a time. They had gone to war. That is true of other towns, generally smaller than that one. We need all the medical men we can get and we are not going to get them if we commence pulling these boys out of medical and other schools at this particular time.

The war is over and I think we ought to help these students and these communities.

I believe the best argument in favor of my proposed amendment is a statement of Dr. Howard A. Meyerhoff, a geologist who is executive secretary of the American Association for the Advancement of Science which represents engineers and scientists in 12 or more organizations. I am, therefore, including as part of my argument excerpts from his testimony given to the House Committee on Military Affairs on February 19, 1946. They are contained in part 2 of the hearings on the universal military training bill, H. R. 515. The quotations which I am bringing to your attention are as follows:

Briefly, our thesis is this: We are living in a scientific world, in which technologists are of vital importance both in war and in peace. The war through which we have just come was won as much through the discoveries and inventions of pure and applied science as it was through the agency of manpower. Indeed, it is no exaggeration to state that it was science and technology that made our manpower effective. But science and technology have special manpower requirements of their own, and in the period ahead we cannot give less attention to the training of men for scientific and technological work than we give to the training involved in the tasks which must be performed by our armed services. It is our contention that selective service as at present constituted and the proposed administration of universal military training seriously neglect the vital need for highly trained personnel. It is our further contention that neglect of the personnel requirements of science and technology may prepare us for military and economic defeat. I shall attempt to amplify this position with facts, before I proceed to outline the proposals which we would like the Military Affairs Committee to consider.

Statistically, the situation may be summarized as follows: As a direct consequence of war service, there has been a loss which was estimated by Dr. Vannevar Bush and his associates at 150,000 men of college age who would now be trained and at work in scientific and technological fields. At least 17,000 of those men would have received doctor's degrees or their equivalent in their major fields of interest, a fact which evidently means a critical loss in people qualified to carry on and to direct research of high caliber. All these losses have been sustained since compulsory military service went into effect in 1940, and insofar as a judgment may be formed from preliminary returns, the cumulative loss is not being reduced materially by returning servicemen who have taken advantage of the opportunity to continue their training at the college and university level. Many of these men are 3 to 4 years older than they were when they went into service, and the acquisition of the technical skills herein considered normally requires several years of work beyond the bachelor's degree. Comparatively few men are willing to spend this amount of time acquiring technical training after so long a period in the armed forces. In consequence, we must regard the figures given above, namely, 150,000 men at the bachelor's degree level and 17,000 men at the doctorate level, as a net loss to the technological preeminence of the United States. Steps must be taken immediately to achieve complete recovery. No one can claim that the United States was overstocked with scientific and technological personnel in 1940 when we were compelled to turn our full attention to the serious business of war. It is not a non sequitur, therefore, to conclude that we are now alarmingly understaffed both for the requirements of reconversion in peace and for any possible military contingency that may confront us in the future. It is our conviction that the replenishment of the ranks of engineers and scientists cannot be left to chance but must be incorporated in plans for the future, whether these plans be military or nonmilitary in character.

It is significant that our allies and our enemies in the war just ended placed a much higher value upon scientific and technological skill than we did. The British, the Russians, and the Germans knew, as we did, that military success was dependent upon technological and scientific success. Unlike us, however, they gave serious thought to the replenishment of scientific and technological personnel and refused to interrupt the training of students who were specializing in these fields. Indeed, certain of these countries made it possible for new students to enter programs of training in order that the exacting requirements of war and of the peace that was to follow might be met.

I have before me a chart showing just what is happening in the engineering enrollment in our colleges. As soon as I can get reproductions made, I will furnish copies to the members of this committee.

The CHAIRMAN. I would like to have that printed in the record also.

Dr. MEYERHOFF. Very well, sir. I will supply you with the chart and with a copy of my testimony.

The prewar enrollment of engineers in the freshman year was approximately 35,000 students. At the present time that enrollment is 32,000, whereas only 9,000 in the freshman year represent returning veterans. The rest are nonveterans, and these are the men, for the most part, which have been removed into the military service.

You can see that the starting student, who would become our future engineer and who would become vital to such projects as the Army engineering projects, the atomic bomb, and various other projects of military preparation, the number is again reduced.

We expect them perhaps to be taken during war, but now we feel that we should build up the depleted reserve. We find that of the 32,000 nonveterans, we have very few left except in the IV–F category, and only the inadequate number of veterans are still with us.

In the sophomore year we find that less than half of the students, veterans and nonveterans who normally enroll for engineering in prewar years, were with us in the first semester of this academic year, and by withdrawal of the nonveteran, we get approximately one-third of the total figure, and about one-eighth of the prewar figure.

Among the juniors and the seniors we find we have less than one-tenth, if we use only the returning GI's. That does not represent the situation in every institute of technology, or every school of engineering. Large institutions like Massachusetts Institute of Technology, and several others that we could readily name, have been very well filled up by returning men attracted by the reputation of that institution and others like it. But on the other hand, we have excellent colleges of engineering attached to many schools in which there is not anything like the normal enrollment. We take the over-all view and find that veterans and nonveterans combined give us a scant 60 to 65 percent of the engineers we had being made in prewar years, and more than half, a great deal more than half of that number, consists of the nonveteran group who have just had their deferment removed.

Mr. Speaker. In view of the indisputable facts set forth by Dr. Meyerhoff, I urge my colleagues to give favorable consideration to the amendment.

Mr. WADSWORTH. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Massachusetts [Mr. CLASON].

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. Mr. Chairman, I would like to inquire whether or not the remaining time is to be divided between the authors of various amendments or if the reverse of that situation will be true, that 5 minutes will be allotted to six gentlemen and six other gentlemen will not have an oppportunity to speak on their amendments?

The CHAIRMAN. The Chair is going to try to divide the time equally.

Mr. COOLEY. Mr. Chairman, would it be in order to ask unanimous consent that the remaining time be equally divided between the authors of pending amendments?

The CHAIRMAN. How about those opposing the amendments?

Mr. COOLEY. My request did not embrace those.

Mr. TARVER. Mr. Chairman, there are some of us who have been in attendance for 2 days and have not opened our mouth on this bill and who desire recognition on amendments. I am not willing to agree that anybody who may offer amendments shall be recognized and only those.

The CHAIRMAN. The Chair recognizes the gentleman from New York.

Mr. WADSWORTH. Mr. Chairman, it is apparent that we have reached the deferment stage. If many of the proposals are accepted there will be even less left to the bill than when the May and Vinson amendments were adopted. I suppose there is not much use for me to cry over spilt milk, but perhaps it is my duty to lay before the House at this moment one or two little details of a message which I received during the last half hour from the Chief of Staff, General Eisenhower, resulting, of course, from the Committee of the Whole adopting the May amendment and the Vinson amendment.

In the sophomore year we find that less

ures. I shall not argue. I simply want them put in the RECORD so that the mem-

bers of the Committee of the Whole will know just what they have done.

Men between 20 and 21 years of age, according to the selective-service figures, who might be available for the draft number 38,000; between 22 and 25 years of age, 32,000; between 26 and 30 years of age, 30,000; a gross total of 100,000 men between 20 and 30, in the United States. The record and the experience of the Selective Service System indicates very clearly that we could not expect to actually induct into the service more than 50,000 of them. So, 50,000 is the expected pool under selective service, if that service is to be kept in operation. Of course, under the Vinson amendment it will not be placed in operation until October 15, if then. No one knows.

One little thing perhaps has been forgotten in this discussion which lends a more serious aspect to this situation, and which is giving General Eisenhower very deep concern, the man who with others is responsible for upholding the position of the United States in support of the terms of surrender. This bill, as you all know, provides not only that men inducted hereafter, if any are to be inducted at all, shall be limited in service to 18 months; it also provides, however, that all men now in the service must be discharged when they shall have finished 18 months service. The result of this retroactive provision will be that 130,000 men must be discharged by July 1, in addition to the large numbers to be discharged under the point system—men who, as of July 1, will have had 2 years' service. The combination of the two will compel a very large reduction—more than was planned before this bill came up. Now, how about volunteers? The recruiting conducted thus far in the month of April indicates that the total for this month will run about 60,000—13,000 less than the number recruited in March. Thus, it is pretty clear that the bill as amended imposes upon the War Department an impossible task. Indeed, it is a futile piece of legislation.

Mr. RANDOLPH. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Massachusetts [Mr. CLASON].

The Clerk read as follows:

Amendment offered by Mr. RANDOLPH as a substitute for the Clason amendment: Page 3, line 7, strike the quotation marks and insert the following new paragraph:

"Students in advanced training as professional personnel in scientific fields and all men engaged as professional personnel in scientific research and development, and all men engaged as essential technicians in scientific research and development shall be required to register, but upon certification under appropriate regulations prescribed by the President, shall be deferred from training and service so long as they are so engaged."

Mr. RANDOLPH. Mr. Chairman, the amendment offered by my colleague the gentleman from Massachusetts [Mr. CLASON], although worthy in its purpose, I believe goes too far. There is no protection as is given in the substitute amendment which I have offered. The Clason amendment embraces the fields of study of dentistry, of medicine and theology, and certainly they are worthy professions, but are not as vital as scientific research when we are thinking in terms of the extension of the draft. I believe that we should narrow the exemption to this one highly important field of scientific needs. To foster and preserve the scientific talent in our American youth is our challenge. Those individuals must have the opportunity, without interruption, to conduct their necessary studies. I cannot present a long argument. I made my point yesterday afternoon and is incorporated in the RECORD of yesterday. I do say to you, however, that the late President of the United States asked Dr. Vannevar Bush in November 1944 to suggest an effective program whereby these young men could be continued in time of peace on these studies as well as in time of war. Later, in a reply to President Truman, Dr. Bush said that it was absolutely necessary that the scientific research talent of this country be kept at their tasks. That goal is what this amendment does. It is regretted that only 2 minutes can be devoted, under the hastily and ill-advisedly limitation of time, to present more thoroughly the need for the adoption of my amendment. I trust the Members will realize its importance to our future welfare.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think it is generally recognized that this bill as it has been amended will be absolutely ineffective so far as being considered a draft bill is concerned, except that it may serve as a medium for an agreement in conference upon a more drastic measure. I shall meet the issue with regard to whatever bill is developed in conference at the proper time. I am not individually convinced that the extension of the draft is necessary. So far as I am concerned, I have not so far had facts called to my attention sufficient to justify me in voting for any extension of the draft under present circumstances. I am willing to consider any further facts that may be developed. However, I believe that this portion of the bill which provides for the discharge of men who have served 18 months or more in the service is of sufficient importance to justify me in voting for the measure as amended, although it is now incorrectly denominated a draft bill. I do not believe that any necessity has been shown for having armed forces aggregating 1,736,000 men after July 1, 1947. We had only 488,000 men in the Army before the war. I do not believe it has been sufficiently shown that enough men cannot be secured for the armed services under the volunteer system to serve our needs, and so let this draft act expire on May 15, 1946; but because the bill does carry with it a provision which would insure the discharge of men who have served 18 months or more, I intend to vote for it.

I believe in providing adequately for the armed services. Before and during the war I voted for everything the generals and admirals said was necessary. Now I want to exercise a little discretion. I shall not knowingly vote to draft a single man in addition to the number absolutely necessary for national safety. I am willing to be shown if I am mistaken. This bill suspends the draft until October 15, 1946. By that time we can exercise better and more informed judgment.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from West Virginia [Mr. RANDOLPH] to the amendment offered by the gentleman from Massachusetts [Mr. CLASON].

The question was taken; and on a division (demanded by Mr. RANDOLPH) there were—ayes 17, noes 46.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was rejected.

Mr. MAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAY: On page 3, line 1, strike out the words "means a legitimate or illegitimate child from the date of its conception" and insert "includes."

Mr. MAY. Mr. Chairman, the only thing my amendment does is strike out the objectionable words that have been referred to here from time to time. It leaves the language of the bill on the question of what constitutes a legitimate child as follows:

the term "child" includes a child legally adopted, a stepchild, a foster child, and a person who is supported in good faith by the individual.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The amendment was agreed to.

Mr. CRAVENS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAVENS: On page 3, at the end of line 7, strike out the period and quotation marks, add a colon and the following: "*Provided*, That no person otherwise subject to training and service, and who had lost or shall, during the present war, lose by death a mother, father, sister, or brother, while such mother, father, sister, or brother was, or shall be, during the present war, a member of any of the armed forces of the United States, shall be called or inducted for training and service without his consent, or without his consent and that of his parents, guardian, or other person standing in that relationship if such person has not reached his twenty-first birthday."

Mr. CRAVENS. Mr. Chairman, in the brief time allotted to me—2 minutes—the only thing I can do is to make an explanation as to what this amendment is intended to accomplish and what it will do. It merely provides that a person who is otherwise subject to induction, training, and service under this act shall be exempt if during the present war, either hereafter or heretofore, he has lost a member of the armed forces, a brother, sister, mother, or father who was in the armed service. It provides that such a person shall not be liable to further induction or to service and training under the provisions of this act. This amendment will provide a little humanity in a necessarily cruel bill. If a person or a family has already made a contribution to the war by losing a son, daughter,

mother, or father, then it seems equitable, to me at least, that that family has made its full contribution, and has done all that it should be required to do and that from now on the remaining members of that family should not be exposed to the hazards of military service. That is all the amendment does and that is all it is intended to do. There are other families, of course, who have lost one, two, or three, and maybe four members. If there is anything that we could do to bring them back and remedy that situation we would be glad to do it. But for the future at least and now that peace has come and theoretically we are no longer at war, then why should we submit mothers, fathers, sisters, and brothers to the further danger of losing members of their immediate family when they have already made their great contribution.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. CRAVENS].

The amendment was rejected.

Mr. O'HARA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA: On page 3, line 15, after the word "endeavor", strike out the quotes and insert "when the county agricultural agent certifies the registrant is essential and regularly engaged in agricultural occupation or endeavor, such certificate shall be binding and conclusive upon the local board and all selective-service appeal boards."

Mr. O'HARA. Mr. Chairman, when the first draft act was passed, provisions were included in the act for the exemption of essential and necessary farm labor. Subsequent to that, as the House well knows, the Tydings amendment was adopted whereby the language of the original draft act was reemphasized. In recent months in my own State, the selective service has been taking practically every available farm hand that is left. The type of farm hands who have been deferred all during this war are still being taken.

I sent a wire to the farm agents requesting that they give me the number of farmers seeking employees through the office, and a recommendation as to what the general farm situation was. There are 14 counties in my district. I received 14 replies from the 14 farm agents of those counties.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield.

Mr. MAY. On this very question the House committee did everything it could do except to make these decisions final to exclude the farmer. You would give it to the county agents.

Mr. O'HARA. No; I do not.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. O'HARA].

The question was taken; and on a division (demanded by Mr. O'HARA) there were—ayes 45, noes 88.

So the amendment was rejected.

Mr. COOLEY. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. COOLEY: On page 3, line 1, after the word "or" strike the words "illegitimate child from the date of its conception" and insert on page 3, line 1, between the words "legitimate" and "or", the word "child."

Mr. COOLEY. Mr. Chairman, I hardly think my amendment is necessary.

The CHAIRMAN. Permit the Chair to state that has already been stricken.

Mr. COOLEY. I wish to take my time on the amendment, and I will later withdraw the amendment in view of the adoption of the May amendment.

I would like to clear up the situation by asking the gentleman from Kentucky [Mr. MAY] if it was his purpose to eliminate from the bill the deferments provided on the basis of an illegitimate child?

Mr. MAY. Certainly. That was the whole purpose.

Mr. COOLEY. I understood that was clearly the purpose.

There is one other inquiry I would like to make. I understood the gentleman to say that the Selective Service had heretofore provided preferment because of the paternity of an illegitimate child. Is it the gentleman's purpose to hereafter prevent such deferment?

Mr. MAY. That is the intention of the amendment and I think it clearly does that, because it leaves the language to read this way:

As used in this paragraph, the term "child" includes a child legally adopted, a stepchild, a foster-child, and a person who is supported in good faith by the individual in a relationship similar to that of a parent and child.

In other words, it excludes everybody except a stepchild or a legitimate child.

Mr. COOLEY. In other words, it would exclude everyone except a legitimate child or a person to whom the registrant was standing in loco parentis.

Mr. MAY. That is right.

Mr. KEARNEY. Will the gentleman yield?

Mr. MAY. The gentleman from North Carolina has the floor.

Mr. COOLEY. I yield.

Mr. KEARNEY. As I understand the May amendment it strikes out "legitimate child."

Mr. JUDD. I agree. Under the present language the word "child" will be interpreted as including both legitimate and illegitimate children; or, as excluding legitimate as well as illegitimate.

Mr. KEARNEY. That is right.

The CHAIRMAN. The gentleman from North Carolina withdraws his amendment.

Mr. RIZLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RIZLEY: Page 2, line 19, after the word "charged", insert the words: *"Provided, however,* That any individual heretofore inducted under the provisions of Selective Service Act who has a wife or one or more legitimate children shall not be required to serve over 60 days after the effective date of this act."

Mr. RIZLEY. Mr. Chairman, this is similar to the amendment I offered a few moments ago with a few changes. It simply provides, following out what evidently is the philosophy of the Committee on Military Affairs that we should quit taking married men with children and inducting them into the service. This takes married men with children already in the service out of the service within 60 days.

We have been doing a lot, as I said here this afternoon, for everybody who is not in the service. It is about time we did something for some of these men who are in the service, these married men with families. They should be brought back from overseas. The Army has said they intend to bring them back as speedily as possible. This requires them to be brought back within 60 days after the effective date of this legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. MAY) there were—ayes 92, noes 99.

Mr. RIZLEY. Mr. Chairman, I demand tellers.

Tellers were refused.

Mr. SASSCER. Mr. Chairman, I ask unanimous consent to withdraw the amendment I have at the desk. It is similar in purport to the one offered by the gentleman from Arkansas which was defeated.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

Mr. SCRIVNER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SCRIVNER. Mr. Chairman, my inquiry is directed to the amendment recently adopted to the language appearing on page 3, line 1, striking out the words "legitimate or illegitimate child from the date of its conception," and so forth. The question is whether or not it was the intention of the committee to bar from the effect of the act a legitimate child from the date of its conception.

The CHAIRMAN. The Chair may say to the gentleman that is not a parliamentary inquiry.

All time has expired. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BULWINKLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 6064) to extend the Selective Training and Service Act of 1940, as amended, and for other purposes, pursuant to House Resolution 590, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. ANDREWS of New York. Mr. Speaker, I demand a separate vote on the so-called Vinson amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment upon which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. VINSON: On page 1, line 11, after the colon and before the quotation mark in section 1, insert the following proviso: "*Provided*, That so much of the second sentence of section 3 (a) of the Selective Training and Service Act of 1940, as amended, as precedes the first proviso in such sentence is amended to read as follows:

" 'The President is authorized after, and not before, October, 15, 1946, to select and induct into the armed forces of the United States for training and service, in the manner provided in this act, such number of men as is required for such forces to bring them to the strength authorized by the Congress, and no monthly requisitions for men shall be made on Selective Service by either the Secretary of War or the Secretary of the Navy between May 15, 1946, and October 15, 1946, and thereafter only with the approval of the President.' "

The SPEAKER. The question is on the amendment.

Mr. THOMASON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. THOMASON) there were—ayes 157, noes 155.

Mr. THOMASON. Mr. Speaker, I demand tellers.

Tellers were ordered, and the Speaker appointed as tellers Mr. THOMASON and Mr. VINSON.

The House again divided; and the tellers reported that there were—ayes 156, noes 153.

So the amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

The SPEAKER. The question is on the passage of the bill.

Mr. SHORT. Mr. Speaker.

Mr. COX. Mr. Speaker.

The SPEAKER. For what purpose does the gentleman from Missouri rise?

Mr. SHORT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. For what purpose does the gentleman from Georgia rise?

Mr. COX. Mr. Speaker, it was my purpose to demand a reading of the engrossed copy of the bill.

Mr. TARVER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TARVER. Mr. Speaker, may a demand be made for the reading of the copy of the engrossed bill after the proceedings which have just taken place and after the Clerk has read the bill which was considered engrossed?

The SPEAKER. The bill was ordered to be engrossed and read a third time. The gentleman from Georgia was on his feet at the time.

Does the gentleman from Georgia insist upon his demand that the engrossed copy of the bill be read?

Mr. COX. Mr. Speaker, my making demand that the engrossed copy of the bill be read does not indicate my opposition to the bill.

Mr. SHORT. Mr. Speaker, I am opposed to the bill.

Mr. COX. I was compelled to make the demand and I did make it.

The SPEAKER. The gentleman from Georgia [Mr. COX] demands the reading of the engrossed copy of the bill. The Chair will state that with the number of amendments agreed to, it would be impossible to have the engrossed copy of the bill this afternoon.

Mr. MARCANTONIO. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. Mr. Speaker, if I understood the situation correctly, the gentleman from Missouri [Mr. SHORT] was recognized to offer a motion to recommit.

The SPEAKER. The gentleman from Missouri [Mr. SHORT] was not recognized. The Chair asked the gentleman for what purpose he rose, and then recognized the gentleman from Georgia.

EXTENSION OF REMARKS

Mr. ROONEY (at the request of Mr. MCCORMACK) was given permission to extend the remarks he made in the Committee of the Whole today and include extraneous matter.

PROGRAM FOR NEXT WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to inquire of the majority leader the program for next week.

Mr. MCCORMACK. Mr. Speaker, on Monday next, of course, there will be a continuation of the final act in the drama of this bill.

Then will be held the exercises celebrating Pan American Day. There is also the Consent Calendar. I understand two bills will be brought up under suspension of the rules which were not on the notice given previously to the gentleman from Massachusetts. One bill is H. R. 6084, the pay-raise bill for the members of the armed forces. I understand that will be in order to be considered under suspension of the rules on Monday next. The other bill is H. R. 538, the companion bill to S. 1414 which relates to surplus property being available for soil conservation. Then general debate will start on H. R. 6047, which is the extension of price-control legislation.

On Tuesday the Private Calendar will be called, and the bill providing for the continuation of the OPA will be further considered in general debate.

On Wednesday the bill for the continuation of the OPA will be considered under the 5-minute rule until it is terminated. Then the House Resolution 430, known as the Dondero resolution, will be considered.

Mr. MARTIN of Massachusetts. To make the record perfectly clear for the benefit of the Members of the House the first business on Monday will be the unfinished business on this bill.

Mr. MCCORMACK. Yes. Then the pan-American exercises. I want to say, in justice to the gentleman from Alabama [Mr. JARMAN], I feel I owe it to him and to myself, the House had adopted a resolution setting aside next Monday as Pan American Day.

A few days ago we had a conference and there were certain legislative exigencies which, in the absence of the gentleman from Alabama [Mr. JARMAN] required action to be taken. I want to assure the gentleman from Alabama [Mr. JARMAN] that even if he disagrees with the action, it was done in good faith. Because of the fact that we are going to adjourn on the 18th, the OPA extension and the bill just under consideration and other legislation, we did not know just what the situation would be, and we wanted all the time taken on Monday that was desired in connection with the pan-American exercises, but if there was any time left it would be very, very handy in connection with the legislative program next week, particularly being able to adjourn next Thursday night.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. RANKIN. I wish to say to the gentleman that we expect to report out the veterans' insurance bill on next Tuesday, and we hope to get a vote on it some time during the week.

Mr. MCCORMACK. All I can say about the bill is that it is a very important bill. As soon as it is reported out, if the gentleman will get in touch with myself and the gentleman from Massachusetts and the Speaker, we will collaborate and do everything possible to expedite it.

Mr. RANKIN. Are you going to have suspensions for the last 5 days?

Mr. MCCORMACK. No.

Mr. JARMAN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the distinguished gentleman from Alabama.

Mr. JARMAN. Mr. Speaker, the majority leader will recall that he and the Speaker and the minority leader agreed to the passage of a resolution 2 months ago setting aside next Monday exclusively for the celebration of Pan American Day.

Mr. MCCORMACK. The gentleman's statement of fact is correct.

Mr. JARMAN. Then, during my absence, by peculiar procedure, that resolution sponsored by me as chairman of the Pan American Subcommittee of the Committee on Foreign Affairs was vacated.

Mr. MCCORMACK. It was amended.

Mr. JARMAN. It is a fact that I was not consulted, is it not?

Mr. MCCORMACK. The gentleman is correct.

Mr. JARMAN. I do not believe that in taking that action, despite the appearance of it and despite the result which will occur, which was what I was trying

to avoid, scrambling it up with legislation, I do not believe the gentleman—I will not say violated his agreement—but I do not believe the leadership intended any reflection or insult either to this pan-American occasion, to our good neighbors of the Latin-American countries, or to the people of this country who are interested in pan-Americanism and the good-neighbor policy.

Mr. McCORMACK. I can assure the gentleman that that statement is absolutely correct.

Mr. JARMAN. If the gentleman will permit me—nor do I believe that the leadership of this House intended any reflection or insult to the Pan-American Subcommittee of the Foreign Affairs Committee or to me personally. I just want the gentleman to go on record as to that fact so that I may repeat it Monday.

Mr. McCORMACK. I can say emphatically and unconditionally, and if that language is not sufficiently adequate, as emphatically as I know how, the gentleman can rest assured there was no insult intended to anybody. It was just one of those situations that suddenly developed, where we were confronted with this legislative situation. The gentleman from Alabama was away on official business, and we had to act quickly.

Mr. MARTIN of Massachusetts. It absolutely had to be done if we were going to get the people's business done this next week.

Mr. McCORMACK. Exactly. Every fact the gentleman from Alabama has stated is absolutely correct. There is no exception except there was no intent to do anything other than with the purest of motives for the gentleman from Alabama, his subcommittee, and for the day.

Mr. JARMAN. Mr. Speaker, will the gentleman yield further?

Mr. MARTIN of Massachusetts. I yield, but I do not want to make this very prolonged.

Mr. JARMAN. I will not prolong it, but I wish to comment on the minority leader's reference to public business by expressing the opinion that there is no public business; there can be no public business that is any more important than maintaining good relations with our neighbors of the other American countries; and anything that tends to reflect on them is most unfortunate.

Mr. MARTIN of Massachusetts. I may say to the gentleman from Alabama that there is no reflection of him, on his committee, or upon the pan-American nations. The facts are that we have some very important business that the whole American people are interested in having enacted into law.

I should like to know what time the House will meet on Monday.

Mr. McCORMACK. At 12 o'clock.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. RANKIN. I do not see the gentleman from Georgia [Mr. WOOD] present, chairman of the Committee on Un-American Activities, but I call attention to the fact that we have some privileged matters coming up on Tuesday, some citations.

Mr. McCORMACK. That, of course, is a matter of privilege. The gentleman serves notice that it will be called up on Tuesday. Is that correct?

Mr. RANKIN. Yes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 42 minutes p. m.) the House adjourned until Monday, April 15, 1946, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON FLOOD CONTROL

6. Monday, April 15. Streams flowing into the Gulf of Mexico west of the Mississippi River, the Great Basin, and the Pacific region, exclusive of California, including additional authorization for the approved comprehensive plan for the Willamette River:

Leon River, Tex.; Boise River, Idaho; Amazon Creek, Oreg.; Queen Creek, Ariz.; Gila River at Tucson, Ariz.; Spanish Fork River, Utah; Jordan River at Salt Lake City, Utah; and Little Valley Wash at Magna, Utah; Skagway River and Harbor, Alaska.

7. Tuesday, April 16. California streams, including additional authorization for the approved comprehensive plans for the Los Angeles River and the Sacramento-San Joaquin streams:

Salinas River, Calif.; Santa Clara River, Calif.

8. Wednesday, April 17. Lower Mississippi River Basin, including the Red River, and including additional authorization for the approved comprehensive plan for the White and Arkansas River Basin;

Red River below Denison Dam, Tex., Okla., Ark., and La.; Bayou Pierre, La.; La Fourche Bayou, La.; Pontchartrain Lake, La.; Mermentau River, La.; North Canadian River, Okla.; Polecat Creek, Okla.; Grand (Neosho) River, Kans., Mo., and Okla.; Arkansas River, Ponca City, Okla.; Mississippi River, West Tennessee tributaries; Boeuf and Tensas Rivers and Bayou Macon, Ark. and La.; Big Sunflower, Little Sunflower, Hushpuckena, and Quiver Rivers and their tributaries, and on Hull Brake, Mill Creek Canal, Bogue Phalia, Ditchlow Bayou, Deer Creek, and Steele Bayou, Miss.

9. Thursday, April 18. Lt. Gen. R. A. Wheeler, Chief of Engineers, and other representatives of the Corps of Engineers, and proponents and opponents of projects in other regions.

10. Friday, April 19. Senators and Representatives in Congress and Department of Agriculture, Weather Bureau, and other Government agencies.

COMMITTEE ON RIVERS AND HARBORS

Revised schedule of hearings on the omnibus river and harbor authorization bill to start Tuesday, April 9, 1946, at 10:30 a. m., is as follows:

(Monday, April 15)

Franklin Canal, La.
Mermentau River, La.
Lake Charles deep waterway, Louisiana.
Plaquemine and Morgan City route, Louisiana.
Red River below Fulton, La.

(Tuesday, April 16)

Cumberland River, Tenn. and Ky.
Big Sioux River, S. Dak.
Mississippi River seepage, Iowa, Minnesota, and Wisconsin.
Mississippi River at Lansing, Iowa.
Mississippi River at Wabasha, Minn.
Mississippi River at Pepin, Minn.
Mississippi River at Hastings, Minn.

(Wednesday, April 17)

Fairport Harbor, Ohio.
Calumet-Sag Channel, Ind. and Ill.
Chicago River, North Branch of Illinois.
Napa River, Calif.
Coos Bay, Oreg.
Columbia River at Astoria, Oreg.
Columbia River at The Dalles, Oreg.
Columbia River, Foster Creek Dam, Wash.

(Wednesday and Thursday, May 1 and 2)

Tombigbee-Tennessee Rivers.

(Friday, May 3)

Held open for description of projects favorably recommended by the Board of Engineers for Rivers and Harbors during its April meeting.

(Monday and Tuesday, May 6 and 7)

Big Sandy River, Tug and Levisa Forks, Va., W. Va., and Ky.

(Wednesday and Thursday, May 8 and 9)

Arkansas River, Ark. and Okla.

COMMITTEE ON THE POST OFFICE AND POST ROADS

The Post Office and Post Roads Committee will meet on Tuesday, April 16, 1946, at 10:30 a. m., at which time a hearing will be had on H. R. 5427, 5560, and 5942, bills relating to the rate of postage on air mail of the first class.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1928. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. MANSFIELD of Texas: Committee on Rivers and Harbors. H. R. 6024. A bill relating to the prevention and control of water pollution, and for other purposes; without amendment (Rept. No. 1929). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Military Affairs. H. R. 6084. A bill to amend the Pay Readjustment Act of 1942, as amended, so as to provide an increase in pay for personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service; with amendment (Rept. No. 1930). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CUNNINGHAM:

H. R. 6113. A bill to authorize the attendance of the Marine Band at Iowa's centennial celebration to be held at Des Moines, Iowa, June 28 to July 4, inclusive, 1946; to the Committee on Naval Affairs.

By Mrs. ROGERS of Massachusetts:

H. R. 6114. A bill to authorize the furnishing of motor equipment to seriously disabled veterans, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. THOMAS of New Jersey:

H. R. 6115. A bill to authorize a preliminary examination and survey of Hackensack River and tributaries, New Jersey and New York, for flood control, for run-off and waterflow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

By Mr. KELLEY of Pennsylvania:

H. R. 6116. A bill to authorize the furnishing of motor equipment to seriously disabled veterans, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. LARCADE:

H. R. 6117. A bill to provide that persons who served in the Women's Army Auxiliary Corps shall have the benefits of the Servicemen's Readjustment Act of 1944, as amended; to the Committee on World War Veterans' Legislation.

By Mr. PRIEST:

H. R. 6118. A bill to establish an office of technical services in the Department of Commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PHILBIN:

H. R. 6119. A bill to provide for payment by the United States of interest on certain premiums due on life insurance guaranteed by the United States under the Soldiers' and Sailors' Civil Relief Act of 1940, as amended; to the Committee on Military Affairs.

By Mr. SADOWSKI:

H. R. 6120. A bill relating to the admission into the United States, as nonquota immigrants, of certain individuals who have served in the Polish Army, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. WICKERSHAM:

H. R. 6121. A bill to designate the law libraries of State universities maintaining separate law libraries as depositories for laws, rules, and reports of administrative and executive agencies or tribunals and legal opinions and decisions; to the Committee on Printing.

By Mr. RANDOLPH:

H. J. Res. 339. Joint resolution proposing an amendment to the Constitution relating to the terms of President and Vice President; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. HOLIFIELD:

H. Res. 593. Resolution favoring adoption of the provisions contained in the report of the State Department on atomic energy; to the Committee on Foreign Affairs.

By Mrs. WOODHOUSE:

H. Res. 594. Resolution favoring adoption of the provisions contained in the report of the State Department on atomic energy; to the Committee on Foreign Affairs.

By Mrs. DOUGLAS of California:

H. Res. 595. Resolution favoring adoption of the provisions contained in the report of the State Department on atomic energy; to the Committee on Foreign Affairs.

By Mr. BIEMILLER:

H. Res. 596. Resolution favoring adoption of the provisions contained in the report of the State Department on atomic energy; to the Committee on Foreign Affairs.

By Mr. HAYS:

H. Res. 597. Resolution requesting the President of the United States to issue a proclamation on Mother's Day expressing our love and reverence for motherhood; to the Committee on the Judiciary.

By Mr. GWINN of New York:

H. Res. 598. Resolution requesting the President of the United States to issue a proclamation on Mother's Day expressing our love and reverence for motherhood; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By The SPEAKER: Memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States to amend and enact House bill 5059 and Senate bill 1715 or other legislation that additional permanent compensation in the sum of $500 per annum be provided for postal employees; to the Committee on the Post Office and Post Roads.

Also, memorial of the Legislature of the State of New York, memorializing the President and the Congress of the United States to reject the Gossett bill and any other legislation having similar aims and objectives; to the Committee on Immigration and Naturalization.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARDEN:

H. R. 6122. A bill for the relief of Nita H. Stanley; to the Committee on Claims.

H. R. 6123. A bill for the relief of George Cleve Williams; to the Committee on Claims.

H. R. 6124. A bill for the relief of Stanley-Yelverton, Inc.; to the Committee on Claims.

H. R. 6125. A bill for the relief of Richard B. Price; to the Committee on Claims.

By Mr. DIRKSEN:

H. R. 6126. A bill granting an increase of pension to Jerry J. Knedlik; to the Committee on Pensions.

By Mr. MARCANTONIO:

H. R. 6127. A bill for the relief of Vincenzo Governali; to the Committee on Immigration and Naturalization.

By Mr. MILLER of California:

H. R. 6128. A bill for the relief of Rustom Bana, Adi Russi Bana, Nasli Russi Bana, and Narie Russi Bana; to the Committee on Immigration and Naturalization.

By Mr. PHILLIPS:

H. R. 6129. A bill for the relief of Mr. Mahlon Vail; to the Committee on Claims.

H. R. 6130. A bill for the relief of Douglas L. Craig; to the Committee on Claims.

H. R. 6131. A bill for the relief of Mrs. Juanita P. Mercado; to the Committee on Claims.

H. R. 6132. A bill for the relief of Lauriano Mercado; to the Committee on Claims.

H. R. 6133. A bill for the relief of Ellis C. Wagner and Barbara P. Wagner; to the Committee on Claims.

By Mr. REED of New York:

H. R. 6134. A bill for the relief of George W. Reuning, Jr.; to the Committee on Claims.

By Mr. SAVAGE:

H. R. 6135. A bill for the relief of John C. Heath; to the Committee on Claims.

By Mr. SHERIDAN:

H. R. 6136. A bill for the relief of Mrs. Beatrice Martin; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1798. By Mr. LANE: Petition received from the Greater Lawrence CIO Industrial Council, requesting favorable consideration of the legislation providing for the continuance of the Emergency Price Control Act; to the Committee on Banking and Currency.

1799. By Mr. McGREGOR: Petition of Louise S. Leslie, Mansfield, Ohio, and several others, urging Congress to support the following: (1) to keep title X, providing special aid for the blind, in the Social Security Act, and (2) to amend the law to set up an insurance against blindness providing for an allowance to meet the increased cost of living imposed by blindness; to the Committee on Ways and Means.

1800. By Mr. O'TOOLE: Petition forwarded by Robert Nilsen of Brooklyn, N. Y., and signed by 100 other residents of Brooklyn, N. Y., protesting the curtailment of grain for the production of beer inasmuch as the amount used by breweries for making beer is infinitesimal; to the Committee on Agriculture.

1801. By Mr. SMITH of Wisconsin: Petition of Wisconsin Dairymen's Association, recommending certain educational adjustments and setting forth this organization's position on current national problems; to the Committee on Education.

SENATE

MONDAY, APRIL 15, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

God of all majesty, we have entered upon Holy Week, commemorating days whose sacred significance our finite minds cannot comprehend. May we contemplate them with a humble spirit and a contrite heart.

We thank Thee for the King, who on Palm Sunday proclaimed His sovereignty over the spirit of man. May we surrender unto Him the citadel of our souls, for "our wills are ours to make them Thine."

Fill us with gratitude for the Prophet who during the succeeding days revealed the eternal truth of God. Inspire us with such a love of Thy truth that we shall come to know the truth of Thy love. We praise Thee for the High Priest, who on Good Friday laid upon the altar the acceptable sacrifice of His own life. Help us to understand that—

"We never choose the better part
Until we set the cross up in the heart."

Grant that on Easter Sunday we may share the glorious resurrection of our King, our Prophet and High Priest, rising with Him in newness of life to build that blessed highway where men and nations shall walk together in His spirit.

To Thy name we ascribe all the praise. Amen.

THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, April 12, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on April 13, 1946, the President had appproved and signed the act (S. 1425) to revive and reenact the act entitled "An act to authorize the county of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.," approved June 8, 1940.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 5244) to authorize the appointment of additional foreign-service officers in the classified grades, in which it requested the concurrence of the Senate.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on April 12, 1946, he presented to the President of the United States the enrolled bill (S. 1907) to increase the authorized enlisted strength of the active list of the Regular Navy and Marine Corps, to increase the authorized number of commissioned officers of the active list of the line of the Regular Navy, and to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes.

PROPOSED ARMY AND NAVY MERGER—ALLEGED MUZZLING OF THE NAVY

Mr. ROBERTSON. Mr. President, last Friday morning many Members of this body were startled upon reading the press reports of a conference held in the White House the day before, during which the President announced a ban on naval and marine officers further opposing the so-called "Army merger plan," and threatening disciplinary action to all violators of his order.

I have no more detailed knowledge of the press conference than is reported in the Washington newspapers, but I do feel it was a most unfortunate occurrence.

I feel certain that the President had no intention of muzzling the Naval Affairs Committee of the Senate in its efforts to consider the Army proposal of merger as put forward by him, nor its further study of the Navy proposals for collaboration. Neither do I feel that the President had any intention of restricting the Naval Affairs Committee from seeking information from naval and marine personnel, both officers and enlisted men.

Many of us are today deeply and seriously concerned about this latest move to place the Navy in a subordinate position. Worse yet, there are many high up in the War Department who are openly stating that the Navy is finished; that since the advent of the atomic bomb the Navy no longer exists.

The Army, finding itself free of any restrictive directives from the President, is continuing an intensive lobbying and propaganda campaign, an example of which I wish to present to the Senate.

About February 12 the officers at Hamilton Field, Calif., were directed to attend a meeting to be held at 1:30 p. m. in a station theater. On arrival at the theater each officer was assessed 5 cents and was handed five penny post cards and the following mimeographed material:

First. A list giving the full name and State of each Senator.

Second. A list giving the full name, the State, district, and post-office address of each Representative.

Third. A paper entitled "Facts About the President's Plan for Unification of the Armed Forces."

Fourth. A paper entitled "Nine Reasons General Eisenhower Gave to Senate Military Affairs Committee."

Fifth. A sample form for a letter to be written home for publication.

Sixth. A sheet containing six sample forms of letters or post cards to be sent to Senators and Representatives.

I may say that I have photostatic copies of the lists of Senators and Representatives as well as of the other material which were handed to these officers. I do not ask to have the lists of Senators and Representatives printed; but I do ask unanimous consent that the other material be included in the RECORD as a part of my statement.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(The matters referred to appear at the conclusion of Mr. ROBERTSON'S remarks as exhibit A.)

Mr. ROBERTSON. I read for the information of the Senate paragraphs 12 and 13 of the facts as well as excerpts from the suggested letters sent home and to Senators and Representatives:

Congress will start hearings on this subject about the middle of February. If you are interested in preventing its defeat by certain interests (certain ship manufacturers, naval persons, and a few misguided patriots are actively manufacturing propaganda to suppress or sidetrack proposed legislation) then write, and have your friends and family write—at once.

Legislators are influenced by letters and telegrams and post cards—especially from their constituents. Tell them what you want them to do.

From the letter, I quote:

I am writing you this letter, not to try to sell you on unification of our armed forces, because I think you are already in favor of this bill, but I urge you to take positive action for unification by writing to your lawmakers in Congress.

I'm still in the Army, and it is difficult for me to act on this without being accused of selfish and political motives; and yet I believe sincerely that if we do not move to insure a unified command of all our armed forces, we are inviting another disaster that will strike more quickly and much deadlier than was the case at Pearl Harbor. By now I am fed up with the lack of coordination between our different arms, with the duplication of installations, and with the inefficiency where there is an obvious need for a central command.

I want to urge you again to write to your lawmakers in Congress as an individual or by petition, requesting them to back unification. Take a positive stand now, before it is too late.

The meeting at which this material was distributed consisted of a talk by an Army officer on the importance of securing the passage of the proposed merger bill. During the course of the meeting he requested that each officer fill out the post cards, following the examples contained in the mimeographed material, and send them to their Senators and Congressmen. The following additional directions were given: Each officer was to sign his name only; no rank or anything that would give an indication that he was in the Army was to be used. Above all, the cards were not to be mailed from Hamilton Field.

Mr. President, I should like to read a portion of the mimeographed copies of some of the postals. The first, which contains a threat but slightly veiled, reads:

HONORABLE SIR: I will vote for the man who is for unification of our armed forces because—

Then he sets out four reasons.

The second reads:

As a taxpayer, a citizen, and one of your constituents, I charge you to vote for proposed legislation toward unification of the armed forces.

The third is a little more gentle in tone and starts:

Please do your best to aid the passage—

And so forth. The fourth reads:

You can save us taxpayers a lot of needless taxes if you will promote and vote for the proposed bill for unification—

And so forth. Again, the fifth covers the tax situation. The sixth is short, and reads:

Let's cut out the useless duplication and added expense of our present separate Army and Navy.

Vote for unification and save us all money.

I might say, Mr. President, that I myself received two or three of these postals. I am not able to produce them because in my office such postals are assigned to the scrap basket when received.

Mr. President, I have no thought of imputing a desire to subvert the American form of Government to the distinguished military men who have testified in favor of the merger of the armed services and who are working for its passage. Unquestionably their testimony represented a sincere and honest conviction on their part of the desirability of the reorganization they recommend. However, a monumental fault lies in a method of approach by which Army prestige, Army power, and Army influence have been mobilized in a high-pressure drive to attain a purely political objective. If the use of the organized power of a branch of the armed services is to be countenanced in the internal politics of our country an initial step of great significance will have been taken toward the undermining of all sanctions of law and constitutional process, as may be demonstrated from the histories of the development of innumerable great autocracies, from imperial Rome to Nazi Germany. If the incident at Hamilton Field is in any way representative, Army power

and prestige are being used to adduce a change in our form of government by means which although immoral and unethical to the extreme, are nevertheless constitutional.

The misgivings I entertained upon learning of the incident at Hamilton Field were deepened when I recalled that the officer who presented to the Senate Military Affairs Committee the Army's plan for unification of the armed forces and the War Department's Director of Information, who is charged with the Army's program of public information and education, are one and the same.

Another fact which to me is laden with the utmost significance was revealed in an announcement that the War Department on January 29, this year, established at Carlisle Barracks, Pa., an Army Information School to train personnel for work in public relations, public information, and education. It will be a 2 months' course and 200 officers will attend. That is twelve hundred annually. This means that within a period of a few years every officer in the Army may have been given a course in how to mold and influence public opinion. These facts taken together and considered in the light of the fundamental principles involved constitute grave symptoms of the decay of constitutional government. They mean that the location of real and effective power over the armed forces may be passing from the Congress to the armed forces themselves. They may mean that the elected representatives of the people are mere tools in the hands of the professional militarists, who with unlimited funds appropriated for the national defense, can manipulate public opinion to achieve their own ends. They may mean that we are facing the emergence of a politico-military general staff, German style, which will control not only the armed services of the Nation, but which, inevitably in the expansive nature of such an organization, will make militaristic inroads upon other phases of the national life as well.

There are those who will scoff at this suggestion. There are those who will say again that "it can't happen here."

But, Mr. President, let me remind the Senate that our Army established and maintained an entirely illegal and unconstitutional martial control over government and citizenry of the Hawaiian Islands throughout the war, and that despite the rulings of the Supreme Court as to the illegality of the measure, the Army has given unmistakable indication that it still considers its actions to have been justified.

Let me point to the unprecedented influx of military personnel, some of whom are retained on active duty, into policy-forming jobs in other departments of the Government, and in particular the all-important State Department. As though it were not already noticeable enough, let me remind you that it was the Army Times, which I presume is familiar with Army views, that editorialized recently to the effect that our distinguished Secretary of State no longer enjoyed the confidence of the administration or of the public and recommended that he be replaced by a prominent military leader.

Let me cite the efforts on the part of the military to retain control of atomic energy.

Let me point to indications that the Secretary of War, himself an officer of the Reserve, is identified far more frequently as a representative of the Army in governmental and civil circles than as the civilian agent of the Government within the Army.

Let me remind you, Mr. President, that Army Day, a fitting occasion for the Nation to pay tribute to our Army and to those young men who fought and died for the preservation of democracy, was adroitly converted into an occasion for persuading the public to influence the Congress in behalf of a three-point program dear to the heart of the General Staff. Its objectives were:

First. Continuation of the draft.

Second. Merger of the armed services in a single department and under a single military commander.

Third. The adoption of universal military training. At parades and demonstrations from Frankfort to Korea, Army spokesmen drove home these points with remarkable consistency.

Mr. President, I am not discussing the proposed merger, universal military training, and continuation of the draft. I am aware, however, that the military way and the militaristic way are two separate and distinct aspects of the use of men and materials for the national security, and I see in this program elements designed less for the improvement of the national security than for the perpetuation of the General Staff for the purpose of enjoying power, drawing funds, and drilling great numbers of the civil populace in times of peace.

It is the duty of the Congress and Congress alone to decide each of these questions, and it must do so with calm and deliberate judgment, after the responsible committees have heard the advice and recommendations of all qualified parties, including the professional military and naval men. The partial abdication by the Congress of its powers over the armed forces during the war years has caused them to arrogate to themselves activities which take them beyond the functions assigned to them by the Constitution, and which, if permitted to endure, would undoubtedly permit the military to dictate policy to the Congress.

In conclusion let me sound the warning that the Congress cannot indefinitely abdicate its powers without seriously jeopardizing the principles of our Republic. It cannot sit idly by while the military cultivates the media of public expression to inspire public opinion to support a militaristic program, and to influence and guide the actions of the Congress in connection with the national defense.

Mr. President, when it became apparent that there was a conflict in opinion relative to the merits of the so-called Army merger plan, I sincerely hoped that the President, as Commander in Chief of the Navy, as well as the Army, would advise both branches of the service that they would have to go into conference and iron out their difficulties, and present to him a plan that bore the endorsements of both. This should have been done, and this could have been done, for today, in numerous lower echelon groups, officers of the Army, Navy, the Marine Corps, and the Air Corps are working out their differences in complete harmony.

I feel that it is necessary for national harmony and the future national defense that the President either rescind his order to the Navy, or extend it to every other branch of the armed services.

Certainly we on the Hill and the people of the Nation at large cannot obtain a true and complete picture of the merits or demerits of the Army plan if those opposed to it are muzzled. It is our responsibility here in the Congress to make the final decision as to whether or not we shall merge the armed forces, and if so, to what degree.

EXHIBIT A

FACTS ABOUT THE PRESIDENT'S PLAN FOR UNIFICATION OF THE ARMED FORCES

1. It is not a "merger" of the Army and Navy. No one wants to get rid of our Navy—nor our Army. Both will continue as separate, autonomous services.

2. The plan is for integration of the Washington control and management of the Army, Navy, and Air Forces.

3. The only merging will be gradual evolution in departments of common supplies and services, and closer cooperation of all arms toward more national security.

4. It is not proposed that all services wear the same uniform. It will not tear down the individual traditions or prides of each.

5. In peacetime, the so-called healthy rivalry between the arms has too often turned into bitter competition for limited congressional appropriations of money. This uncontrolled competition tends to drive the arms apart.

6. The claim that the job of a single Secretary of Armed Forces would be too big for one man is obviously dodging the issue. It is not as big a job as that of the President.

7. President Truman said: "We would be taking a grave risk with the national security if we do not move now to overcome permanently the present imperfections in our defense organization. The boundaries that once separated the Army's battlefield and the Navy's battlefield have been virtually erased."

8. "We cannot expect to be given the opportunity again to experiment in organization and in ways of teamwork while the fighting proceeds. Another war would strike much more suddenly than the last—directly at the United States."

9. Economy will be one of the most important results of unified control. Consolidation will reduce the volume of supplies that need to be procured. By reducing the paralleling and duplication of effort and departmental set-ups, manpower number in many thousands will be saved. Eventually, in case of combat, thousands of lives will be saved—yours, or your son's lives, and daughters' and civilians, too.

10. Cooperation is the greatest advantage that would accrue from consolidation of the War and Navy Departments. "Perfected teamwork results as much from friendly association over a period of years as it does from the more obvious reasons of combined tactical training and doctrine."—EISENHOWER.

11. With unification "we can buy more security for less money. Without it we will spend more money and obtain less security."

12. Congress will start hearings on this subject about the middle of February. If you are interested in seeing preventing its

defeat by certain interests (certain ship manufacturers, naval persons, and a few misguided "patriots" are actively manufacturing propaganda to suppress or sidetrack proposed legislation) then write, and have your friends and family write—at once.

13. Legislators are influenced by letters and telegrams and postcards, especially from their constituents. Tell them what you want them to do.

NINE REASONS—GENERAL EISENHOWER TO SENATE MILITARY AFFAIRS COMMITTEE

1. It is essential in order that there may be a well-rounded military program which insures for us the maximum protection for each dollar appropriated.

2. It is not feasible to arrive at the size or composition of each arm without simultaneously considering the others. Each arm supplements the other and no single service can be independently considered.

3. The national security is safeguarded only if the security establishment is fashioned, trained, and administered under single direction—by a single department.

4. The era of atomic weapons, pilotless missiles makes unity of concept, indoctrination, and training more necessary than ever.

5. The pooling of talent in the field of scientific research and development is an absolute necessity. Only through a single department can coordinated development of new weapons be assured.

6. There is the absolute need for economy in administration if we are, as a nation, to afford an adequate security establishment. So long as there are two executive departments in Washington, instead of one, we will continue to be harassed with the needless extravagance of double administration, overlapping duplications, differing standards, and competitive procurement.

7. If we do not integrate the executive management of the three members of our fighting team, our postwar security establishment will become the patch-work improvization that is inevitable where independent departments, at different times compete before separate congressional committees. With integration we can buy more security for less money. Without it we will spend more money and obtain less security.

8. One of the most important and least understood factors in modern war is that it is essentially a matter of perfected teamwork. Perfected teamwork results as much from friendly association over a period of years as it does from the more obvious reasons of combined tactical training and doctrine. By unification at the top we emphasize to our soldiers, sailors, and airmen the essential truth that each wears the uniform of the Nation's fighting forces and that his natural friends and trusted associates are the others who wear that uniform, regardless of its color or design.

9. Finally, there is no such thing as a separate land, sea or air war; therefore we must now recognize this fact by establishing a single department of the armed forces.

DEAR ———: Just a line or two from an old buddy who is still here on the job with ATC. The trans-Pacific line is still operating, albeit with "reducing pains," and we are still getting out an airplane or two every day. The lack of personnel, discharges and maintenance problems are making things tough for those who are left. Things may improve some in the near future and it would look a whole lot brighter if we could be sure of just one thing—that is a subject which should be close to the heart of every man who is or who was in the service—unification.

I am writing you this letter, not to try to sell you on unification of our Armed Forces because I think you are already in favor of this bill, but I urge you to take positive action for unification by writing to your lawmakers in Congress.

I'm still in the Army and it is difficult for me to act on this without being accused of selfish and political motives; and yet I believe sincerely that if we do not move to insure a unified command of all our armed forces, we are inviting another disaster that will strike more quickly and much deadlier than was the case at Pearl Harbor. By now I am fed up with the lack of coordination between our different arms, with the duplication of installations, and with the inefficiency where there is an obvious need for a central command.

One of the best examples of this duplication of installations is the Air Transport Command (ATC) and the Naval Air Transport Service (NATS). On the Pacific route of both services, starting here in California, ATC maintains a huge base, a several million dollar installation, at Hamilton Field, Calif.; and NATS maintains a similar base costing several million dollars, at Oakland. Upon arriving in Hawaii, the same situation exists where within a few miles of each other, the Navy maintains its air transport base and the Army maintains its air transport base with still a third air transport installation known as Transport Air Group (TAG) which is under the Marine Corps. One terminal would be sufficient.

Farther on out in the smaller islands of the Pacific, at Guam, Kwajalein, Johnston, Wake, Marcus, Okinawa, Manila, and Tokyo, duplications exist—some of them being on completely separate airdromes and others being different terminals and installations operating from the same airdromes. The over-all Pacific routes are covered thoroughly by both ATC and NATS. Both ATC and NATS are using identically the same type aircraft and the supporting agencies such as weather, communications, and supply in most cases are also duplicated. This inefficiency of operations and lack of economy is appalling to me as a taxpayer where not a few dollars are expended for needless repetition, but millions; and not a few men are performing jobs which are duplicated by other personnel, but thousands.

Unification in the Army, Navy, and Air Forces would do so much to strengthen and economize the operations, that you would think everyone would be for it automatically; and yet there are a few misguided politicians and other selfish groups who are actively opposing this legislation. There are some sincere and honest but misinformed individuals who just do not seem to understand what unification would and would not do. I am enclosing the nine reasons that General Eisenhower gave to the Senate Military Affairs Committee for unification.

I want to urge you again to write to your lawmakers in Congress as an individual or by petition, requesting them to back unification Take a positive stand, now, before it is too late.

Yours ever.

HONORABLE SIR: I will vote for the man who is for unification of our armed forces, because—

1. Unification will be instrumental in preventing another Pearl Harbor a generation from now.

2. Unification will save millions of dollars of taxpayers money—your money and mine.

3. Unification will avoid wasteful needless loss of many lives such as was suffered by many of our sons in the war just past.

4. Unification will conserve manpower—stop duplication—save time * * * in event of any future conflict.

(Signed)----------

HONORABLE SIR: As a taxpayer, a citizen, and one of your constituents, I charge you to vote for proposed legislation toward unification of our armed forces.

Majority opinion of the general public favors such a program. Our fullest national security depends upon it. Great economies of money, manpower and time will result therefrom. It is your duty as our Representative to do all in your power to promote this legislation at once.

(Signed)----------

HON. ———: Please do your best to aid the passage of the proposed laws that will unify our armed forces under one command. This will not do away with the Navy, nor take away all their jobs, as so many of them seem to think. As a veteran, who has seen the waste, loss of time, and loss of lives resulting from lack of coordination between the Army, Navy, and so forth. Even under wartime pressures for getting together, I know a unified command in Washington is needed.

Even now the waste still goes on; you can see it in the duplication of efforts by thousands of men on our bases all over the world.

I'll vote for the man who is for unification.

(Signed)----------

HONORABLE ———: You can save us taxpayers a lot of needless taxes if you will promote and vote for the proposed bill for unification of the armed forces under one Secretary in Washington.

I want to hear your statement as to your position regarding this plan. If you're for it, we're for you.

(Signed)----------

HONORABLE ———: I believe that a vote for unification of the armed forces will reduce our taxes. If you believe likewise, then vote for this unification.

You will save us from another Pearl Harbor, too.

Your constituent,

(Signed)----------

HONORABLE SIR: Let's cut out the useless duplication and added expense of our present separate Army and Navy.

Vote for unification and save us all money.

(Signed)----------

REPORT OF NATIONAL CAPITAL HOUSING AUTHORITY—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid be the Senate the following message from the President of the United States, which was read and referred to the Committee on the District of Columbia:

(For President's message, see today's proceedings of the House of Representatives on p. 3714.)

VOTING BY MEMBERS OF THE ARMED FORCES AND CERTAIN OTHERS

The PRESIDENT pro tempore laid before the Senate a letter from the Secretary of Commerce, recommending an amendment to the bill (H. R. 5644) to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended, on page 15, line 18, to insert a new subsection (d) as follows: "The term 'members of the armed forces' shall include commissioned officers and civilian personnel of the Coast and Geodetic Survey serving in vessels

or shore stations outside the continental United States," which was ordered to lie on the table.

INVESTIGATION OF POWER LOBBY

Mr. MITCHELL. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a letter I have received from Mr. Herbert M. Peet, executive secretary of the League for CVA, together with a resolution adopted by the Columbia Valley Authority League, urging an investigation of the power lobby.

There being no objection, the letter and resolution were received, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

LEAGUE FOR CVA,
Seattle, Wash., March 28, 1946.

Hon. HUGH B. MITCHELL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MITCHELL: The inclosed resolution was unanimously adopted by the members of the executive committee of the League for CVA at their meeting in Portland, Oreg., March 23.

The League for CVA represents several hundred thousand small businessmen, farmers, and organized workers, in the Pacific Northwest who not only want the Federal Government's investment in multiple-purpose dams protected in a manner so as to bring the most benefit to all the people but also want a unified program set up for the future development of our natural resources.

Yours very sincerely,
HERBERT M. PEET,
Executive Secretary.

POWER LOBBY INVESTIGATION URGED

Whereas 174 private power companies have banded together into a national organization for the avowed purpose of influencing public opinion, through double-page spread advertisements in leading magazines and national radio hookups—a campaign that is purported to be costing upward of $5,000,000 a year—with a view to influencing national legislation adversely which has for its purpose the orderly development of the natural resources of the Nation for the benefit of all the people; and

Whereas there is grave danger, unless these activities are exposed and checked, that the entire investment of the Federal Government in huge projects, such as the TVA, the Grand Coulee project, the Bonneville project, the Fort Peck and other great projects, will be nullified and the benefits from them for the general public, as Congress has ordained in the Reclamation Act, the Bonneville Act, the flood-control acts, will be lost and these benefits will accrue to other limited groups, such as the private power monopolies: Now, therefore, be it

Resolved by the executive committee of the League for CVA, composed of representatives from Oregon, Washington, Idaho, and Montana, in session assembled, That we recommend to the United States Senators from these States that a strong committee be set up to make a thorough investigation of the activities of the 174 power companies and their lobbies in Washington and in the several States, which are aimed to capture for themselves the benefits of public improvements which Congress intended should be for the general public.

Unanimously adopted by the executive committee of the League for CVA, meeting at Portland, Saturday, March 23, 1946.

HERBERT M. PEET,
Executive Secretary.

UNIVERSAL MARRIAGE AND DIVORCE LAW—LETTER FROM FRANCIS R. TAYLOR

Mr. CAPPER. Mr. President, I ask unanimous consent to present and to have printed in the RECORD a fine letter I have received from Francis R. Taylor, of Philadelphia, Pa., in which he expresses the need for a uniform marriage and divorce law.

There being no objection, the letter was received and ordered to be printed in the RECORD, as follows:

PHILADELPHIA, *February 26, 1946.*

Hon. ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CAPPER: In the course of the past few months I have been increasingly conscious of the travesty that exists, increasing in intensity as time goes on, in the muddled situation of divorce procedure in the various States of the United States. If it were not serious, it woud really be ridiculous since the two decisions of the United States Supreme Court, in the North Carolina cases involving the Williams and Hendrix couples. I have read the United States Reports in both the decisions affecting those couples, and I must admit that it challenges one's confidence in the dignity of legal process, particularly in cases involving divorce in those States of the Union which make a specialty of easy divorce.

I am not so much interested in the inconveniences which arise in the case of adult individuals. If adultery results from such practices, that may be very uncomfortable for those adults, but I am deeply perturbed over the results where the children of such mismated individuals are involved.

I can see no practical solution to the problem, except a uniform divorce law, effective throughout the United States. I do not believe it would be at all practical to have such a uniform law adopted by each of the States, as has been possible in the Negotiable Instruments Acts and similar legislation. The greater the preponderance of forward-looking States which would adopt a uniform divorce law, just to that extent the greater would be the pressure upon parties seeking an easy divorce to resort to backward States which would not participate in the movement.

I believe the analogy between the Federal bankruptcy jurisdiction and the marriage and divorce jurisdiction is perfect, and that we will never be on an even keel with anything like a civilized attitude toward marriage and divorce without Federal uniformity. I realize that Federal legislation upon marriage and divorce is utterly impractical unless it is buttressed by an amendment to the United States Constitution validating such legislation. I understand that you are very much of this same opinion and have been working to that end most consistently for a considerable length of time. I very much desire to aline myself with your efforts and would be counted with that group in the country who would be willing to sponsor such efforts, each in his or her own particular State.

Very sincerely yours,
FRANCIS R. TAYLOR.

REPORTS OF COMMITTEES

The following reports of a committee were submitted:

By Mr. MURRAY, from the Committee on Education and Labor:

H. R. 4908. A bill to provide additional facilities for the mediation of labor disputes, and for other purposes; with an amendment (Rept. No. 1177).

By Mr. PEPPER, from the Committee on Education and Labor:

S. 1779. A bill to authorize the Federal Security Administrator to assist the States in matters relating to social protection, and for other purposes; without amendment (Rept. No. 1178).

REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which were referred for examination and recommendation two lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon pursuant to law.

LABOR DISPUTES ACT OF 1946—MINORITY VIEWS (PT. 2 OF REPT. NO. 1177)

Mr. BALL. Mr. President, on behalf of the Senator from Ohio [Mr. TAFT], the Senator from New Jersey [Mr. SMITH], and myself, as members of the Committee on Education and Labor, I ask unanimous consent to submit the minority views on the bill (H. R. 4908) to provide additional facilities for the mediation of labor disputes, and for other purposes. I request that the minority views be printed as a separate report and not consolidated with the majority committee report.

The PRESIDENT pro tempore. Without objection the minority views will be received and printed as requested by the Senator from Minnesota.

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. McCARRAN:

S. 2062. A bill to provide for the tenure of office and retirement of the Justices of the Supreme Court of the Territory of Hawaii, the judges of the Circuit Courts of the Territory of Hawaii and the judges of the United States District Court for the Territory of Hawaii; to the Committee on the Judiciary.

By Mr. MURRAY:

S. 2063. A bill to amend the Internal Revenue Code so as to provide for the exclusion from gross income for income-tax purposes amounts paid by a veteran in the purchase of a home; to the Committee on Finance.

By Mr. LANGER:

S. 2064. A bill to change the law of Congress to permit the Indians of the United States to select the Commissioner of Indian Affairs;

S. 2065. A bill to provide for the payment to Indians of their individual moneys under the control of the Secretary of the Interior;

S. 2066. A bill to make possible home rule and administrative autonomy on Indian Reservations and to repeal existing law to that effect; and

S. 2067. A bill to provide for the leasing of the allotted lands of Indians; to the Committee on Indian Affairs.

By Mr. WALSH:

S. 2068. A bill for the relief of John Bernard McBride; to the Committee on Naval Affairs.

By Mr. JOHNSON of Colorado:

S. 2069. A bill to include Amvets, American Veterans of World War II, among the organizations which shall be recognized by the Administrator of Veterans' Affairs in the presentation of claims; to the Committee on Finance.

By Mr. THOMAS of Utah (for himself, Mr. MURRAY, Mr. MAGNUSON, and Mr. AIKEN):

S. 2070. A bill to authorize the Federal Security Administrator to assist the States in the development of community recreation programs for the people of the United States, and for other purposes; to the Committee on Education and Labor.

INVESTIGATION OF RAYON AND NYLON EXPORTS

Mr. LANGER. Mr. President, I ask unanimous consent to submit for appropriate reference a resolution dealing with the rayon and nylon shortage.

The resolution is submitted at the request of the large department stores of North Dakota. The stores ask particularly why thousands and thousands of pairs of nylon stockings are exported and then resold in the United States.

There being no objection, the resolution (S. Res. 259), was received and referred to the Committee on Banking and Currency, as follows:

Whereas there are continued shortages in the quantities of rayon and nylon hosiery and of garments made of rayon and nylon which are made available to the women of the United States; and

Whereas such continued shortages not only cause great uneasiness and hardship to the women of the United States but also lead to chaotic conditions in the retail establishments dealing in such articles; and

Whereas there is reason to believe that such continued shortages may be due, at least in part, to the quantities of rayon and nylon and of articles made from rayon and nylon which have been and are being exported from the United States: Therefore be it

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation with respect to (1) the volume of recent exports of rayon and nylon and of articles made from rayon and nylon, (2) the cause or causes of any increase in the volume of such exports, and (3) whether or not any legislative or executive action should be taken in the light of the facts disclosed with respect to the volume of such exports. The committee shall report to the Senate at the earliest practicable date the results of its investigation, together with such recommendations as to necessary legislative or other action as it may deem desirable.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Seventy-ninth Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee under this resolution, which shall not exceed $, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SPECIAL COMMITTEE TO CONSIDER MATTERS RELATING TO REORGANIZATION OF LEGISLATIVE BRANCH

Mr. LA FOLLETTE (for himself, Mr. THOMAS of Utah, Mr. PEPPER, Mr. RUSSELL, Mr. WHITE, and Mr. BROOKS) submitted the following resolution (S. Res. 260), which was referred to the Committee on Rules:

Resolved, That a special committee to be composed of the six Senators who are members of the Joint Committee on the Organization of the Congress is hereby established, with authority to sit and act during the sessions, recesses, and adjourned periods of the Seventy-ninth Congress, for the purpose of receiving and considering all bills, resolutions, and amendments relating to the reorganization of the legislative branch of the Government. All bills, resolutions, and amendments relating to the reorganization of the legislative branch of the Government shall be referred to the committee for its consideration and such committee is hereby authorized to report to the Senate with respect to any matter referred to it, together with such recommendations as it may deem advisable; except that no matter shall be referred to the committee which has the effect of repealing, amending, or changing the rules, practices, or precedents of the Senate relating to cloture or relating to the germaneness of amendments, and the committee shall make no report or recommendation with respect to any such matter. Any vacancy occurring in the membership of the committee shall be filled by appointment by the President of the Senate.

REHABILITATION OF THE PHILIPPINE ISLANDS

The PRESIDING OFFICER (Mr. MAYBANK in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1610) to provide for the rehabilitation of the Philippine Islands, and for other purposes.

Mr. TYDINGS. Mr. President, I move that the Senate disagree to the amendments of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. TYDINGS, Mr. HAYDEN, Mr. WHEELER, Mr. VANDENBERG, and Mr. AUSTIN conferees on the part of the Senate.

ADDRESS BY SENATOR WAGNER AT ROOSEVELT MEMORIAL DINNER

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an address delivered by him at the Roosevelt Memorial Dinner, New York City, on April 12, 1946, which appears in the Appendix.]

ADDRESS BY SENATOR KILGORE TO ANTI-INFLATION RALLY

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a radio address delivered by Senator KILGORE to an anti-inflation rally, New York City, on March 22, 1946, which appears in the Appendix.]

ADDRESS BY SENATOR PEPPER AT ROOSEVELT MEMORIAL DINNER

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address delivered by him at the Roosevelt Memorial dinner, New York City, on April 12, 1946, which appears in the Appendix.]

ATOMIC ENERGY AND HUMAN WELFARE—ADDRESS BY DR. JOYCE C. STEARNS

[Mr. JOHNSON of Colorado, asked and obtained leave to have printed in the RECORD an address on the subject Atomic Energy and Human Welfare, delivered by Dr. Joyce C. Stearns, dean of faculties, Washington University, St. Louis, Mo., which appears in the Appendix.]

THE WIN-THE-PEACE OUTFIT—EDITORIAL FROM THE HARTFORD COURANT

Mr. HART. Mr. President, as we know, we are becoming a Nation of slogans. Great slogans are drifting around the country. In too many cases various organizations choose their names not to represent what they really are, but as slogans.

In connection, Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial which appeared in the Hartford Courant for April 11, 1946, entitled "The Win-the-Peace Outfit."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WIN-THE-PEACE OUTFIT

With peace dangerously tilting in the balance an organization named Win-the-Peace has an attractive sound. So deeply are all persons of good will unselfishly interested in ushering in a better era than any the world has yet known, that it would seem that all such persons would gladly be members of Win-the-Peace. Yet last week, before this organization met in Washington, three Representatives in Congress withdrew, all charging that it is tinged with communism.

The meetings clearly indicated that the more than 700 delegates were decidedly partial to Russia. In fact one of the organizers, Frederick V. Field, was a member of the American Peace Mobilization group that picketed the White House in June 1941 before Germany attacked Russia. Thereafter all the Reds become patriots. Now they want at least an American-Russian coalition, or perhaps the Russian bear feasting on the American eagle. At the Win-the-Peace convention the Soviet was cheered to the echo, and such forthright Americans as Herbert Hoover was booed and hissed. President Truman did not escape unscathed, although the delegates went 100 percent for his domestic legislative program plus a few more pseudo-liberal ideas.

Such outstanding proponents of New Dealish ideas as Senator PEPPER, of Florida, and Representative SABATH, of Illinois, addressed the assembly. It was the latter who castigated President Truman for sending Mr. Hoover to Europe to survey food conditions. We are inclined to agree with Representative CURTIS, of Nebraska, that this jeering of Mr. Hoover is the finest compliment ever paid to any American. Incidentally, these Reds took a strong position in their resolutions for tolerance!

We shall probably hear more of this Win-the-Peace outfit. To be critical of its membership, however, should not be construed as disagreeing with the over-all objective of a stable world based on equitable principles. But we dare say that its critics will be accused as warmongers, capitalists, imperialists, isolationists, and about everything in the book but Communists.

WONDERFUL WISCONSIN WARMLY INVITES AMERICAN VACATIONERS TO VISIT THE BEAUTIFUL BADGER LAND

Mr. WILEY. Mr. President, I should like to take this opportunity to bring to the attention of Congress an interesting matter having to do with American recreation and relaxation—American vacationing.

Many Senators are now indisposed, ill, worn out. I heard one distinguished Member of the Senate say today in committee, "I have got to leave in a few days due to ill health." Conse-

quently the matter of America's vacationing and "having a wonderful time" is a subject worthy indeed of brief but thoughtful consideration by the Congress. America's fun and recreation constitute, of course, a great national asset.

It is good, therefore, to know that this year American auto vacationists, 60,000,000 strong, will head for the great outdoors. Millions more will use other means of transportation to refresh themselves with new sights and scenes. Our people are going to set new records for vacation enjoyment.

That is grand for the Nation's spiritual, physical, and economic health. My brother Senators well know how the American people strained and toiled through the war years, how they vigorously backed up their fighting men and women who were "sweating it out" and giving their all on the war fronts. My colleagues in this great Chamber are themselves tired from years of continuous overwork.

"FORWARD" TO WISCONSIN

Now, with America's first full peacetime summer approaching, with Congress scheduled to adjourn at that time, I want to extend my sincerest invitation to all my colleagues here as well as to all America to visit "a little bit of heaven"—56,000 square miles of pure vacation land—the wonderful State of Wisconsin with its incomparable resort facilities.

Yes, come to healthful Wisconsin—the friendly State of over 3,000,000 industrious souls living in a natural paradise of 7,000 lakes and 170,000 acres of State parks and forests, ideal for sports, sightseeing and just plain wholesome loafing.

Come to the Badger country, the dairy land of the Nation, justly proud of its mighty industry, too, blessed by the Creator with a cool, comfortable climate, with ideal location, with great scenic beauty.

Why do I invite you to "God's country" to swim there, to fish, to boat, to canoe, to ride, to hike, to rest? It is not only my natural pride in my home State which encourages me to issue this invitation. It is not merely my desire to have my constituents honored by the distinguished presence of my brother Senators and Representatives.

I invite you to this great vacation State principally because I know my colleagues need recreation, that is, rebirth re-creation, as do I, and as does all America. And Wisconsin—that midwestern playground—is the place for you and for me. Whatever be the season—summer with its water sports, autumn with its touring, winter with its snow fun—skiing, skating, tobogganing, ice fishing, you will find a vacation in Wisconsin to fill your wants and suit your purse.

THE MAGIC CARPET TO AND THROUGH BADGER LAND

The Badger State can be easily and pleasantly reached by one's own car, by the finest modern trains, by bus, plane, or steamship through the Great Lakes. If one drives, he will enjoy the State's 80,000 miles of model highways with every mile either concreted or dustproofed for his comfort. Visitors will appreciate the convenience and safety of the Wisconsin ruling that keeps big trucks off main highways on holidays and week ends.

The tourist will want to stop over and see the great industrial and port city of Milwaukee, thirteenth largest in America, model of the Nation for its outstanding municipal administration. Milwaukee has just celebrated its one hundredth anniversary. Incidentally, the entire State will celebrate the centennial of its admission to the Union on May 29, 1948. Visitors will want to see our lovely State capital, Madison, home of our State university.

THE STATE-WIDE PANORAMA

But all of Wisconsin is vacation land—the green, rolling, dairy country with its purebred cows—No. 1 in the Nation, the cool lakes of southeastern Wisconsin, the hills and valleys of the southwestern part and the Green Bay region, rich in historic lore, the ever-changing glories of the lands and beaches bordering Lake Michigan and Lake Superior, the sportsman's northwoods region with its thousands of spring-water lakes, the lordly Mississippi on its west border.

Everywhere in these regions are abundant and well-kept hotels and resorts, large and small, together with forest lodges and lakeside cabins, modest cottages and cabins in the pines available for inexpensive rental. They are managed by folks who pride themselves on their high standards as gracious hosts, and who take pride in their State's national reputation for unexcelled hospitality.

THE RICH BLEND OF PEOPLES

There is a little bit of all the world in Wisconsin—its native Indians, its descendants of Germany, Austria, and Italy, its men and women of Viking blood, its sons and daughters of Poland, its Swiss, its French, its Canadians, its British, its Irish, its Slavs, its Magyars, its Greeks, and many others—Americans all, living with fraternity and good will.

THE SPORTSMAN'S PARADISE

Second only to the richness of our people is the wealth of our resources.

Vacationing he-men who wore the uniform of our country will particularly enjoy Wisconsin's 10,000 miles of trout streams, its hundreds of rivers, offering a greater variety of fish in greater numbers than probably any other State in the country. Thanks to our State's unrivaled fish propagation program more than 3,000,000,000 fish have been planted in the past 5 years. Here will be found black bass swimming in every one of the State's 71 counties, wall-eyed and northern pike, lake and stream trout, and the biggest, strongest, most spectacular and thrilling fresh water game fish—king of them all—the muskellunge or "muskie."

Here, too, are our Nation's greatest facilities for bow-and-arrow deer hunting.

Fortunately, the large number of competent Wisconsin guides, depleted by the war, has now been restored by our returning servicemen.

THE BALANCED ECONOMY

Wherever one goes in the State, he will enjoy its balanced economy, its interesting variety of manufactures, its forestry, and its agriculture but, most of all, its homemaking, God-fearing people. Of particular interest will be its 125,000 dairy farms which make Wisconsin the Nation's leading cheese-producing State—producing more cheese than all the other 47 States combined.

In the summer season, out of juicy grasses, sweet-scented clover, luscious alfalfa, and cool spring water, the greatest chemist in the world—the milk cow—makes the milk for nutritious, delectable cheese and butter. In the wintertime, out of silage from the nut-brown corn, ground wheat, and oats, hay, and alfalfa, the milk cow makes this perfect food.

THE TIME OF YOUR LIFE IN WISCONSIN

"All this and heaven, too" one can see for himself in wonderful Wisconsin. Seeing is believing; and seeing nature's splendors there means wanting to see them again and again. Wisconsin awaits you with health and good cheer; so, plan soon for the time of your life in beautiful Badger land.

CALL OF THE ROLL

Mr. EASTLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	Overton
Andrews	Hawkes	Pepper
Austin	Hayden	Reed
Ball	Hill	Revercomb
Bankhead	Hoey	Robertson
Barkley	Huffman	Saltonstall
Bilbo	Johnson, Colo.	Shipstead
Brewster	Knowland	Smith
Briggs	Langer	Stewart
Buck	Lucas	Taft
Byrd	McCarran	Taylor
Capehart	McClellan	Thomas, Okla.
Capper	McFarland	Thomas, Utah
Carville	McKellar	Tobey
Connally	McMahon	Tunnell
Donnell	Magnuson	Tydings
Downey	Maybank	Vandenberg
Eastland	Mead	Wagner
Ellender	Millikin	Walsh
Fulbright	Mitchell	Wheeler
Gerry	Morse	Wherry
Gossett	Murdock	Wiley
Green	Murray	Wilson
Guffey	O'Daniel	Young
Gurney	O'Mahoney	

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Georgia [Mr. GEORGE] and the Senator from New Mexico [Mr. HATCH] are absent by leave of the Senate.

The Senator from South Carolina [Mr. JOHNSTON] is necessarily absent.

The Senator from West Virginia [Mr. KILGORE], the Senator from Pennsylvania [Mr. MYERS], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER], the Senator from Oklahoma [Mr. MOORE], and the Senator from Indiana [Mr. WILLIS] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Michigan [Mr. FERGUSON], and the Senator from Kentucky [Mr. STANFILL] are necessarily absent.

The Senator from Illinois [Mr. BROOKS] is absent on official business.

The Senator from Wisconsin [Mr. LA FOLLETTE] is unavoidably detained.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). Seventy-four Senators have answered to their names. A quorum is present.

OPA AND THE COTTON INDUSTRY

Mr. EASTLAND. Mr. President, last Saturday night Mr. Chester Bowles is reported to have made a statement over the radio which was referred to in the New York Herald Tribune on Sunday, April 14, 1946, as follows:

> Mr. Bowles said: "Recently, cotton prices started shooting up wildly to the highest point in 22 years," a factor which he listed as one of the principal reasons for the severe shortage of shirts, house dresses, and other low-cost items.

Mr. President, the OPA has willfully failed not only to control textile prices which the consumer must pay, but to make available an adequate supply of clothing to the American people. Mr. Bowles, in making the statement to which I have referred, was attempting to hide from the American people the cause of the present deplorable clothing shortage. His statement was false. We have arrived at a time when high public officials in this country resort to untruthful statements in attempting to deceive and mislead the American public. The recent increase in cotton prices could have, under no conditions, nothing to do with the shirt shortage or with the clothing shortage, because those shortages were present before cotton prices started to increase. The price of cotton at no time has gone above a reasonable level, when taking into consideration the increased costs of production. Mr. Bowles stated that the shortage was due to increases in cotton prices. During the past year the consumption of American cotton decreased from 11,500,000 bales to 8,500,000 bales, or, roughly, 30 percent. That was before cotton prices reached the parity figure. I have before me a table showing the monthly consumption of all cottons in the United States. It indicates that at the present time the consumption of cotton in America is running much less than it ran 1 year ago. I ask unanimous consent to have the table printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Monthly consumption of all cottons in the United States

[American cotton in thousands of running bales, counting round as half bales. Foreign cottons in thousands of equivalent 500-pound bales, linters not included]

Month	1941–42		1942–43		1943–44		1944–45		1945–46	
	Month	Season	Month	Season	Month	Season	Month	Season	Month	Season
August	872	872	925	925	843	843	842	842	740	740
September	878	1,750	960	1,885	872	1,715	789	1,631	701	1,441
October	956	2,706	973	2,858	847	2,562	794	2,425	760	2,201
November	849	3,555	913	3,771	859	3,421	837	3,262	743	2,944
December	888	4,443	936	4,707	851	4,272	758	4,020	652	3,596
January	948	5,391	916	5,623	819	5,091	851	4,871	811	4,407
February	892	6,283	880	6,503	811	5,902	781	5,652	747	5,154
March	967	7,250	997	7,500	904	6,806	857	6,509	------	------
April	1,000	8,250	939	8,439	775	7,581	770	7,279	------	------
May	958	9,208	903	9,342	833	8,414	830	8,109	------	------
June	968	10,176	918	10,260	806	9,220	786	8,895	------	------
July	994	11,170	840	11,100	723	9,943	673	9,568	------	------

Source: U. S. Bureau of the Census.

Mr. EASTLAND. Mr. President, the attempt by Mr. Bowles to deceive and mislead the American people into believing that increased cotton prices might cause inflation, and that such increased prices would cause an increase in the price of clothing, is not only false but absurd.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. MAYBANK. I wish to invite the attention of the distinguished Senator from Mississippi to the fact that many commodities enter into the production of clothing other than cotton. In my opinion, there is total ignorance on the part of Mr. Bowles in regard to some important facts. The Senator from Mississippi spoke about a decrease in the consumption of cotton. I should like to invite the Senator's attention to the fact that War Food Order No. 145, which concerns the distribution of starch—the Senator is aware of the fact that textile goods cannot be manufactured without the use of starch—will curtail further the manufacture of cotton goods in this country, unless something is done about it, by 40 percent.

I read one paragraph of a letter which was addressed to the Secretary of Agriculture by one of the largest cotton manufacturers in the South:

> We are informed by the starch manufacturers that under War Food Order No. 145, the amount of corn they are permitted to grind is limited to 80 percent of the amount processed in the first 6 months of 1945. In addition, we understand that in view of inadequate ceiling prices, the starch producers have been forced to enter into some kind of a barter agreement whereby they are obliged to allocate 20 percent of their output to the people from whom they get their corn. This adds up to the reduction of about 40 percent in the supply of starch. We do not have any stock of starch to speak of, and our mills will have to curtail the production of cotton cloth to the same extent that the shipments of starch are reduced.

I invite the attention of the distinguished Senator from Mississippi to what I have read because no matter what happens, if there is any shortage in anything, or if there is anything wrong with anything, it is always the cotton farmer who suffers. It is always the cotton farmer who is blamed if the price of cotton increases only slightly. The sooner the OPA leaves the cotton-growing industry alone and leaves the cotton farmer alone, the better off will be the consumers in this country.

Mr. WHERRY. Mr. President, will the Senator from Mississippi yield in order that I may ask the Senator from South Carolina a question?

Mr. EASTLAND. I yield.

Mr. WHERRY. Why limit it to cotton?

Mr. MAYBANK. The Senator from Mississippi was speaking of cotton and so I spoke on that subject. I am in thorough agreement with the Senator from Nebraska as to the black-market situation in connection with meats, a subject which the Senator has so ably discussed from time to time. There is a similar situation in the case of lumber and the log industry; but the Senator from Mississippi was speaking of cotton, because Mr. Bowles referred to cotton.

Mr. WHERRY. I should like to call the attention of the distinguished Senator to the fact that those of us who come from a different section of the country are now alarmed, and have been alarmed for the past 2 years, about the meat situation. I do not want to take the time of the Senate this morning to speak about meat, but I made the remark on the Senate floor when the Senate was considering the housing bill that incentive payments would not bring about production in the housing field any more than they have brought about the production of meat. I gave an example then and I repeat it now. On a thousand-pound steer which is classed A or AA there is an incentive payment of $51.46; and yet despite the subsidy of $51.46 there has been an utter failure to produce meat. I desire to suggest to the Senator from Mississippi and the Senator from South Carolina, who have done such valuable work in offering constructive suggestions to OPA relative to cotton, that today the Secretary of Agriculture is placing additional incentives so that more milk may be produced and more meat may be produced. The testimony of the packers before the House committee last week was that the majority of the meat produced goes to the black market, and does not come down to the legitimate channels of trade. That is our problem; cotton is the problem of Senators from the South. The testimony is that we will never get production by incentive payments on our herds and crops.

Mr. EASTLAND. Mr. President, I agree entirely with the Senator from Nebraska. The trouble is with the officials of the OPA, those who administer these programs.

Mr. WHERRY. Will the distinguished Senator read them?

Mr. EASTLAND. I am going to give their names, so far as cotton is concerned, as taken from the files of the OPA. They are all young men without experience in business. Some were school teachers, and one of them a commercial mirror salesman at $1,300 a year. They are in control of matters affecting the textile

industry, which is so important to this country. I might add that some of them were deferred from military service in order that they might be able to kick the American people around. My judgment is that if the Senator from Nebraska would get the personnel files of those who handle farm products in Nebraska, he would find the same dismal picture.

Mr. WHERRY. I want to thank the distinguished Senator for affording me time to make the comment. I gave the names of the personnel in the Building Material Division, which handles everything but lumber, and I think that was brought to the attention of the distinguished Senator from South Carolina before he proceeded. The Senator will recall, further, that not one of all those who constituted the personnel had any practical business experience at all.

Mr. EASTLAND. Yes; the whole thing is run from Brooklyn and the Bronx.

Mr. WHERRY. I would not say Brooklyn and the Bronx, but I am satisfied that the personnel who made up the list I submitted were sadly lacking in experience.

Mr. EASTLAND. What I meant to say was that the Cotton Division and the one handling the textile business are controlled by men from Brooklyn and the Bronx, and I am going to put their names and background in the RECORD.

Mr. WHERRY. I should also like to have placed in the RECORD at this point a list of the names of those who are to control housing materials, outside of lumber. Such a division is now being set up as a new agency within OPA, and also give their background and their ages and experience. It is a matter of record and I should like to say it proves conclusively that in the building-material business what has happened is exactly parallel to what the distinguished Senator says has happened in the case of cotton.

Mr. EASTLAND. The attempt to lay inflation at the farmer's door, as I said, is foolish. The cotton farmer gets less than 12 cents of every consumer's dollar spent for cotton; the rest goes for handling, processing, and distributing.

In the case of overalls, the problem is to get cheap work clothing for the people of this country. Mr. Bowles stated that already cotton prices were the cause, not only of the scarcity but of the high prices charged veterans and others who wear overalls. These are Government figures: Their price range today is from $1.55 to $2.80 to the consumers. In overalls there is a content of 2.27 pounds of cotton. A 1-cent increase in the price of cotton would increase that commodity 2.27 cents. Yet OPA, after giving wage increases, including wages in the textile industry, to make the cost of the manufacture reach up to the ceiling price so that there is no room left for profit and the mills will have to shut down production, attempts to lay a few cents a pound increase at the farmer's door and say he is responsible for inflation and responsible for the shortage. That statement, as made by the Stabilization Director, is false, and I hope it is not intentionally made.

When it comes to dress shirts—and Mr. Bowles mentioned dress shirts in particular—let us see how utterly absurd and foolish his statements were. Dress shirts today range from $1.70 to $5. The Bureau of Agricultural Economics estimates that the cotton required to make a dress shirt, including the waste, is seventy-nine one-hundredths of a pound. In other words, in a $5 shirt there is not a pound of cotton. If cotton should go up a cent a pound, it would only add seventy-nine one-hundredths of 1 cent increase to the cost of such a shirt.

Mr. MAYBANK. As I recall, the Senator has said that it cost more to have a shirt laundered in Washington than all the value of the cotton in it.

Mr. EASTLAND. The Senator is exactly correct. In the case of work shirts, which range from 98 cents to $1.64, the same thing is true.

In the case of men's shorts, of which there is a shortage, the increase in the price of cotton would only add twenty-six one-hundredths of 1 cent to the cost of that item to the consumer. Yet the absolutely absurd statement is made that the increase in cotton prices is the cause of the shortage, and has caused the price of clothing to go up in this country. Mr. President, it is a part of a deliberate plan to mislead the American people, and an attempt to continue an agency without congressional check being placed upon it. That is what is causing the shortage and what has pushed the United States onto the brink of inflation.

A few years ago we were using 11,500,000 bales of cotton. The consumption today, as I have said, has fallen to 8,500,000 bales, and that at a time when there is the greatest purchasing power in the history of the American people, when they have more money than they ever had before, and when more than ever before in our history the necessity for cotton clothing has been acute. Think of it, Mr. President, at this time, although there is a scarcity and the people of this country have less clothing than they have ever had, and men discharged from the Army have to get special permission to wear their uniforms because they cannot go out and buy clothing, and although we have the greatest textile industry in the world and we have an adequate supply of cotton, yet the American people are virtually naked. What is responsible for that condition? The textile business is one of the largest businesses in the United States.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. MAYBANK. The Senator stated we had a sufficient supply of cotton. By that does the Senator mean for this year?

Mr. EASTLAND. Certainly.

Mr. MAYBANK. Would the Senator care to express himself as to the effect of these orders and statements by the OPA upon the cotton farmer, insofar as his planting of the cotton crop for next year is concerned. The Senator has just returned from Mississippi, and I should like to ask him what effect these orders are having upon the cotton farmer in planting, and how the farmers who must produce the cotton are reacting.

Mr. EASTLAND. It will result drastically in reducing production. The Senator must remember that the cotton plant is two-thirds food and one-third fiber. The dairy and livestock industries of this country are dependent upon it for protein feed, and the production of these industries will be greatly curtailed because of the actions of this agency.

Mr. President, who is responsible for the shortage? It is officials in OPA who today control the greatest business in the United States. Who are they? Who is actually handling the cotton business and who is actually handling the cotton textile business in OPA?

I sent down a few days ago and got the personnel files from that agency. I have one of the files here now, and I have excerpts which I personally took from the files as to the other employees there who are handling cotton and who are handling textiles, and as to their refusal to face the facts and to allow adequate ceilings, which is the cause of the great shortage in this country at the present time.

First, one of the important figures in the OPA, so far as cotton is concerned is Mr. Benjamin Caplan. Mr. Caplan's theme is that the cotton farmers are already making too much money, with the lowest standard of living in the country. There is a man who is absolutely vicious, when a farmer or when agriculture is mentioned. Mr. Caplan is the Consultant—Economist—Research Division, Consumer Goods Programs, OPA. Today he makes a salary of $6,500. The highest annual salary he received before he went into the Government service was $2,544, as a college professor.

Mr. President, this information is official, it is authentic, it is taken from the files of OPA.

Mr. Caplan was born in 1909 in Toronto, Canada, and became a naturalized citizen in 1938. He is 36 years old. He was educated at McGill University, receiving degrees of bachelor of arts and of master of arts, and he received a degree of doctor of philosophy from the University of Chicago. His major studies were economics and political science.

Mr. President, no one can point to one qualification this man possesses which justifies his occupying a position which makes him powerful in the cotton and textile business of the United States. But here are Mr. Caplan's qualifications.

From February 1934 to June 1934, he was employed at People's Junior College of Chicago at $2 an hour. He taught economics at night, 6 hours a week. From February 1934 to June 1934, he was also a clerk in the Civil Works Administration in Chicago at $35 a week. He came to Washington in 1934 and went into the Treasury at $4,000 a year. He went there to make a special study under Professor Viner on branch banking in the United States and Canada.

Is any qualification shown there to fit one to control the destinies of the biggest business in the United States, from which 13,000,000 people earn a livelihood?

In 1935 he went to the National Labor Relations Board at $4,000, and there also, as he states in his file, he made special

studies under Professor Millis on labor arbitration in Germany and in Canada.

Then he was with the Brookings Institution. Then he taught school in the department of economics at Ohio State University, and earned from $2,000 to $2,500.

Mr. President, in his application, in his personal file, there is not one reference to cotton or to the textile business. But he was transferred to OPA, and think of this college professor, this man of superior intelligence, transferred to OPA, into a powerful position, which controls the biggest business in this country, to become, in the period of a few months, an indispensable man, as he must have been, because the record shows that on March 8, 1943, he was deferred from military service in order that he might stay in OPA and control this business, and push the American people around.

Then there is another one who is powerful in the cotton and textile business, Mr. Henry Wohl, of New York City. Mr. Wohl lists himself as a business economist, Price Department, Consumer Goods, Price Division, Textile Price Branch, Cotton Section of OPA. He is there as an economist, but he has never taken a course in economics in his life. He draws a salary of $4,600 a year.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. EASTLAND. In just a moment. Mr. Henry Wohl was different from the other employees who handled cotton. He had experience in private business before he went into the Government service. In 1935 and 1936 he made $1,300 a year. Think of that, a man who is high up in a business where billions of dollars are invested and millions of men are employed, placed there after making $1,300 a year as a mirror salesman, selling mirrors for the Globe Mirror & Glass Corp., of Brooklyn, N. Y.

I now yield to the Senator from South Carolina.

Mr. MAYBANK. I call the attention of the Senator to the fact that last week there appeared in the newspapers an article for Mr. Bowles, who put the future margin order on the cotton exchanges. I presume these great and efficient economists to whom the Senator has just referred arranged this article for Mr. Bowles.

Mr. EASTLAND. Mr. President, the qualification for a job in OPA is to know Professor Frankfurter, and to be close to Frankfurter.

Mr. MAYBANK. The article from which I now read was probably arranged by these people:

"The evidence points very strongly to the fact that farmers have benefited only in part from the rise in future market prices of cotton," OPA said. "From August to February, while the price of cotton on the futures exchanges was rising 3.27 cents, the average farm price of cotton rose only 1.68 cents."

Mr. President, I should like to remind the OPA, as I feel sure my friend the Senator from Mississippi would, that in August and September, when the cotton is first picked, before it has been rained upon, and before it has been damaged, it always brings a higher price than does cotton which is picked in December, on January, after snow has fallen on it, after it has suffered from frost, and after the grade has been lowered.

So, Mr. President, that statement is entirely misleading and wrong. The price of middling cotton, which is the designated grade for the futures exchanges, increased 3.46 cents, while futures increased 3.28 cents only. The discrepancy, in my judgment, Mr. President, is purposely put out by those who know nothing about cotton, and nothing about cotton futures, and nothing about textiles, in order to deceive the American people, to belittle those in the South who do know something about cotton, and, to gain their own ends, always blaming someone for their own shortcomings and for their own attempts to create pandemonium in this country. I can only imagine what they expect the result will be.

Mr. EASTLAND. Mr. President, I thank the Senator from South Carolina for his able contribution, and I agree with him entirely.

I was discussing the background of Mr. Henry Wohl, one of the cotton and textile commissars in OPA. Mr. Wohl is 33 years old. He was born January 8, 1913, in New York City, and has lived there ever since. As I stated, he was a mirror salesman at $1,300 a year. He also worked for Cohen, Wachsman & Wassall, 70 Pine Street, New York, as a market technician, making stock and bond analyses, at $1,300 a year. Then he branched out in business for himself for a period of a few months as a Pepsi-Cola jobber in New York, and made at the rate of $1,300 a year as Pepsi-Cola agent in New York City. Then he came to Washington, to the Census Bureau, as a clerk at $1,800 a year and, Mr. President, was transferred from there to one of the powerful positions in OPA in control of the textile and the cotton business of this country.

In his file, there is not one reference to any familiarity with cotton or with the textile business. His brother, I understand, is a dress manufacturer in the city of New York. And in the case of this man, and the man Stix, whose father is a wholesale drygoods merchant, we should certainly compare the price ceilings that these men have allowed the dress manufacturers and the wholesale drygoods merchants as compared to what they permit the price of raw cotton to the farmers to be figured in OPA ceilings.

Here is another one, Mr. Saul B. Sells, also of the city of New York. None of these gentlemen ever lived in the South. None of them have ever had any experience in the cotton business. But they are picked up as minor clerks and placed in control, and it is by reason of their policies that the American people are in grave need of clothing today.

What is Mr. Sells' background? He is 33 years old. He is assistant director, Soft Lines of the Consumer Goods, Price Division of OPA, and makes a salary of $8,750 a year. This gentleman was in business for himself for a few months. He was paid at the rate of $1,500 a year as research assistant in college. Mr. Sells has a doctor of philosophy degree from Columbia University, and a bachelor of arts degree from Brooklyn College. He lists his major studies as social science, psychology, and education; total of 12 semester-hours' credits in statistics, and a total of 21 hours' credits in economic history and anthropology.

His experience and his background are these: From 1934 to 1936 Institute of Educational Research, Teachers' College, Columbia University, as research assistant, at $1,500 salary. Then he was a WPA employee in New York City making $1,860 when he started, which had been increased to $3,000 when he quit his position. He was a program planning analyst for WPA, preparation and development of detailed plans and for production in the field of economic statistics, government, education, and various scientific fields. Then he was director of education and research for WPA in New York City at $3,000 per year. Then he was employed by the board of education, committee on work projects of New York, at $3,000 to $3,600 per year.

This man also on December 22, 1942, became an indispensable man. The OPA Director of Personnel, Mr. Kenneth O. Warner, on that date requested his local board to reclassify him into III–B due to the nature of the activity in which he was engaged, which had to do with the textile industry, a place that could easily have been filled, and that should have been filled by an experienced, qualified, competent man in that field of endeavor.

Here is another gentleman who with the others control the cotton and textile business, Mr. William Stix. Mr. Stix is the only one not from New York City. Mr. Stix hails from the city of St. Louis. His father is a partner in the great wholesale drygoods concern of that city, Rice, Stix & Co. Mr. Stix's salary is $6,500. He is attorney for the Cotton and Synthetic Textile Section, Price Department of OPA, and very vicious against the cotton farmer and cotton industry. Yes; he wants to hold them down by oppression, and to mistreat them. But, Mr. President, one who reads the financial statements of Rice, Stix & Co. made before the war and those made at the present time can see if the officials in OPA have not been more liberal with the wholesale drygoods merchant than they have been with the farmer and cotton-mill operator of this country.

Mr. Stix was born on October 5, 1911, at St. Louis, Mo. He is 33 years old. He has a bachelor of arts degree from Harvard University. Those are his qualifications. He is a Frankfurter man. He also has a bachelor of laws degree from Harvard. He was admitted to the bar of Missouri in 1936. From 1936 to 1937 he was employed by Thompson, Mitchell, Thompson & Young, 706 Olive Street, at a salary of $1,200 to $1,800 as an attorney, working on memoranda, abstracts of title, and research. Then he engaged in the practice of law for himself, and practiced law several months at 408 Pine Street in the city of St. Louis. He was a specialist in labor relations, and earned the tremendous

sum of $300 for his several months' work as an attorney.

Then, Mr. President, with the light of world revolution in his eyes, with the light of the new day dawning, he descended on Washington to lend his talents as a bureaucrat in pushing the people of this country around and mistreating them. When he came here in 1937 or 1938 he was employed by the Senate Civil Liberties Committee, Senate Office Building, as an investigator in field investigation and preparation of materials for hearing, at $2,100 a year. What is there in that experience which qualifies him as an important figure in the cotton and cotton-textile business?

He went from the Senate committee to the National Labor Relations Board at $2,600, and when he left earned $3,200. In September 1938 he was detailed to the Senate Civil Liberties Committee and stayed there until August 1940. He does not claim to have any experience or qualifications in the cotton business. He does not claim to know anything about it; and yet he is one of the men placed in control of the cotton section of OPA.

Here is another personnel file from OPA. It is the file of a big man in the cotton section. Let me read his background, so that Senators may see that America's biggest business has been almost destroyed by being placed in the hands of the children of inexperience and bureaucratic despotism who have refused, no matter how good their intentions are, to face the facts and to remedy a deplorable situation.

The name of this man is Max L. Levinson. Mr. Levinson is also from New York City, and has lived there all his life. I wish to show his background from his personnel file. This is his application, signed by him.

His address is 15 Fort Washington Avenue, New York City. He is a graduate of New York University, both day and evening courses. He lists himself as a reporter for the college newspaper and a member of the Liberal Club. Those are the qualifications which he lists which would entitle him to be employed in the most powerful position in the cotton and textile section of OPA. Further, he says this:

> While attending graduate school I took the following courses at the Stock Exchange Institute: Functions of commodity exchanges; business statistics; investments; security analysis; work of the Stock Exchange, and seminars in current business discussion and in advanced business economics.

This gentleman also had some practical experience before he was employed by OPA at a fabulous salary. In 1935 he was employed by the Kinsler Distilling Corp. as supervisor in a bottling plant. He checked completed orders, supervised filling bottles, labeling, packing, and so forth, and arranged shipping details, at a salary of $1,300 a year. This is the man who has more power than any other in cotton and textiles in OPA.

He went from the Kinsler Distilling Corp. to Stern Bros. as an extra sales clerk for the holiday season at $21.50 a week. That is the only thing that any of these employees has had to do with drygoods or cotton. This man acted as an extra sales clerk. That is the nearest anyone has come to qualifying.

Further, he was employed by Carl M. Loeb, Rhoades & Co., in New York, at $1,800 a year, as associate commodity economist. His duties were to conduct studies in commodity research, analysis of marketing conditions, and price-making factors. By the way, this gentleman has now returned from military service, and has taken a place as Price Analyst, Price Department, Consumer Goods Price Division, Textile Price Branch, Cotton Section, of OPA.

Here is another gentleman, named Gardner Ackley. Let us see what Mr. Ackley's qualifications are for the powerful position which he is administering in the Government. Mr. Ackley is Price Executive, Textile Branch, Office of Price Administration, at a salary of $7,175 a year. He had a little experience in private business before he went into the Government service. He made $2,700 a year.

Mr. Ackley was born on June 30, 1915, at Indianapolis, Ind. He is 30 years of age. He attended Western State College at Kalamazoo, Mich., received his master's degree there, and the degree of doctor of philosophy from the University of Michigan. Then he taught school.

There is no reference in his application or anywhere in his file to any experience of any kind, character, or description in the business which he regulates in the Office of Price Administration. I defy anyone to point to a single qualification, or a single bit of experience which any of these men have had to qualify them for the positions which they hold.

When Mr. Bowles says that the increase in the price of cotton is responsible for the shirt shortage and for the goods shortage, as he is quoted in the newspapers as saying, his statement is absolutely and utterly false. The American people are entitled to have confidence in statements made by high officials of the Government. The least that the President of the United States can do is to discharge this man.

Mr. WILEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Mississippi yield to the Senator from Wisconsin?

Mr. EASTLAND. I yield.

Mr. WILEY. I am sorry that I was not present to hear all of the distinguished Senator's remarks. However, I did hear what he said in relation to the last three persons named.

My experience with OPA has been well exemplified by what the Senator has said. In the Office of Price Administration there are men who do not comprehend the problem and who in many instances have no sympathy toward the producer or the manufacturer.

Does the record show who recommended these men, how they got in, or why the head of a great agency should turn inexperienced men loose and permit them to interfere with the business life of a great segment of our country? In my own State of Wisconsin I have seen the result of turning loose such men. I have seen it in connection with such products as cheese. By their inept approach and by their ignorant concept of the problem they have injured and damaged a great number of industries.

Mr. EASTLAND. To be frank with the Senator, I did not check the personnel files with a view to seeing who recommended them. But here is the personnel file of Mr. Max L. Levinson, and I shall let the Senator have it and he may look at it.

The Senator said that these men have no sympathy for the people who are engaged in the business which they regulate and control. One of the high men down there has a hatred for the people who are engaged in the cotton business, and his entire cry is "The farmers make too much money."

Mr. President, unless the situation is changed by the Congress, cotton production will decrease. Today we are consuming 3,000,000 bales of cotton less than we were; and the consumption of cotton will continue to decrease, and the supply of textiles will become tighter and tighter. The biggest business in this country cannot be controlled by Government clerks and by "little men" without experience in that business.

Mr. WILEY. Mr. President, will the Senator yield further?

Mr. EASTLAND. I yield.

Mr. WILEY. In view of what the Senator has said, it seems to me that the point I have made is pertinent—namely, that the trouble in most instances is with the administration.

Mr. EASTLAND. I entirely agree with the Senator.

Mr. WILEY. The difficulty arises from the inability of the one who administers the job to understand and comprehend the problem. Therefore, it seems to me the remedy would be to find out whether these men are merely political appointees, whether they are simply shot in there, to draw salaries from the Government, by some political bigwig in the State or the Nation, someone who has the power to syphon help into a great machine like this, when we ought to have the best brains in the country in it. The Government needs competency.

Mr. EASTLAND. I entirely agree with the Senator. The only thing I know to do, today, is to abolish the agency. It is costing us millions of dollars and is pushing us to the brink of inflation.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a table showing the effect on the price of cotton goods of an increase of 1 cent a pound in the price of raw cotton.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. WHERRY. Mr. President, let me inquire whether the Senator from Mississippi has discussed the effect on the price of cotton of the order recently issued by the Secretary of Agriculture.

Mr. EASTLAND. I shall discuss it a little later. I have not done so today.

Mr. WHERRY. I am very much interested in it. We talk about the necessity of obtaining efficient men in office; yet there is now in a position of authority a man who has issued an order which is in direct contradiction to the policy adopted by the Senate, especially at the suggestion of the Senator from Alabama [Mr. BANKHEAD] who had adopted an amendment designed to take away from the Administrator the very power which is being exercised today by the present Administrator, who to my mind is setting his will over the will of the Congress and over the will of the people of this country. Yet the Congress is not doing anything about it, and we sit idly by and let this man do what he wishes to do. He attempts to get his power from the President under authority conferred by the Second War Powers Act, and he claims that authority entitles him to override the will of the Congress. As I recall, the Senator from Alabama and his committee attempted to write into the statute a provision which he thought would clarify the question of the power of the Office of Price Administration over the production of cotton. The Senator from Alabama attempted to do that by proposing an amendment requiring that the Secretary of Agriculture approve the order, and such amendment was adopted.

But now the Price Administrator has used the old precedent of the Second War Powers Act and the decisions of kangaroo courts to sustain him in saying that the distinguished Senator from Alabama did not mean what he said when he proposed the amendment which the Congress wrote into the statute, and the Administrator is relying for his authority on this order which means so much in connection with the price of cotton and the production of cotton, not only this year but in the years to come.

Mr. EASTLAND. I agree with the Senator.

Mr. President, to show the utter absurdity of the OPA's claim that the increase in cotton prices is causing a decrease in production, I wish to read an excerpt from a letter which I received on March 22 from the Office of Price Administration. The letter is signed by Mr. Maurice W. Lee, executive assistant to the Administrator of OPA. In his letter he discusses textiles at the garment-manufacturing level. I read from his letter, as follows:

> In addition to the reduction in margins, the industry has been required to absorb increased fabric prices and a 20 percent wage increase which went into effect at the beginning of this year. Any further increases today would probably put this industry below its base-period earnings, and require an upward adjustment in prices.

Mr. President, that shows that an official of the OPA believes that wage increases have had more to do with price increases than has any increase in the price of raw cotton. Mr. Bowles is engaged in an attempt to deceive and mislead the people of the United States.

EXHIBIT A

Effect on price of cotton goods of an increase of 1 cent per pound in price of raw cotton

Article (in code numbers of Bureau of Labor Statistics specifications)	Price [1]	Quantity [2]	Increase [3]
		Pounds	*Cents*
Overalls (MO91B)	$1.55 to $2.80	2.27	2.27
Dress shirts (111A)	$1.70 to $5.00	.79	.79
Business shirts (114C)	$1.39 to $3.45	.66	.66
Work shirts (101B)	$0.98 to $1.64	.73	.73
Men's shorts (131B)	$0.39 to $2.50	.26	.26
Work trousers (MO72B)	$1.78 to $4.77	1.80	1.80
Men's socks (171)	$0.33 to $0.65	.22	.22
House dresses (WO826)	$1.55 to $3.98	1.00	1.00
Sheets (YO41)	$1.29 to $2	2.00	2.00
Towels (YO31)	$0.44 to $1.12	.60	.60
Women's gowns (W101B)	$0.98 to $4.98	.70	.70
Men's seersucker suits	$14.50	2.10	2.10

[1] Range reported by Bureau of Labor Statistics for December 1945 in 34 States.

[2] Bureau of Agricultural Economics estimate of cotton required to make article, including waste.

[3] Increase in price of goods sufficient to reflect increase of 1 cent per pound in price of cotton.

An increase of 1 cent per pound in the price of raw cotton would add about $53,000,000 to the value of cotton goods made from 9,000,000 bales of cotton, if pyramiding of raw material prices through various manufacturing, handling, and distributing groups is not permitted. Approximately 40 percent of the total increase would be for wearing apparel, 20 percent for household goods, and 40 percent for industrial products.

The total increase in the consumer's bill for cotton clothing and household goods would be about $32,000,000 annually, or about 30 cents per capita per year.

Cotton clothing costs should be increased no more than one-half of 1 percent, on the average, ranging one-quarter of a cent on men's socks to 2 cents on overalls.

The cotton farmer gets less than 12 cents of every consumer dollar spent for cotton goods—the rest goes for handling, processing, and distributing.

Mr. BANKHEAD. Mr. President, will the Senator yield to me?

Mr. EASTLAND. I yield.

Mr. BANKHEAD. In view of the statement which the Senator from Nebraska [Mr. WHERRY] made a minute ago, I desire to refer to the statute which he mentioned and to make a brief preliminary statement regarding its history and origin.

When the bill creating the OPA was first under consideration, in 1942, a strong group of Senators felt that the OPA, under the management of Mr. Henderson, who then had been selected to head it, and whose selection had been announced, should not have control of agricultural commodities.

There was no resistance or challenge to his right to exercise control over industrial commodities and probably there was no challenge as to the wisdom of permitting him to exercise such control; but we thought that a separation should be made and that the power should be placed in two hands, one controlling industry and the other controlling agriculture. However, it developed that the President was very much opposed to such a division of authority. He thought it probably would weaken the power of control and its effectiveness.

As a result, I prepared and offered in the Committee on Banking and Currency, of which I was a member, an amendment requiring the Administrator of the OPA to secure the approval of the Secretary of Agriculture before he took any action affecting agricultural commodities. We had a great fight over that amendment. Many Members of the Senate who now are on the floor participated in that fight. I see in the Chamber at this time the Senator from Oklahoma [Mr. THOMAS], who took an active part in the struggle which occurred at that time. A contest was waged here in the Senate. It was a fight against the administration led by the popular Mr. Roosevelt, our late President. That fight resulted in the adoption of the amendment I had proposed. We thought that probably it assured having at least any action affecting agricultural commodities approved by someone who was familiar with agricultural conditions and who would prevent abuses and maladministration as a result of ignorance of agricultural conditions. So we went along. But finally it developed that an Economic Stabilizer had been created. When the Secretary of Agriculture and the Administrator of the OPA were not in accord, the Stabilization Director made the decision as to what should be done, even when in doing so he overrode the will of the Secretary of Agriculture whose consent was required by law. Such action resulted in great antagonisms and resentments, and in the destruction of the effectiveness of the statute which was enacted after great effort, as I have stated, on the part of the administrative forces. The Senate passed the measure, and it was referred to a conference committee. Subsequently it was enacted into law.

Mr. President, in the course of the discussion of the subject it was recognized that, generally speaking, by virtue of the powers which had been given him, the President could transfer certain powers and duties from one individual to another. Inasmuch as the President then very much opposed the amendment, it was likely that in some way a transfer of the duties of the Secretary of Agriculture would be made to someone else, or that an order would be issued which would destroy the effectiveness of the requirement. So we very carefully guarded the language of the amendment. But, as I have already said, it was ignored and overridden in an indirect way without any statutory authority for doing so. I never knew how the Stabilization Director assumed to have the power to override the Secretary of Agriculture, but we found that he was doing it openly and above board. I believe that he claimed some degree of authority to do so under the War Powers Act which had been enacted before the adoption of the amendment to which I have referred. So, at the last session when we were considering the continuance of the Price Control Act, in the face of all the complaints which were being made with regard to the power of the Secretary of Agriculture being neutralized and overridden, we took up again the subject in conference. We had Mr. Bowles present. We had Mr.

Fred Vinson present. At that time he was Stabilization Director, or, at least, was occupying a similar office. It was at just about the time when Mr. Anderson was appointed Secretary of Agriculture. He also was present. We discussed how we could write the amendment so as to prevent the intervention of any outside agency or individual. We discussed how we could frame a law which would continue in the Secretary of Agriculture the power which the Congress nad given him when passing the original price control law. The Senator from Ohio [Mr. TAFT] was a member of the conference committee. There were other members of great ability. There were on the conference committee strong Members of the House. I have before me the price control language which was agreed upon at that time, and which is now the law. We inserted certain language in the amendment which had been adopted in 1942. Because there had been some controversy about whether the Secretary of Agriculture had agreed to certain actions, the language was incorporated. It was read to the gentlemen to whom I have referred who were present at the conference. They knew what the conferees intended, and it later received the approval of both Houses of the Congress. Here is the language:

Notwithstanding any other provision of this, or any other law—

The War Powers Act or anything else—

No action shall be taken under this act by the Administrator or any other person—

We incorporated those words so as to include the President of the United States—

without prior written approval—

That is what we included the last time—

of the Secretary of Agriculture with respect to any agricultural commodity.

And so forth. In the conference committee we had the uniform desire to make the officials conform with the law as it had been originally written. I believe that Mr. Bowles knew, as Administrator of the OPA, that he could not do what he had done. So, as Stabilization Director he has assumed the power to overrule the Secretary of Agriculture, or force him to do what he wishes to have done.

Mr. President, I did not know that the present discussion would arise. I came into the Chamber expecting to hear a debate on the housing bill. The able Senator from Mississippi [Mr. EASTLAND] was discussing the present subject, and the able Senator from Nebraska [Mr. WHERRY] was participating in the discussion.

After the Secretary of Agriculture had for more than 2 weeks declined to approve an order which was sought to be issued by Mr. Paul Porter as Administrator of the OPA fixing the margins which the commodity exchanges of this country should require on cotton—if it could be done in connection with cotton it could be done in connection with all other commodities—Mr. Bowles issued an order directing the Secretary of Agriculture to affix his approval. In affixing his approval, the Secretary merely said, in substance, "Approved under the order of the Economic Director." That is of record. That is the only approval that was given. But, was it an approval? Was it free and voluntary? Was it the result of the exercise of the judgment of the official whom the Congress said must approve before an order could become effective, or was it an evasion and a subterfuge? Was it an unlawful usurpation of power? I submit, Mr. President, that it represents government by man and not by law. It is government by Mr. Bowles acting as Stabilization Director, and not by the official who was directed by Congress to act in that respect.

Mr. WHERRY. Mr. President, will the Senator from Alabama yield?

Mr. BANKHEAD. I yield.

Mr. WHERRY. On the point the Senator is making, I should like to have him state to the Senate whether the action which was taken was not a direct violation of the statute which the Senator had amended so as to prevent the very thing that took place. Is not that the Senator's interpretation?

Mr. BANKHEAD. Of course, it was a direct overruling of the statute, and directly in conflict with it. As I said in the preliminary statement, the statute was prepared for the express purpose of preventing anyone taking that action except the Secretary of Agriculture. It may be said that the Secretary of Agriculture should not have approved the order. Evidently he did not want to do so. I have no authority to speak for him, but he certainly was clear-cut in what he did, because he indicated it was not his judgment. He wrote on the approval "Not my action," in effect, "approved by order of the Stabilization Director."

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Alabama yield?

Mr. BANKHEAD. I yield.

Mr. THOMAS of Oklahoma. When I made my statement in the Senate a few days ago, I said as plainly as I could that Mr. Anderson opposed the order for 3 weeks, but finally, through some influence, which I called a political blackjack, he signed the order, but in parentheses he indicated that it was not with his approval.

After I had made my statement and the RECORD reached Mr. Anderson's attention, he read the statement in full and wrote me a letter complimenting me upon the way in which I handled the situation, indicating to me that what I said was exactly what he meant.

Mr. BANKHEAD. The very able Senator from Oklahoma, who is always loyal and true and faithful in his attitude toward the farmers, made a statement in the Senate a few days ago giving a full account of this transaction, and I wish every Member of the Senate would read it. It was a very clear statement.

Mr. President, the action to which I have been referring came after Mr. Porter had sent for officials of the three commodity exchanges, the New York Exchange, the New Orleans Exchange, and the Chicago Exchange, and urged them to put into effect the increased margin requirement for executing contracts on the exchanges. I was not present at the meeting. I do not know whether or not threats or intimidation were attempted. All I know is that the officials declined to abide by or submit to this dictation on the part of the Administrator of the OPA, and did not put the order into effect.

Mr. Bowles proceeded to take charge, in a direct way, by issuing a directive, and when the directive was issued, then the Administrator of the OPA issued another directive, which is not a new term in government, but one in very common use.

The directive issued to the commodity exchanges was that they increase the margin requirement. The margin requirement is larger than it has ever been known in our history, $50 a bale on cotton. Cotton used to sell for that. For many long years that was about the price of a bale of cotton. Under the directive purchasers would have to put up $50 a bale, $5,000 for an ordinary 100-bale contract. If such requirements as that were in effect during the marketing season—October, November, and December—it would take all the money the RFC would have available to supply a sufficient amount for people who bought the cotton crop to hedge on the commodity exchange market.

It was intended to reduce the price of cotton, and it had that effect. In 1 day after it went into effect it reduced the price of cotton $7.50 a bale, which would amount to approximately $80,000,000 on next year's normal crop of 12,000,000 bales, and by itself would mean that much loss. The intention was to drive the price down.

Mr. WHERRY. It stopped production, did it not, during that period?

Mr. BANKHEAD. Of course. All the Senators from the Cotton States will verify the statement that under the greatly increased cost of production, not only of labor but farm implements, equipment, fertilizer, and everything else, to say nothing of the farmers' own expenses in operating, the indications are now that they cannot put the usual acreage into production.

It must not be forgotten that two-thirds of cotton by weight is used as feed and food. There are about 2 pounds of seed to 1 pound of lint in cotton, and that seed is used, as we know, of course, for cottonseed oil, which is in great demand, for hulls, for feed, and the linters for oil and for other purposes. Then the cake is highly valuable as a feed material. That is all now in great demand. Instead of taking action which would mean a change of 1 or 2 cents in the price of cotton, which is all that has been involved up to date, they now take an action which will greatly reduce the production of cotton.

Mr. President, I have said all I care to say about the matter at this time. I

have injected this discourse because the Senator from Nebraska raised the question, and I wanted to add something from my personal information on the subject.

Mr. WHERRY. I thank the distinguished Senator from Alabama for his detailed statement, because it is informative, and the entire membership of the Senate appreciates what he has said.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THOMAS of Oklahoma in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	O'Mahoney
Andrews	Hawkes	Overton
Austin	Hayden	Pepper
Ball	Hill	Reed
Bankhead	Hoey	Revercomb
Barkley	Huffman	Robertson
Bilbo	Johnson, Colo.	Saltonstall
Brewster	Knowland	Shipstead
Briggs	La Follette	Smith
Buck	Langer	Stewart
Byrd	Lucas	Taft
Capehart	McCarran	Taylor
Capper	McClellan	Thomas, Okla.
Carville	McFarland	Thomas, Utah
Connally	McKellar	Tobey
Donnell	McMahon	Tunnell
Downey	Magnuson	Tydings
Eastland	Maybank	Vandenberg
Ellender	Mead	Wagner
Fulbright	Millikin	Walsh
Gerry	Mitchell	Wheeler
Gossett	Morse	Wherry
Green	Murdock	Wiley
Guffey	Murray	Wilson
Gurney	O'Daniel	Young

The PRESIDING OFFICER. Seventy-five Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DOUGHTON of North Carolina, Mr. COOPER, Mr. DINGELL, Mr. ROBERTSON of Virginia, Mr. KNUTSON, Mr. REED of New York, and Mr. WOODRUFF were appointed managers on the part of the House at the conference.

PAN-AMERICANISM AND WORLD PEACE

Mr. CONNALLY. Mr. President, the remarks which I expect to make would have been made more appropriately on April 14; but the Senate was not in session at that time, and I am therefore compelled to make them now. They relate to the formation of the Pan American Union.

A little over a decade ago, Mr. President, the Presidents of the 21 Republics, members of the Pan American Union, designated by executive order, April 14 as Pan-American Day. The purpose of this action, taken in all the countries of the Western Hemisphere, was to impress upon the nations of the hemisphere the significance of the long road which they have travelled together in their quest for unity of purpose and policy. It was also designed to remind them of the grave responsibilities involved in the maintenance of peace and security on this hemisphere as well as the great contributions which the American Republics are called upon to make to the maintenance of peace all over the world.

It must be a source of unending satisfaction to every citizen of the Americas to look back upon the splendid record of accomplishment not only in the peaceful settlement of disputes but also in promoting inter-American cooperation in the solution of common economic and social problems. The American Republics emerged from the colonial period as independent states, with indefinite boundary lines which subsequently gave rise to a long series of difficult and delicate territorial disputes. It is to their everlasting credit that practically all these disputes have been settled by the orderly process of mediation, conciliation, and arbitration. Situations which in other regions of the world might have given rise to bloody and exhausting wars have been settled in this hemisphere by the earnest desire and determined purpose of the masses of the people to keep this continent free from conflict.

I remind the Senate with justifiable pride that we in the New World established the Pan American Union 30 years before the League of Nations first saw the light of day. The Union was, in effect, the first international organization of a general character working on behalf of peace among the nations. This fact stands in the record of history as a lasting tribute to the vision of the men and women of the new World.

We must all bear in mind, Mr. President, that to the nations of the Americas peace has a far deeper meaning than the mere absence of armed conflict. It is a positive concept involving mutual helpfulness in the solution of common problems; it involves the placing of the experience of each and every one at the disposal of all.

It was my privilege, Mr. President, to attend the recent Inter-American Conference on Problems of War and Peace held at Mexico City in February of last year. There I beheld an imposing, and to me, an inspiring spectacle. The representatives of the American nations, there assembled, far from seeking any selfish advantages were laboring for the common good, for the defense and security of the hemisphere, for the universal recognition of human rights, and for cooperation in the solution of difficult postwar problems confronting their respective countries.

At the meetings in the splendid castle of Chapultepec at Mexico City, I realized more clearly than ever before the meaning and content of the Pan-American spirit. Through the Pan-American Union, which has served as the organ of the Union of the American Republics, a new and higher concept of international dealing has been developed. Through the intermediary of the Union new agencies for inter-American cooperation have been established, such as the Inter-American Economic and Social Council, the Inter-American Institute for the Protection of Childhood, the Inter-American Institute of Geography and History, and a host of other organizations.

I hasten to add, Mr. President, that the inter-American system is not based on buildings and organizations alone. It goes far beyond mere bricks and mortar. We have agreed upon a core of common ideals which bestow upon the inter-American system its life and vitality.

Our common belief in freedom, of course, stems back across the decades to the time of Washington and Bolivar.

We have, moreover, united on many occasions to denounce intervention, aggression and conquest, and reaffirm our faith in such fundamental concepts as law and order, the equality of states, the sanctity of treaty obligations, and international cooperation in general. These are the principles of conduct which guide our relations with one another. These are the ten commandments of the inter-American system.

This spirit of inter-American solidarity, Mr. President, does not involve the slightest element of antagonism, or even of rivalry with any other region of the world. The Charter of the United Nations reserves an important sphere of action for regional organizations, and it is in this sphere of action that the American Republics will continue their important concepts of international relations.

On this point there is no conflict. The delegates at Mexico City and at San Francisco all realized that world peace and security are necessary first of all if the Americas are to be free from attack.

It is my hope that before many months have passed the American Republics will convene again for the purpose of putting into permanent treaty form the regional machinery contemplated in the Act of Chapultepec. Our hemisphere system will then become one of the permanent pillars in the temple of peace built at San Francisco.

On this Pan-American Day, we cannot, even while we are building for the future, forget the heroic past. It is in the noble spirit and tradition of great leaders like Washington, Bolivar, San Martin, and O'Higgins that we must carry on. "I have a deep faith in the future of America," said the exiled San Martin on his death bed, and we have only to look about us at the growth and development of the inter-American system to realize that such faith is being fulfilled.

If these great leaders of the past could look down upon us now, I am confident they would be pleased at the action we have taken to unite the Americas in a common cause. They would be glad to know that the liberties for which they struggled so valiantly will be defended by all the republics of the new world acting together in unison and harmony. They would be glad to know that we have adopted the principle of "all for one and one for all."

It is such faith, to, as that expressed by San Martin that will lead the American Republics to make a real contribution in the future. Not only will they continue to perform important service in the inter-American field but by reason of their unity and unswerving devotion to the cause of peace and security, I am convinced that the united action of the

American Republics will constitute a most important factor in the maintenance of world peace.

NATIONAL HOUSING POLICY

The Senate resumed consideration of the bill (S. 1592) to establish a national housing policy and provide for its execution.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

Mr. BALL. Mr. President, unfortunately during much of the discussion of the housing bill, Senate bill 1592, I have been engaged in hearings before a subcommittee of the Committee on Appropriations. I do not know whether there will be a yea-and-nay vote on final passage, and I wish briefly to express my support of the measure.

I believe that the three authors of the bill, the Senator from Ohio [Mr. TAFT], the Senator from Louisiana [Mr. ELLENDER], and the Senator from New York [Mr. WAGNER] deserve the thanks of the Senate and the congratulations of the country for the fine job they have done in devising an over-all, balanced housing program for the Nation. We all know that they have devoted a great many months of hard work to the bill.

Mr. President, I voted against the so-called Veterans' Emergency Housing Act. I voted against it because I believe that in normal peace times the sort of wide-open, broad Government controls which were turned over to individuals to exercise with very little specific directions from Congress as to how they should be handled, plus the use of subsidies which are not selected, but which are broadcast and benefit all the people, regardless of need, are extremely unsound in time of peace.

I intend to vote for the pending bill. I believe that the subsidies for low-rental housing are sound and proper, because they are selected subsidies. They go directly to the people who need them. The very low income families simply have not the money with which to pay rent for decent housing. I believe that the Government has an obligation to see to it that all children in this country have an even start, and come from homes where they have reasonably decent housing accommodations. For that reason I believe that the selective subsidies in this bill, going directly to the people who need them, are sound, liberal, and democratic, whereas the broadcast subsidies, which apply to everyone—whether in connection with food, building materials, or anything else—and which benefit everyone regardless of need, are unsound and an unwarranted interference with the operation of free competition in our economic system.

I must admit that, like most other Senators, I have not had time to study the bill thoroughly, although I have read quite a few analyses of it. I read the statement made the other day by the Senator from Ohio [Mr. TAFT]. From my study of the bill it seems to me that it will do far more than the measure which we passed the other day to stimulate the production of decent housing for families with moderate incomes, whether they wish to own their homes, or are able to do so, or whether they must rent them.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended, which is open to further amendment. Are there further amendments to be offered.

Mr. MURDOCK. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 140, in line 3, it is proposed to renumber section 312 as section 312 (2), and after line 5 to insert the following:

(b) Section 212 (b) of the National Housing Act, as amended, is hereby amended by deleting the words "section 207 or section 210" from the first sentence and inserting in lieu thereof the words "any section."

Mr. MURDOCK. Mr. President, this amendment has been commonly referred to as the prevailing-wage amendment. It was offered before the subcommittee of Banking and Currency which considered this measure, and it was adopted by the subcommittee. I understand that when the subcommittee made its report to the full committee, the full committee deleted the amendment which had been adopted by the subcommittee. I was precluded from attending the meetings of the full committee at the time when that action was taken and at the time when the committee voted to report the bill to the Senate.

Mr. President, I am very favorable to the pending legislation. I think the three co-authors of the measure are to be complimented, and I do compliment them, on the very great work they have done in bringing this measure to the Senate. It is my opinion that it is very timely and highly appropriate; that under its provisions the great housing shortage which today exists in the United States will, over a long-term period, be relieved; and that much good will come from the pending bill.

Mr. President, the amendment provides in particular that instead of the prevailing wage scale being applicable under only two sections of the bill, it shall be applicable under all sections of the bill. It seems to me that the amendment is a good one. All wartime housing was constructed under the prevailing-wage provision. Why such provision should be applicable to a part of the bill and some of the housing projects, but not to all the bill and all housing projects which come under FHA is rather puzzling to me. It seems to me that to write the prevailing wage amendment into the bill itself will have a strong tendency to reduce labor troubles. If the bill provides that the construction of individual houses as well as all other projects must be done under the prevailing wage scale, there will be no question about what the applicable wage scale will be.

Today there is a great deal of talk to the effect that in the case of construction in rural districts or in remote spots the prevailing wage-scale provision will be very difficult to administer. The answer is that the FHA has had no trouble whatever in administering the law as it exists today, and it makes the prevailing wage provision apply to a part of the housing projects. As I have already stated, the prevailing wage-scale provision applied to all wartime housing construction, and in my opinion it worked admirably.

If the prevailing wage provision is not included in the pending bill there will be constant pressure to depress labor wage scales, to drive them down. In my opinion, the result will be a great deal more labor trouble than would occur under the prevailing wage provision.

Mr. President, I hold in my hand a letter from the American Federation of Labor. I wish to read it to the Senate:

Hon. ABE MURDOCK,
United States Senate,
Washington, D. C.

DEAR SENATOR MURDOCK: Two objections have been advanced to the prevailing wage amendment to S. 1592 designed to require the payment of prevailing wages in the locality as a minimum on all FHA insured housing.

The first objection is that the FHA merely insures mortgages, and that the mortgage loan is made by a private lender, a transaction in which FHA does not participate and for which it does not take any responsibility. In advancing this objection, Commissioner Foley completely misled the committee by an outright misstatement of facts. He created the impression that the prevailing wage requirement is not in the present law governing FHA mortgage insurance and is now limited to construction directly financed by the Federal Government. As Commissioner Foley well knows, such is not the case. The objection he now advances was advanced by the FHA several years ago and was overridden by Congress itself when it adopted the prevailing wage amendment requiring payment of not less than prevailing wages on all housing valued at $16,000 or more. This prevailing wage requirement is now the law by which the FHA is governed.

Let me interject there, Mr. President, that the prevailing-wage provision is not something new. It is already in the law. The only question before the Senate is whether we wish to have the prevailing-wage provision applicable to housing which is built on one side of a city or town, but not applicable to housing which is built on the other side, or have it applicable to one type of housing, but not to another type.

Mr. CARVILLE. Mr. President, will the Senator yield for a question?

Mr. MURDOCK. I yield.

Mr. CARVILLE. Is it not a fact that most States in the Union have a prevailing-wage law? I know that in my State we have such a law, and we are governed by it. This amendment would only augment such laws insofar as Federal housing projects are concerned.

Mr. MURDOCK. I think the Senator is absolutely correct. On all housing projects where the money comes from the Treasury there is no question about the application of the prevailing-wage provision.

If a Senator were so meticulous as to claim—as might be done in opposition to the amendment—that where the Federal Government, instead of furnishing the funds directly, is insuring the mortgages, a distinction should be made, I simply could not agree with that kind of thinking.

It seems to me we have progressed far enough down the road of labor relations to know that when we provide for

the payment of prevailing wages on all projects, we then have eliminated any question as to what the wage scale shall be. We thereby eliminate the chiseler and the shoddy, poor construction which results from the poor workmanship of labor which is not competent to do the type of job to which the owner of a home, whether it is a small one or a large one, is entitled.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. MURDOCK. I yield.

Mr. LUCAS. I am not sure that I understand the line of demarcation which is drawn here between cases in which the prevailing-wage provision prevails and cases in which it does not prevail. Will the Senator explain that a little more fully to me?

Mr. MURDOCK. In the present law there are two sections—section 207 and section 210—which are subject to the prevailing-wage provision. All other housing under the FHA is not subject to that provision.

Mr. ELLENDER. Mr. President, will the Senator yield to me at this point?

Mr. MURDOCK. I yield.

Mr. ELLENDER. Section 210 was repealed back in 1939, so it is no longer the law.

Mr. MURDOCK. I understand that is true, insofar as housing costing $16,000 or more is concerned.

Mr. ELLENDER. The prevailing-wage provision now applies only to large rental housing financed under FHA, and to nothing else.

Mr. MURDOCK. I know that is the Senator's position, but I think he is absolutely incorrect because all through his bill he will find that the very provisions which he now says are eliminated are still there.

If this amendment is adopted, as I said before, we shall not have a project, on the one hand, which is built under the prevailing-wage scale and a project, on the other hand, which is built under a lower wage scale.

Mr. President, it is my opinion that the adoption of the prevailing-wage amendment will insure the owners of smaller homes that they will get the same type of workmanship on their homes that the owners of larger houses obtain on theirs. If this amendment is not written into the bill, the Senate will open the door to chiseling on labor-wage scales and will open the door to poor construction and to the employment of inefficient mechanics on the homes, which, in my opinion, need efficient labor more than any others do.

Mr. LUCAS. Mr. President, will the Senator yield to me again?

Mr. MURDOCK. I yield.

Mr. LUCAS. Do I correctly understand that the prevailing-wage provision does not apply to the small homes which are being constructed, but does apply to the larger housing?

Mr. MURDOCK. That is the state of the law today.

Mr. LUCAS. In other words, the pending bill would not change the present law in that respect?

Mr. MURDOCK. Not in the slightest.

Mr. LUCAS. I understand that the Senator's amendment would make the prevailing wage apply to all housing, regardless of the conditions in the community or the type of housing being constructed.

Mr. MURDOCK. That is correct.

Mr. LUCAS. I thank the Senator.

Mr. MURDOCK. Mr. President, I should like to conclude reading the letter:

The proposed amendment would merely extend that requirement to all new construction insured by FHA.

The second objection is that this requirement would prove unworkable because the minimum prevailing-wage standard could not be determined in outlying areas. The FHA is creating a false notion that in order to make the payment of prevailing wages applicable to any housing construction, a special determination will have to be made. The fact is that the law now requires the Secretary of Labor to make repeated prevailing wage determinations all over the country. That was done during the war with respect to rural areas, outlying areas, and sections of the country where war housing was put up for the first time. The application of the prevailing-wage requirement to war housing did not in any way deter or slow up war-housing construction or development. These determinations were made for each locality or area by the Secretary of Labor and were then made automatically applicable as a minimum requirement to the individual homes as well as groups of houses in the course of the war-housing program. The same procedure would apply under the proposed amendment.

As for the FHA's responsibility for the standards on housing built under FHA insurance, it is enough to point out that the FHA does in fact control the standards of location, construction, and all other physical details of the house on which it insures the mortgage. The requirement that one of these conditions would be the payment of not less than the wages actually prevailing in the locality is completely in line with all other standards already required by the FHA. It would eliminate the major cause of substandard construction—destructive wage competition and the shoddy, cheap, and inefficient construction which results from such competition. A minimum standard in home building is just as appropriate as a minimum standard already required by Federal law on all other types of work.

Your support of the prevailing wage amendment on the floor will be greatly appreciated.

Sincerely yours,

BORIS SHISHKIN,
Secretary, Housing Committee,
American Federation of Labor.

Mr. Shishkin testified before the committee. He was very emphatic in his approval of the bill, but was just as emphatic in insisting that the prevailing wage scale amendment be adopted.

Mr. President, I believe that all Members of the Senate have been furnished copies of a statement which goes into detail and at some considerable length with reference to what will be the effect of leaving the proposed amendment out of the bill. I ask that, as a part of my remarks, the statement may be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AMENDMENT TO S. 1592, EXTENDING PREVAILING WAGE REQUIREMENT TO ALL FHA-INSURED HOUSING

It is proposed that the general housing bill, S. 1592, be amended to extend the application of the existing requirement to pay prevailing wages on FHA-insured housing to the construction of all types of FHA-insured homes. The present law makes the prevailing wage requirement applicable only to housing valued at $16,000 or more under sections 207, 210, or 608 of the National Housing Act. The proposed amendment would involve no new legislative principle. It would merely extend the requirement which is now law to all types of housing insured by the FHA.

FHA Commissioner Foley, in a letter to the majority leader, argues that the proposed amendment would seriously impair the operation of the FHA. There is overwhelming evidence, based on actual operating experience, proving that the application of the prevailing wage requirement would in no way impair or handicap the development of FHA-insured housing and that, on the contrary, it would assure the home buyer the purchase of a well-built home under fair labor standards and would thereby make FHA insurance more attractive to the prospective home purchaser.

THE PREVAILING WAGE REQUIREMENT ON FHA-INSURED HOUSING OF $16,000 OR OVER IS NOW IN EFFECT UNDER EXISTING LAW

FHA Commissioner Foley has resubmitted to the Senate the statement on prevailing wages FHA submitted to Congress 8 years ago on January 31, 1938. A number of Senators were led to believe that the statement is a current one and deals with the problem as it exists today. Accepting the FHA submission at its face value, a leading Senator and one of the foremost supporters of the bill stated on the floor of the Senate on April 11 that the prevailing wage requirement is not in the law with reference to FHA and that the wage provision is not contained in legislation dealing with the Federal Housing Administration. It is plain that the FHA misled the Senate regarding the very law it is administering. The FHA opposition to the prevailing wage requirement was overridden by Congress in 1938 and the prevailing wage requirement was enacted into law at that time. The prevailing wage requirement has been an integral part of the law governing FHA insurance ever since with respect to housing valued at $16,000 or more. The proposed amendment does not bring the prevailing wage requirement anew into the mortgage-insurance field. The requirement now applies to that field. The amendment merely makes it applicable to housing valued at less than $16,000.

PREVAILING WAGE DETERMINATION IS AUTOMATIC

The FHA Commissioner Foley argues that the proposed amendment would be difficult and even impossible to administer because a separate determination would have to be made with respect to each application for insurance since the provision requires that the prevailing wage be determined prior to the beginning of construction. Mr. Foley's contention is false both in purport and in fact. Determinations of what constitutes a prevailing wage in a locality have been and are being currently and automatically made all over the United States. Neither individual determinations for each insurance application nor special determinations for each locality would have to be made. The Secretary of Labor makes prior determinations for all types of work of comparable character for the locality as a matter of course. Those determinations that have already been made are then made applicable as a matter of routine procedure. There will not be a day lost in the construction or sale of any FHA-insured house because of the requirement to apply prevailing wage standards. Past experience provides ample proof of this and, in fact, demonstrates that application of fair-wage standards eliminates the cause of labor disputes and thereby speeds construction of homes.

ADMINISTRATION OF THE PREVAILING WAGE HAS PROVED THOROUGHLY WORKABLE IN OUTLYING AREAS

It is argued that it will be difficult to determine what constitutes the prevailing wage in small communities and in outlying areas. Wartime experience has proved that no such difficulty actually exists. During the war prevailing wage requirement was applied to all publicly financed war housing as well as to war housing privately built and FHA-insured under section 608 of the National Housing Act. There were a great many individual homes and groups of homes built under this requirement in out-of-the-way locations and in completely new settlements created by war conditions. Some war plants were located in far away, unpopulated sections of the country and to accommodate war workers both private and public housing was built there. In such cases fair and proper determinations were made of the prevailing wage standards for work of comparable character in the nearby area, and, based on such findings, an appropriate standard was applied to the construction work on such location. Since these determinations were made in advance of construction, no delays have resulted on any such housing construction during the entire war period. From now on the finding would usually involve only the restudy and review of the prior findings, and the future determinations can therefore be made even more expeditiously.

THE PREVAILING WAGE REQUIREMENT DOES NOT RAISE WAGES; IT MERELY PREVENTS WAGES FROM BEING DRIVEN BELOW THE ALREADY PREVAILING STANDARD

Arguments are advanced contending that the prevailing wage amendment would increase wages of building workers or that it will make applicable to home construction the scale prevailing on large-scale industrial or commercial building. These arguments ignore the plain and simple language of the prevailing wage requirement which is now law. The proposed amendment, which would apply the prevailing wage to all FHA-insured housing instead of to some, would in no way modify the law as it now stands. It would do no more than require the payment of "not less than the wages prevailing in the locality in which the work was performed for the corresponding classes of laborers and mechanics employed on construction of a similar character." Plainly this provision would merely make applicable the wage standard which is found to be already prevailing in the community on the same type of work. That standard is made the minimum to prevent destructive wage competition at the expense of the building worker.

THE PREVAILING WAGE REQUIREMENT WOULD HELP, NOT HINDER, WIDE PUBLIC ACCEPTANCE OF FHA-INSURED HOMES

The FHA argues that the requirement that not less than prevailing wages be paid in the construction of FHA-insured homes would jeopardize the operations of the FHA. This will be brought about, the FHA contends, by making the bankers and the public unwilling to accept the benefits of Federal mortgage insurance on homes because these homes are required to be built under fair labor standards. Yet the FHA's own experience, extending over a period of 8 years, belies this argument. Neither in peacetime nor in war was there any reluctance on the part of the lenders to finance housing valued at $16,000 or more under the FHA insurance with the prevailing wage requirement. Such housing built and insured under the existing law stands as tangible evidence of the ready acceptance by all concerned of the FHA insurance benefits with the prevailing wage standard. Why, then, should we have well-built two-family or four-family homes produced under fair labor conditions without objection from any source, and meet disastrous trouble in having single-family homes built and financed under the same standard?

The FHA has come to regard itself as the service agency to the real estate brokers and the mortgage lenders. Commissioner Foley makes it plain that the FHA wants to deal only with the lenders and that the interests of the borrowers and the home buyers are none of the FHA's concern. Yet it was the express intent of Congress for the FHA to serve the interests of home buyers and to foster sound home ownership. It is the plain duty of the FHA as a public agency and an arm of our Government to play no favorites to any special interest and to uphold and protect the public interest above all others. It is, therefore, a very real concern of the FHA to make sure that the homes built and guaranteed with Federal insurance are good homes, meeting sound standards and produced under fair, not substandard, labor conditions.

If the FHA takes affirmative steps to assure the maintenance of all such standards in the construction and marketing of FHA-insured homes, the seal of FHA approval would become to all home buyers an enduring symbol of good homes, soundly constructed, well designed, and produced at not less than the wage standard prevailing in the community. A home buyer, knowing that an FHA-insured home was produced under good working conditions, would certainly give it preference to a house built under questionable standards. The prevailing wage requirement, as one of the basic policy standards of good and efficient home construction, would be a strong inducement to the great mass of home buyers to turn to the FHA as the guardian of the standards of good home construction.

Substandard wages result in substandard workmanship and foster inefficient, shoddy construction. Unfair wage competition tends to drive down wages of workers building homes below the standard of decent income. Yet the comprehensive program set forth in the Wagner-Ellender-Taft bill is the only program before Congress which will assure full and stable employment to a large number of workers in a major area of our economy. Maintenance of fair wages is indispensable to continuing maintenance of full employment. The prevailing wage amendment is indispensable to the proposed program if S. 1592 is to become an effective instrument of lasting and prosperous productive activity in rebuilding the homes of postwar America.

Mr. MURDOCK. I hope that the amendment will be agreed to.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The question is on agreeing to the amendment offered by the Senator from Utah [Mr. MURDOCK].

Mr. BARKLEY. Mr. President, I wish to make a brief statement with regard to the amendment. I am impelled to do so because, in the subcommittee of the Committee on Banking and Currency, and in the full committee as well, when this matter was under consideration my vote was on both sides of the proposition. So at the present time I am entirely free to vote as I please.

I have always favored the prevailing wage scale principle, and supported it when we had before us for consideration the National Housing Act approximately 8 years ago.

In the subcommittee, composed of seven members, I was somewhat in doubt about the matter. I felt that in small communities some difficulty might be experienced in establishing what was the prevailing wage, especially in communities where there was no labor organization which had really established a prevailing wage. However, I resolved the doubt in behalf of the prevailing wage scale principle, and voted to include it. The result was that by a vote of 4 to 3, the subcommittee reported the bill to the full committee with a provision in the form offered by the Senator from Utah requiring that the prevailing wage be paid.

When the bill was before the full committee Mr. Foley, Commissioner of Housing, wrote a letter to me which I had printed in the CONGRESSIONAL RECORD of April 11, setting forth objections to the prevailing wage scale principle, and stating as his contention that to adopt it would handicap the Housing Administration in administering the act, because there would be some hesitancy on the part of the lending agencies to make loans if any question were involved of their being insured. He stated that unless the prevailing wage were paid, the loans could not be insured. That placed upon the lending agency the obligation to see to it that the prevailing wage was paid. I was influenced in the full committee by that logic, and voted to eliminate the prevailing wage requirement from the bill.

Since then, Mr. President, I have received a number of communications calling my attention to the fact that the prevailing scale principle has always been applied in connection with housing projects costing $16,000 or more, but not with reference to housing projects costing less than $16,000, and it does not generally prevail with regard to individual houses.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. ELLENDER. As I have already pointed out, the provision to which the Senator has referred applies to rental houses and not to individual homes.

Mr. BARKLEY. I understand. It applies largely to apartment houses and not to individual residences. Yet, Mr. President, so far as prevailing wage scales are concerned, I find it somewhat difficult to distinguish between the requirement with reference to insurance on rental houses and the requirement with reference to insurance on houses which are to be occupied by the owners. In neither case does the Government put up any money. It is an insurance proposition. Of course, we have always required, in cases in which the Government put up money for the construction of Government houses, as well as in connection with slum clearances and other similar matters, that the prevailing wage scale shall be paid. Under the Housing Act of 1938 it was provided that in regard to rental houses costing $16,000 or more, although the Government had no money invested in them, they involved an insurance proposition, and therefore it was required that the appropriate wage scale be paid.

Mr. MURDOCK. Mr. President, if the Senator from Kentucky will yield to me, I may say that I believe the distinguished Senator from Louisiana [Mr. ELLENDER] was in error when he stated that the prevailing wage scale requirement did not apply to individual houses costing $16,000 or more. My understanding of

the law is that regardless of whether it was a rental house or an individual house, so long as the cost was more than $16,000 the prevailing wage scale principle applied. However, it is also my understanding that that particular feature of section 210 was eliminated and that at the present time the only application of the prevailing wage scale is to rental housing projects, and will so continue unless my amendment is adopted.

Mr. BARKLEY. There was some vagueness in the language of the amendment to the original act, and there might well arise the question whether it did or did not apply to individual residences costing $16,000 or more.

Mr. TAFT. My understanding is that the FHA law never applied to a residence costing more than $20,000, or a mortgage in excess of $16,000.

Mr. BARKLEY. The point I am endeavoring to make is that there is some vagueness in the language of the original act, and, therefore, it is difficult to interpret whether the prevailing wage provisions should apply to residences costing $16,000 or more, or only to apartment houses. But, I do not believe that question is very vital in connection with the pending matter.

Mr. President, I have weighed the contentions which have been made on both sides of the question, and I feel that I should vote in accordance with my original belief, namely, that the prevailing wage scale principle should be carried in the proposed legislation. I realize that there may be some difficulty experienced in its administration, especially in communities in which there may not be an organzed labor wage standard. However, I am informed that the Secretary of Labor, whose duty it is to make the certification as to the prevailing wage, has not found any insuperable difficulty in arriving at what is a fair estimate of the prevailing wage in a community even when in such community there is no labor organization. Therefore, Mr. President, I shall vote for the amendment offered by the Senator from Utah.

Mr. President, in today's mail I received a letter from Mr. Morris Shishkin, secretary of the housing committee of the National Federation of Labor, enclosing a memorandum. I suppose that that memorandum is the one referred to by the Senator from Utah, a copy of which he had printed in the RECORD.

Mr. MURDOCK. Yes. I have already asked and received permission to have it printed in the RECORD.

Mr. BARKLEY. I shall merely refer to it as having been received. I think it contains a fair discussion of the proposal which is now before the Senate.

Mr. TAFT. Mr. President, when I spoke Thursday I pointed out that the chief problem in providing housing in this country is the cost of the housing, and the chief thing to be accomplished, if we can possibly do it, is to reduce the cost of the housing. Of course, the cost of living in smaller towns and in the outskirts of cities is usually less than in cities themselves. If we raise the cost of housing in the area outside of cities and in small towns we are going to make it impossible, assuming FHA continues to insure mortgages, or to be able to insure them at all, for a large number, hundreds of thousands or millions of people, to build new houses and live in them who might otherwise be able to do so.

The purpose of the amendment is to raise the cost of labor which goes into a house, and that is one thing which I think we should by all means avoid if we can possibly do it.

Every time we have been considering the FHA the same question has arisen. It arose in connection with the original bill. It has arisen ever since, and Congress always has decided that it would not require the FHA to require the lender of money to require the man who builds the house to require the contractor to pay the so-called prevailing wage, which in effect is the union wage.

It is true that originally the prevailing wage requirement was inserted as to rental housing, so-called, apartment houses costing a considerable amount of money. As a matter of fact, that did not make very much difference, because such buildings are erected in urban communities, where ordinarily the prevailing wage is in effect, and in which unions have a practical monopoly of all building labor. So that has not had a very great effect, although it is considered to be one of the reasons why the FHA rental housing program has hardly been a success.

The actual amount of housing which has been guaranteed by FHA insurance is a very small part of the total of the FHA program, and one of the reasons is this particular requirement.

I do not think it makes much difference as to apartment houses, because, as I have said, they are mostly in urban communities, where standard union wages have to be paid anyway. But apparently the regulation involved in taking FHA insurance, and thereby requiring the checking of every man who works every day on a particular project, has deterred those who build houses from ever asking for FHA insurance.

Mr. MURDOCK. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. MURDOCK. The Senator certainly does not wish to tell the Senate that there would be any such checking required as he now indicates. He knows that under the present law the Secretary of Labor establishes what the prevailing wage rate shall be. After that is once established, it is known to everyone, and is merely administered like all other standards under the Federal Housing Act. To rise here and say that there must be a day-to-day checking on each individual who works, in my opinion, is not stating the way the law is administered or is intended to be administered.

Mr. TAFT. If the law is to be enforced, that is what has to be done, because if the lender, the banker, does not check up on the contractor to see that he is employing proper men and paying proper wages, then he is likely not to get his insurance. It is true the FHA requires the submission of plans in the beginning, and checks up at the end to see that they have been complied with, but so far as the question of whether the prevailing wage is paid every day is concerned, there is nothing today that requires any such regulation as would be required by the pending proposal.

Mr. MURDOCK. Did Mr. Foley say anything in his testimony before the committee on the present law and its administration, as to individual day-by-day checking to which the Senator refers?

Mr. TAFT. I do not think Mr. Foley testified on the subject particularly. As a matter of fact, I pointed out that the number of FHA rental projects is very small, partly, I think, because of the prevailing wage provision contained in the rental provision as to housing.

Mr. MURDOCK. It seems to me the Senator is importing a great deal of trouble which never will arise.

Mr. TAFT. I disagree with the Senator. Basically, it seems to me, when we are asking only to insure a mortgage for a banker who is financing the construction of a home, we should not attempt to use that indirect control to regulate the manner and the details of the operation of the contractor who is building the particular house. It seems to me an undue extension, and going into a field into which we constantly are tempted to go if the Federal Government wants to obtain every detail of the operation we are seeking to authorize.

Mr. MURDOCK. Is it not true that under the administration of the law today all details of construction, all the business of the Federal Housing Administration, results in their having an inspection going on all the time to ascertain whether or not the contractor is living up to the specifications of construction as promulgated by the Federal Housing Administration?

Mr. TAFT. I do not understand there is any such detailed regulation or inspection. I understand there is one check at the end of the period, when the house is finished, to see whether it complies with a few basic specifications, not detailed specifications, but a few standards which the FHA requires before it will insure a house.

Mr. MURDOCK. The Senator knows that Mr. Foley and other witnesses in connection with the warranty provision of the bill assured us that there is no need of a warranty provision in the bill because of the very particular and constant inspection by the FHA, to see that the contractor is living up to his contract.

Mr. TAFT. I did not understand Mr. Foley to testify anything of the kind, or to say that there was any such inspection. As a matter of fact, there is no such inspection of FH individual homes which are insured under mortgages.

Mr. MURDOCK. Will the Senator yield for one more observation?

Mr. TAFT. I yield.

Mr. MURDOCK. If there is no inspection at all, if there are no details of construction which have to be adhered to under FHA, what is the protection of the Federal Government in insuring, on such a generous scale, the lending by bankers to the builders of the country?

Mr. TAFT. I understand that certain basic standards have to be approved before a house is begun. The plans have

to be submitted, and the FHA passes at that time on the question whether they meet the basic standards. When the house is completed, the FHA sends out a man to check it over to see whether the basic standards have been complied with in accordance with the plans and specifications. As I understand, there is no detailed inspection, there is no day-to-day inspection on the part of the FHA. What the banker who is insured does depends on him. Some do and some do not.

Mr. MURDOCK. I did not mean by my statement to indicate that there is a day-to-day inspection of each house, but I am quite sure the Senator will discover that when a house is begun it is thoroughly understood what the building and construction requirements are, and that certainly during the course of construction there are 2 or 3 inspections to see that the contractor is conforming to the general specifications of the FHA.

Mr. TAFT. Mr. President, as I have said, the effect is to put the Federal Government into the regulation of the construction from day to day and the operation of the contractor from day to day on every individual home erected in the United States.

Mr. President, probably the bill is of more direct benefit to building tradeunions than to anyone else in the United States, so far as actual advantage is concerned. It is a bill which should enable them to have the largest employment and the steadiest employment they have ever had. I think it is unfortunate they should ask something else, namely, to put in a prevailing wage provision, a union wage provision, in effect, in connection with the building of every home in every district in the United States.

Mr. President, we have encouraged the unions; we have given them assistance; we permit them to organize just as far as they possibly can organize; and I think they should rely on their own power today to organize the workers engaged in the building business, and secure such wages as are appropriate to the neighborhood, and as are paid under collective bargaining, not by the fiat of the Secretary of Labor.

I repeat, I think the bill is the greatest boon the unions can possibly have for permanent employment in the postwar period. I do not understand why they should press for this additional Government action, which has not been taken before, which was not taken in connection with existing law. So far as I know, what we propose would in nowise interfere with their organizational work, or interfere with proper wages in the building trades industries.

The FHA is very much opposed to the enactment of the amendment. They say, "We think it would kill FHA for the present." Why do they say that? Because they figure that the requirement would be so disagreeable to those who are going to build houses that they would not take out FHA insurance. The FHA insurance plan has gradually imposed upon the entire country a standard form of financing which has made it much cheaper for those who build a house to live in it. It seems to me that difficult terms should not be imposed on lenders who take FHA insurance. The FHA says that today there is plenty of money available for use during the next 2 or 3 years. Every bank, every building and loan association, will have money, and they are inclined to lend it in a more or less free way. They are very much afraid that if this amendment shall be enacted they will practically be driven entirely out of the business of prescribing the kind of financing which should prevail in the outer suburban districts and smaller towns in the United States. Therefore a contractor will say, "I cannot handle this if the FHA requirement is imposed upon me. I would have to pay wages twice as much as those I am paying now, and charge you more. Go around and see the banker and get a direct loan." Then the banker, instead of giving a 25-year loan duly amortized all the way through so that the purchase will be completed, will say, "I will grant you a loan for 5 years. You will have to pay it off at the rate of 10 per cent a year to reduce my mortgage promptly," and perhaps at a higher rate of interest. So the FHA are the ones who have objected most strenuously to the imposing of this condition.

Mr. LUCAS. Mr. President—

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Does the Senator from Ohio yield to the Senator from Illinois?

Mr. TAFT. I yield.

Mr. LUCAS. I think I am correct in my understanding that the FHA will have complete jurisdiction over the subject matter of this bill once it becomes the law.

Mr. TAFT. That is correct. Mr. Foley is Commissioner of the FHA, and has complete charge of the granting of mortgages.

Mr. LUCAS. I do not know how FHA has operated in other sections of the country, but so far as Illinois is concerned, it is the outstanding agency in Government today so far as industry and efficiency is concerned. I should dislike very much to do anything that would have any tendency to destroy an agency which has the confidence of the people in that community.

Mr. TAFT. Certainly the FHA officials are the best ones to judge, and Mr. Foley was very decidedly of the opinion that forcing FHA to impose a great many different requirements on the building of individual houses would practically shut them out of mortgage operations in that field. It might be said, "Well, if they do not need FHA insurance, why bother?" The difficulty is that we are likely to drift into methods of financing which are not beneficial to those who wish to build houses and which would also, perhaps, result in higher costs for money to those who want to build.

Mr. President, I think the bill contains many excellent provisions, many provisions helpful to labor. I hope the Senate will not impose what would be highly controversial additions to the housing picture, which I believe would in the end do more harm than good to those who should have the right to obtain new houses at reasonable costs.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MAGNUSON. If the Government participates in the financing of a house, or if the Government participates in any other matter, why should not the prevailing wage in the area be paid? That is what bothers me.

Mr. TAFT. I voted for the payment of the prevailing wage in connection with the hospital bill, where the Government money is actually being used to build. But in this case we are only insuring the mortgages. We are one step further away from the process. I think it would be unfortunate for the Government to dictate wages when it is not directly engaged in financing the project. In this case the Government is only remotely engaged in financing the building of houses, as in fact we are engaged in financing banks through the Federal Reserve Board, and through the Federal home loan bank we are engaged in financing building and loan associations. But we do not say to those banks and those building and loan associations, "When you borrow money from us, the Government, you will have to see that prevailing wages are paid on the project for which you loan money, because you are indirectly being helped by the Government." That would lead to the Government fixing wages in the United States, because directly or indirectly the Government is concerned.

I think the proper line drawn is where the Government money is directly concerned, where we appropriate money out of the Federal Treasury to build something; then we are participating in the building, and then I think we should say what the wage should be. But the moment we go beyond that it seems to me we are trying to fix wages in all industry. I think all Members of the Senate agree that the Government must not be the wage-fixing agency.

Mr. MAGNUSON. Mr. President, let me ask the Senator a further question. The prevailing wage means the wage which, by collective bargaining, has been fixed in the community for various trades that might be engaged in the building industry. We would not be fixing any wage. We would merely say in a case in which the Government participates, either in financing itself or insuring the loan, that when the project is built the wage should be paid that has been arrived at by collective bargaining, and as a result of conferences and contracts—the wage that prevails in the community. It might cover a period of years before the wages are arrived at. I cannot see any reason why anyone should oppose the Government saying that as a matter of policy the prevailing wage in the community should be paid.

Mr. TAFT. I think that would be an extraordinary thing to do. The Senator suggests that instead of the Government fixing all wages, which he says it should not do, the Government should say that when a collective-bargaining agreement is reached in an industry it should be applied to every industry, to every union or nonunion man, whether he is a party to the collective-bargaining agreement

or not. It seems to me that is delegating to somebody else to fix wages for workers who have no part in the collective-bargaining agreement. I do not think we can logically undertake to fix general wages at figures reached through private negotiation. So far as that is concerned, I do not even believe that the Government should enforce payment of certain wages to those who participate in the agreement.

Mr. MAGNUSON. As I understand the pending amendment, all that is proposed is that if the Government participates in the loan to be used to put up a building, the Government shall insist that the prevailing wage paid in that community, be paid on that project. The prevailing wage is a wage usually arrived at, not by Government order, but by a series of agreements reached between management and labor.

Mr. TAFT. Yes; but who determines that? The Secretary of Labor, in effect, will fix all the wages in the United States. He will follow almost entirely the union wage scale. He will extend the union wage scale from places where it prevails to outlying communities where it does not now prevail. If one were to build a house in a small town, he would not go to a large city to get a contractor and employ union labor to build the house. Many men in that town are carpenters. Most of them are nonunion and willing to work in the small town for less than if they went to work in a big city. Most of the building today in the small towns, and also in the outskirts of large cities, is done by that type of labor. Why do the unions want this provision? They want to raise the wages of everyone who is building houses and is not now in a union.

Mr. MAGNUSON. Does not the Senator from Ohio think that a great deal of our trouble has been due to the fact that there has not been a uniformity of wages areawise?

Mr. TAFT. I certainly do not. I think that if we were to try to have uniformity of wages all over the United States we would destroy the economy of most of the small towns and the rural communities of the United States. There must be and should be a proper differential with respect to large cities and small towns and rural communities.

Mr. MAGNUSON. Under the amendment the Secretary of Labor could determine the prevailing wage which may be paid in a small town or rural community. That need not necessarily be the metropolitan wage.

Mr. TAFT. Then we would have the Government fixing wages. In that event we would have the Government fixing wages for all residential building construction in the United States.

Mr. MAGNUSON. I cannot agree with the Senator from Ohio.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. As I visualize the situation, and as I pointed out in the subcommittee and in the full committee also, I do not see any difficulty about the administration of this amendment in urban communities where there is a well-understood standard, fixed by collective bargaining between builders and building trades, contractors, and so forth. All the Secretary of Labor is required to do is to certify what that prevailing wage is, and it is the same for all carpenters and all bricklayers and all construction workers in the urban community where there is a standard fixed by collective bargaining, which means ultimately that there is a standard fixed by labor organizations.

I recognize that there may be some difficulty in a small county seat town where there is no labor union. It may be 40 miles from a town where there is a labor union. It may be, and it is likely true, that carpenters and bricklayers in that outlying section are willing to work for a smaller wage than they would work for in an urban section, if they were members of a building trade union. But whatever that wage may be, there must be some standard in outlying communities that can be regarded as a standard prevailing wage. The Secretary of Labor might find a little more difficulty in ascertaining what that standard is in the outlying communities, but he can ascertain it. All he has to do is to certify what it is. It need not be the same as that which prevails in the larger city. It may not necessarily be the same as that prevailing among union carpenters and bricklayers. But if he can ascertain what the prevailing wage is in that community, all he does is to certify what it is, and then that wage must be paid in order that the loan may be secured.

Mr. TAFT. Mr. President, I understand the real purpose is to recognize, as under the Walsh-Healey Act, that the standard wage is the union wage. If there is no union wage the Secretary of Labor would have to guess what the wage might be in a small town.

Mr. BARKLEY. He would not have to guess about it. There is not a great deal of difference between the wages paid by different contractors in small communities to carpenters or bricklayers or others. There ought not to be a great deal of difficulty about that. It would be a little more difficult and a little more complicated, I grant, than in well-organized communities, but it does not have to be the same in a small town of 2,000, which happens to be the county seat of some county, and is 40 or 50 miles away from an urban section, as it is in the large city. It is the prevailing wage paid in that community, if he can ascertain it, that would be the standard.

Mr. TAFT. But why should the Government concern itself with a great number of private operations, because that is what they are, Those who want to do so can build houses without this insurance, if they want to, and why should we say to them, "If you take this insurance you have to build in a different way. You have to pay more for it. You have to pay a higher wage over and above what men are willing to work for." The union wages in some of these fields have gotten out of all relation to the actual value of the product. That is largely because these unions have had a closed shop in many districts. What they are really asking us to do here is to help them extend the closed shop to the entire United States. That is really the substance of the prevailing wage amendment. And while I should be glad to see them get the closed shop and the higher wages, I do not see why the Government should go out of its way to undertake the regulation of all building labor in the United States in order to bring about that result.

Mr. MAGNUSON. Mr. President, will the Senator yield,

Mr. TAFT. I yield to the Senator from Washington.

Mr. MAGNUSON. The Senator from Ohio just made the statement that the Government would be embarking upon a program to force builders in a small community to pay a higher price for houses. That is not necessarily true under this amendment. We hope that the prevailing wage will be paid anyway. Regardless of whether this provision is in the bill or not, in many cases the prevailing wage will probably be paid anyway.

Mr. TAFT. The Senator, of course, is familiar with the operations of the Walsh-Healey Act.

Mr. MAGNUSON. Yes.

Mr. TAFT. He will recognize that in effect it provides for the union wage. If there is no union wage, it is what the union wage would be guessed to be in the particular community. That is the purpose of it.

Mr. MAGNUSON. In some cases this amendment might provide a cheaper house.

Mr. TAFT. The Senator is optimistic. I do not think it would, under any actual conditions of which I have ever heard; and the FHA does not think so.

Mr. President, I hope the amendment will be defeated.

Mr. ELLENDER. Mr. President, I do not know that I can add much to what has already been said. The authors of the pending measure have spent much time in committee debating this very subject, as to whether or not there should be included the prevailing wage clause now sought to be added to the bill. When the bill was first introduced by the Senator from New York [Mr. WAGNER] and myself an effort was made by the Senator from New York to include this proposed amendment in the bill, and I refused to agree to it, because I thought it was impractical to do so and for the further reason that the evidence which was heard during the hearings showed, as was pointed out in a letter addressed to my distinguished colleague from Kentucky [Mr. BARKLEY], by Mr. Foley, that such an amendment would seriously curtail the insurance of mortgages. I quote from Mr. Foley's letter indicating his position:

> In my opinion, this proposed amendment would seriously curtail, if not completely destroy, one of the major operations of this Administration, namely, the insurance of mortgages on one- to four-family dwellings for the following reasons:

Then he proceeds to indicate his reasons for assuming such a position.

As has been pointed out by the distinguished Senator from Utah [Mr. MURDOCK] and the distinguished Senator from Kentucky [Mr. BARKLEY], the law

provides for the prevailing wage as to all public housing including also all large apartment buildings financed through insured loans. The prevailing wage provision was also included in all war housing legislation. Why? Because all such housing was built on a large scale, and it was found that there was not much difference between such projects and the large projects to which the prevailing wage already applied under the law. In other words war housing did not deal with individual homes, but with mass production for and on behalf of the Government.

Under this bill we seek to broaden the opportunities to build cheaper houses throughout the country for families of fairly low income. We have expanded the law so far as it applies to the home-loan building associations, in that we are giving them a larger coverage, whereby they can obtain more insurance and a larger class of insurance under the FHA plan. If this amendment were adopted it would deter banks from making loans of $2,000 or $3,000 to build small houses, because it would be essential, in order that the loan might be good, to show that the wages paid were the prevailing wages. Rather than go into all those details, as Mr. Foley has pointed out, the banks would not make the loans. I quote further from Mr. Foley's own language:

1. Banks and other lending institutions would be unwilling to advance construction funds in reliance upon our commitment to insure upon completion because such commitments would be of no effect if upon completion the contractor, over whom the lender has no control, was unable or unwilling to certify that he had paid the prevailing wage. Many banks and other lending institutions are not authorized by law to make high percentage loans except upon a binding commitment by this Administration to insure the mortgage upon completion. Such lending institutions would be unauthorized or unwilling to assume the responsibility of controlling or determining the wages actually paid by the contractor under his contract with the owner or of advancing its funds in reliance upon a commitment which was subject thereto.

Mr. MURDOCK. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MURDOCK. The Senator knows, and Mr. Foley knows, that the prevailing wage provision has been in the Federal Housing Act ever since its enactment. Is not that true?

Mr. ELLENDER. No; that is not true as to individual houses.

Mr. MURDOCK. When was it placed in the act?

Mr. ELLENDER. It was never in the act, as I pointed out to the Senator just now, in the form the Senator now proposes it.

Mr. MURDOCK. It is in the act today.

Mr. ELLENDER. Yes, with respect to large renting projects. I think I have made that clear.

Mr. MURDOCK. I think the Senator has. It is in the law today. Did Mr. Foley or anyone else point out that any bank in the United States had ever refused a loan under FHA because of the prevailing wage scale provision?

Mr. ELLENDER. Most of the large projects are built in large cities where the wages paid employees are usually the prevailing wages. But out in the country, in villages with a population of 500 or 1,000, the Administrator would get into trouble. Under the terms of the bill as it is now drafted we seek to broaden the power of the FHA, so that it may lend money for repair purposes, not only in large cities, but in small towns, and even in the country.

Mr. MURDOCK. Residents of Cincinnati, New Orleans, and other large cities tell me of the terrific trouble we would have in country towns. I live in a small town.

Mr. ELLENDER. So do I.

Mr. MURDOCK. I live in a town with a population of 2,000. Everyone in the town knows what everyone else makes. So if John Jones, the contractor, is chiseling on a contract, it will be known immediately. If the prevailing wage scale provision can be enforced in cities such as Cincinnati, Cleveland, and New York, it will be much less difficult to enforce it in a small town such as the town in which I live. It is said that such a provision would occasion a great deal of detail, and a large amount of trouble.

Mr. ELLENDER. Under the provisions of this bill, thousands of individual homes will be built throughout the country costing from $5,000 on down to as low as $1,500. Thousands of homes will be repaired wherein the cost may be as low as $500. Each contract would be subject to scrutiny to ascertain whether the prevailing wage was paid.

Mr. MURDOCK. Certainly; and that is being done now. What would happen immediately upon the adoption of this amendment? Wherever the FHA is operating the Secretary of Labor would be called upon to establish the prevailing wage. Once established, it would be no more difficult to administer than would be the case in a large city.

The Senator has made a great and wise contribution to housing legislation.

Mr. ELLENDER. I thank the Senator. The pending amendment is one of the provisions which I said should not be in the act for the reason that it would be difficult to administer and for the further reason that it would curtail and retard our housing program.

Mr. MURDOCK. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. MITCHELL in the chair). Does the Senator from Louisiana yield to the Senator from Utah?

Mr. ELLENDER. Before yielding further let me again state to the Senator there is no law now in effect providing that builders of individual homes under the FHA insurance system are obliged to pay prevailing wages. As I indicated before, the prevailing-wage clause applies only to public housing and to the building of large apartment houses. Such a provision is now in the law and is incorporated in the pending measure. I now yield to the Senator.

Mr. MURDOCK. It seems to me a little peculiar for the Senator to be importing bug-a-boos into the debate merely because it is desired to enforce the prevailing wage scale throughout the country, instead of limiting it to the larger projects. Such a provision would not be one whit more difficult to administer in the outlying sections than in the great metropolitan areas. I say that because I live in a small town.

Mr. ELLENDER. I am sorry that I cannot agree with the distinguished Senator from Utah. I am quite confident that in many sections of the United States where unions are not in operation, it would be rather difficult to administer such a law. It would at least entail lots of red tape and make it almost impossible to obtain financial aid from local banks.

Mr. MURDOCK. Does the Senator mean to tell the Senate that there is any place in the United States today where the people have not heard of labor unions?

Mr. ELLENDER. Certainly there are places where they are not in operation.

Mr. MURDOCK. I cannot conceive of it.

Mr. ELLENDER. I know of quite a few such places.

Mr. MURDOCK. In my State there is not a home so remote that the people do not know all about labor unions and all about everything else that is going on in the world today.

Mr. ELLENDER. The Senator lives in a large State which is thinly populated. It is not like living in Georgia or Louisiana, where one is never out of sight of a home. Homes are pretty well scattered over the country, and there are hundreds of villages of 100 or 150 inhabitants. Those States are unlike Utah and other mountain States.

Mr. MURDOCK. In all probability there is a radio in every home. If there is not a radio, newspapers are received every day. I simply cannot believe that the Senator is serious when he states that there are places in the United States today where the people do not know anything about labor unions.

Mr. ELLENDER. I am serious in what I have said.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MAGNUSON. Does the Senator contend that under the terms of this amendment it would be necessary to have a labor union in order to establish the prevailing wage?

Mr. ELLENDER. Oh, no. I am speaking of the difficulties which would arise by reason of these loans being made by the banks. As the Senator knows, under the FHA the Government does not put out a dime. The service rendered is that the loan is insured. The banks are assured that the loans will be paid. As Mr. Foley pointed out, if we begin to attach strings to such loans the bankers will not lend the money, and many homes will not be built. The building and repair of homes will be deterred.

Mr. MAGNUSON. I do not see why any banker, whether he comes from a town as small as the town from which my friend from Utah comes, or whether he comes from a small town in Louisiana, should be discouraged from making a

loan because the contractor says, "I am going to pay the prevailing wage."

Mr. ELLENDER. But suppose the contractor does not pay the prevailing wage? The loan would not be in accordance with the law and the bank might find itself in distress when it attempted to enforce the payment of the loan.

Mr. MAGNUSON. Mr. President, any contractor who does not pay the prevailing wage should not be in business, anyway.

The determination of whether the prevailing wage is paid should not be difficult. The carpenters and other workers will know whether they are paid the prevailing wage. The requirement that the prevailing wage be paid will not necessarily hurt the small homes, any more than it hurts the large projects, because in most cases the contractors already are paying the prevailing wages.

The Senator from Louisiana, who is a distinguished member of the Committee on Naval Affairs, knows that that rule has been on the books with respect to navy yards. During the war the United States built naval bases in communities where probably nothing was known about labor unions. That did not mean, however, that the wage scale established there by the Secretary of the Navy was based on the wages prevailing in the nearest urban community, for as a matter of fact it might have been based on the wage-scale existing in a community thousands of miles away.

I do not think the adoption of the prevailing-wage amendment will deter the bankers at all. I think most of them will loan more money, because when they lend money on a project on which well-paid workmen are used, they will know that probably the workmen will be of the better class and will do a better job.

Mr. ELLENDER. Mr. President, I propose to follow Mr. Foley's views in this matter. I shall read all of his letter in a few minutes. I wish to emphasize the fact that this bill is most comprehensive. First, let me say that we spent a great deal of time on it, and this proposal of paying prevailing wages on all FHA loans was thrashed out many a time. Before the subcommittee, which first held hearings, efforts were made to put this amendment into the bill. Then when the bill came before the subcommittee of the Banking and Currency Committee, which heard all the evidence, I understand that Senators were equally divided, and the full Banking and Currency Committee, which reported the bill to this body, voted down this provision. I am sure it did so because it felt that althought the amendment would not necessarily be entirely destructive, it would adversely affect the operation of the bill.

Mr: MURDOCK. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MURDOCK. The subcommittee of the Banking and Currency Committee, which heard all the evidence on the bill and listened to all the story of Mr. Foley and to all the other evidence, adopted the prevailing-wage amendment.

Mr. ELLENDER. I understood Senators were equally divided. In any event the full committee did not do so.

Mr. MURDOCK. Yes; for some reason or other which I cannot understand, it did not.

Mr. ELLENDER. Mr. President, I continue to read from the letter written by Mr. Foley:

Since participation of lending institutions in our program of mortgage insurance is purely voluntary and since no such requirement would attach to uninsured mortgages or to mortgages guaranteed or insured by the Veterans' Administration under the Servicemen's Readjustment Act, it seems clear that few, if any, lending institutions would be willing to participate in the Federal Housing Administration plan for the financing of new construction.

2. The amendment would appear to have the effect of completely preventing this administration from insuring any mortgage on existing construction, the construction of which was begun after June 3, 1939. While I am confident that this was not the intent of its proponents, your attention is called to the language of the provision which refers to construction which "was or is to be" commenced subsequent to the "effective date of this section" (approved June 3, 1939) and requires a determination by the Secretary of Labor "prior to the beginning of construction and after the date of filing of the application for insurance." Such condition would, of course, be impossible to meet with respect to existing construction.

3. The administrative difficulties presented would cause serious delay and uncertainty at a time when speedy construction of new dwellings is of the utmost importance.

I call your attention to a memorandum from the Department of Labor, which Senator WAGNER presented to the Senate during consideration of a similar proposal in 1938. It is printed in the CONGRESSIONAL RECORD of January 31, 1938, at page 1663, and contains the following statements:

"(1) It would mean that a prevailing wage rate would have to be determined in virtually every community, no matter how small, in the United States. The administrative difficulties involved would be very great, and delay that would be incurred would be a deterrent to the active construction so much needed in the very near future.

"(2) The word 'adequate' is not defined, nor can it be well defined as it refers to labor standards in this case. There is no definition in the law, and as a practical matter it would be almost impossible to define it administratively. It would have to vary from city to city and from town to town.

"(3) It would make it extremely difficult for families who need to do most of the building of their own houses to get their loans, and this is exactly the type of construction which we do not wish to discourage.

"The amendment vitiates the fundamental purpose of the bill, which is to get private capital immediately and quickly into the construction activity of the country for the purpose of relieving unemployment and find a suitable investment for idle capital."

These administrative difficulties would not be alleviated under the proposal now under consideration, but would be vastly increased because not only would a determination of prevailing wage be required "for every community however small," but a separate determination would have to be made with respect to each application for insurance, since the provision requires it to be made "prior to the beginning of construction and after the date of filing the application for insurance."

Section 212 of the National Housing Act was designed to apply only to large-scale rental housing projects where the mortgages are insured, not upon completion, as in the small-house program, but prior to the start of construction, which is subject to constant inspection by this Administration. Each advance by the mortgagee during the progress of construction is made only after this Administration has determined that the prevailing wage has been paid and has specifically authorized the advance. Such a procedure would be wholly impracticable in connection with the small-house program because of the delays and expense involved in the more complicated procedure.

I am hoping that this letter may be helpful in clarifying your understanding of the effect of this proposal upon our operations.

Sincerely yours,

RAYMOND M. FOLEY,
Commissioner.

Mr. President, I shall not take any more of the time of the Senate. As I have indicated, this question was thoroughly discussed by us in the subcommittee which held all the hearings which form the basis of this bill, and that committee decided not to place the provision in the bill. The Banking and Currency Committee as a whole has likewise decided that such a provision probably would delay our building program.

I earnestly request the Senate to reject the amendment.

Mr. MAGNUSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	O'Mahoney
Austin	Hayden	Overton
Ball	Hill	Pepper
Bankhead	Hoey	Reed
Barkley	Huffman	Robertson
Bilbo	Johnson, Colo.	Saltonstall
Brewster	Knowland	Shipstead
Briggs	La Follette	Smith
Buck	Langer	Stewart
Byrd	Lucas	Taft
Capehart	McCarran	Taylor
Capper	McClellan	Thomas, Okla.
Carville	McFarland	Thomas, Utah
Donnell	McKellar	Tobey
Downey	McMahon	Tunnell
Eastland	Magnuson	Tydings
Ellender	Maybank	Vandenberg
Fulbright	Mead	Wagner
Gerry	Millikin	Walsh
Gossett	Mitchell	Wheeler
Green	Morse	Wherry
Guffey	Murdock	Wiley
Gurney	Murray	Young
Hart	O'Daniel	

The PRESIDING OFFICER. Seventy-one Senators have answered to their names. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Utah [Mr. MURDOCK].

Mr. MURDOCK. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the Senator from Nebraska [Mr. BUTLER]. Not knowing how he would vote, I transfer that pair to the Senator from West Virginia [Mr. KILGORE], who, if present and voting, would vote as I intend to vote. I am, therefore, at liberty to vote. I vote "yea."

Mr. THOMAS of Utah (when his name was called). I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. Not knowing how he would vote, I transfer that pair to the Senator from Pennsylvania [Mr. MYERS], who, if present and voting, would vote as I intend to vote. I am, therefore, at liberty to vote. I vote "yea."

The roll call was concluded.

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Texas [Mr. CONNALLY], and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Georgia [Mr. GEORGE] and the Senator from New Mexico [Mr. HATCH] are absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS] and the Senator from South Carolina [Mr. JOHNSTON] are necessarily absent.

The Senator from West Virginia [Mr. KILGORE], the Senator from Pennsylvania [Mr. MYERS], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

I wish further to announce that if present and voting the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Maryland [Mr. RADCLIFFE] would vote "yea."

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER], the Senator from Oklahoma [Mr. MOORE], and the Senator from Indiana [Mr. WILLIS] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kentucky [Mr. STANFILL] are necessarily absent.

The Senator from Illinois [Mr. BROOKS] is absent on official business.

The Senator from Michigan [Mr. FERGUSON] is necessarily absent. If present, he would vote "yea."

The Senator from South Dakota [Mr. BUSHFIELD], the Senator from Oregon [Mr. CORDON], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Iowa [Mr. WILSON] are unavoidably detained.

The result was announced—yeas 51, nays 20, as follows:

YEAS—51

Aiken	Huffman	O'Mahoney
Austin	Johnson, Colo.	Pepper
Bankhead	Knowland	Saltonstall
Barkley	La Follette	Shipstead
Brewster	Langer	Smith
Briggs	Lucas	Stewart
Carville	McCarran	Taylor
Donnell	McFarland	Thomas, Okla.
Downey	McKellar	Thomas, Utah
Gerry	McMahon	Tobey
Gossett	Magnuson	Tunnell
Green	Maybank	Tydings
Guffey	Mead	Vandenberg
Gurney	Mitchell	Wagner
Hart	Morse	Walsh
Hayden	Murdock	Wheeler
Hill	Murray	Wiley

NAYS—20

Ball	Ellender	Overton
Bilbo	Fulbright	Reed
Buck	Hawkes	Robertson
Byrd	Hoey	Taft
Capehart	McClellan	Wherry
Capper	Millikin	Young
Eastland	O'Daniel	

NOT VOTING—25

Andrews	Ferguson	Radcliffe
Bailey	George	Revercomb
Bridges	Glass	Russell
Brooks	Hatch	Stanfill
Bushfield	Hickenlooper	White
Butler	Johnston, S. C.	Willis
Chavez	Kilgore	Wilson
Connally	Moore	
Cordon	Myers	

So Mr. MURDOCK's amendment was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 6064) to extend the Selective Training and Service Act of 1940, as amended, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were each read twice by their titles and referred or ordered to be placed on the calendar, as indicated:

H. R. 5244. An act to authorize the appointment of additional foreign-service officers in the classified grades; to the Committee on Foreign Relations.

H. R. 6064. An act to extend the Selective Training and Service Act of 1940, as amended, and for other purposes; ordered to be placed on the calendar.

VETERANS' EMERGENCY HOUSING ACT OF 1946—APPOINTMENT OF CONFEREES

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Under the order of the Senate of April 10, 1946, the Chair appoints the Senator from Kentucky [Mr. BARKLEY], the Senator from Utah [Mr. MURDOCK], the Senator from Idaho [Mr. TAYLOR], the Senator from Washington [Mr. MITCHELL], the Senator from Ohio [Mr. TAFT], the Senator from Delaware [Mr. BUCK], and the Senator from Indiana [Mr. CAPEHART] the conferees on the part of the Senate on the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

PHILIPPINE TRADE ACT OF 1946

The PRESIDING OFFICER (Mr. MITCHELL in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WALSH. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. WALSH, Mr. BARKLEY, Mr. CONNALLY, Mr. BYRD, Mr. LA FOLLETTE, Mr. VANDENBERG, and Mr. TAFT conferees on the part of the Senate.

NATIONAL HOUSING POLICY

The Senate resumed consideration of the bill (S. 1592) to establish a national housing policy and provide for its execution.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator from Ohio a question or two about the bill.

Is there any particular hurry about the passage of the bill? I do not make the inquiry with any ulterior motive, but in order to get before the Members of the Senate the fact that last Thursday, as I understood, when the Senator made his remarks in behalf of the bill, he said it provided a 10-year program, or approximately that, and that for the first 2 years the emergency housing bill would be included in the over-all picture, and that that would be taken care of first.

Will the distinguished Senator point out to me why it is necessary at this time, if that is true, to pass a long-range housing program of the comprehensibility of the pending bill, which involves such huge expenditures over a period of 4 or 5 years?

Mr. TAFT. Replying to the Senator from Nebraska, I might say that the emergency housing bill has nothing in particular to do with anything that is in the pending bill. The emergency housing bill is directed to the securing of materials and the stimulation of the procuring of materials which will make it possible to build houses.

So far as providing houses for a larger group of people is concerned, people of very low income, or those who would benefit from the stimulation of rental housing under the FHA provisions of the pending bill, the emergency housing bill has nothing to do with that subject whatever. I would say that the emergency housing bill relates merely to speeding up every housing program under existing law. But we think that that housing should be made available to as large a group of the population as possible, and not confined merely to those who are well-to-do.

Furthermore, the National Housing Administration has been established under the War Powers Act, and unless we enact a permanent law setting up a permanent housing agency, it will fall to pieces when the War Powers Act comes to an end, and before that happens we must provide for some permanent form of organization.

I believe that in providing a permanent form of organization we should provide a permanent and constant Government policy on housing, including all features of housing. Therefore, it seems to me that while the bill does not have to be passed today, it is not like an emergency housing program, it is a matter for consideration as a part of the peace program, just as much as anything else we have been considering in all other fields of activity up to this time.

The program has been the subject of consideration by the Postwar Planning Committee, and the committee worked on it all during the year 1944 and the first part of 1945. The Banking and Currency Committee has worked on it ever since.

While it is a long bill, I do not know of any measure to which more careful consideration has been given by members of the committee and others who were directly interested in the subject. I realize that when a bill of this length is put before the Senate, no matter what the preparation may have been, many Senators will not have read it, but it has been before the Senate since last Thursday, and Senators have had an opportunity

over the week end to read it and study it more carefully, with the benefit, we hope, of the full explanation made by the authors of the bill last Thursday. I think action should be taken now.

If the Senator has any questions as to particular provisions, I shall certainly be glad to answer them and have the Senate give such further consideration as it desires.

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator a further question. The Senator did have the original bill amended, did he not, by offering a complete substitute?

Mr. TAFT. Yes; but I think it is fair to say that there is no substantial change except in the provision dealing with rural housing. The rural-housing program has had less consideration than the other matters; but we have studied it very carefully during the last month, and I think I can say that the members of the committee, at least, have felt it is a sound addition to the bill and a great improvement over what was originally suggested by the authors of the bill.

Mr. BARKLEY. Mr. President, if the Senator from Nebraska will yield, the original bill contained a rural-housing title. What the committee did was to rewrite that title, and I think improve it over what it was when the bill was introduced.

The bill has been before the Senate for months, hearings were had last fall, a subcommittee was appointed which considered it for 2 or 3 weeks, and while, of course, that does not mean that Senators who are busy on other committees had the same advantage of understanding the bill that was enjoyed by the members of the committee which handled it, the subject covered by the bill is one which has been under consideration for many months. It is necessary to coordinate all these housing agencies under one roof. I join the Senator from Ohio and the other authors of the bill, the Senator from New York [Mr. WAGNER] and the Senator from Louisiana [Mr. ELLENDER] in urging that we act upon it at the earliest possible date, because I doubt very much if we will become much more familiar with it in a few more days than we are now.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. TOBEY. Having in mind the question which the Senator from Nebraska propounded to the Senator from Ohio, and the answer of the Senator from Ohio about the need for action, there is an advertising slogan which is used to good effect by one of the large milling concerns. I think Senators have seen it for themselves, and it is quite appropriate in this connection. It consists of four words: "Eventually, why not now?"

Mr. WHERRY. I thank the distinguished Senator for that statement, but it still does not really answer the fundamental question which I should like to ask of the distinguished Senator from Ohio. I also want to thank the distinguished Senator from Kentucky for his statement. But I should like to ask how many hearings were held by the committee on the final form in which the bill came to the Senate? How many hearings were held after the bill was amended?

Mr. TAFT. There were no substantial changes made after the main body of the testimony was taken, with the single exception, as I said, of the rural housing, concerning which, after the change was made, hearings were had and the committee heard from farm organizations and the Department of Agriculture. Otherwise there were no substantial changes. We had, as I said, hearings which lasted at least 3 weeks, which followed hearings of even greater length in the Postwar Committee in the previous year.

Mr. LA FOLLETTE. Which lasted, if I may interject, from June 1, 1944, to February 7, 1945.

Mr. TAFT. I thank the Senator from Wisconsin.

Mr. WHERRY. I thank the Senators for their contributions and for informing me with respect to the length of time the bill was under consideration. I still should like to ask the distinguished Senator from Ohio if hearings were held on the amended bill before it was reported by the committee to the Senate?

Mr. TAFT. Only on the rural housing which I spoke of. But I maintain that there was no reason to have further hearings because there were no changes made except with respect to matters that had been discussed in the hearings.

Mr. WHERRY. I ask the Senator, did any farmer come forward and offer any evidence on the rural housing portion of the bill?

Mr. TAFT. I think farm organizations appeared and also some gentlemen from Georgia, where experiments had been had with the only rural housing projects built under the United States Housing Act. While notice was given, I do not think there were any individual farmers who came before the committee. Ordinarily they would not naturally come when such questions were under consideration.

Mr. WHERRY. Permit me to ask a further question about the farm aid. Does the Senator feel that title VIII will avail to give many farmers an opportunity to build houses?

Mr. TAFT. The answer is, "Yes."

Mr. WHERRY. The first requirement is that "in order to be eligible for such assistance the applicant must show (1) that he is the owner of a unit of agricultural land which is without a decent, safe, and sanitary dwelling, and related facilities," and so forth.

If I am correct, in many States nearly half of those who are on farms are tenants. Would that title help the tenants in any way?

Mr. TAFT. The latter part of the sentence reads:

> or for the family of the operating tenant, lessee, or sharecropper.

Which answers the Senator's question.

Mr. WHERRY. But how can a tenant get a home built on a piece of land which he rents? How can he build with the money which he makes, or with his share of the crop?

Mr. TAFT. Obviously, the house would have to be built by the owner of the farm, and he would be able to get money on more reasonable terms than he otherwise would.

Mr. WHERRY. So the only farmer who is, in reality, entitled to have a house built is the man who owns a farm?

Mr. TAFT. Under the rural housing section a tenant might build a house on a piece of land which he might acquire off the farm, but not on the farm itself.

Mr. WHERRY. The Senator would say that that would be most unusual, would he not?

Mr. TAFT. That would be under the housing provision which extends the United States housing plan to rural sections. That is the kind of thing that has been done in Georgia, however. It is not a thing that is at all out of the range of possibility.

Mr. WHERRY. I am not familiar with the policies in Georgia, but I am quite sure that in my State of Nebraska it would be almost impossible for a tenant to build a house on a farm. I simply cannot conceive of that being at all practical or workable in my State.

Mr. TAFT. I do not quite agree with the Senator because the loan with respect to a farm is to be made only where the income from the farm will pay for the fixed charges on the house, except in certain subsidy cases where the farm can be rehabilitated. If the tenant is willing to assume the additional fixed charges, I see no reason why any reasonable owner would not be willing to make the application to have his property improved, and have the tenant, during his tenancy, whatever that may be, pay the additional fixed charges. If the farm will not support that, this particular kind of loan is not authorized.

Mr. WHERRY. Does the Senator care to express an observation on this question: If a farm is mortgaged, is the farmer entitled to a loan?

Mr. TAFT. Yes. Roughly speaking, a farm able to support a good house on it would justify a loan. The usual case would be one where the farmer's farm, the land, had a mortgage on it, and consequently he could not get any money for a house. Under this provision the Secretary of Agriculture may loan the money for the house at a low rate of interest and a low amortization rate, which the farmer may be able to pay.

Mr. WHERRY. Does that come under subsections 3 and 4 of this section? Is that the provision under which the Secretary can do that?

Mr. TAFT. The usual standard for a loan is under section 802, if the Secretary determines an applicant is eligible for assistance. Incidentally if he is able to get money from some other source at reasonable rates we do not propose to do anything for him. But the usual case is that of a man who, because he has a mortgage on the farm land, cannot get the additional money necessary for the building of the house.

Mr. WHERRY. In other words, one of the requirements to be eligible is that the farmer cannot get money from some other source?

Mr. TAFT. Yes. Furthermore, if he needed a house, or if the house he had were in very bad condition, the usual course would be to go to the first mort-

gagee and ask him to increase the size of the loan. If the first mortgagee would agree to increase the loan to enable the farmer to put the house in first-class condition, then the Government would not interfere. If the first mortgagee would not increase the loan, then the Secretary of Agriculture would be authorized to make the loan.

Mr. WHERRY. With the provisions in the measure as they are written now it is my opinion that it is going to be very difficult in my section to provide help to a farmer who may want to get a home. I feel that the tenant will have no chance at all, and that unless the owner of the farm, figuring his income and what it will cost to pay back the money, will make that a basis for consideration, there will be very few applications made for loans.

Mr. TAFT. May I ask the Senator what he would propose? Does the Senator think the Government should give the farmer a home, although the farm is a perfectly good farm, or should give the tenant a home on the farm, which then becomes a kind of a present to the owner who would not make the loan himself? I mean is there any alternative? We searched rather carefuly for all alternatives. I do not think any investigation has ever been conducted more diligently than the one in this instance. All I can say is that this is the best we could suggest, and it seems to me that it is going to be helpful. Certainly I know of no other alternative suggestion.

Mr. WHERRY. Mr. President, if the Senator will permit me I should like to say that I am not on the committee, and I do not have any alternative plan to suggest. In fact, as the Senator has already pointed out, this is a most comprehensive bill. It is a bill of 226 pages. But I have done my level best to acquaint myself with all the sections of the bill. Inasmuch as this is the only new section, which the Senator says has been added to the bill, and on which there were no new hearings, I am certainly most interested in it, and my observation now is that it will not avail very much to provide aid so far as building houses on farms is concerned.

Mr. TAFT. I said there were hearings after this section was proposed, and hearings at which testimony was offered by the Department of Agriculture and by farm organizations.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BARKLEY. It ought not to be overlooked that hearings were had on the whole bill, including the original section for rural housing; and partly as the result of those hearings, a new title was written into the bill. After it was written in, the subcommittee held further hearings. That part of the bill was gone into in considerable detail.

Mr. WHERRY. If I may make another observation, it seems to me that the section on farm aid certainly does not give the farmer equal opportunity with the man in the city who is going to build to get relief by direct subsidies. I would not say that the man on the farm is discriminated against, but so far as the benefits are concerned, he is not to be in the same position at all with the one who is receiving the benefits in the urban districts. No provision is made for direct subsidies to the farmer. He must comply with the provisions of the loan. It may be that the interest rate is lower. The fact that the loan is amortized may be of some benefit. But after all, he must own the land, and he must make a showing to the local Federal Housing Authority or the secretary of the association in his district. A tenant on the land cannot build a home unless the owner makes an application to borrow the money. So I cannot see that the farmer has any benefit. I cannot see how the huge subsidy program of $5,000,000,000—if we carry it out to its ultimate conclusion—will do anything for the farmer.

Mr. TAFT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Nebraska yield to the Senator from Ohio?

Mr. WHERRY. I yield.

Mr. TAFT. The Senator says there is no subsidy for the farmer. I was speaking of the farm which is adequate to provide income to pay the fixed charges on a house. There is no subsidy in connection with such a project, any more than there is in connection with a house which is built anywhere in the United States by someone who is able to pay for it. Under section 803, if the farm is one which today cannot support the fixed charges, but the Secretary feels that within 10 years, by improvement or enlargement of the farm, or an adjustment of farm practices, it may pay such fixed charges at the end of 10 years, then the Secretary is authorized to subsidize payment on that house during the 10-year period by remitting the interest and one-half of the principal until the end of the 10 years, when the farm will presumably be able to support the fixed charges on the house.

Furthermore, if it is a farm which is hopeless from an economic standpoint, the Secretary is authorized to assist in the improvement of small dwellings on the farm, either for tenants or for the farmer himself, to the extent of advancing $1,000 for improvements to such dwellings, of which one-half may be a grant and the other half a loan. Those, of course, are the poorest type of farms, farms which are practically hopeless, farms with respect to which the Secretary of Agriculture may feel that all that can be done is to enable the farmer to install some sanitary facilities and somewhat improve the condition of the house, with the hope that some other plan may be developed later to improve the condition of completely and permanently substandard farms.

Mr. WHERRY. Am I to understand that after a 10-year period subsidies may be granted in the case of farm homes?

Mr. TAFT. No. With respect to a farm which needs a subsidy because it is not producing the fixed charges during the first 10 years, payment of interest and one-half of the principal due during those 10 years may be remitted. At the end of the 10 years, those payments are to be resumed. It is all based on the theory that at the end of that time, by proper improvement in practices on enlargement of the farm, it may be made self-sustaining.

Mr. WHERRY. In reality, it amounts to suspending payment during a certain portion of the period, to give the farmer an opportunity to pay back the loan later.

Mr. TAFT. Yes.

The subject of rural improvement came up first in the Postwar Planning Committee, and we were very anxious to develop a plan. At that time Mr. Wickard and the head of one of the bureaus of the Department of Agriculture appeared before the committee. They testified in a general way, with which we were not satisfied. We asked them to work on a plan for rural housing improvement.

A year later the question again came up in a subcommittee of the Committee on Banking and Currency. At that time Mr. Anderson appeared with one of his bureau chiefs. They said that they were not ready to submit a plan, but that they were working on something, and would submit it later.

After further study, and when the bill was otherwise finished, they came back with this particular plan. It was developed by the Department of Agriculture. It seems to me to be sound and that it would be most helpful in improving housing conditions on the farms.

Taking the country as a whole, housing conditions on the farms are worse than they are even in the urban districts. I must admit that, like some other parts of the bill, it is an experimental program. We do not know how it will work, but certainly our efforts was to do for the farmer something as nearly parallel as possible with what we were doing for the city dweller, taking into consideration the different conditions existing in rural areas.

Mr. WHERRY. But the Senator would not say that the benefit which would accrue to the farm builder would be as great as that which would accrue to the city builder, would he?

Mr. TAFT. Does the Senator mean the owner or the builder?

Mr. WHERRY. The owner or the one who builds the house in the country, as compared with one in the city who might be given the opportunity to rent cheaply or to build a house in the city.

Mr. TAFT. I believe that what we offer the farmer is at least equal to what we offer to anyone in the city, except possibly a person who lives in public housing and receives a subsidy on his rent. But it is very difficult to figure out how to do that for the farmer. There are a great many other farm aids, through the Farm Security Administration, which perhaps more closely parallel what we are trying to do through public housing for the extremely poor in the cities.

Mr. WHERRY. I ask if it is not true that when we total the amounts of the subsidies they will reach a maximum of at least $143,000,000 by the fifth year of the amortized plan. If the Senator cares

to do so, I should like to have him express an opinion as to what the total amount of the subsidies will be over the period provided for by the bill, which I understand is 45 years.

Mr. TAFT. I could not express an opinion as to the total subsidies. Nor do I recognize that that point has any bearing on the question. They will reach a total of $143,000,000 after the fifth year, and they will run at that rate more or less indefinitely. I do not believe that the total figure should be used, any more than we should say that the Army will cost us $100,000,000,000 in the next 20 years because it is now costing $5,000,000,000 a year. Those are current figures, and I do not recognize the relation to an over-all expense.

Mr. WHERRY. Let me suggest to the able Senator that we are providing for a 10-year program, and we are providing for an amortized insurance plan which will carry us over 45 years. Certainly, we must depend upon succeeding Congresses to continue to appropriate the money to pay for these subsidies.

Mr. TAFT. That is correct.

Mr. WHERRY. We are vitally interested in the question.

Mr. TAFT. We are vitally interested.

Mr. WHERRY. We should consider the total amount of the subsidies, and the load we shall be placing upon the future taxpayers of this country to give us this program for the next 10 years.

Mr. TAFT. Let me say what I think that load will be. Apparently we shall have a Federal Budget running between $20,000,000,000 and $25,000,000,000 a year. My view is that if to solve the housing problem of the United States we had to spend $500,000,000 a year, and if that would solve the problem, the cost would not be too great in proportion to the total expenditures of the Government. However, we are not proposing any such sum, and we are not saying that we are going to solve the entire housing problem. But it seems to me that the program which we are presenting, and the progress which we feel certain it will produce in the housing situation, justify, in the total Federal Budget which we are contemplating, an expenditure of $143,000,000 a year indefinitely.

Mr. WHERRY. If the Senator will permit me, I should like to state that I am glad to feel that the distinguished Senator is very optimistic about what our annual Budget is to be. If we keep adding to it as we have been doing we shall not be able to limit it to $25,000,000,000 a year. The Senator knows that to be so.

Mr. TAFT. That is quite correct.

Mr. WHERRY. I believe that my question has gone unanswered. I am still asking, as one who is interested in the appropriations, what the best judgment of the able Senator is as to the total amount of the Budget for this purpose over this period. We are making an authorization, and if we make the contracts during the next 10 years they will become an obligation on the United States Government. What is the program going to cost us?

Mr. TAFT. So far as I am concerned, I am willing to say that we are committing ourselves indefinitely for the future history of this country to a program of $143,000,000 a year for housing.

Mr. WHERRY. That is correct.

Mr. TAFT. I hope that it may decrease. I hope that the $143,000,000 may not be spent, because that is an outside figure which may be reduced by various circumstances which will probably occur. One may multiply $143,000,000 by as many years as he desires to look into the crystal ball of the future, and thereby obtain the figure which he desires.

Mr. WHERRY. I am not looking into the crystal ball, but I believe that some of those who are advocating these appropriations ought to look into the crystal ball and see what the amount is. This year, according to the President, we shall have a deficit of approximately $4,000,000,000. Already he has corrected that figure to $8,000,000,000. If we add this to what we have already appropriated, and then add the British loan, and some other things, the first thing we know we shall have a Budget of $45,000,000,000 or $50,000,000,000 this year. We already have a debt of $275,000,000,000.

So I return to the first question. What is the hurry? We have already passed the emergency housing bill. If the allocations are made as directed in that bill for the next 2 years the only ones who will be building houses will be veterans. If the allocations provided for in that bill are made, one could not build a house under this program. I am not sure, but I understand that the housing czar has authority to allocate building materials to veterans under priorities. If he exercises that right, it will be the veterans' houses that will be built. It will not be houses in the cities or on the farms. That is all right with me. We should build houses for the veterans.

Mr. TAFT. The veterans fall into every class which is helped by this bill. Veterans will build houses under the new FHA provisions of this bill. Veterans will fall under the provisions of the bill by which colleges are authorized to build dormitories for veterans who attend educational institutions. The great bulk of the farmers who will desire to build houses and start off in an improved condition will be veterans. The only result will be that under each classification of this bill, those who are veterans will, because of the other bill, have a priority over those who are not veterans, in respect to taking advantage of this bill. But in every respect the provisions of this bill, taken together with those of the other bill, will be confined almost exclusively to veterans for the next 2 years.

Mr. WHERRY. As I understand the Senator, if a veteran who comes from a farming community wants to get a home, in order to obtain the benefits of the provisions of this bill he will have to go to some college and be educated, and then go back to the farm and make application. I understand that he will not be able to receive the benefits provided by the bill unless he qualifies for the loan. Is that correct?

Mr. TAFT. That is correct. He will receive the benefit which I have described under the housing program, and that may be a subsidy or a grant or, if he does not need that, it may be only a loan.

Mr. WHERRY. But a veteran who is the owner of a farm will not receive a direct subsidy to build a home, I understand.

Mr. TAFT. Yes; he will.

Mr. WHERRY. How?

Mr. TAFT. He will if the farm is one which can support a home. Subsidies will not be granted unless there is some reason for giving them. Under section 803 and section 804 the veterans will receive subsidies. But, as I have said, under those sections the subsidies will have to go to veterans, because of the provisions of the bill we recently passed.

Mr. WHERRY. The Senator said that we must do this in order to aid the housing authorities, and that if we do not do it almost immediately, the emergency will have terminated and we shall not have done anything.

Mr. TAFT. No; I did not say that.

Mr. WHERRY. What did the Senator say?

Mr. TAFT. I said that without it we would have five or six housing agencies, instead of one, and it would be very difficult to maintain an adequate postwar housing policy under those circumstances.

Mr. WHERRY. Does the Senator believe that there is any need for doing that? Does he believe it would terminate the emergency at any early date?

Mr. TAFT. I feel we might terminate it sooner.

Mr. WHERRY. Before July?

Mr. TAFT. Before July.

Mr. WHERRY. What will happen to the other agencies?

Mr. TAFT. They will have to be terminated, either under a reorganization bill or otherwise. But I do not think there is any other Government agency in which so many different agencies are put together, and I do not believe there is any other agency whose falling apart would do so much harm.

Mr. WHERRY. Mr. President, I should like to ask the Senator another question. On page 17 of the report on the bill, under the heading "Title I—National Housing Agency" the following statement is found:

> The National Housing Agency is made a permanent Federal agency with powers for continuing the wartime coordination of the three constituent Federal housing agencies.

Will the Senator please explain that?

Mr. TAFT. I understand that the Senator's question relates to a statement in the report that the wartime coordination would be continued.

Mr. WHERRY. Yes.

Mr. TAFT. All that means is that under the War Powers Act those agencies were coordinated, the first time. So there was coordination during wartime. We are proposing that the coordination be continued in peacetime.

Mr. WHERRY. Is it proposed that the coordination be continued on the same basis?

Mr. TAFT. Yes. No new powers were given by the coordination of those agencies in wartime. They were simply put together in order to obtain a more

efficient administrative unit. That efficiency will be continued by the permanent joining together of all those agencies.

Mr. WHERRY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point some letters from various organizations which oppose this bill. I make the request in view of the fact that it has been stated that a great number of private concerns approve the bill. Some of the organizations which have been mentioned in the report as approving this housing bill are apparently directly opposed to it. So with the consent of the Senate, I should like to have the letters printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, D. C., April 15, 1946.

Hon. ROBERT WAGNER,
United States Senate,
Washington, D. C.

DEAR SENATOR WAGNER: In the report on the General Housing Act of 1946, it is stated on page 11 that the United States Chamber of Commerce and certain other organizations submitted to your committee a private enterprise draft of a proposed housing bill. This statement is an error since the Chamber at no time has submitted any proposals to your committee for housing legislation.

Our representatives, L. Douglas Meredith, vice president and chairman of the committee on finance of the National Life Insurance Co., Montpelier, Vt., and Paul L. McCord, president of the board of commissioners, Indianapolis redevelopment department, appeared before your committee on December 5, 1945, and presented the Chamber's position with respect to the Wagner-Ellender-Taft bills, S. 1592.

The position taken by the chamber's members, which is opposed in substantial respects to this proposed legislation, was made clear by these two men.

In concluding his remarks, Mr. Meredith stated:

"It is our opinion that while S. 1592 contains numerous points of merit, the housing situation in America is not so grave that it calls for omnibus treatment with government entering the housing field on a basis and to an extent it has never entered this field before."

Again, Mr. McCord at the end of his remarks stated:

"We believe and certainly hope that in expressing our views in strong opposition to Federal grants for purposes such as housing we are providing the very best type of cooperation with our Representatives and Senators in Washington.

"We want you to know that we are convinced that the majority of the taxpayers want their local communities and their States to assume their rightful obligations of government and quit calling upon the Federal Government to transfer these obligations to Washington."

We have already sent you and other Members of the Senate a copy of the special number of our Legislative Daily dealing with S. 1592, on page 7 of which appears the existing policies established by actions of the members of the United States Chamber of Commerce and which are applicable to this legislation. There is also notation on the same page of the action of our board of directors which adopted a resolution on September 14, 1945, in pursuance of the chamber policies, in opposition to the Wagner-Ellender-Taft bill.

We are enclosing a copy of the testimony of Mr. Meredith and Mr. McCord, and also a copy of the special number of our Legislative Daily.

We are sending copy of this letter to the other two sponsors of the bill, Senator ELLENDER and Senator TAFT.

Sincerely yours,

RALPH BRADFORD,
General Manager.

NATIONAL ASSOCIATION
OF REAL ESTATE BOARDS,
Washington, D. C., April 15, 1946.

Hon. ROBERT F. WAGNER,
United States Senate,
Washington, D. C.

DEAR SENATOR WAGNER: The report of your Committee on Banking and Currency on the General Housing Act of 1946, on pages 11 and 12, includes a section "Support of features of bill by private enterprise." There are implications in this section which are erroneous and must be corrected.

In general, the impression left by this section is that most of the features of the General Housing Act of 1946 with the exception of the public housing program are acceptable to private enterprise. The section refers to the fact that representatives of various private industry groups set forth their ideas on housing legislation in what is referred to as a private industry bill. The report then says that the sponsors of your bill "in substance incorporated many of their proposals in the bill."

This is not our viewpoint. The sponsors of the General Housing Act of 1946 gave the private enterprise bill cursory acknowledgment only. The few minor points in the private enterprise bill which were accepted by your committee were so negligible as to amount to almost complete shunting aside of the viewpoints of private enterprise.

Any implications in your report that the WET bill is acceptable to these groups is simply not true. The groups from the beginning consistently have opposed the WET bill. They so stated in their testimony before your committee. That was their position then and is their position today.

While I realize it is too late to amend your printed report, I will ask that this letter be placed in the record in order that our position remain perfectly clear and unentangled by inference.

Since the private enterprise bill was submitted to the sponsors of the General Housing Act of 1946 by me I am taking the liberty of sending a copy of this letter to Senators TAFT, ELLENDER, and others, and to the organizations listed in your report.

Very truly yours,

HERBERT U. NELSON,
Executive Vice President.

NATIONAL LUMBER
MANUFACTURERS ASSOCIATION,
Washington, D. C., April 15, 1946.

Hon. ROBERT F. WAGNER,
Chairman, Banking and Currency
Committee, United States Senate.

DEAR SENATOR WAGNER: On page 11 of the report of the Senate Banking and Currency Committee on S. 1592, the Wagner-Ellender-Taft housing bill (S. Rept. 1131), there is a reference to the National Lumber Manufacturers Association as sponsor of a draft of a housing bill "which in principle and in many details was entirely in accord with" certain features of the bill under consideration.

That statement implies that this organization is in accord with the provisions of S. 1592. This is not true. We unequivocably oppose S. 1592. We believe that except in periods of extreme economic emergency, the Federal Government should not engage in financing or building of houses, and should limit its housing activities to the encouragement of private enterprise. Public housing should, in any case, be limited to welfare needs and be provided by the local communities which are in a position to evaluate those needs.

We do believe that the pending bill (S. 1592) is unnecessary and untimely. Although the bill is given a "veterans" label in the committee report, it actually would be harmful to the veterans' housing program by setting up a huge Government competition for materials that are in such short supply as barely to meet the needs of the veterans' program. It is doubly inflationary in its provisions for unbridled and unnecessary credit and its subsidy of $6,000,000,000 over the next 45 years to help pay the rent of 500,000 families, at the expense of the whole population. It would extend Federal bureaucracy by making the NHA permanent and giving it control over FHA, FPHA, and the home-loan bank, thus combining public and private housing activities under one administration with irreparable damage to private housing certain to result.

The bill and the social philosophy behind it are a threat to private enterprise. We oppose it in toto.

Sincerely yours,

GEORGE M. FULLER,
Vice President.

STRUCTURAL CLAY PRODUCTS INSTITUTE,
Washington, D. C., April 15, 1946.

Hon. KENNETH S. WHERRY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WHERRY: In reading the committee report on the Wagner-Ellender-Taft bill, on page 11 under a subheading reading "Support of features of bill by private enterprise," I find an inference that the Structural Clay Products Institute has approved the details of the bill in question.

I wish to advise you that this is not the case. This association has at no time endorsed the bill and does not endorse it now.

Our organization, which is the national association of brick and tile manufacturers, is firmly opposed to the passage of the bill, and we wish to make it clear that we have not supported it by inference or otherwise.

I am sending a similar letter to Senator WAGNER, in order that our position may be entirely clear.

Very truly yours,

J. ERNEST FENDER,
President.

Mr. McFARLAND. Mr. President, I offer the amendment which lies at the desk and has been printed.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, in line 14, it is proposed to amend by striking out all of the provisions of title I—National Housing Agency, and title II—Research Market Analysis and Local Planning, inserting in lieu thereof the following:

TITLE I—FEDERAL HOME LOAN AND HOUSING BOARD

SEC. 101. There is hereby created a Federal Home Loan and Housing Board to be composed of the Secretary of the Treasury, or his designee, as Chairman, the Chairman of the Federal Home Loan Bank Board, the Administrator of the Federal Housing Administration, the Administrator of the United States Housing Authority, the Administrator of Veterans' Affairs, or his designee, and the Secretary of Commerce, or his designee. The members of said Board shall serve ex officio and without additional compensation.

SEC. 102. The Board shall meet from time to time at the call of the Chairman and at least once a month. It shall have authority to employ a secretary and such other clerical

assistance as may, in the judgment of the Board, be necessary for the proper performance of its duties. It shall consider and coordinate the general policies which are from time to time adopted and followed by agencies of the Government in reference to housing and real-estate financing and the conflicts arising therefrom, and the Board in establishing all policies shall give due consideration to the housing needs of World War II veterans and shall, where necessary, provide preference for such veterans in all rules and regulations which will assist them in the acquisition of homes or materials for building homes, and shall make such recommendations as it may determine desirable to the President, and to Congress for such executive action and legislation, as in its judgment, may be appropriate. Said Board shall not interfere with the administrative duties or functions of said housing or real-estate financing agencies. The administrative expenses of the Board shall be borne and paid in equal portions by the Federal Home Loan Bank Board, the Federal Housing Administration, and the United States Housing Authority, and they are, respectively, authorized to use their annual appropriations, to the extent necessary, for such purposes.

SEC. 103. The Department of Commerce is authorized to continue and enlarge its functions of general research, market analysis, and planning in the field of home ownership and housing to the extent provision is made therefor by appropriations by Congress. The other agencies of the Government concerned with home ownership, home financing, and housing may continue to provide such research and operating statistics as may be necessary in the performance of their functions as now provided by law.

Mr. McFARLAND. Mr. President, I shall take only a few minutes of the time of the Senate to discuss the amendment.

Mr. BARKLEY. Mr. President, will the Senator yield to me for a moment?

Mr. McFARLAND. I yield.

Mr. BARKLEY. I express the hope that Senators will remain on the floor of the Senate so that we may conclude consideration of this bill today, if possible. If that is done, I shall move that the Senate take a recess until Wednesday.

Mr. VANDENBERG. Mr. President, will the Senator yield to me?

Mr. McFARLAND. I yield.

Mr. VANDENBERG. Inasmuch as I have an important engagement at the State Department at 5:30, I ask unanimous consent that I may be excused for the remainder of the day.

The PRESIDING OFFICER. Without objection, consent is granted.

Mr. McFARLAND. Mr. President, we have already passed the veterans housing bill. That bill is all-inclusive. It gives the Housing Expediter all the powers he needs.

The pending bill was considered by the Committee on Banking and Currency, but it is a long and cumbersome bill. One of the objections which has been made to the bill is that it would set up a Federal administrator. Mr. President, I submit that if we pass this bill it will be only a matter of time before that Federal administrator will have all the powers, although they were intended to be temporary, which we have given to the Expediter.

In place of a Federal administrator, my amendment provides for the appointment of a board. I do not know of any department or agency which has been brought into existence in our Federal Government which has not continued to expand. I realize that many good things are provided for in the pending bill. I realize that parts of the bill will tend to promote the building of private homes, and I believe that the building of private homes is most important to our form of government.

But this bill sets up a Federal Administrator and it puts under such Administrator the Federal Housing Administration. A great many of the people believe that if the Federal Administrator shall exercise all of the powers provided for by the bill the program will become, not a private building program but a Federal housing building program.

Let us see what Mr. Foley, the Administrator of the Federal Housing Administration, said in that regard. I shall read only a part of his statement:

I realize that it is easy to discuss the subject in such a manner as to be misunderstood, and therefore I am speaking very carefully.

First, although the end product of the various agencies has to do with housing, and the techniques and the responsibilities involved in the several agencies are markedly different, it does not follow—

I invite particular attention to this sentence.

It does not follow, in my opinion, that the agencies should be grouped together under one direction because their end product is housing. I think further, in the very language of the bill it is obvious that the great bulk of housing needs is expected to be met by private enterprise. Ninety percent, roughly, is the provision of this bill. We therefore, I think, have to take a realistic view against the background of the earnest desire on the part of all of us to get the housing job done as rapidly and as well as it may be done. Therefore, we have to recognize the facts as they exist. I have stressed in my previous testimony my earnest conviction that the home seekers of this country are best served, as matters now stand, if their housing is built under the program of the Federal Housing Administration, and if it is financed under the type of terms we offer. I recognize the fact that the use of the Federal Housing Administration by private enterprise is not compulsory. I recognize even more. I deplore the existence of widespread deep-seated opposition on the part of private enterprise to being required to function through an agency intended to work with private enterprise, but rank under the same direction with public housing.

In a few words, Mr. President, the fear among the people, which is shared by myself, is that public housing will be expanded at the expense of privately owned homes and at the expense of homes for veterans.

Mr. President, under the second title of this bill there would be established research, market analysis, and local planning. What will that mean? It will mean that the Federal Housing Administration will plan to grow. That will mean that the Federal housing building program will grow. We know how it will work. We know how these departments plan expansions. They will go out and promote public building. They will tell the people, "Wire your Congressman that more public housing is needed." Under my amendment the planning would be done in the Commerce Department, which has nothing to do with the building of houses. Therefore there would not be the incentive to expand the building of Federal houses. No one would suffer thereby, but we would be assured that there would not be an agency trying to promote and enlarge itself. That, Mr. President, is the gist of the amendment. I hope that it will be adopted.

Mr. ELLENDER. Mr. President, if it is the desire of the Senate to torpedo the pending bill, it can be done by adopting this amendment. The amendment does not create a board with any power. The Board is only supervisory. There would be no agency empowered to carry out the provisions of the bill. The adoption of the amendment would result in the Federal Home Loan Bank Board, the Administrator of the Federal Housing Administration, and the Administrator of the United States Housing Authority each going its own way. In fact, it would mean that our housing program would return to the same state of confusion that prevailed before the President, by Executive order, consolidated the 17 or more sprawling housing agencies that grew up under prior piecemeal housing legislation.

We discussed very thoroughly in committee the advisability of placing the entire housing program in the hands of a board instead of a single administrator. We concluded, after hearing all sides of the question, that it would be best to provide for a single administrator, because he would be more likely to carry into effect the policies of Congress than would be the case if a board were created and vested with power to make decisions with regard to policies. As I have said, the pending amendment does not create a board with power. On page 2, beginning in line 22 of the amendment, we find the following language:

Said Board shall not interfere with the administrative duties or functions of said housing or real-estate financing agencies.

Therefore, each agency would go its own way with no one to carry out the over-all provisions of the bill. The bill provides for much to be done by the Administrator therein provided, and the adoption of the suggestion of my good friend from Arizona would have the effect of killing the bill.

Mr. President, I see no reason to prolong the debate, and I hope the amendment will not be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. McFARLAND].

The amendment was rejected.

Mr. BYRD. Mr. President, on page 185 of the bill, beginning in line 22, after the word "contributions", I move to strike out the following: "and the acquisition, sale, exchange, lease, or other disposition of real and personal property, and vouchers approved by the Administrator in connection with such financial transactions,".

The purpose of the amendment is to make it clear that all transactions of the Administrator shall be audited by the General Accounting Office, except such

transactions as those relating to financial matters with reference to the making of loans and annual contributions. The amendment would merely place this agency in the same category in which other agencies of the Government have been placed.

Mr. ELLENDER. Mr. President, I see no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. BYRD].

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

Mr. ELLENDER. Mr. President, before the bill is passed, I should like to say that at the hearings on it, and in the press, certain questions about the merits of this proposed legislation were raised. I believe that there is an answer to all these questions which will satisfy every fair-minded person. On the basis of the extensive record of hearings before congressional committees, I have prepared a list of 12 questions and answers about S. 1592, which I believe will prove invaluable during the consideration of this bill by the Congress and by the people. I ask unanimous consent that the 12 questions and the answers thereto be printed in the RECORD at this point following my remarks.

There being no objection, the questions and answers were ordered to be printed in the RECORD, as follows:

THE TWELVE QUESTIONS

1. Why do we need S. 1592 during the housing emergency?
2. Why do we need the middle-income plan in S. 1592?
3. Is the plan for middle-income home ownership financially sound?
4. Can housing costs be sufficiently reduced without S. 1592?
5. What does private enterprise think of the middle-income plans in S. 1592?
6. Why we need public housing.
7. Is S. 1592 public housing in disguise?
8. Is a single national housing agency necessary?
9. Would S. 1592 be inflationary by providing too much housing credit?
10. Why do veterans need S. 1592?
11. What about the cost of S. 1592?
12. Where does S. 1592 derive its support?

THE ANSWERS TO THE QUESTIONS

1. WHY DO WE NEED S. 1592 DURING THE HOUSING EMERGENCY?

Some people say that S. 1592 is a long-range program which should be postponed until Congress is finished with emergency-housing measures.

The truth is that these emergency measures and S. 1592 are necessary complementary programs that must go forward at the same time if either is to succeed.

We cannot start to build housing fast enough if there are materials shortages, or if the price level on housing is too high. This is why we need the various proposals, made by Mr. Wyatt, to break the materials bottlenecks, to check inflation on housing, to train an adequate labor force to build the needed housing, and to develop new methods which will produce houses more rapidly and more cheaply. These emergency measures, taken alone, would get us over the temporary dislocations caused by the war and would carry us back to the normal peacetime situation in housing.

However, with the normal peacetime situation restored, we would still be faced with the fact that we have not the financial and legislative machinery to build enough housing for low-income groups and middle-income groups, as well as for upper-income groups. It was the absence of this machinery, going back for 20 years, which caused a great housing shortage even before the war. Therefore, to overcome this shortage, and to lay the foundations for a housing program which will be large and stable through serving the whole housing need instead of only part of it, we need S. 1592. Without this legislation, the other emergency measures to speed up production and the flow of materials would lead to a short-lived housing boom for a narrow part of the population, just as we had after the last war.

In short, the other emergency measures are necessary to make sure that enough houses can be produced. S. 1592 is equally necessary, to make sure that they are produced for the right people, including veterans' families and other families of low and middle income.

Mr. Wyatt specifically has included in his recommendations for early action "the necessary financing and other aids provided in S. 1592 to make decent homes available for families of all incomes within their means."

The President of the United States, in his message to the Congress on the state of the Union, also called for the enactment of this measure as an essential part of the immediate housing program.

2. WHY DO WE NEED THE MIDDLE INCOME PLAN IN S. 1592?

Today, taking Nation-wide averages, it costs $6,000 or more to purchase or produce a house of good standards in most urban areas.

According to estimates, the new methods of production proposed by Mr. Wyatt may in time reduce this average cost to $5,000 or even to $4,000.

But even a $5,000 house or a $4,000 house, under present methods of financing, cannot be afforded by families whose incomes are less than $2,500 or $2,000 a year, respectively.

Contrary to popular impression, these are not actually the middle-income families. Of the 1,260,000 new nonfarm family units needed each year for 10 years in this country, about 480,000 units a year, coming to 38 percent of the total, are needed for families who have incomes between $1,000 and $2,000 a year—as national averages. These families can pay from $20 to $40 a month toward the purchase or rental of a home.

Thus, in addition to reducing the cost of producing the house, we must also have other improvements to make the housing available to these middle-income families.

S. 1592, for this purpose, adds these four provisions to the FHA insurance system in order to serve middle-income home owners through private enterprise:

(1) To make it easier to buy the house, the insured loan would cover 95 percent of the total cost of the house, compared with 90 percent today, so that the home owner would have to put up only a 5-percent down payment in cash. (A veteran could get this down payment through a GI loan.)

(2) To lower the monthly financing charges by which the home owner would pay off this loan, repayment would be extended over 32 years instead of 25, and the interest rate would be reduced from 4½ to 4 percent or less.

(3) To reduce the original cost of building the house builders would be encouraged to engage in larger-scale operations with consequent economies in construction and improvements in planning. This would be accomplished by insuring construction loans to builders, which would enable them to build more houses at once with the same amount of personal capital. To assure that this new plan would serve middle-income families, it would be limited to houses costing not more than $5,300.

(4) To give still more protection to the home owner, he would be permitted to defer his monthly payments in case of unemployment or other misfortunes beyond his control.

S. 1592 also assists private enterprise to serve middle-income families with rental or mutual ownership housing projects. In this case, longer term insured loans (up to 40 years), lower interest rates, and lower down payments, with other incentives to economy, would reduce the cost to the occupant.

Another part of the bill provides a plan for "direct investment" in rental housing—by insurance companies and other large aggregates of capital who would build and manage middle-income projects of their own.

These new insurance plans for middle income housing are not intended to cost the Government anything. The FHA would charge premiums for estimated losses and administrative expenses.

3. IS THE PLAN FOR MIDDLE INCOME HOME OWNERSHIP FINANCIALLY SOUND?

(a) There are some who say that FHA insurance covering a 95 percent loan for small home ownership is unsound, on the ground that the down payment by the home owner should be more than 5 percent. The best answer to this is contained in testimony before the Senate Committee on Banking and Currency in December 1937, when Jesse H. Jones, chairman of the RFC, stated:

"I do not think it makes a great deal of difference what a man pays down on his home. I have had experience in building and selling moderate priced homes in private life. They always pay for them if the monthly payments are not too large. I do not care much whether they pay 20 percent or no percent or 10 percent or 30 percent, if a man has a job and he and his family are interested in the home, they will pay for it."

S. 1592 reduces the monthly payments which the home owner has to make, by reducing the interest rate and lengthening the term of repayment. Therefore, it avoids the situation which existed in the past, where home owners of middle income had to overextend themselves to get a house—and ran into defaults when their family expenses increased or their incomes declined. The FHA program started with an 80 percent insured mortgage. When this was raised to 90 percent, it proved even more workable than the 80 percent mortgage on small homes. The 95 percent mortgage in S. 1592 is a further step forward along a tested path.

(b) Likewise, it is incorrect to say that the 32 year term of repayment by the small home owner is unsound. The original FHA system increased the term of repayment beyond then current practices, first to 20 years, and then to 25 years. Each step in this direction made the FHA system stronger. The longer term of repayment, by reducing the monthly charge against the home owner, will not only bring home ownership to millions of additional middle income families, but will also reduce the likelihood of defaults or losses by relating the payments better to the home owner's income. Also, the mass market for middle income housing is so large that this will give additional security to the investment. And the premiums collected on each house in 32 years would be greater than in 25 years, so that a larger insurance reserve would be built up to cover the losses in some individual cases.

(c) There is no merit in the claim that the lower interest rates provided in the middle income plan would be hurtful to insurance companies, banks, and other institutions, which lend money. The middle income plan does not force anyone to lend money. It merely provides an opportunity to invest

capital in middle income housing, at a 3½ percent or 4 percent interest rate, in volumes which have never been possible before. Because no such mortgage opportunity has existed in the past, much of this same money has gone into Government obligations earning only about 2 percent. Investment opportunities will be immeasurably broadened by widening the housing market and making it more stable, just as the automobile industry has been helped by producing cars for almost all income groups instead of mainly for upper income groups.

(d) The 85-percent firm commitment to builders in the middle income plan has been tested by experience. During the war, a 90-percent firm commitment in connection with FHA insurance encouraged builders to undertake large-scale operations and resulted in very large economies.

(e) The lapsed payment provisions, which give the home owner more time to repay his loan when he runs into unemployment or other misfortune, would help the lending institution and the FHA as well. Liberality of repayment provisions, rather than foreclosure, has been proved by the Home Owners' Loan Corporation to be a good business proposition for the lender as well as for the home owner.

4. CAN HOUSING COSTS BE SUFFICIENTLY REDUCED WITHOUT S. 1592?

There are those who say that more liberal credit terms are unnecessary because the way to reduce housing costs is by reducing the cost of building the house.

While reducing the cost of building the house is desirable, it is not enough. Even if the house which cost $6,000 in most urban communities were reduced in cost by 33⅓ percent, or to $4,000, it would require a family income of $2,000 a year to justify purchase of such a house. But middle income groups range between $1,000 and $2,000 in income.

S. 1592 does seek to reduce the cost of building the house; in fact, the middle-income plan is limited to houses costing not more than $5,300. The bill provides for research and studies to reduce these costs. It also will promote the large volume which will reduce these costs. But it also seeks to reduce land costs through urban redevelopment provisions; and it also seeks to reduce the financing charges through longer term of repayment and lower interest rates. All of these types of reductions must be combined to get the cost of housing low enough.

Housing legislation passed by the Congress has always regarded the reduction of financing charges, as well as reduction of other costs, as being essential. In fact, it was through the FHA legislation that interest rates on mortgages were reduced from 8 or 9 percent to 4 and 4½ percent. The further reduction provided in S. 1592, like these earlier reductions, will prove helpful to lending institutions by enlarging their opportunities for financing home owners, just as the earlier reductions were so helpful. They will also help these lending institutions by putting home financing on a sounder basis, more properly adjusted to the home owner's income.

5. WHAT DOES PRIVATE ENTERPRISE THINK OF THE MIDDLE INCOME PLANS IN S. 1592?

For many years, most private enterprise groups have strongly advocated most of the proposals in S. 1592—lower interest rates, longer term for repayments, firm commitments, Federal research, Federal aid for urban redevelopment, etc.

Most of these things were included in a bill presented to the sponsors of S. 1592 shortly before its introduction, by the following organizations: National Savings & Loan League, National Retail Lumber Dealers Association, National Real Estate Foundation, Mortgage Bankers Association of America; United States Savings and Loan League; Perpetual Building and Loan Association; Structural Clay Products Institute, National Lumber Manufacturers Association, United States Chamber of Commerce, Metropolitan Home Builders Association of Washington, Urban Land Institute, National Association of Home Builders of America, and National Association of Real Estate Boards.

The only reason why some of these organizations are now against S. 1592 is that it also includes public housing as part of a comprehensive housing program. Because of their mistaken opposition to public housing, they have temporarily reversed their own position on many sound proposals that will help private enterprise to build and sell twice as much housing as it ever did before. This view is not shared by the best-informed friends of private enterprise.

6. WHY WE NEED PUBLIC HOUSING

S. 1592 provides for 125,000 family units of low-rent public housing a year, for a 4-year period, coming to a total of 500,000 units. In view of the need for more than 1,250,000 houses a year, public housing would provide only one-tenth of the supply. Private enterprise would be left free to build and sell or rent, on a yearly average, about twice as many houses each year as it did between 1920 and 1929, and about four times as many houses each year as it did between 1930 and 1939. The bill also provides that the rents in public housing must be 20-percent lower than the rents at which private enterprise is providing decent housing in every locality. Therefore, there is no merit in the charge that public housing under the bill would be competitive with private enterprise.

Everyone, admits that without subsidy, decent housing cannot be provided for low-income families, with average incomes below $1,000 a year. Before the war, the average rents on public housing, which is entirely different from the war-housing program built with public moneys, was less than $15 a month. The average incomes of families in these projects was less than $750.

It is a matter of common knowledge that by no other method can decent housing for low-income families be provided in sufficient quantity. An impartial committee of the Senate studied this subject for a year and a half, heard witnesses of every type, and came to the just conclusion that there was no alternative to the public-housing program at this time.

7. IS S. 1592 PUBLIC HOUSING IN DISGUISE?

Some of the opponents of the bill have said that it is really a public housing bill in disguise.

This is refuted by a reading of the bill. The policy preamble of the bill states that (1) private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; (3) governmental aid to clear slums and provide adequate housing for groups with incomes so low that they cannot otherwise be served shall be extended only to those localities which estimate their own needs and demonstrate that these needs cannot fully be met through reliance solely upon private enterprise and without such aid. Title I of the bill establishes a National Housing Agency. Title II provides for research and studies to enable private enterprise and localities to meet more of the need for housing and related community development through their own efforts. Title III of the bill contains long-sought-after improvements in the operations of Federal Savings and Loan Association, the Federal home loan banks, the Federal Savings and Loan Insurance Corporation, and the Federal Housing Administration, all of which organizations exist to encourage or to insure private investment in housing. Title IV of the bill contains new FHA plans to enable private enterprise with FHA insurance to expand its operations by serving families of lower income than before (middle income families) with home ownership and with rental housing. Title V of the bill sets up a new plan to encourage direct investments by insurance companies and other financial institutions in rental housing for families of moderate income. Title VI of the bill is designed to encourage private enterprise to participate more extensively in the development or redevelopment of slums and other areas. Title VII of the bill continues the low-rent public housing program, and title VIII of the bill provides governmental aids to housing in rural areas. Title IX of the bill provides for the disposition of war housing presently owned by the Federal Government to localities and to individuals, with preference to veterans. Title X of the bill provides for periodic inventories of housing needs.

As has already been said, most of these provisions of the bill have long been advocated by private enterprise groups.

8. IS A SINGLE NATIONAL HOUSING AGENCY NECESSARY?

The wartime experience and the present experience with the critical postwar housing shortage, illustrated beyond question that there must be a single and unified responsibility for housing at the Federal level, instead of a number of conflicting and duplicating agencies.

There are some who oppose this unification on the ground that it would result in public housing being favored over private housing. This neglects the fact that the Congress, and the Congress alone, can determine the relative size of the different programs. Admitting that public housing should not compete with private housing, it is only by having them coordinated that this competition can be avoided.

There are also those who say that the Federal Home Loan Bank Administration and the Federal Housing Administration are credit agencies which have little or nothing to do with housing, and that therefore they should not be in a housing agency. The very names of these agencies refute this argument. They all deal, in different ways, with providing better housing for the American people at lower costs. They all have this same paramount objective. Therefore the different tools for accomplishing this objective should be utilized in harmony rather than in conflict.

Businessmen and taxpayers, who have so long been pleading for simplifying and streamlining the Government, should be the first, on the basis of economy and efficiency, to favor one housing agency instead of many. In fact, this point of view has for many years been expressed forceably by organizations of businessmen and taxpayers with respect to housing. The only reason for any contrary view today is the desire to eliminate public housing completely from the picture. This cannot be done consistently with the welfare of the people as a whole.

9. WOULD S. 1592 BE INFLATIONARY BY PROVIDING TOO MUCH HOUSING CREDIT?

It is argued, fallaciously, that S. 1592, by making it easier for people of low income and middle income to acquire houses, will increase the housing demand in relation to the shortages of materials, and would therefore be inflationary.

But the only real cure for inflation is to increase the supply. The only way to increase the supply is to enable low-income families and middle-income families to take the supply off the market as it is produced. To continue a situation where these low- and middle-income families cannot participate in enjoying the supply deals with the problem of inflation by adopting the viewpoint that where there is inflation the limited supply should be kept limited and should go only to those in the upper-income groups. This course would perpetuate the shortage in-

definitely, and the shortage is the main cause for the inflation.

The inflation and the shortage can be cured, not by limiting the supply or by restricting it to a small part of the population, but by providing the means for increasing the supply and by enabling more of the people to participate in its enjoyment.

For the same reasons there is no basis for the argument that there is plenty of housing credit available now without S. 1592. There is credit, but it is not available on satisfactory terms for the middle-income families and the low-income families who comprise most of our veterans' families and other families.

When the Congress enacted the housing provisions of the GI bill, it recognized that better credit facilities were necessary. But everyone knows that this bill alone has not provided sufficiently liberal credit terms to enable the majority of veterans to finance homes at costs within their means, quite aside from the shortage of materials.

S. 1592 will provide the kind of credit which will promote the stable production of housing at high levels for many years.

10. WHY DO VETERANS NEED S. 1592?

Some people have said that S. 1592 would hurt veterans, by enabling other persons to compete with them for the existing short supply of housing.

This is not true. The Government, in allocating materials for housing, presently requires that veterans get a preference on all privately financed housing. The same is true of publicly financed housing. So when S. 1592 makes it easier for middle income families and low income families to get housing, its benefits would flow first of all to the families of veterans. Further, S. 1592 will help veterans in these ways:

(1) It contains provisions enabling Federal savings and loan associations, the Federal home loan banks, and allied home financing institutions to participate more effectively under the GI bill of rights' home-loan program.

(2) In the FHA program, it provides for time extensions for veterans or their dependents who have been unable to keep up mortgage payments during the period of military service.

(3) For permanent-type war housing, the bill deals with disposition of such housing so as to establish the principle of preference to veterans. It also provides for preference to veterans in 500,000 new family units of urban public low-rent-housing and in rural housing as well.

(4) It provides for acceleration of the availability of authorizations whenever necessary to serve families of servicemen and veterans.

(5) It makes available to the veteran a 95 percent mortgage (the other 5 percent can be obtained under the GI bill of rights), a 32 year period within which to repay the mortgage, and a maximum 4 percent interest rate, as a result of which he can undertake ownership, say, of a $4,000 house at a total monthly cost of only $32.50, including maintenance costs, interest and principal payments and taxes and insurance.

(6) Under S. 1592, moderate and low-income veterans who prefer or need rental housing, or veterans who can undertake home ownership only under a mutual home ownership plan, or veterans who need public low-rent housing, or veterans in rural areas, would be served effectively.

(7) It makes long-term, low interest-rate mortgage provisions available to educational institutions for housing student veterans.

11. WHAT ABOUT THE COST OF S. 1592?

The greater part of the program under S. 1592 would not involve any cost to the Government—for example, the liberalized FHA provisions for middle income families would be covered by a self-supporting insurance system. The loans for public housing and for urban redevelopment would be repayable in full with interest.

There would be cost to the Government for aid to research and local planning, and for subsidies or annual contributions to help reduce rents on low-rent housing and to help make urban land available for redevelopment.

A 5-year program of building and redevelopment is contemplated under the bill. At the end of this 5-year period, with all the subsidies or annual contributions under way, the maximum payments by the Government would be $143,000,000 a year. These payments might be made for up to 45 years.

But it is unfair to multiply this annual cost of $143,000,000 by 45 years and then criticize the resultant figure for these reasons:

(1) The subsidies may not be paid for 45 years, but may be reduced if incomes rise;

(2) The payments each year represent benefits each year to families who are rehoused, and payments for 45 years would represent 45 years of continuing benefits. To total up the payments for 45 years is the same as if one were to total up the 45-year costs of public works, or social security, or highways, or the cost of running the Government.

Whether on a 1-year basis or on a long-term basis, $143,000,000 a year for housing is less than 1 percent of a normal post-war Federal budget, exclusive of expenditures for national defense. It is less than one-half of what the Government spent each day for war purposes during the war.

These costs are far outweighed by the benefits. The goal of S. 1592 is 1,250,000 to 1,500,000 houses a year. This would provide 3,000,000 to 4,000,000 jobs a year. It would means $6,000,000,000 to $7,000,000,000 in annual opportunities for investment. Better housing would reduce the cost, to the States and the Nation, of crime, disease, juvenile delinquency, discontent, and economic waste.

12. WHERE DOES S. 1592 DERIVE ITS SUPPORT?

These are the organizations which are actively supporting S. 1592 in all its major provisions: American Association of Social Workers, American Association of University Women, American Council on Education, American Council on Race Relations, American Federation of Labor, American Home Economics Association, American Planning and Civic Association, American Public Health Association, American Public Welfare Association, American Veterans' Committee, American Veterans of World War II (Amvets), Chicago Metropolitan Housing Council, Congress of Industrial Organizations, Consumers Clearing House, Consumers Union, Council for Social Action of the Congregational Christian Churches of the United States, Family Welfare Association of America, Federal Council of the Churches of Christ in America, General Federation of Women's Clubs, International Brotherhood of the Maintenance of Way Employees, National Association for the Advancement of Colored People, National Association of Housing Officials, National Association of Rural Housing, National Board of the Young Women's Christian Association, National Catholic Welfare Council, National Committee on Housing, Inc., National Conference of Catholic Charities, National Congress of Parents and Teachers, National Council of Catholic Women, National Council of Housing Associations, National Council of Jewish Women, National Council of Negro Women, National Farmers Union, National Federation of Settlements, National Institute of Municipal Law Officers, National Lawyers Guild, National League of Women Voters, National Mutual Housing Association, National Public Housing Conference, National Urban League, National Women's Trade Union League, Public Health Association of Cincinnati, the Ohio Housing Council and the Better Housing League of Cincinnati, United Neighborhood House, United States Conference of Mayors, and Veterans of Foreign Wars of the United States.

There are other organizations, which object to S. 1592 because they do not want any public housing whatsoever but who have long been on record as favoring many of the provisions of S. 1592 which are for the purpose of expanding private enterprise: National Savings and Loan League, National Retail Lumber Dealers Association, National Real Estate Foundation, Mortgage Bankers Association of America, United States Savings and Loan League, Perpetual Building and Loan Association, Structural Clay Products Institute, National Lumber Manufacturers Association, Metropolitan Home Builders Association of Washington, United States Chamber of Commerce, Urban Land Institute, National Association of Home Builders of America, National Association of Real Estate Boards.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 1592) was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. BARRY, Mr. WOLCOTT, Mr. CRAWFORD, and Mr. GAMBLE were appointed managers on the part of the House at the conference.

PROPOSED LOAN TO GREAT BRITAIN

Mr. BARKLEY. Mr. President, there being no Executive Calendar to consider, I move that the Senate proceed to consider Calendar No. 1160, Senate Joint Resolution 138, providing for the approval of a financial agreement between the United States and the United Kingdom.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kentucky.

The motion was agreed to; and the Senate proceeded to consider the joint resolution.

Mr. BARKLEY. Mr. President, I do not care to discuss the joint resolution this afternoon. I merely wished to have it taken up so that it would be the unfinished business.

DISPOSAL OF SUPLUS PROPERTY

Mr. MORSE. Mr. President, will the Senator from Kentucky yield to me for the purpose of making a brief statement in supplementing the remarks which I made last Friday on the subject of surplus property disposal?

Mr. BARKLEY. Mr. President, I yield the floor to the Senator from Oregon.

DISPOSAL OF WAR SURPLUS PROPERTY

Mr. MORSE. Mr. President, the RECORD will show that last Friday in a few brief remarks I supported the resolution offered by the Senator from North Dakota [Mr. LANGER] for an investigation of the procedures, practices, and policies of the War Assets Administration in its disposal of surplus property. I said on that occasion that I thought it very important that the resolution should be adopted by the Senate, and I set forth my reasons. I wish at this time briefly to supplement the statements I made last Friday, on the basis of certain information I have been able to secure since then.

Mr. President, in addition to the disclosure in the CONGRESSIONAL RECORD of Friday, April 12, regarding the sale of 600 new Studebaker military trucks by Gimbel Bros., New York, the following information should be of interest:

On Sunday, April 8, Gimbel made a second offering of 1½-ton Chevrolet military trucks. They not only offered them, but pointed out that they would be guaranteed and serviced by a prominent Chevrolet dealer in New York City.

Investigation at War Assets Administration indicates that these trucks were military trucks which had radar electronic equipment on them, and were returned from abroad to the Hallicrafter Co. plant, a radio-manufacturing company in the Chicago area, for the dismantling and removal of the electronic equipment. The trucks were then sold by the Capital Goods Section of War Assets Administration to a New York exporter, who did not export the trucks, but sold them to Gimbel's. I am informed that it was definitely understood and believed that these trucks were being sold for export sale and use.

This action by the Capital Goods Section of the War Assets Administration was in direct violation of the Surplus Property Act, which sets up specific priority categories which must be observed in the sale of all surplus war property.

This is not the first time that regulations and the law have been disregarded by War Assets Administration. I was informed of a case recently where a considerable number of Signal Corps trucks with specialized equipment were to be offered directly to the Western Electric Co., in disregard of the priority regulations, when Consumer Goods Section, which handles trucks, got word of it and forced Capital Goods Section to turn the trucks over to them to be handled by the regular procedure.

It should be pointed out that although these cases have come to light, there are probably others. By and large, it is my impression that the Consumer Goods Section of War Assets and its predecessor organizations, SPA and Treasury Procurement, have done a very creditable job in handling trucks. It is true that they have not been distributed to farmers, as the Senator from North Dakota [Mr. LANGER] pointed out in his speech on the floor Friday, in as large quantities as they might have been.

In fact, it is inexcusable that they have not been distributed to farmers and to veterans in a greater degree than they have been. However, I think it must be recognized that the disposal of these great quantities of goods is a very difficult task, and requires a great deal of administrative detail which possibly the administration has not had adequate time as yet to work out in as efficient a manner as they should. That does not, however, remove the obligation and responsibility of this administration to clean up what I say is a sorry mess in the disposition of surplus property. However, in fairness, I wish to say that, by and large, the job has been handled, I think, conscientiously by the Consumers' Goods Section, but the organization of the War Assets Administration lacks coordination. So far as I have been able to ascertain in my investigation of the matter, the Gimbel incidents represent the first time a store which was not a normal channel of trade has been utilized to sell trucks.

There is another problem which needs to be given attention by the War Assets Administration, namely, a practice which some veterans tell me is beginning to develop in the buying up of so-called veterans' certificates granting priorities for the purchase of trucks. Certain stores and retailers are buying veterans' certificates which would enable the veterans to buy trucks for their own use. They are giving some veterans a bonus for the certificates, even though the veterans have no intention whatsoever of really buying trucks for their own use. As a result, a great many veterans who need trucks for their own use are suffering as a result of this type of black-market operation. This practice is not fair to the veterans who need the trucks, and they are filing complaints in regard to the practice.

It is not the intention of the Surplus Property Act to permit a veteran to buy an unlimited number of trucks with a certificate. In fact, it is my understanding that such a certificate should be good for only one truck per veteran, and it certainly was not the intention to let a dealer buy them in the name of the veteran for immediate resale. We have a situation in which many deserving veterans are unable to get trucks and others are buying up many trucks for dealers. It seems to me that the abuse of the privilege by certain veterans is just as serious, if not more so, than the fact that Gimbels have been selling a few hundred trucks in New York. After all, in this case it may be only a question of maldistribution. However, the trucks are badly needed in the New York area, and many more trucks are badly needed by individual veterans and by individual farmers throughout the country. It is a shame that they are not getting a chance to purchase them to the degree that was intended by Congress.

Moreover, the important thing, it seems to me, is that this direct violation of the law by War Assets Administration officials indicates the looseness with which that agency is being administered, and the caliber of personnel that is being used on this job.

However, this is maybe explainable in the case of an organization of the temporary nature of the War Assets Administration one which has been thrown together so fast and its personnel increased so rapidly that one part of the organization apparently does not know what the other parts are doing. As I said before, the War Assets Administration should coordinate its functions and develop a more efficient check against its own mistakes and inefficiencies.

I make these remarks today, Mr. President, because I think it should be perfectly clear to this administration, as I suggested last Friday, that the American people are entitled to know the facts about the complaints which are being made in regard to the maladministration by the War Assets Administration. My position is the same on the Langer resolution as it has been on OPA resolutions. I have tried time and time again to point out to the Senate that the people of this country are entitled to know the facts about the maladministration of OPA and any other Government agency.

I see my good friend, the distinguished senior Senator from New York [Mr. WAGNER], the chairman of the Committee on Banking and Currency, in the Chamber. He knows that for months past I have pleaded on the floor of the Senate for the setting up of a special committee of the Senate to conduct an investigation of OPA. I have pointed out in speech after speech the value of such a committee not only to OPA, but to the entire administration. I have tried to make clear that I think such investigating committees can be of real service to the departments subject to the investigations because the committees can separate the true charges from the false complaints. They can be used as clearinghouses of factual information to the American people, since there is a great deal of suspicion abroad in the land in regard to the practices of many of the Government agencies.

I venture to assert, Mr. President, that if, months ago, when the Senator from Nebraska, the Senator from Indiana, and the Senator from Oregon, sought to persuade the Senate to create a special investigating committee to investigate OPA, the suggestion had been adopted by the Senate, the revolt now evident on Capitol Hill against the continuation of OPA would not have reached the point it has reached as of this hour. I say that because men in responsible positions in the Congress of the United States know very well that it is very difficult for them to justify casting a vote for the continuation of the inefficiency, the arbitrary practices, the capricious actions, and the downright gestapo methods, in some instances, of the OPA organization.

As one who has been a stanch defender and supporter of the major objectives of OPA insofar as they can be effective in checking inflation, I think the administration has put us in a very difficult position when it comes to vot-

ing for a continuation of OPA, with nothing from the administration but some more political promises that the abuses will be eliminated if we will only extend the life of this organization.

When the OPA extension bill reaches the floor of the Senate I shall discuss some of the enforcement practices of OPA which in my judgment should not be tolerated any longer and which I think are producing the same revulsion on the part of many people in this country against OPA which developed against the Volstead Act when similar enforcement methods were used by a swarm of enforcement snoopers. Many honest and patriotic merchants in this country have been branded as crooks and law violators by OPA in its enforcement practices because of unintentional and innocent mistakes in pricing. I can cite examples of unintentional pricing mistakes of one-half or 1 or 2 cents on an article which have resulted in fine citizens in my State being prosecuted by OPA and held up to their fellow citizens as law violators.

The OPA suffers from a prosecution complex in regard to inconsequential, unintentional, and innocent pricing mistakes of many small merchants in this country. If it had devoted just half of the effort in going after the black marketeers in this country that it has spent in harassing the small store merchants it might have been able to have really done something about checking the inflationary effects of the greatest cause of inflation in this country today, namely, the black market. This black market is rampant in meat, lumber, fruit, and a host of other products. What is its greatest cause? I charge that its greatest cause is the fact that there are a lot of subordinates in OPA who seem to think that allowing a fair and reasonable profit for the production of much-needed consumer goods is in violation of the private property economy of this country. They give every evidence of believing that so long as a company is $1 in the black it is not entitled to any price adjustment. In other words their ideology seems to be one of preventing profits rather than of preventing inflation. They need to be told by Porter, Bowles, and the President that the private property economy is based upon the fundamental principle that the opportunity of producing at a fair profit is the greatest incentive to production. A fair profit is not being allowed by OPA in accordance with the facts that I know have been presented to OPA in many cases in regard to which I have a knowledge of the facts.

Take lumber for example. There is a great lumber shortage and Wyatt cannot fufill the objectives of his housing program without lumber. I say now that if that lumber is not produced to the amount needed it will be due chiefly to the fact that the lumber industry in my State is thoroughly discouraged with the pricing policies of OPA. I think it is true that we would have more lumber if OPA would make it possible for the lumber industry to produce the maximum amount of lumber of which it is capable by allowing it a fair profit on the various types of lumber needed. Hence lumbermen, along with various other groups of men in my State, are urging me to vote for the complete abolition of OPA. I do not desire to cast such a vote because I firmly believe that the major objectives of OPA as intended by the OPA Act are in the best interests of this country during this reconversion period. However, it is very difficult to justify a vote for OPA if Mr. Porter, Mr. Bowles, and the President do not take the necessary steps to clean up the abuses of OPA and to give assurance that the policies of OPA will be adjusted in accordance with the ever-changing factual picture as far as supply of and demand for consumers' goods is concerned during the reconversion period. Unless OPA can be administered so that its pricing policies in relation to a given industry can be periodically changed in accordance with new facts as they develop then it will only continue as is now the case to discourage production in many industries. The most effective way to beat inflation is to encourage production and any pricing policy which does not allow a fair profit discourages production.

I here and now say that I think it is the obligation of the President of the United States, Mr. Truman, to come forward now and give to Congress and to the people of the United States very definite assurance that he is going to exercise some leadership in connection with the OPA problem. We want to know that he is going to take upon himself the responsibility, as the Chief Executive, to see to it that these abuses and practices of the OPA, against which we have complained for many months past, are going to be cleaned up. He should do that before he asks Congress to vote for the continuation of OPA.

Mr. President, I want to vote for the continuation of OPA, but it is difficult to justify voting for its continuation until I have definite assurance that it will end the abuses, which I know to be factual, and which the Senate should have eradicated long ago by the type of an investigation committee some of us have asked for in months past.

This assurance, I say, must be received by the Congress of the United States if the administration is to look to us to help carry out what I think are the real objectives of OPA, but which OPA itself, by its improper practices makes it almost impossible for it to carry out.

Now we have another similar problem, Mr. President, with the War Assets Administration. I say that now is the time, when the charges made against it, for the administration to get behind the resolution providing for an investigation of the charges. If they are false the investigation will show it. If they are true it is the public duty and obligation of the administration to clean up the situation. I am at a loss to understand, as I suggested last Friday, why Democratic Senators in this body, every time a proposal is made to make an investigation of one of these agencies, about which we have stacks of complaints, oppose the resolution.

I repeat today what I said in effect Friday, that I entertain the suspicion—oh, it is more than a suspicion, Mr. President—I entertain the belief that this administration is afraid to face an investigation of any of these major agencies about which complaints have been filed. If it is not afraid, then I urge the Democratic Senators on the other side of the aisle to join forces with us in the interest of the people of the United States to find out what the facts are about these charges. Let them support us in our requests to carry on an investigation that will sift the falsehood from the truth in connection with the charges that have formed the basis for the resolutions calling for an investigation of OPA, the War Assets Administration, the court martial systems and penal practices of the Army and Navy, and the other investigations which have been proposed. The people of the country are entitled to the facts which would be disclosed by such investigations.

AUTHORIZATION FOR SIGNING OF BILLS

Mr. WAGNER. Mr. President, I ask unanimous consent that the President pro tempore be authorized to sign duly enrolled bills during the recess of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. HOEY in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

RECESS TO WEDNESDAY

Mr. WAGNER. I move that the Senate takes a recess until Wednesday next at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 13 minutes p. m.) the Senate took a recess until Wednesday, April 17, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 15 (legislative day of March 5), 1946:

DIPLOMATIC AND FOREIGN SERVICE

The following-named persons to be foreign-service officers, unclassified, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Keld Christensen, of Iowa.
Robert J. Gibbons, of Ohio.
David G. Nes, of Maryland.
Robert M. Sheehan, of the District of Columbia.

SECURITIES AND EXCHANGE COMMISSION

Richard B. McEntire, of Kansas, to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1948.

CIVIL AERONAUTICS BOARD

James M. Landis, of Massachusetts, to be a member of the Civil Aeronautics Board for the remainder of the term expiring December 31, 1947.

TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

TO BE BRIGADIER GENERALS

Col. Conrad Edwin Snow (lieutenant colonel, Signal Corps Reserve), Army of the United States.

Col. Maurice Hirsch, Army of the United States.

HOUSE OF REPRESENTATIVES

MONDAY, APRIL 15, 1946

The House met at 12 o'clock noon.

The Rev. Dr. Joseph Francis Thorning, rector of St. Joseph's Church, Carrollton Manor, Md., and special lecturer on South American history in the University of Maryland extension division, cofounder and organizer of the inter-American seminars in the other American Republics and Canada, offered the following prayer:

In the name of the Father and of the Son and of the Holy Spirit. Amen.

Lord of light and of love, regard with eyes of favor the Speaker of this House and all the Members of the Congress of the United States.

Aware of the loyal devotion of the citizens of the other American Republics and Canada, we implore that the treasures of Thy grace be poured forth abundantly upon the President of the United States, who, with the chief executives of our sister nations, is eager to cherish the spirit of friendship, a second line of defense and progress, throughout the Western Hemisphere.

Gathered together for this second official celebration of Pan-American Day, an anniversary dear to all the children of the Americas, we invoke Thy blessings upon the deputies and senators of all American democratic assemblies, where the values of truth, liberty, justice, and charity are respected. Light up their minds, dear Saviour, with the radiance of Thy beauty and glory.

Bestow Thy benediction in particular upon the architect of the good-neighbor policy and all loyal collaborators in governments, universities, colleges, inter-American centers, and schools. Lift up and enlarge this friendship to the plane of a good-neighbor policy for all men, women, and children of the world.

This we ask through Christ our Lord. Amen.

The Journal of the proceedings of Saturday, April 13, 1946, was read and approved.

PHILIPPINE TRADE ACT OF 1946

Mr. DOUGHTON of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. DOUGHTON of North Carolina, COOPER, DINGELL, ROBERTSON of Virginia, KNUTSON, REED of New York, and WOODRUFF.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed a joint resolution and a bill of the House of the following titles:

On April 12, 1946:

H. J. Res. 328. Joint resolution making an additional appropriation for veterans' housing and related expenses.

On April 13, 1946:

H. R. 3796. An act to quiet title to certain school-district property in Enid, Okla.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H. R. 2115. An act relating to the domestic raising of fur-bearing animals;

H. R. 4896. An act to provide for payment of travel allowances and transportation and for transportation of dependents of members of the naval forces, and for other purposes; and

H. J. Res. 273. Joint resolution authorizing and requesting the President to issue annually a proclamation designating December 15 as Bill of Rights Day.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 287. An act for the relief of Murphy & Wischmeyer;

S. 470. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of W. P. Richardson, as successor and assignee of W. P. Richardson & Co., of Tampa, Fla.;

S. 593. An act for the relief of Warrant Officer Wayne C. Proper;

S. 875. An act for the relief of Mercy Duke Boehl;

S. 943. An act granting the consent of Congress to the State of Washington to construct, maintain, and operate a free highway bridge across the Columbia River at Northport, Wash.;

S. 997. An act for the relief of Aldona Kojas;

S. 1201. An act for the relief of Arthur F. Downs;

S. 1286. An act for the relief of Sam Bechtold;

S. 1325. An act to amend the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended;

S. 1442. An act for the relief of George O. Weems;

S. 1507. An act to better adapt the loan programs authorized by the Bankhead-Jones Farm Tenant Act, as amended, to the needs of veterans and low-income farmers, and for other purposes;

S. 1516. An act to amend section 12 of the Bonneville Project Act, as amended;

S. 1563. An act for the relief of Ferris Ruggles;

S. 1604. An act for the relief of Leo Stuhr;

S. 1636. To amend the Surplus Property Act of 1944 to designate the Department of State as the disposal agency for surplus property outside the continental United States, its Territories and possessions, and for other purposes;

S. 1714. An act to amend the act entitled "An act to prevent purchase and sale of public office," approved December 11, 1926;

S. 1742. An act for the relief of Socony-Vacuum Oil Co.;

S. 1747. An act for the relief of John C. Spargo;

S. 1757. An act to amend the Surplus Property Act of 1944, as amended, so as to broaden the scope and raise the rank of the veterans' priority;

S. 1801. An act authorizing the appointment of an additional judge for the district of Delaware;

S. 1802. An act to provide for the delivery of custody of certain articles of historic interest from the U. S. S. *Nevada* and the U. S. S. *Wyoming* to the State of Nevada and the State of Wyoming, respectively;

S. 1805. An act to authorize the promotion of personnel of the Navy, Marine Corps, and Coast Guard who were prisoners of war;

S. 1812. An act to provide reimbursement for personal property lost, damaged, or destroyed as the result of explosions at the naval ammunition depot, Hastings, Nebr., on April 6, 1944, and September 15, 1944;

S. 1834. An act granting the consent of Congress to the State of Iowa or the Iowa State Highway Commission to construct, maintain, and operate a free highway bridge across the Des Moines River at or near Farmington, Iowa;

S. 1854. An act to establish the civilian position of academic dean of the Postgraduate School of the Naval Academy and compensation therefor;

S. 1857. An act to authorize the availability of certain necessary administrative expenses of appropriations for the Department of the Interior;

S. 1862. An act to repeal section 1548 Revised Statutes (34 U. S. C. 592);

S. 1871. An act to authorize the conveyance of a parcel of land at the naval supply depot, Bayonne, N. J., to the American Radiator & Standard Sanitary Corp.;

S. 1872. An act to provide for the rank of original appointments in the Corps of Civil Engineers of the United States Navy, and for other purposes;

S. 1916. An act to authorize the Secretary of State to transfer certain silver candelabra to May Morgan Beal;

S. 1932. An act conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of the board of trustees of the Saunders Memorial Hospital;

S. 1959. An act to authorize the payment of additional uniform gratuity to Reserve officers commissioned from the status of aviation cadets;

S. 1961. An act to exempt from taxation certain property of the Disabled American Veterans in the District of Columbia;

S. 1963. An act to authorize additional permanent professors of the United States Military Academy;

S. 1978. An act to authorize the restoration of Philip Nickum, Jr., to the active list of the United States Navy with appropriate rank and restoration of pay and allowances;

S. 1980. An act to continue in effect section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, relating to the exportation of certain commodities;

S. 1986. An act to regulate the manufacture, sale, distribution, and use of barbiturates in the District of Columbia, and for other purposes; and

S. 2029. An act to authorize the Director of the United States Geological Survey to produce and sell copies of aerial or other photographs and mosaics, and photographic or photostatic reproductions of records, on a reimbursement of appropriations basis.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the Committee on World War Veterans' Legislation be permitted to sit during general debate of the sessions of the House for the rest of the week.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Alabama [Mr. JARMAN] is recognized.

PAN-AMERICAN DAY

Mr. JARMAN. Mr. Speaker, it is with a feeling of sadness which normally would be gladness that we approach the commemoration of Pan-American Day, the sadness resulting from the fact that last year it was necessary to postpone this occasion because of the unexpected death of our great President, one who was not only a great President, not only a great Commander in Chief of our Army and Navy at war, but an equally great and good friend of pan-Americanism, one whose administration did as much to cement the relations between the American countries as any other administration has ever done or probably ever will do.

Personally I have another reason for approaching this occasion with sadness. It results from my reference last year to a great soldier. In referring at that time to the great liberator of South America, Simón Bolívar, and speaking of his widespread interest and influence, I referred to the fact that our troops on Okinawa were at that moment under the able command of one who bore his name. I wish to repeat the conclusion of that reference. I spoke, of course, of General Simon Bolivar Buckner, Jr., and referred to the fact that in South America he would be called Simón Bolívar Buckner, Jr. I said:

I know General Buckner personally. In view of that fact and my natural interest, I wish to heartily congratulate him and express my deep appreciation of the magnificent work the Tenth Army has done on Okinawa under his able leadership; and then I would indulge the hope and reverent prayer in which I know I will be joined by every person in this Chamber, for his similar future success.

The nearest American troops to Japan, I wish not only General Buckner, but every officer, noncommissioned officer, and private under him Godspeed, rapid progress, and early entrance into Tokyo.

I am happy to believe that that wish was fulfilled insofar as many of the soldiers under General Buckner were concerned because of their valor in conquering Okinawa and because of the fact that they were nearest to Japan. Unfortunately, it was not the good fortune of General Buckner or the United States or, I may add, Japan, for it to be fulfilled insofar as he was concerned, because just at the end of the Okinawa engagement, when the island had been all but conquered and there was only a little tip of it left to be conquered, that great soldier, General Buckner, while out in a front line observation post observing his troops wipe up that little tip of Okinawa, was felled by an enemy shell that ended the career of a distinguished gentleman and a great soldier.

It happened that I was not too far away at the time. I was at Guam. In fact, the day before I had been 825 miles nearer, on Iwo Jima. We were the guests at Guam of another able fighting man, that charming, suave, efficient, and able gentleman and sailor, Admiral Nimitz. He had been telling us at mealtimes about the progress of Okinawa, always encouraging reports, but on this morning he said, "Well, only a few more days will be necessary, gentlemen, on Okinawa, just two or three more days, but unfortunately we lost our Army commander yesterday." You can imagine the shock with which that information was received by us.

Mr. BENNETT of Missouri. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I gladly yield to the gentleman from Missouri.

Mr. BENNETT of Missouri. The gentleman has referred to the great South American liberator, General Bolivar. The gentleman will be interested to know that a number of towns in North America are named after the great liberator. The largest of these towns is known as Bolivar, Mo., in the district which I represent. Within the last few days the Ambassador from Venezuela has proposed to the President of the United States that South America be permitted to erect a monument in Bolivar, Mo., in honor of General Bolivar. Of course, we all hope that can be done.

Mr. JARMAN. I thank the gentleman very much for that contribution. I certainly consider the idea an excellent one, and I share his hope that it will be done.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Mississippi.

Mr. RANKIN. One of the greatest contributions to pan-American unity took place within the last 2 weeks when this administration repudiated a Communist attempt to create a war between us and Argentina, reestablished diplomatic relations with Argentina, and sent an Ambassador to Buenos Aires. That is one of the greatest contributions to pan-American unity that has taken place in a long time.

Mr. JARMAN. We are all very appreciative of any contribution which may occur to pan-American unity.

Pan-American Day was originated in a resolution adopted by the Governing Board of the Pan American Union on May 7, 1930, as follows:

Whereas it would be desirable to recommend the designation of a date which should be observed as Pan-American Day in all the republics of America and which should be established as a commemorative symbol of the sovereignty of the American nations and the voluntary union of all in one continental community;

Whereas April 14 is the date on which the resolution creating the Pan American Union was adopted;

The governing board of the Pan American Union resolves: To recommend that the governments, members of the Pan American Union, designate April 14 as Pan-American Day, and that the national flags be displayed on that date.

Pursuant to this recommendation, the President of the United States issued a proclamation calling upon schools, civic associations, and people of the United States generally to observe the day with appropriate ceremonies, thereby giving expression to the spirit of continental solidarity and to the sentiment of cordiality and friendly feelings which the Government and the people of the United States entertain toward the peoples and governments of the other republics of the American continents.

Proclamations have been issued and legislation enacted in all the other American Republics setting aside April 14 as Pan-American Day.

Today Pan-American Day has become one of the significant anniversaries of the country. It is the only day set apart by the governments of an entire continent to symbolize their common bond and their common hope for a system of international relations based on mutual respect and cooperation. The observance of Pan-American Day by Government leaders, as well as by educational institutions, clubs, commercial associations, and other groups, and its recognition by the press and radio, conveys its message of solidarity to young and old throughout the continent. It has become a powerful aid in bringing about a closer understanding among the nations of the Western Hemisphere.

The theme for 1946, the sixteenth annual observance of the day, is "Free and united, the Americas go forward." I repeat, "Free and united, the Americas go forward." The programs will be as diversified as the character of the 16 regions in which they will take place, but a common theme will be the first commemoration of the day of the Americas since the Allied victory in World War II.

Mr. RICHARDS. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. RICHARDS. Mr. Speaker, there is no subject of greater importance to the American people than pan-American unity and pan-American friendship. I have served with the gentleman from Alabama [Mr. JARMAN] on the Committee on Foreign Affairs for many years. I have noted his zeal year in and year out in the cause of perpetuating friendly relations between the peoples of the Americas. I know of no man on that committee or in the House of Representatives who has done more to cement good relations between the people of North America, South America, and Central America than the distinguished gentleman from Alabama. I congratulate him on his accomplishments in that direction. I think I speak for the whole House when I say that we will all join in the movement, so forcefully led by the gentleman, to bring about still better relations between our people and the peoples to the south of us. When we contemplate what is happening in other parts of the world, a war-ravaged world, and then look around us and observe the spirit of friendship which exists in the Western Hemisphere, then we know that the efforts of the gentleman from Alabama and others like him have borne fruit.

Mr. JARMAN. I sincerely thank my distinguished friend, the gentleman from South Carolina, for those remarks, though I am afraid they are too generous. I appreciate them very much nevertheless. I also appreciate his assurance of

the same cooperation in the future which he has so kindly indulged in in the past. He has always been very fine and very kind to me.

The gentleman referred to the war-ravaged earth. I need not call attention to the fact that this is the first time in 5 years when it has been our privilege and pleasure to commemorate Pan-American Day amidst a world at peace. My earnest hope and reverent prayer, in which I know I will be joined by everyone present, is that we may continue to celebrate Pan-American Day under those circumstances, not only in the immediate future but throughout the ages that are yet to come.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the distinguished gentleman from West Virginia.

Mr. RANDOLPH. Mr. Speaker, the gentleman from Alabama appropriately addresses his colleagues and the country on this vital subject matter. The gentleman made mention of the fact that we are at peace during the observance of this Pan-American Day. Our neighbors in the Latin-American countries are, in great degree, friendly and cooperative with the United States. They look to us for leadership. We must not fail to provide it. Does not the gentleman believe that regardless of the success of the United Nations Organization, and we trust it will be successful, that if the peoples of North America, Central America, and South America can be joined together in one great purpose for peace, there could be no other part of the world that could stand against it?

Mr. JARMAN. I not only agree with the gentleman in that possibility, but I predict that that will occur should it become necessary.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the distinguished gentleman from California.

Mr. VOORHIS of California. I should like to say that I am sure we all regret it has not been possible to devote a whole day to the observance of Pan-American Day, but in the absence of that possibility, those of us who might have liked to have spoken at some length on the subject feel that the gentleman from Alabama has eloquently, ably, and effectively said the things we wanted to say. I believe his speech should be read in the light of its being literally the voice of the House on this most important matter.

Mr. JARMAN. That is certainly very kind of the gentleman from California, and I thank him very much. However, I wish to express the hope that anyone who may wish to follow me and comment on Pan-American Day will be permitted to do so, and I understand he or she will be.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the distinguished gentleman from Pennsylvania.

Mr. RICH. I want to voice my praise for the work which the gentleman from Alabama [Mr. JARMAN] is doing in trying to cement the good offices of our State Department with the state department offices of all the countries of North America, South America, and Central America. I think it is imperative that the United States, Central America, and South America stand together for the principles which have been inculcated and laid down by the founders of our Constitution, and carry out the Monroe Doctrine. I think that in itself speaks for the position that our Nation can take in trying to work with and aid and assist the countries of South and Central America. Certainly, the more we can do to promote a feeling of good will between these Western Hemisphere peoples, the better it will be not only for the people of the Western Hemisphere but for the people of the world at large.

I am glad to add my praise to the work which the gentleman is doing in cementing more and more this friendship.

Mr. JARMAN. I thank the gentleman very much for his gracious reference.

Mr. MANSFIELD of Montana. Mr. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the distinguished gentleman from Montana.

Mr. MANSFIELD of Montana. I too would like to join with my colleagues in complimenting and congratulating the gentleman from Alabama who is chairman of the Subcommittee on Latin-American Affairs of the Committee on Foreign Affairs of the House of Representatives, on the great interest he has always taken in bringing about greater affection between the countries of the Americas, and also because of the fine presentation he is making at the present time.

I think it is highly imperative that the nations of the New World continue to draw thus closer and closer together because I think it is the New World which offers hope to the rest of the world.

I feel also that it is very significant and highly important that we had such a distinguished Latin-American scholar as Father Joseph Thorning give the prayer on this particular day. As the gentleman from Alabama well knows, Father Thorning has been very much interested in closer cultural, commercial, and political relations between this country and the hemisphere, and has performed a great service over the years in giving publicity to those aspects of inter-American cooperation.

I know the gentleman from Alabama speaks for all of us in the House as he develops the idea of greater pan-American cooperation, and we appreciate the great amount of hard and assiduous labor he has performed in the interests of all the countries in this hemisphere.

Mr. JARMAN. I thank the gentleman from Montana very much, and I want to comment on two phases of his reference. First, the necessity for closer cooperation between the pan-American countries. I wish to assure the gentleman that for my part I never intend to fail to challenge anything that in any way tends to impair or lessen the importance of those relations.

I thoroughly agree with his reference as to the appropriateness of having Father Thorning offer the invocation this morning. Someone was very thoughtful in arranging that. I appreciate it very much, and I appreciate his being with us at this time.

Mr. CANNON of Florida. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. CANNON of Florida. Coming as I do from the city that we call the Gateway to the South Americas wherein all the passengers from that area disembark first after reaching the United States, I wish to commend the gentleman on the great service he has given to this people, and the fight he is now waging in their behalf. I feel that the cementing of friendship between the two areas, when it finally comes about, will be as a practical and direct consequence of the great and outstanding work which the gentleman from Alabama has done. I want to recognize his work on my own behalf and on behalf of the people of my district.

Mr. JARMAN. I thank the gentleman very much for his kind remarks, but he is entirely too generous.

Mr. THOMASON. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I gladly yield to the distinguished gentleman from Texas, ranking member of the Committee on Military Affairs.

Mr. THOMASON. Coming as I do from another gateway to Latin America, down in Texas, I also want to commend the gentleman for the fine work he has done and especially to mention the praise that is due the gentleman as chairman of the Pan-American Subcommittee of the Committee on Foreign Affairs, the work he and his committee have done to promote the friendly relationship that should exist between this country and our South American friends. I know that down in Laredo and right across the river in Juarez the very friendliest of relationships exists; and I am happy to join the gentleman from Alabama in doing everything I can to promote the uninterrupted work on the good-neighbor policy that our great Secretary of State, Mr. Hull, sponsored, and to say that I think it is highly important in the difficult days that lie ahead that we do everything in our power not only to extend the hand of friendship to our Pan-American friends, but also to further cement the ties of friendship that now exist between us.

Mr. JARMAN. I thank the gentleman from Texas very much.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I am happy to yield to the distinguished gentlewoman from Massachusetts, the second ranking Republican on the Foreign Affairs Committee.

Mrs. ROGERS of Massachusetts. I too wish to express my appreciation for the remarkably fine work the gentleman from Alabama has done in cementing ties with the Latin-American countries, and also for his work otherwise. We have served on two committees together, the Committee on World War Veterans' Legislation, where he rendered a great contribution, and the Committee on Foreign Affairs. Because I am so interested in cementing the ties between this country and the other Latin-American countries, I went to Mexico City as a delegate to a conference last year. There I found the finest courtesy, the most un-

derstanding cooperation, from every one of the delegates in working out a program in that Inter-American Conference that was there held. I hope this effort will continue. I hope that Argentina will be with us in the next conference and that we will go on improving our relations.

Mr. JARMAN. I thank the gentlewoman very much. May I comment here that both she and the gentleman from Texas [Mr. LUTHER A. JOHNSON] rendered yeoman service at the Inter-American Conference in connection with the problems of war and peace at Mexico City. They did a fine job in representing this House and I hope the gentlewoman will make some appropriate remarks later on.

Mrs. ROGERS of Massachusetts. It was a very great privilege to serve.

Mr. JARMAN. I yield now to the gentleman from New Jersey [Mr. EATON].

Mr. EATON. Mr. Speaker, I would say amen to all the fine things that have been said here about the distinguished gentleman and his service in our committee as an individual and as our leader in pan-American relations. I doubt that any man in this House has done a more constructive job than our friend the gentleman from Alabama [Mr. JARMAN], and I want to express as a citizen my appreciation for all he has done and all that he is.

In our conference at San Francisco we had a wonderful illustration of the solidarity of purpose and ideals as between the nations of these two continents. We never would have been able to put through the charter without the support that we received in our leadership from all the South American peoples. One great issue in which we stood adamant against all comers was that in the new age of the world civilization all the nations of this new world must form a bloc with the same ideals, the same sense of unity and the same purpose to serve mankind and to maintain peace. We did that and that is one of the foundation policies of the United Nations.

Mr. Speaker, I do not know any one in this House or out of it who did more to advance that solidarity than our friend, the distinguished gentleman from Alabama.

Mr. JARMAN. I thank the gentleman very much and again I say, like I did with reference to others, he is entirely too generous. But I cannot refrain from commenting on his valuable service at the United Nations Conference at San Francisco where he also did such a fine job. Incidentally he is the ranking minority member on the Pan-American Subcommittee of the Foreign Affairs Committee as well as the ranking minority member of the committee as a whole.

Mr. LUTHER A. JOHNSON. Mr. Speaker, I want to commend and endorse what the distinguished gentleman from New Jersey has just said in commendation of the able and distinguished gentleman from Alabama who is now addressing us and the continued interest he has taken in preserving and in carrying on recognition of celebration of Pan-American Day. In that connection may I say that the gentleman from Alabama [Mr. JARMAN] represented our Government last year, together with the gentleman from Illinois [Mr. CHIPERFIELD], in attending a celebration of an historic event in Chile. Thereafter it was my privilege to attend the Inter-American Conference at Mexico City last March. I met some of the distinguished citizens of Chile who spoke very highly of the work of the gentleman from Alabama [Mr. JARMAN] and the gentleman from Illinois [Mr. CHIPERFIELD] in attending that meeting and in cementing still more the friendship between our country and that great republic. I commend the gentleman from Alabama for the fine interest and continuing part he has taken in it. I know of nothing more important than the friendship of the family of the 21 nations of the American Republics.

Mr. JARMAN. I thank the distinguished ranking member of our Foreign Affairs Committee very much. As I said to the gentlewoman from Massachusetts, he will have an opportunity to comment on the Mexico City conference later, and I hope he will do so.

Before I proceed further and yield to the distinguished gentleman from New York, I wish to express to the gentleman from Texas a sentiment that I know is entertained by every Member of this body. While we are delighted at his recent appointment, we are delighted that he will have no more campaigns, we are delighted that he has been placed in a position that he will so ably fill, yet we sincerely hate to lose him in the House of Representatives. The gain of the judiciary is the distinct loss of this body.

I now yield to the distinguished gentleman from New York [Mr. KEOGH].

Mr. KEOGH. I would like to pay my compliments to the gentleman from Alabama. I am certain he knows of, and I am sure he does not mind my referring to, the work that has been done in this field by the Pan American Union of which Frederick E. Hasler, of New York City, has served so capably as president during the last few years.

Mr. JARMAN. Indeed I do, and it has been a very wonderful contribution.

I now yield to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. May I say to the gentleman from Alabama that last summer I had the honor of representing the United States at the inauguration of the new President of Peru, Mr. Bustamente. I would like to say to the gentleman that he is remembered well, fondly, and favorably by the delegates there from Panama, Colombia, Ecuador, Chile, and Peru. One thing they wanted to know was if I knew Señor JARMAN, from Alabama. Naturally, I had the honor of knowing the gentleman from Alabama, and they told me of the great work that he had done in cementing the relations between us and our South American neighbors. I think this work that the gentleman from Alabama is perpetuating did a great deal to establish our defenses during the troubles of the late war. Friendship, certainly, and security to the south otherwise would never have been so certain. Indeed, I hope the gentleman, with the approval of his colleagues and the country at large, will carry on the great policy of friendship with our good neighbors to the south.

Mr. JARMAN. I thank the gentleman very much, and I am particularly pleased and proud to receive the messages from my colleagues from South America.

I now yield to the gentleman from Utah [Mr. ROBINSON].

Mr. ROBINSON of Utah. I just want to call the gentleman's attention to the fact that a committee has visited a number of the countries he has talked about in Central America, having traveled a large part of the route from Panama City to Mexico City. I happen to be chairman of that committee. We were all very much impressed with the fine, friendly, and cooperative feeling that exists between these countries and our country. We have started to build a road from Panama City to Mexico City and have spent considerable money on that road, and we now have before the gentleman's committee a bill introduced by me for an authorization of $25,000,000 to complete this highway. I hope that the gentleman and the members of his committee will, at the earliest date possible, consider this bill and authorize that this money be expended, because it was the unanimous opinion of all of the members of the committee who went through that territory and made a careful study of it, which committee consisted of three Republican members and three Democratic members, that this road should be built at the earliest possible moment because of the fine feeling that exists in those countries, and the fact that this feeling should be continued.

Mr. JARMAN. I appreciate the gentleman calling my attention and that of the House to that item of legislation. Having visited most of the countries in 1944 traversed by that route, and having traveled many miles on that road, I naturally observed that friendly attitude on the part of the people toward us to which the gentleman refers and it is equally natural for me to agree with his desire to see that road completed just as soon as possible, and I hope that the committee will take favorable action on it at an early date.

Mr. ROBINSON of Utah. I thank the gentleman from Alabama.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I gladly yield to the distinguished gentleman from Massachusetts, the majority leader.

Mr. McCORMACK. In order for individuals of a community to live together as good neighbors, mutual understanding, tolerance, and trust must exist. The same applies to nations. The peoples of the Western Hemisphere in recent years, under the good-neighbor policy, have made great progress in the development of that mutual understanding, tolerance, and trust so essential for the objective that all of the nations seek.

The more powerful an individual may be, the more he can afford to be tolerant and understanding of the other fellow. The same applies to nations. The more powerful a nation the more tolerant and more understanding it can afford to be

of other nations that from an economic angle or other angles are weaker than it. I think that applies to our country. Our country has been following that policy, and I am confident it will continue to do so. Certainly we are all proud of the great progress made by the countries and the peoples of the Western Hemisphere in developing the good-neighbor policy.

In connection with that, as other Members have done, and properly so, I want to pay my tribute, not to embarrass the gentleman but as an expression of the truth, which sometimes is sweet and sometimes bitter, that the leader insofar as the Congress is concerned in developing the good-neighbor policy and making it stronger and stronger is the distinguished gentleman from Alabama [Mr. JARMAN], who is now addressing the House. With him are other Members, such as the gentleman from Texas [Mr. LUTHER A. JOHNSON], the gentlewoman from Ohio [Mrs. BOLTON], the gentlewoman from Massachusetts [Mrs. ROGERS], and many others on both sides of the aisle. However, the gentleman from Alabama [Mr. JARMAN] is the one who from a legislative angle, as I see it, is the spearhead and the leader. I know the people of the country appreciate what the gentleman is doing because it has very far-reaching effects not only abroad but here, for the extension and strengthening of the good neighbor policy is consistent with the national interest of our country as well as of the other countries of the Western Hemisphere. I join my colleagues in paying my simple and humble tribute to the great work the gentleman from Alabama [Mr. JARMAN] has done in connection with the furtherance of this policy. I know the people of his district profoundly appreciate the character of leadership he has given to this, as he has to all his legislative activities in this body.

Mr. JARMAN. The distinguished majority leader is very kind, and I thank him sincerely.

Mrs. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentlewoman from Ohio, a member of the Committee on Foreign Affairs.

Mrs. BOLTON. I thank the gentleman very much for the opportunity given us today to join together in celebration of this, the first Pan-American Day since the end of the war. As chairman of the subcommittee of the Foreign Affairs Committee having to do with Latin America, the gentleman is giving truly constructive service to the committee and to this House. His is a position of responsibility that gives opportunity to play a strong part in the molding of opinion in this House through keeping us all informed of those matters involving our relationships with the other republics of this New World. I am particularly grateful to him that this time has been set aside for this House to express its sense of friendship and cooperation with our sisters south of the Rio Grande, because Pan-American Day this year has a deeper significance than ever before.

We are celebrating here today the first Pan-American Day since victory in Europe and victory in Japan; and we in the United States will not forget the Brazilian soldiers in Italy and the Mexican airmen over the Pacific who died to help win those victories. Nor shall we ever forget that when we were attacked at Pearl Harbor, the little Central-American Republic of Costa Rica was the first in this hemisphere—a few hours ahead of the United States itself—in declaring war on Japan with the gallant assertion that whenever any American country is attacked, Costa Rica is attacked.

We have had borne in upon us during the years of war the knowledge that in spite of all our differences of nationality and custom and language, we peoples of the 21 Republics of America have a real bond of union in the Americanism that is our common heritage and our way of life throughout the Western Hemisphere.

During more than three centuries of growth, the American peoples have shared the historical experience of making and living in a new world. They have known, from farthest north to farthest south, discovery and settlement and the slow, difficult, but unflinching advance of the frontier. They have shared, and they share, the faith in themselves and the invincible hope that made them free. In our varying languages—in English and Spanish and French and Portuguese—we have written into our national constitutions truths that are true not for Americans only but for mankind. And today, this solemn day of reaffirmation and rededication which is Pan-American Day in what may be the most critical year in the world's history, all the countries of America share the awe-inspiring sense of responsibility that comes from our knowledge that the eyes of the world and its outstretched empty hands are turned toward America. Humanity's hope and humanity's hunger alike seek sustenance from the Americas. We who were drawn closer together by mutual danger in the war years find a new solidarity now in the mutual obligation to make the dearly bought peace of the world endure.

> The house of freedom is the only one that inspires and fully satisfies an American, whether he be North American or South American.

German Arciniegas, Minister of Education of the Republic of Colombia, said recently. And he added:

> The writings of George Washington should be read by us Colombians not as foreign history but as part of our own story, just as it is to be hoped that North Americans will be interested in reading the letters of Bolivar and of Santander as documents in their own country's history.

I like to recall that when the great Argentine statesman and educator, Sarmiento, was planning the public-school system of Argentina, he declared that one book that should be required reading for every schoolchild was Benjamin Franklin's autobiography, because Franklin exemplified the best and most useful citizen for any American country. And I also like to recall what the distinguished Brazilian man of letters, Erico Verissimo, wrote about the United States not long ago after visiting us as a guest of the Department of State. I like it because it shows the good sense and the good humor that help build real, understanding friendship.

> The people of the United States are quixotic—

He said—

> They build good dams and write good songs. They are accustomed to standardization but have great respect for their fellow men. And they are quick to respond to a noble crusade. * * * If throughout this time of stress they can preserve their ideas of humanity, equality, and brotherhood we may expect * * * a new world [demanding] all our capacity for love, all our creative intelligence, all our scientific achievement, for construction of a society just, noble, and beautiful. * * * And I should like to close with this one word: Hope.

And I, too, should like to close on that note of hope for the Americas and therefore for the world.

Mr. JARMAN. Mr. Speaker, I yield to my colleague, the senior member of the Alabama delegation, Judge HOBBS.

Mr. HOBBS. Mr. Speaker, I cannot refrain from saying that which is in the heart of every Member in this body. I am sure we take great pride and pleasure in acknowledging the leadership of the great committee representing this House in its foreign relations, or affairs, as they are more properly called. We from Alabama are peculiarly prideful in the leadership which the distinguished gentleman now standing in the well of the House has exercised as chairman of the subcommittee on the subject to which he is now addressing himself, for whether in peace or in war, Alabama is proud of her representative who speaks for our State on that great committee and as chairman of the Subcommittee on Pan-American Affairs. We, sir, if I may be permitted as an individual to do so, voice the sentiment of our delegation, both in the House and Senate, in appreciation of the splendid leadership which you have exercised both in war and in peace. We express publicly our gratitude for your leadership and for the services you have rendered in conjunction with your eminent colleagues on this great committee.

Mr. JARMAN. My distinguished friend from Alabama is very kind. I thank him very much, although I must again say he is entirely too generous.

Mr. Speaker, I yield to the gentleman from Georgia [Mr. PETERSON].

Mr. PETERSON of Georgia. Mr. Speaker, I wish to add my word of commendation to those that have already been spoken regarding the splendid work that is being done by our distinguished colleague from Alabama [Mr. JARMAN]. I wish also to subscribe to the statement made by the very able chairman of our Committee on Roads [Mr. ROBINSON of Utah] regarding the importance of opening up the Pan-American Highway in Central America. It has just been my privilege to go over every segment of the Pan-American Highway that can be traversed by automobile from Panama City all the way through to the Mexican border and then on up to Mexico City. There are three sections of that road that are at present impassable and which form a bottleneck to a through road for the en-

tire section of 1,600 miles to Central America and then for about 1,500 miles through Mexico. Those segments are on the frontier. The most difficult one and the most serious bottleneck is between Panama and Costa Rica. An appropriation of $25,000,000 has been asked for to complete this road. In my opinion, it is vitally important that this particular segment be opened up. Then there is a segment of less cost, but which will have to be opened up between Costa Rica and Nicaragua, which should not cost over a few hundred thousand dollars. We have already spent over $100,000,000 on this 1,600 miles of road through Central America but we are not getting any benefit to speak of because of those two links which form a bottleneck. There are over 8,500,000 people in Central America who certainly comprise one of the most fertile groups of customers that the United States could possibly have. It appears to me a very good expenditure on the part of our Government to follow up the funds that we have already spent to open up these segments and open up this great channel of commerce between the six Central American Governments.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the distinguished gentleman from Missouri.

Mr. SHORT. The gentleman from Georgia [Mr. PETERSON] has made a very fine statement, but I am just wondering what contribution, if any, the Central American countries and Mexico have made to the construction of this international highway.

Mr. PETERSON of Georgia. It is very great. In each of the Central American countries they have fairly good paved roads. I would not say they are strictly first-class roads as we describe them in the United States, but they have a very good road for quite a distance out toward the frontier from the capitals of the various countries. I was surprised to find the fine roads in Mexico. They are just as good as the roads we have in the United States. I am sure that by the time we open the segments in the Central American countries, Mexico will have opened up the additional 100 miles that is yet closed in Mexico.

Mr. SHORT. I am highly pleased to hear that, but that is not the question I asked the gentleman. I wanted to know what contribution, if any, the Central American countries and Mexico have made to the construction of this international highway.

Mr. PETERSON of Georgia. I understand that Mexico has spent its own funds entirely on the road that is being built in Mexico. It is true that Mexico has borrowed some money from the Export-Import Bank. I have forgotten just the amount, but Mexico is paying every cent it borrowed, according to the terms of the loan. The other countries have spent certain amounts. I will place certain figures in the RECORD, together with a log of the condition of every mile of this road, at a later time when I make my full report on my trip. However, they have spent some thirty or forty million dollars of their own funds in building roads to open up that section.

Mr. SHORT. I understand it is a very scenic drive, and perhaps many Members would like to take the trip.

Mr. PETERSON of Georgia. It is not any more scenic than the roads we have in the United States, but it will open up on the North American continent a great trade territory, eight and a half million people in Central America, and about 19,000,000 people in Mexico, who cannot now be served because they are isolated. Mexico is isolated from Central America. Panama is isolated from Costa Rica. Costa Rica is isolated from Nicaragua, Honduras, Salvador, and Guatemala. I do not believe those people are financially able to spend the huge sums necessary to open up that one segment between Panama and Costa Rica. And the one between Costa Rica and Nicaragua, I understand, will be one of the most costly pieces of road in the world. But we are spending huge sums all over the world, when we could spend this modest sum in opening up this avenue of trade and commerce.

Mr. SHORT. I agree with the gentleman we are spending huge sums all over the world, but I think it is time we stopped spending all the money we do not have, and taxing our own people to pay for it, to build roads and hospitals in Central and South America.

Mr. PETERSON of Georgia. It is a good expenditure when we know we will reap vast benefits in trade and commerce.

Mr. SHORT. I would like to have a few more good roads in my own district.

Mr. JARMAN. Mr. Speaker, I thank both gentlemen for their fine contributions.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the distinguished gentleman from Mississippi.

Mr. RANKIN. The Monroe Doctrine is not a policy of intervention. It is a policy adopted by the American people to prevent intervention. We have just had a test when irresponsible individuals in the State Department induced this Government to intervene in the internal affairs of Argentina. I am glad to see that the Secretary of State and the President have at last got that Department back on the beam, and, to a large extent, have eliminated the injury which that misguided conduct brought about. Now we have reestablished our diplomatic relations with Argentina and have sent an ambassador to that country. I hope that never again will this country yield to the pressure of any outside elements to violate the Monroe Doctrine, so far as our neighbors to the south are concerned. If we will support and abide by the Monroe Doctrine, we will maintain the good-neighbor policy and promote peace among the nations of both North and South America.

Now, if I may be permitted to proceed for just a few moments more, I really wished to follow the remarks of the distinguished majority leader a moment ago with this statement, and I did not do so only because of my desire to yield to others who wished to comment. As is known, a resolution was passed by the House setting aside this day exclusively for the commemoration of Pan-American Day. That was done in good faith by all concerned. Circumstances beyond anyone's control occurred which caused it to be desirable on the part of the leadership to change that resolution in order that other business might be transacted if necessary. I did not happen to be in town and consequently was not consulted, but I have been assured, in fact, the majority leader assured us all on the floor here Saturday, and I want particularly the people of all Latin-American countries as well as this country who are interested in pan-Americanism, to understand that no slight, no affront, no reflection whatever was intended by the leadership either on the pan-American concept, our good neighbors of the other American countries, or anyone else. I am authorized to say, as the majority leader said on Saturday, and it affords me pleasure to do so, that I have been given to understand that although I really cannot yield to the Members as I did last year, that anyone who may desire to follow me in commenting on Pan-American Day will have an opportunity to do so.

This day commemorates the political economy and the spiritual unity of the Americas based on the doctrine of absolute juridical equality and respect for the sovereignty of each. Each year since its inception in 1930 the day has been more generally celebrated in this and the other American countries. I confidently hope and believe it will continue to be more generally celebrated throughout the years of the future even than it has been in the past. One of the distinguished gentlemen referred to the Pan-American Congress in Chile in 1944. At that time the President of Chile invited a member from each American Chamber of Deputies or House of Representatives to participate in the celebration of Pan-American Day in Santiago in 1944. It was my good fortune, in company with my good friend the distinguished gentleman from Illinois [Mr. CHIPERFIELD], to represent this country at that time. It was a gala occasion, a very enjoyable one, and we are thoroughly agreed that much was accomplished. We are also agreed in the hope that similar occasions will occur in the future.

Incidentally, the gentleman from Illinois, who on account of official business is prevented from being here today, has asked me to speak for him in expressing his thorough agreement with the sentiments in which I am indulging relative to Pan-American Day.

On the day after this occasion the basis for an Inter-American Parliamentary Congress was laid. It was agreed that the 10 American countries there represented would be the initial, or one might say the charter, members, and other American countries would thereafter be invited to participate. I was honored by being selected to represent our country and this House was kind enough to pass legislation authorizing our participation in this Parliamentary Congress some months later.

There are so many reasons for the solidarity of the Americas that it is difficult to select from among them. Suffice

it to refer to the reciprocal character of their economies and the close parallel of their political evolution. There is no single one of the Americas that produces everything it needs, yet all of the Americas produce practically everything the continent needs. Stated in other words, while none of the Americas is self-sufficient, the American Continent is practically so.

Did it ever occur to you what that means? You have thought, I am sure, of what it might have meant had Hitler accomplished his purpose of conquering Europe, including England. It might have meant a great deal.

As you well know, these countries were at one time colonies of some European country. The bases of the revolutions which created their independence were practically the same. They were found in the dissatisfaction of the people with the economic, political, and intellectual restrictions of their home countries, which created a desire and a determination to proceed a great distance and pioneer a new existence, a free life in a great, vast, at that time almost uninhabited, lush, new country.

Time was when it was very difficult for the peoples of one extremity of this continent to know much about those at the other. This is emphasized when I call your attention to the fact that Chile alone is 2,550 miles long. Twenty-five years ago how could a shepherd at the Straits of Magellan, near the South Pole, be very familiar with what was happening in Montreal, Canada? Lack of transportation and communication facilities and the fact that many of these countries are not very thickly populated caused it to be difficult indeed for us to know each other in yesteryears. However, the progress of science has greatly improved that condition, largely through radio and aviation. Now that shepherd down at the Straits of Magellan can by short-wave radio, if he knows the English language, get a program from Montreal, or perhaps he may need to know French if the program comes from Montreal, and vice versa. Similarly, a Canadian statesman, a Canadian Government official, a Canadian businessman, can now, if necessary, proceed to Santiago, Chile, by plane in a matter of 4 or 5 days, I believe. They do not travel at night in South and Central America; otherwise he could make the trip even more quickly.

As science continues to progress, as radio, aviation, and other comparatively recent developments are improved and new ones occur, the good-neighbor attitude will become increasingly general by leaps and bounds.

Reference has been made to the Monroe Doctrine, which, in my opinion, constitutes one of the most important, one of the most effective, statements ever made by an American President in a message to Congress.

The act was signed by President Monroe 123 years ago. In it he substantially said to foreign countries, "If any of you countries who have had colonies over here on this continent have any idea of ever regaining them or repossessing them, you had just as well forget that idea. This continent is posted. Beware. You shall not pass."

That was the United States alone saying to the rest of the world, "Any aggression on any American Republic will be considered an aggression on us." That was effective for 117 years, may I add. One hundred and seventeen years later, at the Habana Conference in 1940, just after France fell, at which time I suppose the people of a larger part of the world realized for the first time the seriousness of the war with which we were confronted—we had been talking about it as a phony war—the Monroe Doctrine was in effect broadened by agreement of all of the American Republics that any aggression on any one of them from without would be considered an aggression on all of them; in other words, the other 20 republics joined the United States in guaranteeing the integrity of all of their acres against any aggression from without. Then came the Mexico City Conference on the problem of war and peace. There another great principle was formed. The gentleman from Texas and the gentlewoman from Massachusetts have already referred to it.

The main accomplishment of that conference was what I like to think of as the crowning glory of the Monroe Doctrine. I refer to the Act of Chapultepec wherein it was recognized that aggression might occur on one of these American Republics from within as well as from without, and they agreed among themselves that any aggression on one of the 21 republics either from within or from without this continent would be considered as an aggression on all of them. I am sure that the chaplain can realize better than most of us the satisfaction in the minds not only of the leaders but of many of the citizens of numerous small Latin-American countries that must have resulted from this additional guarantee which grew out of the Act of Chapultepec. I know they have slept much better. I know they have been much happier every hour of every day since the promulgation of that act. Of course, we naturally adhered to that act under the President's War Powers Act as a war matter, and when the war terminates our adherence to the Act of Chapultepec will terminate without further action, and that is one of the main reasons for the conference which we hope to have at Rio de Janeiro soon.

Mr. HOFFMAN. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. How much time is allotted for this speech on Pan-American Day?

The SPEAKER. No time.

Mr. RANKIN. Does the Chair mean this is going on all day?

The SPEAKER. The Chair does not know.

Mr. RANKIN. If so, we might as well adjourn.

The SPEAKER. The gentleman from Michigan makes the point of order that a quorum is not present. The Chair will count.

Mr. HOFFMAN. Mr. Speaker, in view of the fact that I understand this is not going to take much longer, I withdraw my point of order.

Mr. RANKIN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. Mr. Speaker, I make the point of order that the gentleman from Alabama is recognized under the rules of the House and is entitled to only 1 hour. We have an hour rule in this House. Unless there is unanimous consent or a rule to the contrary, under the hour rule no Member can speak more than an hour. I am willing for the gentleman to extend his remarks in the RECORD, but we have some very important legislation on which Members are anxious to vote. It seems to me it is an imposition on the Membership of the House to take up a whole day here going over the same ground. The gentleman has the right to extend his remarks, but he is limited to 1 hour.

Mr. EBERHARTER. Mr. Speaker, I demand the regular order.

The SPEAKER. The gentleman is making a point of order, which he has the right to do.

Mr. RANKIN. Under the rules of the House a Member can be recognized on a motion for only 1 hour, unless, as I said, there is a unanimous-consent agreement or a rule to the contrary. Therefore, I make the point of order that the gentleman from Alabama has exhausted his time.

The SPEAKER. The Chair will state to the gentleman from Mississippi that we are operating today under a resolution of the House that fixes no time. This being Pan-American Day, remarks appropriate to the occasion are in order.

Mr. KNUTSON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KNUTSON. Is Pan-American Day more important than national defense?

The SPEAKER. That is a question upon which the Chair is not called upon to pass.

The gentleman from Alabama is recognized.

Mr. JARMAN. Mr. Speaker, in reply to the gentleman from Minnesota, I say that Pan-American Day is a very important part of national defense, and in reply to the gentleman from Mississippi, I say that I have made no motion.

Mr. PLUMLEY. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I shall be glad to yield to the gentleman from Vermont, as I have been glad to yield to everybody.

Mr. PLUMLEY. I wish to take this occasion out of the gentleman's time to call the attention of the House to the fact that no man in the country over the years since the South American Republics were recognized was ever more valuable or more important or more successful in welding together the differences of opinion existing between these governments of ours than the Honorable John Barrett, to whom the Pan American Building in this city is a monument,

and who came from Grafton, Vt., and needs no other monument.

Mr. JARMAN. I thank the gentleman very much.

Mr. Speaker, I yield to the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Speaker, I think the gentleman is to be commended for the foresight which he has shown in bringing to the attention of the House in a proper manner his devotion to Pan-American Day. During the war I happened to have had the distinction of being chairman of a committee which traveled through 17 countries in South and Central America for the purpose of establishing and solidifying, so to speak, the Western Hemisphere, which we thought was so necessary at the time and regarding which I said at that time I hoped that our devotion to the principle of consolidation of the Western Hemisphere would not turn out to be a wartime honeymoon. The gentleman is augmenting that fact today in addressing the House on Pan-American Day. I think he is to be highly commended. I further said on that occasion when I was in those South American and Central American countries, "Tell me where your treasure is and I will tell you where your heart is." At that time I called their attention to the fact that the Panama Canal was as close to them as it was to us. That is where we placed our heart for the protection of the Western Hemisphere. And having it so placed, I said, "It stands for the entire Western Hemisphere, for its protection on every shore."

Mr. JARMAN. I thank the gentleman very much. He is well aware of my thorough agreement with him in every respect. I wish to add that I found when I visited South and Central America, that he did a magnificent job on the trip to which he refers of cementing relations between the American republics, for which I wish to thank him and on which I wish to congratulate him heartily.

I have but a few more remarks to make at the conclusion of which my participation in this celebration of Pan-American Day will be concluded. I repeat that I have been assured any Member who wishes to address the House may do so. At the time the point of order of no quorum was made, I had just referred to the Act of Chapultepec. My colleagues will recall that from the Mexico City conference many of our delegates went directly to the San Francisco Conference. You will also recall it was strictly understood everything that was done at Mexico City must fall within the requirements and the framework of whatever charter might be created at San Francisco. I remember having indulged in the prediction the day the Act of Chapultepec was published, or expressing the hope, that it might be the forerunner of things to come. Of course, I had in mind San Francisco. Not only did the San Francisco Charter materialize it, but it is the intent and desire of the United Nations that all of the little grievances that can possibly be ironed out in such regional organizations as the Pan American organization be ironed out and not brought to the Security Council. I feel quite sure that much will be accomplished in such regional organizations throughout the world.

It is well known by all, as I have repeatedly said on the floor, that civilization simply cannot survive another war in view of the progress of science, both as of today and in the light of what is to be expected in the future. We simply cannot stand the shock of it and it must not occur. In conclusion, I repeat the expression of my belief that the United Nations, which is at the moment our main hope for permanent peace, will succeed. Its Security Council has done nobly at New York.

I think, considering its short life, considering what it had dumped into its lap in London and in New York, it has functioned well and accomplished much. I believe it will continue to do so and that in the years to come our children and our grandchildren can look back on that San Francisco Conference as an outstanding period in the history of the world, a time when an organization was created which saved the world by the creation of permanent peace. I know that everyone present, every Member of this House, heartily shares my expression of sincere hope and my reverent prayer that this belief may prove to be correct.

I thank you so much for your generosity.

Mr. MURDOCK. Mr. Speaker, it is well and appropriate that we take time out each year about the middle of April to celebrate fittingly Pan-American Day. I know this is a busy season now, and much remains to be done by this body before we can leave for the Easter vacation. I know that there are yet pressing bills to be acted on and some unfinished business from our last daily session, but I do beg leave to say these few brief words to express, however poorly, my own feeling in regard to this all-too-brief pan-American program. I heard the distinguished chairman, the gentleman from Alabama [Mr. JARMAN], when asked to compare the importance of this program with legislation for national defense, declare in substance that cementing good will with our neighbors, especially our Latin-American friends to the south, was the very core and essence of national defense, and I quite agree with those sentiments.

In thinking of the sum total of value to our country of friendly relations with Latin America we must certainly include—but include much more than—the matter of national defense. And if we seem to lay stress on national defense let it be known that it is because of the present inquiry and not because of the superlative importance of the defense element in a long-range view. It is probably correct to say that this Government first gave its attention to the Latin American countries in the interest of our national defense. Naturally, this country has hoped to procure and keep the good will and friendship and powerful support of those Latin-American Republics lying to the south of the Rio Grande. In that good will and sympathetic understanding, and not in anything like joint armies or navies or military treaties, does that element of defense come. The good will among the republics of this hemisphere toward each other and toward the whole group constitutes a powerful element of defense for each and for all.

There is more fruitful benefit to the pan-American spirit even than mutual defense, important as that is. There is more benefit from the amiable relations existing among these American Republics than that of prosperity based on a mutually profitable commerce, and yet mutually profitable commerce and reciprocal trade advantages cannot be regarded as small or insignificant. In fact, it is a great and major element of benefit accruing from the pan-American attitude and spirit. However, I would not call it the greatest of such benefits.

There is a cultural benefit which, if we but recognize it, can be of increasing profit to ourselves, and as a North American I may add without too much conceit that there is here culture which might be of mutual benefit if shared with our neighbors to the south. It is a sad fact that those historical beginnings on this continent emanating from the men of Spain may not be too well known by those of us who look back to Jamestown and Plymouth Rock for our Anglo-American sources. As I have many times previously pointed out, a large part of American history in the southern tier of States was written by men of Spain before Anglo-Americans arrived on the scene, especially in the Southwest, of which my State is a part. Our culture in the Southwest is a composite of Anglo-American and Spanish-American elements. The fact that we have neglected to study sufficiently the Spanish-American elements accounts in part for our lack of understanding, but there is a group of historians—led by the master, Dr. Herbert E. Bolton, director of the Bancroft Library of the University of California at Berkeley—giving study to the Spanish contribution to American history and culture. When the influence of this school is felt throughout the Nation it will have much to do in fostering trade, developing good will, and cementing the Republics of the two America's together. It is well that we consider such matters as we celebrate Pan-American Day.

Mr. TRIMBLE. Mr. Speaker, we have come through a tragic war and all of us are hopefully and prayerfully looking forward to a just and lasting peace. No greater step can be made than that we of the United States must be good neighbors to all the world. That policy as pursued in the Americas has borne good fruit and will continue to do so through the years. We so often forget that nations are made up of individuals and that they react by and large as individuals. Friendship and neighborliness always pay dividends of peace. Let us continue to strive to be tolerant and understanding of our neighbors.

I congratulate the gentleman from Alabama for the fine work which he has done and is doing. I am happy to be associated with him and to do my small part in this great work.

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks, I include the following letter and

declaration of principles of the Peoples Mandate Committee:

PEOPLES MANDATE COMMITTEE
FOR INTER-AMERICAN PEACE
AND COOPERATION,
Washington, D. C., April 13, 1946.

MY DEAR CONGRESSMAN ROGERS: We hear from the Pan American Union that the session of the House on Monday will be devoted to observance of Pan-American Day. We shall indeed appreciate it if you on this occasion call attention to the enclosed declaration of principles adopted by a conference in which women of all the American Republics took part. A list of delegates from Latin America is enclosed.

Thank you for your cooperation in this matter.

Sincerely,

MABEL VERNON.

[Enclosure]

PEOPLES MANDATE COMMITTEE
FOR INTER-AMERICAN PEACE
AND COOPERATION,
Washington, D. C.

Believing too little public attention is being given to the peace treaties, the Peoples Mandate Committee held a Conference on Peace Settlements at the Shoreham Hotel on March 21 and 22. This conference was attended by women from all the American Republics. Program of the conference is attached.

The conference adopted the enclosed declaration of principles, which in our opinion, are indispensable if a peaceful world is to be established. We are using this declaration as the means of bringing the moral force of the Americas to bear upon the great powers which are dictating the peace treaties demanding that the interests of the people affected, not the rivalry of governments for power, must be their first concern.

The declaration will be presented to the heads of government in all the American Republics during the week of April 23. We are now asking President Truman to receive a delegation from our committee during that time. It will be sent to Secretary of State Byrnes before he leaves for Paris by people in all parts of the country who are asking him to adhere to these principles generally supported by American public opinion.

We are asking Members of Congress to help in bringing these fundamental principles to public attention and urging them upon the foreign ministers of the great powers, particularly upon our own Secretary of State. We shall be deeply appreciative of any assistance you can give.

DECLARATION OF PRINCIPLES ADOPTED BY THE CONFERENCE ON PEACE SETTLEMENTS OF THE PEOPLES MANDATE COMMITTEE, WASHINGTON, D. C., MARCH 21 AND 22, 1946

We call upon men and women throughout the world whose lives are at stake to demand of the great powers dictating the peace treaties that they be based on justice.

The way to end war must be found now.

The treaties which are now being negotiated ending the World War must lay down terms that will make possible the maintenance of peace.

These treaties must be based on justice. Peoples always have combatted and always will combat intolerable conditions. Neither armaments nor machinery can be created strong enough to maintain an unjust peace.

We pledge ourselves to seek the support of the peoples and governments of the Americas for the following principles which are indispensable if a peaceful world is to be established:

In all the peace settlements human values must be placed first. Human needs, physical, mental, and spiritual, and the equal rights of all men to have these needs satisfied provide the only basis of unity on which an enduring world organization can be established and lasting peace maintained.

Provision for the feeding of the hungry and the clothing of the destitute must be given precedence over every concern of power politics. The interests of the people affected, not the rivalry of governments for power, must be the first consideration in all treaties and agreements made.

The treaties must promote and encourage respect for human rights and for fundamental freedom for all without distinction as to race, sex, language, or religion, in accordance with the purposes of the United Nations.

Agreements must provide, in accordance with the dignity and worth of individual man, that all people shall be free to choose their own form of government and enjoy the guaranty of a universal bill of individual rights.

The treaties must provide for free flow of information between nations through the radio, the press, and books. They must remove restrictions upon the dissemination of news and of scientific knowledge, including atomic-energy research to be used for the benefit of humanity.

The treaties must open the way for the trade arrangements whereby each country can fully develop its resources, thus gaining the means to sustain itself and raise the standard of living of its people.

The people must be fully informed of all treaties and agreements that are made before any final decision is taken.

We, women of the American Republics, dedicate ourselves to bringing all the moral force of the Americas to bear upon the great powers in support of treaties based upon these principles.

We recommend that the declaration of principles be opened to the endorsement of all organizations and to the signature of men and women throughout the Americas, that it be presented to the heads of government of all the American Republics and brought before the Peace Conference scheduled to meet in Paris no later than May 1.

The executive council of the Peoples Mandate voted on March 23 to proceed at once with these recommendations.

Among the delegates to the Peoples Mandate Conference from the other American Republics are the following:

Senora de Brunet, Argentina, wife of Admiral Brunet, member of Inter-American Defense Committee; Senora de Andrade, wife of the Ambassador of Bolivia; Senorita Marina Núñez del Prado, famous sculptor, and Senora Carmen de Lozada, of Bolivia; Miss Alice dos Santos Maia, of Brazil, winner of Mademoiselle scholarship; Mme. A. Boulitreau Fragoso, wife of the first secretary of the Brazilian Embassy; Mme. Geraldo de Paula Souza, Brazil; Senora Marta Vergara de Chamudis, Chilean educator; Senora de Belt, wife of the Ambassador of Cuba; Senorita Rosella Caballero, vice consul at the Cuban Embassy; Senora Celia de Hazera, sister of the Ambassador of Costa Rica; Senora Lottie T. de González, cultural attaché, of Costa Rica; Dr. Anita Figueredo, distinguished physician, of Costa Rica; Senorita Consuelo Reyes Calderón, Costa Rica, Latin-American secretary of the Peoples Mandate committee; Senorita Leticia Guerrero, daughter of the late President of Ecuador, member of the staff of the Pan American Union; Senora Piedad Levi de Suro, correspondent for her family newspaper, El Telégrafo, of Guayaquil, Ecuador; Senora Concha de Ferris, El Salvador; Senora Judith de Garcia Granados, wife of the Ambassador of Guatemala, and daughter, Miriam; Senora Lucy de Linares Aranda, wife of the first secretary of the Guatemalan Embassy; Senora Clemencia Ostos de Kiel, prominent Mexican educator; Senoritas Alicia and Esther M. Saavedra, Dolores Banda, Isabel Arroyo, and Bertha Rodríguez, of Mexico; Senora Graciela Rojas Sucre, special commissioner of the ministry of education, Panama; Senora María Luisa Candía de Burt, journalist, broadcaster, and Senorita Leopoldina González, of Paraguay; Senora Olga Briceño, distinguished novelist, of Venezuela. From Puerto Rico come Senoritas Lidia Clemencia Rosario, Gladys Lasa, woman lawyer, and Senora Angela Muñoz de Rodriguez.

"Neither the United States nor any other major power can buy its safety by sanctioning the present spreading disregard of the rights of weaker people, by doing homage to force rather than to justice, or by abandoning for the sake of apparent expediency those proven principles in international relations which alone can make for a free and peaceful world.

"SUMNER WELLES."

The SPEAKER. Without objection, all Members may have the privilege of extending their own remarks following the remarks of the gentleman from Alabama on Pan-American Day.

There was no objection.

Mr. JARMAN. Mr. Speaker, I offer a resolution (H. Res. 599) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

Whereas April 14 is the fifty-sixth anniversary of the founding of the Pan American Union and is the date celebrated throughout the Americas as Pan-American Day since its designation 16 years ago by the Governing Board of the Union; and

Whereas the President of the United States has issued a proclamation ordering the week beginning April 14, 1946, to be known as Pan-American Week, in order that the people of the United States may publicly testify to the mutual confidence and good will existing between them and the peoples of the other American Republics; and

Whereas there is special reason at this time to give recognition to the Pan American Union, the official organization of the 21 republics of the hemisphere as one of the world's oldest international organizations, in view of the contribution which this organization of the Americas has made and will be called upon to make to the building of world peace and to the support of the United Nations; and

Whereas this House adopted a resolution setting aside Monday, April 15, for the celebration of Pan-American Day: Therefore be it

Resolved, That—

(1) the House of Representatives of the United States reaffirms its belief in the principle of friendly cooperation for the solution of all problems which face the countries of this hemisphere, a principle that is a cornerstone of the inter-American system; and

(2) the House of Representatives hereby extends its most cordial greetings to the other popular representative organs of each of the other American Republics; and

(3) the Pan American Union is felicitated on this occasion of its anniversary; and

(4) copies of the present resolution shall be distributed to the legislative bodies of the other American Republics, and one copy shall be transmitted to the Pan American Union.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF SELECTIVE TRAINING AND SERVICE ACT

The SPEAKER. The unfinished business is the reading of the engrossed copy of the bill (H. R. 6064) to extend the

Selective Training and Service Act of 1940, as amended, and for other purposes.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the reading of the engrossed copy be dispensed with, and that it be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

(The engrossed copy of the bill reads as follows:)

H. R. 6064

An act to extend the Selective Training and Service Act of 1940, as amended, and for other purposes

Be it enacted, etc., That so much of the first sentence of section 3 (a) of the Selective Training and Service Act of 1940, as amended, as precedes the first proviso is amended to read as follows:

"SEC. 3. (a) Except as otherwise provided in this act, every male citizen of the United States, and every other male person residing in the United States, who is between the ages of 20 and 30, at the time fixed for his registration, or who attains the age of 20 after having been required to register pursuant to section 2 of this act, shall be liable for training and service in the land or naval forces of the United States: *Provided*, That so much of the second sentence of section 3 (a) of the Selective Training and Service Act of 1940, as amended, as precedes the first proviso in such sentence is amended to read as follows: 'The President is authorized after, and not before, October 15, 1946, to select and induct into the armed forces of the United States for training and service, in the manner provided in this act, such number of men as is required for such forces to bring them to the strength authorized by the Congress, and no monthly requisitions for men shall be made on Selective Service by either the Secretary of War or the Secretary of the Navy between May 15, 1946, and October 15, 1946, and thereafter only with the approval of the President.'"

SEC. 2. The fourth proviso of the second sentence of section 3 (a) of the Selective Training and Service Act of 1940, as amended, is amended to read as follows: "*Provided further*, That on July 1, 1947, the number of men in active training or service shall not exceed 1,070,000 in the Army, 558,000 in the Navy, and 108,000 in the Marine Corps; and the monthly requisitions on Selective Service under this act by the Secretary of War and the Secretary of the Navy shall not exceed, after consideration of the actual number of voluntary enlistments during the previous month, the number of men so required."

SEC. 3. Section 3 (b) of the Selective Training and Service Act of 1940, as amended, is amended to read as follows:

"(b) Each man heretofore or hereafter inducted under the provisions of subsection (a) shall serve for a training and service period of 18 months, unless sooner discharged, with the exception of cadets of the Military Academy and midshipmen of the Naval Academy who have been certified by the Secretary of War or the Secretary of the Navy to have completed successfully 18 months of satisfactory service."

SEC. 4. Section 5 (e) of the Selective Training and Service Act of 1940, as amended, is amended by adding at the end thereof the following new paragraph:

"(3) After May 15, 1946, no individual who has a child or children shall be inducted without his consent for training and service under this act. As used in this paragraph the term 'child' includes a child legally adopted, a stepchild, a foster child, and a person who is supported in good faith by the individual in a relationship similar to that of a parent and child but such term does not include any person 18 years of age or over unless such person is physically or mentally handicapped."

SEC. 5. Section 5 (k) of the Selective Training and Service Act of 1940, as amended, is amended by adding at the end thereof the following new paragraph:

"In carrying out the provisions of this subsection the local selective-service board in classifying the registrant shall base its findings solely and exclusively on whether the registrant is necessary to and regularly engaged in an agricultural occupation or endeavor."

SEC. 6. Section 16 (b) of the Selective Training and Service Act of 1940, as amended, is amended to read as follows:

"(b) All of the provisions of this act, except the provisions of sections 3 (c), 3 (d), and 8, and the fourth proviso of the second sentence of section 3 (a), shall become inoperative and cease to apply on and after February 15, 1947, or on such earlier date as may be specified in a concurrent resolution of the two Houses of Congress for that purpose, except as to offenses committed prior to such date. On February 15, 1947, or on such earlier date as may be specified in such concurrent resolution, all of the functions, responsibilities, records, and property of the Personnel Division of the Selective Service System shall be transferred to such agency of the Federal Government as the Congress may designate, or, if not so designated, to such agency of the Federal Government as the President may prescribe."

The SPEAKER. The question is on the passage of the bill.

Mr. SHORT. Mr. Speaker, as a minority member of the Committee on Military Affairs, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SHORT. I am unmistakably, sir.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SHORT moves to recommit the bill (H. R. 6064) to the Committee on Military Affairs.

Mr. MAY. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The question was taken; and on a division (demanded by Mr. THOMASON) there were—ayes 74, noes 135.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. VINSON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 290, nays 108, not voting 32, as follows:

[Roll No. 83]

YEAS—290

Abernethy	Beckworth	Butler
Adams	Bell	Byrne, N. Y.
Allen, La.	Bennet, N. Y.	Byrnes, Wis.
Almond	Blackney	Camp
Anderson, Calif.	Bland	Campbell
Andrews, Ala.	Bloom	Canfield
Angell	Bolton	Cannon, Fla.
Arends	Bonner	Cannon, Mo.
Auchincloss	Brooks	Carlson
Baldwin, Md.	Brown, Ga.	Carnahan
Baldwin, N. Y.	Bryson	Case, N. J.
Barrett, Wyo.	Buck	Case, S. Dak.
Barry	Buckley	Chapman
Bates, Ky.	Bulwinkle	Chelf
Bates, Mass.	Burch	Clark
Clason	Heffernan	Pickett
Clements	Hendricks	Ploeser
Clippinger	Herter	Poage
Cole, Kans.	Heselton	Price, Fla.
Cole, N. Y.	Hess	Price, Ill.
Combs	Hill	Priest
Cooley	Hinshaw	Quinn, N. Y.
Cooper	Hobbs	Rabaut
Corbett	Holmes, Mass.	Rabin
Courtney	Holmes, Wash.	Ramey
Cox	Hope	Randolph
Cravens	Horan	Rankin
Crawford	Howell	Rayfiel
Curtis	Huber	Reed, Ill.
D'Alesandro	Jackson	Resa
Daughton, Va.	Jarman	Rich
Davis	Jenkins	Richards
Delaney, James J.	Jennings	Riley
	Johnson, Calif.	Rivers
Delaney, John J.	Johnson, Ill.	Rizley
	Johnson, Luther A.	Robertson, N. Dak.
D'Ewart	Johnson, Lyndon B.	Robertson, Va.
Dingell	Johnson, Okla.	Robinson, Utah
Dirksen	Jonkman	Robsion, Ky.
Domengeaux	Judd	Rodgers, Pa.
Dondero	Kean	Roe, Md.
Doughton, N. C.	Kearney	Rogers, Fla.
Douglas, Calif.	Kee	Rogers, Mass.
Doyle	Keefe	Rogers, N. Y.
Drewry	Kefauver	Rooney
Durham	Kelly, Ill.	Rowan
Dworshak	Keogh	Ryter
Earthman	Kerr	Sabath
Eaton	Kilburn	Sadowski
Eberharter	Kilday	Sasscer
Elliott	Kirwan	Scrivner
Ellis	Kopplemann	Shafer
Ellsworth	Kunkel	Sharp
Elsaesser	Lanham	Simpson, Ill.
Elston	Larcade	Simpson, Pa.
Engel, Mich.	Latham	Slaughter
Engle, Calif.	Lea	Smith, Maine
Ervin	LeCompte	Smith, Va.
Fallon	LeFevre	Somers, N. Y.
Fenton	Lesinski	Sparkman
Fernandez	Lewis	Spence
Flannagan	Luce	Starkey
Fogarty	Lyle	Stewart
Forand	Lynch	Sullivan
Fuller	McConnell	Sumners, Tex.
Fulton	McCormack	Taber
Gallagher	McGehee	Talbot
Gamble	McMillan, S. C.	Tarver
Gardner	Mahon	Taylor
Gary	Maloney	Thom
Gathings	Manasco	Thomas, N. J.
Gavin	Mankin	Thomas, Tex.
Gearhart	Martin, Mass.	Thomason
Geelan	Mathews	Tibbott
Gifford	May	Torrens
Gillette	Merrow	Towe
Gore	Michener	Trimble
Gorski	Miller, Calif.	Vinson
Gossett	Mills	Vorys, Ohio
Grant, Ala.	Monroney	Vursell
Green	Morrison	Wadsworth
Gregory	Mundt	Walter
Gwinn, N. Y.	Murdock	Wasielewski
Hale	Murphy	Weaver
Hall, Edwin Arthur	Murray, Tenn.	Welchel
	Neely	West
Hall, Leonard W.	Norblad	Whitten
Halleck	Norrell	Whittington
Hand	O'Brien, Ill.	Wickersham
Hare	O'Brien, Mich.	Wigglesworth
Harless, Ariz.	O'Hara	Winstead
Harness, Ind.	O'Toole	Wolcott
Harris	Outland	Wolverton, N. J.
Hart	Pace	Wood
Hartley	Patman	Woodhouse
Hays	Pfeifer	Woodruff
Hébert	Phillips	Worley
Hedrick		Zimmerman

NAYS—108

Allen, Ill.	Chenoweth	Gross
Andersen, H. Carl	Chiperfield	Gwynne, Iowa
	Church	Hagen
Andresen, August H.	Clevenger	Havenner
	Coffee	Healy
Andrews, N. Y.	Cole, Mo.	Hoch
Arnold	Crosser	Hoeven
Barden	Cunningham	Hoffman
Barrett, Pa.	De Lacy	Holifield
Beall	Dolliver	Hook
Bender	Feighan	Hull
Bennett, Mo.	Flood	Jensen
Biemiller	Folger	Johnson, Ind.
Boren	Gillespie	Jones
Bradley, Mich.	Gillie	Kelley, Pa.
Bradley, Pa.	Goodwin	King
Brehm	Gordon	Kinzer
Brown, Ohio	Granahan	Klein
Brumbaugh	Granger	Knutson
Buffett	Grant, Ind.	Landis
Celler	Griffiths	Lane

Lemke	O'Konski	Smith, Ohio
Link	Patterson	Smith, Wis.
Ludlow	Peterson, Ga.	Springer
McCowen	Philbin	Stefan
McDonough	Pittenger	Stevenson
McGlinchey	Plumley	Stockman
McGregor	Powell	Sumner, Ill.
Madden	Reed, N. Y.	Talle
Mansfield, Mont.	Rees, Kans.	Tolan
	Rockwell	Traynor
Marcantonio	Russell	Voorhis, Calif.
Martin, Iowa	Savage	Welch
Mason	Schwabe, Mo.	White
Miller, Nebr.	Schwabe, Okla.	Wilson
Morgan	Sheridan	Winter
Murray, Wis.	Short	Wolfenden, Pa.

NOT VOTING—32

Bailey	Gerlach	O'Neal
Bishop	Gibson	Patrick
Boykin	Graham	Peterson, Fla.
Bunker	Hancock	Rains
Cochran	Henry	Reece, Tenn.
Colmer	Izac	Roe, N. Y.
Curley	LaFollette	Sheppard
Dawson	McKenzie	Sikes
Douglas, Ill.	McMillen, Ill.	Stigler
Fellows	Mansfield, Tex.	Sundstrom
Fisher	Norton	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Graham for, with Mr. Bishop against.

Mrs. Douglas of Illinois for, with Mr. Mansfield of Texas against.

Mr. Fellows for, with Mr. Henry against.

General pairs until further notice:

Mr. Cochran with Mr. Reece of Tennessee.

Mr. Roe of New York with Mr. Hancock.

Mr. Rains with Mr. McMillen of Illinois.

Mr. Colmer with Mr. LaFollette.

Mr. Izac with Mr. Sundstrom.

Mr. MCDONOUGH changed his vote from "yea" to "nay."

Mr. O'KONSKI changed his vote from "yea" to "nay."

Mr. RANKIN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THE LATE BENJAMIN JONES

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I am very sorry to be obliged to announce the death of Mr. Benjamin Jones, who for 39 years has been in charge of the Republican cloakroom.

Mr. Jones came from Illinois when Speaker Cannon occupied the chair of this House, and upon appointment at the request of Congressman Rodenberg, of Illinois. For 39 years Ben Jones has endeared himself to all of us who sit on the Republican side of the aisle by his good nature, his kindly disposition, and courteous service. He was a man of fine character, and he had a profound knowledge of national affairs. He loved the House; he was a sturdy champion of it as an institution and strong in the Republican faith.

We all regret his untimely death. We extend to his wife and family our sincere sympathy in their hour of bereavement.

Mr. MCCORMACK. I deeply regret to hear the announcement of our late friend, and I join with the distinguished minority leader in his touching expression of sympathy.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that any Member who wishes may extend his remarks on this subject at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ARENDS. Mr. Speaker, it was with real sadness that I this morning learned of the death of Ben Jones, who for 39 years has so ably and efficiently presided over the Republican cloakroom.

During the 12 years I have been a Member, I got to know Ben, as we affectionately called him, real well. Our entire membership respected and admired him for the fine qualities he possessed. He was always a gentleman; faithful, sincere, and thoughtful of those with whom he came in daily contact. He served well, and we will miss him. Our deepest sympathy goes out to his family.

Mr. BUCK. Mr. Speaker, I am grieved at the death of Ben Jones. The attentive yet unobtrusive and quiet manner with which he performed his duties in the Republican cloakroom brought him admiration and respect. His aim was to serve and he served well. He will be missed in the House of Representatives. The world needs more men of Ben Jones' character.

Mr. MICHENER. Mr. Speaker, it is with regret that I have learned of the sudden passing of one of the most capable, trustworthy, and faithful employees of the House—our friend, Ben Jones.

Thirty-nine years ago today he became attached to the House of Representatives and when I came to Congress many years ago he was well-versed in procedure and was of much assistance to me as a new Representative. He was always dependable and occupied a unique position in connection with the House. His long experience and keen mind made it possible for him to have a general understanding of the House procedure in general. In charge of the Republican cloakroom and lunchroom, he was in daily contact with the membership on the Republican side of the aisle, and was always prepared to advise as to what the program of the day would be. A man with a character above reproach, a patriotic citizen, and one who took pride in his race, he was a credit to his race. Mr. Speaker, Ben Jones will be greatly missed. I want to extend my sympathy to his family and especially the two daughters who have so politely and so ably assisted in his work here in the Capitol.

Mr. PRICE of Illinois. Mr. Speaker, the announcement by the minority leader [Mr. MARTIN] of the death of Mr. Ben Jones comes as a shock to me.

Soon after I came to Washington, in March 1933, as secretary to former Congressman Edwin M. Schaefer, I met Mr. Jones when he paid a visit to Mr. Schaefer's office. I have had many pleasant contacts with him since.

He liked to talk about his old home, Lovejoy, Ill., in my congressional district. He came to Washington about 38 years ago at the request of Congressman William Rodenberger. He was a familiar figure in the Republican cloakroom ever since.

His passing will be mourned by the great number of Members on the left side of the aisle whom he served so well, and by many on the right side who also admired him for his genial ways.

I personally mourn the loss of a fine constituent, and extend my deepest sympathy to his family.

THE LATE BEN JONES

Mr. REED of Illinois. Mr. Speaker, I think the House generally, but especially the Republican membership, will join me in paying a fitting tribute to the memory of Ben Jones, who served us so long and who departed this life last Saturday night.

Ben Jones came from Illinois. Thirty-nine years ago on this very day he began his service in the House as a janitor. He early saw an opportunity to be of greater service, however, by selling a few apples in the Republican cloakroom, a service that proved so desirable that he gradually enlarged it to include some other fruits and some sandwiches. From that humble beginning has grown the service, similar to that on the Democratic side, that is patronized by almost 200 Members daily.

Ben Jones was able to render this singular service to the Republican Members of the House and to some 50 employees because of his fine courtesy, his foresightedness, his willingness to work, and the high quality of his products. He exemplified in his daily conduct the type of citizen that America needs.

Thousands of Members on both sides of the House have come and gone during the long service of this faithful employee, and today but one Member, the gentleman from Illinois [Mr. SABATH], remains of the Congress that Ben came first to serve, 39 years ago. Ben Jones leaves behind him an example that can be followed appropriately by the youth of his race.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—NATIONAL CAPITAL HOUSING AUTHORITY

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk and, together with accompanying papers, referred to the Committee on the District of Columbia:

To the Congress of the United States:

In accordance with the provisions of section 5 (a) of the District of Columbia Alley Dwelling Act, approved June 12, 1934, I transmit herewith for the information of the Congress the report of the National Capital Housing Authority for the fiscal year ended June 30, 1945.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 15, 1946.*

DRAFT EXTENSION

Mr. VORYS of Ohio. Mr. Speaker, I ask unanimous consent to extend my

own remarks at this point in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS of Ohio. Mr. Speaker, I think the House ought to do whatever it is going to do about extending the draft now, before the Easter recess, and that is why I voted for this bill and against recommitting it. The bill in its present form does not suit me. I did not decide upon an Easter recess for the House, and feel that we had better stay in session for this period, in order to go ahead with the heavy schedule that faces us. The House leadership has, however, decided in favor of a recess, and this bill is the best bill, in fact the only bill, that this House can put together before the first of May, and the draft ends May 15.

The important amendments adopted were offered by the gentleman from Kentucky [Mr. MAY], chairman of the House Military Affairs Committee, and the gentleman from Georgia [Mr. VINSON], chairman of the House Naval Affairs Committee. It is natural that the House should adopt these amendments. Taken together, they make the draft extension bill a very clumsy piece of legislation.

I voted against the May amendment which excluded the teen-age boys from the draft. This was a hard vote, and a difficult decision, but if we need a draft at all now, we need to draft the 18- and 19-year-old boys. There are only 100,000 in the whole group from 20 to 30 years of age who are available for the draft. The rest of them have either been in service or are not fit for service. Out of this 100,000 only about 50,000 would qualify for the draft, according to the past experience of selective service. There are about 100,000 boys becoming 18 every month in the United States. About half of them would qualify for the draft. If we find we must resort to the draft, and leave out the teen-agers, we may find that we are redrafting men who have already served, in order to secure the necessary forces.

There is another reason why I voted to draft the teen-agers. My son was 18 this spring. He feels, and so do I, that as I voted to draft teen-agers to fight during the war, it would be wrong for me to leave them in the service indefinitely because I refused to vote to draft this year's teen-agers to replace them.

I believe it is a mistake to call this a peacetime draft. Whatever else you may call this state we are in, we are not in a state of peace. Both Congress and the President now have the power to declare that the war is over and they have not done it. We have not yet made peace treaties. We have thousands of troops occupying enemy countries. Congress recently extended the President's war powers. I felt that these powers should be reduced, in recognition of the fact that, while we are not at peace, we are not in a fighting war, but I was voted down. In 1943 I said this, "How will we know we have won the war? Not when our troops march into Berlin and Tokyo, but when our troops march out of Berlin and Tokyo for home, for good, knowing that he will not have to return." That statement made in the middle of the war is still true. We have not yet won the war. It is a mistake to call this peacetime conscription.

There is still another reason why we dare not consider this as a period of peace. The United Nations, in which we are pinning our faith and hope for a peaceful world, is being subjected to a series of shocks and crises by one member, which is apparently determined to use the organization as a means of carrying out and confirming a series of aggressions in defiance of the very principles for which we fought, or to wreck the United Nations so that the aggressions may continue unhindered. We all hope and pray that these present difficulties can be settled without war. To pretend to ourselves, however, that the Soviet threat is not a threat to peace which prevents this from being a time of peace for our country and the world, is simply to ignore the facts.

I voted for the Vinson amendment which would have provided for a 5-month period to find out whether the volunteer system would meet our needs. Many statistics have been quoted to show that this is possible. The Army's own figures show that where they anticipated securing 300,000 volunteers they have already secured more than twice that number. With increased pay, which we are voting today, with the elimination of abuses in the military caste system, military service will become more attractive. Statistics show that there is no danger that our armed forces would drop below safety levels in 5 months, even though the volunteering did not come up to our full expectations. On the other hand, the end of the 5 months' period would come before election, so that none of us who voted for it can be accused of attempting to duck the issue of draft continuation because of the election.

This country is not going to depend for its postwar defense on peacetime conscription. We are going to have a comparatively small, highly skilled, highly trained, and highly paid force of volunteers. We should lead the world toward international disarmament, international elimination of conscription, effective and permanent outlawry of war.

Right now, however, with the world the way it is, with uncertainty as to volunteering, uncertainty as to the strength of our allies, uncertainty as to the intentions of potential enemies, we dare not gamble on maintaining our minimum defense strength by volunteering. That is why I am voting for this bill.

PERMISSION TO COMMITTEE ON RIVERS AND HARBORS TO SIT DURING SESSIONS OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the Committee on Rivers and Harbors may sit during general debate during sessions of the House for the balance of the week.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

EXTENSION OF REMARKS

Mr. PETERSON of Georgia. Mr. Speaker, I secured permission last Friday to include in the RECORD a letter from Dr. Van Lear, president of the Georgia School of Technology. The Public Printer advises me that this letter exceeds the limit established by the Joint Committee on Printing and will cost $180. In view of the important data contained in this document, I ask unanimous consent that it be extended, notwithstanding the cost.

The SPEAKER. Notwithstanding the cost, without objection, the extension may be made.

There was no objection.

Mr. MADDEN asked and was given permission to extend his remarks in the RECORD and include an article by A. B. Whitlock appearing in the Gary American, of Gary, Ind.

Mr. WICKERSHAM, Mr. PATTERSON, Mr. KELLY of Illinois, Mr. HAVENNER, Mr. STARKEY, Mr. MCDONOUGH, and Mr. BUCK asked and were given permission to extend their remarks in the Appendix of the RECORD.

Mr. DOYLE asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, and in each to include extraneous matter.

Mr. KELLEY of Pennsylvania asked and was given permission to extend his remarks in the Appendix of the RECORD and include certain excerpts from the report of the mediator of the Westinghouse strike to the Secretary of Labor.

Mr. HEDRICK asked and was given permission to extend his remarks in the Appendix of the RECORD and to include an editorial from a local paper.

Mr. BLAND asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and to include excerpts.

Mr. SPENCE asked and was given permission to extend the remarks he intends to make in the Committee of the Whole today and to include therein a report from the Committee on Banking and Currency.

Mr. ERVIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from this morning's Washington Post on the draft holiday.

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD in opposition to the St. Lawrence waterway.

Mr. STEWART asked and was given permission to extend his remarks in the Appendix of the RECORD and include part of an editorial which appeared in today's Post.

Mr. PHILBIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include certain letters.

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. HAYS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. RIZLEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include an advertisement appearing in today's Times-Herald.

Mrs. LUCE asked and was given permission to extend her remarks in the Appendix of the RECORD in two instances, in one to include a copy of a resolution she is introducing today and in the other to include two editorials.

Mr. GAVIN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. MASON asked and was given permission to extend his remarks in the Appendix of the RECORD on the subject of the proposed Office of Peace Information and to include therein an editorial on the same subject from the Christian Science Monitor.

Mr. WELCH asked and was given permission to extend his remarks with reference to H. R. 6064.

Mr. ROBERTSON of North Dakota asked and was given permission to extend his remarks in the RECORD and include a set of resolutions.

Mr. JUDD asked and was given permission to extend his remarks in two instances in the RECORD, and in each to include certain extraneous matters.

Mr. THOMAS of New Jersey asked and was given permission to extend his remarks in the RECORD and include an editorial from a New Jersey newspaper.

Mr. GILLIE asked and was given permission to extend his remarks in the RECORD on the draft bill.

Mr. PLOESER asked and was given permission to extend his remarks in the RECORD and include a letter on the subject of the draft.

Mr. HARNESS of Indiana asked and was given permission to extend his remarks in the RECORD.

Mr. McCOWEN asked and was given permission to extend his remarks in the RECORD.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD in three instances, in two instances to include an editorial.

Mr. SCHWABE of Missouri asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. DONDERO asked and was given permission to extend his remarks in the RECORD and include a resolution passed by the City Council of Detroit, and a letter.

Mr. GROSS asked and was given permission to extend his remarks in the RECORD on the bill just passed.

Mr. BENDER asked and was given permission to extend his remarks in the RECORD and to include an editorial from the Cleveland News.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD in two instances, to include in one a letter, and in the other an editorial.

Mr. LUDLOW asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. GORE asked and was given permission to extend his remarks in the RECORD and include a statement by Mr. Williams.

Mr. FEIGHAN asked and was given permission to extend his remarks in the RECORD.

Mr. DURHAM asked and was given permission to extend his remarks in the RECORD and include a letter on OPA.

SPECIAL ORDER GRANTED

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that tomorrow, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

REVISIONS IN THE BOUNDARY OF THE HOPEWELL VILLAGE NATIONAL HISTORIC SITE, PA.

The Clerk called the first bill (H. R. 3533) to authorize revisions in the boundary of the Hopewell Village National Historic Site, Pa., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to withdraw from the Hopewell Village National Historic Site, Pa., all or any part of the lands added to the Hopewell Village National Historic Site by the act approved June 6, 1942, entitled "An act to authorize the disposition of recreational demonstration projects, and for other purposes," which in his opinion are not required for historic-site purposes. Any lands so withdrawn shall revert to the status of a recreational demonstration area and may be disposed of by the Secretary of the Interior in accordance with such act approved June 6, 1942.

Mr. COLE of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: Page 2, line 3, strike out all of line 3 and insert "The provisions of the Surplus Property Act (Public Law 457, 78th Cong.)."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE ALASKA RAILROAD

The Clerk called the bill (H. R. 4731) to authorize the Alaska Railroad to engage in the business of operating ocean-going vessels.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH, Mr. KEAN, Mr. COLE of New York, and Mr. BLAND objected.

THEODORE ROOSEVELT NATIONAL PARK

The Clerk called the bill (H. R. 4435) to establish the Theodore Roosevelt National Park; to erect a monument in memory of Theodore Roosevelt in the village of Medora, N. Dak.; and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

MARINE BAND

The Clerk called the bill (H. R. 5641) to authorize the attendance of the Marine Band at the national convention of the United Spanish War Veterans to be held in Milwaukee, Wis., August 4 to 10, inclusive, 1946.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to permit the band of the United States Marine Corps to attend and give concerts at the national convention of the United Spanish War Veterans to be held at Milwaukee, Wis., August 4 to 10, inclusive, 1946.

SEC. 6. For the purpose of defraying the expenses of such band in attending and giving concerts at such convention, there is authorized to be appropriated the sum of $9,408.26, or so much thereof as may be necessary, to carry out the provisions of this act: *Provided*, That in addition to transportation and Pullman accommodations the leaders and members of the Marine Band be allowed not to exceed $6 per day each for additional living expenses while on duty, and that the payment of such expenses shall be in addition to the pay and allowances to which they would be entitled while serving their permanent station.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RAILROAD REORGANIZATIONS

The Clerk called the bill (H. R. 5924) to enable debtor railroad corporations, whose properties during a period of 7 years have provided sufficient earnings to pay fixed charges, to effect a readjustment of their financial structure without further proceedings under section 77 of the Bankruptcy Act, as amended.

The SPEAKER. Is there objection to the present consideration of the bill.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SAN FRANCISCO AND BAY FARM ISLAND BRIDGE

The Clerk called the resolution (H. Res. 529) requesting the Secretary of the Navy and the Secretary of War to appoint a joint board to investigate and report on the need for constructing a bridge between San Francisco and Bay Farm Island or a system of dams across San Francisco Bay.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, I should like to inquire of the gentleman from Cali-

fornia if this bill involves any expenditure of Federal funds other than the necessary expenses for making the investigation and study as to the needs of this bridge and preparing the report.

Mr. WELCH. Mr. Speaker, the best answer to the question of the gentleman from New York [Mr. COLE] is the fact that during the depth of the depression we have built two world-famous bridges. The Golden Gate Bridge, which is the longest single span bridge in the world was built at a cost of $35,000,000 without the appropriation of a dollar by the Federal Government. The San Francisco-Oakland Bay Bridge was also built during the depth of the depression at a cost of over $80,000,000 without a single dollar of Government funds.

The Golden Gate Bridge was built by a subdivision of the State of California created by an act of the State legislature, known as the Golden Gate Bridge and Highway District, all property within it being security for the bonds that were issued. The San Francisco-Oakland Bridge was built pursuant to an act of the California State Legislature, authorizing the sale of bonds for that purpose. It is reliably estimated that the bridge will be completely paid off within another 7 years.

Mr. Speaker, the great seaport city of San Francisco, which became one of the world's greatest ports of embarkation for the defense of our Nation during the recent war, is so located geographically, that Federal Government approval is necessary to construct adequate highway approaches to it across navigable San Francisco Bay. It is for this reason that I introduced House Resolution 529, to establish a joint Army-Navy board to investigate and report on proposals to build a bridge from San Francisco to Bay Farm Island on the eastern side of San Francisco Bay, and to also investigate and report on the feasibility and practicability of carrying into effect the so-called Reber Plan, for accomplishing adequate highway facilities to the city. Before either the city of San Francisco or the State of California undertakes any expenditures in connection with this important matter, it is necessary that the Federal Government give approval to either construct a bridge or carry out the Reber plan. This is the course that was followed in connection with both the Golden Gate Bridge and the San Francisco-Oakland Bay Bridge.

As a member of the board of supervisors of the city and county of San Francisco, I introduced the original resolution urging the necessary Federal action to make the Golden Gate Bridge possible. I was an active leader in subsequent citizens groups and committees which made possible the preparation of tentative plans for the bridge, and I introduced the subsequent resolution in the board of supervisors requesting the War Department to investigate, improve, or correct these plans and grant authority for the construction of the Golden Gate Bridge. The War Department made an exhaustive investigation and granted the necessary authority.

I also took an active leading part in securing the necessary State legislation to create the Golden Gate Bridge and Highway District. That legislation was sponsored by Hon. Frank L. Coombs who served with distinction in this body. When this was accomplished an election was held authorizing a bond issue of $35,000,000 secured by all property within the district, which made the construction of the Golden Gate Bridge a reality. From its creation to the present time I have continuously served as a director of the Golden Gate Bridge and Highway District.

Likewise, before the San Francisco-Oakland transbay bridge could be constructed it was necessary to secure Federal Government permission. It was only after I personally appealed to President Hoover that this permission was secured. He appointed the Hoover-Young Commission, which made exhaustive studies and investigation and then unanimously approved a plan which led to the construction of this great structure. To finance its construction at a cost of more than $80,000,000, revenue bonds were sold.

Mr. Speaker, I might say in passing that both of these world-famous bridges were built at the depth of the depression without the appropriation of a single dollar from Federal funds.

The extreme importance of adequate highway facilities from San Francisco to the western or continental side of the bay is amply attested to by the fact that during peak hours the traffic is so heavy on the San Francisco-Oakland Bay Bridge that automobiles travel almost bumper to bumper throughout its length. Steps must be taken at the earliest possible moment to relieve the heavy traffic congestion thus entailed and to eliminate the traffic hazards this creates.

Two plans have been proposed. One is to build either a high-level or a low-level bridge from the vicinity of Hunters Point in San Francisco to Bay Farm Island on the eastern or continental side of San Francisco Bay. The other is to carry into effect the Reber plan of a system of dams and causeways. Either plan must be of sufficient size to have several lanes of automobile, bus, and truck traffic, as well as to provide for railroad traffic into San Francisco.

The need for this construction is growing greater with every passing day. It must be satisfied. It is needless for me to repeat the importance of this whole San Francisco Bay area to the defense of our Nation. Its strategic geographical location, its wonderful harbor capable of handling any size or any number of naval and merchant ships, are too well recognized to require any further comment from me. Likewise, the great number of Army, Navy, Coast Guard, air stations, and other Federal Government activities reaching out in every direction from San Francisco, require further transportation facilities to the continental side of the bay.

Mr. Speaker, it is of the utmost necessity that the whole problem be thoroughly investigated and reported upon to Congress at the earliest possible date. House Resolution 529, which I have introduced, is the first requisite step to secure that investigation and report.

Mr. COLE of New York. Then it is the gentleman's opinion that based on past experience the city of San Francisco and the State of California are able to build their own bridges without help from the Federal Government?

Mr. WELCH. Yes; it is my opinion.

The SPEAKER. Is there objection to the present consideration of the resolution?

There being no objection, the Clerk read the resolution, as follows:

Whereas the city of San Francisco, its bay, and the territory adjacent thereto are of the highest strategic importance to any adequate defense of the entire Pacific coast; and

Whereas in recognition of this importance there have been located in or near the city of San Francisco the Presidio Military Reservation, Fort Winfield Scott, Fort Mason, the Army Transport Docks, the United States Risdon Naval Plant, the United States Naval Base at Hunters Point, Mare Island Navy Yard, Oakland Naval Air Base, Oakland Naval Supply Base, the United States Army Moffett Air Field, Fort Barry, Fort Baker, the United States Bombardment Base, and many other military and naval establishments in the San Francisco Bay area; and

Whereas the lessons of the recent war have demonstrated the necessity of adequate highways between national defense activities; and

Whereas the natural development of the great international seaport of San Francisco makes it imperative that additional highway and railroad facilities be made available; and

Whereas the San Francisco-Oakland Bay Bridge constitutes the only direct approach by highway to San Francisco from the Oakland-Alameda side of the bay: Therefore be it

Resolved, That the Secretary of War and the Secretary of the Navy are requested to review their report submitted to Congress in response to House Resolution 158, Seventy-seventh Congress, first session, for the purpose of investigating and reporting upon the need and feasibility, from the standpoint of the national defense and the development of peacetime economy, of constructing a bridge from San Francisco to Bay Farm Island, or a system of dams across San Francisco Bay as provided for in the so-called Reber plan, and to be forwarded to the Congress as soon as practicable by the Secretary of War and the Secretary of the Navy, who are further requested to transmit therewith their recommendations in the premises.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REIMBURSING CERTAIN NAVY PERSONNEL

The Clerk called the bill (S. 1492) to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire in building No. 141 at the United States naval repair base, San Diego, Calif., on May 1, 1945.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed $22,434.28, as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, certain Navy personnel and former Navy personnel for the value of personal property lost or damaged as the result of a fire in building No. 141 at the United States naval repair base, San Diego, Calif., on May 1, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account

of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REIMBURSING CERTAIN NAVY AND MARINE CORPS PERSONNEL

The Clerk called the bill (S. 1363) to reimburse certain Navy and Marine Corps personnel and former Navy and Marine Corps personnel for personal property lost or destroyed as the result of water damage occurring at certain naval and Marine Corps shore activities.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed $1,581.44 as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, certain Navy and Marine Corps personnel and former Navy and Marine Corps personnel for personal property lost or destroyed as the result of water damage occurring in the baggage room, main bachelor officers' quarters, Marine Corps air station, Cherry Point, N. C., on February 20, 1944; and as the result of the destruction of commanding officers' quarters, amphibious training base, Okracoke, N. C., on September 14, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SHASTA NATIONAL FOREST, CALIF.

The Clerk called the bill (H. R. 2854) to add certain public and other lands to the Shasta National Forest, Calif.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subject to any valid claim or entry now existing and hereafter legally maintained, and for the purposes of protecting, improving, and utilizing their forests, watershed, recreational and other resources, all lands of the United States within the following-described areas are hereby added to and made parts of the Shasta National Forest and hereafter shall be subject to all laws and regulations applicable to the national forests: Section 31, township 36 north, range 3 west; sections 7 to 36, inclusive, township 36 north, range 4 west; sections 11 to 16, inclusive, 20 to 29, inclusive, 33 to 36, inclusive, township 36 north, range 5 west; sections 5 to 9, inclusive, 16 to 21, inclusive, 29 to 32, inclusive, township 35 north, range 3 west; all township 35 north, range 4 west; sections 1 to 4, inclusive, 9 to 17, inclusive, 20 to 29, inclusive, 31, 33 to 36, inclusive, township 35 north, range 5 west; sections 35, 36, township 35 north, range 6 west; sections 26 to 34, inclusive, township 34 north, range 2 west; sections 5 to 11, inclusive, 13 to 36, inclusive, township 34 north, range 3 west; all township 34 north, range 4 west; all township 34 north, range 5 west; sections 1, 2, 3, 10 to 14, inclusive, 23 to 36, inclusive, 35, 36, township 34 north, range 6 west; sections 4 to 7, inclusive, township 33 north, range 2 west; sections 1 to 17, inclusive, township 33 north, range 3 west; sections 1 to 12, inclusive, township 33 north, range 4 west; sections 1 to 18, inclusive, township 33 north, range 5 west; sections 1 to 4, inclusive, 9 to 14, inclusive, township 33 north, range 6 west; all Mount Diablo base and meridian: *Provided*, That lands within the flow lines of reservoirs operated or maintained as parts of the Central Valley reclamation project or otherwise occupied and used for the operation of said project shall continue to be administered by the Bureau of Reclamation of the Department of the Interior.

SEC. 2. The provisions of the Forest Exchange Act of March 20, 1922, as amended (42 Stat. 465; U. S. C., title 16, secs. 485, 486), are hereby made applicable to the areas described herein.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BOULDER CITY CEMETERY ASSOCIATION

The Clerk called the bill (H. R. 3966) authorizing the Secretary of the Interior to convey certain lands situated in Clark County, Nev., to the Boulder City Cemetery Association for cemetery purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he hereby is, authorized to convey to the Boulder City Cemetery Association, a rural cemetery association incorporated pursuant to the laws of the State of Nevada, for cemetery purposes, upon such terms and conditions as he may prescribe and subject to such rules and regulations for the protection of property and interests of the United States of America and for the preservation of the public health, safety, and welfare in Boulder City, Nev., and vicinity, as may thereafter be promulgated by him or pursuant to his authority, all right, title, and interest of the United States of America in and to certain lands in Clark County, State of Nevada, heretofore withdrawn for reclamation purposes, described as follows:

The east half of the southwest quarter of the northwest quarter of the northwest quarter of the southwest quarter, the southeast quarter of the norhwest quarter of the northwest quarter of the southwest quarter, the west half of the southwest quarter of the northeast quarter of the northwest quarter of the southwest quarter, the east half of the northwest quarter of the southwest quarter of the northwest quarter of the southwest quarter, the northeast quarter of the southwest quarter of the northwest quarter of the southwest quarter, and the west half of the northwest quarter of the southeast quarter of the northwest quarter of the southwest quarter, section 10, township 23 south, range 64 east, Mount Diablo base and meridian, Nevada, consisting of 10 acres, more or less, by deed reserving a right-of-way thereon for the construction, operation, and maintenance of electric transmission lines and telephone lines constructed by the authority of the United States or under permit from the Secretary of the Interior: *Provided*, That title to all of said lands shall revert to the United States in any of the following events: (a) If any portion of said lands shall cease to be used and maintained for cemetery purposes; (b) if any portion of said lands shall be used for any purpose other than cemetery purposes; or (c) if said association shall violate any of the rules or regulations hereafter promulgated by the Secretary of the Interior pursuant to this act and if the Secretary, whose decision shall be final, shall determine in writing that as a result of such violation the interests of the United States require a reverter of said lands; a reverter resulting from any of the aforesaid events shall become effective upon the filing for record by the Secretary with the recorder of Clark County, State of Nevada, of a declaration that a reverter has occurred for reasons therein stated and upon the service of a copy thereof upon the association by regular mail addressed to it at its last known address.

With the following committee amendments:

Page 2, line 25, strike out "all" and insert "such."

Page 3, line 1, after the word "lands", insert "as should in the judgment of the Secretary so revert."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DECATUR COUNTY, IND.

The Clerk called the bill (H. R. 3988) for the relief of Decatur County, in the State of Indiana.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $7,696.82 to the county treasurer, or other proper officer of the county of Decatur, in the State of Indiana, in full settlement of all claims against the United States arising out of the construction of emergency pipe lines within and across said Decatur County, in the State of Indiana, during the winter and early spring in the year 1943, and the resulting damage to public highways in said county by reason thereof: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COTTON MARKETING QUOTAS

The Clerk called the joint resolution (H. J. Res. 336) relating to cotton marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

FORT PECK PROJECT, MONTANA

The Clerk called the bill (H. R. 1111) for the acquisition of Indian lands required in connection with the construc-

tion, operation, and maintenance of electric transmission lines and other works, Fort Peck project, Montana.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 486, be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That in aid of the construction of the Fort Peck project, there is hereby granted to the United States, subject to the provisions of this act, such right, title, and interest of the Indians as may be required in and to such tribal and allotted lands as may be designated by the Secretary of the Interior from time to time for the construction, operation, and maintenance of electric transmission lines and other works of the project or for the relocation or reconstruction of properties made necessary by the construction of the project.

SEC. 2. As lands or interests in lands are designated from time to time under this act, the Secretary of the Interior shall determine the amount of money to be paid to the Indians as just and equitable compensation therefor. The amounts due the tribe and the individual allottees or their heirs or devisees shall be paid from funds now or hereafter made available to the Department of the Interior for the Fort Peck project to the superintendent of the appropriate Indian agency, or such other officer as may be designated by the Secrtary of the Interior, for credit on the books of such agency to the accounts of the tribe and the individuals concerned.

SEC. 3. Funds deposited to the credit of allottees, their heirs, or devisees may be used, in the discretion of the Secretary of the Interior, for the acquisition of other lands and improvements, or the relocation of existing improvements or construction of new improvements on the lands so acquired for the allottees or heirs whose lands and improvements are acquired under the provisions of this act. Lands so acquired shall be held in the same status as those from which the funds were derived, and shall be nontaxable until otherwise provided by Congress.

SEC. 4. The Secretary of the Interior is hereby authorized to perform any and all acts and to prescribe such regulations as he may deem appropriate to carry out the provisions of this act.

SEC. 5. All designations of Indian lands pursuant to this act shall be made subject to the condition that in the event any such lands shall no longer be required for the purposes for which they were designated, then the right, title, or interest so acquired in lands so designated shall revert to the United States in trust for the Fort Peck Indian Tribes.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 1111) was laid on the table.

MIDDLE RIO GRANDE CONSERVANCY DISTRICT OF NEW MEXICO

The Clerk called the bill (H. R. 2119) to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 718, be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the provisions of the act of August 27, 1935 (49 Stat. 887), as amended by section 5 of the act of June 20, 1938 (52 Stat. 779), authorizing the Secretary of the Interior to provide by agreement with the Middle Rio Grande Conservancy District, a subdivision of the State of New Mexico, for the payment of operation and maintenance charges on newly reclaimed Pueblo Indian lands and lands purchased by the United States by virtue of the act of June 7, 1924 (43 Stat. 636), as amended, for certain Pueblo Indians, are hereby extended for an additional period of 10 years to 1955.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 2119) was laid on the table.

AUTHORIZING ADJUSTMENT OF INDIAN DEBTS

The Clerk called the bill (H. R. 2231) to authorize the Secretary of the Interior to adjust debts of individual Indians, associations of Indians, or Indian tribes, and for other purposes.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

INDIAN IRRIGATION PROJECTS

The Clerk called the bill (H. R. 2457) to authorize adjustments of irrigation charges in certain land exchanges within Indian irrigation projects.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized, in effecting exchanges between Indians and non-Indians of irrigable lands within Indian irrigation projects where any such exchanged lands are subject to liens covering unpaid irrigation costs, to transfer liens between the exchanged lands in such manner and in such amounts as he may deem appropriate: Provided, That such transfers shall not reduce the total amount of the unpaid irrigation costs against the exchanged lands.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UINTAH INDIAN IRRIGATION PROJECT, UTAH

The Clerk called the bill (H. R. 2637) to cancel drainage charges against certain lands within the Uintah Indian irrigation project, Utah.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the action of the Secretary of the Interior by order dated October 15, 1943, taken pursuant to the authority contained in the Act of June 22, 1936 (49 Stat. 1803), in canceling $23,090.62 of irrigation drainage charges due the United States against 3,120.05 acres of non-Indian-owned land within the Uintah irrigation project, Utah, is hereby approved, and the Secretary of the Interior is directed to take any necessary action to remove from the records the landowners' obligations so canceled.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FREE HIGHWAY BRIDGE ACROSS MISSOURI RIVER, FRAZER, MONT.

The Clerk called the bill (S. 1601) to revive and reenact the act entitled "An act granting the consent of Congress to the counties of Valley and McCone, Mont., to construct, maintain, and operate a free highway bridge across the Missouri River at or near Frazer, Mont," approved August 5, 1939.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act approved August 5, 1939, granting the consent of Congress to the counties of Valley and McCone, Mont., to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at or near Frazer, Mont., be, and is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 1 year and completed within 3 years after the date of the termination of the unlimited national emergency proclaimed by the President on May 27, 1941.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NORFOLK & WESTERN RAILWAY CO.

The Clerk called the bill (H. R. 5187) granting the consent of Congress to the Norfolk & Western Railway Co. to construct, maintain, and operate a bridge across New River near Radford, Montgomery County, Va.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Norfolk & Western Railway Co., a corporation organized under the laws of the State of Virginia, its successors and assigns, to construct, maintain, and operate a railroad bridge and approaches thereto across New River at a point suitable to the interests of navigation near Radford, Montgomery County, Va., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the Norfolk & Western Railway Co., its successors and assigns, and any corporation to which such rights, powers, and privileges may be sold, assigned, or transferred, or which shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized to exercise the same as fully as though conferred herein directly upon such corporation.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FREE HIGHWAY BRIDGE ACROSS MONONGAHELA RIVER, ALLEGHENY COUNTY, PA.

The Clerk called the bill (H. R. 5357) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River, at a point between the boroughs of Elizabeth, in Elizabeth Township, and West Elizabeth, in Jefferson Township, in the county of Allegheny, and in the Commonwealth of Pennsylvania.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge, and approaches thereto, across the Monongahela River, at a point suitable to the interests of navigation, between the boroughs of Elizabeth, in Elizabeth Township, and West Elizabeth, in Jefferson Township, in the county of Allegheny, and in the Commonwealth of Pennsylvania, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FREE HIGHWAY BRIDGE ACROSS THE MONONGAHELA RIVER

The Clerk called the bill (H. R. 5387) to provide for the construction of a bridge across the Monongahela River.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of the Congress is hereby granted to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge, and approaches thereto, across the Monongahela River, at a point suitable to the interests of navigation, between the boroughs of Belle Vernon, in Washington Township, Fayette County, and Speers, in Fallowfield Township, Washington County, and in the Commonwealth of Pennsylvania, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River between the Borough of Belle Vernon, Fayette County, Pa., and the Borough of Speers, Washington County, Pa."

A motion to reconsider was laid on the table.

SUSQUEHANNA RIVER BRIDGE BETWEEN PLYMOUTH AND HANOVER

The Clerk called the bill (H. R. 5403) to revive and reenact the act entitled "An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Susquehanna River at Bridge Street in Plymouth Borough, between Plymouth and Hanover Townships, in the county of Luzerne, and in the Commonwealth of Pennsylvania."

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. GILLETTE. Mr. Speaker, reserving the right to object, can the gentleman tell me why he makes that request?

Mr. MADDEN. I have not had time to investigate the bill.

Mr. GILLETTE. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MADDEN and Mr. MURPHY objected.

OHIO RIVER BRIDGE AT SHAWNEETOWN, ILL.

The Clerk called the bill (H. R. 5444) to revive and reenact and amend the act entitled "An act authorizing the county of Gallatin, State of Illinois, its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near the city of Shawneetown, Gallatin County, Ill., to a point opposite thereto in the county of Union, State of Kentucky," approved July 18, 1939.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act approved July 18, 1939 (heretofore extended by an act of Congress approved July 2, 1940), authorizing the county of Gallatin, in the State of Illinois, its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Ohio River, at or near Shawneetown, Gallatin County, Ill., is hereby revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 1 year and completed within 3 years from the date of approval hereof.

SEC. 2. Section 2 of such act of July 18, 1939, as revived and reenacted, is amended to read as follows:

"SEC. 2. There is hereby conferred upon the county of Gallatin, in the State of Illinois, its successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches, as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State."

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. COLE of New York. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: Insert a new section after section 2:

"SEC. 3. Section 3 of such act as revived and reenacted is amended by inserting the following sentence at the end thereof: 'No toll or other charge shall be levied against any employee, civil or military, or any vehicle or conveyance of the United States Government for the use of such bridge in the performance of official duties.'"

Renumber "section 3" "section 4."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING ATTENDANCE OF MARINE BAND AT AMERICAN LEGION CONVENTION

The Clerk called the bill (H. R. 5929) to authorize the attendance of the Marine Band at the department convention of the American Legion to be held in Racine, Wis., August 3, 1946.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to permit the band of the United States Marine Corps to attend and give concerts at the department convention of the American Legion to be held at Racine, Wis., on August 3, 1946, in conjunction with its trip to Milwaukee, Wis., where it is authorized to attend the national convention of the United Spanish War Veterans.

SEC. 2. For the purpose of defraying the expenses of such band in attending and giving concerts at such convention, there is hereby authorized to be appropriated the sum of $578, or so much thereof as may be necessary, to carry out the provisions of this act: *Provided*, That in addition to transportation and pullman accommodations the leaders and members of the Marine Band be allowed not to exceed $6 per day each for additional living expenses while on duty, and that the payment of such expenses shall be in addition to the pay and allowances to which they would be entitled while serving their permanent station.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING HOUSING ACT

The Clerk called the bill (H. R. 5796) to amend title II of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, to permit the making of contributions, during the fiscal year ending June 30, 1947, for the maintenance and operation of certain school facilities, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object, will the gentleman from Texas [Mr. LANHAM] tell us how much this will cost?

Mr. LANHAM. Mr. Speaker, I shall be glad to make an explanation with reference to this bill, and also to explain the necessity for its prompt enactment. The so-called Lanham Act expires with this fiscal year. It was a war emergency act.

Throughout the country there are a number of schools where there are a great many in-migrant war workers, and where various governmental plants have been established and lands purchased have been taken off the tax rolls by reason of governmental activities. A very heavy burden has been imposed by the Federal Government upon a number of

these schools. The purpose of this measure is to permit those schools to have, not from the standpoint of construction but from the standpoint of maintenance and operation, some Federal aid during this coming fiscal year. The urgency for the enactment is that contracts with teachers are made well in advance of the succeeding school year, and for that reason this bill should be enacted as promptly as possible.

With reference to the amount of money that will be required, I am glad to state it is thought that the money on hand will be sufficient for the purpose. If any additional appropriation is required, it would be necessary for the administrative authorities to come to the Committee on Appropriations. I have an amendment which I shall offer which will require them to go before the Committee on Appropriations.

I may say in this connection that all the Federal Government does in this regard in these particular congested areas is to meet the deficit that the school may incur. Many of the States have increased the amount to be paid to these schools, so that it is impossible to determine the deficit in advance. A number of the legislatures will meet in the coming January, whose action will likely mean a minimizing of the amount of Federal participation, but it is thought by the authorities that the money on hand devoted to this purpose will likely be sufficient.

Mr. KEAN. The school year will start next September, which is more than a year after the end of the war. Does the gentleman feel this will be the last time we will be called upon to make this type of appropriation?

Mr. LANHAM. Absolutely. The committee took a very firm stand in that regard, because by that time there should be no further necessity. But there is very urgent necessity for it now in a great many places in this country. It affects a great many States. I know of no measure in which more Members of Congress are personally interested than this. It is fortunate that we have practically all of the necessary money already appropriated to carry out this purpose.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. KEAN. I yield.

Mr. CURTIS. In support of what the gentleman from Texas [Mr. LANHAM] has said, I have in mind one city in my district that has practically doubled in population, and it has sent several hundred children to the public school. Those people live in a housing property that is owned by the Government. Consequently, they contribute no taxes. Yet they have sent hundreds of children to school. In fact, the superintendent of schools informed me that something over 40 States have sent transfers to their schools. It is a measure that I believe has much merit.

Mr. LANHAM. It is to meet situations of that character that this bill is designed.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. KEAN. I yield.

Mr. DONDERO. I want to confirm everything the gentleman from Texas [Mr. LANHAM] has said, and to say that I do not know of an area in the United States where what he has said applies more firmly than in the city of Detroit and its environs, where that congestion still exists because of the war.

Mr. LANHAM. That is true, and in several other places in the State of Michigan. I have a list of those places in the various States which have been helped during this year. It is hoped that some of them will not require aid in the year to come, but there are many that will require it. It is a burden which the Federal Government has imposed upon these localities. Consequently, the Federal Government should meet that additional expense. There is no construction involved. It is simply to provide additional necessary teachers that these schools must have for the instruction of the children of these in-migrant workers and other war workers in established military camps where this work must be carried on.

Mr. CHELF. Mr. Speaker, will the gentleman yield?

Mr. KEAN. I yield.

Mr. CHELF. Will this bill apply to towns near large centers, such as Fort Knox?

Mr. LANHAM. It does.

Mr. CHELF. We have several towns where the school population has increased over over 120 percent.

Mr. LANHAM. It does apply to those which are now being helped under this act.

Mr. CARNAHAN. Mr. Speaker, will the gentleman yield?

Mr. KEAN. I yield.

Mr. CARNAHAN. I notice a section of the bill has now been deleted.

Mr. LANHAM. Yes. I know the section to which the gentleman refers. The deletion of that section is not to prevent this aid where such aid has been given and where these camps were established, but to prevent this War Emergency Act taking over new camps that the Army may establish. Those new camps will be the responsibility of the Army and not the responsibility of the Congress under this particular emergency legislation.

Mr. CARNAHAN. Any school that has received aid will receive aid under this bill?

Mr. LANHAM. That is true if the circumstances warrant.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That title II of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, is amended by adding at the end thereof the following section:

"SEC. 205. In order to enable school authorities that are still overburdened with war-incurred school enrollments to meet their needs during the transition from war to peacetime conditions, the Federal Works Administrator is authorized to continue to make, during the fiscal year ending June 30, 1947, contributions for the operation and maintenance of school facilities to (a) local school agencies requiring assistance that have received during the fiscal year ending June 30, 1946, contributions under this act for the maintenance and operation of their school facilities: (b) local school agencies requiring assistance that may be subject to a loss of tax revenues because of the acquisition or ownership of land by the United States; and (c) local school agencies that provide school services for children residing in Federal reservations, forts, bases, camps, depots, and other Federal installations. Contributions under this section may be made without regard to sections 202 and 301 of this act and to the provisions in any appropriation act heretofore enacted appropriating funds to carry out the functions vested in the Federal Works Administrator by title II and title III of this act which may conflict with the purpose of this section, and such contributions may be made notwithstanding the declaration by the President that any existing emergency has ceased to exist."

With the following committee amendments:

Page 2, line 10, after the colon, insert the word "and."

Page 2, line 18, after the word "States", strike out the semicolon and the balance of line 13, all of lines 14 and 15, and the word "installations" in line 16.

The committee amendments were agreed to.

Mr. LANHAM. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANHAM: Page 2, line 24, after the quotation marks, add the following sentence: "Appropriations and existing appropriations heretofore authorized to carry out the purposes of titles II and III of this act are hereby authorized to carry out the purposes of this section."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. CASE of South Dakota. Mr. Speaker, H. R. 5796 recognizes the practical situation that exists on a few military installations and other points in the country where defense plants created a school population far in excess of the normal responsibility of a local community and where there are no local school revenues to provide needed school facilities for children of families brought to these places by the war.

I have observed the operation of the wartime facilities in some of these places and have been impressed by the interest of the people in the schools, the parents, the pupils and the teachers. It is definitely in the interest of good government and the responsibility of the Federal Government that this legislation should be approved. I commend the action of the chairman of the Committee on Public Buildings and Grounds for bringing the bill before us at this time.

BEACH EROSION

The Clerk called the bill (H. R. 2033) authorizing Federal participation in the cost of protecting the shores of publicly owned property.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, I see no good reason why the Federal

Government should be called upon to contribute even in part to protective measures against the erosion of coastal shorelines of properties owned by States and municipalities. I therefore object.

The SPEAKER. Objection is heard. This is the last eligible bill on the calendar.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

Mr. POAGE. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1414) to assist in soil-conservation and water-conservation work, forest fire prevention and suppression, and forest improvement by making certain surplus materials, equipment, and supplies available for such work, and for other purposes, as amended.

CALL OF THE HOUSE

Mr. JUDD. Mr. Speaker, this is a most important bill because it has to do with the whole surplus property set-up. I believe the membership ought to be here to consider it and therefore make the point of order that no quorum is present.

The SPEAKER. Evidently no quorum is present.

Mr. LYLE. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 84]

Andresen, August H.	Fisher	O'Neal
Andrews, N. Y.	Fogarty	Outland
Arends	Fulton	Patrick
Bailey	Gathings	Peterson, Fla.
Baldwin, Md.	Gerlach	Peterson, Ga.
Baldwin, N. Y.	Gibson	Powell
Barry	Graham	Rains
Bishop	Hagen	Reece, Tenn.
Boykin	Hancock	Reed, N. Y.
Buckley	Hart	Roe, N. Y.
Bulwinkle	Hébert	Sadowski
Bunker	Heffernan	Shafer
Byrne, N. Y.	Henry	Sheppard
Carlson	Izac	Sikes
Celler	Keefe	Simpson, Pa.
Cochran	Kefauver	Slaughter
Cole, Kans.	LaFollette	Stigler
Colmer	Larcade	Sumner, Ill.
Cox	Lea	Sumners, Tex.
Curley	Lynch	Sundstrom
Dawson	McGlinchey	Weaver
Douglas, Ill.	McKenzie	Welch
Eaton	McMillen, Ill.	Wilson
Fellows	Mansfield, Tex.	Winter
Fernandez	Neely	
	Norton	

The SPEAKER. On this roll call, 357 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed.

DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, S. 1414, as follows:

Be it enacted, etc., That section 13 of the Surplus Property Act of 1944, as amended (U. S. C., 1940 ed., Sup. IV, title 50 App., sec. 1622), is amended by adding at the end thereof the following new subsection:

"(g) (1) The following materials, equipment (excluding any equipment which is suitable for use in the construction of homes by Federal agencies), and supplies shall be distributed as provided in paragraph (2) by grant or loan to States and their political subdivisions and public instrumentalities:

"(A) Materials, equipment, and supplies suitable for use in carrying out erosion and soil and water conservation works and operations in furtherance of the act approved April 27, 1935, entitled 'An act to provide for the protection of land resources against soil erosion, and for other purposes';

"(B) Equipment suitable for use by State highway departments; and

"(C) Equipment suitable for use by political subdivisions and instrumentalities of States for grading, drainage, reforestation, tunnel, airfield, highway, sewer, street and sidewalk pavement construction, or repair purposes.

"(2) The distribution of equipment, materials, or supplies under this subsection shall be made in accordance with such standards, conditions, rules, and regulations as to use and disposition as are established by the Secretary of Agriculture, with the approval of the chairman of the board of directors of the War Asssets Administration or its successors, or by the officer, employee, or agency of the United States exercising the functions in respect to surplus property transferred to the Chairman by Executive Order 9689 entitled 'Consolidation of Surplus Property Functions', dated January 31, 1946 (Federal Register, vol. 11, p. 1265). Such rules and regulations shall contain provisions requiring any applicant for any materials, equipment, or supplies to prove to the satisfaction of the Secretary of Agriculture (or the officer, employee, or agency exercising the functions in respect of such surplus property) that it has an actual and legitimate need for such materials, equipment, or supplies. *Provided*, That such surplus properties so disposed by loan or grant to States and their political subdivisions and instrumentalities shall not be loaned or sold for private use.

The SPEAKER. Is a second demanded?

Mr. HOPE. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman from Kansas opposed to the bill?

Mr. HOPE. No; I am not, Mr. Speaker.

Mr. CHURCH. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CHURCH. I am, Mr. Speaker.

Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. I thought the gentleman on the majority side was entitled to demand a second.

The SPEAKER. If anyone on the minority claims the right, he is entitled to it.

Mr. POAGE. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The gentleman from Texas is recognized for 20 minutes and the gentleman from Illinois is recognized for 20 minutes.

Mr. POAGE. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, this bill is the outgrowth of the views of many groups on the important problem of use of surplus soil-conserving equipment. Almost 4 years ago I introduced the first bill to make surplus equipment of this kind available for soil-conservation work by public agencies. Several other Members introduced similar measures, but no direct test of sentiment on the legislation was ever had, except that this House did in September 1944 turn down an amendment to the Surplus Property Act which would have enabled soil-conservation districts to use some of this equipment. At that time the majority of the House evidently believed that it would be possible to sell this and other surplus property fairly, equitably, and to the mutual advantage of the Government and the public. I did not so believe. I predicted then that the surplus property bill under which we are now operating would lead to rank discriminations, loss to the Government, and a multitude of charges of, if not outright, dishonesty. I voted against that bill. I believe that the experience of the past 2 years shows conclusively that that bill was a mistake—at least that it needs a number of far-reaching amendments and certainly one of those amendments should be provision for the use of this property by public agencies which need it.

I had singled out the soil-conservation districts and had offered a bill, H. R. 538, on the first day of Congress, January 3, 1945. This bill involved only soil-conserving machinery and made it available for use through the Department of Agriculture to soil-conservation districts. I picked these districts because, as I see it, they stand in a unique position. They cannot levy taxes. They cannot buy this or any other equipment, but they are agencies of the Government. We appropriate millions of dollars to carry out this work. This machinery would multiply the efficiency of this many, many times over. I felt, and I still feel, that we would be thoroughly justified in restricting the use of this equipment to such districts.

The Senate agreed with this view, and in September 1945, some 3 months after our own Committee on Agriculture had favorably reported H. R. 538, and after it had been before the Rules Committee for months, S. 1414 was introduced in the Senate. This bill is substantially the same as H. R. 538. The Senate acted and passed the bill in November 1945. Still the Rules Committee refused a rule for H. R. 538.

I think it is fair to say that certain members of the Rules Committee felt that we should include many agencies of Government other than soil conservation districts. There are also certain influential groups outside of the Congress who do not want the Soil Conservation Service to expand its work. They opposed the plan to let the districts use this equipment. Then there always have been and still are those who believe that all surplus property should be sold to private dealers for private gains so that the Government would get some cash regardless of the use to which the property is to be put.

On the other hand, the governors of 47 of the 48 States are on record as approving the plan of disposition favored by the Senate and approved by the House Committee on Agriculture. This plan has, however, been held up in the Rules Committee of this House since last June. If we are to get any bill, if we are to put any of this equipment to use before

it rusts out or falls in the hands of speculators, we must act now. The amendment I have offered this afternoon is frankly not my handiwork. I would prefer to pass the bill as the Senate passed and as I originally introduced it, but this amendment was written by the Rules Committee. I understand members of that committee will support this proposal. It is far better than no action. It is all the action we can get. I hope that the friends of soil conservation will support the motion.

I have no quarrel with those who want to realize the greatest amount possible for the Government out of this property. I believe that the tremendous values which we may add to our soils far outweigh any benefit that we could get by continuing the sale of this equipment to speculators.

The equipment affected by this legislation is confined entirely to that type of equipment which is suitable for moving dirt. That is soil-conservation equipment or dirt-moving equipment, the kind that is used in heavy construction; the kind of equipment that the ordinary individual does not buy. This bill relates only to that type of heavy equipment, not to the general ordinary consumer goods but to that type of heavy equipment so desperately needed for soil-conservation work, for the building of highways, roads, and that sort of thing.

The original bill related to its use only by soil-conservation districts. The amendment, you will observe, extends that use not only to the soil-conservation districts but also to State highway departments, to cities, towns, to counties and other political subdivisions for public use; and the language of the bill clearly states that the equipment must be used for a public purpose and must not be resold.

The SPEAKER. The gentleman from Texas has consumed 3 minutes.

Mr. POAGE. Mr. Speaker, I yield myself two additional minutes.

It seems to me that we have here an opportunity to do a great job for generations yet to come with no expense to the Government. Bear in mind the Government owns this equipment today; bear in mind, also, that this equipment is not being used; bear in mind that this equipment is now rusting out; bear in mind that this equipment under the terms of this bill will be subject only to public use.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield.

Mr. EDWIN ARTHUR HALL. Does the bill give to the smallest subdivision of government such as a township, the right to obtain materials and equipment to improve roads?

Mr. POAGE. It does; it gives it to every subdivision of government.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield.

Mr. CHURCH. If this equipment is so desperately needed by State and political subdivisions why do they not buy it? Especially if it is a drug on the market?

Mr. POAGE. Frankly, I believe the gentleman will find that a great many of these subdivisions feel that they cannot afford to do it. I call the gentleman's attention to the fact that the primary purpose of the bill which related to soil conservation work was for a group of public agencies that had no buying power, no taxing power, and no means of buying anything.

Mr. CHURCH. The States have.

Mr. LYNDON B. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield.

Mr. LYNDON B. JOHNSON. The fact is that a great deal of this equipment is not yet being manufactured for the market at the present time.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield.

Mr. JOHNSON of Oklahoma. Furthermore, the taxpayers of this country have already paid for this equipment once, have they not?

Mr. POAGE. That is right; and it seems to me it would be a gross injustice to require the taxpayers to pay for it a second time.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield.

Mr. BROWN of Ohio. The facts of the matter are that the people of the United States and these various political subdivisions have already bought and paid for this material, and if it is sold at a loss they take the loss. If you give it to them they get the benefit of the equipment they have paid for.

Mr. POAGE. That is right exactly.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. POAGE. Mr. Speaker, I reserve the balance of my time.

Mr. CHURCH. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, the printed bill is not the bill before us for consideration. The bill before us is one that is typewritten, one which few have seen or read. What it does is to take all of the surplus material that is suitable for the construction of highways, that is suitable for the prevention of soil erosion, material that we gave the veterans a preference to purchase, and gives it to the States, to the counties, and to the townships. It gives it to them after taking it away from the veterans. There is no sense in saying the veterans will still have a preference, for if this bill is adopted there will be no property for them to purchase.

Now, what is the use of the House pretending to give veterans preference in the purchase of surplus property and then adopting legislation like this? It does not make sense.

There is no reason why if these townships or cities, or the counties or the States want this property they cannot buy it and pay for it. That is what the veterans and others must do. Does any one know of any good reason why municipalities should not do the same?

Mr. KUNKEL. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. Every time a veteran goes to one of these sales he finds the surplus property has already been bought up by some governmental agency.

Mr. HOFFMAN. That is all too true, but once in a while a veteran can get something, but if we enact this legislation he will not have a chance to get anything. We should not pass this bill

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Missouri.

Mr. SHORT. The purpose is very worthy, but the worst part of it, it seems to me, is that the supply will not meet the demand. Some States and counties or municipalities will get the benefit of the use of this machinery but others will be denied that use.

Mr. HOFFMAN. Yes; that is true, the bill opens the door to favoritism and political wire-pulling. The House for several months has been saying that it wanted the veterans to have a preference in the purchase of the surplus property that the United States Government owns and which they could use. Now, along comes this amendment which has not even been printed which few have seen—and it is proposed to give to the States, the counties, and municipalities the surplus which the veterans wish to buy. It just does not make sense.

The bill should be defeated.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. CHURCH. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama [Mr. MANASCO].

Mr. MANASCO. Mr. Speaker, I am opposed to this bill on several grounds. One of the reasons is that it will permit different Government agencies to augment their appropriations without coming to the Appropriations Committee or to the House for an appropriation.

The Committee on Agricultural Appropriations appropriated a million dollars to the Secretary of Agriculture to purchase for soil conservation districts such equipment as is mentioned in this bill. Our committee meets tomorrow to report out a bill to give veterans a preference that means something.

The trouble in the past has been that these priority holders have been coming in after the property is advertised for sale to veterans and have exercised their priorities and have taken it away, just as occurred at your camera and photographic equipment sale over at Baltimore the other day. This will make it impossible for a veteran to get a truck, a bulldozer, road-building equipment or anything else that is necessary for the building of highways, streets, airports, and so forth. If you pass this bill we might just as well not report out the veterans preference bill tomorrow.

I think every Member seriously wants to do something for the veterans. We make the veterans pay for surplus property. We make them pay a fair value. Here you are giving it to the cities, States, counties, and municipalities and they will take everything. They will say that they need Kodaks to build streets with. They will say they need tents. It takes blankets, also, to keep the workers warm,

so they will come in and take all of that.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. MANASCO. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Under this bill every truck would be taken by the State highway commissions and the Soil Conservation Service. The veterans would absolutely be denied the privilege of buying anything.

Mr. MANASCO. Yes. The same situation would exist also with reference to passenger cars. They would need passenger cars to haul the foremen around in. There would not be anything in the world left for a veteran. If you are willing to do something for the veterans who are having to pay for this material, you will vote against the pending bill.

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. POAGE. Mr. Speaker, I yield 2 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Speaker, if the Members of the House knew the real issue here they would vote for the pending bill. After the last war we had millions of pounds of dynamite which were given over to the Bureau of Public Roads and the Forest Service. This went into the construction of roads and the opening up of the national forests. Otherwise we would have had to appropriate millions of dollars to buy explosives to do the work that this surplus war explosive did.

This bill would make all this road-building machinery and explosives available to do the things that we will have to appropriate money for anyway if we do not pass this bill.

Mr. Speaker, I happen to know something about the veterans and the purchase of this equipment by the veterans. The Surplus Property Administration advertises a sale. The veteran has so many days to make his selection. Then spot bids are opened up to these dealers and the dealers come in and bid on it at about 10 cents on the dollar and get away with the stuff. If anybody actually wants to get this material they have to go to the dealer to get it. I say pass this bill, make this equipment available and save the taxpayers of this country millions and millions of dollars that we will have to appropriate to buy this machinery and to buy these explosives and to do the things which are necessary to open up the Government-owned timber in order to make homes for veterans and jobs for veterans. This bill will do just that. Dynamite is being dumped in the ocean by the shiploads today. Let us put it to work. Let us put the veterans to work and let us have a little sense here and pass this amendment.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Pennsylvania.

Mr. RICH. Name one way in which this will save the Government money?

Mr. WHITE. I will tell you. You have passed a $10,000,000 appropriation to build forest roads and trails every year, and this equipment will be used to do that work without further cost to the Government for this machinery.

The SPEAKER. The time of the gentleman from Idaho has expired.

Mr. CHURCH. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. SHORT. Mr. Speaker, will the gentleman yield to answer a question?

Mr. DIRKSEN. I yield to the gentleman from Missouri.

Mr. SHORT. Suppose we enact this bill into law, who is going to determine whether a county in the north end of the gentleman's district or a county in the south end of his district is going to get this machinery and equipment?

Mr. DIRKSEN. Somebody down here.

Mr. Speaker, the original bill of which the pending bill is a lineal descendant, I suppose, was introduced in January 1945. It has had a good deal of attention. It started as a bill to authorize the Secretary of Agriculture and directed the Secretary to requisition all the equipment that could be used in soil conservation and water-improvement purposes. It concentrated it in the hands of a single agency, namely, the Soil Conservation Service. How much equipment? The report does not say. What kind of equipment? The report does not say. Certainly it would include tractors, drag lines, bulldozers, everything that can be used for work on land. That was the original bill.

Another bill was passed in the Senate. Now we get a typewritten bill that is wholly dissimilar from the original bill. It authorizes giving this property to cities, park districts, everybody, with the exception of the veteran. How much property? It could be $50,000,000; it could be $100,000,000; it might be $500,000,000. Nobody seems to know. I thought that there would be a chance, and maybe this is utter naïveté on my part, that perhaps we could get back a few dollars by selling this equipment and putting the money back into the Federal Treasury and help to balance the Federal Budget Now we propose, however, to give all of it away. And then what happens to our Budget and what happens to this rather distressed proposal that we call economy? I hope this bill will not pass. When it comes to agencies like the Soil Conservation Service we made provision in the agricultural appropriation bill for 1947 for that purpose. We gave them $1,000,000 with which to buy this equipment. That bill is pending in the Senate committee at the present time. If there is need, all right, let us rationalize the need, see what it is in terms of dollars and cents, and then make provision for it.

Now it is going to have a very unhappy implication. You could have $100,000,000 worth of equipment, and it shows up in the Budget. You could have all of the money that they can spend, all the equipment they can have for 1946, and perhaps for 1947, but when they come back with their estimates for the fiscal year 1948 they will say, "Now, gentlemen of the Committee on Appropriations, you see we got $50,000,000 worth of equipment here, and we got $10,000,000 there. Now then, unless you give us a comparable sum the following year, of course, our budgets will be short." So up it moves. Do not forget that when you do this, of course, there must be administering personnel, and you are going to increase the cost of government and for that reason I am definitely opposed to a bill that I have not seen until 15 minutes ago and whose implications I cannot spell out in that short space of time. It ought to go back to the Committee.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. It certainly squeezes the veteran out. I see no chance whatsoever for a veteran to get one single thing under the provisions of this bill.

Mr. DIRKSEN. Very definitely not. If he were a farmer and he wanted a tractor, he could not get it under this bill.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Does the gentleman know of a single farm operator, owner of a farm, or a single farm organization that endorses this proposal?

Mr. DIRKSEN. I have not heard of it, except the modification of the original bill. I doubt if any interested organizations have even seen the bill in its present form. It should be defeated.

Mr. POAGE. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, this bill has been pending before the Committee on Rules for a long while. The original Poage bill, H. R. 538, proposed a loan or grant of heavy equipment to soil conservation districts in this language:

> That the Secretary of Agriculture is hereby authorized, empowered, and directed to requisition any materials, equipment, or supplies which constitute surplus property under the Surplus Property Act of 1944 and are suitable for use in carrying out erosion control and soil and water conservation works and operations in furtherance of the act approved April 27, 1935, entitled "An act to provide for the protection of land resources against soil erosion, and for other purposes." Upon receipt of such requisition from the Secretary of Agriculture with respect to any such property, the head of the Government agency having control of such property shall transfer such property to the Secretary of Agriculture without reimbursement or deposit.
>
> SEC. 2. Material, equipment, and supplies requisitioned by the Secretary of Agriculture under section 1 shall be distributed, through the Soil Conservation Service, by grant or loan, to soil conservation, drainage, irrigation, grazing, and other districts and public bodies organized under State laws with powers to promote and carry out soil and water conservation operations and related public purposes. Such distribution shall be made in accordance with such standards, conditions, rules, and regulations as to use and disposition as may be recommended by the Soil Conservation Service and may be established for such purpose by the Secretary of Agriculture.

This would have limited utilization of such surplus heavy equipment, in practical effect, to only a few States, and members of the Committee on Rules, including myself, felt that this amounted to discrimination against other States, counties, and municipalities. We felt the bill should be broadened to include in its benefits any State, county, munici-

pality, or political subdivision thereof, and it was suggested that I redraft the bill in accordance with these objectives, which I did, and it is that redraft which is being offered by the gentleman from Texas [Mr. POAGE], as an amendment to the Senate bill. My amendment not only provides specifically for benefits to water and soil conservation and erosion control work; it also provides for the allocation by loan or grant of surplus supplies, materials, and equipment to State and local governmental units for use for grading, drainage, reforestation, tunnel, airfield, highway, sewer, street and sidewalk pavement construction or repair. The amendment gives the Secretary of Agriculture power to make necessary regulations, to be approved by the chairman of the War Assets Administration; provides for proving an actual and legitimate need by an applicant for such surplus property; and prohibits sale or loan for private use by the States or subdivisions.

Further, there is a provision I put in that no property that can be used for the construction of homes shall be considered as surplus for this purpose.

We tried to protect it to the best of our ability. I realize that the States, counties, and municipalities are in good financial condition, but since the property cannot be sold to advantage and might be rusting away here and there, we thought the States, counties, and municipalities should have at least the benefit of it on an equitable basis as long as they can show that they need it for actual improvements for their respective jurisdictions.

Mr. SHERIDAN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Pennsylvania.

Mr. SHERIDAN. Has the gentleman any evidence that any of this material is now rusting away and is not able to be disposed of by the Surplus Property Administration?

Mr. SABATH. I have heard so much about it on the floor that I am inclined to believe there must be something to it. I have not seen it.

Mr. SHERIDAN. Can the gentleman cite one instance?

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Texas.

Mr. POAGE. I personally saw one instance at Samar in the Philippine Islands, where there were hundreds of yards of this equipment rusting away. I call upon every man who has been out in that territory to tell you that he has seen it with his own eyes, hundreds of yards of it.

Mr. CHURCH. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is it not true that the committee for the last 2 months has been trying to get the Army and the Navy to bring this material back here from Samar and the other places and make it available to the civilian population?

Mr. RICH. That is correct. The committee is going to meet tomorrow to try to handle this situation in a sensible, sane business way. I hope the Congress will give consideration to that fact, because we are trying to find out just how much material there is and who is responsible for its disposition. This is nothing but a grab, it seems to me, for the people who want to take something from the Government without paying anything for it. It is nothing but a political plum, the way you are handling this bill; there is not the least bit of business procedure; it is not sensible or sound.

The gentleman from Texas said a while ago that these municipalities and other governmental subdivisions cannot afford to buy this property, but let me ask this question: Who is more able to buy it than the people of this country are today? Certainly the Federal Government is in the worst condition anyone can possibly be in, yet here it is asked to give all this equipment away. To whom? If we sell this surplus property and do it in a businesslike way we will get something back into the Treasury of the United States for it. Those who can afford to pay for it will pay for it. Then we will put into the Treasury the amount of money that we receive from the sale of this material. That is one way to get the money. We will get rid of this surplus property in a sound, sensible, businesslike way.

Mr. THOMAS of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from New Jersey.

Mr. THOMAS of New Jersey. What I would like to know is, if all this equipment is rusting away, why are the veterans not getting some of it? The veterans cannot get anything.

Mr. RICH. We want the veterans to get this, but if you pass this legislation the veterans will get nothing. Our object is to give the veterans an opportunity to get this equipment and material. They will be able to use it, but they will not be able to get it if you pass this bill. It is only a grab for the favorites. Millions for the favorites, more jobs for the favorites. In the name of all that is sound, just, and sensible defeat this piece of legislation. It is a grab, and it is a steal for somebody. I want no part of it. Time to stop it; do it now.

Mr. CHURCH. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Speaker, Santa Claus will always be a popular fellow in America. Of course, I would like to be able to write letters to my constituents and say that we were giving them something so that they, too, would remember Santa Claus. We had this bill up some months ago. At that time, the schools wanted the equipment. Heaven knows there is no man in this House but would say that surplus property equipment would be well used if it were given to the schools. There were many other societies, such as the Red Cross and agricultural departments and home-economic agencies and home-demonstration agencies, and all of those folks who wanted the equipment. This Congress in its wisdom, and I think very wisely, decided to say "No; we better not start giving this property away. After all, it belongs to the people of America who paid for it with their money." These departments that want this equipment have a certain preference as the situation now stands. Let them with their appropriations go and buy the equipment. If the Department of Agriculture wants a truck or a trailer, then let them reach into their appropriations that the House of Representatives has given to them and let them take that money and turn it over to the surplus property agency. Then we will know something about what kind of bookkeeping is going on and what is happening to the money that we are appropriating. You would certainly have one scrambled situation when an administrator began trying to decide which township, precinct, county, district, and so forth, should get a particular piece of equipment.

Mr. POAGE. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Speaker, one of the greatest assets that we have in America is our soil. To those who were so anxious for the veterans to get the property, I say I wonder why they did not give veterans the first preference when this bill was passed instead of giving them fifth preference. The Federal agencies come first, and then the States, and the cities and then the municipalities. Following that, the veterans are supposed to come next. But in no instance have I known of a veteran getting any of these bulldozers, caterpillars, or drag lines. Here is what happened. What the States, cities, and municipalities do not get is offered in big bulk lots worth thousands of dollars in places where, in many instances, the ordinary GI cannot go, and even if he goes there, they tell him the surplus goods are all gone. I think the Poage bill is a good bill. Even though the war has been over for a year, many billions of dollars' worth remain unsold. A while ago someone inquired if I had ever seen any of this surplus equipment. I have seen hundreds of thousands of dollars' worth in many countries. The gentleman from Oklahoma [Mr. BOREN], who is urging passage of this bill, was in McAlester, Okla., and viewed a tract of land covering many acres covered with all kinds of equipment which is rusting and rotting to pieces on the lots. If the machinery companies get this equipment, they turn around and sell it for much more than they paid for it, and the veteran does not benefit as he should. The soil of this country is washing away and the surplus machinery could be used to great advantage. Even though there is $1,000,000 appropriated to buy equipment for this purpose next year, it will not be a drop in the bucket.

Mr. BARDEN. Mr. Speaker, will the gentleman yield?

Mr. WICKERSHAM. I yield.

Mr. BARDEN. How on earth would the gentleman ever determine who was to get a large tractor?

Mr. WICKERSHAM. Very well——

Mr. BARDEN. You have thousands and thousands and thousands of counties, cities, and townships. How in the world would you ever determine which county would get the tractor?

Mr. WICKERSHAM. It is based on the need for the soil-conservation work.

Mr. BARDEN. Who says who needs it?

Mr. WICKERSHAM. The Soil Conservation Service; the Secretary of Agriculture.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. CHURCH. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. LATHAM].

Mr. LATHAM. Mr. Speaker, the statement was made by the proponent of this legislation that the type of equipment covered by this bill was not wanted or sought by veterans. Mr. Speaker, that is not so. I know of veterans who have filed applications for this very type of equipment, but they could not get any action from the War Assets Administration on their application. I could not understand why that was so until today. Now it is perfectly clear.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. CHURCH. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, I take second place to nobody in this House in my concern for conserving the soil of our country. Having as a boy plowed over Nebraska hills and watched the topsoil wash away in the first rain and later blow away in dust storms, and then having lived in China and observed soil which by terracing and soil-conservation practices for 40 centuries the Chinese have kept as good as it was in the beginning, I realize fully that our greatest single, natural resource is our topsoil, and we have no more important responsibility to the future than to conserve it. I will support every proper measure toward that end. But this bill is not a proper measure. It is not the right way to handle the problem. If more money is needed for machinery for soil conservation and related purposes, why does not the subcommittee on appropriations for the Department of Agriculture bring before us an additional appropriation to buy from War Assets Administration the surplus property that it needs, if the latter has it? To be sure, it is transferring Federal money from one of Uncle Sam's pockets to another, but it is a regular procedure, and only so can we keep track of both appropriations and surplus property. To pass this bill does three things: First, it knocks our surplus property disposal procedure into a cocked hat. If we have to give our surplus property completely free of charge to every agency which has a worthy program, then there are at least several hundred agencies in the Federal Government alone which have worthy programs, to say nothing of the States and cities and municipalities and counties and their subdivisions, there would be no place to stop. We would be writing off many, many billions of dollars' worth of property.

In the second place, it will shut out the veterans completely, after all the high hopes held out that they will be able to buy some of this property.

In the third place, it amounts to an appropriation of billions of dollars to all sorts of agencies and groups which have not had to make adequate justification before the proper committees of the Congress—billions of dollars entirely apart from their regular appropriation bills and without a single cent of return to the Treasury.

Mr. Speaker, surely administration of surplus-property disposal is in bad enough shape already, as we all know, without completely ruining it, which the passage of this bill would do. I hope it will be overwhelmingly defeated.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. POAGE. Mr. Speaker, I yield such time as he may desire to the gentleman from Oklahoma [Mr. JOHNSON].

Mr. JOHNSON of Oklahoma. Mr. Speaker, the matter of surplus property is one that has given Members of the Congress, collectively and individually, more concern perhaps than most any other problem with which we have been faced during the past several months. It is conceded that under the present surplus property law the situation is far from satisfactory. Reports come to us that individuals with a pull and usually with a lot of cash are getting practically all of the surplus property. I am sure that every Member of this House feels that the present situation ought to be corrected and as soon as possible.

I have followed with much interest the original Poage bill since it was first introduced by the gentleman from Texas. The farmers of my district, especially those residing in organized soil conservation districts, are familiar with this legislation and are strongly in favor of the bill. I am reluctantly giving my support today to the revised bill with the objectionable amendment added by the Rules Committee. In fact, I would not support the bill if I thought it would become a law in its amended form, which goes far afield from the original purpose of the bill. I am violating no secret when I say that the sponsors of this legislation were compelled to accept this sort of monstrosity in the form of an amendment, or nothing at all. Personally, I am getting somewhat fed up with the Rules Committee, writing, or attempting to write legislation. In this case the Rules Committee heard none of the evidence in connection with the need for this legislation, yet it insisted upon rewriting the bill to its own liking or else refusing to give a rule, so that it might be even considered. In this instance, in my judgment, what it amounts to is sabotaging of one of the most important and most needed pieces of legislation that has come before this body during the present session.

We all know of the desperate need for soil conservation. Those of us from farming areas also know of the urgent need for bulldozers, plows, drag lines, caterpillars, graders, and other machinery essential for terracing, ditching, and grading, especially in soil-conservation districts. We are told by the Department of Agriculture that over 100,000,000 acres of land have suffered such serious erosion as to make the land useless for further agricultural use and that another 100,000,000 acres or more have been so seriously damaged as to require careful treatment over a period of several years, if such land is to be reclaimed for future use. This is an appalling situation, especially when we are reminded that more soil goes down the Mississippi River every year from the prairies, valleys, and hills of some 30 States of the Union than was excavated in the construction of the entire Panama Canal. The Soil Conservation Service of the Department of Agriculture, established back in the early thirties, has made considerable headway in the saving of hundreds of thousands of acres of land that otherwise would have been lost. But it has only touched the surface in comparison with the great and urgent need. This body has said officially by an act of Congress that a waste of soil erosion is "a menace to the national welfare; that it is hereby declared to be the policy of Congress to provide for the control and prevention of soil erosion and thereby to provide natural resources, control floods, prevent impairment of reservoirs, maintain the navigability of rivers and harbors," and so forth.

The Soil Conservation Service has given the technical supervision, which has been important. We have also appropriated vast sums of money for soil-conservation practices. Soil-conservation districts have been established in nearly every State in the Union. These districts deal directly with the farmers. They put the plans of the Soil Conservation Service into actual practice and aid farmers who cooperate. Now the districts are practically without machinery. Many do not have the funds to buy the machinery even if they were available. The taxpayer has paid for this machinery once, and it would seem far better to permit this needed machinery to go for public use than the present plan of selling them to big corporations or favorite individuals who under the present plan seem to have the inside track so far as surplus property is concerned. Mr. Speaker, I shall support the pending Poage bill in the hopes that something satisfactory might be worked out in conference.

Mr. POAGE. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Speaker, from the number of Members of the House who have spoken against this bill, one feels like a cat at a dog show in supporting it. Nevertheless, I am convinced there is a great deal of merit in the bill.

I notice someone saw fit to amend the bill, and I take it, from the gentleman of Illinois, that perhaps it was done in the Rules Committee. However, the bill has been amended. It would be better if limited to soil conservation. This House should remember that this bill

gives surplus property to all political subdivisions, of which the veteran is a part. This bill helps the veterans. There are very few veterans going out to buy bulldozers, draglines, and heavy machinery to move dirt with. There are irrigation districts in my State which would like to have this dirt-moving machinery to improve their districts. I hope that the proper committee brings out a surplus property bill that is favorable to the veterans and whereby they will be placed on the same priority as Federal agencies. I would support such a bill. But I would remind you that the veteran is also a part of the political subdivision, and this bill is designed to help him just as much as political subdivisions. The veteran should have number one priority just as Federal agencies and not a number four priority as under the present Surplus Property Act.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. RICH. The chairman of the Committee on Expenditures in the Executive Departments says he is having an executive session tomorrow and he will bring out a bill of that kind. So why pass this bill?

Mr. MILLER of Nebraska. You can write into that bill irrespective of any bill we pass here today that the veterans shall have priority, even though we pass this bill here today, that they shall have priority along with the other agencies, priority No. 1 equal with the Federal agencies.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. RICH. I am sure the chairman of the committee had that thought in mind. I do not know whether it is going to be incorporated in the bill or not. It surely should be.

The SPEAKER. The time of the gentleman from Nebraska has expired.

Mr. CASE of South Dakota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CASE of South Dakota. What is the parliamentary situation. Is there not an amendment pending? Will we have the vote first upon the amendment or will it be on the motion to suspend the rules and pass the bill?

The SPEAKER. The vote will be on the motion to suspend the rules and pass the bill as amended. There will be but one vote.

Mr. POAGE. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, I am sure everyone who knows about the important work of the Soil Conservation Service will agree with me that they are doing a splendid job, not only for the farmers but for America today and tomorrow. I am sure that almost everyone will agree that the conservation of our precious soil is most essential now when starvation is facing the people of many nations, because it makes for greater production of food and fiber for those who live in this world today and will insure food and fiber for the generations yet unborn.

When the surplus property disposal bill was under consideration on August 21, 1944, I introduced an amendment which provided that 25 percent of all surplus dirt-moving equipment be allocated to the Soil Conservation Service districts and other public agencies and for flood control. My amendment was defeated by the narrow margin of six votes. If my amendment had prevailed a lot of this equipment now rusting away would be in good use today. Our entire country, yes the whole world, would benefit from the use of this surplus equipment by the Soil Conservation Service. Few veterans want this kind of heavy equipment except the veterans who are farmers, and bear in mind about 50 percent of our veterans are directly interested in soil conservation, and the other 50 percent will derive indirect benefits from it.

I sincerely hope that if this bill is not adopted today that the Agriculture Committee can draw a bill that will be acceptable to the Congress so that this equipment can be put to use before planting time next year.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. POAGE. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, I should like to ask the gentleman from Texas if veterans will still have a preference even if this bill is enacted into law.

Mr. POAGE. This bill will not affect veterans' preference one iota, one way or the other. There is not a word in this bill about veterans' preference. It does not change veterans' preference. He still will have the right to purchase as he always had after Federal Government and State agencies.

Mr. COOLEY. As I understand it, under existing law veterans, municipalities and governmental agencies are given preference in the matter of acquiring title to surplus property.

Mr. HOFFMAN. If they are given this preference to get what is left, then in effect they get a preference on nothing.

Mr. COOLEY. The gentleman from Texas has assured us that this bill does not disturb the veterans' preference provision now in the law.

Mr. JONES. If the gentleman will yield, it is the same as in the case of housing. There are plenty of veterans in my district who now have priorities for housing but there are no houses.

Mr. HOFFMAN. It is ridiculous.

Mr. COOLEY. A moment ago someone asked the question, whether or not this property or any part of it was deteriorating. On the islands of the Pacific there are hundreds of millions of dollars' worth of surplus property that is exposed to the weather and is rusting and deteriorating. It should be returned to this country immediately and made available to the soil-conservation districts of the country.

Mr. BRADLEY of Pennsylvania. Will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BRADLEY of Pennsylvania. Does not this create a situation analogous to that complained about last week by the national commander of the American Legion who spoke in regard to the States and cities having priority which resulted in the veterans' getting nothing to purchase?

Mr. COOLEY. The gentleman from Texas has assured us that this bill will not affect veterans' preference.

Frankly, I am not impressed with the provision in the bill which applies to States, cities and other municipalities. Our Committee on Agriculture reported a bill which was applicable only to soil conservation districts. Most of the States and cities are financially able to pay for the property. While I, frankly, confess that this is a rather poor way to legislate, I am supporting the pending measure in the hope that the bill as may be finally agreed upon may apply only to soil conservation districts which are badly in need of equipment to carry on the splendid program of the Soil Conservation Service which has meant so much to the farmers of America. Unfortunately, the measure now before the House cannot be amended but we all know that most legislation is the result of a compromise between the two Houses of Congress and I have every reason to hope that if this bill is passed the Conference Committee will be able to agree upon a measure which will be in the public interest. Even if the pending measure is finally enacted into law the grants or loans of the property will be made under rules and regulations issued by, and under the immediate supervision of the Secretary of Agriculture and others in responsible positions in the Government. Certainly, none of us want to deprive veterans of a preference to which they are entitled and all of us, on the other hand, are anxious to facilitate the return of all surplus property both from Europe and from the islands of the Pacific and, further, to facilitate the acquisition of such property by veterans.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. CHURCH. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. BENDER].

SURPLUS PROPERTY AND WAR VETERANS

Mr. BENDER. Weeks ago I warned of a potential major scandal in the disposition of our surplus war goods. That scandal has now developed into a front-page issue. Not only have we been permitting our war matériel overseas to be purchased for the well-known song by foreign governments; not only have servicemen complained bitterly about the actual dumping of supplies into the Pacific Ocean; we are now confronted with the evidence that war veterans at home are being given the most depressing run-around possible in their efforts to take advantage of the provisions of our laws designed to help them get started in business.

In the course of a brief investigation it has already been revealed that Ohio veterans have been sent to Point Pleasant, W. Va.; to Camp Atterbury, Ind.; to Sandusky, Ravenna, and Warren, Ohio; to Newcastle, Ind., to inspect and pick up property which they had purchased, only to find that the goods were

not there or that their condition had been grossly misrepresented.

Surely our Government can be held to the standards of ordinary business veracity at the very least. No one seeking to engage in private industry would be permitted to misrepresent the quality of his merchandise indiscriminately without being called sharply to account by public authorities. Our Government should be subjected to a full-scale investigation on this whole completely unjustifiable, incredibly callous treatment of returning servicemen.

Mr. Speaker, it is said that the road to hell is paved with good intentions. Last year Congress enacted a surplus-property bill which we thought gave veterans preference. Now, if we pass the Poage bill, as amended, the veterans will not have preference and will have nothing to buy. The War Assets Corporation has been sitting on its war assets and all the veterans have gotten is the business. Now you are going to give these same veterans the works still further if you pass this bill. Please vote against the measure, as it is a legislative monstrosity.

Mr. CHURCH. Mr. Speaker, I yield the balance of my time on this side, 4 minutes, to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Speaker, the Congress considered the matter of the disposal of surplus property in 1944 for 3 months. The proposed amendment for soil conservation and other similar amendments were offered on the floor of this House, not once, not twice, but many times, by the very gentlemen who are advocating the pending measure, and every time the amendments were proposed they were rejected.

May I say in reply to the inquiry of the gentleman from North Carolina [Mr. COOLEY] that if we give all of this type of property away, as here proposed, what does the matter of preference or priority to veterans or anybody else amount to? Under the terms of the Surplus Property Act, there are no donations or gifts to any person or agency. The Congress retains the purse strings. Schools asked for donations, hospitals asked for donations, and others asked for gifts. We denied all donations, but we did provide preferences and priorities. Now, under the terms of this bill, the paternity of which is at least doubtful, for it is certainly not the Poage bill, probably framed, in part, in the Committee on Rules, as the distinguished gentleman from Illinois [Mr. SABATH] indicates, having been reported by the Committee on Agriculture, and whether intended or not having been so worded when introduced as to make no reference to the Surplus Property Act, thereby making it possible for the Committee on Agriculture to consider and to report the bill, although the Committee on Expenditures in the Executive Departments has jurisdiction of surplus war property, there would be a gift, a donation, in the language of the amendment, to the soil-conservation districts, not only of equipment but of materials and supplies and donations to highway commissions of equipment and donations to political subdivisions or instrumentalities of the States for many purposes. All of the other agencies of the Federal Government and all agencies of the State governments, except highway commissions and the subdivisions having control over soil and forests, would have to pay the fair value of the property allocated to them.

The pending bill is not the soil-conservation bill introduced by the distinguished gentleman from Texas [Mr. POAGE]. It is not the bill reported by the Committee on Agriculture, but it is an entirely new bill providing for donations not only to soil-conservation districts, but to State highway commissions, and the political subdivisions and instrumentalities of the State engaged in grading, park work, forestation, and similar activities.

The language for soil conservation is broad. It includes materials. It includes supplies. It could include much besides dirt-moving equipment.

The bill was introduced in January 1945. It was reported in June 1945. It was introduced before the German war closed. It was reported before the Jap war closed.

It is urged that the equipment for soil conservation could be disposed of without expense. The argument will not bear analysis. Practically all of the dirt-moving equipment has been used. It must be repaired. The donation would be the beginning of real expense. The districts would be returning to Congress for funds to repair. The House will recall that following the First World War, there were donations of trucks to highway commissions, to legal subdivisions. There was need of repairs. No repairs were made. The trucks decayed and rusted. Under the surplus-property bill, provision could be made for either making repairs before sale or there would be the opportunity to sell to dealers who will make the repairs before they will offer them to the Government agencies or the public.

I have not been satisfied with the administration of the Surplus Property Act. I opposed the board. I advocated a single administrator. There was substantially no disposal of surplus property for a year. The bill was finally amended in September 1945, to provide for a single administrator. There has been delay. Veterans have complained. Their complaints have been largely about automobiles. Frankly, but few automobiles were declared surplus. Again complaints have been about trucks. The Federal Government and State agencies have priority. For a long time the veteran was unable to obtain trucks. But the regulations have been improved. Veterans now are being permitted, directly, to buy trucks. There were not enough trucks to supply the demand declared surplus in the United States. We insisted that the trucks overseas be returned for the veterans. Veterans were given preferences in other cases. These preferences were not effective. About 3 months ago, General Gregory was placed in charge of the Administration. He is improving the Administration. Where State and Federal agencies have priorities, he is advising veterans when the property will be available to them. The Committee on Expenditures has been conducting hearings for weeks. We have insisted that any surplus automobiles and trucks overseas be returned to this country. There is no surplus of earth-moving equipment in this country. We have insisted that earth-moving equipment overseas be returned. The committee plans to report a bill to give veterans a priority to make effective the preference intended for veterans under the Surplus Property Act. Many veterans are seeking earth-moving equipment. I repeat the regulations under General Gregory are being improved. The veteran who files as a little businessman is entitled to a priority now. The committee plans to report a bill to make good the preferences and priorities intended for veterans. If the pending bill passes, there will be no equipment or earth-moving equipment available to veterans. It will all be given to soil conservation, highway commissions, and other agencies.

The veterans are not asking for donations. They are asking for consideration. Why discriminate? Why discriminate in favor of soil-conservation districts against schools and against hospitals, against doctors and against dentists?

As I have indicated, the bill was introduced 2 months after the Surplus Property Act was passed. It was introduced 9 months before the Jap surrender. Substantially, no personal property was being sold until after the Jap surrender.

If there was dirt-moving equipment in Army depots in this country it was being retained until the Jap war was over. At the time the pending bill was reported there was not enough equipment available for the civilians who wanted to buy it and to pay for it.

Again, many contractors engaged in moving earth sold their bulldozers, sold their tractors, and other dirt-moving equipment to the Government. There has been a delay in production. They are unable to buy new equipment. Those contractors are anxious to purchase available equipment. Many of these contractors were veterans. Veterans would like to go into the earth-moving business. I know of many, many applications. The pending bill not only discriminates. It is not only unfair to other agencies, but it is utterly unfair to the veterans who are not asking for a donation, but are asking for the privilege of buying surplus property, so that they can engage in business.

Many Members have been vigilant in behalf of soil conservation. The gentleman from Oklahoma [Mr. BOREN] has promoted legislation, but the pending bill is not the soil-conservation measure originally introduced by the gentleman from Texas [Mr. POAGE] or proposed by the gentleman from Oklahoma [Mr. BOREN]. It is an entirely new measure that has never been considered by any committee. Many Members of Congress have been most helpful and vigilant in behalf of veterans. The gentleman from Florida [Mr. HENDRICKS] testified at length before the Committee on Expenditures. I know of no Member who has made a greater effort to promote the priority and preference of veterans than he.

Mr. Speaker, in my judgment, the passage of this bill would sabotage the splendid effort that General Gregory, who has been on the job for only 3 months, is now making for the veterans to give them a chance to acquire this and other types of property. It would sabotage the administration of the Surplus Property Act for the benefit of State highway commissions and local subdivisions with money in their treasury by the millions of dollars, and call upon the United States, with $280,000,000,000 of public debt, to give away the property that the widows, and that the taxpayers of the United States bought bonds to enable the Government to acquire for the prosecution of the war.

In my judgment, the fundamental theory of the Surplus Property Administration is sound. This property belongs to all the people of the United States, and, like all other surplus property, it should be disposed of for the benefit of all the people and the proceeds paid into the Federal Treasury.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Michigan.

Mr. RABAUT. What they should do with this machinery is plow back some of the funds into the Treasury of the United States?

Mr. WHITTINGTON. Absolutely; and give these boys, who before they went into the service turned over their bulldozers and other equipment to the Government in many cases, an opportunity to repurchase it. I trust this bill will be defeated.

Mr. POAGE. Mr. Speaker, I yield myself the balance of the time.

Mr. Speaker, the opposition must base their contention on one horn or the other. In one breath they say that this bill takes away some of the veterans' rights, on the other hand they say, "We want this property sold for every dollar it will bring in the market." Which do they want? They have to make their choice. Do they mean it when they say they want veterans to have it regardless of what the Government gets? If so, all right, but let them stop talking about how much money they will get. If they want every dollar they can get regardless of who gets the property, let them quit shedding tears about the veteran. An individual can support either position, but he simply cannot occupy both positions at once. We want this property to be used by the people of America. We neither add to nor detract from the rights of veterans by this motion but we believe the use of this machinery in saving our soil will help many a veteran to make a better living for years to come.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. POAGE. No; I will not yield. Mr. Speaker, with only 2 minutes remaining, I feel that I am entitled to express to this House the view of those of us who believe that when the United States Government has paid for material with tax money that it should be used by the taxpayers of America for public, not private purposes; that it should be used by the governmental agencies and not by the speculators of America; that it should be used to perpetuate the fertility of the soil of America for generations to come and not to line the pockets of a group of people who are growing wealthy trading on the physical equipment for war. We believe that this property having been paid for by American taxpayers is the property of the people of the United States. We believe that it should be used for public purposes.

Now we have a clear choice here. This bill will make this surplus property available for use by public agencies, not private. There is not a dollar of private profit in it. We have seen the operation of the present bill, and there is no man or woman in America who does not know that the present bill has been favoring a group of speculators. The present law which the opponents of this measure seek to perpetuate is no help to veterans. It protects no ex-serviceman. You know who has profited under the present bill. You know who is getting the money out of these sales. You know what the present bill has been doing. Are you by your vote this afternoon to put your stamp of approval on such a monstrosity? The proposed measure will at least assure the public of some small part of the profits now going to the speculators.

Be not deceived, my friends. This is no fight between the veteran and the farmer. On the contrary, it is a contest between the private speculators who are making great profits under the present law on the one hand, and the people of America who have once paid for this equipment on the other.

The SPEAKER. The time of the gentleman from Texas has expired. All time has expired.

The question is on suspending the rules and passing the bill.

The question was taken; and on a division (demanded by Mr. POAGE) there were—ayes 53, noes 171.

So two-thirds not having voted in favor thereof, the motion was rejected.

On motion of Mr. WHITTINGTON, a motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4761. An act to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BARKLEY, Mr. MURDOCK, Mr. TAYLOR, Mr. MITCHELL, Mr. TAFT, Mr. BUCK, and Mr. CAPEHART to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1610) entitled "An act to provide for the rehabilitation of the Philippine Islands, and for other purposes;" requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TYDINGS, Mr. HAYDEN, Mr. WHEELER, Mr. VANDENBERG, and Mr. AUSTIN to be the conferees on the part of the Senate.

INCREASE IN PAY FOR PERSONNEL OF THE ARMY, NAVY, MARINE CORPS, COAST GUARD, COAST AND GEODETIC SURVEY, AND PUBLIC HEALTH SERVICE

Mr. SPARKMAN. Mr. Speaker, I move to suspend the rules and pass the bill, H. R. 6084, to amend the Pay Readjustment Act of 1942, as amended, so as to provide an increase in pay for personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, as amended.

The Clerk read as follows:

Be it enacted, etc., That (a) the first paragraph of section 9 of the Pay Readjustment Act of 1942, as amended, is hereby amended to read as follows:

"The monthly base pay of enlisted men of the Army, Navy, Marine Corps, and Coast Guard shall be as follows: Enlisted men of the first grade, $165; enlisted men of the second grade, $135; enlisted men of the third grade, $115; enlisted men of the fourth grade, $100; enlisted men of the fifth grade, $90; enlisted men of the sixth grade, $80; and enlisted men of the seventh grade, $75. Chief petty officers under acting appointment shall be included in the first grade at a monthly base pay of $150."

(b) The third paragraph of section 9 of the Pay Readjustment Act of 1942, as amended, is hereby amended to read as follows:

"Every enlisted man paid under the provisions of this section shall receive an increase of 5 percent of the base pay of his grade for each 3 years of service up to 30 years. Such service shall be active Federal service in any of the services mentioned in the title of this act or reserve components thereof; service in the active National Guard of the several States, Territories, and the District of Columbia; and service in the Enlisted Reserve Corps of the Army, the Officers' Reserve Corps of the Army, the Naval Reserve, the Marine Corps Reserve, and the Coast Guard Reserve: *Provided*, That retired enlisted men heretofore or hereafter retired with credit for 30 years' service in the Army, Navy, or Marine Corps and who served beyond the continental limits of the United States between 1898 and 1912, such service having been computed under previous laws as double time toward retirement, shall be entitled to receive the maximum retired pay now provided for the grade in which retired."

SEC. 2. (a) The second and third paragraphs of section 8 of the Pay Readjustment Act of 1942, as amended, are hereby amended to read as follows:

"First mates and assistant engineers of the Army Mine Planter Service shall receive base pay at the rate of $2,340 per annum and shall be entitled to the money allowances for subsistence and for rental of quarters as established by sections 5 and 6 of this act for officers receiving the pay of the first period.

"Chief warrant officers of the Army except masters and chief engineers in the Army Mine Planter Service, and commissioned warrant officers with less than 10 years of commissioned service, of the Navy, Marine Corps, and Coast Guard, shall receive base pay at the rate of $2,520 per annum and shall be entitled to the money allowances for subsistence and for rental of quarters as established by sections 5 and 6 of this act for officers receiving the pay for the second period: *Provided*, That a commissioned warrant officer or chief warrant officer promoted from the grade of warrant officer or warrant officer

(junior grade) shall suffer no reduction of pay by reason of such promotion: *Provided further*, That nothing herein contained shall be held to affect the authority of the Secretary of War to designate permanent or temporary chief warrant officers of the Army to receive the base pay and allowances of the third and fourth pay periods as provided in section 3 of the act approved August 21, 1941 (Public Law 230, 79th Cong.)."

(b) The seventh paragraph of section 8 of the Pay Readjustment Act of 1942, as amended, is hereby amended to read as follows:

"When the total pay and allowances authorized by this section for any person shall exceed the rate of $550 per month, the amount of the allowances to which such person is entitled shall be reduced by the amount above $550."

SEC. 3. The first paragraph of section 7 of the Pay Readjustment Act of 1942, as amended, is hereby amended to read as follows:

"The annual base pay of a brigadier general of the Army or the Marine Corps, rear admiral (lower half) of the Navy, the Coast Guard, or the Coast and Geodetic Survey, the Assistant Commandant of the Coast Guard, the Engineer in Chief of the Coast Guard, commodore of the Navy, an Assistant Director of the Coast and Geodetic Survey, and an assistant to the Surgeon General of the Public Health Service, shall be $6,600; and the annual base pay of a major general of the Army or the Marine Corps and of a rear admiral (upper half) of the Navy, the Coast Guard, or the Coast and Geodetic Survey, or the Surgeon General of the Public Health Service shall be $8,800. Every such officer shall be entitled to the money allowances for subsistence and for rental of quarters authorized in sections 5 and 6 of this act for officers receiving the pay of the sixth period."

SEC. 4. The second paragraph of section 1 of the Pay Readjustment Act of 1942, as amended, is hereby amended to read as follows:

"The first period, $2,160; the second period, $2,400; the third period, $2,640; the fourth period, $3,300; the fifth period, $3,850; and the sixth period, $4,400."

SEC. 5. The increases in pay specified in this act shall be applicable to the active duty, retired, retirement, or retainer pay of all persons whose pay is governed by, or by reference to, those sections of the Pay Readjustment Act of 1942, as amended, which are amended by this act.

SEC. 6. The increases in pay provided by this act shall become effective on the first day of the second calendar month following its enactment, and no increase in pay for any period prior thereto shall acrue by reason of the enactment of this act.

The SPEAKER. Is a second demanded?

Mr. ANDREWS of New York. I demand a second, Mr. Speaker.

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SPARKMAN. Mr. Speaker, there has been pending before the Committee on Military Affairs for some time now a proposal to increase the pay of the armed services. The subcommittee had rather extensive hearings and reported out the bill that is before us today. It is hoped to pass it now in order that we may stimulate enlistments as much as possible. I want to take just a few minutes to explain to you just what the bill seeks to do.

The Army and Navy had a joint pay committee which made a recommendation that there be a 20-percent over-all pay increase for all of the services. The subcommittee did not agree to that proposal but worked out a formula of its own whereby the pay of the lowest grade, the buck private, is increased exactly 50 percent, that is, from $50 to $75 a month. The pay of the private first class is increased approximately 50 percent, from $54 to $80. The pay of the fifth grade, that is, the corporal, is increased from $66 to $90, or approximately 40 percent. The fourth grade, that is, the line sergeant or buck sergeant, is increased from $78 to $100, an increase of approximately 30 percent.

The third grade, staff sergeant, from $96 to $115, or an increase of approximately 20 percent; technical sergeant, second pay grade, from $114 to $135, or approximately 20 percent; first grade; that is, the first sergeant and master sergeant, from $138 to $165, or approximately 20 percent.

The same percentage was applied to warrant officers and commissioned warrant officers, and in this connection, let me say that the same percentages are applied throughout to comparable grades in the Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, all of which services are under the same pay bill.

When it comes to the commissioned grades, we propose a 20-percent increase for second lieutenants and first lieutenants. That would mean the second lieutenants' pay would be increased from $1,800 to $2,160; a first lieutenant from $2,000 to $2,400. All officers above that we propose to increase by 10 percent. We think we have worked out a good formula. May I say for the commissioned personnel, with the exception of the second lieutenants, this is the first pay increase they have had since 1908. During that same time, living costs have gone up 109 percent, and yet they have had no pay increase.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. SPARKMAN. I yield.

Mr. DONDERO. Do grades 6 and 7 apply to the soldier who is a private?

Mr. SPARKMAN. Grade 7 is a private, and grade 6 is a private, first class. Under the law as it stands now, a buck private after 3 months in the service automatically becomes a private, first class, if he meets the other qualifications. There has been some suggestion from time to time against increasing the pay of officers. That is the reason I mentioned this 109-percent increase in the cost of living. And, too, here is something that so many overlook—you hear talk about the brass hats. I do not know whether you ever realized it or not, but 75 percent of our officers are in the low-pay grades of second lieutenant, first lieutenant, and captain. About 13 percent are second lieutenants; 36 percent, first lieutenants; and 26 percent, captains. About 15½ percent of our officers are majors, about 6 percent lieutenant colonels, and about 3 percent are colonels. All grades of general officers constitute less than one-half of 1 percent. I believe that the pay scale we have recommended for officers as well as for enlisted men is fair and just.

Mr. Speaker, I am including two tables. Table 1 shows the distribution of Army personnel in the various grades and ranks based on the average size of the Army during the fiscal year 1947. Table 2 shows a comparison of pay increases voted to civilian personnel in government service, with those proposed for officers in this bill.

TABLE 1.—*Budget estimates on average number who will have to be paid during the year in each grade as Army goes down from 1,550,000 on July 1, 1946, to 1,070,000 on July 1, 1947*

Generals of the Army	4
Generals	7
Lieutenant generals	30
Major generals	274
Brigadier generals	314
Colonels	4,274
Lieutenant colonels	8,548
Majors	22,788
Captains	37,652
First lieutenants	50,207
Second lieutenants	18,602
Total commissioned	[1] 142,700
Warrant officers	5,300
First grade	53,750
Second grade	64,500
Third grade	86,000
Fourth grade	107,500
Fifth grade	182,750
Sixth grade	430,000
Seventh grade	150,500
Total	[2] 1,075,000

[1] These figures include officers on terminal leave.

[2] Plus 6,000 aviation cadets and 50,000 Philippine Scouts.

TABLE 2

Rank		Base pay	Recent civilian pay increases (including the increase voted by House), same base	Proposed military increase, H. R. 6084	New civilian pay	New military pay, H. R. 6084
Army	Navy					
Second lieutenant	Ensign	$1,800	$700	$360	$2,500	$2,160
First Lieutenant	Lieutenant (junior grade)	2,000	720	400	2,720	2,400
Captain	Lieutenant	2,400	760	240	3,160	2,640
Major	Lieutenant commander	3,000	820	300	3,820	3,300
Lieutenant colonel	Commander	3,500	870	350	4,370	3,850
Colonel	Captain	4,000	920	400	4,920	4,400
Brigadier general	Commodore / Rear admiral (lower half)	6,000	1,030	600	7,030	6,600
Major general [1]	Rear admiral (upper half)	8,000	1,130	800	9,130	8,800

[1] Army ranks of lieutenant general, general, and General of the Army, and Navy ranks of vice admiral, admiral and Fleet Admiral, all same base pay as major general.

(Mr. SPARKMAN asked and was given permission to revise and extend his remarks and include some tables.)

Mr. ANDREWS of New York. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. HARNESS].

Mr. HARNESS of Indiana. Mr. Speaker, this bill is the result of careful study by a subcommittee that has been studying service pay for a number of years. I offered a bill which the subcommittee originally reported favorably to pay a flat $400 increase per year to every individual in the service. The full committee, after giving that consideration, finally ordered the subcommittee to make further study of the matter. The bill before us is the result of that study. It is the bill which I offered Saturday as an amendment to the bill extending the Selective Service Act. While there are some things in this bill that I would like to change, I believe it the best judgment of the full committee. I shall vote for it. I think we need this pay increase for the lower grades of the service, to stimulate enlistments and provide greater inducement to those men who want to make the Army, Navy, or Marine Corps a career.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. HARNESS of Indiana. I yield.

Mr. JUDD. Does this do anything about the 20-percent increase for overseas duty?

Mr. HARNESS of Indiana. No. That is still the law. They would get a 20-percent increase on their base pay for overseas service. The Navy would get the same increase for sea duty.

Mr. JUDD. And how about flight pay?

Mr. HARNESS of Indiana. It does not change the 50-percent increase for Air Corps personnel. This is an increase in base pay all the way along the line. There is one feature of the bill which I should mention. It is the part that applies to all retired officers. You give them the same increase you are giving those in the active service. I question the advisability of that increase, but it appears that they cannot be left out without doing an injustice to men disabled in combat that we all want to reward.

Mr. ANDREWS of New York. Mr. Speaker, will the gentleman yield?

Mr. HARNESS of Indiana. I yield.

Mr. ANDREWS of New York. The testimony will show that the number of retired officers today is comparatively small. If you withhold this provision from the retired officers, you fail to reward many retired officers who have been wounded and disabled in this war.

Mr. HARNESS of Indiana. Yes. If we leave out retired personnel, many retired combat officers—men who have lost their legs or their sight—would be affected. The only alternative would be to limit increases to enlisted personnel. The matter of revising service-pay schedules is highly complicated, so I suppose this is the best we can do now. The main objective is to get volunteers so that the draft can be stopped.

Mr. ANDREWS of New York. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Speaker, I have served on the pay subcommittee of the Military Affairs Committee for about 8 years. We have had before us all of that time the need for revision of the pay schedule for the Army. We made a moderate revision in 1942. Our recent interest and study of pay revision came to a head very abruptly with the consideration of the building of a postwar Army. Consequently, the subcommittee has speeded up its work in the matter of readjusting the pay schedule for the entire Army at this time. That accounts for this bill coming out just now. It has been long and carefully and rather tediously studied by the subcommittee having this responsibility. The last big revision in the base pay was in 1908. The last big revision in the matter of allowances was in 1922. A moderate adjustment of pay was made in 1942. This now comes as an effort on the part of the committee having the study of the pay schedule for the armed forces under consideration to build up successfully an appeal to both enlisted men and officers for the making of our postwar Army, Navy, and Marine Corps.

I did not draft this bill, although I have studied it and compared it carefully with many other proposed bills. Therefore I can say that those on the committee who actually drafted this bill have done what I consider the best job which has yet been done in the field of pay legislation during my time in Congress. I can endorse this bill very enthusiastically, and I predict it will have a far-reaching effect in inducing men to join the Army voluntarily as privates, and look forward to promotion with some comparable rate of return to that which they could get in industry, agriculture, or business.

In the ranks of officers, the bill offers some inducement to keep the highly qualified officer material in the Army just now when we are trying to rebuild our officer personnel.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. WHITTINGTON. The gentleman spoke of increases in pay. What was the pay of a private before the war?

Mr. MARTIN of Iowa. At the opening of the war, for the first 4 months' service, they were paid $21. A private was given $30 for the next 8 months' service, and $40 after 1 year of service. In 1942 Public Law 607 of the Seventy-seventh Congress raised the pay of private to $50.

Mr. WHITTINGTON. There evidently has been an increase since 1908 and 1922 in the compensation of buck privates.

Mr. MARTIN of Iowa. That is true.

Mr. WHITTINGTON. This is permanent law, is it not?

Mr. MARTIN of Iowa. Yes.

Mr. WHITTINGTON. You raise that pay from $21 to $75?

Mr. MARTIN of Iowa. No; from $50 to $75 by this proposed legislation. The increase to $50 was made in June 1942.

Mr. Speaker, I have always opposed conscription for military service in peacetime and I voted against the extension of the draft today after having opposed it in the Committee on Military Affairs and on the House floor during the debate thereon. It is my sincere belief that a fair and equitable adjustment of the pay of our soldiers and sailors and marines, such as provided in this bill, will go far in building up our armed forces by voluntary enlistment. This method of building our Army, Navy, and Marine Corps in peacetime is infinitely better than the continuation of compulsory military service, and I sincerely hope that this pay adjustment will be speedily enacted into law and that the results will be reflected by such an increase in our voluntary enlistments that we can discard the draft and compulsory military service forever except in time of actual war.

In event of further hostilities or our involvement in another war, Congress can very speedily enact legislation to reestablish the draft. As I stated in the debate on the draft-extension bill April 12, Parliament enacted legislation establishing compulsory military service the same day that Britain declared war on Germany, September 3, 1939. Congress can do the same whenever the need arises. Our obligation to the American people in peacetime is to keep our Nation adequately prepared and at the same time protect our citizens against the encroachment of militarism. In my opinion, the pay adjustment provided by this bill is a very important and sound step toward building our armed forces to adequate strength by volunteer enlistments.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. SPARKMAN. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. KLEIN].

Mr. KLEIN. Mr. Speaker, I am in favor of this bill and shall so vote. I take this time, however, to explain why I voted "no" on the so-called extension of the Selective Service Act. In my opinion, it is nothing more than legislative mumbo jumbo. It does not mean a thing. It is not a draft bill. It does not draft anybody. If we had to depend on the wording of the bill, we would have no Army and no one would come into the Army. Those who have served overseas in hazardous duties would not be given the justly earned discharges. Therefore, I voted against that bill. I favor this bill. I hope this bill will have the desired effect, but I also hope we get a better bill out of the conference between the Senate and the House. I hope the Senate passes a bill that will really be a draft bill that we can support.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. ANDREWS of New York. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix in two instances and include certain articles.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to revise and extends the remarks I am about to make.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota.

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, today I am introducing a bill to create a United States Foreign Legion. Admittedly the idea springs from that of the famous French Foreign Legion and is prompted by a desire to make sure that the United States will have an adequate military force to do the large overseas police job to which our country has been committed.

Under the terms of the bill as I have written it the United States Foreign Legion could enlist 500,000 men not nationals of the United States, who would have a special status in the military forces of the United States. I believe that large a force or as many thereof as were wanted by the Secretary of War could be recruited quickly.

The bill proposes that these men be enlisted for not less than 5 years to serve anywhere in the world at the pay rate of a United States citizen soldier serving in continental United States. In other words, there would be no additional amount paid for overseas service, since many of these men would be serving in a climate and under conditions natural to them.

The members of the Foreign Legion would serve under the normal peacetime service benefits of the American soldier. In other words, they would not become entitled to the benefits of the so-called GI bill, nor would they receive any entitlement for disability benefits except when service-connected.

A desire to share in the establishment of peace and the normal rate of pay, I am convinced, Mr. Speaker, would attract a full recruitment of that portion of the authorized strength which the Secretary of War at any time desired.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. MURDOCK. Would the gentleman's bill provide American citizenship for those serving in the Foreign Legion?

Mr. CASE of South Dakota. The bill provides that after enlistment and 5 years of honorable service the soldier shall be entitled to apply for citizenship under section 724 of the Nationality Act of 1940 which establishes procedure for persons who have served 3 years in the regular forces.

Properly presented, to homeless and hungry people around the world, a Foreign Legion of the United States would probably attract a larger number than the authorized strength and they would do a good job.

The French Foreign Legion has written remarkable history, and I expect with the permission of the House to place in the RECORD two articles on the achievements of that famous organization which were published a few years ago on the occasion of its hundredth anniversary.

There are some special features in the bill which I will briefly mention, but I suggest that the text of the bill itself will answer many questions that may be raised.

I propose that the United States Foreign Legion be officered, above the rank of major at least, by officers of the Regular Army especially detailed to that service. Officers below the rank of major would temporarily, at least, also come from the Regular Army but the incentive of promotion in the noncommissioned grades and of warrant officers in a limited number, would be authorized as an incentive for enlistment and achievement.

I specifically propose that during their 5 years of enlistment, the members of the Foreign Legion shall receive indoctrination in the ideals of the United States, and that after 5 years of honorable service a member might apply for naturalization in accordance with section 724 of the Nationality Act of 1940 which establishes procedure for persons who have served 3 years in the regular services.

Of the 500,000 men in the authorized strength, I propose that not more than one-fifth at any one time can be of the same nationality. This, of course, could be modified if thought desirable.

Mr. Speaker, in the critical situation now confronting our armed services, I urge early consideration of this bill:

A bill to create a United States Foreign Legion

CREATION OF UNITED STATES FOREIGN LEGION

SECTION 1. That there is hereby created under the jurisdiction of the Secretary of War, subject to the orders of President of the United States as Commander in Chief, a special military force consisting of officers and men of any nationality, other than nationals of the United States except as provided in section 2, not more than one-fifth of whom at any one time shall be of a single nationality, to be known and designated as the United States Foreign Legion (hereinafter referred to as the Legion).

OFFICERS

SEC. 2. (a) The Secretary of War is authorized to make such rules and regulations as may be required for commissioning officers for the Legion. The number of such officers shall not exceed 40,000 and no officer commissioned in the Legion shall hold any rank above that of major.

(b) The Secretary of War is authorized to detail as many officers above the rank of major from the Regular Army for service with the Legion as may be required.

WARRANT OFFICERS

SEC. 3. The total number of warrant officers in the Legion shall not exceed 1,000.

ENLISTED FORCE

SEC. 4. The total number of enlisted men in the Legion shall not exceed 459,000 to be recruited under regulations prescribed by the Secretary of War.

ORGANIZATION

SEC. 5. (a) The Secretary of War shall cause the Legion to be organized, composed, and governed along lines as nearly identical as practical to those now or hereafter employed with respect to the Regular Army except that the uniform of the Legion shall have some distinctive patch, marking, or insignia prescribed by the Secretary of War to distinguish it from those of the Regular Army.

(b) The officers and enlisted men of the Legion shall be subject to the Articles of War and Army Regulations and shall have all the rights, benefits, and duties granted or imposed by law upon officers and enlisted men of the Regular Army, except the following:

(1) Officers and enlisted men of the Legion may be required to serve anywhere in the world at any time with no additional pay for overseas service;

(2) Officers and enlisted men of the Legion shall not be entitled to any benefits under the Servicemen's Readjustment Act of 1944, as amended, by virtue of service in the Legion.

(3) Officers of the Legion shall have command functions with respect to subordinates within the Legion only and shall not have any command functions with respect to personnel in other armed forces of the United States unless specifically authorized by competent authority in special cases so to do;

(4) Enlisted men shall be enlisted for a term of 5 years, but shall be eligible for discharge after 3 years upon application with such physical and other qualifications for either enlistment or discharge at any time as the Secretary of War may prescribe; and

(5) The Secretary of War may exempt the Legion from such Army regulations and make such other regulations applicable to the Legion as may be necessary.

NATURALIZATION

SEC. 6. (a) A person who has served honorably at any time in the Legion for 5 years or more, and who, if separated from such service, was separated under honorable conditions may be naturalized in accordance with the procedure provided in section 724 of the Nationality Act of 1940 (U. S. C., 1940 ed., title 8, sec. 724).

(b) Such person may be required to comply with such tests with regard to speaking and writing in the English language as the judge having jurisdiction of the naturalization proceeding may require.

INDOCTRINATION IN AMERICAN IDEALS

SEC. 7. Members of the Legion shall be indoctrinated in the ideals of the United States in courses prescribed by the Secretary of War.

UNITED STATES ARMY TO ASSIST IN ORGANIZATION OF LEGION

SEC. 8. The Secretary of War is authorized to employ such officers and enlisted men from the Regular Army as may be required for the organization, training, and indoctrination of the Legion.

SHORT TITLE

SEC. 9. This act may be cited as the United States Foreign Legion Act.

Mr. ANDREWS of New York. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Speaker, I am somewhat puzzled by the situation facing us today, as we are called upon to consider this hastily advanced measure, to which no amendments can be offered, and upon which debate is so limited. In the first place, I wonder what the fighting soldiers will think about raising the pay of men doing occupational duty? I recall full well 27 years ago when I, an enlisted man, returned from the muck, mire, and hospitals of France. I know what I would have thought if I had been told that the occupation troops were going to be paid at 50 percent more than we who did the fighting had been getting. I would have thought I had been unfairly treated. I think you are extending an open invitation to make this retroactive—retroactive possibly to September 16, 1940, when our men began training.

Just a week or so ago we refused salary percentage increases for civilian employees of the Government in the upper brackets. I notice in this bill, however,

that the brigadier general gets an increase of $600 a year and a major general gets $800. I do not think that is necessary to encourage enlistments or Army service, the purported purpose of this measure. If men stay in the Army long enough to reach those grades they are in until retirement age. This increase applies to the retirement pay, too.

Mr. ANDREWS of New York. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. Not at present.

Not only that; I was recently interested in reading a booklet, NRB–50148, put out by the United States Navy in which they set out the advantages in naval service over civilian life. On page 11 they point out that a lieutenant, junior grade, will actually be getting the equivalent of $6,314 total income as compared with a $4,111 income for civilians.

They go on to show all of the benefits, such as medical care and travel pay for dependents, ship store facilities, leave with pay, travel opportunities, club privileges, partial exemption from income tax, and retirement that would cost a civilian $1,500 a year. The pamphlet concludes by saying in substance, that this service is so much better than anything you can get in civilian life that there should be no question about what a man should do. I have also seen some of the material sent out by the War Department in reference to enlisted men and if what the Army says in the prospectus is true, this bill is not entirely necessary. The picture they paint is so bright, filled as it is with potential opportunities, that increased pay such as provided in this measure may be much greater than necessary to get the desired results.

I will state frankly that men during wartime do not receive any more than they are entitled to. You cannot pay fighting men the full worth of their services. I just wonder if possibly this could have been given a little bit different view, a little different presentation if less haste had been shown.

Mr. BUCK. Mr. Speaker, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from New York.

Mr. BUCK. I have been listening very attentively for an estimate of the total cost of this measure. Has the gentleman any idea what that is going to be?

Mr. SCRIVNER. I have no idea and I see no figures in the report that would indicate what the total cost may be for the present, but I am again suggesting that you have opened up wide an invitation for a bill to be made retroactive probably back to 1940 when these other men went into the service.

Mr. BUCK. We are in effect writing a blank check?

Mr. SCRIVNER. We might conclude that is true.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. ANDREWS of New York. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. KEARNEY].

Mr. KEARNEY. Mr. Speaker, in supporting H. R. 6084, a bill to amend the Pay Readjustment Act of 1942, as amended, I am motivated by several reasons. In my support of this bill I do so even though opposed to the inclusion of the 50 percent additional flying pay for officers of general officer grade. This I believe to be all out of proportion to the increases of the several grades, both enlisted and commissioned.

We are facing a crucial period in our national defense. Rapid demobilization of our armed forces has made all branches practically a shell of the great efficiency and powerful hitting force we had during the war lately concluded.

We are now endeavoring to recruit by voluntary methods the forces necessary to our national defense. We have seen, since this recruiting campaign was commenced, an alarming drop in monthly enlistments.

This pay bill represents a step in the right direction and will encourage young men, ambitious and of good character, who are anxious to make the armed services their life's career.

Mr. ANDREWS of New York. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Speaker, I shall not repeat upon this occasion the observation which I made 2 days ago while the extension of the draft bill was under consideration with respect to the lack of certainty that a raise in pay will produce very much of an increase in the number of volunteers.

There is one element in the Army and Navy pay schedules with which I have been concerned for some time, and which, I am sorry to say, is not touched upon in this bill. I refer to flight pay. As most of you know, the law reads today that every officer in the Army, the Navy, and the Marine Corps who qualifies as a flying officer, no matter what his rank, receives a 50-percent increase over his base pay. Now, I do not deny for one moment that officers in the lower grades in the Army Air Corps and naval aviation who take great risks might well be generously treated with respect to flying pay. Occasionally officers over the field grade take similar risks and occasionally even general officers and rear admirals, perhaps, take such risks, but very, very seldom.

I had hoped that the Committee on Military Affairs would give some consideration to revising the flight-pay increase and had it been in order on this occasion I would have offered an amendment to this bill to the effect that the general officers of the Army and the corresponding ranks in the Navy and Marine Corps, brigadier generals and major generals, should not receive flight pay higher than 20 percent of their base pay instead of the 50 percent that they are receiving now. Under the law as it is today a brigadier general of the Air Corps or a rear admiral of naval aviation gets a base pay of $6,000 and an additional $3,000 for being a flight officer, raising the total to $9,000, making his pay higher than that of a major general.

Mr. Speaker, I hope that the Committee on Military Affairs will give serious consideration to this matter because I do not think we are justified in continuing this extraordinarily high flight pay for officers of the highest ranks.

Mr. NORBLAD. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Oregon.

Mr. NORBLAD. As the gentleman knows, I have just concluded serving 3 years in the Army Air Corps. I agree with the gentleman's remarks, although personally I feel that flight pay should be removed and eliminated altogether.

Mr. WADSWORTH. The gentleman would go farther than I would at this time, but sooner or later, may I say, and it may take some years, there will have to be a leveling off of the pay schedules of the several branches of the two services.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. SPARKMAN. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. BIEMILLER] such time as he may desire.

Mr. BIEMILLER. Mr. Speaker, I am interested above all things in seeing that this Nation has an Army adequate in numbers and in training to defend our national interests abroad. Such an Army should in my opinion be made up of enthusiastic volunteers, men who like Army life and are suited to it, men with the moral stamina to withstand the dull routine of occupation duties and yet ready for military activities if necessary.

Service in such an Army is an honorable career and should be given an honorable reward. Many men who made fine soldiers and want to stay in the Army do not feel it fair to their families or themselves to do so under present conditions of pay and retirement. They would be eager to enlist if they were sure of adequate pay.

I think our country will be best represented abroad by a force of mature disciplined men who are satisfied with Army life rather than by a group of unwilling conscript youngsters. While young boys make excellent combat troops, they are totally unsuited to garrison duty in a hostile country. Temptations surround them on all sides. We are unfair to our young people and to our country in asking them to take over duties for which they are not equipped. General Eisenhower himself has said that young lads make poor occupation troops.

It is my belief that adoption of this pay increase will draw enough volunteers to the Army that we can safely do away with the peacetime conscription of young boys, who can serve their country better by continuing their education or learning a trade. Educators and industrial leaders assure us that this country will soon suffer severely from the shortage of trained men caused by our drafting almost all boys of college age for the past few years.

If we continue our present policy, we run a chance of making poor soldiers out of potentially good chemists, doctors, tool makers, and at the same time depriving ourselves of good soldiers who cannot return to their chosen career because the pay is too low. Pass this bill and the individuals and the country both benefit.

Mr. SPARKMAN. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Speaker, the chief trouble with this bill is that it was not adopted prior to the enactment of the draft-extension law.

This is an extremely complicated and technical matter. We must congratulate and thank the distinguished gentleman from Louisiana [Mr. BROOKS] and his subcommittee for their painstaking and arduous work in studying and formulating this measure. I do not believe for one moment that this is a perfect bill. In some respects it may have to be revised and perfected and enlarged at a later date.

But its provision for paying attractive compensations to our armed services and thus stimulating recruitment and voluntary enlistments in peacetime will almost certainly result in raising an adequate army in the relatively near future and thus obviate the necessity—if such ever existed in the light of the 800,000 voluntary enlistments in the Army alone since October 1945—of continuing the peacetime draft; that restraint upon the liberties and welfare of our young men; that montrously undemocratic challenge to our free way of life.

I will support this measure believing that pay rates and related matters may be more equitably adjusted as we go along and also believing that it will afford satisfactory opportunities and inducements for many of our young men to join our regular volunteer professional Army.

Mr. SPARKMAN. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. DOYLE].

A VOLUNTEER AND RESPECTABLY PAID ARMY IS BASICALLY SOUND—NOT A CONSCRIPTED ARMY IN PEACE

Mr. DOYLE. Mr. Speaker, the well-known fact on this floor, that within a few minutes there would be brought to the floor the pay-increase bill for the Army, is the chief contributing factor which reasoned with me that my vote should be "aye" on the draft bill a few minutes ago.

But, as the evidence clearly showed that with this pay bill, there should be no need of any drafted army, the draft bill itself should become an antique so far as need is concerned.

Yet, I felt that if there was an urgent need suddenly existent and that, for any reason, the volunteer method did not measure up, then not only our national security but the peace of the world might be endangered or even lost.

No man feels more opposed than do I to any peacetime draft of men of any age. But the objectives for which my own son gave his life in this war and for which millions of other loved sons died, are not yet achieved. Full peace is not yet here. It must yet be fully won. The world is not yet settled down to settle up. We must work for peace as we worked every hour to win the war.

The UN needs time to function. Man's heart and reason is not yet established for enduring peace in all nations sufficiently to warrant immediate abandonment of necessary police and occupancy army forces.

I hate war and everything in connection with it. The need of military is repugnant to my whole being. But I must be realistic as I believe the facts to be at this time.

No bill would have had my support if it had included youth under 21. Nor would an immediate draft provision. But with 6 months' delay and with this sensible pay increase, authorities say no draft will be used.

And this pay bill should mean less need of any sort of military training which would border on too much stress thereupon. For with the pay decently attractive, it should attract men who want to make the Army a career. This being so, there should be less need of the sort of miiitary training that thinks in terms of taking our youth out of the normal home and school relationships for a year. More than ever, with this pay bill passed and enacted into law, youth desirous of so doing will find attractive pay for their Army incentive. Our youth can get enough military training in connection with and as part of their everyday school, ROTC, National Guard, summer and special camps, and other similar experience. Federal and State and local units must all cooperate and coordinate so that no break in normal educational ambitions and advantages are experienced.

General Eisenhower said he would rather have a volunteer army than a drafted one. Well, that is what he will now have. For, the decent pay bill just passed will give him the volunteer army, with the draft only in the rarest of extremities. He said we must not gamble with the peace of the world and I agree with him. America must work and pray for peace in the world. She must remain strong enough now to assume and promptly discharge her part of the UN obligations throughout the world—with force if needs be—until this world neighborhood learns to live by the rules of conduct set by the Prince of Peace.

With this pay bill and by eliminating the 18-year-old lads, adults who choose the Army with decent pay, will soon be replacing the boys and fathers now in occupational zones in foreign lands. I want those lads and those fathers home at the earliest possible moment and urge the earliest possible moving along to the Senate of this bill.

Let us get these boys home for college, in September term if not before, and let us get these fathers overseas home, too. Send the volunteers as replacements at the earliest possible date.

The pay increases are, what the committee said, large enough to obtain all necessary volunteer soldiers. Good. Get it to functioning at the earliest possible date. Get every boy and man home who does not voluntarily want to stay, at the earliest date possible. Fill his shoes and place with a well paid dignified American volunteer who is in the armed forces in peacetime from his own choice, freely and voluntarily made.

Meantime, let us pull and pray and work some more for an enduring world peace.

Let us give UN our every prayer and good will.

Mr. SPARKMAN. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Speaker, I agree with the gentleman from New York on this so-called hazardous pay. I think we should correct it as soon as possible. Certainly I, as a member of the committee, will do anything I can to help correct it. I think it should be adjusted on what we feel is a fair and equitable basis. We all know, of course, the primary purpose for bringing this bill out at this time. Some of the members, as well as officials of the War Department, were worried on account of the fact that the soldiers at the present time can get so much more pay on the outside than they can in their regular line of duty in the Army that we had to do something in the way of incentive to get them to volunteer. I hope that it will have its desired results. I think, perhaps, that the pay of a private could have been raised a little higher than the bill indicates at the present time. But you all realize that a pay bill is a very difficult thing to work out on an equitable basis. The committee has done what I think is a good job, and I am supporting this measure with the hope that we can secure sufficient volunteers so as to meet our commitments and get the Army on a volunteer basis as soon as possible.

Mr. SPARKMAN. Mr. Speaker, I yield 8 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Speaker, it so happens that I was chairman of the subcommittee that wrote the presently considered pay bill and I want to assure the gentleman from New York who has just spoken that the committee has given thought to the matter of flying pay. It expects to give much more thought to that matter in the future. It so happens that now we are confronted with the proposition of obtaining enough enlisted men for the Army, the Navy, and the Marine Corps during this critical reconversion period. The committee in its deliberations felt that it should not take any action which might hurt the recruitment program which is now under way but that our actions should be devoted, so far as possible, to aiding in the work of increasing enlistments of men in the Army and the Navy so that we can soon approach the time when we will have a completely volunteer Army and Navy and will not have to use the terms of a draft act or any other forcible means to get the men we need in the Army and the Navy of the United States.

Mr. Speaker, briefly speaking, the bill under consideration does one thing. It raises the pay of the enlisted grades, beginning at the private soldier, which is raised 50 percent, and tapering off down through the enlistment grades up into the commissioned grades to a low of 10 percent increase.

Someone will ask, Why this action when one of the prime purposes of the committee was to increase enlistment in the Army so as to obviate the necessity of taking men into the service through selective service? The reason is apparent when you study the pay act of the Army, the Navy, and the Marine Corps. Through a period of years this pay act has been built up. It is intensely technical. I was chairman of the subcommittee which, in 1942, wrote the amend-

ment of that year to the pay act, and I am happy to say that most of the same men were on the subcommittee at that time who officiated in that subcommittee action at the present time.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Missouri.

Mr. SHORT. May I congratulate the gentleman from Louisiana and the other members of the subcommittee? I think not only all the members of the Committee on Military Affairs but the entire membership of the House owe a great debt of gratitude to the gentlemen who worked so long, faithfully, and hard to bring out this splendid bill, which I am sure will pass overwhelmingly.

Mr. BROOKS. On behalf of the whole subcommittee, I thank the gentleman very much.

Mr. PHILBIN. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Massachusetts.

Mr. PHILBIN. I second the sentiments so ably expressed by my distinguished colleague from Missouri.

Mr. BROOKS. I thank the gentleman very much.

Pursuing the thought on which I had begun, the act is intensely technical. When you change one feature of it you may throw out of joint another feature which you did not intend to disturb. For instance, when we raised the pay of a private second class in the Army from $50 to $75 a month, immediately the pay of the private first class was affected because by raising the pay of the private second class, or the buck private, 50 percent we were paying him more than the private first class. When we raised the pay of the private first class from $54 to $80 a month, we found we were interfering with the pay of the corporal. Therefore, we had to start at the very bottom and adjust the pay on a sliding scale upward. In doing so I think I can state the view of the committee that our idea was to begin with a 50-percent increase for the buck private and to taper off to a 10-percent increase for the higher commissioned officers.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield to my distinguished colleague from Mississippi for a question.

Mr. WHITTINGTON. May I ask the gentleman if his committee heard any testimony from so-called buck privates and people in the class of buck privates that in their opinion the increase in salary would stimulate enlistments?

Mr. BROOKS. We did not hear from them. May I say modestly to the gentleman from Mississippi that I, myself, was a buck private in the First World War and I know something about the life of an enlisted man.

Mr. WHITTINGTON. I know, but when we pass on legislation such as this we want to know what testimony there was from buck privates that an increase in their compensation from $50 to $75 would stimulate enlistments, in their opinion, and they are the ones who do the enlisting.

Mr. BROOKS. We have this evidence, that when we originally increased the pay from $30, which was the pay in the First World War for a private, second class, to $50 in this World War, it stimulated enlistments. Every time we have raised the pay a stimulus has been given to the enlistment of enlisted men. We also had the testimony of representatives of the Army, the Navy, and the Marine Corps to the same effect, that by raising this pay substantially for the enlisted men we would get more volunteers and it will help to solve our troubles.

Mr. WHITTINGTON. I appreciate the gentleman's answer, but, with all due deference, I think the selective service, the drafting of these men, had a lot more to do with the matter than increasing the pay.

The SPEAKER. The time of the gentleman from Louisiana has expired.

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to place in the RECORD at this point two tables showing the increase all along the line of the pay schedule for the enlisted men and the commissioned officers.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The tables are as follows:

Pay of enlisted personnel under pay readjustment act and H. R. 6084

Grade	Present monthly base pay	Proposed monthly base pay	Approximate percentage of increase
1. Master sergeant, first sergeant; chief petty officer (Navy) [1]	$138	$165	20
2. Technical sergeant; petty officer first class (Navy) [1]	114	135	20
3. Staff sergeant, technician third grade; petty officer second class (Navy)	96	115	20
4. Sergeant, technician fourth grade; petty officer third class (Navy)	$78	$100	30
5. Corporal, technician fifth grade; seaman first class (Navy)	66	90	40
6. Private first class; seaman second class (Navy)	54	80	50
7. Private; apprentice seaman (Navy)	50	75	50

[1] Chief petty officer acting appointment (Navy); present monthly base pay, $126; proposed monthly base pay, $150; approximate percent of increase, 20.

Pay of commissioned officers under pay readjustment act and as proposed by H. R. 6084

Grade	Present annual base pay	Proposed annual base pay	Approximate percentage of increase
General of the Army; fleet admiral (Navy)	$8,000	$8,800	10
General; admiral (Navy)	8,000	8,800	10
Lieutenant general: vice admiral (Navy)	8,000	8,800	10
Major general; rear admiral (upper half) (Navy)	8,000	8,800	10
Brigadier general; rear admiral (lower half) (Navy)	6,000	6,600	10
Colonel; captain (Navy)	4,000	4,400	10
Lieutenant colonel; commander (Navy)	3,500	3,850	10
Major; lieutenant commander (Navy)	3,000	3,300	10

Pay of commissioned officers under pay readjustment act and as proposed by H. R. 6084—Continued

Grade	Present annual base pay	Proposed annual base pay	Approximate percentage of increase
Captain; lieutenant (Navy)	$2,400	$2,640	10
First lieutenant; lieutenant (junior grade) (Navy)	2,000	2,400	20
Second lieutenant; ensign (Navy)	1,800	2,160	20

Pay of warrant officers under pay readjustment act and as proposed by H. R. 6084

Masters and chief engineers, Army Mine Planter Service	$2,400	$2,640	10
Chief warrant officers; commissioned warrant officers with less than 10 years service (Navy)	2,100	2,520	20
Commissioned warrant officers of Navy, Marine Corps and Coast Guard after 10 years' service with a creditable record	2,400	2,640	10
Commissioned warrant officers of the Navy, Marine Corps, and Coast Guard after 20 years' service with a creditable record	3,000	3,300	10
First mates and first assistant engineers, Army Mine Planter Service	1,950	2,340	20
Warrant officers (junior grade) and flight officers of the Army; warrant officers of the Navy; and second mates and second assistant engineers, Army Mine Planter Service	1,800	2,160	20

(Under present law, pay and allowances of warrant officers are limited to $458.33 per month. Under H. R. 6084 pay and allowances of warrant officers would be limited to $550 per month.)

Mr. SPARKMAN. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. LYNDON B. JOHNSON].

Mr. LYNDON B. JOHNSON. Mr. Speaker, this Congress has the finest record of any legislative body in its attitude toward creating and maintaining a civilian army.

Ours was the best fed army in the world.

Our men had the finest possible medical care.

They were given the best educational facilities.

You could multiply these examples of our "bests," and when you put them all together they spell out the finest aggregation of fighting men the world has ever known.

But we, the Congress, cannot rest on those laurels. We must move forward. We have done many things; many things remain to be done.

Mr. Speaker, the civilian soldier anticipating his discharge is the world's happiest man. He has been told of his Government's plans: Of the GI bill of rights; of the provisions for borrowing money for a business; of his priorities in constructing a home; of his opportunities to get surplus properties for his farm or business. He anticipates that the home folks will look upon him—well, if not as a hero, at least with words of appreciation.

The soldier turned civilian finds the streets are not paved with gold. His path, in fact, is strewn with stones. The stalwart aid promised him by the Government to help him catch up in the

business of living turns into the flimsiest of crutches.

Mr. Speaker, for fear my words may be misunderstood, let me say that this Congress and the United States Government, and that, sir, means the people of the United States, have done a wonderful job. We created from scratch the finest force of fighting men this world has ever known. Its merit was proved on the blood-red field of battle. Our soldiers were the best-fed, the best-cared-for troops on the face of this war-ravaged old earth.

But in creating that fighting force, we dislocated the lives and futures of some 15,000,000 men. Now we come face to face with our promises to those men. We promised that the Government would do everything within its power to see that those men whose lives were dislocated would be given the chance to catch up with their luckier fellow citizens.

Mr. Speaker, you once told me words that I have never forgotten and never shall forget so long as I have a voice on this floor. You told me the Congressman has an easy job during time of war because the function of the Congress is to delegate the necessary power and provide the necessary money for the prosecution of the war. But during the times of peace the Congressman must himself decide what is best for his country. That is what I have been trying to do with respect to those 15,000,000 men whose lives were dislocated through no fault of their own. These men are not asking for special privileges. They ask only that they be put on an even footing with the rest of the people of the Nation who, during the war, got a long head start on them. And my only purpose is to remind you that no matter how hard the decisions may be to make, we, the Congress, should now set ourselves to solve those problems of the veteran with the same speed with which we solved the problems of war. Some of our solutions may be wrong, as they were in the war; but at least we will have had the satisfaction of having done our best.

Nearly 6 months ago I visited in my central Texas district when the first wave of returnees were attempting to find their places in civilian life. I talked to these men. Since that time their story, with minor variations, has been told countless times. One is of the veteran who planned to return to the farm. He spotted equipment he needed at a nearby Army camp. The camp was slated for deactivation, the material was surplus. He filed on that machinery. He inspected it every day, anticipating it would be his before time for fall plowing. Then that machinery suddenly disappeared, and he was advised it would be for sale at a camp hundreds of miles away. Another is of vets who went to Army vehicle sales and found the best buys already grabbed up by dealers. All of these things happened 6 months ago. Six months. Six months is a century to a man who already counts four lost years. I heard these tales when their telling was novel. I came back to Washington and introduced a bill to state clearly the veteran's priority. It was the first of such bills. Six long months have passed. Today our CONGRESSIONAL RECORD is filled daily with stories of the disappointment, the disillusion, of veterans trying to buy surplus materials. Six months are lost; surplus property is melting away; thousands upon thousands of veterans have become resentful and suspicious of their Government.

Let us consider the case of the young soldiers who hoped to complete an interrupted education. The GI bill stated their rights, how much the Government would contribute to their support. We, the people, had a double stake in GI education. Unless these boys return to school and complete their courses, this Nation may be, in another 10 or 20 years, faced with a serious shortage of trained personnel. The GI confidently boarded a train and rode down to Austin, where the University of Texas is located. Across the Nation GI's were riding trains to university cities. What did they find? They found college communities caught flat-footed. Strained by 4 years of no construction, these cities were and are bulging at the seams. Community efforts were not enough; homes could not be conjured out of hats like a magician's rabbit. And in a misguided moment the executive department had permitted building materials to flow into night clubs instead of homes. They planned too little and too late.

How many veterans were turned away from the doorways of colleges none can tell you. Too often the GI met frustration, indifference, or downright rebuff where academics were cloistered in ivied towers. Even those who found a roof for their heads had trouble at first in getting food for their bodies. Because our Government likewise was unprepared, and educational allotments were delayed in coming. Belatedly, the country awoke to the housing crisis. Too late for many disillusioned young men who went back to their homes, too little housing to go around was provided. Recently our National Housing Administrator courageously moved to channel construction materials to the veterans. I read in the confidential news letters, written in Washington by those wise enough to read our minds and rash enough to predict our actions, that the Congress will enact the administration's housing program. I pray that the completed program does not come too late, nor prove too little.

There would be little point in a recital of the past except to explain the present and explore the future. Meeting disillusion on every side, the soldier turned civilian is now making his voice heard in the land. You need no more than a speaking acquaintance with human nature to understand, for instance, why the ex-enlisted man now decides that, as compared with the officer, the enlisted man got the short end of the stick. The officer represented authority. He was the symbol of that Government we were defending. The GI finds he was looking at civilian life through rose-colored glasses; his disillusion turns to resentment, and that resentment is vented upon the symbol of authority—the officer. The enlisted man is saying that he is fed up.

Down in my district there is published a lively country weekly called the Luling Newsboy. They are just small-town folks down there—the foot soldier armies of this and every other war. R. E. Bailey is the editor. His son, Ray Bailey, was a corporal in the Army. A few days ago this former corporal boiled over, and his daddy printed what Ray wrote. Let me read you some excerpts from it. He starts out:

> Our brass hats wonder why their recruiting programs are seriously lagging. The average GI can give them an answer. They're fed up!
>
> They are fed up with being stepped on and being discriminated against—with having to bow and scrape to a privileged few.

Then this ex-GI from Luling continues:

> Both the Army and the Navy are administered on the theory that enlisted men are not fit to use the same sanitary facilities as officers. The lowly enlisted man is not even entitled to the same justice as officers. The enlisted man is confined on bread and water for a minor offense. The officer is confined to his sumptuous quarters. I know of one incident where an officer was sentenced to the terrible punishment of not rating a salute from enlisted men for 60 days.

I am told that cruel and unusual punishment, such as any interference with rations, is barred by Army regulations. After reading that sorry story of Lichfield, I am more inclined to accept the word of this Texas corporal on bread and water punishment. Then this Luling, Tex., boy goes on:

> I saw two enlisted men thrown off a stateside plane from the Aleutian Islands to make room for a colonel's luggage. When I was in Alaska, cargo space was too critical to ship in recreational material for the enlisted men, but there was no objection to the admiral in command shipping a plane load of fertilizer in for his private garden.

Well, that is all I am going to read from Ray Bailey's article. You all know that such exhibits could be extended indefinitely. Recently the respected Washington Post commented editorially on enlisted men's justice. What the enlisted man thinks of the court-martial system would fill several issues of the CONGRESSIONAL RECORD. He learned the hard way how a ponderous court of officers sat in judgment on him for puny infractions. He learned how much hope he had for appeal. The appeal had to be lodged with a reviewing brigadier who stayed miles from the battlefront in a luxurious hotel; whose working day, from 10 a. m. to cocktail time, was spent turning over pieces of paper.

In his depth of disillusion the GI has turned upon his former officer. More than that, he has presented convincing evidence that he was getting the short end of the stick. But above all, this so-called GI griping is symptomatic of an unrest. The end result might easily be a permanent warping of the morale of our civilian Army unless we take the proper steps—and not too little and too late.

This unrest of the civilian who once was a soldier is having another effect. It is, I feel confident, retarding the rate of enlistments. If we can say to the ex-GI, we have done that which we

promised to do and will continue to meet our promises, it will go far toward solving the Army recruiting program. I suggest that we make soldiering a dignified and honorable pursuit for the enlisted man as well as the officer; that we pay him a wage, as we propose to do by the bill before us, which will induce him to volunteer. The armed forces are set up to guard the properties of all of us. Perhaps some will complain from time to time that they are paying a stiff price for this protection. But not nearly so much as if the property were lost. And if it can be done in that manner, I believe it much wiser. I am convinced that it should be tried.

Let us work together and outline a "must" program to help the man who fought in World War II catch up with his fellows who benefited from that veteran's fighting.

I suggest these things we can do:

The first need is familiar to us all. The administration housing program represents the best thought that has been presented on that subject. It is fundamental that above all else a man must have a home.

We need to straighten out the tangle into which surplus property has fallen. That is an urgent and vital need, too long delayed.

We must determine whether the disabled veteran is getting the very best that can be done for him. I think we should assure him of three things: Proper surgical and medical treatment and hospitalization; a disability allowance which is not static but which is geared to increases in the cost of living; and an opportunity for educational rehabilitation where needed in order that, despite his disabilities, the veteran may return to his community as a free, upstanding and self-reliant citizen.

We need to amend our social-security laws so that the man who had accrued benefits prior to the war, through his own pay-roll deductions, will not suffer because of his service to his country. For thousands of wage earners across the country, their pay-roll deduction payments represented their only savings account for retirement and insurance. One of the so-called confidential Washington dope letters a few days ago said that no important amendments would be made to social-security laws at this session. I do not know whether that letter writer considered this an important amendment. But I consider it highly important. So does the man who has gone back to his old job and finds the pay-roll deductions starting again. He wonders if the end result will be the same for him.

I am convinced that one item on such a program should be to place the enlisted man on an equal footing with the officer in the matter of terminal leave.

Terminal leave is just a way of saying that when a man is separated from the Army he is entitled to pay for all the vacation he did not get when he was in service; that is, he was entitled to it if he wore brass. Enlisted men must use all of their leave in the year it accrues. Officers may save it all until final separation. The leave period is the same for officers and men—30 days a year.

Now, remember that the man on overseas duty had very little opportunity for leave. You do not stop an invasion because the time for vacation has arrived.

When a foot soldier slugged it out for 12 solid months, he forfeited the 30 days' leave which accrued during those months. The officer in command, though he fought just as long and just as hard, nevertheless, he could save up that 30 days and use it later.

How did that work out?

I need go no farther than my office, room 504 in the Old House Office Building, to show you.

Four men work in that office. One of them at discharge was a major. He saw exactly 4 years to the day in service, more than 2½ years overseas. He accumulated 97 days of unused leave. On separation he was paid for those 97 days, a total of $1,148.55.

The other three men in my office were enlisted men. Their overseas service was comparable to that of the major. Let's see what they would have received:

One was a master sergeant. His terminal pay would have been $480.03.

Another was a sergeant. His terminal leave pay would have amounted to $327.60.

The third, a corporal, would have been entitled to a final pay check of $266.18.

In the aggregate, these three enlisted men would have received less than the major. They got less, all right. They got exactly nothing.

It seems beyond argument to me that one of two courses should have been followed: Either both officers and enlisted men should have received the same terminal leave pay; or it should have been denied to both officers and men.

Terminal leave already has been paid to officers. If that is a wrong, we can right it in only one way: By determining the amount each enlisted man should have received and allowing him that amount.

So far as I can learn, the only objection of any substance raised against this procedure has been that it will involve enormous administrative problems. It is claimed that the War Department could never trace the records of the millions of men who wore the uniform. The contention that not enough records are available is going to be a shock and a surprise to every man who served in the Armed Forces. He was examined and reexamined; he was quizzed on what he did from the day he was born to the day he was separated.

Every man's service record is on file in the office of the Adjutant General. Every man's service record shows the date he was inducted and the date he was discharged; to this record is attached a sheet showing each and every furlough the man received.

But at least, no matter how big the administrative job which the Budget Bureau raises, nobody will lose any blood. In the administrative job there will be nothing at stake except sweat. Not even tears.

The top-flight officers of this war did a grand and glorious job. There are no words strong enough to add luster to the name of General Eisenhower; none could criticize the plans of a man who won a continental war and then played the role of world statesman by bringing about unity between the Russians and the British. No one has questioned the operations and plans of that great Texan, Admiral Chester Nimitz.

But below these men, and above the enlisted man, is a great layer. Among these are men some of whom have been charged in too many hundreds of complaints that they mistake authority for license; that they think arrogance a synonym for dignity; that they translate discipline to mean servility.

One bad apple can spoil a barrel. A few bad men in officers' uniforms have brought censure to the thousands of good men who faithfully served their country and often died for their country. Nevertheless, the censure of the few cannot be overlooked, even though it may not apply to the vast majority. Soldiers in uniform have bowed their heads and clicked their heels before reviewing-board colonels spreading their eagles and arrogant brigadiers with polished stars to the point of humiliation and deep resentment.

I am not wedded to the idea advanced by some critics of the caste system that a man who graduated from West Point or Annapolis necessarily is a so-and-so. However, I personally have observed that some of them develop an attitude foreign to the American way and the democratic way of getting the job done. Civilian soldiers—men and officers—fought this war and their unparalleled job must make all of us ponder whether it would not be wise to train all of our officers in democratic, civilian universities, with perhaps a more topping-off period at West Point and Annapolis.

The bigger any man, the more readily he rejects the concept of pomp and ceremony. That concept is alien to our way of thinking and living. How it has survived in the armies of the United States is a paradox of democracy.

Above and beyond all of those questions, I want to leave with you this thought. No one Member of Congress is big enough to see all the ramifications in the job of reabsorbing our millions of civilian soldiers back into a normal civilian life. But collectively we are big enough to do it. This Congress displayed its capacities during the war. We can be as big now as we were then; as forward-looking; as courageous; as determined to keep this the land of the free and the home of the brave. This Congress has more problems, more pressures, more confusions, than the elder statesmen among us can ever remember facing. But the Congress of the United States whipped a depression; it proved itself during a war in which our armies whipped the concept of dictatorships; we can and we will whip this and other postwar problems by progressive, forward-looking courageous action.

Mr. SPARKMAN. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. SHERIDAN].

Mr. SHERIDAN. Mr. Speaker, I indicated when we were considering the Selective Service Act that I voted against this bill in committee, not that I felt $75 was excessive pay for a buck private, but after considering a bill, as the chairman of the subcommittee has indicated, for 8 years, I did not see why we had to rush through when we were trying to put over a pay bill for enlisted men and then have a pay bill which would cover officer personnel at the same time. That, to me, was confusing the issue. I might say when you consider a major general at $8,000 a year and give him $800 and the subcommittee would not give the buck private a $400 increase, but restricted it to $300, I could not see the equity of it. We can see them hobbling over to Walter Reed Hospital and getting disability or retirement and then running back to collect retirement pay. Further, they do not pay any income tax on it. I thought our purpose was to bring out a pay bill for enlisted personnel only. In that way we could consider adequately what pay the enlisted personnel should get so that men would go into the Army voluntarily. At the present time, as you know, we have passed legislation permitting the increase of 8,000 in officer personnel, and over 61,000 applicants have filed for these permanent commissions. Under this condition, it would not appear that any pay increase is necessary to induce men to accept commissions; in fact, the reverse is true. There is not one Member who has not received letters from former officers asking assistance to get them back in. Yet the junior officers need a substantial increase, but let us do it in a systematic manner.

Mr. SPARKMAN. Mr. Speaker, I yield the balance of the time to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Speaker, I appreciate bringing in this bill. It represents a step in the direction in which I am convinced we must move. Unquestionably there are inequities in the pay schedule of the armed forces that need still to be ironed out and with which this bill does not deal. But certainly this bill represents progress toward enabling us to have the kind of an army America is going to have to have in this day and age, namely, one which will offer to its personnel an occupation comparing in dignity and opportunity with any other career that this country offers.

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks on this bill at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BUCK. Mr. Speaker, we are witnessing here a shocking situation. A bill is before us which obviously involves hundreds of millions of dollars of public money. Yet so careless and indifferent has this House become as to such huge expenditures that neither in the committee report nor in the debate has there even been a mention of an estimated total cost. My question as to this cost remains unanswered.

Mr. Speaker, a balanced Federal budget can never be achieved as long as blank checks are written in this manner. Lacking such balance, and at an early date, bankruptcy can be the only result.

Mr. ROONEY. Mr. Speaker, I am going to vote for this increase in pay for personnel of the armed forces. However, I regret that this bill, H. R. 6084, was not brought to the floor long before now as timely passage of it might have obviated the necessity of extension of the Selective Service Act. I sincerely hope that the pay increases provided by this bill will result in an overflow of enlistments in our armed forces so that actual operation of the draft may not be required for the future welfare of our Nation.

WILL SPUR VOLUNTARY ENLISTMENTS

Mr. JOHNSON of Oklahoma. Mr. Speaker, I shall vote for the pay raise bill although I do not like one or two provisions in it. I shall support the pending bill primarily because it proposes to give the enlisted man a substantial pay increase. It is an increase that I feel very deeply should have been given to the men who participated in World War II. I am voting for it with my eyes open, knowing that the passage of this act will make certain that Congress will give those men who did participate in the war a substantial bonus to which they are justly entitled. In fact, this bill will hasten the passage of the soldiers' bonus bill.

Another reason, Mr. Speaker, for my supporting this bill is that I have a very definite feeling that a pay raise measure will be a mighty factor in helping the Army and Navy secure all the volunteer enlistments that are needed without the actual drafting of anyone in order to supply the future needs of the armed forces. Now if the Secretary of War, as a result of the Doolittle investigation, will announce that enlisted men are to receive the same consideration in the matter of food as that given officers of any class and do away with or drastically modify its antiquated caste system; if the gold braid and brass hats will give the enlisted men a square deal, I am fully convinced we will have no serious difficulty in securing all the men that are needed to fulfill our commitments, protect the American interests, and preserve the future liberty of the country.

Mr. MURDOCK. Mr. Speaker, there is a close connection between this bill to increase the pay of the personnel in the armed forces, which is now before us, and the bill to extend the selective service provisions of law which we voted on earlier today. I like to think of these two together, and I should have preferred to have acted on this present bill first, had there been a chance to do so. I shall vote "yes" on this bill, but had I known for a certainty that this bill would pass the House and become law, I might have voted differently on the other bill earlier today.

On roll call vote early in today's session I voted "yes" on final passage of the bill to extend the Selective Service law for a period of 9 months. I did not relish voting "yes" on this bill to extend the draft today, and did so only out of a deep sense of duty in this period of technical war—although firing has ceased—as a matter of national defense. I did not like the Vinson amendment to the bill extending the draft postponing the operation of the measure until October 15, as that looked somewhat political, and this is no time to play politics. I do not believe its author is playing politics. If the real intent of postponing any selective service for a period of a few months is to give voluntary enlistment a chance to furnish enough men, then I should favor it, for I believe we can, and I believe we ought to, get enough men in the service to serve our defense needs and supply our occupational armies and bring those yet abroad home. If we could have known for sure that we were going to increase the pay, we could have had more certainty about getting enough voluntary enlistments, so that we would not have felt required to furnish draft legislation in this period of technical war but apparent peace to maintain an adequate force.

Many have said to me, "Do not think of drafting men into the Army in peacetime." And many others have said, "Do not think for a moment of drafting teen-age boys to serve abroad in armies of occupation." On this latter point I was in agreement with those who cried out against the use of teen-age boys for such military service. Accordingly I voted for the May amendment to the bill which we finally passed earlier today. I believe we can certainly get enough men for occupational duty so that we will not have to use 18- and 19-year-old boys for any such purpose. I know several ways that the country can profit by having 18- and 19-year-old boys spending those significant years in another manner. And I do not believe it is necessary to depend upon such youth, even if we do not have sufficient enlistment, for it is my judgment that by drafting older men we can get an adequate force.

Now, with the passage of this bill increasing the pay I do not believe there will be a question of our having to draft any men after the measure now before us becomes law. We are getting almost enough men now by voluntary enlistment. After we have made a few changes and increased the pay we shall certainly get as many men as are required, and for that reason I shall vote "yes" on this bill and hope that it makes the passage of the bill we have already voted on unnecessary from the standpoint of national defense and our international commitments.

INCREASE IN PAY OF ENLISTED MEN

Mr. REES of Kansas. Mr. Speaker, several months ago I proposed to the membership of this House that the pay of enlisted men should be materially increased. It ought to have been done long ago. It should have passed Congress before consideration was given to the extension of the draft. The bill under consideration today follows pretty much a bill I introduced in the House for enlisted men.

Mr. Speaker, if we expect men to join the Regular Army and to become a part of the occupation forces, then we ought to fix the pay in a sufficient amount to

make the service attractive and really worth while. We ought not to expect these men to serve for a definite period and really do a good job unless the pay is made attractive.

Along with that, the question of food and shelter and other accommodations, as compared with commissioned officers, ought to be reexamined. There is too much difference in the treatment in this respect between the officers and enlisted men. There is no excuse for so much difference in food, housing, and recreation.

Mr. Speaker, by making the pay reasonably attractive and providing the enlistment period cover a period of 18 months, men of experience will be attracted and will serve with more satisfaction to themselves and to their country than those who are taken under the draft for an indefinite period.

Mr. VURSELL. Mr. Speaker, I am supporting this bill to raise the base pay of those serving in the military service. Our Government has been behind in its advancement of these rates too long now.

It is unfortunate that a bill of this kind was not passed so that those who have rendered such a great service to our country during the past war could have had such benefit in additional pay. Our Government has made commitments which will require a rather large military force to keep those commitments and to make secure the defense of the country in the future.

It is against the traditions and the policies of our Government to draft men for the military service in peacetime.

Saturday, we passed a bill to suspend the draft for 5 months in an effort to ascertain whether sufficient men could be obtained through the volunteer process to secure the number of men necessary as established by our military leaders. The passage of this bill today to increase the pay by 50 percent for the privates with a lesser percentage for those in higher grades, in my judgment, will make certain that during peacetime we will be able to obtain sufficient men in the military service to make it unnecessary to again resort to the draft.

Can it be said that the Government cannot afford to pay $80 a month for a buck private when the average civilian who is out of a job can be paid $80 a month by the Government for doing nothing while he is looking for a job or waiting for one to develop? The defense of this country is one of the most important responsibilities resting upon the Congress. I, for one, am voting for this bill in an attempt to offer an inducement for young men who so desire to make a career in the military service. This will give them that opportunity and I am sure that a sufficient number will embrace it to give us the finest volunteer army in the world, which will make conscription in peacetime unnecessary.

Mr. ALLEN of Louisiana. Mr. Speaker, I rise in support of the bill (H. R. 6084) to increase the pay of men in the military services. I think this should be done. This step should have been taken before this time. But it seems to me that it is imperative now that the pay of men in the armed services of our Nation be increased for several reasons. In the first place, everyone knows that the cost of living has gone up. This has affected those in the military services also. In the next place, we are trying very hard to get enough voluntary enlistments so that we can meet the obligations of this Nation and also make it possible for men brought into the services through the Selective Service System to return to their homes as soon as possible. The measure now before us, we are told, will go a long way to accomplish the desired results. How effective it will be, only time can tell, but at least this bill should be passed and everything possible ought to be done to get volunteers.

This bill may not be a perfect bill. There may be objectionable features to it, but members of the Military Affairs Committee of the House tell us that it is the best bill on this subject which they are able to work out and bring to us at this time. Therefore, Mr. Speaker, I am supporting the bill and I earnestly hope that it passes and I trust that our military authorities will put on an enlistment campaign which will result in getting the number of volunteers which we will need. I am constrained to believe that when our military authorities bring to the attention of the public the increased pay embodied in this bill and the various benefits and privileges embodied in the enlistment bill which Congress passed last year, voluntary enlistment will be greatly stimulated. I urge the passage of this bill.

Mr. HOLIFIELD. Mr. Speaker, I rise in support of the armed forces pay-raise bill, H. R. 6084. This is the first general pay-raise bill passed since 1908. I am a member of the subcommittee of the House Military Affairs Committee, which has considered long and carefully this bill.

In my opinion, this is a firm, forward-looking step toward obtaining the type of men necessary for future security. The increased pay offered will attract a higher type of personnel, men who are better educated and with capabilities for training in the technological skills which will be necessary for offense and defense in any possible future war.

A higher pay inducement will not only attract a better type of personnel, but a much greater number of volunteer enlistments.

General Eisenhower and other great military leaders have testified time and again before our committee on the desirability of volunteers instead of conscriptees. The volunteer makes the best soldier because he chooses his own vocation; he brings to the job an enthusiasm and ingenuity which the unwilling conscriptee can never duplicate.

A volunteer peacetime army is the American way. It follows the American tradition of 165 years. A conscripted peacetime army is the alien way. Every nation that has resorted to peacetime conscription has deteriorated into tyranny or incompetence. Their armies have been defeated by nations who held to the volunteer method in peacetime and only turned to conscription in wartime as a last resort. I voted against the extension of the Selective Service Act previously today for this reason as well as others. In my opinion, based on current figures of voluntary enlistment which will be greatly accelerated by this pay-raise bill, extension of the draft will no longer be necessary.

This pay-raise bill will also give a much-needed raise to men on retirement, many of whom are disabled as a result of injuries or illnesses suffered during the war. The cost-of-living rise will be alleviated to an appreciable degree by this increase.

This Nation is rich enough to protect American ideals without resorting to tyrannical methods, the methods of peacetime conscription are one of the alien practices we have been fighting. If we pay our armed forces personnel sufficient to make them proud of being a soldier, aviator, or sailor, we will have a real defense. If we then proceed to eliminate the social caste system, the enforcement of servility rather than deserved respect toward superior rank, we will see a great change in the attitude of American citizens toward the military.

The standards and practices of the past are obsolete. The atomic age has already begun. Let us readjust our thinking. The framework of old ideas will not provide an answer to the problems of the new atomic age.

Mr. NORBLAD. Mr. Speaker, the provisions for the increase in pay of the lower ranks are necessary if we are to obtain a sufficiently large military and naval force to justify our commitments and discontinue the draft act. However, the pay increases proposed for the higher ranks are unjustified, in my opinion.

The great bulk of officers in our services at the present time are those of the Regular Army and Navy and they now have pay increases way out of proportion with those of the civilian population. Men who were, a few years ago and still would be under normal circumstances, first lieutenants are now lieutenant colonels and colonels. Men bearing the rank of captain in the Army are often colonels or generals and have accordingly received a pay increase of two to three times their former base pay. The services speak fluently of reducing the ranks of officers to make it commensurate with the size of the present enlisted personnel but they seem to accomplish little besides promising to take this action. With a peacetime army which will be about nine times the size of the former peacetime army, many of these men will necessarily never revert to their former status. As a result they will have a very substantial pay increase as well as increases in subsistence and quarters and certainly this pay increase is only adding an unnecessary burden onto our taxpayer. In view of the increasing costs of living, I should not complain if these increases in pay were justified but that is not the case.

I wish to also call your attention to the continuance of the unwarranted payments of so-called flight pay. The gentleman from New York [Mr. WADSWORTH] has already spoken on this subject. This added pay, which is 50 percent of the base pay, was granted years

ago when flying an airplane was a very hazardous occupation. That condition does not obtain today and this extra payment should be discontinued. All that a flying officer need do is to fly an airplane or ride with someone else for a period of four hours each month and he collects this extra 50 percent. Spending a pleasant afternoon at the airport flying these few hours and obtaining an extra allowance ranging from slightly less than $100 to about $250 for the same thing that civilians are paying a high hourly rate hardly seems logical. It is not fair to those paying the tax bill nor to those in the other services. Discontinuance of flight pay will not in any way cripple the air services. There are thousands of young men only too willing and eager to obtain the opportunity to fly and I know of many friends of mine who were pilots in this war who are extremely anxious to stay in the air corps.

Mrs. DOUGLAS of California. Mr. Speaker, I am voting for an increase in pay in our armed services. I believe that this increase will provide all the volunteers we need to make good our commitments abroad.

I voted for the extension of selective service today, feeling that as an extra precaution we should retain selective-service machinery until we have proved that we can recruit our occupation forces and fulfill our commitments under the United Nations through volunteer methods.

I voted for the amendment to exempt boys from 18 to 20 years old from the draft, because I do not believe boys of that age should be sent into Germany, and in their loneliness and with their lack of judgment exposed to slick German propaganda which is functioning today with deadly effectiveness.

The SPEAKER. The question is on suspending the rules and passing the bill, as amended.

The question was taken; and on a division (demanded by Mr. WHITTINGTON) there were—ayes 16, noes 13.

Mr. BRADLEY of Michigan. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATION BILL

Mr. KERR submitted a conference report and statement on the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes.

NATIONAL HOUSING ACT

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes, with a Senate amendment, disagree to the Senate amendment, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none and appoints the following conferees: Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. BARRY, Mr. WOLCOTT, Mr. CRAWFORD, and Mr. GAMBLE.

EMERGENCY PRICE CONTROL ACT

Mr. SABATH. Mr. Speaker, I call up House Resolution 591 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 days to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same back to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF PRICE CONTROL ACT

Mr. SABATH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain letters.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, I yield myself 8 minutes.

Mr. Speaker, I take it everyone is familiar with the rule, and especially with the bill which this rules makes in order.

The rule provides for 2 days' general debate, giving nearly every Member an opportunity to be heard. After general debate the bill will be taken up under the 5-minute rule, it being an open rule.

I do not think it is necessary for me to say anything as to the rule. I know nearly all of you realize the importance of this legislation. I presume you are familiar with the fact that at least 90 to 95 percent of the American people urge, plead, and demand extension of the act. I fully appreciate that there is a certain small but very loud and persistent minority, who have been opposed, who have been trying to delay and defeat the extension of this act which, if not extended, would mean wreck and ruin to our country and would bring about inflation which might destroy our economy. Consequently, I urge and plead that favorable action be taken on the bill.

PETITION WITH 500,000 NAMES

Just before coming down I was presented with a petition signed by at least 500,000 men and women of Illinois urging that favorable action be taken on the bill.

I have in my hand, Mr. Speaker, a list of civic and commercial organizations from all over the United States placing themselves on record in favor of this legislation. The only organizations I know of who are opposed to it are the National Association of Manufacturers and a few other associations and institutes with selfish, greedy interests who, unfortunately, although they have made more money than ever before in history, resent being restricted from holding up the American people further.

PRICES WOULD GO SKY HIGH WITHOUT CONTROLS

We know that if this legislation should not be enacted what will happen to this country, for within the past few months we have had several experiences pointing in that direction. When OPA eliminated the ceiling on oranges and grapefruit upon the representation that the price would go down we witnessed a 300-percent price increase. The price went up from $2 to $5 a box on citrus fruit. Another experience was with rye. Rye, as you know, for years has sold at from 25 to 40 percent below wheat, and perhaps 15 percent below corn, but because there is no restriction on the price of rye the gamblers and manipulators have taken advantage of that fact, and rye is selling today at about $2.40 a bushel when wheat is selling for only $1.80 and corn for about $1.40. This merely shows what these speculators will do when the restrictions are removed. If these restrictions are removed we shall witness a duplication of the infamous price increases that occurred after the last war. We must do all in our power to prevent inflation, which, as I said, might ruin or destroy our economy.

PRODUCTION MAY REACH 160 BILLIONS THIS YEAR

The National Association of Manufacturers and other similar and powerful groups who have at heart only their own interest and profit have charged that the OPA has retarded reconversion. The actual, true figures show that those charges are without foundation in fact. We are now producing goods and services at the rate of $145,000,000,000 worth a year, as against $129,000,000,000 worth in the banner year of 1929, and we are constantly increasing our production. I venture to prophesy that in the year 1946 we will reach the production figure of $160,000,000,000, as compared with $45,000,000,000 worth in 1932.

In fact, notwithstanding some strikes and lock-outs, we are going ahead, and we should give thanks to God that we have the OPA, as otherwise prices would go sky high. That is proved by experience with all articles in demand on which there are no ceilings.

COMMERCIAL RENTS DREADFUL EXAMPLE

May I not call your attention, Mr. Speaker, to the dreadful example of commercial rents, and the terrible increases in them? Exempted from the rent-control provisions of the price administration act, office and business rents have shot up, all over the country, from 50 to 300 percent. That would happen to home rentals if we removed the controls as some real-estate operators and owners have been urging.

FARMERS ARE CONSUMERS TOO

I regret that some farmers are being misled and made to believe that if ceil-

ing prices are removed commodities would go up, at the farm, 50 percent or even 100 percent. There would be a rise, all right; but farmers would get little of it, and the things they have to buy also would rise in the same proportion. The ultimate end would be disaster. Cotton, for instance, is selling for 28 cents a pound. If the ceiling were removed, for a few weeks the men who hold it—the speculators, not the growers—might get more. Then there is bound to be a crash. Many countries are growing cotton now, and selling it for 15 cents as against 28 cents here. We cannot unload our cotton at double the prices other countries will sell their cotton.

Let me say that I hope this tremendous lobby that has been swamping us with hundreds of telegrams, air-mail special-delivery letters, expensive booklets, pamphlets, releases, on which they must have spent hundreds of thousands of dollars will not sway anyone. I hope you will stand by the people, with the best interests of the country at heart, and not the interest of only a few. There are some few contractors, speculators, and "institutes" representing industries, who have made and are making more money than ever before in their existence, who have no limit to their avarice, who would be willing to risk national interest and their own ruin for quick profits who are opposing extension of the Price Control Act.

THERE IS NOTHING PERFECT UNDER THE SUN

Of course mistakes have been made in the Office of Price Administration. That is inevitable. There is nothing perfect under the sun, and when you take into consideration the thousands and thousands of articles on which price ceilings were set, Mr. Speaker, we will all agree that no one here in this House could have done better than those men and women, who, for the benefit of the public, have worked late and at night and on their holidays without additional compensation. They were just average citizens, American citizens, chosen from trades and professions, and they have worked heroically to hold the line against inflation.

LETTER TO PAUL PORTER ALL SHOULD READ

I have asked unanimous consent to extend and revise my remarks and include some letters. To conserve space, I will select only a few, and of some of those, only portions.

But there is one letter, Mr. Speaker, which I wrote to Mr. Paul Porter, Administrator of the Office of Price Administration which I hope every Member, for his own good, will read. I do not believe any open-minded Member can read this warning and not agree that extension of the Price Control Act is absolutely necessary, and that it should be extended at once, without delay, and without any weakening amendments. I will not pretend to sole authorship of this letter I praise so highly; it was drafted by an outstanding citizen for whose judgment and skill I have great respect.

SO LET'S ABOLISH OPA AND BANKRUPT AMERICA

Following is the text of that letter:

HOUSE OF REPRESENTATIVES, U. S.,
COMMITTEE ON RULES,
Washington, D. C., April 15, 1946.

Hon. PAUL A. PORTER,
Administrator, Office of Price Administration, Washington, D. C.

DEAR MR. PORTER: Some people don't like OPA. So let's abolish OPA. What would happen?

Nothing much—

Except prices would shoot up. Every week living costs would be higher. A few people with the most money and a few dealers with highly paid customers would get most of the homes and meat and clothes that are still scarce. Millions of veterans and war workers would hunger.

Except doubled or trebled prices would soon cut the value of our earnings, savings, and insurance to a half or a third of their value.

Except the speculators and profiteers would have a field day. They would stuff warehouses and vacant lots with raw materials and parts. This would hold critical supplies from assembly lines. Artificial shortages would grow. Costs and prices would be forced higher.

Except workers would shift from job to job searching for pay checks big enough to pay rent and grocery bills. They would move to cheaper houses. Wives and kids would eat less and there would be silent supper tables and then talk of "making ends meet." These costs would not appear on books or budgets.

Except factories would have to bid frantically against each other for workers and scarce materials. Costs would be bid up again and again. No one could guess what next month's costs would be. No one could guess how many customers could afford to buy. Fear would riddle our expanded production plans.

Except business reserves would lose their value. Veterans and small businesses would be hurt most. They would be unable to compete for scarce supplies or good locations. Thousands would take dead places in rows of inanimate statistics called business failures.

Except all businesses would be forced to replenish exhausted stocks with triple-priced goods, if they could get them, and face losses when the boom was over and the bottom fell out of gravy-train prices.

Except costs and prices would chase each other so high that fewer and fewer people could buy. Americans would buy less. Stores would cut their orders. Factories would slow down and close. Jobs and pay checks would vanish.

Except farmers would lose their markets. Thousands of farm mortgages would again be foreclosed.

Except that we could hardly count the bewildered unemployed who would stare at their bankrupt employers.

Nothing much would happen.

So let's abolish OPA.

Cordially yours,

A. J. SABATH,
Member of Congress.

THE PEOPLE SPEAK

I should like, Mr. Speaker, to mention by name the scores of national and local organizations that have written to me. I should like to include the cogent editorials from many newspapers, and not by any means from the handful of pro-administration papers. I should like to include the searching editorial columns such as those by Samuel Grafton of the New York Post, and of Sylvia Porter of the same paper, and by Drew Pearson and Carleton Kent and many others. I shall refrain, however, because most of you read them yourselves, or you read similar expressions.

These are the authentic voices of the people. Stick by the people and they will stick by you. As I said, to economize on space I shall include only a few letters. The first is from a man many of you know, John T. Bernard, now PAC director for a large union in Chicago.

DEAR CONGRESSMAN SABATH: As you can readily understand, our membership is very much interested in the renewal of Price Control and Stabilization Act.

We are well aware that one of the most vicious lobbies ever to strike our National Capitol, is working day and night to have the bill defeated, or amended to death.

Yours is the responsibility to be in there pitching for the little folks, to fight, speak, organize, and vote for renewal of the bill. This we are convinced you will be doing, for it is of tremendous importance to the welfare of the American people.

Cordially yours,

JOHN T. BERNARD,
Chicago UE–PAC Director.

I include only a portion of a "call to action" against inflation signed by representatives of 31 national organizations:

FIGHT INFLATION NOW—A CALL TO ACTION

We, the undersigned, call upon members of our organizations, other organizations and all other citizens to unite now for the immediate extension of the Price Control Act.

The present Price Control Act expires June 30.

If the act is not extended, prices will soar, rents will skyrocket, the value of the dollar will tumble—inflation will have us in its grip.

Business should know now whether or not there will be ceiling prices after June 30.

If Congress should amend the act to require OPA to grant a price increase whenever there is an increase in cost, or place any similar limitation on OPA's established policy, it would invite the spiral of inflation and destroy the act.

Congress must provide OPA with a large enough appropriation to maintain its present organization in full force.

We, the people, all of us, want price and rent control for another year; immediate extension of the Price Control Act; no weakening amendments; adequate appropriations for the big job of holding the line against inflation.

Helen C. White, President, American Association of University Women; Ralph E. Hemstead, General Secretary, American Association of University Professors; Lelia Massey, Executive Secretary, American Home Economics Association; Jack W. Hardy, National Commander, American Veterans of World War II (Amvets); Faye Stephenson, President, Congress of Women's Auxiliaries, CIO; Ray Gibbons, Executive Secretary, Council for Social Action of Congregational Churches; Colston E. Warne, President, Consumers Union of United States; Mae Wright Downs, President, Delta Sigma Theta Sorority; Mrs. LaFell Dickinson, President, General Federation of Women's Clubs; Jo Davidson, Chairman, Indiana Citizens Committee for Arts, Sciences, Professions; Katharine Armatage, President, League of Women Shoppers; Bishop Lewis O. Hartman, President, Methodist Federation for Social Service; Mrs.

Henry A. Ingraham, President, National Board, Young Women's Christian Association; Mrs. William A. Hastings, President, National Congress of Parents and Teachers; Cecie P. Henry, President, National Congress of Colored Parents and Teachers; Alice Hamilton, President, National Consumers League; Ruth Craven, Executive Secretary, National Council of Catholic Women; Mrs. Joseph M. Welt, President, National Council of Jewish Women; Mary McLeon Bethune, President, National Council of Negro Women; Willard E. Givens, Executive Secretary, National Education Asscciation; James G. Patton, President, National Farmers' Union; Clyde B. Murray, President, National Federation of Settlements; Anna Lord Strauss, President, National League of Women Voters; Lester B. Granger, Executive Secretary, National Urban League; Rose Schneiderman, President, National Women's Trade Union League; George C. Hatch, President, New Council of American Business; Thomasina Johnson, Legislative Representative, Non-Partisan Council, A. K. A. Sorority; Clark Foreman, President, Southern Conference for Human Welfare; Reinhold Niebuhr, Chairman, Union for Democratic Action; Mrs. Herman Lowe, President, Women's Auxiliaries of Labor, A. F. of L.; Thelma Stevens, Executive Secretary, Woman's Division of Methodist Church.

MANY ASK FOR EXTENSION OF OPA

Some Members seem to think that only organized labor asks for continuation of price control. Yet the dominantly conservative Illinois League of Women Voters sends me a resolution on price control as strong as that of the almost equally conservative AFL Local 637 of the Brotherhood of Painters, Decorators, and Paperhangers. I wish I could reproduce both; but they are as long as they are excellent, and I refrain. Here is a latter signed jointly by Dennis McCarthy for the Labor Advisory Committee and Roy Burrus for the Agricultural Advisory Committee telling of a cost-of-living conference at West Frankfort, Ill., to fight inflation and urge continuation of price control, and attended by 283 registered representatives of farm, labor, and other public-welfare organizations in southern Illinois. It is not just the people of the cities, either, who want price control extended.

The National Farmers Union gave to Chester Bowles its first award for the most outstanding service to agriculture in 1945.

The Chicago Federation of Consumers asks for 18 months' extension with no weakening amendments. Arthur W. Walz, president of the Chicago teachers—and Chicago teachers know something about this subject, you may recall—warns of the dangers of inflation followed inevitably by deflation and consequent mass unemployment, wage cuts, and tax crises.

No one will successfully accuse the General Federation of Women's Clubs of undue liberalism; one of their resolutions declares that in no war in the history of the United States has the general public been so successfully guarded against runaway prices and serious inflation, and supports "continued Federal legislation for equitable wage ceilings and price control on basic commodities." The Church Federation of Greater Chicago writes similar sentiments.

I could continue, Mr. Speaker, indefinitely; but I conclude with the plea that we act quickly to pass this bill without weakening amendments to fulfill our mandate from the people and for the future.

I now yield 30 minutes to my colleague from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require and ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, this rule makes in order consideration of H. R. 6042, an act designed to extend the OPA until June 30, 1947. It is an open rule providing for 2 days of general debate after which it is open to amendments under the 5-minute rule.

All of us are aware of the improper workings of the OPA. For many months, I, in common with many of my colleagues, have endeavored to bring about certain legislative limitations as shall compel remedy for the many injustices and inequalities practiced by the OPA, and with regard to which our people voice a just complaint. I am hopeful that this body will adopt certain amendments that will be offered that will bring about the proper administration of this act. These amendments must be adopted not only to increase production but also to protect innocent merchants from OPA oppressions.

I would suggest the following amendments to the members of the Banking and Currency Committee:

TO STIMULATE PRODUCTION

(a) To encourage maximum production and distribution of commodities, goods, and services, the Administrator shall establish no price or price ceiling with respect to the production, processing, or distribution of any such commodities, goods, or services to which this act or the Stabilization Act of 1942 is applicable which does not reflect all current costs that may be applied to each such item or service as determined by standard commercial accounting practices, together with a margin of profit which reflects not less than the generally prevailing margin of profit for each such item during the calendar year 1940.

TO STOP ABSORPTION

(b) Upon the effective date of this act, the Administrator is specifically directed to rescind forthwith all prices and price veilings and all rules, regulations, and directives relating thereto which effectuate cost-absorption and maximum average price policies nor shall the Administrator hereafter establish or require or compel the establishment of any pattern of production and sales of any commodity or commodities by price range or price unit which is at variance with formula set forth in paragraph (a) of this section.

TO GET THE RIGHT TO GO TO DISTRICT COURT

Any person who is aggrieved by any action taken pursuant to any regulation or order issued under the authority of this act or the Stabilization Act of 1942 may petition the district court for the district in which he resides or has his place of business for a review of such action, and such district court shall have juridiction to enjoin or set aside in whole or in part such action or may dismiss such petition.

I also trust that paragraph Q, section 2, known as the Crawford amendment as now in the bill will be retained. This amendment is designed to give the dealers a chance to get back on their feet before permitting OPA to tamper with their traditional discount.

The question is on the resolution.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6042, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I know that no words I may utter will change the opinion of my colleagues. This is the fifth time that the Price Control and Stabilization Act has been considered by the House. The Price Control and Stabilization Act was considered twice in 1942, again in 1944, again in 1945, and now we come to consider it once more.

We will hear as the debate progresses much abuse of the administration of price control. We will hear of the inequities and injustices, and about the hardship cases. We heard them in the hearings before the committee. By reason of the universal operation of the price-control law, by reason of the universality of the regulations, there will necessarily be some inequalities and injustices. There always have been and there will be. I am afraid those gentlemen who stress the inequalities will lose sight of the main objective of price control.

It was born of the war. It was an emergency measure. We went through the greatest stress in the history of our Nation and we came through without the curse of inflation following it. The war is not over. We are fighting today as insidious and as dangerous an enemy as we fought during the war, and if we do not conquer that enemy we will have won the war but lost the peace.

Maybe you consider that what the people think should not control your actions, but the voice of the people is the voice of God. You are the representatives of the people. I think I have received not less than 30,000 letters in regard to price control, and I tell you the simple truth when I say that not less than 95 percent of those letters were in favor of the continuation of price control. They did not come from the organized interests that

had some personal interest in it. They came from the great body of consumers of America. Your wives know what price control has done. Your family knows what price control has done, and I hope, because you can point out individual inequities and injustices involving hardship cases, that you will not let it obscure your judgment as to the ultimate purpose for which price control was enacted. For 7 weeks we heard these complaints before the Committee on Banking and Currency. Many of them were appealing and many of them, I think, were just. Many of them ought to be remedied. In the report I said that we hoped that the Administrator would rectify these mistakes; that many of these mistakes involved cases where the Administration had caused hardship and injustice. But it is absolutely impossible to correct mistakes of administration by law. The law, by reason of its universality, will often result in hardship cases. The great framers of the common law understood that, and they established a system of equity to remedy the defects whereby the law by reason of its universality was deficient. This law cannot be made to operate uniformly with justice in every case throughout the whole Nation, but you cannot correct these mistakes by law. They have got to be corrected by administration. Ninety-nine percent of the complaints that were made before the committee could be corrected by the administration.

When you entrust power to men, you are going to find some men that will misuse it. You are going to find arrogance and insolence. I think we have found some here. I think that many of these complaints were complaints that might arouse the American people who are used to freedom, who are used to operate their businesses without the consultation or the judgment of other people. I knew when the bill was passed that it was going to be an unpopular bill. I knew that the men and women of America would be reluctant to submit to control even though it was for their own good. But we must continue this act, because if we weaken it to the extent that we lose control over prices then, in my opinion, a disaster that is indescribable will come upon the American people. There can be no greater disaster come to the people than that which would come from inflation. It would not only destroy the property they own but it would make useless the earnings of their labor. We have done a pretty job up to this point, whatever you may say. We have held down the prices so that he who works for wages or salary, when he gets his compensation, knows that he has a purchasing power that will keep him and his family. Let us not do anything by amendment to weaken or destroy this bill. It can be done. There have been amendments in the committee that may weaken it, and other amendments will be offered on the floor.

One of the amendments that is always offered is the amendment that will give the individual the right to go to his nearest court for his remedy. That is a plain principle of American jurisprudence, and in normal times it is a sound principle, but there is another principle that is just as important as that, and that is, equal justice under law. If we allow every individual to go to his district court and file his complaint and ask a judgment on the legality of these orders, which are national in scope and affect thousands of people, we will have confusion worse confounded.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Chairman, I yield myself five additional minutes.

There are 96 district courts in the United States. There are 11 circuit courts of appeal. None of the district courts is bound by the decisions of any other district court, and none of the circuit courts of appeal is bound by the decisions of other circuit courts of appeals, nor are the judgments precedents that have to be followed in the other circuit courts of appeal. So you can see the confusion that would result if every litigant could bring a suit in the court that had jurisdiction of him ordinarily, the court nearest to his home and his business.

It was said in the last consideration of the bill in the House that the judges of the Emergency Court of Appeals which has been created because it is necessary to have uniform construction and decision of these questions were here lobbying to obtain those positions. The Emergency Court of Appeals is as legal a court as the circuit courts or the district courts. The Constitution provides there shall be one Supreme Court and such inferior courts as the Congress may from time to time ordain and establish.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not a fact that the Emergency Court of Appeals is composed of judges appointed by the President and confirmed by the Senate?

Mr. SPENCE. No; they are not. They are judges who are appointed by the Chief Justice of the United States.

Mr. PATMAN. After they are appointed as United States judges, either of the district courts or circuit courts, then from that list of judges the Chief Justice of the United States appoints the Emergency Court of Appeals. They are all United States judges.

Mr. SPENCE. It is as legal as any other court in America. They were first appointed by the President of the United States. They were confirmed by the Senate. They were then appointed by the Chief Justice of the Supreme Court as judges of the Emergency Court of Appeals Out of all those in the United States, the man who best knows their qualifications, their fidelity to duty, and their industry, is the Chief Justice of the United States. He reviews their decisions. He appointed them to the Emergency Court of Appeals. There are two circuit judges and two district judges on that bench, and they serve without additional compensation. It seems to me these men have sought to render a fine service to their Government without compensation, which is an index of their character and public service.

I have heard at every hearing abuse of the emergency court of appeals and the argument that it is not a constitutional court. It is the court that has made the decisions on these questions uniform throughout the United States, so that every man similarly situated may be treated in substantially the same manner. I know that that amendment will be offered again. I know many amendments will be offered, many of which would cripple this act so it would not serve the purpose for which it is being enacted. But I doubt seriously if any Member of the Congress had upon his shoulders the full responsibility of continuing or destroying price control, he would destroy it. I am not going into the details of the bill tonight. I am going to put the report of the committee in the RECORD. I did not agree with some of the amendments. I feel that any amendment which cripples the administration of the act renders no service to the people of America.

The report of the committee is as follows:

EXTENDING THE PRICE CONTROL AND STABILIZATION ACTS

Mr. SPENCE, from the Committee on Banking and Currency, submitted the following report:

The Committee on Banking and Currency, to whom was referred the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

The Emergency Price Act of 1942 and the Stabilization Act of 1942 will expire on June 30, 1946, unless their operation is extended.

The bill here being reported proposes, in sections 1 and 2, the continuance of these acts, with certain amendments, for a further period of 12 months. This extension is subject to the provisions in the existing law which authorize the termination of both acts at any time by proclamation of the President or by concurrent resolution of the Congress. It is the judgment of the committee that the hazard of severe inflation of prices and rents is far too great at this time to risk the immediate termination of the stabilization laws despite the striking progress which the Nation has already made on the way to a balanced, prosperous economy. On the contrary, the premature lifting of price, wage, and rent controls would release a far more precipitous spiral of prices and wages than that which brought about the illusory postwar boom of 1919 and wound up in the costly postwar collapse of 1921.

The dropping of controls at the end of 1918 did not lead to a healthy operation of the laws of supply and demand. Instead, its effect was to bring about hoarding and inventory speculation, and skyrocketing prices which rose faster than the rapidly rising wage rates. Under such circumstances, gains in production were soon choked off. Soaring costs made advance business planning too risky and sustained consumer buying impossible. When the inevitable collapse came, production dropped along with business profits, farm income, and industrial wages. Only business failures and farm and home foreclosures rose. Surely this country does not wish to risk a repetition of that experience—and on a far larger scale.

We see no basis for the fear occasionally voiced in our hearings that our free-enterprise economy is now so fettered by the emergency controls that it will never be able to produce goods in sufficient volume to permit the safe ending of these regulations. That is not to say that there have been no dislocations of supply or interruptions to production as the Nation has liquidated the greatest war effort in history. But, despite war-born shortages of manpower, materials, and facilities and despite some serious labor-management difficulties, our production has already forged ahead until the Federal Reserve Board's index of production, covering manufacturing and mining industries, stands at 154 for February, as against 100 in the base period 1935–39, with an increase to about 169 indicated for March. Even if production for the armed forces, estimated at from 10 to 15 points of the index, is subtracted, the resulting figure for February, around 140, represents the highest level ever attained in the absence of war demand.

The 52,000,000 persons now employed constitute the largest peacetime working force ever assembled. With the number of unemployed at a low level, it is evident that, far from being paralyzed, our economy will rapidly go forward to still higher production peaks with the return of veterans to civilian employment, the elimination of materials shortages, and the general increase in efficiency which comes with settlement of industrial disputes and disappearance of abnormal operating conditions.

The effect of such progress is not immediate but it is sure. As production increases and as shortages of industrial materials and consumer goods ease, the peril of inflationary pressures will diminish. Confidence in the stability of the dollar will be restored, and the vast liquid savings of American families and businesses will no longer be an inflationary menace but will become a safe reservoir of wealth to be drawn on for the orderly development of the national economy.

In view of these circumstances, the committee has concerned itself primarily with providing for the orderly withdrawal of price controls and subsidies as the need for them departs rather than with specifying new standards and restrictive amendments to meet the various objections to the legislation which have been expressed by witnesses appearing before it.

The committee has been more impressed by the complaints of individual inequities and hardships than by the criticisms of the general pricing standards developed by the Office of Price Administration within the framework of the price-control legislation. In not accepting amendments which would compel extensive changes in pricing standards, the committee in addition to other considerations has been mindful of the pricing uncertainties and delays which would be the inevitable consequence of requiring the Office of Price Administration to embark upon a sweeping program of review and revision of its regulations, which would have the effect of increasing rather than diminishing individual inequities.

It must be borne in mind, moreover, in appraising these pricing standards that the easing of shortages in materials, the influx of manpower from the armed forces, and the settlement of labor-management disputes will automatically cure many of the difficulties now attributed to price ceilings. Accordingly, the committee has restricted its proposals for amendments directed to specific problems to a relatively few situations where the action required by the amendments would, in the judgment of the committee, either further the basic objectives of the acts or correct particular inequities without putting those objectives in jeopardy.

The Price Control and Stabilization Acts, by reason of their universal application and the wide variety of subjects affected under general regulations, have resulted in injustices and inequalities affecting individuals. These injustices and inequalities have been brought out in the hearings, and the Office of Price Administration, by reason of that fact, has knowledge of their existence. These individual hardship cases have had far more to do with any sentiment that exists against the Office of Price Administration than all other reasons combined. The committee demands that measures be taken at the earliest possible time by the authorities to remedy all just complaints and that the Office of Price Administration be diligent in the future in preventing the recurrence of conditions that may bring about similar complaints.

REMOVAL OF PRICE AND WAGE CONTROLS

Section 3 of the bill adds a new section to title I of the Emergency Price Control Act for the purpose of providing an orderly termination of the general control of prices and wages and of the use of the subsidy powers conferred by section 2 (e) of the act.

Subsection (a) of the new section sets forth the congressional policy that these controls shall be terminated without further extension not later than June 30, 1947, and that the Office of Price Administration shall be abolished on that date. Although the officials in charge of the stabilization program have consistently, and, the committee believes, sincerely disclaimed any intention to perpetuate these controls, there have been persistent expressions of the fear that price and wage control might become permanent. It is the purpose of this section to put those fears to rest and to charge the Administrator with the duty of formulating a comprehensive plan for the progressive removal of controls so as to effect the return to a free market and free collective bargaining without disturbance of the national economy.

At the same time recognition is given to the fact that critical shortages in some commodities and in housing accommodations are likely to continue beyond June 30, 1947, and the President is directed to report to Congress not later than April 1, 1947, what, if any, of the powers granted by the Emergency Price Control Act will require further temporary continuance. In line with the declaration of policy that the Office of Price Administration shall be abolished, the President is further directed to make his recommendations as to the established departments or agencies which should be charged with the administration of such powers.

Subsection (b) sets up a procedure for the removal of price controls over particular commodities upon satisfaction of domestic demand therefor. It should be noted that section 2 (c) of the Emergency Price Control Act, as amended in 1944, provides for the removal of rent controls in areas where they are no longer needed.

The President, in whom responsibility was vested by the Stabilization Act of October 2, 1942, for the stabilization of prices, wages, and salaries affecting the cost of living and for the making thereafter of necessary adjustments, is further, charged by this subsection with responsibility for the removal of maximum price controls. He is directed to make periodic determinations whether domestic demand for any commodity or class of commodities has been satisfied and whether, having consideration for the purposes of this act and looking toward full production, price controls over such commodities should be removed. The Administrator is directed to remove controls not later than 10 days after certification to that effect by the President.

Subsection (c) makes it clear that the Administrator retains authority to remove specific controls at an earlier time than would be required under the preceding subsection in any case where in his judgment earlier removal is consistent with the purposes of the act.

Subsection (d) furnishes the safeguard of authorizing the restoration of maximum price controls in the case of any particular commodity or class of commodities when, by reason of changed conditions, the President has found that an unsatisfied domestic demand therefor has arisen and remained unsatisfied for more than 60 days without immediate prospect of change.

Stabilization officials described to the committee the present decontrol policy and recommended that the matter be left to administrative discretion. The committee is, however, of the opinion that the inclusion in the statute of standards for decontrol and the placing of responsibility therefor in the hands of the President will serve to stimulate the full production which all agree is the one final answer to inflation.

RESIDENTIAL OR APARTMENT HOTELS

It has come to the attention of the committee that transient hotels as a class may be differently situated from residential or apartment hotels for the purposes of rent regulations with respect to such general factors as investment, operating expenses, and mechanics of operation. To make clear that in establishing rent ceilings for, or in passing upon applications for adjustment by, transient hotels, the Administrator may appropriately take such distinctions into consideration, the committee proposes by section 4 of the bill the addition at the end of subsection (b) of section 2 of the Emergency Price Control Act of a new paragraph authorizing the Administrator so to act.

PROGRESSIVE REDUCTION OF SUBSIDIES

Section 5 of the bill provides for the progressive reduction of subsidies. It was not believed practicable to provide a rigid or detailed timetable for the reduction or elimination of each subsidy. There are a number of reasons which led to this conclusion.

In the first place, a removal schedule could not well be tied to the amounts spent for each subsidy program in the corresponding periods of the past year. The periods are not comparable. There were changes during the past year in the amounts of payment of some subsidies, such as flour, while other programs, such as peanuts, were eliminated, and still others, such as flaxseed, were instituted for the first time.

Secondly, to tie the removal requirement instead to a schedule of periodic reductions of each subsidy by fixed percentages would be to disregard the fact that the amounts of payment for a number of programs vary markedly on a seasonal basis. Moreover, such periodic reductions would generally have the unstabilizing effect of requiring a succession of price increases for the commodity involved. This would impose a time-consum administrative work load (for example, several weeks were needed recently to compute the thousands of individual increases in wholesale and retail meat ceilings). This requirement would also make far more difficult the already difficult task of framing effective regulations to guard against speculative windfall profits and to discourage the withholding from the market of goods on which a subsidy has already been paid until the price increase is effective.

In the third place, a detailed removal schedule would conflict with the need to avoid breaking off crop programs during the crop year. Finally, producers and processsors can be better protected against injury to their markets if the timing of subsidy removals is left to administrative judgment.

The method resorted to in this section of the bill affords the essential degree of flexibility. Each category of subsidies is limited to the amount estimated to be needed if the program were carried through the coming fiscal year on its present basis, and an overriding limitation provides that reductions should be so made that no more than three-quarters of the aggregate of the

amounts thus authorized shall be used. It is further provided that reductions shall be commenced at the earliest practicable date, but in no event later than October 1, 1946. In directing corresponding price increases when a subsidy is reduced or eliminated, to the extent that such increases are necessary to satisfy the requirements of law or to obtain maximum necessary production, the committee recognized that ordinarily the reduction or elimination of a subsidy will call for a corresponding increase in maximum prices. The exception to this rule would be a situation where the subsidy had been instituted to bring out added production of a commodity, which added production is no longer needed, and where the return without the subsidy would satisfy the requirements of law. Just as a price increase above the legal minimum which was given as an incentive to production may properly be taken away if the reason for the incentive disappears, so the removal of a subsidy instituted in lieu of such a price increase should not require a mandatory price increase to the full amount of the subsidy. Otherwise the producers of subsidized commodities would be given a price advantage over other producers. It is manifest, however, that in the great majority of cases, as for example the dairy-production-payment program, the need for maximum production still exists and price increases will be required when the subsidy is reduced.

The term "subsidy operations" is defined for the purposes of the foregoing limitations to mean subsidizing directly or indirectly the sale of commodities by the making of subsidy payments or the purchase of any commodities for resale at a loss for the purposes stated in section 2 (e) (1) of the Emergency Price Control Act, as amended. Those purposes are to obtain maximum necessary production or otherwise to supply the demand for any commodity by making subsidy payents or purchases for resale at a loss in lieu of ceiling price adjustments. The definition of a subsidy operation is not intended to include payments or losses incident to such of the operations of the Commodity Credit Corporation as sales of commodities for export at competitive world prices pursuant to section 21 (c) of the Surplus Property Act of 1944, sales of farm commodities for new or byproduct uses pursuant to section 2 of the act of April 12, 1945 (59 Stat. 50), sales of commodities pursuant to section 2 of the act of April 12, 1945 (59 Stat. 50), which have substantially deteriorated in quality, or of nonbasic perishable commodities where there is danger of loss through waste or spoilage, and loans, purchases, or other price-support operations which do not involve supporting prices to producers of agricultural commodities at levels above those reflected by price ceilings.

The limitations apply to subsidy operations for the fiscal year 1947. Subsidy operations for the fiscal year 1947 which relate to 1946 crop programs may not, of course, be completed during the fiscal year 1947, and the bill does not contemplate that the completion of such operations would have to be during the fiscal year 1947. Likewise, in the case of subsidy operations for the fiscal year 1947 which do not relate to crop programs, the bill contemplates that payments of obligations incurred during the fiscal year could be made after the end of the fiscal year. Thus, in the case of payments under the dairy-production program, payments could be made after the end of the fiscal year 1947 with respect to dairy products produced and sold during that fiscal year.

SUBSIDIES ALREADY AUTHORIZED

The purpose of section 6 of the bill is to make it clear that certain subsidy payments may be made during the fiscal year ending June 30, 1946, as authorized by existing law. Authorizations for the present fiscal year are contained in Public Law 30 relating to operations of Commodity Credit Corporation, Public Law 88 relating to operations by the Reconstruction Finance Corporation, and Public Law 164 relating to operations of Commodity Credit Corporation with respect to certain increases in subsidy payments over the amounts provided for in Public Law 30. It was felt that there might be a technical question whether, in the absence of section 6, the language of section 5 of this bill might not be construed to prevent those subsidy payments now authorized to the end of this fiscal year. Likewise a savings clause was added to preclude any possibility that this bill could be construed to include purchases of tin ore and tin concentrates for the continued operation of the Texas City tin smelter. These purchases were specifically excluded by Public Law 328.

DECONTROL OF CERTAIN "NEW COMMODITIES"

Under the stimulus of war, American inventive genius has made great strides forward. When the utilization by private enterprise of the resulting scientific and technological gains may be possible without unstabilizing effect, price controls should not be allowed to stand in the way. With this in view, the committee proposes by section 7 of the bill the addition of a new subsection (o) to section 2 of the Emergency Price Control Act which would require the exemption from existing or future controls of any commodity which, when used in the production, manufacture, or processing of any other commodity, would either increase the life of the latter commodity or reduce the cost of producing, manufacturing, or processing it. To assure the consistency of action under this provision with the purposes of the act, the condition is prescribed that the use of the commodity in production, manufacturing, or processing shall not increase the cost to the ultimate user.

The operation of this requirement is not limited to new commodities which are hereafter developed. From the standpoint of time, the test prescribed is whether or not the commodity was available for commercial sale or industrial use prior to January 30, 1942, the date of the Emergency Price Control Act. Of course, the fact that, after that date, a previously available commodity was changed in various respects would not necessarily render the changed commodity "new" within the meaning of this provision. The question of when a commodity is essentially a new commodity is one which of necessity must be left to the application of administrative standards.

THE MAXIMUM AVERAGE PRICE PLAN

Early in 1945 the Office of Price Administration instituted a plan for preventing the shift from the lower-priced to the higher-priced lines of wool and rayon fabrics and of most articles of apparel. The method developed to encourage the production of the lower-priced lines, which became known as the maximum average price plan, operated to restrain a manufacturer subject to it from delivering for sale in any quarter goods averaging in price more than the weighted average price of the goods which he had delivered for sale in a corresponding previous quarter, either in 1943 or in 1944, depending on the commodity.

Witnesses before this committee from the wool fabric, the apparel, and the retail-dry-goods industries were vigorous in their condemnation of the operation of this plan. They asserted that it not only caused hardship to manufacturers, but also was responsible for encouraging the production of shoddy merchandise. Officials of the Office of Price Administration admitted that, as a consequence of shortages in materials and manpower, the plan had not operated in accordance with their initial expectations but claimed that a series of modifications made in the plan when difficulties were encountered in its administration were removing the grounds for objection to it.

The committee is not satisfied that the maximum average price plan is workable or necessary and hence proposes to eliminate it by adding a new subsection (p) to section 2 of the Emergency Price Control Act contained in section 7 of the bill.

PROTECTION OF TRADE DISCOUNTS AND CHARGES FOR CERTAIN RETAIL INDUSTRIES

The committee has not concurred in the contention advanced before it that all increases required in the ceilings of manufacturers should be passed through to consumers, regardless of retailers' ability to absorb some of the increased cost. While it believes that such action would increase the cost of living without warrant and would discriminate unfairly against manufacturers who are required to absorb cost increases within the limits of Office of Price Administration's pricing standards, the committee has, nevertheless, been impressed by the case of the retail industry which specializes in the sale of a commodity or commodities that had been largely forced out of production or retail distribution by wartime governmental restrictions. Accordingly, until such a retail industry has been restored to its peacetime volume of sales for a reasonable period of time, the proposed new subsection (q) of section 2 of the Emergency Price Control Act added by section 7 of the bill would prohibit the Administrator, in establishing maximum prices under section 2, from reducing the retail trade discounts or dealer handling charges established in the industry under normal peacetime conditions for the sale of the commodity.

The test prescribed in the proposed amendment to determine whether a retail industry is entitled to the benefit of this rule is that its principal sales during the years 1939–41 were of a commodity or commodities the production or retail distribution of which had been reduced, as a result of governmental restriction or regulation, for 3 years beginning March 2, 1942, by at least 75 percent below its level for the years 1939–41.

The test to determine whether the industry's sales of a commodity have been restored to the point that it no longer would require the protection of this amendment is that retail unit sales for a period of 6 months have reached the industry's average annual retail sales of the commodity for the years 1939–41.

PRODUCTS MADE FROM COTTON AND WOOL

The 1944 amendment to section 3 of the Stabilization Act of 1942 which specified the standard to be applied in establishing maximum prices for major items of products made in whole or major part from cotton or cotton yarn has given rise to the question whether the cost basis which must be used in determining the ceiling of a major item pursuant to that standard is the current cost of cotton of the grade and staple used in the item where that cost is higher than the parity price. It is the committee's opinion that that question should be resolved in the affirmative, and provision for this is made in the amendment which the committee by section 8 of the bill proposes for inclusion at the end of section 3 of the Stabilization Act. The proposed amendment, in further specifying that to such cost there be added the weighted average of mill conversion costs and a reasonable profit is merely declaratory of the existing administrative practice.

The committee has also proposed the application of the same formula in the pricing of major items of products made in whole or major part from wool or wool yarn.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in

italics, existing law in which no change is proposed is shown in roman):

"EMERGENCY PRICE CONTROL ACT OF 1942, AS AMENDED

"TITLE I—GENERAL PROVISIONS AND AUTHORITY

"Purposes; time limit; applicability

"SECTION 1. (a) It is hereby declared to be in the interest of the national defense and security and necessary to the effective prosecution of the present war, and the purposes of this Act are, to stabilize prices and to prevent speculative, unwarranted, and abnormal increases in prices and rents; to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities caused by or contributing to the national emergency; to assure that defense appropriations are not dissipated by excessive prices; to protect persons with relatively fixed and limited incomes, consumers, wage earners, investors, and persons dependent on life insurance, annuities, and pensions, from undue impairment of their standard of living; to prevent hardships to persons engaged in business, to schools, universities, and other institutions, and to the Federal, State, and local governments, which would result from abnormal increases in prices; to assist in securing adequate production of commodities and facilities; to prevent a post emergency collapse of values; to stabilize agricultural prices in the manner provided in section 3; and to permit voluntary cooperation between the Government and producers, processors, and others to accomplish the aforesaid purposes. It shall be the policy of those departments and agencies of the Government dealing with wages (including the Department of Labor and its various bureaus, the War Department, the Navy Department, the War Production Board, the National Labor Relations Board, the National Mediation Board, the National War Labor Board, and others heretofore or hereafter created), within the limits of their authority and jurisdiction, to work toward a stabilization of prices, fair and equitable wages, and cost of production.

"(b) The provisions of this Act, and all regulations, orders, price schedules, and requirements thereunder, shall terminate on [June 30, 1946] *June 30, 1947*, or upon the date of a proclamation by the President, or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this Act is not necessary in the interest of the national defense and security, whichever date is the earlier; except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this Act and such regulations, orders, price schedules, and requirements shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

"(c) The provisions of this Act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

"Removal of price and wage controls

"SEC. 1A. (a) It is hereby declared to be the policy of the Congress that the general control of prices and wages, and the use of the subsidy powers conferred by section 2 (e) of this Act, shall be terminated, without further extension, not later than June 30, 1947, and that on that date the Office of Price Administration shall be abolished. The Price Administrator (and the Secretary of Agriculture to the extent of his responsibility under section 3 (e) of this Act) shall proceed immediately to formulate a comprehensive plan for the progressive removal of price controls and subsidies in order that the return to a free market and to free collective bargaining may be accomplished on or before June 30, 1947, without disturbance of the national economy. The President shall, not later than April 1, 1947, report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this Act as to them after June 30, 1947, together with his recommendations as to the established departments or agencies of the Government which should be charged with the administration of such powers.

"(b) (1) Maximum price controls shall be removed, as provided in this subsection in the case of particular commodities or classes of commodities, upon satisfaction of domestic demand therefor.

"(2) The President shall make from time to time, but not less frequently than once each month, as to each commodity or class of commodities in the case of which maximum price controls are in effect, a determination as to whether domestic demand for such commodity or class of commodities has been satisfied. Whenever the President shall determine that domestic demand for any such commodity or class of commodities has been satisfied, and that, having consideration for the purposes of this Act and looking toward full production, price controls should accordingly be removed in the case of such commodity or class of commodities, he shall forthwith certify such determination in writing to the Price Administrator.

"(3) When the Price Administrator has received from the President a certification in writing, under this subsection, with respect to any commodity or class of commodities, the Price Administrator shall not later than ten days after the receipt of such certification, take such action as may be necessary to remove all price controls with respect to such commodity or class of commodities.

"(c) Nothing in subsection (b) shall limit the authority of the Price Administrator to remove price controls with respect to any commodity or class of commodities at an earlier time than would be the case under the provisions of such subsection in any case which, in his judgment, removal of such controls at an earlier time is consistent with the purposes of this Act.

(d) (1) After maximum price controls have been removed in accordance with subsection (b), in the case of any commodity or class of commodities, the President shall from time to time determine whether, by reason of changed conditions, there has arisen an unsatisfied domestic demand for such commodity or class of commodities. Whenever the President determines that such demand has arisen and has remained unsatisfied for a period of more than 60 days, and, in his judgment, there is no immediate prospect of such demand being satisfied, he shall forthwith certify that fact in writing to the Price Administrator.

"(2) When the Price Administrator has received from the President a certification in writing under this subsection with respect to a particular commodity or class of commodities, the Price Administrator may reestablish, with respect to such commodity or class of commodities, such maximum price or maximum prices, consistent with applicable provisions of law, as in his judgment may be necessary to effectuate the purposes of this Act.

"Prices, rents, and market and renting practices

"SEC. 2. (a) Whenever in the judgment of the Price Administrator (provided for in section 201) the price or prices of a commodity or commodities have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this Act, he may by regulation or order establish such maximum price or maximum prices as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum price, the Administrator shall ascertain and give due consideration to the prices prevailing between October 1 and October 15, 1941 (or if, in the case of any commodity, there are no prevailing prices between such dates, or the prevailing prices between such dates are not generally representative because of abnormal or seasonal market conditions or other cause, then to the prices prevailing during the nearest two-week period in which, in the judgment of the Administrator, the prices for such commodity are generally representative), for the commodity or commodities included under such regulation or order, and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability, including the following: Speculative fluctuations, general increases or decreases in costs of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the commodity or commodities, during and subsequent to the year ended October 1, 1941: *Provided*, That no such regulation or order shall contain any provision requiring the determination of costs otherwise than in accordance with established accounting methods. Every regulation or order issued under the foregoing provisions of this subsection shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order. As used in the foregoing provisions of this subsection, the term "regulation or order" means a regulation or order of general applicability and effect. Before issuing any regulation or order under the foregoing provisions of this subsection, the Administrator shall, so far as practicable, advise and consult with representative members of the industry which will be affected by such regulation or order, and shall give consideration to their recommendations. In the case of any commodity for which a maximum price has been established, the Administrator shall, at the request of any substantial portion of the industry subject to such maximum price, regulation, or order of the Administrator, appoint an industry advisory committee, or committees, either national or regional or both, consisting of such number of representatives of the industry as may be necessary in order to constitute a committee truly representative of the industry, or of the industry in such region, as the case may be. The committee shall select a chairman from among its members, and shall meet at the call of the chairman. The Administrator shall from time to time, at the request of the committee, advise and consult with the committee with respect to the regulation or order, and with respect to the form thereof, and classifications, differentiations, and adjustments therein. The committee may make such recommendations to the Administrator as it deems advisable, and such recommendations shall be considered by the Administrator. Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, without regard to the foregoing provisions of this subsection, issue temporary regulations or orders establishing as a maximum price or maximum prices the price or prices prevailing with respect to any commodity or commodities within five days prior to the date of issuance of such temporary regulations or orders; but any such temporary regulation or order shall be effective for not more than sixty days, and may be replaced by a regulation or order issued under the foregoing provisions of this subsection.

"(b) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he shall issue a declaration setting forth the necessity for, and recommendations with reference to, the stabilization or reduction of rents for any defense-area housing accommodations within a particular defense-

rental area. If within sixty days after the issuance of any such recommendations rents for any such accommodations within such defense-rental area have not in the judgment of the Administrator been stabilized or reduced by State or local regulation, or otherwise, in accordance with the recommendations, the Administrator may by regulation or order establish such maximum rent or maximum rents for such accommodations as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum rent for any defense-area housing accommodations, the Administrator shall ascertain and give due consideration to the rents prevailing for such accommodations, or comparable accommodations, on or about April 1, 1941 (or if, prior or subsequent to April 1, 1941, defense activities shall have resulted or threatened to result in increases in rents for housing accommodations in such area inconsistent with the purposes of this Act, then on or about a date (not earlier than April 1, 1940), which in the judgment of the Administrator, does not reflect such increases), and he shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs within such defense-rental area. In designating defense-rental areas, in prescribing regulations and orders establishing maximum rents for such accommodations, and in selecting persons to administer such regulations and orders, the Administrator shall, to such extent as he determines to be practicable, consider any recommendations which may be made by State and local officials concerned with housing or rental conditions in any defense-rental area. Whenever the Administrator shall find that, in any defense-rental area or any portion thereof specified by him, the availability of adequate rental housing accommodations and other relevant factors are such as to make rent control unnecessary for the purpose of eliminating speculative, unwarranted, and abnormal increases in rents and of preventing profiteering, and speculative and other disruptive practices resulting from abnormal market conditions caused by congestion, the controls imposed upon rents by authority of this Act in such defense-rental area or portion thereof shall be forthwith abolished; but whenever in the judgment of the Administrator it is necessary or proper, in order to effectuate the purposes of this Act, to reestablish the regulation of rents in any such defense-rental area or portion thereof, he may forthwith by regulation or order reestablish maximum rents for housing accommodations therein in accordance with the standards set forth in this Act. Before issuing any regulation or order under the foregoing provisions of this subsection, the Administrator shall, so far as practicable, advise and consult with representative members of the industry which will be affected by such regulation or order, and shall give consideration to their recommendations. The Administrator shall, at the request of any substantial portion of the industry subject to such regulation or order of the Administrator, appoint a national industry advisory committee, or committees, in the same manner and form and with the same powers and duties as provided in subsection (a) for industry advisory committees relating to price.

"After the date upon which this paragraph takes effect, the Administrator, when establishing rent ceilings on hotels or when passing upon applications for adjustments of rent ceilings on hotels, is authorized to take into consideration the distinction between transient hotels and residential or apartment hotels; including the difference in the investment, operation, expenses and mechanical details of operation between the transient hotels and the residential and apartment hotels.

"(c) Any regulation or order under this section may be established in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this Act. Under regulations to be prescribed by the Administrator, he shall provide for the making of individual adjustments in those classes of cases where the rent on the maximum rent date for any housing accommodations is, due to peculiar circumstances, substantially higher or lower than the rents generally prevailing in the defense-rental area for comparable housing accommodations, and in those classes of cases where substantial hardship has resulted since the maximum rent date from a substantial and unavoidable increase in property taxes or operating costs. Any regulation or order under this section which establishes a maximum price or maximum rent may provide for a maximum price or maximum rent below the price or prices prevailing for the commodity or commodities, or below the rent or rents prevailing for the defense-area housing accommodations, at the time of the issuance of such regulation or order.

"(d) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices (including practices relating to changes in form or quality) or hoarding, in connection with any commodity, and speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession) in connection with any defense-area housing accommodations, which in his judgment are equivalent to or are likely to result in price or rent increases, as the case may be, inconsistent with the purposes of this Act.

"(e) *(1)* Whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store for use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof or otherwise to supply the demand therefor, or make subsidy payments to domestic producers of such commodity in such amounts and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof: *Provided*, That in the case of any commodity which has heretofore or may hereafter be defined as a strategic or critical material by the President pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, such determinations shall be made by the Federal Loan Administrator, with the approval of the President, and, notwithstanding any other provision of this Act or of any existing law, such commodity may be bought or sold, or stored or used, and such subsidy payments to domestic producers thereof may be paid, only by corporations created or organized pursuant to such section 5d; except that in the case of the sale of any commodity by any such corporation, the sale price therefor shall not exceed any maximum price established pursuant to subsection (a) of this section which is applicable to such commodity at the time of sale or delivery, but such sale price may be below such maximum price or below the purchase price of such commodity, and the Administrator may make recommendations with respect to the buying or selling, or storage or use, of any such commodity: *Provided, however*, That, with the exception of any commodity which prior to the effective date of this amendatory proviso has been defined as a strategic or critical material pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, no agricultural commodity or commodity manufactured or processed in whole or substantial part from any agricultural commodity intended to be used as food for human consumption, shall, for the purposes of this subsection, be defined as a strategic or critical material pursuant to the provisions of said section 5d of the Reconstruction Finance Corporation Act, as amended. In any case in which a commodity is domestically produced, the powers granted to the Administrator by this subsection shall be exercised with respect to importations of such commodity only to the extent that, in the judgment of the Administrator, the domestic production of the commodity is not sufficient to satisfy the demand therefor. Nothing in this section shall be construed to modify, suspend, amend, or supersede any provision of the Tariff Act of 1930, as amended, and nothing in this section, or in any existing law, shall be construed to authorize any sale or other disposition of any agricultural commodity contrary to the provisions of the Agricultural Adjustment Act of 1938, as amended, or to authorize the Administrator to prohibit trading in any agricultural commodity for future delivery if such trading is subject to the provisions of the Commodity Exchange Act, as amended.

"[After June 30, 1945, neither the Price Administrator nor the Reconstruction Finance Corporation nor any other Government corporation shall make any subsidy payments, or buy any commodity for the purpose of selling them at a loss and thereby subsidizing directly or indirectly the sale of commodities, unless the money required for such subsidies, or sale at a loss, has been appropriated by Congress for such purpose; and appropriations for such purpose are hereby authorized to be made.]

"(2) Subsidy operations, as hereinafter defined, for the fiscal year ending June 30, 1947, shall be limited as follows: subject to the provisions of paragraph (3):

"(A) With respect to funds of the Commodity Credit Corporation—

"(i) for the dairy production payment program, $515,000,000: Provided, That in carrying out the dairy production payment program the rate of payment per pound of butterfat delivered shall not be less than 25 per centum of the national weighted average rate of payment per hundred pounds of whole milk delivered;

"(ii) for other noncrop programs, $50,000,000; and

"(iii) for the 1946 crop program operations, $160,000,000:

"Provided, That not to exceed 10 per centum of each amount specified in clauses (i), (ii), and (iii) of this subparagraph (A) shall be available interchangeably for the operations described in such clauses but in no case shall the total subsidy operations under any one of such clauses be increased by more than 10 per centum; and

"(B) With respect to funds of the Reconstruction Finance Corporation—

"(i) for rubber produced in Latin America and Africa for which commitments were made before January 1, 1946, $31,000,000;

"(ii) for materials or commodities produced in the United States as follows:

"Meat, $715,000,000;

"Flour, $260,000,000;

"Petroleum and petroleum products, $50,000,000;

"Copper, lead, and zinc in the form of premium price payments, $100,000,000;

"(iii) for other materials or commodities, produced in or outside the United States, $170,000,000:

Provided, That in the event the entire amount of any of the allocations referred to in this subparagraph (B) is not required for its purpose, the unused portion of such allocation, but not to exceed 10 per centum of such allocation, may be used for such subsidy operations for any item or items enumerated in this subparagraph (B) as may be determined by the Economic Stabilization Director.

"(3) Notwithstanding the provisions of paragraph (2), subsidy operations for the fiscal year ending June 30, 1947, shall be progressively reduced, due regard being had to the welfare of the producers and processors of the commodities subsidized. Such reduction shall be commenced at the earliest practicable date consistent with the purposes of this Act, but in no event later than October 1, 1946. Such reductions shall be so carried out that the aggregate of subsidy operations for the fiscal year shall not exceed seventy-five per centum of the sum of the amounts set forth in paragraph (2): Provided, That upon the reduction or elimination of such subsidy operations the Administrator shall make corresponding increases in maximum prices to the extent that such increases are necessary to satisfy the requirements of law or to obtain the maximum necessary production.

"(4) For the purposes of paragraphs (2) and (3), the term 'subsidy operations' means subsidizing directly or indirectly the sale of commodities by the making of subsidy payments or the purchase of any commodities for resale at a loss, for the purposes stated in paragraph (1) of this subsection (e).

"(f) No power conferred by this section shall be construed to authorize any action contrary to the provisions and purposes of section 3, and no agricultural commodity shall be sold within the United States pursuant to the provisions of this section by any governmental agency at a price below the price limitations imposed by section 3 (a) of this Act with respect to such commodity.

"(g) Regulations, orders, and requirements under this Act may contain such provisions as the Administrator deems necessary to prevent the circumvention or evasion thereof.

"(h) The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, or changes in established rental practices, except where such action is affirmatively found by the Administrator to be necessary to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this act.

"(i) No maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1942.

"(j) Nothing in this Act shall be construed (1) as authorizing the elimination or any restriction of the use of trade and brand names; (2) as authorizing the Administrator to require the grade labeling of any commodity; (3) as authorizing the Administrator to standardize any commodity, unless the Administrator shall determine, with respect to such standardization, that no practicable alternative exists for securing effective price control with respect to such commodity; or (4) as authorizing any order of the Administrator fixing maximum prices for different kinds, classes, or types of a commodity which are described in terms of specifications or standards, unless such specifications or standards were, prior to such order, in general use in the trade or industry affected, or have previously been promulgated and their use lawfully required by another Government agency.

"(k) No regulation, order, or price schedule issued under this Act shall, after the effective date of this subsection, require any seller of goods at retail to limit his sales with reference to any highest price line offered for sale by him at any prior time.

"(l) Before growers' maximum prices are established or lowered for any agricultural commodity which is the product of annual or seasonal planting, the Price Administrator shall give to such growers, not less than 15 days prior to the normal planting season in each major producing area affected, notice of the maximum prices he proposes to establish therefor: *Provided*, That in no case shall this subsection require such notice to be given more than 12 months prior to the beginning of the normal marketing season in such area. This requirement may be satisfied by publication in the Federal Register, but the Administrator shall utilize appropriate means to insure general publicity to such prices in the areas affected. The requirements of this subsection shall not apply to the 1944 crop of any agricultural commodity of any major producing area in which the normal planting season occurs prior to July 31, 1944.

"(m) No agency, department, officer, or employee of the Government, in the payment of sums authorized by this or other Acts of Congress relating to the production or sale of agricultural commodities, or in contracts for the purchase of any such commodities by the Government or any department or agency thereof, or in any allocation of materials or facilities, or in fixing quotas for the production or sale of any such commodities, shall impose any conditions or penalties not authorized by the provisions of the Act or Acts, or lawful regulations issued thereunder, under which such sums are authorized, such contracts are made, materials and facilities allocated, or quotas for the production or sale of any such commodities are imposed. Any person aggrieved by any action of any agency, department, officer, or employee of the Government contrary to the provisions hereof, or by the failure to act of any such agency, department, officer, or employee may petition the district court of the district in which he resides or has his place of business for an order or a declaratory judgment to determine whether any such action or failure to act is in conformity with the provisions hereof and otherwise lawful; and the court shall have jurisdiction to grant appropriate relief. The provisions of the Judicial Code as to monetary amount involved necessary to give jurisdiction to a district court shall not be applicable in any such case.

"(n) In establishing or maintaining maximum prices under this Act or otherwise in the case of collect-on-delivery sales of any commodity where under established practices the seller a uniform charge is added to the price to cover mailing costs, an increase in maximum prices shall be allowed equivalent to any increase in such costs heretofore or hereafter resulting from increased postal rates or charges.

"(o) After the date upon which this subsection takes effect, no maximum price shall be established or maintained, under this Act or under any other provision of law, with respect to any new commodity the use of which, in the production, manufacturing, or processing of any commodity or commodities, without increasing the cost to the ultimate user, either increases the life or reduces the cost of production, manufacture, or processing of the commodity or commodities produced, manufactured or processed. As used in this subsection the term 'new commodity' means a commodity which was not commercially or industrially available prior to January 30, 1942.

"(p) After July 1, 1946, no maximum price regulation or order shall be issued or continued in effect requiring any seller to limit his sales by any weighted average price limitation based on his previous sales.

"(q) In the case of any retail industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities the production or retail distribution of which has been reduced, for a period of three years beginning on or after March 2, 1942, by 75 per centum or more below such production or retail distribution for the calendar years 1939 to 1941, inclusive, as a result of the operation of any governmental regulation or restriction, the Administrator shall not, in establishing maximum prices under this section, reduce established retail trade discounts or dealer handling charges for any such commodity before the retail unit sales of such commodity for a period of six months shall have reached the average annual retail unit sales thereof for the calendar years 1939 to 1941, inclusive."

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"STABILIZATION ACT OF 1942, AS AMENDED JUNE 30, 1944

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"SEC. 3. No maximum price shall be established or maintained for any agricultural commodity under authority of this Act or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

"(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or, in case a comparable price has been determined for such commodity under and in accordance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner), or

"(2) The highest price received by such producers for such commodity between January 1, 1942, and September 15, 1942 (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials), or, if the market for such commodity was inactive during the latter half of such period, a price for the commodity determined by the Secretary of Agriculture to be in line with the prices, during such period, of other agricultural commodities produced for the same general use;

"and no maximum price shall be established or maintained under authority of this Act or otherwise for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefor equal to the higher of the prices specified in clauses (1) and (2) of this section: *Provided*, That the President shall, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities; but nothing in this section shall be construed to permit the establishment in any case of a maximum price below a price which will reflect to the producers of any agricultural commodity the price therefor specified in clause (1) of this section: *Provided further*, That modifications shall be made in maximum prices established for any agricultural commodity and for commodities processed or manufactured in whole or substantial part from any agricultural commodity, under regulations to be prescribed by the President, in any case where it appears that such modification is necessary to increase the production of such commodity for war purposes, or where by reason of increased labor or other costs to the producers of such agricultural commodity incurred since January 1, 1941, the maximum prices so established will not reflect such increased costs: *Provided further*, That in the fixing of maximum prices on products resulting from the processing of agricultural commodities, including livestock, a generally fair and equitable margin shall be allowed for such processing: *Provided further*, That in fixing price maximums for agricultural commodities and for

commodities processed or manufactured in whole or substantial part from any agricultural commodity, as provided for by this Act, adequate weighting shall be given to farm labor.

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price for any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity which will reflect to the producers of such agricultural commodity a price below the highest applicable price standard (applied separately to each major item in the case of products made in whole or major part from cotton or cotton yarn) of this act.

"The President, acting through any department, agency, or office of the Government, shall take all lawful action to assure that the farm producer of any of the basic agricultural commodities (cotton, corn, wheat, rice, tobacco, and peanuts) and of any agricultural commodity with respect to which a public announcement has been made under section 4 (a) of the act entitled "An act to extend the life and increase the credit resources of the Commodity Credit Corporation and for other purposes," approved July 1, 1941, as amended (relating to supporting the prices of nonbasic agricultural commodities), receives not less than the higher of the two prices specified in clauses (1) and (2) of this section (the latter price as adjusted for gross inequity).

"The method that is now used for the purposes of loans under section 8 of this Act for determining the parity price or its equivalent for seven-eighths inch Middling cotton at the average location used in fixing the base loan rate for cotton shall also be used for determining the parity price for seven-eighths inch Middling cotton at such average location for the purposes of this section; and any adjustments made by the Secretary of Agriculture or the War Food Administrator for grade, location, or seasonal differentials for the purposes of this section shall be made on the basis of the parity price so determined: *Provided further*, That on and after the date of the enactment of this proviso, no maximum prices shall be established or maintained on products resulting from the processing of cattle and calves, lambs and sheep, and hogs, the processing of each species being separately considered, which, taken together, do not allow for a reasonable margin of profit to the processing industry as a group on each such species.

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price, applicable to manufacturers or processors, for any major item in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum price for such major item is fixed and maintained at not less than the sum of the following:

"(1) The cotton or wool cost (which must be computed at not less than the parity price or the current cost, whichever is greater, of the grade and staple of cotton or wool used in such item, delivered at the mill);

"(2) A weighted average of mill conversion costs; and

"(3) A reasonable profit.

* * * * *

"SEC. 6. The provisions of this Act, (except sections 8 and 9), and all regulations thereunder, shall terminate on [June 30, 1946] *June 30, 1947*, or on such earlier date as the Congress by concurrent resolution, or the President by proclamation, may prescribe."

MINORITY VIEWS

The minority believes that Emergency Price Control bill, H. R. 6042, contributes to an ominous delusion, existing in this administration, that we can escape a catastrophic inflation without terminating reckless spending and balancing the budget.

Every ruinous inflation in history has had the same primary cause, a sudden and enormous increase of money or currency among a people without a corresponding increase of things to buy.

This bill deals with the effects of inflation and does not even remotely concern itself with the cause. Yet it is represented to the Nation as a preventative of inflation. Both this delusion and price control itself are operating to prevent normal economic healing processes from functioning to save America from mere inflation.

To genuinely cope with inflation, Congress must both stop the outpouring of public funds and simultaneously encourage the output of goods. The effect of OPA to date has been just the reverse—actual encouragement of congressional and public complacency about the outpouring of money and bonds and persistent discouragement of the production of goods.

For 5 weeks the committee received evidence from producers and enterprisers who, perhaps with only a single exception, testified that OPA was crippling and restricting production. Despite our war-expanded production facilities, the OPA policy of "too little too late" has been lowering the American standard of living by creating widespread shortages.

Nowhere are the deadly effects of OPA more clearly apparent than the home-building industry. There OPA bottlenecks and delays have brought about a reduced production of building materials that has already prevented thousands of veterans from having finished homes.

Besides creating artifical shortages, OPA pricing policies have resulted in black marketing and bootlegging on a scale that threatens the moral foundations of the Nation. For example, competent witnesses, plus careful surveys, indicate that upward of 80 percent of the trade in fresh meat is black market by OPA definition.

The subsidies provided in the bill are highly inflationary, and continue the attempt to conceal from the American housewife the rising prices resulting from inflationary spending. How the administration can ask the American people to cut down their food consumption, yet continue to sell them food at less than cost, is impossible to understand.

This bill multiplies another evil automatic in governmental price control—the favoritism of one group over another. Equal justice under law is a basic truth on which our Government was founded; yet not only in the law, but also in the daily activities of OPA, this fundamental precept is flagrantly violated again and again.

Under price control, wage control, materials allocation, and profit control, the American system of free enterprise is not operating. That system saved America in time of war; it should be given a genuine opportunity to save us in time of peace. Unless that opportunity is restored to it, the American standard of living, and our western civilization as well, are direly threatened.

Despite the propaganda pressures inspired by OPA officials, the House should deal with this economic narcotic on the basis of the economic facts involved. Regardless of what the House does, the natural economic laws of the universe will continue to function, unchanged by legislative fiat or Executive order.

Finally, the minority urges the House to consider this: That in every ruinous inflation the crushing weight of the loss always falls on the working classes and the poor. While OPA has been posing as a peacetime guardian of the people's savings, actually it has been prolonging and accelerating the ravages of inflationary spending. By concealing inflation and acting as an economic narcotic it has become most dangerous to the future happiness and welfare of the people. This fact is attested to by the record of every price-control scheme in the history books.

FREDERICK C. SMITH.
HOWARD H. BUFFETT.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. REES].

THE OPA AND THE MEAT SITUATION

Mr. REES of Kansas. Mr. Chairman, it has always been my contention that the Office of Price Administration should release its controls over any and all commodities or services where the supply of such commodities or services are sufficient to meet the normal demand. The OPA should not at any time promulgate rules or regulations that would interfere with the full production of needed materials, commodities, or services. The Office of Price Administration should have uppermost in mind at all times the public interest in the issuance and enforcement of regulations. In far too many cases I find that where merchants and others are required to deal with it, OPA seemed to think its job was to act as complainant, prosecutor, and judge at the same time. I do not charge it has followed such policy in all matters, but it has done it in too many cases, especially in dealing with the small independent business.

Mr. Chairman, I want to direct my remarks especially to the meat situation, especially beef, and its management under the Office of Price Administration.

Mr. Chairman, Government agencies dealing with the meat problem have failed to provide sufficient supplies of meat, especially beef, to the consumers of this country, and, at the same time, regulate prices, even though the supply of livestock is plentiful.

During the war period our Government invoked price controls, as well as a certain amount of rationing, in order to make sure the armed forces might have an adequate supply of meat and so civilians could have a chance to share in the supply of meat in the market. The war has been over for several months, but the same rules, regulations, and orders continue in effect. Even though wages have increased, and although there is sufficient supply of livestock to meet the demand, if properly distributed, our Government continues to pay subsidies on meat to the extent of more than $700,000,000 per year. Neither the livestock producers nor the processors really want subsidies. There could be an adequate supply of livestock and meat if properly handled. They want an open market as nearly as can be provided.

Mr. Chairman, the problem demands attention because black-market conditions that exist in this country affect the production, processing, and distribution of meat. This condition has grown worse during the past several months. During the month of March two nationally known independent market-survey agencies made surveys in 11 large cities from coast to coast, covering 1,800 stores, for the purpose of determining relations of retail prices on meat to OPA ceiling prices. The survey covered a period of

several weeks. Meats were graded by qualified experts who had served in the Quartermaster Corps of the Army. Purchases were made by housewife shoppers.

The survey disclosed that 80 percent of the stores in the large cities, including Washington, were selling meat above ceiling prices. The survey further showed the average above OPA price of meat was about 20 percent. In other words, the housewife spent $1.20 for meat she should have bought for $1. It is estimated people in larger centers are paying at the rate of a billion dollars annually above OPA prices. This is not the fault of the retail dealer. He had to pay the price or he would not get the meat. It is fair to state the situation existing in large cities does not prevail so much in smaller places.

Administrative agencies in reply to the charge of American industries, say that conditions are not as serious as indicated in this survey. If we assume the survey is 50 percent right, there is indication something is wrong with the entire system. In other words, if we are spending $700,000,000 for meat subsidies from the Federal Treasury to hold prices in line, and people are spending a billion dollars more, or even half of it, in order to make sure they have a supply of meat, although there is a normal supply of cattle, there is something definitely out of order in handling the meat situation.

I want to direct your attention to another phase of this operation. Most cattle for slaughtering are marketed in the big livestock centers of this country and to a great extent, are purchased by big meat packing and processing firms. Representatives of these firms, as well as those of smaller packing concerns throughout the country, have advised that during the last 3 months they were able to buy less than half of their ordinary purchases of the normal supply of cattle—in fact it was less than one-third during the last 4 weeks—the remainder of the cattle were sold through order buyers and disposed of in black-market operations at higher than OPA prices. These packers and processors tell me they are unable to compete with the order buyers because of ceiling prices and are out-bid by black-market operators. Those who pay more than ceiling prices, do not get subsidies, but they sell their products in the market above ceiling prices. The consumer, of course, pays the bill, and the black-market dealer gets the business. The legitimate retailer does not get his fair share of good meat. Much of the difference in the ceiling prices comes about by reason of the difference in grading through the wholesaler especially on the choice cuts of meat. The retail dealer ought to have a chance to carry on without unfair competition.

Mr. Chairman, to indicate the seriousness of this situation, I quote from a recent telegram to President Truman from the president and the secretary of the Amalgamated Meat Cutters and Butcher Workmen of North America, American Federation of Labor. Here is what they say in part:

> We are firmly convinced that present Government regulations in the meat-packing industry are unenforceable. These inoperable prohibitions have already resulted in thousands of men and women in the packing plants being unemployed. They have resulted in scores of meat-packing plants closing their doors. Unless something is done quickly, hundreds more will do likewise. It is impossible to prohibit the flow of necessary edibles to the consumers where there is always available a ready source of supply. There is no acute shortage of livestock. The public wants it. Legitimate packers are willing to slaughter it, but governmental restrictions apparently make this extremely difficult.

They say further, and I quote:

> We feel sincerely that if these restrictions were eliminated, the prices of meat to the consumer would within a very short time level off which would result in cheaper purchases of the product.

And again, they say:

> The whole plan of meat prices control as presently constructed is a crazy quilt of impossibilities. The purchaser of livestock is criminally liable, but the seller is not. The slaughtering industry, while to some extent at least, is influenced greatly by the large packers; nevertheless it has always been highly competitive. We feel it will continue to remain a highly competitive industry. There is an abundant supply and there is an overabundant demand. Why not give these men who have been in the meat business all of their lives an opportunity to prove what they can do and release the controls. If they do not succeed in eliminating the present existing evils, there is no reason why the Government then cannot restore restrictions that would be workable even to the extent of actually operating the entire industry including the sale of livestock. At least the men who know the industry ought to have a chance to operate it so the consumer may have lower prices and so that the thousands of men and women who earn their livelihood in the industry might have the opportunity to do so.

This is a statement from the men and the women who actually perform the service. They also represent a great segment of the consuming public. Certainly, their opinion is entitled to the serious consideration of officials dealing with this subject matter. In this same telegram they call attention to the fact that the regulations of the Government and the Office of Price Administration are responsible for a big increase in the the cost of meat to the consumer and are also responsible for the loss of thousands of jobs of members in their organization.

Mr. Chairman, there are 80,000,000 cattle in the country. Seventy million is the normal average over a period of years and ordinarily supplies our domestic demands. The domestic market is well supplied.

Mr. Chairman, it is my contention that we have enough livestock on hand and sufficient numbers of cattle can be put in the market to take care of the demand, if producers and feeders are given a chance to do it without being hampered with regulations and uncertainties, due to the ever-changing policies of our Government agencies. It is unreasonable that we should pay subsidies to the extent of $700,000,000 a year on a commodity that can be supplied to meet the demand.

Subsidies ought to be removed and price controls relaxed. If we are going to quit taking subsidies from the Federal Treasury, now is the time and here is the place to do it. It is estimated that if subsidies were canceled, the retail price of meat should not be increased more than 3 cents per pound. This is even lower than the black-market prices paid by people in the large centers. It would save the unnecessary expenditure of three quarters of a billion dollars of estimated black-market profits and would save the taxpayers $700,000,000 in subsidies.

Mr. Chairman, why not give the producers, the legitimate packers and processors, and the laborers who actually do the work, together with the retailers who sell the meat a fair chance, and why not be fair to the consuming public? We are not doing it now.

Mr. Chairman, one of the outstanding difficulties with respect to the OPA program, especially as it applies to meat, is that it has been administered by men who are not familiar with the practical operations of the program. Most of those who prepare the directives and make the regulations have had little or no actual experience with the livestock industry or processing of meat. They have had a certain amount of training in economics but lack in practical experience in dealing with the meat problem. This has been brought out quite definitely by the special committee, headed by the gentleman from Virginia, Hon. HOWARD SMITH, which held hearings on this question. It was disclosed there that the men who prepare the directives know little about their practical application.

Regardless of how the OPA may have operated or succeeded in dealing with other commodities, it has failed completely with respect to the beef situation. The black markets are taking over the business day by day. The situation has become so widespread, it is practically impossible to compel compliance with the rules and regulations of the OPA. The livestock business has become jittery because of uncertainties. The packing and processing business is demoralized. Thousands of men and women, engaged in the processing of meat, are being thrown out of work. The consuming public is paying the bill. Let it be known, too, that no one in the entire transaction is asking for additional profits or additional pay for his services. All they ask is a fair deal.

The thing to do is to remove subsidy payments now and give the law of supply and demand a chance to operate. Black markets will disappear. A decent supply of meat will flow through regular channels without additional costs to the consuming public.

Mr. Chairman, the situation with respect to the livestock and the meat industry, as it relates to the consuming public, is becoming more serious every day. It must be remedied now.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, we are engaged in the consideration of perhaps the most important bill that this Congress has ever had to consider. We are facing it with no appreciation on the part of the agency which has been supposed to be administering the act of the situation which confronts the country.

We are facing it with the certainty that if the Office of Price Administration is continued with its present powers, we will have complete and uncontrolled inflation. They have done nothing but throttle production and interfered with every sensible operation that has been proposed. I hate to see this situation. I think it is up to the Congress to meet it. I think it is up to the Congress to have courage enough and character enough to meet the problem head-on. I have been unable to see more than one way out of the situation. I do not like that way, but any other way will result either in a gradual price rise such as we have been witnessing or it will result in so throttling production that there will be nothing but black market. Time after time a factory has been closed down because this outfit would not give a rise in price of their product sufficient to compensate for labor and other price increases. Time after time we have had a messing up of the agricultural situation, the dairy situation, and the feed situation, just because these people whose responsibility it is will not act and will not meet their responsibilities. Talk about stripping them of their powers. They have failed hopelessly to exercise the powers that have been entrusted to them and which were necessary for the preservation and stability of our country.

I have been over this situation very carefully. I am going to give you an illustration of something like the situation. There is no price control on oats. Oats have about four-sevenths the feeding value of corn. Oats are 83 and 84 cents a bushel in Chicago. Corn is $1.21½. On the basis of feeding values, corn should be $1.45 or $1.46.

Now, what is the result? The farmer with the present prices of pork can feed his corn to hogs and he can get 30 cents a bushel more out of that corn.

There is no feed for the poultry and dairy cattle. The farmers are down, the feed dealers and distributors are down to unprecedented low levels. Pursuant to the consent granted me I submit the following study I have made about the feed situation:

Inequalities in present OPA ceiling prices on grains, based on their feeding values

Kinds of grain	Ceiling prices (Chicago)	Per ton
No. 2 yellow corn	$1.21½ per bushel	$43.39
No. 2 wheat	$1.83½ per bushel	61.16
Feed barley	$1.26½ per bushel	52.70
No. 2 white oats	83 cents per bushel	51.87
Grain sorghum	$2.91 per 100 pounds	58.20

It is a recognized feeding practice to value oats at four-sevenths the value of corn for feeding livestock. If this established formula of values is accepted, it follows that, with a corn ceiling of $1.21½ Chicago, oats should be 69½ cents per bushel, and not 83 cents per bushel—the present ceiling.

The price of any commodity is determined by what the buyer is willing to pay; cash oats are selling at the ceiling of 83 cents per bushel, which establishes their value of at least that price.

If this price of 83 cents per bushel on oats reflects true feeding value, and, using the established formula of value between oats and corn, it is obvious that the ceiling price of corn of $1.21½, Chicago, is too low, and economically unsound. With oats at 83 cents per bushel, the value of corn is $1.45½ per bushel, and not $1.21½ per bushel. This is the fundamental reason why corn is not being sold at ceiling prices, and that which moves off producing farms does so at vicious black-market prices.

To establish the proper price relationship between these two basic grain commodities, the price ceiling on corn should be increased from $1.21½ per bushel to $1.45½ per bushel—an increase of at least 24 cents per bushel in ceiling price.

Another comparison can be made between corn and feed barley, which grains are recognized to have about equal feeding value, although barley is not as high in fat content as corn. On such comparison with the ceiling price of $1.26½ per bushel on barley, the ceiling price on corn should be $1.47½ per bushel.

Barley at $1.26½ per bushel equals $52.70 per ton.

Corn at $1.47½ per bushel equals $52.70 per ton.

With these price inequities it is obvious that the northeast has been able to obtain only a small fraction of the corn produced on the 1945 crop.

The bulk of the corn obtained in the northeast was not in the form of whole corn, but rather in the form of grain-base mixtures, which cost anywhere from $52.50 per ton to $60 per ton bulk basis, Chicago, depending on how they were made up. It is interesting to note that, through the means of grain-base mixtures, corn was sold at its relative value with other grains, and not at its abnormally low ceiling price. War Food Order 145, issued a few days ago, prohibits the sale and shipment of grain-base mixtures, thus further complicating the feed-supply situation for the northeast.

Relative protein and prices on feed ingredients

Feed ingredients	Protein	Price per ton
	Percent	
Soybean oil meal	41	$53.32, bulk.
Linseed oil meal	32	$43.50, bulk.
Distillers' dried grains	27	$66.50, bulk.
Gluten feed	23	$44.30, bulk.
Wheat mill feeds	15	$46.14, sacked.
Ground and flaked wheat	13	$76.80, sacked.
Sun-cured alfalfa meal	13	$53.00, sacked.
Ground oats	12	$70, sacked.
Hominy feed	12	$52.30, bulk.

NORTHEASTERN INVENTORY SITUATION

On a recent survey of feed manufacturers in New York State, 75 percent thereof reported inventories of feed supplies only sufficient to meet the requirments of their farm customers for 30 days. These same manufacturers report that since March 1 feed has been consumed on a ratio of 4 cars to each car of incoming materials, thus rapidly depleting inventories. Also, that it has been practically impossible during such period to purchase replacements other than oats and, that within the last 2 weeks, offerings of oats have materially dried up.

The recent War Food Order 145, restricting the use of grains and byproduct feeds to 80 percent of the usage of the corresponding calendar months in 1945, has in no way relieved the feed-supply situation for the northeast, but on the contrary has further complicated the problems of feed manufacturers in supplying the needs of their farm customers. It is impossible, under the present situation, for feed manufacturers to supply 80 percent of the feed manufactured in the corresponding months of 1945. Generally speaking, 70-percent production is the maximum possible, which necessarily will be reduced to 50 percent or less within 30 days.

Now, what is the remedy? Frankly, I can see but one, and that is take the June 30 OPA price that is in effect, add to it the subsidy that is then being paid so that we get rid of that subsidy racket, which has been promoting inflation, as it has for the last 3 or 4 years, and then permit the seller, without any control by OPA, to charge up as high as 15-percent increase above that. You would then get production and be able to keep prices down.

If you do not have any control, many of your prices will immediately skyrocket, but with this moderate control, continuing sugar rationing and continuing OPA enforcement, I believe we could prevent uncontrolled inflation. If we permit the OPA to fiddle around, dodge its responsibilities, and promote inflation as it has for a long time now, doing nothing whatever of what it is supposed to do, considering nothing of what it is supposed to do, I believe we are in for trouble.

I hope that the Congress will not be like the OPA, afraid to meet its responsibilities, but will stand up and try to do something to solve this problem and prevent uncontrolled, wild inflation. It is time that this tremendous propaganda organization was wound up and that it was put where it belongs.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. CRAWFORD. I would like to ask the distinguished gentleman from New York, who holds such an important position on the Committee on Appropriations, if he has seen any evidence in the administration of these control laws with respect to inflation, the price controls we have had, where price control reduces the supply of money which is the potential inflationary course?

Mr. TABER. No.

Mr. CRAWFORD. Has the gentleman seen any evidence in the administration of the act where the OPA increases the supply of goods?

Mr. TABER. On the contrary, they have destroyed the supply of goods by throttling every ordinary influence which would promote production.

Mr. CRAWFORD. I think we have many pages of hearings now printed, available to the Members, that prove that statement.

Now, has the gentleman, in watching the administration of this act, found any evidence whatsoever where the administrators do anything to increase the willingness of our people to spend their accumulated funds?

Mr. TABER. Not in the slightest. There has been only one move which has

been made which has been helpful, and that has been the reduction of the debt out of the Treasury balance, and the resulting reduction in the Treasury balances in the banks and the resulting decrease in the price of Government bonds, which has been helpful. It has to a certain extent taken away the tremendous bank deposit pressure for inflation.

Mr. CRAWFORD. Let us develop that for just a moment. Is it not a fact that the Treasury in taking up a portion of the Federal public debt just recently used, we will say, funds acquired through the oversale of bonds in the last bond drive?

Mr. TABER. Yes; in other words there has been a general reduction in bank deposits resulting from that contracting operation of from 7 to 10 percent.

Mr. CRAWFORD. But to get the matter in the record, which I think is very necessary and essential at this time, in the last bond drive the Treasury, we will say, oversold bonds and acquired a much larger general fund in the Treasury than was necessary to meet the current obligations of the Treasury.

Mr. TABER. That is correct.

Mr. CRAWFORD. And having thus built the general fund of the Treasury to a point greater by several billions of dollars than was necessary the Treasury now proceeds to use some of those excess funds with which to reduce the debt; and that is what the gentleman has referred to.

Mr. TABER. That is right.

Mr. CRAWFORD. I agree with the gentleman that it is much better to pay off some of that debt and get rid of the idle money.

Mr. TABER. And get away from these increased security prices.

Mr. CRAWFORD. Has the gentleman noticed where the administration has at any time through the price-control machinery diminished the inflationary influence of low-interest rates?

Mr. TABER. It has not.

Mr. CRAWFORD. Has the administration or the OPA at any time—and I go back to a previous question which the gentleman did not answer—has the administration or the OPA at any time reduced the willingness of the people to spend? And with that has it not through scores of speeches made by Messrs. Bowles, Porter, and others, stimulated spending by pointing out to the people that the borrowing power of their money was decreasing daily through inflationary pressure?

Mr. TABER. I think that is correct.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GAMBLE. Mr. Chairman, I yield 8 minutes to the gentleman from Oregon [Mr. ELLSWORTH].

Mr. ELLSWORTH. Mr. Chairman, I think it should be noted for the record in the course of this debate on the bill now before us, which has as its purpose the extension of the Price Control Act, that the law as passed originally and as subsequently extended was and is a good law. It was passed by Congress and signed by the President to meet an emergency caused by unusual war demands upon our raw material and productive resources. Such demands caused shortages in normal supply. Therefore, the control of prices on our available supply was necessary to prevent price rises, profiteering, and inflation.

Now that the end of the war is more than half a year past, we still find shortages in many items which obviously should be in plentiful supply. I refer to such things as men's shirts, soil pipe for building, cotton underwear, mattresses, and so forth. This list includes hundreds of items. Production of these items has been delayed and, in some instances, prevented by the Office of Price Administration, a bad administrative body charged with the administration of a good law.

Now, the Congress is called upon to make a choice as between two evils. If we discontinue the price-control law, inflation is not only possible, but extremely likely because shortages still exist in many items—shortages which have been maintained and fostered by incompetence in the Office of Price Administration.

If we continue the price-control law, we quite obviously continue the poor administration of it, with the result that, for whatever length of time it is extended, we will undoubtedly find the same identical situation existing at the end of that time as we find today. It is a very difficult choice we are facing, and I hope the people of the country can be made to understand our problem.

I have just made some assertions regarding the incompetent and bad administration of the OPA law. I shall prove those assertions by quotations from the Office of Price Administration itself.

Chester Bowles, former Price Administrator and now Director of Stabilization, said to the committee during the hearings on this bill—page 11:

> There are some who say, "Yes, but under price control, production is impossible." The record clearly proves that this is nonsense * * * today, production is surely at the highest point ever achieved in peacetime.

Later, he said:

> As production recovers from recent shutdowns, let us forget this propaganda talk about price controls making production impossible.

Mr. Potter, another executive of OPA, told the committee—hearings, page 89:

> In summary, December 1945, industrial production was at an all-time peacetime peak * * * a far larger percentage of our producers are able to operate profitably than were so able to operate before the war.

Paul Porter, present OPA Administrator, told the committee—hearings, page 1665:

> Price control is not holding down over-all production. Little, if any, increase in total output could be expected as a result of a general rise in prices.

Now, I turn to the wording of recent orders issued by the OPA itself. On March 18 an order covering certain textile items announced a price adjustment to encourage manufacturers to resume production. The order said:

> A few manufacturers, some of them volume producers, have discontinued or reduced their production on certain textile items priced abnormally low.

On March 9, in an order affecting many types of hardware, the OPA said the order was "to encourage production of relatively inexpensive consumer hard goods not now reaching the market in sufficient volume."

In an OPA press release regarding an order issued for the purpose of adjusting prices on millwork appears the following sentence: "But even these prices will be much lower than prices would be for doors and window frames made from costlier substitutes," and it was pointed out that present production of the items referred to is only 10 percent of the minimum required under the emergency-housing program.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If I understand the gentleman correctly, the OPA amended order points out that the goods produced under that amended order, which allows an increase in price, will not give to the consumer as high a cost price as goods made out of, we will say, unnatural material?

Mr. ELLSWORTH. The statement is not mine. The statement is made by OPA itself.

Mr. CRAWFORD. I certainly appreciate the gentleman developing that fact, because I did not know it had been published. We have that situation, and at the same time we have Administrator Wyatt asking us to give him $600,000,000 to subsidize producers of building material so that they can go and put on the market for the consumer a higher-cost commodity?

Mr. ELLSWORTH. I think the answer to the gentleman's question is obvious.

Plumbing drainage supplies are needed for home construction. OPA denies that it has prevented production of any necessary commodity, but on March 28, in announcing an adjustment of prices on about 40 cast-iron plumbing drainage articles, OPA said that its prices have been, and I quote:

> An impediment to direly needed production.

In announcing these price increases, the OPA further said:

> Current production, according to recent surveys, is only about 20 percent of normal peacetime volume, since many producers have discontinued entirely the production of these items while others have diverted their facilities to more profitable castings.

The same type of statement was made in connection with a price adjustment made on March 29 on cotton underwear. A press release regarding this order said:

> Some of the most basic types of good quality knitted underwear have, in large measure, disappeared from the consumer market since 1942 because, as costs of production have increased, manufacturers have turned to more profitable and less essential items. Today's action is designed to encourage manufacturers to resume production of garments of the same style and quality as those they delivered and sold in 1942 and have since discontinued.

On March 22, OPA readjusted the price of mattresses, and stated:

> There are practically no branded mattresses being sold.

OPA denies that its regulations are an impediment to the housing program, and yet, on April 1, it adjusted prices on building brick with this explanation:

> In connection with these amendments, the Administrator found that an increase in the maximum price for this commodity was required to remove price as an impediment to the supply of a product essential to the effective transition to a peacetime economy.

Prices of these bricks had been frozen at the March 1942 level. I call your attention to the fact that this situation was only discovered and remedied as of the first day of this month, some 8 months after the end of the war.

On March 22, the OPA issued an amendment increasing the manufacturers' price of hardwood flooring. OPA propagandists deny that the agency is restricting production, yet, in this order, OPA admits—

> It is estimated that this action will increase hard maple flooring production by about 5,000,000 feet board measure per annum, and birch flooring by a similar amount.

The statements I have just quoted from recent OPA orders are being repeated over and over again. I could give similar quotations from recent orders covering the prices of paint, drain tile, lumber, dress material, plumbing valves and fittings, machinery, brass mill products, and even on nail kegs. With respect to this last named item, the OPA said:

> A trend toward declining production of these essential containers has been in process during the past few months.

In this discussion, I have mentioned only a few items, and referred to only a few of the orders issued by OPA during the last 3 or 4 weeks—orders issued since the beginning of hearings on the OPA bill.

The OPA has apparently sought to perpetuate itself by maintaining price policies which have retarded production as I have shown by quotations from its own press releases, but, at the same time, its own top executives and its propaganda machine tell the people of the country that production is at an all-time peak.

We shall probably have to continue OPA for a few months, because OPA policies have created shortages, but, in doing so, I hope the people of the country can be made to understand how OPA policies have betrayed them by slowing up the production of needed items. I hope then that the people will demand that OPA recede from its policy of scarcity and self-perpetuation and proceed to stimulate production. Only full production can end shortages and thus end OPA.

Mr. SPENCE. Mr. Chairman, I yield 25 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, the Price Control and Stabilization Acts of 1942 will expire on June 30 this year.

Sections 1 and 2 of the House bill 6042 extends these acts to July 1, 1947.

We all know what inflation means and that deflation follows inflation as sure as night follows day.

We experienced inflation after World War I, and many were happy for a short period, but when deflation came all business was almost paralyzed throughout the country; millions lost their business, their homes, their farms; factories were closed and there was nowhere for labor to be employed; the streets and highways were filled with people looking for jobs; in the large towns and cities bread lines were formed; people begged for something to eat, not so much to satisfy themselves as for bread to take home to their helpless children.

I hope we will never experience such tragedy again in this great country of ours. Could there be any man who desires such wild inflation with its deadly trail which we experienced a quarter of a century ago? You can bring about conditions that will cause inflation overnight, but it takes years and years to recover from deflation.

We have inflation now and will have some inflation as long as we spend so much money and have such a large debt. I am told that the purchasing power of the dollar at this time is 75 cents; after World War I the purchasing power of the dollar went down as low as 40 cents.

In considering this bill, ask yourself this question: Would the purchasing power of the dollar be as much without price control? I think we will be lucky if the purchasing power of the dollar is held to 60 cents before this emergency is over.

I am not here asking you to extend the law as it is and operate it as it has been administered in the past 12 months. I am telling you the responsibility to slow down inflation is on Congress. Will you brave men give up in despair and say by your action there is nothing you can do to halt or prevent further inflation? The committee bill is an improvement of existing law. If the bill is not workable, then help us improve it by further amendments. Do not give up and say there is no need to try to control inflation because you are irritated and disgusted by foolish regulations or by the acts of an incompetent enforcement officer.

I think we have a fairly good bill and if it is administered properly it will give good results in slowing down inflation and will be much less irritating to the public. If this is not what you want, amend it, but do not offer crippling amendments that will destroy control of scarce articles or commodities.

The viewpoint on control of inflation is divided among three distinct groups. The viewpoint of one group is that the present price-control law should not be amended in any respect and that entire control should be left to the officials of OPA. The viewpoint of the second group is that it is much better for the country to take off all control. The viewpoint of the third group is that as long as we have scarce materials and commodities we must have control of these commodities to prevent people bidding against each other and running prices sky high. I am an advocate of the last viewpoint.

The main weapon against inflation is full production. When production is in balance with demand, you do not have people bidding against each other for commodities, and the prices of such commodities become stable. Therefore, I am a firm believer in the principle that when we have any commodity sufficient to meet the demands of the people there should not be any control on same, or if there is control now it should be lifted. The very definition of inflation is scarcity and lack of production to satisfy demand.

I have drawn an amendment to meet this situation. The amendment may not be perfect, but my idea and hope was that when domestic demand for any commodity or class of commodity has been satisfied by production, price control shall be removed and no control shall be placed on such commodity when there is sufficient supply to satisfy demand. My original amendment was amended in one or two instances, but the purpose of same was to carry out the idea I have just stated.

You are not going to be able to get any bill through Congress, and the people are not going to stand up to any kind of control that does not recognize the principle that when supply is in balance with demand control must be removed.

The most irritating thing about the operation of the present price-control law is that the administration officials are trying to control indirectly profits on certain commodities that satisfy demand. Some OPA officials believe and have given out the false impression that the Control Act was to regulate profits, while it really was intended to control prices and stabilize production. Unless production is stimulated, inflation will increase. It is true that under their philosophy the public might buy some things cheaper, but the control law is intended for one thing, and one thing only, and that is to curb inflation, and there can't be any inflation when the supply is to a degree where people are not forced to bid against each other to get a sufficient quantity of the commodity or commodities. Everyone should be in favor of lifting the lid off of commodities as supply comes up to demand, but to pull control off across the board on scarce articles would be utter madness in this age of scramble for scarce articles. This bill, as amended, is to continue controls on scarce articles for a year or less until production of such commodities is sufficient to supply the demand.

We were told in the hearings that since VJ-day production has increased very rapidly. Practically all the witnesses in favor of price control stated that we would have full production of all commodities within a year or less. We were told by all of the witnesses that when production equals demand there is no need of control and especially control of those commodities that are in abundance or equal to demand.

It has been charged that production has been held down by many of the regulations issued by the OPA and that if the orders had been more elastic we would have full production earlier. I do not think that any order should be issued by the OPA that will retard in the least full

production of commodities, but when necessary prices must be raised to insure production. I realize that many of the orders of OPA have brought injustices and inequalities to many individuals, and as a matter of fact, OPA has acknowledged this. These injustices must be corrected. While there have been many injustices, we must realize that it is a very difficult task to have ceilings on 8,000,000 items without doing injustice to some. In our criticism of the activities of the administration of the OPA we must be more tolerant and place more safeguards in this bill for the last year of the operation of OPA.

I introduced an amendment, which is in the bill, for a gradual liquidation of price and wage control and of subsidies, the life of price control to be terminated without further extension not later than June 30, 1947, and on that date the OPA shall be abolished. We want to return to a free market and to free collective bargaining as soon as possible without disturbance of the national economy. At the rate production is increasing now, it is believed by practically all businessmen that production of all commodities will be in sufficient quantity to satisfy demand for same. A lot of businessmen are under the impression that price control will go on year after year, and this amendment in the bill will assure them that Congress intends to return to free enterprise within about a year, and under this bill we will have an orderly decontrol of commodities.

I take the position that every man in business is entitled to a fair and reasonable profit and that in placing a ceiling on any commodity processed from any raw material the cost to the processor of raw material should be one of the elements taken into consideration when the ceiling is placed on such commodity. The processor of raw material who does not produce raw material has no way to control the price of the raw material and it is just nonsense to say that cost to him of such material shall not be considered as one of the elements in arriving at the proper ceiling on his product. I take the further position that this should be the yardstick or formula in placing ceilings on all products. To disregard such a principle is unfair, wrong, and contrary to the American principles of doing business. To disregard such a method in placing ceilings on the commodities, even if it does create a little higher price to the consumer, is irritating not only to the producer but even to the paying public who believes in fair play, equality, and justice.

Under existing law, no ceiling can be placed on any basic agricultural commodity that does not reflect parity. The OPA undertook to place ceilings on textile items which did not reflect parity on cotton, and the original Bankhead-Brown amendment was to force the OPA to carry out existing law and take into consideration the cost of raw cotton at the mill. At that time cotton was 92 percent of parity. Most all other basic agricultural commodities were considerably above parity. Cotton today is 14 percent above parity and wheat is 20 percent above parity. These figures were furnished me by the Department of Agriculture this morning. At the time the Bankhead-Brown amendment was enacted the ceiling on a number of textile items at the mill was above parity and on quite a number of items it was below parity. Those items below parity controlled the entire price of cotton. This was the reason that cotton was very much below parity and other basic agricultural commodities above parity at the time the Bankhead-Brown amendment was adopted. The intention of the Bankhead-Brown amendment, in order to help cotton, was to force a ceiling to include the cost of raw cotton at the mill and the cost to be one of the elements in placing a correct ceiling on all major textile items. Therefore, section 8 of this bill is simply to clarify existing law to require OPA to follow the spirit and intent of the law and take into consideration the current price of cotton, manufacturers' cost, and a reasonable profit, in the calculation of its ceiling price on cotton textiles.

I am informed that many mills are storing a lot of the textile items instead of placing them in the channels of trade, hoping to realize a profit some day. Production is not worth anything to us unless we can have the goods produced sent to the buying public. None of the mills are running over two shifts. As a matter of fact there ought to be three shifts in order to get full production. The mills claim it is impossible to get the desired results without the cost of the raw material being considered as one of the elements in placing a ceiling on the textile items.

At the present time OPA is not allowing the replacement cost of cotton in the cotton textile ceilings now in effect. In fact, the mills today have to pay from 2 to 2½ cents per pound more for their cotton on the current market than OPA allows for cotton in the textile ceiling prices recently announced.

The result of this squeeze has been a decrease in the production of cotton goods in general and of low-cost cotton goods in particular. In the period from August 1, 1945, to March 1, 1946, which is the approximate period between the two latest price adjustments made by the OPA, the cotton price increased about 3 cents per pound above that allowed by OPA. Consequently the small margin of profit on many of the basic textile items was wiped out. Many items were in a loss position and consequently manufacturers decreased production on those items to decrease their losses.

The OPA officials have recently recognized that the principle of placing ceilings at parity at the mill is wrong and have placed ceilings above parity but not to the extent of cost of raw cotton at the mill.

The decrease in textile-mill production of cotton goods over this same 7-month period amounted to over 500,000,000 yards of cloth less than that period a year before partly because of a shortage of labor but mostly because of the fact that mills could not afford to produce the yarns and the fabrics at prices allowed by the OPA.

This loss in production meant a loss of approximately half a million bales in consumption of cotton in this country. Although the OPA has made several adjustments in the textile ceilings during the last 3 or 4 years, these adjustments have usually been too little and have come too late, and as a result, the rate of production of the mills has continued to decline, from a peak in 1942, when the mills used eleven and one-half million bales of cotton, to a current rate of about eight and one-half to nine million bales. This is a drop of two and one-half to three million bales in the rate. This decrease in production is the reason you and I have been unable to buy on the market today ordinary articles of cotton clothing like shirts and underwear, and the reason our wives have been unable to find sheets, pillowcases, towels, piece goods, and all the other usual cotton household goods, which every home in America now needs badly. Testimony which has been presented before various committees of this Congress in recent months gives evidence of the shortage of cotton goods all over the country. Many garment manufacturers have been forced to close down recently and turn off their workers because they have not been able to get the goods from the mills. Naturally, the garment manufacturers have been unable to supply the wholesalers and retailers, who, in turn, have been unable to supply their customers.

Today, when the textile requirements of the world are so large, we have the greatest opportunity we have ever had to get rid of the cotton surplus in this country once and for all. There is estimated to be about 10,000,000 bales of cotton in the United States at the present time. On August 1, 1946, the beginning of the new cotton crop year, it is estimated there will be a surplus of seven and one-half to eight million bales in this country, or about one-third larger than that we considered to be normal carryover in predepression days.

Representatives of the textile industry tell me that the mills in this country could consume 12,000,000 bales of cotton a year if price ceiling would enable them to produce all their goods at a profit which would allow them to pay for third-shift operations and overtime. At the rate workers are returning to the mills, they believe this rate of production might be achieved in a relatively short period if price ceilings were sufficient.

There has been a slight increase in the rate of production in the textile mills very recently, due to the increased number of workers now employed in the industry and the special price incentive OPA offered on a limited number of textile items a few weeks ago in order to induce production of lower-cost goods. At the present rate, however, we will only consume about 9,000,000 bales a year, which is still 2,500,000 bales less than the peak production. Certainly, the need for cotton goods has never been greater in this country than it is today, to say nothing of the needs for cotton textiles all over the world, which we are daily being called upon to supply.

The present difficulty in requiring OPA to allow the current cost of cotton in textile ceilings is not new. We have had trouble in this regard since the beginning

of the price-stabilization program. In 1944, just about 2 years ago, OPA's attention was called to the fact that cotton prices had advanced around 2 cents a pound since the ceiling prices were fixed in April 1942 and that an adjustment in prices was necessary. At that time cotton was still considerably below parity, when most major farm commodities were at or above parity, and though cotton had increased slightly the textile ceilings were prohibiting cotton reaching parity. The OPA, however, flatly refused to make adjustments of any consequence in cotton textile ceilings. Production had already fallen off about 1,500,000,000 yards.

To stop any further decrease in production, Congress passed what came to be known as the Bankhead-Brown amendment to the Stabilization Act of 1944, which was intended to provide a practical formula for determining ceilings on major cotton textile items to encourage production. Object of the amendment was to require that ceilings on any major item should not be less than the sum of the following three factors: First, the cost of the cotton used in making the item, computed at not less than the parity price for that grade and staple of cotton delivered to the mill; second, a weighted average of the cost of manufacturing that item; and, third, a reasonable profit on that item. Certainly no sensible person could believe that any manufacturer would produce a piece of goods if the ceiling price on that goods was any less than the actual cost, plus a reasonable profit.

But the intent of the Bankhead-Brown amendment was not carried out. The OPA maintained a constant attitude of defiance and resentment toward carrying out the intent of the law. They had fought it bitterly when it was before Congress and then used all tactics at their command including the most effective measure of delay. When Mr. Bowles appeared before the Senate Banking and Currency Committee on March 1, 1945, to ask for another extension of the price stabilization law, he had to admit there were still ceilings on cotton-textile items that had not been adjusted. All this time costs were continually increasing.

To require the OPA to follow the spirit and intent of the original Bankhead-Brown amendment, an interpretation of the amendment was included in the June 27, 1945, conference report on Senate Joint Resolution 30 extending the Emergency Price Control Act to 1946. The report, signed by the managers on the part of the House on the cotton textile amendment, reads as follows:

> The conferees have given consideration to the operation of the Bankhead-Brown amendment to the Stabilization Act of 1942, relating to the pricing of cotton textiles. The conferees are in agreement with the conclusion of the Senate and House committees, that the purpose of that amendment will not be carried out unless the maximum price for each major cotton textile item is fixed and maintained at not less than the sum of the following:
>
> 1. The cotton cost (which must be computed at not less than the landed mill parity equivalent for the grade and staple of cotton used; except that, after the initial adjustments required under the amendment have been made, the amendment does not require the continued use of a cotton cost figure which is, and for a representative period has been, above or below the actual cotton cost);
>
> 2. A weighted average of mill conversion costs; and
>
> 3. A reasonable profit.
>
> The conferees are advised that the Price Administrator has informed the chairman of the Senate Banking and Currency Committee that the policy which he intends to follow in administering the amendment will be in full accord with this opinion as to its requirements.

The significant language in this report is that contained in the last phrase of the paragraph numbered 1, "above or below the actual cotton cost." To the conferees this meant that the OPA would allow the current cost of cotton. However, Mr. Chester Bowles still refuses to follow the intent of the act by arguing that the law does not require him to allow the current cost of cotton above parity.

The amendment in the price control bill being debated now simply proposes to write into law the spirit and intent of the conference report of June 27, 1945, which I have just read. The language of this amendment is very simple and short. It reads as follows:

> On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price, applicable to manufacturers or processors, for any major item in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum prices for such major item is fixed and maintained at not less than the sum of the following:
>
> (1) The cotton or wool cost (which must be computed at not less than the parity price or the current cost, whichever is greater, of the grade and staple of cotton or wool used in such item, delivered at the mill);
>
> (2) A weighted average of mill conversion costs; and
>
> (3) A reasonable profit.

Wool was included in the amendment because representatives of the wool growers and the wool manufacturers felt their problem was the same as that of the cotton people and asked to be included.

This is not, therefore, to be considered as new legislation, but is simply a clarification of the existing laws to assure that OPA will reflect the current cost of cotton, and thus allow the mills to produce without loss the cotton textiles that are so badly needed in the country today. If this amendment is adopted, we are sure it will mean more shirts for the people in this House, more overalls and work shirts for the working people of this Nation, more bed clothing and household goods for the housewives of this country, and more textiles and clothing that we can send to help clothe the naked of the world.

The cost of raw cotton is only one of the three elements that go into fixing the proper ceiling prices of textile items. The other two elements, weighted average of mill-conversion costs and a reasonable profit, are merely declaratory of the existing administrative practice. Why should not the cost of the raw material be just as essential in a correct ceiling as the weighted average of mill-conversion costs and reasonable profit, in view of the fact that the mills are helpless as to the amount they have to pay for raw cotton which is a standard price all over the United States?

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield.

Mr. TALLE. I believe the amendment proposed by the gentleman from Georgia is to section 8 of the bill.

Mr. BROWN of Georgia. That is right.

Mr. TALLE. Subparagraph (2) reads as follows:

> A weighted average of mill-conversion costs.

Will the gentleman explain what is meant by these words?

Mr. BROWN of Georgia. It simply means that weighted average is the cost of all the mills divided by the total yardage of all the mills, and nothing else, as distinguished from simple average which is the total cost of all the mills divided by the number of mills.

Mr. TALLE. I thank the gentleman.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, had come to no resolution thereon.

HOUR OF MEETING TOMORROW

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

EXTENSION OF REMARKS

Mr. TABER (at the request of Mr. CRAWFORD) was given permission to revise and extend the remarks he made this afternoon and include certain tables and statistics relating to the subject matter thereof.

Mr. CANFIELD (at the request of Mr. GAMBLE) was given permission to extend his remarks in the RECORD.

DOMESTIC RAISING OF FUR-BEARING ANIMALS

Mr. GRANGER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2115) relating to the domestic raising of fur-bearing animals, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

> Page 2, line 6, strike out "effect" and insert "affect."

The SPEAKER. Is there objection to the request of the gentleman from Utah?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I understand this only corrects a typographical error?

Mr. GRANGER. That is all.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mrs. MANKIN asked and was given permission to extend her remarks in the RECORD and include an editorial appearing in the Washington Post of even date, said editorial referring to a bill that passed the House today, and being headed "Let Down by the House."

COTTON-MARKETING QUOTAS UNDER THE AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. PACE. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 336, relating to cotton-marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I was given to understand that the only matter of business that might be taken up was the bill which the gentleman from Utah just presented. I am put in the rather embarrassing position of not knowing anything about the gentleman's bill. I hesitate to object, although I have reserved the right to object because the leader on this side instructed me not to let any other legislation pass.

Mr. PACE. Mr. Speaker, if the gentleman will withhold his objection, I think I can satisfy him.

This is a bill which was on the Consent Calendar today. The distinguished gentleman from New York [Mr. COLE] asked that it be passed over. He wanted the matter explained.

I have conferred with the gentleman from New York [Mr. COLE] and it is entirely agreeable to him that the bill be called up at this time. It has the unanimous report of the House Committee on Agriculture. The gentleman from Kansas [Mr. HOPE] is thoroughly familiar with the situation and I am sure he has no objections.

The urgency of the matter is this: Under the present quota law, the Triple A Act, it is necessary if they are going to have control of acreage on cotton next year for the Secretary of Agriculture to ask immediately for an appropriation of between $4,000,000 and $5,000,000 to begin right away the assembling of the necessary field data to get ready for quotas in 1947.

In 1945 there were anly 18,000,000 acres of cotton harvested. The indications are that there will be a slight increase this year. But under the law the least that the Secretary of Agriculture can allot is 27,000,000 acres and it is agreed it would not be in the best interest to allot that much acreage; therefore it is urgent that this resolution have consideraion and approval of the House and the Senate immediately. It was on the Consent Calendar. It is agreeable to the objectors, and it is the unanimous report of the committee.

Mr. WOLCOTT. Did anybody else besides the gentleman from New York object to the bill?

Mr. PACE. None whatever. I conferred with the objectors on this side, and they have no objections.

Mr. WOLCOTT. Did the gentleman get the approval of the objectors on this side?

Mr. PACE. Only the gentleman from New York [Mr. COLE], who asked that the matter temporarily go over.

Mr. WOLCOTT. And it was his understanding that the gentleman was going to bring the bill up tonight?

Mr. PACE. Yes.

Mr. WOLCOTT. The gentleman conferred with the gentleman from New York and he has withdrawn his objection, too?

Mr. PACE. He has. It is entirely agreeable, I assure the gentleman, all the way around.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That notwithstanding the provisions of sections 341-350, inclusive, of the Agricultural Adjustment Act of 1938, as amended (U. S. C., 1940 ed., title 7, secs. 1341 to 1350, inclusive), and in view of the critical shortage of fats and oils and protein feeds, cotton marketing quotas shall not be proclaimed with respect to the marketing year beginning August 1, 1947, and no National, State, county, or farm acreage allotments for cotton for the 1947 crop shall be established.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HENRY (at the request of Mr. MARTIN of Massachusetts) indefinitely, on account of death of father.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 287. An act for the relief of Murphy and Wischmeyer; to the Committee on Claims.

S. 470. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of W. P. Richardson, as successor and assignee of W. P. Richardson & Co., of Tampa, Fla; to the Committee on Claims.

S. 593. An act for the relief of Warrant Officer Wayne C. Proper; to the Committee on Claims.

S. 875. An act for the relief of Mercy Duke Boehl; to the Committee on Immigration and Naturalization.

S. 943. An act granting the consent of Congress to the State of Washington to construct, maintain, and operate a free highway bridge across the Columbia River at Northport, Wash.; to the Committee on Interstate and Foreign Commerce.

S. 997. An act for the relief of Aldona Kojas; to the Committee on Claims.

S. 1201. An act for the relief of Arthur F. Downs; to the Committee on Claims.

S. 1286. An act for the relief of Sam Bechtold; to the Committee on Claims.

S. 1325. An act to amend the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," as amended; to the Committee on the Judiciary.

S. 1442. An act for the relief of George O. Weems; to the Committee on Claims.

S. 1507. An act to better adapt the loan programs authorized by the Bankhead-Jones Farm Tenant Act, as amended, to the needs of veterans and low-income farmers, and for other purposes; to the Committee on Agriculture.

S. 1516. An act to amend section 12 of the Bonneville Project Act, as amended; to the Committee on Rivers and Harbors.

S. 1563. An act for the relief of Ferris Ruggles; to the Committee on Claims.

S. 1604. An act for the relief of Leo Stuhr; to the Committee on Claims.

S. 1636. To amend the Surplus Property Act of 1944 to designate the Department of State as the disposal agency for surplus property outside the continental United States, its Territories and possessions, and for other purposes; to the Committee on Expenditures in the Executive Departments.

S. 1714. An act to amend the act entitled "An act to prevent purchase and sale of public office," approved December 11, 1926; to the Committee on the Judiciary.

S. 1742. An act for the relief of Socony-Vacuum Oil Co.; to the Committee on Claims.

S. 1747. An act for the relief of John C. Spargo; to the Committee on Claims.

S. 1757. An act to amend the Surplus Property Act of 1944, as amended, so as to broaden the scope and raise the rank of the veterans' priority; to the Committee on Expenditures in the Executive Departments.

S. 1801. An act authorizing the appointment of an additional judge for the district of Delaware; to the Committee on the Judiciary.

S. 1802. An act to provide for the delivery of custody of certain articles of historic interest from the U. S. S. *Nevada* and the U. S. S. *Wyoming* to the State of Nevada and the State of Wyoming, respectively; to the Committee on Naval Affairs.

S. 1805. An act to authorize the promotion of personnel of the Navy, Marine Corps, and Coast Guard who were prisoners of war; to the Committee on Naval Affairs.

S. 1812. An act to provide reimbursement for personal property lost, damaged, or destroyed as the result of explosions at the naval ammunition depot, Hastings, Nebr., on April 6, 1944, and September 15, 1944; to the Committee on Claims.

S. 1834. A act granting the consent of Congress to the State of Iowa or the Iowa State Highway Commission to construct, maintain, and operate a free highway bridge across the Des Moines River at or near Farmington, Iowa; to the Committee on Interstate and Foreign Commerce.

S. 1854. An act to establish the civilian position of academic dean of the postgraduate School of the Naval Academy and compensation therefore; to the Committee on Naval Affairs.

S. 1857. An act to authorize the availability of certain necessary administrative expenses of appropriations for the Department of the Interior; to the Committee on Public Lands.

S. 1862. An act to repeal section 1548 Revised Statutes (34 U. S. C. 592); to the Committee on Naval Affairs.

S. 1871. An act to authorize the conveyance of a parcel of land at the naval supply depot, Bayonne, N. J., to the American Radiator and Standard Sanitary Corp.; to the Committee on Naval Affairs.

S. 1872. An act to provide for the rank of original appointments in the Corps of Civil

Engineers of the United States Navy, and for other purposes; to the Committee on Naval Affairs.

S. 1916. An act to authorize the Secretary of State to transfer certain silver candelubra to May Morgan Beal; to the Committee on Foreign Affairs.

S. 1932. An act conferring jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of the board of trustees of the Saunders Memorial Hospital; to the Committee on Claims.

S. 1959. An act to authorize the payment of additional uniform gratuity to reserve officers commissioned from the status of aviation cadets; to the Committee on Naval Affairs.

S. 1961. An act to exempt from taxation certain property of the Disabled American Veterans in the District of Columbia; to the Committee on the District of Columbia.

S. 1963. An act to authorize additional permanent professors of the United States Military Academy; to the Committee on Military Affairs.

S. 1978. An act to authorize the restoration of Philip Nickum, Jr., to the active list of the United States Navy with appropriate rank and restoration of pay and allowances; to the Committee on Naval Affairs.

S. 1980. An act to continue in effect section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, relating to the exportation of certain commodities; to the Committee on Military Affairs.

S. 1986. An act to regulate the manufacture, sale, distribution, and use of barbiturates in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S. 2029. An act to authorize the Director of the United States Geological Survey to produce and sell copies of aerial or other photographs and mosaics, and photographic or photostatic reproductions of records, on a reimbursement of appropriations basis; to the Committee on Mines and Mining.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 804. An act for the relief of Mrs. Trixie Minnie Twigg;

H. R. 841. An act for the relief of Lander H. Willis;

H. R. 888. An act for the relief of Bernice B. Cooper, junior clerk-typist, Weatherford, Tex., rural rehabilitation office, Farm Security Administration, Department of Agriculture;

H. R. 1073. An act for the relief of Mrs. Gertrude Verbarg;

H. R. 1217. An act for the relief of Hutchinson's Boat Works, Inc., and others;

H. R. 1235. An act for the relief of John Bell;

H. R. 1262. An act for the relief of W. E. Noah;

H. R. 1264. An act for the relief of Lt. Col. John P. Maher, Field Artillery Reserve, Army of the United States;

H. R. 1269. An act for the relief of Virge McClure;

H.R. 1350. An act to record the lawful admission to the United States for permanent residence of Nora R. Neville;

H. R. 1352. An act for the relief of Herman Feinberg;

H. R. 1356. An act for the relief of Elias Baumgarten;

H. R. 1399. An act for the relief of Mrs. Lucy Palmisano and the legal guardian of Anthony Palmisano, Jr.;

H. R. 1562. An act for the relief of the Borough of Park Ridge, Park Ridge, N. J.;

H. R. 1616. An act to grant an honorable discharge from the military service of the United States to William Rosenberg;

H. R. 1721. An act for the relief of Eli L. Scott;

H. R. 1732. An act for the relief of Mrs. Marie A. Shedd, Mrs. Maude C. Denney, and Mrs. Mabel Glenn Gray;

H. R. 1759. An act for the relief of Mildred Neiffer;

H. R. 1838. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of A. G. Bailey against the United States;

H. R. 1950. An act for the relief of Harry Cohen;

H. R. 1980. An act for the relief of Maj. Edward A. Zaj;

H. R. 2062. An act for the relief of Dave Topper;

H. R. 2156. An act for the relief of Lee Harrison;

H. R. 2217. An act for the relief of Rae Glauber;

H. R. 2244. An act for the relief of Edward W. Thurber;

H. R. 2249. An act for the relief of the Cape & Vineyard Electric Co.;

H. R. 2251. An act for the relief of Catherine V. Sweeney;

H. R. 2265. An act for the relief of owners of land and personal property of the Fort Knox area of Hardin County, Ky.;

H. R. 2266. An act for the relief of land and property owners of the Fort Knox area of Meade County, Ky.;

H. R. 2288. An act for the relief of Columbus Thomas;

H. R. 2318. An act for the relief of Mrs. Mertie Pike and the estate of Mrs. Burnice Smotherman, deceased;

H. R. 2331. An act for the relief of Mrs. Grant Logan;

H. R. 2415. An act for the relief of Joseph Tarantola and Ida Tarantola;

H. R. 2418. An act to authorize the United States commissioner for the Sequoia National Park to exercise similar functions for the Kings-Canyon National Park;

H. R. 2509. An act for the relief of the legal guardian of James Irving Martin, a minor;

H. R. 2682. An act for the relief of John Doshim;

H. R. 2826. An act for the relief of Esther L. Berg;

H. R. 2837. An act for the relief of George Stiles;

H. R. 2842. An act for the relief of Montgomery County, Miss., districts 2 and 3;

H. R 2848. An act for the relief of the legal guardian of Wilma Sue Woods, Patsy Woods, Raymond E. Hilliard, and Thomas E. Hilliard, minors;

H. R. 2884. An act for the relief of B. H. Spann;

H. R. 2885. An act for the relief of Mrs. Frank Mitchell and J. L. Price;

H. R. 2901. An act for the relief of Mrs. Janet McKillip;

H. R. 2904. An act for the relief of Clyde Rownd, Della Rownd, and Benjamin C. Day;

H. R. 2927. An act for the relief of Mrs. Evelyn Merritt;

H. R. 2931. An act for the relief of Edward Oatneal, John N. Oatneal, Jr., and James R. Oatneal;

H. R. 3003. An act for the relief of Mary G. Paul;

H. R. 3050. An act for the relief of David Siskind;

H. R. 3121. An act for the relief of Elizabeth M. Simmons and Robert H. Simmons;

H. R. 2126. An act for the relief of Mrs. Jean Taube Weller;

H. R. 3127. An act for the relief of Harry F. Vinton, Jr.;

H. R. 3161. An act for the relief of Mrs. Ruby Miller;

H. R. 3195. An act for the relief of Grenada County, Miss.;

H. R. 3217. An act for the relief of Mattie Lee Wright;

H. R. 3301. An act for the relief of the legal guardian of James Hebert Keith, a minor;

H. R. 3430. An act for the relief of George F. Powell;

H. R. 3431. An act for the relief of F. W. Burton;

H. R. 3483. An act for the relief of Mr. and Mrs. Cipriano Vasquez;

H. R. 3513. An act for the relief of Braxton B. Folmar and Mary Inez Folmar, William Ernest Evans and Dora Ethel Evans, Joseph Thomas Avery and Maggie M. Avery, Robert H. Phillips and Hattie P. Phillips, and the legal guardian of James T. Avery, a minor;

H. R. 3554. An act for the relief of Fred C. Liter;

H. R. 3590. An act for the relief of Charles Brown, legal guardian of Lula Mae Brown; Charity Hospital, of New Orleans, La.; and Dr. Edward H. Maurer;

H. R. 3591. An act for the relief of Addie Pruitt;

H. R. 3670. An act for the relief of the estate of Venancio Llacuna and others;

H. R. 3677. An act for the relief of J. Tom Stephenson;

H. R. 3698. An act for the relief of Mrs. Lucille Scarlett and Charles Scarlett;

H. R. 3846. An act for the relief of the estate of Eleanor Wilson Lynde, deceased;

H. R. 3948. An act for the relief of Mrs. Clifford W. Prevatt;

H. R. 4054. An act for the relief of H. A. Edd;

H. R. 4056. An act for the relief of Mrs. Jud Hendry and her daughter, Gladys Hendry;

H. R. 4208. An act for the relief of the Calvert Distilling Co.;

H. R. 4239. An act granting to Guy A. Thompson, trustee, Missouri Pacific Railroad Co., debtor, and to his successors and assigns, authority to relocate, maintain, and operate a single-track railway across United States Government reservation to lock numbered 3, White River, Independence County, Ark., and for other purposes;

H. R. 4240. An act for the relief of Frank E. Wilmot;

H. R. 4297. An act for the relief of Joseph Schell;

H. R. 4335. An act for the relief of the Morgan Creamery Co.;

H. R. 4560. An act for the relief of Nicholas T. Stepp;

H. R. 4797. An act to confer jurisdiction upon the United States District Court for the Eastern District of Virginia to determine the claim of Lewis E. Magwood;

H. R. 4914. An act to revive and reenact the act entitled "An act creating the city of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.", approved December 21, 1944;

H. R. 4940. An act granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate a toll bridge across the Connecticut River at or near Old Saybrook, Conn.;

H. R. 4957. An act for the relief of Herman Gelb;

H. R. 5010. An act for the relief of Mrs. May Holland;

H. R. 5121. An act authorizing the Secretary of the Navy in his discretion to deliver to the custody of the State of Arkansas the silver service presented to the United States for the battleship *Arkansas*;

H.R. 5275. An act to revive and reenact the act granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Pee Dee River,

at or near Cashua Ferry, S. C., approved April 30, 1940;

H. R. 5544. An act authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn.;

H. R. 5574. An act to amend paragraph 8 of part VII, Veterans Regulation No. 1 (a), as amended, to authorize an appropriation of $1,500,000 as a revolving fund in lieu of $500,000 now authorized;

H. R. 5664. An act for the relief of Oscar R. Steinert; and

H. R. 5765. An act authorizing the Secretary of the Navy in his discretion to deliver to the custody of the city of New Orleans the silver service and silver bell presented to the United States for the cruiser *New Orleans*.

ADJOURNMENT

Mr. PACE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 'clock and 36 minutes p. m.) the House, under its previous order, adjourned until tomorrow. Tuesday, April 16, 1946, at 10 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Petroleum Subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m., April 16, 1946. Business to be considered: Public hearing to receive the final report of the Petroleum Administration for War.

COMMITTEE ON THE POST OFFICE AND POST ROADS

The Post Office and Post Roads Committee will meet on Tuesday, April 16, 1946, at 10: 30 a. m., at which time a hearing will be had on H. R. 5427, 5560, and 5942, bills relating to the rate of postage on air mail of the first class.

COMMITTEE ON FLOOD CONTROL

7. Tuesday, April 16. California streams, including additional authorization for the approved comprehensive plans for the Los Angeles River and the Sacramento-San Joaquin streams:

Salinas River, Calif.; Santa Clara River, Calif.

8. Wednesday, April 17. Lower Mississippi River Basin, including the Red River, and including additional authorization for the approved comprehensive plan for the White and Arkansas River Basin;

Red River below Denison Dam, Tex., Okla., Ark., and La.; Bayou Pierre, La.; La Fourche Bayou, La.; Pontchartrain Lake, La.; Mermentau River, La.; North Canadian River, Okla.; Polecat Creek, Okla.; Grand (Neosho) River, Kans., Mo., and Okla.; Arkansas River, Ponca City, Okla.; Mississippi River, west Tennessee tributaries; Boeuf and Tensas Rivers and Bayou Macon, Ark. and La.; Big Sunflower, Little Sunflower, Hushpuckena, and Quiver Rivers and their tributaries, and on Hull Brake, Mill Creek Canal, Bogue Phalia, Ditchlow Bayou, Deer Creek, and Steele Bayou, Miss.

9. Thursday, April 18. Lt. Gen. R. A. Wheeler, Chief of Engineers, and other representatives of the Corps of Engineers, and proponents and opponents of projects in other regions.

10. Friday, April 19. Senators and Representatives in Congress and Department of Agriculture, Weather Bureau, and other Government agencies.

COMMITTEE ON RIVERS AND HARBORS

Revised schedule of hearings on the omnibus river and harbor authorization bill to start Tuesday, April 9, 1946, at 10:30 a. m., is as follows:

(Tuesday, April 16)

Cumberland River, Tenn. and Ky.
Big Sioux River, S. Dak.
Mississippi River seepage, Iowa, Minnesota, and Wisconsin.
Mississippi River at Lansing, Iowa.
Mississippi River at Wabasha, Minn.
Mississippi River at Pepin, Minn.
Mississippi River at Hastings, Minn.

(Wednesday, April 17)

Fairport Harbor, Ohio.
Calument-Sag Channel, Ind. and Ill.
Chicago River, North Branch of Illinois.
Napa River, Calif.
Coos Bay, Oreg.
Columbia River at Astoria, Oreg.
Columbia River at The Dalles, Oreg.
Columbia River, Foster Creek Dam, Wash.

(Wednesday and Thursday, May 1 and 2)

Tombigbee-Tennessee Rivers.

(Friday, May 3)

Held open for description of projects favorably recommended by the Board of Engineers for Rivers and Harbors during its April meeting.

(Monday and Tuesday, May 6 and 7)

Big Sandy River, Tug and Levisa Forks, Va., W. Va., and Ky.

(Wednesday and Thursday, May 8 and 9)

Arkansas River, Ark. and Okla.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1213. A letter from the Secretary of War, transmitting a draft of a proposed bill to provide for sundry matters affecting the armed forces, and for other purposes; to the Committee on Military Affairs.

1214. A letter from the Secretary of the Interior, Chairman of the Migratory Bird Conservation Commission, transmitting the report of the Migratory Bird Conservation Commission for the fiscal year ended June 30, 1945; to the Committee on Agriculture.

1215. A letter from the Administrator, Veterans' Administration, transmitting a draft of a proposed bill to remove the existing limitation on the number of associate members of the Board of Veterans' Appeals in the Veterans' Administration; to the Committee on World War Veterans' Legislation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN of New York:

H. R. 6137. A bill to protect buildings used for the occupation of tenants for living accommodation against being demolished; to the Committee on Banking and Currency.

By Mr. CASE of South Dakota:

H. R. 6138. A bill to create a United States foreign legion; to the Committee on Military Affairs.

By Mr. MANSFIELD of Montana:

H. R. 6139. A bill to amend the Internal Revenue Code so as to provide for the exclusion from gross income for income-tax purposes amounts paid by a veteran in the purchase of a home; to the Committee on Ways and Means.

By Mr. BYRNE of New York:

H. R. 6140. A bill granting exemption from income tax in the case of retirement pensions and annuities received by State, county, and municipal employees; to the Committee on Ways and Means.

By Mr. O'KONSKI:

H. R. 6141. A bill to provide funds for cooperation with the school board of Hunter School district for the construction and equipment of a new school building in the town of Hunter, Sawyer County, Wis., to be available to both Indian and non-Indian children; to the Committee on Indian Affairs.

By Mr. LESINSKI:

H. R. 6142. A bill to authorize the United States armed services to accept enlistments of individuals who, after September 1, 1939, served in the armed forces of any of the United Nations; to the Committee on Military Affairs.

By Mr. PRICE of Illinois:

H. R. 6143. A bill to incorporate the Amvets, American Veterans of World War II; to the Committee on the Judiciary.

By Mr. ANDREWS of New York:

H. J. Res. 340. Joint resolution to amend the joint resolution creating the Niagara Falls Bridge Commission; to the Committee on Foreign Affairs.

By Mr. SPENCE:

H. J. Res. 341. Joint resolution to extend the succession, lending powers, and functions of the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

By Mrs. LUCE:

H. Con. Res. 143. Concurrent resolution to provide for United Nations passports; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BONNER:

H. R. 6144. A bill for the relief of Mrs. Nonie McLawhorn; to the Committee on Claims.

By Mr. FALLON:

H. R. 6145. A bill for the relief of Esther Geartner; to the Committee on Claims.

By Mr. STEWART:

H. R. 6146. A bill for the relief of Mrs. Thelma Crosslin; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1802. By Mr. GAVIN: Petition of Clifford L. Kiehl, and other residents of Clarion County, Pa., opposing passage of Wagner-Murray-Dingle bill, House bill 4730 and Senate bill 1606; to the Committee on Interstate and Foreign Commerce.

1803. Also, petition of Mrs. Orval Blauser and other residents of Knox, Clarion County, Pa., protesting passage of House bill 4730 and Senate bill 1606, the Wagner-Murray-Dingle bill; to the Committee on Interstate and Foreign Commerce.

1804. By Mr. HALE: Petition of New Century Pomona Grange, Peru, Maine, for the

resignation of Chester Bowles from the office of Director of Stabilization; to the Committee on the Judiciary.

1805. By Mr. SMITH of Wisconsin: Petition of Carl A. Brugger, secretary, Brotherhood of Painters, Decorators, and Paperhangers of America, Lake Geneva, Wis., re: Extension of OPA; to the Committee on Banking and Currency.

1806. Petition of Hugh Reichard, director, UAW-CIO Education Council, 516 College Avenue, Racine, Wis., re: Statement on veterans' preference for new homes; to the Committee on World War Veterans' Legislation.

1807. Mr. VOORHIS of California: Petition of Henry I. Burr and 1,475 others, all students at Yale University, urging that adequate relief for the war devastated areas of the world is essential for world peace and security; endorsing the plan of UNRRA; expressing concern that Congress immediately make available any needed funds for relief purposes, and urging a great national effort, including rationing if necessary to enable needed allocations of food to actually go forward to needy areas; to the Committee on Foreign Affairs.

1808. By the SPEAKER: Petition of West Area Business and Professional Women's Club, petitioning consideration of their resolution with reference to endorsement of the Neely cancer bill, House bill 4502; to the Committee on Foreign Affairs.

1809. Also, petition of F. Anderson and others petitioning consideration of their resolution with reference to endorsement of legislation renewing the powers of OPA; to the Committee on Banking and Currency.

HOUSE OF REPRESENTATIVES

TUESDAY, APRIL 16, 1946

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, before whose face earth's generations rise and fall, we pause in recognition of the kingship of our Lord and Saviour. His throne is forever and ever and the scepter of His kingdom is a scepter of righteousness. We rejoice that the lips of little children, with their jubilant singing, bore testimony of the sovereignty of our Lord. By the eternal counsels of our Father we are reminded of our stewardship and responsibility, that at the last it may be known that we fed the hungry, refreshed the thirsty, housed the stranger, clothed the naked, and visited the sick. We pray that these tender ministries may be counted our portion by the Judge of all the earth. Let us heed Thy great command: "Whatsoever thy hand findeth to do, do it with thy might." Have mercy upon us, O God, have mercy, that Thy throne may be supreme in all hearts; to this end help us to live, to learn, and to love. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1592. An act to establish a national housing policy and provide for its execution.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from committees:

APRIL 15, 1946.

The Honorable SAM RAYBURN,
Speaker of the House,
Washington, D. C.

DEAR MR. SPEAKER: Please accept this as my resignation from the following committees of the House of Representatives, of which I am now a member: Committee on Patents, Committee on Indian Affairs, Committee on Mines and Mining.

Respectfully yours,

GEO. B. SCHWABE.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION TO COMMITTEE

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution (H. Res. 600) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That GEORGE B. SCHWABE, of Oklahoma, be, and he is hereby, elected to the Committee on Appropriations of the House of Representatives.

The resolution was agreed to.

ERNEST PEDRO FERREIRA

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3159) for the relief of Ernest Pedro Ferreira, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$1,500" and insert "$2,000."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

MRS. BEATRICE BRISBIN ET AL.

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4253) for the relief of Mrs. Beatrice Brisbin and the legal guardians of Wynona Gene Brisbin, Nelda Elaine Brisbin, Gwendoline Louise Brisbin, and Jacqueline Nadine Brisbin, minors, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, strike out all after line 4 over to and including "date" in line 7, page 2, and insert "appropriated, to the estate of Chancie Lee Brisbin, deceased, of Route No. 1, Holland, Tex., the sum of $6,313, in full settlement of all claims against the United States for the personal injury and death of the said Chancie Lee Brisbin as the result of being struck by a block of ice thrown by a soldier from a moving railroad train on the Missouri, Kansas & Texas Railroad Co.'s right-of-way near Holland, Tex., on January 24, 1945.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendments were concurred in.

The title was amended so as to read: "An act for the relief of the estate of Chancie Lee Brisbin, deceased."

A motion to reconsider was laid on the table.

JAMES SHERRY

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2528) for the relief of James Sherry, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$12,500" and insert "$9,167.47."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

MRS. OLLIE PATTON

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1674) for the relief of Mrs. Ollie Patton, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 5, strike out "$5,000" and insert "$3,000."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

ORVIS WELCH

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2167) for the relief of Orvis Welch, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$4,523.45" and insert "$3,523.45."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

MRS. C. A. LEE

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to take from the

Speaker's table the bill (H. R. 941) for the relief of Mrs. C. A. Lee, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. McGEHEE, STIGLER, and JENNINGS.

JAMES LYNCH

Mr. McGEHEE, from the Committee on Claims, submitted the following conference report and statement on the bill (H. R. 2835) for the relief of James Lynch, for printing in the RECORD:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2835) for the relief of James Lynch, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the sum inserted by the Senate amendment insert the sum of "$4,514.60"; and the Senate agree to the same.

DAN R. MCGEHEE,
J. M. COMBS,
W. A. PITTENGER,
Managers on the Part of the House.

ALLEN J. ELLENDER,
W. LEE O'DANIEL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2835) for the relief of James Lynch, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The bill as passed the House appropriated the sum of $8,764.60 to James Lynch for personal injuries, medical and hospital expenses sustained as the result of being struck by a United States mail truck while crossing Erie Boulevard East, at the corner of South Warren Street, in the city of Syracuse, N. Y., on September 30, 1944. The Senate reduced the amount to $3,764.60, and at the conference a compromise of $4,514.60 was agreed upon.

DAN R. MCGEHEE,
J. M. COMBS,
W. A. PITTENGER,
Managers on the Part of the House.

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H. R. 2835) for the relief of James Lynch.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the conference report as above set out.

The conference report was agreed to.

A motion to reconsider was laid on the table.

ALBERT CANTALUPO

Mr. McGEHEE, from the Committee on Claims, submitted the following conference report and statement on the bill (H. R. 1089) for the relief of Albert Cantalupo, for printing in the RECORD:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1089) for the relief of Albert Cantalupo, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate and agree to the same with an amendment as follows: Amendment No. 3: In lieu of the sum inserted by the Senate amendment insert "$1,708"; and agree to the same.

DAN R. MCGEHEE,
J. EDGAR CHENOWETH,
Managers on the Part of the House.

ALLEN J. ELLENDER,
WAYNE MORSE,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1089) for the relief of Albert Cantalupo, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The bill as passed the House appropriated the sum of $2,208.99 to Mr. and Mrs. Albert Cantalupo in full settlement of all claims against the United States for compensation for expenses incurred and losses sustained by them by reason of the injuries sustained by their minor son, John Cantalupo, when struck by a United States Army truck on September 28, 1943.

The Senate reduced the amount to $1,508, and at the conference a compromise of $1,708 was agreed upon.

DAN R. MCGEHEE,
J. EDGAR CHENOWETH,
Managers on the Part of the House.

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report on the bill (H. R. 1089) for the relief of Albert Cantalupo.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the conference report as above set out.

The conference report was agreed to.

A motion to reconsider was laid on the table.

THOMAS C. LOCKE

Mr. McGEHEE, from the Committee on Claims, submitted the following conference report and statement on the bill (S. 75) for the relief of Thomas C. Locke, for printing in the RECORD:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 75) for the relief of Thomas C. Locke, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment.

That the Senate recede from its amendment to the amendment of the House and agree to the same.

DAN R. MCGEHEE,
W. A. PITTENGER,
Managers on the Part of the House.

ALLEN J. ELLENDER,
W. LEE O'DANIEL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 75) for the relief of Thomas C. Locke, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The bill as passed the Senate appropriated the sum of $1,037.99 to Thomas C. Locke for losses alleged to have been sustained in the operation of the commissary at Chanute Field, Rantoul, Ill., when such funds were stolen from the commissary on or about December 2, 1924. The House reduced the sum to $313, and at the conference the conferees of the House agreed to recede from the House amendment and agree to the original amount of $1,037.99 as set forth in the Senate bill.

DAN R. MCGEHEE,
W. A. PITTENGER,
Managers on the Part of the House.

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (S. 75) for the relief of Thomas C. Locke.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the conference report as above set out.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SERVICEMEN'S READJUSTMENT ACT OF 1944, DISTRICT OF COLUMBIA

Mr. McGEHEE, from the Committee on Claims, submitted the following conference report and statement on the bill (S. 1152) to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes, for printing in the RECORD:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1152) entitled "An act to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 1, 2, and 3.

DAN R. MCGEHEE,
OREN HARRIS,
EVERETT M. DIRKSEN,
Managers on the Part of the House.

THEO. G. BILBO,
PAT MCCARRAN,
CLYDE R. HOEY,
LEVERETT SALTONSTALL,
ARTHUR CAPPER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (S. 1152) entitled "An act to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes", submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference

report as to each of such amendments, namely:

1. By receding from its amendment No. 1, the House will permit building and loan associations and savings and loan associations in the District of Columbia to invest in property-improvement loans insured or insurable under title I of the National Housing Act. All of the 49 jurisdictions except the District of Columbia allow their State-chartered building and loan associations to make such loans.

2. Restoration of the Senate language deleted by the House amendment No. 2 involves two limitations upon the unsecured loans for property alteration, repair, or improvement which are authorized to be made by building and loan and savings and loan associations. The first of these limitations is that no such loan, not insured or guaranteed by a Federal agency, shall be made in an amount in excess of $2,000. The second limitation is that the total amount loaned or invested by any association and held in unsecured loans, not insured or guaranteed by a Federal agency, shall not at any time exceed 15 percent of the total assets of the association.

3. Restoration of the Senate language deleted by the House amendment No. 3 will broaden the field of eligible borrowers, with respect to the direct-reduction loans authorized by section 3, to include not only veterans of World War II but also veterans of World War I and others. The major purpose of section 3 is to put all building and loan associations and savings and loan associations in the District of Columbia on the same basis as Federal savings and loan associations with respect to their power to make direct reduction loans, which are the only type of loans recognized by the Veterans' Administration in connection with its supervision of loans to veterans under the Servicemen's Readjustment Act.

DAN R. MCGEHEE,
OREN HARRIS,
EVERETT M. DIRKSEN,
Managers on the Part of the House.

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent for immediate consideration of the conference report on the bill (S. 1152) to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the conference report as above set out.

The conference report was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

[Mr. KOPPLEMANN addressed the House.]

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

Mr. Speaker, I demand that those words be taken down.

I make the point of order that those words are insulting to the members of the Committee on Un-American Activities. I demand that they be taken down. I make the point of order that they are utterly false.

The SPEAKER. The gentleman from Mississippi has already asked that the words be taken down.

CALL OF THE HOUSE

Mr. RANKIN. In the meantime I make a point of order that there is no quorum present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 85]

Allen, Ill.	Gathings	Peterson, Fla.
Andrews, N. Y.	Geelan	Pfeifer
Baldwin, Md.	Gerlach	Powell
Baldwin, N. Y.	Gibson	Rabin
Barry	Gillespie	Rains
Bell	Graham	Reece, Tenn.
Bennet, N. Y.	Granahan	Reed, Ill.
Bland	Hancock	Riley
Boykin	Hartley	Roe, Md.
Bradley, Mich.	Henry	Rogers, N. Y.
Buckley	Hinshaw	Rooney
Bulwinkle	Izac	Sasscer
Bunker	Jarman	Shafer
Camp	Kee	Sharp
Cannon, Fla.	Kefauver	Sheppard
Chiperfield	Klein	Sheridan
Cochran	Larcade	Short
Coffee	Lea	Sikes
Cole, Kans.	Lesinski	Simpson, Pa.
Colmer	Luce	Smith, Va.
Curley	McCowen	Somers, N. Y.
Curtis	McDonough	Stockman
Daughton, Va.	McMillen, Ill.	Sumner, Ill.
Dawson	Mansfield, Tex.	Torrens
Dingell	Mathews	Voorhis, Calif.
Douglas, Ill.	Morrison	White
Fellows	Murphy	Winter
Fisher	Norton	Wolfenden, Pa.
Flood	O'Neal	Zimmerman
Fuller	Pace	
Fulton	Patrick	

The SPEAKER. On this roll call, 334 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON UN-AMERICAN ACTIVITIES

The SPEAKER. The Clerk will report the words which the gentleman from Mississippi [Mr. RANKIN] asked to be taken down.

The Clerk reported the words objected to.

Mr. RANKIN. Mr. Speaker, I would like to be heard.

The SPEAKER. The Chair is ready to rule on the matter.

The Chair does not want it to be understood that he is ever going to hold out of order proper words that express the opinion of a Member of the House of Representatives.

Two words, especially one in this statement, are very strong words. That is the last paragraph or part of a paragraph that was spoken on the floor:

> This would mean that all of our institutions up to and including our churches would be exposed to the unlawful prying of a committee.

The Chair holds that the words "unlawful prying" attributed to a committee of the House are improper words and therefore unparliamentary.

Mr. RANKIN. Mr. Speaker, I move to strike the entire statement from the RECORD.

I ask recognition on my motion.

The SPEAKER. The gentleman from Mississippi is recognized.

Mr. RANKIN. Mr. Speaker, I will take only a minute to say that the opening statement of the Member from Connecticut [Mr. KOPPLEMANN] was worse than the latter portion of his remarks. It was a direct attack on every member of the Committee on Un-American Activities.

Mr. COX. Mr. Speaker, will the gentleman yield to me?

Mr. RANKIN. I yield to the gentleman from Georgia.

Mr. COX. Remembering the boy who burned the Temple of Ephesus in order that history might record his name, there are some people who would do almost anything to claim the attention that has just been given the gentleman from Connecticut.

Mr. RANKIN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The motion was agreed to.

COMMITTEE ON THE POST OFFICE AND POST ROADS

Mr. McKENZIE. Mr. Speaker, I ask unanimous consent that the Committee on the Post Office and Post Roads may sit during general debate of the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures in the Executive Departments may sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein a radio broadcast in which he recently participated.

JOINT ANTI-FASCIST REFUGEE COMMITTEE

Mr. WOOD. Mr. Speaker, by direction of the Committee on Un-American Activities, I present a privileged report and ask that it be read.

The Clerk read as follows:

PROCEEDING AGAINST THE JOINT ANTI-FASCIST REFUGEE COMMITTEE

Mr. WOOD, from the Committee on Un-American Activities, submitted the following report:

The Committee on Un-American Activities, created and authorized by the House of Representatives by House Resolution 5 of the Seventy-ninth Congress, caused to be issued subpenas to the Joint Anti-Fascist Refugee Committee, an unincorporated organization, with offices at 192 Lexington Avenue, New York, N. Y., service being made upon Helen R. Bryan, executive secretary, and to the members of the executive board of the said organization whose names are listed below. The said subpenas required the said persons to produce books, papers, and records for inspection by your committee. The form of the subpenas follows:

"BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES OF THE CONGRESS OF THE UNITED STATES OF AMERICA

"To the Sergeant at Arms, or His Special Messenger:

"You are hereby commanded to summon the Joint Anti-Fascist Refugee Committee, 192 Lexington Avenue, New York City, a voluntary organization to be and appear before the Un-American Activities Committee of the House of Representatives of the United States, of which the Honorable JOHN S. WOOD is chairman and to bring with you all books, ledgers, records and papers relating to the receipt and disbursement of money by or on account of the Joint Anti-Fascist Refugee Committee or any subsidiary or subcommittee thereof, together with all correspondence and memoranda of communications by any means whatsoever with persons in foreign countries. The said books, papers and records demanded herein are for the period from January 1, 1945, up to and including the date of this subpena, in their chamber in the city of Washington, on April 4, 1946, at the hour of 10:00 a. m. then and there to testify touching matters of inquiry committed to said committee; and he is not to depart without leave of said committee.

"Herein fail not, and make return of this summons.

"Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 29th day of March 1946.

"JOHN S. WOOD,
"Chairman."

"Attest:

"JOHN W. CARRINGTON,
"Clerk."

Subpenas in the form above stated were directed to and properly served upon each member of the executive board of the said organization, and Helen R. Bryan, as follows:

Miss Helen R. Bryan, 192 Lexington Avenue, New York City.

Dr. Jacob Auslander, 286 West Eighty-sixth Street, New York City.

Prof. Lyman R. Bradley, New York University, New York City.

Mrs. Marjorie Chodorov, 815 Park Avenue, New York City.

Mr. Howard Fast, 315 Central Park West, New York City.

Mrs. Ernestina G. Fleischman, "Voice of Fighting Spain," 1 Columbus Avenue, New York City.

Leverett Gleason, 114 East Thirty-second Street, New York City.

Harry M. Justiz, 570 Seventh Avenue, New York City.

Mrs. Samuel Kamsley, 350 Central Park West, New York City.

Mrs. Ruth Leider, attorney, 565 Fifth Avenue, New York City.

James Lustig, United Electrical, Radio, and Machine Workers, 17 William Street, Newark, N. J.

Manuel Magana, Club Obrero Espanol, 1490 Madison Avenue, New York City.

Dr. Louis Miller, 400 West End Avenue, New York City.

Herman Shumlin, 229 West Forty-second Street, New York City.

Mrs. Charlotte Stern, Hotel and Club Employees Local No. 6, 305 West Forty-fourth Street, New York City.

Dr. Jesse Tolmach, 30 West Fifty-ninth Street, New York City.

Mrs. Bobbie Weinstein, 211 Central Park West, New York City.

The subpenas were properly returned and the returns thereon are in form as follows:

"Served Helen R. Bryant whom I knew to be the executive secretary of the Joint Anti-Fascist Refugee Committee, at 11:37 a. m., on March 29, 1946, at the offices of the Joint Anti-Fascist Refugee Committee located at 192 Lexington Avenue, New York City, N. Y.

"GEORGE V. MCDAVITT,
"Investigator, House Committee on Un-American Activities."

In response to said subpenas the members of the executive board of the said organization, together with Helen R. Bryan, executive secretary, appeared before your committee on the 4th day of April, at 10 a. m., and your committee then and there demanded the production of the books, papers, and records as called for in the said subpenas, but each and every person whose names are set forth above, failed and refused to produce the said books, papers, and records. All the said persons were duly sworn by the chairman and were asked if they would then and there give their consent to the inspection of the said books, papers, and records of the Joint Anti-Fascist Refugee Committee by investigators of your committee, but the said persons failed and refused to grant such request.

Your committee has caused to be printed the testimony of each and every one of the persons named herein given on April 4, 1946, and the said testimony will be filed with the Clerk of the House as an appendix to this report.

Because of the foregoing, the Committee on Un-American Activities has been deprived of the opportunity to inspect the books, papers, and records mentioned in the foregoing subpenas and of the evidence which your committee considers relevant to the subject matter of subversive and un-American activities as set forth in House Resolution No. 5 of the Seventy-ninth Congress, first session, which instructed and required your committee to investigate such matters. The willful and deliberate refusal of Helen R. Bryan and the members of the executive board of the Joint Anti-Fascist Refugee Committee as named herein to produce the books, papers, and records called for in the subpenas deprives your committee of evidence necessary in the conduct of its investigation of the Joint Anti-Fascist Refugee Committee, which evidence is pertinent to the said investigation and places the said persons in contempt of the House of Representatives of the United States.

Mr. MARCANTONIO. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. MARCANTONIO. Mr. Speaker, prefacing my point of order, I would like to make a parliamentary inquiry. Must not a resolution of this nature contain the testimony, or at least a pertinent part of the testimony? It is related in the statement that the testimony is appended, but that testimony has not been read to the House, and for that reason I make the point of order that the resolution is defective.

The SPEAKER. No resolution has been offered as yet. This is simply the report of the committee.

Mr. MARCANTONIO. Very well; in the report we have before us it merely says that the testimony is appended. I submit the House should have that testimony before it. As I understand it, the Members of the House have received, what I hold in my hand, the hearings of April 4. That was received only yesterday. It contains over 100 pages of testimony. This case is very important, and I maintain that the testimony or the relevant portion of the testimony should be read to the House.

The SPEAKER. The testimony has already been printed, and reference to it is made in this report. The other matter that the gentleman refers to is a question for the House to pass upon, and not the Speaker.

Mr. MARCANTONIO. Mr. Speaker, on that point, this is most unusual. Heretofore every report that we have had upon which a resolution for contempt was based, we have read to the House the minutes of the proceedings upon which the contempt citation is requested.

Mr. RANKIN. Mr. Speaker, that never has been done.

The SPEAKER. That also is within the control of the House. The gentleman from Georgia is recognized.

Mr. WOOD. Mr. Speaker, I offer a resolution (H. Res. 601) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Speaker of the House of Representatives certify the report of the House Committee on Un-American Activities as to the willful and deliberate refusal of the following persons to produce before the said committee for its inspection the books, papers, and records of an unincorporated organization known as the Joint Anti-Fascist Refugee Committee, with offices at 192 Lexington Avenue, New York, N. Y., together with all the facts relating thereto, under seal of the House of Representatives, to the United States attorney for the District of Columbia, to the end that the said persons named below may be proceeded against in the manner and form provided by law:

Miss Helen R. Bryan, 192 Lexington Avenue, New York City.

Dr. Jacob Auslander, 286 West Eighty-sixth Street, New York City.

Prof. Lyman R. Bradley, New York University, New York City.

Mrs. Marjorie Chodorov, 815 Park Avenue, New York City.

Howard Fast, 315 Central Park, West, New York City.

Mrs. Ernestine G. Fleischman, Voice of Fighting Spain, 1 Columbus Avenue, New York City.

Leverett Gleason, 114 East Thirty-second Street, New York City.

Harry M. Justiz, 570 Seventh Avenue, New York City.

Mrs. Samuel Kamsley, 350 Central Park, West, New York City.

Mrs. Ruth Leider, attorney, 565 Fifth Avenue, New York City.

James Lustig, United Electrical, Radio, and Machine Workers, 17 William Street, Newark, N. J.

Manuel Magana, Club Obrero Espanol, 1490 Madison Avenue, New York City.

Dr. Louis Miller, 400 West End Avenue, New York City.

Herman Shumlin, 229 West Forty-second Street, New York City.

Mrs. Charlotte Stern, Hotel and Club Employees' Local, No. 6, 205 West Forty-fourth Street, New York City.

Dr. Jesse Tolmach, 30 West Fifty-ninth Street, New York City.

Mrs. Bobbie Weinstein, 211 Central Park, West, New York City.

Mr. WOOD. Mr. Speaker, this is the follow-through of the resolution that was submitted by me on behalf of this committee some 2½ weeks ago, which included the names of the parties named in the present resolution, but whose names were stricken during the process of the debate here on the floor because the question was raised by some of the Members that these parties had not been actually served with a subpena. Since that time the committee has had them served, they have appeared, and one by one they have declined and refused to comply with the subpena of the committee. They are now before the House in this resolution. In view of this fact, and the fact that the matter was debated here for 1 hour when it was before the House on a previous occasion, I shall withhold further remarks about it, and yield 2½ minutes to the gentleman from New York [Mr. CELLER].

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield for a question first?

Mr. WOOD. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Does the committee have any evidence to indicate that each of these people cited had charge of or any responsibility for keeping the records?

Mr. WOOD. Yes. I may say to the gentleman that the complete testimony of all of them was taken, and has been put in the hands of each Member of the House.

Mr. CELLER. Mr. Speaker, we are making history, regrettable history, in finding innocent people guilty of contempt without trial, without jury, and without benefit of counsel. I believe we are turning our backs upon our glorious past if we pass this resolution. We thereby throw overboard the right of free speech, the right of security of one's property and person, and the right of castle.

If we pass this resolution we pass up the American way of fair play and embrace the way of unconstitutional procedure. I predict that our action will come back to plague us.

Why, if Tom Paine or Tom Jefferson or Andrew Jackson or Abe Lincoln were alive today, they would, I believe, run afoul of this Un-American Activities Committee. The radicalism of these patriots would not, I believe, sit well upon the stomachs of some of the members of this committee.

Many years ago Tom Paine, whose pen proved mightier than the sword during the American Revolution, said:

> Prejudice like a spider makes everywhere its home, and lives where there seems nothing to live on.

The persons whose names you have heard read, who are subject to this resolution, struck at these spiders that weave their webs of prejudice and intolerance for the unwary and the ignorant. For that and that alone they are to be punished.

No Member of this House mindful of constitutional guaranties can support this resolution. Significantly, since the inception of this committee and its predecessor, the Dies committee, no remedial legislation whatsoever has been offered to the Congress by this committee. The reason is not far to seek. Legislation on the matters of opinion, on the educational and political activities which this committee seeks to interfere with by its investigations, is palpably unconstitutional. That is why no legislation is offered. If it were, you would reject it in deference to our Constitution.

Not only is the Committee on Un-American Activities intentionally circumscribed by the congressional resolution itself, but the Bill of Rights guarantees of speech and press in our Constitution put definite limitations on its scope.

It was the fear of abuse of power by Congress that dictated the first amendment to the Constitution:

> Congress shall make no law * * * abridging the freedom of speech, or of the press or the right of the people lawfully to assemble and to petition the Government for a redress of grievance.

The Supreme Court has time and again emphasized the unconstitutionality of legislation which interferes with guarantees of free speech or press, unless such legislation is specifically designed to curb a "clear and present danger" that will lead to "substantive evils." Failure to produce any records creates no clear and present danger.

In *Thornhill* v. *Alabama* (310 U. S. 88, 105, 60 S. Ct. 736, 745, 84 L. Ed. 1093), the Court held:

> And very recently we have also suggested that "clear and present danger" is an appropriate guide in determining the constitutionality of restrictions upon expressions where the substantive evil sought to be prevented by the restriction is destruction of life or property, or invasion of right of privacy.

As emphatically, the Court held in *Bridges* v. *State of California* (62 Sup. C. 190, 193, 194, 314 U. S. 252, 86 L. ed. 192):

> What finally emerges from the clear and present danger cases is a working principle that the substantive evil must be extremely serious and the degree of imminence extremely high before utterances can be punished.

No such conditions are present in the instant case.

The Committee on Un-American Activities has taken onto itself so much power in contravention of the constitutional guaranties that it is now proceeding in a manner to undermine the very foundations of democratic government.

There has been no contempt of Congress by those organizations and individuals charged with contempt by this committee. Each has, in fact, appeared before the committee in answer to subpena and has submitted freely all material which might be called propaganda. Each one came prepared to be questioned on this material and to receive the determination of the committee whether such material is un-American or subversive. Only when the committee violated the constitutional rights of the organizations and individuals by asking for matter which was beyond and irrelevant to the scope of the inquiry did opposition to the committee's demands develop.

It must be kept clearly in mind that the statute under which this proceeding is brought requires only that a witness answer and furnish pertinent questions and documents. Until it is proven that the organizations or individuals involved are engaged in un-American activities, books and records are not pertinent to the scope of the inquiry.

That such invasion of constitutional rights was properly resisted is clearly indicated by the language of Justice Brandeis when he stated in *Olmstead* v. *United States* (277 U. S. 438, 478–479):

> The makers of our Constitution undertook to secure conditions favorable to the pursuit of happiness. They recognized the significance of man's spiritual nature, of his feelings and of his intellect. They know that only a part of the pain, pleasure, and satisfaction of life are to be found in material things. They sought to protect Americans in their beliefs, their emotions, and their sensations. They conferred, as against the Government, the right to be left alone—the most comprehensive right and the right most valued by civilized man. To protect that right, every unjustifiable intrusion by the Government upon the privacy of the individual, whatever the means employed, must be deemed a violation of the fourth amendment.

This statement is of particular applicability to an intrusion of the freedom of press, speech, and opinion, such as we now encounter in the attack by the committee in the instant case.

Moreover, the over-all demands of the subpenas issued by the committee violate the fourth amendment of the United States Constitution which provides that—

> The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures, shall not be violated—

As the Supreme Court held in Oklahoma Publishing Co. against Walling; News Printing Co., Inc., against Same, the use of the subpena power is a "constructive search" and may only be exercised when "the investigation is authorized by Congress for a purpose Congress can order, and the documents sought are relevant to the inquiry."

What the committee has done in this instance is to use the power of subpena for a fishing expedition.

I repeat. If we pass this resolution we pass up the American way of fair play and embrace the way of unconstitutional government.

Mr. WOOD. Mr. Speaker, I yield 4 minutes to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Speaker, I think the membership of the House is fairly conversant with the issue involved in the resolution before us now. I think the gentleman from New York is correct when he says we are making history. We are making history to determine

whether or not the Congress of the United States has authority to subpena witnesses before one of its established committees and to receive evidence in conformity with that subpena.

Basically and fundamentally, that is the primary issue we are asking you to decide today. We are not asking you to decide or to pass final judgment upon the activities of the Joint Anti-Fascist Refugee Committee, because quite obviously the House Committee on Un-American Activities is not able today to give you the complete picture of their activities since they have by stealth and deception concealed their books and records from the Congress, the country, and the committee.

I think when the gentleman from New York [Mr. CELLER] mentioned Abraham Lincoln he added one too many witnesses to his list because the words of Abraham Lincoln himself would come back to plague the gentleman from New York. Abraham Lincoln it was who said, you will recall, "You can fool some of the people all of the time, and you can fool all of the people some of the time, but you cannot fool all of the people all of the time." I think the Joint Anti-Fascist Refugee Committee is about to learn that it cannot fool all of the Congress and all of the country all of the time by its secret and nefarious activities which it studiously and stubbornly refuses to reveal for public inspection.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. RANKIN. The gentleman from New York [Mr. CELLER] also went far afield when he undertook to place Thomas Jefferson in the wrong light. If Thomas Jefferson were here today, he would be in favor of exposing and driving from power and from the country every subversive element in the United States.

Mr. MUNDT. I am sure that is correct. I would like to read at this time just a little of the testimony which has come to our committee on the activities of the Communist Party. I refer to Louis Francis Budenz, a man who for 10 years sat as executive board member of the Communist Party of America, a man who for the past 5 years has served as editor of the Daily Worker, the political mouthpiece of the Communist Party. This man certainly cannot be considered a Red-baiter. This man belonged to the club. This man talks from the inside. This man was one of the primary communistic agitators of the country until about 90 days ago when he joined the church and dedicated his life now in attempting to undo the damage which he helped to create in the United States. He is now a professor in Notre Dame University, South Bend, Ind. Here are some of the startling things he told our committee about the Communist Party.

Mr. Speaker, I ask unanimous consent at this time to insert the full excerpt of the statement as made available to the press as part of my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GALLAGHER. Mr. Speaker, will the gentleman yield?

Mr. MUNDT. I would rather not. I would rather have the House hear from Mr. Budenz at the moment than from the gentleman from Minnesota.

The statement referred to is as follows:

STATEMENT OF LOUIS FRANCIS BUDENZ AFTER APPEARING BEFORE THE COMMITTEE ON UN-AMERICAN ACTIVITIES

In responding to the subpena of the committee, there is no disposition on my part to pillory any individual Communist. Quite to the contrary; I pray for each and every one of them every day that they may abandon their atheistic and anti-American affiliation. It is to the Communist system that I am opposed, with its iron dictatorship over the liberties and souls of men.

What I did state to the committee, as I had reluctantly found from my experience, is that the Communist Party in the United States is a direct arm of the Soviet foreign department. It serves a foreign power and never swerves from such service by a hair's breadth. What I further had to state was that the policy agreed upon and exemplified by the orders conveyed last year in the Jacques Duclos letter was one of continuous hostility to the United States and injury to the American Nation. It was a Hitlerite policy of world domination, to be established step by step through fifth columns. The documents of the discussion on that letter, backed up by the documents in regard to the intent of the Communists over the years, expressed that aim in black and white.

Whether that policy will be changed or not remains to be seen. There has been no indication of any such change; everything points to its continuance. That aim is the building up of Soviet power through the same domination of other countries that Hitler brought about, directed at the eventual destruction of the American Nation.

The Communist persecution of religion, to which I referred at the time of my return to the Catholic Church and which had been emphasized in Communist circles, is now out in the open for all the world to note. The neo-Nero assault on Catholic Christians in Poland and Ruthenia rivals in savagery the brown-shirted and black-shirted reigns of terror.

Any good relations with Soviet Russia will have to flow from bringing all these cold, hard realities to the attention of the Soviet state, in my opinion, and in some way reaching the people of that nation, shut in now behind walls of police censorship.

Among Communists in this country there are many who have become such out of an original sense of social injustice, but who are now most unhappy in their association. They are beginning to realize that each one of them is a potential spy against the United States. I told the committee of my hope that many of these people will realize the sedition against the United States of which they are in grave danger of being guilty.

To confuse labor and the Communists would be a grave mistake, I told the committee; but to neglect the education of the American people to the anti-American intent of the Communist organization would be a profoundly unpatriotic act.

The Reverend Francis Cavenaugh, CSC, dean of the College of Liberal Arts at Notre Dame University, accompanied Mr. Budenz to the hearing. "I have asked Father Cavenaugh to come with me," stated Budenz, "as I want Notre Dame University to be fully advised of what transpires. I appreciate deeply that university's splendid cooperation with me and for me."

Mr. Budenz, speaking from first-hand experience, says the Communist Party in the United States is a direct arm of the Soviet Foreign Government. It serves a foreign power and never swerves from such service by a hairsbreadth. Then he proceeds to tell how every American Communist is a potential spy.

We ask you now to help us inspect the records of an organization which has dedicated a large part of its activities in an effort which up to now, I am happy to say, has been circumvented by the State Department; this organization has dedicated its primary activities in an effort to bring into the United States Communists from Europe. We ask you to help us to find the complete record so that we can lay it before you for your own appraisal.

It is not our purpose here today to list all the evidence which has been collected to show the Communist associations, affiliations, and affinities of many of the directors of the Joint Anti-Fascist Refugee Committee. It is not even our present purpose to array before you the evidence showing the strange and startling activities in which this committee has engaged behind the confusing label of its high-sounding and appealing title. In fact, some of these activities are still undisclosed due to the devious methods the board of directors and their employees have taken to conceal their books and files and records from the Congress and the country.

Mr. Speaker, I do however desire to call attention at this time to some of the associations and organizations with which directors of the Joint Anti-Fascist Refugee Committee are connected. This evidence was compiled from the files of the old Dies committee, the files of the present Wood committee, and from other sources and the compilation which follows was prepared by a staff member of the House Committee on Un-American Activities. I am inserting it at this point because of its informative and interesting background information.

ORGANIZATIONS WITH WHICH MEMBERS OF THE EXECUTIVE BOARD OF THE JOINT ANTI-FASCIST REFUGEE COMMITTEE ARE CONNECTED

ABRAHAM LINCOLN BRIGADE OR BATTALION

1. Aid to the leftist armies in Spain has been one of the major activities of all Communist organizations, particularly in the recruiting for and support of the Abraham Lincoln Brigade. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 183.)

2. Received money raised by the Communist Party of Massachusetts. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 562.)

3. Cited as a Communist front organization by Pennsylvania Commonwealth counsel before the reviewing board of the Philadelphia County Board of Assistance. (January 1942.)

4. Cited as a Communist front by the special Committee on Un-American Activities. (March 29, 1944.)

AMERICAN COMMITTEE FOR DEMOCRACY AND INTELLECTUAL FREEDOM

1. Formulated and circulated petition to discontinue the Dies committee created by Congress for the purpose of gathering information on subversive organizations and individuals in the United States. (New York City Council Committee Investigating the Municipal Civil Service Commission, pt. II, p. 73.)

2. Cited as a Communist front by the special Committee on Un-American Activities, June 25, 1942.

3. Cited as subversive and un-American by the special subcommittee of the House Com-

mittee on Appropriations, report, April 21, 1943, page 3.

4. Cited as a Communist front by the special Committee on Un-American Activities. (March 29, 1944, p. 47, 49, 87.)

AMERICAN COMMITTEE FOR THE PROTECTION OF THE FOREIGN BORN

1. Cited as under Communist control, influence, or in collaboration with the Communist Party by the Committee for Cultural Freedom, Prof. John Dewey, chairman, April 1940.

2. Cited as a Communist front by the Special Committee on Un-American Activities. (June 25, 1942.)

3. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, p. 40, 47 ff., 87, 97, 112, 120, 129, 155, 167, 174.)

AMERICAN FRIENDS OF SPANISH DEMOCRACY

1. This was another of the Spanish-aid organizations which received Communist support. (New York City Council Committee Investigating the Municipal Civil Service Commission, pt. II, p. 63.)

2. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 82, 116.)

AMERICAN FRIENDS OF THE SOVIET UNION

1. Called an American propaganda agency for the Soviet system, Special Committee on Un-American Activities. (March 29, 1944, pp. 379, 461.)

AMERICAN LEAGUE AGAINST WAR AND FASCISM

1. The American League Against War and Fascism, predecessor of the American League for Peace and Democracy, both described by Earl Browder as Communist transmission belts. (New York City Council Committee Investigating the Municipal Civil Service Commission, pt. II, p. 66.)

2. Communist Party is a vital factor in the above. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 298.)

3. Cited as a Communist front by the Special Committee on Un-American Activities. (January 3, 1940, p. 6, 16, 37, 47 ff., 53, 71, 82, 94, 107, 113, 116, 119 f., 127 f., 135, 159, 163, 171, March 29, 1944.)

4. Cooperated with Communist Party in defense of Schappes. (Rapp-Coudert Committee, report, 1942, p. 293.)

5. Cited as a Communist-front organization. (Attorney General Francis Biddle, in re Harry Bridges, May 28, 1942, p. 10.)

6. "Established in the United States in an effort to create public sentiment on behalf of a foreign policy adapted to the interests of the Soviet Union." (Attorney General Francis Biddle, CONGRESSIONAL RECORD, September 24, 1942, p. 7683.)

7. Hollywood unit cited as a Communist front. (California Committee on Un-American Activities, report, 1943, p. 91.)

AMERICAN LEAGUE FOR PEACE AND DEMOCRACY

1. "The American League for Peace and Democracy was a Communist 'transmission belt' originally organized and controlled by the Communist Party, carrying out its instructions as an affiliate of the Communist Internationale in Moscow." (New York City Council Committee investigating the Municipal Civil Service Commission, pt. II, p. 66.)

2. Cited as an organization in which "Communists have controlling influence." (Massachusetts House Committee Report on Un-American Activities, 1938, p. 77.)

3. Choice instrument of Stalinist anti-Nazi propaganda. (Rapp-Coudert Committee, report, 1942, p. 220.)

4. Cited as a Communist-front organization by Pennsylvania Commonwealth Counsel before the reviewing board of the Philadelphia County board of assistance January 1942.

5. Cited as a Communist front. (California Committee on Un-American Activities, report, 1943, p. 91.)

6. Established in 1937 as successor to the American League Against War and Fascism. "The American League for Peace and Democracy * * * was designed to conceal Communist control, in accordance with the new tactics of the Communist Internationale." (Attorney General Francis Biddle, CONGRESSIONAL RECORD, September 24, 1942, p. 7684.)

7. "Established in the United States in an effort to create public sentiment on behalf of a foreign policy adapted to the interests of the Soviet Union." (Attorney General Francis Biddle, September 24, 1942, p. 7683.)

8. Cited as "subversive and un-American" by the Special Subcommittee of the House Committee on Appropriations. (April 21, 1943, report, p. 3.)

9. Cited as a Communist front by the Special Committee on Un-American Activities. (Jan. 3, 1940, June 25, 1942; March 29, 1944, p. 6, 16 f., 37, 47 ff., 53, 81, 86, 102, 105, 107, 110 f., 113, 116, 120, 128, 137, 141, 147, 152 f., 155, 159, 163, 169, 171 f., 176, 181.)

AMERICAN PEACE MOBILIZATION

1. Cited as a Communist-front organization. (Decision in the case of Helen Miller, United States Secretary of Labor, August 1, 1941.)

2. Cited as a Communist-controlled pseudo-pacifist group. (Rapp-Coudert Committee report, 1942, p. 221.)

3. "Established in the United States in an effort to create public sentiment on behalf of a foreign policy adapted to the interests of the Soviet Union." (Attorney General Francis Biddle, CONGRESSIONAL RECORD, September 24, 1942, p. 7683.)

4. "The most conspicuous activity of American Peace Mobilization was the picketing of the White House, which began in April 1941 in protest against lend-lease and the entire national-defense program * * *. On the afternoon of June 21, 1941, he (Frederick V. Field, national secretary) suddenly called off the picket line around the White House." (Attorney General Francis Biddle, CONGRESSIONAL RECORD, September 24, 1942, p. 768.)

5. Cited as a Communist-front by the California Report on Un-American Activities, page 45, 1943.

6. A Communist-front "organized during the Stalin-Hitler collaboration, in June 1940." (California Committee on Un-American Activities, 1943, p. 93.)

7. Cited as a Communist-front by the Special Committee on Un-American Activities. (March 29, 1944.)

AMERICAN-RUSSIAN INSTITUTE FOR CULTURAL RELATIONS WITH THE SOVIET UNION

1. Listed by the Special Committee on Un-American Activities as one of the "American propaganda agencies for the Soviet system" with a "semiofficial status." (March 29, 1944, pp. 468–469.)

AMERICAN STUDENT UNION

1. Followed the same program of "peace" as the Communist Party (Massachusetts House Committee on Un-American Activities, report, 1938, p. 539.)

2. Cited as an organization in which "Communists have controlling influence." (Massachusetts House Committee Report on Un-American Activities, 1938, p. 77.)

3. Cited as under Communist control, influence, or in collaboration with the Communist Party by the Committee for Cultural Freedom, Prof. John Dewey, chairman, April 1940.

4. "Sponsoring organization" of the Boston-Scottsboro Defense Committee. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 209.)

5. Cited as a Communist front by the Special Committee on Un-American Activities. (January 3, 1940; March 29, 1944; June 25, 1942.)

6. Cited as "a subversive organization" (Rapp-Coudert committee interim report, December 1, 1941, p. 107).

7. Cited as an organization "for transmitting the aims and program of which the Young Communist League is the initiating and projecting element" (Rapp-Coudert committee interim report, December 1, 1941, p. 14).

8. Cooperated with Communist Party in Schappes' defense campaign (Rapp-Coudert committee, report, 1942, p. 293).

9. Cited as a Communist front by the California Report on Un-American Activities. (p. 45, 1943).

10. Cited as "subversive and un-American" by the Special Committee of the House Committee on Appropriations, report (April 21, 1943, p. 3).

AMERICAN YOUTH FOR DEMOCRACY

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 76, 102, 122.)

ARTISTS' FRONT TO WIN THE WAR

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, p. 96.)

CHINA AID COUNCIL OF THE AMERICAN LEAGUE FOR PEACE AND DEMOCRACY

See American League for Peace and Democracy.

COMMITTEE FOR CITIZENSHIP RIGHTS

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, p. 95f.)

CONFERENCE ON CONSTITUTIONAL LIBERTIES IN AMERICA

1. Held on June 7, 8, 9, 1940, National Press Club Auditorium, Washington, D. C. "Out of this conference grew the National Federation for Constitutional Liberties * * * which defended the right of Communists and Nazis to remain and to be admitted to public service in the United States Government." (New York City Council Committee Investigating the Municipal Civil Service Commission, pt. II, p. 69.)

2. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 83, 102, 129, 147, 155.)

COORDINATING COMMITTEE TO LIFT THE EMBARGO

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 87, 120, 129, 138, 150.)

COUNCIL FOR PAN-AMERICAN DEMOCRACY (KNOWN ALSO AS CONFERENCE ON PAN-AMERICAN DEMOCRACY)

1. Cited as subversive and un-American by the Special Committee of the House Committee on Appropriations. (Report, April 21, 1943, p. 3.)

2. Cited as under Communist control, influence, or in collaboration with the Communist Party by the Committee for Cultural Freedom, Prof. John Dewey, chairman, April 1940.

3. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944; June 25, 1942.)

4. "The council was then (December 23, 1940) attacking 'American imperialism' but has shifted its policy since the invasion of Russia by Hitler." (New York City Council committee investigating the municipal civil service commission, pt. II, p. 83.) Cited as an organization of Communist complexion. (Ibid., p. 88.)

EMERGENCY PEACE MOBILIZATION

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 105, 156, 169.)

FEDERATION OF FACULTY COMMITTEE FOR AID TO SPANISH PEOPLE

1. Affiliate of Medical Bureau To Aid Spanish Democracy, Special Committee on Un-American Activities. (March 29, 1944.)

FRIENDS OF THE ABRAHAM LINCOLN BRIGADE

1. Cited as a Communist front organization by Pennsylvania Commonwealth counsel before the reviewing board of the Philadelphia County Board of Assistance. January 1942.

2. Cited as a Communist front by the Special Committee on Un-American Activities. March 29, 1944, pages 82, 125, 140, 146; January 3, 1940.

3. Meeting of the above reported by the (Communist) Progressive Book Shop, Boston. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 282.)

4. Cited as a Communist front. (California Committee on Un-American Activities, report, 1943, p. 162.)

5. Cited as under Communist control, influence, or in collaboration with the Communist Party by the committee for cultural freedom, Prof. John Dewey, chairman, April 1940.

6. International Workers Order contributed funds to the above for aid to Spanish democracy. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 395.)

FRIENDS OF THE SOVIET UNION

1. Corliss Lamont, ardent Communist, wrote for the above. (Massachusett's House Committee on Un-American Activities, report, 1938, p. 304.)

2. Cited as an organization in which Communists have controlling influence. (Massachusetts House Committee Report on Un-American Activities, 1938, p. 77.) Purpose, the spreading of propaganda favorable to Russia. (Ibid., p. 129.)

3. Affiliated with the First United States Congress against war, 1932. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 462.)

4. Cited as a Communist front by the Special Committee on Un-American Activities. (Jan. 3, 1940; June 25, 1942; March 29, 1944.)

5. "Set-up by the Communist Party of the United States" (Testimony of John G. Honeycombe, former member of the Communist Party in Los Angeles, California Committee on Un-American Activities, report, 1943, p. 119.)

INTERNATIONAL WORKERS ORDER

1. Affiliated with the First United States Congress Against War, 1932. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 462.)

2. Listed in the cash receipt record of the Communist Party, Boston, 1937. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 570.)

3. Controlled by the Communists. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 308.)

4. Cited as an organization "allied to the Communist Party." (Massachusetts House Committee Report on Un-American Activities, 1938, p. 543.)

5. Affiliation between the above and the Young Communist League (Massachusetts House Committee on Un-American Activities, report, 1938, p. 393.)

6. Cited as a Communist front in testimony before the California Committee on Un-American Activities, p. 68, 1943.

7. Cited as under Communist control, influence or in collaboration with the Communist Party by the Committee for Cultural Freedom, Professor John Dewey, chairman, April 1940.

8. "One of the strongest Communist organizations" (Atty. Gen. Francis Biddle, CONGRESSIONAL RECORD, Sept. 24, 1942, p. 7688).

9. Cited as "subversive and un-American" by the Special Committee of the House Committee on Appropriations, report, April 21, 1943, p. 3.

10. "An important Communist front organization" (California Committee on Un-American Activities, report, 1943, p. 93).

11. Cooperated with Communist Party in defense of Schappes (Rapp-Coudert Committee, report, 1942, p. 293).

12. Cited as a Communist front organization by Pennsylvania Commonwealth Counsel before the Reviewing Board of the Philadelphia County Board of Assistance.

13. Cited as a Communist front by the Special Committee on Un-American Activities. January 3, 1940; June 25, 1942.

JEFFERSON SCHOOL OF SOCIAL SCIENCE

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 89, 150, 156.)

JOHN REED CLUB SYMPOSIUM—JOHN REED CLUBS OF THE UNITED STATES

1. Affiliated with the First United States Congress against war, 1932. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 462.)

2. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944.)

JOINT ANTI-FASCIST REFUGEE COMMITTEE

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, p. 174.)

JULIUS ROSENTHAL MEMORIAL COMMITTEE

1. "A Communist front organization which belonged to the large group of Spanish-aid committees which the Communist Party so successfully exploited," Special Committee on Un-American Activities. (March 29, 1944, p. 957.)

MEDICAL BUREAU, AMERICAN FRIENDS OF SPANISH DEMORCACY

1. See American Friends of Spanish Democracy.

MEDICAL BUREAU AND NORTH AMERICAN COMMITTEE TO AID SPANISH DEMOCRACY

1. International Workers Order contributed funds to the above for aid to Spanish democracy. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 395.)

2. Cited as subversive and un-American by the Special Committee of the House Committee on Appropriations, report, April 21, 1943, page 3.

3. Cited as a Communist front by the Special Committee on Un-American Activities. March 29, 1944, page 82.

MEDICAL BUREAU TO AID SPANISH DEMOCRACY

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944.)

MEMORIAL DAY YOUTH PEACE PARADE

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, p. 83.)

NATIONAL COMMITTEE AGAINST CENSORSHIP OF THE THEATER ARTS

1. Activity of Theatre Arts Committee—See Theatre-Arts Committee.

NATIONAL COUNCIL OF AMERICAN-SOVIET FRIENDSHIP

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 112, 120, 129, 149, 156, 167.)

NATIONAL EMERGENCY CONFERENCE FOR DEMOCRATIC RIGHTS

1. Cited as "subversive and un-American" by the Special Committee of the House Committee on Appropriations, report, April 21, 1943, page 3.

2. Cited as under Communist control, influence, or in collaboration with the Communist Party by the Committee for Cultural Freedom, Prof. John Dewey, chairman, April 1940.

3. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1942; March 29, 1944.)

NATIONAL LAWYERS GUILD

1. "The late Frank P. Walsh, Comptroller Joseph D. McGoldrick, Judge Ferdinand Pecora, Hon. Adolph Berle, Assistant Secretary of State Nathan Margold, Solicitor to the Department of the Interior, and others, have resigned from the organization on the ground that it is Communist dominated." (New York City Council Committee Investigating the Municipal Civil Service Commission, pt. II, p. 55.)

2. Cited as a Communist front (California Committee on Un-American Activities, report, 1943, p. 98). A. A. Berle, Jr., Assistant Secretary of State, in his letter of resignation, dated June 5, 1940, stated that the leadership is not prepared "to take any stand which conflicts with the Communist Party line."

3. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 147, 149.)

NONPARTISAN COMMITTEE FOR THE REELECTION OF VITO MARCANTONIO

1. Cited as an organization "of Communist complexion." (New York City Council Committee Investigating the Municipal Civil Service Commission, pt. II, p. 87.)

2. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 112, 181.)

NORTH AMERICAN COMMITTEE TO AID SPANISH DEMOCRACY

1. Received money raised by the Communist Party of Massachusetts. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 562).

2. International Workers Order contributed funds to the above for aid to Spanish democracy. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 395.)

3. Cited as under Communist control, influence, or in collaboration with the Communist Party by the Committee for Cultural Freedom, Prof. John Dewey, chairman, April 1940.

4. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944; January 3, 1940.)

PROGRESSIVE COMMITTEE TO REBUILD AMERICAN LABOR PARTY

1. "Communist faction" of the American Labor Party of New York (New York City Council Committee investigating the municipal civil-service commission, part II, p. 33). "Leaders denounced as Communists by members of the State executive committee of their own party" (ibid, p. 36).

2. Cited as under Communist control, influence, or in collaboration with the Communist Party by the Committee for Cultural Freedom, Prof. John Dewey chairman, April 1940.

3. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 48, 102, 127, 153, 160, 180.)

REFUGEE SCHOLARSHIP AND PEACE CAMPAIGN

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, p. 87.)

REICHSTAG FIRE TRIAL ANNIVERSARY COMMITTEE

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 17, 112, 156.)

SCHAPPES DEFENSE COMMITTEE

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, p. 7, 49, 71, 102, 112, 120, 155, 179.)

SPANISH REFUGEE RELIEF CAMPAIGN

1. Cited as a Communist front by the Special Committee on Un-American Activities. (January 3, 1940.)

2. "This organization suffered a split because of the charge of Communist domination. * * * This organization likewise received Communist approval and support and was part of the network of organizations fostered by the Communist Party in its Spanish campaign." (New York City Council committee investigating the municipal civil service commission, pt. II, p. 63.)

3. Cited as a Communist front organization by Pennsylvania Commonwealth Counsel before the reviewing board of the Philadelphia County Board of Assistance. (January 1942.)

THEATER ARTS COMMITTEE (TAC)

1. Cited as under Communist control, influence, or in collaboration with the Communist Party by the Committee for Cultural Freedom, Prof. John Dewey, chairman, April 1940.

UNITED AMERICAN SPANISH AID COMMITTEE

1. Cited as a Communist front by the Special Committee on Un-American Activities. (March 29, 1944, pp. 82, 112, 133, 138, 167, 180.)

UNITED MAY DAY COMMITTEE

1. Listed by Special Committee on Un-American Activities as one of the "miscellaneous Communist and Communist front organizations." (March 29, 1944, pp. 1069, 1158.)

ZERO HOUR PARADE

1. Cited as an organization "of Communist complexion." (New York City Council committee investigating the municipal civil-service commission, pt. II, p. 88.)

PERIODICALS

Daily Worker

Newspaper; official organ of Communist Party, United States of America.

Friday

Listed by the Special Committee on Un-American Activities as one the of the "party and party-line publications." (March 29, 1944, pp. 1446–1460.)

Health and Hygiene

Listed by the Special Committee on Un-American Activities as one of the "party and party-line publications." (March 29, 1944, pp. 1446–1460.)

New Currents

Listed by the Special Committee on Un-American Activities as one of the "party and party-line publications." (March 29, 1944, pp. 1446–1460.)

New Masses

Listed by the Special Committee on Un-American Activities as one of the "party and party-line publications." (March 29, 1944, pp. 1446–1460.)

Science and Society

Listed by the Special Committee on Un-American Activities as one of the "party and party-line publications." (March 29, 1944, pp. 1446–1460.)

Soviet Russia Today

Listed by the Special Committee on Un-American Activities as one of the "party and party-line publications." (March 29, 1944, pp. 1446–1460.)

In addition, over 8,000 communications from American citizens have reached the offices of our committee asking us to get the facts and examine the activities of the Joint Anti-Fascist Refugee Committee. The New York World-Telegram as long ago as 1941 published a series of articles accusing Dr. Barsky, executive director of the Joint Anti-Fascist Refugee Committee, and many of his present associates of communistic activities. Among the directors we are today asking you to cite for contempt are several self-admittted Communists and at least one who has been a candidate for public office in this country on the Communist ticket.

Mr. Speaker, I urge Members of the House to read the printed hearings which report the testimony of these directors of the so-called Joint Anti-Fascist Refugee Committee when we had them before our committee on April 4 of this year. They were completely noncooperative. They were consistently insolent, arrogant, and secretive. All had been carefully coached by the same attorney and all evaded questions with the same practiced patter. Of more than passing significance is the fact that most of the directors specifically declined to deny that they were Communists when given an opportunity to do so by our committee. None of them availed themselves of the opportunity to go on record in support of American institutions and ideals.

Certain it is, this so-called Joint Anti-Fascist Refugee Committee has been engaging in activities far afield from the relief job about which it speaks. For example, no less an authority and no less valiant an American than J. Edgar Hoover, himself, signed a letter which said in part:

> It has been reported to this Bureau (the FBI) that the subject organization (the Joint Anti-Fascist Refugee Committee) has engaged in political activities in connection with its fund-raising campaign. In this regard it is said that during the last week of September 1945, the organization had a sound truck on the streets of New York City in order to implement its collection campaign to raise funds allegedly for anti-Fascist Spanish refugees. The speakers using the sound truck are reliably reported to have urged the breaking of diplomatic relations between this country and Spain and to have also tied in with their appeal labor controversies then current in the New York City area.

Mr. Speaker, agitation of labor controversies in the United States is an old and established favorite practice of the American Communists. It certainly smacks much more closely of communism than it does of relief for foreign refugees from Fascist countries.

Yes, Mr. Speaker, we could tell you more—much more—about the devious methods and dubious personalities of this organization with its compelling title but with which its activities and its authors are in such strange conflict. However, that is not the burden of our task this afternoon. We are not here today to condemn or castigate or to convict this committee and its highly secretative and supersensitive directorate on the basis of the incomplete investigation which we have achieved. We are here, sir, to get authority from this House to complete the investigatory job which we have begun and in which we have been circumvented by the strange and stubborn refusal of this committee to let us learn the full story which is locked in their secret and prodigiously protected files.

We are not here to complete our case with respect to the Joint Anti-Fascist Committee. Mr. Speaker, we are here simply to ask Congress to reassert its right of subpena so that we can follow this trail to its source. Once Congress has reaffirmed itself in the connection those who conceive themselves to be above and beyond the law will draw a second breath and those who believe that America is worth defending will breathe more easily.

Sir, the Congress might well know that this is not the only organization which would conceal facts from our committees and win support from the public while refusing to let the officials of that public see behind their blackened windows and their well-locked doors. Already another fund-raising committee with attractive name and secret records—emboldened by the refusal of the Joint Anti-Fascist Refugee Committee to disclose its files—has notified us of its defiance of our subpena powers. The country might as well as be told first as last that our committee is in this fight to expose un-American activities to the finish. By your votes today we ask you to give evidence of your support. Once this is done we assure you that where the evidence indicates there is work to be done your committee will not shrink from its task. We have already learned that in 90 percent of the cases where we may be following a false clue the organizations are eager to cooperate with our investigators and to help us to establish their innocence. Against those with something to hide, we promise you we shall proceed with full vigor after you have helped us establish a proper precedent here this afternoon.

As the servants of this House, our committee will continue to keep you advised concerning what we find once we have broken the barriers of secrecy by which the Joint Anti-Fascist Committee has been endeavoring to conceal its activities and its affiliates. We shall not today endeavor to predict what that evidence is likely to disclose. We ask you simply for the authority to get access to the full storehouse of the facts.

Each of you, of course, must make his own choice on the forthcoming vote which, because of its importance and its implications, I trust will be a recorded aye and nay vote. Each of you must stand behind his publicly expressed decision. The issue is clear-cut. Will you vote to uphold the dignity of Congress or will you vote to uphold those who defy and denounce Congress? Will you vote to maintain and preserve and emphasize the authority of Congress to conduct an effective investigation or will you vote to establish a precedent whereby Congress would become impotent in its investigatory tasks upon the refusal of a group or individual voluntarily to cooperate?

Today's vote will long be used as tomorrow's index to the attitudes of those of us who now sit as Members of this House. Unless we are to turn America over to those who deprecate it and to those who would destroy its established

institutions it is imperative that we today face up to our responsibilities and vote to uphold the dignity and the authority of Congress. Once the powers of a congressional committee to function effectively in an investigatory capacity have been reasserted as I am convinced they will be in today's roll-call vote, the great job of exposing and eradicating the subversive influences now at work in this Republic can be resumed with vigor and authority.

In the meantime, I would like to suggest to the many fine and patriotic Americans who have been induced to make contributions to the Joint Anti-Fascist Refugee Committee because of its attractive title and its announced objectives that they refrain from further contributions until we discover the true record of the facts. Before contributing further, Americans generally have the right to know whether the money they subscribe is being used to give relief to the victims and refugees of fascism abroad or whether it is being used to reenforce the ramparts of those attempting to expand the sinister influence of American Communists here at home.

Mr. WOOD. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS of California. Mr. Speaker, I said on the floor of the House a few weeks ago I felt that a too great delegation of power had been given to the Un-American Activities Committee, a power which should not be given to any committee inside or outside of Congress, and that indeed with such power you would have to have a committee staffed with Brandeises and Justice Holmeses in order not to infringe upon the very civil liberties which that committee was set up to protect. That committee was set up to protect this form of government under which these civil liberties are only possible and which we all swear allegiance to and want to protect. I say that not because of personalities, not because there are people on that committee who wish to destroy the civil liberties of the American people, but because the Un-American Activities Committee has been given a too vast delegation of power, we are running into the kind of difficulties that confront us today. For one thing, no two people's ideas in this Chamber today agree on what is subversive. For instance, the committee sent out letters asking certain people what they meant when they used the word "democracy." People were bewildered; and I do not wonder. They were indignant; and I am not surprised.

You have example after example of this kind of action coming from the Un-American Activities Committee, not because of any vicious intention, but because the powers granted this committee are too broad, too sweeping.

But I think in this instance the committee has even exceeded the authority we delegated to it. The Joint Anti-Fascist Refugee Committee is a relief organization to assist persecuted men and women who fought for Republican Spain. It may well be that some of these refugees are Communists. But the relief of suffering all over the world cannot and must not depend on the political beliefs of the sufferers. It is legitimate for organizations to raise funds even for our late enemies. Indeed one of the charges at the Nuremberg trial is that Germans permitted persons to starve whose views were hostile to the Nazi regime. By no stretch of the imagination can the work of this organization be called subversive or un-American. It has been licensed by the President's War Relief Control Board. It has been assisted by the Unitarian Service Committee which has felt itself honored to distribute funds raised by the Joint Anti-Fascist Refugee Committee with an eye solely to the humane use of such funds.

The committee of this House is not authorizd to search and seize the records of such an organization. Its authority is confined to these three subjects: First, the extent, character, and objects of un-American propaganda activities in the United States; second, the diffusions in the United States of subversive and un-American propaganda that is instigated from foreign countries or of domestic origin and attacks the principle and form of government as granted by our Constitution; third, all other questions in relation thereto that would aid Congress in any necessary remedial legislation.

I submit that under this authority the committee has no jurisdiction to search the books and records of any organization until it has established by evidence that the organization is actually distributing un-American or subversive propaganda. There is no such evidence in this case. The justification for this unlawful search is simply the opinion of members of the committee that the organization contains Communists. Even if that were so, under the American Constitution believers in communism are just as much entitled to freedom from unlawful search as any other citizen. Our first freedom, the freedom of speech, means that every citizen is free to hold any sort of political views and to speak the views he holds. His opinions do not give Congress the right to prevent him from contributing or to distributing relief to suffering people. And this is all that the organization under attack by the committee is trying to do.

No court, and no administrative tribunal could be lawfully delegated the power to search and seize the records of any organization on the showing that is made the basis for this contempt citation. I cannot believe that a power which Congress cannot exercise by the enactment of a law can constitutionally be exercised by delegation to one of its committees.

What are we asked to do here today? We are asked, after 20 minutes' deliberation, in which there is not time to present either side of the case, to take a vote which will affect the lives of 17 people, directly and indirectly, to the end of their days. If this is not final proof, with all the other problems Congress must grapple with, there is no place for such a committee in the House of Representatives, I do not know what is.

Members of Congress have not the time and are not equipped to handle this dangerous subject. Whatever truly subversive propaganda or activities there may be in the country they should certainly be turned over to experts, in the proper agencies—the FBI and the Department of Justice.

Mr. HEALY. Mr. Speaker, I have in the last few days received a number of communications from my constituents calling upon me to use my influence to halt what they term the persecution and prosecution of a group of distinguished Americans whose only crime is that they are engaged in humanitarian and democratic work. I refer to the contempt charges against officers of the Joint Anti-Fascist Refugee Committee, the Council of American-Soviet Friendship, and the Federation for Constitutional Liberties.

Today the Washington Post carries a full-page advertisement under the signature of leading Americans appealing to us to come to the support of the 21 individuals under attack, and also outlining the basis for their position. These men and women are not in contempt of Congress. They are, as is lawful, protecting themselves against encroachments on their constitutional rights. This House has the duty to see that justice is done.

Mr. PATTERSON. Mr. Speaker, I am certain that a court of law will uphold all the American citizens who have been cited for contempt for refusing to comply with the unwarranted demands of the House Committee on Un-American Activities.

It is obvious that Congress did not give the committee power to interfere with the internal affairs of groups which cannot conceivably be considered as engaged in un-American and subversive propaganda activities.

The United States Supreme Court has clearly ruled on this matter:

> And it is a necessary deduction from the decisions in the *Kilbourn* v. *Thompson* and *In re Chapman* that a witness rightfully may refuse to answer where the bounds of power are exceeded, or the questions are not pertinent, to the matter under inquiry. (*McGrain* v. *Dougherty*, (273 U. S. 135, 176) (1926).)

The Committee on Un-American Activities should be abolished for the obvious reasons that they are attempting to curtail freedom of speech, freedom of the press, freedom of religion, one's right to petition his government. The existence of this committee is a threat to democracy, for it will be used as was the Dies committee to defeat liberal thought and action and progressive candidates for office.

Are we privileged as representatives of the people to demand that the people conform their opinions to those of certain members under penalty of investigation and prosecution? The existence of this committee is a menace to our liberties. It must be removed from the Halls of Congress.

Mr. COFFEE. Mr. Speaker, we have seen today on the floor of this House an exhibition of callousness which must sadden all Americans who believe in justice. Sixteen members of the executive board of a charitable organization engaged in raising funds for the relief of

refugees from fascism in Franco's Spain, have been cited for contempt of this House after 20 minutes of debate. Whether or not a court upholds our vote for contempt indictments, we have given these people a black name. Yet a large number of our colleagues chose to limit debate on this matter affecting the entire lives of 16 people—to 20 minutes.

Late last night we were handed for the first time a book of 105 pages which shows the committee hearings leading to the contempt citations by the Committee on Un-American Activities. And in the opening moments of this morning's session we are presumed to be competent to judge on this matter.

STAR CHAMBER

I have read through this pamphlet. I find myself amazed at the committee procedure followed. One witness after another makes a plea for a chance to talk with his lawyer, who is not allowed in the room. The committee then insists that the witness can answer this question or that one, without talking to his attorney. One witness requests permission to read a statement. The gentleman from Mississippi [Mr. RANKIN] replies:

Now the next question he refuses, just call the marshal and send him to jail.

Is this the American star chamber of inquisition? Witnesses are treated as guilty defendants. They are not allowed to make statements. They are badgered with leading and openly unfriendly questions. They are threatened.

THOUGHT CONTROL

On VJ-day we completed at last a terrible war against an enemy that maintained domestic quiet by a process known as "thought control." "Thought police" were assigned to all areas of Japan. People could be sent to jail for the suspicion of having a thought different from that of the government. We all considered Japan's thought control policy one of the signs of fascism. We challenged the Japanese with our own freedom of the press and freedom of speech.

Last fall a number of our liberal radio commenators were "investigated" by this committee because they apparently supported the progressive program of the New Deal. It was enough to frighten some types of employers away from these men. Several are now out of radio broadcasting. The committee had apparently achieved its purpose.

The counsel for the committee has told a group of veterans that the word "democratic" does not appear in the Constitution and that this country is not a democracy.

A committee investigator has been requested to leave a congressman's office because the investigator spoke of future anti-Semitic activities of the committee.

Something is going very wrong with all of us when we allow such a committee to run a course completely opposite to all our ideals of justice and our belief in a constantly improving America. I cannot believe that the American people are willing to place this country under this new kind of tyranny.

THE FBI IS BEST QUALIFIED TO DO SUCH WORK

Mr. DOYLE. Mr. Speaker, the issues here involved are of such magnitude that it appears to me far more than just unfortunate that the debate is limited to but one hour. It is not less than fatal to sound consideration, that this vital matter comes to us in this shape and with entirely too limited a time to thoroughly consider it.

Yes, I restate that I feel it does not come to us as it should come. First, the rules of the House did not compel the reading of the testimony before the committee of these proposed defendants, so that the membership does not know what the evidence was before the committee. It is no answer to say that some of us were delivered the 105-page printed book of such testimony late yesterday afternoon or this morning. We met this morning in this House at 10 o'clock and no copy had been delivered to me up until that time. Nor was it delivered to Members as they came to the floor for this important matter. We had to send for them after more or less accidentally learning they were at the page's desk for us. So, we have a 105-page book to read and at the same time listen to the reading of the subpena and report only once by the Clerk. Then listen to the all too brief statements and arguments by proponents and opponents. It is just not a sensible or necessary procedure when the criminal record of American citizens is involved.

Furthermore, the limit of 1 hour prohibits participation by many who, no doubt, would like to give expression to their sincere beliefs. They should have time to do so. Our rule should be to let the largest possible number of the representatives of the people speak out instead of the reverse being the result of too short a time allowed to hear but a very few on the committee itself and barely three or four others for a pittance of minutes. I emphatically protest such procedure as itself contributory to misunderstanding of our highest American heritage of parliamentary debate and decision.

The fact that a week ago this House voted, in effect, overwhelmingly to deny the request of this House committee for the prosecution of these same 16 persons because the evidence clearly showed the committee had not yet complied with long-established rules of law, should have dictated demand for an adequate opportunity on this occasion, for every desiring member to fully inform himself on the evidence adduced before the committee.

Our attention has been called by the distinguished gentleman from New York to certain remarks on pages 10 and 63, respectfully, of the hearings. Regardless of the fact that I feel compelled to vote for the resolution and the resulting issuance of opportunity given for these persons to purge themselves from this claimed contempt, if they can, I consider their statements made to a witness by a member of our committee as themselves contemptuous of the rights of witnesses before our committee.

This revelation of the record, together with all the facts surrounding the experience of last week on this same subpect, reaffirms my opinion that this sort of essential work should be done by the great FBI. They give their lives and purposes to just such need as exists in the protection of our Government against any who would destroy our Government by force or attack our principle of government in any manner in violation of our Constitution. The FBI should be given this tremendous responsibility, for the hasty, hurried, poorly considered event of last week and now on this day, should be convincing proof of the fact that the FBI is the only qualified Federal agency or group both qualified by experience, temperament, and trial to do this the important work, thoroughly and without haste, passion, prejudice, or other duties also pressing in upon them. Every member of our House committee also has one hundred and one other heavy duties. This matter of protecting our democracy against subversive acts is worthy of the fullest attention of a fully equipped and full-time personnel of both employers and employees.

I voted against the establishment of the committee the first day I was a Member of this Congress, because I had previously had about 25 years' active law practice and felt I had an opinion based upon well-considered consideration. I felt the same way about the old Dies committee.

I voted for the Barsky citation and against one for the other 16 last week.

I shall vote for the resolution today, but with extreme regret for the reasons hereinbefore set forth, amongst others. Also this committee is an esablished committee of this House. As long as it appears that the committee has acted within the law as we gave it to do, I shall feel compelled to back its lawful acts. There is no showing here that the committee exceeded its authority in issuing these subpenas, as far as I see in the too short time we have had to consider it. Such being the case, I think it will be a good thing for Congress and the country to get this whole mess before a court of competent jurisdiction at the earliest possible moment and find out what the committee can and cannot do in such cases. This is one reason I shall vote for the resolution. Our courts are our last bulwark and must always be kept so.

I know such opportunity for purging themselves in court will cost them money, but I see that on page 4 of the hearings Dr. Auslander, the head of this group, told our committee that Miss Helen Bryan was given authority over the books and that she should consult legal counsel and apparently act according to legal advice. Furthermore, this group admittedly paid several hundred dollars for the New York Times ad and are prepared to make a thorough legal test in our courts.

This, I believe, will be beneficial for all concerned; whatever the final outcome is, it will then be decided the American way.

Finally, I believe it imperative that the committee or Congress declare what it considers to be un-American propaganda, activities, or acts, so that Congress and the Nation will know it does not depend upon the whims or fancies of mere men, but is founded in principles recognized as reasonable and sound. There is no definition of un-American

propaganda in House Resolution 5, dated January 3, 1945, and I am not aware of any announced definition or conclusion on this important matter yet stated by the committee. I believe it would be constructive for the people of this great Nation to have it defined and know what our Un-American Activities Committee is charged with preventing.

Sincere men and women can honestly differ on this point. I think I have heard differences of opinions expressed by Members of this House on this very point. It appears to me that since the text of the resolution is silent on this essential factor, that the sooner the courts rule on all the issues raised the better off the country will be. Also what act is subversive. Let the courts rule and find out.

The committee is entitled to a presumption of regularity of procedure, as I see it. The group accused is apparently ready to have the issue thrashed out in court. The country needs to know what is subversive and what is un-American propaganda. The Congress needs to know how far its own committee can and cannot go. The approval of this resolution merely refers it to the courts. It finds no one guilty. It prejudges no one. They are presumed to be innocent until found guilty under well-established law.

The committee will have to establish and maintain its claims here made according to established law else no one will be found guilty of contempt.

Congress has plenty to do without doing the work for which the FBI was created and trained.

Mr. WOOD. Mr. Speaker, I yield 4 minutes to the gentleman from New Jersey [Mr. THOMAS].

Mr. THOMAS of New Jersey. Mr. Speaker, after our committee sent out the subpenas for the chairman of the Joint Anti-Fascist Committee and the members of the executive board we had these people before us and asked each many questions.

Never since I have been a member of the Dies committee or a member of this committee have I seen a more insolent lot of people, a more insolent lot of witnesses, a more contemptuous crowd of witnesses. They not only did not bring the books with them, as the subpenas called for, but they would not answer most of the questions we asked them.

To show their utter contempt for Congress, to show their utter contempt for this committee of Congress, I want to read to you one or two sentences from an advertisement which this group placed in the New York Times. The advertisement appeared a day after these witnesses from the Joint Anti-Fascist Committee board appeared before our committee.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of New Jersey. I yield.

Mr. RANKIN. And they paid $2,640 for having it printed in one newspaper.

Mr. THOMAS of New Jersey. This is what the executive board said in the New York Times ad.

Mr. HOOK. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of New Jersey. Not at this time.

We, the undersigned, are the members of the executive board of the Joint Anti-Fascist Refugee Committee.

Then in this $2,640 ad they say this about your committee of Congress:

As American citizens we can have nothing but contempt for the un-American activities of the Wood-Rankin committee.

These persons not only were contemptuous in the committee room but they publicly went into the press and said how contemptuous they were of a committee of Congress.

I want to tell you this: If you will read the printed hearings on every one of these persons who came before us and whom we are attempting to cite for contempt today, you will find they not only refused to show us the books, but they declined emphatically and insolently to answer most questions put to them.

Mrs. DOUGLAS of California. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of New Jersey. Not at this time.

In addition, you will find in some cases they may be guilty of perjury. I am going to recommend at a later date that we bring up this question of perjury.

But the question before the House today is not one of perjury; it is whether or not these individuals have flouted the will of Congress, whether they are contemptuous of a standing committee of Congress, and whether they should be cited for contempt. I emphatically say they should. I sincerely hope that the House supports the recommendation of the Committee on Un-American Activities.

Mr. Speaker, I yield back the balance of my time.

Mr. WOOD. Mr. Speaker, I yield 6½ minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. HOOK. Mr. Speaker, will the gentleman yield to me?

Mr. MARCANTONIO. Not at this time.

Mr. Speaker, we have a most unusual situation here today. We are asked to cast a verdict on 16 Americans without having read the testimony. This is the first time we have had a proceeding of this character without having had an extract of the minutes or a relevant portion of the record. We shall therefore vote blindly on the resolution.

I wish every Member of the House could first read this record of over 100 pages, which tells the whole story. The gentleman from New Jersey [Mr. THOMAS] has charged the witnesses with being insolent. I would like to call your attention to page 63 of the hearings:

Mr. RANKIN. Who wrote this document for you (referring to the paper previously read by the witness)?

Mr. MAGANA. That is my opinion.

Mr. RANKIN. Who wrote that for you? You are rubbing your nose right up against the gates of the penitentiary here. Did you write that?

I call your attention to another jewel.

Mr. THOMAS of New Jersey. Will the gentleman read on?

Mr. MARCANTONIO. I did not yield to the gentleman. The gentleman stood up here and called these witnesses insolent.

Mr. THOMAS of New Jersey. Did the gentleman——

Mr. MARCANTONIO. Now, Mr. Speaker, the gentleman is not before his committee; he is on the floor of the House and I decline to yield.

Mr. Speaker, I call attention to page 10:

Mr. BRADLEY. Allow me to finish reading the statement.

Mr. ADAMSON. It is the same one the previous witness had.

Mr. RANKIN. Give it to the chairman. Now, the next question he refuses, just call up the marshal and send him to jail.

Then they charge these witnesses with being insolent!

What is involved here, Mr. Speaker, is not a question of the subpena power of a congressional committee. I respectfully submit that what is involved here consists of three questions: First, the abuse of the subpena power; second, the first and fourth amendments to the Constitution of the United States; and third, the basic political question as to whether aid to the victims of Franco constitutes subversive and un-American activities.

As to the first question what have we here? The committee is seeking to have cited for contempt every member of the board of directors on the theory that this board of directors met and that this board of directors decided that the present custodian of the books was not to be changed, that the custodian of the books was given complete authority over the records subject to consultation with an attorney as to the validity of the committee's subpena of the books.

The committee contends that there was a conspiracy to commit contempt, and now asks us to adopt a citation resolution against every member of the board including three who were not present and never voted on the question. How are they brought here? Every one of these members of the board is brought here under a subpena, a subpena to produce books and records. It is elementary law, and every lawyer in this House well knows it, that the only person who can be considered to have violated a subpena to produce records is the person who has the custody of those records. No individual member of this board has custody of these records, and I am talking from the record of the hearings. The record demonstrates conclusively that the only person who has custody of these books is the executive secretary of the organization. So how can you attempt to cite a person for contempt who has no power to comply with the subpena even if he does want to comply with the subpena?

Oh, you are going to say, that is a subterfuge. All of the evidence points to the contrary. However, I go further. Even if the board met and decided that the person who had custody was not to produce the books every court in this country would tell you that those individuals on that board had only one re-

sponsibility under this subpena to produce books, and that was to inform the committee as to who had custody; and that is what they did here. They willingly gave that information. They answered all questions on this issue without reservation. They established who had custody; and the only person who can be held for violating that subpena to produce the books is the person who has custody and refuses to produce the books. The record shows that there was only one person who had custody and only that person could be compelled, if the subpena were a proper one, to produce those books, and failure to do so would subject that person to a citation for contempt. I again repeat if that subpena were a proper one.

Was the subpena proper? Let us see if the committee had any authority to issue such a subpena; let us examine House Resolution 5 under which this committee is proceeding. The power of this committee is limited to investigate un-American and subversive propaganda, foreign and domestic. I submit that it is the duty, first of all, of the committee to establish that the propaganda is subversive and un-American; and the committee must use the yardstick laid down by the Supreme Court time and time again which is that propaganda or literature must be of such nature that it constitutes a clear and present danger to our form of Government. Until the committee first finds that the propaganda or literature is subversive, that is, that it does constitute a clear and present danger to our form of government, it cannot go further. When it does it is violating the first amendment and when it issues a subpena of the character before us, it not only violates the first amendment but violates the fourth amendment with equal violence. So that what is involved here is a violation of the constitutional guarantee of free speech and press and of the constitutional protection against unwarranted search and seizure.

This Joint Anti-Fascist Refugee Committee is not engaged in propaganda. It is engaged in the distribution of relief to the victims of Fascist Spain. But, assuming for the sake of argument, that they did get out literature of a propaganda nature, the committee must first establish that the propaganda is subversive to warrant an investigation of the books and records of that organization.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. WOOD. Mr. Speaker, I yield the gentleman one additional minute.

Mr. MARCANTONIO. Mr. Speaker, as I stated, the committee must first establish that this propaganda is of a subversive, un-American nature, that it does constitute a clear and present danger to our form of government. I submit that the record here shows the committee has never established that fact, but, to the contrary, the entire record of the proceedings and the history of the whole case shows that this anti-Fascist committee was not engaged in the dissemination of un-American subversive propaganda. It was not engaged in propaganda that constituted a clear and present danger to the institutions of this country. It has been and is engaged in a most democratic and American activity to aid the victims of fascism.

Under those circumstances the Committee on Un-American Activities had no power whatsoever to issue this kind of a subpena, the kind of a subpena that evades the committee's primary responsibility, a subpena that skips and jumps over the necessary prerequisites to warrant this kind of an investigation or subpena.

For these reasons, Mr. Speaker, the executive secretary of this committee very properly, and I maintain the courts will sustain this view, refused to comply with the subpena to produce the records. Now, as to the basic political issue. This organization, as well as others engaged in the struggle of yesterday and today for democracy against fascism, are subjected to attack by the committee? Why? Because their democratic activities have incurred the hatred of the majority of the committee. The issue is political and time and events make it clear.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. WOOD. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, we are now coming to the test.

We are going to take a vote in a few minutes to determine whether or not you, as Members of Congress, are going to support the Committee on Un-American Activities in its attempts to expose those subversive elements that now threaten the life of our Nation.

As was pointed out a few moments ago, one of the former leaders of the Communist Party testified on oath before our committee the other day that every Communist in America is subservient to a foreign power; and I read to you the statement of the present head of the Communist Party to the effect that, "When a Communist heads a Government of the United States, it will not be a capitalist government, but a Soviet government, and behind this government will stand the Red Army to enforce the dictatorship of the proletariat."

That is what they are driving at; and these Communist-front organizations are being used for that purpose.

I have just listened to the lady from California [Mrs. DOUGLAS], the gentleman from New York [Mr. CELLER], and the gentleman from New York [Mr. MARCANTONIO] in their attacks on this Committee on Un-American Activities for citing for contempt of Congress witnesses who flagrantly refused to comply with the mandate of a subpena and answer the questions propounded when placed on oath. It would certainly be interesting to see, or hear, a definition of a Communist, or a subversive, written and agreed upon by the gentlewoman from California [Mrs. DOUGLAS], the gentleman from New York [Mr. CELLER], and the gentleman from New York [Mr. MARCANTONIO].

This is a serious question, and one that challenges the very authority of the Congress of the United States. The Committee on Un-American Activities in the discharge of its duties, as outlined by the rules of the House, has secured a great deal of secret information with reference to the subversive activities of Communists in this country, including the spy ring that is now being exposed in Canada.

We had information that this so-called Anti-Fascist Refugee Committee is a subversive, communistic organization, and we sent our investigators to get the information concerning them. When they refused to give that information, the chairman issued a subpena on the request of a majority of the committee to subpena these representatives and demand that they show their books.

We did this in an orderly way, and the only question here is whether or not they were in contempt when they appeared before the committee and brazenly refused to answer the questions propounded, or to show the books as the subpena demanded.

We cannot afford to give out to the world all of the information we get in executive sessions, any more than the FBI can afford to proclaim its findings from the housetop. But, we have information that convinced me, and convinced the majority of the members of the committee, that this so-called Anti-Fascist Refugee Committee is a Communist front organization.

If it were merely a charitable organization, or a relief organization, they would not refuse to show the books. They would not be spending these thousands and thousands of dollars paying for page advertisements in the large daily newspapers of the country attacking the Committee on Un-American Activities for performing the duties imposed upon it by the Rules of the House, if they were on the level.

As I said, we have had information of a spy ring in this country, as well as a network of Communist cells throughout the Nation. If you Members of the House could have heard the testimony of Mr. Budenz, a former leader of the Communist Party, who knows the inside workings of that subversive movement, it would have made the hair rise on your heads.

I wrote this rule giving the committee the right to subpena witnesses as well as the right to administer oaths. It is not a question of what they have done up to the time they come before the committee, but when they come before that committee and refuse to answer questions they were in contempt of Congress.

Suppose an individual came before a grand jury and said, "No, I will not tell what I know about this case." Do you think the prosecuting attorney would go in and read to the court all the testimony he received in the grand jury? No. He would go before the court and say, "If Your Honor please, this witness refuses to answer the questions asked him in the grand jury room"; and he would be fined for contempt of court or sent to

jail and kept there until he agreed to answer.

Mr. HOOK. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. For a short question.

Mr. HOOK. I would like to have the gentleman explain what he meant when he said to the witness, "Just call the marshal and send him to jail." Has the committee a right to call up the marshal?

Mr. RANKIN. I simply served notice on that fellow that he was perjuring himself. They brought in there a statement written by a lawyer whose name they gave. They all read the same statement, verbatim, and yet each one took the stand and swore it was his or her own statement.

Mr. HOOK. That does not give the gentleman the right to call the marshal.

Mr. RANKIN. I do not yield further. If they had been in court, every last one of them would be in jail today.

Is Congress going to be subjected to contempt by an element in this country that is plotting day and night for the overthrow of this Government?

Are we going to surrender through cowardice the safety of our country that our boys have just won with their blood and sacrifice on the field of battle?

It is not a pleasant duty to serve on this committee.

Mr. GALLAGHER. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. No. I decline to yield.

As I said, it is no pleasure to serve on this committee. Today we find these contemptible statements made by a bunch of Reds over the radio, and by these publications, with all this false propaganda spread to try to discredit this committee and to discredit the Congress. We take more lying abuse from the enemies within our gates, including the Communists, pinks, and fellow travelers, than any other committee in either House.

But I want to tell you now that as long as I am on that committee, I shall perform that duty to the best of my ability. There is only one of two courses here; you are either going to vote that any subversive individual can come in here and treat Congress with contempt and get away with it, or you will vote to pass the resolution offered by the distinguished gentleman from Georgia [Mr. WOOD], chairman of the Committee on Un-American Activities.

He is rendering a great service to his country and to the American people, the real Americans who fight our Nation's battles in time of war and sustain its institutions in time of peace.

Real Americans who believe in American institutions and the American way of life are supporting the gentleman from Georgia [Mr. WOOD] and this Committee on Un-American Activities in their efforts to protect this Nation from destruction at the hands of the enemies within our gates.

Mr. WOOD. Mr. Speaker, I yield 2 minutes to the gentleman from Utah [Mr. ROBINSON].

Mr. ROBINSON of Utah. Mr. Speaker, I have asked for more time, but 2 minutes is all I can have. I believe that the House is really being carried away by a great deal of emotion. We all feel just as the gentleman from Mississippi [Mr. RANKIN] does about Communists and other people who are engaged in subversive activities or un-American activities. But that is not the problem. We have already cited Mr. Barsky, who claims to have charge of the records of this committee, and, if he does not, then the secretary does. But we have not cited her in this particular instance. We have gone out and cited 16 people, some of whom have never seen the records. We have cited them for what? For contempt of the House of Representatives through its Committee on Un-American Activities.

That is what we are attempting to do here. I voted to cite Mr. Barsky because I figured that he had no right to tell this committee that he would not produce these records when the committee asked him to do it, although he took the position, and possibly a sound position, that the committee only had the right to inquire into subversive or un-American activities. So far as their testimony is concerned, they are willing to give the committee any information they have with reference to propagandizing or active work with relation to subversive or un-American activities, but contend that this committee has no legal right to summon their books to see where their money was spent or where they got their money from. Now that is the question before the House. So it seems to me that on this question this House owes a duty to these 16 people, who are innocent, not to cite them for contempt.

As against these 16 members of the organization there is no showing whatever, in my opinion, that they have control of the records, nor that they have had very much to do with the workings of the organization. This legal problem which is involved can be tested out in the courts through proceedings against the president, Barsky, or its secretary, Helen R. Bryan. I voted to cite the president of this organization for contempt when the matter was up several weeks ago, because I was willing to have this legal matter settled by the courts. But I am unwilling to punish for contempt 16 innocent people in order to have a legal determination as to what authority this committee has when we have already cited for contempt the president of the organization, and proceedings have not been instituted against him.

I have always seriously questioned the legality of this procedure, and I think that if the House will study carefully the case of *Olmstead* v. *U. S.* (277 U. S.) they will be convinced that there is a serious probability that the committee is exceeding the authority given to it by the House, and that it is violating the fundamental principles of our Constitution.

I wish to quote from this opinion the language of Justice Brandeis as follows:

> The makers of our Constitution undertook to secure conditions favorable to the pursuit of happiness. They recognized the significance of man's spiritual nature, of his feelings, and of his intellect. They knew that only a part of the pain, pleasure and satisfactions of life are to be found in material things. They sought to protect Americans in their beliefs, their emotions, and their sensations. They conferred, as against the Government, the right to be let alone—the most comprehensive right and the right most valued by civilized man. To protect that right, every unjustifiable intrusion by the Government upon the privacy of the individual, whatever the means employed, must be deemed a violation of the fourth amendment.

The SPEAKER. The time of the gentleman from Utah has expired.

Mr. RANKIN. Mr. Speaker, will the gentleman from Georgia yield?

Mr. WOOD. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman from Utah [Mr. ROBINSON] was not even present to hear these witnesses testify.

Mr. ROBINSON of Utah. Mr. Speaker, will the gentleman yield?

Mr. WOOD. I yield.

Mr. ROBINSON of Utah. I was there when Dr. Barsky testified and also when the secretary of this committee testified.

Mr. RANKIN. Yes; several weeks ago.

Mr. ROBINSON of Utah. I was not there when these other people testified, because I knew without going there just exactly how this committee as it is now composed would vote on that.

Mr. RANKIN. The gentleman from Utah said he was opposed to the committee and would vote to abolish it, and that he voted against creating it. When we called these witnesses here in obedience to the will of Congress the gentleman from Utah did not even come to hear the testimony.

Mr. WOOD. Mr. Speaker, I just want to correct one impression that seems to have been attempted to be left in the minds of the Members of the House. This resolution does not judge anybody to be guilty of contempt of this Congress. It is simply a citation from this Congress to the legal department of the United States Government, in which these parties may have ample opportunity to present whatever defense they may have to the citation.

Mr. JENNINGS. Mr. Speaker will the gentleman yield?

Mr. WOOD. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Are these people not up against the legal presumption that is universally the law in this country that when a party to a controversy or a witness conceals, destroys, or refuses to disclose pertinent testimony he does it because if he did it would be against him?

Mr. WOOD. I presume that is a correct presumption of law. It is so written into the statutes of my State.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. MARCANTONIO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 292, nays 56, not voting 82, as follows:

[Roll No. 86]

YEAS—292

Abernethy	Almond	Anderson, Calif.
Adams	Andersen, H. Carl	Andresen, August H.
Allen, La.		

Andrews, Ala.	Gillie	Murray, Wis.
Angell	Goodwin	Norblad
Arends	Gore	Norrell
Arnold	Gossett	O'Brien, Ill.
Auchincloss	Grant, Ala.	O'Hara
Barden	Grant, Ind.	O'Konski
Barrett, Wyo.	Gregory	Patman
Bates, Ky.	Griffiths	Peterson, Ga.
Bates, Mass.	Gross	Philbin
Beall	Gwinn, N. Y.	Phillips
Beckworth	Gwynne, Iowa	Pickett
Bell	Hagen	Pittenger
Bennett, Mo.	Hale	Ploeser
Bishop	Hall, Edwin Arthur	Plumley
Blackney	Hall, Leonard W.	Poage
Bland	Halleck	Price, Fla.
Bonner	Hand	Priest
Bradley, Mich.	Hare	Quinn, N. Y.
Bradley, Pa.	Harness, Ind.	Rabaut
Brehm	Harris	Ramey
Brooks	Hart	Randolph
Brown, Ga.	Hays	Rankin
Brown, Ohio	Hedrick	Reed, Ill.
Brumbaugh	Hendricks	Reed, N. Y.
Bryson	Herter	Rees, Kans.
Buck	Hess	Rich
Buffett	Hill	Richards
Bulwinkle	Hinshaw	Rivers
Butler	Hobbs	Rizley
Byrnes, Wis.	Hoch	Robertson, N. Dak.
Camp	Hoeven	Robertson, Va.
Campbell	Hoffman	Robsion, Ky.
Canfield	Holmes, Mass.	Rockwell
Cannon, Fla.	Holmes, Wash.	Rodgers, Pa.
Cannon, Mo.	Hope	Roe, N. Y.
Carlson	Horan	Rogers, Fla.
Carnahan	Howell	Rogers, Mass.
Case, N. J.	Hull	Rogers, N. Y.
Case, S. Dak.	Jenkins	Russell
Chelf	Jennings	Sasscer
Chenoweth	Jensen	Schwabe, Mo.
Chiperfield	Johnson, Calif.	Schwabe, Okla.
Church	Johnson, Ill.	Scrivner
Clark	Johnson, Ind.	Shafer
Clason	Johnson, Luther A.	Sharp
Clements	Johnson, Lyndon B.	Simpson, Ill.
Clevenger	Johnson, Okla.	Simpson, Pa.
Clippinger	Jones	Slaughter
Cole, Mo.	Jonkman	Smith, Maine
Cole, N. Y.	Judd	Smith, Ohio
Cooley	Kean	Smith, Va.
Cooper	Kearney	Smith, Wis.
Corbett	Keefe	Somers, N. Y.
Courtney	Kelly, Ill.	Sparkman
Cox	Kerr	Spence
Crawford	Kilburn	Springer
Cunningham	Kilday	Stefan
D'Alesandro	Kinzer	Stevenson
Daughton, Va.	Knutson	Stewart
Davis	Kunkel	Stigler
Delaney, James J.	Landis	Sullivan
D'Ewart	Lane	Sumners, Tex.
Dingell	Lanham	Sundstrom
Dirksen	Larcade	Taber
Dolliver	Latham	Talbot
Domengeaux	LeCompte	Talle
Dondero	LeFevre	Tarver
Doughton, N. C.	Lemke	Taylor
Doyle	Lesinski	Thom
Drewry	Lewis	Thomas, N. J.
Durham	Ludlow	Thomas, Tex.
Earthman	Lynch	Thomason
Eaton	McConnell	Tibbott
Elliott	McCowen	Towe
Ellis	McGehee	Trimble
Ellsworth	McGregor	Vinson
Elsaesser	McMillan, S. C.	Vorys, Ohio
Elston	Mahon	Vursell
Engle, Calif.	Maloney	Wadsworth
Ervin	Manasco	Walter
Fallon	Mansfield, Mont.	Wasielewski
Feighan	Martin, Iowa	Welchel
Fenton	Martin, Mass.	West
Fernandez	Mason	Whitten
Flannagan	May	Whittington
Fogarty	Merrow	Wickersham
Forand	Michener	Wigglesworth
Fuller	Miller, Nebr.	Wilson
Fulton	Mills	Winstead
Gamble	Monroney	Winter
Gary	Morrison	Wolcott
Gathings	Mundt	Wolverton, N. J.
Gavin	Murray, Tenn.	Wood
Gearhart		Woodruff
Gifford		Worley
Gillespie		
Gillette		

NAYS—56

Bailey	De Lacy	Granahan
Barrett, Pa.	Douglas, Calif.	Granger
Biemiller	Eberharter	Green
Bloom	Engel, Mich.	Harless, Ariz.
Celler	Gallagher	Havenner
Coffee	Gordon	Healy
Crosser	Gorski	Heffernan
Heselton	Link	Rayfiel
Holifield	McGlinchey	Resa
Hook	Madden	Robinson, Utah
Huber	Marcantonio	Rowan
Jackson	Miller, Calif.	Ryter
Kefauver	Morgan	Sabath
Kelley, Pa.	Murdock	Sadowski
Keogh	Neely	Savage
King	O'Toole	Starkey
Kirwan	Outland	Tolan
Kopplemann	Patterson	Woodhouse
LaFollete	Powell	

NOT VOTING—82

Allen, Ill	Fisher	O'Brien, Mich.
Andrews, N. Y.	Flood	O'Neal
Baldwin, Md.	Folger	Pace
Baldwin, N. Y.	Gardner	Patrick
Barry	Geelan	Peterson, Fla.
Bender	Gerlach	Pfeifer
Bennet, N. Y.	Gibson	Price, Ill.
Bolton	Graham	Rabin
Boren	Hancock	Rains
Boykin	Hartley	Reece, Tenn.
Buckley	Hébert	Riley
Bunker	Henry	Roe, Md.
Burch	Izac	Rooney
Byrne, N. Y.	Jarman	Sheppard
Chapman	Kee	Sheridan
Cochran	Klein	Short
Cole, Kans.	Lea	Sikes
Colmer	Luce	Stockman
Combs	Lyle	Sumner, Ill.
Cravens	McCormack	Torrens
Curley	McDonough	Traynor
Curtis	McKenzie	Voorhis, Calif.
Dawson	McMillen, Ill.	Weaver
Delaney, John J.	Mankin	Welch
Douglas, Ill.	Mansfield, Tex.	White
Dworshak	Mathews	Wolfenden, Pa.
Fellows	Murphy	Zimmerman
	Norton	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Riley for, with Mr. Rabin against.

Mr. Short for, with Mr. Klein against.

Mr. Graham for, with Mr. Sheridan against.

General pairs until further notice:

Mr. McCormack with Mr. Reece of Tennessee.

Mr. Roe of Maryland with Mr. Stockman.

Mr. Colmer with Mr. Wolfenden of Pennsylvania.

Mrs. Douglas of Illinois with Mr. Allen of Illinois.

Mr. Mansfield of Texas with Mr. Henry.

Mr. Buckley with Mr. Cole of Kansas.

Mr. Sheppard with Mr. Fellows.

Mr. Pfeifer with Mr. Curtis.

Mr. Cochran with Mr. McMillen of Illinois.

Mr. Rooney with Mr. Hartley.

Mr. Cravens with Mr. Bender.

Mr. Barry with Mr. Gerlach.

Mr. Rains with Mr. Dworshak.

Mr. Boykin with Mr. Baldwin of New York.

Mr. Bunker with Mrs. Luce.

Mr. Torrens with Mr. McDonough.

Mr. Combs with Mr. Sumner of Illinois.

Mr. Byrne with Mr. Hancock.

Mr. Izac with Mr. Bennet of New York.

Mr. Delaney, John J. with Mr. Andrews of New York.

Mrs. Norton with Mrs. Bolton.

Mr. O'Neal with Mr. Mathews.

Mr. Price of Illinois with Mr. Welch.

Mr. CASE of South Dakota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Speaker, is the vote on the ordering of the previous question or on the passage of the resolution?

The SPEAKER. On the resolution.

Mr. CASE of South Dakota. Mr. Speaker, how am I recorded?

The SPEAKER. The gentleman is recorded as voting "nay."

Mr. CASE of South Dakota. Mr. Speaker, I desire to vote "yea" on the passage of the resolution.

Mr. BARRETT of Pennsylvania changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. REED of New York, asked and was given permission to extend his remarks in the RECORD in three instances, to include in one a letter and in the others some telegrams.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include statements he made yesterday before the Committee on Ways and Means on H. R. 2229 and H. R. 2230.

Mr. THOMAS of New Jersey asked and was given permission to extend his remarks in the RECORD on the question of the milk strike in New Jersey and include certain correspondence.

Mr. MUNDT asked and was given permission to revise and extend the remarks he recently made in the House and include some extraneous data and printed material.

Mr. VURSELL asked and was given permission to extend his remarks in the RECORD.

Mr. MASON asked and was given permission to extend his remarks in the RECORD and include a statement.

Mr. STEFAN asked and was given permission to extend his remarks in the RECORD and include the names of 101 Members of the Congress who participated in psychological warfare.

Mr. HAVENNER asked and was given permission to extend his remarks in the RECORD.

Mr. SPENCE asked and was given permission to extend his remarks in the RECORD and include a break-down of the subsidies provided for in H. R. 6042.

Mr. SABATH asked and was given permission to extend his remarks on the resolution that just passed the House.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD in two instances, to include in one remarks on the resolution just passed and in the other a short editorial.

PHILIPPINE ISLANDS REHABILITATION ACT

Mr. BELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1610) to provide for the rehabilitation of the Philippine Islands, and for other purposes, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. BELL, Mr. ROBINSON of Utah, Mr. GOSSETT, Mr. WELCH, and Mr. COLE of New York.

EXTENSION OF REMARKS

Mr. HAGEN asked and was given permission to extend his remarks in the RECORD on the subject of star mail routes and include two newspaper articles on the subject.

Mr. GRANT of Indiana asked and was given permission to extend his remarks in the RECORD and include short excerpts.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and include two short articles.

Mr. GAMBLE asked and was given permission to extend his remarks in the RECORD in two instances and include two editorials.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

LEGAL GUARDIAN OF JAMES HAROLD NESBITT, A MINOR

The Clerk called the bill (H. R. 2843) for the relief of the legal guardian of James Harold Nesbitt, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to the legal guardian of James Harold Nesbitt, a minor, of Big Sandy, Tex., in full settlement of all claims against the United States for personal injuries, medical and hospital expenses sustained as the result of an accident involving an Army vehicle at the intersection of Church and Gilmore Streets, Big Sandy, Tex., on July 4, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "$5,000" and insert "$1,000."

Line 7, after "Texas", insert "and to Mrs. Clara A. Nesbitt the sum of $326."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the legal guardian of James Harold Nesbitt, a minor, and Mrs. Clara A. Nesbitt."

A motion to reconsider was laid on the table.

RELIEF OF CERTAIN FRUIT GROWERS IN THE STATE OF DELAWARE

The Clerk called the bill (S. 401) for the relief of sundry fruit growers of the State of Delaware who sustained losses as the result of the fumigation of apples with methyl bromide in order to comply with the requirements of the United States Department of Agriculture relating to the Japanese beetle quarantine.

The SPEAKER pro tempore (Mr. PRIEST). Is there objection to the present consideration of the bill?

Mr. SPRINGER, Mr. DOLLIVER, and Mr. SCRIVNER objected; and, under the rule, the bill was recommitted to the Committee on Claims.

MRS. HENRY H. HAY

The Clerk called the bill (S. 1190) for the relief of Mrs. Henry H. Hay.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Henry H. Hay, of Savannah, Ga., the sum of $1,082.46, in full satisfaction of her claim against the United States for compensation for accrued annual leave, earned by her husband, the late Henry H. Hay, as a merchant marine inspector in the United States Coast Guard at Savannah, Ga., the said amount representing 88 days and 15 minutes annual leave standing to the credit of the said Henry H. Hay at the time of his death on December 4, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAUNDERS WHOLESALE, INC.

The Clerk called the bill (S. 1310) for the relief of Saunders Wholesale, Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Saunders Wholesale, Inc., of Key West, Fla., is hereby relieved of liability for the payment of manufacturers' excise taxes in the amount of $7,834.56 on 2,242,000 cigarettes and 42 pounds of manufactured tobacco which were destroyed by fire on February 26, 1945, while stored in a sea stores warehouse operated by the said Saunders Wholesale, Inc., after having been lawfully withdrawn from the place of manufacture, without payment of tax, for delivery to vessels for use as sea stores.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALVATORE CARBONE

The Clerk called the bill (S. 1638) for the relief of Salvatore Carbone.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay to Savatore Carbone, out of any money in the Treasury not otherwise appropriated, a sum equivalent to the market value on the date of the approval of this act of a bond hereinafter described, and such additional sum as would be equivalent to the value of interest coupons 1 to 19, inclusive, as may be due on the date of the approval of this act, in full settlement of all claims against the United States on account of the loss of the 2 percent Treasury bond of 1949–51, dated July 15, 1942, numbered 31,199–K, with all coupons attached, which Salvatore Carbone placed in the custody of the Immigration and Naturalization Service of the Department of Justice as security for a delivery bond for the alien Raymond Cyril Cormier and which while in such custody became lost without negligence on the part of Salvatore Carbone, subject to proper assignment by him of his right, title, and interest in and to the above-described bond and coupons to the United States: *Provided*, That no part of the amount appropriated under this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, any contract to the contrary notwithstanding, and the payment or delivery to or the reception by any agent or attorney of an amount in excess of that herein provided shall be unlawful. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARION CONTRACTING CO.

The Clerk called the bill (H. R. 208) for the relief of Marion Contracting Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $29,485.52, to Marion Contracting Co., Ocala, Fla., in full satisfaction of their claim against the United States under contract No. C2ca 2098, dated September 27, 1943, entered into by Marion Contracting Co. with the United States Government through the Civil Aeronautics Administration and providing for certain construction work on the Cocoa-Titusville Airport in the vicinity of Titusville, Fla.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. LULU WILSON NEVERS

The Clerk called the bill (H. R. 975) for the relief of Mrs. Lulu Wilson Nevers.

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

ROBERT J. CRAMER

The Clerk called the bill (H. R. 1538) for the relief of Robert J. Cramer.

There being no objection, the Clerk head the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert J. Cramer, Lander, Wyo., the sum of $5,122.22. The payment of such sum shall be in full settlement of all claims of the said Robert J. Cramer against the United States for personal injuries and property damage sustained on June 10, 1942, when the automobile owned and driven by him was struck by a United States Army ambulance at the intersection of Twentieth Street and Washington Boulevard in Ogden, Utah.

With the following committee amendments:

Page 1, line 6, strike out "pavment" and insert "payment."

At the end of the bill add the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

Mr. BARRETT of Wyoming. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. BARRETT of Wyoming. Mr. Speaker, this claim arises out of a collision between the claimant's automobile and an Army ambulance shortly before 6 a. m., June 10, 1942, on the streets of Ogden, Utah. The ambulance was taking a seriously injured patient from Utah General Depot to a hospital in Ogden. The patient died before reaching the hospital.

The accident occurred at an intersection without stop signs and a few minutes before the stop lights began operating. It is admitted by all that the ambulance was traveling on an emergency mission at an excessive rate of speed, variously estimated at between 40 and 50 miles per hour. It is further admitted that the ambulance was not equipped with siren or red light to properly identify it. The War Department admits that the driver of the ambulance was negligent in that he entered the intersection at an illegal rate of speed.

Robert J. Cramer, a citizen of Wyoming, was temporarily employed in defense work at Ogden at about $400 per month. He was driving his Hudson Terraplane at from 20 to 25 miles per hour at the time of the accident. Cramer did not see the approaching ambulance until he neared center of intersection and did not hear any warning horn until ambulance was upon him. Cramer was proceeding from the right and under the city ordinances of Ogden, he had the right-of-way over the ambulance.

The crash occurred 49 feet from a point where the ambulance entered intersection and 18 feet from where Cramer's car entered intersection. The ambulance struck Cramer's car on the side, practically demolishing same.

A sworn affidavit of a witness to the accident states that the driver of the ambulance said immediately after the collision, "Somebody get an ambulance and take this man to the hospital. He is hurt bad, and it's all my fault." When another ambulance came and he was being placed in it, the driver again said, "Take him first. He's hurt bad. I'm the cause of all this."

The War Department recommended that this claim be disallowed because it contends Cramer was guilty of contributory negligence in that it holds that Cramer was traveling at an illegal rate of speed and that he should have seen the Government ambulance coming from the left, and thus avoid the collision. However, according to official police records at Ogden, Utah, no evidence was found of any violation of the traffic laws by Mr. Cramer, and the police authorities investigating the accident contend that if Cramer's car had been traveling at an excessive speed, as the War Department contends, his car would have overturned, because it was so much lighter than the Army vehicle. The ambulance overturned, but Cramer's car did not.

While Cramer was in the hospital, Major Shreves, of the Utah general depot, told Mrs. Cramer not to worry, as the Government was taking care of everything, which shows that at the time of the accident the Army authorities felt that there was liability on the part of the Government.

Mr. Cramer was severely injured in this accident and his car was a total loss. He had several ribs broken, his left side was punctured, the nerves leading to two fingers on his right hand were paralyzed, necessitating his hospitalization for 19 days and making it impossible for him to work for many months. He has a wife and four small children, wholly dependent on him for support. He was in defense work at this time, making about $400 per month; besides the loss of this income, his hospital bills, doctor bills, and other expenses incident to his injuries were high. This claim is for $5,122.22 for personal injuries and disabilities, hospital, medical, and other expenses, as well as loss of wages.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWARD PITTWOOD

The Clerk called the bill (H. R. 1570) for the relief of Edward Pittwood.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edward Pittwood, of Spokane, Wash., the sum of $150,000. The payment of such sum shall be in full settlement of all claims against the United States by said Edward Pittwood for losses sustained because of loss of rent, depreciation, and the loss of his warehouse property in Spokane, Wash., due to the illegal practice of the Northern Pacific Railway Co. of leasing property for warehouse purposes along its right-of-way at nominal rentals, and to the failure of the Interstate Commerce Commission to put an end to such illegal practices and give notice to claimant of its procedure.

With the following committee amendment:

Strike out all after the enacting clause, and insert in lieu thereof the following: "That jurisdiction is hereby conferred upon the United States District Court for the Eastern District of Washington to hear, determine, and to render judgment on the claim of Dr. Edward Pittwood, of Spokane, Wash., to recover losses sustained from the loss of rent, depreciation, and the loss of his warehouse property in Spokane, Wash., by action of the Interstate Commerce Commission.

"SEC. 2. Suit shall be instituted within 1 year of the date of the approval of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANDRE DACHARRY

The Clerk called the bill (H. R. 2192) for the relief of Andre Dacharry.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Andre Dacharry, Los Angeles, Calif., the sum of $14,923.44. The payment of such sum shall be in full settlement of all claims of the said Andre Dacharry against the United States on account of personal injuries, sustained on January 19, 1944, when he, and the bicycle which he was riding, was struck on the Coast Highway near Malibu Beach, Calif., by a United States Coast Guard truck.

With the following committee amendments:

Page 1, line 9, after "injuries", insert "medical and hospital expenses and property damage."

At the end of the bill add the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADELE NAHAS

The Clerk called the bill (H. R. 2315) for the relief of Adele Nahas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $9,082.14 due Adele Nahas, in full settlement of all claims against the United States for personal injuries, medical and hospital expenses, and loss of wages as a result of being struck by a United States Army truck while crossing Chester Pike at the intersection with Gardner Avenue in the city of Philadelphia, on June 16, 1942: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

H. H. HOOD

The Clerk called the bill (H. R. 2337) for the relief of H. H. Hood.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to H. H. Hood, Vicksburg, Miss., the sum of $5,000, in full settlement and satisfaction for all damages sustained by said H. H. Hood on account of the National Park Service constructing and changing the roads adjacent to certain property owned by him located in the national military park, Vicksburg, Miss.; the construction and reallocation of said roads being done within the past few years: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$5,000" and insert "$1,500."

Page 1, line 7, strike out the entire line and insert "of all claims against the United States for damages sustained."

Page 2, line 2, strike out "reallocation" and insert "relocation."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MARIE EDENS NAST, ET AL.

The Clerk called the bill (H. R. 3010) for the relief of Mrs. Marie Edens Nast, Mrs. Bessie Amann, and George R. Townsend.

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

SAM DISHONG

The Clerk called the bill (H. R. 3228) for the relief of Sam Dishong.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,169.90, to Sam Dishong, 3007 South Shield Street, Oklahoma City, Okla., in full settlement of all claims against the United States for personal injuries and damages sustained by him when he was struck by a Navy vehicle from the south naval base, Norman, Okla., on September 26, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLAUDE S. CROUSE

The Clerk called the bill (H. R. 3397) for the relief of Claude S. Crouse.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $4,000, to Claude S. Crouse, of Eldridge Hill, Woodstown, N. J., in full settlement of all claims against the United States for personal injuries sustained as a result of a collision between the automobile in which he was driving and a Work Projects Administration truck on United States highway in Alleghany County, N. C., on September 22, 1939: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 10, strike out "Work Projects Administration" and insert "United States Government."

Page 2, line 2, after the third comma, insert "and upon condition that the said Claude E. Crouse executes a good and sufficient release of the judgment obtained by him against Clifford Rector, the driver of such truck, in the Superior Court of Alleghany County, N. C., in September 26, 1940."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. GLEN ROTHENBERGER

The Clerk called the bill (H. R. 3556) for the relief of Mr. and Mrs. Glen Rothenberger.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,042.76 to Mr. and Mrs. Glen Rothenberger, of Osborne, Kans., in full settlement of all claims against the United States for the loss of personal property as the result of a robbery by three escaped prisoners from the United States Disciplinary Barracks, Fort Leavenworth, Kans., on April 12, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAURICE C. RITTER

The Clerk called the bill (H. R. 3702) for the relief of Maurice C. Ritter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Maurice C. Ritter, of Camp Hill, Pa., the sum of $3,500. Payment of such sum shall be in full satisfaction of all claims of the said Maurice C. Ritter against the United States on account of pain and suffering, and impairment of his ability to work, resulting from injuries suffered by him on July 12, 1944, when, through no negligence on his part, the Army truck in which he was a passenger overturned at a point between the New Cumberland Ordnance Depot and the Pennsylvania Industrial School. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES W. STEWART

The Clerk called the bill (H. R. 3968) for the relief of the estate of Charles W. Stewart.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Charles W. Stewart, deceased, late of Dade County, Fla., the sum of $10,000. The payment of such sum shall be in full settlement of all claims against the United States, not otherwise payable, on account of injuries to and the death of the said Charles W. Stewart as a result of a collision, on April 30, 1945, at or near the intersection of One Hundred and Twenty-third Street and Biscayne Boulevard, North Miami, Fla., between the vehicle in which he was riding and a vehicle in the service of the Army of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out the figures "10,000", insert in lieu thereof the figures "5,728.75."

Page 1, line 8, strike out "not otherwise payable."

Page 1, line 9, strike out "injuries to and."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DOROTHY MORGAN

The Clerk called the bill (H. R. 4016) for the relief of Dorothy Morgan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dorothy Morgan, of Newport News, Va., the sum of $136.99. The payment of such sum shall be in full settlement of all claims against the United States for loss of time from work and personal injury, pain, suffering, and anguish suffered by said Dorothy Morgan in an accident on December 12, 1942, when a truck owned by the National Advisory Committee on Aeronautics, Langley Field, Va., collided with automobile driven by Isaac D. Fox in which said Dorothy Morgan was a passenger: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AXEL H. PETERSON

The Clerk called the bill (H. R. 4118) for the relief of Axel H. Peterson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Axel H. Peterson, New Rochelle, N. Y., the sum of $10,934. The payment of such sum shall be in full settlement of all claims of the said Axel H. Peterson against the United States on account of injuries and property damage sustained by him as a result of a collision, on July 31, 1943, at the intersection of Main Street and Weyman Avenue, New Rochelle, N. Y., between the vehicle in which he was riding and a vehicle in the service of the Army of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by an agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$10,934" and insert "4,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

CARL AND NAOMI FITZWATER

The Clerk called the bill (H. R. 4373) for the relief of Carl and Naomi Fitzwater.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000, to Carl and Naomi Fitzwater, of Cincinnati, Ohio, in full settlement of all claims against the United States for the death of their son, David Fitzwater, as a result of being struck and killed by a United States mail truck on the Brighton approach near McMicken Avenue, Cincinnati, Ohio, on June 17, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

On page 1, line 5, strike out "$10,000" and insert "$3,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE H. BUXTON, JR.

The Clerk called the bill (H. R. 4416) for the relief of George H. Buxton, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $213.90, to George H. Buxton, Jr., in full settlement of all his claims against the United States for damages to his automobile sustained on June 5, 1944, while he was driving his said automobile west on Highway No. 80, a six-lane highway near Dallas, Tex., when said automobile which he then owned and was driving was run into by an Army truck from Love Field, Tex., the said Army truck being driven east, and the driver of said truck, a soldier on an official mission, negligently and unlawfully made a left turn in front of said Buxton's automobile, running into and damaging Buxton's automobile to the extent of said sum, $213.90. The said George H. Buxton, Jr., entered the intersection of the two highways, where said collision occurred, on a green light, driving in a western direction, and the driver of the Army truck, while driving east in an adjoining lane of traffic to the left of said Buxton, suddenly, negligently, and unlawfully steered said Army truck from the lane of traffic in which it was being driven into the lane of traffic in which the said Buxton was driving, running and driving said Army truck into and against said Buxton's automobile: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 10, after the word "Texas", strike out the balance of line 10, and all of lines 1 to 15 inclusive on page 2.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. EDNA B. LEBLANC

The Clerk called the bill (H. R. 4670) for the relief of Mrs. Edna B. LeBlanc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,584 to Mrs. Edna B. LeBlanc, of Iberia Parish, La., in full settlement of all claims against the United States for the death of her husband, Ulysse LeBlanc, as a result of a collision between the car in which he was a passenger and a United States Army vehicle, on United States Highway No. 90, near Cade, La., on January 17, 1944.

With the following committee amendments:

Page 1, line 5, strike out "$5,584" and insert "$3,584."

Page 2, line 1, at the end of the bill, insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. GUSSIE FELDMAN

The Clerk called the bill (H. R. 4757) for the relief of Mrs. Gussie Feldman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000, to Mrs. Gussie Feldman, of Charleston, S. C., in full settlement of all claims against the United States for personal injuries and medical expenses sustained as the result of being struck by a United States Coast Guard truck at the intersection of Lee and Meeting Streets, Charleston, S. C., on May 11, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$1,000" and insert "$325."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NINA E. SCHMIDT

The Clerk called the bill (H. R. 4905) for the relief of Nina E. Schmidt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nina E. Schmidt, of Indianapolis, Ind., the sum of $1,017.79, in full satisfaction of her claim against the United States for services rendered on December 18 and 19, 1944, at Indianapolis, as official reporter of the subcommittee of the United States Senate Committee to Investigate Presidential, Vice Presidential, and Senatorial Campaign Expenditures: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$1,017.79" and insert "$754.50."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH MACGUFFIE AND EUGENE ROHRER

The Clerk called the bill (H. R. 5003) for the relief of Joseph MacGuffie and Eugene Rohrer.

Mr. SPRINGER and Mr. MACGREGOR objected, and the bill, under the rule, was recommitted to the Committee on Claims.

NICHOLAS G. KARAS

The Clerk called the bill (H. R. 3532) amending the act of October 14, 1940, entitled "An act to record the lawful admission to the United States for permanent residence of Nicholas G. Karas."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to record the lawful admission to the United States for permanent residence of Nicholas G. Karas," approved October 14, 1940, is amended—

(a) By striking out "May 20, 1912" and inserting in lieu thereof "November 17, 1928"; and

(b) By striking out "Secretary of Labor" wherever the same appears therein and inserting in lieu thereof "Attorney General."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VERA FRANCES ELICKER

The Clerk called the bill (H. R. 4282) for the relief of Vera Frances Elicker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admissions at ports of entry of aliens as immigrants for permanent residence in the United States, the provisions of section 3 of the Immigration Act of 1917 (39 Stat. 875), as amended (U. S. C., title 8, sec. 136 (e)), which exclude from admission into the United States "persons who have been convicted of or admit having committed a felony, or other crime or misdemeanor involving moral turpitude," shall not hereafter be held to apply to Vera Frances Elicker, who is the wife of Robert Lewis Elicker, an American citizen and veteran of World War II, on account of an offense alleged to have been committed abroad while she was about 18 years of age during her legal infancy and prior to her marriage in Australia to Robert Lewis Elicker. If she is found otherwise admissible under the immigration laws an immigration visa may be issued and admission granted to Vera Frances Elicker under this act upon application hereafter filed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ESTELLE M. WILBOURN

The Clerk called the bill (H. R. 4113) to authorize and direct the Secretary of the Interior to issue a patent for certain land to Mrs. Estelle M. Wilbourn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to issue to Mrs. Estelle M. Wilbourn a patent for the following-described tract of land upon the payment of $1.25 per acre therefor: Southwest quarter of the northwest quarter, section 22, township 21, south, range 61 east, Mount Diablo meridian. The patent shall contain a reservation to the United States of all minerals in the tract described together with the right to mine, prospect for, and remove the same.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SARAH HOLMES BEEMAN

The Clerk called the bill (H. R. 4254) for the relief of Sarah Holmes Beeman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 13 (c) of the Immigration Act of 1924, as amended (43 Stat. 162; 8 U. S. C. 213 (c)), the Attorney General is authorized and directed to permit Sarah Holmes Beeman, the wife of Narvel Chester Beeman, a native-born citizen of the United States, to remain permanently in the United States if she is found otherwise admissible under the provisions of the immigration laws.

With the following committee amendments:

Page 1, line 3, after the figure "13", insert "(a) and."

Line 5, after the figure "213", insert "(a) and."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCESCO AND NATALIA PICCHI

The Clerk called the bill (H. R. 4672) for the relief of Francesco and Natalia Picchi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 19 (a) of the Immigration Act of February 5, 1917 (39 Stat. 889–890; 54 Stat. 671–673; 56 Stat. 1044; 8 U. S. C. 155), the Attorney General is authorized and directed to permit Francesco and Natalia Picchi, of Rockford, Ill., to remain permanently in the United States if they are found to be otherwise admissible under the provisions of the immigration laws other than quotas.

With the following committee amendment:

Strike out all after the enacting clause and substitute therefor the following: "That, notwithstanding the provisions of section 19 (a) of the Immigration Act of February 5, 1917 (39 Stat. 889–890; 54 Stat. 671–673; 56 Stat. 1044; 8 U. S. C. 155), the Attorney General is authorized and directed to cancel the warrants of arrest and deportation heretofore issued against Francesco and Natalia Picchi and hereafter they shall not again be subject to deportation for any offenses in connection with the charges contained in such warrants."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDITH JOYCE CROSBY

The Clerk called the bill (H. R. 4958) for the relief of Edith Joyce Crosby.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of the tenth category of section 3 of the Immigration Act of 1917, as amended (8 U. S. C. 136 (e)), a nonquota immigration visa may be issued to Edith Joyce Crosby, the wife of a citizen of the United States, and she may be admitted to the United States for permanent residence if she is found otherwise admissible under the provisions of the immigration laws.

With the following committee amendment:

Strike out all after the enacting clause and substitute the following: "That notwithstanding the provisions of the eleventh category of section 3 of the Immigration Act of 1917 (8 U. S. C. 136 (e)), Edith Joyce Crosby, the wife of a citizen of the United States who served honorably in the armed forces of the United States during World War II, may be admitted to the United States for permanent residence under the act approved December 28, 1945 (Public Law 271, 79th Cong.), if she is found otherwise admissible under the provisions of the immigration laws."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAUGHTERS OF THE AMERICAN REVOLUTION

The Clerk called the bill (H. R. 5896) to extend the term of design patent No. 21,053, dated September 22, 1891, for a badge, granted to George Brown Goode, and assigned to the National Society, Daughters of the American Revolution.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That a certain design patent issued by the United States Patent Office of date September 22, 1891, being patent No. 21,053, is hereby renewed and extended for a period of 14 years from and after the date of approval of this act, with all the rights and privileges pertaining to the same, being generally known as the badge of the Daughters of the American Revolution.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DOUGLAS CHARLES McRAE

The Clerk called the bill (H. R. 781) for the relief of Douglas Charles McRae, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to F. C. McRae, of Leesville, La., as father of Douglas Charles McRae, a minor, the sum of $5,000 in full settlement of all claims against the United States on account of personal injuries received by the minor, Douglas Charles McRae, resulting from the explosion of an antitank mine near Leesville, La., on March 25, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "F. C. McRae, of Leesville, La., as father" and insert in lieu thereof "the legal guardian."

Page 1, line 7, after the word "minor", insert "of Leesville, La."

Page 1, line 10, after the word "mine", insert "fuze."

The committee amendments were agreed to.

Committee amendment: Page 1, line 8, strike out "$5,000" and insert "$2,938.05."

Mr. SPRINGER. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. SPRINGER: Line 8, page 1, strike out "$2,938.05" and insert in lieu thereof "$2,438.05."

The amendment to the amendment was agreed to.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill for the relief of the legal guardian of Douglas Charles McRae, a minor."

A motion to reconsider was laid on the table.

MORRIS FINE

The Clerk called the bill (H. R. 1299) for the relief of Morris Fine.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to Morris Fine, of Philadelphia, Pa., in full settlement of all claims against the United States for personal injuries and property damage suffered by him when his automobile was struck by a Government truck on the Fort Dix-Pemberton Road, New Hanover Township, Burlington County, N. J., on February 18, 1942: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction shall be fined in any sum not exceeding $1,000.

With the following committee amendments.

Page 1, line 5, strike out the figures "$10,000" and insert in lieu thereof the figures "$5,000."

Page 1, line 8, after the word "injuries", strike out "and property damage suffered by him when his automobile was struck by a Government", and insert in lieu thereof a comma and the words: "property damage, medical and hospital expenses, and loss of earnings, sustained as the result of an accident involving a United States Army."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWIN DOYLE PARRISH

The Clerk called the bill (H. R. 1754) for the relief of Edwin Doyle Parrish.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edwin Doyle Parrish, of Lake Charles, La., the sum of $25,000, in full settlement of all claims against the United States for compensation for personal injuries sustained, and reimbursement of expenses incurred, as the result of a riot at Lake Charles, La., on May 12, 1943, in which military personnel were involved: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$25,000" and insert "$5,000."

Mr. McGREGOR. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. McGREGOR to the committee amendment: Page 1, line 6, strike out "$5,000" and insert "$3,500."

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. LESSIE L. BRYANT AND MISS JIMMIE ALEXANDER

The Clerk called the bill (H. R. 2242) for the relief of Mrs. Lessie L. Bryant and Miss Jimmie Alexander.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Lessie L. Bryant, Miami, Fla., the sum of $500 and to Miss Jimmie Alexander, Miami, Fla., the sum of $100. The payment of such sum of $500 shall be in full settlement of all claims of the said Mrs. Lessie L. Bryant against the United States for personal injuries sustained on October 28, 1944, when she was struck by a United States Navy station wagon at the intersection of Northeast Third Street and Northeast Second Avenue, in Miami, Fla. The payment of such sum of $100 shall be in full settlement of all claims of the said Miss Jimmie Alexander against the United States for personal injuries sustained in such accident and for loss of earnings resulting from time lost from work while caring for her mother, the said Mrs. Lessie L. Bryant.

With the following committee amendment:

At the end of the bill add the following: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH E. ALARIE

The Clerk called the bill (H. R. 2248) for the relief of Joseph E. Alarie.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to Joseph E. Alarie, in full compensation for injuries sustained and damages suffered by him as a result of an accident which occurred February 20, 1943, on Route 1 in the town of North Kingstown,

R. I., and which accident involved the operation of a motor vehicle the property of the United States Navy, which said motor vehicle was then and there being operated by a commissioned officer of the United States Navy.

With the following committee amendments:

Line 5, strike out the figures "$1,000" and insert in lieu thereof the figures "$434.40."

Line 6, after the name "Alarie," strike out the remainder of the bill and insert in lieu thereof "of North Kingstown, R. I., in full settlement of all claims against the United States for personal injuries and expenses incident thereto, sustained as the result of an accident on Route No. 1, in the town of Kingstown, R. I., involving a United States Navy vehicle, on February 20, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES B. McCARTY

The Clerk called the bill (H. R. 3270) for the relief of James B. McCarty.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James B. McCarty, Alexandria, La., the sum of $713.78, in full settlement of all claims against the United States on account of, and growing out of, a collision which occurred between his car and a United States Army truck in the city of Alexandria, Rapides Parish, La., on or about December 5, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$713.78" and insert in lieu thereof "$423.80."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MERLA KOPERSKI

The Clerk called the bill (H. R. 3340) for the relief of Mrs. Merla Koperski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Merla Koperski, Kapaka, Hauula, Oahu, Territory of Hawaii, the sum of $3,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. Merla Koperski against the United States on account of personal injuries sustained on October 28, 1944, when she was struck, while standing in the yard of her home, by a bullet fired by a member of the Military Police, United States Army, for the purpose of halting a truck whose driver failed to obey an order to stop. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$3,000" and insert "$2,114."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMA L. NORMAND AND THE ESTATE OF CURTIS JOSEPH GASPARD, DECEASED

The Clerk called the bill (H. R. 3599) for the relief of Ama L. Normand.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ama L. Normand, the sum of $2,870, in full settlement of all claims against the United States on account of personal injuries received by the claimant, property damage, and loss in wages and expenses, arising from collision of claimant's automobile with a one-half ton Army truck on Highway No. 21 in the parish of Vernon, State of Louisiana, on September 1, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, strike out lines 6 to 10, inclusive, and page 2, strike out lines 1 and 2, and insert the following: "of Alexandria, La., the sum of $1,870; to the estate of Curtis Joseph Gaspard, deceased, the sum of $5,000, in full settlement of all claims against the United States for personal injuries, property damage, and loss of earnings, sustained by Ama L. Normand, and for the death of Curtis Joseph Gaspard, sustained as the result of an accident involving a United States Army truck on Highway No. 21, about 20 miles east of Leesville, La., on September 1, 1944."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Ama L. Normand and the estate of Curtis Joseph Gaspard, deceased."

A motion to reconsider was laid on the table.

LEGAL GUARDIAN OF WILLIAM NEEDOM RASHAL, A MINOR

The Clerk called the bill (H. R. 3665) for the relief of Needom Rashal, father of William Needom Rashal, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, to Needom Rashal, father of William Needom Rashal, a minor, of Newllano, Vernon Parish, La., the sum of $3,038, in full settlement of all claims against the United States on account of personal injuries received by the minor, William Needom Rashal, and medical and transportation expenses actually incurred, as a result of an explosion of an antitank mine fuze on March 9, 1944, the fuze having been tossed on Highway No. 504 by soldiers in an Army convoy on March 8, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "Needom Rashal, father" and insert "the legal guardian."

Page 1, line 7, strike out "$3,038" and insert "$3,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the legal guardian of William Needom Rashal, a minor."

A motion to reconsider was laid on the table.

MARVIN MARSHAL AND FRED C. MITCHELL

The Clerk called the bill (H. R. 3726) for the relief of Marvin Marshall and Fred C. Mitchell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of Marvin Marshall, clerk at the

Killeen, Tex., post office, the sum of $840, and the account of Fred C. Mitchell, clerk at the Killeen, Tex., post office, the sum of $560, lost by reason of a burglary on or about August 15, 1943, at Camp Hood, Tex.

That the Secretary of the Treasury be, and he is hereby, directed to pay, out of any money in the Treasury not otherwise appropriated, to Marvin Marshall and Fred C. Mitchell, of Killeen, Tex., all moneys that have been paid into the Treasury on these accounts prior to the enactment of this act: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, strike out lines 5 to 9, inclusive, and insert "Earl D. Massey, postmaster at Killeen, Texas, and to relieve Marvin Marshall and Fred C. Mitchell, post-office clerks in the Killeen (Texas) post-office, from any liability to refund or pay to the United States the sums of $840 and $560, respectively, such sums lost by reason of a burglary on or about August 15, 1943, at Camp Hood, Texas."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Earl D. Massey, Marvin Marshall, and Fred C. Mitchell."

A motion to reconsider was laid on the table.

NICHOLAS RAY SCHLEGEL

The Clerk called the bill (H. R. 3880) for the relief of Nicholas Ray Schlegel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nicholas Ray Schlegel, Los Angeles, Calif., the sum of $1,329.33, in full settlement of all claims against the United States for personal injuries, property damage, and loss of earnings as a result of being shot by Second Lt. Beaufort G. Swancutt of the United States Army on March 5, 1944, in Arlington, Calif.: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUY B. SLATER AND GRACE M. COLLINS

The Clerk called the bill (H. R. 4122 for the relief of Guy B. Slater.

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MRS. KATHERINE I. BROOKS AND SALLY BROOKS

The Clerk called the bill (H. R. 4237) for the relief of Mrs. Katherine I. Brooks and Sally Brooks.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Katherine I. Brooks, Bangor, Maine, the sum of $10,051, and to the said Mrs. Katherine I. Brooks, as guardian of her minor daughter, Sally Brooks, the sum of $4,500. The payment of such sum of $10,051 shall be in full settlement of all claims of the said Mrs. Katherine I. Brooks against the United States on account of (1) personal injuries to and the death of her husband, Vedal B. Brooks, (2) personal injuries sustained by her, and (3) personal property damage, as a result of a collision, on May 31, 1945, at or near the intersection of Union and Fourteenth Streets, Bangor, Maine, between an automobile owned and driven by the said Vedal B. Brooks and in which his wife and daughter were riding, and a United States Army truck. The payment of such sum of $4,500 shall be in full settlement of all claims of the said Sally Brooks against the United States on account of personal injuries sustained by her in such collision: *Provided,* That no part of either of the sums appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the claim settled by the payment of such sum, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, after the word "to", strike out the balance of the line and all of lines 6 to 10, and on page 2, strike lines 1 to 11, inclusive, and insert "the estate of Vedal B. Brooks, deceased, of Bangor, Maine, the sum of $5,800, in full settlement of all claims against the United States on account of the injury and death of Vedal B. Brooks and damage to his automobile; to Mrs. Katherine I. Brooks, of Bangor, Maine, the sum of $1,000, in full settlement of all claims against the United States for personal injuries sustained by her and for medical and hospital expenses incurred for herself and her minor daughter, Sally Brooks; and to the legal guardian of Sally Brooks, a minor, of Bangor, Maine, the sum of $1,500, in full settlement of all claims against the United States for personal injuries sustained by said minor, all resulting from an accident involving an Army vehicle which occurred near the intersection of Union and Fourteenth Streets, Bangor, Maine, on May 31, 1945."

The amendment was agreed to.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the estate of Vedal B. Brooks, deceased; Mrs. Katherine I. Brooks; and the legal guardian of Sally Brooks, a minor."

A motion to reconsider was laid on the table.

C. LEROY PHILLIPS

The Clerk called the bill (H. R. 4639) for the relief of C. LeRoy Phillips.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. LeRoy Phillips, Boston, Mass., the sum of ——. The payment of such sum shall be in full settlement of all claims of the said C. LeRoy Phillips against the United States on account of the death of his wife, on January 20, 1945, at Montauk, N. Y., as a result of her being struck by a vehicle in the service of the Army of the United States: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, after the word "of", insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. JEAN RUSSO

The Clerk called the bill (H. R. 4689) for the relief of Mrs. Jean Russo.

Messrs. McGREGOR and SPRINGER objected; and, under the rule, the bill was recommitted to the Committee on Claims.

C. C. VEST

The Clerk called the bill (H. R. 4750) for the relief of C. C. Vest.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. C. Vest, Travellers Rest, S. C., the sum of ——. The payment of such sums shall be in full settlement of all claims of the said C. C. Vest against the United States on account of the loss of crops and damage to property sustained as a result of his leaving his truck farm and peach orchard situated in Greenville County, S. C., untenanted for approximately 6 months during the calendar year 1943 at the request of the War Department. The War Department project manager at Greenville, S. C., entered into an oral agreement with the said C. C. Vest for the lease of his property for use as a part of a rifle range, and promised that he would be reimbursed for the loss of his growing crops. The War Department subsequently changed its plans and did not enter into possession of such property or execute any written lease with respect thereto: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the

contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, after the word "of", insert "$440."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IRVING W. LEARNED

The Clerk called the bill (H. R. 4915) for the relief of Irving W. Learned.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Irving W. Learned the sum of $3,579.10, in full compensation and settlement for all claims and demands of Irving W. Learned growing out of, or arising from, injuries suffered in an accident July 30, 1945, at Southwest Stark and Third Streets, Portland, Oreg., resulting from the claimant being struck by a military police patrol car attached to the One Thousand Nine Hundred and Sixth Service Command, Unit Detachment No. 2, headquarters at Portland area, northern district of the Ninth Service Command, which car was being negligently operated at the time by the United States military police.

With the following committee amendment:

Page 1, strike out lines 6 to 10, inclusive, and on page 2, strike out lines 1 to 6, inclusive, and insert "of Portland Oreg., the sum of $1,617.40, in full settlement of all claims against the United States for property damage, personal injuries, and loss of earnings sustained and medical and hospital expenses incurred as the result of an accident involving a United States Army vehicle at the intersection of Southwest Stark Street and Southwest Third Avenue, Portland, Oreg., on July 30, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OBALDINO FRANCIS DIAS

The Clerk called the bill (H. R. 5049) for the relief of the estate of Obaldino Francis Dias.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Obaldino Francis Dias, the sum of $10,000, in full settlement of all claims against the Government of the United States for fatal injuries sustained by him allegedly caused by an automobile truck owned and operated by the Post Office Department on December 26, 1943, at or about the intersection of Fourteenth Street and Eighth Avenue in the city of New York: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent on account of services rendered in connection with the said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after the word "appropriated", insert "in the sum of $5,000."

Page 1, line 6, after the name "Dias," strike out the bill through the word "about", in line 10, page 1. Insert in lieu thereof: "Netherland Steamship Lines, 25 Broadway, New York City, N. Y., in full settlement of all claims against the United States as compensation for the death of the said Obaldino Francis Dias, sustained as the result of an accident involving a United States Post Office vehicle near."

Page 2, line 1, after the name "York", insert ", on December 26, 1943."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. DORA FOSTER

The Clerk called the bill (H. R. 5071) for the relief of Mrs. Dora Foster.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Dora Foster, of Lake Charles, La., the sum of $21,345. The payment of such sum shall be in full settlement of all claims of the said Mrs. Dora Foster against the United States for damages on account of the death of her husband, Fred L. Foster, and burial and other expenses incidental thereto, as the result of an accident involving an Army truck which occurred in Lake Charles on March 25, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out "$21,345" and insert "$6,345."

Page 1, line 8, strike out "for damages on account of" and insert "as compensation for."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MILDRED L. BUPP

The Clerk called the bill (H. R. 5111) for the relief of Mrs. Mildred L. Bupp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Mildred L. Bupp, Santa Ana, Calif., the sum of $6,000. The payment of such sum shall be in full settlement of all claims of the said Mrs. Mildred L. Bupp against the United States for damages sustained when an Army truck ran into the ambulance in which her husband was being taken to a hospital: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 8, after the word "for", strike out down to and including the word "hospital" in line 10 and insert: "personal injuries sustained as the result of an accident involving an Army truck on National Boulevard, Los Angeles, Calif., on February 10, 1944."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SYLVIA WAGNER

The Clerk called the bill (H. R. 5525) for the relief of Sylvia Wagner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sylvia Wagner, the sum of $1,056.50, in full satisfaction of her claim against the United States on account of personal injuries, as a result of a fall she suffered on November 22, 1943, on the steps of the Old Federal Building in Cleveland, Ohio.

With the following committee amendments:

Page 1, line 5, after the name "Wagner", insert ", of Cleveland, Ohio."

Page 1, line 7, strike out "her claim" and insert in lieu thereof "all claims."

Page 1, line 8, after the word "injuries", insert "and expenses incident thereto, ."

At the end of bill add: ": *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROY HESSELMEYER

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Private Calendar No. 796, the bill (H. R. 4090) for the relief of Roy Hesselmeyer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Roy Hesselmeyer, of Union, Mo., the sum of $2,000. Such sum represents reimbursement by the United States to the said Roy Hesselmeyer of an amount paid by him to the United States in satisfaction of a judgment had and taken against him in the sum of $2,000 and costs as surety on a bond for the appearance on a day certain of Jack Houston to answer criminal charges in the United States District Court for the Eastern District of Missouri (said judgment having been entered as of record October 26, 1932), the said Jack Houston having failed to appear on such day, but having been apprehended thereafter and, after conviction, a sentence of imprisonment was imposed upon him, which sentence was served:

With the following committee amendment:

At the end of the bill insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMERGENCY PRICE CONTROL ACT

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6042, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

Mr. WOLCOTT. Mr. Chairman, I yield myself 15 minutes.

Mr. COLE of New York. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-four Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 87]

Allen, Ill.	Baldwin, N. Y.	Boykin
Andrews, N. Y.	Bell	Buckley
Baldwin, Md.	Bennet, N. Y.	Bunker
Byrne, N. Y.	Graham	O'Neal
Canfield	Halleck	Patrick
Case, N. J.	Hancock	Peterson, Fla.
Celler	Heffernan	Pfeifer
Chapman	Henry	Powell
Cochran	Hobbs	Rains
Cole, Kans.	Horan	Reece, Tenn.
Colmer	Izac	Riley
Combs	Jarman	Robertson, Va.
Curley	Johnson, Calif.	Robinson, Utah
Curtis	Kirwan	Roe, Md.
Daughton, Va.	Klein	Rogers, N. Y.
Dawson	Knutson	Rooney
De Lacy	Lea	Sabath
Delaney, John J.	Lemke	Sharp
	Luce	Sheppard
Doughton, N. C.	Lynch	Short
Douglas, Ill.	McCormack	Sikes
Engle, Calif.	McMillan, S. C.	Smith, Va.
Fellows	McMillen, Ill.	Stockman
Fisher	Mansfield, Tex.	Taylor
Flood	Martin, Mass.	Torrens
Gearhart	Mathews	White
Geelan	May	Wolfenden, Pa.
Gerlach	Mills	Woodhouse
Gibson	Norton	Woodruff

Accordingly the Committee rose; and the Speaker pro tempore, Mr. SPARKMAN, having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 6042, and finding itself without a quorum, he had directed the roll to be called, when 341 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER pro tempore. The Committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 6042, with Mr. COOPER in the chair.

Mr. WOLCOTT. Mr. Chairman, I think it is rather unfortunate that we are not going to get more time to consider this bill in general debate. You will recall that the Committee on Rules gave us two legislative days in which to debate this bill, but because of the business transacted yesterday we had something less than 1 hour of general debate, and that was considered a legislative day. We convened at 10 o'clock this morning with the idea of debating, as I understood, this bill all day long, and it is now 1 o'clock. I think there are requests for something like 5 hours' time. I hope that there will be ample time to debate the bill in order that there may not only be a full discussion of it but a full understanding of the issues involved.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Michigan.

Mr. CRAWFORD. The chairman of our committee, the gentleman from Kentucky [Mr. SPENCE] has informed me that he proposes to close debate around 5 or 5:30 o'clock this afternoon. As the gentleman from Michigan has said, there are requests for about 5 hours' time on the Republican side of the House to debate these issues, and it seems to me that it is only fair to the membership to have some understanding at this time as to whether or not our people are going to have the right to discuss this proposition.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. SPENCE. In answer to the remarks of the gentleman from Michigan, he made the charge that the committee had been very unfair, and he wanted to continue until 10 o'clock tonight. I feel confident that if we continued until 10 o'clock tonight the speaker might be speaking to empty benches, and it would be just as effective to put his remarks in the RECORD. I am willing to go along a little longer than 5 o'clock or 5:30 if it meets with the approval of the Members of the House, but I am certainly not willing to stay here and I do not think the Members want to stay here until 10 o'clock tonight. I do not think we should be subject to the charge of being unfair because circumstances over which we had no control caused the conditions that existed yesterday and existed today.

Mr. WOLCOTT. I might say to the gentleman that we will cooperate in every respect to finish the debate at the earliest possible moment, but we have an obligation to the members of the committee who want to express their views and who should have a right to express their views, and, of course, we expect the majority to grant us every courtesy, and I know that they will grant us every courtesy in that respect, as the gentleman always does.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. SPENCE. I hope the gentlemen on the other side will not take up the time with constant quorum calls this afternoon, but will continue the debate without interruption.

Mr. WOLCOTT. Mr. Chairman, I presume most of the Members have had an opportunity to read the bill and study the changes the committee recommends be made in existing law, and have read the report. In consequence, I shall be very brief, or try to be very brief, in presenting what I consider to be the major issues before the committee.

In the first place, the bill as reported recommends the continuance of the Office of Price Administration until June 1, 1947. Some weeks ago it was suggested that we make the terminal date the same as the date to which we extended the Second War Powers Act, which was March 31, 1947. We were given to understand that it is the general policy of this House and should be of the Congress to continue these emergency war powers for not longer than 6-month periods. However, being realistic about the situation and fearing that there might not be an opportunity in the latter part of the year to make whatever changes might be necessary in OPA or to continue it after December 31, which would be the 6 months date, of course, being fearful that we might not have an opportunity to extend it beyond that in the latter part of the year, it seemed to us, to be very realistic about it, that the action taken by the Committee on the Judiciary and later by the Congress in extending the War Powers Act set a precedent which we should follow in this bill, so that the new Congress immediately or shortly after it convenes will have an

opportunity to look again at OPA to determine whether OPA has followed the dictates of the Congress in respect to changes which we may make when this bill is considered now; and if the administration of the OPA continues, as it has almost since its inception, to contribute to the economic and social confusion in America, that we would have an effective opportunity to do something with the act before our economy is completely ruined.

I emphasize the fact that there is nothing particularly wrong in the present law if that law was administered in accordance with what appears to me to be the clear intent of Congress in all respects. Any deficiencies in price control are administrative deficiencies. But we owe the people of this country a responsibility. Because so many people have been confused by so few, it is our duty now to rewrite the standards, to rewrite the rules in some respects under which OPA operates, in order that we may get full production in America and at the same time keep effective price control. That should be our objective in this committee, to prevent what are termed runaway prices but at the same time to assure the people of this country that we are going to have sufficient production so that eventually we may lift price controls altogether. With that in mind let us review what the Committee on Banking and Currency has done and what we hope to do in the Committee of the Whole. First, as I said, it will be our purpose to assure the new Congress an opportunity to look at OPA again shortly after it convenes. For that purpose, an amendment will be offered to continue price control until March 31, 1947, instead of June 30, 1947, as requested by the committee. By another amendment which, personally, I consider all important, if we are going to attain this objective of controlled prices and at the same time have an assurance of adequate production, which amendment will be inserted in the record, there is prevented the establishment or the maintenance of a maximum price on any commodity below current costs of production plus a reasonable profit. I know there is going to be a great deal of criticism by certain of those who want to use and will use this occasion to demagog on the subject. I know Mr. Bowles will probably within the next 48 hours after action is taken on this amendment tell the country that if this amendment is adopted we have cut the heart out of price control. Mr. Bowles, however, should have definitely in mind that this amendment is being offered because he has not made such adjustments in the price structure below average ceilings as to insure to the people of the country that they are going to get adequate production. It is being offered to save effective price controls. In many instances, Mr. Bowles could have met these problems by making simple adjustments in the price structure. Witness, as an example, that hardwood flooring was not being milled. We could not buy hardwood flooring with which to build homes for veterans. It developed the reason why we could not buy hardwood flooring was because the ceiling on hardwood flooring was less than the ceiling price in the block from which the hardwood flooring was cut.

Of course, no lumberman who could sell a 12-inch-by-12-inch block for more than he could sell the finished hardwood flooring was going to be silly enough to fabricate that block into the hardwood flooring to be sold at a loss. Therefore, we just did not have hardwood flooring. All that was necessary in that particular case was a minor adjustment to balance the price of the block with the price of the finished product, which Mr. Bowles has done under pressure from the Committee on Banking and Currency and which he should have done weeks before. This amendment is designed to compel him, if he will not do it voluntarily, to make similar adjustments in many industries, including the textile industry, so that we will be able to get adequate production and make it possible in the months to come to do away with price controls altogether. We cannot, as Mr. Barney Baruch said before the committee, expect industry and agriculture to produce at a loss. We are not going to get production if we seek to compel industry and agriculture to produce at a loss. In this amendment, we assure that they do get the cost of current production plus a reasonable profit, still under rigid price controls, and at the same time assure the people that they are going to get the things with which to build their homes and the things they need to clothe themselves and the food they need to eat.

The Congress should set up a very definite policy in respect of the removal of controls. The committee, as far as it went, I think, did a splendid job in writing policy language from which our industries, our farmers, our businessmen generally may assume that it is the policy of Congress that price controls be removed just as quickly as they possibly can; that we are not adopting price controls as a permanent policy. As a matter of fact, we are repudiating the theory that we must continue price controls beyond the date when it is absolutely necessary as an aid to our general economy.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself five additional minutes.

You will notice the committee wrote some language in respect to subsidies, which has been a very controversial subject, on page 7 of the bill. If I were you, I would not spend much time in reading that, because I can tell you in about 2 minutes what that subsidy provision does. All that subsidy provision does is to reduce the amount of the subsidies authorized in section 4 of the bill by 25 percent in the aggregate. It does not remove subsidies from anything. It makes possible an increase of subsidies on some commodities. So long as they reduce by a certain time the aggregate of the subsidies by 25 percent they have complied with that provision.

The aggregate of the subsidies provided for in the bill is $2,051,000,000, of which $1,700,000,000 are in the food group and $351,000,000 are in other groups than food.

We offered an amendment for the orderly liquidation of subsidies in the committee. I will place it in the RECORD. It provides for the orderly liquidation of subsidies, a gradual periodic increase in the prices to absorb the loss to producers resulting from the reduction in subsidies. It provides that 25 percent of the agricultural subsidies shall be removed within 45 days after the enactment of this act. The next 25 percent is removed in the next 45-day period, and the third in the third 45-day period, until sometime about July 1, 1947, provided this act is enacted—as it must be, by June 30 of this year—we will have eliminated completely the agricultural subsidies and will have substituted prices for them. Of course, the authorization for the subsidies should be reduced proportionately. If this amendment is adopted we will reduce food subsidies from $1,700,000,000 to approximately $425,000,000, or approximately one-quarter of the sums authorized in the bill as reported.

In the amendment we have not disturbed the metal subsidies or the nonagricultural subsidies, which amount to $351,000,000. So, in the aggregate, if the amendment is adopted, we reduce subsidies in the bill from an aggregate of $2,051,000,000 to $776,000,000.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield for a question on subsidies?

Mr. WOLCOTT. I yield.

Mr. CRAWFORD. All Members of the House today received a letter from Charles W. Holman, of the National Cooperative Milk Producers Federation. In speaking of this subsidy question, he says this:

> We object to the continuation of the combined price control and subsidy system envisaged by the reported bill. We fear that its enactment will fasten upon dairy farmers for many years to come both controlled price ceilings and subsidies, in lieu of fair prices.
>
> Also, the directive, known as the Monroney amendment to the committee bill—which reduces authorized subsidies by one-fourth but provides for no raises in the price ceilings except at the whim of some Government officials—is a cruel and callous answer to dairy farmers' cry for relief and freedom.
>
> Our people seek termination of dairy price control subsidies and the regulations flowing out of this system not later than June 30 of this year. If the House in its judgment cannot give us the relief we beg by June 30, the next best congressional action would be the adoption of an amendment which was offered in committee by Mr. JESSE WOLCOTT, of Michigan.

Mr. WOLCOTT. I may say that the amendment which will be offered has the approval of all the leading farm organizations. It has the approval of the Farm Bureau Federation, the Grange, the milk producers, and most of the other organizations. It meets with their approval and they think it is an amendment under which they can work and produce to capacity.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. WHITTINGTON. If the subsidies existing on meat as well as other

subsidies are eliminated, as I understand, there will be no subsidies then after the year expires, June 30, 1946.

Mr. WOLCOTT. Under my amendment there will be no subsidies after this calendar year expires, December 31, 1946.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself five additional minutes.

Mr. WHITTINGTON. My question refers to all subsidies, that if every subsidy is eliminated from this bill, then there will be no subsidies authorized after June 30, 1946.

Mr. WOLCOTT. The gentleman is correct.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SMITH of Ohio. As the gentleman from Michigan knows, the administration has been especially solicitous in preventing the writing into the bill of a formula for decontrol. I wish the gentleman from Michigan would discuss that point in particular because I think it is extraordinarily vital that we all understand the reason for this action on the part of the administration.

Mr. WOLCOTT. Personally, I think that many of us are in agreement. There does not seem to be any logic in continuing price controls on commodities of which there is a surplus. An amendment will be offered, as I understand, which will provide that the control shall come off when there is a surplus or whenever—in general language—the supply meets demand; and that, of course, should be done. The proposal for decontrol in addition will guarantee production. The two taken together with the subsidy proposal seems to me to be very advisable, and if this committee and the House adopt the provisions of these amendments then I do not think there will be any reason left why anybody should not go along with this bill continuing price control.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield in connection with subsidy ceiling on commodities?

Mr. WOLCOTT. I yield.

Mr. WHITTINGTON. The gentleman does not contend that under the terms of this bill and particularly under section 3 that if there are enough commodities to supply the domestic demand that there will be no ceilings authorized on agricultural commodities.

Mr. WOLCOTT. You have the decontrols in here. There is a lot of——

Mr. WHITTINGTON. It is a lot of idle talk.

Mr. WOLCOTT. As I see it, it is a very nice declaration of policy which probably should stay in the bill; but there should be some teeth put into the bill which will effectuate that policy and I understand language is going to be submitted for that purpose.

Mr. WHITTINGTON. There certainly are no teeth in this bill.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. RIZLEY. I just wish to point out to the gentleman that the House Committee on Agriculture held hearings for almost 2 weeks on the meat situation. It seemed to be the general consensus of all the producers, and as far as I know of everyone else interested in the livestock business—and it was not disputed seriously by the Department of Agriculture or too much by the OPA—that there is probably an adequate supply of meat. The House committee, as the gentleman knows, has instructed our chairman to offer an amendment to take meat out entirely from under price control and get rid of subsidies. About seven hundred-and-some-odd million dollars in subsidies, the gentleman mentions, is now being used for meat and meat products and, as I understand the gentleman, if that amendment should be adopted at least subsidies to that amount will be eliminated from the bill?

Mr. WOLCOTT. Well, you can deduct a quarter of $715,000,000, we will say $180,000,000 or $170,000,000 from the estimated total of $776,000,000, and if you strike out the meat subsidy it reduces the aggregate to something around about $500,000,000. I am sure that the other amendments which the committee wrote and which others will offer, including those which will protect the language of OPA at the present time in respect to the prohibition against the payment of subsidies unless we appropriate the money for that purpose, will be considered.

I want you to have in mind there will be an amendment offered to strike the language of the bill which repeals the last paragraph of subsection (e) of section 2, which prohibits the payment of subsidies unless the Congress specifically appropriates the money for that purpose.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself three additional minutes.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Minnesota.

Mr. JUDD. Will the gentleman inform us whether this amendment to guarantee current costs, plus a reasonable profit, may run into the same difficulties and abuses that we had under the cost-plus contracts? Would it encourage people to be uneconomical in their costs because they are guaranteed their costs plus a reasonable profit?

Mr. WOLCOTT. No, because competition will take care of that. The high-cost producers will get their price; the low-cost producers will get their price, predicated on current costs, which is determined by established accounting practices. So competition will take care of that the same as competition has always taken care of it.

Mr. BRADLEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Michigan.

Mr. BRADLEY of Michigan. Who is going to determine what is a reasonable profit? Are you going to leave it up to the bureaucrats who have tried to put people out of business?

Mr. WOLCOTT. No. I think that will be developed later on, probably to the satisfaction of my colleague. I do not want to take any more time.

Mr. BRADLEY of Michigan. What is a reasonable profit?

Mr. WOLCOTT. A reasonable profit is something over a zero profit. The courts will probably hold that a reasonable profit is an historic profit, or a comparable profit if there is no historic profit in the industry. If you simply say "profit" then OPA could comply with the law by giving them one-tenth of 1 percent or one-hundredth of 1 percent and say that is a profit. "Reasonable profit" is a term definitely understood by the courts and probably would be an historic profit if there is a history. If there is no history, then a comparable profit.

Mr. MONRONEY. Mr. Chairman, would the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I would like to know if the gentleman means an industry-wide profit or individual profit?

Mr. WOLCOTT. Individual profit, and I want to stress the fact that in order to get production there must be a profit on every single item.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Iowa.

Mr. JENSEN. I have a letter here from which I want to read a few words and ask the gentleman if this bill takes care of a situation of this kind. It is from the Wilson Concrete Co., which manufactures cement blocks, and it states:

> Of 12 block producers in Iowa, of which I have a record, we are 1 of 2 that has a price ceiling of 12 cents per standard unit. The others range all the way up to 23 cents each on the same unit.

He has been trying to get a price adjustment for months. My question is, Will any provision in this bill correct a situation of that kind?

Mr. WOLCOTT. Not in the bill, but that will be corrected by an amendment which I will offer, because he will get his cost of production, plus a reasonable profit.

Mr. JENSEN. I thank the gentleman.

The amendments referred to above are as follows:

COST-OF-PRODUCTION AMENDMENT

SEC. —. Notwithstanding the provisions of this act, the Stabilization Act of October 2, 1942, or any other act or acts, no maximum price shall be established or maintained for any commodity below a price which will reflect to the producers and processors of such commodity the sum of (1) the current cost of producing and processing such commodity as determined by established commercial accounting practices of the industry, (2) a weighted average of conversion costs of such commodity, and (3) a reasonable profit thereon.

LIQUIDATION OF SUBSIDIES

(a) The Administrator shall make adjustments in maximum prices of agricultural commodities including milk and livestock and products manufactured in whole or substantial part from such commodities in lieu of any payment by the Federal Government of sums of money or losses incurred by any

agency of the Government through the purchase and resale at a loss of such commodities or products, and equivalent reductions is subsidy or similar payments shall be made by any such agency authorized to make such purchases and sales at a loss or to make such payments: *Provided,* That the first such adjustment or adjustments of not less than 25 percent of the rate of subsidy or similar payments made in the corresponding period of 1945 shall be made not more than 45 days from the effective date hereof and similar adjustments shall be made at intervals of not more than 45 days thereafter: *Provided further,* That none of the foregoing provisions shall apply to any operations conducted for the purpose of maintaining support prices for agricultural products or payments or losses incurred with respect to domestic sugar beets or sugarcane: *And provided further,* That nothing contained herein shall be construed to prevent the making of parity payments or soil-conservation payments authorized under existing law or benefits to sugar growers authorized until title III of the Sugar Act of 1937, as amended.

(b) Modifications shall be made in the maximum prices established for any agricultural commodities and for commodities processed or manufactured in whole or in substantial part from agricultural commodities where it appears that the maximum prices established do not reflect all increases in costs to the producers of such agricultural commodities incurred since January 1, 1941, and such modifications or adjustments in the case of milk and its products shall be made on a regional or area basis.

(c) In no event shall maximum prices of agricultural commodities be established below support prices therefor or below the prices specified in section III of Public Law No. 729 approved October 2, 1942: *Provided,* That, where minimum prices to producers are regulated under any agreements or orders pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, the Secretary of Agriculture is hereby directed to adjust such minimum prices to reflect not less than the adjustments in maximum prices ordered pursuant to the provisions of this section. Except as expressly provided herein, nothing contained in this section shall be construed to repeal, amend, or supersede the provisions of the Agricultural Marketing Agreement Act of 1937, as amended.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SPENCE. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. PATMAN].

OVER 100 WITNESSES HEARD

Mr. PATMAN. Mr. Chairman, the Committee on Banking and Currency commenced public hearings on H. R. 5270, a bill to extend the Emergency Price Control Act of 1942 as amended, and the Stabilization Act, February 18, 1946. The hearings continued for approximately 6 weeks, running sometimes late at night. We heard 142 witnesses. One hundred and forty-eight briefs and statements were filed for the consideration of the committee in addition to the testimony of those 142 witnesses; therefore no one can say that this bill did not receive adequate consideration from the committee. When the bill, H. R. 5270, was read under the rule in the committee, certain amendments were adopted. After the adoption of those amendments the chairman of the committee, the gentleman from Kentucky [Mr. SPENCE], introduced what is known as a clean bill, which included the bill as amended, and it is the bill H. R. 6042 that is now before the House for consideration.

WOLCOTT AMENDMENTS WOULD KILL BILL

I have listened with interest, as I always do, to what the gentleman from Michigan [Mr. WOLCOTT] had to say about price control, and this bill in particular. With all due respect to the very able and sincere gentleman from Michigan [Mr. WOLCOTT] if his amendments are adopted we will not have effective price control. Whether he intended or not—and I certainly do not believe he intended—the law will be effectively scuttled if his amendments are attached to this bill, so we might just as well not have any price control at all. It is easy to say, "Let us tell the Administrator how to administer a law," but at the same time I appeal to you to consider the fact that we have the best form of government on earth. Our Constitution was well and carefully written. We have three branches in our Government: The legislative, the executive, and the judicial. We cannot execute the laws or administer the laws, because we make the laws. It is not our duty to execute them. It is not our duty to decide what Congress meant; it is for the judiciary to decide. Therefore, whenever we attempt to tell the Administrator or the Executive exactly how he shall administer the law, if we are not very careful we are stepping over into the functions and the duties and the jurisdiction of the executive department.

CONGRESS CANNOT EXECUTE LAWS

I sometimes think that Members of Congress place upon themselves undue burdens and undue responsibilities because we are often prone to not necessarily contend but to leave the impression with our constituents that we have power, over the enforcement or the administration of these laws, that we do not possess. After all, the Members of Congress are elected for 2 years, the President of the United States for 4 years, and the Members of the other body for 6 years. We have our responsibilities here and we should answer to our constituents every 2 years for what we do. I would not change that if it were within my power to do so. Two years is certainly long enough. On the other hand, there is the President. He is elected just like we are, although he comes before the people every 4 years. So let us place the duty and the responsibility upon the Chief Executive and say, "We want price control; we want stabilization; we are opposed to runaway or ruinous inflation; we want you to execute a law which we have passed that gives you the power to give us stabilization and price control." It is just as impossible to write amendments into a law that will execute that law as it would be for the president of a railroad company to tell a train dispatcher exactly how he should execute his orders for the next 12 months, or just as impossible for the Congress to pass a law that would tell a judge of a Federal court exactly how he should interpret a law. These things are impossible. They cannot be done.

ACCEPT OPA WITH MISTAKES OR FACE CONSEQUENCES

We might just as well recognize that we should accept a price control with the knowledge that mistakes are going to be made. It is impossible for one person or a group of people to enforce a law involving 8,000,000 prices without making mistakes. We might just as well recognize that mistakes will be made, as they have been made in the past. Let us hope there will not be so many, and let us hope that we will profit by the experiences of the past, but we might just as well recognize they are going to be made. The question before us today is: Is price control preferable or desirable with that knowledge, or should we seek the only alternative, no price control at all? That is what we should determine.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I was very much interested in the gentleman's observation about telling the court how it should interpret the law; yet the bill that bore the gentleman's name, the housing bill, had a court-review section which said to the court that unless the Administrator acted capriciously and arbitrarily, the injunctive power could not lie.

Mr. PATMAN. That is the same provision that is in the Price Control Act. It is necessary in emergency legislation to have general restrictions.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. HOFFMAN. If I understood the gentleman correctly, he intimated it would be rather foolish for a railroad president to tell a train dispatcher how to operate his end of the business; but suppose the train dispatcher got to running two trains in opposite directions on the same stretch of track? That is what price control is doing now.

Mr. PATMAN. That is what is likely to occur if he tries to tell him in advance.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from North Carolina.

Mr. BARDEN. I was interested in the gentleman's discussion of the question of mistakes. On yesterday I happened to observe in one of my State papers a list of approximately 50 businesses, some of them large businesses and some of them small grocery stores. Overcharges had been discovered in those businesses totaling anywhere from 47 cents to $1.83. In each one of those cases they made those concerns settle for anywhere from $25 to $50 for each offense. I wonder how the gentleman thinks he could run a grocery store with the turn-over in personnel the businessmen have had to face without those little 30- and 40-cent to a dollar mistakes being made, both against him and for him?

Mr. PATMAN. I think it would be very difficult under any controls, regardless of how necessary. But I think you will find the OPA has adopted some rather tolerant ways of enforcing the law. I think you will find that a committee of neigh-

bors usually passes upon the cases such as the gentleman referred to. and that that committee of neighbors make inquiries and usually go around and warn the people a number of times. After warning them a number of times, if they are persistent and chronic violators, then they try to bring them before the bar of justice as they should be brought. I admit, in any event, that a lot of mistakes are made. Many mistakes are made in your State courts. Mistakes are made in the Federal court. There is no such thing as exact justice. Anybody who expects exact justice is just expecting too much. The point is, Will you take price control with the knowledge of these mistakes and the expectation that mistakes are going to be made, or would you rather have nothing? That is the only question. Conceding that the gentleman is right—I am not denying it, I know a lot of mistakes have been made—I think they have been too long in correcting mistakes. There has been too much delay. But Congress is not without blame. Although we passed the OPA Act, when the question came up for money to properly enforce the act we dealt niggardly with the OPA. Right here on the floor of this House we cut out $35,000,000 from the appropriation. It is true that part of it was restored, but you will find that they have had only money enough to have one enforcement officer in every county and there are 3,072 counties in the United States. The result has been that Congress, by passing a law and then providing insufficient money to enforce that law, places these good, patriotic citizens in the local communities in a bad position, because every day critics will come to them and say, "Why do you not catch this man?" and "Why do you not catch that man?" Well, of course, the answer is, "We do not have the money for enforcement." Even some of the people who have been strongly in favor of the OPA in the past are getting disgusted now because they do not have the money to enforce the law. Therefore that responsibility rests upon the gentleman. It rests upon me. It rests upon the Members of Congress, not upon the OPA.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I am sorry I cannot yield to the gentleman. I do not think I can take up much more time and I hope the gentleman will excuse me.

Mr. BARDEN. The gentleman is well taken care of in the matter of time.

Mr. PATMAN. I yield to the gentleman to ask a question and not make a speech. The chairman of the committee will give the gentleman from North Carolina time to address the House if the gentleman wants it, but I wish the gentleman would not use up my time. I yield to the gentleman for a question.

Mr. BARDEN. I hope the gentleman will be fair about this. I am not toying with him. I thought the gentleman had some information about the bill and I am asking for information.

MINDS MADE UP

Mr. PATMAN. I am afraid that I could not satisfy the gentleman. That would be a very difficult thing to do. You see, people have their own views and convictions on this thing. I do not believe I will change the gentleman's vote. I do not believe the gentleman will change anyone's vote either. In fact, it seems kind of futile for me to talk on this bill. Members have their minds made up.

Mr. BARDEN. Mr. Chairman, will the gentleman yield now?

Mr. PATMAN. I yield to the gentleman.

Mr. BARDEN. The gentleman has referred to mistakes that they make. Insofar as I am concerned, I see no shortage in my State of inspectors for enforcement. But this is what I am concerned with: the possibility of the Congress making another mistake by setting up a separate court system in the States whereby the OPA will take a man across the barrel whether it is on a 30-cent oversight on the part of a new clerk or whatever it is and say, "All right, brother, we got you, and you will pay what we say." Whether it is $50 or $100, they will impose that judgment on him and in self-defense he must pay up or be bedeviled by them. That is what we ought to correct.

Mr. PATMAN. Then why does he not appeal to the jury? The accused is entitled to a jury trial.

Mr. BARDEN. The gentleman has too much sense to stand in the well of this House and say that a man can afford to go to a Federal court and hire lawyers and take a week to try the case and all that and try to get out of that situation for less than $100.

Mr. PATMAN. Anyone is entitled to a jury trial when he is in court. But admitting that that is true, and I cannot deny it because I do not know the facts, I presume the gentleman is telling exactly the facts as he understands them. I do not doubt that at all. But are you willing to have a paved highway to inflation because you do not like that situation? Or are you willing to make your dollar worth 25 cents?

Mr. BARDEN. Is there not any room for common sense in this business?

Mr. PATMAN. Are you willing to vote $100 a month for a man who has lost a leg in battle and then take price controls off so that $100 will not buy $25 worth of food? That is the question we are deciding here today.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MONRONEY. I would like to say to the gentleman that it is a fact that the $25 procedure for a voluntary contribution to the United States Treasury as a result of informal hearings with these neighborhood groups was placed in the bill at the request of little business which did not wish to go through the Court of Appeals; and the Congress and the committee, in order to avoid that embarrassment, gave them the right, where unintentional errors have been made, to settle the case for $25.

Mr. PATMAN. That is right.

Mr. MONRONEY. A 47-cent overcharge in a grocery store is generally not just one specific sale. The OPA is not smart enough to catch every individual price violation. One hundred 47-cent violations would amount to $47, which, with the $25 contribution, would not even give back the amount of money that had been overcharged.

LOOK FOR 50- TO 100-PERCENT INCREASE IN WAGES IF CONTROLS ARE TAKEN OFF

Mr. PATMAN. Now, if we do not pass this bill or if we pass a scuttled OPA bill or a law that is ineffective, we might just as well make up our minds that we will have to increase wages, even Government employees', within the next 12 months at least 50 percent and perhaps 100 percent. The prices will go so high that the dollar will buy so little that people will be unable to survive on the small amount they are now receiving.

In 1941, before we entered the war, the dollar would buy so much in cost-of-living items. Today that dollar will buy 76 cents in cost-of-living items. Do we want to try to hold that dollar, worth as low as it is, 76 cents, or shall we take off all controls and let that dollar be worth 26 cents?

That is just about what it would be worth. That would be runaway inflation, ruinous inflation. It can happen here. It has happened in other countries. This is the first time in the history of the entire world that any major power has attempted to control, by effective laws, and prevent inflation during a war and immediately after a war, which has always happened. Not for half the time, not for three-quarters of the time, but every time after every major war we have always had ruinous inflation.

So the question is today, Are we going to try to prevent it this time for the first time in history, or will we yield to that historical record, that has never been broken, of ruinous run-away inflation?

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. LUTHER A. JOHNSON. The gentleman stated it could happen in other countries. That brings to mind what I heard last spring when I was in Mexico. I was talking to the wife of the American consul there, who had been in Mexico only a short time. She had recently gone there from the United States. She said no one had condemned the OPA more than she had, but that since she had been in Mexico she had found that her condemnation was wrong, and she wished that Mexico had an OPA because of the inflation there, which made it difficult for them to live on the salary which they received.

PAY GOVERNMENT BONDS IN HONEST DOLLARS

Mr. PATMAN. I thank the gentleman.

Our national debt today is approximately $270,000,000,000. That is a huge debt. It can be paid with sound, honest dollars or it can be paid with worthless dollars. We are deciding today how we will pay that debt. Will we be loyal and true to the holders of our Government bonds, owned by practically every family in America, or will we say, "No;

we will pay them off, but we will pay them in worthless money"? We are making that step today.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman 10 additional minutes.

NATIONAL DEBT WOULD BE $100,000,000,000 LARGER ON ACCOUNT OF WAR COST WITHOUT OPA

Mr. PATMAN. Regardless of what our critics say about price control—and there are a lot of critics of price control, and critics on the floor of this House; they are honest in their views, but they have always been against price control and have frankly said so all during the war—but you can take your own paper and pencil and make computations for yourself as to how much price control saved the taxpayers during this war. For instance, let us take the price of steel. Steel was the principal and main commodity that entered into the cost of the great war machine. Steel did not increase one penny a ton from the beginning of this war to the end of the war. You can go back and determine how much the price of steel constantly went up during the other war, when inflationary pressures were not nearly so great, and then you can compare what we would have had to pay for steel this time with that time, and you will find that we saved a hundred billion dollars on the cost of the war machine alone by reason of price control; not all on steel, no, but on all the commodities that went into the war machine. In other words, our debt would be $370,000,000,000 instead of $270,000,000,000.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Kansas.

Mr. SCRIVNER. A few moments ago the gentleman referred to the division of power under our Constitution. In view of the gentleman's statement, I am wondering whether or not he feels it is proper for administrative agencies to interpret the laws and thereby interpret the intent of Congress. I should like to have the gentleman's view on that.

Mr. PATMAN. I do not have time to go into a long discussion of that, but I will say I am in favor of Congress making the laws, in favor of the executive branch of the Government executing the laws, and in favor of the judiciary interpreting the laws.

Mr. SCRIVNER. Then the gentleman would be opposed to the administrative agencies interpreting the intent of Congress and acting thereby in a judicial capacity.

Mr. PATMAN. I do not care to get into an argument at that point, for it is not directly connected with this issue, since the courts still interpret the laws.

BALANCE THE BUDGET

You hear every day on the floor of this House the question: Why do we not balance the Budget? Why do we not balance the Budget? And then 9 times out of 10 the very people who are screaming out to balance the Budget vote for tax-reduction bills which would prevent us from balancing the Budget. During the war, right in the middle of the greatest war in all history, this Congress passed a bill which gave back to the men who made so much money in this war $6,500,000,000, just gave it to them—highly inflationary. Congress is responsible for that.

In 1945 we passed the tax bill, highly unjustified, should never have been passed, very inflationary—reducing taxes approximately $6,000,000,000 a year, and then with Congress doing that we hear Members screaming out to high heaven all the time: "Let's balance the Budget. Let's balance the Budget." Then some Members even say we ought to have another tax reduction. I see the distinguished chairman of the Committee on Ways and Means here. I hope he does not bring in any tax-reduction bill soon or even talk about it in his committee. We ought to pay this debt, large as it is, pay it with honest dollars, not with worthless money; and we are going to decide here today—this is a decisive step, a major step to determine whether or not we are going to be honest with the people who receive compensation, pensions, retirement benefits, and hold Government bonds, as to whether or not we will pay them in good, honest dollars that are worth 76 cents on the dollar or more, or whether we will give them back worthless money in return for Government bonds and in return for Government obligations. That is the point we are deciding here today.

WHY SHORTAGES?

Many people are complaining about shortages, saying that we need production, and if you will just take off all control we will have production. That is a wonderful argument for the man who has the privilege of selling and who happens to have scarce goods and supplies and who would profit by it; but if you take off all prices, we would all suffer from that type of inflation that I have just been discussing with you. It is an appealing argument. But the reason we have these shortages is not because we do not have production. We do have. We are producing at maximum speed. Could we produce more if we took all prices off? I do not think so. I think it would stop production. Mr. Kaiser, that great industrialist, was asked the question: "What would you do if all price controls were taken off tonight?" He said, "I would close up. I would turn off my men. I would not know my situation or status. I would know that I could sell for the limit I might get, but I would not know how much I would have to pay."

It would absolutely demoralize the country. We could not get along without it. We have to have some stabilization. The reason that there is a shortage is because people have more money than they ever had before, much more money. When the war came on several members of the family commenced to work in war plants, making good money that they had never made before. They commenced to enjoy the fine foods they had not enjoyed in the past; consequently there was a shortage of beefsteaks. Why? Because more people were eating steaks, people who had never eaten steaks before, and as long as they have this enormous purchasing power there are going to be shortages. Taking ceiling prices off will not increase production. It will retard production.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman would not contend that there is any shortage of live beef animals today, would he?

Mr. PATMAN. Well, it depends on how you consider it. If you consider that we are going to feed that beef in the locality where the beef cattle are, there is no shortage; if you consider that we are going to feed the people over the 48 States and the District of Columbia, possibly enough; but if you are going to feed the people of Europe and try to prevent a third world war there will be a shortage. It depends on how you figure it. So we must have controls on scarce goods. I do not contend we should have that where the supply is adequate. But what is the best evidence of an adequate supply? There are various factors which I would be willing to accept. For instance, I think the price on oil should be decontrolled now. But one of the best evidences is the fact that the price begins to be a little bit below the ceiling. OPA does not attempt to fix a floor on prices. It only fixes a ceiling. When the price begins to get less than the ceiling, that is the best evidence that the supply has caught up with the demand. Suppose we had a price control that is permanent, which we do not want. We must take it off as quickly as possible. But if it were permanent law it would not amount to anything when the supply caught up with the demand, because all prices would be under the ceiling price fixed by the OPA.

So, Mr. Chairman, this week we have a great decision to make. We are going to determine whether or not we will pass an effective price control bill. To my mind that is necessary if we are to be honest with the holders of our Government bonds.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. PATMAN. Mr. Chairman, that will be necessary in order for this Congress to be honest and true with the deserving people of this country who receive fixed incomes from this Government, and in order that the people who live on fixed incomes may earn a sufficient amount of honest dollars to provide themselves and families with a decent living. That is the question we are called upon to decide in the passage of this bill.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Do the hearings indicate that there is a shortage of building material in this country?

Mr. PATMAN. Yes; and there probably will be on some as long as several

years—that is, some of it. I do not say all of it. A lot of it will be off in 6 months and some of it in 12. But I predict that there will be a shortage of housing in this country—decent houses—for possibly 10 years. I predict that there will be a shortage of motor vehicles for 4 or 5 years. But the point is, Will we let the people who have the scarce commodities and articles profit to the extent that they get an unreasonable profit to the detriment of the people we owe a just and lasting obligation to?

Mr. KEEFE. That is not an answer to my question.

Mr. PATMAN. Ask the question, but I cannot yield except for a question.

Mr. KEEFE. There is a shortage of brick.

Mr. PATMAN. Certainly; there has been, and probably is now.

Mr. KEEFE. That is not due to any inordinate consumption of brick. There is a shortage of brick because the factory I am interested in is not making brick.

Mr. PATMAN. Maybe the brick plant wants an adjustment.

Mr. KEEFE. They are cutting the trees into lumber. That is why there is a shortage.

Mr. PATMAN. You can get an adjustment in 10 minutes on the brick if you go to the proper authority.

Mr. KEEFE. If the gentleman can get it, he is a better man than I am. Maybe the gentleman can, with his influence, but nobody else can.

Mr. PATMAN. There is a difference of opinion on lumber. I am talking about brick.

Mr. JENSEN. Let us talk about brick, then.

Mr. KEEFE. I wish the gentleman would for about half an hour.

Mr. PATMAN. See Mr. Wyatt or Mr. Porter about brick because sufficient brick will be made, and the proper adjustment will be made to get them.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. Chairman, there is something radically wrong with the OPA, and it is my contention that the real trouble with the agency is the OPA itself. Farmers, livestockmen, businessmen, and private citizens are continually writing me of the unfair, unrealistic, and overly rigid regulations which are destroying production and encouraging black markets.

The proponents of the OPA and the OPA itself contend, first, that price control has saved America from a disastrous wartime inflation, and secondly, that price controls must not be removed until production is adequate. The opponents of the program state, first, that price control is curtailing employment, preventing full production, and destroying the free-enterprise system, and secondly, that we must remove the controls of OPA if we are to have full employment and full production.

The position advocated by Chester Bowles and the proponents of the OPA is well taken care of through the propaganda from the agency itself. The opponents are presenting their own case. Businessmen are writing me and giving specific instances where some snooper has entered his place of business and filed charges against him because of price-ceiling violations. Many of these price violations are the result of confused regulations submitted by the agency itself, or through some clerical error. Regardless of this, these individuals are charged treble damages through the OPA's own court system. If the merchant does not immediately pay the fine imposed by these kangaroo courts he is then arrested and made to appear in Federal court. Too many of our honest, law-abiding American citizens have been forced to submit themselves to this iniquitous procedure.

There is overwhelming evidence to prove that price controls and their attendant evils are responsible for much of the shortage in houses, building materials, clothing, and food commodities. No one can study the problem of the present butter shortage without reaching the definite and sound conclusion that the OPA price controls and regulations are absolutely responsible for this situation. The OPA now realizes this and is issuing super-duper regulations and controls. I contend that no additional official orders will relieve this unbalanced situation.

Everyone familiar with the production and marketing of livestock and meat products must be convinced that the OPA is fully responsible for the lack of meat on the counters. In our Nation at the present time we have approximately 80,000,000 head of cattle, which are several million head over the average for the past few years, yet it is practically impossible for a housewife to buy a piece of meat.

The unrealistic and cockeyed regulations are unquestionably responsible for the shortage of work clothing and other types of low-cost clothing.

Our Nation is faced with an extreme housing shortage, and it must be conceded by everyone who has honestly studied this shortage that OPA price ceilings and restrictions are largely responsible for shortages of lumber and building materials. It would be an easy matter to document this statement with specific cases which are definite proof that the above items are seriously affected by unworkable regulations and unfair price ceilings.

Congress approved price-control legislation as an emergency measure for the war period. This was absolutely essential at a time when our Nation was producing munitions, guns, tanks, and other material for war. The larger part of our productive capacity was consumed by the industries producing these goods. Our remaining production capacity was so limited that durable and consumer goods were available only in a very meager supply. During this period the OPA rendered a real service.

We must now decide whether or not it is necessary to carry on in a controlled economy. It will be argued that if we remove a price ceiling and allow the price to rise inflation will immediately overtake us. It is my contention that price ceilings should be removed as soon as production increases in any commodity and let competition take care of the price increases. For instance, at the present time there is no shortage of gasoline and other oil products. Why not remove immediately the price controls and ceilings from this great industry? It is possible that the price of gasoline and other oil products might increase temporarily but competition would shortly adjust the price structure. I think this can be said of every other commodity where we have abundant production and where industry is ready to expand its production further. The longer we continue controls, the harder it will be to secure relief from them. There never will be an ideal time to release controls on any important commodity. We must have faith in ourselves and our free-enterprise system and launch a policy which will expand employment and bring about full production. I would rather take my chances with free competition than with bureaucratic management.

One of the principal arguments being used to justify the continuation of the OPA is the prevention of price inflation such as followed World War I. There are fundamental differences between the inflationary pressure following this war and the preceding one. At that time we had greatly reduced our industrial production machinery, while in this war it has greatly expanded. Many other factors enter into this picture. Price control did not come until after the United States had been in the war for some time. The War Industries Board was established July 28, 1917, and the Food Administration, which was the first of the price-fixing agencies, was established on August 10.

From the low point of the war years, which was in January of 1915, prices rose 83 percent by August of 1917. Price controls were not adopted particularly rapidly nor did they cover the wide area of the present time, but nevertheless prices rose from August 1917 to November 1918 about 10 percent. Almost all price controls were lifted immediately upon the signing of the armistice. There were a number of industries which requested that controls be continued but almost all of these requests were turned down.

What was the terrible effect of this reckless removal of price controls? Prices went down 5 percent over the next 3 months. It was not until the following July or after the lapse of 7 months that the all-commodity index was above the November 1918 figure. Prices did rise during the last half of 1919 and the first half of 1920 about 23 percent, but, it seems to us that it requires a rather considerable stretching of one's imagination to blame this rise on the lifting of price controls which occurred over half a year earlier. Business by this time had had ample time to reconvert and peacetime activity had gotten under way. However, further large grants of credit for export to Europe as well as credit expansion for some inventory accumulation at home continued to increase the war-inflated

money supply which was already too large.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. SMITH].

Mr. SMITH of Wisconsin. Mr. Chairman, OPA is like that famous bird, the whiffen-poof. As it flies it always looks behind. It refuses to look ahead.

Today, in time of peace, OPA continues to apply the same rules that it used in time of war. Price control at this time is secondary. The big, big job is production and more production. Those who administer the Price Control Act must know that this is the fact, but nevertheless they refuse to act. What motivates such conduct?

Mr. Chairman, it is my opinion that the policy makers in OPA are motivated by political reasons. All this shouting about disastrous inflation is, of course, only a smoke screen for the purpose of continuing governmental controls. The public is not being fooled by this propaganda, if I judge correctly the tenor of my mail. The great need today is to control government in its arbitrary exercise of power and its disjointed fiscal policy. These add to the pressure of inflation 24 hours in every day. Control inflation by controlling Government, this should be our slogan. It is quite obvious that the cry of uncontrolled inflation is a hoax upon the public, it is being used to expand governmental control. For 12 long years the march down the road to socialism and communism has been steady, it has been well organized also and with a lot of money. Another year of OPA and Government monopoly of the means of production will be complete.

Mr. Chairman, that is the issue which faces us as we debate continuance of that agency. There should be no mistake about it. I make this prediction, Mr. Chairman, that if OPA is continued for another year that 1 year from now there will be a request for an additional year on the ground that consumer goods are still scarce. OPA will flourish on scarcity and the objective will be to maintain that level in our economy. It is a vicious business. A smart man recently said:

> Production will stop inflation only if we can keep OPA from stopping production.

Barney Baruch testified that production was the only antidote for inflation and Porter and Bowles admit that fact.

WHAT IS THE RECORD OF OPA?

It has created unnatural economic conditions. In the important grains and cereal business we have reverted to a system of barter and exchange. It is unbelievable, Mr. Chairman, but I submit the evidence by asking leave to offer at the conclusion of my remarks two postcard notices received by a constituent firm which indicates the extent of this practice. In March of this year a constituent firm received the following notice from another firm:

> Bartering is the vogue these days. We will pay you ceiling price for a new 1946 Ford Tudor sedan. And will sell you a round tonnage of bulk hominy feed at the ceiling price in return. Yours for service.

We have all believed that the age of barter and exchange was only a memory of the early colonial period, but low and behold OPA has restored it as a going concern. I cite one more example, in the form of a telephone conversation with a personal friend: "Here's something that happened a couple of days ago that may be of interest to you. We sell linseed oil—a refined linseed oil to the Western Shade Cloth Corp., of Chicago. They use it for the coating on window shades they make. Their purchasing agent called the other day and said 'Say Eddie, I just got to have two cars of linseed-oil meal.' I said, 'You got to have two cars of linseed-oil meal—what the hell are you going to do with two cars of meal' and he said, 'I am not kidding mister, I have just got to have them.' I said, 'Well what for' and he said, 'Well maybe you don't know it but we use corn starch in making window shades—we use a car a week and I can't get any corn starch from our suppliers because they can't get corn but they tell me that if I can get some linseed-oil meal they can get 10 cars of corn for each car of meal—if you get 2 cars of linseed meal I can buy 20 cars of corn and if I can get 20 cars of corn I will sell you 10 cars of corn starch.'" This is fact, not fiction or fancy. How can we possibly justify OPA when it creates this kind of a situation?

The regulations and enforcement policies are unreasonable. I will cite but one example in the field of rent control because of my limited time. A personal letter from a constituent tells better than I can. I quote it:

> MY DEAR CONGRESSMAN SMITH: Relative to OPA, I am sure a recent experience may be of interest.
>
> I had a single garage built and permitted a tenant to occupy the building. I collected 2 months' rent at $3.50 a month and was then told by a real estate friend that I should report the transactions to the OPA. I did this and was fined $25 for collecting 2 months' rent without their consent. I was told the fine should be $50 but they took my word that the crime was unintentional, so they reduced it to $25. This act seemed a rather unjust reaction to my volunteering the information which might easily have been withheld.

Is this the kind of democracy our boys have fought to preserve?

Thousands of small retail merchants have felt the whiplash of bureaucratic enforcement and suffered ignominious suits and injunctions. Dictatorship as practiced by Hitler, Stalin, and Mussolini was never worse than the treatment received by these decent law-abiding citizens. The practices of OPA will forever constitute a blot upon the integrity of this Nation. Its practices have been tyrannical, petty, and arbitrary. It is a national disgrace.

OPA has created the present housing shortage. In this important phase of our economy the industry has been treated with a super dose of profit control and not price control. The New Deal is here attempting to secure complete control of the building business. It already predominates in the mortgage-loan field. The great need is for materials with which to build homes. If Government will get out of this field, private concerns will take care of this business as they have since the establishment of it.

Mr. Chairman, except in the prefabricated house line, there is a shortage of lumber, concrete block, sewer pipe, clay tile, cast-iron soil pipe, cast-iron radiation, common brick, millwork, face brick, gypsum board, gypsum, and bathtubs. It has been said that the home you want to build is in the tree, the iron ore pits, the clay banks and the quarries. Firms who have been producing these items are being forced out of business by unrealistic pricing policies of OPA. Until this policy is abandoned the building industry will not move forward. And while OPA sits mute, Mr. Wyatt, the alleged housing dictator, states that he can produce houses if Congress will give him $600,000,000 to play with. Mr. Wyatt has had no building experience, but he talks in expansive terms.

OPA policies have caused a black-out in the production of plumbing and heating supplies. This industry reports that production is only 38 percent of capacity. A recent survey indicates: First, that only 14 percent of the manufacturers are producing at full capacity; second, that 24 percent are completely shut down. Two factors contribute to this situation—strikes and OPA pricing policies according to Domestic Engineering magazine. Forty percent of the firms who were surveyed stated that unprofitable ceilings had driven them out of production, at least as to some of the items they manufactured. OPA offers no reasons for the existence of this condition. The responsibility rests with it and the public should know.

OPA has failed to hold the price on cost-of-living items. Food costs are up over 50 percent since 1942. Much worse is the fact that food is leaving the ordinary channels of trade. Reasonably priced clothing is also disappearing—scarcity, scarcity. Suits, shirts, shorts, wash dresses, and piece goods are nonexistent although there appears to be plenty of unfinished goods in the factories. But food and clothing can be secured in the black market—for a price. OPA, through its propaganda artists, shouts that it is protecting the consumer, but do black markets protect that class, which includes every man, woman, and child in the United States? The answer is "No." Its important regulations, insofar as low-priced essentials are concerned, have worked in reverse, causing shoddy and cheap goods to reach the stores, at unreasonably high prices for poor quality.

OPA policy makers have deliberately refused to expedite applications for price adjustments. This practice is so studied that production of consumer goods has been greatly curtailed. In many cases industrial firms and business establishments have been forced to close. I cite at this point an actual case of a good-sized industrial plant to show the kind of treatment OPA officials handed my constituents. I do not use names for fear that OPA would seek reprisals, but

here follows a factual statement of what occurred:

Immediately upon the close of our fiscal year, October 31, 1945, it became apparent that, due to revised schedules and increased labor and material costs, continued operations of our business could only be carried on at a loss. To survey this condition a very careful and detailed analysis was made in the first 5 to 6 weeks of the new fiscal year and the results proved conclusively that our operating loss was, if anything, worse than had been anticipated.

The writer made a special trip to Washington just before Christmas to determine what relief might be available to the company under the governing price regulations. We found that an exhaustive report was necessary, and that before proceeding further, it would be necessary to analyze our current position, based on a 3 months' operating experience, 2 of which were in the new fiscal year.

To assure a proper and complete coverage of the required information our comptroller accompanied the writer in a second trip to Washington on the subject of over-all price adjustment. Immediately upon his return to his home town the entire facilities of our cost department, together with the services of an outside auditing firm, were put to work in preparing the required information. Nearly 3 weeks were required in the preparation of this report, but in the second week of February a complete brief was submitted on this subject to the Office of Price Administration. At this time the writer and members of our accounting office went to Washington to explain in detail to OPA the 48-page request for price relief. We were advised at that time by OPA officials that, due to the completeness and clarity of the company brief, that we might logically expect to receive a definite answer in approximately 2 weeks.

On March 12, 1946, the writer and accountant again returned to Washington. A price-relief order was issued by OPA on March 15, 1946. However, this order was only a partial order, and among other products, did not cover the established trade class of our line. The reason for the omission from the order was that they were covered under a separate section of the law.

On March 14, 1946, our auditor requested to talk to the person in the Machinery Section who could advise the further steps necessary to obtain price relief for this company's products. He met with several people and he was requested to write a letter setting forth certain facts. This was done, and the OPA officials said everything was in order and prompt relief could be expected.

On March 18 the company wired requesting prompt action. Again on March 20 another wire went forward. Still no response. On March 21 another wire and then OPA called and stated no relief could be afforded except on an industry-wide basis. Finally on March 30, OPA acknowledged receipt of telegrams, but there was no relief.

The industry survey started on December 13, 1945. We have no knowledge as to when it may ever be completed.

This company has suffered heavy losses due to OPA-authorized heavy increased costs of malleable iron, steel, and labor on our line.

Many of our 1,500 employees are war veterans. A stoppage of production because of the above inefficiencies of OPA will be necessary unless price relief is granted immediately.

Here, Mr. Chairman, is the perfect example of what OPA has been doing to slow down production and continue the policy of creating scarcities of consumer goods. Some 1,500 men in this plant are paying the penalty for OPA procrastination.

There is abundant evidence of what is happening to industry. OPA is killing the goose that lays the golden egg, and killing the goose means forcing men out of employment. The workers in this country must understand this fact. OPA is feeding them a different kind of propaganda.

In a recent survey by Opinion Research Corp. in response to this question: "Are price ceilings injuring your business in any way?" Of those who answered, 65 percent said "Yes." Except in a very low percentage, industrial firms say that OPA is slowing production and this means retarding reconversion.

Mr. Chairman, if controls are unwise they should be discontinued now. Time is of the essence. OPA is pleading for time, but why? If controls are good for our economy now should they not be made permanent? The answers are obvious. We must rid ourselves of these controls and this is the time to do it.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I have two telegrams from outstanding citizens of my district which I desire to read into the RECORD at this time. One is from the St. Louis Cooperative Creamery Co., St. Louis, Mich., made up of the good farm people of my district. It reads:

The dairy industry, operating in a straitjacket of arbitrary prices since 1941, is being destroyed and essential food supplies for 140,000,000 Americans are seriously threatened. As confirmed by the Pace report, there are now 1,000,000 less dairy cows than in January 1945. No longer motivated by the desire to win the war, thousands of dairy farmers have either left the farm or been forced out of dairying. This disastrous condition is a direct result of impractical OPA decrees. The whole system of dairy regulations is hopelessly snarled and chaotic. It is humanly impossible to correct this situation by new orders and regulations. They can only make matters worse. Only increased and unrestrained farm production can wipe out constantly increasing black market operations to turn the tide. We now appeal to each and every Member of Congress to immediately eliminate price ceilings and controls from all dairy products and allow normal price relationships to develop in a natural and orderly manner. Nothing else will stimulate milk production now strangled by OPA.

Here is another telegram I have from the Home Dairy Co., a retail establishment, with branches in several Michigan cities. It reads:

It is becoming more and more apparent that OPA price ceilings are limiting production of essential food items and are opening channels for black market operators. Meat, cheese, butter, beans, and other supplies are suffering and higher ceilings must be established to again direct production into legitimate channels.

Mr. Chairman, I think the ladies of this country are interested in what is known as the MAP, maximum average price, which is a regulation put out by OPA. In the metropolitan papers of Tuesday, April 9, there appeared this advertisement:

The truth about MAP (maximum average price regulation).

This advertisement was run by the National Association of House Dress Manufacturers. Among other things, these manufacturers have this to say to the ladies of the United States:

You consumers fear inflation as much as we manufacturers fear it. You pay more money for the things you need because you cannot get them at the price you can afford to pay without pinching your pocketbook.

The members of this association are dedicated to meeting your price needs; because we are popular-price garment manufacturers who specialize in well-designed, well-made fashions that retail from $2.95 to $12.95, and which are featured, sponsored, and sold, by reputable dealers throughout this country.

Today we are confronted by an unsurmountable difficulty known as MAP. It is becoming increasingly impossible to comply with this regulation because many of the products which go into our garments are not available at prices which enable us to live up to this regulation. That is the only reason you are finding it more and more difficult to buy popular priced garments that you think are good value for the money.

The MAP is not only disturbing the consumers, retailers, and manufacturers of this country; it is also disturbing many Members of Congress.

Mr. Chairman, in the bill now before the House is an amendment placed there by the committee by majority vote which would remove the MAP regulations from OPA and make it illegal for the OPA to administer such regulations against the good people of this country. I understand an effort will be made to strike that amendment to the law, from the bill. I sincerely hope the Members of this House will retain the amendment to the law in the bill—it is found on page 9, lines 5 to 8—so that the women of this country can purchase low-priced goods for themselves to wear and for the children; so that the people of this country who perform stoop labor can purchase work gloves, blue denim overalls, dungaree pants, work shirts, and the dozens of other items the people of this country who really produce the stoop-labor need, and the production of which has been tremendously interfered with by the Office of Price Administration, and unfortunately, under laws approved by the Congress of the United States.

Mr. Chairman, we have just listened to the distinguished gentleman from Texas [Mr. PATMAN] outline what in my opinion is the categorical foundation for the carrying on of price control, not for 12 months but for the next 5 years, at least. What has amazed me during the entire gathering of these 2,000 pages of testimony, wherein the good people of this country stood before our committee and presented facts and detailed information as to the harassments, the punishment, the unfair treatment, and the destructive rules and regulations imposed upon them by OPA, is this. I constantly interrogated and cross-examined Government witnesses to find out from them the answer to two fundamental questions, one and two.

First, do you propose to stand here and request the Congress of the United States to extend price control only so long as there is an imbalance or unbalance between the supply of goods and the normal demands of our people, or, secondly, do

you propose to extend price controls through begging Congress to give you the authority so long as our people have a pent-up buying power measured in billions of dollars, which buying power you describe as a potential inflationary force, and which buying power these people can exercise at any time they please so long as they are free economic agents?

That is the issue involved in the proposition before us. The gentleman from Texas has made it absolutely clear that, insofar as he is concerned, these controls shall go on and on and on as long as that buying power exists lying against an insufficient supply of goods to fill the demand measured by that potential inflationary base.

Mr. Chairman, we have to remember that substantially War, Incorporated, has gone out of business, at least temporarily, and, pray God, that it has finished its program of death and destruction. But we have its left-overs with which we must deal. On a thousand battlefields expensive engines of war and death-dealing implements are rotting and going back to dust. Its vast assets have little more than salvage value, and its organization now looks to other adventures. What country today wants to incorporate war as an industry? No nation can thrive on death and destruction. As a bankrupt concern, it is now in the process of liquidation. But there is one peculiar characteristic which it leaves to us and which the ordinary business concern does not have. War, Incorporated, borrowed billions of dollars. These borrowings have been greatly reflected back into our bank deposits, and billions have been added to our currency in circulation without an equivalent value remaining in our economy. This vast mountain of bank deposits and currency in circulation held by tens of millions of our people are a claim against goods not now available. These dollars are options on future production of goods and services. When can the dollars be redeemed into goods and services? That is a basic question. While some term all this as "available purchasing power," let me say that these dollars constitute a crushing burden of unredeemed obligations. You just can't take four hundred billions of dollars and pay for a war and then turn around and buy four hundred billions of dollars' worth of goods and services with the same dollars. An adjustment will have to be made, and we had better get on with the business of making that adjustment in terms of economic laws.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. CASE of South Dakota. Does the gentleman have any idea that items which are in short supply can ever be brought into full supply while ceilings are maintained or regulations are maintained which make it impossible for the producer of those items or the potential producer of them to produce them at a profit?

Mr. CRAWFORD. Mr. Chairman, the gentleman has developed a fundamental thought. Throughout these 2,000 pages of hearings you will find where I constantly put that question to these administrators and Government spokesmen. We have no reason on earth now or at any other time to ever assume that under a democratic form of government where men and women are elected as representatives of the people, where citizen A by his own thrift saved money and inimvests it in private enterprise to produce goods and services, as I say, under that system we have no reason now or at any other time to ever assume, directly or indirectly, that you can inject into those two propositions a plan created by an administrator, such as the OPA administrator—any OPA administrator—wherein he says to the citizen, "Thou shalt do this"—"thou shalt not do that"—"thou shalt act when I say act"—"thou shalt produce"—"thou shalt not produce"—"thou shalt not sell," and have a satisfactory economy.

We know such an injected control system can not work under our American form of government such as we know it here. We know that now. We know that now as well as we will know it 5 years from now. Heaven knows, however, we will understand the proposition in more detail if we continue with this program another 5 years. We operate by profit incentive in this country. We do not operate under the principle of social cost or on the principle of social good.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield five additional minutes to the gentleman from Michigan.

Mr. CRAWFORD. An individual saves money for the purpose of investing it. Your Government, from its inception with the Declaration of Independence and in all the higher and lower courts and through our State constitutions, guarantees you the right to the benefit of your thrift after you have exercised it. When you stand here and think that the OPA can bring forth production so that supply will equal demand under such controls, you are barking up the wrong economic tree, and it will never bring satisfactory results because you defy the profit incentive.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield further?

Mr. CRAWFORD. No. May I be permitted to continue just for a moment, because my time has been cut on this debate? I make the charge now that it is unfair to the people of the United States for this bill to be rushed through this Congress in this manner so that these issues and these important amendments cannot be properly debated here in the House.

Now, on the first proposition which I laid down to you, you will find in the testimony where Chairman Eccles, of the Board of Governors of the Federal Reserve System, testified that the people have $275,000,000,000 of pent-up buying power which he points out as the potential inflationary force. Do you not know that so long as we work with full employment we will add to that potential base through savings and thrift? If you add to that potential base, what will your potential base be on June 30, 1947? Why, it will undoubtedly be $300,000,000,000, because every month the savings and the deposits of our people are increasing in the banks of this country. Here is the latest issue on April 8 of the Federal Deposit Insurance Corporation. The total deposits of all insured commercial banks reached $147,000,000,000 on December 31, 1945. That is a gain of $13,529,000,000, or 10 percent, since June 30, 1945.

Your bank deposits are going up at the rate of $26,000,000,000 per annum. What is your potential inflationary base? It is $275,000,000,000 today and will probably be $300,000,000,000 by next June 30, which is a greater power toward inflation, if exercised, if you please, than you have today. The savings of our people in 1945 aggregated $37,000,000,000, according to the Securities and Exchange Commission.

When do you propose to stop OPA? Do you propose to carry OPA until the potential inflationary base has ceased? If so, then you propose to carry OPA rules and regulations until there is no thrift among the people of the United States. That is so ridiculous that I will not be patient with any man who argues that our controls should be carried on indefinitely, down through peacetime.

Now, let me ask you, what has been said up to date in this debate about preventing inflation by correcting the fiscal policies of Government? Why does Chester Bowles, why does Paul Porter, why does any administrator of the Government stand before our people and whip them into inflationary insanity to get rid of their dollars? Why is Bowles always bearing the American dollar, trying to teach you that inflation is going to eat up its buying power? We have the only currency on earth today that has any standing of consequence. Every man in the world who is sagacious in the least is trying to acquire more American dollars. Nobody is fearful of the liability which will rest upon him by getting more dollars. But the constant effort of OPA is to drive you into a willingness to spend instead of driving you into a willingness to save and nurture and take care of your dollars. Why do they do that? They do it for the specific political purpose of leading our people to believe that the OPA agency is the only barrier that stands between our people and sheer inflation. That is the most unadulterated poppycock I ever heard come over the radio waves in the history of this country. There is no sense to it. If you want to get rid of inflationary forces, you correct the fiscal policy of this Government. I ask the gentleman from Texas [Mr. PATMAN], Why does he not stand in this well and advocate correction of our fiscal policies?

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield for an answer to that question and for no other purpose.

Mr. PATMAN. The answer is I voted against the tax bill, which was highly inflationary.

Mr. CRAWFORD. So that is your answer. Why does the gentleman in his constant talking about the efficacy of OPA fail to press down on the necessity for a sound fiscal policy?

The CHAIRMAN. The time of the gentleman from Michigan [Mr. CRAWFORD] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CRAWFORD. Here is the statement of the Chairman of the Board of Governors of the Federal Reserve Bank System, Mr. Eccles:

To the extent that we can deal effectively with the money supply and production factors, we will be getting at the root causes of the inflationary problems confronting the country today.

He knows the root causes are not going to be answered by OPA. You have got to deal with the economic forces at work. Those economic forces are wrapped up in the fiscal policy of government.

Continuing, he said:

Price controls, rationing, curbs on consumer credit, or on stock-market credit, and similar devices admittedly deal only with effects, not with the basic causes of inflationary pressures.

Why does not this administration—Mr. Truman, Mr. Bowles, Mr. Porter, Mr. Vinson—go on the radio waves and tell the people the facts of what this situation is. Those men have a sufficient amount of intelligence to know what the root causes are. They will say what the root causes are in committee but they do not tell the people in all these presentations and in language they understand.

Mr. Eccles continues:

In brief, prudent policy at this time calls for measures to get at the fundamental inflationary causes by curbing or reducing the money supply on the one hand, and by increasing available goods and services on the other hand, and meanwhile retaining price controls, reinforced where necessary by other restraints, until the factors of demand and supply can be brought into a better balanced relationship.

Unless we pursue such a policy, we run immeasurable risks in view of the inflation potential today. If we were to permit a sharp rise in prices to occur, the holders of liquid assets might lose faith in the purchasing power of their holdings. The consequences could be disastrous.

"Might lose faith in the purchasing power of their holdings." Why do you hold dollars?

Why do you hold dollars? Because you have faith in them; but when the Government continues with deficit financing, continues to monetize the debt at the rate of $20,000,000 per annum; if you are sagacious that teaches you to wonder about the buying power of your dollar. Then to give you soothing sirup, to give you liniment, if you please, for economic ills, to give you some kind of balm for business bunions, to do a little snake charming, to do a little trapeze performing, they go to our people and say: "Folks, the answer to this is more OPA."

Inflation is too much government. You never saw inflation in any country except where there was too much government. The OPA and others are afraid you will deflate government. They fear that more than they fear the inflation of the dollar. That is what our problem is today.

There is a religious sect which uses rattlesnakes to help them attain religion. OPA in peacetime is nothing on earth but economic rattlesnake poison. That is all it is, pure and simple, and if God ever forgives us for our asininity and fallacious thinking, perhaps we will get rid of some OPA-itis.

Now, let us go back to Mr. Baruch for the moment and see what he has to say:

Increase production: This is the law and the prophets. Without it the rest of my suggestions are meaningless.

So I say again: Increase production. And my friend CASE from the Dakota country knows you are not going to materially increase production until you permit costs of production and some profit. Mr. Baruch says:

Stop decreasing taxes until the budget is balanced.

Stop bunking the people.

This is Mr. Baruch talking now:

Stop "bunking" the people by saying wage increases can be granted without increases of price levels.

Do not fear to increase prices or wages where necessary to get and stimulate production.

Very sound stuff.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. CRAWFORD. He said:

Continue price control subject to indicated modifications for a year.

He does not say to continue price control without these other things, but subject to these modifications. That is what the elder statesman has to say and it is mighty good advice.

Let us go, for instance, to organized labor. The American Federation of Labor in its last editorial which just came out today, says:

The struggle for human freedom and justice did not end with VJ-day. Events of the past 2 months show only too clearly that a new form of dictatorship threatens the postwar world affecting us here in America just as surely as those in foreign lands. Few Americans yet realize the significance that the drastic new wage-price-profit control now clamps on our peacetime economy. By Executive Order No. 1420 dictatorial powers over American economic life have been placed in the hands of persons subject to political controls and pressure. Free collective bargaining has been shelved for price adjustment and every wage adjustment affecting prices comes under the scrutiny of a few enormously powerful Government officials. Their decisions affect 54,000,000 American workers, employers, and farmers. The result is confusion and new loss of freedom. If the Communist fifth column in United States of America were devising ways to undermine democratic institutions it could not have invented more useful strategy.

Read Bill Green's testimony in the hearings and you will find one of the clearest, one of the most constructive, one of the most fundamental statements ever made on the question of what Government controls shall be and how necessary it is for Government to get its head out from under the tent of this free economy of our people.

Mr. Chairman, we have got to do fundamental thinking at this time, otherwise we run the risk of establishing, as a permanent Government policy, price controls and subsidies.

Take the statement from our farm people with respect to removing subsidies from their production. Of course, those subsidies should be removed; there is no question about that at all.

Finally, Mr. Chairman, there are certain provisions in this bill which, if retained, will amend the present OPA law. I hope we can retain certain of that language in the bill and that when the bill is read for amendments, we may place other provisions in the measure to the end that the OPA controls may be made bearable by our people until this whole scheme of control can be orderly retired from our economy. I object to an extension of more than 9 months, say until March 31, 1947, and I insist that we now lay down controlling language directing OPA to proceed with plans for the removal of the controls not later than that date and the liquidation of the agency, provided, however, that should Congress in the interim conclude that certain supervision such as rent controls on dwellings and controls on other acute shortages be continued for a longer period that the extended controls be administered by some other one of the permanently established agencies of Government.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman, this is a bill entitled "An act to amend the Price Control Act of 1942 and the Stabilization Act of 1942." At that time we ourselves as a Nation had been at war for some months. We were in a war at that time. The production facilities of this country by 50 percent or more were of necessity dedicated to the manufacture of war materials and arms. That necessarily reduced by 50 percent or more the possible production of that which we call civilian goods.

We did not invite price control, we did not invite scarcity of goods and materials that our manufacturers were ordinarily engaged in producing. It came as a necessity. There developed a very definite and serious scarcity of materials such as we use in times of peace.

I do not think there is any person in this committee or in the Congress of the United States or elsewhere who will not admit now that our recognition of the scarcity that was coming in goods that were needed in this country for civilian purposes and to sustain life was upon us and we could not avail ourselves of any machinery by which these prices could be controlled except by an act of Congress. I cannot imagine, as a matter of fact, it is beyond the imagination of men to predict in the highest fancy what would have been the result to this country if we had not adopted in 1942 the Stabilization and the Price Control Act. We could not have had clothing, we could not have had food, we could not have had any of the necessities of life, to say nothing of the luxuries or those things we may call luxuries.

The preamble of the declaration of policy we find in that Act of 1942 is that because of the emergency of the war we find it absolutely necessary to pass an act that will control prices and prevent runaway prices, prices so high that nobody but the rich could clothe themselves and nobody but the wealthy could eat. Nobody denies that.

We went on through that war until in May 1945 a part of it was concluded. We remained in that war until August 1945 when the actual fighting ceased. But we have not gotten back to that which is the answer to price ceilings and the necessity of price ceilings—full production. We might just as well be fair and straight about it, we are not in full production in many commodities that we need. I do not know, I cannot see, that we ought to be excited that people have adopted a fondness for this price control and price ceiling business. I have no fears in the world so far as this Congress is now constituted, or may hereafter be constituted, of its becoming enamored of this as a fine piece of economic procedure. I doubt if there is a single Member in this House who does not realize that price ceilings and price controls are contrary to the best interests of the country in ordinary times, and we do not want it. In recognition of that fact, Mr. Chairman, and in recognition of the fact that we want to go back to what we call a free economy and the days of competitive enterprise, we do not want to put anything in its way, realizing at this time that we cannot afford to risk the disaster that would inevitably result should we throw price control away precipitously and immediately, recognizing the other fact that we have declared a new policy which I believe the House will find well taken by your committee. Let me read a part of that policy:

> It is hereby declared to be the policy of the Congress that the general control of prices and wages, and the use of the subsidy powers conferred by section 2 (e) of this act—

Not as it was in 1942, but today under our present circumstances, the war having terminated and we are going out from under it somewhat satisfactorily but not at all approaching completeness—

> shall be terminated, without further extension, not later than June 30, 1947,

That is the thought of your committee. That is the policy that we bring to this House, and we believe that it answers the thought and judgment and the common sense of every Member. Then it says:

> and that on that date the Office of Price Administration shall be abolished.

Are you uneasy about a pronouncement of that kind? Are you afraid that this Congress is becoming obsessed with the idea that price control is essential, a desirable policy of Government that might last for 2, 3, 5, or 10 years? This declaration is exactly opposite to this conclusion.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I would say that I am not too happy or too assured with that kind of language. The only emergency agency that I know anything about that has been completely liquidated is the Office of Censorship. The OWI has been transferred in part to the State Department and to the War Department. The OSS has been transferred in part to the State Department and to the War Department. WPB has been liquidated by executive decree and in its place is CPA, Civilian Production Administration, and if you are going to nail this thing down you should provide for the termination of its function and then to provide for the progressive liquidation of the agency. If the gentleman will indulge me another half a minute, I think I have had probably as much experience with trying to liquidate an agency of Government as any Member of this Congress. I started years ago to liquidate the Home Owners' Loan Corporation. It has not made a single new loan since 1936, but it still is functioning, even as the Emergency Corporation of the last World War is still upon the books of the country today.

Mr. FOLGER. I get the gentleman's point. He is afraid we will transfer these powers to some other agency.

Mr. DIRKSEN. Exactly.

Mr. FOLGER. But that is not to be deduced as an intention of the Congress by the language that we use. We want to put a peg there, and then we say that the policy is that the general control of prices and wages and the use of subsidies conferred shall be terminated; not that the agency alone shall be abolished but that these things shall be terminated. We have 26 members, I believe, on that committee, and I think that was subscribed to by every member regardless of political affiliation.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Ohio.

Mr. JENKINS. I think if the gentleman stopped with that statement, with that period, then all he said would absolutely be true, but the rest of the paragraph on down to the bottom gives the President the right to change that and he can change it as often and as much as he pleases. While the first part is fine, as I say, it does not mean anything when you construe it with the last part.

Mr. FOLGER. Only as to those commodities which it has been found as a fact cannot be precipitously and within that time relieved from this price-control law.

Mr. JENKINS. The gentleman from Illinois cited cases where departments did not die after we killed them, but we kill this department in the first part and then revive it in the last part.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. I cannot understand how any man thinks he can couch in the English language anything more direct than this one particular thing, that the OPA is dead on the 30th of June 1947.

Mr. JENKINS. Will the gentleman yield as to that?

Mr. BROWN of Georgia. No; I do not want to yield because there is nothing to it.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Michigan.

Mr. HOOK. I think the answer to the gentleman is in line 9, where it says:

> The Price Administrator (and the Secretary of Agriculture to the extent of his responsibility under sec. 3 (e) of this act) shall proceed immediately to formulate a comprehensive plan for the progressive removal of price controls.

Mr. FOLGER. I am going to read all of that. Listen to this. Do you think the committee was honest? Are they trying to pull a fast one on this Congress? This was written by your committee of the Congress:

> The Price Administrator (and the Secretary of Agriculture to the extent of his responsibility under sec. 3 (e) of this act) shall proceed immediately to formulate a comprehensive plan for the progressive removal of price controls and subsidies.

I respectfully submit to the Committee that you have to have a progressive and an orderly lifting of these ceiling prices, and you cannot do it on all commodities at once. As Mr. Baruch said, it finally depends upon full production that is able to answer to the demand and which eliminates scarcity of goods, with low production followed by high prices. You cannot do that unless you have either production or ceiling prices under the law.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield further?

Mr. FOLGER. I yield.

Mr. BROWN of Georgia. We might say that the policy amendment was subscribed to by every member present when it was submitted.

Mr. FOLGER. I think that is true. I think it is anything but complimentary to the good judgment and the common sense and honesty of every member of that committee that they question these things.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I think the observation made by the gentleman from Georgia is correct, they must have subscribed to it as far as it went, but surely it would not leave the implication that they were satisfied with the extent to which this so-called abolition provision and termination provision went.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. I voted for it, being glad to give them any chance they had, but I have no hope whatever that the OPA will liquidate itself under this provision or under the Wolcott provision.

Mr. FOLGER. The OPA will be dead on the 30th of June 1947.

Mr. BARRETT of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. FOLGER. I yield to the gentleman from Wyoming.

Mr. BARRETT of Wyoming. Will the gentleman say that the intention there is that the Administrator is directed to remove these controls only if he finds that it can be done without disturbance of the national economy?

Mr. FOLGER. The bill reads:

The Price Administrator and the Secretary of Agriculture shall proceed immediately to form a comprehensive plan for the progressive removal of price controls and subsidies in order that the return to a free market and free collective bargaining may be accomplished—

On or before a certain date. If it were not for the fixing of the date, the rest of that would not be in the sentence.

Mr. BARRETT of Wyoming. It continues, however.

Mr. FOLGER. Yes, I am going to read it all if I get the opportunity to do so.

Mr. BARRETT of Wyoming. Will the gentleman read the rest of the sentence?

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 additional minutes to the gentleman from North Carolina.

Mr. BARRETT of Wyoming. Does the gentleman state that the Administrator under that provision can remove the controls only if he finds it can be done without disturbance to the national economy?

Mr. FOLGER. Not necessarily. That is somewhat of a restricted interpretation.

Mr. BARRETT of Wyoming. That is what it says there.

Mr. FOLGER. Yes, but that is an interpretation which is a little too restricted.

The bill reads further:

The President shall, not later than April 1, 1947, report to the Congress—

Members of the Committee, we propose to take this matter in hand for the Congress to pass upon it. The bill reads—

shall report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this act as to them after June 30, 1947.

It is incumbent upon those in authority, the Secretary of Agriculture, the Economic Stabilizer, the Director of Price Administration, and the President, to progressively remove price control on the commodities which come into substantial equality with supply and when the demand is met by the supply. It is an honest and straightforward pronouncement of policy, intent, and direction and brings itself back to this Congress in April 1947 for us to look at it.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield for a question?

Mr. FOLGER. I yield to the gentleman.

Mr. MURRAY of Wisconsin. Will the gentleman explain how Mr. Bowles got the power to direct the Secretary of Agriculture to sign the ceiling on cotton here a few days ago? Where did the power come from? That is something I cannot figure out. Would the gentleman answer that question?

Mr. FOLGER. First, may I say to the gentleman that I heard something about the accusation being made. I do not even know whether it is true or not and I would not take the time to go through all the laws and regulations under which that decision was made. I want to read to you a little more. It has been suggested that this is nothing but a statement of policy. Let me read to you subsection (b) (1):

Maximum price controls shall be removed, as provided in this subsection, in the case of particular commodities or class of commodities, upon satisfaction of domestic demand therefor.

"Period," as we hear it said on the street.

The President shall make from time to time, but not less frequently than once each month, as to each commodity or class of commodities in the case of which maximum price controls are in effect, a determination as to whether domestic demand for such commodity or class of commodities has been satisfied.

This is not simply a pious platitude. They are demands and commandments of this Congress. Nobody has the right even under the guise of Executive authority, I will go so far as to say even among the judiciary, to avoid or evade the plain meaning of the Congress in respect to these demands and requirements as set down here. We are answering that which Mr. Baruch said was the "law and the prophets"—full production, production, and more production; and the lifting of price control when production comes into equality or meets domestic demand of this country with respect to any commodity.

I know that we are all prolific in our thoughts. They come to us blind. Sometimes they stick. Sometimes they veer off. Sometimes we think they are valuable. But I ask you to read this bill as it is. I submit to you that in all honesty it is a straightforward, forward-looking bill presented to this House, which does not need amendment in order that we may get rid of price controls and price ceilings at the earliest possible time for the benefit of this country.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. FOLGER] has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, did I hear the gentleman from Texas [Mr. PATMAN] say that no nation before ever tried to prevent inflation after a war?

Mr. PATMAN. Does the gentleman want a correction?

Mr. SMITH of Ohio. I yield.

Mr. PATMAN. No major power ever before during a major war ever attempted to control inflation by price control.

Mr. SMITH of Ohio. That depends upon what you call a major war and a major power. If I am not mistaken, the people of this Nation have been taught to believe that the Revolutionary War which gave us our independence was a major war; and that our Nation became a major power in winning the war.

So, when we are told that no major country ever before tried to control inflation after a major war we are told something that just does not happen to be true.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Miss SUMNER of Illinois. I am informed that the French riots after World War I brought rent control, and they still have it. They never were able to get rid of it.

Mr. SMITH of Ohio. So did Germany. The same situation prevailed in Austria. I studied in both of those countries after the war and know something about that situation.

Some of us, I think, would do well to brush up a little on our history. Surely we have been taught in the history books to regard the Revolutionary War as a major war and our Nation as a great power in the winning of that war.

Well, it so happens that at the conclusion of the Revolutionary War the Nation was confronted with the problem of inflation. It was a serious inflation—one of the most serious in history. The founding fathers wrestled with it. They knew what really constitutes inflation. They had had a long and bitter experience with it, and there could be no doubt in their minds as to what it really was. They understood that the extraordinarily high prices that then prevailed were caused by Government printing-press money, called continental currency and "bills of credit."

Prices were fearfully high. One gets some idea of the high prices when one reflects that the Congress in providing for the newly formed Government to assume the war and other debts it redeemed the continental currency at the rate of 100 continental dollars equals one real or specie dollar.

Now what did the Congress do about it? Did they set up an OPA to control prices? No; all that had been tried by the Colonists long before and had failed miserably. What the Congress did to cure the inflation was to practically destroy the Government printing-press money which had already been issued, put an effective veto on the printing of any more of it, and placed the Nation firmly on hard money. That is how the men who brought forth this great Nation of ours solved their problem of inflation. ought to be a lesson to us.

Mr. Chairman, H. R. 6042 is just another pious New Deal promise. It is meant to hold out the hope to the American people that its purpose is to abolish price control and restore a free market.

This is an election year. The New Deal administration recognizes the fear and ill temper which have been aroused in our people. They believe it designs to permanently fasten upon them not only the OPA but also the many other totalitarian devices it has instituted. So it must resort to deception and trickery to

placate this ill nature, for otherwise the reelection of a New Deal Congress might be imperiled.

This measure declares it to be the policy of Congress that the general control of prices and wages, and the use of the subsidy powers conferred by the Price Control Act shall be terminated, without further extension, not later than June 30, 1947, and on that date the Office of Price Administration shall be abolished.

It also provides that the Price Administrator shall proceed immediately to formulate a comprehensive plan for the progressive removal of price controls and subsidies in order that the return to a free market and free collective bargaining may be accomplished on or before June 30, 1947.

But this must be done without disturbance of the national economy. Furthermore:

> The President shall, not later than April 1, 1947, report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this act as to them after June 30, 1947, together with his recommendations as to the established departments or agencies of the Government which should be charged with the administration of such powers.

It is further provided that the Price Administrator may restablish maximum prices with respect to any commodity or class of commodities if by reason of changed conditions, there has arisen an unsatified demand for such commodity or class of commodities.

The bill declares it to be the policy of Congress to terminate price control not later than June 30, 1947, and to abolish the Office of Price Administration on that date. But it definitely retains the principle of Federal price control. It specifically provides for keeping wide open the way for the administration to come before Congress and ask for further renewal of the Price Control Act and the continuance of its operation under another department or agency of the Government.

"Having consideration for the purposes of this act and looking toward full production," the President is directed to remove price controls only if and when he shall have determined that domestic demand for any commodity or class of commodities has been satisfied; to reestablish controls with respect to any commodity or class of commodities when "by reason of changed conditions there has arisen an unsatisfied domestic demand for such commodity or class of commodities." At the same time he is in effect also directed to recommend to the Congress the continuation of price controls beyond 1947 in respect to any and all commodities he deems to be in such critically short supply as to necessitate, in his judgment, such continuance.

This is just plain double talk.

No standard whatever is provided in the bill for determining when the domestic demand of a commodity has been sufficiently satisfied to warrant decontrol, or when a commodity is in such critically short supply as to necessitate extension of price control beyond June 1947. All this would be left to the arbitrary will of the President. The administration forces have been exceedingly diligent in preventing the writing into the bill of a definite formula for decontrol. This is in accordance with basic New Deal power policy, arbitrary bureaucratic control and the reduction of the Congress to a mere figurehead.

It is perhaps worthy to note that although the principle of Federal control of prices of commodities is retained, that of wage control is not, but is permanently abolished or at least made to appear to be. We wonder why. Are we to believe this was a mere inadvertance? Or was permanent decontrol of wages designedly provided for? Might this procedure involve some political horse trading? Is it logical to provide for further extension of price control and not wage control?

If so, why was it claimed that both price and wage control were necessary during the war in order to hold the price line and prevent "inflation?" Has the cessation of hostilities altered the principle upon which both price and wage control were predicated? If so, what is the explanation? Do not prices and wages completely identify themselves with each other? Are they not reciprocals of each other, mutually interchangeable, and therefore, one and the same? Surely the proposition is elementary. Price is but a measure of human effort. That which manifests itself to one person as price is but the equivalent—in a free market—of human effort to another, or others.

Are the working people now going to be deceived into believing prices of commodities can be controlled without also controlling wages? It would seem the effort is being made to do this. What else can be inferred from the language which provides for further extension of price control but omits any reference to extension of wage control? Is not also the President's policy relating to management-labor disputes over wages suggestive that he would have the working people believe wages and prices can be dissociated?

To be sure, the New Deal is on false ground here. True wages and prices cannot be treated apart from each other, assuredly not in a free market. Only in a totalitarian economy like Russia is this possible.

This bill provides for the use of Federal funds to the amount of roundly $1,500,000,000 to subsidize or reduce the retail price of rubber, meat, flour, petroleum, copper, lead, zinc, and certain other unnamed articles. In the 1930's the New Deal resorted to the use of subsidies on a grand scale for the avowed purpose of increasing or inflating prices. Now it uses subsidies to deflate or reduce prices. The New Deal resorted to the Government printing press to raise funds to pay subsidies to increase prices. Now it resorts to the Government printing press to raise funds to pay subsidies to reduce prices. Yesterday Government print money cured the sick economy of excessively low prices. Today Government print money cures the sick economy of excessively high prices.

There have been some strange cures to alleviate the ills of humanity, such as applying medication to an ax to cure a wound caused by it, swallowing a prescription along with the medicine prescribed, and so forth, but I know of none more irrational than this New Deal remedy, which we are to believe is so amenable to political juggling that it can be made to work in opposite ways, raise a deficient metabolic rate of the economic body at one time and lower an excessive rate at another.

The New Deal in the 1930's, by devious devises, raised billions of dollars to pay subsidies to this and that group. One of these devices was the Government printing press. This was in great measure depended upon to spend the Nation into prosperity. Devotees of New Dealism actually believed, or claimed they did, and even now so claim, that this remedy worked according to plan. The fact is, however, that the billions spent in the form of subsidies did not actually cure anything. In reality they served only to mask the economic malady with which the Nation was afflicted and basically aggravate it.

The real source of inflation which is at this moment so greatly concerns every citizen, and more particularly the poor, is to be directely attributed to the New Deal policy of financing deficits with printing-press money. The ever mounting prices, both manifest and impending, are but an effect of this antisocial policy.

The naked truth is the Nation is finally beginning to feelingly pay for the wrong cure the New Deal prescribed for the economic woes that were brought upon us by the depression. The New Deal chickens are at last coming home to roost. Confused and desperate, it now seeks to force more of this deadening and deadly narcotic down the throats of the American people. The New Deal has literally poisoned the entire body economic, politic, and social with subsidies and Government printing-press money. This toxicity now manifests itself by a disordered economy that greatly hampers production in many lines, by a depreciating currency and ever-rising commodity prices, by chronic labor-management disputes, by continual destruction of the economic, social, and political security of all citizens, and by a rapidly rising tide of communism.

The OPA would not exist except for the Government printing-press money. The Gestapo tactics of this agency which are so seriously hamstringing industry are but an attempt by it to counteract the effects of this poison, and by the black market to escape them.

The New Deal now promises the voters to surely protect them against this poison if only they will keep it in power. The cure it offers is more of the selfsame political panacea, the identical poison which has caused the existing nearly moribund condition of liberty, Government printing-press money and its activator, political coercion.

Here we see something of the real condition into which the New Deal has got itself, and, of course, the Nation as well. It should never be forgotten that the superstructure of new dealism has always rested on the quicksand of Government printing-press money. This is not the-

ory. The record to prove this is here and is available to all who are sufficiently interested and forthright to learn the truth. I shall later refer to this point.

The poor are being grossly deceived by those who are telling them that food subsidies or any other kind of subsidies reduce their living costs. Even if subsidies were wholly raised by taxation the lower income groups would still pay much the greater part of their cost, since they must always pay the bulk of taxes. The only possible benefit that it could be claimed these subsidies provide the lower-income groups is that a minor portion of the taxes raised to pay for them is forcibly taken from the higher-income groups and given to those in the lower-income brackets. But even this doubtful benefit vanishes and more than vanishes when we take into consideration other factors that are involved in the process.

First, there is the strongly prevailing delusion that those with higher incomes can be specially taxed to provide benefits for the lower-income groups without destroying the economic foundation upon which depends the welfare of all, rich and poor alike. A flat subsidy, such as that on food, provides a benefit for the rich as well as the poor. Indeed, on a percentage basis the former derive a greater absolute benefit from flat food subsidies than do the latter, because the per family food bills are higher in the upper than the lower income brackets.

Then there is the cost of administering subsidies. Further, to arrive at the true effect which subsidies have on the cost of living it is necessary to take into consideration all subsidies, especially the principle they involve. If food subsidies are in principle proper, then they must be also proper for all other commodities. This bill provides subsidies for oil, rubber, and other nonfood items. Many subsidies besides the ones provided in this bill are being paid by the Government. If subsidies were paid out of taxes many people would be paying for some subsidies from which they would derive no benefit. Take the subsidies provided in this bill for oil and rubber. Persons not owning passenger automobiles would be taxed for the oil and rubber going into these articles How can this be justified? The inequities of subsidies, even if they were altogether paid out of taxes, are so numerous and their deleterious effects so far reaching that only a moiety of them can possibly be fully traced out and comprehended.

But from our own past experience and that of many other countries we may be certain that a goodly part, if not all, of the funds raised to pay subsidies will come from Government printing-press money. There is, however, an important difference between meeting the cost of subsidies out of taxes and Government print money. If paid out of taxes there is no increase of payment media, or money. On the contrary when paid with funds derived from the printing press there is an increase of money. That is, there is an increase of inflation.

Rises in prices can and do take place as a result of excessive expansion of commercial credit. But such credit expansion is not true inflation. The distinction between the two is a fine and most important one. Overexpansion of commercial credit automatically corrects itself, provided the Government does not interfere. Liquidation of overexpansion wipes out the excess credit and prices drop back to what may be, for the want of a better term, considered normal. The purchasing power of the dollar is thus restored to its former relationship with values in general. Thus the value of life-insurance policies, bank deposits, pensions, and so forth, are at the conclusion of the liquidation left unaffected by whatever excessive price rise took place in the overexpansion.

When there is overexpansion of credit which is caused by Government printing-press money we have an entirely different kind of situation. The process is not self-liquidating in the sense that overexpansion of commercial credit is. Assume there has been a doubling of the amount of purchasing media which has been brought about by printing-press money. In due time, general prices will rise to a level corresponding, more or less, to such increase of purchasing media and will tend to permanently remain at that level, assuming, of course, the adventitious money has not been diminished by its redemption with taxes, a very likely event. In this case the purchasing power of the dollar will be permanently lowered, and along with it the value of life-insurance policies, bank deposits, pensions, and all other investments and fixed incomes.

It is highly important to keep in mind this distinction when considering the use of food or any other kind of subsidy. Being, as a rule, mostly provided by the printing press, subsidies inevitably permanently add to the total money supply and correspondingly permanently depreciate all values. A subsidy does not produce inflation. It is itself inflation. It is inflation which causes price rises, not the other way around. Placing price ceilings on commodities is dealing not with inflation itself but with the effects of inflation.

Subsidies are a delusion and snare and one of the worst schemes for robbing the poor ever conceived by man. The evidence to support this contention is overwhelming.

Every experience the world has had with Government printing-press money shows that its evil effects have always fallen most heavily upon the poor and lower-income groups. It was so under John Law's "system" in 1715–20. It was so in the 1790's in France when that nation was inundated by Government printing-press money called assignats. It was so with the colonial "bills of credit."

Coming down to the more recent debauchments with printing-press money, that of Germany, Russia, Austria, France, Italy, and many other countries, we find the same, always the evil effects of this device bear most heavily upon the brows of the poor. True to all experience, Government printing-press money is today in our country spending its main force upon the poor and the lower-income groups, and it will continue to do so until this curse is removed from our economy. The evil is now completely undermining the economic security of the working people. As a result of Government printing-press money they are in the most precarious position they have ever been. So-called social security will not save them.

One thing more should be mentioned about subsidies. Their use by the Government is in reality a form of black-market operation. They have the effect of concealing true prices. F. A. Harper, professor of marketing, Cornell University, in a pamphlet entitled "The Crisis of the Free Market," which is one of the keenest analyses of Government price control extant, on page 50 says:

> There have been profound official arguments to the effect that subsidies are well worth the cost, but shorn of their beautiful wrappings and reduced to their bare realities, they can be nothing more than either legalized filching of some of the citizens for the benefit of others, or an inflationary device under Government sponsorship.
>
> Governmental subsidies of all sorts might well be termed "legalized" black markets—legalized when done by the Government. It seems strange for a government to hire a police force to hunt black marketeers, who are fined when caught, and at the same time pay subsidies itself to accomplish the same ends. Russia, with an element of realism lacking here, is reported to have actually had black markets operated by the Government during the war, which they were able to use as a source of tax revenue while we paid out subsidies and built up our Government debt instead.

Measured in terms of bureaucratic preference Government black markets through subsidies are not without profit either.

We should be more than naive, indeed, if we believed the New Deal intends to abolish price control and establish a free market. Federal control of prices and wages—they are of a piece, being but the reverse and obverse of the same shield—is the ultima ratio of New Deal power.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Miss SUMNER of Illinois. All three of the men who supposedly know most about it, Mr. Porter, Mr. Bowles, and Mr. Baruch, who seem to command great respect among certain Members of Congress—all were very careful in the hearings, if the gentleman remembers, not to make a firm commitment. They said that price control should be discontinued but that there might be circumstances under which Congress would want to continue it.

Mr. SMITH of Ohio. Oh, certainly.

Almost the very first act of the New Deal when it came into power was to tear the heart out of the competitive market—confiscate the people's gold and force them under the domination of a politically maipulable medium of exchange, which identifies itself with rationed currency, such as that used in Communist Russia.

The complete nationalization of the monetary gold stock sounded the death knell of voluntary contract and the free market. That act meant nothing less than the substitution of Government-made prices for market-made prices, a

totalitarian economy for a free economy. There are but two basic means for making prices, the free competition market, and Government edict. For the market to be free, or competitive—the words are synonymous, for to be free it must be competitive, and to be competitive it must be free—it must embrace all of the gold stocks.

The proscription of the private use of gold, together with the direct and indirect authority provided by the Gold Reserve Act of 1934 to debase the gold dollar, sundry silver acts, together with the power to resort to the use of the Government printing press—financing securities through the banking system—to provide funds to pay operating costs, gave the New Deal power to regulate the quantity of money. To be exact, these acts and authorizations gave it power to arbitrarily increase, without any legal or predictable limit, the supply of payment media.

Said Ricardo in the House of Commons in the debate on resumption:

> One principle was clear, it was of the utmost importance in the consideration of this subject, it was this, that those who had the power of regulating the quantity of the circulating medium of the country, had the power of regulating the rate of exchanges, and the price of every commodity.

The following shows the amount of purchasing media produced by the New Deal during the first 7 years—all peacetime, from June 30, 1933, to June 30, 1940—of its operation, by the use of this power:

From debasement of the gold dollar, approximately	$2,800,000,000
From gold imports (creating bank credit), approximately	13,000,000,000
From the Government printing press, approximately	9,000,000,000
From silver debasement, approximately	1,366,000,000
Total	26,166,000,000

Keep in mind that, as previously stated, it was an avowed policy on the part of the New Deal to create adventitious purchasing media for the express purpose of raising prices.

How much artificial purchasing media exists at present as a result of the above-mentioned powers? We shall here mention but two categories:

From debasement of the gold dollar and the gold purchase program, approximately	$16,000,000,000
From Government printing press money (commercial and Federal Reserve bank holdings of Government obligations as of Dec. 30, 1945)	114,000,000,000
Total	130,000,000,000

It is the $114,000,000,000 which constitutes the real inflation. As previously stated, unlike commercial credit, which after having done its work is canceled, printing press money permanently remains as a part of the total supply of purchasing media. The only way it can be gotten rid of is by redemption with taxes. How long will it take to pay off the $276,000,000,000 of Federal debt and cancel the $114,000,000,000 of printing-press money?

This enormous volume of printing-press money is the primary force that is pressing against prices and moving them to ever-higher levels. To put it in another way, as this printing-press money comes more and more into use in bidding on available goods, it depreciates or lowers the purchasing power of the dollar. Now it is this progressive loss of purchasing power that the OPA is trying to combat. Under the strict system of rationing, endured because of patriotic duty, in effect during the war, the printing-press money was made largely inoperative for bidding up prices. All that changed at the close of hostilities and this money immediately began to exert its force, and this it will continue to do, be the measures of price-control enforcement ever so extreme, until it has completely spent itself, that is, brought prices up to the unpredictable level where they become stabilized; or, perchance, should, subsidies be continued and the issue to Government printing-press money be continued, the dollar becomes so worthless that it must be redeemed at its depreciated value in a new issue of currency. There is no other alternative, although the knout and concentration camp might be used to reenforce the coercion which is necessary to make price control effective. As stated, the continental currency—Government printing-press money—was redeemed at the rate of 99 continental dollars equals one real or specie dollar.

The German mark in 1923 became utterly worthless, an entirely new currency was issued, and life insurance policies and many other values were completely wiped out. That has been the way of every overissue of Government printing-press money at all times and at all places. As well expect to sustain body and soul in a human being with the same volume of milk halved by diluting it with water, which only whole milk previously sustained, as to hope to make a dollar bill which was once convertible into gold at its face value, which was in whole created by production, which commanded in the market place the same amount of production as that which created it, but whose value has now been halved by making it compete with another dollar wholly created by Government fiat and representing no production whatever, to buy as much as a pure gold dollar.

The $114,000,000,000 of Government printing-press money is not all of the inflation picture. There are the war savings bonds, amounting to nearly $50,000,000,000, which represent potential inflation. They are redeemable, and when cashed become Government printing-press money the same as the $114,000,000,000. It should not be forgotten that they were sold to the public with the idea that they would be as good as cash in hand after the war, to buy refrigerators, automobiles, household gadgets, and what not.

Indeed, all negotiable or marketable Government securities (about $200,000,000,000 besides War Savings Bond, which, however, includes the $114,000,000,000 of Government securities mentioned) sooner or later can come into the picture and help in forcing prices upward. The total amount of liquid assets in the form of Government securities is somewhere in the neighborhood of $240,000,000,000.

The only possible hope that now remains for allaying the effects upon the poor and all others of the inflation which is upon us—Government printing-press money—and to prevent it from increasing, is to remove every possible shackle from production imposed by the OPA and the many other totalitarian devices and restraints that have been forced upon industry, business, and the market; and balancing the Federal Budget by making drastic reductions in operating costs.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentlewoman from Connecticut [Mrs. WOODHOUSE].

Mrs. WOODHOUSE. Mr. Chairman, OPA has not held back production. NAM makes flat statements to the contrary but it does not prove its case because it cannot. The March 1946 issue of the Federal Reserve Bulletin states unequivocally:

> Production in the whole economy, including agricultural as well as nonagricultural types of activity, is now above the level of any previous peacetime period and substantially above the average for the years 1935–39. Employment in all major lines of activity except agriculture, mining, and construction is above the advanced 1941 level. Unemployment was around 2,700,000 in February, which is considerably lower than the 1941 average of 5,000,000 and the 1939 average of 9,000,000. Output of most goods and services is close to the capacity of the country's resources under present conditions.

Today we are producing civilian goods at the highest level we have ever reached in this country, at an annual rate of more than $150,000,000,000. Industrial production is more than 60 percent above prewar levels and is still going up. There are about 52,000,000 men and women in paid jobs.

Carloadings are almost as high as they were a year ago with the war still on. Building is almost double that of a year ago. The production of cement, paper, paperboard, and newsprint is higher than a year ago. Petroleum-refining operations are almost at the same level as last year when we were still producing for war needs.

Of course we are not getting all we want or as much of many things as we would like. We have difficulty buying food. Yet on a per capita basis we are eating 12 percent more than before the war. And this increased consumption goes for meat too. Clothing supply is tight. But here again we are buying 20 percent more clothes than at VJ-day. Likewise we are buying 50 percent more home furnishings by volume than last August.

Actually we have more goods than we have ever had in this country. Household appliances are coming back. In January radio shipments were 65 percent of prewar, electric irons 76 percent, domestic-laundry equipment 108 percent, vacuum cleaners 76 percent, electric ranges 52 percent, flatware 96 percent. Mechanical refrigerators and automobiles have been held back by strike con-

ditions. These goods all come from industries which were devoted almost entirely to war production and whose plants had to be reconverted back to peace production. This meant work on capital goods, installations, and so forth, before consumer goods could start flowing.

OPA has not held back production. What has happened is that OPA has been a force in holding back inflation. We are living through an actual demonstration of what the demand for goods is when we have full employment at good wages. Great numbers of people now for the first time have incomes high enough to buy more than the bare necessities of life. Prices have gone up, it is true, but in relation to war inflationary forces, they have gone up moderately, and the great mass of the people today have higher incomes in relation to prices than they had before the war. Moreover, since there were few civilian goods to purchase during the war there is a vast accumulated demand, especially for goods such as household appliances and articles which we could not buy during the war.

The fact that retail-store sales are nearly 25 percent by volume of goods above the level of last August is proof that production is moving, for these stores have the goods to sell. The shortages seem acute because people are buying at such a rate that the stores cannot build up inventories. For the week ending April 6 sales in department stores were 50 percent over the level of a year ago. Stocks are unbalanced, but in the aggregate they are kept ahead of last year's levels even against the assault of record sales volume.

Of course someone will bring up the question of clothing. Where are men's suits, shirts? Women's low-priced cotton clothing? Woolen and and rayon fabrics are currently being produced according to the reports of CPA in greater quantity than ever before in our history. The outlook for more cotton textiles has brightened. OPA has made price adjustments and by its action has put an end to a period of hopeful watching for higher prices or decontrol during which selling virtually stopped at all but the retail level. The rising level of employment in cotton textiles will mean an increase in the output of cotton fabrics. OPA and CPA have worked together on a program which is showing results. The chief danger ahead is the possibility of further increases in the price of raw cotton which would again upset the price relationship in the textile mills.

Men's suits have not reached the goal in numbers, not because of prices but because of fashion. Wool fabrics are going into the manufacture of women's suits and coats. The supply of woolen and worsted fabrics suitable for the production of men's suits would be ample to meet the production goal of 7,000,000 suits per quarter if the consumption of men's suiting fabrics were restricted to the production of men's suits.

As to women's hosiery, 26,000,000 pairs of nylons were produced in January. In 1941 we made 3,000,000 pairs per month. Our standards in hosiery have gone up. If controls had not been removed for the allocations of rayon yarn last fall, there would not have been this hosiery shortage.

General price increases will not increase production. The Federal Reserve Board states that—

> The process of expansion will not be facilitated and might be delayed by a general advance in the level of prices, although selective price adjustments will be required.

John Snyder, before the House Banking and Currency Committee, February 27, made the same observation. He said:

> It is not reasonable to expect that all production would increase if all price ceilings were removed. In specific cases, where lack of production is retarding reconversion, we can divert labor and materials from other uses by granting measured price increases, in order to step up production. This can be done effectively only under the stabilization framework. With all prices rising, that advantage would be lost.

A general rise in prices will not result in an increase in total output. It would have the opposite result because the fear of a further increase in prices would give rise to business uncertainty, holding back stocks, forward buying of raw materials, speculation—all of which would hinder production and check the flow of goods to the market.

Mr. Snyder made a shrewd comment before the House Banking and Currency Committee February 27 on the current contention of NAM and others that continued general price control is retarding production and thus contributing to inflation. He said:

> One main reason for this contention, I think, is that each businessman knows that if his own prices went up, without any change in other prices, he himself could produce more.

Amendments which would insist that every ceiling price must reflect all current costs that may be applied to each item or service as determined by standard commercial accounting practices, together with a margin of profit which reflects not less than the generally prevailing margin of profit for each item during the calendar year 1940, would mean such a general price increase that it would be better to give up the pretense of price control and abolish OPA. It would result in a spiral of prices, retard reconversion, and cut production.

Such pricing is not necessary. Business is not producing at a loss as is charged. Stocks of industries in the reconversion area have not lagged behind in the general boom on the stock market. There are nearly 400,000 more businesses in the country today than 2 years ago. Business failures are down to 810 in 1945—the lowest in our history. Department-store profits before taxes were up 400 percent for large and 100 percent for smaller stores over 1936–39. Garment manufacturers' profits are up 280 percent, and so on. Of course, each industry, each plant, could make greater profits if price controls were removed from the commodities it produces. But take them off all commodities or adopt amendments insisting on prices reflecting current costs for each item plus 1940 margin of profit, or abolishing cost absorption, and it will be tough on everybody. The price of the commodity you make will go up, so will the price of every other commodity. Wage demands will follow and we would have economic chaos, a falling off of production, unemployment, and depression.

If we can hold stabilization for a few more months, production will solve the problem. It is true, as critics of OPA say, that only production can cure inflation. But to get production, to have it continue to increase, you must have stabilization such as OPA has provided. Decontrol has started. It must continue on an orderly scale for a few months longer. At our present rate of increasing production, June 1947 should see us in balance and without controls except on rents and building materials. Inflation is in check. The Treasury figures for the first quarter of 1946 show for the first time in many years a greater income than outgo. The continuation of orderly decontrol through the extension of OPA without stifling amendments will enable us to look toward a balanced Budget.

It is not true that OPA is creating shortages by driving goods into export. Goods for export are still under license and can be sold largely at domestic OPA prices, plus 10 percent for export costs, special packaging, brokers' fees, machine loading, and so forth. Exports are not causing shortages. During September through December 1945 we produced 40,608,000 pairs of nylons and exported 354,288 pairs, a little less than nine-tenths of 1 percent of the new supply. In January 1946 we exported 1.1 percent of our production, and were producing nylons at the rate of 25,000,000 dozen, considerably higher than the peak rate for 1941.

In lumber exports have taken 1.4 percent of total production. They are 7.7 percent in normal times. Today imports of lumber are the equivalent of 4 percent of our production. The lumber exported has been to a great extent for our indirect use—to build sugar refineries and plants in Cuba and tin-mine structures in Bolivia. We in turn get the badly needed sugar and tin.

Nor have OPA prices been the cause of lumber shortages. For example, prices of southern pine have increased 73 percent since August 1939. Several increases have been granted, yet since 1942 production has steadily declined and will not be increased until additional manpower is attracted by higher wages. Mr. William Green testified March 26 before the House Banking and Currency Committee that practically all these price increases were absorbed by the timberland owners with no substantial increase in production.

The Forest Service has made quarterly reports on factors affecting lumber production since 1942. Labor shortages have been the primary obstacle. The Bureau of Labor Statistics lists 318,000 wage earners in sawmills and logging camps in 1941, only 211,000 in 1945. There has also been a shortage of trucks, tires, tractors, and equipment not obtainable in war years. The weather in December 1945 was the worst in 10 years

and greatly hindered production. In that month lumber prices were up 66.4 percent over 1939, production down 9.5 percent, and employment down 21.8 percent. Better wages and working conditions are the answer with incentive payments for increased lumber production. Higher prices alone will not do the job.

The claim of widespread failure in lumber industries cannot be substantiated. Of course a number of "pecker" mills closed as they always do at certain times of the year, but such closings are not failures. Dun & Bradstreet report for 1944, 57 failures in lumber and lumber-products concerns, and 49 failures in 1945. In all New England up to March 26, 1946, only one lumber manufacturer had made application for relief.

In brief, OPA has not hampered production. We have the greatest volume of production in our history. Certain items such as household appliances are short because of the time element necessary for reconversion; others like textiles and lumber are short primarily because of relative wage conditions and resulting shortages of manpower. Rising prices create no new workers. They establish no new production. They lead to matériel and commodity hoarding in the hope of still higher prices. Orderly decontrol and stabilization make for production.

Let us criticize faulty administration, slow procedures, and black markets, if we will, but in so doing let us be honest and admit that speedy administration and enforcement call for adequate funds.

It is the general welfare which is at stake. This is no time to consider the special interests of any group or groups. Economic stability of the United States is the necessary basis, not only of our prosperity but of any hope of peace in the world. It is too great a risk for any of us to gamble on a little inflation. So far we have come through the greatest war in history with a record of magnificent production and without spiraling inflation. Let us have the courage to face a few more months of orderly decontrol as the price of economic stability and peace.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. KILBURN].

Mr. KILBURN. Mr. Chairman, the bill extending price control for 1 year from June 30, 1946, is now before us. I feel that the principal, and by far the most important, thing to keep in mind is that increased production is the real answer to inflation. We should never lose sight of this. Adequate production will enable us to restore our economy to the American free-enterprise system where competition will force reasonable prices.

Of course, there are other considerations which are extremely important. One is the reduction of Government expense. The New Deal and this administration have saddled the country with a huge amount of expense maintaining new bureaus, departments, and activities. The Government pay roll has gone up to almost unbelievable figures. This was true before the war, and even after discounting the expense of the war it is still true. Under this administration, it costs us a staggering amount merely to govern ourselves.

As my colleague on the committee, the gentleman from Nebraska [Mr. BUFFETT], so well pointed out, price control is merely a narcotic to ease the pain and is in no sense a cure for inflation. Production and reduced Government cost is the real cure. No good purpose can be served by trying to fool our people that prices have not advanced. The administration took the plunge when it encouraged wage increases, which, of course, had to be reflected in increased prices to the consumer. This regardless of the fantastic statement attributed to some administration leaders that wages could go up without additional costs to the consumer. The administration proved this when it granted the increased price on steel, which reflects itself in so many other commodities.

Nor do I believe that subsidies are the answer. All subsidies do is postpone for future generations the payment of our current bills. This in the face of a huge money supply and buying power. We should pay as we go.

This bill provides that the OPA shall lift price controls as soon as production equals demand. In theory this is fine, but in actual practice if the OPA does not allow a price which covers cost of production plus a reasonable profit, adequate production will not be attained. This has been the actual situation in many cases. For example, the production of dairy products has steadily declined. Dairy herds are being sold for beef, heifers are being sold for beef, and many milk cows are simply put out to pasture because the OPA will not allow an adequate price. One would almost believe that the OPA had never talked with a dairy farmer when you consider the downright silly price they put on butter in relation to industrial cream. Of course, we cannot get butter in view of their price unless we patronize the huge black market which now exists.

As Mr. Baruch testified before our committee, we probably should continue price control for a while. I do not think there is a man alive who can set prices on 8,000,000 articles in our complicated economy and have them right. But I also believe and it was shown in the testimony time after time that poor administration of the OPA has been the cause of much of the trouble. In fact, most of this bill and most of the amendments to be offered are an attempt by the legislative branch to legislate sound administration of the law. Whether that will work remains to be seen.

The abrupt ending of all price control June 30 would undoubtedly cause a chaotic condition for a few months, and for that reason I am going to vote to continue it with the understanding that it is definitely ended in 1 year as the bill provides, and also with the hope that OPA will see the light and so manage the act that adequate production will be achieved and price controls lifted during that year's period.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, we are today engaged in the consideration of legislation that directly affects every man, woman, and child in the Nation. The OPA has been more widely discussed than any other of the many alphabetical combinations that have been promiscuously scattered around since the New Deal inflicted itself on our patient people.

The OPA has caused more anguish in the country than anything in recent years except the great war itself. In spite of this fact there are many who defend the OPA. I have no quarrel with those who are honest in their views. And I feel sorry for those who are moved to support the OPA by reason of false and misleading propaganda and by reason of their not being able to know the facts as they really are. And on the other hand, I do not have much respect for those groups of high-handed bureaucrats here in Washington who have knowingly inflicted themselves upon the people and who have knowingly misrepresented important facts. For instance there is no question but that from 75 to 90 percent of all of the beef now consumed in the country has passed through the black market. There is no question but that the consumer who has purchased this meat has paid 25 or 30 percent more for the meat than he would have been compelled to pay if the meat had moved in legitimate channels. And still the OPA has never been able to do much about it. There is no question that the black market is the direct result of the OPA and its inefficiency.

I have a great deal of sympathy for many people who are honestly afraid that if the OPA is discontinued that prices will go up. I fear that if Congress were to repeal the OPA immediately, that the administration in Washington is so devoid of experienced executives that it might be that prices would go up unreasonably, and for that reason, and it is likely that they would encourage dissatisfaction and would encourage inflation, I am in favor of amending the bill that is before us so that we will do away with the fallacious policies and tyrannical practices of the OPA.

When we consider the billions of dollars that the Government has spent by way of subsidies and when we consider the many millions of illegal money that the black marketers have forced from the American people, there is little or no ground for anyone to say or to think that commodities have not already gone to unduly high prices. This is true because the consumer has paid all these subsidies and black market prices. It is a well-known fact to people who know the facts that the claim of the OPA that it has held the line is a gross misrepresentation. The cost of subsidies and black markets added to the exorbitant prices brings the real prices of food commodities higher than they have ever been in the history of the country.

I am sorry that I do not have enough time to enter into a logical and exhaustive discussion of the OPA as it applies to foods and also as it applies to practically all commodities. I shall expect to participate actively with others in an effort to amend the present bill so

that we can eliminate most of the subsidies and so that we can provide a definite date when the OPA shall be abolished.

The bill in its present form will not abolish the OPA regardless of the protests of many of its supporters who have heretofore preceded me in speaking in this debate. The bill, in the first five or six lines of section 1 does declare in positive terms a very satisfactory policy. This language if left as it is would provide for the abolishment of the OPA on June 30, 1947. But immediately following the language providing for the abolishment of the OPA there appears language to the effect that if and when the President finds that some commodities are short of supply he can continue the OPA control over such commodity after June 30, 1947. In other words in the first part of the bill the committee has sought to express a promise but in the last part of the same section it completely reverses its promise by granting the President full authority to extend the OPA on such commodities as he may please. That section as it is presently written hardly reaches the dignity of being a joke.

I hope that on tomorrow we may be able to amend this bill so as to fix a definite date for the termination of OPA, so as to take out of it the provisions that are at present so obnoxious to so many people.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. ROBERTSON].

Mr. ROBERTSON of North Dakota. Mr. Chairman, the question of price control and its administration is exceedingly difficult in a country like the United States of America. Ours is a country that has grown great because of liberty, and the people with few exceptions, prefer liberty to regimentation and regulation. To continue the Office of Price Administration in peacetime in the United States will be a very difficult problem.

I should like to make my position clear before this House. I am willing to vote for the continuation of price control if we can bring about in this legislation reforms that will open the door to progress. There are certain instances perhaps where price control can continue to be of service to the people of the country but it must be studied and administered from a broader angle than has been the practice in the past.

If in the judgment of the majority of this Congress, price control is to be continued, most surely the principle should be adopted that the moment any commodity reaches a point where production supplies the demand, controls should immediately be withdrawn. This is provided for in the legislation we consider today. This part of the bill needs much improvement and must be more specific.

It is truly the duty of this Congress to limit and define the jurisdiction of the Office of Price Administration, and particularly must the limitations be of such a nature as to open wider the door for all business, and especially for small business. Ridiculous prosecutions for slight infractions that in many instances are purely accidental, and often because of the limitation of help, should be abandoned except where it can be proven that there was malicious intent to defraud the consumer.

If the Office of Price Administration is to be continued, its decision must be subject to court review. While the apparent effort of the administrators of price control is in the interest of the consumer, there is a disposition to overlook the fact that many engaged in business are also consumers. In many instances business has been obliged to carry out drastic orders, while they have carried out faithfully and patriotically, and yet business is kept constantly in a state of revolution because of a continued persecution of business. Charges and countercharges of selfish profiteers are being made through the channels of propaganda by the Office of Price Administration.

It is regrettable that the OPA has adopted the ridiculous policy of advocating that the price line be held by the distributor whose contact is with consumer, and yet in many instances, especially in large businesses such as United States Steel, the Office of Price Administration has allowed the price to be raised in order to meet the demands of organized labor. And the Administration has favored this policy. No such program is in effect for small business. They are clubbed over the head by the OPA primarily perhaps because they are not employers of the large groups, most often inclined to favor the Administration.

I for one am willing to yield the point of an intelligent limited use of the OPA providing the legislation is so designed that it recognizes an orderly reduction in its activities and liquidation at the earliest possible date. In any event, it must confine itself purely to a limited number of basic commodities of prior importance in the living cost.

There are many who express a desire for the continuation of the Office of Price Administration. These people are entitled to our consideration. Obviously, people on a permanent salary basis with little chance of increase are deeply concerned with some agency to hold commodity prices in line. These people should be protected on basic items which make up their living requirements, and it is with these people in mind that I am willing to vote for the continuation of price control, if we can bring about the practical reforms I have already referred to.

In granting the extension of price control, we must give intelligent consideration to those branches of American business that furnish employment for vast numbers of people, even though in many instances they may be small. We cannot ignore the fact that America operates on the profit system, and even in the daydreaming that we hear expressed so frequently, we must not get away from that fundamental thinking. Business must be encouraged to go forward because in the end, business provides the jobs—not the OPA.

The livestock industry rebels against the program of the Office of Price Administration. In the packing industry, the privately owned packing plants speak with the same voice as the largest packers of the Nation. The entire butter industry writes in disapproval.

The condition in the men's clothing market is very distressing. With all the propaganda put out by the OPA pointing to the direction of bringing aid and comfort to the people in low incomes, today there are no overalls, no canvas gloves, there is no cotton underwear, there is no nylon hosiery. The women's clothing industry has been demoralized because of an utter lack of understanding of the problems associated with this industry.

MINNEAPOLIS, MINN., *April 14, 1946.*
Hon. CHAS. ROBERTSON,
Washington, D. C.:

Northwest Retailers' Association comprising drygoods, apparel, and footwear merchants of North Dakota, Wisconsin, and Minnesota, considers House Banking and Currency Committee amendment on cost absorption policy of OPA too weak and limited. Hundreds of items in average store now must be sold at less than normal mark-up. Amendment should definitely provide assurance of normal mark-up retroactive to include all merchandise covered by previous OPA regulations together with any orders hereafter issued. Your continued cooperation will be appreciated.

H. S. MCINTYRE,
Secretary.

The lumber industry from every section of the country expresses bitter disapproval. Automobile dealers are uncertain of their position today. They, like all other branches of business, are confused with the cross currents of orders predicated upon imaginary volume that has never arrived.

Small business in every field insists on the elimination of the OPA at the earliest possible date. All ask for a return to the competitive system of control.

In order that I may more properly present the views that come to me from time to time, I herewith include a summation taken from communications that have come to me covering a large range of American business throughout the country, particularly small business. I am including these with my remarks because they are the honest expression of patriotic small business people who prefer above all things to preserve the American system, and who deplore the administration's program of regimentation. They are the sons of fathers and mothers who came here from other shores in search of the liberty that has been given them by America down through the years.

MEAT

The livestock industry, as represented by the joint livestock committee which is composed of representatives of producers and feeders of cattle, hogs, and sheep and all marketing agencies and stockyards, in a meeting at Chicago this 1st day of March 1946, is unanimously of the opinion that the Government's program of price controls and subsidies, as affecting the livestock industry, has been proven to be unworkable, unenforceable, has retarded, and is now retarding, production of food and thereby interferes with the conversion and readjustment program and has not been, and is not now, beneficial to the country.

BUTTER

In February 1946 a survey conducted by the American Butter Institute covering 5,000 families of various economic levels in 15 cities from coast to coast revealed that approximately 70 percent of the people were

not getting as much butter as they wanted, and that almost 100 percent of these would be willing to pay substantially more for butter in order to stimulate its production so they could have some.

An increase in the price of butter now in a free market would give the producer of churning cream a return for his milk comparable to that obtained by producers of milk for other uses. It would encourage farmers to maintain and increase their dairy herds and produce more milk instead of selling off their cows. It is expected that there would be an immediate reaction in the nature of increased production of cream for churning from the diversified grain and livestock farms in the Central States. Prices of butter would also tend toward leveling out the distribution of butter as between the producing and the consuming areas.

MEN'S CLOTHING

I thought you could maybe help out the men and boys of your State with some work clothes and underwear. I had to have my wife make me mittens this winter to keep my hands warm and all my work clothes are patched so patches are on top of patches.

The stores have dress clothes and expensive sport shirts, which are not suitable for work. We need good warm clothes out here in our State, which are well made and will stand rugged wear.

FARGO, N. DAK., *April 13, 1946.*

Hon. CHARLES R. ROBINSON,
United States Congressman,
House Office Building,
Washington, D. C.:

Our trouser manufacturers cannot accept our additional orders for trousers badly needed by veterans, as wool and wool-blended goods are now unduly restricted by new CPA schedule KM 328B. Since rayons and cottons also disappearing we face bare shelves with conditions growing worse daily. Please use your influence with the Civilian Production Administration to help us to get trousers for our trade.

ALEX STERN & CO.,
SAM STERN.

WOMEN'S CLOTHING

The exemption levels and percentage tolerances which Mr. Porter states have been granted by the OPA since the issuance of the order (MAP) are wholly unrealistic, impractical, and inadequate. For instance, these exemption levels were for cotton dresses selling below $20.70 per dozen "net." They granted no relief to a manufacturer whose price ranges begin at $20.70 or above.

The tolerances to which Mr. Porter refers were issued last August, and they also are entirely inadequate because of increased material prices and manufacturing costs. The MAP order assumes that the same priced materials are available that were available in 1943. This is far from the facts and those materials that are available have materially increased in prices far out of proportion to the token tolerance offered by OPA.

The statement that 90 percent of the firms under jurisdiction of MAP have met their requirements without difficulty cannot be true. Mr. Porter does not know how much difficulty every firm subject to MAP has had trying to comply with it.

Mr. Porter cannot deny that the MAP order and other pricing orders have decreased production of good quality merchandise. Every time we enter the stores in our territory as salesmen and in our discussions with our manufacturing firms, we continuously hear of instances which demonstrate how the OPA is interfering with production. * * * Neither can he quote retail-store dollar volume sales as an argument that this type of production has not been curtailed. If he would explore the dollar volume of the stores today, or even make a conscientious survey of a few stores and their sales volume, he would find that dollar volume is obtained from the sale of such things as sport shirts up to $25, novelty items in rugs, and so forth, cotton dresses up to $50, high-priced boxer shorts, handbags to $125, and similar merchandise.

The entire letter of Mr. Porter is typical of the type of answers that the OPA has been giving to retailers and to manufacturers. It seems that the approach of OPA to problems that face us has been and still is entirely unrealistic and impractical. As long as these very important matters are treated by the OPA in this manner, the economy of the country will continue to depreciate—at the expense of the American public.

SMALL BUSINESS

As a small-town merchant, vitally affected by OPA rules and regulations and directives, I wish to call your attention to some of the inequalities and wish to recommend some changes in the law, when it comes up for your consideration.

I refer particularly to that part of the law which permits OPA to set our retail selling price, and preticketing our merchandise, regardless of conditions or particular circumstances. The latest war-price announcement by this Government agency grants manufacturers price advances sufficient to guarantee them their prewar profit percentage, which naturally means that we, the retailers, will be forced to pay more for our merchandise. However, in the very next sentence, OPA says, "OPA will see to it that the public pays little, if any, more," which can only mean that we, the small businessmen, are required to absorb this increase in cost without the right, under penalty of jail, to pass it on to the ultimate consumer.

You are well enough acquainted among the small-town businessmen and merchants in the State and Nation to realize, Charlie, that we have been doing business on the lowest possible mark-up in the past, and that our business has been so conducted that we have just been able to get by. Now, with our increased overhead, such as labor, advertising, and other incidental costs of doing business, OPA is as much as asking that we sell merchandise at an old set price, which does not, and did not, recognize the increased cost of the merchandise itself nor the incidental costs of merchandise that have increased.

AUTOMOBILES

One of the most ridiculous things I have seen so far out of OPA, was the announcement in the newspapers this last week that they have adjusted the ceiling prices on automobiles sold at retail. They had the temerity to make changes of $1 and $2 in the prices of some cars, whereas in one instance particularly, the press pointed out that OPA required the reduction in the ceiling prices on Nash automobiles to be reduced by $1. Does OPA sincerely feel that they have in their employ, personnel which can determine within $1 of what an automobile is worth at retail?

This is typical of the ridiculous lengths to which OPA will go to exercise its authority.

LUMBER

If OPA consisted of men experienced and successful in business it might succeed and be of value, but what chance has it when its policy is dictated by a man whose background consists only of being a successful advertising agent. As an example the building-material manufacturers and distributors have been trying ever since the ending of the war to get OPA to adjust prices of material at the source in a way which would permit them to furnish retail dealers on the same profit basis as they were able to make on rough green squares. Recently, March 6 to be exact, amendment No. 22 to RMPR 26, the OPA finally made certain changes in the prices to be charged for regular retail dealers lumber stock which was good as far as it went, but to show you how much judgment the OPA uses, the amendment referred to grants an increase on 2" common dimension of $3.50 per thousand feet, but did not grant any increase on 1" common boards and shiplap; accordingly, the sawmill is permitted to charge $37 per thousand for 2 by 8 No. 1 common dry S4S, but can only charge $34.50 for No. 1 common boards dry S4S. All other widths carry about the same differential in favor of 2" dimension. The mill gets $2.50 more for making and handling 125 pieces 2 by 4–12' long No. 1 common kiln dried than it is permitted to charge for making kiln drying, surfacing and handling 250 pieces 1 by 4–12' long of the same quality and same board feet of lumber. You can easily see that the mills will not manufacture boards, or shiplap, accordingly we and other retail dealers will be forced to sell houses without roofs or sheathing.

Why all the subsidies and all the unfair legislation in favor of the large unions? Of course, it does procure the votes at elections, but just remember this: Some day we will all have, not just a few of us.

It is absolutely necessary that if OPA is to continue some fair-minded administrator is needed. It is now impossible to obtain any building material so badly needed. I, therefore, trust you will see fit to use all your influence to improve this condition. After all, the Congress has created the authority responsible for the break-down that has taken place. It is high time that this is undone.

We believe the main reason for unemployment, lack of production on farms, and the holding up of prosperity here in North Dakota is the shortage of lumber. We have numerous carpenters—now idle—ready to go to work. Our farmers need new, and repairs on old, buildings in order to keep up the production of food necessary for our country and the world. It has been well established that the OPA in fixing the price on certain items of lumber makes it impossible for the mills to make it, so they quit manufacturing it at a loss. We urge you to use your influence—not in the elimination of the OPA—but in the insistence that they make the necessary adjustments which will bring about the needed and necessary production of lumber again.

HOUSING

The reason I say that you should throw the OPA entirely out is because they are too slow to act, and by the time they make a survey, conditions have changed, and we are going to be in a terrible mess if something isn't done and done quickly.

POLICY OF OPA

Recently the OPA has taken on a more conciliatory attitude, but we must not become fooled by this, as it is merely a temporary expedient to appease the opposition, and once its life is again extended there is no reason to believe it will not revert back to its former hard-boiled and uncompromising methods of doing things. If the OPA's assertion, that it will abolish controls over an industry once its production equals demand, is worth anything, then it would seem it would eliminate the controls over the oil industry, now that the supply exceeds the demand, and has exceeded it ever since last August. However, for some unexplainable reason, the OPA claims it cannot take the controls off this industry for at least several months yet. I cite this as an example to show just how much dependence we can put on the OPA claim they will abolish controls as fast as possible.

It is my honest belief that the flow of goods would more quickly meet the demand if OPA controls were completely lifted and that competition created within our American system of free enterprise would very quickly adjust prices to a point satisfactory to all concerned. If OPA must continue in existence, at least

some definite steps should be taken to remove price ceilings and control from those commodities of which there is an ample supply.

UNJUST PROSECUTIONS

I own a little store here at ———, N. Dak. I violated the price ceiling on a can of Sunbrite. It should have been 6 cents instead of 7 cents. This violation was to price panel representative from Dickinson, N. Dak. The violation was not intended. For this violation I traveled 50 miles and spent 1 day. When entering the sanctum at Dickinson—behold! There were five judges sitting upon the throne to pass judgment.

Luckily I was placed on probation and if there should be another violation of a cent both will be against me.

From the State Attorney General: "I enclose a copy of a letter that was written to the Attorney General of the United States, involving an action brought by the OPA against Wells County, the county commissioners thereof, as such, and against them individually, setting up violation of the price regulations of the OPA relative to the sale of 10 sewing machines.

"The county commissioners followed the law with reference to the sale of public property, in accordance with advice given them by the State's attorney of Wells County. Now they face a damage action for $1,462.50, treble damages for the overceiling prices obtained on the sale of the sewing machines.

"It is an anomalous situation when the law of the sovereign State of North Dakota may no longer be followed with safety by a public officer. Yet that seems to be the very situation that exists in this case. The Supreme Court of the United States has apparently held that municipalities and States are subject to the price regulations imposed by the Price Control Act and administered by the Office of Price Administration. While that is the opinion of the Supreme Court, as indicated by the case cited in the letter of the United States Attorney General, we feel that it never was the intent of Congress to set aside by the Price Control Act the State statutes and constitutional provisions, and subject public officers to damages for following the law laid down for their conduct in their municipality. If that was the intent of Congress, the statute should be amended immediately, to obviate the decision of the United States Supreme Court. While the Supreme Court opinion is the law of the land and is due some respect, yet I feel that the Court went further than it needed to go in that regard, and the Price Control Act should never have been interpreted as being applicable to a public officer who must sell property owned by the public, in accordance with the laws of the State of North Dakota.

"If the Attorney General of the United States is not willing to recommend or urge the dismissal of this action, then I hope that you will exert every effort to get the Price Control Act amended. I hope, further, that you will contact the Attorney General of the United States and urge him to recommend and insist that this action be dismissed. It is an injustice to impose this penalty upon these public officers. We feel that it was never the intention of Congress that they should be subject to damages for following the law of their own State. We further feel that the OPA should have followed up this matter sooner. It now institutes action more than a year after the alleged violation by the County Commissioners of Wells County."

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, the shortage of men's clothing continues. There are many factors which cause this shortage. It is admitted that an unusually great demand requires more production than ever before.

The OPA and CPA have attempted to bring low-cost clothing to the market in abundance. Their attempts to achieve this result has not been successful due to the fact that many of their regulations were impractical and unworkable.

The greatest mistake they have made has been the so-called MAP program. The California Apparel News has been printing a series of articles on the practical problems of the clothing industry in trying to comply with the OPA and CPA regulations.

Most of the men's clothing manufacturers have tried to comply with the clothing program. Most of them want to see OPA continued, but they demand rightly that known and demonstrated faults of these regulations be corrected. I ask unanimous consent that this printed article be included with my remarks in the Appendix of the RECORD:

MEMO TO CONGRESS—THE CLOTHING FIASCO

(By William J. Bowen)

MEMO NO. 1. THE PEOPLE'S PROBLEM

Everybody knows that there is something very, very wrong about the bareness of the shelves in the Nation's clothing stores. But few know just what it is that has gone haywire. OPA hasn't told them, and for good reason: The very regulations which OPA designed for the lofty purpose of protecting the consumer have hamstrung the producers and boomeranged on the buying public.

It is up to the people's Congressmen not only to set the record straight, but to do something about it. The Emergency Price Control Act expires June 30 and the Congress of the United States will have to modify it and up-date it at that time. But in the meantime much can and should be done to force OPA to ravel its own tangled web. While OPA and Senate committees dilly-dally over hearings the stranglehold tightens.

This is a people's problem. Practical politicians know that they become suspect when they cater to the interests of business. But what some of them fail to observe is that it is the people who are suffering from OPA's curtailment of apparel production, and to that extent the interests of the consumer and the manufacturer are identical.

The California Apparel News goes on record, along with most of the apparel industry, as favoring the extension of price controls for so long as supply and demand remain seriously out of kilter. But by this we mean pure price controls as we knew them during the war; not production controls such as have since become effective under OPA's MAP (maximum average price) regulations. MAP must go because it tends to perpetuate price controls by restricting supply. But, failing this, its principles should be extended to the mill level in order to provide the wherewithal (i. e. low-grade fabrics) to make it operative. Although pure price controls must remain, they too need some serious overhaulings in order to place prices on a realistic basis conducive to production; and in order to eradicate some serious inequities. These matters (the essence of our thesis) will be discussed more fully in subsequent memoranda.

First and foremost, the consumer wants clothes. Secondly, he wants value received for his dollar. He is little concerned whether they are cheap clothes or not, so long as he gets his money's worth. And at that all he asks for is the worth of his 1946 money, not of his 1943 dollar. As a matter of fact it is the common observation of store men that even in a market of short supply all but the completely desperate customers pass over the shoddy, cheaper, lower-grade items of apparel. Yet OPA has presumed to insist that that is what the consumer shall have. That is the gymnastic that MAP was designed to perform. Either OPA is not aware of the changing buying habits of a prosperous postwar Nation, or else it mistakes a rising standard of living for an inflationary trend. It is good for the Nation if its people have things, and things of good quality. It is only bad when they pay exorbitantly for them, for it is the false relation of price to value, not price alone that can give impetus to spiraling inflation. MAP is superfluous to this end—price controls will hold the line without the interference of production controls.

The enormous, unmet demand for clothing is essentially a luxury demand, the by-product of the highest living standard ever. Certainly this Nation is anything but threadbare. On the contrary, inventories in home closets have never been so high (except in the case of many newly discharged servicemen). This being true, the consumer largely protects himself by refusing to buy clothing which is priced entirely out of reason. He doesn't have to. And, althought he's got money, he hates to be a sucker unless he is desperate. Moreover, excessive clothing demands are due for an imminent tumble as the consumer's money commences to be siphoned off into automobiles, home appliances and durable goods for which he has a much more basic need. Still, people want more clothes, and in a peacetime America why shouldn't they have them? Production and more production will satisfy this buying urge and, more important, put an end to the danger of inflation.

The OPA, then, has been misguided in attempting to force upon the consumer low-quality merchandise which he does not want, and is unduly alarmed over the possibility of a serious inflation within a field where the purchaser is well prepared to protect himself.

The importance of correcting the ills perpetrated by the OPA is not lessened by its current inadequate gestures of appeasement in making minor price adjustments; and these sedatives should not be mistaken for the cure. The California Apparel News heartily endorses the prospect of the appointment of a clothing czar or expediter. But should this come to pass, there should be no sitting back with the smug expectancy that the patient is as good as well again. We are more concerned with the fundamentals than with the ways and means, and the appointment of an expediter would only result in changing the addressee of our appeals.

Mr. Congressman, it is up to you to enlighten your constituents and to force the hand of OPA. While your constituents labor from store to store and from bare shelf to bare shelf, you cannot afford to coddle and protect an embarrassed OPA which has discovered its house of cards tumbling about its ears.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. GALLAGHER].

Mr. GALLAGHER. Mr. Chairman, I am in favor of OPA.

To those who want to lift certain controls I ask, How far do you want to lift them? I want to know how much increase they wish the manufacturers of farm machinery to get. I want to know how much increase they want the handlers of sugar to get. In France sugar went to $5 a pound after the last war. Should sugar be lifted from OPA controls I predict that people would buy it by the 100-pound sacks not only for legitimate uses but also for the manufacture of illegal alcohol, and that the price of sugar would go to at least $2 a pound.

Mr. Chairman, I am not in favor of the control of prices in normal times,

but when there is an absolute shortage I believe the people of the United States should be protected. I am for the OPA.

Mr. WOLCOTT. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, I am going to confine my remarks this afternoon to one single problem that confronts the American people. It has to do solely with the livestock industry. I confess I do not know all there is to know about that industry, although I have been in it for 45 years. As a matter of fact, I have never found anybody who did know all there is to know about it. I do not profess to know all the details of how the great livestock markets are conducted although I have been going to them off and on since 1901. Nevertheless, we have encountered such a situation today that every person in this country who is willing to listen should know the truth.

The condition of the livestock industry today is utterly scandalous. We have never known anything like it. Indeed, it is tragic, and it is the more tragic, in my humble judgment, because, as I have observed the conduct of the industry for more than 40 years, no industry in this country has been conducted upon a higher plane of honesty than the livestock industry. The men who have been engaged in it, whether as ranchmen, feeders, slaughterers, or distributors, for years and years have played the game honestly. They are today utterly ashamed of what is going on.

Mr. Chairman, at the risk of straining your patience, let me reminisce just a little bit. I happened to be in the Chicago yards during the first week of May 1942, buying cattle, stockers and feeders, to take home to be grazed, fed, and fattened. At that time the cattle market was going along in a perfectly normal manner. The supply of cattle was ample, prices were not excessive, buyers and sellers were competing one with the other in the usual honest way. There was no complaint whatsoever from the consumers.

I stayed there nearly a week. Just before I left an order suddenly came out of OPA which created a scene I shall never forget as long as I live. Without warning the OPA ordered a ceiling price placed upon all dressed beef, but instead of fixing a ceiling price current with the then market price, OPA rolled the price back to the middle of March, in the Lenten season, when the demand for beef obviously is not quite as high as it is during the remainder of the year.

Between the middle of March and the effective date of the ceiling price on dressed beef, taxes had gone up a little bit, wages had gone up a little bit in the industry, the price of live cattle had gone up a little bit, not at all conspicuously. The result of that rolling back was that 1,000,000,000 pounds of dressed beef then found in the coolers of the United States was faced with an inevitable loss. I have never seen such a scene in any public market place when this was announced and spread through the yards where thousands and thousands of cattle were being marketed. All business stopped, men stood and looked at each other as if to say, "Where do we get off?" There were a billion pounds in the coolers of the United States at that time caught with a loss as a result of the OPA roll-back.

Mr. Chairman, if you will study the history of this whole thing from that first week in May of 1942 when I happened to be on the ground and saw it happen, you will find incontrovertible evidence that the black market started the day after that ceiling price was imposed upon dressed beef. The black market grew and grew. That is known to everybody in the cattle business. OPA recognized it, recognized that the fixing of a ceiling price on dressed beef dislocated all the other elements in the business, and so started in with successive attempts to cure its original error. Incidentally, I protested against that action back in those days. I attended many a conference, including one at the White House, with no success. It was a little discouraging sometimes to find that those who had charge of this undertaking and those who were passing judgment upon it did not, when they gathered together in a group, include a single man who had ever been in the cattle business. I was a lonely figure on more than one occasion. So OPA said, "Well, we will grant subsidies to the packers so that they can make up, in part, at least, the loss which they must endure under that price ceiling." They did not succeed. So then OPA came to its great and most fatal decision of attempting to place ceiling prices on live cattle. Here the real trouble commenced. There are none upon this floor but who know perfectly well that cattle are of infinite variety. I have been to the yards many, many times, and have seen them pass along the alleys on the way to the scales, and from there to the packing houses. They vary from old bulls 8 or 9 years old down to young bulls a year old; Hereford bulls, Short Horn bulls, Aberdeen Angus, and Holstein bulls; old cows and young cows in good, bad, and indifferent condition: Holsteins, Jerseys, Guernseys, Short Horns, White Faces, Aberdeen Angus, all varying, scarcely any two alike; 4-year-olds, 3-year-olds, 2-year-olds; White Face steers, Short Horn steers, Aberdeen Angus steers, some fat, some one kind, some another, some coming from one part of the country and some coming from another part of the country; infinite varieties. Heifers in the same condition, and calves. OPA attempted to place a ceiling price on live animals, and daily from that point on conditions got worse and worse until today it is literally tragic.

You do not have time to listen to the whole story or a description from me of just how a cattle market operates, but perhaps I may sketch a little of it. We will take the Chicago stockyards, for example. The big market days of the week are Monday, Tuesday, Wednesday, and Thursday. Cattle come in from Iowa, eastern Nebraska, Wisconsin, Minnesota, Illinois, Indiana, Michigan, Ohio, all the great Central West; most of them from feed lots; thousands of them. The buyers of those cattle compete for them in the yards, contrary to the impression that some ignorant people have. Competition is always severe. I have seen it going on myself in the selling of my own cattle. The packer buys a load of steers. His buyer, riding into the pens on a horse, reaches the best judgment he can, and he is pretty skillful as to what that animal or that group of animals will dress, how much edible food is inside of the skin. He has to be exceedingly skillful, for if he makes a mistake in the wrong direction of more than 1½ percent in his estimate of the dressed carcass, his employer, the packer, loses money. So you can see what the competition is.

Back in the normal days, 75 percent of the slaughter cattle shipped to Chicago were killed in the Chicago area, in the big packing plants and in the small ones, and their buyers were always present in the yards. About 25 percent were shipped alive away from the stockyards to registered and standard plants, slaughtering plants and packing houses, situated in other cities, many of them to the New York City area, where Armour or Swift or Wilson or a dozen others would kill them in that area under Government inspection and sell the beef in the metropolitan area. In those days there were 1,500 packing houses, so-called, in the United States. Nearly all of them had been in business for many, many years. They varied from three or four big ones to hundreds and hundreds of small packing houses scattered all over the country. The small packer would buy his cattle in the neighborhood in which he was situated, and the local cattle producer liked to sell to his local packer. He was his friend. The meat and byproducts produced from those plants helped feed the community.

What is the situation today? Instead of 1,500 packers licensed and inspected in the United States, as was the case 5 years ago, today there are 26,500 slaughtering plants. They have grown up like mushrooms all over the country, and an overwhelming majority of them are in the black market. That is why they have grown—26,500.

Now may I explain, if I can, and I will admit it is highly complicated, one of the chief reasons for this situation which I have described only in part.

Apropos of the growth of plants scattered all over the country, many of them behind barns, in abandoned buildings, and under sheds out in the woods, instead of 75 percent of the cattle shipped into Chicago being killed at Chicago in inspected plants, as was the case 5 years ago, practically 75 percent are being shipped out of Chicago still alive, disappearing over the horizon to the 26,500. Let me explain to you, if I can, what are the reasons for this tragic situation.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GAMBLE. Mr. Chairman, I yield 15 additional minutes to the gentleman from New York.

Mr. WADSWORTH. There has been established by the OPA a series of ceiling prices adjusted to different grades of cattle. The grades run as follows. I will describe each grade and the ceiling price allowed for the animal which falls within that grade.

AA is the very, very choice grade. For an animal to fall in the AA grade, it must dress at least 61 percent of its live weight and the packer may not purchase it for more than 17 cents a pound. That is the ceiling.

The next grade is A. That is called "good." If the animal dresses 58 percent, it will fall within that grade, but it must not be bought for more than 15¾ cents a pound.

The next grade is B, known as commercial. To fall within that grade of B, the dressed percentage must be 56 percent. You see, we are going down in quality. The top price on grade B is 13 cents.

The next grade is C, ordinarily known at "utility." For the utility grade, the dressed percentage must be 54, and the top price is 11 cents.

Then below that is the canner and cutter grade.

This is what happens. The legitimate buyer goes out into the yard, whether it be at Fort Worth, Kansas City, or Chicago. His plant is under inspection and trying to live under the law. He starts to buy some cattle. He must, through his buyer, the man on the horse, so to speak, guess what is inside the skin of all the animals he buys. How much will the animal dress? Incidentally, what will the quality be, which also varies infinitely. If he makes a mistake and pays an A price for a steer that ought to be classed in the B grade, which is a difference of 2¾ cents per pound, he is violating the compliance regulations. His operations are summed up after 1 month of purchasing and if at the end of the month it is shown that he has paid too much for the grade of cattle which he is supposed to have bought or that the grade of cattle is lower than the price which he has paid for them would justify, he is in violation of the compliance regulations and he loses his subsidy. The subsidy incidentally runs in this fashion. For an AA animal, the subsidy is $3 for every live hundredweight; $2.95 for the A grade; $1.90 for grade B; $1.25 for grade C, and on down. If he makes many, many errors, and you will remember they are errors of judgment only, he can be prosecuted. So the legitimate buyer has to gamble not only on his own judgment but on the judgment of the grader employed by the Government who grades the beef after the animal is killed.

If the judgment of the grader disagrees with the judgment of the buyer, the judgment of the grader stands. I have stood for an hour at a time alongside a grader in one of the great packing houses and have seen him work. How many expert graders do you suppose there are in the United States? The meat institute believes there are not over 67. The OPA is trying to employ 600. They are simply incompetent; but their judgments must stand.

The result is this, that the order buyer, the man who goes into the yards and wants to buy a lot of cattle and ship them out alive, is not subject to any inspection when he buys cattle, nor are the cattle. The cattle are never inspected until they are dead and dressed. The order buyer is perfectly willing to take a chance of paying too much per pound, because he ships his cattle away from the yards out into the country, out of sight, and has them killed in some remote place and sold to the consumers of the United States at above honest-grade prices. That is where he makes his money. It is chiseling from beginning to end.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Very briefly.

Mr. CRAWFORD. As a net consequence, the legitimate packer is unable to acquire his daily quota of animals on the hoof to put through process?

Mr. WADSWORTH. That is what I am going to develop.

Now, here is what has happened and what has been happening in increasing degree for many months, and incidentally started many months before the famous strike in the packing-house industry. The strikes had nothing to do with it. The legitimate buyer is trying his best to obey regulations, and he takes an awful chance if he comes close to the line. But this other buyer does not care. So he bids up the live cattle on the market and the legitimate man cannot bid against him. The result is that the number of cattle slaughtered at and near the markets themselves has steadily decreased, and the number of cattle slaughtered elsewhere, and God knows where, is still increasing.

I called up the Chicago yards this morning and asked them about yesterday's market. Monday is one of the big days, normally. I called to ask how many cattle had been purchased by certain firms. Here is the record given to me over the telephone by a man I have known for 40 years and who is the soul of honesty:

Armour & Co. yesterday bought 400 cattle in the Chicago market. Normally, 3 or 4 years ago, they would have bought 2,000.

Swift & Co. yesterday, Monday, bought about 300. Normally they would have bought 1,800.

Wilson & Co. yesterday bought about 250 head. Normally they would have bought 1,500 head.

And 9,000 live cattle were purchased in the Chicago yards yesterday to be shipped out of Chicago, over the horizon, mostly to the black market.

Now, that is what is going on. It is a tragedy. It is a shame to see an industry whose standards of honesty and ethics have been as high as, if not higher than, any other great industry in this country so poisoned as it is today with corruption.

The interesting, indeed the deplorable, thing about it is that the ultimate consumer is paying the price.

Perhaps I can demonstrate that with the aid of a few charts. First, I want to show the change in the stream of cattle in and out of the yards. This chart shows the proportion of cattle received at Fort Worth, slaughtered locally, and the proportion shipped for slaughter elsewhere.

In 1942 the cattle slaughtered locally, indicated by the black line, amounted to about 60 percent of the total cattle shipped into the Fort Worth yards.

At the same time slaughter cattle purchased in the Fort Worth yards and shipped out alive elsewhere amounted to about 12 percent of the total. Sixty percent stayed and were killed, 12 percent were shipped out, and, incidentally, shipped to legitimate buyers.

Look at what has happened: The cattle purchased in Fort Worth and slaughtered locally have gone steadily downhill until only 20 percent of the cattle that came into Fort Worth in the first 2 months, January and February, of 1946, were killed in Fort Worth; and the situation is much worse for March and April which this chart does not cover; it is getting worse and worse; whereas the cattle that are shipped out of Fort Worth have gone up to 60 percent. No one knows where a lot of them have gone. There is your change. It does not happen in Chicago only.

Now let us look at the New York City area. The figures on this chart express number of cattle. The upper black line indicates the total number of cattle slaughtered in the New York area. Nearly all those cattle come from the West, they are not produced locally. Going back to 1942, the time the black market started, about 120,000 head were slaughtered in the New York area. There was a slump, but since then the number of cattle slaughtered in the New York area has risen to 140,000 head. In other words, more cattle are being slaughtered in the New York area today than there were in 1942.

But let us see the inside of it. Today only four packers are left slaughtering cattle in the New York area where there were at least a dozen more than that 5 years ago; only four are left. The others have gone out of business. Back in 1942 they slaughtered in that area about 80,000 head of the 120,000. See how their slaughter has gone downhill until those 4 legitimate men are killing only 27,000 head. All other slaughterers, all of the new men in the market—there are only 4 old men in that market today—all these new men starting back here in 1942 began buying, buying, buying, buying until today they have bought 120,000 head as contrasted with 27,000 head bought by the legally conducted concerns. There is your black market around New York. There is no answer to it.

Look at another, if I may hold the attention of this very patient Committee. This chart displays the facts in terms of pounds of beef, beef produced from the New York area slaughter starting back in 1941. You will notice that the total amount of beef slaughtered measured by pounds has steadily increased until today in the New York area almost 6,000,000 pounds of beef are being produced.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. WADSWORTH. Here are the four legitimate packers still in the business. Their beef has declined from a little over 4,000,000 pounds down to a million and a quarter. The newcomers, starting down here, have climbed rapidly, they have displaced the honest man, they have taken the market away, and have

sold the beef to the housewife in the New York area at above the ceiling prices.

Let me give you one more illustration. Here we have the proportion of cattle receipts at Chicago slaughtered locally and the proportion shipped out for slaughter elsewhere. This chart is away behind the times because it only covers January and February of this year. If it covered March and April of this year these lines would be much more drastic in their appearance. The slaughtered locally has gone steadily down, as I said in my remarks a little while ago. The shipped-out has steadily gone up hill. The shipped-out exceeds the local slaughter. May I show you the effect of this on the consumer?

Mrs. MANKIN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentlewoman from Georgia.

Mrs. MANKIN. The gentleman takes it for granted that all shipped-out is black market.

Mr. WADSWORTH. Not all of it, but the vast majority of it is.

Mrs. MANKIN. How does the gentleman know it is black market? Does he know where it goes to?

Mr. WADSWORTH. I will come to that.

Mrs. MANKIN. If we did, we could break up the black market.

Mr. WADSWORTH. These extra 20,000 people did not go into this business to make money under the law; they went into the business to make money outside the law, and the sooner we restore the law of supply and demand, which is a real law, the quicker we will get rid of the black market.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. The hearings held by the Committee on Agriculture on this question show at this time that about 85 percent of the meat is in the black market of this country. Those are figures taken from the hearings held by the Committee on Agriculture of the House.

Mr. WADSWORTH. Yes.

Mr. Chairman, research companies, the Standard Research Institute and Chappelle & Co., situated in Chicago, were requested to make a survey of retail meat markets. The survey was made in 11 cities; 1,803 retail butcher shops were surveyed. Housewives were invited to step into these butcher shops and purchase beef retail. This is not a pretty story, and may I say, incidentally, Washington is about as bad as any city. Let me show you the results of this survey.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Who made the survey?

Mr. WADSWORTH. It was a research firm in Chicago that makes surveys and audits. They are not connected with the livestock industry.

Mr. MONRONEY. Who were they employed by—the Government?

Mr. WADSWORTH. Oh, no; not by the Government.

Mr. MONRONEY. Who were they employed by?

Mr. WADSWORTH. By the Meat Institute, I think.

Mr. MONRONEY. By the Meat Institute.

Mr. WADSWORTH. I have every reason to believe they are reliable.

Referring to cuts bought over the ceiling, and this is the retail ceiling: 74 percent of all the beef bought by these retail purchasers was paid for at a price over the ceiling. That is beef. Seventy-five percent were over the ceiling for veal. Fifty-five percent were over the ceiling for lamb, and 64 percent were over the ceiling for pork.

Here it is expressed in cents per pound: Beef on the average was paid for at the rate of 13 cents per pound in excess of the ceiling, veal 13 cents, lamb 7 cents, and pork 9 cents.

The average excess over ceiling for beef was 35 percent, and the survey shows that from 72 percent to 90 percent of the retail stores, 1,803 of them, were selling above the ceiling. Seventy-two percent was the lowest. Those are the facts.

Let us see what happens to the consumer in this matter, and this is the same survey.

The survey of beef sold over the ordinary counter developed the fact that the net over the ceiling was 26 percent. Some beef was purchased at the ceiling, some a little lower than the ceiling in those stores, but so much was purchased over the ceiling the net average is 26 percent, or 10 cents a pound. All right. Suppose a housewife goes into the store and has $1 to spend and wants to spend that dollar for beef at a ceiling of $1. She does not get it. She pays $1.26. That is what is going on. The consumer is paying for this. The same is true of veal, lamb, and pork. The average is 20 percent excess.

The truth of the matter is, Mr. Chairman, that the black market is so extensive today that literally the consumers are purchasing their beef in an open competitive market. Obviously, the chiseler is charging all the market will stand. One chiseler competes with another chiseler, and the black market is so extensive all over the country that literally we have a competitive market. But the consumer is paying the excess cost because there is no competition between the law breaker and the law observer.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Tennessee.

Mr. JENNINGS. Is it not also true on top of this excess price that the consumer pays for what he gets on the black market—because that is the only place he can get it—ultimately that same consumer and all the people will have to pay these huge subsidies?

Mr. WADSWORTH. Yes. May I hastily go to another phase of this subject which is exceedingly important? You all know that there are exceedingly valuable byproducts in the livestock industry—exceedingly valuable. The well-known concerns, the 1,500 that I mentioned originally, manufactured a considerable number of byproducts; in fact, if they did not, they could not live. That is part of the business and part of the competition. But in these mushroom plants the byproducts are thrown away. What becomes of the hides? What becomes of the fertilizer which comes from the bones of the animals? It is gone. You never hear of it. What becomes of the glands? What becomes of the glands from which extraordinarily important medicines are made, such as insulin, adrenalin, and many others upon which the pharmaceutical industry of the country is absolutely dependent, as well as the medical profession? I have here a telegram from the Abbott Laboratories, which says:

> Unless the pharmaceutical industry is assured of a continuous and dependable source of supply of thyroid glands and pancreas, pituitary, ox gall, liver, and many other of the animal glands used in the production of some of our most important medical products, the medical profession will be without adequate supplies of these very necessary remedies. Through you we petition our properly accredited Representatives in Congress for release in this most serious situation which, we are informed by the meat-packing industries, promises to grow worse.

They are getting scarce, and the Lord knows how many millions of dollars are being lost as the result of the failure to use the byproducts of the livestock industry. We are spending today out of the Treasury $750,000,000 in utterly useless subsidies that do not work. The excess price here, if averaged over the United States as shown originally, in 11 cities will cost the consumers $1,250,000,000 in excess of ceiling price. The sum of the two is $2,000,000,000 going down the drain. We would better get out of this thing.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. RIZLEY].

Mr. RIZLEY. Mr. Chairman, the distinguished gentleman from New York has made an unanswerable case in respect to the meat situation in the country today. The OPA is definitely, in my opinion, responsible for the black market in meat. Some of us tried to prevent the livestock industry from being placed under the operation of the OPA administrators, who know nothing about the cattle business or the slaughtering business. But the administration in power would not heed the advice of people of experience and in their eagerness to obtain control over the most desired food, that of meat, they insisted on giving them the power to regiment the meat producers. The result is that we now have a national disgrace so far as the meat industry is concerned.

This Congress must have the courage to amend this bill and take the control of the meat industry away from OPA, and incidentally save about $750,000,000 now being paid in subsidies.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. FLANNAGAN].

Mr. FLANNAGAN. Mr. Chairman, I want to confirm every word the gentleman from New York [Mr. WADSWORTH] has just uttered. The House Committee on Agriculture spent 2 weeks investigating the meat situation in America. It is not only tragic, as the gentleman from New York stated, it is not only deplorable, as he stated, but the meat situation today in the United States is no less than a national disgrace.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman heard the statement made by the gentleman from New York. The OPA will say that Congress has not given them enough money to enforce the law properly. Does the gentleman feel that any amount of money or any number of men would be sufficient to enforce the regulations and the law in the chaotic situation which exists today?

Mr. FLANNAGAN. I do not. I think we are up against the same proposition we were in the days of the bootleggers. We could not enforce the liquor laws of this country and it is my considered judgment the old bootlegger was a piker compared with the bootlegger in meat today. The meat regulations call for the impossible. They cannot be enforced, because we cannot make the impossible possible.

Mr. JENNINGS. That is true, because everybody eats, and not everybody drank.

Mr. FLANNAGAN. To begin with, there is no justification for such a condition. We have been told by OPA that when the supply level reaches the demand level the controls will go off. What is the supply level in America today? We have plenty of livestock. Our livestock population today in cattle numbers around 80,000,000 head, 9,000,000 or 10,000,000 head in excess of the prewar levels. Our hog population is sufficient. Yet, we continue to attempt to enforce the impossible OPA meat regulations and restrictions and are driving the legitimate packers and slaughterers, large and small, out of business and turning the meat business over to the bootleggers.

It would take a whole day to give you the complete picture. The gentleman from New York touched the high spots. I want now to talk to you farmers for just a little bit. What effect are these rules and regulations and these subsidies having upon the farmers of America? Mr. Farmer, do you know there is a $39 subsidy on every thousand-pound steer you have in your field? That subsidy, whether it is fiction or fact, is being carried in your inventory. If it is a fiction, and it will be a fiction unless subsidies are removed while the American people have the purchasing power to pay a corresponding increase for their meat when subsidies go off, it is going to be dumped right back in the laps of the cattle producers of America. If it is dumped back, it is going to break every cattleman in America. If you take $39 a head out of this cattle inventory, you are destroying him. You will wipe him off the board. You will force him into bankruptcy. When a cattleman goes into a bank to borrow money, and all cattlemen borrow money, the bank officials will look over the statement and say, "Well, now, I do not know what that steer is worth. You have this $39 subsidy fiction written in that inventory. I am not going to lend you money on that because I do not know when it is going to come off and I do not know under what circumstances it is going to come off. I know if it is delayed until the purchasing power in America is not sufficient to stand the increase that will have to be made in beef prices when ceiling prices go off, you are going to be wiped out." For that reason, a lot of cattle people are getting out of the business just as fast as they can. The producers do not want to be caught as they were back in the twenties and have their assets destroyed. It is slowing up the production of finished cattle in America. Take the feed-lot producers. They are not going to put good corn into a high-priced steer when, if subsidies are removed and the load is thrown back on them, they are going to lose the corn and part of the steer? No, they would rather take their corn and sell it on the open market. Now, I have never attended a hearing in which all segments of the industry spoke with one voice, the packers, large and small, the feed-lot operators, the cattle producers, the stockyard men, the commission men, all asked the Committee on Agriculture to recommend the removal not only of subsidies but of price ceilings as well. There was not a single dissenting voice.

Those people knew what they were talking about. They make their living out of the livestock business. They know all the ins and outs. Here, with one voice, they come to this Congress and ask for the removal of both subsidies and price ceilings. Whom do we find in opposition? The same crowd down in OPA that brought about the conditions that turned the cattle business over to the bootlegger.

Mr. CLEVENGER. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. CLEVENGER. I think it is only fair for the House to know that the agricultural members of this committee protested vigorously when these livestock ceilings were imposed. I want to know if I am not quoting correctly when Dr. Gilbert, himself, chief of the economists, was asked by Mr. Kleberg, "What is your background in the cattle business or in business?" He said, "I know nothing of business or of the livestock business. I am an economist."

Mr. FLANNAGAN. That is right.

Mr. CLEVENGER. And a trained economist, and my friend said, "And a good economist."

Mr. FLANNAGAN. And the testimony goes further than that. The testimony shows that when the cattle people protested to OPA and told them it was impossible to put price ceilings on livestock they were given this answer by the chief enforcement officer: "We will put them on and we will make the American people like it," or words to that effect. That was the attitude. That testimony is undisputed.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. ROBSION of Kentucky. I wish to express my appreciation for the facts which the gentleman has brought to the House on this subject. Can the livestock industry be placed on a safe and sound basis and be fair to the American people unless ceilings and subsidies are removed?

Mr. FLANNAGAN. I agree with the gentleman from Kentucky.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. FLANNAGAN] has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. FLANNAGAN. There is one other phase I want to emphasize about the bootlegged meat. That is the health problem that confronts us. What does a bootlegger care about slaughtering an animal under sanitary conditions? What does he care whether or not the animal has tuberculosis or some other disease.

The American people today are running a great risk in buying this bootleg beef. And, according to the testimony before the committee, 90 percent of it is bootleg. In my home town we have two independent packers, right in the heart of the blue grass. I received a letter from both of them yesterday that they were unable to buy a single steer upon the Bristol market. Why? Because they could not purchase a single animal that was offered for sale and stay within compliance. They could not do a legitimate business. Where did those animals go? The Lord only knows. Buyers spring up like locusts out of the ground when they open the cattle markets today. Men that we never saw in that community come in and buy a large percent of the sales. They are carted and shipped off. You know where they are going. They are going into the black market.

Yesterday in the Bristol market the bootlegging crowd paid 2 and 3 cents above ceiling prices. Now this, you say, is in the interest of the farmers—getting a higher price. Temporarily, yes. But this bootlegging business is destroying our cattle-marketing system that has been built up over the years. When you put the independent packers out of business you are destroying the competition the small packers bring into the system. The farmers will be the losers in the long run.

Now, here is how the black market operates. I can go upon any market in America and pay as high as 18 cents for the sorriest animal offered. Yes, I can pay up to 18 cents and make a legitimate purchase. I can buy culls, I can buy your sorry cows, or any animal offered and pay up to 18 cents and make a legitimate purchase. But if I am a legitimate slaughterer, in order to stay in compliance, I cannot pay 18 cents for an inferior animal. At the end of the month I have to show compliance, and in order to do this I have to purchase within compliance ranges.

But the bootlegger, who pays no attention to compliance, comes in and if he wants an animal he can go to 18 cents. There is no check on him. If I, a legitimate packer, pay more than ceiling for it, at the end of the month OPA knows whether or not I am in compliance. The bootlegger, not being checked by OPA, pays no attention to the price range.

There is just one other thing to which I wish to call your attention. The gentleman from New York told you that we had around 1,500 slaughterers in America before OPA. We had less than 1,500—1,400-plus. Today we have 26,000. How are they operating? Any man can go into the slaughtering business. I want to show you how they operate. Yes; any man in America today can go into the slaughtering business and, due to the fact we do not have graders to go around, oftentimes the slaughterer is permitted to do his own stamping, his own grading. He can buy a cull. He has the stamp. He can put a B grade on the carcass of that cull steer or he can put an A grade on it.

Mr. COLE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. COLE of Missouri. The fact that he puts that stamp on the beef misleads the people of the United States to believe it is inspected beef.

Mr. FLANNAGAN. Yes; and oftentimes that stamp is put there by a man who does not know a bit more about grading than I do. I tell you it takes a lifetime to develop a good meat grader. There are few in America.

Mr. COLE of Missouri. The point I want to make is that the public recognizes the purple stamp as meaning United States Government inspected and therefore that it means healthy meat.

Mr. FLANNAGAN. Yet it may be bootlegged meat.

Mr. COLE of Missouri. It may even be tubercular.

Mr. FLANNAGAN. The chances are 9 to 1 that it is bootleg beef. And, as you have stated, it may be diseased meat.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. JONES. I do not think it has been developed here that the legitimate packer, when an honest mistake has been made in the grade so that the cattle do not dress up to the proper amount in the grade for which it was bought, can lose his entire subsidy over the entire period of the operation of the OPA.

Mr. FLANNAGAN. Certainly, if he is out of compliance. If the legitimate operator is out of compliance as much as one-quarter of 1 percent he pays a penalty of 10 percent and it goes on up until it gets to be a 100-percent penalty. There is not a legitimate slaughterer in America that can operate under OPA ceiling regulations.

The House Committee on Agriculture, by unanimous vote, recommends to the House the removal of meat subsidies. This resolution appears in the RECORD of Friday, the 12th, pages 3626 and 3627. Pursuant to the resolution I will offer at the proper time the following amendment:

Amendment to H. R. 6042: That H. R. 6042, a bill to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, be amended as follows:

"(1) Amend section 5, page 6, line 23, by striking out 'Meat, $715,000,000;'

"(2) Amend section 5, page 8, line 2, by inserting a colon in lieu of the period at the end of the sentence and adding the following: '*Provided further,* That no funds heretofore or hereafter appropriated to, borrowed under congressional authorization by, or in custody or control of any governmental agency, including Government owned or controlled corporations, shall be used after June 30, 1946, to continue any existing program, or to institute any new program for the payment of subsidies on livestock or meat derived from livestock, or for the purchase of such commodities for resale at a loss thereby subsidizing directly or indirectly the production, sale, or distribution of such commodities, except that nothing contained herein shall prevent the payment of obligations created under existing programs which accrued prior to June 30, 1946: *And provided further,* That in order to prevent a reduction in livestock prices upon the elimination of such livestock and meat subsidy payments, the Administrator shall make corresponding increases in maximum prices of livestock, meat, and meat products to the extent necessary to compensate for the removal of such subsidies.'"

Yesterday I received a copy of a letter from Aronhime Packing Co. to OPA. This is a small independent packing company in my home town that is run by honest men who try to comply with the law. The letter follows:

BRISTOL, VA., *April 13, 1946.*

OFFICE OF PRICE ADMINISTRATION,
District Office, Richmond, Va.

GENTLEMEN: Yesterday we were unable to buy a single head of beef at the local stockyards due to the outrageously high prices paid for beef cattle at this sale. Sample top prices were as follows:

Commercial or B cattle	15½
Utility or C cattle	13½
Canners or Cutters or D cattle	11½

It is very obvious that these prices can only lead to one of two conditions, that is, heavy loss on the beef and total loss of subsidy, or sale on the black market.

Since we do not believe that any packer will deliberately buy raw materials at such a tremendous loss, there can only be one other conclusion and that is that this beef was bought for the black market.

Because we are prohibited by your laws and our own desire to do business legally from entering the black market, we feel you should investigate the activities of these purchasers of yesterday in order to ascertain the disposition of their purchases. We feel that since we are subject to your penalties when we cross the line of legality, we should be offered your protection when we do not.

We are mailing a copy of this to our Congressman, the Honorable JOHN W. FLANNAGAN, Jr., of Bristol. Please let us hear from you on this.

Yours very truly,

ARONHIME PACKING CO.
By GORDON ARONHIME.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. HENDRICKS].

Mr. HENDRICKS. Mr. Chairman, in the midst of industrial turmoil, strikes, and other internal disturbances, which seem to be so prevalent in our postwar readjustment, there is one group of American workers who deserve more than just a passing notice. If we have any tributes to pay to civilian groups for their activities in behalf of our war effort, Mr. Speaker, I am of the opinion we could pay a justly deserved tribute to the American railroad worker. We can now recall there was no delay in transporting troops, materials of war, or civilians and their necessities chargeable to the failure of the railroad worker. The heavy additional traffic brought longer hours and more hardships, yet the trains moved on and on. To me the most outstanding accomplishment of this important segment of our workers is the fact that we had no delay in wartime railroad traffic due to strikes or refusal of the workers to do their part.

The railroad workers have been extremely reasonable in their requests for increased wages and better working and social conditions. The recently reported decisions of the two arbitration boards in the nonoperating and part of the operating group wage case are, in my opinion, below that which should have been awarded to that group of our workers who did such a grand job in our national emergency. I sincerely trust that the President's Emergency Board now considering the wage and rules case of the engineers and trainmen will be more liberal and in a measure correct what appears to be the mistakes of the arbitration boards.

We in Congress have an opportunity to assist our fellow citizens employed on the railroads by giving prompt and favorable consideration to their amendments to the Railroad Retirement and Railroad Unemployment Insurance Acts. There is an urgent need for increase in the pensions and annuities; there is great need for revision in the disability annuity provisions and there should be several minor improvements in these acts. All railway labor organizations are supporting Congressman CROSSER'S bill, H. R. 1362, with some suggested amendments. That bill was introduced January 11, 1945, in the early days of this Congress; the committee held hearings in February and April of that year. For some reason the committee has not reported the bill to the House.

I know that it takes a lot of consideration in handling such a bill with so many amendments. I do know the railroad workers are anxious to have early consideration of the bill—they want and need improvements in both—they want and need revision in the disability provisions—they should have an increase in the pensions and annuities. After all, they are entitled to consideration commensurate with their service to the railroads and to the public, and especially for their splendid achievement during the war.

I wish to say as far as I am concerned the railroad employees have my full support in their request.

A petition has been put in the well on this bill, H. R. 1362, and I have signed that petition. I hope that other Mem-

bers of the House will sign it, so that we may get action on this bill.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. SUNDSTROM].

Mr. SUNDSTROM. Mr. Chairman, I ask unanimous consent that my colleague, the gentleman from New Jersey [Mr. HARTLEY] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HARTLEY. Mr. Chairman, several weeks ago a small group of Members of the House, representing both political parties, held an informal session to discuss inequities under existing OPA regulations. The purpose of this gathering was to have a meeting of minds on specific regulations that are serving to retard production. It is unfortunate that the impression became widespread that this was an attempt to formalize a coalition with the avowed purpose of killing the Office of Price Administration. In all discussions, it was recognized that the basic framework of OPA should be retained, but that the Office of Price Administration should be limited to its original purpose of controlling prices.

Production—the ability of our people to buy the things they need and want at prices they can pay—is not a party issue. It is to be regretted if the fight against inflation does not transcend party lines. To make consideration of OPA legislation a partisan issue is to admit that OPA is being used for political purposes.

My confirmed belief that OPA as presently administered is blocking the productive force of the country is not a political belief. No matter how much we may say about the dollar value of production as compared to that of the prewar era, the fact remains that our people cannot secure the things they need and want regardless of price. Yet the market is flooded with high-priced and inferior merchandise with OPA approval.

I cannot bring myself to believe that the producers and manufacturers of this country who were rewarded Army-Navy E awards for wartime production are engaged in a nefarious plot to keep things off the market. Through the medium of profit controls, maximum average price plans and a variety of other regulations directly contrary to congressional authority, OPA is today holding up the manufacture of badly needed commodities. If inflation comes—and it is partly here—it will be the direct result of a lack of a courageous price and wage policy. Through Government-backed increases in wages, the tail of an inflation skyrocket was lit and now the Congress is asked to stop it through action that will mean production chaos—the formal sanction of existing OPA regulations. In supporting this opinion I want to be realistic. Over a period of several years there have been congressional investigations and findings by committees. I ask my colleagues to study these findings before acting. They are the findings of Democratic-controlled committees and for that reason should have Democratic support.

There are many fears that continuance of OPA is being advocated as a prelude to making it a permanent Federal activity. On this point the House Committee on Banking and Currency which reported out the bill now under consideration said:

> Although the officials in charge of the stabilization program have consistently and, the committee believes, sincerely disclaimed any intention to perpetuate these controls, there have been persistent expressions of the fear that price and wage control might become permanent. It is the purpose of this section to put those fears to rest and to charge the Administrator with the duty of formulating a comprehensive plan for the progressive removal of controls so as to effect the return to a free market and free collective bargaining without disturbance of the national economy.

The fact that we do not have today a free market and free collective bargaining and have disturbances of our national economy—9 months after the end of the war—is evidence enough of the hampering effect of current OPA regulations.

One of the most vicious phases of existing regulations is the maximum average price plan. The Banking and Currency Committee is to be commended for killing this objectionable program. Yet, after this was done, the Price Administrator publicly told the committee in effect that while you may be sincere, you do not know what you are doing and the whole problem can be better handled in administrative circles.

In the report of the Select House Committee To Investigate Executive Agencies, under date of November 15, 1943, we find this:

> Section 2 (b) of the act is the prohibition against the powers of the Administrator to compel changes in business practices. Notwithstanding this provision, the Office of Price Administration has gone about at will causing changes in business practices, cost practices, and distribution practices by its regulations and orders.

In brief, the maximum average price plan would never have been developed if the Office of Price Administration had been willing to accept the mandates of Congress.

The Report on Postwar Economic Policy and Planning, under date of March 4, 1946, in effect condemns the maximum average price plan by recommending that—

> In the case of essential "low end" products (a) allow industry-wide current costs plus at least a reasonable profit (preferably historical margins) to manufacturers on a list designated jointly by CPA and OPA; and (b) permit retailers to pass on in full any dollar increase resulting from these concessions, and percentage increases where margins are already tight.

Virtually every congressional committee that has gone into the OPA has come up with sound recommendations for improvement. After an intensive study, the Senate Special Committee to Study Problems of American Small Business found numerous reasons for the failure of production to be maintained at sufficiently high levels to make price controls no longer necessary. One of these reasons is—

> Certain Government controls, regulations, and their administration which either through lack of proper understanding or faulty application raise costs unduly, destroy incentives, disrupt or change the customary patterns of production and distribution.

As I have said, I do not oppose the continuance of the Office of Price Administration. I believe that it is absolutely essential for rent controls and some other fields. However, I do believe that unless the Congress definitely provides that OPA must allow current costs of production plus normal margins of profit and accepts a normal pattern for manufacturing and distribution, we will not have the production that is necessary to maintain our national economy. I am more concerned today with production than with any other problem facing the American people.

The time has come when, to use the words of Bernard Baruch, "we must stop trying to debunk the people." No person of average intelligence will believe that production is at its highest level when he cannot buy even the necessities of life, much less the luxuries that have become a part of the American standard.

When our people voted to end prohibition they did so because they were thoroughly disgusted with gangsters, racketeering, and bootlegging. Present OPA policies have developed racketeering and black markets on a scale that fades the prohibition era into insignificance. Ample evidence has been given that present OPA regulations actually promote black markets.

I appeal to my colleagues to support the findings of congressional committees over a period of time and continue the Office of Price Administration operating under the laws of Congress and not by the whims and rules of politically ambitious men.

Mr. SPENCE. Mr. Chairman, I yield 20 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, I assure you it is not a very pleasant task for one from the cattle-raising country to oppose these demands now being made for the complete removel of price ceilings from meat and meat products. Yet, I assure you that if this Congress weakens the act to such an extent as is proposed in the removal of meat from price control, it will mean the end of meat on the tables of the middle- and lower-class groups of Americans.

Removal of all ceilings on meat might cure the meat shortage. But it would cure it only by taking it out of the reach of the moderate income groups of this Nation. If they can't afford the meat at the high price—then there might be more in the markets for those with plenty of money who were willing to pay any price for it.

This House, before it is rushed into taking meat off of price control and doing away with the subsidy operation which has been in effect for a number of years, should stop, look, and listen for a few minutes and see which way we are going.

MARKET CONDITIONS BAD

I am not going to dispute the statistics which my distinguished colleague the gentleman from New York [Mr. WADSWORTH] submitted. He is one of the greatest men who ever sat in the House of Representatives. As far as his statistics are concerned on the kill, I think the condition as of today is even worse. My conclusion, however, differs radically from the conclusion of the gentleman from New York [Mr. WADSWORTH] and the distinguished chairman of the Committee on Agriculture.

I would like to go one better and give you the statistics of last Saturday from the Oklahoma City yards. Two thousand and one hundred head came into the yard on Saturday. It is not quite the same to say total number of head that came into the yard and the same number going to kill.

This figure was volunteered to me by the manager of the largest packing plant. He said that of the 2,100 head about 600 were killing cattle and the rest feeder cattle, stock cattle, destined to go to the farms to be fed out. When you look at your statistics and your figures and you begin worrying about all this black-market operation—and there is a considerable one—do not be deceived. Do not be stampeded into believing that all the cattle that comes into the market at this time of the year, particularly, goes into the black market. A lot of it goes out to be fed, to be prime beef, to put more weight on them, particularly up in the good grass country of the Osage Hills.

ONLY TWO BOUGHT

Let us take this 600 and see what happens to them, because this is important. It shocked me. Armour & Co. managed to buy 2 head. Wilson & Co., the other major packer, did not get a single one out of that 600. That is a shocking and amazing performance to me, I will admit.

There is a great diversion away from the normal channels of trade. I suspect a fair portion of this amount is going into the black market. However, I doubt if there is as much as 90 percent, as has been variously claimed by representatives of the packing industry, going into the black market. I know many, many little small independent packing plants that have grown up in Oklahoma City and in the neighborhood areas, packing plants that in the dark depression days did not have a chance to operate but who today are finding it rather profitable to operate with a low overhead and a ready market.

I refer to packing plants such as the one at Cushing, and such as the one at Pauls Valley, small towns of six or eight thousand, which had no hope in the world of selling the products of their kill during the depression days. But now the people of those communities have more money to spend and they have a desire for beefsteak and prime ribs of beef. They are willing to accept and patronize these little packers selling at the ceiling price.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. I want the RECORD to be correct. The evidence shows that the independent or small packer is not going out by the hundreds but by the thousands in America today. I received a telegram yesterday from the commissioner of agriculture in North Carolina that 138 independent packers had gone out of business.

Mr. MONRONEY. The gentleman quoted some figures about an increase from 1,450 to some 25,000.

Mr. FLANNAGAN. Twenty-six thousand.

Mr. MONRONEY. I do not believe that all 26,000 of those gentlemen operating in the market are operating in the black market.

Mr. FLANNAGAN. That includes the slaughterhouses.

Mr. MONRONEY. I am talking about slaughterhouses, too.

DISTRIBUTION PROBLEM

Let us look at this thing for a minute and see where we are going. Agreed that the diversion away from the major packers is bad, it is difficult, and presents a problem in distribution that the Congress has a right to be concerned with.

The growing black market raises a danger flag in front of the eyes of Congress, but, Mr. Chairman, when we look at the situation before us in reference to the matter of meat control, we should realize it is perhaps the most important single item in the living cost on the American table today. I do not think the answer is for the Congress to say: "We are going to take meat controls off; we are going to let the prices go as high as they will go under the law of supply and demand. We do this because we simply do not believe we can enforce it."

SURRENDER TO BLACK MARKET?

Do not let it be said that the mightiest country on the face of the earth, the country that all the rest of the world looks to as their great hope, the country that furnished the sinew and brawn to whip the despots of nazism, today in the Congress is ready to surrender to the black market.

Where do we go if we make this unconditional surrender to the black market? Do you think that the manufacturer of any commodity of the long list of controlled necessities of life, having seen the surrender pattern successfully work because there was a black market in meat, will refrain or withdraw or try and prevent the black market from growing in those industries?

I do not think we should set such a pattern. I think if the Congress of the United States is bullied by the black-market operations on meat, that it would be a mere sham to pass a price-control bill. You will invite the black market in fabrics, in automobiles, in radios, in every single one of the items that are now controlled and in which compliance is now reasonable. So I say to you that rather than surrender to the black market and have no control of meat, and see the cost soar upward—because every man within the sound of my voice knows that the choice cuts of meats will jump over the moon, literally, when price controls are taken off—rather than do that, I would like to see us get better enforcement, and I will admit that better enforcement is needed.

PLAN IS NOW READY

I was pleased this morning to see the result of what many members of the Committee on Banking and Currency have long asked for, and that is for the FBI itself to move in on this black-market meat situation. There is a heap of difference between an OPA price enforcement official and an FBI man. I want to say from this illustration that I have given of the Oklahoma City market, where all but 2 of the 600 head of killing cattle that came into the market that day went out of major packing channels, that it would not take a great detective, it would not take all of the facilities of the FBI, with all of their scientific detection and their auditors, to be able to trace this meat into the black market and see what happens to it.

That meat does not ordinarily move out overnight. It has to move out largely by common carriers on bills of lading, and it can be easily traced. An organization like the FBI, determined to go after it, can run down these violations.

I am as sure as I stand here today that not more than 25 black-market operators would have to be arrested by the FBI before you would find this meat black market drying up. Yes; I think if you show a determination on the part of this Government through the Department of Justice and the FBI to enforce an honest market in livestock, you would see the big packers and the other honest little packers take heart and submit the names of these black-marketers. They simply cannot operate in any livestock market without knowing who they are and where a large part of this beef is going.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to my colleague from Oklahoma.

Mr. RIZLEY. I wonder if my distinguished colleague from Oklahoma will agree with me that if it is a fact that we have an adequate supply of meat there is no need for rationing or subsidies?

Mr. MONRONEY. I cannot agree with the gentleman on the adequate supply not requiring subsidies at this time. I mean that goes into another matter. I will be glad, if I have plenty of time, to go further, as I explained earlier to the gentleman today my personal feeling on subsidies. They are useful only when you intend to hold the line, and if you take the lid off price control there is no use of subsidies on meat, or any other kind of subsidy, because there goes your price line and here comes inflation.

Mr. RIZLEY. What I wanted to say, if the gentleman will indulge me, in the hearings before the Committee on Agriculture I think I am correct in saying that the Secretary of Agriculture and substantially everyone else dealing with the meat situation appeared, and we had everyone from the producer down to the retail merchant.

Mr. MONRONEY. How many consumers did you have?

Mr. RIZLEY. I think some of the people spoke for consumers. It was

stated by the Secretary of Agriculture there would be no occasion for rationing or for subsidies if we had an adequate supply. The black market is here because of the fact that those same cattle that the people were purchasing in the stockyards in Oklahoma City, about which the gentleman is talking, could be purchased legitimately under the OPA rules, and the FBI men could not arrest anyone for making those purchases. They would have to follow each individual cow behind every black oak tree in Oklahoma County. I am afraid the gentleman has gone a long way in saying that he thinks the FBI could control the situation, because the people have a right under the practices now to make those purchases, but the legitimate packer or the legitimate buyer cannot make the purchases there under the restrictions that you have in the OPA.

Mr. MONRONEY. But the gentleman realizes that if they make the purchases and they pay over ceiling prices, or if they pay on the basis of top grade and do not get it, then you get the price violation on down the road. This money is Government money in the subsidies. Even if they waive the packer subsidy there is still the feeder subsidy on most of those cattle, which gives the FBI the right, in order to protect Federal funds placed into these cattle, to go after these black-market operators and discover them. I would hate to say that my mighty Government, my Government that was able to win a war, must now turn around and surrender to a few black-market operators.

Mr. RIZLEY. I would agree with the gentleman wholeheartedly, if there ever was any occasion for having a black market, but everyone in the meat business except my distinguished colleague from Oklahoma seems to think that if these subsidies and these price ceilings were off, because of the adequate supply of meat these black markets would not be here at all. Of course, if we are going to continue OPA and continue black markets by reason of OPA, then we had better get the FBI and everybody else out and try to enforce it if it can be done.

CONSUMERS ARE CONCERNED

Mr. MONRONEY. The interest in the Committee on Banking and Currency has not primarily been in trying to provide additional profits for the industries concerned. Our effort has been to try to prevent inflation from disrupting the economy of this Nation. We are acting on the price control bill in the interest of all the people of America, including consumers.

Mr. RIZLEY. The testimony we had before our committee was to the effect that if you did away with ceiling prices the price of meat would be less for the consumer that the gentleman is talking about in the legitimate market than it is now in the black market. Is it any more inflationary to pay a high price in the black market than to pay the same price in the legitimate market?

ARGUMENT IS STANDARD

Mr. MONRONEY. The argument the gentleman has just advanced has been advanced by almost 99 or 100 different industries that came before our committee, that "If you just leave us alone the prices will be less to the consumer. Just get rid of OPA and everything will be all right, because the law of supply and demand will handle it."

I only wish it were so. I only wish this committee was not required to sit for 8 weeks listening to testimony. I only wish we did not have to go through this fight every year, which I assure you is no pleasure.

It is passing strange that every year that price control comes up for reenactment, just as surely as the birds return from the South after winter, there occurs an acute meat shortage. It never fails.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman.

CONSUMPTION FAR AHEAD

Mr. HAYS. The gentleman recalls the testimony offered to our committee regarding the inadequacy of the meat supply and the great difficulty of determining just what an adequate supply is. I happened to run into these figures a moment ago which the Secretary of Agriculture gave us. Some years ago the per capita consumption was 135 pounds. It is now 165 pounds. Nobody claims when you consider the market conditions and the demand situation that supply is adequate. The impossibility of determining what an adequate supply is is apparent to all of us when you consider the testimony that was offered.

Mr. MONRONEY. Of course. I thank the gentleman for his contribution. Further than that, having the OPA again try to control black markets with slaughter quotas would be against the wishes of Congress. We heard so many speeches last year of the terrible effect of putting quotas on these little packers. The tears ran deep in the well of the House because the quota system had been placed by the OPA and the Department of Agriculture, regulating then on how much slaughter the individual slaughterhouse and packing house could have, based on their 1944 kill. We had hours and hours of debate on that. Now, we see the result of lifting those quotas and we see the regular channels of meat supply drying up as smaller independent packers are killing the limit, and then some, without regard to the quota system.

FIRE OF INFLATION SPREADS

The reestablishment of the quota system was announced only this morning by the OPA in an effort to get at this very same thing that the gentleman from New York [Mr. WADSWORTH] so wisely described. But, gentlemen, I would far rather trust enforcement. I would far rather trust the quota system to kill the black market than to pour gasoline on this fire that is already about to burst into an open blaze and consume us in a fire of inflation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SPENCE. I yield the gentleman five additional minutes.

Mr. MONRONEY. If it were only a leak; if you were just going to open this gate a little bit and let the meat people out to graze on this lush green grass and make their profits, then there would not be much danger of inflation. But when you open that gate for meat, you are going to open it up for almost every other product in the book.

When you get through you will have the cost of living increased anywhere from 25 percent to 50 percent. It is ready to blow its top and I am afraid, from the actions of this House, that the headaches, the difficulties, the sacrifices that hundreds of thousands of honest businessmen have put up with, the terrific efforts they have put forth to live under price control, are all going to be wasted.

I am afraid that hundred of thousands of honest businessmen are going to see the ball fumbled in the last 1 minute of play, and that all of these sacrifices that they have gone through, and difficulties that business has put up with for 4 years—and they have been difficulties—will be washed away in one grand boom of inflation and then a bust.

I do not think that it what we want. I do not think that is what the public of America wants us to do.

CONGRESS TO BLAME

Congress largely is to blame for the situation here in meat because the Congress enacted into the Price Control Act last year an open-door policy for anybody that had a hickory limb to hang a carcass of beef on so that they could become a legitimate packer.

The law was pretty tight up to that time but there was a meat shortage which did develop, just as it is developing now, and the Congress took steps to alleviate it.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. WOLCOTT. The gentleman will recall the reason why that was done. It was virtually done at the request of the Army and Navy in order that we might get sufficient meat for our armed forces.

Mr. MONRONEY. I disagree with that.

Mr. WOLCOTT. It was also done so that the inspection laws would be raised sufficiently to get a flow of meat into our armed forces as well as to increase the civilian supply. That was the reason.

Mr. MONRONEY. The gentleman will remember the situation.

Mr. WOLCOTT. I remember it very well indeed.

Mr. MONRONEY. The gentleman will remember that most of the regular channels of meat from federally inspected plants were having 60 percent taken out of their kill for the Army and Navy and that there was only 40 percent of their production which moved in interstate commerce for civilians. It was to alleviate that situation that Congress threw open the doors so that any packer or any slaughterhouse, it was hoped, would be able to supply meat that the American people were demanding.

Mr. WOLCOTT. Will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. WOLCOTT. We also provided that we would recognize State inspection, did we not?

Mr. MONRONEY. Sure, we did. And the diversion from the federally inspected plants so ably shown here by the gentleman from New York [Mr. WADSWORTH] is the result of that action.

Mr. WOLCOTT. It was to get an adequate supply of beef for the armed forces as well as for the civilian population.

Mr. MONRONEY. That is right.

Mr. WOLCOTT. But they were channeling most of the meat through the federally inspected plants for the Army and Navy and it left little or none over for the civilian supply.

Mr. MONRONEY. That is right. But that is because the major packers have not been getting the kill. I think that is what we should have expected when the Congress changed that act.

One more point. I know the meat-packing industry probably would like very much to make greater profits. I think they would like to preserve their markets. I think they can, under the changes that have already been made in the operation of the meat program.

It is most difficult, because you can put firm ceilings on wheat and many other agricultural commodities but you cannot put a ceiling on a live animal and expect that ceiling to be observed. This difficulty that Mr. WADSWORTH explained of averaging them out is the only way that any cattleman will admit you can possibly do it.

But in the end you have a fairly effective pricing system on the finished meat, and you have a fairly decent return to the packing houses of the country.

The National City Bank's figures for March, which have just been released, showed that even after taxes were paid, after all excess-profits taxes of last year had been paid, the meat-packing industry had a 5.4 percent return on their investment; and I think they are doing pretty good under the year 1945.

This shortage of beef cattle going into the regularly established plants has not been going on all year. It has grown since VJ-day, but it has gotten almost out of hand the last 2 or 3 or 4 months, and it is a critical situation. But I believe the Government acting intelligently and strongly, rather than running up the white flag and surrendering to the black market, will be able to cure this meat situation.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MONRONEY] has again expired.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. LEFEVRE].

Mr. LEFEVRE. Mr. Chairman, the problem of extending the Office of Price Administration is certainly the most controversial subject we have had to face. I believe, judging from the flood of telegrams, letters, and postal cards arriving in my office with every mail, the people are more concerned over this issue than any other national subject today. It is a pretty well-established fact that the administration can be blamed for this situation. From the time the President announced he believed wages could be raised and the prices of manufactured commodities remain the same we have had nothing but trouble. The OPA authorities have been so unreasonable in any attempt to adjust ceiling prices that the majority of the thinking people have come to the conclusion that they would be better off without this hampering agency. We are confused. The OPA claims that through its regulations we have today reached the highest level of production in all time. On the contrary, industry has testified that industry after industry has closed down, unable to operate under OPA ceilings. The people have put up with all manner of hardships. Because of claimed scarcities they have had to do without or resort to ridiculous black-market prices.

I have a lot of dairy farms in my district. We all appreciate the magnificent job they have done. They have worked from before daylight until after dark to produce milk. Now they face the worst feed shortage in history. The OPA authorities know that the feeding value of oats is only about four-sevenths the feeding value of corn, but still they permit a ceiling price on corn of nearly $10 per ton below the price of oats. The result is that the corn grower in the West is feeding his corn to his hogs and thereby getting 30 cents per bushel more for it. Corn with some other grains added is bringing a ridiculous high price, to get around the ceiling, and with far less feeding value. Dairy farmers have to raise hay and grain. Their equipment is old and worn out. New parts or new machinery are practically impossible to get. The cause for this condition falls right in the lap of the OPA.

Talk about homes for veterans, let the record speak for itself. Over 6 months passed before the OPA even made an effort to adjust prices to channel house-building materials through established distributors. Even now very little lumber and building materials are finding their way to established retail dealers. Why? Because of OPA regulations, irregular methods of purchasing have flourished to such an extent I fear it will take years to get back to sound business methods.

From high places right here in Washington propaganda is going out to the consuming public trying to make the people believe this agency is "holding the line." Practically everything we buy proves the fallacy of such statements. The only way to defeat inflation is to bring about sufficient production to meet the demand. Therefore, unless this Congress takes a fearless stand and passes amendments which will make this strangling Government agency adopt realistic policies, flexible enough to meet existing and changing conditions, I believe the Nation will be better off with the law abolished.

Many times we have heard it said that the OPA, by its pricing policies, has retarded production, and by continuing scarcities it is perpetuating its very existence. Now, the people who are against government by Executive order and bureaucrats are demanding that the OPA adopt policies that will stimulate production and follow former established trade discounts and profits when arriving at prices.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may require to the gentleman from Indiana [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, the pending bill, H. R. 6042, is one of the most controversial we have had before the Congress for a long period of time. This condition exists because the Office of Price Administration has been administered in such fashion that many of our people have become both disgusted and mad over some of the utterly silly and unnatural rules, regulations, and orders which have been issued by that agency. It must be remembered that our people are not pawns—but they are alive and alert, and they are trying to honestly make progress in our country; they are trying to reconvert our country into a peacetime nation following our most terrible war of all times, and they are struggling to pay their debts, and our Nation's debts, and to make an honest living for themselves and their families. But the OPA, as we refer to this agency, has been a real bottleneck and hold-back in our Nation. It has operated upon a high-handed basis, and it appears that the principal object of that agency has been to try to trap some citizen of our country and force him, or her, to pay a penalty—which penalty has been assessed by a kangaroo court set up within the agency. In many instances the investigator of the case served as both prosecutor and judge, and the victim was a good and honest American citizen. We have made many efforts to pass legislation which would assure to every American citizen the right of appeal to our regularly established courts of law, from many of these decisions which were rendered by these so-called courts set up within this agency, and many other agencies of Government, but that assurance is still in the offing—and it is my fervent hope that those of the majority in Congress will realize the absolute and continuous need for legislation of this character and will join hands with us in a good faith effort to pass legislation which will provide the absolute right of appeal to every citizen from any unjust decision rendered by these so-called kangaroo courts, if they are entitled to the distinction of having any name applied to them.

Mr. Chairman, I could relate an untold number of instances in which this agency has been entirely unfair to the people, but time will not permit. I can relate, if permitted to do so, many, many instances in which the inspectors and investigators of OPA led good people, people engaged in business, into a trap in which a slight violation of some rule or regulation was consummated and then, without hesitation, to proceed to prosecute the innocent victim and exact a fine and penalty from the alleged offender. The people have been offended by these high-handed methods, and they are incensed over the policies and program of the OPA. For my own part, I am thoroughly convinced that if the OPA is permitted to continue unbridled for any appreciable length of time, those in control of it have the object in view of completely controlling production in our Nation, and that would, in the end, result in State socialism here. Some of the ills of OPA are

flagrant violations of every thought of the American way of life, and some of those ruthless and senseless modes of operation are far afield from the normal thought of every American. This agency can well assume, now, that it cannot change the American way of life—and this agency will, in the future, if not now, have to walk the gangplank into oblivion—and those in control of it may well take notice of this conclusion of a war-created agency for the sole purpose of controlling prices in time of war. This is not merely a hint, but this is a warning—and it is backed up by the thought of the people of this Nation.

Mr. Chairman, in some respects the OPA has rendered a worth-while service during the late war. I am convinced prices would have soared much higher in this country if we did not have some control over them. And, at the moment, I have been advised that sugar, tin, zinc, steel, rubber, textiles, lumber, and all kinds of building materials and supplies are all on the list of scarce articles. As long as we have a scarcity of essential articles—as long as the item of supply does not equal the demand—then we find that there should be some control over the allocation of those items which are scarce; otherwise some of the people would be able to secure all of those available items, while others would be unable to secure any of those items, and there would be a tendency for the price to increase upon those articles. Of course, we do not want any more inflation than we already have. There is a mild inflation in this country now. We listened for a long time to the cry of those in power, in Washington, to hold the line. The people listened attentively to that request, but the line was finally broken—and who broke the line? The United States Government was the first, and the real offender, in breaking that line. Wages and salaries were increased but the price ceilings were still maintained, and by this inequitable process many of the articles which are scarce today were made scarce by the very action of the Government. If any commodity is produced which requires either materials or labor to produce it, and when the cost of labor and/or materials increase, if the producer is not permitted to increase the cost of his product, then that means the operation will be at a loss, or, if the producer is unable to financially withstand the loss, that means bankruptcy, and the doors of that business must close. Therefore, Mr. Chairman, I say—and I do so without any apology—that this agency of government has made many articles scarce by reason of its price ceilings, and it has been the sole and direct cause of many businesses closing their doors and quitting their business.

Our people cannot, and they will not, operate their business at a loss—and in untold numbers of cases this has been the direct result of our people closing their doors and discontinuing their businesses. Of course, the problem of a created scarcity by the OPA was the best insurance policy that this agency should be continued—and that it should be continued until that scarcity had disappeared; this was one way of keeping the huge group employed and on the pay roll at the expense of the American people. So that scarcity has been created, and the OPA is itself the moving spirit in creating the very scarcity which now exists.

Mr. Chairman, may I further state that those people employed in agencies of Government, such as the OPA, owe something to the people of this country. They owe the obligation of honesty of operation of their department, and they owe fairness to the people—and that has been one of the forgotten accomplishments, I fear, in the OPA. Much propaganda has eminated from that agency during the past few weeks, in an effort to force the Congress to keep the agency alive. The President wants the OPA continued. Those employed in that agency want, of course, the agency to continue throughout the future years. They want their jobs to continue, and they do not appear to have any regard for the people, who are the taxpayers, and they have no regard for those who have suffered great losses and the destruction of their businesses, and the loss of money and property by reason of their methods employed in the operation of that agency.

Mr. Chairman, it is my hope that many amendments will be adopted to the pending measure, and it is my hope that the so-called Crawford amendment will be retained in the pending bill. While my personal view of this agency and its operation urges me to protest its continuance—yet, if it is finally determined that this agency should be continued, then the power and authority granted must be materially limited and abridged, and so that our people may be able to proceed throughout the future without great fear and trepidation from this group—fearing that ceilings will be changed overnight, without notice, which might operate to destroy any person engaged in business—and we want to establish a freedom from fear on the part of all of the people, that the OPA will trap them, and prosecute and convict them, exact a penalty from them, because of the infraction of some rule which the presumed violator did not know existed. We want to be fair to the people of this Nation, and this agency must be fair to the people in the future—if it is to continue.

Mr. Chairman, World War II is over. We have a debt of some $280,000,000,000 to pay. We can pay this debt if the OPA and the various agencies of our Government will permit the people to do it. With red tape, unnecessary and nonessential rules, regulations, orders, and useless control—the people will be unable to pay that debt. Let us give the people a chance. Let us give them an opportunity to go forward again—with the thought of freedom as their watchword.

Mr. GAMBLE. Mr. Chairman, I yield 17 minutes to the gentleman from Nebraska [Mr. BUFFETT].

Mr. BUFFETT. Mr. Chairman, in the late war, front-line announcements on offensives usually carried this phrase: "The operation is proceeding according to plan." At this point in the debasement and "watering" of our currency by inflationary spending, it may be reported that it "is proceeding according to plan." Inflation in America is following with sobering accuracy the historic currency inflations of other countries, particularly France between 1790 and 1795, and Germany under the Nazis.

We have now arrived at the stage of inflation where we are in the ugly grip of what Rauschnigg called in Nazi Germany "planned corruption." It is the collapse of decency which destroys morality and justice on a mass scale. That consequence, which should alarm every spiritual leader in America, was possibly the outstanding fact developed in the OPA hearings.

The testimony demonstrated that the meat industry was black market in 80 percent or more of all transactions; that the legitimate lumber industry was being replaced by black-market operations, and that the automobile trade—particularly in second-hand cars—was likewise largely black market.

These black markets are spreading all through the commercial life of the Nation. Accordingly, to calm the people, I predict that we will soon see another widely ballyhooed crack-down campaign by the OPA to stop black-market operations. Such campaigns of terrorism are a vital part of the OPA march toward totalitarianism.

Let us see how closely these tactics follow those used in France during their OPA 150 years ago. The following lines are taken from the historic White account of Fiat Money Inflation in France:

> Shopkeepers therefore could not sell such goods without ruin. The result was that very many went out of business and the remainder forced buyers to pay enormous charges under the very natural excuse that the seller risked his life in trading at all.
>
> That this excuse was valid is easily seen by the daily lists of those condemned to the guillotine, in which not infrequently figure the names of men charged with violating the "maximum" laws. Manufacturers were very generally crippled and frequently destroyed, and agriculture was fearfully depressed.
>
> To detect goods concealed by farmers and shopkeepers, a spy system was established, with a reward to the informer of one-third of the value of the goods discovered. To spread terror, the criminal tribunal at Strasburg was ordered to destroy the dwelling of anyone found guilty of selling goods above the price set by law.
>
> The farmer often found that he could not raise his products at anything like the price required by the new law, and when he tried to hold back his crops or cattle, alleging that he could not afford to sell them at the prices fixed by law, they were frequently taken from him by force and he was fortunate if paid even in the depreciated fiat money—fortunate, indeed, if he finally escaped with his life.

In France, severe penalties were set for violations of price-fixing rules. The penalties ranged from imprisonment in irons for 6 years to death, with confiscation of the criminal's property. Likewise, the OPA in France caused farmers to refuse to bring their products to market, just as OPA actions are doing in America today. Here are the farm consequences of the French OPA, described again by White:

> The year 1794 was exceptionally fruitful: and yet with the autumn came scarcity of

provisions and with the winter came distress. The reason is perfectly simple. The sequences in that whole history are perfectly logical.

First, the assembly had inflated the currency and raised prices enormously. Next, it had been forced to establish an arbitrary maximum price for produce. But this price, large as it seemed, soon fell below the real value of produce; many of the farmers, therefore, raised less produce or refrained from bringing what they had to market.

But, as is usual in such cases, the trouble was ascribed to everything rather than the real cause, and the most severe measures were established in all parts of the country to force farmers to bring produce to market, millers to grind and shopkeepers to sell it. The issues of paper money continued.

Another similarity between the French inflation and the New Deal inflation is the delusion of prosperity—a delusion created as cunning and shrewd people steadily acquiring the tangible assets of America. Their victims are the trustful and less well-informed people who are being loaded with a deteriorating currency in exchange for real property. I quote again from the White narrative:

But, curiously enough, while this depreciation was rapidly going on * * * there came an apparent revival of business. The hopes of many were revived by the fact that in spite of the decline of paper there was an exceedingly brisk trade in all kinds of permanent property. Whatever articles of permanent value certain needy people were willing to sell, certain cunning people were willing to buy and to pay good prices for in assignats. * * *

It was simply a feverish activity caused by the intense desire of a large number of the shrewder class to convert their paper money into anything and everything which they could hold and hoard until the collapse which they foresaw should take place. This very activity in business simply indicated the disease.

It was simply legal robbery of the more enthusiastic and trusting by the more cold-hearted and keen. It was the unloading of the assignats upon the mass of the people.

If inflationary spending continues—proceeding according to plan—you may well ask: "Who will bear the final blow of this disastrous spending?" Here again we find in France a forecast of what is coming unless the New Deal spenders can be stopped.

Before the end of the year 1795 the paper money was almost exclusively in the hands of the working classes, employees, and men of small means, whose property was not large enough to invest in stores of goods or national lands. Financiers and men of large means were shrewd enough to put as much of their property as possible into objects of permanent value.

The working classes had no such foresight or skill or means. On them finally came the great crushing weight of the loss. After the first collapse came up the cries of the starving. Roads and bridges were neglected; many manufactures were given up in utter helplessness. None felt any confidence in the future in any respect; few dared to make a business investment for any length of time and it was accounted a folly to curtail the pleasures of the moment, to accumulate or save for so uncertain a future.

Mr. Chairman, there is nothing new about this evil narcotic—price control. It is the same economic drug that destroyed the humble people of France in the 1790's. It not only wrecked the frugal and saving middle class of Germany under Hitler but also prevented those groups from fighting the rise of nazism. It every case it has ended in complete financial, moral, and political prostration. It will end here in the same way unless the people through Congress can turn back the drive for more currency inflation.

As in France and Germany, we will find here that the greatest disaster will be the moral break-down. Today, for example, a feeder in most cases must resort to black-market practice to get protein feed for his cattle. Similar necessity is forcing black-market practices throughout the entire fabric of commercial trade. Everywhere respect for law and moral considerations is disappearing under the impact of an OPA that attempts to evade natural law.

Long ago, William Ellery Channing declared, "There is no way of obtaining God's blessing but adherence to His laws." The OPA is attempting to flout those laws and prevent their operation. In that attempt it is debauching the money system and corrupting the morals of the American people.

If our Christian civilization is to survive, it must rid itself of anti-Christian programs by government. The OPA is anti-Christian, antifreedom, and anti-free-enterprise. The law of self-preservation and the economic necessities of the American people are stronger forces than any legislative edicts. One consequence is certain: The continuance of an OPA that forces the American people to go without the things they need, unnecessarily, simply means that the law will be ignored. Morality and Christian ethics will be liquidated by legislative enactment.

In the meantime, black-market operators, bootleggers, and cheaters of all kinds are waxing rich and prosperous, while honest operators are driven out of business. Likewise, the bureaucrats, officious with power and tyrannical in their actions, are terrifying and oppressing humble people everywhere.

With OPA concealing the continuing deterioration of our money, another vicious evil develops. OPA encourages greedy and cunning people. It gives them more time to wrest the real wealth of the Nation from the frugal people who are deceived by price controls. This happened in France 150 years ago. It happened again in Germany. There the hypnotism of price control gave all the advantage to manipulators, schemers, and fixers.

Mr. Chairman, OPA cannot change the operation of the natural law of supply and demand. Those who claim that price-control schemes can ever succeed either have not read the history books or they are intoxicated by the power now resting so irresponsibly in their hands.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Ohio.

Mr. JONES. As a matter of fact, is not the Enforcement Division of OPA principally cracking down on the legitimate businessman who keeps a conscientious record of his proceedings?

Mr. BUFFETT. It has happened pretty regularly that the man who has been the victim of the OPA gestapo tactics has been the little fellow. The larger operators have been able to get away with it.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. It is with regret that I note there are only one-fifth as many Democrats on the floor as there are Republicans to hear this good speech by the gentleman from Nebraska.

Mr. SPENCE. Mr. Chairman, under permission previously granted, I include in my remarks at this point the subsidy authorizations requested for the fiscal year 1947:

Subsidy authorizations requested for fiscal year 1947

[In millions of dollars]

RFC:	
Meat	715
Flour	260
Butter	
Rubber (to complete present commitments)	31
Copper, lead, zinc — premium price	100
Petroleum—stripper wells	50
Other domestic and imports:	
Domestic	19
Imports	151
Total RFC	1,326
CCC:	
Dairy production payments	515
Noncrop programs:	
Regional fluid milk	14
Sheep and lamb	36
Crop programs:	
Flaxseed	15
Soybeans	40
Sugar	43.8
Processed vegetables	35.2
Processed fruits:	
Grapes and raisins	17.6
Prunes	7.9
Peaches	.2
Pears	.3
Total CCC	725
Total RFC and CCC	2,051
Food group	1,700
Other	351

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. JONES].

Mr. JONES. Mr. Chairman, I thank the chairman of the Committee on Banking and Currency [Mr. SPENCE] for his good sportsmanship, because I told him I was going to criticize the OPA. I am very glad that we in America can disagree without becoming disagreeable.

I have a complaint in regard to the Enforcement Division of the OPA. I think it is a legitimate complaint. I do not intend to cover all of the criticisms that I have against the OPA at this hour when there are only a few Members on the floor, but time is of the essence in bringing this matter to the attention of the House.

I make these remarks in behalf of the chief officer and manager of a Chevrolet auto dealership in Lima, Ohio, Mr. H. H. Minnick, of Minnick Chevrolet, Inc. He has been a legitimate dealer in the automobile field and all of the enterprises incident to a dealership. I shall read just a portion of a letter he has written

to me dated April 12, 1946, that tells the story:

After talking to you yesterday by phone, I wish to relate the series of events that led up to my phone call.

We have worked in Lima in strict accordance with all of the regulations that have been imposed upon dealerships since the war started entailing a drainage of our manpower, shortage of parts, no automobiles, and since the OPA has placed the ceiling on used cars practically every used car has gone to "black market"; consequently, we have had no used cars to speak of to sell within the last year and a half.

The OPA local board have been quite cooperative with us, but unbeknown to them, three investigators headed up by Mr. Shaughnessy of the Cleveland office moved into our place last April stating that they wished to make a check of our labor and repair order set-up beginning with the start of the war right up to date. They spent 3 days in checking the repair orders, taking most of the time of my service manager and much of the office manager's time to make this check. At the completion of the investigation, Mr. Shaughnessy stated to me personally that we had the finest and most complete set of records that he had checked in his 3 years with OPA. He gave us a complete and clean slate.

In justification of the honesty of this man's operations he has the testimony of Mr. Shaughnessy, an OPA investigator. I know Mr. Minnick would not make a false report of Mr. Shaughnessy's conclusions after he investigated the records of Minnick Chevrolet, Inc. I know H. H. Minnick well enough to know his word is his bond.

About 2 months ago two very arrogant gentlemen from the OPA came into the plant stating they wished to check the service records of this company. Mr. Minnick turned the records over to them. These arrogant OPA gestapo agents were in that Chevrolet dealership for about 3 hours. They checked a total of 200 repair orders written in the shop from August 27 to August 31, 1945. They then informed Mr. Minnick that their check was complete and walked out, never saying a word. The next thing he heard from them, he received a letter from the Cleveland office of the Price Administration stating that the company was in violation of OPA regulations and was given 10 days in which to appear before the OPA for a conference. The company was advised that they were in violation of the regulations in the amount of $2,143.80, upon which the OPA was asking triple damages in the amount of $6,431.80. Mr. Minnick's attorney asked for a continuance and that was granted.

The complaint is two-fold. No. 1: In 4 days' time, August 27 to 31, 1945, this company did not do $2,100 worth of business. These men checked only accounts of that period of time and then projected the amount of alleged violation over a longer period. I can find no place in the OPA law where there is justification for the OPA Enforcement Division projecting sales and business operations of a limited period investigated over the period of a year, uninvestigated and then multiply the alleged violation projected by three for triple damages. I find no authority for the clandestine method of coercion to fatten the OPA calf under such rabbit production arithmetic.

I think this drives home the second point of complaint that the OPA has been dragging into the mire and mud the legitimate dealer who keeps meticulous records of his operations. When the OPA finds a businessman keeping detailed records of his gross income, job charges, costs, and labor bills, if they can possibly find any debatable deviation whatsoever, one way or another, they will attempt to crucify him. The illegitimate operator, the fly-by-night man, the black-market operator makes change out of his pocket, keeps an account book in his head, and does not keep any records. Of course, the OPA enforcement officer cannot catch the black marketeer without records and he waxes rich during this period of control by these stringent, unrealistic, and impractical orders of the OPA. It is not fair; it is not decent; it is not right; and it is not honorable in the first place to attack American private enterprise which operates in the open, above board, with standard accounting records, and on the other hand permit the black marketeer to operate without any records whatsoever.

I do not believe any court of law would sustain the OPA's findings in this particular case.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield two additional minutes to the gentleman from Ohio.

Mr. JONES. I do not believe any court of law would sustain the OPA findings in this particular case of an overcharge of $2,143.80 worth of work where there is not nearly that much business done in the length of time the OPA investigation covered, to wit, August 27 to August 31, 1945.

What is the normal reaction of the legitimate businessman when he gets a summons to come before the OPA? His reaction is, "I have a good reputation in the community. Shall I pay off and not have this unfair, arbitrary oppressive charge publicized about me? Shall I pay off in a quiet proceeding and not have this publicity or shall I stand defiant upon my rights?" Many legitimate businessmen have paid the OPA extortioners. Many have paid to escape the publicity only to read the details later in the home-town papers blackened by the OPA publicity men. My advice is against payment of the extortion, because the legitimate businessman is smeared by the OPA anyway. Let the OPA try their case in court.

Anyway, the practice is, as I understand, that no publicity is given to proceedings until the defendant has a chance to answer in conference with the OPA enforcement office. The practice should be that no publicity will be given by the OPA prior to conference with the OPA. In this case, however, the OPA officials in Cleveland gave Mr. Minnich a continuance until next Thursday, published the alleged violation, and then sued him in the Federal district court with attendant republicity—all before the OPA conference. Bear in mind, the black marketeer is still cashing in without records and without investigation, oppression, smear publicity and service of process by the United States marshal.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. CRAWFORD. Does the gentleman say that he understands on the basis of the official record that there was to be no publicity until the conference had been held?

Mr. JONES. That is what I understood, sir.

Mr. CRAWFORD. I simply call the gentleman's attention to the statement of a Member of the other body from the State of Illinois and correspondence between that particular Member of the other body and Mr. Porter, of the OPA. I would say that Mr. Porter categorically withholds in his letter to the Member of the other body the privilege to publicize the thing in the newspapers before having said one word to the intended victim. I ask the gentleman to read that correspondence.

Mr. JONES. Do I understand the gentleman correctly? Does he say that Mr. Porter, of the OPA, proposed to publicize the matter?

Mr. CRAWFORD. He withholds his right of judgment and exercises his judgment as to when the publicity shall be given in advance of negotiating with the victim.

Mr. JONES. You mean that he holds the right to publicize it before or after?

Mr. CRAWFORD. Yes, sir.

Mr. JONES. Thank you, sir. Mr. Minnich says to me in this letter:

The Ohio Automobile Dealers Association advised me that this is in direct violation of the orders issued by Mr. Remy, chief enforcement agent of the OPA.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may require to the gentleman from Pennsylvania [Mr. BRUMBAUGH].

Mr. BRUMBAUGH. Mr. Chairman, like all other Congressmen I have received many letters condemning OPA in its entirety and asking that it be repealed. As a member of the Banking and Currency Committee I voted favorably to report out H. R. 6042 which includes amendments that will in some respects correct the evils of OPA but certainly will not solve the problem if we extend the act without these amendments.

The Crawford amendment in particular which restores trade discounts to various dealers in automobiles, electrical appliances, and other consumers' products is a step in the right direction and I heartily favor this amendment. Many of us remember when an automobile dealer could not secure a decent trade discount which resulted in bankruptcy for practically every dealer when the first depression in business developed after a period of reasonable prosperity. This was due to the fact that their trade discounts were so low that they could not build up a reserve as they were forced to endorse the loan papers on the cars they sold and when the purchasers were not in position to continue the payments they had to repossess the cars and it was only a matter of time until their resources

were exhausted and the only alternative was bankruptcy.

The automobile manufacturers, realizing their plight, increased the commission on cars, checked the books of the dealers regularly, and kept the dealers in such financial standing that they were even able to weather the long depression they were forced to suffer because new cars were not available since 1941. The result of this practice on the part of the manufacturers enabled the loaning companies to regard the dealers as sound financial risks. This meant the lowering of costs to purchasers by the reduction of the charges for financing. If the reduction in discounts as now proposed, some of which have been placed in force by the OPA, is continued it will mean that the financial condition of dealers will be weakened and the purchasers of automobiles will again suffer because of the high cost in the financing of their cars.

The OPA's statement that profits will be equal or larger than they were prior to the war is not correct when you take into consideration the increased cost that is involved in the transaction of business under present conditions. This is due to the increased wages paid, the higher cost of rent, materials, and repairs, and other items connected with operating a successful automobile business. To require any dealer to absorb the additional cost of labor in the process of manufacturing an article which he purchases from the manufacturer is certainly unfair and unwise. The Crawford amendment will correct this situation and will certainly modify OPA directives.

I am also in favor of the elimination of subsidies just as rapidly as possible. The Wolcott amendment will be presented on the floor, the purpose of which is to gradually eliminate subsidies by December 31, 1946. This amendment should have the support of every Member of the House as subsidies have no part in a sound government and should be eliminated in their entirety.

The OPA should be gradually liquidated and just as rapidly as production meets demand every item should be eliminated from price control and placed on a competitive basis. I am firmly of the opinion that OPA's policy has created shortages instead of correcting them. It has brought about black markets and legitimate business has suffered greatly. The only solution to this problem will be the entire elimination of OPA as rapidly as possible.

I have received many letters regarding the dairy situation. The farmer can sell his cream at a higher price for purposes other than the making of butter with the result that there is very little butter available. The greater majority of the people would rather pay a little more for butter and have it than be unable to get it at all. This is true with other commodities as well as butter. At this point I wish to read a letter from Mr. J. J. Kirk, president, Beaver Meadow Creamery, Inc., Du Bois, Pa., which clearly outlines the butter situation:

BEAVER MEADOW CREAMERY, INC.,
Dubois, Pa., April 13, 1946.

Hon. D. EMMERT BRUMBAUGH,
House Office Building,
Washington, D. C.

DEAR SIR: Referring to our telephone conversation of April 10 regarding the subject of raising the ceiling price on butter so that butter manufacturers can pay the farmers who are producing fat for churning purposes as much money as they are receiving from the consumers who go to their farms direct and purchase butter, we would like to enumerate a few pertinents facts that are in existence.

In the past 2 weeks we have had seven cream producers take their cream to ice-cream manufacturers in Punxsutawney and Brockway, Pa., because they are paying producers 75 cents per pound butterfat delivered into their plants (the farmer retains the skim milk on his farm for animal food). Before making this change these farmers expressed their sympathy that we could not meet the ice-cream manufacturers' paying price, stating they knew we were controlled by OPA ceiling prices, and that many more will follow this practice.

Our cream-route drivers report that farmers will not sell cream to creameries because they receive from 70 to 80 cents per pound for butter at their farms, and if they do not wish to churn this cream into butter themselves, the people then buy the cream from them paying them 85 cents per quart for their cream, and churn it themselves.

We have not been able to purchase any cream from the dairies in our area this year because they are selling their surplus to the ice-cream manufacturers who are able to secure sugar and other ingredients in quantities large enough to manufacture all this surplus fat into ice cream, and are storing this product in commercial warehouses—insuring themselves an adequate supply when milk production is at its lowest volume. We know of many small cold-storage warehouses where this product is being stored.

We have also had the consuming public come into our plant and offer to go into areas where we do not operate and purchase cream from farmers, bring it to our plant, and have us give them the equivalent of the fat in this cream in butter. When asked how they would keep this quantity of butter they replied that they could divide it with their friends and repeat the operation when the supply was exhausted.

The above facts are not many, but they are enough to cause all the grief that we have in connection with the pursuit of our business. They also lead us to believe that any small increase in the ceiling price of butter will not change these conditions in any way; but if the ceiling prices on all dairy products could be eliminated, the people would then have the right to buy whipping cream, ice cream, cheese, or butter in quantities that would permit them to manage the diets of their families according to their needs.

We hope that the above information we have submitted to you will be regarded as an honest effort to place before you the conditions as they exist in our industry today. The American people would enjoy relief from them if they knew how to present their cause in the proper way to their Representatives.

We are,

Very truly yours,
BEAVER MEADOW CREAMERY, INC.,
J. J. KIRK, *President.*

Meat should be eliminated entirely from OPA regulations, as the meat situation is entirely out of control and a great many people are unable to buy meat at any price unless they purchase it through the black market.

The policy of the OPA the past year in connection with the lumber industry, and especially building materials, has resulted in a shortage and has been responsible for the shortage of homes. The OPA cannot correct this situation and thus building materials and supplies should be eliminated from price control. If such action is taken, I am of the opinion that there would be more homes, the construction of which would be of a more substantial nature.

In conclusion the age-old law of supply and demand which is God's law will have to be reverted to eventually and the postponing of a solution by adopting artificial means only delays our recovery from the chaotic condition that seriously menaces our national economy. A sane and sensible government demands balancing of the Budget, elimination of deficit financing, and removing the shackles from free enterprise by the abolition of unnecessary and overlapping bureaus that now have a stranglehold on American business, prohibiting it from reaching the production necessary for a sound national economy. In short, OPA has not prevented inflation but in truth is simply delaying the day of reckoning.

Mr. GAMBLE. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BATES of Massachusetts. Mr. Chairman, compelled by the very thought that we are allowing America's oldest industry to perish, I come to you today to sound the clarion call to duty in behalf of the fishing industry of this Nation, with its thousands of employees and millions in investment.

For many weeks I have searched carefully into this arising emergency, discussing the general situation with leaders and workers of the industry, and certainly the gravity of the situation which can scarcely be exaggerated demands the fullest protection for the industry from our Government, and without delay.

THE FISHING INDUSTRY

For over 300 years the fishing industry has played a vital part in the economic life of our country. It has provided essential food and stimulated economic life of many communities through jobs and pay rolls and higher standards of living. In good and hard times it has kept moving forward, until today it is inextricably interwoven in the welfare of the entire Nation, particularly in these days of world food shortage.

It is superfluous to mention the importance of food, but I do feel impelled to emphasize the fact that over three-fourths of the productive efforts of the United States are devoted to the production, processing, and distribution of food, and, of course, food absorbs the largest amount of the consumer's income.

The production, processing, and distribution of fishery products has become so important to the people of this coun-

try that it is unthinkable that we should permit the destruction of its industry, which would inevitably bring chaos to the economic life of many communities and to the thousands of workers engaged in the fishery industry. In times of great emergency the American people always depended on the fishery industry as an important source of our food supply.

RECONVERSION PERIOD

With the reconversion period in our midst, we are seeing more clearly that we are facing stupendous domestic problems which in some cases seem more difficult to solve than the problems of war. Reconversion, unemployment, surplus disposal, inflation, deflation, relocation of industries, resettlement of workers, readjustment of production, are all interwoven into a tangle of problems so interrelated that none can be solved separately.

In this general picture, we must have definite basic policies and we must look far enough ahead and measure the effect of every policy upon our total economy, if we are to deal successfully with conditions. Our goal should be the highest possible standard of living for all which means full employment with widespread purchasing power. These are the things that we must have in mind in dealing with the policies affecting the fishery industry and which the present policies appear to threaten its very existence, by permitting our American markets to be flooded by foreign products produced by cheap labor abroad.

The commercial fisheries of this country have a tremendous investment at stake in which the owners have invested according to the last report over $500,000,000. This capital investment is in vessels, shore plants, freezing and processing plants, wholesale and retail fish houses and distributing agencies. This industry last year—1945—produced over 4,500,000,000 pounds of fishery products with a value of nearly $500,000,000. It is an important industry within the economy of this country.

With these thoughts in mind, it is impossible to understand the basis for our Government's policies toward the fishery industry. We seek prosperity, full employment, and higher standards of living and at the same time permit the very structure that would make these things possible to be destroyed or seriously crippled. In other words, we are permitting a deluge of products to come in from foreign countries, while our own products processed by our own American citizens, are placed in cold storage because of the inability of our producers to find a market for them.

On April 1, 1945, the holdings in cold storage of frozen fish and shellfish totaled approximately 39,000,000 pounds. On April 1, 1946, this increased to 84,000,000 pounds, an increase of 45,000,000 pounds, or more than 115 percent above the amount held in cold storage a year ago. It is interesting to note that this increase of 45,000,000 pounds in cold storage over a year ago represents pretty closely the imports of frozen fish that came into this country last year from foreign sources.

FLOOD OF IMPORTS

Like every other industry, the fisheries faces a reconversion period filled with production, price, and distribution problems that are the cause for the greatest anxiety. Along with this has arisen the emergency resulting from cheaply produced foreign products, and mind you during a period when we should maintain the major portion of the American market for the products of our own American industries and American workmen.

The drive to assist returning veterans by providing them with jobs and pay rolls is strong throughout the Nation, yet here we are driving out of existence an industry that presently employs thousands of men and women who have served in the armed forces of the country in every part of the globe.

The facts we get from the Fish and Wildlife Service leave no doubt as to the crises facing the fishing industry today. The figures we get are amazing. It shows that the imports of filleted fish have skyrocketed from 9,426,285 pounds in 1939 to over 43,000,000 pounds in 1945. Imports of these processed fish last year amounted to approximately 32 percent of our domestic production of filleted fish in 1945 in the North Atlantic area. It is difficult for me to believe that the Reciprocal Trade Agreement Act was intended to hand over the major part of the American market into which any particular industry had to depend in order to dispose of its products.

I can well understand our desire to be of every possible assistance in rehabilitating a war-torn world, but we should not permit the destruction of our own industries in our desire to help others. It is only if we are strong that we will be able to help in a major sense those afflicted people in other parts of the world who are in distress. If the present policy of the Government which is affecting the industry runs down through all of our producing activities in this country, then let me warn there is trouble ahead for all of us. It was the experience we had following World War I, and the conditions I am describing today seem to be but a forerunner of things that lie ahead. We pride ourselves in the wage rate paid our labor, and justly so, but how long can these schedules be maintained when you consider the low wages paid to labor in the countries from which these foreign products are coming in.

When we compare the wage rates of our American workers in the fishery industry with those paid by our foreign competitors, we find that the products of the foreign fisheries can be landed on our shores from 7 to 10 cents a pound less than can be produced by our American fisheries and this includes the duty paid at the port of entry. The facts clearly show that the commercial fisheries of this country cannot compete with foreign competitors under such circumstances.

The fishing industry of this country faces a very definite crisis, and the continuation of present competition from cheap foreign markets will inevitably spell disaster for the industry and put thousands of workers out of employment. Some action must be taken by our Government to protect us under these circumstances.

England no doubt has a similar problem on her hands. In 1945, Britain purchased over 53,000,000 pounds of fish from Iceland. But on December 31, 1945, last year, Britain served notice on Iceland that it would not purchase any frozen fillets from that country during 1946. She was also a heavy purchaser from Canada and Newfoundland, and it is understood that these purchases heretofore made by Britain will be substantially reduced from these two sources also.

Where is this fish formerly taken by Britain to be marketed? Obviously, the United States is the logical country to which to export, and this is precisely what is now happening.

Imports of filleted fish for the first 3 months of this year are over 50 percent higher than what they were for the same period a year ago. Therefore, it is not difficult to see that the very existence of our domestic fisheries is threatened by these constantly increasing imports.

May I call your attention to the report I received from the Fish and Wildlife Service in the Department of the Interior that the steamship *Brauarfass* from Iceland arrived in New York on March 26, with slightly more than 2,000,000 pounds of processed fish. Most of this shipment was entered for immediate consumption and the remainder stored in bonded warehouse. Thus in one cargo last month Iceland sent in here more processed fish than ever came in here from that source in any previous year.

I am further informed that Iceland placed orders in this country recently for a sufficient number of containers to pack 30,000,000 pounds of processed fish, and it must be assumed that Iceland is getting ready to deluge this country with fish that previously went to Britain and the European area. I believe it is time for us also to develop a far more rational trade policy.

As prices in this country advance, the duty on these fishery products of 2½ cents per pound loses its effectiveness when the differential in the cost is 7 to 10 cents per pound. If the duty is not to be increased, then some kind of a quota system should be established under which the imports would have a direct relation to the production of the industry producing the identical product.

In view of the fact that monthly imports of fish are heaviest from March to September, inclusive, it is conceivable the imports this year may reach a total of sixty to seventy million pounds, increasing by 50 percent the imports of processed fish in 1945 which in itself was a record-breaking year.

Canada, Newfoundland, and Iceland, have tremendous exportable surpluses of groundfish. In the prewar years most of the catch in these countries was salted

for export. When most of the salt fish markets were lost during the war, demands for frozen fish in the United States and the United Kingdom led to a marked expansion of freezing facilities in those countries. The capacity of these facilities is greatly in excess of the normal foreign outlets for frozen fish. Most of the plants were constructed during the war as emergency measures. Naturally their continued operation is highly desirable, not only because they represent a substantial investment, but because frozen products offer a more profitable outlet than salted fish. It is, therefore, highly probable that Canada, Newfoundland, and Iceland, will strive to not only hold the advantages gained during the war, but to continue the expansion of exports of frozen fillets to the United States in the early postwar years. This is inevitable if the processing and freezing facilities of those 3 countries are to be utilized within a sizeable fraction of capacity. During the war the United Kingdom contracted to take most of the Icelandic production of frozen fillets.

It is well known that the producers in Iceland have sent sales representatives to the United States for the purpose of establishing trade connections and expanding the market in the United States for their processed fish. The landing of 2,000,000 pounds of this fish in New York in March may have been the result of these activities.

We must avoid the situation that confronted the commercial fisheries of this country in the years following 1929 when we faced an extended succession of depressed prices. There were long periods when fishing vessels operated at substantial losses to owners. Fishermen who shared in the earnings of these vessels frequently did not make enough on the trip even to pay their proportionate share of the food and operating expenses. In many communities like Gloucester, Mass., which depend almost entirely on the fishing industry for the livelihood of their people, more than half of the crews of fishing vessels had to apply for public welfare aid. The workers employed in the processing plants ashore were likewise affected. We owe it to our own citizens to see that this condition does not happen again.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE MERCHANT MARINE AND FISHERIES,
Washington, D. C.

Hon. JAMES F. BYRNES,
Secretary of State, Washington, D. C.

DEAR MR. SECRETARY: Over the past 2 years the Committee on the Merchant Marine and Fisheries and its Subcommittee on Fisheries have held a number of hearings dealing with the problems of the fishing industry in the United States. Our most recent hearing dealt primarily with the very serious threat which has arisen to the New England fisheries because of the continuing and increasing imports of fresh and frozen fillets from Newfoundland, Nova Scotia, and Iceland. Representatives of the State Department and of the Tariff Commission attended this last hearing.

I am enclosing a memorandum giving, in factual form, the essential figures with respect to these increasing importations, and the great spread between the cost of producing these fillets in the countries named and in the United States. The figures have all been taken from Government sources. I think you will agree with me that an objective study of these figures will show that the North American fisheries are doomed to early extinction unless some specific controls are placed upon further importation.

While the committee has not acted officially, many of its members, comprising, I believe, a majority, have reviewed various steps which might be taken within the Government, and have come to the conclusion that the flexible provisions of the reciprocal trade agreements do not offer sufficient leeway to remedy the situation, even though it should be the disposition on the part of the administration to make use of this method of trying to increase tariff protection. It is, therefore, the considered belief of many of our members—in my opinion, of a majority—that the North Atlantic fisheries can be saved only if the Department of State can obtain from the Governments of Great Britain, Canada, and Iceland some agreement with respect to the setting up of voluntary quotas.

While the problem, as presented to you in this letter, would appear to be centered on the North Atlantic fisheries, I am assured that the fishing interests of the rest of the country and, in particular, those of the Pacific Northwest are just as much interested as are the North Atlantic fisheries.

In view of the real emergency which this problem presents, may I respectfully suggest that you call a meeting at the earliest possible moment at which members of this committee and other Members of Congress interested in the problem may discuss the situation with you. I think it would likewise be well if representatives of the National Fisheries Institute should be included in that conference.

Yours very sincerely,

_____,
Chairman.

Mr. NORBLAD. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Oregon.

Mr. NORBLAD. I wish to call the attention of the House that the same emergency exists with reference to the fisheries on the Pacific coast, particularly in the Pacific Northwest.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from New Jersey.

Mr. HAND. I deeply appreciate the gentleman's intense interest in this subject. I, like the gentleman, also represent a very important commercial fishery, and I want to thank the gentleman for calling attention to the difficulties the industry faces at this time.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield.

Mrs. ROGERS of Massachusetts. The gentleman knows that I and every other Member from Massachusetts will cooperate with him. I should like to remind the gentleman—although he and the other Members need no reminding of it—of the hazard to life faced by the fishermen when they go out to catch the fish. They need every encouragement and every protection.

Mr. BATES of Massachusetts. I thank the gentlewoman from Massachusetts.

Mr. LANE. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. LANE. I hope the gentleman from Massachusetts will **not** lose sight of the contribution made by our domestic fishing industry toward winning the war by seeing to it that the people at home received the necessities of life while our goods and other foods were sent to the boys who were fighting for us overseas.

Mr. BATES of Massachusetts. The gentleman is correct.

Mr. NORBLAD. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Oregon.

Mr. NORBLAD. While England is making these restrictions and quotas, may I call the gentleman's attention to the fact that the Columbia River fishing boats bring in on an average ordinarily from 30,000 to 60,000 pounds of fish per load. Today they are bringing in only 5,000 pounds because we have had to place a restriction upon the producers of fish in that area. That is being done voluntarily because the market cannot handle more than that amount.

Mr. BATES of Massachusetts. This is a Nation-wide situation that affects the fishing industry not only in the New England area but in the entire country.

Mr. MURRAY of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. Has the gentleman checked up to find whether or not these imported fish have a higher OPA ceiling than the domestically caught fish?

Mr. BATES of Massachusetts. They come in under the same ceiling as our own fish, and get the benefit of the high ceiling, but the American consumer is not getting the benefit of it.

Mr. MURRAY of Wisconsin. I might say to the gentleman he is no better off than the Swiss-cheese makers in Wisconsin, because Mr. Bowles gave the foreign producers a 12-point ceiling higher than the domestically produced cheese, and that wipes out the duty altogether.

Mr. BATES of Massachusetts. Obviously, the whole system pertaining to the price structure, the wage structure, the standard of life, and even the jobs of our American men and women will be jeopardized if something is not done to control these imports.

Mr. LANE. Mr. Chairman, will the gentleman yield?

Mr. BATES of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. LANE. I want to compliment the gentleman on his very able presentation of a very serious situation that is now prevalent in this country, and I hope that the Congress will take due notice of it and take some action on the recommendation of the gentleman from Massachusetts.

Mr. BATES of Massachusetts. I know the gentleman from Massachusetts is fully informed of the very critical situation existing up there, which was called to our attention also by the gentleman from Oregon as to the situation existing in the Pacific area.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. NORBLAD].

Mr. NORBLAD. Mr. Chairman, may I extend to the gentleman from Massachusetts [Mr. BATES] my congratulations on the remarks which he has just made on the emergency situation in the fishing industry? Although the gentleman from Massachusetts [Mr. BATES] has spoken primarily from the standpoint of the New England fishermen, he has also thoroughly covered the subject on a Nation-wide basis.

I respectfully again call the attention of this House to the figures submitted by him. They are worthy of your study. In my opinion, the only conclusion which can be drawn therefrom is that a large segment of our fishing industry will be so handicapped, if this condition continues, that they will eventually be forced out of work. The figures submitted apply with equal force to the fisheries of the Pacific coast, and particularly the North Pacific region, which I represent, and to that great industry centered in my home town, Astoria, Oreg.

If it were not for this unwarranted competition from foreign markets, our boats would be bringing in loads of from thirty to sixty thousand pounds of rock fish per trip. As the situation now stands, they are limited to 5,000 pounds per trip. This limit is necessarily made by the West coast buyers as the market has been so disrupted by these imports that they are unable to purchase more than this quantity. It is obvious that operations cannot continue where a limit is placed on the catch, as the cost from the fishermen's standpoint makes it prohibitive. The Pacific coast trawl fishery has a capital investment of some $14,000,000, as there are approximately 400 vessels engaged in this trade, and the average value of each is $35,000. The crews, who operate on a share basis, total approximately 2,000 men. Again limiting myself only to the Pacific coast, I call your attention to the fact that the processing plants handling this fish have a value of $5,000,000 and employ some 5,000 processors. The value of this production is from six to ten million dollars.

This industry has grown remarkably in the past several years, as has the entire frozen-food industry. Having become established, our foreign competition now sees an opportunity to duplicate our efforts and steal our markets and has done just exactly that. Successful marketing of quick-frozen fillets is necessary, or this newly established west-coast fishery will become extinct. We all anticipate that with the increase of frozen-food cabinets in retail stores, that this industry could become even larger than at present and a tremendous ass set to the entire country. Both foreign labor and capital profit by existing conditions while we suffer the loss. Let us give the jobs to our hard-working and substantial citizens, the American fishermen, and not to the fishing fleets of other lands.

Mr. BROWN of Georgia. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. LEA].

Mr. LEA. Mr. Chairman, I understand that our colleague from Arkansas [Mr. HARRIS] will tomorrow propose an amendment in reference to price ceilings on building materials. The amendment that he proposes has three important provisions. The first would require that a maximum price for building material which represents more than 10 percent of production cost thereof shall not be below a level which will permit the producers of at least 90 percent of such material to recover their current cost of production.

In the second place in determining the cost of such material, the Administrator shall allow a reasonable amount for overhead, including capital assets consumed in production, at the market price or the ceiling price, whichever is the lower. Such production costs may be determined on a reasonably representative sample survey.

In the third place, when an industry advisory committee shall recommend an adjustment in the maximum price as a means of securing maximum production, the Administrator shall within 60 days determine the adequacy of existing prices and, if not adequate, shall forthwith make adjustments to at least meet the minimum.

As I take it, these proposals rest upon the broad principle that the producer of a product is entitled to a reasonable cost and a reasonable profit. I believe in the justice and practicability of such a policy.

When the Government desires production and denies the producer an open market, and limits him to a price fixed by it, there is a duty to give such producer a fair price.

In my judgment the greatest mistake of OPA policy is that it has not forthrightly operated on a declared policy of allowing actual current costs of production with a reasonable profit. There is no injustice to the Government or to the producer in allowing him the benefit of such a policy.

The OPA was commissioned to perform an important service against inflation. The best adjustment possible is that of a balanced relation between cost and prices. Any increase in prices that comes from such a policy is not inflationary in any proper sense of the term.

The public does have a proper interest in preventing excessive or extortionate prices to those who would take advantage of the necessities of the country, but production at current cost with a reasonable profit is not violating any right of the public.

There is a terrific need for increased production of building materials and particularly for housing. Beyond the housing need, production of building construction materials is of first importance to aid reconversion and for that large volume of business and labor employment that are so important to the Nation.

The amendment proposed by the gentleman from Arkansas also recognizes the need of prompt decisions affecting ceiling prices if we are to secure a maximum production. My attention has been called to an instance in which, in 1944, a request was made for ammunition boxes, for which there was a dearth of the grade of lumber required. An opinion was requested from an industry committee, which immediately recommended an increase of $4.75 a thousand for the grade of lumber required. Nothing happened. After the war was over an increase of $1 a thousand was announced. Along with the increase came price decreases in other items to balance the increase allowed on this particular grade of lumber. It is asserted that many of the producers of lumber on which decreases were granted to even up the price were already in the red, with the result a curtailment of production.

We must, of course, recognize that there are always marginal producers in every line of industry. Prices cannot be fixed to make all prosperous. There is always a reasonable limit to what could or should be done, but that reasonable limit is not in fixing prices below a reasonable average cost of production.

I can commend the proposed amendment of the gentleman from Arkansas to the favorable attention of the House.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, "Although OPA will be necessary for a while longer, definite limits should be placed on this and other controls. Extension of Government controls hampers production and increased production is the only way to raise living standards and avoid inflation."

That is the statement of the American Federation of Labor appearing in its current monthly survey. It is sound and clearly expresses my position on OPA.

The Office of Price Administration is a wartime agency. The war is over. Its purpose has been largely served. Its basic principle is antagonistic to the natural law of supply and demand; therefore, as properly pointed out by the American Federation of Labor its continuation should be restricted within definite limits. The bill before us, H. R. 6042, for continuing price control, however, does not extend the life of OPA to within definite limits. Property owners are left entirely to the arrogance and persecution of its administration. Under its unreasoning methods, black markets flourish, scarcity prevails, housing shortages exist and grow worse, essential commodities are unobtainable, inflation is created, and the people generally are inconvenienced and made to suffer.

The cost of living has increased in spite of the OPA.

The cost of owning and maintaining property, including taxes, labor, and all material, has greatly increased since 1941. Nevertheless, income from housing units are frozen and small-property owners deprived of income on which their living depended.

This unfair condition will not be corrected under the present bill, unless it is amended. It should be amended by an over-all increase in rent or by requiring the Administrator to make adjustments sufficient to insure a reasonable return on investments. If we believe in justice, we should restore it to a segment of our population to whom justice has been denied by the OPA—and I refer to the small-property owners.

Theorists in the administration of Government, including the OPA, have become imbued with the notion that increased cost of production can be absorbed by the producer or distributor without passing it on to the consumer. This fantastic and unrealistic formula is the cause for much of the present scarcity and shortages in consumer goods. It is an attempt to beat simple arithmetic. Individuals cannot do it, and Government is now discovering it cannot do it, either.

The arbitrary and autocratic administration of rent control in the Detroit, Mich., area, where rents were frozen as of April 1, 1941, has reached a point where the harassed property owners have appealed to the common council of the city for relief, and that body passed a resolution on March 12, 1946, requesting the OPA to make not only a survey of the complaints but also a fair and equitable decision on the merits of the cases presented.

The rights of ownership of property, business, and private enterprise have been flouted and ignored by the high-handed methods of this agency during the war. On more than one occasion I have taken this floor to protest the injustices inflicted on loyal citizens. The war is over and they will not tolerate a continuation of these unconscionable conditions in peacetime. The feeling among people engaged in conducting small-business enterprises—and they represent the backbone of our national economic life—is expressed by one man who wrote:

> If OPA is to get a lease on life, it will be because of others than the small-business man.

I propose to vote for every amendment to this bill which will compel the OPA to administer the law with reason and common sense and the intent of Congress. I intend to offer an amendment to extend the life of this agency 9 months instead of 1 year, as now provided in the bill. I shall also oppose every effort to remove the so-called Crawford amendment from the bill.

If our free economy is to survive, if our competitive system is to endure, if the natural law of supply and demand is to be restored, if America is to move forward under the long-established and time-tested principle of private enterprise, then Government controls must be removed without unnecessary delay.

The words of Thomas Jefferson, describing the intolerable conditions existing in the Colonies caused by the English Crown, when he wrote the Declaration of Indcpendence, fly at us today with increasing force as we contemplate the well-nigh intolerable conditions created by the maladministration of price control. Jefferson said:

> He has erected a multitude of offices and sent hither swarms of officers to harass our people.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include a letter, permission for which I will ask when we go into the House.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. Mr. Chairman, I have listened to nearly every word of the debate on this very important legislation. It seeks to extend the life of OPA. I have also read most of the hearings. The people in my district are law-abiding people. They do not want run-away inflation. Neither do they want regimentation, nor the loss of freedom. I call your attention to the statements just made by the gentleman from Ohio [Mr. JONES]. This has to do with the enforcement phase of this subject of price control. I feel that the public-relations part of the OPA need considerable revamping. Voluminous mail I am receiving on the enforcement part of the program indicates this necessity. I hope something can be done about it when we read this bill for amendments. Among the scores of letters I have received recently most of the complaint is regarding enforcement. From these many letters I have selected one which I use as an illustration. This letter comes from a friend. He is one of the finest merchants in my district. He is a great American and a real law-abiding citizen. He has the interest of our country at heart. He represents merchants who at no time intend to violate any rule or regulation. I do not use this man's name because of obvious reasons. The letter follows:

APRIL 10, 1946.

Hon. KARL STEFAN,
House of Representatives,
Washington, D. C.

DEAR KARL: It has been some time since I have written you my criticisms or gripes or what have you, that we fellows out in the sticks usually write our Congressmen.

Again, it is OPA, and it is not because they have stepped on my toes either. That is, not so far. But they have really been taking the boys up and down the street. One for $240, one for $350, another $75, and so forth. Now these boys are old-time businessmen in Wahoo, they have always run a decent business, they are our most substantial citizens and have been trying to the best of their knowledge to live up to the principles of price control. It is not only the cost of the deal that they are concerned about, it is the humiliation of being taken up on the carpet.

The counts they were taken on were technical in character and if you will just try to thumb through a bunch of those OPA directives, and attempt to translate them, you will soon find that it is humanly impossible for the average businessman to interpret them and put them into effect without the assistance of legal advice and plenty of it.

Here is what is happening in most cases, not only with the men that are being pinched, but their friends as well. They are very bitter, not only against that department of the Government, but it extends to all other branches. They want to cash their bonds, have nothing to do with any program that calls for civilian cooperation, and replace every officeholder with a new one. Really, Karl, I believe this is the greatest threat we have today. It is Gestapo in its most flagrant form.

There are a lot of other evils that could be placed at the doorstep of OPA, such as production curtailment, black market, and red tape of every sort, which you are well aware of. I feel that for the safety of our democratic form of government, we should end it as soon as possible. Sure we will have some inflation and experience some ill effects, but the cure is so much worse than the disease that we can well afford the disease. At least, we will retain our freedom. We are not yet ready to trade our American way of life for communism under any assumed name.

Yours sincerely.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. GWINN].

Mr. GWINN of New York. Mr. Chairman, it must be true that a handful of patriots really save the country from time to time when you Members sit here so patiently as you have this afternoon. I want very briefly to give you a little sketch of 4,000 years of uninterrupted failure of OPA as applied in the experience of nations from the beginning of civilization. We have heard from time to time that our experience with OPA dates from Leon Henderson, or from 1942.

That American passion for economic freedom has deep roots in our history becomes clear when one reads the words of the president of Princeton, John Witherspoon, in a letter to George Washington:

> Fixing the prices of commodities has been attempted by law in several States among us, and it has increased the evil it was meant to remedy, as the same practice has done since the beginning of the world.

Is that really true? What does the historical experience of mankind teach about this fundamental issue, which touches the life of every man, woman, and child?

We may begin with the story of the Roman Emperor Diocletian, who, in A. D. 301, issued an imperial edict fixing the prices of commodities for the whole Roman Empire. His grandiose scheme was ushered in with a fanfare of benevolent propaganda. In fact, in the preface to the edict, the Roman Emperor shows an insight into the laws of psychological propaganda technique which is as startling as it is up to date. He assures his people that the coming economical control system is built on the highest motives of making the whole nation participate "in the blessings of that peace for which we have laboriously striven." He continues that in order to make this price-fixing system work, it is necessary for the rulers like "watchful parents of the whole human race" to help the people with remedies from above, and that such measures have become necessary, since humanity cannot achieve such good results by its own free action.

The edict goes on to explain how the people have become greedy; how exorbitant profits were being made; how monopoly was running wild, and the people, therefore, needed protection from foes within as well as foes without. The only cure was a complete over-all control of food, clothing, wages, and so forth. Reading the list of commodities which the Emperor asked his Chester Bowles of that day, Maximianus, to take

control of, reads astonishingly like our own modern OPA lists: Farm products, dyes, needles, feathers, filling for upholstery, seeds, wine, oil, meat, poultry, fats, sea food, building timber, wooden posts, finished wagons, agricultural implements, and so on ad infinitum.

In order to enforce his imperial law, Diocletian built up a huge bureaucracy to administer his universal price-control system. A contemporary observer has characterized the situation in the following words: "The number of ministers, of magistrates, of officers, and of servants who filled different departments of the state, multiplied beyond the example of former times."

The price-control police forces of Diocletian had as their legal weapon, severe penalties against any breach of the law. Death was the punishment for those who dared sell above maximum prices. Death also for the buyer who aided and abetted him. Death, too, for those who bought and sold illegal stocks. However, human nature being what it is, these penalties did not affect the general picture, and no bureaucratic machinery or legal apparatus could prevent a complete break-down of the law of supply and demand with all the economic and social evils resulting from it.

Economic historians of the Roman Empire find that a situation developed which was as tragic as it was prophetic. Because the scarcity of production was heightened by the interference from price-control laws, prices on consumers' goods in the actual market rose to catastrophic heights. The control system which was put into operation to combat inflation, in this manner actually created inflationary trends which broke the backbone of the economic life of a great empire. Everywhere the results soon became visible: Building and construction stopped entirely. The arts and sciences fell into decay to such an extent that modern historians immediately can recognize the crudity and purility of the craftsmanship of this period. Artistic creativeness and inventive skill did no longer thrive in this new atmosphere of economic tyranny.

History goes on to point out that while the economic waste was incredible the trades sank to ever lower levels. Poverty was created among the broad masses, while the merchants and small entrepreneurs were impoverished into bankruptcy. Landowners and manufacturers, who were the hardest hit, lost interest in a system of economic slave control that took away the private inventiveness and enterprise of the human genius.

In the realm of agriculture the situation became so bad that the Emperor found it necessary to order the farmers and the farm laborers controlled by serfdom under state supervision. That this measure could only lead to a worsening of the agricultural situation is perfectly explainable by the well-known historical law, that soil tilled by slave labor never yields abundant fruits such as land cultivated by free farmers.

To meet this general extremity of national economics, the Emperor, therefore, naturally turned to the device which is as common as it is artificial, namely, of exorbitant taxation. Taxes and surtaxes multiplied in a hopeless effort to fill an ever-empty treasury.

Thus ends the only total price-control system which the history of the Roman Empire records. Diocletian alone, of all the Roman emperors, was foolish enough to attempt it. If he had listened to the history of his empire he might have observed how earlier attempts of partial price fixing under emperors like Tiberius, Commodus, and Alexander Severus all had broken down. However, like many panic-stricken tyrants in the history of mankind, Diocletian apparently fancied that, if the price-control system only could be made totalitarian and foolproof, it would work where partial attempts have broken down. He lived to see the tragic mistake of his economic tyranny over a whole nation's life, since his experiment ended with such a complete failure that the edict had to be repealed as useless and unenforceable. Soon after the poverty-stricken and indignant people forced his abdication, on May 1 A. D. 305.

The more serious lesson of this Roman price-control experiment is grasped, however, only if one realizes that its long-range effect on the Roman Empire was directly connected with the economic destruction of the greatest empire of ancient history. As the historian Jules Toutain has pointed out, the economic break-down of the Roman Empire made it fall an easy prey to the attack of the barbarians who, a few generations later, poured in over the borders of the empire south of the Danube and west of the Rhine. What had once been a proud and great nation had deteriorated into a mass of people which had lost both the productive initiative and the national self-esteem which make a people strong and healthy. One of the fundamental laws of national defense is that only a nation in which freedom has been preserved under law is able and willing to take up arms in defense of human rights and human dignity.

Upon the grave of the Roman Empire the well-known historian, Samuel Dill, of Oxford, has written the following epitaph, which we may do well to remember:

> The system of bureaucratic despotism, elaborated finally by Diocletian and Constantine, produced a tragedy in the truest sense, such as history has seldom exhibited: in which, by an inexorable fate, the claims of fancied omnipotence ended in humiliating paralysis of administration; in which determined effort to remedy social evils only aggravated them until they became unendurable; in which the best intentions of the central power were, generation after generation, mocked and defeated alike by irresistible laws of human nature and by hopeless perfidy and corruption in the servants of government.

II

The temptation for people in power to tamper with prices and production seems to be a very ancient human game. Thus, in the Laws of Hammurabi, King of Babylon—2285–2242 B. C.—we find wage controls for boatmen, reapers, threshers, shepherds, laborers, artisans, bricklayers, tillers, stone cutters, milkmen, and carpenters. Regulated also were builders' fees and warehousing, as well as rental of cows in milk, calves, oxen, wagons, and freight and passenger boats. On the basis of historical evidence, we know that ancient history, throughout the changing centuries, is characterized by a never-ending succession of popular upheavals against tyrannical rules and regulations imposed upon the people from above. This continued strife reveals one of the fundamental themes of human history—a struggle between regimentation and freedom.

We find later laws in ancient history, like, for example, the Hittite Code—1350 B. C.—which was discovered in Baghaz Koi in Asia Minor, that attempted to establish provision for wages and prices. The very fact that such laws had to be abolished or drastically revised under popular pressure indicates that even in ancient times rulers met with deep-seated resentment against their attempts to block the activities and trade of their citizens.

It is not surprising that kings, who were notorious for their excessive egotism, should be found in the list of rulers bent upon price control. There is Philip IV, of France, who, in 1306, antedated Hitler's Jewish pogroms by six centuries, and who created a dire scarcity of wheat, bread, and clothing throughout his nation by his price-control system.

There are English kings, like Henry III and George II, who tampered with prices on grain and bread until Parliament rose up in indignation and repealed these royal price-control attempts.

There was Edward II, who, on an island like England, hit upon the ridiculous scheme of safeguarding production level on sea food by a control system which was inaugurated as a benefit for the people, but actually turned out to be such an impossible flop, that all fish disappeared from the markets in the British Isles.

A complete survey of ancient, medieval, and modern price-control systems proves that they created scarcity instead of production and ill will instead of cooperation. One of the most illustrious and meaningful examples of this historical law we find as we turn to the history of the French Revolution.

When the leftists of that day, the Jacobins, decided to destroy French culture and French enterprise, they made use of the old tyrannical medium of a violent price control. Being experts in revolutionary technique, they chose to place iron control upon 39 necessities of life under the agency called Committee of Public Safety. They planned to coerce farmers, traders, merchants, and the public into a state-controlled economy for the benefit of the revolutionary party. However, as has been repeatedly the case down through the ages, the fiercest and most sustained opposition came from the farmers, who refused to become the pawns of a party machine.

The picture of what happened to the French revolutionary price control system runs true to pattern. Production came to a halt, hoarding multiplied, and bribery of officials became commonplace in every French village. In the meantime the people with special pull or with money were able to secure products in a vast black market. In spite of rough

enforcement by tough administrators, the revolutionary price control office could not prevent the paralysis of the organs of supply and transport.

The law had put under national compulsion "all who help handle, transport, and retail products and articles of prime necessity," and yet both producers and transport, as well as labor and traders, rose up against this tyrannical state enterprise. Finally the battle became so violent that a counterrevolution took place, and on July 23, 1794, Robespierre, Saint-Just, and Couthon were guillotined as enemies of the people.

Some months later, the representatives of the French people met to remedy the disaster brought on by the revolutionary price control, and in December 1794, the agency with that fictitious name, Committee of Public Safety was legally abolished. A sigh of relief and a new spirit of self-governed activities swept through France. The farmers ploughed and planted, and during the month of July 1795, they could once again harvest their crops as free men after the disastrous and negative years of revolutionary price control. Liberty had conquered once more.

III

Coming now to the United States, we find here the resistance to Government tampering with the laws of supply and demand greatest of all. A limited price control was attempted during the American Revolutionary War, but the alert and freedom-loving citizens, taught by experience, soon totally rejected this Government interference with the economic life of the States.

Led by Connecticut and Massachusetts, the New England States went in for regulating prices early in the Revolutionary War. This emergency measure was motivated quite as much by the fact that the continental currency lost its monetary value as by the self-evident fact that British blockade created a severe shortage of consumers' goods. The inevitable result was that the 1774 price level soon broke down, and as early as the spring of 1777 Connecticut, Rhode Island, and New Hampshire were forced to raise the level for maximum prices. In Rhode Island, however, the town of Providence objected strenuously. It directed its representatives in the legislature to fight such measures, as they created scarcity and produced animosity.

In Connecticut, Governor Trumbull warned in a public statement:

> If we affix a low price to provisions and articles of importation, we shall find that the farmer will cease to till the ground for more than is necessary for his own subsistence, and the merchant will not risk his fortune on a small and precarious prospect of gain.

The good governor was really advocating what later generations prefer to call controlled inflation, even though he must be excused for not knowing the modern devices of economic deception called farm subsidies and cost-plus contracts.

Soon the States, including New York, Pennsylvania, and New Jersey, began to labor under keen misgivings, however, that the price control as such was a deceptive technique. This discovery led to an interstate convention being called in New Haven in January 1778. The war was still raging and the longed-for victory for independence still did seem war away. In a stampede of economic panic, the delegates voted, therefore, to adopt a price advance of 75 percent above the 1774 price level.

What was meant to be a radical cure threatened to become a disaster, since a run-away inflation soon began to encompass the national economic life. The Continental Congress very quickly realized that it had to reverse its policy in order to avert sure economic doom. In its meeting of April 8, 1778, it declared, therefore, to the sorely tried war-torn Nation:

> It hath been found by experience that limitation on the prices of commodities is not only ineffective for the purpose proposed, but likewise productive of very evil consequences to the great detriment of the public service and grievous oppression of individuals.

The courageous and wise pronouncement by the Continental Congress had a reassuring effect upon the States. In fact, so much so that price fixing was permitted to lapse for about a year. During this period, the American people discovered that price fixing could not serve as a safeguard against the heavy inflation which their just war of Independence gave them to carry as an additional price for freedom. They recognized this as an economic fact which proved that, measured in money values, they all were becoming poorer as together they were winning their freedom.

In 1779, the last brief attempt was made at price fixing as a remedy to control a deeply wounded war economy. On May 25, 1779, the town of Boston adopted a price schedule for 15 articles on a month-to-month basis. And in July of the same year, a State convention at Concord adopted a general price level, stipulating that "violators were to have their names published in the newspapers as enemies of the country." The background for this threat against violators was, of course, the fact that the very outcome of the whole war hung in the balance.

Yet, even so; history records that penalties were rarely imposed. Indeed, the laws were, for the most part, not enforced. They remained, as Prof. Allan Nevins has pointed out, on the statute books.

And as soon as the fortunes of war turned, the States rid themselves of the fruitless and scarcity-producing price-control system, which they had grasped in a moment of panic. It is to the undying glory of the men and women of the Revolutionary period that a whole year before Cornwallis surrendered at Yorktown, all the States had already repealed their price control laws.

Such was the depth of their belief in freedom as a producer of goods and services. Price control in America was over—not again to be revived for 160 years.

They fought not merely for independence. They fought for freedom and learned right in the middle of war itself that freedom produces more food and clothing and shelter than controls can produce. They emancipated freedom from Europe and European controls.

Then began the era of food and shelter not merely in America but it spread around the world. Prior to year 1800, starvation and famine recurred in every nation about every 10 years in war and peace alike.

Mr. Chairman, this debate has clarified one fundamental thing; namely, the fact that we are today witnessing the old, old fight between two contradictory political systems of government. On the one hand we have the advocates of continued government control over national life and national production. They willingly abandon freedom. To continue the OPA for 1 day beyond June 30, 1946, would be clear proof that the European idea of government control and government domination and compulsion has moved permanently into the political philosophy and political life of this great Republic.

Those who do not believe that freedom will solve our economic problems should stop fooling themselves. They continue to talk about freedom, but they do not really believe in it. They give lip service to liberty, but the moment the test comes they call for continued and increased power for public officials.

Mr. Chairman, the test is here. The test has been long overdue. Are we going to give our people, and the rest of the world, true statesmanship, built on first principles?

I am reminded of the words of a free American from the debate on price regulations of February 14, 1777, in the Continental Congress, where Mr. Benjamin Rush stated:

> The salvation of this continent depends upon the authority of this Congress being held as sacred as the cause of liberty itself. It becomes us, therefore, to be careful of the remains of our authority and character.

We know that what this Nation and other nations expect from the United States at this crucial moment in history is production and more production of vital foods and clothing and shelter for consumption at home, and especially food for people abroad. Half of the starving are dependent upon us. The managed, controlled, and forced spirit of man will neither produce nor work nor fight nor make sacrifices necessary to rebuild a world civilization which was wrecked by an evil domination system which was built on absolute Government control.

It is deplorable that 13 years of false indoctrination has dulled our sense of liberty, our passion for its products. Having won a complete victory over Government-controlled systems in Germany and Japan, we too are in danger of continuing to follow the false philosophy of good coming from Government interference, the Hegelian doctrine of the omnipotent state. It is Hegel who said:

> A state is the divine idea as it exists on earth and we must therefore worship the state as a minfestation of the Divine on earth. The state is the sole condition for the attainment of the particular end and good. The state must, in its constitution, permeate all situations.

Mr. Chairman, this is the right time to abolish a system of "omniscient" price regulators and their 62,000 bureaucrats.

This is the time to remember how utterly, miserably wrong these reconversion and OPA gentlemen were in their basic estimates of America and of America's power of recovery and production. They predicted unemployment, misery, and scarcity. Mr. John Snyder talked of 6,000,000 unemployed by December 1945. Mr. Schwellenbach and Mr. Wallace were sure of 6 or 7 million unemployed by spring 1946, while that expert in Marxist logic, Mr. Sidney Hillman, wanted to hoist the number to 10,000,000 unemployed.

The Members of this House are the representatives of a free people against these prophets of doom and gloom and their fundamental philosophy of life and government so completely out of line with truth and fact. I agree with Mr. Chester Bowles that "what is at stake is our entire economic future," only I believe that our future, as our glorious past, should be dedicated to freedom and faith and not to OPA and fear.

We have corruption and we have black markets because we have man-made control instead of adherence to that fundamental law called the law of supply and demand. A natural law which is as inevitable and basic as the law of gravity cannot be set aside by any law even of Congress. Freemen meeting in a free market doing their free selling and buying proves to be far more honest in the long run than people who have Government officials looking over their shoulders every time they turn or every time they finish a product. Freedom is more honest than government and so much more productive.

Everything that is happening now points to the fact that if we now continue to substitute expediency for faith in freedom we are on the road to weakening more and more the central idea upon which the Republic was founded. We are on the way to corruption and disintegration. To guarantee that this catastrophe shall not happen to the last bastion of free enterprise or free economy in the whole world the OPA must go.

If we cannot read history so well or act so courageously as our forefathers in dealing with price controls, we can imitate them. Let us take a leap of faith in freedom if we would have food and clothing and shelter.

Mr. SCHWABE of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GWINN of New York. I yield.

Mr. SCHWABE of Missouri. The Government even offered the inducement of the cost plus 10-percent contract in order to get production.

Mr. GWINN of New York. That is correct. We adjusted the contracts afterward and sent no boys from the Bronx around with bundles of papers to ask the producers of this country to sign up before they started work on the planes, ships, tractors, and tanks.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Chairman, if the Congress were to enact legislation forbidding the ebb and flow of the ocean tide, and then appropriate money for the building of dams to enforce its law, Congress would be doing nothing more futile than it does when it attempts to control prices in peacetime.

Ocean tides are caused by an irresistable natural law. Prices, over longer periods of time, are set by another natural law known as the law of supply and demand. Never in the history of the world has that law been successfully set aside except temporarily. It never will be.

Mr. Chairman, I speak on these subjects out of considerable study and experience.

For nearly a quarter of a century I was an executive of a business whose success or failure hinged on accurate forecasts of supply and demand and prices in some of the remote corners of the world.

As to inflation, I sensed its probability when the pattern of the New Deal became set following the election in 1932. I mentally charted inflation's course and in my mind's eye set up figurative signposts to mark each definite phase of its development. My timing has been bad. My chart has otherwise been surprisingly accurate.

The basic purpose of OPA was to hold back inflation by controlling prices.

I grant that during the war OPA was successful. What was the economic situation then? Both consumers and producers were motivated by patriotism. Consumers refused to patronize black markets. Producers, in addition to the patriotic urge, were encouraged to produce to the utmost both by guaranteed, but limited, fair profits, and by permission to include higher costs in sales prices. During war we had a controlled economy. Under it OPA was a necessary and successful part.

What is the economic situation in our country now that shooting war is ended? Entirely different than what we had before.

We now have—

First. Huge purchasing power in hands of consumers. They want goods and can pay for them.

Second. Shortages of needed goods as a result of war curtailments.

What would have happened under these circumstances under a normal free economy? Just this—

First. Producers would be bending every effort to produce goods to meet consumer demand, and profit proportionately.

Second. A quick rise in prices which would stir producers to even greater production.

Third. A flood of goods on the market which would quickly (a) meet consumer demands, (b) reduce prices as demand became satisfied.

Thus, under a normal free economy, we would by now be well on the way toward a plentiful supply of goods at prices resting on the firm and age-old foundation of balance between supply and demand.

But what has actually happened under OPA controls since the shooting war ended?

First. The huge purchasing power in the hands of the people has continued. Its pressure on the economy has even increased due to frustration and passage of time.

Second. Shortages of needed goods have continued and are even worse. The reason for the shortage is that producers, faced with higher costs and limited by OPA ceilings, have naturally been unwilling to produce at a loss.

Couple huge demand with insufficient goods, then add controls which prevent production of goods, and the result is inevitable. That result is rampant black markets and accompanying break-down in the economic structure. That is what we have today under OPA.

Let me briefly review what OPA has brought us since the shooting war ended.

First. Scarcities of goods. Witness butter and housing.

Second. Black markets. Witness beef.

Third. Higher costs of living. Witness arguments in this House for increased salaries for Government employees.

Fourth. Inferior goods. Witness the quality of men's shirts one can find in stores—if he can find shirts at all.

Fifth. Inflation, which is but another way of saying unsatisfied demand for insufficient goods.

Mr. Chairman, with that record of failure, I cannot see justification for OPA's continuance except as to rents on existing buildings.

Americans, I am sure, would rather have plenty of goods at sound, fair prices than unobtainable goods at low prices.

To attempt to cure our country's economic ills by imposition of artificial price controls is like attempting to cure appendicitis with an injection of morphine—neither effects a cure. And the longer we continue unrealistic controls the longer will full production be delayed.

I proceed now to make specific comment on the bill which is before us. Section 1 A on page 2 begins with a brave statement that price controls and subsidies shall be terminated without further extension not later than June 30, 1947, and that on that date the Office of Price Administration shall be abolished. The very same paragraph then goes on to prove that the determination to terminate was not brave at all. The paragraph provides that as to commodities still in short supply on that date, price controls will continue and their administration will be vested in the several Government departments. OPA closes up, but its personnel merely moves over to Agriculture, Interior, Commerce, RFC, as per the old familiar pattern.

Further proof that termination is not intended appears on page 4, paragraph (d) (1). Here is provision that even after price control has been removed as to a particular commodity, the President may, after a period of only 60 days, set in motion the reimposition of maximum price controls. Let us examine this provision more closely. Price control has been taken off, for example, on butter. There is still an unsatisfied demand. The price thereupon goes up. Then, rather than permit the law of supply and demand to meet the situation by the stimulation which those higher prices would bring to production, and before the farmer could even begin to raise more heifers to produce more milk to produce more butter—bang—price controls are imposed again. The farmer veals his

calves and the butter shortage continues its unhappy course.

If I have made my point that price controls create and continue shortages, then paragraph (b) (1) at the top of page 3 is an entire anomaly. To say that price controls on particular commodities shall be removed upon satisfaction of domestic demand therefor is like telling a man that he should stop working when he has succeeded in emptying a barrel of water with a sieve.

Page 8, section 7 (o) sets up a provision whereby there shall be no maximum price on a new commodity which increases the life or reduces the cost of production of some other commodity. There is a proviso, however, that use of such new commodity must not increase the price of the end commodity to the ultimate user. Here is an example of careless thinking. If the new commodity increased the cost of the end commodity by 10 percent but at the same time resulted in a finished article whose usefulness was as superior as the electric lamp is to the tallow candle, price control would nevertheless be imposed.

I applaud the abolition of MAP on page 9 of the bill. The necessity of such abolition illustrates the futility of attempting to control fundamental economic processes by artificial rules and regulations.

In conclusion, I believe that rent controls on existing buildings should be continued. Beyond that, economic history proves that attempts to set aside so fundamental a force as the law of supply and demand can only fail as OPA has failed.

The longer we fool ourselves into thinking that the impossible can be accomplished, the greater the punishment we shall suffer before we finally come to our senses.

So bring on your crippling amendments. If we cannot kill this monstrosity, let us at least cripple it thoroughly and render it incapable of bringing further harm to our country.

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, today I received a letter from a very reliable and dependable ex-serviceman of Des Moines, Iowa, from which I desire to quote as follows:

MY DEAR CONGRESSMAN: I was just recently discharged from the Navy after serving 4 years, in which time I saw service in the Solomon Islands, Guadalcanal, and later in the Philippines. Now I am in a small business trying to make a decent living for my wife and myself.

But on returning home I find that a man can no longer work for what he considers an honest living—one which I believe I am entitled to. Millions of fellows like myself fought for that right. Was it all in vain?

My main complaint is the OPA, which you may think is a very good thing. You no longer have a right to run your own business. Some people sit around a bunch of offices telling you just what you are to do. What the hell do they know about it? Little guys like me are taxed to death just so they do it.

The OPA was supposed to do away with black markets, but instead is making more than ever. Small business hasn't a chance. I have a good meat case in my store and because of OPA I can't keep meat in it. I know the packers are killing plenty of beef, but they are shipping it out.

Why in the hell do we have to feed the starving countries of Europe? I've seen my buddies killed or all shot up by those poor starving people of Europe and Asia. My friends and buddies of 1941 are lying in holes over in starving Europe. Scores of them are crippled for life just because they wanted the world a better place. Is it democracy, what is it? In my 4 years in the Navy I didn't see any.

I fought for my country and now I want a chance to do a little something for myself with a half a million different Government bureaus flying overhead like a bunch of vultures.

I need fresh meat to carry on business and if the black market is the only way I can do it, that's how it will be done because my customers are going to go where they can get meat and they don't care whether it's black, blue, or purple market.

I am not much at writing or talking, my education was interrupted. My 4 years that should have been spent in college were spent as an enlisted man in the Navy. In Navy lingo the OPA isn't worth the powder to blow it to hell.

This is signed by the serviceman. The letter is in my possession for anyone who cares to see it.

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. DWORSHAK].

WHY IS THERE A BUTTER SHORTAGE?

Mr. DWORSHAK. Mr. Chairman, today the consumers of our Nation are experiencing the greatest shortage of butter in our history. Price relationships of dairy products are so unbalanced that proposed regulations soon to be announced by official Washington cannot relieve the situation. OPA controls and subsidies have thoroughly disorganized the dairy industry; although the price of butter has been held at a low level to the consumer, there is only an extremely limited supply of this commodity available.

Production of dairy products has been declining rapidly in Idaho, one of the Nation's leading dairy States. The high peak of dairy cows on Idaho farms was reached in May of 1944 when the United States Department of Agriculture estimated we had 251,000 cows. By January of 1945, this number was down to 248,000. In December 1945, the United States Department of Agriculture declared Idaho had 226,000 cows left. This shows a decrease of 10 percent in Idaho's dairy-cow population in 19 months.

Mr. H. G. Myers, prominent Ada County dairyman of Boise, Idaho, recently declared:

The largest amount of butter was made in Idaho in 1942 when we produced 37,561,045 pounds, according to the United States Department of Agriculture. This volume fell to 30,680,000 in 1945. It was, I believe, in 1943 that the shift of milk in larger quantities to cheese, evaporated milk, and powdered milk began at the urgent request of the armed forces for dairy products which could be shipped around the world.

IDAHO PRODUCTION DOWN 70 PERCENT

Revolutionary changes have come about in the butter and cream markets in the last 6 months, according to Mr. Myers. These changes, he said, were as unexpected as they are astounding. The production of butter in the Nation is down about 30 percent below the production of a year ago. The production in the Western States is down about 40 percent. Idaho production of butter is down nearly 70 percent. In February 1945 Idaho produced 2,240,000 pounds of butter. In February, 1 year later, Idaho made only 665,000 pounds.

Mr. Myers has also made the following observation:

The price of butterfat in butter is 10 to 15 cents less than the sale price of butterfat in sweet cream. Just for a moment consider what that means on the volume of butterfat or butter for some creameries. Take the creameries at Meridian and Caldwell. These two plants have an average butter production of close to 14,500,000 pounds per year for the last 4 years. The 10 to 15 cents difference between the price of butter and cream would mean perhaps $1,000,000 to $1,500,000 per year to the thousands of dairymen of Boise Valley who sell through them. That is the reason why butter is hard to get now and why it may vanish from the market if price ceilings do not change.

It is obvious that OPA controls and ceiling prices have been largely responsible for the curtailed production of butter. It is only logical that, if the price of this product is below the cost of production, dairymen will divert their milk output into other products—and that is why the housewives of our Nation today are unable to find butter in the grocery stores.

CIO WOULD DESTROY DAIRY INDUSTRY

Mr. Chairman, it is interesting to observe that, while the CIO leaders have been calling strikes to force wage increases for their members, the Political Action Committee of the CIO has consistently been opposed to the dairy farmer. This was particularly true throughout the war period when CIO members were receiving abnormally high wages. An illustration of this occurred on June 21, 1943, at a hearing conducted by the House Committee Investigating the National Defense Program in its relation to small business. Every dairyman should read the testimony of that hearing and then he would know how the CIO and PAC have been working against him. I shall quote from the testimony at the official hearings when Mr. H. S. Haddock, representing the CIO Maritime Union, was a witness in regard to the sale and consumption of oleomargarine and butter. On page 1171 of part 18 of these hearings, Mr. Haddock was asked if there was a difference in food value of these two products. Mr. Haddock replied, "Yes; oleomargarine has a greater food value than butter today." Then, on page 1172 of the official hearings, when asked the question, "What is butter selling for?" Mr. Haddock replied, "Fifty cents, I believe; it should be rolled back to 25 cents a pound." Then the question was asked, "What would the farmer get for his milk?" and Mr. Haddock replied, "I do not know since the increase in feed; but in 1939, with the feed at that level, a farmer at 25 cents per pound for butter—if he utilized all of his milk products—should make 12 cents per pound."

PRICES AND WAGES COMPARED

Then the CIO-PAC outfit has been keeping a group of so-called "economists" to advise the OPA as to what it should do about food prices—which means farm

prices. The dairyman has had his butter price frozen at 55 cents per pound, his cheese price frozen at 29 cents per pound; but the CIO and its "friends" in the administration obtained $1.44 per day increase in wages for making farm machinery.

Mr. Chairman, it is apparent that not only is there grave concern on the part of American consumers over the vanishing supply of butter, but dairymen are beginning to wonder whether there is active collusion on the part of the administration and the CIO labor leaders to destroy the dairy industry. It is unfortunate that the Office of Economic Stabilization, the OPA, and other Federal agencies fail to comprehend the need of raising price ceilings of dairy products in order to stimulate production. Consumers certainly prefer to pay higher prices than to be deprived of the opportunity to purchase these essential foods.

In eastern Idaho the Upper Snake River Valley Dairymen's Association has about 7,000 members who have contributed materially to the wartime production of dairy products. I have just received an appeal from Mr. E. S. Trask, general manager of this association, for congressional action which will relieve the dairy industry of its current plight. Because of the timely information contained therein I have asked permission to insert at this point Mr. Trask's letter, as follows:

CONDITIONS WORSE THAN DURING WAR

APRIL 5, 1946.

Representative HENRY C. DWORSHAK,
House Office Building, Washington, D. C.

DEAR REPRESENTATIVE DWORSHAK: Just a few lines to let you know what I believe the majority of our more than 7,000 members, both active and inactive, are thinking in regard to OPA. Of course, I do not presume to know what each individual has in mind, but from those to whom I have talked I gathered the information that the present situation is far worse now than it was during the war.

OPA price ceilings are compelling us to ship cream practically all over the United States—most of it, however, going to Utah and California. If we made butter out of this same sweet cream, we would lose about 13 cents per pound. The dairy industry, which we have spent 15 years in building up, is rapidly declining due to the fact that dairy farmers cannot continue to produce due to high labor and feed costs.

Even though we have strained the point and paid 74 cents per pound butterfat for whole-milk production, yesterday we received 157,644 pounds of milk at Idaho Falls, compared to 196,731 pounds the same day a year ago, or a difference of 39,087 pounds, and with the increase in our general overhead, which includes plant labor, supplies, hauling, etc., it is impossible for us to return to producers as large a share of our returns from dairy products.

It is no longer a matter of whether producers like dairying or not. They just do not feel that they can devote their time, which is valuable in this postwar era, to a money-losing part of their farm activities and are rapidly changing to cash crops. Our producers have invested more than one-half million dollars in our plants, which would be worth very little without dairy production.

I am not speaking as one who has no direct interest in producing milk for on our own farm we have just decided to cut our herd of 25 cows in two which would not be considered if we were not losing at the very least $5 a day.

One of our patrons near Rexburg recently stated to me that even though he had a herd of 25 good Holstein cows, the man on a potato sorter with no investment whatever could make more labor income per day than he was making with at least a $10,000 investment. All this, in my opinion, is chargeable to OPA.

If OPA had some people at the head of it with comparatively sound business judgment and all products as well as labor were brought under control, I can see that there would be a definite advantage in holding prices down.

Just recently I attended an advisory committee meeting in Washington on casein and the information developed there was that with a ceiling price of 24 cents on casein no creamery would make it unless they had no other way of disposing of their skim milk. The Argentine price has gone up to about 28 cents. It costs 4 cents to put it in the hands of consumers in this country. The committee recommended a 36-cent ceiling which I admit was probably 2 cents too high, but OPA will take care of that if they do anything, which I doubt.

The meeting was attended mostly by importers and the large handlers of the country. I had the doubtful distinction of being the only representative of producers. The meeting was not called for the purpose of giving the producer a break but was called due to the fact that some paper mills are already closed down and other large mills as well as some rubber plants it was reported would close in 30 days unless casein supplies were forthcoming. Argentina, as you know, now has a world market and we are up against every other country and they are outbidding our own.

The time required for OPA to make a decision is one of the many faults complained of. Apparently the do-nothing policy is followed.

I trust that you will look at this matter in a reasonable light instead of a political aspect. People in general, I find, are wondering why have a Congress when they turn the policies and even the laws of the Government over to bureaucrats. May I hear from you on this important subject?

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Iowa [Mr. TALLE].

MONEY WITHOUT GOODS

Mr. TALLE. Mr. Chairman, this afternoon I talked with Chairman Eccles, of the Federal Reserve Board, because I wanted to bring up to date the figures I used when I spoke about price control on June 21, last year, something less than 10 months ago.

I find that money in circulation—that is, money not in banks—as of February 28, 1946, was $26,200,000,000. In 1940 it was $6,500,000,000. I find that bank deposits, including demand deposits, time deposits, and Government deposits, have attained a grand total of more than $150,000,000,000. Remember this grand total was $60,000,000,000 in 1940. Then I find that Government securities which may be readily cashed and used as means of payment have risen to $95,400,000,000. The comparable figure in 1940 was $12,800,000,000. When you add the $26,200,000,000, the $150,700,000,000, and the $95,400,000,000, you get a grand total of $272,300,000,000. This gigantic figure represents our potential inflation as of February 28, 1946. Contrast this stupendous figure with its counterpart on June 30, 1940, namely $79,400,000,000. That was surely large enough to cause grave concern in the minds of thoughtful people. Yet the increase since 1940 is nearly 350 percent. This is the money problem which is playing such a disturbing part in our economy today.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Michigan.

Mr. DONDERO. Can the gentleman tell the House and the country what portion of the deposits in banks is invested in Government securities? I understand it is nearly 70 percent of all deposits.

Mr. TALLE. The gentleman is substantially correct. The figure I have is 61.2 percent as of December 31, 1945. The gentleman has asked a most important question and I am prepared to furnish the following figures showing the distribution of ownership of United States securities:

Held by commercial banks	$90,000,000,000
Mutual savings banks	10,700,000,000
Insurance companies	24,100,000,000
Corporations	66,700,000,000
Individuals	23,000,000,000
Other	10,400,000,000
Total held privately	224,900,000,000
Government agencies	27,000,000,000
Federal Reserve banks	24,300,000,000
Total, interest-bearing securities	276,200,000,000

The "Other" item above includes State and local governments, savings and loan associations, foreign holdings, brokers, and dealers.

Our Federal debt as of today is $274,300,000,000. Our potential inflation, I repeat, is $272,300,000,000. In other words our Federal debt is our potential inflation. In other words, too, our banking system has become our money system.

The name of the committee which reported the current bill—the committee on which I am privileged to serve—is the Committee on Banking and Currency. When that title was adopted many years ago our money system was a distinctive thing and our banking system was a distinctive thing. Now, the two systems are in fact identical, and the Federal debt is the controlling force in both.

That is what I have referred to in previous speeches when I have said that we must stop monetizing our national debt. No price-control agency can stem such a money tide in the face of acute shortages of goods.

Mr. Chairman, what are we going to do about it? In June of 1945, I said:

Certainly the way out is not to deal with the effect alone. That is what we are doing in the bill before us. We are dealing with the effect only. We have put a lot of prices in a kettle. We have built a hot fire under that kettle. Every time we appropriate the billions of dollars which pass so easily in this Chamber we add more firewood and fan the flames under that kettle. We put the OPA on top of that kettle to keep the lid down. The prices inside the kettle are seething now. Is it any wonder that there are some puffs of steam here and there in the form of black markets? Is not this the time to consider whether the lid may be blown off unless we deal with the cause, not the effect only?

Once more I say the bill before us deals with effect and not with cause. My plea is that very quickly, in fact immediately, the most searching and intelligent attention be given to the cause of this serious problem.

The answer is increased production of civilian goods—increased production spelled with capital letters—so much production that the supply of goods will make ceiling prices unnecessary.

Hand in hand with that, if we want to dampen the heat of the fire that is burning under the price kettle, it is high time that we begin to think about cutting down expenditures. To repeat: We must increase production and decrease expenditures. Those methods, if properly pursued, will deal with the cause of our trouble. When the cause of the trouble is removed, the effect will disappear.

In conclusion, Mr. Chairman, I want to say that the American people are willing to be led, but not to be driven. They are patriotic, industrious, and reasonable. The price control law could not have been enforced for 5 minutes had it not been for the fact that our people are ready and willing to do what is right and reasonable.

Mr. Chairman, my final plea last June was "that price controls be administered with a view to getting maximum production, and that these controls be removed as soon as increased supplies of civilian goods and services make removal feasible. By all means, such controls must not be permitted to remain so long that the American people lose hope. If there is any one thing that has won the war for us down to now, it is the spirit of the American soldier and sailor; and if there is any one thing that has brought arms and equipment to that soldier and sailor, it is the spirit of American enterprise. I do not want the OPA or any other Government agency to destroy that spirit, for that is the soul of America."

Mr. Chairman, those words were spoken not long after VE-day, when some capacity for increased production of civilian goods was made available. VJ-day came in mid-August, and the way was opened for all-out production of civilian goods. What has happened since then?

I shall let Mr. Bernard Baruch answer in the words he spoke while testifying on the current bill before the House Committee on Banking and Currency:

The whole world is watching us, amazed at the exhibition of a giant who cannot pull himself together even to take care of his own needs.

I invited Mr. Baruch to expand on that important statement, which he did, as follows:

Mr. BARUCH. Well, what do you suppose any power thinks about us or any voice that we may raise when we cannot even function here? Our people are crying for the things we can produce and which we are not producing. The whole world admired and respected us, not alone because of our great soldiers and sailors—the fighting men and women we sent around the world, on land, on the sea, and in the air—but because we produced the tools and the arms with which they could do the job and without which they could not do the job. And wherever you go in the world, you will find American armaments—the Sherman tanks, and airplanes, guns, ammunition, food, and clothing. That is what I mean.

Mr. TALLE. Other nations must be very puzzled when they look at what they see here now.

Mr. BARUCH. Undoubtedly.

Mr. Chairman, money without goods—that is our two-sided problem. The solution is expansion of production on the goods side, and contraction of the Federal debt on the money side. If disaster is to be avoided there must come an immediate and gigantic flow of goods which people want and need—houses, automobiles, washing machines, refrigerators, radios, electric irons, men's, women's, and children's clothing, all of good quality, to satisfy long pent-up demand. The money side must get equal attention. Monetizing of the Federal debt must stop. Deficit-financing must stop. Our gigantic debt must be reduced.

Mr. Chairman, this is a solemn hour in the life of our Nation. The strife of war has given way to the strife of peace. Those who promote the philosophy of economic control insist that more control is necessary. Those who believe in another philosophy—a philosophy which was successfully practiced in our Nation for a century and a half—have faith in economic freedom, in free, individual enterprise. This is not to say that all price controls should be taken off at once, for that would be a shock to our system.

But it is abundantly clear that positive action must be taken at once, for our productive machinery in industry is stalled. The solution, it seems to me, can be illustrated by what the engineer who runs the old-time steam traction engine does when the flywheel is on dead center. He grips the wheel with his two hands, gives it a quarter turn, then moves the levers—and the machine works. Industry is now on dead center. We must give it that quarter turn. Then the great productive force which amazed the world in time of war will equally amaze the world in time of peace.

Mr. GAMBLE. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Chairman, in the event Members were not present when I spoke on special order Monday, April 8, or did not have an opportunity to read my remarks, I take this opportunity to insert a proposed amendment similar to the one I discussed on that occasion.

This amendment, or one similar to it, in my opinion will restore Congress to its constitutional place in Government and curb the judicial and legislative actions of bureaus and agencies such as OPA.

The following proposal will "regulate the regulators":

"CONGRESSIONAL CONTROL OF REGULATIONS

"SEC. 1B. (a) Before any proposed regulation or order to carry out the purposes of this act shall be issued exercising authority conferred hereunder, other than administrative rules or orders governing the conduct of the activities of the Office of Price Administration or interagency rules governing its relations with other departments or agencies of the Government, a draft thereof shall be submitted on the same day to the Committee on Banking and Currency of the House ate of the United States and to the Committee on Banking and Currency of the House of Representatives for study, to consider whether such rule or regulation is made in conformity with the spirit, letter, intent, and purpose of this act, and that no unusual or unexpected use of powers herein granted is proposed. Such regulation or order may be approved or disapproved by the Committee on Banking and Currency of the Senate or the Committee on Banking and Currency of the House of Representatives. In the absence of action by either committee approving or disapproving such regulation or order, it may go into effect not earlier than the fifteenth day following, but not including, the date of the receipt of the draft of such proposed regulation or order by the chairmen of such committees. Disapproval of such regulation or order by either committee shall suspend its issuance: *Provided*, That such disapproval of such regulation or rule shall be in writing and shall clearly set forth the reasons therefor.

"(b) For the purpose of this section the Committee on Banking and Currency of the Senate and the Committee on Banking and Currency of the House of Representatives are authorized to sit and act by duly appointed subcommittees during the recesses and adjourned periods of the Congress."

In line 4, page 2, strike out the letter "A" and insert the letter "B" to number this as "Sec. 1B."

Mr. GAMBLE. We have no further requests for time, Mr. Chairman.

Mr. BROWN of Georgia. We have no further requests, Mr. Chairman.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "June 30, 1947."

Mr. BROWN of Georgia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, had come to no resolution thereon.

CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on tomorrow, Calendar Wednesday, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. FLANNAGAN asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include an amendment he expects to offer tomorrow.

Mr. WOLCOTT asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include two amendments he expects to offer tomorrow.

Mr. ELLSWORTH (at the request of Mr. GAMBLE) was given permission to extend his remarks in the RECORD and include a news article.

Mr. STEFAN asked and was given permission to include a letter in the remarks he made in Committee of the Whole.

Mr. REED of New York (at the request of Mr. SCHWABE of Missouri) was given permission to extend his remarks in the RECORD in two instances and include in one a statement and in the other a letter.

Mr. DWORSHAK asked and was given permission to revise and extend the remarks he made in Committee of the Whole and include a letter from a constituent.

Mr. McCORMACK asked and was given permission to revise and extend his remarks.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include certain excerpts.

AMERICAN LEGION ORATORICAL CONTEST

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, it is with the greatest of pleasure that I wish to announce to the House that the American Legion oratorical contest finals were held last night at Grinnell College, Grinnell, Iowa. The winners of this American Legion contest are as follows: William O. Wollin, of Los Gatos, Calif.; second, Doris Letourneau, of Lawrence, Mass.; third, Martin R. Haley, of Chisholm, Minn.; and fourth, Clifford Clarke, of Savannah, Ga.

I am particularly pleased that one of the contestants, Doris Letourneau, a 16-year-old junior from the Sacred Heart Parochial High School in Lawrence, Mass., although not the winner of this contest, nevertheless, took the second highest honors.

Miss Letourneau was first successful in the American Legion oratorical contest conducted in the Greater Lawrence, Mass., area, and then succeeded in winning the contest in the county, district, State, and regional championships. In winning the regional championship, Miss Letourneau defeated the contestant winners from Maine, New Hampshire, and Vermont. On last Friday evening Miss Letourneau was again successful in the eastern sectional semifinal competition held in Albany High School, Albany, N. Y., and, in defeating two senior high-school boys representing other Atlantic coast areas, she became the eastern sectional champion. As a result of her success in that contest, our candidate, representing 12 Northeastern States, entered the finals for the national championship in competition with winners of other sectional semifinals.

Being runner-up in this national contest, which has received Nation-wide attention, consideration, and publicity, she has brought not only honors to New England, and especially to the Commonwealth of Massachusetts, her home city of Lawrence, and the county of Essex, but she has brought great credit to Sacred Heart Parochial School and the good nuns who have been her teachers and her guides.

We, who are from Lawrence, Mass., are exceedingly proud of her efforts and her success in this national contest. Jubilant over her success, we, the residents of Greater Lawrence, extend to her and her father and mother, Mr. and Mrs. Louis H. Letourneau, our sincere and hearty congratulations, with every wish that Doris Letourneau will in the years to come be always most successful in any of her undertakings.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. JARMAN (at the request of Mr. SPARKMAN), for this week, on account of important business in his district.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1592. An act to establish a national housing policy and provide for its execution; to the Committee on Banking and Currency.

ENROLLED BILL SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2115. An act relating to the domestic raising of fur-bearing animals.

BILLS PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 804. An act for the relief of Mrs. Trixie Minnie Twigg;

H. R. 841. An act for the relief of Lander H. Willis;

H. R. 988. An act for the relief of Bernice B. Cooper, junior clerk-typist, Weatherford, Tex., rural rehabilitation office, Farm Security Administration, Department of Agriculture;

H. R. 1073. An act for the relief of Mrs. Gertrude Verbarg;

H. R. 1217. An act for the relief of Hutchinson's Boat Works, Inc., and others;

H. R. 1235. An act for the relief of John Bell;

H. R. 1262. An act for the relief of W. E. Noah;

H. R. 1264. An act for the relief of Lt. John P. Maher, Field Artillery Reserve, Army of the United States;

H. R. 1269. An act for the relief of Virge McClure;

H. R. 1350. An act to record the lawful admission to the United States for permanent residence of Nora R. Neville;

H. R. 1352. An act for the relief of Herman Feinberg;

H. R. 1356. An act for the relief of Elias Baumgarten;

H. R. 1399. An act for the relief of Mrs. Lucy Palmisano and the legal guardian of Anthony Palmisano, Jr.;

H. R. 1562. An act for the relief of the Borough of Park Ridge, Park Ridge, N. J.;

H. R. 1616. An act to grant honorable discharge from the military service of the United States to William Rosenberg;

H. R. 1721. An act for the relief of Eli L. Scott;

H. R. 1732. An act for the relief of Mrs. Marie A. Shedd, Mrs. Maude C. Denney, and Mrs. Mabel Glenn Gray;

H. R. 1759. An act for the relief of Mildred Neiffer;

H. R. 1838. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of A. G. Bailey against the United States;

H. R. 1950. An act for the relief of Harry Cohen;

H. R. 1980. An act for the relief of Maj. Edward A. Zaj;

H. R. 2062. An act for the relief of Dave Topper;

H. R. 2156. An act for the relief of Lee Harrison;

H. R. 2217. An act for the relief of Rae Glauber;

H. R. 2244. An act for the relief of Edward W. Thurber;

H. R. 2249. An act for the relief of the Cape & Vineyard Electric Co.;

H. R. 2251. An act for the relief of Catherine V. Sweeney;

H. R. 2265. An act for the relief of owners of land and personal property of the Fort Knox area of Hardin County, Ky.;

H. R. 2266. An act for relief of land and personal property owners of Fort Knox area of Meade County, Ky.;

H. R. 2288. An act for the relief of Columbus Thomas;

H. R. 2318. An act for the relief of Mrs. Mertie Pike and the estate of Mrs. Burnice Smotherman, deceased;

H. R. 2331. An act for the relief of Mrs. Grant Logan;

H. R. 2415. An act for the relief of Joseph Tarantola and Ida Tarantola;

H. R. 2418. An act to authorize the United States commissioner for the Sequoia National Park to exercise similar functions for the Kings Canyon National Park;

H. R. 2509. An act for the relief of the legal guardian of James Irving Martin, a minor;

H. R. 2682. An act for the relief of John Doshim;

H. R. 2826. An act for the relief of Esther L. Berg;

H. R. 2837. An act for the relief of George Stiles;

H. R. 2842. An act for the relief of Montgomery County, Miss., districts 2 and 3;

H. R. 2848. An act for the relief of the legal guardian of Wilma Sue Woods, Patsy Woods, Raymond E. Hilliard, and Thomas E. Hilliard, minors;

H. R. 2884. An act for the relief of B. H. Spann;

H. R. 2885. An act for the relief of Mrs. Frank Mitchell and J. L. Price;

H. R. 2901. An act for the relief of Mrs. Janet McKillip;

H. R. 2904. An act for the relief of Clyde Rownd, Della Rownd, and Benjamin C. Day;

H. R. 2927. An act for the relief of Mrs. Evelyn Merritt;

H. R. 2931. An act for the relief of Edward Oatneal, John N. Oatneal, Jr., and James R. Oatneal;

H. R. 3003. An act for the relief of Mary G. Paul;

H. R. 3050. An act for the relief of David Siskind;

H. R. 3121. An act for the relief of Elizabeth M. Simmons and Robert H. Simmons;

H. R. 3126. An act for the relief of Mrs. Jean Taube Weller;

H. R. 3127. An act for the relief of Harry F. Vinton, Jr.;

H. R. 3161. An act for the relief of Mrs. Ruby Miller;

H. R. 3195. An act for the relief of Grenada County, Miss.;

H. R. 3217. An act for the relief of Mattie Lee Wright;

H. R. 3301. An act for the relief of the legal guardian of James Herbert Keith, a minor;

H. R. 3430. An act for the relief of George F. Powell;

H. R. 3431. An act for the relief of F. W. Burton;

H. R. 3483. An act for the relief of Mr. and Mrs. Cipriano Vasquez;

H. R. 3513. An act for the relief of Braxton B. Folmar and Mary Inez Folmar, William Ernest Evans and Dora Ethel Evans, Joseph Thomas Avery and Maggie M. Avery, Robert H. Phillips and Hattie P. Phillips, and the legal guardian of James T. Avery, a minor;

H. R. 3554. An act for the relief of Fred C. Liter;

H. R. 3590. An act for the relief of Charles Brown, legal guardian of Lula Mae Brown;

Charity Hospital of New Orleans, La.; and Dr. Edward H. Maurer;

H. R. 3591. An act for the relief of Addie Pruitt;

H. R. 3670. An act for the relief of the estate of Venancio Llacuna, and others;

H. R. 3677. An act for the relief of J. Tom Stephenson;

H. R. 3698. An act for the relief of Mrs. Lucille Scarlett and Charles Scarlett;

H. R. 3846. An act for the relief of the estate of Eleanor Wilson Lynde, deceased;

H. R. 3948. An act for the relief of Mrs. Clifford W. Prevatt;

H. R. 4054. An act for the relief of H. A. Edd;

H. R. 4056. An act for the relief of Mrs. Jud Hendry and her daughter, Gladys Hendry;

H. R. 4208. An act for the relief of the Calvert Distilling Co.;

H. R. 4239. An act granting to Guy A. Thompson, trustee, Missouri Pacific Railroad Co., debtor, and to his successors and assigns, authority to relocate, maintain, and operate a single-track railway across United States Government reservation at lock No. 3, White River, Independence County, Ark., and for other purposes;

H. R. 4240. An act for the relief of Frank E. Wilmot;

H. R. 4297. An act for the relief of Joseph Schell;

H. R. 4335. An act for the relief of the Morgan Creamery Co.;

H. R. 4560. An act for the relief of Nicholas T. Stepp;

H. R. 4797. An act to confer jurisdiction upon the United States District Court for the Eastern District of Virginia to determine the claim of Lewis E. Magwood;

H. R. 4914. An act to revive and reenact the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944;

H. R. 4940. An act granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate a toll bridge across the Connecticut River at or near Old Saybrook, Conn.;

H. R. 4957. An act for the relief of Herman Gelb;

H. R. 5010. An act for the relief of Mrs. May Holland;

H. R. 5121. An act authorizing the Secretary of the Navy in his discretion to deliver to the custody of the State of Arkansas the silver service presented to the United States for the battleship *Arkansas;*

H. R. 5275. An act to revive and reenact the act granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Pee Dee River, at or near Cashua Ferry, S. C., approved April 30, 1940;

H. R. 5544. An act authorizing the village of Baudette, State of Minnesota, its public successors, or public assigns, to construct, maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn.;

H. R. 5574. An act to amend paragraph 8 of part VII, Veterans Regulation No. 1 (a), as amended, to authorize an appropriation of $1,500,000 as a revolving fund in lieu of $500,000 now authorized;

H. R. 5664. An act for the relief of Oscar R. Steinert; and

H. R. 5765. An act authorizing the Secretary of the Navy in his discretion to deliver to the custody of the city of New Orleans the silver service and silver bell presented to the United States for the cruiser *New Orleans.*

ADJOURNMENT

Mr. BROWN of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 9 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, April 17, 1946, at 10 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Petroleum Subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m., April 17, 1946. Business to be considered: Public hearing to receive the final report of the Petroleum Administration for War.

COMMITTEE ON FLOOD CONTROL

8. Wednesday, April 17. Lower Mississippi River Basin, including the Red River, and including additional authorization for the approved comprehensive plan for the White and Arkansas River Basin;

Red River below Denison Dam, Tex., Okla., Ark., and La.; Bayou Pierre, La.; La Fourche Bayou, La.; Pontchartrain Lake, La.; Mermentau River, La.; North Canadian River, Okla.; Polecat Creek, Okla.; Grand (Neosho) River, Kans., Mo., and Okla.; Arkansas River, Ponca City, Okla.; Mississippi River, west Tennessee tributaries; Boeuf and Tensas Rivers and Bayou Macon, Ark. and La.; Big Sunflower, Little Sunflower, Hushpuckena, and Quiver Rivers and their tributaries, and on Hull Brake, Mill Creek Canal, Bogue Phalia, Ditchlow Bayou, Deer Creek, and Steele Bayou, Miss.

9. Thursday, April 18. Lt. Gen. R. A. Wheeler, Chief of Engineers, and other representatives of the Corps of Engineers, and proponents and opponents of projects in other regions.

10. Friday, April 19. Senators and Representatives in Congress, and Department of Agriculture, Weather Bureau, and other Government agencies.

COMMITTEE ON RIVERS AND HARBORS

Revised schedule of hearings on the omnibus river and harbor authorization bill to start Tuesday, April 9, 1946, at 10:30 a. m., is as follows:

(Wednesday, April 17)

Fairport Harbor, Ohio.
Calumet-Sag Channel, Ind. and Ill.
Chicago River, North Branch of Illinois.
Napa River, Calif.
Coos Bay, Oreg.
Columbia River at Astoria, Oreg.
Columbia River at The Dalles, Oreg.
Columbia River, Foster Creek Dam, Wash.

(Wednesday and Thursday, May 1 and 2)

Tombigbee-Tennessee Rivers.

(Friday, May 3)

Held open for description of projects favorably recommended by the Board of Engineers for Rivers and Harbors during its April meeting.

(Monday and Tuesday, May 6 and 7)

Big Sandy River, Tug and Levisa Forks, Va., W. Va., and Ky.

(Wednesday and Thursday, May 8 and 9)

Arkansas River, Ark. and Okla.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WOOD. Committee on Un-American Activities. Proceeding against the Joint Anti-Fascist Refugee Committee (Rept. No. 1936). Ordered to be printed.

Mr. BULWINKLE: Committee on Interstate and Foreign Commerce. H. R. 164. A bill to provide safety in aviation and to direct an investigation of the causes and characteristics of thunderstorms; without amendment (Rept. No. 1937). Referred to the Committee of the Whole House on the State of the Union.

Mr. BULWINKLE: Committee on Interstate and Foreign Commerce. H. R. 6030. A bill to amend the Civil Aeronautics Act of 1938, as amended, so as to improve international collaboration with respect to meteorology; without amendment (Rept. No. 1938). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'TOOLE: Committee on the Library. House Joint Resolution 331. Joint resolution to authorize suitable participation by the United States in the observance of the two-hundredth anniversary of the founding of Princeton University; without amendment (Rept. No. 1939). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Louisiana: Committee on the Census. H. R. 5857. A bill to provide for the collection and publication of statistical information by the Bureau of the Census; with amendment (Rept. No. 1942). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COMBS: Committee on Claims. H. R. 4527. A bill for the relief of O. T. Nelson, and wife, Clara Nelson; with amendment (Rept. No. 1940). Referred to the Committee of the Whole House.

Mr. COMBS: Committee on Claims. H. R. 5212. A bill for the relief of the dependents of Cecil M. Foxworth, deceased; without amendment (Rept. No. 1941). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOLLIVER:

H. R. 6147. A bill to amend the Nationality Act of 1940; to the Committee on Immigration and Naturalization.

By Mr. BRADLEY of Michigan:

H. R. 6148. A bill to exempt certain vessels from filing passenger lists; to the Committee on the Merchant Marine and Fisheries.

By Mr. JOHNSON of Oklahoma:

H. R. 6149. A bill to grant to enlisted personnel of the armed forces certain benefits

in lieu of accumulated leave; to the Committee on Military Affairs.

By Mr. LANE:

H. R. 6150. A bill to increase further the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States; to the Committee on Military Affairs.

By Mr. MAY:

H. R. 6151. A bill to provide for sundry matters affecting the armed forces, and for other purposes; to the Committee on Military Affairs.

By Mr. O'BRIEN of Michigan:

H. R. 6152. A bill to amend the act of July 6, 1945, relating to the compensation of postal employees, to provide for adjusting compensation of clerks assigned to terminal railway post offices, air mail field transfer offices, and office clerks, and study allowance time credits for certain employees; to the Committee on the Post Office and Post Roads.

By Mr. RANKIN:

H. R. 6153. A bill to remove the existing limitation on the number of associate members of the Board of Veterans' Appeals in the Veterans' Administration; to the Committee on World War Veterans' Legislation.

By Mr. TALLE:

H. R 6154. A bill to extend the time within which application for the benefits of the Mustering-Out Payment Act of 1944 may be made by veterans discharged from the armed forces before the effective date of such act; to the Committee on Military Affairs.

By Mr. WASIELEWSKI:

H. R. 6155. A bill to provide for the valuation of unlisted stock and securities for Federal estate tax purposes; to the Committee on Ways and Means.

By Mr. EARTHMAN:

H. R. 6156. A bill to increase the allowance for burial expenses of deceased veterans; to the Committee on World War Veterans' Legislation.

By Mr. MANASCO:

H. R. 6157. A bill to amend the Surplus Property Act of 1944 with reference to veterans' preference, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. EARTHMAN:

H. R. 6158. A bill to authorize the appropriation of funds to assist the States and Territories in more adequately financing their system of public education, and in reducing the inequalities of educational opportunities through public elementary and public secondary schools; to the Committee on Education.

By Mr. LAFOLLETTE:

H. R. 6159. A bill to provide for independent examinations and investigations of Government administrative efficiency, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. PRICE of Florida:

H. R. 6160. A bill to extend the benefits of the act of May 29, 1944, entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," to certain additional civilian officers and employees; to the Committee on the Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of Louisiana:

H. R. 6161. A bill for the relief of the legal guardian of Samuel Roscoe Thompson, a minor; to the Committee on Claims.

By Mr. DAUGHTON of Virginia:

H. R. 6162. A bill for the relief of Mrs. Pearle Healy Buchanan; to the Committee on Claims.

By Mr. SHAFER:

H. R. 6163. A bill for the relief of Linda Edwards; to the Committee on Immigration and Naturalization.

By Mr. TAYLOR:

H. R. 6164. A bill for the relief of Allen S. Collins; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1810. By Mr. LYNCH: Petition of the Polish-American Congress, down-State division, New York State, urging that the Polish people have a government of their own choosing and an ambassador chosen by them and not at Moscow; to the Committee on Foreign Affairs.

SENATE

WEDNESDAY, APRIL 17, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, in a crude cross planted in the earth that blossomed into victory, give us to glimpse anew the invincible symbol that Thy purposes are beyond defeat. Upon our spent spirits drop the still dews of Thy quietness and upon our feverish hearts the cool and gentle showers of Thy restoring grace, that in simple trust and deeper reverence we may be found steadfast in an unstable day, always abounding in the work Thou givest us to do, knowing that our labor is not in vain in the Lord.

Forbid that in cushioned ease we should greedily grasp a full chalice of plenty while multitudes of our fellows hold in enfeebled hands a cup of anguish. Suffer us not to complacently satisfy the pangs of our hunger oblivious to multitudes whose prayer for daily bread Thou canst answer only through our response. May we gladly accept even the Calvary of sacrifice that, through our self-denial, redemption may come to those whose very life is our trust. We ask it in the name of that One who despised the shame and endured the cross. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, April 15, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On April 16, 1946:

S. 63. An act to amend title V of the Communications Act of 1934 so as to prohibit certain coercive practices affecting radio broadcasting; and

S. 565. An act to extend the privilege of retirement to the judges of the District Court for the District of Alaska, the District Court of the United States for Puerto Rico, the District Court of the Virgin Islands, and the United States District Court for the District of the Canal Zone.

On April 17, 1946:

S. 1298. An act to establish an office of Under Secretary of Labor, and three offices of Assistant Secretary of Labor, and to abolish the existing office of Assistant Secretary of Labor and the existing office of Second Assistant Secretary of Labor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 486. An act for the acquisition of Indian lands required in connection with the construction, operation, and maintenance of electric transmission lines and other works, Fort Peck project, Montana;

S. 718. An act to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands;

S. 1190. An act for the relief of Mrs. Henry H. Hay;

S. 1310. An act for the relief of Saunders Wholesale, Inc.;

S. 1363. An act to reimburse certain Navy and Marine Corps personnel and former Navy and Marine Corps personnel for personal property lost or destroyed as the result of water damage occurring at certain Naval and Marine Corps shore activities;

S. 1492. An act to reimburse Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire in building No. 141 at the United States naval repair base, San Diego, Calif., on May 1, 1945;

S. 1601. An act to revive and reenact the act entitled "An act granting the consent of Congress to the counties of Valley and McCone, Mont., to construct, maintain, and operate a free highway bridge across the Missouri River at or near Frazer, Mont," approved August 5, 1939; and

S. 1638. An act for the relief of Salvator Carbone.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4253) for the relief of Mrs. Beatrice Brisbin, and the legal guardians of Wynona Gene Brisbin, Nelda Elaine Brisbin, Gwendoline Louise Brisbin, and Jacqueline Nadine Brisbin, minors.

The message further anounced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 1674. An act for the relief of Mrs. Ollie Patton;

H. R. 2115. An act relating to domestic raising of fur-bearing animals;

H. R. 2167. An act for the relief of Orvis Welch;

H. R. 2528. An act for the relief of Mr. and Mrs. James Sherry; and

H. R. 3159. An act for the relief of Ernest Pedro Ferreira.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the

amendment of the House to the bill (S. 75) for the relief of Thomas C. Locke.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1152) to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1089) for the relief of Albert Cantalupo.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2835) for the relief of James Lynch.

The message also announced that the House insisted upon its amendments to the bill (S. 1610) to provide for the rehabilitation of the Philippine Islands, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BELL, Mr. ROBINSON of Utah, Mr. GOSSETT, Mr. WELCH, and Mr. COLE of New York were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 941) for the relief of Mrs. C. A. Lee, administratrix of the estate of Ross Lee, deceased; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MCGEHEE, Mr. STIGLER, and Mr. JENNINGS were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 208. An act for the relief of Marion Contracting Co.;

H. R. 781. An act for the relief of the legal guardian of Douglas Charles McRae, a minor;

H. R. 1299. An act for the relief of Morris Fine;

H. R. 1538. An act for the relief of Robert J. Cramer;

H. R. 1570. An act for the relief of Edward Pittwood;

H. R. 1754. An act for the relief of Edwin Doyle Parrish;

H. R. 2192. An act for the relief of Andre Dacharry;

H. R. 2242. An act for the relief of Mrs. Lessie L. Bryant and Miss Jimmie Alexander;

H. R. 2248. An act for the relief of Joseph E. Alarie;

H. R. 2315. An act for the relief of Adele Nahas;

H. R. 2337. An act for the relief of H. H. Hood;

H. R. 2457. An act to authorize adjustments of irrigation charges in certain land exchanges within Indian irrigation projects;

H. R. 2637. An act to cancel drainage charges against certain lands within the Uintah Indian irrigation project, Utah;

H. R. 2843. An act for the relief of the legal guardian of James Harold Nesbitt, a minor, and Mrs. Clara A. Nesbitt;

H. R. 2854. An act to add certain public and other lands to the Shasta National Forest, Calif.;

H. R. 3228. An act for the relief of Sam Dishong;

H. R. 3270. An act for the relief of James B. McCarty;

H. R. 3340. An act for the relief of Mrs. Merla Koperski;

H. R. 3397. An act for the relief of Claude S. Crouse;

H. R. 3532. An act amending the act of October 14, 1940, entitled "An act to record the lawful admission to the United States for permanent resident of Nicholas G. Karas";

H. R. 3533. An act to authorize revisions in the boundary of the Hopewell Village National Historic Site, Pa., and for other purposes;

H. R. 3556. An act for the relief of Mr. and Mrs. Glen Rothenberger;

H. R. 3599. An act for the relief of Ama L. Normand and the estate of Curtis Joseph Gaspard, deceased;

H. R. 3665. An act for the relief of the legal guardian of William Needom Rashal, a minor;

H. R. 3702. An act for the relief of Maurice C. Ritter;

H. R. 3726. An act for the relief of Earl D. Massey, Marvin Marshall, and Fred C. Mitchell;

H. R. 3880. An act for the relief of Nicholas Ray Schlegel;

H. R. 3966. An act authorizing the Secretary of the Interior to convey certain lands situated in Clark County, Nev., to the Boulder City Cemetery Association for cemetery purposes;

H. R. 3968. An act for the relief of the estate of Charles W. Stewart;

H. R. 3988. An act for the relief of Decatur County in the State of Indiana;

H. R. 4016. An act for the relief of Dorothy Morgan;

H. R. 4090. An act for the relief of Roy Hesselmeyer;

H. R. 4113. An act to authorize and direct the Secretary of the Interior to issue a patent for certain land to Mrs. Estelle M. Wilbourn;

H. R. 4118. An act for the relief of Axel H. Peterson;

H. R. 4237. An act for the relief of the estate of Vedal B. Brooks, deceased; Mrs. Katherine I. Brooks; and the legal guardian of Sally Brooks, a minor;

H. R. 4254. An act for the relief of Sarah Holmes Beeman;

H. R. 4282. An act for the relief of Vera Frances Elicker;

H. R. 4373. An act for the relief of Carl and Naomi Fitzwater;

H. R. 4416. An act for the relief of George H. Buxton, Jr.;

H. R. 4639. An act for the relief of C. LeRoy Phillips;

H. R. 4670. An act for the relief of Mrs. Edna B. LeBlanc;

H. R. 4672. An act for the relief of Francesco and Natalia Picchi;

H. R. 4750. An act for the relief of C. C. Vest;

H. R. 4757. An act for the relief of Mrs. Gussie Feldman;

H. R. 4905. An act for the relief of Nina E. Schmidt;

H. R. 4915. An act for the relief of Irving W. Learned;

H. R. 4958. An act for the relief of Edith Joyce Crosby;

H. R. 5049. An act for the relief of the estate of Obaldino Francis Dias;

H. R. 5071. An act for the relief of Mrs. Dora Foster;

H. R. 5111. An act for the relief of Mrs. Mildred L. Bupp;

H. R. 5187. An act granting the consent of Congress to the Norfolk and Western Railway Co. to construct, maintain, and operate a bridge across New River near Radford, Montgomery County, Va.;

H. R. 5357. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River, at a point between the Boroughs of Elizabeth, in Elizabeth Township, and West Elizabeth, in Jefferson Township, in the county of Allegheny, and in the Commonwealth of Pennsylvania;

H. R. 5387. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River between the Borough of Belle Vernon, Fayette County, Pa., and the Borough of Speers, Washington County, Pa.;

H. R. 5444. An act to revive and reenact and amend the act entitled "An act authorizing the county of Gallatin, State of Illinois, its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near the city of Shawneetown, Gallatin County, Ill., to a point opposite thereto in the county of Union, State of Kentucky," approved July 18, 1939;

H. R. 5525. An act for the relief of Sylvia Wagner;

H. R. 5641. An act to authorize the attendance of the Marine Band at the national convention of the United Spanish War Veterans, to be held in Milwaukee, Wis., August 4 to 10, inclusive, 1946;

H. R. 5796. An act to amend title II of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, to permit the making of contributions during the fiscal year ending June 30, 1947, for the maintenance and operation of certain school facilities, and for other purposes;

H. R. 5896. An act to extend the term of design patent No. 21,053, dated September 22, 1891, for a badge, granted to George Brown Goode and assigned to the National Society, Daughters of the American Revolution;

H. R. 5929. An act to authorize the attendance of the Marine Band at the department convention of the American Legion, to be held in Racine, Wis., August 3, 1946;

H. R. 6084. An act to amend the Pay Readjustment Act of 1942, as amended, so as to provide an increase in pay for personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service; and

H. J. Res. 336. Joint resolution relating to cotton marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2115) relating to the domestic raising of fur-bearing animals.

ENROLLED BILLS SIGNED DURING THE RECESS

Under authority of the order of the Senate of the 15th instant,

The PRESIDENT pro tempore announced that on April 16, 1946, he signed the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

H. R. 804. An act for the relief of Mrs. Trixie Minnie Twigg;

H. R. 841. An act for the relief of Lander H. Willis;

H. R. 988. An act for the relief of Bernice B. Cooper, junior clerk-typist, Weatherford, Tex., rural rehabilitation office, Farm Security Administration, Department of Agriculture;

H. R. 1073. An act for the relief of Mrs. Gertrude Verbarg;

H. R. 1217. An act for the relief of Hutchinson's Boat Works, Inc., and others;

H. R. 1235. An act for the relief of John Bell;

H. R. 1262. An act for the relief of W. E. Noah;

H. R. 1264. An act for the relief of Lt. Col. John P. Maher, Field Artillery Reserve, Army of the United States;

H. R. 1269. An act for the relief of Virge McClure;

H. R. 1350. An act to record the lawful admission to the United States for permanent residence of Nora R. Neville;

H. R. 1352. An act for the relief of Herman Feinberg;

H. R. 1356. An act for the relief of Elias Baumgarten;

H. R. 1399. An act for the relief of Mrs. Lucy Palmisano and the legal guardian of Anthony Palmisano, Jr.;

H. R. 1562. An act for the relief of the Borough of Park Ridge, Park Ridge, N. J.;

H. R. 1616. An act to grant an honorable discharge from the military service of the United States to William Rosenberg;

H. R. 1721. An act for the relief of Eli L. Scott;

H. R. 1732. An act for the relief of Mrs. Marie A. Shedd, Mrs. Maude C. Denney, Mrs. Mabel Glenn Gray;

H. R. 1759. An act for the relief of Mildred Neiffer;

H. R. 1838. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon a certain claim of A. G. Bailey against the United States;

H. R. 1950. An act for the relief of Harry Cohen;

H. R. 1980. An act for the relief of Maj. Edward A. Zaj;

H. R. 2062. An act for the relief of Dave Topper;

H. R. 2156. An act for the relief of Lee Harrison;

H. R. 2217. An act for the relief of Rae Glauber;

H. R. 2244. An act for the relief of Edward W. Thurber;

H. R. 2249. An act for the relief of the Cape & Vineyard Electric Co.;

H. R. 2251. An act for the relief of Catherine V. Sweeney;

H. R. 2265. An act for the relief of owners of land and personal property of the Fort Knox area of Hardin County, Ky.;

H. R. 2266. An act for the relief of land and personal-property owners of Fort Knox area of Meade County, Ky.;

H. R. 2288. An act for the relief of Columbus Thomas;

H. R. 2318. An act for the relief of Mrs. Mertie Pike and the estate of Mrs. Burnice Smotherman, deceased;

H. R. 2331. An act for the relief of Mrs. Grant Logan;

H. R. 2415. An act for the relief of Joseph Tarantola and Ida Tarantola;

H. R. 2418. An act to authorize the United States commissioner for the Sequoia National Park to exercise similar functions for the Kings Canyon National Park;

H. R. 2509. An act for the relief of the legal guardian of James Irving Martin, a minor;

H. R. 2682. An act for the relief of John Doshim;

H. R. 2826. An act for the relief of Esther L. Berg;

H. R. 2837. An act for the relief of George Stiles;

H. R. 2842. An act for the relief of Montgomery County, Miss., districts 2 and 3;

H. R. 2848. An act for the relief of the legal guardian of Wilma Sue Woods, Patsy Woods, Raymon E. Hilliard, and Thomas E. Hilliard, minors;

H. R. 2884. An act for the relief of B. H. Spann;

H. R. 2885. An act for the relief of Mrs. Frank Mitchell and J. L. Price;

H. R. 2901. An act for the relief of Mrs. Janet McKillip;

H. R. 2904. An act for the relief of Clyde Rownd, Della Rownd, and Benjamin C. Day;

H. R. 2927. An act for the relief of Mrs. Evelyn Merritt;

H. R. 2931. An act for the relief of Edward Oatneal, John N. Oatneal, Jr., and James R. Oatneal;

H. R. 3003. An act for the relief of Mary G. Paul;

H. R. 3050. An act for the relief of David Siskind;

H. R. 3121. An act for the relief of Elizabeth M. Simmons and Robert H. Simmons;

H. R. 3126. An act for the relief of Mrs. Jean Taube Weller;

H. R. 3127. An act for the relief of Harry F. Vinton, Jr.

H. R. 3161. An act for the relief of Mrs. Ruby Miller;

H. R. 3195. An act for the relief of Grenada County, Miss.;

H. R. 3217. An act for the relief of Mattie Lee Wright;

H. R. 3301. An act for the relief of the legal guardian of James Herbert Keith, a minor;

H. R. 3430. An act for the relief of George F. Powell;

H. R. 3431. An act for the relief of F. W. Burton;

H. R. 3483. An act for the relief of Mr. and Mrs. Cipriano Vasquez;

H. R. 3513. An act for the relief of Braxton B. Folmar and Mary Inez Folmar, William Ernest Evans and Dora Ethel Evans, Joseph Thomas Avery and Maggie M. Avery, Robert H. Phillips and Hattie P. Phillips, and the legal guardian of James T. Avery, a minor;

H. R. 3554. An act for the relief of Fred C. Liter;

H. R. 3590. An act for the relief of Charles Brown, legal guardian of Lula Mae Brown; Charity Hospital of New Orleans, La.; and Dr. Edward H. Maurer;

H. R. 3591. An act for the relief of Addie Pruitt;

H. R. 3670. An act for the relief of the estate of Venancio Llacuna and others;

H. R. 3677. An act for the relief of J. Tom Stephenson;

H. R. 3698. An act for the relief of Mrs. Lucille Scarlett and Charles Scarlett;

H. R. 3846. An act for the relief of the estate of Eleanor Wilson Lynde, deceased;

H. R. 3948. An act for the relief of Mrs. Clifford W. Prevatt;

H. R. 4054. An act for the relief of H. A. Edd;

H. R. 4056. An act for the relief of Mrs. Jud Hendry and her daughter, Gladys Hendry;

H. R. 4208. An act for the relief of the Calvert Distilling Co.;

H. R. 4239. An act granting to Guy A. Thompson, trustee, Missouri Pacific Railroad Co., debtor, and to his successors and assigns, authority to relocate, maintain, and operate a single-track railway across United States Government reservation at lock No. 3, White River, Independence County, Ark., and for other purposes;

H. R. 4240. An act for the relief of Frank E. Wilmot;

H. R. 4297. An act for the relief of Joseph Schell;

H. R. 4335. An act for the relief of the Morgan Creamery Co.;

H. R. 4560. An act for the relief of Nicholas T. Stepp;

H. R. 4797. An act to confer jurisdiction upon the United States District Court for the Eastern District of Virginia to determine the claim of Lewis E. Magwood;

H. R. 4914. An act to revive and reenact the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944;

H. R. 4940. An act granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate a toll bridge across the Connecticut River at or near Old Saybrook, Conn.;

H. R. 4957. An act for the relief of Herman Gelb;

H. R. 5010. An act for the relief of Mrs. May Holland;

H. R. 5121. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the State of Arkansas the silver service presented to the United States for the battleship *Arkansas*;

H. R. 5275. An act to revive and reenact the act granting the consent of Congress to the State Highway Department of South Carolina to construct, maintain, and operate a free highway bridge across the Pee Dee River at or near Cashua Ferry, S. C., approved April 30, 1940;

H. R. 5544. An act authorizing the village of Baudette, State of Minnesota, its public successors or public assigns, to construct-maintain, and operate a toll bridge across the Rainy River at or near Baudette, Minn.;

H. R. 5574. An act to amend paragraph 8 of part VII, Veterans Regulation No. 1 (a), as amended, to authorize an appropriation of $1,500,000 as a revolving fund in lieu of $500,000 now authorized;

H. R. 5664. An act for the relief of Oscar R. Steinert; and

H. R. 5765. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the city of New Orleans the silver service and silver bell presented to the United States for the cruiser *New Orleans*.

TRIBUTE TO THE LATE ED CLARK, OF NEVADA

Mr. CARVILLE. Mr. President, yesterday morning I was grieved to learn of the death of a dear friend of mine whom few of you had the privilege of knowing but whose name was known and respected in every part of my home State of Nevada.

Ed Clark, who passed away Monday night after an illness of many months, was a man who contributed greatly to the growth of the West in general and of Nevada in particular.

He was a pioneer in many fields.

Much of the credit for the construction of that great engineering triumph we all known as Boulder Dam is due to the vision and fighting spirit of Ed Clark.

It was Ed Clark who many years ago saw the need for harnessing of the Colorado River. He worked unceasingly to obtain the necessary legislation which made possible the construction of that dam, which through its capacity for producing electric energy in almost unlimited quantities contributed so much to our victorious war effort.

Even after the fight for the construction of Boulder Dam was won, Ed Clark did not rest on his laurels. Although in advancing years and in none too stable health, as a member of the Colorado River Commission he worked untiringly for improvement of conditions in his section of Nevada.

His understanding of the needs of the West and the relation of those needs to electric power and water stood the people of our Nation in good stead. His sound business ideas were translated into efficient and profitable operation.

Not only was he one of the outstanding figures of my State due to his connection with the Boulder Dam project, but he was responsible for the development of the telephone system in southern Nevada.

Politics also were important to Ed Clark. For many years he served his party and my party as national committeeman from Nevada. But in the final analysis Ed Clark rose above the narrow bounds of partisanship. Although he never aspired to public office, his sound counsel kept politics on a high level.

He will be long remembered by untold numbers whose suffering was alleviated by his never-publicized generosity.

Ed Clark was a man among men.

My State and our Nation have lost a substantial and forward-looking citizen.

DISPOSITION OF EXECUTIVE PAPERS

The PRESIDENT pro tempore laid before the Senate a letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents in the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. BARKLEY and Mr. BREWSTER members of the committee on the part of the Senate.

PETITIONS

Petitions were laid before the Senate, or presented and referred as indicated:

By the PRESIDENT pro tempore:

A telegram in the nature of a petition from George Mercer Abbott, of Burlington, Vt., relating to Japanese atrocities in World War II and the proposed execution of Premier Tojo; to the Committee on Military Affairs.

By Mr. WALSH (for himself and Mr. SALTONSTALL):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Military Affairs:

"Resolution memorializing the Secretary of War of the United States to retain Camp Edwards as a hospital for the care and treatment of convalescent veterans, and in lieu thereof to recommend to the Congress that said camp be turned over to the Commonwealth for the care and treatment of convalescent veterans

"Whereas it appears that the War Department intends to abandon Camp Edwards as an institution for the care and treatment of convalescent members of the armed forces of the United States; and

"Whereas said camp has excellent facilities and extensive equipment for the treatment of wounded and convalescent veterans: Therefore be it

"Resolved, That the General Court of Massachusetts memoralize the Secretary of War to retain Camp Edwards for the treatment and hospitalization of veterans, and, in the event that such retention is not feasible or possible, that the Secretary of War recommend to the Congress that Camp Edwards with all facilities, furnishings, and equipment therein be turned over to the Commonwealth of Massachusetts in order that the Commonwealth may continue said camp for the treatment of veterans; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the State secretary to the President of the United States, to the Presiding Officers of each branch of the Congress, to the Members thereof from the Commonwealth, and to the Secretary of War."

By Mr. SALTONSTALL (for himself and Mr. WALSH):

Resolutions of the general court of the Commonwealth of Massachusetts; to the Committee on Finance:

"Resolution memorializing the President of the United States to take action relative to limiting the importation of Swiss watches into the Unied States

"Whereas for 5 years America's 6,000 watch workers have been out of the American domestic market because the United States Government and its allies needed the production of these American workers to produce timing mechanisms for war; and

"Whereas Switzerland with 60,000 watch workers, the only other source in the world of timing mechanisms, supplied the Axis with the timing mechanisms essential to carrying on warfare against the Allies; and

"Whereas 28,000,000 Swiss watches have been dumped into this country since the Pearl Harbor attack and as recently as April 3, 1946, the State Department of the United States concluded an agreement allowing Switzerland to import into the United States as many watches in 1946 as that country imported into the United States in 1945, when 9,200,000 Swiss watches were thrown into the American market; and

"Whereas enforcement of this policy of the State Department of the United States poses the immediate threat of wiping out the American jeweled watch industry with consequent loss of livelihood to 6,000 Americans employed in that industry, including 2,000 employees at the 95-year-old plant of the Waltham Watch Co. in Waltham, Mass.: Therefore be it

"Resolved, That the general court of Massachusetts respectfully urges the President of the United States to take immediate action within his authority or, if necessary, recommend to the Congress legislation to limit the importation of Swiss watches into the United States to prewar levels, and thus enable the American jeweled watch industry, which is so essential to the national defense of the United States, to participate in the postwar market; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the state secretary to the President of the United States, to the President pro tempore of the Senate, to the Speaker of the House of Representatives, and to each of the Members of Congress from this Commonwealth."

RESOLUTIONS OF TOPEKA (KANS.) ATOMIC ENERGY CONFERENCE

Mr. CAPPER. Mr. President, I have received a copy of resolutions adopted by the Atomic Energy Conference held in Topeka, Kans., April 2, 1946, represented by 260 of the leading citizens in the eastern section of Kansas. I ask unanimous consent to present the resolutions for appropriate reference and printing in the RECORD.

There being no objection, the resolutions were received, referred to the Special Committee on Atomic Energy, and ordered to be printed in the RECORD, as follows:

Whereas the members of this conference are convinced that the atomic bomb threatens the destruction of our present world civilization; and

Whereas the United States cannot hold monopoly of the atomic bomb; and

Whereas there can be no adequate military defense against a surprise attack capable of paralyzing the country and peoples attacked; and

Whereas an atomic armaments race will produce international suspicion and fear resulting in catastrophic war; and

Whereas permanent peace cannot be maintained as long as any nation has the sovereign right to manufacture atomic bombs;

Resolved:

1. That this conference recommends that the section of the Acheson report of the State Department providing for an Atomic Development Authority by the United Nations Organization Security Council be adopted by our Government. This International Commission is to have the power to investigate and inspect every industrial enterprise and structure in any and all nations of the world in order to eliminate any possibility of one nation or a group of nations manufacturing atomic bombs, thereby creating a threat to the peace of the world.

2. That this conference recommends the adoption of the McMahon bill without the Vandenberg amendment.

3. That this conference recommends that the May-Johnson bill at present in the Rules Committee of the House be defeated, should it reach the floor of the House.

4. That this conference recommends that each member write the Senators of this State and Representative of his district urging them to vote against the May-Johnson bill, to support the McMahon bill with the elimination of the Vandenberg amendment and to support the Acheson report.

5. That this conference recommends that each community represented here organize an atomic energy committee for the purpose of keeping in touch with the atomic energy developments and to take such measures as are practicable in furthering education and publicity in these matters.

6. That this conference wholeheartedly supports the United Nations Organization and urges the citizens of the State to do everything within their power to improve and make more effective this organization in the hope that it will maintain world peace.

7. That we extend our gratitude to Chancelor Mallott, the atomic scientists and members of the faculty of Kansas University taking part in this conference and to those citizens of Topeka who arranged for the conference.

JOHN W. DAY,
Chairman.
LAIR DEAN,
PHILIP S. RIGGS,
LYLE B. BORST.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

S. 1847. A bill to amend the act of May 19, 1926 (44 Stat., pt. 2, p. 565), as amended by the act of May 14, 1935 (49 Stat. 218), providing for the detail of United States military and naval missions to foreign governments; without amendment (Rept. No. 1179).

By Mr. FULBRIGHT, from the Committee on Public Buildings and Grounds:

H. R. 5407. A bill to grant to the Federal Works Administrator certain powers with respect to site acquisition, building construction, purchase of buildings, and other matters; with amendments (Rept. No. 1180).

By Mr. MORSE, from the Committee on Claims:

H. R. 216. A bill for the relief of John Seferian and Laura Seferian; without amendment (Rept. No. 1181);

H. R. 4300. A bill for the relief of the county of Hawaii, Territory of Hawaii; without amendment (Rept. No. 1182); and

H. R. 4545. A bill for the relief of George Leslie Dobson; without amendment (Rept. No. 1183).

By Mr. WILEY, from the Committee on Claims:

H. R. 3751. A bill for the relief of Mrs. Theodora O. Anzures and the legal guardi-

an of Bernice Anzures and Andrew Anzures; without amendment (Rept. No. 1184).

By Mr. O'DANIEL, from the Committee on Claims:

H. R. 845. A bill for the relief of Mrs. Luther S. Sykes; without amendment (Rept. No. 1185);

H. R. 1229. A bill for the relief of Mrs. Mary M. Wolf; without amendment (Rept. No. 1186); and

H. R. 3365. A bill for the relief of Kay Beth Bednar; without amendment (Rept. No. 1187).

By Mr. JOHNSTON of South Carolina, from the Committee on Claims:

H. R. 2747. A bill for the relief of George A. West; without amendment (Rept. No. 1188); and

H. R. 4647. A bill for the relief of Albert R. Perkins; without amendment (Rept. No. 1189).

By Mr. WHERRY, from the Committee on Claims:

H. R. 3641. A bill for the relief of M. Martin Turpanjian; with an amendment (Rept. No. 1190); and

H. R. 4854. A bill for the relief of Mrs. Pearl Smith; without amendment (Rept. No. 1191).

By Mr. WILSON, from the Committee on Claims:

H. R. 1037. A bill to confer jurisdiction upon the United States District Court, Southern District of Florida; without amendment (Rept. No. 1192);

H. R. 3828. A bill for the relief of James R. Vaughan; without amendment (Rept. No. 1193); and

H. R. 4176. A bill for the relief of the estate of Earle R. Woodfall, Jr., deceased; without amendment (Rept. No. 1194).

By Mr. HUFFMAN, from the Committee on Claims:

S. 2042. A bill for the relief of Dr. Harry Burstein, Madeline Borvick, and Mrs. Clara Kaufman Truly (formerly Miss Clara M. Kaufman); without amendment (Rept. No. 1195);

H. R. 210. A bill for the relief of Jackson Williams, Mrs. Lora Sally Williams, the legal guardian of Garry E. Williams, a minor, and the legal guardian of James Williams, a minor; with amendments (Rept. No. 1197); and

H. R. 3523 A bill for the relief of Sam Damico and Clint Hamm, operating as the D & H Grocery; without amendment (Rept. No. 1196).

By Mr. ELLENDER, from the Committee on Claims:

H. R. 1782. A bill for the relief of Ida F. Braun, Alice Braun Menges, and Carl J. Braun, individually and as executors of the estate of Hedwig W. Braun, deceased, and as legatees and beneficiaries of the will of Hedwig W. Braun, deceased, and as the sole parties in interest by succession under the last will and testament of Hedwig W. Braun, deceased, and under the last will and testament of Herman W. Braun, deceased; without amendment (Rept. No. 1198);

H. R. 2569. A bill for the relief of Daphne Webb; without amendment (Rept. No. 1199);

H. R. 4414. A bill for the relief of Eva D. Champlin, Robert H. Howell, Emily Howell, and Stella Ward; without amendment (Rept. No. 1200);

H. R. 4607. A bill for the relief of Margaret Lee and Mike Sopko; without amendment (Rept. No. 1201);

H. R. 4800. A bill for the relief of Harry Fleishman; without amendment (Rept. No. 1202);

H. R. 4833. A bill for the relief of the estate of Robert Lee Blackmon; without amendment (Rept. No. 1203); and

H. R. 4836. A bill for the relief of Louis M. Drolet; without amendment (Rept. No. 1204).

By Mr. McCARRAN, from the Committee on Public Lands and Surveys:

S. 1979. A bill to eliminate the restriction on the number of lots which may be acquired by settlers in the town site of Wadsworth, Nev.; without amendment (Rept. No. 1205).

By Mr. BILBO, from the Committee on the District of Columbia:

S. 1640. A bill to provide for the acquisition by the United States of certain real property in the District of Columbia; without amendment (Rept. No. 1206); and

H. R. 5719. A bill to amend the act entitled "An act to authorize black-outs in the District of Columbia, and for other purposes," approved December 26, 1941, as amended; with an amendment (Rept. No. 1207).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. OVERTON:

S. 2071. A bill to amend the act of July 11, 1919 (41 Stat. 132), relating to the interchange of property between the Army and the Navy so as to include the Coast Guard within its provisions; to the Committee on Commerce.

By Mr. GREEN:

S. 2072. A bill to authorize the Secretary of War to furnish United States flags to be used in the marking of veterans' graves on Memorial Day, 1946; to the Committee on Military Affairs.

By Mr. WALSH (for Mr. GEORGE):

S. 2073. A bill to authorize assistance to repatriated American nationals, and for other purposes; and

S. 2074. A bill to clarify the customs laws relating to the customs supervision of lading and unlading of carriers, the furnishing of customs services outside regular business hours, and the extra compensation payable to customs employees for overtime services, and for other purposes; to the Committee on Finance.

By Mr. CAPEHART:

S. 2075. A bill authorizing the Indiana State Toll Bridge Commission to construct, maintain, and operate a toll bridge or a free bridge across the Ohio River at or near Cannelton, Ind.; to the Committee on Commerce.

By Mr. McKELLAR:

S. 2076. A bill for the relief of the City of Harriman School District; to the Committee on Claims.

By Mr. WHEELER:

S. 2077. A bill to amend section 1 of the act of June 4, 1920 (41 Stat. 751), entitled "An act to provide for the allotment of lands of the Crow Tribe, for the distribution of tribal funds, and for other purposes," as amended by the act of May 26, 1926 (44 Stat. 658); to the Committee on Indian Affairs.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their titles and referred or ordered to be placed on the calendar, as indicated:

H. R. 208. An act for the relief of Marion Contracting Co.;

H. R. 781. An act for the relief of the legal guardian of Douglas Charles McRae, a minor;

H. R. 1299. An act for the relief of Morris Fine;

H. R. 1538. An act for the relief of Robert J. Cramer;

H. R. 1570. An act for the relief of Edward Pittwood;

H. R. 1754. An act for the relief of Edwin Doyle Parrish;

H. R. 2192. An act for the relief of Andre Dacharry;

H. R. 2242. An act for the relief of Mrs. Lessie L. Bryant and Miss Jimmie Alexander;

H. R. 2248. An act for the relief of Joseph E. Alarie;

H. R. 2315. An act for the relief of Adele Nahas;

H. R. 2337. An act for the relief of H. H. Hood;

H. R. 2843. An act for the relief of the legal guardian of James Harold Nesbitt, a minor, and Mrs. Clara A. Nesbitt;

H. R. 3228. An act for the relief of Sam Dishong;

H. R. 3270. An act for the relief of James B. McCarty;

H. R. 3340. An act for the relief of Mrs. Merla Koperski;

H. R. 3397. An act for the relief of Claude S. Crouse;

H. R. 3556. An act for the relief of Mr. and Mrs. Glen Rothenberger;

H. R. 3599. An act for the relief of Ama L. Normand and the estate of Curtis Joseph Gaspard, deceased;

H. R. 3665. An act for the relief of the legal guardian of William Needom Rashal, a minor;

H. R. 3702. An act for the relief of Maurice C. Ritter;

H. R. 3726. An act for the relief of Earl D. Massey, Marvin Marshall, and Fred C. Mitchell;

H. R. 3880. An act for the relief of Nicholas Ray Schlegel;

H. R. 3968. An act for the relief of the estate of Charles W. Stewart;

H. R. 3988. An act for the relief of Decatur County in the State of Indiana;

H. R. 4016. An act for the relief of Dorothy Morgan;

H. R. 4090. An act for the relief of Roy Hesselmeyer;

H. R. 4118. An act for the relief of Axel H. Peterson;

H. R. 4237. A act for the relief of the estate of Vedal B. Brooks, deceased; Mrs. Katherine I. Brooks; and the legal guardian of Sally Brooks, a minor;

H. R. 4373. An act for the relief of Carl and Naomi Fitzwater;

H. R. 4416. An act for the relief of George H. Buxton, Jr.;

H. R. 4639. An act for the relief of C. LeRoy Phillips;

H. R. 4670. An act for the relief of Mrs. Edna B. LeBlanc;

H. R. 4750. An act for the relief of C. C. Vest;

H. R. 4757. An act for the relief of Mrs. Gussie Feldman;

H. R. 4905. An act for the relief of Nina E. Schmidt;

H. R. 4915. An act for the relief of Irving W. Learned;

H. R. 5049. An act for the relief of the estate of Obaldino Francis Dias;

H. R. 5071. An act for the relief of Mrs. Dora Foster;

H. R. 5111. An act for the relief of Mrs. Mildred L. Bupp; and

H. R. 5525. An act for the relief of Sylvia Wagner; to the Committee on Claims.

H. R. 2457. An act to authorize adjustments of irrigation charges in certain land exchanges within Indian irrigation projects; and

H. R. 2637. An act to cancel drainage charges against certain lands within the Uintah Indian irrigation project, Utah; to the Committee on Indian Affairs.

H. R. 2854. An act to add certain public and other lands to the Shasta National Forest, Calif.;

H. R. 3533. An act to authorize revisions in the boundary of the Hopewell Village National Historic Site, Pa., and for other purposes;

H. R. 3966. An act authorizing the Secretary of the Interior to convey certain lands situated in Clark County, Nev., to the Boulder City Cemetery Association for cemetery purposes; and

H. R. 4113. An act to authorize and direct the Secretary of the Interior to issue a patent for certain land to Mrs. Estelle M. Wilbourn; to the Committee on Public Lands and Surveys.

H. R. 3532. An act amending the act of October 14, 1940, entitled "An act to record the lawful admission to the United States for permanent residence of Nicholas G. Karas";

H. R. 4254. An act for the relief of Sarah Holmes Beeman;

H. R. 4282. An act for the relief of Vera Frances Elicker;

H. R. 4672. An act for the relief of Francesco and Natalia Picchi; and

H. R. 4958. An act for the relief of Edith Joyce Crosby; to the Committee on Immigration.

H. R. 5187. An act granting the consent of Congress to the Norfolk & Western Railway Co. to construct, maintain, and operate a bridge across New River near Radford, Montgomery County, Va.;

H. R. 5357. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River, at a point between the Boroughs of Elizabeth, in Elizabeth Township, and West Elizabeth, in Jefferson Township, in the county of Allegheny, and in the Commonwealth of Pennsylvania;

H. R. 5387. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River between the Borough of Belle Vernon, Fayette County, Pa., and the Borough of Speers, Washington County, Pa.; and

H. R. 5444. An act to revive and reenact and amend the act entitled "An act authorizing the county of Gallatin, State of Illinois, its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near the city of Shawneetown, Gallatin County, Ill., to a point opposite thereto in the county of Union, State of Kentucky," approved July 18, 1939; to the Committee on Commerce.

H. R. 5641. An act to authorize the attendance of the Marine Band at the national convention of the United Spanish War Veterans, to be held in Milwaukee, Wis., August 4 to 10, inclusive, 1946; and

H. R. 5929. An act to authorize the attendance of the Marine Band at the department convention of the American Legion to be held in Racine, Wis., August 3, 1946; to the Committee on Naval Affairs.

H. R. 5796. An act to amend title II of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, to permit the making of contributions, during the fiscal year ending June 30, 1947, for the maintenance and operation of certain school facilities, and for other purposes; to the Committee on Education and Labor.

H. R. 5896. An act to extend the term of design patent No. 21,053, dated September 22, 1891, for a badge, granted to George Brown Goode, and assigned to the National Society, Daughters of the American Revolution; and

H. R. 6084. An act to amend the Pay Readjustment Act of 1942, as amended, so as to provide an increase in pay for personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service; ordered to be placed on the calendar.

H. J. Res. 336. Joint resolution relating to cotton-marketing quotas under the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture and Forestry.

FOOD AND FEED FOR LIVESTOCK AND POULTRY

Mr. MEAD. Mr. President, one of the most crucial problems we are facing today is the threatened world food shortage and the consequent effect on domestic supplies of food and feed for livestock and poultry. I have been encouraged by the fact that the Department of Agriculture and other agencies of Government have moved quickly to meet the situation.

On the basis of appeals to me from the State of New York, I have been particularly concerned with the shortage of feed for livestock and poultry and the threat it holds on dairy and poultry supplies through extensive liquidation of livestock and poultry. I believe that a great deal can be accomplished through community cooperation, that is, cattle and poultry raisers and feed suppliers getting together in an effort to adjust their operations. In an effort to further this, I recently issued a statement to the press urging such cooperation in New York and the Northeast area.

One reaction to that appeal has been a telegram from William H. Kieser, president, Dailey Mills, Inc., Olean, N. Y., an outstanding feed supplier, pledging the full cooperation of his firm and organization in furthering the movement for community action. With a thought that it might be helpful elsewhere, I ask unanimous consent to insert in the CONGRESSIONAL RECORD my statement to the press and the telegram received from Mr. Kieser.

There being no objection, the statement and telegram were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., April 3.—Concerned by the effect of the current feed shortage on livestock and poultry operations in the Northeast area, Senator JAMES M. MEAD, of New York, today appealed to cattle and poultry raisers and feed suppliers and all others vitally interested to work out community programs to avoid any extensive liquidation of livestock and poultry, with serious consumer effects and higher prices.

Senator MEAD expressed fear that unless balanced readjustments are made immediately the current lack of feed may lead to too-sharp curtailments in livestock and poultry, with subsequent shortages of milk, eggs, and chickens. His statement was prompted by appeals from livestock and poultry owners in New York State who are hesitant to proceed with normal operations in view of the feed situation.

Citing the Department of Agriculture's livestock and poultry goals for 1946, Senator MEAD declared that community cooperation between feed suppliers and feed users will go far to attain these goals and lessen the effect on consumers. He added that the national goals suggested for 1946 call for a small reduction in milk production, a 15-percent reduction in egg production, 17 percent fewer chickens raised, a reduction of 10 percent in the number of turkeys raised, and other adjustments in the number of sheep, pigs, and cattle. He also said that these tentative goals may be revised, in the light of further studies of the feed situation.

"Although total supplies of feed grain are fairly large," he continued, "and total production of byproduct feeds has been at near record levels, available market supplies are inadequate to meet the exceptionally strong demand at ceiling prices. Livestock producers in surplus-feed areas have adequate supplies of feed grain, but many buyers in other areas find it difficult or impossible to procure supplies. The Northeast section has been particularly hard hit. This has led to much confusion as to whether cattle should be slaughtered and new flocks of poultry held to a minimum. Obviously, close cooperation and planning in advance between owners and feed suppliers would be an effective approach to what might develop into a serious situation."

Emphasizing the need for community action in meeting the feed problem, Senator MEAD cited a report of the Department of Agriculture as follows: "An immediate way of reducing demand for feed would be to lower the present high rates of feeding, particularly by marketing hogs at higher weights, by marketing cattle with less finish, and by heavy culling of poultry flocks. If present feeding practices are continued throughout the remainder of the current season the already tight feed-supply situation will become even more strained and force extensive liquidation of essential livestock in some areas.

"There is no doubt that grain ceiling prices have had the tendency to encourage use of grain for feeding and restrict supplies to grain-growing areas. Naturally, this has, in turn, developed serious feed shortages in the areas where grain is not grown in large quantities. New York and other Northeastern States, with both large and small livestock and poultry operations, have been particularly affected. In promoting a helpful program in this connection I am confident Washington will help.

"But, in the final analysis, community action and planning, with adjustments of livestock and poultry flocks to feed restrictions, is the surest way to meet the problem. I earnestly urge that livestock and poultry owners contact their county farm agents and feed dealers in planning their spring operations. Individual and community cooperation is absolutely essential in meeting the feed shortage, and rural America has always led the way in cooperating during crucial times.

"It would be tragic if we permitted shortages of grain and feed to be responsible for future shortages in human foods through too drastic curtailment of livestock and poultry."

OLEAN, N. Y.

Hon. JAMES M. MEAD,
Senate Office Building,
Washington, D. C.:

Your statement in the press April 4 urging community action in the critical feed shortage points the way to an effective method of dealing with the situation in the best American tradition. It suggests a revival of the New England town meeting where all concerned with the problem join in the discussion and together arrive at a solution. It is an opportunity for feed dealers, poultrymen, dairymen, and other livestock raisers dependent upon mixed feed to exercise initiative in helping themselves.

I am confident they will respond to your suggestion that individual and community cooperation is absolutely essential to avert extensive liquidation of livestock and poultry. If that happens it may have tragic consequences in the Nation's effort to save from starvation millions of persons in war-ravaged countries and inevitably will be reflected in short supply of dairy and poultry products and higher black-market prices for the American consumer next winter.

As you have stated, there is a shortage of feed in the northeastern States despite nearly record-breaking crops in the Corn Belt upon which the northeast normally can depend for grain and grain products. Millions of bushels of grain produced in the Corn Belt have disappeared from the commercial market. Feed manufacturers in the northeast have been vainly scouring the Corn Belt for grain with which to keep their mills going and satisfy the needs of livestock raisers in this area. Mills have been operating for some time on a hand-to-mouth basis

and at times have been shut down when supplies of certain grains was exhausted.

It is hoped that the order of the United States Department of Agriculture March 29, restricting use of grain to 80 percent of last year's supply, will assure a more equitable distribution in this region until the new crop of oats, winter wheat, and kafircorn become available in July.

A common-sense program is needed and formation of a committee in each rural center in the Northeast is the surest way to enable livestock raisers and feed dealers to pool their knowledge and work out a solution. Inspired by your suggestion, I propose the formation of voluntary feed distribution committees to serve for the duration of the feed emergency.

The committee would have three primary objectives:

1. To bring supply and demand into balance throughout the emergency period by apportionment of the local feed supply on the basis of need with the cooperation of feed dealers.

2. To effect maximum utilization of available feed supplies on each farm by progressive culling and flock replacement and restricting use of feed to yield the greatest production in dairy and meat products.

3. To present to the community the facts concerning feed supplies as the situation develops—both to allay unjustified apprehensions and to make possible more intelligent planning by dairymen and poultrymen.

The local committee should be composed of representatives of feed dealers, poultrymen and dairymen, farm organizations, trade union leaders, county, city, and town officials, local business leaders including representatives of the chamber of commerce and civic clubs such as Rotary, Lions, and Kiwanis, and representatives of the press and radio. County agents should be invited to sit in and lend their expert advice.

In achieving these objectives each local committee will draw its own blueprint. Different situations will require different remedies. Each community will be able to ascertain the facts concerning local conditions and act upon them. The idea is to get together and act. The idea is not copyrighted. Any one person, dealer, livestock raiser, businessman, who believes in the genius of democracy can take the initiative.

One of the most important functions of the voluntary feed distribution committee will be to provide producers with the facts and give them a reliable guide in planning their seasonal operations. Now is the time when poultrymen cull their flocks and replace them with new chicks. Producers must curtail their operations now to the extent demanded by a short feed supply, but nervousness has impelled many to go far beyond what is justified by the facts. In that lies the danger to the Nation's food supply. A general, drastic retrenchment now will create a shortage of eggs and other dairy products next winter. The committee can help the poultrymen and dairymen plan their operations to achieve a balance between feed supply and farm needs and assure sufficient production to meet the Nation's food needs.

As you well stated, "It would be tragic if we permitted shortages of grain and feed to be responsible for shortages in human foods through too drastic curtailment of livestock and poultry."

You are to be commended for suggesting a method of dealing with the food shortages in the best American tradition suggestive of the old New England town meeting. Please be assured of the full cooperation of Dailey Mills, Inc., its fieldmen and dealers, in local efforts to deal with the situation during the emergency.

WILLIAM H. KIESER,
President, Dailey Mills, Inc.

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DEVELOPMENT OF THE MISSISSIPPI RIVER AND VALLEY—ADDRESS BY SENATOR OVERTON

[Mr. OVERTON asked and obtained leave to have printed in the RECORD an address by him on March 25, 1946, in St. Louis, Mo., before the Mississippi Valley Association, which appears in the Appendix.]

HOUSING THE STUDENT VETERAN—ADDRESS BY SENATOR MEAD

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address on the subject Housing the Student Veteran, delivered by him before the faculty and students of Syracuse University, at Syracuse, N. Y., March 18, 1946, together with correspondence between him and Hon. Philip M. Klutznick, Commissioner of the Federal Public Housing Authority, which appear in the Appendix.].

WHAT AMERICA CAN GIVE AWAY—ARTICLE BY SENATOR WILLIS

[Mr. REVERCOMB asked and obtained leave to have printed in the RECORD an article entitled "What America Can Give Away," written by Senator WILLIS, and published in the March issue of the Republican Magazine, which appears in the Appendix.]

TRIBUTE TO FRANKLIN DELANO ROOSEVELT BY WALTER WINCHELL

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an article paying tribute to Franklin Delano Roosevelt, written by Walter Winchell, and published in the New York Daily Mirror of April 12, 1946, which appears in the Appendix.]

VENEZUELA IN TRANSITION—ARTICLE BY REV. DR. JOSEPH F. THORNING

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an article entitled "Venezuela in Transition," written by Rev. Dr. Joseph F. Thorning, and published in the quarterly magazine World Affairs, for March 1946, which appears in the Appendix.]

LINZ AWARD TO DR. E. H. CARY

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD newspaper clippings from the Dallas Times Herald and the Dallas Morning News relative to the presentation of the annual Linz award to Dr. E. H. Cary, of Dallas, Tex., which appear in the Appendix.]

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	Millikin
Andrews	Gurney	Mitchell
Austin	Hart	Morse
Bankhead	Hawkes	Murdock
Barkley	Hayden	Murray
Bilbo	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bridges	Hoey	Overton
Briggs	Huffman	Pepper
Buck	Johnson, Colo.	Radcliffe
Bushfield	Johnston, S. C.	Reed
Capehart	Kilgore	Revercomb
Capper	Knowland	Robertson
Carville	La Follette	Saltonstall
Connally	Langer	Shipstead
Cordon	Lucas	Smith
Donnell	McCarran	Stanfill
Downey	McClellan	Stewart
Eastland	McFarland	Taft
Ellender	McKellar	Taylor
Fulbright	McMahon	Thomas, Okla.
Gerry	Magnuson	Thomas, Utah
Gossett	Maybank	Tunnell
Green	Mead	Tydings
Vandenberg	Wheeler	Wiley
Wagner	Wherry	Wilson
Walsh	White	Young

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Virginia [Mr. BYRD] is necessarily absent.

The Senator from Georgia [Mr. GEORGE] and the Senator from New Mexico [Mr. HATCH] are absent by leave of the Senate.

The Senator from Pennsylvania [Mr. MYERS] and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

The Senator from New Mexico [Mr. CHAVEZ] is absent on official business.

Mr. WHERRY. The Senator from Nebraska [Mr. BUTLER], the Senator from Oklahoma [Mr. MOORE], and the Senator from Indiana [Mr. WILLIS] are absent by leave of the Senate.

The Senator from Illinois [Mr. BROOKS] is absent on official business.

The Senator from Minnesota [Mr. BALL] and the Senator from Michigan [Mr. FERGUSON] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent because of a death in his family.

The PRESIDENT pro tempore. Eighty-one Senators having answered to their names, a quorum is present.

PROPOSED LOAN TO GREAT BRITAIN

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

Mr. BARKLEY. Mr. President, I desire at this time to make what I hope will be a brief preliminary statement regarding the Anglo-American financial agreement which is the pending business, otherwise known as the British loan, and in order that I may make the preliminary statement as brief as possible and as connected as possible I shall ask the indulgence of the Senate to make it without interruption, at least until I have finished what I regard to be my explanation, of the loan, the basis upon which it is to be made, the reasons for it, and other considerations connected with it.

Mr. President, I am sure that none of us who advocate the loan and will support it approach the problem involved in the granting of this credit to the United Kingdom in any spirit otherwise than that it is a necessity and not a matter of pleasure; that is to say, we do not advocate this credit or loan to Great Britain merely for the pleasure of making a loan, nor as a matter of charity, but as a matter of economic necessity in carrying out the foreign economic policy announced by the Government of the United States. That policy is based upon our desire for, and our commitment to, secure political and economic cooperation in order as rapidly and certainly as possible to remedy some of the evils growing out of World War II. In our judgment, and in the judgment of our Government, it is

necessary for the United States to take the leadership, or to acknowledge the leadership which is ours, in trying to lead the world out of war, insecurity, and fear, and lead it into economic and political stability and prosperity among our people and among all the people of the world.

The loan which we are considering here, and which has been negotiated by the Government of the United States with that of the United Kingdom, is unprecedented in many respects. It is not unprecedented in the sense that we have never heretofore made a loan to a foreign country; we have made many such loans; but it is unprecedented in the circumstances that call it forth, that make it, in my judgment, an absolute economic necessity in our own best interests as well as in the interest of the world economy and world stability, which is in our interest in the long run.

The United Kingdom, together with the component parts of the British Empire, or the British Commonwealth of Nations, by whatever name one may wish to designate it, has for many years been the best customer of the United States, the best customer of our farms and factories, the best customer of our farmers and laboring men, because frequently the margin of exports of the things we produce in field and in factory may mean the difference between employment and unemployment, prosperity or depression, and so affect the economic well-being of the people and the industries of the United States.

In 1930 the Secretary of Commerce in the administration of Mr. Hoover, Robert Patterson Lamont, a very able man and a very fine Secretary of Commerce, testified before a committee of the Senate that the loss of $3,000,000,000 worth of exports from the United States to the nations of the world meant the loss of employment by 3,000,000 American workingmen. So, Mr. President, if it be true that the loss of $3,000,000,000 of exports—and there was no dispute of his estimate of the effect of the loss of world markets upon employment in the United States—if the loss of $3,000,000,000 of exports meant unemployment for 3,000,000 American workingmen, we may go up or down the scale from $3,000,000,000 to $5,000,000,000 or $10,000,000,000, counting about 1,000,000 men for the production of every billion dollars' worth of export trade on the part of the United States. And that is the ultimate purpose of this financial agreement—to keep open the world's export markets for the benefit of our farmers and workers.

Prior to the disorganization of world commerce which was the result of World War II, the United Kingdom imported into its boundaries for consumption in its factories and its homes, 20 percent of all the exports of all the nations in the world. It imported 65 percent of its food and raw materials from abroad. We had a big share of that trade. But with the new wartime restrictions our exports to England may be hard hit. That is the primary factor which has brought about the necessity for the consideration of this loan.

Much has been said about the sterling area. The sterling area, in a large sense, is geographical. It consists of those nations which have traded habitually with the United Kingdom—England, Scotland, and Northern Ireland—and keep their reserve balances in the Bank of England or in London financial institutions. The sterling area, therefore, is that area made up of the British Dominions—excluding Canada and Newfoundland—other countries of the Empire, and also some nations outside the British Empire which found it more convenient to keep their reserve balances in London than in any other financial center in the world. It is equivalent to saying that in the Middle West, in the Mississippi Valley, merchants, shippers, and manufacturers keep their deposits in the banks of St. Louis, we will say. That area might be called the St. Louis area. The same statement might apply to Richmond, New York, or Cleveland. It is necessary to understand that, because the whole situation in the sterling area is important to world trade. The sterling area, therefore, is that area which found it more convenient and profitable to carry on trade in English pounds sterling, using deposit balances in sterling in London.

When the war came on it became necessary for Great Britain to buy large quantities of war supplies in addition to her food and raw materials. It was necessary for her to buy large quantities of war materials and to pay her troops. To do this, it became necessary for the United Kingdom to incur debts in the nations making up the sterling area, in order to buy the things which were so indispensable in fighting the war. The nations of which I am speaking include India, Burma, Australia, New Zealand, Egypt, South Africa, Palestine, and a long list which I need not give. As a result of these purchases of war materials and the payment of her soldiers in Egypt, Burma, and India, Great Britain incurred a debt of $13,500,000,000, going to the nations constituting the sterling area, and held by them in the form of sterling deposits. Of course, Great Britain had to pay for many of those supplies in war prices, which were higher than would normally prevail. So she finds herself today with an external debt caused by the war, represented by blocked sterling balances in the banks of London, of $13,500,000,000. That takes no account of her internal debt represented by the sale of her bonds to her own people, after the same fashion in which we sold our bonds and incurred a national debt of $275,000,000,000 owed to the American people.

It also became necessary as a war measure for Great Britain to provide, through regulations, stipulations, and restrictions, that nations holding balances in the banks of London should not be free to use this sterling to carry on trade with other nations—because they had nothing but sterling and England was not in a position to provide dollars or other currencies for sterling used to buy goods outside the sterling area. And so as a war measure, as a war necessity, the countries which have sterling deposits are not able to buy in the free markets of the world so long as they can buy anything in the sterling area and pay for it in sterling. It is necessary for the world to get away from that sort of artificial restriction.

We have adopted by an overwhelming majority the Charter of the United Nations. We have adopted by an overwhelming majority the Bretton Woods agreement which set up an International Monetary Fund for the purpose of stabilizing the currencies of the world, so that the trade of the world could be carried on in stable currencies whose values are more or less fixed—not rigidly, but approximately—over a period of years. The object of that fund, Mr. President, is to stabilize currencies among all the nations that are members of it. Forty nations have now qualified as members of the International Fund provided for in the Bretton Woods agreement.

In addition to that fund, the Bretton Woods agreement sets up an International Bank for Reconstruction and Development, with a potential capital of $10,000,000,000. According to the terms of the agreement, we pay 20 percent of it when called by the bank, and the other 80 percent is held in abeyance, not to be paid except under certain contingencies which are set forth in the agreement. A sufficient number of nations have joined the International Bank and have made their commitments to form a capital of approximately $7,500,000,000 now, and it is hoped that within a reasonably short time the other nations signing the agreement at Bretton Woods will comply with the requirements so as to make the capital $10,000,000,000, as is intended by the agreement itself.

Mr. President, in order that Great Britain might get away from these restrictions, and return to unrestricted currency and trade, which from time immemorial have been her international commmercial policy, the Bretton Woods agreement provided that Great Britain was to be given a period of at least 5 years in which she might work out a relaxation of the restrictions to which I have referred. That is, after 5 years there would be a removal or relaxation of the sterling area restrictions, the blocked sterling to which reference has been made. We are anxious that those restrictions shall be relaxed in less than 5 years. In the Bretton Woods agreement there is no iron-clad rule by which Great Britain can be compelled to do so within 5 years, but it is a goal to which she and all the other nations signing it aspire.

Under the financial agreement we are now discussing, which provides for a credit of $3,750,000,000 for the United Kingdom, to be drawn over a period of 5 years, she is required to relax and eliminate these restrictions within 1 year, instead of 5. In other words, if we agree to the financial arrangement made between the United States and the United Kingdom, so that she may draw upon this credit from the time of its effective date up to 1951, the sterling restrictions and the sterling area dollar pool will vanish within 1 year.

Let me say that the sterling area dollar pool means that when any nation within the sterling area gets American dollars, those dollars are deposited in England and become a part of the ster-

ling area dollar pool, and these dollars are allocated by England. If this credit is accorded to Great Britain, within 1 year the sterling area dollar pool will vanish. Every nation in the sterling area that obtains dollars in payment for exports will then be at liberty to buy products in any of the markets of the world, and especially the markets of the United States, and to pay dollars for such products. Now under this artificial wartime arrangement of the sterling area dollar pool these nations must deposit the dollars in London and they cannot use them to purchase American products or any other products in the purchase of which dollar payments are essential unless they get an allocation from London.

So, Mr. President, the basis of this line of credit of $3,750,000,000 is the need of Great Britain to be able to pay for her current imports. She needs raw materials to put her men and women to work, so that they, in turn, may export the finished products to the world and pay for British imports. Without the ability to do that, the economy of Great Britain will be woefully handicapped. That will take time and until then England needs help. Without help the sterling restrictions, the sterling area arrangements, and the sterling area dollar pool will continue, not because Great Britain desires to continue them, but because she cannot do otherwise than continue them if the line of credit provided for in the loan shall be denied.

It is not contemplated that all the $3,750,000,000 will be drawn at once. Great Britain has 5 years in which to draw it. During that 5-year period the loan draws no interest; but at the end of the 5-year period, for a period of 50 years, which is the length of the loan, the United Kingdom will pay interest at the rate of 2 percent per annum. In order to discharge the obligation at the end of the 50 years, including the payment of interest, Great Britain obligates herself to pay back annually $119,000,000, on the average about $75,000,000 of it to be applied to principal, and the other $44,000,000 to be applied to interest. Of course, the interest payments will be larger in the beginning and decline as the end of the 50-year period approaches. As time passes, more of the $119,000,000 annual payments will be applied to the principal and less will be applied to interest.

Mr. President, it is well known that when Great Britain approached the Government of the United States for this loan or line of credit, she desired $5,000,000,000, because she estimated that $5,000,000,000 was the minimum amount required by the economy of the United Kingdom in order to meet her current balances of payments, to relieve the world of these trade restrictions, and to put trade upon a multilateral basis, rather than upon a bilateral basis. Of course, there is an advantage which I think we all understand in undertaking to bring about a world economic condition in which trade will be multilateral, in which every nation which has something to sell to other nations or which desires to buy from other nations will be free to do so in the markets of the world, and not be bound and tied by bilateral agreements between two nations which may obligate them in a way which restricts their ability and their power to buy in the markets of the world, and requires them to confine their purchases and their commercial transactions to the nation with which they have a bilateral agreement.

The amount which the Government of the United Kingdom desired as a minimum was $5,000,000,000. The agreement provides for $3,750,000,000. It also provides that Great Britain shall not borrow from any nation in the British Commonwealth on terms more favorable to the lender than those which have been made a part of the agreement between the United Kingdom and the United States. In pursuance of the agreement between us and the United Kingdom, the Dominion of Canada has made a loan to Great Britain of $1,250,000,000 in Canadian money on identically the same terms, at the same rate of interest, and payable over the same length of time, as provided for in the agreement which is now before the Senate. If Great Britain should find it necessary to obtain a line of credit from any other of her Dominions, those Dominions would be prohibited by our agreement from receiving terms any more favorable than those which have been provided in the agreement between England and us. Of course, those countries may grant to Great Britain more favorable terms than we have granted. Canada could give Great Britain a billion and a quarter dollars if she wished to do so, but the loan which is made by Canada or by any other member of the British Commonwealth may not be any more favorable to the country making the loan than are the terms of our agreement with Great Britain.

Mr. President, I am about to quote some figures. I know how tedious and dull figures usually are, but they are necessary in order to obtain a true picture of the situation.

The percentage of world imports accounted for by the sterling area, of which I spoke a few moments ago, prior to World War II was 29 percent. In other words, the nations comprising the sterling area imported into their boundaries 29 percent of all the exports of all the other nations of the world. They exported 24 percent of the total world exports. The sterling area was a major factor in world trade.

The imports from the sterling area into the United States amounted to 22 percent. The percentage of United States exports accounted for by the sterling area was 27 percent. The sterling area was the best customer and the best supplier of the United States.

Before the war the United Kingdom earned 58 percent of her foreign exchange income from exports, 24 percent from investments, 13 percent from shipping income, and 5 percent from insurance companies, banking and other institutions.

During the war Great Britain was compelled to sell $4,500,000,000 of her foreign investments. When I say Great Britain, I mean the people of Great Britain. Those investments had been made in foreign countries by the nationals of the United Kingdom, just as Americans have invested money in South America, Africa, and Asia. Those investments did not belong to the Government, but to the people. But, as a war measure, and in order that Great Britain might buy essential war materials with which to fight Hitler, the people of Great Britain were required to sell $4,500,000,000 of their investments in foreign countries at the request and at the requisition of the British Government. That is how the British Government was placed in a position to pay for the articles which it was necessary for England to buy in order to fight the war. In addition, new foreign debts, the decrease in gold holdings, and miscellaneous losses were $12,400,000,000. So the total deterioration in the international capital position of Great Britain on account of the war amounts to $16,£00,000,000.

Mr. President, I should like to have inserted in the RECORD some important figures without reading them, because I do not wish to tax the patience of the Members of the Senate by reading statistics. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table of percentages in typewritten form.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FACTS RELATING TO UNITED STATES-UNITED KINGDOM FINANCIAL AGREEMENT

I. IMPORTANCE OF UNITED KINGDOM IN WORLD TRADE (PREWAR)

1. United Kingdom imports as percent of all other countries' exports, 20 percent.
2. Percent of United Kingdom food imported from abroad, 65 percent.
3. Percent of world imports accounted for by sterling area, 29 percent.
4. Percent of world exports accounted for by sterling area, 24 percent.
5. Percent of United States imports accounted for by sterling area, 22 percent.
6. Percent of United States exports accounted for by sterling area, 27 percent.

II. MANNER IN WHICH UNITED KINGDOM EARNED INCOME FROM ABROAD (PREWAR)

7. Percent of foreign exchange earned by exports, 58 percent.
8. Percent of foreign exchange earned by investment income, 24 percent.
9. Percent of foreign exchange earned by shipping income, 13 percent.
10. Percent of foreign exchange earned by insurance and banking income, etc., 5 percent.

III. WARTIME LOSSES IN FOREIGN EXCHANGE EARNINGS

11. Foreign investments sold to finance the war, $4,500,000,000.
12. Debts contracted by United Kingdom to finance the war, $11,600,000,000.
13. Decrease in gold and dollar reserves, $6,000,000,000.
14. Total deterioration in international capital position, $16,900,000,000.
15. 1945 exports as percent of 1938 (volume), 44 percent.
16. 1945 income from investments as percent of 1938 (pounds sterling), 48 percent.
17. 1945 merchant marine as percent of 1938 (tonnage), 72 percent.
18. British estimate of transitional balance of payments deficit, $5,000,000,000.

IV. TERMS OF PROPOSED CREDIT TO UNITED KINGDOM

19. Maximum amount United Kingdom can draw, $3,750,000,000.
20. Last date on which withdrawals permitted, December 31, 1951.
21. Scheduled interest rate (per annum) (beginning in 1951), 2 percent.
22. Effective interest rate, if equal sums are drawn in December of 1946, 1947, and 1948, 1.76 percent.
23. Cost to United States of borrowing (present debt structure at present yields), 1.64 percent.
24. Total amount of scheduled interest payments, $2,200,000,000.
25. Total amount of scheduled interest and amortization payments, $5,900,000,000.
26. Annual payment on the credit (principal and interest), $119,000,000.

Mr. BARKLEY. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table showing the amount of blocked sterling held by various countries.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Actual amount of blocked sterling by countries

[Net sterling balances as of June 30, 1945, in millions of dollars]

Dominions:	
Australia	473
New Zealand	254
South Africa	132
Eire	718
Total	1,577
Other major sterling areas:	
Iceland	69
Burma	44
India	4,465
Egypt and Anglo-Egyptian Sudan	1,593
Iraq	283
Total	6,459
British colonies, mandates, etc.:	
Palestine	464
Ceylon	245
Hongkong	131
Malaya	340
East African colonies	326
West African colonies	366
Other British African colonies	147
Trinidad	78
Other British West Indies and Bermuda	160
Other colonies	347
Total	2,606
Total sterling area	10,641
Liberated areas of Europe:	
France	[1] 160
Belgium	150
Greece	220
Netherlands	274
Norway	363
Others	50
Total	1,217
European neutrals:	
Portugal	314
Others	118
Total	432

[1] The French balances will be wiped out by the settlement of the United Kingdom loan to France.

Actual amount of blocked sterling by countries—Continued

South America:	
Argentina	342
Brazil	147
Uruguay	57
Others	19
Total	565
Rest of world:	
Iran	87
China	91
Siam	52
Others	27
Total	257
Total nonsterling area	2,471
Grand total	[2] 13,112

[2] The recent British white paper entitled "Statistical Material Presented During the Washington Negotiations" shows a total of $13,525,000,000. This figure may represent additions and corrections to the figures supplied by our Government to the committee on request.

Mr. BARKLEY. Mr. President, by an overwhelming majority, the committee expressed its belief that this loan which was negotiated between our Government and the United Kingdom and which has already been ratified by the British Parliament, should be made not because of Great Britain alone, but because of the advantages which will accrue to the United States by reason of the terms of the agreement, and the advantages which will accrue to the trade of the world, and thereby directly and indirectly reflect an additional advantage to the people of the United States and to our economic situation.

During the hearings in connection with the proposed loan its terms were endorsed by the Secretary of the Treasury, the Under Secretary of State, the Assistant Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, and the Chairman of the Export-Import Bank, all of whom are officials of the Government of the United States. I will mention the names of some of those who do not belong to any governmental group and hold no office within the Government.

Mr. Winthrop Aldrich, speaking for the Chase National Bank; Mr. Eric Johnston, president of the United States Chamber of Commerce; Mr. Ralph E. Flanders, a prominent New England businessman and chairman of research of the Committee for Economic Development; Mr. William Green, president of the American Federation of Labor; Mr. Philip Murray, president of the Congress of Industrial Organizations; Mr. Edward O'Neal, president of the American Farm Bureau Federation; Mr. Russell Smith, the legislative secretary of the American Farmers Union, speaking for Mr. James Patton; and many other outstanding business and financial organizations throughout the United States, women's clubs, and innumerable civic groups have endorsed this loan and urged upon Congress its ratification.

It has been objected, Mr. President, that the loan will be inflationary; that a credit to Great Britain of three and three-fourths billion dollars to be used in the purchase of goods in the United States, added to the other purchasing power of the American people, will bring about an inflationary bulge upward.

Mr. President, the income of the American people in 1945 was between $160,000,000,000 and $170,000,000,000. Our total production in that year was $197,000,000,000. We are operating our industrial machine now at the rate of $190,000,000,000 worth of production in this postwar year of 1946, and, in my judgment, by the end of 1946 and in the early portion of 1947, the American people will be producing civilian goods of all kinds at the rate of approximately $200,000,000,000 per annum. Mr. President, in the United States, where there is a well-known backlog of undetermined proportions, and in the yawning markets of the world, there will be a demand for that $200,000,000,000 worth of products, and that will give employment to American working people; it will give fair prices to the American farmer, and, in all likelihood, will vouchsafe to the American people an annual income in 1946 of not less than $150,000,000,000; indeed, it may go in 1947 as high as $175,000,000,000; it certainly will if we achieve what we hope to be full employment and full production. Therefore, Mr. President, $3,750,000,000 to be expended over a period of 5 years will not very materially increase expenditure in this county, so as to create any runaway inflationary situation, a fear which has been expressed by some people.

Objection has been made, Mr. President, on the ground that the loan will not be repaid by the United Kingdom. One of the objects of the loan is to create the very conditions out of which repayment can be made by the United Kingdom. It certainly cannot be repaid under the conditions that now exist; it certainly cannot be repaid with all the present restrictions, with the maintenance of the sterling area, the sterling bloc, and the sterling area dollar pool; it certainly cannot be repaid under those conditions, because our merchants, our manufacturers, our shipping, and our financial institutions would be denied the opportunity to trade with all the nations that form the so-called countries of the sterling area. It is in order to get rid of these very conditions, in order to free the trade of the world and the economy of the world from these artificial restrictions that handicap and hobble and form hurdles to business that we are asked to make this loan; and under the conditions which will be brought about by the advancing of this credit, barring unforeseen depressions and economic debacles, the British Government will be able to repay the loan according to the terms of the agreement.

Mr. President, it has been objected that this loan will not be repaid because England did not repay the loan to her during World War I. It might be worth while to consider that while we loaned

to Great Britain $4,277,000,000 during World War I and immediately following that war, of that $4,277,000,000 only $581,000,000 was for postwar assistance. In other words, of the $4,277,000,000 loaned to Great Britain as a result of World War I only $581,000,000 was loaned after the war ended for assistance that was needed in the postwar period.

Mr. President, if lend-lease had been thought of, or had been adopted, in World War I, all we would have loaned in money to Great Britain would have been the $581,000,000 which we loaned to her after the conclusion of World War I. Based upon the same problems that confronted us in World War II, we would have arranged with Great Britain during World War I to carry the balance of the $4,277,000,000 under a similar arrangement of lend-lease which we worked out in World War II.

Now let us see what Great Britain did in regard to repaying that loan. From the time the loan was refunded, which, as I recall, was 1923, to 1932—there may have been some payments prior to the refunding of the British debt in 1923—altogether Great Britain repaid to the United States more than $2,000,000,000, including interest and payments on principal.

In the proposed loan, including interest and principal, over the 50-year period the United Kingdom will repay to the United States 160 percent of the amount advanced of $3,750,000,000. Based upon the same sort of calculation for World War I, Great Britain paid back more than 350 percent of what we loaned her for postwar purposes. She only ceased payments in 1932, when the German Nation ceased to pay reparations out of which the payments by Great Britain were provided for, and when our own Government suggested a moratorium, in 1932, which never ended. I recall having received a telegram from President Hoover at my home in Kentucky in 1932, Congress not being in session, asking whether I would be agreeable to a moratorium with reference to the repayment of reparations required of the German people. I am sure a similar telegram was sent to all other Members of Congress. The result was that the moratorium was declared.

When the moratorium was declared, and Germany ceased making reparation payments, it became economically and financially impossible for Great Britain to repay her loan to us, on which her record was well nigh perfect up to that time. The fact that she was unable to repay the loan, which was incurred as a part of the war obligation, and as a defense of democracy from 1917 to 1919, certainly is no argument why there would not be a repayment of the loan now proposed, because the record of the British Empire for repayment of its obligations has been meticulous over long generations and even centuries.

Mr. President, no doubt the objection will be made that the British loan now under consideration constitutes a precedent which will bind us to make loans to other governments. No other nation is confronted by a situation that is similar to that which confronts the United Kingdom. No other nation was forced to incur a debt of thirteen and a half billion dollars externally among the constituent parts of its domain. No other nation was required to impose the restrictions which we are seeking to get rid of, and which the people of Great Britain desire to get rid of no less than we ourselves. The conditions surrounding the proposed loan do not apply to any other country. Therefore, it is not a precedent.

While we are talking about loans to other countries I might take sufficient time to say that loans made to any other governments will be made through the Export-Import Bank, and not by separate agreements like the one we are considering, which Congress must approve.

It has been estimated by the Treasury Department, by the State Department, and by the council set up by the Bretton Woods agreement which has reported to the President, that during the fiscal year 1947, up to June 30 next year, $3,250,000,000 may be needed with which to make loans to various other countries. The Export-Import Bank now has approximately $2,000,000,000 available, or has that amount it could use for that purpose, and it has already been announced that a request will be made to increase by one and a quarter billion dollars the lending power of the Export-Import Bank. So that the total amount available for loans to other countries through the Export-Import Bank will be three and a quarter billion dollars.

I cannot say just what nations will obtain that credit; but France will undoubtedly obtain some; China will undoubtedly obtain some; other nations will obtain some. An application has been filed by Russia for a billion dollars, but whether that much will be granted or whether any will be granted no one can now foresee, because the negotiations have not progressed very far.

Mr. President, until June 30, 1947, assuming that Congress will authorize another billion and a quarter dollars, making a total of three and a quarter billion dollars available, that would be the total amount that could be loaned to all the other nations of the world up to that date, and the loans would be made under conditions wholly dissimilar from the conditions which prevail in regard to the loan to Great Britain. Therefore this loan sets no precedent in any way, morally, legally, or politically, in regard to applications of other nations for loans.

I think it is fair to say that, whether we desire it or not, we have become the world's banker. We have become the world's greatest creditor nation, and our economy cannot prosper and advance unless there is a revival of world trade and world prosperity. If we have become, unconsciously, it may be, the world's banker and the world's greatest creditor, that situation carries with it an obligation which, in my judgment, we cannot escape without endangering our entire economy, social and political, which is so essential to the carrying out of the objectives of the United Nations, so essential to accomplish the purposes and objectives of the Bretton Woods agreement, and of the organizations which have been set up in regard to the currency and trade of the United Nations under the Bretton Woods agreement.

Therefore we have an economic and social obligation, in my judgment, to perform our duty in accordance with our leadership among the nations of the world. That leadership cannot be maintained unless we are willing not only to enjoy whatever benefits may accrue from the organization of the world's nations, in trade and social conditions and standards of life, but we must accept some of the burdens to be borne in bringing about that world-wide situation.

Mr. President, it has been suggested that this loan be financed by the floating of bonds in the United States to be purchased by citizens of the United States. If it could be assumed that $3,750,000,000 worth of British bonds could be sold to the people of the United States, it could not be done; such a proposal would be impractical, and would not succeed—but even if it were possible to float $3,750,000,000 in British bonds among the people of the United States, we would lose whatever advantages we would acquire under this agreement in bringing about a relaxation of restrictions and barriers to world trade. There would be nothing that would accrue to the United States as a people, as a result of the flotation of such a loan among the people, except the interest which might be drawn by those individual purchasers of bonds of the British Government. Such a proposal would be impractical; it could not work, and if it could work we would be deprived of all the benefits we have been able to acquire and which we hope to enjoy under the agreement to which I have been addressing myself.

It has been contended, Mr. President, that the British Government should sell its investments in the United States and all over the world. A moment ago I stated that as a result of the war Great Britain has been required to sell $4,500,000,000 worth of investments of her people—not of the British Government, but of the people of Great Britain. The people of Great Britain now have in American securities $360,000,000; net assets of branches of insurance companies, $220,000,000; net worth of British-owned United States insurance companies, $210,000,000; securities of other companies in which British control is substantial, $105,000,000. That is, they have $895,000,000, every dollar of which has already been pledged.

The Reconstruction Finance Corporation loaned to Great Britain $400,000,000, or made available a credit of $450,000,000, and required Great Britain to put up as security for that loan $895,000,000, approximately, and although that loan has been reduced now to about $250,000,000, the Reconstruction Finance Corporation still holds as a pledge for the repayment of that loan, approximately $900,000,000. So that the securities not pledged in the United States now amount to only $215,000,000. And in addition

there is about $350,000,000 of small investments in companies which cannot be taken over by the British Government or be liquidated. How far would that go toward meeting the need of Great Britain in this great crisis? And even if she could sell enough securities, if she owned them, their sale would deny to us the advantages we will obtain as the result of this financial agreement. So, Mr. President, that method of help to Great Britain is impractical and nonexistent.

Mr. President, I come now to the summing up of the reasons why I believe we ought to approve this agreement. There are many other things that I might advert to if time permitted, but I shall not do so. I shall be glad to answer any questions, if I can, with the assistance of representatives of the Treasury and State Departments, which have lived with this problem for months.

I sum up as follows: We are making this loan to Great Britain not because we are morally obligated to do it, although there may be moral obligations as between the two countries. We are not proposing this line of credit as a matter of charity. We are proposing it because Great Britain and the United States and the world need the economic clarification that will be brought about by the advancement of this credit; because it will enable nations to trade all over the world, instead of in restricted areas; because it will give an outlet to our products of farm and factory, and employment to American working people; because it will contribute to the prosperity and happiness and contentment of other people as well as of our own, and thereby contribute to the foundations for peace and security and accord among the nations of the world.

Mr. President, in my judgment the loan will be repaid. There is a provision for the waiver of interest in any 1 year during which British exports, shipping services, services of all kinds, including tourists' accounts, do not amount to the average of British imports in the years 1936 to 1938, that is £866,000,000. Thus, if Great Britain secures from her exports and from her services in all these other categories enough foreign exchange to equal the prewar level of imports, she must pay interest at the rate of 2 percent upon this entire amount, and only in such years as all these accounts would fall below £866,000,000, adjusted for price changes, would she be relieved of the payment of interest. That waiver is in the agreement on the ground that if in any 1 year the economic conditions of the world do not make it possible for Great Britain to pay interest on the debt for that year, it is better to forego it entirely than to chalk it up as an unpaid obligation, and put her in the category of being a defaulter on the payment of interest in that year, although she is required, under the agreement, to meet the amount on principal which she would be required to pay in that year, though forgiven the interest for that particular year.

Mr. President, this agreement is a part of the world-economic policy of the Government of the United States. It is a part of the peace program, which does not consist merely of making treaties and fixing boundaries between nations. The peace program, the security program, the program to place our country and the world upon a firmer foundation of accord and security, economic as well as political, require, in my judgment, that this loan be made to Great Britain.

It does not constitute a precedent, but if in the negotiations between our Government and other nations circumstances justify the advance of credit up to the amount of $3,250,000,000, as I stated a moment ago, I shall certainly be in favor of extending such credit to those nations through the Export-Import Bank.

It has been said by some that we could afford to give this money to Great Britain if we could get rid of some of the currency and trade restrictions that handicap this country and handicap the world, which Great Britain was forced to put into effect to win the war. We have made no such proposal. This credit does not constitute a gift. It constitutes a loan at a rate of interest fairly comparable to the rate which our Government is now paying for the moneys which she obtains, although I frankly confess that that is a lower rate than we are paying on some of the obligations of the United States which are outstanding, and it may be a lower rate than during the 50-year period will be charged for some other obligations we may be called upon to issue. But the rate of interest, in my judgment, is fair. It comports with the ability of Great Britain to pay.

Certainly we do not want to encourage such a situation that not only will there be bilateral agreements in respect to trade among nations, but there will be groups of nations fighting against other groups of nations on the economic front. We do not wish to create such a situation that the United States will have to form blocs in any part of the world in order to share the trade of the world. And that is what will result if this loan is denied. Then Great Britain could not relax the existing restrictions, she could not eliminate the control of sterling; she could not liquidate the blocked sterling; she could not dissolve the dollar pool. Therefore in self-defense we would be required to enter into agreements that might result in the formation of other blocs and rivalries in trade, and bring about bitterness and frictions, which have not been always absent in the creation of the conditions which brought about wars in the years that have gone by.

So, Mr. President, I hope the Senate in its wisdom and the Congress as a whole will ratify this agreement, in the interest of our country, in the interest of world trade, in the interest of world revival, and in the interest of a stable economy that will contribute to the peace and happiness of all the nations of the entire world.

Mr. VANDENBERG. Mr. President, will the Senator yield before he takes his seat?

The PRESIDING OFFICER (Mr. GOSSETT in the chair). Does the Senator from Kentucky yield to the Senator from Michigan?

Mr. BARKLEY. I yield.

Mr. VANDENBERG. Am I correct in understanding the Senator to state categorically that this will be the only foreign loan agreement which will come before the Congress?

Mr. BARKLEY. So far as is now anticipated, whatever other agreements may be made, or whatever other loans may be made, will be made through the Export-Import Bank and will not require congressional action.

Mr. VANDENBERG. If other foreign loans are made through the Export-Import Bank can the Senator tell me what machinery exists to coordinate those loans with our foreign policy? In other words, I am not so sure that it is an advantage to have foreign loans made by an external instrumentality over the operations of which the Congress has no control.

Mr. BARKLEY. Congress has control in this sense: It determines how much may be available for this agency of Congress which has been created as the Export-Import Bank. Under its authority, the Export-Import Bank has already made loans to other countries. The machinery which exists to implement the Export-Import Bank loans with our economic foreign policy is the machinery which Congress itself has set up in the Export-Import Bank and in the National Advisory Council on Financial Problems.

Mr. VANDENBERG. Let me give the Senator an example of what I have in mind. Suppose that the Polish Provisional Government at Warsaw should apply to us for economic aid; suppose the facts were officially demonstrated to be that the Polish Provisional Government is defaulting on some of its obligations under the Yalta agreement in respect to guaranties of free elections; and suppose it were demonstrated that the Polish Provisional Government is defaulting on its obligations under the Potsdam agreement in respect to the guaranty of free ballots for all anti-Nazi parties in those free elections—and I think the situation is unmistakable in both instances. It seems to me that any foreign loaning policy which the American Government might pursue should be very definitely geared to the general attitude of any foreign government toward its other moral as well as fiscal obligations. I also think all foreign loans should be considered as integral factors in our foreign policy.

By way of example, let us suppose that the Polish Provisional Government is doing as I have suggested, in part or in whole. Suppose that the facts which I have cited should be proved to be true. I am wondering whether it is appropriate for the Export-Import Bank to be permitted to exercise independent loaning judgment on a fiscal basis in such circumstances, unrelated to the fact that there may be these other high considerations which ought to be canvassed.

Mr. BARKLEY. Of course, the defaults to which the Senator refers, which are serious if they exist, are political defaults, not financial defaults. The Secretary of State is a member of the Board of Directors of the Export-Import Bank, as would be any Secretary of State who might be in office at any given time. He

would be familiar with the situation. Of course, he is only one member; but, being familiar with the political situation, any political defaults or any failure to comply with agreements which a certain government has made on a political basis would in all likelihood reflect the permanency or lack of permanency of the government which might exist at any given time. It might also affect its good faith or lack of good faith in repayment of the loan. Certainly the Secretary of State, as a member of the Board of Directors of the Export-Import Bank, would not permit the Export-Import Bank to lose sight of those conditions in determining whether the country was entitled to a loan.

Mr. VANDENBERG. I thank the Senator for his comment. What I am trying to say is that, in my judgment, a loan to the Polish Provisional Government—if the reports which I have recited are true—involves higher considerations than fiscal considerations.

Mr. BARKLEY. I grant that.

Mr. VANDENBERG. It involves considerations which go far beyond the responsibilities and the jurisdiction of the Export-Import Bank. We have underwritten the Yalta agreement and the Potsdam agreement, and subscribed our integrity to their promises. It seems to me that we are entitled to use every influence at our command, including our fiscal resources, in insisting upon the faithful execution of those agreements. I think we are entitled to do that in every instance.

Mr. BARKLEY. I think the Polish Provisional Government has made application for some amount. The negotiations have not yet arrived at a determination. Of course, the Export-Import Bank can place any condition it may see fit upon the terms of the loan, if made. The Senator will realize, I am sure, even better than I can, having participated, as he has, in world-wide conferences which have resulted in constructive actions to bring about peace and security in the world, that whether there have been defaults on political obligations is a matter which cannot always be determined in an ex parte proceeding to determine the facts. The facts may be subject to investigation and ascertainment; and facts might be developed which would actuate the Export-Import Bank in not granting the loan in any amount. I agree with the Senator that those considerations would necessarily take on aspects other than financial or economic. They might take on political aspects, which would go to the good faith of a country undertaking to repay a loan made through that agency.

Mr. VANDENBERG. I thank the Senator for his observations.

The Senator referred to the fact that the Polish Provisional Government probably has made application for a loan.

Mr. BARKLEY. I believe that to be true. I would not say so categorically.

Mr. VANDENBERG. That is the reason why I commented on this phase of the matter. In respect to Poland we confront a situation which challenges the total sympathy of the American people in behalf of this stricken land which was one of the bravest allies we had in the war. At Yalta we joined in underwriting a guaranty of free elections. Then, coming down to Potsdam, we joined in a guaranty of free ballots in those free elections. The guaranty of free ballots is spelled out in the Potsdam agreement to the end that all democratic parties are to be admitted to the ballot in the free election. Those guaranties are the utter minimum of our obligation to Polish patriots, in view of their war record, in view of their historic and traditional devotion to liberty, in view of the fact that the defense of Polish freedom was the initial objective of the recent contest, and in view of the failure of Yalta and Potsdam to protect Polish rights in other directions, it seems to me that any dealings we have with the Polish Provisional Government in any phase or aspect of our contacts should embrace within their jurisdiction a consideration of all these situations and a disclosure of authenticated facts as to what actually has happened.

Mr. BARKLEY. I agree with the Senator; and I believe that the Export-Import Bank would have ample authority to do so, and would be disposed to do so.

Mr. VANDENBERG. There have not been free elections yet in Poland. So far as the reported information coming out of Poland is concerned, the head of the large Peasant Party confronts constant and desperately heavy pressure from the Polish Provisional Government to bring his party into one government ballot, so that there will be only one party in the election, which is the typical totalitarian device for tyrannical control. We hear serious rumors from time to time, which Mr. Bevin acknowledged on the floor of the British Parliament, that political murder is being exercised in the liquidation of political opposition. All of this, if true—and I emphasize the fact that I am saying "if true"—is a direct challenge to the integrity of the signature of the United States to the Yalta and Potsdam agreements. Of course, we must take nothing for granted. We must base our position on proofs. All I am saying is that in my view, before any loan is made to the Polish Provisional Government this Government should undertake to establish the facts in respect to the situation which I have defined; and if the facts warrant any such indictment as the gossip, rumor, and newspaper information suggest, it constitutes a barrier, from my point of view, to any loan through the Export-Import Bank, regardless of financial, trade, commercial, or other fiscal considerations.

I am glad to have the Senator say that he anticipates that the British loan will not be a precedent for any further congressional action.

Mr. BARKLEY. Mr. President, I say that this British loan, in my judgment, because of the peculiar circumstances in which it is founded, does not constitute a precedent for any other loan, whether made by an agency of the Government with or without action on the part of Congress. It simply does not constitute a precedent for any other loan—period! That is my judgment.

Mr. VANDENBERG. I agree with the Senator that it does not constitute a precedent; but I am simply challenged by the suggestion made by the Senator that loans can be made by the Export-Import Bank, and I am merely asserting for the record that if loans are to be made by the Export-Import Bank, which is primarily a commercial and financial institution, I should dislike very much to think that such additional foreign loans will be made without a full discussion at high levels with respect to our total foreign policy.

Mr. BARKLEY. I have no doubt that that consultation will take place, and I also express the very firm opinion that in determining whether to make such a loan to Poland or to any other country similarly situated, it would be the duty of the Export-Import Bank and of all agencies of government connected with it and if the members of the board of directors, including the Secretary of State, to determine the good faith of that government, not only from the standpoint of its financial ability to repay, but from the standpoint of its good faith in respect to its intention to carry out a financial obligation into which it might enter. All those matters, I believe, would have to enter into the considerations and into the discussions regarding an agreement by the Export-Import Bank to make such a loan. If such representations are not made and if the Export-Import Bank is not satisfied with the good faith of the Government not only in obtaining the loan but in carrying out the purposes of the loan, whatever they might be, the Export-Import Bank would have the right and, in my judgment, the duty to reject the loan entirely.

Mr. VANDENBERG. The Senator from Kentucky understands that my comment in no way reflects upon the pending measure.

Mr. BARKLEY. I understand.

Mr. RADCLIFFE. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. RADCLIFFE. I certainly am in accord with what the Senator from Michigan has said in regard to the Polish situation. If rumors are to be believed, there are special circumstances existent which require that Polish conditions be studied carefully, and I am satisfied they will be.

I wish to inquire whether it has not been quite definitely the practice of the Export-Import Bank to give consideration to matters other than those purely fiscal in considering a proposed loan. I can understand that in the case of a relatively small loan, probably minimum consideration or very little of it would be given to aspects of the situation other than fiscal, but I have always been under the impression that the Export-Import Bank would not make any move toward a loan without the cooperation of other officials and without being in the closest touch with the President of the United States and the Secretary of State, and that then so far as other factors would seem to be involved they would get the careful consideration they deserved. Since that has been the policy in the past, certainly there is all the more

reason now, when a complicated and far-reaching matter such as the suggested Polish loan comes up, that these and all really pertinent considerations should be looked into very carefully. Poland's problems deserve our thoughtful attention and suitable prompt action by us.

Mr. BARKLEY. It has been the custom of the Export-Import Bank to have the fullest consultation and understanding with, and cooperation of all, other departments of the Government which have anything to do with such matters. That is done through the National Advisory Council on Financial Problems. Of course, that involves the Secretary of State, as I said a while ago, and it involves the President of the United States. He is not a member of the Board of Directors of the Export-Import Bank or of the National Advisory Council, but he is the highest authority in the land in regard to any proposition which involves our foreign, political, or economic policy. Certainly, the Export-Import Bank, which is an agency of our Government created by Congress, would not go contrary to the standards of conduct and of good faith on the part of our Government in dealing with any other government, and, as I said a moment ago, it would have the right and it would be obligated, in my judgment, to consider the entire picture, not simply whether financially the government which was seeking the loan would be able to repay it, but whether its attitude toward its obligations, political and otherwise, was such as to justify a belief that it would not seek in the future to take advantage of some technicality so as to get out of paying an obligation financially, or whether it had been chronically known to have used technicalities in order to get out of its political obligations and promises to our country and to other countries with which it dealt.

Mr. RADCLIFFE. Mr. President, since both the Senator from Kentucky and I are members of the Banking and Currency Committee, he will recall that frequently there arise in that committee questions which are concerned with an extension of the borrowing power of the Export-Import Bank, and that it often happens that the policies of the Export-Import Bank are considered in respect to various matters before the Banking and Currency Committee. The policy the Senator has just enunciated has, I think, been emphasized frequently in the discussions which have been held in the committee. Again and again the point has been made that in connection with these matters that not only the fiscal question but all other germane matters should be given careful consideration. That point has been stressed again and again in the committee, so often that our policy is clearly marked out.

Mr. BARKLEY. That has not only been considered and dealt with in the committee, but the head of the Export-Import Bank, who has been before the committee time and time again in regard to matters relating to the authority, jurisdiction, and scope of the work of the Export-Import Bank has never hesitated to lay before the committee frankly the policies which the bank pursues in regard to foreign loans or, for that matter, in regard to domestic loans made to encourage the exportation of our American products.

Mr. RADCLIFFE. I think that the carrying out of what the Senator from Michigan has suggested would not require any reversal in policy at all, but would merely mean that, because of the gravity of the situation, greater stress would be laid on what the committee has to a very considerable extent been trying to do for a long time.

Mr. BARKLEY. Notwithstanding the ability of a given country to repay the loan financially, the Export-Import Bank would also rest under the obligation, I think, to determine whether such country had misused its political power or had defaulted on its political or other economic promises; and if they had any reason to believe that, based upon that history or experience, it would misuse the funds to be loaned today, the bank certainly would have the duty to deny the loan altogether.

Mr. VANDENBERG. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. VANDENBERG. Referring to the suggestion made by the able Senator from Maryland, it is true, is it not, that the new loans which are now being discussed—loans made through the Export-Import Bank—are of a totally different character than the loans for which the Export-Import Bank was created?

Mr. BARKLEY. Yes; the loans for which the Export-Import Bank was originally created were to facilitate the exportation of our own products.

Mr. VANDENBERG. Precisely.

Mr. BARKLEY. But the world situation has required us to extend the scope of that bank to its present dimensions.

Mr. VANDENBERG. I am not complaining about that; but it seems to me that, having thus changed the character of the institution, we have, however, neglected to change the character of its controls. When we look at the official staff of the Export-Import Bank, as listed in the Congressional Directory, we find only one major public servant connected with it, and that is the Secretary of State, who is merely an ex officio member, one member among five directors. I confess I am wondering whether the Export-Import Bank should be totally autonomous in dealing with political loans, when it was created solely for the purpose of making commercial loans.

Mr. BARKLEY. Mr. President, of course, I may say, in reply to the Senator from Michigan, that although we have expanded the scope of the Export-Import Bank, we have not to the same extent, probably, expanded its structure. It may be the fault of Congress, as much as of anyone else, that that has not been done.

Mr. VANDENBERG. Oh, I think it is.

Mr. BARKLEY. It may not have occurred to Congress that it was necessary to do it.

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. TAFT. I think the law provides that loans made by the Export-Import Bank must be approved by the National Advisory Council on International Monetary and Financial Problems, created by the Bretton Woods agreement, which also controls the Export-Import Bank; and it is made up of the Secretary of the Treasury, the Secretary of State, the Secretary of Commerce, the Chairman of the Board of Governors of the Federal Reserve System, and the chairman of the Board of Directors of the Export-Import Bank.

Mr. BARKLEY. Yes; that is true.

Mr. TAFT. That Council, as I understand it, must approve any foreign loans made by the Export-Import Bank unless they are purely in the nature of commercial loans.

Mr. BARKLEY. Yes; I think so.

Mr. TAFT. So to a considerable extent the suggestion made by the Senator from Michigan has already been carried out.

Mr. BARKLEY. That is correct. It was carried out by the Bretton Woods agreement. That Council has already reported to the President.

Mr. TAFT. I have its report before me.

Mr. BARKLEY. I mean it has made a report outlining the general foreign loan policy of the Government of the United States, approved by it, in which it refers to loans of various types.

Mr. TAFT. Yes. We have already loaned some money to Poland for the purchase of raw cotton. So far as I know, all conditions of the loan were met. Under the Bretton Woods Agreements Act Poland may draw down a fair proportion of the $2,750,000,000 which we put up, without any possibility of control being exercised from any political point of view. So, to a considerable extent we have already acted without any consideration of the political problems involved in Poland. But I think that before any major loan could be made to Poland by the Export-Import Bank it would have to be approved by the Secretary of State and by the Secretary of the Treasury.

Mr. BARKLEY. I thank the Senator from Ohio.

In the Bretton Woods Agreements Act we had to treat all nations alike in regard to their eligibility to receive aid under the International Fund and under the International Bank for Reconstruction and Development. We could not single out, for example, one nation and say with regard to it that a different rule must apply. It is true that Poland had made, for the purchase of cotton, a small loan with reference to which, I presume, there were no political conditions. I am not able to say that with certainty but evidently it had to be considered because the Export-Import Bank would not be justified in making a loan to a country of any sizable dimensions if it were convinced that the political situation in such country was so unstable as to make repayment improbable, or make the misuse of funds a possibility.

Mr. TAFT. I suggest that there should be placed on the desks of the Members of the Senate a copy of the financial agreement which we are discussing. It is not set forth in the joint resolution, in the hearings, or in the report of the committee. It seems to me that a copy of the agreement should be on our desks.

Mr. BARKLEY. I agree with the Senator. I had assumed that the agreement was available to all Members, and I will see that a copy is placed on the desk of each Member.

Mr. TUNNELL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TUNNELL. I have no doubt that when I have sufficient time to read the hearings I shall obtain answers to some of the questions which have been disturbing me.

For example, I notice that in the report a statement is contained with reference to why Great Britain needs the loan. The only way in which the United States may make the loan to Great Britain is by borrowing the money, is it not?

Mr. BARKLEY. In a sense, yes; although it may make advance payments out of any balances in the Treasury available at the time Great Britain calls for an allocation of any part of the three and three-fourths billion dollars during the 5-year period. However, assuming that the Treasury should not be in position to make advances out of cash in the Treasury, or assuming that the cash in the Treasury was the result of borrowings already made by the Government, in either of those cases the money loaned to Great Britain represent borrowings from the public.

Mr. TUNNELL. Yes. In other words, it seems to me that the situation indicates that the United States also needs money.

Mr. BARKLEY. Oh, yes; we know that the United States needs money all the time, every day and every year.

Mr. TUNNELL. Yes. My recollection is that when the United States was approached for this loan it was suggested that we give Great Britain $5,000,000,000. Am I not correct in that statement?

Mr. BARKLEY. No; I believe not. I think the suggestion was made that we loan Great Britain $5,000,000,000 without interest. I do not recall, and I cannot answer categorically whether the British representatives asked us for a gift. I do not believe that they did. But as I understand the situation, they did ask us for a loan without interest.

Mr. TUNNELL. That is my recollection. It seems to me that in the British Parliament a great deal was said about Great Britain never being able to pay back the loan. I believe that some charge was made to the effect that we were asking terms which would be impossible for Great Britain to meet, and which would result eventually in her defaulting.

Mr. BARKLEY. No; I believe there was opposition voiced in the British Parliament to the agreement, but it came very largely, I will say, from a group of British representatives who preferred to continue in existence the artificial restraints and restrictions about which we are complaining, and which we hope to eliminate. They wanted the agreement for the loan to be defeated so that they would be compelled to maintain those restrictions permanently, and not be required to remove them within a year, as required under the terms of the agreement. I am not making that statement in criticism of the British members of Parliament who took such a view, but there were outstanding members who objected to the loan and to the agreement, and in order to bring about its defeat they used as a ground, or excuse, or whatever it was, the argument that the agreement was a hard one and that we had exacted impossible terms. I am told that many persons were actuated by the desire to perpetuate the conditions which are now in existence, and which we desire to have eliminated in our own behalf and in behalf of trade throughout the world.

Mr. TUNNELL. According to my recollection, some of those who made the suggestions to which the Senator has referred occupied positions pretty high in Government circles in Great Britain.

Mr. BARKLEY. They were mainly, I suppose, important members of the House of Lords.

Mr. TUNNELL. Yes.

Mr. BARKLEY. But in his address before the Parliament, Lord Keynes, who was one of the negotiators for the loan, undertook to set out the fact that the agreement would be a fair one to both England and the United States. While the agreement did not accord to Great Britain everything she sought, Lord Keynes stated that our own situation, our own obligations, and our own political approaches had been taken into consideration, and under all the circumstances the loan would be about as fair as could be expected.

Mr. TUNNELL. Would the same necessities be met, and equally as well, if Great Britain were to raise the money by borrowing it from her own people? What is the distinction?

Mr. BARKLEY. Assuming that Great Britain could raise three and three-fourths billion dollars by selling bonds to her own people, she would still need foreign help. Great Britain now has an external debt of approximately thirteen and one-half billion dollars, which is in addition to her internal debt. I believe that her internal debt is approximately $90,000,000,000. She already owes approximately that much money. If Great Britain could float within her own boundaries a loan of three and three-fourths billion dollars it would have to be floated in terms of pounds sterling, and it would give her no dollars with which to buy American goods. She could no more convert the pounds which she might receive through another bond issue into dollars than she could convert pounds which she now has into dollars. One of the purposes of the proposed loan is to provide three and three-quarter billion dollars with which Great Britain will be enabled to purchase goods in the United States, and at the same time be required to lift the artificial restrictions which form trade blocs in various parts of the world. Even if Great Britain could float at home such a loan as she has requested from the United States, she would be under no obligation to lift those restrictions, abolish the sterling controls, the sterling bloc, or the sterling area dollar pool.

Mr. TUNNELL. My recollection is that, under the Bretton Woods Agreements Act, a possibility would be afforded of pounds being exchanged for dollars.

Mr. BARKLEY. That is out of the international fund.

Mr. TUNNELL. Yes.

Mr. BARKLEY. For the stabilization of currency. But that does not provide for loans for the purpose involved in this loan.

Mr. TUNNELL. No. If the Senator will permit me, what I meant was that if they borrowed the money from their own citizens, it would be in pounds, and the Senator said they could not use them for dollars. I was wondering why they could not exchange them for dollars.

Mr. BARKLEY. They could for stabilization purposes, but they could not exchange $3,750,000,000 worth of pounds for dollars at any given time. And even if they could, they would still not be required to do the other things which we think are so beneficial to our economy and to our trade, and to world trade generally.

Mr. TUNNELL. I have one more question I desire to ask, and that is with regard to the interest.

Mr. BARKLEY. I am reminded, in connection with the question the Senator asked just a moment ago, of the fact that all that Great Britain could obtain at any time out of the fund would be a billion three hundred million dollars. That is the highest amount the British could obtain. So that that would be only one-third of what their requirements are now.

Mr. TUNNELL. That is under what?

Mr. BARKLEY. That is under the international fund set up by the Bretton Woods agreement.

Mr. TUNNELL. Is it in the agreement itself that she would be limited to that amount?

Mr. BARKLEY. That is in the Bretton Woods agreement itself; yes.

Mr. TUNNELL. I desire to come to the question of the interest. In the first place, Great Britain does not pay any interest for 5 years. In the second place, if she does not pay any in the sixth year, it is not added to the debt, and so far as I can see, under this agreement there is no reason why she should ever pay any interest.

Mr. BARKLEY. I think the Senator has not read the agreement properly if he can arrive at that conclusion. It is true that if the average amount of all foreign-exchange income from exports, shipping, investments, banking, tourists, falls below the 866,000,000 pounds of imports for the average period of 1936 to 1938, in that year they are relieved of the payment of interest, on the theory that if such a situation should develop, it would be brought about very largely by world economic conditions, or a depression, which would make it impossible for England to meet the obligation of amortizing the principal and also paying the interest. If those conditions existed it would make it impossible for her to pay the interest, and those conditions would probably denote world conditions which might bring about a depression, or we might be in the midst of a depression. If through her inability to pay the interest in one particular year we chalked up

against her a default, it would be very easy for her to say after that, "All right, we have been charged with default in one year, and it is just as bad to default in half a dozen years as it is to default in one year," and there might be a basis for an excuse to remain in default if she be charged with default in one year. The agreement is so drawn that if they cannot pay the interest in one year, they are not in default.

Mr. TUNNELL. I do not see it in the agreement before me, but somewhere in the description of the agreement I have read the word "feasible," that if at any time it were not feasible for Great Britain to pay the $44,000,000, it should not be added to the principal.

Mr. BARKLEY. The word "feasible" is not used in any sense in connection with the payment of interest. If the Senator will permit, I have a page of explanation here which I think will set forth answers to the questions he has in mind.

Mr. TUNNELL. I am looking for information.

Mr. BARKLEY. This statement reads:

The financial agreement with England provides that in any year after 1951—

That is when they are to pay interest——

Mr. TUNNELL. Does the Senator mean that is what the agreement says?

Mr. BARKLEY. They pay no interest until 1951, the agreement says.

Mr. TUNNELL. I understood the Senator to say when they did begin to pay.

Mr. BARKLEY. They do begin to pay interest in 1951. That is 5 years from the time when the loan is supposed to take effect.

The interest on the $3,750,000,000 credit must be paid if England earns from her exports and from her services £866,000,000 corrected for postwar price changes.

In other words, in any year from 1951 to 2001, if she earns from exports, shipping, income on investments, banking, and the other services, as much as £866,000,000, adjusted, of course, according to the fluctuation of prices in the year, she is required to pay interest.

Mr. TUNNELL. Just what is meant by earnings from exports?

Mr. BARKLEY. Receipts from exports, banking services, interest, and dividens on foreign investments—all those things which go to make up foreign receipts of a nation.

Mr. TUNNELL. What I mean is, there is a difference, is there not, between "earning" and "taking in?" A merchant may take in $100 a day and earn as a profit $20.

Mr. BARKLEY. The agreement does not refer merely to profits.

Mr. TUNNELL. I did not know what was meant by "earnings." Usually that does refer to profits.

Mr. BARKLEY. If the Senator will permit me to complete this statement, I think he will see that it means total receipts and not profits. The £866,000,000 which England will be presumed to earn, which requires her to pay interest on the loan, is made up of the total exports—what she gets for what she exports, plus what she gets for shipping, and what she gets in dividends. I do not refer to the British Government, but what the British people get in dividends on investments abroad. In other words, it is not what the people would make on these exports, but it is the receipts themselves. That is my point.

Mr. TUNNELL. I wanted to know the Senator's interpretation of the word "earnings" in particular.

Mr. BARKLEY. It is receipts.

The £866,000,000 represents the amount of imports England bought before the war—that is, the average of the 3-year period from 1936 to 1938. It refers to an average of prewar British imports.

Thus, if England secures from her exports and from her service enough foreign exchange—

And that exchange is represented by the prices of her exports and her services sold abroad—

to pay for the prewar level of imports, she must pay the interest on the credit.

In other words, so long as in any year she receives from all these sources the total amount of 866,000,000 pounds, adjusted for price changes, she has to pay interest on the loan.

Mr. TUNNELL. Regardless of whether those earnings are profits or not?

Mr. BARKLEY. That is true. The statement continues:

The amount of imports permitted England under the waiver provision is not very large. The level of production in the next 50 years will be far greater than it was before the war. The level of world trade will be far greater than it was before the war. England will need more imports for her own reconstruction and more imports to make good the deficiencies of the war years. Nevertheless, the level of imports that is the basis of any request for a waiver is the annual average of 1936 to 1938, the three pre-war years.

The principal of the credit must be repaid without qualification in every year.

There is no waiver under any conditions of the repayment of the principal itself. It is only the interest for any year that is to be waived, if certain conditions happen.

Mr. TUNNELL. Why the distinction between the principal and the interest, when each is a debt?

Mr. BARKLEY. Because, I presume, in any year in which Great Britain was unable, by reason of depression, or of falling off of her exports and sale of services, to pay interest, she would still have to pay the debt, and on the theory that we are entitled to get back what we lend her, whether we get interest on it every year or not. That is the theory upon which the agreement was entered into.

Mr. TUNNELL. I thank the Senator.

Mr. RADCLIFFE. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. RADCLIFFE. The Senator from Deleware, a few moments ago, made a comment in regard to the ability of Great Britain to repay the loan. Of course, we know that one of the arguments used most frequently, and probably with the greatest force, is that the proposed loan agreement will have in its operations a very material effect upon the loosening of trade and currency restrictions. Of course, such a result would be a matter of great benefit to the people of this country, because it would tend to unfetter international trade, and in that way would be beneficial to us. At present the obstacles in the way of international trading are serious and at times prohibitive.

If that result of relief should follow, would it not also be true that the reduction, if not full elimination, of these currency and trade restrictions would probably be beneficial to Great Britain also, and if that were the case, would it not increase her ability to repay any loan by us? Certainly the answer is in the affirmative.

Mr. BARKLEY. Undoubtedly so. I might say that Great Britain over a period of centuries built up her world-wide trade, her shipping, manufacturing, exports, and similar business without these restrictions. She imposed the restrictions as a matter of self-defense and from absolutely dire necessity during the war. The British Government as a whole and the British people as a whole are as anxious as we are to get rid of them if it is possible to do so. If Britain can go ahead as she has for centuries, in a world where she can receive and send without restrictions, it will certainly add to her prosperity and her ability to repay.

So long as these restrictions are maintained, I will say to the Senator, who no doubt knows it already, the countries which are within the sterling area and have the sterling balances in London cannot buy in the United States or anywhere else so long as they can buy anything within the area for which they have sterling to pay. Therefore, when these restrictions are eliminated, it will not only end the restrictions in the United Kingdom, but also in all the component parts of the sterling area, so that they can buy anything in any part of the world with whatever they earn from their exports to England.

Mr. RADCLIFFE. And it will help our own trade materially.

Mr. BARKLEY. Undoubtedly.

Mr. RADCLIFFE. The point I wish to stress is that among the various reasons and arguments in favor of the loan is the fact that it would be beneficial to Great Britain in the material reduction of her currency restrictions and bilateral agreements. These are not really in accordance, as the Senator from Kentucky just pointed out, with Great Britain's historic policy, and there is no reason to believe that Great Britain would want to continue them if she did not have to do so. She would be better off, on the other hand, under the system which existed years ago, when England operated, very properly, under a system of freedom of trade, that is a system where there was a minimum of trade fettered by restrictions.

Mr. BARKLEY. When we speak of free trade, I am sure that the Senator from Maryland and I do not speak in terms of freedom from tariffs. We are speaking of the right to trade freely in any country according to the conditions which may exist in countries regulating trade.

Mr. RADCLIFFE. That is exactly what I had in mind. I had no idea of referring to freedom of trade in the sense of absence of tariff duties, but rather freedom from restrictions which now tend to hamper and obstruct normal trade operations.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. With relation to the matter discussed by the Senator from Delaware, is the Senator from Kentucky familiar with the statement made by Lord Keynes in the House of Lords on December 17, 1945——

Mr. BARKLEY. The Senator from Ohio during the hearings before the committee, while Secretary Vinson, I believe, was testifying, quoted certain statements made in the House of Lords by Lord Keynes, with which Secretary Vinson did not agree.

Mr. TAFT. No; my understanding was that he did not disagree.

Mr. BARKLEY. There was a variation in his interpretation with regard to the statements.

Mr. TAFT. I should like to read the statement to the Senate, and ask the Senator from Kentucky whether he thinks it was a correct statement of the terms on which interest was forgiven. It reads as follows:

> We pay no interest for 6 years. After that we pay no interest in any year in which our exports have not been restored to a level which may be estimated at about 60 percent in excess of prewar.
>
> I repeat that. We pay no interest for 6 years. After that we pay no interest in any year in which our exports have not been restored to a level which may be estimated at about 60 percent in excess of prewar.
>
> Lord BARNBY. In volume or value?
>
> Lord KEYNES. Volume. That is very important; I should have said so.
>
> * * * * *
>
> The maximum payment in any year is 35,000,000 pounds, and that does not become payable until our external income, in terms of present prices, is 50 times that amount. Again I repeat, the maximum payment in any year is 35,000,000 pounds, and that does not become payable until our external income—that is, from exports and shipping and the like—is, in terms of present prices, 50 times that amount. In any year in which our income falls short of this standard, it is fully and finally waived.

Does the Senator agree that the general effect of these rather complicated provisions in the agreement is that Great Britain pays no interest and is finally forgiven payment of interest in any year in which her exports are not 60 percent in volume more than they were prewar?

Mr. BARKLEY. No. I do not agree to that. The standard by which to determine whether Great Britain pays interest is whether earnings from all these things, including exports, shipping services, and other services, amount to more or less than the average of imports during the 3-year period from 1936 to 1938. If anyone can calculate on the basis of fifty times something, or 60 percent more exports than prior to the war, he must have in mind some speculative figure with respect to the amount of shipping services, income from foreign investments, and all that, and I do not see how that can be reduced to a 60 percent increase in exports.

In that connection I should like to read Secretary Vinson's comment upon that very part of Lord Keynes' statement in the House of Lords, which had been quoted in committee by the Senator from Ohio:

> It seems to me that Lord Keynes has set the export figure, under which interest must be paid rather high.
>
> It is not possible to say precisely how much exports England will need to secure a foreign-exchange income after the war equivalent to £866,000,000 before the war. In part, that depends on the level of export prices and the level of import prices.

I may also add that it depends on the level of other services which go to add up the total of £866,000,000.

> But the most important factor is the income that England can expect from its net invisible items. Even if the sales of shipping, banking, and other commercial services should reach only the prewar level, and income from foreign investments should stay far below the prewar level, it would not be necessary to have a 60-percent increase in the volume of exports to reach the £866,000,000 prewar volume of imports.
>
> As a matter of fact, it is very likely that shipping services and banking and commercial services will expand with British trade. Income from this source has always been closely tied to the volume of British trade. I think it will continue to be tied to the volume of British trade. Therefore, I expect that net income from these invisible items will be restored after the war and will expand above the prewar level.
>
> Taking all these factors into consideration, I would say that Lord Keynes' estimate is high.

In other words, the amount by which prewar exports would have to be increased would depend almost automatically upon the amount of the invisible receipts to which the Secretary has referred in his comments.

Mr. TAFT. There seems to be very little chance of an increase in the invisible receipts, so it seems to me clear that for this increase to take place it will have to be from the sale of goods.

Mr. BARKLEY. They will increase if at any time during the period of the agreement Great Britain's shipping facilities increase, or if the British people are able to increase their foreign investments, or more tourists come to England, thus adding to the receipts from that item. In my judgment, it is impossible to conceive of a prosperous England without expansion of trade even beyond that of the prewar period.

Mr. TAFT. Does not the Senator think that if Lord Keynes were approximately correct, or even if he were a little high, the chance that Great Britain will increase her exports in volume 60 percent, or even 50 percent, over prewar is rather remote, and that therefore as a practical matter they are going to be required to pay no interest in most years?

Mr. BARKLEY. I do not think it is impossible. I do not think it is even improbable. "Remote" is a relative term of distance. But I assume that following the recovery of Great Britain and the recovery of other nations that have from time immemorial traded with England, and as her production increases and her shipping increases, there will be an increase in export trade. I have no doubt of that. Whether it would amount to 60 percent I would not feel like prophesying. But it does not have to amount to 60 percent, or even 50 percent, if when we add these service items together the total amount equals 866,000,000 pounds at prewar prices.

Mr. TAFT. I wish to discuss that interpretation tomorrow. But while I have this opportunity, and relating to the matter which the Senator discussed with the Senator from Maryland, I want to read one other section to the Senator in regard to the matter of eliminating the so-called dollar-sterling pool. Lord Keynes said this to the House of Lords:

> What we undertake to do is not to restrict the use of balances we have not yet got and have not yet been entrusted to us. It will be very satisfactory if we can maintain the voluntary wartime system into 1947. But what hope is there of the countries concerned continuing such an arrangement much longer than that? Indeed, the danger is that these countries which have a dollar or gold surplus, such as India and South Africa, would prefer to make their own arrangements, leaving us with a dollar pool, which is a deficit pool, responsible for the dollar expenditure not only of ourselves, but of the other members of the area having a dollar deficit.

Does not the Senator from Kentucky feel that regardless of whether we make this loan or not, these dollar pool arrangements will necessarily expire and cannot be forced by Great Britain on other countries of the sterling bloc?

Mr. BARKLEY. Ultimately, that might be possible, but it has not been possible up to now, because the countries that are in the sterling area, which obtain dollars, have been depositing those dollars to the credit of Great Britain. They have not been able to use those dollars even to buy products in the United States or other countries where dollars might be accepted.

Mr. TAFT. Lord Keynes points out that that is a voluntary agreement into which they entered prior to the war.

Mr. BARKLEY. Yes; it is a voluntary agreement.

Mr. TAFT. And that they will not continue that agreement.

Mr. BARKLEY. It was voluntary, and it was one which was mutually advantageous to all of them, because they were all, in a sense, in the same war. But it does not relieve the countries which have volunteered to place dollar credits in England from the obligation which they assumed in regard to the dollars they have already placed there, and which they cannot expend in countries which accept dollars in payment for goods.

Mr. TAFT. I suggest that it is wholly unnecessary to lend England three and three-quarter billion dollars in order to dissolve the dollar pool. It is going to be dissolved in and of itself.

Mr. BARKLEY. The sterling-dollar pool is only one of many items that enter into this picture, and is not by any means the most significant or the most important. But it is a part of the picture which we see in undertaking to free the world from the economic artificial controls which have limited, and will continue to limit so long as they exist, the free opportunity of nations to trade in

the markets of the world and sell their products.

Mr. TAFT. Mr. President, will the Senator further yield?

Mr. BARKLEY. I yield.

Mr. TAFT. Can the Senator tell us how much cash in dollars the British already have in the United States, and how much other property they have in the United States, or which could easily be moved to the United States?

Mr. BARKLEY. A while ago I showed that they have only about $215,000,000 of securities in the United States which are unpledged up to now.

Mr. TAFT. Let me read Secretary Vinson's statement, on page 48 of the hearings. He said:

> At the end of 1945 British holdings of securities and direct investments in the United States, including pledged assets, amounted to about $1,475,000,000. This was divided into $575,000,000 of securities and $900,000,000 of direct investments.

Mr. BARKLEY. The total amount of securities and investments in the United States, including those which are pledged, is $1,475,000,000. But when we subtract from that the amount which is pledged, it leaves only approximately $215,000,000 or $220,000,000 in securities. They have in gold and in cash in their own country about $2,300,000,000 but that is not in the United States.

Mr. TAFT. Let me suggest that what Mr. Vinson said was that against the $1,475,000,000 only $200,000,000 is borrowed, leaving a net value of $1,275,000,000. He further stated:

> The gross gold and dollar balances of the United Kingdom as of December 31, 1945, amounted to $2,324,000,000. Liabilities against this amounted to $427,000,000, leaving a net of $1,897,000,000.

Later he testified that that was in addition to the $1,475,000,000. So we find that today Great Britain has available for expenditure in the United States in gold and dollars, $3,500,000,000 before they get one cent under the loan which is now being proposed.

Mr. BARKLEY. The Senator is juggling his figures. The Senator speaks of these securities being put up against a $200,000,000 loan. That is true in a sense. The RFC loaned Great Britain about $450,000,000 and required $895,000,000 in security, which the RFC still has, although the loan has been reduced to $250,000,000. So we cannot count that as a part of the $1,475,000,000, because it is not available.

Mr. TAFT. All they have to do is to sell $250,000,000 worth of securities, pay off the loan, and then they will have all the remaining securities, if they wish to do so.

Mr. BARKLEY. If they had the $895,000,000 in securities and could get dollar for dollar for them, that still would not obligate them to do the things which we have obtained an agreement from them to do under this arrangement.

Mr. TAFT. I entirely agree with the Senator. I was only trying to bring out the fact that today the British have $3,500,000,000 in securities, cash, and gold available for purchases in the United States or for settlement throughout the world. I think that is a basic fact which the people of the country do not understand.

Mr. BARKLEY. The United States has a balance of $22,000,000,000 in the Treasury, but the Senator would not contend that that represents the normal balance of unpledged money in the Treasury of the United States. It comes about because expenses have dropped a little more than was anticipated, and the last War bond sale was vastly oversubscribed.

Mr. TAFT. But we are not trying to borrow any money.

Mr. BARKLEY. No one expects that $22,000,000,000 balance to remain in the Treasury very long, because if it is not to be used for any other purpose it might be used to reduce our debt. We are not going to pay interest on a $22,000,000,000 balance in the Treasury for any length of time.

Mr. TAFT. The British have had more than two billion in gold and dollar balances for more than a year. The testimony in the Bretton Woods case was that they had it at that time, mostly in our banks, except for some gold which was held in Great Britain. They had it here in this country at the very time that they were accusing us of being responsible for reducing their ration. It did not seem to me to be very consistent, with that amount of cash being here and available to spend for food or for other purpose for which they might wish to spend it.

Mr. BARKLEY. Mr. President, I think I have said all I care to say on that subject.

I appreciate the courtesy of the Senate. I have occupied the floor for a longer time than I had intended. I have no desire to occupy it longer. As the debate proceeds, I presume various questions will arise. I shall be glad to help in any way that I can in elucidating the appropriate explanation of anything which is not understood. The whole question involves a great many complicated economic problems. It is difficult for any human being to understand the problem unless he lives with it all his life. I think we all realize that perhaps some of my answers on economic questions which none of us may have considered, answers made on the spur of the moment, may not be meticulously accurate; but I shall try to obtain any information which any Senator wishes, if it is available.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WILEY. Let me suggest to the Senator that today's newspapers carry an account of the richest gold strike ever made, in South Africa. It seems to me that that in itself would give certain strength to the condition of the Empire.

Mr. BARKLEY. I believe that the annual production of gold in South Africa is estimated to be between $500,000,000 and $600,000,000.

Mr. WILEY. This is something new.

Mr. BARKLEY. That gold does not belong to the British Government. It belongs to the people of South Africa or other countries who have invested in those gold mines. That does not mean that the British Government can commandeer the gold for its purposes, although it is an asset of the British people.

Mr. WILEY. My suggestion was that it added an asset to the British Empire, and also created a taxable asset from which the British Government could obtain considerable revenue.

Mr. BARKLEY. It is an asset to the British Empire and the British people. But with all the assets they can conjure up, including gold, securities, and everything else which one may add together to make any figure at which he wishes to arrive, Great Britain still needs this $3,750,000,000 in order to do the things which are the objectives to be accomplished.

Mr. WILEY. My suggestion was not to dispute that conclusion. It was rather to throw into the picture what I thought was a sort of hidden asset which would strengthen those who fear.

Mr. BARKLEY. It is hidden in the sense that it has not yet been dug out of the ground; but the prospects are that it will become a visible assset. That is a matter over which I think the United Kingdom or the British Dominions are to be congratulated. If it is an assset to the British Government, it will add to its ability, and the probability of repayment of this loan.

VETERANS' PRIORITIES IN PURCHASE OF SURPLUS ELECTRONIC AND COMMUNICATIONS EQUIPMENT

Mr. WILEY. Mr. President, on April 9 I invited the attention of the Senate to the fact that I had written to Lt. Gen. E. B. Gregory, of the War Assets Administration, a letter of inquiry relating to the situation in connection with the purchase by veterans of surplus electronic and communications equipment. Among other questions which I then asked was one as to how many veterans had received such equipment, and how many educational institutions had received it.

On April 12 I received a reply from the Administrator, General Gregory. Among other things he said:

> We are quite frank in stating that we are not satisfied with the operation under the present methods employed.

Then he states that he expects to go into the question, and will write me later.

I ask unanimous consent that the letter from General Gregory be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WAR ASSETS ADMINISTRATION,
Washington, D. C., April 12, 1946.

Hon. ALEXANDER WILEY,
United States Senate, Washington, D. C.

DEAR SENATOR WILEY: Thank you for your letter of April 1, 1946, inquiring about the steps being taken to assure veterans and educational institutions priority in buying electronics surplus. The entire disposal procedure for electronics is receiving a great deal of study, particularly in connection with priorities, and we are quite frank in stating that we are not satisfied with the operation under the present methods employed.

The study referred to is being carried forward with the cooperation of our Disposal Policy Division, our Market Research Branch, and our Statistical Analysis Branch. Based

on this study which will soon be completed, we expect to arrive at definite conclusions for improvements and changes within the next 2 weeks. At this time we hope to be able to answer your questions in detail and will be glad to keep you informed as to our progress in this matter.

Sincerely yours,

E. B. GREGORY,
Administrator.

Mr. WILEY. Following the receipt of that letter, on April 15 I wrote Lt. Gen. E. B. Gregory a letter in relation to this matter, and made suggestions to him which I thought, if followed, would probably remedy a situation which is not very healthy today in relation to our educational institutions and our veterans.

I ask unanimous consent that my letter of April 15, 1946, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 15, 1946.

Lt. Gen. E. B. GREGORY,
War Assets Administration,
Washington, D. C.

DEAR GENERAL GREGORY: Thank you for your letter of April 12, in response to my inquiry regarding distribution of surplus electronics and communications equipment. I am glad to note that the entire disposal procedure for electronics is receiving a great deal of study and that you are dissatisfied with the present operation of the disposal system.

Since writing to you, I have received still more indications of the glaring fact:

Priority claimants such as ex-servicemen and educational institutions are getting nowhere fast in trying to buy Federal electronics surplus in spite of repeated Government assurances and promises that their claims would be quickly satisfied. As a result, they are becoming bitterly disillusioned with the good word of their own Government.

At the time of my letter of April 1, the Chicago Signal Depot was the only depot in the Nation which was shipping surplus electronics and communications property directly to manufacturer agents without such declarations first going through the Washington Office. Since then it is understood that this same plan is being contemplated for the Sacramento, Los Angeles, and Seattle signal depots.

It is impossible to conceive how under the above set-up, the needs of priority claimants can be fulfilled. I say this in view of the fact that under the Chicago set-up, the priority claimants—schools and veterans—and the Priorities Section of your Electronics and Communications Branch (both lacking the information contained in the declarations) have no notion of just what surplus is available at the Signal Depots.

This situation, as I know you are aware, is critical. May I therefore submit this urgent recommendation which your procedure analysts might speedily consider during their study of this problem:

Let all surplus electronics and communications sales by WAA manufacturer agents be immediately suspended until priority claimants are advised as to what types and quantities of surplus are available for sale and until they are given the opportunity to submit their applications.

Thereafter, let no sales be made by manufacturer agents until the inventory lists have first been submitted to Washington where the Priorities Section of the Electronics and Communications Branch will then make this information available to priority claimants.

Three facts should be borne in mine in connection with these recommendations:

1. If surplus sales are continued in the present gravely inadequate way, the "cream" of the surplus will have been taken over by commercial dealers before distribution machinery is overhauled so as to give veterans and schools their just priority.

2. The Senate has just enacted a bill to give veterans higher priority in buying surplus. The House of Representatives will shortly take action on this bill. If my recommendations were put into effect immediately, not only the objective of our present surplus law would be fulfilled but the strong and specific intent of the proposed new legislation would also be greatly facilitated by WAA. Thus, there would be no long delay in setting up any new machinery to insure veterans' priority.

3. Veterans and veterans organizations have repeatedly called for the "freezing" of present surplus and suspending of all sales until ex-servicemen could be assured their rightful priority—in action, not merely in promises. The National Commander of the American Legion, Mr. John Stelle, for example, recently strongly recommended temporary suspension of sales.

I know you will appreciate my position in this matter: it is not to cause any unnecessary delays, not to increase red tape, not to interfere with your heavy responsibilities, but rather to be of help to you in fulfilling the will and intent of Congress and the people.

Looking forward to hearing from you further on this matter and extending every good wish, I am,

Sincerely yours,

ALEXANDER WILEY.

CALL OF THE ROLL

Mr. BRIDGES obtained the floor.

Mr. PEPPER. Mr. President, will the Senator yield to me for 2 or 3 minutes for the purpose of making a statement?

Mr. BRIDGES. I shall be glad to yield to the Senator if it is for the purpose of placing something in the RECORD. I should like to proceed with my remarks. I have declined to yield to several other Senators.

Mr. PEPPER. Very well. I shall wait until the Senator concludes his statement.

Mr. ROBERTSON. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. BRIDGES. I yield.

Mr. ROBERTSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	Millikin
Andrews	Gurney	Mitchell
Austin	Hart	Morse
Bankhead	Hawkes	Murdock
Barkley	Hayden	Murray
Bilbo	Hickenlooper	O'Daniel
Brewster	Hill	O'Mahoney
Bridges	Hoey	Overton
Briggs	Huffman	Pepper
Buck	Johnson, Colo.	Radcliffe
Bushfield	Johnston, S. C.	Reed
Capehart	Kilgore	Revercomb
Capper	Knowland	Robertson
Carville	La Follette	Saltonstall
Connally	Langer	Shipstead
Cordon	Lucas	Smith
Donnell	McCarran	Stanfill
Downey	McClellan	Stewart
Eastland	McFarland	Taft
Ellender	McKellar	Taylor
Fulbright	McMahon	Thomas, Okla.
Gerry	Magnuson	Thomas, Utah
Gossett	Maybank	Tunnell
Green	Mead	Tydings
Vandenberg	Wheeler	Wiley
Wagner	Wherry	Wilson
Walsh	White	Young

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

THE SAGA OF HENRY J. KAISER

Mr. BRIDGES. Mr. President, as a member of the Senate Appropriations Committee, I am greatly interested in the expenditure of the taxpayers' money.

My interest latterly has caused me to delve deeply into war expenditures. Where the dollars came from, how they were separated from the Government, and who got them have held my attention closely.

In this connection, the application of taxpayers' millions to the private schemes of one man has been so spectacular that it has fascinated me inordinately.

That man is Henry J. Kaiser, shipbuilder, airplane designer, steel manufacturer, magnesium producer, ambitious prospective automobile builder and aluminum maker, and, above all, coddled darling of the New Deal.

No other person in the war period just closed has been treated so generously in a financial way by New Deal administrations. Money by the millions and many profitable favors have been showered upon Kaiser by various Government agencies. All he has had to do, the official Government records make it appear, has been to suggest some production scheme, either public or private, and then Government officials would rush in with bales of public money ready and anxious to finance his dream. No idea of his, apparently, has been too fantastic to obtain Government backing. All a project needed to get Government support was to have the Kaiser O. K. on it. If, as happened on one or two occasions in the Roosevelt days, a subordinate official should hesitate to produce the cash that Kaiser wanted, he would simply communicate with the White House, through the back door, and the subordinate soon would get his come-uppance from the top. Kaiser would then get his money forthwith.

What happened to the money after it got into Kaiser's hands appears to have made little difference. Some of his programs, backed by Government funds, have failed to the tune of millions of dollars, but those failures have never shut off permanently his golden stream of cash and credit. Even today, after partial or complete failures in airplane, magnesium, steel plant, and other ventures, all backed by taxpayers' dollars, Kaiser continues to tap the public till and obtain, almost at will, preferred treatment in New Deal bureaus. He now owes the Government, through RFC loans, almost $115,000,000, much of which bears no interest. Other millions of his debts call for interest and principal payments only when and if he makes a net profit while playing with Government funds. The Government also is planning to spend additional millions in equipping plants for his private operation.

While recently steel manufacturers have been forced to fight OPA bitterly

for a price increase of more than $2.50 a ton in order to meet a proposed wage increase, Kaiser has been enjoying prices reflecting as much as $22 a ton more at his mill than do prices of his private competitors. This increase and others were granted Kaiser by OPA, the same agency which prolonged the steel strike for weeks through its refusal to budge above a $2.50 increase for private operators. Throughout the war Kaiser was given various other preferential steel prices.

The foregoing is one explanation of Kaiser's ability to meet President Truman's recent proposed 18½-cents-an-hour wage increase in his steel plant "in the public interest." Kaiser really was meeting the increase with public funds obtained through Kaiser-operated, but publicly owned, steel plants and Government ship contracts.

But shoveling out public funds to Kaiser without interest, and with little or no security, is not the only type of Government favoritism granted the west-coast plunger. Recently, when Kaiser desired quick action in launching sales of stock to the public in connection with his Willow Run auto plant, he got it. And how! And from the widely trusted Securities and Exchange Commission. Mr. President, you will be astounded when, a little later, I tell you about that case.

The foregoing are merely high lights of Kaiser's wonderful Washington years of wallowing in public moneys. Details would fill volumes. Truly, it can be said that he is Miss Democracy's best kept No. 1 boy friend.

Early in the war Kaiser appeared like a rocket on the Washington horizon. A native of the bacon center of upper New York State, Canajoharie, Kaiser early evinced an unfailing ability to "bring home the bacon." As a young man, he emigrated to the Pacific coast and then, after a local career as a cement contractor, shot upward as a big-time dam and bridge builder. At the outbreak of the war he became a shipbuilder for the Maritime Commission. In this work he operated on a flat fee basis, did a good but expensive job, and made millions. Largely, it is said, he was used for needling other builders into action. He was always willing to take a chance—on other people's money. It did not take him long after establishing Washington contacts, to learn that knowing the proper persons in the New Deal would turn free-flowing public-money spigots. He met the right people, got the money and started to plunge. He still gets it and still plunges.

Kaiser's west coast steel-plant operations comprise his most ambitious Government financed project. It was he who originally sold President Roosevelt and the WPB on the hotly disputed idea that a new steel operation was imperative to west coast economic welfare. The fact was that the privately owned steel companies of the United States, which are the largest producers of steel and have the most modernly equipped plants in the world, were fully capable of taking care of all west coast steel needs at lower costs than Kaiser's plant ever has operated. Nevertheless, Kaiser got over with the White House the idea of a west coast Government-built plant. It is quite possible that President Roosevelt saw certain political advantages in the scheme. Once launched, it caught on well and still is very popular in the West regardless of cost to the rest of the Nation.

The expense of this great venture is a story within itself. For the moment I shall pass that, too. Some of Kaiser's other exploits with Government money, once he had gotten his foot in the White House door, are just as interesting, though not so costly as those in connection with the steel plant.

Perhaps Kaiser's outstanding crackpot idea, which he unloaded on the taxpayers at a cost of some $18,000,000, was his plan for building wooden cargo airplanes. Early in 1942, when the United States and its allies were confronted with a serious shipping shortage, Kaiser bobbed up in Washington with the announcement that he could speedily turn out enormous airplanes which would carry huge cargos of men and materials. At first he insisted that the ships should be made of aluminum, but when the War Production Board declined to furnish that metal, he shifted readily to the idea that he could build the planes just as effectively on a wood base. The idea caught on, particularly with the White House, and Kaiser was hailed as a Moses of the air who would get the Army out of the clouds. He promised 5,000 70-ton flying boats in record time. Completed, he said, they would carry 500,000 soldiers across the Atlantic one day and return 24 hours later with thousands of tons of supplies and food.

At first, Kaiser had a little difficulty with the War Production Board because he was compelled to admit that he had never built an airplane in his life. However, by retaining Howard Hughes, an aeronautical expert, he succeeded in 1943 in having RFC instructed by WPB to furnish $18,000,000 for building three planes. When, after several months, Kaiser had not produced a single plane and had lapsed into a strange silence about his project, a Government investigation by aeronautical experts developed the fact that about half of the $18,000,000 had been spent and the first plane was less than half completed.

The experts expressed grave doubts if Kaiser or anybody else could build a successful plane under his plans, and WPB promptly cut off Kaiser's funds. The flow of Government money was stopped only temporarily, however. Word quickly came down from President Roosevelt that payments to Kaiser should be resumed. A new deal was arranged whereby the remainder of the Government's $18,000,000 was to be spent, but, thereafter, either Kaiser or Hughes, or both, would have to put up additional funds to complete the job. The Government money was spent, along with additional funds, funds which Hughes is said to have advanced, and to date the first plane never has been flown. The Civil Aeronautics Authority recently stated that the first Kaiser plane still is on the ground in Culver City, Calif., and that no test of it has been made. Meantime, Kaiser has removed himself from the aeronautical picture and is browsing in new and greener greenback fields.

Kaiser took another flyer in aircraft which was scarcely as successful as his army of paid and volunteer drum beaters had predicted. When the Navy was having difficulty with the Brewster Aircraft Co. on Long Island in 1942, it was decided that Kaiser was just the man to straighten things out. Amid great noise, he became active head of the plant in November 1943. Marvelous things were foreseen for his administration. In taking over, he was so happy, he said, that he sang to the workmen. Five months later, shortly before the annual meeting of the corporation, Kaiser quietly withdrew from the picture. Just what happened is not quite clear, but when he quit he offered no competition to Frank Sinatra. It is generally reported that under him production was cut to about one-third of the normal output. Eventually, Navy contracts with the Brewster Corp. were canceled.

WPB troubles with magnesium production also brought Kaiser to the fore. He assured Government officials that he had all the answers, and promptly moved in to demonstrate that he knew what he was talking about. It turned out that Kaiser, thought the Hansgriff production process was the very thing to use, and RFC financed it to the extent of $28,475,000. Unfortunately, the Hansgriff process did not work very well for Kaiser. Instead of producing magnesium after operating for a year on a subsidy well above OPA ceiling price, Kaiser produced not magnesium but magnesium dust. The subsidy alone cost the Government about $1,000,000. The product was sold to the Army for use in bombs. Kaiser supporters insist the product had great value, and maybe it did.

Mr. Kaiser's west-coast steel operations began on March 4, 1942, and are continuing today in full swing on taxpayers' money. The Kaiser Fontana plant was built with $111,805,000 of public money loaned by the Reconstruction Finance Corporation. There was little or no investment of private funds. The RFC, or the American public, as you choose, Mr. President, still holds the bag on the major part of this investment.

The relatively small equity which Kaiser has acquired in the property—approximately $9,000,000—resulted from profits made by him on government work in his Government-financed shipyards during the war. His personal cash investment is reported to have been about $100,000. But this was not the end of public expenditures on the Kaiser property. On August 20, 1945, RFC announced that it was loaning Kaiser an additional $11,500,000 to convert the plant to civilian production. A survey made for RFC in 1945 by an independent firm of industrial engineers placed the value of the property at $58,000,000. To protect its huge investment the RFC took a 15-year 4-percent first mortgage of $69,500,000, a 25-year second mortgage for $34,510,380, without interest, and a note for $10,318,000 secured by 103,180

shares of 4-percent first-preferred stock of Kaiser Co., Inc., representing full par value of the stock. Interest on the first mortgage loan and dividends on the preferred stock are payable during the first 2 years only to the extent earned.

All net profits received by Kaiser Co., Inc., from ship construction were pledged as additional security to the original loan, and will continue as security to the revamped loans. The profits to be realized from shipbuilding in peacetime are highly problematical.

Mr. President, I should like to have order. Perhaps some of those present do not like to listen to a discussion of this subject, but it will do them good. We have heard many on the other side talking a great deal about some of the things which have been happening in this country, and what I am saying should be good for the ears of every good American. I want order, and I insist upon having it.

The PRESIDING OFFICER. The Senate will be in order. The Senator from New Hampshire may proceed.

Mr. BRIDGES. Mr. President, Kaiser's recently expressed willingness to grant a large wage increase without an increase in steel prices, which the rest of the industry had insisted upon as essential to continued operation, is traceable directly to the preferential treatment accorded him by OPA throughout the war and which was still in effect at the time of the strike. Here are the facts as of then: On carbon bars, for example, Kaiser was privileged by OPA to charge $67 per ton f. o. b. Los Angeles. His major west-coast competitors were restricted by OPA to a ceiling price of $58 per ton. Kaiser's $9 per ton advantage was effective throughout the war. In addition, Kaiser was not obligated to absorb any freight. All of his prices were f. o. b. mill. Another Los Angeles producer, shipping bars by rail to San Francisco, was obliged to absorb $4.40 per ton freight, increasing Kaiser's advantage in mill-realized price to $13.40 per ton. If shipment was made to Seattle, the freight absorption was $8.70 per ton; in Kaiser's case nothing. Major eastern producers operated under a ceiling of $45 per ton, or $22 below Kaiser's mill-realized prices.

Recent press releases reported Kaiser's booking of substantial tonnages of steel billets for export. Here again OPA has been more than generous with him. He was privileged to charge $58.64 per ton f. o. b. Los Angeles. His major west coast competitors were restricted to $48 per ton, about $10 per ton less, and Kaiser's advantage was even greater if freight must be absorbed. The mill-realized price of major eastern producers of carbon steel billets was $36 per ton, more than $22 below the Kaiser price.

The same preferential prices for Kaiser prevail in varying degrees over the entire range of steel products made by the Fontana plant. Given the same consideration in permissible selling prices, his west coast and eastern competitors would find their task of negotiating wage increases with the CIO a very much simpler problem.

Here are the comparative ceilings OPA allowed Kaiser and private operators before the strike:

	Chicago and other eastern basing points	Pacific coast port prices, f. o. b. Los Angeles, San Francisco, Portland, Seattle, etc.	Kaiser Co., f. o. b. Los Angeles
Carbon billets gross tons	$36	$48	$58.64
Forging billets do	42	54	64.64
Carbon bars per net ton	45	58	67.00
Plates	45	56	67.00
Structural shapes	42	55	64.00
Reinforcing bars	43	51	65.00
Alloy bars	54		76.00
Alloy semifinished per gross ton	54		78.64

The foregoing figures regarding steel ceilings granted Kaiser by OPA are authentic, I believe. I have collected them from sources I think are reliable. As in other cases where Kaiser had dealings with Government agencies, I sought to obtain from OPA an official statement on the Kaiser steel ceilings. As often had been the case previously when I had sought information from OPA, my request was met with much stalling. Mr. Bowles himself, to whom I addressed my request, did not answer me. Various of his subordinates called my office by phone and insisted that they wanted to discuss the Kaiser situation with me before putting anything on paper. I advised them that a written report and not a conference was what I desired. At the end of 4 weeks I received a batch of confusing technical pricing orders and a brief letter of transmittal from Paul Porter. That was all. I despaired of getting a plain statement from OPA and did the best I could.

In the light of this preferred treatment of Kaiser by Administrator Bowles, the promoter's high tribute to OPA, made recently before the House Banking and Currency Committee, is not surprising. Here is a short sample of how Kaiser in an 11-page statement sang the praises of Bowles and OPA:

> In managing 25 industries, we have come to learn how OPA works. In all of our enterprises, throughout the war and since, we do not know of a single instance in our dealings with the OPA where, after the facts were presented, we were not accorded fair and equitable treatment by this agency. This statement covers our total experience with the OPA, as a seller and producer in the market.

Kaiser also made use of his appearance as a witness to announce that he had his eye on a Government-owned $93,000,000 steel plant in South Chicago. It is to be offered for sale by the War Assets Administration on May 1, and Kaiser said he would bid on the plant "if our studies show it is economically sound."

Simultaneously, Kaiser's publicity agents released stories to the effect that he was being discriminated against by private steel makers and that he might have to make his own steel for his automobile plant. The impression was left that acquisition of the South Chicago Government-owned plant would permit Kaiser to proceed immediately with making steel for automobile bodies. To make sheet steel for bodies in this plant, I am informed, it would be necessary to build a sheet mill at a cost of at least $25,000,000 and would require 2 years' time. Naturally, I suppose Kaiser would expect the Government to advance the money for this improvement and also sell him the plant at a knock-down price. This possible steel plant deal certainly will bear watching.

In order that there might be no mistake about Kaiser's Government loans, I have obtained an official statement from the RFC as to all the details surrounding them. In response to my request, former Senator Charles B. Henderson, chairman of the board of RFC, on January 30, 1946, courteously, as usual, supplied me with the information sought.

Summarized, Mr. Henderson's letter shows the following facts about Kaiser's dealings with RFC as of January 30, 1946:

Kaiser interests had borrowed from RFC a total of $114,870,348.35.

On the Fontana steel plant alone RFC had lent $114,328,330.23.

Other RFC debts of Kaiser were $541,968.12.

Kaiser interests had withdrawn $103,268,200.

Remaining undisbursed as of April 2, 1946, $11,060,182.10.

Kaiser pays no interest whatever on one steel plant loan of $34,510,380.23.

This loan is due July 1, 1970. It is supposed to be repaid from net earnings of the iron and steel plant and certain shipbuilding contracts entered into during the war.

Kaiser has borrowed on easy terms, including many interest and principal payments based on possible net earnings, $79,818,000.

These are just the high points of Kaiser's high financing in RFC. For the benefit of those who care to make an analytical study of the promoter's operations, Mr. Henderson's complete letter follows:

JANUARY 30, 1946.

Hon. STYLES BRIDGES,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: In reply to your letter of January 23, 1946, I am pleased to give you the following requested information relative to loans authorized by the Reconstruction Finance Corporation to companies in which Mr. Henry Kaiser has an interest:

KAISER CO., INC., OAKLAND, CALIF.

As a result of letters and recommendations received from the War Production Board and its predecessor, the following loans were authorized to the above captioned company:

On March 4, 1942, a loan was authorized in the amount of $48,700,000 for the acquisition and construction of iron and steel plant facilities located principally at Fontana, Calif., and subsequently other loans were authorized for the same purpose (but including $16,650,000 for working capital), all aggregating $111,805,000, and all of which was disbursed. Interest on these loans was paid at the rate of 4 percent to July 1, 1945, and principal payments were made reducing the aggregate balances thereof to $102,786,198.13.

On August 18, 1945, the above aggregate balances outstanding were refunded by two loans as follows:

A loan in the amount of $79,818,000 (which included $11,500,000 for the acquisition and construction of additional plant facilities), maturing July 1, 1960, to be evidenced by two notes, one in the amount of $69,500,000 payable as follows: three consecutive annual payments beginning July 1, 1948, of $1,390,000 each, thereafter consecutive annual payments of $2,780,00 each. Interest for the period from July 1, 1945, to June 30, 1947, payable out of net earnings of the iron and steel division, but not to exceed 4 percent. Beginning July 1, 1947, interest to be payable quarter annually at the rate of 4 percent per annum. The second note of $10,318,000 payable $412,720 annually beginning July 1, 1953. Interest for the period from July 1, 1945, to June 30, 1947, payable only out of net earnings out of the company's iron and steel division and not to exceed 4 percent. Beginning July 1, 1947, interest to be payable quarter annually at the rate of 4 percent per annum. In addition to the foregoing required annual payments on the two notes, borrower is required to pay for application first on account of interest and principal of the second note, then to interest and principal of the first note in regular order of maturity, 27½ percent of the net profits of the company's shipbuilding division received in connection with contracts for construction and repair of shipyards and vessels, entered into prior to July 1, 1945.

A second loan in the amount of $34,510,380.23, due July 1, 1970, and to be repayable from 25 percent of the net earnings of the company's iron and steel division remaining after payments required to be made on account of the first loan, the first of such payments to be based on net earnings for the period from July 1, 1945, to June 30, 1947, and annually thereafter; and 72½ percent of the net profits of the borrowers shipbuilding division received under contracts for the construction and repair of shipyards and vessels entered into prior to July 1, 1945. This loan does not bear interest.

Of the foregoing two loans $103,148,016.13 has been disbursed with no repayments yet made.

THE PERMANENT METALS CORP., OAKLAND, CALIF.

Upon the recommendation of the predecessor of the War Production Board that the Reconstruction Finance Corporation cooperate with the above company in the creation and establishment of a magnesium plant, a ferro silicon plant, and a dolomite calcining plant, a loan was authorized on November 10, 1941, for $21,250,000 for such purposes, and subsequently additional similar loans were authorized, making an aggregate of $28,475,000, all of which was disbursed. The loans bore appropriate annual repayment provisions with interest payable monthly at the rate of 4 percent per annum. All loans, including all accrued interest, have been entirely paid, and the above company is no longer indebted to this Corporation.

KAISER CARGO, INC., OAKLAND, CALIF.

On March 4, 1943, as a result of a letter received from the War Department, a loan was made to the above company in the amount of $1,000,000 to be repaid $18,333 monthly, including interest, plus 75 percent of the net earnings of the company's Fleetwings Division.

The loan was made to apply on the purchase price—$1,695,059.15—of all the assets of Fleetwings, Inc., Bristol, Pa., interested parties furnishing the remainder of the funds required for the purchase price. Interest is payable monthly at the rate of 4 percent per annum and is current. The loan has been fully disbursed, matures June 17, 1948, with a remaining balance at this time of $541,968.12.

I have endeavored to give you briefly the information requested, and if not sufficient for your purposes, I shall be glad to furnish any additional information which you may desire.

Sincerely yours,

CHARLES B. HENDERSON.

The deals set up in the above letter may seem generous to the average businessman, who is unable to finance his operations on such unusual terms as paying interest and principal from net profits, if and when he makes them, but Kaiser has expressed himself as far from satisfied with the treatment he has received. His refunding suggestion was that the Government write off his loan to the extent of 50 percent and then refinance him. At a recent hearing on the projected sale of the Geneva, Utah, Government-owned steel plant Kaiser voiced grave doubt as to whether he ever would be able to make out under the Fontana Government contract.

Despite his interest in west coast steel plant development, Kaiser has carefully sidestepped making any definite bid for the Geneva property. Probably he realizes that this is far too hot a potato for him to take any chances on with his own money, and the Government seems to think it should get private cash for this plant.

Before leaving the subject of the Kaiser steel operations, it will be interesting to note how little they really figure in the total steel output of the Nation. Despite their enormous cost to the taxpayers, and the vast hullabaloo that has been made about their recent wage agreement, they really amount to little. The output of the Fontana steel plant comprises less than 1 percent of the total for the Nation. The privately owned and financed steel industry of the country produced more than 90,000,000 tons of steel annually during the war, while Kaiser's plant has an output of only 675,000 tons yearly. Kaiser employed only 3,164 persons at his war peak, compared with more than 600,000 employed by the rest of the industry. His enormous recent wage advance amounted to only $884.12 a day.

The launching of Kaiser's so-called low-priced automobile promotion, in recent months, outdid anything for publicity which he ever had done previously. This may have been due in part of the fact that he had obtained for exploitation purposes the services of a publicity firm which in the past has had extended experience with the New Deal exhibitionists of the Kaiser type. The publicity firm head, Carl Byoir, had through personal contact maintained entree to the White House for many years, and at the same time held the undying enmity of New Deal "anti-chain storites" for representing the Atlantic & Pacific group.

The press agent knew how to sell Kaiser and his huge idle Willow Run shed as something which would revitalize the staggering automobile industry. He staged a Kaiser new car show at a prominent New York hotel that is said to have cost upwards to $100,000. It moved Kaiser to tears. Those who recalled Kaiser's anguish of other days when he got a bill for more than $100,000 for the personal services of another then administration favorite, were uncertain whether the Kaiser tears sprang from joy or sorrow. Anyhow, it was a great party and Kaiser, with a few model cars which had been assembled for the show, took a lot of orders from guests for future delivery. Announcement was made that more than 1,300 dealers had been signed up to sell cars, some day. More recent announcements say 4,000 dealers are ready to sell Kaiser cars.

The first delivery date is rather uncertain. The fact is that the Kaiser-Frazer Co. not only is not now prepared to produce cars in the Willow Run plant, but is not in complete condition for production. Its prospectus, a copy of which I have just received from the Securities and Exchange Commission chairman, Ganson Purcell, speaks glowingly of plans for constructing 1,500 cars daily, but the production date is carefully avoided. In fact, "delivery of dies and tools," says the prospectus, is not expected before April 1946. And to that rather vague promise is added this significant warning:

> The corporation is unable to make any representations that the above-mentioned volume of production will be attained or that the additional assembly line or lines will be added or that the facilities above-mentioned will be delivered on schedule.
>
> It is impossible to state when commercial production will commence, but it is anticipated that a period of at least 4 months from the date of this prospectus will be required. Such period may, however, be extended, depending upon the corporation's ability to obtain necessary machinery, equipment, materials, and parts, as well as upon economic and other factors beyond the corporation's control.

Another paragraph in the prospectus which should be of great interest to customers, dealers, and stockholders has to do with the price of cars. Kaiser and his associates have talked much about producing quantities of low-priced and medium-priced cars. The truth is they have not the faintest idea what prices will be fixed on their cars by OPA. The fact is revealed in this paragraph:

> The corporation has had preliminary discussions with the Office of Price Administration regarding the pricing of the Kaiser and expects to have further discussions with that agency leading toward the fixing of the retail selling price of the Kaiser. The corporation is unable to make any representation as to the possible effect of such Federal price control on the corporation's business.

The prospectus also reveals that the greatly publicized cars will be largely assembled jobs with the Kaiser outfit making initially only certain body stampings. Ultimately, of course, says the prospectus, the Kaiser Co. will enter upon the manufacture of "such other component parts as the corporation may have difficulty in procuring from suppliers at satisfactory prices."

This, then, gives us a fair idea of the latest line of stuff which Kaiser is handing the public. Boiled down, his automanufacturing activity amounts to his having taken over a Government building which no experienced automobile manufacturer would lease or buy, and from it, sometime, Kaiser and his associates promise to attempt to produce an

assembled job encased in their special body stampings.

Again, in order to have the facts about Kaiser's Willow Run promotion in order, I wrote to the Securities and Exchange Commission for the facts surrounding approval of his stock issues. I received a prompt answer, which follows hereafter, and I must say that the letter and the facts it contains surprised me in many respects.

First, I was astounded to learn that the Commission within 5 days after the first application approved the registration statement. The issuance of 1,700,000 shares of common stock of $1 par value to be sold to the public at $10 a share was approved.

Some 4 months later a second registration statement, to provide for the sale of 1,800,000 additional $1 par value shares of the common stock at $20.25 a share, was received and approved by the Commission. Again there was no public hearing on the application. Just 19 days elapsed between receipt of the registration and its approval by the Commission.

In writing me about the quick approval of both of these issues, the chairman made an impressive statement which I think would be news to the average speculators in new ventures of this kind. The chairman said:

As you know, the registration provisions of the Securities Act of 1933 are intended to provide a full and fair disclosure of the character of securities sold in interstate commerce and through the mails. The statute does not grant authority to this Commission or any other governmental body to pass upon the merits of any security or to approve or disprove any security.

Authorities in several States, I am told, have either refused to approve the sale of the Kaiser auto stock or restricted the sale of it since Kaiser was given the green light by the Securities and Exchange Commission. Their reasons, which for lack of time I have been unable to obtain, would doubtless make interesting reading.

To date, I am advised, more than $57,000,000 worth of the common stock in the Kaiser automobile companies has been sold. The fact that anyone should be permitted by law to indulge in such skyrocketing promotion is almost beyond belief. Here is an outfit that when it had no machinery in place to produce cars, no steel with which to make bodies, and no parts, merrily sold millions of dollars worth of stock to a gullible public. When the stock was sold and the buyers in many cases doubtless were sitting around eagerly anticipating a golden flow of dividends, Kaiser began blaming steelmakers for his lack of material to make cars. Would not common honesty alone indicate the wisdom of arranging for materials before selling stock in a manufacturing company?

A news release dated Reno, Nev., April 9, says Kaiser cars will be rolling off the assembly lines July 15, next.

I would especially recommend that purchasers of the Kaiser stock read carefully the letter the Securities and Exchange Commission has written me about the approval of the Kaiser securities. It certainly is an eye opener to the average man who thinks that when Securities and Exchange Commission approves a stock issue the approval carries with it a suggestion of safety. It does not.

Mr. President, I ask unanimous consent to have incorporated in the RECORD at this point as a part of my remarks the letter written to me by the Securities and Exchange Commission.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SECURITIES AND EXCHANGE COMMISSION,
Philadelphia.

The Honorable STYLES BRIDGES,
United States Senate, Washington, D. C.

MY DEAR SENATOR BRIDGES: This is to refer to your letter dated January 23 requesting the details of any applications filed with the Securities and Exchange Commission by Mr. Henry J. Kaiser or any company with which he is connected.

Two registration statements under the Securities Act of 1933, covering public offerings of common stock of Kaiser-Frazer Corp., have been filed with and declared effective by the Commission. Kaiser-Frazer Corp. was incorporated on August 9, 1945. Messrs. Henry J. Kaiser and Joseph W. Frazer, the latter, president of Graham-Paige Motors Corp., were instrumental in its organization.

The first registration statement was filed on September 21, 1945. Upon completion of a customary review by the staff to ascertain whether or not, on its face, the registration statement was incomplete or inaccurate in any material respect, it was presented to the Commission. Having due regard to the adequacy of the information theretofore available to the public, to the facility with which the nature of the securities to be registered, their relationship to the capital structure of the issuer and the rights of holders thereof could be understood, and to the public interest and the protection of investors, the Commission, pursuant to section 8 (a) of the Securities Act of 1933, declared the registration statement effective on September 26, 1945. An offering of 1,700,000 shares of common stock, $1 par, of the company was then made to the public at $10 a share.

The second registration statement of Kaiser-Frazer Corp. was filed with the Commission on January 4, 1946. Again, after a review by the staff, the registration statement was presented to the Commission on January 23 and was declared effective on said date. An offering of 1,800,000 shares of common stock, $1 par, of the company was then made to the public at $20.25 per share. A copy of the prospectus relating to such offering is enclosed for your convenience.

No hearing was fixed by the Commission for either registration statement since neither appeared on its face incomplete or inaccurate in any material respect.

As you know, the registration provisions of the Securities Act of 1933 are intended to provide a full and fair disclosure of the character of securities sold in interstate commerce and through the mails. The statute does not grant authority to this Commission or any other governmental body to pass upon the merits of security or to approve or disapprove any security.

Please feel free to call for any further information you may desire regarding Kaiser-Frazer Corp., or any other phase of the work of this Commission.

Sincerely yours,

GANSON PURCELL,
Chairman.

Mr. BRIDGES. Mr. President, the latest Government contact with Kaiser is the lease of two aluminum plants in the State of Washington. Not only have they been leased to him at lower rentals than were offered by another bidder, but the Government has arranged to expend vast amounts in putting the plants in first-class shape for Kaiser to operate.

The facts about these cases have been supplied me in a letter by Irving Gumbel of the War Assets Administration, the agency which awarded the plants to Kaiser.

The Kaiser interests and the Reynolds Metal Co. were competitive bidders for the two properties. In each case, according to information supplied me by Gumbel, Kaiser bid less than Reynolds, but was awarded both plants. This was done on the theory, it appears, that it would be a healthy thing to have more competition in the aluminum field. In other words, the taxpayers were put in the position of supplying competition to private business.

Consulting Mr. Gumbel's figures, I find that Kaiser was awarded a 6-year lease on the Spokane, Wash., plant for a total of $4,160,000. The bid of the Reynolds Co. for a similar lease was $5,922,820, or $1,762,820 more than Kaiser offered. The Gumbel report also shows that on a 6-year lease for the Trentwood, Wash., plant the bids were: Kaiser $9,580,000 and Reynolds $10,584,560, a difference of $1,004,560 in favor of Reynolds. Acceptance of the Kaiser bids will cost taxpayers $2,767,380 over a 6-year period.

That, Mr. President, is hard to justify, and I cannot understand how the War Assets Corporation, or anyone else, can award the sale of Government plants on that basis. It is shameful; it is a disgrace.

Government losses on the Kaiser leases will be large enough if he carries out his entire 6-year contracts, but they will be proportionately greater if at the end of 2 years he should decide that he no longer is interested. Both of his bids carry 2-year cancellation clauses, as did also the Reynolds bids. But Kaiser bid only $468,000 for the first 2-year lease of the Spokane plant, compared with a $1,403,010 bid from Reynolds. In the Trentwood case, Kaiser offered and had accepted a bid of $910,000 for a 2-year lease while Reynolds bid $1,750,000 for the same period.

One of the amusing features of the aluminum plant awards was the explanation of Government officials that Kaiser was preferred partly because he plans to use much more aluminum in building automobiles than other auto manufacturers now are using. This sounds fine, but it is laughable to informed automobile men. Except at a few points on automobiles, steel can take the place of aluminum at about one-third the cost. The total amount of aluminum required for the average car is about 6 pounds. If Kaiser can find new and cheaper uses for aluminum in cars he will be a wonder indeed.

So far as I know, the above is a current summary of the high points of Kaiser's activities in snatching Government finances and property for himself. It is the most wholesale use of Government funds by anyone, certainly to my knowledge. It may be that there are overnight

developments of which I have no knowledge. Frankly, I have had to stop several times since starting my study of the Kaiser kingdom to investigate new features. There seems to be no end to what the New Deal business planners who believe in Kaiser magic will do for him. It would not surprise me to hear any day now that he has been given a billion public dollars to perfect a perpetual motion machine, or a rocket transportation system to the moon. Whether he could accomplish any results in either sphere is doubtful. But there is no doubt in my mind that if asked and offered sufficient Government cash he would try.

Personally, I think Kaiser, instead of being a master-minded industrialist, is the Nation's foremost humorist. He appears to be both an amusing and amused fellow. No one could have accepted all of the chores which have been forced on him by those in charge of our lending agencies without getting a laugh out of it. But it is tough on the taxpayer.

PHILIPPINE TRADE ACT OF 1946—CONFERENCE REPORT

Mr. WALSH submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 5, 6, and 7; and agree to the same.

Amendments Numbered 1, 2, 3, and 4: That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, and 4, and agree to the same with amendments as follows: Omit the matter proposed to be inserted by the Senate amendments and on page 11 of the House engrossed bill strike out all after the word "exceed" in line 16 through line 21, and insert in lieu thereof the following: "952,000 short tons (the equivalent of 850,000 long tons), of which not to exceed 56,000 short tons (the equivalent of 50,000 long tons) may be refined sugars; except that during the period from January 1, 1974, to July 3, 1974, both dates inclusive, such total amount shall not exceed 476,000 short tons (the equivalent of 425,000 long tons), of which not to exceed 28,000 short tons (the equivalent of 25,000 long tons) may be refined sugars."

And the Senate agree to the same.

DAVID I. WALSH,
ALBEN BARKLEY,
TOM CONNALLY,
HARRY F. BYRD,
ROBERT M. LA FOLLETTE, JR.,
ROBERT A. TAFT,
Managers on the Part of the Senate.

R. L. DOUGHTON,
JERE COOPER,
JOHN D. DINGELL,
A. WILLIS ROBERTSON,
HAROLD KNUTSON,
DANIEL A. REED,
ROY O. WOODRUFF,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. WALSH. Mr. President, only one issue was before the conferees, and that was whether the quota should be 850,000 long tons of sugar or 850,000 short tons. The conference resulted in accepting the position taken by the Senate, namely, 850,000 long tons.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. WHITE. Is the report signed by all the conferees on the part of the Senate?

Mr. WALSH. It is.

Mr. President, I move the adoption of the report.

The report was adopted.

THOMAS C. LOCKE—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 75) for the relief of Thomas C. Locke, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment.

ALLEN J. ELLENDER,
W. LEE O'DANIEL,
Managers on the Part of the Senate.

DAN R. MCGEHEE,
W. A. PITTENGER,
Managers on the Part of the House.

The report was agreed to.

MRS. C. A. LEE, ADMINISTRATRIX OF ESTATE OF ROSS LEE, DECEASED

The PRESIDING OFFICER (Mr. MURDOCK in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 941) for the relief of Mrs. C. A. Lee, administratrix of the estate of Ross Lee, deceased, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ELLENDER. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. EASTLAND, and Mr. WHERRY conferees on the part of the Senate.

ESTATE OF MICHAEL J. MCDONOUGH, DECEASED—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2483) for the relief of the estate of Michael J. McDonough, deceased, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same.

ALLEN J. ELLENDER,
WAYNE MORSE,
Managers on the Part of the Senate.

JOHN JENNINGS, JR.,
DAN R. MCGEHEE,
Managers on the Part of the House.

The report was agreed to.

LEAVE OF ABSENCE

Mr. WHERRY. Mr. President, I ask unanimous consent to be excused from the Senate for the remainder of the afternoon.

The PRESIDING OFFICER. Without objection, leave is granted.

STATUS AND CONTINUITY OF FRANCO GOVERNMENT IN SPAIN

Mr. PEPPER. Mr. President, we have been informed by the press that at an early date there will be presented to and considered by the Security Council of the United Nations the request of the Polish representative for consideration of the status and continuity of the government of Franco in Spain. We know that the United Nations has jurisdiction of any matters which by its character or extent threatens the peace of the world.

I have before me a press release of the Department of State issued on March 4, 1946, which contains excerpts from conversations between Axis partners or conspirators and correspondence which was exchanged between members of this unholy alliance. I shall read only a very few excerpts from this press release of our own State Department, merely to refresh the minds of Senators and of our citizenry with regard to the collusion and conspiracy which existed before the war and during the war among Hitler, Mussolini, and Franco.

I read the following from a memorandum dated August 8, 1940, by Stohrer, the German Ambassador to Spain:

According to a memorandum presented in June of this year by the Spanish Embassy, the Spanish Government declares itself ready, under certain conditions, to give up its position as a "nonbelligerent" state and to enter the war on the side of Germany and Italy. The Spanish Foreign Minister, and also the Minister of the Interior, have up until the last few days repeatedly pointed out this Spanish offer to me, so that it may be assumed that Spain even today will keep its promise made in June.

I quote from a letter from General Franco to Mussolini. The letter is dated August 15, 1940. I read just a paragraph:

DEAR DUCE: Since the beginning of the present conflict, it has been our intention to make the greatest efforts in our preparations in order to enter the foreign war at a favorable opportunity in proportion to the means at our disposal, since the lack of the most vital provisions and the interruption of communications with Italy and Germany hindered every operation at the moment.

Skipping a couple of paragraphs:

In this manner, Spain, in addition to the contribution which she made to the establishment of the New Order through our years of hard struggle, offers another in preparing herself to take her place in the struggle against the common enemies.

In this sense we have requested from Germany the necessities for action, while we push forward the preparations and make every effort to better the provisioning situation as far as possible.

For all these reasons, you will understand the urgency in writing you, to ask your solidarity in these aspirations for the achievement of our security and greatness, while I, at the same time, assure you of our unconditional support for your expansion and your future.

With my greatest admiration for the brave Italian comrades who are fighting so gloriously, I send you my most cordial regards.

F. FRANCO.

It will be recalled that that letter was addressed to Mussolini in August of 1940.

I quote from a letter from Mussolini to Franco, dated August 25, 1940. It begins "Dear Franco." I skip a couple of paragraphs and read:

Ever since the outbreak of the war I have been constantly of the opinion that "your" Spain, the Spain of the Falange Revolution, could not remain neutral until the end of the war, but at the right moment would change to nonbelligerency and finally to intervention.

Should that not happen, Spain would alienate herself from European history, especially the history of the future, which the two victorious Axis Powers will determine.

Again:

There is no doubt that after France Great Britain will be defeated; the British regime exists only on one single cement: the lie.

I quote further from the same letter:

I beg you, dear Franco, to accept my most cordial and comradely greetings.

MUSSOLINI.

FRANCO TO HITLER

I read from a letter from Generalissimo Franco to Hitler, dated September 22, 1940:

I thank you very much for your idea, put before Minister Suner, of providing me with an opportunity for us to meet near the Spanish border, for, apart from my eager wish to greet you personally, we could have a more thorough and more direct exchange of ideas than our present communications make possible. I should therefore like to state to you my opinion about the individual points of your letter.

I quote further from the same letter:

I am in agreement with you that driving the English out of the Mediterranean Sea will impove the condition of our transports, although it is self-evident that not all questions of the provisioning of Spain will be solved thereby since there are many products and raw materials which Spain lacks, and which are not to be found in the Mediterranean Basin.

2. I am likewise, of the opinion that the first act in our attack must consist in the occupation of Gibraltar. In this sense our military policy in the Straits since 1936 has been directed by anticipating the English intentions of expanding and protecting their bases.

I agree with your opinion that it is possible to aim at the success of this operation within a few days by the use of modern equipment and tried troops. In this sense, the equipment which you offer me will be of great effect.

For our part, we have been preparing the operation in secret for a long time, since the area in which it is to take place has no suitable network of communications.

Quoting further from the same letter:

8. I consider the offer contained in your point 8, for our understanding as extremely useful and absolutely necessary. For the economic aid which you offer me with such foresight and in the highest measure possible for Germany, is just as important as the military equipment. For our part, I offer you reciprocal aid of the same type and to the greatest extent possible considering our potentialities.

* * * * *

I would like to thank you, dear Fuehrer, once again for the offer of solidarity. I reply with the assurance of my unchangeable and sincere adherence to you personally, to the German people and to the cause for which you fight. I hope, in defense of this cause, to be able to renew the old bonds of comradeship between our armies.

In the expectation of being able to express this to you personally, I assure you of my most sincere feelings of friendship and I greet you,

Your

F. FRANCO.

HITLER SUPPORTED FRANCO IN CIVIL WAR

I quote from notes covering an interview between Hitler and Count Ciano, in the presence of the Reich Foreign Minister and the State Secretary Meissner in Berlin, on September 28, 1940:

When Spain was engaged in the civil war, Germany had supported Franco in a very extensive measure considering her (Germany's) condition at the time. This support moreover had not been without risk. It was not limited only to the delivery of matériel, but volunteers were also made available and many Germans and Italians had fallen in Spain. He did not intend to compute this blood sacrifice in terms of economic values, but instead considered it an outright gift to Spain.

Quoting further from the same memorandum:

Economically Germany had given out many hundreds of millions for Spain. He (the Fuehrer) had taken the stand that the payment of this debt should be left alone during the war, however that it would have to be taken up again after the victory of France.

I skip and quote again:

Italy and Germany had done very much for Spain in the year 1936. Italy just had its Abyssinia undertaking behind her, while Germany was in the midst of her rearming. Without the help of both the countries there would today be no Franco.

I quote further from the same memorandum of a conversation between a representative of Hitler and the Foreign Minister of Italy:

Moreover the Duce had the same fears, and that the Fuehrer had just mentioned concerning the difficulties involved in an entry of Spain into the war. Italy also had not forgotten the experience of the Spanish Civil War. At that time Franco had declared that if he received 12 transport planes or bombers, he would have the war won in a few days. These 12 airplanes became more than 1,000 airplanes, 6,000 dead and 14,000,000,000 lire.

I interpolate, Mr. President, that these were Italian forces that were used in putting Franco in power in Spain.

With all due sympathy for Spain, this had upon reflection proven in fact to be right, and now again the Duce feared that many sacrifices would be demanded of Italy and Germany without return. Aside from this, it was to be feared that following the pattern of the Spanish Civil War, Spain's demands as now reported would be increased more and more in the further course of events. Therefore caution was in order and a discussion very appropriate.

Mr. President, that memorandum is dated at Berlin, September 29, 1940, and is signed by Schmidt, German Minister.

HITLER AND FRANCO

I now quote from notes on a conversation between the Fuehrer and the Caudillo, in the Fuehrer's parlor car at the railroad station at Hendaye, on October 23, 1940:

At the beginning the Caudillo expressed his satisfaction about the fact that he was at the moment able to make the personal acquaintance of the Fuehrer and to render to him Spain's thanks for everything that Germany has done for his country up to the present. Spain has always been allied with the German people spiritually without any reservation and in complete loyalty. In the same sense, Spain has in every moment felt herself at one with the Axis. In the civil war the soldiers of the three countries had fought together, and a profound unity has arisen among them. Likewise, Spain would in the future attach herself closely to Germany, for historically there were between Spain and Germany only forces of unity, and none of separation. In the present war, as well, Spain would gladly fight at Germany's side.

I also quote from page 21 of the State Department's press release, as follows:

Naturally Germany had an interest in ending the war in a short time, if possible, since every additional month cost money and sacrifice. In the attempt to bring about the end of the war as soon as possible and to render the entry of the United States into the war more difficult, Germany had concluded the Tripartite Pact.

Mr. President, let me interpolate that we know that by "tripartite pact" they mean the pact between Germany, Italy, and Japan.

I continue to read from the release:

This pact was compelling the United States to keep its Navy in the Pacific Ocean and to prepare herself for a Japanese attack from that direction. In Europe as well, Germany was attempting to expand her base. He could confidently report that several other nations had announced their intention of joining the Tripartite Pact.

Mr. President, remember now that those are notes on a conversation between Hitler and Franco in Hitler's private car at the railroad station at Hendaye on October 23, 1940. At that time Franco was told by Hitler about the Tripartite Pact, supposedly against any nation which might be their enemy, but principally against the United States, and Franco was assuring Hitler of his loyalty to the common purpose.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. LUCAS. Where does the Senator obtain this information?

Mr. PEPPER. I have been reading from a press release issued by the State Department on March 4, 1946, on the subject of Franco and his government and its relationship to the Axis during the war.

Mr. LUCAS. I am interested in the last statement the Senator read, and I wondered what the date was. Will the Senator repeat it, please?

Mr. PEPPER. Yes.

Mr. LUCAS. Because it seems to me that it is something which it might be possible to use in the Pearl Harbor inquiry.

Mr. PEPPER. That statement appears on page 19 of the State Department's press release, and it is headed "Notes on the conversation between the Fuehrer and the Caudillo in the Fuehrer's parlor

car at the railroad station at Hendaye on October 23, 1940."

Mr. LUCAS. It seems to me that it indicates that there was between the three nations an agreement which has not been brought out, up to this time, before the committee investigating the attack upon Pearl Harbor. So far as I recall, the information we have relating to a definite arrangement between the three nations was that it occurred at a later time.

Mr. PEPPER. That is correct. The material I have just read shows how "early in the morning" Franco was in at the inception of the scheme.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. WILEY. I was wondering whether the distinguished Senator from Florida would state his views as to why Franco did not get into the war.

Mr. PEPPER. That is a matter of opinion. It appears later in this chronology of crime that, in the first place, the Spaniards demanded so much of the Germans that they did not know whether Spain's entry into the war would be worth the cost. In the second place, it appears that the Germans were satisfied that Spain's—or Franco's—contribution in fueling German submarines off the Spanish coast and Ireland, affording a rendezvous for their undersea pirates, was a kind of collaboration with the Axis, as well as, I am sure, constituting a veritable supply base for Nazi and Fascist military and naval forces.

Mr. WILEY. Mr. President, will the Senator further yield?

Mr. PEPPER. I yield.

Mr. WILEY. Does the Senator think it might have been that Franco found himself between the upper and the lower millstones, and was playing an international game of politics, and succeeded in keeping himself out, even as Sweden kept out?

Mr. PEPPER. I think all the correspondence between Franco and his fellow culprit indicates that there was about as much honor among them as between other thieves and criminals, because they were always speaking about the hard bargain that Franco was trying to make with them. So I am sure he was trying to make as hard a bargain with Hitler as he could. Whether his price was too high, I do not know. But the fact is that he did collaborate, as I shall show further, with the military Axis throughout the war.

Mr. WILEY. What I am referring to is that in Europe there has been a situation—and we ourselves are right in it now—known as power politics. Regardless of what Franco's intentions were, if his act speaks louder than his words, he did a fairly good job for his country in keeping it out of the war; did he not?

Mr. PEPPER. And he also did a fairly good job for the Axis, as I shall show by the document which I am about to read.

Mr. WILEY. I wonder whether the Senator has read the book written by our former Ambassador to Spain, Mr. Hayes.

Mr. PEPPER. I have not read the book, but I shall later read to the Senate President Franklin D. Roosevelt's letter of instructions to the American Ambassador who took Mr. Hayes' place.

Mr. WILEY. I am interrogating the Senator for the reason that that book was placed in my hands some time ago and I was very much interested in its scholarly approach to this very difficult problem. I thought it was a rather keen analysis of a situation to which we closed our eyes, namely, that when European nations get into a war, they play the game to get other nations into it, and it takes a rather smart chap to keep out. We know the pressure that was put on the Swedes, but they kept out. We know the pressure that was placed on Franco. Of course, I hold no brief for Franco.

Mr. PEPPER. Mr. President, I wonder whether the able Senator will permit me to finish a recital of the contents of these documents.

Mr. WILEY. Yes.

Mr. PEPPER. I would welcome the Senator's questions, and I always delight to listen to him. But I should like to proceed with reading this material as quickly as possible.

Mr. WILEY. I am simply seeking a little light and truth.

Mr. PEPPER. I always welcome inquiries from the able Senator from Wisconsin.

SPANISH FUEL FOR U-BOATS

Mr. President, at this time I shall answer the able Senator's inquiry. I wish to read a memorandum dated at Berlin, October 31, 1940: Reporter: Councilor of Legation Kramarz:

NOTE.—The Naval Warfare Command informs that the necessity exists in connection with naval operations in the Bay of Biscay for being able to supply German destroyers with fuel in out-of-the-way bays of the Spanish coast. For this purpose German tankers would be sent there, from which replenishment would take place by night in order thus to guarantee the secrecy. The Naval Warfare Command has in this connection pointed to the fact that the Spanish Government has already shown similar obligingness in the supplying of German U-boats.

The Naval Warfare Command requests opinion and corresponding instruction of the Spanish Government.

Herewith submitted to Ambassador Ritter.

KRAMARZ.

Mr. President, that was in 1940. Men of the United Nation's forces were going to their watery graves in the Atlantic Ocean because of destroyers and submarines which were being replenished on the coast of Spain as the result of this understanding and cooperation between the German Naval Warfare Command and the Spanish Government.

I read another communication. It is a telegram from the German Ambassador in Madrid to the Foreign Office in Berlin:

MADRID, *December 5, 1940.*

In reply to proposal made by embassy as instructed, Foreign Minister has now informed that Spanish Government has agreed to the placing in readiness of German tankers in out-of-the-way bays on the Spanish coast for the supplying of German destroyers with fuel. Foreign Minister vigorously requested observing greatest caution in carrying out measure.

That, Mr. President, is signed "Stohrer." Remember that it was dated December 5, 1940, and was from the German Ambassador in Madrid to the German Foreign Office in Berlin.

Mr. President, I turn to a letter from Hitler to Franco, dated February 6, 1945, beginning "Dear Caudillo."

I skip the first part of it and come to the following:

I am now convinced that Spain faces the same fate. Caudillo, if your struggle against the elements of destruction in Spain was successful, it was only because of the democratic opponents forced to be cautious by attitude of Germany and Italy. You will be forgiven, Caudillo, but never for this victory.

I skip now, and a little further on read as follows:

Now, at our meeting—

This letter is from Hitler to Franco—

we agreed that Spain declare its readiness to sign the three-power pact and to enter the war.

I interpolate that the three-power pact means, of course, the tripartite pact which was a part of the predicate for the declaration of war against the United States. I continue reading:

In setting the date, periods in the far future were never considered or even mentioned, but, instead, the conversation always concerned with a very short time limit within which you, Caudillo, still believed you could carry out various economic measures favorable for your country.

I now turn to a later portion of this letter which was signed by Hitler on February 6, 1941.

Spain will never get other friends than those given her in the Germany and Italy of today, unless it becomes a different Spain. This different Spain, however, would only be the Spain of decline and of final collapse. Even for this reason alone, Caudillo, I believe that we three men, the Duce, you, and I, are bound to one another by the most rigorous compulsion of history that is possible, and that thus we, in this historical analysis, ought obey as the supreme commandment the realization that in such difficult times, not so much an apparently wise caution as the bold heart, rather, can save nations

The letter conclues as follows:

Accept my cordial comradely greetings.

Yours,

ADOLF HITLER.

FRANCO'S LOYALTY TO HITLER

I now read from a letter of Franco to Hitler dated February 26, 1941.

DEAR FUEHRER: Your letter of the 6th makes me wish to send you my reply promptly, since I consider it necessary to make certain clarifications and confirmations of my loyalty.

I consider, as you yourself do, that the destiny of history has united you with myself and with the Duce in an indissoluble way. I have never needed to be convinced of this, and, as I have told you more than once, our civil war since its very inception and during its entire course is more than proof. I also share your opinion that the fact that Spain is situated on both shores of the Strait forces her to the utmost enmity toward England, who aspires to maintain control of it.

We stand today where we have always stood in a resolute manner and with the firmest conviction. You must have no doubt about my absolute loyalty to this

political concept and to the realization of the union of our national destinies with those of Germany and Italy.

Remember, Mr. President, that this is from Franco to Hitler on Feburary 26, 1941.

The letter concludes as follows:

These are my answers, dear Fuehrer, to your observations. I want to dispel with them all shadow of doubt and declare that I stand ready at your side, entirely and decidedly at your disposal, united in a common historical destiny, desertion from which would mean my suicide and that of the cause which I have led and represent in Spain. I need no confirmation of my faith in the triumph of your cause and I repeat that I shall always be a loyal follower of it.

Believe me your sincere friend, with my cordial greetings.

F. FRANCO.

There, Mr. President, Franco is declaring to Hitler that they share a common destiny. They were intertwined in the same spirit. They were bound together not only in philosophy but in criminal objective. Franco also said a "common destiny," because, as I shall confirm later by a letter, it never dawned on Franco that if the Axis lost the war there would be any chance of his survival. He said that if the Axis combination were to be destroyed it would mean his suicide and the loss of the cause he had led and was then leading in Spain.

The reason I rose today, Mr. President, was because we have neglected our obligation to see to it that Franco's fears are vindicated and that his end was meant to take place with the collapse, dissolution, and ruin of the Axis powers.

SECRET PROTOCOL OF 1943

Mr. President, I turn now to a memorandum dated at Madrid, February 10, 1943, a secret protocol between the German and Spanish Governments, acknowledging the intention of the German Government to deliver to the Spanish Army in the shortest time possible arms, war equipment, and war material of modern quality and in sufficient quantity. I read:

The Spanish Government, at the request of the Reich Government, declares that it has determined to resist every entry by Anglo-American forces upon the Iberian Peninsula or upon Spanish territory outside the peninsula, that means, therefore, in the Mediterranean Sea, in the Atlantic and in Africa, as well as in the Spanish protectorate of Morocco, and to ward off such an entry with all the means at its disposal.

FRANCO WANTED AXIS VICTORY

Mr. President, I now quote from the notes of a conversation between General Franco and the Ambassador Dieckhoff at Berlin on December 15, 1943. It will be remembered that Dieckhoff was the German Ambassador to Washington in the days before the war. I once heard German Ambassador Dieckhoff tell us how legal and constitutional Hitler's government was in the German Reich. I read:

Further, he knew for certain and was clearly conscious of the fact that only the victory of Germany would make possible the continued existence of the regime of Franco; a victory of the Anglo-Saxons, in spite of all the pacifying declarations which would be made to him from time to time in this respect by the English and American side, would mean his own annihilation. He therefore was hoping with all his heart for the victory of Germany and he had only one wish that this victory would come as soon as possible.

Mr. President, when was that? It was on December 15, 1943. It was after Pearl Harbor, and after the tripartite pact to which he had lent his assistance had spawned its dastardly assault on us. It was after Guadalcanal and those tragic and trying days of the Pacific. It was in the middle of December 1943, and in this conversation the German Ambassador was saying what he had said in the other communication. I repeat:

Further, he knew for certain and was clearly conscious of the fact that only the victory of Germany would make possible the continued existence of the regime of Franco; a victory of the Anglo-Saxons, in spite of the pacifying declarations which would be made to him from time to time in this respect by the English and American side, would mean his own annihilation.

That, again, Mr. President, is why I rise to speak today, because the disposition of Franco and his vicious and evil regime is coming before the United Nations Security Council and I am asking whether what Franco believed in 1943, when he cast his lot with the evil Axis, is going to be vindicated in the disposition that is made of him by the Security Council of the United Nations.

Ah, Mr. President, if in the bays and bayous of the Spanish coast in 1941 there were destroyers and German submarines that were being fueled and replenished and supplied by the Spanish Government, then I believe the same supplies were being dispensed in 1942, 1943, 1944, and 1945, and that men who were dear to every Senator, every citizen of America, were being sent to their graves by those very rattlesnakes of the sea whose venom was supplied out of the phial of Franco's evil breast.

Mr. President, the dead cannot be at the United Nations Security Council meeting to ask retribution for their deaths. But our delegates will be there, and I think we have a right to ask that Franco's conviction that he faced future annihilation if the Axis did not win the war should be compelling on the action of the United Nations Security Council.

Mr. President, I quote again from the same memorandum by the German Ambassador to Franco:

A neutral Spain which was furnishing Germany with wolfram and other products was, in his opinion, more valuable for Germany at the present than a Spain which would be drawn into the war.

So, Mr. President, if for one reason or another Spain decided not to take up arms, she kept furnishing those destroyers and submarines with the necessities for their purpose along her coast, and this Ambassador's memorandum said she continued to give economic aid to Germany. We know beyond any doubt that Franco's Spain was the base of a veritable network of spies for the Axis, although it did not formally participate in actual hostilities.

Mr. President, every one of the memoranda I have read to the Senate was published to the world at large by the American State Department, not some years ago, but on the 4th of March 1946. I know that representatives of the same State Department, who know those facts and many other facts not published, can not lend their acquiescence to the present arrogance of Franco and assent to its continuation as an affront to every United Nations soldier who died in the war.

ROOSEVELT'S INSTRUCTIONS ON SPAIN

Mr. President, I have here a letter from President Franklin D. Roosevelt, dated March 10, 1945, to the new American Ambassador in Madrid, Mr. Norman Armour. This is the letter:

MARCH 10, 1945.

MY DEAR MR. ARMOUR: In connection with your new assignment as Ambassador to Madrid I want you to have a frank statement of my views with regard to our relations with Spain.

Having been helped to power by Fascist Italy and Nazi Germany, and having patterned itself along totalitarian lines, the present regime in Spain is naturally the subject of distrust by a great many American citizens who find it difficult to see the justification for this country to continue to maintain relations with such a regime. Most certainly we do not forget Spain's official position with and assistance to our Axis enemies at a time when the fortunes of war were less favorable to us, nor can we disregard the activities, aims, organizations, and public utterances of the Falange, both past and present. These memories cannot be wiped out by actions more favorable to us now that we are about to achieve our goal of complete victory over those enemies of ours with whom the present Spanish regime identified itself in the past spiritually and by its public expressions and acts.

The fact that our Government maintains formal diplomatic relations with the present Spanish regime should not be interpreted by anyone to imply approval of that regime and its sole party, the Falange, which has been openly hostile to the United States and which has tried to spread its Fascist Party ideas in the Western Hemisphere. Our victory over Germany will carry with it the extermination of Nazi and similar ideologies.

Mr. President, I interpolate, this letter was written March 10, 1945, and the President of the United States, Franklin D. Roosevelt, said:

Our victory over Germany will carry with it the extermination of Nazi and similar ideologies.

UNITED STATES POLICY TOWARD SPAIN

I rise today, Mr. President, to ask whether that still is the policy of the Government of the United States. I ask whether that is the policy of the American representatives at the meeting of the Security Council of the United Nations in New York.

Mr. SALTONSTALL. Mr. President, will the Senator from Florida yield?

Mr. PEPPER. I yield.

Mr. SALTONSTALL. I know the Senator from Florida is a believer in the United Nations and wants it to function effectively, and I should like to ask him whether, since we cannot know on this floor from hour to hour what is going on in the United Nations Security Council, and so long as we have confidence and trust in the Secretary of State and our representatives, until we

know they make a mistake, is it not wiser to leave the decision of questions to them, without trying to put pressure on them which may make it much more difficult for them to reach the same result the Senator from Florida wants them to reach, or a different result? Is it not wiser to leave them alone, and not put pressure on them by reading all this correspondence and making statements such as that the Senator is making at the present time?

Mr. PEPPER. Mr. President, that is a matter about which there might be an honest difference of opinion, I will say to the able and conscientious Senator from Massachusetts. However, I think that all of us have in our separate and several spheres our own separate and several responsibilities. I have no legal authority to ask what our delegate at New York does in the meetings of the United Nations Security Council. Mine is only one voice in a Senate of 96 and a Congress of 531. I am not at all sure that the matter will even come before the Senate for consideration, because it will be determined entirely by the United Nations Security Council. But I cannot sit by and see the United Nations take action—and I address myself as much to other delegates as I do to the American delegates—without adding my one voice to the millions which are prayerfully coming up from all over this earth to the United Nations Security Council, asserting that Franco is a menace and threat to the peace of the world, and that he should be dealt with accordingly.

I had intended to distinguish, in a few minutes, the case of Franco from the case of Peron, and to state that I think the UN will be justified in dealing with one, and perhaps making it improper, as much as I personally dislike Peron and his work, to deal with the other. I should like to have the Senator hear my comment on that subject.

Mr. President, let me finish the late President's letter to the American Ambassador at Madrid:

> As you know, it is not our practice in normal circumstances to interfere in the internal affairs of other countries unless there exists a threat to international peace. The form of government in Spain and the policies pursued by that Government are quite properly the concern of the Spanish people. I should be lacking in candor, however, if I did not tell you that I can see no place in the community of nations for governments founded on Fascist principles.
>
> We all have the most friendly feelings for the Spanish people and we are anxious to see a development of cordial relations with them. There are many things which we could and normally would be glad to do in economic and other fields to demonstrate that friendship. The initiation of such measures is out of the question at this time, however, when American sentiment is so profoundly opposed to the present regime in power in Spain.
>
> Therefore, we earnestly hope that the time may soon come when Spain may assume the role and the responsibility which we feel it should assume in the field of international cooperation and understanding.
>
> Very sincerely yours,
>
> FRANKLIN D. ROOSEVELT.

Mr. President, I remind the Senate that that letter was dated March 10, 1945.

Mr. WILEY. Mr. President——

The PRESIDING OFFICER (Mr. MURDOCK in the chair). Does the Senator from Florida yield to the Senator from Wisconsin?

Mr. PEPPER. I yield, but will the Senator be kind enough to confine his remarks as nearly as possible to a question?

Mr. WILEY. I believe what the Senator read was that the late President said that if a regime were a threat to international peace, if it were Fascist, he felt it was the obligation of the nations to seek to remedy that condition. Is it not true that the Secretary of State and the Executive have found that Franco is not a threat to international peace?

Mr. PEPPER. The matter is up now for decision by the United Nations Security Council. I am not aware of any finding of the sort the Senator has described.

Mr. WILEY. A statement?

Mr. PEPPER. By our State Department?

Mr. WILEY. Yes.

Mr. PEPPER. Very well. If they have made such a finding, I do not agree with it, and I shall state why.

PERON AND FRANCO

Mr. President, I make the declaraion that any government put in power by the military forces of Hitler and Mussolini is a threat and menace to the peace of the world, and I make that the criterion in this case. That is not true of Peron. I think Axis propaganda, probably Axis money, and I am sure Axis influence have contributed to his power, but an election was held in Argentina a few days ago, and, disappointing as it was to all of us, I cannot say without more evidence that it was not a reasonably fair election. If the people of Argentina chose Peron, even if he is a Fascist, while we as a nation may not give him our cooperation or recognition, I would not believe it proper for the United Nations to intervene in that country to throw him out or to strangle him into impotence.

But I make a distinction, Mr. President, between such a case as that of Peron and that of a man who was put into power and control of his country and his people by a thousand Italian airplanes, by 6,000 Italian soldiers who were killed in the effort, and by many German airplanes and German soldiers, and a terrific money and material assistance from both powers. When a few days ago at Nuremberg, Hermann Goering brazenly testified that with Hitler's permission he tried out his air force upon the helpless and hapless people of Spain in order to give victory to Franco, that was the highest possible corroboration of the fact that is recited in this memorandum, that had it not been for the military aid from Hitler and Mussolini, Franco would not be in power today.

Mr. President, the United Nations was formed to fight the Axis. The present United Nations is made up of powers who cooperated in the common fight against the Axis, and no other country is eligible. We do not profess to stain the escutcheon of that organization by permitting a member of the Axis to become a member of the United Nations. We have forbidden Spain, Franco's Spain, to become a member of the United Nations, and thereby have declared that Spain is an outlaw, or, in terms of the old law of England, without benefit of clergy, without the right of sanctuary among the decent people of the world.

Yet, Mr. President, here is a man who assumed and usurped power over the blood, and the broken bodies, and the crushed bones of the helpless Spanish people, who were unable to resist him and Hitler and Mussolini together. Here is a man who gave aid of military character to the Axis in the prosecution of the war, who declared himself inextricably interwoven with their destiny, with their objective, and with them personally, who said he could not survive if they were destroyed. Can we in good countenance, Mr. President, stand by and ignore that record of infidelity to decency and democracy, and allow that man, unhampered and unhindered, to continue to affront in his brazenly, arrogant manner, the organizations and the people of the world who fought for democracy, and the many mute dead who died for it?

UNITED NATIONS SHOULD TAKE JURISDICTION

Mr. President, I know that some have raised the question that it was not a matter of our liking Franco; that we simply do not have authority under the United Nations to deal with him. I do not say that we should go into his country, that we should send troops against him. I do not know precisely what actions should be taken. I do not know what the United Nations Security Council should do. But I do say that it should take jurisdiction, and after having taken jurisdiction, should counsel together as to the best way to make Franco impotent, whether it be by sanctions, or by some other action which the Council in its wisdom may determine to take. That is a matter for the United Nations Security Council to decide.

Mr. President, I cannot, however, see that the United Nations Security Council can relieve itself of the charge of inconsistency if it should take up other disturbances and agitations in other parts of the world and leave the unspeakable Franco upon the seat of power over the helpless Spanish people in Spain.

PROPOSED LOAN TO GREAT BRITAIN

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

Mr. PEPPER. Mr. President, I wanted to say just a word in support of the ratification of the British loan. I have, upon this floor, stated that I do not approve of all the acts and doings of the British, especially in their foreign policy. I think that, like the rest of us, they are human; they err; they look out for themselves, and they do it very well.

I have not criticised them for having done it. I have simply said on occasion that I did not think the United States ought to agree with them in all they did, because at times I did not think

that what they were doing was right. But, Mr. President, if anyone has ever gotten any idea that I have any malice toward Great Britain or that I am anti-British, I will say that I have stated repeatedly that I am no more anti-British than I am anti-Russian. I should also like to affirm that there is no malice in my heart against the Russians, either the government or the people. I do not think there is any malice in the hearts of the people of America against either Britain or Russia or any other nation that helped us to win the war against Hitler, Mussolini, and the Japanese.

Mr. President, I have not often said anything on this floor that would tend to recall to anybody's mind that I have had a share in the matter, but I do derive some pride in the fact that the RECORD will show that on the day the Germans reached Abbeville, on their way across France, the junior Senator from Florida rose on this floor and announced that fact, and submitted the resolution which was the genesis of lend-lease. But in the Foreign Relations Committee I was the only one who voted for it, and I was ridiculed and scorned for having taken that position.

Three or 4 days later I submitted a second resolution, which is more completely the genesis of lend-lease. We received two votes in the Foreign Relations Committee of the United States Senate for that resolution. A little while later I was hanged in effigy by some America Firsters in front of the Capitol of the United States, and people in my own State said, "Why do the British send an ambassador to Washington when they have Pepper there?"

Mr. President, I was not fighting for Britain then. I was fighting for America. I knew what many others saw, that if we did not stop Hitler over there with foreign soldiers and our material we would have to stop him over there with American soldiers and American material. And I said then that one airplane in 1940 was worth 100 or 1,000 in 1941, or 1942 or 1943. Yet there are people all over this country who said that those of us who believed in that were warmongers, that we wanted to spill American blood.

Mr. President, I had hoped I would never have the solemn and awful responsibility of voting for war. I was hoping that if we acted in time we might stop the conflagration before it reached our shores or our essential interests. I shall go to my grave with the certain sentiment in my heart that the war could have been stopped had all of us gotten together in a single resolve against Hitler's aggressions and declared to him that we were his common enemy if he made an assault upon any of us.

President Benes in Prague last fall told me he thought so too. One reason why I have stood up here and defended Russia against the criticism of the unthinking or those who do not want to be favorably disposed to Russia is that President Benes in his office in Prague told me last October that the Russians were the only ones who told him that if he stood up against Hitler at Munich they would fight with him. I do not know whether Mr. Benes was telling the truth or not. He is the President of Czechoslovakia. I believe him. He said the Russians stated, "If you fight, we will fight with you." We did not tell him that. Neither did England or France tell him that.

Mr. President, all I want is to give a dog its due. This thing is not all black on one side or all white on the other, in the unhappy days leading up to the war.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Illinois?

Mr. PEPPER. I yield.

Mr. LUCAS. I should like to offer a bit of corroborating evidence in connection with the Senator's statement. Benes told the Senator from Illinois the same thing in a meeting in the city of Chicago two or two and a half years ago. What has always rather intrigued me has been the fact that the Government of Czechoslovakia, as I understand, comes as near being a pure republic, compared with ours, as any other nation in the world. Before Hitler took over, the Czechoslovakian Government was a democracy, operating on the same basis on which we operate under our Constitution.

Mr. PEPPER. I believe that its constitution was patterned after ours.

Mr. LUCAS. That is correct. Notwithstanding the fact that Communistic Russia was on the north of that republic, the two countries were the closest of friends throughout the period previous to the war and during the war; and I understand that they are getting along very well now.

Mr. PEPPER. They are getting along very well. Mr. Benes and his Foreign Minister, Jan Masaryk, were two of the men I wanted especially to meet on my trip. I regard them as the foremost statesmen in Europe today. President Benes has been continuously in power probably longer than has the head of any other government in Europe, with the possible exception of Stalin. Surely no one other than Stalin has been in power longer than has Benes. Jans Masaryk is the Foreign Minister of Czechoslovakia, and the distinguished son of the founder of Czechoslovakia, Thomas Masaryk, who received the hand of assistance and friendship from our own President Wilson and the United States when his country and its government were being established after the last war.

RUSSIA NOT BENT ON AGGRESSION

I wanted to have these men sit down in the quietude of their offices or homes and tell me whether they thought Russia was bent upon aggression. I asked them the question, and they said no. Jan Masaryk, who is no Communist, said, "I do not even believe that they are trying to communize Europe." I did not try to get manufactured testimony.

I could quote the statements of persons who say that it cannot be proved that the Communist movements in the various countries are directed from Moscow. I think I quoted what Mr. Leon Blum said to me in Paris. He said it publicly. He said, "I cannot cooperate, with my Socialist Party, with the Communist Party because it is directed from Moscow." When I talked to Generalissimo Stalin I said, "Mr. Leon Blum has stated publicly in France that he will not cooperate with the Communists because they are directed from Moscow. Have you any comment to make on that?" He looked me right in the face and said, "Leon Blum wishes he could prove that."

I ask those who are the best informed as to what is going on in China—whether it be the State Department or the Army—whether they have ever found as a provable fact that the Communists of Manchuria are directed from Moscow. I am not defending communism, although I suppose I shall be accused of it. It is not often that one finds a boy whose folks on both sides have been in the United States more than 300 years, and who was born on a little Alabama farm, who turns out to be called a Communist because I spent 10 days in Russia trying to learn something about it, in the hope that I might learn one fact which might keep one boy from having to go to another war.

What I started to say was that because I do not like British policy in many places does not mean that I am opposed to the British loan. No Senator is stronger for the British loan than I am. When I was in London the lend-lease law terminated. I never saw such restrained hurt on the part of a people as the British people showed upon the sudden—and they thought abrupt—termination of lend-lease. I saw what it did to the diet, the economy, and the standard of living of the British people. I ventured to write an article for the North American Newspaper Alliance, which was published in the New York Times, the Evening Star, and the London Daily Telegraph. When I saw Mr. Winston Churchill in his home the first thing he said to me was a word of compliment for my understanding of the British position in the article which I had written from the viewpoint of both our people and the British people.

One cannot find fresh fruit in Great Britain. He will not find milk. He will not find very much meat. Perhaps he will get a small piece of meat once a week. One day I had lunch with a friend in the British Army whom I had met over here, and another man. It was at noon on Sunday. Later in the afternoon he disclosed to us that one little piece of roast beef and some Spam that the three of us had eaten at luncheon constituted his meat ration for the entire week. So the British people are not reveling in luxury. I can testify to that. I lived there for a period of 20 days.

BRITAIN HARD HIT

I talked to Sir Stafford Cripps. He said, "We lost 10,000 factories by German bombs during the war. Moreover, we had to scatter our factories all over Great Britain, in every little schoolhouse or abandoned building of one sort or another, to decentralize industry and keep it out of the reach of German bombs." Furthermore, he emphasized, as did the Chancelor of the Exchequer and the Prime Minister and other members of the Government, that Britain makes its money essentially in three ways: First,

by interest on British investments, which formerly girdled the earth. Now they are nearly all gone. They do not get much in interest payments now. They owe and possess in roughly the same relationship. In other words, they owe just about everything they have abroad. They may have a little excess in one country and a deficiency in another. They have an excess in the United States and a deficiency in the Middle East. It is like a man owing one man more than he owes another; but, taking all they owe and all they have, Great Britain owes nearly as much as she has abroad.

As I have said, Britain makes its money in three ways. The first is from interest on foreign investments. They are not netting much from that source today. Secondly, they have a return from shipping and insurance services which they render.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. FULBRIGHT. Is the Senator sure about the figures as to what the British owe? It is my understanding that they owe considerably more than they own abroad. At least I understand that that has been the situation since the war.

Mr. PEPPER. It is my understanding that they owe substantially the same amount as they own. But the fact is, of course, that there is no profit from it because they must pay out what they receive.

Mr. FULBRIGHT. Is the Senator including blocked sterling?

Mr. PEPPER. Yes; I am including all that. I may be mistaken, but I think I am correct in stating that, including all they owe to the sterling bloc, their assets and liabilities abroad are relatively the same.

Their second source of income is from shipping services and insurance services. They lost the major part of their insurance business during the war, and they are not getting much from that source. Their shipping has been engaged in war. They have not made anything from that source. Time will be required to get their shipping trade started again.

Their third and major source of income has been derived from taking raw materials from the remote parts of the world—largely from the United States—and processing them into manufactured goods. In order to do that, first they must buy the raw materials. In the United States that requires dollars, and they have no dollars to speak of, other than what they have put up as security for what they owe. In the second place, factories were required. Before they could reestablish factories they had to take their decentralized factories and put them into centralized units. They had to repair those that were damaged and replace those that were obsolete, and that required time.

In the third place, they required manpower. That had been in the Army, the Navy, or the Air Forces, or was in some way or other committed to the war and not yet out of it.

So, as we ordinarily say, Britain was just about stalled on dead center. She could not get going again without help from the outside. She could not get going again in such a way as to be able to take a creditable part in the trade and commerce of the world. At least she could not again become our best customer unless we helped her over the crisis.

Mr. President, I am not a businessman. The Senator from New Jersey [Mr. HAWKES], whom I see in the Chamber, and other Members of this body are men of large means and great enterprises. They will testify that it is not uncommon for a businessman to tide his best customer over a crisis.

The question is often asked, "Do you suppose they will ever be able to pay us back?" I do not know whether they will ever be able to pay back the loan; but I have a great deal of confidence in a debtor who tells his creditor when he borrows the money that he does not know whether he can pay it back or not.

It is not generally known, but the British did not seek this loan unconditionally. I was in the House of Commons the night the Prime Minister reported this agreement to the House of Commons. I was reminded of things back home when I saw the flurry which that announcement evoked in the House of Commons. Some of the members were shouting their disapproval. Some were clamoring that it would stuff the gold standard down the throat of the British economy. Some said that it meant that Britain was to be an appendage to the American coattail, or the tail to be wagged by the American dog.

The Prime Minister, in a moderate and calm manner, indicated that he did not believe that those things were true. But, Mr. President, the British made it clear that they do not expect to subject themselves again to the accusation that they welshed on an American debt. They are very sensitive about not paying back the war debts. I am not sure but that it would have been better if the matter had been disposed of in some formal way, rather than by neglect. It will be remembered that for many years the British at least made token payments on the war debts. But the point is that the British would not have taken this loan if there had not been an escape clause in it, if it had not been possible for them to obtain the remittance of the interest in a year when their balance of trade did not make it possible for them to pay it. They are not relieved of the duty of paying the principal every year, under the plan of amortization; but if they do not have a favorable balance of trade so that they can pay the interest, it is written into the instrument that they do not have to pay it.

Mr. President, I respect the British for their tenacity and determination. They are tough customers to deal with; they are tough fighters; they will grapple for their own; but we must admit that the greatest characteristic of the British is, not that they are "the tight little empire," but that if they promise a thing they will carry it out.

I do not know whether the money will be paid back. The principal will, but the interest will not be paid back unless the British have a favorable balance of trade. But, Mr. President, no other debtor can pay unless he is able to pay. If the British do not "come back," it will mean that conditions in the world are such that we shall all be headed for the depths of a depression anyway, and there will be an uncertain and unhappy future for us all.

What we are trying to do by this loan is to keep the world economy from collapsing with the result that we shall all go down the toboggan slide. We are trying to stimulate Britain to enable her to come back into the picture, not only as an able competitor, but as our best customer.

Of course we are going to fight for customers. We are going to compete for trade; we are going to fight with each other in the extension of advantage, and we are going to employ commercial propaganda against each other. But, after all, that is the democratic way; that is the way we do it here at home.

I would not call the United States exactly a nursery. There is a good deal of conflict which goes on in the friendly arena which we maintain over here; and so there will be competition between us and the British. But, Mr. President, after all, they will not have a totalitarian economy. They will not dump goods upon the foreign market. They will play the game by the rules, and if American business cannot come out of the game on top, then there will be something strangely wrong with American business.

Mr. President, I am aware of the proposals to give Britain a billion dollars or a billion and a half dollars. I have heard another suggestion—one about lending the British a billion dollars from the RFC. It is strange to me that there are people who would wish to give Britain a billion dollars from the Federal Treasury or lend them a billion dollars from the RFC, when the same people are not willing to come right out in the open before the American Congress and the American people and make an open and forthright loan, with the approval of the American Congress, with the terms known to all the world.

Under the pending proposal no one will be discriminated against. The British are not borrowing money from Canada on terms more favorable than those on which it is proposed that they borrow from us. They are not borrowing money from anyone on better terms than those on which they would pay us.

Mr. President, the future of Britain economically and politically is uncertain.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BARKLEY. When the RFC loaned Great Britain $450,000,000, it required security of $895,000,000—practically 2 to 1. At the same rate, if the RFC loaned to Britain a billion dollars now, it would require Britain to put up approximately $2,000,000,000 of marketable securities.

Mr. PEPPER. Yes; that is not what I would call exactly a generous or even wise lender.

Mr. President, we must not deny that in the dark days early in the war Britain stood alone against the onslaughts of Hitler and Hitlerism. In those days the

future of mankind and America trembled in the balance. As I have previously stated on the floor of the Senate, if Britain had fall n at that time, the result would have been that American boys would be fighting Germany in this hemisphere for a generation, if we ever threw them out. We owe a great debt to the British for what they did, and they owe an immeasurable debt to us for what we did. They could not have won without us, and they know it, and they do not deny it. But they do not like to have it rubbed in, they are a proud people. It has been a little painful for them to fall from their perihelion to a lower place in their orbit. Naturally it has been a little painful for them to see the American eagle soar to the place which they once had, or to hear the notes of another nation which may, in the ascendency, even surpass her. There is not any nation that relishes having strictures placed on its progress or that relishes a time when its star is not certain to be on the rise.

But, Mr. President, Britain is still there; the author was right who wrote the song There Will Always Be an England—and I thank God for it. We shall help in the development of a better England by this loan than England would be without it, because the present British Government is resolved to make progress in the right direction. The present government in Britain is one which we call a Socialist government. As a matter of fact, all it is, in substance, is the liberal Government of Great Britain. As a matter of fact, the majority of the members of the labor government in the House of Commons are not members of trade unions. They are professors, newspaper editors, journalists, lawyers, teachers, and some small businessmen. Labor has about 7,000,000 of the 11,000,000 British votes. But with all the credit that labor deserves for electing them, the Government of Great Britain is still a broader government than merely a trade-union government. Although Ernest Bevin is a trade unionist, the Chancellor of the Exchequer, and the Prime Minister, and the leader of the House of Commons, Herbert Morrison and others of the cabinet are not even trade unionists.

They constitute a liberal government; and although they have espoused certain nationalistic principles, such as the nationalization of the Bank of England, that really is not a new thing. The Governor of the Bank of England himself told me that, for all practical purposes, that did not make any difference: that for decades they had been doing what the Government said, anyway, although the stock was owned by individuals. They have nationalized transport, and they have nationalized the coal mines which otherwise were defunct. But all that has been done in the inimitable British way. It is their kind of socialism. It is not anyone else's kind of communism. When I speak of this, I think of some overfrightened American businessmen, some of whom remind me of the time when I was a little boy, trying to learn some hard words, and somehow or other I got hold of the word "phobosiderodromophobia," which means the fear of being afraid of being afraid. There are some businessmen who are so frightened by phobosiderodromophobia that they are afraid of almost anything. As I have said, some of them are reported in the newspapers as saying that we cannot afford to help in the way that is now proposed, for fear we shall be buttressing British socialism. Mr. President, I say that we must take this step or the world will suffer. That is why I favor a Russian loan, for if we make it there will be a better Russia, with fewer secret police, greater freedom of the press and a wider base for elections, than if we constrict them and regard them as an outlaw.

In the same way there will be a better France. Today the political parties in France are in equilibrium. There is the MRP Party, the Socialist Party of Leon Blum, and the Communist Party. The more we help France, the better France will be in our kind of world.

CRITERIA FOR LOANS

Mr. President, I would lay down three criteria for a foreign-loan policy of the United States Government: First, do hard-headed businessmen like Will Clayton say it is sound? And, Mr. President, I wish to say that Will Clayton is one man about whom I have changed my mind, and for whom I have an infinitely high opinion. I did not favor all the group of Assistant Secretaries of State whose nominations were sent to the Senate over a year ago. I thought there were too many millionaires among them, and that the number of millionaires was out of proportion to their number among the American people. I did not blame Mr. Clayton personally, but there were just too many of a kind.

But I told Mr. Clayton, in London, that I had changed my mind about him. I believe Will Clayton is a great American, and I believe he has progressed. We do not see many men get better as they grow older, but Will Clayton has. When a hard-headed businessman like Will Clayton—who made $20,000,000 by his own efforts, and built up the largest cotton-brokerage business in the world—says it is a sound loan to anybody; and, in the second place, when it is for the purpose of peace; and, in the third place, when it is good for America—then I am for it.

I think the loan now under consideration meets all three criteria. If it had not met all these criteria, Will Clayton never would have recommended it and supported it, as he has, before the American Congress and the American people.

Mr. President, I did not expect to take so much of the time of the Senate, but I hope that in connection with our consideration of this matter we shall not permit a confusion of ideology to becloud our vision. I hope that we shall not allow something which Great Britain is doing somewhere in the world, and which we may not like, prevent us from voting for this loan—an act which will be good for America and for the entire world.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. FULBRIGHT. I did not quite understand what was the Senator's suggestion that we do about Franco. Did the Senator suggest that the United States Government break off relations with the Franco government?

Mr. PEPPER. I thank the Senator for his inquiry. I said that I hoped when the proposal comes up for consideration that the United Nations Security Council will take jurisdiction over Franco's government because of its being a threat to future peace, and will dispose of the matter in a way which will assure the impotence of Franco in whatever way seems best.

Mr. FULBRIGHT. The Senator did not suggest that we break off relations with Franco's government?

Mr. PEPPER. No. I have endeavored to distinguish, for those who say that they do not see how any move can be made through the United Nations without an accusation being made, that we are interfering with the domestic affairs of another government, between the case of Franco and our action with regard to the Peron government. I pointed out that Franco had admitted, according to abundant and reliable proof, that he had been put into power by the military forces of Hitler and Mussolini. I endeavored to point out that there was a distinction between the situation of Franco and that with reference to Peron who has been elected by the people of his own country without, so far as I know, the use of the armed forces of Nazi powers.

ANTI-RUSSIAN BIAS

Mr. TAYLOR. Mr. President, will the Senator from Florida yield to me for a moment?

Mr. PEPPER. I yield to the Senator from Idaho.

Mr. TAYLOR. Mr. President, I have before me an editorial which I wish to have inserted in the RECORD. I think that the present is an appropriate time to do so, because the editorial refers to the able and distinguished Senator from Florida. The editorial agrees with a recent speech which the Senator made in the Senate. Of course, we all know that editorials have been printed throughout the country which have directly and indirectly accused the Senator from Florida of being pro-Russian, and anti-American, merely because he sought to call attention to the concerted anti-Russian propaganda campaign which has been taking place in the American press. Therefore, Mr. President, I ask unanimous consent to have the editorial printed in the RECORD at this point as a part of my remarks. The editorial is from the New Castle News, Chappaqua, N. Y., which is a community in upper New York State. I assume that the paper is a small one, but the editorial is a very fine one. It points out that the propaganda against Russia is nothing new but has been taking place for 25 years.

Mr. President, I may say that I have taken occasion several times to try to point out that Russia is not all bad. I have found out through my lifetime that if I start saying bad things about a man and continue to say bad things about him eventually there will be a showdown and I will either have to pull in my horns or fight. I have also had the experience on several occasions of meeting some

man who at first did not favorably impress me and of whom I would eventually perhaps become an enemy, but if I controlled myself and tried to get along with him, more than likely he would turn out to be my best friend and a very fine gentleman.

So, Mr. President, I ask that the editorial be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PLAYING WITH OUR CHILDREN'S LIVES

We believe that all Americans of good will can rejoice over the happy events of the past few days. It would be naive and premature to assume that we are out of the woods, that peace has been secured. But there are clear signs that the prayers of millions for peace have been answered. The tension has been lessened, the strain has been eased. At home and abroad the sun is coming through the clouds.

It is not too soon to learn the lesson of the awful experience of recent weeks when evil men in our country and in other lands conspired to risk another world war that they and their interests might become enriched. The utter callousness of these men plotting to plunge all humanity into a world-wide slaughter, even before World War II treaties have been prepared, has shaken and shocked our people as perhaps nothing in history. And as the truth seeps out in weeks to come, the wrath of the people will be a joy to behold. Count upon it—the truth will unfold.

No guilt is greater than that of a large section of the American press which has published hundreds of dispatches, the most exaggerated and wildest reports, without the slightest verification. And hundreds more have been printed which the publishers themselves knew to be false, but which served to incite a section of public opinion. Gentlemen of the press: You are playing with our children's lives.

Our newspapers and radios told us of Russian troops pouring into Iran—yet it is now established that no new troops at all were sent into the country during the entire period. We read of large movements of combat troops from the border of the Soviet Union through northwestern Iran to Turkey, accomplished by tanks, armored cars, and fighter planes. Now we find that this aggregation never reached the Turkish border, nor any other, but mysteriously vanished into the air, along with Soviet submarines off Java. Countless such falsehoods were printed as news—even after the Soviet Union had officially denied them—and after British authorities stated: "There is no evidence whatever indicating that Red Army forces have moved beyond the Soviet border into Iran."

A more dangerous hoax was never perpetrated. It is a pattern of 25 years' establishment. No country has been written about in our press as widely as has Russia—and no subject in history has ever been treated with such brazen disregard for truth. A free press must be a true press—and the American people deserve the truth in the news columns—nothing more, nothing less.

The great speech of Senator CLAUDE PEPPER was the first to throw the spotlight of truth on the war mongers. Every mother whose son would be called to fight World War III can thank this statesman for his magnificent contribution to peace.

Let us breathe easier—that this crisis has passed. Let us be alert for the new crisis that may arise tomorrow. Let us learn indelibly that among us are men who deliberately are seeking to launch World War III—the war of the atom bomb—upon us.

Mr. PEPPER. Mr. President, the able Senator from Idaho knows how profoundly grateful I am to him for the kind remarks which he has made.

I make this statement philosophically, because one does not get an opportunity to make it very often. There are two ways in which one may live. If a man is in politics, one way is to wait until public opinion catches up with him. If he is in public life, the other way is for him to advocate what appears to be a good and righteous policy, and, if need be, take the consequences of what he does. Since becoming a Member of the Senate I have believed that to the people of our country we are almost like doctors. An honest doctor should tell the patient the truth as he sees it. He should not wait until he is ready to announce whatever diagnosis the patient wants him to make. When, in this Chamber and in speeches which I have made throughout the country, I declared my purpose and have made enemies, that has been painful to me because I do not like to make enemies. I shy from the animadversions and the animosities of other persons. However, if a man may not state his views with reference to a public policy which may mean prosperity, peace, or war for his country, then we do not have a democracy. No honest man will condemn another, whose motives should not be suspect, for giving his honest opinion and stating what should be the right policy for his country to pursue.

I am surprised that the Washington Post was willing to end an editorial in disagreement with what I said—openly and on the floor of the Senate and not under a bushel—with the innuendo that the people of my State would soon begin to question my loyalty. I believe that Mr. Eugene Meyer, who professes to be a personal friend of mine, owes me a personal apology. I think I am as good an American as he is. I think my motives are perhaps as much above reproach as are his.

Mr. President, I assert to my able friend, the distinguished leader of the minority, as well as to other Senators, that I hope that if our Government ever wishes to consider a loan to France, to Russia, to the Netherlands, or to Belgium, those loans will all be considered on their merits. Let us not make it possible for representatives of those countries to state, as Stalin stated to me, that he had sent an application to the United States for a loan and never received an answer. We know that later it was discovered that the application to the Export-Import Bank had been lost and was pigeonholed. I think we should take each application, examine it, see if the applicants can pay back the loan, ask them what they will do with the money, and treat the matter just as fairly as we are trying to treat the application for the British loan, which is intended to be used for the benefit of America as well as Great Britain.

Mr. MORSE. Mr. President, I have followed the Senator's speech with great interest. I thought he was emphasizing in connection with the British loan a certain concession which he thought the British were making, and which would be to the advantage of this country.

Mr. PEPPER. The Senator is correct.

Mr. MORSE. And that that concession was one factor which should be taken into account by the Senate in reaching a decision as to whether it should approve or disapprove the loan.

Mr. PEPPER. The Senator is distinctly correct.

Mr. MORSE. As the Senator knows, I intend to vote for the loan.

Mr. PEPPER. I know that.

Mr. MORSE. I assume, of course, that the Senator would apply the same criterion to any loan which Russia might request.

Mr. PEPPER. Yes.

Mr. MORSE. And that it would be not only proper but quite right for this country, in considering a possible loan to Russia, to negotiate for concessions.

Mr. PEPPER. Certainly.

Mr. MORSE. That is, concessions which would be helpful, for example, in preserving the peace of the world. If money of the taxpayers of this country is ever to be loaned to Russia, it would be quite proper for us to negotiate in regard to what would be done with the money if loaned to Russia, and what access we would be given in Russia. So far as our democratic philosophy is concerned, it would be important for her to demonstrate that she believed in certain basic freedoms which we consider to be necessary. I refer specifically to free access to Russia, and to a measure of freedom of the press which is not now allowed in Russia. In other words, when we negotiate loans they should be negotiated on the basis of a two-way-street proposition. We should measure the proposal for a Russian loan in the same light that we have measured the proposal for a British loan. I happen to believe that some very important concessions, not only to international trade and economic security, but to the future of American business enterprises, have been made in connection with the British loan. Would I be correct in assuming that the Senator from Florida would apply in principle, at least, the same tests to any prospective Russian loan?

Mr. PEPPER. With the greatest pleasure, and with the greatest readiness. I may add, Mr. President, that that is the reason I suggested a few days ago a meeting of the Big Three. My thought was that we are not yet out of the war. Peace has not actually been declared. I was not trying to undermine the United Nations. I was talking about the transition from hostilities and fighting to a technical peace. I thought that rather than to place those dynamic adjustments in the lap of the immature United Nations before the peace had been written, the three big powers should sit down together and frankly talk the whole matter over, with all the cards on the table. Mr. President, I believed, and I still believe, that if the President and Generalissimo Stalin and the Prime Minister of Britain were to start such a conference, and lead their representatives in conference together, a great part of the friction among the Big Three could be dissipated, and that we could lay the predicate for dis-

armament and for the revival of commerce and trade in the world in a volume that would astonish us all by its immensity.

MR. TRUMAN AND THE POLL TAX—ARTICLE BY ERNEST LINDLEY

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article entitled "Mr. Truman and the Poll Tax," by Ernest Lindley, from the Washington Post of April 15, 1946, which appears in the Appendix.]

AMENDMENT OF FAIR LABOR STANDARDS ACT

Mr. PEPPER. Mr. President, I wish to say just a word in fairness to the Atlantic & Pacific Tea Co. In the debate on the minimum-wage bill a few days ago, in endeavoring to illustrate what would be the effect if the extended coverage the committee recommended were enacted, I frequently used as an illustration the Atlantic & Pacific Tea Co. I used it only as an illustration. I did not know what the wage scale of that company was, and I used that company as I would have used the United States Steel Corp., if we had been discussing the large steel companies of the United States. But I did leave the impression that I knew as a fact that the wage scale of the Atlantic & Pacific Tea Co. was below the minimum recommended by the committee.

Since that time I have had put into my hands by representatives of the company figures to show that in the smallest store the weekly wage for managers, male, is $59.56, and for female, $52.43.

For meat-department heads in the smallest store the wage scale is, for men, $52.26 a week; for women, $43.74 a week.

For assistant managers in the smallest store, for men the wage scale is $45, and for women $39.28.

For produce-department heads in the smallest store: $44.63 a week for men, $38.50 for women.

For grocery clerks in the smallest store: Men, $32.21 a week; women, $28.35.

For journeymen butchers in their smallest store: $43.24 for men and $33.90 for women.

In their smallest store, for meat and fish-counter clerks, men receive $33.16 a week and women $26.87.

For meat and fish apprentices in their smallest stores: Men, $32.79 a week, and women, $29.27 a week.

I should say also, in fairness, that in some instances the hours a week are longer than the 40 hours a week provided in the bill, but I am pleased to say that in the conversation with the representatives of this company they have indicated the most understanding attitude toward such legislation. I thought I should make it clear that there was no desire to cast any discredit on them, but my only purpose is to commend the wage scale they have, and the fairness and open-mindedness with which they look on the efforts of Congress to provide for the masses of our people in the lowest-income groups.

PROPOSED LOAN TO GREAT BRITAIN

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

Mr. STEWART obtained the floor.

Mr. CONNALLY. Mr. President, will the Senator consume considerable time?

Mr. STEWART. Not very long. I have been waiting to get the floor since 1:30 o'clock.

Mr. CONNALLY. We have a matter for consideration in executive session, and the senior Senator from Louisiana is leaving tonight, I believe.

Mr. OVERTON. I shall be leaving next Monday. I do not know that I shall be here tomorrow, however. I do not think we will have a session Friday, it being Good Friday.

Mr. BARKLEY. Mr. President, we have not been in the habit of adjourning on that day, and if necessary we will have a session on Friday.

Mr. STEWART. There will be a session Friday?

Mr. BARKLEY. It is contemplated. There is no plan to recess over Friday.

Mr. OVERTON. It will not take us very long to dispose of the matter referred to by the Senator from Texas.

Mr. BARKLEY. I may say to the Senate that many Senators would like to be away Saturday and Sunday, and many do not wish to get back before Tuesday, and it seems more convenient to meet on Friday and not meet on Monday, than to meet Thursday and go over until Monday, and then perhaps have to recess again.

Mr. STEWART. I desire to ask the Senator to excuse me tomorrow and Friday, if there is to be a session Friday. The Senator does not contemplate completing the British loan bill by next Tuesday, does he?

Mr. BARKLEY. I hope to.

Mr. STEWART. Then it will be necessary for me to remain here. I am very much against the bill.

Mr. BARKLEY. I know of no reason why we cannot complete it by that time. As a matter of fact, it has been suggested that we might even complete it on Friday, if we are in session. I am not certain or optimistic about it, but it is possible. I do hope to complete it by Tuesday, however.

Mr. OVERTON. Mr. President, will the Senator from Tennessee yield?

Mr. STEWART. I yield.

Mr. OVERTON. The matter the Senator from Texas desires taken up will take only about 5 minutes, I assume.

Mr. STEWART. I do not contemplate taking very long. I shall occupy the floor for only a few minutes, I think.

Mr. President, I have listened with considerable interest to the part of the discussion which has occurred this afternoon, while I have been able to be on the floor, concerning the British loan, and I am inclined now to read into the RECORD some editorials on the British loan, without making any observations or making my observations as lengthy as I might have made them had I been able to get the floor earlier in the afternoon.

I shall not detain the Senate unduly, because of what the Senator from Texas and the Senator from Louisiana have said, but I shall endeavor to get the floor another time and enlarge on such remarks as I shall make this afternoon concerning the British loan as I see it.

As I stated a moment ago, I am very much opposed to the British loan. I think it would be one of the monumental blunders this Nation could make at this time if we were to consider lending the Government of Great Britain any such amount of money as is contemplated, nearly $4,000,000,000, in the manner and under the terms which have been described and have been provided.

I do not understand the reason for the apparent haste about this loan. I did not know that Great Britain was so terribly pressed that we had to have a session even on Good Friday. I have just been given for the first time, as other Members of the Senate have, I am sure, copies of the hearings which have been printed. They were laid on my desk today. Of course, I did not attend any of the hearings which were held in the month of March before the Committee on Banking and Currency, for the reason that I was busy in other committees considering important domestic matters, in which I am myself interested.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. BARKLEY. The hearings were printed and available to Senators last week.

Mr. STEWART. I had understood they were supposed to have been available on Saturday of last week.

Mr. BARKLEY. That is true.

Mr. STEWART. But I called at the committee room on Saturday, or Friday, I believe it was, and they were not available at that time.

Mr. BARKLEY. Perhaps it was Friday.

Mr. STEWART. At any rate, the discussion as it has progressed here today, has reflected the very situation the people of the country have been speculating about, namely, if we lend money to Great Britain we have to lend money to Russia; if we lend money to Russia we have to lend money to France; if we lend money to France we have to lend money to China, and so the story goes. I imagine that every nation in Europe, as well as many of the nations to the south of us, concerning whom we have bragged a good deal on the subject of our good-neighbor policy, perhaps would like to have loans from us. We have been looked upon as a sort of Santa Claus for a long time.

Mr. President, I am not undertaking to make any anti-British observations. I am not undertaking to say that any personal dislike for that nation or its people, or any of our other allies in the recent war, would influence my opinion in this instance, because I do not have any ill feeling toward them. But I think we have reached the time in the affairs of our Government when we have to call a halt on money spending and money lending. Our national debt now

is more than three times as much as that of Great Britain. It amounts to approximately $270,000,000,000, as I recall offhand. In the past we have been very kind toward Great Britain. Of course, I understand it is rather unpopular to mention the fact that they still owe us a few billions of dollars from the last world war. My good friend, the Senator from Florida [Mr. PEPPER], was speaking of the devoutness with which the British Government clings to its promises of payment, and, so far as I am advised, it is still clinging to the promise of payment of the loan which occurred more than a quarter of a century ago.

Of course, I dare not mention, and I do not mention it except to show that we are friendly toward Great Britain, the fact that we furnished her with some thirty billion dollars in lend-lease, which she made good use of, and which, of course, we do not expect to get back. I think it was a good investment on the part of the United States, and I was glad to see it made at that time, under the circumstances. If Great Britain is not able to repay it, perhaps we might as well forget it, although I am not willing to charge it off in toto and with a mere gesture.

Mr. President, I was among those who in the early days of the then approaching war, in 1939 and 1940, felt that we owed a duty toward Great Britain. I supported the lend-lease bill. I supported the first act we took, which I believe was the repeal of the so-called neutrality law, which enabled us to carry on trade with Great Britain, to lend aid to Great Britain, when she went to war with Germany. In my enthusiasm I said that, after a manner of speaking, perhaps Great Britain was fighting our war. I felt that way about it, and to an extent I still feel that way about it. I am among the group who feel that the German military machine would certainly have crossed the Atlantic and come to the shores of America, had it been possible for it to have done so.

So, my attitude toward Great Britain is not unfriendly; but I do not think Great Britain needs the money. Of course, everyone virtually admits that it would not be a loan, but in substance would be a gift. Yet, if Great Britain should lay her hands, shall I say, upon the money, regardless of the manner in which it may be done, the money will first be used on the part of Great Britain to reestablish herself in world trade. She has always dominated the world in that field. We have always heard in song and story of the great nation upon whose possessions the sun never sets. We know that she has control of Africa. We know of her diamond mines, of her gold mines. We know of her possessions in the South Seas. We know of her relationships with other nations which have made it possible for her to control trade with them. We know that the influence of this great nation in the past has been tremendous, and we know, as my good friend the Senator from Florida said a few moments ago, that she must feel embarrassed to have reached, what he referred to, I believe, as the lowly state she now occupies. Certainly, Great Britain will take this money for the purpose of reestablishing herself in world trade. It does not take a financier, it seems to me, to reach that conclusion; it is merely common sense. She has always excelled in that field. She will continue to make the effort to dominate world trade.

Then she will take a portion of the money, no doubt, and spend it in behalf of rehabilitating her own veterans of World War II, just as we should be doing with respect to our veterans, and as we are trying to do and in a large measure are doing today.

Mr. President, if we make this loan it should be made upon a sound basis. We ought to require security for the payment of the debt. We cannot continue to lend money to one nation after another without that being done. Someone has said, "We need Britain's friendship." Certainly I do not want her enmity. Our people are a good deal like her people and we have been friends. But is it a friendship which we must purchase with money? That kind of friendship in my judgment is not a very lasting one or a very substantial one. I think this loan to Great Britain should be handled in exactly the same manner as a banker would handle a loan to an individual or to a business concern.

Mr. President, I want to read now the editorial which appeared in the Tuesday, April 16, issue of the Houston Chronicle, written by Mr. Jesse Jones, who, by the way, did not even testify at the hearings. Mr. Jesse Jones was head of the Reconstruction Finance Corporation since its very inception, since the very date that agency was organized, if my memory serves me correctly, until he was discharged by President Roosevelt a year or two ago. Mr. Jones has this to say, under the headline:

Subsidizing the British Empire.

I do not think the proposed British loan of $3,750,000,000, now before Congress, should be made and do not believe that any good will come to the American people, or, for that matter, to the economy of the world, from making it in its present form.

If we make this loan to Britain and refuse loans on similar terms to other countries, it would be so much in the nature of an alliance with Great Britain as to cause other countries to feel that we are less friendly to them than to Britain.

I

Furthermore, the proposed loan is most unbusinesslike.

1. Five to fifty-five years, or practically two generations, is much too long a time to lend money to a foreign government without security.

Let me emphasize that "without security."

2. No loan of any kind should be made until all considerations incident to it are determined in advance of the loan. Nothing should be left for future negotiations. In the present loan agreement Empire tariff preference and the proposal for the expansion of world trade, in which the United States is so vitally concerned, are left for future consideration. The time for these agreements is before the loan is made.

3. No money should be loaned to Britain for expenditure in other countries without proper security, particularly since the British have substantial profitable investments and operations in the United States which could be used as collateral for a loan.

Prominent among these is insurance from which they make a very substantial profit out of the American people. According to a recent report of the United States Treasury, British-owned assets in this country aggregate more than $3,000,000,000, and include $587,000,000 United States Government securities, more than $40,000,000 in corporate bonds, and 623 controlled branches of corporations having a value of $611,000,000. These and other assets are owned by the British in this country, the profits and income on which are going to them. These assets and the profits of British insurance companies from business written in this country should be used by the British Government as security for any loan of dollars to be spent outside the United States, the British Government accounting to her investors in British money or securities.

II

The British are by no means strapped. It has been estimated that their assets in other countries than ours total some $8,000,000,000, their unmined gold reserves have been estimated to be worth at least $15,000,000,000, and their diamond reserves as much as $8,000,000,000. Britain also has several billion dollars in cash.

In July 1941 the RFC authorized a loan of $425,000,000 to the United Kingdom of Great Britain and Northern Ireland under authority granted it by Congress June 10, 1941, to enable RFC to make loans to governments that had defaulted on their loans from us after World War I, provided such loans were secured by investments in this country. The RFC loan is payable over a period of 15 years, with interest at 3 percent. The loan agreement provides that any sales by the British of the collateral and all income, after taxes, from all the security would be applied, first, to the interest on the loan, and then on the principal. The security includes the net profits, after taxes, made in this country by 41 British insurance companies operating here, and the capital stock of 40 additional British-owned American insurance companies. The RFC made no requirement that any of the collateral be sold.

Only $390,000,000 of the loan was taken down by the British. Payments from the sale of pledged collateral have been $24,565,000 and from the net income, after taxes, $171,575,000, leaving a balance due as of February 28 of $194,000,000. The current income after taxes from the presently pledged security is about $37,000,000 a year. This is approximately the average over the past 10 or 12 years.

III

In order to be helpful to the British and still protect our own Federal Treasury in substantial part, I suggest that the RFC increase its loan to Britain by an additional $1,000,000,000 on the present security, with no restriction as to where the money is to be spent, and that the interest rate on the balance of the present loan and the $1,000,000,000 additional be 2 percent, with all net earnings to be applied, first, to the interest on the loan and the balance on the principal. If these earnings hold up as they have over the past dozen years, and in all probability they will increase, the loan would be entirely repaid in about 40 years, and the British would still own their profitable investments in this country.

This would give Britain $1,000,000,000 cash immediately, if she wants it, and without any congressional action. A request to the RFC by the Federal Loan Administrator approved by the President is all that is necessary.

I suggest that the RFC make further loans to the United Kingdom on British invest-

ments and operations in this country, up to the earning value of the security, upon the same terms and conditions—that is, 2 percent interest, with all additional earnings applied to the loan, and that the proceeds of such loans be available to Britain with no restrictions as to where the money shall be spent. This can also be done without congressional action.

Britain might, in a pinch, put up a few hundred million dollars of her gold now in this country.

IV

The President has recommended to Congress that we buy critical materials for stockpile purposes and put them away for future use. This should be done. The British can sell us many of these and pay for them in sterling. We can pay them in dollars. If necessary, we might consider making Britain an advance payment of, say, $500,000,000 to enable her to get the materials out.

RFC employed this method to help China and Russia before lend-lease was applied to those countries. The loans are being paid according to agreement.

V

I further suggest that Congress consider authorizing the sale of cotton, tobacco, fruits, and other farm products, durable goods, and manufactured articles to the United Kingdom for the next few years on credit, in amounts equal approximately to her normal imports of such items from us.

In this connection I should like to remind the Congress that lending Britain dollars as is proposed in the present loan agreement does not insure that she will spend those dollars with our farmers, manufacturers, and exporters. She will be free to spend them in competition with us in world markets, and will.

Through Sir Stafford Cripps, president of the British Board of Trade, and Lord President of the Council Herbert S. Morrison, the British Government already has announced its intention to discard its 100-year-old free-cotton market and, instead, the Government will buy its cotton wherever it can buy it to its best advantage. The measure was heavily debated in the House of Commons only a few days ago, and carried by a vote of 2 to 1. This means that less and less of Britain's cotton requirements will be purchased in the United States.

That is an observation which cotton farmers might very well look into.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. BARKLEY. In that connection I should like to state that the Cotton Exchange at Houston, Tex., the home of Mr. Jones, unanimously endorsed this loan, as did the Board of Trade of the city of Houston.

Mr. STEWART. Does the Senator know who dominates those cotton exchanges?

Mr. BARKLEY. The membership, I presume.

Mr. STEWART. I have understood that some of the members of those cotton exchanges also own cotton land in Brazil, on which a great amount of cotton is produced, which is sold on the world market. I have heard that.

Mr. BARKLEY. I merely mentioned the Houston Cotton Exchange because Houston is the home of Mr. Jones, whom the Senator is quoting. But other cotton exchanges besides that of Houston have endorsed this loan.

Mr. STEWART. The endorsement was given, I suppose, before the recent statement by the British Government doing away with the Liverpool Cotton Exchange. I doubt if those cotton exchanges knew, when they made the endorsement, that the British Government was going to purchase cotton through agencies which it set up directly, and not through its cotton exchange which has been in existence in Liverpool.

Mr. BARKLEY. I do not know of any of the exchanges which have withdrawn their endorsement as a result of such action.

Mr. STEWART. I do not know. The Senator gives me information about which he knows more than I do. But I venture the assertion that if this loan is made to Great Britain the value of American cotton will drop, or we shall have to subsidize American cotton farmers again.

Mr. BARKLEY. I do not care to go into a detailed argument with the Senator on that point, but I do not agree with him. One of the first objectives of the loan, as stated in the agreement, is to enable Great Britain to purchase goods and services in the United States.

Mr. STEWART. But there is no assurance that she will do so.

Mr. BARKLEY. There is no obligation that she spend every dollar of the credit to buy things in the United States; but the dollar credit which she gets, and which she spends somewhere else, will eventually reach the United States, because it cannot buy things anywhere else.

Mr. STEWART. Substantially the same thing occurred 25 years ago, after World War I. When we loaned money to Great Britain and other nations we had an era of unprecedented prosperity so long as the money which we loaned to those nations lasted and so long as they continued to spend it with us. But as soon as the money had been spent we went through the throes of a depression which was certainly unprecedented in the history of America. The same thing will happen again. We cannot lift ourselves by our own bootstraps. Suppose we lend them the money and they spend it here. What will happen when it is gone? From experience we might be justified in saying that we shall have an era of prosperity which will last for a little while, and then another depression the like of which we have never seen.

I continue reading the editorial:

The sale of farm commodities could be made through Commodity Credit Corporation or some other Government agency or by our exporters with provision for cashing their drafts at the Treasury. Manufactured products and durable goods could be handled by a Government agency or by our exporters and their drafts cashed in the same manner. This procedure would not interfere with our regular export trade as it is now carried on.

If these suggestions are followed Britain would get substantially what she needs from us during the next few years, and, in my opinion, on a basis that would be much more acceptable to the American people than the proposed loan now before Congress.

I do not believe that our failure to give Britain $3,750,000,000 on her terms will cause her to impose or continue trade restrictions or other sanctions that will seriously affect our own economy. That is a two-way street.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. FULBRIGHT. What does the Senator understand by the expression with regard to making this loan on "her terms"? Are the terms embodied in this agreement the proposal of Great Britain? Is that the Senator's understanding?

Mr. STEWART. Great Britain undertakes to deny it, as I understand. When we read the newspapers, or hear from the House of Commons or from the statesmen, we learn that they shed a great many tears about it. Some of them even did not want to take the money; some of them did not want to borrow it.

I do not know. It is probably a combination of ideas. But certainly it is made on her terms when she is not obligated to pay it back or to make any concession. What concession is it proposed that she make? Does the Senator from Arkansas know of any concession?

Mr. FULBRIGHT. Yes; I know of a great many.

Mr. STEWART. If any concessions have been made, I do not know what they are.

Mr. FULBRIGHT. First, Mr. President, I should like to say in regard to the matter of payments by Britain——

Mr. STEWART. Mr. President, I said to the Senator that it seems to me it is a combination of ideas; that is the way it seems to me we must consider the proposal as it was made and as it might have been agreed to by some of those who are in sympathy with the loan. Certainly the agreement was written by those on both sides who were sympathetic; was it not?

Mr. FULBRIGHT. I believe the record shows that the British first wanted $5,000,000,000.

Mr. STEWART. I do not recall the figure.

Mr. FULBRIGHT. I say that I believe the record will show that the British first wanted $5,000,000,000. That was the wish of some of those who participated in the negotiation of the loan. Mr. Jones did not participate in it.

Mr. STEWART. Unfortunately, he did not.

Mr. FULBRIGHT. Among them, however, was Mr. Clayton, who, I think, is familiar with the cotton business.

Mr. STEWART. Yes; he is one of the greatest cotton brokers in the world.

Mr. FULBRIGHT. And another was Mr. Eccles, who I take it is familiar with financial matters.

Mr. STEWART. Yes. And I take it that Mr. Clayton will not lose anything by the making of this loan.

Mr. FULBRIGHT. I do not judge that the Senator from Tennessee intends his statement as a criticism of Mr. Clayton.

Mr. STEWART. Not at all. But I judge that the loan will not hurt cotton; and if he can find a better market for cotton, he should do so.

Mr. FULBRIGHT. It is well known that Mr. Clayton is Assistant Secretary of State, and is not actively engaged in the cotton business any longer.

Mr. STEWART. Mr. Clayton is one of the outstanding citizens of this country, and I have high regard and high respect for him. I may say that at one time he

lived in the State of Tennessee, and we are quite proud of him.

Mr. FULBRIGHT. But as to the terms to the British, they felt there were ample considerations which would justify the making of a grant of $5,000,000,000.

Mr. STEWART. I do not know what those considerations were.

Mr. FULBRIGHT. They are set forth in the hearings.

The Senator from Tennessee asked me to discuss some of the concessions. In the first place, they agree to give up the so-called dollar pool. They agree to use this money to make sterling convertible.

Mr. STEWART. That is provided in the agreement?

Mr. FULBRIGHT. Yes; it is.

Mr. STEWART. Does the Senator consider that a concession?

Mr. FULBRIGHT. I certainly do.

Mr. STEWART. Does the Senator consider it a concession in favor of Great Britain?

Mr. FULBRIGHT. It is a concession in favor of the United States. If we are able to sell our goods to the countries within the sterling area—countries which now have their funds frozen in London—it certainly will be a great advantage to all our producers, both agricultural and industrial.

Mr. STEWART. Does the Senator contend that it will help our trade expand?

Mr. FULBRIGHT. Certainly.

Mr. STEWART. That certainly was not the result of the loan which was made after the First World War.

Mr. FULBRIGHT. This agreement runs until 1955.

Mr. STEWART. Perhaps none of us will be here by then.

Mr. FULBRIGHT. Be that as it may, Mr. President, I think the ending of the sterling area is a great concession to us.

Mr. STEWART. That is not required; they can take this money and spend it anywhere they want to.

Mr. FULBRIGHT. I did not say they could not. I say it will permit countries whose sterling is convertible to spend their money in the United States. I do not say that the British will spend all the money in this country. Certainly it would be a disadvantage to have the British spend all of it in the United States in the next 5 years, and one of the criticisms is based on the possibility of an inflationary effect.

Mr. STEWART. Yes; that certainly would create inflation.

Mr. FULBRIGHT. So we do not want them to spend all of it here. We want them to loosen up international trade, so that we can trade with all members of the sterling area, of which there are a great many besides those who are members of the British Commonwealth.

Mr. STEWART. Am I to judge that the Senator does not have sufficient confidence in the United States to believe that we can loosen up that trade as a result of our own efforts, without the aid of Britain?

Mr. FULBRIGHT. I do not see how it would be very easy. Of course, the sterling area is not the result of impositions by Great Britain, but it is the result of a long period of trade. The British do not threaten us about it, but we are faced with a situation which has developed as a result of trading practices which grew up over a period of 100 years. It is not a matter of having the British say that they will or that they will not. The present situation is the result of circumstances in connection with credits in London. The question is how to unfreeze them.

Mr. STEWART. I should like to have the Senator's explanation of the statement that the British have completely done away with the Liverpool cotton market or cotton exchange.

Mr. FULBRIGHT. I understand they are going to continue the same practice which they had during the war, which is what they call bulk buying in the cheapest and best market.

Mr. STEWART. That is correct.

Mr. FULBRIGHT. That is good economic practice.

Mr. STEWART. That is correct, and certainly that might mean, let me say to the Senator, that they would not buy American cotton. Is not that what it means?

Mr. FULBRIGHT. I do no think that follows at all. They have been buying American cotton, and they bought it before the war.

Mr. STEWART. But they did not buy it in the cheapest and easiest market.

Mr. FULBRIGHT. According to the grade and for their purposes, they did. Would the Senator think it would be sound to say that they must buy at the highest price in our market?

Mr. STEWART. No; I do not say that at all. But I say it is deceiving the cotton farmers if we lead them to believe that this loan will tend to increase the price of American cotton.

Mr. FULBRIGHT. I do not understand that it is for the purpose of increasing the price of American cotton. It is to maintain a market for some American cotton, similar to what it was before the war, at which time the British took about 30 percent of our cotton.

Mr. STEWART. As the Senator knows, today we are delivering our cotton at prices far above the world price.

Mr. FULBRIGHT. We have had an export subsidy for some years.

Mr. STEWART. That is correct. Such a subsidy has been necessary in order to protect our cotton.

Mr. FULBRIGHT. That is true.

Mr. STEWART. I do not think the farmers and the other people of the United States should be deceived into thinking that the making of this British loan will increase or will enlarge the markets which will be outlets for the products of American farms.

Mr. FULBRIGHT. I do not know about its enlarging them. It certainly will make it possible to maintain the same proportion that we had before the war, under similar conditions. We cannot blame the British for the fact that the price of our cotton is higher than the price of cotton produced by the people of some other countries.

Mr. STEWART. Very well. What will we do if they can purchase cotton and other commodities at half the price of American cotton and American commodities?

Mr. FULBRIGHT. I think in the long run they certainly will purchase it for less.

Mr. STEWART. How would that be any aid to this country?

Mr. FULBRIGHT. It certainly would not be.

Mr. STEWART. I do not think our farmers should be deceived about this matter. But today they are deceived, because all of them think that the making of this loan will improve the market for American cotton or will result in increasing the price of American cotton.

Mr. FULBRIGHT. I do not think that is the situation. Before the war we exported fruits, tobacco, cotton, and so forth. The figures are in the record. But at the same time, there were places in the world where certain amounts of such goods could be produced and sold more cheaply.

Mr. STEWART. The Senator speaks of a period of time during the war.

Mr. FULBRIGHT. Before the war.

Mr. STEWART. Immediately before the war. That is not comparable to the period of time which is ahead of us.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. BARKLEY. The Senator seems to draw the inference that because of the abolishment of the Liverpool Cotton Exchange cotton will not be bought in the United States. That would not be true, because the Government intends to buy cotton directly.

Mr. STEWART. It indicates, however, a change in the policy of the Government.

Mr. BARKLEY. I should like to read to the Senator the provision of the agreement which shows that it is impossible to discriminate against the United States in respect to any matter of the kind to which the Senator is referring. If Great Britain imposes a quota of any kind on any goods she imports, or if, for example, she should say in effect, "We will not buy more than 2,000,000 bales of cotton," the provision to which I refer would operate against such discrimination being practiced against the United States.

Mr. STEWART. Then why was the Liverpool Cotton Exchange abolished?

Mr. BARKLEY. Because the United Kingdom intends to deal directly and not through an exchange. Great Britain took over the Bank of England by taking up the securities of the bank and issuing securities of the government. However, the bank is doing just as much business now as it always did.

Mr. STEWART. But we would be dealing with a government which is entirely a socialistic government.

Mr. BARKLEY. The present British Government has not made very many fundamental changes.

Mr. STEWART. They have not had to.

Mr. BARKLEY. In view of what has been said, I read from paragraph 9 of the agreement.

If either the Government of the United States or the Government of the United Kingdom imposes or maintains quantitative import restrictions, such restrictions shall be administered on a basis which does not

discriminate against imports from the other country in respect of any product.

In other words, this is a bilateral agreement between the United States and the Kingdom of Great Britain, and prohibits the exercise of discrimination against the United States in regard to cotton or any other commodity.

Mr. STEWART. Of course, Great Britain will barter. That is what the whole proposal means, as I see it.

Mr. BARKLEY. Does the Senator mean that she will barter in the ordinary sense of bartering, or that she will trade something for cotton instead of paying for it?

Mr. STEWART. She might do that. After all, Great Britain must fix the value of cotton when she purchases it.

Mr. President, I think the American farmers have been misled by statements that this loan will operate to their benefit. I do not believe so. Great Britain will purchase from any country, as the Senator from Arkansas has said, which can sell her a fairly respectable product at a reasonable price. I do not object to that. It is all right for Great Britain to do that, but are we being smart as they?

Mr. FULBRIGHT. The principal purpose of this loan, as I understand it, is to reestablish Great Britain as a functional part of the international economy. On the other hand, the Senator from Tennessee seems to object to anything which will make it possible for Great Britain to do business. Certainly we want her to buy goods in those markets where it is advantageous for her to buy them. I do not admit—and I do not believe the Senator from Tennessee does—that Great Britain must buy from us everything she needs. We do not want her to be required to that. In connection with cotton, the Senator does not believe, does he, that if traders were buying in Liverpool they would be buying in the highest market? They would buy in the cheapest market they could find, just as would anyone else.

Mr. STEWART. If this loan is made, there will be no cotton exchange in England. The speculative feature of cotton will be gone entirely.

Mr. FULBRIGHT. How would that affect our cotton farmers?

Mr. STEWART. When we do away with the speculative feature in connection with selling cotton, the Senator knows as well as I do that the price of cotton will be less.

Mr. FULBRIGHT. The Senator refers to speculation.

Mr. STEWART. Yes. Did not the price of cotton drop the other day $3 a bale?

Mr. FULBRIGHT. I thought the legitimate purpose in connection with such transactions was to hedge.

Mr. STEWART. Is it illegitimate to speculate?

Mr. FULBRIGHT. I do not know that it is illegal, but I do not believe that it is one of the functions which we ought to promote.

Mr. STEWART. It increases the price of cotton in every instance. If the cotton exchanges were eliminated the farmer would have no way to sell except direct to the manufacturers of cotton cloth, and similar articles.

Mr. FULBRIGHT. That situation results from the unavailability of the product for distribution.

Mr. STEWART. The greater the extent speculation exists, the more competition enters into the picture, and the higher the price goes.

Mr. BARKLEY. Mr. President, I do not wish to interfere with the Senator——

Mr. STEWART. I know that the time is getting late, and I shall hasten on with my remarks.

Mr. BARKLEY. As I was about to say, I do not want to interfere unduly with the Senator, but allow me to make this suggestion: Great Britain needs cotton and in order to obtain cotton she must pay for it in dollars. The American cotton grower in the South needs dollars for his cotton, and not pounds. Great Britain cannot now purchase cotton in the United States unless she has dollars with which to pay for it. Her cotton must be bought in Egypt, in India, and in other places where the pound sterling is exchanged for products. Wherever the English pound sterling is acceptable, cotton may be purchased.

Mr. STEWART. England will continue the practice of purchasing cotton in Egypt and in India when she obtains dollars from America.

Mr. BARKLEY. She may purchase some cotton in India and in Egypt, but now she must buy it in those places unless she can get dollars with which to buy American cotton. The proposed loan would make all the bloc sterling funds in the entire British influence convertible into dollars, and would enable all those countries to buy articles in the United States and pay for them in dollars, which they cannot now do.

Mr. STEWART. It could be done, could it not, without granting this loan, which would result in loaning to Great Britain $3,750,000,000 without requiring any security at all? Why not take Mr. Jones' suggestion and have a loan under different terms?

Mr. BARKLEY. He proposed to lend to Britain $1,000,000,000 in addition to what we have already loaned them without any concession being made by Great Britain in return for the loan.

Mr. STEWART. I have just read his statement, and he demands security for every cent to be loaned to Britain.

Mr. BARKLEY. How much security would Great Britain be required to give? He proposes to loan them over a billion dollars more than the securities which they have in this country.

Mr. STEWART. No; I do not so understand it.

Mr. BARKLEY. The Senator may not so understand it, but that is the fact. Add up all the loans——

Mr. STEWART. The fact that the Senator from Kentucky said it is so does not make it so. I will read the statement.

Mr. BARKLEY. The Senator is a good mathematician, a good statesman, and a very good friend of mine. If he will add up the items in Mr. Jones' statement he will find that they amount to more than $3,000,000,000 which he proposes to loan to Great Britain without any concession being made on the part of Great Britain, or the removal of the restrictions which we have been discussing.

Mr. STEWART. Allow me to repeat what I have already read.

> Prominent among these is insurance from which they make a very substantial profit out of the American people. According to a recent report of the United States Treasury, British-owned assets in this country aggregate more than $3,000,000,000.

That is what Mr. Jones has talked about with reference to putting up as security certain assets, and he reasons it out all the way down the line. I do not know whether the Senator read the statement.

Mr. BARKLEY. I have not read the full editorial, but I read an excerpt from it in a newspaper last night and in one this morning. A large proportion of even the $3,000,000,000 to which reference is made is already pledged. Only $215,000,000 of $1,475,000,000 remains unpledged at the present time. Great Britain cannot pledge that again. It is already pledged.

Mr. STEWART. Of course, that is elementary. I will have to go over this editorial again and examine it in order to clarify the statement as I have understood it.

Mr. FULBRIGHT. I do not care to interrupt the Senator——

Mr. STEWART. I should like to clear this matter up. If the statement of Mr. Jones is not correct, we will make it correct one way or the other. He said:

> In order to be helpful to the British and still protect our own Federal Treasury in substantial part, I suggest that the RFC increase its loan to Britain by an additional $1,000,000,000 on the present security.

Mr. BARKLEY. In other words, he proposes that we lend Great Britain another billion dollars, in addition to what they already have borrowed from the RFC on securities amounting to $895,000,000. He proposes to have a billion and a quarter loan outstanding against securities of less than $900,000,000. That may be the conception of a business loan, but it is not the sort of a loan that would be regarded as a bank loan, which Mr. Jones seems to adopt as a criterion for loans, in the statement he has made.

Mr. STEWART. Mr. Jones says:

> No money should be loaned to Britain for expenditure in other countries without proper security, particularly since the British have substantial profitable investments and operations in the United States which could be used as collateral.

Then he begins to point out what I have just read to the Senate, about $3,000,000,000 worth of securities in the form of insurance. Then he proceeds to point out various and sundry other assets the British Government has. I have been over that. He says:

> It has been estimated that their assets in other countries than ours total some $8,000,000,000, their unmined gold reserves have been estimated to be worth at least $15,000,000,000, and their diamond reserves as much as $8,000,000,000.

If I understand the statement of Mr. Jones correctly, it contemplates that the

necessary part of the $3,000,000,000 in insurance securities here be put up as collateral for an additional $1,000,000,000. That is the way I read his statement.

Mr. BARKLEY. I would say that all the insurance securities in the United States owned by British subjects are pledged already. There is not a dollar of free securities in the whole list.

Mr. FULBRIGHT. Does he say there "unlimited gold supply"? What was that expression?

Mr. STEWART. "Unmined gold reserves."

Mr. FULBRIGHT. To whom do they belong?

Mr. STEWART. To Great Britain, he says.

Mr. FULBRIGHT. Does the Senator mean the Government of Great Britain?

Mr. STEWART. Mr. Jones says:

> The British are by no means strapped. It has been estimated that their assets in other countries than ours total some $8,000,000,000, their unmined gold reserves have been estimated to be worth at least $15,000,000,000, and their diamond reserves as much as $8,000,000,000.

Besides several billion dollars in cash.

Mr. FULBRIGHT. Does Mr. Jones state that the United Kingdom owns all of South Africa? Is that his theory?

Mr. STEWART. I do not know what his theory is. I have read the Senator what he said. The Senator can draw his own conclusion, just as I can, or as anyone else can.

Mr. FULBRIGHT. I have heard it said on the floor of the Senate that the United Kingdom owns Canada, and owns Australia, and owns New Zealand, as if all those properties are money in the bank.

Mr. STEWART. The Senator did not hear me make that statement. Now let me read this to the Senator from Kentucky:

> In July 1941, the RFC authorized a loan of $425,000,000.

I call this to the attention of the Senator from Kentucky.

Mr. BARKLEY. I am listening.

Mr. STEWART. This is the loan Mr. Jones was talking about that the RFC made.

> In July 1941, the RFC authorized a loan of $425,000,000 to the United Kingdom of Great Britain and Northern Ireland under authority granted it by Congress June 10, 1941, to enable RFC to make loans to governments that had defaulted on their loans from us after World War I.

Then he proceeds:

> Only $390,000,000 of the loan was taken down by the British. Payments on the sale of pledged collateral have been $24,565,000 and from the net income, after taxes, $171,575,000.

I should like to ask the Senator from Kentucky this question: To what loan is the $3,000,000,000 in insurance, the assets of insurance, referred to in the statement I read a moment ago pledged?

Mr. BARKLEY. In the first place, let me say to the Senator that when the RFC made available a loan of $425,000,000 to Great Britain, after Congress lifted the ban on the Johnson Act——

Mr. STEWART. In 1941.

Mr. BARKLEY. I refer to the Johnson Act providing that no loan could be made to a government which had defaulted in any debt it owed the United States. After that the RFC made available $425,000,000, and required Great Britain to put up as collateral $895,000,000 in securities, more than twice the value of the loan.

Mr. STEWART. Yes; I understood that a moment ago.

Mr. BARKLEY. That $895,000,000 is still pledged and is still a part of whatever assets the British people have in the United States. As I said a while ago, these are not assets of the British Government, they belong to the British people, just as whatever stock we own individually belongs to us and not to the Government of the United States. But during the war Great Britain was compelled to requisition a great number of securities, not only here, but in other places in the world, in order that she might obtain credit. While they were operating under the cash-and-carry system, under the so-called neutrality act and the Embargo Act, in order that they might obtain war supplies in the United States and in other places in the world they were required to sell, as an exigency of the war, $4,500,000,000 worth of the securities of the English people, not of the British Government, but of the English people.

Mr. STEWART. That was after the other world war.

Mr. BARKLEY. That was during World War II, before lend-lease.

Mr. STEWART. When I read the statement of Mr. Jones that British-owned assets in this country aggregated more than $3,000,000,000, including $587,000,000 in United States Government securities, the Senator said to me that all of that $3,000,000,000 had already been hypothecated to some loan.

Mr. BARKLEY. I did not say all of it had been.

Mr. STEWART. Then I certainly misunderstood the Senator.

Mr. BARKLEY. I said that only $215,000,000 of the billion four hundred and seventy-five million of securities in the United States remained unpledged.

Mr. STEWART. Only how much?

Mr. BARKLEY. $215,000,000.

Mr. STEWART. Then, what is the remaining amount? Does the Senator mean to say that over two and a half billion dollars have been pledged?

Mr. BARKLEY. I should have to check on Mr. Jones' figures before I would accept them, not that I think he would miscalculate them, but there are many elements that enter into the equation—so many assets that have been pledged, and so many assets that are owned privately. The amount of income obtained by the citizens of Great Britain and companies incorporated in the United Kingdom decreased considerably during the war. All the physical assets which go to make up a nation's credit from year to year were reduced very materially during the war. I should have to check upon any figure to determine how much of the value, if it was supposed to be par value, had been pledged already for other purposes, and perhaps how much of it is held in trust funds by the courts of the United States, and cannot be used for any purpose except through the courts. That all goes into the computation. We cannot expect trust funds, held for the benefit of English people, with investments made through the years and now in the hands of the courts, to be pledged as security for loans of the United Kingdom. We have to subtract all those elements to ascertain the net amount of free, pledgeable assets in the United States.

Mr. STEWART. I do not know about those trust funds, but I may say, on the side, so to speak, that I know of a good many thousands of dollars in trust funds held by the English today in the banks of Liverpool and other banks of England, which for many years people in America have been trying to get back here, and the English have refused to permit it.

Mr. BARKLEY. Such funds cannot obligate on any loan Great Britain may obtain in the United States.

Mr. STEWART. But I am getting back now to the $3,000,000,000 figure. I understood the Senator to say that that was all hypothecated for a loan.

Mr. BARKLEY. No; I never mentioned a $3,000,000,000 figure all of which was hypothecated.

Mr. STEWART. I read it in the editorial and I understood the Senator to say that that was all hypothecated.

Mr. BARKLEY. I do not admit, without checking up the figure, that there are in the United States assets to that extent belonging to Great Britain.

Mr. STEWART. I am not quarreling with the Senator from Kentucky. I have high respect for his opinion, and I know the immense amount of work he has done in connection with this subject. I understood him to say that in that respect the editorial from which I have been reading was inaccurate.

Mr. BARKLEY. I would not attempt to say to the Senator or to the Senate how much of any amount Mr. Jones may estimate as the value of British assets in the United States, is free, so that it might be pledged as security for any additional loan that might be obtained by Great Britain. I would have to check on that, and I should have to find out all the circumstances that accompany it.

Mr. STEWART. We will both do a little checking on it.

Mr. BARKLEY. It is like the case of our own private property, if we have any. Someone might say I am worth $40,000, but I might owe $30,000, in which event I would not really own $40,000.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. SALTONSTAL. I should like to call the attention of the Senator from Kentucky to page 74 of the hearings. I read as follows:

> Senator TAFT. Didn't she have an equity in RFC collateral about the first of the year of a half billion dollars?
>
> Mr. VINSON. Yes; it is $895,000,000, less approximately $250,000,000. That would be $645,000,000.

Mr. BARKLEY. Mr. President, I have stated on the floor of the Senate repeatedly that Great Britain pledged $895,000,000 worth of securities on a $450,000,000 debt, which has been paid

down to about $250,000,000. Of course, Great Britain has an equity in the amount pledged, but it is still held by the Reconstruction Finance Corporation, as security.

Mr. STEWART. Of course we are not going to pull a Shylock on Great Britain and take all her securities, far in excess of what she owes. I imagine we would be satisfied with the principal of the debt.

I continue to read from Mr. Jones' editorial:

VI

If these suggestions are followed, Britain would get substantially what she needs from us during the next few years, and, in my opinion, on a basis that would be much more acceptable to the American people than the proposed loan now before Congress.

I do not believe that our failure to give Britain $3,750,000,000 on her terms will cause her to impose or continue trade restrictions or other sanctions that will seriously affect our own economy. That is a two-way street.

I have never been much interested in threats, and for the British to say to us that unless we give or lend her X billions of dollars on her terms, they will be forced to impose trade restrictions, dollar blocs, etc., is not my idea of a fraternal association between the United States and Great Britain so eloquently advocated by Mr. Churchill, nor does it square with the kind of friendship that we have shown the British in two world wars, without which friendship the British Empire would have been destroyed.

VII

It has been testified by administration spokesmen that the case of Britain is different from other countries. It certainly is different from other countries that want money from us. Britain is the only country that has asked us to give her money. At least, no other country, to my knowledge, has been brazen enough to ask for a money gift.

It will be recalled that when Lord Keynes and his associates first came over to get the money, they said they were in no mood to consider a loan. They were insisting that we give them some $5,000,000,000 or so. True, after long weeks of haggling negotiations they reluctantly agreed to borrow the money on a nebulous promise to pay in 5 to 55 years, at a very low interest rate, and that payable only when Britain's trade balances were favorable.

We seem to have lost sight of the fact that Britain, through Lord Keynes, took a prominent part in promoting the Bretton Woods agreements for a world bank and a world stabilization fund, and agreed that Britain would subscribe $2,600,000,000 to these funds.

The question arises now: Where did Britain expect to get that $2,600,000,000 which she readily agreed to put up? It would look to a suspicious person as if she expected the United States Government to furnish it, since she now states that unless we let her have the money she will not be able to participate in the World Bank and Stabilization Fund.

VIII

Another point worth considering is that our executive departments have already sold Britain the more than $6,000,000,000 of our unused materials now in Britain or on the way there for about 10 cents on the dollar, payable over a period of 5 to 55 years, at an interest rate of a little over 1½ percent, and that payable only where her trade balances justify. The sale of these materials has been severely criticized by the Mead committee (formerly the Truman committee), but nothing can be done about it since it does not require the approval of Congress. These executives have also agreed to cancel for all time any obligation on the part of the British to ever return to us, or in any way compensate us for, any part of the many billions furnished her on lend-lease.

IX

We cannot afford to continue printing and spending money indiscriminately, however admirable the cause. Every time we spend another billion we are reducing the value of our dollars, and if we go on spending and lending and giving and losing, without regard to how we are going to pay back the money that we borrow, it will not be long until the dollar will go as the currency of other countries that overspent.

Britain only owes about $80,000,000,000, while our present debt is approximately $272,000,000,000—or $2,000 for every man, woman, and child in the United States—and figures cited by President Truman in his Budget message revealed that we have already authorized and proposed to invest $17,000,000,000 in foreign loans and international financing. In a more recent message he proposed further increasing the lending authority of the Export-Import Bank.

It is time that we stop and think where we are going, that we take stock of our resources, of our earning capacity, of how we are to service our own present heavy debt before we undertake to play Santa Claus to the rest of the world.

X

The United States, with 5.8 percent of the world's land area and 6.1 percent of the world's population, cannot single-handedly finance and rebuild a war-torn, confused world. The time to recognize this is now.

We should stop issuing Government bonds and pay every dollar we can spare on our debt—now and as fast as we can. We have sold our Government bonds to the American people upon the basis and representation that they constituted the soundest investment that anyone can have. They can only be sound if we make them sound by cutting down on our own expenditures and stop lending money to countries that have no reasonable assurance of being able to repay it.

Another very important point that I do not think has been given proper consideration is that it is entirely too early after the war for anyone to get a clear picture of the future. Britain knows that and hurried over here as soon as the shooting stopped to get hers. She is smart, has always been smart, and, incidentally, very selfish.

XI

To sum up—I have suggested an additional RFC loan to Britain of $1,000,000,000 on the security we already hold; that further RFC loans to Britain be made on British investments and operations in this country, including such gold as she is willing to pledge; that we sell Britain cotton, tobacco, fruit, and other farm commodities and manufactured goods on credit, and that we follow the President's recommendation and buy critical materials for stock-pile purposes.

If the British are unwilling to continue the pledge of the security behind their present loan from the RFC for new money, I would give no further consideration to a loan to them of any kind. We owe it to ourselves, as well as to the rest of the world, to approach this whole matter in a completely realistic manner—which is the only forthright and sound approach.

Approval of the proposed loan now before Congress would start the United States down a financial road that is likely to lead to disaster. Too much spending and lending and losing is a sure road to ruin. The Congress should not ignore the dangers that lie ahead.

Mr. President, that completes the reading of the editorial by Mr. Jones.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. FULBRIGHT. I have found the reference to the testimony of the Secretary of the Treasury with regard to these amounts, if the Senator will permit me to read it.

Mr. STEWART. Does the Senator wish to check it against the figures which I have read?

Mr. FULBRIGHT. These are the figures of the Secretary of the Treasury, on pages 74 and 75 of the record. At one point the Secretary said:

Of the $1,475,000,000 total of all British holdings in the United States, only a small part is owned by the British Government. Nearly all of this is pledged against the RFC loan.

That is the general statement as to the total. It is found near the middle of page 75.

Mr. STEWART. "Nearly all of it?" I thought the Senator from Kentucky said a while ago that the RFC loan had been almost completely paid.

Mr. BARKLEY. I said that it had been reduced from $425,000,000 to $250,000,000, not quite half.

Mr. STEWART. Then we hold $1,250,000,000 against a $250,000,000 debt?

Mr. FULBRIGHT. If the Senator will permit me to finish reading this statement, at the middle of page 74 I find the following:

Senator TAFT. I suggest it might be valuable to have included in your statement here a sort of a break-down of this $1,475,000,000.

The Secretary had said that $1,475,000,000 was the total of British holdings. The break-down is as follows:

Assets pledged against RFC loan:	
United States securities	$360,000,000
Net assets of branches of British insurance companies, the earnings of which are pledged	220,000,000
Net worth of British-owned United States insurance companies, the capital stock of which is pledged	210,000,000
Securities of other companies in which British control is substantial	105,000,000
Total pledged	895,000,000
Securities not pledged	215,000,000
Total	1,110,000,000

Mr. STEWART. Is that the total amount?

Mr. FULBRIGHT. Up to that point. The following is a footnote on page 74:

The figure of $1,475,000,000 was arrived at by adding to this total the estimated value of British-direct investments which are not pledged against the RFC loan. The $365,000,000 given as the value of these investments involves, however, a substantial overstatement of the liquidation value of these assets, since they are for the most part offices and agencies whose sale value would be very small.

In addition to the real estate owned by business enterprises and which cannot be listed separately, there is approximately $40,000,000 of real estate and mortgages in the United States owned by British nationals.

I think that completes the picture of the total, according to the United States Treasury. I do not understand, from any of the hearings, how the figure of $3,000,000,000 of insurance assets is arrived at.

Mr. STEWART. I got it from the editorial.

Mr. FULBRIGHT. It is directly contrary to the statement of the Treasury Department.

Mr. STEWART. This brings forcibly to my mind the suggestion made by the Senator from Utah [Mr. MURDOCK] that this proposal ought to be looked into thoroughly, and that we ought to spend about another year in hearings to determine what the truth is. Jesse Jones, the man who was the head of the Reconstruction Finance Corporation, one of the greatest financiers in the United States today, says that in this country there are more than $3,000,000,000 of assets owned by the British. Now the Senator states that our own Treasury Department says that that is only a half-truth, and that we have only $1,500,000,000. It shows how little they all know about it.

Mr. FULBRIGHT. If I may make one further observation, I will leave the Senator in peace.

With regard to the statement of Mr. Jones, I invite the Senator's attention to the statement of Mr. Winthrop Aldrich, president of the Chase National Bank, which is no mean institution, in which he makes a very positive statement with regard to this same loan, in direct contradiction of what Mr. Jones says.

Mr. STEWART. I have a very important statement in contradiction from Mr. Leslie Gould, financial editor of the Journal-American, about which I wish to speak in a few minutes.

Mr. FULBRIGHT. The man to whom I refer is president of the Chase National Bank.

Mr. STEWART. I do not think that makes him any greater than Mr. Jones, althought he may have a higher sounding title, since Mr. Jones is out of office.

Mr. FULBRIGHT. I have no doubt that Bertie McCormick opposes this loan. He is a great editor.

Mr. STEWART. He is a very smart man.

Mr. FULBRIGHT. Yes; he is.

Mr. TAFT. Mr. President, will the Senator yield?

Mr STEWART I yield

Mr. TAFT. I do not think there is any discrepancy in the figures. I believe that the facts are all agreed to.

Mr. STEWART. The Senator from Arkansas was attempting to show that the British have only $1,500,000,000 of assets in this country.

Mr. TAFT. The statement made by Mr. Vinson was that there was $1,475,000,000, against which must be charged about $200,000,000 in loans, leaving a net value of $1,275,000,000. Mr. Vinson stated:

> The gross gold and dollar balances of the United Kingdom as of December 31, 1945, amounted to $2,324,000,000.

That is rather more gold than dollar balances, but most of the gold was in this country, and, of course, all the dollar balances were in this country. So Mr. Jones' figure is obtained, as I understand, by adding the $1,275,000,000 to approximately $1,800,000,000 net of gold and dollar balances. So, altogether, the British have, either in this country or in liquid assets, perfectly transportable to this country, something over $3,000,000,000, which is the figure mentioned by Mr. Jones.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I do not think there is any doubt about the figures.

Mr. BARKLEY. One may take figures which add up to $3,000,000,000 or more, but none of the gold which goes into the addition which reaches $3,000,000,000 or more is in the United States.

Mr. TAFT. I think the Senator will find that most of it is in the United States.

Mr. BARKLEY. No; none of it is here.

Mr. TAFT. It could be easily brought here.

Mr. BARKLEY. We cannot go over there and get it.

Mr. TAFT. No; but gold is gold——

Mr. BARKLEY. If the Senator is going to add the assets in the United States, he certainly ought not add gold which is not in the United States, but which is in England, and belongs to subjects of England, or is somewhere else, and may never get to the United States.

Mr. TAFT. Gold is nationalized; and in the estimates of dollars holdings gold is counted.

Mr. BARKLEY. The gold which Great Britain gets is largely from South Africa, and is owned by private citizens who own the gold mines and own the gold when it comes out, although it may be nationalized.

Mr. TAFT. Mr. President, I think the Senator yielded to me. I wish to make it clear that this gold and dollar balance of $2,324,000,000 belongs to the Government of Great Britain. It does not belong to South Africa. In addition, South Africa has $750,000,000 in gold balances. They were built up during the war from $250,000,000 to $750,000,000. So the $2,324,000,000 testified to by Mr. Vinson on page 49 of the record is gold which is owned by the British Government. Gold is nationalized in Great Britain as it is here. The figure represents the gold and dollar balances, and they are absolutely equivalent and exchangeable. The gold can be brought here, and the British can get dollars for it by handing it to the Federal Reserve Bank.

Mr. BARKLEY. Let me say to the Senator from Ohio that the $2,300,000,000 in gold——

Mr. TAFT. And dollar balances——

Mr. BARKLEY. The $2,300,000,000 in gold and dollar balances which is included in this addition does belong to Great Britain. I did not say otherwise. But the gold which is currently mined in the mines of South Africa does not belong to Great Britain.

Mr. TAFT. That is true; but we have not counted that.

Mr. STEWART. Mr. President, let me re-read the statement of Mr. Jones in the editorial.

> No money should be loaned to Britain for expenditure in other countries without proper security, particularly since the British have substantial profitable investments and operations in the United States which could be used as collateral for a loan.
>
> Prominent among these is insurance from which they make a very substantial profit out of the American people. According to a recent report of the United States Treasury, British-owned assets in this country aggregate more than $3,000,000,000, and include $587,000,000 United States Government securities, more than $40,000, in corporate bonds, and 623 controlled branches of corporations having a value of $611,000,000. These and other assets are owned by the British in this country, the profits and income on which are going to them. These assets and profits of British insurance companies from business written in this country should be used by the British Government as security for any loan of dollars to be spent outside the United States, the British Government accounting to her investors in British money or securities.

That was the statement.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

Mr. TAFT. My suggestion was that I think Mr. Jones' figures are absolutely correct, and I think they are wholly supported by the testimony of Mr. Vinson, and I see no reason why they should be challenged or questioned. I think they are basic facts which underlie the whole situation.

Mr. STEWART. Mr. President, the hour is now growing late. I have two other editorials which I should like to obtain unanimous consent to have printed, not in the Appendix of the RECORD, but in the CONGRESSIONAL RECORD immediately following the editorial I have read.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Journal-American of April 12, 1946]

BRITISH LOAN—IT WON'T HELP TRADE IF IT'S NOT REPAID

(By Leslie Gould)

An argument being made for the British loan—$3,750,000,000—and that much again to other countries, including Russia, France, and China, is that the United States must export or go into an economic tailspin. That foreign trade is the difference between prosperity and depression.

There is no question that export trade is important for this country's economic well-being.

That is real foreign trade—an exchange of goods and services between this country and other lands.

But is this what the international do-gooders and lovers of everything foreign mean when they talk about foreign trade and the current line-up for loans out of the American Treasury?

They are arguing that this country must lend England $3,750,000,000, on top of writing off thirty billions of lend-lease and the twenty billions debt hanging over from World War I and the years immediately following. A large chunk of the last is owed by Britain.

And that additional billions must be lent to Russia, China, France, Holland, and so on around the world.

They argue that unless the United States makes these loans, these nations cannot buy here. That they will have to pull in their belts and trade within limited tariff restricted areas.

So what they are proposing is for this country to lend these other nations the

money to buy goods here. Then American factories will keep busy and American workers will have more employment, as long as the American money holds out.

But if these foreign borrowers can't repay these loans, what then? They will have the American goods, but the American taxpayers will be out the billions so lent.

That, in our book, is not foreign trade. The only exchange is borrowed American dollars for American goods. It is good business for the British, the Russians, the Chinese, and Dutch. But where do the American taxpayers who have to foot the bill come off?

As far as these poor benighted and forgotten citizens—the taxpayers—are concerned, they would have been better off to have spent the money on a binge. They'll have the hangover, anyway, but have missed the fun of the night before.

If these are loans, then they should be made on a business basis and made on ability to pay. If they are gifts, then they should be made on a charitable basis and in keeping with what the American taxpayers can afford to contribute.

As a matter of fact, this country does not know what it can afford to contribute to raise the living standard of the rest of the world. It is time America took an inventory of its resources. In these last 5 years it has dug deeply into that barrel.

Some will say this is being nationalistic. We think it's being realistic. And it is time this country's citizens and its leaders became realistic and faced the fact that there is a bottom to the barrel. We can't go on forever underwriting the rest of the world.

PROMISE VERSUS PERFORMANCE

While official propagandists over here talk seductively of the proposed British loan as a step toward restoring competitive and unrestricted international trade, Great Britain appears to be moving in the opposite direction.

Certainly the political victory of the British Labor Party, with its plan for socialization of coal, banking, and other basic activities, runs counter to the pious utterances in the loan agreement about restoring freedom and the abrogation of governmental interferences with the flow of trade.

In specific cases, Britain is in fact fastening still further on its economic set-up the spirit of regimentation and of state domination.

In the international field, with which the loan agreement is primarily concerned, a dramatic move against free action by individual citizens has been taken in the announcement by Sir Stafford Cripps, president of the Board of Trade, to the effect that the British Government intended to perpetuate the war-time policy of bulk purchase of Britain's cotton requirements, thus eliminating the private cotton trader and the necessity for the continuance of the world-famed Liverpool Cotton Exchange.

The House of Commons sustained this revolutionary position by a vote of 337 to 186.

The action constituted just one more store in the larger mosaic of substituting dictation by government for the free action of individual citizens.

With diplomatic understatement, the monthly letter of the National City Bank of New York stigmatizes the British decision, saying:

"While the action is not specifically contrary to the trade proposals, it is regarded here as not in harmony with the principles of freer international trading which this country is sponsoring, and which, we are told, is a primary objective of the British loan agreement."

In spite of noble talk about a brave new world, there are signs that freer trade is to be a one-way street in which Americans will let down their tariffs without corresponding concessions by other nations.

It was made clear as early as the Bretton Woods Conference in July 1944 that, while other nations applauded United States theorizing about free trade, India, Egypt, Latin America, and other parts of the world clearly expressed their own intention to employ tariffs as a means of industrializing their own home economics.

The Hearst newspapers have already shown from the record that propaganda about Britain's trade concessions as a consideration for the loan add nothing to the more rigid commitments along this line previously made by the United Kingdom in connection with the master lend-lease agreement.

The cotton episode, in which totalitarian dictation is to be substituted in one commodity for a free market, raises serious doubts as to the enthusiasm with which the British Government regards proposals for freeing international trade from the shackles of government interference.

Mr. BARKLEY. Mr. President, I wished to analyze the alternative suggested by Mr. Jones, but I shall not do so at this time. I shall attempt to do so tomorrow.

Mr. STEWART. I shall be glad to hear the Senator.

EXECUTIVE SESSION

Mr. BARKLEY. I now move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WALSH, from the Committee on Naval Affairs:

Capt. Harold M. Bemis, United States Navy, to be a rear admiral in the Navy, for temporary service.

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

Col. Thomas Donald Campbell (temporary colonel, Army of the United States—Air Corps), for temporary appointment as brigadier general in the Army of the United States, under the provisions of law.

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

PROTOCOL PROLONGING THE INTERNATIONAL AGREEMENT REGARDING THE REGULATION OF PRODUCTION AND MARKETING OF SUGAR

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the first business on the Executive Calendar.

The legislative clerk read as follows:

Executive B (79th Cong., 2d sess.): A protocol dated in London August 31, 1945, prolonging the international agreement, regarding the regulation of production and marketing of sugar, which was signed in London, May 6, 1937.

Mr. CONNALLY. Mr. President, I desire to have the Senate proceed with the consideration of the protocol. I have consulted most of the Senators from the sugar-producing States, and have explained the situation, and there seems to be no disagreement over the matter.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. OVERTON. I should like to ask a few questions of the Senator for information.

Mr. CONNALLY. I shall be very glad to respond.

Mr. OVERTON. First, I desire to know whether in voting for ratification of the protocol or agreement it is well understood that this approval is given only for the period of 1 year, which ends August 31, 1946.

Mr. CONNALLY. That is correct. On page 3 of the report it is stated, in analyzing article I of the protocol, that the agreement shall continue in force between the governments signatory of this protocol for a period of 1 year after the 31st of August 1945. So that makes it extend to August 1946.

Mr. OVERTON. The protocol which accompanies the agreement states that a revision of the international sugar agreement is contemplated. Is such a revision in prospect?

Mr. CONNALLY. Yes; but not in the immediate future.

Mr. OVERTON. The Sugar Act expires on December 31, 1946, and probably will be extended during the present session of Congress, with amendments.

Mr. CONNALLY. The Sugar Act will expire at the end of this year unless it is extended. I believe that the President's annual message to Congress called attention to that fact and recommended that the Congress consider the question of new sugar legislation.

Mr. OVERTON. Let me ask the able Senator from Texas this question: Is it understood that no further extension of the present international sugar agreement will be considered, pending the consideration of amendments to the Sugar Act and pending the revision of the international sugar agreement?

Mr. CONNALLY. No decision has yet been made regarding a continuance of the agreement beyond August 31, 1946. However, since it is anticipated that sugar will continue in short supply at least through 1947, and since this agreement was designed to deal with the surplus situation, it is felt by the Departments of State and Agriculture that revision of the agreement should not be undertaken until the postwar supply picture becomes somewhat clearer. The State Department may, therefore, propose that the agreement continue for another year in its present inoperative form. This should in no way conflict with any amendments which Congress may wish to make in domestic sugar legislation, since the quota provisions of the sugar agreement would remain inoperative for the period of the proposed further extension.

Mr. OVERTON. I thank the Senator.

Mr. CONNALLY. Mr. President, I trust that answers the questions of the Senator from Louisiana.

Mr. OVERTON. It does, and I thank the Senator.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. SALTONSTALL. In the absence of the Senator from Maine [Mr. WHITE], I should like to ask whether the Senator from Texas knows of any objection by Senators on this side of the aisle?

Mr. CONNALLY. I do not. The Senator from Maine [Mr. WHITE] is a member of the Foreign Relations Committee. Although I have not talked to him in the last few days, this matter has been on the calendar for several months, and action on it has simply been postponed on account of the fact that some Senators wished to have a little time to look into it. I have not pressed for consideration of the matter, for that reason.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. O'MAHONEY. Do I correctly understand from what the Senator has said in response to the questions of the Senator from Louisiana that the State Department will cooperate in bringing about an extension of the Domestic Sugar Act?

Mr. CONNALLY. I will say that the report states that the action of the State Department with regard to this matter should not in any wise conflict with domestic sugar legislation.

Mr. O'MAHONEY. So the State Department is not going to take any action which will conflict with the extension of the Sugar Act by Congress; is that correct?

Mr. CONNALLY. I could not give such a broad assurance to the Senator. I do not know. Certainly any legislation relating to the domestic sugar situation would be controlled entirely by Congress, and the State Department would have no voice whatever in it.

Mr. O'MAHONEY. I assume that it is clear that the State Department is not going to undertake a policy which will be in contravention of a possible policy by Congress.

Mr. CONNALLY. I would not think so.

Mr. O'MAHONEY. That is the Senator's understanding, I take it.

Mr. CONNALLY. That is what I assume.

Mr. OVERTON. I wished to make that clear.

Mr. CONNALLY. That is correct.

Mr. President, I submit the protocol, and ask for its present consideration.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the protocol, Executive B (79th Cong., 2d sess.), which was read the second time, as follows:

PROTOCOL

Whereas an International Agreement regarding the Regulation of the Production and Marketing of Sugar (hereinafter referred to as "the Agreement") was signed in London on the 6th May, 1937;

And whereas by a Protocol signed in London on the 22nd July, 1942, the Agreement was regarded as having come into force on the 1st September, 1937, in respect of the Governments signatory of the Protocol;

And whereas it was provided in the said Protocol that the Agreement should continue in force between the said Governments for a period of two years after the 31st August, 1942;

And whereas by a further Protocol signed in London on the 31st August, 1944, it was agreed that, subject to the provisions of Article 2 of the said Protocol, the Agreement should continue in force between the Governments signatory thereof for a period of one year after the 31st August, 1944;

Now, therefore, the Governments signatory of the present Protocol, considering that it is expedient that the Agreement should be prolonged for a further term as between themselves, subject, in view of the present emergency, to the conditions stated below, have agreed as follows:

ARTICLE 1

Subject to the provisions of Article 2 hereof, the Agreement shall continue in force between the Governments signatory of this Protocol for a period of one year after the 31st August, 1945.

ARTICLE 2

During the period specified in Article 1 above the provisions of Chapters III, IV, and V of the Agreement shall be inoperative.

ARTICLE 3

1. The Governments signatory of the present Protocol recognise that revision of the Agreement is necessary and should be undertaken as soon as the time appears opportune. Discussion of any such revision should take the existing Agreement as the starting point.

2. For the purposes of such revision due account shall be taken of any general principles of commodity policy embodied in any agreements which may be concluded under the auspices of the United Nations.

ARTICLE 4

Before the conclusion of the period of one year specified in Article 1, the contracting Governments, if the steps contemplated in Article 3 have not been taken, will discuss the question of a further renewal of the Agreement.

ARTICLE 5

The present Protocol shall bear the date the 31st August, 1945, and shall remain open for signature until the 30th September, 1945; provided however that any signatures appended after the 31st August, 1945, shall be deemed to have effect as from that date.

In witness whereof the undersigned being duly authorised thereto by their respective Governments have signed the present Protocol.

Done in London on the 31st day of August, 1945, in a single copy which shall be deposited in the archives of the Government of the United Kingdom of Great Britain and Northern Ireland, and of which certified copies shall be furnished to the signatory Governments.

For the Government of the Union of South Africa:

G. HEATON NICHOLLS.

For the Government of the Commonwealth of Australia:

S. M. BRUCE.

For the Government of Belgium:

BARON BEYENS.

For the Government of Brazil:

MONIZ DE ARAGÃO.

For the Government of Cuba:

G. DE BLANCK.

For the Government of Czechoslovakia:

V. JANSA.

For the Government of the Dominican Republic:

PORFIRIO HERRERA BAEZ.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

ALEXANDER CADOGAN.

For the Government of Haiti:

JOHN G. WINANT.

For the Government of the Netherlands:

E. MICHIELS VAN VERDUYNEN.

For the Government of Peru:

F. BERCKEMEYER.

For the Government of Poland:

HENRYK STRASBURGER.

For the Government of Portugal:

FELIX B. M. DA HORTA.

For the Government of the Union of Soviet Socialist Republics:

D. BORISENKO.

For the Government of the United States of America (signed subject to ratification):

JOHN G. WINANT.

(In respect of the Commonwealth of the Philippines):

JOHN G. WINANT.

For the Government of Yugoslavia:

DR. LJUBO LEONTIC.

For the Provisional Government of the French Republic:

R. MASSIGLI.

Certified a true copy.

[Foreign office seal, London.]

D. A. BIGHY,
Acting Librarian and Keeper of the Papers for the Secretary of State for Foreign Affairs.

The PRESIDING OFFICER. The protocol is before the Senate as in Committee of the Whole, and open to amendment. If there be no amendment to be proposed, the protocol will be reported to the Senate.

The protocol was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of (Executive B, 79th Cong., 2d sess.) a protocol dated in London August 31, 1945, prolonging the international agreement, regarding the regulation of production and marketing of sugar, which was signed in London May 6, 1937.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the protocol is ratified.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 29 minutes p. m.) the Senate took a recess until tomorrow, Thursday, April 18, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 17 (legislative day of March 5), 1946:

DIPLOMATIC AND FOREIGN SERVICE

George V. Allen, of Maryland, now Deputy Director of the Office of Near Eastern and African Affairs, Department of State, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iran.

Edwin F. Stanton, of California, now a foreign-service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Siam.

REGISTERS OF LAND OFFICE

Loraine Rollins, of Wyoming, to be register of the land office at Evanston, Wyo. (Reappointment.)

Lloyd T. Morgan, of Colorado to be register of the land office at Pueblo, Colo. (Reappointment.)

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

TO BE BRIGADIER GENERAL

Col. Telford Taylor, Army of the United States.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 17, 1946

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Heavenly Father, the source of all wisdom and the fountain of all good, be with us that we enter not into temptation and do wrong to no man. In the world's great fields of endeavor, we pray Thee to direct us as laborers in Thy vineyard, that we may be loyal followers of the Great Exemplar, as He meditates on the sin and sorrow of the world. Holy Spirit, as we reflect on His mission and the hardships of His public ministry, we would fortify ourselves in faith and repentance against the barriers of this earthly life. O Thou who art the chief among ten thousand and altogether lovely, put into our breasts the meaning of Thy divine self-abnegation, which often provokes the hostility of evildoers. Blessed Lord, if we are blinded with folly or indifference, do Thou see us through the maze of a weary and waiting world, with humanity in our hearts and new eras in our brains.

"Mine be the path Thy feet have trod:
Duty, and love to man and God."

In the holy name of our Redeemer. Amen.

The Journal of the preceedings of yesterday was read and approved.

EMERGENCY PRICE CONTROL ACT

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that during the consideration of the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, in the Committee of the Whole, the bill may be considered as read, and amendments be offered at any point.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. RICH. Reserving the right to object, Mr. Speaker, is that satisfactory to the gentleman from Michigan [Mr. WOLCOTT]?

Mr. MARTIN of Massachusetts. It is perfectly satisfactory to the gentleman from Michigan [Mr. WOLCOTT].

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

EXTENSION OF REMARKS

Mr. KELLEY of Pennsylvania asked and was given permission to extend his remarks in the RECORD and include an article from the American Federationist, and also some excerpts from statements by Mr. John L. Lewis.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD and include certain telegrams and letters.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include an editorial on Russian expansion.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include a statement by Jesse Jones, The British Loan May Lead to Disaster.

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD.

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the menace of communism and include short quotations proving that it is a menace.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. RANKIN. Reserving the right to object, Mr. Speaker, does the gentleman expect to discuss this Communist-front organization known as CIO-PAC?

Mr. MASON. No, I do not; but in general I am discussing communism, and communism as a menace, not only to our Nation but to the world.

Mr. RANKIN. That is one of the greatest menaces to our form of government.

Mr. MASON. I agree with the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks in the RECORD upon the subject of political socialized medicine and include a letter.

Mr. LAFOLLETTE asked and was given permission to extend his remarks in the RECORD on the bill H. R. 6159, which he introduced yesterday.

Mr. ADAMS asked and was given permission to extend his remarks in the RECORD and include an editorial, Muzzling the Navy.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD and include certain letters addressed to him from his district.

Mr. O'TOOLE asked and was given permission to extend his remarks in the RECORD.

Mr. LANE asked and was given permission to extend his remarks in the RECORD.

Mr. CELLER asked and was given permission to extend his remarks in the RECORD on two different subjects.

Mr. GRANAHAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article from the National Pension Advocate in which recognition is given my colleague from California [Mr. PATTERSON] for his great work for the people of California and the Nation.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EMERGENCY PRICE CONTROL ACT

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes.

CALL OF THE HOUSE

Mr. LANE. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. SPENCE. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 88]

Andrews, N. Y.	Fogarty	Miller, Calif.
Baldwin, Md.	Folger	Mundt
Barry	Gardner	Norton
Bell	Geelan	O'Hara
Bland	Gibson	O'Neal
Bonner	Gossett	Patrick
Boren	Graham	Peterson, Fla.
Boykin	Hall,	Ploeser
Bradley, Mich.	Edwin Arthur	Powell
Buckley	Hancock	Rains
Bunker	Hart	Reece, Tenn.
Camp	Hébert	Rooney
Case, S. Dak.	Hendricks	Sharp
Cochran	Henry	Sheppard
Coffee	Hinshaw	Sheridan
Colmer	Hook	Smith, Ohio
Courtney	Izac	Somers, N. Y.
Cox	Jarman	Starkey
Curley	Jennings	Stockman
Curtis	Kee	Sumner, Ill.
Davis	Lea	Thomas, Tex.
Dawson	Lesinski	Traynor
Doughton, N. C.	Luce	White
Durham	McMillen, Ill.	Wilson
Fellows	Mankin	Wolfenden, Pa.
Fernandez	Mansfield, Tex.	Wood
Fisher	Mathews	

The SPEAKER. On this roll call, 350 Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. KERR asked and was given permission to extend his remarks in the RECORD and include an address by Rev. W. L. Hutchins, delivered at the funeral of the late Honorable William O. Burgin.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5856. An act to provide for trade relations between the United States and the Philippines, and for other purposes.

The message also announced that the Senate insists upon its amendments to

the foregoing bill, agrees to a conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WALSH, Mr. BARKLEY, Mr. CONNALLY, Mr. BYRD, Mr. LA FOLLETTE, Mr. VANDENBERG, and Mr. TAFT to be the conferees on the part of the Senate.

The message also announced that the President pro tempore has appointed Mr. BARKLEY and Mr. BREWSTER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of Agriculture.
2. Department of Commerce.
3. Department of Justice.
4. Department of the Navy.
5. Department of War.
6. Federal Power Commission.
7. Office of Alien Property Custodian.
8. Petroleum Administration for War.

EMERGENCY PRICE CONTROL ACT

The SPEAKER. The question is on the motion of the gentleman from Kentucky [Mr. SPENCE].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, with Mr. COOPER in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN. Permit the Chair to state that unanimous consent was granted in the House that the bill be considered as read and open for amendments to any section of the bill.

The bill is as follows:

Be it enacted, etc., That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "June 30, 1947."

SEC. 2. Section 6 of the Stabilization Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "June 30, 1947."

SEC. 3. Title I of the Emergency Price Control Act of 1942, as amended, is amended by inserting after section 1 thereof a new section as follows:

"REMOVAL OF PRICE AND WAGE CONTROLS

"SEC. 1A. (a) It is hereby declared to be the policy of the Congress that the general control of prices and wages, and the use of the subsidy powers conferred by section 2 (e) of this act, shall be terminated, without further extension, not later than June 30, 1947, and that on that date the Office of Price Administration shall be abolished. The Price Administrator (and the Secretary of Agriculture to the extent of his responsibility under section 3 (e) of this act) shall proceed immediately to formulate a comprehensive plan for the progressive removal of price controls and subsidies in order that the return to a free market and to free collective bargaining may be accomplished on or before June 30, 1947, without disturbance of the national economy. The President shall, not later than April 1, 1947, report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this act as to them after June 30, 1947, together with his recommendations as to the established departments or agencies of the Government which should be charged with the administration of such powers.

"(b) (1) Maximum price controls shall be removed, as provided in this subsection, in the case of particular commodities or classes of commodities, upon satisfaction of domestic demand therefor.

"(2) The President shall make from time to time, but not less frequently than once each month, as to each commodity or class of commodities in the case of which maximum price controls are in effect, a determination as to whether domestic demand for such commodity or class of commodities has been satisfied. Whenever the President shall determine that domestic demand for any such commodity or class of commodities has been satisfied, and that, having consideration for the purposes of this act and looking toward full production, price controls should accordingly be removed in the case of such commodity or class of commodities, he shall forthwith certify such determination in writing to the Price Administrator.

"(3) When the Price Administrator has received from the President a certification in writing, under this subsection, with respect to any commodity or class of commodities, the Price Administrator shall, not later than 10 days after the receipt of such certification, take such action as may be necessary to remove all price controls with respect to such commodity or class of commodities.

"(c) Nothing in subsection (b) shall limit the authority of the Price Administrator to remove price controls with respect to any commodity or class of commodities at an earlier time than would be the case under the provisions of such subsection in any case which, in his judgment, removal of such controls at an earlier time is consistent with the purposes of this act.

"(d) (1) After maximum price controls have been removed in accordance with subsection (b), in the case of any commodity or class of commodities, the President shall from time to time determine whether, by reason of changed conditions, there has arisen an unsatisfied domestic demand for such commodity or class of commodities. Whenever the President determines that such demand has arisen and has remained unsatisfied for a period of more than 60 days, and, in his judgment, there is no immediate prospect of such demand being satisfied, he shall forthwith certify that fact in writing to the Price Administrator.

"(2) When the Price Administrator has received from the President a certification in writing under this subsection with respect to a particular commodity or class of commodities, the Price Administrator may reestablish, with respect to such commodity or class of commodities, such maximum price or maximum prices, consistent with applicable provisions of law, as in his judgent may be necessary to effectuate the purposes of this act."

SEC. 4. Subsection (b) of section 2 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof a new paragraph as follows:

"After the date upon which this paragraph takes effect, the Administrator, when establishing rent ceilings on hotels or when passing upon applications for adjustments of rent ceilings on hotels, is authorized to take into consideration the distinction between transient hotels and residential or apartment hotels; including the difference in the investment, operation, expenses and mechanical details of operation between the transient hotels and the residential and apartment hotels."

SEC. 5. Subsection (e) of section 2 of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, is amended, effective as of July 1, 1946, by inserting "(1)" after "(e)" at the beginning of such subsection, and by striking out the last paragraph of such subsection (e) and inserting in lieu thereof the following paragraphs:

"(2) Subsidy operations, as hereinafter defined, for the fiscal year ending June 30, 1947, shall be limited as follows, subject to the provisions of paragraph (3):

"(A) With respect to funds of the Commodity Credit Corporation—

"(i) for the dairy production payment program, $515,000,000: *Provided*, That in carrying out the dairy production payment program the rate of payment per pound of butterfat delivered shall not be less than 25 percent of the national weighted average rate of payment per hundred pounds of whole milk delivered;

"(ii) for other noncrop programs, $50,000,000; and

"(iii) for the 1946 crop-program operations, $160,000,000:

Provided, That not to exceed 10 percent of each amount specified in clauses (i), (ii), and (iii) of this subparagraph (A) shall be available interchangeably for the operations described in such clauses but in no case shall the total subsidy operations under any one of such clauses be increased by more than 10 percent; and

"(B) With respect to funds of the Reconstruction Finance Corporation—

"(i) for rubber produced in Latin America and Africa for which commitments were made before January 1, 1946, $31,000,000;

"(ii) for materials or commodities produced in the United States as follows:

"Meat, $715,000,000;

"Flour, $260,000,000;

"Petroleum and petroleum products, $50,000,000;

"Copper, lead, and zinc in the form of premium-price payments, $100,000,000;

"(iii) for other materials or commodities, produced in or outside the United States, $170,000,000: *Provided*, That in the event the entire amount of any of the allocations referred to in this subparagraph (B) is not required for its purpose, the unused portion of such allocation, but not to exceed 10 percent of such allocation, may be used for such subsidy operations for any item or items enumerated in this subparagraph (B) as may be determined by the Economic Stabilization Director.

"(3) Notwithstanding the provisions of paragraph (2), subsidy operations for the fiscal year ending June 30, 1947, shall be progressively reduced, due regard being had to the welfare of the producers and processors of the commodities subsidized. Such reduction shall be commenced at the earliest practicable date consistent with the purposes of this act, but in no event later than October 1, 1946. Such reduction shall be so carried out that the aggregate of subsidy operations for the fiscal year shall not exceed 75 percent of the sum of the amount set forth in paragraph (2): *Provided*, That upon the reduction or elimination of such subsidy operations the Administrator shall make corresponding increases in maximum prices to the extent that such increases are necessary to satisfy the requirements of law or to obtain the maximum necessary production.

"(4) For the purposes of paragraphs (2) and (3), the term 'subsidy operations' means subsidizing directly or indirectly the sale of commodities by the making of subsidy payments or the purchase of any commodities for resale at a loss, for the purposes stated in paragraph (1) of this subsection (e)."

SEC. 6. Nothing in this act shall be construed to affect the provisions of Public Laws 30, 88, and 164, of the Seventy-ninth Congress, or to apply to purchases by the Reconstruction Finance Corporation of such tin ores and concentrates as it deems necessary

to insure continued operation of the Texas City tin smelter.

SEC. 7. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsections:

"(o) After the date upon which this subsection takes effect, no maximum price shall be established or maintained, under this act or under any other provision of law, with respect to any new commodity the use of which, in the production, manufacturing, or processing of any commodity or commodities, without increasing the cost to the ultimate user, either increases the life or reduces the cost of production, manufacture, or processing of the commodity or commodities produced, manufactured, or processed. As used in this subsection the term 'new commodity' means a commodity which was not commercially or industrially available prior to January 30, 1942.

"(p) After July 1, 1946, no maximum price regulation or order shall be issued or continued in effect requiring any seller to limit his sales by any weighted average price limitation based on his previous sales.

"(q) In the case of any retail industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities the production or retail distribution of which has been reduced, for a period of 3 years beginning on or after March 2, 1942, by 75 percent or more below such production or retail distribution for the calendar years 1939 to 1941, inclusive, as a result of the operation of any governmental regulation or restriction, the Administrator shall not, in establishing maximum prices under this section, reduce established retail trade discounts or dealer handling charges for any such commodity before the retail unit sales of such commodity for a period of 6 months shall have reached the average annual retail unit sales thereof for the calendar years 1939 to 1941, inclusive."

SEC. 8. Section 3 of the Stabilization Act of 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price, applicable to manufacturers or processors, for any major item in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum price for such major item is fixed and maintained at not less than the sum of the following:

"(1) The cotton or wool cost (which must be computed at not less than the parity price or the current cost, whichever is greater, of the grade and staple of cotton or wool used in such item, delivered at the mill);

"(2) A weighted average of mill conversion costs; and

"(3) A reasonable profit."

Mr. WOLCOTT. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 1, line 5, strike out the date "June 30, 1947" and insert in lieu thereof the date "March 31, 1947."

Mr. WOLCOTT. Mr. Chairman, this amendment, of course, is very simple. We have had some debate on it and the issue on it is very clearly drawn. The bill provides that the Price Control Act of 1942 as amended and the Stabilization Act of 1942 as amended, be continued until June 30, 1947. It has been thought advisable heretofore to continue these emergency powers for periods of 6 months each in order that we might fit the emergency machinery into the postwar economy. Were it not for the situation which might confront the Congress in the latter part of the year the amendment would provide for the continuance of these two acts until January 1 instead of March 31 of next year; but to be realistic about the situation we have some doubts as to whether if the leadership prevails in its efforts to adjourn the Congress sine die sometime before the latter part of the year we would have an opportunity in the latter part of the year to continue the act beyond December 31, so in keeping with the reasons for continuing these emergency acts for as short a term as possible and still give the new Congress an opportunity to do what this Congress ordinarily would do this fall it was thought advisable to continue it until March 31, 1947.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. KOPPLEMANN. I listened attentively to what my good friend has just said. I am beginning to wonder if in his judgment it ought not to be discontinued on May 15; and my question is, Why extend it at all?

Mr. WOLCOTT. The gentleman can speak for himself on that. I do not know what the gentleman's opinion is but I assume from his question that he is opposed to continuing this act. I hope he is not.

Mr. KOPPLEMANN. Of course not. I believe it should be continued as provided in the bill reported by the House until next July; but in view of the statement, and I am taking seriously the statement of the gentleman from Michigan, I believe he thinks it ought to be discontinued.

Mr. WOLCOTT. I do not agree with the gentleman that it should be discontinued on June 30 or should be discontinued on December 31. I think it should be continued until March 31 of next year in order that we may be able to do a job on it or that you who are here may be able to do a job on it after the new Congress convenes.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BROWN of Georgia. Does the gentleman's amendment refer to both sections 1 and 2?

Mr. WOLCOTT. No; the amendment I have offered applies to section 1, the Emergency Price Control Act.

Of course, if this amendment prevails, then later on I shall offer an amendment to change the date of the expiration of the Stabilization Act. This amendment will assure that the new Congress will have an opportunity to review the activities and the effect of OPA as it may find the conditions in the country in the spring of 1947. We will be doing the country a service to continue it only until March 31 next year in order that we may correct at that time any deficiencies which are found in the act or the application of the act in the meantime.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, judging from the debate yesterday and the vituperation that was heaped on the OPA, there is a sentiment in this House on the part of many Members to discontinue OPA at the expiration of the present act.

The pending amendment would weaken the OPA, there is no doubt about that. We have asked that it be continued for a year, and in the bill we have provided that it shall be continued a year from June 30, 1946, to June 30, 1947. There will be a period before its final dissolution in which there will be a disintegration and a weakening of the organization. It will lose its influence in carrying out its regulations, it will lose its personnel, because men will look for other employment. They will not continue their activities in OPA when they know that that organization will soon be dissolved.

We voted out this bill from the committee 22 to 1 and we provided for a year's extension. The pending amendment can have no other effect than to weaken the OPA and weaken it immediately. I have heard gentlemen speak here about the Office of Price Administration as a destruction of the liberties of the people and their enslavement. But who enslaved them? They have referred to the condition that existed in France before the Revolution. Who enslaved the American people? Their freely elected Representatives in Congress, passed this legislation pursuant to the wishes of the people for their welfare and economic stability, and twice since this act has been passed these men have submitted themselves to their constitutents for reelection and the great majority of them have been reelected.

I know you have been subjected to pressure groups. The organized groups are always felt in the House and Senate. But there is another group, the unorganized majority and, believe me, from the letters I have received as chairman of the Banking and Currency Committee 95 percent of those unorganized people do not want the OPA to be destroyed.

You are handling today a force that is as dangerous as the misdirected force of the atomic energy. You have discussed the hardship cases and the imposition and instances of inequities and inequalities. I do not deny the statement of the distinguished gentleman from New York [Mr. WADSWORTH] in reference to the meat situation. But in considering these specific instances you have lost sight of the ultimate object to be attained by OPA. You have lost sight of the effect it will have on the economy of your nation and of the welfare of its people. Do not be too sure, when you subject yourself to the influence of these pressure groups, that you will be helping the American people. The people do not know what is going to happen to them if you destroy the OPA, but they will know as soon as it is destroyed or weakened. You will hear from them then. Some may say, "Take the ceilings off of this and take the ceilings off of that commodity," but nobody has told you what the result will be. Nobody has told you how the prices will rise

and how much less your dollar in your pocket will buy.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SABATH. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPENCE. Every witness that testified before the committee, every witness who had knowledge and who had experience and reputation, said that the pressures making for inflation were greater now than they had been at any other time, even during the war. What makes inflation? It is the excess money in the hands of the people and the shortage of the supply of goods. Even though we are in full production, the supply is still woefully inadequate to meet the demands of the people, and production can never destroy inflation unless it produces a supply to meet the demands of the people of the United States. No people in the world are so willing to spend their money as the people of our country. What they want, they buy, and when they have money, they are willing to spend it. They have money now, and there are but few commodities that they can purchase. The people have an inexhaustible purchasing power. They have been unable to purchase the goods they want. There is no supply of the things they want. Turn them loose without restraint, let them go into the competitive market and compete for the few things that are available, and see what will happen. It will not only destroy them but it will destroy the dollar in your pockets and the savings of your lifetime. You may say that it cannot occur here. It has occurred in other countries. It has occurred in many other countries, and the disaster and the tragedy of inflation will be as great as the disaster and tragedy of the war.

I hope that when you consider this bill you will consider it in a dispassionate manner; that you will not consider it with hatred toward an agency of the Government, even though that agency had not discharged its full duty in every respect; even though there has been insolence and arrogance in its administration.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Kentucky.

Mr. MAY. I would like to say to the gentleman, in reference to his remarks, that inflation has happened in other countries; that it has happened in this country and is happening now. I recall from my own experience that in 1918, when the normal selling price of coal in the distribution places of the country was about $6, that it was selling at $18 a ton on the cars at the mines.

Mr. SPENCE. More than that.

Mr. MAY. We had less than $8,000,000,000 in circulation then, and we have now about twenty-eight billion in circulation.

Mr. SPENCE. More than that. Even after the last war I remember how men in my own community started to build homes for themselves, and before they completed the homes that they had taken an interest in, in which they wanted to install their families, someone would come along and offer them a price which they said they could not refuse, and they sold the home that they started to build for themselves. But the pressures then were nothing like the pressures now.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Illinois.

Mr. SABATH. The gentleman from Michigan gives as the reason for his agreeing to March 31 instead of January 1, 1947, that it would give Congress an opportunity to work out the people's will. Is it not true that when a new Congress convenes, invariably it takes at least 30 days before it is organized, and it will be absolutely impossible for the Congress to legislate during that time?

Mr. SPENCE. In my opinion, no Congress can give strength to this disorganized agency, because its personnel will have left, its influence will have been destroyed, and it will not subserve the purpose for which it was created.

Mr. HOPE. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objecton to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. Chairman, the gentleman from Kentucky has admonished us to beware of pressure groups, and his admonitions are well taken, as far as I am concerned. However, I call his attention and the attention of the Committee to the fact that if price control in this country fails, if we have inflation, it will be because this administration has already paid too much attention to certain pressure groups, such as the CIO.

When the original Price Control Act was before the House there was offered the Gore amendment, which I think afforded the only feasible way to actually control prices, and that was to control them right across the board, prices and wages, freeze them where they were. I voted for that amendment, and 61 other Members of the House voted for it, but that was not enough. The amendment was defeated.

Since that time the administration has followed a policy of giving in wherever the pressure was great enough. We have held the wage line spasmodically, but whenever the political heat from left-wing groups was too great the administration gave in. We are in the situation now where, if any powerful labor organization, whether it be the United Mine Workers or any other organization, wants to break the line it can do it, and it will do it. We have had all these strikes in the steel industry, the automobile industry, and the electrical industry. The wage line has been broken, and necessarily the price line has also been broken, because, contrary to what some labor leaders have been contending, you cannot increase wages without increasing prices.

Now we are in the grip of a coal strike. We know that if the administration follows the policy it has been following, the policy of appeasement, we are going to have an increase in wages, we are going to have an increase in coal prices, and it is going to be reflected in higher prices all the way along the line. There will be another bulge. That is what they say now. The line bulges instead of breaking.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. HALLECK. What does the gentleman think of the action of the Secretary of Commerce Wallace in permitting, directing, or authorizing to be put out of his Department a statement that wages could be raised in the motor-vehicle industry by 25 percent without increasing the price of vehicles and then having that statement used in the controversy that arose and after the whole thing was over saying it was not an official report and should not be given credit for being an official report? Is that in line with what the gentleman is talking about?

Mr. HOPE. Of course, no one would want to defend that action. I cannot see any possible excuse for it. It represents not only bad economics but bad faith. The statement was bad economics, and when it would not stand up any longer it was repudiated. But apparently it has served its purpose in the meantime.

Mr. HALLECK. So far as I am concerned, may I say most emphatically that it indicates more than bad policy, it indicates bad faith.

Mr. HOPE. Yes, I also say it indicates bad faith. It indicates bad policy and bad faith. We are not going to get anywhere with price control unless we do recognize the fact that you have to hold the line everywhere. It does not make any difference what we do here today. The thing will fail unless we do recognize that principle. We hear a great deal said about the support which labor groups are giving to the OPA. Certainly they are for it as long as they think it keeps down the cost of living but does not affect wages. They want it to apply to other people but not to themselves. But in the end they are only fooling themselves because unless it is applied to wages it will break down and increased prices will more than absorb wage increases.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. RANKIN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. RANKIN moves that the Committee rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. O'BRIEN of Illinois. Mr. Chairman, I object.

Mr. GALLAGHER. Mr. Chairman, I object.

Mr. RANKIN. Mr. Chairman, I am in favor of striking out the enacting clause and sending this bill back to the Committee on Banking and Currency in order that they may take some notice of the fact that you can never regulate prices in this country without taking into consideration the circulating medium.

In my opinion, the OPA is practicing totalitarianism at its worst. If you do not want to have the dictatorship of the OPA on the necks of the American people from now on, now is the time to say so.

The present system is driving our small businessmen either out of business or into the black market. Did you know that a Rolls Royce automobile in London sells for $17,000 in American money? If I had a carload of automobiles or a trainload of wheat today, I would not sell it in the United States, if I wanted to make money out of it—I would ship it just beyond the reach of the American flag and get several times as much.

Just a day or two ago the OPA stuck its nose into the cotton market. What did it do? It broke the market $5 a bale and cost every cotton farmer in the South who had a bale of cotton on his hands $5.

It is driving our automobile men, as well as our lumbermen, out of business.

They tell you that the OPA is preventing inflation, when, as a matter of fact, we already have inflation. The volume of money actually in circulation in this country in 1930 was $4,426,000,000. On January 31, 1946, it was $27,917,000,000, or more than six times as much as it was in 1930.

Yet the OPA tries to hold farm prices down to their present levels, or less than half the prices justified under the circumstances.

Do not let the gentleman from Georgia [Mr. BROWN], or the others, scare you about what inflation did to the farmers after the last war. It was the deflation put on by the Federal Reserve and not the inflation that hurt the farmers.

The OPA is driving men into the black market. Why? Because it is holding down the prices of raw materials, and especially the prices of farm products, such as cotton, wheat, corn, livestock, and dairy products, below the cost of production.

I pointed out the other day that the cotton farmer makes only 1 cent an hour for every cent a pound he gets for his lint cotton. He is not sitting under an electric fan with ice water handy. He is plowing and hoeing in the hot sun at about 25 cents an hour, while industrial workers are drawing more than twice that amount on an average.

Yet, you go today to the industries that are being benefited by this special legislation, these special rulings of the OPA, and you will find that industrial workers in many instances are getting many times as much per hour as the toiling farmers.

As I said, it is holding down the price of wheat, cotton, corn, oats, barley, rye, cattle, dairy products, land, and lumber, while these other things bulge up all out of line.

I am opposed to continuing the OPA, and for that reason I have offered this motion.

I know you get pressure from the CIO-PAC, that communistic organization that is now carrying on a subversive campaign to try to get control of Congress.

If Congress will stop this OPA now, prices will level off. Yes; there will be some rises. There will be a rise in the price of wheat, corn, cotton, hogs, land, and lumber, but you will not have the scarcity that the OPA is artificially bringing about. You will not have the black markets. You will have uniform prosperity. You will have liberty and freedom from this totalitarian regimentation.

A man came to me the other day and said that when they ship stuff to New York, somebody there meets them and says, "Take this money. When you get around to the point of destination, remember my name is so-and-so, and you are going to sell this load to me at the ceiling price." That is the black-market system, and is going on all over the country.

If you want to destroy the confidence of the American people in their Government, and ultimately the Government itself, just continue this dictatorial OPA, and then let the CIO-PAC take control of the next Congress.

I, for one, refuse to bow. I am for stopping it now and letting the American people get back to transacting their own business in a legitimate way, and I hope the Congress will back me up.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. BROWN of Georgia. Mr. Chairman, I ask for recognition in opposition to the motion.

The CHAIRMAN. The gentleman from Georgia is recognized for 5 minutes in opposition to the motion.

Mr. BROWN of Georgia. Mr. Chairman, I am very glad this motion has been made. I want a division called for on the motion, and I want a teller vote. The question today is, Do we want inflation, which can be brought about overnight, as I said the other day. That is the test. Are you brave men going to say that Congress will not undertake to stop inflation—when we remember after World War I, the banks were broke, merchants were in bankruptcy, farmers lost their lands, factories were closed, there was no place for employees to secure jobs, and bread lines were formed throughout the country—men asking for bread, men 40, 50, and 60 years old asking for bread, not to satisfy their own hunger but to take home to their starving children and wives.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. No, I do not yield.

Do we want this condition to occur again? The idea seems to be "To hell with inflation." Let us meet this issue now.

I am not saying that OPA has done an excellent job, but without some kind of control I am here to tell you that the dollar would not be worth a dime today. We brought out a bill here which is a great improvement over the present act. If it does not carry out the ideas that we want, amend it. Let us be fair and not say that this job is too big for the American Congress to solve. We brought out a bill that undertakes—and the principle is correct—to say that when production is equal to demand we need no ceilings. We brought out a bill to give equality and equity to all classes of people; and I stand here now and say that every man in any kind of business is entitled to cost as one of the elements in placing the ceiling on his product, and he is entitled to a reasonable profit also; but let us not adopt an amendment in any form that would put a premium on high-cost producers. Take a certain class of producers, ascertain the average cost, and the producers are entitled to this cost and also are entitled to a profit. I believe that any man in business is entitled to a reasonable profit. That is what we are undertaking to give in this bill. If you do not think this bill carries this idea out, amend it. If we have such a bill as that I am here to tell you that we will to a great extent control inflation.

Today the purchasing power of the dollar is about 76 cents. The figure after World War I was less than 40 cents, and the farming class suffered the most. Nearly half of the people in my section of the country lost their all and it took them over a quarter of a century to recover. They are just now beginning to recover from the effect of the deflation that followed that awful inflation.

The CHAIRMAN. The time of the gentleman from Georgia has expired; all time has expired.

The question is on the motion offered by the gentleman from Mississippi.

The question was taken; and the Chair announced that the noes appeared to have it.

Mr. BROWN of Georgia. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. RANKIN and Mr. BROWN of Georgia.

The Committee divided; and the tellers reported that there were—ayes 34, noes 178.

So the motion was rejected.

PAVED HIGHWAY TOWARD INFLATION

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is the first of a series of very important amendments. Regardless of the desire of the able and sincere gentleman from Michigan [Mr. WOLCOTT], these amendments, if adopted, will successfully scuttle the bill.

The particular amendment under consideration is a weakening, crippling amendment and represents a paved highway toward inflation.

Mr. Chairman, we are determining today whether or not the money that is earned by 52,000,000 people who are working today will buy a decent standard of living in this country after the passage of this bill. We are determining whether or not the holders of Government bonds

will be paid in honest dollars that will buy food and clothing and housing, or whether or not these bonds will be redeemed with worthless money. That is the question we are deciding here today. If we extend this law only to March 31, obviously it is political. The gentleman from Michigan admitted it was political. He said, "We are going to have elections this fall and the new Congress can come in and take care of the situation." This matter is too serious to make it a partisan, political question. This law should be extended a minimum of 12 months. Mr. Bernard Baruch warned us what would happen if such an amendment as this were adopted. He said that by the end of this year the good people in OPA would be leaving. They are offered good employment outside. The job is unpopular. They have no security on a 9 months' extension, so they would leave the OPA.

CONGRESS INFLATIONARY

If we have inflation in this country Congress will be blamed; Congress will be to blame because Congress has been inflationary. Congress has passed OPA laws, yes, with plenty of crippling amendments, and then refused to provide sufficient money to enforce the laws that we have passed. So if we have inflation in this country, the roll call votes in the House of Representatives will place the responsibility where it belongs. Congress will be liable for inflation. If we extend this law only for 9 months, by the end of the year the people with scarce articles and commodities will begin to hoard those goods. They will say, "No; I am going to wait until this law expires." Congress cannot possibly pass it in 3 months' time. A few members in the other body could hold it up that long by filibuster. Possibly a good way to dodge direct responsibility. If we are going to let it expire, then the sky will be the limit for the prices of the scarce commodities that we have. It would certainly be an inducement to cause people to hold their goods off the market and wait until this law expires for them to make their contracts.

Furthermore, we know now that there are certain things that will be scarce at the end of even 1 year's period. Most everything will be off or decontrolled, as it should be. They will be taken off daily, and they are now, but at the end of the year there will still be a scarcity of homes, houses, and rent control will be needed. In addition to that certain scarce items in building materials will be so scarce that it will not be safe for the controls to be taken off; not many, but a few, and any time you extend this bill only to March 31, that means when the new Congress comes in in January it will have a couple of months to organize not a new session, but a new Congress, if you please, and then after you get organized with the committees and you start on your hearings—and we have never had hearings less than 6 weeks on this bill in the House; never have, and certainly it would not be less in the new Congress—then the bill comes to the floor and it is delayed, then it goes to the Senate and it is delayed, and that will be going on right up to a few hours before the expiration date, and one Member of the other body will be able to kill OPA.

If you want to put it in that position, vote for this amendment.

Miss SUMNER of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Texas is still advocating tissue paper money though he does not know it. The OPA officials, including their press agent, Chester Bowles, insist that they are against inflation, but about all the evidence you have is their own say-so. Inflation is caused by shortages of material. Well, look at the hearings. OPA is the principal cause preventing the production of materials. Inflation is caused by Government spending of money you do not have. Well, did you ever hear the OPA officials down here protesting against your spending of Government money? No; of course you did not.

Mr. MASON. Mr. Chairman will the gentlewoman yield?

Miss SUMNER of Illinois. I yield to the gentleman from Illinois.

Mr. MASON. There is $2,000,000,000 in this bill for subsidies, which means inflation.

Miss SUMNER of Illinois. Why, certainly. Subsidies are just OPA's black-market way of concealing the fact that the cost of living is going up and up and your money is buying less and less and less.

Did anybody hear the OPA object to the wage-increase policy which is now causing costs to spiral and spiral? Of course not. They encouraged it, and Mr. Bowles was over here testifying in favor of the inflationary Federal pay raise.

They tell you the principal argument for the continuance of the OPA is to avoid inflation such as that which precipitated the 1921 crash, and the inflation which preceded the 1929 crash, but they do not tell you that what caused the inflation in those days was the tremendous lending of money to foreign governments, which came in here and bid up American materials. Today there is an estimated $20,000,000,000 about to be given by this Government to foreign governments to come in here and buy up scarce materials. Has anybody ever heard OPA utter a word to oppose this? No; never a word.

They tell you that OPA is the only dam against inflation. Informed people say "dam OPA."

Mr. FOLGER. Mr. Chairman, I rise in opposition to the Wolcott amendment.

Mr. Chairman, I do not mind saying, in fact, I am glad to say that in my opinion there is no ulterior or common motive attached to the action of the gentleman from Michigan in offering this amendment. I have served on the Committee on Banking and Currency with him too long to believe that he would indulge in any such thing; but, Mr. Chairman, I am convinced that it would be a mistake to adopt this amendment.

If you will read the bill from the beginning to the end, I think you will observe what is substantially a united effort on the part of your committee to discontinue the Office of Price Administration and, as well, price ceiling operations, at the earliest possible time that can be done, having recognition for what is necessary, the national economy and the well-being of the people of this country.

I want to read you a little of the safeguards that are thrown around this bill at this time:

The Price Administrator (and the Secretary of Agriculture to the extent of his responsibility under section 3 (e) of this act) shall proceed immediately to formulate a comprehensive plan for the progressive removal of price controls and subsidies.

Mr. Chairman, that means what it says—a progressive, sincere, immediate procedure for the elimination of price controls as fast as it can be done and within the time limited in this bill "in order that the return to a free market and to free collective bargaining may be accomplished on or before June 30, 1947, without disurbance of the national economy."

I have heard some little objection to that phrase. But I do not believe there is a man in the House who would want to disturb the national economy. If it were determined that this progressive procedure was going so fast that our national economy was being disturbed, we ourselves would ask that moderation be used. Then, on the next day, after the 31st day of March, you have in this bill the following requirement:

The President shall—

And the Congress of the United States does not say the President "may," but it will say if this language is adopted—

The President shall, not later than April 1, 1947, report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this act as to them after June 30, 1947.

That means that the President shall from time to time—and this is the language of the following subsection—

The President shall make from time to time—

Another "shall," if you please—not a request, not the word "may"—but the President of the United States under the edict of Congress—

shall make from time to time, but not less frequently than once each month, as to each commodity or class of commodities in the case of which maximum price controls are in effect, a determination as to whether domestic demand for such commodity or class of commodities has been satisfied.

The controls can under the bill be removed sooner than March 31, 1947—and this is required by the bill—just as rapidly as the supply of goods meets domestic demands.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Kentucky said a while ago that there is a sentiment in this House to destroy the OPA. That sentiment is not confined to this House. It is Nation-wide. If, as the gentleman from Texas [Mr. PATMAN] said, there is too much money in the country which constitutes a terrible threat of inflation, then they should be willing to stop paying subsidies to people who do not want and have never asked for subsidies. I was up in my district last night. I spoke to

the implement dealers and their wives. They represented two counties. The dealers are against the OPA from a business standpoint and the women are against it from the housewives standpoint. I have always tried to represent my people and I am going to represent them in this case, and so I cannot do otherwise but vote "no" on the OPA bill and it does not make any difference how you amend it. My mail this morning is an indication of how my people feel and it is an indication of the sentiment that exists. Here is a telegram from John B. Diehl, a prominent farmer who wires me and says:

I want to say that I am definitely opposed to the extension of the OPA.

Here is a letter from a prominent minister who says:

Kill the OPA. Give back to the people their God-given rights.

Here is a card signed by "A Disgusted Voter." She says:

I have been hunting for sheets and pillow cases and underwear and shirts for my husband who has returned from the Army. I cannot get anything. Vote against the OPA.

Here is another card from a serviceman's wife. She says:

Please, Mr. Congressman, send me a barrel. I have no clothes nor do we have a house to live in. Vote against the OPA.

Here is another man who has built several hundred houses in the last few years. He is against the OPA. He wants to build homes and says he will if the OPA lets him.

Here is a letter from another prosperous farmer in my district. He says:

If we farmers must compete on a price-control basis as it is, we will become bankrupt and wholly regimented.

Here is a telegram from from a milk dealer.

Take that OPA gal out for a walk and lose her in Chicago.

He closes the letter by saying:

May the time speedily come in which supply and demand may regulate the price, and farmers as well as all of us can adjust our lives accordingly.

Here is a letter from a farm cooperative. They are against OPA.

Here is a letter from a little baking shop up in my country. They are against OPA.

Here is a letter from one of the industrial tycoons of the country, a big businessman. He is against OPA. Not a single person writing to me today has defended OPA.

But I am not telling you that everybody is against OPA. No, sir. Chester Bowles sent me 135 pages in favor of it. He is for OPA. Paul Porter followed it up with 35 pages. He is for OPA. No; not everybody is against it. But the people over the country are. But the bureaucrats who want to pay subsidies and buy votes, the fellows who are wrecking this country financially, and Chester Bowles, who wants to regiment all of our lives, and Paul Porter, who is Chester's man Friday, they want OPA continued.

As is indicated by my mail and the telegrams I have received and the personal contacts I have made in my district, and in order to rightly represent my people, I have no choice left to me except to vote "No."

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. GROSS] has expired.

Mr. KLEIN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, just a few moments ago we heard a little colloquy on the question of pressure groups. The chairman of the committee meant the pressure groups of big business, I know. The gentleman from Kansas [Mr. HOPE] talked about pressure groups in the CIO and consumer groups. The difference between those two pressure groups is the difference between living and making money. Big business, of course, is interested in profits. They are interested in doing away with the OPA, and doing away with price controls because in that way they can make more money. The CIO and consumer groups—and after all, we are all consumers—are interested merely in keeping the price of food and clothing down so that the people can take care of their families, and provide them with the necessities of life.

The gentleman from Mississippi [Mr. RANKIN] a few minutes ago called that communism. Since when is it communism to want to take care of your family and to be able to eat as much as you need, and be able to buy clothes for yourself and your family within the limit of your income?

I believe I am the most recently elected Member of this House. I come fresh from the people. I go back to New York every week end, and I see my constituents weekly. I know how they feel about price control—they want it, and they want the OPA continued without any crippling amendments.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield.

Mr. BRADLEY of Pennsylvania. And I believe the gentleman had an avowed Communist as his opponent, did he not?

Mr. KLEIN. I did.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield.

Mr. HOPE. The gentleman made reference to the CIO consumer groups, as if consumers were all members of the CIO. The gentleman does not mean to say, does he, that the consumers of this country are confined to the CIO? Are not the farmers consumers; manufacturers, and small businessmen consumers?

Mr. KLEIN. That is exactly what I did state. We are all consumers, even the gentleman from Mississippi.

Mr. HOPE. The gentleman very clearly identified consumers with the CIO. I am sure he did not mean that.

Mr. KLEIN. No. I meant to say that everybody is a consumer.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. I yield.

Mr. RANKIN. The gentleman certainly did not quote me correctly. I did not say that all consumers are Communists and did not intimate such a thing. I did not say that all members of the CIO are Communists; but I said the CIO-PAC is a communistic organization that is trying by subversive means to get control of this country.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. KLEIN. In just a moment. Let me answer the gentleman from Mississippi in this way: I assume you have all heard the story about the boy who always cried "Wolf." Every time anybody gets up to make a speech, which would seek to help the common people and the underprivileged of this country, the gentleman from Mississippi gets up and yells "communism."

Mr. RANKIN. Oh, no; that is not correct.

Mr. KLEIN. Now, just a minute. Every time we have any debate or any question comes up about the FEPC, or the anti-poll-tax bill, or any other bill which, in the opinion of the majority of the people, seeks to improve the welfare of the common people of this country, the gentleman from Mississippi has gotten up on this floor and called it communistic.

Mr. RANKIN. Now, will the gentleman yield?

Mr. KLEIN. I yield.

Mr. RANKIN. That statement is not true.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield to me?

Mr. KLEIN. I yield to the gentleman from Pennsylvania [Mr. BRADLEY].

Mr. BRADLEY of Pennsylvania. With regard to the assertion that the CIO is communistic, I should like to direct the attention of the House to something which took place in Atlantic City just last week. The CIO formed a utility workers' union, initially starting off with 50,000 members, and in the constitution and by-laws of this organization is a provision that no Communist can be a member. Alan Haywood, of Phil Murray's office, and Secretary-Treasurer of the CIO James Carey, approved that provision and made speeches denouncing communism.

Mr. KLEIN. Mr. Chairman, recent history has conclusively demonstrated that while in normal times we constitute a federation of 48 individual States, with divergent local interests that range from differences in the basic principles of law to differences in speech and mannerism, we are capable in times of emergency of welding ourselves together to wage combat against a common foe, into a nation so great and powerful that recorded history has never known its equal.

Such a transition came about in the fateful years from 1940–42. A similar transition was witnessed by most of us here in the years 1916–18, and an equally striking peacetime transition from disorganization, disunity, and discontent was exemplified in the peacetime years 1933–36. We have shown ourselves capable of meeting head-on, and successfully coping with, every vital problem which has threatened the stability and the very existence of our Republic since its creation.

However, our collective human nature as a nation within recent years has also demonstrated that though we are quick

to solidify and crystallize ourselves to the maximum of our national wealth, resources, and abilities in the event of a threatening emergency, we are, on the other hand, equally quick in seeking to cast off the restraints, the sacrifices, and the responsibilities, the assumption and acceptance of which are prerequisite to the successful conclusion of a national emergency, at the first signs of alleviation of the emergency. We readily lend ourselves to the hue and cry for return to normalcy, to the resumption of the status quo, to a policy of "business as usual," to the good old days of live and let live. The unfortunate aspect of that kind of psychology is that it begins to develop and grow, long before the complete termination of the emergency which begot, without serious criticism or resistance, the measures of restraint and control.

In our impatience and in our anxiety to revert to so-called normalcy, we are apt to lose sight of the fact that normalcy is usually unattainable without a continuation of the measures which brought us so far along the road to recovery and complete cure.

We need no better exemplification of this thesis than to think back to the dark and discouraging days between 1929 and 1932. So desperate was this Nation for genuine and enlightened leadership in those years, that for many months after the election of our late lamented and great leader, Franklin D. Roosevelt, not even the most rabid partisan exponent of the status quo could find cause for criticism in the dramatic assumption of leadership which he exhibited. But no sooner had we begun to show signs of recovery as the direct and immediate result of such leadership, when slight rumbles of criticism and complaint could be heard, which by continued progressions soon became a mounting crescendo of the most vicious kind of vituperation and calumny which a great and worthy leader of his people has ever had to experience. And, as is usual in such instances, the vituperation and calumny was mainly hurled by those who in darker days could do no more than sit idly by, hoping for things to change for the better by an act of God, or of nature.

We are experiencing today an extension of that national state of mind to which I have just referred, in our consideration and deliberations over the bill to give continued life to the Office of Price Administration, so that we may successfully conclude what we set out to do by the enactment of the original Emergency Price Control Act and the Stabilization Act. The original purposes of this legislation were: First, to hold down the cost of living; second, to prevent rising rents; third, to stabilize industrial prices and wages; fourth, to fairly distribute scarce commodities; and fifth, to keep down war costs by holding down the prices of war materials. In these purposes, we, as a nation, have succeeded to an extent greater than even the most optimistic proponent of this legislation dared anticipate, as even its severest critic must, in honesty, admit.

Now we are faced with the second and concluding chapter of this legislation, which is none the less vital to our national well-being than was the first chapter. Our purposes now are, first, to achieve early but orderly cutbacks from our tremendous war production; second, to increase adequate production of peacetime goods for which there is a tremendous current demand; third, to prevent the perils of inflation from engulfing us; and fourth, to encourage maximum production and total employment.

We have successfully met and coped with the problems of total war and in so doing our task was made immeasurably easier through the operation of the OPA. We have still to meet and successfully cope with the problems of peace, and in this respect the importance of the OPA is and will continue to be no less vital. To terminate this agency now, or to so emasculate it as to render it ineffective, would be to fail to complete the task which we undertook, and would constitute almost unforgivable shortsightedness. Impetuosity and lack of restraint in our anxiety to return to a precipitous normalcy should not be permitted to dim the glaring truth that our job is only half done, and that which still remains to be done by a continuance of an effective price-control organization will actually hasten the day of a genuine return to normalcy.

In the bill which we are now considering, there is an implicit recognition that the people of this Nation need and want an extension of OPA as a vital cornerstone in our efforts to win the peace, and to this extent I am heartily in accord with the bill. However, there have been embodied in this bill several crippling amendments, each of which seem designed to promote the special and selfish interests of certain segments of our national population at the expense, in my opinion, of the greater number of the plain people of our Nation.

What can be accomplished by the pious enunciation of what amounts to a truism, namely, that OPA must be further extended, when in the next breath we so emasculate and cripple the operation of this agency as to render it comparatively ineffective, if not inoperative? If OPA has done, is doing, and will continue to do, as I firmly believe, what was expected of it to date, then it should be extended and permitted to complete its mission. If OPA may be said to have failed in its mission to date, which I strongly deny, then we should abolish it. But to say that we will continue it in one breath, and then to render it inoperative in the next, to my mind approaches the realm of political dishonesty. Why can not we, as Members of the greatest deliberative body in the world, face this issue squarely, and once and for all abandon tactics designed to win the favor of small put powerful interests at the expense of the great majority of the people of our Nation? Our axiom in our deliberations as to any legislation should be "What will benefit the greatest number of our people will benefit us as a Nation." Let us not permit opportunism or temporary expediency to dull our vision. We can never hope to clearly satisfy every single citizen of this Nation, or every single interest. But the very essence of democracy is the enactment of legislation which will render the greatest good to the greatest number of the people without sacrifice of the inherent rights of any minority. When we have achieved this, we will have achieved democracy in its truest form.

As I have stated before, I would prefer to vote for a bill which will extend the effective operation of price controls, unhampered and untied by amendments and provisions. I would prefer that the issue be clear-cut and not burdened by verbiage which can have no other effect than to shackle the operations of an agency which, over all and considering the immensity of its function, has done a workmanlike job. No one, not even the highest-ranking officials of OPA, will deny that mistakes have been made; that in its enforcement OPA has caused irritations, annoyances, and, perhaps, even some hardships. But sight should not be lost of the fact that the ground over which this agency has traveled has been largely new and unfamiliar, and that the responsibility of the job which it undertook was tremendous. Policies have evolved and been developed in many instances by trial and error, but no one can deny that this agency has performed a meritorious job, which has resulted in the relative stability of prices and rents, and which has sent us well along on the road to peacetime reconversion. Pricing policies, as pursued by this agency during the war, have been effective under wartime conditions. It is no less important that these policies continue effective under peacetime conditions. A weakened price policy now can set in motion every powerful inflationary force with which we are surrounded. We may find ourselves in a position of having won the war, but at the same time to be heading toward a recurrence of the inflation which culminated in the depression of 1929, with its attendant misery and hardship.

There will be time enough to drop the restraints and controls occasioned in the first instance by the stress and strains of war, when production has brought supply and demand in reasonable balance. When there is no further danger of price increases in a particular commodity field, there will be no reason for price ceilings in that field. But until such time, let us not submit to the feeling of false security engendered by the ending of actual hostilities, and invite ruinous inflation and collapse, which abrupt and premature action on our part cannot help but bring upon us again.

The CHAIRMAN. The gentleman from California [Mr. OUTLAND] is recognized.

Mr. OUTLAND. Mr. Chairman, we are going to have a difficult enough task on our hands today and tomorrow trying to iron out the Price Control Act and make those changes that the committee feels necessary, without bringing in extraneous issues. We are going to have enough of a job to try to tackle this problem seriously, with many disagreements, of course, but honest ones, without bringing in charges of communism every few moments; and I trust that the

gentleman from Mississippi and all others will refrain during this debate upon a matter of national importance from bringing in issues of this kind. This type of tactics contributes nothing to our discussion.

I should like to speak for just a moment about a point made by the gentleman from Pennsylvania [Mr. GROSS] who quoted several letters he had received asking for the discontinuance of OPA. All of us, on both sides, get communications. Some say, "Vote against it, vote for it"; and I assume that all who write in are honest in their opinions. I, too, received a letter today from an individual I have never seen, he does not live in my district, but he is the director of a radio station in San Francisco, and he has recently conducted a poll regarding price control. I should like to quote a portion of this letter:

No doubt you will be greatly interested in the results of the recent poll which I took on my twice-daily broadcasts to determine how my listeners felt toward the continuation of the Office of Price Administration after June 30, 1946. Of the 363 answers returned to me, 315 are in favor of the continuation of OPA, and 48 are against it. As you see, this is a ratio of 7 to 1. The overwhelming majority in favor of the continuation of OPA makes me feel we should do everything in our power to continue this vital Office. Further, nothing should be done to cut the appropriations. Naturally, thousands of Californians are anxiously watching the congressional developments, and I urge you to work vigorously for the extension of the Office of Price Administration.

Mr. Chairman, there is no one who has studied the development of the price-control program who has not seen the faults; there is no one who has not seen the inequities that have crept in, but because the act has not functioned perfectly, are we for that reason to destroy it? Would not the wiser course for this Congress to take be to attempt to iron out these inequities, to correct the injustices, to untie the knots rather than to cut the rope that has held back the inflationary spiral?

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield.

Mr. HALLECK. Assuming the membership does want to iron out the inequities, does it contribute anything to accomplish that objective to say of every amendment that is offered that it is designed to scuttle the act or destroy the act?

Mr. OUTLAND. The gentleman from Indiana is anticipating without cause. I have not said nor am I going to say that every amendment is going to scuttle the act.

Mr. HALLECK. I was not referring to what the gentleman said or expects to say. I am referring to statements that have been continually made during all of the debate on this measure characterizing every suggested change to remove inequities as an attempt to scuttle the act or destroy the act.

Mr. OUTLAND. I may say to the gentleman that it is the responsibility of this Congress to look at every amendment fairly and not on behalf of a particular group, not for a particular section of the country, but from the standpoint of the effect it is going to have on our national economy as a whole. It is not up to us to call names about amendments in advance or after they are offered, because I assume they are all offered in good faith. There have been certain amendments proposed, however, and the press has carried stories about some of them which would in effect destroy the Price Control Act as we have known it in the past. Mr. Porter, OPA Administrator, has gone on record to that effect. I believe it is our responsibility to analyze as carefully as we in this Congress can do so, every possible amendment that comes up then think of its effect, not upon these dealers, not upon that group, but upon the American economy as a whole. To yield to pressure groups may appear to be expedient; I hope that this House today will demonstrate another and more important trait, namely, statesmanship.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. RICH. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto conclude in 10 minutes.

The question was taken; and on a division (demanded by Mr. CRAWFORD) there were—yeas 141, noes 71.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, I have a substitute which I offer.

Mr. JONKMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JONKMAN. Are those who were on their feet at the time the motion was made entitled to time?

The CHAIRMAN. The Chair will attempt to recognize all Members who were on their feet. There were 10 at the time the motion was made.

Mr. RANKIN. Mr. Chairman, I ask that my substitute be read.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Mississippi.

The Clerk read as follows:

Amendment offered by Mr. RANKIN as a substitute for the Wolcott amendment: Strike out the date "March 31, 1947" and insert "December 31, 1946."

Mr. RANKIN. Mr. Chairman, this amendment would change the date from March 31, 1947, to December 31, 1946.

I hold in my hands a directive sent out by Chester Bowles to the butchers of this country. It contains 55 pages. There is not a man on the Committee on Banking and Currency who can read this thing from now until next week and come in here and tell Congress what it means.

Then how can you expect the butchers to understand it? Yet every man who violates it, or does not comply with it, is subject to be dragged all over the country and persecuted as a criminal. Let us bring this date of expiration down to December 31.

The American people are going to want to know, especially the people in the South and the Middle West, the farmers, if you please, and those who are dependent upon them, who are being punished by this program, are going to want to know how you stand on it.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I do not care to speak for 1 minute.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. SLAUGHTER].

Mr. SLAUGHTER. I do not care to talk for 1 minute, Mr. Chairman.

Mr. KEEFE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KEEFE. In view of the fact that two of the distinguished gentlemen have declined to talk for 1 minute, is it possible for the Chairman to recognize any other Member of the Congress to utilize that period of time?

The CHAIRMAN. That will come at the end of the list.

Mr. McCORMACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. The gentleman from Mississippi offered an amendment. Apparently no one wants to speak on the amendment. It may be that other Members may want to offer amendments.

The CHAIRMAN. The Chair will put the question on the amendment.

Mr. MATHEWS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MATHEWS. As I understand the motion to limit debate it was on the amendment then pending and all amendments thereto.

The CHAIRMAN. That is correct.

Mr. MATHEWS. As I understand, the gentleman from Mississippi offered a substitute amendment. The inquiry is whether that comes within the ruling of an amendment to the amendment.

The CHAIRMAN. It does.

The question is on the substitute offered by the gentleman from Mississippi.

The substitute was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. JONKMAN].

Mr. JONKMAN. Mr. Chairman, I want to say briefly that the Wolcott amendment is a wholesome amendment. The amendment presents the issue as to whether or not we are in favor of a permanently controlled economy or getting back to a free economy. It presents the issue whether Congress shall impose its will on Chester Bowles, Paul Porter and the OPA, or whether the latter shall impose their will on Congress, insisting on the routine 1-year extension.

Paul Porter said publicly a few weeks ago in substance, "I want it emphatically

understood that OPA is not a receivership, and that I am not a liquidator. OPA is a going concern." Suiting the action to the word OPA prevents production by price ceilings just under the cost of production so supply can never catch up with demand. Upon the conclusion of hostilities and in this reconversion period I have understood it to be the intent and purpose of Congress that OPA is a receivership; that Paul Porter is a liquidator; that OPA is not a going concern, but as stated in the bill before us, the Administration "shall proceed immediately to formulate a comprehensive plan for the progressive removal of price controls and subsidies in order that the return to a free market may be accomplished on or before June 30, 1947, without disturbance of the national economy."

Restriction of extension for 9 months only serves notice on OPA that Congress means what it says, and emphasizes this meaning by curtailment of the extension, not necessarily as a final act, but leaving to OPA 9 months to at least begin effectuating the purposes and intent of Congress. Then, if further time is necessary, it still is within the power of the Congress to extend that time.

Therefore, if we pass this amendment, we will at least serve notice on Paul Porter, Chester Bowles and the OPA that they are not a going concern and that they must proceed with a progressive elimination of controls. Only by driving this home to the OPA and by imposing our will upon them through this amendment, can we reasonably expect a gradual return to a free economy.

I think that is the issue on this amendment, and I am wholly in favor of it and shall support it.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOOK].

Mr. HOOK. Mr. Chairman, in these 2 minutes I want to quote from the magazine The United States News. I do not think that is a radical paper. It states:

> It is to be rather a hectic period in the next few months, a period when there will be the paradox of acute scarcity amidst great plenty. Food, for example, seems scarce, yet each individual in the United States on an average is eating 12 percent more than before the war, including much more meat. Clothing appears hard to find, yet people are actually buying 20 percent more in the way of clothes than they bought last August. Shoes never were so scarce. Shoe output, however, is running at a rate of nearly 500,000,000 pairs a year, and heading higher.

Does that look as though we are not producing in this country? We have produced to the limit, but we are now consuming to the limit also. Let me warn this House and especially the Republicans and those who call themselves Democrats that the votes they are taking today on these crippling amendments are votes against the American people. The people will retaliate with votes against them on election day.

A few weeks ago, Chester Bowles, Administrator of the Office of Price Administration, made a statement to members of the Senate Banking and Currency Committee which profoundly impressed me. He told the Senators that in his opinion "the danger of inflation is more critical today than at any time in the last 4 years."

He then said that "only with the greatest determination and broad unity of purpose" can the country avoid disastrous inflation in the months ahead.

During the years of the war, almost all of the American people gladly accepted controls and restrictions as necessary to the war effort. Everyone realized that the home front battle against high prices and short supplies was part of the grand strategy of the war.

Now the war is over. The war's end, however, does not mean the end of the inflationary threat. On the contrary, the end of the shooting war in Europe and Asia marks the beginning of our most critical phase in the war against inflation at home.

There is a very natural and very dangerous desire now on the part of some people to do away with Government controls of all kinds. Some businessmen want to break loose from controls so they can get in on the ground floor of reconversion prosperity. Some consumers, anxious to get hold of the first washing machines or the first cars or the first vacuum cleaners, do not care how much they have to pay.

I say some businessmen, and some consumers, because most people do not feel this way. Most Americans—businessmen, farmers, and workers—are afraid of what inflation may mean. The mail I receive every day shows me that the average citizen is well aware of what high prices now will lead to in the future.

There is good basis for the fear of inflation in America—now, in the first period after the close of hostilities. All the factors that go to make up inflation are present.

Before I list some of them to you, I would like to go back a little into history—back to the period following the last war.

The economic factors of the post-World War I.

Many of you will remember the Armistice of 1918. You will remember that immediately after the Armistice, there was a lull in business activity. The demobilization of the armed forces and switch-over from war to peace production caused a temporary economic slow down. It lasted for just a few months.

During that period—in fact during the whole period of World War I, there were few Government controls over prices or supply. You pretty much paid what you could afford for what you could get. The full effect of this do-nothing policy was not felt until after the war was over. Prices did not really begin to reach astronomic heights until many months after November 1918.

In the period right after the close of hostilities in 1918, after the brief lull due to demobilization and industrial reconversion, prices went wild. It is very important for us to remember today that the inflation of World War I did not come during the war—it came after the war. It did not reach the breaking point until 1920.

Retail prices, for example, of building materials jumped 141 percent. Following this lead, other prices, all along the line, followed suit. Butter was sold for a dollar a pound. Many of you will remember paying 25 cents a pound for sugar.

This crazy whirl of higher and higher prices went on until the middle of 1920. Then the balloon burst. People no longer could afford to keep up the dizzy pace—and the market collapsed.

The effects of that collapse were felt right to the beginning of World War II. The repercussions of the economic debacle were felt in every country in the world. Part of the price of the goods and property purchased in the inflation following World War I were the lives of men and women and children lost in World War II.

It meant that five and one-half million workers lost their jobs.

It meant that 453,000 farmers lost their farms.

It meant that 106,000 business firms went bankrupt.

It meant a total inventory loss of $16,000,000,000 for American farmers, merchants, and industries.

It meant a 44-percent decrease in weekly pay checks for those who did keep their jobs.

All in all, the high prices of 1918 and 1919 meant depression and want for millions of Americans right up to the eve of World War II.

It is not just historical pedagogy to recall the events of a quarter of a century ago. Those events have a real significance for us today.

The inflation storm warnings are posted. We ignored them the last time, and drifted in heavy seas for many years. We can learn by that experience if we only recognize the warnings in time.

When we realize what economic factors led to the collapse of 1920–21, and contrast them with the economic factors contributing to inflation today we have a clear chart of what lies ahead of us.

World War I cost somewhere in the neighborhood of $33,000,000,000. Military expenditures for the year after VJ-day will amount to $41,000,000,000. This means that in a short period following the close of hostilities in World War II, military expenditures will be $9,000,000,000 more than the entire amount of money which caused the inflationary aftermath of World War I.

It is true that during the past several years we have had a pretty effective check on prices. Our wartime record of inflation control is a good one. It has been so good that there is temptation to permit a little inflation now as a tonic for business.

This is a case of killing the patient with a cure. Inflation is like a baccilus, best known and most feared for its reproductive powers.

There is great pressure today for a "little inflation." A price rise here, another there and we would be on the same dizzy spiral we found ourselves on in 1918–19 and 1920.

This time it would be much worse.

Inflation is a condition which grows out of the unbalance of supply and demand. Today, because of the immensity and totality of our concentration of pro-

duction of war materials, there are fewer of the things that people want in proportion to their anxiety to get them, than ever before in history.

There is today in this country more than $145,000,000,000 in savings. This is more than twice as much as was spent for consumers' goods in 1939.

Since 1939, checking accounts have increased from twenty-seven to seventy-two billion dollars. This again is more than was spent by consumers in 1939.

What would happen if this vast reserve of buying power were let loose? There would be unrestricted competition between buyers for such goods and products as were available. It would mean that the highest bidder would be the first purchaser—and the only purchaser.

When we talk about great savings—of great reserves of purchasing power—it does not mean that this purchasing power is evenly distributed among all people. It does not mean the now laid-off workers, or the veteran will be able to compete with his slim savings—if they exist at all—with the more prosperous person who still has an income and savings to expend.

A tight, unrelenting control over prices, until a balance of supply and ability to buy has been achieved, is the only way to combat inflation.

Special interests woo Washington officialdom assiduously with their pleas for special considerations. Some of these pleas have been granted already. The OPA has done what I consider a remarkable job in resisting appeals for price increases, but, as always, the industrial lobbies are vigilant and persistent. Their influence can only be countered by vigilance and persistence by the consuming public—that is everyone who buys food or clothing today; everyone who hopes to buy a house, or a car or a washing machine tomorrow.

The problem of inflation is not simply one of price today or tomorrow. Inflation today or tomorrow is a problem of jobs, of purchasing power that makes jobs, of jobs that make business prosperity in the years ahead.

Any votes for these Wolcott and Andreson crippling inflationary amendments are votes for depression, unemployment, poverty, and misery.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, I do not care to use my time, but I ask unanimous consent that in my time the Wolcott amendment may be again read, so that we can understand it.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 1, line 5, strike out the date "June 30, 1947" and insert in lieu thereof the date "March 31, 1947."

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, how much time have I?

The CHAIRMAN. About a minute and a half.

Mr. RICH. Mr. Chairman, if that is all the time I can secure on this amendment under the motion of the Chairman of the Committee, I shall not permit unanimous consent to dispense with the reading of any bill hereafter if you start your railroading a bill through like you are proceeding in this instance. It is legislating by compulsion and by coercion.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. I do not care to use my time, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I shall not attempt to insult your intelligence by discussing this amendment for a minute and a half. I feel very sorry that the chairman of the great Banking and Currency Committee has seen fit to be so unfair, and I will say almost discourteous, to the Members who wanted to talk on this amendment, as to limit them to 10 minutes, or just a minute and a half for each. I feel he should at least have had the fairness and the courtesy not to deny the Members the right to speak on this amendment, or any other amendment, because he and the members of his committee took most of the time in general debate, and many of us could not get any time on the bill or on this amendment. I asked for 10 or 15 minutes yesterday on general debate.

Mr. PATMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. PATMAN. Mr. Chairman, my point of order is that the gentleman used language that reflects upon the gentleman from Kentucky, the chairman of this committee.

Mr. SPENCE. As far as a reflection on me is concerned, that does not worry me at all.

Mr. Chairman, will the gentleman yield?

Mr. LEMKE. No; not now. The gentleman gave me only a minute and a half. I cannot yield.

Mr. SPENCE. The gentleman wants to be fair.

Mr. LEMKE. The gentleman should have been more fair himself. He did not show any fairness. The time has come when chairmen of committees should at least show respect for the other Members.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. STEWART].

Mr. STEWART. Mr. Chairman, I have an amendment on the Clerk's desk that will place the jurisdiction for the enforcement of the OPA in our State courts exclusively. I believe we are agreed the people of America have not elected a bunch of crooks to the bench. There is not a decent individual, when one of these OPA snoopers comes around and finds a trifling violation of 1 cent on some one item who would rather contest it or have an opportunity to at least explain what happened on a matter of honor than pay off, under pressure, but the first thing he is confronted with is a $500 attorney's fee because the lawyer he employs will have the expense of coming to Washington. We know our courts are honest and penalties would be meted out as a matter of justice and not be placed on a matter of quota by those employed by OPA to enforce and investigate irregularities.

I am taking time now to bring to your attention this amendment that will bring justice out of chaos as is now carried on. I trust my time will not be limited when we reach this amendment, and that I may have an opportunity to explain in detail.

The ceiling price of cattle on foot is so rigid and tough that the legitimate buyer cannot qualify as to what price to pay. The only way is after the animal is slaughtered and weighed. Who of you can tell what an animal will dress within a certain percent of its live weight? Well, if you cannot figure this problem out it is just too bad. The OPA man is the only one who can tell and that, mind you, is after the animal has been slaughtered and weighed and compared with its weight on foot.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. COLE].

Mr. COLE of New York. Mr. Chairman, consideration of the pending proposal to extend the life of OPA for another year's period, brings the Congress squarely to the responsibility of analyzing the present state of the Union and the consequences which will result from its action with regard to OPA. For well over a decade, the New Deal has spoken approving words of democracy, individualism, liberty, and opportunity but its actions and practices have belied its mouthings; and regimentation, control, dictation, and extravagance have been the order of the day.

The formula used by the New Deal for every single domestic problem confronting it was cut from the dual pattern, either of regimentation, which in other countries is characterized as fascism, or spending of public resources.

Faced with the inexorable dislocations of a wartime economy nearly 5 years ago the President requested authority to impose price limitations upon our productive and marketing machinery but was equally insistent that no controls of wages or salaries were necessary. The Congress realized that wages, representing as it does 90 percent of the cost of finished products used and consumed by the public, was the basic factor of price structures, and authorized the dual controls of prices and wages, both of them for the purpose of averting inflation and operating in the interest of the public welfare. Such an assignment as this was a most difficult and impossible task, even when administered by competent and experienced hands; but when placed under the control of people who have had no knowledge of marketing practices, economic conditions, and human psychology, it has inevitably resulted in economic chaos.

The statute adopted by Congress authorizing these controls is not defective; the deficiency has been occasioned through the ineptness, incompetency,

and inefficiency of the OPA administrators.

The extent to which your Government under control of the New Deal has failed in accomplishing this objective of stemming inflation can be readily determined by comparing the amount of your weekly food and clothing bill with what it was 5 years ago. During recent weeks many economists and observers of market conditions have expressed their opinions regarding the additional price inflation that might be expected within the next 10 or 12 months. None of them has any question but that there will be higher prices—more inflation. All expect some and some expect much. The range of expectancy for the majority lies between 15 and 20 percent, several insist it will be as much as 25 percent, and a few go so far as to assert that prices will be 40 to 50 percent above the present level.

These estimates do not picture a cheerful price situation; they point to the continuance of a progressive inflation. Let us examine some of the possible reasons for this pessimistic view and attempt to determine what policy changes are necessary to help stem this disastrous trend.

Fundamentally, the real solution to our problem is production — production — production. There is no more practical means of absorbing the tremendous volume of purchasing power. During the war years substantially all of our productive capacity was devoted to the fabrication of implements of war, so that now the shelves of our stores are practically barren. In spite of the claim by Bowles and his advisers that our production even now is greater than it was before the war, we have the strange anomoly of a far greater demand than is able to be met by our supply. If we can get production going in full force, the chances are fairly high that the inflationary rate of spending could be greatly curbed. Certainly one of the best answers to excessive consumer demands, backed by real money, is the largest possible output of the things needed and wanted by the public. Yet, right now, conditions are such that it is doubtful if production would be large enough. There are several factors which militate against a clear-cut solution along production lines alone.

The method of financing war and prewar governmental costs has produced an enormous increase in liquid assets. Currency in the people's pockets has increased by 350 percent from 1939 to January 1946 or to over $26,000,000,000. In the same period demand deposits in banks, the equivalent of money, jumped around 200 percent to over $80,000,000,000, while time deposits have also nearly doubled. War savings bonds, redeemable virtually on demand, and therefore in the nature of money, now equal almost $49,000,000,000. Regrettable though it has been that your Government has, for the past decade, gone into the red and borrowed from its citizens and future generations, the method of borrowing by means of other than long-term debentures has been highly inflationary.

At this time, therefore, $113,000,000,000 of money plus nearly another $100,000,000,000 of time deposits and savings bonds—as against a figure of little over $60,000,000,000 in 1939—comprises the Nation's liquid assets. Moreover, the dollar net national income continues to rise and bring more dollars into the monetary moat; preliminary estimates set the 1945 net national income at $161,000,000,000.

Should the public turn all of this potential purchasing power into expenditures for consumer goods, under current conditions of short supply, prices would most likely reach heights heretofore unknown in the United States. Consumer expenditures currently are running at an annual rate of about $100,000,000,000. Such an amount creates a spread between total income and total consumer expenditures of about $60,000,000,000. Add to this spread liquid assets of well over $200,000,000,000, a tripling or quadrupling of prices would not be an impossibility.

Spending is now at new heights to judge by department store sales. Widespread strikes have not had the least effect on sales to consumers. February, the worst month so far for strikes and the lowest in production, wrote up another sales record. The index of department store sales rose to 255—1935–39=100. The January index figure was 228 and the December figure 216. Since their figures are adjusted to take care of seasonable movements in prices, we thus are confronted with a significantly rising demand.

The rapidity with which additional consumer goods can be put upon the market depends upon productive capacity and the right kind of OPA price policy. Productive capacity is determined by the amount of factory space, the number of machines, and the labor force. The right kind of price policy would restore a balanced flow of raw materials and finished goods.

It is rather difficult to get any good statistics on how near industry is producing at full capacity. However, except for such firms as are affected by strikes, reports seem to indicate a fairly widespread situation of inadequate manufacturing facilities. We know that some or all lines of construction, dairy, shoe, clothing, food processing, and chemical industries—except where there are raw-material shortages—are reaching capacity or have reached it.

That a large number of industries are experiencing difficulties in meeting demands upon them is also evidenced by reports on general labor shortages. In spite of an estimated labor force of between fifty-four and fifty-five million, there is not enough labor, and yet there are millions drawing benefits from the Public Treasury in the name of unemployment compensation. A serious state of overemployment appears in store for several industries; thus, new-home construction may be held down by too few bricklayers and plasterers.

That these fairly general conditions reflect tightened production implications can hardly be denied. Hence, assuming prices stable for the moment, with savings running at least $20,000,000,000 or more, industry is seriously in need of capacity sufficiently great to produce another $30,000,000,000 to $40,000,000,000 of consumer goods. To the extent that additional capacity is not forthcoming, there may be that much of an inflationary gap in the economic system. Liquid assets would, of course, widen this gap. Assuming that wage rates remain constant after the new levels are reached, a price advance of 15 to 20 percent appears to be a conservative estimate.

It has also developed that in a number of industries price ceilings have seriously tended to slow down production.

In an economy as dynamic, diverse and large as ours no system of price controls covering a broad front of materials, capital equipment, consumers' goods and services, however well it is administered, can be equitable, prompt and at the same time encourage maximum production. Even more important, such a comprehensive system of price controls cannot avoid creating shortages and bottlenecks. Divergent price ceilings tend to induce major production distortions. Many price adjustments put other prices out of balance and make them unsatisfactory. The OPA, regardless of what size and competence it might attain, will be unable to keep pace with the millions of indispensable adjustments and, therefore, its survival will be further jeopardized and innumerable difficulties may result. The knowledge to make balanced adjustments simply does not exist at OPA offices and cannot exist.

The free market through hundreds of billions of transactions is always in motion, rising a little here and falling there—always balancing supply and demand. The OPA, for administrative reasons and because of the absence of adequate data and knowledge, cannot possibly do what the open market does automatically. That is why rationing was coupled with price control during the war; and it, too, is an expedient.

The inevitable result of a continuation of price controls on the present basis is that some goods will disappear from the market, producers will be unable to secure essential parts and components, and the consumer, instead of determining production as he does in a free society, does not have his wants satisfied. We all know that it is virtually impossible to get white shirts at prices less than $3; however, we may get all the sport shirts we want for $8 and up. In order to have something on our backs, a multitude of us have been forced to pay shirt prices three or more times what we had been accustomed to, while a few percent increase in the price of white shirts would probably bring a large supply at reasonable and not at inflated prices.

Countless housewives are probably churning butter out of whipping cream at what amounts to a price of $1.50 to $1.70 a pound. The butter bottleneck is the product of unbalanced pricing of cream as compared with butter.

Unbalanced price policy has favored some areas and cities so that meats have been quite unevenly distributed. Moreover, meat prices in many cities have also been above ceilings nearly all through the war years.

A dry goods distributor tells of how in one case twenty or more thousand dozens of boys' high-grade wash suits are not

entering the market because a ceiling price of $11 a dozen does not cover costs of manufacture. A couple of dollars price increase per dozen would make these suits available. Yet OPA refuses to adjust the price while at the same time it permits the marketing of low-grade suits at $18 to $20 a dozen. No bed sheets are available because unbalanced pricing has forced the conversion of muslins into other cotton goods blessed by OPA with high prices. Yet many of these goods may be far less necessary than bed sheets.

Mr. Bowles has countered with the argument that "production is surely at the highest point ever achieved in peacetime." But much of this production is the wrong kind. There are plenty of luxury items, while necessities are forgotten. The public, in order to get simple cost-of-living items, must buy in black markets, reminiscent of the days of the speakeasy and the bootlegger. The inflationary pressure is thus blown up further and production is even more thrown out of gear.

Under current pricing of houses plenty of housing will probably be made available at $9,000, $10,000, and up. But this price range does not provide homes for the many whose incomes fall in the low brackets; and, more significantly, these prices can be highly inflationary since homes are not made available for a large percentage of new families which will attempt to bid away homes from others. What is needed is housing at the least inflationary prices, and therefore the lowest-cost housing possible, even though it should not be of permanent construction. In addition, the high housing prices will pull materials and labor away from much-needed factory construction, remodeling, and repair, and in so doing more fuel is thrown under the price boilers. It is, therefore, necessary to set prices on housing which will induce, relative to costs, a balanced flow of labor and materials into the kind of housing that the majority of individuals can afford to buy or to rent and into essential manufacturing plants.

In general these situations of unbalanced prices lead to unrest and discord and abnormal demands from all economic groups. If they are not corrected, when there is a widespread shift from savings and cash to speculative holding of goods, production alone could not apply the necessary braking power to stop the inflationary forces. Incomes and costs have already been pushed to the point where there is no possibility of maintaining present price levels, unless other policies are at once coordinated with the expansion of production.

The administration's wage policy has proved to be another powerful inflationary force. It has followed a path which is indeed dangerous. It was held that in order to prevent a supposed deflationary condition general wage increases were necessary. This theory has been proven completely erroneous; wars almost always breed inflation and the second war is no exception. As we have seen, war has left us a volatile mixture of liquidity and a rising national income. The result is that general wage and salary increases are the equivalent of gasoline on an already burning fire.

In a large measure price control deals with the surface aspects of inflation. Criticism of price control as a means to the control of inflation, to a considerable extent, is unwarranted. The issues which give rise to the problems with which the OPA deals do not lie primarily within its jurisdiction. The reason we are not restoring a balanced economy is that the Government's tax, wage, and fiscal policies are not coordinated with price control and the need for expanded output. However, this view does not imply that the OPA can escape censure; on the contrary, it is impossible for the OPA to do the kind of balanced pricing the markets do when uninhibited; and when it is pretended that the OPA can, the public is only being misled. Moreover, the OPA officials must recognize that they only treat the surface elements of inflation and not the real causes. When this important fundamental is once understood, price policy, by properly aiding manufacturers, will go far to help relieve the inflationary pressure.

But other measures of inflation control are urgently needed. The following elements of such a program are suggestive.

Price adjustments should not be allowed to become the bottomless well of adjustments to meet the present wage demands; wage rates should instead be changed largely to effect a balanced flow of labor into the production of goods which would reduce inflationary pressures. The general wage level should be held in check. A rise in the general wage level forces up the general level of manufacturing and other costs to a new plateau. This new plateau may become the next stepping stone for another general wage increase and so on. All of these wage increases create excess purchasing power.

Every wage increase, even though when it does not necessitate a price increase, tends to stimulate upward price pressure and the black market, because of the increased buying power which it places in the hands of the public. This is an aspect of wage boosting which the administration has recklessly ignored.

Tax policy should be coordinated with other measures.

It was perhaps unfortunate that personal income taxes were reduced for 1946. Personal income taxes are very effective in absorbing purchasing power, providing the funds so acquired are frozen by the Treasury and Government expenditures are not increased. Even now it may be most desirable to consider a revision of taxes from the standpoint of using them temporarily as an anti-inflationary measure. Taxes on luxury items could be increased another 20 percent or so. It might even be advisable to introduce a graduated spendings tax on all except cost-of-living items. The dangers of inflation are sufficiently real and threatening to warrant such a departure from the usual and orthodox tax practices.

There are other means related to fiscal policy for mopping up excessive purchasing power. Because of the excessive liquid assets, some device must be found for diverting from the consumer market a larger portion of people's income. It may be suggested that this "sterilization" could be accomplished either through increased tax rates or through increased Government bond purchases. Increased bond purchases are also necessary in order that the United States Treasury will not have to resort to inflationary commercial bank borrowing, either directly or indirectly, so long as the Government refuses to balance or overbalance the Budget.

Treasury borrowing policy should be reconstituted in such a way as to induce the public to divert a greater portion of its income to Government bond purchases. The present Treasury program is far from the goal which would measurably reduce the potential inflationary pressure due to liquid assets and higher incomes. It may be even found necessary to take such a drastic step as to raise the interest rates to reshape completely the final forms which savings take, making it worth while for the public to buy and hold these bonds. The Treasury has been proud of its artificially engineered low-interest rates, failing to recognize that by this intervention it has created a much worse problem than would have normal interest rates. Raising of the interest rates, furthermore, might in themselves exercise a decided deflationary effect due to the large national debt.

In a word, it is essential to eliminate convertibility of bonds to as great an extent as possible. Such convertibility is now really equivalent to a debasement of our money. And the monetization of our national debt is the major national threat.

The Congress and the administration should also work closely together to shrink the public expenditures as rapidly and completely as feasible, in order that the Government itself will not compete for scarce goods and services beyond the essentials for operating efficient government.

Expenditures for the coming fiscal year—ending June 30, 1947—are estimated at $35,800,000,000 and revenues and receipts at $31,500,000,000. If there ever was a time when the Budget should be balanced, or better still, overbalanced, it is during the second postwar year of prosperity. Because of the large debt burden and continuing major outlays for defense, veterans' benefits, farm-price guarantees and the like, it will not be possible to maintain a prewar level of expenditures. However, it should be possible to reduce the nonwar outlays sufficiently to bring the total expenditures within a point of balance with revenues or to do even better than that. Certainly, it behooves the Federal Government to do all within its power to minimize the inflationary pressures. State and local governmental units should postpone public works and other improvements so far as possible until housing and the more essential construction have relieved considerably the present shortages.

Price policy should no longer be based on formula. Price policy should be

geared to the problem of inflation control, and not be used as a device for the redistribution of wealth and income. The use, for example, of profit bases for price setting leads only to the propagation of class war.

There can never be enough Government price makers to control all prices. Therefore, the OPA should at once eliminate price control in several spheres, such as machine tools, cigarettes, luxuries, and meats.

Prices of machine tools have little immediate effect on the cost-of-living items, and businessmen are not inclined to be rash in putting too much money in the kind of capital cost represented by machine tools. The cigarette supply is not too far short of the demand. Those luxuries which do not attract too much materials and labor may be also decontrolled. Meat prices have never really been controlled in most areas, so there is no need for carrying on the farce of meat price ceilings.

By limiting the areas of control, the OPA staff can be turned into a price review ather than a price-making board. Instead of wasting much-needed time on applying unworkable formulas, the OPA could then permit the producers and distributors of the main control items to submit their own price ceilings, based upon current costs. The OPA staff could review these proposed price ceilings in light of the cost data submitted by the producers in the given industries.

However, the proposed price ceilings should be made operative as soon as they are submitted for review. Later, when the review is completed, if it is found that those ceilings are excessive, they will not be given the status of effective prices. Then the OPA would set the price ceilings considered proper in the light of the cost data. These proposed price ceilings should not be permitted to become subsidies for inefficient production and should, therefore, be reviewed in the light of the cost experience for the industry as well as for the given firms in the industry.

Above all, the OPA should not be extended indefinitely. The most insidious form of criterion for its extension is the one which calls for decontrol when supply equals demand. Under price control there may never be an equality between supply and demand; it takes the free market to bring this equalization. Therefore, it seems best to permit OPA to continue in operation for only another 6 to 8 months. During that period, by pursuing the above type of price making, the system should be getting pretty close to the point of balanced prices. The date for end of control should be specifically stated and the final liquidation of the agency should be begun the moment that date arrives.

The need for housing requirements represents a somewhat different development than that for other consumers' goods. Rent controls should be continued for another period but a more realistic attitude should be taken toward the justifiable pleas of the landlord. By the time an extended period has passed, a fairly well balanced construction program will have been put into operation and the building cost situation modified for the better under more balancing pricing. However, because of increased maintenance and operating costs, it is reasonable to suggest some upward adjustment in rents.

We are no longer confronted with price control in its wartime guise; on the contrary, what must be controlled is inflation, for inflation is becoming more and more a reality. The solution is to be found only in a unified program embracing monetary, fiscal, direct wage and price stabilization, and production measures.

It would indeed be a fatal blow to our American economic system, if the OPA is permitted to continue on an indefinite basis. Were it to continue indefinitely, the market structure of the enterprise economy, the only means to freedom of choice, would be gradually weakened and eventually would be dissolved. Economic freedom is lost and wages, prices and incomes in general will then be governed by some Government agency; the kind of jobs, expenditures, and investments would be decided by Government officials. Once economic freedom is lost, political freedom too is at an end; economic and political freedom are inseparable.

Our problem of inflation control is really the converse of an increase of money income; it is the increase of real or goods and services income, under the greatest possible freedom of the market.

There are three courses of action available to the House in its consideration of the fate of OPA. It can fail to extend OPA, which expires under present law on June 30 of this year; it can extend it indefinitely or for a limited period without modification of its present authority; or it can extend it for a limited period, but subject to additional rules which will circumscribe its operations.

As to the first alternative, although the temptation to me is very great to end all regulation of our price economy, abhorring as I do any Government practices which circumscribe and regiment the normal activities of individuals, and in spite of scores of communications urging that this be done, I am convinced that the hazards of such procedure are too great to justify the experiment. It is conceivable and quite probable that if all controls were to be removed prices would immediately soar and for a limited period of time there would be utter confusion and a more chaotic condition than now exists. Conditions which would prevail throughout the country might be such as to ripen the opportunity of those who, through the forces of OPA, have sought to undermine and destroy our philosophy of government, to insist upon and obtain a greater degree of regimentation and totalitarianism than we have now. Had your Government pursued a policy of caution and wisdom when the war was ended, an extension of OPA might have been unnecessary now. No sooner were hostilities ended than the President, following the advice, and based upon the incompetent and fictitious figures offered by the Secretary of Commerce, Henry Wallace, advocated the curious and intriguing philosophy that wages could be allowed to advance with no concurrent increase in prices but rather a decrease in them.

An advance of steel wages was urged by the President and rather sooner than expected, was made necessary a corresponding increase in the price of steel. Both of these actions opened the door to further demands from our production machinery, both as to wages and as to prices. The machinery of price control cannot now be abruptly terminated without venturing into unknown risks and hazards.

As to the second alternative of extending OPA without change, there are many in this country who see in this power an opportunity to so disrupt and destroy our historic processes of individual enterprise as to make possible the advent of a totalitarian system of government. On the contrary, there are millions of citizens devoted to our American system and who yearn for an early return to it through the removal of this and other wartime controls. I am one of them and equally anticipate the day when our economy can be restored to its normal and historic channels.

The third alternative is to extend OPA for a limited period but with amendments to its authority which will make more realistic and operative its administration. One of these is the proposal to be advanced by the ranking minority member of the committee having responsibility for this measure, the gentleman from Michigan [Mr. WOLCOTT], who will seek to write into the law the requirement that all prices established by OPA must be based upon actual costs with a reasonable allowance for profit. This is but a legislative expression of what was intended by the Congress at the very beginning of OPA. It never was thought that even in a wartime economy our producers would be expected to operate at a loss and yet the OPA administrators have so ruled and regulated as to cause thousands of business concerns throughout the country to close their doors because of their inability to continue operating at substantial losses. This development in turn has inevitably had its harmful effect upon our productive and marketing processes. No doubt other suggestions will be made by the Members which may or may not be helpful in an effort to bring some degree of sense and reason to what is inevitably a most difficult task.

It is most interesting to observe that the ones who clamor the loudest for continuance of OPA without any limitation or restriction are those whose words and actions indicate a companionable understanding and sympathy with the philosophy of life and government now ruling most of the areas of Europe; a philosophy which is the antithesis of Americanism. Sensing their strong advocacy of ruthless, unfair and impracticable governmental controls of our business economy, one who is strongly opposed to their philosophy cannot help but be persuaded to other avenues of procedure. For my part, difficult though it is to go counter to the thought of many of the responsible citizens of my part of the country, I feel that it is the better part of discretion for us not to terminate OPA abruptly, much as its operations throughout its lifetime have justified an early, ignominious and unmourned death, nor should it be perpet-

uated indefinitely and without limitations. The only wise course available is an extension of its authority for a comparatively brief period with the imposition of additional statutory directives which are more in keeping with our knowledge and practices of production and marketing than has been displayed by OPA in the past.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. CRAWFORD) there were—ayes 126, noes 124.

Mr. SPENCE. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. WOLCOTT and Mr. PATMAN as tellers.

The Committee again divided; and the tellers reported there were—ayes 171, noes 144.

So the amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: page 1, line 5, after section 1, insert a new section, as follows:

"SEC. 2. Notwithstanding the provisions of this act, the Stabilization Act of 1942, or any other act or acts, no maximum price shall be established or maintained for any commodity below a price which will reflect to the producers and processors of such commodity the sum of (1) the current cost of producing and processing such commodity as determined by the established commercial accounting practices of the industry, and, (2) a reasonable profit thereon."

Mr. SPENCE. Mr. Chairman, I make a point of order against the amendment on the ground that it is not germane to the bill. It refers not only to this act but "or any other act or acts," which is far beyond the purview of the bill and is not germane.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard on the point of order?

Mr. WOLCOTT. Mr. Chairman, the Emergency Price Control Act of 1942 and the Stabilization Act of 1942 are being amended by the bill pending before the committee. Any other act which might have a bearing or might be incidental to the provisions of the Stabilization Act of 1942 or the Emergency Price Control Act of 1942 are, of course, clearly within the purview of the subject matter of the extension acts.

This amendment would apply only, of course, to such act as would be affected by the amendment, acts which in turn, as I have said, might be incidental to the Emergency Price Control Act and the Stabilization Act.

For these reasons, Mr. Chairman, I think the amendment is clearly germane. It would not apply to any act which did not interfere with or influence the provisions of the two acts I have mentioned.

Mr. Chairman, in the bill itself as reported out of the committee, I call attention to the fact that there is comparable matter presented, similar matter presented; to the committee in the language in section 8 of the bill which applies only to cotton and to wool.

Mr. SMITH of Ohio. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. SMITH of Ohio. Mr. Chairman, the gentleman from Michigan has already discussed the point of order, which I had in mind. I wish to emphasize that section 8 refers to the Stabilization Act of 1942 and, in my judgment, provides substantially for cotton and wool, that which the Wolcott amendment would provide for all commodities. Therefore, I think the amendment is germane.

The CHAIRMAN (Mr. COOPER). The Chair is prepared to rule.

The gentleman from Michigan [Mr. WOLCOTT] has offered an amendment which has been reported. The gentleman from Kentucky [Mr. SPENCE] has made a point of order against the amendment on the ground it is not germane and that it goes beyond the scope of the pending bill.

The Chair invites attention to the fact that the pending bill seeks to extend for a definite period of time two acts, the Emergency Price Control Act of 1942, and the Stabilization Act of 1942. The Chair also invites attention to the fact that the amendment offered by the gentleman from Michigan [Mr. WOLCOTT] seeks to deal not only with the two acts to which attention has been invited, but also includes this language: "or any other act or acts" which, in the opinion of the Chair, makes it too broad.

It is conceivable that many acts might thus be affected that would not even come under the jurisdiction of the committee having charge of the bill now under consideration. The Chair is of the opinon that the amendment as offered is not germane and, therefore, sustains the point of order.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 1, line 5, after section 1, insert a new section as follows:

"SEC. 2. Notwithstanding the provisions of this act, the Stabilization Act of 1942, or the Emergency Price Control Act, as amended, no maximum price ceiling shall be established or maintained for any commodity below a price which will reflect to the producers and processors of such commodity the sum of (1) current cost of producing and processing such commodity as determined by the established commercial accounting practices of the industry, and (2) a reasonable profit thereon."

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Is it the gentleman's intention to confine his amendment to the particular bill under consideration and the two acts?

Mr. WOLCOTT. Yes.

Mr. Chairman, this amendment was placed in the RECORD yesterday, and appears on page 3785, with the exception that I made some changes which will be noted by reading the amendment. But in substance it is the amendment which was presented to the Committee and the amendment in respect to which there has been a great deal of discussion. It provides in substance that no maximum price shall be set or maintained on any commodity which does not reflect to the producer and processor of that commodity the cost of producing and processing, plus a reasonable profit.

The elder statesman, Mr. Bernard Baruch, when he appeared before the Committee on Banking and Currency, made two very significant statements which indicated to us that he approved the principle, at least, of this amendment. He said that we must have production; we must have production, production, and production; production is the panacea of all of our economic ills. He also said, and I am quoting him, of course, in substance, that we could not expect a manufacturer or a farmer to produce any item at a loss. He said we were not going to get production of items unless we assured the producers of those commodities that they were going to get cost of production plus a reasonable profit. We are not concerned with what constitutes a reasonable profit. A reasonable profit is something in addition, at least, to the cost of production. Under this amendment there is assurance to industry, to labor, to agriculture, and to business in general that the wheels of industry and our agricultural machine can be speeded up to full capacity without the obstacles of price control, but at the same time keeping price controls on all of these commodities in such a manner that prices will not get away from us.

Of course, we all have listened to the propaganda, our ears are still ringing with it and will be for days to come, that any amendment to the Price Control Act which helps in the administration of the act, is inflationary, that no one surely can in good faith offer any amendment to the Price Control Act unless he is in favor of inflation. This amendment is designed to meet that situation, because it does not take the controls off. It compels the OPA to adjust prices in such a manner that we get full production.

Let me use as an example the famous case which we have had before us of hardwood flooring. We had this matter here on the floor when we were discussing the housing bill. You will all recall that the ceiling price on the hard-wood flooring, the finished product, was less than it was on the block 8 by 8 or 12 by 12 from which the hard-wood flooring was cut. How does OPA, how does anybody expect that we are going to get production of hardwood flooring by putting a ceiling on the finished product less than on the block from which the hardwood flooring is cut?

We have had those cases multiplied by hundreds, by hundreds, literally, so we are not getting production of the vital materials which will bring America back as quickly as we want it brought back. This amendment will assure production, but it will also insure against runaway prices.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Georgia.

Mr. VINSON. As I interpret the gentleman's amendment, it carries out the same principle as set forth in the bill in section 8.

Mr. WOLCOTT. The only difference between the two is that the language in section 8 applies to cotton and wool. It is restricted to major items.

Mr. VINSON. This carries out the identical principle which has been approved for only two commodities?

Mr. WOLCOTT. Exactly, with that slight difference.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Mississippi.

Mr. WHITTEN. What effect would this have on the subsidies included in this bill? If the ceiling prices had to be in line with the gentleman's amendment, would that obviate the necessity for subsidies?

Mr. WOLCOTT. No; it would not. We have an amendment which will liquidate subsidies, but the gentleman will understand that the prices cannot be such as to reflect less than the cost of production. The cost of production can be offset, of course, by subsidies. This particular amendment would not affect the subsidy program.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BROWN of Georgia. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan be permitted to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BROWN of Georgia. If the gentleman will yield, I thoroughly agree with the purpose the gentleman is trying to carry out, but I wish he would discuss whether or not the figures would be accessible.

Mr. WOLCOTT. Yes. The major industries have recognized accounting practices. They are not always identical with the accounting practices of the OPA, that is true, but all the major industries have accountants, they have to have accountants, and they have to have accounting practices to comply with laws at the present time.

They cannot set a price until they file an application for doing so and that requires many reports which, of course, necessitates the hiring of accountants and the establishment of accounting practices.

Mr. BROWN of Georgia. Would you get the average costs of the people of that industry? Of course, that is what you do in the cotton amendment—you do not try to protect the low-cost producer under the cotton amendment because it only applies to the major items. I wonder if you would take the average cost of production or take the cost of each individual.

Mr. WOLCOTT. I think that is an administrative matter, but I would not want to confine it to that. I know what my distinguished colleague has in mind. The point is that this must be on each item. There should be hesitancy about that and there should be no question about it. It must be on each item if we are going to get production of each item. It applies to the high-cost producer as well as the low-cost producer. The difference between the high-cost producer and the low-cost producer is taken care of in competition. The best price control against the high-cost producer is the low-cost producer.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. MONRONEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment I can say conservatively is the worst wrecking amendment that can be put on the price-control bill. I know it is not the policy of the gentleman from Michigan to smash price control, but I am afraid he is overlooking the far-reaching and disastrous effects that his profit-per-item treatment would have on price control.

No. 1, it demands that all current costs be reflected in the price. That would mean that on a small production of 100, 200, or 500 automobiles, current costs in the tooling-up stage would have to be reflected in the price as the automobiles get on the market. This would vastly increase the price above what it would be under normal and customary production.

True figures on profit per item are simply not obtainable. The OPA, which has had great experience in looking at the figures of various businesses across the country and which I think is in a position to understand their accounting methods, says that not 15 percent of the industry of this country have any firm figures on what their cost of production is per item.

Perhaps the change in the amendment which I am not completely sure of, that has recently been made, may allow an industry-wide pricing on costs. But it is very doubtful because I do not think that any industry-wide pricing on costs would help eliminate the abuses which the gentleman from Michigan is driving at.

So you would in effect have self-pricing on 85 percent of your prices on goods in the market today. That means there would be no way for the OPA to maintain any ceiling that does not reflect the cost of production plus a reasonable profit on any one of the thousand items in a manufacturer's line.

Permit me to explain what this does. The OPA has said, "Your over-all operation must be at a profit. If you are a manufacturer and you make 1,000 items and if you are in a satisfactory profit position on your year's operation, then your prices are O. K."

This amendment would say that although you had 950 items drawing a very substantial profit and your over-all net profit for the year was perhaps a million dollars, then you could still raise on these 50 items which happened to be below the cost of production plus a reasonable profit on each item, and get an adjustment on those 50 items although you had plenty of profit.

I have in my hand the National City Bank's figures on profits of all corporations in America running back for the last 20 years. The profits in 1945, the net returns after taxes, for all corporations, were 6.5 percent on investment. Gentlemen, only six times in 20 years have profits been as high as they were last year for American industry. Bear in mind we have taken the excess-profit tax off industry so that industry's position this year will be even more greatly improved.

Only four times in the last 20 years, in the non-price-control years, have profits been as high and the net return after taxes as great, despite the wartime burden of taxation that was on American industry until January of this current year.

I say this amendment will not encourage the production of necessary items. Once you pass this amendment you open the floodgates of every little, minor, meager, insignificant item in the price list, and you swamp the OPA with a deluge of price changes on hundreds of thousands of items. This formula that is written into the law makes it impossible to give incentive price adjustments for the things that America needs so badly.

Bear in mind, this amendment reads that no price can be established or maintained that does not reflect the current cost of production and a reasonable profit on every single item.

I want to read to the House what one of the distinguished committees of this Congress has said of this cost-plus item that the gentleman from Michigan [Mr. WOLCOTT] offers here. It is the report of the Colmer committee, the postwar committee, an independent committee from the Committee on Banking and Currency. I am going to read portions of that report:

> It would change the law from a barrier to an invitation. Cost-plus is too inflationary a privilege to be incorporated into a virtual Government guaranty for most products, but for low-cost items it may not be sufficient.

Bear in mind, it says although you give an increase to many high-priced items, under this formula you are not giving an increase to the things you need most for your American economy.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. MONRONEY] has expired.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. SMITH of Ohio. Mr. Chairman, reserving the right to object, and I shall not object, I should like to remind the chairman of this committee that possibly we would like to have a little consideration for our side hereafter in this debate.

Miss SUMNER of Illinois. Reserving the right to object, Mr. Chairman, is it the intent of the chairman to close this debate tomorrow afternoon?

Mr. SPENCE. The chairman has expressed no intention as to when the debate will close.

The CHAIRMAN. It there objection to the request of the gentleman from Kentucky?

Miss SUMNER of Illinois. Yes, Mr. Chairman, I object. We have heard this speech before.

Mr. TALLE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the gentleman from Michigan [Mr. WOLCOTT] is on sound ground in offering this amendment. I offer the authority of Mr. Chester Bowles as a supporter.

On page 1841, in volume II, of the hearings, I said to Mr. Bowles in questioning:

Mr. TALLE. * * * An agency which has the power to fix price has the power to determine supply.

Mr. BOWLES. That is right. If the price is too tight, you do not get supply.

Mr. TALLE. If that price is too low a good many suppliers cannot make their costs, and step out.

Mr. BOWLES. That is correct. They do not manufacture.

Now, may I repeat, an agency or an individual that has the power to determine price has the power to determine supply? We are not getting supplies, and those who say that production is at an all-time high are talking through their hats, because what they refer to is department-store sales. What the American people want is not some funny device that can blow 10,000 soap bubbles per minute, or some gadget from a variety store, or shoddy goods sold at a high price that may make production on a dollar basis appear favorable to the Office of Price Administration.

What the American people want is houses, what the American people want is automobiles, they want refrigerators, they want washing machines and radios, they want electric irons, they want nylons, and rayons, underwear, overalls, and work gloves, and they want white shirts. They want a great many other things that are essential. The American people are not getting the things they want, and to say that production is at an all-time high at a time when these essentials are in short supply and the dollar is so fearfully depreciated, is just nonsense. The sensible person naturally asks: Production of what?

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Kansas.

Mr. HOPE. I was just going to remind the gentleman that these figures are dollar values, not production quantities.

Mr. TALLE. The gentleman is right, and they are dollars that are very much depreciated at that.

Mr. HOPE. Inflated dollars.

Mr. TALLE. That is right.

Maximum production is what everybody is asking for now. Mr. Bernard Baruch has been referred to as the elder statesman. He advocated maximum production and, of course, it is such an elementary thing that nothing more need be said about it. Mr. Bowles himself admits in his testimony that an agency that has the power to fix price has the power to determine supply. The solution to the shortage problem is maximum production of what people want and need.

What could be more fair than to ask that he who is making such an article now or who stands ready to enter the field to make that article shall get cost of production? If he does not get that much he goes broke. The American people want free enterprise. That may be defined as the profit and loss system. Who will say that a fair profit is too much to ask?

I yield back the balance of my time.

Mr. SPENCE. Mr. Chairman, we convened at 10 o'clock this morning. It is now 20 minutes to 1, and we have passed one amendment. I have been accused of unfairness because I requested that debate be closed on the other amendment. That has no effect on me, especially when I consider the source of the charges, but I think we ought to have a time set to conclude debate on this amendment offered by the gentleman from Michigan [Mr. WOLCOTT]. I suggest that it conclude in 30 minutes, the last 5 to be reserved to the committee.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that all debate on the pending amendment and all amendments thereto—is that the gentleman's request?

Mr. SPENCE. That is the request.

The CHAIRMAN. Conclude in not to exceed 30 minutes. Is there objection?

Mr. HALLECK. Mr. Chairman, reserving the right to object, I am in sympathy with the suggestion of the chairman of the committee that we make reasonable progress. I wish, however, to point out that many of us have not spoken on this measure at all, and I think it is fair to say that this is probably the one amendment on which more Members would like to be heard than any that will be offered. I hope very much the gentleman will modify his request so that the 12 Members seeking recognition at the present time may have the customary 5 minutes.

Mr. SPENCE. Mr. Chairman, I modify my request and ask unanimous request that all debate on this amendment and all amendments thereto conclude in 1 hour, the committee to have the last 5 minutes.

Mr. HOFFMAN. Reserving the right to object, how much will that give each Member who wishes to be heard?

The CHAIRMAN. It appears that 22 Members are now seeking recognition.

Mr. CASE of South Dakota. Reserving the right to object, Mr. Chairman, may I inquire if my name is on the list?

The CHAIRMAN. The gentleman's name will be placed on the list. That makes 23.

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. Mr. Chairman, is the gentleman from Texas [Mr. PATMAN] on the list?

The CHAIRMAN. The name of the gentleman from Texas appears on the list.

Is there objection to the request of the gentleman from Kentucky to close debate on this amendment and all amendments thereto in not to exceed 1 hour?

There was no objection.

Mr. MILLER of Nebraska. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MILLER of Nebraska. Mr. Chairman, in what order will the names be called?

The CHAIRMAN. The Chair will follow his usual custom of alternating between the sides, calling a Member on one side, then a Member on the other side.

The Chair recognizes the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment to the Wolcott amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN to the Wolcott amendment: After the word "processors", where it first appears, insert "and distributors including retailers."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, my amendment to the Wolcott amendment gives the same treatment to all distributors, including retailers, so that they will have their costs included, plus a reasonable profit when a ceiling price is fixed

This is in the interest of the small merchants of the country. When any statement is made here that the small merchants do not customarily take mark-ups of profits on individual items, such statements are contrary to the facts. I have engaged in small business, so have other Members here, and we are acquainted with the problems of the small businessmen. We all know that at the present time it is the policy of the Economic Stabilizer and the OPA to squeeze the small businessmen and compel them to absorb a considerable amount of the manufacturing and production costs. I was in hopes that the gentleman from Michigan would have included the distributors and retailers in his amendment. I am sure that he is not averse to the amendment, and, therefore, I have offered it and trust that when the time comes for a vote on my proposal to his amendment it will be agreed to in the interest of the small businessman and the distributors of goods and services to the people of the United States.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Pennsylvania.

Mr. RICH. Did the gentleman see the report by the Nation's Small Business Men's Association of Chicago on what they thought of the various things that the OPA are doing?

Mr. AUGUST H. ANDRESEN. I have examined the report, and I admit the facts are correct, and therefore my amendment is in line to see that the small businessmen, who are the backbone and the life blood of this country, are given an opportunity to stay in business and continue serving the people and our country.

Mr. RICH. If it was not for the small businessmen of this country we would not have a country worth speaking of.

Mr. AUGUST H. ANDRESEN. I have said that the small businessmen are the backbone of our country. They are the builders of our Republic—giving the sanity and stability which will save our country and form of government, if it can be saved. They are entitled to a square deal from their Congress. My

amendment will give them justice, if it is properly administered.

The CHAIRMAN. The Chairman recognizes the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Chairman, the passage of this amendment would require OPA to junk all of its reconversion and pricing formulas and throw the program into a chaotic condition, thus delaying our attempt to enhance reconversion during the transition period. The gentleman from Oklahoma was right. I regret that he was not permitted to complete the quotation from the Colmer committee report, and I trust the Committee will hear me very briefly on it, because this represents not the Committee on Banking and Currency, but the Committee on Postwar Economic Policy of which the gentleman from Michigan [Mr. WOLCOTT], whom we all respect, is a member.

In presenting the Colmer committee findings to the House Banking and Currency Committee, Mr. Folsom, director of the committee's staff, made it clear that the Colmer committee opposed any cost-plus amendment.

He said:

The committee in its report argued against adopting a cost-plus program throughout, because the committee is very much afraid of the effect that would have on a spiral of increases.

He further stated:

Some people have suggested that the manufacturer should be allowed a profit on every item; but, if you do that, you are getting into some of your cost-plus difficulties and also you must realize that in normal times it is not customary for a manufacturer to make a profit that is above a total cost on every item. He might have some items on which he might not be making a profit, due to competition, and he, also, might want some loss leaders in a particular line in order to help out other parts of the line.

If the amendment to the Wolcott amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], is adopted, you will have many items selling at a tremendously increased price over the counter. For example our committee was told by a representative of retailers that it costs 17 cents to sell a 5-cent spool of thread. No one claims that thread ought to be selling in a retail store at 17 cents a spool, and even without the adoption of the gentleman's amendment new cost formulas would make their impact at the retail level, and there would conceivably be a rise on every item sold at retail. The Wolcott amendment would play havoc with all foods which have to be priced on a standard basis. It would require that different types of beans be priced at different rates, and would throw the whole pricing program for food, which has remained at a reasonably stationary level, into a desperate condition.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Chairman, I would like to ask the chairman of this committee or our distinguished colleague from Texas [Mr. PATMAN] or any of the minority members of the Committee on Banking and Currency if there is anything new about this proposal that is brought up here today by our colleague the gentleman from Michigan, the Honorable JESSE WOLCOTT. A year ago the Congress adopted the Barkley-Bates amendment to the OPA Act. Just exactly what did the Barkley-Bates amendment do? The Barkley-Bates amendment guaranteed the packer a profit on every squeal of every pig that went into the slaughterhouse; a profit on every blat of every calf that went into the slaughterhouse; a profit on every bleat of every sheep that went into the slaughtering house; a profit on every moo of every cow that went into the slaughterhouses; a profit on every bellow of every bull that went into slaughterhouses. Now we are to consider an amendment offered by our distinguished colleague from Michigan. Some say it is all wrong. If it was good legislation a year ago for the packers, it ought to be all right for the automobile makers in Detroit and it ought to be all right for the other businessmen. We cannot be expected to pass legislation that just takes care of a few people. We have to be in a frame of mind where we will put it straight across the board and let the little businessman get the same consideration that we are willing to accord the packers of this Nation. This Wolcott amendment is entitled to united support by all who believe in legislation for the many instead of legislation for the few.

THE OPA IN GENERAL

This is the third day I have listened to the reasons for renewing and for improving the OPA.

The fundamental principles upon which price control was founded were worthy of support. The protection of the weak from the strong, and the protection of the man without the price from the man with plenty of price, were and are justifiable objectives.

However, the annual discussions of the OPA have degenerated into a gabfest. Every year the rights of our constituents are being more fully strangled. The speeches for and against this agency are but exercises for the vocal cords and a chance for one to listen to the music of his own voice. Why do I come to this conclusion? Because though every year amendments are added to the legislation the American people have lost more and more rights.

Frankly, it is disheartening to me to watch the rights of men made a mockery by a governmental agency. We consider adding the Crawford amendment to protect the automobile interests; we are asked to support the Andresen amendment or the Jenkins amendment so that all food problems are diverted to the Secretary of Agriculture. We pass an amendment like the one last year that would require Mr. Bowles to obtain the written approval of the Secretary of Agriculture before any agricultural price could be fixed. But what is the result? We find Mr. Bowles telling Mr. Anderson and we see Mr. Anderson jumping through the hoop and signing on the dotted line.

Exactly where do the American people find themselves today, and exactly where do the Members of this House find themselves legislatively this very hour?

We are heading gradually down the road to one-man government. We are going down this road and see our country run by men instead of being run by laws.

It must be most disturbing to the many lawyers and judges in this body to see this downward trend. You men who have in your private life made the law your profession; you men who have spent hour after hour, day after day, and week after week in your effort to see that fairness, equality, and justice prevailed—yes, you must be especially irritated and alarmed at these kind of performances, that have taken place in every county during the past few years.

In my opinion President Truman has more or has exercised more power or authority during peacetime than President Roosevelt ever did during wartime. President Roosevelt never gave an appointive officer like Chester Bowles the authority to command any member of his cabinet to sign away the rights of the people.

Without any reference to the merits or demerits of a price ceiling on cotton the fact still remains that Mr. Bowles, never elected to anything by anybody to any office and who received his authority in some way not expected or anticipated by Congress—told Clinton Anderson, the Secretary of Agriculture, to sign the cotton order and he signed it.

Stop and think back and ask yourself this question: Did Marvin Jones sign on the dotted line to put a price ceiling on live cattle? Again I say I am not arguing whether or not he should or should not have done so, but the fact remains that he did not do so. President Roosevelt had not invested the authority in Chester Bowles to command him to do so either.

If the superduper Chester Bowles can command the Secretary of Agriculture to sign on the dotted line, just exactly how long do you think you will have to wait to find him or someone else blossom out with the power and authority to command the other members of the cabinet to sign on the dotted line?

So long as this authority and power has been delegated by the President to Chester Bowles, any amendment to this act must be most carefully worded so as to escape the clutches of men more interested in power, and politics, than they are in price control.

If the present formula is to be continued any action we take on this bill will be of slight consequence. A yes vote will be the same as a no vote will be, unless there are enough no votes to put this agency under control. This may require an immediate reconsideration of the Second War Powers Act as well as the Price Control Act.

Unless the Congress puts a straitjacket on this agency and presents amendments so drawn that the rights of the people are protected, and are so drawn so that no one has the power and authority to nullify them, it will not embarrass me to vote against this measure whatsoever.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. It now becomes apparent that many Members who asked for time are not going to take it. Will that mean that the debate will proceed for an hour, and that those of us who do want to speak will have our time lengthened?

The CHAIRMAN. The Chair will try to divide the time as equitably as possible. Of course, no one can tell when the Members are going to come in or when they are going to claim their time.

The Chair recognizes the gentleman from Oklahoma [Mr. STEWART].

Mr. STEWART. Mr. Chairman, I want to reemphasize the amendment I have placed on the Clerk's desk, and I wish to read the amendment:

> Notwithstanding any other provision of this act, after the date this subsection takes effect no criminal proceeding for any violation of section 4, and no action under subsection (e) of this section, shall be brought otherwise than in a State court of competent jurisdiction; except that this subsection shall not apply in any case where there is no State court of competent jurisdiction in which the proceeding or action may be brought.

One of the greatest troubles we are having in the enforcement of OPA is the CIO-PAC-minded snoopers that go about and find a penny's violation in some article and give a man an hour to pay a $25 fine, with a threat to double the fine because he made an honest mistake. We have honorable people throughout the United States in our courts. It would be possible under my amendment for a decent man to have a fair trial when a wrongful lawsuit is brought against him, so that he could be represented by his local attorney and have the case tried in his own State court. I reiterate that a person who has been charged by the OPA with a violation of its rules cannot afford to hire an attorney, or an attorney cannot afford to accept employment, unless he charges a fee of the staggering sum of $500 to $1,000.

I wish to be understood that I am going to vote for a number of amendments, possibly most of the constructive amendments. The people of my State are all fed up with the methods used by the OPA, and I predict that, when this bill finally passes the House, we will remove many an objectionable practice that is now in use.

Why should we not recognize the unfair methods of the snooper system in vogue at this time? I am told upon good authority that an employee's service record is rated upon the number of complaints filed.

I cannot figure out how we can continue to raise the prices of manufactured articles and organized labor's demands for higher wages and ignore the petitions of the dairyman for an increase in the price of milk to a point where the dairyman can receive the cost of production.

We of the agricultural areas are tired of the treatment by the CIO-PAC dominated big cities, and I believe you will agree with me after final consideration of this bill.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, it seems to me that those who are opposing the Wolcott amendment are up against a rather difficult proposition. How can you refuse to adopt the Wolcott amendment in view of the language in this bill which provides for cotton and wool exactly what would be provided for all industries by this amendment? I should like to have somebody answer that question. How is this Congress going to discriminate in that way? Would that be fair? Would it be legislation at all?

What may be called the Brown amendment, because it was offered by the gentleman from Georgia [Mr. BROWN] in the committee, relates to legislation originally having to do with incentive to increase production. That cannot be held as a reason for the adoption of this amendment now. Paul Porter has written a letter to the Committee on Banking and Currency in which he says this regarding the Brown amendment:

> I am at a loss to find any justification for this move. The cotton farmer who at length sees raw cotton prices well above parit and who is now receiving 50 percent more of the consumers' dollar than he obtained in peacetime, needs no further aid.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. KOPPLEMANN].

Mr. KOPPLEMANN. Mr. Chairman, I fully agree with Mr. Porter's statement with relation to prices on cotton and margin requirements. I am in business. I service hundreds of customers. I sell hundreds of items. If this Wolcott amendment prevails, in spite of the fact I am now making a decent profit I will have an opportunity with the rest of those who are greedy for more and more and more profits than I am now making in my own business at the present time. Everyone in this House who is in business knows that I speak the truth with reference to this profit-raising amendment. The amendment, whether the gentleman from Michigan knows it or not, is an amendment for the purpose of increasing prices to the consumer. Those who vote for it knowingly or unknowingly are voting for an amendment intending to increase prices to the consumer. When one examines for a moment the figures of over-all profits in this country, he can see that this amendment means higher prices, larger profits without substantiating evidence to warrant these increases. The adoption of this amendment simply means crippling the OPA and violating the will of an overwhelming part of our population to satisfy a few greedy individuals and corporations.

The people are left out of the picture to satisfy the lobby of the special interests.

The economy of America is in danger. I remember prices after the last war. Many others remember, too. They will not forgive the passage of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I am talking today about a system of government—government by bureaucracy. I am not interested in individual bureaucrats. I shall criticize not persons but institutions—bureaucratic institutions that have been brought into existence in the name of war, but, that did not assist the war effort, but hindered it.

Government by bureaucracy must be abolished if we wish to retain our liberty. Today the question is should the OPA be liquidated—abolished? My answer is that it should never have been created. It is an un-American, illegitimate child. It was born of foreign parentage.

It was adopted by an official clique here in Washington that think more of foreign institutions than of our own. It is only one of many alphabetical set-ups of foreign origin. It is incompatible with our American way of life. It is one of the bureaus that will have to be abolished if constitutional government—government by law, not by men—is to continue.

The OPA got off on the wrong foot to start with. Its first Administrator lost his head. Like all bureaucrats he started out by bluffing and blustering. He threatened to "crack down" on the people—to get tough. He had his picture taken riding through Washington on a bicycle with a lady sitting on the handlebars. Tons of paper were wasted spreading this picture throughout the Nation. The people smiled in astonishment at these childlike antics.

The OPA employs hundreds of supersnoopers chasing around the country spying on, and interfering with, the people who transact the Nation's business, and who do the Nation's work. It insults the small businessman and challenges the farmer and the working man's integrity. It adds confusion upon confusion, issues edict after edict, each one contradicting the other.

It takes a Philadelphia lawyer to figure out what it is all about. It may truly be said that the right hand of the OPA never knows what the left hand is doing. Any businessman will tell you that at least one-fifth of his time is wasted in trying to keep up with the red tape and confusion of the OPA. Any farmer will tell you that a great deal of his time is wasted in trying to comply with the contradictory rules and regulations of the OPA.

There is hardly any activity that the OPA does not attempt to regulate. It has issued thousands of edicts—one-man made laws. It has fined and collected millions of dollars from innocent people, not because they violated any law, but because they became confused among a bewilderment of edicts.

It has filled prisons with men and women who violated no law but who fell among OPA extortionists. The farmer was fined for buying or selling second-hand farm machinery. Business people have been fined or imprisoned for not obeying contradictory rules or regulations.

They have been illegally and dishonestly coerced into confessing judgments and injunctions. These judgments and injunctions were not obtained by trial in a courtroom, but by threats of the

power of the Federal Government. This not in the presence of counsel, judge, or jury but in the individual's private place of business.

It has become so confusing that if you follow one regulation you violate a half a dozen others, and if you follow another you violate another dozen. The only way to escape violating the thousands of regulations is to do nothing, and even then you cannot escape because then you would be accused of sabotage.

The OPA has not decreased the cost of living, but, increased it. It has muddled production and caused shortages. It has been guilty of gross discrimination in ceiling prices. It sets a ceiling price on a loaf of bread in one city and a lower ceiling price on the same loaf in an adjoining city. It has a ceiling price on eggs in one locality and a lower ceiling price in another locality. In many cases, it fixed the ceiling price on fruit and vegetables below the cost of harvesting so that the producer was compelled to plow under, or permit to rot, millions of dollars worth of fruit and vegetables. It has created shortages and boosted prices.

We know that the OPA bungled the production of lumber and building material so that there are no homes to be had, and no material with which to build them. It bungled the production of lumber so that it fell from 36,000,000,000 board feet a year to less than 25,000,000,000. That is why rents are so high.

It fixed the ceiling on lumber so low that the lumberjacks went on a strike because the producers could not pay them a living wage. It was directly responsible for the shutting down of thousands of small mills. After months of urging, it finally raised the ceiling.

Now green lumber is being used to build homes for the GI's. The home will be sold to the GI with a mortgage of $7,000 tied around his neck. But for the OPA bottlenecking production, that home would have been built with seasoned lumber at a cost of about $4,500. Now when the GI moves into the home, the green lumber will shrink so that you can throw a cat through the door.

We know that the OPA and the WFA bungled us out of sugar. Now the OPA is bungling us out of butter. It monkeyed with the dairy industry until it forced thousands of producers out of business. Thousands of dairy herds have been disposed of because of the ignorance of the OPA bureaucrats. It put a ceiling on butter but forgot to put one on cream, so that creameries found it more profitable to sell cream than butter.

Recently there were 176 delegates—representing every State—of the National Cooperative Milk Producers Federation here in Washington. These delegates informed us that they could not continue to produce dairy products under the ignorant and incompetent regulations of the OPA. They informed us that the dairy industry was being turned over to the black marketers by the OPA. They demanded that it be abolished.

Then came the livestock men—the meat producers. They went before the House Agricultural Committee, and proved that the meat shortage was due to the bungling of the OPA. They proved that the OPA created black markets throughout the Nation. Next came the State commissioners of agriculture and condemned the OPA as a nuisance, a political monstrosity, and a parasite that was sapping the lifeblood out of agriculture. They, too, demanded that it be abolished.

We know that the OPA's interference with the production of textiles has made it impossible for the farmer or laborer to buy a pair of overalls. It has driven everyday working garments from the shelves. The trouble with the OPA bureaucrats is that they do not know that they do not know everything. Whenever we get a bureaucrat that is that dumb and dictatorial, then he becomes dangerous to our welfare.

Finally, a number of farm organizations are threatening to strike on May 1 unless Congress abolishes the OPA, or at least prohibits it from further interfering with the production of farm products. We know that intelligent people do not expect us to vote blindly, but they do expect us to vote for the best interest of their State and Nation. They want Congress to do something for them, not to them. The OPA undoubtedly will be continued but it will have many of its poisonous fangs pulled. This is still America—not Russia.

In this debate we have heard a great deal about inflation. I challenge the sincerity of that argument. We have inflation. Only the OPA is dumb enough not to know it. We got inflation when we printed $28,050,000,000 of paper money where we never had over $5,700,000,000 before. We did this for the cost-plusers and the lend-leasers, not for the farmer, the laborer, or the small businessman.

Everyone, except the OPA, knows that high wages, high prices, and the high cost of living are the result, not the cause, of inflation. Everybody, except the OPA, knows that the dollar—because of inflation—has only 50 cents purchasing power. This is as true of the businessman's dollar as of the farmer and the laborer's.

If scarcity of goods produces inflation, then we would have inflation whenever we had a crop failure, a flood, or a strike. If scarcity of goods is the cause of inflation, then the OPA is guilty, because it has been the bottleneck that has hindered and interfered with production. It more than any other agency is responsible for the shortages.

We also have heard a great deal about subsidies. Subsidies are a fraud and a deception. For every dollar of benefits you receive you pay $2. One dollar will go to the collectors and distributors of the subsidies—to the wet nurses. But since the Government is already approximately $300,000,000,000 in the red; since it must borrow the money with which to pay these subsidies, we will have to pay interest on this money for years to come. Therefore, for every dollar of benefits, we will have to pay at least $3 or $4 before we get through paying it.

The only person that benefits by subsidies is the person that lives on past accumulations. The farmer, the businessman, and the workingman are the losers by subsidies. They are a camouflage put over on an innocent and unthinking public.

The OPA has misappropriated public funds. Chester Bowles, former head of the OPA, made his fortune as the head of an advertising concern. As the head of the OPA, he illegally used the taxpayers' money to advertise his claimed accomplishments. He used the advertiser's license of stretching his imagination. With our money he scattered half-truths and erroneous conclusions throughout the Nation.

The new OPA head, Mr. Porter, was the publicity man for the Democratic National Committee in 1944. He is well qualified. He is now engaged in propagandizing us with our money—the taxpayers' money. He would have us believe that the OPA, with its subsdies and ceilings, kept the cost of living and rentals down; that it saved us from inflation. He tells us that the OPA is the friend of the farmer, the laborer, and the consumer. The direct opposite is the truth.

Members of Congress and the Nation have recently been flooded with Mr. Porter's charts and other literature. Much of this information is incorrect and much of it is half-truths. We are sorry that some innocent people fall for this deception, paid for with their own money.

We hear a great deal about private lobbyists. I know of no lobbying that can hold a candle to the OPA's lobbying. Here is a public institution misappropriating public funds in self-laudation and in an attempt, not only to deceive Congress but the public as well.

We know that the commies are busy assisting the OPA with false propaganda urging us to continue this institution of regimentation and abuse. We know that they are fooling some innocent people, who thoughtlessly wire us to vote for its continuance without crippling amendments. The word "crippling" is a telltale of communistic origin.

I suggest that the OPA be abolished and its useful functions transferred to the Department of Agriculture and the Federal Trade Commission, with direction that emphasis be placed upon increased production—that price controls be removed and competition substituted wherever possible. Let us get back to common horse sense. Let us refuse to believe any bureaucrat that tells us that we do not know enough to take care of ourselves. I am satisfied that just as long as we have an OPA there will be a shortage of goods.

PLYMOUTH, OHIO, *April 8, 1946.*
Congressman WILLIAM LEMKE,
House Office Building:

Farmers are petitioning our association to strike May 1, 1946, unless granted—

First. Abolishment of OPA and subsidies.
Second. Cost of production.
Third. Eliminate penalties and quotas.
Fourth. A fair profit for small business to protect our markets.
Fifth. Representation in conference concerning agriculture by a dirt farmer sent by dirt farmers.

H. H. FACKLER,
Chairman,
Ohio Marketing Protest Association.

The CHAIRMAN. The gentleman from Nebraska [Mr. MILLER] is recognized.

Mr. MILLER of Nebraska. Mr. Chairman, I am in favor of the amendment offered by the gentleman from Michigan, because I am convinced that ceiling prices which do not reflect the cost of production plus a reasonable profit will help feed the ever-increasing black market.

We hear a great cry from the OPA and others about inflation in this country. The OPA has preached the fear that we are going to have inflation. Was it not the late President Roosevelt who said the only thing that people need fear was fear itself? Yet we have a Government agency spending millions of dollars to scare the people; fear of inflation, fear of what is going to happen if you do not continue the OPA. Fear, fear. Feeding the flames of inflation.

It seems to me the amendment offered here will help the merchant. The merchant, if he is to stay in business must either sell over the ceiling price under the counter and let the customer pay through the nose or quit.

Black markets have been springing up all over this country like toad stools in a forest after a warm spring rain. Why? Because of the inability of the businessmen to have a profit on the things they have to sell.

Some of these OPA ceiling prices look like a 1910 Sears, Roebuck catalog. If you look at it the prices, they look pretty good but they do not mean anything. I am not so sure but that the OPA has outlived its usefulnes but not its appropriations.

I was interested when the gentleman from Arkansas [Mr. HAYS] spoke about the 1917 price for a spool of thread. I would remind him that in section 8 of this bill the committee took care of the wool and cotton people, and his 17 cents for a spool of thread would not prevail. The only cure of inflation is production—to have production there must be a reasonable profit. The Wolcott amendment should be adopted.

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. MILLER] has expired.

The Chair recognizes the gentleman from New Mexico [Mr. FERNANDEZ].

Mr. FERNANDEZ. Mr. Chairman, I do not understand how the amendment offered by the gentleman from Michigan [Mr. WOLCOTT] squares up, if it does square up, with section 8 of the act, which was approved by the committee, and which deals with cotton and woolen products. If it does not square up with it, does it supersede that amendment? If it does not supersede the amendment, then why is cotton and wool treated less favorably than other commodities?

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield.

Mr. PATMAN. The cotton and wool amendment applies only to major items. It does not apply to every commodity as does this amendment.

Mr. FERNANDEZ. But if we adopt this amendment, does that supersede the amendment with respect to major items? That is the question I had in mind.

Mr. PATMAN. I do not think it would affect the other part of the bill.

Mr. FERNANDEZ. Then, as to major items, we will be treating those items less favorably than we are other commodities.

Mr. PATMAN. Wool and cotton get the benefit of every item under this particular amendment, if adopted.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. I yield.

Mr. BROWN of Georgia. Of course, the weighted average in cotton and wool is different. That is a technical textile term. Weighted average does not mean as much as a simple average. A simple average would say that when you get the cost of all the mills you divide that by the number of mills. Twenty percent had a larger volume and 8 percent a less volume. But a weighted average does not give the mill producer as much as a simple average does. We wanted to hold them down. They got just what they wanted. Why give them any more?

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

The Chair recognizes the gentleman from New Jersey [Mr. HARTLEY].

Mr. HARTLEY. Mr. Chairman, there has been a great deal said in opposition to this proposal to give a reasonable profit on an individual item. I want to cite a practical case to show you how OPA's present policies work in this connection; and I am going to cite the case of the Climax hosiery mill in the State of Georgia, which the select committee of the House investigated and which I also understand was called to the attention of the Banking and Currency Committee. This mill made low-priced hosiery, had no reconversion trouble, and when the war was over immediately started to make socks for civilian consumption. They filed an application for an increase in price based on their increased costs, and proceeded to make socks. Twenty thousand dozen pairs of socks were manufactured before the report from OPA came back denying the increase in price. Their prewar price had been $2.27½ a dozen. They had asked an increase to $2.52, which was denied. Those socks remained on the shelves of the Climax Co. The head of the company went to New York to consult the head of a chain-store organization, asking his advice, knowing that the chain-store organization had had experience with OPA. This chain-store organization offered to buy the socks at $2.52 a dozen, which was the price Climax mill had to have in order to come out with a fair profit and sell them to the public on the basis of OPA's $2.275; but OPA said they could not do it. As a result, those 20,000 dozen pairs of socks are still in the Climax Hosiery Co. warehouse, so that instead of getting any of these socks the public is denied them entirely. Let me show you the devious means by which OPA said this could be corrected. They suggested to the Climax Co. that they put a little rayon in the heel and toe and call it a new item, and then OPA could let them have a profitable price.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

The gentleman from Indiana [Mr. HALLECK] is recognized.

Mr. BREHM. Mr. Chairman, I ask unanimous consent that the time allotted to me may be allotted to the gentleman from Indiana [Mr. HALLECK].

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HOFFMAN. Mr. Chairman, I yield my time to the gentleman from Indiana.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to yield his time to the gentleman from Indiana. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Indiana [Mr. HALLECK] is recognized for 6 minutes.

Mr. HALLECK. Mr. Chairman, I wish to thank my colleagues for their consideration. It may be that I can say about all I know on this proposition in 6 minutes; I am quite sure I could not have done it in two.

Mr. Chairman, I rise in support of this amendment and hope that the amendment to the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] will also be adopted. My reason is that if this principle is to be applied to processors and manufacturers and producers it should likewise apply to distributors, to people who carry on the process of distribution and without whom our economy could not function. I might add, also, that the committee in its wisdom having seen fit to include section 8 to do precisely for cotton and wool what this amendment seeks to do generally in our economy, to my mind the committee to be consistent should itself advocate the adoption of the Wolcott-Andresen amendment. In saying that, I do not indicate my opposition to the language contained in section 8 of the bill; rather do I point out that the effort to distinguish that section from the proposal now before us is not convincing, the argument is not sufficient to make a real and valid distinction.

It is said that this amendment will scuttle and destroy price control. I can argue as forcefully and with as much reason that if some amendments are not adopted the administration of price control made fair and equitable, price control may well be scuttled.

It has been said here that we need to remove inequities, that we need to make the administration of price control realistic, fair, and reasonable. I say that except as we do that we will soon reach the point where no one, not even the pressure and propaganda groups in the administration, than whom there are no "whomer," will be able to stem the tide of the demand in the country that price control be thrown out of the window because the cure has become worse than the disease.

That is the reason I would like to point out to those who oppose this amendment that they had better stop, look, and listen. The gentleman from Connecticut says that the amendment will raise the price to consumers. I do not see the gentleman from Connecticut present and I wish he were here, because I would

like to ask him if he thinks it is fair to require producers, processors, and distributors to do business at a loss in order to keep the price down to the consumer. Why, if the administration had had a little more courage, a little more intestinal fortitude, a little more realism, and had resisted some of the pressures that forced up so many costs, they would not find themselves now in this squeeze that confronts all of us.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Nebraska.

Mr. BUFFET. Is it not a fact that if you reduce the price of an article until it deprives the distributor and producer of a chance of profit you destroy any incentive for the production of that article?

Mr. HALLECK. Of course, anyone who knows anything knows that there is an inevitable conflict between price control and production. The depressing of prices is always some deterrent to production. Price control and production are both worthy objectives, but, Mr. Chairman, the time has come when we must determine where the emphasis shall lie, and the weight of consideration to be given each.

Assuming the need for price control, there is also an overwhelming need for production. Except as there be full and complete production, this country will find no answer to the continuing threat of inflation that lies in the impact of a tremendous purchasing power on a short supply of goods.

Reference has been made to the fact that this will scuttle OPA. Well, maybe I am getting a little cynical, but I call the attention of the gentleman from Texas, who has already spoken against this amendment, that it was my privilege to serve with him on the Small Business Committee, a great committee that has done a great job. Does the gentleman remember one time when we had hearings as to what was being done to the independent slaughterers. It was established and admitted by the OPA that a large percentage of the independent slaughterers were losing $2 on every hog they killed and when we confronted OPA with that fact, told them they were violating the mandate of the law and asked "What are you going to do about it," they said, "Nothing." It was then suggested in the committee that we pass another law. But whether that will do any good is to be seen. What we need is greater administration adherence to legislative intent and direction.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to modify the amendment that I have offered to the Wolcott amendment by inserting in the Wolcott amendment after the word "processing", the words "and distributing."

The CHAIRMAN. The Clerk will report the modified amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN to the Wolcott amendment: After the word "processors", where it occurs first, insert the words "and distributors, including retailers"; and after the word "processing", in line 6 of the Wolcott amendment, add the words "and distributing."

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. PATMAN. Mr. Chairman, reserving the right to object, I would like to ask the gentleman if in the phrase "and distributors, including retailers" he intends to include wholesalers, factories, and brokers?

Mr. AUGUST H. ANDRESEN. I intend by my amendment to include legitimate distributors and retailers in order that all may receive the same consideration. They are entitled to it.

Mr. PATMAN. In other words, every step in the system of distribution will be guaranteed a profit.

Mr. AUGUST H. ANDRESEN. It does not guarantee anyone a profit, but when ceiling prices are established, the OPA must take into consideration costs of production and recognize that it is customary to allow a fair and reasonable profit. Merchants cannot continue to exist if they are forced to operate at a loss, and that is particularly true of the small businessman of our country. I may say to the gentleman this request is for the sole purpose of having my amendment read correctly.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentlewoman from Connecticut [Mrs. WOODHOUSE].

Mr. RABAUT. Mr. Chairman, I ask unanimous consent that the time allotted to me be yielded to the gentlewoman from Connecticut [Mrs. WOODHOUSE].

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mrs. WOODHOUSE. Mr. Chairman, the proposed amendment prescribes, first, item pricing; and, second, cost-plus pricing. Moreover, it prescribes the use of current costs for producers and processors.

The proposed amendment has two sides:

First. It prohibits further use of techniques and means heretofore used by OPA, which have held the rise in the cost of living since May 1943 to about 5 percent;

Which have held the rise in living costs since 1939 to about 32 percent compared with a rise more than twice as great at an equivalent date following the close of the last war;

Which admitted an increase in production of 116 percent in World War II compared with a 25-percent increase in production in World War I;

Which admitted a rise in civilian production during the first quarter of 1946 to the rate of more than $150,000,000,000 annually—the highest level ever reached by the Nation in war or in peace;

Which admits the promise of a rise in civilian production to higher and higher levels in the quarters to come;

Which almost alone offers the hope we can avoid a rise in living costs in the coming months of two or three times the magnitude of that occurring since 1939. Living costs mounted to 108 percent following the hurried relaxation of the controls imposed in World War I.

The proposed amendment bars the further use of the techniques and measures which have this record of accomplishment in their favor.

On the other hand, the proposed amendment—

Directs the application of standards in favor of all industry which, already applied in one industry, have produced the greatest inflation that has occurred in profits, prices, and costs of living.

Directs, under the guise of providing incentives for increased production, standards that in application have been completely ineffectual in increasing production.

So, on the one hand the proposed amendment prescribes inflation, with the other it bars the measures by which inflation may be minimized. Actually the proposed amendment is not an amendment at all—it is a repealer of the Stabilization Act of 1942 and a mandate for officially sponsored inflation. The proof does not lie in opinion. It is in the record for all who will hear the record speak. And the record is predictory. Fearfully so.

First. The proposed amendment directs in favor of all industry the application of standards which, in application in one industry, have produced the greatest inflation that occurred in this war.

The standards prescribed by the proposed amendment are the same standards which by the mandate of the Congress have governed the pricing of cotton textiles and—though not by the express mandate of the Congress—substantially the same standards have governed the pricing of rayons as well. Together these two textiles normally account for more than 95 percent of all textile production. The standards are expressed in both the House and in the conference committee reports on the Bankhead-Brown amendment of the Stabilization Act as follows:

The maximum price for each major cotton textile item * * * [shall be] * * * fixed and maintained at not less than the sum of the following:

1. The cotton cost (which must be computed at not less than the landed mill parity equivalent for the grade and staple of cotton used; etc.).

2. A weighted average of mill-conversion costs; and

3. A reasonable profit.

Since the standards prescribed by the amendment before the House for all industries have been applied in the pricing of textile products, we need not be governed by estimates and opinions of the effect of such standards. We can look to the record and read their effects. For all who beg for practical evidence the record provides it for the asking.

And here are some of the things the record shows:

Cotton textile prices up 95 to 100 percent above 1939 prices.

Earnings of cotton-textile mills before taxes up to 11.6 percent on sales in 1944

compared with 2.7 percent in the years 1936–39; up to 25.6 percent on net worth compared with 3.8 percent 1936–39, up to 1945; 900 percent above the 1936–39 average.

While the cotton industry prospered under these standards—the standards proposed by the Wolcott amendment—were these everyone's gain, no one's loss? Were they effective standards for the control of prices?

Second. The standards which governed the pricing of cotton textiles generated the greatest relative increase in the cost of living that has occurred to date.

Again the record:

Living costs as of October 1945 up 30.7 percent above August 1939.

Clothing costs up 47.9 percent as of October 1945; up more since, surpassing the rise in food costs.

Living costs in one interval following the date of the hold-the-line order up 1.5 percent, clothing prices up during the same interval 11.6 percent. Note that this means the increase of clothing prices was responsible for 1.4 percent of the total 1.5 percent increase in the cost of living and that the increase was due to standards of cost-plus pricing identical to those in the amendment before the House.

Compare the rise in rents of only 3.8 percent over the entire period from 1939 to date. The success of rent control arises in no small part—among other things—because the rent administration has reacted against the cost-plus principle of price regulations—Price and Related Controls in the United States, Seymour Harris, McGraw-Hill, 1945, pages 162–163. Incidentally nearly all industry groups favor the continued control of rents—successful because it rejects the cost-plus principle prescribed in the Wolcott amendment—in this one instance at least recognizing that one man's prices are another man's costs and rents, like wages, directly or indirectly, are a common cost to all.

Shall we adopt standards as inflationary as the standards prescribed in the amendments before the House and pretend we are amending and not repealing the Stabilization Act of 1942?

If the reply is "we must—to provide incentives to all-out production," let us see what the record shows of the efficacy of the standards in that respect.

Third. The standards prescribed in the proposed amendment have been completely ineffectual in increasing production.

Look at the record of the cotton textile industry:

Prices 1942–45 up 20 percent; production down 20 percent.

Prices first quarter of 1946 to March 11, no significant change. Production, first quarter of 1946, up and rising at a rate promising a return this year to the peak production rate of 1942.

The explanation. Employment in the cotton textile industry in 1942 at a peak of 506,000—a desertion of employees to higher-paying war industries beginning in that year—employment falling steadily to a low of 400,000 in the final quarter of 1945—production falling steadily exceeding the fall in employment, reflecting the loss of loom fixers and other critical personnel—all the while prices rising. In the first quarter of this year prices steady to March 11, employment up to 430,000 by February and progressing to higher levels since—production rising.

That is the record—prices up, employment down, production down; employment up, production up, prices of no influence upon the production trend. Such conditions could exist only under circumstances of acute scarcities and inflation. With civilian production at the highest rate this Nation has ever known in peace or in war; with retail sales showing substantial gains over a year ago; last week New York department stores had sales 95 percent above the same week last year; with profits generally favorable in industry and the trades alike; with all these desiderata largely attained before the recent liberalization of OPA controls, we are belabored with threats that "unless prices are responsive to costs the over-all production of this or that will certainly decline." The record does not bear out the claims. The record of the cotton industry under, first, item pricing, and second, cost-plus pricing, removes from the field of conjecture and demonstrates by the results of actual test, what it is the Wolcott amendment promises. The inflation in the case of textiles is but a slight foretaste of the inflation the Wolcott amendment sponsors.

The textile industry has not been singled out to complain of the benefits it has received under the Bankhead-Brown amendment. However much we may deplore the grave effects on the costs of living from the inflation of textile prices, it must be remembered that the textile industry—the cotton section especially—started from a very low point in 1939.

Perhaps the favored treatment received by the textile industry under the Stabilization Act by which it has been accorded the boons of, first, item pricing, and second, cost-plus pricing, in the long view have been only compensatory for past discriminations operating in cotton's disfavor. If our warrant for having legislated the inflation of textile prices is in the inequalities from which the cotton industry has suffered in the past, we should not now restore those inequalities by legislating the general inflation the Wolcott amendment prescribes. A vote for this amendment is a vote against the cotton-textile industry under present conditions.

Moreover it is a vote for inflation. It would be more straightforward to repeal the Price Control Act in its entirety than to vote for this amendment and let the people of this country believe we still have price control.

The CHAIRMAN. The Chair recognizes the gentlewoman from Illinois [Miss SUMNER].

Miss SUMNER of Illinois. Mr. Chairman, I do not think you have heard in this debate the reason that you are not getting reconversion. Reconversion is still in the glint-in-the-eye-stage when it should have been all over within six months after the cut-backs began a year ago. It is because OPA has a so-called "reconversion formula" which prevents reconversion by depriving the factories from getting their increased costs. The Wolcott amendment would enable them to get their increased costs. For example, today OPA's formula specifically prevents their getting a price ceiling which would cover the increased high cost of materials purchased from new sources. It prevents their getting increased costs arising due to the increase in wages granted the white collar people, which they so well deserve. Johns-Manville, a vast industry, as you know, making housing material, is stymied because it cannot recover those increased costs. A large part of the washing-machine industry is in the same shape. I think most of you have at least one industry in your district that is not reconverted. If you have not, look at the automobile industry. You are going to get only a trickle of goods in some of those industries under present policies, just enough goods to keep the market open.

Look at the sinister thing that is happening under the present policy. OPA fixes the price ceiling so that a lot of people cannot get their cost of production, but political favorites, favorites of the administration, who get free factories through the rapid tax amortization privilege, or who have high-ceiling prices from OPA, can get their cost of production and they can take it over the customers of the ones that are not permitted to reconvert.

Mr. VURSELL. Mr. Chairman, I favor the Wolcott amendment. It is an American amendment upholding business principles that have made this the greatest nation in the world. This amendment, in substance, was offered a year ago when we extended price control. If the Members of this House would have adopted this amendment a year ago we would have had billions of dollars worth more of goods on the American market today which could have made it unnecessary to again be faced with inflation to the extent where the extension of price control is again before this Congress.

We who have, for the past 3 years, offered amendments to make price control more workable, amendments which would have brought a greater production of goods, have been met with the charge each time that we were seeking to wreck price control. It has been proven now that those who made this charge were continuing a policy of scarcity in production which, in fact, was helping to wreck price control and making it necessary for it to be continuously extended year after year. I believe the great majority of the Members of this House see how wrong the Administration has been, and the Administration leaders have been, in the past when they have fought against all amendments such as this which would have helped to bring about greater production which is the only antidote to inflation.

The administration leaders who have refused to allow in the past the act to be amended to make it more effective certainly now see the folly of their position. We have inflation now. Prices have gone up on merchandise and the

quality has been greatly cut. The administration has had its chance. It has had 36,000 people employed in attempting to enforce price control during the past year at an expense of $150,000,000. Yet, today, inflation is upon us.

The President and the administration, by allowing wages to go up and retreating to a new higher price line, plus the unwise rules and regulations of OPA, has forced inflation upon the people and continues to do so. The Congress has given them everything with which to combat inflation. Yet the administration has, by its reckless spending, increases of wages on every hand, and by piling up the national debt constantly, has moved toward more and more inflation. What inflation we have today can be charged directly to the unwise policies of the present administration. It will get worse unless they turn away from those unwise policies. We Members of Congress who have fought against inflation in the interest of the people generally are again today attempting to incorporate sound, economic principles of government by amendments into the OPA Act in the hope yet of saving this country from ruinous inflation.

If this amendment is adopted, it will break the bottlenecks all along the line that are holding back production. It will get more clothes to the people, more lumber for veterans' housing, more of everything the people want and are ready to buy, and it offers the only road out to finally prevent ruinous inflation because it seeks to bring about greater production which in the end is what the people need and want, and which is the only thing that ultimately will prevent ruinous inflation.

It seeks to guarantee a reasonable profit only to those engaged in production, processing, and distribution of goods and merchandise.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, how will we remove bottlenecks in housing or any other field unless it pays to produce the items that are scarce?

The Wolcott amendment seeks to make it possible in production for one to produce at a profit. The argument of the gentleman from Oklahoma [Mr. MONRONEY], and the gentlewoman from Connecticut [Mrs. WOODHOUSE], it seems to me does not meet the issue, because they talk about the over-all profit position of industry and the over-all figures of production.

You can never get reconversion in this country, you will never get the housing that is needed in this country, until you have an incentive that will permit the production of the items that are scarce. The producers are never going to produce the items that are scarce until they can make some money doing it. The Wolcott amendment would make it possible to produce the items that are in short supply.

That is the nub of the argument, and that is the issue involved here.

The amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] seeks to extend that benefit to retailers. There again the same principle is involved. Unless the retailer can handle an item at a profit he is not going to handle that item, and you are not going to get the items the people need unless they can be produced at a profit and unless they can be distributed at a profit. That is why both amendments should be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Mr. Chairman, my name is on the list. I would much prefer to listen to the gentleman from Michigan [Mr. CRAWFORD] than myself and, therefore, I ask unanimous consent that my time may be granted to the gentleman from Michigan.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CRAWFORD. Mr. Chairman, I simply want to add this testimony to what has been said on the amendment, the substitute, and the amendment to the amendment. On page 1344, you will find where Mr. Bernard Baruch said this:

> Stop bunking the public by saying wage increases can be granted without increase in price levels.
>
> Do not fear to increase prices or wages where necessary to get and stimulate production.
>
> Avoid an economic dictatorship. We are still a free society based on the enterprise system. Let us abolish neither without the consent of the people.

That is exactly what these two amendments deal with—the free-enterprise system, the right to be thrifty, to save your money, to invest it, and to hope for a profit or take the loss if operating economic losses are imposed upon you as the result of competition, bad management, poor judgment, or otherwise. Mr. Chairman, Ben Franklin said, using polite language, "You cannot spit into the wind." You cannot catch and hold the wind in your hands. Under the private enterprise system, backed up by a representative form of government such as sits here today, you cannot have for a very long time price control such as is now imposed on the people of this country through acts of Congress. It is time for us to bring this Control Act into a form where our people can live under it and at the same time produce the goods and service required by our people and make a profit in their operation so that they can have an income which can be taxed and out of which funds can be gotten to operate the functions of organized society through the form of government which we have today. Of course, I am in favor of the two amendments.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Ohio.

Mr. JENKINS. At the present time many if not all of those merchants who are in the cloak and suit business and in the general clothing business get their new stock of goods already tagged, indicating just how much they can charge for these commodities and no more. This amendment, will, I am sure, tend to change this practice. What does the gentleman think of this?

Mr. CRAWFORD. It will tend to change it. Here is one reason you have these tickets. It is a psychological operation on the minds of our people. When they see an article and there is the OPA price tag on it, it is for the purpose of leading the people to believe that the OPA is the economic salvation of our people. That is what Mr. Baruch meant when he said, "Stop bunking the people."

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. HOFFMAN. More than a year ago the OPA fixed the price on black raspberries fresh, the market price, at 25 cents per pound. They they told the canners after they had processed them and put them in a can and put a label on them that they had to sell them for 17¾ cents, and also how many they could put in the can.

Mr. CRAWFORD. You should not expect anything else but that sort of thing under the operations of a planned economy. Under the form of government such as we have you are responsible to the people. You are going to listen to the people. Therefore, you are going to disagree with the OPA and you might as well get that fixed in your mind.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. VORYS of Ohio. It is not true that there is no machinery in the OPA or any other machinery that our Government now has to force the producers to produce and, therefore, the only reason that they have to produce is that they get their costs plus a reasonable profit?

Mr. CRAWFORD. That is the only reason you invest, in the hope of getting a profit, because that is the system under which we operate.

Mr. ROBSION of Kentucky. Mr. Chairman, we have had the bill H. R. 6042 to further amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, under consideration for several days. Many amendments have been offered; a great many speeches have been made for and against these amendments. I have examined the amendments and listened to the arguments pro and con with great care. I have received many letters, telegrams, and resolutions on this subject. A great many of them urge that these acts be allowed to expire by operation of law on June 30, 1946, and great numbers urge that there be substantial changes. In fact the Banking and Currency Committee as well as an overwhelming majority of the House are of the opinion that there must be substantial amendments. This committee reported a bill with very substantial amendments. We have received a few letters, nearly all of which come from

persons outside of my district, urging that we do not amend these acts, that we continue them without the crossing of a "t" or dotting of an "i." That represents a very small minority of the suggestions that we have received on this subject.

AGAINST INFLATION

We are against inflation. Everybody, of course, express themselves against inflation. We now have inflation. I think it is generally agreed that inflation is simply an excess of spending money and credits, and a scarcity of commodities and consumer goods. For a country or people to have a lot of money is a very delightful state and a happy experience provided that there is an abundance of commodities for which we may exchange a part of our money. Before the present war and back during the period of World War I this Nation had an average of about $5,000,000,000 of circulating currency. Today we have nearly $28,000,000,000 and we have perhaps more than $150,000,000,000 of deposits, savings, and credits. In other words, the Americans are simply lousy with money. We have, however, a scarcity of nearly all kinds of commodities and consumer goods. Those who have made a careful study of this subject must agree that the real solution to the threat of inflation is not unreasonable regimentation controls, and price fixing, but it is plenty, not scarcity and the only way we can have plenty is to have full production on the farms, in the mills, shops, factories, forests, and mines of our Nation. Two things add fuel to the flames of inflation, and they are—retarded production, scarcity and increase of spending capacity. These contributed to the ever-increasing spiral in prices. Deficit financing on the part of the administration is a large contributing factor. The Government issues billions of bonds and on these the Government and the banks issue billions of paper money which accounts for the tremendous increase in our circulating currency from $5,000,000,000 to nearly $28,000,000,000. Every time the Government borrows a billion dollars it adds fuel to the flame of inflation.

Prices have gone up along all lines and production has not kept pace with our needs. We hear lots of talk about the workers' take-home pay. I have always insisted on the workers of our country receiving high pay, real American wages, to maintain a real American standard of living. It is not so much how much money the workers or farmers can take home for their services or commodities, but it is how much the worker or the farmer or other person can take home in the way of commodities and consumer goods for his services or his commodities. We must bring our production in all branches of industry and agriculture to their fullest productive capacities. This will mean that plenty will take the place of scarcity, and the law of supply and demand will regulate prices much more effectively than the OPA or any other bureaucratic agency in the city of Washington.

Hon. Barney Baruch, a man of wide experience in industry and in the Government, in testifying before the Banking and Currency Committee recently, emphasized that the only real answer to inflation is plenty and we cannot have plenty without full production. Now we cannot have full production unless the various activities of industry and agriculture are encouraged and not harassed and obstructed by unnecessary regimentation and controls from bureaucrats who, with little or no experience or training on a swivel chair in Washington, undertake to say when we can plant, when we can sow, what and where we can produce, and without knowing the important factors entering into the requirements for full production, fix by Executive order, regulations, and rules, the types, quality, and kinds of commodities and consumer goods and fix the price thereon.

BLIGHTING INFLUENCE OF REGIMENTATION

The great complaint against OPA is the unwise, unfair regulations and regimentation of production, processing and distribution of industry and agriculture. There is no single individual or group of individuals, however wise, who can sit here in Washington and call the turn for our very wide and complex economic life. What must be the result when many of these orders, rules, and regulations are fixed by inexperienced persons? It is little wonder that because of these unwise policies that hundreds of thousands of producers, processors, and distributors have been put out of business. They have been destroyed by the blighting influence of overregulation and control by the Government.

One of the chief reasons for the scarcity of houses is the scarcity of housing materials. The OPA has put out of business literally thousands of lumber mills and producers of other materials for building houses. We had uncontradicted evidence to show that frequently there was placed a higher price on raw materials than the price for the finished product. The OPA fixed a price on commodities on old established firms that were in business long before the OPA and in 1942 governed by the prices they were receiving in 1939, 1940, or 1941. Wages and taxes went up and other costs of production increased, but not their prices. Yet, these fine, established concerns were driven out of business. New business firms were brought into being in 1943, 1944, and 1945, and they were given much higher prices for inferior goods when higher prices on account of increased cost of production had been denied to old established firms with better goods, and I wish to repeat that literally hundreds of thousands of business concerns have been driven out of business. Of course, this lessened production and increased scarcity with consequent increase in prices.

FOUR BILLION SEVEN HUNDRED AND FIFTY MILLION DOLLARS IN SUBSIDIES

In order to overcome, they say, their unwise policies and keep down prices to consumers, the New Deal administration instituted a policy of paying out subsidies, and since the subsidies were inaugurated the administration has borrowed $4,750,000,000. I say "borrowed" because we have had for many years billions of deficits every year, and President Truman says that our deficit for this fiscal year ending June 30, 1946, will be nearly $22,000,000,000. The principal part of this sum of money has been paid indirectly to consumers so as to reduce the price to them of butter, meat, and other commodities. Of course, the dumping of $4,750,000,000 of Government money increased our currency in circulation that much. That act poured barrels and barrels of oil on the flames of inflation. The Government, in effect, took the bond and tax money of the people to pay part of the store account and the grocery bill of the American people and it did not limit it to needy people. These benefits were received by the millionaire, as well as the pauper, by the President, the Senators, the Congressman, and everybody.

This is the most amazing policy for our country to go in debt to the tune of $4,750,000,000 to pay the store accounts and grocery bills of rich and poor, and at a time when the American people had more cash to spend than they have ever had in the history of this country, or in any other country. Of course, the administration was merely using the bond and tax money of the people to fool the people and promote the continuance of power of the New Deal. They borrowed the money, spent it in this profligate way, and then taxed the rich and the poor to pay interest on this huge sum of money over a period of many years, and finally will have to pay the principal, and with the interest it will cost the American people two and one-half times in taxes the amount they received in subsidies.

All the large farm organizations of the Nation, the business people of the Nation, and all those who have looked into this subject denounce it and say that they do not desire a subsidy. They want cost of production with reasonable profit.

COST OF PRODUCTION AND REASONABLE PROFIT

Long before the New Deal, I said many times on the floor of the House and Senate and elsewhere that as an American citizen I was willing, and I think they are willing or at least they should be willing, to pay to the farmer such a price for his milk, butter, eggs, flour, meal, meat, fruits, and vegetables as will enable him to earn a fair rate on his investment and pay him and his family a reasonable price for their work, and this should apply to fuel, furniture, clothing, and the other things that we use, as well as to transportation services, but the OPA opposes this—they want to fix prices so that they can come in and pay out billions in subsidies in the hope of winning the support in the elections of some individuals and perhaps some groups in this country. It is just a new form of tax and tax, borrow and borrow, spend and spend, elect and elect.

After a careful hearing on the price of coal as fixed by the OPA in the largest soft-coal district in the United States last summer, the Government and the OPA admitted that at least 32 percent of the coal produced in that region was at a loss to the operators. The operators claim that at least 40 percent of the mines were operating at a loss. Many mines went out of business and we were threatened with a coal shortage. This same policy

forced hundreds of thousand of sawmills and other processors of lumber, building materials and equipment out of business and we have a shortage of building materials and housing.

We have 9,000,000 more head of cattle on the farms of America than we had in 1939 and a comparative increase in sheep and hogs. Yet, we have a shortage of meat. These animals are on the farms. The prices are such that they will not be finally prepared for market and put on the market, but in order to control the cattle industry and the cattlemen of the country, the bill before us contains a provision for providing for $715,000,000 in subsidies for meat alone. Why not pay the producers and processors such a price as will enable them to operate as well as encourage and enable them to carry on the meat-producing industry, and fix a fair and reasonable price for the processors and the distributors of meats instead of borrowing the money and doling the money out in subsidies to their favorites. This bill, reported by the committee and controlled by the administration, carries subsidies amounting to or over $2,000,000,000. It provides $515,000,000 for the dairy industry, $160,000,000 for crop control operations, $260,000,000 for flour, $50,000,000 for oil, $100,000,000 for copper, lead, and zinc, and an additional $170,000,000 for commodities produced in or outside of the United States. The dairy, meat, flour, and oil people do not ask for these sums amounting to more than a billion dollars in subsidies. All they ask for is a decent price, a price that will take care of the cost of production and a reasonable profit on their business. That is the American way. It is the honest way to get full production from honest, industrious, American producers and processors and distributors. The administration brought in a bill providing for $600,000,000 in subsidies for the building program. The House eliminated that provision. The House adopted by an overwhelming majority an amendment to this bill to cut out subsidies on meat after June 30, 1946, and to cut out all subsidies progressively, and ending December 31, 1946, and adopted the Wolcott amendment and other amendments by an overwhelming vote, not only to eliminate subsidies but to provide that the OPA shall fix such prices as will pay the cost of production of materials and consumers' goods with a reasonable profit thereon; and these are the main amendments for which the Congress has been denounced; and with the right to extend my remarks, I am giving the vote on the motion to recommit.

If this was such a bad bill, the New Dealers had a right to kill it but that motion was defeated by a vote of 5 or 6 to 1, as I recall, and the bill was finally approved with all these so-called crippling amendments by a vote of 5 or 6 to 1.

This bill, as amended and approved, must have met with general approval of the Members of Congress who have heard all the complaints and arguments, pro and con, on this important question.

We have a national debt approaching $300,000,000,000. We have also tens of billions of contingent liabilities that we must meet. We have been going into the red for 15 years, not in small sums but billions of dollars annually. The economic and financial stability of our Government is threatened. We have hindered and hamstrung private enterprise. We must get back to sane and sound business policies and follow the American way rather than in the way of bankrupt, totalitarian governments.

THE BLACK MARKETS

One of the blackest pages in American history and one of the greatest threats to decent, honest business, and the financial integrity of our Nation, is the black markets that have grown up by leaps and bounds. This is the child of the OPA. At the time the OPA was established, there were about 1,500 meat-packing plants and processors in the United States. Nearly 27,000 are in existence today. Many of these established packing and processing plants have been forced out of business through the executive orders, directives, rules, and regulations of the OPA. They were doing an honest business. They kept books and records. The Government could check on them.

It is these thousands and thousands of fly-by-night packers and processors who butcher and prepare their meats in barns, cellars, and other places without inspection and bury the hides. They keep no books or records and the records of the Agriculture Department show that meat animals are being slaughtered and prepared at these places and their products are disposed of in the black market. It is admitted that at least 70 percent of our meats are handled in the black markets and numerous surveys show that the American people are paying on an average of at least 26 percent more for their meat than the OPA prices.

There must be considerable sympathy for some of these persons in the black market. Even some of our Federal judges have held, after hearing some of these cases, that no one could carry on their meat business and some other business under the OPA prices and regulations, and survive. The OPA has forced tens of thousands of honest people into the black market. They had to do that or become bankrupts.

The House has directed the OPA to fix such prices in the future on producers and processors of goods, materials, and consumers' goods as will enable the honest man to meet the cost of production and a reasonable profit on his investment. The most ardent New Dealers and supporters of the OPA admit that the black markets are on the increase. They admit the OPA has not stopped the black markets, but they say we should call out the FBI or the Army, if necessary, to put down the black markets, and I have heard no one say definitely that it could be done even with the Army.

What we needed to do, the Congress, in these amendments, has done and that is to give the honest, decent businessmen a chance to survive and let them carry on the business of this country instead of permitting it to go into the hands of the black market. We know that the OPA, even with four billion four hundred million in subsidies, has not kept down the prices and we know that they have not prevented black markets, and we know that they have caused scarcity instead of full production and plenty and an overwhelming majority of the House came to this conclusion and placed these amendments in the bill by an overwhelming majority and over the opposition and objections of President Truman and his administration. The House of Representatives is unwilling to sit by and see private enterprise destroyed, to see the Nation prostituted by black markets, and to see the Treasury raided in the payment of subsidies.

Let us have plenty, plenty, plenty, because that is the sure and only cure for inflation, and in order to have plenty, let us give every possible encouragement to honest producers, processors, and distributors. If prices do rise, for a short time, plenty, plenty of consumers' goods will bring the prices down in a short time and this burden on the Treasury of subsidies will be stopped. Honest business will have a chance and the black marketeers will not reap their billions of untaxed and unholy profits.

PROPOSAL TO DOUBLE COST OF LIVING

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, this amendment could be rightfully labeled an amendment to double the high cost of living and to break down and effectively wreck the entire reconversion program.

I will admit if you are going to pass the Wolcott amendment you should pass the Andresen amendment so as to bring in wholesalers, factors, brokers, and retail distributors. One is just as fair as the other, but the effect of the amendment will be that the 52,000,000 people who are working for wages and salaries will be told that their cost of living will be doubled. People who hold Government bonds will be told that they will be paid in money all right on their bonds, but that money will be worth 50 percent less than the money which they paid for those bonds was worth. Disabled veterans will be told that they will not be paid money that will purchase for them a decent standard of living in this country. It will guarantee not only cost but cost plus not only the regular market price but the black market price. They can go out on the black market on any level that is mentioned and pay any price they want to, and they will be guaranteed cost plus a profit on that item and every other item. No retail store ever made a profit on all items. Fifty thousand items in a large department store, some of them sell below cost, some of them at actual cost, some of them at a high profit. No store in the world ever expected to make a reasonable profit on every item. Neither did any manufacturer or processor or distributor.

The CHAIRMAN. The time of the gentleman from Texas has expired.

The gentleman from Kentucky [Mr. SPENCE] is recognized for 5 minutes to close debate.

Mr. SPENCE. Mr. Chairman, a short time ago we took a vote on killing the OPA on June 30 next. There were only 34 votes in favor of that amendment. The pending amendment would give, in this time of stress, to the producer, the processor, the wholesaler, the distributor, and the retailer a profit they never had in normal times. It would tie the hands of the OPA so that their functions would be entirely ineffective. It guarantees not to the industry but to each manufacturer and processor a profit—not an over-all profit but a profit on each item he produces or processes. It guarantees to the distributor the same profit. It guarantees to the wholesaler the same profit. It guarantees to the retailer a profit, a profit which they never could have obtained in ordinary times, and there is no way in the world to discover what that profit is, because it would require accounting that would be absolutely impossible.

The gentleman from Kentucky [Mr. ROBSION] has quoted the elder statesman, Mr. Baruch, in regard to this. Mr. Baruch, I remember, when he appeared before the Banking and Currency Committee, was asked whether the forces that produced inflation were in effect now to as great an extent as they were during the war, and he said, "To a far greater extent."

Many Members who do not dare to make a frontal attack upon this institution are willing to ambush it and destroy it. I do not impugn the motives of any man, but I know, and I think most of you know, that when you vote for this amendment you destroy the useful functions of the OPA. One of Shakespeare's characters said that the wound was not as wide as a barn door or as deep as a well, but it was enough. So this wound will be enough to destroy the OPA and prevent it from exercising any functions in the interest of price control.

Do not let anybody tell you when they vote for an amendment of this kind that they are in favor of a useful and forceful OPA. No one can believe the amendment can have any other effect than to raise prices, to make the dollar in your pocket of very much less value than it has today.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield for a question, not for a speech.

Mr. RICH. Does the gentleman know of anyone who would do business if he could not make a profit?

Mr. SPENCE. That is a specious question and it has no place here. Of course, men want to make profits; of course, they do business for profit.

No man in business can be assured of a profit on every line and on all current costs because current costs reflect whatever the man may pay for them in the black market or anywhere else.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. HOOK. Is it not a fact that there have been fewer bankruptcies in this country during the existence of OPA than at any time during the country's history?

Mr. SPENCE. Profits have been larger than at any time in the history of the country. The effect of this amendment will be to increase profits at a time when they ought to be curbed, at a time when there ought to be a ceiling on prices. It means that no effective ceiling can be put on the price of any article.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. FOLGER. Would not this amendment require that any byproduct manufactured from any commodity would have to carry a profit with it?

Mr. SPENCE. It is as wide as the universe; it affects everything that is produced.

The CHAIRMAN. The time of the gentleman from Kentucky has expired, all time has expired.

Without objection the Clerk will again report the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] to the Wolcott amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN as an amendment to the Wolcott amendment: After the word "processors", where it appears, insert the words "and distributors including retailers"; and after the word "processing" in line 6 of the Wolcott amendment, add the words "and distributing."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] to the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT], as amended.

Mr. PATMAN. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WOLCOTT.

The Committee divided; and the tellers reported that there were—ayes 200, noes 112.

So the amendment as amended was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 1, line 8, strike out the date "June 30, 1947," and insert in lieu thereof the date "March 31, 1947."

Mr. WOLCOTT. Mr. Chairman, this amendment is offered so that the date of the termination of the Stabilization Act of 1942 will be coterminus with the date of the termination of the Emergency Price Control Act of 1942. It is in keeping with the action taken by the Committee of the Whole in that respect.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 7, line 12, strike out all of subsection (3) on pages 7 and 8 and subsection (4) on page 8 and insert in lieu thereof the following:

"LIQUIDATION OF SUBSIDIES

"(3) (a) The Administrator shall make adjustments in maximum prices of agricultural commodities, including milk and livestock and products manufactured in whole or substantial part from such commodities in lieu of any payment by the Federal Government of sums of money or losses incurred by any agency of the Government through the purchase and resale at a loss of such commodities or products, and equivalent reductions in subsidy or similar payments shall be made by any such agency authorized to make such purchases and sales at a loss or to make such payments: *Provided*, That the first such adjustment or adjustments of not less than 25 percent of the rate of subsidy or similar payments made in the corresponding period of 1945 shall be made not more than 45 days from the effective date hereof and similar adjustments shall be made at intervals of not more than 45 days thereafter: *Provided further*, That none of the foregoing provisions shall apply to any operations conducted for the purpose of maintaining support prices for agricultural products or payments or losses incurred with respect to domestic sugar beets or sugarcane: *And provided further*, That nothing contained herein shall be construed to prevent the making of parity payments or soil-conservation payments authorized under existing law or benefits to sugar growers authorized under title III of the Sugar Act of 1937, as amended.

"(b) Modifications shall be made in the maximum prices established for any agricultural commodities and for commodities processed or manufactured in whole or in substantial part from agricultural commodities where it appears that the maximum prices established do not reflect all increases in costs to the producers of such agricultural commodities incurred since January 1, 1941, and such modifications or adjustments in the case of milk and its products shall be made on a regional or area basis.

"(c) In no event shall maximum prices of agricultural commodities be established below support prices therefor or below the prices specified in section III of Public Law No. 729 approved October 2, 1942: *Provided*, That where minimum prices to producers are regulated under any agreements or orders pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, the Secretary of Agriculture is hereby directed to adjust such minimum prices to reflect not less than the adjustments in maximum prices ordered pursuant to the provisions of this section. Except as expressly provided herein, nothing contained in this section shall be construed to repeal, amend, or supersede the provisions of the Agricultural Marketing Agreements Act of 1937, as amended."

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto be concluded in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. RICH. Mr. Chairman, I object.

Mr. WOLCOTT. Mr. Chairman, the amendment which I have offered was offered in the committee. I like to think that it was not fully understood in the

committee because I am sure if it had been fully understood it would have been adopted. In lieu of the language of the amendment, the language now found in subsection (3), page 7, and subsection (4), page 8, was adopted. The language in the bill means little or nothing. It says in substance that the administration shall start reducing subsidies on October 1, 1946, and at the end of the fiscal year 1946 or on June 30, 1947, the aggregate of subsidies authorized must be reduced by 25 percent. Of course, a more understandable approach to the subject would have been to have reduced the figures in section 5 of the bill by 25 percent, because that is all it does.

It authorizes or makes possible an increase in subsidies on any commodity provided that the aggregate of the subsidies is reduced by 25 percent by June 30, 1947. So you can see how unsatisfactory that was to everyone concerned about the orderly liquidation of subsidies. The amendment which I offer as a substitute for the committee language provides that such a program shall start to be liquidated upon the enactment of this act and that we divide the 6 months' period into periods of 45 days each, or four periods, and we provide in this amendment that the subsidies shall be reduced by 25 percent in each of these periods. So that if the act becomes effective before June 30, and it must, the agricultural subsidies program will be liquidated and eliminated by January 1, 1947. In substance and in short, the amendment provides by the end of the first 45-day period 25 percent of the subsidies must come off, that is, the subsidies must be reduced by 25 percent and the prices increased to absorb that reduction. In the next 45-day period, another 25 percent will come off and the prices increased proportionately so that at the end of 3 months half of the subsidies will have come off and at the end of 4 months and 15 days, three-quarters of the subsidies will have come off, and the prices will have been increased proportionately. At the end of 6 months all of the program will be eliminated. This amendment has the wholehearted support of all the large agricultural organizations.

Mr. RICH. Mr. Chairman, I offer a substitute for the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. RICH as a substitute for the Wolcott amendment: Strike out section 5 beginning on page 5, striking out all subsidies.

The CHAIRMAN. The Chair would point out that the gentleman's amendment is not a substitute for the Wolcott amendment.

Mr. RICH. It strikes out part of the subsidies. I want to strike them all out. So it takes in his amendment and more.

The CHAIRMAN. The gentleman from Michigan [Mr. WOLCOTT] has offered an amendment to strike out certain provisions of the bill and to insert something in place of it. The amendment offered by the gentleman from Pennsylvania seeks to amend the provisions already in the bill by striking them out.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, section 5 of this bill spends millions and hundreds of millions of dollars on subsidies. The chairman of the committee, in addressing the House this afternoon, said that the people of this country have more money today than they know what to do with. It is a fact that the people of the country are earning more money than they have earned for some time, and they have nothing to spend their money for. This creates inflation. So would it not be the sensible thing, the wise thing, for this Government now, and the membership of this House of Representatives, to permit the people of this country to spend their money for the things they want to purchase at cost rather than to pay subsidies with money which is taken out of the Treasury of the United States and paid to people today in order to keep prices down, thereby creating a great national debt for our children, our grandchildren, and our great-grandchildren to pay? It is as dishonest to future generations as anything I know of under present-day conditions. It creates inflation. It seems to me it is a tragic thing when the Congress of the United States will permit an increased national debt to be created by leaps and bounds when we now have a national debt of over $275,000,000,000, which will stagger future generations to take care of. It is a colossal mistake, a colossal debt. When we have the money today to pay for the things we can afford to buy, it just does not make sense in any regard to do what we are doing. You are bankrupting our country. You have no business judgment in creating this debt when it is unnecessary.

I hope the membership of this House will eliminate section 5 of this bill and permit the people today, while they are earning these great sums of money, to pay for the things they want at a price that is necessary in order to keep the wheels of industry turning, the farmers farming, the workers working, and to prohibit an increase in the national debt to extremes and heights never dreamed of previous to this extravagant administration.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. CRAWFORD. Would the gentleman agree with me that anyone who argues that our productive system cannot furnish the goods with which to redeem these dollars that are now outstanding is against the enterprise system of the United States?

Mr. RICH. That is right. The gentleman from Michigan [Mr. CRAWFORD] is as sound as can be.

Mr. CRAWFORD. War Incorporated has at least temporarily gone out of business. It has left behind it in the hands of our people these hundreds of billions of dollars that Chairman Eccles says amount to two hundred and seventy-five billions now which are a claim against the goods to be produced in the future by our people, and anything we do which interferes with production further depreciates the buying power of those dollars; and this subsidy proposition helps interfere with it.

Mr. RICH. That is right. There is one thing I have been asking you here for 12 years, and that is: Where are you going to get the money? Here is one opportunity to keep down our national debt as I see it, where if you are wise you can find some of the money that will reduce instead of increase our national debt. Why not accept it? It is sound, is it not? It is truth, is it not? It is good business, is it not? Certainly it is; and if we would do the thing which would be for the best interests of our country we would eliminate these subsidies from the bill and permit the people to pay the price necessary to get goods produced, to get farm commodities at cost to the farmer. Nobody knows how correct that is better than the chairman of the committee the gentleman from Kentucky [Mr. SPENCE], and I hope we will adopt such a provision to this bill before it is passed. You cannot remain solvent and increase our national debt. Stop these foolish subsidies and do it now.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Did the Chair recognize the gentleman from Pennsylvania to offer a substitute for the pending amendment? And is the substitute offered by the gentleman from Pennsylvania pending as a substitute for the Wolcott amendment?

The CHAIRMAN. The Chair recognized the gentleman from Pennsylvania to offer a substitute for the pending amendment, but the amendment offered by the gentleman was not a substitute.

Mr. WHITTINGTON. Then this further parliamentary inquiry: Is it not true that the pending amendment is a perfecting amendment and after this and other perfecting amendments are voted on it will then be in order to move to strike out the entire section?

The CHAIRMAN. The gentleman is correct.

Mr. BARRY. Mr. Chairman, I ask for recognition on the amendment.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. SPENCE. Mr. Chairman, will the gentleman yield for a consent request?

Mr. BARRY. I yield.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 20 minutes.

Mr. WHITTINGTON. Mr. Chairman, reserving the right to object, does that include an amendment to strike out the entire section?

Mr. SPENCE. It includes all amendments.

Mr. WHITTINGTON. That ought not to be; that does not give us sufficient time. Confine it to this amendment.

Mr. SPENCE. That means nothing—to confine it to this amendment.

Mr. Chairman, I move that all debate on this amendment and all amendments

thereto close in 20 minutes, the last 5 to be reserved to the committee.

The motion was agreed to.

The CHAIRMAN. The Chair has the following names of Members listed as those seeking recognition on this amendment during the time fixed: Messrs. CRAWFORD, SMITH of Ohio; HOPE, CURTIS, EDWIN ARTHUR HALL, LEONARD W. HALL, AUGUST H. ANDRESEN, HOOK, and the committee.

The gentleman from New York is recognized for 5 minutes.

Mr. BARRY. Mr. Chairman, I wish to remind the House that during this war period practically every group has made money, including the manufacturers, organized labor, and the farmers—and I say especially the farmers. But there is one group in this Nation, the backbone of the Nation if you please, the great white-collar class of Americans, the school teachers, civil-service employees, and others, whose income has shrunk considerably during this inflationary period.

I want to remind the Members who represent agricultural districts that the shoe was on the other foot not very long ago.

As late as 1938 and 1939 the farmers of this Nation received only 77 percent of parity and Members like myself who represent consuming city districts voted for millions and millions of dollars for parity payments. If those are not subsidies I would like to know what a subsidy is.

In 1938 we voted $123,000,000 for parity payments and in 1939 we voted $211,742,000 for parity payments. It strikes me as rather a ridiculous situation to hear Members from agricultural districts state on the floor of the House time and time again that they are against all subsidies. There is a provision in the Commodity Credit bill looking forward to the possible period of deflation, whereby you guarantee the farmers 90 percent of parity. I would like to see that voted out together with all subsidies, and I hope the gentleman from Pennsylvania [Mr. RICH] and the gentleman from Mississippi [Mr. WHITTINGTON] will include parity payment guaranties in the future when they abolish all subsidies.

Let us look at the situation of the farmer. As late as 1940 the farmer received about 85 percent of parity. Today the average agricultural commodity is 17 percent above parity. We all know that no price ceiling could be established which would discourage production because no price ceiling can be established below parity, which was always a desirable goal for the farmer. The farmer's price has increased about 52 percent. In spite of the labor shortage the production of the farmer has increased about 40 percent. Where is production discouraged by the establishment of price ceilings on an average of 17 percent above parity?

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. We usually raise on our farm about ten or fifteen thousand pounds of meat but we did not do that during the war on account of OPA.

Mr. BARRY. I am not familiar with all agricultural products. I have heard a lot of talk about milk and cheese and butter. I will tell you that the price of milk in 1940 was 11.5 and in 1945 it averaged 14.5; butter in 1940 averaged 36 and in 1945, 50.7; cheese 25.9 in 1940 and in 1945, 35.6.

These figures are taken from the Bureau of Agricultural Economics.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I want to point out that the consumers are now receiving about 3½ cents a pound subsidy on butter and about 2 cents a quart on milk. That is a consumer subsidy.

Mr. BARRY. But when your prices were low the consumer paid the parity payments.

Mr. AUGUST H. ANDRESEN. Not on dairy products.

Mr. BARRY. Parity payments were applicable to all agricultural products.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from Pennsylvania.

Mr. GROSS. Since the gentleman has quoted what the farmer got, will he now quote what it cost us to produce the products. We know something about that.

Mr. BARRY. Parity assures the farmers cost of production. Parity payments were fixed during that very liberal period agreed on years ago. That was the desirable goal, so the farmers said. Today prices are 17 percent above parity.

So I say maybe the gentlemen from agricultural districts should remember that there are days ahead after we get through feeding the world when farm prices may fall below parity.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, the OPA law should be repealed entirely. It is a sham and a fraud. It has a long record of total disregard for fundamental American rights. It has created the greatest black market in the history of our country. It is one of the prime causes of inflation. It is retarding, destroying, and preventing the production of goods, at the time when our country needs them most. Is there anyone here who contends that the action of the Office of Price Administration has speeded up the production of automobiles since VJ-day? Does anyone feel that the OPA is increasing the production of butter? Can it be contended that the OPA is causing farmers to plant more, farm better, and produce more for a starving world? Can a veteran, or anyone else, buy lumber to build a house, a barn, or a place in which to conduct business? You people know the answer, you know that American free enterprise cannot be regimented and controlled. It can be killed, and the OPA is part and parcel of the plan to kill it.

During the closing years of the war we heard a great deal of talk about postwar plans. The New Deal-totalitarian expressions all followed the same pattern. Writers and speakers frequently said in reference to the creating of jobs, "Private industry must be called upon, but if private industry cannot, the Government must." The New Deal program is one to make sure that private enterprise cannot. It is one of the essential features of socializing and nationalizing all the industry of America.

Here in Washington the people are indoctrinated by the bureaus and the propagandists. We ought to get home oftener and rub elbows with the men and women who work and toil and support this Government. The thinking people of America know that the price-control law has not held down prices. Price control in this country cannot be wrecked by the Congress, it was wrecked last fall by the Chief Executive in this country. When the head of this Government took to the radio and told the American people that you can raise wages without raising prices, disaster followed. The Government attempted to enforce that idea. Industry was at a standstill and still is. Goods are not being produced and the black market is increasing. It invited the greatest and most troublesome labor strikes that we have had in a long, long time. You cannot amend this law so that the administration now in power will conduct an honest, efficient, mathematically accurate, businesslike, and fair establishment of price ceilings. The Administration has wrecked price control in their refusal to adopt businesslike methods that would cause goods to be produced, and thereby remove the cause of inflation. They have used propaganda to set certain groups of consumers against producers and distributors. They have juggled figures and lied. They cannot be trusted.

Yesterday this Congress heard one of the finest speeches on the meat situation that has been made in this House in the years that I have been here. I refer to the remarks of the gentleman from New York, the Honorable JAMES WADSWORTH, when he said, among other things:

> The conditions of the livestock industry today is utterly scandalous. We have never known anything like it. Indeed, it is tragic, and it is the more tragic, in my humble judgment, because, as I have observed the conduct of the industry for more than 40 years, no industry in this country has been conducted upon a higher plane of honesty than the livestock industry. The men who have been engaged in it, whether as ranchmen, feeders, slaughterers, or distributors, for years and years have played the game honestly. They are today utterly ashamed of what is going on.

Look how dishonest the OPA propagandists here carried on in reference to the car dealers. This administration, yielding to pressure groups, granted increases in wages in the car industry and other industries and did not have the honesty and courage to tell the consuming public that that would mean a greater cost for their products. They are guilty of ruthless class discrimination. I want to read to you a telegram that arrived in my office from an automobile dealer of high standing, who is a great patriot and a splendid citizen:

> Statements attributed to Administrator Porter are gross misrepresentations of fact.

His claims are based on alleged Nation-wide survey which actually OPA never made. He claims restoration of dealer prewar discount would add $85 to average low-price car but admits taking away only $60. He disregards increased salaries, wages, rents, maintenance, taxes, and other dealer expenses. He omits reference to reduction in volume which is the most important factor in profitable operation. Our sales currently running about one-third of 1941 rate. Unless Congress grants relief from this arbitrary attempt to destroy dealer profits, dealers would be completely justified in accepting the substantial cash bonuses being offered every day for delivery. Much better the buying public should pay legally reasonable retail prices for automobiles than that this increase be permitted to take away the dealers legitimate profit and let him forage for it.

The utter disregard of OPA officials for human rights should condemn that agency to death. Let me read to you from a letter that I received a few weeks ago from a merchant in a small town. He says:

I am taking this liberty of writing this to you in regard to the organization known as the OPA. We were called up before the one-man court last evening for supposedly overselling on Old Dutch Cleanser, 1 cent, which we very seldom sell. We had the choice of three settlements which are as follows: $25, $37.50, and $50. Of course, we did not have any chance and settled for $25. They will not take currency but demand a certified check, cashier's check, or money order. I wish you would use all the pressure which you have to do away with this sort of government. As I told them last night after the sentence was passed, I lost the only son I had trying to fight such dictatorship as this.

Let me tell you about another small-town merchant in Nebraska. He writes as follows:

I am a small-town merchant, operating a general-merchandise store in a small town of about 160, and have been doing so since 1937, years before the war and OPA started. I have been on every one of the war-bond drives and have tried to make an honest living, and keep my prices in line with OPA rules. I have had my prices checked by these OPA snoopers time after time, and have always been in line, but about 6 weeks ago, I never noticed which State our apples came from, and received some northwestern Washington apples which were to sell for 1 cent per pound less than all other apples. I was called on it by the OPA and for three other items. The three other items were dropped because they were faults of OPA. Now the OPA made three mistakes and nothing was done about it, but I made one, 1-cent mistake, and was fined $25 by the OPA. I feel I have received a very dirty deal, when a businessman trying to make an honest living is classed as a criminal, and his business character marred.

Three retail meat dealers write me as follows:

When an Armour & Co. salesman has one carcass of beef to sell on his whole territory, something is rotten and stinking to high heaven in this wonderful country of ours.

Do you not agree with them? One of them went on to say:

We are not criminals and we sure hate to be treated as such.

The vast majority of businessmen in America know that the OPA has caused prices to rise. They have forced legitimate producers out of business by their failure to give him a small increase in price, and at the same time they have permitted others to make the same articles, costing much more. Their ceilings are not businesslike nor fair. I want to read a paragraph from a furniture dealer's letter:

The present system of mark-up is most inconsistent; it is neither fair to the customer or to the merchant, as it is, a customer buying a certain item may pay 40 percent more than an article should sell for and the next item may be sold by force of the act at almost a loss to the merchant.

You do not have to take the word of businessmen as to the effects of the OPA law. Ask the police officers who patrol the highways of America, and who have occasion to watch the trucks carrying corn and other grains, if they think there is a black market in corn.

There is not a Member of the House who could not draw from his files dozens and dozens of cases as glaring as the ones that I have cited. I shall not burden the RECORD with more.

Mr. Chairman, I wish to remind my colleagues of what I stated on the floor of this House on June 23, 1945:

Empty shelves and empty counters promote the black market and greatly add to inflation tendencies. The OPA and related agencies have failed to make full production of food, clothing, and other essentials the first objective. They have been arrogant and have refused to accept constructive criticism. * * * I say that all of these wartime controls must be totally abolished when peace comes. America cannot carry 3,000,000 Government employees on the pay roll. Their obstructive regulations will make for constant unemployment. If there were no unemployment, we would not need so many Government agencies and employees. Can that be the reason that the bureaucrats in Washington, realizing that our heroic Army and Navy are rapidly winning the war, are lying awake at night to figure out control schemes to interfere with and retard everything that produces jobs?

My position today is the same as it was when I stated in Congress on November 19, 1945:

The time has come to take the harness off the American people. Our so-called wartime controls were put on to help win the war. They have served their purpose, and should be terminated and terminated now.

Government controls, established in wartime, are today retarding reconversion. Factories are not producing goods or providing jobs while they are awaiting for months on Washington for an approval of the prices for their articles. New industries are not started and new ideas are not being developed because of Government interference.

American farmers, laborers, manufacturers, wholesalers, retailers, and professional people are not a group of infants that require the Government to act as their guardian. As law abiding, free men and free women they have faith in the system that has made America great. That system cannot survive, if Government consent must be obtained for a farmer to sell his city friend a pound of butter, or if Government consent must be obtained to rent a room, build a house, or make a contract for services. Our American system cannot survive if a Washington bureaucrat can keep factories and distributors idle under the guise of controlling prices.

Temporary continuance of wartime controls, means, in many instances, permanent control. It is the sure way to strangle and kill private enterprise.

The OPA is costing the impoverished Treasury of the United States billions and billions of dollars. The high and illegal profits gained by black marketeers is not being taxed. Industry is at a standstill and, without production, no taxes are earned or paid. Hundreds of industries are receiving refunds from the Treasury of the United States under the excess-profits law because they are at a standstill and making no profits at this time, due to the OPA regulations. The lack of goods in our market places again causes a loss of huge sums of revenue for the Treasury. Millions are paid out for subsidies in connection with OPA. These items, together with the cost of administering the OPA, would amount to tremendous sums. The Treasury of the United States can ill afford this.

Mr. Chairman, let us get rid of the OPA and start production in America. Let us have our lumber industry go ahead and produce lumber so that homes can be built for the men who made victory possible. Let us give the honest businesses of the country a chance and put an end to the black market. This administration has had five or six long years to prove that they know how to administer price control. They have failed to make good on that, and they make no attempt to carry on any scientific price control. The OPA ought to be abolished before they create total and complete chaos in America.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOOK].

Mr. HOOK. Mr. Chairman, there is not much to say in a minute and a half, but I want to warn the gentleman from Michigan and the delegation from Michigan that if this amendment is adopted they will shut down every copper mine in the State of Michigan. If the same amount of copper bought in World War I that was bought in World War II at World War I prices, we would have increased the national debt by $85,000,000,000. The copper subsidy helped win the war and saved the Nation and people billions of dollars. I wonder if the gentleman from Pennsylvania does not think that that helped us a little bit. Eighty-five billion dollars would have been added to the national debt if we did not have the copper subsidies. That is what subsidies do. That is what subsidy has done for copper in this last World War. Yes, I say to the gentleman from Michigan that his amendment will shut down every copper mine in Michigan, and it will affect the livelihood of some 75,000 people. I want the Members to realize, especially the delegation from Michigan, that they are slapping the people of Michigan right in the face by the adoption of this amendment by a shut-down of those copper mines. I wonder, when election time comes around, and the gentlemen come up into that district, whether they will tell the people that they were responsible for that shut-down. If they do not, I will.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. EDWIN ARTHUR HALL].

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from Michigan.

Mr. WOLCOTT. May I say to the gentleman from Michigan [Mr. HOOK] that there is nothing about copper subsidies in the amendment that I have offered.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I do not think we can get rid of the subsidy program as quickly as it is proposed here. I am thinking of the big-city districts and all the other up-State cities of the State of New York, who will have to pay a lot more for milk when subsidies are taken off. I am thinking of the farmers who will stand to lose if nothing better is offered. I am thinking of the terrible dilemma the consumer groups will be plunged into if they have to pay any more for milk. It costs me $7.50 a week to buy enough milk for my family. I cannot imagine how any low-income group can possibly survive on an increase in the cost of milk. I want to say here and now that we have got to substitute some sort of a program which will make available a reasonable price to the consumer if we scrap this whole subsidy program. I am against subsidies, but I want to see another program brought in which will answer the question.

In my own personal consideration of this bill, I have heard plenty from the farm population of my section. I find a tremendous upsurge of resentment against the OPA because of their determination to keep the ceiling price on corn so low that my farmers cannot get any for feed.

For several years I have pleaded with OPA and have advocated a rise in this corn ceiling. It is the only way the raisers of corn in the Middle West will ever sell their corn instead of feeding it to their excessive hog crop.

I say, raise the ceiling price on corn and up-State New York dairymen will be able to produce enough milk for the big-city consumers, for America, and for the starving millions all over the world.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. DE LACY].

Mr. DE LACY. Mr. Chairman, in deliberating this important question of the OPA and food subsidies, we should remember that we are talking today about bread and butter on the tables of the ordinary working man and woman, the ordinary family of America. Forty percent of the budget of the ordinary family goes for food.

If the amendment offered by the gentleman from Michigan goes through, it will raise beef prices from 6 to 9 cents a pound, which is about 25 percent. It will raise pork prices from 4 to 9 cents, about 17 percent, and lamb prices 10 to 16 percent. Bread will go up 1 cent a loaf, and milk 2 cents a quart. This amendment will rob food from the stomachs of the poor, and not only from the poor but from the whole low- and middle-income group. We should resolutely reject it.

The gentleman from Pennsylvania [Mr. RICH] speaks of the great savings which are going to come to the United States Treasury by abolishing the subsidy program. Uncle Sam proposes to spend upward of one and three-fourths billion on subsidies in 1946. If that amount is added on by the retailer and the wholesaler to the producers' price, the price at which the retailer sells will not be just one and three-fourths billion; when the middleman's usual profit mark-up is added the cost of this amendment will be about two and one-fourth billions—two and one-fourth billions in cold cash added to the peoples' food bill and it will not add a nickle to the farmers' income, for the farmer is already getting a producer's subsidy from the Government.

This amendment just means that the consumer will pay for food one and three-fourths billion which the Government is now paying plus the usual mark-up of another one-half billion in profits to middlemen, or a total of $2,250,000,000 more after this amendment passes, without one red cent more going to the farmer.

We are not helping the farmer. We are robbing the whole people for the benefit of the smallest handful.

I hope the amendment is rejected and the OPA is upheld. It is our bulwark against inflation.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. During the early summer of 1944, prior to the Presidential election, both Houses of Congress passed legislation to prohibit the payment of consumer subsidies. The late President Roosevelt vetoed this legislation, and the veto was sustained by a minority in the legislative body to which it was returned. Including the subsidies of over $2,000,000,000 contained in this bill, more than $6,000,000,000 will have been paid out by June 1947, as consumer subsidies to the people of this country, rich and poor alike. In other words, we are selling bonds and raising taxes to help pay a part of the grocery bill of every resident of the United States and thereby placing a mortgage upon future generations to pay for what we eat today. All of this is being done at a time when the purchasing power of the people is the highest in the entire history of our country.

It will be very difficult to get rid of subsidies, and as long as they are retained as part of our system, the amounts will grow, and soon the demand will be made that the entire food bill for every citizen be paid for out of the United States Treasury.

To mention only three subsidy items in this bill, I wish to call your attention to the consumer subsidy on dairy products in an amount of $515,000,000. If you are able to get butter, the Federal Treasury pays a subsidy of 13½ cents per pound on every pound of butter sold in the United States for the benefit of American consumers. Approximately 2 cents per quart subsidy is paid on milk out of the Federal Treasury. The meat subsidy demanded for the next 12 months amounts to $715,000,000, and pays from 4 cents to 8 cents per pound on every citizen's meat bill. The subsidy on bread is a cent a loaf, but the total appropriation to subsidize flour and bakery goods called for in this bill is $260,000,000.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, the American people are today paying a smaller percentage of their incomes for food than at any time in our history or at any time in the history of the rest of the people in the world. There is no hardship involved when you talk about removing subsidies at this time.

This question is perhaps the most vital one confronting the agricultural producers of this country today. They may be able to live for a while with the OPA if it is continued, but I do not think they can continue to live under a system which provides that a considerable part of their income is to be derived from subsidies from the Federal Government, because you are leaving in the hands of some Federal bureaucrat here in Washington the power to take away a part of that income at any time the whim strikes him.

What the OPA wants to do and what the Administration want to do, of course, is to wait until food prices go down, until there is more competition for the consumer's dollar, until we have automobiles and radios and other competing products. Then, they think, the price of farm products will go down and they can take the subsidies off. If subsidies are removed at that time and in that way, nearly every farmer in America will be ruined. Not only will that part of the price represented by subsidies be removed but it will coincide with low prices in the market place. In other words a double blow.

Mr. HEALY. Mr. Chairman, name-calling has never resulted in constructive legislation. Now that we are considering the extention of the OPA it is my hope that we will stick to the facts and not be misled by labels. Opponents of price control have attempted a large-scale smear campaign based on allegations that people who support OPA are Communists. This technique is familiar, but it does not get us anywhere. I wonder if the gentlemen who make such statements would call the American Association of University Women a Communist organization; or the National Council of Catholic Women, the National Education Association, the Council for Social Action of the Congregational Church, the League of Women Voters, and many other church and women's groups which have strongly supported extension of price control without crippling amendments.

OPA has been attacked for carrying on an alleged scare campaign to fool the country into thinking that inflation is dangerously at hand. I have more confidence in the American people than to think it is creating hysteria to tell them the truth. It is significant to me that the gentlemen who make these statements do not give us evidence to support their contention that inflation is no real danger. Can they prove false the fact that the Nation's spendable income at the end of 1945 was up 95 percent over that at the start of 1939? That department-store sales in December of 1945 were up 94 percent over sales in December of

1939? That currency in circulation at the end of 1945 was almost four times that of June 1939? That balances in checking accounts in banks had almost tripled over the same period? That $145,000,000,000 in accumulated wartime savings are looking for things to buy? No, Mr. Speaker, they do not mention these facts. Because they wish only to soothe the American people with soft generalities, to make the public think there is no danger of inflation at all. Again, let us face facts. Inflationary pressures are stronger than they have ever been before. In uncontrolled areas of our economy, such as the stock market, residential real estate, and farm lands, inflation is already here. Commodity prices have been controlled, however, and it is the price-control program, so wisely enacted by this Congress, that has saved us from the economic disaster which China, India, and France face today. Just because these prices have been controlled, let us not fool ourselves into thinking that the pressures are not there.

OPA not only is charged with the attempt to deal with inflationary pressures which do not exist, but is also accused of discouraging business. Mr. Chairman, I demand figures to prove that business has been discouraged. I invite the gentlemen who make such statements to submit statistics on the number of bankruptcies, on production figures plunging downward. If they can do this, they may convince us. But I offer statistics which prove the direct opposite. During the first quarter of 1946, in spite of management-labor disputes and shortages of materials, American industry has produced almost 40 percent more goods than it did in 1929. Employment was more than 10 percent above 1929. Americans received 70 percent more in wages and salaries in private industry than in the prosperous days of 1929. Is business discouraged? No, Mr. Chairman. All predictions of production and profit—including even those by business groups themselves—fell far short of actual accomplishments. Even at a time when many inexperienced high-cost business firms have been launched, we have a lower bankruptcy rate than at any time in recent American history. Is this economic fascism, imposed by OPA on private industry to stifle incentive and production?

Mr. Chairman, if we abolish the OPA, or if we hamstring it by crippling amendments, we will defeat the purpose of the entire Nation—that of building a more prosperous, a healthier, and an economically stronger America.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. GAMBLE. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from New York.

Mr. GAMBLE. Mr. Chairman, I ask unanimous consent that my time be transferred to the gentleman from Michigan [Mr. CRAWFORD].

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CRAWFORD. Mr. Chairman, this week the Securities and Exchange Commission informed the people of this country that during the calendar year 1945 the net liquid savings of individuals totaled $37,000,000,000. The savings were at the lowest rate since 1942, but still were 9 times as large as those of 1940, the last full year before we entered the war. With $157,000,000,000 of liquid resources of our people having increased during the 5 war years, we sit here and consider whether or not we shall continue deficit financing in order to raise dollars which will subsidize the grocery bills of these people who in the last calendar year increased their net liquid savings by $37,000,000,000. If there was an economic god to whom I could direct my prayers for relief from our tribulations, I would ask him to forgive us for such a flagrant violation of economic law. We sit here and talk of preventing inflation. We talk about preserving the buying power of the American dollar and we let the subsidy program continue which is as destructive and is in the direction of diluting the currency of our people as almost anything that we can possibly do. We try to justify our fallacy on the grounds that our people are unable to pay their own grocery bills. The Wolcott amendment would save $1,750,000,000 because the bill now before you calls for $2,051,000,000 of subsidy money and the amendment would reduce that liability which we are about to assume by $1,215,750,000. Of course, we should adopt the amendment and prepare to close up this subsidy pantry because there is no way it can be justified except through sheer political demagogery whereby we go to the people and tell them we are helping to pay their grocery bill.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY] to close debate.

Mr. MONRONEY. Mr. Chairman, this is indeed a hard amendment to talk about because of the previous actions of the House in adopting the other amendments. I fear they have definitely established a break-the-line policy which will rapidly increase the cost of living for the American people.

I have supported subsidies through the years as hard as I knew how, as the only expedient possible in order to hold the line against an increase in the cost of production and in order to prevent an additional cycling of wage demands. Subsidies are merely an expedient if you intend to hold a rigid line.

The difficulty that we are facing here is that the House is not taking final action on the finished OPA bill. We must send some kind of bill to the other body so they can act upon it.

Therefore, I fear if we enact the Wolcott amendment or if we enact the other amendment to strike out the section, we will have established the policy that will destroy the chances of holding the line should the other body take out the devastating amendments that the House is enacting today. For that reason I would like to address my remarks against the Wolcott amendment and in favor of the subsidy provisions in the committee bill.

I admit at this time that if the destructive amendments that have been placed in the bill remain in it when it comes from the Senate, then the House in conference should wipe out all subsidies. If you do not hold the line, if you do not intend to hold the line, then do not waste a billion or two billion dollars in subsidies in a futile gesture in that direction.

The Wolcott amendment has many, many imperfections. If you are going to use subsidies, it permits the use of subsidies for only 6 months. It allows subsidies on minerals for industry use to continue unabated for the full year period.

But it charges off at January 1 the complete use of subsidies for consumers. The amendment in the bill provides for a reduction of one-quarter of all subsidies. The results will get fairly close to the Wolcott saving in dollars because the amendment in the bill chops off subsidies on minerals gradually, as well as on foodstuffs. For that reason I feel the committee bill should remain intact.

The Wolcott amendment providing for 45-day reductions stages, in spite of all of his best intentions, will give the most prolific windfall to many processors of agricultural commodities that they have ever known. The subsidy operation for the 45-day period will pay the farmers the rate that they expect to get for their produce and subsidize the processor. The processor's ceiling is immediately raised every 45 days and gives him that opportunity for a windfall profit on these agricultural items for which Government funds have paid.

DARK DAY FOR PUBLIC

Mr. Chairman, this is a dark day indeed for the American consumer. The Congress, I fear, by enacting the Andresen amendment and the Wolcott amendment a few moments ago have made it impossible to have a price-control bill that will control inflation. But if we can salvage anything from the wreck, and if the Congress will stop, look, and listen, in the direction that we seem to be going today, and leave the subsidy provision in the House bill intact so that the Senate can take action on it, you still might have one meager chance of saving the American people from what in effect will mean a 25- to 50-percent inflation sales tax on every single item that the consumers of America will buy.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 153, noes 89.

So the amendment was agreed to.

Mr. SPENCE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SPENCE. How many amendments are pending at the desk?

The CHAIRMAN. There are 22 amendments at the Clerk's desk, and in addition several other Members have in-

dicated that they have amendments that have not yet been placed on the Clerk's desk.

Mr. SPENCE. I wonder if we could not agree to limit debate to 10 minutes on each amendment? We have had 4 hours of debate now.

Mr. Chairman, I withdraw that and ask unanimous consent that all debate on the bill and all amendments thereto conclude at 5:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. HOOK. I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on the bill and all amendments thereto conclude at 5:30.

Mr. CRAWFORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CRAWFORD. Under the rules of the House and under the 5-minute rule under which this bill is being considered can the Chair entertain such a motion?

The CHAIRMAN. Under the present method of proceeding it apparently is in order. The House adopted a unanimous consent request to consider the bill as read and open to amendments, and the bill is now pending under that unanimous consent agreement entered into in the House before the House resolved itself into the Committee of the Whole.

The question is on the motion offered by the gentleman from Kentucky [Mr. SPENCE], that all debate on the pending bill and all amendments thereto close at not later than 5:30 o'clock.

The motion was agreed to.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Mr. Chairman, would it be in order to submit a unanimous consent request at this time that all Members who have amendments submit them to the Clerk with the understanding that the time remaining be divided equally among the authors of the amendments?

The CHAIRMAN. How about those Members who may want to rise in opposition to an amendment?

Mr. CASE of South Dakota. That the time be equally divided between those opposing and those in favor of the amendments. The reason for making such a request is this: Under the procedure we are now following those who get first recognition use up all the time, then we come to the end with a flock of amendments that have no explanation whatever.

The CHAIRMAN. The Chair, of course, will entertain a unanimous consent request, if the gentleman desires to make it; but the Chair would say that he will divide the time, or endeavor to do so, between those who have amendments to offer and those opposed.

Mr. VINSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VINSON. How will the amendments be submitted to the committee? Will amendments offered by members of the Committee on Banking and Currency be considered first?

The CHAIRMAN. Members of the Committee on Banking and Currency are entitled to priority of recognition and following that the Chair will exert his best efforts to be fair in alternating between sides.

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Mr. Chairman, section 5 is pending. Is it not in order to take up the amendments involved in the perfection of section 5 by striking it out before taking up other amendments?

The CHAIRMAN. No. Under the unanimous-consent agreement entered into in the House the bill is considered as having been read for amendment. All of it is open to amendment. The Chair will recognize members of the committee first for the offering of amendments.

The Chair recognizes the gentleman from Michigan, [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT:

Page 5, line 12, strike out all of lines 12 to 21 inclusive and substitute in lieu thereof the following:

"SEC. 5. Subsection (e) of section 2 of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, is amended by inserting (1) after (e) at the beginning of such subsection, and inserting at the end thereof the following paragraphs:

"(2) Subsidy operations, as hereinafter defined, for the year ending December 31, 1946, shall be limited as follows, subject to the provisions of paragraph (3):' "

And change the signs and figures on page 6 and 7 as follows:

Page 6, line 1, from "$515,000,000" to "$180,000,000."

Page 6, line 6, from "$50,000,000" to "$17,500,000."

Page 6, line 8, from "$160,000,000" to "$56,000,000."

Page 6, line 23, from "$715,000,000" to "$250,250,000."

Page 6, line 24, from "$260,000,000" to "$91,000,000."

Page 7, line 4, from "$170,000,000 to "$59,500,000."

Mr. WOLCOTT. Mr. Chairman, I have offered this amendment partly because of the action just taken by the adoption of the amendment which would progressively reduce the subsidies and periodically increase prices. But in addition to that I have offered it because the language of the bill as reported out of the committee would repeal the last section of section 2 (e) of the Price Control Act, which is the section prohibiting the payment of subsidies by any agency of the Government, including the Reconstruction Finance Corporation, unless the money has been specifically appropriated by the Congress. That section also provides that the "appropriations for such purposes are hereby authorized to be made."

It will be recalled that when we had the housing bill up it was argued successfully that if we were to authorize the payment of subsidies for the acquisition of building materials, the matter should be handled as a budget transaction under the authority contained in this section. If you repeal this section, as would be done if the language of the bill is adopted, you would not have any authority in this or any other law existing at the present time to pay any subsidy or any premium payment on houses if the administration should decide to send the matter down with a program to the Committee on Appropriations for its consideration.

Now, to go on hurriedly. This amendment cuts all of the so-called food subsidies or agricultural subsidies by about 65 percent, because the amount of money which will be necessary to carry out the program under the formula set out in the program just adopted is about 35 percent of the total contained in the bill; so the amounts contained in the amendment constitute about 35 percent of the food subsidies provided for in the bill. I want to also call specifically to your attention, in view of the remarks made by the gentleman from Michigan [Mr. HOOK], that the nonagricultural subsidies are not affected whatsoever, and if he has any concern about whether Michigan copper is going to be subsidized, I call attention to the fact that we specifically provided in the bill—and the amendment which I have offered does not disturb it—an amount for copper, lead, and zinc in the form of premium-price payments in the amount of $100,000,000, which will be available under the amendment until December 31, 1946.

The difference between the subsidies contained in the bill and those contained in the amendment I think perhaps has already been called to your attention, and is something like this: Total provided for in the bill, $2,071,000,000; total provided for in the amendment, $835,250,000, or a saving of $1,215,750,000.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Texas.

Mr. PATMAN. Will the gentleman explain why he left petroleum and petroleum products in?

Mr. WOLCOTT. Because the amendment which the House adopted was confined to agricultural commodities, and I do not think we have ever considered petroleum as an agricultural commodity. It was not my purpose to disturb any of the nonagricultural commodities, feeling that the metal subsidies should be handled as a separate problem.

Mr. PATMAN. The gentleman has not disturbed petroleum at all?

Mr. WOLCOTT. No.

Mr. PATMAN. Or copper?

Mr. WOLCOTT. No. I have not disturbed the subsidies for rubber, I have not disturbed the subsidies for petroleum, and I have not disturbed the subsidies for copper, lead, and zinc, and, of course, I have not touched the provision for the acquisition of tin ore and tin concentrates to insure the continued operation of the Texas City tin smelter.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. OUTLAND].

Mr. OUTLAND. Mr. Chairman, I almost feel that I should ask unanimous consent to speak out of order, because

I would like to say just a word for the consumers of America. There has been very little consideration for consumers here today.

You will notice that this particular amendment reduces six different items which go into the most important part of the family budget in this country, namely, food, but by the words of the gentleman from Michigan, himself, he has not even touched the producers' subsidies and he was careful to point out that so far as petroleum and petroleum products are concerned and so far as copper, lead, and zinc are concerned, this amendment specifically exempts them.

Mr. Chairman, are we going to tell the American people that it is the policy of the Congress of the United States to continue to pay out millions and hundreds of millions of dollars in producers' subsidies but to slash and then keep on slashing subsidies to consumers? Is that to be our policy in this House? In spite of all the things that have been said on this floor today, in spite of the talk about the great amount of money in the pocketbooks of the American people, there are millions of families in this country that do not have an adequate amount of funds to purchase food. What we in this committee today are doing is lowering that amount by indirectly increasing prices. I plead with the membership to consider the plight into which we are driving millions of our low-income people.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. OUTLAND. I yield to the distinguished gentleman from Massachusetts.

Mr. McCORMACK. I think the record should also show that the reductions took place in the things that go into the stomachs of human beings, and that those items that were not reduced cannot be eaten.

Mr. OUTLAND. I think the majority leader made a very pertinent observation at that point. I agree with him 100 percent.

Let us look for a moment at what we have done on the floor this afternoon. In the first place, we have reduced the time period for price control from 1 year to 9 months. We have served notice on the people of this country that we are going to slash these controls, difficult as they have been, unpopular as they have been, but necessary—that we are going to slash them 3 months ahead of the minimum time. We are going to encourage hoarding and black-market operations.

Second, we are going to guarantee a profit upon each individual item manufactured and sold in America. Regardless of the expenses, regardless of how well or how poorly the factory or the plant is operated, we are guaranteeing a profit on each individual item. Is this our traditional American free-enterprise system? To me it is just the opposite.

Finally, we are going to cut down the subsidies which have made it possible during wartime to hold the cost of living within some kind of reasonable bounds for the people of this country. In other words, we are going to repeat by the action of this Congress what happened after the last war because of the inaction of that Congress. What a tragic mistake. No one looks upon subsidies as an ideal solution to our problems, but certainly they constitute the lesser of two evils.

I wonder if there is very much use of even debating the amendments that are going to come forth after this. Earlier in the day there was pointed out the importance of looking at each one of them. I repeat that, but on the basis of what we have done thus far, Mr. Chairman, we might as well tell the American people that the Appropriations Committee had better stay in session over the recess in order to make a special appropriation to bury the corpse of price control in America. By our actions here today we are truly encouraging inflation—an inflation which will inevitably be followed by the most disastrous deflation in the history of our country. I want no part of it, myself.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 128, noes 86.

So the amendment was agreed to.

Mr. FLANNAGAN. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. FLANNAGAN:

1. Amend section 5, page 6, line 20, by striking out "meat, $715,000,000."

2. Amend section 5, page 8, line 2, by inserting a colon in lieu of the period at the end of the sentence and adding the following: "*Provided, further,* That no funds heretofore or hereafter appropriated to, borrowed under congressional authorization by, or in custody or control of any governmental agency including Government-owned or controlled corporations, shall be used after June 30, 1946, to continue any existing program or to institute any new program for the payment of subsidies on livestock or meat derived from livestock or for the purchase of such commodities for resale at a loss, thereby subsidizing directly or indirectly the production, sale, or distribution of such commodities, except that nothing contained herein shall prevent the payment of obligations created under existing programs which accrued prior to June 30, 1946: *And provided further,* That in order to prevent the reduction of livestock prices upon the elimination of such livestock and meat subsidy payments, the Administrator shall make corresponding increases in maximum prices of livestock, meat, and meat products, to the extent necessary to compensate for the removal of such subsidies."

Mr. HOOK. Mr. Chairman, I make a point of order against the amendment on the ground, first, that it is not germane to the bill, and, second, that it goes far beyond the authorization and scope of this bill. The bill only provides for the extension of the Office of Price Administration and Stabilization and this takes in many other acts and agencies.

The CHAIRMAN. Does the gentleman from Virginia desire to be heard on the point of order?

Mr. FLANNAGAN. The only purpose this amendment would accomplish would be to eliminate entirely meat subsidies.

The CHAIRMAN (Mr. COOPER). The Chair is prepared to rule.

The gentleman from Virginia [Mr. FLANNAGAN] has offered an amendment which the Clerk has reported. The gentleman from Michigan [Mr. HOOK] has made a point of order against the amendment on the ground that it is not germane. The Chair has examined the amendment with sufficient care to pass on the question here raised.

The section relates to the question of subsidies. The amendment offered by the gentleman from Virginia [Mr. FLANNAGAN] likewise relates to the question of subsidies. The Chair believes the amendment is germane and overrules the point of order.

Mr. WADSWORTH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WADSWORTH. I have an amendment on the desk which would not only lift subsidies for meat products and livestock but also lift all other controls from livestock and meat products. Would my amendment be in order if offered as a substitute for the amendment offered by the gentleman from Virginia [Mr. FLANNAGAN]?

The CHAIRMAN. The Chair is of the opinion, from a description of the amendment as given by the gentleman from New York, that it would be much broader than the amendment offered by the gentleman from Virginia, and would not be germane if offered as a substitute for the amendment offered by the gentleman from Virginia. The amendment offered by the gentleman from Virginia relates to subsidies, while the amendment suggested by the gentleman from New York, as the Chair understood it, not only relates to subsidies but controls, which would make it much broader than the scope of the amendment offered by the gentleman from Virginia.

Of course, the gentleman from New York can offer his amendment to the bill.

Mr. WADSWORTH. No matter what the fate of the pending amendment?

The CHAIRMAN. The gentleman is correct.

The gentleman from Virginia [Mr. FLANNAGAN] is recognized for 5 minutes in support of his amendment.

Mr. FLANNAGAN. Mr. Chairman, the sole purpose of this amendment is to eliminate meat subsidies.

This amendment was drawn by the House Committee on Agriculture after the committee had held extended hearings on the meat situation existing in America today. We had before the committee representatives of every segment of the livestock industry. I am frank to state to the Committee that with one voice they asked us to eliminate not only subsidies but to go as far as the gentleman from New York [Mr. WADSWORTH], would go, and eliminate price controls also. The committee after carefully considering the evidence could not arrive at a unanimous agreement with reference to lifting price controls, but the committee was unanimous in recommending to the House the elimination of meat subsidies.

What is the situation, Mr. Chairman? To begin with it is impossible to put price control upon meat or livestock

products. That impossibility has been demonstrated time and time again. The livestock industry advised OPA that it was an impossible task. OPA, however, attempted such a program, but so far has been unable to devise a workable program, and this is evidenced by the fact that the program has been changed from time to time. Trying out these programs has brought only more confusion until today we find that although we have an ample livestock supply—and there is no question about the livestock supply in America being sufficient, it is not even questioned by OPA. We find that the legitimate packers, large and small, and slaughterers are being forced out of business, and the American people are paying through the black market 10 to 11 cents per pound more for their meat than called for under ceiling prices. Now we are just throwing this $715,000,000 meat subsidy in a rat hole so far as the American consumer is concerned; and on top of that the American consumers today are paying at least a billion and a half dollars more for their meat through the black market than they would pay under price ceilings, because 90 percent of your meat is going through the black market. There is no question in the world about it. The large packers in America are only running from 10 to 50 percent of capacity. Take the independent packers and small slaughterers, they are going out of business by the hundreds. Why? Simply because the black market boys are in the saddle. I got a telegram from the commissioner of agriculture in North Carolina a day or two ago saying that 138 independent packers and slaughterers had gone out of business in North Carolina. What does that mean? It means that you are taking competition out of the livestock market. When you put all these independent packers and slaughterers out of business the cattle producers of America will be at the mercy of the Big Five—no competition in the market. You will destroy our cattle and livestock market system.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr MONRONEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MONRONEY. Is debate limited to 10 minutes on each amendment?

The CHAIRMAN. No; it is not.

Mr. COOLEY. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. Does the gentleman from Oklahoma desire recognition?

Mr. MONRONEY. Not just now.

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Under the rules of the House debate on amendments is limited to 10 minutes. I understood the Chair to indicate a moment ago that it was not limited to 10 minutes. I say it is under the rules of the House.

The CHAIRMAN. Under the rules of the House debate is limited to 5 minutes for an amendment and 5 minutes against, but any Member may move to strike out the last word and get recognition.

No agreement has been reached as to fixing time on each amendment.

Mr. MUNDT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MUNDT. For the information of the committee, if the Chair would tell the Committee how many amendments are pending at the Clerk's desk we would have some idea of the time situation.

The CHAIRMAN. There are 30 amendments at the Clerk's desk.

Mr. MUNDT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MUNDT. Mr. Chairman, would it be in order to make a unanimous-consent request, in view of the fact that there are 32 pending amendments to the bill and debate closes at 5:30, that debate on each amendment be limited to 3 minutes for and 3 minutes against?

The CHAIRMAN. The Chair will entertain a unanimous-consent request.

Mr. MUNDT. Mr. Chairman, I ask unanimous consent that debate on each amendment be limited to 3 minutes for and 3 minutes against.

The CHAIRMAN. Is there objection to the request of the gentleman from South Dakota?

Mr. GOSSETT. Mr. Chairman, I object.

Mr. BALDWIN of New York. Mr. Chairman, I rise in opposition to this amendment and I am opposed to all amendments to this bill at the present time. I think there is a great deal of confusion here today between what is properly administrative and what is obviously legislative. I would be the last person in the world to declare that OPA has worked perfectly. It has hurt some people in my district as it has hurt people in everybody's district; that, however, is faulty administration; but by and large, I do not think there is anyone in any district who will not admit that we have got to have OPA for a certain length of time, and this extension is obviously a legislative job and should be done without crippling amendments. Even my own side of the House admits this when it advocates extending OPA for 9 months. I was opposed to the recently adopted limitation of 9 months. I would like to see OPA in effect for 1 year. If in the next few months proper administration and the matter of supply and demand have reached an equilibrium I would be in favor of repealing the law. That, too, is legislative. But there is no doubting the fact, and Members must know it from their districts, that if we do not have some price control until supply and demand arrive at an equal point, the people are going to pay more for their food. Some people can do that and some people cannot. If we want inflation, then we better go along the road we have been following in the House today. This bill started out as a bill to give some food to all of the people all of the time, but is rapidly becoming a bill to give all of the food to some of the people all of the time.

Mr. Chairman, I want to register the fact I am opposed to this amendment, as I opposed all amendments heretofore offered, and will oppose any further amendments.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN of New York. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does the gentleman agree that when supply reaches the demand levels price controls should then be removed?

Mr. BALDWIN of New York. I do.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN of New York. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. Such a situation exists in the oil industry today, but they will not decontrol the petroleum industry now.

Mr. BALDWIN of New York. Our own committee representatives, Mr. Chairman, did not do anything about oil that I know of.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GILLIE. Mr. Chairman, the gentleman from New York [Mr. WADSWORTH] and the gentleman from Virginia [Mr. FLANNAGAN] have made some shocking revelations concerning the black market in meat and the extent to which bootleg operators are driving legitimate packers out of business in America today. These gentlemen have conclusively shown that this scandalous situation can be laid directly to the door of the OPA, and have effectively contended that the only way we can save the livestock industry from complete chaos is to remove it, without delay, from the demoralizing control of the Office of Price Administration.

The facts regarding the meat situation which have been presented to this body are not new to members of the Committee on Agriculture. Our committee spent 2 weeks recently making an exhaustive study of this problem. We heard the same story, over and over again, from every witness. Without exception the packers, large and small, the feed-lot operators, the cattle producers, the commission men, the stockyard men blamed the OPA for the mess their industry is in, and asked for the immediate removal of both subsidies and price ceilings.

There is one phase of this problem which has been mentioned in passing but which, in my opinion, has not been sufficiently emphasized. I refer to the health problem which has been created by the forcing of meat out of legitimate and into bootleg channels.

Before the OPA took over control of our meat industry there were less than 1,500 packers licensed in the United States. These packers were all subject to the most rigid sanitary and health inspections by State and Federal meat inspectors. As animals were slaughtered and dressed, each carcass with its parts, including the internal organs, were inspected for signs of disease or other conditions which render meat unsafe or objectionable as food.

Among the principal diseases for which inspections were made was bovine tuberculosis, trichinosis, brucellosis, or contageous abortion; scabies of cattle and sheep, tick or splenic fever, hog cholera, and erysipelas of swine, to mention only a few.

After final post-mortem inspections, hams, bacon, lard, sausage, canned meats, and other food products of the meat and organs were marked "U. S. Inspected and Passed." This was a Government guaranty that the meat was disease-free and safe for human consumption.

What is the situation today? Instead of 1,500 legitimate packers we now have more than 26,000 slaughterers throughout the country, most of whom are engaged in black-market operations. What do they care about slaughtering animals under sanitary conditions? What do they care whether an animal has tuberculosis or some other disease?

Any man can go into the slaughtering business today. There simply are not enough inspectors and graders to go around, and the result is that the health of millions of Americans is being jeopardized every day. Housewives buying bootleg meat—and 85 percent of all meat being sold today is black-market meat—have no assurance whatever that it is disease-free. For all they know they are buying pure poison.

Mr. Chairman, under OPA control, 50 years of painstaking progress in the livestock industry have gone by the board. Our system of government meat inspection, built up over the years, was the model for every nation in the world. This is no longer true. It has been sacrificed on the altar of bureaucratic regimentation.

Our responsibility is clear. We must act now to take control of the meat industry away from the OPA and eliminate this grave menace to our national health.

Mr. CRAWFORD. Mr. Chairman, I move that all debate on this amendment and all amendments thereto do now close.

The motion was agreed to.

Mr. CRAWFORD. Mr. Chairman, I ask unanimous consent that all members may be permitted to extend their remarks on the amendment just disposed of at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. HOOK. Mr. Chairman, I object.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. FLANNAGAN].

Mr. HOFFMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The Chair is now putting the question on an amendment.

Mr. HOFFMAN. Mr. Chairman, can that not be moved in the House?

The CHAIRMAN. The Chairman of the Committee of the Whole does not pass on what may be done in the House.

The question is on the amendment offered by the gentleman from Virginia [Mr. FLANNAGAN].

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 128, noes 57.

So the amendment was agreed to.

Mr. CRAWFORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: Page 2, line 17, strike out "April 1, 1947" and insert "January 2, 1947."

Mr. CRAWFORD. Mr. Chairman, if the committee will be attentive just for a moment, I shall not take 5 minutes to discuss this amendment. We have changed the date for expiration from June 30, 1947, to March 31, 1947. The amendment I now offer is to move the date at which time the President shall report, from April 1, 1947, back to January 2, 1947, in order to conform to the change in expiration date from June 30 to March 31.

I do not care to discuss the amendment because I think it is self-explanatory.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committee suggested, and I think the vote was unanimous, that we have the President report not later than April 1, 1947, what, if any, commodities or class of commodities, including housing accommodations, are in such critically short supply as to necessitate in his judgment the continuance of the grant of these powers after June 30, 1947, together with his recommendation as to the established department or agency of the Government which will be charged with the administration of such power.

They had in mind, for instance, rent control, and that possibly he would recommend that it be transferred to the Housing Administration or the FHA, in particular, and give building materials to the CPA and to abolish OPA. I personally think that January 2, which is before the next Congress meets, is too early to expect the President to have that kind of a report ready to present to the Congress.

I respectfully suggest that the amendment offered by the gentleman from Michigan [Mr. CRAWFORD] be defeated, and I hope it is defeated.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If the expiration date is March 31, 1947, as the Committee has voted, then would the gentleman have the President report to the Congress after the expiration date?

Mr. PATMAN. If that prevails, I see no reason why the amendment should not be adopted, but of course I am against the March 31 date.

Mr. CRAWFORD. It has prevailed in the Committee; the Committee has adopted it, and mine is perfecting language in accordance with what the Committee has already done.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Miss SUMNER of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Miss SUMNER of Illinois: At the end of section 7 add a new paragraph as follows:

"(r) No regulation or order issued under this act shall restrict or limit the right of any landlord to terminate the tenancy of any tenant (other than a veteran) to whom he has rented any housing accommodations, or to recover possession of any housing accommodations from any tenant other than a veteran, if such landlord has leased such accommodations to a veteran, or makes an affidavit that he will lease such accommodations to a veteran upon recovery of possession, and the lease of such accommodations to such veteran will be at no greater rent than that charged the tenant from whom possession is recovered. As used in this subsection, the term veteran means any person who shall have served in the active military or naval service of the United States at any time after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released from active service under conditions other than dishonorable after active service of 90 days or more, or by reason of an injury or disability incurred in service in line of duty."

Miss SUMNER of Illinois. Mr. Chairman, during the hearings on the Patman housing bill an expert witness told us that if we were really serious in wanting to get housing for veterans we should force the OPA to repeal the rent regulation which prevents an owner from renting to a veteran until after a period of 6 months. This amendment embodies that suggestion.

This plan may sound trifling at first, but realtors to whom I have shown it say that it is not trifling, that it might help solve the veterans' housing problem almost overnight in the cities where the veterans' housing problem is serious. They say, in fact, that it is the only plan for housing veterans so far suggested which would get houses for veterans immediately. Moreover, it would get the housing at bargain prices, because whereas the cost of houses has gone up anywhere from 50 to 100 percent, so that a veteran is almost a fool to spend his hard-earned savings for a house today, if he could get it, rents are still frozen at the same place they were on the freeze date.

This will relieve, therefore, the complaint that you already see editors making, that the housing program is just another run-around for the veterans. As you know, they are saying that since veterans' jobs are temporary and these houses are so expensive, what they really need is rented space. This will give it to them. You do not need to worry about the owners of this country. There will be plenty of them who will prefer to rent their houses to veterans, because a great many renters have used this OPA control as an excuse to be very destructive, selfish, and arrogant. For example, during the OPA hearings it was testified that on swanky Park Avenue in New York there are war-enriched millionaires occupying rented apartments at a mere $100 a month, which, as you know, is about the same price the Government girls have to pay down here at the Government-built Meridian Hall, and that they are being very disagreeable about it. I think you would probably enjoy voting for this amendment and be glad to say that you did.

Mr. CRAWFORD. Mr. Chairman, will the gentlewoman yield?

Miss SUMNER of Illinois. I yield.

Mr. CRAWFORD. If Citizen A owns a house which is now rented under the OPA rules and regulations to a nonveteran and if he desires to rent that property to a veteran, what effect would the gentlewoman's amendment have?

Miss SUMNER of Illinois. He could do it. Without this amendment, he would have to wait for 6 months.

Mr. CRAWFORD. In other words, he could dispossess the present occupant, a nonveteran, and thereby provide a home for a veteran within a week or 10 days?

Miss SUMNER of Illinois. That is right. The veteran would be able to keep that money which you so generously voted for him.

Mr. CRAWFORD. If Citizen B has two or three homes which are not occupied because he does not want to operate under the rules and regulations of the OPA and if he announces positively and publicly that the premises would be rented to a veteran, then your amendment would remove him from the OPA regulations and the veteran could move in.

Miss SUMNER of Illinois. He would sign an affidavit, and if he did not lease it afterward according to the affidavit then he would be liable for perjury under the State law. In view of the testimony that there has been a great shortage of houses created by the fact that the people do not like to rent their houses under the OPA regulations, I should think there would be a considerable amount of property opened up without the necessity for displacing any tenants at all.

The CHAIRMAN. The time of the gentlewoman from Illinois has expired.

Mr. MONRONEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, laudable as is the desire of the gentlewoman from Illinois to provide additional housing space for veterans, I am afraid that the amendment does not carry out that desire.

In the first place, there were over 270,000 men in our armed services who lost their lives in combat. Under the amendment offered by the gentlewoman, any widow of a soldier with children could be arbitrarily moved out overnight without any consideration whatsoever. The mothers and fathers of these men who were killed in battle or who were wounded in action, or even of the 11,000,000 who so bravely served in our armed forces all over the world—all those mothers and fathers who now rent houses could be turned out to try to find housing during the current housing crisis.

I deeply regret that such an amendment as this has been offered, but I believe the House in its wisdom will see through it and see the effects of it. It will not result in any help for the veteran. There are very few veterans that I know of who would want to dispossess these people I have mentioned.

Mr. FOLGER. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. FOLGER. Do you know of any soldier who would want the mother of another soldier who died to get out and give him the place?

Mr. MONRONEY. I certainly do not. I do not know any soldier who would want a wounded, crippled, or infirm person moved out.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Illinois.

The question was taken; and on a division (demanded by Miss SUMNER of Illinois) there were—ayes 39, noes 87.

So the amendment was rejected.

Mr. CRAWFORD. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: On page 2, line 16, after the word "economic", insert the following: "On or before October 1, 1946, the Price Administrator shall report to the Congress the plan so formulated, together with the measures which he has taken and will take to execute the plan."

Mr. CRAWFORD. Mr. Chairman, in the bill reported by the committee which is now before the House, modified by the Wolcott amendments, we call upon the Price Administrator and say he shall proceed immediately to formulate a comprehensive plan for the progressive removal of price controls and subsidies.

The amendment which I have now offered requires the Price Administrator, on or before October 1, 1946, to report to the Congress the plan so formulated, together with the measures which he has taken and will take to execute the plan. It is simply a speeding up, all in harmony with the March 31 expiration date which we have adopted.

I do not think I should take any further time of the House on the amendment.

Mr. HOOK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think this amendment is just about as bad as some of the amendments we have adopted this afternoon.

I received a letter from one of my constituents that is rather interesting. My constituents happen to be Democrats and Republicans of the Twelfth District of Michigan who work for a living. Those are my constituents. This constituent said:

In the period right after the close of hostilities in 1918, after the brief lull due to demobilization and industrial reconversion, prices went wild. It is very important for us to remember today that the inflation of World War I did not come during the war—it came after the war. It did not reach the breaking point until 1920.

Retail prices, for example, of building materials jumped 141 percent. Following this lead, other prices, all along the line, followed suit. Butter was sold for a dollar a pound. Many of you will remember paying 25 cents a pound for sugar.

This crazy whirl of higher and higher prices went on until the middle of 1920. Then the balloon burst. The people no longer could afford to keep up the dizzy pace—and the market collapsed.

The effects of that collapse were felt up to World War II.

Yes; the people of this country will vote next November, and when they find that the Republican side of this House, with the exception of the gentleman from Indiana [Mr. LAFOLLETTE], the gentleman from New Jersey [Mr. KEAN], the gentleman from California [Mr. WELCH], and the gentleman from New York [Mr. BALDWIN], has created inflation to such an extent that their pay envelopes will not buy enough for them to sustain life, then you will find how they will vote. They voted after the last World War, in 1933. That depression came from the effects that came from the spiral of inflation of 1920. You are headed for the same thing right now.

This constituent pleaded for price control. He wanted price control the same as you men on the Republican side, and some of the Democrats, saying: "We want price control." But he ended his letter by saying, "Please wipe out the OPA."

Yes; you can piously plead for price control. You can walk down this aisle and wreck price control and go back home and simply say, "We still have OPA." But the people will not be fooled.

The people of this Nation want prices controlled. They do not want inflation. Inflation caused your depression of 1929, it will cause a depression again. It caused misery and suffering once and it will cause misery and suffering again.

Go ahead and vote your amendments. Go ahead and sabotage OPA and then later on listen to the cries and the wails of the hungry children of the unemployed men and women of this Nation. Yes; you can smile today, but the unemployed did not smile in 1933 and people will not smile when they find themselves again unemployed, which will be the result of your sabotaging amendment here today.

The gentleman from Michigan [Mr. WOLCOTT] who has led the revolt against OPA has opened the road to inflation, collapse of markets, depression, and unemployment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. BALDWIN of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BALDWIN of Maryland: On page 5, after line 11, insert the following section and change the remaining section numbers accordingly:

"SEC. 5. Subsection (c) of section 2 of the Emergency Price Control Act of 1942 as amended is amended by inserting after the first sentence thereof the following new sentence: 'The Administrator shall when so requested in cases of individual properties make such adjustment of the maximum rents of the housing unit in an individual property as are necessary to provide sufficient income to cover all current costs of operation, administration, repairs, current and deferred maintenance at 2 percent per annum, insurance, taxes other than income taxes, depreciation, and in addition thereto a reasonable return on the fair value of the property.'"

Mr. HAYS. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I have the same feeling about this amendment that the gentleman from Indiana [Mr. HARNESS] has, in that it is rather difficult to determine just what criterion the gentleman from Maryland is trying to provide. Now, as a matter of fact, there have been hardship cases. We know that. The OPA

has adjusted hundreds of thousands of these hardship situations. I am not saying that the OPA has adjusted all of them, but they are doing all they can with the facilities.

Mr. CHENOWETH. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Colorado.

Mr. CHENOWETH. I am in a controversy now with the State director of Colorado and he denies he has any authority to adjust rents. He denies that he has that jurisdiction or that authority. I understand he does have that authority.

Mr. HAYS. He does.

Mr. CHENOWETH. He denies it though.

Mr. HAYS. I cannot see how a State director can deny that.

Mr. CHENOWETH. I think we should write it right into the law.

Mr. HAYS. If we had an amendment that would provide a mandate accomplishing that, and further, if we equipped the OPA to do the job, that would be another thing. We are putting onto an administrative agency, if this amendment is adopted, an impossible task. It would open up hundreds of thousands of cases for adjustment under a rigid rule, whereas now they are undertaking to do the best they can with the hardship situation.

Mr. Chairman, rent constitutes about 20 percent of the ordinary family budget. It is a great item in connection with the cost of living and I hope the committee will not take favorable action on an amendment the construction of which is so uncertain.

Mr. Chairman, I want to point out, too, that in considering the condition of landlords two factors stand out. One is that they have had a 100-percent occupancy in the past few years and continue to have it. There is not a vacancy problem anymore, which is a considerable factor in considering incomes. The other is that collections have been 100 percent and will continue to be that, if not actually 100 percent, approximately that, because under present conditions there is no difficulty in that respect.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Is it not a fact that in the last survey conducted in 23 cities the net operating income from all properties was 37 percent better than it was before the war?

Mr. HAYS. I thank the gentleman for supplying that figure. I rose chiefly to point out the uncertainty of the amendment and the fact that a satisfactory answer has hardly been given in reply to the question of the gentleman from Indiana. It is better to leave the OPA with flexible authority with power to continue in these hardship adjustment cases than to provide this kind of a formula.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. DONDERO. Cases like this have come to my notice, where the landlord and the tenant had agreed upon $50 rent as reasonable, and OPA comes in and says that it shall be $30 a month, and the owner of the property has been forced to accept the $30.

Mr. HAYS. I concede that there have been some puzzling results, and I do not doubt at all that that has occurred. It should not have occured. I am simply saying that as between these alternatives it is much better not to confuse legislation with an inflexible rule that will put on OPA an impossible task and open up immediately demands by hundreds of thousands of landlords for an adjustment that could not possibly be made. I think we are correct in urging the OPA to study these hardship cases. May I say this for the committee: The Banking Committee has given a great deal of thought to this matter. In the hearings we have had as well as in the individual conferences we have had with the Administrator and his staff, we have constantly urged him to adjust hardships, such as the one the gentleman alludes to, and I think we ought to continue to urge attention to hardship cases.

Mr. BALDWIN of Maryland. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Maryland.

Mr. BALDWIN of Maryland. I just want to point out this fact, that regardless of how much reasoning you try to do with the Administrator, with reference to this particular case I refer to, nothing has been done. In correspondence they have admitted the hardship, but they have still done nothing in 3 years. Under this amendment they will have to.

Mr. HAYS. But the gentleman has not adequately explained what the amendment means and I am still not satisfied about it.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

The question is on the amendment offered by the gentleman from Maryland [Mr. BALDWIN].

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 72, noes 76.

Mr. BALDWIN of Maryland. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. BALDWIN of Maryland and Mr. HAYS.

The Committee again divided; and the tellers reported that there were—ayes 79, noes 108.

So the amendment was rejected.

Mr. FLANNAGAN. Mr. Chairman, the amendment just adopted removing meat subsidies refers in the second part of the amendment to page 8, line 2. Because of the fact that the Crawford amendment was adopted prior to the adoption of the amendment removing meat subsidies, the amendment should read "page 7, line 11." Mr. Chairman, I ask unanimous consent that that correction be made.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. GAMBLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GAMBLE: Page 9, line 23, add a new subsection reading as follows:

"SEC. 2. (r) When any State is prepared to undertake the control of the rent of the housing accommodations located in areas within its boundaries and when any State finds its housing conditions warrant such control and adopts, or has, a State law providing for the control of the rent of housing accommodations in such areas in the State as the State authorities find require such control, section 2 (b) of this act and the provisions of any other section of this act relating to rent shall not, 30 days after any State enacts such a law, or if any State has such a law, then 30 days after the enactment of this subsection, apply to any area located within the boundaries of that State. The Administrator, within 30 days after the enactment of such a law by any State, or if any State has such a law, then within 30 days after the enactment of this subsection, shall issue a regulation or order abolishing the controls upon rents imposed in such State by authority of this act and is prohibited from reestablishing such controls."

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think there has been no more salutary provision in price control than the regulation of rents. At this time it is particularly essential that they should be controlled, because the housing accommodations for the American people are entirely inadequate.

We did not delegate to the States any power as to the regulation of rates in regard to housing. They have that power. The powers that the National Government had are those that are delegated by the people, and those that are not specifically delegated are reserved to the States and the people. So we can delegate no power to them. They have that power now. But if we adopt this amendment, it will be an invitation to every municipality to pass a weak law that will give to the landlord profits that he is not entitled to and that he cannot obtain under the law that the Congress has passed. I think it would weaken the administration of the measure very materially to adopt such an amendment.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. McCORMACK. I want to call attention to the amendment offered by the gentleman from New York, that even if a State does not request that the Federal Government relinquish control within the State, the Administrator has to do so, but there is nothing here indicating any kind of requirement that must be made. Any kind of a law can be passed. I will agree that if the legislature passes a law it is fair to assume that it would be what they consider to be an adequate law. But, on the other hand, this amendment is so general and so vague that without regard to any other factors the adoption of the amendment would be very, very harmful. Furthermore, the price-control legislation will expire when the emergency is over. I assume some kind of a bill extending price control will be en-

acted. So that we are confronted with a temporary situation, and the amendment offered by the gentleman is entirely inadequate. It is very vague and general, and its adoption, in my opinion, would be dangerous.

Mr. SPENCE. I want to say in addition that the gentleman from New York [Mr. GAMBLE] is a very valuable member of the Committee on Banking and Currency, and he has great influence with that committee. He proposed this amendment in committee and it was turned down. Certainly the National Government and the States have concurrent jurisdiction on this subject. I do not think we should go into the States and attempt to tell them how they shall regulate their rents or have them say to us that we cannot enforce this law because they have taken certain action with reference to rents within the jurisdiction of the State.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. GAMBLE) there were—ayes 52, noes 109.

So the amendment was rejected.

Mr. WADSWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: On page 4, after line 25, add a new section to read as follows:

"SEC. 4. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended by inserting at the end of such section a new subsection as follows:

"'(p) Notwithstanding any provisions of this act no regulation, order, directive, or allocation shall be issued, made, or maintained (including directives for distribution or price schedules) with respect to livestock or any edible product processed in whole or substantial part from livestock.'"

Mr. HOOK. Mr. Chairman, I make a point of order against the amendment on the ground that it goes beyond the scope of the bill and is not germane to either the section or the bill.

The CHAIRMAN. The Chair is prepared to rule.

The gentleman from New York offers an amendment which has been reported, and the gentleman from Michigan has made a point of order against the amendment on the ground that it is not germane and that it goes beyond the scope of the pending bill. The Chair invites attention to the fact that the amendment is confined to the Emergency Price Control Act of 1942 which is sought here to be amended, and the Chair is of opinion that the amendment is germane.

The point of order is overruled.

The gentleman from New York is recognized for 5 minutes in support of his amendment.

Mr. WADSWORTH. Mr. Chairman, on yesterday the Committee of the Whole was very patient with me and indeed allowed me to speak for something like 40 minutes and describe as best I could the disgraceful situation that exists in the livestock industry. I shall not repeat those statements upon this occasion. Obviously, I have not time to do it in 5 minutes and I am convinced an overwhelming majority of the Members here present are pretty familiar with them.

I may say that the statements which I made yesterday are confirmed 100 percent by the gentleman from Virginia [Mr. FLANNAGAN], who in turn, as I understand it, reflected the individual opinions of practically every member of the Committee on Agriculture. It is also interesting to note that there is not a single person in the livestock industry, and I mean honest person, from one end of the country to the other who is not utterly ashamed at what is going on. The whole industry, starting from the great ranches of the West, through the feed lots of the Middle West, into the stockyards where the traders and commission men do business, then finally the processing plants, is absolutely unanimous that this thing cannot be permitted to go on, this black market, and that it is utterly impossible to prevent it under the controls now imposed by OPA. It is also interesting to note, Mr. Chairman, that the OPA itself does not deny the substantial truth of the testimony taken by the Committee on Agriculture of the House, or the Committee on Agriculture of the Senate, or the statements made by me yesterday when I had the privilege of addressing the Committee of the Whole.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. As I understand the gentleman's amendment, it takes the controls off of cattle, is that right?

Mr. WADSWORTH. That is correct, and the edible products of livestock.

Mr. BROWN of Georgia. Does not the gentleman get protection under the Wolcott amendment that was adopted here today?

Mr. WADSWORTH. We do not.

Mr. BROWN of Georgia. May I say to the gentleman that we have a black market in the lumber business, more so than in the cattle business, and if you are going to take it off of this, you might just as well take it off of everything else. I think the Wolcott amendment will give the gentleman what he wants.

Mr. WADSWORTH. Mr. Chairman, I am speaking solely of the livestock industry which is in the worst condition it has ever been in all our economic history, a condition which cannot be cured by governmental fiat. It is utterly impossible for any government to regulate the price of live animals on a grading system. Any livestock man in American will tell you that from that error there springs the corruption incident to the black market which today rules the meat markets of this country.

What may happen if this amendment is adopted? It may be that some of you are a little nervous about it. In the first place, let me remind you that today the ultimate consumer is purchasing meat at retail in a competitive market. The competition goes on between the chiselers. Seventy percent of the retail sales tested out in 11 cities with a 15,000,000 population are sales over the ceilings.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MONRONEY. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. HOOK. Mr. Chairman, reserving the right to object, is the time on each amendment limited to 10 minutes?

The CHAIRMAN. There has been no definite limit on each amendment, either for or against. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WADSWORTH. Mr. Chairman, the consumer today is actually purchasing at retail in a competitive market for, obviously, the black market having been established so thoroughly all over the United States, the chiselers are charging all the market will bear. That is their business. The pity is that the honest man cannot compete with them due entirely to the regulations.

Now, there is a surplus of cattle in the United States. I think the gentleman from Virginia [Mr. FLANNAGAN] said today we have 9,000,000 more cattle than we had in 1939 or 1940.

In other words, there is no scarcity of beef. You lift the ceilings and wipe out the subsidies and what may we expect? The restoration of a competitive market by honest men instead of by chiselers, and the consumer will be buying in a competitive market, and it is exceedingly doubtful that the price of beef will go higher than it is now when it is selling at rates far above the ceiling. Why should it go higher than it is now? I would anticipate, for example, that the price of very choice cuts might well go up for a comparatively short season, choice cuts purchased largely by restaurants, night clubs, clubs where rich people and silly people go to spend money. Their experience does not disturb me at all. I am thinking of the food of the people, and the food of the people comes from the medium cuts, and those are the cuts that are purchased by the average housewife, and today she is paying 20 percent over ceiling on the average—more than that, 35 percent for beef, 25 percent for veal, and somewhat less for lamb, and somewhat less for pork.

Let us open this thing up and have an honest industry and let the people buy sanitary food, save the byproducts that are now being wasted, and drive out corruption.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, it is hard to disagree with the distinguished gentleman from New York. But I come from a State that raises substantial amounts of cattle, and I think I understand the cattle business about as well as the average Member of Congress.

There is and has been a growing black market in beef; make no mistake about that. But, Members of the Congress, a part of the responsibility for that black market is right here on the backs of Congress. There is a current meat shortage which always occurs when the

OPA bill is before the House of Representatives.

Last year we threw open wide the doors for every slaughterhouse and every packer to kill all the stock they could kill, and with sort of a substandard, quickie inspection. Thus we legalized by action of the Congress the very black market that is now being used as an excuse for taking off meat price controls.

Let us stop, look, and listen, and think of what we are doing. Because there is a black market in meat, the Congress of the United States, the mightiest Nation in the world, is being asked today to run up the white flag and unconditionally surrender to the black market and take meat off of all price controls. Do you think that if the Congress surrenders unconditionally to the black market in meat that there is any use to have price controls on any other item?

Do you not think that the thousands of other industries that have seen how successful a growing black market can become for decontrol will not want also to convince the House of Representatives to decontrol prices on their commodities? Would these other industries worry too much about the black market that grows up in those other industries? Of course not. Thus, you will not have any price control whatsoever. I say that the answer to this thing is not unconditional surrender to the black market; it is more and better enforcement, enforcement by the FBI as well as the OPA. Quotas will also probably be needed.

Yes; tears were shed in this House a year ago because of the quota system imposed by the Department of Agriculture and the OPA that was used then, forcing meat into the legal market. Member after Member stood and criticized the imposition of these quotas. So they went off after VJ-day, and your meat has been diverted into other channels.

I disagree that 70 percent is in the black market. That poll quoted to the House was taken and paid for by the Meat Institute of America, representing the major packers. Other polls show that there is less than 20 percent going into the black market.

These figures that show a decline in the stock going into the major packers also indicate in my own district a substantial and a healthy growth of many honest small slaughtering houses in the small towns that are, I sincerely believe, living within price ceilings.

If you decontrol meat you decontrol the biggest and most expensive item in the food index in this country. There is no use that I can see of passing a price-control bill when we knock the holes that have been knocked into this bill.

This, and other amendments, open the floodgates still wider for inflation.

Mr. Chairman, I ask that the amendment be voted down.

Mr. HOPE. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE to the amendment offered by Mr. WADSWORTH: Strike out the period in line 5 and insert a comma and add "or on any grain or any product manufactured therefrom."

Mr. HOPE. Mr. Chairman, I hope I may have the attention of the Committee, because if you are going to give consideration to the amendment offered by the gentleman from New York you must also consider this amendment, for you cannot separate feed grains and livestock. You have heard the statement made many times that we have plenty of meat. We may have plenty of livestock on the hoof, but livestock is not meat. The amount of beef we are going to get, the amount of pork we are going to get, the amount of mutton, the amount of poultry, the amount of eggs, the amount of dairy products and everything else that we are going to get from livestock depends on how much feed we have. It takes about 7 pounds of grain to produce 1 pound of meat on the average. We have used up our reserves of feed. We do not know how much feed we are going to grow this coming year. Therefore we do not know how much meat we will have.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Virginia.

Mr. FLANNAGAN. The reason the Committee on Agriculture did not go as far as the amendment the gentleman from New York has offered is that we did not know what effect the removal of controls would have upon the grain situation in America.

Mr. HOPE. Yes. When the hearings were held by the Committee on Agriculture, at which the livestock people appeared, they were all asked, "If we take the ceilings off livestock, should we take them off grain?" As I recall the testimony practically all of them said we should, because the two are tied together so closely that you cannot disconnect them.

What will happen if you take the ceilings off of livestock and do not take them off of grain?

The price of livestock ordinarily makes the price of grain. In a time of shortage like this that includes wheat as well as the ordinary food grains. Therefore, if you do not lift the ceilings on grain when you lift the ceilings on livestock, an advance in livestock prices will most certainly mean increased consumption of all grain, including wheat for livestock feed, because it will be more profitable to use it that way. You may not have enough for human consumption. We certainly cannot meet relief needs. It will be fed to hogs instead of hungry people. It will largely be fed in the areas where it grows and producers of livestock on the two coasts or anywhere outside of the feed-producing areas will have to go out of business because they cannot get feed. Dairy producers will be out of luck because they will not be able to compete with producers of meat. In other words, there will be chaos in the production of food. There is no way of disconnecting feed and livestock. If you take the ceiling off one, you must take it off the other, or you will have a worse situation than you have now. It is bad enough at present and there is a black market in corn because it is more profitable to feed the corn to hogs at present prices than to sell it for other purposes. You have a black market that is Nationwide. There have been a dozen of Members of the House who have spoken to me in the last 3 or 4 days asking where their constituents can get corn. They are mostly from the coastal sections of the country. I cannot tell them where they can get corn because it is not available except in the black market. If you remove livestock ceilings and keep ceilings on grain the bad situation will be intensified and will include all grains.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. BROWN of Georgia. I thoroughly agree with the gentleman that if we are going to take cattle off the list, then we must take feed and corn and, of course, then we must take bread out because bread is made from corn. I think the gentleman is entirely correct in his position.

Mr. HOPE. I do not believe there can be any doubt about it on the part of anyone who has given the matter any consideration.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, directing my inquiry to the gentleman from Kansas, does this include milk and milk products?

Mr. HOPE. No; my amendment is simply an amendment to the amendment offered by the gentleman from New York, and it includes grain and grain products.

Mr. PATMAN. In other words, it includes the feed that must be bought for dairying and for beef cattle?

Mr. HOPE. Yes; or for any other livestock.

Mr. PATMAN. For any other livestock also?

Mr. HOPE. Yes; or poultry.

Mr. PATMAN. Including poultry?

Mr. HOPE. Yes.

Mr. PATMAN. Under the Wadsworth amendment, is it broad enough to include milk and milk products?

Mr. WADSWORTH. No; it is not.

Mr. PATMAN. It does include animals?

Mr. WADSWORTH. That is all—including the edible parts thereof.

Mr. PATMAN. As well as the food products processed therefrom which would include, of course, canned goods of all kinds and everything that is processed from the animal. Therefore, the gentleman's amendment would take all price controls off feed which is purchased for either poultry or cattle or for any other purpose in producing all kinds of beef?

Mr. HOPE. That is correct.

Mr. PATMAN. Of course, if the gentleman's amendment includes wheat and corn, you would expect to take the price ceiling off of all products that are processed from those commodities as well.

Mr. HOPE. The amendment so provides.

Mr. PATMAN. So it takes the price ceiling off all agricultural products, you might say, that are used for human consumption?

Mr. HOPE. It does not affect dairy products nor does it affect fruits and vegetables.

Mr. PATMAN. How do you expect the dairyman to survive if his price is fixed

so far as the feed that goes to the dairy but is fixed on the dairy products? How do you expect the dairyman to survive under those conditions? Do you not think he would be immediately caught in a squeeze which will cause the dairyman to demand a greatly increased price or be forced out of business?

Mr. HOPE. May I say in reply to the gentleman that the cost of dairy products, the cost of meat, and the cost of feed, are all interconnected, and there is no way you can separate them. I think under the Wolcott amendment as adopted the dairy producer would be protected somewhat. However, with no ceilings on meat or livestock he would have a hard time competing with livestock producers for feed. So would the human consumer.

We would not have any food grains for the destitute people all over the world. We have fed hundreds of millions of bushels of wheat to livestock in the last few years in this country and we will continue to do it if the price of livestock is out of line with the price of grain.

Mr. PATMAN. This would mean taking off all controls on wheat and corn; off of everything that is used to feed livestock. It would also take the price controls off of the things processed from corn, such as starch and corn sirup.

Mr. HOPE. That is correct.

Mr. PATMAN. I do not know of anything that could be concluded more than taking off all prices. I certainly agree with the gentleman that if the other is adopted your amendment certainly should be adopted with it, because they both go together; but you might just as well not have any price control if we pass this.

Mr. HOPE. Will the gentleman yield further?

Mr. PATMAN. I yield.

Mr. HOPE. I will say to the gentleman I have no desire in this amendment to take in any more territory than is necessary. I could have confined it to what might ordinarily be called feed grains, but if you confine it to that it would not apply to wheat, and it would result in tremendous use of wheat for feed as long as there are ceilings on wheat.

Mr. PATMAN. It will even apply to corn sirup that is processed from corn.

Mr. Chairman, I ask that the amendment be defeated.

Mr. RIZLEY. Mr. Chairman, I rise in support of the amendment, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. RIZLEY. Mr. Chairman, it is unfortunate that more Members of the House could not have been present yesterday when the distinguished gentleman from New York presented what I believe every fair-minded person would say is an unanswerable case against the further control of the meat industry by the Office of Price Administration.

The able chairman of my own committee, the gentleman from Virginia [Mr. FLANNAGAN], following the gentleman from New York [Mr. WADSWORTH] supplemented and substantiated the gentleman from New York, Mr. WADSWORTH'S, case in detail, to the effect that the meat industry should be relieved from the clutches of the OPA administrators, so that the consuming public in this country can buy meat on a legitimate market at a less price than they are now paying on the black market.

Can everyone who pretends to know anything about the meat business be wrong in requesting the removal of controls and subsidies? Who are the witnesses who say that controls and subsidies should be removed if we want to have a legitimate market and at a lesser price than we are now paying through black market? They are the livestock producers, the livestock feeders, the livestock marketing agencies, the stockyards operators; the packers, large and small—in fact, everyone who handles a cow or a hog from the date of its birth to the date that it is sold to the retail trade.

Now who say it is necessary to keep the meat industry under the control of the OPA? Mr. Bowles, the Administrator; Mr. Greenburg, his enforcement officer; and my distinguished colleague from Oklahoma [Mr. MONRONEY].

It is a well-known fact that the Secretary of Agriculture several months ago made public statements in various places throughout the country that we would get rid of subsidies on cattle and on meat by the 1st of June this good year, 1946; but Bowles has refused to go along, he has refused to permit the Secretary to do his duty—and this, in view of the fact that this Congress wrote into the OPA Act that the Secretary of Agriculture should be the final arbitrator and have the final say in respect to matters of this kind. While my friend, the gentleman from Oklahoma [Mr. MONRONEY] says that the answer is a larger gestapo of enforcement agents. He wants to turn the FBI loose on the cattle industry. He is going to have enough FBI agents stationed at the stockyards in Chicago and in Kansas City, in Fort Worth and Oklahoma City, to follow every cow and every bull and the carcass of every animal to its final resting place, to see that the animal does not reach the black market. He tells this Congress that the packing plants in his home town of Oklahoma City are unable to buy any of the cattle, that notwithstanding the fact that cattle are going through the stockyards, they are going to sources other than the packing plants, and he would follow them with the FBI. His answer has been the stock answer of the OPA to all of its failures—give us more men. He charges those of us who want to sell this meat on a legitimate market as being either innocent or careless advocates of inflation; but he fails to point out why it is more inflationary to pay a less price for meat in a legitimate market, than to pay the black-market prices that now prevail.

We have an adequate supply of meat if properly channeled through legitimate dealers.

Let us get rid of the black-market meat bootleggers and have it handled in a legal and lawful way. I hope the amendment offered by the gentleman from New York will be adopted.

Mr. RABAUT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to extend my sympathies to the American people. It is true in an election under our American system you sent here a Representative from your district to represent you in the House. It is likewise true, in my opinion, that today a majority of the membership voted consistently against the best interests of the American people. For the amendments as placed on the bill are a confession of subservience to a "master's" voice, and that voice, Mr. and Mrs. Average American, was not your voice.

A sales tax is created of the worst kind, the percentage and the exorbitance of which no one knows. For it will be maneuvered to colossal and unsteady heights by unbridled avarice and greed, and the victims will be you, Mr. and Mrs. Average American. I say you have my sympathy for what has taken place here thus far in scuttling the OPA extension and I fully realize that your disgust at what has taken place is equal to the resentment that now is mine. The values of the savings, the bonds, the insurance policies, the allotments to the GI's, and the benefits to old-age pensioners, are all drastically reduced by the action of this House today. In a word, the general welfare of the Nation has been relegated to the proverbial ashcan.

Mr. SMITH of Ohio. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. SMITH of Ohio. Mr. Chairman, I do not intend to take the 5 minutes allotted me. I should like to have the attention of the chairman of the Committee on Banking and Currency, for I wish to ask him a question.

The bill makes the following declaration:

> It is hereby declared to be the policy of the Congress that the general control of prices and wages, and the use of subsidiary powers conferred by section 2 (e) of this act, shall be terminated, without further extension.

In line 17 of page 2 another portion of the section reads:

> The President shall, not later than April 1, 1947, report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this act as to them after June 30, 1947.

The Congress authorizes the President to make recommendations with respect to a further extension of price control but not wage control. Why did you leave wages out?

Mr. SPENCE. I think it is very obvious. It ends both the Price Control and the Stabilization Acts on June 30, 1947. It was considered that some commodities might still be in such short supply that they would need control. It was thought that the housing situation would not be remedied and for that reason the President was directed to report to the Congress the shortages of those things he thought it very probable would still continue to be insufficient to meet the demands of the people. I think there is

no doubt that the housing situation is very difficult.

Mr. SMITH of Ohio. But the gentleman is not answering my question. I want to know why you left wages out? Does the gentleman mean to tell the House the policy postulates the disassociation of wages and prices?

Mr. SPENCE. The Stabilization Act never did direct a particular wage to be paid, it granted only supervisory power. We never directed that wages be arbitrarily fixed by any governmental agency. They never intended to do away with collective bargaining. That has never been advocated. The gentleman is always talking about regimentation. Does he want to do away with free collective bargaining?

Mr. SMITH of Ohio. Certainly not. The gentleman from Ohio does not want any wage control either.

Mr. SPENCE. We recognize that you cannot force a man to work by law if he does not want to work.

Mr. SMITH of Ohio. The gentleman still is not answering my question, he is being evasive. Let me ask, then, Why did you write this language into the bill? "It is hereby declared to be the policy of Congress that the general control of prices and wages shall be terminated, without further notice."

Mr. SABATH. Mr. Chairman, will the gentleman yield to me?

Mr. SMITH of Ohio. No; I would rather have the chairman of the Banking and Currency Committee, who is supposed to know, answer my question.

Mr. SPENCE. Why, the gentleman has always been against price control.

Mr. SMITH of Ohio. Mr. Chairman, I do not yield any further.

Mr. SPENCE. The gentleman has always contended that there was regimentation and that this would enslave the American people. Does he want to enslave them more and take away the right of collective bargaining?

Mr. SMITH of Ohio. The gentleman from Ohio does not believe in wage control either. The answer given me is wholly unsatisfactory. It is no answer at all. The fact is, the language in this bill which provides for permanent decontrol of prices but not wages is, in my opinion, designed to make the wage earners believe prices and wages can be disassociated, that they are separate and distinct entities. If that is the purpose it is grossly deceptive. It will not fool many people.

Mr. CRAWFORD. Mr. Chairman, I move that all debate on this amendment and all amendments thereto do now close.

The CHAIRMAN. The question is on the motion offered by the gentleman from Michigan [Mr. CRAWFORD].

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. HOPE] to the Wadsworth amendment.

The question was taken; and on a division (demanded by Mr. HOPE) there were—ayes 62, noes 116.

So the amendment to the amendment was rejected.

The CHAIRMAN (Mr. COOPER). The question is on the amendment offered by the gentleman from New York [Mr. WADSWORTH].

The question was taken; and on a division (demanded by Mr. WADSWORTH) there were—ayes 127, noes 117.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. WADSWORTH.

The Committee again divided; and the tellers reported that there were—ayes 139, noes 122.

So the amendment was agreed to.

Mr. SUNDSTROM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SUNDSTROM: On page 10, line 16, add a new section as follows:

"SEC. 10. Section 302 of the Emergency Price Control Act of 1942 is amended by adding thereto a new subsection as follows:

"'(k) The term "reasonable profit" shall mean the margin of profit at least equivalent to the average margin of profit generally prevailing in the industry during the calendar years 1939 to 1941, inclusive'."

Mr. ROBERTSON of North Dakota. Mr. Chairman, I am particularly interested in subdivision Q of section 2 of the Price Control Act, and I particularly wish to address the Congress on a question affecting the retail automobile dealers of the country—particularly the small dealers. We must all agree perhaps that dealers with larger volumes of business in the metropolitan areas of the country may find it much easier to conform to some of the rules laid down to automobile dealers by the Office of Price Administration because of their large volume than those in smaller towns throughout the United States.

I have always been deeply concerned with the small businessmen of the country. I come in that category myself. This administration has shown interest in the small businessmen of the country, and has expressed itself in their favor on many occasions. The mere fact that it sees fit to set up a Small Business Committee is further evidence of that.

Automobile dealers outside of the large cities can truly be classed as small business. They are essential to our national economy. I know how the small automobile dealer feels. In my State, taking an average of the small villages and including the large towns up to 40,000, the average yearly sales of new cars by dealers is probably less than 30 units per year. I am speaking now of normal business conditions, not the war years. These dealers have no "carry back-carry forward" tax relief accorded the factories. These dealers have no tax relief for reconversion to peacetime operations. These dealers have and will meet obligations to employ discharged servicemen. These small dealers will expand their facilities to meet requirements.

Let us be fair with small business. Certainly, Mr. Bowles and the Office of Price Administration have been more than fair in their treatment of the automobile factories as against the automobile dealers. The factories have gotten what they asked for, and what the OPA gave the factories they have taken from the dealers on the theory that production and sale of cars will make dealers unduly prosperous. The OPA seems to have only one worry—that this small-business group, the automobile dealers, will be too prosperous.

I like these automobile dealers. They have been honest with the Congress. Back in 1942 we, the Congress, went along with the automobile dealers, not the factories nor the Government agencies. These dealers came to us and told us how we, the Congress, could best meet the critical situation in automobile transportation. We listened; we acted. The result was the Murray-Patman Act and this was perhaps one of the most creditable pieces of practical legislation passed during the war.

In the interest of small business, I believe we should again listen to the advice of this group of businessmen and refuse to put their fate in the hands of their factories or under the heel of the Office of Price Administration.

With dealers having an average sale of 30 units, for illustration, if this amendment is adopted, the gross profit in a normal year will run about $6,000. I should like to emphasize that you pay due consideration to the words "gross profit." There is a distinct difference between that and "net profit" in any business. The OPA, according to news releases on General Motors prices, has allowed the Cadillac people an increase of $417 on one model. A substantial amount of this will be charged to the dealer, which is consistent with the OPA policy of favoring big business while the small dealers lose. All dealers with sales less than 100 units per year cannot by any stretch of imagination be exceptionally prosperous, even if maximum production should be reached.

We must bear in mind when Mr. Bowles announced his 2.6 percent cost absorption to dealers, it was predicated on the industry reaching a 5,000,000-unit production by midsummer of 1946. Up to this time, production is way down and no elimination or reduction has been granted on cost absorption. If the OPA is going to cut margins on a predicted volume, then the Government should be obligated to pay dealers an offset bonus if volume as predicted is not met.

Here we are in the middle of April with only a token production of new cars. Already makers are talking of their 1947 models to be announced in January of 1947. Based on past history of the automobile manufacturing business, this will mean a complete cut-off of production late in 1946 for approximately 60 days. This means a further limit on production not anticipated in the fantastic prediction of the OPA toward automobile dealers.

Now we have Mr. Porter, the new OPA Administrator, gazing into the crystal ball and by inference predicting a 5,000,000-car production. That prediction will cost him nothing if it fails, but if we fail to pass this amendment in this Congress, our action may cost the Nation thousands of small service establishments that we so sorely need. This section is needed even if it applied to automobile dealers only. Yet every industry which was interrupted by wartime

regulations surely is entitled to special consideration by this Congress now. Section (q) of this bill provides for relief without discrimination.

I ask this House in all fairness: Do you think that Mr. Bowles would have asked the automobile dealers to accept a cut of 5.1 percent in their discount—about one-fourth of their profit—if he had known of the trickle of new car production that has occurred over the past 6 months? Then why place their future in the hands of the Office of Price Administration? We have a fair and reasonable solution of this problem in section (q). I believe it deserves the unanimous support of the House and I urge that this section of the bill be strongly supported.

Mr. BOREN. Mr. Chairman, one of the most vicious and inequitable regulations drafted by the Office of Price Administration is the maximum average price plan. It has been universally condemned by congressional committees on the basis of thorough studies. It is, in a large degree, responsible for the shortage of wearing apparel and the flooding of markets with high-priced and inferior merchandise. It has been extremely gratifying to find that the House Banking and Currency Committee has eliminated this objectionable feature in legislation to continue the Office of Price Administration.

The principles involved in the maximum average price plan have been under congressional fire for a long period of time. In fact, these principles and the plan itself is directly contrary to specific legislation of Congress.

In 1943, the House named a Select Committee to Investigate Executive Agencies. That investigation included OPA.

In the report of this committee, under date of November 15, 1943, there was this statement:

> Section 2 (b) of the act is the prohibition against the powers of the Administrator to compel changes in business practices. Notwithstanding this provision, the Office of Price Administration has gone about at will causing changes in business practices, cost practices, and distribution practices by its regulations and orders.

The maximum average price plan was evolved in the face of this very definite direction. In the same report, the committee said:

> With top officials of the Office of Price Administration entertaining the opinion that Congress lacks understanding of the legislation it has enacted, your committee ceases to wonder at the frequent misinterpretation given by that agency to its guiding statutes.

I commend to the careful consideration of my colleagues the above statements. In its study of the problems of small business, the select Senate committee had the following to say with reference to the maximum average price plan:

> Early in its existence, OPA recognized quality control as a major problem in controlling prices. It was realized that without the ability to establish and maintain quality standards, merchandise would be upgraded and the consumer would be forced to purchase inferior products.
>
> Consequently, OPA drafted a program of grade labeling which it wished to institute, but business protest against such a device resulted in action by Congress banning its use in connection with items not already being graded and labeled in the normal course of business.
>
> When grade labeling was outlawed, OPA was forced to seek other means of preventing upgrading. First among the alternative devices used was the highest price-line regulations. This approach, however, proved ineffective, particularly at the retail level.
>
> Following this attempt to maintain quality standards, OPA turned to the maximum average price (MAP) policy as another approach to the problem. This device has not been highly successful since it is complicated and requires constant adjustment.

Under one of OPA's most inflexible rules, the maximum average price regulation, known as MAP, a manufacturer cannot exceed an average price for all lines he manufactures. Let us say that, in a base year selected by OPA, the manufacturer had three lines of shorts, selling for 50 cents, $1, and $1.50—and that his volume in each line being equal, his average price was $1.

Today, under OPA rules, he still must so balance his production as to maintain that average. It may be that, with yarn prices steadily increasing, he cannot obtain the yarns to make the same volume of his lowest price line. Yet, to maintain his average price, he must then make a comparable reduction in the volume of his other lines.

The result is that the manufacturer is forced by OPA to produce less today than he produced in the base year. OPA's policies, at a time when the demand is for increased production, is forcing the manufacturer to produce less.

In that very real way, OPA's policies today are still promoting what we have called controlled scarcity.

At the same time, the avowed intention of OPA to combat inflation has failed.

For, while standard, old-line manufacturers are forced to reduce their volume, in many cases, new manufacturers have entered the field. Many who were not making a given item, for example, underwear, in the base year, have been able, in many cases, to obtain competitive ceilings at prices many times those asked by the old-line firms.

A new manufacturer, without previous price bases, is able to select a high-priced luxury item and declare that he is manufacturing in competition with that item—regardless of the quality of his product.

And the demand for underwear, born of OPA's controlled scarcity, is so great that the people will pay fantastic prices for what is often the shoddiest of merchandise.

Manufacturers of old-line underwear say that they need only price increases of a few cents a garment to enable them to produce and sell underwear. Certainly it would seem less inflationary to permit an increase of from 5 to 10 cents on a 50-cent short, than to force the public to patronize, and encourage, a fly-by-night producer who has obtained a new ceiling of $2 or $3 for an item of no greater quality.

Industry generally contends that if OPA would take off its restrictive limitations, and permit full production, the matter of inflation would take care of itself. We in this country have reason to know the lowering effect of abundance upon price.

It is unfortunate that the words "low cost" are today being so widely misunderstood. Given the opportunity, manufacturers will today flood the market with quality merchandise at prices far below those now being charged for inferior merchandise under OPA approval. OPA controls have been largely responsible for a vast flow of foreign goods into the American market at prices far beyond those people would pay even with price increases. The effort to fasten on the American people wartime controls nearly a year after the war has ended is wrecking our whole productive system and in the end is certain to mean economic chaos.

It happens that I am addressing myself to a subject to which I have been very close in my committee work in Congress. I earnestly appeal to my colleagues to support the action of the Senate Banking and Currency Committee and eliminate once and for all the vicious maximum average price plan. It is an effort to put theories above practical experience. American manufacturers know better than anyone else what the American people want and are willing to pay. No reputable manufacturer wants to price his business out of existence. Yet, OPA has forced manufacturers to combat gigantic black markets and sell their quality merchandise in competition with the shoddy products produced by those seeking to take advantage of our people in time of emergency. Elimination of the maximum average price plan will be a green light to industry to go ahead and produce according to established patterns of production and distribution, which will also be a death blow to the black-market operations in inferior merchandise.

Mr. GILLIE. Mr. Chairman, I ask unanimous consent to extend my remarks following the amendment offered by the gentleman from Virginia [Mr. FLANNAGAN].

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SUNDSTROM. Mr. Chairman, this amendment is a clarifying amendment. This morning the House passed a cost-of-production amendment offered by the gentleman from Michigan [Mr. WOLCOTT] and we also have a section on page 9 of the bill, section 8, in which we have the term "a reasonable profit." I feel we owe it to the Administrator to at least give him an opportunity to know what we mean by reasonable profit. I want to add a new section which will define a reasonable profit and at least give him a base to work from. The wording of the amendment is self-explanatory, that the margin of profit shall be at least equivalent to the average margin of profit generally prevailing in the industry during the calendar years 1939 to 1941, inclusive.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SUNDSTROM. I yield.

Mr. PATMAN. Does the gentleman mean each article or commodity or does he refer to an industry-wide profit?

Mr. SUNDSTROM. The way it reads, I believe is self-explanatory. The Wolcott amendment and the Andersen amendment to the Wolcott amendment, I believe referred to individual articles.

Mr. PATMAN. That would include specific companies?

Mr. SUNDSTROM. Of course, it includes specific companies.

Mr. PATMAN. And each specific company would be included, the high-cost producers the same as the low-cost producers?

Mr. SUNDSTROM. We already have what was voted for here—a reasonable profit. I am not changing it at all except to try to help the Administrator to have a base to work from because some people's idea of reasonable profit is different from the idea of others. I am trying to make it possible so that the honest businessman is not considered a crook if he has made what is considered a reasonable profit according to the approved historical accounting practices of the industry.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

"NOT ONLY HAVE YOU GENTLEMEN EMASCULATED THIS BILL, YOU HAVE MURDERED IT"

Mr. SABATH. I rise in opposition to the amendment.

Mr. Chairman, earlier in the day we passed the Wolcott amendment to extend the law to March 31 instead of to June 30, 1947, as provided in the bill. The excuse and justification offered was that when we come back in January we can rewrite or amend the law. I have called attention already to the fact that it would be impossible to do so in that short time, because it requires the first 30 days of a session of the Congress to organize the House, the assignment of newly elected Members to committees, and the reorganization of the committees themselves. This would allow only a few weeks for the holding of hearings on proposed important legislation and its consideration and adoption by the House by March would be well-nigh impossible, not taking into consideration that it would also be necessary to go to the other body with attendant hearings by the committee having jurisdiction, and consideration and adoption by the Senate, followed by conferences on the part of House and Senate conferees with final action by both Houses before going to the President for his action. I know and you well know that the further amendment of the act could not be accomplished by March next.

DESTRUCTION OF OPA INTENDED

Mr. Speaker, from the way a nearly unanimous Republican membership is voting today, I know that it is their aim to destroy price control which has, with all its imperfections, held down rents and the cost of living fairly well. Without price control our cost of living would have shot up as was exemplified when price controls were removed on citrus fruits and on other items on which prices were not controlled.

You have voted to guarantee profits to business. You have forgiven $5,000,000,000 in taxes to business and in addition have further reduced over three billions of taxes on the supposition that it would help reconversion. I wonder if your action today means that you are willing to guarantee full, steady employment and decent wages to all working people?—but that, I know, is far from your thoughts.

You Republicans with a few of the reactionary Democrats ignored the wishes of 95 percent of the American people who have beseeched and pleaded that price control, unweakened, be extended to hold the line for 1 year against disastrous increases in the cost of food and construction materials for homeless veterans and our citizenry. It is to be regretted that you have permitted yourselves to be used and influenced by the most vicious lobby in the history of our country, representing industries already making higher profits than they ever have. You have legislated for the benefit of about 5 percent of selfish, avaricious, and insatiable industrial czars, for possibly 10 percent of big landowners who produce 50 or 60 percent of all foodstuffs. The average farmer is satisfied with the prices he is now receiving and is, in fact, in favor of OPA. The farmer does not want to double the price of everything he buys.

YOU WILL NOT BE ABLE TO EXPLAIN THIS VOTE

I say to you gentlemen on the Republican side, and to some of you from the Cotton States who went South on this bill, that you will not be able to explain your vote to the people. You will not be able to explain the scuttling of price control, and the invitation to a tremendous increase in the cost of living, which is bound to bring about a disastrous inflation that will plague us for years to come.

You are not acting in the interest of the Nation.

I am amazed at your disregard of the rights of the masses.

You claim that incomes of wage earners have been raised, because a few millions of the 55,000,000 workers have been granted 18½-cent increases; but you forget the millions who got no increase, while living costs already are up 50 or 60 percent. It is beyond me to understand how you can follow this insistent demand to provide higher and ever higher profit to producers, growers, and manufacturers, with utter disregard for the little people. The gentleman from Mississippi [Mr. RANKIN] complained that cotton prices have gone down, when in fact cotton is now selling at 28 cents a pound, instead of 6 cents as a few years ago—an increase of 400 percent as against 18½ percent for small numbers of workers.

BURDEN FALLS ON LITTLE PEOPLE

What applies to cotton applies to many other commodities. Personally, I regret that you Republicans have been led astray by selfish and avaricious industrialists. This bill will be your undoing. People will never stand for your disregard of their interest; your action here today will be hailed with glee by the industrial czars, by the 10 percent big farmers, by the speculators, but it will be condemned by the plain citizens of our country.

You failed to take my advice in 1929 when I begged the Congress to curb the stock-exchange gamblers, the commodity speculators, and the short sellers. You failed to take my advice in 1931 when I pleaded for a Reconstruction Finance Corporation. And again today you are disregarding the pleas and appeals of the millions. My Republicar colleagues, what you have done here today will fall with greatest burden on wage and salary earners, small businessmen, veterans, the millions of people with small, fixed incomes.

Mr. Chairman, we are aiding the starving abroad, and properly so; but in a short time we will have to aid millions of our own who will not be able to buy food at the increased prices which will result if OPA is rendered powerless to enforce the residue of those sections not repealed.

Not only have you gentlemen emasculated this bill; you have murdered it.

Today the dollar is not worth any more than 55 to 60 cents. I fear when you pass this bill it will not be worth more than 30 cents. You will be held responsible and you will have to explain and you cannot and will not be able to do it.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. SUNDSTROM].

The question was taken; and on a division (demanded by Mr. SUNDSTROM) there were—ayes 107, noes 128.

So the amendment was rejected.

Mr. GOSSETT. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. GOSSETT: At the top of page 3, beginning with line 1, strike out line 1 and all succeeding lines on said page down through and including line 24, and insert the following:

"(b) (1) Maximum price controls shall be removed as hereafter set forth.

"(2) In the case of any nonagricultural commodity or class of commodities the producers of which are not represented by an industry advisory committee as provided in section 2 (a) of the Emergency Price Control Act of 1942, as amended, the President shall from time to time but not less frequently than once each month determine whether the production of such commodity or commodities either singly or in combination equals or exceeds for the past 12 months by volume the production of such commodity or commodities in the period from July 1, 1940, to June 30, 1941. Whenever the President so finds he shall so certify to the Price Administrator, and not later than 10 days after the receipt of such certification the Price Administrator shall take such action as may be necessary to remove all price controls with respect to such commodity or class of commodities.

"(3) In the case of any nonagricultural commodity or class of commodities the producers of which are represented by an industry advisory committee as provided in section 2 (a) of the Emergency Price Control Act of 1942, as amended, such industry advisory committee shall from time to time but not less frequently than once each month certify to the Administrator as to whether the pro-

duction of any such commodity either singly or in combination equals or exceeds for the past 12 months by volume the production of such commodity or class of commodities for the period from July 1, 1940, to June 30, 1941. Whenever such committee shall so certify, the Price Administrator shall not later than 10 days after receipt of such certification, take such action as may be necessary to immediately remove all price controls with respect to such commodity or commodities.

"(4) (a) In the case of agricultural commodities the Secretary of Agriculture is hereby authorized and directed to make a determination as to whether supply of the commodity is equal to the domestic consumption of such commodity. When such supply is equal to such domestic consumption, he shall forthwith certify such determination to the Administrator. The Administrator shall within 10 days thereafter remove all price ceilings with respect to such commodity.

"(b) When the production of any agricultural commodity for the past 12 months equals or exceeds the production of this commodity during the 12-month period from July 1, 1940, to June 30, 1941, then such fact shall be certified to the Price Administrator by the Secretary of Agriculture, and such Price Administrator shall not later than 10 days after the receipt of such certification remove all maximum price ceilings from such commodity and all commodities for human consumption derived principally therefrom."

Mr. GOSSETT. Mr. Chairman, this is a perfecting amendment to the Brown decontrol amendment in the OPA bill. This amendment is not the brain child of myself alone; I have collaborated with a great many Members on both sides of the aisle and this has been written, rewritten, and rewritten, until we think it is in about as good shape as possible. No perfect decontrol mechanism can be devised.

We take the highest period of peacetime production; that is, from July of 1940 through June of 1941, and we say that when production equals for any 12 months immediately past the production of that period then price control shall come off. There are three determining factors. In the case of nonagricultural commodities where there is no industry advisory committee, the President makes the determination. In the case of a nonagricultural commodity for which there is an industry advisory committee such committee makes the determination. For agricultural commodities the President makes the determination.

Every administrative official in the Government as far as I know who has any responsibility for price controls, Mr. Bowles, Mr. Porter, even the President himself, has said that it is the policy of the administration to remove price controls just as soon as the supply equals the demand. Congress is the policy-making branch of the Government. I assume our administrative officials want to be consistent in the matter of a policy which we all believe should be written into this bill. Administrative officials should not object to this amendment. The purpose of this amendment is simply to make definite what is intended by the Brown amendment but what by reading of the Brown amendment is obviously indefinite.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Georgia.

Mr. PACE. I find in the committee bill, at the top of page 3, the following language:

Maximum price controls shall be removed, as provided in this subsection, in the case of particular commodities or classes of commodities, upon satisfaction of domestic demand therefor.

The amendment the gentleman offers is a clarification and modification of that language?

Mr. GOSSETT. Yes.

Mr. PACE. That is the purpose of the gentleman's amendment?

Mr. GOSSETT. The purpose of my amendment is to set up definite standards by which price controls will be released. It provides that upon the coming to pass of a certain contingency, that is, production for 12 months equaling that during the base period, then the controls shall come off.

Mr. MUNDT. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from South Dakota.

Mr. MUNDT. I have on the Clerk's desk a somewhat similar method of developing a systematic system of decontrols, but since, obviously, I will not have an opportunity to discuss my amendment and the gentleman's is similar, I expect to support the gentleman's amendment.

Mr. GOSSETT. I thank the gentleman.

Mr. LYNCH. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from New York.

Mr. LYNCH. What authority will there be to determine when supply equals demand? I mean, what agency will determine that?

Mr. GOSSETT. Well, the President makes that determination where there is no industrial advisory committee on a nonagricultural commodity. If it is a nonagricultural commodity having an industrial advisory committee, the advisory committee makes the determination. If it is an agricultural commodity the Secretary of Agriculture makes the determination.

Mr. WASIELEWSKI. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Wisconsin.

Mr. WASIELEWSKI. Does not the gentleman believe that the element of distribution ought to be brought into effect? We are told, for example, that today we are producing as many nylons as we did in peacetime, yet the distribution is not there.

Mr. VOORHIS of California. May I say to the gentleman from Wisconsin that I have a perfecting amendment on the desk that will take care of that very point?

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Louisiana.

Mr. BROOKS. The purpose of the amendment is to take out from under controls those commodities when there is an excess measured by a reasonable standard of production over the current needs of the country?

Mr. GOSSETT. That is approximately correct.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Illinois.

Mr. DIRKSEN. This simply tightens up decontrol so that it can be measured by an ascertained standard. May I say it is a tremendous improvement over the language now carried in the bill.

Mr. GOSSETT. I thank the gentleman.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is it not true that the intent of this amendment, so far as agricultural commodities are concerned, is that when the Secretary of Agriculture finds that the supply is sufficient for domestic consumption they come from under price control?

Mr. GOSSETT. That is exactly right.

Mr. WHITTINGTON. In other words, when we produce an exportable surplus, they are automatically eliminated?

Mr. GOSSETT. That is correct.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. GOSSETT. I yield to the gentleman from Arkansas.

Mr. HARRIS. Does not this carry out the intent of the act as originally established by this Congress that when production is sufficient to supply the demand price control on that commodity would terminate and permit the competitive system to operate again?

Mr. GOSSETT. That is correct.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. FOLGER. Mr. Chairman, this amendment is in such condition that no one can tell when controls may be removed.

Unless 4 (a) of this amendment is corrected by amendment it is doubtful whether controls on any commodities manufactured or processed, in whole or substantial part, of agricultural products or commodities should be removed under any circumstances or conditions.

This means that there is no requirement that ceiling prices shall be removed on commodities manufactured from cotton or tobacco, or grain or other agricultural product or commodity. You can require controls be lifted on raw cotton, leaf tobacco, wheat, corn, or other agricultural commodity or product, but not as to anything processed or manufactured from them or any of them.

Where will you be if you lift controls as to raw cotton but leave subject to controls the things manufactured from cotton? The same as to tobacco, wheat, corn, and all other agricultural products or commodities.

Commodity means a product or thing. Look well to what we do. We may ruin agriculture by failing to say: "Or any commodity processed or manufactured in whole or substantial part from agricultural products" in the Gossett amendment 4 (a).

Mr. PATMAN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, this amendment contains some very clever language. I do not agree that it is just carrying out the policy of the committee amendment. The committee amendment proposes that when the supply reaches the demand all controls must be taken off. Who will we leave that to? We cannot think of any other person except the President. We wanted to leave the agricultural commodities to the Secretary of Agriculture. He said he could not do it, he did not have the force to do it, it would not be possible for him to do it. We wanted to leave part of it to the Civilian Production Administration. Captain Small said he could not possibly do it. Then the only person we could leave it to is the President and we wrote that into the language of the bill.

The gentleman's amendment proposes that the industry advisory committee, the people who are selfishly interested in the commodity or article, will say when it must be taken off. You do not want that done. You take the heating-stove industry. The members of that committee are all selfishly interested. They are making heating stoves and they have a selfish interest. There is nobody on that committee except people who are selfishly interested, so they vote to take it off. You would expect them to be for their own industry.

Now, that same thing applies clear across the board for every industry, and the people who would be selfishly interested would take it off of their commodity. How long do you think it would last? That is on the nonagricultural commodities, where they have advisory committees. I was the author of the advisory committee amendment to the original bill, and I am proud to say that every industry, practically, is represented. But they are selfishly interested. Their views should be listened to but OPA should not be compelled to comply with the recommendations they make.

All right. Now the last paragraph is on agricultural commodities. The gentleman attempts to leave it to the Secretary of Agriculture. He told the committee he could not perform the task; he could not do it, and he asked us to leave him out. We left him out.

But I want to call your attention to a very clever phrase in this agricultural amendment. It says: "When the production has reached or equals the domestic consumption." Domestic consumption. In other words, we could have enough corn or wheat or oats or anything else for domestic consumption only, but we know we are going to ship a little of it overseas to feed the starving people over there, and on different commodities there will be scarcities which will cause the price to go out the roof if you take price control off. Therefore this phrase "domestic consumption" fixes it so that you might have enough just for our American people, but shipping so much abroad will force a scarcity here. Under this amendment, so cleverly written, they would be compelled to take it off because the Secretary of Agriculture would be compelled to say there was enough for domestic consumption.

BILL RIDDLED

I want to appeal to the Members of the House. This bill is already scuttled; it is riddled. The only thing left is the enacting clause. It is the only part that contains no crippling amendments. All we will send to the Senate will be a good, strong enacting clause, in the hope that the Senate will put something under that enacting clause that we can use in conference between the two Houses to work out our differences and have a satisfactory bill. That is the only thing that is left.

I hope we will have a roll call on every amendment, because this House has the responsibility for causing inflation. I am willing to take the responsibility for not having taken all the controls off. I hope the amendment will be defeated.

Mr. VOORHIS of California. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendments offered by Mr. VOORHIS of California to the amendment offered by the gentleman from Texas, Mr. GOSSETT:

In the second line of subparagraph (2) after the word "commodities", strike out the words "the producers of which are not represented by an industry committee as provided in section 2 (a) of the Emergency Price Control Act of 1942 as amended."

In the sixth line of subparagraph (2), after the word "production", insert "and sale."

At the end of the seventh line of subparagraph (2) after the word "volume", insert "120 percent of the."

Strike out all of subparagraph (3), and in the fourth and fifth lines of subparagraph 4 (a) after the word "consumption", insert the word "needs."

Mr. VOORHIS of California. Mr. Chairman, this is an amendment to the Gossett amendment.

In the first place, I want to say this, particularly with the bill in the shape it is in now. The main hope we have in the coming year is to try to prevent a runaway inflation from taking place. We have a tremendous volume of money in existence in the Nation. I have stated on the floor before this that the only way we could bring about an adjustment to that supply of money was by a gradual orderly upward adjustment of both incomes of the people and prices. I happen to believe that is going to happen, anyway, and that the root cause of inflation is not wage increases nor salary increases nor even reasonable price increases. It is the failure to have paid for the war by means of taxation when the war was on. We have let the banks create $106,000,000,000 worth of new money during that period. Under those circumstances, the most important thing this bill can carry is an orderly method of decontrol based on increased production. The Gossett amendment aims in that direction, but there are several things about the Gossett amendment that must be corrected to make it a safe or workable amendment. Otherwise the decontrol provisions of the committee bill are preferable.

The first one was mentioned by the gentleman from Wisconsin, where he pointed out that there might be adequate production and still have a hoarding of goods. Therefore, I amend the Gossett amendment by requiring production and sale of goods—rather than just "production"—over a 12-month period to be 120 percent of the base period.

In the second place, precisely because we have far more purchasing power in circulation today than in the proposed base period, plus the fact that we ought to be trying to encourage people to increase production as much as possible, it is not only equitable but vitally necessary to place the decontrol point on nonagricultural products at 120 percent of production in the base period instead of 100 percent. It ought to be an increased production before decontrol goes on because otherwise it cannot possibly meet available demand.

In the third place, answering one argument of the gentleman from Texas, my amendment will provide that the determination be not made by the industry advisory committees, which clearly have a natural vested interest, but rather by the President, the same as would be the case if there were no industry advisory committee in an industry.

As to agricultural commodities, I insert after the word "consumption" the word "needs," so that instead of basing decontrol on whether supply equals domestic consumption, which it obviously always does in the very nature of the case, it is based on whether supply equals domestic consumption needs, which is a very different matter. Indeed, under the language as the gentleman from Texas has it price control would be at once repealed as to all agricultural products and their derivatives because right now the supply equals actual consumption or the consumption could not take place.

I would contend this, that the most necessary thing that we need to do today is to get relief supplies overseas, but that overseas demand is not one that is going to force prices up. It is not that kind of a demand. It is a demand for relief. Indeed, we might be somewhat more likely to meet that demand if grain, for example, were more freely priced. I do believe that in the case of agricultural products, because agriculture through the years produces about the same amount anyway, if agriculture comes up to 100 percent of its production in the base period it would be fair and equitable to provide for decontrol so far as this basis is concerned.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Illinois.

Mr. DIRKSEN. With respect to the 120 percent, let me say that the amendment, of course, contains the peak year from July 1, 1940, to June 30, 1941.

Mr. VOORHIS of California. That is right.

Mr. DIRKSEN. In addition thereto, it is put on a 12-month basis, so that you get a maximum measured from any month. It occurs to me that that level of production is high enough for any standard for that purpose.

Mr. VOORHIS of California. The point is that if you are arguing that production is the best security against inflation, which is true, you must relate that production somewhere along the line to the availability of money as purchas-

ing power. That is why I have asked for the higher figure. Unless the higher figure is used I believe this would be a very inflationary proposition. Remember the committee bill has a pretty good decontrol provision itself.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Arizona.

Mr. MURDOCK. I approve of the gentleman's amendment to the Gossett amendment. Production should be more than 100 percent at this time over the base period. If we are trying to balance production against demand, and that is what we seek to do, I maintain that the gentleman is right, it must be more than 100 percent in this formula over the base period, because the effective demand is now greater than it was during that base period because of the much greater volume of money today.

Mr. VOORHIS of California. I thank the gentleman and, of course, agree with him. Now, the only place I change the gentleman from Texas' amendment with regard to agricultural products is by inserting the word "needs", after "consumption." Otherwise, the agricultural provisions remain just the same as he has there.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. If the purpose is to protect the consumer, why not leave the words there, "domestic consumption," substantially the same language as in the bill?

Mr. VOORHIS of California. I have "domestic consumption needs," I will say to the gentleman. Obviously supply must equal the actual consumption domestically, otherwise you could not consume it. What we want to do is see that the supply is equal to the domestic consumption needs of the country.

Mr. WHITTINGTON. But the word "consumption" will mean substantially the domestic demand.

Mr. VOORHIS of California. Not necessarily at all. This is a perfecting amendment; it will make the Gossett amendment workable and bring it into accord with the principles it itself professes to serve.

The CHAIRMAN. The time of the gentleman has expired. All time for debate has expired.

Mr. DONDERO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DONDERO. Mr. Chairman, what will be the disposition of amendments that are on the Clerk's desk and which have not been reached?

The CHAIRMAN. The Chair understands there are 40 amendments on the Clerk's desk. Every Member desiring to call up his amendment will be recognized by the Chair for that purpose.

Mr. FOLGER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FOLGER. If there is an amendment to the amendment we have just heard, when would that be called to the attention of the Chair?

The CHAIRMAN. There is already an amendment to the Gossett amendment pending.

Mr. FOLGER. I know of another amendment that is on the Clerk's desk.

The CHAIRMAN. That is an amendment to the Gossett amendment?

Mr. FOLGER. Yes, Mr. Chairman.

The CHAIRMAN. It would have to be disposed of after the Voorhis amendment is disposed of.

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. Mr. Chairman, I have an amendment at the Clerk's desk which is an amendment to the Gossett amendment. Will it be voted upon immediately after the Voorhis amendment is voted on?

The CHAIRMAN. After the Voorhis amendment is disposed of, it will be in order for the gentleman to offer his amendment to the Gossett amendment.

Mr. PLOESER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PLOESER. Mr. Chairman, will the Chair recognize Members to make unanimous-consent requests immediately after the vote on the pending amendment?

The CHAIRMAN. The Chair will be glad to do so.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, J. Howard Pew, president of Sun Oil Co., and one of the heaviest cash contributors to the Republican Party, has had a great deal to say lately about OPA.

Mr. Pew seems to be deeply concerned for the workers and housewives of America who, he claims, have suffered great hardships from price control. His heart bleeds for the poor small businessman who, he says, is being forced out by the "monopolistic trend" which OPA is creating.

The Democratic Party is glad to see that Mr. Pew is joining us so suddenly in our concern for the worker, the housewife, and the small businessman. But I feel there are a few things we should set him straight on.

Mr. Pew has made the dire prediction that extension of OPA beyond June 30 will result in the destruction of workers' rights. I wonder if filling-station operators are included in the workers whose welfare he is now championing. Many of us remember the revelations of the Temporary National Economic Committee in 1939, when it was discovered that the Sun Oil Co. forced the filling-station operators, who had to deal 100 percent in Sun products, to absorb the whole loss when the company decided that a price reduction on gasoline was necessary.

Mr. Pew's steadfast interest in workers' rights has been manifest, too, in the Sun Shipbuilding & Drydock Co.'s labor policies. The Pews fanatically fostered a company union with funds and "strong arm squads" to prevent bona fide union organization. And finally, when the National Labor Relations Board held hearings on labor practices of the Sun Shipbuilding Co., the Pews demanded postponement or cancellation of the hearings as the condition on which they would build ships for the war. That was on December 9, 1941.

Yet Mr. Pew attacks OPA for destruction of workers' rights.

Just what are these "rights" which continuation of OPA would destroy? The right, or necessity, to pay a dollar for a dozen eggs? The right to pay $1.35 for 5 pounds of sugar? The right to pay $75 a month for rent instead of $50.

If these are "rights," Mr. Chairman, thank God for OPA and its destruction of them.

Mr. Pew stated that extended price control would bring about a lower standard of living. Even if Mr. Pew does not realize it, every housewife, worker, and school teacher in America remembers that the major part of the disastrous inflation after the last war came after the armistice had been signed. That inflation happened for the simple reason that adequate controls and restraints were not applied. If it were not for OPA now, the vast majority of the people would have to spend their entire income on food and rent, and millions would not be able to meet these essential costs. This would be a real lowering of the poor's standard of living—not a fanciful one.

If it were not for OPA, the workers of America would have to demand double the wages they are making now, to meet the skyrocketing cost of living. Yet Mr. Pew stated blandly that price control "in large measure" has been responsible for the strikes.

OPA came in for some nice words from Mr. Pew for its wartime operations, but he declared that it should have been abolished as soon as the war was over. Economic stagnation, he said, has been the result of its continuation. Apparently he has not heard yet about the fact that American industry, under price control, is producing more civilian goods, right now, than it ever has before in its history—40 percent more than in 1929. Or that more Americans are working now than ever before in peacetime, with employment levels 10 percent above the 1929 level. Or that wages and salaries in private industry are higher today than at any other period of peace—70 percent higher than in 1929. Where is the economic stagnation, Mr. Pew?

Economic stagnation has a meaning to the American people—the bread-line days of 1930, the good old Republican days, when workers were laid off by the thousands, when factories were shut down, and when farm mortgages were foreclosed all over the Nation. The blind back-to-normalcy policies of successive Republican administrations rocketed us along to the inflation that exploded in the faces of the American people, and left us to pick up the pieces that weren't there. The people were hungry. The Nation was economically sick. The people looked at the bleakness around them, and voted in a Democratic administration. The American people remember—they cannot forget—the stagnation of Mr. Pew's crowd.

The most interesting charge made against OPA by Mr. Pew, the financial whip of the Republican Party, is the claim that price controls are causing a monopolistic trend in the Nation's economy.

Mr. Pew, who makes this accusation, is president of the Sun Oil Co. and a director of the American Petroleum Institute. Eighty percent of the stock of Sun Oil is owned by the Pew family, and 84.9 percent is held by the hundred largest stockholders, making Sun second to only one other oil company in its concentration of ownership. Sun Oil is one of the 20 major oil companies which control 80 to 85 percent of the total gasoline business of the country, and one of the 16 which control 96 percent of the country's pipe lines.

A verbal champion of free enterprise, J. Howard Pew is at this moment named as a coconspirator in an antitrust suit pending before a United States court. The Sun Oil Co. and its subsidiaries are defendants in this suit, United States against the American Petroleum Institute and Others. Before filing the suit in 1940, the Justice Department had accumulated solid evidence of a conspiracy among the oil companies, including Mr. Pew's outfits, to force dealers to handle their lines exclusively, to fix prices of oil and gasoline by agreement among themselves, and to fix transportation rates for moving crude oil and gasoline, especially in the pipe lines.

Is this free enterprise? No, Mr. Chairman, this is the most blatant kind of monopoly. This is big business ganging up on the people whom Mr. Pew so hypocritically defends against the OPA.

The pricing methods of Mr. Pew's oil monopoly are well known. I quote from the Temporary National Economic Committee hearings:

> Major oil companies distribute their regular trade gasoline, which constitutes about 80 percent of all the gasoline they sell, on a basis of approximately 140 percent above the cost of such gasoline, if purchased on the refined spot market, exclusive of taxes and transportation costs.

No wonder the president of Sun Oil attacks the OPA! He wanted to abolish OPA so that his company can raise the price of gasoline and fuel oil to American consumers.

While Mr. Pew has charged OPA with driving the small businessman out of production, he has participated in forcing independent oil producers to sell out or go out of business altogether. Through the spot market, the oil monopoly has been able to regulate and manipulate independent producers as it chose. In 1939, independent oil refiners testified to the TNEC that the only reason they had not been destroyed altogether was the monopoly's recognition that it would be more liable to monopoly charges if there were no independent producers.

It has always been true, Mr. Chairman, that the loudest cries of Government encroachment on free enterprise have come from those who seek to perpetuate their private stifling of free enterprise. They recognize the Government's protection of small independent business as a threat to their monopoly advantages. Mr. Pew is a leader in trying to set small business against the Government, because without the Government, Mr. Pew would be able to exterminate small business.

In 1941 a civil suit was filed by the United States against the Atlantic Refining Co. and others. "Others," of course, included Sun Oil and its subsidiaries. This suit was filed under the Elkins Act, which prohibits rebates by any common carrier to any shipper. The Government charged that there was a conspiracy among the oil companies which owned pipe lines to profit from the pipe-line operations by rate discrimination against independent producers. The same day the suit was filed, the defendants entered into a consent judgment, thus indicating that they were unwilling to stand trial.

Mr. Chairman, the motives behind Mr. Pew's rabid attacks on OPA are plain. He wants unrestricted opportunity for big business to get in another boom without concern for the bust that would follow, disdaining the widespread ruin as it did before. Price control stands in his way. He wants to create distrust of price control in the public mind by turning the spotlight away from the sinister monopoly practices of his American Petroleum Institute and directing it at a public agency which is and always has been open to public inspection and criticism.

I welcome the spotlight on OPA, for a factual examination of it cannot help but prove beyond doubt the splendid service it has rendered, and continues to render, to the people. A chaotic price structure would have led long ago to more labor unrest, to instability in reconversion of industry, and to the confusion out of which Mr. Pew and his kind could have seized more power to exploit the people.

Mr. Pew's bitter attacks on the Democratic Administration have filled Republican Party news for many years. Yet under New Deal policies the Pew family's business grew steadily from $67,000,000 in 1932 to $147,000,000 in 1940—twice as much as Mr. Pew's business in 1929, their boom year. Net earnings doubled in that time, and his profits since 1940 have soared. But this is not enough. Mr. Pew wants what he calls freedom—freedom to exploit labor and to destroy the competitors he cannot draw into his monopoly. To accomplish his ends, Mr. Pew and his family have made gifts and loans to the Republican Party estimated at $13,000,000.

Again and again at the polls the American people have rejected the kind of sinister, back-room government Mr. Pew stands for. They are rejecting now his demand that OPA be abolished. They will reject his party in November, too, because they know that both free enterprise and the people's welfare would be sacrificed if Mr. Pew had his way.

Mr. LYNCH. Mr. Chairman, for 2 days I have sat here listening to the debate on this important topic of price control. Today, I witnessed the defeat of those of us who have fought the fight against inflation, as this House, by adopting one crippling amendment after another, destroyed the continuance of price control and opened the floodgates of inflation.

Earlier in the day, we defeated the amendment of the gentleman from Mississippi to strike out that part of the bill which follows the enacting clause. The vote was 174 noes to 34 ayes. That vote did not tell the true story.

OPA was not to have such a quick death—its opponents thought that would be too flagrant and dangerous, so they decreed a slow death by adopting the Wolcott, Wadsworth, and Gossett amendments.

OPA does not deserve such a death. The great consuming public of this country likewise deserves better treatment at the hands of its elected Representatives. Under the bill, as it now stands, price control will shortly be ended unless the other legislative body pays more attention to the needs of the people than the House has done. Perhaps when the bill goes to conference, the conferees will be able to work out a bill whereby price control will be maintained. If they do not, then the United States will fall a victim to unrestrained inflation as have the other countries of the world. I hope when this field day, staged by the opponents of OPA is over, they will realize how they have placed profits above the best interests of the people of this country. The day of reckoning will surely come when those, who by their votes today have depreciated the American dollar, will have to answer to their constituents.

Mr. KEFAUVER. Mr. Chairman, this is a very distressing procedure here today. OPA is being completely sabotaged. We might as well repeal OPA as to load it down with amendments as has been done here today. Instead of scuttling price control we ought to try to strengthen it. If this bill passes with the amendments tentatively agreed to we are going to have runaway inflation. Prices are going to skyrocket. Then we will have a collapse, just as we did in the early twenties. The only difference is that it will be worse this time. I have voted against all of these destructive amendments and I regret exceedingly that they have been adopted. I want my record of opposition known.

The big percentage of the American people want OPA continued without substantial change. This cannot be done. The House has made it impossible. Today, each group interested in decontrolling their particular industry has joined forces with others in getting their amendments adopted. This is the same kind of logrolling which has always made it impossible to write a satisfactory tariff bill on the floor.

The only reason for voting for the bill as emasculated here today is the hope that the Senate may act more sensibly on the OPA extension. If the bill is not rescued in the Senate God help the American people. If it is not saved in the Senate the very groups which have sponsored these impediments and destructive amendments will in the long run be engulfed in the same destructive inflation which will wipe out their capital just as it will the savings of the poor.

Mr. DE LACY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas.

The catch in the Gossett amendment is the base period.

There is an existing shortage in men's suits. Twenty-five million men's suits were produced in the base period proposed by the gentleman from Texas [Mr. GOSSETT]. The current demand for suits is estimated at 35,000,000.

Suit production could therefore reach the 1941 figure of 25,000,000 and still be 10,000,000 short of current demand.

Yet the gentleman's amendment would require the President to take off price ceilings on suits with an estimated 10,000,000 shortage.

Where would prices of suits go then? Obviously, sky high. Neither the veteran nor anyone else will be able to afford clothes to cover his back if the Gossett amendment goes through.

The same reasoning applies to shirts and stockings, for the same situation holds there, too.

The Gossett amendment is a fit companion to the Wadsworth amendment. One will make it impossible for the people to afford meat; the other will make it impossible for the people to afford clothing.

And both amendments are suitable to the bill as now emasculated by the Wolcott cost-plus amendment.

The true title of this act should be the "Let the People Eat Cake Act of 1946."

If the Senate does not improve it, I hope the President vetoes it.

That would shock the country and compel Congress to act seriously to curb the very present, and very real, danger of inflation.

Mr. LARCADE. Mr. Chairman, in my position I have had an opportunity to observe the administration, or I might say maladministration, of the OPA, and the favoritism, unfairness, unreasonableness, discrimination, inequity, unjustness, inconsistency, and control of some of the panels of the agencies by some of those placed in those positions by corporations and others who had selfish interests, and who were concerned primarily with protection of the interests which they represented rather than equitable distribution and control of prices which they were directed so to do under the provisions of the Price Control Act. Of course, as you know, our district is one of the most important in the United States and produces nearly every agricultural product except wheat, and in addition we have lumber, oil, minerals, naval stores, fishing, fur, shipping, oil refining, manufacturing, and industries of all kinds, and in order to try to prevent the OPA from discrimination against most of our industries, particularly rice, furs, and others, it has been necessary for me to fight this agency since I have been in the Congress.

Notwithstanding that agency was a creature of the Congress, the administration was run in a high-handed, dictatorial, and discriminating manner, treating not only the members of Congress but the people of the country as a whole with disdain, disrespect, and discourtesy, even going so far as to eject members of Congress who represent the people from their offices when they visited the offices of the OPA in the interest and welfare of their people and their industries.

Of course, I have been in a position where I have been able to observe the operations of the agency from an over-all standpoint as the same affected the economy of the entire United States, and while in my opinion, if the agency had been properly administered, it is quite possible that the agency would not have to undertake a propaganda campaign throughout the United States over the radio, newspapers, mail, ballyhoo, and other means, and especially appealing to the volunteer workers and housewives in order to perpetuate itself even though there is some question whether, since the war is over, that there is still need for price control.

Space will not permit me to enter into a full discussion of this subject, but no doubt you have read some of my protests in my weekly letters, published in Opelousas, and other statements in the press, but for a quick illustration, I will say that when I was in Opelousas, my home town, in January 1944, I found that our city was without meat, ham, bacon, milk, butter, cheese, eggs, sugar, chocolate, candy, shoes, clothing, farm machinery, cigarettes, cigars, beer, and many other things that were available in other places which I visited before and after that time. The National Association of Manufacturers have had a number of exhibits here for the benefit of the Members of Congress, giving visual evidence of the discrimination and chicanery in the administration of goods manufactured in all lines; resulting in elimination and destruction of legitimate manufacturers to the benefit of new fly-by-night, get-rich-quick favorites who are authorized to manufacture inferior merchandise at double and treble the established prices of the legitimate manufacturers whose ceiling prices were fixed below the cost of production.

The OPA is responsible for the bottlenecks in many industries, in my opinion, as the regulations are so inconsistent, ridiculous, and ham-stringing that the manufacturers are unable to manufacture critically needed items. Take white shirts for instance—OPA will not permit a manufacturer to sell any given number of white shirts unless a comparable number of lower-priced material shirts is sold at the same time. Manufacturers have millions of white shirts on hand, but are unable to obtain material for the manufacture of the other kind, therefore, rather than subject themselves to heavy fines and imprisonment, they do not sell the white shirts.

There is a ceiling price on stockings of all kinds—nylon, rayon, and other material. Still we are unable to buy any of these much-needed and necessary items, except by standing in lines for hours when sales are had on limited amounts procured by favored establishments. Most of the nylon and rayon stockings are being sent to other countries where there is no ceiling price and they are sold for many times the amount of the price under OPA ceilings in the United States.

While I realize that certain controls were necessary during the war, my criticism has been principally with respect to the administration of the price-control program and especially directed at Mr. Chester Bowles, who has been the Administrator for the past several years.

Further, it would require a lengthy discussion to touch upon the black market phase of the situation caused by the operation and machinations of the OPA but suffice it to say that, as usual, the people with money have always been able to obtain what they want and the poorer, less fortunate people have had to do without.

During the war everyone was patriotic and was willing to comply with the price control and rationing, such as it was, and, when it was fairly administered and generally observed, rationing did give the poor people a break, because everyone had a member of their family in the armed forces, and they, at least, were willing at that time to make sacrifices in order that their relatives fighting for them might get what they needed. But now, the war is over. Most of those in the armed forces are back and everyone feels they are safe and may feel that the wraps are off, and like prohibition, price control is inconvenient, and therefore is unpopular, so everyone pitches in to get all of what they want. Price control and rationing now are like prohibition was. During prohibition no one who had money was deprived of any kind and all of the liquor they would pay the price for. Good whisky and liquors of all kinds, including wines and champagne. During prohibition, did you ever attend the wedding of a couple whose parents were rich, where they did not have champagne? The point is: In my opinion, at this time, price control and rationing do not mean a thing. For what difference does it make if there are things and articles that are scarce and have a ceiling price on same if the poor people, or average citizen, cannot buy them? The rich will get all of everything they want in the black market at black-market prices and the poor and average citizen will still be unable to get these scarce articles, price control or no price control, as they will not be able to pay the price. So, even if price control is continued, and ceiling prices are still placed on scarce articles, the black market will defeat its purposes, unless an army of enforcement people were placed all over the country. If rationing is continued, the poor and average citizen will be no better off. In other words, under the present black market, those that are able to pay a price will get the scarce articles, and as usual the average citizen will not be able to get any scarce article.

Others, more learned than I, doubt that OPA should be continued. For instance, a Presidential adviser of two wars, Bernard Baruch, states it is time to stop "bunking" the public.

On November 14, 1945, I introduced a bill to displace Chester Bowles as Administrator of OPA and transfer only the control of rents to the National Housing Agency, stating that it was my opinion that, except for rent control,

due to the maladministration of the OPA by Bowles that price control should be discontinued.

This week the National Association of Manufacturers voted unanimously for practically the same thing, except that they suggested continuance of the OPA until October 31, 1946, and rent control until one year from May 31, 1946.

In early 1945 I introduced another bill to correct a desperate situation. Due to the regulations imposed by OPA on the cattle industry, no one was able to slaughter cattle, and, as a result, it was impossible to procure any meat. While my bill was not adopted, the Secretary of Agriculture suspended these regulations for a time, and we were able to obtain meat. The controls were reimposed, and the same situation now obtains. During the years 1944, 1945, and 1946, the country had more cattle than ever before in its history; yet we are unable to obtain meat due to the regulations of the OPA.

OPA placed a ceiling price of $3 on Irish potatoes in Texas and Florida and in Louisiana $2 and the only justification they could offer was "historical data." I published in the CONGRESSIONAL RECORD some "historical data" in regard to price control. Topaz beer was a premium beer in Illinois and other States, yet in Louisiana the OPA said "No."

When Chester Bowles was Administrator of the OPA, we were able to appeal to the Director of Economic Stabilization to give relief from Bowles' ukases; however, Chester Bowles is now the Director of Economic Stabilization, and it is assumed that he is also running the OPA at the same time, so we are at the mercy of Chester Bowles, his radical and socialistic ideas, and have no court of appeal.

Until I am convinced to the contrary, now that the war is over, I wonder if it is necessary to continue the OPA and if the law of supply and demand would prevail, and except for a short period of readjustment until private industry, initiative, competition should get under way; whether prices would adjust themselves and the economy of our country be readjusted so that there would be a normal supply of everything that everybody needs at fair and reasonable prices consistent with the general standards of the American way of life.

I am sorry that I cannot go into a full discussion of this subject, but I am sure that you will appreciate that with the trials and tribulations that I have had fighting this agency here, trying to protect the people and industries in my district, that I cannot feel more sympathetic toward the OPA.

RELIEF FOR BUILDING-MATERIAL PRODUCERS

Proposed amendment to H. R. 6042 by Representative OREN HARRIS: On page 9, following line 23, insert the following new paragraph:

"(r) No maximum price shall be established or maintained for any building material, or for any component which represents more than 10 percent of the production cost thereof, at a level which does not permit the producers of at least 90 percent of the production of such building material or component to recover their current costs of production. In determining the cost of production of any such building material or component, the Administrator shall allow a reasonable amount for overhead, and shall include capital assets consumed in production at their market value, or at the ceiling price, whichever is the lower. Costs of production need not be determined for all producers, but may be based on a reasonably representative sample survey. When any industry advisory committee appointed under the terms of section 2 (a) for any building material or component shall recommend an adjustment in a maximum price established under the terms of this act as a means of securing increased production the Administrator shall, within 60 days, determine the adequacy of the existing maximum prices, and if they are not adequate, shall forthwith make adjustments sufficient to at least meet the minimum."

Mr. HARRIS. Mr. Chairman, it was my intention to offer an amendment to provide vitally needed relief for building-material producers, particularly for the manufacturers of lumber. However, in view of the amendment offered by the gentleman from Michigan [Mr. WOLCOTT] which was adopted and providing that notwithstanding the provisions of this act, the Stabilization Act of October 2, 1942, no maximum price shall be established or maintained for any commodity below a price which will reflect to the producers and processors of such commodity the sum of: First, the current cost of producing and processing such commodity as determined by established commercial accounting practices of the industry; second, a weighted average of conversion costs of such commodity; and third, a reasonable profit thereon. I am not offering it as that amendment will accomplish the objective sought by my proposed amendment.

I cannot emphasize too strongly the need for relief in the lumber industry and particularly in the southern-pine area. We talk about shortage of housing for veterans, and we proclaim to the housetop for a program that will give veterans housing so vitally needed, but, with all the legislation that could be written on the statute books, we cannot hope or expect to have such housing without production of the materials. Everyone knows that production is the bottleneck.

I am speaking particularly of the southern-pine lumber industry because I do know something about the situation. I am told that it is equally chaotic in all the lumber industry throughout the country. To show that the shortage of building materials is the trouble, I wish to show how the lumber production has dropped since 1941.

There are nearly 40,000 sawmills in the United States, with a capacity to produce 40,000,000,000 board feet of lumber per year. In 1941, our national production was 33,500,000,000 feet; in 1942, it was 36,300,000,000 feet; in 1943, it was 34,300,000,000 feet; in 1944, it was 31,600,000,000 feet, or a decline of 13 percent; in 1945, it was approximately 27,000,000,000 feet, or a reduction of 24 percent; in 1946, Mr. Speaker, it is estimated that our lumber production for the Nation will be 24,000,000,000 feet or a reduction of 34 percent.

Now if we are going to have homes, let us provide an adequate price that will at least give the producers the cost of production and some incentive to produce. It is wholly unrealistic to expect people to become too enthusiastic about any industry when they cannot obtain an actual cost of their operation, much less a reasonable profit in addition thereto. Under the present OPA price policies only three-fourths of the production of lumber actually breaks even. We talk about justice under the law. There should be some practice of this justice and equity should do justice.

What has this done to the lumber industry? I understand that OPA admits that more than 50 percent of the lumber industry is going into the black market. I understand that the lumber people claim that perhaps 75 to 80 percent is going into the black market. Certainly this is not in any way contributing to a stable economy or a healthy condition. It is even more inflationary than to give an adequate and equitable price to the producers of building materials.

We established the OPA to perform an important service against inflation. The most practical adjustment is that adjustment that will give a balanced relation between cost and price. Any increase in price that comes from such a policy is not inflationary in any proper sense of the term.

The people of this country do have an intense interest in preventing excessive and extortionate prices to those who would take advantage of the necessities of life. But production at current cost with a reasonable profit is in no way violating any right of our people.

There is some concern about the policy of applying cost to the stumpage. However, the Wolcott amendment as interpreted does include the current cost of the raw materials in determining the cost of production.

Let us see that the vicious practice is stopped and see that a reasonable minimum pricing standard which is absolutely necessary to increase production of building materials is adopted.

Mr. MADDEN. Mr. Chairman, if the several amendments, which are presented today in the Committee of the Whole, are adopted and made part of this bill, it will cost the American consumer billions of dollars. Most of the amendments offered by the opposition to price control, if enacted into this bill, will simply mean more profits for groups of already prosperous industries.

If the woolen and cotton products special price formula amendment is passed and adopted, that alone will add billions to the consumer's clothing bill. The fight being made on this floor today against the OPA, if successful, will eventually ruin price control, start us into a devastating period of inflation, and threaten our whole economy.

The profiteers' lobby has been operating in Washington against price control and the OPA, not only since VE-day but during the great war emergency. I will admit there have been inequalities and in certain instances injustices exercised in the enforcement of OPA, but, nevertheless, the consumer, and especially the American housewife, realizes that the OPA has been their savior during this war emergency. During World War I and 2 years thereafter the cost of living increased 108.4 percent. Up

until September 1 last year the cost of living in World War II increased on the average 30.7 percent. In other words, without OPA during World War I the cost of necessities of life were 78 percent higher than with OPA under World War II.

The consuming public is awaiting with interest and alarm the actions of Congress in regard to the amendments submitted against this price-control legislation. Let us give the American people the economic protection which they are entitled to until this emergency is over.

Mr. ROONEY. Mr. Chairman, I wish to commend the gentleman from Michigan [Mr. RABAUT] upon the very timely observations he made on the floor a short while ago. When this House emasculates a price control bill as it has here today it legislates for the exclusive benefit of a handful of constituents, the National Association of Manufacturers, and the powerful lobbies which have been so active here in Washington during these past weeks.

If the Committee does not do so, I intend to demand a separate record vote on every single crippling amendment passed here today. When we reach the point of taking control off the price of the family's food bill, the people of America should know who to blame for it as well as for the other crippling amendments which succeeded in the Committee of the Whole. Let those who are responsible to the citizens of our Nation stand up and be recorded so that John Q. Citizen may know who is responsible for the ruinous inflation which will affect his family and his pocketbook.

I submit that the title of the pending bill, in the shape it is at the moment, should be amended to read "A bill to permit unbridled inflation and foster the black market in America."

Mr. GAVIN. Mr. Chairman, any time it is left to an agency to decide whether it shall continue all the functions it exercises, you may be sure there will be but one answer.

The OPA should not be given discretion in the matter of decontrol. It will be sure to continue controls long after their need has gone. That has been the case already. I call to the attention of the House once more the fact that OPA is still controlling the oil industry prices 100 percent—all the way from the equipment for drilling the well down to the quart of oil you buy at the filling station. Oil is plentiful—but control continues.

OPA's record in specifying and controlling oil prices is a record of confusion, confliction, and regimentation that has hampered the industry. It is too long to recite now. The issue now is that the Congress should provide the means of making good on the assurances of the President and Chester Bowles and Director Snyder that price control is meant for scarce commodities.

Oil became plentiful last August. It was possible to end rationing of gasoline and other products the very next day after war ended. Price control should have ended when rationing did.

There are only two reasons for continuing oil price control in the face of abundance of the supply. One is that it keeps jobs going. The other is that when you control prices you are moving toward the promised land of the regimented state.

Let us provide that OPA shall not be the judge of the necessity for price control in any industry or as to any commodity.

Mr. STARKEY. Mr. Chairman, this bill as so far amended in Committee of the Whole is of little value. We might just as well have repealed all price control and if it should ever be enacted into law in its present form, which I doubt, the citizens of this country will no doubt regret the action. Many of the amendments were adopted in haste and I think the old saying, "Act in haste and repent at leisure," will aptly apply in this case.

Like every other American I am tired of the continued emergency, tired of the controls on industry and labor, tired of the shortages that appear in stores and markets, tired of the price controls. Nobody present would be happier than I to see them end. But there are boys still in the Pacific and in Europe who are also tired of their job and there are boys already discharged who are tired of waiting for a car, waiting for a truck, waiting for a home, waiting for a job. After all we at home who have remained at home have little to complain of, and if it is necessary to bear with these Government controls a little longer, I think we ought to bear with them in good spirit and without crying.

The OPA is more needed now than it was during the wartime. Look at the past. Inflation always followed war. It did not precede it. And inflation is as surely following this war in countries where there is no price control or where the price control is not enforced as night follows day.

Now, the Nation's Business is no radical magazine edited from Moscow. It is the organ of the most conservative element in our population, but it tries to be factual and fair in its reporting. According to the Nation's Business for January 1946, inflation has come to almost all of Europe, where there is no OPA and the free forces of competition exert themselves unhampered by government bureaus. In Berlin a pound of coffee costs $100. But Berlin is enemy country, and inflation ran wild in Germany after the last war.

In Belgium—

My dinner in Brussels—

Declares the writer of the article, Herbert M. Brater—

cost me more than $8. My lunch in Paris was $16.50. In Holland I saw cigarettes changing hands at 25 guilders—$9.45—for a pack of 20. Prices everywhere were on a panic basis: $3,200 for a bicycle, $20,000 for a grand piano, $38,000 for a second-hand car, $3,800 for a camera. In France, shoes, their cork soles covered only thinly with leather, cost $80. On the outskirts of Paris a work shirt, unwrapped and doubtless used, a shirt which in America would be worth 75 cents when new, is offered at $14. In London unrationed pigeon eggs about 50 cents each; peaches $3 apiece, cantaloups $2.

These are some of the prices that were in effect in European countries around the 1st of January this year, in most of which there is no OPA, or if there is, it is not enforced.

I do not claim that the present OPA has not made mistakes and had its difficulties. It may have entered too many fields. It may not have been as shrewd or as farsighted in some of its promulgations as certain businessmen were who knew how to take advantage of all the loopholes in the regulations. Certain men appointed by OPA were not as familiar with the business of a certain industry as they claimed, and there were errors of judgment and other errors of enforcement in local communities where the reading and filling out of blanks alone was beyond many of the smaller stores.

But OPA has saved our country to date from ruinous inflation. Some prices have gone up. The cost of living is higher today than it was in 1941, but the cost of living is still within reach of the average man, and another year will see the turn of the tide as production gets rolling.

You cannot sit in Congress for any time without coming up against the group who want to put OPA out of business or emaciate it in all fields in which these men are selling. "You know it is funny," declared a Congressman returning from an OPA hearing recently, "I have been listening to these hearings for several days, and about all I can get out of the argument of the businessmen is that they want OPA prices on everything they buy, but they want OPA restrictions removed from everything they sell. The race for profit is on, and we can expect to see almost anything."

And he was right. At present there is a brazen drive on by enormous wealth and political pressure groups to destroy OPA and to profit from its destruction at the expense of the war savings of the great mass of people. There is a tight squeeze on for more profit at the expense of the consuming public and mainly at the expense of the veterans.

For increases in price hit hardest at the returning veteran. He needs everything—clothes, furniture, a home, a place of business, a car, a truck, a farm, tools of his trade. And if prices are allowed to run away, it is the returning veteran who will be hardest hit.

At the present time he is being hard hit in one place where the OPA does not control—the rental of business property. Recently a veteran came to me and told me of the prices that were being charged for store hamburger stands and ice cream locations here in Washington, D. C. Places that before the war rented for $40 and $50 per month now were renting for $350 to $500, and in many instances in addition to this huge rent, the veteran was forced to give the owner a share in the profits.

The small wage earner, of course, would be hard hit if prices ran away, because all of his meager wages today goes for living. What he earns he spends on food, shelter, and clothing. Any advance in the cost of any of these items means a reduction in the standard of living.

But the farmer would also be hard hit, and while certain leaders of farm organzations are urging the end of OPA, they are not urging it in the interest of the farmer. The farmer produces his

own food, and in that respect he would profit over the city worker. But unlike the city worker, the farmer is a businessman who must purchase many items—gas, oil, machinery, machine parts, feed, equipment for the plant from pumps to tractors, harness, trucks, tires, and a hundred different items. If all of these rose unrestrainedly, the farmer would find that he was being squeezed to death. His increase in items he sells would never make up for the increase in the items he has to buy, and it would not be long before the farmer would find he had little money left and no prospects of ever getting relief, for, unlike the city worker, he could not appeal to his union for immediate relief, and if he appealed to the men who are asking the end of OPA he would receive small sympathy and no cash.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that all Members who desire to do so may extend their own remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, will the majority leader include the word "revise" in his request?

Mr. McCORMACK. Yes, to extend and revise their remarks.

Mr. JENKINS. Mr. Chairman, reserving the right to object, does that mean that if, for instance, I have an amendment at the desk and I wish my amendment to appear in the RECORD with my discussion on the amendment in an extension of my remarks, will the gentleman's request include that situation?

The CHAIRMAN. No, the gentleman will have to get unanimous consent to do that.

Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. DOUGLAS of California. Mr. Chairman, meat and livestock price regulations have been subjected to extensive criticism in recent weeks. It has been charged that OPA controls on these commodities are a complete failure; that they are driving almost 90 percent of the beef supply into the black market, and that no substantial amount of meat is being bought and slaughtered by reliable packers in the great meat-packing centers.

I believe that OPA would freely grant that its controls over livestock and meats are not operating with complete satisfaction. But the situation is not nearly as black as it has been painted. The extent of black-market sales has been grossly exaggerated. The majority of the slaughterers and retailers are law-abiding men, and this group is still handling the major portion of the meat supply. Furthermore, we have to remember that there are persons who are dishonest in business under free market conditions as well as under price control.

A number of factors contribute to the problems which have arisen in this field. Anticipating some decline in demand after VJ-day, and seeking to remove controls as rapidly as possible, OPA gradually eliminated the previous restraints on demand for livestock and meats. The slaughter quotas were first suspended in September, then revoked in December, and rationing of meat to consumers was terminated in November 1945. Demand, however, has not declined as anticipated. Consumer incomes have remained high. The public appears to be spending more and saving less of its income than during the war. Meat requirements for the armed forces and for shipping to war-devastated countries have been large.

The situation has been aggravated in the last few weeks by a seasonal decline in cattle and hog receipts and slaughter which has been more marked as to cattle than usual at this time of year. The reasons for this unusual drop are not entirely clear. It may be partly caused by increased local and noninspected slaughter which is not covered by the official reports. It may be, in part, the result of some tendency to hold back cattle to see whether price controls will be continued beyond June 30. Whatever the cause for the drop in receipts, all the cattle being offered for sale for slaughter are finding eager buyers, and the meat is reaching the consumer.

Data have been cited showing an extreme drop in purchases of cattle by the Big Four packers at Kansas City in the week of March 23, 1946, compared with the same week in 1945, and purchases by one packer at 10 markets in the first 3 weeks of March compared with the corresponding weeks in previous years. The percentage of all cattle purchased at Kansas City and St. Joseph in January 1946 which were slaughtered locally compared with the number shipped for slaughter elsewhere have been quoted. But nowhere is mentioned the fact that the Big Four packing plants were closed by a strike during part of that month. Statements simply imply that slaughter by the federally inspected plants has dropped to a very small proportion of the total.

These figures are misleading since the particular periods and markets referred to were not representative of the entire industry. The decline in the proportion of cattle and other livestock slaughtered in federally inspected plants has not been as drastic as many recent comments have indicated. No accurate information is available on current volume of nonfederally inspected slaughter. However, even with the decline, federally inspected slaughter in March this year has only been exceeded four times in the corresponding month in previous years. February federally inspected slaughter this year was the third largest on record for that month.

I insert a table showing federally inspected slaughter and nonfederally inspected slaughter for a series of years, as reported by the Department of Agriculture:

Annual slaughter, United States

[Thousand head]

Year	Cattle		Calves		Sheep and lambs		Hogs	
	Federally inspected	Noninspected [1]	Federally inspected	Noninspected [1]	Federally inspected	Noninspected [1]	Federally inspected	Noninspected [1]
1935	9,666	4,268	5,679	3,035	17,644	3,676	26,057	6,606
1936	10,972	4,312	6,070	3,050	17,216	3,702	36,055	8,380
1937	10,070	4,614	6,281	3,238	17,270	3,587	31,642	8,740
1938	9,776	4,477	5,492	3,099	18,060	3,752	36,186	9,416
1939	9,446	4,604	5,264	3,172	17,241	3,776	41,368	11,213
1940	9,756	4,644	5,359	3,003	17,351	3,651	50,398	13,057
1941	10,946	4,916	5,461	3,007	18,125	3,605	46,520	12,088
1942	12,347	5,047	5,760	3,317	21,625	3,383	53,897	12,117
1943	11,727	5,416	5,209	4,111	23,363	3,134	63,431	17,779
1944	13,940	5,397	6,273	4,764	19,672	1,980	74,885	10,600
1945	14,539	5,744	7,013	5,784	21,024	2,984	40,643	14,085
1946 (estimated)	14,300	5,700	6,900	5,550	17,650	2,600	48,700	13,200

[1] Excludes farm slaughter.

Source of data: U. S. Department of Agriculture.

Total slaughter and percent federally inspected slaughter is of total

[Thousand head]

Year	Cattle		Calves		Sheep and lambs		Hogs	
	Total [1]	Percent	Total [1]	Percent	Total [1]	Percent	Total [1]	Percent
1935	13,934	69.4	8,714	65.2	21,320	82.8	32,663	79.8
1936	15,284	71.8	9,120	66.6	20,918	82.3	44,435	81.1
1937	14,684	68.6	9,519	66.0	20,857	82.8	40,382	78.4
1938	14,253	68.6	8,591	63.9	21,812	82.8	45,602	79.4
1939	14,050	67.2	8,436	62.4	21,017	82.0	52,581	78.7
1940	14,400	67.8	8,362	64.1	21,002	82.6	63,455	79.4
1941	15,862	69.0	8,468	64.5	21,730	83.4	58,608	79.4
1942	17,394	71.0	9,077	63.4	25,008	86.5	66,014	81.6
1943	17,143	68.4	9,320	55.9	26,497	88.2	81,210	78.1
1944	19,337	72.1	11,037	56.8	21,652	90.9	85,485	87.6
1945	20,283	71.7	12,797	54.8	24,008	87.6	54,728	74.3
1946 [2]	20,000	71.5	12,450	55.4	20,250	87.2	61,900	78.7

[1] Excludes farm slaughter.

[2] Estimate.

This tabulation indicates that, through 1945, the proportion of the total slaughter of cattle which was handled by the federally inspected plants was well maintained. They had lost ground in calves and hogs, but had increased their proportion of the sheep and lamb slaughter. The decrease in hogs is partially due to increase in farm slaughter.

Within the federally inspected group, however, substantial shifts have taken place, with some of the major packers losing grounds.

It is being asserted that the black market in meat is quite general throughout the country. Some of these comments indicate that 80 to 90 percent of the meat is being sold at retail at prices above ceilings. In some cases, it is implied that most of those selling meat at black market prices are racketeers who have recently come into the field. Actually, a very large proportion of the meat is still slaughtered and retailed by long-established concerns.

The American Meat Institute, the major meat packers' association, has

presented to the Agriculture Committee the results of a survey of retail prices in 11 cities throughout the United States. The able gentleman from New York [Mr. WADSWORTH] presented these figures to us here the other day.

The sampling method and the detailed instructions given to those making the survey were not explained. It was merely stated that housewives purchased retail cuts, without asking the price, from butcher shops where they were strangers, and that the meat was then brought to the research agency making the survey. There it was weighed and the meat was graded by meat experts formerly on the staff of the Army Quartermaster Corps. Presumably, the total cost of the cut was divided by the weight to obtain the price charged.

There are fallacies, however, in this method. After preparing some cuts to meet retail specifications in OPA regulations, the retailer may further trim the meat after weighing; also, the weight of the cut will shrink slightly from loss of fluid and moisture after wrapping. If such trimming and shrinkage were not allowed for, the average price obtained in the survey would erroneously indicate an above-ceiling sale. Furthermore, it is extremely difficult, after trimming, to identify the carcass grade of many retail cuts. The Federal grading service of the Department of Agriculture does not pretend to be able to grade retail cuts and have the grades conform with the grades of the carcass. It is questionable if the Army inspectors are more capable of doing such grading than the graders of the Department of Agriculture.

Without wishing to understate the extent of the fly-by-night and racketeering element which has come into the meat field, we must face the fact that some of the violations are made by the long-established and reputable firms. Furthermore, the implication that the federally inspected plants are never guilty of violations and that the guilty are all in the nonfederally inspected group is not correct. There are good and bad in both groups.

Some slaughterers state that the main difficulty is the live cattle price regulation, MPR 574, which establishes a ceiling on the amount a slaughterer can pay for the cattle slaughtered in a month's time, based on the dressed grade and yield of cattle. This is a special type of regulation which was used because of the nature of the commodity and the absence of an official organization to grade cattle on the hoof. However, the buyer is not required to comply on each individual or lot. On the average, over a month's time, the experienced buyer can estimate with a rather high degree of accuracy the grade and yield of beef of the cattle he purchases. The difficulty is not that he cannot estimate the dressed grade and yield with sufficient accuracy but that he cannot always buy in line with his estimate, due to black-market and borderline operators who pay more.

In spite of all that has been said about the difficulties of compliance, the certified records filed by slaughterers show that a high proportion of the cattle have been bought in compliance. The average cost of all the cattle slaughtered on which the slaughterer applies for subsidy on the form showing grades and costs of cattle is slightly below the maximum.

It has been implied that the black market and shady operators falsify the certified record filed with OPA and their subsidy claims, or that they do not apply for subsidy in order to avoid coming under observation. No doubt there is some falsification, through padding dressed weights, upgrading, paying money on the side, and so on, but analysis by OPA of the records indicates that the extent of this manipulation of figures is very small. It is questionable if it is any greater than in the filing of other reports with the Federal Government. The penalties for such falsification are very severe. OPA and RFC are doing all that their manpower will permit to check on such cases.

It has been said that OPA accepted reports from slaughterers showing dressing yields far above normal, indicating that carcasses had been weighed heavy. Such cases were not accepted without being questioned. Investigations were made to develop evidence for use in proving falsification which would stand up in court. Subsidies were held up temporarily to allow time for such investigations, and OPA and RFC regulations have been revised to limit the extent to which the slaughterer could get any advantage from falsification in this way. As a result, the number of such cases of extremely high dressing yields has declined quite sharply.

The amounts of subsidy paid indicate that the volume of cattle slaughter for which subsidy applications are not filed is relatively small. Anyone slaughtering more than 2,500 pounds, live weight, of livestock in a month, is eligible to apply for subsidy.

It has been stated that some packers have gone into cattle feeding in order to avoid the necessity for buying their cattle in compliance. However, it should be borne in mind that some packers, including some of the Big Four, have engaged in livestock feeding operations for years. This was particularly true in the Pacific Coast States, where they engaged in these activities to assure themselves of a supply of the grades of cattle wanted during seasons of the year when those grades were not available locally. While such feeding operations have expanded, perhaps partly in order to sidestep compliance requirements, they still represent only a small proportion of cattle slaughter. The certified records of slaughterers for last December filed with OPA indicated that only about 4 percent of the total cattle slaughtered were packer fed. The proportion was over 20 percent along the Pacific coast. On such cattle, the slaughterer receives a lower subsidy rate than on those bought for immediate purchase, which is a partial deterrent to these operations.

It is asserted that OPA has made no substantial effort to enforce its regulations. The very people who make this charge are the ones who have voted again and again to cut OPA funds. Due to limitations on the funds available for enforcement personnel, OPA has had less than 400 investigators assigned to livestock and meat at the packer and wholesale level in recent months. However, the number of enforcement actions for violation of livestock and meat regulations has been relatively large.

I understand from OPA that several steps have been taken to obtain better compliance with livestock and meat regulations.

First. Starting April 1, a graduated scale of subsidy withholding penalties has been imposed for slaughterers whose certified reports to OPA show that they have paid more than the maximum permissible cost for cattle. If the overpayment does not exceed 1 percent and can be shown to be due to extenuating circumstances, and if it is found that it will not interfere with the stabilization program, funds may be released to the slaughterer. Previously, the slaughterer was liable to loss of all subsidy if he was found in a court action to have exceeded the cattle maximum.

Second. To eliminate some of the newcomers who have been a seriously disturbing influence in the last few months, OPA has limited custom slaughtering of cattle and calves to those who had quotas to operate on that basis under the slaughter control order at the time that order was revoked on December 29, 1945. This action was designed to curb the new people including retailers, hotels, restaurants, clubs, independent sausage makers, and some wholesalers with little experience in buying cattle. Since the margins of this latter group were fairly good, they were somewhat indifferent to the price paid for cattle. Enforcement actions are being taken as rapidly as possible on reported violations of the drove cost maximums for cattle.

Third. The enlargement of the OPA enforcement staff as a result of a recent supplemental appropriation has made possible the intensification of enforcement efforts on meat.

Fourth. Plans are being made by OPA and the Department of Agriculture to reinstate the general control on slaughter volume, to restrain the expansion by some of the new slaughterers and to assure the long-established firms a more normal proportion of the supply of livestock at the legal maximums.

Fifth. The Attorney General has directed the FBI to investigate cases where there is evidence of falsification of cattle price compliance reports and subsidy claims.

The meat packing industry has taken the position that the livestock and meat controls are unworkable and that the only remedy is the removal of price controls from these commodities. The results of such a course should be clearly understood. Livestock and meat prices undoubtedly would advance sharply in the absence of these controls. The highest prices reached for various meats after the last war were 25 to 50 percent higher than the present ceiling prices. Per capita net incomes are estimated to be about 60 percent higher than in the previous war peak reached in 1920.

With feed supplies short, an increase in the price of meat animals would add greatly to the difficulty of obtaining feed

for dairy and poultry producers in feed-deficient sections of the country, and for use in industries producing cereal foods for human consumption. Moreover, an increase would add to the problem of obtaining grains to meet the critical food shortage in war-devastated countries. The success of the Food for Famine program would be seriously jeopardized by abandonment of the livestock and meat price controls.

If controls were removed on feed along with meat to avoid the effects I have just indicated present controls on dairy and poultry products and on products made from grain would have to be removed or prices raised substantially. This would involve increases in so many food products that ceilings on nonfood products would be hard to maintain. Industrial workers would bring pressure for higher wages, which would increase manufacturers' costs, and they would demand higher prices for industrial products.

Removal of the livestock and meat price controls would have drastic effects on our national economy and on world-wide starvation. Instead of removing the controls at this time, we must improve them and make them work.

Mr. SAVAGE. Mr. Chairman, there are Members of Congress who, consciously or unconsciously, are creating the utmost confusion about the housing situation. Everyone knows that houses are built with lumber. Lumber production is one of the foremost goals which must be met so that we can build houses for veterans. Superficial reports on the lumber industry have been used by opponents of OPA to prove that price control is the impediment to lumber production, and that lumber export is sabotaging the Nation.

Let us look the situation squarely in the face. Increases in lumber prices have been granted regularly by OPA to increase production. Although the prices of industrial goods rose an average of only 25 percent, the rise in lumber prices since 1939 has been 66.4 percent. What happened to production? It dropped 9.5 percent, because employment dropped 21.8 percent. The trouble was not price.

The last war gives us a startling picture of lumber prices and production. Between 1914 and 1920, lumber prices rose 231 percent. Certainly, the industry must have been encouraged to increase production. But production actually dropped 13.6 percent. Then came the bust in 1921. Prices dropped more than 60 percent and production dropped 28.4 percent. Then the trouble was price—uncontrolled price and inflation. The lumber industry does not want that to happen again any more than the veterans want to pay inflated and exorbitant prices for homes.

On the question of export, Mr. Speaker, let us remember that the Office of Price Administration is not a supply agency, and therefore has no control over the physical movement of lumber in either domestic or foreign markets. The pricing policy on export lumber was designed to preserve conditions established in a free market as far as possible. Hence, higher export differentials are permitted only when such differentials previously existed. Price differentials do not tend to encourage the export of lumber, however, because export sales involve higher risks and expenses. The Civilian Production Administration, in deciding what proportion of lumber may be set aside for export, bases its decisions on three factors. Lumber requirements for the housing program must be met first. Some export licenses are granted to meet minimum reconstruction needs in friendly war-torn countries. Finally, export licenses are granted to facilitate and expand essential imports of construction-type lumber into the United States. During 1945, our lumber imports totaled more than 2½ times as much as we exported. We would not have been able to import much of this construction-type lumber if we had not exported heavy timber, hardwoods, and millwork lumber, which is unsuitable for construction anyway.

Some further price adjustments in special cases are being worked out by OPA, but blanket price rises or decontrol will not do the job. It is easy enough to say that lumber production is low because of price impediments. But it is closer to the truth to say that lumber production is low because of a labor shortage in the industry, because of a severe shortage of stumpage and timber, shortage of equipment, and the worst logging weather in years. These problems will not be solved by price increases, Mr. Speaker.

OPA's lumber policy has been flexible. I have taken up all problems that the lumber industry has brought to my attention and in each case the OPA has made adjustments in favor of the industry so that is not a reason for lack of production. OPA has given the industry as much encouragement as possible under difficult wartime and reconversion conditions. To build houses for veterans, we must not let inflation wreck the lumber industry as it did in the boom and bust of 1920. A Member said on this floor yesterday, in a derogatory manner, that lumber in large dimensions has a higher ceiling price than flooring. I wonder if that Member realizes that a much more valuable log is required to cut out a 6 inch by 10 inch timber 24 or 40 feet long than it does to cut out short pieces of 1 inch by 4 inch or 1 inch by 3 inch flooring from 3 to 10 feet in length.

Mr. QUINN of New York. Mr. Chairman, since last February, when committee hearings were first begun on this bill to man the dikes of price control against the threatening flood tide of devastating inflation, I have been keenly aware of the existence of certain elements in our midst who, in the best tradition of that madness which the gods impose as a prelude to destruction, were bent on sabotaging the efforts of those of us who have at heart the true interests of the teeming millions of so-called "little people" who are the United States of America.

As a member of the Committee on Banking and Currency I listened patiently and carefully, day after day, for a month and a half to the pros and the cons of continued price control. On the one hand I was struck with the utterly sincere apprehensions, the starkly realistic view and the deep thoughtful conviction of those who advocated extension of the OPA Act as the last thin line of defense against the pressing menace of greatly increased living costs. On the other hand I was wholly unimpressed with the slick arguments and cavilling fault-finding of those whose true philosophy no matter how glibly they try to gloss it over with pretended fears and out-moded economics, is best summed up as "profits and more profits and the devil take the hindmost." I am deeply and principally interested in those who by force of unequal economic circumstances constitute that "hindmost." Their name is legion and I count myself among them. You can picture then with what alarm I note today that "ol' debbil profits" has them by the throat.

Throughout the deliberations of the Committee on Banking and Currency I stood stanchly with my Democratic colleagues in the sharp battle to prevent the scuttling of the act through the addition of crippling amendments. In that battle we were largely successful. So much so, I felt heartened in the expectation we could pass here today a workable bill that would carry us on to our great objective of a stable peacetime economy serenely secure against the wild chaos of inflation. Today, as I saw amendment after amendment prevail against us my most modest expectations were dashed and worse fears than I had at first entertained realized. The present crazy quilt of legislation before us is no longer an OPA Act. It is a fantastic satire on what used to be an OPA act and a meaningless thing of rags and tatters.

Mr. Chairman, though for want of a better bill and in the hope of some salvage by the other House of this Congress I shall vote "aye" on final passage; let me make it abundantly clear that I disavow, disown, and loudly decry the torn and badly patched version of an OPA bill now before us. Let those whose deftly destructive fingers have wrought this abomination make ready to wear it as their motley and their cloak when an aroused electorate staggering and groaning under the back-breaking economic load this bill now imposes shall seek just retribution at the polls in November.

Mr. MUNDT. Mr. Chairman, I have been one of those who has always supported OPA legislation. I shall vote for it again today. Unfortunately OPA has suffered and stumbled as a result of mal-administration and political favortisms, but even under existing conditions of disappointing efficiency in its administration, I feel that this is not the time to take off all price controls.

I sincerely regret, Mr. Chairman, that the Banking and Currency Committee has seen fit today to stop the House from debating OPA in an intelligent and effective manner. By arbitrarily sponsoring a move to cut off all debate on over 30 proposed amendments and by utilizing its authority to secure prior access to the floor the Rivers and Harbors Committee members have completely prevented many of us from having an opportunity to introduce and explain amendments proposed for the purpose of increasing the efficiency and effectiveness of OPA.

As a result, Mr. Chairman, I am afraid we are legislating this afternoon in a dangerous and undesirable manner. I

endeavored earlier in the day to have a formula set up so that each amendment could be at least explained. Where there is too much pressure for speed in legislation and where debate is too sharply and arbitrarily curbed as it has been today the legislative result is likely to show the effects of this haste and hurry. I am afraid this will be the case today. There has neither been adequate time to explain proposed amendments or to give intelligent arguments against those which might be undesirable.

The gentleman from Texas now has before us an amendment designed to set up an orderly and workable method of decontrol for OPA. It is not precisely the method which I prefer and even as amended by the proposal of the gentleman from California [Mr. VOORHIS] I think it would require some perfecting language to make it effective and desirable. However, the Gossett amendment is the only one we shall be permitted to debate on the floor today due to the tactics I have previously discussed which have cut off adequate debate. I shall therefore support the Gossett amendment with the hope that the Senate will rewrite it and correct both its inadequacies and its excesses. If it does nothing more, the Gossett amendment, if adopted, will call to the attention of the Senate the desire of the House to set out in specific language a method for the orderly and gradual decontrol of our American economy by the OPA.

Essentially, the Gossett amendment recognizes that as supply comes up to the level of demand and consumption in this country, OPA is no longer needed on those items and by having them decontrolled it will enable OPA to do a better and more effective job on the items and products on which price controls are still needed. Mr. Chairman, I have had an amendment on the Clerk's desk all afternoon to attain this same objective. However, since the members of the Rivers and Harbors Committee, after limiting the time for debate, have monopolized practically all the time available on the floor, I shall have no opportunity to discuss it. I shall, however, include my amendment at this point for any value it may have for the other body when this legislation is considered and corrected on the other side of the Capitol.

I had in mind offering a new section at the end of the bill to read as follows in an effort to limit the operations of OPA to the products and items which are in short supply and which, as a consequence, would seem to require a continuation of price controls.

At end of the bill add a new section to be known as section 9 to read as follows:

"The authority of the Office of Price Administration, under the provisions of this act, to fix prices on any commodity or product shall automatically terminate when that commodity or product can be demonstrated to have been in production for three consecutive months at the average monthly rate at which it was produced during the calendar year of 1939: *Provided, however,* That each purveyor or producer thus exempted from price-control regulations is prohibited from adjusting his prices upward by more than 10 percent in any 6-month period during the life of this act."

Mr. Chairman, my amendment is designed to achieve the following objectives:

First. To set up a definite, understandable, demonstrable rule of thumb by which products can come out from under control of the OPA when the actual statistics of production show that production has reached a normal level over an adequate period of time. You will note I use the production figures and not some indeterminate figure such as "need" or "demand."

Second. This procedure of decontrol based on production figures will tend to encourage the stepped-up production of items now in short supply since by reaching normal production levels an industry can be freed from the red tape and regulations of OPA.

Third, I have included a safety clause so that even after products in normal supply are removed from specific OPA regulations they are prevented from making any rapid upward movement by the clause limiting price adjustments upwards to 10 percent in any 6-month period during the life of this act.

Mr. RABIN. Mr. Chairman, I regret exceedingly that the House has seen fit to so amend the bill extending the OPA as, in my opinion, will render it almost useless. I think these amendments have taken the brakes off prices and will be the cause of untold suffering. I shall vote for the bill, however, even as amended, much as I dislike to do so, merely because it will give us an opportunity to go into conference with the Senate. I am confident that the Senate will pass a better bill. It seems to me that all we are voting for today is a license to talk with the Senate. Without passing the bill—bad as it is—we would not even have the license to do that. It is my fervent hope, and I think the great mass of the American people join me in that hope, that a better bill will come out of conference.

Mr. PLOESER. Mr. Chairman, section 7 of this bill is particularly important because of bad faith in OPA administration.

The other day I saw a leaflet gotten out by the retail automobile dealers of the United States which represented three large bites from the dealer income apple that OPA has taken since last fall. This drawing showed that OPA, under the supervision of Mr. Chester Bowles, had bitten a total of 7½ points off of the dealers' income. Three points had been taken in cutting down the normal 5 percent dealer handling charge; 2 percent had been taken as a straight trade discount cut to meet increased costs of new car production, and 2½ percent had been taken for the astounding purpose of paying the wage increases in automobile factories won by the CIO strikers in their recent 113-day walkout.

The fact that these cuts have been imposed by OPA may not be surprising or any news to most of you, but when I relate a circumstance which occurred at a meeting of the House Small Business Committee last fall, I think these cuts will take on greater significance.

I am a member of the House Small Business Committee and when a group of dealers came to us last November, upon learning through rumor that OPA was planning to start slashing at their trade discount, I was glad to do my part in bringing the undercover activities of OPA in slicing business profits out into the open. I questioned Administrator Bowles at length in regard to his various schemes for frying the last ounce of income fat out of retailers, and especially retail automobile dealers, and found him both evasive and frequently uninformed on some of the most salient features of OPA activities. I strongly suspected at the time that Mr. Bowles and the rest of his boys had theoretical plans for reforming and revising business practices throughout the country which went far beyond anything indicated. For that reason I particularly requested him to advise the committee if the current bite which he was going to take out of automobile-dealer income would be the last.

If you will turn to page 1538 of the printed testimony of those hearings, you will find I was questioning Mr. Bowles as to just how much he was proposing to take out of the dealers' hide at that time. He said, "It looks like the four- or five-point situation."

Knowing definitely that the OPA officials a few days previously had told retail automobile dealers that they might have to take a cut of as high as 13 points, which was more than one-half, I was not impressed by Mr. Bowles' statement, so pursued the point a little further. Again I quote from the transcript:

Mr. PLOESER. Are you willing to make a statement that it won't be over four points?

Mr. BOWLES. No; I am not. I doubt that it would be, but I won't make that statement.

Mr. PLOESER. Are you willing to make a statement that it won't be over five points?

Mr. BOWLES. I would be amazed if it were. I cannot make a definite statement on it.

Mr. PLOESER. That is no answer.

Mr. BOWLES. That is the best answer I can give.

Mr. PLOESER. The next question, then, is this: Is this the end of this, or is it just the first mile, and are you going to take another crack at it in another few months?

Mr. BOWLES. This is the end of it. We are establishing the consumer price of automobiles, and once they are established they are established.

The foregoing was the definite promise that the Honorable Chester A. Bowles, Administrator of the Office of Price Administration, made to the House Small Business Committee, the Congress, the retail automobile dealers of the United States, and the country at large on Tuesday, November 1, 1945. A few days later, Mr. Bowles issued an official order cutting the normal 24-percent trade discount of the dealers by 2½ percentage points. In an accompanying statement, he said that figures produced by the National Automobile Dealers Association had influenced his thinking and that as a result a 4 to 5 point cut was unnecessary.

Recalling the very definite statement of Mr. Bowles that there would be but one cut in dealer income, which he had made to me, on the witness stand, I presumed, of course, that this was the one, only, and last cut. In common with many other Members of Congress, I

thought even that cut was not justified by the existing law, but I was willing to go along.

Imagine my surprise, then, when I learned shortly after the first cut was made that at the very time Mr. Bowles was loudly protesting that the one cut would be all, his agency was in the process of inflicting another and deeper cut on the dealers. It developed after our hearings had closed, that attempts had been made by economists in the employ of Congress to induce OPA to take a cut out of the dealers' OPA approved 5 percent handling charge and leave the traditional 24-percent trade discount untouched. OPA officials when approached on this subject expressed interest and promised to take the matter up with Mr. Bowles. These officials are said to have had a meeting with Mr. Bowles that evening, but never again did they refer to taking a slice out of the historic handling charge instead of cutting the trade discount. No, indeed. They had a much better scheme. As time went on, it developed that these crafty OPA officials had made the most of what they had learned about the possibility of taking a bite out of the handling charge. Hence, they not only took the first cut of 2½ percent out of the trade discount, but also another 3 percent out of the handling charge.

Indicative of the undercover manner in which this 3-point cut was taken, Mr. Bowles until late in January 1946 pretended whenever approached in person or by letter in regard to the handling charge cut that he was entirely unfamiliar with it. It required a personal call by President Mallon, of the National Automobile Dealers Association, and repeated pressure by telephone to get any response whatever out of Mr. Bowles on the subject.

It was bad enough in the light of Mr. Bowles' promise to me on the witness stand that the first trade discount would be the last for him to take a second cut, but there was still a third in the offing. That was the cut of March 13, 1946, when dealers were advised a few hours before the end of the General Motors strike that they were going to have to pay the cost of all wage increases won by the workers in the factories.

As had grown to be the custom in OPA, officials there did not give the dealers the slightest advance opportunity to protest against the third cut. The members of the dealers advisory committee were called to Chicago and at the very start of the meeting, OPA officials told dealer representatives that they would have to pay the strike bill. In answer to protests against methods used, the OPA representatives said it was just too bad but the order stood. So the helpless dealers had to take a third cut in their normal profits.

This is the sort of thing which has been going on at OPA ever since it sired its famous "cost absorption" policy and tried to hang the parentage on an innocent Congress. The retail automobile dealers have been the worst imposed upon victims of the plan. They have taken three vicious cost-absorption wallops on the chin since Mr. Bowles first took office. Of course, this last 2½ percent wage increase cut was taken under the name of Mr. Paul Porter, but he had no more to do with it than did Charlie McCarthy.

I am glad that the Crawford amendment, designed to give the dealers a chance to get back on their feet through curbing the powers of OPA to slash dealers incomes for a 6-month period, has been favorably reported by the Banking and Currency Committee. Only by the writing into the OPA pricing law of such an amendment as this can the automobile dealers ever regain their normal discount and begin to rehabilitate their businesses. They form one of the greatest links in our retail trade and service chain and now, as never before, do we need them and they need us.

Since this amendment was written into this bill, OPA has issued a press release designed to leave the impression that dealers in recent years have made approximately twice as much money as they did before the war. When you consider that the trade has had no new cars to sell, that there are four or five million less cars on the road than there were before the war, and that rationing cut down dealer business tremendously, you can be assured that the OPA statement just is not so. It does not present a true picture of the trade on a national basis. It is unfortunate that we have bureaus which issue such misleading statements.

I hope the Crawford amendment is adopted.

Mr. McCOWEN. Mr. Chairman, the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, is now before the House. The enactment of this bill into law will be a sentence to further strangle free enterprise or even to choke it to death.

The war is over in reality, and price controls should be lifted now. Price controls prevent production; a lack of production causes scarcity; and scarcity is the excuse for price control, so it completes a vicious circle. By continuing the Price Control Act we are purposely creating the scarcity; the scarcity arises from a lack of production; the lack of production is caused by price control. The conditions that the Price Control Act creates will forever furnish excuses to continue it. The American people are thereby put under what could easily come to be never-ending regimentation.

Let us make the break now, and let the Price Control Act die its natural death on June 30.

When price controls are ended, there will be confusion for a few months, whether it be now, next year, or some other future year. But production will rapidly increase when controls are lifted, and the supply will rapidly come to equal the demand. Then confusion will end, prices will be stabilized, and production will be normal and sufficient. When this natural condition is reached, competition will keep prices stabilized on a reasonable basis.

Local price-control boards have done, for the most part, probably about as good a job as they could do, since they themselves were controlled by administrative regulations from above. But the administrative set-up of the Office of Price Administration at Washington must be held responsible for the bungling and the lack of good judgment that has been manifested on a Nation-wide scale. The people of our country are aroused to an alarming degree. They realize that you cannot have free men without a free economy and free enterprise. The strangulation and destruction of free enterprise must stop if America is to remain free.

Many scores of letters and dozens of telegrams have reached my desk in reference to OPA. Among the many which attract my attention I believe it would be interesting to quote from one letter in particular, which very well illustrates the element of scarcity caused by the stupid administration of OPA. I quote, in part, as follows:

OPA publicity tells me: "OPA has held the line." Is the OPA doing a good job?

It has kept the price of doors down. Result: No doors.

It has kept the price of lumber down. Result: No lumber.

It has kept the price of plaster lath down. Result: No lath.

It has kept the price of glass down. Result: No glass.

It has kept the price of plywood down. Result: No plywood.

It has kept the price of corrugated iron and steel items down. Result: No stock.

It has kept the price of flooring, siding, and bundled lumber down, even below rough prices. Result: No stock.

It has kept the price of butter down. Result: No butter.

It has kept the price of nylon hose down. Result: No hose.

It has kept the price of men's shirts down. Result: No shirts.

Hundreds and hundreds of other items—yes; even thousands of them—could be itemized that would show the same results, namely, no stock, but perfect scarcity. Would this alone not be sufficient justification for ending price control?

It has taken hundreds of years for a growing civilization to destroy government by men and to establish government by written law. Great progress has been made in the last 4 years to turn the clock backward, to destroy government by written law, and to restore government by men. The administration of the Office of Price Administration furnishes a powerful illustration of that fact. To end it now will do much to stop this dangerous trend toward government by men and help restore a government under law. If we are not to have regimentation and a bureaucratic dictatorship in this country, we should begin to end all controls set up for war purposes, and end them as speedily as their time limit arrives. All America is looking to the Congress to restore the power of the people to the Congress—not in some faraway, projected future time, but now. Not to end these controls speedily will mean that dictatorial controls will continue to exist in peacetime and gradually fasten themselves on the American people to such an extent that their removal will become more and more difficult to accomplish.

Mrs. DOUGLAS of California. Mr. Chairman, an amendment would now be in order to change the title of the bill we have successfully murdered from OPA to Republican Holiday.

Inflation not only means that we plunge into a nightmare of soaring prices, wages never adequate, valueless bonds, ruined businesses, farms foreclosed, but it means that we have placed the peace the weary people of the world dream of in the greatest jeopardy.

We cannot even begin to build peace in a hungry world. The immediate result of inflation in this country will be more hunger and death in our world where hundreds of millions of people today face starvation.

Soaring food prices and farm equipment mean that UNRRA of war-stricken countries can buy less with their already meager funds.

At home, inflation means inevitable depression and unemployment in this the most powerful nation in the world—whose fields and factories have not been bombed; means international chaos. And what does that mean? Not only despair and tears, but it could mean World War III.

Can we build a durable peace in such an atmosphere?

Mr. BIEMILLER. Mr. Chairman, if the amendments to the Price Control Act passed today by the House Committee of the Whole finally become law, inflation is guaranteed and price control is a corpse.

The "profit on every product for every producer and merchant at every level of production and distribution" amendment leaves price control in as healthy a state as a man with his throat cut from ear to ear. And what a travesty on our supposed system of free competitive enterprise is this profit guaranty. Never before has the Congress taken a position guaranteeing cost-plus to all industry and business.

In addition, the amendment requiring an end to meat subsidies on July 1, and other drastic cuts to end all subsidies by the end of 1946, puts a hangman's knot around the OPA's neck.

Just to be sure the corpse does not revive, provision has also been made for a hasty interment on March 31.

What a field day this has been for the Republicans with their inflationary amendments.

But what a sad day for the American consumer. If these amendments adopted by the Committee are adopted in the House, dollars will soon become dimes.

The actions taken here today will drive us straight down the road to a paradise for speculators and a hell on earth for consumers.

After World War I the Congress refused to act in the interests of the people and we wound up with the Hoover depression which followed the false boom created by inflationary pressures which were not curbed.

Today it seems that the Republicans, not content with the chaos they created then, now desire to show us they can achieve another economic bust that will make the Hoover era seem like a picnic.

I will vote against all these amendments which can have no possible effect except disaster for our Nation.

Mr. RAYFIEL. Mr. Chairman, today we have seen the Price Control Act so mutilated and impaired by crippling amendments, as to almost completely nullify its effectiveness. Nevertheless, I shall support it, in the hope that after conference with the Senate we may be able to restore some of the provisions which have enabled the Office of Price Administration to stand as a bulwark against the forces of unbridled inflation, which are endangering our economy by their unreasonable demands for ever-increasing profits.

If we fail in our effort to retain price controls we shall inevitably face one of the most disastrous periods in our history.

Mr. POWELL. Mr. Chairman, this is the darkest day for the working-class people of America since the postwar era began. Today 90 percent of the people have been betrayed by the pressure of the 10 percent. A few days ago 1,000 consumers came to the Capitol to see us, their Representatives. The Capitol Police broke up their lobby. Today I saw hundreds of lobbyists from industry, big money, packing the halls outside our Chamber's door and no one bothered them. The largest number of phone calls and pressure visits in recent years took place today. You have betrayed the little people because of the pressure of big people—big industry and the big-money boys.

The House of Representatives has always been called the people's house. Today you failed them. You are no longer people's Representatives, you are big-business' Representatives. However, the people elected you, not business. The people will remember your vote today and they will meet you at the primary and the general election this year.

Let us hope the Senate will be more conscious of their stewardship than you have been. This is the last chance to stop runaway inflation. You have taken the lid off. You are squandering today the American economy, throwing away the war bonds of the common man, making a joke of GI separation money, and completely aborting the raise in wages just granted labor. You have made a mockery of our hard-won military victories by giving 10,000,000 veterans an America made safe for big business. You have made our country worse off economically than it was before Pearl Harbor. You throttled labor with anti-labor bills, you oppressed minorities by scuttling the temporary FEPC for breaking the pledge of party platforms by burying the permanent FEPC. And now you have dealt every housewife in America a blow in the back.

The people will remember this betrayal this fall and will purge each and everyone who failed them today.

I am against every amendment offered and will vote accordingly.

Mr. SHORT. Mr. Chairman, most everyone knows that in time of war or as long as wartime conditions exist some Government control of prices, wages, production, and distribution in any industry is both necessary and desirable.

The above statement is predicated upon the premise that controls are fair and impartial. Much to my regret, I must say that the whole OPA program has been so grossly mismanaged and the distribution of goods has been so maladministered that I have never been able to support the OPA, and I think that the CPA rules and regulations today are almost as intolerable.

Future historians will call this the age of chiselization, and for very good and indisputable reasons. The OPA has made chiselers, cheats, cowards, and crooks out of good, loyal, law-abiding, honest American citizens.

The infinite red tape and voluminous, intricate, and contradictory rules and regulations by an overgrown, arrogant, and arbitrary bureaucracy has stifled initiative and enterprise, cut down effort and production, and retarded reconversion and recovery.

The OPA is nothing more than the old NRA in a new dress. Today it wears gingham instead of calico, but the same group of social reformers, moral uplifters, world saviors, and economic planners are wearing the garment. Nearly every hour they issue a new set of long, cumbersome, and confusing regulations, which no sane or reasonable person can comprehend. It would require a Philadelphia lawyer weeks and months to decipher the real meaning of their executive decrees—if any meaning at all was in them.

Sir, this is the reason that more than 1,070,000 small businesses have been liquidated in the last few years. We have about reached the time when any person in the United States must work for a giant corporation or go hungry without employment. Small business, the backbone of this Nation, has had its back broken.

Obviously the OPA and CPA failed with bankrupts and Communists who have never met a pay roll and who are unable to make a living under our system of free, competitive enterprise, and who are out to destroy the profit motive and to liquidate the most intelligent, industrious, and responsible group of our citizenry.

Recently I returned to Washington after spending 2 weeks in my own congressional district. While there I talked to innumerable citizens of all classes and kinds engaged in many different enterprises. What they told me confirms and corroborates all that I have learned through correspondence and conversation with many of our people in different States and from all sections of our great country.

The meat packers and processors; most of all the dairy farmers, many of whom are selling their herds for slaughter at public auction, which will close our milk plants and cheese factories all over the country when the whole world is hungry and much of it starving; the sawmill men; the lumber dealers; the automobile salesmen; the strawberry growers; the canning men; the small-town merchants; and nearly everyone else engaged in legitimate private enterprise, have spoken or written to me crying for relief from this modern Spanish inquisition that has exercised tyranny over them and that threatens to destroy private enterprise, which has made this Nation great.

Mr. Chairman, the time has arrived when this costly, complex, cumbersome, and confusing bureaucracy must go. Only by its death can America live. The

inquisitorial and despotic methods employed by Government bureaucrats must be ended. No longer can we postpone this important decision.

I predict, Sir, that this Congress will rise in its might and liquidate not only this useless but harmful agency—the OPA—or else emasculate the bill under present consideration to such an extent that it will be impotent, but that it will also shortly do away with CPA. So many thousands of people have protested to me by telegram, letter, and petition that I cannot quote them all. Every other Member has likewise received these complaints which are wholly justifiable.

Under leave to extend my remarks, I include the following Worth Street forecast of April 15, which is sane, sensible, and which expresses my views and, I believe, the views of the overwhelming majority of our American people:

END OF CONTROL NEEDED

It is the considered view of the editors of Worth Street Forecast that the time has now come when the textile industries can no longer afford to live under Government controls. Neither price controls, nor controls over production of goods and distribution of merchandise, on the pattern which Washington practices, and from which it cannot be expected to deviate in any predictable future, are longer tolerable. The time has come when the Office of Price Administration should be discarded, and with it all the other medley of regulations which go with it. It is our opinion, arrived at over months of deliberation, and with due regard for all the factors concerned, that it will be better for the industry and for the people of this country insofar as their textile needs are concerned if OPA should die on its legal expiration date on June 30 this year.

POSTWAR REGULATION

This has become our view only after a long period of living with Government regulation, both in war and peace. During the war price control was generally admitted to have been both necessary and desirable. It served its purpose over an era when abnormal demands of the military forces and heavy needs of our allies had to be met out of limited production. There seems to be little doubt but that with all its faults price control in war, and its corollary of production and distribution control, was valuable to the country and to the people. The war which called this effort forth ended just about a year ago in Europe, and when June 30 comes that date will be nearly a year after the end of the war in the Far East. During this period control has been tested in a peacetime economy, and in our view has been found utterly wanting. The time has come for a change.

As we look back over this peacetime regimentation of the industry, we find little to encourage us in the belief that the time of tapering off from control has witnessed any tapering. In weighing this period we must consider both price and distribution policies.

POOR PRICING JOB

In the field of pricing, Government has done a poor job. When war ended, the entire textile industry was up against the need for repricing. Much of the industry was on a loss basis. OPA began a general repricing in cotton textiles. Instead of granting a general, liberal instantaneous increase that would have stimulated production and reduced shortages, OPA spent the whole period from August until February handing out slight price increases in a dribbling stream. Nobody knew where they were going. Nobody could plan ahead. OPA transformed the selling of goods from the needed pattern of forward-looking merchandising and meeting of peacetime needs to a backward-looking pattern of keeping books for adjustable pricing on past business that was over the dam. At every hand and whenever businessmen showed initiative, their efforts to rebuild the peacetime markets were stymied by delay and indecision in the pricing agency.

More recently OPA did show a little more expedition in price adjustment. Earlier this year it made general increases in prices of goods. It had to do it because Government encouraged wage increases, and Government also stimulated an unhealthy rise in the price of cotton so that the mills would have had to close if OPA did not act. At first this looked like a change of heart at OPA. It looked like the beginning of a policy which recognized that markets in peace are different from markets in war. But the accumulating evidence of a few short weeks has destroyed any such hope. Costs have continued to rise. Fabric after fabric and mill after mill is on a loss basis even now and the new prices set a few weeks ago are wholly out of date. Control has broken down, and OPA has failed dismally in doing anything about it.

We place the blame for this break-down squarely on the Government doorstep. Government agencies would have the people believe that a lot of speculators in cotton pushed the price to 28 cents a pound and upset textile ceilings, and there is a lot of fanfare about requiring large margains from cotton speculators to stop the rise. But speculators are the symptom and Government is the disease in cotton. Let us just point out that millions of bales of cotton were under Government control, and Government by selling could have stopped this rise in its tracks. It did not. It just raised its own prices. Meantime it began shipping out its low-grade surplus abroad—over a million bales are to go to Japan—and it has been removing the pressure of this stock from the home market. It is small wonder that cotton has risen after a dozen years of Government loans, a dozen years of free riding farmer speculation with Government money, a dozen years of holding down production. Nor is it any wonder that when Government gets wage rises for steel workers, farmers and their representatives in Congress should want to get on the gravy train. Don't let anyone tell you the speculators made the bull market in cotton; it was made in Washington, by mismanagement and blundering of many Government agencies.

At the end of many months of peace, therefore, we find the textile industry just as deeply submerged in price regulations and in some respects more so than when war ended. It also is just as deeply immersed in repeated crises of costs versus prices, and so long as OPA continues we can see nothing but a continuation of such crises. Even a ceiling on cotton would do no good, if it was politically possible; it would be getting revised too often.

In price control we have a picture of complete disorganization. We have the primary markets bogged down in intolerable detail and confusion, with many prices on identical goods. We have all the levels of distribution so entangled in red tape that it is literally impossible for small and medium sized companies to stay within the law. We have the MAP plans and all the retail regulations. We have one cloth cheap and another expensive; one group oppressed while another quietly reaps unjustifiable greater gains. And we have the black market all around and growing daily. Such a condition can do no good and if long continued will do irreparable harm.

JUNGLE OF CPA RULES

The production and distribution pattern is just as bad a jungle as the price pattern. Ukases issue from Washington daily and the picture becomes confusion thrice confounded. Last fall such controls were relaxed. Today there is as much regulation of this sort as at the peak of the war period. Tomorrow there will be more. For the average dealer in textiles and textile products, there are just not enough hours in the day to find out what he can do and what CPA says he cannot do. There is just no way out of this labyrinth except its total elimination.

THE FREE MARKET

It has long been the view of the Forecast that price control and production control, intelligently applied, was desirable. The trouble is that all hope of intelligent policies seems only to wind up in disillusionment. Government could have acted quickly to ease controls; could have gotten production; could be stepping out of the textile picture now. Had it planned it that way, however, it hardly could have done more than it has done to perpetuate its own controls. We have become convinced that so long as Washington continues to run the show, so long will confusion rule and bureaucracy flourish.

We think we know rather fully what may be expected to happen if control is overthrown and OPA discontinued June 30. Not everything will move smoothly. There may be some goods that will be as cheap or cheaper in price. There will be others—perhaps a lot of others—that may rise very sharply, temporarily. Not everything will be on an even keel, simply because the industry will be starting out from a badly upset situation caused by the long years of control. But we are convinced that such upsets as do occur will be a small price to pay for the opportunity to return the business to its owners, to get production back, to regain a free market, and to be given the opportunity to move forward into more normal times. Actually we feel that the market risks which must be taken if control ends now will be less than the risks that would have to be taken a year from now, after another 12 months of throttled production, bad pricing, and uniformed regulation of distribution.

In later issues we shall go into further detail relative to restoration of free markets and the ending of this fumbling bureaucracy which, however well it did in war, has proved itself incapable of handling the products of peace after nearly a full year of trial. The time, in our opinion, is at hand when Government control must go.

Mr. VINSON. Mr. Chairman, I ask unanimous consent to extend my own remarks in the RECORD in support of an amendment, which I have at the Clerk's desk.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. VOORHIS] to the amendment offered by the gentleman from Texas [Mr. GOSSETT].

The amendment to the amendment was rejected.

The CHAIRMAN. Are there any further amendments to the Gossett amendment?

Mr. COOLEY. Mr. Chairman, I offer an amendment to the amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. COOLEY to the Gossett amendment:

In line 1 of subsection 4 (a), after the word "commodities", insert the following: "or commodities processed or manufactured in whole or substantial part from an agricultural commodity."

And in line 4 of such subsection, after the word "commodity", strike out the period and add the following: "so grown or processed or manufactured."

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. COOLEY] to the Gossett amendment.

The amendment to the amendment was rejected.

Mr. COOLEY. Mr. Chairman, I offer another amendment to the Gossett amendment.

The Clerk read as follcws:

Amendment offered by Mr. COOLEY to the Gossett amendment: In subsection 4 (b) in line 1 thereof, after the word "commodity" insert the following: "or commodity processed or manufactured in whole or substantial part from such agricultural commodity."

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. COOLEY] to the Gossett amendment.

The amendment to the amendment was rejected.

Mr. BAILEY. Mr. Chairman, I offer an amendment to the Gossett amendment.

The Clerk read as follows:

Amendment offered by Mr. BAILEY to the Gossett amendment: Strike out the words "classes of commodities" wherever found in the pending amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. BAILEY] to the Gossett amendment.

The amendment to the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Texas [Mr. GOSSETT].

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 193, noes 109.

So the amendment was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment to strike out all subsidies including meats and all other products after June 30, 1946.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Mississippi.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: Strike out beginning with line 12 on page 5 down through line 8 on page 8, and insert the following:

"Sec. 5. Subsection (e) of section 2 of the Emergency Price Control Act of 1942, as amended, is amended by striking out the last paragraph thereof and inserting in lieu of such paragraph the following:

" 'No subsidy payments, and no purchases of commodities for resale at a loss, shall be made for any period after June 30, 1946, by any Government corporation or any agency or officer of the Government for the purposes stated in the preceding provisions of this subsection.' "

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The question was taken; and on a division (demanded by Mr. WHITTINGTON) there were—ayes 62, noes 172.

So the amendment was rejected.

Mr. CRAWFORD. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: Page 9, line 3, after the word "inclusive" insert a new paragraph as follows:

"(r) In the case of any wholesale industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities the production or wholesale distribution of which has been reduced for a period of 3 years beginning on or after March 2, 1942, by 75 percent or more below such production or wholesale distribution for the calendar years 1939 to 1941, inclusive, as the result of the operation of any governmental regulation or restriction, the Administrators shall not in establishing maximum prices under this section reduce established wholesale trade discount or normal wholesale mark-ups for any such commodity prevailing on March 2, 1942, before the wholesale unit of sales for such commodity for a period of 6 months shall have reached the average annual wholesale unit of sales thereof for the calendar years 1939 to 1941, inclusive."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. CRAWFORD].

The question was taken; and on a division (demanded by Mr. CRAWFORD) there were—ayes 151, noes 114.

So the amendment was agreed to.

Mr. VINSON. Mr. Chairman, I have an amendment at the desk. In view of the fact that the Gossett amendment covers the subject matter incorporated in my amendment I shall not offer it, but I ask unanimous consent that it be printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The amendment is as follows:

After line 23 and before line 24 on page 9 add the following section:

"SEC. 8. Subsection (a) of section 3 of the Emergency Price Control Act of 1942, as amended, is amended by striking the period at the end of the subsection and inserting in lieu thereof the following:

" ': *Provided*, That no maximum price shall be imposed on pulpwood in any State at a price less than 83 percent of the highest maximum price established for pulpwood derived from trees of the same genus in any other State, zone, or region, except that fair and equitable differentials may be established between peeled and rough pulpwood.' "

Mr. VINSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON. Mr. Chairman, I offer the following amendment to rectify an inequity which has existed far too long:

After line 23 and before line 24, on page 9, add the following section:

"SEC. 8. Subsection (a) of section 3 of the Emergency Price Control Act of 1942, as amended, is amended by striking the period at the end of the subsection and inserting in lieu thereof the following:

" '*Provided*, That no maximum price shall be imposed on pulpwood in any State at a price less than 83 percent of the highest maximum price established for pulpwood derived from trees of the same genus in any other State, zone, or region, except that fair and equitable differentials may be established between peeled and rough pulpwood.' "

It is an inequity against the farmers of the South because their exploitation by huge pulp mills has been perpetuated by the OPA freezing of southern pine pulpwood at prices at prewar levels when the supply was so much greater than the demand. This amendment proposes what is only just—to recognize and give proper allowance for increased costs of cutting, hauling, and land. It proposes only a fair return to the farmer-producers of southern pine pulpwood.

The purpose of the amendment is to bring the ceiling on southern pine pulpwood up to the level of the minimum ceiling established for pine pulpwood in other areas. As set forth in the table which I am about to read to you, the ceiling on rough pine pulpwood is $9 per cord in most Southern States, whereas, the ceiling prices for pine pulpwood range from $11 to $13.25 per cord in other areas.

Present ceilings per cord for rough pine pulpwood

South	$9.00
Lake States	12.75
Northeast	$11 to 13.25

Assuming that the maximum ceiling remained unchanged at $13.25 per cord, the proposed amendment would require OPA to raise the ceiling on rough southern pine to $11 but would not require any changes in maximum prices for rough pine in other areas.

Specifically, I shall offer this amendment for the following reasons:

First. The ceiling price on rough southern pine pulpwood is $2 per cord lower than the lowest ceiling in effect for rough pine pulpwood in other areas. Until February 20, when the OPA granted an increase of $1.40 per cord in the ceiling price of southern pulpwood, price-control regulations were holding southern pine $3.40 per cord below the lowest price of pine pulpwood in other areas.

Second. In setting up its schedules of maximum prices for pulpwood, OPA attempted to freeze prices at the levels prevailing when price control was applied. The effect of this was to freeze southern pulpwood at an unfair price disadvantage growing out of conditions which existed before the war and to prevent natural forces from overcoming this unfair disadvantage as conditions changed.

Third. Prewar pulpwood prices in the South were exploitative prices which permitted pulp mills huge profits, kept cutters and haulers on starvation wages, and gave southern farmers almost no return for growing this important natural resource.

Fourth. Pulp production is a comparatively new industry in the South. Wood supplies have been plentiful there and up until the war the mills were able to get pulpwood at prices that were ruinously low for everyone concerned except the mills. This was true for several reasons: (a) General economic distress in the South; (b) an unawareness on the part of many farmers of the real value of their wood, and (c) a lack of competition between mills in many areas which forced farmers to take the price offered by a single mill or else not sell. Under such conditions some mills have made enormous profits and have paid for themselves in an amazingly short time.

Fifth. Costs of cutting and hauling pulpwood have increased tremendously in the South during the war. Stumpage

prices have also increased to a limited extent, but in the majority of cases the farmer who grows pulpwood is still getting a woefully inadequate return.

Sixth. Authorities have refuted claims that southern pulp is inferior to pulp made from wood grown in other areas. In view of the fact that they have stated that high-quality products can be made from southern pine, the present OPA price differentials of $2 to $4.25 between southern and northern pine cannot be defended on a quality basis. In fairness to the South, southern producers should be given a maximum price comparable with the maximum price of pulpwood derived from the same kind of trees in other areas. At the very least, southern producers should have a ceiling for rough-pine pulpwood as high as the lowest ceiling set on pine in other areas.

Seventh. Ceiling prices should allow farmers a fair return for growing pulpwood, taking into account the wartime increases in cutting and hauling costs. And, in determining what is "a fair return" to farmers, it should be borne in mind that prewar returns were far too low in the South. And allowances should also be made for the substantial increase in timberland prices which has occurred since 1940.

Mr. WHITTINGTON. Mr. Chairman, I have an amendment at the desk regarding the elimination of agricultural commodities of which we produce an exportable surplus, but in view of the fact that it is included in the Gossett amendment, I ask unanimous consent that it be printed in the RECORD at this point. I shall not insist on presenting it.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The amendment is as follows:

Page 9, after line 23, insert the following section, and renumber section 8 of the bill as section 9:

"SEC. 8. Section 3 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof a new subsection as follows:

"'(h) After the date this subsection takes effect no maximum price shall be established or maintained—

"'For any agricultural commodity in the case of which an exportable surplus is produced in the United States, as determined by the Secretary of Agriculture.

"'It shall be the duty of the Secretary of Agriculture to make the determinations necessary for purposes of the application of this subsection and such determinations of the Secretary of Agriculture shall be final and conclusive.'"

Mr. BOREN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOREN: Page 10, after line 16, add a subsection, as follows:

"No maximum price shall be established or maintained for any commodity under authority of this act or the Stabilization Act of 1942, as amended, or otherwise, below a price which will reflect to each producer, manufacturer, wholesaler, distributor, jobber, and retailer dealing in such commodity a recovery of cost per unit based on current cost plus a normal prewar margin of profit. The normal margin of profit shall be the average margin of profit on such commodity for any 3-year period between the years 1936 to 1941, inclusive."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. BOREN].

The amendment was rejected.

Mr. JENKINS. Mr. Chairman, I have an amendment at the desk. I do not ask for a vote on it, but I ask unanimous consent that it be printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The amendment is as follows:

On page 1, after section 2, insert the following section:

"SEC. 3. All powers of the Price Administrator and all powers of the Director of Economic Stabilization, with respect to food, granted by or exercised pursuant to a delegation of authority under the Emergency Price Control Act of 1942, the Stabilization Act of 1942, or title III of the Second War Powers Act, as such acts were originally enacted or as they have been amended, except rationing, are hereby transferred to the Secretary of Agriculture; and in any case where, under authority of any such provision of law, powers with respect to food are hereafter delegated, such powers, except rationing, shall be delegated only to the Secretary of Agriculture."

Mr. JENKINS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. Mr. Chairman, this is the same amendment that I offered last year when the OPA bill was up for consideration. At that time my amendment developed a very lively debate. It was sponsored by the Republican Congressional Food Study Committee, of which I am chairman. The amendment was approved by a majority of the Members on a teller vote, but lost on a roll call vote in the House by a very few votes.

The fight in favor of this amendment last year was the forerunner of all the fights that have been made against OPA. From the day that this amendment received the full 100-percent vote of all Republican Members and a large percentage of the Democratic Members, the OPA has had hard sledding in this House. Many of the leading food producers, processors, and distributors of the country have approved the action of the Republican Congressional Food Study Committee. Likewise many thousands of private individuals have approved the committee's action.

The Republican Congressional Food Study Committee has never advocated the complete abolition of the OPA. Neither has it advocated the raising of prices. It has claimed that the policy of the OPA has been punitive. It has been suppressive. It has taken the position of wanting to punish rather than encourage. It has advocated the doctrine of scarcity just as the New Dealers did when they killed the pigs.

The committee, and the Republicans generally, have advocated the doctrine of adequate production. We have maintained that the only safe and complete antidote for inflation is an abundance of production.

Mr. Chairman, the amendment which I have asked to be printed in the RECORD, would transfer all control over all foods, except rationing, to the Department of Agriculture. This would have taken food from under the control of Chester Bowles and his crowd.

But the amendments which have been adopted this afternoon have taken away most of the legislative powers of Mr. Bowles and his crowd and I have had much to do with the preparation and the presentation of those amendments, and I feel it would not be wise to press my amendment at this time. I expect to support the bill as it has been now perfected. I hope that what we have done today will be for the benefit of the American people and it will restore to the people their own businesses and will bring relief to millions who have been abused by OPA.

Mr. PHILLIPS. Mr. Chairman, I have two amendments at the desk. I do not ask for a vote on them, but I ask unanimous consent that they be printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The amendments are as follows:

SEC. 9. Section 1 (a) of the Emergency Price Control Act of 1942, as amended, is amended, effective as of July 1, 1946, by adding at the end thereof the following:

"In any case where cost records are kept by a State or a department or agency thereof, pursuant to a State law providing for minimum prices for an agricultural commodity, or any variety thereof, in its raw or processed or manufactured form, a certificate of the State official having authority to establish such prices showing the minimum prices established by said State for such commodity, or variety thereof, shall constitute prima facie evidence of the maximum prices contemplated by this act and the Administrator shall forthwith issue a temporary regulation or order establishing such prices as maximum prices hereunder. Said maximum prices fixed in such manner from time to time shall remain in effect until set aside by the Administrator upon a preponderance of competent evidence adduced in a public hearing conducted by a public administrator of said State.

Insert a new subsection (h), under section 3 of the Price Control Act, to read as follows:

"No officer or agency of the Government shall establish a maximum price or issue a price regulation, or continue in effect, after the passage of this act, any maximum price or price regulation with respect to any fresh fruit or vegetable, except as the Secretary of Agriculture shall find, based upon official estimates of the Department of Agriculture, that the prospective production for the usual marketing season of any fresh fruit or vegetable is at least 10 percent less than the average of the official estimates of production for the three marketing seasons immediately preceding the season for which such finding is made, or that prospective production for the usual marketing season for any fresh fruit or vegetable is less than the average production for the 10-year period 1934–43, inclusive."

Mr. PHILLIPS. Mc Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS. Mr. Chairman, the two proposed amendments to the legislation introduced to extend the OPA, both of which were among the forty or more amendments remaining when time expired, have been covered, in part at least, by the Wolcott and the Gossett amendments, already adopted by the House. I am asking therefore that these be printed in the RECORD, but not that a vote be taken, without any chance to discuss them.

The one amendment would have removed fresh fruits and vegetables from the controls of the OPA. This is common sense. Nature provided a better control law than anything the slide rule boys of the OPA could think up; if you do not sell fresh fruits, or fresh vegetables, they spoil. If the people will not buy at the prices you want, the prices have to come down, or the vegetables have to be thrown away.

I am convinced this is covered by the Gossett amendment. If it is not covered satisfactorily, I trust the conference committee will see to it that fresh fruits and fresh vegetables are released. In the same way, I hope the Senate, or the conference committee, will consider carefully the second of the two amendments.

Several States, notably California, carry on, under State auspices, a constant audit of the cost of milk production and sale. The figures are accurate and painstaking. They are carried out to several decimals. The OPA admits they are accurate, and represent the costs of producing milk. Yet, in spite of these admissions, the OPA arbitrarily sets ceilings on milk, and milk products, at less than these known costs.

My amendment would have required the acceptance, by the OPA, of such official figures, where they are obtainable. I think it is a good amendment, and if the situation is not clarified by other amendments, I shall submit it to the Senate or to the conference committee for consideration.

Mr. LANDIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LANDIS: Page 10, line 17, add a new section to be known as section 9:

"That section 2 of the Emergency Price Control Act of 1942, as amended, is amended by inserting after subsection (n) thereof a new subsection as follows:

"'(o) Before maximum prices are established or lowered for any canned or processed agricultural commodity which is the product of seasonal canning or processing, the Administrator shall give to canners and processors of such commodity, not less than 15 days prior to the normal canning or processing season in each major producing area affected notice of the maximum prices he intends to establish therefor. This requirement may be satisfied by publication in the Federal Register, but the Administrator shall utilize appropriate means to insure general publicity to such prices in the areas affected.'"

Mr. HOOK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOOK. Is this another one of the National Association of Manufacturers' amendments?

The CHAIRMAN. That is not quite a parliamentary inquiry.

The question is on the amendment offered by the gentleman from Indiana [Mr. LANDIS].

The amendment was rejected.

Mr. MARCANTONIO. Mr. Chairman, I offer a preferential motion.

Mr. Chairman, in order that the people may grasp the enormity of the assassination committed here today, I move that the Committee do now rise.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York.

The motion was rejected.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 6, strike out all of line 25 and lines 1 and 2 on page 7, reading as follows:

"Petroleum and petroleum products, $50,000,000.

"Copper, lead, and zinc in the form of premium price payments, $100,000,000."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and the Chair being in doubt, the Committee divided; and there were—ayes 119, noes 121.

So the amendment was rejected.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: On page 1, after section 2, insert the following new section:

"Sec. 3. Subsection (e) of section 3 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"'(e) Notwithstanding any provision of this act or any other law, no regulation, order, directive, or allocation shall be made or issued, or any other action taken (including directives for distribution or price schedules), with respect to any agricultural commodity, including livestock or for any food product processed in whole or in substantial part from any agricultural commodity, including livestock, by the Administrator or by any agency of the Government or the head thereof, without the prior written and voluntary approval of the Secretary of Agriculture, and no regulation, order, directive, allocation, price schedule, or distribution order, heretofore made and issued by the Administrator or any agency of the Government or head thereof, with respect to the products and commodities specified in this subsection, shall be valid or binding unless voluntarily approved in writing by the Secretary of Agriculture within 90 days after the enactment of this amendment; except that necessary action, authorized by law, may be taken to enforce compliance with any regulation, order, directive, allocation, price schedule, or other requirement with respect to an agricultural commodity which has been previously voluntarily approved in writing by the Secretary of Agriculture.'"

Mr. SPENCE. Mr. Chairman, I make a point of order against the amendment that it is not germane to the bill. The amendment provides for allocations under the Second War Powers Act and, therefore, is not germane to the pending bill.

The CHAIRMAN. Does the gentleman from Minnesota desire to be heard on the point of order?

Mr. AUGUST H. ANDRESEN. I call the Chairman's attention particularly to the fact that this is an amendment to the Emergency Price Control Act, the rule on which is before the Committee. A similar amendment was offered last year which was subject to a point of order. The point of order was made against it, but the amendment was approved and passed by the House as an amendment to the price control law.

The CHAIRMAN (Mr. COOPER). The Chair is ready to rule. The gentleman from Minnesota has offered an amendment which has been reported by the Clerk. The gentleman from Kentucky makes a point of order against the amendment on the ground it is not germane and is broader in scope than the provisions of the pending bill. The Chairman had a similar question before him earlier in the day on this same point. The Chairman invites attention to the fact that the pending bill seeks to extend for a limited or definite time two existing acts, the Emergency Price Control Act of 1942 and the Stabilization Act of 1942. The Chair invites attention to the fact that the gentleman's amendment relates to any other law which is much broader than the pending bill and might affect many agencies not at all affected by the pending bill. Therefore, the Chair is of the opinion that the amendment is not germane and, therefore, sustains the pending order.

Mr. ROBERTSON of North Dakota. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. ROBERTSON of North Dakota: Page 10, line 16, after "a reasonable profit", add a whole new section to be known as follows:

"SEC. 9. Section 205 of the Emergency Price Control Act of 1942, as amended, is further amended by adding a new subsection thereto as follows:

"'(b) (1) The provisions of this section shall not apply to the several States, Territories, possessions, or the political subdivisions thereof, and the officers thereof, when such States, Territories, possessions, or the political subdivisions thereof, and the officers thereof, have acted in consequence of and in compliance with any law or regulations having the effect of law of such State, Territory, possession, or political subdivision thereof. (2) Any suit or other proceeding brought against any such State, Territory, possession, or officer thereof under this section shall be dismissed upon the enactment of this subsection.'"

Mr. ROBERTSON of North Dakota. Mr. Chairman, I have offered this amendment at this particular place in the bill for the following reasons: The Office of Price Administration has brought an action in the United States District Court of North Dakota against

Wells County, the county commissioners of said county, and the members of the board of commissioners individually, demanding treble damages for an alleged violation of a rule or regulation of the Administrator of the Office of Price Administration.

The facts in the case are as follows: During the depression period the Works Projects Administration caused to be established in some counties of my State work-relief projects to furnish employment to provide relief to persons who were destitute and in need. Among the projects established, were the so-called sewing projects on which women were employed. A number of sewing machines were purchased and women were employed to make garments out of materials furnished, I believe, by the Surplus Commodity Corporation.

When the WPA was discontinued, the sewing machines were turned over to the county welfare boards which function under the governing board of the counties, namely, the various boards of county commissioners. Wells County, N. Dak., had a number of such sewing machines. The machines were, of course, deteriorating because of lack of proper maintenance, and since the need for their use no longer existed, the board of county commissioners decided to sell them and deposit the proceeds to the credit of the county welfare board. People were clamoring to buy them. In North Dakota, the sale of such county property is governed by the provisions of sections 11–2701, 11–2702, and 11–2703 of the North Dakota Revised Code of 1943.

Section 11–2701 provides as follows:

The board of county commissioners of any county may dispose of any property, either real or personal, which the county has acquired through purchase, forfeiture, or operation of law other than through tax sale proceedings, in accordance with the provisions of this chapter. When the property to be disposed of is estimated by the board to be of a value of less than $100, it may be sold at private sale upon the proper resolution of the board. In all other cases, such property may be sold at public sale.

Section 11–2702 provides:

Upon the resolution of the board of county commissioners authorizing the sale of county property at public sale, the county auditor shall cause to be published in the official county newspaper once each week for three consecutive weeks, a notice containing a description of the property to be sold and designating the place where and the hour when the sale will be held. The notice shall specify whether the bids are to be received at auction or as sealed bids as determined by the board.

Section 11–2703 further provides:

The sale of county property at public sale shall be held at the office of the county auditor and shall be conducted by him. The property advertised shall be sold to the highest bidder if his bid is deemed sufficient by a majority of the members of the board of county commissioners.

The sale of the sewing machines was held on or about January 3, 1945, more than a year ago. The board of county commissioners sold the machines in conformity with the provisions of the North Dakota statutes above mentioned, and not otherwise.

The attorney general of the State advises me that if an opinion of his office had been requested, he, as attorney general of North Dakota, would have advised the board that the Administrator of the Office of Price Administration did not have any authority to set aside the laws of a sovereign State and that failure on the part of the board to comply with said statutory provisions would constitute a violation of the laws of the State of North Dakota and would subject the members of the board to such penalties as are prescribed by statute.

The question involved here is—What was the intent of Congress when it passed the Price Control Act? Most surely it is my belief that it is not the intent of this Congress to override the States' laws on matters of this kind.

I have presented the matter to the Honorable Tom Clark, United States Attorney General, and asked him what position he proposed to take on the thing, and asked for word from him at the earliest possible date. As of this date, I have had no indication that he proposed to withdraw the suit.

I am sure this is a matter of importance to all Members of Congress as you will readily understand this is a very far-reaching action, and I ask favorable consideration of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota.

The question was taken; and the Chair being in doubt the Committee divided, and there were—ayes 84, noes 133.

So the amendment was rejected.

Mr. KOPPLEMANN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KOPPLEMANN: On page 10, line 16, after the period add a new section to read as follows:

"We sympathize with the American people."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. KOPPLEMANN].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 52, noes 142.

So the amendment was rejected.

Mr. CHENOWETH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHENOWETH: Page 10, after line 16, add a new subsection as follows:

"That subsection (e) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"'(e) If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, the person who buys such commodity for use or consumption other than in the course of trade or business may, within 1 year from the date of the occurrence of the violation, except as hereinafter provided, bring an action against the seller on account of the overcharge. In such action, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is the greater: (1) Such amount not more than three times the amount of the overcharge, or overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than $25 nor more than $50, as the court in its discretion may determine: *Provided, however,* That if the defendant proves that the violation of the regulation, order, or price schedule in question was neither willful nor the result of failure to take practical precautions against the occurrence of the violation, then no damages shall be assessed, and in all cases the burden shall rest upon the Administrator to prove that the violation was willful and deliberate. For the purposes of this section the payment or receipt of rent for defense area housing accommodations shall be deemed the buying or selling of a commodity, as the case may be; and the word "overcharge" shall mean the amount by which the consideration exceeds the applicable maximum price. If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, and the buyer either fails to institute an action under this subsection within 30 days from the date of the occurrence of the violation or is not entitled for any reason to bring action, the Administrator may institute such action on behalf of the United States within such 1-year period. If such action is instituted by the Administrator, the buyer shall thereafter be barred from bringing an action for the same violation or violations. Any action under this subsection by either the buyer or the Administrator, as the case may be, may be brought in any court of competent jurisdiction. A judgment in an action for damages under this subsection shall be a bar to the recovery under this subsection of any damages in any other action against the same seller on account of sales made to the same purchaser prior to the institution of the action in which the judgment was rendered.'"

Mr. CHENOWETH. Mr. Chairman, it is unfortunate that the time for debate has been limited on this bill and I am unable to explain to the Committee the purpose of my amendment. I am sure that every Member of this House is opposed to the gestapo methods employed by the OPA in seeking information concerning violations of price regulations. I understand that in some cases field investigators are given quotas of convictions that they must obtain each month, and, of course, they do not distinguish between willful and deliberate violations, and those that are inadvertent and unintentional.

Under the present policies of OPA an investigator walks into a store and makes every effort to find some technical violation of price ceilings. If he finds that a can of pork and beans is marked 14 cents when the ceiling is 13 cents he has discovered what he is looking for. The fact that this ceiling was marked up by a new and inexperienced clerk, and the mistake was wholly innocent, makes no difference to this investigator. The owner of the store is immediately taken before the local price panel and told he must pay a fine of $25 or be prosecuted. He is given no opportunity to explain how the error occurred, or to give any evidence in mitigation of the offense. Of course he does not want to stand the expense of a trial, with the necessity of hiring an attorney. The OPA investigator tells him that it will be cheaper to pay the $25 than to be held up to the community as a violator of the law. There is nothing for him to do but to pay off, even though he is absolutely innocent of any intention to raise any ceiling price.

My amendment provides that the merchant shall have the right to explain how the violation occurred, and to show that it was neither willful nor intentional. It

also provides that the burden of proof shall be on the Administrator in every case, and that no damages shall be assessed if the defendant shows that the violation was neither willful nor the result of failure to take practical precaution against the occurrence of the same.

In other words, Mr. Chairman, all that my amendment does is to give the defendant the same rights and benefits he would have if being tried in a court of law, where he is presumed to be innocent until proven guilty beyond all reasonable doubt. In these kangaroo court sessions held before the price panels of OPA the defendant is presumed guilty before he is examined, and has no opportunity to show he is innocent of any intentional violation.

Surely the time has come when Congress should afford some protection to the retail merchants of this country from these tactics that are now being employed by OPA. We have the responsibility of protecting those engaged in business from persecution. Unless the Administrator can prove the violation is willful he should be prohibited from imposing these damages upon innocent violators of OPA price ceilings and regulations.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado.

The amendment was rejected.

Mr. STEWART. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STEWART: Page 9, after line 23, insert the following section, and renumber section 8 of the bill as section 9:

"SEC. 8. Section 205 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof a new subsection as follows:

"'(h) Notwithstanding any other provision of this act, after the date this subsection takes effect no criminal proceeding for any violation of section 4, and no action under subsection (e) of this section, shall be brought otherwise than in a State court of competent jurisdiction; except that this subsection shall not apply in any case where there is no State court of competent jurisdiction in which the proceeding or action may be brought.'"

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

Mr. SCRIVNER. Mr. Chairman, I have an amendment at the desk. In view of the impossibility for full and complete discussion I ask that it be printed in the RECORD at this point and that I may be permitted to extend my remarks thereafter.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

(The amendment referred to follows:)

Page 4, after line 25, insert the following:

"CONGRESSIONAL CONTROL OF REGULATIONS

"SEC. 1B. (a) Before any proposed regulation or order to carry out the purposes of this Act shall be issued exercising authority conferred hereunder, other than administrative rules or orders governing the conduct of the activities of the Office of Price Administration or interagency rules governing its relations with other departments or agencies of the Government, a draft thereof shall be submitted on the same day to the Committee on Banking and Currency of the Senate of the United States and to the Committee on Banking and Currency of the House of Representatives for study, to consider whether such rule or regulation is made in conformity with the spirit, letter, intent, and purpose of this Act, and that no unusual or unexpected use of powers herein granted is proposed. Such regulation or order may be approved or disapproved by the Committee on Banking and Currency of the Senate or the Committee on Banking and Currency of the House of Representatives. In the absence of action by either committee approving or disapproving such regulation or order, it may go into effect not earlier than the fifteenth day following, but not including, the date of the receipt of the draft of such proposed regulation or order by the chairman of such committees. Disapproval of such regulation or order by either committee shall suspend its issuance. *Provided*, That such disapproval of such regulation or rule shall be in writing and shall clearly set forth the reasons therefor.

"(b) For the purpose of this section, the Committee on Banking and Currency of the Senate and the Committee on Banking and Currency of the House of Representatives are authorized to sit and act by duly appointed subcommittees during the recesses and adjourned periods of the Congress."

Mr. SCRIVNER. Mr. Chairman, it is to be regretted that the debate and discussion upon this measure was so drastically curbed and limited upon motion of the chairman of the Committee on Banking and Currency. This measure to continue OPA affects the everyday life of every person in this Nation; a measure so important that it deserved practically unlimited discussion by this body.

On Monday, April 8, I discussed an amendment of the same import as that above set out. My remarks appear on page 3311 of the RECORD for that day.

The above amendment was proposed to regain and retain congressional control over regulations issued by the OPA.

In view of the fact that there was no time available to fully discuss this proposal, it seemed best to withdraw it and submit it later in connection with other measures granting Government bureaus the power to issue regulations having the form and effect of law.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Page 1, after section 2, insert the following new section:

"SEC. 3. Subsection (e) of section 3 of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

"'(e) Notwithstanding any provision of this act, no regulation, order, or directive shall be made or issued, or any other action taken (including directives establishing price schedules), with respect to any agricultural commodity, including livestock and milk or for any food product processed in whole or in substantial part from any agricultural commodity, including livestock and milk, by the Administrator without the prior written and voluntary approval of the Secretary of Agriculture, and no regulation, order, directive, or price schedule, heretofore made and issued by the Administrator, with respect to the products and commodities specified in this subsection, shall be valid or binding unless voluntarily approved in writing by the Secretary of Agriculture within 90 days after the enactment of this amendment; except that necessary action, authorized by law, may be taken to enforce compliance with any regulation, order, directive, price schedule, or other requirement with respect to an agricultural commodity which has been previously voluntarily approved in writing by the Secretary of Agriculture.'"

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The question was taken, and on a division (demanded by Mr. AUGUST H. ANDRESEN), there were—ayes 79, noes 143.

So the amendment was rejected.

Mr. BARRETT of Wyoming. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARRETT of Wyoming: Page 9, after line 23, insert the following section, and renumber section 8 of the bill as section 9:

"SEC. 8. (a) Subsection (e) of section 205 of the Emergency Price Control Act of 1942, as amended, is amended by inserting the word 'willfully' before the word 'violates' in the first sentence of such subsection; and by striking out the proviso at the end of the second sentence of such subsection.

"(b) The amendments made by this section shall be applicable with respect to violations or alleged violations involved in proceedings pending on the date of enactment of this act and in proceedings instituted thereafter."

Mr. BARRETT of Wyoming. Mr. Chairman, I am advised that many grocers carry over 1,000 different items in stock and it would be strange, indeed, if a merchant would not have an occasional item priced over the ceiling. It seems wholly inequitable and unfair to inflict fines and penalties for these unintentional violations of OPA orders. I was astounded recently when I was advised that six highly respected businessmen of Cheyenne who had served unselfishly during the war on the OPA food panel had been unceremoniously fired from the board because they would not approve these fines to merchants of Cheyenne for nonwillful violation of OPA directives.

Mr. Chairman, I am including in my remarks excerpts from letters which present this situation in crystal-clear fashion.

Excerpts from a letter from A. E. Roedel, druggist, Cheyenne, Wyo., to myself, under date of February 18, 1946:

The Honorable FRANK A. BARRETT,
United States House of Representatives,
Washington, D. C.

MY DEAR MR. BARRETT: Inasmuch as it is again OPA season in Washington, I have decided to get a matter off my chest, which has been there a long time. * * * The matter has to do with my experiences as a member of the local OPA price panel, and while it will necessarily require some words to set down my observations in this connection, I shall try to be as brief as possible.

I think no one believes in inflation; neither do they believe in measles. * * * Hence, when the Price Control Act was passed, it had my approval, and when, in 1942, I was asked to serve on the price panel, I accepted, not realizing that the technique to be used involved skinning the patient to remove the rash.

As you very likely are aware, the local enforcement machinery of the OPA is divided into two parts. On the one hand, you have the professional OPA'ers, a group of persons retained on salaries. On the other hand,

is the price panel, a volunteer group composed of local businessmen, labor, and consumer representatives.

In accepting a place on the price panel, it was my naive idea that the thing would be operated somewhat according to the good old American wheeze: "With fairness toward all and malice toward none." * * * In this connection, I suffered my first disillusionment, when a representative from the district office appeared before the price panel to anounce that instructions had been received from Washington to start some prosecutions. Thereupon, he deposited 30 or 40 complaints on the table and suggested that the panel pick out 10 or 12 of them for prosecution. This procedure being a little too reminiscent of the old prohibition-enforcement tactics, the panel very naturally passed up the suggestion.

* * * * *

* * * As any honest businessman will testify it is a physical impossibility to achieve 100-percent compliance with OPA regulations. Therefore, since the panel deemed the most important factor in successful operation of the program, was to obtain the cooperation and confidence of the merchants, we adopted a policy of overlooking technical and obviously accidental violations, if we were convinced that the merchant against whom the charges were preferred had been making a sincere effort to comply with the program. * * *

However, it became more apparent all the time that the procedure was unpalatable to the crusaders among the professional OPA'ers who kept complaining all the time that we were not making any kind of a record in the matter of levying fines and penalties. They also continually called our attention to the actions of panels in other districts in prosecuting and persecuting numberless individuals and piling up imposing amounts in fine money. In this connection, I quote from the official bulletin of the district office Wyoming Price Notes of July 15, 1945: "We are happy to say that during the month of June price-panel activities were almost double those of May. The Caspar board takes first place with 14 administrator's claim sanctions applied with $675 paid into the United States Treasury and $78.55 returned to customers. The Riverton board was second, collecting $400 in administrator's claims for the United States Treasury." I presume if a sufficient amount of money were taken cut of circulation through the medium of collecting fines, it would tend to head off inflation, but it seems like a rather roundabout way of getting at the subject.

The viewpoints of the local businessmen on the panel and the bureau employees who had taken up the fight against inflation as a vocation, with a perfectly natural desire that the battle would never be completely won, drifted further and further apart. I don't wish to waste your time with recounting too many specific instances and examples. Let me simply say, that so far as I was able to observe the general plan of operation was to have the leg men pester the life out of the small grocery operators with monthly checks. (They didn't seem to bother the big boys.) The inquisitors were generally able to find a grade A ticket on a grade B roast or a 15-cent can of peas sitting above a 16-cent price ticket. In most instances the violations were obviously technical mistakes. Investigation generally revealed that there were also a good many items priced under the ceiling. The investigators usually operated in a high-handed manner, dragging the unfortunate merchant, who was always pretty busy, being compelled to make his own living without any assistance from the Government tax receipts, before the panel and insisting that we levy administrators claims of $50 against the victim. As mentioned before, the results were usually not very gratifying to the storm troopers.

* * * * *

Personally, I could not approve of these gestapolike operations even for heading off an inflation which to all intents and purposes is already here, and I fear will become more acute, not in spite of the OPA, but because of it.

Very truly,

A. E. ROEDEL.

CHEYENNE CHAMBER OF COMMERCE,
Cheyenne, Wyo., February 26, 1946.

Mr. FRANK A. BARRETT,
House of Representatives,
Washington, D. C.

DEAR MR. BARRETT: On the unanimous recommendation of the Chamber of Commerce Merchants' Committee, composed of 20 representative businessmen of this city, the chamber board of directors today passed a resolution asking your assistance in having the members of the local food price panel reinstated.

The members of this panel were recently discharged by OPA State director, Mr. Melvin Rollins, because he did not agree with the findings of the members of the panel after their investigation of the charges against eight local food dealers. The members of this panel consisted of representative citizens as follows:

Mr. Dan Rees, insurance agency.
Mr. Lawrence Baggs, clothing store.
Mr. Charles Durning, furniture store.
Mr. Saul Stark, clothing store.
Mr. Orin F. French, carpenter.
Mr. Fred M. Sinclair, railroad employee.

Most of the members of the panel have served for a period of approximately 4 years, and their services have been entirely satisfactory until 2 or 3 weeks ago, when, for some reason, the OPA apparently changed their attitude and arbitrarily insisted on fines for all violations, including unintentional errors in prices. The members of the panel have taken into consideration in the past, that with an extremely large number of items in grocery, variety stores, etc., it is practically impossible to avoid an occasional error of 1 or 2 cents. However, the OPA recently has insisted that a fine of $25 be assessed for unintentional errors and $50 for willful violations. The members of the panel refused to prosecute in these cases where it was beyond doubt an unintentional mistake, and because of this, were discharged by the OPA.

The merchants' committee and the board are definitely not against OPA price regulations generally, but do not feel that the merchants of this city should be subject to persecution for honest mistakes for the sake of collecting fines or showing a record in enforcements.

Your prompt consideration of this request and a reply will be appreciated.

Yours respectfully,

ROBERT D. HANESWORTH,
Secretary.

Excerpts from letter of Dr. P. M. Cunningham to the district OPA director under date of February 26 last, as published in the Cheyenne (Wyo.) Tribune:

It has always been the desire of the local rationing board members, insofar as possible, to use good common sense in applying OPA rules and regulations to the merchants of their community and I firmly believe that was the intent of Congress. Moreover, I believe anyone with even reasonably good business judgment agrees that this procedure has been the most effective possible means of securing the results that the principle of OPA seeks.

It was also our idea to try to control prices by creating a spirit of cooperation with the merchants, rather than by persecuting each and every one who unintentionally violated even some minor regulations. But evidently our policy in this regard is not your own policy.

By your recent action in discharging some of my fellow board members you have held out to the public that my associates—who, let me tell you, are among Cheyenne's finest and most substantial and patriotic citizens—have failed in the work we carried on to the best of our ability.

In my opinion your policy seems to be to convict every merchant who has, though unintentionally, slightly offended OPA rules as interpreted by your office. Apparently it is your further policy to fine him.

Excerpts from a letter received, dated February 11, 1946, signed by 35 Cheyenne grocers, to myself:

The undersigned are independent grocers who operate grocery stores in the city of Cheyenne. We are all merchants of standing, who have been well regarded by our customers and the other citizens of this community. All of us are law-abiding people who have always endeavored to abide by the spirit as well as the letter of the law.

* * * * *

Despite our sincere desire and effort to comply with any law, regardless of our own personal opinion of it, we are now confronted with a situation which has become almost intolerable due to the unjust and arbitrary administration of the Emergency Price Control Act by the district OPA office. Specifically, some of the grievances which we are subjected to are as follows:

1. It seems that some district officials of the OPA desire to make a record of convictions, rather than to cooperate with willing merchants who wish to comply with a difficult law. We have been advised and believe that the Denver, Colo., district has allotted each subdistrict, or subdivision of the OPA, a quota of monthly convictions which they are directed to obtain. This can only be due to a desire to perpetuate a bureaucratic group in office, rather than to conduct an intelligent and understanding enforcement of the law.

* * * * *

2. No sympathy, understanding, or appreciation of the difficulties of the grocers has been shown by the district OPA administration. There are about 2,200 grocery items which are constantly subject to price changes. Due to the great volume and quantity of articles, and the difficulty of hiring efficient help, it is impossible to avoid technical mistakes and to correctly price every article in the store at all times, despite the best of intentions. It is rapidly reaching a state where the cost of conforming with the rules of this arbitrary district will be prohibitive.

* * * * *

3. Numerous times we have been improperly summoned by the OPA and subjected to resulting embarrassment and annoyance caused by the arbitrary and unfair conduct of the district office officials.

* * * * *

4. The local district officials have caused to be served upon us OPA Form T-806 (revised 12-45), a copy of which is annexed, directing us to execute the same without a hearing. This is a brazen violation of the law, and a clever and unfair attempt of the OPA to deprive us of our privilege against self-incrimination, specifically provided for by the law. (50 U. S. C. A. 922 (g).) By directing the local authorities to use the so-called "voluntary conference," the district office has endeavored to deprive us of the above privilege, and to induce us to make incriminating and damaging admissions to violations which we have not committed, repeatedly advising us that it does

not cost the Government anything to prosecute cases, as the Government attorneys are employed continuously anyway.

* * * * *

The effect of the above has been to harass and annoy us, and to brand law-abiding citizens as violators of the law. The problems and costs of operating most any small business today are such that it is unfair and unjust to foist upon us such a bureaucratic district administration more desirous of operating as a Gestapo than a fair administration, who constantly hope that we err, eagerly seizing upon the slightest violation so that by our resultant misfortune they may perpetuate themselves.

This letter shows the pressure that is put on the merchant to pay a fine:

OFFICE OF PRICE ADMINISTRATION,
Cheyenne, Wyo., February 27, 1946.

Mr. BEN GOLDSTEIN,
Cheyenne Trading Co.,
Cheyenne, Wyo.

DEAR SIR: On February 19, 1946, several purchases were made in your place of business by investigators of this office as a result of which it was found that you had charged prices in excess of those permitted by the Office of Price Administration regulations, particularly the community price list effective in your city, a copy of which, with any amendments thereto, has been furnished to you by this office.

The items sold and the correct sale price for them at the time are as follows:

	Sale price, cents	*Ceiling price, cents*
Libby's yellow cling peaches, halves, in light sirup, No. 2½ can	31	30
Onions, No. 1 yellow, 1¼ pounds	14	11
Oranges, 2 pounds	25	23

As you are no doubt aware, sales of goods over ceiling prices may result in severe civil or criminal actions including the possibility of suspension of your license to do business, injunction suits, or suits for treble damages for all sales made over ceiling prices for a period of a year prior to the initiation of the suit.

This is to advise you that this office contemplates bringing a suit against you for the minimum amount of $50 for the specific violations stated above and that this office is not permitted to compromise its claim for less than this amount. If it is your desire to avoid any further inconvenience, the matter may be settled by your tendering to this office a certified check, bank cashier's check, or postal money order made payable to the United States Treasurer in the amount of $50. This offer to compromise, however, is distinctly limited to the violation described above and must be accepted by you not later than March 9, 1946. That is, your check, if delivered by mail, must be postmarked no later than that date. Upon receipt of this check you will be given a release of the Administrator's treble-damage claim covering the above sales.

Yours very truly,
SEYMOUR S. BERNFIELD,
Acting Commodity Chief, Food Section.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming.

The amendment was rejected.

Mr. HALE. Mr. Chairman, I have an amendment at the Clerk's desk. I ask unanimous consent that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

The amendment referred to follows:

Amendment offered by Mr. HALE: Page 7, line 3, after the word "commodity" insert "not including coffee."

Mr. CHENOWETH. Mr. Chairman, I have an amendment at the Clerk's desk which prohibits the imposition of slaughter quotas. This same subject has been taken care of by the Wadsworth amendment, which was adopted.

Mr. Chairman, I ask unanimous consent that my amendment be printed in the RECORD at this point, and I also ask unanimous consent to extend my remarks following the printing of my amendment at this point in the RECORD, and also to extend my remarks in the RECORD preceding the vote on my previous amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The amendment referred to follows:

Amendment offered by Mr. CHENOWETH: Page 10, insert a new subsection, as follows:

"That section 3-A of the Emergency Price Control Act of 1942, as amended, be amended to read as follows:

" 'Section 3-A. While this act is in effect, no quota or other slaughtering limitation shall be imposed, under authority of this or any other law, on any slaughterer of animals operating under a license or permit issued pursuant to State laws.' "

Mr. CHENOWETH. Mr. Chairman, the amendment just read would prohibit the OPA from establishing slaughter quotas in any licensed packing plant in this country. I have been reading in the press during the past few days that it is the intention of OPA to reinstate the slaughter quotas that were abolished last fall, and that each packer would be restricted to the amount of livestock slaughtered in 1944. This announcement from OPA disturbs me no little, as I recall the unfortunate and disastrous results of these slaughter quotas during the period they were in effect.

However, in view of the fact that the amendment offered by the gentleman from New York [Mr. WADSWORTH], and adopted earlier today, will accomplish the purpose of my amendment, I have asked that this amendment be withdrawn.

Mr. Chairman, the theory of the quotas on the slaughter of livestock is very fine, but in practice it does not work out. The idea is to channel larger numbers of animals through the larger packers and to obtain a more even distribution of meat in the country. However, the experience with these quotas before demonstrated that about the only persons to benefit therefrom were the black-market operators, who were able to obtain increased quantities of livestock. The local packing plant was closed during part of each month because its quota had been used up, and the animals that normally were processed in this type of plant went to the black market.

I cannot understand why OPA does not profit by its mistakes. Surely those administering price control, and in charge of the meat section, must recall what happened before. However, it now seems they intend to try again, and I predict the results will be equally disappointing.

Last year when the extension of the Price Control Act was before the House an amendment was adopted which provided that the quotas would be removed from any packing plant, licensed under State laws, which the Secretary of Agriculture would certify as being operated under sanitary conditions. I offered a substitute to this amendment when it was adopted, and contended at that time that the procedure set up for certification by the Secretary was too intricate and complicated. I proposed then, and again submit to the House, that the only feasible and practical solution to this situation is to abolish all quotas.

My prediction that the amendment would not work successfully was correct. I am advised that out of some 18,000 licensed packing plants under State laws only 195 qualified under these regulations. It is obvious that the amendment proved to be almost a total failure.

It is estimated that there is now a surplus of almost 10,000,000 cattle in this country. If slaughter quotas are again established, as contemplated by OPA, it will mean that the black-market operators will be the only ones to benefit. We will again see the anomalous situation where there are large numbers of cattle ready for the market, local plants are ready to process them, the local retail meat markets have no beef for sale, and the OPA refuses permission for these cattle to be slaughtered in the usual manner. Such a situation defies belief, but it did actually happen before, and it looks now like it will be repeated, because of the refusal of OPA to recognize the facts.

Mr. Chairman, I hope the Wadsworth amendment remains in the bill as it is finally passed, so that the OPA will be prevented from again establishing slaughter quotas.

The CHAIRMAN. Are there any other amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, pursuant to House Resolution 591, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

TRADE RELATIONS BETWEEN THE UNITED STATES AND THE PHILIPPINES

Mr. DOUGHTON of North Carolina submitted a conference report and statement on the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes.

PHILIPPINE REHABILITATION BILL

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. BELL] may have until midnight tonight to file a conference report and statement on the Philippine rehabilitation bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AGRICULTURAL ADJUSTMENT

Mr. COX, from the Committee on Rules, reported the following privileged resolution (H. Res. 602, Rept. No. 1958), which was referred to the House calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 754) to amend section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended, and the first sentence of paragraph (1) of section 2 of the Agricultural Adjustment Act of 1933, as amended, and as reenacted and amended by the Agricultural Marketing Act of 1937, approved June 3, 1937, as amended, so as to include the cost of all farm labor in determining the parity price of agricultural commodities. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EMERGENCY PRICE CONTROL ACT

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. SPENCE. Mr. Speaker, I demand a separate vote on each amendment adopted in the Committee of the Whole.

The SPEAKER. The Clerk will report the first amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 1, line 5, strike out the date "June 30, 1947" and insert in lieu thereof the date "March 31, 1947."

Mr. McCORMACK. Mr. Speaker, I understand there are two similar amendments changing the date. I ask unanimous consent that both of those amendments be considered together.

Mr. WOLCOTT. Mr. Speaker, the first and third amendments have to do with the date and, as far as I am concerned, there is no objection to considering them together.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The Clerk will report the other amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 1, line 8, strike out the date "June 30, 1947" and insert in lieu thereof the date "March 31, 1947."

The SPEAKER. The question is on the amendments.

Mr. McCORMACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 209, nays 189, not voting 32, as follows:

[Roll No. 89]

YEAS—209

Abernethy	Gifford	Norblad
Adams	Gillespie	Norrell
Allen, Ill.	Gillette	O'Hara
Andersen, H. Carl	Gillie	O'Konski
Anderson, Calif.	Goodwin	Phillips
Andresen, August H.	Gossett	Pittenger
Angell	Grant, Ind.	Ploeser
Arends	Griffiths	Plumley
Arnold	Gross	Poage
Auchincloss	Gwinn, N. Y.	Price, Fla.
Baldwin, Md.	Gwynne, Iowa	Randolph
Barden	Hagen	Rankin
Barrett, Wyo.	Hale	Reed, Ill.
Bates, Mass.	Hall, Edwin Arthur	Reed, N. Y.
Beall	Hall, Leonard W.	Rees, Kans.
Bender	Halleck	Rich
Bennet, N. Y.	Hand	Rivers
Bennett, Mo.	Harness, Ind.	Rizley
Bishop	Hartley	Robertson, N. Dak.
Blackney	Herter	Robsion, Ky.
Bolton	Heselton	Rockwell
Boren	Hess	Roe, Md.
Bradley, Mich.	Hill	Rogers, Fla.
Brehm	Hoeven	Rogers, Mass.
Brown, Ohio	Hoffman	Russell
Brumbaugh	Holmes, Mass.	Schwabe, Mo.
Buck	Holmes, Wash.	Schwabe, Okla.
Buffett	Hope	Scrivner
Butler	Horan	Shafer
Byrnes, Wis.	Howell	Short
Campbell	Jenkins	Sikes
Carlson	Jennings	Simpson, Ill.
Case, S. Dak.	Jensen	Simpson, Pa.
Chenoweth	Johnson, Ill.	Smith, Maine
Chiperfield	Johnson, Ind.	Smith, Ohio
Church	Johnson, Okla.	Smith, Wis.
Clason	Jones	Springer
Clevenger	Jonkman	Stefan
Clippinger	Kearney	Stevenson
Cole, Kans.	Keefe	Stewart
Cole, Mo.	Kilburn	Stigler
Cole, N. Y.	Kilday	Stockman
Cooley	Kinzer	Sumner, Ill.
Cox	Knutson	Sumners, Tex.
Cravens	Kunkel	Sundstrom
Crawford	Landis	Taber
Cunningham	Lanham	Talbot
Curtis	Larcade	Talle
D'Ewart	Latham	Tarver
Dirksen	LeCompte	Taylor
Dolliver	LeFevre	Thomas, N. J.
Dondero	Lemke	Tibbott
Doughton, N. C.	McConnell	Towe
Dworshak	McCowen	Vinson
Earthman	McGehee	Vorys, Ohio
Eaton	McGregor	Vursell
Elliott	McKenzie	Wadsworth
Ellis	McMillan, S. C.	Weichel
Ellsworth	Mahon	West
Elston	Martin, Iowa	Whitten
Engel, Mich.	Martin, Mass.	Whittington
Fenton	Mason	Wickersham
Fernandez	Mathews	Wigglesworth
Fuller	Merrow	Winstead
Gamble	Michener	Winter
Gardner	Miller, Nebr.	Wolcott
Gathings	Mills	Wolfenden, Pa.
Gavin	Mundt	Wood
Gearhart	Murray, Tenn.	Woodruff
Gerlach	Murray, Wis.	

NAYS—189

Almond	Bland	Burch
Andrews, Ala.	Bloom	Byrne, N. Y.
Bailey	Bonner	Camp
Baldwin, N. Y.	Boykin	Canfield
Barrett, Pa.	Bradley, Pa.	Cannon, Fla.
Barry	Brooks	Cannon, Mo.
Bates, Ky.	Brown, Ga.	Carnahan
Beckworth	Bryson	Case, N. J.
Bell	Buckley	Celler
Biemiller	Bulwinkle	Chapman
Chelf	Hedrick	O'Brien, Mich.
Clark	Heffernan	O'Toole
Clements	Hendricks	Outland
Coffee	Hinshaw	Pace
Combs	Hobbs	Patman
Cooper	Hoch	Patterson
Corbett	Holifield	Peterson, Ga.
Courtney	Hook	Pfeifer
Crosser	Huber	Philbin
D'Alesandro	Hull	Pickett
Daughton, Va.	Jackson	Powell
Dawson	Johnson, Calif.	Price, Ill.
De Lacy	Johnson, Luther A.	Priest
Delaney, James J.	Johnson, Lyndon B.	Quinn, N. Y.
Delaney, John J.	Judd	Rabaut
Dingell	Kean	Rabin
Domengeaux	Kee	Ramey
Douglas, Calif.	Kefauver	Rayfiel
Douglas, Ill.	Kelley, Pa.	Resa
Doyle	Kelly, Ill.	Richards
Drewry	Keogh	Riley
Durham	Kerr	Robertson, Va.
Eberharter	King	Robinson, Utah
Elsaesser	Kirwan	Rogers, N. Y.
Engle, Calif.	Klein	Rooney
Ervin	Kopplemann	Rowan
Fallon	LaFollette	Ryter
Feighan	Lane	Sabath
Flannagan	Lea	Sadowski
Flood	Lesinksi	Sasscer
Fogarty	Lewis	Savage
Folger	Link	Slaughter
Forand	Ludlow	Smith, Va.
Fulton	Lyle	Somers, N. Y.
Gallagher	Lynch	Sparkman
Gary	McCormack	Spence
Geelan	McDonough	Starkey
Gordon	McGlinchey	Sullivan
Gore	Madden	Thom
Gorski	Maloney	Thomas, Tex.
Granahan	Manasco	Thomason
Granger	Mankin	Tolan
Grant, Ala.	Mansfield, Mont.	Torrens
Green	Marcantonio	Traynor
Gregory	May	Trimble
Hare	Monroney	Voorhis, Calif.
Harless, Ariz.	Morgan	Walter
Harris	Morrison	Wasielewski
Hart	Murdock	Welch
Havenner	Murphy	White
Hays	Neely	Wolverton, N. J.
Healy	O'Brien, Ill.	Woodhouse
Hébert		Worley
		Zimmerman

NOT VOTING—32

Allen, La.	Hancock	Peterson, Fla.
Andrews, N. Y.	Henry	Rains
Bunker	Izac	Reece, Tenn.
Cochran	Jarman	Rodgers, Pa.
Colmer	Luce	Roe, N. Y.
Curley	McMillen, Ill.	Sharp
Davis	Mansfield, Tex.	Sheppard
Fellows	Miller, Calif.	Sheridan
Fisher	Norton	Weaver
Gibson	O'Neal	Wilson
Graham	Patrick	

So the amendments were agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Graham for, with Mr. Izac against.

Mr. Hancock for, with Mr. Roe of New York against.

Mr. Andrews of New York for, with Mr. Patrick against.

Mr. McMillan of Illinois for, with Mr. Sheridan against.

Mr. Wilson for, with Mrs. Norton against.

Mr. Rodgers of Pennsylvania for, with Mr. Curley against.

Mr. Fellows for, with Mr. Bunker against.

General pairs until further notice:

Mr. Mansfield of Texas with Mr. Reece of Tennessee.

Mr. Colmer with Mrs. Luce.

Mr. Rains with Mr. Sharp.

Mr. Cochran with Mr. Henry.

Messrs. KEARNEY and Cox changed their votes from "nay" to "yea."

Mr. HENDRICKS changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

Mr. BOREN. Mr. Speaker, I rise to offer a privileged motion. In view of the lateness of the hour and the fact that there is no opportunity to get food downstairs, I move that the House do now adjourn.

The SPEAKER. The question is on the motion offered by the gentleman from Oklahoma.

The question was taken; and on a division (demanded by Mr. BOREN) there were—ayes 71, noes 224.

So the motion was rejected.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 1, line 5, after section 1, insert a new section, as follows:

"SEC. 2. Notwithstanding the provisions of this act, the Stabilization Act of 1942, or the Emergency Price Control Act, as amended, no maximum price shall be established or maintained for any commodity below a price which will reflect to the producers and processors and distributors (including retailers) of such commodity the sum of (1) the current cost of producing and processing and distributing such commodity as determined by the established commercial accounting practices of the industry, and (2) a reasonable profit thereon."

The SPEAKER. The question is on the amendment.

Mr. McCORMACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 260, nays 137, not voting 33, as follows:

[Roll No. 90]

YEAS—260

Abernethy	Church	Goodwin
Adams	Clason	Gossett
Allen, Ill.	Clements	Grant, Ala.
Allen, La.	Clevenger	Grant, Ind.
Almond	Clippinger	Griffiths
Andersen, H. Carl	Cole, Kans.	Gross
	Cole, Mo.	Gwinn, N. Y.
Anderson, Calif.	Cole, N. Y.	Gwynne, Iowa
Andresen, August H.	Cooley	Hagen
	Corbett	Hale
Andrews, Ala.	Cox	Hall,
Angell	Cravens	Edwin Arthur
Arends	Crawford	Hall,
Arnold	Cunningham	Leonard W.
Auchincloss	Curtis	Halleck
Baldwin, Md.	Daughton, Va.	Hand
Barden	D'Ewart	Hare
Barrett, Wyo.	Dirksen	Harless, Ariz.
Bates, Mass.	Dolliver	Harness, Ind.
Beall	Domengeaux	Harris
Bell	Dondero	Hartley
Bender	Doughton, N. C.	Hébert
Bennet, N. Y.	Durham	Hedrick
Bennett, Mo.	Dworshak	Hendricks
Bishop	Earthman	Herter
Blackney	Eaton	Heselton
Bolton	Elliott	Hess
Bonner	Ellis	Hill
Boren	Ellsworth	Hinshaw
Boykin	Elsaesser	Hobbs
Bradley, Mich.	Elston	Hoeven
Brehm	Engel, Mich.	Hoffman
Brooks	Engle, Calif.	Holmes, Mass.
Brown, Ga.	Ervin	Holmes, Wash.
Brown, Ohio	Fellows	Hope
Brumbaugh	Fenton	Horan
Bryson	Fernandez	Howell
Buck	Flannagan	Jenkins
Buffett	Fuller	Jennings
Burch	Gamble	Jensen
Butler	Gardner	Johnson, Calif.
Byrnes, Wis.	Gary	Johnson, Ill.
Camp	Gathings	Johnson, Ind.
Campbell	Gavin	Johnson, Okla.
Carlson	Gearhart	Jones
Case, N. J.	Gerlach	Jonkman
Case, S. Dak.	Gifford	Judd
Chelf	Gillespie	Kearney
Chenoweth	Gillette	Keefe
Chiperfield	Gillie	Kelly, Ill.
Kerr	Pace	Smith, Va.
Kilburn	Peterson, Ga.	Smith, Wis.
Kilday	Philbin	Springer
Kinzer	Phillips	Stefan
Knutson	Pickett	Stevenson
Landis	Pittenger	Stewart
Lanham	Ploeser	Stigler
Larcade	Plumley	Stockman
Latham	Poage	Sumner, Ill.
Lea	Price, Fla.	Sumners, Tex.
LeCompte	Ramey	Sundstrom
LeFevre	Randolph	Taber
Lemke	Rankin	Talbot
Lewis	Reed, Ill.	Talle
McConnell	Reed, N. Y.	Tarver
McCowen	Rees, Kans.	Taylor
McDonough	Rich	Thomas, N. J.
McGehee	Richards	Thomas, Tex.
McGregor	Riley	Tibbott
McKenzie	Rivers	Towe
McMillan, S. C.	Rizley	Vinson
Mahon	Robertson, N. Dak.	Vorys, Ohio
Maloney		Vursell
Manasco	Robsion, Ky.	Wadsworth
Martin, Iowa	Rockwell	Weichel
Martin, Mass.	Roe, Md.	West
Mason	Rogers, Fla.	Whitten
Mathews	Rogers, Mass.	Whittington
Merrow	Russell	Wickersham
Michener	Schwabe, Mo.	Wigglesworth
Miller, Nebr.	Schwabe, Okla.	Winstead
Mills	Scrivner	Winter
Mundt	Shafer	Wolcott
Murray, Tenn.	Short	Wolfenden, Pa.
Murray, Wis.	Sikes	Wood
Norblad	Simpson, Ill.	Woodruff
Norrell	Simpson, Pa.	Worley
O'Hara	Slaughter	
O'Konski	Smith, Ohio	

NAYS—137

Bailey	Gore	Morrison
Baldwin, N. Y.	Gorski	Murdock
Barrett, Pa.	Granahan	Murphy
Barry	Granger	Neely
Bates, Ky.	Green	O'Brien, Ill.
Beckworth	Gregory	O'Brien, Mich.
Biemiller	Hart	O'Toole
Bland	Havenner	Outland
Bloom	Hays	Patman
Bradley, Pa.	Healy	Patterson
Buckley	Heffernan	Pfeifer
Bulwinkle	Hoch	Powell
Byrne, N. Y.	Holifield	Price, Ill.
Canfield	Hook	Priest
Cannon, Fla.	Huber	Quinn, N. Y.
Cannon, Mo.	Hull	Rabaut
Carnahan	Jackson	Rabin
Celler	Johnson, Luther A.	Rayfiel
Chapman		Resa
Clark	Johnson, Lyndon B.	Robertson, Va.
Coffee		Robinson, Utah
Combs	Kean	Rogers, N. Y.
Cooper	Kee	Rooney
Courtney	Kefauver	Ryter
Crosser	Kelley, Pa.	Sadowski
D'Alesandro	Keogh	Sasscer
Dawson	King	Savage
De Lacy	Kirwan	Smith, Maine
Delaney, James J.	Klein	Somers, N. Y.
	Kopplemann	Sparkman
Delaney, John J.	Kunkel	Spence
	LaFollette	Starkey
Dingell	Lane	Sullivan
Douglas, Calif.	Lesinski	Thom
Douglas, Ill.	Link	Thomason
Doyle	Ludlow	Tolan
Drewry	Lyle	Torrens
Eberharter	Lynch	Traynor
Fallon	McCormack	Trimble
Feighan	McGlinchey	Voorhis, Calif.
Flood	Madden	Walter
Fogarty	Mankin	Wasielewski
Folger	Mansfield, Mont.	Welch
Forand		Wolverton, N. J.
Fulton	Marcantonio	Woodhouse
Gallagher	May	Zimmerman
Geelan	Monroney	
Gordon	Morgan	

NOT VOTING—33

Andrews, N. Y.	Izac	Reece, Tenn.
Bunker	Jarman	Rodgers, Pa.
Cochran	Luce	Roe, N. Y.
Colmer	McMillen, Ill.	Rowan
Curley	Mansfield, Tex.	Sabath
Davis	Miller, Calif.	Sharp
Fisher	Norton	Sheppard
Gibson	O'Neal	Sheridan
Graham	Patrick	Weaver
Hancock	Peterson, Fla.	White
Henry	Rains	Wilson

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Graham for, with Mr. Izac against.

Mr. Hancock for, with Mr. Roe of New York against.

Mr. Andrews of New York for, with Mr. Patrick against.

Mr. McMillen of Illinois for, with Mr. Sheridan against.

Mr. Wilson for, with Mrs. Norton against.

Mr. Rodgers of Pennsylvania for, with Mr. Curley against.

General pairs:

Mr. Mansfield of Texas with Mr. Reece of Tennessee.

Mr. Bunker with Mr. Fellows.

Mr. Colmer with Mrs. Luce.

Mr. Rains with Mr. Sharp.

Mr. Cochran with Mr. Henry.

Mr. ANDREWS of Alabama changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: Page 2, line 16, after the word "economy", insert the following: "On or before October 1, 1946, the Price Administrator shall report to the Congress the plan so formulated, together with the measures which he has taken and will take to execute the plan."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: Page 2, line 17, strike out "April 1, 1947" and insert "January 2, 1947."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. GOSSETT: Page 3, beginning with line 1, strike out line 1 and all succeeding lines on said page down through and including line 24, and insert the following:

"(b) (1) Maximum price controls shall be removed as hereafter set forth.

"(2) In the case of any nonagricultural commodity or class of commodities the producers of which are not represented by an industry advisory committee as provided in section 2 (a) of the Emergency Price Control Act of 1942 as amended, the President shall from time to time but not less frequently than once each month determine whether the production of such commodity or commodities either singly or in combination equals or exceeds for the past 12 months by volume the production of such commodity or commodities in the period from July 1, 1940, to June 30, 1941. Whenever the President so finds he shall so certify to the Price Administrator, and not later than 10 days after the receipt of such certification the Price Administrator shall take such action as may be necessary to remove all price controls with respect to such commodity or class of commodities.

"(3) In the case of any nonagricultural commodity or class of commodities the producers of which are represented by an industry advisory committee as provided in section 2 (a) of the Emergency Price Control

Act of 1942 as amended, such industry advisory committee shall from time to time but not less frequently than once each month certify to the Administrator as to whether the production of such commodity either singly or in combination equals or exceeds for the past 12 months by volume the production of such commodity or class of commodities for the period from July 1, 1940, to June 30, 1941. Whenever such committee shall so certify, the Price Administrator shall, not later than 10 days after receipt of such certification, take such action as may be necessary to immediately remove all price controls with respect to such commodity or commodities.

"(4) (a) In the case of agricultural commodities the Secretary of Agriculture is hereby authorized and directed to make a determination as to whether supply of the commodity is equal to the domestic consumption of such commodity. When such supply is equal to such domestic consumption, he shall forthwith certify such determination to the Administrator. The Administrator shall within 10 days thereafter remove all price ceilings with respect to such commodity.

"(b) When the production of any agricultural commodity for the past 12 months equals or exceeds the production of this commodity during the 12 months' period from July 1, 1940, to June 30, 1941, then such fact shall be certified to the Price Administrator by the Secretary of Agriculture, and such Price Administrator shall not later than 10 days after the receipt of such certification remove all maximum price ceilings from such commodity and all commodities for human consumption derived principally therefrom."

The SPEAKER. The question is on the amendment.

Mr. McCORMACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 227, nays 167, not voting 36, as follows:

[Roll No. 91]

YEAS—227

Abernethy	Case, S. Dak.	Gillette
Adams	Chenoweth	Gillie
Allen, Ill.	Chiperfield	Goodwin
Allen, La.	Church	Gossett
Almond	Clevenger	Grant, Ala.
Andersen, H. Carl	Clippenger	Grant, Ind.
Anderson, Calif.	Cole, Kans.	Griffiths
Andresen, August H.	Cole, Mo.	Gross
Andrews, Ala.	Cole, N. Y.	Gwinn, N. Y.
Angell	Cooley	Gwynne, Iowa
Arends	Cox	Hagen
Arnold	Cravens	Hale
Baldwin, Md.	Crawford	Hall, Leonard W.
Barden	Cunningham	Halleck
Barrett, Wyo.	Curtis	Hand
Beall	D'Ewart	Hare
Beckworth	Dirksen	Harness, Ind.
Bennett, Mo.	Dolliver	Harris
Bishop	Domengeaux	Hartley
Blackney	Dondero	Hébert
Bolton	Doughton, N. C.	Hendricks
Booner	Dworshak	Hess
Boren	Earthman	Hill
Boykin	Eaton	Hobbs
Bradley, Mich.	Elliott	Hoeven
Brehm	Ellis	Hoffman
Brooks	Elsworth	Holmes, Mass.
Brown, Ga.	Elston	Hope
Brown, Ohio	Engel, Mich.	Horan
Brumbaugh	Fellows	Howell
Bryson	Fenton	Jenkins
Buck	Fernandez	Jennings
Buffett	Flannagan	Jensen
Burch	Fuller	Johnson, Ill.
Butler	Gamble	Johnson, Ind.
Byrnes, Wis.	Gardner	Johnson, Okla.
Camp	Gathings	Jones
Campbell	Gavin	Jonkman
Cannon, Mo.	Gearhart	Kearney
Carlson	Gerlach	Keefe
	Gifford	Kilburn
	Gillespie	
Kilday	Pace	Simpson, Pa.
Kinzer	Peterson, Ga.	Slaughter
Knutson	Phillips	Smith, Ohio
Landis	Pickett	Smith, Va.
Lanham	Pittenger	Smith, Wis.
Larcade	Ploeser	Springer
Latham	Plumley	Stefan
Lea	Poage	Stewart
LeCompte	Price, Fla.	Stockman
LeFevre	Ramey	Sumners, Tex.
Lemke	Randolph	Sundstrom
Lewis	Rankin	Taber
Lyle	Reed, Ill.	Talbot
McConnell	Reed, N. Y.	Talle
McCowen	Rees, Kans.	Tarver
McGehee	Rich	Taylor
McGregor	Richards	Thomas, N. J.
McKenzie	Riley	Tibbott
McMillan, S. C.	Rivers	Towe
Mahon	Rizley	Vinson
Manasco	Robertson, N. Dak	Vursell
Martin, Iowa	Robsion, Ky.	Wadsworth
Martin, Mass.	Rockwell	Welchel
Mathews	Roe, Md.	West
Merrow	Rogers, Fla.	Whitten
Michener	Rogers, Mass.	Whittington
Miller, Nebr.	Russell	Wickersham
Mills	Schwabe, Mo.	Winstead
Mundt	Schwabe, Okla.	Winter
Murray, Tenn.	Scrivner	Wolcott
Murray, Wis.	Shafer	Wolfenden, Pa.
Norblad	Short	Wood
Norrell	Sikes	Woodruff
O'Hara	Simpson, Ill.	Worley
O'Konski		Zimmerman

NAYS—167

Auchincloss	Gordon	May
Bailey	Gore	Monroney
Baldwin, N. Y.	Gorski	Morgan
Barrett, Pa.	Granahan	Morrison
Barry	Granger	Murphy
Bates, Ky.	Green	Neely
Bates, Mass.	Gregory	O'Brien, Ill.
Bell	Hall, Edwin Arthur	O'Brien, Mich.
Bender	Harless, Ariz.	O'Toole
Bennet, N. Y.	Hart	Outland
Biemiller	Havenner	Patman
Bloom	Hays	Patterson
Bradley, Pa.	Healy	Pfeifer
Buckley	Hedrick	Philbin
Bulwinkle	Heffernan	Powell
Byrne, N. Y.	Herter	Price, Ill.
Canfield	Heselton	Priest
Cannon, Fla.	Hinshaw	Quinn, N. Y.
Carnahan	Hoch	Rabin
Case, N. J.	Holifield	Rayfiel
Celler	Holmes, Wash.	Resa
Chapman	Hook	Robertson, Va.
Chelf	Huber	Robinson, Utah
Clark	Hull	Rogers, N. Y.
Clason	Jackson	Rooney
Clements	Johnson, Calif.	Rowan
Coffee	Johnson, Luther A.	Ryter
Combs	Johnson, Lyndon B.	Sabath
Cooper	Judd	Sadowski
Corbett	Kean	Sasscer
Courtney	Kee	Savage
Crosser	Kefauver	Smith, Maine
D'Alesandro	Kelley, Pa.	Somers, N. Y.
Dawson	Kelly, Ill.	Sparkman
De Lacy	Keogh	Spence
Delaney, James J.	Kerr	Starkey
Delaney, John J.	King	Stevenson
Dingell	Kirwan	Stigler
Douglas, Calif.	Klein	Sullivan
Douglas, Ill.	Kopplemann	Thom
Doyle	Kunkel	Thomas, Tex.
Drewry	LaFollette	Thomason
Durham	Lane	Tolan
Eberharter	Lesinski	Torrens
Elsaesser	Link	Traynor
Engle, Calif.	Ludlow	Trimble
Ervin	Lynch	Voorhis, Calif.
Fallon	McCormack	Vorys, Ohio
Feighan	McDonough	Walter
Flood	McGlinchey	Wasielewski
Fogarty	Madden	Welch
Folger	Maloney	White
Forand	Mankin	Wigglesworth
Fulton	Mansfield, Mont.	Wolverton, N. J.
Gallagher	Marcantonio	Woodhouse
Gary		
Geelan		

NOT VOTING—36

Andrews, N. Y.	Daughton, Va.	Henry
Bland	Davis	Izac
Bunker	Fisher	Jarman
Cochran	Gibson	Luce
Colmer	Graham	McMillen, Ill.
Curley	Hancock	Mansfield, Tex.
Mason	Peterson, Fla.	Sharp
Miller, Calif.	Rabaut	Sheppard
Murdock	Rains	Sheridan
Norton	Reece, Tenn.	Sumner, Ill.
O'Neal	Rodgers, Pa.	Weaver
Patrick	Roe, N. Y.	Wilson

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Wilson for, with Mrs. Norton against.

Mr. Rodgers of Pennsylvania for, with Mr. Curley against.

Mr. Hancock for, with Mr. Roe of New York against.

Mr. Graham for, with Mr. Izac against.

Mr. McMillen of Illinois for, with Mr. Sheridan against.

Mr. Andrews of New York for, with Mr. Patrick against.

Miss Sumner of Illinois for, with Mr. Bunker against.

Additional general pairs:

Mr. Cochran with Mr. Henry.

Mr. Mansfield of Texas with Mrs. Luce.

Mr. Sheppard with Mr. Sharp.

Mr. Rabaut with Mr. Mason.

Mr. Colmer with Mr. Reece of Tennessee.

Mr. O'KONSKI changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: On page 4, line 25, add a new section to read as follows:

"SEC. 4. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended by inserting at the end of such section a new subsection as follows:

"'(p) Notwithstanding any provisions of this act, no regulation, order, directive, or allocation shall be issued, made or maintained (including directives for distribution of price schedules) with respect to livestock or any edible product processed in whole or in substantial part from livestock.'"

Mr. WORLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WORLEY. Mr. Speaker, I was under the impression that the Flannagan amendment had been adopted prior to the Wadsworth amendment.

The SPEAKER. The amendments are being considered in the order in which they appear in the bill, not as they were offered.

The question is on the amendment.

Mr. McCORMACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 172, nays 223, not voting 35, as follows:

[Roll No. 92]

YEAS—172

Abernethy	Bennett, Mo.	Bulwinkle
Adams	Bishop	Byrnes, Wis.
Allen, Ill.	Blackney	Campbell
Andersen, H. Carl	Bolton	Cannon, Mo.
Anderson, Calif.	Bonner	Carlson
Andresen August H.	Boren	Case, S. Dak.
Arends	Bradley, Mich.	Chenoweth
Arnold	Brehm	Chiperfield
Barden	Brooks	Church
Barrett, Wyo.	Brown, Ohio	Clevenger
Bell	Brumbaugh	Clippinger
	Buck	Cole, Mo.
	Buffett	Cole, N. Y.

Cooley	Hendricks	Price, Fla.
Cravens	Hess	Ramey
Crawford	Hoeven	Rankin
Cunningham	Hoffman	Reed, Ill.
Curtis	Holmes, Mass.	Reed, N. Y.
D'Ewart	Holmes, Wash.	Rees, Kans.
Dirksen	Horan	Rich
Dolliver	Howell	Rizley
Domengeaux	Jenkins	Robertson,
Dondero	Jennings	N. Dak.
Doughton, N. C.	Jensen	Robsion, Ky.
Dworshak	Johnson, Calif.	Rockwell
Earthman	Johnson, Ill.	Roe, Md.
Eaton	Jones	Rogers, Fla.
Elliott	Jonkman	Schwabe, Mo.
Ellsworth	Kelly, Ill.	Schwabe, Okla.
Elston	Kilburn	Shafer
Engel, Mich.	Kilday	Short
Engle, Calif.	Kinzer	Sikes
Ervin	Knutson	Simpson, Ill.
Fellows	Landis	Simpson, Pa.
Fenton	Lanham	Smith, Ohio
Fernandez	Larcade	Smith, Wis.
Fuller	Lea	Springer
Gamble	LeCompte	Stefan
Gathings	LeFevre	Stewart
Gavin	Lemke	Stockman
Gearhart	McCowan	Sumner, Ill.
Gerlach	McGehee	Sumners, Tex.
Gifford	McGregor	Taber
Gillespie	McKenzie	Talle
Gillette	McMillan, S. C.	Thomas, N. J.
Gillie	Mahon	Tibbott
Goodwin	Martin, Iowa	Tolan
Gossett	Martin, Mass.	Traynor
Grant, Ind.	Merrow	Vorys, Ohio
Griffiths	Michener	Vursell
Gross	Miller, Nebr.	Wadsworth
Gwinn, N. Y.	Mundt	Weichel
Gwynne, Iowa	Murray, Tenn.	West
Hagen	O'Hara	White
Hall,	Phillips	Wickersham
Leonard W.	Pickett	Winter
Halleck	Pittenger	Wolfenden, Pa.
Harness, Ind.	Ploeser	Woodruff
Hébert	Plumley	

NAYS—223

Almond	Elsaesser	Kefauver
Andrews, Ala.	Fallon	Kelley, Pa.
Angell	Feighan	Keogh
Auchincloss	Flannagan	Kerr
Bailey	Flood	King
Baldwin, Md.	Fogarty	Kirwan
Baldwin, N. Y.	Folger	Klein
Barrett, Pa.	Forand	Kopplemann
Barry	Fulton	Kunkel
Bates, Ky.	Gallagher	LaFollette
Bates, Mass.	Gardner	Lane
Beall	Gary	Latham
Beckworth	Geelan	Lesinski
Bender	Gordon	Lewis
Bennet, N. Y.	Gore	Link
Biemiller	Gorski	Ludlow
Bland	Granahan	Lyle
Bloom	Granger	Lynch
Bradley, Pa.	Grant, Ala.	McConnell
Brown, Ga.	Green	McCormack
Bryson	Gregory	McDonough
Buckley	Hale	McGlinchey
Buch	Hall	Madden
Butler	Edwin Arthur	Maloney
Byrne, N. Y.	Hand	Manasco
Camp	Hare	Mankin
Canfield	Harless, Ariz.	Mansfield,
Cannon, Fla.	Harris	Mont.
Carnahan	Hart	Marcantonio
Case, N. J.	Hartley	Mathews
Celler	Havenner	May
Chapman	Hays	Mills
Chelf	Healy	Monroney
Clark	Hedrick	Morgan
Clason	Heffernan	Morrison
Clements	Herter	Murdock
Coffee	Heselton	Murphy
Cole, Kans.	Hill	Murray, Wis.
Combs	Hinshaw	Neely
Cooper	Hobbs	Norblad
Corbett	Hoch	Norrell
Courtney	Holifield	O'Brien, Ill.
Crosser	Hook	O'Brien, Mich.
D'Alesandro	Hope	O'Konski
Daughton, Va.	Huber	O'Toole
Dawson	Hull	Outland
De Lacy	Jackson	Pace
Delaney,	Johnson, Ind.	Patman
James J.	Johnson,	Patterson
Delaney,	Luther A.	Peterson, Ga.
John J.	Johnson,	Pfeifer
Dingell	Lyndon B.	Philbin
Douglas, Calif.	Johnson, Okla.	Poage
Douglas, Ill.	Judd	Powell
Doyle	Kean	Price, Ill.
Drewry	Kearney	Priest
Durham	Kee	Quinn, N. Y.
Eberharter	Keefe	Rabaut
Rabin	Scrivner	Towe
Randolph	Slaughter	Trimble
Rayfiel	Smith, Maine	Vinson
Resa	Smith, Va.	Voorhis, Calif.
Richards	Somers, N. Y.	Walter
Riley	Sparkman	Wasielewski
Rivers	Spence	Welch
Robertson, Va.	Starkey	Whitten
Robinson, Utah	Stevenson	Whittington
Rogers, Mass.	Stigler	Wigglesworth
Rogers, N. Y.	Sullivan	Winstead
Rooney	Sundstrom	Wolcott
Rowan	Talbot	Wolverton, N. J.
Russell	Tarver	Wood
Ryter	Taylor	Woodhouse
Sabath	Thom	Worley
Sadowski	Thomas, Tex.	Zimmerman
Sasscer	Thomason	
Savage	Torrens	

NOT VOTING—35

Allen, La.	Graham	Patrick
Andrews, N. Y.	Hancock	Peterson, Fla.
Boykin	Henry	Rains
Bunker	Izac	Reece, Tenn.
Cochran	Jarman	Rodgers, Pa.
Colmer	Luce	Roe, N. Y.
Cox	McMillen, Ill.	Sharp
Curley	Mansfield, Tex.	Sheppard
Davis	Mason	Sheridan
Ellis	Miller, Calif.	Weaver
Fisher	Norton	Wilson
Gibson	O'Neal	

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Wilson for, with Mrs. Norton against.

Mr. Rodgers of Pennsylvania for, with Mr. Curley against.

Mr. Hancock for, with Mr. Roe of New York against.

Mr. Graham for, with Mr. Izac against.

Mr. McMillen of Illinois for, with Mr. Sheridan against.

Mr. Andrews of New York for, with Mr. Patrick against.

Mr. Mason for, with Mr. Bunker against.

Additional general pairs:

Mr. Sheppard with Mr. Sharp.

Mr. Cochran with Mr. Henry.

Mr. Colmer with Mr. Reece of Tennessee.

Mr. Cox with Mr. Ellis.

Mr. Mansfield of Texas with Mrs. Luce.

Mr. RIVERS and Mrs. ROGERS of Massachusetts changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote had been demanded.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 5, line 12, strike out all of lines 12 to 21, inclusive, and substitute in lieu thereof the following:

"SEC. 5. Subsection (e) of section 2 of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, is amended by inserting:

"'(1)' after '(e),' at the beginning of such subsection, and inserting at the end thereof the following paragraphs:

"'(2)' Subsidy operations, as hereinafter defined for the year ending December 31, 1946, shall be limited as follows, subject to the provisions of paragraph 3; and change the signs and figures on pages 6 and 7 as follows:

"Page 6, line 1, from '$515,000,000' to '$180,000,000.'

"Page 6, line 6, from '$50,000,000' to '$17,500,000.'

"Page 6, line 8, from '$160,000,000' to '$56,000,000.'

"Page 6, line 23, from '$715,000,000' to '$250,250,000.'

"Page 6, line 24, from '$260,000,000' to '$91,000,000.'

"Page 7, line 4, from '$170,000,000' to '$59,500,000.'"

Mr. WOLCOTT (interrupting reading of amendment). Mr. Speaker, I ask unanimous consent that the further reading of the amendment be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, there is the other subsidy amendment. I was going to ask unanimous consent that both amendments be voted upon at the same time as they relate to the same subject.

Mr. WOLCOTT. Mr. Speaker, there is no objection on my part.

Mr. McCORMACK. They relate to subsidy payments, and I ask unanimous consent that they both be voted on at the same time.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. SMITH of Virginia. Mr. Speaker, I object.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that both amendments be read at this time for the information of the House.

Mr. SMITH of Virginia. Mr. Speaker, I have no objection to their being considered together.

The SPEAKER. Is there objection to considering the two amendments and voting on them at the same time?

Mr. RANKIN. Mr. Speaker, reserving the right to object, let us hear the first amendment read. I do not know whether we want to vote on the other one at the same time or not.

The SPEAKER. The Clerk will continue the reading of the amendment.

The Clerk concluded the reading of the amendment.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the other amendment be read for the information of the House; then I shall ask unanimous consent thereafter that they be voted on together.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The Clerk will report the other amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 7, line 12, strike out all of subsection (3) on pages 7 and 8 and subsection (4) on page 8, and insert in lieu thereof the following:

"LIQUIDATION OF SUBSIDIES

"3 (a) The Administrator shall make adjustments in maximum prices of agricultural commodities including milk and livestock and products manufactured in whole or substantial part from such commodities in lieu of any payment by the Federal Government of sums of money or losses incurred by any agency of the Government through the purchase and resale at a loss of such commodities or products, and equivalent reductions is subsidy or similar payments shall be made by any such agency authorized to make such purchases and sales at a loss or to make such payments: *Provided*, That the first such adjustment or adjustments of not less than 25 percent of the rate of subsidy or similar payments made in the corresponding period of 1945 shall be made not more than 45 days from the effective date hereof and similar adjustments shall be made at intervals

of not more than 45 days thereafter: *Provided further*, That none of the foregoing provisions shall apply to any operations conducted for the purpose of maintaining support prices for agricultural products or payments or losses incurred with respect to domestic sugar beets or sugarcane: *And provided further*, That nothing contained herein shall be construed to prevent the making of parity payments or soil-conservation payments authorized under existing law or benefits to sugar growers authorized under title III of the Sugar Act of 1937, as amended.

"(b) Modifications shall be made in the maximum prices established for any agricultural commodities and for commodities processed or manufactured in whole or in substantial part from agricultural commodities where it appears that the maximum prices established do not reflect all increases in costs to the producers of such agricultural commodities incurred since January 1, 1941, and such modifications or adjustments in the case of milk and its products shall be made on a regional or area basis.

"(c) In no event shall maximum prices of agricultural commodities be established below support prices therefor or below the prices specified in section III of Public Law No. 729 approved October 2, 1942: *Provided*, That, where minimum prices to producers are regulated under any agreements or orders pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, the Secretary of Agriculture is hereby directed to adjust such minimum prices to reflect not less than the adjustments in maximum prices ordered pursuant to the provisions of this section. Except as expressly provided herein, nothing contained in this section shall be construed to repeal, amend, or supersede the provisions of the Agricultural Marketing Agreement Act of 1937, as amended."

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that both amendments may be considered together.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the amendments.

Mr. McCORMACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 245, nays 151, not voting 34, as follows:

[Roll No. 93]

YEAS—245

Abernethy	Bradley, Mich.	Cravens
Adams	Brehm	Crawford
Allen, Ill.	Brooks	Cunningham
Amond	Brown, Ohio	Curtis
Andersen, H. Carl	Brumbaugh	Daughton, Va.
Anderson, Calif.	Buck	D'Ewart
Andresen, August H.	Buffett	Dirksen
Andrews, Ala.	Bulwinkle	Dolliver
Arends	Burch	Dondero
Arnold	Butler	Doughton, N. C.
Auchincloss	Byrnes, Wis.	Drewry
Baldwin, Md.	Campbell	Durham
Barden	Cannon, Mo.	Dworshak
Barrett, Wyo.	Carlson	Earthman
Bates, Mass.	Case, N. J.	Eaton
Beall	Case, S. Dak.	Elliott
Bell	Chelf	Ellis
Bender	Chenoweth	Ellsworth
Bennet, N. Y.	Chiperfield	Elston
Bennett, Mo.	Church	Engel, Mich.
Bishop	Clason	Engle, Calif.
Blackney	Clements	Ervin
Bolton	Clevenger	Fellows
Bonner	Clippinger	Fenton
Boren	Cole, Kans.	Fernandez
Boykin	Cole, Mo.	Flannagan
	Cole, N. Y.	Fuller
	Cooley	Gamble
	Gathings	Kinzer
	Gavin	Knutson
	Gearhart	Kunkel
	Gerlach	Landis
	Gifford	Lanham
	Gillespie	Larcade
	Gillette	Latham
	Gillie	Lea
	Goodwin	LeCompte
	Gossett	LeFevre
	Granger	Lemke
	Grant, Ala.	Lyle
	Grant, Ind.	McConnell
	Griffiths	McCowen
	Gross	McDonough
	Gwinn, N. Y.	McGehee
	Gwynne, Iowa	McGregor
	Hagen	McMillan, S. C.
	Hale	Mahon
	Hall, Edwin Arthur	Manasco
	Hall, Leonard W.	Mansfield, Mont.
	Halleck	Martin, Iowa
	Hand	Martin, Mass.
	Harness, Ind.	Mathews
	Hartley	Merrow
	Hébert	Michener
	Hendricks	Miller, Nebr.
	Herter	Mills
	Heselton	Mundt
	Hess	Murray, Tenn.
	Hill	Murray, Wis.
	Hinshaw	Norblad
	Hobbs	Norrell
	Hoeven	O'Hara
	Hoffman	O'Konski
	Holmes, Mass.	Pace
	Holmes, Wash.	Peterson, Ga.
	Hope	Philbin
	Horan	Phillips
	Howell	Pickett
	Jenkins	Pittenger
	Jennings	Ploeser
	Jensen	Plumley
	Johnson, Ill.	Poage
	Johnson, Ind.	Price, Fla.
	Johnson, Okla.	Ramey
	Jones	Rankin
	Jonkman	Reed, Ill.
	Judd	Reed, N. Y.
	Kean	Rees, Kans.
	Kearney	Rich
	Keefe	Rivers
	Kerr	Rizley
	Kilburn	Robertson, N. Dak.
	Kilday	Robertson, Va.
	Robsion, Ky.	Sabath
	Rockwell	Sadowski
	Rogers, Fla.	Sasscer
	Rogers, Mass.	Savage
	Russell	Smith, Maine
	Schwabe, Mo.	Somers, N. Y.
	Schwabe, Okla.	Sparkman
	Scrivner	Spence
	Shafer	Starkey
	Short	Stigler
	Sikes	Sullivan
	Simpson, Ill.	Thom
	Simpson, Pa.	Thomas, Tex.
	Slaughter	Thomason
	Smith, Ohio	Tolan
	Smith, Va.	Torrens
	Smith, Wis.	Traynor
	Springer	Trimble
	Stefan	Walter
	Stevenson	Welch
	Stewart	White
	Stockman	Wolverton, N. J.
	Sumner, Ill.	Woodhouse
	Sumners, Tex.	
	Sundstrom	
	Taber	
	Talbot	
	Talle	
	Tarver	
	Taylor	
	Thomas, N. J.	
	Tibbott	
	Towe	
	Vinson	
	Voorhis, Calif.	
	Vorys, Ohio	
	Vursell	
	Wadsworth	
	Wasielewski	
	Weichel	
	West	
	Whitten	
	Whittington	
	Wickersham	
	Wigglesworth	
	Winstead	
	Winter	
	Wolcott	
	Wolfenden, Pa.	
	Wood	
	Woodruff	
	Worley	
	Zimmerman	

NAYS—151

Angell	Flood	LaFollette
Bailey	Fogarty	Lane
Baldwin, N. Y.	Folger	Lesinski
Barrett, Pa.	Forand	Lewis
Barry	Fulton	Link
Bates, Ky.	Gallagher	Ludlow
Beckworth	Gardner	Lynch
Biemiller	Gary	McCormack
Bland	Geelan	McGlinchey
Bloom	Gordon	McKenzie
Bradley, Pa.	Gore	Madden
Brown, Ga.	Gorski	Maloney
Bryson	Granahan	Mankin
Buckley	Green	Marcantonio
Byrne, N. Y.	Gregory	May
Camp	Hare	Monroney
Canfield	Harless, Ariz.	Morgan
Cannon, Fla.	Harris	Morrison
Carnahan	Hart	Murdock
Celler	Havenner	Murphy
Chapman	Hays	Neely
Clark	Healy	O'Brien, Ill.
Coffee	Hedrick	O'Brien, Mich.
Combs	Heffernan	O'Toole
Cooper	Hoch	Outland
Corbett	Holifield	Patman
Courtney	Hook	Patterson
Crosser	Huber	Pfeifer
D'Alesandro	Hull	Powell
Dawson	Jackson	Price, Ill.
De Lacy	Johnson, Calif.	Priest
Delaney, James J.	Johnson, Luther A.	Quinn, N. Y.
Delaney, John J.	Johnson, Lyndon B.	Rabaut
Dingell	Kee	Rabin
Domengeaux	Kefauver	Randolph
Douglas, Calif.	Kelley, Pa.	Rayfiel
Douglas, Ill.	Kelly, Ill.	Resa
Doyle	Keogh	Richards
Eberharter	King	Riley
Elsaesser	Kirwan	Robinson, Utah
Fallon	Klein	Rogers, N. Y.
Feighan	Kopplemann	Rooney
		Rowan
		Ryter

NOT VOTING—34

Allen, La.	Henry	Rains
Andrews, N. Y.	Izac	Reece, Tenn.
Bunker	Jarman	Rodgers, Pa.
Cochran	Luce	Roe, Md.
Colmer	McMillen, Ill.	Roe, N. Y.
Cox	Mansfield, Tex.	Sharp
Curley	Mason	Sheppard
Davis	Miller, Calif.	Sheridan
Fisher	Norton	Weaver
Gibson	O'Neal	Wilson
Graham	Patrick	
Hancock	Peterson, Fla.	

So the amendments were agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Mason for, with Mr. Bunker against.

Mr. Andrews of New York for, with Mr. Patrick against.

Mr. Wilson for, with Mrs. Norton against.

Mr. Rodgers of Pennsylvania for, with Mr. Curley against.

Mr. Hancock for, with Mr. Roe of New York against.

Mr. Graham for, with Mr. Izac against.

Mr. McMillen of Illinois for, with Mr. Sheridan against.

Additional general pairs:

Mr. Colmer with Mr. Reece of Tennessee.

Mr. Cochran with Mr. Henry.

Mr. Sheppard with Mr. Sharp.

Mr. Mansfield of Texas with Mrs. Luce.

Mr. O'KONSKI changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. FLANNAGAN:

1. Amend section 5, page 6, line 20, by striking out "meat, $715,000,000."

2. Amend section 5, page 8, line 2, by inserting a colon in lieu of the period at the end of the sentence and adding the following: "*Provided further*, That no funds heretofore or hereafter appropriated to, borrowed under congressional authorization by, or in custody or control of any governmental agency including Government-owned or controlled corporations, shall be used after June 30, 1946, to continue any existing program or to institute any new program for the payment of subsidies on livestock or meat derived from livestock or for the purchase of such commodities for resale at a loss, thereby subsidizing directly or indirectly the production, sale, or distribution of such commodities, except that nothing contained herein shall prevent the payment of obligations created under existing program which accrued prior to June 30, 1946: *And provided further*, That in order to prevent the reduction of livestock prices upon the elimination of such livestock and meat subsidy payments, the Administrator shall make corresponding increases in maximum prices of livestock, meat, and meat products, to the extent necessary to compensate for the removal of such subsidies."

The SPEAKER. The question is on the amendment.

Mr. McCORMACK. Mr. Speaker, on that, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 214, nays 182, not voting 34, as follows:

[Roll No. 94]

YEAS—214

Abernethy	Fenton	Mundt
Adams	Fernandez	Murray, Tenn.
Allen, Ill.	Flannagan	Murray, Wis.
Almond	Fuller	Norrell
Andersen, H. Carl	Gary	O'Hara
Anderson, Calif.	Gathings	O'Konski
Andresen, August H.	Gavin	Phillips
Andrews, Ala.	Gearhart	Pickett
Arends	Gerlach	Pittenger
Arnold	Gillespie	Ploeser
Baldwin, Md.	Gillette	Plumley
Barden	Gillie	Poage
Barrett, Wyo.	Goodwin	Price, Fla.
Bates, Ky.	Gossett	Ramey
Beall	Grant, Ala.	Randolph
Bell	Grant, Ind.	Rankin
Bennet, N. Y.	Gregory	Reed, Ill.
Bennett, Mo.	Griffiths	Reed, N. Y.
Bishop	Gross	Rees, Kans.
Blackney	Gwynne, Iowa	Rich
Bland	Hagen	Rizley
Bolton	Hale	Robertson, N. Dak
Bonner	Hall, Edwin Arthur	Robertson, Va.
Boren	Halleck	Robsion, Ky.
Boykin	Harness, Ind.	Rockwell
Bradley, Mich.	Harris	Roe, Md.
Brehm	Hébert	Rogers, Fla.
Brown, Ohio	Hendricks	Russell
Brumbaugh	Hess	Sasscer
Buck	Hill	Schwabe, Mo.
Buffett	Hoeven	Schwabe, Okla.
Burch	Hoffman	Scrivner
Byrnes, Wis.	Holifield	Shafer
Campbell	Holmes, Mass.	Short
Cannon, Mo.	Hope	Sikes
Carlson	Horan	Simpson, Ill.
Carnahan	Howell	Simpson, Pa.
Case, S. Dak.	Jenkins	Slaughter
Chapman	Jennings	Smith, Ohio
Chelf	Jensen	Smith, Va.
Chenoweth	Johnson, Ill.	Smith, Wis.
Chiperfield	Johnson, Ind.	Springer
Church	Johnson, Luther A.	Stefan
Clevenger	Johnson, Okla.	Stevenson
Clippinger	Jones	Stewart
Cole, Kans.	Jonkman	Stigler
Cole, Mo.	Keefe	Stockman
Cole, N. Y.	Kerr	Sumner, Ill.
Cooley	Kilday	Sumners, Tex.
Cravens	Kinzer	Taber
Crawford	Knutson	Talle
Cunningham	Landis	Tarver
Curtis	Lanham	Thomas, N. J.
Daughton, Va.	Larcade	Tibbott
D'Ewart	LeCompte	Traynor
Dirksen	LeFevre	Vinson
Dolliver	Lemke	Voorhis, Calif.
Domengeaux	McCowen	Vursell
Dondero	McGehee	Wadsworth
Doughton, N. C.	McGregor	Wasielewski
Drewry	McKenzie	Weichel
Durham	McMillan, S. C.	West
Dworshak	Mahon	Whitten
Earthman	Manasco	Whittington
Eaton	Martin, Iowa	Wickersham
Elliott	Martin, Mass.	Winstead
Ellis	Merrow	Winter
Ellsworth	Michener	Wolfenden Pa.
Elston	Miller, Nebr.	Wood
Engel, Mich.	Mills	Woodruff
Fellows		Worley
		Zimmerman

NAYS—182

Angell	Celler	Ervin
Auchincloss	Clark	Fallon
Bailey	Clason	Feighan
Baldwin, N. Y.	Coffee	Flood
Barrett, Pa.	Combs	Fogarty
Barry	Cooper	Folger
Bates, Mass.	Corbett	Forand
Beckworth	Courtney	Fulton
Bender	Crosser	Gallagher
Biemiller	D'Alesandro	Gamble
Bloom	Dawson	Gardner
Bradley, Pa.	De Lacy	Geelan
Brooks	Delaney, James J.	Gordon
Brown, Ga.	Delaney, John J.	Gore
Bryson	Dingell	Gorski
Buckley	Douglas, Calif.	Granahan
Bulwinkle	Douglas, Ill.	Granger
Butler	Doyle	Green
Byrne, N. Y.	Eberharter	Gwinn, N. Y.
Camp	Elsaesser	Hall, Leonard W.
Canfield	Engle, Calif.	Hand
Cannon, Fla.		Hare
Case, N. J.		Harless, Ariz.
Hart	Luce	Resa
Hartley	Ludlow	Richards
Havenner	Lyle	Riley
Hays	Lynch	Rivers
Healy	McConnell	Robinson, Utah
Hedrick	McCormack	Rogers, Mass.
Heffernan	McDonough	Rogers, N. Y.
Herter	McGlinchey	Rooney
Heselton	Madden	Rowan
Hinshaw	Maloney	Ryter
Hobbs	Mankin	Sabath
Hoch	Mansfield, Mont.	Sadowski
Holmes, Wash.	Marcantonio	Savage
Huber	Mathews	Sharp
Hull	May	Smith, Maine
Jackson	Monroney	Somers, N. Y.
Johnson, Calif.	Morgan	Sparkman
Johnson, Lyndon B.	Morrison	Spence
Judd	Murdock	Starkey
Kean	Murphy	Sullivan
Kearney	Neely	Sundstrom
Kee	Norblad	Talbot
Kefauver	O'Brien, Ill.	Taylor
Kelley, Pa.	O'Brien, Mich.	Thom
Kelly, Ill.	O'Toole	Thomas, Tex.
Keogh	Outland	Thomason
Kilburn	Pace	Tolan
King	Patman	Torrens
Kirwan	Patterson	Trimble
Klein	Peterson, Ga.	Vorys, Ohio
Kopplemann	Pfeifer	Walter
Kunkel	Philbin	Welch
LaFollette	Powell	White
Lane	Price, Ill.	Wigglesworth
Latham	Priest	Wolcott
Lea	Quinn, N. Y.	Wolverton, N. J.
Lesinski	Rabaut	Woodhouse
Lewis	Rabin	
	Rayfiel	

NOT VOTING—34

Allen, La.	Hancock	Peterson, Fla.
Andrews, N. Y.	Henry	Rains
Bunker	Hook	Reece, Tenn.
Clements	Izac	Rodgers, Pa.
Cochran	Jarman	Roe, N. Y.
Colmer	McMillen, Ill.	Sheppard
Cox	Mansfield, Tex.	Sheridan
Curley	Mason	Towe
Davis	Miller, Calif.	Weaver
Fisher	Norton	Wilson
Gibson	O'Neal	
Graham	Patrick	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. McMillen of Illinois for, with Mr. Sheridan against.

Mr. Rodgers of Pennsylvania for, with Mr. Curley against.

Mr. Mason for, with Mr. Bunker against.

Mr. Wilson for, with Mrs. Norton against.

Mr. Hancock for, with Mr. Roe of New York against.

Mr. Graham for, with Mr. Izac against.

Mr. Andrews of New York for, with Mr. Patrick against.

Additional general pairs:

Mr. Mansfield of Texas with Mr. Towe.

Mr. Cochran with Mr. Henry.

Mr. Colmer with Mr. Reece of Tennessee.

Mr. BROWN of Georgia and Mr. BUTLER changed their votes from "yea" to "nay."

Mr. CRAWFORD changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: Page 9, line 3, after the word "inclusive" insert a new paragraph, as follows:

"(r) In the case of any wholesale industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities the production or wholesale distribution of which has been reduced for a period of 3 years beginning on or after March 2, 1942, by 75 percent or more below such production or wholesale distribution for the calendar years 1939 to 1941, inclusive, as the result of the operation of any governmental regulation or restriction, the Administrators shall not in establishing maximum prices under this section reduce established wholesale trade discount or normal wholesale mark-ups for any such commodity prevailing on March 2, 1942, before the wholesale unit of sales for such commodity for a period of 6 months shall have reached the average annual wholesale unit of sales thereof for the calendar years 1939 to 1941, inclusive."

The SPEAKER. The question is on the amendment.

Mr. McCORMACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 214, nays 183, not voting 33, as follows:

[Roll No. 95]

YEAS—214

Abernethy	Ervin	Miller, Nebr.
Adams	Fellows	Mundt
Allen, Ill.	Fenton	Murray, Tenn.
Andersen, H. Carl	Fernandez	Murray, Wis.
Anderson, Calif.	Fuller	Norblad
Andresen, August H.	Gardner	Norrell
Andrews, Ala.	Gathings	O'Hara
Angell	Gavin	O'Konski
Arends	Gearhart	Philbin
Arnold	Gerlach	Phillips
Auchincloss	Gillespie	Pickett
Bailey	Gillette	Pittenger
Baldwin, Md.	Gillie	Ploeser
Barden	Goodwin	Plumley
Barrett, Wyo.	Gossett	Price, Fla.
Beall	Grant, Ala.	Ramey
Bell	Grant, Ind.	Randolph
Bender	Griffiths	Rankin
Bennett, Mo.	Gross	Reed, Ill.
Bishop	Gwinn, N. Y.	Reed, N. Y.
Blackney	Gwynne, Iowa	Rees, Kans.
Bonner	Hagen	Rich
Boren	Hale	Richards
Boykin	Hall, Edwin Arthur	Riley
Bradley, Mich.	Halleck	Rivers
Brehm	Hare	Rizley
Brooks	Harness, Ind.	Robertson, N. Dak.
Brown, Ohio	Hartley	Robsion, Ky.
Brumbaugh	Hébert	Rockwell
Bryson	Hedrick	Roe, Md.
Buck	Hendricks	Rogers, Mass.
Buffett	Herter	Russell
Bulwinkle	Heselton	Schwabe, Mo.
Butler	Hess	Schwabe, Okla.
Byrnes, Wis.	Hill	Shafer
Camp	Hoeven	Short
Campbell	Hoffman	Sikes
Cannon, Fla.	Holmes, Mass.	Simpson, Ill.
Carlson	Holmes, Wash.	Simpson, Pa.
Case, S. Dak.	Hope	Slaughter
Chenoweth	Horan	Smith, Ohio
Chiperfield	Howell	Smith, Wis.
Church	Jenkins	Springer
Clark	Jennings	Stefan
Clason	Jensen	Stewart
Clevenger	Johnson, Ill.	Stockman
Clippinger	Johnson, Ind.	Sumner, Ill.
Cole, Kans.	Jones	Sumners, Tex.
Cole, Mo	Jonkman	Sundstrom
Cole, N. Y.	Kilburn	Taber
Cooley	Kilday	Talbot
Corbett	Kinzer	Talle
Cravens	Knutson	Tarver
Crawford	Landis	Thomas, N. J.
Cunningham	Lanham	Tibbott
Curtis	Larcade	Traynor
D'Ewart	LeCompte	Vinson
Dirksen	LeFevre	Vorys, Ohio
Dolliver	Lemke	Vursell
Domengeaux	McConnell	Wadsworth
Dondero	McCowen	Weichel
Doughton, N. C.	McGehee	West
Drewry	McGregor	Whitten
Durham	McKenzie	Whittington
Dworshak	McMillan, S. C.	Wigglesworth
Eaton	Manasco	Winstead
Elliott	Martin, Iowa	Winter
Ellis	Martin, Mass.	Wolcott
Ellsworth	Mathews	Wolfenden, Pa.
Elston	Merrow	Wood
Engel, Mich.	Michener	Woodruff

NAYS—183

Almond	Gregory	Monroney
Baldwin, N. Y.	Hall, Leonard W.	Morgan
Barrett, Pa.	Hand	Morrison
Barry	Harless, Ariz.	Murdock
Bates, Ky.	Harris	Murphy
Bates, Mass.	Hart	Neely
Beckworth	Havenner	O'Brien, Ill.
Bennet, N. Y.	Hays	O'Brien, Mich.
Biemiller	Healy	O'Toole
Bland	Heffernan	Outland
Bloom	Hinshaw	Pace
Bolton	Hobbs	Patman
Bradley, Pa.	Hoch	Patterson
Brown, Ga.	Holifield	Peterson, Ga.
Buckley	Hook	Pfeifer
Burch	Huber	Poage
Byrne, N. Y.	Hull	Powell
Canfield	Jackson	Price, Ill.
Cannon, Mo.	Johnson, Calif.	Priest
Carnahan	Johnson, Luther A.	Quinn, N. Y.
Case, N. J.	Johnson, Lyndon B.	Rabaut
Celler	Johnson, Okla.	Rabin
Chapman	Judd	Rayfiel
Chelf	Kean	Resa
Coffee	Kearney	Robertson, Va.
Combs	Kee	Robinson, Utah
Cooper	Keefe	Rogers, Fla.
Courtney	Kefauver	Rogers, N. Y.
Crosser	Kelley, Pa.	Rooney
D'Alesandro	Kelly, Ill.	Rowan
Daughton, Va.	Keogh	Ryter
Dawson	Kerr	Sabath
De Lacy	King	Sadowski
Delaney, James J.	Kirwan	Sasscer
Delaney, John J.	Klein	Savage
Dingell	Kopplemann	Scrivner
Douglas, Calif.	Kunkel	Sharp
Douglas, Ill.	LaFollette	Smith, Maine
Doyle	Lane	Smith, Va.
Earthman	Latham	Somers, N. Y.
Eberharter	Lea	Sparkman
Elsaesser	Lesinski	Spence
Engle, Calif.	Lewis	Starkey
Fallon	Link	Stevenson
Feighan	Luce	Stigler
Flannagan	Ludlow	Sullivan
Flood	Lyle	Taylor
Fogarty	Lynch	Thom
Folger	McCormack	Thomas, Tex.
Forand	McDonough	Thomason
Fulton	McGlinchey	Tolan
Gallagher	McMillen, Ill.	Torrens
Gamble	Madden	Trimble
Gary	Mahon	Voorhis, Calif.
Geelan	Maloney	Walter
Gordon	Mankin	Wasielewski
Gore	Mansfield, Mont.	Welch
Gorski	Marcantonio	White
Granahan	May	Wickersham
Granger	Mills	Wolverton, N. J.
Green	Monroney	Woodhouse
	Morgan	Worley
	Morrison	Zimmerman
	Murdock	
	Murphy	
	Neely	
	O'Brien, Ill.	
	O'Brien, Mich.	
	O'Toole	
	Outland	
	Pace	
	Patman	
	Patterson	
	Peterson, Ga.	
	Pfeifer	
	Poage	
	Powell	
	Price, Ill.	
	Priest	
	Quinn, N. Y.	
	Rabaut	
	Rabin	
	Rayfiel	
	Resa	
	Robertson, Va.	
	Robinson, Utah	
	Rogers, Fla.	
	Rogers, N. Y.	
	Rooney	
	Rowan	
	Ryter	
	Sabath	
	Sadowski	
	Sasscer	
	Savage	
	Scrivner	
	Sharp	
	Smith, Maine	
	Smith, Va.	
	Somers, N. Y.	
	Sparkman	
	Spence	
	Starkey	
	Stevenson	
	Stigler	
	Sullivan	
	Taylor	
	Thom	
	Thomas, Tex.	
	Thomason	
	Tolan	
	Torrens	
	Trimble	
	Voorhis, Calif.	
	Walter	
	Wasielewski	
	Welch	
	White	
	Wickersham	
	Wolverton, N. J.	
	Woodhouse	
	Worley	
	Zimmerman	

NOT VOTING—33

Allen, La.	Graham	Patrick
Andrews, N. Y.	Hancock	Peterson, Fla.
Bunker	Henry	Rains
Clements	Izac	Reece, Tenn.
Cochran	Jarman	Rodgers, Pa.
Colmer	McMillen, Ill.	Roe, N. Y.
Cox	Mansfield, Tex.	Sheppard
Curley	Mason	Sheridan
Davis	Miller, Calif.	Towe
Fisher	Norton	Weaver
Gibson	O'Neal	Wilson

So the amendment was agreed to.

The Clerk announced the following pairs:

Mr. McMillen of Illinois for, with Mr. Sheridan against.

Mr. Rodgers of Pennsylvania for, with Mr. Curley against.

Mr. Mason for, with Mr. Bunker against.

Mr. Wilson for, with Mrs. Norton against.

Mr. Hancock for, with Mr. Roe of New York, against.

Mr. Graham for, with Mr. Izac against.

Mr. Andrews of New York for, with Mr. Patrick against.

Additional general pairs:

Mr. Cochran with Mr. Reece of Tennessee.

Mr. Mansfield of Texas with Mr. Henry.

Mr. Colmer with Mr. Towe.

Messrs. CARNAHAN, KEOGH, PFEIFER, and KELLY of Illinois changed their votes from "yea" to "nay."

Messrs. DOMENGEAUX and CANNON of Florida changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. BRADLEY of Pennsylvania. Mr. Speaker, I realize that we must vote for this bill in order to give the Senate a chance to repair the damage that has been done. Therefore, I ask for the reading of the engrossed copy of the bill in order that the public may know how it has been emasculated before the final vote is taken.

The SPEAKER. Of course, with as many amendments as we have, it will be impossible to get the engrossed copy back tonight.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill the Clerk may be permitted to correct section numbers and cross references.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks on the OPA bill.

The SPFAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. ANDERSON of California (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD and include a questionnaire.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Gatling, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5856) entitled "An act to provide for trade relations between the United States and the Philippines, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 75) entitled "An act for the relief of Thomas C. Locke."

The message also announced that the Senate insists upon its amendment to the bill (H. R. 941) entitled "An act for the relief of Mrs. C. A. Lee, administratrix of the estate of Ross Lee, deceased," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. EASTLAND, and Mr. WHERRY to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2483) entitled "An act for the relief of the estate of Michael J. McDonough, deceased."

TERMINAL LEAVE FOR ENLISTED MEN

Mr. CHELF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks and include a radio address.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. CHELF. Mr. Speaker, today one of the many legitimate complaints of the GI against the so-called caste system has been recognized in that the bill of the gentleman from Florida [Mr. ROGERS], calling for terminal leave to all enlisted men in the armed forces received the required 218 signatures of Members of this House forcing same upon the calendar for consideration. I for one am proud to have played a small part in signing this petition and in aiding the gentleman from Florida [Mr. ROGERS] to force this legislation to the floor for a vote. In connection therewith, I ask unanimous consent to insert in the RECORD a recent radio speech by me in the form of an interview over Station WLW, Cincinnati, Ohio:

Good evening from Washington. The Nation's Station presents another edition of the Washington Front, an examination of world and national affairs.

Here, in Washington, at the sprawling Pentagon, headquarters of the War Department, a special board is investigating reports of a caste system in the Army, undemocratic distinctions between officers and enlisted men.

Tonight a former enlisted man in the Navy and a former officer in the Army Air Force is going to discuss that situation. That enlisted man and that officer is one—Representative FRANK CHELF, of Kentucky.

Congressman CHELF served in the Navy before the outbreak of the war. Later he returned to civilian life. But when war came he returned again to service. When he was discharged he held the gold oak leaves of an Air Force major. Since that day he has visited Europe as a member of a congressional committee of inspection.

Question 1. Mr. CHELF, we don't know whether to call you Seaman CHELF, Major CHELF, or Congressman CHELF; but to get on with our discussion. Our first question is pointed: In your opinion, is there a caste system in the Army?

Answer. Yes, Gil, there is a caste system in existence in the armed forces at the present time and, unfortunately, there has always been. As a former enlisted man in the United States Navy and a retired Air Corps major of World War II, I believe that I am fairly well qualified to give a fair, unbiased statement on this subject. To begin with, it might be well to point out that the present caste system now in existence in the United States Army and Navy is an antiquated relic inherited, as it were, from countries where kings and tyrants were the leaders and democracy was utterly and completely unknown. All of us can remember that our history books taught us that the many young lords, dukes, and barons of bygone years were the privileged class and such birth or station of life seemed to have been the only qualification for an officer in the emperor's or king's armies.

When our country fought in the Revolutionary War and won its independence from Great Britain, this condition should have

been remedied then and there. However, there were so many complex problems which confronted our young Republic that little or no thought was given to the Army, for then, like now, people were weary of war and had little or no time to devote to anything other than the pursuit of peace, happiness and prosperity. Later there came the adoption of our present Constitution and, following that, the bill of rights which guaranteed to all freemen definite, specific, inalienable rights which have now been honored and recognized by the whole world to such an extent that these basic concepts of liberty have been incorporated into the four freedoms. Nevertheless, through it all, we have been apparently too resistant to change, clinging to the old order simply and only because it had served us well in the past. However, I am delighted to know that there is, at the present time, a definite movement on foot to eliminate and abolish a practice or a custom which has long since outgrown its usefulness.

Question 2. Several former enlisted men, appearing before that Army board of investigation, have complained of favoritism shown officers during hours off-duty—complained, for example, that officers could go to their clubs while the enlisted man was forced to retire to his rather plain barracks. They complained, too, of choice foods served to the officer while the enlisted man was neglected. What about that situation?

Answer. Gil, in my opinion, the greatest gripe which our GI's have is that a great amount of this sort of thing is still in existence. As I have previously stated, such system was inherited by us from the aristocratic Prussian and British Armies where you only received an officer's commission if you were a direct descendant of the "blue blood," so to speak.

It just simply does not belong in the military forces of the United States where our basic doctrine is that all men are created free and equal. Of course, the segregation of officers and men is predicated on the theory, as I remember it from my Officer's Guide, that familiarity breeds contempt. The old argument that an officer could not order a man to risk his life if he had been drinking with that man the night before has more or less been blown into a cocked hat during World War II because it is a known fact that the officers and men of the most successful aerial combat fighter and bomber crews most usually called one another by their first names and had a close, intimate, friendly, and personal relationship at all times whether during duty hours or off duty. It was shown unquestionably that as a result of this very close personal relationship, the men who served under the officers did not show a lack of respect but, rather, a deep and abiding sense of loyalty, respect, and admiration. In common parlance, the fellows in these particular outfits looked upon their officers as "real guys." I am reliably informed that the most outstanding fighting units in the ground forces were also often noted for the informality of the relationships between their officers and enlisted men. Therefore, I think it is perfectly logical, equitable, and feasible that favoritism accorded officers during hours off duty ought to be extended to the enlisted men. As I see it, if officers and men can eat K and C rations while under fire, they most certainly should have the same type of food prepared and served to them in noncombat areas.

In addition to this, in camps, stations, posts, and installations, there should be adequate facilities in the way of clubs and lounges for the enlisted men and if conditions are such that these accommodations cannot be made available to the enlisted men, the officers should likewise be deprived of any such privileges.

Question 3. That matter of terminal pay has created some dissatisfaction. The officer gets terminal pay. The enlisted man does not. Do you consider that an undemocratic distinction, Congressman CHELF?

Answer. Gil, this, to my mind, is the worst type and form of discrimination in the entire Army caste system. As an officer, why should I have any more claim for terminal leave (which is equivalent to vacation with pay) than a GI? Of course, there was nothing that I could do while I was a member of the armed forces, but shortly after I was elected to Congress, I began laying the ground work to encourage the passage of such required and much needed legislation. The fact of the matter is, I introduced a bill, H. R. 4729, which has been referred to by the enlisted men in the armed forces as the "Junior GI Bill of Rights." Section IV of my bill reads as follows: "All enlisted military personnel shall be paid accrued leave on the same basis as that now provided for officer personnel of all services, under existing military and naval regulations pertaining to terminal leave; however, same shall be retroactive in its scope and application from June 1, 1940."

Naturally, as a freshman Congressman, I was a bit reluctant at first to attempt to sponsor any such far-reaching legislation because I felt that probably the matter would be far better received by the Members of Congress if such were introduced by an older and more experienced legislator. Nevertheless, when no one seemed willing to "pick the ball up and run with it," I decided to lead my own fight. My bill met with an unfavorable recommendation from the War Department in the form of a letter which was written by the Secretary of War's office to the Chairman of the Military Affairs Committee of the House. As a result, my bill became waterlogged in the committee, so to speak, and I circulated a petition in an attempt to secure the required 218 signatures of the Members of the House so as to force my bill upon the floor for consideration.

During the time that I was making my fight to push my bill to the floor, Congressman DWIGHT ROGERS, of Florida, introduced a bill which pertained to terminal leave only. Being convinced that probably his bill had a better chance of early passage than my own (due to various other rights which I was trying to secure for the veterans being incorporated in my bill other than the terminal-leave angle), I threw my full support in his direction and have signed his petition. On March 29, I received a letter from the American Veterans' Committee of New York in which they stated: "Thank you very much for your support of H. R. 4729. We greatly appreciate your statesmanship in submerging your own particular bill to support the Rogers proposal." So you can see, Gil, that the matter of terminal-leave pay really is close to my heart. Of course, there is dissatisfaction amongst the GI's because of this abominable situation but, in my humble judgment, we will soon be able to alleviate this one undemocratic distinction by adequate legislation in the very near future.

Question 4. Thus far, Congressman, we've been speaking of the Army. Now—drawing on your experiences in the Navy—and your observations of the Navy during the war—does the same situation exist there?

Answer. The situation exists in all branches of the service and from my own experience, the caste system is a malignancy which needs immediate attention if it isn't to destroy completely our entire military system.

Question 5. Mr. CHELF, according to Army rules and regulations, a good officer is expected to look after the welfare of his men first, then to his own welfare. If that system is followed, wouldn't the present charges of distasteful distinctions fall down?

Answer. An officer is taught that he is not only expected but required to look after the welfare of his men first, last, and always. If such policy were strictly adhered to, both during the war and peacetime, the caste system, so to speak, would collapse of its own weight. There would be no need of the adoption of any new rules and regulations insofar as this particular matter is concerned. Obviously, as I see it, at least, the proper interpretation of the "welfare of the men first" angle would automatically produce adequate recreational facilities, more comfortable quarters, and the preparation of food on an equal basis as that served to officers because after all is said and done, no one can deny that the Army bought the choicest cuts of meats, the finest vegetables, the most prominently advertised canned foods, and all other high-class food stuffs, normally served in the best hotels throughout the country. So it was, after all, a question of proper administration, supervision, and leadership exercised by the individual commanding officer.

Question 6. So far, Congressman CHELF, I believe we've established a case for the enlisted man—at least in some instances. Now—as a former seaman, a former Air Force officer and a member of Congress, what would you suggest as corrective measures?

Answer. Personally, I believe that Cartoonist Bill Mauldin and Joe McCarthy, former editor of Yank, are on the beam when they testified recently before the closed session of the six-man board headed by Lt. Gen. James H. Doolittle, which is investigating special social privileges now accorded to officers only. For instance, McCarthy advocates that all officers should come from the ranks of enlisted men. I think that this has a great deal of merit because in my own particular case, I was far more sympathetic and understanding of the problems of the GI, simply because I once served as an enlisted man myself. Well do I recall the pushing around to which we were sometimes subjected. How my blood would literally boil when some arrogant noncommissioned officer or commissioned officer mistreated us or tried to impress us with his importance. I remember how on one occasion, while an officer in World War II, I was told by a superior officer that I was too democratic with the men under me. Although I could say nothing at the time without being accused of insubordination, nevertheless, when the "old man" was not around, I continued my practice of being democratic. As a result, I know that I had the confidence and the respect of every man with whom it was my pleasure to serve. Much could be done toward improving the present low morale of the GI's if the same uniform were worn by officers and men alike except, of course, for the insignia of rank.

The same food should be served to all ranks of officers and enlisted men and it should be served in the same mess halls. No GI would object to the officers sitting at one table in the same room because, obviously, such opportunity might be the only available time for them to be together to discuss matters of policy other than an outright call of a staff meeting.

There should be no difficulty whatsoever insofar as living quarters are concerned; if the officers' quarters are spacious and commodious, then by all means the enlisted men's barracks should be likewise.

Question 7. Some persons, Congressman CHELF—and, this includes Members of Congress—have suggested that all cadets at West Point and midshipmen at Annapolis—be taken from the ranks of the Regular Army and Navy. They reason that such a system will break down undemocratic irregularities. Do you agree?

Answer. Gil, I believe that I have just answered this question just a moment ago when I gave you my views insofar as this matter is concerned, but I will go further by saying all appointments of cadets to West Point and midshipmen to Annapolis should be exercised with a great deal of care and discretion. I am of the opinion that special preference should be given to young enlisted men in the

Army and Navy. In the event others are appointed directly from civilian life, they should immediately be forced to serve at least 1 year as an enlisted man in the Army or Navy before actually entering the Academy itself. I reiterate that if such system were adopted and religiously adhered to, it would most certainly strike a powerful blow toward the complete and total break-down of existing undemocratic irregularities.

SUMMATION

The caste system definitely exists in all branches of the service as an outmoded relic of our historical past, remaining with us today, I believe, mainly because of our static complacency and reluctance to pace our progress in this field consistently with the strides made in other phases of our American life.

But it can be changed, and I believe the experience gained in World War II indicates conclusively the invalidity of the old arguments which perpetuated the discriminations against enlisted men in the past.

There is concrete evidence of democratic and friendly officer and men relationships not only failing to interfere with military discipline but actually fostering better relationships and understanding which served to increase the effectiveness of men and officers as a fighting team in achieving military objectives.

SUGGESTIONS

1. Give terminal leave to enlisted men. It is an injustice to discriminate against enlisted men in according the privilege of payment of terminal leave.

2. Equalize recreational facilities, such as providing clubs, etc.

3. Serve same food.

4. Wear identical uniform except for insignia.

Thank you, Congressman CHELF.

Representative FRANK CHELF, of Kentucky, a former enlisted man in the Navy and a former major in the Air Force, was our guest. He discussed the War Department's investigation of a caste system within the Army.

Next week another Washington personality will be with us to consider other problems of world and national importance.

This is Gil Kingsbury returning you from the Nation's Capital to the Nation's Station.

DEMOCRATIC CAUCUS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I just want to announce that the Democratic caucus will take place immediately after the House adjourns.

ESTABLISHING A UNIFORM SYSTEM OF BANKRUPTCY

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5504) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the the gentleman from Alabama? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. SUMNERS of Texas, Mr. HOBBS, and Mr. MICHENER.

PERSONAL EXPLANATION

Mr. ROWAN. Mr. Speaker, on roll call No. 90 I was necessarily absent on official business. Had I been present, I would have voted "nay."

EXTENSION OF REMARKS

Mrs. DOUGLAS of Illinois asked and was given permission to extend her remarks in the RECORD.

Mrs. WOODHOUSE asked and was given permission to extend her remarks in the RECORD and include certain tables of prices.

Mr. FORAND asked and was given permission to extend his remarks in the RECORD and include a radio interview.

Mr. TRAYNOR asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. HEFFERNAN asked and was given permission to extend his remarks in the RECORD and include an editorial which appeared in the April issue of the Marine News, written by Commodore Wendell Phillips Dodge, editor.

Mr. VOORHIS of California asked and was given permission to extend his remarks in the RECORD and include a statement by the Federal Council of Churches.

Mr. LUDLOW asked and was given permission to extend his remarks in the RECORD and include a quotation.

Mrs. DOUGLAS of California asked and was given permission to extend her remarks in the RECORD in three separate instances and include certain excerpts.

Mr. RANDOLPH asked and was given permission to extend his remarks in the RECORD and include certain radio comment.

Mr. WICKERSHAM asked and was given permission to extend his remarks in the RECORD and include certain letters.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD in two instances, and in one to include a letter and a telegram.

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD on six separate topics.

Mr. CRAVENS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. COLMER (at the request of Mr. ABERNETHY) was given permission to extend his remarks in the RECORD and include two newspaper articles and excerpts from the eighth report of the Postwar Economic Policy and Planning Committee.

Mr. ROBSION of Kentucky asked and was given permission to extend his remarks in the RECORD and include a radio address he delivered last evening.

Mr. MILLER of California (at the request of Mr. TOLAN) was given permission to extend his remarks in the RECORD and include a telegram from the attorney general of California.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD and include a speech made by Peter H. Bergson at Atlantic City.

Mr. DWORSHAK asked and was given permission to extend his remarks in the RECORD in two instances, and to include in one an editorial from the Idaho Granger and in the other a brief editorial.

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD and include a news item.

Mr. BARRETT of Wyoming asked and was given permission to extend his remarks in the RECORD immediately following the amendment he offered in the Committee of the Whole, and to include some excerpts from letters.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD in two instances, and to include in one an editorial from the Christian Science Monitor entitled "WRUL's Free Voice," and in the other a brief discussion of a bill she introduced today for the control of barbiturates.

Mr. CURTIS asked and was given permission to revise and extend the remarks he made today and include certain excerpts, and extraneous material.

Mr. PLUMLEY asked and was given permission to extend his remarks in the Appendix of the RECORD with reference to the modernization of Congress.

SPECIAL ORDER GRANTED

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that tomorrow, after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EXTENSION OF REMARKS

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances and include in each certain extraneous material.

Mr. FEIGHAN asked and was given permission to extend his remarks in the RECORD and include an address which he made on April 14 on the occasion of the laying of the cornerstone of the Hebrew Academy of Cleveland.

PERSONAL EXPLANATION

Mr. SABATH. Mr. Speaker, I would like the RECORD to show that I was not present during the vote on the so-called Wolcott amendment. Had I been present, I would have voted "No."

EXTENSION OF REMARKS

Mr. HOLIFIELD asked and was given permission to extend his remarks in the RECORD in two instances and to insert newspaper articles and excerpts.

Mr. McCORMACK asked and was given permission to extend his remarks in the RECORD.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1089. An act for the relief of Albert Cantalupo, Emma Cantalupo, and the legal guardian of John Cantalupo, a minor.

H. R. 1674. An act for the relief of Mrs. Ollie Patton;

H. R. 2167. An act for the relief of Orvis Welch;

H. R. 2528. An act for the relief of Mr. and Mrs. James Sherry;

H. R. 2835. An act for the relief of James Lynch;

H. R. 3159. An act for the relief of Ernest Pedro Ferreira;

H. R. 4253. An act for the relief of the estate of Chancie Lee Brisbin, deceased.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 486. An act for the acquisition of Indian lands required in connection with the construction, operation, and maintenance of electric transmission lines and other works, Fort Peck project, Montana;

S. 718. An act to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment and operation and maintenance charges on certain Pueblo Indian lands;

S. 1190. An act for the relief of Mrs. Henry H. Hay;

S. 1310. An act for the relief of Saunders Wholesale, Inc.;

S. 1363. An act to reimburse certain Navy and Marine Corps personnel and former Navy and Marine Corps personnel for personal property lost or destroyed as the result of water damage occurring at certain naval and Marine Corps shore activities;

S. 1492. An act to reimburse certain Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire in building No. 141 at the United States naval repair base, San Diego, Calif., on May 1, 1945;

S. 1601. An act to revive and reenact the act entitled "An act granting the consent of Congress to the counties of Valley and McCone, Mont., to construct, maintain, and operate a free highway bridge across the Missouri River at or near Frazer, Mont.," approved August 5, 1939; and

S. 1638. An act for the relief of Salvatore Carbone.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 2 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Thursday, April 18, 1946, at 10 o'clock a. m.

MOTION TO DISCHARGE COMMITTEE

FEBRUARY 28, 1946.

To the CLERK OF THE HOUSE OF REPRESENTATIVES:

Pursuant to clause 4 of rule XXVII, I, DWIGHT L. ROGERS, move to discharge the Committee on Military Affairs from the consideration of the bill (H. R. 4051) entitled "A bill to grant to enlisted personnel of the armed forces certain benefits in lieu of accumulated leave," which was referred to said committee September 13, 1945, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. Dwight L. Rogers.
2. Luther Patrick.
3. Andrew J. Biemiller.
4. A. L. Miller.
5. M. C. Tarver.
6. Homer D. Angell.
7. Benjamin J. Rabin.
8. Clare E. Hoffman.
9. J. E. Rankin.
10. Butler B. Hare.
11. E. H. Hedrick.
12. Helen Douglas Mankin.
13. Melvin Price.
14. Emory H. Price.
15. John S. Gibson.
16. J. Hardin Peterson.
17. Thad F. Wasielewski.
18. Emily Taft Douglas.
19. Daniel J. Flood.
20. Victor Wickersham.
21. Charles R. Savage.
22. Jerry Voorhis.
23. Charles M. LaFollette.
24. Berkeley L. Bunker.
25. Paul H. Maloney.
26. M. M. Neely.
27. Philip A. Traynor.
28. Vito Marcantonio.
29. Thomas E. Morgan.
30. Ned R. Healy.
31. Robert F. Rich.
32. Ellis E. Patterson.
33. Frank T. Starkey.
34. Thomas D'Alesandro, Jr.
35. Wm. Lemke.
36. Harold H. Earthman.
37. James P. Geelan.
38. Herman P. Eberharter.
39. Lyle H. Boren.
40. Herman P. Kopplemann.
41. Helen Gahagan Douglas.
42. Hugh De Lacy.
43. Chet Holifield.
44. A. S. J. Carnahan.
45. Ray J. Madden.
46. W. A. Rowan.
47. George P. Miller.
48. William J. Gallagher.
49. W. W. Link.
50. Chas. A. Wolverton.
51. Pat Cannon.
52. Tom Murray.
53. L. Mendel Rivers.
54. Cleveland M. Bailey.
55. Carter Manasco.
56. W. K. Granger.
57. Carroll Reece.
58. Homer A. Ramey.
59. William C. Cole.
60. William G. Stigler.
61. John J. Rooney.
62. Gordon Canfield.
63. Thomas G. Abernethy.
64. Mike Mansfield.
65. Thomas J. Lane.
66. Henry D. Larcade, Jr.
67. Merlin Hull.
68. Ralph E. Church.
69. George B. Schwabe.
70. G. E. Outland.
71. W. A. Pittenger.
72. James J. Heffernan.
73. John J. Delaney.
74. Joe Hendricks.
75. Jed Johnson.
76. Lindley Beckworth.
77. Henry O. Talle.
78. Edward J. Hart.
79. Franck R. Havenner.
80. J. W. Trimble.
81. James Fulton.
82. Carl T. Curtis.
83. Frank A. Barrett.
84. Raymond S. Springer.
85. Jack Z. Anderson.
86. Arthur G. Klein.
87. Bartel J. Jonkman.
88. J. Harry McGregor.
89. Paul Stewart.
90. Chase Going Woodhouse.
91. William T. Granahan.
92. John J. Riley.
93. Herbert J. McGlinchey.
94. William H. Stevenson.
95. Joseph F. Ryter.
96. Gordon L. McDonough.
97. Frank B. Keefe.
98. Arthur Winstead.
99. Frank L. Chelf.
100. Robert K. Henry.
101. Clyde Doyle.
102. Reid F. Murray.
103. Wat Arnold.
104. Wesley A. D'Ewart.
105. Clarence Cannon.
106. Joseph R. Bryson.
107. John B. Sullivan.
108. Dudley G. Roe.
109. Augustus W. Bennet.
110. Thomas S. Gordon.
111. Hal. C. Hagen.
112. Joseph P. O'Hara.
113. Michael A. Feighan.
114. Edith Nourse Rogers.
115. Joseph E. Talbot.
116. Carl Vinson.
117. Jamie L. Whitten.
118. D. Emmert Brumbaugh.
119. Harve Tibbott.
120. Jimmy Morrison.
121. L. H. Gavin.
122. Francis Case.
123. Robt. F. Rockwell.
124. Henry J. Latham.
125. John E. Fogarty.
126. Carl Hinshaw.
127. J. W. Robinson.
128. Cecil R. King.
129. A. J. Elliott.
130. Richard J. Welch.
131. William S. Hill.
132. A. Leonard Allen.
133. Chas. R. Robertson.
134. H. Carl Andersen.
135. James Domengeaux.
136. Frank Carlson.
137. Frank E. Hook.
138. B. W. Kearney.
139. D. K. Hoch.
140. W. A. Barrett.
141. Walter H. Judd.
142. Louis Ludlow.
143. Albert Gore.
144. Albert M. Cole.
145. Henry M. Jackson.
146. Walter E. Brehm.
147. Alvin F. Weichel.
148. John Phillips.
149. T. Millet Hand.
150. Charles A. Plumley.
151. William J. Green, Jr.
152. A. M. Fernandez.
153. Paul Brown.
154. Everett M. Dirksen.
155. Aug. H. Andresen.
156. Walter B. Huber.
157. Ed. V. Izac.
158. Leo F. Rayfiel.
159. W. D. Mills.
160. Jennings Randolph.
161. Karl E. Mundt.
162. George G. Sadowski.
163. Edward O. McCowen.
164. George H. Fallon.
165. Eugene J. Keogh.
166. Donald L. O'Toole.
167. John H. Tolan.
168. Richard F. Harless.
169. Thomas A. Jenkins.
170. Alvin E. O'Konski.
171. J. P. Richards.
172. James J. Delaney.
173. Peter A. Quinn.

174. Gerald W. Landis.
175. Ben F. Jensen.
176. Noble J. Johnson.
177. P. W. Griffiths.
178. Henry C. Dworshak.
179. Howard E. Campbell.
180. Sherman Adams.
181. Edw. A. Kelley.
182. Walt. A. Lynch.
183. Earl R. Lewis.
184. Sid Simpson.
185. Max Schwabe.
186. Earl Wilson.
187. J. Lindsay Almond, Jr.
188. Wm. W. Blackney.
189. Lawrence H. Smith.
190. Lyndon B. Johnson.
190a. Augustine D. Kelley.
191. George H. Bender.
192. Clair Engle.
193. Fadjo Cravens.
194. C. W. Bishop.
195. Frank W. Boykin.
196. Oren Harris.
197. William J. Byrne.
198. A. Sidney Camp.
199. Louis C. Rabaut.
200. Earle C. Clements.
201. Edward J. Gardner.
202. Walt Horan.
203. John M. Coffee.
204. Chester E. Merrow.
205. James A. Roe.
206. Ralph H. Daughton.
207. John W. Flannagan, Jr.
208. Edwin Arthur Hall.
209. Stephen Pace.
210. Ivor D. Fenton.
211. Alexander J. Resa.
212. George W. Gillie.
213. John S. Wood.
214. Joseph Clark Baldwin.
215. J. Glenn Beall.
216. Michael J. Bradley.
217. Roy O. Woodruff.
218. Evan Howell.

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD with signatures thereto, and referred to the Calendar of Motions to Discharge Committees, April 17, 1946.

COMMITTEE HEARINGS

COMMITTEE ON FLOOD CONTROL

9. Thursday, April 18. Lt. Gen. R. A. Wheeler, Chief of Engineers, and other representatives of the Corps of Engineers, and proponents and opponents of projects in other regions.

10. Friday, April 19. Senators and Representatives in Congress, and Department of Agriculture, Weather Bureau, and other Government agencies.

COMMITTEE ON RIVERS AND HARBORS

Revised schedule of hearings on the omnibus river and harbor authorization bill to start Tuesday, April 9, 1946, at 10: 30 a. m., is as follows:

(Wednesday and Thursday, May 1 and 2)

Tombigbee-Tennessee Rivers.

(Friday, May 3)

Held open for description of projects favorably recommended by the Board of Engineers for Rivers and Harbors during its April meeting.

(Monday and Tuesday, May 6 and 7)

Big Sandy River, Tug and Levisa Forks, Va., W. Va., and Ky.

(Wednesday and Thursday, May 8 and 9)

Arkansas River, Ark., and Okla.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1216. A letter from the Acting Chairman, United States Maritime Commission, transmitting report of contracts entered into or modified under authority of Public Law 46, Seventy-seventh Congress, for the period beginning January 1, 1946, and ending March 31, 1946; to the Committee on the Merchant Marine and Fisheries.

1217. A letter from the Postmaster General, transmitting a draft of a proposed bill for the relief of certain postal employees; to the Committee on Claims.

1218. A letter from the Archivist of the United States, transmitting report on records proposed for disposal by various Government agencies; to the Committee on the Disposition of Executive Papers.

1219. A letter from the Attorney General, transmitting a report reciting the facts and pertinent provisions of law in the cases of 117 individuals whose deportation has been suspended for more than 6 months by the Commissioner of the Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension; to the Committee on Immigration and Naturalization.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FLANNAGAN: Committee on Agriculture. H. R. 3821. A bill to amend sections 4 and 8 of the act of September 2, 1937, as amended, without amendment (Rept. No. 1943). Referred to the Committee of the Whole House on the State of the Union.

Mr. FLANNAGAN: Committee on Agriculture. H. R. 6097. A bill to amend the act of March 10, 1934, entitled "An act to promote the conservation of wildlife, fish, and game, and for other purposes"; without amendment (Rept. No. 1944). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROE of Maryland: Committee on the Post Office and Post Roads. H. R. 5820. A bill relating to mail service on Lake Winnepesaukee, N. H.; without amendment (Rept. No. 1945). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1953. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. MANASCO: Committee on Expenditures in the Executive Departments. H. R. 6157. A bill to amend the Surplus Property Act of 1944 with reference to veterans' preference, and for other purposes; without amendment (Rept. No. 1954). Referred to the Committee of the Whole House on the State of the Union.

Mr. COX: Committee on Rules. House Resolution 602. Resolution providing for the consideration of H. R. 754, a bill to amend section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended, and the first sentence of paragraph (1) of section 2 of the Agricultural Adjustment Act of 1933, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, approved June 3, 1937, as amended, so as to include the cost of all farm labor in determining the parity price of agricultural commodities; without amendment (Rept. No. 1956). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PITTENGER: Committee on Claims. H. R. 4142. A bill for the relief of Johnnie V. Nations; with amendment (Rept. No. 1946). Referred to the Committee of the Whole House.

Mr. FERNANDEZ: Committee on Claims. H. R. 4172. A bill for the relief of Carlton G. Jerry; without amendment (Rept. No. 1947). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4298. A bill for the relief of Severo Apoluna Dinson and Candilaria Dinson, and the legal guardian of Lura Dinson and the legal guardian of Teresita Dinson; with amendment (Rept. No. 1948). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 4301. A bill for the relief of Philip Naope Kaili and Susie Kaili; with amendment (Rept. No. 1949). Referred to the Committee of the Whole House.

Mr. HEDRICK: Committee on Claims. H. R. 4338. A bill for the relief of Anna Blanchard and others; with amendment (Rept. No. 1950). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 4763. A bill for the relief of R. L. Benton; with amendment (Rept. No. 1951). Referred to the Committee of the Whole House.

Mr. BARRETT of Pennsylvania: Committee on Claims. H. R. 5152. A bill for the relief of Mary Elizabeth Powers; with amendment (Rept. No. 1952). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOLMES of Washington:

H. R. 6165. A bill to provide for the preparation of a membership roll of the Indians of the Yakima Reservation, Wash., and for other purposes; to the Committee on Indian Affairs.

By Mr. ROE of Maryland:

H. R. 6166. A bill to authorize the Chief of Engineers to make a survey as to the advisability of dredging out Little Creek, Kent Island, Queen Annes County, Md.; to the Committee on Rivers and Harbors.

H. R. 6167. A bill to authorize the Chief of Engineers to make a survey as to the advisability of establishing jetties at Tedious Creek, Dorchester County, Md.; to the Committee on Rivers and Harbors.

By Mr. SMITH of Virginia (by request):

H. R. 6168. A bill to authorize certain expenditures from the appropriation of St. Elizabeths Hospital; to the Committee on the District of Columbia.

H. R. 6169. A bill to authorize the use of Freedmen's Hospital appropriations for certain expenditures; to the Committee on the District of Columbia.

By Mr. RANDOLPH:

H. R. 6170. A bill to amend the Veterans' Preference Act of 1944; to the Committee on the Civil Service.

By Mr. BARTLETT:

H. R. 6171. A bill to amend the act of June 29, 1936, to provide increased retirement benefits for certain employees of the Alaska Railroad; to the Committee on the Civil Service.

H. R. 6172. A bill to amend section 35 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437, 30 U. S. C. sec. 191), as amended; to the Committee on the Public Lands.

By Mr. RANKIN:

H. R. 6173. A bill to amend certain provisions of the National Service Life Insurance Act of 1940, as amended, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. LEMKE:

H. R. 6174. A bill to provide assignment of a section of the 50-megacycle band of radio frequencies for frequency modulation (FM); to the Committee on Interstate and Foreign Commerce.

By Mr. LANE:

H. R. 6175. A bill to credit to active and retired officers of the Medical Department of the Army all service performed as interns in Army hospitals on a civilian employee status; to the Committee on Naval Affairs.

By Mr. PACE:

H. R. 6176. A bill to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended; to the Committee on the Civil Service.

By Mr. PHILLIPS:

H. R. 6177. A bill granting to the Imperial Irrigation District certain lands of the United States in the counties of Imperial, Riverside, and San Diego, in the State of California; to the Committee on Irrigation and Reclamation.

By Mrs. ROGERS:

H. R. 6178. A bill to provide for the coverage of barbiturates under the Federal narcotic laws; to the Committee on Ways and Means.

By Mr. SIKES:

H. R. 6179. A bill to provide for terminal-leave pay for enlisted service in the armed forces, and for other purposes; to the Committee on Military Affairs.

By Mr. BROOKS:

H. R. 6193. A bill to provide for terminal-leave pay for enlisted service in the armed forces, and for other purposes; to the Committee on Military Affairs.

By Mr. CANNON of Missouri:

H. J. Res. 342. House joint resolution making additional appropriations for the fiscal year 1946 to pay increased compensation authorized by law to officers and employees of sundry Federal and other agencies; to the Committee on Appropriations.

By Mr. PATTERSON:

H. Con. Res. 144. Concurrent resolution on restatement of civilian and military authority; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLEY:

H. R. 6180. A bill for the relief of the Sun Laundry Corp.; to the Committee on Claims.

By Mr. BARRETT of Pennsylvania:

H. R. 6181. A bill for the relief of Lillian Jamgochian and John Jamgochian; to the Committee on Claims.

By Mr. GATHINGS:

H. R. 6182. A bill for the relief of J. W. Cox, M. D.; to the Committee on Claims.

H. R. 6183. A bill for the relief of W. W. Cox, to the Committee on Claims.

H. R. 6184. A bill for the relief of G. W. Cox; to the Committee on Claims.

H. R. 6185. A bill for the relief of F. T. Cox; to the Committee on Claims.

H. R. 6186. A bill for the relief of J. M. Cox; to the Committee on Claims.

By Mr HINSHAW:

H. R. 6187. A bill for the relief of Edward L. Barreras; to the Committee on Claims.

By Mr. LEMKE:

H. R. 6188. A bill for the relief of Frank J. Patzke, Archie Mitchell, J. L. Shoemaker, Einar Engen, and N. L. Gifford; to the Committee on Claims.

By Mr. LYNCH:

H. R. 6189. A bill for the relief of Rose Greenblatt; to the Committee on Claims.

By Mr. MILLER of California:

H. R. 6190. A bill for the relief of George Stocks; to the Committee on Claims.

By Mr. PHILLIPS:

H. R. 6191. A bill for the relief of Virgil Dahl; to the Committee on Claims.

By Mr. SADOWSKI:

H. R. 6192. A bill for the relief of Mrs. Ida Adele Stolinsky; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1811. By Mr. CLASON: Memorial of the General Court of the Commonwealth of Massachusetts urging the President of the United States to take immediate action within his authority or, if necessary, recommend to the Congress legislation to limit the importation of Swiss watches into the United States to prewar levels, thus enabling the American jeweled-watch industry to participate in the postwar market; to the Committee on Ways and Means.

1812. By Mr. GAVIN: Petition of Mrs. Ada B. Kirkwood of Knox, Pa., and other residents of Clarion County, opposing enactment of House bill 4730, the Wagner-Murray-Dingell bill; to the Committee on Interstate and Foreign Commerce.

1813. Also, petition of W. L. Kooman and other residents of Knox, Pa., opposing passage of House bill 4730 and Senate bill 1606; to the Committee on Interstate and Foreign Commerce.

1814. Also, petition of Mrs. Mary Weible, and other residents of Knox, Pa., opposing passage of House bill 4730 and Senate bill 1606; to the Committee on Interstate and Foreign Commerce.

1815. Also, petition of Ralph E. McIlhattan, Knox, Pa., and other residents of Clarion County, Pa., opposing enactment of House bill 4730, the Wagner-Murray-Dingell bill; to the Committee on Interstate and Foreign Commerce.

1816. By the SPEAKER: Petition of the committee on international trade of the Advertising Club of New York, petitioning consideration of their resolution with reference to the British loan; to the Committee on Banking and Currency.

1817. Also, petition of the Barbers and Beauty Culturists Union of America, petitioning consideration of their resolution with reference to protesting the attack by the Wood-Rankin committee against the Joint Anti-Fascist Refugee Committee; to the Committee on Rules.

1818. By Mr. LANE: Petition received from the General Court of Massachusetts, memorializing the Secretary of War to retain Camp Edwards for the treatment and hospitalization of veterans, and, in the event that such retention is not feasible or possible, that the Secretary of War recommend to the Congress that Camp Edwards with all facilities, furnishings, and equipment therein be turned over to the Commonwealth of Massachusetts, in order that the Commonwealth may continue said camp for the treatment of veterans; to the Committee on World War Veterans' Legislation.

1819. Also, petition received from the General Court of Massachusetts, requesting that action be taken relative to limiting the importation of Swiss watches into the United States; to the Committee on Ways and Means.

SENATE

THURSDAY, APRIL 18, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, to turn to Thee is rest, to know Thee is eternal life; to serve Thee is perfect freedom. Thy mercies are new every morning and at nightfall Thy presence illumines every shadow.

In the mirror of prayer we see our boasted righteousness but as dust and ashes, and our vaunted strength as but a broken reed. Save us from error, pride, or prejudice as issues of great moment for the whole world claim the calm judgment of these decisive days. Of Thy mercy vouchsafe, we beseech Thee, so to direct, sanctify, and govern all that we do and say, and all the decisions that emerge from the deliberations of this body, that there may be in our day's work nothing of which when the evening come we shall have cause to be ashamed; at the last, make us more than conquerors as even a dark and hostile cross proves but a key to unlock the portals of life everlasting. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, April 17, 1946, was dispensed with, and the Journal was approved.

LEAVES OF ABSENCE

Mr. BUSHFIELD. Mr. President, I ask unanimous consent to be absent from the Senate on business for the next 3 days.

The PRESIDENT pro tempore. Without objection, the request of the Senator from South Dakota is granted.

Mr. STANFILL. I ask unanimous consent of the Senate to be absent during 3 or 4 days of next week to fill some engagements I have made.

The PRESIDENT pro tempore. Without objection, leave is granted to the Senator from Kentucky.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its

reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1610) to provide for the rehabilitation of the Philippine Islands, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 5504) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SUMNERS of Texas, Mr. HOBBS, and Mr. MICHENER were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 6042. An act to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes; and

H. J. Res. 342. Joint resolution making additional appropriations for the fiscal year 1946 to pay increased compensation authorized by law to officers and employees of sundry Federal and other agencies.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 75. An act for the relief of Thomas C. Locke;

S. 486. An act for the acquisition of Indian lands required in connection with the construction, operation, and maintenance of electric transmission lines and other works, Fort Peck project, Montana;

S. 718. An act to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands;

S. 1190. An act for the relief of Mrs. Henry H. Hay;

S. 1310. An act for the relief of Saunders Wholesale, Inc.;

S. 1363. An act to reimburse certain Navy and Marine Corps personnel and former Navy and Marine Corps personnel for personal property lost or destroyed as the result of water damage occurring at certain naval and Marine Corps shore activities;

S. 1492. An act to reimburse Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire in building No. 141 at the United States naval repair base, San Diego, Calif., on May 1, 1945;

S. 1601. An act to revive and reenact the act entitled "An act granting the consent of Congress to the counties of Valley and McCon, Mont., to construct, maintain, and operate a free highway bridge across the Missouri River at or near Frazer, Mont.," approved August 5, 1939;

S. 1638. An act for the relief of Salvatore Carbone;

H. R. 1089. An act for the relief of Albert Cantalupo, Emma Cantalupo, and the legal guardian of John Cantalupo, a minor;

H. R. 1674. An act for the relief of Mrs. Ollie Patton;

H. R. 2167. An act for the relief of Orvis Welch;

H. R. 2528. An act for the relief of Mr. and Mrs. James Sherry;

H. R. 2835. An act for the relief of James Lynch;

H. R. 3159. An act for the relief of Ernest Pedro Ferreira; and

H. R. 4253. An act for the relief of the estate of Chancie Lee Brisbin, deceased.

The President pro tempore also signed the enrolled bill (H. R. 2115) relating to domestic raising of fur-bearing animals, which had previously been signed by the Speaker of the House of Representatives.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF AGRICULTURE (S. DOC. NO. 171)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Agriculture, amounting to $400,000, fiscal year 1947, in the form of an amendment to the Budget (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General, transmitting, pursuant to law, a report reciting the facts and pertinent provisions of law in the cases of 117 individuals whose deportation has been suspended for more than 6 months by the Commissioner of the Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension (with an accompanying report); to the Committee on Immigration.

RELIEF OF CERTAIN POSTAL EMPLOYEES

A letter from the Postmaster General, transmitting a draft of proposed legislation for the relief of certain postal employees (with accompanying papers); to the Committee on Claims.

CONTRACTS ENTERED INTO OR MODIFIED BY THE UNITED STATES MARITIME COMMISSION

A letter from the Acting Chairman of the United States Maritime Commission, transmitting, pursuant to law, a report of contracts entered into or modified by the United States Maritime Commission under authority of Public Law 46, for the period beginning January 1, 1946, and ended March 31, 1946 (with an accompanying report); to the Committee on Commerce.

LIMITATION ON NUMBER OF ASSOCIATE MEMBERS OF BOARD OF VETERANS' APPEALS IN VETERANS' ADMINISTRATION

A letter from the Administrator of the Veterans' Administration, transmitting a draft of proposed legislation to remove the existing limitation on the number of associate members of the Board of Veterans' Appeals in the Veterans' Administration (with an accompanying paper); to the Committee on Finance.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the General Court of the Commonwealth of Massachusetts, memorializing the Secretary of War to retain Camp Edwards for the treatment and hospitalization of veterans; to the Committee on Military Affairs.

(See resolution printed in full when presented by Mr. WALSH (for himself and Mr. SALTONSTALL) on the 18th instant, p. 3832, CONGRESSIONAL RECORD.)

A resolution adopted by the General Court of the Commonwealth of Massachusetts, favoring the enactment of legislation to limit the importation of Swiss watches into the United States to prewar levels; to the Committee on Finance.

(See resolution printed in full when presented by Mr. SALTONSTALL (for himself and Mr. WALSH) on the 18th instant, p. 3832, CONGRESSIONAL RECORD.)

A letter in the nature of a petition from the Irish-American Associates, Middlesex County, Mass., praying for the enactment of the bill (S. 1620) to authorize the issuance of a special series of stamps commemorative of the bicentennial anniversary of the birth of Commodore John Barry, father of the American Navy; to the Committee on Post Offices and Post Roads.

By Mr. GREEN:

A joint resolution of the General Assembly of the State of Rhode Island; to the Committee on Education and Labor:

"Joint resolution requesting the Senators and Representatives from Rhode Island in the Congress of the United States to give careful consideration to and to work for the passage of bill H. R. 5742, or of bill S. 1920, of similar purport, now pending, providing for the demonstration of public-library service in areas without such service or with inadequate library facilities

"Whereas there are now pending in the Congress of the United States two bills of similar import, providing for the demonstration of public-library service in areas without such service or with inadequate library facilities, namely, bill H. R. 5742, introduced by Mrs. EMILY TAFT DOUGLAS, of Illinois, and bill S. 1920, introduced by Senator LISTER HILL, of Alabama; and

"Whereas these proposed measures would appropriate each year for 4 years the sum of $25,000 to each State for the purpose of setting up and operating a demonstration of good library service in an inadequately served area: Now, therefore, be it

"*Resolved*, That the Senators and Representatives from Rhode Island in Congress be, and they are hereby earnestly requested to give careful consideration to and to work for the passage of bill H. R. 5742 or of bill S. 1920, either of which measure provides for the demonstration of public-library service in areas without such service or with inadequate library facilities; and be it further

"*Resolved*, That duly certified copies of this resolution be transmitted to the secretary of state to the Senators and Representatives from Rhode Island in the Congress of the United States."

PROPOSED LOAN TO GREAT BRITAIN

Mr. CAPEHART. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the Allen County Republican Club, April 3, 1946, at Fort Wayne, Ind., protesting against the proposed loan to Great Britain.

There being no objection, the resolution was received, ordered to lie on the table, and to be printed in the RECORD as follows:

Whereas the Congress of the United States is contemplating approval of a gift to the British Empire, misnamed a loan, since the British themselves say they can never repay it; and

Whereas this gift in the net sum of $3,750,000,000, if made, will add to a heavy burden of national debt under which the American

people now struggle * * * the war debt of the United States is four times as great as the combined war debt of the rest of the world; and

Whereas if such a gift is made to Britain, similar gifts must be made to many other nations, unless we are to unfairly discriminate against nations; and

Whereas Bretton Woods was created for the purpose of giving financial aid to foreign countries, and the United States was the heaviest contributor to the Bretton Woods Bank;

Whereas the making of this gift would cancel all of England's lease-lend account amounting to $27,000,000,000 worth of goods, and her unpaid balance of her World War debt; and

Whereas this gift need not be made to obtain the advantages which the British Empire seeks since she has raw materials and possessions which we need and she is in a position to sell; and

Whereas there is a threat that unless we make the gift, Britain will institute trade boycotts against us; and

Whereas there is such a limited supply of goods in the United States at present that purchases by England, instead of being desirable would be undesirable; Therefore be it

Resolved, That the members of the Allen County Republican Club, bespeaking what is believed to be the sentiment of rank and file Americans everywhere, urge Senators CAPEHART and WILLIS and our Congressman GEORGE GILLIE to vote against approving the proposed gift to Britain.

FEDERAL CONTROLS ON SLAUGHTER OF LIVESTOCK

Mr. FERGUSON. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution of the Joint OPA Advisory Cattle, Hogs, Beef, and Pork Committees of April 15, 1946.

At the invitation of the Office of Price Administration, representatives of the OPA Advisory Committee on Cattle, Hogs, Beef, and Pork, met with representatives of the Office of Price Administration and the Department of Agriculture, at room 660, Chicago Board of Trade Building, Chicago, Ill., to consider a joint OPA-Department of Agriculture proposal to reestablish Federal controls on slaughter of livestock, in other words, a quota system. I received the resolution from Reese Van Vranken, member of the OPA Cattle Advisory Committees; from Michigan. I believe it to be of such importance that it should appear in the CONGRESSIONAL RECORD.

There being no objection, the resolution was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Whereas price contol of livestock and meat has completely broken down and black-market operators have moved in and taken control of a large percentage of the production and distribution of meat; and

Whereas the commercial meat establishments which conducted the meat business prior to OPA have had their business largely taken away by more than 26,000 new slaughterers, many who are black market; and

Whereas the potential supply of meat in the form of livestock on ranches and farms is such that a portion thereof should be liquidated now when consumers are ready, able and willing to buy meat and meat products at a price equaling the producers' cost of production; and

Whereas the black market is endangering public health, in that a large percentage of the black-market meat is being produced in plants without adequate, if any, refrigeration or other sanitary requirements; and

Whereas the black market is fixing the price that the consumer pays for meat, and OPA's "hold the line" price is pure fiction, and the cost of price control on meat now exceeds more than $2,000,000,000 annually in excess of OPA retail ceiling prices; and

Whereas the widespread black market is causing universal disrespect for all law and is undermining the morals of the public; and

Whereas full legitimate production is the only answer to both inflation and the black-market problems. At this late date, an increase in livestock and meat ceilings will not get full legitimate production or eradicate the black market. Also, at this late date, improvised regulations, such as proposed today to the advisory committees, are not a remedy nor can additional investigators or more vigorous enforcement bring about compliance with OPA regulations. The black market can only be driven out of business if the legitimate meat packer is permitted to compete with them on even terms; Now, therefore, be it

Resolved, That the OPA industry Cattle Hog Beef and Pork Advisory Committees are unanimously opposed to the proposal that has been submitted to the Advisory Committees and unanimously recommends that subsidies and price controls be immediately removed from the livestock and meat industry.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. FULBRIGHT, from the Committee on Public Buildings and Grounds:

S. 1161. A bill authorizing the conveyance of all right, title, and interest of the United States in and to certain space in the Jackson (Miss.) City Hall; without amendment (Rept. No. 1208); and

H. R. 2677. A bill to authorize the Federal Works Administrator to accept and dispose of real estate devised to the United States by the late Maggie Johnson, of Polk County, Ark., and for other purposes; without amendment (Rept. No. 1209).

SAFE AND PROPER WORKING CONDITIONS IN INDUSTRY—REPORT OF COMMITTEE ON EDUCATION AND LABOR

Mr. TUNNELL. Mr. President, from the Committee on Education and Labor, I ask unanimous consent to report favorably with amendments the bill (S. 1271) to provide for cooperation with State agencies administering labor laws in establishing and maintaining safe and proper working conditions in industry and in the preparation, promulgation, and enforcement of regulation to control industrial health hazards, and I submit a report (No. 1210) thereon.

The bill was referred to a subcommittee, then the subcommittee reported it to the full committee, and the full committee now reports to the Senate, presenting a favorable report.

Mr. President, the prevention of industrial hazards is a matter of the greatest national importance from the point of view not only of the general welfare of the working population but also of the reduction of the social cost of industrial casualties. Numerous witnesses have been heard by the special subcommittee on this bill, presenting the views of Federal and State agencies concerned with matters of industrial safety, of labor organizations, and of other interested organized groups. The committee, upon thorough consideration of all the testimony presented in the hearings, believes that the bill recommended represents the most efficient and feasible plan for Federal assistance to the States in meeting the serious problems of maintaining safe and proper working conditions and reducing the social and economic waste which results from the continuation of industrial hazards.

These industrial hazards are of two kinds. First, there are those which result from accidents, then there are those which are the result of unhealthful conditions. Those two are both known as industrial hazards.

The basic provision of S. 1271 is a proposal of a program of Federal grants-in-aid for the purpose of assisting the several States in establishing and maintaining safe working conditions in industry and in promoting the observance of safety precautions and rules by employers and employees in industry.

An appropriation of $5,000,000 for each fiscal year is authorized for making payments to States which have submitted, and had approved by the Secretary of Labor, State plans for carrying out the purposes of the bill. An annual appropriation of $200,000 is also authorized to enable the Secretary of Labor to administer the act.

The Federal administration of this program would be entrusted to the Secretary of Labor, who would have the assistance of an Industrial Safety Advisory Committee. This Committee, consisting of such numbers of public, employer, and employee representatives as the Secretary may appoint, would, in cooperation with the Secretary and State agencies administering State industrial safety laws, study existing industrial safety laws, regulations, and practices and make recommendations to the Secretary of Labor and the several States encouraging more effective control of hazardous conditions and lowering the industrial accident rate.

The bill requires each State plan to designate as the single State agency to administer or supervise the administration of the plan, that agency which administers State industrial safety laws; to provide methods of administration which will assure efficient operation and reasonable allocations of funds to enforcement and promotional functions, such methods to include the establishment and maintenance of personnel standards on a merit basis, except that the Secretary of Labor shall exercise no authority over the selection, tenure, or compensation of any individual employed by the States to carry out such methods; to include a program for the promotion of observance of safety precautions by employers and employees in industry, which program may include cooperation with nongovernmental safety organizations; to set forth the amounts of State funds to be expended for the purposes of this bill, and to provide for reports to the Secretary of Labor and his access to records on which such reports are based.

After approval of any State plan complying with these provisions, the Secretary of Labor shall allot 95 percent of

the appropriated funds on the basis of a formula set forth in the bill:

The amount allotted to each State shall bear the same ratio to the total appropriation as the number of nonagricultural employees in such State multiplied by the average per capita income in the United States bears to the product of the number of nonagricultural employees in the United States multiplied by the average per capita income in such State, provided that the annual allotment for each State shall be not less than $15,000. To the extent that the total amount made available under the formula is reduced for the purpose of providing a minimum amount to each State, there shall be a proportionate reduction in the allotments to States receiving in excess of $15,000.

Five percent of the appropriated funds shall be allotted by the Secretary for meeting special needs, which are not adequately met by the allotments under the formula. The annual allotment for any State, however, shall not exceed three times the amount of State funds to be expended for the same purposes as set forth in the act.

Mr. President, the bill has been considerably changed, principally as a result of suggestions by the Senator from Minnesota [Mr. BALL] and myself. I think it is very satisfactory, and that it will meet most of the objections which have been advanced against the original bill.

The only question I know of is as to the word "diseases," as it appears in one or two places. The Senator from Minnesota prefers that that word be left out. However, that is a matter for the Senate, as I see it.

Mr. President, there is this peculiar provision in the bill. It provides that State agencies administering laws relating to safe working conditions may include in their programs not only enforcement but also safety, educational, and promotional activities. The latter activities are recognized everywhere as an essential factor in controlling work injuries. Owing to inadequate facilities, however, practically nothing in this vital field is presently done by State labor departments.

The PRESIDENT pro tempore. Without objection, the report submitted by the Senator from Delaware will be received and the bill will be placed on the calendar.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. WILEY (for himself and Mr. KNOWLAND) introduced Senate bill (S. 2078) to provide that a veteran's pension, compensation, or retirement pay shall not be reduced during his hospitalization or domiciliary care, which was referred to the Committee on Finance and appears under a separate heading.)

By Mr. MURRAY (for himself, Mr. WHEELER, Mr. HAYDEN, Mr. MCCARRAN, Mr. THOMAS of Utah, Mr. HATCH, Mr. JOHNSON of Colorado, Mr. DOWNEY, Mr. MCFARLAND, Mr. MURDOCK, Mr. FULBRIGHT, Mr. TAYLOR, Mr. CARVILLE, Mr. GOSSETT, Mr. CAPPER, and Mr. MORSE):

S. 2079. A bill to amend the act of July 1, 1944, relating to contract settlement; to the Committee on Military Affairs.

By Mr. LANGER:

S. 2080. A bill to provide for a per capita distribution of funds in the Treasury of the United States to the credit of the Indians of California, the creation of a reserve fund, and for other purposes; to the Committee on Indian Affairs.

By Mr. HOEY:

S. 2081. A bill to authorize the War Department to settle and adjust claims for war damages in foreign countries by transferring surplus property equal to the amount of such settlements; to the Committee on Military Affairs.

S. J. Res. 154. Joint resolution to establish the Andrew Johnson Memorial Commission to formulate plans for the preservation of the birthplace, at Raleigh, N. C., of Andrew Johnson, seventeenth President of the United States; to the Committee on the Library.

VETERAN'S PENSIONS, COMPENSATION, AND RETIREMENT PAY DURING HOSPITALIZATION

Mr. WILEY. Mr. President, I am introducing today on behalf of the Senator from California [Mr. KNOWLAND] and myself a companion bill to H. R. 4464 by Representative EDITH NOURSE ROGERS which reads as follows:

A bill to provide that a veteran's pension, compensation, or retirement pay shall not be reduced during his hospitalization or domiciliary care

Be it enacted, etc., That notwithstanding any provision of law or veterans' regulation, no reduction of the pension, compensation, or emergency officers' retirement pay of any veteran shall be made during his hospital treatment or institutional or domiciliary care by the United States or any political subdivision thereof.

Although Representative ROGERS introduced her bill on October 22, 1945, it is unfortunate that no action has been taken on it in the House World War Veterans' Committee nor is any action scheduled, so far as I can ascertain. I hope that our introduction of the bill in the Senate may serve to speed up action.

This bill, I believe, is an act of elementary justice for the tens of thousands of disabled ex-servicemen without dependents who are hospitalized in Veterans' Administration facilities and who are receiving a mere pittance of $20 a month—66 cents a day—in the case of service-connected disabilities and $8 per month—26 cents a day—in the case of non-service-connected disabilities. We might incidentally note that prisoners of war in America get 80 cents a day.

Under our bill our disabled boys' pensions would be maintained at full rates while they are hospitalized.

The reasons for our bill are obvious.

First. To deprive these veterans of their full rates of pension is in effect to make them pay for their Government hospitalization although such hospitalization is supposed to be free, a part of the nonpayable debt of our Nation to our wounded men.

Thus a boy with service-connected tuberculosis, who would ordinarily get $115 per month pension, would, if he were hospitalized and had no dependents in "permitted classes," receive only $20 per month. This means that he would be paying the Government $95 a month for his hospitalization.

To take another instance, there are 2,000 cases of service-connected spinal-cord-disabled boys. Many of them will be bedridden for the rest of their lives and yet those without dependents will receive only $20 per month.

Second. Passage of this bill would be a health measure.

Thus in the instance of the tubercular boy cited above, the boy would tend to want to leave the hospital in view of the mere pittance he received while in the institution. He might disregard the fact that he is not cured of his tuberculosis, and that the TB might still be in an active stage. He probably could not be forced to remain in the institution, because our 48 State laws vary so much on this subject and are very lax in many cases. Thus this tuberculosis patient might not only become a menace to his own health on the outside but would be unfortunately, a menace to the health of the rest of the community.

Third. Just because a boy does not have dependents within "permitted classes" does not mean that he has no financial obligations.

He may have brothers and sisters who depend upon him but they are not "permitted dependents." He may have a mortgage on his farm or home.

Fourth. Passage of this bill would serve to help wipe away the infamous stain of the so-called economy drive of 1933 which slashed veterans' pensions and benefits to the bone.

That slash stabbed those who could least afford reductions in benefits, those who could not fight back, those who most deserved of their Nation. Let us undo this shameful violation of faith with America's wounded heroes.

Mr. President, on behalf of the Senator from California [Mr. KNOWLAND] and myself, I ask unanimous consent to introduce this bill for appropriate reference.

There being no objection, the bill (S. 2078) to provide that a veteran's pension, compensation, or retirement pay shall not be reduced during his hospitalization or domiciliary care, was received, read twice by its title, and referred to the Committee on Finance.

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were each read twice by their titles and referred, as indicated:

H. R. 6042. An act to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes; to the Committee on Banking and Currency; and

H. J. Res. 342. Joint resolution making additional appropriations for the fiscal year

1946 to pay increased compensation authorized by law to officers and employees of sundry Federal and other agencies; to the Committee on Appropriations.

PROPOSED LOAN TO GREAT BRITAIN—AMENDMENTS

Mr. CARVILLE and Mr. McFARLAND each submitted an amendment intended to be proposed by them, respectively, to the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942—AMENDMENT

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to submit for reference to the Committee on Banking and Currency an amendment intended to be proposed by me to the bill (S. 2028) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes. I request that the amendment be printed in full in the RECORD.

There being no objection, the amendment was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

At the proper place insert the following new section:

"SEC. —. (a) Hereafter, the Emergency Price Control Act of 1942, as amended, the Stabilization Act of 1942, as amended, and the act of June 28, 1940, as amended by the act of May 31, 1941, and by title III of the Second War Powers Act, 1942, shall not apply with respect to any agricultural commodity, except to the extent that such act of June 28, 1940, as amended, is applicable with respect to allocations of grain for the production of alcohol or alcoholic beverages.

"(b) It shall be unlawful for any person holding any office or position under the authority of the United States to issue or enforce any regulation, order, price schedule, or other requirement establishing any maximum price for any agricultural commodity, or relating to the rationing or allocation of or priorities for any agricultural commodity, except allocations of grain for the production of alcoholic or alcoholic beverages; and allocations of grain for such purposes shall be made only with the written approval of the Secretary of Agriculture. Any person who issues any regulation, order, price schedule, or other requirement in violation of this subsection shall, upon conviction thereof, be fined not more than $2,000 and shall be removed from the position or office held by him.

"(c) For the purposes of this section, the term 'agricultural commodity' includes—

"(1) Cotton and products manufactured or processed therefrom;

"(2) Milk and products manufactured or processed therefrom;

"(3) Livestock (including cattle, hogs, and sheep) and products manufactured or processed therefrom;

"(5) Fish and shellfish and products manufactured or processed therefrom;

"(6) All other agricultural products (including the basic agricultural commodities) and products manufactured or processed therefrom;

"(7) Petroleum and products manufactured or processed therefrom;

"(8) Timber and products manufactured or processed therefrom: *Provided*, That for the construction of houses for veterans, lumber and building materials shall be allocated by an agency to be designated by the President; and

"(9) Minerals and metals and their products manufactured or processed therefrom."

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS — AMENDMENT

Mr. McCARRAN submitted an amendment intended to be proposed by him to the bill (H. R. 5452) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1947, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 25, strike out lines 7 to 20, inclusive, and insert in lieu thereof the following:

"That subsection (b) of section 4 of the act entitled 'An act to extend the time within which the powers relating to the stabilization fund and alteration of the weight of the dollar may be exercised,' approved July 6, 1939, is amended to read as follows:

"'(b) (1) For a period of 1 year after the date of approval of this amendment, the Director of such mint with the consent of the owner shall deduct and retain of such silver so received 20 percent as seigniorage for services performed by the Government of the United States relative to the coinage and delivery of silver dollars. The balance of such silver so received; that is, 80 percent, shall be immediately coined into standard silver dollars and the same or any equal number of other standard silver dollars shall be delivered to the owner or depositor of such silver. The 20 percent of such silver so deducted shall be retained as bullion by the Treasury or coined into standard silver dollars and held or disposed of in the same manner as other bullion or silver dollars held in or belonging to the Treasury.

"'(2) After the expiration of 1 year after the date of approval of this act there shall be delivered therefor in standard silver dollars or any other coin or coinage of the United States, the full monetary value of the silver so delivered, less such deductions for brassage, coinage, and other mint charges as the Secretary of the Treasury with the approval of the President shall have determined, not to exceed the actual cost thereof.'

"SEC. 2. The following statutes and portions of statutes are hereby repealed:

"(a) Section 1805 of the Internal Revenue Code, as amended;

"(b) Sections 6, 7, and 8, and the second proviso in section 3, of the Silver Purchase Act of 1934, approved June 19, 1934 (U. S. C., title 31, secs. 316a, 316b, and 734a).

"SEC. 3. Until June 30, 1947, the Secretary of the Treasury is authorized to sell for manufacturing uses, including manufacturing uses incident to reconversion and the building up of employment in industry, to any person, partnership, association, or corporation, or any department of the Government, any nonmonetized silver held or owned by the United States, at a price of not less than $1.03432 per fine troy ounce for a period of 1 year after the date of enactment of this act, and thereafter at a price of not less than the legal monetary value (of silver) per fine troy ounce: *Provided*, That no such sale shall be made unless the purchaser has certified in writing, and the Secretary of the Treasury is satisfied, that such purchaser has made all reasonable efforts to purchase in the open market, and notwithstanding such efforts has been unable so to purchase, sufficient silver to meet his reasonable immediate requirements; and no such sale shall be made in an amount greater than the amount of silver necessary to enable such purchaser to meet his reasonable immediate requirements: *Provided further*, That on the consummation of such sale of silver by the Treasury to any purchaser, the purchaser shall immediately take possession of the silver so sold and by him purchased and remove the same from the Treasury, in accordance with such rules and regulations as the Secretary of the Treasury may prescribe: *And provided further*, That at all times the ownership and the possession or contral within the United States Treasury of an amount of silver of a monetary value equal to the face amount of all outstanding silver certificates heretofore or hereafter issued by the Secretary of the Treasury shall be maintained by the Treasury.

"SEC. 4. That hereafter, notwithstanding the provisions of any other law, maximum prices shall not be imposed upon foreign or domestic silver or upon silverware or jewelry."

EFFECT OF OPA PRICE CEILINGS AND RESTRICTIONS ON BUSINESS

Mr. WHERRY. Mr. President, I am in receipt of a letter from the Morton Aircraft Corp., of Omaha, Nebr., which is typical of other letters I have received. The business of this corporation cannot operate because of the price ceilings and restrictions imposed by the Office of Price Administration. I think this letter typifies many letters I have received, and I should like to read it to the Members of the Senate for their information, especially since we are about to consider the extension of OPA within the next few days before the Banking and Currency Committee and later on the floor of the Senate.

The letter is as follows:

MORTON AIRCRAFT CORP.,
Omaha 2, Nebr., April 9, 1946.

Senator KENNETH S. WHERRY,
Senator of Nebraska, Washington, D. C.

DEAR SENATOR WHERRY: Due to the severe Government restrictions and seemingly unreasonable expenditures, we have been forced to liquidate the Morton Aircraft Corp. We feel and find it impossible for business to carry on and finance such ridiculous Government expenditures.

We are therefore enclosing a copy of our stockholder meetings' minutes with the hope that it will be beneficial to your carrying on and winning the battle which you are fighting.

You may use any or all parts of our letter and minutes in whatever way you wish if you feel that it will help you in your battle.

Thanking you, we remain,

Very truly yours,

MORTON AIRCRAFT CORP.,
G. R. MORTON,
President.

So, Mr. President, another business has been liquidated because it cannot operate under what I call the rigid pricing program that has been established by Chester Bowles.

I should like also at this point in my remarks to have printed—and I ask unanimous consent that it may be done—the minutes of the last stockholders' meeting of this outstanding aircraft production corporation that did such a great work during the war. The minutes themselves will explain why the corporation had to go out of business. I may say

that what has happened in this instance is happening to a lot of other businesses in this country.

There being no objection, the minutes were ordered to be printed in the RECORD, as follows:

MORTON AIRCRAFT CORP.,
Omaha, Nebr., April 8, 1946.

STOCKHOLDERS' MEETING

The meeting was called to order by Mr. Morton, and he suggested that we have an auction sale of everything that we have here at the Morton Aircraft Corp. Due to the fact that the OPA has so many present-day restrictions, the chaotic period in which we are living, the continual uncertainty, and a few other reasons prompted Mr. Morton to make the above suggestion. Mr. Morton, as well as some of the rest of us have reached a mental point whereas a period of fishing would be very beneficial.

The following plan was discussed and we are going to complete what engines we are now working on, and we are going to complete them as efficiently as we know how. We would like to have 500 completed units. We are going to complete 2,000 props, 1,000 Beech kits, and 2,000 mounts, 1,000 to be used in the kits and 1,000 to be sold otherwise.

Regarding the Marvel vegetable cutter, we can't possibly make money on the present set-up due to the fact that each operation necessitates too much time.

It is estimated that it would take about 6 months to liquidate. It is believed that our shares will be above book value.

The Government is holding everything up so that the individual or small companies do not know whether or not they will be able to make it.

At this point of the meeting, each one was asked to give their opinion regarding the auction. All were in favor with the exception of Mike Grudenich and James Roger Beddow.

We are going to continue all work on McGrath's products, as well as the iron for the M. E. Hunter Co. and expect to have them completed by the time we liquidate.

Therefore, as a result of the auction sale, we will pay off all of our indebtedness and we will distribute the balance to the stockholders in proportion to their shares owned. The final distribution may take as long as 2 years, but a distribution will be made on all funds received.

The Ford Manufacturing Co. are willing to rent the entire upstairs for a period of 1 year for $300 a month, this in itself would be some income while we were out fishing or resting whatever the case may be.

When we decide upon some new business to get into whether it be 3 months, 6 months, or a year, we will all be called upon. At this time we will decide whether we wish to get together again or whether we wish to continue at your present pace. Just because of our separation at this time of liquidation, it does not mean that we will not get into business together again, nor does it in any way bind us to rejoin the company again, we are on our own. The agreement is not binding in any respect.

Since there was not any further business to transact the meeting was adjourned.

Carefully submitted

MARY TURINETTI,
Secretary.

P. S.—At this meeting several stated that they would commence looking for another job and that if and when we started up again they might not rejoin us. This was understood by all, and they were assured that this was all right.

OPA INCREASE IN PRICES OF WORK CLOTHES

Mr. MAYBANK. Mr. President, I desire to call attention to an article appearing in today's New York Times. The title is: "OPA Raises Prices of Work Clothes—Average of 12 to 15 Percent Advance Set So Producers Can Pay for Higher Cotton Textiles—Act To Aid Army Buying—Lists Controls Once Again on 36 Fabrics, Effective Today—Other Agency Action."

In the body of the article following that headline it is stated that the price of shirts has been raised from $1.40 to $1.70 so that the advance in the price of cotton can be cared for.

Mr. President, I wish to say there is not one pound of cotton in a shirt. The price of cotton is less than 30 cents. It is these continually misleading statements issued by the OPA which have brought the OPA to where it is today.

In one of the afternoon newspapers I find an article with the heading, "Bowles' and Porter's resignations predicted if House version of OPA bill is enacted by the Senate."

Mr. President, speaking as one individual, I wish to say that I hope this body will not only sustain the House in the action it has taken, but will go even further. In that way we can save Mr. Bowles the trouble of waiting to resign. As a matter of fact, if he had resigned a month ago, when I suggested that he do so, this country would be far better off today.

Mr. President, I ask unanimous consent that the article to which I referred be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OPA RAISES PRICES OF WORK CLOTHES—AVERAGE OF 12- TO 15-PERCENT ADVANCE SET SO PRODUCERS CAN PAY FOR HIGHER COTTON, TEXTILES—ACTS TO AID ARMY BUYING—LIFTS CONTROLS ONCE AGAIN ON 36 FABRICS, EFFECTIVE TODAY—OTHER AGENCY ACTION

WASHINGTON, April 17.—The Office of Price Administration increased retail prices of staple work clothing by an average of 12 to 15 percent today to enable manufacturers to pay higher prices for raw cotton and textiles.

The higher price is required by terms of the Price Control Act, OPA explained, which provide that earnings of the industry must approximate what they were in the prewar years 1936-39. Increased costs resulting from advances in the price of raw cotton and higher wage levels in textile and apparel mills necessitated the price increase to make the regulation conform to the law, it was stated.

As a result of the higher legal price, consumers will pay approximately $1.70 for a chambray work shirt which formerly cost about $1.40 at an independent retail store, and $2.72 for a pair of denim bib overalls heretofore costing about $2.44.

OPA also lifted price controls once again from the 36 cotton fabrics made for the Army after having reimposed maximum prices on January 1, 1946.

The price exemption, which becomes effective tomorrow, applies to finished goods sold under Government contract to the War Department entered into after April 18. It covers also gray goods for which contracts are signed with converters after this date, provided converters are under contract to the War Department for finished fabrics made of gray goods.

The 36 fabrics were exempted from price regulations when delivered on War Department contracts or subcontracts between April 16, 1945, and December 31, 1945.

Other announcements included:

Building materials: Adjusments of maximum prices established under area orders for building and construction materials may now be made by regional OPA administrators and district directors, the agency ruled.

Rubber footwear: Dollar-and-cent ceilings were fixed by OPA for 20 additional types of men's and women's surplus rubber footwear, with prices identical with those for similar civilian articles.

Floor coverings: Manufacturers of wool floor coverings were granted by OPA an additional 4.72 percent increase over January 1946, ceilings, bringing the total increase to 9.72 percent since the first of the year, retroactive to April 8.

Motor vehicles: Maximum prices for resale of new surplus motor vehicles and trailers were established by OPA.

Hardware: Nonferrous nails, tacks, escutcheon pins and staples covered by GMPR and certain ferrous types were suspended by OPA from price control.

Beans: Minor changes in the price regulation covering processed beans were announced by OPA, effective April 22.

Lumber: To enable mills to meet higher log and labor costs, OPA granted an average increase of $4.50 per 1,000 board feet, or about 7½ percent, in mill ceilings of western red cedar lumber, effective April 22, with the increase to be passed on.

Lumber imports, exports: National Housing Expediter Wyatt announced that imports of construction lumber exceeded exports during January and February by almost 60,000,000 board-feet. Imports in that period exceeded 160,000,000 board-feet, of which about 104,000,000 was for building purposes. Exports amounted to 112,000,000 board-feet, of which about 45,000,000 was for building construction.

ADDRESS BY MR. JUSTICE BLACK AT ROOSEVELT MEMORIAL DINNER

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an able address delivered by a former Member of this body, now an Associate Justice of the Supreme Court, the Honorable Hugo L. Black, at the National Citizens Political Action Committee Roosevelt memorial dinner, the Hotel Commodore, New York, on Friday, April 2.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We who are gathered here tonight come from many different places and environments. We are of diverse faiths, beliefs, occupations, and races. But we are together because we are united by a common bond. That bond is the love all of us have felt for Franklin Delano Roosevelt, and our common devotion to the principles of genuine democracy to which he gave his service and his life.

It is a cherished honor, Mr. Chairman, to have been selected as one of those privileged to speak his sentiments to such a gathering upon such an occasion as this. For this reason I accepted your gracious invitation.

A year ago today Franklin Delano Roosevelt left us. When that news flashed around the world, all of the people—those who agreed with his policies and those who violently disagreed with him—recognized that a great leader had passed away. He had passed away in the midst of terrible times, when great leaders were rare and very much needed. This Nation was engaged in a bitter life-and-death struggle. The failure of economic systems and the consequent disintegration of moral values, together with selfish ambitions, greed, intolerance, and disillusion had brought about that struggle. Only those on the side of the United Nations, only those who still clung to a faith in their ideals

of good government of decent values, could hope to restore peace and the good life to a warring world. Over two decades before we had been engaged in a similar struggle for similar purposes. The war was won, but victory did not bring transquility to the people in this troubled world. Instead, disillusion and desperate cynicism followed. That disillusion and cynicism still embittered and blinded people when the second struggle began. The forces of disillusion capitalized on that fact. Yet Franklin Delano Roosevelt was able to provide the leadership that restored faith to the American people in the possibility of a better world to come. Our people sacrificed security. We sacrificed the comforts of immediate peace. Some gave their best, many gave their all, to win this battle that had engulfed the rest of the world. All the world recognized Franklin Delano Roosevelt as the natural leader of this new humanitarian restoration. The confidence of people in his leadership led them to regain their faith in the possibility of democracy all over the world.

We all remember how magnificently this country became transformed into an arsenal of democracy. This was not merely an arsenal of weapons and of the machinery of war. It was an arsenal of ideas and of a burning democratic faith. All this was done by people who for many years during this century had come to take democracy for granted. All this was done by a people that for many years had feared extensive participation in international affairs. No one can tell nor will anyone ever be able to tell whether events would have happened as they did had Franklin Delano Roosevelt not been the leader of his country during its most trying times. One thing is clear. Everyone, friend and enemy, recognized that he had a great deal to do with our transformation, with our awakening to new responsibilities. Roosevelt was the man of the hour. He was the kind of democratic leader a democratic people wanted and needed during trying times. His charming smile, his genuine love for the people, his ability to compromise, his ability to take a strong stand and stick by it when the times required it, and his ability to plan ahead, all meant that he personified democratic ideals.

There was no magic to his leadership. There was no sinister Machiavelian scheme to it either. Roosevelt was a successful, a loved, and a true leader, and the people followed him because they trusted him. His formula for leadership was a simple democratic one. When the times called for it, he educated the people. When the people demanded action, he acted. Above all, while cherishing sound traditions, he was not afraid of the new and unexplored. He restored power to the sinews of democracy by ruthlessly exterminating debilitating dogmas disguised as honored traditions. His career which culminated with his great commandership during the second bitter war is and will remain a model for democratic leadership.

But it is a mistake to think of Roosevelt only as a wartime commander. His great ability as a democratic leader was demonstrated during his many years as President before we were forced to go to war. As a peacetime leader he also brought renewed democratic faith to a people that had become cynical and disillusioned. It is not necessary to describe at length the economic crisis that faced this country and the world in 1932. We all remember the farmers whose lands were sold for taxes and the many idle industrial workers, desperately looking for jobs. We all remember the financial ruin, general chaos, despair, and apathy that paralyzed our economy. But Franklin Delano Roosevelt did not despair. He had faith in democracy and faith in our people and faith in our country. Even before he became President in 1932 he felt deeply the seriousness of the times and the need for calling on the people to regain its democratic strength and to work cooperatively for a better America. He addressed the following important words to all of us: "These unhappy times call for the building of plans that rest upon the forgotten, the unorganized, but the indispensable units of economic power, for plans like these of 1917 that build from the bottom up and not from the top down, that put their faith once more in the forgotten men at the bottom of the economic pyramid.

Later events proved that these words were not mere empty phrases. For when Roosevelt became President, reform followed with the speed of lightning. The natural resources of our richly endowed country which had been slowly but surely turning into a wasteland were made to serve the people. Many of the people who had been forced into idleness against their wishes, but who were capable of doing useful work, were employed at a living wage to save our forests, to improve our parks, to build roads and streets, and to make available much needed recreation centers. Great dams were built to harness the power of our streams. New industries and thousands of new homes sprang into being. Parts of our country that for a long time had known nothing but want and degradation were thus transformed into healthy and happy communities. Roosevelt's vision to build from the bottom up was becoming a reality.

His administration made the people's bank savings secure. New laws were enacted to curb business practices that had resulted in fleecing many for the advantage of a few. The distressed owners of mortgaged farms and city dwellings were given a chance to keep their homes. These things, too, are what Roosevelt meant when he had spoken about the forgotten man and about building from the bottom up.

Roosevelt and his administration worked for and made substantial progress toward social security for all the people. Not only did unemployment actually diminish, but a higher standard of living for the many was provided, and unemployment compensation and old-age pensions became a reality, not merely a bait for use by unscrupulous demagogues. Roosevelt sought to strengthen business by protecting it against speculation, monopoly, and fraud, and by increasing consumer purchasing power. He worked, campaigned, and fought so that farmers and workers in industry might get a fair share of the gains of strengthened business. That, also, is what Roosevelt meant by building from the bottom up.

Of course, a good deal of the legislation he recommended was experimentation. For while the Government had been used before to help some people it had never before been used to such an extent as an instrument of economic control for the benefit of so many people. And, of course, as with all experimentation, there were mistakes. But even the mistakes that were made taught lessons for the future and provided an intelligent and workable approach toward achievement of a better society. For the proof of this, one need only study the later Presidential campaigns and see that even those political parties that opposed Roosevelt began to accept many of the innovations that were once called radical and revolutionary. And today most of those innovations are accepted as essential parts of our governmental program.

All these changes did not come about without vigorous opposition. The opposition was composed in part of those who were seeking selfishly to maintain unfair practices under which they had greatly prospered and by those who innocently clung blindly to old ways merely because they were old. That opposition was fierce indeed. But Roosevelt was willing to face that opposition because he believed his program was right and his faith in the people led him to believe that they too believed in building this Nation's prosperity from the bottom up. In this struggle he proved a skillful political craftsman. He has been frequently attacked for that, but those who believe in democracy must accept as a part of it, in a Nation such as ours, all the fair political activities essential to the achievement of concrete and constructive action. Roosevelt's great political craftsmanship simply meant that he used the instruments of democracy for the purposes of democracy—the good of all.

The internal and international problems of today are of a kind that can be far more serious than the difficult problems that existed in 1932. For these problems are not only world-wide in scope but there is also an air of finality about them, because of the pervading threat of the atomic bomb. Today, Roosevelt would probably have faced these problems as he did all others, with the idea and purpose of building anew in the midst of chaos, and building as always from the bottom up. But Roosevelt is no longer with us. He is no longer here to gather together all of those who are devoted to the ideal of a government that works directly for the benefit of all, rather than a government that bestows special favors on a few in the hope that the few will then divide their favors with the many. Yet you who believed, and still believe, in his philosophy are still among the living. That philosophy cannot remain a living force unless you people who believe in it fight for it. What does it mean to build anew today? Roosevelt showed that building anew means experimentation. His philosophy in this respect was one which many great men have believed in throughout the ages: The old should not be abandoned merely because it is old, but age alone should not bar the adoption of new and better methods. Roosevelt deplored the state of mind that refuses to face the possibility of new devices, of different ways of doing things, that refuses to discuss them, that refuses to think in their terms. Our people have had the great privilege of living in a democracy for over a hundred and fifty years. Democracy and government by and for the people means immediate and quick response to the people's needs, means expression and communication of new ideas and new thoughts, means experimentation in carrying out, in putting into effect, many new ideas and new thoughts. Roosevelt believed in that kind of democracy. He would believe in that kind of democracy today. He believed in the democratic method of bringing people of like minds together to accomplish common objectives. You who are heirs of Roosevelt's philosophy, and on whose shoulders it has fallen to face the serious times ahead without his leadership in person, can follow his spirit.

To bring about peace and cooperation among the nations Roosevelt proposed that we abandon our old policy of isolation and adopt the United Nations Organization. Today there are already many who say that we should not advance one step beyond the United Nations Organization as it now stands. Even if that were true, I am sure Roosevelt did not think of it as being the last possible word. He proposed the United Nations Organization as something we must try to make work. If it should not work, or if there is a sign that it might not work, we must help to change it or change the organization of nations. In other words, when we face the task of building anew, we must not fear the possibility of making the United Nations Organization strong enough to preserve the peace of the world.

Too many of us who comment today on world affairs are tempted to comment on them in terms of the old traditional logic of international relations. This leads to analyzing everything in terms of power politics.

All problems are thus seen in terms of problems of the interest of Russia, as against the interests of Great Britain and the United States; the interests of the United States as against those of Russia and Britain; or the interests of Britain against those of the United States and Russia. World peace is envisioned as wholly dependent on some compromise of these various power interests. That may be the road toward world peace, but it has not led there in the past. You who want to follow Roosevelt's aims must consider possible alternatives. You must consider the possibility of building economies for the benefit of the starving people of the world. It becomes important for you to ask yourselves the question whether building anew from the bottom up means building the economy of India for the Indian people, the economy of China for the Chinese, the economy of Iran for the Iranians, of Poland for the Poles, and integrating the economies of all countries for the good of all the people of all the countries of the world. Perhaps we should discuss as a real possibility the giving up of power politics on the part of all nations.

Those who follow Roosevelt's policies must remember that with reference to international affairs his underlying philosophy was hatred of war and love of peace. In domestic affairs Roosevelt carried out his belief in the fullest governmental protection of the weak from exploitation by the strong and powerful. As he put it: "America calls for government with a soul." Roosevelt became a war leader, not because he liked it, but because it was the only chance, indeed it was the last possible chance, of saving our democratic way of life. His own words were: "The true goal we seek is far above and beyond the ugly field of battle. When we resort to force, as now we must, we are determined that this force shall be directed toward ultimate good as well as against immediate evil. We Americans are not destroyers; we are builders * * *." This was his good neighbor policy which he hoped would replace the old power-politics big-bully policy. This policy means extension of a friendly hand to all people and all nations that love and want peace. And real friendship means that we can live together and face common problems together with those whose economic systems differ from ours. Roosevelt discarded and disavowed the dangerous belief that all nations that produce and distribute goods in ways different from ours are our natural enemies. To promote peace, he recognized Russia despite the outraged clamor of a vociferous minority. The friendship that thus began proved to be the key to our victory over Nazi greed and cruelty which threatened the peace of mankind. Continuation of this policy of friendship for Russia and all other peaceloving nations, should, and I am sure will, turn out to be the key to lasting peace. Again a vociferous minority is opposed. We must not let it succeed.

All of those, however, who believe that Roosevelt's humanitarian philosophy would make the United States a better Nation, and the world a better world, the small group gathered here and all forward-thinking people everywhere, would do well to reflect very often on what Roosevelt himself once said: "For all these things we have just begun to fight."

BLACK-OUT OF NEWS IN EASTERN EUROPE—ARTICLE BY MARK ETHRIDGE

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an article entitled "The Black-out of News in Eastern Europe," written by Mark Ethridge, and published in the New York Times magazine of Sunday, April 14, 1946, which appears in the Appendix.]

THE BRITISH LOAN—EDITORIAL FROM THE NEW YORK TIMES

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an editorial entitled "The British Loan," published in the New York Times of April 18, 1946, which appears in the Appendix.]

THE BRITISH LOAN—ARTICLE FROM THE NORTH PLATTE (NEBR.) TELEGRAPH

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an article relating to the proposed British loan, published in the North Platte (Nebr.) Telegraph on February 28, 1946, which appears in the Appendix.]

POLAND, THE VICTIM OF APPEASEMENT—ADDRESS BY CHARLES ROZMAREK

[Mr. WALSH asked and obtained leave to have printed in the RECORD a radio address entitled "Poland, the Victim of Appeasement," delivered on March 24, 1946, by Charles Rozmarek, president of the Polish-American Congress and president of the Polish National Alliance, which appears in the Appendix.]

JACKSON DAY ADDRESS BY OSCAR R. EWING

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a Jackson Day address delivered by Hon. Oscar R. Ewing, vice chairman of the Democratic National Committee, at Sioux Falls, S. Dak., March 23, 1946, which appears in the Appendix.]

"VENGEANCE IS MINE, SAITH THE LORD"—ADDRESS BY GEORGE B. WOOD

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an address entitled "Vengeance Is Mine, Saith the Lord," delivered on April 4, 1946, by the Reverend George B. Wood, rector of Christ Episcopal Church, in Austin, Minn., which appears in the Appendix.]

STATUS OF THE SHIPPERS' CONFERENCE OF GREATER NEW YORK—LETTER FROM G. E. MACE

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD a letter dated April 15, 1946, addressed to him by G. E. Mace, first vice chairman of the Shipper's Conference of Greater New York, which appears in the Appendix.]

STATUS OF COMMERCE AND INDUSTRY ASSOCIATION OF NEW YORK—LETTER FROM THOMAS J. MILEY

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD a letter under date of April 10, 1946, addressed to him by Thomas J. Miley, secretary of the Commerce and Industry Association of New York, which appears in the Appendix.]

POTASH AND OTHER FERTILIZERS IN FOOD PRODUCTION IN WISCONSIN—STATEMENT OF EMIL TRUOG

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD a letter from Emil Truog, chairman of the department of soils, University of Wisconsin, and a statement by Mr. Truog entitled "Fertilizers, Particularly Potash, in Relation to Food Production in Wisconsin," which appear in the Appendix.]

DRAFTING OF COLLEGE STUDENTS—EDITORIAL FROM CLEMSON COLLEGE TIGER

[Mr. JOHNSTON of South Carolina asked and obtained leave to have printed in the RECORD an editorial entitled "The Draft—A Crisis," published in the Tiger, student newspaper of Clemson Agricultural and Mechanical College, Clemson, S. C., which appears in the Appendix.]

ST. LAWRENCE SEAWAY—EDITORIAL FROM YOUNGSTOWN (OHIO) VINDICATOR

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "Seaway Would Help All United States," published in the Youngstown (Ohio) Vindicator of March 5, 1946, which appears in the Appendix.]

ST. LAWRENCE SEAWAY—EDITORIAL FROM DETROIT NEWS

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "Answer to Mr. Hood," published in the Detroit News of March 3, 1946, which appears in the Appendix.]

PROPOSED LOAN TO GREAT BRITAIN

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

Mr. BARKLEY. Mr. President, I suggest the abence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	O'Mahoney
Andrews	Guffey	Overton
Austin	Gurney	Pepper
Ball	Hart	Reed
Bankhead	Hawkes	Revercomb
Barkley	Hayden	Robertson
Bilbo	Hoey	Saltonstall
Brewster	Huffman	Shipstead
Bridges	Johnson, Colo.	Smith
Briggs	Johnston, S. C.	Stanfill
Brooks	Kilgore	Stewart
Buck	Knowland	Taft
Bushfield	La Follette	Taylor
Butler	Langer	Thomas, Okla.
Byrd	Lucas	Thomas, Utah
Capehart	McCarran	Tobey
Capper	McClellan	Tunnell
Carville	McFarland	Vandenberg
Connally	McKellar	Wagner
Cordon	McMahon	Walsh
Donnell	Magnuson	Wheeler
Downey	Maybank	Wherry
Eastland	Millikin	White
Ellender	Mitchell	Wiley
Ferguson	Morse	Wilson
Fulbright	Murdock	Young
Gerry	Murray	
Gossett	O'Daniel	

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Georgia [Mr. GEORGE] and the Senator from New Mexico [Mr. HATCH] are absent by leave of the Senate.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Alabama [Mr. HILL], the Senator from New York [Mr. MEAD], the Senator from Pennsylvania [Mr. MYERS], the Senators from Maryland [Mr. RADCLIFFE and Mr. TYDINGS], and the Senator from Georgia [Mr. RUSSELL] are detained on public business.

Mr. WHERRY. The Senator from Oklahoma [Mr. MOORE] and the Senator from Indiana [Mr. WILLIS] are absent by leave of the Senate.

The Senator from New Hampshire [Mr. TOBEY] is absent because of a death in his family.

The Senator from Iowa [Mr. HICKENLOOPER] is necessarily absent.

The PRESIDENT pro tempore. Eighty-two Senators having answered to their names, a quorum is present.

Mr. STANFILL. Mr. President, any person who opposes the British loan is characterized by the New Deal press as a hater of Great Britain; he is accused of being an Anglophobe, an old guarder, a standpatter, an America-Firster, an isolationist, a man without vision who wants to draw the curtain around America and live and act for America alone. The New Deal press, and their propagandists, including the alleged newspaper columnists, throw mud and dirt and slime at any man who has honest convictions which do not happen to coincide exactly with their viewpoints, or their line of propaganda. Then there are the commentators on the radio who vent their poisonous spleen at any legislator who makes a statement or casts a vote against the views and propaganda as expressed by them over the radio networks.

As an illustration of this, in an article which appeared in the Wall Street Journal, November 13, 1945, entitled "Ballyhoo for Britain," it was said:

> The American public is expected to drop its opposition to the loan for Britain between now and the turn of the year. It won't happen by accident. Five top Government agencies are mobilizing their opinion-manufacturing machinery for a campaign which will start soon and which officials say will be running at full tilt by December when Members of Congress will be home listening to constituents. * * * Some of it will be a bit obscure; the Government aims to help in preparation of many a magazine article, Sunday newspaper feature, and privately sponsored radio programs plugging for this loan. A great many activities will be entirely behind the scenes. Plans are afoot for off-the-record sessions in Washington and other cities from coast to coast, in which officials will indoctrinate businessmen, club women, labor, and farm leaders and representatives of literally hundreds of organizations—all carefully chosen for maximum influence on public thinking. Religious leaders, both ministers and laymen, will be among those welcomed to Washington for education, officials say, much as during the campaign to sell the Bretton Woods monetary plan.

One of our esteemed colleagues, the junior Senator from Arkansas [Mr. FULBRIGHT], in a speech delivered at the University of Chicago on February 19, and reprinted in the Appendix of the RECORD on March 12, said:

> The legislator is an indispensible guardian of our freedom. * * * If there is one characteristic of Members of Congress it is sincerity. With few exceptions they are deeply concerned over reaching the correct conclusions on every controversial issue. They go through agonies of mental torture in their effort to reconcile the interests of their constituents with the demands of their fellow Members and their conception of the national welfare. The average citizen sees the issue from the standpoint of his own business, his own community and his own private prejudices. He has not heard the other side. * * * He cannot understand why his representative hesitates and compromises with his colleagues.

But it seems to me that the people at home are much more generous, after all, in their thinking than are the wolves of the propaganda machines. To them there is always only one side.

I have, I confess, had more trouble, have suffered more mental torture, and have changed my thinking on the issue of the British loan more than on any other issue which has confronted me in the whole of my life.

Many things have worried me about this proposed loan, only a few of which I shall enumerate. The question is asked: If I were the lender, would I agree personally to make this loan in view of the record? Probably no banker would make it. Let us see what the record shows. Who is already England's largest creditor? Of course it is the United States. How does our ledger stand and what does it show? It has been shown over and over again that as a result of World War I we extended to England a credit of $6,000,000,000. She has not paid it back; in fact, she has paid only about 6 cents on the dollar and repudiated the remainder, and we have not been able to collect 1 cent of that money since that time.

In the progress of World War II, and even before we became involved in that holocaust, we began advancing more credit to England. Was it a loan? It was not called that, but we considered it a loan. Mr. Roosevelt coined one of his ingenious phrases and instead of calling it a loan or a credit to England he said it was "lend-lease." What did we understand by the term "lend-lease"? The American people undoubtedly took the President at his word in his own definition or explanation of this catchy phrase. In a message to Congress relating to lend-lease he said, "For what we send abroad we shall be repaid within a reasonable time following the close of hostilities in similar materials or at our option in other goods of many kinds, which they can produce and which we need."

"The close of hostilities" about which he spoke has come about. Is there any thought that any of this "lend-lease" which was to be repaid "within a reasonable time following the close of hostilities" will ever be repaid. Every school child in America knows the answer to that question.

We are told that we have furnished to Great Britain $25,000,000,000 or more by way of lend-lease, for which we are again now told we will collect about 3 cents on the dollar, to be paid, however, over a number of year running into 2000 A. D. This is not being repaid within a reasonable time or "in similar materials or at our option in other goods of many kinds which they can produce and which we need," to use the words of President Roosevelt. In addition to all this, we have carried the burden of the Pacific War with but very little help from England, and have thus recovered for England a vast empire which she had actually lost and which she never could have regained.

Even the British in Parliament say that they cannot repay this loan. As a Nation we are abused by the British for not making this a gift outright instead of calling it a loan. No mention is made by them of the fact that we have forgotten and written off the loan of the First World War, and have forgiven the $25,000,000,000 of lend-lease which we were so glibly promised would be repaid to us. In both cases we furnished them what was infinitely more important than money. We furnished as a part of lend-lease, at least, iron, oil, food, timber, clothing, copper, nickel—indeed, all the precious commodities which are the true foundation of our national wealth and well-being and prosperity. Most of these things cannot be replaced save by purchasing them from other countries, and thus our resources are gone forever.

Only last summer Sydney Campbell, financial editor of Reuters was quoted as saying:

> One thing should be made clear about the present discussions in the United States about a loan of three to five billion dollars to Britain. Britain would almost certainly refuse any such loan, however big it might be or however low the interest. They are rather mystified as to why Americans trouble to discuss the matter. A grant in aid would, of course, be accepted.

Lord Keynes was quoted in the press at about the same time as saying:

> No doubt an easy course would be for you to offer and for us to put our name to a substantial loan, on more or less commercial terms, without either party to the transaction troubling to pay too much attention to the likelihood of our being able to fulfill the obligations which we are undertaking.

The same Lord Keynes, in explaining to the House of Lords why this loan had to be accepted instead of an out-and-out grant or gift said:

> The American Congress and the American people have never accepted any literal principle of equal sacrifice, financial or otherwise, between all of the Allied participants.

I doubt if we can convince our American boys who stormed the Normandy beachheads that we did not equally sacrifice, especially when we remember that from the very first Mr. Churchill insisted the we must participate in that invasion on the basis of 70 Americans to 30 men of the British Empire, and carried this point all the way through until we did use 70 American boys to every 30 British troops in this whole invasion. Then, too, this loan carries a rate of less than 2 percent interest, when we charge the veterans who stormed the Normandy beachheads and invaded the fortress of Europe, over the protests of Churchill and the English Government, as well as the boys who did the fighting in the foxholes in the Pacific in order to restore the vast empire to the British, an interest rate of 4 percent on their loans. If we make this loan we should reduce our veterans interest rate to the same rate we charge Great Britain.

I quote from the text of former Ambassador Kennedy's reply to the New York Times inquiry on this subject:

> Of necessity, I heartily favor financial aid for the United Kingdom by the Government of the United States. The question is not whether the British have a right to demand this aid. They have not. But it is to our enlightened self-interest to grant it.
>
> After all, Britain is our best customer in foreign trade; the British people and their way of life form the last barrier in Europe

against communism; and we must help them to hold that line.

I agree, it is true, with virtually everything said by those in both countries who oppose a British loan as formulated by the United States Government. The United Kingdom fought from 1939 to 1942 to save its own skin, and to this commendable singleness of purposes—the following public words from Mr. Churchill offer adequate testimony, if any were needed: "During those years I was working, hoping, praying night and day that the United States would enter the war."

So we owe the British nothing on that basis.

Many other arguments are made against the advisability of the loan. As heretofore stated, I have suffered much mental torture regarding this loan. Each time in summarizing in my own mind the arguments against it, only a few of which I have enumerated, my mind and conscience tell me that the only two democracies in the world had better stand together and help and support each other in the face of the chaotic conditions now existing on the earth. I do not want any military alliance with Great Britain; nor do we, in fact, need one. We both speak the same language; we are both democracies in this world which has been torn apart and almost destroyed by the devastation of the latest World War. We do, I believe, have an understanding of each others' problems; and we in America believe that England is one country that will never wage war against us, and we, likewise, know we will never wage war against England. This one outstanding virtue, common to our two countries, makes one stop and rethink, reanalyze, and reconsider the arguments for and against the proposed loan. If this world is to be saved from utter destruction it must be saved by our two nations. Thinking these things over again and again, and realizing that in this atomic age we may not have any other real friend, I find myself coming back to the question. If Great Britain really needs this loan, would it or not be the course of wisdom for us to make the loan even though we may fear it will never be repaid?

The question then arises, Why do Churchill and the opposition, and why do Lord Keynes and so many others among the English people object to the loan? Why do they take the attitude that we are trying to compel them to take the loan? Perhaps the answer may well be that England realizes that when the full terms of the agreement are met she will lose much of her world trade to us.

I have, carefully as I could, studied the arguments made for the loan. I do not mean to imply by what I have said or may say that we should buy favor from Great Britain or any other country.

Is this loan necessary to enable Great Britain to maintain economic trade relations with us or with other countries of the world? Or is it incumbent upon us to make the loan in order to participate in world trade? She has been forced to block her credits due to other countries, or to freeze them, so that they cannot be converted into dollars with which to buy American goods. It is said that there is more than $13,000,000,000 in London banks belonging to other countries which can be used by the other countries to buy goods only where the seller accepts sterling; and England has been forced, it is claimed, to refuse to allow it to be converted into dollars. Consequently America cannot sell its goods to those countries. For instance, Australia cannot buy American cotton, because our growers will not or cannot accept sterling, but she can buy Egyptian cotton and pay for it in sterling. Many similar instances could be cited. In practice this means that countries of the sterling area cannot use the sterling they receive for their exports to buy American goods. In short, while trade among the sterling-area countries continues unaffected by these currency restrictions, the trade of all the sterling-area countries with the United States is subject to the will of Britain. The sterling area now includes all the countries of the British Empire except Canada and a number of other countries, mainly in the Middle East. Those countries do their business with England and keep their monetary reserves in the form of sterling in London.

Before the war sterling could be used by those countries to buy goods in the United States, because sterling was freely convertible into dollars. But during the war the sterling area took on some new features. Because England did not have enough gold dollars, she could no longer permit sterling to be sold freely, and was forced by economic conditions to make sterling inconvertible. This really amounted to freezing sterling. This simply means that all the sterling area countries have to trade with England; their credits are in sterling and cannot be converted to dollars, and therefore they cannot buy our products. We must, therefore, change the system. Either we shall have prosperity-producing world trade or we shall have economic blocks, which will sow the seeds of another world war.

The countries that have close trade and currency relations with Britain are a major factor in world trade. Together they account for 55 percent of world imports and nearly 50 percent of world exports. Clearly, what such a group does with respect to currency and trade policy must be a major factor in the world economy.

Our own trade relations with this group thus far have been very close. Nearly half of our total exports and imports in the years 1936–38 went to the countries of the sterling area and to the payment agreements countries. Omitting Germany and Japan, 56 percent of our trade was with those countries.

Our whole program for maintaining high levels of production, employment, and national income would be seriously affected. In six commodity groups, constituting more than 80 percent of all United States exports in 1937, these countries were our indispensable buyers. Of our metal machinery and vehicle exports, they took 47 percent; of our leaf tobacco exports, they took 88 percent; of our meat, grain, and other food exports, they took 59 percent; of our raw cotton exports, they took 49 percent; of our petroleum and related exports, they took 46 percent; and of our wood and paper exports, they took 47 percent.

In brief, here is what we gain by the financial agreement, according to our Treasury Department:

First. Exports of goods and services from the United States to England will be paid for in dollars, or if they are paid in pounds, the sterling can be converted into dollars. This is particularly important to the American companies which in the past have experienced considerable difficulty in getting their earnings out of England. They will now be able to get dollars. That means, for all practical purposes, that American businessmen can be just as sure of payment for their current claims in England as they were before the war

Second. Within a year, unless in exceptional cases the United States agrees to a later date, England will make all sterling arising from current trade convertible. England will thus return to the free use of sterling in international trade that she permitted before the war. For example, if Mexico and Egypt export goods to England, they will be able to use the money they get to buy goods in any country. That means they could convert the sterling into dollars and buy goods in the United States.

Third. Within a year, unless in exceptional cases the United States agrees to a later date, England will dissolve the sterling area dollar pool. Each country in the sterling area will again have complete freedom to use its dollars as it wishes. For example, the money India gets for its exports to the United States and Latin America could be spent here without getting an allocation of dollars from England. That means India could use the dollars she gets to buy American machinery, instead of being forced to buy English machinery.

Fourth. The blocked sterling balances will be settled by England and the countries concerned. All payments on these balances now or later will be free for making purchases in any country, including the United States. This large debt will not be used to exclude American products from the stering area, or to put our exporters at a disadvantage in competition with British exporters. England will not force the countries holding $13,000,000,000 in blocked sterling to buy British instead of American goods.

Fifth. England's import controls will be administered in a manner which does not discriminate against American products. If England finds it necessary to impose a quantitative limitation on her imports, this will be applied on an equal basis toward all countries. That means England will not keep out American cotton and tobacco, grains and meats, fruits and nuts, or any of our industrial products, in order to buy similar commodities in other countries.

Sixth. Within a year, unless in exceptional cases the United States agrees to a later date, England will impose no restrictions on payments and transfers for ordinary current transactions. In effect, all of the countries that have payment agreements with England will be per-

mitted to use the proceeds of their sales to England, if they wish to buy goods in other countries. They will be allowed to use the sterling they acquire in this way to buy American products on the same basis as they are able to buy British products.

In addition, England has agreed that she will support the American proposal for an international trade organization to reduce trade barriers and eliminate trade discriminations. Thus England gives wholehearted support to our policy of expanded trade, with all countries having access to world markets on fair and equal terms. The adoption of the proposed fair trade practices will complete our program for international economic cooperation. England's support of our proposal assures the success of the United Nations trade conference to be held later this year.

It is claimed that this loan is not a precedent and we are assured no other loans will be made to other countries. We were also assured that the loans to Great Britain during and following World War I would be paid, but this assurance was not carried out. We were assured that lend-lease to Great Britain would be repaid, but this glib promise and assurance was not carried out. So it is my judgment that we cannot rely on these assurances, but we must judge each loan on its own merits.

None of the arguments advanced by the proponents of the loan, excepting the one I shall now mention, are sufficient to convince me that we should further burden our own taxpayers and bondholders with this loan. It is said that this loan is an investment in peace and prosperity. If that is sound, if it is true, I shall vote for the loan.

We have spent probably more than $200,000,000,000 in a war we were told would save civilization; and the question now uppermost with me is whether we had better make this loan, even if it should never be repaid, and though we can ill-afford to do it and though we thereby further burden our living taxpayers and their children's children with this debt, in order to maintain the balance of world trade and world salvation, lest otherwise the British people actually be driven into the arms of communism.

There is much force to all of the arguments made against the loan. But they have to be weighed against the fact that, without this loan, the British economy will collapse, or, if it survives, it will be as a result of economic conflict destructive of our own best interests.

The loan is conditioned on the abandonment by Britain of restrictive trade practices and the adoption of policies designed to encourage a freer and wider international exchange of goods. It is obvious, of course, that even with approval of the loan, these hoped-for improvements in international economic conditions may not be realized. But the alternative is equally obvious, namely, that without the loan, there can be no hope at all of creating the conditions under which the nations of the world can do business profitably and peacefully with one another.

Now, in its consideration of the agreement, Congress has come to the point where it must choose between these alternatives.

The loan is supported by the United States Associates of the International Chamber of Commerce. The membership of the United States Associates includes individual business concerns and such important national business organizations as the National Foreign Trade Council, the National Association of Manufacturers, the American Bankers Association, and the United States Chamber of Commerce.

Mr. STEWART. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. (Mr. GOSSETT in the chair). Does the Senator from Kentucky yield to the Senator from Tennessee?

Mr. STANFILL. I yield.

Mr. STEWART. The Senator has been reading a list of names of those who are supporting the proposed loan. All that have been read so far are exporters; are they not?

Mr. STANFILL. No; I do not think so. The American Bankers Association are not exporters.

Mr. STEWART. They are about the largest exporters we have, as I understand.

Mr. STANFILL. There may be a difference in our point of view about that.

Mr. STEWART. Perhaps, the difference is in what are considered to be exports.

Does the Senator know what Mr. Jesse Jones would say about the proposed loan?

Mr. STANFILL. Yes; Mr. Jesse Jones would say, I think, that we should not make the loan.

Mr. STEWART. He was not called to testify, though; was he?

Mr. STANFILL. I do not know; I am not a member of the committee.

Mr. STEWART. Does the Senator know what Mr. Bernard Baruch would say about it?

Mr. STANFILL. All I know is that I have seen in the press statements to the effect that Mr. Bernard Baruch says he would not make the loan.

Mr. STEWART. He has not been called to testify, either; has he?

Mr. STANFILL. I do not know; I am not a member of the committee.

Mr. STEWART. Does the Senator know what Mr. Leo T. Crowley, formerly a director of the Export-Import Bank, would say about it?

Mr. STANFILL. I do not know.

Mr. STEWART. He did not testify, either; did he?

Mr. STANFILL. I do not know.

Mr. STEWART. These men are all outstanding financiers, and are so considered; are they not?

Mr. STANFILL. They are so considered, and I think they are.

Mr. STEWART. Does the Senator know of any other man in international finance of the standing of Mr. Jesse Jones?

Mr. STANFILL. A statement with reference to Mr. Jesse Jones might be a matter of opinion. I do not care to express myself in that regard.

Mr. STEWART. If the Senator knows of someone whose opinion he values more highly than that of Mr. Jones, I should like to know about him.

Mr. STANFILL. I am not prepared to enter into such a discussion.

Mr. President, I have mentioned the fact that the various organizations to which I have referred belonged to the International Chamber of Commerce, because I wished to read a statement of the executive committee of that organization, as follows:

> The extension of the line of credit on the terms and conditions proposed would be a major step in the restoration of world commerce and toward the elimination of state direction and control. The forces of private enterprise throughout the entire world would be strengthened.

Mr. President, to the timorous who fear that the loan would only be a means of financing nationalization of the British economy, the committee observed:

> Foreign governments do not need dollars to nationalize their industries, British properties to be transferred from private hands to public ownership will be paid for in pounds sterling, not in foreign currencies. In fact, without the credit, further governmental control and direction of foreign trade is inevitable, and the pressures for increased government operation of key domestic industries would become more insistent. The true purpose and effect of the loan is to arrest the trend toward nationalization.

This proposed financial arrangement would be an investment in world peace and world prosperity. If the executive department is correct in its statement that the loan will be repaid, the burden will be made easier for the taxpayers who come after we are gone. None of us now in the Senate of the United States will live to see or know whether it will all be repaid according to the terms of the agreement; but I believe American business will reap rich dividends through its access to world markets on a fair and equal basis.

No one will say that we can now in this modern day go backward in our thinking. Modern science and ingenuity have truly made this one world, and that can be as truly said of our economic and business and trade relations as it is said of our social and political relations. We cannot turn back the clock; neither can we turn back our thinking. Every section of America and every sector of our economy depends in part on world trade.

It is claimed that the financial agreement upon which the proposed loan is based will open the markets of England, of all the countries of the British Empire, and of the sterling area or bloc to our people. That will mean more exports for our farmers and manufacturers, more jobs for our workers, greater profits for business, and a higher income for all our people.

We live in a world which is growing more interdependent economically as well as politically, and it is the great hope of the people of this Nation that we can build the kind of world that our hearts and minds desire.

Our divine destiny will never be fulfilled while there is war and want on this earth. We cannot survive another atomic war; neither can we survive an economic war which will plunge us into another depression. Our own well-being, in an economic sense, depends on the well-being of the other countries and the other peoples of this world. We must have faith—faith in England, faith in humanity, and, above all, faith in ourselves and in our own divine destiny bravely and boldly to set a course which will mold the destiny of the world for many generations yet to come. That is why I shall vote for this loan.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

PROPOSED LOAN TO GREAT BRITAIN

Mr. LANGER. Mr. President, I have listened with a great deal of interest to the speech of the distinguished Senator from Kentucky. I am surprised that a Senator from an agricultural State would make a speech of the kind which the Senator has made, in view of the report of the National Resources Committee, a committee which was appointed by the late President of the United States, Franklin D. Roosevelt.

I have in my hand a copy of the report. It is entitled "Consumer Expenditures in the United States." It is one of the most interesting books which it has been my good fortune to read, and it was prepared with money appropriated by the Congress. The distinguished Senator from Kentucky said that we must approve the proposed loan because we need a great deal of trade. He has said that we will produce many articles for which we will not have any market, and therefore we must make the loan in order to provide a market. I ask the distinguished Senator whether he has examined the report of the committee appointed by the late President Roosevelt. The committee made a report on the 31st day of March 1939, only a short time before the outbreak of World War II. The report shows as of that date, March 31, 1939, the yearly income of 2,123,534 families. Mr. President, do you know how much income those individual families had for the entire year? They had $140.39. I repeat, Mr. President, $140.39. That sum represented the income upon which each of those families in the United States was required to live on the date of March 31, 1939.

I have the report here before me in case any Senator who is anxious to have the pending measure passed, wishes to look at it. I am glad the distinguished Senator from Kentucky is present because I know that among his constituents were some of the 4,587,377 families who were living on $387.45 a year. That is not the statement of the senior Senator from North Dakota, Mr. President, it is the statement of a committee which was appointed by the late President of the United States.

At the same time there were 5,876,078 families living on $873.29 a year each. I wish to repeat that statement Mr. President.

On that same day 4,990,995 families were living on an income of $1,119.08.

On the same day, Mr. President, there were 3,743,428 families living on $1,362.15 a year.

Mr. HAWKES. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. HAWKES. Do the figures which the Senator is giving apply to an entire family, or to each member of the family?

Mr. LANGER. Per family.

Mr. HAWKES. Will the Senator repeat those figures?

Mr. LANGER. The first figures which I gave were to the effect that 2,123,534 families were living on an income of $140.39 per family on March 31, 1939.

Mr. HAWKES. For the entire family?

Mr. LANGER. Yes.

Mr. HAWKES. In other words, if there were five persons in the family, those five persons were living on an income of $140.39 per annum?

Mr. LANGER. Yes.

Mr. HAWKES. How did they live?

Mr. LANGER. I am asking the junior Senator from Kentucky to answer the question. He wishes to give a great sum of money to Great Britain. I ask him how those families lived.

Mr. HAWKES. Does the Senator believe that the figures which he has quoted could be accurate? It is inconceivable to me that anyone could subsist on such an income as the Senator has stated.

Mr. LANGER. Here are the figures, and here is the report.

Mr. HAWKES. I would want to check the figures in the report. I would wish to have some agency which understood what it was doing check the report and make a report on its own account. It is inconceivable to me that a family of four or five persons could live on a hundred-and-some-odd dollars a year. It must seem so to the Senator from North Dakota. I know the United States from one end to the other, but I cannot conceive of families even surviving on such an income.

Mr. LANGER. Mr. President, to make it plain to the distinguished Senator from New Jersey, I am going to read just what the committee appointed by President Roosevelt said. The United States Government paid for this committee, and presumably they were fully advised, for they made a national investigation. Here is where I obtained the figures for these families. I read now from page 121 of the report on Consumer Expenditures in the United States:

> Expenditure data were collected in the Study of Consumer Purchases from nonrelief families living in the 51 cities, 140 villages, and 66 farm counties listed in section 2 of this appendix. The number of sample cases that were used in constructing the family patterns—
>
> Not individuals—
>
> presented in this report are summarized by income level and type of community in table 1B. This table also summarizes the sample data utilized for single individuals of each sex.
>
> Within each of the communities sampled in the Study of Consumer Purchases, the data were collected and recorded for families in each of five to seven family type groups and, in all except the farm units, were further subdivided into six occupational groups. In the southern communities sampled and in two of the North Central cities—New York City and Columbus, Ohio—separate tabulations of expenditure data were made for Negro as well as for white families, with the same subclassifications listed above. In southern farm units separate samples were obtained for both Negro and white operators and sharecroppers, with the further subclassification by family type.

I repeat this is a report made by a committee appointed by the President of the United States and paid for out of funds provided by Congress in 1937 or 1938.

I confess I was just as much shocked as was my distinguished friend, the Senator from New Jersey, when I first read it. It seemed unbelievable to me that 2,123,534 families on March 1, 1939, had only $140.39 a year to live on.

At the same time in the United States 1,254,076 families were living on an income of $2,367.58.

Of course, we also have the other side of the picture. We had at that time 5,387 families that had a yearly income of $184,804.90. They were the people on the top, Mr. President.

I ask unanimous consent, Mr. President, that this summarization prepared by Mr. Henry J. Sutton, compiled from table 13–C on page 189 of Consumers Expenditures in the United States, as submitted to the President by the National Resources Committee March 31, 1939, be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparative income distributions (1935–36)—a study—prepared by Henry J. Sutton

[Compiled from table 13C on p. 189 of Consumers Expenditures in the United States, as submitted to the President by the National Resources Committee, Mar. 31, 1939]

Income level groups	Consumer number	Units (percent)	Aggregate amount	Income (percent)	Average income			
					Yearly	Weekly	Daily	Hourly
Total, all groups	39,458,300	100.00	$59,258,628,000	100.00	$1,501.80	$28.88	$4.81	$0.60
$100,000 and over	5,387	.01	1,095,544,000	1.84	184,804.90	3,544.01	592.34	74.04
Leaving $50,000 to $100,000	39,452,913	99.99	58,163,084,000	98.16	1,474.24	28.35	4.72	.59
	13,041	.03	908,485,000	1.70	69,740.43	1,341.16	223.53	27.94
Leaving $40,000 to $50,000	39,439,872	99.96	57,254,599,000	96.46	1,451.69	27.91	4.65	.58
	8,340	.02	390,311,000	.66	46,801.08	900.02	150.00	18.75
Leaving $30,000 to $40,000	39,431,532	99.94	56,864,288,000	95.80	1,442.10	27.73	4.62	.58
	17,959	.04	641,272,000	1.08	35,707.36	686.68	114.45	14.31
Leaving $25,000 to $30,000	39,413,573	99.90	56,213,016,000	94.72	1,426.48	27.43	4.57	.57
	25,583	.06	720,268,000	1.21	28,154.16	541.43	90.24	11.28
Leaving $20,000 to $25,000	39,387,990	99.84	55,502,748,000	93.51	1,409.13	27.10	4.52	.57
	39,825	.10	889,114,000	1.50	22,300.44	428.85	71.49	8.94
Leaving $15,000 to $20,000	39,348,165	99.74	54,613,634,000	92.01	1,387.70	26.69	4.45	.56
	67,923	.17	1,174,574,000	1.98	17,297.15	332.64	55.44	6.93
Leaving $10,000 to $15,000	39,280,242	99.57	53,439,060,000	90.03	1,360.45	26.16	4.36	.55
	152,682	.39	1,746,925,000	2.94	11,442.24	220.05	36.69	4.59
Leaving $7,500 to $10,000	39,127,560	99.18	51,692,135,000	87.09	1,321.12	25.41	4.24	.53
	215,642	.54	1,847,820,000	3.11	8,573.57	164.88	27.48	3.44
Leaving $5,000 to $7,500	38,911,918	98.64	49,844,315,000	84.98	1,280.95	24.64	4.11	.51
	380,268	.96	2,244,406,000	3.70	5,902.20	113.52	18.92	2.37
Leaving $4,500 to $5,000	38,531,652	97.68	47,599,909,000	80.28	1,235.34	23.75	3.96	.50
	178,138	.45	841,766,000	1.42	4,725.87	90.88	15.15	1.89
Leaving $4,000 to $4,500	38,353,514	97.23	46,758,143,000	78.86	1,219.13	23.44	3.91	.49
	286,053	.77	1,202,826,000	2.02	4,204.91	80.84	13.44	1.68
Leaving $3,500 to $4,000	38,067,461	96.46	45,555,317,000	76.84	1,170.43	22.51	3.75	.47
	502,159	1.27	1,863,384,000	3.11	3,710.74	71.36	11.89	1.49
Leaving $3,000 to $3,500	37,565,302	95.19	43,691,933,000	73.73	1,163.09	22.37	3.73	.47
	851,919	2.41	2,735,487,000	4.61	3,210.97	60.58	10.10	1.26
Leaving $2,500 to $3,000	36,713,383	92.78	40,956,446,000	69.12	1,115.56	21.45	3.59	.45
	1,475,474	3.75	4,004,774,000	6.75	2,714.22	52.20	8.70	1.09
Leaving $2,250 to $2,500	35,237,909	89.04	36,951,672,000	62.37	1,040.12	20.00	3.33	.42
	1,254,076	3.18	2,968,932,000	5.01	2,367.58	45.53	7.59	.95
Leaving $2,000 to $2,250	33,983,833	85.56	33,982,740,000	57.36	999.97	19.23	3.21	.40
	1,704,535	4.32	3,602,861,000	6.08	2,113.07	40.65	6.78	.85
Leaving $1,750 to $2,000	32,279,298	81.54	30,379,879,000	51.28	941.15	18.10	3.02	.38
	2,296,022	5.82	4,214,203,000	7.11	1,835.43	35.30	5.88	.74
Leaving $1,500 to $1,750	29,983,276	75.98	26,165,676,000	44.17	869.78	16.72	2.79	.35
	2,889,904	7.32	4,660,793,000	7.87	1,616.24	31.25	5.21	.67
Leaving $1,250 to $1,500	27,093,372	68.66	21,504,883,000	36.30	793.73	15.26	2.54	.32
	3,743,428	9.49	5,109,112,000	8.62	1,362.15	26.20	4.32	.54
Leaving $1,000 to $1,250	23,349,944	59.18	16,395,771,000	27.68	701.79	13.50	2.30	.29
	4,990,995	12.65	5,589,111,000	9.43	1,119.08	21.52	3.59	.49
Leaving $750 to $1,000	18,358,949	46.53	10,806,660,000	18.25	588.14	11.31	1.89	.24
	5,876,078	14.89	5,129,506,000	8.66	873.29	16.79	2.80	.35
Leaving $500 to $750	12,482,871	31.64	5,677,154,000	9.59	454.96	8.86	1.48	.19
	5,771,960	14.62	3,615,653,000	6.11	626.42	12.05	2.01	.25
Leaving $250 to $500	6,710,911	17.01	2,061,501,000	3.48	307.29	5.91	.99	.13
	4,587,377	11.63	1,767,363,000	2.99	387.45	7.53	1.42	.18
Under $250	2,123,534	5.38	294,138,000	.50	140.39	2.70	.35	.04½

Mr. LANGER. Now Mr. President, it is proposed to lend $4,000,000,000 to Great Britain. In 1940 when World War II started the total income tax, made up of all the income taxes paid by everybody in the entire United States, was only $2,129,609,307, or approximately $2,000,000,000 if at that time under prewar conditions, we had doubled the income tax for every man, woman, and child in the United States, the revenue from that source would have just about taken care of this loan to England.

If the majority of the Senate wants to do it, that is their privilege, but I want everybody in the United States to know that so long as I am a Member of this body I shall never vote for a fantastic proposition of that kind. If in England people are hungry, if they are starving, I am perfectly willing to appropriate money to see that they are fed; I am perfectly willing to do that for any country on the face of this earth.

That, Mr. President, brings me to the meeting held in Constitution Hall night before last. It brings me to the report in the New York Times of yesterday morning by former President Hoover concerning conditions in Germany. I checked what the former President said. I found that the London Economist of August 28, 1945, one of the most brilliantly edited newspapers in the world, stated in its leading editorial:

> There is no other cure for the German sore on the body of Europe than to heal it.

There could not be a simpler or clearer expression of the convictions of the vast majority of the American people than this statement by British editors. The Economist concludes the same editorial with the following indictment:

> The conviction that the peace proposal at Potsdam is a thoroughly bad peace is not based on any sentimental softening toward Germany. It is based upon the belief that

the system proposed is unworkable. It offers no hope of ultimate German reconciliation. It offers little hope of the Allies maintaining its cumbrous controls beyond the first years of peace. Its methods of reparations reinforce autarchy in Russia and consummate the ruin not only of Germany but of Europe. Above all it has in it not a single constructive idea, not a single hopeful perspective for the postwar world. At the end of a mighty war to defeat Hitlerism the Allies are making a Hitlerian peace.

That is from the London Economist of August 28, 1945. Surely the London Economist is not a pro-Nazi newspaper.

But, Mr. President, there is an overwhelming mass of convincing evidence to demonstrate that, in spite of this basic conviction and attitude on the part of the vast majority of the American people toward Germany, that the only way to cure the German sore on the body of Europe is to heal it. Mr. Morgenthau now stands convicted before the conscience of the world as the instigator of a plan of systematic annihilation of the German-speaking peoples. The record further proves, beyond any question of a doubt, that these fanatical and reactionary high priests of hate and vengeance will never be able to defend their conspiracy before the bar of human reason or human decency.

At this very moment millions of our fellow beings including the aged, women and children, infants and children yet unborn, among the innocent and guilty alike, are suffering the tortures of the damned, not only because Mr. Morgenthau and his henchmen have so largely succeeded in putting their Hitlerian policies of extermination into effect but also because, with utmost contempt, they have ignored or obstructed every attempt to provide constructive alternatives to their un-American and un-Christian experiment in mass murder.

Mr. President, these are not empty or irresponsible charges on my part. The ghastly record of what has already transpired, so far as Mr. Morgenthau and his followers are concerned, is self-incriminating. Slowly but surely the accumulation of this record fits into a sinister pattern.

In the first place, Mr. Morgenthau has never spoken for the vast majority of American people. He has consistently and persistently ignored, suppressed, misinterpreted, and thwarted the basic concerns of the American people for the ultimate treatment of their former enemies. Mr. Morgenthau has displayed nothing but the utmost contempt for the warnings, the appeals, and the findings of America's military leaders, labor leaders, statesmen, and churchmen who have joined in an ever-rising chorus of bitter protest from every corner of this land.

It is interesting to note, Mr. President, although until former President Herbert Hoover reported on it the other day we saw little of it in the press, how German women and little infants, born and unborn, are being slowly starved to death in Germany under the Morgenthau plan.

Mr. President, the distinguished Senator from Kentucky [Mr. STANFILL] said a few moments ago that we have to make this loan because we have to take care of our trade. On this floor yesterday the statement was made time and time again that the real reason for making the loan was that we had to have trade with foreign countries, particularly England.

Mr. President, the most prosperous year the United States has had in all its history was 1929. I hold in my hand a Brookings Institution report. Surely, no matter how prejudiced any man may be in favor of this loan, there is not anyone within the sound of my voice, no Senator upon this floor, who would say that a Brookings Institution report is not reliable. What does the Brookings Institution report say? This was published in the World-Telegram of September 8, 1934, by the Associated Press:

WASHINGTON, September 7.—Despite evidences of overproduction in this country, the Brookings Institution reported today its studies showed the United States cannot yet produce "more than the American people would like to consume."

We do not need the trade with England, Mr. President. We are interested in feeding the millions of American families, constituting a large segment of our population, who in 1931 had an income of about $1,000 a year. They will take care of all the so-called surplus we used to hear so much about, and which, under the leadership of the Democratic Party, was not saved. The Democratic Party plowed under wheat, and plowed under cotton, and now, some of the leaders who used to sit in this Chamber quoting the Bible find that through their inefficiency and incompetency there is a great shortage. When they were in power they told us in North Dakota not to plant wheat, and they limited the number of acres a farmer could plant. I was Governor of my State and I campaigned in 12 States against that iniquitous, horrible doctrine preached by some of the great leaders of the opposition party on the other side of the aisle. But they kept on plowing under every third row of cotton, and keeping the farmer in the West from producing grain. We find the Brookings Institution at that very time saying that "the United States cannot yet produce more than the American people would like to consume."

I quote further from this news article:

The institution—

That is, the Brookings Institution—

an independent economic research agency, said the wants of the Nation are "large enough to absorb a productive output many times that achieved in the peak year 1929."

The Brookings Institution said that if we had planted every acre on which wheat could be raised in North Dakota and the Northwest, there would still have been an enormous shortage.

"The study indicates," the Brookings Institution added, "that even a relatively minor increase in family incomes would be sufficient to create a consumptive demand in excess of the potential productive capacity of the country in 1929."

I dare say that is correct, Mr. President, when more than 2,000,000 families were living on $140 a year. The Brookings Institution continued:

"We cannot materially shorten the working day and still produce the quantity of goods and services which the American people aspire to consume. The actual production of 1929 was accomplished on an industrial workweek which averaged close to 51 hours."

Mr. President, we pride ourselves upon a 40-hour week. At that time there was a 51-hour week.

"If, as has been suggested, the working week were to be shortened to 30 hours, with a view of absorbing all complete and partial unemployment, production would be greatly reduced below the 1929 level."

So, Mr. President, I maintain that this irrefutable statement answers the arguments made by my colleagues on the Democratic side who spoke in behalf of this loan. They said we had to make this loan in order to take care of our trade—our exports—7 percent and 11 percent. We all heard the figures—and heard them again this morning from the distinguished Senator from Kentucky—when the fact is, according to the Brookings Institution, that if we raised many times what we raised in 1929 we will still not be able to take care of the consumers of the United States of America.

Mr. President, there are millions of people who could not afford to buy an automobile in 1939. There were millions of people who on $140 a year could not afford a radio, could not afford a washing machine, could not afford innumerable things, and I say they comprised nearly a third of our population, according to the committee appointed by President Roosevelt himself, who, on an income of $1,040 a year, were struggling along, and, of course, on that kind of an income they could not buy automobiles.

Mr. President, I am interested in knowing how many of these poor families will, a year from now or 2 years or 3 years or 4 years from now, be the families of our war veterans, some of whom are sitting in the Senate galleries today. Those boys who went all out and offered the sacrifice of their own lives in behalf of their country when they come back home cannot even get a decent loan.

As long as I live, Mr. President, I shall be proud of one act of mine in this body, and that is that immediately after war was declared I rose on this floor and said that the pay of the private soldier should be at least $100 a month. Yet when we came to vote on the question, the former distinguished Senator from Missouri, Bennett Champ Clark, one of the organizers of, and former national commander of the American Legion, was the only one who supported me in the position I took at that particular time. It is rather good to go back over the record once in a while, Mr. President. That is why I am interested in what is taking place in Iran and Iraq, as well as in Korea, about which the distinguished Senator from Oregon [Mr. MORSE] so eloquently spoke a few moments ago. It is interesting to note that the money we appropriated for lend-lease bought planes which are flying over Java, killing some of the poor people there who were working for 7 cents a day. It is interesting to note that the people of India, who are being kept in subjugation, receive an average income of only about $18 a year.

Mr. President, from 1942 on, Mr. Morgenthau has deliberately refused to cooperate with, or even to respect real American public opinion. Beginning with 1942, a bitter rivalry developed between Mr. Morgenthau and Mr. Stimson and Mr. Hull and their supporters in the Treasury, War, and State Departments, respectively, concerning our American objectives in Germany.

In 1943 a group of American representatives joined with representatives of the British Government on the basis of a rational and decent approach to the German problem—so here now we have Americans and Britons working together, Mr. President—which promised the development of a real policy of reconciliation and reconversion of the German nation to democratic ways. Yet, the creative solution offered by this joint group who lived and worked together over these problems for nearly 2 years, was deliberately thrown into the discard, through the influence of Mr. Morgenthau and his fellow travelers in this Government.

In the same year, the United Nations Conference on Food and Agriculture was called upon by President Roosevelt to—

take all necessary steps to develop world food production so that it will be adequate to meet the essential nutritional needs of the world population. And they must see to it that no hindrances, whether of international trade, or transportation, or of internal distribution be allowed to prevent any nation or any group of citizens within a nation, from obtaining the food necessary for health.

That is what President Roosevelt told the United Nations Conference on Food and Agriculture, which was called by himself, that they—

Must see to it that no hindrances, whether of international trade, or transportation, or of internal distribution be allowed to prevent any nation, or any group of citizens within a nation from obtaining the food necessary for health.

President Roosevelt never dreamed that there would be 15,000,000 women and little children starving to death in Germany. He appointed this group, as he said, to prevent such a catastrophe from taking place.

The members of this conference went even so far as to warn of the necessity of continued food rationing for 2 years following the end of the war if a world famine was to be averted. That is what that conference reported, Mr. President, that there would have to be 2 years of rationing of food.

One would think, Mr. President, that Mr. Morgenthau, whose avowed interest and sole purpose, at least as he has represented his intentions, has been to create a pastoral Germany, would have heeded in some degree the joint recommendations of this international committee of experts, which included our own American authorities in that field.

In June 1943 the United Nations Relief and Rehabilitation was organized. In describing the task that confronted him as its director, Mr. Herbert Lehman, stated that:

The problem is to devise means to harness world production, already greatly taxed by war needs, to total world want during the coming months of tremendous human crises. We must see to it that relief flows smoothly and swiftly into measures to remove the need of relief, and that rehabilitation measures are so devised as to enable the suffering nations to begin their own reconstruction at the earliest possible moment. Our objective is to help people to help themselves and thereby to help ourselves, by making possible a world in which the "four freedoms" can have a chance of realization.

That is the same Herbert Lehman, Mr. President, who on night before last at Constitution Hall criticized the majority party, criticized the President of the United States, and said that the way the food has been handled was, to put it mildly, a disgrace.

It would appear, Mr. President, that Mr. Morgenthau, fully conscious of the tremendous part the German Nation played in our world economy, knowing full well how dependent the other nations of Europe were going to be on the skills, the resources, and the productive capacity of German industry, and knowing full well that UNRRA was not going to be permitted to minister to the terrible needs in the conquered countries, would at least have been given cause to pause twice before going ahead with his savage proposals.

Mr. President, less than 3 months ago, at the time when the appropriations for UNRRA were being considered by the Senate Appropriations Committee, I asked the distinguished acting chairman of the Appropriations Committee, the Senator from Tennessee [Mr. McKELLAR], "Are the German people, the Austrian people, the Rumanian people, and the people in Poland being taken care of?" I asked that, because, under the UNRRA appropriation no provision is made for Germany or Austria or Rumania. The Senator assured me that, of course, the army of occupation was taking care of those people, but he said, in substance, that if it ever becomes apparent that it is necessary, "I will endorse any appropriation so that there may be no starvation in those countries." I believe Japan was also included when he made that statement.

All through the year 1944, up to the time of the Quebec Conference, Mr. Morgenthau continued his violent antagonism to the State Department's plans for a decent peace for Germany. We find Morgenthau fighting Stimson. We find him fighting Hull. As shown by his violent antagonism, we find him fighting the State Department's plans for a decent peace for Germany.

On January 20, 1945, the late President appointed Judge Samuel Rosenman as his personal representative, with the rank of minister, to study food requirements for Europe during the winter and spring of 1945. His report was published in September 1945 although it was made available to the President on April 26, 6 months earlier. Judge Rosenman stated in that report that:

From the point of view of our own United States economy, it is obvious that unless northwest Europe again resumes its place in the international exchange of goods and services, the American economy will be deeply affected. Furthermore, a chaotic and hungry Europe is not fertile ground in which stable, democratic, and friendly governments can be reared.

Yet it is perfectly obvious, Mr. President, that following his usual custom, and knowing full well of the relation, not only between industry and agriculture within the German economy, but also of the relation between the German economy and the economy of Europe, Mr. Morgenthau refused to pay any attention whatsoever to this report.

Mr. Morgenthau time and again has insinuated that he was speaking for the late President when he advocated his inhuman policies toward Germany. Probably no greater misrepresentation could be foisted on the American people. Rather, the truth is that as late as March 10, 1945, the document CJ 1067, over which the State Department had so laboriously worked for 2 years, and which in direct contrast to Mr. Morgenthau's deliberate policies of extermination, incorporated a genuinely humane, creative and American approach to the German problem, was presented at an interdepartmental meeting held in the State Department under the chairmanship of Mr. Stettinius.

The truth is, Mr. President, that this document at that time bore the initials of Franklin Delano Roosevelt, signifying his hearty approval. Yet Mr. Morgenthau, when confronted with these sane and creative alternatives to his own brutal plans, turned livid with rage and forced their repudiation.

On April 30, 1945, the Interagency Committee on Foreign Shipments, which had been appointed by the then Director of War Mobilization and Reconversion, Mr. James F. Byrnes, issued a report on the world food situation. In this report Mr. Leo T. Crowley stated:

It was agreed that the people of the United Kingdom, the United States, and Canada are fully prepared to make necessary sacrifices to prevent widespread starvation.

Let me call attention again to the date of that report. Today people are starving. On April 30, 1945, nearly a year ago—

It was agreed that the people of the United Kingdom, the United States, and Canada are fully prepared to make necessary sacrifices to prevent widespread starvation.

So, Mr. President, I hang the mantle of incompetency, inefficiency, and willful starvation of the peoples of the world on the shoulders of the Democratic Party. Let them face the issue. They and they alone have had a majority in the Senate, which could do anything that it wished in the line of policy. If people are starving today in foreign countries, I want the people of the United States to know that the Democratic Party, the very party which is now trying to give away $4,000,000,000 more, is the party responsible for hunger, suffering, and starvation in almost every country on the face of the globe.

Yet Mr. Morgenthau continued unmoved in his fanatical determination to destroy the German economy in spite of these warnings that even the vast resources and facilities of the United

States, Great Britain, and Canada would be taxed beyond their limits to prevent a world hunger crisis.

Last September, a group of distinguished American economists, under the direction of Dr. Calvin B. Hoover, made an exhaustive analysis of the inevitable effect on the German economy of Mr. Morgenthau's vicious directives.

This report warned that the German people would not be able to arrive at even the minimum level of existence contemplated by Mr. Morgenthau for at least 5 years, and strongly recommended the production of 10,000,000 tons of steel annually and the retention of at least enough German industry to meet her minimum requirements.

The report stated that it would be 5 years before the Germans could begin to feed themselves. That was stated by a distinguished group of American economists under the direction of Dr. Calvin B. Hoover. This group strongly recommended the production of 10,000,000 tons of steel annually and the retention of at least enough German industry to meet her minimum requirements. I want Senators to remember what was said by Dr. Hoover and his group of economists as I proceed.

Yet Mr. Morgenthau and his radical robots in the Foreign Economic Administration deliberately sabotaged that report, revising the figure of 10,000,000 tons of steel down to 3,000,000 and insisting that the bulk of Germany industry be liquidated.

In the same month, on September 27, 1945, a detailed plan for the industrial control of Germany was made public by the National Engineers' Committee of the engineers' joint council. The plan was developed by 35 outstanding American engineers commissioned for the task by the five major engineering societies in this country.

Let me repeat that. This was not some irresponsible group. The plan was developed by 35 outstanding American engineers commissioned for the work by five major engineering societies in this country. Their report, The Industrial Disarmament of Aggressor States, was undertaken with the approval of the War Department and at the invitation of the State Department. This plan, by confining industrial control to power sources and to key industries and strategic raw materials, would require only a 5-percent shift in German employment and would safely permit the nonwar potential portion of German industry to function. This report which represents 7 months' work on the control of German industry hit at the so-called Morgenthau plan for Germany as unwise, impracticable, and likely to result in German rearmament.

These 35 engineers said that Morgenthau's plan for Germany was unwise, impractical, and likely to result in German rearmament.

The report further states:

> Elimination of German industries leaving agriculture as the sole occupation would produce an economic dislocation and social chaos of destructive magnitude not alone in Germany but throughout Europe.

Mr. President, this report by the National Engineers' Committee contained essentially the same proposals for the treatment of Germany as those of Harold G. Mouldan, head of Brookings Institution, and Mr. Louis Marliot, which they developed in their book The Control of Germany and Japan. These authors presented a perfectly simple plan to control the German and Japanese economies which did not necessitate a destructive policy of deindustrialization. They justified their proposals by illustrating from history humanity's past experience in the disarmament of defeated nations, which is something Mr. Morgenthau would never have been able to do to back up his savage plan.

Yet Mr. Morgenthau continued to pay no attention whatsoever to the findings and recommendations of these American experts.

Mr. President, in a few minutes I shall read from several books and I shall show that no matter how cruel England has been in all her history—and I do not even except the Black Hole of Calcutta—there has never been a more vicious, more savage plan of mass murder than the one which has been conceived by Mr. Morgenthau—the Morgenthau plan—for the extermination by starvation of 15,000,000 women, children, and little infants in Germany.

On November 12 it was revealed in Human Events that terrifying facts and figures had been compiled by another group of American economic experts who stated that less than 50 percent of Germany is now self-sufficient, and that imports are negligible. The report stated that General Eisenhower's own warning on this subject, made in his September report, was designed to relieve the Army of responsibility for the results of Potsdam and the Morgenthau plan.

In the same week a report on Germany signed by all 18 members of the House committee under the chairmanship of Representative COLMER, Democrat, of Mississippi, which had returned from a trip to Europe, contained the following warning:

> If a hard peace requires the elimination of eight to ten million Germans it would be much more humane to eliminate them at once.

In other words, it would be better to kill, chloroform, shoot, or otherwise get rid of the eight or ten million Germans, said the 18 Members of the House of Representatives only a few moments ago, rather than to carry out the despicable Morgenthau plan.

Mr. President, still Mr. Morgenthau refused to pay the slightest attention to these grim warnings of the criminal consequence of his policy.

On November 26, 1945, 5 months ago, Mr. Frank Mason wired the New York Times from Germany that the United States Army officers in the American zone were becoming increasingly vocal in expressing opposition to Mr. Morgenthau's basic thesis which has revived the doctrine of collective guilt and the law of an eye for an eye.

In speaking of Mr. Morgenthau's insistence on the application to the German people as a whole of the doctrine of collective responsibility or institutional guilt, whereby every person listed on the membership of an organization is an equal partner in crime, Mr. Mason wrote:

> Since it now appears to be the law, they want to know what new principles of military organization are being contemplated by the Congress of the United States to safeguard our career Army officers from continuance as whipping boys of politicians and civilian administrators who give the secret orders for which the Army officers take the public blame * * * These officers often appear to the world as sponsoring or approving policies in Germany which they privately condemn as un-American.

Mr. Mason went on to reveal that as far back as September 1945, Mr. Morgenthau's personal rubber stamp, Col. Bernard Bernstein, of the Treasury Department, had made such a mess of things by his high-handed and overbearing behavior that he was relieved of his assignment in the middle of September and was placed in charge of the cartel investigation branch of the Army, where he has been using the subcommittee on War Mobilization of the Senate Military Affairs Committee to continue this Morgenthau-Bernstein plan for the extermination of the German people. According to Mr. Mason:

> This occurred after criticism from military government officers that Colonel Bernstein appeared to be embarked on a somewhat individual and independent enterprise quite parallel with Mr. Morgenthau's plan. Colonel Bernstein is generally believed around Frankfurt to be a coauthor.

Certainly, Mr. President, Mr. Morgenthau and his supporters do not speak for American Jewry. In the January issue of the Commentary, a Jewish review, published by the American Jewish Committee, a publication reflecting the finest expression of Jewish thought in America, Mr. Morgenthau's basic thesis of an eye for an eye and a tooth for tooth is violently repudiated. The article to which I refer is titled "Will Nuremberg Serve Justice?" The author is Milton R. Konvitz, a recognized authority on civil rights and judicial administration. He has written extensively for philosophical, legal, Anglo-Jewish, and literary periodicals. His father was Rabbi Joseph Konvitz, for a generation leader of American orthodox Jews; his grandfather, Rabbi Jacob David, known as Ridvas, was a leading world authority on the Palestinian Talmud. According to this author, Mr. Morgenthau's demand for the letter and the spirit of revenge is rendering the United States and the whole system of international law a criminal disservice. Mr. Konvitz wrote that:

> The defendants are charged with crimes against humanity. The charge refers in part to atrocities committed by the Nazis in Germany itself since 1933. It is based on the theory that if a country's legal or political system permits abuse of its population, there is a violation of international law, and the heads of the state are personally liable.
>
> Here again it appears that there is one law for the victor and another for the vanquished. For according to the theory, if the British imprison thousands of Indian nationalists without trial, strafe villagers from airplanes

and impose fines on whole towns, we should bring the emperor of India and his viceroy before an international court. If Russia holds some 8,000,000 persons in concentration camps, without what we regard as due process of law, we have a right to try Stalin, Molotov, and other Russian chiefs of state in some international court.

Mr. President, I wish to depart for a few minutes from the presentation I have been making, and I now wish to refer the Senate to the peace conference which was held at the end of World War I. I hold in my hand a book written by Mr. J. M. Keynes, the same man who was over here a few weeks ago representing England. So far as I know, he may still be here today. So far as I know, he may be sitting in the Senate gallery. I hope he is. I wish to show what that man at that time thought about Woodrow Wilson. Woodrow Wilson, who was the President of the United States during World War I, also was fooled. I wonder what my Democratic friends on the other side of the aisle think about an Englishman who comes along and insults Woodrow Wilson.

I now read from chapter 3:

In chapters IV and V, I shall study in some detail the economic and financial provisions of the Treaty of Peace with Germany.

Mr. President, I am amazed at some of the great Democratic Senators on the other side of the aisle; I am amazed to hear them saying what a great country is England. Many times yesterday the distinguished majority leader referred to what he considered to be the greatness of England, and, by implication, praised Churchill, and implied that he is a great man.

Mr. President, the Winston Churchill to whom the Senator referred is the same Winston Churchill who so hated the United States of America that during the Spanish-American War he took up arms in behalf of Spain against the United States. He wanted to wipe out the United States of America at that time, and he wants to wipe her out today. As a young man 24 years of age, and as a newspaper reporter in Cuba, he joined the army of Spain in order to fight the United States of America. He is the man, Mr. President, whom the Democratic majority of the United States Senate invited to address the Senate. I wonder what some of the Spanish-American war veterans, whom he tried to kill, thought about it. Churchill was 24 years of age when the Maine was blown up in Habana Harbor. He was there as a press correspondent, and later although he was a Briton, he joined the Spanish Army. Yet the Members of the Senate listened to that cunning hypocrite when he addressed the Senate only a few short months ago. He came to this country after World War I in order to get all the money he could obtain out of the taxpayers of America. Now he is back again. I wish to show you, Mr. President, the utter contempt in which some Englishmen held President Wilson. I wish to read from chapter III of the book which I now hold, a book written by a man who is in this country now, or at least was here a few days ago, in an attempt to obtain a loan of $4,000,000,000. This is what he said in November 1919, when the British hides had been saved, and when the British thought it was safe to tell the truth:

I repeat:

In chapters IV and V, I shall study in some detail the economic and financial provisions of the treaty of peace with Germany. But, it will be easier to appreciate the true origin of many of these terms if we examine here some of the personal factors which influenced their preparation.

In attempting this task, I touch, inevitably, questions of motive, on which spectators are liable to error and are not entitled to take on themselves the responsibilities of final judgment. Yet if I seem in this chapter to assume sometimes the liberties which are habitual to historians, but which, in spite of the greater knowledge with which we speak, we generally hesitate to assume toward contemporaries, let the reader excuse me when he remembers how greatly, if it is to understand its destiny, the world needs light, even if it is partial and uncertain, on the complex struggle of human will and purpose, not yet finished, which, concentrated in the persons of four individuals in a manner never paralleled, made them, in the first months of 1919, the microcosm of mankind.

(At this point, Mr. LANGER yielded to Mr. MORSE to make a unanimous consent request, and debate ensued, which appears at the conclusion of Mr. LANGER'S remarks for the day.)

Mr. LANGER. Mr. President, Mr. Keynes is in this country, or at least has been here, in an effort to obtain a loan from the United States of approximately $4,000,000,000. He sizes up four men who wrote the treaty of peace following World War I. He states as follows:

In those parts of the treaty with which I am here concerned, the lead was taken by the French, in the sense that it was generally they who made in the first instance the most definite and most extreme proposals. This was partly a matter of tactics.

Mr. President, we thought that Woodrow Wilson went to Europe in order to put over his 14 points, but this Englishman says that that is all a myth, that the leading part was taken by the French.

Mr. President, I ask unanimous consent to have printed in the RECORD the remainder of pages 28, 29, and 30.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

When the final result is expected to be a compromise, it is often prudent to start from an extreme position; and the French anticipated at the outset—like most other persons—a double process of compromise, first of all to suit the ideas of their allies and associates, and secondly in the course of the peace conference proper with the Germans themselves. These tactics were justified by the event. Clemenceau gained a reputation for moderation with his colleagues in council by sometimes throwing over with an air of intellectual impartiality the more extreme proposals of his ministers; and much went through where the American and British critics were naturally a little ignorant of the true point at issue, or where too persistent criticism by France's allies put them in a position which they felt as invidious, of always appearing to take the enemey's part and to argue his case. Where, therefore, British and American interests were not seriously involved their criticism grew slack, and some provisions were thus passed which the French themselves did not take very seriously, and for which the eleventh-hour decision to allow no discussion with the Germans removed the opportunity of remedy.

But, apart from tactics, the French had a policy. Althought Clemenceau might curtly abandon the claims of a Klotz or a Loucheur, or close his eyes with an air of fatigue when French interests were no longer involved in the discussion, he knew which points were vital, and these he abated little. Insofar as the main economic lines of the Treaty represent an intellectual idea, it is the idea of France and of Clemenceau.

Clemenceau was by far the most eminent member of the Council of Four, and he had taken the measure of his colleagues. He alone both had an idea and had considered it in all its consequences. His age, his character, his wit, and his appearance joined to give him objectivity and a defined outline in an environment of confusion. One could not despise Clemenceau or dislike him, but only take a different view as to the nature of civilized man, or indulge, at least, a different hope.

The figure and bearing of Clemenceau are universally familiar. At the Council of Four he wore a square-tailed coat of very good, thick black broadcloth, and on his hands, which were never uncovered, gray suède gloves; his boots were of thick black leather, very good, but of a country style, and sometimes fastened in front, curiously, by a buckle instead of laces. His seat in the room in the President's house, where the regular meetings of the Council of Four were held (as distinguished from their private and unattended conferences in a smaller chamber below) was on a square brocaded chair in the middle of the semicircle facing the fireplace, with Signor Orlando on his left, the President next by the fireplace, and the Prime Minister opposite on the other side of the fireplace on his right. He carried no papers and no portfolio, and was unattended by any personal secretary, though several French ministers and officials appropriate to the particular matter in hand would be present round him. His walk, his hand, and his voice were not lacking in vigor, but he bore, nevertheless, especially after the attempt upon him, the aspect of a very old man conserving his strength for important occasions. He spoke seldom, leaving the initial statement of the French case to his ministers or officials; he closed his eyes often and sat back in his chair with an impassive face of parchment, his gray-gloved hands clasped in front of him. A short sentence, decisive or cynical, was generally sufficient, a question, an unqualified abandonment of his ministers, whose face would not be saved, or a display of obstinacy reinforced by a few words in a piquantly delivered English. But speech and passion were not lacking when they were wanted, and the sudden outburst of words, often followed by a fit of deep coughing from the chest, produced their impression rather by force and surprise than by persuasion.

Mr. LANGER. I read:

Not infrequently Mr. Lloyd George, after delivering a speech in English, would, during the period of its interpretation into French, cross the hearthrug to the President—

That was President Wilson—

to reinforce his case by some ad hominem argument in private conversation, or to sound the ground for a compromise—and this would sometimes be the signal for a general upheaval and disorder. The President's advisers would press 'round him, a moment later the British experts would dribble across to learn the result or see that all was well, and next the French would be there, a little suspicious lest the others were arranging

something behind them, until all the room were on their feet and conversation was general in both languages. My last and most vivid impression is of such a scene—the President and the Prime Minister as the center of a surging mob and a babel of sound, a welter of eager impromptu compromises and counter-compromises, all sound and fury signifying nothing, on what was an unreal question anyhow, the great issues of the morning's meeting forgotten and neglected; and Clemenceau silent and aloof on the outskirts—for nothing which touched the security of France was forward—throned, in his gray gloves, on the brocade chair, dry in soul and empty of hope, very old and tired, but surveying the scene with a cynical and almost impish air; and when at last silence was restored and the company had returned to their places, it was to discover that he had disappeared.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD pages 34, 35, 36, and all of page 37 down to the last paragraph.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

In spite, therefore, of France's victorious issue from the present struggle (with the aid, this time, of England and America), her future position remained precarious in the eyes of one who took the view that European civil war is to be regarded as a normal, or at least a recurrent, state of affairs for the future, and that the sort of conflicts between organized great powers which have occupied the past 100 years will also engage the next. According to this vision of the future, European history is to be a perpetual prize fight, of which France has won this round, but of which this round is certainly not the last. From the belief that essentially the old order does not change, being based on human nature which is always the same, and from a consequent skepticism of all that class of doctrine which the League of Nations stands for, the policy of France and of Clemenceau followed logically. For a peace of magnanimity or of fair and equal treatment, based on such "ideology" as the Fourteen Points of the President, could only have the effect of shortening the interval of Germany's recovery and hastening the day when she will once again hurl at France her greater numbers and her superior resources and technical skill. Hence the necessity of guaranties; and each guaranty that was taken, by increasing irritation and thus the probability of a subsequent revanche by Germany, made necessary yet further provisions to crush. Thus, as soon as this view of the world is adopted and the other discarded, a demand for a Carthaginian peace is inevitable, to the full extent of the momentary power to impose it. For Clemenceau made no pretense of considering himself bound by the Fourteen Points and left chiefly to others such concoctions as were necessary from time to time to save the scruples or the face of the President.

So far as possible, therefore, it was the policy of France to set the clock back and to undo what, since 1870, the progress of Germany had accomplished. By loss of territory and other measures her population was to be curtailed; but chiefly the economic system, upon which she depended for her new strength, the vast fabric built upon iron, coal, and transport must be destroyed. If France could seize, even in part, what Germany was compelled to drop, the inequality of strength between the two rivals for European hegemony might be remedied for many generations.

Hence sprang those cumulative provisions for the destruction of highly organized economic life which we shall examine in the next chapter.

This is the policy of an old man, whose most vivid impressions and most lively imagination are of the past and not of the future. He sees the issue in terms of France and Germany, not of humanity and of European civilization struggling forward to a new order. The war has bitten into his consciousness somewhat differently from ours, and he neither expects nor hopes that we are at the threshold of a new age.

It happens, however, that it is not only an ideal question that is at issue. My purpose in this book is to show that the Carthaginian peace is not practically right or possible. Although the school of thought from which it springs is aware of the economic factor, it overlooks, nevertheless, the deeper economic tendencies which are to govern the future. The clock cannot be set back. You cannot restore Central Europe to 1870 without setting up such strains in the European structure and letting loose such human and spiritual forces as, pushing beyond frontiers and races, will overwhelm not only you and your guaranties, but your institutions, and the existing order of your society.

By what legerdemain was this policy substituted for the Fourteen Points, and how did the President come to accept it? The answer to these questions is difficult and depends on elements of character and psychology and on the subtle influence of surroundings, which are hard to detect and harder still to describe. But, if ever the action of a single individual matters, the collapse of the President has been one of the decisive moral events of history; and I must make an attempt to explain it. What a place the President held in the hearts and hopes of the world when he sailed to us in the *George Washington*. What a great man came to Europe in those early days of our victory.

Mr. LANGER. Mr. President, this is what Keynes thought of President Wilson. Keynes is the fellow who is here now trying to get $4,000,000,000 from our taxpayers. This is what he said:

In November 1918, the armies of Foch and the words of Wilson had brought us sudden escape from what was swallowing up all we cared for. The conditions seemed favorable beyond any expectation. The victory was so complete that fear need play no part in the settlement. The enemy had laid down his arms in reliance on a solemn compact as to the general character of the peace, the terms of which seemed to assure a settlement of justice and magnanimity, and a fair hope for a restoration of the broken current of life. To make assurance certain the President was coming himself to set the seal on his work.

When President Wilson left Washington he enjoyed a prestige and a moral influence throughout the world unequaled in history. His bold and measured words carried to the peoples of Europe above and beyond the voices of their own politicians. The enemy peoples trusted him to carry out the compact he had made with them; and the Allied peoples acknowledged him not as a victor only but almost as a prophet. In addition to this moral influence the realities of power were in his hands. The American armies were at the height of their numbers, discipline, and equipment.

Mr. President, I mention that because we are in that very shape at the present time. In a little while these same English will be making fun of Mr. Truman. If they get this $4,000,000,000 they will be ridiculing him and making fun of him. I repeat:

The American armies were at the height of their numbers, discipline, and equipment. Europe was in complete dependence on the food supplies of the United States—

Just as she is today—

And financially she was even more absolutely at their mercy.

Just as Europe is today.

Europe not only already owed the United States more than she could pay—

And that is true today, Mr. President—

but only a large measure of further assistance could save her from starvation and bankruptcy.

The only difference is that they are already bankrupt. England last year had a deficit of $4,000,000,000. They are already broke. They are already a third-rate power, unless the United States helps them out. This was the shape they were in after World War I. Keynes said:

Never had a philosopher held such weapons wherewith to bind the princes of this world. How the crowds of the European capitals pressed about the carriage of the President; with what curiosity, anxiety, and hope we sought a glimpse of the features and bearing of the man of destiny who, coming from the West, was to bring healing to the wounds of the ancient parent of this civilization and lay for us the foundations of the future.

He might just as well be speaking about President Truman today, because the situations are identical. This is what this English beggar, Keynes, says about Mr. Wilson:

The disillusion was so complete, that some of those who had trusted most hardly dared speak. Could it be true? they asked of those who returned from Paris. Was the Treaty really as bad as it seemed? What had happened to the President? What weakness or what misfortune had led to so extraordinary, so unlooked-for a betrayal?

Yet the causes were very ordinary and human. The President was not a hero or a prophet; he was not even a philosopher; but a generously intentioned man, with many of the weaknesses of other human beings, and lacking that dominating intellectual equipment which would have been necessary to cope with the subtle and dangerous spell-binders whom a tremendous clash of forces and personalities had brought to the top as triumphant masters in the swift game of give and take, face to face in Council—a game of which he had no experience at all.

Mr. President, that is the shape Mr. Truman is in. Mr. Keynes might just as well be talking of the present President, in what he said of Mr. Wilson after Mr. Wilson had given them all this money. Mr. Keynes said:

We had indeed quite a wrong idea of the President. We knew him to be solitary and aloof, and believed him very strong-willed and obstinate. We did not figure him as a man of detail, but the clearness with which he had taken hold of certain main ideas would, we thought, in combination with his tenacity, enable him to sweep through cobwebs.

(At this point Mr. LANGER yielded to Mr. GOSSETT for a statement and then to Mr. MCCARRAN, and debate ensued, which appears at the conclusion of Mr. LANGER'S remarks for the day.)

Mr. LANGER. Mr. President, I continue to read Mr. Keynes' estimate of Mr. Wilson; what he thought of Mr. Wilson. This is the same Mr. Keynes who has been over here seeking a $4,000,000,000 loan. He wrote this in 1919, right after Great

Britain secured the other billions of dollars, when he thought he was safe, when he thought England did not need any more money, and they were all fixed up for the future. Then Mr. Keynes had a chance to say what he thought about the President, and what did he say? He said:

But if the President was not the philosopher-king, what was he? After all he was a man who had spent much of his life at a university. He was by no means a businessman.

Mr. President, I have heard it said by some of Mr. Truman's enemies that he is not a businessman either. So Mr. Keynes, who had gotten all this money for England from Mr. Wilson, said in the book he wrote, after they had rooked him, that President Wilson was by no means a businessman.

I continue to read:

He was by no means a businessman or an ordinary party politician, but a man of force, personality, and importance. What, then, was his temperament?

The clue once found was illuminating. The President was like a Nonconformist minister, perhaps a Presbyterian. His thought and his temperament was essentially theological not intellectual with all the strength and the weakness of that manner of thought, feeling, and expression. It is a type of which there are not now in England and Scotland such magnificent specimens as formerly; but this description, nevertheless, will give the ordinary Englishman the distinctest impression of the President.

With this picture of him in mind, we can return to the actual course of events.

Mr. President, I ask unanimous consent that the remainder of page 42, beginning in the middle of the page, all of page 43, and the first 10 lines of page 44, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

With this picture of him in mind, we can return to the actual course of events. The President's program for the world, as set forth in his speeches and his notes, and displayed a spirit and a purpose so admirable that the last desire of his sympathizers was to criticize details—the details, they felt, were quite rightly not filled in at present, but would be in due course. It was commonly believed at the commencement of the Paris Conference that the President had thought out, with the aid of a large body of advisers, a comprehensive scheme not only for the League of Nations, but for the embodiment of the Fourteen Points in an actual treaty of peace. But in fact the President had thought out nothing; when it came to practice his ideas were nebulous and incomplete. He had no plan, no scheme, no constructive ideas whatever for clothing with the flesh of life the commandments which he had thundered from the White House. He could have preached a sermon on any of them or have addressed a stately prayer to the Almighty for their fulfillment; but he could not frame their concrete application to the actual state of Europe.

He not only had no proposals in detail, but he was in many respects, perhaps inevitably, ill-informed as to European conditions. And not only was he ill-informed—that was true of Mr. Lloyd George also—but his mind was slow and unadaptable. The President's slowness amongst the Europeans was noteworthy. He could not, all in a minute, take in what the rest were saying, size up the situation with a glance, frame a reply, and meet the case by a slight change of ground; and he was liable, therefore, to defeat by the mere swiftness, apprehension, and agility of a Lloyd George. There can seldom have been a statesman of the first rank more incompetent than the President in the agilities of the council chamber. A moment often arrives when substantial victory is yours if by some slight appearance of a concession you can save the face of the opposition or conciliate them by a restatement of your proposal helpful to them and not injurious to anything essential to yourself. The President was not equipped with this simple and usual artfulness. His mind was too slow and unresourceful to be ready with any alternatives. The President was capable of digging his toes in and refusing to budge, as he did over Fiume. But he had no other mode of defense, and it needed as a rule but little maneuvering by his opponents to prevent matters from coming to such a head until it was too late.

Mr. LANGER. Now we find what Mr. Keynes has to say about how they fooled the President of the United States, Mr. Wilson.

By pleasantness and the appearance of conciliation—

That is what the Englishmen did to him, when they got poor Mr. Wilson away from home.

By pleasantness and the appearance of conciliation the President would be maneuvered off his ground, would miss the moment for digging his toes in, and, before he knew where he had been got to, it was too late.

They had him.

Besides it is impossible month after month in intimate and ostensibly friendly converse between close associates, to be digging the toes in all the time. Victory would only have been possible to one who had already a sufficiently lively apprehension of the position as a whole to reserve his fire and know for certain the rare exact moment for decisive action, and for that the President was far too slow-minded and bewildered.

So the Englishmen got the money because Wilson was not a businessman, because he was too slow-minded, and because he was bewildered, so says Mr. Keynes, who is now over here trying to get $4,000,000,000 more.

He did not remedy these defects by seeking aid from the collective wisdom of his lieutenants. He had gathered around him for the economic chapters of the treaty a very able group of businessmen; but they were inexperienced in public affairs.

Mr. President, when I was a young boy in college it happened that I had as one of my professors Woodrow Wilson, afterward President of the United States. Mr. Wilson came to Columbia and gave a series of lectures called the Blumenthal Foundation lectures, and if ever a man had the respect of the students it was Woodrow Wilson.

Yet what do we find on the other side of the aisle? We find that Senators who today are in favor of this loan had Mr. Keynes, the English beggar, come before them. Mr. Keynes is asking for another $4,000,000,000.

Mr. CARVILLE. Mr. President, will the Senator yield?

Mr. LANGER. For what purpose?

Mr. CARVILLE. I wish to submit an amendment to the pending joint resolution.

Mr. LANGER. I have no objection, even if the Senator wishes to offer a hundred amendments.

Mr. CARVILLE. Mr. President, I submit an amendment intended to be proposed by me to the pending measure.

The PRESIDING OFFICER. Without objection, the amendment will be printed and lie on the table.

Mr. CARVILLE. I thank the Senator from North Dakota.

Mr. LANGER. As I have stated, the students at Columbia respected Woodrow Wilson. We knew him to be an outstanding citizen of the country. Yet this is what we find Mr. Keynes saying about him. I read from page 44 of Mr. Keynes' book:

Victory would only have been possible to one who had always a sufficiently lively apprehension of the position as a whole to reserve his fire and know for certain the rare exact moments for decisive action. And for that the President was far too slow-minded and bewildered.

He did not remedy these defects by seeking aid from the collective wisdom of his lieutenants. He had gathered around him for the economic chapters of the treaty a very able group of businessmen: but they were inexperienced in public affairs, and knew (with one or two exceptions) as little of Europe as he did, and they were only called in irregularly as he might need them for a particular purpose. Thus the aloofness which had been found effective in Washington was maintained, and the abnormal reserve of his nature did not allow near him anyone who aspired to moral equality or the continuous exercise of influence. His fellow plenipotentiaries were dummies—

That is what this Englishman thought about the men whom Woodrow Wilson had around him. He said they were dummies. The distinguished majority leader [Mr. BARKLEY], knows what a dummy is.

His fellow plenipotentiaries were dummies, and even the trusted Colonel House, with vastly more knowledge of men and of Europe than the President, from whose sensitiveness the President's dullness had gained so much, fell into the background as time went on. All this was encouraged by his colleagues on the Council of Four, who, by the break-up of the Council of Ten, completed the isolation which the President's own temperament had initiated. Thus day after day and week after week, he allowed himself to be closeted, unsupported, unadvised, and alone, with men much sharper than himself, in situations of supreme difficulty, where he needed for success every description of resource, fertility, and knowledge. He allowed himself to be drugged by their atmosphere, to discuss on the basis of their plans and of their data, and to be led along their paths.

These and other various causes combined to produce the following situation. The reader must remember that the processes which are here compressed into a few pages took place slowly, gradually, insidiously, over a period of about 5 months.

As the President had thought nothing out, the Council was generally working on the basis of a French or British draft. He had to take up, therefore, a persistent attitude of obstruction, criticism, and negation, if the draft was to become at all in line with his own ideas and purposes.

I wish Senators to pay particular attention. I shall show how others "worked" President Wilson when they

got the peace and when they got the money.

If he was met on some points with apparent generosity (for there was always a safe margin of quite preposterous suggestions which no one took seriously), it was difficult for him not to yield on others. Compromise was inevitable, and never to compromise on the essential, very difficult. Besides, he was soon made to appear to be taking the German part and laid himself open to the suggestion (to which he was foolishly and unfortunately sensitive) of being "pro-German."

Mr. Keynes, who is now looking for money over here, said that President Wilson was not a businessman. He said that the men who accompanied President Wilson to Paris were dummies. In addition, Mr. Keynes said that Woodrow Wilson was afraid of being called a pro-German. According to Mr. Keynes himself, that is where they had the poor man.

I continue reading from Mr. Keynes' book:

After a display of much principle and dignity in the early days of the Council of Ten, he discovered that there were certain very important points in the program, of his French, British, or Italian colleague, as the case might be, of which he was incapable of securing the surrender by the methods of secret diplomacy. What, then, was he to do in the last resort? He could let the Conference drag on an endless length by the exercise of sheer obstinacy. He could break it up and return to America in a rage with nothing settled. Or he could attempt an appeal to the world over the heads of the Conference. These were wretched alternatives, against each of which a great deal could be said. They were also very risky, especially for a politician. The President's mistaken policy over the congressional election had weakened his personal position in his own country, and it was by no means certain that the American public would support him in a position of intransigency. It would mean a campaign in which the issues would be clouded by every sort of personal and party consideration, and who could say if right would triumph in a struggle which would certainly not be decided on its merits. Besides, any open rupture with his colleagues would certainly bring upon his head the blind passions of anti-German resentment with which the public of all Allied countries were still inspired. They would not listen to his arguments. They would not be cool enough to treat the issue as one of international morality or of the right governance of Europe. The cry would simply be that, for various sinister and selfish reasons, the President wished "to let the Hun off." The almost unanimous voice of the French and British press could be anticipated. Thus, if he threw down the gage publicly he might be defeated.

That brings me back to the situation in Germany today. As I stated a little while ago, we have Mr. Keynes saying that President Wilson was not a businessman, and the men whom he took over with him as plenipotentiaries were a set of dummies. We find him helpless and isolated, surrounded by men trained in diplomacy—the Italians, the English, and the French. Then we have Mr. Keynes saying that if he dared to rebel he would be called pro-German.

Coming back to the statement of Mr. Konvitz:

Our policy with respect to the Nazis is inconsistent with neither international law nor our own State Department's policy.

In other words, before Germany was whipped President Roosevelt said one thing. After she was whipped Mr. Morgenthau came along with something entirely different.

The Nuremberg trial constitutes a real threat to the basic conception of justice which it has taken mankind thousands of years to establish. Law is more than power dressed in judicial robes. Law is the only thing that stands between civilization and the jungle. Our scientific discoveries and mechanical inventions, when man is not subject to law, can only make us more beastly creatures. I would sooner see Goering, Hess, Jodl, and the other defendants shot summarily or hanged, or even be permitted to live out their lives in a Doorn (if these were the only alternatives to the Nuremberg trial—which is not at all the situation) than witness the undermining of the legal structure it took us centuries to build up.

Goering and his colleagues would die in any case in another 10 or 20 years. Civilization must go on after them. We have saved civilization from their attack. Their atrocities against civilization, the moral and legal order of mankind, have been ended. We must be on guard now that we ourselves do not weaken our sense of law and our institutions of justice. For if justice is dead, as Kant has said, life is not worth living.

Yet, Mr. President, Mr. Morgenthau not only has been willing to let his thirst for revenge jeopardize the confidence of our own military men in the policies of this Government but he has also been personally responsible for the specific directives which underlie our denazification program in Germany—directives which are so shocking that up to this very moment neither he nor this Government have dared to make them public.

Mr. President, some of the newspapers do not even dare to print the truth about the situation which exists in Germany. Hundreds of magazine writers and hundreds of newspaper reporters would like to have their publications print the truth, because fundamentally the writers and reporters—and I include the fine men and women who sit in our press gallery—would like to tell the truth about the situation. But they know very well that the newspapers will not print it. Undoubtedly, time and time again they have reported it, but for some reason or other the newspapers dare not print it. Mr. President, according to the specific directives which underlie our denazification program in Germany, so I am informed, the German people have been thrown into 134 different categories of guilt, all of which carry a mandatory sentence to hard labor. Membership in over 50 organizations has been decreed a mark of joint guilt in the Nazi crimes against humanity.

Mr. President, it is even more amazing to find in this same issue of this Jewish review the most completely unanswerable and devastating attack on Mr. Morgenthau's book Germany Is Our Problem that I have seen in print. Its author, Mr. Gunter Reimann, a recognized authority in the field of international economics, demonstrates beyond all question of doubt that even Mr. Morgenthau's facts and figures are false and misleading. Mr. Reimann charges that:

Germany's territorial losses are actually more than twice as large as the book premises. Mr. Morgenthau takes account of the loss of Eastern Prussia and Silesia, but does not refer to other, even greater, losses of German territory, millions of whose inhabitants have been deported into rump Germany. (This oversight is particularly strange in view of teh fact that the author refers to the Potsdam Conference, at which these territorial changes were discussed.) Thus his figures on the future German deficit of foodstuffs that will result from loss of agricultural territories are quite misleading, and underestimate the deficits in various items of food by from 15 to 35 percent on the average. Mr. Morgenthau habitually gives the postwar population of Germany as 60,000,000 persons living within an agricultural area of about 107,000,000 acres. Actually the population of rump Germany will amount to 5 to 10 million persons more, and the arable land to 15,000,000 acres less.

Mr. President, I should like to have some of the distinguished Democratic leaders on the other side of the aisle answer that, if they can. If they are in favor of the Morgenthau plan, let them rise on the floor of the Senate and say so. I challenge any one of them, the majority leader included, to defend openly and publicly, at a time when the newspapers of America can report the debate, the Morgenthau plan upon the floor of the United States Senate, if they can do so. I say they cannot. I say the majority leader cannot. I say he dare not try to defend it, because if he, the distinguished majority leader, tried to do so, he would be beaten down by arguments based on quotations taken from the writings of some of the leaders of the New Deal. He would be beaten down by directives issued by Franklin Delano Roosevelt when he was at the head of the New Deal in this country.

But all we get is silence, silence, silence, week after week, month after month, because they cannot, they dare not, defend the Morgenthau plan upon the floor of this body.

So, Mr. President, I repeat that Mr. Morgenthau does not tell the truth in his book, when he talks about 60,000,000 persons in Germany living within an agricultural area of about 107,000,000 acres. He does not tell the truth there. Actually, the population of Germany will amount to 5 or 10 million persons more, and the arable land to 15,000,000 acres more.

I now read further quotations from Mr. Reimann's book:

Mr. Morgenthau writes that 34,000 large estates took up more than one-third of the farmland in prewar Germany. As a matter of fact, the 34,000 largest estates, those of 100 or more hectares (247 acres or over), occupied only 11.7 percent of arable land.

Mr. President, those figures do not indicate as bad a situation as that which exists at Greenwich, Conn., where the UN hopes to establish its headquarters. Yet Mr. Morgenthau makes those statements in his book.

I read further from Mr. Reimann:

Mr. Morgenthau claims that German agriculture was backward.

Mr. President, surely that will surprise the farmers of our Northwest, the farmers in Wisconsin, Minnesota, North Dakota, South Dakota, Montana, and other of our Northwestern States, because we

have been learning a great deal from German agriculture. As a matter of fact, some of the agricultural colleges in that area employ important and outstanding German experts who were imported to the Northwestern part of our country to teach the best methods of farming. Some of our colleges employ Swedish, Dutch, and Finnish experts. They have brought experts there from the four corners of the earth. Yet, Mr. Morgenthau claims that German agriculture was backward.

I read further from Mr. Reimann's book:

Mr. Morgenthau claims that German agriculture was backward. The exact reverse is true. In all Europe only Sweden, Holland, and Belgium had a higher output of grain per acre, and this was largely owing to better soil conditions or greater specialization. All other European countries produced less grain per acre than did Germany.

Mr. Morgenthau claims that there is adequate unused arable land in Germany. It is true that forests and pasture land are still to be found in Germany, although in far smaller proportions than in France, Britain, or most other European cauntries. Of course, one could institute a program of extensive deforestation in Germany in order to provide more farm land. But one need not be an agricultural expert to predict the dire effects this would have on soil and climatic conditions throughout central Europe.

The author's suggestion that 5,000,000 industrial workers be settled on 2,500,000 new farms in order to increase Germany's total agricultural yield assumes, for one thing, that a skilled metalworker or bookkeeper can become an efficient independent farmer overnight. For another thing, he has no difficulty finding land for these 2,500,000 additional farms. He has somehow discovered plenty of arable wasteland that the highly qualified German agrarian experts simply overlooked. Furthermore, he would break up all large estates. But if all of the 20,000 large estates of 247 acres and over in rump Germany were to be divided into 2,500,000 little farms, each farm would total 2.1 acres. The minimum-size farm that before the war could support a hard-working, efficient, and experienced farmer was 9.9 to 11.3 acres in western Germany and 47.4 to 68.1 acres in eastern Germany. (This was the estimate of Germany's outstanding agricultural expert, Prof. Max Sering, in his standard work published in 1932.)

But, Mr. President, Mr. Morgenthau, instead of using the proven figures of approximately 10 or 11 acres in western Germany and approximately 47 or 58 acres in eastern Germany, would have German farm families live on farms of 2.1 acres.

Besides, the income of the small German peasants was largely derived from the sale of dairy products, poultry, and eggs to the urban industrial population. The elimination of this market would make it impossible for small farmers to specialize in the production for which they are best suited. They would have to produce more grain and potatoes, and could make a living thereby only if they had more, not less, land to cultivate. The greater the industrial hinterland, the less land the small peasant needs to make a living; and the smaller the industrial population, the more land he needs.

Mr. Morgenthau prefers Germans as peasants because as a class the German peasant took the Nazi virus later and in a somewhat milder form than the rest of the population. Actually, it was the other way about; the overwhelming majority of the industrial working class provided the most stubborn and consistent opposition to the Nazis, while most of the peasants did in fact vote for Hitler. This is demonstrated by the 1932–33 election results.

One might continue for pages to list Mr. Morgenthau's errors and miscalculations. But in the last analysis supporting data have little to do with his thesis. Its conception and application are determined by political factors. Indeed Mr. Morgenthau has altered his original plan so fast that he has had, apparently, no time to revise his statistical data. He has given up his original idea of flooding the Ruhr mines—a step that would have been one of the greatest of disasters for Europe. Instead, he now suggests that the entire German population of the Ruhr area be dumped into the interior of rump Germany. He makes this proposal without pausing to consider the economic and social effects of the deportation of another several million Germans from their traditional homelands.

Physically, it is possible to destroy the German industrial economy, to prevent or curb industrial reconstruction for peacetime purposes and thus to transform the heart of Europe into an industrially barren area. Similarly, it would have been possible to send several millions Jews to Kenya—to die there, for despite the testimony of Nazi experts, most of the deportees would have starved or otherwise perished. Mr. Morgenthau's deindustrialization plan, if carried out, would wipe out the economic basis for the existence of some twenty-five to thirty million Germans.

Certainly Mr. Morgenthau—

I repeat, Mr. President—Mr. Morgenthau has never spoken for the Members of the United States Senate. On December 15, 1945, 34 Senators, representing both the left and right wings of both parties, interceded with the President to prevent the starvation and extermination of the German and Austrian people which had been deliberately precipitated by the Morgenthau plan, and urged the President to take immediate steps to correct the evils that had already been committed.

I see upon this floor many Senators who were among the 34 persons who signed the petition.

On December 23 the National Planning Association added the full weight of its protest against the terrifying threat of famine, disease, and death which Mr. Morgenthau had succeeded in turning loose across the face of Europe.

On December 25, 1945, a large group of leading churchmen and laymen of all the American Christian churches, from Unitarian to Catholic, a group in which we find such outstanding names as William Green, president of the American Federation of Labor, and Philip Murray, president of the Congress of Industrial Organizations, appealed to this Government in protest against the inhuman consequences for the children of Europe of Mr. Morgenthau's vengeance. These outstanding Americans joined in the conviction that:

Our future peace can only be built by those who are children today. Upon our merciful love toward them will depend their faith in the social, political, and religious principles we profess to serve.

Where, I ask, Mr. President, is there any expression in Mr. Morgenthau's words or acts of our native American love for children?

On February 10, 1946, the United States Department of Agriculture, in its 200-page summary of The World Food Situation—1946, warned of the prospect of reduced rations for the remainder of this year in Germany by stating that:

If rations must be reduced even from the present low levels, the situation in Germany, already characterized by a conspicuous rise in death rates, especially infant mortality, and in the incidence of epidemics, may abruptly take an alarming turn.

So, Mr. President, not night before last, but last February, was when we should have had that meeting in Constitution Hall. Not now, but more than a year ago, the Democratic majority, being warned by some of its own Senate and House Members who had been in Europe, should then have taken action instead of waiting until night before last to hold a meeting in Constitution Hall. They waited until after the administration had sent Mr. Hoover to Europe. During all the intervening time the Democratic Party not once called upon Mr. Hoover, the food expert. They allowed 1941, 1942, 1943, 1944, and 1945 to pass. They ignored every single report of every single committee which former President Roosevelt had sent to Europe. They ignored all conditions in Europe where there was chaos, want, suffering, and starvation. Finally, at long last, they sent former President Hoover to Europe. Night before last we heard him broadcast from abroad. Today, Mr. President, he is back in this country, having been called back by President Truman for the purpose of making a report. Why, in heaven's name, Mr. President, did they not heed the reports of the committees to which I have referred? Why did they not heed the statements of Herbert Lehman, who told them what was taking place in Europe? Why did they not trust the report of Carl Brandt, the adviser who was sent to our own military forces in Germany? Weeks and months have passed until today approximately 15,000,000 women and little children, as well as unborn babies, are suffering in Germany. Millions more are suffering in Austria, Rumania, and in other countries on this earth. Today they are in the same condition as were millions whose plights were ascertained by Woodrow Wilson, as shown in the book by Mr. Keynes. At that time even the President was afraid to carry his fight to the people because he believed that he might be called pro-German, or pro something else.

Mr. President, I am amazed to find that today the newspapers of this country are giving no publicity to some of the speeches which have been made upon this floor within the past few weeks.

A remarkable speech was made nearly 3 months ago by the distinguished Senator from Mississippi [Mr. EASTLAND]. A similarly remarkable speech was made by the distinguished Senator from Indiana [Mr. CAPEHART]. One of the greatest speeches ever delivered on this floor was delivered by the junior Senator from Nebraska [Mr. WHERRY]. But we looked in vain for a single word in the newspapers of America upon the subject. I ask you, Mr. President, why do the

newspapers fail to give publicity to such an important matter? All kinds of space was devoted recently to articles pertaining to the escape from a local prison jail of two of its inmates. Such an event was worthy of the whole front page of many newspapers. Yet, when the Senator from Indiana, the Senator from Mississippi, and the Senator from Nebraska speak about 15,000,000 human beings who are starving today in Europe, and state that such conditions are due to the Morgenthau plan, almost without exception the newspapers remain silent. I ask again, Why?

On February 23, 1946, the World Council of Churches, including our American representatives, issued a terrible indictment of Mr. Morgenthau's plans, which had been incorporated in the Potsdam Declaration—an indictment which stated, in part, that—

> Whereas * * * the transfers of populations have brought great hardship, distress, and suffering to millions of persons, including large numbers of women and children, and have resulted in disease and death for a large number of them * * * this situation is an offense to the Christian conscience and has aroused the concern which the Christian churches must feel for suffering humanity.

On March 7, 1946, the Federal Council of Churches of Christ in America made a report. I am particularly interested in the report of the Federal Council of Churches of Christ because my father-in-law, J. Cleveland Cady, was once its president. I know the fine splendid work that organization has done. What did they say on March 7, 6 weeks ago? This is what they said in their report:

> A world of fear, hatred, cruelty, misery, and violent death is closing in on the prospect of a world of fellowship and love. * * * The churches of Christ cannot condone the punishment of whole peoples. No lasting peace can be built on revenge or be founded on oppression. The strong must adopt enlightened policies at some cost to themselves to achieve a united world.

On March 20, 1946, Mr. C. L. Sulzberger cabled to the New York Times that even Gen. Lucius T. Clay, head of American Occupation Forces in Germany, had become so frightened by the consequences of the Morgenthau plan at even this stage of development that he had dispatched Col. Hugh B. Hester to Washington in February to explain the tragic situation in Germany. Mr. Sulzberger went on to say that—

> General Clay has been let down by Washington. * * * United States military government officials are working to get a better deal from Washington. They argue that starvation may threaten under the present program, that even the planned level of recovery will be set back, that "If the United States wants to turn Europe to the left this is the best way," and it is unfair to let General Clay down in his promise to maintain the ration and make America appear not to keep its word.

Mr. President, I am sure Mr. Morgenthau must have learned of the statement made by Gen. George Patton in one of his last conversations with a very close friend. General Patton remarked, concerning the consequences of the Morgenthau plan:

> We fought the War of 1776 for independence. We fought the Civil War to free the slaves. We fought the war of 1918 to make the world safe for democracy. We fought this war to lose everything we had gained from the other three.

Mr. President, that was George Patton. God bless his memory.

Yet, Mr. President, as recently as March 19, 1946, Mr. Morgenthau, this self-styled spokesman for the American people, had the unmitigated nerve to continue his infamous crusade by again pleading for an even more ruthless application of the inhuman policies which have already brought such unmeasurable suffering to Europe.

Mr. Morgenthau lamented that:

> The whole program to make Germany incapable of future aggression is being applied hesitantly and half-heartedly.

According to the Washington Star, Mr. Morgenthau continued to demand that:

> The United States, Great Britain, and Russia carry out the spirit and the letter of the Potsdam Declaration specifying the denazification and deindustrialization of Germany, which he advocated as a Cabinet member.

Mr. President, the above record clearly and convincingly demonstrates that what Mr. Morgenthau has managed to do in the name of the American people, behind their backs and without their knowledge or consent, has become an international disgrace, an international calamity. From every corner of this land, from every walk of life, the American people continue to voice their angry protests against everything for which Mr. Morgenthau stands. Mr. Morgenthau does not speak in the name of the American people. He has deliberately betrayed their principles and their trust.

Mr. President, Chester Davis, Mr. LaGuardia, Secretary Anderson, Governor Lehman, former President Hoover, Gen. Lucius T. Clay, the President's Famine Relief Committee, and the President himself have exposed to the whole world the tragic hunger catastrophe now threatening civilization.

The record I have quoted proves beyond all question of a doubt the direct relationship between this abominable Morgenthau plan and the desperate food calamity we confront.

Yet, in spite of these facts, in a speech in Chicago on April 6, President Truman assured the American people that he was not pessimistic about the future. But throughout his entire speech President Truman did not once mention the crucial problem which the world must solve if there is to be any hope of peace in the future, namely, the problem of Germany.

It is simply astounding, Mr. President, to find the most ardent champions of the United Nations, including the President himself, continuing in their refusal to face the ugly facts of our international life as they now stand revealed in the ghastly and inhuman consequences of the Morgenthau plan for Germany after almost a year of operation.

Why is it, Mr. President, that those men who have been shouting loudest about their devotion to internationalism will not raise a single word of protest against the running cancer which Mr. Morgenthau has spread over the heart of Europe? Why is it that these men will neither look upon the festering sore that has been created nor raise a finger to heal it?

Why is it that instead, Mr. President, when an even more terrible catastrophe threatens humanity as a result of those men whose deliberate malice or criminal incompetence have already brought a world calamity upon us, those men who have clamored most persistently for international cooperation, maintain a conspiracy of silence?

I will state why, Mr. President, when I read a chapter in the book I have in my hand. I will state why when I read a chapter written by Andrew Carnegie himself. When Senators hear that, they will no longer wonder at the criminal conspiracy of silence I have mentioned.

President Truman assured the American people of his complete confidence that:

> There is no international problem which cannot be solved if there are the will and the strength to solve it through the United Nations which we have created.

But, Mr. President, the problem of Germany has been explicitly removed from the jurisdiction of the United Nations, the Charter of which specifically provides that that organization is not to have a single word to say concerning the ultimate fate of those nations which have been the enemies of the major powers in this war.

According to article 107 of the United Nations Charter:

> Nothing in the present Charter shall invalidate or preclude action, in relation to any state which during the Second World War has been an enemy of any signatory to the present Charter, taken or authorized as a result of that war, by the governments having responsibility for such action.

The problem of Germany, Mr. President, is not a problem which the Big Three would permit to be placed in the hands of anyone else. The ultimate fate of Germany lies squarely in the hands of the President and he cannot so easily dispose of it as he suggested by throwing it into the lap of the United Nations. Mr. President, I venture the prophecy that when Mr. Truman goes before the electorate in 1948 such an answer will not satisfy those Americans who have relatives in Germany, sisters and brothers over there who starved. When the senior Senator from Michigan [Mr. VANDENBERG] filed a petition of 800 citizens of Michigan, when I filed petitions of thousands of citizens of the State of North Dakota, when the distinguished Senator from Wisconsin, accompanied by the Senator from Nebraska [Mr. WHERRY] and the Senator from Mississippi [Mr. EASTLAND], and others went to the President and begged him, months ago, that the American people be allowed to make food shipments to Germany and Austria what was the answer? The President said, "No; it is in the hands of the Department of State."

I say Mr. President, that when Mr. Truman goes upon the rostrum in the

next campaign, or when some of the Democratic Senators who ought to know better and who have not lifted their fingers on behalf of thousands and hundreds of thousands of their constituents, go upon the rostrum, it is not going to be an answer in that campaign to quote Mr. Truman when he says "I have nothing to do with it. It is all in the hands of the State Department." The American people are not going to be satisfied with that kind of explanation. The day is coming, and it is coming fast, when those who have been backing up Mr. Morgenthau, when those in authority who have been sitting idly by while Mr. Morgenthau has been carrying his plan through, will find retribution at hand, and when all over this great country of ours men will repeat the words of Franklin Roosevelt who said he was not fighting the German people, that he was fighting only Hitler and his cohorts; who said "There will be no starvation of women and little children in any country, whether they be our allies or whether they be our enemies."

Mr. President, I say that the Members of the Senate who sit on the other side of the aisle, together with the Democratic leadership in America, have fallen down on the job. They have not carried out the principles for which Franklin Roosevelt stood when he said, "There shall be no starvation or suffering in any of these foreign lands." I say the responsibility is upon their shoulders and upon their shoulders alone.

I say further, Mr. President, that not a Democratic Senator, aside from the Senator from Mississippi [Mr. EASTLAND] has, so far as I know, ever raised his voice in behalf of the millions of people who this very minute are dying over there like flies because of this despicable Morgenthau policy foisted upon them, in spite of everything that our Army experts have said, in spite of everything that the leading men of our country, including former President Hoover, have said.

(At this point Mr. LANGER yielded to Mr. MCKELLAR for the consideration of House Joint Resolution 342. The proceedings incident to the joint resolution appear at the conclusion of Mr. LANGER's remarks for the day.)

Mr. LANGER. Mr. President, throughout his speech, President Truman evaded, ignored, and misrepresented this problem of Germany to the American people, in spite of the fact that the peace of the world which now centers in the heart of Berlin is a problem for the solution of which the President has a primary responsibility.

Mr. President, time and again I have stood on this Senate floor and on public platforms throughout America and stated that I would go as far as anyone in assuring the trial, conviction, and punishment of the vicious Axis war criminals.

But the war has been over for almost a year now, and we cannot permit hatred and vengeance to continue to blind us to the fact that now our primary responsibility to humanity is to win the peace. If we are ever to know peace again in our lifetimes, we must now make an historic decision. If the President's confidence in the future is ever to be sustained, he must choose now between peace and the Morgenthau plan. He cannot have both.

On the basis of his own statements, President Truman has now admitted that in spite of the fact that the group of bloody bitter-enders which is doing Mr. Morgenthau's dirty work do not want to scrap his plan, the momentum of events, the sheer weight of logic, and the full-throated protests of the American people will compel this administration to repudiate once and for all these inhuman directives for the enslavement and liquidation of the German-speaking peoples.

Mr. President, even the President of the United States cannot long continue to talk in terms of the violent contradictions which filled his latest speech, without being found out. Unless the following solemn statements of principle, which the President insisted must underlie our help in building the peace, apply to the whole world and all nations, they are meaningless, hypocritical verbiage.

In speaking of the awful conditions in Europe, President Truman stated that:

> We find her suffering the terrible pangs of hunger and privation. Economic reconstruction is, first of all, a task for the peoples and the governments of Europe.

But President Truman did not once mention the fact that his support of the Morgenthau plan for Germany had resulted in the worst hunger catastrophe in Europe known to civilized nations. He did not mention the fact that because we have failed to provide even the minimum rations promised to the German civilian administrators last September by General Clay, acting for this administration, we are confronted with the necessity of scaling down the ration diet to 800 calories a day, which is what the Nazi criminals fed their victims in Belsen and Dachau concentration camps. The President, of course, did not mention the fact that such treatment robbed the German people of even the physical strength necessary to economic reconstruction.

Mr. President, when the majority leader and other Senators went to Europe they viewed some of the concentration camps established in Germany. We now find the same things happening, according to the experts of the American Army of Occupation in Germany and according to the experts sent over there by the Federal Council of Churches of Christ, we find concentration camps in Germany today.

President Truman went on to state, concerning the terrible conditions in Europe and throughout the world, that:

> We shall help because we know that we ourselves cannot enjoy prosperity in a world of economic stagnation. * * * We shall help because economic distress anywhere in the world is a fertile breeding ground for violent political upheaval.

Yet President Truman did not once refer to the fact that on March 26 the Allied Control Council announced its 1949 plans for the maximum level of the German economy in a report which admitted Germany would be forced back down below the level of the poverty, unemployment, political chaos and hunger of the black depression of 1932, the year which spawned Hitler. The President did not mention the fact that according to these plans, Germany was not even going to be permitted to survive as an agricultural community, since the standard of living of agricultural production, and of industrial rehabilitation permitted, will still necessitate an annual import of food to the value of $600,000,000 and will force the elimination of 20 to 30 million Germans, and will thus destroy the economic and social foundations of Christian Europe.

President Truman asserted in the same speech that:

> We shall help because we feel it is simple humanitarianism to lend a hand to our friends and allies who are convalescing from wounds inflicted by our common enemy.

Yet President Truman did not tell the American people that this outlandish expression of his simple humanitarianism merely conceals the fact that at this very moment he is continuing into the definite future Mr. Morgenthau's vicious distinction between friend and foe, among millions of women and children, among the innocent and guilty alike, and dragging this extension of the war into peacetime down to the level of 2-year-olds, all in the face of the gravest hunger catastrophe ever to threaten the civilized world.

What kind of humanitarianism is this, Mr. President? Evidently President Truman has long since forgotten that once America had a President by the name of Abraham Lincoln, who said something about "malice toward none, and charity for all."

At this very moment, after nearly a year of "peace," the President has finally permitted the reopening of mail to Germany. Letters of not over 1 ounce and post cards may be sent; but no money, no drafts, checks or money orders, even for specific humanitarian purposes are permitted. Even notes of 1 ounce and post cards remain censored.

What kind of humanitarianism is this, Mr. President, when even this gesture was permitted only after the State and War Departments threatened to expose the Treasury Department for its continued refusal to permit any communication with Germany?

What kind of humanitarianism is it which permits the Treasury Department to get away with its continued refusal to permit the sending of relief packages through the mail, not because there is the slightest legitimate excuse for such refusal but merely because Mr. Morgenthau's strong-arm men in the Treasury Department are determined to continue to the bitter end their plan to liquidate the German people. I ask, Mr. President, why, nearly a year after the war has ended, a Senator or Representative, if he has a brother over in Germany, should not be allowed to send him a package of food. The Treasury Department at this very moment refuses to permit millions of Americans to send relief directly to the German-speaking peoples of Europe by claiming that the sending of food, clothing, and medicine to freezing, disease-ridden, and starving

people would constitute a violation of the Trading With the Enemy Act.

President Truman stated, as the final principle which must underlie and motivate our help in building the peace of the future, that:

> We want no return to the kind of narrow economic nationalism which poisoned international relations and undermined living standards between the two World Wars.

Yet again, Mr. President, there was no mention by President Truman of the glaring fact that the very division of Germany into four spheres, the liquidation of her national resources, and tremendous industrial capacity and skill, upon which the whole of Europe continues to be so desperately dependent for reconstruction, is turning Europe into a madhouse. There is no mention of the fact that the Morgenthau Plan has created four political and economic weapons out of Germany which the four victor powers are now wielding against each other in the most insane resurgence of economic and political nationalisms known to modern times. I challenge anyone to demonstrate that by continuing to pursue the statistical lunacies and the economic and political monstrosities contained in Mr. Morgenthau's Plan for Germany, this Administration is not now betraying the confidence and trust of the American people.

(At this point a message from the House was received, and Mr. LANGER yielded to Mr. BARKLEY, whereupon certain legislative and executive business was transacted, all of which appear at the conclusion of Mr. LANGER'S remarks for the day.)

Mr. LANGER. Mr. President, a few moments ago I mentioned the name of Andrew Carnegie. I stated that I would read the last chapter of a book which he wrote. The title is "Triumphant Democracy." Mr. President, I charge that the pending joint resolution to give—because that is exactly what it is, although it is called a loan—approximately $4,000,000,000 to England is a part of a scheme which was conceived years and years and years ago by Andrew Carnegie himself. I hold in my hand a copy of his autobiography, and I wish to read the last chapter of it. I may add that, as most Senators know, no doubt, subsequently this chapter was eliminated, and it is not to be found in later editions of his book Triumphant Democracy. The book was published by Charles Scribner's Sons. It was copyrighted in 1886, 1888, and 1893, so presumably it was published in approximately those years.

After telling all about this country—the manufacturers, the mining, the railways, the American people, the cities, the towns, the music, and the education here—and after telling what a great country the United States is, Mr. Carnegie closed with the chapter which I am about to read, and which I believe should be read by every American. Andrew Carnegie came to the United States and builded himself a fortune. It is my understanding that he never even became a citizen of the United States. He took that money back with him to Scotland, back to Skibo Castle. He invited the King of England there, and over the castle flew the American flag and the English flag. As the King was about to leave, Andrew Carnegie said to him, in substance, "I am dedicating myself to the proposition of seeing that our countries are reunited, and we are going to have one nation."

In the last chapter of his book he tells how England and the United States are going to be one country again. When I conclude reading this chapter, I shall read from a newspaper published in San Francisco in 1912, which will show something of what was being contemplated even then. Then let those who wish to vote for the pending joint resolution vote for it if they choose to. It cannot be said that they will not vote with their eyes open, Mr. President. Of one thing I am certain, and that is that when the American people thoroughly understand what Carnegie and others like him attempted and are now attempting to put over on the American people, there will be no question as to the outcome of any election which occurs in the United States at any time in the near future.

At the beginning of the last chapter of his autobiography, Mr. Carnegie quotes a sentence from David Hartley, a member of the British House of Commons, the British Parliament. The quotation is dated May 15, 1777:

> I venture to prophesy that the principles of a federal alliance are the only terms of peace that ever will and ever ought to obtain between the two countries.

Mr. Carnegie then said:

> I think one is excusable who has been compelled to live for months upon figures and hard facts, and record only the past, if, his task accomplished, he indulges in a look ahead, where not what is, but what is to be, is considered, and where, being no longer bound by results achieved, he is fancy free. I have taken this privilege freely for myself in this closing chapter, and, Utopian as the dream may seem, I place on record my belief that it is one day to become a reality.

That is what that multimillionaire of the steel industry said—that some day it will be a reality. He further said:

> Until a little more than a hundred years ago, the English-speaking race dwelt together in unity, the American being as much a citizen of Britain as the Englishman, Scotsman, Welshman, or Irishman. A difference unhappily arose under the British Constitution—their common heritage—as to the right of the citizens of the older part of the States to tax their fellows in the newer part across the sea without their consent; but separation was not contemplated by Washington, Franklin, Adams, Jefferson, Jay, and other leaders. On the contrary, these great men never ceased to proclaim their loyalty to, and their desire to remain a part of, Britain, and they disclaimed any idea of separation, which was indeed accepted at last, but only when forced upon them as a sad necessity, from which there was no honorable escape if they were to maintain the rights they had acquired, not as American but as British citizens.
>
> On the other hand, the motherland, which forced the issue upon her loyal citizens in America, sees nothing more clearly today than that she was in error, and that she converted a constitutional agitation for redress of grievances into a question of patriotic resistance to the exercise of unconstitutional power, an issue which Britons have never been slow to accept, and have never failed successfully to meet. There is no British statesman who does not feel that if the Britons in America had not resisted taxation imposed without their consent, and fought out the issue to the end, they would have been false to the blood in their veins.

Mr. President, later in the chapter from which I have been reading, Mr. Carnegie quotes some of the men he has mentioned. He quotes Horace Walpole, as follows:

> You will not be surprised that I am what I always was, a zealot for liberty in every part of the globe, and consequently that I most heartily wish success to the Americans. They have hitherto not made one blunder, and the administration has made a thousand, besides the two capital ones of first provoking and then of uniting the colonies. The latter seem to have as good heads and hearts as we want both.

Mr. President, I have read from a letter to Horace Mann, dated September 7, 1775, as set forth at page 152 of a book entitled "Horace Walpole and His World," published by Scribner's.

Andrew Carnegie said further:

> Isaac Barré, member of Parliament, 1761 to 1790, said, in reply to Lord North's declaration that he would never think of repealing the tea duty until he saw America prostrate at his feet.

That was Isaac Barré's idea of the kind of treatment which should be accorded to this country. He said:

> To effect this is not so easy as some imagine; the Americans are a numerous, a respectable, a hardy, a free people. But were it ever so easy, does any friend to his country really wish to see America thus humbled?

Those are some of the reasons which Mr. Carnegie cites for abolishing the Stars and Stripes and substituting one flag for the United States and Great Britain. By the way, I have one of those flags. It is in my office.

Andrew Carnegie said further:

> Britain and America now being fully agreed that those who made the attempt to tax the colonists without their consent were wrong, and that in resisting this the colonists vindicated their rights as British citizens, and therefore only did their duty, the question arises, Is a separation thus forced upon one of the parties—

Referring to England—

> and now thus deeply regretted by the other, to be permanent?
>
> I cannot think so, and I crave permission to adduce some considerations in support of my belief that the future is certainly to see a reunion of the separated parts and once again a common citizenship.
>
> First. In race—and there is a great deal in race—the American remains three-fourths purely British. The mixture of the German, which constitutes substantially all of the remainder, though not strictly British, is yet Germanic. The Briton of today is himself composed in large measure of the Germanic element, and Germans, Briton, and American are all of the Teutonic race.

If that statement be true, Mr. President, all the Englishmen in England are Germans, and all the Britons in this country are Germans. In that event, why the Morgenthau plan? Why starve 15,000,000 German men and women and children.

Andrew Carnegie has said that the Britons and Americans are really Germans. I continue reading:

The amount of blood other than Anglo-Saxon and Germanic which has entered into the American is almost too trifling to deserve notice, and has been absorbed without changing him in any fundamental trait. The American remains British, differing less from the Briton than the Irishman, Scotsman, Welshman, and Englishman differ from each other. Englishmen, Scotsmen, Welshmen, and Irishmen are all Britons, and the American (a term which of course includes the Canadian) entering among these would be as near the common type resulting from a union of the five as any of the other parts. Indeed, the American in many respects resembles the Scotsman more than the Englishman does, and he also in other respects resembles the Englishman more than he does the Scot.

He resembles both Englishman and Scot much more than the Irishman resembles either. His introduction into a common British-American citizenship would not produce a resultant different greatly from that of the present union of Scot, Welshman, Irishman, and Englishman. The action of a Congress elected by all these elements would not differ much upon fundamental questions affecting the rights, liberties, and privileges of the people, from a Congress of Americans sitting in Washington, or of Canadians in Ottawa, or from the action of a British Parliament, similarly elected, sitting in London. No citizen of any of the present states, either British or American, would have reason to fear the loss of anything which he now holds dear. He could rest securely in the belief that his fellows of the other states could be trusted so to act that the united mass would not oscillate.

A feeling of confidence in each other among the respective communities of the race in Great Britain and America may be expected to grow, as political institutions continue to assimilate.

It is to be noted that only in the region of political ideas is there dissimilarity, for no rupture whatever between the parts has ever taken place in language, literature, religion, or law. In these, uniformity has always existed; although separated politically, the unity of the parts has never been disturbed in these strong cohesive and cementing links. The books and periodicals, read upon both sides of the Atlantic, are rapidly becoming the same. The decision of one court is good law in all. Language remains uniform, every approved change in one part of the great realm being rapidly adopted throughout the English-speaking world. Religious ideas are the common property of the race. There seems nothing, therefore, to keep the sections of the race apart, but everything to reunite them.

Second. No one questions that if, instead of 1,800 miles of water between America and Britain, there lay another Mississippi Valley, the English-speaking race would be one politically, since the federal system of government has proved that immense areas can be successfully governed under one head, and can exist as one power, the freest government of the parts producing the strongest government of the whole. The difference of land and water lying between the people has hitherto been great, and, in the words of the poet, instead of mountains, we can say that—

"Oceans interposed
Make enemies of nations, who had else,
Like kindred drops, been mingled into one."

That is quite true of the past; but oceans no longer constitute barriers between nations. These already furnished the cheapest of all modes of communication between men.

Mr. Carnegie says:

It has been my good fortune recently to travel from the Pacific Coast to Britain. The journey from San Francisco to New York was made in a moving hotel, in which our party had travelled for 6 weeks with every want supplied. The time necessary for the trip is 5 days. The other half of the journey, after a short rest at the halfway house, New York, was performed in one of the best ocean greyhounds, the time consumed from land to land being only a few hours more than that required for the journey from San Francisco to New York. Over land and over sea we had travelled under the best conditions of today. No luxury was wanting. The moving hotel over the land was the best of its kind, as was also the moving hotel over the water. The ocean voyage was in every respect more comfortable and by far less fatiguing than the overland journey.

The future is, probably, to render travel by sea, if not quite as fast, yet more comfortable to people in general than land travel can possibly be made.

He says further:

The delegate to a conference at Washington, leaving Liverpool or Southampton, now reaches that city in just about the same time as the delegate from San Francisco, Seattle, or Victoria on the Pacific Coast.

(At this point Mr. LANGER yielded the floor for the day.)

ABOLITION OF THE POLL TAX

During the delivery of Mr. LANGER'S speech,

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LANGER. For what purpose?

Mr. MORSE. I wonder if the Senator will yield long enough for the Senate to pass, by unanimous consent, House bill 7.

Mr. LANGER. Yes, indeed; I yield with pleasure. What is the bill about?

Mr. MORSE. It is the anti-poll-tax measure.

Mr. LANGER. I yield for that purpose.

Mr. MORSE. I believe that we are in position to save the Senate a great deal of time, inasmuch as the Senator and I are about the only Members of the Senate now present on the floor.

Mr. LANGER. Mr. President, let the Senator from Oregon make his request.

Mr. MORSE. I ask unanimous consent that the Senate proceed to the consideration of House bill 7, an act making unlawful the requirement for the payment of a poll tax the prerequisite to voting in a primary or other election for national offices.

Mr. McFARLAND. Mr. President, I suggest the absence of a quorum.

Mr. LANGER. Mr. President, I refuse to yield to the Senator from Arizona for that purpose.

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). The Senator from North Dakota refused to yield to the Senator from Arizona, but he did yield to the Senator from Oregon for a unanimous consent request. The Senator from Oregon makes a unanimous consent request that the Senate proceed to the immediate consideration of House bill 7. Is there objection?

Mr. McFARLAND. I object for the reason, Mr. President, that Senators interested in House bill No. 7 are entitled to be present and to vote, and the Senator from North Dakota objects to a quorum call.

The PRESIDING OFFICER. Objection is heard. The Senator from North Dakota will proceed.

THE OPA—TELEGRAM FROM H. A. BENNING

During the delivery of Mr. LANGER'S speech,

Mr. GOSSETT. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Idaho?

Mr. LANGER. For what purpose?

Mr. GOSSETT. I have a short statement I should like to make, and a telegram which I should like to have inserted in the RECORD. I will not even take the time to read the telegram.

Mr. LANGER. I yield for that purpose.

Mr. GOSSETT. Mr. President, I have here a telegram which typifies the problems which the Office of Price Administration itself is creating for the friends of OPA in Congress. I should like to read it to the Senate. It is from H. A. Benning, of Ogden, Utah, the president of the Amalgamated Sugar Co., which operates sugar factories in many parts of Utah and Idaho and other States. Mr. Benning says:

OGDEN, UTAH., *April 17, 1946.*

CHARLES C. GOSSETT,
Senate Office Building,
Washington, D. C.:

We cannot procure cotton-filter cloth without which we cannot process the 1946 crop of sugar beets which is now growing. Manufacturers of this commodity state that because of OPA price regulations they cannot manufacture this type of fabric and in many cases the looms used to manufacture it have been dismantled and replaced by looms which produce a product that is not subject to OPA price control. We cannot use that product in our factories. This situation is critical and demands prompt and effective action. Apparently relief can only be obtained through Congress as all efforts to work out this situation with OPA have been unsuccessful as usual. The same situation exists in cotton bags and even with huge surpluses of cotton we are forced to use paper bags which are very unsatisfactory. If OPA is necessary cannot Congress force efficient and sound administration?

THE AMALGAMATED SUGAR CO.
H. A. BENNING, *President.*

Mr. President, the administrators of OPA must iron out such problems as these. I feel OPA is necessary to prevent a disastrous boom and bust, a depression which will ruin our American standard of living. But as a friend of OPA, I fear for its life unless the administrators of OPA take action to end such conditions as these. This is perfect ammunition for the foes of OPA who would scrap it entirely. I ask Mr. Porter to take action in this case and others like it. We in Congress who want to continue OPA must have his help if we are to win the fight for continued price control.

AMENDMENT OF BANKRUPTCY ACT

During the delivery of Mr. LANGER'S speech,

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Nevada?

Mr. LANGER. For what purpose?

Mr. McCARRAN. Will the Senator yield for the consideration of a message which has just come from the House?

Mr. LANGER. How much time will it take?

Mr. McCARRAN. Practically none at all. It is merely for the purpose of having conferees appointed.

Mr. LANGER. I yield to the distinguished Senator from Nevada.

Mr. McCARRAN. I ask that the Chair lay before the Senate a message from the House.

Mr. WHERRY. What is the matter referred to by the Senator from Nevada?

The PRESIDING OFFICER. The Chair was about to lay it before the Senate.

Mr. WHERRY. Very well.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 5504) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplemental thereto, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WHERRY. I have no objection.

Mr. McCARRAN. Mr. President, I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McCARRAN, Mr. MURDOCK, and Mr. REVERCOMB conferees on the part of the Senate.

CONSIDERATION OF CONFERENCE REPORT ON SENATE BILL 2

Mr. McCARRAN. Mr. President, will the Senator yield for a question?

Mr. LANGER. I yield.

Mr. McCARRAN. I hope the Senator will pardon me, but in order that we may know how we may proceed this afternoon with reference to a conference report, is the Senator in position to indicate to us how long he expects to continue?

Mr. LANGER. I do not know how long I shall speak, but I shall not be through this afternoon.

Mr. McCARRAN. Does the Senator think he might yield for the consideration of a conference report?

Mr. LANGER. Yes, I will yield for that purpose.

Mr. McCARRAN. Let me be frank with the Senator. I do not want to mislead him. There will be some discussion of the report, and it is estimated by the junior Senator from Maine [Mr. BREWSTER] that it may require an hour's time. I want to be fair with the Senator.

Mr. WHERRY. It will be necessary to have a roll call to establish the presence of a quorum, for that purpose, will it not?

Mr. McCARRAN. Yes.

Mr. LANGER. I yield for the purpose indicated, Mr. President, if I can obtain unanimous consent that I may resume the floor when debate on the conference report is concluded and the report acted upon.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. BREWSTER. Would it be agreeable to the Senator from North Dakota if we could tentatively plan to take up the conference report at, let us say, 3:30 this afternoon? While consideration of it may take as much as an hour, I expect that half an hour or three-quarters of an hour will be sufficient. The Senator from Nevada will explain the conference report, and I will explain the other position. I do not think it will take more than three-quarters of an hour at the most.

Mr. LANGER. I shall be glad to yield for that purpose provided I obtain unanimous consent that when the debate on the report is concluded and the report is acted upon I again shall have the floor.

Mr. BREWSTER. Mr. President, I make that request.

Mr. LANGER. I so request, Mr. President.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from North Dakota that if he yields to the Senator from Nevada for the purpose of submitting a conference report he will not thereafter lose the floor at the conclusion of the discussion of the conference report? The Chair hears no objection, and the request is granted.

Mr. LANGER. This is done with the understanding that the report will be submitted at about 3:30.

Mr. McCARRAN. Along about 3:30.

The PRESIDING OFFICER. The Chair will say that the request is amended to include consideration of the conference report shall be begun at 3:30 this afternoon. The Senator from North Dakota has the floor.

Mr. McCARRAN subsequently said: Mr. President, will the Senator from North Dakota again yield to me?

Mr. LANGER. I yield.

Mr. McCARRAN. I hope the junior Senator from Maine [Mr. BREWSTER] is in the Chamber. I will say that a little while ago we entered into a unanimous-consent agreement that at about 3:30 today the Senator from North Dakota would yield so that we might take up the conference report on S. 2, known as the airport bill. The majority leader is compelled to leave here at about 4 o'clock today. Other Senators are absent. We find in checking over the roll call that quite a number of Senators are absent. I therefore wish to state to those who may be present that I shall not bring up the conference report today, but shall attempt, after I have made an investigation to determine who may be present or may be absent, to bring up the conference report tomorrow afternoon.

Mr. BREWSTER. Mr. President, will the Senator from North Dakota yield to me?

Mr. LANGER. I yield to the Senator from Maine.

Mr. BREWSTER. I appreciate the courtesy of the Senator from Nevada, who has been absent during the period this matter has been here. I thought that we had a rather mutual understanding that we would try to accommodate ourselves to each other in respect to this matter.

Mr. McCARRAN. That is correct.

Mr. BREWSTER. Tomorrow afternoon it is not going to be practicable for me to have the matter taken up, as I must leave at a quarter to 3. I do not anticipate we can conclude consideration of the matter tomorrow unless we begin at noon.

Mr. BARKLEY. So far as I am concerned, I will say to the Senator that it would be entirely agreeable to begin at once upon the convening of the Senate tomorrow at noon. According to the information I have received from Senators who are interested in the matter, we ought to conclude it before the Senator from Maine is obliged to leave tomorrow.

Mr. BREWSTER. I believe it can be concluded within an hour.

Mr. BARKLEY. Yes.

Mr. WHITE. Mr. President, I want to be sure that that arrangement is satisfactory to the Senator from North Dakota.

Mr. LANGER. It is satisfactory to me, Mr. President, if it is understood that I may obtain the floor at the conclusion of the debate and action on the report.

Mr. BARKLEY. The Senator from North Dakota has stated that he will not have concluded his speech before tomorrow.

Mr. LANGER. I am fearful that I will not.

Mr. BARKLEY. I share in that fear, I will say, Mr. President.

Mr. LANGER. The fear is well founded. [Laughter.]

Mr. BREWSTER. It is a matter of record, I will say, that the Senator will not conclude today.

The PRESIDING OFFICER. The Chair will suggest that the Senator from North Dakota modify his unanimous-consent request with respect to bringing up the conference report on S. 2, to the time now agreed upon by the Senator from Nevada and the Senator from Maine.

Mr. LANGER. I do so modify the request, Mr. President.

The PRESIDING OFFICER. The Senator from North Dakota asks unanimous consent that tomorrow at 12 o'clock noon, the Senate proceed to the immediate consideration of the conference report on S. 2, and further requests that if he yields for that purpose he will not thereafter lose the floor at the completion of the consideration of the conference report.

Is there objection to the request? The Chair hears none, and it is so ordered.

APPROPRIATIONS TO PAY INCREASED COMPENSATION TO FEDERAL OFFICERS AND EMPLOYEES

During the delivery of Mr. LANGER's speech,

Mr. McKELLAR. Mr. President, will the Senator from North Dakota yield to me for a moment?

Mr. LANGER. I yield to the distinguished Senator from Tennessee.

Mr. McKELLAR. From the Committee on Appropriations I ask unanimous consent to report without amendment, House Joint Resolution 342, a joint resolution making additional appropriations for the fiscal year 1946 to pay increased compensation authorized by law to officers and employees of sundry Federal and other agencies.

The PRESIDING OFFICER. Without objection, the report will be received.

Mr. McKELLAR. Mr. President, I will say that the Committee on Appropriations has been polled, and 17 of its members, all who are in town except one, and he has scruples about the polling of a committee, have voted in favor of reporting the joint resolution.

With the consent of the Senator from North Dakota, I desire to make an explanation of the measure. Increased compensation has been authorized by law to officers and employees of sundry Federal and other agencies. The joint resolution simply carries it into effect. There is nothing else in this particular joint resolution except provision for the increases in pay which the Congress has already approved.

These items have been lifted from the Second Deficiency Bill for 1946 now before the Committee and incorporated in this joint resolution.

Mr. President, I now ask unanimous consent for immediate consideration of the joint resolution.

The PRESIDING OFFICER (Mr. TUNNELL in the chair). The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 342) making additional appropriations for the fiscal year 1946 to pay increased compensation authorized by law to officers and employees of sundry Federal and other agencies.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (H. J. Res. 342) was considered, ordered to a third reading, read the third time, and passed.

Mr. McKELLAR. I thank the Senator from North Dakota very much for yielding to me for this purpose.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1757) to amend the Surplus Property Act of 1944, as amended, so as to broaden the scope and raise the rank of veterans' priority, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 145) providing for an adjournment of the House from April 18, 1946, to April 30, 1946, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes, and it was signed by the President pro tempore.

EASTER ADJOURNMENT OF THE HOUSE OF REPRESENTATIVES

Mr. BARKLEY. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. BARKLEY. The House has just sent over a concurrent resolution providing for a 10-day recess of the House. I ask that it be laid before the Senate for present consideration.

There being no objection, the Presiding Officer laid before the Senate the concurrent resolution (H. Con. Res. 145), which was read, considered, and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, April 18, 1946, it stands adjourned until 12 o'clock meridian Tuesday, April 30, 1946.

VETERANS' EMERGENCY HOUSING

Mr. BARKLEY. Mr. President, I wish merely to express regret that the concurrent resolution for an adjournment of the House of Representatives comes at a time when the conferees are in session on the veterans' emergency housing legislation. I had hoped that we might conclude the work of the conferees and have the conference report agreed to before the House took its recess. Whether the conferees can come to any conclusion today I do not know; and even if they should, unanimous consent or a special rule requiring a two-thirds vote in the House would be required in order to have the conference report considered today.

Under the circumstances it appears that if we cannot conclude our deliberations and have a conference report ready to be considered today in the House, it will have to go over until after the reconvening of the House. I am still hopeful that we may be able to have a report ready today, because time is running against this program, and it is of the essence. If we can arrive at a conclusion, so that the authorities may reasonably know what to expect in the way of a conference report, and may go ahead with their plans, it may be that no great amount of time will be lost; but I regret that we have been unable to conclude our deliberations and have a conference report ready for action by the two Houses before the House takes its recess.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

CONFIRMATION OF EXECUTIVE NOMINATIONS

Mr. BARKLEY. Mr. President, if the Senator from North Dakota [Mr. LANGER] will yield to me for a moment, I may say that I am compelled to absent myself from the Chamber in a few moments. I ask the Senator to yield to me so that I may ask unanimous consent for the present consideration, as in executive session, of the nominations on the Executive Calendar. They consist of postmaster nominations and one nomination each in the Army and the Navy.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and the clerk will state the nominations on the Executive Calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confimed en bloc.

THE ARMY

The legislative clerk read the nomination of Thomas Donald Campbell to be brigadier general for temporary appointment in the Army of the United States.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

THE NAVY

The legislative clerk read the nomination of Harold M. Bemis to be rear admiral, for temporary appointment, in the Navy.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That concludes the Executive Calendar.

Mr. BARKLEY. I ask that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

ORDER FOR RECESS

Mr. BARKLEY. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it take a recess until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. LANGER. Mr. President, I wish to voice objection because of the fact that tomorrow is Good Friday. I do not wish to make any point about it, but I do not believe that the Senate ought to be in session on Good Friday.

Mr. BARKLEY. I may say to the Senator that we have never followed the custom of adjourning for that reason. I appreciate the Senator's devotion to that day. However, I understand that he does not object to the request, but merely wishes to voice his own position.

Mr. LANGER. That is correct.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

TWO HUNDREDTH ANNIVERSARY OF THE FOUNDING OF PRINCETON UNIVERSITY

Mr. BARKLEY. Mr. President, a few days ago the Senator from New Jersey [Mr. SMITH] for himself and the Senator from Pennsylvania [Mr. GUFFEY] introduced Senate Joint Resolution 148, to authorize suitable participation by the United States in the observance of the two hundredth anniversary of the founding of Princeton University. Similar resolutions have been adopted on behalf of other universities in the United States.

From the Committee on the Library I report the joint resolution favorably, without amendment, and ask unanimous consent for its present consideration. The resolution is drawn in similar form to resolutions which have been adopted with regard to other universities, including Harvard, Yale, and several others.

Mr. WHITE. Mr. President, I understand that in practice and in form the joint resolution is in harmony with past action by the Senate and the House?

Mr. BARKLEY. That is correct.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (S. J. Res. 148) to authorize suitable participation by the United States in the observance of the two hundredth anniversary of the founding of Princeton University was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Government and the people of the United States unite with Princeton University in a fitting and appropriate observance of the two hundredth anniversary of its founding.

SEC. 2. There is hereby established a commission to be known as the United States Princeton University Bicentennial Commission (hereinafter referred to as the "Commission") to be composed of 15 Commissioners, as follows: The President of the United States and 4 persons to be appointed by him, the President of the Senate and 4 Members of the Senate to be appointed by the President of the Senate, and the Speaker of the House of Representatives and 4 Members of the House to be appointed by the Speaker. Any vacancies occurring in the membership of the Commission shall be filled in the same manner in which original appointments to such Commission are made.

SEC. 3. The Commission, on behalf of the United States, shall cooperate with the representatives of Princeton University, the State of New Jersey, and the borough of Princeton, N. J., in the appropriate observance of such anniversary, and shall extend appropriate courtesies to the delegates of foreign universities and other foreign learned bodies, or individuals, attending the celebrations as guests of Princeton University. The Commission is authorized in performing its functions under this section to utilize the services and facilites of the various agencies and instrumentalities of the United States, with the consent of such agencies and instrumentalities.

SEC. 4. The members of the Commission shall serve without compensation. They shall select a chairman and a secretary from among their number, but the President of the United States shall be designated as the honorary chairman of the Commission.

The preamble was agreed to.

LEAVE OF ABSENCE

Mr. YOUNG. Mr. President, I ask unanimous consent to be absent from the Senate for 4 or 5 days.

The PRESIDENT OFFICER. Without objection, leave is granted.

RECESS

After the conclusion of Mr. LANGER'S speech,

Mr. CAPEHART. Mr. President, will the Senator from North Dakota yield to me.

Mr. LANGER. I yield.

Mr. CAPEHART. Under the order of the Senate previously entered, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 12 minutes p. m.) the Senate took a recess, the recess being under the order previously entered, to Friday, April 19, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 18 (legislative day of March 5), 1946:

DIPLOMATIC AND FOREIGN SERVICE

Lowell C. Pinkerton, of Missouri, now a foreign-service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Iraq.

Kenneth C. Krentz, of Iowa, now a foreign-service officer of class 4 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

Charles A. Bay, of Minnesota, now a foreign-service officer of class 2 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

H. Merrell Benninghoff, of New York, now a foreign-service officer of class 3 and a secretary in the diplomatic service, to be also a consul general of the United States of America.

The following-named persons to be foreign-service officers, unclassified, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Henry C. Barkhorn, Jr., of New Jersey.
Herbert S. Bennett, of New York.
Robert H. Lunt, of Pennsylvania.
Elie Jan Nadelman, of New York.
Miss Helen R. Nicholl, of New York.
Robert Irving Owen, of New Jersey.
Claiborne Pell, of New York.

CHIEF JUSTICE, SUPREME COURT, TERRITORY OF HAWAII

Hon. Samuel B. Kemp, of Hawaii, to be Chief Justice of the Supreme Court, Territory of Hawaii. (Justice Kemp is now serving in this office under an appointment which expired June 3, 1945.)

POSTMASTERS

The following-named persons to be postmasters:

ARIZONA

Hazel M. Peebles, Sacaton, Ariz., in place of Lenore Hoopes, resigned.

CALIFORNIA

Charles V. Shaffer, Del Paso Heights, Calif., in place of A. M. Falck, retired.

Lawrence N. Fowler, Kelseyville, Calif., in place of E. L. Fowler, resigned.

William I. Stewart, Kernville, Calif., in place of C. E. Timmons, deceased.

ILLINOIS

J. Wiley Lucas, Abingdon, Ill., in place of A. L. Knable, deceased.

William P. Hall, Elizabethtown Ill., in place of G. A. Wall, deceased.

Fred R. Drews, Sidney, Ill., in place of W. J. Woodard, resigned.

IOWA

Raymond W. Thomas, Green Mountain, Iowa. Office became Presidential July 1, 1945.

KANSAS

Georgie L. Hunt, Rolla, Kans., in place of M. G. Goddard, resigned

KENTUCKY

Edna P. Leger, Baxter, Ky., in place of V. N. Minton, resigned.

John S. Mahan, Princeton, Ky., in place of P. J. Blackburn, resigned.

LOUISIANA

Claire C. Mahaffey, Jennings, La., in place of L. J. Nohe, deceased.

Volene B. Bray, Jones, La., in place of B. F. Morris, resigned.

Robert W. Collier, Sr., Oakdale, La., in place of J. A. Williams, deceased.

MAINE

Nelida Arsenault, Mexico, Maine, in place of Alfred Boivin, resigned.

MARYLAND

Thomas H. Collier, Grasonville, Md., in place of R. E. Ireland, transferred.

MINNESOTA

Percy B. Boyer, Beltrami, Minn., in place of E. E. Boyer, resigned.

MISSISSIPPI

Ida L. Cain, Prairie, Miss. Office became Presidential July 1, 1943.

MISSOURI

Henry E. Roper, Bernie, Mo., in place of H. E. Roper. Incumbent's commission expired June 23, 1942.

NEBRASKA

Meredith Y. Cloud, Elk Creek, Nebr., in place of B. F. Karas, deceased.

NEW JERSEY

John P. Larkin, Sr, Otswood, N. J., in place of M. G. Appleby, resigned.

NEW YORK

Helen Regan, Carle Place, N. Y., in place of Francis McDonald, declined appointment.

Kenneth L. Dubuque, Peru, N. Y., in place of B. E. Holden, retired.

NORTH CAROLINA

Thelma D. Warren, Newton Grove, N. C., in place of B. C. Cox, resigned.

NORTH DAKOTA

Walter F. Sheldon, Napoleon, N. Dak., in place of Peter Meier, transferred.

OKLAHOMA

Alma C. Binns, Kellyville, Okla. Office became Presidential July 1, 1943.

OREGON

Hugh T. Smith, Forest Grove, Oreg., in place of Edwin Allen, retired.

PENNSYLVANIA

Anthony P. Pelino, Lewis Run, Pa., in place of A. D. Pietranton, deceased.

SOUTH CAROLINA

Pearl J. Sauls, Cades, S. C., in place of C. S. McGill, resigned.

TEXAS

J. Dea Allen, Blum, Tex., in place of G. A. Adair, transferred.

Meta Cargile, Converse, Tex., in place of H. H. Gold, retired.

Leland C. Adams, Holliday, Tex., in place of Mabel Darden, resigned.
Marjorie L. Burton, Katy, Tex., in place of Vernon May, removed.
Margaret M. Harden, Larue, Tex., in place of Sislie Curtis, transferred.
Betty F. Irby, Texon, Tex., in place of W. M. Irby, resigned.
Oneta M. Hazel, Wink, Tex., in place of P. E. Jette, retired.

UTAH

Edwin F. Marchetti, Helper, Utah, in place of E. C. Gibson, transferred.

WASHINGTON

William Norris, Amboy, Wash., in place of Cora Ray, resigned.
Carol E. Sherman, Dryden, Wash., in place of C. L. Sherman, resigned.

WISCONSIN

Charles W. Lee, High Bridge, Wis. Office became Presidential July 1, 1945.

WYOMING

Owen W. Cranney, Afton, Wyo., in place of A. H. Linford, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 18 (legislative day of March 5), 1946:

IN THE ARMY

TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

To be a brigadier general

Thomas Donald Campbell

IN THE NAVY

TEMPORARY SERVICE IN THE NAVY

To be a rear admiral

Harold M. Bemis

POSTMASTERS

IOWA

Theodore H. Seyb, Donnellson.
Morten E. Petersen, Turin.

KANSAS

Raymond J. Gegen, Colwich.
Emma V. Hedge, Hoxie.
Harold R. Winter, Scott City.

MASSACHUSETTS

Mildred H. Hall, Acton.
John C. Kelleher, Holden.

MISSISSIPPI

Blanche C. Wilson, Monticello.
Alex Polk, Oak Vale.

MISSOURI

Hazel Munkirs, Kearney.

MONTANA

Otto Wyatt, Terry.
Charles A. Watkins, Townsend.
Lucile R. Cloud, Wolf Point.

TEXAS

John E. McDuffey, Seymour.

VERMONT

Elmore H. Chase, St. Johnsbury Center.

VIRGINIA

Atlee B. Crowder, Clarksville.

WASHINGTON

Harriett B. Konopaski, Beaver.
Evelyn E. Ackerman, Sekiu.
Warren Lincoln, Shelton.
Grace W. Schroeder, Zillah.

WYOMING

Mabel E. Nolan, Mills.

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 18, 1946

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou unseen Presence, we would pause in this solemn moment to meditate upon the beautiful fellowship of our Lord as set forth in the symbol of the vine and the branches. We are grateful for this rich brotherhood of kindred life, for that strange mysterious power which makes union with Thee an invincible force destined to conquer the world. As we break the mystic bread of sacrifice, and receive the blessings of our Lord, mercifully grant that we, walking in the way of the Cross, may find it none other than the way of life and peace.

O God, clear the depths of our hearts of strife and falsehood and let the sense of Thy forgiveness steal upon us, that we may be worthy to share Thy redemptive work. Clothe us with courage to befriend, with sincerity to shield, and with charity to be merciful to all. Keep alive in our breasts the One who said "This do in remembrance of Me"; who faced failure, saved humanity, unsealed earth's tombs, and brought to man new hope and fresh inspiration. In the name of our glorified Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

BOARD OF VISITORS OF THE UNITED STATES MILITARY ACADEMY

The SPEAKER laid before the House the following communication, which was read by the Clerk:

APRIL 15, 1946.

The Honorable SAM RAYBURN,
Speaker, House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: Pursuant to the act approved May 17, 1928 (U. S. C., title 10, sec. 1052–a), I have designated Hon. ANDREW J. MAY, Hon. R. EWING THOMASON, Hon. OVERTON BROOKS, Hon. JOHN J. SPARKMAN, Hon. WALTER G. ANDREWS, Hon. DEWEY SHORT, and Hon. LESLIE C. ARENDS, members of the Committee on Military Affairs, as members from this committee to the Board of Visitors of the United States Military Academy.

Very truly yours,

ANDREW J. MAY,
Chairman.

JOINT ANTI-FASCIST REFUGEE COMMITTEE

The SPEAKER. The Chair asks the Clerk to read the following announcement.

The Clerk read as follows:

The Chair desires to announce that pursuant to House Resolution 601, Seventy-ninth Congress, he did, on April 17, 1946, certify to the United States attorney, District of Columbia, the willful and deliberate refusal of Miss Helen R. Bryan, Dr. Jacob Auslander, Prof. Lyman R. Bradley, Mrs. Marjorie Chodorov, Mr. Howard Fast, Mrs. Ernestina G. Fleischman, Leverett Gleason, Harry M. Justiz, Mrs. Samuel Kamsley, Mrs. Ruth Leider, James Lustig, Manuel Magana, Dr. Louis Miller, Herman Shumlin, Mrs. Charlotte Stern, Dr. Jesse Tolmach, and Mrs. Bobbie Weinstein to produce the books, papers, and records of the Joint Anti-Fascist Refugee Committee, together with all the facts relating thereto, before the Committee on Un-American Activities of the House of Representatives.

EXTENDING THE PRICE CONTROL AND STABILIZATION ACTS

The SPEAKER. The unfinished business is the reading of the engrossed copy of the bill (H. R. 6042) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes.

The Clerk read as follows:

H. R. 6042

An act to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes

Be it enacted, etc., That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "March 31, 1947."

SEC. 2. Notwithstanding the provisions of this act, the Stabilization Act of 1942, or the Emergency Price Control Act, as amended, no maximum price shall be established or maintained for any commodity below a price which will reflect to the producers and processors and distributors (including retailers) of such commodity the sum of (1) the current cost of producing and processing and distributing such commodity as determined by the established commercial accounting practices of the industry, and (2) a reasonable profit thereon.

SEC. 3. Section 6 of the Stabilization Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "March 31, 1947."

SEC. 4. Title I of the Emergency Price Control Act of 1942, as amended, is amended by inserting after section 1 thereof a new section as follows:

"REMOVAL OF PRICE AND WAGE CONTROLS

"SEC. 1A. (a) It is hereby declared to be the policy of the Congress that the general control of prices and wages, and the use of the subsidy powers conferred by section 2 (e) of this act, shall be terminated, without further extension, not later than June 30, 1947, and that on that date the Office of Price Administration shall be abolished. The Price Administrator (and the Secretary of Agriculture to the extent of his responsibility under section 3 (e) of this act) shall proceed immediately to formulate a comprehensive plan for the progressive removal of price controls and subsidies in order that the return to a free market and to free collective bargaining may be accomplished on or before June 30, 1947, without disturbance of the national economy. On or before October 1, 1946, the Price Administrator shall report to Congress the plan so formulated together with the measures which he has taken and will take to execute the plan. The President shall, not later than January 2, 1947, report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this act as to them after June 30, 1947, together with his recommendations as to the established departments or agencies of the Government which should be charged with the administration of such powers.

"(b) (1) Maximum price controls shall be removed as hereafter set forth.

"(2) In the case of any nonagricultural commodity or class of commodities the producers of which are not represented by an industry advisory committee as provided in

section 2 (a) of the Emergency Price Control Act of 1942 as amended, the President shall from time to time but not less frequently than once each month determine whether the production of such commodity or commodities either singly or in combination equals or exceeds for the past 12 months by volume the production of such commodity or commodities in the period from July 1, 1940, to June 30, 1941. Whenever the President so finds he shall so certify to the Price Administrator, and not later than 10 days after the receipt of such certification the Price Administrator shall take such action as may be necessary to remove all price controls with respect to such commodity or class of commodities.

"(3) In the case of any nonagricultural commodity or class of commodities the producers of which are represented by an industry advisory committee as provided in section 2 (a) of the Emergency Price Control Act of 1942, as amended, such industry advisory committee shall from time to time but not less frequently than once each month certify to the Administrator as to whether the production of any such commodity either singly or in combination equals or exceeds for the past 12 months by volume the production of such commodity or class of commodities for the period from July 1, 1940, to June 30, 1941. Whenever such committee shall so certify, the Price Administrator shall not later than 10 days after receipt of such certification, take such action as may be necessary to immediately remove all price controls with respect to such commodity or commodities.

"(4) (A) In the case of agricultural commodities the Secretary of Agriculture is hereby authorized and directed to make a determination as to whether supply of the commodity is equal to the domestic consumption of such commodity. When such supply is equal to such domestic consumption, he shall forthwith certify such determination to the Administrator. The Administrator shall within 10 days thereafter remove all price ceilings with respect to such commodity.

"(B) When the production of any agricultural commodity for the past 12 months equals or exceeds the production of this commodity during the 12 months' period from July 1, 1940, to June 30, 1941, then such fact shall be certified to the Price Administrator by the Secretary of Agriculture, and such Price Administrator shall not later than 10 days after the receipt of such certification remove all maximum price ceilings from such commodity and all commodities for human consumption derived principally therefrom.

"(c) Nothing in subsection (b) shall limit the authority of the Price Administrator to remove price controls with respect to any commodity or class of commodities at an earlier time than would be the case under the provisions of such subsection in any case which, in his judgment, removal of such controls at an earlier time is consistent with the purposes of this act.

"(d) (1) After maximum price controls have been removed in accordance with subsection (b), in the case of any commodity or class of commodities, the President shall from time to time determine whether, by reason of changed conditions, there has arisen an unsatisfied domestic demand for such commodity or class of commodities. Whenever the President determines that such demand has arisen and has remained unsatisfied for a period of more than 60 days, and, in his judgment, there is no immediate prospect of such demand being satisfied, he shall forthwith certify that fact in writing to the Price Administrator.

"(2) When the Price Administrator has received from the President a certification in writing under this subsection with respect to a particular commodity or class of commodities, the Price Administrator may reestablish, with respect to such commodity or class of commodities, such maximum price or maximum prices, consistent with applicable provisions of law, as in his judgment may be necessary to effectuate the purposes of this act."

SEC. 5. Subsection (b) of section 2 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof a new paragraph as follows:

"After the date upon which this paragraph takes effect, the Administrator, when establishing rent ceilings on hotels or when passing upon applications for adjustments of rent ceilings on hotels, is authorized to take into consideration the distinction between transient hotels and residential or apartment hotels; including the difference in the investment, operation, expenses and mechanical details of operation between the transient hotels and the residential and apartment hotels."

SEC. 6. Subsection (e) of section 2 of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, is amended by inserting "(1)" after "(e)" at the beginning of such subsection, and inserting at the end thereof the following paragraphs:

"(2) Subsidy operations, as hereinafter defined, for the year ending December 31, 1946, shall be limited as follows, subject to the provisions of paragraph (3):

"(A) With respect to funds of the Commodity Credit Corporation—

"(i) for the dairy production payment program, $180,000,000: *Provided*, That in carrying out the dairy production payment program the rate of payment per pound of butterfat delivered shall not be less than 25 percent of the national weighted average rate of payment per hundred pounds of whole milk delivered;

"(ii) for other noncrop programs, $17,500,000; and

"(iii) for the 1946 crop program operations, $56,000,000:

Provided, That not to exceed 10 per centum of each amount specified in clauses (i), (ii), and (iii) of this subparagraph (A) shall be available interchangeably for the operations described in such clauses but in no case shall the total subsidy operations under any one of such clauses be increased by more than 10 percent; and

"(B) With respect to funds of the Reconstruction Finance Corporation—

"(i) for rubber produced in Latin America and Africa for which commitments were made before January 1, 1946, $31,000,000;

"(ii) for materials or commodities produced in the United States as follows:

"Flour, $91,000,000;

"Petroleum and petroleum products, $50,000,000;

"Copper, lead, and zinc in the form of premium price payments, $100,000,000;

"(iii) for other materials or commodities, produced in or outside the United States, $59,500,000:

Provided, That in the event the entire amount of any of the allocations referred to in this subparagraph (B) is not required for its purpose, the unused portion of such allocation, but not to exceed 10 percent of such allocation, may be used for such subsidy operations for any item or items enumerated in this subparagraph (B) as may be determined by the Economic Stabilization Director: *Provided further*, That no funds heretofore or hereafter appropriated to, borrowed under Congressional authorization by, or in custody or control of any governmental agency, including Government-owned or controlled corporations, shall be used after June 30, 1946, to continue any existing program, or to institute any new program for the payment of subsidies on livestock or meat derived from livestock, or for the purchase of such commodities for resale at a loss thereby subsidizing directly or indirectly the production, sale, or distribution of such commodities, except that nothing contained herein shall prevent the payment of obligations created under existing programs which accrued prior to June 30, 1946: *And provided further*, That in order to prevent a reduction in livestock prices upon the elimination of such livestock and meat subsidy payments, the Administrator shall make corresponding increases in maximum prices of livestock, meat, and meat products to the extent necessary to compensate for the removal of such subsidies."

LIQUIDATION OF SUBSIDIES

SEC. 7. (a) The Administrator shall make adjustments in maximum prices of agricultural commodities including milk and livestock and products manufactured in whole or substantial part from such commodities in lieu of any payment by the Federal Government of sums of money or losses incurred by any agency of the Government through the purchase and resale at a loss of such commodities or products, and equivalent reductions in subsidy or similar payments shall be made by any such agency authorized to make such purchases and sales at a loss or to make such payments: *Provided*, That the first such adjustment or adjustments of not less than 25 percent of the rate of subsidy or similar payments made in the corresponding period of 1945 shall be made not more than 45 days from the effective date hereof and similar adjustments shall be made at intervals of not more than 45 days thereafter: *Provided further*, That none of the foregoing provisions shall apply to any operations conducted for the purpose of maintaining support prices for agricultural products or payments or losses incurred with respect to domestic sugar beets or sugarcane: *And provided further*, That nothing contained herein shall be construed to prevent the making of parity payments or soil-conservation payments authorized under existing law or benefits to sugar growers authorized under title III of the Sugar Act of 1937, as amended.

(b) Modifications shall be made in the maximum prices established for any agricultural commodities and for commodities processed or manufactured in whole or in substantial part from agricultural commodities where it appears that the maximum prices established do not reflect all increases in costs to the producers of such agricultural commodities incurred since January 1, 1941, and such modifications or adjustments in the case of milk and its products shall be made on a regional or area basis.

(c) In no event shall maximum prices of agricultural commodities be established below support prices therefor or below the prices specified in section III of Public Law No. 729 approved October 2, 1942: *Provided*, That, where minimum prices to producers are regulated under any agreements or orders pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, the Secretary of Agriculture is hereby directed to adjust such minimum prices to reflect not less than the adjustments in maximum prices ordered pursuant to the provisions of this section. Except as expressly provided herein, nothing contained in this section shall be construed to repeal, amend, or supersede the provisions of the Agricultural Marketing Agreement Act of 1937, as amended.

SEC. 8. Nothing in this act shall be construed to affect the provisions of Public Laws 30, 88, and 164, of the Seventy-ninth Congress, or to apply to purchases by the Reconstruction Finance Corporation of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter.

SEC. 9. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsections:

"(o) After the date upon which this subsection takes effect, no maximum price shall be established or maintained, under this act

or under any other provisions of law, with respect to any new commodity the use of which, in the production, manufacturing, or processing of any commodity or commodities, without increasing the cost of the ultimate user, either increases the life or reduces the cost of production, manufacture, or processing of the commodity or commodities produced, manufactured or processed. As used in this subsection the term 'new commodity' means a commodity which was not commercially or industrially available prior to January 30, 1942.

"(p) After July 1, 1946, no maximum price regulation or order shall be issued or continued in effect requiring any seller to limit his sales by any weighted average price limitation based on his previous sales.

"(q) In the case of any retail industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities the production or retail distribution of which has been reduced, for a period of three years beginning on or after March 2, 1942, by 75 per centum or more below such production or retail distribution for the calendar years 1939 to 1941, inclusive, as a result of the operation of any governmental regulation or restriction, the Administrator shall not, in establishing maximum prices under this section, reduce established retail trade discounts or dealer handling charges for any such commodity before the retail unit sales of such commodity for a period of six months shall have reached the average annual retail unit sales thereof for the calendar years 1939 to 1941, inclusive.

"(r) In the case of any wholesale industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities, the production or wholesale distribution of which has been reduced for a period of 3 years beginning on or after March 2, 1942, by 75 percent or more below such production or wholesale distribution for the calendar years 1939 to 1941, inclusive, as the result of the operation of any governmental regulation or restriction, the Administrator shall not in establishing maximum prices under this section reduce established wholesale trade discounts or normal wholesale mark-ups for any such commodity prevailing on March 2, 1942, before the wholesale unit of sales for such commodity for a period of 6 months shall have reached the average annual wholesale unit of sales thereof for the calendar years 1939 to 1941, inclusive."

SEC. 10. Section 3 of the Stabilization Act of 1942, as amended, is amended by adding at the end thereof the following new paragraph:

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price, applicable to manufacturers or processors, for any major item in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum price for such major item is fixed and maintained at not less than the sum of the following:

"(1) The cotton or wool cost (which must be computed at not less than the parity price or the current cost, whichever is greater, of the grade and staple of cotton or wool used in such item, delivered at the mill);

"(2) A weighted average of mill conversion costs; and

"(3) A reasonable profit."

Mr. McCORMACK (interrupting the reading). Mr. Speaker, I ask unanimous consent that further reading of the engrossed copy be dispensed with, it to be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the passage of the bill.

Mr. RANKIN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. RANKIN. Yes; I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. RANKIN moves to recommit the bill to the Committee on Banking and Currency.

Mr. McCORMACK. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 7, noes 47.

Mr. RANKIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 20, nays 370, answering "present" 1, not voting 39, as follows:

[Roll No. 96]

YEAS—20

Cole, Mo.	Miller, Nebr.	Schwabe, Mo.
Curtis	O'Hara	Shafer
Dolliver	Pittenger	Short
Hoffman	Rankin	Smith, Ohio
Jones	Reed, N. Y.	Stockman
McKenzie	Rich	Wilson
Mason	Roe, Md.	

NAYS—370

Abernethy	Burch	Douglas, Calif.
Adams	Butler	Douglas, Ill.
Allen, Ill.	Byrne, N. Y.	Doyle
Allen, La.	Byrnes, Wis.	Drewry
Almond	Camp	Durham
Andersen, H. Carl	Campbell	Dworshak
Anderson, Calif.	Canfield	Earthman
Andresen, August H.	Cannon, Fla.	Eaton
Andrews, Ala.	Cannon, Mo.	Elliott
Angell	Carlson	Ellis
Arends	Carnahan	Ellsworth
Arnold	Case, N. J.	Elsaesser
Auchincloss	Case, S. Dak.	Elston
Bailey	Celler	Engel, Mich.
Baldwin, N. Y.	Chapman	Engle, Calif.
Barden	Chelf	Ervin
Barrett, Pa.	Chenoweth	Fallon
Barrett, Wyo.	Chiperfield	Feighan
Barry	Church	Fellows
Bates, Ky.	Clark	Fenton
Bates, Mass.	Clason	Flannagan
Beall	Clements	Flood
Beckworth	Clevenger	Fogarty
Bell	Coffee	Folger
Bender	Cole, Kans.	Forand
Bennet, N. Y.	Combs	Fuller
Bennett, Mo.	Cooper	Fulton
Biemiller	Corbett	Gallagher
Bishop	Courtney	Gamble
Blackney	Cox	Gardner
Bland	Cravens	Gary
Bloom	Crawford	Gavin
Bolton	Crosser	Gearhart
Bonner	Cunningham	Gerlach
Boren	D'Alesandro	Gifford
Boykin	Daughton, Va.	Gillespie
Bradley, Mich.	Davis	Gillette
Bradley, Pa.	Dawson	Gillie
Brehm	De Lacy	Goodwin
Brooks	Delaney, James J.	Gordon
Brown, Ga.	Delaney, John J.	Gore
Brown, Ohio	D'Ewart	Gorski
Brumbaugh	Dingell	Gossett
Bryson	Dirksen	Granahan
Buck	Domengeaux	Granger
Buckley	Dondero	Grant, Ala.
Buffett	Doughton, N. C.	Grant, Ind.
Bulwinkle		Green
		Gregory
		Griffiths
Gross	LeFevre	Robinson, Utah
Gwinn, N. Y.	Lemke	Robsion, Ky.
Gwynne, Iowa	Lesinski	Rockwell
Hagen	Lewis	Rogers, Fla.
Hale	Link	Rogers, Mass.
Hall, Edwin Arthur	Luce	Rogers, N. Y.
Hall, Leonard W.	Ludlow	Rooney
Halleck	Lyle	Rowan
Hand	Lynch	Ryter
Hare	McConnell	Sabath
Harless, Ariz.	McCormack	Sadowski
Harness, Ind.	McCowen	Sasscer
Harris	McDonough	Savage
Hart	McGehee	Schwabe, Okla.
Hartley	McGlinchey	Scrivner
Havenner	McGregor	Sharp
Hays	McMillan, S. C.	Sikes
Healy	Madden	Simpson, Ill.
Hébert	Mahon	Simpson, Pa.
Hedrick	Maloney	Slaughter
Heffernan	Manasco	Smith, Maine
Hendricks	Mankin	Smith, Va.
Herter	Mansfield, Mont.	Smith, Wis.
Heselton	Marcantonio	Somers, N. Y.
Hess	Martin, Iowa	Sparkman
Hill	Martin, Mass.	Spence
Hinshaw	Mathews	Springer
Hobbs	May	Starkey
Hoch	Merrow	Stefan
Hoeven	Michener	Stevenson
Holifield	Mills	Stewart
Holmes, Mass.	Monroney	Sullivan
Holmes, Wash.	Morgan	Sumners, Tex.
Hope	Morrison	Sundstrom
Horan	Mundt	Taber
Howell	Murdock	Talbot
Huber	Murphy	Talle
Hull	Murray, Tenn.	Tarver
Jackson	Murray, Wis.	Taylor
Jenkins	Neely	Thom
Jennings	Norblad	Thomas, N. J.
Jensen	Norrell	Thomas, Tex.
Johnson, Calif.	O'Brien, Ill.	Thomason
Johnson, Ill.	O'Brien, Mich.	Tibbott
Johnson, Ind.	O'Konski	Tolan
Johnson, Luther A.	O'Toole	Torrens
Johnson, Lyndon B.	Outland	Towe
Johnson, Okla.	Pace	Traynor
Jonkman	Patman	Trimble
Judd	Patterson	Vinson
Kean	Peterson, Ga.	Voorhis, Calif.
Kee	Pfeifer	Vorys, Ohio
Keefe	Phillips	Vursell
Kefauver	Pickett	Wadsworth
Kelley, Pa.	Ploeser	Walter
Kelly, Ill.	Plumley	Wasielewski
Keogh	Poage	Weaver
Kerr	Powell	Weichel
Kilburn	Price, Fla.	Welch
Kilday	Price, Ill.	West
King	Priest	White
Kinzer	Quinn, N. Y.	Whitten
Kirwan	Rabaut	Whittington
Klein	Rabin	Wickersham
Knutson	Ramey	Wigglesworth
Kopplemann	Randolph	Winstead
Kunkel	Rayfiel	Winter
LaFollette	Reed, Ill.	Wolcott
Landis	Rees, Kans.	Wolfenden, Pa.
Lane	Resa	Wolverton, N. J.
Lanham	Richards	Woodhouse
Latham	Riley	Woodruff
Lea	Rivers	Worley
LeCompte	Rizley	Zimmerman
	Robertson, N. Dak.	
	Robertson, Va.	

ANSWERING "PRESENT"—1

Hook

NOT VOTING—39

Andrews, N. Y.	Gibson	Patrick
Baldwin, Md.	Graham	Peterson, Fla.
Bunker	Hancock	Philbin
Cochran	Henry	Rains
Cole, N. Y.	Izac	Reece, Tenn.
Colmer	Jarman	Rodgers, Pa.
Cooley	Kearney	Roe, N. Y.
Curley	Larcade	Russell
Eberharter	McMillen, Ill.	Sheppard
Fernandez	Mansfield, Tex.	Sheridan
Fisher	Miller, Calif.	Stigler
Gathings	Norton	Sumner, Ill.
Geelan	O'Neal	Wood

So the motion to recommit was rejected.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Baldwin of Maryland with Mr. Reece of Tennessee.

Mr. Colmer with Mr. Andrews of New York.
Mr. Patrick with Mr. Kearney.
Mr. Eberharter with Miss Sumner of Illinois.
Mr. Roe of New York with Mr. Hancock.
Mr. Cochran with Mr. Cole of New York.
Mr. Sheridan with Mr. Rodgers of Pennsylvania.
Mr. Mansfield of Texas with Mr. Graham.
Mr. Bunker with Mr. McMillen of Illinois.
Mr. Izac with Mr. Henry.

Mr. GORE, Mr. BREHM, and Mr. WOLFENDEN of Pennsylvania changed their votes from "aye" to "no."

Mr. CANNON of Missouri. Mr. Speaker, how am I recorded?

The SPEAKER. The gentleman is recorded as voting "aye."

Mr. CANNON of Missouri. I thought I was voting on the bill and not the motion to recommit. I change my vote from "aye" to "no."

Mr. MASON. Mr. Speaker, how am I recorded?

The SPEAKER. The gentleman is recorded as voting "present."

Mr. MASON. That was a mistake, Mr. Speaker. I vote "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. SPENCE and Mr. MARTIN of Massachusetts, demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 356, nays 42, not voting 32, as follows:

[Roll No. 97]

YEAS—356

Abernethy	Cannon, Mo.	Elston
Adams	Carlson	Engel, Mich.
Allen, Ill.	Carnahan	Engle, Calif.
Allen, La.	Case, N. J.	Ervin
Almond	Case, S. Dak.	Fallon
Andersen, H. Carl	Celler	Feighan
Anderson, Calif.	Chapman	Fellows
Andresen, August H.	Chelf	Fenton
Andrews, Ala.	Chenoweth	Flannagan
Angell	Chiperfield	Flood
Arends	Church	Fogarty
Auchincloss	Clark	Folger
Bailey	Clason	Forand
Baldwin, N. Y.	Clements	Fuller
Barden	Coffee	Fulton
Barrett, Pa.	Cole, Kans.	Gallagher
Barrett, Wyo.	Cole, Mo.	Gamble
Barry	Combs	Gardner
Bates, Ky.	Cooper	Gary
Bates, Mass.	Corbett	Gavin
Beall	Courtney	Gearhart
Beckworth	Cox	Geelan
Bell	Cravens	Gerlach
Bender	Crawford	Gifford
Bennet, N. Y.	Crosser	Gillespie
Bennett, Mo.	Cunningham	Gillie
Biemiller	D'Alesandro	Goodwin
Blackney	Daughton, Va.	Gordon
Bland	Davis	Gore
Bloom	Dawson	Gorski
Bolton	De Lacy	Gossett
Bonner	Delaney, James J.	Granahan
Boykin	Delaney, John J.	Granger
Bradley, Pa.	D'Ewart	Grant, Ala.
Brehm	Dingell	Grant, Ind.
Brooks	Dirksen	Green
Brown, Ga.	Domengeaux	Gregory
Brown, Ohio	Dondero	Gwynne, Iowa
Brumbaugh	Doughton, N. C.	Hale
Bryson	Douglas, Calif.	Hall, Edwin Arthur
Buck	Douglas, Ill.	Hall, Leonard W.
Buckley	Doyle	Halleck
Buffett	Drewry	Hand
Bulwinkle	Durham	Hare
Burch	Dworshak	Harless, Ariz.
Butler	Earthman	Harness, Ind.
Byrne, N. Y.	Eaton	Harris
Byrnes, Wis.	Eberharter	Hart
Camp	Elliott	Hartley
Campbell	Ellis	Havenner
Canfield	Ellsworth	Hays
Cannon, Fla.	Elsaesser	Healy
Hébert	McDonough	Rogers, Mass.
Hedrick	McGlinchey	Rogers, N. Y.
Heffernan	McKenzie	Rooney
Hendricks	McMillan, S. C.	Rowan
Herter	Madden	Ryter
Heselton	Mahon	Sabath
Hess	Maloney	Sadowski
Hill	Manasco	Sasscer
Hinshaw	Mankin	Savage
Hobbs	Mansfield, Mont.	Scrivner
Hoch	Marcantonio	Shafer
Hoeven	Martin, Iowa	Sharp
Holifield	Martin, Mass.	Sheridan
Holmes, Mass.	Mathews	Simpson, Ill.
Holmes, Wash.	May	Slaughter
Hook	Michener	Smith, Maine
Hope	Mills	Smith, Va.
Horan	Morgan	Somers, N. Y.
Howell	Morrison	Sparkman
Huber	Mundt	Spence
Hull	Murdock	Springer
Jackson	Murphy	Starkey
Jenkins	Murray, Tenn.	Stefan
Jennings	Murray, Wis.	Stevenson
Jensen	Neely	Stewart
Johnson, Calif.	Norblad	Stigler
Johnson, Ill.	Norrell	Sullivan
Johnson, Ind.	O'Brien, Ill.	Sumners, Tex.
Johnson, Luther A.	O'Brien, Mich.	Sundstrom
Johnson, Lyndon B.	O'Konski	Taber
Johnson, Okla.	O'Toole	Talbot
Jonkman	Outland	Talle
Judd	Pace	Tarver
Kean	Patman	Taylor
Kee	Patterson	Thom
Keefe	Peterson, Ga.	Thomas, N. J.
Kefauver	Pfeifer	Thomas, Tex.
Kelley, Pa.	Philbin	Thomason
Kelly, Ill.	Phillips	Tibbott
Keogh	Pickett	Tolan
Kerr	Ploesser	Torrens
Kilburn	Plumley	Towe
Kilday	Poage	Traynor
King	Powell	Trimble
Kirwan	Price, Fla.	Vinson
Klein	Price, Ill.	Voorhis, Calif.
Knutson	Priest	Vorys, Ohio
Kooplemann	Quinn, N. Y.	Vursell
Kunkel	Rabaut	Wadsworth
LaFollette	Rabin	Walter
Landis	Ramey	Wasielewski
Lane	Randolph	Weaver
Lanham	Rayfiel	Weichel
Latham	Reed, Ill.	Welch
Lea	Rees, Kans.	White
LeCompte	Resa	Whitten
LeFevre	Richards	Whittington
Lesinski	Riley	Wickersham
Lewis	Rivers	Wigglesworth
Link	Rizley	Winstead
Luce	Robertson, N. Dak.	Winter
Ludlow	Robertson, Va.	Wolcott
Lyle	Robinson, Utah	Wolfenden, Pa.
Lynch	Robsion, Ky.	Wolverton, N. J.
McConnell	Rockwell	Woodhouse
McCormack	Rogers, Fla.	Woodruff
		Worley
		Zimmerman

NAYS—42

Arnold	Hoffman	Rich
Bishop	Jones	Roe, Md.
Boren	Kinzer	Schwabe, Mo.
Bradley, Mich.	Lemke	Schwabe, Okla.
Clevenger	McCowen	Short
Clippinger	McGehee	Sikes
Cooley	McGregor	Simpson, Pa.
Curtis	Mason	Smith, Ohio
Dolliver	Merrow	Smith, Wis.
Gillette	Miller, Nebr.	Stockman
Griffiths	O'Hara	Sumner, Ill.
Gross	Pittenger	West
Gwinn, N. Y.	Rankin	Wilson
Hagen	Reed, N. Y.	Wood

NOT VOTING—32

Andrews, N. Y.	Graham	Norton
Baldwin, Md.	Hancock	O'Neal
Bunker	Henry	Patrick
Cochran	Izac	Peterson, Fla.
Cole, N. Y.	Jarman	Rains
Colmer	Kearney	Reece, Tenn.
Curley	Larcade	Rodgers, Pa.
Fernandez	McMillen, Ill.	Roe, N. Y.
Fisher	Mansfield, Tex.	Russell
Gathings	Miller, Calif.	Sheppard
Gibson	Monroney	

So the bill was passed.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Patrick with Mr. Kearney.
Mr. Cochran with Mr. Cole of New York.
Mr. Eberharter with Mr. Rodgers of Pennsylvania.
Mr. Colmer with Mr. Andrews of New York.
Mr. Mansfield of Texas with Mr. Graham.
Mr. Baldwin of Maryland with Mr. Reece of Tennessee.
Mr. Roe of New York with Mr. Hancock.
Mr. Bunker with Mr. McMillen of Illinois.
Mr. Izac with Mr. Henry.

Mr. HOFFMAN changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. McGREGOR (at the request of Mr. MICHENER) was given permission to extend his remarks in the RECORD.

ORDER OF BUSINESS TODAY

The SPEAKER. The Chair announces to Members that recognitions will come in this order today:

The Chair will recognize first the gentleman from Missouri to call up an emergency appropriation bill.

Second, the Chair will recognize the gentleman from North Carolina or some member from the Committee on Ways and Means to call up a conference report.

Third, the Chair will recognize the gentleman from Missouri [Mr. BELL].

Fourth, the Chair will recognize the gentleman from North Carolina [Mr. KERR], to call up the conference report on the civil functions bill.

Mr. DINGELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DINGELL. Will the Chair sometime during the day recognize individuals to submit consent requests?

The SPEAKER. Yes.

ADDITIONAL APPROPRIATIONS PURSUANT TO FEDERAL EMPLOYEES' PAY ACT OF 1945 AND OTHER LAWS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 342, making additional appropriations for the fiscal year 1946 to pay increased compensation authorized by law to officers and employees of sundry Federal and other agencies.

Mr. TABER. Mr. Speaker, reserving the right to object, I would like to have the gentleman from Missouri explain the bill.

Mr. CANNON of Missouri. Mr. Speaker, this is a resolution providing the additional appropriations required to meet pay rolls and to make up deficiencies due to legislation which has increased pay and salary charges and which were not included in the regular appropriation bills for 1946.

Unless this bill is passed at this time, many activities of the Government will be unable to meet their pay rolls between now and the time Congress reconvenes following the recess.

Mr. TABER. And this is an item, as I understand, that was included in the deficiency bill that is presently over at the Senate but which has not yet been reported to that body by the Senate Committee on Appropriations.

Mr. CANNON of Missouri. That is true.

The appropriation resolution embodies without the slightest change the provisions of title II of H. R. 5890—the second deficiency bill, 1946, which passed the House on March 27, 1946.

That bill is still in the Senate Committee on Appropriations and cannot possibly be a law until after May 1.

The title II section this resolution is intended to supersede includes the balance of additional appropriations needed to finance the increased pay voted officers and employees of Federal agencies and the District of Columbia for the current fiscal year.

No provision was included in the regular annual appropriation bills for 1946 in consequence of such pay increase laws. The increases have been paid, however, as it was understood they would be, with the result that appropriations are running short and pay rolls cannot be met unless the funds in the deficiency bill are quickly made available.

These pay laws entailed an added expense of nearly $856,000,000. Of that amount the agencies will absorb about 52 percent.

Budget estimates were presented for the balance, amounting to $409,534,576. They are contained in House Document No. 437.

Of that amount we were asked to appropriate promptly $228,117,807 because of the depleted condition of funds of certain agencies, and that was done in the second urgent deficiency bill, 1946, which is now a law.

The remainder of $181,239,469, which excludes amounts in the estimates aggregating $177,300, is contained in H. R. 5890 as passed by the House, and this resolution, therefore, appropriates a like amount.

In the interest of expedition we merely are changing vehicles.

When H. R. 5890 is considered by the Senate, that body will take title II out of that bill and consider the remainder of the second deficiency appropriation bill following the holidays.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the joint resolution, as follows:

House Joint Resolution 342

Joint resolution making additional appropriations for the fiscal year 1946 to pay increased compensation authorized by law to officers and employees of sundry Federal and other agencies

Resolved, etc., That the following sums are hereby appropriated, out of any money in the Treasury not otherwise appropriated, namely:

INCREASED PAY COSTS

For additional amounts for appropriations for the fiscal year 1946, to meet increased pay costs authorized by the acts of June 30, 1945 (Public Law 106), July 6, 1945 (Public Law 134), July 14, 1945 (Public Law 151), and July 21, 1945 (Public Law 158), and other legislation enacted during or applicable to said fiscal year authorizing increases in pay of Government officers and employees, as follows:

LEGISLATIVE BRANCH

For—

"Salaries, officers and employees, Senate," $490,000;

"Salaries and expenses, Joint Committee on Printing, Senate," $1,150;

"Salaries and expenses, Legislative Counsel, Senate," $12,000;

"Contingent expenses, Senate, reporting debates and proceedings of the Senate," $10,000;

"Contingent expenses, Senate, services in cleaning, repairing, and varnishing furniture," $385;

"Contingent expenses, Senate, salaries and expenses, Joint Committee on Internal Revenue Taxation, Senate," $7,000;

"Salaries, officers and employees, House of Representatives," $335,000;

"Clerk hire, Members and Delegates, House of Representatives," $925,000;

"Salaries and expenses, Legislative Counsel, House of Representatives," $5,000;

"Salary and expenses, Joint Committee on Printing, House of Representatives," $1,150;

"Contingent expenses, House of Representatives, folding documents," $10,000;

"Contingent expenses, House of Representatives, furniture and repairs," $9,500;

"Contingent expenses, House of Representatives, miscellaneous items," $2,500;

"Contingent expenses, House of Representatives, Joint Committee on Internal Revenue Taxation," $7,000;

"Contingent expenses, House of Representatives, Speaker's automobile, $675;

"Contingent expenses, House of Representatives, payment for certain services," $1,200;

"Contingent expenses, House of Representatives, attending physician," $385;

"Contingent expenses, House of Representatives, Revision of the Laws," $1,000;

"Contingent expenses, House of Representatives, preparation of a new edition United States Code (no year)," $5,000;

Architect of the Capitol:

Office of the Architect of the Capitol: "Salaries," $19,000;

Capitol Buildings and Grounds:

"Capitol Buildings," $91,000;

"Capitol Grounds," $32,300;

"Senate Office Building," $97,000;

"House Office Buildings," $129,500;

"Capitol power plant," $85,000;

Library of Congress:

Copyright Office: "Salaries," $50,900;

Legislative Reference Service: "Salaries," $35,734;

Index to State legislation: "Salaries and expenses," $6,242;

Union catalogs: "Salaries and expenses," $8,566;

"Motion-picture project," $696;

Library Buildings: "Salaries," $88,326;

Total, legislative branch, $2,468,209.

THE JUDICIARY

For—

United States Supreme Court:

"Salaries," $70,000;

"Structural and mechanical care of the building and grounds," $29,300;

Court of Customs and Patent Appeals: "Salaries," $10,850;

United States Customs Court: "Salaries," $24,000;

Miscellaneous items of expense:

"Salaries of clerks of courts," $675,000;

"Probation system, United States courts," $225,000;

"Salaries of criers," $62,000;

"Fees of commissioners," $110,000;

"Miscellaneous salaries," $85,000;

Administrative Office of the United States Courts: "Salaries," $30,000;

Total, the Judiciary, $1,321,150.

EXECUTIVE OFFICE OF THE PRESIDENT

For—

The White House Office: "Salaries and expenses," $30,000;

Bureau of the Budget: "Salaries and expenses," $280,000;

Office for Emergency Management:

"Office of Alien Property Custodian." (The amount, $332,900, which may be used for general administration expenses by other agencies on a reimbursable basis.)

Total, Executive Office of the President, $340,000.

INDEPENDENT OFFICES

For—

Civil Service Commission: "Salaries and expenses," $1,300,000;

Employees' Compensation Commission: "Salaries and expenses," $110,000;

Federal Communications Commission:

"Salaries and expenses," $363,000;

"Salaries and expenses, national defense," $194,000;

"Federal Deposit Insurance Corporation": (The amount which may be used for administrative expenses is increased by $417,000.)

Federal Power Commission:

"Salaries and expenses," $287,300;

"Flood control surveys," $17,700;

Federal Trade Commission: "Salaries and expenses," $232,000;

General Accounting Office: "Salaries," $4,813,000;

Interstate Commerce Commission:

"General administrative expenses," $380,000;

"Safety of employees," $42,000;

"Signal safety systems," $9,800;

"Locomotive inspection," $48,600;

"Valuation of property of carriers," $56,000;

"Motor transport regulation," $341,000;

"Salaries and expenses, emergency," $24,000;

"National Capital Housing Authority," $1,850;

National Labor Relations Board:

"Salaries," $348,000;

"Salaries and expenses (national defense)," $57,600;

National Mediation Board: "Salaries and expenses," $19,600;

National Railroad Adjustment Board: "Salaries and expenses," $23,850;

Securities and Exchange Commission: "Salaries and expenses," $385,000;

Tariff Commission: "Salaries and expenses," $120,200;

"The Tax Court of the United States," $48,200;

Veterans' Administration: "Administration, medical, hospital, and domiciliary services," $54,169,000;

Total, independent offices, $63,416,300.

FEDERAL SECURITY AGENCY

For—

"Columbia Institution for the Deaf," $13,000;

Food and Drug Administration:

"Enforcement operations," $433,000;

"General administration," $16,900;

Freedmen's Hospital: "Salaries and expenses," $253,300;

Howard University: "Salaries," $13,500;

Office of Education:

"Library service," $3,700;

"Services for the blind," $980;

"Salaries," $61,440;

"Salaries and expenses (vocational education)," $53,300;

Public Health Service:

"Industrial hygiene," $11,280;

"Foreign quarantine service," $232,700;

"Hospitals and medical care," $3,935,200;

"National Institute of Health," $228,000;

"National Cancer Institute, operating expenses," $58,700;

"Salaries and miscellaneous expenses," $160,000;

St. Elizabeths Hospital: "Salaries and expenses," $663,700;

Social Security Board:

"Salaries, Bureau of Public Assistance," $130,000;

"Salaries, Bureau of Employment Security," $105,700;

"Salaries, Bureau of Old-Age and Survivors' Insurance," $3,240,200;

"Salaries, offices of the Social Security Board," $525,200;

Office of Vocational Rehabilitation:

"For payments to States," $11,500;

"For general administrative expenses," $45,400;

Office of the Administrator:

"Salaries, Office of the Administrator," $25,800;

"Community War Services," $62,900;

"Salaries, Division of Personnel Management," $17,000;

"Salaries, Division of Service Operations," $50,700;

"Salaries, Office of the General Counsel," $94,000;

Total, Federal Security Agency, $10,447,100.

FEDERAL WORKS AGENCY

For—

Office of the Administrator: "Salaries and expenses," $35,530;

Public Buildings Administration:

"General administrative expenses," $201,380;

"Salaries and expenses, public buildings and grounds in the District of Columbia and adjacent area," $4,372,460;

"Salaries and expenses, public buildings and grounds outside the District of Columbia," $1,547,130;

Total, Federal Works Agency, $6,156,500.

NATIONAL HOUSING AGENCY

For—

Office of the Administrator: "Salaries and expenses": (The amount which may be used for administrative expenses is increased by $52,900.)

Federal Home Loan Bank Administration: "Salaries and expenses": (The amount which may be used for administrative expenses is increased by $126,000.)

Federal Housing Administration: "Salaries and expenses": (The amount which may be used for administrative expenses is increased by $314,800.)

Federal Public Housing Authority: "Salaries and expenses": (The amount which may be used for administrative expenses is increased by $296,200.)

DEPARTMENT OF AGRICULTURE

For—

Office of the Secretary: "Salaries and expenses," $204,000;

Office of the Solicitor: "Salaries and expenses," $242,000;

Office of Information: "Salaries and expenses," $72,000;

Library, Department of Agriculture: "Salaries and expenses," $84,000;

Bureau of Agricultural Economics:

"Economic investigations," $310,000;

"Crop and livestock estimates," $217,000;

Office of Foreign Agricultural Relations: "Salaries and expenses," $85,000;

Extension Service: "Administration and coordination of extension work," $60,000.

Agricultural Research Administration:

Office of Administrator: "Salaries and expense," $40,000;

"Special research fund, Department of Agriculture," $120,000;

Office of Experiment Stations:

"Administration of grants and coordination of research with States," $21,000;

"Federal Experiment Station, Puerto Rico," $9,000;

Bureau of Animal Industry:

"Animal husbandry," $95,000;

"Diseases of animals," $76,000;

"Eradicating tuberculosis and Bang's disease," $430,000;

"Inspection and quarantine," $140,000;

"Meat inspection," $1,590,000;

"Virus Serum Toxin Act," $40,000;

"Marketing agreements, hog cholera virus and serum" (increase in sum made available from appropriation made by section 12 (a) of the Agricultural Adjustment Act, approved May 12, 1933, from "$31,940" to "$37,740");

Bureau of Dairy Industry: "Salaries and expenses," $99,800;

Bureau of Plant Industry, Soils, and Agricultural Engineering:

"Field crops," $240,000;

"Fruit, vegetable, and specialty crops," $205,000;

"Forest diseases," $31,500;

"Soils, fertilizers, and irrigation," $150,000;

"Agricultural engineering," $46,000;

"National Arboretum," $4,800;

Bureau of Agricultural and Industrial Chemistry:

"Agricultural chemical investigations," $44,000;

"Naval-stores investigations," $17,500;

"Regional research laboratories," $500,000;

Bureau of Human Nutrition and Home Economics:

"Salaries and expenses," $73,000;

"White pine blister rust control, Department of Agriculture," $270,000.

Forest Service:

Salaries and expenses:

"General administrative expenses," $75,000;

"National forest protection and management," $2,550,000;

"Forest management", $116,900;

"Range investigations", $42,100;

"Forest products", $175,000;

"Forest resources investigations", $24,000;

"Forest-fire cooperation", $40,000;

"Farm and other private forestry cooperation", $36,000;

"Forest roads and trails", $480,000;

Commodity Credit Corporation: "Salaries and administrative expenses" (increase in limitation for administrative expenses by $743,000);

Federal Crop Insurance Act: "Administrative and operating expenses", $320,000;

Soil Conservation Service:

"Soil conservation research", $164,000;

"Soil conservation operations", $4,575,000;

"Erosion control, Everglades region, Florida", $10,200;

"Land utilization and retirement of submarginal land", $144,000;

Marketing Service:

"Market news service", $142,000;

"Market inspection of farm products", $68,000;

"Marketing farm products", $58,000;

"Tobacco Acts", $67,500;

"Perishable Agricultural Commodities, Produce Agency, and Standard Container Acts", $24,500;

"Cotton Statistics, Classing, Standards, and Futures Acts", $138,000;

"United States Grain Standards Act", $127,000;

"United States Warehouse Act", $60,000;

"Federal Seed Act", $14,000;

"Packers and Stockyards Acts", $48,000;

"Naval Stores Act", $4,500;

"Insecticide Act", $27,700;

"Commodity Exchange Act", $41,500;

"Freight rates for farm products", $12,000;

"Loans, grants, and rural rehabilitation", $3,200,000;

Farm tenancy: "Salaries and expenses", $365,000;

"Water facilities, arid and semiarid areas", $25,000;

Rural Electrification Administration: "Salaries and expenses", $490,000;

Farm Credit Administration:

"Salaries and expenses", $66,800; and increase the funds made available pursuant to Act of January 29, 1937, from "$3,845,209" to "$4,385,209";

Total, Department of Agriculture, $19,203,300.

DEPARTMENT OF COMMERCE

For—

Office of the Secretary: "Salaries and expenses", $98,000;

Bureau of the Census: "Compiling census reports, and so forth", $735,000;

Office of Administrator of Civil Aeronautics:

"General administration, Office of the Administrator", $370,000;

"Technical development", $42,000;

"Enforcement of safety regulations", $386,000;

"Airport Advisory Service", $33,000;

"Maintenance and operation of aircraft", $43,000;

"Maintenance and operation, Washington National Airport", $107,000;

"Civil Aeronautics Board, salaries and expenses", $135,000;

Coast and Geodetic Survey:

"Salaries and expenses, departmental", $169,000;

"Salaries and expenses, field", $258,000;

Bureau of Foreign and Domestic Commerce:

"Departmental salaries and expenses", $275,000;

"Field office service", $62,800;

Patent Office: "Salaries", $400,000;

National Bureau of Standards:

"Operation and administration", $75,000;

"Testing, inspection, and information service", $178,000;

"Research and development", $192,000;

"Standards for commerce", $30,000;

Total, Department of Commerce, $3,588,800.

For—

DEPARTMENT OF THE INTERIOR

Office of the Secretary:

"Salaries", $195,000;

"Office of Solicitor", $29,900;

"Division of Territories and Island Possessions", $14,200;

Petroleum Conservation Division: "Salaries and expenses", $12,600;

Division of Geography: "Salaries and expenses", $1,350;

"Soil and moisture conservation operations", $123,400;

"Commission of Fine Arts", $860;

Grazing Service:

"Salaries and expenses", $142,000;

"Range improvements", $9,050;

General Land Office:

"Salaries," $138,940;

"Surveying public lands," $50,000;

"Salaries and expenses, branch of field examination," $15,370;

"Salaries and expenses of land offices," $42,300;

"Forest management and protection, public domain, Alaska," $19,660;

"Revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands, Oregon (reimbursable)," $13,000;

"Range improvements on public lands outside of grazing districts (receipt limitation)," $2,000;

Bureau of Indian Affairs:

Salaries and general expenses:

"Departmental personal services," $115,200;

"Maintaining law and order on Indian reservations," $17,590;

Industrial assistance and advancement:

"Preservation of timber on Indian reservations," $134,500;

"Expenses incidental to the sale of timber (reimbursable)," $26,820;

"Developing agriculture and stock raising among the Indians," $80,000;

"Development of water supply," $6,700;

Irrigation and drainage:
"Construction, repair, and maintenance of irrigation systems (reimbursable)," $20,200;
"Operation and maintenance of the San Carlos project (receipt limitation)," $28,880;
"Improvement, operation, and maintenance of the irrigation and power systems on the Colorado River Indian Reservation (receipt limitation)," $3,030;
"Improvements, maintenance, and operation of the Fort Hall irrigation systems," $5,840;
"Improvements, maintenance, and operation of the Fort Hall irrigation systems (receipt limitation)," $5,760;
"Maintenance and operation, repairs, and purchase of stored waters, irrigation systems, Fort Belknap Reservation (reimbursable)," $750;
"Maintenance and operation, repairs, and purchase of stored waters, irrigation systems, Fort Belknap Reservation (receipt limitation)," $640;
"Maintenance and operation of the several units of the Fort Peck project (reimbursable)," $740;
"Maintenance and operation of the several units of the Fort Peck project (receipt limitation)," $1,400;
"Improvement, maintenance, and operation of the irrigation systems on the Blackfeet Indian Reservation (reimbursable)," $730;
"Improvement, maintenance, and operation of the irrigation systems on the Blackfeet Indian Reservation (receipt limitation)," $1,780;
"Operation and maintenance of the irrigation and power systems on the Flathead Reservation (receipt limitation)," $25,780;
"Improvement, maintenance, and operation of the irrigation systems on the Crow Reservation (reimbursable)," $450;
"Improvement, maintenance, and operation of the irrigation system on the Crow Reservation (receipt limitation)," $4,360;
"Improvements, maintenance, and operation of miscellaneous irrigation projects on the Klamath Reservation (receipt limitation)," $490;
"Continuing operation and maintenance and betterment of the irrigation system to irrigate allotted lands of the Uncompahgre, Uintah, and White River Utes (reimbursable)," $950;
"Continuing operation and maintenance and betterment of the irrigation system to irrigate allotted lands of the Uncompahgre, Uintah, and White River Utes (receipt limitation)," $2,620;
"Operation and maintenance of the Wapato irrigation and drainage systems, Yakima Indian Reservation (receipt limitation)," $26,510;
"Operation and maintenance of irrigation systems within the ceded and diminished portions of the Wind River Reservation (reimbursable)," $410;
"Operation and maintenance of irrigation systems within the ceded and diminished portions of the Wind River Reservation (receipt limitation)," $1,200;
Education:
"Support of Indian schools," $886,700;
"Support and education of Indian pupils at nonreservation boarding schools," $417,300;
"Natives in Alaska," $224,000;
Conservation of health:
"Conservation of health among Indians," $1,988,500;
"Medical relief in Alaska," $102,000;
General support and administration:
"General administration of Indian property," $451,100;
"Reindeer Service," $6,770;
"Administration of Indian tribal affairs (tribal funds, $12,333)";
"Support of Klamath Agency, Oregon (tribal funds, $19,525)";
"Support of Menominee Agency and pay of tribal officers, Wisconsin (tribal funds, $3,860)";
"Support of Osage Agency and pay of tribal officers, Oklahoma (tribal funds, $27,600)";
Bureau of Reclamation:
Reclamation fund, special fund:
"Parker Dam power project, Arizona-California (from power revenues $18,100)";
"Yuma project, Arizona-California," $11,000;
"Boise project, Idaho," $10,000;
"Minidoka project, Idaho," $5,300;
"Minidoka project, Idaho (from power revenues, $15,000)";
"Rio Grande project, New Mexico-Texas (from power revenues, $5,400)";
"Owyhee project, Oregon," $21,200;
"Klamath project, Oregon-California," $11,000;
"Columbia Basin project, Washington (from power revenues, $63,000)";
"Yakima project, Washington," $21,500;
"Riverton project, Wyoming," $4,000;
"Shoshone project, Wyoming," $1,800;
"Shoshone project, Wyoming (from power revenues, $2,000)";
"Salaries and expenses (other than project offices)," $456,200;
General fund, construction:
"Colorado River project, Texas (reimbursable)," $6,900;
"Geological Survey," $151,500;
Bureau of Mines:
"Salaries and expenses," $9,500;
"Operating mine-rescue cars and stations and investigation of mine accidents," $83,600;
"Coal-mine inspections and investigations," $122,380;
"Mineral mining investigations," $35,000;
"Buildings and grounds, Pittsburgh, Pa.," $18,300;
"Economics of mineral industries," $40,000;
"National Park Service," $636,000;
"Recreational demonstration areas," $17,860;
"Salaries and expenses, National Capital parks," $70,500;
Fish and Wildlife Service:
"Salaries and expenses," $543,100;
Government in the Territories:
Territory of Alaska: "Expenses of the offices of the governor and the secretary," $3,000;
Territory of Hawaii: "Expenses of the offices of the governor and the secretary," $1,100;
Government of the Virgin Islands: "Salaries of the governor and employees," $7,370;
Total, Department of the Interior, $7,687,440;

DEPARTMENT OF JUSTICE

For—
Legal activities and general administration:
"Office of the Attorney General," $9,600;
"Office of the Solicitor General," $5,000;
"Office of Assistant to the Attorney General," $16,000;
"Administrative division," $201,500;
"Tax division," $87,700;
"Criminal division," $11,300;
"Claims division," $129,000;
"Office of the Assistant Solicitor General," $15,000;
"Office of Pardon Attorney," $4,000;
"Salaries and expenses, customs division," $18,000;
"Salaries and expenses, antitrust division," $175,000;
"Miscellaneous salaries and expenses, field," $18,000;
"Salaries and expenses of district attorneys, and so forth," $599,000;
"Compensation of special attorneys, and so forth," $7,900;
"Salaries and expenses of marshals, $507,000;
"Pay and expenses of bailiffs," $39,000;
Federal Bureau of Investigation: "Salaries and expenses, detection and prosecution of crimes," $1,249,000;
Immigration and Naturalization Service: "Salaries and expenses, Immigration and Naturalization Service," $3,720,000;
Federal Prison System:
"Salaries and expenses, Bureau of Prisons," $53,800;
"Salaries and expenses, penal and correctional institutions," $3,639,000;
"Medical and hospital service," $224,700;
Total, Department of Justice, $10,729,500;

DEPARTMENT OF LABOR

For—
Office of the Secretary:
"Salaries," $68,600;
"Salaries and expenses, Office of the Solicitor," $110,900;
"Salaries and expenses, Division of Labor Standards," $23,500;
"Commissioners of Conciliation," $59,050;
"Commissioners of Conciliation (national defense)," $206,300;
Bureau of Labor Statistics:
"Salaries and expenses," $215,100;
"Salaries and expenses (national defense)," $423,700;
Children's Bureau:
"Salaries and expenses," $55,460;
"Salaries and expenses, child labor provisions," $35,970;
"Salaries and expenses, maternal and child welfare," $59,170;
"Salaries and expenses, emergency maternity and infant care (national defense)," $5,750;
Women's Bureau: "Salaries and expenses," $33,500;
Wage and Hour Division: "Salaries," $635,200;
War manpower functions:
"Apprentice training service," $73,100;
"Employment office facilities and services," $5,504,800;
Total, Department of Labor, $7,510,100;

POST OFFICE DEPARTMENT

(Out of the postal revenues)

For—
Post Office Department, Washington, District of Columbia:
Office of the Postmaster General: "Salaries," $52,800;
Salaries in bureaus and offices:
"Office of Budget and Administrative Planning," $5,300;
"Office of the First Assistant Postmaster General," $138,000;
"Office of the Second Assistant Postmaster General," $140,400;
"Office of the Third Assistant Postmaster General," $202,700;
"Office of the Fourth Assistant Postmaster General," $93,000;
"Office of the Solicitor for the Post Office Department," $18,770;
"Office of the Chief Inspector," $59,100;
"Office of the Purchasing Agent," $11,500;
"Bureau of Accounts," $57,100;
Field Service, Post Office Department:
Office of Chief Inspector:
"Salaries of inspectors," $563,900;
"Clerks, division headquarters," $187,300;
Office of the First Assistant Postmaster General:
"Rural Delivery Service," $17,385,000;
Office of the Fourth Assistant Postmaster General:
"Post-office stationery, equipment, and supplies," $20,700;
"Pneumatic-tube service, New York City," $52,800;
Total, Post Office Department, $18,988,370;

DEPARTMENT OF STATE

For—
Office of the Secretary of State:
"Salaries," $1,861,810;
"Passport agencies," $10,410;
"Collecting and editing official papers of Territories of the United States," $400;

Foreign service:
"Salaries, ambassadors and ministers," $13,000;
"Salaries, foreign service officers," $294,000;
"Salaries of clerks, foreign service," $518,150;
"Miscellaneous salaries and allowances, foreign service," $55,850;
"Foreign Service, auxiliary (emergency)," $400,000;
International obligations:
"Salaries and expenses, International Boundary Commission, United States and Mexico," $61,400;
"Supplemental construction on the Rio Grande in the El Paso-Juarez Valley," $9,800;
"International Boundary Commission, United States and Canada and Alaska and Canada," $2,530;
"Salaries and expenses, International Joint Commission, United States and Great Britain," $3,080;
"Special and technical investigations, International Joint Commission, United States and Great Britain," $8,300;
"Cooperation with the American republics," $98,370;
Total, Department of State, $3,337,100;

TREASURY DEPARTMENT

For—
Office of the Secretary: "Salaries," $57,400;
Division of Tax Research: "Salaries," $25,200;
Office of Tax Legislative Counsel: "Salaries," $11,800;
Division of Research and Statistics: "Salaries," $26,600;
Office of General Counsel: "Salaries," $21,800;
Division of Personnel: "Salaries," $32,200;
Office of Chief Clerk: "Salaries," $68,200;
Fiscal service:
Bureau of Accounts:
"Salaries and expenses," $180,800;
"Division of Disbursement, salaries and expenses," $1,075,900;
Bureau of the Public Debt: "Administering the public debt," $7,612,000;
Office of the Treasurer of the United States:
"Salaries and expenses," $881,700;
"Salaries (reimbursable)," $17,300;
Bureau of Customs: "Salaries and expenses," $6,000,000;
Office of the Comptroller of the Currency: "Salaries," $44,200,
Bureau of Narcotics: "Salaries and expenses," $178,800;
Bureau of Engraving and Printing: "Salaries and expenses," $1,035,700;
Secret Service Division: "White House Police," $49,500;
Bureau of the Mint:
"Salaries and expenses, Office of the Director," $23,000;
"Salaries and expenses, mints and assay offices," $242,900;
Procurement Division: "Salaries and expenses," $70,900;
Total, Treasury Department, $17,655,900;

WAR DEPARTMENT

For—
The Panama Canal:
"Maintenance and operation of the Panama Canal," $587,000;
"Sanitation, Canal Zone," $477,000;
"Civil government," $361,000;
Total, War Department, $1,425,000;

DISTRICT OF COLUMBIA

For—
General administration:
"Executive Office," $17,550;
"Office of the Corporation Counsel," $17,720;
"Board of Tax Appeals," $2,790;
Fiscal Service:
"Assessor's office," $45,870;
"Collector's office," $19,530;
"Auditor's office," $36,400;
"Purchasing Division," $7,640;
Regulatory agencies:
"Alcoholic Beverage Control Board," $6,210;
"Board of Indeterminate Sentence and Parole," $4,840;
"Coroner's office," $7,050;
"Department of Insurance," $7,300;
"Department of Weights, Measures, and Markets," $19,670;
"Minimum Wage and Industrial Safety Board," $6,750;
"Office of Administrator of Rent Control," $6,510;
"Office of Recorder of Deeds," $32,500;
"Poundmaster's office," $9,230;
"Public Utilities Commission," $14,320;
"Zoning Commission," $2,170;
Public schools:
Operating expenses:
"General administration," $71,330;
"General supervision and instruction," $1,355,160;
"Vocational education, George-Deen program," $16,350;
"Operation of buildings and maintenance of equipment," $386,460;
"Public Library," $112 740;
Recreation Department: "Operating expenses," $56,410;
"Metropolitan Police," $777,040;
"Fire Department," $383,400;
"Policemen's and Firemen's Relief," $292,190;
Courts:
"Juvenile court," $27,260;
"Psychiatric service, juvenile court," $1,360;
"Municipal court," $45,440;
"Municipal court of appeals," $5,000;
"Probation system," $4,920;
"Office of Register of Wills," $13,730;
"Commission on Mental Health," $2,840;
Health Department:
"Health Department (excluding hospitals)," $209,010;
"Glenn Dale Tuberculosis Sanatorium," $225,400;
"Operating expenses, Gallinger Municipal Hospital," $504,130;
Public welfare:
"Office of the Director," $7,920;
Family Welfare Service:
"Operating expenses, child care," $20,000;
"Adult assistance," $32,700;
"Operating expenses, institutions for the indigent," $55,730;
Juvenile Correctional Service: "Operating expenses," $65,410;
Adult Correctional Service: "Operating expenses," $279,740;
Mental Rehabilitation Service:
"Operating expenses, District Training School," $111,300;
"Saint Elizabeths Hospital," $903,400;
Public works:
"Office of chief clerk," $4,560;
"Office of Municipal Architect," $13,800;
"Operating expenses, Office of Superintendent of District Buildings," $91,650;
"Surveyor's Office," $7,960;
"Department of Inspections," $60,550;
"Operating expenses, Electrical Division," $49,790;
"Central garage," $4,200;
"Department of Vehicles and Traffic (payable from highway fund)," $40,500;
"Reimbursement of other appropriations (payable from highway fund)," $109,600;
"Operating expenses, Refuse Division," $46,900;
"Operating expenses, Sewer Division," $59,260;
"Operating expenses, Water Division (payable from water fund)," $83,650;
Washington Aqueduct: "Operating expenses (payable from water fund)," $22,360;
"National Capital Parks," $96,420;
"National Capital Park and Planning Commission," $7,410;
"National Zoological Park," $65,670;
Total, District of Columbia, $6,994,700;

DIVISION OF EXPENSES

The sums appropriated in this act for the District of Columbia shall, unless otherwise specifically provided, be paid out of the general fund of the District of Columbia, as defined in the District of Columbia Appropriation Act, 1946.

SEC. 202. The restrictions contained in appropriations or affecting appropriations or other funds, available during the fiscal year 1946, limiting the amounts which may be expended for personal services or for other purposes, or amounts which may be transferred between appropriations or authorizations, are hereby waived to the extent necessary to meet increased pay costs authorized by the acts of June 30, 1945 (Public Law 106), July 6, 1945 (Public Law 134), July 14, 1945 (Public Law 151), and July 21, 1945 (Public Law 158), and other legislation enacted during or applicable to the fiscal year 1946 authorizing increased pay for civilian employees of the Government.

Mr. CANNON of Missouri. Mr. Speaker, I move to strike out the last word and ask unanimous consent to proceed for ten additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Missouri.

Mr. SHORT. Does my colleague from Missouri say he has definite assurance from the Senate that that body will pass the House bill?

Mr. CANNON of Missouri. Mr. Speaker, of course, no one can give that assurance, but we do have assurances of cooperation on the other side. There seems to be no indication of any opposition to the bill or any proposal to amend it. We have reason to believe that if we pass the resolution today it will be passed by the Senate in the same form and will go to the President without the necessity of a conference. The purpose is to enable the departments to meet the pay roll in various branches of the Government, as well as the District of Columbia. If this resolution is not passed the District will be unable to meet the pay roll and the House of Representatives likewise will be unable to pay its employees.

Mr. SHORT. This is a rather unusual procedure. That is the reason I asked the gentleman the question.

Mr. CANNON of Missouri. Mr. Speaker, the House will shortly adjourn for a recess of 10 days or 2 weeks, during which time the Members will have an opportunity to get back home and visit with their constituents. They will all the more appreciate this opportunity because for 4 years the opportunity to go home and meet constituents has been quite infrequent.

When you meet your constituents at home this time I think you will find a new interest on the part of those who come to see you and on the part of those you go to see yourself. You are going to find they have a considerable interest in the fiscal affairs of the Federal Government. They are interested in balancing the budget, they are interested in the reduction of the public debt, they are interested in economy of expendi-

tures, and with this in view, Mr. Speaker, I wish to present some facts and figures which I hope the Members of the House may find useful when they make the circuit of their districts.

VJ-day came well before the time the most sanguine of our military and civilian top-flight authorities had reckoned. We had but recently shifted our energies following the collapse of Germany to an all-out effort quickly and decisively to defeat the Japanese and permanently render them impotent again to wage war. War production continued on. The products moved westward on an all-out scale instead of partly westward and principally eastward. In volume the production of implements of war was practically at peak levels. The war machine in the Pacific rapidly was approaching its zenith. War costs had soared to undreamed-of dimensions. They did not decline appreciably prior to August 1945.

For the fiscal year 1945, during 10 months of which we were at war on two fronts, expenditures exceeded the $100,000,000,000 mark. The round-figure total was about $100,031,000,000. It was not until August 10, 1945, of the new fiscal year—which is the present fiscal year—that the Japanese sued for peace on the general terms which had been prescribed by the Allied Powers. Therefore, this also being a war fiscal year, expenditures necessarily will run large. The expenditure total for July approximated the monthly expenditure totals of a number of months when a two-front war was in progress. August 1945—the month in which the Japanese capitulated—was the first month over a long period in which a definite downward trend commenced. Following the Japanese capitulation, demobilization started quickly and we began to cancel orders and terminate contracts. The "arsenal of democracy" began to wane, and now in its place we see each day a growing civilian industry. The herculean task of demobilization largely will be accomplished in this fiscal year. Some of it must continue beyond the end of June because of the magnitude of the undertaking. The speed and progress of accomplishment thus far is deserving of the highest commendation.

The total expenditures for this fiscal year are estimated to aggregate $64,654,000,000. That is the latest published amount. The 1946 Budget message, dated January 3, 1945, prophesied expenditures aggregating $83,000,000,000. The war's end, therefore, if the latest revised projected 1946 fiscal year amount be realized, will lessen cash outgo the present fiscal year—partly a war year and the year in which demobilization largely will be accomplished—the tidy sum of $18,500,000,000.

For the fiscal year 1947, commencing coming July 1, expenditures were estimated in the January 1946 Budget message to total $35,800,000,000. The amount for obvious reasons included contingent factors. At the same time, 1947 income was estimated at $31,500,000,000. The excess of outgo over income of approximately $4,300,000,000, it was indicated, would be met, not by adding to the public debt, but by drawing upon an excess of cash in the Treasury for paying maturing obligations. Such excess is in consequence of cash withdrawals falling below the amount of financial provision made to meet expenditures the current fiscal year predicated upon the assumption that the Japanese war would continue well beyond the time it actually ended. There was to be no deficit, therefore, in the next fiscal year and no addition to the public debt according to earlier prediction and the mode of financing projected.

The picture is somewhat altered by later studies of the Budget Bureau, though according to later studies the net result may not be different. Receipts are now expected to be higher than estimated last January. But they may be dissipated by obligations now outstanding not maturing until after the close of the present fiscal year. In a statement released by the President on April 11, 1946, it was announced, and I quote, "Receipts in fiscal year 1947 will be substantially higher than estimated. However, some of the reduction in expenditures for 1946 is a deferral of expenditures into 1947 or subsequent years. It is too early, therefore, to make any reasonably accurate betterment of estimates for 1947."

In other words, owing to a number of imponderables the January, 1946, forecast for the fiscal year 1947 must stand for the present.

May I remind you that not merely since January 1946, but since VJ-day in August, 1945, we have been bending all energies to get disbursements down to levels looking to a balanced Budget in the fiscal year commencing less than 3 months hence. Better still, if that were at all possible, it would result in a surplus.

It is more of an undertaking than is generally understood. In the first place, we must get current fiscal year operations so ordered and contracted as to avoid entering the new fiscal year either with large unliquidated commitments or with carry-over programs growing out of the war. Secondly, new appropriations for the new fiscal year, now being processed, must be limited as closely as may be practicable to essentials. And, thirdly, we must resist to the utmost all legislation not essential to the post-war economy, to effectuate which would occasion further Treasury demands.

I shall speak of the first two "musts" in a moment. Let me first emphasize the importance of the third—legislation calling for new appropriations. We are in a situation where we cannot have Budget balancing, and sooner or later further tax reduction, if we indulge in new programs or projects which mean additional dollars out of the Treasury for the very sufficient reason that such dollars would not be there without further borrowing. A great many of the propositions submitted to this Congress, bills now pending in the committees, are propositions for deficit spending, propositions to borrow money and increase the public debt, when the imperative need is reduction of the Federal debt.

I need not amplify that statement; figures already made available speak for themselves. The semaphore shows red. We can close our eyes to it and continue to operate on borrowed money to the extent that borrowing may be practicable—and there is a limit, for we all recognize with the war over the patriotic impetus to buy Government bonds is largely gone. On the other hand, we can pursue, with determination, the hard road of denial and try to get our financial house in order. It is a question of whether the Congress can practice denial when constituents ask for appropriations and contributions to the States, in cooperation with State activities, when the States are in much better financial position to carry those burdens than the Federal Government.

Getting back to the first "must"—on July 1, 1945, unexpended and unobligated funds of the armed services and of war related branches of civilian agencies aggregated approximately $157,000,000,000. That amount included then unavailed of contractual authorizations. Our first responsibility following VJ-day was to prevent the expenditure or obligation of as much of that amount as was practicable. Due to the foresight of the Appropriations Committee—if the House and the country are disposed to give credit where credit is due—machinery had already been set up for the ascertainment of surpluses and the certification thereof to the Congress for resolution. Under this procedure we have rescinded, including the pending rescission bill, $57,407,562,040, which has already passed the House and is now pending in the Senate, and which I trust will be agreed to without material reduction. We have rescinded, including this bill and $5,246,046,297 of contractual authorizations, a total—I cannot emphasize this too strongly—$62,653 608,337. Never before in the fiscal history of this or any other country has there been reclamation of funds in such amount. That much has been salvaged so far. There will be more and there must be more if the Budget is to be balanced in the next fiscal year. But the Army and Navy, according to figures contained in House document No. 394, have obligations which if not appreciably reduced will occasion expenditures in this fiscal year and in the new fiscal year which simply cannot be absorbed within the expenditure totals that have been prophesied for such fiscal years. It cannot be done unless we take advantage of this opportunity for rescission. That is our biggest problem, and is the major key to Budget balancing in the fiscal year beginning July 1 next. Repeating the statement made on the floor a few weeks ago, appropriation rescissory measures have assumed a new significance in bringing about the reduction of national obligations to a degree that the President's expenditure goals may be fully realized.

As to the second must, which relates to new appropriations for the ensuing fiscal year, let me give you a break-down of the 1947 Budget estimates by general objects. I hope you will examine and weigh this tabulation carefully. Bear in mind that it is a statement of estimates of appropriations and not of projected

expenditures. The summary is as follows:

National defense	$12,189,542,792
Interest on the public debt	5,000,000,000
Refunds (customs, $15,000,000; internal revenue, $1,570,007,000)	1,585,007,000
Veterans' pensions and benefits	4,787,181,000
Aids to agriculture	486,566,000
Social-security program	593,023,600
Retirement funds	520,649,800
General public works	1,058,629,272
General government	1,603,824,892
Statutory public-debt retirement	592,715,154
Anticipated supplementals	875,000,000
Total	29,292,139,510

This total excludes trust funds, expenses payable from the postal revenues, and appropriations payable from revenues from the District of Columbia. The total of such exceptions is $1,375,178,320.

After examining these objects and amounts, I think you will agree, if we pass over national defense, there is little room for substantial pruning. The House has passed thus far four of the regular annual appropriation bills involved in the figures recited and on the four bills has effected reductions aggregating approximately $144,000,000. If the past is any criterion, that reduction will be less as the bills become law.

There is another regular annual bill pending, in which the committee has made reductions totaling about $56,000,000. It is evident, therefore, when we speak of lopping off billions at this time, that we are indulging in proposals that are utterly impracticable.

Then the question arises as to whether we can cut items for national defense. The Committee on Appropriations is being urged to increase the Navy's budget. The Army's budget has not yet been presented. You might sound out your people on the Navy's budget. It contemplates the provision of obligational availability amounting to $4,499,000,000. According to the press, the Naval Affairs Committee, or its distinguished chairman, is doubtful that the amount proposed by the President will be adequate. I do not understand why the question is raised now instead of in January, when the President's fiscal program was publicized and when it met with such country-wide commendation. The actual budget turned out to be but $1,000,000 less than the budget projected in January. There was no complaint then, so why now?

I shall include as a part of my remarks an editorial on the Navy's budget, which appeared in the Washington Post early in March. It contains much food for thought.

NAVY PROTEST

President Truman took exception yesterday to the Navy's objection to the cuts in the Navy's budget which were authorized by the President. He promised that the Director of the Budget would state the case for the reduction at an early meeting of the House Naval Committee. In the meantime our flesh refuses to creep over the Navy allegation that a budget of $4,224,000,000 will condemn the Navy to the status of a caretaker force. It seems to us that $4,224,000,000 is a tidy little kitty with which to furnish a naval establishment; it is five times the 1939–40 budget, and a sixth more than the 1940–41 budget. The notion that the cut represents a "scrapping" or a "strangulation," as Chairman VINSON intimated, is fantastic.

Perhaps the operation was not done expertly. But even Admiral Nimitz says that the question of what should be the size of the Navy is "anybody's guess." In other words, a bookkeeper could figure out the size of a naval establishment as well or as ill as a navalist. In this category of guesses is the reason for the Budget Bureau's, or the President's action. Our guess is that the cut was intended as a means of promoting a settlement of the issue of unification. The unification bill, in spite of the cogent memorandum of the President of December 19, is still lying fallow. How can anybody say what the size of the naval establishment should be till the armed services have been reorganized in line with the modern development of combined operations?

A navy, according to the classical concept, exists mainly to fight navies, and we have just sunk the only navy that was ever a menace to us. Where is the navy afloat that is anything like a rival to the American Navy? There is no such establishment of course; and, accordingly, Chairman VINSON'S analogy with the aftermath of World War I, when our Navy lagged behind our potential enemies, falls to the ground. Admiral Nimitz complains that the lessened budget would halt work on 28 ships now under construction. These represent, he said, "the latest ideas in shipbuilding and embody the lessons of the war." The lessons of the war lay not in shipbuilding but in organization. And the overriding lesson of the war is that our national defense is a unit and, in consequence, requires a unitary organization. Congress will be equally at sea with Admiral Nimitz in figuring out the proper size of the Navy till there is at least a unified general staff. Harmony in working together in the national interest is impossible to develop in the existing set-up, no matter how many joint committees are established.

In conclusion, may I call attention to the futility of attempting to curtail expenditures if we do not pursue a consistent and determined course of systematic retrenchment? Cutting here and adding there does not help. You have been doing some adding, but the cutting since VJ-day, outside of the rescissory measures, chiefly has been in taxes. I recall that back in November, even after the vote to reduce taxes—and that was a roll-call vote—the committee proposed to eliminate $128,475,000 of funds requested for rivers and harbors and flood-control projects, but its proposal was disregarded. Such divergent courses simply are not reconcilable.

Mr. Bernard M. Baruch gave some sound advice a few days ago when appearing before the Banking and Currency Committee. According to the press, in offering a 14-point plan, his second point was, and I quote:

Stop decreasing taxes until the budget is balanced. There may be wisdom in reinstating the $6,000,000,000 tax reduction.

In this connection I am including the entire text of the statement by the President released on April 11, 1946:

STATEMENT BY THE PRESIDENT

Since the Budget message was issued in January, the outlook for both revenues and expenditures for 1946 has changed materially. Revenues proved to be considerably higher than we anticipated, while expenditures are now expected to be lower than the January estimates. The reasons for these changes are numerous. As usual, as the year advances, revisions of the Budget are necessary.

The main reason for the improved revenue outlook is that we are well on the highroad to full peacetime production. There have been many headaches for the administration; the readjustment pains of our economy have been acute—and they are not yet over. But when we look at the record of production and employment since VJ-day, we see that we have done better than we felt warranted in counting on, a few months ago. In spite of the difficulties and complexities of the dynamic period through which we are moving, we are better off than we were after World War I, and we have good reason to be gratified. We now anticipate net receipts for fiscal 1946 of $42,900,000,000, which is about $4,300,000,000 above the January estimate.

The reductions in the expenditure estimates are due to a variety of causes. Some expected expenditures have not materialized; others have been deferred to a future period; some have been reduced, and some savings have been effected. Some of the largest reductions are due to the high civilian demands for goods of every description, which have deferred execution of the Government's programs. The public-works program has been delayed owing to shortages of materials and the difficulty of placing contracts. Disbursements by the Export-Import Bank have fallen below expectations since the countries to which we extended lines of credit have been unable to get goods. Outlays of the Commodity Credit Corporation have been much lower than anticipated because buoyant demand has kept agricultural prices at their ceiling levels. Consequently, price-support operations have been lower than anticipated and the Corporation has been able to liquidate large inventories.

Part of the reduction in expenditures can be ascribed to greater economies of government operation and more rapid demobilization than we had expected. On the other hand, veterans' expenditures are expected to be above the original estimates. It is now estimated that budget expenditures will amount to about $64,700,000,000 in fiscal 1946, which is about $2,600,000,000 below the January estimate.

Thus, with receipts of $4,300,000,000 higher, and expenditures of $2,600,000,000 lower, we expect a budget deficit of about $21,700,000,000, which is almost $7,000,000,000 below the January estimate.

For the second half of fiscal year 1946, we expect a deficit of about $3 600,000,000. For the January-March quarter in 1946 receipts exceeded expenditures by $800,000,000—for the first time since 1930. This surplus was, of course, due to the heavy tax receipts in March. For the April-June quarter, expenditures are expected to exceed receipts by $4,400,000,000, owing largely to the payment on account of the International Monetary Fund and increases in interest, refunds, and public works expenditures.

We are on the way toward a balanced Budget. Receipts in fiscal 1947 will be substantially higher than estimated. However, some of the reduction in expenditures for 1946 is a deferral of expenditures into 1947 or subsequent years. It is too early, therefore, to make any reasonably accurate betterment of estimates for 1947.

It is the aim of our fiscal policy to balance the budget for 1947 and to retire national debt in boom times such as these. In our present fight against inflation, fiscal policy has a vital role to play. A continuation of our present policy, which is to maintain the existing tax structure for the present, and to avoid nonessential expenditures, is the best fiscal contribution we can make to economic stability.

Mr. TABER. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, this is a resolution brought to the House by the Committee on Appropriations to meet the pay roll and the obligations of the Government resulting from the pay raise bill, principally Public Law 106 relating to the general service and Public Law 134 relating to the Post Office Department. There has previously been provided in the urgent deficiency bill which passed the House a couple of months ago $228,000,000 and now there is being provided $181,000,000. There are very substantial items which I estimate in the neighborhood of $300,000,000 out of savings and lapses on other appropriations that have been made which have been used to meet these pay-roll obligations in other bureaus and agencies. It is an item that is an obligation of the Government and we have nothing to do but make the appropriation. The mechanics of how it will be done has already been explained by the gentleman from Missouri or myself under the reservation of right to object on bringing the bill up.

Are there any questions that the gentleman from Pennsylvania desires to ask?

Mr. RICH. The gentleman from Missouri made the statement that the income for 1947 was estimated to be $31,500,000,000. That was evidently made in January. I wonder if there has been any revision on that estimate from January to this time because of the strikes and things that we are having in this country and industry being hampered, whether they expect to get that $31,500,000,000 that he figures he is going to have for a balanced budget. Personally, I do not think he is going to anywhere near approach it. But I wonder if they could figure on that amount.

Mr. TABER. Of course, in that $31,500,000,000, there were figured various estimates of various people with reference to income tax and the miscellaneous internal revenue tax.

I would imagine that unless there was some substantial change in the revenue bills, or something of that kind, that we should get that amount of revenue, because our current income-tax revenues and miscellaneous tax revenues are running quite considerably above what was originally estimated when this budget was presented the 1st of January.

Mr. RICH. That was on account of the income taxes that were paid on the 15th of March by corporations.

Mr. TABER. Well, it was to a large extent on account of the miscellaneous internal-revenue taxes going up. So many people are currently spending a great deal of money for many of those items that carry internal-revenue taxes.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Speaker, I ask unanimous consent to proceed for two additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RICH. I would like to ask the gentleman this question: I note that soon we will take up the War Department civil functions appropriation bill, which includes millions of dollars for rivers and harbors. We are going to have all kinds of requests for assistance to States for various things. In my judgment there is no State but what is in better shape than the Federal Government to take care of its own finances. I think we should do something to discourage the States and political subdivisions from coming here and expecting the Federal Government, which is now $275,000,000,000 or more in debt, to provide the money. I think we should do something as a Congress to discourage that practice.

Mr. TABER. I would hope that something might be done along that line. I have always voted against these various schemes to increase Federal spending. On the other hand, when you have a bill like this, you have to meet it. You cannot get away from it. The House has voted probably $2,000,000,000 of expenditures that will be chargeable to 1947 in addition to what has been authorized at the time Budget was sent up here, including the Army and Navy pay raise, the Federal employees' pay raise, and all that sort of thing. Of course, we do not know what those would be, finally.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that the joint resolution be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PHILIPPINE TRADE ACT OF 1946

Mr. DINGELL. Mr. Speaker, I call up the conference report on the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. DINGELL]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 5, 6, and 7.

AMENDMENTS NUMBERED 1, 2, 3, AND 4

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, and 4, and agree to the same with amendments as follows: Omit the matter proposed to be inserted by the Senate amendments and on page 11 of the House engrossed bill strike out all after the word "exceed" in line 16 through line 21, and insert in lieu thereof the following: "952,000 short tons (the equivalent of 850,000 long tons), of which not to exceed 56,000 short tons (the equivalent of 50,000 long tons) may be refined sugars; except that during the period from January 1, 1974, to July 3, 1974, both dates inclusive, such total amount shall not exceed 476,000 short tons (the equivalent of 425,000 long tons), of which not to exceed 28,000 short tons (the equivalent of 25,000 long tons) may be refined sugars."

And the Senate agree to the same.

R. L. DOUGHTON,
JERE COOPER,
JOHN D. DINGELL,
A. WILLIS ROBERTSON,
HAROLD KNUTSON,
DANIEL A. REED,
ROY O. WOODRUFF,
Managers on the Part of the House.

DAVID I. WALSH,
ALBEN BARKLEY,
TOM CONNALLY,
HARRY F. BYRD,
ROBERT M. LA FOLLETTE, Jr.,
ROBERT A. TAFT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5856) to provide for trade relations between the United States and the Philippines, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The House bill fixed the quota for sugars at 850,000 short tons. The Senate amendment fixed it at 850,000 long tons. The conference agreement fixes it at 952,000 short tons, which is the same number of pounds as 850,000 long tons.

Amendments Nos. 2, 3, and 4: These are amendments dependent on the action taken with respect to amendment No. 1, and the conference agreement makes corresponding changes in the Senate amendments.

Amendments Nos. 5, 6, and 7: These are clerical amendments, and the House recedes.

R. L. DOUGHTON,
JERE COOPER,
JOHN D. DINGELL,
A. WILLIS ROBERTSON,
HAROLD KNUTSON,
DANIEL A. REED,
ROY O. WOODRUFF,
Managers on the Part of the House.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield for a question.

Mr. RICH. The conferees have increased the sugar quota to the Philippine Islands, raising it to 850,000 long tons. It exceeds the quota adopted by the House. Is this increase satisfactory to the sugar States, such as Louisiana and Florida, for cane, and Michigan and Colorado, for beet sugar?

Mr. DINGELL. I may say to the gentleman from Pennsylvania that, as he already knows, conferences always result in compromise. In this instance the Senate accepted the entire House bill, with the exception of substituting long tons for short tons, to conform with the 850,000 long-ton sugar quota that is now provided in the existing law. Obviously, there was no compromise possible on the figure of 850,000, it being the same in both bills, no intermediate ton exists between a long ton and a short ton, unless the committee had created a ton of its own medium ton of 2,120 pounds instead of the long ton of 2,240 pounds.

That would have been the only compromise possible. So it was suggested by a member of the minority that the only way out of the dilemma was to make it 952,000 short tons, the equivalent of 850,000 long tons; in other words, we agreed to accept the original figure in the law, which also was the Senate figure. Had it not been for the war, had it not been for the devastation of the Philippines, had it not been for the need for rehabilitation of trade between the two countries, there would not have been any opportunity whatsoever to change the present tonnage in the quotas. That is one, if not the principal, reason for restoring the existing quota. I did not want to take advantage of the Filipinos in their hour of need.

I hope that answers the question of my friend, because I would not say that everybody in Colorado, Michigan, and Louisiana is satisfied or would not want to see some cut in the quota.

Mr. RICH. The only thing I am getting at now is to finally and eventually eliminate this subsidy we are paying the sugar producers in the States. Eventually it has got to stop. Are we going to give more consideration to the Philippines than we are to our own producers?

Mr. DINGELL. I believe my friend will concede that subsidies on sugar are not controlled by these figures.

Mr. RICH. Certainly it is. It is the amount we consume in this country that guarantees the price to our own sugar producers. Unless we take care of our own sugar producers they are going to be cut of luck and we are going to be out of sugar.

Mr. DINGELL. I may say to my friend the question of increasing the quota for our own people is not involved in this at all. There is a great opportunity for increased quotas for years to come for our local producers in both cane and beet sugars because of the present increased per capita consumption and further because of the increase in our population.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Kansas [Mr. CURTIS] a member of the subcommittee.

Mr. CURTIS. Will the gentleman state what the amount of the Philippine sugar quota now is under this conference report?

Mr. DINGELL. As I take it to be, if the 850,000 long tons are converted into short tons it means 952,000 short tons.

Mr. CURTIS. The gentleman is not suggesting that he arrived at a compromise, is he? Is it not true that you have accepted the Senate version as to quantity?

Mr. DINGELL. I hope I have not misled anybody. That is precisely what we did; I said at the outset that the only thing that would be a compromise between the two actions would have been to split the existing long ton and short ton into a new intermediate ton of our own creation which instead of being 2,000 pounds or 2,240 pounds, would be a medium ton of 2,120 pounds. That would be the only possible compromise that could have been worked out.

Mr. CURTIS. Mr. Speaker, I realize that any attempt to defeat this conference report at the present time would be futile; consequently, I am not anxious to waste the time of the House. I do wish to state, however, that, in my opinion, this is not satisfactory to a great many people in this country. It is also my opinion that it is not for the best interests of the Philippine Islands and I think in that statement I am supported by a good many people who have spend years in the Philippine Islands and know something about the situation.

I am also aware of certain representations made to the Senate Finance Committee, part of them off the record, by certain individuals who are interested in this bill that were totally false and misleading and known to be false at the time. As I say, the conference report cannot be held up.

Mr. DINGELL. Mr. Speaker, I may say that the gentleman from Nebraska has been most diligent in his efforts to safeguard the interests of the sugar producers in this country, in the subcommittee, and throughout the entire proceedings. He made some very effective statements and put up a very brave fight.

Mr. RICH. Mr. Speaker, will the gentleman yield further?

Mr. DINGELL. I yield to the gentleman from Pennsylvania.

Mr. RICH. Mr. Speaker, I just want to say that the House passed a bill containing 850,000 short tons. Now the conferees have agreed to 850,000 long tons. You are increasing the sugar quota of the Philippines 102,000 tons of sugar.

Mr. DINGELL. In short tons.

Mr. RICH. We are increasing it 102,000 tons over what it was.

Mr. DINGELL. No. We are not increasing it at all above what is provided under existing law. The gentleman will understand the cut was made in the House from long tons to short tons only because we considered a Philippine trade bill, but the present tonnage allowance or sugar quota for the Philippine Islands is 850,000 long tons. This action of the conferees merely restores the long tonnage. I may say to the gentleman again, lest he did not get my first explanation, that that was the only change the Senate made in the House bill. It merely restored the tonnage to 850,000 long tons, which is already in the existing law.

Mr. RICH. But, nevertheless, we are increasing it from what was passed by the House 102,000 tons.

Mr. DINGELL. That is right.

Mr. RICH. You cannot get away from that.

Mr. DINGELL. 102,000 short tons in order to restore the tonnage to existing law.

Mr. LYNCH. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New York.

Mr. LYNCH. The 850,000 long tons is the same amount that has been in existing law for the past 20 years; is that correct?

Mr. DINGELL. That is correct.

Mr. LYNCH. It is the same amount that was in the original bill introduced by the gentleman from Missouri [Mr. BELL], chairman of the Insular Affairs Committee?

Mr. DINGELL. The gentleman's statement is uniformly correct.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New York.

Mr. REED of New York. May I say in this connection that, of course, this quota is not satisfactory to all of us, but in order to get the legislation which we felt they should have and have at once because of the independence of the Philippine Islands coming along on July 4, we had to give in a little here and there in order to get this legislation.

Mr. DINGELL. That is true. We, the members of the committee, found fault with the bill in the matter of the monopoly provisions and we found fault with it with regard to tonnage, and for other reasons, but this is one of these pressing matters. We were then, and more so now, right under the gun. Time was of the essence. July 3 is the last day on which the Philippine Commonwealth is a dependency of the United States. We had a task to perform and we just do not have any time to lose.

Mr. DURHAM. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from North Carolina.

Mr. DURHAM. Will the Philippine Commonwealth be able to meet this quota this year?

Mr. DINGELL. I doubt very much, no matter what you do here, that the Philippine Commonwealth can reach the quota in less than 3 years. But that will not affect the sugar production in this country or the amount of sugar which we can get offshore. There will be a serious shortage of sugar in the United States for some time to come, because there is a serious shortage of sugar throughout the world.

To give the gentleman an illustration the Philippine Islands, which ordinarily consume 100,000 tons of their own large and normal production, for the year 1945 produced only 13,000 tons, so they had to import 87,000 tons to actually meet their own demands. Now that is a serious all-around situation. So this quota figure has been inserted, as the members of the Committee know, because we are trying to induce the mill owners and the plantation owners to produce sugar in that country to get back to production as early as possible in order that we can rehabilitate the heroic people of that unfortunate country. And they are our friends.

Mr. RICH. Mr. Speaker, if the gentleman will yield further, the gentleman recalls distinctly, does he not, that in 1940 we destroyed 250,000 tons of sugar in Puerto Rico. We destroyed 250,000 tons of sugar in the Virgin Islands, and then you started up the rum plants there to use up sugar even in the face of that destruction. That is a terrible reflection, but that is water over the dam.

Mr. DINGELL. That may be right, but that is water over the dam.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

PHILIPPINE ISLANDS REHABILITATION ACT

Mr. BELL. Mr. Speaker, I call up the conference report on the bill (S. 1610) to provide for the rehabilitation of the Philippine Islands, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1610) to provide for the rehabilitation of the Philippines, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 24.

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 17, 18, 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 31, 32, 33 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144; and agree to the same.

And agree that the title be amended to read: "An Act for the Rehabilitation of the Philippines."

C. JASPER BELL,
J. W. ROBINSON,
ED GOSSETT,
RICHARD J. WELCH,
W. STERLING COLE,
Managers on the Part of the House.

M. E. TYDINGS,
CARL HAYDEN,
B. K. WHEELER,
A. H. VANDENBERG,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1610) to provide for the rehabilitation of the Philippines, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate recedes on all amendments except No. 24. The House recedes on amendment No. 24.

Amendment No. 24 limited unincorporated associations, trusts, and corporations who could qualify as claimants for compensation to those composed of individuals who are qualified persons under the act.

The effect of receding from amendment No. 24 is to remove such limitations and to qualify unincorporated associations, trusts, and corporations on the basis of their nationality and residence and without reference to who composes or owns any interest in them, except that no payments can be made to such unincorporated associations, trusts, and corporations which are owned or controlled by enemy aliens and persons who have been found guilty of collaborating with the enemy or of any act involving disloyalty to the United States or the Philippines, or either of them. This restores subsection (4) of subparagraph (b) of section 102 to read exactly as it was reported to the House by the Committee on Insular Affairs, with the committee amendments as agreed to.

C. JASPER BELL,
J. W. ROBINSON,
ED GOSSETT,
RICHARD J. WELCH,
W. STERLING COLE,
Managers on the Part of the House.

Mr. BELL. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATION BILL, 1947

Mr. KERR. Mr. Speaker, I call up the conference report on the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 4½.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$110,125,250"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$144,065,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$750,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In line 6 of the matter inserted by said amendment strike out the word "equal" and insert in lieu thereof the word "comparable"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 4, 5, and 7.

JOHN H. KERR,
GEORGE MAHON,
W. F. NORRELL,
JOE HENDRICKS,
MICHAEL J. KIRWAN,
FRANCIS CASE,
HARVE TIBBOTT,
Managers on the Part of the House.

ELMER THOMAS,
CARL HAYDEN,
JOHN H. OVERTON,
ELBERT D. THOMAS,
CHAN GURNEY,
C. WAYLAND BROOKS,
CLYDE M. REED,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying report, as to each of such amendments, namely:

Amendment No. 2, rivers and harbors: Appropriates $110,125,250, instead of $118,551,250 proposed by the Senate and $97,883,250 proposed by the House. The increase over the amount carried in the House bill proposes to include the following projects in the amounts indicated:

Crescent City Harbor, Calif	$1,000,000
New Haven Harbor, Conn	500,000
Bridgeport Harbor, Conn	100,000
St. Johns River, Fla., Jacksonville to Lake Harney	300,000
St. Johns River, Fla., Jacksonville to the ocean (in addition to $83,000 allowed by House)	1,689,000
Lake Worth Inlet, Fla	711,000
Tampa Harbor, Fla. (in addition to $19,400 allowed by House)	200,000
St. Marks River, Fla	71,000
Savannah Harbor, Ga	1,000,000
Gulf Intracoastal Waterway (New Orleans district)	1,800,000
Bayous Petit Anse, Tigre, and Carlin, La	160,000
Cape Vincent Harbor, N. Y	59,000
Cape Fear River, N. C., at and below Wilmington, and Northeast (Cape Fear) River, as authorized in H. Doc. No. 131, 76th Cong.; S. Doc No. 83, 76th Cong.; and S. Doc. No. 170, 76th Cong	1,000,000
Channel from Pamlico Sound to Avon, N. C	16,500
Columbia River, Oreg., and Wash., Umatilla (McNary) Dam (in addition to $600,000 allowed by House for advance planning)	2,000,000
Columbia River between Vancouver, Wash., and Bonneville, Oreg. (in addition to $39,000 allowed by House)	200,000
Columbia River and tributaries above Celilo Falls to mouth of Snake River, Oreg. and Wash	30,000
Winyah Bay, S. C	630,000
Wolf River (Memphis Harbor), Tenn	100,000
Brazos Island Harbor, Port Isabel, Tex	127,500
Sabine-Neches waterway, Texas	37,000

Sturgeon Bay and Lake Michigan ship canal, Wisconsin	$11,000
Wrangell Narrows, Alaska	500,000
Total increase in amendment No. 2	12,242,000

Amendment No. 3, flood control: Appropriates $144,065,000, instead of $162,777,500 proposed by the Senate and $110,814,000 proposed by the House. The increase over the amount carried in the House bill proposes to include the following projects in the amounts indicated:

Bull Shoals Reservoir, Ark. (in addition to $3,585,200 allowed by House)	$1,414,800
North Little Rock to Gillett, Ark.	150,000
Augusta to Clarendon, Ark.	500,000
Van Buren, Ark.	301,000
Crawford County levee district, Arkansas	400,000
McLean Bottom levee district No. 3, Arkansas	204,200
Near Dardanelle, Ark.	203,300
Conway County levy district No. 6, Arkansas	360,700
Conway County levee districts Nos. 1, 2, and 8, Arkansas	400,000
Roland drainage district, Arkansas	331,500
Little Rock to Pine Bluff, Ark.	450,000
Holbrook, Ariz.	243,000
San Gabriel River, Calif.	650,000
Colorado Springs, Colo.	475,000
Cherry Creek Reservoir, Colo.	2,968,500
Allatoona Reservoir, Ga. (in addition to $4,000,000 allowed by House)	500,000
Clark Hill Reservoir, Ga. and S. C. (in addition to $4,000,000 allowed by House)	500,000
Heise-Roberts area, Snake River, Idaho	250,000
Stringtown, Fort Chartres, and Ivy Landing, Ill.	392,200
Wood River levee, Illinois	400,000
Preston drainage and levee district, Illinois	100,000
Harrisonville and Ivy Landing drainage levee district, Illinois	426,000
Farm Creek Reservoirs, Ill. (in addition to $100,000 allowed by House)	500,000
Cannelton, Ind.	500,000
Kansas Citys, Kans. and Mo. (in addition to $2,000,000 allowed by House)	500,000
Wichita and Valley Center, Kans.	1,000,000
Wolf Creek Reservoir, Ky. (in addition to $3,500,000 allowed by House)	800,000
Boeuf, Tensas Rivers, and Bayou Macon, La.	1,000,000
Pineville, La.	128,300
Aloha Rigolette area, Louisiana	500,000
Tully Reservoir, Mass.	659,000
Holyoke, Mass. (to provide for the Springdale section of the Holyoke project and is in addition to $763,000 allowed by the House)	344,000
Big Sunflower, Little Sunflower, Hushpuckena, and Quiver Rivers and their tributaries and on Hull-Brakemill Creek Canal, Bogue Phalia, Ditchlow Bayou, Deer Creek, and Steele Bayou, Miss.	500,000
Harlan County Reservoir, Nebr. (in addition to $1,500,000 allowed by House)	250,000
Garrison Reservoir, N. Dak. (in addition to $3,000,000 allowed by House)	1,000,000
Baldhill Reservoir, N. Dak.	300,000
Hulah Reservoir, Okla.	2,500,000
Tenkiller Ferry Reservoir, Okla.	1,000,000
Jenks, Okla.	249,500
Detroit Reservoir, Oreg. (in addition to $1,500,000 allowed by House)	$200,000
Lookout Point Reservoir, Oreg.	1,000,000
Willamette River, Oreg. (bank protection)	450,000
East branch, Clarion River Reservoir, Pa.	500,000
Oahe Reservoir, S. Dak. (for advance planning and is in addition to $100,000 allowed by House)	600,000
Fort Randall Reservoir, S. Dak. (in addition to $1,000,000 allowed by House either for plans or initiating construction of this project)	2,500,000
Center Hill Reservoir, Tenn. (in addition to $3,500,000 allowed by House)	650,000
San Angelo Reservoir and Floodway, Tex. (in addition to $40,000 allowed by House for advance planning)	2,000,000
Whitney Reservoir, Tex.	2,000,000
Bluestone Reservoir, W. Va. (in addition to $3,500,000 allowed by House)	500,000
Total increases agreed to by conferees in amendment No. 3	33,751,000
Less following Senate decreases, agreed to by conferees:	
Tuttle Creek Reservoir, Kans. (advance planning) $400,000	
Oologah Reservoir, Okla. (advance planning) 100,000	500,000
Net increase in amendment No. 3	33,251,000

Amendment No. 4½. Eliminates all language proposed by the Senate.

Amendment No. 6, flood control, Sutton Reservoir, W. Va.: Appropriates $750,000 instead of $1,000,000 proposed by the Senate.

Amendment No. 8. Proposes to insert the word "comparable" in place of the word "equal" and adopt Senate language.

The language of this section as passed by the House had reference to Indian lands in North Dakota and in South Dakota above the Oahe Dam. Inasmuch as there are no appropriations in the bill for the construction of any dam which would affect Indian lands in South Dakota above the Oahe Dam, the language in the amendment affecting Indian lands in North Dakota only is needed at this time.

AMENDMENTS REPORTED IN DISAGREEMENT

Following is a statement of the amendments reported in disagreement and of the motion that has been authorized by the managers on the part of the House to be made in regards to each:

Amendment No. 1, relating to the amount of expenditures authorized for technical and clerical personnel in the Office of the Chief of Engineers: A motion to concur in the Senate amendment will be offered.

Amendment No. 4, relating to the construction of the Fort Gibson flood-control project in Oklahoma: A motion to concur in the Senate amendment will be offered.

Amendment No. 5, relating to flood control on Kings River and Tulare Lake, Calif.: A motion to concur in the Senate amendment will be offered with an amendment reading as follows:

"Flood control, Kings River and Tulare Lake, California: For construction of works for flood control and other purposes on the Kings River and Tulare Lake, California, $1,000,000, as authorized in Public Law Numbered 534, Seventy-eighth Congress, second session, approved December 22, 1944: *Provided*, That none of the appropriation for the Kings River and Tulare Lake project, California, shall be used for the construction of the dam until the Secretary of War has received the reports as to the division of costs between flood control, navigation, and other water uses from the Bureau of Reclamation and local organizations and, with the concurrence of the Secretary of the Interior, shall have made a determination as to what the allocation shall be: *Provided further*, That the reports from these continuing studies shall be made not later than six months from the date of the enactment of this Act and that the agreement of concurrence shall be made not later than nine months from the date of the enactment of this Act."

Amendment No. 7, relating to the employment of labor, Panama Canal: A motion to concur in the Senate amendment will be offered with an amendment in line 13 of the enrolled bill, after the word "positions", strike out the following language: "with the proviso that any positions now filled by persons not citizens of the Republic of Panama or the United States which are vacated for any cause shall be filled in compliance with the terms of this section as adopted for the fiscal year 1946".

JOHN H. KERR,
GEORGE MAHON,
W. F. NORRELL,
JOE HENDRICKS,
MICHAEL J. KIRWAN,
FRANCIS CASE,
HARVE TIBBOTT,
Managers on the Part of the House.

Mr. KERR. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the civil functions bill has reached its final stage for consideration. It represents the findings and conclusions of 15 Members of the House and Senate who considered it for about 6 weeks.

During the recent World War very little work was done on the items involved and very little appropriation was made for them. There still remains a large backlog of these items which will have to be considered, and they will be coming before the House before very long.

The items which appear in this bill have been authorized by law. They have been examined, surveyed, and approved by the Army engineers. All of them except a few the Budget has approved, and both the Senate and the House have approved all the items in the bill. The items in dispute have been finally agreed upon by both the Senate and House conferees, and are now before the House for its final approval.

The amount approved by the Budget originally for these items was $338,000,000. The House authorized an expenditure of $286,000,000 in respect to these items, and the Senate authorized an expenditure of $362,000,000. The conferees agreed upon the appropriation of $333,000,000, which is $5,000,000 below the Budget estimate.

In the distribution of the money carried in this bill $20,000,000 was approved by the Budget for the Florida barge canal, the Appropriations Committees of both the House and the Senate struck out this item and decided to distribute this $20,000,000 among other items in the bill

which are meritorious, which needed this money, and could judiciously use it.

There is in the bill before us $75,000,000 appropriated for miscellaneous items other than flood control and rivers and harbors items. This is not exclusively a flood-control or a rivers and harbors bill, or a bill exclusively for both; $110,000,000 in this bill is for rivers and harbors construction and $144,000,000, of it is for flood control.

Both the House and the Senate committees have patiently and intelligently. I think, approached the matters in controversy and have come to a complete agreement. The approval of this conference report, in our opinion, is justifiable.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. KERR. I yield to the gentleman with pleasure.

Mr. RICH. Instead of increasing this bill $33,000,000, at this time for rivers and harbors when the country is in such position that we have more jobs now than we have men to fill them and if possibly we get a slow-down for some reason or other in the future, would it not be better to defer these until something takes place and get the wheels of industry turning and the people producing things in this country so that we will have commodities and stop inflation? Would it not be better by utilizing all the men you are going to put in these river and harbor projects by an expenditure of $33,000,000? It seems to me that would have been the wise thing. If you would have waited until next year or some time that you could do this without disturbing the economy of the country in getting back to normalcy, it would have been a fine thing. I hope you can convince the Senate they ought in some manner to hold up these projects until the day comes that you need this work to do. We are doing too many things now that are not necessary. I have an idea that a lot of these flood-control projects and rivers and harbors projects could be delayed for a year or so to the best interests of the country. I wish the gentleman and his committee would try to work and cooperate with the Senate to defer some of these things until production gets equal to our consumption in this country by utilizing all the manpower that will be needed on these projects in doing this work.

Mr. KERR. Mr. Speaker, my purpose in requesting permission to extend my remarks is to place in the RECORD at this point a complete list of river and harbor and flood-control projects, giving the name of the project, the type of project, and the purpose for which the funds are to be spent, and the amount of funds allocated at the particular project. The tabulation is as follows:

Rivers and harbors	
New Haven Harbor, Conn	$500,000
Bridgeport Harbor, Conn	100,000
New York Harbor, N. Y	1,510,000
Cape Vincent Harbor, N. Y	59,000
New York and New Jersey Channels	3,634,000
Waterway on the coast of Virginia	65,000
Channel from Pamlico Sound to Avon, N. C	16,500
Cape Fear River, N. C., at and below Wilmington, and Northeast (Cape Fear) River	$1,000,000
Winyah Bay, S. C	630,000
Savannah Harbor, Ga	1,000,000
Canaveral Harbor, Fla	830,500
St. Johns River, Fla., Jacksonville to Lake Harney	300,000
St. Johns River, Fla., Jacksonville to the ocean ($83,000 allowed in House for advance planning)	1,772,000
Lake Worth Inlet, Fla	711,000
Tampa Harbor, Fla. ($19,400 allowed in House for advance planning)	219,400
St. Marks River, Fla	71,000
Mobile Harbor, Ala	475,000
Apalachicola, Chattahoochee, and Flint Rivers, Ga. and Ala	1,010,000
Pearl River, Miss. and La	1,010,500
Bayous Petit Anse, Tigre, and Carlin, La	160,000
Gulf intracoastal waterway (New Orleans district)	1,800,000
Gulf intracoastal waterway between Apalachee Bay, Fla., and the Mexican border (Galveston district)	2,030,000
Trinity River, Tex., $1,040,000 for advance planning and $450,000 for commencement of construction	1,490,000
Neches and Angelina Rivers, Tex	1,500,000
Sabine-Neches waterway, Texas	37,000
Brazos Island Harbor, Port Isabel, Tex	127,500
Crescent City Harbor, Calif	1,000,000
Old River, Calif	25,000
Columbia River, Oreg. and Wash., Umatilla (McNary) Dam ($600,000 allowed in House for advanced planning)	2,600,000
Columbia River between Vancouver, Wash., and Bonneville, Oreg	239,000
Columbia River at Bonneville, Oreg	805,800
Columbia River and tributaries below Celilo Falls to mouth of Snake River, Oreg. and Wash	30,000
Mississippi River between the Ohio and Missouri Rivers	3,500,000
Missouri River, mouth to Kansas City	1,500,000
Missouri River, Kansas City, Mo., to Sioux City, Iowa	2,500,000
Ohio River open-channel work	526,000
Kanawha River, W. Va	554,200
Illinois waterway, Illinois	160,000
Wolf River (Memphis Harbor), Tenn	100,000
St. Marys River, Mich	4,611,250
Sturgeon Bay and Lake Michigan ship canal, Wisconsin	11,000
Wrangell Narrows, Alaska	500,000
Intracoastal Waterway from Jacksonville to Miami, Fla	40,000
Miami Harbor (Biscayne Bay), Fla	5,000
Intracoastal Waterway from Caloosahatachee River to Anclote River, Fla	115,000
Alabama and Coosa Rivers, Ga. and Ala	316,000
Chocolate Bayou, Tex	5,000
Guadalupe River, Tex	157,000
Lavaca and Navidad Rivers, Tex	3,500
Mississippi River between the Missouri River and Minneapolis, Minn	269,000
Missouri River at Fort Peck, Mont	20,000
Ohio River lock and dam construction	28,000
Harbors of refuge for light-draft vessels	29,100
Ashtabula Harbor, Ohio	5,000
Buffalo Harbor, N. Y	12,500
Black Rock Channel and Tonawanda Harbor, N. Y	5,000
Chetco River, Oreg	$2,000
Depoe Bay, Oreg	1,000
Snake River, Oreg., Wash., and Idaho	500,000
Total	42,253,750
Flood control, general	
Mansfield Hollow Reservoir, Conn	$1,445,000
Union Villare Reservoir, Vt	1,369,000
Holyoke, Mass	763,000
Holyoke (Springdale section) Mass	344,000
Tully Reservoir, Mass	659,000
Syracuse, N. Y	900,000
Almond Reservoir, N. Y	1,100,000
East Sidney Reservoir, N. Y	1,200,000
Elmira, N. Y	540,000
Sunbury, Pa	900,000
Williamsport, Pa	1,300,000
Buggs Island Reservoir, Va. and N. C	3,000,000
Clark Hill Reservoir, Ga. and S. C	4,500,000
Allatoona Reservoir, Ga	4,500,000
Homochitto River, Miss	14,000
Narrows Reservoir, Ark	1,500,000
Bayou Bodcau, Red Chute, and Loggy Bayou, La	123,500
Bayou Bodcau Reservoir, La	1,300,000
Shreveport, La	900,000
Blakely Mountain Reservoir, Ark	1,000,000
Memphis, Tenn	1,000,000
Buffalo Bayou, Tex	2,200,000
Hords Creek Reservoir, Pecan Bayou, Tex	500,000
Boeuf, Tensas Rivers, and Bayou Macon, La	1,000,000
Pineville, La	128,300
Aloha Rigolette area, Louisiana	500,000
San Angelo Reservoir and floodway, Texas ($40,000 allowed by House for advance planning)	2,040,000
Whitney Reservoir, Tex	2,000,000
Holbrook, Ariz	243,000
John Martin Reservoir, Colo	1,122,400
Colorado Springs, Colo	475,000
Cherry Creek Reservoir, Colo	2,968,500
Blue Mountain Reservoir, Ark	1,132,600
Clearwater Reservoir, Mo	2,000,000
Norfork Reservoir, Ark	1,000,000
Bull Shoals Reservoir, Ark	5,000,000
North Little Rock to Gillett, Ark	150,000
Augusta to Clarendon, Ark	500,000
Van Buren, Ark	301,000
Crawford County levee district, Arkansas	400,000
McLean Bottom levee district No. 3, Arkansas	204,200
Near Dardanelle, Ark	203,300
Conway County levee district No. 6, Arkansas	360,700
Conway County levee districts Nos. 1, 2, and 8, Arkansas	400,000
Roland drainage district, Arkansas	331,500
Little Rock to Pine Bluff, Ark	450,000
Dennison Reservoir, Tex. and Okla	3,000,000
Canton Reservoir, Okla	2,500,000
Fort Gibson Reservoir, Okla	3,500,000
Wister Reservoir, Okla	1,750,000
Hulah Reservoir, Okla	2,500,000
Tenkiller Ferry Reservoir, Okla	1,000,000
Jenks, Okla	249,500
Fall River Reservoir, Kans	2,000,000
Hutchinson, Kans	800,000
Wichita and Valley Center, Kans	1,000,000
Kansas City, Mo. and Kans	2,500,000
Kanopolis Reservoir, Kans	1,972,000
Harlan County Reservoir, Nebr	1,750,000
Garrison Reservoir, N. Dak	4,000,000
Baldhill Reservoir, N. Dak	300,000
Heise-Roberts Area, Snake River, Idaho	250,000
Council Bluffs, Iowa	500,000
Omaha, Nebr	800,000

Missouri River between Kenslers Bend, Nebr., and the Combination Bridge at Sioux City, Iowa	$360,000
Wolf Creek Reservoir, Ky	4,300,000
Dale Hollow Reservoir, Tenn. and Ky	1,455,000
Center Hill Reservoir, Tenn	4,150,000
Mounds and Mound City, Ill	700,000
Stringtown, Fort Chartre, and Ivy Landing, Ill	392,200
Wood River levee, Illinois	400,000
Preston drainage and levee district, Illinois	100,000
Harrisonville and Ivy Landing drainage levee district, Illinois	426,000
Farm Creek Reservoirs, Ill. ($100,000 allowed by House for advance planning)	600,000
Cannelton, Ind	500,000
Newport, Ky	800,000
Delaware Reservoir, Ohio	1,500,000
Muskingum River Reservoirs, Ohio	1,548,000
Portsmouth-New Boston, Ohio	1,000,000
Bluestone Reservoir, W. Va	4,000,000
Massillon, Ohio	1,001,000
Parkersburg, W. Va	500,000
Sutton, W. Va	750,000
Dewey Reservoir, Ky	510,000
Dillon Reservoir, Ohio	2,000,000
Youghiogheny River Reservoir, Pa	619,200
Conemaugh River Reservoir, Pa	2,500,000
Punxsutawney, Pa	556,000
East Branch, Clarion River Reservoir, Pa	500,000
Elkins, W. Va	552,900
Coal Creek drainage and levee district, Illinois	565,400
Mount Morris Reservoir, N. Y	1,000,000
Los Angeles River, Calif	3,000,000
San Gabriel River, Calif	650,000
Detroit Reservoir, Oreg	1,700,000
Dorena Reservoir, Oreg	2,018,200
Lookout Point Reservoir, Oreg	1,000,000
Willamette River, Oreg. (bank protection)	450,000
Tacoma, Wash	807,600
Big Sunflower, Little Sunflower, Hushpuckena, and Quiver Rivers and their tributaries and on Hull-Brakemill Creek Canal, Bogue Phalia, Ditchlow Bayou, Deer Creek, and Steele Bayou, Miss	500,000
Oahe Reservoir, S. Dak. (for advance planning)	700,000
Fort Randall Reservoir, S. Dak. (for planning and initiating construction)	2,500,000
Kings River and Tulare Lake, Calif	1,000,000

The following are items and amounts recommended for advance planning:

Blackstone River Basin: West Hill Reservoir, Mass	$40,000
Thames River Basin:	
East Brimfield Reservoir, Mass	20,000
South Coventry Reservoir, Conn	35,000
Connecticut River Basin:	
West River Reservoirs, Vt	230,000
North Hartland Reservoir, Vt	70,000
North Springfield Reservoir, Vt	70,000
Housatonic River Basin: Thomaston Reservoir, Conn	130,000
Lake Champlain Basin:	
East Barre Reservoir, Vt	34,000
Wrightsville Reservoir, Vt	20,000
Waterbury Reservoir, Vt	8,000
Hoosic River Basin: North Adams, Mass	10,000
Susquehanna River Basin:	
Copes Corner Reservoir, N. Y	$180,000
Swoyerville and Forty Fort, Pa	50,000
Genegantslet Reservoir, N. Y	60,000
South Plymouth Reservoir, N. Y	190,000
Roanoke River Basin: Philpott Reservoir, Va	300,000
Colorado River Basin:	
Lake Brownwood Reservoir, Tex	42,000
Eagle Lake to Matagorda, Tex	75,000
White River Basin:	
Greers Ferry Reservoir, Ark	30,000
Lone Rock Reservoir, Ark	23,000
Table Rock Reservoir, Mo	100,000
Arkansas River Basin:	
Optima Reservoir, Okla	60,000
Mannford Reservoir, Okla	80,000
Neodesha Reservoir, Kans	75,000
Elk City Reservoir, Kans	75,000
Upper Mississippi River Basin:	
Red Rock Reservoir, Iowa	200,000
Sabula, Iowa	3,500
Coralville Reservoir, Iowa	62,000
Joanna Reservoir, Mo	60,000
Galena, Ill	6,000
Turkey River at Elkport, Iowa	2,000
Red River of the North Basin:	
Pembina River Reservoir, N. Dak	35,000
Tongue River Reservoir, N. Dak	35,000
Park River Reservoir, N. Dak	30,000
Missouri River Basin:	
Sioux City, Iowa	20,000
Arlington Reservoir, Mo	50,000
Richland Reservoir, Mo	50,000
Missouri River Levees, Sioux City, Iowa, to the mouth	1,000,000
Ohio River Basin:	
Shenango Reservoir, Pa., and Ohio	100,000
Eagle Creek Reservoir, Ohio	90,000
Allegheny River Reservoir, Pa	155,000
Turtle Creek Reservoir, Pa	41,000
Ridgway, Johnsonburg, Brockway and vicinity, Pa	120,000
Latrobe, Pa	20,000
Dillonvale and Adena, Ohio	31,000
Burr Oak Reservoir, Ohio	31,000
Roseville, Ohio	5,000
Jackson Cut-off, Ky	5,000
Carrolton, Ky	15,000
Greenup, Ky	15,000
Cleves, Ohio	10,000
Ashland, Ky	8,000
Maysville, Ky	7,000
Levee Unit No. 5, Wabash River, Ind	40,000
Indianapolis (Warfleight section), Ind	30,000
Mining City Reservoir, Ky	40,000
Colorado River Basin (Ariz.):	
Alamo Reservoir, Ariz	90,000
Santa Ana River Basin:	
San Juan Reservoir, Calif	60,000
San Antonio Reservoir, Calif	80,000
Carbon Canyon Dam and Channel, Calif	50,000
Los Angeles County drainage area:	
Compton Creek, Calif	35,000
Pacoima, Wash, Calif	51,000
Rio Hondo Channel, Calif	40,000
Rubio Canyon and Eaton Wash, Calif	40,000
Ventura River Basin:	
Ventura River Levees, Calif	50,000
Sacramento-San Joaquin Basin:	
Hogan Reservoir, Calif	$27,000
Farmington Reservoir, Calif	80,000
Success Reservoir, Calif	120,000
Tuolumne River Reservoir, Calif	5,000
New Melones Reservoir, Calif	285,000
Folsom Reservoir, Calif	150,000
Kings River and Tulare Lake Basin, including Pine Flat Reservoir, Calif	200,000
Merced County stream group, California	50,000
Pacific coastal area:	
Pajaro River, Calif	25,000
Willamette River Basin:	
Quartz Creek Reservoir, Oreg	130,000
Sweet Home Reservoir, Oreg	100,000
North Pacific Coastal area:	
Coquille River Basin, Oreg	12,000
Nehalem River Basin, Oreg	2,500
Arlington, Oreg. (Alkali Canyon)	4,000
Recreational developments—investigations and plans	150,000
Total	142,480,600

Mr. KERR. Mr. Speaker, I yield 20 minutes to the gentleman from Michigan [Mr. ENGEL].

Mr. ENGEL of Michigan. Mr. Speaker, when the regular civil functions bill came before the House some weeks ago, I pointed to the record and gave the details showing that there were 700 flood-control projects on the War Department 6-year program, which, together with many more rivers and harbors and irrigation and reclamation projects, will cost $7,000,000,000. I stated at that time that I did not see how we could carry out that program in view of the condition the Treasury is in. I believe that the time is not so far distant, when the Treasury Department will be unable to raise either by the sale of bonds or by taxation, the money required to meet the appropriations made by the Congress.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. ENGEL of Michigan. I yield.

Mr. KEEFE. In line with what the gentleman is now saying, the Congress heard the admonition of the chairman of the Committee on Appropriations this morning that the yardstick should be that appropriations, however desirable, ought to be indispensable to qualify for expenditure in view of the condition that the Treasury is in.

I want to ask the gentleman, in his opinion, are the items, especially those of increase that are contained in the conference report, items that would fall within the formula announced by Chairman CANNON this morning, namely, that they are indispensable, or do they fall in the character of items that may be considered merely desirable?

Mr. ENGEL of Michigan. Of course, they are not indispensable.

Now, may I proceed? I have been a member of the War Department Subcommittee of the Appropriations Committee for the past 10 years. This is the tenth annual civil-functions bill and will be the tenth annual War Depart-

ment bill which has come through that subcommittee during that time. While this bill was not perfect, I was never more pleased with a bill that went through the House which came from the Civil Functions Committee than I was with this bill as it left the House. I was never more bitterly disappointed in the actions of a conference committee and a conference report than I have been in the results of this conference and report.

A great many Members of this House on both sides of the aisle came to me with projects. Wherever I thought that Member's project was worthy and should be put in the bill, I supported it.

This bill has deteriorated from a good bill into one of the worst pork-barrel bills that has come from a conference committee with which I have had anything to do during the 12 years I have been a Member of this House.

There are 216 projects in this bill in 34 States as it came from conference. The total appropriation amounts to $254,000,000. Those 216 projects will cost at least $2,000,000,000. Many of these project costs have not yet been accurately determined. There has been too much patting on the back of the Engineer Corps of the United States Army.

Mr. WIGGLESWORTH. Mr. Speaker, will the gentleman yield?

Mr. ENGEL of Michigan. I yield.

Mr. WIGGLESWORTH. Can the gentleman advise the House how many projects, and the total cost of those projects, are included in this conference report which have not received the approval of the Bureau of the Budget?

Mr. ENGEL of Michigan. I will get to that in a minute.

Now, Mr. Speaker, I repeat there has been too much back patting the United States Engineer Corps. Their estimates have been very unreliable. To give you an illustration—I mentioned this before—we had before this House a project in Missouri known as the Osceola project. The estimated cost of this project by the Army engineers was $28,500,000. The actual cost when completed will be $65,000,000. The actual cost of another project was four times the amount estimated by the Army engineers. I told one general recently that if I were president of a corporation and my chief engineer told me that a project was going to cost $28,500,000 and it actually cost $65,000,000, I would kick him in the neck and get another chief of engineers. I am hoping that the present Chief of Engineers of the United States Army, Lieutenant General Wheeler, a very fine and able officer, will change this policy and give us some real estimates on these projects so that we will know what a project will cost before we start construction.

The deficiency bill passed last fall contained 118 flood-control projects. Of those 118 projects only a few have been finished. These 118 projects have now been increased to 216.

Many of these projects contain power. I believe in public power when it is needed. I have never opposed a bill because it contained public power. I firmly believe that we are now doing to the power industry of America by degrees what Clement Attlee and the Socialist Party are doing to the banks and the coal mines in England in one fell swoop. We are socializing it. When we get through socializing the power industry, the coal mines, the railroads, the banks and other institutions will be next. I am opposed to the socialization of industry.

When this bill left the House it contained $285,987,492, and was $52,651,000 below the Budget. It came back from the Senate containing $361,618,600, an increase of $75,600,000 over the House bill or more than a 27-percent increase. It was $22,980,000 above the Budget; and when you take out of the Budget the $20,000,000 for the Florida barge canal, which this House refused to pass, it is nearly $45,000,000 above the Budget.

This bill contains 55 unbudgeted projects, the total cost of which, according to the Army engineers, will be approximately $218,000,000 but will actually run to about $300,000,000.

We tried to save $74,000,000 by cutting out of this bill the $20,000,000 the Budget recommended for the Florida barge canal. The Senate used that $20,000,000 to start projects which will cost somewhere around $300,000,000. We kept $74,000,000 from going down the canal, but the conference report is sending $300,000,000 down the river.

I cannot go along with that sort of proposition.

The bill as it now stands is, on its face, $5,400,000 below the Budget estimate. When we eliminate the Florida barge canal that the House struck out—it is actually $16,000,000 above the Budget.

The Senate receded on $28,388,000 worth of projects. The House receded on $47,244,000. There are 55 unbudgeted projects in this bill in 34 States which will cost, according to the engineers, $217,990,000 but will actually cost around $300,000,000.

Mr. Speaker, I know how futile it is to try to stop a conference report which carries 216 projects. I tried it last fall when the bill had 118, and you know the result.

The $20,000,000 I thought had been saved by eliminating the Florida barge canal is going to be spent a little dribble here and a little dribble there by starting projects which, as I stated, will ultimately cost $300,000,000.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ENGEL of Michigan. I yield.

Mr. RICH. The gentleman is doing a fine job in his effort to hold down expenses, and it seems to me we ought to put the membership of this House on record on this conference report for one reason if for no other—to show the people of this country who is for economy in Government. We hear many people say now that they are for economy in Government. We ought to put them to the test. The time has arrived now when the people back home should know what the membership of this House is doing. I hope the gentleman will take the lead. If he does not I trust somebody else will put the Members on record.

Mr. ENGEL of Michigan. Mr. Chairman, I have perhaps as many rivers and harbors in my district as any other Member of this House. I can appreciate the pressure which is being brought to bear on the Members of Congress from the people back home.

Mr. ROGERS of Florida. Mr. Speaker, will the gentleman yield?

Mr. ENGEL of Michigan. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. Mr. Speaker, may I say that I regard the gentleman as one of the most conscientious and one of the most outstanding Members of this House. I am glad to note that he is looking at these projects from a merit standpoint. When you take this into consideration I am glad to see that he has recommended that the appropriation of $711,000 be made for the Lake Worth project. My people have already voted a bond issue for this. Feeling that the Congress was going to make this appropriation the freeholders of that district voted a million dollars for this purpose. This money is now in the bank and cannot be spent until this appropriation is made by the Congress. I want to thank the gentleman.

Mr. ENGEL of Michigan. I thank the gentleman.

Mr. Speaker, I shall continue to oppose this type of "pork barrel" appropriations bill and want to be so recorded.

Mr. KERR. Mr. Speaker, I yield 5 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, any member who serves on the Appropriations Subcommittee for the War Department with the gentleman from Michigan [Mr. ENGEL] appreciates the conscientious way in which he approaches his task and also the diligence he shows. Certainly no Member of the House of Representatives can properly claim to have been more conscientious and industrious in protecting the Public Treasury than the gentleman from Michigan [Mr. ENGEL], and none is more entitled to recognition and commendation than he.

It should be pointed out, however, that when you get into a conference you are confronted with a practical situation if you are going to reach an agreement. The bill that is being brought back here today from conference is $5,408,011 below the total Budget estimate. It is true that the total amount for flood control exceeds the Budget estimate for flood control, but the savings in rivers and harbors projects and other items gave us a leeway of something over $20,000,000 in the bill as a whole. We did use some of that margin in meeting some of the Senate's increases, but the bill as a whole is $5,500,000,000 below the total Budget estimate.

When the bill went over to the Senate they marked upward some 27 projects which had no appropriations or for which there were lesser appropriations in the bill as it passed the House. In the conference some of those projects

were eliminated completely; in fact, in practically every instance, the figures proposed by the Senate were reduced.

All of the projects proposed by the Senate had appealing merit and all of the increases had a certain amount of logic behind them. I might make quite a speech on the value of these flood-control projects to the Nation, particularly those in the Missouri Basin, but other Members would want to tell of those in which they have special interest. So I confine my remarks at this time to the dollar-sign subject and say that your conferees tried conscientiously to hold down appropriations while, at the same time, we provided what seemed to be a proper amount for the prosecution of the most urgent projects.

The total Senate increase amounted to something over $75,000,000; $75,631,000, to be exact. A part of that was the restoration of cuts we had made in the House; a part was the addition of projects for which there were supplemental estimates; and a part was for unbudgeted items. The Budget sent up those supplemental estimates for some 16 projects just as the House committee completed its hearings. We did not hold hearings on those projects, but nevertheless there were Budget estimates for them, and they were all put in in the Senate. That is why the Senate increase of $75,000,000 over the House figure was only about $25,000,000 above the Budget Bureau's total estimates for the civil functions bill. The Senate's proposals were cut back about $30,000,000 in conference. So, in proposing the reductions, the House conferees accomplished a saving of something over $5,000,000 below the Budget. I think the record should show that and should show that the House did achieve a reduction of approximately $30,000,000 from the figures proposed by the Senate.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Pennsylvania.

Mr. RICH. I realize that the House cut it down below the Budget estimates, but let me ask the gentleman this question: Has the gentleman any faith in ever hoping to get a balanced Budget if we do what the Bureau of the Budget recommends to the Congress? They will never balance anything. That has been proven in the last 10 or 12 years that I have been here. This Budget Bureau that we have down here is one of the most extravagant organizations of government, and until we do something to cause them to realize that we have to get in the money before we can spend it on all of these projects, this Government is going on the rocks as sure as you live.

Mr. CASE of South Dakota. I recognize the fact that we cannot let the Budget Bureau write appropriations for the Congress. It must be remembered, however, that the Senate of the United States is elected by the people of the United States as much as the House of Representatives, and when you get into a conference and you have Senators taking one position and seeking to uphold the position of the Senate, and you have Members of the House seeking to uphold their position, what you have to do is to arrive at some point between the two, and that is what we did. As I say, we achieved about a $30,000,000 reduction below the figure of the Senate and we kept the total $5,408,000 below the total recommended by the Bureau of the Budget. That was the result of a very long conference and of several preliminary meetings by the House conferees. I personally think we achieved about as good a result as could be obtained under the circumstances and I believe the conference report should be accepted.

Mr. KERR. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, I am not out of sympathy with the feeling of the gentleman from Michigan [Mr. ENGEL] in regard to the need for greater economy. Yet, the bill before us was the best bill we were able to get as a result of our conference with the Senate. I have no doubt but that the great majority of the projects are meritorious projects. There are many hundreds of other projects in America that ought to be constructed tomorrow; there is no doubt about that. This is no waste of money, in any sense of the word, as I see it. American land and resources are wasting away at a rapid rate—at a rate of loss totaling hundreds of millions of dollars per year. We are not ahead in flood control and river and harbor improvements. We are behind schedule. I dare say we are several generations behind schedule in harnessing and conserving the land and water resources of our Nation.

So, we have here the best bill we could get. Some of the work might possibly have been delayed. In fact, some of the work should be delayed, in my opinion, but the final details of the bill were a result of compromises, as is always the case in legislative matters. But we present the bill without apology, and it is $5,000,000 below the Budget. Some are disappointed because the bill contains so many projects, others are disappointed because projects in their districts were not included. It will be noted that the sums approved for individual projects were considerably reduced in most instances.

Mr. KEFAUVER. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. I would like to ask the gentleman of the subcommittee about amendment No. 4½. That related to an appropriation for a survey and preliminary work on a flood-control project for Chattanooga and Rossville, Ga. The gentleman will recall at the time the matter was up originally in the House a controversy was going on between certain citizens in Rossville and Chattanooga as to the type of flood protection, so it was not included in the bill as it passed the House. The controversy was over a proposed reservoir in Georgia. This dispute was settled to the satisfaction of the Georgia people. The gentleman from Georgia, Judge TARVER, has withdrawn his opposition to the appropriation and I am advised has notified some of the members of the conference committee to that effect. I have spoken to most of the House members of the subcommittee, including the gentleman from Texas, about the matter and I understood that since the controversy about the reservoir had been settled the House conferees would accept the Senate amendment. Five hundred thousand dollars was included in the Senate, but it has been eliminated in conference. The gentleman will recall I talked with him a number of times about it. Will the gentleman tell the reason for it not being included in the conference report?

I would also like to be assured by the gentleman, that since this project has been authorized and since it has been recommended by the Corps of Engineers and the Budget Bureau, that it has not been decided against on its merits and that it will be provided for in the future when any impediments have been ironed out.

Mr. MAHON. I will be glad to take a minute and state the position of the committee in regard to the Chattanooga, Tenn.-Rossville, Ga., flood-control project.

With respect to that project, there was much controversy in the House. The gentleman from Chattanooga was very much interested in securing approval for the project in the original House bill, but the committee did not put anything in the bill for the project, due to the controversy between Chattanooga and interested areas in Georgia. When the bill went to the Senate, the Senate included the sum of $500,000 for the project as a result of the fact that some of the differences between the city of Chattanooga and the area in Georgia had been ironed out after the bill had been passed by the House and sent to the Senate. But the Senate amendment contained the following proviso:

Provided further, That in connection with the Chattanooga, Tenn., and Rossville, Ga., flood-control project the State of Tennessee or local subdivisions thereof shall furnish the right-of-way for the entire project.

Now here is what happened after the Senate included the Chattanooga project in the bill. The mayor of Chattanooga, as I understand it, wrote a letter to the Senator from Tennessee [Mr. MCKELLAR] stating that he and other citizens opposed the Senate amendment, and felt that the amendment, including the Chattanooga project in the bill, should be eliminated, and further action involving the project should be delayed pending a further clarification of the responsibilities of the city of Chattanooga with respect to the project.

The amendment had been adopted in the Senate; it was a Senate amendment, not a House amendment. When the Senate proposed to withdraw its own amendment, and did withdraw it, there was nothing the House conferees could do to retain it in the bill.

Now in further response to the question proposed by the gentleman from Tennessee, let me say that the project has not been abandoned; it is not dead. Action has simply been temporarily suspended pending the time when local differences can be clarified and composed.

The project has been authorized by the Congress, as the gentleman well knows, and has been approved by the Army engineers and the Bureau of the Budget. The gentleman is in no way responsible for the delay. In fact, he has sought in every possible way to pave the way for the project and expedite its construction. The delay is regrettable and disappointing to the gentleman and many of his constituents, but there is no reasonable doubt in my opinion but that the project will be provided for at a later date and the needed improvements made.

Mr. KERR. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. GEARHART].

Mr. GEARHART. Mr. Speaker, I have asked for this time just to clear up a question I have in mind. I notice that amendment No. 5 is rather specific in respect to some things, not so in respect to others. Also I notice that in Public Law 534 of the Seventy-eighth Congress there is a general provision of law having to do with the development of supplementary irrigation facilities upon War Department projects. The question I have in mind is this: Is it the interpretation of the conferees that the conference report, if adopted, will repeal section 8 of the act to which I have referred insofar as the Kings River project is concerned, or will the two stand together and be construed together insofar as they can, any differences developing, the conference report controlling, since it is legislation subsequent in point of time?

Mr. NORRELL. May I say to the gentleman that the conference report has not entirely satisfied some of us on the House side. I happen to be a member not only of the War Department Civil Functions Appropriations Subcommittee, but also the Subcommittee on Interior Department Appropriations. I am familiar somewhat with this project. Some years ago, if the gentleman remembers, there was an effort made by the Interior Department to construct this project as an Interior project. Opposition developed. The appropriation was not authorized. The Congress later provided that this project should be constructed by the War Department, as the gentleman also knows. We did not allow the project on the Kings River on the House side when originally considering this bill. The bill went to the Senate and they put it in. We have tried to work out a compromise with the Senate providing that the Bureau of Reclamation shall study the costs and allocations of flood control, reclamation, and water use, and other subjects, and submit to the Army Engineers their findings. We provide that none of the money shall be used until the Secretary of War has received reports regarding costs between flood control, water use, and other subjects from the Bureau of Reclamation, with the concurrence of the Secretary of the Interior regarding determinations as to what the allocations shall be. We think in pursuing this course, the Secretary of War and the Secretary of the Interior can work out an agreement whereby the benefits of reclamation shall be preserved to the West. I will say to the gentleman that this committee does not want to interfere with the efficient operation of the Bureau of Reclamation. I do not believe that the Secretary of the Interior will concur unless the benefits of reclamation are preserved.

Mr. GEARHART. The gentleman's explanation is very clear and definitely to the point. I am grateful to him for his very great consideration. Thank you very much.

Mr. NORRELL. Mr. Speaker, if the gentleman will permit, I would like to state further that there is eliminated from this bill amendment No. 4½, added by the Senate for the construction of a reservoir at Chattanooga, Tenn., and other facilities. This amendment was placed in the bill by the Senate. The Senate managers insisted on receding. Under the rules of Congress they had a right to do this without concurrence of the House managers. The gentleman from Tennessee [Mr. KEFAUVER], our very able Congressman from Chattanooga, has been very much interested in the retention of this item. He has done all humanly possible to secure favorable action. He is one of our most respected and admired colleagues and I regret that the Chattanooga project could not be allowed. I am reasonably certain, however, that it can be included in the next bill for construction of flood-control projects. I thank the gentleman.

Mr. KERR. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Speaker, I am glad to hear the answer given to the gentleman from California by the gentleman from Arkansas [Mr. NORRELL] with regard to amendment No. 5, reported in disagreement, concerning the Kings River project in California. As an eastern Member of the House of Representatives and representing as I do eastern taxpayers, I have for some time been very much interested in the Central Valley project. This project has for years been made the subject of great controversy between selfish private interests and the Bureau of Reclamation which has been doing a fine job in California. The Bureau of Reclamation has been knocked about from pillar to post by the Pacific Gas & Electric Co. and by private land companies in the State of California, to the detriment of the small farmer and the average citizen. One of the items in this project is the Pine Flat Dam, which the large private land companies propose to have built by the Army engineers with utter disregard for the provisions of the reclamation law.

The area of irrigable land which would be covered by the proposed dam is owned to an extent of over 40 percent by six landowners, huge prosperous land companies, one of whom, the Kern County Land Co., owns practically an entire county in the State of California. It is and has all along been the purpose of these interests, the power interests and these huge land companies, to prevent the building of multiple-purpose dams in Central Valley. Representing eastern taxpayers, I can see no reason for building a dam, whether the Pine Flat Dam on Kings River or the Isabella Dam on the Kern River, which is not a multiple-purpose dam so that revenue and repayment may flow back into the Federal Treasury under the reclamation law as the result of the development of power and the other phases of a multiple purpose dam.

Mr. NORRELL. Mr. Speaker, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from Arkansas.

Mr. NORRELL. The only reason we are confronted with this proposition today is because Congress has passed a law saying that this project shall be constructed by the Army engineers. Until that act is amended or repealed, this Congress can do nothing except provide the funds for the War Department or not construct the project at all.

Mr. ROONEY. At the same time may I say to the gentleman from Arkansas that it was the intention of Congress that all the provisions of the reclamation law survive in building these dams included in the flood-control program. I am perfectly willing to develop the West by the use of Federal funds, not as an outright gift but by advancement as a loan to be eventually repaid to Uncle Sam. If we were to proceed as advocated by the private interests in California we might as well junk the Reclamation Act. One of its provisions, the subdivision of land into 160-acre tracts, is wholly vitiated if we permit the building of a dam, such as Pine Flat Dam, merely for flood control.

The provisions of the 1944 Flood Control Act calling for the operation of all multiple purpose reservoirs under the reclamation law, together with the language of the present bill providing for allocation and, I presume, repayment under the reclamation law, is an essential safeguard to the expenditure of Federal moneys for such projects as Pine Flat Dam. Only under the reclamation law can we get the broad distribution of benefits called for by the use of interest-free funds for water conservation projects such as the Kings River project for which $1,000,000 is provided in the pending conference report. Only under the reclamation law can we protect the small landowner and make available for sale to war veterans farms where they might make a decent livelihood.

Mr. PATTERSON. Mr. Speaker, will the gentleman yield?

Mr. ROONEY. I yield to the gentleman from California.

Mr. PATTERSON. I want to concur 100 percent with the gentleman from New York, and I want to compliment him for his frank and honest statement in regard to the Central Valley water project in California. He is 100 percent correct.

The SPEAKER pro tempore (Mr. MILLS). The time of the gentleman from New York [Mr. ROONEY] has expired.

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PATTERSON. Mr. Speaker, the huge power monopolies and great landholders of California have always opposed the full development of the Central Valley program. They are still doing their utmost to undermine it and defeat its purpose. They have been successful in having an appropriation slipped into H. R. 5400 which will give to the Army engineers the task of constructing two dams in California—the Isabella Dam on the Kern River and the Pine Flat Dam on the Kings River.

I want to see these dams built. I want to see construction on them get under way as quickly as possible. But I want to see them built as multiple-purpose dams under the Bureau of Reclamation, so that they may provide low-cost water for irrigation and low-cost power for pumping, as well as fulfilling their flood-control purpose. Only in this way and as part of the Central Valley program will these dams fully serve the farmers and consumers of California.

For this reason, they must be constructed by the Bureau of Reclamation, whose program of Central Valley development has already proven itself beyond a doubt. Under the Army engineers, these dams may be alienated and managed in a manner which may easily defeat the entire Central Valley project. Under the Army engineers, what will happen to the 160-acre limitation law? I have asked this question myself and been asked it many times by constituents. This law must be upheld, if the small farmer is to be protected. It must be upheld if we wish to make farms available to as many veterans of World War II as can qualify. It has been pointed out that under the Army engineers' construction of these two dams the worthy principle of acreage limitation may be completely set aside.

I would like to explain the danger to the Central Valley program, to multiple-purpose dams, to the 160-acre limitation law, if we permit the Kings and Kern Rivers dams to be constructed by a department which, consciously or unconsciously, plays into the hands of the big power interests in opposition to the Bureau of Reclamation program.

As long ago as May 5, 1941, the late President Roosevelt wrote the Secretary of War reaffirming an earlier decision that the Kings River project should be constructed by the Bureau of Reclamation. Then, as late as April 2, 1945, Mr. Roosevelt, when he signed the War Department's civil functions appropriation bill for 1946, declared he had been reluctant to do so because the bill contained appropriations to enable the Corps of Engineers to prepare plans for these projects in the Kings and Kern Rivers. He added that in the near future he intended to submit to Congress recommendations for legislation transferring jurisdiction over all of the Central Valley projects to the Bureau of Reclamation—but meanwhile he died, and such recommendations were never submitted.

Picking up the threads of this situation, President Truman on June 2, 1945, requested both the Bureau of Reclamation and the Army engineers to make comprehensive reports of their plans. Now the plans have been developed and the only thing delaying their submission to the President—and a fair comparison of them—is the fact that the Governor of California is holding them for further consideration.

The Director of Public Works of California has asked that the Army engineers be granted funds for construction work on the Kings and Kern Rivers dams. This request, plus Governor Warren's delaying tactics, has prevented a comparison of the two plans. I have had an opportunity to examine these plans and think there is no doubt that the Army engineers' plan is undesirable and should not be railroaded through the Congress before the reports which the President asked for have been received.

A comparison of the two plans makes it amply clear that the Army engineers have no comprehensive plan for the development of the resources of the Central Valley. The Corps of Engineers does have a physical plan for flood control which comprises but a part of the Bureau of Reclamation's comprehensive plan. It is not the physical plan of the Army engineers that causes me deep concern, however; it is the policies under which they propose to develop their plan.

These policies are clearly those that will promote land monopoly, bring about confusion in Federal administration until it becomes a joke, lead to unwarranted subsidies for a comparatively few landholders, promote ruinous land speculation, waste the resources of California, and weaken the democratic process in California.

The Corps of Engineers has intentionally confused the processes of democratic government. While pretending to observe the wishes of Congress, it has taken action which has had the direct effect of encouraging great land-owning interests of California to oppose the reclamation laws laid down by Congress years ago and reaffirmed many times after searching debate upon the floors of the House and Senate. What is more, its action has encouraged the monopolistic interests of California to thwart the will of the great masses of farmers and workingmen of my State. This has been made clear to me in no uncertain terms by my constituents. I am firmly convinced that a majority of the people of California can no longer be hoodwinked by these interests.

Mr. KERR. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, I am sorry that the conferees saw fit to bring this conference report here including 23 projects involving over $12,000,000 for rivers and harbors, and about 40 flood control projects involving $33,000,000 additional. That means that is the amount of money necessary to start those projects, but, as the gentleman from Michigan [Mr. ENGEL] said, it will take probably $250,000,000 before they are finished, and maybe four hundred or five hundred million.

With a national debt of $275,000,000,000, the Congress has got to begin to cut the cloth according to the amount of material they have. They just do not have it in this country any longer. Economy must prevail. It seems to me we should eliminate a great many of these projects, or at least hold them up for a year or two until you can go ahead and finish them. Wait until you have the labor and need the jobs.

One of the greatest propositions that confronts this country and the Congress is the request that will be made here in the next few weeks. You will be asked to pass upon a loan to Great Britain of $3,750,000,000. That loan entails an amount of $4,400,000,000. If that loan is granted, and that agreement by the State Department is consummated, you are going to cancel $23,000,000,000 of lend-lease. All that Great Britain has ever paid back on that is $4,000,000,000, which leaves a net of $23,000,000,000. We have done everything possible to save those people, and there is no reason now why we should obligate our children and our children's children and future generations to try to help Great Britain any longer.

It is an imposition on the American people if you pass such legislation. They have not carried out their promises to the United States in any part. The loans in the last war of over $6,000,000,000 are unpaid. No interest paid. The loans that we have granted them at different times are still hanging in the balance.

I am not against Great Britain. I want to help them if I can, but I do not want to sink America. That is what we will do if we obligate ourselves any further. Two hundred and seventy-five billion dollars in debt and then talk of a loan of $4,000,000,000—someone is not properly balanced in my judgment.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the distinguished gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Is the proposal for the British loan in this bill?

Mr. RICH. No, it is not in this bill, but I want you to know it is coming here soon and you can be prepared to defeat such a monstrosity.

If those fellows get that loan, they are going to socialize Great Britain by purchasing the railroads and the coal mines. They are going to take over the public utilities, and they are going to pay for them with the money of the taxpayers of the United States. That is what burns me up. I would not socialize America, so why help Great Britain to do it?

Another thing, Great Britain has a budget of $15,650,000,000, whereas we have a budget of $35,000,000,000. We are bound to go in the red for the next 3 years. We cannot help it with such spending. If we grant that loan to Great Britain they will have close to a balanced budget. So why are we obligating ourselves here to pull their chestnuts out of the fire when it will be most detrimental to every man, woman, and child in America? Not only that; you are not going to pay the bill now; you are going to hand it on to your children

and your children's children and your great-grandchildren. You have no moral right to do it. You have no legal right to do it; you have no right to heap coals of fire on your great-grandchildren. I do not like the financial policy of this administration; they think of spend, spend, spend, spend, and do not know where the money is coming from, and it seems as if they do not care. It is terrible, in my judgment. That is not an honest thing for this Congress to do—to loan any nation money. Let the banks do it as before. It is not an honest thing for this Congress to try to obligate future generations for something that we cannot pay for at the present time. It burns me up. And I want to say here that every man in Congress who votes for that loan will pay for it next November, that the people back home will remember when they come to vote next November; and do not think for a minute that they are not going to remember your action.

If you have four thousand million to give away, give it to our World War II veterans, not to some foreign country. Let us help our own people. Let us keep America solvent. Let us keep America strong. Bankrupt her and what have you?

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. KERR. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HAVENNER].

Mr. HAVENNER. Mr. Speaker, I wish to compliment the chairman and the members of the conference committee in bringing about a concurrence between the War Department and the Interior Department in matters of repayment and other provisions of the reclamation law as applied to the Kings River project in the Central Valley. Many people in California are at the present time confused by statements that they can get money on apparently more favorable terms through one Federal agency than from another. I understand that it is the purpose of the conference committee to settle this conflict for the people of California by providing for concurrence of the Secretary of the Interior in the allocation of costs and to give the Secretary of the Interior an opportunity to make appropriate repayment contracts under reclamation law with the water users prior to construction.

I should like to ask the chairman of the committee if I am correct in my interpretation of the committee's action?

Mr. NORRELL. I may say to the gentleman from California on behalf of the chairman that it is the desire of this committee to do everything possible under the circumstances to protect the reclamation laws of the West, and we reached the best possible decision under existing law in order to do that. We believe the Secretary of War wants to preserve the reclamation benefits and that he together with the Secretary of the Interior, also deeply interested in reclamation, will bring in a report under promises of the limitation contained in the appropriation that will protect the reclamation interests of the West.

Mr. HAVENNER. I thank the gentleman.

This procedure, though a reassuring step to those of us interested in seeing the water resources of the great Central Valley developed in an orderly way and for the broad benefit of the people, is not enough. It is essential that the water conservation and hydroelectric works developed by the Federal Government be operated and administered as a unit if they are to make the full use of the water and power resources of the Central Valley. They must be handled under one set of laws, the reclamation laws, if we are not to jeopardize our present Federal investment in the Central Valley. This will also assure the broad distribution of these benefits to the rapidly growing population of California.

Since 1940 we have had an addition of 2,000,000 people to our State. It is essential that the new water to be developed from these projects be used to create added opportunities for many of these people to make farm homes on family-size farms. If this is to be achieved and if these projects are to be operated as a unit in an efficient manner, we shall have to take further action to place the operation and administration of these projects under one agency.

The time to take this action will come within the next few weeks, when the basin reports for Central Valley development are submitted to us by the Bureau of Reclamation and Army Corps Engineers. It will then be our responsibility to see that the present confusion and duplication is completely done away with, and that this Federal program of water development proceeds in an orderly and efficient manner, under one agency.

Mr. KERR. Mr. Speaker, I yield 3 minutes to the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS of California. Mr. Speaker, the House and Senate conferees are to be congratulated on having eliminated from the Army civil functions appropriation bill the item of the construction fund for the Kern River project in the Central Valley area of California.

No money for this project was contained in the bill as it passed the House. The Senate had proposed to give the Army engineers $1,000,000 to start construction of the Kern River project. In my judgment, this concession on the part of the Senate was founded upon representations, having no basis in fact, to the effect that the Army engineers and the Bureau of Reclamation were in full agreement with respect to the Kern River project.

I therefore support the action taken by the conferees in connection with the Kings River project. I hope that amendment No. 5, in disagreement, will be adopted. The adoption of this amendment will assure maintenance of the integrity of the traditional Federal reclamation policy in California.

What will this amendment do and what will the assurances as given by the committee mean to us in California? First of all, it will mean that concurrence between the Secretary of War and the Secretary of the Interior is required before construction can begin; that the Secretary of the Interior—as Secretary of the Interior—must protect the provisions of the reclamation laws as passed by Congress and reaffirmed for 40 years. It means that he could not under any conditions agree to any plan or any proposal that violates the reclamation laws. Such protection will satisfy the people of California.

Mr. NORRELL. Mr. Speaker, if the gentlewoman will yield, on behalf of the committee I thank her for the position she has taken and state that it is our belief that the Secretary of the Interior and the Secretary of War will work out an agreement that will preserve the reclamation laws of the West.

Mrs. DOUGLAS of California. And what will that mean? It will mean that if the reclamation laws prevail, as they are guaranteed now by this amendment and the assurances of this committee, the small farmer will be given preference; it will mean that the land and power monopolies cannot control the priceless waters of that valley; it will mean that the returning veteran will have a chance to get a foothold in the great Central Valley of California.

Mr. MURDOCK. Mr. Speaker, will the gentlewoman yield?

Mrs. DOUGLAS of California. I yield to the gentleman from Arizona.

Mr. MURDOCK. I want to add my voice, as chairman of the House Committee on Irrigation and Reclamation, in approval of that provision for cooperation between the Secretary of War and the Secretary of the Interior in certain public works. This matter has been properly adjusted.

Mrs. DOUGLAS of California. And we are very grateful.

Mr. MURDOCK. Mr. Speaker, several times while discussing this conference report the gentleman from Pennsylvania [Mr. RICH] has implied this money thus appropriated is a sheer waste, as if for unnecessary expenditures, or that such funds should not be spent now, as if the plan is to build immediately in order to create employment. Now, I do not know about many of these items, but I do know about one in this list. I have been trying for years to get it done with fear in my heart lest we should not get the protection in time. This construction is not merely to furnish employment, nor is it expenditure of public funds pork-barrel fashion to gain votes. Many of these items listed in this conference report must be like the one for Arizona—necessary for protection and public safety.

I am now referring to the eighth item down, on page 4 of the report, that is for flood protection on the Little Colorado River at Holbrook, Ariz. That is a dangerous stream at any place in its course but particularly dangerous at the city of Holbrook in northern Arizona. On two different occasions in recent years floods have done great damage there and caused loss of life. I called attention of the House to that situation a year ago and earlier. We regarded it a postwar project then only because materials and labor could not be had during the war. The danger was great during the war and is great today. If a flood should occur on the Little Colorado River at the same time a flood occurs on a

tributary entering the Little Colorado just above Holbrook, the combined floods would be more destructive than any of the others and might entirely destroy that county-seat town.

There are other flood-control items in Arizona which have been examined by the Army engineers and reported on, which I hope soon to find in such a report as this, but I will not take time to discuss them here. "An ounce of prevention is worth a pound of cure," and a "Stitch in time may save nine" in regard to the protection offered by this projected engineering work on the Little Colorado River and many other such streams. Let us not delay but carry this work forward at once. Its value cannot adequately be measured in money.

The SPEAKER. The time of the gentlewoman from California has expired.

Mr. KERR. Mr. Speaker, I yield the gentlewoman one additional minute.

Mr. ENGEL of Michigan. Mr. Speaker, will the gentlewoman yield?

Mrs. DOUGLAS of California. I yield to the gentleman from Michigan.

Mr. ENGEL of Michigan. The gentlewoman might be interested in knowing that it was the gentleman from South Dakota [Mr. CASE] who offered the solution to this problem.

Mrs. DOUGLAS of California. You cannot know how grateful the people of California will be that this committee has upheld the historic position of Congress on the matter of reclamation. If there is a depression, which we all hope there will not be, but which is very likely after the action of the House taken here yesterday, California will perhaps suffer more greatly than any State in the Nation because we are going to have the biggest unemployment load of any State in the country. What happens in Central Valley is very, very important to millions of American citizens.

The SPEAKER. The time of the gentlewoman from California has again expired.

Mr. KERR. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. ELLIOTT].

Mr. ELLIOTT. Mr. Speaker, I want to thank the conference committee of the House and Senate for providing the $1,000,000 for the Kings River project. However, on account of a disagreement between some of the people of California in certain areas who will not pay any part of the benefit costs, and also because of certain people in the interior who have run up and down the San Joaquin Valley and here in Washington putting out false propaganda, we have lost several million dollars that might have been in this bill to provide jobs. I am sorry that misstatements have been put out by these people who have been misinformed, or who do not know the general conditions out there, who make the statement that on Kings River 6 landowners own 44 percent or 50 percent of the land. In another instance I have seen telegrams come back here that two farmers own all the land when, as a matter of fact, Mr. Speaker, of the 850,000 acres that is in cultivation and receiving irrigation benefits on Kings River 35,000 water users consume that water. There will be no new water for sale on Kings River but there will be from 6 to 10 percent benefits by the regulation of this flow of water.

Fresno irrigation district has an area of 240,000 acres, with 10,000 water users, and the average size of the holdings is 24 acres. The area which does not comply with the acreage limitation as presently interpreted by the Department of the Interior is 40,000 acres.

The Kearney vineyard, owned by the State of California, has 5,200 acres. The Associated Oil Co. has 3,800 acres, of which none is irrigable, at the present time, making a total of 9,000 acres. Deducting the 9,000 acres leaves a net area under limitation law of 31,000 acres; in other words, about 13 percent of the total area of the Fresno irrigation district.

This same condition prevails in the Consolidated irrigation district, which has 156,000 acres and only 7,000 acres which would come under the limitation law, and the Alta irrigation district, with 130,000 acres and only 9,000 acres under the limitation law. So the many misstatements that have been made, by telegram, by letter, and on the floor of this House, has cost the State of California five or six millions of dollars of flood control money, that would have helped provide jobs for returning veterans now.

Mr. Sehlmeyer, the State Grange master of California, who is now in Washington lobbying against Kings River and Isabella Dam, has carried on an extensive campaign here in Washington and also in California, putting out false propaganda and misrepresentation that has cost the people of California flood control benefits, irrigation benefits, and early completion of this much-needed construction that would make available power for the farmers. He is interested only in an insurance racket with the Grange people.

Mr. Speaker, I want to call to the attention of the House a statement taken from hearings in the second session, Seventy-eighth Congress, of H. R. 4485, that the levees' sustained cost was about $2,500,000. The irrigation canals, headgates, and weirs are complete and cost about $60,000,000. The gravity water supply is supplemented by the 12,000 pumping plants costing upward of $18,000,000, all of which has been built by private financing. I want to point out again to the Members of the House that there is no Bureau of Reclamation project in the Kings River area, and no federally owned land. The agricultural production average is about $80,000,000 per annum in this area.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I am glad the gentleman is making the statement he is and that he has called attention to the fact there is a difference of opinion in California with respect to the Kern River project.

Mr. ELLIOTT. Does the gentleman mean the Kings River project?

Mr. CASE of South Dakota. No; I mean Kern River, which was not included. The Kern River project is a highly controversial question. It brings in this matter of landownership to which the gentleman has alluded and some other questions. The members of the conference committee received many letters and telegrams on the subject; but the project was not in the House bill when it came before us and on a subject as highly controversial as that, obviously the only logical thing for the conferees to do was to leave it out of the bill and let it be handled separately when there might be an opportunity to give full hearing to all parties concerned. That is why it is not in the bill.

Mr. ELLIOTT. I thank the gentleman for making the statement. The reason we did not have an opportunity to place before the House the recommendations of the State of California in conjunction with the War Department and the Department of the Interior was for the simple reason that according to the Flood Control Act that we passed, after the War Department had submitted it to the various States, they would have 90 days to make a report. That report did not arrive back here in Washington in time to be considered by the House committee but it did arrive in time for the Senate to consider it in the Senate. That is why these funds were provided on the Senate side and not on the House side in the very beginning.

This controversy relating to Kern River has been grossly exaggerated. There is the Kern County Land Co. that owns 125,000 acres of the 300,000 acres of tillable land on Kern River, but that same Kern County Land Co. owns 80 percent of all the water rights in Kern River. Whether a dam is constructed or not, you cannot take away their water rights or benefits now being received.

The SPEAKER. The time of the gentleman from California has expired.

Mr. KERR. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. ELLIOTT. At the present time there are 1,000 users of water on Kern River, and I hope, in extending my remarks, to fully explain that situation.

But I want to take time now to explain the Kings River situation here, because I think that is the most vital. In the present appropriation of $1,000,000, the proviso as suggested here really does not change the language to any extent; it only couples the dam into the picture in section 5, and in section 8 of the flood-control bill that passed this House and the Senate without a dissenting vote, the power that is developed on Kings River will be handled and sold wholly by the Department of the Interior, and the water benefits that are derived from the construction of this dam in section 8 will be under the 1902 act. Understand, that is new water and new benefits, but it does not affect the water users who now own a majority of the water rights on Kings River. It will not affect their water rights whatsoever.

Of the 80 percent of the company's water rights of the river flow, they are diverted by 14 canal companies, of which 8 are public utilities and under regulation by the California State Railroad Commission. These utilities consume approximately two-thirds of the water available under the company's rights and serve the lands of approximately 1,000 owners, of which the company is one.

The remaining 20 percent of the water of Kern River serves the land of Buena Vista water storage district, in which the Kern County Land Co. holds no ownership. The waters of Kern River are now wholly used for irrigation. There can be no substantial increase in the supply arising from the construction of Isabella Reservoir. We are advised by engineers that the effect of the reservoir will be limited to creating about 5 percent better regulation for the supply already fully used.

I want to call the attention of the House to the misstatements publicized as to the price of the land and benefits of the Kern County Land Co. to be received from the construction of Isabella Dam. Statements have been made that the land is only worth $10 an acre now and that they would be getting $100 an acre when the dam is completed. For the information of the House Members, the Kern County Land Co.'s approximate assessed valuation of their irrigation land is $50 per acre. The lands of the company which have the best soils and highest type of irrigation development, as well as those of adjoining owners, are assessed at $55 to $65 per acre. No irrigated land now owned by the Kern County Land Co. can be purchased for $10 or $100 or more per acre at the present time. I personally know of some of their lands that they receive from $50 to $100 per acre rental for growing cotton, potatoes, and other specialty crops. Members of the House, the propagandists have used the Kern County Land Co. and have said nothing about the protection of the city of Bakersfield which is 16 feet below the bed of Kern River, that could be totally flooded, costing millions of dollars and perhaps many lives.

Under Public Law 534 power and the reclamation law are fully protected in sections 5 and 8.

I repeat again, Congress, in Public Law 534, determined what agency would construct Kern River and Kings River, and that was the War Department.

The SPEAKER. The time of the gentleman from California has again expired.

Mr. KERR. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Speaker, the Treasury is in a desperately critical condition. No one familiar with the facts can possibly deny this. In view of this indisputable fact the increase provided in the conference report is wholly unjustifiable; in fact the original appropriation, considering the condition of the Treasury, is unjustifiable, and that is not saying anything at all against the possible needs for these projects. This is an inflationary measure; of course, it must be, and yet we tell the people of this country that we are against inflation. We vote for these inflationary measures almost daily. The RECORD proves as much.

We are asked not to request a record vote on this bill. I shall not ask for a record vote. We are told that it might put some of the Members on the spot. In all my service in Congress I have never asked any Member to refrain from asking for a roll-call vote to save me from being put on the spot.

So far as the measure before us is concerned, I want my constituents to know that I am opposed to it.

The SPEAKER. The time of the gentleman from Ohio has expired. All time has expired.

Mr. KERR. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 4, line 13, after the word "appropriation", insert the following: ": *Provided further*, That the expenditures on this account for the fiscal year 1947 shall not exceed $1,000,000, and the Secretary of War shall each year, in the Budget, report to Congress the number of persons so employed, their duties, and the amount paid to each."

Mr. KERR. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore (Mr. MILLS). The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: On page 8, line 24, after "dam", insert the following: ": *Provided further*, That in the construction of the Fort Gibson flood-control project in Oklahoma, the Chief of Engineers is authorized and directed to cooperate with the officials of the city of Muskogee in protecting the domestic water supply of such city: *Provided further*, That in connection with the Chattanooga, Tenn., and Rossville, Ga., flood-control project, the State of Tennessee or local subdivisions thereof shall furnish the rights-of-way for the entire project."

Mr. KERR. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: On page 9, line 8, insert the following:

"Flood control, Kern River, Kings River, and Tulare Lake, Calif.: For construction of works for flood control and other purposes on the Kern River (Isabella Reservoir), Calif., $1,000,000, and on Kings River and Tulare Lake, Calif., $1,000,000, both as authorized in Public Law No. 534, Seventy-eighth Congress, second session, approved December 22, 1944: *Provided*, That none of the appropriation for the Kings River and Tulare Lake project, Calif., shall be used for the construction of the dam until the Secretary of War has received the reports as to the division of costs between flood control, navigation, and other water uses from the Bureau of Reclamation and local organizations and shall have made a determination as to what the allocation shall be: *Provided further*, That the reports from these continuing studies shall be made not later than 9 months from the date of the enactment of this act."

Mr. KERR. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. KERR moves that the House recede from its disagreement to the amendment of the Senate No. 5 and concur in the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"Flood control, Kings River and Tulare Lake, Calif.: For construction of works for flood control and other purposes on the Kings River and Tulare Lake, Calif., $1,000,000, as authorized in Public Law No. 534, Seventy-eighth Congress, second session, approved December 22, 1944: *Provided*, That none of the appropriation for the Kings River and Tulare Lake project, California, shall be used for the construction of the dam until the Secretary of War has received the reports as to the division of costs between flood control, navigation, and other water uses from the Bureau of Reclamation and local organizations and, with the concurrence of the Secretary of the Interior, shall have made a determination as to what the allocation shall be: *Provided further*, That the reports from these continuing studies shall be made not later than 6 months from the date of the enactment of this act and that the agreement of concurrence shall be made not later than 9 months from the date of the enactment of this act."

Mr. KERR. Mr. Speaker, I yield 1 minute to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, the changes in the conference report from the language of the Senate amendment are these:

First, we drop out the Kern River project, Isabella Reservoir, for which the Senate proposed $1,000,000. We leave in the $1,000,000 for the construction work on Kings River and Tulare Lake.

In the first proviso, where the Senate proposed that the Secretary of War should not proceed with the construction until he had received certain reports from the Bureau of Reclamation, and then should make a determination as to what the allocation should be, the conference amendment inserts these words: with the concurrence of the Secretary of the Interior.

We felt that there is a natural interest of the Secretary of the Interior in the allocations and charges for water to be used for irrigation that should be recognized in this instance even though the reservoir dam be built by the Army engineers as a flood-control project.

There was one further change. In the Senate language it was proposed that the reports on these studies should be made not later than 9 months from the date of the enactment of the bill. We did not want to delay the construction but we did feel that some time should be provided for achieving the concurrence of the Secretary of the Interior and the Secretary of War, so we made the last proviso read:

That the reports from these continuing studies shall be made not later than 6 months from the date of the enactment of this act and that the agreement of concurrence shall be made not later than 9 months from the date of the enactment of this act.

We thereby allow 3 of the original 9 months for the concurrence.

The SPEAKER pro tempore (Mr. MILLS). The question is on the motion offered by the gentleman from North Carolina [Mr. KERR].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 7, page 19, line 9, after the word "that", where it first appears in the line, strike out the remainder of the line.

Mr. KERR. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. KERR moves that the House recede from its disagreement to the amendment of the Senate No. 7, and concur in the same with an amendment, as follows: On page 18 of the bill, beginning in line 13 after the word "positions", strike out the following: "with the proviso that any positions now filled by persons not citizens of the Republic of Panama or the United States which are vacated for any cause shall be filled in compliance with the terms of this section as adopted for the fiscal year 1946."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

MEMORIAL EXERCISES, TUESDAY, MAY 28, 1946

Mr. MURDOCK. Mr. Speaker, at the request of the gentleman from New Mexico [Mr. FERNANDEZ], chairman of the committee, and by direction of the Committee on Memorials, I offer House Resolution 604, relative to the holding of memorial exercises for our departed colleagues during the past year and fixing Tuesday, the 28th day of May, for that purpose, and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That on Tuesday, the 28th day of May, 1946, immediately after the approval of the Journal, the House shall stand at recess for the purpose of holding the memorial services as arranged by the Committee on Memorials, under the provisions of clause 40a of rule XI. The order of exercises and proceedings of the service shall be printed in the CONGRESSIONAL RECORD, and all Members shall have leave for sixty legislative days to extend their remarks in the CONGRESSIONAL RECORD on the life, character, and public service of the deceased Members. At the conclusion of the proceedings, the Speaker shall call the House to order and then as a further mark of respect to the memories of the deceased, he shall declare the House adjourned: And be it further

Resolved, That the necessary expenses connected with the memorial services herein authorized shall be paid out of the contingent fund of the House upon vouchers signed by the chairman of the Committee on Memorials and approved by the Committee on Accounts.

The resolution was agreed to.

TRANSPORTATION ALLOWANCES FOR MEMBERS OF THE ARMED FORCES

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H. R. 4896, an act to provide for payment of travel allowances and transportation and for transportation of dependents of members of the naval forces, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 3, after "the", insert "military or."

Page 2, line 4, after "the", insert "Army."

Page 2, line 6, strike out "in advance or otherwise."

Page 2, line 10, after "travel", insert "when such travel shall have been completed: *Provided*, That prior to July 1, 1946, such payments may be made, under such conditions as the Secretary of War or the Secretary of the Navy, respectively, may prescribe, in advance of actual travel by dependents otherwise entitled to transportation."

Page 2, line 15, after "of", insert "War and the Secretary of."

Page 2, line 15, after "Navy", insert a comma.

Page 2, line 15, strike out "is" and insert "respectively, are."

Page 2, line 17, after "of", insert "military and."

Page 2, line 23, after "of", insert "War and the Secretary of."

Page 2, line 23, after "Navy", insert a comma.

Page 2, line 23, strike out "is" and insert "respectively, are."

Page 2, line 25, strike out all after "Act." over to and including line 3, on page 3.

Page 3, after line 3, insert:

"SEC. 5. Determinations of dependency and distances for the purpose of this act, made by the Secretary of War and the Secretary of the Navy, respectively, or such persons as they may designate, shall be conclusive."

Page 3, after line 3, insert:

"SEC. 6. The provisions of section 5 of this act shall terminate on September 1, 1948."

Page 3, after line 3, insert:

"SEC. 7. In cases involving personnel of the Coast Guard at times when the Coast Guard is not operating as a part of the Navy, the authorities, powers, and functions prescribed for the Secretary of the Navy in sections 2, 3, 4, and 5 of this act shall be performed by the Secretary of the Treasury in the same manner and under the same conditions as are prescribed herein for the Secretary of the Navy."

Amend the title so as to read "An act to provide for payment for travel allowances and transportation and for transportation of dependents of members of the military and naval forces, and for other purposes."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

Mr. DONDERO. Reserving the right to object, Mr. Speaker, House Resolution 430 was programed for this week to follow the OPA, subject only to conference reports. I rise to inquire whether or not that is going to be called up.

The SPEAKER pro tempore. As soon as the unanimous consent requests are disposed of, the gentleman's resolution will be called.

Mr. DONDERO. Will it be called this afternoon, Mr. Speaker?

The SPEAKER pro tempore. This afternoon.

Mr. DONDERO. I withdraw my reservation of objection, Mr. Speaker.

Mr. FOGARTY. Reserving the right to object, Mr. Speaker, I would like to know whether this bill affects the travel pay allowance for enlisted men and officers from their points of separation to their homes.

Mr. VINSON. Mr. Speaker, when this bill passed the House its provisions applied to naval personnel only. In the Senate the bill was amended to apply to the Army and to the Coast Guard. The Senate also amended the bill to conform to certain formal suggestions presented by the General Accounting Office.

The First Supplemental Surplus Appropriation Rescission Act, 1946, approved February 18, 1946—Public Law 301, Seventy-ninth Congress—contains authority for this same flat rate payment of transportation claims for dependents of Army personnel. The provision, however, expires at the end of the current fiscal year.

The measure is urgent and important to the armed services in the interest of performing administrative functions. The "streamlining" of rate computations is a matter of bookkeeping only. The principle involved is already established in law by the provision in the Rescission Act, previously mentioned, which relates to the Army.

The bill H. R. 4896 does two things:

First. It authorizes the Government to give transportation in kind to members of the armed services who are separated under conditions other than honorable from the place of their separation to the place at which they entered into service or to their home of record. This is desirable in order to clear areas of separation of individuals who have been separated from the service under other than honorable conditions.

Second. The bill also authorizes a streamlining of the payment of transportation claims of dependents of service personnel. Payment of this transportation for dependents is already authorized by existing law but the payments must be made on the basis of what would be the actual cost to the Government. This basis for settling claims involves complicated computations of rates, including land grants. Due to expansion of the armed forces during the war, the services have had far too few rate clerks and other administrative personnel to keep abreast of the work necessary to pay these claims. At the present time the Navy Department alone has 115,000 such claims awaiting processing.

The bill H. R. 4896 allows these claims to be settled at the flat rate of 4 cents per mile for dependents 12 years of age and over, and at the rate of 2 cents per mile for dependents between the ages of 12 and 5 years. No payment is authorized for dependents less than 5 years of age. These flat mileage rates would result in no additional cost to the Government. The rates would merely permit the immediate and prompt settlement of pending and future claims for the transportation of dependents.

Mr. FOGARTY. That means that every dependent will receive 4 cents a mile?

Mr. VINSON. Every dependent 12 years of age or over will receive 4 cents a mile, and those between 5 and 12 years of age will receive 2 cents a mile. That is the bill that was passed by the House some months ago.

Mr. FOGARTY. It does not make any difference whether it is the dependent of an officer or enlisted man?

Mr. VINSON. Not at all. If he is a dependent he gets 4 cents a mile.

Mr. NORBLAD. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield.

Mr. NORBLAD. Does it affect a child and an adult just the same?

Mr. VINSON. It affects every child above 5 years of age.

Mr. NORBLAD. That is half fare, and they are getting full fare for it?

Mr. VINSON. A child between 5 and 12 years of age gets half of the rate flat.

Mr. NORBLAD. But a child is not expending that much, because the child is getting half fare.

Mr. VINSON. The bill allows these claims to be settled at 4 cents a mile. For dependents 12 years of age and over at the rate of 4 cents a mile, and between the ages of 12 and 5 at the rate of 2 cents a mile.

Mr. NORBLAD. That answers the question.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield.

Mr. MICHENER. This bill has the unanimous report of the gentleman's committee?

Mr. VINSON. It has. I am simply asking to agree to the Senate amendments. The bill passed the House and passed the Senate, and the Senate included the Army. The Army is getting this now under the rescission bill, but that will go out at the end of the current fiscal year. This makes it permanent legislation for both the Army and the Navy. We put it now upon a flat basis of 4 cents a mile instead of the way they have been doing it in the past.

Mr. MICHENER. I appreciate that; but what I was interested in was to know whether the Naval Affairs Committee, of which the gentleman is chairman, is unanimously in favor of the Senate amendments.

Mr. VINSON. I can only say I spoke to the gentleman from New York [Mr. COLE]. It is satisfactory to him. I spoke to the gentleman from Kentucky [Mr. MAY] on the matter of including the Army, and it is satisfactory to him.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. NORRELL. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD immediately after the consideration of amendment numbered 4½ to the civil functions bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made on the civil functions bill in two or three places.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. PATTERSON asked and was given permission to extend his remarks in the Appendix of the RECORD in six different instances.

DETAILING OF UNITED STATES MILITARY AND NAVAL MISSIONS TO FOREIGN COUNTRIES

Mr. MAY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 5433) to amend section 540 of title 10 and section 441 (a) of title 34 of the United States Code providing for the detail of United States military and naval missions to foreign governments.

The Clerk read the title of the bill.

Mr. MICHENER. Mr. Speaker, reserving the right to object, is this a unanimous report?

Mr. MAY. Yes, it is unanimous; and the bill is sponsored by the Army and Navy and the Committee set up by the two joint services and by the State Department.

Mr. MICHENER. Will the gentleman explain the bill?

Mr. MAY. I shall be pleased to.

Prior to the present war the President of the United States was authorized, and has been for a great many years, to appoint military missions to governments of the Western Hemisphere, including Cuba, Costa Rica, and such neighbor countries, as well as the Dominion of Canada. As a result of the recent wars in which we have been engaged, the need has arisen for the application of the same practice of appointing military missions to foreign governments outside the Western Hemisphere.

In the Yalta agreement between Great Britain, Russia, and the United States, as well as under the United Nations Charter, provision was made by which these three nations agreed they would furnish military missions to other countries which had been satellite nations of the Germans in order to enable them to reestablish themselves and set up stable governments under which they could get back to peacetime conditions.

This bill merely authorizes the President when he deems it in the interest of the Nation and of world peace to send these missions.

I may say also that this is done only on the request of the nations concerned and never without their permission.

Mr. MICHENER. It is a very formidable proposition, but I certainly would not object if it has the support of all the agencies of the Government concerned and the committee.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. RANKIN. I wish to ask the gentleman from Kentucky if there is any competition between the United States and our former allies in the appointment of these missions.

Mr. MAY. None whatever. It is in compliance with an agreement entered into with our farmer allies, except the South American countries, and we have had missions in those countries for years.

Mr. RANKIN. We do now?

Mr. MAY. Yes; and they accept them.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 540 of title 10 and section 441 (a) of title 34 of the United States Code are hereby amended to read as follows:

"DETAIL OF OFFICERS AND MEN TO ASSIST FOREIGN GOVERNMENTS

"The President of the United States is authorized, upon application from foreign governments, and whenever in his discretion the public interest renders such a course advisable, to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist such foreign governments: *Provided*, That the officers and enlisted men so detailed are authorized to accept from the government to which detailed offices and such compensation and emoluments thereunto appertaining as may be first approved by the Secretary of War, or by the Secretary of the Navy, as the case may be: *Provided further*, That such compensation may be accepted by the United States Government for remittance to the individual if in the opinion of the Secretary of War, or of the Secretary of the Navy, as the case may be, such a course appears desirable: *Provided further*, That while so detailed such officers and enlisted men shall receive, in addition to the compensation and emoluments allowed them by such governments, the pay and allowances whereto entitled in the United States Army, Navy, and Marine Corps, and shall be allowed the same credit for longevity, retirement, and for all other purposes that they would receive if they were serving with the forces of the United States: *And provided further*, That in addition to or in the absence of such compensation from such governments, the officers and enlisted men so detailed shall receive such additional compensation as may be determined by the Secretary of War, or the Secretary of the Navy, as the case may be, and approved by the President."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPOINTMENT AND EMPLOYMENT OF RETIRED OFFICERS BY VETERANS' ADMINISTRATION WITHOUT AFFECTING RETIREMENT STATUS

Mr. MAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5626) to authorize the Veterans' Administration to appoint and employ retired officers without affecting their retired status, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

Mr. MICHENER. Mr. Speaker, reserving the right to object, I take it this bill has been reported by the gentleman's committee unanimously?

Mr. MAY. Mr. Speaker, it was unanimously reported after extensive hearings. During the course of the war there were a large number of the Medical Corps officers, or perhaps I should say there were a limited number of Medical Corps officers who had broad experience

throughout the war in certain types of surgery in hospitals overseas. The purpose of this bill is to authorize the Veterans' Administration to employ somewhere between 20 and 25 of these officers of the Medical Corps to take care of the hospitals here in the Veterans' Administration as superintendents and directors of medical services in those hospitals, that have been selected, with particular reference to their qualifications in the different branches of surgery. This will mostly apply to amputees in the veterans' hospitals at this time and who will be there in the future.

Mr. RANKIN. Mr. Speaker, let me say to the gentleman from Michigan that this measure is very necessary. These are very splendid physicians and surgeons and they are badly needed, especially until they can be replaced later by younger men. Under the present law, unless this bill is passed, the Veterans' Administration cannot employ them.

Mr. JOHNSON of California. Mr. Speaker, it also developed during the hearings that these men had a peculiar experience in the administration of hospitals. The administration of hospitals is something that requires a particular and special kind of training. These 20 or 30 men are the only trained men in that field in the entire country. Therefore, we would like to see this bill pass.

Mr. RANKIN. You cannot find better men from a medical, surgical, or administrative standpoint than the men covered by the pending bill.

Mr. MAY. Every one of them is high class.

Mr. PLUMLEY. Mr. Speaker, reserving the right to object, are these men going to fill vacancies or will they displace men who now occupy positions as administrators?

Mr. MAY. They are to meet the additional needs of the Veterans' Administration. They have to have these men in addition to those they have now. There is a desperate shortage in this particular field.

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, I thought that we passed a bill here some months ago offered by the gentleman from Georgia, Mr. Ramspeck, then a Member of the House, which permitted officers who were on terminal leave and officers who had retired to work for the Government and receive whichever was the higher pay, their retired pay or the compensation they would receive. Does not this bill overlap that one?

Mr. MAY. That does not apply to this particular group of men. If such a bill was passed, and I do not remember about it, that applied to the men mentioned in that bill. I do not know who they were.

Mr. CASE of South Dakota. I thought it was general legislation to permit retired officers of the Army to accept Government employment notwithstanding the double-salary statute.

Mr. MAY. Mr. Speaker, this shortage results from the fact that men are being discharged out of the Medical Corps day after day, which has resulted in shortages in the particular fields that are covered by this legislation. They will continue to go out. The Administration is unable to find these surgeons anywhere except in the Medical Corps, where they have had special training.

Mr. CASE of South Dakota. I am not objecting to what is attempted to be done here, but I was wondering if it was necessary because I remember very distinctly the passage of the other legislation. At the time it came up I reserved the right to object and raised the question as to our taking that action at that time when we had not taken action on the terminal-leave bill. I called attention to the fact that the commissioned officers were already receiving retirement pay and terminal leave and that no steps had been taken to provide terminal-leave benefits for enlisted men.

While I did not object to the bill, I pointed out the injustice of what we were doing at that time. I certainly am not objecting to this legislation if it is needed. I feel that the Committee on Military Affairs might well check on that just to be sure there is not an overlap or a conflict between the two statutes. I would like to say further that I wish the Military Affairs Committee could have been as vigorous in presenting the bill on terminal leave for enlisted men as it has been in this matter.

Mr. MICHENER. Mr. Speaker, reserving the right to object, in reference to terminal leave for enlisted men, I note by the CONGRESSIONAL RECORD this morning, that 218 Members have signed the discharge petition. If I figure correctly, it cannot be called up under that rule before the 13th of May.

Mr. MAY. That is my understanding.

Mr. MICHENER. At that time we will undoubtedly be advised as to the full particulars about that bill.

Mr. MAY. I do not know what kind of advice we can give. We have had hearings on it, but I do not know just what we will do.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding section 2 of the act of July 31, 1894 (28 Stat. 205), as amended (5 U. S. C. 62), or section 6 of the act of May 10, 1916 (39 Stat. 120), as amended (5 U. S. C. 58, 59), the Administrator of Veterans' Affairs may appoint to, and employ in, any civilian office or position in the Veterans' Administration, and pay, any retired commissioned officer, or retired warrant officer, of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service. The retired status, office, rank, and grade of retired commissioned officers, or retired warrant officers, so appointed or employed and, except as provided in section 212 of the act of June 30, 1932 (47 Stat. 406), as amended (5 U. S. C. 59a), any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade, shall be in no way affected by reason of such appointment to or employment in, or by reason of service in, or acceptance or holding of, any civilian office or position in the Veterans' Administration or the receipt of the pay thereof.

With the following committee amendment:

At the end of the bill insert:

"SEC. 2. The authority to employ retired commissioned officers or retired warrant officers contained in section 1 of this act shall be effective for a period of 5 years from the date of enactment."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GEARHART. Mr. Speaker, it is most gratifying to me to learn from the CONGRESSIONAL RECORD, in which yesterday's proceedings in this Chamber are recorded, that the 218 signatures necessary to the discharge of the legislative committee to which H. R. 4051, a bill to grant to enlisted personnel of the armed forces furlough leaves at the rate of 2½ days for each month of their war service, have been obtained, this with pay and allowances to be computed at the rate of the pay and allowances which they were receiving immediately prior to discharge or release from active duty.

The enactment of this legislation will equalize an injustice done to many of our fighting men who spent so much time in inaccessible places that they were unable to avail themselves of the furloughs of which others in domestic service were able to take advantage.

Army regulations, for example, do not provide for accrued furlough time for enlisted men. If the soldier, sailor, marine, or coast guardsman has not used up the furlough time he had coming to him by the end of each year, that time is forever lost to him. Anomalous though it may seem, he cannot carry it over into the next year, even though the only reason for his not having used up that time was that he was too busy fighting Japs and Germans.

As a consequence of this arbitrary deprivation of rights which he has earned, a definite injustice has been done him; it is up to us to correct it. In making statutory provision for this, we would be merely giving them that to which they are entitled—giving them back that which they have been deprived of simply because they were fighting too hard and too long.

And there were many of those of our loved ones—fathers, sons, brothers—who spent long weary years in Axis prison camps, rotting away, awaiting the victory for which others struggled. What chance had they to claim furlough rights? Because Army regulations say nay, they cannot now lay claim to it, earned though it was. Others fought all the way from Gudalcanal to Okinawa with over 3 years of constant island hopping. Even if it were possible to get a little time off from fighting, can you blame them if they did not want to spend their furlough time on Tarawa, Iwo Jima, Fara Futti, or any other rock in the Pacific?

Mr. Speaker, this inequality, this oversight in our wartime legislation, this

seeming indifference to a cause that is just, must be corrected at the earliest possible moment. The enactment of the bill of the gentleman from Florida—the measure to which I have referred, H. R. 4051—will accomplish just that. Let us proceed to its consideration.

EXCESS-PROFITS TAX

Mr. BUFFETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BUFFETT. Mr. Speaker, the House yesterday indicated its determination to restore the American industrial profit and loss system. This decision should lead to full production.

As a supplement the Congress might well reinstate, for 1946 and 1947, 50 percent of the wartime excess profits tax. This tax would prevent profiteering on war-accumulated demand. It would be an effective brake on prices.

If the profits that some people are so worried about should develop, this tax would bring them into the Treasury where they could be used in the real fight against inflation.

This tax would be anti-inflationary. It would discourage profiteering and increase government revenues.

I am introducing a bill directing the Ways and Means Committee to take action toward this end. The House should consider carefully the value of this move as a genuine anti-inflationary measure.

OFFICE OF PRICE ADMINISTRATION

Mr. MANSFIELD of Montana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MANSFIELD of Montana. Mr. Speaker, for the past 3 days, like my friend and colleague from Nebraska [Mr. BUFFETT], I have been in this Chamber listening to all the debates on the extension of the Office of Price Administration, and I am indeed sorry to note the confusing and hamstrung measure which has just been approved by this House and presented to the American people.

We have had all kinds of pressure put upon us by organized groups both for and against the continuation of the OPA, but my thoughts have been about the great unorganized groups of Americans who have to live on fixed incomes in the form of salaries and wages which have not been increased and in the forms of pensions, annuities, and savings which do not advance with the cost of living. It was my opinion, in spite of the fact that the OPA has not worked perfectly, as, for example, in the kangaroo-court system and fines for minor infractions, which should have been corrected, that some reasonable, sound extension would be passed by this Congress whereby not only this great unorganized group but all groups would be given the assurance that price control would be retained in a way beneficial to them and to our economy. However, such has not been the case because with all those crippling amendments we have a shell and not a structure to hold the line against inflation. Only 33 Members on a teller vote on yesterday voted to eliminate the OPA entirely, which indicates that the greater majority of this body feels that the OPA should have been retained.

I do not want to see and certainly would not vote for a continuation of the OPA if I thought its usefulness had been outlived, but I do want to see some sort of price control in operation until the matter of supply and demand have been met. To my way of thinking that is the real test, and when that time is reached, OPA should be abolished. If some control is not maintained until supply and demand is met, it will mean prices will rise tremendously; more demands for higher wages will result; strikes will increase; confusion will result; the people in the middle will be squeezed and eventually all of us will suffer from the full effects of inflation. These crippling amendments which we have passed will, in my opinion, open the gates of inflation and to a repetition of the wild days following the First World War. The consuming public of this country deserves better treatment than this bill gives it and, in my opinion, the bill in its present form will be unworkable and detrimental to the best interests of the American economy. With no control, prices will skyrocket and then we will have a collapse.

I am hopeful that the Senate will do a better job with this bill when it reaches the other Chamber, because our only hope now for a workable, fair, and equitable extension of the OPA lies with that body. In my opinion, the House has made a sorry showing in its consideration of this bill and has been influenced too much by pressure groups, each of which had a certain interest to consider and each of which in this respect was working contrary to the welfare of the American people as a whole. This is a day the American people will long remember.

SURPLUS PROPERTY ACT OF 1944

Mr. MANASCO. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6157) to amend the Surplus Property Act of 1944 with reference to veterans' preference, and for other purposes.

Mr. RANKIN. Mr. Speaker, reserving the right to object, and, of course, I shall not object, will the gentleman explain the bill?

Mr. MANASCO. This bill is the result of several weeks of hearings by the Committee on Expenditures in the Executive Departments in an effort to correct a situation that has existed not because of the maladministration of the War Assets Administration but because of the law itself that we passed about 2 years ago. At that time the veterans were given preference after your Federal agencies, your State, county, and local political subdivisions, schools and eleemosynary institutions had been satisfied. We found that the preference amounted to almost nothing as far as the veteran was concerned. We have had many cases where the veterans have been asked to appear at these sales, but when they got there the property had already been sold to priority holders.

Mr. RANKIN. The gentleman means that this relates to surplus property?

Mr. MANASCO. Yes. That was not necessarily the fault of the War Assets Administration, but these priority holders came in and claimed the surpluses, and there was nothing that the War Assets Administration could do about it.

In this bill we are raising the veterans' preferences on a par with Federal agencies. The Administrator is authorized to set aside a certain amount of surplus when declared surplus for the veterans. They are given not less than 15 days after notice to purchase these surpluses. The Federal agencies are given 20 days to acquire the surpluses in the amount set aside for them, and they cannot come in and exercise the Federal preference after the expiration of 20 days.

Mr. RANKIN. In other words, it gives the veterans the preference we understood we were giving them in the beginning.

Mr. MANASCO. I do not believe we understood we were giving the veteran a higher preference.

Mr. RANKIN. But this does give him a higher preference?

Mr. MANASCO. This does give him a higher preference. I might say that this bill will not mean that every veteran in the United States will get a truck or a car, because we just do not have that many, but it will mean that a veteran will be given an opportunity to get this surplus property.

Mr. KEFAUVER. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Tennessee.

Mr. KEFAUVER. May I ask the gentleman from Alabama what provision is being made as to division of the surplus property between the veterans and the general public?

Mr. MANASCO. We did not fix any particular percentage. The veterans are more interested in trucks, automobiles, and materials to establish small businesses.

Mr. KEFAUVER. But as to that part which is set aside for veterans, they have the first priority?

Mr. MANASCO. They have the only priority until at least 15 days have expired after notice to the veterans.

Mr. KEFAUVER. I commend the gentleman and his committee for bringing out this legislation. I know from my own experience that veterans in my district have had the same difficulty as the gentleman has described. I think it is high time that something be done about it.

Mr. ELLIOTT. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from California.

Mr. ELLIOTT. This bill will immediately correct the situation and save for

the veterans and people who need them very badly about 10,000 tractors that were being prepared to be shipped abroad. The way the program has been working, our own Federal Government could purchase this equipment, having the first priority, and then turn around and furnish other countries the equipment we need so badly here. At the present time we have about 10,000 new tractors that this bill will make it possible to keep here on this side of the pond and provide for the veterans, municipalities, and everybody else who needs them so badly.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. It seems to me there is some question as to whether or not this bill is going to accomplish what it proposes to do. Yesterday I was talking with a person who is very familiar with this tractor matter to which the gentleman from California referred. He also has been investigating the surplus property situation throughout the country. He says it is not the States necessarily that are getting this property ahead of the veterans, but it is the Reconstruction Finance Corporation, which exercises a Federal priority and purchases items through the Reconstruction Finance Corporation or through the Small Business Corporation. Then when the veteran comes in he finds the material gone. I have talked with several veterans who have gone to depots at various points, and they have gotten in there first. I have talked with one man who was a representative of a State agency. He assumed that he would have a priority, but when he got there he found that the material was gone. Investigation revealed that it is the Federal Government itself through the Reconstruction Finance Corporation or the Small Business Corporation that exercises the priorities. Then some of this material is sold to them or somebody acting as agents for these corporations and then the stuff turns up in the hands of some dealer or some individual.

Mr. RANKIN. The gentleman from Alabama [Mr. MANASCO] is going to point out that there is a provision in the bill that takes care of that situation.

Mr. MANASCO. Section 6 of the bill reads as follows in the last sentence:

> Subsection (e) of section 18 thereof is hereby amended to read as follows: 'The disposal of surplus property under this subsection shall be given priority immediately following transfers to other Government agencies under section 12 and disposed to veterans under section 16."

That is the section that the Smaller War Plants Corporation has been purchasing the surpluses under and it moves them after the veterans.

Mr. CASE of South Dakota. It moves them after the veterans?

Mr. MANASCO. Yes.

Mr. CASE of South Dakota. Does that apply to the Reconstruction Finance Corporation also?

Mr. MANASCO. That is right.

Mr. CASE of South Dakota. I am glad to have that information. I pointed that out because it seems to me that was a loophole that merely placing them under the State agencies would not correct.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Minnesota.

Mr. JUDD. During the hearings on this bill we found out something that most of us did not know when we passed the Surplus Property Act. We wanted to help small business and so we made it possible for anyone wanting to start up a small business to go to the Smaller War Plants Corporation and it would get him surplus property on its No. 1 priority as a Federal agency. That was much higher than a veteran priority. So the veteran, if he was smart when he wanted to go into business, would not try to qualify as a veteran but would go to the Smaller War Plants Corporation as an ordinary citizen and get to use its No. 1 priority. In this bill we change that so that first come the Federal Government and the veterans on a par. The Administrator can set aside property that he knows veterans are likely to want and he has to hold it for them for 15 days after publicity is given. Only then can he make it available even for Federal agencies. Next, after the veterans and the Federal Government, come men wanting surplus property for small business, and then the States and municipalities and thereafter charitable and educational institutions. I believe, therefore, this bill will correct one of the defects in the act and make possible the giving of that advantage to the veteran which all of us wanted when we passed the original bill.

Mr. MANSFIELD of Montana. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Montana.

Mr. MANSFIELD of Montana. I should like to call to the attention of the chairman of the committee what has come to my attention. There is a practice going on throughout the United States whereby dealers and other interested people are using veterans to attend surplus property sales and use their priority to buy trucks and cars which the veterans in turn sell back to the dealer. It seems to me that that is getting around the veterans' preference and that it is giving preference to the dealers instead of the veterans who deserve first consideration. Surely something should be done to protect the veterans who are entitled to preference and who need this equipment for their own personal and business use. Does this bill in any way take care of that evasive and illegal procedure?

Mr. MANASCO. The original act on the books has a provision, a punitive provision, covering any fraudulent practice that might be engaged in by anyone to acquire surplus property.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is it not true, Mr. Speaker, that the purpose of this bill following the hearings of the committee with regard to surplus property is to carry out the promise that this committee made to the House the other day when we had under consideration a bill to give away or make a donation, to wit, to guarantee as far as we could get legal advice to give preferences or priorities to veterans on a par with priorities to the agencies of the Government and to prevent the property from being absolutely absorbed or obtained by the Government agency? I have this in mind. There were a few automobiles but under the priorities, the States and Federal Government got all those automobiles. It is difficult to undertake to set apart all the property according to kind, make, and so forth, on a percentage basis. But in the matter of automobiles, if this had been a law at the time these automobiles were declared surplus, a reasonable percentage of those automobiles, in accordance with the demand therefor, would have been set apart. While all veterans would not have obtained them, they would have obtained a reasonable percentage of the entire number of automobiles declared surplus. That same situation would have applied with respect to trucks and also with respect to equipment and materials the veterans want and need to engage in their businesses as is stipulated here. So that the dealer who has been mentioned, the big operators in the country, would not absorb all of this property and the veterans would know that they had a certain time during which this property would be made available to them. The purpose of this bill undertakes, as far as the attorneys for the War Assets Corporation and so far as legal advisers to our committee have been able to inform us, to give the veteran as high a preference as is given to Government agencies and to guarantee that the veterans will receive in the opinion of the Administrator a chance to secure a reasonable percentage of the goods that may be declared surplus.

Mr. RANKIN. This bill is a long step in the right direction.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from California.

Mr. VOORHIS of California. In the first place, does this bill give the veteran preference and priority, even though he buys the article for his personal use, or does he still have to make a showing that it is for a business use?

Mr. MANASCO. We have a provision in the second section of this bill which will permit sales for personal use. It is impossible to give every veteran an opportunity to buy a razor blade or a package of chewing gum or a pair of shoes, because we would have to go into the retail-sales business to do that. We would have to establish stores all over the United States.

Mr. VOORHIS of California. But, for example, take an automobile. Could he get a priority on an automobile, even though he does not make a showing that it is to be used for business purposes?

Mr. MANASCO. Absolutely.

Mr. VOORHIS of California. Do I read subsection (b) on page 2 correctly if I understand it to mean that a cer-

tain quantity or type of surplus material, in the judgment of the War Assets Corporation, will be set aside for sale to veterans, even before any Federal agency gets its hands on it?

Mr. MANASCO. That is correct.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Arizona.

Mr. MURDOCK. Priorities for veterans is a good thing, and I approve of it. What distinction are you making between the amounts that will be available to a veteran; in small lots, small enough lots, so as to prevent speculation?

Mr. MANASCO. That is already in the law. Of course that is an administrative matter. That is in the existing Surplus Property Act.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. WHITTINGTON. That is also in line with the question that if a veteran permits a fraud to be perpetrated, if the veteran's preference should be used for the purpose indicated by the gentleman, we vest authority in the Administrator under the act to provide for regulation as to the amounts that may be purchased.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Nebraska.

Mr. CURTIS. This bill appears to deal primarily with the problems of the veteran. Does the committee anticipate any further legislation with reference to the disposal of surplus property?

Mr. MANASCO. Yes; we do.

Mr. JUDD. Mr. Speaker, will the gentleman yield on that point?

Mr. RANKIN. I yield to the gentleman from Minnesota.

Mr. JUDD. In addition to the provisions for assisting the veteran, there is one further change effected by this bill. It came to light that some Federal agencies were shifting surplus property around more or less at will, without any bookkeeping, to other agencies or institutions under various ancient laws. One, for example, in 1929 authorized transfer of Government property to vocational education institutions at a time when no one imagined there would ever be such an enormous quantity of equipment as is now on hand.

Mr. RANKIN. And giving the veterans the run-around.

Mr. JUDD. That is right. This bill provides that no surplus property can be transferred by any Federal agency without reimbursement under any law passed prior to the original Veterans' Preference Act of June 1944. It will be valuable in enabling us to keep track of this surplus property and not let it be squandered or disposed of in other methods than those presented in the Surplus Property Act, as amended.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from California.

Mr. HINSHAW. Not long ago a veteran from the west coast attempted to acquire some photographic material which was declared surplus at the Philadelphia depot of the Army. He had to look all over the United States in the first place to find out where that photographic property was located. He finally went to Philadelphia and made application for the property to be used in a store he was setting up, and they told him that because he came from the west coast he would have to go back there and try to find out if there was any stuff on the west coast. It is perfectly ridiculous, when material is located in one part of the United States, and practically only in that part, that a veteran should have to search the United States for it, and then come to the east coast and be turned down in trying to get it because he did not happen to live in the area in which the property was located. I want to be sure that this surplus stock that is available for disposition to veterans in one locality in the United States is likewise advertised to the balance of the United States when there is no such surplus property there.

Can the gentleman state whether or not that is to be the case?

Mr. MANASCO. That is anticipated by the Administrator.

Mrs. DOUGLAS of California. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentlewoman from California.

Mrs. DOUGLAS of California. First let me say that I am in hearty agreement with the bill. I think it is a fine thing. I should like to ask this question, prompted by a statement made on the floor by the gentleman from California: Does this mean that in any way our program to feed the starving people of the world will be crippled?

Mr. MANASCO. No.

Mrs. DOUGLAS of California. Because if it does, it means that we will sow the seed for a Third World War and more veterans.

Mr. MANASCO. No; we have appropriated several billions of dollars for UNRRA.

Mrs. DOUGLAS of California. This will not cripple them in trying to get tractors so they can plant their own food? Because 500,000,000 people face famine in the world today.

Mr. MANASCO. I thought it was more than that.

Mrs. DOUGLAS of California. Five hundred million is quite a lot—one quarter of the population of the globe.

Mr. MANASCO. I know it is very serious.

Mrs. DOUGLAS of California. But this will not cripple that?

Mr. MANASCO. What we are trying to do is to make it possible for American veterans to help produce food to help feed the other people of the world. I agree that we have a responsibility to help feed these people, but our primary responsibility is to the American people and our veterans.

Mrs. DOUGLAS of California. I am not talking from the humane point of view at all, I am talking from the point of view that we do not want another war.

Mr. MICHENER. Mr. Speaker, a point of order. This bill is being considered under unanimous consent. It has to do with but one thing and one thing only. If we are going to discuss it and have general debate let us do it in the regular way and not hold a colloquy between a few people around a microphone discussing matters foreign to the bill.

I do not want to object, but the statement was made when consent was asked, that this bill was not controversial and would not take time. The disposition of surplus property was discussed before the Rules Committee and hearings were held as to whether there should be an investigation as to the way this property is being disposed of.

The Slaughter resolution has been reported to the House by the Rules Committee. It will ascertain the facts. We ought to get to the business of the day.

Mr. RANKIN. I may say to the gentleman from Michigan that we are moving rather rapidly, that when we get through with these questions, the bill will go through by unanimous consent.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from New York.

Mr. ROONEY. I should like to ask the chairman if he is in position to state the position taken by the veterans' organizations with reference to the bill H. R. 6157.

Mr. MANASCO. Every veterans' organization that has contacted our committee is in favor of the bill.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Utah .

Mr. GRANGER. I congratulate the chairman on bringing this bill out. It is too bad it has not been in operation for a long time. As I understand, it does not set aside any property especially for veterans.

Mr. MANASCO. Not in percentages.

Mr. GRANGER. Except when surplus property is advertised for sale the veteran has preference along with certain Federal agencies to buy the property if he wants to.

Mr. MANASCO. No; the Administrator is authorized to set aside say a hundred automobiles, to declare them surplus. He can set aside 75 of those automobiles or some portion of them for veterans.

Mr. GRANGER. He can actually set aside some property for the veterans.

Mr. MANASCO. That is correct.

Mr. FEIGHAN. Mr. Speaker, on November 23 last year I introduced H. R. 4784, a bill to amend the Surplus Property Act to enable a veteran to obtain a genuine bona fide priority instead of the so-called preference which, when attempted to be exercised in the purchase of property, turned out to be so specious that it was, in reality, a sham. I brought to the attention of the Members of the House the fact that a veteran, seeking to purchase surplus property under the present law, would be in a better position if he forgot that he is a veteran and made his application as a small businessman because the present regulations

provide that the Smaller War Plants Corporation can exercise its Federal priority on behalf of small business and thus make null and void any application made by, and preference issued to, the veteran as a veteran, exercising his so-called veteran's preference.

I pointed out the many disappointments that came to veterans in exercising their so-called preference when they found out that other priorities made it almost impossible for them to obtain any scarce material. H. R. 6157, under consideration, will attain the objective of my bill, and I wish to compliment the chairman and members of the Committee on Expenditures in the Executive Departments who have seen fit to afford veterans a genuine bona fide priority. This bill represents an honest, sincere effort to treat the disposition of surplus property in intelligent fashion.

I would like to bring to the attention of the committee certain procedures in the War Assets Administration which I believe they should investigate and which should be corrected. Vehicles are inspected by the War Assets Administration. If this inspection record were made available to the prospective purchaser, instead of a general statement as to the condition, the purchaser would not be in a position of "buyer beware" and would not be buying a pig in a poke. It is my understanding that the War Assets Administration will not make available these inspection reports because they claim they have no money to make copies necessary to make available to their sales offices. It is my understanding that there are only six sales offices in the whole region whose headquarters are in Cincinnati, Ohio. A specific example of this procedure has been set forth in an article appearing in the Cleveland Press Tuesday, April 9, by Joe Collier, and I ask unanimous consent to include this article in my remarks.

I propose to follow up this matter very carefully to make sure that surplus property will be channeled into the hands of veterans, and I will take every action necessary to that end.

TRUCK JUST JUNK?—WAA WON'T TELL

(By Joe Collier)

War Assets Administration records of repairs needed on surplus used motor vehicles it offers for sale are kept a closely guarded secret from prospective veteran buyers.

Not even the WAA salesmen are allowed to see the records to be better informed to advise the veteran on the true value of the vehicles.

In addition, WAA inspectors are ordered to find and destroy the written records of the vehicles usually left in them by the agency which has declared them surplus and knows most about them.

Then, having destroyed or made unavailable all this data, costing thousands of dollars, that would help a veteran to make a reasonable estimate of his own, WAA appraisers who never see the vehicles price them as close to the ceiling as they dare.

This procedure was used by the Reconstruction Finance Corporation and passed on to WAA.

(Note to vets with catalogs for this week's sale: Detailed data on cars offered at Newark, Ohio, and Warren, Ohio, are at room 842, Standard Building, but they won't let you see them.)

These facts emerged today from this writer's investigation of complaints of more than a score of greater Cleveland veterans who said they took just one look at vehicles they bought at WAA prices to decide they were overvalued. They filed claims for their money back.

One greater Cleveland veteran, however, carried the matter one step further and he stepped right into financial tanglefoot.

PURCHASES TRUCK

He is Joseph Masseria, a 2-year Navy vet, of 11515 Woodland Avenue, and on Feburary 15 he bought a 1942 1½-ton Chevrolet dump truck at the Cleveland WAA office, paying $1,221 of borrowed money for it.

The only information the WAA salesman with whom he dealt had on the condition of the truck was the WAA code rating of 32, which, translated, means "very good condition."

The only means Mr. Masseria had of judging the vehicle's condition was the WAA's printed estimate that it would cost the difference between the sale price of $1,221 and the WAA ceiling price of $1,274, or $53, to repair it. (OPA's ceiling price for the truck is $1,469.)

Mr. Masseria went to Charlestown, Ind., to look at the truck and immediately decided the estimates were all wrong. Starting it with a battery he took along he found the cylinder block cracked.

MADE A DEAL

Back in Cleveland, he and the WAA reached a deal. He would keep the truck, and repair it, then file a claim for the repairs against the Government.

In addition to the cracked cylinder block, he found that gaskets and cluster gears, the cylinder head, the oil filter, spark plugs, spark plug wire, battery, seat back, left door window, and several other things wrong and needing repair or replacement.

All these were found and fixed by March 18, when he listed them, and sent a claim accompanied by certified repair bills and his expenses amounting to $589 to WAA. The claim was accepted, but has not been paid. (This brings cost of truck to $1,810 as against the OPA 30-day guarantee ceiling of $1,878.)

Since then, he said, he has spent an additional $60 repairing the truck, and must buy and install a new clutch and find out what is wrong with the rear end, which leaks oil by the puddle.

Mr. ROONEY. Mr. Speaker, I too wish to commend the chairman and members of the committee upon their bringing in this bill (H. R. 6157) to amend the Surplus Property Act of 1944 with reference to veterans' preference so as to improve the position of our war veterans in purchasing surplus property.

I feel that this is only the first step in rectifying a wrong which was done the veteran in 1944. We all thought at that time that every veteran would get a fair chance of purchasing some of the billions of dollars' worth of surplus Government property. However, time has shown that the machinery set up to do this has proved wholly ineffectual. The Surplus Property Administration, insofar as the veteran in New York City is concerned, has been one colossal failure.

I trust that this is only the first advance in the right direction to improve the shameful conditions which prompted me to introduce House Resolution 399 last November to create a select committee to investigate and study the disposition of surplus property to veterans. Incidentally, that resolution has been bottled up ever since by the Committee on Rules and I have been unable to get the cooperation necessary to bring it to the floor of the House.

Mr. FORAND. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. The regular order is demanded. The regular order is: Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 16 of the Surplus Property Act of 1944 is amended to read as follows:

"DISPOSITIONS TO VETERANS

"SEC. 16. (a) The Administrator shall prescribe regulations to effectuate the objectives of this act to aid veterans in the acquisition of surplus property, in appropriate quantities and types, to enable them to establish and maintain their own small business, professional, or agricultural enterprises. Disposals of surplus property (except real property) to veterans under this subsection shall be given priority over all other disposals of property provided for in this act except transfers to Government agencies under section 12.

"(b) Notwithstanding the provisions of section 12 of this act, the Administrator may cause to be set aside or otherwise to be made available quantities and types of any surplus property, except real property, which he determines to be appropriate for exclusive disposal to veterans for their own personal use, and to enable them to establish and maintain their own small business, professional, or agricultural enterprises. The Administrator shall prescribe regulations designed to achieve the equitable distribution of such surplus property among veterans. In selecting any types or quantities of surplus property for disposal in accordance with the provisions of this subsection, the Administrator shall give due consideration to the availability of adequate facilities for and the costs of the distribution of such property. The Administrator shall from time to time cause to be compiled and widely publicized information as to the types and quantities of such surplus property which has or will become available within a given period of time for exclusive disposal to veterans in accordance with the provisions of this subsection.

"(c) The Administrator shall prescribe a reasonable time of not less than 15 days after public notice during which property offered to veterans under this section shall be held for disposal to them."

SEC. 2. Section 12 (a) of the Surplus Property Act of 1944 is amended to read as follows:

"(a) It shall be the duty of the Administrator to facilitate the transfer of surplus property from one Government agency to other Government agencies for their own use and not for transfer or disposition; and the transfer of surplus property under this section shall be given priority over all other disposals provided for in this act, except disposals to veterans of property reserved exclusively for veterans under subsection (b) of section 16 of this act. The Administrator shall prescribe a reasonable time within which Government agencies shall exercise the priority provided by this subsection, but the time so fixed shall not exceed 20 days from the time public notice is given of the availability of the surplus property for disposal to Government agencies."

SEC. 3. Section 12 (c) of the Surplus Property Act of 1944 is amended to read as follows:

"(c) The disposal agency responsible for any such property shall transfer it to the Government agency acquiring it at the fair value of the property as fixed by the disposal

agency, under regulations prescribed by the Administrator, unless transfer without reimbursement or transfer of funds is authorized under subsection (d) of this section."

SEC. 4. Section 12 of the Surplus Property Act of 1944 is amended by adding a new subsection (d) to read as follows:

"(d) Notwithstanding the provisions of section 34 (a) of this act, no Government agency may transfer any property to any other Government agency without reimbursement or transfer of funds under authority of any law approved prior to June 22, 1944. Any disposal agency may transfer surplus property to a Government agency without reimbursement or transfer of funds whenever a transfer on such terms by the owning agency (by which such property was declared surplus) would be authorized by any law approved subsequent to June 21, 1944, to be made to the Government agency desiring such property."

SEC. 5. Section 13 (f) of the Surplus Property Act of 1944 is amended to read as follows:

(f) The disposal of surplus property under this section to States and political subdivisions and instrumentalities thereof shall be given priority over all other disposals of property provided for in this act, except transfers to Government agencies under section 12 and disposals to veterans under section 16 and purchases made under subsection (e) of section 18: *Provided*, That the Administrator may prescribe a reasonable time during which such priority shall be exercised."

SEC. 6. The last sentence of subsection (e) of section 18 thereof is hereby amended to read as follows: The disposal of surplus property under this subsection shall be given priority immediately following transfers to other Government agencies under section 12 and disposals to veterans under section 16. The provisions of subsection (c) of section 12 shall be applicable to purchases made under this subsection."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MANASCO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1757) to amend the Surplus Property Act of 1944, as amended, so as to broaden the scope and raise the rank of the veterans' priority, strike out all after the enacting clause and insert the provisions of H. R. 6157, to amend the Surplus Property Act of 1944 with reference to veterans' preference, and for other purposes.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

Mr. MICHENER. Mr. Speaker, reserving the right to object, how many more of these bills are there?

Mr. MANASCO. This is the only one. We are just substituting the House bill for the Senate bill so that the Senate will not have to pass our bill.

Mr. MICHENER. This is similar to the bill just called up?

Mr. MANASCO. Identically the same bill.

Mr. CASE of South Dakota. I would like to ask the gentleman, Is the Senate bill identical with the House bill?

Mr. MANASCO. No. We are striking out everything after the enacting clause.

Mr. CASE of South Dakota. Substituting the House bill?

Mr. MANASCO. Yes.

Mr. CASE of South Dakota. Does the text of the bill you are substituting place any limitation on the amount which any individual veteran may purchase under his veteran's preference?

Mr. MANASCO. No; that is an administrative matter. Of course, it is not proposed to sell all of it to one veteran.

Mr. CASE of South Dakota. Did the committee give any consideration to that matter?

Mr. MANASCO. No. You might find one veteran who might want to go into the oil drilling business and it might involve a $50,000 drill ring. If we placed a $2,500 or $3,000 ceiling on what a veteran may buy, you might keep a veteran from going into his own business. We thought that was a matter for the Administrator and not for legislation.

Mr. CASE of South Dakota. Did the committee go at all into the question of the prices that were placed upon equipment when the veterans looked at it to determine whether or not that price was subsequently lowered after the veteran had passed it over?

Mr. MANASCO. The committee went into that subject very thoroughly.

Mr. CASE of South Dakota. Did you make any recommendations to the Administrator on that subject?

Mr. MANASCO. We did personally. We did not do it in our report. We did call it to the Administrator's attention.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

Mrs. ROGERS of Massachusetts. Mr. Speaker, reserving the right to object, may I say that Senator O'MAHONEY introduced the first and original bill on this matter. I introduced a companion bill in the House on January 28.

The Senator's bill passed with amendments very recently in the Senate, and he wrote me the following letter regarding it:

UNITED STATES SENATE,
April 15, 1946.

Hon. EDITH NOURSE ROGERS,
The House of Representatives,
Washington, D. C.

DEAR REPRESENTATIVE ROGERS: You were good enough to indicate your interest when, last January, I introduced a bill to raise the rank and broaden the scope of the veterans' preference and you introduced a companion bill in the House.

You probably noticed that the Senate passed the bill last Friday in the form it finally assumed after 4 months' study. I am enclosing herewith, for your information, a copy of the bill, along with copies of the report and of the hearings.

With my very best wishes,
Sincerely yours,
JOSEPH C. O'MAHONEY.

I am delighted that the gentleman from Tennessee and his committee has reported out what I consider to be an improved bill on our bills because of more protection to the veteran. I am delighted it has passed. I have spoken in the House on my measure a good many times.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama [Mr. MANASCO]?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That section 16 of the Surplus Property Act of 1944 is hereby amended to read as follows:

"DISPOSAL TO VETERANS

"SEC. 16. (a) The Administrator shall prescribe regulations permitting veterans to acquire appropriate quantities of surplus property to enable them to establish and maintain their own small business, professional, or agricultural enterprises, and dispositions of surplus property to veterans under this section shall be given priority over all other disposals of property provided for in this act, except transfers to Government agencies under section 12.

"(b) The Administrator shall cause to be set aside or otherwise to be made available, for such period or periods of time as he may determine, appropriate types and quantities of surplus property for exclusive disposal to veterans for their own personal use or to enable them to establish and maintain their own small business, professional, or agricultural enterprises. The Administrator shall prepare regulations designed to achieve the equitable distribution of such surplus property among veterans. In selecting any types of surplus property for disposal in accordance with the provisions of this subsection, the Administrator shall give due consideration to the availability of adequate facilities for and the cost of the distribution of such surplus property. The Administrator shall from time to time cause to be compiled and publicized widely information as to the types and quantities of such surplus property which has or will become available within a given period of time for exclusive disposal to veterans in accordance with the provisions of this subsection."

SEC. 2. Subsection (a) of section 12 thereof is hereby amended by adding at the end thereof the following: "except disposals under section 16 (b)."

SEC. 3. Subsection (f) of section 13 thereof is hereby amended by adding at the end thereof the following: "and disposals under section 16 and subsection (e) of section 18."

SEC. 4. The last sentence of subsection (e) of section 18 thereof is hereby amended to read as follows: "The disposal of surplus property under this subsection shall be given priority immediately following transfers to other Government agencies under section 12 and disposals to veterans under section 16. The provisions of subsection (c) of section 12 shall be applicable to purchases made under this subsection."

Mr. MANASCO. Mr. Speaker, I offer as an amendment the House bill.

The Clerk read as follows:

Amendment offered by Mr. MANASCO: Strike out all after the enacting clause and insert the following:

"That section 16 of the Surplus Property Act of 1944 is amended to read as follows:

" 'DISPOSITIONS TO VETERANS

" 'SEC. 16. (a) The Administrator shall prescribe regulations to effectuate the objectives of this act to aid veterans in the acquisition of surplus property, in appropriate quantities and types, to enable them to establish and maintain their own small business, professional, or agricultural enterprises. Disposals of surplus property (except real property) to veterans under this subsection shall be given priority over all other disposals of property provided for in this act except transfers to Government agencies under section 12.

" '(b) Notwithstanding the provisions of section 12 of this act, the Administrator may cause to be set aside or otherwise to be made available quantities and types of any surplus

property, except real property, which he determines to be appropriate for exclusive disposal to veterans for their own personal use, and to enable them to establish and maintain their own small business, professional, or agricultural enterprises. The Administrator shall prescribe regulations designed to achieve the equitable distribution of such surplus property among veterans. In selecting any types or quantities of surplus property for disposal in accordance with the provisions of this subsection, the Administrator shall give due consideration to the availability of adequate facilities for and the costs of the distribution of such property. The Administrator shall from time to time cause to be compiled and widely publicized information as to the types and quantities of such surplus property which has or will become available within a given period of time for exclusive disposal to veterans in accordance with the provisions of this subsection.

"'(c) The Administrator shall prescribe a reasonable time of not less than 15 days after public notice during which property offered to veterans under this section shall be held for disposal to them.'

"SEC. 2. Section 12 (a) of the Surplus Property Act of 1944 is amended to read as follows:

"'(a) It shall be the duty of the Administrator to facilitate the transfer of surplus property from one Government agency to other Government agencies for their own use and not for transfer or disposition; and the transfer of surplus property under this section shall be given priority over all other disposals provided for in this act, except disposals to veterans of property reserved exclusively for veterans under subsection (b) of section 16 of this act. The Administrator shall prescribe a reasonable time within which Government agencies shall exercise the priority provided by this subsection, but the time so fixed shall not exceed 20 days from the time public notice is given of the availability of the surplus property for disposal to Government agencies.'

"SEC. 3. Section 12 (c) of the Surplus Property Act of 1944 is amended to read as follows:

"'(c) The disposal agency responsible for any such property shall transfer it to the Government agency acquiring it at the fair value of the property as fixed by the disposal agency, under regulations prescribed by the Administrator, unless transfer without reimbursement or transfer of funds is authorized under subsection (d) of this section.'

"SEC. 4. Section 12 of the Surplus Property Act of 1944 is amended by adding a new subsection (d) to read as follows:

"'(d) Notwithstanding the provisions of section 34 (a) of this act, no Government agency may transfer any property to any other Government agency without reimbursement or transfer of funds under authority of any law approved prior to June 22, 1944. Any disposal agency may transfer surplus property to a Government agency without reimbursement or transfer of funds whenever a transfer on such terms by the owning agency (by which such property was declared surplus) would be authorized by any law approved subsequent to June 21, 1944, to be made to the Government agency desiring such property.'

"SEC. 5. Section 13 (f) of the Surplus Property Act of 1944 is amended to read as follows:

"'(f) The disposal of surplus property under this section to States and political subdivisions and instrumentalities thereof shall be given priority over all other disposals of property provided for in this act, except transfers to Government agencies under section 12 and disposals to veterans under section 16 and purchases made under subsection (e) of section 18: *Provided*, That the Administrator may prescribe a reasonable time during which such priority shall be exercised.'

"SEC. 6. The last sentence of subsection (e) of section 18 thereof is hereby amended to read as follows: 'The disposal of surplus property under this subsection shall be given priority immediately following transfers to other Government agencies under section 12 and disposals to veterans under section 16. The provisions of subsection (c) of section 12 shall be applicable to purchases made under this subsection.'"

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that the title be amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER pro tempore. Without objection, the proceedings whereby the House bill, H. R. 6157, was passed are vacated and the bill laid on the table.

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. MANASCO. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempre. Is there objection to the request of the gentleman from Alabama?

There was no objection.

EXTENSION OF REMARKS

Mr. WASIELEWSKI asked and was given permission to extend his remarks in the RECORD in three instances and include newspaper articles in each.

Mr. FLANNAGAN. Mr. Speaker, a day or two ago I obtained unanimous consent to extend my remarks in the RECORD and include an address by Mr. Joseph N. Cridlin. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost $150, but I ask that it be printed notwithstanding that fact.

The SPEAKER pro tempore. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances and include certain extraneous matter.

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include two resolutions adopted by the Massachusetts General Court.

Mr. LAFOLLETTE asked and was given permission to extend his remarks in the RECORD.

Mr. LAFOLLETTE. Mr. Speaker, under previous order I was granted 40 minutes today. I ask unanimous consent that in lieu of taking that order, I may extend my remarks in the point of the RECORD where that order would appear.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LUDLOW asked and was given permission to extend his remarks in the RECORD and include two letters.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD on two subjects.

SPECIAL ORDER GRANTED

Mr .HOLIFIELD. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I be permitted to address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore entered, I be permitted to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. GRANGER. Mr. Speaker, I ask unanimous consent that today, following any special orders heretofore granted, I be permitted to address the House for 30 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

INVESTIGATION BY COMMITTEE ON THE JUDICIARY

Mr. COX. Mr. Speaker, I call up House Resolution 430 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Committee on the Judiciary, acting as a whole or by subcommittee, is authorized and directed to make a thorough investigation of all the circumstances with respect to the disposition of the charges of espionage and the possession of documents stolen from secret Government files which were made by the Federal Bureau of Investigation against the following individuals: Philip J. Jaffe, Kate L. Mitchell, John Stewart Service, Emmanuel Sigurd Larson, Andrew Roth, and Mark Gayn.

The committee shall report to the House (or to the Clerk of the House, if the House is not in session) as soon as practicable during the present Congress the results of its investigation, together with such recommendations as it deems necessary.

For the purpose of carrying out the provisions of this resolution the committee, or any subcommittee thereof, is authorized to sit and act at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, records, and documents, and to take such testimony as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or any member designated by him, and may be served by any person designated by such chairman or member.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Mississippi.

Mr. RANKIN. I was wondering why this resolution was not made broad enough to cover all those individuals who have been stealing or destroying records in the various departments.

Mr. COX. I do not know. I am sorry I cannot answer that question. This resolution is sponsored by the gentleman from Michigan [Mr. DONDERO].

Mr. RANKIN. I was just wondering why it was limited to certain individuals when there are others that are just as guilty, and why not amend it, after reciting these names, to say "and others," and investigate all those men who have been stealing or destroying records in the various departments of this Government?

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Michigan.

Mr. DONDERO. I think, if the gentleman from Mississippi will wait, that perhaps I can answer his question.

Mr. RANKIN. I shall be delighted to wait.

Mr. COX. Mr. Speaker, I believe that it was on my motion that the Committee on Rules took favorable action upon the pending resolution.

I am therefore committed to its support. I think, however, that I should make known to the House that had I had the slightest suspicion that an inference critical of the Justice Department might be drawn from the adoption of the resolution, I would not, because of the general objection I have to congressional investigation of departments of the Government, have taken part in reporting it.

I have talked with the author of the resolution and know that he has no intention of trying to embarrass anybody. He wants to learn what cooperation from inside the many departments of the Government from which files were stolen was given the thieves who took them.

The resolution provides for an investigation of the disposition of the cases against these people, the investigation to be made by the Committee on the Judiciary or a subcommittee thereof. There is not the slightest doubt in my mind but that those against whom the Department of Justice took action were guilty of the stealing of the files from various departments of the Government that were finally assembled in the office of a notorious and active Communist in the city of New York. The astounding thing is, how could all these secret files get into the hands of these individuals in New York whose business it has for a long time been to undermine the foundations of this Government without someone interested in national security having detected it before they had accumulated in great numbers.

This matter was put into the hands of the FBI, who exercised great diligence in the development of the record that was later presented to a grand jury. In the end, but two of these defendants were punished. One was Jaffe of New York, and the other was a man who had been connected with the State Department, and who in large part took the blame for the stealing of these files.

While I think all those accused by the FBI were guilty, that they had full knowledge of just what they were doing, I can see no reason for blaming the Department of Justice, for the action taken by the grand jury. But three of defendants were indicted, and two plead guilty. The case against the other one was nolle prossed.

The record discloses that the fines imposed by the judge were less than what was recommended by the Justice Department. The reason for nol-prossing the case against one of the defendants was that the evidence that had been collected was not in the opinion of those handling it sufficient to sustain a conviction. I think the House ought to know what it is doing. It ought not be understood that this is an investigation, if the resolution is adopted, of the Department of Justice. It ought not to be understood that it is to review the action of the court that heard the case, but should be confined more particularly to the question of how it was that the files were taken and who had a part in the theft.

Mr. ROONEY. Mr. Speaker, will the gentleman yield for a question?

Mr. COX. I yield.

Mr. ROONEY. The gentleman proposes to investigate the circumstances behind the nol-prossing of an indictment against one of the individuals you mentioned and at the same time you say it is not an investigation of the Department of Justice.

Mr. COX. I am not making that assertion. I am saying it ought not to be an investigation of the Department of Justice. The language of the resolution is as follows:

> The Judiciary Committee acting as a whole or by subcommittee is authorized and directed to make a thorough investigation of all the circumstances with respect to the disposition of the charges of espionage and the possession of documents stolen from secret Government files.

Mr. ROONEY. Mr. Speaker, will the gentleman yield further?

Mr. COX. There is a feeling that there was a little too much of a tender consideration shown these scoundrels who committed these crimes against the Government and it may be this feeling that gives impetus to the demand for investigation.

Mr. ROONEY. Mr. Speaker, will the gentleman yield for a question?

Mr. COX. If this question were to come back to me as any original proposition I would say there was nothing to be accomplished by the investigation. I think it is water over the dam and is probably something that should be forgotten.

Mr. ROONEY. I wonder if the gentleman would not give us some of the facts with reference to this matter? There is no printed report.

Mr. COX. Statement of the facts I prefer to leave to the author of the resolution.

Mr. ROONEY. Well, I have not heard the gentleman say anything yet that shames my sense of what is right and what is wrong.

Mr. COX. I know that my statement is not complete. It is by no means satisfactory to me. There is plenty of room for what the gentleman says. I am saying that if this were to come back to me as an original proposition, I would not favor the reporting of the resolution because I cannot see that much, if anything, is to be accomplished. However, I know the author of the resolution is inspired by patriotic motives, and I find no fault with him.

Mr. FOLGER. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. FOLGER. I wanted to call the gentleman's attention to very particular language in the resolution:

> *Resolved*, That this Committee on the Judiciary is authorized and directed to make a thorough investigation of all the circumstances with respect to the disposition of the charges.

Mr. COX. I know what the gentleman is driving at, and I think his objection is probably well-founded. In the absence of any charge or suspicion of corruption, I do not think we ought to review the action of the court in the trial of this case. I do not think we should undertake to search the bosom of the counsel who handled it.

Mr. FOLGER. Or the court.

Mr. COX. Or the court.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. This is one of those things which occurs to me that where there is suspicion and discussion about it, the more light of day you throw on it the beter it is for the American people; but I am just wondering if we have not got the wrong sow by the ear. I am wondering if we ought not be investigating the State Department, if it was the State Department, to find out why they are impregnated with the kind of people that steal the secret documents of the Government and turn them over to Communistic bodies.

Mr. COX. That is one of the questions.

Mr. SMITH of Virginia. Is that not more important than the question of whether the jury did right or wrong?

Mr. COX. I think the important question is, as the gentleman has stated and as the author of the resolution has heretofore stated, to investigate and find out just how it was possible that these many files—and there was a truckload of them—could have been obtained.

Mr. SMITH of Virginia. The resolution, as I heard it read, does not provide for any investigation of why and how this type of people are being employed by the Government, who would betray their own Government.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. DONDERO. I am presenting to the House in this resolution a specific case. I am sure the gentleman from Virginia has sufficient confidence and faith

in the Committee on the Judiciary of this House to know that when they hear all the evidence surrounding this case they will make such a report to this House as may serve the very purpose that the gentleman from Virginia has pointed out.

Mr. SMITH of Virginia. I do not see it. Of course, I have confidence in the Judiciary Committee, but you are not giving them jurisdiction in that resolution to investigate the thing that should be investigated.

Mr. DONDERO. If the gentleman will yield further, I hope I will be granted time, and I want to present some of the facts to the House on which this resolution is predicated. I think the purpose will be served.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman.

Mr. RANKIN. I suggested some time ago that the resolution should be made broader. If you do not know it, I will tell you. It is known to the FBI, and it is known to the Committee on Un-American Activities that this spy ring that Canada is prosecuting was working throughout the United States, and is now at work, trying to purloin the secret or know-how of making the atomic bomb. It is about time we woke up, and instead of running around over Europe to find somebody to prosecute, to begin prosecuting the criminals at home who are undermining our Government.

Mr. MERROW. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mr. MERROW. I introduced a resolution some time ago which is before the Rules Committee at the present time, House Resolution 433, that would set up a select committee of 23 Members of this House to make a complete investigation of the Department of State and the Foreign Service. I hope we can get some action on that resolution.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield.

Mrs. ROGERS of Massachusetts. I wish to state to the gentleman that I was fortunate enough in our committee to have inserted in the UNESCO bill, so-called the provision that any man who serves as a delegate must have been a citizen for 15 years. I know the gentleman's interest in protecting cultural relations.

Mr. COX. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MICHENER] and the remainder of my time to the gentleman from Illinois [Mr. SABATH].

The SPEAKER pro tempore. The gentleman from Michigan is recognized.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Colorado [Mr. GILLESPIE] may extend his own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Speaker, I also ask unanimous consent that the gentleman from Vermont [Mr. PLUMLEY] may extend his own remarks in the RECORD and include an article.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Speaker, this resolution has had a rather unusual introduction. I hardly know whether it was the opening statement for the defense or whether it is a plea in confession and avoidance; it partakes of elements of each.

Personally, I know little about the facts as stated by the gentleman from Georgia [Mr. Cox]. I have no information as to the source of his information, but I assume it was from the Department of Justice or the Department of State or some other department that might be subject to investigation if this resolution were adopted. I am also a member of the Committee on the Judiciary. As a member of that committee, were this burden to come to that committee, I am sure that it would proceed in a judicial way.

Whether there is something wrong here, I do not know. I know nothing about the case. I do know there has been considerable talk and much has appeared in the press to the effect that the FBI and the Department of Justice are not in exact harmony as to the disposition made of these cases involved. I would like to see the Judiciary Committee call in the FBI—because we all have faith in that organization—hear what they have to say about the matters referred to by the gentleman from Georgia [Mr. Cox.]

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. CASE of South Dakota. I notice the distinguished chairman of the Committee on Rules standing, and since the question has arisen about the postponement of the rule, I should like to ask the chairman of the Committee on Rules whether or not he plans to call up the rule which has been granted by his committee, as I understand it, for consideration of the Indian claims bill, introduced by the gentleman from Washington [Mr. JACKSON]?

Mr. MICHENER. That is quite far afield from the present resolution, but I yield.

Mr. SABATH. I am in no position to state whether it will be called up or not. I know that the leaders are endeavoring to bring about an early adjournment because many of the Members, after these many hard months of work, are desirous of leaving the city, so I do not think it is contemplated bringing up that resolution.

Mr. CASE of South Dakota. I was hoping it would be called up.

Mr. SABATH. Will the gentleman yield further?

Mr. MICHENER. I yield to the gentleman from Illinois.

Mr. SABATH. Mr. Speaker, I know the gentleman from Michigan is an outstanding member of the Committee on the Judiciary. May I ask him whether he appeared before the Judiciary Committee or whether the Judiciary Committee has asked for such investigation or whether it has authorized or requested any such action to investigate the Department of Justice or the Federal Bureau of Investigation?

Mr. MICHENER. Of course not. I cannot imagine the Judiciary Committee asking some other Member of the House to come before the House and ask that a resolution be adopted authorizing the Judiciary Committee to perform this service. So far as I know, the Judiciary Committee has no information at all about the matter, it knows nothing about the resolution, and takes no position concerning it.

Mr. SABATH. It does not know very much more than the Rules Committee.

Mr. MICHENER. The Judiciary Committee did not have anything to do with it, and knows nothing about it.

Mr. SABATH. The Rules Committee reported this resolution.

Mr. MICHENER. Mr. Speaker, the gentleman from Michigan [Mr. DONDERO] can undoubtedly give us the facts. I now yield to the gentleman from Michigan [Mr. DONDERO] 15 minutes.

Mr. DONDERO. Mr. Speaker, I appreciate the doubt that might be in the minds of some Members of the House. I may say at the outset that I appeared before the Rules Committee and made the statement on which this resolution is based and on that statement the Rules Committee reported this resolution in order to have a hearing before this body.

I want to take the next few minutes to give to the House some of the facts—they cannot all be given in 15 minutes—on which this resolution is based; then leave it up to the judgment of the Memoers of the House as to whether or not the investigation ought to be made by the Judiciary Committee of the House.

Mr. Speaker, the resolution before the House, House Resolution 430, calls for a thorough investigation by the Committee on the Judiciary of the House of Representatives of the circumstances and disposition of charges of espionage, and possession of highly confidential and secret documents stolen from various Government agencies, made by the Federal Bureau of Investigation.

The charges and arrests were made with prior approval of the President of the United States, against the following individuals: Phillip J. Jaffe, editor of the pro-Communist magazine Amerasia; Kate L. Mitchell, his coeditor; John Stewart Service and Emmanuel Sigurd Larson, of the Far Eastern Division of the State Department; Navy Lieutenant Andrew Roth, former research associate on Ameraisia; and Mark Gayn, a magazine writer who was planning to leave for Russia.

These arrests were made after nearly 3 months of surveillance and work, not by some obscure law-enforcement officer, but by the most powerful and highly respected investigating agency of the Federal Government. This agency was established in the national interest and for the preservation of the national security. It has a splendid record of efficiency.

What has happened to the cases of these six individuals whom I have

named? Three were not indicted by the grand jury. The other three were indicted for conspiracy against the Government in violation of title 50, United States Code. Phillip Jaffe pleaded guilty and was fined $2,500, which he paid. Emmanuel Larson entered a plea of nolo contendere and was fined $500. Andrew Roth was released when the indictment against him was dismissed on motion of Government attorneys.

The statute under which they were indicted provides a fine of $10,000 or 2 years' imprisonment, or both, in the discretion of the court, for each overt act. Bear that in mind when we consider the nature of the documents stolen by these individuals.

It must become apparent at once to every Member of the House that the painstaking efforts of the FBI have been rendered almost futile, if not entirely nullified. Its batting average in these cases is but 33⅓ percent.

What are the facts? Government records will show that more than 100 files containing top secret and highly confidential information were stolen from the State Department, War Department, Navy Department, Office of Strategic Services, Office of Postal and Telegraph Censorship, and perhaps others, while the Nation was at war. They were found in the offices of a pro-Communist magazine in New York, over 250 miles from Washington.

I shall now give to the House, although I have made this known on a former occasion, the nature of some of the documents that were stolen.

First. One document marked "secret" and obviously originating in the Navy Department dealt with the schedule and targets for the bombing of Japan. This particular document was known to be in the possession of Phillip Jaffe, one of the defendants, during the early spring of 1945 and before the program had been effected. That information in the hands of our enemies could have cost us many precious American lives.

Second. Another document, also marked "top secret" and likewise originating in the Navy Department, dealt with the disposition of the Japanese Fleet subsequent to the major naval battle of October 1944, and gave the location and class of each Japanese warship. What conceivable reason or excuse could there be for these people, or anyone else without authority, to have that information in their possession and at the same time claim freedom of the press? That was the excuse they offered. They stole this document for no good purpose.

Third. Another document, stolen from the Office of Postal and Telegraph Censorship, was a secret report on the Far East and so stamped as to leave no doubt in anybody's mind that the mere possession of it by an unauthorized person was a clear violation of the Espionage Act. This was not an antiquated paper but of current and vital interest to our Government and the Nation's welfare.

Fourth. Another document stolen was from the Office of Military Intelligence and consisted of 22 pages containing information obtained from Japanese prisoners of war. When our military officials question prisoners of war, it is for the purpose of getting secret military information of the enemy's plans. What business is it of these people to have information of that nature in their possession? Can it be claimed that the theft and possession of such documents is the act of innocent persons loyal to the United States when the Nation is at war?

Fifth. Another stolen document, particularly illuminating and of present great importance to our policy in China, was a lengthy detailed report showing complete disposition of the units in the army of Chiang Kai-shek, where located, how placed, under whose command, naming the units, division by division, and showing their military strength. It is easy to visualize the consequences of this information in the hands of the Communist forces in China, then and now. Is it possible that this information reached the headquarters of the Communist forces in China, enabling them to arrive at strategic places at the opportune time to accept the surrender of Japanese arms to serve their own purposes?

Many of the stolen documents bear an imprint which reads as follows:

> This document contains information affecting the national defense of the United States within the meaning of the Espionage Act, 50 United States Code 31–32, as amended. Its transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law.

When General Hurley recently appeared before a Senate committee and was questioned concerning his charges of Communist sympathizers in the State Department, it was announced in the press that certain documents to which he made reference and material for proving his charges could not be produced because the disclosure of their contents would be harmful to the interests of the United States. Neither Congress nor the public was permitted to see them. Was not one of them Document No. 58, a secret communication to the Department of State from one of its representatives in China, entitled "Generalissimo Chiang Kai-shek—Decline of his Prestige and Criticism of and Opposition to his Leadership"? This Document No. 58 was one of those stolen by Jaffe and his confederates. If it were harmful to the interests of the United States for the public or Congress to know the contents of the document, was it not equally harmful—yes, dangerous—to the interests of our country for it to be in the possession of Jaffe and his associates?

I mention one more, of such exceptional military importance and so closely guarded in its limited transmission that it was delivered personally into the hands of the Chief of the Office of Naval Intelligence. How could such a document or any of these files find their way into the hands of these people, except by deliberate planned theft?

Andrew Roth, one of the six against whom the indictment was dismissed last month, had been an officer in the Navy and was liaison man between the State Department and the Navy Department. He was placed in that key position despite a totally unfavorable report resulting from an investigation by the Office of Naval Intelligence itself, when he first applied for his commission.

I have heretofore charged and reiterate now that the court before whom these cases were brought was not fully informed of the facts. A summary of the court proceedings has been furnished to me, which shows no evidence or exhibit obtained by the Federal Bureau of Investigation presented to the court. Jaffe's counsel told the court that Jaffe had no intention of harming the Government, and United States Attorney Hitchcock told the court there was no element of disloyalty in connection with the case. If that is the fact, may I respectfully ask what purpose did these individuals have in mind in stealing these particular files?

Had this same thing happened in certain other Governments, these people would undoubtedly have been summarily shot, without a trial. Let us not forget we were still at war with Germany and Japan when these files were stolen, and Jaffe, in whose possession they were found, had been for more than 10 years, a leader and heavy financial supporter of Communist propaganda causes, according to the FBI.

Information has reached me that within the State Department were other persons suspected whose names have never been made public. An examination of the State Department's own records of investigation should show clearly why those arrested were believed guilty and why others were under suspicion.

The extent of the damage and the harm done to the United States from the illegal use and possession of the information obtained from the stolen files by these people may never be known. We do know that as a result of the publication of some of this secret information in Jaffe's pro-Communist Amerasia magazine, the friendly relation of one United States intelligence agency with the British intelligence was most unfavorably affected. In fact, it was as a result of a British complaint that our Government first became aware of the leakage of secret information.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. RANKIN. I call attention to the fact also that at the time those files were stolen Russia was not at war with Japan. You will find that every one of them, practically every one of them, bore on secret information with reference to the situation in the Orient.

Mr. DONDERO. In the offices of this pro-Communist magazine, Amerasia, which had a bare circulation of 1,700 copies during the first part of 1945—not enough, it would seem, to make it a commercial success—was a large photocopying department, the operation of which could not possibly have been an essential part of the publication of the magazine. This department was working through the night, in the small hours of morning, and even on Sundays. It could reproduce the stolen documents—and undoubtedly did—and distribute them into channels to serve subversive purposes, even into clenched fists raised to destroy our Government.

When the facts in these cases are made known, I am informed they will show that Jaffe, while under surveillance, was in direct and indirect contact with a foreign consulate in New York.

How can any attorney speaking for the United States say to a court of the United States that these people intended no harm to our Government? The case of these six people represents a complete miscarriage of justice, which is not only wrong and cowardly but which also breeds contempt instead of friendship toward us on the part of other nations.

I believe a full exposure will shock the loyal people of the United States.

Recently there appeared in public print a statement which bears directly on the matter before the House, and I quote from it:

> Long ago the FBI assigned hundreds of its most skilled agents to break up a Soviet spy ring in the United States, and caught the leaders of the ring red-handed. But the policy of appeasement prevented their arrest. * * *
>
> * * * All of this information, carefully documented by the FBI, was given the State Department. A year ago the FBI considered its case * * * closed. They demanded * * * the arrest of hundreds of other persons on charges of espionage.
>
> President Roosevelt, and later President Truman, were fully informed. So were the Chiefs of Staff.
>
> The State Department refused to allow the arrests. The FBI carried the plea for the seizure of the Russian agents to the White House. The buck was passed back to the State Department. Within the Department, the Communist faction howled that such arrests would upset unity. And the Communists won.

The time has come when the House of Representatives, which directly represents the people of this Nation, must take a definite stand and do its part in bringing to public gaze the undercover influences at work inside our Government to destroy the Republic of the United States. Congress has the authority in the public interest to ascertain the truth.

I appeal to every Member of the House to support this resolution, placing this matter in the hands of a great committee of this House, the Committee on the Judiciary, to obtain the facts and report its findings to the House. In no other way, under present conditions, will aggressive action be taken to preserve the safety and security of our Nation.

Mr. SABATH. Mr. Speaker——

Mr. HARNESS of Indiana. Mr. Speaker, will the gentleman yield for a question?

Mr. SABATH. I have not started yet. I wish the gentleman would wait a little.

Mr. HARNESS of Indiana. I just wanted to ask one question.

Mr. SABATH. I wish to make a statement first.

Mr. Speaker, I have no love or regard for, and in fact I despise, any man who is or could be guilty of any act that would be detrimental to our country in any way, shape, or form. I am not interested in these men who have been tried, some found guilty and some dismissed or discharged as I understand it. This resolution does not aim to investigate any of those people that the gentleman from Michigan states we have in our country, because they have been tried and the issue settled by judicial process, as the gentleman knows.

The gentleman read some newspaper account to us; but unfortunately he did not name the paper from which he quoted, and he has said he cannot state to the House where and how and from whom he has obtained the information on which he passes his indirect charge against the Department of Justice, the Department of State, and, of course, against the presiding judge in the case. The gentleman is too much a man of the world really to accept as wholly accurate everything he sees in the newspapers.

Mr. DONDERO. Mr. Speaker, will the gentleman yield at that point?

Mr. SABATH. I yield.

Mr. DONDERO. I made but one quotation from the public press.

Let me assure the gentleman from Illinois that the other statements I made came from information submitted to me by those whose names I cannot disclose before the House now, but they will be made known to the Committee on the Judiciary if this committee is authorized to act under this resolution.

Mr. SABATH. It is indeed unfortunate that the Members of the Committee on the Judiciary and others have not been given, and did not obtain, the information possessed by the gentleman from Michigan. It is clear from the statements he has made on this matter that he must have devoted a great deal of time to it, and have obtained a great deal of information. I do not know, of course; but I cannot help wondering, if, because the gentleman is so good-natured, he might not have been imposed upon by some person with a grudge against the Department of Justice, or against the Department of State. Indirectly, his insinuations bear against the President, as well as against the two Departments.

Mr. DONDERO. Mr. Speaker, will the gentleman yield once more?

Mr. SABATH. I yield.

Mr. DONDERO. May I say to the House and to the gentleman from Illinois that I discussed this matter with J. Edgar Hoover for nearly 1 hour. I am not going to quote Mr. Hoover; he can make his own statement before the committee when he is asked to.

I have made no insinuation against the President; in fact, the President authorized these arrests to be made, and the arrests were forbidden by the State Department. So there is no insinuation against President Truman or President Roosevelt.

CALL OF THE HOUSE

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I should like to get started, but I yield to the gentleman from New York.

Mr. MARCANTONIO. It seems to me that when we get down to the basic facts involved to this resolution we shall find it is an attempt to revive a dead herring, revive another spy scare. I think it is a very serious matter and that we should have a quorum present.

I therefore make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently no quorum is present.

Mr. SPARKMAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 98]

Andrews, N. Y.	Granahan	Patrick
Arends	Hancock	Peterson, Fla.
Auchincloss	Harless, Ariz.	Peterson, Ga.
Baldwin, Md.	Harris	Phillips
Barrett, Pa.	Hébert	Ploeser
Bell	Heffernan	Powell
Bradley, Pa.	Hendricks	Rains
Bunker	Henry	Rayfiel
Burch	Herter	Reece, Tenn.
Byrne, N. Y.	Holifield	Reed, N. Y.
Carnahan	Izac	Rich
Case, N. J.	Jarman	Robertson, Va.
Celler	Jenkins	Robinson, Utah
Clements	Jennings	Rodgers, Pa.
Clevenger	Kearney	Roe, N. Y.
Cochran	Keefe	Russell
Cole, N. Y.	Keogh	Sharp
Colmer	Kirwan	Sheppard
Cunningham	Kopplemann	Simpson, Pa.
Curley	Lemke	Smith, Va.
Daughton, Va.	Luce	Smith, Wis.
Dawson	McGehee	Somers, N. Y.
De Lacy	McMillen, Ill.	Spence
Ellsworth	Maloney	Tarver
Fernandez	Mansfield, Tex.	Thomas, Tex.
Fisher	Miller, Calif.	Tolan
Fogarty	Miller, Nebr.	Torrens
Gathings	Morgan	Traynor
Gibson	Murray, Wis.	Vinson
Gifford	Norton	Wadsworth
Gordon	O'Neal	White
Gossett	Outland	Wilson
Graham	Patman	Woodruff

The SPEAKER. On this roll call, 329 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

RECESS OF THE HOUSE TO APRIL 30, 1946

The SPEAKER. The gentleman from Illinois will proceed.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from Massachusetts for a more deserving resolution and one we all desire to hear.

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H. Con. Res. 145) and ask for its immediate consideration.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, April 18, 1946, it stand adjourned until 12 o'clock meridian Tuesday, April 30, 1946.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATION BY COMMITTEE ON THE JUDICIARY

The SPEAKER. The gentleman from Illinois [Mr. SABATH] is recognized.

Mr. SABATH. Mr. Speaker, I regret that many of the Members were not present to hear the statement of the gentleman from Georgia [Mr. COX] who brought this resolution before the House, for had they heard his explanation I know they would not and could not vote for the resolution.

This resolution provides for the investigation of the Department of Justice and the State Department.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I regret that the time at my disposal is too brief. I have yielded to the gentleman twice, and I cannot yield again now.

Mr. DONDERO. Will not the gentleman yield to correct a mistake?

Mr. SABATH. I am sorry. I have yielded before, and I cannot yield further. I want to make a statement.

Mr. MASON. But it is not to investigate them.

WOULD INVESTIGATE DEPARTMENT AND COURT

Mr. SABATH. Read the resolution. Listen. I will read the language: "that the Committee on the Judiciary, acting as a whole or by subcommittee, is authorized and directed to make a thorough investigation of all the circumstances with respect to the disposition of the charges." Does that not call for investigation of the Department of Justice? Does not that authorize and direct that a thorough investigation should be made as to the disposition of a case handled by the Department of Justice? Of the Department that obtained indictment, and later on an admission of guilt from two or three of these newspapermen that they did have possession of some documents? Does not that authorize and direct an investigation of the Department of State, which made the complaint? And of the judge who sat in the case, found two guilty, and dismissed the charges against the others? How else can it be interpreted?

Please do not be misled into the belief that this is a resolution to investigate Communists or anyone guilty of an unlawful act against the Government. I have stated what the resolution is. Its passage has not been requested by the Committee on the Judiciary; and I know that most of the members of the Rules Committee who voted it out regret now is was reported. It was done in haste, and without due consideration. I am pleased indeed that I did not vote to report it out, because I believe we have had too many investigations on flimsy charges, and very few have rendered any service to the country or to the House. I know this will be just one more instance of that kind.

WILL J. EDGAR HOOVER BE SMEARED NEXT?

Personally, I feel that we have a very good organization known as the FBI. I do not know whether you have ever heard of it or not. I have heard that a gentleman by the name of J. Edgar Hoover is the head of it. I presume, though, the Judiciary Committee would be in better position to investigate the State Department than Mr. J. Edgar Hoover and his staff of hundreds and hundreds of men. There may be some who think Mr. Hoover is not sufficiently patriotic, that he may be used by some of these Communists. I should not be surprised if he were charged with collusion with the Communists next.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. SABATH. No; I am sorry.

Mr. Speaker, I have the utmost confidence in Mr. Hoover and his organization. They have served the country splendidly.

CONFIDENCE IN DEPARTMENT HEADS

I have the utmost confidence in our Attorney General, Mr. Clark, of Texas. I think he is a splendid, patriotic individual who has the interest of our Nation at heart. I also have confidence in the State Department. I have confidence in the Secretary of State, Mr. Byrnes, with whom many of us have served here. He, too, is an honorable, sincere, loyal, and patriotic gentleman.

Now, we are going to investigate these men by the pending resolution by giving the power to the Committee on the Judiciary to make this investigation, a committee that has not asked for that power and is not desirous of making the investigation, and to which no application has been made for the resolution.

CANNOT QUESTION COURT FINDING

Mr. Speaker, I feel that some of these writers were guilty of obtaining some papers, but they have been indicted, prosecuted, and some found guilty. We are going to pass now upon whether the judge imposed a high enough or big enough sentence or not. I do not think we can properly question the patriotism, the honesty, the good faith, or the legal perspicacity of that judge. For my part, I can find no justification for the passage of this resolution.

To me it smacks of politics. It seems to me to be intended only to smear the reputation of the Attorney General and his Department, and the reputation of the State Department. I am satisfied, notwithstanding several speeches made by the gentleman from Michigan, and the information he has—the reliable information he claims to have obtained, but cannot say how, or from whom, or whether it came from some disgruntled discharged employee, or from some perverse and prejudiced meddler—notwithstanding all that, I am satisfied on the unsupported statement of the gentleman from Michigan that every Republican will vote for the resolution.

JUSTICE DEPARTMENT SEEKS SEDITION PROOF

Yes, Mr. Speaker, even the gentleman from Mississippi has found fault with the Department of Justice. He would rather the Department would spend more time on this case than to send a representative to Europe in the strong likelihood of finding evidence that the Nazi leaders had dealings with some of the 23 persons under indictment for sedition. Personally, I feel the Attorney General is justified, and it is his duty to try to get the evidence where it is. I presume he aims to prove a conspiratorial connection between the Nazi propagandists who disbursed hundreds of thousands of dollars for un-American and subversive activities while we were preparing to defend ourselves against attack, and even during the years 1941, 1942, 1944, and 1945, while we were at war, and the seditionists, who all that time carried on a campaign of disruption and interference, tending to bring about the overthrow of our Government by force and bring about a revolution in accordance with the plans of Hitler, Goebbels, and even the Japs.

NAZIS SPENT OVER TWO MILLIONS FOR SUBVERSIVE PROPAGANDA

The gentleman from Mississippi and the gentleman from Michigan, it seems to me, are more interested in retrying these overzealous newspapermen—whose acts I do not condone but condemn—than in the prosecution of more dangerous individuals really and actually guilty of subversive and treasonable activities. I presume they both had read that the special prosecutor in the sedition cases has found in Germany proof positive that George Sylvester Vierick received $375,000 from the German Government to be used for subversive propaganda purposes in our own country. However, 3 years ago Colonel Donovan testified after his own investigation that over $2,000,000 had been sent to the United States for Nazi propaganda, to create discord in our Army and Navy and on our home front, and, if possible, to bring about mutiny or revolution.

Unfortunately, such disclosures do not seem to interest the gentleman from Mississippi; but in view of his great interest in the future of America and in the cause of democracy, I hope he will some day realize that he owes it to himself and to his country to devote some time to these vicious Hitler-Goebbels activities.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. MICHENER. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS. Mr. Speaker, this is not a resolution to investigate the State Department or the Department of Justice. It is a resolution that calls for an investigation of the circumstances involving the prosecution or lack of prosecution of certain men who stole over 150 documents dealing with the defense of this country. It is unfortunate that the gentleman from New York [Mr. MARCANTONIO] made his point of no quorum after the gentleman from Michigan [Mr. DONDERO] had explained the resolution.

This resolution is not one involving any partisan controversy, it does not involve economics in any way; it is a clearcut issue on the defense of America. The passage of the resolution will be highly displeasing to every Communist in America and to all of our enemies. Its rejection is just what they want. It is a bad situation that ought to be investigated. What does any faithful public servant have to fear from an investigation?

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Minnesota.

Mr. JUDD. It so happens I know some of the individuals who are being investigated under this resolution. I think at least one of them is a victim of circumstances. It is just as important that the investigation be held to establish the innocence of those who may be innocent as it is to establish the guilt of those guilty. But with regard to the rest of them it seems to me we cannot cast aside the testimony and the evidence of

J. Edgar Hoover and the Federal Bureau of Investigation. When has that organization ever brought charges against people when it did not have the goods on them?

Mr. CURTIS. The gentleman is correct. This is an investigation to uphold and support J. Edgar Hoover and in no sense to override him.

The SPEAKER. The time of the gentleman from Nebraska has expired.

Mr. COX. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. O'HARA and Mr. MARCANTONIO) there were—ayes 158, noes 57.

Mr. O'HARA and Mr. MARCANTONIO demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 227, nays 111, answered "present" 1, not voting 91, as follows:

[Roll No. 99]

YEAS—227

Abernethy	Doughton, N. C.	Knutson
Adams	Drewry	Kunkel
Allen, Ill.	Dworshak	LaFollette
Allen, La.	Earthman	Landis
Almond	Ellis	Lane
Andersen, H. Carl	Ellsworth	Lanham
Anderson, Calif.	Elsaesser	Latham
Andresen, August H.	Elston	LeCompte
Andrews, Ala.	Engel, Mich.	LeFevre
Angell	Engle, Calif.	Lemke
Arnold	Fallon	Lesinski
Baldwin, N. Y.	Feighan	Lewis
Barden	Fellows	Luce
Barrett, Wyo.	Fenton	McConnell
Bates, Ky.	Flannagan	McCowen
Bates, Mass.	Fuller	McDonough
Beall	Fulton	McGregor
Bender	Gamble	McKenzie
Bennet, N. Y.	Gary	McMillan, S. C.
Bennett, Mo.	Gavin	Manasco
Bishop	Gearhart	Martin, Iowa
Blackney	Gerlach	Martin, Mass.
Bland	Gillespie	Mason
Bolton	Gillette	Mathews
Boren	Gillie	May
Bradley, Mich.	Goodwin	Merrow
Brehm	Grant, Ala.	Michener
Brooks	Grant, Ind.	Miller, Nebr.
Brown, Ga.	Griffiths	Mundt
Brown, Ohio	Gross	Murray, Tenn.
Brumbaugh	Gwinn, N. Y.	Norblad
Bryson	Gwynne, Iowa	Norrell
Buck	Hagen	O'Brien, Mich.
Buffett	Hale	O'Hara
Butler	Hall, Edwin Arthur	O'Konski
Byrnes, Wis.	Hall, Leonard W.	Peterson, Ga.
Camp	Halleck	Philbin
Campbell	Hare	Pickett
Canfield	Harness, Ind.	Pittenger
Cannon, Fla.	Hébert	Plumley
Carlson	Herter	Price, Fla.
Case, N. J.	Heselton	Rabaut
Case, S. Dak.	Hess	Ramey
Chelf	Hill	Randolph
Chenoweth	Hinshaw	Rankin
Chiperfield	Hoeven	Reed, Ill.
Church	Hoffman	Rees, Kans.
Clason	Holmes, Mass.	Riley
Clements	Holmes, Wash.	Rivers
Clippinger	Hope	Rizley
Cole, Kans.	Horan	Robertson, N. Dak.
Cole, Mo.	Howell	Robsion, Ky.
Cooper	Hull	Rockwell
Corbett	Jensen	Roe, Md.
Crawford	Johnson, Calif.	Rogers, Mass.
Cunningham	Johnson, Ill.	Sasscer
Curtis	Johnson, Ind.	Schwabe, Mo.
D'Alesandro	Jones	Schwabe, Okla.
D'Ewart	Jonkman	Scrivner
Dingell	Judd	Shafer
Dirksen	Kean	Sharp
Dolliver	Kelly, Ill.	Short
Domengeaux	Kilburn	Simpson, Ill.
Dondero	Kinzer	Slaughter
		Smith, Maine
Smith, Ohio	Tibbott	Wigglesworth
Springer	Towe	Wilson
Starkey	Vorys, Ohio	Winstead
Stefan	Vursell	Winter
Stevenson	Wadsworth	Wolcott
Stockman	Walter	Wolfenden, Pa.
Sumner, Ill.	Wasielewski	Wolverton, N. J.
Sundstrom	Weichel	Wood
Talbot	West	Woodruff
Talle	Whitten	Zimmerman
Taylor	Whittington	
Thomas, N. J.	Wickersham	

NAYS—111

Barrett, Pa.	Granger	Morgan
Barry	Green	Morrison
Beckworth	Gregory	Murdock
Biemiller	Harless, Ariz.	Murphy
Bloom	Harris	Neely
Bonner	Havenner	O'Brien, Ill.
Bradley, Pa.	Hays	O'Toole
Buckley	Healy	Pace
Bulwinkle	Hedrick	Patman
Cannon, Mo.	Hoch	Patterson
Chapman	Holifield	Pfeifer
Clark	Hook	Poage
Coffee	Huber	Price, Ill.
Combs	Jackson	Priest
Cooley	Johnson, Luther A.	Quinn, N. Y.
Cravens	Johnson, Lyndon B.	Rabin
Crosser	Kee	Resa
Davis	Kefauver	Rogers, Fla.
Delaney, James J.	Kelley, Pa.	Rogers, N. Y.
Delaney, John J.	Kerr	Rooney
Douglas, Calif.	Kilday	Rowan
Douglas, Ill.	King	Ryter
Doyle	Klein	Sabath
Durham	Kopplemann	Sadowski
Eberharter	Link	Savage
Elliott	Ludlow	Sheridan
Ervin	Lyle	Somers, N. Y.
Flood	Lynch	Sparkman
Folger	McCormack	Spence
Forand	McGlinchey	Stewart
Gallagher	Madden	Stigler
Gardner	Mahon	Sullivan
Geelan	Mansfield, Mont.	Thom
Gore	Marcantonio	Thomason
Gorski	Mills	Trimble
Gossett	Monroney	Voorhis, Calif.
Granahan		Welch
		Woodhouse

ANSWERED "PRESENT"—1

Sumners, Tex.

NOT VOTING—91

Andrews, N. Y.	Hancock	Phillips
Arends	Hand	Ploeser
Auchincloss	Hart	Powell
Bailey	Hartley	Rains
Baldwin, Md.	Heffernan	Rayfiel
Bell	Hendricks	Reece, Tenn.
Boykin	Henry	Reed, N. Y.
Bunker	Hobbs	Rich
Burch	Izac	Richards
Byrne, N. Y.	Jarman	Robertson, Va.
Carnahan	Jenkins	Robinson, Utah
Celler	Jennings	Rodgers, Pa.
Clevenger	Johnson, Okla.	Roe, N. Y.
Cochran	Kearney	Russell
Cole, N. Y.	Keefe	Sheppard
Colmer	Keogh	Sikes
Courtney	Kirwan	Simpson, Pa.
Cox	Larcade	Smith, Va.
Curley	Lea	Smith, Wis.
Daughton, Va.	McGehee	Taber
Dawson	McMillen, Ill.	Tarver
De Lacy	Maloney	Thomas, Tex.
Eaton	Mankin	Tolan
Fernandez	Mansfield, Tex.	Torrens
Fisher	Miller, Calif.	Traynor
Fogarty	Murray, Wis.	Vinson
Gathings	Norton	Weaver
Gibson	O'Neal	White
Gifford	Outland	Worley
Gordon	Patrick	
Graham	Peterson, Fla.	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Taber for, with Mr. Rayfiel against.

Mr. McGehee for, with Mr. Celler against.

Mr. Henry for, with Mr. Curley against.

Mr. Rodgers of Pennsylvania for, with Mr. Outland against.

Mr. Ploeser for, with Mr. Quinn of New York against.

Mr. Jenkins for, with Mr. Keogh against.

Mr. Graham for, with Mr. Powell against.

Mr. McMillen of Illinois for, with Mr. Patrick against.

Mr. Keefe for, with Mr. Byrne of New York against.

Mr. Smith of Wisconsin for, with Mr. Heffernan against.

Mr. Murray of Wisconsin for, with Mrs. Norton against.

Mr. Hobbs for, with Mr. Bunker against.

Mr. Kearney for, with Mr. De Lacy against.

General pairs until further notice:

Mr. Mansfield of Texas with Mr. Hancock of New York.

Mr. Baldwin of Maryland with Mr. Reece of Tennessee.

Mr. Rains with Mr. Andrews of New York.

Mr. Cochran with Mr. Phillips.

Mr. Roe of New York with Mr. Clevenger.

Mr. Izac with Mr. Simpson of Pennsylvania.

Mr. Colmer with Mr. Auchincloss.

Mr. Bailey with Mr. Cole of New York.

Mr. Fernandez with Mr. Rich.

Mr. Thomas of Texas with Mr. Hartley.

Mr. Gathings with Mr. Arends.

Mr. Boykin with Mr. Gifford.

Mr. Hendricks with Mr. Eaton.

Mr. Miller of California with Mr. Jennings.

Mr. Robertson of Virginia with Mr. Reed of Illinois.

Mr. Torrens with Mr. Hand.

Messrs. BARRY, DURHAM, ROGERS of Florida and WELCH changed their votes from "yea" to "nay."

Mr. BROOKS changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CLERK AUTHORIZED TO RECEIVE MESSAGES FROM THE SENATE AND SPEAKER AUTHORIZED TO SIGN ENROLLED BILLS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House, the Clerk of the House be authorized to receive messages from the Senate and that the Speaker be authorized to sign enrolled bills duly passed by the two Houses and examined by the Committee on Enrolled Bills and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DECLARATION OF RECESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order for the Speaker to declare a recess during the remainder of the day subject to the call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEGISLATIVE PROGRAM FOR WEEK OF APRIL 30

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Speaker, will the gentleman from Massachusetts state what the program will be for the first week after the House reconvenes?

Mr. McCORMACK. We will reconvene on Tuesday, April 30. There will be no controversial legislation on either Tuesday of Wednesday of that week. There will be controversial legislation on Thursday when the State, Justice, and Commerce Departments appropriation bill comes up in connection with the adoption of a rule and the reading of the bill under the 5-minute rule.

The first controversial legislation, therefore, will come up on Thursday, May 2.

Mr. MICHENER. I think I understand it, but others do not seem to understand that there will be no other controversial matters that week.

Mr. McCORMACK. I do not know of any now—I doubt it—but I would rather not commit myself to that at this time. However, there will be none before Thursday, May 2.

Mr. SABATH. There will be nothing controversial on Tuesday or Wednesday?

Mr. McCORMACK. There is nothing that I know of now. There will be no controversial legislation. Of course, unanimous consent requests may be brought up. If the matters clear the leadership on both sides and the Speaker, I will leave that leeway open in case something like that happens. If a conference report is perfected by that time and it is controversial, it will not be brought up before Thursday.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Gatling, its enrolling clerk, announced that the Senate had passed without amendment a joint resolution and a concurrent resolution of the House of the following titles:

H. J. Res. 342. Joint resolution making additional appropriations for the fiscal year 1946 to pay increased compensation authorized by law to officers and employees and sundry Federal and other agencies; and

H. Con. Res. 145. Concurrent resolution providing for an adjournment of the House from April 18, 1946, to April 30, 1946.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 5504) entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States,' approved July 1, 1898, and acts amendatory thereof and supplementary thereto," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCARRAN, Mr. MURDOCK, and Mr. REVERCOMB to be the conferees on the part of the Senate.

TWO HUNDREDTH ANNIVERSARY OF THE FOUNDING OF PRINCETON UNIVERSITY

Mr. O'TOOLE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 331) to authorize suitable participation by the United States in the observance of the two hundredth anniversary of the founding of Princeton University.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the joint resolution, as follows:

Whereas there are to be held at Princeton, N. J., and at other places, during the academic year beginning September 22, 1946, and ending June 16, 1947, ceremonies, convocations, and conferences commemorating the two hundredth anniversary of the founding of Princeton University; and

Whereas such ceremonies, convocations, and conferences will be devoted to applying, in consultation with scholars throughout the world, our common skills, knowledge, and wisdom to the reconsideration of the fundamental obligations of higher learning to human society, with a view to contributing to the advancement of the comity of all nations and to the building of a free and peaceful world; and

Whereas Nassau Hall, for two centuries the traditional center of the university, is intimately associated with the earliest days of the Republic, having been alternately occupied by British and American troops and seriously damaged, and having then become temporarily the seat of the National Government in 1783 upon the removal of the Congress from Philadelphia to Princeton, and having been the site of the reception by Congress of the first properly accredited minister from abroad to the United States of America; and

Whereas gradutes of Princeton were signers of the Declaration of Independence; and

Whereas alumni of Princeton played a distinctive part in the drafting and adoption of the Constitution of the United States; James Madison having taken the lead in the calling of the Constitutional Convention and in shaping and procuring the ratification of the document, and more alumni of Princeton than of any other college having been members of the Convention; and

Whereas many Princeton men have served with distinction in the executive, judicial, and legislative branches of the Government of the United States; and

Whereas Princeton has given to the United States of America two great Presidents and to the world two great contributors to the cause of human freedom, namely James Madison and Woodrow Wilson; and

Whereas, since its founding, Princeton has dedicated itself to the ideals of freedom in thought and in spirit; and

Whereas, at the end of its second century and the beginning of its third, it has, through its president, trustees, and faculty rededicated itself to such ideals: Therefore be it

Resolved, etc., That the Government and the people of the United States unite with Princeton University in a fitting and appropriate observance of the two hundredth anniversary of its founding.

SEC. 2. There is hereby established a commission to be known as the United States Princeton University Bicentennial Commission (hereinafter referred to as the "Commission") to be composed of 15 Commissioners, as follows: The President of the United States and 4 persons to be appointed by him, the President of the Senate and 4 Members of the Senate to be appointed by the President of the Senate, and the Speaker of the House of Representatives and 4 Members of the House to be appointed by the Speaker. Any vacancies occurring in the membership of the Commission shall be filled in the same manner in which original appointments to such Commission are made.

SEC. 3. The Commission, on behalf of the United States, shall cooperate with the representatives of Princeton University, the State of New Jersey, and the Borough of Princeton, N. J., in the appropriate observance of such anniversary, and shall extend appropriate courtesies to the delegates of foreign universities and other foreign learned bodies, or individuals, attending the celebrations as guests of Princeton University. The Commission is authorized in performing its functions under this section to utilize the services and facilities of the various agencies and instrumentalities of the United States, with the consent of such agencies and instrumentalities.

SEC. 4. The members of the Commission shall serve without compensation. They shall select a Chairman and a secretary from among their number, but the President of the United States shall be designated as the Honorary Chairman of the Commission.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KEETOOWAH INDIANS

Mr. STIGLER. Mr. Speaker, at the request of the chairman of the Committee on Indian Affairs, I ask unanimous consent to take from the Speaker's table the bill (H. R. 341) relating to the status of Keetoowah Indians of the Cherokee Nation in Oklahoma, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is their objection to the request of the gentleman from Oklahoma? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. JACKSON, Mr. MURDOCK, Mr. STIGLER, Mr. MUNDT, and Mr. ROCKWELL.

PERMISSION TO ADDRESS THE HOUSE

Mr. ALLEN of Louisiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PERSONAL EXPLANATION

Mr. ALLEN of Louisiana. Mr. Speaker, on roll call No. 89, on account of official business, I was unavoidably absent from the chamber when my name was called. Had I been present, I would have voted "aye."

EXTENSION OF REMARKS

Mr. WORLEY asked and was given permission to extend his remarks in the RECORD.

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. VOORHIS of California, asked and was given permission to extend his remarks in the RECORD in two instances, and to include in one a statement.

GRAIN CONSERVATION

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include two tables.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, there are two newspaper items that I would like to draw to the attention of the Members. The first one is from the Chicago Journal of Commerce wherein is an announcement by UNRRA that so desperate is the need for foodstuffs that they will be willing to take other grains than wheat to fill part of those needs.

The second newspaper item is from the Washington Post and says that in the month of February 1946 there were 24,823,000 gallons of whisky and spirits made from grains, a 142-percent increase over February 1945.

The third fact I would like to give the House is that in the month of February the amount of hard liquor in storage increased by over 15,000,000 proof gallons; that is to say, there were 15,000,000 gallons more in storage at the end of February than at its beginning. I call attention again to House Joint Resolution 325. All I ask in that resolution is that we devote this grain to foodstuffs and to feed for livestock while we need it so desperately, instead of letting it go for liquor production.

Now bear in mind that America's promise has been that we would send 225,000,000 bushels of grain to the hungry peoples of the world in the first 6 months of 1946. It has been estimated that we may fall below that amount by 35,000,000 bushels. If we do, it will mean terrible hunger, if not starvation, for millions.

At the same time our poultrymen and dairymen cannot secure nearly the feed they need for their animals.

Contrast these facts with the figures in the two tables which follow. The first shows the consumption of different sorts of grain by distillers in the months September 1945 through February 1946. The total is 30,000,000 bushels. In February alone it was 7,000,000, which is more than double the September figure. Are we really cutting down on this thing as it is our clear duty to do? It appears not.

Grain used by distillers during the 6 months since close of the war

(In 56-pound bushels)

	Sept. 1945	Oct. 1945	Nov. 1945	Dec. 1945	Jan. 1946	Feb. 1946
Corn	8,259	616,669	1,667,493	2,862,727	3,444,276	3,327,812
Wheat	1,364,756	1,216,917	764,784	319,062	488,945	729,909
Granular wheat	256,486	275,641	229,088	137,181	301,419	387,469
Wheat bran		14,050	1,118	2,071	2,243	7,563
Clear flour	110,484	131,864	173,903	61,011		
Milo	332,364	375,363	140,740	558,456	784,479	789,017
Rye	663,894	1,045,475	661,794	548,555	353,921	552,756
Malt	313,703	527,598	526,204	629,349	742,468	890,139
Barley			4,020			63,551
Rice			630	4,638	3,379	2,021
Oats					12,674	276,150
Total	3,049,946	4,203,577	4,169,774	5,123,070	6,133,804	7,044,242

Total grain used by distillers 6 months, September 1945 through February 1946, 30,224,413 bushels.

And now I include official figures in pounds from the alcohol tax unit of the Treasury Department together with the acting commissioner's explanatory letter. This table is in pounds. To translate its figures into bushels divide by 56.

These figures speak for themselves.

I call again for passage of House Joint Resolution 325.

TREASURY DEPARTMENT,
Washington, April 15, 1946.

Hon. JERRY VOORHIS,
House of Representatives,
Washington, D. C.

MY DEAR MR. VOORHIS: This will acknowledge receipt of your letter of April 5, 1946, in which you request figures showing the amounts of grain consumed in the production of beer and liquor of all kinds in each month since September 1945.

There is enclosed a table showing, for each month from September 1945, through January 1946, the quantities of grain used at registered distilleries, industrial alcohol plants, and breweries.

The Bureau does not maintain records showing the quantities of grains used exclusively for the manufacture of beverage liquors. However, since breweries are engaged only in the production of beer, and similar fermented malt liquors, it can be assumed that all of the grain used at such plants was for the production of beverage liquors.

The production of spirits at registered distilleries during the period referred to was almost all for beverage purposes.

Industrial alcohol plants, as the name implies, are engaged primarily in the production of alcohol for industrial purposes. However, a small portion of the output of such plants goes for beverage purposes. It is impossible to accurately estimate the quantity of grain used exclusively for the manufacture of beverage alcohol in these plants.

Very truly yours,

WM. SHERWOOD,
Acting Commissioner.

Grain and grain products used at registered distilleries, industrial-alcohol plants, and breweries, September 1945 through January 1946

	Corn	Rye	Malt	Wheat	Sorghum grain	Other grain	Total
At registered distilleries:	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*
September 1945	113,384	55,007,971	19,078,045	65,876,589	9,099,643	40,618	149,216,250
October 1945	35,644,799	56,911,186	27,103,898	70,188,039	21,449,585	80,630	211,378,137
November 1945	73,985,012	37,673,313	26,750,587	58,487,183	6,101,611	112,269	203,109,975
December 1945	153,499,462	30,805,930	35,253,634	29,664,078	31,866,245	293,328	281,382,677
January 1946	164,798,987	19,756,360	36,802,113	37,117,429	35,628,545	599,652	294,703,086
Total	428,041,644	200,154,760	144,988,277	261,333,318	104,145,629	1,126,497	1,139,790,125
At industrial alcohol plants (used in production of ethyl alcohol):							
September 1945	2,827,119	93,356	16,634,038	114,337,841	21,202,496		155,094,850
October 1945	3,904,300	4,000	3,881,019	24,585,015	59,546	1,000,017	33,433,897
November 1945	28,485,086	23,664	4,909,020	883,799	1,195,265		35,496,834
December 1945	22,631,014	16,907	5,154,619	6,017,670	15,594,790		49,415,000
January 1946	28,083,977		5,408,731	14,294,385	7,438,560	1,531,417	56,757,070
Total	85,931,496	137,927	35,987,427	160,118,710	45,490,657	2,531,434	330,197,651
At breweries:							
September 1945	77,926,048		194,742,233	6,234,797	17,292,438	41,237,870	337,433,386
October 1945	81,869,590		202,657,595	6,462,598	18,828,469	43,476,237	353,294,489
November 1945	68,937,580		173,944,340	5,556,505	14,660,200	38,393,138	301,491,763
December 1945	68,430,425		188,490,154	4,849,104	13,097,991	38,252,013	313,119,687
January 1946	69,446,025		200,076,141	4,834,794	15,267,907	39,301,517	328,926,384
Total	366,609,668		959,910,463	27,937,798	79,147,005	200,660,775	1,634,265,709
Total for registered distilleries, industrial alcohol plants, and breweries:							
September 1945	80,866,551	55,101,327	230,454,316	186,449,227	47,594,577	41,278,488	641,744,486
October 1945	121,418,689	56,915,186	233,642,512	101,235,652	40,337,600	44,556,884	598,106,523
November 1945	171,407,678	37,696,977	205,603,947	64,927,487	21,957,076	38,505,407	540,098,572
December 1945	244,560,901	30,822,837	228,898,407	40,530,852	60,559,026	38,545,341	643,917,364
January 1946	262,328,989	19,756,360	242,286,985	56,246,608	58,335,012	41,432,586	680,386,540
Total	880,582,808	200,292,687	1,140,886,167	449,389,826	228,783,291	204,318,706	3,104,253,485

EXTENSION OF REMARKS

Mr. RANDOLPH asked and was given permission to extend his remarks in the RECORD in two instances and include certain radio comment.

Mr. THOM asked and was given permission to extend his remarks in the RECORD and include a statement from Richmond Bros., clothing manufacturers.

Mr. DOYLE asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. FULLER asked and was given permission to extend his remarks in the RECORD and include an editorial by Paul B. Williams, appearing in the Utica Daily Press, Utica, N. Y., in reference to the Army and Navy merger.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include the remarks he made today before the Committee on Rivers and Harbors on the Coos Bay project in Oregon.

Mr. ROBERTSON of North Dakota asked and was given permission to extend his remarks in the RECORD and include a statement he placed in the record of the Committee on Ways and Means on the question of pensions.

TRADE PRACTICE RULES FOR THE ARTIFICIAL LIMB INDUSTRY

Mr. KELLEY of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLEY of Pennsylvania. Mr. Speaker, under date of April 16 the Federal Trade Commission promulgated trade practice rules for the artificial limb industry. The Federal Trade Commission gives pointed credit to the subcommittee of the House Committee on Labor on aid to the physically handicapped for having assisted in this matter and having instituted this set of rules. We had hearings before our subcommittee concerning the practices of the limb manufacturing industry and asked the Federal Trade Commission to set up trade practices for the industry.

Also the subcommittee on Aid to the Physically Handicapped requested the Department of Justice to investigate the limb industry. The committee, after study and investigation, felt that the Department of Justice should look into the activities of certain members of the industry. As a result of the Department's inquiry into the situation, indictments were brought against certain manufacturers who were suspected of violating the Sherman Antitrust Act.

These two actions should go far toward correcting the practices in the industry which were detrimental to persons requiring artificial limbs.

RAILROAD EMPLOYEES

Mr. NEELY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. NEELY. Mr. Speaker, at the request of the spokesmen for the various railroad brotherhoods, I voice their abiding gratitude to the 218 Members of the House who have signed discharge petition No. 28. As a result of the action of the petitioners the House will at an early date enjoy the privilege and perform the duty of rendering its judgment on the bill H. R. 1362, to amend the Railroad Retirement Acts, the Railroad Employment Insurance Act, and chapter 9 of the Internal Revenue Code. The enactment of the proposed amendments is of vital importance to every railroad employee in the United States. It is my hope and belief that the Congress will soon make the bill that contains these amendments a part of the law of the land.

VOTING IS AT GRASS ROOTS OF DEMOCRACY—EASTER RECESS SIGNIFICANT

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Speaker, just before we recess on account of our belief in the propriety of doing so before Good Friday and on account of the inspiration of Easter, at least to the Christian world, may I compliment the leadership for driving through the work, so we can observe Easter in fact and spirit, with our loved ones and in our home churches and with our families and loved ones and friends. "Happy Easter" are powerful two words.

And citizenship in our great and beloved Nation begets responsibilities as well as high privileges and opportunities found in no other place in the world. New freedoms increasingly depend upon more and increasing participation by more people in elections. Let us deliberately encourage home folks—let us say to the citizens of our Nation that we want them to register as voters and then go to the polls and vote their own private beliefs. Yes, even if they vote against us who are now here. Urge them to register—even though they may do so in the other candidates' party. An intelligent, informed, participating citizenship is more important to a sound foundation for our form of government and to an enduring world peace than is any man or group of men in the House.

I shall spend time and much personal money to urge a larger participation in our elections by more citizens. I urge you do likewise. It will count for a stronger citizenship.

Only an informed democracy can endure. Ignorance and illiteracy is inconsistent with economic or social progress.

Voting by the citizenship is at the grass roots of democracy.

EXTENSION OF REMARKS

Mr. HAGEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement by Edward A. O'Neal, president of the American Farm Bureau.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that I may address the House for 5 minutes today after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts asked and was given permission to revise and extend her remarks and include an article by Dorothy Thompson that appeared in the Globe of the 17th.

Mrs. LUCE asked and was given permission to extend her remarks in the Appendix of the RECORD in two instances and to include certain editorials from a local newspaper.

Mr. SMITH of Wisconsin (at the request of Mr. BYRNES of Wisconsin) was given permission to extend his remarks in two instances, in one to include a newspaper editorial and in the other a newspaper article.

Mr. CURTIS asked and was given permission to revise and extend the remarks he made in the House today in connection with the so-called Dondero resolution.

Mr. GAMBLE asked and was given permission to revise and extend his remarks and that they might be printed immediately after the adoption of House Joint Resolution 331.

SPECIAL ORDER GRANTED

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that on April 30, after the disposition of business on the Speaker's desk and the conclusion of special orders hertofore entered, I may be permitted to address the House for 30 minutes, and also ask that the special order I have for today be vacated.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. O'HARA] be permitted to extend his own remarks and include an address delivered by Norris K. Carnes; that the gentleman from Michigan [Mr. CRAWFORD] may extend his remarks and include some excerpts; and that the gentleman from Ohio [Mr. RAMEY] may extend his remarks and include some correspondence.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SAVAGE asked and was given permission to extend his remarks in the RECORD and include a statement by Carl

J. Goff, and also an opinion from the board members, Felix H. Knight and E. E. Milliman.

ELMIRA AREA SOARING CORP.

Mr. COMBS submitted the following conference report and statement on the bill (S. 842) for the relief of the Elmira Area Soaring Corp.:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 842) for the relief of the Elmira Area Soaring Corporation having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same.

W. G. STIGLER,
ALBERT M. COLE,
Managers on the Part of the House.

JAMES D. EASTLAND,
WAYNE MORSE,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (S. 842) for the relief of the Elmira Area Soaring Corp., submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The bill as passed the Senate appropriated the sum of $39,397.21 to the Elmira Area Soaring Corp. for losses arising from a contract (No. W-535ac-28134-8147) made with the Army Air Forces for the training of glider pilot personnel.

The House increased the sum to $53,046.86, and at the conference, the Senate conferees agreed to the House amendment of $53,046.86.

W. G. STIGLER,
ALBERT M. COLE,
Managers on the Part of the House.

Mr. COMBS. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report on the bill (S. 842) for the relief of the Elmira Area Soaring Corp.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the conference report.

The conference report was agreed to.

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. LAFOLLETTE] is recognized for 40 minutes.

DEVELOPMENT OF CONTINENTAL SHELF'S OIL RESERVES BY FARMER COOPERATIVES

Mr. LAFOLLETTE. Mr. Speaker, when House Joint Resolution 225 passed the House, I opposed it. I opposed it on several grounds which need not be reiterated here. One of those grounds was my firm belief that the oil reserves under the Continental Shelf were the property of the Federal Government; that they should be open to development under the supervision and control of the Department of Interior of the Federal Government and that from the standpoint of citizens of every inland State in the Union, their undivided interest in this undeveloped wealth was immeasurably greater than any incidental interest they might have in the lands underlying navigable boundaries of their own States.

I am, therefore, delighted that my general thinking upon the subject and my initial premises have been sustained by a recent development in that field, which is calculated to obtain for the people of the United States not only their direct royalty interests in this oil wealth, but a share in the operation and development of it. I refer to the action of 15 farmer cooperatives, covering 33 States and having membership of 4,075,000, in filing applications and claims for oil and gas exploratory and lease rights upon certain areas of the Continental Shelf. This is a tremendous step forward by these co-ops to insure not only for the more than 4,000,000 people who are presently benefited by their operations, but for the millions of additional farmers who from time to time will unquestionably become members of farmer co-ops, a fair share in this national wealth. It is significant to point out also that on this question of the development of the oil under the Continental Shelf by cooperatives that all of the farm organizations of the country representing over 4,750,000 members, to wit: The American Farm Bureau Federation with a million members, National Grange with 750,000 members, the Farmer's Union with 423,000 members, the National Council of Farmer Cooperatives having 4,600 local cooperatives with a combined membership in excess of 2,600,000 members having joined hands in this undertaking and are unanimous in approving of it.

I now insert as exhibit 1, the list of the 33 States served by the applicant cooperatives; as exhibit 2 the list of the cooperatives which have filed applications; as exhibit 3 the recommendations adopted by the National Council of Farmer Cooperatives supporting the action taken; as exhibit 4 the action of the American Farm Bureau Federation; as exhibit 5 the action of the National Grange; and as exhibit 6 the action of the National Farmers Union.

EXHIBIT 1

STATES SERVED BY APPLICANT COOPERATIVES

Missouri, Virginia, West Virginia, Maryland, Delaware, Kentucky, Minnesota, Wiscousin, Iowa, Indiana, Georgia, Alabama, South Carolina, Tennessee, Pennsylvania, Louisiana, Mississippi, Nebraska, Ohio, Michigan, Colorado, Kansas, North Dakota, South Dakota, Oklahoma, Wyoming, Washington, Oregon, Idaho, California, Montana, Texas, New Mexico.

EXHIBIT 2

Farm Bureau Services, Inc	50,000
Cooperative Refinery Association	200,000
Central Cooperative Wholesale	60,000
Pacific Supply Cooperative	50,000
Farm Bureau Cooperative Association, Inc	100,000 300,000
Farmers Union State Exchange	52,000
The Cotton Producers Association	60,000
Indiana Farm Bureau Cooperative Association	2,500,000
Midland Cooperative Wholes	175,000
Southern States Cooperate	190,000
M. F. A. Oil Co	95,000
Cooperative Oil Association, Inc. of Boise Valley, Idaho	8,000
Farmers Union Central Exchange, Inc	160,000
Pennsylvania Farm Bureau Cooperative Association	50,000
Consumers' Cooperative Refinery Association	25,000
Total	4,075,000

EXHIBIT 3

NATIONAL COUNCIL OF FARMER COOPERATIVES RECOMMENDATIONS ADOPTED BY FARM SUPPLIES AND SURPLUS COMMITTEE, MARCH 29, 1946, WASHINGTON, D. C.

Subject: Natural resources of the subsoil and sea bed of the Continental Shelf beneath the high seas but contiguous to the coasts of the United States.

"After thorough discussion of the interests of American agriculture in future supplies of petroleum products, we recommend to the National Council executive committee that the Council sponsor and support Federal legislation that will insure to farmer cooperatives and to independent oil operators that they will be able to file upon and obtain a fair and equitable portion of that part of the Continental Shelf lying beyond recognized State sovereignty for exploration and production of oil, gas, and other minerals and further that the Council support claims which are being or may be filed, in the order of their filing, prior to the passage of any such legislation, toward the end that such claims will be recognized as prior claims and given recognition and effect upon the passage of any such legislation."

I hereby certify that the above is a true and correct statement of the recommendations as stated in the minutes of the Farm Supplies and Surplus Committee of March 28 and 29, 1946.

Secretary, Farm Supplies and Surplus Committee.

EXHIBIT 4

STATE OF ILLINOIS,
County of Cook, ss:

R. B. Corbett, being duly sworn on oath, states, that he resides at 1125 North Dearborn Street, Chicago, within the county of Cook, State of Illinois, that he is secretary-treasurer of the American Farm Bureau Federation, a corporation having its business office at 58 East Washington Street, Chicago, Ill., that the following resolution was adopted by the board of directors of the American Farm Bureau Federation on March 7, 1946, and that said resolution is now properly recorded in the corporate files of said organization:

"That the administrative officers with the advice of counsel take whatever steps seem wise and necessary to give the agricultural cooperatives and the small independent petroleum interests an equal option with the big petroleum corporations in claims for exploration and development of petroleum deposits in the Continental Shelf."

R. B. CORBETT,
Secretary-Treasurer, American Farm Bureau Federation.

Sworn to and subscribed before me, on this 11th day of April 1946.

QUA L. PETERSON,
Notary Public.

[SEAL]

My commission expires November 14, 1947.

EXHIBIT 5

COPY OF LETTER RECEIVED FROM A. S. GOSS, MASTER, THE NATIONAL GRANGE, WASHINGTON, D. C., DATED APRIL 16, 1946

Mr. WILLIAM HECKENDORN,
The National Cooperative Council,
Washington, D. C.

MY DEAR BILL: You have asked our position in regard to the ownership and control of oil-bearing tidewater lands and other oil-bearing lands of the Continental Shelf. Owing to the depletion of our oil resources it is our opinion that the Federal Government should establish the title to and control of all off-shore oil-bearing lands as far as drilling operations are practical. It is our belief that this title should remain in possession of the Federal Government rather than in any of the States, at least beyond the 3-mile limit, because the full burden of supporting, policing, and protecting these lands will fall upon the Federal Government, and because the welfare of the whole Nation is at stake and these assets should be preserved for all the people rather than a limited group who live in a State bordering upon these reserves.

The title should remain in the Federal Government with leases distributed equitably in such a manner that large oil companies may not gain monopolistic control. Drilling rights should be allocated on an equitable basis and should be of such a firm character that any individual or firm investing the necessary developing money should be assured of reaping the benefits from their investment.

Agriculture is rapidly becoming a motorized industry. Cooperatives organized for the purpose of supplying this industry with its oil requirements should have ample opportunity to file for drilling rights under the principles enumerated above.

Yours sincerely,

A. S. GOSS,
Master, The National Grange.

EXHIBIT 6

STATEMENT OF JAMES G. PATTON, PRESIDENT OF THE NATIONAL FARMERS UNION, IN SUPPORT OF THE APPLICATION OF CERTAIN FARMERS COOPERATIVES FOR OIL CONCESSIONS ON THE CONTINENTAL OIL SHELF

The National Farmers Union heartily endorses the proposal of certain farmer cooperatives to seek rights to oil extraction from the so-called continental oil shelf. It is my understanding that present-day processes will enable such exploitation to be conducted successfully, to the benefit of the farmer patrons of the cooperatives and to the public good. The Farmers Union consistently has opposed the exploitation of these oil resources by the big oil companies and has opposed the effort of some State interests to obtain congressional expression of the view that tideland oil rights are the property of the States.

In contrast to such attempts to use these reserves for corporate profit, the applications of the cooperatives seek to make the oil available to the masses of the people. The cooperatives genuinely belong to their members, as witness the fact that the Farmers Union Central Exchange, of St. Paul, is among the group. The public interest will be safeguarded in such concessions as are obtained, the facilities will be available for quick use in a national emergency, and the priority of the Federal interest is insured. Accordingly, I am glad to give the wholehearted endorsement of the National Farmers Union to the proposal.

JAMES G. PATTON.

Mr. Speaker, this is an impressive display of unanimity and strength on behalf of the peoples of America, acting cooperatively, to spread the base of ownership of the wealth of America and to give to the peoples and the farmers of America a sense of real ownership and participation in the wealth of their country.

I am particularly pleased to point out that the idea for the preparation of the filing of these claims with the Honorable Oscar C. Chapman, Under Secretary of the Interior, the presentation of the case to the divergent cooperative and farmer groups, the preparation of the claims, including excellent research and legal work involved was performed by a constituent of mine, Alfred A. Kiltz, attorney at law, now of Evansville, Ind., and who was born and reared in Posey County, both in the Eighth Congressional District of that State which I am honored to represent.

While it is true that eventually this Congress may have to pass legislation fixing the terms and conditions surrounding the development of these resources, nevertheless, I am convinced that the claims which have been filed with the Department of the Interior on April 16, 1946, constitute notice to the world and sufficient legal preempting of interest of these cooperatives in the right to develop these resources. No major oil company has yet filed any such claims.

There is American tradition in the record which I am disclosing here and romance also. Here we find the peoples of America acting through their cooperative strength and represented by counsel of unquestioned ability, but heretofore unsung in the great cities of America, asserting the rights of the people of America. It is convincing proof of the song which the late Wendell Willkie continually sang of the inherent strength and ability of the people and of his claim that in every county seat of America there are lawyers capable of competing efficiently, ethically, and successfully with the more famous figures of the bar whose names and reputations have been built up largely out of circumstances and publicity.

A study of the application further shows that these farmer cooperatives, these representatives of the people, acting through a lawyer who has come out of the people, are also conscious of their obligations as citizens and part of the Nation to the other citizens of the Nation; and a study of the application and claim, which I will hereinafter set out, distinctly shows that these farmer cooperatives are willing to bear their share of the cost of exploration; that they specifically provide for the national interests by offering to leave to the sense of fairness of their Government the degree of protection necessary to preserve the Navy's and therefore the Nation's interests in these oil reserves. It will be observed that in this application, the people and the farmers of America, acting through their cooperatives and their cooperatives' legal counsel, are willing to leave the question of royalties to be determined by accepted fair practices and standards generally prevailing in the petroleum industry. Furthermore, the history of the development of oil reserves by other farmer cooperatives distinctly shows that the farmer cooperatives have been the best friends the independent oil producers and drillers have ever had and there is no disposition on the part of these cooperatives to preempt all of the reserves involved or to exclude either the major companies or the independents from a chance to develop these resources on a fair competitive basis. What these farmers are trying to do, through their cooperatives, is to preserve for the people of America, and to spread out among the people of America, through cooperative action, a real sense of ownership and pride of ownership in the resources of their land.

In passing, I also want to pay credit to the exploratory work which previously has been done in the Department of the Interior under the insistence of Dr. F. W. Lee who, against great opposition, has established the preliminary proof which has disclosed to the people of America the great wealth which lies under the continental shelf and indeed under the tidelands, which are and should be the property of the United States of America and developed under conditions of trusteeship for the benefit of the peoples of America. In order that these things may be presented to the world through the instrumentality of the RECORD of the Congress of the United States, I am privileged now to insert as exhibit 7 the form of application and claim which was filed with the Department of the Interior and as exhibits 8 through 22 the specific operating provisions of each application as signed by each of the cooperatives involved.

EXHIBIT 7

APPLICATION AND CLAIM FOR OIL AND GAS EXPLORATORY AND LEASE RIGHTS UPON AN AREA OF THE CONTINENTAL SHELF

TO THE SECRETARY OF THE INTERIOR OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

Whereas by Executive Proclamation No. 2667, issued September 28, 1945, the President of the United States of America declared:

"The Government of the United States regards the natural resources of the subsoil and sea bed of the continental shelf beneath the high seas but contiguous to the coasts of the United States as appertaining to the United States, subject to its jurisdiction and control et seq.";

Whereas by Executive Order No. 9633, issued September 28, 1945, the President of the United States of America ordered:

"That the natural resources of the subsoil and sea bed of the continental shelf beneath the high seas but contiguous to the coasts of the United States declared this day by proclamation to appertain to the United States and to be subject to its jurisdiction and control, be and they are hereby reserved, set aside, and placed under the jurisdiction and control of the Secretary of the Interior for administrative purposes, pending the enactment of legislation in regard thereto et seq.";

Whereas the area to which this application and claim is addressed affects lands not within any known geological structure of a producing oil or gas field;

Whereas the fact exists that prospective reserves are useless unless exploration work has definitely proved the existence of structure and petroleum;

Whereas the doing of the necessary geophysical, seismic, and exploratory work has been estimated to entail an expenditure of many millions of dollars from public funds.

Whereas this applicant-claimant, upon the area described in this application, desires to proceed with competent and recognized methods of geophysical and seismic exploration toward the determination of the

existence of substructural conditions which may be favorable for the production of petroleum, without expense to the people and the Government of the United States; provided claimant is recognized and granted a lease for drilling and production purposes upon an equitable portion thereof;

Whereas the applicant desires to explore said area in order to obtain a fair and equitable portion of the same for purposes of its own by drilling for and production of crude oil; and agrees that all information obtained on the area so explored and not granted to claimant shall be turned to the Government of the United States for the general welfare;

Whereas applicant is willing to cooperate with military and naval authorities for the determination, development, and production of the described area for the mutual benefit of such proposed reserves, and of applicant's area to which it will subsequently confine itself for actual drilling and production;

Whereas it is the belief of applicant that many structures favorable for the production of petroleum may exist and be discovered within the hereinafter-described area; that proper production methods can be utilized to prevent drainage of any military or naval reserves which may be established in said area, without impairing the production of petroleum from that portion of the area which may be allotted and permitted to the applicant-claimant;

Whereas applicant has made research upon the possibilities of the existence of structures within the hereinafter-described area and has already done research as to mechanical methods of drilling for and producing petroleum under waters of the Continental Shelf;

Whereas the Oil and Gas Leasing Act approved February 25, 1920, with subsequent amendments thereto, recognized previously performed acts of claimants, under already existing laws, such as the making of drilling locations and the doing of exploratory work; and, said law further recognized that, as to lands not within any known geological structure of a producing oil or gas field, the party having performed prior acts of exploration and made claims was, upon passage of the act, entitled to priority for prospecting permits and leases.

Whereas the applicant is agreeable to leaving the question of the proper royalty to be paid to governmental determination in accordance with fair economic practices in the oil industry.

Whereas applicant is a nonprofit corporation and a cooperative serving and composed of many thousands of participating American farmers who desire to make development as aforesaid and secure for themselves a fair and equitable portion of the continental shelf for the production of crude oil, upon a basis which shall be deemed just and to be later fully defined by legislation and regulation.

Whereas applicant has arranged for and is willing to proceed with the above-described exploratory work without cost to the Government of the United States.

Now, therefore, in full recognition of the above and foregoing, with applicant being fully willing to cooperate with the Government of the United States, and the military and naval authorities thereof; applicant does now apply for and claim for itself, exclusively, for the purpose of exploring for oil and gas structures the following described area of the continental shelf, to wit:

Applicant further now applies for and claims, for the purpose of drilling for and producing oil and gas, that portion of the above-described area, in such extent as may be later designated by claimant and allowed by legislative enactment.

It is, therefore, requested that upon passage of proposed legislation determining exploratory and lease rights and upon the formulation of rules governing the same by your department, that you, in full conformity with the provisions of any such law and regulation, issue to applicant a formal grant under the claim herein made.

Respectfully applied for and claimed this — day of ———, 1946.

APPLICANT,
By ——— ———,
President.

Attest:

———— ————,
Secretary.

EXHIBIT 8

Now, therefore, in full recognition of the above and foregoing, with applicant being fully willing to cooperate with the Government of the United States, and the military and naval authorities thereof; consumers Cooperative Refinery Association, of Levelland, Tex., does now apply for and claim for itself, exclusively, for the purpose of exploring for oil and gas structures the following described area of the continental shelf, to wit: 100 square miles, more or less, described as follows: Beginning at a point 29°31'0" north latitude, 93°26'30" west longitude, thence eastward 10 minutes to a point 29°31'0" north latitude, 93°16'30" west longitude, thence southward 10 minutes to a point 29°21'0" north latitude, 93°16'30" west longitude, thence westward 10 minutes to a point 29°21'0" north latitude, 93°26'30" west longitude, thence northward to the point of beginning.

Consumers Cooperative Refinery Association further now applies for and claims, for the purpose of drilling for and producing oil and gas, that portion of the above-described area, in such extent as may be later designated by claimant and allowed by legislative enactment.

It is, therefore, requested that upon passage of proposed legislation determining exploratory and lease rights and upon the formulation of rules governing the same by your department, that you, in full conformity with the provisions of any such law and regulation, issue to Consumers Cooperative Refinery Association a formal grant under the claim herein made.

Respectfully applied for and claimed this twenty-first day of March 1946.

CONSUMERS COOPERATIVE
REFINERY ASSOCIATION,
By R. B. GIST, *Vice President.*

Attest:

MELVIN DUNN,
Assistant Secretary.

EXHIBIT 9

Now, therefore, in full recognition of the above and foregoing, with applicant being fully willing to cooperate with the Government of the United States, and the military and naval authorities thereof; M. F. A. Oil Co., of Columbia, Mo., does now apply for and claim for itself, exclusively, for the purpose of exploring for oil and gas structures the following described area of the continental shelf, to wit: 100 square miles, more or less, described as follows: Beginning at a point 29°21'0" north latitude, 93°23'30" west longitude, thence eastward 10 minutes to a point 29°21'0" north latitude, 93°13'30" west longitude, thence southward 10 minutes to a point 29°11'0" north latitude, 93°13'30" west longitude, thence westward 10 minutes to a point 29°11'0" north latitude, 93°23'30" west longitude, thence northward to the point of beginning.

M. F. A. Oil Co. further now applies for and claims, for the purpose of drilling for and producing oil and gas, that portion of the above described area, in such extent as may be later designated by claimant and allowed by legislative enactment.

It is, therefore, requested that upon passage of proposed legislation determining exploratory and lease rights and upon the formulation of rules governing the same by your Department, that you, in full conformity with the provisions of any such law and regulation, issue to M. F. A. Oil Co. a formal grant under the claim herein made.

Respectfully applied for and claimed, this 22d day of March, 1946.

M. F. A. OIL CO.,
By F. O. SEINKEL,
President.

Attest:

J. R. ROSIER,
Secretary.

EXHIBIT 10

Now, therefore, in full recognition of the above and foregoing, with applicant being fully willing to cooperate with the Government of the United States, and the military and naval authorities thereof; Cooperative Refinery Association of Kansas City, Mo., does now apply for and claim for itself, exclusively, for the purpose of exploring for oil and gas structures the following-described area of the Continental Shelf, to wit: 100 square miles, more or less, described as follows: Beginning at a point 29°24'0" north latitude, 94°07'0" west longitude, thence eastward 10 minutes to a point 29°24'0" north latitude, 93°57'0" west longitude, thence southward 10 minutes to a point 29°14'0" north latitude, 93°57'0" west longitude, thence westward 10 minutes to a point 29°14'0" north latitude, 94°07'0" west longitude, thence northward to the point of beginning.

Cooperative Refinery Association further now applies for and claims, for the purpose of drilling for and producing oil and gas, that portion of the above described area, in such extent as may be later designated by claimant and allowed by legislative enactment.

It is, therefore, requested that upon passage of proposed legislation determining exploratory and lease rights and upon the formulation of rules governing the same by your department, that you, in full conformity with the provisions of any such law and regulation, issue to Cooperative Refinery Association a formal grant under the claim herein made.

Respectfully applied for and claimed this 21st day of March, 1946.

COOPERATIVE REFINERY ASSOCIATION,
By HOWARD A. BOWDEN, *President.*

Attest:

G. S. FOX,
Assistant Secretary.

EXHIBIT 11

Now, therefore, in full recognition of the above and foregoing, with applicant being fully willing to cooperate with the Government of the United States, and the military and naval authorities thereof; Midland Cooperative Wholesale of Minneapolis, Minn., does now apply for and claim for itself, exclusively, for the purpose of exploring for oil and gas structures the following described area of the Continental Shelf, to wit: 100 square miles, more or less, described as follows: Beginning at a point 29°13'30" north latitude, 94°19'30" west longitude, thence eastward 10 minutes to a point 29°13'30" north latitude, 94°09'30" west longitude, thence southward 10 minutes to a point 29°3'30" north latitude, 94°09'30" west longitude, thence westward 10 minutes to a point 29°3'30" north latitude, 94°19'30" west longitude, thence northward to the point of beginning.

Midland Cooperative Wholesale further now applies for and claims, for the purpose of drilling for and producing oil and gas, that portion of the above-described area, in such extent as may be later designated by claimant and allowed by legislative enactment.

It is, therefore, requested that upon passage of proposed legislation determining ex-

ploratory and lease rights and upon the formulation of rules governing the same by your Department, that you, in full conformity with the provisions of any such law and regulation, issue to Midland Cooperative Wholesale, a formal grant under the claim herein made.

Respectfully applied and claimed this 21st day of March, 1946.

MIDLAND COOPERATIVE WHOLESALE,
By J. F. SHEA, *President.*
Attest:
FRANK LAIR, *Secretary.*

EXHIBIT 12

Now, therefore, in full recognition of the above and foregoing, with applicant being fully willing to cooperate with the Government of the United States, and the military and naval authorities thereof; Farmers Central Exchange, Inc., of St. Paul, Minn., does now apply for and claim for itself, exclusively, for the purpose of exploring for oil and gas structure the following described area of the Continental Shelf, to wit: 100 square miles, more or less, described as follows: Beginning at a point 29°34'30" north latitude, 93°46'30" west longitude, thence eastward 10 minutes to a point 29°34'30" north latitude, 93°36'30" west longitude, thence southward 10 minutes to a point 29°24'30" north latitude, 93°36'30" west longitude, thence westward 10 minutes to a point 29°24'30" north latitude, 93°46'30" west longitude, thence northward to the point of beginning.

Farmers Union Central Exchange, Inc., further now applies for and claims, for the purpose of drilling for and producing oil and gas, that portion of the above-described area, in such extent as may be later designated by claimant and allowed by legislative enactment.

It is, therefore, requested that upon passage of proposed legislation determining exploratory and lease rights and upon the formulation of rules governing the same by your Department, that you, in full conformity with the provisions of any such law and regulation, issue to Farmers Union Central Exchange, Inc., a formal grant under the claim herein made.

Respectfully applied and claimed this 25th day of March, 1946.

FARMERS UNION CENTRAL EXCHANGE, INC.,
By E. A. SYFTESTAD,
General Manager.
Attest:
MADGE I. HUGHES,
Assistant Secretary.

EXHIBIT 13

Now, therefore, in full recognition of the above and foregoing, with applicant being fully willing to cooperate with the Government of the United States, and the military and naval authorities thereof; Southern States Cooperative, Inc., of Richmond, Va., does now apply for and claim for itself, exclusively, for the purpose of exploring for oil and gas structures the following described area of the Continental Shelf, to wit: One hundred square miles, more or less, described as follows: Beginning at a point 29°23'0" north latitude, 93°43'30" west longitude, thence eastward 10 minutes to a point 29°23'0" north latitude, 93°33'30" west longitude, thence southward 10 minutes to a point 29°13'0" north latitude, 93°33'30" west longitude, thence westward 10 minutes to a point 29°13'0" north latitude, 93°43'30" west longitude, thence northward to the point of beginning.

Southern States Cooperative, Inc., further now applies for and claims, for the purpose of drilling for and producing oil and gas, that portion of the above-described area, in such extent as may be later designated by claimant and allowed by legislative enactment.

It is, therefore, requested that upon passage of proposed legislation determining exploratory and lease rights and upon the formulation of rules governing the same by your department, that you, in full conformity with the provisions of any such law and regulation, issue to Southern States Cooperative, Inc., a formal grant under the claim herein made.

Respectfully applied and claimed this 28th day of March, 1946.

SOUTHERN STATES COOPERATIVE, INC.,
By HARRY H. NUTTLE, *President.*
Attest:
GEO. W. JACKHOLTT, *Secretary.*

EXHIBIT 14

Now, therefore, in full recognition of the above and foregoing, with applicant being fully willing to cooperate with the Government of the United States, and the military and naval authorities thereof; the Farm Bureau Cooperative Association, Inc., of Columbus, Ohio, does now apply for and claim for itself, exclusively, for the purpose of exploring for oil and gas structures the following described area of the Continental Shelf, to wit: 100 square miles, more or less, described as follows: Beginning at a point 29°20'0" north latitude, 93°57'0" west longitude, thence eastward 10 minutes to a point 29°20'0" north latitude, 93°47'0" west longitude, then southward 10 minutes to a point 29°10'0" north latitude, 93°47'0" west longitude, thence westward 10 minutes to a point 29°10'0" north latitude, 93°57'0" west longitude, thence northward to the point of beginning.

The Farm Bureau Cooperative Association, Inc., of Ohio, further now applies for and claims, for the purpose of drilling for and producing oil and gas, that portion of the above-described area, in such extent as may be later designated by claimant and allowed by legislative enactment.

It is, therefore, requested that upon passage of proposed legislation determining exploratory and lease rights and upon the formulation of rules governing the same by your Department, that you, in full conformity with the provisions of any such law and regulation, issue to the Farm Bureau Cooperative Association, Inc., of Ohio, a formal grant under the claim herein made.

Respectfully applied for and claimed this 25th day of March, 1946.

THE FARM BUREAU COOPERATIVE ASSOCIATION, INC., OF OHIO,
By MURRAY D. LINCOLN,
Executive Vice President.
Attest:
H. H. WILSON,
Secretary.

EXHIBIT 15

Now, therefore, in full recognition of the above and foregoing, with applicant being fully willing to cooperate with the Government of the United States, and the military and naval authorities thereof; Pennsylvania Farm Bureau Cooperative Association, of Harrisburg, Pa., does now apply for and claim for itself, exclusively, for the purpose of exploring for oil and gas structures the following described area of the Continental Shelf, to wit: 100 square miles, more or less, described as follows: Beginning at a point 29°30'0" north latitude, 93°57'0" west longitude, thence eastward 10 minutes to a point 29°30'0" north latitude, 93°48'0" west longitude, thence southward 10 minutes to a point 29°20'0" north latitude, 93°47'0" west longitude, thence westward 10 minutes to a point 29°20'0" north latitude, 93°57'30" west longitude, thence northward to the point of beginning.

Pennsylvania Farm Bureau Cooperative Association further now applies for and claims, for the purpose of drilling for and producing oil and gas, that portion of the above-described area, in such extent as may be later designated by claimant and allowed by legislative enactment.

It is, therefore, requested that upon passage of proposed legislation determining exploratory and lease rights and upon the formulation of rules governing the same by your Department, that you, in full conformity with the provisions of any such law and regulation, issue to Pennsylvania Farm Bureau Cooperative Association, a formal grant under the claim herein made.

Respectfully applied for and claimed this 21st day of March, 1946.

PENNSYLVANIA FARM BUREAU COOPERATIVE ASSOCIATION,
By R. N. BENJAMIN,
Executive Secretary.
And By H. A. HANNEMANN,
Assistant Treasurer.
Attest:
M. P. KILMOYER,
Assistant Secretary.

EXHIBIT 16

Now, therefore, in full recognition of the above and foregoing, with applicant being fully willing to cooperate with the Government of the United States, and the military and naval authorities thereof, Cooperative Oil Association, Inc., of Caldwell, Idaho, does now apply for and claim for itself exclusively for the purpose of exploring for oil and gas structures the following described area of the Continental Shelf, to wit: 100 square miles, more or less, described as follows: Beginning at a point 29°41'30" north latitude, 93°16'30" west longitude, thence eastward 10 minutes to a point 29°41'30" north latitude, 93°06'30" west longitude, thence southward 10 minutes to a point 29°31'30" north latitude, 93°06'30" west longitude, thence westward 10 minutes to a point 29°31'30" north latitude, 93°16'30" west longitude, thence northward to the point of beginning.

Cooperative Oil Association, Inc., further now applies for and claims for the purpose of drilling for and producing oil and gas, that portion of the above-described area in such extent as may be later designated by claimant and allowed by legislative enactment.

It is, therefore, requested that upon passage of proposed legislation determining exploratory and lease rights and upon the formulation of rules governing the same by your Department, that you, in full conformity with the provisions of any such law and regulation, issue to the Cooperative Oil Association, Inc., a formal grant under the claim herein made.

Respectfully applied for and claimed this 10th day of April, 1946.

COOPERATIVE OIL ASSOCIATION, INC.
By C. W. MONLUN, *President.*
Attest:
C. A. OLIASON,
Secretary.

EXHIBIT 17

Now, therefore, in full recognition of the above and foregoing, with applicant being fully willing to cooperate with the Government of the United States, and the military and naval authorities thereof; Indiana Farm Bureau Cooperative Association, Inc., of Indianapolis, Ind., does now apply for and claim for itself, exclusively, for the purpose of exploring for oil and gas structures the following described area of the Continental Shelf, to wit: 100 square miles, more or less, described as follows: Beginning at a point 29°34'30" north latitude, 93°36'30" west longitude, thence eastward 10 minutes to a point 20°34'30" north latitude, 93°26'30" west longitude, thence southward 10 minutes to a point 29°24'30" north latitude, 93°26'30" west longitude, thence westward 10 minutes to a point 29°24'30" north latitude, 93°36'30" west longitude, thence northward to the point of beginning.

Indiana Farm Bureau Cooperative Association, Inc., further now applies for and claims,

for the purpose of drilling for and producing oil and gas, that portion of the above-described area, in such extent as may be later designated by claimant and allowed by legislative enactment.

It is, therefore, requested that upon passage of proposed legislation determining exploratory and lease rights and upon the formulation of rules governing the same by your Department, that you, in full conformity with the provisions of any such law and regulation, issue to Indiana Farm Bureau Cooperative Association, Inc., a formal grant under the claim herein made.

Respectfully applied for and claimed this 21st day of March, 1946.

INDIANA FARM BUREAU
COOPERATIVE ASSOCIATION, INC.,
By FRANK C. BEALL, *President.*

Attest:

BARRETT JEANES, *Secretary.*

EXHIBIT 18

Now, therefore, in full recognition of the above and foregoing, with applicant being fully willing to cooperate with the Government of the United States, and the military and naval authorities thereof; Pacific Supply Cooperative, of Walla Walla, Wash., does now apply for and claim for itself, exclusively, for the purpose of exploring for oil and gas structures the following described area of the Continental Shelf, to wit: 100 square miles, more or less, described as follows: Beginning at a point 29°3'30" north latitude, 94°28'30" west longitude, thence eastward 10 minutes to a point 29°3'30" north latitude, 94°18'30" west longitude, thence southward 10 minutes to a point 28°53'30" north latitude, 94°18'30" west longitude, thence westward 10 minutes to a point 28°53'30" north latitude, 94°28'30" west longitude, thence northward to the point of beginning.

Pacific Supply Cooperative further now applies for and claims, for the purpose of drilling for and producing oil and gas, that portion of the above described area, in such extent as may be later designated by claimant and allowed by legislative enactment.

It is, therefore, requested that upon passage of proposed legislation determining exploratory and lease rights and upon the formulation of rules governing the same by your Department, that you, in full conformity with the provisions of any such law and regulation, issue to Pacific Supply Cooperative, a formal grant under the claim herein made.

Respectfully applied and claimed this 24th day of March, 1946.

PACIFIC SUPPLY COOPERATIVE,
By M. E. DAMON, *President.*

Attest:

R. F. DICKINSON,
Assistant Secretary.

EXHIBIT 19

Now, therefore, in full recognition of the above and foregoing, with applicant being fully willing to cooperate with the Government of the United States, and the military and naval authorities thereof, the Cotton Producers Association, of Atlanta, Ga., does now apply for and claim for itself, exclusively, for the purpose of exploring for il and gas structures the following described area of the Continental Shelf, to wit: 100 square miles, more or less, described as follows: Beginning at a point 29°14'0" north latitude, 94°09'30" west longitude, thence eastward 10 minutes to a point 29°14'0" north latitude, 93°59'30" west longitude, thence southward 10 minutes to a point 29°04'0" north latitude, 93°59'30" west longitude, thence westward 10 minutes to a point 29°04'0" north latitude, 94°09'30" west longitude, thence northward to the point of beginning.

The Cotton Producers Association further now applies for and claims, for the purpose of drilling for and producing oil and gas, that portion of the above-described area, in such extent as may be later designated by claimant and allowed by legislative enactment.

It is, therefore, requested that upon passage of proposed legislation determining exploratory and lease rights and upon the formulation of rules governing the same by your Department, that you, in full conformity with the provisions of any such law and regulation, issue to the Cotton Producers Association a formal grant under the claim herein made.

Respectfully applied for and claimed this 11th day of April, 1946.

THE COTTON PRODUCERS ASSOCIATION,
By C. B. FUNDERBURK, *Treasurer.*

Attest:

D. W. BROOKS.

EXHIBIT 20

Now, therefore, in full recognition of the above and foregoing, with applicant being fully willing to cooperate with the Government of the United States, and the military and naval authorities thereof, the Farmers Union State Exchange of Omaha, Nebr., does now apply for and claim for itself, exclusively, for the purpose of exploring for oil and gas structures, the following described area of the Continental Shelf, to wit: 100 square miles, more or less, described as follows: Beginning at a point 29°21'0" north latitude, 93°33'30" west longitude, thence eastward 10 minutes to a point 29°21'0" north latitude, 93°23'30" west longitude, thence southward 10 minutes to a point 29°11'0" north latitude, 93°23'30" west longitude, thence westward 10 minutes to a point 29°11'0" north latitude, 93°33'30" west longitude, thence northward to the point of beginning.

The Farmers Union State Exchange further now applies for and claims, for the purpose of drilling for and producing oil and gas, that portion of the above-described area, in such extent as may be later designated by claimant and allowed by legislative enactment.

It is, therefore, requested that upon passage of proposed legislation determining exploratory and lease rights and upon the formulation of rules governing the same by your Department, that you, in full conformity with the provisions of any such law and regulation, issue to the Farmers Union State Exchange a formal grant under the claim herein made.

Respectfully applied for and claimed this 25th day of March, 1946.

THE FARMERS UNION STATE EXCHANGE,
By LENTHAENSER, *President.*

Attest:

C. MCCAULEY, *Treasurer.*

EXHIBIT 21

Now, therefore, in full recognition of the above and foregoing, with applicant being fully willing to cooperate with the Government of the United States and the military and naval authorities thereof, Central Cooperative Wholesale, of Superior, Wis., does now apply for and claim for itself, exclusively, for the purpose of exploring for oil and gas structures the following described area of the Continental Shelf, to wit: 100 square miles, more or less, described as follows: Beginning at a point 29°31'00" north latitude, 93°16'30" west longitude, thence eastward 10 minutes to a point 29°31'00" north latitude, 93°06'30" west longitude, thence southward 10 minutes to a point 29°21'00" north latitude, 93°06'30" west longitude, thence westward 10 minutes to a point 29°21'00" north latitude, 93°16'30" west longitude, thence northward to the point of beginning.

Central Cooperative Wholesale further now applies for and claims, for the purpose of drilling for and producing oil and gas, that portion of the above-described area, in such extent as may be later designated by claimant and allowed by legislative enactment.

It is, therefore, requested that upon passage of proposed legislation determining exploratory and lease rights and upon the formulation of rules governing the same by your Department, that you, in full conformity with the provisions of any such law and regulation, issue to Central Cooperative Wholesale, of Superior, Wis., a formal grant under the claim herein made.

Respectfully applied for and claimed this 11th day of April, 1946.

CENTRAL COOPERATIVE WHOLESALE,
By WM. LIIMATAINEN, *President.*

Attest:

PAUL VIDMAR, *Secretary.*

EXHIBIT 22

Now, therefore, in full recognition of the above and foregoing, with applicant being fully willing to cooperate with the Government of the United States, and the military and naval authorities thereof; Farm Bureau Services, Inc., of Lansing, Mich., does now apply for and claim for itself, exclusively, for the purpose of exploring for oil and gas structures the following described area of the Continental Shelf, to wit: 100 square miles, more or less, described as follows: Beginning at a point 29°23'30" north latitude, 94°17'00" west longitude, thence eastward 10 minutes to a point 29°23'30" north latitude, 94°07'00" west longitude, thence southward 10 minutes to a point 29°13'30" north latitude, 94°07'00" west longitude, thence westward 10 minutes to a point 29°13'30" north latitude, 94°17'00" west longitude, thence northward to the point of beginning.

Farm Bureau Services, Inc., further now applies for and claims, for the purpose of drilling for and producing oil and gas, that portion of the above-described area, in such extent as may be later designated by claimant and allowed by legislative enactment.

It is, therefore, requested that upon passage of proposed legislation determining exploratory and lease rights upon the formulation of rules governing the same by your Department, that you, in full conformity with the provisions of any such law and regulation, issue to Farm Bureau Services, Inc., a formal grant under the claim herein made.

Respectfully applied for and claimed this 8th day of April, 1946.

FARM BUREAU SERVICE, INC.,
By R. D. WARD, *President.*

Attest:

C. L. BRODY, *Secretary.*

Mr. Speaker, I also state for the record that I have in my possession duly executed original duplicates of the applications in full of each of the foregoing cooperatives as set out in the above exhibits. Also as evidence of their interest and their strength, I now insert in the RECORD the telegrams which were received by Mr. Kiltz from the cooperatives involved, giving the States they serve and the farmer members served by them, as exhibit 23.

EXHIBIT 23

LANSING, MICH.

ALFRED A. KILTZ,
Shoreham Hotel:

Retel our service restricted to Michigan. Serve approximately 50,000 farm families.

FARM BUREAU SERVICES, INC.,
B. A. RAINEY.

KANSAS CITY, MO.

ALFRED A. KILTZ,
Shoreham Hotel:

Retel Colorado, Kansas, Iowa, Missouri, Nebraska, North Dakota, South Dakota, Oklahoma, Wyoming. Approximately 200,000 farmers served.

COOPERATIVE REFINERY ASSOCIATION,
W. M. RAINES.

SUPERIOR, WIS.

ALFRED A. KILTZ,
Shoreham Hotel:
Central Cooperative Wholesale serves over 200 local cooperatives in northern Minnesota, northern Wisconsin and upper Michigan. They have some 75,000 members plus many nonmember patrons and of all these 80 percent are estimated to be farmers.

A. J. HAYES.

WALLA WALLA, WASH.

ALFRED A. KILTZ,
Care Shoreham Hotel:
Retel 50,000 farmers but increasing, serve Washington, Oregon, and Idaho. Mailing you pamphlet.

PACIFIC SUPPLY COOPERATIVE,
R. F. DICKINSON.

COLUMBUS, OHIO.

ALFRED A. KILTZ,
Shoreham Hotel:
Serve approximately 100,000 Ohio farmers on all commodities. Approximately 300,000 Ohio farms served on petroleum.

WAYNE SHIDAKER FARM BUREAU COOPERATIVE ASSOCIATION, INC.

OMAHA, NEBR.

ALFRED A. KILTZ,
Shoreham Hotel:
States served Nebraska. Approximate number farm patrons 52,000.

FARMERS UNION STATE EXCHANGE.

ATLANTA, GA.

ALFRED A. KILTZ:
We serve Georgia, Florida, Alabama, and South Carolina. Approximately 60,000 farmers.

THE COTTON PRODUCERS ASSOCIATION,
C. B. FUNDERBURK.

INDIANAPOLIS, IND.

ALFRED KILTZ:
Indiana co-op serves 140,000 families total of 15 wholesales services 2,500,000 families in 25 States.

I. H. HULL,
Indiana Farm Bureau Co-op Association.

MINNEAPOLIS, MINN.

ALFRED A. KILTZ:
Approximately 175,000 farmers customers Minnesota, Wisconsin, and northern Iowa.

MIDLAND COOPERATIVE WHOLESALE.

RICHMOND, VA.

ALFRED A. KILTZ:
We operate in Virginia, West Virginia, Maryland, Delaware, and Kentucky. Organization services approximately 190,000 farmer members throughout the 5 States.

L. A. TAYLOR,
Southern States Cooperative.

COLUMBIA, MO.

ALFRED A. KILTZ:
Retel we serve approximately 95,000 farmer patrons in Missouri.

MFA OIL CO.

CALDWELL, IDAHO.

ALFRED A. KILTZ:
We serve approximately 8,000 members.

GEORGE G. BARRETT,
Cooperative Oil Association, Inc., of Boise Valley, Idaho.

ST. PAUL, MINN.

ALFRED A. KILTZ:
We serve approximately 160,000 farm families with farm supplies in States of Wisconsin, Minnesota, North and South Dakota, Montana, and northern Wyoming.

E. A. SYFTESTAD,
Farmers Union Central Exchange, Inc.

HARRISBURG, PA.

ALFRED A. KILTZ:
We serve approximately 50,000 farmer customers in Pennsylvania only.

WILLIAM FETTER,
Manager, Petroleum Division, Pennsylvania Farm Bureau Cooperative Association.

LEVELLAND, TEX.

ALFRED A. KILTZ,
Shoreham Hotel:
Estimated number of farmer customers for particular products and Consumers' Cooperative Association and subsidiaries Consumers' Cooperative Refinery Association 25,000 in Texas, Louisiana, New Mexico, and Mississippi.

J. O. DENTON, JR.,
Consumers' Cooperative Refinery Association.

Mr. Speaker, finally, I call upon the Governors and attorney generals of all of the States of the Union, and specifically the Governor of the State of Indiana, the Honorable Ralph Gates, and its attorney general, the Honorable James Emmert, to reconsider the actions of their States in joining with the State of California in contesting the right and title of the Federal Government to the great wealth which is involved in the oil under the Continental Shelf and the tidelands of the United States and any other acts which they might have heretofore done in attempting to support House Joint Resolution 225 in the other body of this Congress, and thereby deprive the farmers of the State of Indiana and of the 32 other States involved in the list contained in exhibit 1, and the peoples of those States of their share in that wealth and of their right to join together cooperatively in its development. I am convinced that the litigation pending before the Supreme Court and any action taken, either directly, or openly, or indirectly or covertly, in support of the passage of House Joint Resolution 225, is against the interests of the people of their respective States and particularly against the interests of the people of my State of Indiana.

Therefore, our Governor and attorney general should reconsider their action and abandon their efforts to adversely affect the indirect royalty interests in this wealth of all of the citizens of their States, and also the direct right of these farmer cooperatives, whose action is approved by the 4 great farm groups of America, speaking for over 4,750,000 farmers in America to cooperatively participate in the development of this wealth.

Finally, I add as further evidence of this great cooperative effort exhibit 24, a copy of the letter of transmittal directed by Mr. Alfred A. Kiltz, attorney for the cooperatives involved, to the attention of the Honorable Oscar C. Chapman, Under Secretary of the Department of the Interior of the Government of the United States.

EXHIBIT 24

APRIL 17, 1946.

SECRETARY OF THE INTERIOR,
Government of the United States,
Washington, D. C.
(Attention Mr. Oscar C. Chapman, Under Secretary.)

GENTLEMEN: At about 5:30 p. m., April 16, 1946, for and upon behalf respectively of M. F. A. Oil Co., of Columbia, Mo., which company serves approximately 95,000 farmer patrons in Missouri;

Pennsylvania Farm Bureau Cooperative Association, Harrisburg, Pa., which serves approximately 50,000 farmer patrons in Pennsylvania;

Cooperative Refinery Association, Kansas City, Mo., which serves approximately 200,000 farmer patrons in Colorado, Kansas, Iowa, Missouri, Nebraska, South Dakota, North Dakota, Oklahoma, and Wyoming;

Southern States Cooperative, Richmond, Va., which serves approximately 190,000 farmer patrons in Virginia, West Virginia, Maryland, Delaware, and Kentucky;

Farmers Union Central Exchange, Inc., St. Paul, Minn., which serves approximately 160,000 farmer patrons in Wisconsin, Minnesota, North and South Dakota, Montana, and northern Wyoming;

Farmer's Union State Exchange, Omaha, Nebr., which serves approximately 52,000 farmer patrons in Nebraska;

Farm Bureau Cooperative Association, Inc., Columbus, Ohio, which serves approximately 300,000 farmer patrons in Ohio;

Pacific Supply Cooperative, Walla Walla, Wash., which serves approximately 50,000 farmer cooperatives in the States of Washington, Oregon, and Idaho;

Midland Cooperative Wholesale, Minneapolis, Minn., which serves approximately 175,000 farmer patrons in Minnesota, Wisconsin, and northern Iowa;

Indiana Farm Bureau Cooperative Association, Inc., which serves approximately 140,000 farmer patrons in Indiana and through 15 wholesale services serves 2,500,000 farmer families in 25 States;

Consumers Cooperative Refinery Association, Levelland, Tex., which serves approximately 25,000 farmer patrons in Texas, New Mexico, Louisiana, and Mississippi;

Farm Bureau Service, Inc., Lansing, Mich., which serves approximately 50,000 farmer patrons in the State of Michigan;

Central Cooperative Wholesale, Superior, Wis., which serves over 200 local cooperatives having a farmer patronage of over 75,000 in northern Minnesota, northern Wisconsin, and upper Michigan;

The Cotton Producers Association, Atlanta, Ga., serving approximately 60,000 farmer patrons in Georgia, Florida, Alabama, and South Carolina ;

Cooperative Oil Association, Inc., Boise Valley, Caldwell, Idaho, which serves approximately 8,000 farmer patrons.

I filed in your office 15 claims, one for each of the above cooperatives, covering certain areas of the Continental Shelf as more particularly described in said claims, whereby each of the foregoing cooperatives requests the Department of the Interior, upon passage of legislation regulating the same and the adoption of rules and regulations by the Department, to issue permits to each of the said cooperatives for the doing of exploratory work for oil and gas upon the Continental Shelf and the subsequent granting of oil-lease rights thereon.

It is respectfully requested that you place the proper file stamps upon each of the said claims and acknowledge receipt of the same direct to me at 417 Third and Main Building, Evansville, Ind.

I wish to further call your attention to the fact that the farm supplies and surplus committee of the National Council of Farmer Cooperatives adopted a recommendation supporting the above claims, a copy of which I enclose herewith. The National Council of Farmer Cooperatives represents 4,600 local cooperatives with a combined membership in excess of 2,600,000 farmers.

I would also advise that the American Farm Bureau Federation in a meeting of its board of directors in Chicago March 7, 1946, adopted a resolution supporting the above-mentioned claims. I am enclosing a copy of

said resolution. The American Farm Bureau Federation has a membership in excess of 1,000,000 farmers.

I would further call your attention to the fact that the National Grange master, Mr. A. S. Goss, has issued a statement of the policy of the National Grange supporting the above claims. A copy of the statement is enclosed. I wish to further advise that the National Grange has a membership in excess of 750,000 farmers.

I would further advise that the National Farmer's Union has issued a proclamation supporting the above claims through its president, Mr. James G. Patton, a copy of which proclamation I enclose herewith, and advise that the National Farmers Union has a membership in excess of 423,000 farmers.

As I understand it, and as you advised me yesterday, these were the first claims to be filed on any portion of the Continental Shelf.

For and on behalf of myself and each of the foregoing cooperatives I wish to thank you for the excellent reception which you gave me yesterday, and I wish to assure you and the Department of the Interior that the farm organizations referred to stand ready at any time to support the Department in its attempt to pass fair and equitable legislation governing and controlling the development of the Continental Shelf.

Respectfully yours,

ALFRED A. KILTZ,
Attorney for Cooperatives Above Listed.

Copies to: M. F. A. Oil Co., Pennsylvania Farm Bureau Cooperative Association, Cooperative Refinery Association, Southern States Cooperative, Inc., Farmers Union Central Exchange, Inc., Farmers Union State Exchange, Farm Bureau Cooperative Association, Inc., of Ohio, Pacific Supply Cooperative, Midland Cooperative Wholesale, Indiana Farm Bureau Cooperative Association, Inc., Consumers Cooperative Refinery Association, Farm Bureau Services, Inc., Central Cooperative Wholesale, Cotton Producers Association, Cooperative Oil Association, Inc., of Boise Valley, National Farmers Union, American Farm Bureau Federation, National Grange, National Council of Farmer Cooperatives.

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 30 minutes.

VIEWS AND VOTES ON IMPORTANT ISSUES

Mr. HOLIFIELD. Mr. Speaker, for 4 years I have had the honor of serving the people of the Nineteenth Congressional District of California as their United States Representative. These 4 years have been war years and the many added burdens caused by the war have borne heavily on the Members of Congress as they have on our constituents in every walk of life.

In order to serve the people of my district quickly and efficiently, I have maintained a competently staffed local office in the approximate center of the congressional district, at additional personal expense.

This local office has answered thousands of requests by phone and letter and has brought congressional services as near as your local phone and neighborhood. My Washington office has likewise served the people of the district promptly and efficiently on the thousands of requests necessarily processed on the Washington level.

I am proud to report that I have had very few complaints on the promptness and efficiency of congressional services. This is indeed gratifying, as both my office staff and I have tried sincerely to serve our constituents to the best of our ability.

Every 2 years a Member of Congress comes before his constituents for reelection. This is well. The job of being a Congressman involves important and grave responsibilities to the people. Whether democracy will live or die depends upon the peoples' representatives. Your responsibility is to elect or reject your Representative every 2 years.

It is, therefore, not enough to render competent and efficient service on routine requests; a Member of Congress must stand up and be counted on every type of legislation you can think about.

My record of attendance is second to none, and I have never dodged a vote or evaded an issue. In every public appearance in our district I have invited questions on my voting record and my position on vital public problems.

I believe it my duty to inform my constituents as to my position and vote on the important issues of the day. I have, therefore, caused to be printed at my personal expense, some excerpts of speeches and statements on several important subjects I believe the people of my district should read.

The list, of course, cannot be complete due to lack of space, but I will be glad to answer any question or letter, on any subject which is not covered and is of particular interest to a constituent.

ATOMIC ENERGY: OUR MOST IMPORTANT PROBLEM

(April 18, 1946)

Since the first atomic bomb was dropped on Hiroshima, there has been much confusion and discussion over the proper way of handling the destructive force of atomic energy.

My committee has jurisdiction over atomic energy legislation. The preservation of civilization depends on the solution of this problem. As early as 60 days after VJ-day, I was advocating civilian control of atomic energy in the domestic field, and in the international field, agreements by the Security Council of the United Nations to prevent the devastation of atomic warfare in the future. The stand I took at that time is based on the findings of the Senate and House committees and upon the testimony of leading authorities on the subject of the atomic bomb. They established that secrecy is impossible and dangerous. There is no defense against surprise atomic attacks. Civilization cannot exist under the impact of atomic warfare. These conclusions are now concurred in by the majority of our people and the President has since advocated that in the international field atomic energy should be handled by the Security Council of the United Nations to prevent atomic warfare in the future, and in the domestic field it should be controlled by a civilian commission that will develop it for peaceful use and give to the armed forces all information they may need for our defense.

Atomic energy can be the greatest force for good the world has ever known. It can lift the burden of labor from the shoulders of mankind. Its possibilities for industry and medical use are phenomenal. The field is as yet unexplored. Scientific research and development in the field of nuclear fission should continue under Federal supervision with liberal allocations of Federal funds. The traditional freedom of the scientist in the exercise of his profession must be guaranteed.

ARMED FORCES PAY-RAISE BILL AND CONSCRIPTION DURING PEACETIME

(April 15, 1946)

Mr. HOLIFIELD. Mr. Speaker, I rise in support of the armed forces pay-raise bill, H. R. 6084. This is the first general pay-raise bill passed since 1908. I am a member of the subcommittee of the House Military Affairs Committee, which has considered long and carefully this bill.

In my opinion, this is a firm, forward-looking step toward obtaining the type of men necessary for future security. The increased pay offered will attract a higher type of personnel, men who are better educated and with capabilities for training in the technological skills which will be necessary for offense and defense in any possible future war.

A higher-pay inducement will not only attract a better type of personnel, but a much greater number of volunteer enlistments.

General Eisenhower and other great military leaders have testified time and again before our committee on the desirability of volunteers instead of conscriptees.

A volunteer peacetime army is the American way. It follows the American tradition of 165 years. A conscripted peacetime army is the alien way. Every nation that has resorted to peacetime conscription has deteriorated into tyranny or incompetence. Their armies have been defeated by nations who held to the volunteer method in peacetime and only turned to conscription in wartime as a last resort.

I voted against the extension of the Selective Service Act previously today for this reason as well as others. In my opinion, based on current figures of voluntary enlistment which will be greatly accelerated by this pay-raise bill, extension of the draft will no longer be necessary.

If we pay our armed forces personnel sufficient to make them proud of being a soldier, aviator, or sailor, we will have a real defense. If we then proceed to eliminate the social caste system, the enforcement of servility rather than the meriting of deserved respect toward superior rank, we will see a great change in the attitude of American citizens toward the military.

The standards and practices of the past are obsolete. The atomic age has already begun. Let us readjust our thinking. The framework of old ideas will not provide an answer to the problems of the new atomic age.

VETERANS' HOUSING

(December 18, 1945)

Mr. HOLIFIELD. Mr. Speaker, I rise in support of Senate Joint Resolution 122, an act to provide an appropriation of $160,000,000 for the purpose of providing housing for veterans.

The deplorable conditions of these returned veterans and their families is a shame and disgrace. In my own district in the Los Angeles area, some 60,000 housing units are needed. These veterans are not only former residents of California, but come from practically all the States of the Union.

While this appropriation is far from adequate, it is an important move in the right direction. Shabby treatment of the veteran and his family is unnecessary in a country as rich as ours and a poor exhibition of our gratitude for the service they have rendered.

* * * * *

Mr. Speaker, I have supported and voted for the Patman veterans' housing bill, including the $600,000,000 subsidy to insure the production of bottleneck items needed to expedite the construction of veterans' homes.

CURBING LABOR RACKETEERS NECESSARY TO PROTECT LEGITIMATE LABOR'S WELFARE

(February 21, 1946)

Mr. HOLIFIELD. Mr. Chairman, as a friend of the rank and file of labor, proved by my legislative voting record, I cannot sanction dictatorial labor racketeers such as James C. Petrillo. Mr. Petrillo has demonstrated

throughout the years his utter disregard of democratic processes within the American Federation of Musicians. The bylaws and constitution of this union are undemocratic and un-American. They are subject to the personal edicts of Mr. Petrillo, without review or consideration of its members. The refusal of Mr. Petrillo to allow high-school orchestras, Army, Navy, and Marine bands the privilege of broadcasting over the National Broadcasting Networks is against the public policy and the general welfare. The policy of "feather bedding" or enforcing the payment of broadcasters for stand-by or unused orchestras is reprehensible racketeering.

The refusal to permit the broadcasting of programs from foreign countries is arbitrary and dangerous to the best chances for good international relations.

It is time for labor organizations to purge their ranks of the James C. Petrillos, the John L. Lewises, the Joseph C. Ryans, and their ilk. They are a stench in the nostrils to legitimate organized labor unions and do the cause of honest laboring people untold harm.

It is time for labor, whether it be the CIO, AFL, or any other labor organization, to come to mature age.

Labor unions must respect the responsibilities of contracts.

Labor unions must avoid jurisdictional disputes because they harm the employer and the public without justifiable cause or excuse.

Labor unions must purge the remaining racketeer leaders and become democratic organizations.

Labor unions must render an accounting of their collections of dues and expenditures to their members.

Unless the rank and file of labor unions participate in the control of the policy of their unions, this program of responsibility and maturity, yes and democracy, will not prevail.

I will continue to support the legitimate aims and procedures of organized labor, but I retain my own independence to vote for legislation which will stamp out the racketeer leaders and bad practices of labor unions.

THE FIGHT AGAINST INFLATION

Mr. Speaker, the greatest threat to the American economy in the postwar era is the danger of inflation. For the first time in history, our Government tried to combat the historical inflationary rises in prices that have always occurred during our major wars.

Our fight was made through the Price Control Act, the War Labor Act—wage freeze—the Office of Economic Stabilization, and the War Production Board, now the Civilian Production Administration which controlled rationing of scarce commodities for wartime production and equitably distributed civilian necessities.

I supported with my votes this complete attempt to fight inflation 100 percent. Never has our Nation undergone such a major war and never before has inflation been so ably controlled. Let me honestly admit that all inflation has not been prevented. A degree of inflation has occurred, but much less than would have occurred had there been no attempt to control prices.

We have just finished the consideration of price-control extension. I voted against the inflationary amendments which were written into the new bill. I regret to say the new bill for price control, unless greatly strengthened by Senate action, is inadequate to fight the rising forces of inflation. An average of less than 150 Members fought a losing battle against the complete ruination of the Price Control Act.

Although we were defeated in this fight to protect the value of your war bonds and savings and to prevent a further rise in the cost of living, I want my constituents to know I supported the fight against inflation to the last.

From my background of business experience, and from the knowledge I have gained regarding the strength of inflationary forces, I would do less than my duty if I failed to warn my friends to take such steps as possible to guard their resources against what, I fear, will be an inflation in hitherto controlled items, as great as that which already exists in items which were never under price control.

BALANCED BUDGET—TAXES

Mr. Speaker, I believe in attaining a balanced national budget as soon as possible and note with real appreciation the President's recent message which indicates the possibility of attaining that goal this fiscal year.

I judge every tax bill by this standard, ability to pay. I believe every person should pay taxes for the support of the Government services, but the ratio of taxes to income should increase on a graduated basis. The person whose earning power or financial resources are small should not be taxed the same percentage as those in the higher brackets.

I voted against the so-called Ruml plan, because it involved the refunding of approximately $7,000,000,000 from the United States Treasury to wealthy individuals and bloated war corporations—in most instances those most able to pay.

I voted against the repeal of the excess-profit taxes, because, again, this bill released those most able to pay and transferred the burden to the backs of the middle and poorer classes.

I believe taxes should be levied in relation to the national over-all income, increased during periods of prosperity and decreased during periods of depression.

FULL EMPLOYMENT

I was one of the original sponsors of the so-called Patman full-employment bill. This bill, contrary to its critics, was a bill to encourage private enterprise in every way possible in maintaining a maximum number of people in jobs. It provided for the aid of existing Government agencies, such as Census, Reconstruction Finance Corporation, and home-loan financing through agencies, and other agencies, to private enterprise.

It provides that when all such efforts of private enterprise fails to provide adequate jobs for our people, the Government would then provide the deficit of jobs through long-range, wealth-producing, public works, or beneficial public services, such as highways, reforestation, slum clearance, public building, and so forth.

Whether we like it or not, this will have to be done if another depression occurs. We might as well plan in advance and do it well, rather than poorly.

Unless maximum or full employment is maintained, the income of the American people cannot stand enough tax deductions to maintain Government expenditures such as veteran obligations and interest payment on our war bonds, not to mention the regular services of government.

I realize, of course, that an absolute full employment can never be reached, but it is a goal toward which we should plan and strive always to reach. Let me simplify my statement by saying, any person anxious and willing to work should be given an opportunity to obtain a job.

Unless democracy solves the problem of job opportunity, we will fall just as every other nation has fallen, because of the economic desperation of hungry people.

Let us fight the alien isms, whatever they may be, by proving that within the framework of democracy there exists more economic security, civil liberty, and spiritual expression than can exist under any other type of government.

SPECIAL ORDERS

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. LUDLOW] is recognized for 20 minutes.

RESOLUTION TO CANCEL BIKINI ATOLL TEST

Mr. LUDLOW. Mr. Speaker, the proposal to conduct an atomic-bomb test at Bikini Atoll is so extremely important and far-reaching in its possibilities and implications as affecting the future peace of the world that I think the Congress of the United States, composed of the representatives of the people of America, should take action on it. I have therefore, introduced today the following House concurrent resolution:

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress of the United States that the plans for the atomic-bomb test at Bikini Atoll shall be canceled; that the manufacture of atomic bombs shall cease, and that the President of the United States, the Secretary of State, and the personal representative of the President on the United Nations Organization, Edward R. Stettinius, Jr., shall be, and hereby are, urged to exert their utmost efforts to secure a definite postwar agreement by the United Nations to ban the atomic bomb forever as an instrument of war.

I wish it were possible to conduct a national referendum on a proposal so fraught with danger to the peace of America and the world, but as that is impossible on account of the lack of a mechanism to do it, and the time element, I hope the people of our country will read the resolution I have introduced, and then write to their Representatives at Washington and tell them what they think about it. I believe the people should rule in these matters of transcendent importance to the future of mankind, and the method I have suggested is the closest approximation to a popular referendum on this particular matter that can be devised.

I am opposed to the Bikini Atoll test because it cuts straight across all the claims and pretensions we have made that we would take the leadership in creating a world of peace and security.

With General MacArthur wisely demanding an agreement to outlaw war, we are doing exactly those things that make for misunderstandings and propagate war. We are turning our backs on the statement made by President Truman at Caruthersville, Mo., on October 7 last, when he said:

> We are going to accept the Golden Rule and we are going forward to meet the destiny which I think the Almighty God intended us to have and we are going to be the leaders.

If we go ahead with the proposed atomic-bomb test we will not be handing the Golden Rule to the other nations of the earth but we will be poking a pistol in their faces and asking them how they like it. How is that for a start toward world peace?

Let us pause for a moment to study the human psychology of this proposition. Hiroshima and Nagasaki have already told their awful story of the destructiveness of the atomic bomb. The Bikini Atoll test will enlarge and accentuate that picture and will fill other nations with unspeakable terror as to what will happen to them if we turn the weapon on them.

If we go ahead with the Bikini Atoll demonstration we will be saying, in effect, to every other nation:

> We are going to show you how many of you we can kill if you get ugly. So don't start anything.

What an approach to world peace!

What a travesty when we think of all of our righteous pretensions to be the leaders in creating a peaceful world!

How ironical it is for us to talk glibly of peace and at the same time to know that world peace is impossible under the conditions we are creating!

It is easily conceivable that this is what might happen—we might scare nation A into a panic. Nation A by its feverish countermeasures would scare us into a panic. In the fog of fear, confusion and misunderstanding each nation would reach for its atom trigger and the destruction of the world would begin.

Having created the most destructive thing in the world, we are now having the further ill luck of handling it in a way to make it the most potentially dangerous thing imaginable. Why cannot we have vision enough to avert such a supreme tragedy?

The suffering taxpayers of the United States, already heavily burdened with debt, will have to pay half a billion dollars for the Bikini Atoll test, including $100,000,000 for the cost of the operation and $400,000,000 for the value of the ships to be destroyed. We are told that thousands upon thousands of human beings are dying every day from starvation because we do not have ships to transport food to them. Would it not be more in keeping with our reputation as a Christian nation if, instead of destroying these ships, we would use them to send food to the famine-stricken sections of the world?

I would like to make a motion. I would like to move that instead of carrying out the Bikini Atoll program with all of its evil and dangerous potentialities, we should ask our President to take steps to implement the statement he made at Caruthersville, Mo., last October, when he said:

> We are going to accept the Golden Rule and we are going forward to meet the destiny which I think the Almighty God intended us to have, and we are going to be the leaders.

Such leadership as he proposed would now be in order and in this crisis of the world it would be the very acme of statesmanship.

I would like to see our President, as the head of the greatest Nation in the world, carry the Golden Rule, instead of the atomic bomb to the other nations of the earth. I would like to see him ignore all of the cunning conniving, and the interminable red tape of diplomacy and send a mission straight to every country, charged with the responsibility of bringing all nations together on a basis of the Golden Rule principle of mutual trust and understanding. Such a mission would be the true voice of America. The world, sick and tired of war, wants peace and I think the mission would be hailed with rejoicing all over the earth. We are off completely on the wrong foot in our foreign policy. Diplomacy is getting us nowhere. There might be great possibilities if only we would try the Golden Rule. If we would take the mailed fist out of our postwar program and substitute for it all a little of the love of God we would get farther in leading humanity to the goal of a peaceful world.

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 30 minutes.

AUTOMOBILES FOR AMPUTEES

Mrs. ROGERS of Massachusetts. Mr. Speaker, the gentleman from Pennsylvania [Mr. KELLEY] and I introduced companion bills which would give veterans the choice of an automobile costing not to exceed $1,500, or $1,500 in cash. It would provide transportation for amputees, paraplegics, and men who have leg and arm injuries who, as a result, have lost the use of their limbs.

I should like to read into the RECORD a letter I received from Angus MacLeod, of Boston, Mass., who is now at Walter Reed Hospital. Many letters have come to me from other soldiers and I am sure the gentleman from Pennsylvania [Mr. KELLEY] has received them; I believe other Members will. The amputees have had many conferences with me also. This letter endorses the bill and states in part:

> A recent survey shows that one out of every nine disabled veterans is employed. To correct such a serious problem bill No. 6114 has been drawn up by Representative ROGERS, which provides us with an automobile. Surely there is no question but that this would increase our potentialities of employability and solve problems that we face because of our injuries.

Then the letter goes on to say:

> I am one of the 18,000 men who has lost a limb in the war. To repair my loss, the Government has supplied me with artificial limbs and a wheel chair. These mechanical aids have been inadequate to meet the problems of snow, ice, crowds, and congested transportation facilities. Such difficulties will not enable me to compete equally with the able-bodied. They will only hamper my effort to resume my role as a productive member of society.

I am sure, Mr. Speaker, that the bill will go through without a dissenting voice. I have had no criticism of the bill from anyone in civilian life. Everyone has said it is the least we could do to make these veterans mobile again.

The gentleman from Alabama [Mr. MANASCO] reported from his committee a bill which provides first priorities for veterans in the purchase of surplus Government property, and it passed the House a short time ago. I introduced the first bill on this subject on the 28th of January, a companion bill to that introduced by Senator O'MAHONEY. Senator O'MAHONEY's bill passed the Senate and came to the House. I believe the House Committee on Expenditures reported out a really better bill, one that protects the veteran better. I hope that committee will report out a bill I introduced or a similar bill to provide real priorities and continuing priorities to veterans in the purchase of surplus Government-owned permanent property.

We gave them fox holes during the war. The least we can do for them now is to see that they get homes when they come back to this country.

The letter from Mr. MacLeod is as follows:

> DEAR SIR: I am one of the 18,000 who has lost a limb in the war. To repair my loss, the Government has supplied me with artificial limbs and a wheel chair. These mechanical aides have been inadequate to meet the problems of snow, ice, crowds, and congested transportation facilities. Such difficulties will not enable me to compete equally with the able-bodied. They will only hamper my effort to resume my role as a productive member of society.
>
> A recent survey shows that one out of every nine disabled veterans is employed. To correct such a serious problem, bill No. 6114 has been drawn up by Representative ROGERS, which provides us with an automobile. Surely there is no question that this would increase our potentialities of employability and solve problems that we face because of our injuries.
>
> I am asking that this not only be passed, but more than that—that it be given the earliest attention possible. Normal procedure in this case would mean unnecessary increase in the strain and discouragement of us, who have suffered such a loss. Would not so serious a problem warrant your approval and immediate attention?
>
> At a recent meeting of the Advisory Committee of the Veterans' Administration, it was officially stated by this committee: "There is surely no question that this would increase the potentialities for employability and would solve the problems that an amputee must face as a result of his disability."
>
> Very truly yours,
>
> ANGUS N. MACLEOD.
>
> BOSTON, MASS.

ENROLLED BILLS SIGNED

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5856. An act to provide for trade relations between the United States and the Philippines, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 75. An act for the relief of Thomas C. Locke.

BILLS PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1089. An act for the relief of Albert Cantalupo, Emma Cantalupo, and the legal guardian of John Cantalupo, a minor;

H. R. 1674. An act for the relief of Mrs. Ollie Patton;

H. R. 2115. An act relating to the domestic raising of fur-bearing animals;

H. R. 2167. An act for the relief of Orvis Welch;

H. R. 2528. An act for the relief of Mr. and Mrs. James Sherry;

H. R. 2835. An act for the relief of James Lynch;

H. R. 3159. An act for the relief of Ernest Pedro Ferreira;

H. R. 4253. An act for the relief of the estate of Chancie Lee Brisbin, deceased; and

H. R. 5856. An act to provide for trade relations between the United States and the Philippines, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 8 minutes p. m.) the House, pursuant to House Concurrent Resolution 145, adjourned until Tuesday, April 30, 1946, at 12 o'clock noon.

MOTION TO DISCHARGE COMMITTEE

APRIL 16, 1946.

TO THE CLERK OF THE HOUSE OF REPRESENTATIVES:

Pursuant to clause 4 of rule XXVII, I, MATTHEW M. NEELY, move to discharge the Committee on Interstate and Foreign Commerce from the consideration of the bill (H. R. 1362) entitled "A bill to amend the Railroad Retirement Acts, the Railroad Unemployment Insurance Act, and subchapter B of chapter 9 of the Internal Revenue Code; and for other purposes," which was referred to said committee January 11, 1945, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. Matthew M. Neely.
2. Frank E. Hook.
3. John M. Coffee.
4. Harold C. Hagen.
5. William H. Stevenson.
6. George H. Fallon.
7. Thomas D. D'Alesandro, Jr.
8. Joe Hendricks.
9. Jennings Randolph.
10. John Kee.
11. Pat Cannon.
12. John H. Tolan.
13. Alvin F. Weichel.
14. Robert Crosser.
15. Homer A. Ramey.
16. William A. Rowan.
17. Edward A. Kelly.
18. Richard Welch.
19. George T. Miller.
20. Helen Gahagan Douglas.
21. Aime J. Forand.
22. Ray J. Madden.
23. D. K. Hoch.
24. Ned R. Healy.
25. W. K. Granger.
26. Henry M. Jackson.
27. Paul H. Maloney.
28. Gordon L. McDonough.
29. Vito Marcantonio.
30. Lawrence H. Smith.
31. Cleveland M. Bailey.
32. John Lesinski.
33. Melvin Price.
34. Alvin E. O'Konski.
35. William J. Green, Jr.
36. William T. Granahan.
37. Walter B. Huber.
38. Michael A. Feighan.
39. John W. Flannagan, Jr.
40. Ellis E. Patterson.
41. Andrew J. Biemiller.
42. Zebulon Weaver.
43. John C. Butler.
44. Michael J. Kirwan.
45. Earl Wilson.
46. Augustine B. Kelley.
47. George S. Sadowski.
48. William J. Gallagher.
49. E. H. Hedrick.
50. Thomas E. Morgan.
51. Philip A. Traynor.
52. George H. Bender.
53. John E. Fogarty.
54. Edgar A. Sharp.
55. William Lemke.
56. William C. Cole.
57. Clyde Doyle.
58. George W. Gillie.
59. Franck R. Havenner.
60. Lindley Beckworth.
61. Walter Norblad.
62. Charles R. Savage.
63. Clair Engle.
64. Thomas J. O'Brien.
65. Herman P. Kopplemann.
66. W. A. Barrett.
67. Gerald W. Landis.
68. C. W. Bishop.
69. Max Schwabe.
70. John Jennings, Jr.
71. John D. Dingell.
72. Michael J. Bradley.
73. W. A. Pittenger.
74. Lyndon B. Johnson.
75. Jed Johnson.
76. Daniel J. Flood.
77. Noble J. Johnson.
78. Jerry Voorhis.
79. Louis Ludlow.
80. Emory H. Price.
81. Mike Mansfield.
82. Francis E. Walter.
83. Carter Manasco.
84. Emily Taft Douglas.
85. Walt Horan.
86. Frank L. Chelf.
87. Walter E. Brehm.
88. Richard F. Harless.
89. Thomas S. Gordon.
90. Helen Douglas Mankin.
91. J. W. Roe.
92. John J. Delaney.
93. Wesley A. D'Ewart.
94. Joseph Clark Baldwin.
95. Charles M. LaFollette.
96. George E. Outland.
97. Frank B. Keefe.
98. Hugh De Lacy.
99. Albert Thomas.
100. Compton I. White.
101. Paul W. Shafer.
102. A. J. Sabath.
103. Reid F. Murray.
104. John R. Murdock.
105. Frank A. Barrett.
106. Sid Simpson.
107. John J. Rooney.
108. James P. Geelan.
109. Chase Going Woodhouse.
110. John W. Murphy.
111. Bob Sikes.
112. Dan McGehee.
113. Ivor D. Fenton.
114. P. W. Griffiths.
115. Cecil R. King.
116. Frank W. Boykin.
117. George Andrews.
118. Philip J. Philbin.
119. Merlin Hull.
120. W. W. Link.
121. Adam C. Powell.
122. Emanuel Celler.
123. Sol Bloom.
124. Joseph L. Pfeifer.
125. Leo F. Rayfiel.
126. Benjamin J. Rabin.
127. Edward J. Gardner.
128. James H. Torrens.
129. Thomas J. Lane.
130. Martin Gorski.
131. George F. Rogers.
132. Frank T. Starkey.
133. James J. Heffernan.
134. Arthur G. Klein.
135. Robert J. Corbett.
136. H. Streett Baldwin.
137. R. E. Thomason.
138. Edward J. Hart.
139. Chet Holifield.
140. Ralph E. Church.
141. Clarence Cannon.
142. Gordon Canfield.
143. Tom Murray.
144. Donald L. O'Toole.
145. H. Carl Andersen.
146. August H. Andresen.
147. William L. Dawson.
148. James C. Auchincloss.
149. A. L. Miller.
150. L. Mendel Rivers.
151. William R. Thom.
152. Thad W. Wasielewski.
153. J. W. Robsion.
154. Oren Harris.
155. Homer D. Angell.
156. Joseph E. Talbot.
157. John C. Kunkel.
158. L. H. Gavin.
159. Joseph R. Bryson.
160. J. M. Combs.
161. James G. Fulton.
162. A. Leonard Allen.
163. Edward Arthur Hall.
164. James Domengeaux.
165. Charles R. Robertson.
166. Wright Patman.
167. Robert B. Chiperfield.
168. Edward J. Elsaesser.
169. Carl Vinson.
170. John L. McMillan.
171. Dean P. Taylor.
172. D. Emmert Brumbaugh.
173. John J. Riley.
174. Karl Stefan.
175. Victor Wickersham.
176. A. S. J. Carnahan.
177. Raymond S. Springer.
178. Wm. G. Stigler.
179. Dudley G. Roe.
180. Albert J. Engel.
181. Overton Brooks.
182. Henry J. Latham.

183. Hubert S. Ellis.
184. J. Glenn Beall.
185. Walter H. Judd.
186. Estes Kefauver.
187. Thomas A. Jenkins.
188. Herbert J. McGlinchey.
189. Ross Rizley.
190. Daniel A. Reed.
191. James H. Morrison.
192. Marion T. Bennett.
193. Chester H. Gross.
194. Hadwen Fuller.
195. Louis C. Rabaut.
196. Orville Zimmerman.
197. A. J. Elliott.
198. Sherman Adams.
199. George D. O'Brien.
200. William S. Hill.
201. Charles A. Plumley.
202. Walter C. Ploeser.
203. Edith Nourse Rogers.
204. Everett M. Dirksen.
205. Mike Monroney.
206. Fred A. Hartley, Jr.
207. Earl R. Lewis.
208. Harve Tibbott.
209. Howard E. Campbell.
210. Bertrand W. Gearhart.
211. George B. Schwabe.
212. Joseph F. Ryter.
213. John M. Robsion.
214. Paul Cunningham.
215. Stephen Pace.
216. Walter A. Lynch.
217. Peter A. Quinn.
218. Augustus W. Bennet.

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD with signatures thereto, and referred to the Calendar of Motions to Discharge Committees, April 18, 1946.

COMMITTEE HEARINGS

COMMITTEE ON FLOOD CONTROL

10. Friday, April 19. Senators and Representatives in Congress, and Department of Agriculture, Weather Bureau, and other Government agencies.

COMMITTEE ON RIVERS AND HARBORS

Revised schedule of hearings on the omnibus river and harbor authorization bill to start Tuesday, April 9, 1946, at 10:30 a. m., is as follows:

(Wednesday and Thursday, May 1 and 2)

Tombigbee-Tennessee Rivers.

(Friday, May 3)

Held open for description of projects favorably recommended by the Board of Engineers for Rivers and Harbors during its April meeting.

(Monday and Tuesday, May 6 and 7)

Big Sandy River, Tug and Levisa Forks, Va., W. Va., and Ky.

(Wednesday and Thursday, May 8 and 9)

Arkansas River, Ark. and Okla.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1220. A letter from the Archivist of the United States, transmitting the sixth annual report on the Franklin D. Roosevelt Library, which covers the fiscal year ending June 30, 1945; to the Committee on the Library.

1221. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of $139,000 for the legislative branch, Architect of the Capitol (H. Doc. No. 532); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON of Missouri: Committee on Appropriations. House Joint Resolution 342. Joint resolution making additional appropriations for the fiscal year 1946 to pay increased compensation authorized by law to officers and employees of sundry Federal and other agencies; without amendment (Rept. No. 1958). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEOGH: Committee on the Merchant Marine and Fisheries. H. R. 1751. A bill to authorize the course of instruction at the United States Merchant Marine Academy to be given to not exceeding 20 persons at a time from the American Republics, other than the United States; with amendment (Rept. No. 1959). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURDOCK: Committee on Irrigation and Reclamation. H. R. 4510. A bill granting the consent and approval of Congress to an interstate compact between Colorado and New Mexico with respect to the waters of Costilla Creek; with amendment (Rept. No. 1960). Referred to the Committee of the Whole House on the State of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 6126) granting an increase of pension to Jerry J. Knedlik, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SULLIVAN:

H. R. 6194. A bill to grant to veterans of the present war a temporary exclusion from gross income; to the Committee on Ways and Means.

By Mr. D'EWART:

H. R. 6195. A bill to amend section 1 of the act of June 4, 1920 (41 Stat. 751), entitled "An act to provide for the allotment of lands of the Crow Tribe, for the distribution of tribal funds, and for other purposes," as amended by the act of May 26, 1926 (44 Stat. 658); to the Committee on Indian Affairs.

By Mr. ROE of Maryland:

H. R. 6196. A bill to authorize the Chief of Engineers to make a survey as to the advisability of dredging out Insley's Cove, being the northeast part of Fox Creek, Dorchester County, Md.; to the Committee on Rivers and Harbors.

By Mr. BIEMILLER:

H. R. 6197. A bill for the development and control of atomic energy; to the Committee on Military Affairs.

By Mr. McGEHEE:

H. R. 6198. A bill to amend the District of Columbia Unemployment Compensation Act to provide for unemployment compensation in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. ANDERSON of California:

H. R. 6199. A bill to provide that members of Women's Army Corps, Women's Reserve of the Naval Reserve, and Marine Corps Women's Reserve have the same family burial rights in national cemeteries as members of the Army, Navy, or Marine Corps; to the Committee on Military Affairs.

By Mr. ENGLE of California:

H. R. 6200. A bill authorizing the Secretary of the Interior to prepare a roll of the Indians of California; to the Committee on Indian Affairs.

By Mrs. DOUGLAS of California:

H. R. 6201. A bill to create the Franklin Delano Roosevelt Memorial Redwood Forest and for other purposes; to the Committee on Agriculture.

By Mr. MARCANTONIO:

H. R. 6202. A bill to authorize the furnishing of motor equipment to seriously disabled veterans, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. PATTERSON:

H. R. 6203. A bill to authorize the furnishing of motor equipment to seriously disabled veterans, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. SADOWSKI:

H. R. 6204. A bill to provide that a veteran's compensation, pension, or retirement pay shall not be reduced during his hospitalization or domiciliary care; to the Committee on World War Veterans' Legislation.

By Mr. WOLCOTT:

H. R. 6205. A bill to establish a Federal Home Loan Board, to further encourage home ownership, to assist in the provision of rental housing, and for other purposes; to the Committee on Banking and Currency.

By Mr. LYLE:

H. R. 6206. A bill to remove restrictions on the holding by retired officers of certain civilian offices and positions; to the Committee on the Judiciary.

By Mr. BUFFETT:

H. R. 6207. A bill to reenact the excess-profits tax; to the Committee on Ways and Means.

By Mr. DAVIS:

H. J. Res. 343. Joint resolution designating the week of April 28 to May 4, 1946, as National Noise Abatement Week; to the Committee on the Judiciary.

By Mr. LUDLOW:

H. Con. Res. 146. Concurrent resolution declaring it to be the sense of Congress that the atomic bomb test shall be canceled; to the Committee on Foreign Affairs.

By Mr. PATTERSON:

H. Res. 603. Expressing the sense of the House of Representatives to call upon the State Department to take steps regarding the presence of Japanese troops in Indonesia, and other action in support of the Indonesian Republic; to the Committee on Foreign Affairs.

By Mr. WALTER:

H. Res. 605. Resolution to authorize the Committee on the Judiciary to conduct an investigation of the disposition of the case against certain individuals charged with the murder of certain American aviators; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Massachusetts, memorializing the President and the Congress of the United States to take action relative to limiting the importation of Swiss watches into the United States; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Commonwealth of Massachusetts, memorializing the President and the Congress of the United States to retain Camp Edwards as a hospital for the care and treatment of convalescent veterans, and in lieu thereof to recommend to the Congress that said camp

be turned over to the Commonwealth for the care and treatment of convalescent veterans; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN of New York:

H. R. 6208. A bill for the relief of Louis Jonckers and Mrs. Philomene Vermeulen; to the Committee on Claims.

By Mr. CASE of New Jersey:

H. R. 6209. A bill for the relief of Amelia Zboyan; to the Committee on Claims.

By Mr. CELLER:

H. R. 6210. A bill for the relief of George Haagen; to the Committee on Claims.

By Mr. GRANT of Alabama:

H. R. 6211. A bill for the relief of Elbert Spivey; to the Committee on Claims.

By Mr. KUNKEL:

H. R. 6212. A bill for the relief of the estate of Lucy T. Campion, deceased, to the Committee on Claims.

By Mr. McGEHEE:

H. R. 6213. A bill for the relief of Bvt. First Lt. Margaret Utinsky; to the Committee on Claims.

By Mr. MONRONEY:

H. R. 6214. A bill for the relief of Claude T. Thomas, legal guardian of Elizabeth Ann Mervine, a minor, and the estates of Mary L. Poole, deceased, and Hazel S. Thomas, deceased; to the Committee on Claims.

H. R. 6215. A bill for the relief of the Yellow Cab Transit Co., of Oklahoma City; to the Committee on Claims.

By Mr. RIVERS:

H. R. 6216. A bill for the relief of Willie Weekley; to the Committee on Claims.

By Mr. SAVAGE:

H. R. 6217. A bill for the relief of Mabel Gladys Viducich; to the Committee on Immigration and Naturalization.

By Mr. LYNCH:

H. R. 6218. A bill for the relief of Esther Ringel; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1802. By Mr. ADAMS: Petition of the City Council of the City of Portsmouth, N. H., relating to the Portsmouth naval base; to the Committee on Naval Affairs.

1821. Also, petition of Ralph W. Sleeper and other citizens, residing in Grafton County, N. H., relating to the control of atomic energy; to the Committee on Foreign Affairs.

1822. By Mr. FORAND: Petition of the Holy Name Society of St. Augustine's Roman Catholic Church of the city of Providence and the State of Rhode Island, memorializing the Congress of the United States to adopt a policy of noninterference with Spain and the continuance of friendly relations with the Spanish Government; to the Committee on Foreign Affairs.

1823. By Mr. GAVIN: Petition of Earl Shay, Knox, Pa., and other residents of Knox, Pa., opposing passage of Wagner-Murray-Dingell bill, House bill 4730, and Senate bill 1606; to the Committee on Interstate and Foreign Commerce.

1824. Also, petition of Clyde R. McCamant, Knox, Pa., and other residents of Clarion County, Pa., opposing passage of Wagner-Murray-Dingell bill, House bill 4730 and Senate bill 1606; to the Committee on Interstate and Foreign Commerce.

1825. By Mr. HOLMES of Massachusetts: Memorial of the General Court of Massachusetts, urging the President of the United States to take action relative to limiting the importation of Swiss watches into the United States; to the Committee on Ways and Means.

1826. By Mr. LYNCH: Memorial of Assembly of the State of New York, urging rejection of the Gossett bill, House bill 3663, to amend the Immigration Act of 1924, as amended, by cutting in half all existing immigration quotas; to the Committee on Immigration and Naturalization.

1827. Also, petition of Captain Jacob Joseph Post, No. 267, Jewish Veterans of the United States, urging adoption of the Patman housing bill as originally proposed; to the Committee on Banking and Currency.

1828. By Mrs. ROGERS of Massachusetts: Petition of Charles R. Voigt, of Concord, Mass., and 167 other Concord people, in opposition to the Wagner-Murray-Dingell medical bill, Senate bill 1606; to the Committee on Interstate and Foreign Commerce.

1829. Also, memorial of the General Court of Massachusetts, to take action to limiting the importation of Swiss watches into the United States; to the Committee on Ways and Means.

1830. Also, memorial of the General Court of Massachusetts, to adopt adequate anti-poll-tax bill; to the Committee on the Judiciary.

1831. Also, memorial of the General Court of Massachusetts, to provide for the maintenance by the Federal Government of Camp Edwards in this Commonwealth for the hospitalization of war veterans and as a place for their convalescence and recreation; to the Committee on Military Affairs.

1832. Also, memorial of the General Court of Massachusetts, to retain Camp Edwards as a hospital for the care and treatment of convalescent veterans, and in lieu thereof recommend to Congress that said camp be turned over to the Commonwealth for the care and treatment of convalescent veterans; to the Committee on Military Affairs.

1833. Also, memorial of the General Court of Massachusetts, for the adoption of a complete system of national pensions covering all adult citizens of the United States; to the Committee on Ways and Means.

1834. Also, memorial of the General Court of Massachusetts, in favor of extending the benefits of the GI bill of rights, so-called, to persons who served in the merchant marine of the United States during World War II; to the Committee on Military Affairs.

1835. By Mr. VOORHIS of California: Petition of William H. H. Kelley and 247 others, urging that the Congress pass House Joint Resolution 325 which would authorize the President and Secretary of Agriculture to issue directives preventing the use of grains for beverage purposes so long as the critical shortage of food in the world exists; to the Committee on Agriculture.

1836. By the SPEAKER: Petition of various members of the Allen Christian Church, Allen, Tex., petitioning consideration of their resolution with reference to the cancellation of the atomic bomb explosions; to the Committee on Naval Affairs.

SENATE

FRIDAY, APRIL 19, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

Almighty God, whose amazing love we cannot fathom, we rejoice that when there was no eye to pity and no arm to save, then in the fullness of time Thou didst give Thine only begotten Son to be the Saviour of the world.

Grant that on this day of solemn and sacred memory we may be filled with penitence and humility as we turn toward the cross to meditate upon the sufferings and sacrifice of the great Captain of our salvation. May our hearts be sensitive and responsive as He speaks to us:

"This I have done for thee; what wilt thou do for Me?"

We pray that we may appropriate by faith that blessed redemption whereof Thou hast given assurance by raising Him from the dead. Hasten the day when the spirit of man shall be too strong for chains and too large for imprisonment and men everywhere shall walk with the risen Christ in the glorious liberty of the sons of God.

Hear us in the name of the Saviour. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, April 18, 1946, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4896) to provide for the payment of travel allowances and transportation and for transportation of dependents of members of the naval forces, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 341) relating to the status of Keetoowah Indians of the Cherokee Nation in Oklahoma, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JACKSON, Mr. MURDOCK, Mr. STIGLER, Mr. MUNDT, and Mr. ROCKWELL were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 842) for the relief of the Elmira Area Soaring Corp.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 1 and 4 to the bill and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 5 and 7 and concurred therein, each with an amendment in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills

and joint resolution, in which it requested the concurrence of the Senate:

H. R. 5433. An act to amend section 540 of title 10 and section 441 (a) of title 34 of the United States Code providing for the detail of United States military and naval missions to foreign governments;

H. R. 5626. An act to authorize the Veterans' Administration to appoint and employ retired officers without affecting their retired status, and for other purposes; and

H. J. Res. 331. Joint resolution to authorize suitable participation by the United States in the observance of the two-hundredth anniversary of the founding of Princeton University.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following bill and joint resolution, and they were signed by the President pro tempore:

H. R. 4896. An act to provide for payment of travel allowances and transportation and for transportation of dependents of members of the military and naval forces, and for other purposes; and

H. J. Res. 342. Joint resolution making additional appropriations for the fiscal year 1946 to pay increased compensation authorized by law to officers and employees of sundry Federal and other agencies.

LEAVE OF ABSENCE

Mr. OVERTON. I ask unanimous consent that I may absent myself from the Senate for a number of days in order to make a tour of inspection in connection with rivers and harbors and flood control.

The PRESIDENT pro tempore. Without objection, the request is granted.

NOTICE OF HEARING ON NOMINATION OF SAMUEL B. KEMP TO BE CHIEF JUSTICE, SUPREME COURT, TERRITORY OF HAWAII

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, April 26, 1946, at 10:30 a. m., in the Senate Judiciary Committee room, upon the nomination of Hon. Samuel B. Kemp, of Hawaii, to be chief justice of the Supreme Court, Territory of Hawaii—reappointment. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman; the Senator from Utah [Mr. MURDOCK]; and the Senator from Nebraska [Mr. WHERRY].

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on April 18, 1946, he presented to the President of the United States the following enrolled bills:

S. 75. An act for the relief of Thomas C. Locke;

S 486. An act for the acquisition of Indian lands required in connection with the construction, operation, and maintenance of electric transmission lines and other works, Fort Peck project, Montana;

S. 718. An act to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands;

S. 1190. An act for the relief of Mrs. Henry H. Hay;

S. 1310. An act for the relief of Saunders Wholesale, Inc.;

S. 1363. An act to reimburse certain Navy and Marine Corps personnel and former Navy and Marine Corps personnel for personal property lost or destroyed as the result of water damage occurring at certain naval and Marine Corps shore activities;

S. 1492. An act to reimburse Navy personnel and former Navy personnel for personal property lost or damaged as the result of a fire in building No. 141 at the United States naval repair base, San Diego, Calif., on May 1, 1945;

S. 1601. An act to revive and reenact the act entitled "An act granting the consent of Congress to the counties of Valley and McCone, Mont., to construct, maintain, and operate a free highway bridge across the Missouri River at or near Frazer, Mont.," approved August 5, 1939; and

S. 1638. An act for the relief of Salvatore Carbone.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATES, DEPARTMENT OF AGRICULTURE (S. DOC. NO. 172)

A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Department of Agriculture, amounting to $195,000, fiscal year 1947 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

CLAIMS OF CERTAIN CIVILIAN EMPLOYEES OF THE GOVERNMENT ON MILITARY STATUS

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to provide for the payment of members of the military and naval forces of the United States who enter or reenter civilian employment of the United States, its territories or possessions, or of the District of Columbia while in military pay status prior to assignment to active duty (with accompanying papers); to the Committee on Claims.

PETITION

Mr. SALTONSTALL (for himself and Mr. WALSH) presented resolutions of the General Court of the Commonwealth of Massachusetts, which were referred to the Committee on Military Affairs, as follows:

Resolution memorializing the President of the United States to issue such orders as will prevent the closing of Fort Devens and the Lovell General Hospital

Whereas the Secretary of War has announced the closing of Fort Devens and the Lovell General Hospital on or before June 30; and

Whereas Fort Devens is the only major military establishment, other than Air Force and Navy establishments, in the northeastern sector of the United States; and

Whereas thousands of citizens of surrounding cities and towns are employed at Fort Devens and the Lovell General Hospital, and such closing would cause widespread unemployment to the great detriment of said communities; and

Whereas the Lovell General Hospital is the only hospital with facilities reasonably adequate to care for patients in this part of the country; and

Whereas many patients at Lovell General Hospital have families in the immediate vicinity and the removal of such patients to distant hospitals outside of New England would cause great hardship on said patients and their relatives: Therefore be it

Resolved, That the General Court of Massachusetts request the President of the United States to issue such orders to the Secretary of War as will prevent the closing of said Fort Devens and the Lovell General Hospital; and be it further

Resolved, That copies of these resolutions be sent to the President of the United States, to the Secretary of War, and to the Members of the Congress from Massachusetts.

(The PRESIDENT pro tempore laid before the Senate resolutions identical with the foregoing, which were referred to the Committee on Military Affairs.)

LEGAL RIGHTS OF AMERICAN INDIANS

Mr. ROBERTSON. Mr. President, I have received an important communication relative to the American Indian. This communication comes from the chairman of the Crow Indian Council, Henry Pretty On Top, and includes a resolution passed by the Crow Indian Council in session on the 16th day of February.

The resolution deals with many matters concerning the American Indian. It is signed by the chairman, and also by Harry Whiteman, secretary.

I ask unanimous consent to present the resolution and that it be printed in the RECORD and appropriately referred.

There being no objection, the resolution was received, referred to the Committee on Indian Affairs, and ordered to be printed in the RECORD, as follows:

Whereas our Government has always championed the rights of all suppressed peoples and minority groups the world over to enjoy, employ, and exercise their natural and human rights in matters of self-determination and to live under a representative form of government so that they, too, might enjoy the blessings of liberty and freedom from want and fear; and

Whereas to implement and to make real this plan of human freedom, a great war of liberation from the machinations and designs of those who would enslave us was fought and won; and in furtherance of that ideal, a new magna carta—the Atlantic Charter—was brought forth by President Roosevelt and Winston Churchill and proclaimed to all the world as the basis of human hopes and aspirations for freedom and liberty; and

Whereas for over 100 years the American Indians have lived under the absolute control of the military and civil authorities of our Government as to their lives, property, and freedom, and without any right or privilege of review or redress of the Government's administrative acts in the courts; and

Whereas the American Indians constitute the only people under the American flag denied the legal right, under our Constitution as interpreted by the Supreme Court, of their day in court for a redress of grievances against the Government when that right is extended to all foreigners who set foot upon American soil whether they be citizens of the United States or not, and, at the moment, Japanese generals in the Philippines, far removed from the United States, enjoy court privileges denied the Indians; and

Whereas it appears most opportune and proper at the moment to remind the Congress and the American people that:

1. The American Indians cannot present a claim of any sort in the Court of Claims.

2. The Indian has no right at all to go into the Court of Claims unless the Congress by special act permits him so to do and said special acts are next to impossible to secure.

3. The constitutional guaranties that every person under the American flag can assert in the highest court of the land his

protest against rights violated or denied him is refused the Indian tribes of the United States.

4. "Equal justice for all" emblazoned on the Justice Department Building is meaningless to the Indians.

5. The Indian is the only man in America without a court.

6. The Indian has no forum in this land where he can vindicate his constitutional rights.

7. The constitutional provision that "No person shall be deprived of his property without due process of law" excepts the Indians. (*Lone Wolf* v. *Hitchcock* (187 U. S. 216; 47 L. Ed. 99).)

8. Japanese, Negroes, Mexicans, and any foreigners not citizens have access to the Court of Claims to assert rights denied or violated. Everybody can go into the Court of Claims except the Indians.

9. Under existing law there is no way for them to assert their constitutional rights unless the Congress by special act (a bill) permits them that privilege.

10. By the act of June 2, 1924 (43 Stat. L. 253), all native-born noncitizen Indians were automatically made citizens of the United States.

11. Indians henceforth shall be governed by acts of Congress instead of treaties. Act of March 3, 1871 (R. S. sec. 2079).

12. "The power existing in Congress to administer upon and guard the tribal property, and the power being political and administrative in its nature, the manner of its exercise is a question within the province of the legislative branch to determine, and is not one for the courts." (*Hitchcock* v. *Cherokee Nation.*)

13. "Plenary authority over the tribal relations of the Indians has been exercised by Congress from the beginning and the power has always been deemed a political one, and subject to be controlled by the judicial department of the Government." (*Lone Wolf* v. *Hitchcock* (187 U. S. 216).)

14. "The power exists to abrogate the provisions of an Indian treaty." (*Lone Wolf* v. *Hitchcock.*)

15. The courts have held that the courts of this country are not open to the Indians and our civil liberties have never been given to them. (*Taeger Case* (27 C. Cls. Rept.)); and

Whereas, and in spite of the foregoing embarrassing facts permitted by the most powerful nation on earth which boasts Christian standards and the Golden Rule as its guide in its treatment and dealings with weak and defenseless peoples, and yet, again, and regardless of the loyalty and the brilliant war record and services of over 30,000 American Indians in the national peril from which we have just emerged, American Indians, on Indian reservations throughout our country, still live under conditions of near serfdom comparable to those of the Medieval Age and are still living under an autocratic absolutism devised and perfected by Secretary Ickes and Collier under rules and regulations having the effect of law and based upon the Act of March 3, 1871 (R. S., sec. 2097), which overlooks the fact that education and economic rehabilitation are the first steps in the restoration of a fallen people. Such absolutism in its natural operation hedges about and surrounds the Indians with restrictions in the minutest detail and which in turn makes it necessary that they run to the superintendent for his permission for the slightest move. This we respectfully submit is not democracy and is violative of the spirit of the Atlantic Charter and the American Constitution; and

Whereas the Congress should, in the light of these revelations, boldly take up Indian legislation, repealing all existing Indian laws of a discriminatory nature and also those that are violative of the rights of the Indians as humans and as citizens under our Constitution; and

Whereas it now appears proper and appropriate to remind our great and magnanimous Government that, as a matter of simple justice to the Indians, legislation should be enacted forthwith giving to them home rule, local autonomy, and any other privilege, right, and protection of civil liberties that American citizens claim unto themselves and enjoy under our Federal Constitution: Now, therefore, be it

Resolved by the Crow Tribal Council, assembled this 16th day of February 1946, That it appeals to and memorializes the Congress to enact legislation that will change Indian administration to make the following possible, to wit:

(1) That as long as reservation agencies are maintained, agency agents or superintendents shall be selected by the Indians affected. This, we respectfully submit, is representative government.

(2) That the rule whereby the Secretary of the Interior and the outgoing Indian Commissioner, for the President and the confirmation of the Senate, nominate and select the new Commissioner of Indian Affairs be changed in the law so that all of the Indians of the United States through their tribal councils will nominate and select for Senate confirmation the Commissioner of Indian Affairs.

(3) That the tribal councils of each tribe shall select the law officers of each reservation.

(4) That the leasing of their allotted and inherited lands, where practicable, be placed in the hands of the owners thereof.

(5) That any moneys found to be due Indians anywhere, from any source, shall be paid to them direct and with no restrictions or limitations of any nature whatsoever.

The above, we respectfully submit, constitutes government by the consent of the governed, the cardinal principle behind the Declaration of Independence, the American Constitution, and the principles that impelled the Indian soldiers to go to war against the Axis Powers in defense thereof. To lose them now to bureaucrats of the Interior Department and the Indian Bureau means only one thing: that our dead shall have died in vain and the untold hardships of those who returned alive will have been for naught.

Resolved further, That copies of this resolution be sent to the presiding officers of each House of Congress and to the chairman of the Indian Affairs Committee of each House of Congress and to Members of the Senate and House of Representatives, with a request that it be spread upon the Journals of each House for the information of the American people.

Done in regular council this 16th day of February 1946 at Crow Agency, Mont.

HENRY PRETTY ON TOP,
Chairman.
HARRY WHITEMAN,
Secretary.

PRICE CONTROLS ON REFINED PETROLEUM PRODUCTS

Mr. CAPPER. Mr. President, I have received from J. T. Klepper, president of the Kansas Oil Men's Association, a resolution adopted by the thirty-first annual convention of that organization, attended by more than 500 prominent Kansas oil producers, setting forth practical suggestions for the good of the oil industry. I ask unanimous consent to present the resolution for appropriate reference and printing in the RECORD.

There being no objection, the resolution was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Whereas there is an excess supply of refined petroleum products in relationship to the existing demand; and

Whereas the officials of the Office of Price Administration have indicated that it is their desire to remove price restrictions, just as soon as there is an adequate supply of any product to supply the existing demand: Therefore be it

Resolved, That the Kansas Oil Men's Association at their thirty-first annual convention, held at Wichita, Kans., March 11–12, 1946, go on record and respectfully request of the Office of Price Administration that price controls be immediately removed from refined petroleum products.

DEVELOPMENT AND CONTROL OF ATOMIC ENERGY

Mr. CAPPER. Mr. President, I have received from L. L. Waters, of the School of Business, University of Kansas, an interesting report of the series of conferences held by that organization over the State of Kansas regarding the social, political, and economic implications of atomic energy. These important conferences were held in eight cities and approximately 275 were invited in each city. I ask unanimous consent to have Mr. Waters' report to me as to this series of conferences printed in the RECORD.

There being no objection, the report was received, and ordered to be printed in the RECORD, as follows:

UNIVERSITY OF KANSAS,
SCHOOL OF BUSINESS,
Lawrence, April 16, 1946.

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: During the past 2 or 3 weeks the University of Kansas has cooperated with the Federation of Atomic Scientists to hold a series of conferences over the State of Kansas regarding the social, political, and economic implications of atomic energy. Conferences were held in eight cities; attendance was by invitation. Approximately 275 were invited in each city. These people were the leaders of business, education, government, and various organizations, such as chambers of commerce and leagues of women voters. It would be accurate to say that those who received invitations represented the first level of leadership in the State below you.

Approximately 9 hours were devoted to hearing the message of the scientists and various social scientists from the university. Ample opuportunity for discussion was given at each meeting. At the close of the day a local committee consisting as a rule of a minister, two businessmen, and an educator drew up a set of resolutions consistent with the conferences. These recommendations were presented to the conference and in all cases were either unanimously adopted or they passed with no more than two dissenting votes.

All of those in attendance approached the conference and its problems with an open mind and were sobered by the enormous consequences of this new and terrible weapon for military destruction. The resolutions adopted represent what thinking Kansans believe should be done if World War III and possibly national suicide is to be avoided. You should know the conclusions. They are, first of all, the passage of the McMahon bill

which, as you know, calls for control of fissionable materials by a civilian board rather than a military board. Elimination of or modification of the original Vandenberg amendment (this amendment has already been satisfactorily altered). Eventual passing of the control of fissionable materials to an atomic authority under UNO, as recommended in the Acheson report of the State Department. This move would not be outright but made gradually and as circumstances warrant. Members of the conference felt that a positive program should be adopted to implement the establishment of the ADA rather than a passive or do-nothing policy.

Fourth, the ADA should have complete sovereignty over fissionable materials with the right to police production in any country in the world. Fifth, other steps should be taken to strengthen the UNO so that causes of war as well as the control over the weapon of war should be given proper attention. Obviously, a reduction in trade barriers, support for Bretton Woods, and in general international good will are the only means by which the causes of war may be lessened.

I believe that I have given you an accurate report, not only of my own feelings, but also those of 2,000 leaders among your constituents. I hope that your efforts will be devoted toward carrying out these objectives which we no doubt have in common.

Very truly yours,

L. L. WATERS.

SELECTIVE SERVICE AND THE DRAFT

Mr. REED. Mr. President, all Senators receive letters about the draft and the selective service which are usually filled with more heat, perhaps, than light. I have received a very exceptional communication from a boy who is a resident of my home town, who is now serving in the Pacific theater of war, or at least what was a theater of war. The letter is as follows:

DEAR SENATOR REED: I want to present my viewpoint on the impending draft-bill extension for another year.

At present, I am serving my country aboard this heavy cruiser in Chinese waters near Shanghai. I also served 2 months in Japan, plus 17 months in the United States. Hence, I feel qualified to venture the following statements:

The draft law should be continued for another year for the following reasons:

1. There are, as yet, two hot spots in the foreign world—Iran and Manchuria.

2. Sufficient personnel must be obtained to man our Army and Navy. I personally feel that the United States forces are in for long occupational duties.

3. This is important. A year's training gives a young man a sense of responsibility to his country. Simply stated, I mean patriotism. Here's hoping I'm soon in the States with my honorable discharge.

I have said, Mr. President, this boy is a resident of my home town. This is as straightforward and sensible a letter as I have ever received dealing with the subject he discusses.

PROPOSED LOAN TO GREAT BRITAIN

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD as a part of my remarks in support of my position on the British loan a statement adopted by the executive council of the American Bankers' Association at French Lick, Ind., April 15, 1946.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON THE PROPOSED BRITISH LOAN AGREEMENT ADOPTED BY THE EXECUTIVE COUNCIL OF THE AMERICAN BANKERS' ASSOCIATION, AT FRENCH LICK, IND., APRIL 15, 1946

The adoption by the Congress of the joint resolution ratifying the financial agreements with Great Britain of December 6, 1945, is in the interests of the United States.

The postwar world we anticipated through the long years of the conflict is here. A search for the solution of the problem of world economic reconstruction leads to the conclusion that production and exchange of goods and services in the greatest quantity possible provide the only answer to the wants and needs of millions, to staving off the worst evils of inflation and, on the other hand, preventing a deflationary collapse.

We are of the opinion that the agreement will provide at a critical and unique point working capital essential to the world's economic well-being, that it will assist in the removal of international trade barriers, and that in so doing it will promote world economic recovery and contribute materially to future world peace. In part by that means, nations can attain a degree of prosperity that will bring contentment at home and peace abroad, and to the United States this means that we shall be aided in servicing and reducing our national debt and maintaining the integrity of the dollar.

The making of this loan should not preclude a program of economy, reduced Government expenditures, and balanced budgets, because there are other avenues of economy open to the Federal Government which are far less vital to the restoration of prosperity and peace than the proposed Anglo-American credit agreement.

There are those who are alarmed by the trend toward socialization of some of the basic industries of the United Kingdom, as incompatible with the broad philosophy of the loan agreement. Certainly the permanent closing of the Liverpool cotton market and its replacement by state trading in cotton is not reassuring to those who seek the revival of private enterprise in trade between nations so necessary if the standard of living of the world is to be raised.

If the present world were one of balanced economies such as prevailed prior to 1914, objections of this sort might outweigh the advantages of the proposed credit agreement, but in the war-torn world of today, actions must be directed toward what seems the best way out of unprecedentedly difficult conditions.

In the efforts this country is making to establish international peace and well-being, we need partners on whom we can rely, who share our objectives. Britain has proved herself a stanch and loyal partner. Today Britain needs our help to rebuild her strength—to make her a more effective partner. The ratification of this agreement will help supply that need and will also hearten her spirits at a critical time. It is in our interest so to strengthen Britain.

CONTINUATION OF OFFICE OF PRICE ADMINISTRATION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the stockholders of the Cooperative Store Association, of Maddock, N. Dak., signed by three distinguished residents, dealing with the matter of continuation of the Office of Price Administration.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the Office of Price Administration has served the people of this Nation faithfully during the war; and

Whereas we believe the need of price control is even greater;

Now, therefore, we the stockholders of the Cooperative Store Association, of Maddock, N. Dak., representing 546 patrons and their families, in annual stockholders' meeting assembled this 6th day of April A. D. 1946, resolve to go on record as favoring the continuation of the Office of Price Administration at least 1 year beyond June 30, 1946.

Copies of this resolution to be sent to Paul A. Porter, Administrator of Office of Price Administration, to our Senators and Representatives in Congress, and to our State and local papers.

Mrs. E. F. SCHUMAN,
WALTER RANDURST,
A. O. JOHNSON,
Resolutions Committee.

Mr. LANGER. Mr. President, I also ask unanimous consent to have printed in the RECORD a resolution adopted by the members of the Farmers Union, Local No. 1150, North Dakota Agricultural College, at Fargo, N. Dak., dealing with the matter of price control. I may add that the union is composed of a group of students at the North Dakota Agricultural College.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

FARMERS UNION, LOCAL NO. 1150,
NORTH DAKOTA AGRICULTURAL COLLEGE,
Fargo, N. Dak., March 4, 1946.

Hon. WILLIAM LANGER,
United States Senate,
Washington, D. C.

DEAR SENATOR: Whereas price control is essential to the maintenance of our economic stability;

Whereas people's savings and war bonds would disappear during an inflationary spree;

Whereas inflation would seriously reduce the buying power of the ex-serviceman's subsistence allowance, thus working greater hardship on the ex-GI: Therefore be it

Resolved, That we, the members of the North Dakota Agriculture College Farmers Union College Local No. 1150, do hereby urge Congressmen LEMKE and ROBERTSON, Senators LANGER and YOUNG to support the extension of the National Price Control Act.

Respectfully yours,

JOHN F. MAHER,
President, Farmers Union Local No. 1150.

LIVESTOCK INDUSTRY PRICE CONTROLS AND SUBSIDIES

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter embodying a resolution adopted by the Wyndmere Cooperative Shipping Association, a group of livestock producers in and around Wyndmere, N. Dak. The letter has been sent to me by two distinguished citizens of North Dakota, Mr. Goerger and Mr. Haugen.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Hon. WILLIAM H. LANGER,
Senator, United States Senate,
Washington, D. C.

DEAR SENATOR LANGER: The Wyndmere Cooperative Shipping Association, a group of livestock producers in and around Wyndmere, N. Dak., with a membership of approximately 200 producers, at their annual meet-

ing held in Wyndmere, N. Dak., on March 16, voted as being in favor of the following resolution:

"The livestock industry, as represented by the joint livestock committee which is composed of representatives of producers and feeders of cattle, hogs, and sheep and all marketing agencies and stockyards, in meeting at Chicago this 1st day of March 1946, is unanimously of the opinion that the Government's program of price controls and subsidies, as affecting the livestock industry, has been proved to be unworkable, unenforceable, has retarded, and is now retarding, production of food and thereby interferes with the reconversion and readjustment program and has not been, and is not now, beneficial to this country.

"We, therefore, respectfully urge and recommend that the Congress not extend this program beyond June 30, 1946."

Respectfully yours,

WYNDMERE COOPERATIVE SHIPPING ASSOCIATION,
EDD GOERGER, *President.*
OLE I. HAUGEN, *Secretary.*

ELIMINATION OF DUAL WAGE SCALE

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions adopted at the Thirty-seventh Annual Convention of the Vegetable Growers' Association of America. The resolutions have been sent to me attached to a letter signed by H. D. Brown, secretary. In part, they deal with the matter of eliminating the dual wage scale in America. Complaint is made that that system has made it impossible for American farmers to hire farm help.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Resolution 2

We reaffirm our position of previous years that present price ceilings for perishable vegetables are unsound in principle, have proved impossible of administration, and have maintained higher prices to consumers because of higher distribution expense than would have prevailed if normal price relationships had existed based on supply and demand. We protest most strongly against the unnecessary losses caused to growers by the long and uncalled-for delays which have occurred in the establishment of price adjustments required by Congress under the crop disaster amendment. In some instances the entire damaged crop has been harvested before the price adjustment has been completed.

Resolution 5

In that there is a certain labor practice in force, namely, in certain terminal markets and warehouses farmers are forced to pay an unloading charge to unions, though no labor is furnished by said unions, and said unloading charge is extortion and sheer "feather bedding": Be it

Resolved, That the secretary of the V. G. A. of A. be instructed to place a copy of this resolution in the hands of all United States Representatives and Senators and request legislation to remedy said labor extortion.

In that there is a certain labor practice in force, namely, in certain cities drivers of farmers' trucks are forcibly forbidden from delivering their produce to terminal markets and warehouses unless extortion is paid to local teamsters' unions: Be it

Resolved, That the secretary of the V. G. A. of A. be instructed to place a copy of this resolution in the hands of all United States Representatives and Senators and request legislation to remedy said labor extortion; therefore be it

Resolved, That we urge the Senate and Legislature to vote for the Hobbs bill, H. R. 32.

Resolution 6

We are opposed to passage of the so-called Fair Employment Practice Control Act because we believe in the American practice that an employer should be allowed to hire any employee he wishes, regardless of race or creed.

RESUMPTION OF LOCAL LAND-USE PLANNING

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by farmer members of the North Dakota Agricultural Advisory Council, relating to the resumption of local land-use planning.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

We, the farmer members of the North Dakota Agricultural Advisory Council, urge that provisions be made to resume local land-use planning with facilities and personnel to afford desirable and appropriate technical guidance and research to make possible greatest service and aid to the needs of the community and Nation with such coordinating mechanisms as will make these plans available for consideration and action on community, county, State, and national levels. We recommend also that these groups be elected by farmers at the same time as regular Production and Marketing Administration elections.

Obed A. Wyum, Rutland, N. Dak., Chairman, Farmers Committee, North Dakota Agricultural Advisory Council; Oscar Blessum, Rugby N. Dak.; Harry Haroldson, Coteau, N. Dak.; John Kennedy, Voss, N. Dak.; H. W. McInnes, Kelso, N. Dak.; James Maher, Morristown, S. Dak.; Thore Naaden, Braddock, N. Dak.; John D. O'Keeffe, Lansford, N. Dak.; Ray Schnell, Dickinson, N. Dak.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. HUFFMAN, from the Committee on Claims:

H. R. 4174. A bill for the relief of Mayer G. Hansen; without amendment (Rept. No. 1212).

By Mr. WHERRY, from the Committee on Claims:

H. R. 2973. A bill for the relief of Ben Thomas Haynes, a minor; without amendment (Rept. No. 1213);

H. R. 3018. A bill for the relief of R. Fred Baker and Crystal R. Stribling; with amendments (Rept. No. 1216);

H. R. 3454. A bill for the relief of William Clyde McKinney; with an amendment (Rept. No. 1215); and

H. R. 4609. A bill for the relief of Jerome Dove; without amendment (Rept. No. 1214).

By Mr. WILEY, from the Committee on Claims:

H. R. 3618. A bill for the relief of Mrs. Vannas H. Hicks; without amendment (Rept. No. 1217); and

H. R. 4074. A bill for the relief of Mrs. Jennie Burnison; without amendment (Rept. No. 1218).

By Mr. ELLENDER, from the Committee on Claims:

S. 1061. A bill for the relief of Violet Ludokiewich; with amendments (Rept. No. 1226);

S. 1569. A bill for the relief of Gwynn C. Triplett, and for other purposes; without amendment (Rept. No. 1219);

H. R. 2188. A bill for the relief of George W. Bailey; without amendment (Rept. No. 1220);

H. R. 3100. A bill for the relief of the legal guardian of Rolland Lee Frank, a minor; with amendments (Rept. No. 1227);

H. R. 3823. A bill for the relief of Gertrude McGill; without amendment (Rept. No. 1221);

H. R. 4115. A bill for the relief of the estate of Eleanor Doris Barrett; without amendment (Rept. No. 1222);

H. R. 4210. A bill for the relief of the estate of Bob Clark and the estate of George D. Croft; without amendment (Rept. No. 1223);

H. R. 4270. A bill for the relief of Southern California Edison Co., Ltd.; without amendment (Rept. No. 1224);

H. R. 4400. A bill for the relief of Nolan V. Curry, individually, and as guardian for his minor son, Hershel Dean Curry; with amendments (Rept. No. 1228); and

H. R. 4537. A bill for the relief of Lillian Jacobs; without amendment (Rept. No. 1225).

DEVELOPMENT AND CONTROL OF ATOMIC ENERGY—REPORT OF SPECIAL COMMITTEE ON ATOMIC ENERGY

Mr. McMAHON. Mr. President, from the Special Committee on Atomic Energy, I ask unanimous consent to report favorably with an amendment the bill (S. 1717) for the development and control of atomic energy, and I submit a report (No. 1211) thereon.

I wish to state to the Senate that the report I am submitting in connection with the bill is quite comprehensive. In addition to the regular report, it contains a clarifying article on the development and application of atomic energy by Dr. E. U. Condon, scientific adviser to the committee; reprints of various historical documents relating to the atomic bomb, a chronology of developments in nuclear physics and the atomic-bomb project, a glossary of scientific terms relating to atomic energy, and a bibliography of books and articles on scientific and political aspects of atomic energy.

Because of the extreme importance of the subject matter I believe Senators will find it helpful to study the report as well as the provisions of the bill.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KILGORE:

S. 2082. A bill for the relief of Mary Lomas; to the Committee on Immigration.

By Mr. DOWNEY:

S. 2033. A bill to amend section 6 of the Classification Act of 1923, as amended; to the Committee on Civil Service.

S. 2084. A bill for the relief of H. T. Duffy; to the Committee on Claims.

By Mr. MEAD:

S. 2085. A bill to amend title V of the act entitled "An act to expedite the provision of housing in connection with the national defense, and for other purposes," approved October 14, 1940, as amended, to authorize the Federal Works Administrator to provide needed educational facilities, other than

housing, to educational institutions furnishing courses of training or education to persons under title II of the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Education and Labor.

By Mr. THOMAS of Oklahoma:

S. 2086. A bill to improve the administration of the Production and Marketing Administration, United States Department of Agriculture; and

S. 2087. A bill to amend section 17 (a) of the Soil Conservation and Domestic Allotment Act (49 Stat. 1151); to the Committee on Agriculture and Forestry.

By Mr. WHEELER:

S. 2088. A bill to establish a Federal Traffic Bureau, and for other purposes; to the Committee on Interstate Commerce.

By Mr. GOSSETT:

S. 2089. A bill to provide for assistance by the Federal Government in the control and eradication of noxious weeds; to the Committee on Agriculture and Forestry.

By Mr. McFARLAND:

S. 2090. A bill for the relief of the estate of Robert Clyde Johnson; to the Committee on Claims.

By Mr. McFARLAND (for himself, Mr. JOHNSON of Colorado, Mr. MAYBANK, Mr. CHAVEZ):

S. 2091. A bill to provide certain benefits with respect to accumulated leave in the case of persons who served as enlisted members of the armed forces during the war; to the Committee on Military Affairs.

By Mr. KNOWLAND:

S. 2092. A bill authorizing the Secretary of the Interior to prepare a roll of the Indians of California; to the Committee on Indian Affairs.

HOUSE BILLS REFERRED OR PLACED ON THE CALENDAR

The following bills were each read twice by their titles and referred or ordered to be placed on the calendar, as indicated:

H. R. 5433. An act to amend section 540 of title 10 and section 441 (a) of title 34 of the United States Code providing for the detail of United States military and naval missions to foreign governments; ordered to be placed on the calendar.

H. R. 5626. An act to authorize the Veterans' Administration to appoint and employ retired officers without affecting their retired status, and for other purposes; to the Committee on Military Affairs.

EXTENSION OF SELECTIVE TRAINING AND SERVICE ACT—AMENDMENT

Mr. GURNEY submitted an amendment intended to be proposed by him to the bill (S. 2057) to extend the Selective Training and Service Act of 1940, as amended, until May 15, 1947, and for other purposes, which was ordered to lie on the table and to be printed.

PROPOSED LOAN TO GREAT BRITAIN—AMENDMENTS

Mr. CAPEHART submitted amendments intended to be proposed by him to the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes, which were ordered to lie on the table and to be printed.

HOUSING FOR PERSONS ATTENDING EDUCATIONAL INSTITUTIONS—AMENDMENTS

Mr. MEAD submitted amendments intended to be proposed by him to the bill (S. 1770) to amend the act entitled "An act to expedite the provision of housing in connection with the national defense, and for other purposes," approved October 14, 1940, as amended, to aid in providing housing for persons attending educational institutions in the pursuit of courses of training or education under title II of the Servicemen's Readjustment Act of 1944, which were referred to the Committee on Education and Labor and ordered to be printed.

AMENDMENT OF EMERGENCY PRICE CONTROL AND STABILIZATION ACTS OF 1942—AMENDMENT

Mr. McFARLAND (for himself, Mr. MURRAY, Mr. HAYDEN, Mr. JOHNSON of Colorado, Mr. THOMAS of Utah, Mr. MURDOCK, Mr. TAYLOR, Mr. HATCH, Mr. CHAVEZ, and Mr. WHEELER) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2028) to amend the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended, and for other purposes, which was referred to the Committee on Banking and Currency and ordered to be printed.

INVESTIGATION WITH RESPECT TO PETROLEUM RESOURCES IN RELATION TO THE NATIONAL WELFARE—LIMIT OF EXPENDITURES

Mr. O'MAHONEY submitted the following resolution (S. Res. 261), which was referred to the Committee To Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures under Senate Resolution 253, Seventy-eighth Congress, second session, agreed to March 13, 1944, and Senate Resolution 36, Seventy-ninth Congress, first session, agreed to January 29, 1945 (relating to an investigation with respect to petroleum resources in relation to the national welfare) is hereby increased by $10,000.

FLOSSIE I. FLETCHER

Mr. BARKLEY (for Mr. GLASS) submitted the following resolution (S. Res. 262), which was referred to the Committee To Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Flossie I. Fletcher, widow of Lewis H. Fletcher, late an employee of the Senate, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

EASTER IN THE ATOMIC AGE—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "Easter in the Atomic Age," delivered by him over Wisconsin radio stations, which appears in the Appendix.]

MR. CHURCHILL GREETS ARMY AND NAVY OFFICERS

[Mr. GREEN asked and obtained leave to have printed in the RECORD several addresses made at an informal meeting between Mr. Winston Churchill and various Army and Navy officers in the office of the Secretary of War on March 9, 1946, which appear in the Appendix.]

ONE HUNDREDTH ANNIVERSARY OF GREEK INDEPENDENCE—ADDRESS BY P. ECONOMOU GOURAS

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD an address delivered by P. Economou Gouras, counselor of the Greek Embassy in Washington, D. C., on the occasion of the celebration of the one hundredth anniversary of Greek independence, on March 23, 1946, which appears in the Appendix.]

TREATMENT OF VETERANS—ARTICLE BY FRANCES LANGFORD

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD an article entitled "Vets' Bolstered Morale Shattered by New Blow," by Frances Langford, which appears in the Appendix.]

ADDRESS BY HON. JAMES P. McGRANERY BEFORE CATHOLIC PARENT-TEACHERS ASSOCIATION OF DENVER

[Mr. McCARRAN asked and obtained leave to have printed in the RECORD an address delivered by Hon. James P. McGranery, assistant to the Attorney General, before the Catholic Parent-Teachers Association of Denver, Colo., on March 21, 1946, which appears in the Appendix.]

ADDRESS BY HON. JAMES P. McGRANERY AT GRADUATING EXERCISES OF THE FBI NATIONAL ACADEMY

[Mr. McCARRAN asked and obtained leave to have printed in the RECORD an address delivered by the Honorable James P. McGranery, assistant to the Attorney General, at the graduating exercises of the thirty-first session of the FBI National Academy, on March 29, 1946, which appears in the Appendix.]

ARBITRATION IN CASES AFFECTING RAILWAY EMPLOYEES

[Mr. MEAD asked and obtained leave to have printed in the RECORD an editorial entitled "Arbitration Fumbles," from the Machinist of April 11, 1946; a case filed in the United States District Court, Northern District of Illinois, Eastern Division, Docket No. A-2215, Arbitration 61; a case filed with the National Mediation Board, Docket No. A-2215, Arbitration No. 62; and a statement of Carl J. Goff, assistant president, Brotherhood of Locomotive Firemen and Enginemen, which appear in the Appendix.]

THE ST. LAWRENCE SEAWAY—EDITORIAL FROM THE DETROIT NEWS

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial relating to the St. Lawrence seaway, published in the Detroit News of April 16, 1946, which appears in the Appendix.]

TWO HUNDREDTH ANNIVERSARY OF THE FOUNDING OF PRINCETON UNIVERSITY

Mr. SMITH. Mr. President, yesterday the Senate passed Senate Joint Resolution 148, to authorize suitable participation by the United States in the observance of the two hundredth anniversary of the founding of Princeton University. Later I learned that the House and passed House Joint Resolution 331, which is an identical measure. The House sent its joint resolution over here and then recessed.

I ask unanimous consent that the vote by which Senate Joint Resolution 148 was passed be reconsidered, and that House Joint Resolution 331 be presently considered.

The PRESIDENT pro tempore. Without objection, the vote by which Senate

Joint Resolution 148 was passed is reconsidered.

Is there objection to the present consideration of House Joint Resolution 331?

There being no objection, the joint resolution (H. J. Res. 331) to authorize suitable participation by the United States in the observance of the two hundredth anniversary of the founding of Princeton University was read twice by its title, considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

The PRESIDENT pro tempore. Without objection, Senate Joint Resolution 148 is indefinitely postponed.

AIRPORT DEVELOPMENT — CONSIDERATION OF CONFERENCE REPORT

Mr. McCARRAN. Mr. President, there was an order made yesterday that the conference report on S. 2 should be taken up today at 12 o'clock. Many Senators who are interested in this matter are absent. So I ask unanimous consent that the conference report may go over, and that it be taken up some day next week.

The PRESIDENT pro tempore. Is there objection?

Mr. WHITE. Mr. President, reserving the right to object, let me say this is a matter in which my colleague [Mr. BREWSTER] is very deeply interested, and I think he had a distinct understanding—I see him approaching, and I now withdraw myself from the floor.

Mr. BREWSTER Mr. President, if whoever has the floor——

The PRESIDENT pro tempore. The Senator from Nevada has the floor.

Mr. McCARRAN. I wish to make the statement again, in the presence of the Senator from Maine, that on yesterday we agreed that today, the Senator from North Dakota [Mr. LANGER] yielding, we would take up the conference report on Senate bill 2, known as the airport bill. We find, as I was afraid yesterday we would find, that many Senators who are interested in this subject on either side of the aisle are absent. It seems to me, in view of the fact that the matter has been held up for a long time, that it should go over, and, therefore, I am asking unanimous consent that the conference report go over until some day next week when a greater number of Senators can be present. The Senator from Maine has said that on certain days next week he could not be present, and certainly I would not attempt to bring up the conference report on those days.

Mr. BREWSTER. Mr. President, the matter has been pending for a long time, in the initial instance, at the request of the Senator from Nevada, which we were very happy to accord him, as he was to be away for some 2 or 3 weeks. Since he returned, it has been a matter of mutual discussion as to convenience, and it was understood that the conference report would be brought up this week and disposed of, since there might be some concern about the delay. We had a tentative understanding yesterday, first to take up the conference report yesterday afternoon, and then to take it up this morning. I think that, so far as a check has shown, there is today as large a representation as there is likely to be, in view of the recess which has been taken by the other body, which does not affect us and yet I think has resulted in the prospective departure during the Easter season of some of our colleagues. I see now before me one of our distinguished colleagues [Mr. OVERTON], who is acting chairman of the Committee on Commerce during the illness of the Senator from North Carolina [Mr. BAILEY]. I know he is leaving, and I think there are other Senators who are leaving the coming week. The Senator from Louisiana has supported the viewpoint of the Senator from Nevada. So he may find that he will lose some votes. I think it would be very much better to dispose of the conference report today and get it out of the way.

Mr. McCARRAN. To be very frank with the Senator from Maine, I should like very much to get it out of the way and dispose of it, but I know there are Senators on both sides of the aisle who have given a great deal of consideration to the subject, and I am loath to bring it up at a time when there are so few present and when I know that between now and 3 o'clock there will be many Senators who will have to absent themselves. Therefore, I am asking for the unanimous-consent agreement.

Mr. BARKLEY. Mr. President, if I may interject here, there were suggestions yesterday in connection with this matter that we should not have a session today, but, in view of the fact that we have important legislation before us, and that other legislation will begin to pile up soon, it seemed to me that we ought to have a session today. Some Senators indicated to me that they would like to be absent today. I do not know how they will vote on this matter. I myself rather urged that we consider and dispose of the conference report. I did not realize yesterday that there would be so many Senators absent today as apparently are absent. I hope there will be no objection to the request of the Senator from Nevada. I shall endeavor to cooperate in the disposition of this important matter as soon as possible, but I do not believe it would be fair to either side to insist on taking it up today. I hope the Senator from Maine will not object.

Mr. BREWSTER. Mr. President, certainly I want to show every consideration so far as we on this side are concerned. Would it possible to dispose of the matter on Monday?

Mr. BARKLEY. That raises this question: Of course the Easter season situation affects the attendance not only today but will affect it on Monday. The Senator from Michigan [Mr. VANDENBERG], who is absent from the Chamber temporarily, must leave on Monday night, I understand, to accompany the Secretary of State to Paris. Unless he is prepared to make a statement today in regard to the pending legislation—not the conference report but the pending legislation—I would feel under obligation to attempt to have a session Monday, if for no other purpose than to allow him to make a statement before he departs, because the pending joint resolution may be voted upon before he returns. If he were prepared to do that today, I should feel disposed not to have a session on Monday, in view of the absence of Senators, because on Monday I think we would be as bad off as we are today, if not worse. A number of Senators have indicated to me that they would not like to be compelled to attend a session on Monday. So what is suggested would not help the situation. Any day next week when the Senator from Maine could be here would be agreeable to the Senator from Nevada, I am sure, and would be to me.

Mr. McCARRAN. What was the suggestion?

Mr. BARKLEY. The Senator heard my comments about the possibility of a session on Monday. I said that any day next week when the Senator from Maine would be present would be agreeable to the Senator from Nevada, I was sure, and would be to me.

Mr. McCARRAN. I suggest Thursday of next week.

Mr. BREWSTER. I would agree to Monday or Tuesday, but could we have the understanding that if we have a session on Monday we will take the matter up on Monday at noon; and if we do not have a session on Monday, take it up Tuesday at noon?

Mr. BARKLEY. I would rather have a definite understanding that we would take it up on Tuesday at noon, rather than make it Monday.

Mr. BREWSTER. Suppose we then have a definite understanding that we will take it up on convening at noon Tuesday.

Mr. BARKLEY. Mr. President, I personally have no objection to that. It appears to me there will never be a day during the remainder of this session, if forever, when all Senators will be in the Chamber on any one day. That is an impossibility.

Mr. McCARRAN. Would the Senator from Maine be content to let the matter go over for an hour or so until we can come to some understanding as to a day certain next week?

Mr. LUCAS. I thought we had made an agreement to take the conference report up today.

Mr. BARKLEY. We had, and that is what we have been discussing. Because so many Senators are absent, it does not seem propitious to take it up now.

Mr. LUCAS. I think that if the Senator will examine the roll calls, he will find that every one shows 15 or 20 or 25 Senators absent.

Mr. BARKLEY. That does not necessarily mean they are all out of the city. The peculiar situation existing now with regard to the proximity of Easter presents a little different condition from what is normal.

The PRESIDENT pro tempore. May the Chair suggest Wednesday as a compromise?

Mr. BREWSTER. I wish to say to the Senator from Illinois that I had hoped, and still hope, that we may dispose of

the matter today, as I think he is entirely correct that there will always be a considerable number of Senators absent, particularly during the week following Easter. I should prefer to see the matter disposed of today, and I do not believe it will make any material difference in the result, so far as any information which I have indicates. On the other hand, in deference to the request of the Senator from Nevada, it would be agreeable to me to have a further continuance to either Monday or Tuesday, perhaps to Tuesday as a day certain.

Mr. McCARRAN. Will the Senator consent to the matter going over until Wednesday or Thursday?

Mr. BREWSTER. No. Unfortunately, I shall be obliged to be away.

Mr. McCARRAN. Mr. President, I ask unanimous consent that the matter go over indefinitely.

The PRESIDENT pro tempore. To what date?

Mr. McCARRAN. Indefinitely.

Mr. BREWSTER. I shall certainly object to that. I think we should dispose of this matter now, either by taking it up today, or fixing a day certain. It would be entirely agreeable to me to go forward with it today, and I believe that is the orderly way to proceed, when we have the time, and when we have a representative attendance of Senators in Washington, so far as I have been able to learn.

Mr. McCARRAN. Will the Senator be here next Friday?

Mr. BREWSTER. No; I will not.

Mr. McCARRAN. We are trying to accommodate everyone as much as we can. That is the trouble.

Mr. BREWSTER. Two of the chief gladiators are here now, in the persons of the Senator from Nevada and myself, who have discussed this matter for some time, and I wish we could dispose of it. I am sure it will work out well.

Mr. McCARRAN. Would the Senator consent to have it go over without date, until the Senator and I can agree on a date today, and then have the order made?

Mr. BREWSTER. If we give up the position which we now enjoy we have no knowledge as to where we shall land, so I think the matter should be disposed of now. We have had this report on the clerk's desk for a considerable time and without any criticism of the reasons for the delay, it has gone over.

Mr. BARKLEY. In that connection, I may say that frequently we postpone matters of importance because of the absence of some key Member of the Senate who desires to be present when it is taken up. This is the first time any tentative date has been set for the consideration of this conference report, and it seems to me not unreasonable to have the matter go over, in view of the situation—for which I am somewhat responsible, I may say, by insisting on having a session today. A good many Senators felt we should not have a session today, but it has never been the practice of the Senate to adjourn from Thursday to Monday on account of Easter, and I did not feel we were justified in doing so at this time.

I shall cooperate with the Senator from Maine and the Senator from Nevada in any way I can to bring about the earliest possible disposition of the conference report, when the Senator from Maine can be present. I realize that Senators who are interested in the report, and who have to be away on any day we take it up, have to accept that responsibility. There is no way of avoiding it.

I wish to comment upon the urgency of the Senate concluding its deliberations. One of the reasons why I have insisted on the Senate meeting today, and not taking a recess on account of Easter, was that we might conclude our business and take what we have not taken for a long time, an adjournment of the Congress. I still hope we may be able to do that in July. I think we can do it if we knuckle down to our business and dispose of the necessary legislation. We cannot have an adjournment in July unless we do that. I hope that all Senators will cooperate to bring that about. I have not heard of a Senator or talked with a Senator who does not desire to have an adjournment in July, by the first of July if it is possible. I am not optimistic enough to think we can take the adjournment by the first of July, but I am sure we can during July.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

Mr. BREWSTER. Mr. President, a continuance to next Tuesday would be entirely agreeable to me, in order to get this matter disposed of, but I do not want to leave it in the air. It has been pending for a long time, and I hope the Senator from Nevada will ask permission to modify his request and fix next Tuesday as a day certain, in accordance with the intimation from the majority leader that that would be agreeable so far as his calendar is concerned.

Mr. McCARRAN. A Member of the Senate who is absent at the moment, though he was here a moment ago, is very much interested in the conference report, and he tells me he cannot be present Tuesday. Otherwise Tuesday would be satisfactory. I refer to the Senator from Illinois [Mr. LUCAS].

Mr. BARKLEY. The Senator from Illinois is on the floor now.

Mr. BREWSTER. The Senator from Illinois is available, and I think many of those, if not all, who have been interested in the matter, are present, and the report could be disposed of in accordance with the unanimous-consent agreement of yesterday. I think it would be better if we could dispose of it today, but I shall be agreeable to a continuance to Tuesday, if the Senator from Nevada will modify his request to that extent.

The PRESIDENT pro tempore. Does the Senator from Nevada modify his request?

Mr. McCARRAN. I dislike intensely to bring the matter up at that time, in view of the statement made to me by the Senator from Illinois that he positively cannot be here Tuesday.

Mr. BREWSTER. He is here now.

Mr. McCARRAN. I know he is here now, but he has made the statement to me which I have repeated, and I think he would make it for the record, so far as that is concerned. I shall consent to have the matter come up Tuesday.

Mr. BREWSTER. Will the Senator make the request?

Mr. McCARRAN. I make the unanimous consent request that the order heretofore made be vacated, and that the conference report be brought up Tuesday at 12 o'clock.

The PRESIDENT pro tempore. Is there objection?

Mr. LANGER. Mr. President, I object.

The PRESIDENT pro tempore. Objection is heard.

Mr. BARKLEY. Mr. President, of course while the unanimous-consent agreement was that the conference report be taken up at 12 o'clock today, there is no unanimous-consent agreement as to when it should be voted upon.

Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BARKLEY. Is it in order to move that the consideration of this conference report to be postponed until 12 o'clock noon on Tuesday next?

The PRESIDENT pro tempore. Such a motion is in order.

Mr. BARKLEY. I make that motion.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Kentucky to postpone consideration of this conference report until next Tuesday at 12 o'clock.

The motion was agreed to.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. What will happen next Tuesday at noon if we should then happen to be in the same situation we are in today?

The PRESIDENT pro tempore. The Chair cannot suggest——

Mr. LUCAS. We agreed to the unanimous-consent request made yesterday to take up the conference report today. Now another unanimous consent has been agreed to, that we take up the conference report on Tuesday next. Will another unanimous-consent agreement be in order on next Tuesday to take up the report at some other time?

The PRESIDENT pro tempore. A motion to postpone would be in order.

VETERANS PREFERENCE UNDER SURPLUS PROPERTY ACT OF 1944

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 1757) to amend the Surplus Property Act of 1944, as amended, so as to broaden the scope and raise the rank of the veterans' priority, which were, to strike out all after the enacting clause and insert:

That section 16 of the Surplus Property Act of 1944 is amended to read as follows:

"DISPOSITIONS TO VETERANS

"SEC. 16. (a) The Administrator shall prescribe regulations to effectuate the objectives of this act to aid veterans in the acquisition of surplus property, in appropriate

quantities and types, to enable them to establish and maintain their own small business, professional, or agricultural enterprises. Disposals of surplus property (except real property) to veterans under this subsection shall be given priority over all other disposals of property provided for in this act except transfers to Government agencies under section 12.

"(b) Notwithstanding the provisions of section 12 of this act, the Administrator may cause to be set aside or otherwise to be made available quantities and types of any surplus property, except real property, which he determines to be appropriate for exclusive disposal to veterans for their own personal use, and to enable them to establish and maintain their own small business, professional, or agricultural enterprises. The Administrator shall prescribe regulations designed to achieve the equitable distribution of such surplus property among veterans. In selecting any types or quantities of surplus property for disposal in accordance with the provisions of this subsection, the Administrator shall give due consideration to the availability of adequate facilities for and the costs of the distribution of such property. The Administrator shall from time to time cause to be compiled and widely publicized information as to the types and quantities of such surplus property which has or will become available within a given period of time for exclusive disposal to veterans in accordance with the provisions of this subsection.

"(c) The Administrator shall prescribe a reasonable time of not less than 15 days after public notice during which property offered to veterans under this section shall be held for disposal to them."

SEC. 2. Section 12 (a) of the Surplus Property Act of 1944 is amended to read as follows:

"(a) It shall be the duty of the Administrator to facilitate the transfer of surplus property from one Government agency to other Government agencies for their own use and not for transfer or disposition; and the transfer of surplus property under this section shall be given priority over all other disposals provided for in this act, except disposals to veterans of property reserved exclusively for veterans under subsection (b) of section 16 of this act. The Administrator shall prescribe a reasonable time within which Government agencies shall exercise the priority provided by this subsection, but the time so fixed shall not exceed 20 days from the time public notice is given of the availability of the surplus property for disposal to Government agencies."

SEC. 3. Section 12 (c) of the Surplus Property Act of 1944 is amended to read as follows:

"(c) The disposal agency responsible for any such property shall transfer it to the Government agency acquiring it at the fair value of the property as fixed by the disposal agency, under regulations prescribed by the Administrator, unless transfer without reimbursement or transfer of funds is authorized under subsection (d) of this section."

SEC. 4. Section 12 of the Surplus Property Act of 1944 is amended by adding a new subsection (d) to read as follows:

"(d) Notwithstanding the provisions of section 34 (a) of this Act, no Government agency may transfer any property to any other Government agency without reimbursement or transfer of funds under authority of any law approved prior to June 22, 1944. Any disposal agency may transfer surplus property to a Government agency without reimbursement or transfer of funds whenever a transfer on such terms by the owning agency (by which such property was declared surplus) would be authorized by any law approved subsequent to June 21, 1944, to be made to the Government agency desiring such property."

SEC. 5. Section 13 (f) of the Surplus Property Act of 1944 is amended to read as follows:

"(f) The disposal of surplus property under this section to States and political subdivisions and instrumentalities thereof shall be given priority over all other disposals of property provided for in this act, except transfers to Government agencies under section 12 and disposals to veterans under section 16 and purchases made under subsection (e) of section 18: *Provided*, That the Administrator may prescribe a reasonable time during which such priority shall be exercised."

SEC. 6. The last sentence of subsection (e) of section 18 thereof is hereby amended to read as follows: "The disposal of surplus property under this subsection shall be given priority immediately following transfers to other Government agencies under section 12 and disposals to veterans under section 16. The provisions of subsection (c) of section 12 shall be applicable to purchases made under this subsection."

And to amend the title so as to read: "An act to amend the Surplus Property Act of 1944 with reference to veterans' preference, and for other purposes."

Mr. O'MAHONEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Wyoming?

Mr. LANGER. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I desire to ask for the immediate consideration of the House amendments to the veterans' surplus property bill, and, with the indulgence of the Senator from North Dakota, I wish to make a preliminary statement respecting the bill, so that Members of the Senate may know what the basis of the request is.

In January of this year, the Senator from South Carolina [Mr. MAYBANK], the Senator from New Mexico [Mr. CHAVEZ], and I introduced a bill, the purpose of which was to raise the preference of veterans in the disposal of surplus property. This measure was given extended consideration by the Senate Military Affairs subcommittee, which held hearings, and called before it representatives of all Government agencies involved, including the War Assets Administration.

A bill was passed by the Senate on Friday last effecting this very necessary and desirable reform in veterans' preference. I am happy to say that the House yesterday called the matter up for consideration and amended the Senate bill by adding some provisions which had been worked out by the House Committee on Expenditures in the Executive Departments, headed by Representative MANASCO, of Alabama, and yesterday the bill was passed with those amendments.

My request, therefore, Mr. President, is that the Senate shall proceed now to the consideration of amendments of the House to the Senate bill, and I shall ask that the Senate concur in the House amendments, in order that this very necessary reform may be effected without further delay. In view of the recess on the part of the House and the apparent disposition of some Members of the Senate not to be here during the next week, it is of utmost importance that this measure be enacted into law without going to conference. That is the reason why I have sought this opportunity to have the Senate agree to the House amendments.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. WHITE. I want to have an understanding of the parliamentary situation. This is a Senate bill which comes back from the House with House amendments?

Mr. O'MAHONEY. That is correct.

Mr. WHITE. And what the Senator is proposing to do is to ask that the Senate concur in the House amendments?

Mr. O'MAHONEY. Precisely.

Mr. WHITE. Have the House amendments been considered by the appropriate committee of the Senate?

Mr. O'MAHONEY. The House amendments have been discussed with members of the committee which has been in charge of the bill. I have, for example, consulted the Senator from West Virginia [Mr. REVERCOMB] and the Senator from Iowa [Mr. WILSON] this morning. The general subject has been before the committee.

Mr. WHITE. I wondered if the members of the committee are agreeable to the House amendments?

Mr. O'MAHONEY. It is my understanding that they are.

Mr. WHITE. I am particularly concerned to know whether the minority Members are agreeable to the House amendments.

Mr. O'MAHONEY. The Senator from West Virginia has already indicated to me his concurrence in the amendments.

The Senator from South Carolina [Mr. MAYBANK] has likewise agreed.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. REVERCOMB. I notice one amendment which has been made with respect to direction to the head of the War Assets Administration who deals with the disposal of surplus property. The bill as passed by the Senate contained the direction that the head of the War Assets Administration "shall" set aside—using the direct and positive word "shall" certain goods for purchase by veterans. The House has changed the word "shall" to "may." I wish the able Senator from Wyoming would explain that for the benefit of the Senate, as he explained it to me, so that we may know that we are not surrendering a position which directs and commands the Administrator to set certain goods aside for veterans.

Mr. O'MAHONEY. I am happy the Senator from West Virginia has raised that question. As a matter of fact, it can be said that the word was actually not changed from "shall" to "may." The word "may" appeared in the bill as it was presented to our committee, and that same paragraph was included in the House bill. We made the change, and unfortunately I did not undertake to notify the House committee of the change that we had made from "may" to "shall." So that what has happened is merely that the House has agreed to

the paragraph as we originally proposed it.

I have consulted the War Assets Administration and have been assured this morning over the telephone, and I understand that a letter to that effect is on the way, which I shall later include in the RECORD, that the War Assets Administration will administer this law as though the word were "shall," and I may also point out that if there should be any doubt upon that point it could easily be corrected by passage of a joint resolution.

Mr. McCLELLAN. Mr. President——

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from Wyoming yield to the Senator from Arkansas?

Mr. O'MAHONEY. I yield.

Mr. McCLELLAN. I am very glad to have the explanations thus far presented respecting the changes made by the House. I think this is very important legislation, and that we ought to expedite its passage. I am very glad the Senator has brought it up at this time. I rose to seek information as to the changes the House has made. I am very anxious to see the measure passed. I regret the change from "shall" to "may." I think we should leave it "shall"; but if the House situation is now such that it is advisable to pass the legislation as the House amended it, very well, though I much prefer to have the word "shall" remain in the bill.

Mr. O'MAHONEY. As I said to the Senator from West Virginia, I am confident that the bill will be administered as though the word were "shall." I think the legislative intent is clear. The House did not change the word "shall" to "may." It merely acted upon the original language. The Senate changed the word "may" to "shall." The fact that the word "may" appears in the bill as it comes back to us is merely due to the fact that the change of the Senate was not specifically called to the attention of the House.

Mr. McCLELLAN. The Senator has satisfied himself, after the consultations he has had, that the interpretation or administration of the measure by the War Assets Administration will be as if the word were "shall"?

Mr. O'MAHONEY. Yes. I may say to the Senator that the purpose of this section is to direct the War Assets Administration to set aside an inventory of surplus property which shall be for exclusive disposal to veterans. It is the purpose of the War Assets Administration to do that.

Mr. McCLELLAN. I was very much interested that there should be no discretion, but that there should be a legislative directive.

Mr. O'MAHONEY. The War Assets Administration so understands it.

Mr. McCLELLAN. May I inquire of the Senator the effect of any other amendments?

Mr. O'MAHONEY. I shall be very happy to explain them.

The first amendment is to except real property from the provisions of the bill. As the Senate passed it the language read:

Disposals of surplus property to veterans under this section shall be given priority over all other disposals of property provided for in this act except transfers to Government agencies under section 12.

As amended, it reads:

Disposals of surplus property except real property—

There never was any intention to deal with real property. That is the first amendment.

The next amendment is the one to which I have just referred, involving the use of the word "may."

In section 16 (b) the exception of real property is again inserted.

The word "quantities" is used in the sentence:

In selecting any types or quantities of surplus property for disposal in accordance with the provisions of this subsection the Administrator shall give due consideration—

And so forth. That is not a vital change.

Mr. McCLELLAN. The Senator can assure us, then, that such amendments as have been adopted by the House do not strike down the force of the bill as passed by the Senate?

Mr. O'MAHONEY. No. In some instances the amendments of the House are decided improvements. I should like particularly to call attention to subsection (c) of section 16, which is the veterans' preference section which has been added by the House. It reads as follows:

The Administrator shall prescribe a reasonable time of not less than 15 days after public notice, during which property offered to veterans under this section shall be held for disposal to them.

That is a decided improvement upon the Senate bill, and I am happy that the House inserted it.

Mr. McCLELLAN. If the Senator will further yield, I wish to compliment him and other members of his committee who worked on this legislation. It is important legislation. It is needed. We know that the veterans have not been getting a fair break in the distribution and sale of surplus property. I am most happy that we have made this much progress, and I trust that these amendments will be agreed to.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. OVERTON. I wish to add my congratulations to the able Senator from Wyoming and the other members of the committee for the successful manner in which this legislation has been undertaken. I know the difficulties which surround it. I assume that almost all Senators have had complaints from veterans with respect to their inability to obtain surplus property, of which Congress intended that they should have the benefit. I know that the Senator from Wyoming has worked assiduously in connection with this legislation, and that if he had had his way it would have been enacted sometime ago.

Mr. O'MAHONEY. The Senator is very kind.

Mr. President, I now wish to endeavor to secure the agreement of the Senate to concur in the amendments made by the House of Representatives to Senate bill 1757.

The PRESIDING OFFICER. The question is on concurring in the amendments of the House of Representatives.

The amendments were concurred in.

Mr. O'MAHONEY. Mr. President, I now ask unanimous consent to have printed at this point in the RECORD a full and detailed explanation of the various amendments.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

The following differences in substance between section 1 of the House amendment and section 1 of S. 1757 as passed by the Senate should be noted:

(a) The House amendment excludes real property from the classes of surplus property covered by the priority provided in section 16 of the Surplus Property Act. No comparable limitation was contained in S. 1757 as passed by the Senate. However, there was no intent to include real property among the classes of surplus property for which veterans should be given a priority.

(b) Under the House amendment the set-asides of surplus property for exclusive disposal to veterans are discretionary with the War Assets Administrator. Under S. 1757 as passed by the Senate such set-asides were mandatory. It should be pointed out, however, that as set forth in the letter of Director Donaldson, of War Assets Administration, dated April 19, 1946, the publication of lists of types and quantities of surplus property for exclusive disposal to veterans is mandatory. The War Assets Administration, therefore may be expected to administer the law as it was intended by the Senate.

(c) The House amendment provides a definite period of not less than 15 days after public notice during which property offered to veterans under section 16 shall be held for disposal to them. S. 1757, as passed by the Senate, merely directed the Administrator to make set-asides "for such period or periods of time as he may determine."

The following differences in substance between section 2 of the House amendment and section 2 of S. 1757 as passed by the Senate should be noted:

(a) S. 1757 as passed by the Senate did not limit Government agencies to the acquisition of surplus property for their own use and did not exclude such acquisition for transfer or disposition.

(b) S. 1757 as passed by the Senate did not provide for a maximum time limit after public notice within which Government agencies must exercise their priority under section 12 (a).

Section 3 of the House amendment amends section 12 (c) of the Surplus Property Act by limiting transfers between Government agencies without reimbursement or transfer of fund to cases authorized by subsection 12 (d), which is added by section 4 of the House amendment. The new subsection 12 (d) does not permit any Government agencies to transfer any property without reimbursement or transfer of funds unless such transfers without reimbursement or transfer of funds are authorized by laws approved subsequent to June 21, 1944. This provision would authorize transfers without reimbursement by the War and Navy Departments of hospitals and hospital equipment and suppiles to the Veterans' Administration as provided in the Servicemen's Readjustment Act of 1944, which was approved on that date.

No provisions comparable to those contained in sections 3 and 4 of the House amendment were contained in S. 1757 as passed by the Senate.

Section 5 of the House amendment is substantially identical with the corresponding provisions of S. 1757 as passed by the Senate, except that the Senate-passed measure did not contain any specific provision with respect to a time limitation to be imposed for the exercise of the priority provided for States and political subdivisions and instrumentalities.

Section 6 of the House amendment is identical with the corresponding provision in S. 1757 as passed by the Senate.

WAR ASSETS ADMINISTRATION,
Washington, D. C., April 19, 1946.

Hon. JOSEPH C. O'MAHONEY,
United States Senate,
Washington, D. C.

DEAR SENATOR O'MAHONEY: In accordance with our telephone conversation this morning on the matter of a list of equipment for set-asides to veterans. I am happy to give you the following information:

We have carefully followed the progress of this legislation changing the rights of veterans to purchase surplus property.

Pursuant to our interpretation of the provision of section 16 (b) of S. 1757 reading "The Administrator shall from time to time cause to be compiled and widely publicized information as to the types and quantities of such surplus property which has or will become available within a given period of time for exclusive disposal to veterans in accordance with the provisions of this subsection," the Administrator shall publish periodically a list of the types and quantities of surplus property most in demand by veterans in order that they, as well as the general public, will know what items are to be set aside for exclusive disposal to veterans.

We expect to have the original list ready for publication at the time the bill becomes a law and this list will be revised from time to time and full publicity given to all such revisions.

Very truly yours,
SCOTT W. DONALDSON,
Director, Veterans' Division.

Mr. LUCAS. Mr. President, I also am tremendously interested in this piece of legislation.

Mr. O'MAHONEY. I know the Senator is.

Mr. LUCAS. I should like to know whether the Senator from Wyoming has any sort of guaranty or understanding with the War Assets Administration that it will administer this act in line with what the Senate and the House of Representatives understand to be the intent of the act.

Mr. O'MAHONEY. That is my understanding. I have communicated with the War Assets Administration, and I may say that on many occasions the committee, through its members and through its staff, have communicated with General Gregory and have found him ready at all times to cooperate.

Mr. LUCAS. I am happy to hear that statement from the distinguished Senator, because if there has been any one matter about which I have received a great deal of complaint, it has been the one concerning adequate distribution of surplus property so far as veterans are concerned. The veterans of the country have been given the run-around, so to speak, by the War Assets Administration.

Mr. O'MAHONEY. Mr. President, I think the Senator is not quite accurate in his statement.

Mr. LUCAS. If not by the War Assets Administration, then by whoever has been handling the matter.

Mr. O'MAHONEY. No; the Congress may not divest itself of some of the responsibility for what has happened. The situation is this: When the Surplus Property Act was enacted, the Congress endeavored to make provision for the distribution of surplus property in a manner which would take care of various matters. It provided, for example, that the Small War Plants Corporation should have the right to purchase surplus property for distribution by itself. The Small War Plants Corporation, having been given such authority, and having conducted such purchases, and subsequently having undertaken to distribute the property to small businesses, frequently refused to grant a veterans' preference. A technical reading of the law would seem to indicate that the Small War Plants Corporation was in the right. The committee has now changed that policy, and there can be no further difficulty of that kind.

Mr. LUCAS. I appreciate what the Senator has said; but I have letters to sustain the position which I am taking. I do not know who is responsible for it, but veterans have been traveling all over the country in an attempt to ascertain the location of various articles on which they might have a right to bid. I know of one veteran who went to Granite City, then to Kansas City, then to Chicago, and finally landed back at Granite City, the point from which he started.

Mr. O'MAHONEY. And that fact was due largely to the provision of the law which I have described, and which is corrected in this bill. There was another provision of the law which gave Government agencies a primary preference.

Mr. LUCAS. I understand that.

Mr. O'MAHONEY. The shifting of surplus property from one agency to another was conducted in such a manner that the agencies themselves sometimes undertook to dispose of the property. Sometimes one agency secured surplus property without making any reimbursement for it. The amendment to the bill would prevent that taking place in the future. In the future such difficulties are not likely to arise. I have no doubt that others will.

Mr. LUCAS. I may say in conclusion to my good friend that I hope he will take a similar interest in my agricultural bill.

Mr. O'MAHONEY. I shall be very glad to do so.

Mr. President, in connection with the disposal of automotive equipment to veterans, I am pleased to be in a position to give an illustration of the readiness of the War Assets Administration to cooperate. General Gregory, the War Assets Administrator, has just advised me that he is completing arrangements to offer 5,300 surplus Army trucks at Port Hueneme, Calif., in the near future. These trucks are similar to the 600 recently offered for sale through a New York department store which led the Senator from North Dakota to request an investigation of veterans' preference in connection with surplus disposal. The staff of the Senate Surplus Property Subcommittee had previously investigated this sale and found that those trucks had been offered to veterans but had not been sold to veterans because they were crated and unassembled.

General Gregory tells me that the trucks he is about to offer for sale at Port Hueneme, Calif., are for the most part new trucks, what the Army called the 6 by 6 or the 6 by 4. As in the earlier cases, many of these trucks had been dismantled and crated for export. However, War Assets Administration has now uncrated and assembled them, and the trucks are ready to roll. It is believed that these trucks will be particularly useful to veterans who are engaged in farming, logging, and lumbering, and similar operations.

Instead of merely criticizing past mistakes, the Surplus Property Subcommittee has striven to match every criticism with a well-considered suggestion for improvement, for it has recognized the great complexity of the task committed to the War Assets Administration. In the case of the sale of the 600 trucks through the New York department store, 3 lessons are to be learned with respect to surplus property disposal.

The first lesson is that the War Assets Administration has not been offering certain types of critical goods to veterans on a sufficiently broad geographical basis before selling to dealers and the trade. This fact was pointed out to War Assets Administration, and War Assets Administration is now remedying that situation. For example, the new offering at Port Hueneme of 5,300 trucks will be made to the entire Pacific coast and to many of the Mountain States. Furthermore, the Port Hueneme sale will be the first of a series of Nation-wide motor-vehicle sales in all War Assets Administration regions.

I should like to point out that in this case a short telephone conversation with General Gregory, after the true facts had been established and called to my attention by the subcommittee staff, accomplished everything that could have been achieved by a formal Senate investigation, which, because of the pressure of urgent legislative business, could not have been held promptly and, therefore, would not have achieved the desired results in time.

Secondly, the sale of the 600 trucks confirms the necessity of raising the veterans' preference for surplus property as provided in this legislation.

It should be noted, I think, that Mr. Howard Bruce, of Baltimore, who recently completed a special study of surplus disposal for the President, heartily endorses the veterans' set-aside scheme. The final passage of this legislation, which has received careful attention for several months, will go far to assure a fair share of surplus property to veterans in all regions of the country.

The third lesson to be learned from the sale of the 600 trucks in New York is that it is unwise to generalize about surplus-property disposal. As Mr. Bruce pointed out in his recent report to the President, there are so many different types of surplus property involving such a multitude of problems and requiring so great an amount of flexibility in their handling that generalization becomes dangerous. For example, the 600 trucks admittedly were offered in too narrow a geographical area. A recent sale of photographic equipment in Baltimore, on the other hand, was offered too widely, with the result that after other priority claimants had finished buying, little merchandise was left to satisfy the veterans who attended the sale from all parts of the country. This situation would have been different if S. 1757 had then been on the books.

Mr. MAGNUSON. Mr. President, I wish to ask the Senator from Wyoming a very simple question. He probably can answer it.

Mr. O'MAHONEY. I believe I can answer the question if it is simple enough. [Laughter.]

Mr. MAGNUSON. Assume, for example, that I am a veteran and wish to purchase surplus property. I reside in Chicago. May I go to the War Assets Administration, under the provisions of this bill, or as they will be set up administratively, and receive a list of surplus property which will be available for purchase throughout the country, examine the list and ascertain what I may wish to purchase?

Mr. O'MAHONEY. That is one of the primary purposes of this legislation. It will provide an inventory of surplus property which veterans shall have the exclusive right to purchase. I may say, also, that we are endeavoring to include in that list not only automotive equipment, but photographic supplies and other articles of that nature which experience teaches us that veterans would like to have.

Mr. MAGNUSON. I understand that under the bill the veteran will also have the same preference rights that the Government agencies will have.

Mr. O'MAHONEY. To the kind of property which I have described, he will have a primary right.

Mr. President, I understand that consent has been granted to me to have printed in the RECORD a detailed description of the amendments.

The PRESIDENT pro tempore. The statement was ordered to be printed at a previous point in the RECORD.

REHABILITATION OF THE PHILIPPINE ISLANDS—CONFERENCE REPORT

Mr. TYDINGS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1610) to provide for the rehabilitation of the Philippine Islands, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 24.

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144; and agree to the same.

And agree that the title be amended to read: "An Act for the rehabilitation of the Philippines."

M. E. TYDINGS,
CARL HAYDEN,
B. K. WHEELER,
A. H. VANDENBERG,
WARREN R. AUSTIN,
Managers on the Part of the Senate.

C. JASPER BELL,
J. W. ROBINSON,
ED GOSSETT,
RICHARD J. WELCH,
W. STERLING COLE,
Managers on the Part of the House.

Mr. WHITE. Mr. President, has this report been signed by the minority members?

Mr. TYDINGS. It has been signed by all members. It is a unanimous report.

The PRESIDENT pro tempore. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. TAFT. Mr. President, as I understand, the Senate is only considering the report. It has not yet been agreed to.

The PRESIDENT pro tempore. The Senator is correct.

Mr. TAFT. We are agreeing to one amendment of the House which provides that no payments shall be made for damages to property in the Philippines until the Philippine Government has approved the executive agreement contained in the trade agreement bill.

While I agree that the conferees have perhaps done the best they could do with regard to the amendment, I think that it is a most unfortunate provision. I do not believe that the payment by us for damages resulting from war, in which the Filipinos were engaged on our side, resulting in their receiving substantially as much as, or even less than what would have been received by persons in this country who were similarly involved, should be contingent upon the signing by the Filipinos of an executive agreement dealing with trade, which they may not wish to sign. In its effect, it is a compulsory provision requiring them to sign the trade agreement. I believe that they will sign the trade agreement, but, at the same time I believe that it is a great mistake for us to make this proposal contingent on the signing of the trade agreement. If there were any doubt about their signing the trade agreement I should seriously object to the conference report. Of course, in all probability it will be to their advantage to sign the trade agreement anyway, and I do not wish to hold up the approval of the conference report. However, I believe that the House should not have imposed any such condition. Moreover, I think it is unfortunate that it will stand on the record of history in the form of something to force the Filipinos into signing a trade agreement which they may subsequently say was signed under duress, or under some condition which they did not approve.

Mr. TYDINGS. Mr. President, I share completely the point of view of the Senator from Ohio. There are two things, however, which alleviate to some extent the apparent unfairness of the situation. The first is that all claims of $500 or less may be paid without waiting until the trade agreement has been signed. That will undoubtedly cover the great majority of the smaller claims which will be filled, and no delay will be experienced. Secondly, Mr. McNutt has told me that he has already begun to set up the commission, and that a great deal of preliminary work has been done, but obviously, with respect to the larger claims, there will elapse a couple of months before the machinery will be in such shape as to approve the claims in their final form. While there is an actual compulsion in accordance with what has been incorporated by the other House, even if the amendment had not been incorporated, the Filipinos would have adopted the agreement anyway. I am sorry that it is in the conference report. If the House were not now in recess I would be willing to go back and try to have the amendment removed, but I believe that in view of the critical condition of the natives in the Philippines, and the fact that the trade agreement bill will be approved by the Filipinos any way, I believe that the Senate should agree to the conference report in its present form.

Mr. LA FOLLETTE. Mr. President, I wish to subscribe to every word which has been uttered by the Senator from Ohio [Mr. TAFT.] When I learned of this situation I was very much aroused because it seemed to me, as I stated when the trade agreements bill was before the Senate a few days ago, that it contained many provisions which I considered to be very harsh. I felt then, as I feel now, that because of the time factor involved the Senate has had no real opportunity to exercise its full and free legislative powers in connection with the enactment of the bill. In my judgment, connecting up this relief bill with the trade act has absolutely no justification. We either owe and have an obligation to pay these damage claims or we have not. It seems to me that there is no logical reason or justice in providing that no claim over $500 may be paid unless until the Philippine Government enters into the trade agreement provided for in the Trade Agreements Act.

I consider it to be very unfortunate that such a situation should confront us; but, on the other hand, I recognize that if we were to oppose this report and were successful in our opposition it would delay the payment of claims of those who perhaps may be in most dire straits and need the money more than others who are better situated. I wish, however, emphatically to place in the RECORD my strenuous objection to putting this pistol, so to speak, to the head of the people of the Philippine Islands, when I do not think it is necessary, but is entirely uncalled for, and I want to make my indi-

vidual apologies to them for having found myself in this legislative predicament.

Mr. TYDINGS. Mr. President, I share completely the sentiments of the Senator from Wisconsin. I should like to make the additional point that as I understand, the House would not pass the Philippine rehabilitation bill, which went over there on the 3d of December, until the Senate acted on the trade bill. All the way through I think the House has been overly concerned about the fairness of the Senate's attitude on these matters. If it would not occasion additional delay, we would not be here with this report; but the House is in recess, and I think more good will come from this procedure than if we follow a different course at the expense of the Filipinos who need relief.

Mr. AUSTIN. Mr. President, I did not sign the report until a few minutes ago. I consented to the report with the definite understanding that the pistol was not effective and did not have anything to do with the matter, because the Philippine Government was eager to have the agreement signed and the conference report signed. So the element of coercion was unnecessary, superfluous, and unfortunate. If we were not in the situation that the exigencies of the Philippine government are very great, I would feel that we ought not to accept the conference report with this element of coercion in it, but, under the circumstances, I shall act consistently with my signature of this morning.

Mr. TYDINGS. I move the adoption of the conference report.

The PRESIDING OFFICER (Mr. GOSSETT in the chair). The question is on agreeing to the conference report.

The report was agreed to.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATIONS—CONFERENCE REPORT

Mr. THOMAS of Oklahoma. Mr. President, I send to the desk the conference report on the War Department civil functions bill, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 4½.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$110,125,250"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$144,065,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "$750,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In line 6 of the matter inserted by said amendment, strike out the word "equal" and insert in lieu thereof the word "comparable"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 4, 5, and 7.

ELMER THOMAS,
CARL HAYDEN,
JOHN H. OVERTON,
ELBERT D. THOMAS,
CHAN GURNEY,
C. WAYLAND BROOKS,
CLYDE M. REED,
Managers on the Part of the Senate.

JOHN H. KERR,
GEORGE MAHON,
W. F. NORRELL,
JOE HENDRICKS,
MICHAEL J. KIRWAN,
FRANCIS CASE,
HARVE TIBBOTT,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. KNOWLAND. Mr. President, reserving the right to object, I wonder if the Senator from Oklahoma will explain what changes have been made by the conference report.

Mr. THOMAS of Oklahoma. Mr. President, the House bill appropriated approximately $51,000,000 less than the total budget estimates. This bill contains two groups of appropriations, one for rivers and harbors, and the second for flood control. The Senate reinstated the projects which the Senate committee and the Senate thought should be in the bill, and went above the total budget estimates. In the conference committee the House conferees insisted that the Senate recede, eliminate from the bill individual projects, and reduce the amount of the bill to the total Budget estimates. The Senate committee receded and reduced the amount below the total Budget estimates by $5,408,011. So the conference report is in that condition. There are a number of projects earmarked in the report. Only a few projects are named in the bill proper. If there is a particular project the Senator from California is interested in, I shall be very glad to give him the information if I can.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

Mr. O'MAHONEY. Mr. President, reserving the right to object I desire to ask a question. The Senate adopted an amendment to this bill designed to afford to the members of the Three Affiliated Tribes of Indians in North Dakota consideration in the selection of lands which would be flooded by the proposed Garrison Dam.

There was considerable discussion of this matter. The Indians objected to the language of the bill as it came from the House. The Senate adopted an amendment which was agreeable to the Army engineers, to the Indians, and to the chairman of the Committee on Indian Affairs, who offered the amendment. I ask the Senator from Oklahoma what was done with that amendment.

Mr. THOMAS of Oklahoma. Mr. President, the conferees agreed to the amendment by substituting one word for another; in other words, where the word "equal" appears, the conferees agreed to strike out that word and insert the word "comparable"; otherwise the amendment is the same.

Mr. O'MAHONEY. That was in connection with the character of the land to be substituted.

Mr. THOMAS of Oklahoma. That is correct. It now reads: "land which the Secretary of the Interior approves as comparable in quality and sufficient in area," and so forth.

Mr. O'MAHONEY. In all other respects the Senate amendment has been agreed to.

Mr. THOMAS of Oklahoma. Yes.

Mr. O'MAHONEY. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. FULBRIGHT. Mr. President, may I ask the Senator from Oklahoma a question?

Mr. THOMAS of Oklahoma. Certainly.

Mr. FULBRIGHT. Were any of the projects in Arkansas stricken out

Mr. THOMAS of Oklahoma. Yes; in making reductions it was necessary to cover the whole country and make them at one place or another where we could get an agreement. The senior Senator from Arkansas and a member of the conference committee on behalf of the House got together and agreed on the Arkansas items, and the conference committee agreed to their agreement.

Mr. FULBRIGHT. I thank the Senator.

Mr. THOMAS of Oklahoma. I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. THOMAS of Oklahoma. I ask that the Chair lay before the Senate papers from the House showing the action of the House on certain amendments still in disagreement.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 5400, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.
April 18, 1946.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 1 and 4 to the bill (H. R. 5400) making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 5 to said bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert:

"Flood control, Kings River and Tulare Lake, Calif.: For construction of works for flood control and other purposes on the Kings River and Tulare Lake, Calif., $1,000,000, as authorized in Public Law No. 534, Seventy-eighth Congress, second session, approved December 22, 1944: *Provided*, That none of the appropriation for the Kings River and Tulare Lake project, California, shall be used for the construction of the dam until the Secretary of War has received the reports as to the division of costs between flood control, navigation, and other water uses from the Bureau of Reclamation and local organizations and, with the concurrence of the Secretary of the Interior, shall have made a determination as to what the allocation shall be: *Provided further*, That the reports from these continuing studies shall be made not later than 6 months from the date of the enactment of this act and that the agreement of concurrence shall be made not later than 9 months from the date of the enactment of this act."

That the House recede from its disagreement to the amendment of the Senate numbered 7, to said bill, and concur therein with an amendment as follows: On page 18 of the House engrossed bill, beginning in line 13, after the word "positions", strike out the following: "with the proviso that any positions now filled by persons not citizens of the Republic of Panama or the United States which are vacated for any cause shall be filled in compliance with the terms of this section as adopted for the fiscal year 1946."

Mr. THOMAS of Oklahoma. I move that the Senate agree to the amendments of the House to Senate amendments Nos. 5 and 7.

The PRESIDING OFFICER. The question is on the motion of the Senator from Oklahoma.

The motion was agreed to.

INTERNATIONAL COMMERCIAL AVIATION
(S. DOC. NO. 173)

Mr. OVERTON. Mr. President, from the Committee on Commerce I submit a resolution with respect to the so-called Bermuda agreement between the United States and the United Kingdom regarding international commercial aviation, and the international air transport agreement which was negotiated at Chicago, purporting to grant to any foreign country the right to have an air line or air lines nominated by it to operate to or from United States territory.

In connection with the resolution I am submitting a report to accompany the resolution of the Commerce Committee. I ask unanimous consent that both the resolution and the report accompanying it be printed as a Senate document.

Mr. BREWSTER. Mr. President, will the report be printed in the RECORD, or printed as a separate document?

Mr. OVERTON. I had intended to have it printed as a Senate document, but there is no objection to having it printed in the RECORD.

Mr. BREWSTER. Whichever seems most desirable to the Senator.

Mr. OVERTON. I think it would be best to do both.

Mr. BREWSTER. I think that is a good idea.

Mr. OVERTON. I therefore modify my unanimous-consent request and ask that the resolution and accompanying report be printed in the RECORD, and also printed as a Senate document.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The resolution and the accompanying report are as follows:

INTERNATIONAL COMMERCIAL AVIATION

Resolution of the Committee on Commerce, United States Senate, with an accompanying report, relative to the so-called Bermuda agreement between the United States and the United Kingdom, regarding international commercial aviation

Whereas there has recently been announced and presented by the State Department to the Senate Committee on Commerce the so-called Bermuda agreement between the United States and the United Kingdom, regarding international commercial aviation; and

Whereas the Committee on Commerce has held extended hearings on the subject of commercial air transport agreements between the United States and foreign nations; and

Whereas witnesses and counsel representing major American transportation interests, including organized labor, have testified as to the prejudicial effect of such agreements to the United States and especially to the interests they represent, as well as the illegality of such agreements unless approved as treaties as prescribed by the Constitution; and

Whereas the Congress provided in sections 402 and 801 of the Civil Aeronautics Act of 1938 (1) that no foreign-flag air line be allowed to engage in air transportation to and from United States territory unless such foreign-flag air line has obtained a permit issued by the Civil Aeronautics Board and approved by the President, and (2) that no such permit should be issued unless the Civil Aeronautics Board found, after public hearing, that the foreign-flag air line was fit, willing, and able properly to perform the air transportation sought and that such service would be in the public interest: Now, therefore, be it

Resolved, That the Committee on Commerce advise the Senate that it is the opinion of this committee:

(1) That no agreements of this character should be made except in the form of treaties to be considered and ratified by the Senate; that any Executive agreement which purports to grant to any foreign country the right to have an air line or air lines nominated by it operate to or from United States territory without public hearing in advance and the determination of public interest by the Civil Aeronautics Board called for under section 402 of the Civil Aeronautics Act, is inconsistent not only with the Constitution but with the letter and spirit of said act, and therefore illegal and void; and that any and all proceedings thereunder should be forthwith terminated by appropriate notice to the Governments concerned.

(2) That, notwithstanding the International Air Transport agreement and the bilateral agreements above-mentioned this Government is not bound by such agreements so long as the same have not been ratified as treaties, but the Civil Aeronautics Board and the President continue to have the duty and the obligation of passing, without prejudgment, upon the question whether any proposed operation by a foreign-flag air line is in the public interest, as defined in the Civil Aeronautics Act.

Adopted by the Committee on Commerce, April 15, 1946.

REPORT OF COMMITTEE ON COMMERCE TO ACCOMPANY SENATE COMMERCE COMMITTEE RESOLUTION OF DATE APRIL 15, 1946

(By Mr. OVERTON)

The resolution of the Senate Committee on Commerce adopted on April 15, 1946, by a vote of 17 to 1 attacks upon two grounds the constitutionality and legality of the so-called Bermuda agreement between the United States and the United Kingdom regarding international commercial aviation and the international air transport agreement, negotiated at Chicago, purporting to grant to any foreign country the right to have an air line or air lines nominated by it operate to or from the United States territory.

The first of these grounds is that such arrangements are not properly the subject matter of executive agreements, and that they should be regarded as treaties under the Constitution of the United States, subject to ratification by two-thirds vote of the Senate.

The question whether or not arrangements of the character of the international air transport agreement and the Bermuda agreement are treaties and are to be submitted as such to the United States Senate for ratification will not be discussed in this report. The reason is twofold, viz: That a fair presentation of the committee's views would involve too long a report, and that probably such a report should be made not by this committee but by the Senate Committee on Foreign Relations. The committee, however, refers as expressing its views generally on what should be the subject matter of treaties and what should be the subject matter of executive agreements to the revised edition of the opinion rendered by Mr. Edwin Borchard, of Yale University, an international lawyer of very high standing and repute.

This report, therefore, is confined to the second ground of opposition presented by the resolution, namely, that any executive agreement purporting to grant to a foreign country the right to have an air line nominated by such country operate to or from the United States territory without public hearing in advance and the determination of public interest by the Civil Aeronautics Board is contrary to the Civil Aeronautics Act of 1938 and amendments thereto.

Throughout the past 2 years the Committee on Commerce has been making an exhaustive study of international commercial aviation, and considering the question of the policy of the United States in this highly important field.

During this period there have been negotiated the so-called Chicago agreements in relation to aviation activities beyond the bounds of the United States, and more recently the so-called Bermuda agreement with the United Kingdom has been presented by the State Department to the Committee on Commerce for its information, although accompanied by the contention that the executive department had power to negotiate this agreement under the terms of the Civil Aeronautics Act of 1938, and amendments thereto without reference to the Congress.

The committee has held full and free hearings on the important question involved—whether the Department of State has authority under existing provisions of the Civil Aeronautics Act to conclude air agreements with foreign nations which give rights to air carriers of those nations to operate to and within the United States and thereby prevent the full public hearing and the unbiased determination of public interest by the Civil Aeronautics Board required under the Civil Aeronautics Act of 1938.

The committee has heard testimony on all sides of this question. It has incorporated by reference as a part of this record, hearings held in February and March 1945 by

the Senate Foreign Relations Committee on the Convention on International Civil Aviation, executive A, which came out of the International Air Conference in Chicago. These hearings go to the core of the question involved and our record would be incomplete if we did not make them a part of our study. There is here presented one agreement in the form of a treaty, and three other documents in the form of so-called executive agreements.

Various proposals have been made to prevent the making of executive agreements with foreign governments respecting operating rights in international air transportation, such as those concluded at Chicago late in 1944, and those recently concluded with the Government of Great Britain at Bermuda, and the Government of France at Paris, and to require either that, except where such rights have been conferred by treaty between governments, any foreign air line seeking to engage in air transportation to or from the United States must prove that such operation would be in the public interest as provided in the Civil Aeronautics Act. The committee endorses this objective. However, the committee believes that legislation on this subject is unnecessary, since any executive agreements which purport to oust the Civil Aeronautics Board of its responsibilities and discretion to determine and transmit to the President its findings as to whether operation by a particular foreign-flag air line to the United States would be in the public interest, are patently illegal.

The Civil Aeronautics Act of 1938, as amended, is today our statutory process for the regulation of civil air commerce, both foreign and domestic. Its provisions, which air carriers of other nations are required to follow in order to establish routes to and within our country, are unmistakably plain. The committee is of the opinion that all executive agreements which purport to provide such rights for foreign air carriers in advance of hearings and determination by the Board contravene the existing law governing commercial air commerce by purporting to ignore and waive definite and rigid requirements that must be applied to a foreign air carrier seeking to operate to, from or within the United States, and are therefore illegal and without force. Under our constitutional processes, existing law can only be changed by statute or a treaty ratified by the United States Senate. The committee is therefore of the firm conclusion that these agreements are totally inoperative. No new legislation is required to invalidate action illegal under existing law.

The provisions of the Civil Aeronautics Act of 1938 as to the terms and conditions under which foreign air carriers may engage in commercial air service to, from, or through the United States are as follows:

"PERMITS TO FOREIGN AIR CARRIERS

"PERMIT REQUIRED

"SEC. 402 (49 U. S. C., Sup. V, 482). (a) No foreign air carrier shall engage in foreign air transportation unless there is in force a permit issued by the Authority authorizing such carrier so to engage: *Provided*, That if any foreign air carrier is engaged in such transportation on the date of the enactment of this act, such carrier may continue so to engage between the same terminal and intermediate points for 120 days after said date, and thereafter until such time as the Authority shall pass upon an application for a permit for such transportation if within said 120 days such carrier files such application as provided in this section.

"ISSUANCE OF PERMIT

"(b) The Authority is empowered to issue such a permit if it finds that such carrier is fit, willing, and able properly to perform such air transportation and to conform to the provisions of this act and the rules, regulations, and requirements of the Authority hereunder, and that such transportation will be in the public interest.

"EXISTING PERMITS

"(c) Any such carrier who holds a permit issued by the Secretary of Commerce under section 6 of the Air Commerce Act of 1926, as amended, which was in effect on May 14, 1938, and which authorizes such carrier to operate between any foreign country and the United States, shall be entitled to receive a permit under this section upon proof of that fact only.

"APPLICATION FOR PERMIT

"(d) Application for a permit shall be made in writing to the Authority, shall be so verified, shall be in such form and contain such information, and shall be accompanied by such proof of service upon such interested persons, as the Authority shall by regulation require.

"NOTICE OF APPLICATION

"(e) Upon the filing of an application for a permit the Authority shall give due notice thereof to the public by posting a notice of such application in the office of the secretary of the Authority and to such other persons as the Authority may by regulation determine. Any interested person may file with the Authority a protest or memorandum of opposition to or in support of the issuance of a permit. Such application shall be set for public hearing and the Authority shall dispose of such applications as speedily as possible.

"TERMS AND CONDITIONS OF PERMIT

"(f) The Authority may prescribe the duration of any permit and may attach to such permit such reasonable terms, conditions, or limitations as, in its judgment, the public interest may require.

"AUTHORITY TO MODIFY, SUSPEND, OR REVOKE

"(g) Any permit issued under the provisions of this section may, after notice and hearing, be altered, modified, amended, suspended, canceled, or revoked by the Authority whenever it finds such action to be in the public interest. Any interested person may file with the Authority a protest or memorandum in support of or in opposition to the alteration, modification, amendment, suspension, cancellation, or revocation of a permit.

"TRANSFER OF PERMIT

"(h) No permit may be transferred unless such transfer is approved by the Authority as being in the public interest."

The meaning of the above quoted section (a) is definite and clear. Before a foreign air carrier may engage in foreign air transportation with the United States it must first obtain a permit from the Authority to do so. This section provides that a foreign air carrier that does not have such a permit in force shall not engage in foreign air transportation to the United States. It leaves no other legal basis for foreign air carriers to engage in such transportation—except, of course, pursuant to treaty which would have the same authority as subsequent legislation. The proviso in section (a) is not applicable to the point in question.

Section (b) delegates to the Authority the power to issue the required permit to a foreign carrier to engage in foreign air transportation with the United States. It contains also certain conditions that the Authority must find before the permit is granted. These conditions require that the Authority may exercise its power to issue the permit only after "it finds that such carrier is fit, willing, and able properly to perform such air transportation and to conform to the provisions of this act and the rules, regulations and requirements of the Authority hereunder, and that such transportation will be in the public interest." The term "public interest" is defined in section 2 of the Civil Aeronautics Act. This section states that the Authority shall consider as being in the public interest the encouragement and development of an air transportation system properly adapted to the present and future needs of the foreign and domestic commerce of the United States, of the postal service, and of the national defense, the regulation of air transportation in such manner as to foster sound economic conditions therein, and various other factors. The term as so defined includes such questions as the effect of any proposed foreign-flag operation upon existing American-flag air carriers within and without the United States, upon all other parts of our transportation system, and upon the labor employed by them. Section (b) calls for the same type of inquiry by the Authority when application for a permit is made by foreign-flag carrier, as when an application for a certificate is made by an American-flag carrier.

Section (c), which extends grandfather rights to foreign-flag carriers holding permits issued by the Secretary of Commerce under previous law, is not relevant.

Section (d) provides that a foreign air carrier desiring a permit shall make verified application in writing to the Authority and shall serve it upon such interested persons as the Authority shall require. The purpose of this provision was to give other interested carriers notice of a proposed operation that might affect their interests.

Section (e) provides that notice of the application shall be posted and that a public hearing shall be held. It also provides that any interested person may oppose the issuance of a permit. This section grants to interested persons such as American-flag carriers the opportunity to show the effect of the proposed foreign operation upon their services.

Section (f) empowers the Authority to prescribe the duration of any permit and to attach to it such reasonable terms, conditions or limitations as in its judgment the public interest may require. These terms, conditions, and limitations are, of course, to be determined in the light of the evidence adduced at the public hearing.

Section (g) provides that after notice and hearing the Authority may modify, suspend or revoke a permit whenever it finds such action to be in the public interest and that any interested person may support or oppose such modification, suspension, or revocation.

Under the International Air Transport agreement concluded at Chicago, air carriers of any nation which has accepted the agreement (including carriers owned by nationals of other countries which have accepted it) are guaranteed rights to operate to or from the United States. Under the recent agreements with Great Britain and France, British and French air carriers, respectively, are granted right to operate certain commercial air transport services to and through the United States. These agreements contemplate that if there is to be any application to and hearing before the Civil Aeronautics Board, the hearing is to be a pure formality, with its outcome predetermined. The position which has been taken before the committee is that where such an agreement has been made the question of public interest has been conclusively determined by the executive branch of the Government.

Such a contention conflicts with the plain language of section 402 of the act. That act requires that the Civil Aeronautics Board pass on applications by a foreign-flag carrier in a judicial manner without interference or prior commitment by the executive branch of the Government.

It has been contended that in spite of the plain language of section 402 the power to give foreign-flag lines the right to operate to, from or through the United States by

executive action only, without regard to factors of public interest which might be brought out at a hearing, is conferred by section 802 and section 1102 of the Civil Aeronautics Act. These sections read as follows:

"THE DEPARTMENT OF STATE

"SEC. 802 (49 U. S. C., Sup. V, 602). The Secretary of State shall advise the Authority of, and consult with the Authority concerning, the negotiation of any agreements with foreign governments for the establishment or development of air navigation, including air routes and services.

"INTERNATIONAL AGREEMENTS

"SEC. 1102 (49 U. S. C., Sup. V. 672). In exercising and performing its powers and duties under this act, the Authority shall do so consistently with any obligation assumed by the United States in any treaty, convention, or agreement that may be in force between the United States and any foreign country or foreign countries, shall take into consideration any applicable laws and requirements of foreign countries and shall not, in exercising and performing its powers and duties with respect to certificates and convenience and necessity, restrict compliance by any air carrier with any obligation, duty, or liability imposed by any foreign country: *Provided*, That this section shall not apply to any obligation, duty, or liability arising out of a contract or other agreement, heretofore or hereafter entered into between an air carrier, or any officer or representative thereof, and any foreign country, if such contract or agreement is disapproved by the Authority as being contrary to the public interest."

Section 802 does not confer upon the executive branch of the Government any power to make agreements superseding section 402. It does not confer new power to make agreements of any sort. It directs merely that when agreements are being negotiated, the Secretary of State must consult with the Authority. This does not mean that the Secretary of State can oust the Authority from powers conferred by section 402. Furthermore, the language of section 802 shows that it was concerned with agreements dealing with technical matters such as reciprocal acceptance of airworthiness certificates, pilots' licenses, etc., and rules of aerial navigation, which had formed the subject of all executive agreements with foreign governments negotiated prior to enactment of the Civil Aeronautics Act.

The requirement of section 1102 that in exercising its powers and duties under the act the Authority shall do so consistently with obligations assumed by the United States in any treaty, convention, or agreement that may be in force between the United States and any foreign country likewise does not empower the executive branch of the Government to withdraw from the Authority duties and responsibilities specifically conferred upon it by the Congress in section 402.

The committee has noted the exhaustive opinion furnished to the Civil Aeronautics Board on this subject by Hon. L. Welch Pogue, now Chairman of the Board and then its general counsel, under date of October 18, 1939, that where foreign air carriers were seeking to operate to the United States all the requirements of section 402 must be met. This opinion reads as follows:

"OPINION MEMORANDUM

OCTOBER 18, 1939.

"To: The Authority.

"From: The general counsel (Hon. L. Welch Pogue).

"Subject: Relation between sections 402, 1102, and other pertinent provisions of the Civil Aeronautics Act of 1938.

"This opinion memorandum is submitted in response to your request of August 15, 1939, outlining the difficulties introduced into international negotiations by section 402 of the Civil Aeronautics Act of 1938, hereinafter generally referred to as the "act," if it must be held to prevail over all other provisions of the act dealing with problems of foreign air transportation; and pointing out the impossibility (if that section must be so interpreted) of giving a foreign government any specific assurance that one of its air carriers will be admitted to the United States on a particular international route as a consideration for the granting by such foreign government to American air carriers of an appropriate reciprocal right of admission to the country concerned. Acting upon your request, I have reviewed the pertinent provisions of the act and a memorandum on this question, a copy of which is attached, has been prepared for me by Mr. Sarber of my staff.

"I. CONCLUSIONS

"In reply to the specific questions which you submitted to me I submit the following general conclusions:

"1. A self-executing treaty,[1] of the type described below between the United States and any foreign country or countries would, if properly worded, legally supersede any provision of section 402 which might be inconsistent therewith so that, for example, foreign air carriers could enter the United States under the terms set forth in such treaty. The term "self-executing treaty," when used herein, means a treaty complete in itself, and which requires no further acion by Congress to clarify it or render its provisions operative, such as a treaty specifically providing, among other things, that foreign air carriers, certified or otherwise identified by the foreign government, be admitted to the United States, notwithstanding and without regard to the provisions of section 402, which requires notice and hearing and the exercise of the Authority's judgment in the premises, and providing means by which any permits (or other specified authorization) should be issued.

"2. No international agreement, as distinguished from a treaty, can be made between the United States and any foreign country or countries which will have the legal effect of dispensing with the notice and hearing, and the exercise of the Authority's judgment, called for by section 402 of the act; and the provisions of any such agreement designed to accomplish such an end could not be enforced in our courts. Thus, in the absence of any self-executing treaty, section 402 must be observed in the issuance of permit to foreign air carriers and in the alteration, modification, amendment, suspension, cancellation, or revocation thereof.

"II. DISCUSSION

"A brief statement of my reasons for the above-mentioned conclusions follows; and a detailed review of the various authorities on the legal questions involved appeared in Mr. Sarber's above-mentioned memorandum.

"A. SECTION 402

"Section 402 of the act not only requires notice and hearing upon an application before a permit may be issued to a foreign air carrier, but also requires the Authority to exercise its judgment upon the question of whether or not the particular applicant should receive a permit The test on this matter is couched in the following language in clause (b) of section 402:

"'(b) The Authority is empowered to issue such a permit if it finds that such carrier is fit, willing, and able properly to perform such air transportation and to conform to the provisions of this act and the rules, regulations, and requirements of the Authority hereunder, and that such transportation will be in the public interest.'

"It should be noted particularly that section 402 contains an absolute prohibition against any foreign air carrier engaging in foreign air transportation without a permit. The pertinent part of clause (a) of section 402 dealing with this point reads as follows:

"'No foreign air carrier shall engage in foreign air transportation unless there is in force a permit issued by the Authority authorizing such carrier so to engage.'

"It should also be noted that in connection with altering, modifying, amending, suspending, canceling, or revoking any permit, a notice and hearing and the exercise of the Authority's judgment are likewise required by clause (g) of section 402.

"But even though section 402 seems clear in terms, the question arises as to whether or not the control, particularly and specifically granted to the Authority by section 402, has been in whole or in part superseded or modified by any other statutory provision. The first of the other statutory provisions to be considered in this connection is section 1102 of the act.

"B. RELATION OF SECTIONS 402 AND 1102

"Does section 1102 require the issuance of permits pursuant to the terms of any agreement (as distinguished from a treaty) without regard to the provisions of section 402? Section 1102 provides as follows:

"'SEC. 1102. In exercising and performing its powers and duties under this act, the Authority shall do so consistently with any obligation assumed by the United States in any treaty, convention, or agreement that may be in force between the United States and any foreign country or foreign countries, shall take into consideration any applicable laws and requirements of foreign countries and shall not, in exercising and performing its powers and duties with respect to certificates of convenience and necessity, restrict compliance by any air carrier with any obligation, duty, or liability imposed by any foreign country: *Provided*, That this section shall not apply to any obligation, duty, or liability arising out of a contract or other agreement heretofore or hereafter entered into between an air carrier, or any officer or representative thereof, and any foreign country, if such contract or agreement is disapproved by the Authority as being contrary to the public interest.'

"Deferring for a moment a consideration of the authority necessary for the creation of a valid treaty, convention, or agreement, let us assume that an international agreement is made on behalf of the United States by the President with a foreign country providing that any person designated by the competent air authorities of the foreign country should be permitted to fly over a designated route into the United States, to a named point, on a stated frequency in exchange, let us say, for certain reciprocal privileges granted to the United States by such foreign country. The question then arises as to whether or not such person would be required to file an application and secure a permit under the provisions of section 402; and if so, whether or not the Authority in passing upon any such application so filed would be required to hold a public hearing, but, because of the provisions of section 1102 (requiring the Authority to exercise its powers and duties consistently with the obligations assumed in such agreement), merely to go through the form of exercising its judgment in a perfunctory manner and without giving effect to the standards established in section 402.

"It will be remembered that certain provisions of clause (a) of section 402 prohibit

[1] The word "treaty" as used herein means a treaty ratified by the Senate of the United States, and includes any convention (i. e., an agreement between the United States and foreign countries) when so ratified. The word "agreement," when used herein, includes all other forms of agreement between the United States and a foreign country or countries.

any foreign air carrier from engaging in foreign air transportation unless there is in force a permit issued by the Authority authorizing such air carrier so to engage. There is not express provision in section 1102 that the Authority shall disregard any other express requirements or prohibitions of the act, or that the Authority shall fail to exercise any of its powers and duties to be performed under any of the other provisions of the act. On the contrary, the provisions of this section clearly assume that such other powers and duties will, in general, be performed. Accordingly, it seems clear that an application would have to be filed and a permit issued under section 402 before the carrier could engage in foreign air transportation.

"As to the question of whether or not the Authority would have to hold a hearing but merely go through the form of exercising its judgment in a perfunctory manner, a difficult question of statutory construction arises. In a situation of this kind where provisions of the same act are apparently inconsistent, it becomes necessary to resort to means other than the use of the plain meaning of the language to ascertain the underlying legislative intent. In this connection, it is important to bear in mind certain fundamental principles of statutory construction. It will not be presumed that Congress has done a vain thing and every effort must be made to give each provision of the statute its intended meaning and effect so that each provision will, insofar as possible, harmonize with other provisions of the statute, thus permitting each provision to be effective. Accordingly, it will not be presumed that Congress has done a vain thing in providing in section 402 for notice and hearing and the exercise of the Authority's judgment, and, therefore, if the operation of the provisions of that section comes in conflict with the operation of the provisions of section 1102, established principles of statutory construction require that the more particular and specific provisions of section 402 must prevail over the broader and more comprehensive provisions of section 1102 and that the latter must be limited to cases not within the language of the particular or specific provisions. As indicated above, section 1102 refers to "powers and duties under this act," i. e., all powers and duties in general, whereas section 402 confers upon the Authority the power and duty to take action for the accomplishment of objectives specifically set forth in that section pursuant to standards therein established.

"Entirely apart from the statutory construction problem with respect to the relationship of sections 402 and 1102, is the question of whether or not there is in the statutory or nonstatutory law a basis for making of a treaty or agreement which could have the legal effect of superseding or modifying some or all of the provisions of section 402. This question will now be considered.

"It is clear that a self-executing treaty made after the enactment of the act, if properly worded, would legally supersede any provisions of section 402 which might be inconsistent therewith. This result follows because by article VI of the Constitution of the United States, the Constitution, the laws of the United States made in pursuance thereof, and all treaties made under the authority of the United States, are the supreme law of the land. Thus, treaties and laws of the United States are placed on the same plane and a treaty would supersede any provisions inconsistent therewith contained in a law of the United States theretofore enacted; and any treaty would in turn be superseded by provisions inconsistent therewith contained in any later law of the United States. It should be noted, however, that no provisions of either a law of the United States or a treaty will be superseded by any later treaty or law, respectively, except pursuant to express language or pursuant to necessary implication such as would exist if a provision of a treaty were inconsistent with a provision of a law of the United States theretofore enacted so that it would be impossible to give effect to both provisions. The vital importance of careful draftsmanship is, therefore, apparent.

"However, as to an agreement made on behalf of the United States by the President (and not ratified by the Senate) as distinguished from a treaty, a different problem is presented.

"The legal status of such agreements deserves notice. In the absence of authorizing legislation, agreements made by the President (and which have never attained the status of a treaty) cannot be regarded as creating law which our courts are called upon to recognize or enforce because that would involve the approval of an improper delegation of the treaty power. However, certain agreements may, in the absence of authorizing legislation, be made by the President, which are legal and enforceable in our courts (to the extent of their power to enforce them). Thus, if the act had not been enacted and if there were no other applicable statute dealing with the matter, the President would have power to make agreements with foreign countries relating to the access to this country of foreign aircraft. His right to do this flows from the general power of the Executive to prohibit physical contact with our territory in a manner prejudicial to the interests of the United States; but the exercise of that power would be subject to subsequent action of Congress. However, it seems to be well established that where Congress has acted with respect to the method or means of permitting or prohibiting physical contact with our territory the President alone has no power to make agreements on the same subject, but must carry out the provisions of the statute. In the case before us, Congress has acted specifically with reference to the way in which foreign air carriers may obtain permission to enter the United States. Accordingly (unless there exists specific statutory authorization for the Executive to make such agreements), no Executive agreement can legally be made based on the Executive's general nonstatutory power, referred to above, which would have the effect of interfering with the operation of the provisions of section 402.

"We next turn to see whether or not there exists specific statutory authorization for the Executive to enter into agreements concerning the entry of foreign air carriers into the United States which is clear enough to authorize the making of agreements which would supersede or modify the provisions of section 402. Section 1102 contains no language specifically authorizing the making of such agreements, but merely states, among other things, that the Authority shall perform its powers and duties consistently with the obligations assumed by the United States in any agreements. No such specific statutory authorization has been found, but the provisions of section 802 should be noted in this connection.

"C. SIGNIFICANCE OF SECTION 802 IN ITS RELATION TO SECTIONS 402 AND 1102

"The provisions of section 802 harmonize with the principles and conclusions heretofore reached with respect to the status of the provisions of section 402. Section 802 provides as follows:

" 'SEC. 802. The Secretary of State shall advise the Authority of, and consult with the Authority concerning, the negotiation of any agreements with foreign governments for the establishment or development of air navigation, including air routes and services.'

"The legislative history of the Civil Aeronautics Act reveals that in a bill considered on the floor of the Senate this section authorized the Secretary of State to negotiate with foreign countries with a view to entering into such agreements and to conclude such agreements 'as may be satisfactory to the Authority and to the President.' This proposal provoked considerable debate in the Senate, the objection being that it was an improper attempt to curtail the power of the President and his agent, the Secretary of State, to conduct foreign negotiations and enter into agreements and treaties. After this debate, the section was changed to its present form, leaving it very difficult to ascertain the exact effect which Congress intended by the change. However, the committee hearings indicate the general understanding to have been that the agreements referred to would be of a nature dealing generally with such matters as the freedom of innocent passage from one country to another, the honoring by each country of pilot certificates issued by the other, and the recognition by each country of certificates of air worthiness for export issued by the other country; and that any specific operation by an individual carrier to a foreign country would be authorized by permit issued to such carrier by the foreign country concerned.

"Whatever may be the exact scope of section 802 in recognizing by implication that agreements may be made with foreign countries for the 'establishment and development of air navigation, including air routes and services,' it is clear that the thrust of section 802 is merely that the Secretary of State shall advise the Authority at some time of, and consult the Authority at some time concerning, the negotiation of agreements of the kind specified. Section 802 contains no affirmative grant of power but, as just indicated, imposes certain responsibilities and obligations upon the Secretary of State in connection with the negotiation of the agreements therein mentioned. In any event, it seems clear that this section with its very general language cannot be deemed to have authorized the President to make agreements inconsistent with the provisions of section 402.

"D. THE PRESIDENT'S SUPREME POWER UNDER SECTION 801 DOES NOT ELIMINATE THE AUTHORITY'S DUTY UNDER SECTION 402

"Finally, it must be observed that the issuance, denial, transfer, amendment, cancellation, suspension, or revocation of, and the terms, conditions, and limitations contained in, any certificate authorizing an air carrier to engage in overseas or foreign air transportation 'shall be subject to the approval of the President' with the result that he is the final and supreme judge of these matters. Section 801 of the act provides as follows:

" 'SEC. 801. The issuance, denial, transfer, amendment, cancellation, suspension, or revocation of, and the terms, conditions, and limitations contained in, any certificate authorizing an air carrier to engage in overseas or foreign air transportation, or air transportation between places in the same Territory or possession, or any permit issuable to any foreign air carrier under section 402, shall be subject to the approval of the President. Copies of all applications in respect of such certificates and permits shall be transmitted to the President by the Authority before hearing thereon, and all decisions thereon by the Authority shall be submitted to the President before publication thereof. This section shall not apply to the issuance or denial of any certificate issuable under section 401 (e) or any permit issuable under section 402 (c) or to the original terms, conditions, or limitations of any such certificate or permit.'

"From this section it appears that it was the intent of Congress to make the President the final and supreme judge of whether affirmative or negative action should be taken with respect to the matters specified, including the question of whether or not a permit should be issued in any given case. As illustrating the power of the President

under this section, let us consider the result where the President disapproves of the issuance by the Authority of an application for a permit filed with it under section 402. Section 1006 (a) specifically exempts orders of the Authority which are subject to the approval of the President from judicial review, and here, again, is indicated the intent of Congress to give the President the power to take final action with respect to the matters specified in section 801. In case the President should disapprove a denial by the Authority of an application for a permit, it is assumed for the purposes of this opinion memorandum that a court, upon petition by the appropriate party, would, by some applicable legal action, compel the Authority to issue a permit in accordance with the decision of the President.

"Under these circumstances, the question arises as to why it is not possible, if the President is the final judge of such matters, for the President to enter into commitments in advance with respect to the disposition ultimately to be made by the President of applications filed under section 402. In the first place, as has already been pointed out, there would be no legal authorization for the making of such an agreement and consequently it might be difficult to persuade a particular foreign government to become a party thereto. In the second place such moral obligation as might be created by such an agreement could not possibly be binding upon any President other than the one making it and this, again, would be a factor presumably making it difficult to persuade a foreign government to become a party to the agreement. Thus it may be assumed that no such agreement can be depended upon to accomplish the desired result because of its lgal invalidity and, as a result of that fact, of the impossibility of giving the foreign country the assurances which it will presumably require.

"Furthermore, no valid implication of an intent on the part of Congress to authorize the President to enter into such agreements is contained in the provisions of section 801. It seems clear that questions of international relations and national defense may well be of overruling importance so that the Executive should have the right to make the ultimate decision as to whether or not a permit should be issued in a particular case. It appears to have been the intent of Congress to require a public hearing for the disclosure of such facts as may be made thereat by the applicant and other interested persons so that the President would have the advantage both of the record and of the Authority's judgment—exercised under the standards established in section 402—before he is called upon in connection with reaching a final decision to superimpose his judgment formed after he has analyzed such additional facts relating to international relations and national defense as he, alone, may have. The disclosure of facts at a public hearing, referred to above, would presumably include facts bearing on questions of public interests, including (a) the carrier's fitness, willingness, and ability properly to perform the air transportation service in question, and to conform to the provisions of the act and the rules, regulations, and requirements of the Authority thereunder (b) relevant information concerning the effect of the proposed operation upon the operations of American air carriers serving the point within the United States proposed to be served by an applicant for a permit, or serving points competitive therewith (c) relevant information concerning foreign air cariers from whatever country desirous of serving the same or competitive points and (d) relevant facts to be used as a basis for attaching to the permit by the Authority of such reasonable terms, conditions, or limitations as the public interest may require involving various questions of safety, competition, and the proper coordination of the air transport system.

"My conclusion, therefore, is that except with respect to self-executing treaties—which, by appropriate language might not only supersede the provisions of section 402 but also those of section 801—no agreements can be made, while the act remains in its present form unamended, which will eliminate the necessity for compliance with the provisions of section 402."

The committee has also taken note that in its annual report to Congress for 1942 the Civil Aeronautics Board proposed that the act be amended so that when Executive agreements had been made the Board could dispense with the hearing and findings called for by section 402. We quote from pages 15–16 of its report:

"International agreements: Under the provisions of section 402 of the act, the Board is authorized to issue permits to foreign-flag air carriers authorizing them to operate air transportation services between the United States and foreign countries. Under the provisions of this section, the Board may issue such permits only after notice and hearing and upon a finding that the air transportation involved is in the public interest, and that the applicant is fit, willing, and able to conduct the transportation properly and to conform to the provisions of the act. Frequently, however, the establishment of international air transportation services is the subject of international negotiation between the United States and foreign countries, which may lead to the making of agreements obligating the respective countries to permit the establishment of services between their respective territories. While section 1102 of the act provides that the Board shall exercise its powers and duties consistently with the obligations of the United States under treaties and agreements with foreign countries, the effect of such agreements upon the powers and duties of the Board under section 402 of the act is not clear. It is apparent, however, in view of the unique considerations which enter into the making of international agreements, that where such agreements impose obligations relative to the establishment of foreign air transportation services the Board should be permitted to give controlling weight to the agreements in reaching its conclusion that certificates should or should not issue. For the same reason, where it finds that the service is in the public interest, the Board should be permitted to dispense entirely with the necessity for finding that a foreign-flag air carrier is fit, willing, and able to perfom the air transportation involved and to conform with the provisions of the act.

"It is recommended, therefore, that section 402 of the act be amended so as to (1) provide that the Board may regard an obligation assumed in an agreement between the United States and a foreign country relative to the establishment of foreign air transportation services as sufficient evidence to support a finding that such service will be in the public interest; and (2) relieve the Board of the necessity of finding in such a case that the applicant for the service is fit, willing, and able to perform the air transportation involved."

Those who favor a policy that the extent of foreign-flag operations to, from, and through the United States should be left for the State Department to determine by secret negotiated executive agreements with foreign countries, should propose changes in the law which would eliminate the jurisdiction and responsibility which the Board now has under section 402 and vest these in the Department of State.

The committee has concluded that both the International Air Transport Agreement executed at Chicago and the bilateral executive agreements granting commercial air-transport rights are not only illegal but in many respects prejudicial to the best interests of American transportation—surface as well as air. So that the Senate may be fully informed of our views, the committee, at its meeting of April 15, 1946, adopted the following resolution by a vote of 17 to 1:

"Whereas there has recently been announced and presented by the State Department to the Senate Committee on Commerce the so-called Bermuda agreement between the United States and the United Kingdom regarding international commercial aviation; and

"Whereas the Committee on Commerce has held extended hearings on the subject of commercial air-transport agreements between the United States and foreign nations; and

"Whereas witnesses and counsel representing major American transportation interests, including organized labor, have testified as to the prejudicial effect of such agreements to the United States and especially to the interests they represent, as well as the illegality of such agreements unless approved as treaties as prescribed by the Constitution; and

"Whereas the Congress provided in section 402 and 801 of the Civil Aeronautics Act of 1938 (1) that no foreign-flag air line be allowed to engage in air transportation to and from the United States territory unless such foreign-flag air line has obtained a permit issued by the Civil Aeronautics Board and approved by the President, and (2) that no such permit should be issued unless the Civil Aeronautics Board found, after public hearing, that the foreign-flag air line was fit, willing, and able properly to perform the air transportation sought and that such service would be in the public interest: Now, therefore, be it

"*Resolved*, That the Committee on Commerce advise the Senate that it is the opinion of this committee:

"(1) That no agreements of this character should be made except in the form of treaties to be considered and ratified by the Senate; that any executive agreement which purports to grant to any foreign country the right to have an air line or air lines nominated by it operate to or from United States territory without public hearing in advance and the determination of public interest by the Civil Aeronautics Board called for under section 402 of the Civil Aeronautics Act, is inconsistent not only with the Constitution but with the letter and spirit of said act, and therefore illegal and void; and that any and all proceedings thereunder should be forthwith terminated by appropriate notice to the government concerned.

"(2) That, notwithstanding the international air transport agreement and the bilateral agreements above mentioned this Government is not bound by such agreements so long as the same have not been ratified as treaties, but the Civil Aeronautics Board and the President continue to have the duty and the obligation of passing, without prejudgment, upon the question whether any proposed operation by a foreign-flag air line is in the public interest, as defined in the Civil Aeronautics Act."

Mr. OVERTON. Let me say in this connection that it is not intended that this resolution should be acted upon by the Senate or by the Congress. It is intended as representing the opinion of the Senate Committee on Commerce with respect to both these agreements. We impugn the validity of both agreements from a constitutional standpoint and from a statutory standpoint.

Mr. BREWSTER. Mr. President, I should like to submit a unanimous-consent request at this point. I ask unanimous consent that there be printed

in the RECORD an article from the New York Herald Tribune of April 17, 1946, with headlines as follows:

TWA accord with Italy voids Anglo-United States pact.

Upsets a secret agreement reached at Bermuda to share in air-line rights.

I also ask unanimous consent that there be printed in the RECORD an article from the Washington News of April 18, under the headline:

British want cut of air contract captured by TWA.

I am asking that these articles be printed in the RECORD, since they seem to have a very important bearing upon the whole question of our development of international aviation.

This morning the committee held an executive session with representatives of the State Department in regard to this matter. At present the testimony which the committee has taken up with the State Department is not a matter for discussion. It is anticipated that both the State Department and the committee may have further and full information in the very near future.

The first article deals with an announcement by the British Foreign Office claiming that there was a secret agreement at Bermuda with the British regarding the dividing up of Italian internal aviation. I might say, in justice to the State Department, that I do not understand that they fully agree with the British view as to whether there was an agreement, or whether it was secret. I say that in justice to them, but that will develop later.

At any rate the British apparently consider that they did have a sacret agreement dividing up the internal aviation interests of Italy. No more glittering illustration of the danger of our adventures overseas in the various fields could be presented than a situation of this kind. Next week our Secretary of State is proceeding to Paris, accompanied by the distinguished chairman of the Committee on Foreign Relations [Mr. CONNALLY] and the distinguished minority member, the Senator from Michigan [Mr. VANDENBERG], to confer primarily upon an Italian agreement as to peace. Meanwhile it seems to be the undoubted fact that an American air line had negotiated an agreement with the Italian Government—whether or not under duress remains to be determined.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. Mr. President, has the Chair yet ruled on the unanimous-consent request made by the Senator from Louisiana?

The PRESIDING OFFICER. That was agreed to.

Mr. LUCAS. I did not so understand. I have been trying to submit a question to the able Senator from Louisiana, and all the time I have been thinking that no unanimous-consent request had been entered into.

The PRESIDING OFFICER. Unanimous consent was granted to have the resolution and report printed in the RECORD and printed as a Senate document.

Mr. LUCAS. Mr. President, I should like to have an opportunity to object, at least until I can have an opportunity to find out what this is all about. That is why I have been on my feet.

I understand that this report comes solely from the members of one committee, without having the Senate of the United States pass upon it in one way or another, and that the committee is asking to have the matter printed as a Senate document. I should like to have information as to the appropriate procedure on that point.

I do not see the majority leader in the Chamber at this time. I think this matter is an important one.

Mr. OVERTON. Mr. President, the document is of such importance that I must stand on the unanimous consent which has already been given. With all due respect to the Senator from Illinois, I do not wish to ask that that unanimous consent be canceled.

So far as precedents are concerned, reports from various departments are presented to the Senate and are printed as public documents.

Mr. LUCAS. Mr. President, I should like to know a little of the background of a matter so important as this, because apparently an attempt is made to bind the Senate of the United States in regard to what this committee has done, without having any vote taken in the Senate or having any discussion in the Senate.

Mr. OVERTON. I thought I made it very clear that the Committee on Commerce is not attempting to bind other Senators, and the committee is not attempting to bind either the Senate or the Congress of the United States. This report has been filed by the Committee on Commerce.

Mr. LUCAS. Let me ask the Senator how the committee got hold of this important matter in the beginning.

Mr. OVERTON. I am glad to inform the Senator. After the Bermuda conference agreement was entered into, the State Department submitted it to the Committee on Commerce, and we have been holding hearings on it. We have been conducting hearings both as to its constitutionality and as to its legality. Those hearings are not quite completed, but we have gone sufficiently far with them to be able to express an opinion, and that opinion was expressed practically unanimously by the whole Commerce Committee, by a vote of 17 to 1. We think it is a matter of sufficient importance to call public attention to the views of the committee. I am sorry if the Senator from Illinois objects or is inclined to object.

Mr. LUCAS. I certainly would object if I had the opportunity to do so. That is why I was on my feet. I do not know anything about the precedents, but I do not think any committee should take steps to have a document go out to the country in such a way as to give the impression that it expresses the opinion of the Senate of the United States. This matter is most important. The distribution of the report of the committee as a Senate document would give the people of the country the impression, more or less, that it expressed the opinion of the Senate of the United States upon this important question. I do not say it is claimed to be the opinion of the Senate; but nevertheless request has been made to have the report printed as a Senate document. When unanimous consent for that purpose is requested and when no objection is made, that is tantamount to saying that the Senate of the United States is in favor of what the committee has done. That is what I had wished to object to.

Therefore, Mr. President, I ask unanimous consent that I may have an opportunity to object to the request to print the report as a Senate document.

Mr. OVERTON. I object.

Mr. BARKLEY. Mr. President, I am sorry I was called from the Chamber, because I would object to making the report a Senate document. I would not object to printing it in the CONGRESSIONAL RECORD.

But, as the Senator from Illinois has said, when any matter is made a Senate document or a public document, although legally it does not carry with it the force of being approved by the Senate, nevertheless to the general public which receives it, a Senate document carries the implication of being approved by and issued by the Senate of the United States.

This whole subject is pending before another committee of the Senate.

Mr. LUCAS. That is correct.

Mr. BARKLEY. It is a little unusual for a committee which does not have jurisdiction over a subject to adopt a resolution affecting a matter which is pending before another committee.

Mr. LUCAS. That is my very point.

Mr. BARKLEY. That is an additional reason why the report should not be made a Senate document, and why it should be printed only in the CONGRESSIONAL RECORD. To the latter proposal, I have no objection.

Mr. O'MAHONEY. Mr. President, if the Senator will bear with me, let me say I think I can make a suggestion which will cure the difficulty. I have inquired of the Senator from Louisiana whether he would agree to a unanimous-consent request that there be printed upon the flyleaf of this public document the statement, "This document is printed solely as an expression of the opinion of the Committee on Commerce, and is not to be regarded as the action of the Senate." The Senator from Louisiana is willing to agree to have that done.

Mr. OVERTON. I have no objection to that proposal, and I made that very clear in the RECORD, over and over again.

Mr. BARKLEY. Mr. President, would the Senator agree to include with that statement on the flyleaf an additional phrase, namely, following the statement that it is an expression of the opinion of the Committee on Commerce, the phrase "which does not have jurisdiction over the matter pending before the Senate"?

Mr. OVERTON. O Mr. President, of course not.

Mr. BARKLEY. Well, the Committee on Commerce does not have jurisdiction of the matter.

Mr. BREWSTER. Mr. President, I renew my request for unanimous consent to have inserted in the RECORD a clipping from the New York Herald Tribune of April 17 under the headline "TWA accord with Italy voids Anglo-U. S. pact," and the further headline "Upsets a secret agreement reached at Bermuda to share in air-line rights."

There being no objection the article was ordered to be printed in the RECORD, as follows:

TWA ACCORD WITH ITALY VOIDS ANGLO-UNITED STATES PACT—UPSETS A SECRET AGREEMENT REACHED AT BERMUDA TO SHARE IN AIR-LINE RIGHTS

(By Don Cook)

LONDON, April 16.—A contract signed by the Italian Government, giving the American Trans-World Airways exclusive partnership rights in Italy's new civil air line, Linee Aeroe Italiane, has upset a secret agreement under which Great Britain and the United States were to have shared in the operation, the Foreign Office said today.

TWA's contract with Italy was signed and made public in February and it came as a surprise today that Britain and America had previously made other plans for the rebuilding of Italian aviation.

The secret agreement, a spokesman said, was proposed by the American delegation at the Bermuda Anglo-American Air Conference on January 15. Britain accepted the suggestion 3 days later. On January 22 she learned that the TWA contract was pending, and advised Italy through Sir Noel Charles, British Ambassador in Rome, not to sign it. According to the Foreign Office version, similar advice was given to the Government in Rome on January 30 by Alexander Kirk, American Ambassador there. But the agreement was nevertheless signed on February 11, the British said.

MADE "SWAP" PROPOSAL

Another version of the story, current in London, gives a different slant. TWA, according to this version, was nearing completion of its contract with the Italian Government when the British Overseas Airways Corp. got wind of what was going on and came forward with a "swap" proposal. BOAC, holding similar rights in Greece, suggested that TWA share similar rights in both countries. TWA is said to have answered, in effect, that Italy was open to any air line wanting to fly there; that its interest primarily was to get Italian domestic air lines going again, and that questions of dividing up traffic with BOAC on an exclusive basis did not apply.

The mystery in London is what made the Italian Government sign the contract against the advice of the British and American Ambassadors. The British are wondering also what action, if any, the United States Government will take to break the contract in order to let a British company have what is considered to be a guaranteed share under the Bermuda agreement.

The Foreign Office gave no indication of action taken or contemplated in the matter, though its disclosures were clearly a move in themselves.

Mr. BREWSTER. Mr. President, there is another item from the Washington News of yesterday's date purporting to be a statement by our State Department headlined "British want cut of air contract captured by TWA," referring to this very matter. I ask unanimous consent that the article be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITISH WANT CUT OF AIR CONTRACT CAPTURED BY TWA

Britain is protesting because Transcontinental and Western Air and Italian interests plan to operate an air line in Italy, a State Department source said today.

He intimated there was some question just when the air line will begin operations because Britain seems to have "scared" the Italians with her protests. Britain's objection is that British Overseas Airways Corp. is excluded.

As matters stand today, TWA, which also refers to itself as the Trans-World Air Line, holds a 40-percent share in the line, the remainder being held by Italian interests. Under the arrangement, TWA holds routes designed to capture the cream of Italy's internal air traffic.

Britain feels that in the war, she won as much right as anyone else to a share in Italian aviation. It was pointed out here that the TWA contract was approved by Allied authorities in Italy. The British military representative could have stymied the deal then and there, it was said.

Mr. BREWSTER. Mr. President, referring to the comment of the Senator from Kentucky [Mr. BARKLEY] as to the question of jurisdiction in the report to the Senate from the Committee on Commerce regarding the nature of the agreements entered into by our State Department concerning aviation rights, it would appear to me that the Senator from Kentucky perhaps had not read the first page of the report of the Committee on Commerce where the report recites the vote of 17 to 1. I may say there are 19 members of the committee; 1 was absent, 17 were for the resolution, and 1 was in opposition. After reciting the action of the committee, which had had this matter under consideration for over 2 years, citing the grounds for opposition, the report states:

The first of these grounds is that such arrangements are not properly the subject matter of executive agreements, and that they should be regarded as treaties under the Constitution of the United States, subject to ratification by two-thirds vote of he Senate.

I continue the quotation.

The question whether or not arrangements of the character of the International Air Transport Agreement—

Referring to the so-called Chicago agreement on international aviation—

and the Bermula agreement are treaties and are to be submitted as such to the United States Senate for ratification will not be discussed in this report. The reason is twofold, viz: that a fair presentation of the committee's views would involve too long a report, and that probably such a report should be made, not by this committee but by the Senate Committee on Foreign Relations.

I call attention to this in the RECORD at this point in view of the question which was suggested by the distinguished majority leader as to whether or not the Committee on Commerce had exceeded the bounds of its jurisdiction in this report.

Without presuming to speak for the other 16 members of the committee who join in the resolution and in the report, including the distinguished chairman of the committee, the Senator from North Carolina [Mr. BAILEY], who I regret is not able to be present today for the discussion, the Committee on Commerce considered this appropriate to their consideration because of the fact that the Civil Aeronautics Act of 1938, under which all proceedings in this matter are carried on, came from the Committee on Commerce, and the further fact that all the authorities concerned in our executive departments who have undertaken to carry out such executive agreements as those represented by the Bermuda pact have alleged that the only ground of their right to proceed was under the Civil Aeronautics Act of 1938. They allege that that act gave to them the power to carry out executive agreements of this character.

The committee, therefore, felt that since the whole question of air policy was a matter within the primary purview of the Committee on Commerce, it was appropriate for them to consider whether or not the Civil Aeronautics Act of 1938 conferred such authority. I may say that it was the practically unanimous conclusion of the committee, after exhaustive consideration of all the legal aspects of this matter over a period of more than 2 years, that the action of the State Department and of the Civil Aeronautics Board in entering into these agreements, in the manner in which they did, was clearly beyond the scope and power intended to be conferred upon the executive department by the act.

It would seem that the Senate Committee on Commerce, the sponsors of the proposed legislation, should have an opinion that would at least be worthy of consideration by the Senate, which is all it purported to do. It presents the initial step in the most interesting and what may prove to be a most profound constitutional discussion as to what action the legisative department of the Government may take in case it should at any time appear that there is Executive encroachment upon the constitutional powers and responsibility of the legislative department. That has been a matter which has been much discussed by authorities. There is an article by Professor Borchard, of Yale, to which the report refers, going into this matter very extensively, with all the wisdom and authority Professor Borchard possesses.

We do not presume to have concluded the discussion by our report, but it would seem, to one member of the committee, at least, and I think to a great number of them, that the Senate Committee on Commerce would be clearly derelict in the discharge of their responsibility to the Senate if they did not call to the attention of the Senate what seems to them a clear case of the executive department exceeding the bounds laid down in the law, which was enacted on the basis of a report received from the Committee on Commerce itself.

I may say that the correctness of our viewpoint is fortified by the fact that the distinguished Chairman of the Civil Aeronautics Board, Mr. L. Welch Pogue, as general counsel of the Civil Aeronautics Board, himself rendered a most conclusive opinion upon this subject, acting as general counsel of the Board, advising

them in an official case pending in 1939. This opinion of the general counsel is included in the report as further fortifying the view of the committee that we are correct in the position which we take.

It was further fortified by the fact that in 1942 the Civil Aeronautics Board, in its annual report to the Congress, recommended that the Congress shoud amend the Civil Aeronautics Act of 1938 and give to them the very power which they now seek to exercise without amendment of the law.

This would seem to be rather conclusive evidence that not only in 1939 had General Counsel L. Welch Pogue, now Chairman of the Civil Aeronautics Board, but the Civil Aeronautics Board as a whole had come to the conclusion that they did not have the power under the act to do the thing they are now doing.

We are further fortified by the fact that in the recent hearing before the committee, when representatives of the State Department came before the committee to present to us the so-called Bermuda pact on civil aviation, and indulged in an extended discussion of its character and its authority, the members of the Civil Aeronautics Board stood up in a public hearing and said, "We think it should be understood by the members of this committee and the Senate that the so-called Chicago agreements, which were similarly sought to be validated under this act, were executed by the State Department without consideration by the Civil Aeronautics Board, and that we never passed upon those agreements as being either in the interest of the United States or within the capacity of the law." That was a fact which, so far as I know, had never come to the attention of any Members of the Senate, either in the hearings before the Committee on Commerce or in the consideration of the so-called Chicago agreements by the Committee on Foreign Relations of the Senate. True, a subcommittee has held hearings on one of those agreements, which was presented to the Senate as a treaty, and has been under consideration by the Committee on Foreign Relations for a considerable period.

I wish to call attention further to an editorial which appeared in the New York Times this very morning, as follows:

WORLD-WIDE AIR TRAVEL

A pattern of air traffic throughout the world, except for Russia and her sphere of influence—

I do not know what is her sphere of influence—

is emerging from the series of bilateral executive agreements negotiated and signed by the State Department, France, Greece, and Australia are the latest to sign or announce the beginning of negotiations leading to agreements along the general lines of those reached with Great Britain at Bermuda on February 11.

In general they follow the doctrine laid down by the late President Roosevelt and Adolf A. Berle at the Chicago Civil Aviation Conference in November 1944. The chief tenet of that doctrine was that the world needs air transportation, and a great deal of it, and that the least possible restriction consistent with order be placed upon this means of communication among nations.

The agreements are all within the framework of the provisional agreement signed at Chicago. Largely because it was provisional, its executive character—

This is what I would like the Senate particularly to note—

Largely because it was provisional, its executive character passed the scrutiny of that stern constitutionalist and forthright opponent of Executive encroachment, Senator JOSIAH W. BAILEY, of North Carolina, a member of the American delegation. Consequently, the present resolution of Senator BAILEY'S Senate Commerce Committee, characterizing the Bermuda agreement as a treaty, is all the more surprising.

I should like to interpolate here that I was a colleague of the Senator from North Carolina as a member of the American delegation, so that I think I know his views, and I believe he will be somewhat surprised to read this statement in the New York Times editorial concerning the "resolution," as they characterize it, "of Senator BAILEY'S Senate Commerce Committee," particularly as there are repeated evidences respecting his views in the RECORD, and in all discussions with the Senator from North Carolina, and from the actual vote of the Senator from North Carolina for the resolution submitted under the authority of the Commerce Committee by the Senator from Louisiana in full accord with the action of the committee.

The editorial continues:

Details of this kind are too fluid in character to be embalmed successfully in treaty law. The permanent convention adopted by the Chicago conference, admittedly a treaty, has been before the Senate without action for more than a year.

One other serious misconception has been put forward in the Senate Commerce Committee resolution. The Bermuda agreement does not deprive the Civil Aeronautics Board of its statutory duty to issue, or to refuse, permits to foreign air carriers. The agreement outlines the routes on which applications from British carriers will be entertained. But such carriers must still satisfy the Board that they are "fit, willing, and able" before a certificate can be issued to them, after approval by the President.

On the matter of whether the Senator from North Carolina was in accord with the action of the Chicago Conference on Civil Aviation, I quote from the hearings before the Foreign Relations Committee, which were placed in the record of the Commerce Committee hearings as an exhibit. I quote the Senator from North Carolina before the Foreign Relations Committee, who testified on this matter:

But I, being a party to it, laid down my reservations. There was given to me the most solemn assurance, not only by Mr. Berle, but by Mr. Berle in the presence of the other delegates, that the interim agreement would be within the law and not go beyond it, and would be for a brief period. Now, I have got plenty of witnesses to that. There is nobody who would say to the contrary to that; though you had no written record.

The Senator from North Carolina has made it perfectly clear both in his own committee and in the Foreign Relations Committee discussions, that in his judgment these executive agreements clearly violate the law, clearly go beyond the scope of any authority ever intended by the Committee on Commerce to be conferred in the measure it reported to the Senate. While I recognize that the interpretation of an act is primarily the province of a court, I think it is also a recognized principle that if there be doubt regarding the interpretation of an act, then it is considered pertinent to refer to any discussions incident to its enactment, and particularly on the part of those concerned in its development.

Furthermore, in the George Washington University Law Review there is an exhaustive article by Arne C. Wipurd, who until a few months ago was head of the Division of Transportation in the Department of Justice, discussing this entire matter in the greatest detail and giving his considered conclusion, which was issued with the permission, although I do not say with the authority or approval, of the Department of Justice, that this was utterly beyond the scope of any contemplation. So far as we have been able to learn, the legality of the action of the State Department in entering into these executive agreements, has never been considered and approved by anyone outside the State Department, and possibly by the reconverted Civil Aeronautics Board.

I say all this in justice to the report of the committee and in deference to the supremely important issues which are involved, which rest upon nothing less than the future of the air routes of the world, which, in my judgment, may well concern the peace of the world.

For a century we had Pax Britannica, from 1815 to 1914, when there was no Global War. As a result, in large measure, of British sea power and its prudent and proper exercise in that century, civilization made more progress than in any of the 18 centuries theretofore. Now it seems obvious that, while surface navies are not to be discarded, the aerial might of the world is going to become more and more of supreme importance. That is recognized by all the major powers. In that development the commercial air navigation is going to occupy, in all probability, a far more important place as regards military potentials than did the merchant marine in regard to the navy. I think all who are familiar with it realize what an indispensable part of any navy is a merchant marine. The great weakness of America throughout the century lies in the fact that it did not have an adequate merchant marine to supplement its Navy. We were obliged to spend $20,000,000,000 to build our merchant marine to go along with our Navy and take care of our responsibilities in the world. That, I think, is a sufficient indication as to the possible significance of commercial air navigation.

Now what do we find? We have been considering this subject for a long time. We have three companies engaged in overseas aviation. They have various permits which have been issued. They have resources of approximately $75,000,000 of private money dedicated to this task. We have just been asked for appropriation of several million dollars further to develop our air navigation facilities outside the bounds of the

United States in connection with the $2,000,000,000 worth of airports we have built around the world outside our territorial limits, in which we have little, if any, rights of use. And we are being asked now to go into 40 different places and spend money to develop the air navigation facilities under the concept that American foreign aviation is to be an important part of that picture.

As one who has been intensely interested in this subject for some years, it seems to me that we may as well face the facts. While we have in America these three companies that are competing for position around the world with what encouragement Government can give them—and there will be a very interesting story in connection with this Italian agreement respecting an American air line, which the British are now protesting—the British Government within the past 3 months has made available to its monopoly, the British Overseas Airways, an entirely government-owned and controlled corporation, the sum of $600,000,000 for development of overseas aviation. Originally it was contemplated, before the change of Government, that the ship lines and railroad lines of Britain should participate in some measure in this development. Under the new Government that was excluded. And this was made an entirely Government enterprise.

The importance which the British attach to air routes—and I agree as to their importance—is indicated by the fact that with a Government deficit this year of $4,000,000,000 in the British budget, they have deemed it proper to make available $600,000,000 for the establishment and development of overseas aviation, while our Government is discussing whether we will put a few additional million dollars into the air navigation facilities of these various ports around the world, which, if the British are successful—and I think there is grave reason to expect they may—will simply be useful for the purpose of serving the same domination of the air that the British have long enjoyed on the seas. When I say that the British may be successful, it is not a challenge of their enterprise, or a suggestion that they are acting in violation of our rights. They have a perfect right to do all this. But let me call attention to the fact that while we are so proud of our aviation, while we have thought that American aviation was supreme in the world, it has been established—I think beyond peradventure—that at this very time the British have an aviation engine, the so-called Rolls-Royce, which is superior to anything we possess. I read into the RECORD at this time a description of it from the New York Times of April 15:

BRITISH ENGINE DETAILED—ROLLS-ROYCE JET-PROPELLED PLANE DEVELOPS 15,000 HORSEPOWER

LONDON, April 17.—Details of the Rolls-Royce Nene jet-propulsion engine—the world's most powerful aircraft engine—were released tonight. The engine develops a thrust of 5,000 pounds, which at 600 miles an hour is equivalent to 15,000 horsepower.

The engine weighs only 1,550 pounds, so that for each pound of weight it gives a thrust of 3.2 pounds, or, at 600 miles an hour, 9.6 horsepower.

I trust Senators will note the significance of that statement.

The orthodox aero engine gives about 1 horsepower for each pound of weight of engine at best.

The significance of this, as developed by discussions with the aviation authorities in this country, is that Britain is entirely prepared within the next year, with engines now in production, to launch for the North Atlantic transport, which is an extremely important field, airplanes which will utterly eclipse anything America is able to put in the air. Under the Bermuda agreement the British secured nine ports of entry in this country, and routes across the United States from New York to San Francisco, Hawaii, and the Orient; from New York to Habana and South America; and from New York to New Orleans and Mexico City. The British are now in the position, with unlimited frequencies, which are provided for, and with rate control, which is also contemplated, to launch a service which will be utterly superior to anything the United States can possibly afford. This service will be backed by the $600,000,000 in capital resources now being made available. I shall not at this time comment upon the interesting fact that we are perhaps to make available to them $4,000,000,000 for such purposes as they may deem expedient; but I think it is a tribute to the intelligence and energy of the British that they have gone as far as they have gone and been as successful as they have been.

My suggestion is simply that this matter is one which should invite the very intimate attention of the Congress of the United States without delay to review, let us say, the activities of our State Department, of our Civil Aeronautics Authority, Civil Aeronautics Board, and all others concerned in the matter of civil aviation, to make sure that within the next 5 years America shall not present the sorry spectacle in the air that we have presented in the past in connection with our merchant marine. I believe that it is not merely a matter of competition. It is not merely a matter of whether America or Britain does it. In my judgment it is a matter of whether or not the peace of the world is kept.

What is behind the so-called Italian agreement? Let us see its implications. According to the story from the British Foreign Office, an American company went to Rome and negotiated this agreement about 2 months ago. It was an agreement for the American company to have exclusive rights, for a 10-year period, for the development of internal aviation in Italy. The British protest that they had an agreement that they were to be cut in on a share of it. Whether or not they had such an agreement we shall learn from the State Department when the discussions are revealed. Meanwhile, what I think gives a great many people concern is the fact that, as our distinguished representatives depart for Paris to negotiate possibly a peace treaty with Italy, the Russians are very much concerned with what happens in the Mediterranean. They are very much concerned with spheres of influence and other things. From anything that appears in the discussions, either of the British or our State Department—which has simply made the statement that the British are protesting the American company's action—the Russians may find simply another chapter in the history of Anglo-American arrangements, venturing now into a field in which the Russians themselves are to some extent concerned.

I do not think it presents a pretty picture for either the United States or the British to be dividing up the internal aviation of Italy without reference to those responsible for the peace treaty, while Italy is obviously under duress, while an American company, with the sponsorship to some extent—we do not know how much—of our State Department, has secured for 10 years rights of a monopolistic and exclusive character. The only thing the British ask is that they be cut in on a 50–50 basis. I think they had better realize that world opinion is asking, What are these people up to?

What about the Russians? They did not come to Chicago. For whatever reasons they considered best, they stayed away from the Chicago aviation agreement; and up until last month there was nothing to indicate what the Russians were about to do. But within the past 2 weeks the Russians suddenly have moved. They have announced, at a conference in Moscow, that they propose to have a hand in world aviation. They announced that they were instituting a 5-year program to establish 108,000 miles of air routes. They did not indicate whether their program was to be domestic or foreign. They might have vast routes within their country. But they did very definitely indicate that they were interested in aviation in a major way. It is interesting to note that 108,000 miles of routes is the precise mileage which Britain and the United States now claim under the Bermuda agreement.

Three days ago the Russians announced that they were establishing air lines to various capitals in central Europe, which is a matter of very intimate concern to everyone else. It is a question whether we shall have the right to operate to the satellite countries in southern Europe. Up to the present time we have been unable to operate our air lines through central Europe, the Balkans, and Constantinople, because of Russian objection. Russia is going ahead with the establishment of routes to the countries with which she is associated. It is impossible to conceive that Russia will not be seriously concerned over this further example in Italy of the commercial aspects of our approach to our dealings with our defeated enemies.

I trust that in the approach to this question at Paris next week our representatives will bear these considerations very much in mind. If there is to be commercial division of concessions in foreign countries, either late enemy countries or allies, certainly we had better be very careful that no imperialistic pattern shall come to dominate that scene and add further fuel to the flames of Russian suspicion that we are proceeding with primary regard to the com-

mercial interests of our country rather than the peace of the world. With what face can we stand up to the Russians and ask them not to enter into secret agreements, not to put pressure upon other countries which may be subject to such pressure, if we ourselves are at the very time entering into secret agreements under the sponsorship of our State Department, calculated to secure valuable commercial privileges to the exclusion of all other countries within the very nations which are at present subject to our action?

That is why I feel that the Committee on Commerce has rendered a valuable service in exploring this matter. We realize that the Committee on Foreign Relations is the proper tribunal to consider things in the nature of treaties. In our judgment these agreements should be so treated. We trust that in the exercise of the comity which has been characteristic of these two committees, the subject can be properly dealt with. When we had a similar situation with respect to the petroleum agreement, the Special Committee on Petroleum considering the matter went before the Committee on Foreign Relations and presented its views. Our committee—the Committee on Commerce—has given extended consideration to the question of aviation. We have at all times recognized, as the report made today indicates, that if such an agreement is submitted as a treaty, it comes within the purview of the Committee on Foreign Relations. We hope that whatever information and knowledge we have acquired as a result of our extensive investigation may be a matter of interest to the Committee on Foreign Relations and to its distinguished chairman. Meanwhile, the interesting constitutional question as to how Executive encroachment, if such there be, shall be challenged, will recur more and more frequently with the continued elaboration of the Executive powers under the theory of Executive agreements. This is a first tentative step, taken with the full approval of the distinguished chairman of the committee, the Senator from North Carolina [Mr. BAILEY], whose views were so loudly applauded in the editorial from the New York Times—although under a misapprehension as to what his views were—and by the other members of the committee, without regard to party, since the evidence sufficiently indicates how seriously we were concerned.

I have discussed this matter at this length because, as one who is interested and who was privileged to go as a delegate to Chicago, I felt that the Senate, this RECORD and the people of the country should, at any rate, realize that American overseas aviation is not at all in the favored position in which we have viewed it, but that—unless prompt action is taken—it may very well be that the British will utterly eclipse us in that field. That will not be so much a matter of concern to me because of their competition, but because twice the world has been plunged into world-wide wars because the British have not been able to carry out the undertakings they have made. This is no challenge of their actions in either the First World War or the Second World War, but is in connection with my profound conviction that in the case of future difficulties of this character in the world, the United States should not only be fully informed, but should speak with authority at the tables where the fateful decisions are being made, before the world is plunged into war, so that the full might of America may be brought to bear. It is my fear that if British aviation should become supreme, not only would it run into difficulties with the Russians, but it would also be a factor which would further increase the difficulties with which the world is faced, because of developments in connection with what I hope may, instead, in the end be the argosies of peace.

Mr. BARKLEY. Mr. President, following the remarks of the Senator from Maine, let me say I have no disposition to go into all the matters discussed by him. The discussion seems to have been precipitated by a discussion earlier in the day in connection with a unanimous-consent request that a report by the Senate Committee on Commerce be made a public document. I regret that I was temporarily called from the Chamber for a conference with one of the departments, because I would have objected to the request, for I have always felt, and I have expressed that feeling before, that an ex parte document, whether prepared and printed by a committee or by a single Member of the Senate, should not go out under the guise of being, or in such a way as to give the impression that it is, the official action of the Senate itself.

That question arose here last year when the Senator from Nebraska [Mr. BUTLER], after making a tour of South America, returned to the Senate and made a speech about what he saw and about his reactions to what he saw, and he requested that his speech be made a Senate document. I objected to that request. Finally it was agreed that the views on the other side should be printed along with his comments, so that there would be a fair expression, thus presenting both sides of the situation which he described.

The general public does receive a false impression with respect to Senate documents and public documents. A public document carries with it the impression that it is an official document of the Government of the United States. It may create the impression that it is an act of Congress or something which Congress has voted upon. Therefore, I feel that we should be careful in giving to such documents the imprimatur or impression of our approval.

However, the unanimous consent requested today was granted, and therefore that is water over the dam.

I am as much interested in American aviation as is the Senator from Maine or any other Senator, but I do not believe that because of that interest we are justified in taking the position—and I certainly do not take such a position—that the Executive Department cannot enter into executive agreements. The matter of executive agreements is nothing new. It is brought up now as if it were a new device, but actually it has been in existence in our Government for over 100 years; and under all administrations and all political parties the development of the method of entering into understandings through executive agreements, not through treaties, has expanded—there can be no question about that—and properly so, I think.

It may be that in some isolated case a contention could properly be made that a certain executive agreement should have been a treaty requiring a two-thirds vote of the Senate. But, by and large, in the development of our commerce and in connection with the multiplicity of things with which our Nation must deal in conjunction with commerce with other nations—and particularly so today in connection with aviation, which is in its infancy insofar as world transportation is concerned, and even insofar as domestic transportation is concerned—the executive department, through the agencies under it, must have the authority, in my judgment—and does have it—to enter into these agreements, which are not required to be treaties in the sense that they must be approved by a two-thirds vote of the Senate.

It seems to me that it would woefully handicap the ability of our Government to enter into arrangements and to participate in conferences on such matters, if all such agreements and arrangements into which we entered had to come before the Senate as treaties and had to obtain a two-thirds vote of the Senate before they could go into effect.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BREWSTER. When the Senator from Kentucky has an opportunity to read our report, I think he will find that we quite concur with the Senator's view that the law, as we conceive it, clearly lays down the ways by which foreign air lines may come into our country, and provides for the making of the same arrangements which our domestic air lines must make both for foreign aviation and domestic aviation.

The difficulty is that, very late, this law has suddenly been superseded, so as to permit the entry of foreign air lines without the formality of such a hearing as is contemplated in the Civil Aeronautics Act; and Mr. Pogue testified that executive agreements would supersede the hearings. We feel that is in violation of the law, and it is also a violation of sound practice.

Mr. BARKLEY. That matter was gone into at some length before the Committee on Foreign Relations a year or so ago, when there was before that committee a certain proposition, and incidental to it was the matter of giving to one American air line the exclusive right to engage in foreign aviation. I opposed that, and I would oppose it at any time, just as I would oppose giving to any shipping company a monopoly in the overseas shipping trade.

Mr. BREWSTER. Mr. President, I am sure the distinguished majority leader desires to leave an accurate impression regarding what occurred. Therefore, I say that I do not think the Committee on Foreign Relations ever considered the proposal to authorize one air line to handle all our foreign transportation by air. That matter has always been before the

Committee on Commerce, and no one has ever challenged the jurisdiction of that committee over it.

Mr. BARKLEY. Mr. President, let me say that the matter was before the Committee on Foreign Relations. I was present when it was discussed, and I myself announced with as much vigor as I could command that I would never consent to giving to any one American air line a monopoly of overseas air transportation.

Mr. BREWSTER. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. DOWNEY in the chair). Does the Senator from Kentucky yield to the Senator from Maine?

Mr. BARKLEY. I yield.

Mr. BREWSTER. I recall very well the episode to which the Senator has referred. The question before the Foreign Relations Committee at that time was a treaty which had no relation whatsoever to the question whether we have 1, 2, or 10 air lines serving the United States overseas.

Mr. BARKLEY. It may not have been involved in connection with that agreement, but it was brought up in the committee for discussion.

Mr. BREWSTER. I think that perhaps it would be more proper to say that it was dragged in by the heels.

Mr. BARKLEY. No; it was not dragged in by the heels. It was thrown in from the outside by the seat of its breeches. [Laughter.]

Mr. BREWSTER. Whatever the means of propulsion——

Mr. BARKLEY. At any rate, it got there.

Mr. BREWSTER. I think this is a clear statement of the matter: The proposal for a merger of all our air lines serving overseas interests or transportation has been before the Committee on Commerce for some time, and I do not understand that even now the Senator from Kentucky would challenge the jurisdiction of the Committee on Commerce to study that measure.

Mr. BARKLEY. I am not challenging the jurisdiction of the committee. I think it is extremely unfortunate that there should be any jealously or conflict between committees in regard to their jurisdiction over legislative matters, and for that reason I have long felt that the Senate should adopt some modern rule so as to eliminate questions of the jurisdiction of committees, so that fewer questions of that sort would arise here.

The matter which we are discussing grows out of this report. I have not read the report. A copy of it has not been furnished me. The Senator said that I must not have read the first page of the report. I have not read any page of it. It has not been available to me, or to any one of us, so far as I know. It was inserted in the RECORD this morning and made a public document. That was the first time I had seen it. I saw a short article in a newspaper a few days ago to the effect that it had been adopted by the committee. Moreover, I recall a discussion which took place in the Committee on Foreign Relations in which the contention was made—I have not read the testimony lately, and the occasion to which I refer took place, I believe, about a year ago—that the Civil Aeronautics Board took the position that they had the right, under the act of 1938, to enter into these agreements. I understand that to be their position at the present time. I now believe, and I believed then, that they were on sound ground. However, that is not a unanimous viewpoint. The Chicago agreement, which is in the nature of a treaty, has been submitted to the Committee on Foreign Relations, and hearings have been held on it. It has been before that committee for approximately a year, and opposition has been raised to it on various grounds by interested persons in this country. I have no partiality one way or the other to aviation corporations. I want all of them to succeed. I want not only our share of foreign transportation by air, but I want our domestic aviation to be developed, and both should go along together. I do not know that any devious course was pursued by one American company going to Italy and entering into an agreement with the Italian Government providing for a 10-year privilege in Italy. I do not know that such an agreement would be in violation of any law or treaty. I have not seen the agreement, and I do not know to what extent it may commit or bar other companies. But if it concerns a domestic matter having to do with the development of aviation in Italy, I assume that the Italian Government had as much right to enter into an agreement with an American company as it would have with regard to an Italian company, a British company, or any other company. I assume that the agreement does not involve international transportation, although an American company has entered into an agreement with the Italian Government.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. OVERTON. The agreement to which the Senator has referred is an agreement between the TWA and the Italian Government.

Mr. President, I express a very quick offhand opinion that the agreement is one which is apt to militate very much against the proper development of international aviation. I believe that the agreement provides that TWA shall have the exclusive right to engage in aviation within Italy, Sicily, and Sardinia.

Mr. BARKLEY. All being in Italy.

Mr. OVERTON. All being in Italy.

Mr. BARKLEY. Yes.

Mr. OVERTON. If such an agreement has been entered into between TWA and the Italian Government, and is permitted to stand, I am afraid that companies of other countries will enter into exclusive agreements with this country and with that country, such as with South American nations, nations in Europe, in the Far East and Near East. Not only that, but different nations will be undertaking to obtain exclusive rights in the territory of a particular nation to the exclusion of other nations. A contest will take place to control aviation, instead of an orderly development of international aviation. I am very anxious to have an orderly development of international aviation.

Mr. BARKLEY. I have not read the agreement between TWA and Italy. Unless it violates some treaty, I do not know just what we could do about it. If it is a private agreement between a private American company and the Italian Government, and not in violation of any treaty obligation to which we are a party, I do not know what the Senate could do about it. If it develops world-wide, it might be injurious to our own interests. I suppose that in that kind of a case the State Department would at least take cognizance of the fact that an American company had entered into, or was entering into, such an agreement, and that other American companies, or other companies in different parts of the world might enter into such an agreement. But, unless there has been a violation of some treaty obligation with Italy, or a violation of some law on the part of TWA by entering into the agreement with Italy, the problem is purely one of a domestic nature, and I do not know what we could do about it. I doubt that we could do anything.

Mr. OVERTON. What brings this agreement into disrepute, I believe, is a press statement to the effect that Great Britain is now insisting that its aviation lines be permitted to participate with TWA, and they are about to divide Italy into——

Mr. BARKLEY. But that, also, is a matter between Great Britain and Italy.

Mr. OVERTON. Yes.

Mr. BARKLEY. If Italy has given to an American company some rights in which Britain thinks that she should share, because of some agreement previously entered into between Great Britain and Italy, that would be a matter between Great Britain and Italy. It is not a matter which we can control.

Mr. OVERTON. Would the Senator say that if the United Kingdom should secure an exclusive right in Mexico, for example, we would have no right to raise any objection?

Mr. BARKLEY. I do not know that I can answer that question. Of course, as a nation we would probably be opposed to the exclusive enjoyment of such rights by some other nation, although they might not be in violation of any treaty obligation between the United States and any one of the American Republics. However, the example which the Senator has cited is perhaps an example of a situation somewhat different from the European situation in which we, of course, have an interest, but I believe no jurisdiction by reason of any treaty obligation.

Mr. OVERTON. While I cannot speak for the State Department——

Mr. BARKLEY. Neither can I, and I have never attempted to speak for it.

Mr. OVERTON. It is inconceivable to me that the State Department will approve this arrangement. How far the State Department can go or will go, I do not know.

Mr. BARKLEY. The Senator refers to the agreement between TWA and the Italian Government?

Mr. OVERTON. Yes.

Mr. BARKLEY. I have received no information from the State Department

about the matter. I am aware of the fact that such an agreement has been entered into. To what extent the State Department will take notice of it, or what action the State Department will take, I do not have the slightest information.

Mr. OVERTON. I may say that later in the afternoon I may be in position to make public a statement with respect to the views of the State Department in regard to this subject.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BREWSTER. With reference to the point which has been raised, I may say that the unfortunate part of it is that Italy is still under a guardianship. The Combined Chiefs of Staff still control entirely the situation there. One of the unfortunate complications lies in the fact that the permission to renew civil aviation in Italy came from the Combined Chiefs of Staff shortly after the agreement was entered into. Whether or not it implied knowledge and approval, as has been argued by certain groups, or whether it was in defiance of the diplomatic agencies of the various governments concerned, is one of the very tangled situations which has been presented. But up until the middle of March there was no power or right on the part of the Italian Government, I believe, to consider an agreement of this chracter. After that date, the right was agreed to. In any event, there is the most unfortunate complication that Russia and all the other countries concerned, outside Great Britain and the United States, had nothing to say about it. As to the nature of the discussions at Bermuda, with reference to which our committee has never been advised, dealing with the Italian situation, we do not know what may have transpired. But in any event there is a dangerous intimation of secret arrangements regarding Italian internal affairs.

Mr. BARKLEY. It is always easy to imply some secret arrangement with implications which might be suspicious. I imagine, and I think it is true, that Italy is anxious to have a treaty with all the nations with which she must enter into a treaty in order that she may settle the problems growing out of the war. It is inconceivable to me that the Italian Government would be warranted in taking the position that an agreement entered into between it and an American company would militate in behalf of a treaty between Italy and other countries in which England, Russia, France, and other nations must join, and for the purpose of which our Secretary of State, the distinguished Senator from Texas [Mr. CONNALLY], and the distinguished Senator from Michigan [Mr. VANDENBERG], are leaving Monday night, in collaboration. So it seems that the evidence would be against anything which Italy might obtain by playing up to an American company when British, Russian, and French interests are involved, and Italy cannot get a treaty without the concurrence of those countries. I think that relieves the matter of any suspicion that this agreement has been entered into for the purpose of currying favor with the United States, or anything of the sort.

Mr. SALTONSTALL. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. SALTONSTALL. I should like to ask the Senator from Louisiana or the Senator from Maine a question. As I understand, Congress is planning to adjourn sine die in July.

Mr. BARKLEY. It is hoping to, and, so far as I can do so, I am planning to bring that about of course barring unforeseen difficulties, which I hope will not arise.

Mr. SALTONSTALL. May I make that as a sentence, that the Congress is planning or hoping to adjourn sine die in July?

Mr. BARKLEY. Yes.

Mr. SALTONSTALL. As I understand, the resolution of the Committee on Commerce casts a doubt on the authority of the CAB to make agreements for American companies to fly abroad. If Congress should adjourn without taking action on this subject, would it prejudice American companies in their interests abroad, over the oceans, before Congress shall meet again?

Mr. BARKLEY. As I understand, there is nothing pending before Congress with respect to the Bermuda agreement upon which it can take action. The agreement was entered into under what the executive department believed its authority under the act of 1938, as an executive agreement, not requiring any action on the part of Congress, and it was not sent to the Committee on Commerce for action, but only for information. It is not officially before the Senate for action.

Mr. SALTONSTALL. My question is, Should legislation be introduced? In other words, are American companies going to suffer if Congress passes no further legislation on this subject before it adjourns?

Mr. BARKLEY. I should not want to be categorically bound to stand by a curbstone opinion I might now express, but I do not believe there would be any substantial injury resulting from the failure of Congress to pass legislation between now and adjournment.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. I think what I had intended to ask has been satisfactorily answered. I was going to say that the Executive is committed to a policy of competition in foreign trade. If an American company makes an agreement with a foreign country, and is given exclusive use of the facilities of that country, are we going to carry out that policy of competition?

Mr. BARKLEY. I have to speak without having seen the agreement, but I understand that the exclusive privilege the TWA enjoys in Italy is for the use of those facilities for domestic travel. It does not exclude their use in international travel, I understand. In other words, Italy has given to this American company the right to develop aviation within Italy, and the use of facilities which are available or which may become available in Italy for travel by us in Italy. As I understand, that does not involve any curbing of the right of any transportation company, by our engaging in international transportation between this country and other countries, to use the facilities available there for international aviation. As a matter of fact, the American company—I have forgotten which one it is; it may be the Pan American, it may be TWA, I have forgotten for the moment—is flying into Rome, Italy, now, and using the facilities there.

Mr. BREWSTER. It is TWA.

Mr. BARKLEY TWA, yes. The companies which now enjoy permission to engage in international transportation by air naturally pursue various routes, because it is to their interest to do so, since they could not all travel the same way and land at the same places. It may be that they have carved out the territory which is to be served in order that each one of them may have its share of the international overseas travel.

Under the law, as I understand it, any permit given an American company to extend its lines overseas may be put down for hearing in a preliminary way by the CAB, but that action must go to the President for his approval. They cannot act finally. I understand there are now applications on the President's desk from all three of these American companies for extension of their lines into South America, and probably into other parts of the world.

Mr. AIKEN. As I understand, if an air-line corporation makes an agreement with a foreign country for use of facilities in that country, the agreement cannot be made effective so that they can use it effectively unless the CAB has approved it and the President has also approved it.

Mr. BARKLEY. That would not apply to this Italian situation at all.

Mr. AIKEN. No; I understand that.

Mr. BARKLEY. If an American company—and I imagine it applies to foreign companies also, although I should have to look at the statute—sought to extend its lines, there would have to be a hearing before the CAB, which would have to investigate, and then report to the President, and he could approve or overrule them; but the final authority to act on these applications is left to him.

Mr. BREWSTER. That is the very point at issue. So far as American companies are concerned, if they desire to go abroad they must go before the Civil Aeronautics Board and have a hearing, then have the approval of the President, but under the new theory which has been evolved the hearing before the Civil Aeronautics Board becomes a mere formality, if, indeed, it is even that, and the Chairman testified a few days ago that they would consider the Executive agreement as controlling on broad matters of policy involved.

Mr. BARKLEY. In my judgment, that does not mean that the CAB is deprived of its preliminary authority. The applications of which I am speaking do not go to the President until acted on by the CAB. They hold a hearing, they make an investigation, and make a recommendation.

Mr. BREWSTER. I appreciate the vast number of matters the Senator from Kentucky has to cover, but if he would look at the detailed record——

Mr. BARKLEY. Some of those matters are covered very thinly, too. [Laughter.]

Mr. BREWSTER. I did not mean to intimate lack of omniscence on the part of the Senator.

Mr. BARKLEY. I am making an admission of what is exceedingly obvious.

Mr. BREWSTER. If the Senator will look at the record of the Committee on Foreign Relations—I have a copy of it here—or the hearing before the Committee on Commerce, he will find that the Civil Aeronautics Board have made it entirely clear that for all practical purposes these executive agreements should receive the action of the Board, that they have to grant this permission without hearing, so that any foreign air lines may come in under the executive-agreement arrangement, while all American lines are still compelled to go through the formalities.

The difficulty with the arrangement is that all the American aviation interests, transportation lines, ship lines, domestic air lines, the railroads, the labor organizations, all came before our committee and pointed out that they were not in a position now to go before the Civil Aeronautics Board and oppose the British or the French or any of the other arrangements, on the ground that they were prejudicial to the interests of our country, because there was no hearing, although that was contemplated in the act. That was what they protested against vigorously, and what our committee felt was a clear superseding of the law.

Mr. BARKLEY. I do not wish to prolong this discussion. The question is open to legitimate debate, and I am one of those who believe that the act of 1938 authorized the Civil Aeronautics Board to do what it has done in regard to these matters.

I now yield again to the Senator from Vermont.

Mr. AIKEN. I was going to ask the Senator from Maine a question. If I understand him correctly, the foreign air lines do not have to go before the CAB to get the right to land at fields and do business in this country?

Mr. BREWSTER. The Chairman of the Board testified that these executive agreements would make it conclusive upon them to grant permits, so that there would be no public hearing, no opportunity for American interests affected to protest.

Mr. AIKEN. Does the law require that they be conclusive?

Mr. BREWSTER. That is the point at issue.

Mr. BARKLEY. So far no executive agreement which has become effective has, as I understand, taken that course.

Mr. BREWSTER. The only agreement we have had was the trans-Canada agreement, in which the Civil Aeronautics Board, following the opinion of the general counsel, Mr. Pogue, insisted upon a full hearing, and said that the executive agreement did not conclude the question. But since then they have evolved the other theory, that the executive agreement is controlling, so that the whole thing becomes illusory.

Mr. AIKEN. But the Canadian air lines still make application when they desire to stop at particular cities in this country.

Mr. BREWSTER. With an executive agreement it would not be necessary for them to do so, except in a most perfunctory way.

Mr. BARKLEY. Mr. President, I am anxious for the Senator from North Dakota to resume and conclude his remarks today, and I know he is anxious to do both, so I yield the floor.

Mr. LANGER. I do not intend to conclude today, in view of the fact that so much of my time has been taken.

Mr. BARKLEY. The Senator advised me earlier in the afternoon that he desired to speak an hour, and I thought he could conclude today.

THE OPA

Mr. WHERRY. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. WHERRY. I appreciate very much the courtesy extended me by the distinguished Senator from North Dakota in yielding at this time.

Mr. President, I desire to place in the RECORD a decision rendered by Federal District Judge Claude McCulloch, of Portland, Oreg., and some comments upon the decision, relative to a violation or alleged violation of one of the OPA price regulations. The decision is, I think, illustrative of what I call the gestapo enforcement procedure of OPA.

Mr. President, I think no one has spoken with more force of some of the methods employed by the enforcement branch of the OPA or criticized them more constructively than has the distinguished senior Senator from Illinois [Mr. LUCAS], who on a recent occasion in the Senate at considerable length discussed some of the methods used by OPA in the State of Illinois.

Mr. President, I recently brought to the attention of the Senate, with respect to enforcement of the sugar regulations by OPA, the fact that unintentional violations were bound to occur, and it was admitted by the OPA that they would occur. There were 318 such cases in my State alone, and I was told by the Enforcement Branch of the OPA that they had concluded the special drive they were making there, and would not continue it. Yet they are continuing it nearly at the rate and nearly on the scale of a month ago.

Mr. FERGUSON. Mr. President——

The PRESIDING OFFICER (Mr. MCFARLAND in the chair). Does the Senator from Nebraska yield to the Senator from Michigan?

Mr. WHERRY. I yield.

Mr. FERGUSON. Are the OPA officials continuing in the same manner as they did in connection with the 300 cases on which we had testimony presented in the Appropriations Committee?

Mr. WHERRY. Yes; they are continuing in the same manner. I invite the attention of the able Senator from Michigan to the fact that we were told by the enforcement officer of OPA that OPA would not make use of what is called the inventory form, on which the applicant sets out the amount of sugar on hand and uses the inventory when he wants to bail himself out because of waste, and for other reasons. OPA officials, however, are now using that form as a basis for prosecutions.

Mr. President, I shall bring to the attention of the Senate next week a case which arose in Baltimore in connection with which there will be brought here next week, and I will present for the RECORD, a copy of the legal documents and the transcript of the evidence taken, showing that OPA are using the inventory prepared for a bail-out as a basis for a prosecution to enforce the law.

I now wish to read to the Members of the Senate the decision of a court in an OPA case. I never met the judge in question. I know nothing about him, but the judge in that case makes what to me appears to be a very important statement concerning the gestapo methods and the enforcement methods which the judiciary is compelled to uphold in this country with respect to alleged violations brought to the attention of our courts, and presecuted by the enforcement branch of OPA. I have before me a decision which was handed down recently by Federal District Judge Claud McCulloch in Portland, Oreg. It has to do with the granting of an injunction at the request of the OPA against a Portland slaughter and packing house owner, who was accused of violating the OPA ceiling price on live animals.

The slaughterer, under terrific pressure of competition from the black market, is forced to pay the full ceiling price on meat at all times, if he hopes to obtain any animals. He must look at the steer as it stands in the stockyards, alive, and estimate what the grade of meat will be, and how much meat he will have when the animal is killed and dressed. That is not only difficult to do, it is impossible to do 100 percent of the time. If, perchance, on dressing, it develops that the animal is lower grade than he or his buyer estimated, or it fails to produce the amount of dressed meat that he estimated, it means under OPA regulations that he has paid too much for the animal, and has violated the livestock ceiling prices, and is subject to punishment by OPA.

Mr. President, I should like to say that a slaughterer appeared before our committee and testified that because of these impossible regulations he was charged not only with violating the ceiling prices, but that subsidy payments of $552,000 were being withheld from him because his particular company, for that character of violation, was over the line by one-half of 1 percent. I submit to anyone who knows anything about the meat business or to any Senator who has heard testimony on the subject by the slaughterers of our great central markets, that none of them can buy as many head of cattle as they need and pay within the OPA price limit on the theory that they will know how much a steer will dress out when it is finally hung up in the refrigerator warehouse of the meat packer. It is impossible. So one of two

things happens. Either the buyer depresses the market in order to stay within the range, or else if he pays the producer every dime he should, he gets so near the line that if he goes over by just a trifle, not only is his subsidy payment withheld—which in the particular case to which I have just referred, was more than half a million dollars—but he is also prosecuted for violation of OPA regulations.

That is the situation in which the slaughterer finds himself. What is the result? This week at the great central markets the large packing houses such as Armour, Swift, and Wilson & Co., five of them, together with the legitimate independent packers, have only operated up to 20 percent of their capacity, because the order buyers, who ship into the 26,000 new independent markets throughout the country are buying the cattle and shipping to the independent slaughterers who sell the meat through black markets, and by-pass the legitimate channels. Of course, they pay pay more for the meat than the central market packers can pay. Why? Because they do not depend upon the subsidy. They do not sell their meat in a market which requires a subsidy. They sell to black-market operators, and if the black-market operations can be measured by the amount of meat that is being produced in the country today, then I will say that 80 percent of the meat sold today is being sold to black-market operators.

I return to the Portland, Oreg., case to which I have been referring. In Portland, Oreg., a small operator, doing business under the name of the Central Market, was brought into court by the OPA after several alleged violations, and finally, the OPA asked the judge for a permanent injunction to restrain him from any further violations. That may sound interesting enough, on the face of it, but the actual meaning of it was that up to that time the penalties imposed by OPA were penalties in dollars and cents. But after the granting of the injunction, any violation would be a violation of the court order, and the individual would be subject to a jail sentence. So this was the OPA's way of getting the threat of a jail sentence over the head of this little individual.

Federal Judge McCulloch heard the case, and he handed down a decision that is so poignant with frustration, so unbelievable in a Nation that prides itself on justice and democratic processes, that it deserves to be made public for the Nation at large to hear.

This is what has happened to justice, under the staggering powers and the unharnessed and unsupervised authority which the OPA has at its command. This is the decision:

> I accept the contention of defendants as proven that the regulation is unworkable in this area. It has been shown that violations are unavoidable.

And so, in connection with the distribution of sugar, to which I have referred, are violations unavoidable. The Senator from Michigan [Mr. FERGUSON] knows that that was clearly proved in the hearings held by the Appropriations Committee.

> No evidence was offered to the contrary.
>
> But the question remains whether I may deny OPA an injunction in any case where a regulation exists and violation of the regulation is shown. All of my instincts say that should not be enough, that the equities should be open to inquiry in every case.
>
> The regulation itself cannot be assailed in this proceeding. Section 204 (d) of the Price Control Act prohibits that. It compels the courts—

I want the Senate to listen carefully to this:

> It compels the courts to treat a regulation as valid, even though they know it to be invalid.
>
> Assuming therefore, as Congress has commanded, that the regulation is valid, must an equity court issue an injunction, even though it is clear that future violations are bound to occur, regardless of the good faith and earnest efforts of the defendants to avoid violations?
>
> In other times, I would have thought there could be but one answer to this question, but the decisions in this circuit have so completely shorn the district judges of discretion in OPA cases, I must conclude that equity is compelled to act in this field, even though there be not equity—that an injunction must issue, even though it is known at the time of issuance that nonwillful violations are bound to occur.
>
> This is a strange situation, previously unknown to our law, and it could not arise except for the vise that section 204 (d) puts on the courts, coupled with the appellate decisions referred to, which take away the discretionary powers normally allowable to trial courts.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. FERGUSON. I think it is very clear, in view of what the Senator has read from the decision of the court, that we have gone far afield from the heretofore held idea of a chancelor doing justice. The idea concerning the equity court and the chancelor was that a judge should do justice and avoid doing anything which would work a hardship.

Mr. WHERRY. That is true.

Mr. FERGUSON. We have reversed that in the proceedings of the OPA, and the judge finds himself not able to do justice, but he is, by reason of the order of the OPA and by permission of the Congress, put in such a position that he must deliberately enforce an unreasonable order and do an injustice, when he knows in his own heart that he is doing an injustice. In other words, we have reversed the idea of an equity court.

Mr. WHERRY. That is correct.

Mr. FERGUSON. There is no longer justice in the equity court; but we are enforcing injustice in a so-called equity court which is merely a mockery.

Mr. WHERRY. I thank the distinguished Senator. His statement is more clear than I could present the point myself, and I thank him for his contribution. It is impossible to deal out equity because of the regulations, and because Congress has enacted this law. The courts know, when they issue injunctions, that violations are inevitable, and that they will happen again. It is impossible to obtain equity.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. ROBERTSON. I had a striking illustration of what the able Senator is referring to in connection with the black market in his home town of Omaha. Yesterday I received a call from a cattle man of my State who was in El Paso and who had purchased approximately 15,000 head of cattle. He was unable to move them up into Wyoming because he could not obtain cars. Normally, cars are not difficult to obtain at this time of the year; but because of the shipment from Omaha to the eastern black markets there has been an increase from a normal shipment of 28 cars a week a few years ago to 1,300 cars last week, of livestock being shipped out of Omaha to the eastern black markets, thus causing a car shortage all over the United States.

Mr. WHERRY. I thank the distinguished Senator from Wyoming for his contribution.

I should like to conclude with the last paragraph of the decision. Judge McCulloch said:

> Because I have no choice, I will therefore issue the requested injunctions, expressly reserving, however, the question of their enforceability, for I have yet to be persuaded that an equity court can punish conduct that contains no ingredient of evil.

Think of that. That is one of the most remarkable decisions I have ever read. A judge is compelled to grant a permanent injunction because of the fact that an order cannot be contested. By law it is made final, yet violations are bound to occur. They are occurring in connection with meat, sugar, and practically all other commodities. Every Member of this body knows it. The gestapo agents pick up 318 small independent grocers who have been distributing sugar for 3½ years, and some of whom are short less than 100 pounds, yet they have been handed the injunctions and hauled into Federal court. They have paid the costs. When the injunctions were granted they knew, and the judges knew, that if they continued to distribute sugar they would be short again before another 3½ years. The situation is impossible.

Mr. President, I am trying to present this question to the Senate in a constructive way. There is no ulterior motive on my part. If OPA, with its present enforcement procedures, is continued, equity must be given where equity is due. We shall have to amend the law and provide that in the legitimate channels of trade, in the distribution of sugar, meat, groceries, and other products, when the distributors are doing their very best and there is no willful violation of the law, these gestapo agents shall not be permitted to drag them into court. Many of them are in court for the first time. One man told me that he had done business for 50 years, and that that was the first time he had ever been in court in his life. He did not even know what he was supposed to be guilty of.

I make this appeal to Senators who know something about legal practice and procedure. The time has come to overhaul the OPA system of regulations and

orders. We should consider the question of contestability of the orders, and the legal procedure of enforcement. Today the orders of the OPA are being enforced by a group of gestapo agents throughout the country.

Mr. WILEY. Mr. President, I listened with a great deal of interest to the discussion by the distinguished Senator from Nebraska [Mr. WHERRY]. On a previous occasion I have said that OPA itself could remedy this situation. If instead of instructing its sleuths—or what have been called its gestapo agents—to treat American citizens as criminals, it were to instruct its agents to use the rule of common sense in dealing with people, we would not have this trouble.

When I was a youngster in the practice of law, 30 or more years ago, a distinguished judge spoke to me. I was a district attorney at the time and 24 years of age. Describing the obligation of a district attorney, he said, "It is the most important office in the Commonwealth because you represent not simply the State but the defendant. The reason it is so important is that it calls for the exercise of judgment. You must determine whether or not action should be brought."

What has happened in the minds of these gestapo agents? Those who have become agents of this great Republic, instead of understanding the problem of the businessman, the butcher, and the merchandiser, are out to make a name for themselves. They are after somebody's hide. They have done more to damage the morale of the American people than has any other agency in our Government.

I have talked with men who have told me of the injustices. Some of them were men with families, who had served their communities for decades—good men and true. They were haled into court as though they were horse thieves. I have seen such men literally turn black with the thought that, since they were haled into court, their children, their wives, and their friends would look upon them as criminals.

I fully agree with the distinguished Senator from Nebraska that something must be done. If the law is as indicated by the judge to whom the distinguished Senator referred—and I question it—I believe that the courts of this country still have the constitutional power to determine equity. If I were a judge I would soon find out about it. I would let the Supreme Court of the United States speak on that subject before I made criminals out of good citizens and true.

PROPOSED LOAN TO GREAT BRITAIN

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods agreements act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

Mr. CAPEHART. Mr. President, I am opposed to the British loan in its present form.

Most of the British newspapers are opposed to the loan, as indicated by several dozen articles which I hold in my hand.

Winston Churchill was opposed to the loan and refused to vote for it, as did some 80 members of his party when the loan was before the British House of Commons.

England still owes us about $4,000,000,000 from World War I. How can we loan approximately $4,000,000,000 to England when our Government is in debt in the amount of nearly $275,000,000,000?

Our grandchildren and our great-grandchildren will be paying through taxes the money we advance on this loan.

We were told when we approved the Bretton Woods agreement, which I supported, requiring our expending about $6,000,000,000, yet to be raised by taxation or borrowing, that this would solve the world's monetary and financial problems.

I reluctantly voted to increase foreign lending of the Export-Import Bank to $3,500,000,000. Yet already the administration is talking about another $1,500,000,000 which will bring the total to $5,000,000,000.

The Bretton Woods agreement and the Export-Import Bank represent expenditures of our Government in the amount of about $10,000,000,000.

I voted for United States participation in the United Nations Organization. I voted for the Reciprocal Trade Agreements Act.

I have consistently supported international cooperation. I cannot, and will not, vote for the British loan in its present form.

I hold in my hand an editorial written by Jesse H. Jones. It is entitled "Subsidizing the British Empire." I agree almost 100 percent with the views expressed in the editorial.

Mr. President, if the editorial has not already been printed in full in the RECORD, I ask unanimous consent to have it printed at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Houston Chronicle and Herald of April 16, 1946]

SUBSIDIZING THE BRITISH EMPIRE

(By Jesse H. Jones)

I do not think the proposed British loan of $3,750,000,000 now before Congress should be made and do not believe that any good will come to the American people or, for that matter, to the economy of the world, from making it in its present form.

If we make this loan to Britain and refuse loans on similar terms to other countries, it would be so much in the nature of an alliance with Great Britain as to cause other countries to feel that we are less friendly to them than to Britain.

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Furthermore, the proposed loan is most unbusinesslike.

1. Five to 55 years, or practically two generations, is much too long a time to lend money to a foreign government without security.

2. No loan of any kind should be made until all considerations incident to it are determined in advance of the loan. Nothing should be left for future negotiations. In the present loan agreement, empire tariff preference and the proposal for the expansion of world trade, in which the United States is so vitally concerned, are left for future consideration. The time for these agreements is before the loan is made.

3. No money should be loaned to Britain for expenditure in other countries without proper security, particularly since the British have substantial profitable investments and operations in the United States which could be used as collateral for a loan.

Prominent among these is insurance from which they make a very substantial profit out of the American people. According to a recent report of the United States Treasury, British-owned assets in this country aggregate more than $3,000,000,000, and include $587,000,000 United States Government securities, more than $40,000,000 in corporate bonds and 623 controlled branches of corporations having a value of $611,000,000. These and other assets are owned by the British in this country, the profits and income on which are going to them. These assets and the profits of British insurance companies from business written in this country should be used by the British Government as security for any loan of dollars to be spent outside the United States, the British Government accounting to her investors in British money or securities.

II

The British are by no means strapped. It has been estimated that their assets in other countries than ours total some $8,000,000,000, their unmined gold reserves have been estimated to be worth at least $15,000,000,000, and their diamond reserves as much as $8,000,000,000. Britain also has several billion dollars in cash.

In July 1941 the RFC authorized a loan of $425,000,000 to the United Kingdom of Great Britain and Northern Ireland under authority granted it by Congress June 10, 1941, to enable RFC to make loans to governments that had defaulted on their loans from us after World War I, provided such loans were secured by investments in this country. The RFC loan is payable over a period of 15 years, with interest at 3 percent. The loan agreement provides that any sales by the British of the collateral and all income after taxes, from all the security would be applied, first, to the interest on the loan, and then on the principal. The security includes the net profits, after taxes, made in this country by 41 British insurance companies operating here, and the capital stock of 40 additional British-owned American insurance companies. The RFC made no requirement that any of the collateral be sold.

Only $390,000,000 of the loan was taken down by the British. Payments from the sale of pledged collateral have been $24,565,000 and from the net income, after taxes, $171,575,000, leaving a balance due as of February 28 of $194,000,000. The current income after taxes from the presently pledged security is about $37,000,000 a year. This is approximately the average over the past 10 or 12 years.

III

In order to be helpful to the British and still protect our own Federal Treasury in substantial part, I suggest that the RFC increase its loan to Britain by an additional $1,000,000,000 on the present security, with no restriction as to where the money is to be spent, and that the interest rate on the balance of the present loan and the $1,000,000,000 additional be 2 percent, with all net earnings to be applied, first, to the interest on the loan and the balance on the principal. If these earnings hold up as they have over the past dozen years, and in all probability they will increase, the loan would be entirely repaid in about 40 years, and the British would still own their profitable investments in this country.

This would give Britain $1,000,000,000 cash immediately, if she wants it, and without any congressional action. A request to the RFC

by the Federal loan administrator approved by the President, is all that is necessary.

I suggest that the RFC make further loans to the United Kingdom on British investments and operations in this country, up to the earning value of the security, upon the same terms and conditions—that is, 2 percent interest, with all additional earnings applied to the loan, and that the proceeds of such loans be available to Britain with no restrictions as to where the money shall be spent. This can also be done without congressional action.

Britain might, in a pinch, put up a few hundred million dollars of her gold now in this country.

IV

The President has recommended to Congress that we buy critical materials for stockpile purposes and put them away for future use. This should be done. The British can sell us many of these and pay for them in sterling. We can pay them in dollars. If necessary, we might consider making Britain an advance payment of, say, $500,000,000 to enable her to get the materials out.

RFC employed this method to help China and Russia before lend-lease was applied to those countries. The loans are being paid according to agreement.

V

I further suggest that Congress consider authorizing the sale of cotton, tobacco, fruits and other farm products, durable goods and manufactured articles to the United Kingdom for the next few years on credit, in amounts equal approximately to her normal imports of such items from us.

In this connection I should like to remind the Congress that lending Britain dollars as is proposed in the present loan agreement does not insure that she will spend those dollars with our farmers, manufacturers and exporters. She will be free to spend them in competition with us in world markets, and will.

Through Sir Stafford Cripps, president of the British Board of Trade, and Lord President of the Council Herbert S. Morrison, the British Government already has announced its intention to discard its 100-year-old free cotton market, and, instead, the Government will buy its cotton wherever it can buy it to its best advantage. The measure was heavily debated in the House of Commons only a few days ago, and carried by a vote of 2 to 1. This means that less and less of Britain's cotton requirements will be purchased in the United States.

The sale of farm commodities could be made through Commodity Credit Corporation or some other Government agency, or by our exporters with provision for cashing their drafts at the Treasury. Manufactured products and durable goods could be handled by a Government agency or by our exporters and their drafts cashed in the same manner. This procedure would not interfere with our regular export trade as it is now carried on.

VI

If these suggestions are followed, Britain would get substantially what she needs from us during the next few years, and, in my opinion, on a basis that would be much more acceptable to the American people than the proposed loan now before Congress.

I do not believe that our failure to give Britain $3,750,000,000 on her terms will cause her to impose or continue trade restrictions or other sanctions that will seriously affect our own economy. That is a two-way street.

I have never been much interested in threats, and for the British to say to us that unless we give or lend her X billions of dollars on her terms, they will be forced to impose trade restrictions, dollar blocs, etc., is not my idea of a "fraternal association" between the United States and Great Britain so eloquently advocated by Mr. Churchill, nor does it square with the kind of friendship that we have shown the British in two world wars, without which friendship the British Empire would have been destroyed.

VII

It has been testified by administration spokesmen that the case of Britain is different from other countries. It certainly is different from other countries that want money from us. Britain is the only country that has asked us to give her money. At least, no other country, to my knowledge, has been brazen enough to ask for a money gift.

It will be recalled that when Lord Keynes and his associates first came over to get the money, they said they were in "no mood" to consider a loan. They were insisting that we give them some $5,000,000,000 or so. True, after long weeks of haggling negotiations they reluctantly agreed to borrow the money on a nebulous promise to pay in 5 to 55 years, at a very low interest rate, and that payable only when Britain's trade balances were favorable.

We seem to have lost sight of the fact that Britain, through Lord Keynes, took a prominent part in promoting the Bretton Woods agreements for a world bank and a world stabilization fund, and agreed that Britain would subscribe $2,600,000,000 to these funds.

The question arises now: Where did Britain expect to get that $2,600,000,000 which she readily agreed to put up? It would look to a suspicious person as if she expected the United States Government to furnish it, since she now states that unless we let her have the money she will not be able to participate in the world bank and stabilization fund.

VIII

Another point worth considering is that our executive departments have already sold Britain the more than $6,000,000,000 of our unused materials now in Britain or on the way there for about 10 cents on the dollar, payable over a period of 5 to 55 years, at an interest rate of a little over 1½ percent, and that payable only where her trade balances justify. The sale of these materials has been severely criticized by the Mead committee (formerly the Truman committee) but nothing can be done about it since it does not require the approval of Congress. These executives have also agreed to cancel for all time any obligation on the part of the British to ever return to us, or in any way compensate us for, any part of the many billions furnished her on lend-lease.

IX

We cannot afford to continue printing and spending money indiscriminately, however admirable the cause. Every time we spend another billion we are reducing the value of our dollars, and if we go on spending and lending and giving and losing, without regard to how we are going to pay back the money that we borrow, it will not be long until the dollar will go as the currency of other countries that overspent.

Britain only owes about $80,000,000,000, while our present debt is approximately $272,000,000,000—or $2,000 for every man, woman, and child in the United States—and figures cited by President Truman in his Budget message revealed that we have already authorized and proposed to invest $17,000,000,000 in foreign loans and international financing. In a more recent message he proposed further increasing the lending authority of the Export-Import Bank.

It is time that we stop and think where we are going, that we take stock of our resources, of our earning capacity, of how we are to service our own present heavy debt before we undertake to play Santa Claus to the rest of the world.

X

The United States, with 5.8 percent of the world's land area and 6.1 percent of the world's population, cannot single-handedly finance and rebuild a war-torn, confused world. The time to recognize this is now.

We should stop issuing Government bonds and pay every dollar we can spare on our debt; now and as fast as we can. We have sold our Government bonds to the American people upon the basis and representation that they constituted the soundest investment that anyone can have. They can only be sound if we make them sound by cutting down on our own expenditures and stop lending money to countries that have no reasonable assurance of being able to repay it.

Another very important point that I do not think has been given proper consideration is that it is entirely too early after the war for anyone to get a clear picture of the future. Britain knows that and hurried over here as soon as the shooting stopped to get hers. She is smart, has always been smart, and, incidentally, very selfish.

XI

To sum up—I have suggested an additional RFC loan to Britain of $1,000,000,000 on the security we already hold; that further RFC loans to Britain be made on British investments and operations in this country, including such gold as she is willing to pledge; that we sell Britain cotton, tobacco, fruit, and other farm commodities and manufactured goods on credit, and that we follow the President's recommendation and buy critical materials for stock-pile purposes.

If the British are unwilling to continue the pledge of the security behind their present loan from the RFC for new money, I would give no further consideration to a loan to them of any kind. We owe it to ourselves, as well as to the rest of the world, to approach this whole matter in a completely realistic manner—which is the only forthright and sound approach.

Approval of the proposed loan now before Congress would start the United States down a financial road that is likely to lead to disaster. Too much spending and lending and losing is a sure road to ruin. The Congress should not ignore the dangers that lie ahead.

Mr. CAPEHART. Mr. President, when are the people of this Nation, and particularly those of this administration, going to realize that we are much worse off today than we were prior to World War I? Do not tell me that our people have billions in savings, and that our banks are loaded with money, because I know that. No one knows the true value of our dollar today with respect to its purchasing power.

Every sane person knows that today we have less commodities, less merchandise, less oil and minerals, less food and clothing, and less of the other things that represent real true values than we had prior to the war. Our food surpluses are fast diminishing, and our automobiles are worn out. We do not have a single additional acre of land. Our highways and streets and our buildings and factories have deteriorated. All of this is a result of the war. Yes; we are poor today in those things that make true wealth—much more so than prior to the war. We have more dollars—yes—but less purchasing power.

Mr. President, have you considered also that we have a responsibility which must be met to some 15,000,000 veterans of World Wars I and II which will cost us, in the future, untold billions of dollars?

We have the most extravagant government, Mr. President, that has ever existed on the face of the globe. We have an administration that knows only two ways to cure an economic problem—whether it be domestic or world-wide. These methods are:

First. Spending, borrowing, or loaning a few billion dollars; and

Second. More power to those running the Government.

In the case of the proposed British loan, those who advocate the loan are trying to solve England's problems and the world's problems by loaning approximately $4,000,000,000. The loan thus proposed might not be so bad if it were the end.

But is there anyone so innocent as to believe that once we loan to England $3,750,000,000, we shall not be called upon to loan Russia, France, China, and many other countries billions of dollars? Mr. President, we have no right to expect that other nations will not ask for similar loans; and unless we wish to play favorites, we have no right to deny them such loans.

Oh, yes, we have those who say, "We shall make loans to other nations from the funds in the Export-Import Bank." Will someone please tell me what the difference is as far as the taxpayers of America are concerned?

Great Britain promises nothing definite in respect to this loan, except that possibly she will some day repay it. The proponents of this loan claim that England is now indulging in some bad international trade practices which should be discontinued. If I read the agreement correctly, England does not definitely promise to discontinue these bad practices, but states that she will do her best to do so. If England is now indulging in bad international trade practices, she should discontinue them at once. We should not have to bribe England, or any other nation, to discontinue bad trade practices.

I am a great admirer of the English. I want to keep their friendship. I want to see our Nation keep their friendship. We need England's friendship and cooperation, and England needs ours. We cannot keep the friendship of men or nations unless we keep their respect. Good will is the greatest asset in the world. But it cannot be purchased with money; it must be earned. Let us discontinue the idea we have as a Nation that we can purchase good will with dollars.

It is not good business for us to make this loan, and it is not good business for Great Britain to accept it.

Mr. President, much has been said about multilateral and bilateral trade agreements. Multilateral trade agreements, in my opinion, can never be successful until all nations participating in the agreements have something to trade, and can uphold their end of their bargain.

Each year we should buy millions of dollars' worth of goods from the United Kingdom, and each year they should buy millions of dollars' worth of goods from us. We should buy from them and they should buy from us, but only if it is good business for both to do so. This rule applies to all nations. Any other scheme or any other plan is impractical and will eventually bring disaster to this Nation or any other nation.

I doubt whether there has ever been a more one-sided business deal than the one by which our Government settled the lend-lease account with England. By it, $22,000,000,000 of the taxpayers' money was wiped out with one scratch of the pen. It was settled for $650,000,000. Possibly $2,000,000,000 of the $22,000,000,000 represented merchandise that could be used today by the American people in their everyday life.

I am grateful for the sacrifices England made in this war. I am willing to help her and I send to the desk a proposed amendment to the pending joint resolution, and ask that it be printed.

The PRESIDING OFFICER. Without objection, the amendment will be received, printed, and lie on the table.

Mr. CAPEHART. Mr. President, my amendment calls for loaning England, over a 5-year period, not to exceed $1,500,000,000, or the difference each year between what they purchase from us, and what we purchase from them—whichever is the lesser amount. This plan will encourage them to buy from us, and will encourage us to buy from them. The amendment assures direct sales for our farmers, industry, and labor. Under this plan, we are not asked to finance England's deficit in trading with all nations of the world.

Under the Bretton Woods agreement, we agreed to provide approximately $6,000,000,000. Great Britain agreed to contribute $2,600,000,000. Now we are told that Great Britain will not provide her amount unless we make the present loan. This, then, means that we are called upon to provide not only our own contribution, but also England's.

Mr. President, I shall have more to say about this amendment later. I have prepared a statement on the British loan which I should like to have printed in the RECORD at this point as a continuation of my remarks, and I ask unanimous consent for that purpose.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE BRITISH LOAN

Mr. CAPEHART. Mr. President, the matter before the Senate—the proposed financial agreement between the United States and Great Britain—has been referred to heretofore by one or more Members of this body as "a great international game of chance in which the United States is to furnish the money for both participants, and in which the British Labor Party is to furnish the dice."

While I do not regard the situation exactly in that light, yet I do view with concern the philosophies advocated by the party now in power in Great Britain, especially as reflected by the statements of Professor Laski, the chairman of that party.

On the 7th of last December, I expressed to this body what I thought of the professor and his philosophies and practices. Since that date he has not grown in my estimation. I have the same loathing for his practices and the same disbelief in his philosophies of government.

At that time, however, I stated I was in favor of making a loan to Great Britain, if made on a practical basis, provided the British Government repudiated the professor's statements. If such repudiation was ever made—and it is a safe assumption that it was not—it never came to my notice. Thereafter, I concluded that in all fairness, I should support the loan, regardless of the professor, provided it could be demonstrated to be on a sound, practical basis, and for the ultimate best interests of the American people.

I have listened to and read a great many arguments in favor of this loan—arguments of government leaders, so-called experts, international bankers, and purported spokesmen for many associations and organizations. As a matter of fact, practically all the testimony produced before the Banking and Currency Committee has been tendered by the proponents of this financial agreement.

From this great preponderance, at least in quantity, of the testimony made available to us, it would seem that one is taking the unsupported side of the argument, if he opposes the granting of this loan. That may be.

Nevertheless, that is the position I must take. I cannot be faithful to my constituents and to my own convictions and do otherwise.

Part way I am willing to go, as will appear from the amendment which I offered, and which embodies the same proposition I submitted to the Committee on Banking and Currency. I did that not because I am convinced of the wisdom of the financial assistance I advocate but because in this gamble of world finance—and gamble it is admitted to be by all—I am willing for the United States to take certain chances, and no more.

When one is engaged in a poker game, it is well to decide how much can be lost without serious hurt, and govern play accordingly. Furthermore, if the so-called experts are right—and I can concede that they may be—the financial assistance I am willing to accept and advocate should be sufficient, both to alleviate the immediate need of Great Britain and to deflect us from the financial perils which the proponents of this measure say we face.

I readily admit that I am no expert in financial matters, particularly as applied to world trade and world finance. I do not speak as an expert. I do not seek to debate with the experts, or with those who, by reason of exposure to the views and influence of such experts, now feel they are themselves experts.

I speak only as a small businessman of this Nation—one who has some knowledge of agriculture and a little more of business—and I shall discuss only that which I can understand, and challenge only that which appears to me lacking in reason or conclusiveness.

Naturally, I am suspicious of business entanglements which are too complicated to be readily understood. Frankly, many of the arguments advanced in favor of this loan come within that category. In openly admitting my ignorance, I do so without shame. I feel that 99 of every hundred Americans are in the same boat with me. Therefore, I shall lack neither comfort nor company.

It may be that my friends who favor this legislation will say that, having admitted my limitations and my inability to comprehend many of the complex arguments advanced in favor thereof, I should be content to accept the opinions of the experts.

That might be convincing, except for three things: (1) The so-called experts have no conclusive proof of their expertness; (2) the experts in the past three decades have got us into trouble more often than they have got us out; and (3) the overwhelming majority of my fellow Hoosiers, some of whom might also qualify as experts, say this loan should not be granted.

As a matter of fact, I shall be trespassing upon the desires of a majority of the people I represent in this body if and when I go so

far as to advocate an amendment granting any financial aid to the United Kingdom.

At this point, may I say that of the hundreds—yes, thousands—of letters on this matter received by me from my constituents in the past several months, far more than 10 to 1 have been opposed to this loan in its entirety. It may be that, as one prominent man in governmental affairs some years ago is reputed to have said, "The people are just too dumb to understand," but my experience has been otherwise. I have great respect for their judgment. They have remarkable ability in ferreting out the facts.

Moreover, do you wonder that I view with suspicion when British citizens write me like this:

"A loan of this magnitude will help to keep the Socialists in power for if they have funds at their disposal, they can continue with their crazy schemes and send the country to destruction."

Or, like this:

"I think you will lose your money. If you don't lend it, we shall have to stand up to much worse things materially than we have yet endured but, in the end, the hardships may make the population realize that we are a bankrupt nation—that we've got to begin at the foot of the ladder."

Or:

"You have helped this country nobly. It is time it came to its senses and stopped living on benevolence. The root of the whole trouble is the bone laziness of the present-day worker. Whether you lend us money or not—if you work, you will have the trade of the world and we shall lose the trade, loan or no loan, unless the workers work."

And if you doubt that the matter is complicated, and that I have much company in my ignorance, let me point out that Lord Keynes—the man largely instrumental in negotiating the loan, and who is supposedly Britain's greatest financial brain—in his address to the House of Lords last December, stated that the full significance of this agreement "Cannot be obvious except to experts."

This proposed loan must be justified, either as a gift, or as a business transaction on a purely credit basis.

If it is to be a gift, then it must be justified either as compensation to Britain in balancing accounts for sacrifices in war, or as a humanitarian grant for the purpose of rehabilitating the British people and the British Empire.

To those who would say that Britain is entitled to the money because she saved civilization—because she created a stop-gap for the German hordes until we could get ready to fight—I would reply, first, that the stand she made is unexcelled in gallantry, and that it was made under gallant leadership. All history will so record.

But, I would add, also, that the British fought primarily to save their own skins, and not ours. That cannot be successfully refuted. While the leadership that created the spirit which made that gallant stand possible has been since repudiated, and cast aside I cannot but recall that it was Churchill who so eloquently said: "Give us the tools and we'll finish the job."

There is no object in trying to place on us the major responsibility for making possible the late war. While we may not be absolved entirely of guilt, we do remember that it was Britain who refused in 1931 to join with the United States in stopping Japanese aggression in Manchuria. Later, it was Britain who refused to join with France in stopping Hitler in the Rhineland. Again, it was Britain who urged Poland to make her gallant but hopeless stand.

If Britain was close to the powder-keg, and consequently suffered so greatly; it was also Britain who was close to the danger when it was being created, and who should have been aware of the peril and courageous enough to do something about it. The argument that Britain was our only front line has been sadly overworked.

If it is to be a gift for humanitarian purposes—if suffering is to be the criterion for the determination of financial aid—then we must not forget the gallant struggles and the present privation of Poland and Yugoslavia, the present plight of Belgium and Holland, the utter misery of little Greece, the need of a devastated France, the starving millions of China, nor the destroyed cities and towns of Russia. We cannot stop with Britain alone.

But, if I correctly understand the situation, that is not the position taken by those who advocate this loan. While Under Secretary Acheson says that to take the view the loan is "strictly a business arrangement" is wrong, yet Secretary Byrnes says this credit is a large investment undertaken to gain an even larger objective. Therefore, I must conclude that the proponents of this agreement seek to justify the same, for the most part, as a business arrangement, although most friendly as to interest charges and repayment; and that the usual rules for the determination of credit extension are proper to be applied.

Some time ago Merritt Fields, the able executive manager of the Indianapolis Association of Credit Men, made some interesting observations relative to this loan. Among other things, Mr. Fields said:

"We have noticed in our business, which is the credit business, that whenever any credit transaction becomes too complicated to understand, there is something wrong with it. * * * England is a bad credit risk for you as a Federal taxpayer."

I feel constrained to agree with the conclusion thus reached. Like Mr. Fields, I have observed too much the action of so-called liberals who are always so liberal with the taxpayers' money. I feel their credit judgment should be somewhat discounted.

Mr. President, just what do we agree to do under this financial agreement, which is really two agreements?

First, we agree to accept $650,000,000 in full payment for all lend-lease supplies, as well as all surplus property remaining in the United Kingdom.

Secondly, we agree to make an outright loan, to be provided in such installments and as requested between now and 1951, in the total sum of $3,750,000,000.

As to the first—the settlement for lend-lease and surplus materials—let us consider, briefly, just what that covers—just what sort of a bargain has been struck.

We are familiar with the terms and conditions under which lend-lease supplies were provided, but there are some of those conditions which apparently have been forgotten, or at least, they are seldom mentioned.

The Lend-Lease Act, in part, provided as follows:

"The terms and conditions upon which any such foreign government receives any aid authorized * * * shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory."

That constituted the blank note which Congress gave to the President.

However, in his message to Congress relating to lend-lease, President Roosevelt said:

"For what we send abroad we shall be repaid within a reasonable time following the close of hostilities in similar materials or at our option in other goods of many kinds, which they can produce and which we need."

We provided lend-lease supplies to the British Commonwealth in the approximate sum of $30,000,000,000. After deducting reverse lend-lease, which is estimated at around $5,000,000,000, we have a net credit provided of $25,000,000,000. To that must be added approximately $1,350,000,000 as the cost of installations erected by us (the figure was $1,327,000,000 as of June 30, 1945) and in the neighborhood of $300,000,000 by way of loans and other advances made.

During the same period, that is, to June 30, 1945, we expended in the British Commonwealth, not including gold transactions (on which I do not have the figures), the sum of $6,375,000,000, from which must be deducted receipts in the sum of $2,460,000,000, leaving a trade balance in their favor of $3,915,000,000. That amount of business must have provided considerable American dollars and credit for future use.

With reference to the gold situation, I am advised that at the time lend-lease was initiated, British dollar and gold reserves here had sunk to approximately $12,000,000, but, by October, 1945, such reserves had risen to approximately $1,800,000,000.

All in all most certainly lend-lease was not a bad thing for future British rehabilitation and trade expansion.

Of course, the figures I have just given apply to the British Commonwealth, and not the United Kingdom alone, but, in view of the way in which the British Empire is tied and work together it is well to first take a look at the larger picture. We all know that the pattern cut for the one will be used to determine the garments for the others.

Let's bring the view down to the United Kingdom alone. Report No. 110, Part 5, of the Special Committee of the Senate Investigating the National Defense Program, shows that we provided to the United Kingdom in consumed lend-lease a total of $20,500,000,000. Against that is credited as reverse lend-lease the sum of $4,500,000,000, leaving a balance in our favor of $16,000,000,000.

We shall see that the proposed financial agreement wipes the slate clean as to this amount. There is no payment, in whole or in part, either in cash, goods, or promise to pay.

THE SALE

From the same report it appears that there remained in the United Kingdom unconsumed lend-lease materials totaling, after crediting all proper offset of unconsumed reverse lend-lease, the sum of $5,552,144,850. For such unconsumed goods, the United Kingdom is to pay the sum of $472,000,000, or at the rate of 8½ cents on the dollar.

There is also in the United Kingdom, in addition to the above, surplus property costing $498,000,000, for which, under the proposed agreement, we are to be paid $60,000,000, or 12 cents on the dollar.

For other material, which is termed lend-lease pipe-line material, costing approximately $118,000,000, we are to be paid full value.

When we total it all, we find that we are transferring actual unconsumed material costing $6,033,164,850 for a total consideration of $650,000,000, or at the rate of 10.7 cents on the dollar.

However, what we are really doing is conveying all claim and title to goods and materials totaling $22,033,164,850 for the sum of $650,000,000, or at the rate of 2.9 cents on the dollar.

Is it any wonder that Lord Keynes, in addressing the House of Lords, spoke of the matter with satisfaction, saying:

"Under the original lend-lease agreement, the President of the United States has been free to ask for future 'consideration' of an undetermined character. This uncomfortable and uncertain obligation has been finally removed from us. No part of the loan which is applied to this settlement, relates to the cost of lend-lease supplies consumed during the war, but is entirely devoted to supplies received by us through the lend-lease machinery, but available for our consumption or use after the end of the war. It

also covers the American military surplus and is in final discharge of a variety of financial claims, both ways, arising out of the war which fell outside the field of lend-lease and reciprocal aid."

But that is not all. Are we to be paid in cash? Not at all. The payments covering this $650,000,000 are to be made over a period of 50 years, except that we may request, between now and December 31, 1951, a sum not exceeding $50,000,000. Unfortunately, that still is not all of the agreement. If we collect the $50,000,000, we cannot bring the money back here and use it for housing, payments to veterans, or other public construction. No, the agreement provides:

"The Government of the United Kingdom agrees that, when requested by the Government of the United States from time to time prior to December 31, 1951, it will transfer, in cash, pounds sterling, to an aggregate dollar value not in excess of $50,000,000, at the exchange rates prevailing at the times of transfer, to be credited against the dollar payments due to the Government of the United States as principal under this settlement. The Government of the United States will use these pounds sterling exclusively to acquire land or to acquire or construct buildings in the United Kingdom and the colonial dependencies for the use of the Government of the United States, and for carrying out educational programs in accordance with agreements to be concluded between the two Governments."

You will note, therefore, that none of this money paid before 1951 is to be taken out of the United Kingdom or its colonial dependencies. What we propose to build there, costing $50,000,000 in the aggregate I do not know but it is proper to request that information, and now.

As to the educational programs contemplated, who is to be taught—and what—and why? Are we to receive further lessons in international finance, with Lord Keynes as the principal teacher? Or, are we to sit at the feet of Professor Laski and learn of him concerning the mysteries of government wherein the rights of man are fully developed and protected? If so, most certainly we have paid already our tuition in full. However, since we are at a distance, are we to assume that this money will be used to build up a propaganda machine to promote the Socialist government of Great Britain?

Notwithstanding all else that may be done with reference to this financial agreement, the provision I have quoted with reference to educational programs should be eliminated in its entirety. Likewise, when we have expended already in the British Empire approximately $1,350,000,000 for installations, which will be turned back without remuneration, or, at the most, at a return of slightly more than 2 cents on the dollar, why should we agree to expend possibly $50,000,000 more during the next 5 years? Eventually, it would be disposed of in the same or similar manner.

Why should we be so alarmed concerning the future financial welfare of our British cousins? Why should we fear that they will not have their fingers in every financial pie on the face of the globe, as they have in the past? With such good trading as this—and most certainly I do not condemn them for looking after their own interests—they can, and no doubt will, face the future with uplifted chins and the usual British calm and competence.

Why, trading with their American cousins alone should keep them on Easy Street.

So much for the balancing of accounts. I have mentioned it in so much detail, not to show that we made a bad bargain, nor to condemn the astuteness of the British. Perhaps we rightly bargained with such leniency. Perhaps, in the main part, we arrived at the proper solution. If one may judge from the past—and I shall speak more of that presently—the more we forgive now, the less there will remain to be forgiven later; and there will be less friction.

I mention accounts only to show that we have not been niggardly in our attitude, and that there can be no further claim on the part of Great Britain for our financial aid, except it be on a purely business basis, determined by the rules applying to the extension of credit.

The second part of the agreement, or rather the second agreement, provides that we loan the United Kingdom, over a period of 5 years, the sum of $3,750,000,000, to be repaid over a period of 50 years, beginning in 1951, with interest at the rate of 2 percent.

As to the interest rate, however, when we allow for the period in which no interest is to be charged, the rate, in reality, becomes, 1⅝ percent. Under certain circumstances, no interest is to be paid; and it is entirely probable that the final interest rate will be very much less.

As a matter of fact, as I view it, it is to be seriously questioned whether the major portion of the debt will ever be paid. The preponderance of the evidence supports that fear.

In this connection, it might be well to see what Lord Keynes has to say with reference to this question of interest. He states that the United Kingdom started out with the idea that it might not be asking too much of us to furnish financial aid which approximated a grant. However, he points out that it soon became apparent it was useless to expect "so free and easy an arrangement could commend itself to the complex politics of Congress or to the immeasurably remote public opinion of the United States."

However, states Lord Keynes:

"We pay no interest for 6 years. After that we pay no interest in any year in which our (British) exports have not been restored to a level which may be estimated at about 60 percent in excess of prewar."

Furthermore, continues Lord Keynes:

"The maximum payment in any year is £35,000,000, and that does not became payable until our external income—that is from exports and shipping and the like—is, in terms of present prices, 50 times that amount."

Is it any wonder that Lord Keynes said:

"If the Americans have tried to meet criticism at home by making the terms look a little less liberal than they really are, so as to preserve the principle of interest, is it necessary for us to be mistaken?"

Frankly, I see no reason why any attempt should be made to hoodwink or mislead the American people. They are entitled to the full facts, without camouflage or high-lighting in any particular.

WAS BRETTON WOODS NOT ENOUGH?

Mr. President, I supported the extension of reciprocal trading with misgivings—not as to the general principle involved, but misgivings as to the manner in which it would be applied and administered.

Likewise, I supported increasing the capital of the Export-Import Bank, and the creation of those products of Bretton Woods—the International Bank and the Stabilization Fund. I did so with extreme reluctance, doubting at the time the beneficial results to be realized through the establishment of such lending agencies, but with the conviction that I should resolve doubts in favor of the plans proposed. That far I was willing to gamble the money and resources of the United States.

I was then hopeful that the present situation would never arise. I was so led to believe.

Now I am disillusioned. In each instance we provided the main part of the stakes. Each time we are urged to go one step farther. How many more steps are necessary? What step shall come after this one?

While I recognize we must have stable-trade relations, I have reached the point where I must see some point of light ahead before I can go further through the dark tunnel of uncertainty. That light is not apparent.

If the entire world were on a parity as to wages and living standards, the problem would be simple. I hope that day may eventually arrive. However, I feel sure it will not arrive prior to 1951, nor in my lifetime, nor in the lifetime of any living person.

A more rapid approach to that goal may be by lending money to others with which to buy our goods, and by reducing our standards of living to some level at or below the general average; but, if possible, I wish to avoid that path. If the final economic battle of the world is to be waged between the forces of socialized collectivism and private enterprise, I prefer not to sacrifice victory for the latter by giving up the incentives that make striving worth while.

The organizations created as a result of the conferences at Bretton Woods should be sufficient to provide financial stabilization of the world. That was the promise then held out. I recall that when those agreements were being debated in this body, the point was made that Britain would be reluctant to remove barriers and restrictions, and that the same would be continued indefinitely. The proponents of the bank and fund made light of that danger.

For instance, the Senator from New Hampshire, said:

"To say that England will not abide by this plain commitment to remove wartime restrictions as soon as it can—and this should be within 3 to 5 years—is to impugn its good faith." (Senator TOBEY, CONGRESSIONAL RECORD, July 17, 1945, p. 7601.)

Now, it is contended that the price of such removal must be the approval of the present loan.

Again, when queried as to the probability of the present loan, the Senator from New Hampshire replied:

"I am credibly informed that no such commitments have been made, and that that story is rumor, rather than substance."

As to the sterling bloc, which we are told this loan will break, although not used directly for that purpose, I recall that the distinguished majority leader, when discussing that matter in the debate mentioned, said:

"It must be kept in mind that Britain would have little interest in liquidating her sterling debt by means of a dollar loan. Britain does not want to burden her balance of payments by having to service a dollar loan. She feels that she can handle a sterling debt much easier than she could handle a dollar obligation, which is perfectly natural, because she is paying no interest whatever on many of these sterling balances." (Senator BARKLEY, CONGRESSIONAL RECORD, July 19, 1945, p. 7756.)

The Senator from Delaware added to the discussion by saying:

"There is a sterling bloc, and that is exactly one of the things necessary to be eliminated. And here is a proposition which would eliminate it." (Senator TUNNELL, CONGRESSIONAL RECORD, July 19, 1945, p. 7767.)

We agreed to the flexibility desired by those gentlemen and others so that Britain might get out from under war restrictions on exchange and assume normal international economy and trade relationship with other countries. Now we are told that it will take $3,750,000,000 more to do the job. How much more will it cost in 1951? Or are we not paying for something Britain will have to do anyhow? Lord Keynes' statements, to which I shall refer, would certainly so indicate.

WHAT WILL THIS LOAN DO?

Mr. President, let us take a look at what it is argued this loan will do for us. The most optimistic outlook I have seen expressed in favor of this loan, and I refer to the compilation prepared by Business Week, lists the following advantages:

1. We are to receive interest, as I have discussed.

2. The British agree to establish immediately for United States citizens a free exchange market for all current transactions with the United Kingdom.

3. Beginning 1 year after the loan takes effect, the British will discontinue all other exchange controls on current transactions.

4. If any import quotas are necessary, neither country will discriminate against exports of the other.

5. The British agree to line up with the United States in developing a broad program for reducing or eliminating trade barriers throughout the world.

6. The British will not give any other creditors terms better than those which the United States has accorded.

7. The British will make arrangements for early settlement of the large accumulated sterling balances.

As to the feature of interest, I might add that Lord Keynes states:

"The charging of interest is out of tune with the underlying realities. * * * The amount of money at stake cannot be important to the United States, and what a difference it would have made to our feelings and to our response." (Unquote.)

Has the foundation been laid for the application hereafter of the term "Shylock"?

As to the establishment of a free-exchange market and the removal of exchange controls, I am not, as I said in the beginning of my remarks, qualified to discuss all the ramifications that may be involved. I shall, therefore, content myself to make some observations, which I hope may be pertinent, and to again quote from the talkative Lord Keynes.

In the first place, just what may we hope to gain from all this in the immediate future should these general promises open the gates of world-trade paradise as fully as international bankers predict? What do we now have for export—or what shall we have for export in the near future—that a hungry and well-financed domestic market cannot absorb. Secretary Byrnes says the British will not spend it for consumer-manufactured goods, but rather for food and basic raw materials. The good Secretary says some of the things they will buy are already in surplus in this country, and winds up by mentioning cotton. Mr. Clayton mentions a present or near surplus of cotton, wool, and tobacco. Both say this increase in the backlog of purchasing power will not tend to encourage inflation in this country.

Frankly, I am not, at the moment, advised as to the available supply of cotton in this country, nor have I inquired as to the figures. I simply considered for a moment the difficulty one faces in obtaining a white cotton shirt—and passed on.

The Secretary also mentioned lard and apples, and also, after the present shortage has ceased—wheat. Well, all I can say is that I hope there will be enough of these to go around before another winter; but, frankly, I see no reason to expect large exports soon, unless the British are permitted to overbid our domestic market.

We all know the difficulty we are experiencing in securing exportation of wheat for the starving. We know of the constant complaint that is being registered because of the continued shipment of lumber which we so sadly need for the construction of housing.

But what of this inflation question? Have we adequate assurance that such will not be encouraged? We have now in circulation approximately $30,000,000,000 of currency, where formerly we had no more than 10. The pent-up backlog of possible purchasing credit in this country is already stupendous. When our Government goes to the banks for the money wherewith to provide the credits created by this loan and the resultant pyramiding of credit occurs, can it be said that purchasing power will not be greatly increased, and that our currency will not be debased to that extent? I can see no other outcome.

Any purchasing here—at least for some time—by foreign countries must compete in a large measure with our domestic buying. There is no other logical conclusion.

If, as the proponents of this loan tell us, the major portion thereof will find its way to American markets—and that without undue disruption or inflation thereof—why is it that Lord Keynes was and is so insistent that no restrictions be imposed as to the place of spending? Does not that indicate that our expectations of export gain therefrom are overly optimistic?

Lord Keynes said:

"Our loan, on the other hand, is a loan of money without strings, free to be expended in any part of the world."

That is not true as to loans being made by the Export-Import Bank to other European allies, says Keynes, for "they are tied to specific American purchases and not, like ours, available for use in any part of the world."

If it is said that Great Britain does not have credits here with which to purchase, let me point out that, in addition to gold reserves, the British interest is an important factor in 189 companies in the United States, consisting of 83 listed companies, 66 unlisted ones, and 40 that are British owned. The British own 434,000 shares of the stock of General Motors.

What about the point that other countries, heretofore dependent upon Britain in trade, cannot buy here unless this loan is granted, and will buy here if Britain is permitted to expend these funds?

Between 1922 and 1939 the American people spent outside of the United States $1,200,000,000 more for goods and services than they received.

During the same period, foreigners conducted stock market or banking operations in this country to an amount estimated at over $7,000,000,000. They did not use that sum to buy American goods. On the contrary, they reacquired foreign securities to the extent of more than $1,000,000,000, spent more than $3,000,000,000 in the purchase of American securities and created an inflow of short-term capital of some $2,500,000,000.

During the same period foreign nations owed us at least $14,000,000,000, but little effort was made to pay the same except in the case of Finland.

If Britain uses this loan to buy meat from Argentina, the latter could use the proceeds to repatriate its bonds or for speculation in American securities just as easily as it could use the same for the purchase of American goods. Is it not more likely to do so?

However, as to financial ability of foreign nations to buy in our markets, permit me to direct your attention to the Foreign Commerce Weekly, of January 19, 1946, wherein it is stated:

"Shortages of many civilian commodities and lack of shipping space made it impossible for some foreign countries to use all the dollars they received during the past year to purchase merchandise in this country. Altogether they received an estimated $1,991,000,000 more than they used. With the increase in 1945, foreign balances in this country reached about $6,400,000,000, while United States balances abroad were about $290,000,000 at the end of the year. Foreign gold reserves at the end of 1945, including both stocks held abroad and amounts held under earmark in the United States for foreign account, may be estimated at roughly $16,000,000,000."

Those facts indicate that, commercially, and exclusive of lend-lease and loans for construction and rehabilitation, we owe the world. We may have more difficulty in purchasing than in selling.

At this point, it might be well to point out that Britain now has a large loan with Reconstruction Finance Corporation, for the security of which proper collateral is pledged. Would it not be entirely proper for the United Kingdom to seek a more reasonable loan through the lending agencies now created? Does she not have assets here which could be pledged for the security of such a loan? From the figures I have cited, it would so seem. Income could be collected still on the securities pledged, and there would be no decrease in the revenue of the British Government.

Can it be that Great Britain is so nearly bankrupt that the mere difference in rate of interest is the straw that breaks the camel's back? Unless repayment is never contemplated, we must so conclude.

In this connection, it might be well to note that other allies have gone to the Export-Import Bank for funds with which to wind up lend-lease and for general reconstruction. That bank has loaned to France $550,000,000, to the Netherlands $100,000,000, to Belgium $100,000,000, to Denmark $20,000,000, to Greece $25,000,000, to Finland $40,000,000, and to China $33,000,000.

Is the United Kingdom entitled to more preferential treatment? I submit that a case to that effect has not been established.

As to the elimination of trade barriers, I would point out that such agreement is left for the future—after the United Kingdom shall have received the money or a definite commitment to that effect.

What will be the effect of such negotiations? That, I do not know. Undoubtedly, there are some restrictions which may be eliminated; there are some steps that may be taken with comparative safety to American producers; but this I do know:

You cannot let down the bars for free exchange of goods unless you also let down the standards by which Americans are paid and through which they live. If trade barriers are lowered to the extent that our markets are flooded with products from countries of low-income, low-cost, and substandard living conditions, every manufacturer, farmer, and trade union in these United States will demand that such practices cease, whether the action sought be right or wrong.

Do not for one moment think the British are throwing open a through street by which we may gain access to and control the trade of the world. They are not built that way. They do not do business that way. I cannot conceive that the present Socialist Government of Great Britain, despite its nationalization schemes at home, desires any more than did Churchill to liquidate the British Empire.

What does Sir Stafford Cripps have to say with reference to the removal of trade barriers? How far is Britain prepared to go in the coming trade conference, of which so many seem so hopeful? I quote from his remarks:

"It is not enough for us to get, as against a preference, the reduction of merely one person's tariff; we might want 26 countries to reduce their tariff before we were prepared to drop a preference. Therefore, the whole matter is completely at large and no one is bound at all. All we say is that we are prepared to enter upon this process; we are prepared to consider that bargaining of preferences against tariffs. If we can get an advantage which appears to us to make it worth while and another country can get an advantage which appears to make it worth while, then we can come to an agreement. It is an attempt to try and bring down tariff barriers on all sides to a great extent. A mere nominal reduction of a few percentages

is not going to make anyone enter into a bargain and that, of course, our American friends understand perfectly well."

What did Lord Keynes have to say concerning this question in his explanation to the House of Lords? Again I quote:

"All the most responsible people in the United States, and particularly in the State Department and in the Treasury, have entirely departed from the high tariff, export subsidy conception of things, and will do their utmost with, they believe, the support of public opinion, in the opposite direction. That is why this international trade convention presents us with such a tremendous opportunity. For the first time in modern history the United States is going to exert its full, powerful influence in the direction of reduction of tariffs, not only of itself but by all others."

It is apparent from these statements that the British will support multilateral trade only if they can make of it a cornerstone in the rebuilding of their trade.

If it is made to operate so advantageously for the benefit of a debtor nation—and failing that, Britain will not participate—I am at a loss to conceive how it may be also so beneficial to us as a creditor nation. Balances may be struck only through the exchange of goods. We can buy with satisfaction from others those things of which we do not have sufficient production, only when we can pay for them with noncompeting goods produced by us. When it comes to buying from others things we also produce in quantity, then there must enter the question comparative wages paid and the standards of living maintained. Likewise, when we sell to others things which they also produce in quantity.

Unless some form of equalization is maintained between the two, the ultimate result must be a common standard of living and a common wage rate, except as to the differential created through proficiency and efficiency in man-hour production. In other words, if $1 an hour labor is to compete with 50 cents per hour labor, the former must produce twice that produced by the latter.

I am concerned to know how far our leaders have committed us—off the record—along that road.

If we think for a moment that the British are not determined to regain their place in the sun as related to world trade, we should reevaluate our thinking. To obtain a better understanding of their viewpoint relative to the struggle for trade, and the opening of the doors by which it may be secured, let us revert again to our friend, Lord Keynes. His lordship told the House of Lords:

"As it is, the plain fact is that we cannot afford to abate the full energy of our export drive or the strictness of our economy in any activity which involves oversea expenditure."

Yes, we may be certain they will not relax in their vigilance, and that their centuries of experience in world trade, and their consequent know-how, will result in continued dividends for the Empire. Particularly is that true if we provide the goods, the money with which to purchase the goods, and the ships to carry the goods—all of which, I presume, will follow in due course.

Why should we be so altruistic? Britain's production methods cannot compete with ours. The regimentation now planned by the United Kingdom will never bridge the gap, unless we lower our efficiency by like control. We now have the largest merchant marine in the world—ships that must be used somewhere, unless they are to be given away or permitted to decay.

Can the British expect to regain their former position in world trade—even after the splurge which our money will provide—in the face of the socialization contemplated at home? Are we not financing a bankrupt creditor and prospective competitor for a final spree, whose immediate competition may not be dangerous, but whose eventual collapse will not only lose our money but seriously damage our economy? There exists such a danger—and it is not remote.

If the British will recognize their limitations, and will build and plan accordingly, the existent facilities should be sufficent for their reinstatement as an important factor in the trade of the world—but not as the shipping and banking center thereof. If a more normal course is followed, it seems logical to assume that the dollar market can and will dominate the markets of the world. It appears hopeless to attempt to prop up fallen sterling.

It would seem that Great Britain must recognize that it cannot join in multilateral trade abroad and have a rigidly controlled economy at home. The one is not compatible with the other. Yet, that is what is being attempted.

The British Government has taken over the Bank of England and the coal mines, and, in due time, proposes to so control all transportation, power, and communication systems. At the same time it is committed to the Beveridge plan—security from the cradle to the grave. They emphasize that the most complete regimentation will be ultimately necessary if they are to build their planned economy on the elaborate scale planned. That planning cannot stop at Britain's shores. It must reach trade as well—for without a balanced foreign trade Britain cannot survive.

We know that the British have extended wartime controls for an additional 5 years. In the face of such controls, and of her nationalization of wealth and capital, it would seem but idle thinking that she would abandon trade barriers, without which her planned economy cannot work.

What will happen? I fear that the result will be an abandonment of the agreement—the placing upon our shoulders of the responsibility for such action—and more friction between the two nations which by all rules and standards should be friends.

As to the removal of exchange controls, what does Keynes say? Here is his statement:

"The noble and learned Viscount, Lord Simon, as have also several other critics, laid stress on our having agreed to release the current earnings of the sterling area after the spring of 1947. I wonder how much we are giving away there. It does not relate to the balances accumulated before the spring of 1947. We are left quite free to settle this to the best of our ability. What we undertake to do is not to restrict the use of balances we have not yet got and have not yet been entrusted to us. It will be very satisfactory if we can maintain the voluntary wartime system into 1947. But what hope is there of the countries concerned continuing such an arrangement much longer than that? Indeed, the danger is that these countries which have a dollar or gold surplus, such as India, and South Africa, would prefer to make their own arrangements, leaving us with a dollar pool, which is a deficit pool, responsible for the dollar expenditures not only of ourselves but of the other members of the area having a dollar deficit."

Does that sound like Lord Keynes thought we gained much through the promised relaxation of exchange controls?

Maybe we did. Is it possible that our boys really put one over on our cousins this time? If one may judge from the history of both branches of the house, I am permitted certainly to be skeptical.

We have been fed so many scary alternatives as to what will happen if this loan is not approved, that it might be well also to see what Lord Keynes has to say about that:

"The alternative is to build up a separate economic bloc which excludes Canada and consists of countries to which we already owe more than we can pay on the basis of their agreeing to lend us money they have not got and buy only from us and one another goods we are unable to supply."

Frankly I do not regard that as a serious overstatement of the matter. Britain is now a large debtor. To the nations in the sterling bloc she owes in the neighborhood of $14,000,000,000. Part of that—one-third, she hopes—will be wiped out as we have wiped out lend-lease (only you will note the scale sought is 33 percent instead of 97 percent). Another one-third she hopes to release for world exchange, although you may be sure she will endeavor—and necessarily so—to take care of that third with British goods and service charges. The remaining one-third she hopes to pay on a long-term basis.

However, as Lord Keynes points out, many of these sterling-bloc nations have established credit balances here through our war expenditures as well as in other nations. Also many small industries have been built up in such countries during the war and they now have manufactured goods to export in competition with British products. They are not now sources of raw materials alone. Why should they not set up their own exchanges with us and purchase goods where there is the more likelihood—according to Secretary Byrnes and others—of their being obtained?

I repeat that many of these highly advertised possible trade gains on the part of the United States are but delusions.

I have not finished with Lord Keynes. And may I say, in passing, that I am highly indebted to his Lordship for the light he has thrown upon this proposed financial agreement. He has been more informative than those who represent the creditor. Of course, I realize his Lordship also had to sell his countrymen a bill of goods, and that he, occasionally at least, had to shade the picture a bit. However, in doing so, of necessity, he was compelled to give us a peep behind the scenes.

There is another angle to this question of removal of trade restrictions which gives me much concern.

How shall the question of purchasing be handled after they are removed; after Britain has the money with which to purchase; and after multilateral trade is freely functioning? It is interesting to see what his Lordship had to tell the House of Lords about that:

"In the final act of Bretton Woods, I believe that your (British) representatives have been successful in maintaining the principles and objects which are best suited to the predicaments of this country. Proposals which the authors hope to see accepted both by the United States of America and by Soviet Russia must clearly conform to this condition. It is not true, for example, to say that state trading and bulk purchasing are interfered with. Nor is it true to say that the planning of the volume of our exports and imports, so as to preserve equilibrium in the international balance of payments, is prejudiced. Both the currency and the commercial proposals are devised to favor the maintenance of equilibrium by expressly permitting various protective devices when they are required to maintain equilibrium and by forbidding them when they are not so required."

What is meant by Lord Keynes' statement is better understood when one reads a news article in the Washington Daily News, under date of April 10, 1946, which states that Sir Stafford Cripps, British Board of Trade president, has announced that the British Government intends to continue its wartime policy of government bulk purchase of Britain's cotton. Permit me to quote at length from this news article, as follows:

"American hostility to British domestic legislation is not based upon hostility to Socialist experiments in England but realization the United States may be forced to imitate British experiments. If, in Britain, there is to be only one cotton buyer, thousands of

United States cotton traders will be at a disadvantage. The British would be able to play one against the other and force down prices. The United States Government might be compelled to become sole seller of American cotton. The same pattern would be likely to repeat itself in the iron and steel industry which the British also are committed to nationalizing. Thus, instead of there being a return to free trade and private enterprise, which Americans desire, the policy of the British Government confronts the world with the likelihood of bitter trade wars waged by government officials with the taxpayers' money. It is only fair to say that American officials, while proclaiming belief in free enterprise, are perpetuating many wartime regulations, in some cases with the consent of American industry and labor leaders. William Green, A. F. of L. president, recently demanded continuation of price controls, but no interference with wage levels. The American economist, Henry Hazlitt, has observed: 'Totalitarian economies come, not because people deliberately will them, but because people suffer from the delusion that they can combine regimentation for others with freedom for themselves.'"

Does that look like we are about to enter the trade millennium to which the proponents of this loan point with such liberal pride and prodigality? Again, I must be skeptical.

WHAT ABOUT REPAYMENT?

In considering any loan, I believe it is of the utmost importance to consider the likelihood and possibilities of repayment. While we are exploring Lord Keynes' thinking, let us see what he has to say relative to that proposition:

"It is not a question of our (the British) having to pay the United States by direct exports; we could never do that. Our exports are not, and are not likely to be, as large as our direct imports from the United States. The object of the multilateral system is to enable us to pay the United States, by exporting to any part of the world; and it is partly for that very reason that the Americans have felt the multilateral system was the only sound basis for any arrangement of this kind."

When the United Kingdom and other debtor nations ceased repayment of the many billions loaned them during and at the conclusion of World War I, the United States was branded a "Shylock"; and upon our Nation was placed the responsibility for their default. They say we closed our markets to their goods, leaving them with no means by which they might pay. Of course, there is some truth in that statement; but we know that is not the whole truth. Moreover, we also know that as a result of the whole mess, we lost several billions of dollars—and said to ourselves, never again.

Are we again to make the same mistake? When the fairy castles have evaporated in the sun of realism, are we to be accused once more of breaching the agreement and creating the situation making payment impossible? Suppose we take a look at what Lord Keynes has to say along that line:

"They (referring to the United States) would regard it as their fault and not ours if they fail to solve it. They would acquit us of blame—quite different from the atmosphere of 10 or 20 years ago. They will consider it their business to find a way out. If the problem does arise, it will be a problem, for reasons I have just mentioned, of the United States facing the rest of the world and not us in particular. It will be the problem of the United States and the whole commercial and financial arrangement of every other country. Their wages are two and a half times ours. These are the historic, classical methods by which in the long run international equilibrium will be restored."

Are not those words prophetic of what is almost certain to happen? Do you not see in them the preface to the case which they will hereafter seek to establish?

What is meant by the statement that the wages of the United States are two and a half times those of Britain? Where and how will the equilization be made? There is only one conclusion. In the general world-wide scale of wages eventually resulting as a consequence of free multilateral trade, our wages must come down, and the wages of other nations must go up.

Permit me to cite another statement which corroborates the thought I have expressed. In addressing Parliament on December 13, 1945, Mr. Bevin, the Secretary of State for Foreign Affairs, said:

"It has been said that, inevitably, this will lead to another repudiation. That is in the hands of the United States, and nobody else. The United States say that they want freer trade, but freer trade does not only mean the lowering of a tariff barrier, it depends on the actual fact as to whether they buy goods. The trouble of the Baldwin settlement, as it is called, and the trouble that would arise under this settlement, will arise if we are not allowed to work off our debts."

Does that not mean that we must adopt a policy of promoting the purchase of British goods in contradistinction with the purchase of competitive American goods in the American market? I see no other alternative. When we refuse to do that, as we eventually will do, then we shall have ended the agreement.

Again, quoting from the remarks of Lord Altrincham before the House of Lords, when he was speaking of the understanding of the American people, he said:

"They (the Americans) do not understand that the conditions attaching to our acceptance of this line of credit—the only conditions on which we can pay for this credit if we take it up—involves a complete transformation, and, indeed, a transfiguration of the American economic system, if they are not to compel default."

Is it not clear that any blame for default by the British on this loan, if granted, is going to be placed on the Congress of the United States, should it determine to offer full protection to the American standard of living as we understand that term? It would seem so to me.

Thus, we are on the horns of a dilemma. If Britain cannot increase her exports and shipping charges to the point that she can repay the loan—or if we find it impossible to provide the markets for her goods so that she can repay it—we will be blamed in either event, and, of course, the money will have been lost.

OTHER LOANS

Undoubtedly, Mr. President, this is but an opening wedge for other loans. While it is said by some that each applicant must stand on his own feet—that argument is true only if the present loan was placed on a strictly business or credit basis. As a matter of fact, that has not been done. There is too much sentiment mixed with the present transaction for any such evaluation or comparison.

What shall we say to Russia—to France—and to many other allies who will undoubtedly seek further and large assistance? If we attempt to apply business comparisons, some of them are more solvent than Great Britain. If we refuse the loans, then we shall create more enmity, and will make possible accusations of grave significance, all of which tend to destroy world peace and upset world trade.

What will be the total loan requirements of all our allies? Who knows? What study has been made of the matter? We hear of figures amounting to no less than $10,000,000,000 and, perhaps, to as much as $25,000,000,000. Unless we wish to stand committed to a policy of rank favoritism for one and flagrant discrimination against others, we must pile more billions on our public debt, and pay to our citizens—if they will lend the money—a differential of many millions yearly in the matter of interest.

I submit that in no event should this loan be made until all the figures are in—until we know what is expected of us—until we determine how much our already overladen debt structure can be expected to stand. Frankly, as stated by the Montreal Financial Times:

"The United States has no obligation beyond that which is imposed upon it by common sense."

I offered an amendment whereby the United States will obligate itself to advance to the United Kingdom credit during the next 5 years sufficient to take care of its adverse trade balances with us, not to exceed a total of $1,500,000,000. I did so, not because I feel it is a sound investment, but because I wish to limit the number of billions that shall be piled upon our gigantic national debt by those who are so liberal with the taxpayers' money, and because that should be sufficient to see Britain through any immediate crisis.

Mr. President, neither nations nor peoples respect those they owe in excess. I suggest that we add no more to the feeling of animosity now existing against us among the other nations of the earth.

Mr. LANGER. Mr. President——

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. BUTLER. Mr. President, will the distinguished Senator from North Dakota permit me to explain briefly, at this time, my position in regard to the British loan? It will be necessary for me to be absent from the Senate for approximately 10 days, and I desire to comment on the British loan proposal, which is the subject of present discussion in the Senate.

Mr. LANGER. How long will it take the Senator to make his statement?

Mr. BUTLER. Approximately 10 minutes.

Mr. BARKLEY. Mr. President, I wish to caution the Senator from South Dakota that, under the rule, he cannot yield to other Senators to make speeches without technically losing the floor. I have no intention to invoke that rule. However, in view of the length of time taken yesterday by the Senator from North Dakota and the length of time he has announced he intends to speak today, it seems to me that he should proceed with his remarks, unless there is a case of superurgency on the part of some other Senator who is not likely to have another opportunity to express his views on the pending measure. It is unusual for a Senator to hold the floor for a day or two on a subject and parcel out his time to other Senators in order that they may make speeches.

Mr. LANGER. Mr. President, I thought I had been most kind to all Members of the Senate. It is now quarter past 3 o'clock.

Mr. BARKLEY. The Senator has been suspiciously kind to Members of the Senate. I mean that I do not think he has resisted the importunities of Senators to interfere with him, or ask that he yield to them. The Senator has indicated to me that he himself would consume the remainder of the day. The more he yields to other Senators, the greater will be the ground which he will have for extending his remarks even beyond today.

Mr. LANGER. The Senator should not be so suspicious of my actions.

Mr. BARKLEY. It is not an insidious suspicion, but I believe that I have a legitimate understanding of the Senator's approach to this subject.

Mr. LANGER. For example, the Senator from Wyoming [Mr. O'MAHONEY] brought up the subject of surplus property in connection with the rights of veterans. Naturally, I was anxious to accommodate him.

Mr. BARKLEY. Conference reports are privileged matters, although the Senator is not required to yield for that purpose while he occupies the floor. I am not objecting, and I merely say to the Senator that it is somewhat unusual to yield to other Senators in order that they may make speeches during the time he has the floor while speaking on the same subject, inasmuch as those Senators will be subsequently afforded ample opportunity to say whatever they wish to say.

Mr. LANGER. Mr. President, I invite attention to the fact that I yielded three or four times to the Senator from Kentucky.

Mr. BARKLEY. Yes; but not to enable the Senator from Kentucky to address the Senate on the subject which the Senator from North Dakota is now addressing the Senate, and on which he is anxious to address the Senate further. I took part in the proceedings of the Senate because of the controversy which had arisen with regard to the effort to have a report printed as a public document. I am deeply grateful to the Senator for yielding to me. Of course, the Senator will understand that he could not yield indefinitely even to me.

Mr. LANGER. I believe that I would do so.

Mr. BARKLEY. As I have said, I do not object, but I wish to impress the Senator with the rules of the Senate.

Mr. LANGER. Mr. President, I yield to the Senator from Nebraska.

Mr. BUTLER. Mr. President, I intend to vote against the Anglo-American financial agreement, otherwise known as the British loan.

If the agreement had been a straight business proposition, it is possible that I might have supported it. By that, I mean that if it had provided for a commercial loan, with an interest rate sufficient to cover our own interest cost, with adequate collateral to provide security for repayment, there might be no great objection to it. The people of Great Britain proved to be brave and valiant allies during the war. Alone, they held the fort against Fascist aggression for many months before either Russia or the United States was drawn into the war. It is my hope and belief that they will cooperate with us just as wholeheartedly in the cause of peace—regardless of whether we approve this agreement—if only in their own interest. Expressing merely my personal feelings on the matter, let me say frankly that I wish the British people well.

The agreements which we are considing are not, however, a business proposition at all. They have been presented to us in an entirely different light, as an extra special case. If the British are a special case, I do not know why.

Certainly the British need is not as great as the need of many other countries. It is not, for example, as great as China's need. The people of Britain have not suffered as have the people of many other countries, nor has their territory been invaded by the ground forces of the enemy. I do not mean to put too low a valuation on the dangers they have endured or the hardships they are still enduring, but no one in Britain is starving. If the basis of this loan is American generosity, then I say that other peoples are in greater need of our generosity than are the British.

What other arguments have been advanced in support of the loan? So far as I have been able to learn, the only advantages that have been offered, the only real quid pro quo, are certain trade advantages. We have been offered certain trade rights in the United Kingdom and her colonies if we will make the loan. On the other hand, it has been held over our head, like a club, that unless we agree to this loan, we shall be shut out of trade with the British Empire.

Possibly the rights which have been offered are of some value. But before this loan is approved, let us clearly understand one thing. We have not been offered, and we will not receive, equality in trade within the British Empire. All that we have been promised is that certain types of discrimination will be eliminated. Other types of discrimination may remain, and undoubtedly will. To be more specific, there is nothing in these agreements to prevent tariff duties against our goods of 100 or 1,000 percent, or to whatever extent may be necessary in order to keep American competition out of their markets. There is nothing in the agreement to prevent the British Empire from creating just such a closed, self-contained economy as she threatens she will create if we refuse the loan. She can reserve her markets for wheat, cotton, and other agricultural products entirely to her dominions and colonies, if she chooses, and she can close the markets of her colonies to our manufactured goods, supplying their needs from her own factories, through the Empire preference. She can do this just as well by tariffs as by currency control. Although we have certain treaty rights on tariff rates under our trade agreement with her, she can, on short notice, cancel that treaty and those rights.

The alternative with which we are threatened is a continuation of the wartime controls, currency control, the dollar pool, and so forth. In the past these have been either Fascist devices, or wartime devices. They are among the things that we held against Hitler. If a free, democratic government is at all likely to adopt, as a permanent peacetime policy, such methods, we might as well find it out now, for we cannot permanently stave off such techniques by making a single loan of this sort. To the extent that we yield to this threat, we shall be threatened with discrimination and blackmail from other sources. To be consistent, we shall be forced to lend to every other nation on earth which may be in a reasonably strong bargaining position.

But, to my mind, the important facts to be considered in connection with this loan are not its effects on Britain, but its effects on the United States.

The Senate does not need to be told that financially, our Government is not in particularly good shape. Our national debt is somewhere around two hundred and seventy billion. Although the President speaks hopefully now of balancing the Budget next year, his Budget message of a few months ago contemplated a deficit even for next year of around $4,000,000,000. Although tax revenues have happily exceeded previous estimates, our costs of carrying on Government programs are rising in practically every department, and there are many measures pending which will substantially increase the level of Federal spending if they are enacted into law. Some steps that we have taken toward economy have been moderately effective, but certainly we have not yet gone far enough in that direction to face with confidence our own financial future.

In my judgment, the single outstanding consideration which should make us reject this loan is the fact that if it is approved it will probably make a balanced budget even in 1947 completely out of the question. How can we lend to our friends when we ourselves must borrow merely to keep operating? How can we help others to return to stability until we set our own house in order?

This matter of a balanced budget has an importance far beyond considerations of its effect on the taxpayer. For the budgetary position of the Federal Government is the crucial fact in the problem of inflation and price control, to which we are devoting so much time and attention this spring. To me, it is nothing less than absurd to see those same Senators who have so ardently taken the part of the OPA, defend with equal ardor this measure that will condemn us for yet another year to continue down the road of Government deficits and printing-press money. And even Chester Bowles will admit, I believe, that we cannot hope to ward off inflation indefinitely unless we move rapidly toward a balanced budget.

On this point, I can hardly do better than quote Jesse Jones when he said:

> If we go on spending and lending and giving and losing, without regard to how we are going to pay back the money that we borrow, it will not be long until the dollar will go as the currency of other countries that overspent.

There are other reasons against approval of this loan. The United States also has serious problems, problems which could be solved, in part at least, with Government funds. Thousands of our veterans are having a difficult time, financially, in making the adjustment to civilian life, and many of them feel, perhaps justly, that their Government owes them more than it has given them. Dozens of bills have been introduced dealing with some of these grievances, and no doubt some of them will be passed and should be passed. I have introduced

some of them myself. But many of them will take money, and one of the primary facts we must take into account in giving them consideration is their effect on the Federal Budget.

In my part of the country one of our greatest interests is development of the Missouri River and its tributaries, so that we can put our water resources to use, and develop a stable, irrigated farm economy. I have done my utmost to push for necessary appropriations for this work, and I shall continue to do so. But I hope when the time comes for consideration of those items, we shall not have them denied us because so much of our funds have been loaned to foreign countries.

These are only examples. I could name plenty of other examples. One thing I would suggest, if we have $4,000,000,000 to spare, is that we could reduce taxes, for defeat of this measure could put almost $10 a month into the pocket of the breadwinner of every family in this Nation, from his next year's tax bill, if the Congress decided to use the money saved in that manner.

Some of my listeners may, of course, feel that I am treating this proposal as if it were a grant, a pure donation, never to be repaid, rather than as a loan. I do not state that the loan will never be repaid. That is a point on which I have no information, only my private opinion. Our relations with Great Britain are, I believe, still excellent, and I would not want to hurt them in any way by injudicious remarks which might wound feelings and make the task of our diplomats more difficult. A part of the British press has been rather free with the suggestion that circumstances might interfere with repayment, but I do not suggest that there was anything of that sort in the minds of present British leaders or their negotiators. I will make this passing comment, however: if in the future a default should occur, there is nothing practical that we can do about it. We found that out the last time.

As to the exact status of this proposal, it is really not so easy to classify. It is fair to say that if it is a loan, it is on such different and generous terms that it is hard to compare it with ordinary types of lending operations. The United States Government has had considerable experience with the business of lending in recent years. It has made loans, through one channel or another, to banks, to State and local governments, to nonprofit corporations, to small and large businesses, railroads, and the like, to farmers and veterans. These loans have been made on various terms, and some have been more generous than others. There are, however, the following major differences between all our previous lending operations and the proposal before us:

First. No other system of loans made by the Government runs for as long a period as 55 years, as the proposed British loan does.

Second. No other type of loan provides for a waiver of all interest the first 5 years, as the proposed British loan does. Interest on some of the loans to veterans is waived for 1 year only.

Third. No other loan permits a general waiver of interest during hardship periods, as the British proposal does, and judging by the comments of Lord Keynes before the British House of Lords, these hardship waivers, might be called into use rather frequently.

Fourth. No other lending operations of the Federal Government are conducted at the rate proposed in the loan to Britain.

I will gladly stand corrected if these broad statements are not 100 percent correct, but the only lending operations I can find trace of which are comparable, as to terms, with this proposal, are lend-lease—which was not a loan at all, practically speaking, but a gift—and the loans made during and after the last war, which perhaps the supporters of this proposal will not want me to talk about too much. In view of the excessive consideration which has therefore been shown the British Government, I think it is fair to classify the proposal as somewhere between a loan and a gift.

Let me put this point in a nutshell: We are now making loans to veterans. If we cannot afford to lend our returning veterans money at a rate of 2 percent, with the first 5 years of interest canceled, on a 55-year basis, with provision that they need not pay the interest when they find it difficult to do so—if we cannot afford to do that, how can we afford to do it for the British Government? Such loans to our veterans would probably cost the Treasury no more, and would have at least an equal chance of repayment.

Mr. President, I hope this loan proposal will be defeated. I am entirely willing, however, that Britain should have the same opportunity to borrow from normal banking sources and from the Export-Import Bank or the RFC that other countries have. Beyond that, I would suggest that if this proposal is defeated, the President might well proceed, with such powers as he already has, to negotiate what practical assistance Britain may need to tide her over her immediate problems. Jesse Jones has suggested some measures that might be taken. Members of the Senate have suggested others. The Congress would, I believe, be willing to entertain whatever additional legislation is necessary to permit stock piling of critical materials, or to authorize some of these other suggestions. But I do not believe the Senate will show special favors to one country, to the exclusion of all other countries, and I do not believe we will adopt this highly inflationary measure at the very time we are considering drastic measures, unprecedented in peacetime, to hold in check the inflationary pressures we already face.

In conclusion, Mr. President, I should like to quote the words of the greatest of British poets, who said, in Hamlet:

Neither a borrower nor a lender be;
For loan oft loses both itself and friend,
And borrowing dulls the edge of husbandry.

THE WHEAT AND FLOUR SITUATION

Mr. REED. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. REED. Mr. President, it so happens that the State which in part I have the honor to represent in the Senate, Kansas, is the largest wheat-producing State in the Union. My State also is the foremost flour and milling State.

Mr. LANGER. Mr. President, that is as to soft wheat, not hard wheat.

Mr. REED. I beg the Senator's pardon; he is mistaken.

Mr. LANGER. What the Senator has said was not true as to last year or the year before. We in North Dakota raised more hard wheat than did the farmers in Kansas.

Mr. REED. We need not discuss that. I certainly differ with the Senator from North Dakota. There was one year when North Dakota raised more wheat than did Kansas, and North Dakota cannot refrain from jumping and flapping its wings and crowing about that one year; but that was the only year in history, I think, when such a thing happened. The Senator from North Dakota is mistaken.

Mr. LANGER. The Senator also includes the soft stuff called wheat in Kansas. As a matter of fact, in the production of hard wheat North Dakota has been ahead of Kansas in the last 4 or 5 or 6 years.

Mr. REED. I beg the Senator's pardon. But that is not relevant to the point I am about to discuss. The Senator from North Dakota is mistaken.

Mr. President, if there is one subject upon which the Department of Agriculture, the War Food Administration, and other responsible agencies have blundered and bungled more than as to other matters, I think it is in the handling of the wheat and bread situation. We have changed our habits of milling, under order, so that instead of making what we call white-bread flour of 72 percent of the wheat kernel, the millers must grind up 80 percent of the wheat kernel. Personally, that does not mean anything to me. I have eaten whole wheat bread for so long that I do not remember when I did not; but a majority of the people of this country do not share that taste in bread. The point I wish to make is that Canada has not found it necessary to make any such order as we have made concerning the milling of wheat into flour and as to the quality of flour.

The second point is that while we have a great milling industry in this country, that industry will be completely closed down within, I would say, 30 days. The mills are reporting that they have only about enough wheat to enable them to operate for from 1 week to about 30 days. There is no wheat coming in, but what wheat is available is being sent to export. I do not find fault with the exportation of wheat or the products of wheat, but it does not make sense to me to shut down our milling industry and export wheat when we could use the milling capacity of our own country to turn the wheat into flour, in which form it is more readily available for uses abroad than when it is exported as whole wheat.

Mr. President, I have had perhaps a hundred letters and telegrams upon this subject from my State of Kansas and the

surrounding States. Among the most sensible and complete letters that I received was one from Mr. W. E. Bush, a miller at Liberal, Kans., situated in the heart of the Wheat Belt. Mr. Bush wrote me under date of April 12, and discussed the various phases of these orders and the effect they were having upon the farmers and the millers and upon business generally.

I ask unanimous consent that I may have Mr. Bush's letter printed in the RECORD at this point as a part of my remarks.

Mr. LANGER. I object, because I want to hear the letter read. I have no objection to the Senator reading it or having the clerk read it, but I want to find out what this man has to say about the wheat in Kansas before I agree to have the letter go into the RECORD.

Mr. REED. I hope the Senator from North Dakota will not stand upon his objection. It is quite a long letter. It deals in detail with the things I have discussed here in general.

Mr. LANGER. I have no objection to having the letter read by the clerk, if the Senator wishes.

Mr. REED. Of course, I have the floor by the courtesy of the Senator from North Dakota. I do not want to be unmindful of that fact, but I hope he will not insist upon the objection. I can read the letter. It would just mean the consumption of time. It did not appear to the Senator from Kansas to be either necessary or desirable.

Mr. HAWKES. Mr. President, will the Senator from North Dakota yield to me so I may ask the Senator from Kansas a question?

Mr. LANGER. I yield.

Mr. HAWKES. If the Senator from Kansas were to assure the Senator from North Dakota that there is nothing in the letter which proves that Kansas wheat is of a better quality than North Dakota wheat or that Kansas raises a greater wheat crop than does North Dakota, I wonder if the Senator from North Dakota then would permit him to have the letter placed in the RECORD?

Mr. REED. There is no reference in the letter to the relationship between wheat produced in North Dakota and that produced in Kansas or any other State.

Mr. HAWKES. The Senator from North Dakota then, I am sure, would agree that the letter can be placed in the RECORD without reading?

Mr. REED. I ask unanimous consent that the letter may be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

THE LIGHT GRAIN & MILLING CO.,
Liberal, Kans., April 12, 1946.

Hon. CLYDE M. REED,
United States Senator, Washington, D. C.

DEAR MR. REED: Washington officials certainly have things in one hell of a mess, as far as the millers are concerned—and, I think, as far as everyone else in the country is concerned, also.

War Food Order 144 was issued to become effective March 1. The order required the extraction of 80-percent flour. Canada did not go along with us and, consequently, are manufacturing white flour. So that millers in this country might meet Canadian competition, the Secretary of Agriculture issued amendment 4 to War Food Order 144, permitting 72-percent-extraction flour to be sold in the Torrid Zone, with no restriction on extraction for the west coast of Africa. In addition to meeting Canadian competition, the further excuse was given for this amendment as the unsuitable keeping quality of 80-percent-extraction flour in the Torrid Zone area. Any mill with only one milling unit cannot manufacture an 80-percent extraction and a 72-percent extraction flour at will. When the mill is set for 80-percent extraction another grade cannot be manufactured. It takes about 3 days to 1 week to make the change-over from one extraction to another. Amendment 4 to War Food Order 144 opens the way for black-market flour. What I mean by this is, there is a possible chance that some unscrupulous miller (there may not be any) might accept an order for a certain quantity of 72-percent-extraction flour to be shipped to the Torrid Zone, then manufacture the flour, put it in his warehouse, have the customer cancel the order and the only reasonable thing for him to do would be sell the flour in the domestic trade to keep it from spoiling. I am sure most millers will tell you that the flour buyers in the Torrid Zone very seldom bought a grade of flour better than an 80-percent extraction anyway. What would hinder some miller shipping 80-percent-extraction flour to the Torrid Zone and 72-percent-extraction flour to the domestic trade? I am sure we will find plenty of this 72-percent-extraction flour floating around in jobbers' and retailers' warehouses from time to time. Salesmen will contend that it is 80-percent extraction, but it will be much whiter and more acceptable to the housewife than the regular 80-percent-extraction flour—and it will be hard for an honest mill to meet this kind of competition.

Millers are finding it hard to locate enough wheat with which to keep their mills operating. Wheat would be moving in normal channels right today if it were not for the OPA ceiling price and the announcement of the Department of Agriculture about every 10 days of some new plan to bring this wheat out of hiding. This is the main reason producers are not selling. In the first place, the ceiling price on wheat is too low for the farmers to compete with other industries. Their operating costs are too high. The price of wheat at present level is not comparable to the things the farmers have to purchase. If ceiling prices were removed the price of all grains would reach a competitive level and they would flow in normal trade channels. It is only natural that the farmer wants to get as much for his grain as possible and he knows the present price of $1.53 to $1.58 is not enough. In years past we have never had a situation where the farmer held his wheat at this time of year. Now is the time when he always sells, but farmers all over this territory tell me they are not going to sell—certificate plan or no certificate plan—until they can see higher prices.

Another thing, I am of the opinion that the Department of Agriculture is entirely too high in their estimate of the amount of wheat back on the farm. I do not believe their estimate of around 300,000,000 bushels is anywhere near correct. In Kansas we have only 24,000,000 bushels back on the farm, which is about 12 percent of the 1945 crop. These figures are according to those released by the USDA on the 10th.

Another bungling job that is being done up there is that of exporting wheat instead of flour. For some reason our officials are determined to export this food to the European nations in the form of wheat, whereas our milling capacity is sufficient to take care of a large export flour business. I believe you will find that the flour mills in this country have the largest capacity in excess of domestic requirements of any industry. The milling business in normal times is highly competitive and certainly everything possible should be done to keep this industry rolling full-time when the opportunity such as this present one exists.

Furthermore, my conversations with producers have thoroughly convinced me that War Food Order 144 will not save 10 percent of the amount originally estimated. The extraction of 80-percent flour from wheat has reduced the quantity of millfeed by 33⅓ percent. Millfeed is a very important byproduct and is fed in large quantities on the farm and used in the manufacture of mixed feeds. The scarcity of this item will cause the farmers to feed wheat from their bins. When feed items are short the farmer is going to get feed for his livestock in some manner. If he is forced to grind wheat for feed consumption on the farm he can do so at a cost equal to or less than the price of other grains because the ceiling price at $1.55 per bushel means $2.58 per hundred for wheat. There are very few feeds the farmer can buy at this price.

War Food Orders 9 and 145 both restrict the use of proteins and grains in the manufacture of mixed feeds. We will have used our entire quota for April by Monday the 15th, or not later than the 17th. Our plant will be shut down the balance of the month. This means we will be unable to supply the required amount of feed some feeders in this territory will require. This is going to be hard for the farmer to explain to the chickens and cows—they probably won't understand about it and will have to eat anyway. So the farmer is going to feed wheat out of his bin, if he has it—and all of them have a little.

Now, to get back to War Food Order 144, which required 80-percent extraction flour, millers made a suggestion to the USDA when this matter was first under consideration which was that the Government take a certain percent set-aside of white flour for export, such as we were making then, and let the millers distribute the balance, or 75 percent, through normal trade channels as best they saw fit. This would have relieved the necessity of the 80-percent extraction flour; it would have placed 25 percent of mill production into export channels and let us remain on an equal footing with the Canadian mills without any crazy exceptions to the order; it would have eliminated the possibility of black-market flour. If the ceiling prices were removed from wheat and flour, it would place the wheat back in normal marketing channels, permit millers and everyone else to have an equal chance at buying wheat; it would have a tendency to cut down farm consumption as feed, and everyone would be a lot happier.

All in all, the quicker we get rid of all these restrictions and quit trying to regulate the law of supply and demand, which will ultimately prevail, we will all be better off. We are considerably worse off now than we have been at any time since December 7, 1941. We are permitting Washington to regiment our every move more and more each day. I can well remember 15 years ago when we heard rumors of how regimentation was being applied in Russia. We thought it was terrible, but it looks like now the officials of the administration are going to make the Russians look like a bunch of pikers by the time they get through with us.

Yours truly,

W. E. BUSH.

A TEST TO TEST A TEST—ARTICLE BY JERRY KLUTTZ

Mr. BRIDGES. Mr. President, will the Senator from North Dakota yield to me?

Mr. LANGER. I yield.

Mr. BRIDGES. For some time, in fact for the last 10 years since I have been a

Member of the United States Senate, I have been interested in seeing if we could not introduce a little economy into the conduct of our national affairs. I have heard of many unusual expenditures and many special wastes of money. I have heard of them from back in the times of the WPA, when they made monkey cages and did other things just as foolish, indulging in all kinds of ridiculous expenditures. Today in the Washington Post, however, there is an article under the heading "The Federal Diary," written by Jerry Kluttz, a portion of which I desire to read, because to my mind it tops them all on the subject of waste of governmental funds. I read:

QUESTIONS ON SEX WRECK TEST TO TEST TESTS

War: This is a story that gives credence to that frequent comment: "Anything can happen in Government." And this amazing tale took place in the War Department last Saturday, an overtime pay day.

Some 50 employees in the personnel office of the Adjutant General were called together and told their work that day would consist of being guinea pigs for a "test to test a test." This pleased the employees. To them it was no work at extra special pay.

On that Saturday—

A professor—

And we see many of them here in the New Deal—

on leave from his college told them his experiment would result in a competitive test on which promotions would be based in some offices. The test was divided into four parts: (1) General intelligence; (2) Classification Act problems; (3) Kuder's interest test; and (4) a personality exam.

The latter—that personality—was a lulu. It consisted of 566 questions that had to be answered true or false and they covered everything imaginable. And I mean that literally. This being a family newspaper, some of the more lurid questions can't be repeated but this will give you an idea:

I drink to excess.

I have to go to the bathroom often.

My sex life is satisfactory.

There were various questions on the sex life and bathroom habits of the employees. All these intimate questions infuriated the employees who soon abandoned the idea it was all a lark, overtime pay or no overtime pay. And what bearing, they asked, do the sex and bathroom habits have on one's ability to win a promotion?

What irritated them most was the fact they were ordered to sign their names, ages, grade, and so forth, to the papers. This would give some busybody, they thought, a chance to check up on their personal habits.

The exhausted personnel workers struggled out of the room around 1:30 p. m. One of them called me to say: "What an overtime day that was!"

Mr. President, I want to say a word on that subject. This I assume to be an accurate, truthful article. It was published in the Washington Post of this morning, Friday, April 19, 1946, and written by an author by the name of Jerry Kluttz. I want to say that if the Federal Government has fallen so low that it is putting 50 employees to such an occupation as answering such questions in a test and paying them overtime on a Saturday to do it, we certainly have reached an all-time low level and have found the greatest example of waste that I have seen anywhere.

I assume this article to be correct in what it says. I shall ask for the facts in connection with it. Whoever was responsible for taking 50 employees and paying them overtime pay on Saturday in order to give them such a stupid, irresponsible, lurid examination, certainly should be fired from his job. I do not know who is responsible, but personally I am going to take the matter up with the Secretary of War, and hope he will go to the Adjutant General, and that the Adjutant General will go to the person responsible and find out just who authorized the test, and take steps to see that such waste in expenditures of Government moneys shall not occur again.

I have in my hand an editorial from the Philadelphia Inquirer entitled "It Is a Job for an Ax, Not a Penknife," in which comment is made on the effort toward economy in the Government. Concerning some of the things which have occurred, the editorial proceeds to quote from the Joint Committee on Reduction of Nonessential Federal Expenditures, which is headed by the Senator from Virginia [Mr. BYRD], and of which I happen to be one of the minority members. When a division or a department folds up or is gradually eliminated, do the employees disappear? No. To a large extent they are blanketed in or transferred to other departments. It is a fact that today, in spite of the war being over for almost a year, practically all, with few exceptions, of the civilian departments of our Government have more personnel than they had at the height of the war in the conduct of which we were fighting for civilization against the enemies of civilization all over the world. To my mind that is hard to justify. There has been no real attempt to economize or to cut down. It is almost pitiful to stand around and see person after person come forward with some new project, some new way to spend money. It is pitiful to see every department and every division of the Government thinking up some new way of justifying the continuance of a war agency or a war duty, on the claim that it is needed more in postwar times than it was during the war years, and so on.

Mr. President, the test to which I have called attention, which goes into the bathroom habits of an individual or into the sex life of a person, is contemptible and irresponsible, and I cannot too strongly condemn it. Expenditure of public money for such a purpose is wholly unjustified.

PROPOSED LOAN TO GREAT BRITAIN

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

Mr. LANGER. Mr. President, first of all I wish to bring to the attention of the Senate an article which appeared in the New York Journal-American on April 9. It is a United Press dispatch from London reading as follows:

BRITAIN MAKES HEAVY SLASH IN TAX IN EXPECTATION OF LOAN FROM UNITED STATES

LONDON, April 9.—Hugh Dalton, Chancelor of the Exchequer, announced today that Britain's 60-percent excess-profits tax has been repealed, as of December 31, 1945.

He said that and other reductions were based on the anticipation of approval of the American loan and that "if it fails we shall at once have to take restrictive measures to reduce imports, especially those affecting American dollars."

He cut purchase taxes on a long list of items, reducing the levy from 100 percent to 33⅓ percent on phonographs and phonograph equipment and lowered the sports entertainment tax except for horse, motor, and dog races.

He announced that workers' contributions under the National Insurance Act would be exempt from income tax, relieving an estimated 156,000 persons of income tax.

He also made two small changes in low-level income taxes, increasing the basic exemption of workingwomen by $120 to $440. The earned income allowances was boosted from one-tenth to one-eighth.

I invite the attention of Senators to the fact that in the United States today men and women are paying Federal income taxes and old-age pension taxes, as well as income taxes in some of the States; but here we have the British Government announcing, through Hugh Dalton, Chancelor of the Exchequer, that in anticipation of the money they are expecting to get from us, they are repealing the excess-profits tax of 60 percent.

He cut purchase taxes on a long list of items, reducing the levy from 100 percent to 33⅓ percent.

As I previously stated, he announced that workers' contributions under the National Insurance Act would be exempt from income tax, relieving an estimated 156,000 persons of income tax, although in this country railroad brakemen, conductors, and engineers still must pay income taxes.

I have before me an article from the New York Journal-American of April 12. This is a dispatch from Paris:

PARIS.—The Duke and Duchess of Windsor have left the city for the Riviera. Not for a change of climate, but because of the French Government's polite but firm request that they share their home with a few homeless couples. According to the new French housing laws, each married couple is allowed only so much space, no matter whether you're a duke or a dude.

So when the Duke and Duchess of Windsor found out that there were some homeless people there—possibly soldiers who had fought to protect the very property owned by the Duke and Duchess—rather than share their home with them under the new housing law, they left, because, as the dispatch says, they apparently did not like the new law which had been passed in France.

The argument has been made that the British loan would help trade. I have before me an article by Leslie Gould, financial editor of the New York Journal-American. He is an expert. This analysis is so full and complete that I wish to read it in full for the benefit of my many colleagues who are present.

An argument being made for the British loan—$3,750,000,000—and that much again to other countries, including Russia, France, and China, is that the United States must export or go into an economic tailspin. That foreign trade is the difference between prosperity and depression.

I believe that was the argument made the other day by the distinguished majority leader [Mr. BARKLEY] and by the distinguished junior Senator from Kentucky [Mr. STANFILL] on the Republican side.

The financial expert of the New York Journal-American says:

There is no question that export trade is important for this country's economic well being.

That is real foreign trade—an exchange of goods and services between this country and other lands.

But is this what the international do-gooders and lovers of everything foreign mean when they talk about foreign trade and the current line-up for loans out of the American Treasury?

They are arguing that this country must lend England $3,750,000,000, on top of writing off thirty billions of lend-lease and the twenty billions debt hanging over from World War I and the years immediately following. A large chunk of the last is owned by Britain.

And that additional billions must be lent to Russia, China, France, Holland, and so on around the world.

They argue that unless the United States makes these loans, these nations cannot buy here. That they will have to pull in their belts and trade within limited tariff restricted areas.

So what they are proposing is for this country to lend these other nations the money to buy goods here.

The proposal is that we lend Britain $4,000,000,000 so that other countries may buy their goods here in America. What does this financial expert say?

Then American factories will keep busy and American workers will have more employment as long as the American money holds out.

But if these foreign borrowers can't repay these loans, what then? They will have the American goods, but the American taxpayers will be out the billions so lent.

That, in our book, is not foreign trade. The only exchange is borrowed American dollars for American goods. It is good business for the British, the Russians, the Chinese, and Dutch. But where do the American taxpayers who have to foot the bill come off?

As far as these poor benighted and forgotten citizens—the taxpayers—are concerned, they would have been better off to have spent the money on a binge. They'll have the hangover anyway, but have missed the fun of the night before.

If these are loans, then they should be made on a business basis and made on ability to pay. If they are gifts, then they should be made on a charitable basis and in keeping with what the American taxpayers can afford to contribute.

As a matter of fact, this country does not know what it can afford to contribute to raise the living standard of the rest of the world. It is time America took an inventory of its resources. In these last 5 years it has dug deeply into that barrel.

Some will say this is being nationalistic. We think it's being realistic. And it is time this country's citizens and its leaders became realistic and faced the fact that there is a bottom to the barrel. We can't go on forever underwriting the rest of the world.

Financial Editor Leslie Gould apparently agrees with Bernard Baruch and Jesse Jones in the statements which they have made.

A few moments ago the distinguished junior Senator from Massachusetts [Mr. SALTONSTALL] was in the Chamber. At that time I told him that I would read to him an article which was published on April 2, showing the action taken by the Massachusetts State Legislature, which debated this loan and passed a resolution by a vote of 56 to 45 in opposition to the loan. It is interesting to note what some of the men who are close to the people of Massachusetts think about this iniquitous proposal.

The article to which I have referred reads as follows:

REPRESENTATIVE HARRINGTON TAKES UP BRITAIN, KNOCKS IT RIGHT OFF BEACON HILL

(By John O'Connor)

The Massachusetts House—

Mr. President, that is the House of Representatives of the Massachusetts Legislature—

sat back in silent admiration yesterday while three of its classiest orators tangled the better part of the afternoon over the international situation, and then voted 56 to 45 in favor of a resolve memorializing the Congress against granting loans to Russia, Great Britain, "or any other aggressor nation."

Representative Joseph B. (but not for Britain) Harrington, of Salem, sponsor of the resolution and the legislature's most colorful debater, took the floor for the first time this year on a major speech, and blasted the "rotten, corrupt, decadent British Empire, which is denying free government to more people than any other nation."

Nearly a half-hour later, when Harrington ended his remarks in the hushed house, Representative Stuart C. Rand, of the Back Bay, told his colleagues that the Salem member's address compelled him to recall what he had read about "another orator in another assembly 180 years ago, Patrick Henry."

"My only hope," said Rand, "is that I can hear the gentleman when he is 100-percent right, because when he is 100-percent right the whole world will want to listen to him and vote with him."

Harrington first apologized for insisting on expressing "my admittedly unpopular views on foreign policy," but reminded the house that it was the first time this year that he had taken up any time on the floor.

"Humor me in my delusion," he asked, "and be tolerant with me in my single-minded purpose, for it makes no difference if these resolutions are defeated if we do no more than arouse slumbering Americans to these international realities."

He then launched into a savage attack on British foreign policy, and declared that there was no difference between England and Hitler, except that "Hitler came along a little later."

"The British Empire is built on a force just as vicious, just as murderous, as that which built up Adolf Hitler," he shouted, pointing to British rule in India, Ireland, and Africa, and adding, "History will back me up."

HOW MUCH IS A BILLION?

He decried the attitude of "those who feel that when America goes wandering through the world it should have its hand in that of Mother England," and declared that further loans to Great Britain would be "reviving a country that has been our most ruthless competitor."

"We now owe $250,000,000,000," he said. "Do you know how much money a billion dollars amounts to? If you took a 12-year-old boy and sat him down to count $1 bills 8 hours a day, 5 days a week, he would be 96 years old before he reached a billion dollars."

So, Mr. President, that boy would have to reach four times 96 years of age if he were to count the loan that it is proposed that we make—or, rather that we give away—to the English people.

I continue to read Representative Harrington's statement, as quoted in the article:

"If you boys from the Back Bay have money you want to loan England, go ahead and loan it," he continued. "If you have any money you want to loan Russia, send that over, too. But part of these loans would give $10,000,000 a year to Edward and his shopworn duchess. We can't afford it, and she isn't worth it. Besides, I know where you can get them cheaper."

Observing that he had used up most of his time without mentioning Russia, Harrington declared that Russia would cry "That's an unfriendly act, you so-and-so," if America made loans to British and refused loans to the Soviets.

"Only when Russia gets the Reds out of occupied countries, and when both Russia and England insure religious and civil liberties to the peoples of the world, only then would I approve of lending them our taxpayers' money," he said.

In opposing Harrington, Representative Rand insisted that a loan to Britain would stimulate America's foreign trade. "Few measure can be taken in the next few months that will have greater effect on creating jobs for veterans than passage of the British loan," he said, "while this resolution, if Congress concurred, would have the opposite effect."

Announcing that he would vote for the Harrington resolution, Representative Paul A. McCarthy, of Somerville, protested: "We should tell foreign nations seeking loans that, while we want to increase our foreign trade, we need the money for more important matters in the domestic economy, such as veterans' housing and for reducing the eligible age of old-age assistance recipients."

Although the committee on constitutional law advocated rejection of the resolution, the House overturned the report on a standing vote, and it will appear on today's calendar for further action.

So, Mr. President, we learn from the article the action taken by the lower house of the Massachusetts State legislature, which is very close to the people.

LIVING CONDITIONS IN ALASKA

Mr. President, this morning I received a letter addressed to Hon. Walter Sharpe, commissioner of labor, Juneau, Alaska, with reference to a report on a survey which had been made in connection with living conditions of War Department employees at Fort Richardson, Alaska. The letter states in part:

This survey was made to substantiate our efforts for a correction of the living conditions we have tolerated in order to do our share in winning the war.

A copy of this report has been forwarded to most of the Members of the United States Congress and officials of our Government.

Mr. President, Walter Sharpe is a good friend of mine, and I have known him personally for a long while. The letter continues:

Any assistance you can render our campaign for a decent American standard of living will be deeply appreciated by the 1,700 civilian employees of Fort Richardson, Alaska.

That letter, Mr. President, is signed by Royse W. McGee and Walter J. Hickel. I ask that both the letter and the report be printed in the RECORD because they

deal with the living conditions at such towns as Ketchikan, Petersburg, Juneau, Sitka, Seward, Cordova, Anchorage, Nome, and Fairbanks. It shows the amount of money which must be spent for groceries and meats, rent, fuel oil, electricity, water and garbage collection, insurance, medical care, transportation, clothing, dry cleaning, house furnishings, linens, blankets, and so forth; amusements, cigarettes, cosmetics, newspapers, magazines, and so forth. It also shows what fruit costs in Alaska. I ask that the letter and report be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter and report were ordered to be printed in the RECORD, as follows:

ANCHORAGE, ALASKA, *March 30, 1946.*

Hon. WALTER SHARPE,
Commissioner of Labor,
Juneau, Alaska.

DEAR SIR: Enclosed you will find a report on living conditions of War Department employees of this locality.

This survey was made to substantiate our efforts for a correction of the living conditions we have tolerated in order to do our share in winning the war.

A copy of this report has been forwarded to most of the Members of the United States Congress and officials of our Government.

Any assistance you can render our campaign for a decent American standard of living will be deeply appreciated by the 1,700 civilian employees of Fort Richardson, Alaska.

Sincerely,

ROYSE W. MCGEE,
WALTER J. HICKEL,
Chairmen.

REPORT ON SURVEY BY EMPLOYEES' COMMITTEE ON LIVING CONDITIONS, FORT RICHARDSON, ALASKA, MARCH 25, 1946

It has been the intent of this study to reveal the conditions, both geographic and economic, under which War Department employees of Fort Richardson are living. The facts definitely establish that the factors of isolation, low housing standards, high living costs, lack of normal employee-employer relationships in application of personnel policies and the emergencies of the past war, are all contributing causes to the precarious living security of the Fort Richardson employee.

The Ramspeck Act of 1923 provides that application of a wage differential shall not exceed by more than 25 percent those shown in the regular classification schedule as fixed by the act. Based on findings as to the increased costs, or costs applied to residence in Alaska, for the average employee, differentials should be applied to installations in the following towns within the Territory of Alaska as follows:

	Percent
Ketchikan	35.52
Petersburg	38.84
Juneau	49.40
Sitka	59.82
Seward	60.73
Cordova	75.59
Anchorage	88.85
Nome	109.45
Fairbanks	116.16

Source: Federal Salary Classification, National Federation of Federal Employees, Exhibit No. 12, Washington, D. C.

This committee's investigation of employee living costs in Anchorage, Alaska, results in the following two examples:

Example No. 1: Family, man and wife, two-room (12' x 16') insulated house, modern conveniences, without electric range, hot water heater, refrigerator:

	Month
Groceries, meats	$120.00
Rent	50.00
Fuel oil (12-month average)	12.00
Electricity	5.25
Water and garbage collection	3.50
Insurance	4.75
Medical care	12.00
Transportation	11.15
Clothing (minimum requirements)	30.00
Dry cleaning	20.00
House furnishings, linens, blankets, etc	15.00
Amusement	15.00
Cigarettes, cosmetics, newspapers, magazines, etc	10.00
Total	308.65

Example No. 2: Family of two children, 5-room house, modern conveniences, with electric range, hot-water heater, refrigerator, etc.:

	Month
Groceries, meats (does not include a sufficiency of fresh vegetables and meats—due to high cost)	$138.00
Rent	82.50
Electricity	26.50
Fuel oil (12-month average)	22.50
Water and garbage collection	3.50
Total	273.00

(NOTE.—The above total does not include essentials, such as clothing, medical care, transportation, etc.)

Clothing costs in Anchorage are taken from statistics by the United States Department of Labor, Bureau of Labor Statistics:

Men's clothing shows an increase of 86.9 percent over costs in Seattle.

Women's clothing shows an increase of 91.3 percent over costs in Seattle.

Children's clothing shows an increase of 95.3 percent over costs in Seattle.

Services: These costs are compared with Philadelphia:

	Philadelphia	Anchorage
Shirts, men's	$0.11	$0.35
Suits, men's (dry cleaning)	.65	2.50-3.50
Haircut	.65	1.25

In accordance with War Department Circular No. 27, January 26, 1946, and Army Regulations 30-2290, part 2 (J), August 10, 1938, commissary privileges can be granted to civilians employed by the War Department in Alaska. It is convenient to purchase food supplies from civilian agencies in Anchorage, geographically, but impracticable economically, due to exorbitant prices, lack of normal business competition, and ineffective Office of Price Administration price controls. The OPA price ceilings were based on a date when inflationary prices were already in effect. Comparable Anchorage and Seattle food prices are quoted below as of February 8, 1946:

	Seattle	Anchorage
Apples, pound	$0.14	$0.25
Bananas, do	.09	.35
Oranges, dozen	.18	1.20
Grapefruit, 10 pounds	.44	
Grapefruit, each		.30
Lemons, dozen	.19	.75
Fresh eggs, do	.43	1.35
Fresh milk, quart	.14	.35
Carrots, bunch	.04½	
Carrots, carrot		.06½
Lettuce, head	.07½	
Lettuce, pound		.50
Onions, do	.09½	.20
Celery, bunch	.10	.89
Cucumbers, each		.80-1.10
Green peppers, each		$0.35
Flour, 10 pounds	$0.50	.93
Clorox, ½ gallon	.24	.44
Chickens (fry), pound	.54	1.00
Roast (pork loin), do	.29	.65
Tomato juice, 46 ounce	.23	.43
Beets, No. 2 can	.11	.25
Sauerkraut, do	.14	.35
Spinach, do	.11	.25
Bread, loaf	.12	.25

Other Government agencies in this locality have found it necessary to establish commissaries for their employees.

The average wage of Fort Richardson hourly employees is $1.43 per hour, or $324.48 per month, working a 6-day week. Most of the men supporting families find it necessary to augment the family income with spare-time employment.

There are approximately 1,700 employees and a majority of them live in Anchorage or the immediate vicinity in any kind of housing available. The employee's housing needs have not been included in completed Federal housing projects; consequently most of the employees residing in Anchorage live in one-, two-, or three-room uninsulated shacks without benefit of modern conveniences. The average rent for such places is about $40 a month.

Unless remedial changes are effected, there is no incentive for family men to remain in the employ of the War Department in Alaska.

The foregoing conditions have been mainly responsible for the great turn-over in civilian personnel at Fort Richardson, Alaska.

ROYSE W. MCGEE,
Inspector, Weights-Balance,
Alaska Air Depot.
WALTER J. HICKEL,
Senior Aircraft Inspector,
Alaska Air Depot.

GOOD FRIDAY

Mr. LANGER. Mr. President, every Senator on this floor will remember that yesterday I objected to the Senate holding a session today because of today being Good Friday. Services are being held today in nearly all the Catholic and Protestant churches of Washington. Every major baseball park belonging to the major leagues of America, except one in New York City, is closed. When the Protestant and Catholic churches asked Larry McPhail, president of the New York Yankees, not to play baseball on Sundays, according to the newspaper accounts, he very curtly refused.

I may say, Mr. President, that perhaps if we had more religion in this country, the report on the subject of delinquency which was given out a few days ago by Mr. J. Edgar Hoover would not show that delinquency on the part of American girls under 17 years had increased to such an alarming extent as it has.

When the subject of the United Nations Charter was being debated at San Francisco I felt then, and I feel now, that one of the greatest mistakes that was being made was in not having even a single meeting of the United Nations Conference opened with prayer. At no time while the United Nations Charter was under consideration in San Francisco was divine help ever implored. In North Dakota, where I come from, Mr. President, we are a religious people. I believe that the people of North Dakota

would have had more confidence in the United Nations Charter if the help of divine providence had been implored when the Charter was being debated and formed.

So, Mr. President, because of the fact that the distinguished majority leader yesterday announced that never in the history of the United States had the Senate adjourned on Good Friday, I wish to read from a magnificent book. I may say, however, that the Senate did not hesitate to adjourn over Tuesday so that many of the Senators and others could accompany President Truman to the opening of the baseball season. We were not so rushed as not to be able to waste all day Tuesday, but the United States Senate has been unable to take time to recess over Good Friday.

Mr. President, I have in my hand what I believe to be the most magnificent description of the Crucifixion ever written in the English language. I propose to read it now, although some Senators may possibly object. However, the fact remains that I, representing the great State of North Dakota, know that my constituents, at least, will be glad to have such a remarkably fine treatise as the one which I now hold in my hand, and which was written by Frederic William Farrar, read in the Senate on Good Friday. I read as follows:

THE CRUCIFIXION—A. D. 30[1]

(By Frederic William Farrar)

(The Crucifixion of Jesus Christ took place on Friday of the Passover week of the Jews in the year A. D. 30. This day is known and now generally observed by Christians as Good Friday. Crucifixion, as a means of inflicting death in the most cruel, lingering, and shameful way, was used by many nations of antiquity. The Jews never executed their criminals in this way, but the Greeks and Romans made the cross the instrument of death to malefactors. The cross was in the shape either of the letter "T" or the letter "X," or was in the form familiar in such paintings of the Crucifixion as the well-known representation of Rubens. It was the usual custom to compel the criminal to carry his own cross to the place of execution. The cross was then set up and the criminal was usually tied to it by the hands and feet and left to perish of hunger and thirst. Sometimes he was given a narcotic drink to stupefy him. In the case of the Crucifixion of Jesus Christ the victim was fastened to the cross by nails driven through His hands and feet.

As Dr. Judson Titsworth has plainly pointed out, the men who were crucified with Jesus Christ were not thieves but robbers (this is the term also used below by Farrar), or perhaps Jewish patriots, to the Romans political rebels and outlaws. They would then be classed with Jesus under the accusation that they were not loyal to the sovereignty of the Roman Emperor. During the procuratorship of Pontius Pilate there was a widely prevailing spirit of sedition and revolt among the Jews, and many rebels were sentenced to crucifixion. Such a rebel was the robber Barabbas, whom Pilate wished to substitute for Jesus as the victim of popular fury. The "robber" episode of the Crucifixion is treated by Farrar with a picturesque effect which heightens the vivid coloring in his account of the supreme event that marks "the central point of the world's history.")

[1] The disputed date of the Crucifixion of Jesus—long variously placed between A. D. 29 and 33—is definitely fixed by many later authorities at the year 30.

Mr. President, I may say that there is a dispute as to the day on which Jesus was crucified. It has long been variously placed as between A. D. 29 and A. D. 33. It has, however, long been definitely fixed by reliable authorities as the year A. D. 30. I now proceed to read what was written by Mr. Farrar:

Utterly brutal and revolting as was the punishment of crucifixion, which has now for 1,500 years been abolished by the common pity and abhorrence of mankind, there was one custom in Judea and one occasionally practiced by the Romans which reveal some touch of passing humanity. The latter consisted in giving to the sufferer a blow under the armpit, which, without causing death, yet hastened its approach. Of this I need not speak, because, for whatever reason, it was not practiced on this occasion. The former, which seems to have been due to milder nature of Judaism, and which was derived from a happy piece of rabbinic exegesis on Proverbs xxxi: 6, consisted in giving to the condemned, immediately before his execution, a draught of wine medicated with some powerful opiate. It had been the custom of wealthy ladies in Jerusalem to provide this stupefying potion at their own expense, and they did so quite irrespectively of their sympathy for any individual criminal.

It was probably taken freely by the two malefactors, but when they offered it to Jesus He would not take it. The refusal was an act of sublimest heroism. The effect of the draught was to dull the nerves, to cloud the intellect, to provide an anaesthetic against some part at least of the lingering agonies of that dreadful death. But He whom some modern skeptics have been base enough to accuse of feminine feebleness and cowardly despair preferred rather to look death in the face, to meet the king of terrors, without striving to deaden the force of one agonizing anticipation, or to still the throbbing of one lacerated nerve.

The three crosses were laid on the ground—that of Jesus, which was doubtless taller than the other two, being placed in bitter scorn in the midst. Perhaps the cross-beam was now nailed to the upright, and certainly the title, which had either been borne by Jesus fastened around His neck or carried by one of the soldiers in front of Him, was now nailed to the summit of His cross. Then He was stripped naked of all His clothes, and then followed the most awful moment of all. He was laid down upon the implement of torture. His arms were stretched along the crossbeams, and at the center of the open palms the point of a huge iron nail was placed, which, by the blow of a mallet, was driven home into the wood. Then through either foot separately, or possibly through both together as they were placed one over the other, another huge nail tore its way through the quivering flesh. Whether the sufferer was also bound to the cross, we do not know; but, to prevent the hands and feet being torn away by the weight of the body, which could "rest upon nothing but four great wounds," there was, about the center of the cross, a wooden projection strong enough to support, at least in part, a human body which soon became a weight of agony.

It was probably at this moment of inconceivable horror that the voice of the Son of Man was heard uplifted, not in a scream of natural agony at that fearful torture, but calmly praying in divine compassion for His brutal and pitiless murderers—aye, and for all who in their sinful ignorance crucify Him afresh forever: "Father, forgive them, for they know not what they do."

And then the accursed tree—with its living human burden hanging upon it in helpless agony, and suffering fresh tortures as every movement irritated the fresh rents in hands and feet—was slowly heaved up by strong arms, and the end of it fixed firmly in a hole dug deep in the ground for that purpose. The feet were but a little raised above the earth. The victim was in full reach of every hand that might choose to strike, in close proximity to every gesture of insult and hatred. He might hang for hours to be abused, outraged, even tortured by the ever-moving multitude who, with that desire to see what is horrible which always characterizes the coarsest hearts, had thronged to gaze upon a sight which should rather have made them weep tears of blood.

And there, in tortures which grew ever more insupportable, ever more maddening as time flowed on, the unhappy victims might linger in a living death so cruelly intolerable that often they were driven to entreat and implore the spectators or the executioners, for dear pity's sake, to put an end to anguish too awful for man to bear—conscious to the last, and often, with tears of abject misery, beseeching from their enemies the priceless boon of death.

For indeed a death by cruxifixion seems to include all that pain and death can have of horrible and ghastly—dizziness, cramp, thirst, starvation, sleeplessness, traumatic fever, tetanus, publicity of shame, long continuance of torment, horror of anticipation, mortification of untended wounds—all intensified just up to the point at which they can be endured at all, but all stopping just short of the point which would give to the sufferer the relief of unconsciousness. The unnatural position made every movement painful; the lacerated veins and crushed tendons throbbed with incessant anguish; the wounds, inflamed by exposure, gradually gangrened; the arteries—especially of the head and stomach—became swollen and oppressed with surcharged blood; and while each variety of misery went on gradually increasing, there was added to them the intolerable pang of a burning and raging thirst; and all these physical complications caused an internal excitement and anxiety which made the prospect of death itself—of death, the awful unknown enemy, at whose approach man usually shudders most—bear the aspect of a delicious and exquisite release.

Such was the death to which Christ was doomed; and though for Him it was happily shortened by all that he had previously endured, yet He hung from soon after noon until nearly sunset before "He gave up His soul to death."

When the cross was uplifted the leading Jews, for the first time, prominently noticed the deadly insult in which Pilate had vented his indignation. Before, in their blind rage, they had imagined that the manner of His Crucifixion was an insult aimed at Jesus; but now that they saw Him hanging between the two robbers, on a cross yet loftier, it suddenly flashed upon them that it was a public scorn inflicted upon them. For on the white wooden tablet smeared with gypsum, which was to be seen so conspicuously over the head of Jesus on the cross, ran, in black letters, an inscription in the three civilized languages of the ancient world—the three languages of which one at least was certain to be known by every single man in that assembled multitude—in the official Latin, in the current Greek, in the vernacular Aramaic—informing all that this man who was thus enduring a shameful, servile death—this man thus crucified between two Sicarii in the sight of the world, was the "King of the Jews."

To Him who was crucified the poor malice seemed to have in it nothing of derision. Even on His cross He reigned; even there He seemed divinely elevated above the priests who had brought about His death, and the coarse, idle, vulgar multitude who had flocked to feed their greedy eyes upon His suffering. The malice was quite impotent against one whose spiritual and moral nobleness struck

awe into dying malefactors and heathen executioners, even in the lowest abyss of His physical degradation. With the passionate ill humor of the Roman governor there probably blended a vein of seriousness. While he was delighted to revenge himself on his detested subjects by an act of public insolence, he probably meant, or half meant, to imply that this was, in one sense, the King of the Jews—the greatest, the noblest, the truest of his race, whom therefore his race had crucified. The King was not unworthy of his Kingdom, but the kingdom of the King. There was something loftier even than royalty in the glazing eyes which never ceased to look with sorrow on the City of Righteousness, which had now become a city of murderers. The Jews felt the intensity of the scorn with which Pilate had treated them. It so completely poisoned their hour of triumph that they sent their chief priests in deputation, begging the governor to alter the obnoxious title. "Write not," they said, "'the King of the Jews,' but that 'He said, I am the King of the Jews.'" But Pilate's courage, which had oozed away so rapidly at the name of Caesar, had now revived. He was glad in any and every way to browbeat and thwart the men whose seditious clamor had forced him in the morning to act against his will. Few men had the power of giving expression to a sovereign contempt more effectually than the Romans. Without deigning any justification of what he had done, Pilate summarily dismissed these solemn hierarchs with the curt and contemptuous reply, "What I have written I have written."

In order to prevent the possibility of any rescue, even at the last moment—since instances had been known of men taken from the cross and restored to life—a quaternion of soldiers with their centurion were left on the ground to guard the cross. The clothes of the victims always fell as perquisites to the men who had to perform so weary and disagreeable an office. Little dreaming how exactly they were fulfilling the mystic intimations of olden Jewish prophecy, they proceeded, therefore, to divide between them the garments of Jesus. The tallith they tore into four parts, probably ripping it down the seams; but the cetoneth, or undergarment, was formed of one continuous woven texture, and to tear would have been to spoil it; they therefore contented themselves with letting it become the property of any one of the four to whom it should fall by lot. When this had been decided, they sat down and watched Him till the end, beguiling the weary lingering hours by eating and drinking, and jibing, and playing dice.

It was a scene of tumult. The great body of the people seem to have stood silently at gaze; but some few of them as they passed by the cross—perhaps some of the many false witnesses and other conspirators of the previous night—mocked at Jesus with insulting noises and furious taunts, especially bidding Him come down from the cross and save Himself, since He could destroy the temple and build it in 3 days. And the chief priests, and scribes, and elders, less awe-struck, less compassionate than the mass of the people, were not ashamed to disgrace their gray-haired dignity and lofty reputation by adding their heartless reproaches to those of the evil few. Unrestrained by the noble patience of the sufferer, unsated by the accomplishment of their wicked vengeance, unmoved by the sight of helpless anguish and the look of eyes that began to glaze in death, they congratulated one another under His cross with scornful insolence: "He saved others, Himself He cannot save"; "Let this Christ, this King of Israel, descend now from the cross, that we may see and believe."

No wonder then that the ignorant soldiers took their share of mockery with these shameless and unvenerable hierarchs; no wonder that, at their midday meal, they pledged in mock hilarity the dying man, cruelly holding up toward His burning lips their cups of sour wine, and echoing the Jewish taunts against the weakness of the King whose throne was a cross, whose crown was thorns. Nay, even the poor wretches who were crucified with Him caught the hideous infection; comrades, perhaps, of the respited Barabbas, heirs of the rebellious fury of a Judas the Gaulonite, trained to recognize no messiah but a messiah of the sword, they reproachfully bade Him, if His claims were true, to save Himself and them. So all the voices about Him rang with blasphemy and spite, and in that long slow agony His dying ear caught no accent of gratitude, of pity, or of love. Baseness, falsehood, savagery, stupidity—such were the characteristics of the world which thrust itself into hideous prominence before the Saviour's last conscicusness, such the muddy and miserable stream that rolled under the cross before His dying eyes.

But amid this chorus of infamy, Jesus spoke not. He could have spoken. The pains of crucifixion did not confuse the intellect or paralyze the powers of speech. We read of crucified men who, for hours together upon the cross, vented their sorrow, their rage, or their despair in the manner that best accorded with their character; of some who raved and cursed, and spat at their enemies; of others who protested to the last against the iniquity of their sentence; of others who implored compassion with abject entreaties; of one even who, from the cross, as from a tribunal, harangued the multitude of his countrymen, and upbraided them with their wickedness and vice. But, except to bless and to encourage, and to add to the happiness and hope of others, Jesus spoke not. So far as the malice of the passers-by, and of priests and Sanhedrists and soldiers, and of these poor robbers who suffered with Him, was concerned—as before during the trial so now upon the cross—He maintained unbroken His kingly silence.

But that silence, joined to His patient majesty and the divine holiness and innocence which radiated from Him like a halo, was more eloquent than any words. It told earliest on one of the crucified robbers. At first this bonus latro of the Apocryphal Gospels seems to have faintly joined in the reproaches uttered by his fellow sinner; but when those reproaches merged into deeper blasphemy, he spoke out his inmost thought. It is probable that he had met Jesus before, and heard Him, and perhaps been one of those thousands who had seen His miracles. There is, indeed, no authority for the legend which assigns to him the name of Dysmas, or for the beautiful story of his having saved the life of the Virgin and her Child during their flight into Egypt. But on the plains of Gennesareth, perhaps from some robber's cave in the wild ravines of the Valley of the Doves, he may well have approached His presence—he may well have been one of those publicans and sinners who drew near to Him for to hear Him. And the words of Jesus had found some room in the good ground of his heart; they had not all fallen upon stony places. Even at this hour of shame and death, when he was suffering the just consequence of his past evil deeds, faith triumphed. As a flame sometimes leaps up among dying embers, so amid the white ashes of a sinful life which lay so thick upon his heart, the flame of love toward his God and his Saviour was not quite quenched. Under the hellish outcries which had broken loose around the cross of Jesus there had lain a deep misgiving. Half of them seem to have been instigated by doubt and fear. Even in the self-congratulations of the priests we catch an undertone of dread.

Suppose that even now some imposing miracle should be wrought! Suppose that even now that martyr-form should burst indeed into messianic splendor, and the King, who seemed to be in the slow misery of death, should suddenly with a great voice summon His legions of angels, and, springing from His cross upon the rolling clouds of Heaven, come in flaming fire to take vengeance upon His enemies. And the air seemed to be full of signs. There was a gloom of gathering darkness in the sky, a thrill and tremor in the solid earth, a haunting presence as of ghostly visitants who chilled the heart and hovered in awful witness above that scene. The dying robber had joined at first in the half-taunting, half-despairing appeal to a defeat and weakness which contradicted all that he had hoped; but now this defeat seemed to be greater than victory, and this weakness more irresistible than strength. As he looked, the faith in his heart dawned more and more into the perfect day. He had long ceased to utter any reproachful words; he now rebuked his comrade's blasphemies. Ought not the suffering innocence of Him who hung between them to shame into silence their just punishment and flagrant guilt? And so, turning his head to Jesus, he uttered the intense appeal, "O Jesus, remember me when Thou comest in Thy kingdom." Then He, who had been mute amid invectives, spake at once in surpassing answer to that humble prayer, "Verily, I say to thee, today shalt thou be with Me in Paradise."

Though none spoke to comfort Jesus—though deep grief, and terror, and amazement kept them dumb—yet there were hearts amid the crowd that beat in sympathy with the awful sufferer. At a distance stood a number of women looking on, and perhaps, even at that dread hour, expecting His immediate deliverance. Many of these were women who had ministered to Him in Galilee, and had come from thence in the great band of Galilean pilgrims. Conspicuous among this heart-stricken group were His mother Mary, Mary of Magdala, Mary the wife of Clopas, mother of James and Joses, and Salome, the wife of Zebedee. Some of them, as the hours advanced, stole nearer and nearer to the cross, and at length the filming eye of the Saviour fell on His own mother Mary, as, with the sword piercing through and through her heart, she stood with the disciple whom He loved. His mother does not seem to have been much with Him during His ministry. It may be that the duties and cares of a humble home rendered it impossible. At any rate, the only occasions on which we hear of her are occasions when she is with His brethren, and is joined with them in endeavoring to influence, apart from His own purposes and authority, His messianic course.

But although at the very beginning of His ministry He had gently shown her that the earthly and filial relation was now to be transcended by one far more lofty and divine, and though this end of all her high hopes must have tried her faith with an overwhelming and unspeakable sorrow, yet she was true to Him in this supreme hour of His humiliation, and would have done for Him all that a mother's sympathy and love can do. Nor had He for a moment forgotten her who had bent over His infant slumbers, and with whom He had shared those 30 years in the cottage at Nazareth. Tenderly and sadly He thought of the future that awaited her during the remaining years of her life on earth, troubled as they must be by the tumults and persecutions of a struggling and nascent faith. After His resurrection her lot was wholly cast among His apostles, and the apostle whom He loved the most, the apostle who was nearest to Him in heart and life, seemed the fittest to take care of her. To him, therefore—to John whom He had loved more than His brethren—to John whose head had leaned upon His breast at the Last Supper, he consigned her as a sacred charge. "Woman," He said to her, in fewest words, but in words which breathed

the uttermost spirit of tenderness, "behold thy son"; and then to St. John, "Behold thy mother." He could make no gesture with those pierced hands, but He could bend His head. They listened in speechless emotion, but from that hour—perhaps from that very moment—leading her away from a spectacle which did but torture her soul with unavailing agony, that disciple took her to his own home.

It was now noon, and at the Holy City the sunshine should have been burning over that scene of horror with a power such as it has in the full depth of an English summertime. But instead of this, the face of the heavens was black and the noonday sun was "turned into darkness," on "this great and terrible day of the Lord." It could have been no darkness of any natural eclipse, for the Paschal moon was at the full; but it was one of those signs from heaven for which, during the ministry of Jesus, the Pharisees had so often clamored in vain. The early fathers appealed to pagan authorities—the historian Phallus, the chronicler Phlegon—for such a darkness; but we have no means of testing the accuracy of these references, and it is quite possible that the darkness was a local gloom which hung densely over the guilty city and its immediate neighborhood. But whatever it was, it clearly filled the minds of all who beheld it with yet deeper misgiving.

The taunts and jeers of the Jewish priests and the heathen soldiers were evidently confined to the earlier hours of the crucifixion. Its later stages seem to have thrilled alike the guilty and the innocent with emotions of dread and horror. Of the incidents of those last 3 hours we are told nothing, and that awful obscuration of the noonday sun may well have overawed every heart into an inaction respecting which there was nothing to relate. What Jesus suffered then for us men and our salvation we cannot know, for during those 3 hours he hung upon his cross in silence and darkness; or, if he spoke, there was none there to record his words. But toward the close of that time his anguish culminated, and, emptied to the very uttermost of that glory which he had since the world began, drinking to the very deepest dregs the cup of humiliation and bitterness, enduring not only to have taken upon him the form of a servant, but also to suffer the last infamy which human hatred could impose on servile helplessness, he uttered that mysterious cry, of which the full significance will never be fathomed by man: Eli, Eli, lama Sabachthani? ("My God, my God, why hast Thou forsaken me?")

In those words, quoting the psalm in which the early fathers rightly saw a far-off prophecy of the whole passion of Christ, he borrowed from David's utter agony the expression of his own. In that hour he was alone. Sinking from depth to depth of unfathomable suffering, until, at the close approach of a death which—because he was God, and yet had been made man—was more awful to him than it could ever be to any of the sons of men, it seemed as if even his divine humanity could endure no more.

Doubtless the voice of the sufferer—though uttered loudly in that paroxysm of an emotion which, in another, would almost have touched the verge of despair—was yet rendered more uncertain and indistinct from the condition of exhaustion in which He hung; and so, amid the darkness, and confused noise, and dull footsteps of the moving multitude, there were some who did not hear what He had said. They had caught only the first syllable, and said to one another than He had called on the name of Elijah. The readiness with which they seized this false impression is another proof of the wild state of excitement and terror—the involuntary dread of something great and unforeseen and terrible—to which they had been reduced from their former savage insolence. For Elijah, the great prophet of the Old Covenant, was inextricably mingled with all the Jewish expectations of a Messiah, and these expectations were full of wrath. The coming of Elijah would be the coming of a day of fire, in which the sun should be turned into blackness and the moon into blood, and the powers of heaven should be shaken. Already the noonday sun was shrouded in unnatural eclipse; might not some awful form at any moment rend the heavens and come down, touch the mountains and they should smoke?

The vague anticipation of conscious guilt was unfulfilled. Not such as yet was to be the method of God's workings. His messages to man for many ages more were not to be in the thunder and earthquake, not in rushing wind or roaring flame, but in the "still small voice" speaking always amid the apparent silences of time in whispers intelligible to man's heart, but in which there is neither speech nor language, though the voice is heard.

But now the end was very rapidly approaching, and Jesus, who had been hanging for nearly 6 hours upon the cross, was suffering from that torment of thirst which is most difficult of all for the human frame to bear—perhaps the most unmitigated of the many separate sources of anguish which were combined in this worst form of death. No doubt this burning thirst was aggravated by seeing the Roman soldiers drinking so near the cross; and happily for mankind, Jesus had never sanctioned the unnatural affectation of stoic impassibility. And so He uttered the one sole word of physical suffering which had been wrung from Him by all the hours in which He had endured the extreme of all that man can inflict. He cried aloud, "I thirst."

Probably a few hours before, the cry would have only provoked a roar of frantic mockery; but now the lookers-on were reduced by awe to a readier humanity. Near the cross there lay on the ground the large earthen vessel containing the posca, which was the ordinary drink of the Roman soldiers. The mouth of it was filled with a piece of sponge, which served as a cork. Instantly someone—we know not whether he was friend or enemy, or merely one who was there out of idle curiosity—took out the sponge and dipped it in the posca to give it to Jesus. But low as was the elevation of the cross, the head of the sufferer, as it rested on the horizontal beam of the accursed tree, was just beyond the man's reach; and therefore he put the sponge at the end of a stalk of hyssop—about a foot long—and held it up to the parched and dying lips. Even this simple act of pity, which Jesus did not refuse, seemed to jar upon the condition of nervous excitement with which some of the multitude were looking on. "Let be," they said to the man, "let us see whether Elias is coming to save Him." The man did not desist from his act of mercy, but when it was done he, too, seems to have echoed those uneasy words. But Elias came not, nor human comforter, nor angel deliverer. It was the will of God, it was the will of the Son of God, that He should be "perfected through sufferings"; that—for the eternal example of all His children as long as the world should last—He should "endure unto the end."

And now the end was come. Once more, in the words of the sweet Psalmist of Israel, but adding to them that title of trustful love which, through Him, is permitted to the use of all mankind, "Father," He said, "into Thy hands I commend My spirit." Then with one more great effort He uttered the last cry—"It is finished." It may be that that great cry ruptured some of the vessels of His heart, for no sooner had it been uttered than He bowed His head upon His breast and yielded His life, "a ransom for many"—a willing sacrifice to His Heavenly Father. "Finished was His holy life; with His life His struggle, with His struggle His work, with His work the redemption, with the redemption the foundation of the new world."

At that moment the veil of the temple was rent in twain from the top to the bottom. An earthquake shook the earth and split the rocks, and as it rolled away from their places the great stones which closed and covered the cavern sepulchres of the Jews, so it seemed to the imaginations of many to have disimprisoned the spirits of the dead, and to have filled the air with ghostly visitants, who after Christ had risen appeared to linger in the Holy City. These circumstances of amazement, joined to all they had observed in the bearing of the Crucified, cowed even the cruel and gay indifference of the Roman soldiers. On the centurion who was in command of them the whole scene had exercised a yet deeper influence. As he stood opposite to the cross and saw the Saviour die, he glorified God and exclaimed, "This Man was in truth righteous"—nay, more, "This Man was a Son of God." Even the multitude, utterly sobered from their furious excitement and frantic rage, began to be weighed down with a guilty consciousness that the scene which they had witnessed had in it something more awful than they could have conceived, and as they returned to Jerusalem they wailed and beat upon their breasts. Well might they do so. This was the last drop in a full cup of wickedness; this was the beginning of the end of their city and name and race.

And in truth that scene was more awful than they, or even we, can know. The secular historian, be he ever so sceptical, cannot fail to see in it the central point of the world's history. Whether he be a believer in Christ or not, he cannot refuse to admit that this new religion grew from the smallest of all seeds to be a mighty tree, so that the birds of the air took refuge in its branches; that it was the little stone cut without hands which dashed into pieces the colossal image of heathen greatness, and grew till it became a great mountain and filled the earth. Alike to the infidel and to the believer the Crucifixion is the boundary instant between ancient and modern days. Morally and physically, no less than spiritually, the faith of Christ was the palingenesia of the world. It came like the dawn of a new spring to nations "effete with the drunkenness of crime." The struggle was long and hard, but from the hour when Christ died began the death-knell to every satanic tyranny and every tolerated abomination. From that hour holiness became the universal ideal of all who name the name of Christ as their Lord, and the attainment of that ideal the common heritage of souls in which His spirit dwells.

The effects, then, of the work of Christ are even to the unbeliever indisputable and historical. It expelled cruelty; it curbed passion; it branded suicide; it punished and repressed an execrable infanticide; it drove the shameless impurities of heathendom into a congenial darkness. There was hardly a class whose wrongs it did not remedy. It rescued the gladiator; it freed the slave; it protected the captive; it nursed the sick; it sheltered the orphan; it elevated the woman; it shrouded as with a halo of sacred innocence the tender years of the child. In every region of life its ameliorating influence was felt. It changed pity from a vice into a virtue. It elevated poverty from a curse into a beatitude. It ennobled labor from a vulgarity into a dignity and a duty. It sanctified marriage from little more than a burdensome convention into little less than a blessed sacrament. It revealed for the first time the angelic beauty of a purity of which men had despaired and of a meekness at which they had utterly scoffed. It created the very conception of charity, and broadened the limits of its obligation from the narrow circle of a neighborhood to the widest horizons of the race. And while it thus evolved the idea of humanity as a common

brotherhood, even where its tidings were not believed—all over the world, wherever its tidings were believed, it cleansed the life and elevated the soul of each individual man. And in all lands where it has molded the characters of its true believers it has created hearts so pure and lives so peaceful and homes so sweet that it might seem as though those angels who had heralded its advent had also whispered to every depressed and despairing sufferer among the sons of men: "Though ye have lien among the pots, yet shall ye be as the wings of a dove, that is covered with silver wings, and her feathers like gold."

Others, if they can and will, may see in such a work as this no divine Providence, they may think it philosophical enlightenment to hold that Christianity and Christendom are adequately accounted for by the idle dreams of a noble self-deceiver and the passionate hallucinations of a recovered demoniac. We persecute them not, we denounce them not, we judge them not; but we say that, unless all life be a hollow, there could have been no such miserable origin to the sole religion of the world which holds the perfect balance between philosophy and popularity, between religion and morals, between meek submissiveness and the pride of freedom, between the ideal and the real, between the inward and the outward, between modest stillness and heroic energy—nay, between the tenderest conservatism and the boldest plans of world-wide reformation. The witness of history to Christ is a witness which has been given with irresistible cogency; and it has been so given to none but Him.

But while even the unbeliever must see what the life and death of Jesus have effected in the world, to the believer that life and death are something deeper still; to him they are nothing less than a resurrection from the dead. He sees in the cross of Christ something which far transcends its historical significance. He sees in it the fulfillment of all prophecy, as well as the consummation of all history; he sees in it the explanation of the mystery of birth, and the conquest over the mystery of the grave. In that life he finds a perfect example; in that death an infinite redemption. As he contemplates the incarnation and the crucifixion, he no longer feels that God is far away, and that this earth is but a disregarded speck in the infinite azure, and he himself but an insignificant atom chance-thrown amid the thousand million living souls of an innumerable race, but he exclaims in faith and hope and love: "Behold, the tabernacle of God is with men; yea, He will be their God, and they shall be His people." "Ye are the temple of the living God; as God hath said, I will dwell in them, and walk in them."

The sun was westering as the darkness rolled away from the completed sacrifice. They who had not thought it a pollution to inaugurate their feast by the murder of their Messiah were seriously alarmed lest the sanctity of the following day—which began at sunset—should be compromised by the hanging of the corpses on the cross. And horrible to relate, the crucified often lived for many hours—nay, even for 2 days—in their torture. The Jews therefore begged Pilate that their legs might be broken, and their bodies taken down. This crurifragium, as it was called, consisted in striking the legs of the sufferers with a heavy mallet, a violence which seemed always to have hastened, if it did not instantly cause, their death. Nor would the Jews be the only persons who would be anxious to hasten the end by giving the deadly blow. Until life was extinct the soldiers, appointed to guard the execution, dared not leave the ground. The wish, therefore, was readily granted. The soldiers broke the legs of the two malefactors first, and then, coming to Jesus, found that the great cry had been indeed His last, and that He was dead already. They did not therefore break his legs, and thus unwittingly preserved the symbolism of that Paschal lamb, of which he was the antetype, and of which it had been commanded that "a bone of it shall not be broken." And yet, as He might be only in a syncope—as instances had been known in which men apparently dead had been taken down from the cross and resuscitated—and as the lives of the soldiers would have had to answer for any irregularity, one of them, in order to make death certain, drove the broad head of his hasta into His side. The wound, as it was meant to do, pierced the region of the heart, and "forthwith," says St. John, with an emphatic appeal to the truthfulness of his eyewitness—an appeal which would be singularly and impossibly blasphemous if the narrative were the forgery which so much elaborate modern criticism has wholly failed to prove that it is—"forthwith came there out blood and water." Whether the water was due to some abnormal pathological conditions caused by the dreadful complication of the Saviour's sufferings, or whether it rather means that the pericardium had been rent by the spear point, and that those who took down the body observed some drops of its serum mingled with the blood, in either case that lance thrust was sufficient to hush all the heretical assertions that Jesus had only seemed to die; and as it assured the soldiers, so should it assure all who have doubted, that He, who on the third day rose again, had in truth been crucified, dead, and buried, and that His soul had passed into the unseen world.

So, Mr. President, I say that upon this day we should again consider the starvation which is taking place in Germany, Austria, Poland, India, and in almost all corners of the earth. I assert that instead of giving $4,000,000,000 to any one country, we should see to it that any necessary portion of that amount of money should be used in providing assistance and help to those who may need it.

EXECUTIVE BUSINESS

Mr. BARKLEY. Mr. President, I am compelled to leave the Chamber because of an engagement and I ask unanimous consent, as in executive session, that the Senate consider the nominations on the Executive Calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports were submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Herschel V. Johnson, of North Carolina, to be the Deputy Representative of the United States of America, with the rank and status of Envoy Extraordinary and Minister Plenipotentiary, in the Security Council of the United Nations;

George V. Allen, of Maryland, now Deputy Director of the Office of Near Eastern and African Affairs, Department of State, to be Ambassador Extraordinary and Plenipotentiary to Iran; and

Executive C, Seventy-eighth Congress, second session. A convention on the regulation of inter-American automotive traffic which was opened for signature at the Pan American Union in Washington on December 15, 1943, signed on behalf of the United States on December 31, 1943 (Ex. Rept. No. 3, 79th Cong., 2d sess.).

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask unanimous consent that the nominations of postmasters be confirmed en bloc, and that the President be notified.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc, and, without objection, the President will be notified forthwith.

That concludes the calendar.

AUTHORIZATION TO SIGN BILLS AND RESOLUTIONS

Mr. BARKLEY. Mr. President, I ask unanimous consent that during the recess which the Senate is about to take, the Presiding Officer of the Senate be authorized to sign all bills and resolutions which may be ready for his signature.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS TO MONDAY

Mr. BARKLEY. I ask unanimous consent that when the Senate concludes its deliberations today, it take a recess until 12 o'clock noon Monday next.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

THE NEEDS OF UNRRA

Mr. MEAD. Mr. President, the history of UNRRA, which is familiar to us all, is, I believe, one of which we may be proud. It has completed its work of organizing and is efficiently carrying out the purposes for which it was created. It has come to us on two separate occasions and requested appropriations. The first time we were led to believe that the appropriation for UNRRA would probably be the last one required. One year of relief work in the countries which were to receive UNRRA benefits would, it was felt, be sufficient to enable those countries to carry on without our assistance. However, UNRRA came before the Congress for a second appropriation, and explained their necessities very well and very effectively. We were told on the floor of the Senate by Members of the Senate that the second appropriation would be the last appropriation which would be requested. It was thought that after 2 years of work the situation in Europe would be so improved that it would be unnecessary for us to appropriate a third time for UNRRA.

Mr. President, in the newspapers we read reports every day from reliable sources with reference to the growing famine and the spreading pestilence in some of the European countries. Only recently it was brought to my attention that former President Hoover had explained that today the situation in Greece is worse than it has been at any time since the termination of the war. We read in the newspapers that it is quite possible that a further reduction in food rationing in Italy will have to take place, although the people of Italy are now below the danger level, and disease and starvation may result unless some measure of relief is afforded.

The military authorities in occupied Germany, that is those who represent the United States, have protested against a proposed reduction in the food rationing for that zone in Germany which is occupied by American forces, because, it is stated, such a reduction would violate a pledge which had been made to the people of that zone some time ago.

Mr. President, the situation leads me to believe that the first and second appropriations which we made for UNRRA will not only not be sufficient, but that we will be required to make a third appropriation unless some progress is made in stemming the starvation, famine, and pestilence which are sweeping Europe. It is my belief that unless such progress is made, it will be necessary for us to make even a larger and more substantial appropriation than we have yet been called upon to make. Unless we do that we may find ourselves in a worse position, as a great relief agency, than was the case when we began our work several years ago.

Mr. President, I now wish to make a brief statement which will to a degree cover the general situation, and then I shall briefly and specifically cover the situation in Italy. I select Italy in this instance not because it is the only country where there is suffering, not because it is the only country where we have a responsibility, not because it is the only country which we wish to help, but because Italy has waited longer for a treaty which would in effect enable the Italians to help themselves to revive their own economy and restore their own economic health.

In this statement I am not taking a position for or against a hard or a soft peace. It is not to be construed as being anti-British, anti-Russian, anti-French, or anti any other nation. It is merely an appeal for such action as can be taken by our military and diplomatic leaders and by those of the big powers. It is made in the hope that it will buttress the appropriations we have set aside for UNRRA, aid in the relief which is being so well afforded by UNRRA, and help the smaller nations of the Old World win their way back to economic recovery.

Mr. President, at a later date I shall have some material, which I shall discuss, relating to the problem as it affects the smaller countries of the Old World.

Mr. President, I have been deeply concerned for some time over the situation developing in Europe. I desire to express my views so that they may be given consideration by other Senators, and a policy may be developed for the Senate to make its contribution to the solution of some of the difficult and tragic problems which are facing the world today in international affairs.

Mr. President, the Council of Foreign Ministers is shortly to meet in Paris for the purpose of considering—and, it is hoped, settling—international issues which now demand settlement if the reconstruction of devastated areas and the rehabilitation of impoverished peoples is to begin promptly, and if the structure of a stable, peaceful world is to be established.

Mr. President, it is the common people of the Old World in whom I am interested. It is the stopping of the spreading of the famine which grips the Old World that I am worried over.

In my view, there never has been in the past, and there never will be in the future, a more critical era in the world's history than that we face during the next few months. It is now within our power, if we have the foresight, the high-mindedness, and the statesmanship to do so, to mold, out of the chaos and confusion following in the wake of the most destructive war in history, the framework of a system by which the peoples of the earth can live and grow and express themselves without doing so by encroachment on their neighbors.

Mr. President, I believe that we can, as individual Senators and as a body, make our voices heard and make our policies known and indirectly employ the prestige and influence of the Senate as a great deliberative body of a great people in the cause of a just and sound solution to the problems facing us.

It is in this light that I wish to make certain observations as to the basic principles which should govern those who make the decisions in the forthcoming meetings of the Council of Foreign Ministers. Failure to agree in the past and disturbing reports of present disagreements and inconsistent demands by delegations of the respective powers give no cause for optimism as to the results of the forthcoming meetings.

Mr. President, as I read these reports, I cannot help but feel that the representatives of the great powers, even while the war is fresh in our minds, are not being guided by basic, sound principles as opposed to self-interest, capitalization on the spoils of victory. Having destroyed the Axis forces of greed, aggression, and bigotry, we must not now permit those same forces to sit at the peace table and govern the decisions which will affect the future course of the peoples of the world.

I do not discuss these problems from the point of view of power politics, nor do I propose to recommend specific solutions on the many detailed features of peace treaties which will have to be decided. I speak merely as a common man who is interested in the common people, who, after all, pay the price for whatever erroneous decisions are made. I urge that the representatives who will conduct the negotiations and make the detailed decisions lift their eyes from considerations of national self-interest, revenge, and aggression, and be guided by more lofty and sounder standards in arriving at the decisions which they will be required to make.

Mr. President, I propose briefly to state what I conceive these considerations to be, and then I propose to apply them to a specific situation—namely, the Italian situation, which has been agreed upon as deserving priority in order of solution. That was agreed upon by the big powers in one of their past conferences.

First of all, I believe that a speedy determination of these questions is essential. Failure to arrive at an early decision simply means the prolongation of suffering and starvation and the mounting difficulty of the problems faced through the generation of friction and the growth and solidification of erroneous policies and practices. Until the basic laws governing human conduct are formulated, until men can know where they stand, they are faced with such uncertainty that they cannot make long-range plans for their businesses and their lives. Thus, delay in settling these basic problems delays the achievement of self-sufficiency in those nations which will be most directly affected by the peace settlements. Second, it is perfectly obvious to everyone that the American people cannot stand by and see other peoples suffering and dying from starvation and disease attendant upon malnutrition. Through the United Nations Relief and Rehabilitation Administration, through private relief and social organizations, and otherwise, the American people are furnishing and are going to furnish assistance to those who need it.

But, Mr. President, no matter how much we tighten our belts, we cannot for long raise the standard of living of the undernourished peoples of the earth even to the point of bare existence. We will not have discharged our moral obligation if we merely furnish relief and stop there. I say that the circumstances require of us that we exercise our influence toward the accomplishment of a condition where these unfortunate people can support themselves through the establishment of a sound economy of their own. It is not only the United States which is bound by this moral obligation; these considerations are equally impelling on the other great powers of the earth—Great Britain, France, and Russia. If these powers abandon the principles of the welfare of all peoples in favor of the aggrandizement of strong powers at the expense of weaker neighbors, our Government should not hesitate to call this dereliction forcibly to the attention of such powers and, with all the sanctions we possess, require them to desist.

We have more than a high moral interest in achieving the speedy and just establishment of sound economic and political systems in the devastated areas. We have a pecuniary interest. Because we are the most notable source of the relief for these areas, it is obvious that the brunt of their support will fall upon us. Since these areas are unable to pay, it is equally obvious that the expense of that support in one way or another will fall upon the citizens and taxpayers of the United States. Delay in reestablishing political and economic systems in these areas will prolong the period during which we are required to furnish support, and will add to the financial burden already so heavy as to threaten the stability of our own economy, which has been imposed upon us to accomplish the defeat of the enemy.

But, beyond pecuniary considerations, the United States has an interest in the speedy and just reestablishment of sound political and economic systems in the liberated areas. This is based upon

our national interest in peace and permanent stability in world conditions. Twice within our lives and at great expense to our people in the form of the sacrifice of the flower of our manpower and in the depletion of our natural resources, we have gone to put out conflagrations which originated in Europe. We have not sought, and do not now seek, spoils as a reward for our contributions and our sacrifices, but we do have the right—indeed, we have the obligation—to insist, in the interest of not again being involved in such a conflict, that other nations likewise do not, out of motives of aggrandizement or revenge, create new sources of friction and new injustices which will be likely in the future to give rise to another and even more devastating world conflict.

Mr. President, as I have said, the basic principles I have stated I believe should guide the judgment of the representatives of all the powers which are about to consider the issues of the peace settlement. However, I think these basic considerations are more meaningful if they are applied to a specific situation. It is for this reason that on the 8th of this month I submitted in the Senate a resolution which urged that an interim agreement be entered into immediately with Italy.

Over 10 months ago, I called the attention of the Senate to the need for the speedy conclusion of a treaty with Italy. According to the reports of the activities or lack of activity of the deputies to the Council of Foreign Ministers, there is no better prospect of agreement between the great powers on the basic features of a final peace treaty with Italy now than there was at that time. It is for that reason that I submitted the resolution of April 8 urging the immediate adoption of on interim agreement with Italy. Issues which cannot be settled at this time could be omitted from such an interim agreement and withheld for decision at a later time, but these principles upon which we can now agree should immediately be embodied in a draft so that Italy may reestablish herself as one of the peace-loving democratic nations of the earth. It is gratifying to read in the newspapers concerning the activities of our State Department in this respect, as well as the utterances made on this subject by the President of the United States.

Mr. President, if it is going to take months and years to effect a peace treaty, then it occurs to me that an interim agreement which will not alter the peace treaty when it becomes effective will enable Italy to revive her economy, to inaugurate again her commerce with other nations of the world, and in that way help her to revive her own economic health, and also shorten the period of time during which it will be necessary for us to contribute to the relief of the people of Italy, as well as the people of other nations of the world. In other words, Mr. President, by diplomatic moves, by military decisions in occupied zones, we can enable the people to work their way out of the dilemma in which they find themselves, and bring themselves back all the more quickly to economic health.

Mr. President, the very nature of the resolution which I proposed requires immediate action by the Senate. Delay and procrastination in considering it would be as damaging as an outright rejection of it, since the very essence of that resolution is speed.

In urging the Senate to act promptly on this resolution, I wish to call to its attention the following considerations regarding Italy:

More than 2 years ago, on January 1, 1944, to be exact, Secretary of State Hull announced in detail the State Department's policy with respect to civilian supplies for liberated areas. The Allied forces had already liberated Sicily and General Clark's Fifth Army was working its way up the Italian Peninsula after the first successful invasion of the German-held Fortress Europe; so it is fair to assume that Mr. Hull had Italy in mind when he stated that the effective handling of civilian affairs in liberated areas was "a matter of deepest concern to the State Department."

The policy, as described by Mr. Hull, pointed out that food imports should be enough to assure a minimum nutritional diet. It urged assistance to agriculture and fishing, the importing of seeds, fertilizer, pesticides, and agricultural tools; assistance to local industries which could produce articles of raw materials desired by the military forces, or relief supplies, equipment or raw materials which otherwise would have to be imported. Moreover, the policy contemplated assistance to local industries consisting of such repairs or raw materials as were needed to permit an industry to resume operations or to increase production. It did not contemplate reconstruction or new construction except such new construction as might be incidental to some repair or undertaking. Finally, Mr. Hull stated that in the view of the Department it was of the utmost political and economic importance that both relief and economic assistance be undertaken promptly upon the commencement of liberation and that the estimating of requirements and shipment of supplies be planned accordingly.

Mr. President, if we quickly and effectively open up the means of communication and transportation and follow along with such directives as would enable local industry and agriculture to regain their foothold, we can bring about economic revival a great deal more expeditiously than has been possible under present conditions involving the postponement of treaties, the failure to effect agreements, and the failure also to integrate the management of several of the occupied zones.

On the 26th of September 1944, President Roosevelt and Prime Minister Churchill announced that $50,000,000 would be made available through UNRRA for 1 year to furnish medical supplies, assistance to war-displaced persons and for supplementary feeding for nursing mothers and for children. From this joint Roosevelt-Churchill statement I quote the following:

> At the same time, first steps should be taken toward the reconstruction of an Italian economy laid low under the years of misrule of Mussolini and ravaged by the German policy of vengeful destruction.
>
> These steps should be taken primarily as military aims to put the full resources of Italy and the Italian people into the struggle to defeat Germany and Japan. For military reasons we should assist the Italians in the restoration of such power systems, their railways, motor transports, roads and other communications, as enter into the war situation, and for a short time send engineers, technicians, and industrial experts into Italy to help them in their own rehabilitation.
>
> We all wish—

The statement concluded—

> to speed the day when the last vestiges of fascism in Italy will have been wiped out, and when the last German will have left Italian soil, and when there will be no need of Allied troops to remain, the day when free elections can be held throughout Italy, and when Italy can earn her proper place in the great family of free nations.

Such statements as these made fine listening. Unfortunately they were not followed by sufficient action. Mr. President, if they had been followed by sufficient action, the restoration of the economy of the smaller nations of Europe would have been far more advanced than it is today. Economic restoration could be under the watchful eye of the United Nations, so that the part of the economy of some nations which is not to be restored, would not be restored.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MEAD. I yield.

Mr. LANGER. I did not get the date of the agreement between Mr. Churchill and Mr. Roosevelt.

Mr. MEAD. I do not know whether I gave it or not. September 26, 1944, was the date when President Roosevelt and Prime Minister Churchill made that statement.

Mr. LANGER. As I understand, very little has been done since.

Mr. MEAD. Unfortunately the situation, in my estimation, is as bad today as it has been at any time since the termination of the war. That statement is general in its application. As I stated in the beginning, Mr. Hoover has said that the situation in Greece is worse than it ever was. So I am calling for such diplomatic and military moves as may be necessary to rehabilitate the smaller nations of the world.

The war had hardly ended in Europe when, on July 2 of last year, President Truman wrote members of his Cabinet that he was greatly concerned over the economic situation in Italy and stressed that it should not be permitted to deteriorate further. He stated that it was the policy of our Government to assist Italian recovery and that reconstruction in Italy would require substantial assistance from this country for many months to come.

That is the great difficulty. Deterioration has been settling in in some of those countries. It has not been checked; and unless it is checked we shall have to make our third, fourth, and perhaps fifth appropriation for relief. I shall be willing

to do it from the standpoint of the sacrifice and the suffering of the small people who are not responsible for this deterioration. But, Mr. President, I know that it would be beneficial to them, and I know that it would be beneficial to us if such moves as can be made were made expeditiously in order that those people might help in their own economic revival.

A month later, at Potsdam, President Truman championed the merits of Italy's case and brought the Big Three into agreement on a policy for Italy which was a notable successor to the Roosevelt-Churchill declaration 9 months earlier.

President Truman has repeatedly insisted upon the expeditious treatment for which I am pleading at this time.

At long last, so it seemed, the valiant but materially and morally exhausted Italian people were going to receive help they so desperately needed. The joint policy announced at Potsdam on Italy by Great Britain, Russia, and the United States—and I quote the main provisions regarding Italy—stated:

> For their part the three governments have included the preparation of a peace treaty for Italy as the first among the immediate important tasks to be undertaken by the new Council of Foreign Ministers. Italy was the first of the Axis Powers to break with Germany, to whose defeat she has made a material contribution, and has now joined with the Allies in the struggle with Japan.

This is Great Britain, Russia, and the United States speaking through their representatives.

> Italy has freed herself from the Fascist regime and is making good progress toward the reestablishment of a democratic government and institutions. The conclusion of such a peace treaty with recognized and democratic Italian Government will make it possible for the three governments to fulfill their desire to support an application from Italy for membership in the United Nations.

It seems to me that any nation that turned over its navy intact, its naval personnel, its military power and organization the minute it broke the chains of dictatorship which held it and came to the assistance of the United Nations and served with us for 2 years should be permitted entry into the United Nations; and that nation should have a treaty of peace so that it may know where it stands, and so that it may begin to plan on the tomorrows so necessary for its economic revival.

Eleven days later the Assistant Secretary of State, Mr. W. L. Clayton, at a meeting of the UNRRA Council in London, revealed that the Tripartite Conference at Berlin had resulted in complete agreement and that a formal peace treaty with Italy should be drawn up and made effective as quickly as possible.

Mr. LANGER. What was the date of that?

Mr. MEAD. That was 11 days after the Three Powers met at Potsdam. It was the first week in August.

Mr. LANGER. What year?

Mr. MEAD. 1945. This is a quotation from the statement by the Assistant Secretary.

"I believe that during these two intervening years Italy has earned the right to be treated as a member of the community of free nations," the Assistant Secretary said. He also called attention to the new Italian Government which, he said, "began its life under great handicaps in a tiny section of the country, has been progressively strengthened, is growing in a democratic mold, and is now headed by a prime minister—Ferruccio Parri—who formerly directed the resistance movement in northern Italy."

On the 15th of the following month, September, Assistant Secretary of State Dean Acheson seconded Secretary Clayton's remarks and added these interesting remarks:

> The Government of Italy is now composed of anti-Fascist leaders, leaders trained in the resistance movement, in the underground, and in exile. They have made a clean break with the Fascist period and are preparing to conclude an enduring peace with the United Nations. These anti-Fascist leaders are also preparing to establish a permanent democratic governmental system in accordance with the freely expressed wishes of the Italian people.
>
> It is the policy of the American Government to welcome the efforts of Italy to wipe out the Fascist past and to work for such conditions of peace as will enable Italy to reassume her rightful place in the community of nations. Along with our chief allies, we look forward to the time when Italy will be a member of the United Nations. It is the hope of the American Government that the negotiations now started in London will speedily prepare the way for Italy to regain her historic international ties and position.
>
> The policy of the American Government is also directed to aid the economic and political rehabilitation of Italy. It is in our own interest to grant such aid. This cannot, however, be economic aid on the simple order of charity. It must be such as at a critical time will enable the Italian people to get back on their own feet; it must be essentially granting the opportunity for them to rebuild their devastated agriculture, industry, and commerce.

The renewed promises of American statesmen, seconded by England and Russia, at Potsdam, caused Italian hopes to revive. However, the decision at the Moscow Conference, announced last December 30, poured cold water on President Truman's and Americans' hopes for Italian democracy.

The communiqué announced by Secretary Byrnes after Moscow made no special mention of Italy and lumped Italy with enemy Balkan States in a general statement concerning peace treaties. The Moscow declaration meant that the Italian peace treaty, upon which Italian recovery and reentry into the community of nations finally depends, is postponed into the summer and quite possibly into the fall. Thus, when the Italian people this spring hold their first free national election since 1921, casting their votes for the Constituent Assembly, they will still be in a state of suspended animation. They will not know what territory they possess, what disposition will be made of Italian colonies, or what the reparations decision will be. They will not yet have been given any full measure of responsibility over their own destiny.

Mr. President, we have a responsibility to save Italian democracy. My concern about it is not new. On June 5, 1945, on the first anniversary of Rome's liberation by Gen. Mark Clark's Fifth Army, I called attention to President Roosevelt's pledge, made with the full consent of the United Nations, that the Italian people have the right to a government of their own choosing.

On July 18, 1945, I quoted a statement by the then Assistant Secretary of War, Mr. McCloy, before the House Appropriations Committee:

> It is essential if Italy is to pick up her own economy and practice a maximum of self-help that some steps be taken to provide her with necessary raw materials and other basic supplies in this immediately critical period. Failure to make this provision may well make inevitable a successful resurgence in Italy of the forces against which we have fought.

At the same time I referred to reports made to me by responsible American officials who had served in Rome as vice presidents of the Allied Commission in charge of the Economic Section. Gen. William O'Dwyer, now mayor of New York City, stated that—

> It is in the interest of the United States and in the interest of European stability that we extend to Italy at this time such economic assistance as will assure at least the minimum of health, essential economic activity and the selection of a national government based on the clear-headed expression of an uneconomically oppressed Italian population.

It was the opinion of General O'Dwyer, when he was in charge of the Economic Section of the Allied Commission, that not only humanitarian considerations, but also our own self-interests dictate that we see to it that serious privation, unemployment, and economic dislocation do not occur in Italy. Mr. Antolini, who succeeded General O'Dwyer as head of the Economic Section of the Allied Commission emphasized the needs of Italy with respect to coal, raw materials, production equipment, and food, without which we might expect serious economic dislocation in that country.

Italy's needs can be summarized in three words: Peace, bread, credits. First, she needs peace. Her cobelligerant status should be removed. An orderly democratic government must be formed under terms of a treaty so that a stable political and economic situation can be established which will permit Italy once again to assume her place as a prosperous and trusted member of the family of nations.

Second, Italy needs bread. According to a report of the Emergency Economic Committee for Europe, made public by the President in his February 6 speech, 9 percent of the nonfarm population of Bulgaria now consumes less than a subnormal 1,500 calories a day; 16 percent of the German residents in Czechoslovakia fall into this category; in Rumania, the percentage is 30; in Spain, 40 percent; in Finland, 43 percent; and in Greece, 47 percent. In Italy, according to the Emergency Economic Committee all the nonfarm population—that is, 59 percent of the whole Italian population—are consuming less than 1,500 calories a day, a bare minimum for sustaining human life.

Actually, as a consequence of diminishing wheat stocks in Italy and a recent reduction in the bread and pasta ration which eliminated spaghetti and macaroni from the official ration, the diet of the normal urban consumer in Italy is

now about 1,200 calories a day. To understand the significance of such a diet allow me, Mr. President, to make reference to the official judgment of the National Research Council.

Nine months ago, last June to be exact, the Foreign Economic Administration wrote a letter to the National Research Council asking what effect a diet of less than 2,000 calories would have on the population of a nation over a period of time. The National Research Council replied that adult European males reduced to 1,400 calories for a period of 6 months will suffer: First, a depreciation of physical endurance to the point where they cannot perform heavy work or even moderately heavy work; Second, increased susceptibility to infections and contagious diseases; and Third, loss of power of mental concentration, accompanied by apathy and depression. The Council pointed out that such effects upon a national community would lessen the ability of the population to produce food and other goods to sustain itself, increase the possibility of epidemics which might spread to other nations and, as we have already observed in Europe, greatly lessen the hope of establishing an acceptable community and political organization. If the average food intake per adult male drops below 1,400 calories, the Council said, the effect described above would be exaggerated.

Today in Italy, therefore, the average urban consumer, who lives on 1,200 calories a day, is actually existing in a state of mental and physical health which the National Research Council declares is worse than poor.

Let me point out, Mr. President, that the current food crisis in Italy, which already has caused unrest and is jeopardizing the very existence of the present Government, is—insofar as the United States is concerned—the responsibility of the United States Department of Agriculture and its representatives on the Combined Food Board, and of the State Department and our representatives in UNRRA.

As one of UNRRA's supporters and as one who is impressed with the desire of its leaders to measure up to that organization's tremendous responsibility, it is my sincere hope that its operational policies will be constantly reexamined and kept consonant with its administration policy. In considering future appropriation legislation, I am sure Congress will want assurance that such a course is being followed.

Mr. President, I am sure that my colleagues have great confidence in the administration which UNRRA has enjoyed in the past under Governor Lehman and that likewise they have confidence in the administration which UNRRA is now enjoying under the present leadership of former Mayor LaGuardia.

In this connection, Mr. President, let me say that I believe that we should follow very closely the activities of the agencies charged with responsibility for foreign relief—the Department of Agriculture, and its representatives on the Combined Food Board—to see that they allocate to UNRRA the full amount of the supplies which represent the irreducible minimum needed for relief purposes abroad; and I believe we should also follow closely the activities of UNRRA to see that it discharges its job without partiality to all the countries involved.

Finally, Mr. President, Italy needs credits; credits for food, fuel, and raw materials which will enable her to repair the war damages, to rebuild stocks and industrial plants.

In this connection, Italy has presented an application for an Export-Import Bank loan, which is needed to finance the import of essential supplies during 1946. I believe that immediate attention should be given to this application.

In conclusion, Mr. President, let me remind the Senate that a people cannot live in hunger. Their governments cannot long be permitted to stumble and fall one upon the other. The price in this case is Italian lives and Italian hopes for democracy. That is a price which we, as one of the United Nations, cannot afford to pay.

Mr. President, I have in preparation a similar statement with respect to other, smaller countries of Europe.

I conclude my remarks today as I began, by asking for action by our diplomatic leaders, by our military leaders, and by the leadership of the United Nations along such lines as will not interfere with the ultimate peace objectives, but which will enable the smaller nations and the smaller peoples of the world to more readily readjust their internal economies and more quickly participate in the commerce and trade of the world, so that the present famine will not continue to become deeper and more intense, so that the suffering and the heartaches and the inevitable deaths which will result will be minimized, and so that man will be able to re-create within his own community a new democratic way of life, which was the intention behind the Atlantic Charter and the "four freedoms" declaration.

SERVICES TO VETERANS AND WAR WORKERS

Mr. BILBO. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 5719, Calendar No. 1230.

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5719) to amend the act entitled "An act to authorize black-outs in the District of Columbia, and for other purposes," approved December 26, 1941, as amended.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi?

Mr. WHITE. Mr. President, ordinarily I should think it totally inappropriate to request the Senate to consider and pass legislation at a time when only 4 or 5 Senators are on the floor. However, the Senator from Mississippi was kind enough to speak to me about this matter earlier in the day, when I was able to confer with the minority members of the committee from which the bill has been reported. I did so, and I learn from them that there is no objection to the bill. Therefore, I voice no objection to the request the Senator from Mississippi has made.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with an amendment.

Mr. BILBO. Mr. President, I should like to say in this connection that the purpose of the bill is to authorize the use of an appropriation of $100,000 chargeable to the District of Columbia to maintain and carry on the great work which the District of Columbia Commissioners have been doing through the veterans' services activity which they set up in the city of Washington. We all realize that Washington, being the capital of the United States and the headquarters for practically everything in these days, is more or less the dumping ground or the beginning point for every soldier who has been released from the services. Services for the veterans is needed in Washington perhaps more than any other city in the United States. Accordingly, I thank the Senator from Maine for his cooperation.

The PRESIDING OFFICER. The clerk will state the amendment reported by the committee.

The CHIEF CLERK. On page 1, in line 7, it is proposed to strike out "During the existence of a state of war between the United States and any foreign country or nation and for not exceeding 1 year thereafter", and insert "up to and including December 31, 1947."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

EFFECTUATION OF PURPOSES OF SERVICEMEN'S READJUSTMENT ACT OF 1944 IN THE DISTRICT OF COLUMBIA—CONFERENCE REPORT

Mr. BILBO submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1152) entitled "An Act to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 1, 2, and 3.

THEO. G. BILBO,
PAT MCCARRAN,
CLYDE R. HOEY,
LEVERETT SALTONSTALL,
ARTHUR CAPPER,
Managers on the Part of the Senate.

DAN R. MCGEHEE,
OREN HARRIS,
EVERETT M. DIRKSEN,
Managers on the Part of the House.

Mr. BILBO. I ask unanimous consent for the present consideration of the report.

Mr. WHITE. Mr. President, I did not voice any objection to consideration of the bill which was acted upon a minute ago, but I do not feel that the Senate should take u_ , at this time of day in view

of the present attendance of Senators, a conference report dealing with any other legislative matter.

Mr. BILBO. I would not request that the conference report be considered at this time if it were not for the fact that the bill has been pending since November 1945 and also in view of the following peculiar situation: The Senate passed the bill without any objection. It went to the House of Representatives, and the House added three amendments. In the conference, the conferees on the part of the House receded from all the amendments made by the House of Representatives, and consequently the conference report merely provides for the bill which the Senate passed. No objection could be made by any Senator, because the bill as passed by the Senate has not been changed.

Mr. WHITE. Accepting the Senator's assurance that the bill is now in the precise form in which it was when it was passed by the Senate, I shall voice no objection.

Mr. BILBO. It is.

The PRESIDING OFFICER. Is there objection to the present consideration of the report.

There being no objection, the report was considered and agreed to.

PROPOSED LOAN TO GREAT BRITAIN

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

Mr. LANGER. Mr. President, I ask unanimous consent that when the Senate adjourns or takes a recess today, it may be understood that I shall have the floor when the Senate reconvenes at 12 o'clock on Monday. I have not finished my speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS TO MONDAY

Mr. BILBO. Mr. President, under the previous order of the Senate, I now move that the Senate take a recess until 12 o'clock on Monday.

The motion was agreed to; and (at 5 o'clock and 42 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, to Monday, April 22, 1946, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 19 (legislative day of March 5), 1946:

POSTMASTERS

LOUISIANA

Geneva S. Hoffpauir, Estherwood.
Alice B. Meador, Greenwell Springs.
Anna M. Broussard, Jefferson Island.
Guy W. Harkness, Sibley.

MINNESOTA

Ethel H. Poynter, Erhard.
Clifford Hitterdal, Hitterdal.

NEBRASKA

Lois Hopkins, Venango.

WISCONSIN

Arthur H. Schrank, Dancy.

SENATE

MONDAY, APRIL 22, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God, our Father, in the valley of the shadow with death tracking us and ours, we come in the afterglow of Easter in the glorious certainty that life is ever lord of death: that we share the victory of that One who wrestled with death in a garden where tyranny had sealed a tomb, and who came forth from the struggle with the keys of hell and death swinging from His girdle. Thou hast placed us in a world whose face is as ugly as sin and as lovely as a sunset, as cruel as a stormy sea and as tender as a mother's love, a world of violets and vipers, of slime and stars, of laughter and tears, but a world where the horror of a malefactor's cross has been made to flame with the glory of an empty tomb. Sharing the risen life, may our words and deeds proclaim our creed: That life is stronger than death, that love is stronger than hate, that truth is stronger than error, and that always behind death's husks tremble the seeds of birth. In all the contradictions and confusions of these days, help us to hold that faith, and to hold it fast, in the sure confidence that the third day comes. In the name of the risen Redeemer. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, April 19, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the act (S. 1907) to increase the authorized enlisted strength of the active list of the Regular Navy and Marine Corps, to increase the authorized number of commissioned officers of the active list of the line of the Regular Navy, and to authorize permanent appointments in the Regular Navy and Marine Corps, and for other purposes.

REPORT ON OPERATIONS OF UNRRA—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and, with the accompanying report, referred to the Committee on Foreign Relations, as follows:

To the Congress of the United States of America:

I am transmitting herewith the sixth report to Congress on UNRRA operations for the quarter ending December 31, 1945.

During this quarter, while UNRRA's shipments reached unprecedented figures, recipient countries experienced unprecedented needs. Crop failures resulted in the continuance of near-famine conditions. The hardships of winter were imminent.

At year's end, moreover, critical shortages (notably of wheat, fats, meat for Europe, and of rice for China) threatened execution of even the limited relief program that had been planned. For millions survival was, and still is, the issue, and for UNRRA the challenge to be met. World recovery still remains a formidable task.

Only concerted action by the United Nations (and, primarily, of the producing countries) can, even at this date, avert the prolongation of emergency conditions throughout the world. Now, more than ever, intensified efforts to match need with supply, are required of us. We must not fail—for our continued participation in UNRRA marks the fulfillment of a pledge and the discharge of a debt to those who, beyond the common sacrifice of life and material resources, endured the devastation and brutalities that we were spared. Conscience alone demands that we meet the full measure of our obligation.

But prudence and self-interest no less dictate our policy. Neither peace nor prosperity can be assured to us while famine, disease, and destitution deprive others of the means to live, let alone to prosper. Relief and rehabilitation are paramount necessities for that world recovery which is a primary objective of our national policy. They provide the best insurance against social chaos and moral distintegration and the surest guaranty for the growth of democratic modes of thought and action. The emergency, which UNRRA was designed to meet, continues. The months immediately ahead are critical.

While ours is the largest contribution to UNRRA's funds, it is matched by like, proportionate contributions of 30 other nations. This gives significance to UNRRA altogether beyond the relief that it provides. In UNRRA the United Nations have created the first international operating agency through which to test and to perfect our powers of cooperation. Such powers are not inborn. They are cultivated, by constant exercise and the progressive enlargement of mutual experience. In UNRRA a precedent has been created that may prove a landmark in our progress toward solidarity and common action by the nations of the world.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 22, 1946.*

PETITIONS AND MEMORIAL

The PRESIDENT pro tempore laid before the Senate the following petitions and memorial, which were referred as indicated:

Petitions of several citizens of the United States praying for the continuation of the Office of Price Administration; to the Committee on Banking and Currency.

Memorials of several citizens of the State of California, remonstrating against the continuation of the Office of Price Administration; to the Committee on Banking and Currency.

A resolution adopted by the Board of Supervisors of the City and County of Honolulu, T. H., favoring the enactment of the bill (S. 2023) to provide emergency relief for victims of the seismic waves which struck the Territory of Hawaii; to the Committee on Territories and Insular Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ELLENDER, from the Committee on Claims:

S. 1314. A bill for the relief of Frederic P. L. Mills; with an amendment (Rept. No. 1230).

By Mr. HUFFMAN, from the Committee on Claims:

S. 1132. A bill for the relief of Aeronautical Training Center, Inc.; with an amendment (Rept. No. 1231);

S. 1444. A bill for the relief of Mrs. Reta H. Hardin and others; with amendments (Rept. No. 1232); and

H. R. 2091. A bill for the relief of Joseph E. Bennett; with amendments (Rept. No. 1233).

By Mr. O'DANIEL, from the Committee on Claims:

S. 933. A bill for the relief of the estate of Sybel Spence; with an amendment (Rept. No. 1234).

By Mr. KILGORE, from the Committee on Claims:

H. R. 3094. A bill conferring jurisdiction upon the Court of Claims of the United States to consider and render judgment on the claim of the Zephyr Aircraft Corp. against the United States; with an amendment (Rept. No. 1235).

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

H. R. 5059. A bill to provide additional compensation for postmasters and employees of the postal service; without amendment (Rept. No. 1229).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. VANDENBERG:

S. 2093. A bill for the relief of Claude J. Squires; to the Committee on Claims.

By Mr. WILSON:

S. 2094. A bill granting the consent of Congress to the Iowa State Highway Commission to construct, maintain, and operate a free highway bridge across the Des Moines River at or near Eddyville, Iowa; to the Committee on Commerce.

By Mr. WHEELER:

S. 2095. A bill authorizing issuance of a patent in fee to John E. Schroeder;

S. 2096. A bill authorizing the issuance of a patent in fee to Richard Little Light;

S. 2097. A bill authorizing the issuance of a patent in fee to Esther Peon Frost; and

S. 2098. A bill authorizing the issuance of a patent in fee to Gideon Peon; to the Committee on Indian Affairs.

By Mr. GOSSETT:

S. 2099. A bill to authorize the Administrator of Veterans' Affairs to accept gifts, devises, and bequests in behalf of the general post fund for the use of veterans and for the sale and conveyance of any such property under certain circumstances and the covering of the proceeds thereof into the post fund, and for other purposes; and

S. 2100. A bill to remove the limitations on the amount of death compensation or pension payable to widows and children of certain deceased veterans; to the Committee on Finance.

By Mr. BRIDGES:

S. 2101. A bill to amend the Trading With the Enemy Act, as amended, to permit the shipment of relief supplies; to the Committee on the Judiciary.

(Mr. BRIDGES introduced Senate bill 2102, to promote the common defense of the United States of America by coordinating the departments and agencies of the Government relating to the common defense, to establish a Department of Air, and for other purposes, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

PROPOSED LOAN TO GREAT BRITAIN—AMENDMENT

Mr. JOHNSON of Colorado (for himself and Mr. JOHNSTON of South Carolina) submitted an amendment intended to be proposed by them, jointly, to the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes, which was ordered to lie on the table and to be printed.

ATTACKS ON AMERICAN PLANES BY RUSSIAN PLANES

Mr. BRIDGES. Mr. President, on March 22, 1945, I addressed a communication to the Secretary of War making inquiry about American planes being forced to land by Russian planes. I told the Secretary of War of an instance that occurred on November 28, 1945, when a United States Army air transport, the C–47 was forced to land over Gottingen by a Russian fighting plane. The Secretary replied that he would investigate this and other similar incidents and report. That investigation is now in progress.

I was profoundly shocked to learn this morning that, as I understand, a C–47 American transport plane on a test flight flying to Vienna within a 10-mile radius around Vienna where it was understood it was permissible for Americans to fly was attacked by four Russian fighter planes. They not only attacked the American plane, but they fired 37 millimeter cannon at the American plane and forced the American plane to land at a place I understand to be called Tulln. I understand that the planes that attacked were probably P–39's which were American-built planes constructed under American Government contracts and sent to Russia under lend-lease. This is a fine return of reverse lend-lease. So it seems that our own planes sent to Russia under lend-lease attacked the American plane and forced it down at an airport near Vienna. The American plane was commanded by Capt. James C. Baxter. In general that is all the news that has come through up to this moment.

I desire to say, Mr. President, that these incidents occurring one after another have got to stop, and it is up to the heads of the American Government to take the necessary action that they be stopped. This irresponsible attacking by the Russians of American boys and American planes is absolutely unwarranted, and I want to know what is going to be done about it, and what action the United States Government is taking to prevent other occurrences of this kind. This thing simply cannot keep on.

I refer to this incident at this time because of my previous request for an investigation of these incidents. The investigation as I understand is now in progress, and I propose to call this one officially to the attention of the Secretary of War, the Secretary of State, and the President of the United States and demand positive, forceful action on their part.

CONGRESS AND PRICE CONTROL—EDITORIAL FROM THE NEW YORK TIMES

Mr. WHERRY. Mr. President, in the New York Times for Friday, April 19, there appeared an editorial entitled "Congress and Price Control." The editorial very forcibly and intelligently gives us the facts relative to the position the membership of the House of Representatives took in the votes upon the amendments which were made, and also the vote on the bill as it passed the House. The editorial is most timely, and I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONGRESS AND PRICE CONTROL

It would be naive to suppose that the amendments piled on so lavishly by the House of Representatives in extending price control were all well considered. But most of them, if not right in detail, were right in principle. Price control is at best a secondary and transitional weapon against inflation. It has in many cases already outlived its usefulness. It deals with the symptoms and consequences of inflation, not with its causes.

Those who have been in direct control of OPA have failed to recognize this fact. They have talked and acted as if price control were the central or sole method of combatting inflation. They have failed to recognize its obvious effects in intensifying or prolonging shortages. They have failed to see any danger to a free economy in placing the fate of every industry and firm at the mercy of administrative decision.

They failed utterly to acknowledge that the whole problem they had to solve changed completely last August, when Japan capitulated. It was then no longer necessary to restrict and discourage civilian production, but, on the contrary, to speed as rapidly as possible a reconversion to civilian output. But the official price controllers continued to put more emphasis on prices than on production. They failed to recognize that the time had come to taper off price control in an orderly manner. They professed, it is true, not to wish to continue price control "a day longer than was necessary." They promised to remove controls "as soon as supply comes into balance with demand." But they forgot that supply comes into balance with demand only at a price, and that it was within the power of OPA under this formula to perpetuate the supposed need for itself.

They failed, in short, to give Congress any clear standards for decontrol. On the contrary, the President and Mr. Bowles asked for the extension of OPA for another year without amendment. When it became clear that Congress could not in peacetime reasonably be expected to give the Executive the same blanket powers over prices and wages that were embodied in the wartime stabilization acts, this was changed to a request to extend price control without crippling amendments. But so far as OPA was

concerned this second phrase seemed to mean the same as the first; for that agency objected to every amendment proposed to limit or taper off its purely discretionary powers.

Congress was therefore compelled to draft tapering-off amendments without guidance from OPA. It could hardly be expected to do a perfect job. Indeed, in this particular task, it may be doubted whether any such thing as a perfect job is even theoretically conceivable. But if some of the House's main amendments are dubious in detail, they are nonetheless right in principle. There is a psychological advantage, for example, in extending OPA for only 9 months instead of for another full year. It puts OPA more clearly on notice that it cannot expect an indefinite series of annual renewals and that it had better prepare this time for its own liquidation.

The House was right again in seeking to taper off the subsidy program, beginning immediately. The method it proposes may not be the best one possible; but the House was right in sensing the dangerous and inflationary nature of subsidies, which OPA authorities have been expanding instead of contracting. The House may not have the perfect formula, once more, in requiring OPA to lift price ceilings from a commodity when its annual production rate equals that from July 1, 1940, to June 30, 1941. But some definite, reasonably attainable standard for releasing controls automatically from one commodity after another had to be found; experience showed that Congress could not rely on mere administrative discretion. It is not easy to see, finally, how the amendment that OPA must price goods to yield cost plus a reasonable profit will work out; but the OPA's own formula has been in many cases so inflexible and indifferent to producers' problems that some congressional compulsion on OPA to act more liberally was thought necessary.

The Senate, let us hope, will consider these problems more carefully, to see whether better criteria for liberalization and termination of price control can be evolved. But when Congress does this, it must remember that it is more necessary than ever to deal with the real causes of inflation. Its first task in that direction must be to curb expenditures, to bring deficit financing to an end, and to stop the further increase of money and bank credit.

TRIBUTE TO TEXAS SERVICEMEN BY SENATOR CONNALLY

[Mr. HILL asked and obtained leave to have printed in the RECORD an address delivered by Senator CONNALLY before the Texas A. and M. Club in Washington on San Jacinto Day, April 21, 1946, which appears in the Appendix.]

THE ZIONIST MOVEMENT—ADDRESS BY SENATOR LA FOLLETTE

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an address on the Zionist movement, delivered by him at the Collingwood Avenue Temple, Toledo, Ohio, April 14, 1946, before the Toledo (Ohio) Zionist district, which appears in the Appendix.]

PRESIDENTIAL SUCCESSION—ARTICLE BY ARTHUR KROCK

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article entitled "No Action Yet on Presidential Succession," written by Arthur Krock and published in the New York Times of April 18, 1946, which appears in the Appendix.]

PAUPERIZING THE DISABLED WAR VETERAN—EDITORIAL FROM HEARST NEWSPAPERS

[Mr. WILEY asked and obtained leave to have printed in the RECORD an editorial entitled "Pauperizing the Disabled War Veteran," from the Hearst newspapers of recent date, which appears in the Appendix.]

THE FOOD CRISIS—EDITORIAL FROM THE CHICAGO DAILY TRIBUNE

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "The Famine Truman Helped Make," from the Chicago Daily Tribune of April 20, 1946, which appears in the Appendix.]

ATTITUDE OF 31 GOVERNORS ON BALANCING THE BUDGET

Mr. BRIDGES. Mr. President, this morning the various newspapers of the country carried a news statement to the effect that 31 governors of States of the Union have urged that the 1947 Budget be balanced. They represent a combination of governors from various sections of the United States, both Democrats and Republicans. It is an excellent statement and shows a widespread interest in putting the financial affairs of the country in proper shape. The subject is approached in a very nonpartisan way, and the statement indicates that a great majority of the governors of the sovereign States of the Union favor balancing the Budget.

I ask that as a part of my remarks there be included an article from the New York Herald Tribune entitled "Thirty-one Governors Urge Balanced '46–'47 Budget—Republicans and Democrats Ask Change in Fiscal Policy Starting July 1."

There being no objection the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of April 22, 1946]

THIRTY-ONE GOVERNORS URGE BALANCED '46–'47 BUDGET—REPUBLICANS AND DEMOCRATS ASK CHANGE IN FISCAL POLICY STARTING JULY 1

Eighteen Republican and thirteen Democratic governors issued statements last night calling for a balanced Federal Budget, beginning July 1. The statements generally urged the people "to support their Congressmen in the achievement of this important result," and stressed the "major threats to the Nation's welfare" from "further deficit spending and continued borrowing."

Twenty governors, nine of them Democrats, released separate but identical statements at their capitals pointing out that "the alarming growth of inflationary trends is increasingly aggravated by unsound Federal fiscal practices," and that "the further use of such practices is a constant menace to the constitutional position of our State and local governments, and a threat to their fiscal solvency."

Eleven other governors, including four Democrats, issued individually phrased statements for the most part expanding upon the necessity of a balanced Federal Budget during the coming fiscal year.

Administration spokesmen declined to comment last night on the governors' action, but recalled that President Truman's latest report on the Nation's economic condition stated that it was the administration's aim to balance the 1947 Budget.

The coordinated gubernatorial statements followed requests from many of the Nation's State taxpayers' associations "urging the governors of their various States to endorse the principle of a balanced Federal Budget," it was explained last night in Springfield, Ill., by Thomas E. Fiske, executive secretary of the Taxpayers' Federation of Illinois.

Mr. Fiske spoke on behalf of many of the 36 State taxpayers' associations throughout the country. These are not organized nationally but have an informal national coordinating committee.

Among the governors not joining in last night's simultaneous release were Gov. Thomas E. Dewey, of New York, who was not available for comment at Pawling, N. Y., where he passed Easter Sunday, and Gov. Earl Warren, Republican, of California.

The country-wide gubernatorial action complements a bipartisan move of a similar nature made on March 3 by 16 leading Democratic and Republican Members of Congress. They issued through Senators HARRY F. BYRD, Democrat, of Virginia, and STYLES BRIDGES, Republican, of New Hampshire, a statement which called for immediate measures "to put the United States on a sound fiscal basis" and expressed the opinion that the Federal Budget for the coming fiscal year could and should be balanced.

TEXT OF STATEMENT

The text of the identical statement issued by the 20 governors follows:

"As Governor of the State of ------, I endorse the principle that a balanced Federal Budget is essential to national solvency. I am convinced:

"That further deficit spending and continued borrowing are major threats to the Nation's welfare;

"That the alarming growth of inflationary trends is increasingly aggravated by unsound Federal fiscal practices;

"That the further use of such practices is a constant menace to the constitutional position of our State and local governments, and a threat to their fiscal solvency; and

"That if these trends and practices continue, they will lead inevitably to increased costs, increased taxes; and thus affect adversely every individual in this country.

"I, therefore, sincerely hope that Congress will provide a balanced Federal budget beginning July 1, 1946, and I urge the people of this State to support their Congressmen in the achievement of this important result."

Signers of the foregoing statement were Govs. Chauncey Sparks, Alabama; Ben T. Laney, Arkansas; Herbert R. O'Conor, Maryland; Thomas L. Bailey, Mississippi; Frank J. Lausche, Ohio; Ransome J. Williams, South Carolina; Jim Nace McCord, Tennessee; Coke R. Stevenson, Texas; and William M. Tuck, Virginia, all Democrats.

Also Govs. John C. Vivian, Colorado; Dwight H. Green, Illinois; Ralph F. Gates, Indiana; Robert D. Blue, Iowa; Horace A. Hildreth, Maine; Sam C. Ford, Montana; Dwight Griswold, Nebraska; Charles M. Dale, New Hampshire; Fred G. Aandahl, North Dakota; M. Q. Sharpe, South Dakota; and Mortimer R. Proctor, Vermont, all Republicans.

HUNT ISSUES OWN STATEMENT

In one of the 11 individually phrased statements Gov. Lester C. Hunt, Democrat, of Wyoming, spoke in greater detail of the national-debt problem.

"During the depression and war years," he said, "there was no alternative—the national debt had to be increased. Now, with a complete change in the situation and peace and plenty reigning throughout the land, a determined, positive stand must be taken by the National Government and all political subdivisions, not only to balance the Budget but to reduce the indebtedness. This can be accomplished only while we are enjoying prosperity.

"I am convinced that since, during the time the national debt has increased, the State governments have practically liquidated all indebtedness and built up sizable balances, they should assume a greater portion of the Nation's financial responsibility and, in so doing, also retrieve some surrendered State rights."

Gov. Walter E. Edge, Republican, of New Jersey, said in an individual statement that, "any program in the Congress to reduce the present tremendous expenditures and de-

crease the amount of money borrowed by the Federal Government is certain to reflect in the general prosperity of the Nation. Now that the war is over, every effort should be made by responsible leaders in Congress to eliminate excessive expenditures and compel the Federal Government to live within its income as we do here in New Jersey."

SNELL WARNS OF SLASHING

Gov. Earl Snell, Republican, of Oregon, stated that in desiring a balanced Budget at the earliest possible date he did not have in mind "an ill-considered program of slashing, which would jeopardize essential services, needed projects, and legitimate obligations." He stressed rather the necessity for "the elimination of needless activities and a general program of economy."

"A material reduction in the number of Federal employees" was called for by Gov. Simeon S. Willis, Republican, of Kentucky, who said that a "policy of retrenchment in Federal expenditures should be relentlessly pursued."

Gov. Vail Pittman, Democrat, of Nevada, said that toward the goal of balancing the Federal Budget at the earliest possible time consistent with sound economic practice he favored "the elimination of unnecessary and duplicating Government bureaus and agencies and the paring of expenditures that are not essential to the safe and efficient conduct of Government."

Others issuing individual statements were Govs. Raymond E. Baldwin, Republican, Connecticut; Walter W. Bacon, Republican, Delaware; Edward J. Thye, Republican, Minnesota; R. Gregg Cherry, Democrat, North Carolina; Edward Martin, Republican, Pennsylvania; and Herbert B. Maw, Democrat, Utah.

PROPOSED LOAN TO GREAT BRITAIN

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

The PRESIDENT pro tempore. The Senator from North Dakota has the floor.

Mr. LANGER. Mr. President, I yield to the Senator from Michigan, and I yield the floor.

Mr. VANDENBERG. I thank the Senator.

Mr. HILL. Mr. President, will the Senator from Michigan yield to me to suggest the absence of a quorum?

Mr. VANDENBERG. I yield.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gerry	McMahon
Austin	Gossett	Maybank
Ball	Green	Millikin
Bankhead	Guffey	Mitchell
Barkley	Gurney	Morse
Bilbo	Hart	Murdock
Brewster	Hatch	Murray
Bridges	Hayden	Myers
Brooks	Hickenlooper	O'Daniel
Buck	Hill	Reed
Bushfield	Huffman	Revercomb
Butler	Johnson, Colo.	Robertson
Capehart	Johnston, S. C.	Russell
Carville	Kilgore	Saltonstall
Connally	Knowland	Shipstead
Cordon	La Follette	Smith
Donnell	Langer	Taft
Downey	Lucas	Taylor
Eastland	McCarran	Thomas, Okla.
Ellender	McClellan	Thomas, Utah
Ferguson	McFarland	Tydings
Fulbright	McKellar	Vandenberg
Wagner	White	Wilson
Wheeler	Wiley	
Wherry	Willis	

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Georgia [Mr. GEORGE] and the Senator from Louisiana [Mr. OVERTON] are absent by leave of the Senate.

The Senator from Missouri [Mr. BRIGGS], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from North Carolina [Mr. HOEY], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Florida [Mr. PEPPER], the Senator from Maryland [Mr. RADCLIFFE], the Senator from Tennessee [Mr. STEWART], the Senator from Delaware [Mr. TUNNELL], and the Senator from Massachusetts [Mr. WALSH] are detained on public business.

The Senator from New York [Mr. MEAD] is absent on official business in connection with his duties as chairman of the Special Committee for Investigation of the National Defense Program.

Mr. WHERRY. The Senator from Oklahoma [Mr. MOORE], the Senator from Kentucky [Mr. STANFILL], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from New Jersey [Mr. HAWKES] is absent on official business.

The PRESIDENT pro tempore. Seventy-three Senators having answered to their names, a quorum is present.

Mr. VANDENBERG. Mr. President, I am not a member of the Banking and Currency Committee which has had under consideration Senate Joint Resolution 138 involving the so-called British loan legislation. I had not wished to inject myself into the debate until members of the committee, particularly on my side of the aisle, had spoken. But unless I am to be silent on the subject I must speak today, because I am leaving for Paris tomorrow morning at the request of the Secretary of State in connection with the approaching critical meeting of the Council of Foreign Ministers, where a basis for treaties of peace with ex-enemy powers will be sought. I do not feel that I am entitled to be silent. Candor, therefore, compels this statement today. For the sake of continuity, Mr. President, I shall appreciate it if I may be permitted to make my preliminary statement without interruption.

Mr. President, this British loan has perplexed me more than any other problem in all my 18 Senate years. I have refrained from taking my position on it until I could exhaust every available source of information and advice. It is a subject which defies any certainty of conclusion. To pass the joint resolution is a gigantic speculation; not to pass the joint resolution may be an even greater speculation. The latter is no surer than the former in its promise of vindicated wisdom. It is probably less sure. It is a question which chance is the better one for the United States to take for the sake of American welfare in a peaceful, stabilized world.

I find no comfort, unfortunately, in the usual rule of prudence which says, "When in doubt don't." Don't what? Make the loan or deny the loan? The trouble is that the "doubts" and the "don'ts" are interchangeable. I can understand how men of conscience can, as they have, come to widely differing conclusions because there are so many imponderables involved. This is not a problem in exact mathematics where 2 and 2 make 4. There are no standard blueprints upon which we can pattern this postwar decision. This is not a transaction which can be rationalized, for example, upon some such simple question as "Will the debt be paid?" There is so much more involved. This is a problem involving all the economic forces in the complex economic and social relations of a world which by trial and error must struggle back to stability and forward to peace.

In my opinion, Mr. President, whether we like it or not, destiny is in these scales today. This is not a question whether we owe England the further cooperation of more aid on top of all the other vast contributions which we have poured into our common crucible of war. No one can deny that we have been utterly prodigal in men and money in the achievement of victory against aggression—just as no one can deny that we have been utterly luckly that not one single bomb fell on the continental United States, while 4,000,000 houses were damaged or destroyed in Britain. Any comparisons upon either score are odious. Furthermore, they are beside the point.

This is solely a question, Mr. President, so far as I am concerned, whether, all things considered, this postwar loan should be made by us as a matter of intelligent American self-interest. It is solely a question whether the passage of this joint resolution is reasonably calculated to be of adequately compensatory advantage to the people of the United States. It is solely a question of whether the defeat of the joint resolution will be calculated to precipitate conditions which could harm the welfare of our own country and our own citizens. The test is right here at home.

It is on this basis, Mr. President, that I have struck my balance. It is on this basis that I have come to the reluctant but firm conviction for myself that the joint resolution should pass for the sake of America.

I shall briefly summarize my reasons, not in a maze of figures which can be made to prove or disprove almost anything, but in what I believe to be the preponderant logic in respect to the realities of today and tomorrow. This is not a matter of philanthropy. This is a matter of judgment—whether America, now the greatest creditor country on the globe, can best protect her own essential and inescapable position by these means; whether for our own sakes we must not accept the economic as well as the moral leadership in a wandering world which

must be stabilized just as necessarily for us as for others.

If we do not lead, Mr. President, some other great and powerful nation will capitalize our failure, and we shall pay the price of our default. We shall not stand still. We shall either go forward or backward. I want America to cling to leadership. I am unwilling to surrender leadership to any power which would take it from us.

There are things about this joint resolution I do not like. There are things I would have done differently. I think it was a mistake not to have consulted Congress when the contract was in the making instead of waiting to confront us with a finished product which is far from satisfactory in many serious details.

I should like to interpolate at this point with reference to my colloquy with the distinguished majority leader in last week's debate. He expressed the view that other foreign loans will be made through the Export-Import Bank. I stated then that the Export-Import Bank was organized solely for the purpose of making commercial loans, and not for the purpose of making general foreign loans of this character; and that the latter require consultation at a higher policy level. In my view this particularly includes congressional consultations. The Secretary of State is an ex officio director of the Export-Import Bank. If the loaning facilities of the Export-Import Bank are to be enlarged by further legislation I respectfully suggest that the Senate consider a further amendment adding — perhaps temporarily — representatives of the House and Senate Banking and Currency Committees to the Board of the Export-Import Bank as ex officio members.

As I was saying, I think it was a mistake not to have consulted Congress in advance with respect to the details of this contract which we are now asked to underwrite. But I do not rest my judgment, Mr. President, upon details, bad or good. I rest it on the overriding importance of the concept as a whole.

Let me give the Senators this analogy: One can tear across a few pages in a book with one thumb and finger with simple ease; but one cannot tear across the volume as a whole, with both hands, no matter how hard he may try. Thus we may demolish separate arguments in behalf of one section or another of the joint resolution, taken by themselves; but in my humble but convinced opinion, we cannot demolish the sum total of the challenge, which is a challenge to our own American self-interest.

I was particularly struck, Mr. President, with a few statesmanlike sentences from the supporting testimony of Mr. William Green, president of the American Federation of Labor, when he appeared before the Senate committee to endorse this measure. He said:

> The true significance of the British loan agreement to the American worker, the American businessman, and the American farmer is not in the direct effect of the American dollar provided to an Allied Nation in time of the most critical need. To meet that need is important. But the real significance of this loan to us is in the alternatives we must realistically face. If we choose not to aid Britain now, the whole structure—monetary, economic, and political—of healthy international cooperation will inevitably begin to crumble.

Perhaps I shall oversimplify the question, but I shall at least try to define it in what I believe to be the paramount objectives which in my view outweigh the incidental details, however dubious some of those details may seem to be. Therefore, I lay my foundation upon the following statement:

While America's greatest market will always be the home market, the richest in the world, and while it will always be colossal folly to neglect or compromise the home market in pursuit of sales abroad, the inevitable fact remains that sooner or later America must maintain and develop supplemental trade all around this globe if we are to assure steady total national income at the level required for even an approximation of full employment, general prosperity, and national solvency. We may need no foreign customers at the moment because of the pent-up consumer demand now pressuring our insufficient stocks. Quite the contrary at the moment. But this legislative problem demands of us a long-range view. Inevitably the day of need will come.

America has the greatest industrial capacity of any nation in the world. In 1946, for example, we possess 60 percent of the world's factory output. One out of five workers in my own State of Michigan normally depends upon export orders for his job. We have had, and we shall have again, great surpluses in both industry and agriculture. In a word, we have a tremendous long-range stake in exports and in world trade as a matter of intelligent self-interest. We have a tremendous stake in what kind of a pattern world trade hereafter shall pursue, as a matter of intelligent self-interest. This must be of particular concern to those of us who are deeply wedded to the pattern of full production, free enterprise, and free competition, because the very character of our own economy may be involved in what we here do, as I shall indicate a little later.

In my opinion, this measure may prove to be a decisive factor in determining whether we are to live in a world of decent commercial opportunity or whether we are to attempt survival in a world of bitter economic strife and in a world of government cartels which might make any sort of peace impossible.

Peace is indivisible. I submit that the right answer is of just as great importance to us as it is to Britain; aye, of greater importance, because of our greater resources and our greater stake in destiny.

I also very earnestly submit, Mr. President, that we cannot hope to approach this decision in a safe mood, for our own sakes, unless we frankly recognize, first, that this proposal is not a one-way street; and, second, that these are not the pre-Pearl Harbor days, which are gone forever.

Let us look at the available alternatives. Under the stress of world depression and world war, Britain established a system of blocked trading in the so-called sterling area which accounted for nearly one-half of the world's ordinary imports and exports, and almost half of the ordinary import and export trade of our own country. Our trade was, and is, and will be substantially handicapped, if not actually excluded, from most of these vital markets. All these areas—not merely Britain alone—are involved in our considerations. This is no mean stake.

Roughly, the area includes all British Commonwealth and Empire countries, except Newfoundland and Canada, plus Egypt, Iraq, and Iceland, and, if the system persists, many nations with which the United Kingdom has payment agreements, such as Argentina, Bolivia, Brazil, Chile, Paraguay, Peru, Uruguay, Belgium, Czechoslovakia, Denmark, Finland, France, the Netherlands, Norway, Portugal, Spain, Sweden, and Turkey.

The fundamental American purpose in this loan is to provide Britain with about 70 percent of the foreign exchange she will require in a transitional period of perhaps 5 years, the balance coming from other available sources—to do what? To permit her to abandon these restrictive controls. The controls, of course, involve not only direct, but also indirect and triangular trade. I quote two or three sentences from the committee report at this point:

> In the years immediately before the war the English people imported two-thirds of their food and the bulk of every important raw material except coal. One-sixth of the British national income was spent to buy foreign goods. Britain alone took almost 20 percent of the total exports of the other countries of the world. She was the most important customer of a score of countries, including the United States.

Britain agrees to abolish immediately any exchange controls affecting United States products imported into the United Kingdom, or affecting sterling balances of United States nationals arising out of current transactions; to eliminate within 1 year, with specified exceptions, all restrictions on payments and transfers for current transactions; to eliminate not later than December 31, 1946, discrimination against the United States in any quantitative import restrictions; to make agreements with the countries concerned for an early settlement covering blocked sterling balances; to give no other creditor better terms than these; and to join with the United States in a program for the elimination or modification of discriminatory trade barriers, including Empire tariff preferences.

In assessing the importances of these objectives, Mr. President—and these objectives underline the fact that this arrangement cannot possibly be a precedent for any other foreign loans, because they are so utterly individualistic in their character—let it be noted that the American dollar and the British pound are the two key currencies of the world, accounting for perhaps two-thirds of the world's business. Therefore, in stabilizing dollar-pound relationships, we are moving in an orbit infinitely larger, in influence and results, than the initial bilateral nature of the loan might misleadingly suggest.

Again I wish to quote a few sentences from the committee report:

If their minimum import needs—

Referring to the British—

cannot be financed in a convertible currency from outside the sterling area, they must devise and impose trade and exchange controls of unprecedented severity. Such controls would stifle the trade of every important country which exports to Britain and the sterling area. It would involve an economic war between the sterling and the dollar blocs which would plunge the entire world into a vicious spiral of declining trade, restrictions, and counter-restrictions.

The financial agreement is designed to make it possible for the United Kingdom to reject this alternative, and it contains provisions requiring that the British do in fact reject it.

Mr. President, I subscribe wholeheartedly to the sentiment thus asserted in the committee report.

It may be said that all these benefits may not accrue because some of them are contingent. That is, unfortunately, true. But neither we nor they would bind ourselves against whatever recourse sheer self-preservation might ultimately require.

So we simply come back to the initial question: Is the chance worth while? That immediately poses the other question, What is the alternative?

Mr. President, the alternative, it seems to me, is quite clear. We would be thrust into a world of bilateral barter, which once had great attraction, but which in this new age is intimately linked with state regimentations which are the exact antithesis of every aspiration we Americans hold dear. In a desperate battle for economic survival and in the face of political resistance to the new and grim austerities which the hard-ridden British people would confront at home, Britain would be forced to tighten and expand the various trade controls which already seriously hamstring and threaten American foreign trade in many parts of the world.

Indeed, there are those in high places in Britain who themselves oppose this loan because they believe they can do better for their country by thus expanding their own exclusive imperial spheres.

Where does all this lead, Mr. President? It is undoubtedly inevitable that Russia will continue to conduct her foreign commerce exclusively upon a state-trading basis. I do not complain; I simply state the fact. I call attention also to the comment of Mr. Constantine Brown in the Washington Star upon this particular phase:

Because of the totalitarian form of govvernment adopted by eastern and southeastern Europe, free enterprise exists in name alone. The reciprocal agreements signed between the puppet premiers and the U. S. S. R. are complex, but a careful analysis shows that whatever business they may wish to transact with foreign nations must be done through Moscow.

Totalitarian or parliamentary governments have a great advantage over democracies in such trade wars because they can take instant action. If Britain is forced to join this trend—forced as a matter of sheer, stark self-preservation—if she is forced to join this trend, either by us or by her own minorities, we may confront a dominating surge of bloc arrangements and trade alliances, with all of their defensive and restrictive devices, which could easily force us into kindred action in reciprocal self-defense, if we wished to maintain any part of our world trade at all. It would be economic politics in the pattern of power politics. It is probable that this, in turn, could force us, like the others, into a defensive state monopoly in charge of foreign trade, and thus renew and magnify the systems of business dictation against which we are currently in such violent rebellion. We might be driven toward more and more control of our entire economy.

Mr. President, I have no fear that we should not be able to hold our own in such a battle if we be willing to do what it would take to win. We would be under something of a competitive handicap because our exports are habitually greater than our imports, and our bargaining power suffers in proportion. Furthermore, our costs of production will also be dangerously higher in a competitive field. But I certainly would not be understood as even remotely suggesting that we would be outdone if, I repeat, we did what it takes to win. But I repeat that there is a better way for us and for the world, and the pending joint resolution contemplates that better way, if it can be made to work.

A recent McGraw-Hill editorial has summed up the situation better than I could hope to do:

In the years immediately ahead it is certain that from two-thirds to three-quarters of all international trade will be transacted either in pounds or dollars. If both circuits are linked in a determined effort to restore competitive world markets, to which buyers and sellers alike have access without discrimination, that will be the dominant system of foreign trade. If the sterling group with its satellites organizes a closed grid, our exclusive effort cannot preserve the trade pattern that we believe offers most to us and to the world.

No one can accurately measure the costs to the United States of refusing the loan and accepting the consequences. But unquestionably they would dwarf to insignificance the sum risked in the proposed credit. We would lose through the shrinkage of our trade, through the wrench of violent readjustments in our production patterns, and eventually through the curtailment of our over-all output below what it would be under an open, rather than a closed, system. We would lose heavily in economic liberty under a procedure that can be followed with success only by a close regimentation of production as well as trade.

At this point I also wish to quote, Mr. President, from the statement of the highly able Chairman of the Board of Governors of our own Federal Reserve System, Mr. Marriner S. Eccles, who left this very profound and important admonition with our committee when he testified:

Without effective British participation, which is possible only if we lend our aid, the Bretton Woods institutions cannot fulfill the hopes which we have placed in them. Without the fulfillment of these hopes for a stable economic order in the world, there is little prospect of success for the United Nations organization in its search for political stability and security. Without economic or political stability we can expect only a continued drift of world affairs toward the catastrophe of a third world war.

Mr. President, it seems to me that there is a tendency in some quarters to so concentrate on details in respect to this joint resolution that the larger, total concept is obscured—like those who are so close to the trees that they do not see the forest. It is for this reason that I have purposely concentrated on the forest. Furthermore, the details have been and will be amply debated by others. It is right that they should have been, and they should be fully, totally, and ruthlessly explored. I do not for an instant depreciate the importance of these details. I repeat that these are details which I do not like. But I repeat also that I find a final balance favorable to the joint resolution in terms of intelligent American self-interest which ought to be our dominating consideration. I think we have more to gain than to lose by taking whatever chance is involved. It is the lesser chance, in my humble opinion.

A few incidental observations, Mr. President, and I shall be through.

First, I cannot ignore the fact that our experienced leaders in trade and commerce, with a very few significant exceptions, almost invariably recommend this loan. Again I quote from the committee report:

The strong public support for this international economic program was impressively demonstrated during the hearings on the proposed joint resolution. Displaying a unanimity of purpose, almost never encountered in the legislative process, representatives of labor, business, finance, industry, and agriculture all appeared before the committee and supported the proposed legislation in enthusiastic terms.

Second. Without this loan Bretton Woods is all but nullified.

Third. We need not fear added imports to balance these new export accounts because the historical record discloses that, except for war periods and the restrictionist thirties, a nation's imports, even of manufactures, have increased on an absolute basis as its home industry grew.

Fourth. Contrary to much fear that the loan will encourage the Socialist regime in Britain, the fact is that a failure of the loan can force—to put it mildly—unintended socialization at emergency speed.

Fifth. Despite persistent prophecy to the contrary, I know of no conclusive reason why the loan should not be paid, unless an important part of the English-speaking world is going to collapse. I am unwilling to entertain that tragic prophecy.

Sixth. I do not consider that I am voting a precedent for any other loan, because there is no other loan which could involve the factors embraced in this one. Mr. President, the committee's report is very distinct on this point, and I read from it one sentence:

It has been made clear to the committee that the British loan is in no way a precedent for other loans, because the proposed credit to Britain is intended to meet a particular problem that does not exist with respect to any other country in the world.

Seventh. I think American labor has been wise to endorse this loan, because stabilized world trade spells jobs.

Eighth. I think American agriculture needs this orderly export.

Mr. President, I wish to commend to the attention of the Senators only a few sentences from the very important testimony of Mr. Edward A. O'Neal, of the American Farm Bureau Federation, when he appeared before our committee.

Unless credit is advanced to the United Kingdom—

Said Mr. O'Neal, in speaking for the American Farm Bureau Federation—

Unless credit is advanced to the United Kingdom, Britain's only alternative is the placing of certain limitations upon trade with the nonsterling area. American agriculture cannot afford to have these restrictions on trade * * *. Our exports to the United Kingdom were weighted twice as heavily of agricultural products as they were for the world at large.

If this loan is not made—

Mr. O'Neal still speaking—

it will greatly enhance the chances of trading blocs, frozen exchanges, cartels, trade restrictions, and the whole category of things that have in the past, and will in the future, lead to distrust, stifling of trade, and the lowering of living standards for many, many people. I view this loan to Britain as one of the necessary stepping stones in developing a brighter world of tomorrow.

Ninth. I think peace itself has a great stake in what happens upon this issue here in Congress. So does free enterprise and the American way of life.

Mr. President, many of my friends, many of my constituents, and many of my colleagues upon this side of the aisle disagree with me in this matter. I completely respect their view, as I hope they will respect mine. But for the reasons given, I believe it to be my duty to support this joint resolution. If I am wrong, the cost will be relatively small in comparison with the total problem. If they are wrong, the cost would be immense, and could be catastrophic. I choose the lesser gamble in the expectation that events will vindicate such action.

Mr. President, as I conclude, I ask unanimous consent to be absent from the sessions of the Senate during the mission to Paris.

The PRESIDENT pro tempore. Without objection, leave is granted.

Mr. CONNALLY. Mr. President, I, also, ask unanimous consent to be excused from the sessions of the Senate for an indefinite period of time.

The PRESIDENT pro tempore. Without objection, leave is granted.

Mr. BARKLEY. Mr. President, important as I know will be the mission upon which the Senator from Michigan [Mr. VANDENBERG] and the Senator from Texas [Mr. CONNALLY] are about to depart, I cannot refrain from expressing my deep regret that the situation calls them away at this particular time. I know how valuable their services will be to the Secretary of State and to our delegation to Paris in connection with the effort to be made to compose a peace treaty involving certain countries of Europe. I would not withhold from our delegation, and from the conference itself, the wisdom, the experience, and the fine judgment of these two colleagues of ours to whom I have referred. Nevertheless, I deeply and profoundly regret that at this particular juncture, when so many important matters are before the Senate of the United States, the Senator from Michigan and the Senator from Texas are required to leave. Of course, I shall not register objection to the requests which they have made. I express, however, my regret that the situation requires their absence at this particular time.

The PRESIDENT pro tempore. The amendment of the committee will be stated.

The amendment of the Committee on Banking and Currency was, on page 2, after line 8, to strike out:

SEC. 2. The Secretary of the Treasury is authorized in the manner prescribed by subsection (b) of section 7 of the Bretton Woods Agreements Act (act of July 31, 1945, Public Law 171, 79th Cong.), to provide and use an amount not to exceed $3,750,000,000 solely for the purpose of carrying out the agreement between the United States and the United Kingdom. Payments to the United Kingdom under this act and pursuant to the agreement and repayments shall be treated in the manner prescribed by subsection (b) of section 7 of the Bretton Woods Agreements Act, and payments of interest to the United States shall be covered into the Treasury as miscellaneous receipts.

And insert:

SEC. 2. For the purpose of carrying out the agreement dated December 6, 1945, between the United States and the United Kingdom, the Secretary of the Treasury is authorized to use as a public-debt transaction not to exceed $3,750,000,000 of the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that act are extended to include such purpose. Payments to the United Kingdom under this joint resolution and pursuant to the agreement and repayments thereof shall be treated as public-debt transactions of the United States. Payments of interest to the United States under the agreement shall be covered into the Treasury as miscellaneous receipts.

The PRESIDENT pro tempore. The committee amendment is before the Senate and open to amendment.

Mr. BARKLEY. Mr. President, I desire to explain to the Senate that the committee amendment is a textual amendment which does not change the effective result of the language. It simply means that, without indirectly referring to some other act, the language which is written into the amendment provides in effect that if necessary the funds may be obtained out of funds received from the sale of bonds under the Second Liberty Bond Act, instead of referring to the Bretton Woods Act, which in turn refers to the Second Liberty Bond Act. So this is merely a simplification of the language and has no different meaning, except that anybody who wants to know what act is referred to will find it written out in the statute itself.

Mr. BUCK obtained the floor.

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. CAPEHART. Am I to understand that the business before the Senate is the joint resolution providing for the British loan or is it the committee amendment?

The PRESIDENT pro tempore. The direct matter before the Senate is the committee amendment, which is subject to amendment.

Mr. CAPEHART. It is subject to amendment?

The PRESIDENT pro tempore. It is.

Mr. CAPEHART. Will the joint resolution itself be subject to amendment?

The PRESIDENT pro tempore. If the committee amendment is adopted it will be; but if there is any amendment to the committee amendment it ought to be offered before the committee amendment is voted upon.

Mr. CAPEHART. One other question. A Senator can offer to amend the joint resolution itself, can he not?

The PRESIDENT pro tempore. Yes; outside of the committee amendment.

Mr. BARKLEY. Mr. President, if the Senator from Indiana will permit me, I do not know whether he was present when I commented a few moments ago on the fact that this is a textual amendment which the committee inserted as a new section 2, providing a method by which the funds shall be obtained. It does not involve in any way the substantial merits of the joint resolution itself, and would not if adopted bar amendments to the joint resolution except that amendments could not be offered to this particular amendment after it has been agreed to.

Mr. CAPEHART. But, I understand amendments will be in order to the joint resolution itself.

Mr. BARKLEY. I understand they will first be in order to the committee amendment and then to the joint resolution.

Mr. CAPEHART. I refer to the fact that I have heard that the joint resolution could not be amended, that it must be voted up or voted down. That is not correct, is it?

Mr. BARKLEY. The procedure is the same as in the case of any other joint resolution or bill.

Mr. WHERRY. Mr. President, if the committee amendment is adopted the amount will be $3,750,000,000. Do I understand the majority leader to say that that amount could not be amended and a lesser amount substituted?

Mr. BARKLEY. I understand after it has been agreed to, of course, it cannot be changed.

Mr. WHERRY. Then, if there is to be any amendment offered by which the amount is to be changed it should be offered to the committee amendment.

Mr. BARKLEY. If the Senator will examine the joint resolution he will find that section 2 is the part of the joint resolution which carries the amount. It reads:

SEC. 2. For the purpose of carrying out the agreement dated December 6, 1945, between the United States and the United Kingdom, the Secretary of the Treasury is authorized to use as a public-debt transaction not to exceed $3,750,000,000—

And so forth. That is the authority conferred upon the Secretary of the Treasury to use that amount of money. The amendment which the committee

reported in section 2 was largely for the purpose of referring directly to the Second Liberty Bond Act as a method by which the money might be obtained as a public-debt transaction. Technically, if the amendment to section 2 is agreed to without amendment it cannot be amended without reconsidering the amendment, and, inasmuch as the committee amendment really carries the substance of the joint resolution itself, it strikes me that it would be entirely proper that any amendment to the joint resolution itself should be offered to the committee amendment and not wait until it is voted upon.

Mr. CAPEHART. Mr. President, one other parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. CAPEHART. I propose to offer an amendment which would change only the amount of money to be loaned. When may I offer that amendment?

The PRESIDENT pro tempore. Such an amendment should be offered to the pending committee amendment, and it is in order at this time. Does the Senator from Indiana desire to offer an amendment?

Mr. CAPEHART. I do, if the Senator from Delaware will yield for that purpose.

Mr. BUCK. It will not take me long to say what I desire to say.

Mr. CAPEHART. Very well.

Mr. BUCK. Mr. President, a short while ago, a Washington newspaper conducted a poll to disclose who favored the loan to Britain. The question was asked: "Would you approve a loan to help Great Britain get back on its feet?"

First, let us get one thing straight—which this question did not. This is not a loan merely to help Britain. The loan is one element in a positive economic program developed by the Government of the United States which can lead to postwar prosperity in this country, as well as in the rest of the world.

Already, we have taken two important steps toward this goal. The first was the Bretton Woods proposals, now accepted by a majority of countries. The second is the initiative on international trade and related matters proposed by the United States as the basis for discussion at international conferences this year. These two sets of proposals, one concerning finance and one concerning trade, are complementary. Both have the same objective: the development of a set of fair rules for international economic affairs.

Let us, therefore, put the question in another way: "Shall we help our best customer, Britain, to join with us in a cooperative international economic policy, or shall we allow world trade to drift into confusion and restriction, to our own lasting detriment?"

Let me be more specific. International trade has a vital bearing upon prosperity and employment in the United States. To maintain employment, America counts on a thriving and increasing export trade—perhaps 5,000,000 jobs directly and indirectly. This goal can be reached only in a world economy that is expanding and virtually free of restrictions. We live in one world, economically as well as politically. Back in the thirties, we learned that America cannot remain fully prosperous if half the world is struggling and poverty-stricken.

Nor can America create and promote prosperity single-handed. There are two major world trading nations, the United States and Britain. It is to our advantage to enable Britain to play its full part in helping to reestablish unhampered trade throughout the world. But Britain will not be able to commit herself to the prompt application of the principles of fair currency and trade practices unless she is sure that she can secure essential imports of food and raw materials. That is why the loan is vital. Let me mention here some of the things which Britain has agreed to do if she obtains the loan:

First. England will be able to assume the full obligations of membership in the International Monetary Fund and International Bank set up under the Bretton Woods agreements, and the International Trade Organization, and can afford to abandon trade restrictions which otherwise would have to be continued.

Second. British exchange control will not be used to prevent Americans from converting into dollars the sterling they get from export of goods or other current business with Britain, that is, they will be paid in dollars with no strings attached. This will take effect as soon as the agreement is approved by Congress.

Third. The sterling area dollar pool will be dissolved within a year. Britain will arrange that pounds can be fully converted into dollars in countries whose principal international currency is pounds. This means that a merchant in Bombay, or in Cairo, who sells goods to England can utilize the proceeds in the form of dollars to buy merchandise in the United States.

A fourth consideration, which it might be well to make one of the conditions of the agreement, has been proposed by the junior Senator from Arizona [Mr. McFARLAND] namely:

Permanent acquisition by the United States of rights to military, air, and naval bases held under 99-year leases, and elimination of provisions restricting use of such bases to military or naval purposes only; and

Peacetime commercial use by the United States of other bases built by the United States in the British Empire or in areas controlled by Great Britain.

The loan will introduce a far greater degree of freedom in international trade through the elimination by Britain of exchange controls on current transactions. It will, in addition, provide the opening wedge for the modification of imperial preferences.

I revert now to the question, Why does Britain need our aid, and why is she in difficulty? Briefly, it is that she has been 6 years at war—a very expensive war, as we well know—a war in which our Government spent in a month twice the total of the proposed credit to Britain. For 5 years, the vital export industries of a nation dependent upon foreign trade for existence were switched largely to urgent wartime needs. Normal production was ruthlessly dislocated, factories converted to new purposes, workers dispersed. In addition to jettisoning two-thirds of her export trade, Britain lost about one-half of her merchant shipping, liquidated a great part of her overseas investments, and incurred heavy indebtedness to countries such as India and Egypt. As a result, Britain is faced today with the task of rebuilding her export industries in order to restore her most important means of buying goods abroad. This cannot be done overnight. What she can earn abroad by sale of exports and services in the immediate postwar years will fall far short of bringing in enough exchange to pay for essential needs. It is evident that a loan is needed to maintain British purchasing power in foreign markets, during the years when she is rebuilding her capacity to earn money for purchases abroad.

Under the proposed loan agreement, the United States will advance a line of credit of $3,750,000,000 to be drawn against by Great Britain as needed over 5 years. During this period of recovery, the British people would thus be able to buy the goods they need from abroad in order to help maintain the country's economy while it gets back to full peacetime production. The payment of interest and principal would begin in 1951, and continue for 50 years until the loan was paid off. Some believe we should make the British an outright gift. But it was not so decided.

The question has been asked whether the loan would be a precedent for similar loans to other countries. This has been answered by Mr. Vinson—the loan to Britain is considered to be in a category all its own. Loans to other countries will be effectuated through the Export-Import Bank. Each country's request for a loan would have to be judged on its own merits.

Would the loan, others inquire, be inflationary? Only to a negligible degree. The loan is to be drawn on over a period of 5 years, and it is expected that Britain will only spend the proceeds to a limited extent in 1946, and not all of this necessarily in the United States. The amount that Britain will purchase here during 1946 as a result of the loan is likely to be less than 1 percent of the value of United States production in 1946. This could hardly be called inflationary.

In any case, the sort of things that Britain will want to buy from America in 1946 are mainly items which will be in good supply, such as burley tobacco, raw cotton, turpentine, and those agricultural products of which surpluses are in evidence from time to time. Despite the tight supply situation, certain foods which Britain could use have attained a state of surplus during recent months. Today we are faced with one of the largest poultry surpluses in the country's whole history, particularly along the Atlantic seaboard. Cold-storage stocks are at peak levels. A heavy flood of poultry is expected to reach the market. There is danger that some of these holdings may spoil by the end of the summer. Purchases by Britain would, consequently, be most welcome to the poultry industry. Eggs are also in an easier position along the east coast, and a sizable surplus may be in evidence by summer.

England is short of eggs, both dried and fresh.

Many industrial products are also in adequate supply and would be available for export to Britain in the near future. These items include aluminum, magnesium, certain heavy chemicals, crude synthetic rubber, petroleum products, ships, second-hand machine tools, and general war surpluses. As far as scarce items are concerned, manufacturers and producers in the United States are already booked well ahead and could not accept orders from Britain at this date. Even if such manufacturers were disposed to sell to Britain in preference to domestic consumers, they could not obtain the necessary export licenses. Purchases of these products by Britain will thus be postponed to a time when the most insistent part of the present deferred demand in the United States has been satisfied.

The large expenditures resulting from the loan will come in 1947 and subsequent years when goods are once again in more abundant supply in the United States. British purchases should cushion any decline in domestic demand that takes place during the closing months of 1947 and in 1948. Output in the United States would thereby be sustained at a higher level as a result of the loan.

Can we afford the loan and are we likely to be paid back? If the $3,750,000,000 were an outright grant, it would increase our national debt by about 1 percent. Had the war lasted 2 weeks longer, this amount would have been spent to cover the cost of the additional 2 weeks' period. It is certainly the expectation that the loan will be repaid. Britain has assets, productive power, and commercial skill. What she needs is a chance to come back. In order to meet the interest charges and repay capital, Britain will have to pay us each year $140,000,000. In the context of expanding world economy, Britain should be able to do this, unless trade barriers are placed in her way.

Let us now look at the other side of the picture and consider what the result would be of refusing the loan. Such a refusal would throw Britain back on her own resources and on those of her closest friends and relations. Britain would have to draw in her belt still tigher. Food rationing, clothes rationing, would have to be continued. Reconversion would be delayed.

If the loan should not be granted, Britain would have to intensify her defensive financial and commercial arrangement, with the result that she would be unable to continue in the Bretton Woods Fund and Bank or subscribe to the proposals for an International Trade Organization. Moreover, Britain would be forced to obtain her essential imports from countries willing and able to supply them in return for pounds sterling which would be spent in Britain at some later time. She would spend her limited dollar resources for absolute necessities. Imports of automobiles, petroleum products, movie films, timber, cotton, tobacco, food, and other farm products would be slashed or prohibited, even after these products have become far more abundant in the United States.

Without the loan, Britain's wartime controls over imports would have to be continued indefinitely. She would be obliged to arrange bilateral trade agreements with her dominions and dependencies and with any other country whose major export market is in Britain. She would be forced to maintain rigidly severe exchange controls, tariff preferences, quota restrictions, and to build up a sterling trading area as large and exclusive as possible.

American trade would be seriously hurt. Not only would the British have to abstain as much as possible from buying American goods—and Britain used to be our most important customer—but the whole system of quotas and bilateral agreements would lead to an inevitable contraction of opportunities for the sale of American goods abroad.

The United States would, in turn, have to build up a dollar bloc. In the end we should be faced with two competitive and restrictive trading areas with the resultant difficulties and frictions that these would cause. It would mean the end of our hopes of re-creating an international system in which unhampered multilateral trade can operate. Our own American program of full employment and full protection would be difficult to achieve in such circumstances. The moral of all this is that the denial of the loan to Britain would hurt both countries.

Let me repeat what I said earlier, that there are two major factors in world trade—the United States and Britain. We cannot have a really prosperous world if one of these countries is unable to throw away the financial and economic crutches it has found necessary after the injuries inflicted on its resources and trade, by a devastating war. It is to our plain advantage in this situation to extend to Britain the financial aid without which world recovery, so necessary to our own prosperity, would proceed slowly and uncertainly.

All this and more is what the financial agreement with Britain involves. Purely on the economic side it is an investment in the future—ours as well as Britain's. Its return will not be the 2 percent interest we shall get, but much more important, the enjoyment of growing markets, the increased welfare an expanded foreign trade can bring to all of us.

It remains for the Congress of the United States to choose whether to extend credit to Britain and gamble that with its own continued prosperity, and with the help of the World Fund and Bank, a multilateral expansion of trade will take place, or reject the loan and force Britain to take a long and dangerous step down a road that in the past has led to economic and military warfare.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT (Mr. EASTLAND in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Bilbo	Bushfield
Austin	Brewster	Butler
Ball	Bridges	Capehart
Bankhead	Brooks	Carville
Barkley	Buck	Connally
Cordon	Kilgore	Robertson
Donnell	Knowland	Russell
Downey	La Follette	Saltonstall
Eastland	Langer	Shipstead
Ellender	Lucas	Smith
Ferguson	McCarran	Taft
Fulbright	McClellan	Taylor
Gerry	McFarland	Thomas, Okla
Gossett	McKellar	Thomas, Utah
Green	McMahon	Tydings
Guffey	Maybank	Vandenberg
Gurney	Millikin	Wagner
Hart	Mitchell	Wheeler
Hatch	Morse	Wherry
Hayden	Murdock	White
Hickenlooper	Murray	Wiley
Hill	Myers	Willis
Huffman	O'Daniel	Wilson
Johnson, Colo.	Reed	
Johnston, S. C.	Revercomb	

The PRESIDING OFFICER. Seventy-three Senators have answered to their names. A quorum is present.

UNIFICATION OF THE ARMED FORCES OF THE UNITED STATES

Mr. BRIDGES. Mr. President, I send to the desk a bill to promote the common defense of the United States of America by coordinating the departments and agencies of the Government relating to the common defense, to establish a Department of Air, and for other purposes.

I ask unanimous consent to introduce the bill and to have it referred to the Senate Committee on Military Affairs.

There being no objection, the bill (S. 2102) to promote the common defense of the United States of America by coordinating the departments and agencies of the Government relating to the common defense, to establish a Department of Air, and for other purposes, was received, read twice by its title, and referred to the Committee on Military Affairs.

Mr. BRIDGES. Mr. President, the bill is introduced with the hope that it will be used as a substitute for S. 2044, a bill on the same subject now pending in the committee.

In the past few days a controversy which has been continuously active for months has become even deeper and more widespread. Much attention has been given to the difference of opinion which exists regarding the proposed merger of our armed forces. Little mention has been made of the wide area of agreement which exists among all who have conscientiously studied the merger question. Emphasis so far has been placed upon the contrary thoughts of spokesmen for the Army and Navy. Hence, there has arisen in some quarters a feeling that the differences cannot be resolved and that there can be no unity on the question of unity of the armed services.

I believe that if this question is approached without either prejudice or bias the differences can be resolved. This is not an issue for executive decision or departmental argument. This issue is of endless importance, for it involves the future safety and security of the Nation. The question is one for which the Congress must find the wisest solution possible. A wise solution cannot be found if those who are charged with the responsibility of searching for it are persuaded to champion the cause of any particular group. The only cause which should be championed in relation to this question is the cause of the American people. They are interested in the future security of the country. They are interested in the

best plan which can be devised to insure that security.

When the controversy over unity of the armed forces began, many of us believed that the right answer lay between the extreme claims of the partisans. I, for one, believed that the Military Affairs Subcommittee would arrive at that right answer in its report to the full committee. A study of that report, however, can lead only to the conclusion that as Senate bill 2044 stands now it is almost wholly a strictly military offering which the executive branch of the Government in effect demands that the Congress of the United States approve.

The President can propose and the armed services can suggest. But this legislative decision is for the Congress itself to render. We must not dodge the responsibility. We must not be hustled or driven to a decision in which we cannot sincerely believe. The subject is too important. The steps we are asked to take are too historic for us to evade a complete exploration of the path we are asked to set the Nation's feet upon.

I want to briefly refer to the objections some of us who have studied the bill have to Senate bill 2044.

The bill has not had full and unbiased consideration. The subcommittee heard 30 witnesses. Twenty-seven of the witnesses were from the War and Navy Departments. Naturally, they put forward their special interests. Citizens of all walks of life should be heard, for it is one of the major, if not the most important, issues before them today.

Senate bill 2044 should emphasize unity, not unification. Our objective should be unity which is over-all and comprehensive. It should be a unity which could perserve the full spirit which has always existed within the respective armed services.

Senate bill 2044 would in effect eliminate the War and Navy Departments, and would merge all our armed forces into a single department headed by a single civilian Secretary and a single military Chief of Staff. Such a proposal in the opinion of many of us subscribes to a militaristic doctrine which has always been foreign to American thinking and could only weaken the country. Such an arrangement as is proposed by Senate bill 2044 would drastically reduce civilian control over the military only a few months after the ending of the war which was fought because of militaristic and totalitarian control of other nations. The people of the United States have never supported any proposal which would weaken civilian control of the armed forces of the country. I hope and think they never will.

Senate bill 2044 would place in the hands of a single Government official more power than any single American should have. In addition to the undesirable power such a single official would have, the responsibility would be greater than one man could handle efficiently. There are those of us who believe that such a concentration of power in the hands of one individual is a threat to the future of this country as a democracy.

By the authority of Senate bill 2044 there could grow under the single Secretary of Common Defense, a general staff which in time could become as infamous as others the world has known. The bill does not offer sound participation of the respective armed services in the coordination of our foreign policy.

Senate bill 2044 would, in my opinion, result in a dangerous lack of balance between the respective armed services.

The bill would eliminate the demonstrated strength of the Joint Chiefs of Staff.

The Constitution charges the Congress with the duty to carefully watch the military departments. The bill as it stands could endanger the complete performance of that duty.

Senate bill 2044 in its present form does not give adequate consideration to research and devolpment which are, of course, of utmost importance to our future security.

The bill, as it stands, lacks real provisions for coordination at the top level. That is where coordination is most needed if there is to be coordination below.

Those in brief are some of the objections to Senate bill 2044. I do not want to take the time of the Senate today to discuss in detail the bill I am introducing, for I am hopeful that full opportunity will be given for a complete study of it. I will briefly refer to the highlights of its provisions.

The bill contains proposals which have long been put forward as a solution to the question of how to effectively unify the armed forces of the country. They are included in my bill as a result of extended attention to the entire issue.

The bill would create a Council of Common Defense. Members of the Council would be the Secretary of State, the Secretary of War, the Secretary of Navy, and the Secretary of the Air Forces. The President of the United States would be the Chairman of the Council. He would be authorized to appoint from civilian life a deputy by and with the advice and consent of the Senate. The deputy would be known as the Coordinator of Common Defense. His duties would be specified and in the President's absence he could act as Chairman of the Council.

By my bill the Joint Chiefs of Staff would be retained and would consist of the Chief of Staff of the Army, the Chief of Naval Operations, and the Commanding General of the Air Forces.

By my bill a military education and training board would be established under the supervision and direction of the Joint Chiefs of Staff.

An advisory board on military education and training would be established to be composed of the board and four additional members appointed by the President from civilian life.

Within the council of common defense there would be a central research and development agency.

Within the council of common defense there would be a central intelligence agency, the director of which would be appointed by the President. In the agency would be representatives of the Army, Navy, and Air Forces, the Departments of State and the Treasury, and a representative of the Federal Bureau of Investigation, and such other representatives as the council of common defense might recommend and the President approve.

By my bill there would be within the council of common defense a military munitions board. The chairman would be appointed by the President from civilian life, and other members would be from the secretariat of the Army, Navy, the Air Forces, and the Chairman of the Maritime Commission.

By my bill there would be established within the council of common defense a national security resources board, whose chairman would be appointed from civilian life by the President. The chairman of the military munitions board would be a member, and there would be such other members as the President should designate.

The bill I have introduced would establish a department of air, within which would be established a military force which would be known as the Air Forces of the United States. The President would be empowered to perfect the organization of this department of air.

Under the terms of my bill, the Secretary of War would be known as the Secretary for the Army. The Secretary of the Navy would be known, as now, as the Secretary for the Navy.

My bill would authorize the President, through the Coordinator of Common Defense, to make a complete study and investigation with reference to the organization and functions of the medical organizations of all the armed services, with the view of recommending to the Congress such legislation as may be necessary to provide for the highest degree of coordination of these medical organizations.

I believe this bill meets the President's original thoughts relative to unity of the armed forces. I believe it provides a sound democratic approach to that unity which is desired and desirable. I believe the bill is such as to end this unfortunate controversy and gain the support of the American people.

I call now for early hearings on my bill. I ask that in a spirit of cooperation and unity the Senate Committees on both Naval and Military Affairs meet jointly to consider this bill and to reach a wise decision, and thereby to eliminate the present bickering, and take steps to really insure the security of the United States of America in a democratic way, which is the goal we all seek.

PROPOSED LOAN TO GREAT BRITAIN

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

Mr. CAPEHART. Mr. President, I send to the desk an amendment to the committee amendment to Senate Joint Resolution 138, and ask that it be read.

The PRESIDING OFFICER (Mr. HATCH in the chair). The amendment of the Senator from Indiana will be stated.

The CHIEF CLERK. In the committee amendment, on page 3, at the beginning of line 7, it is proposed to strike

out "$3,750,000,000" and insert "$1,500,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana to the committee amendment.

Mr. CAPEHART. Mr. President, on this question I ask for the yeas and nays.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gossett	Morse
Austin	Green	Murdock
Ball	Guffey	Murray
Bankhead	Gurney	O'Daniel
Barkley	Hart	Reed
Bilbo	Hatch	Revercomb
Brewster	Hayden	Robertson
Bridges	Hickenlooper	Russell
Brooks	Hill	Saltonstall
Buck	Huffman	Shipstead
Bushfield	Johnson, Colo.	Smith
Butler	Johnston, S. C.	Taft
Byrd	Kilgore	Taylor
Capehart	Knowland	Thomas, Okla.
Carville	Langer	Thomas, Utah
Connally	Lucas	Tydings
Cordon	McCarran	Vandenberg
Donnell	McClellan	Wagner
Downey	McFarland	Wheeler
Eastland	McKellar	Wherry
Ellender	McMahon	White
Ferguson	Maybank	Wiley
Fulbright	Millikin	Willis
Gerry	Mitchell	Wilson

The PRESIDING OFFICER. Seventy-two Senators having answered to their names, a quorum is present.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. For what purpose?

Mr. JOHNSON of Colorado. I wish to ask unanimous consent that the committee amendment amending section 2 be acted on without affecting other amendments to that section. There are several amendments which are to be proposed to section 2. I do not know of any opposition to the committee amendment, because it merely changes the procedure, but if it shall be agreed to before the other amendments are offered, then the other amendments will be ruled out of order.

Mr. CAPEHART. The Chair ruled a moment ago that my amendment reducing the amount from $3,750,000,000 to $1,500,000,000 had to be offered at this time.

Mr. JOHNSON of Colorado. I understand that that is the parliamentary situation, but if the unanimous consent I am requesting should be granted, then the Senator's amendment could come along at any time, because all I am asking is that other amendments be not barred by the adoption of the committee amendment, to which there is no objection.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. BARKLEY. What the Senator from Colorado is suggesting is that the committee amendment be adopted, and that thereafter the committee amendment may be changed by any further amendment that might be offered to it. In other words, he is asking that the committee amendment be regarded as the text of the joint resolution, to which amendments could be offered.

Mr. JOHNSON of Colorado. Yes.

Mr. BARKLEY. It is rather unusual parliamentary procedure in the Senate that a committee amendment should be adopted, and that then it should be subject to further amendment. No inconvenience results from offering an amendment to the committee amendment except that no amendment in the third degree could be offered. After the amendment of the Senator from Indiana has been voted on, whether it is adopted or rejected, other amendments to the language of the committee amendment can be offered. So there is no particular advantage that I can see in deviating from the parliamentary procedure of the Senate.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. JOHNSON of Colorado. The only disadvantage is that such amendments as Senators would like to have considered would have to be brought up before action is taken on the committee amendment.

Mr. BARKLEY. That is true, and any changes desired to be made in the committee amendment would have to be adopted before the committee amendment is finally agreed to by the Senate. But that does not in any way deny any Senator the right to offer an amendment to the language of the committee amendment. If the amendment of the Senator from Indiana is rejected, or if it is agreed to, then other amendments can be offered to the language of the committee amendment.

It is such an unusual thing to ask that a committee amendment be adopted, and then that it be in order to offer amendments to change it, that I do not recall it ever having been done, except where the committee strikes out all after the enacting clause and reports in an entirely new bill. In that event the language contained in the single committee amendment is regarded as the text of the bill. That is not the situation in this instance.

Mr. LUCAS. Mr. President, I object.

The PRESIDING OFFICER. The Senator from Illinois has objected.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. TAFT. Before the objection is made, I want to point out the fact that the authorization to enter into an agreement binding the United States to pay $3,750,000,000 is contained in the first section of the amendment. The second section simply provides a means by which the Secretary of the Treasury may get the money to pay without an appropriation. The committee amendment is not for the purpose of changing the amount. It is merely to meet objections which were made to the exact manner in which the $3,750,000,000 was to be raised. The committee amendment does not change the $3,750,000,000. It simply changes a purely technical detail. It seems to me it would contribute to the clarity of our proceedings if we simply adopted that amendment by unanimous consent, thereby correcting the joint resolution—it is an amendment merely corrective in nature—and then permit amendments to be offered to the whole joint resolution. It might be said there would have to be a further amendment in section 1. The mere change of the $3,750,000,000 in section 2 would not change the amount that may be authorized by the joint resolution. The thing is quite confused, and I think it would contribute to the clarity of the debate if we could have this amendment adopted by unanimous consent, and then consider the language as if it were that of the original joint resolution.

Mr. BARKLEY. The original joint resolution contains section 2, providing the method by which the money might be obtained, if necessary. As a matter of fact, under the law the Secretary of the Treasury could pay out of the Treasury an amount drawn upon by the British Government, if we had that much cash at any given time. He would not have to sell bonds to pay the money.

Mr. TAFT. Yes; and he now has $20,000,000,000 in cash in the Treasury.

Mr. BARKLEY. He is merely authorized to proceed under the Second Liberty Bond Act if he has to do it. So the amendment of the Senator from Indiana, even if it were to be adopted, would simply mean that the Secretary of the Treasury could only sell bonds under the Second Liberty Loan Act for the amount of $1,500,000,000 and pay the rest of the loan out of cash balances in the Treasury. It would not affect the terms of the agreement in any respect.

Mr. CAPEHART. Mr. President, I made a parliamentary inquiry about an hour ago. The inquiry was whether it was possible to amend this measure, and I was told that it was.

Mr. BARKLEY. The answer to the Senator's question was correct. That does not preclude the right of any Senator to offer an amendment to section 1, which might change the agreement itself if it were adopted. We will discuss that when we reach it, if such an amendment is offered. But the amendment on page 3 in section 2 is merely the procedure by which the Secretary of the Treasury shall obtain the money to carry out the agreement mentioned in section 1. I would rather not at this point agree to the adoption of the committee amendment, section 2. I might do so later, but I would rather not do it at this point, because I do not see any particular good that can be accomplished by it, because no amendment to this section, so far as the amount is concerned, would affect the provisions of section 1, or the agreement itself.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield further?

Mr. CAPEHART. Yes; I yield.

Mr. JOHNSON of Colorado. All I was trying to do in making the unanimous-consent request was to clarify the whole situation so that no Senator would be foreclosed from offering amendments to the joint resolution. I do not believe any Member of the Senate wants to jockey any other Senator out of position so that he could not offer an amendment. The matter which we are considering is very important, and certainly no parliamentary handicap should be placed in the consideration of the joint resolution.

I understand that my amendment will have to be offered before the committee amendment is considered. If I do not offer my amendment first, then I will be foreclosed.

Mr. BARKLEY. I do not know when the Senator wants to offer his amendment. The amendment of the Senator from Indiana presumably will be voted upon, after which, whatever the result of the vote, the committee amendment would still be open to further amendment.

Mr. JOHNSON of Colorado. Yes; I can offer my amendment at that time, and there may be other amendments to be offered at that time, but——

Mr. BARKLEY. It may be that some Senator would want to offer an amendment to section 1, which would not be involved in any way by the committee amendment. I hope that I shall not be considered as encouraging any amendment to section 1, but it is a part of the joint resolution, and amendments would be in order to it as long as the joint resolution is before the Senate.

Mr. President, I think in the interest of orderly procedure now for the moment, that we ought to dispose of the amendment offered by the Senator from Indiana before any agreement is reached with respect to the committee amendment.

The PRESIDING OFFICER. The amendment offered by the Senator from Indiana to the committee amendment is the pending amendment. Objection was made to the unanimous consent request of the Senator from Colorado.

Mr. CAPEHART. Mr. President, after this discussion I think I should make a statement. The Chair ruled that it was necessary for me to offer the first portion of my amendment at this time in order to change the amount from $3,750,000,000 in section 2 to $1,500,000,000. However, the Chair likewise ruled that I could not offer at this time as an amendment to the committee amendment a new section which I shall offer as an amendment later, when it is proper to do so, to be known as section 3, which would provide how the $1,500,000,000 shall be spent. That, in effect, would change the terms of the agreement.

Mr. President, after listening to the able statement made by the Senator from Michigan earlier today, I find only four reasons advanced by him for making the British loan in the amount of $3,750,000,000. No. 1 is that they need the money. I presume they do. We all need more money than we have. I am surprised that someone does not say that we in America need money because we have a national debt of $275,000,000,000. So we likewise need money.

The second reason advanced for the loan is that Great Britain will not change her so-called bad trade practices unless we make this loan to her.

The third reason advanced is that if we make this loan to Britain it will enable the world to proceed on the basis of multilateral trade agreements, and eliminate what are commonly known as bilateral trade agreements.

The fourth reason advanced is purely a sentimental reason.

Mr. President, I fail to find any other reason than the four I have enumerated for making the loan. After listening to the able Senator from Michigan today I fail to find any other reason than the four I have just mentioned.

So far as reason No. 1 is concerned, that Great Britain needs the money. My opinion is that Great Britain can get along on a lesser amount.

As to reason No. 2, that Great Britain will not change certain bad trade practices unless we loan her the money, I do not think that to be a valid argument in favor of the loan. I cannot conceive of this body taking that argument seriously. I simply cannot conceive—I dislike to make this statement, but it is nevertheless true—I simply cannot conceive of the United States bribing any nation to adopt good trade practices. I understand England will maintain that in order to protect herself she must indulge in certain trade practices; but that policy certainly is not a one-way street. If the practices in which she is indulging are bad, it seems to me that she herself should change them.

A third argument is that the loan will enable the world to eliminate bilateral trade agreements. I should like to ask a question. I note that the able Senator from Texas [Mr. CONNALLY], chairman of the Committee on Foreign Affairs, is in the Chamber. Is it not a fact that under our reciprocal trade agreements, our quota arrangements in themselves constitute bilateral trade agreements?

Mr. CONNALLY. Mr. President, I hesitate to undertake to answer the question of the Senator from Indiana without consulting the record; but I believe there is a clause in those trade agreements which makes them applicable to all other countries which desire to accept them.

Mr. CAPEHART. I understand that.

Mr. CONNALLY. So in that sense they are not bilateral. They are multilateral.

Mr. CAPEHART. Is not the quota system which we established in connection with our reciprocal trade agreements in reality a bilateral trade agreement? For example, recently we reduced the quota of watches imported into this country from Switzerland. As I recall Switzerland had a quota of 5,000,000, and I believe we reduced it to 2,500,000. Is not that a bilateral trade agreement?

Mr. CONNALLY. The Senator has asked the question and answered it himself, so I do not see any occasion for injecting my comments.

Mr. CAPEHART. Does not the Senator agree with me?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. BARKLEY. In that connection, the Senator from Indiana evidently has reference to a trade agreement between the United States and Switzerland, Switzerland being practically the only country which to any extent manufactures watches which are imported into the United States. However, as the Senator from Texas stated a moment ago, in the law authorizing the making of trade agreements there is a provision that any other nation or any number of nations which may accept the same terms may enter into the agreements, which become multilateral to that extent. It is true, of course, that a single agreement made between the United States and Switzerland with respect to watches, to which no other nation was a party, would, to that extent, be a bilateral agreement.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. AUSTIN. Perhaps this example of a trade agreement is safe to go on. It is the agreement between the United States of America and the United Kingdom of Great Britain and Northern Ireland. I think we may safely say that it is bilateral in the sense that there are two parties to the agreement, but it is multilateral in the sense of being applicable to many nations, and applicable immediately. Article VI of the agreement, found at page 5 of series No. 64 of executive agreement, provides as follows:

> All of the provisions of this agreement providing for most-favored-nation treatment shall be interpreted as meaning that such treatment shall be accorded immediately and unconditionally without request or compensation.

Mr. CAPEHART. That agreement applied to tariffs.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CONNALLY. The answer which I gave the Senator a while ago was made without opportunity to consult the law and the agreements. With the record before him, the Senator from Vermont has confirmed, I think, what I stated.

Mr. AUSTIN. Yes.

Mr. CONNALLY. Of course, some of the treaties are bilateral in the sense that two nations get together and make the initial agreement, but under the clauses in the agreements they are applicable to any other countries which wish to accept the same terms and come in on the same basis. In that sense—which is the real sense, because it is the operative sense—they are not bilateral if any other nation accepts them.

Mr. CAPEHART. They are bilateral so far as the quota arrangement is concerned. It is my understanding that in all the agreements which we make we establish a quota for each country. Therefore I feel that while in theory they may not be bilateral, in practice they are bilateral agreements.

Mr. President, the purpose of my amendment is, first, to reduce the amount from $3,750,000,000 to $1,500,000,000. If this amendment is agreed to I shall offer an amendment providing how the $1,500,000,000 shall be loaned to Great Britain. Under the terms of my amendment it would be loaned during the years 1946, 1947, 1948, 1949, and 1950 in an amount each year not to exceed the total amount of Great Britain's deficit in trading directly with us. That would encourage Great Britain to do business with us. It would encourage us to do business with Great Britain. It would help Great Britain to the extent of $1,500,000,000. It would make certain that we should do business directly, and that our farmers, laborers, and industry would get the direct benefit of this loan.

I, for one, would be willing to lend money to any nation throughout the world on that basis, because, in my opinion, that would be a good straight business loan. It would be a loan which almost any businessman or bank would make. I am opposed to lending Great Britain $3,750,000,000, giving her the money to spend as she sees fit, anywhere in competition with the United States throughout the world. She could use the $3,750,000,000, if she cared to do so, to socialize railroads in England, to socialize coal mines, or to socialize the manufacturing business. She could use it in any way she saw fit. I do not say that she would use it for such purposes, but she might use it in that manner.

Furthermore, Great Britain has not agreed and does not agree in the agreement dated December 6, 1945, to eliminate the bad trade practices which the proponents of the joint resolution maintain that the loan would eliminate. I want to have the record underscore that fact. She does not agree to do it. She says that she will do the best she can to eliminate bad trade practices, but she does not definitely agree to do so.

Mr. President, I hope that my amendment will be adopted. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, this amendment reminds me of the old story about the man who walked up to one of his neighbors who was supposed to be deaf and asked him, "Will you lend me $5?" The other man said, "How is that?" The first man said, "Will you lend me $10?" His friend replied, "I thought you said $5." [Laughter.]

The Senator from Indiana is against the whole proposal. He is against lending any money to Great Britain under this agreement, and has announced his position. He will vote against it, no matter what the amount finally agreed upon may be.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CAPEHART. I am certain that the Senator is misinformed on that point, because I made a speech Friday in which I stated that I could not support the British loan in its present form.

Mr. BARKLEY. I understood that the Senator was against the whole theory of the loan. If I misunderstood him I am sorry.

Mr. CAPEHART. I am certain the Senator will be very happy to change his statement.

Mr. BARKLEY. If the Senator says that I am wrong in assuming that he will vote against the joint resolution——

Mr. CAPEHART. I will vote against the $3,750,000,000 loan. I will vote for a loan on the basis of $1,500,000,000, giving Great Britain sufficient money to make up her deficit in trading with us for the next 5 years.

Mr. BARKLEY. Mr. President, I do not know that it is worth while to argue on the floor of the Senate with respect to this or any other amendment, with so few Senators in attendance. It seems to me to be an act of futility to consume the time of the Senate when apparently Senators are not sufficiently interested to attend sessions of the Senate. Perhaps they are already prepared to vote and know in advance how they are going to vote on every possible amendment. It seems utterly useless and futile to consume the time of the Senate in arguing this or any other amendment.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. This morning in the Committee on Banking and Currency the Senator himself stated that no vote on the joint resolution was expected today. I understood that statement to cover also the amendments. Personally I do not believe that there should be any votes today. Three committees have set meetings for 2:30 o'clock this afternoon on the theory that there was to be no vote today. They are the Committee on Banking and Currency, the Committee on Education and Labor, and the Committee on Territories and Insular Affairs.

Mr. BARKLEY. I made that statement in the Committee on Banking and Currency, based upon the theory that the debate would continue all day, and that there would be no vote. Therefore, I rather encouraged the Committee on Banking and Currency to hold a session this afternoon. I did not know at that time that the speech making would terminate so unexpectedly and so happily. I am not speaking about voting. I am speaking about whether it is worth while to argue the merits of the amendment of the Senator from Indiana with so many Senators absent from the Chamber. I am not complaining at that, either. I am merely arguing with myself as to whether it is worth while to take the time of the Senate when so few Senators are present.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CAPEHART. Inasmuch as it is not worth while, I suggest that we vote.

Mr. BARKLEY. No. In addition to what I stated before the Committee on Banking and Currency this morning, I rather held out to members of the committee and to other Senators the notion that there would be no vote today, for the reasons which I have already explained. I should like to have the opportunity to discuss, in a few minutes, the merits of the amendment of the Senator from Indiana before it is finally voted upon. The yeas and nays have been ordered upon the amendment. I do not mean to intimate that I would be wholly wasting my time if I were to address myself to the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Colorado [Mr. JOHNSON], and one or two other Senators who do me the honor to be present and listen to what I have to say.

Mr. WHERRY. And 15 Republican Senators on this side of the aisle.

Mr. BARKLEY. That is all right. I am not taking a census. I do not care what side they are on, or how many sides they are on. I think it is to be deplored—and I say it on my responsibility as a Senator occupying the desk which I occupy—that during this entire debate there has been very meager attendance on the floor of the Senate on either side of the Chamber to discuss these questions.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. I assure the distinguished majority leader that I agree with him. I am sure that all Senators agree that we should have a good attendance during the discussion of a measure so important as is the British loan. When the Senator from Kentucky complained of the small number of Senators who were present to hear him discuss this amendment I suggested that 15 Republican Members were present. I do not believe that my suggestion justifies the statement which the distinguished majority leader has made.

Mr. BARKLEY. Of course, it only gives evidence of the inevitable and irrepressible spirit of partisanship which now and then arises in the breast of the Senator from Nebraska.

Mr. WHERRY. Mr. President, once again I thank the Senator from Kentucky for his high compliment. I always have taken an interest in my party.

Mr. BARKLEY. Yes.

Mr. WHERRY. I think I can say to the distinguished majority leader that earlier today there was a full attendance in the Senate when the distinguished senior Senator from Michigan [Mr. VANDENBERG] gave what was, I think, even though I cannot agree with him in regard to many of his statements, one of the finest speeches which has been made on the question of the British loan.

Mr. BARKLEY. With that statement I thoroughly agree.

Mr. WHERRY. Certainly. So we had a full attendance in the Senate at that time.

Mr. BARKLEY. But the Senate has not done its duty when, after it listens to such an important and outstanding speech, it then makes an exodus which makes the exodus of the children of Israel from Egypt look like a static situation. [Laughter.]

Mr. WHERRY. Mr. President, to bring us from the Holy Scriptures to a more or less atomic-bomb situation here, I should like to suggest to the distinguished majority leader that if he would accept the suggestion of the Senator from Colorado, adopt the committee amendment, and then, by unanimous consent, leave the amendment open to subsequent amendment without any parliamentary difficulty, we probably would have further discussion on the joint resolution this afternoon.

Mr. BARKLEY. But that would not change the situation in any respect.

Mr. WHERRY. I think it would.

Mr. BARKLEY. I do not think so. All the amendments which would be offered to the joint resolution in that event can be offered to the pending amendment, except to section 1, which is the real meat, and which authorizes the Secretary of the Treasury to carry out the agreement—which he could do, if he had the money, without borrowing a dime.

Mr. WHERRY. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. CARVILLE in the chair). Does the Senator from Kentucky yield to the Senator from Nebraska?

Mr. BARKLEY. I yield.

Mr. WHERRY. I submit that once we adopt the amendment providing for an amount of $3,750,000,000, we cannot change the amount. Once it is adopted, that amount stands.

Mr. BARKLEY. That is true; once that is done, we cannot change it, except by agreeing by unanimous consent to reconsider the vote by which the amendment was adopted.

Mr. WHERRY. Yes.

Mr. BARKLEY. But that still does not preclude any Senator from offering any amendment he wishes to offer. I do not know that any advantage would be gained either one way or another by acceding to the suggestion, but it would be a departure from the customary procedure in the Senate in regard to adopting amendments to a measure.

Mr. WHERRY. I think that is correct.

Mr. BARKLEY. Mr. President, I suppose what I shall say about this amendment now will have to be repeated, if it is thought worth while to do so, at some other time.

Mr. WHERRY. Mr. President, does the Senator from Kentucky wish to have the absence of a quorum suggested?

Mr. BARKLEY. No; I do not want a quorum to be called at this time. I do not wish to interfere with the pleasure or routine or other work of Senators who are elsewhere at the moment. If we are not to vote on this amendment this afternoon, I hope they will take the time to read what little I shall have to say about it.

Mr. President, the amendment offered by the Senator from Indiana, even if we had already adopted the amendment according to the unanimous-consent request of the Senator from Colorado, would not change the authority of the Secretary of the Treasury in any respect except in regard to the method by which he would raise the money to pay the obligation we assume in providing that he may loan $3,750,000,000 to Great Britain.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. We all understand that the loan is not to be made all at one time. It is to be a line of credit which the United Kingdom can call upon at any time during a period of 5 years. They may ask for $500,000,000 of it at one time; they may ask for $1,000,000,000 of it at some other time. As they request amounts of money, whatever they may be, such amounts or an equivalent line of credit will be accorded to the United Kingdom; and the money representing the credit will, I suppose, according to the mechanics of the procedure, be deposited in the Federal Reserve bank at New York, and the Government of the United Kingdom will then be able to draw upon it for purchases, as indicated as the purpose of the agreement. That process may extend over a period of 5 years.

At any one time when the Secretary is called upon to place on deposit in the Federal Reserve bank $500,000,000 or $1,000,000,000 or $1,500,000,000 or $2,500,000,000, according to the necessities of the United Kingdom, if he has in the Treasury money out of which he can make the allotment, he will not have to issue any bonds at all in order to obtain the money.

Section 2 of the joint resolution, or the committee amendment, to which the Senator from Indiana has offered his amendment, merely authorizes the Secretary of the Treasury to obtain the money under the Second Liberty Bond Act, as amended, just as he is authorized to obtain the money for the Bretton Woods International Fund and for our contribution to the stock of the International Bank by the sale of bonds under the Second Liberty Bond Act. But if there is in the Treasury money which is available and is not otherwise needed at the time, the Secretary of the Treasury may use that money, without borrowing a dollar by means of the sale of bonds. But that does not affect the agreement itself to make $3,750,000,000 available to Britain during a period of 5 years.

Mr. President, I now yield to the Senator from Vermont, who has been on his feet for some time.

Mr. AIKEN. Mr. President, the Senator from Kentucky seems to anticipate my questions and to answer them just before I have an opportunity to ask them. So I do not ask him to yield to me now.

Mr. BARKLEY. Mr. President, I claim no powers of clairvoyance, but ordinarily the Senator's language is so clear and distinct that sometimes I even seem to know what his mind is going to be before he speaks it.

Mr. AIKEN. I was going to ask whether the Secretary of the Treasury will be precluded from making payments on this loan from any money which he obtains in a manner other than through the issuance of securities under the Second Liberty Bond Act. The Senator from Kentucky answered that question just before I asked it.

Mr. BARKLEY. The Secretary of the Treasury is not precluded. The truth of the matter is that if section 2 were entirely eliminated from this measure, the Secretary of the Treasury could, during the 5-year period, pay to Great Britain the entire $3,750,000,000 in cash, out of any balances in the Treasury. But in order to meet any contingency which might arise during the 5-year period, which might require him to issue bonds in order to obtain the money at any given time, section 2 is included in the measure, so as to authorize him to carry out the public debt transaction under the terms of the Second Liberty Bond Act. But that provision does not affect the terms of the agreement itself. It merely applies to the way by which he can raise the money needed under the agreement.

So I say to the Senator from Vermont and the Senator from Indiana that any amendment seeking to change the method by which we raise the money needed to enable us to accord to England such a line of credit will have to be an amendment to the joint resolution itself, and not simply as to the method of raising the money.

Mr. CAPEHART. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. CAPEHART. What the Senator has just said is very definitely understood. We talked about that awhile ago, and I stated at the time the Chair ruled that in order for me to add a new section, which I propose to do, it will be necessary to strike out the amount "$3,750,000,000" and insert "$1,500,000,000."

The real meat of my amendment—or amendments, for there really are two of them—is contained in the one I shall offer to the joint resolution, not to the committee amendment. However, due to a technicality, I am placed in the position of having to offer this amendment at the moment, in order to protect myself.

Mr. BARKLEY. Of course, Mr. President, there is nothing mysterious about the mechanics of the parliamentary procedure in regard to the pending amendment. Section 2 of the joint resolution, which is the committee amendment, simply provides the method by which the money can be obtained, if necessary. It authorizes the Secretary of the Treasury, if necessary—and, of course, an authorization always carries with it the implication that it may or may not be necessary—if necessary in order to raise the $3,750,000,000, to sell bonds under the Second Liberty Bond Act.

As I said awhile ago, if we had not put this section in the joint resolution it would still be possible to carry out the agreement and pay the necessary amount out of whatever balance remained on hand, and without the necessity of floating a bond issue. But, in order to take care of that contingency, because $22,000,000,000 is now in the Treasury in the form of a balance as a result of unforeseen situations which arose, including a very wholesome oversale of the last Liberty bond drive, it was thought wise to follow the plan which has been suggested. It is not contemplated that we shall maintain any such balance over an indefinite period of time. Therefore, it may occur that before the 5-year period expires it will be necessary to issue bonds in order to take care of this amount; and the second section of the joint resolution provides how it shall be done. But if we could be sure that there will always be in the Treasury sufficient money in the form of a balance, out of taxes and other sources, to give the proposed line of credit over a period of 5 years, we would not necessarily have to incorporate section 2 in the joint resolution. So, a mere reduction in the amount by which the Secretary of the Treasury would be authorized to issue bonds in order to obtain money would not in any way change the agreement. Therefore, the amendment is futile and inconsistent.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CAPEHART. I should like to read an amendment to be known as section 3, which I shall offer later to the joint resolution:

SEC. 3. Notwithstanding any other provision of this joint resolution or any provision of the agreement dated December 6, 1945, between the United States and the United Kingdom, there shall be advanced under said agreement only such sums by way of credit as shall be necessary to offset adverse trade balances of the United Kingdom with the United States for the years 1946, 1947, 1948, 1949, and 1950, not exceeding in the aggregate the sum of $1,500,000,000.

I expect to offer that provision as an amendment to the joint resolution. The Chair has ruled that in order to offer the amendment I must likewise offer an amendment to reduce the amount of $3,750,000,000 in section 2 of the joint resolution.

Mr. BARKLEY. Mr. President, the pending question is the committee amendment. The Senator, in a sense, has attempted to anticipate the amendment which he has offered to the substance of the agreement by offering the amendment so that if his other amendment should be adopted the Secretary would not be authorized to raise, by bonds or otherwise, more than $1,500,000,000 for the purpose of carrying out the terms of the agreement.

Mr. CAPEHART. Yes.

Mr. BARKLEY. So there is no inconsistency in the ruling of the Chair or in the parliamentary situation. Of course, the Senator understands that I am opposed to both his amendments.

Mr. CAPEHART. Absolutely; that would be understood.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. JOHNSON of Colorado. It seems to me that the Senator from Indiana, in offering his amendment, is placed in an embarrassing situation. He is forced by the parliamentary situation to place the cart before the horse. Subsequently, when the amendment is voted upon by the Senate, the Members of the Senate will be in the uncomfortable position, at least, of being required to vote for an amendment which is not complete. Because of that situation I made a unanimous consent request to cure it by allowing the committee amendment to be agreed to without prejudice to other amendments. If Senators then desired to offer amendments they would be in position to do so in an intelligent manner, and the Senate would be in a position to consider them in an intelligent manner. But the Senator from Kentucky objected to the procedure which I suggested, and undertook to criticize the Senator from Indiana because he put the cart before the horse.

Mr. BARKLEY. No, no; I am not criticizing the Senator from Indiana. I am trying to explain what is the effect of his amendment.

Mr. JOHNSON of Colorado. Yes; but what the Senator refers to is only a part of the amendment of the Senator from Indiana.

Mr. BARKLEY. No; it is the whole amendment, so far as section 2 of the joint resolution is concerned.

Mr. JOHNSON of Colorado. Oh, yes; it is the whole amendment so far as section 2 of the joint resolution is concerned, but the Senator from Indiana was forced by the parliamentary situation to offer the amendment ahead of his other amendment. Otherwise he would be foreclosed from submitting the amendment at any time. That is the situation about which I was complaining, and which I was trying to correct by asking unanimous consent to allow the committee amendment to be agreed to without prejudice to other amendments which might follow.

Mr. BARKLEY. The parliamentary situation in regard to the pending joint resolution does not differ from that which pertains to any other resolution or bill which may become before the Senate with a committee amendment. The mere fact that it pertains to the British loan, and to an agreement which was entered into between this Government and the Government of Great Britain, does not change the parliamentary situation. I do not quite understand why we should be required or expected to change our parliamentary procedure merely because of the agreement which has been entered into between the United States and the United Kingdom. I certainly offer no criticism of the Senator from Indiana, or any other Senator who wishes to offer an amendment to the committee amendment, or to the joint resolution itself. It so happens, however, that because the committee amendment is the pending question before the Senate, amendments to the committee amendment must be disposed of before amendments to the joint resolution itself may be offered.

Mr. JOHNSON of Colorado. The difficulty with the situation is that the Senator from Indiana, and other Senators under similar circumstances, must take their amendments apart. They must submit a part of their amendments to one part of the joint resolution, and another part of their amendments to another part of the joint resolution, and they must have their amendments to the committee amendment considered first. The unanimous-consent request which I made was only in the interest of clarity. The joint resolution is very short. It consists of only three pages, including the committee amendment. But it is exceedingly technical. In the interest of clarity, it seems to me that the Senator from Kentucky would be rendering great assistance to the Senate if he were to agree to the request which I made awhile ago so that we would be in position to propose amendments to the committee amendment and to the joint resolution in an intelligent sort of way, and proceed in an intelligent manner instead of by a piecemeal system which we have been forced into by the parliamentary situation.

Mr. BARKLEY. I am sorry that apparently the Senator has taken umbrage at the fact that I am unable to agree to his request. His request is a very unusual one, notwithstanding that the pending joint resolution is somewhat different from an ordinary bill. All the amendments which Senators desire to offer to the committee amendment now pending may be offered before it is disposed of. When it is disposed of, whether the amendments shall have been adopted or rejected, amendments may be offered to section 1, or in the form of new sections dealing with the merits and the substance of the agreement itself. Of course, I am opposed to any amendment, and will oppose as vigorously as I can any amendment to the substance of the agreement, because such an amendment would be tantamount to throwing the entire agrement out the widow and requiring renegotiation of the agrement between the United States and the United Kingdom, which, in turn, would, in all probability, throw the entire matter over into another year and into another Congress. I am not willing, so far as I can prevent it, to allow that to be done. I assume that if the Senate were to reduce the amount called for in section 2 to $1,500,000,000, it would agree to an amendment reducing the amendment in the agreement itself to $1,500,000,000, unless the Senate should take the notion that it wanted only $1,500,000,000 of the money to be spent as the result of a bond sale, and the remainder in cash.

Mr. CAPEHART. Mr. President, I wish to propound to the able Senator from Kentucky this question: Suppose the the amendment which I just submitted were agreed to, and yet the amendment which I will offer tomorrow, or at some future date, were defeated, we would then be in the situation that the agreement between the two nations would cover $3,750,000,000, and section 2 would cover only $1,500,000,000. On the other hand, suppose my amendment, which is now before the Senate, should be rejected and yet the amendment which I will offer at a later time with reference to the sum of $1,500,000,000 should be agreed to, would we not be placed in an awkward position unless we were to acquiesce in the request of the Senator from Colorado?

Mr. BARKLEY. I do not think so.

Mr. CAPEHART. The Senator must admit that what I have just stated could happen, although it may not.

Mr. BARKLEY. It is possible that the Senator's pending amendment could be carried if there were sufficient votes for it and his other amendment, to another section, could be defeated, in which event the agreement would stand, but the method by which the money would be raised would be different from that carried in section 2.

Mr. CAPEHART. And vice versa, if the new section I propose to add should be added, and the amendment I have offered today should be defeated.

Mr. BARKLEY. That would not only be vice versa, but very much vice versa, in my judgment. [Laughter.]

Mr. President, I do not wish to indulge in further discussion of the matter. In view of the fact that I did hold out to the Committee on Banking and Currency and to other Senators the fact that it was unlikely there would be a vote today, I do not feel like pressing for a vote on the amendment now. Therefore I am perfectly willing, unless some other Senator desires to address the Senate, to have the consideration of the joint resolution suspended until tomorrow.

Mr. CAPEHART. Mr. President, I see no reason why we should delay. I think what we need is speed. If England needs this $3,750,000,000 let us act on the joint resolution, and give it to them.

Mr. BARKLEY. The expression by the Senator from Indiana of a desire that they get the loan today is a demonstration of a beautiful spirit on his part. Notwithstanding the fact that he desires to reduce the amount below what they need, he wants them to get today what little dab they are to receive, and not

have to wait until tomorrow. That is a beautiful spirit on the part of the Senator from Indiana, and I appreciate it. But notwithstanding the persuasiveness of his suggestion, in view of the expectation I held out to Senators that there would not be a vote today. I still insist that we shall not vote today on the amendment.

Mr. CAPEHART. Mr. President, I cannot agree.

Mr. BARKLEY. It does not take an agreement from the Senator from Indiana. I suggest the absence of a quorum, and after the quorum is obtained I shall move that the Senate take a recess until tomorrow.

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll, and during the calling of the roll, the following occurred:

Mr. WHERRY. Mr. President, in view of the statement made by the distinguished majority leader, I suggest that the order for the calling of a quorum be vacated, and that we proceed with the business of the Senate.

Mr. BARKLEY. Mr. President, I couple with that a unanimous-consent request that if the order for a roll call shall be vacated, the Senate shall recess until tomorrow. We have agreed to take up the conference report on the aviation bill at 12 o'clock tomorrow as a special order. I do not know how long that will require, probably an hour, perhaps longer. The British loan joint resolution is the unfinished business, and will automatically be resumed after the conference report is acted on. If it is understood that the Senate will recess until tomorrow, I am perfectly willing to have the quorum call vacated.

Mr. TYDINGS. Mr. President, before a recess is taken may I have an opportunity to report from the Committee on Territories and Insular Affairs the nomination of William H. Hastie to be Governor of the Virgin Islands?

Mr. ELLENDER. I object to the report being made now, Mr. President.

Mr. BARKLEY. If the quorum call is vacated, the Senate will revert to the business being considered at the time the absence of a quorum was suggested, and if any Senator desires to make a report; he can do so. I have no objection to vacation of the order for a quorum call.

The PRESIDING OFFICER. Without objection, the order for a call of the roll is vacated.

Mr. CAPEHART. A parliamentary inquiry. What will be the order of business tomorrow when the Senate convenes?

The PRESIDING OFFICER. There is a special order for 12 o'clock tomorrow, the conference report on the airport bill.

Mr. CAPEHART. What will be the next order of business?

Mr. BARKLEY. The next order will be the unfinished business, the British loan joint resolution, which will come up automatically as soon as the conference report is disposed of.

The PRESIDING OFFICER. That is a correct statement of the parliamentary situation.

Mr. CAPEHART. Then the first business will be the vote on my amendment?

Mr. BARKLEY. The Senator's amendment is the pending question. The yeas and nays have been ordered, and if no Senator desires to discuss the amendment, it will be voted upon. But it will still be subject to debate if any Senator desires to discuss it.

The PRESIDING OFFICER. The Chair rules that that is a correct statement of the parliamentary situation.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. TYDINGS, from the Committee on Territories and Insular Affairs:

William H. Hastie, of the District of Columbia, to be Governor of the Virgin Islands, vice Charles Harwood.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will proceed to state the nominations on the Executive Calendar.

UNITED NATIONS

The legislative clerk read the nomination of Herschel V. Johnson to be Deputy Representative of the United States of America, with the rank and status of Envoy Extraordinary and Minister Plenipotentiary, in the Security Council of the United Nations.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed, and the President will be notified at once.

FOREIGN SERVICE

The legislative clerk read the nomination of George V. Allen to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iran.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed, and the President will be forthwith notified. That completes the Executive Calendar.

GREAT LAKES FISHERIES CONVENTION—REMOVAL OF INJUNCTION OF SECRECY FROM CONVENTION

Mr. CONNALLY. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from Executive C, Seventy-ninth Congress, second session, a convention between the United States of America and Canada for the development, protection, and conservation of the fisheries of the Great Lakes, signed at Washington April 2, 1946.

The PRESIDENT pro tempore. Without objection, the injunction of secrecy will be removed from the convention, and it will be published in the RECORD.

The convention, with accompanying papers, is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a convention between the United States of America and Canada for the development, protection, and conservation of the fisheries of the Great Lakes, signed at Washington April 2, 1946. The convention has the approval of the Department of State and the Department of the Interior.

I transmit also for the information of the Senate a report made to me by the Secretary of State with respect to the convention and a copy of the report of the International Board of Inquiry for the Great Lakes Fisheries.

HARRY S. TRUMAN,

THE WHITE HOUSE, *April 22, 1946.*

[Enclosures: 1. Report of the Secretary of State; 2. Great Lakes Fisheries Convention; 3. Report of the International Board of Inquiry for the Great Lakes Fisheries.]

APRIL 19, 1946.

The PRESIDENT,

The White House:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a convention between the United States of America and Canada relating to the fisheries of the Great Lakes and their connecting waters, signed at Washington April 2, 1946.

The convention has been negotiated with the objective of providing for the development, protection, and conservation of the fisheries of the Great Lakes through cooperation between the joint action by the governmental agencies of the United States and Canada concerned with the administration of these fisheries.

As a means for achieving this objective, the convention provides for the establishment of an International Commission for the Great Lakes Fisheries. The establishment of the Commission will provide an effective solution to the need for coordinated action by the various governments having responsibilities relating to the fisheries of the Great Lakes. At the present time, 11 governments have responsibilities relating to those fisheries—the Governments of the United States of America and Canada, the governments of the States of New York, Pennsylvania, Ohio, Michigan, Indiana, Illinois, Wisconsin, and Minnesota, and the government of the Province of Ontario—and there are in existence no effective means for coordinating their efforts to discharge these responsibilities.

For many years the Governments of the United States of America and Canada, of the eight States of the United States bordering on the Great Lakes, and of the Province of Ontario, as well as the fishermen of the area, have been concerned over the decline in abundance of fish in the Great Lakes, particularly th more desirable species. Cooperation of the various governments concerned has long been urged as indispensable to effective and orderly development of the fisheries, not only in promoting adequate research into the causes of the decline in the fisheries but also in assuring that progressive and constructive regulations founded on scientific research and instituted by one jurisdiction may not be nullified by failure of an adjacent jurisdiction to adopt similar or complementary measures.

The need for cooperative action in order to preserve and develop the fisheries of the Great Lakes was recognized as early as 1875 when a report of the State of Michigan urged the necessity for uniform laws. During the succeeding 71 years a number of interstate and international conferences have been held with a view to obtaining coordination, but

in each case the efforts failed to achieve the desired cooperative action. However, persons interested in the Great Lakes continued to urge the need for effective cooperative measures for the benefit of the fisheries, and the matter has received the continuing consideration of the several governments concerned.

In 1938 the Council of State Governments called meetings of 60 State, Federal, and Provincial officials to study the problem. These meetings resulted in a recommendation that an international board of inquiry be established to consider and recommend measures for the conservation of the Great Lakes fisheries.

The Governments of the United States of America and Canada, under an agreement signed February 29, 1940, established the International Board of Inquiry for the Great Lakes Fisheries to study the taking of fish in the Great Lakes, to make a report of its investigations to the two Governments, and to make recommendations as to methods for preserving and developing the fisheries of the Great Lakes. During the course of its investigations, the Board of Inquiry compiled and analyzed data on the take of fish, studied the fluctuations in the fisheries, and examined into the possible causes for the variations in quantities and species of fish taken. In addition, the views of public officials, commercial fishermen, and sportsmen were solicited with respect to fluctuations in the abundance of the various species of fish and the causes of the fluctuations, with respect to the specific measures which should be taken by the Governments to improve the fishing, and with respect to the form of governmental organization which would be most effective in regulating and rebuilding the fisheries. In all, 29 public hearings were held throughout the Great Lakes region, in which some 1,500 public officials, commercial fishermen, and sportsmen participated. On August 6, 1942, the Board of Inquiry submitted its report to the Governments of the United States of America and Canada, calling attention to the need for an effective program for the conservation and development of the Great Lakes fisheries and recommending joint action for that purpose by the governmnts concerned. A copy of the report of the Board of Inquiry is transmitted herewith.

The Department of State, in collaboration with the Fish and Wildlife Service of the Department of the Interior, made a careful study of the report and recommendations of the board of inquiry. It was evident from consideration given the matter that measures with respect to the fisheries of the Great Lakes could be made effective only through coordinated action of all the governments concerned—Federal, State, and Provincial. At the invitation of the Department of State, representatives of the Governors of the eight Great Lakes States, including State conservation and legal officers, advised the Department at various stages in the development of the convention.

The provisions of the convention may be summarized as follows:

Article I defines the waters to which the convention applies.

Article II provides for the establishment of an international commission for the Great Lakes fisheries, to be composed of a United States section and a Canadian section, and for the appointment of an advisory committee for each lake consisting of representatives designated by each State or Province, as the case may be, having jurisdiction on the lake. The commission, the national sections, and the advisory committees are to be constituted in accordance with and governed by the provisions of the schedule annexed to the convention.

Article III provides that the commission shall formulate and recommend specific research programs of observations and studies of the Great Lakes fisheries to be carried out by the appropriate agencies of the two Governments in collaboration with the States of the United States concerned and the Province of Ontario, as well as with other institutions and facilities.

Article IV requires that the commission undertake to develop a comprehensive plan for the effective management of the fishery resources of the Great Lakes for the purpose of securing the maximum use of those resources consistent with their perpetuation. This article provides also that the commission may make regulations fixing—

(a) Open and closed seasons;

(b) Open and closed waters;

(c) The size limits for each species of fish;

(d) The time, methods, and intensity of fishing;

(e) The type and specifications of the nets, gear, and apparatus and appliances which may be used;

(f) The methods of measurement;

(g) The extent and nature of stocking operations;

(h) The introduction of new species; and

(i) Catch returns and other statistical records as may be necessary to give effect to the purposes of this convention.

Pursuant to the provisions of article IV, the United States section alone, i. e., the American members of the commission, will act in matters relating to Lake Michigan. Regulations affecting fishing in United States waters will not become effective until approved by the President of the United States, and regulations affecting fishing in Canadian waters will not become effective until approved by the Governor General in council. Paragraph 10 of the schedule annexed to the convention provides that regulations made and approved under article IV shall not become effective until 1 year from the date when the convention comes into force.

Article V requires that the Governments of the United States of America and Canada provide for the enforcement of the regulations in their own respective waters. It is provided, however, that in United States waters the regulations for each lake may be enforced, in the first instance, by the States bordering thereon within their respective jurisdictions. With respect to Canadian waters, the regulations may be enforced in the first instance by the Province of Ontario. The commission is required to keep itself informed as to the effectiveness of enforcement and to report to the two Governments on unsatisfactory conditions of enforcement. Upon the receipt of complaints, the Federal Government concerned agrees to take appropriate action to insure proper enforcement.

Article VI provides that nothing in the convention shall be construed as preventing any of the governments concerned from making or enforcing such laws or regulations within their respective jurisdictions as will give further protection to the fisheries of the Great Lakes provided that such laws or regulations are not inconsistent with the provisions of the convention or with the regulations made and approved thereunder.

Article VII provides for the prohibition of the shipment, transport, purchase, sale, import, or export of fish taken from the Great Lakes in violation of the regulations made and approved under the convention.

Article VIII provides that licenses to fish in the waters of the Great Lakes within the jurisdiction of any State or Province may continue to be issued by such State or Province in accordance with its laws and subject to such fees as it may fix. If licensing is necessary to give effect to the regulations of the Commission, and if any State or Province fails to establish or maintain adequate licensing, the appropriate Federal Government may take necessary measures to provide such licensing, in addition to that of the State or Province, as is required.

Article IX contains provisions regarding the enactment and enforcement of such legislation as may be necessary to give effect to the provisions of the convention and the regulations made and approved thereunder, with appropriate penalties for violations.

Article X provides for the ratification of the convention, the exchange of ratifications, and the entry into force on the date of the exchange of ratifications. This article provides also for the continuance in force of the convention for a period of ten years and thereafter until one year from the day on which either of the High Contracting Parties shall give notice to the other High Contracting Party of an intention of terminating the convention.

Respectfully submitted.

JAMES F. BYRNES.

[Enclosures: 1. Great Lakes Fisheries Convention; 2. Report of the International Board of Inquiry for the Great Lakes Fisheries.]

(Executive C, 79th Cong., 2d sess.)

GREAT LAKES FISHERIES CONVENTION

The President of the United States of America and His Majesty the King of Great Britain, Ireland and the British dominions beyond the Seas, Emperor of India, in respect of Canada,

Recognizing that the fish of the Great Lakes and their connecting waters constitute an important source of food supply and a natural resource of great economic importance to the United States of America and Canada, that fishing operations and other factors in the waters within the jurisdiction of one country may adversely affect the supply in the waters within the jurisdiction of the other, that some species of fish in the Great Lakes have declined and that further declines are probable unless adequate provision is made for the development, protection, and conservation of the Great Lakes fisheries and for the maintenance of conditions which will permit the maximum yield, and that the conservation and effective management of these fisheries require cooperation between and joint action by the governmental agencies of both countries concerned with the administration of these fisheries,

Have resolved to conclude a convention for this purpose and have appointed as their respective plenipotentiaries,

The President of the United States of America:

Dean Acheson, Acting Secretary of State of the United States of America, and

His Majesty the King of Great Britain, Ireland and the British dominions beyond the Seas, Emperor of India, for Canada:

Lester Bowles Pearson, Ambassador Extraordinary and Plenipotentiary for Canada to the United States of America, and

Hedley Francis Gregory Bridges, Minister of Fisheries of Canada;

Who, having communicated to each other their respective full powers, found in good and due form, have agreed as follows:

ARTICLE I

It is agreed that the provisions of this Convention shall apply to the following, herein referred to as the Great Lakes: Lake Ontario, Lake Erie, Lake St. Clair, Lake Huron, Lake Michigan, Lake Superior, the connecting waters, bays, and component parts of each of these lakes, and the St. Lawrence River from Lake Ontario to the forty-fifth parallel of latitude. For the purposes of this Convention the St. Lawrence River from Lake Ontario to the forty-fifth parallel of latitude shall be treated as a lake of the Great Lakes.

ARTICLE II

1. The High Contracting Parties agree to establish and maintain a joint commission, hereinafter referred to as the Commission, to be known as the International Commission for the Great Lakes Fisheries and to be composed of two National Sections, a United States Section and a Canadian Section.

2. Each High Contracting Party may also appoint an advisory committee for each lake consisting of representatives designated by each state or province, as the case may be, having jurisdiction on the lake.

3. The expenses of each Section and of each advisory committee shall be determined and paid by their respective governments: Provided that joint expenses incurred for administration or research or for other purposes shall be paid by the two High Contracting Parties in equal shares.

4. The Commission, the National Sections and the advisory committees shall be constituted in accordance with and shall be governed by the provisions of the Schedule annexed to this Convention.

ARTICLE III

1. The Commission shall formulate and recommend specific research programs, which may be undertaken by the appropriate agencies of the two governments in collaboration with the states of the United States of America concerned and the Province of Ontario, as well as such other institutions and facilities as the Commission deems advisable, for observations and studies of the Great Lakes fisheries, to guide it in exercising its functions provided for in Article IV of this Convention. Such programs may include the collection and analysis of statistical information to reveal the current conditions and trends of the fishery resources, studies and appraisal of methods for increasing the abundance of fish by artificial propagation and other means, and studies of any factors that may affect the fisheries of the Great Lakes, including silting and pollution. The Commission shall take such further steps as it considers practicable to coordinate and develop research which it may deem of value in connection with the Great Lakes fisheries.

2. The High Contracting Parties agree that, within one year from the date of the exchange of the ratifications of this Convention, each of them will undertake such observations and studies, recommended by the Commission for joint or concurrent action, as they consider necessary for the effective guidance of the Commission in the exercise of its functions.

3. It is understood that nothing contained in this Convention or in the laws and regulations of the High Contracting Parties or of any state or of the Province of Ontario shall prohibit the Commission from conducting or authorizing fishing operations and biological experiments at any time for purposes of scientific investigation.

ARTICLE IV

1. The Commission shall undertake to develop a comprehensive plan for the effective management of the fishery resources of the Great Lakes for the purpose of securing the maximum use of these resources consistent with their perpetuation.

2. The Commission may make regulations fixing:

(a) open and closed seasons;

(b) open and closed waters;

(c) the size limits for each species of fish;

(d) the time, methods and intensity of fishing;

(e) the type and specifications of the nets, gear, and apparatus and appliances which may be used;

(f) the methods of measurement;

(g) the extent and nature of stocking operations;

(h) the introduction of new species and

(i) catch returns and other statistical records as may be necessary to give effect to the purposes of this Convention.

Regulations made under this section shall be uniform for each lake or equivalent in their effectiveness in the waters of each country as determined by the Commission. The Commission may from time to time make such regulations for each lake separately and may establish zones within a lake and make regulations for the various zones of that lake in accordance with differences in conditions. Regulations for a lake or for a zone within a lake shall be made with due regard to the necessary interdependence of such regulations with the regulations for other waters of the Great Lakes.

3. The Commission may make recommendations to the appropriate federal, state, provincial and local authorities regarding measures for dealing with such other factors affecting the Great Lakes fisheries, including silting and pollution, as are not included under section 2 of this Article.

4. The United States Section alone shall exercise all powers and functions of the Commission in matters relating to Lake Michigan having due regard to the necessary interdependence of regulations for that lake with those for the other lakes. The Commission shall likewise, with respect to the other lakes, have due regard to the regulations for and the conditions of Lake Michigan.

5. Regulations made by the Commission for United States waters, and by the United States Section for Lake Michigan, shall not become effective until approved by the President of the United States of America.

6. Regulations made by the Commission for Canadian waters shall not become effective until approved by the Governor General in Council.

ARTICLE V

1. The High Contracting Parties agree to provide for the enforcement, whether directly or through state and provincial governments or by both means, within their respective waters of the regulations made and approved under this Convention.

2. It is understood that in United States waters the regulations for each lake may be enforced in the first instance by the enforcement agencies of the states bordering thereon within their respective jurisdictions and in Canadian waters by the appropriate enforcement agencies in the Province of Ontario.

3. The Commission shall keep itself informed as to the effectiveness of enforcement, shall report to the High Contracting Parties with respect to any charges, allegations, or conditions of unsatisfactory enforcement of which it is aware, and may recommend to the High Contracting Parties measures for the improvement of enforcement. Except as to Lake Michigan, upon the complaint of either National Section with respect to enforcement in any area of the waters of the other country the government of that country will take appropriate action to enforce the regulations for that area and will continue such action so long as it deems necessary.

ARTICLE VI

Nothing in this Convention shall be construed as preventing either of the High Contracting Parties, subject to their respective constitutional arrangements, or any of the states of the United States of America bordering on the Great Lakes or the Province of Ontario from making or enforcing such laws or regulations within their respective jurisdictions as will give further protection to the fisheries of the Great Lakes and as are not inconsistent with the provisions of this Convention or with the regulations made and approved thereunder.

ARTICLE VII

The High Contracting Parties agree to provide, subject to their respective constitutional arrangements, for the prohibition of the shipment, transport, purchase, sale, import or export of fish taken from the Great Lakes in violation of the regulations made and approved under this Convention.

ARTICLE VIII

The High Contracting Parties agree that, subject to their respective constitutional arrangements, licenses to fish in the waters of the Great Lakes within the jurisdiction of any state or province may continue to be issued by such state or province in accordance with its laws and subject to such fees as it may fix, if such licenses and licensing are not inconsistent with the provisions of this Convention or with the regulations made and approved thereunder. Where licensing of fishing activities is necessary to give effect to the regulations made and approved under this Convention, and any state or province fails to establish or maintain licensing adequate for the successful control or management of any such fishing activity, the High Contracting Party having jurisdiction will take such measures as may be necessary to provide the needed licensing in the area of its waters affected.

ARTICLE IX

The High Contracting Parties agree to provide for the enactment and enforcement of such legislation as may be necessary to give effect to the provisions of this Convention and the regulations made and approved thereunder, with appropriate penalties for violations.

ARTICLE X

The present Convention shall be ratified by the President of the United States of America, by and with the advice and consent of the Senate thereof, and in respect of Canada by His Majesty in accordance with the constitutional practice, and it shall come into force on the date of the exchange of ratifications, which shall take place at Ottawa. The Convention shall continue in force for a period of ten years and thereafter until one year from the day on which either of the High Contracting Parties shall give notice to the other High Contracting Party of an intention of terminating the Convention.

It witness whereof, the respective plenipotentiaries have signed the present Convention and have affixed their seals thereto.

Done in duplicate at Washington the second day of April, one thousand nine hundred forty-six.

For the United States of America:

[SEAL] DEAN ACHESON

For Canada:

[SEAL] LESTER B. PEARSON

[SEAL] H. FRANCIS G. BRIDGES

SCHEDULE

SPECIAL PROVISIONS RELATING TO THE COMMISSION, THE NATIONAL SECTIONS AND THE ADVISORY COMMITTEES

1. The United States Section shall be composed of three members, one a representative of the fishery agency of the Government of the United States of America, the second a person chosen by the President of the United States of America from a list of two or more persons named by the states having jurisdiction on the Great Lakes, and the third a person duly qualified to represent the public at large by reason of knowledge of the fisheries of the Great Lakes.

2. The Canadian Section shall be composed of three members, one a representative of the public services of Canada, the second a representative of the public services of the Province of Ontario, and the third a person duly qualified to represent the public at large by reason of knowledge of the fisheries of the Great Lakes.

3. (a) Each High Contracting Party may fix the terms of service of its members of the Commission and of the members of any advisory committees established by it pursuant to article II of the Convention.

(b) Each High Contracting Party may fix the composition of the membership of any such advisory committee established by it, in order to give adequate representation to state or provincial conservation and fishery

agencies, commercial fishermen, sports fishermen, and the public at large; but the members of such advisory committee shall be designated by the states or province having jurisdiction on the lake concerned.

4. (a) At the first meeting of the Commission and at every second subsequent annual meeting thereafter the members shall select from among themselves a Chairman and a Secretary both of whom shall hold office for two years. The Chairman shall be selected from one National Section and the Secretary from the other National Section. The offices of Chairman and Secretary shall alternate biennially between the National Sections.

(b) In the event that the Chairman or the Secretary is not present at a meeting of the Commission the other members may appoint one of their number to act in his stead. In case the Chairman or the Secretary ceases to be a member of the Commission, the Commission shall select from the members of the same National Section a new Chairman or Secretary to hold office for the unexpired term.

(c) The Commission shall adopt suitable by-laws or provisions for the conduct of its meetings and for the exercise of the functions and duties vested in it by the Convention and may employ necessary personnel for the discharge of its functions.

5. Each member of the Commission shall have one vote and the Commission shall determine for each lake other than Lake Michigan by majority vote of the entire Commission the fishing regulations and other decisions with respect to such lake. With respect to Lake Michigan, each member of the United States Section shall have one vote and decisions shall be by majority vote.

6. (a) Any advisory committee which, pursuant to Article II of the Convention, may be appointed by each Government for a particular lake, shall be invited to all non-executive meetings of the Commission or its respective National Sections at which matters concerning that lake are to be considered, and shall be given full opportunity to examine and to be heard on all proposed fishing regulations and other decisions relating to that lake.

(b) Regulations made by the Commission, or by the United States Section for Lake Michigan, shall be submitted forthwith to any pertinent advisory committee or committees and shall not be submitted to the President of the United States of America or to the Governor General of Canada for approval until after forty-five days from the day on which they were made, unless all the pertinent advisory committees express their consent to the regulations prior to such time. The advisory committee or committees shall consider such regulations and shall comment thereon to the Commission or to the United States Section for Lake Michigan. If prior to the expiration of the period of forty-five days the Commission shall be requested by any such advisory committee to reconsider such regulations or any portion thereof, the Commission or the United States Section for Lake Michigan shall undertake such reconsideration prior to submitting the regulations to the President of the United States of America or to the Governor General of Canada for approval.

(c) Emergency regulations and decisions may be made without opportunity for examination and recommendation by the pertinent advisory committee or committees. Such emergency regulations and decisions shall not be operative for more than one year and may not be renewed without full opportunity for examination and recommendation by the advisory committee or committees.

7. For the purpose of considering and making regulations regarding fishing in the Great Lakes, the Commission, or in the case of Lake Michigan the United States Section alone, shall meet at least twice a year and one of these meetings shall be designated by the Chairman and Secretary as the annual meeting. The date and place of the annual meeting and of such other meetings as may be necessary at any time shall be agreed upon by the Chairman and the Secretary except that only the representative of the United States of America holding the office of the Chairman or the Secretary shall call meetings of the United States Section for Lake Michigan.

8. Prior to any meeting at which regulations for any of the Great Lakes are to be voted upon, a hearing or hearings shall be held by the Commission, or in the case of Lake Michigan by the United States Section, at a place or places near that lake, which shall be open to fishermen and other persons in either country interested in the problems of that lake: Provided that in the event of emergency circumstances meetings may be held without such hearings. Nothing herein shall be deemed to prevent either National Section from holding hearings within its own country at its discretion.

9. The Commission shall publish biennially, or more frequently as it judges desirable, reports of its activities and recommendations, as well as such publications as it may see fit of a scientific nature or other public information, and may also arrange to publish the results of the research of collaborating and associated agencies.

10. Regulations made and approved under Article IV of the Convention shall not become effective until one year from the date when the Convention comes into force.

11. For purposes of the application of the Convention and regulations made and approved thereunder, the Commission may determine the boundaries between the lakes, and between the waters specified in Article I of the Convention and waters flowing into or from such waters, and may also determine the lake or lakes of which the connecting waters or any part thereof shall be treated as forming a part.

12. The provisions of this Schedule may be revised and amended from time to time by the Commission: Provided that:

(a) any revision or amendment inconsistent with the provisions of this Schedule must be confirmed by an exchange of notes between the High Contracting Parties; and

(b) no revision or amendment inconsistent with the Convention, or which diminishes the extent or effectiveness of state or provincial participation and representation of state or provincial interests now provided under paragraphs 1, 2, 5, 6 and 8 of this Schedule, may be made by the Commission.

LEGISLATIVE PROGRAM

The Senate resumed the consideration of legislative business.

Mr. BARKLEY. Mr. President, I wish to express the hope that during the remainder of the consideration of the joint resolution now pending, and all other legislative proposals which may follow it, Senators will make every possible effort to attend the sessions of the Senate. I realize the inconvenience that will bring about in many cases, especially when committees are holding hearings, but the joint resolution now before the Senate is one of the most important pieces of legislation Congress will consider during the present session.

There is to follow it, I hope, the bill now on the calendar extending the Draft Act. There are other bills of importance which may be urged for consideration, and by the time they are disposed of I trust the Committee on Banking and Currency will have finished its hearings on the extension of the Stabilization Act, and that we will have that bill on the floor for disposition at as early a date as possible.

To be perfectly frank, it is very discouraging to try to legislate on an important matter of the nature of that now pending with Senators not in the Chamber. The Easter season is over, Senators have made their Easter trips to wherever they wanted to go, and they are due back in Washington and back in the Senate, in my humble opinion, though I do not set myself up as a judge of attendance and of the whereabouts of Senators. Certainly, however, the pending proposal is important, all the measures to follow are important, and we cannot intelligently enact legislation without Senators who are interested in it or who are likely to vote upon it actually being within the Chamber, or within easy reach, if votes are to be had by voice vote, by standing vote, or by the yea-and-nays.

Therefore, Mr. President, I express the hope that, regardless of the inconvenience which may be the result to Senators, they make every possible effort to remain in the Senate Chamber while these measures are under consideration. I do not make this request, I do not urge this course, by reason of any pique, or for any reason other than that it will be in the interest of good legislation.

I hope Senators will take this admonition seriously, and will not embarrass the Senate by continuous and sometimes unanimous absence from the Chamber.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McMAHON. I noted the latter part of the statement by the majority leader respecting important legislation which is awaiting enactment. I should like to stake out a claim now for as early consideration as possible of the atomic energy bill which was unanimously reported to the Senate last week.

Mr. BARKLEY. That is one of the bills I had in mind when I said there was other legislation of importance waiting. I did not wish to exclude any bill by trying to mention all of them. I did mention the pending joint resolution and the draft bill, which must be enacted in some form before the 15th of May, and the measure for the extension of OPA, which, unless the law is extended, will expire on June 30. Those are bills that have a time limit upon them. I did mention them. But that was not intended to exclude other important legislation such as that referred to by the Senator from Connecticut.

Mr. WHERRY. Mr. President, I inquire if the important legislation includes the Case bill, the so-called labor bill?

Mr. BARKLEY. It includes the consideration of that bill. I believe a substitute for that bill has been reported and is now on the calendar. That is one of the bills we hope to be able to take up for consideration.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. BILBO. I appreciate the very wise and timely observation made by our

leader respecting attendance, and I shall make every sacrifice to comply with his request. Tomorrow, after disposition of the conference report, which our leader has already arranged to have considered then, I should like to have permission to obtain the floor to speak on the pending measure, the British loan.

Mr. BARKLEY. Mr. President, I have no objection to that. I am wondering though whether it is necessary now to ask unanimous consent to obtain the floor.

Mr. BILBO. I wanted to give notice because of what the Senator said with respect to pushing for more speedy action.

Mr. BARKLEY. Under the rule, if the Senator rises and is recognized, he can ask for and obtain consent to speak. It is a little bit on the side of bad practice to ask unanimous consent on the day previous in order to obtain recognition before some other Senator. I will cooperate with the Senator, I will say, in every way I can to see that he will be given the opportunity to speak.

Mr. BILBO. The Senator seemed to be in such a pushing mood I was afraid I would be pushed out.

Mr. BARKLEY. I do not want to push the Senator out. I am in a pushing mood, I will say.

Mr. KNOWLAND. Mr. President, bearing on the remarks of the distinguished majority leader, I should like to observe at this time that I hope some method will be found in the not too distant future for the Senate to have the opportunity to act on the joint Senate-House committee report respecting the reorganization of the Congress, the report having been submitted by the Senator from Wisconsin [Mr. LA FOLLETTE] and Representative MONRONEY, of Oklahoma. I think the problem we have been faced with here is one of the results of too many committees of the Senate meeting during the period of time the Senate is in session, and perhaps a more practical result will be achieved if we can have that report acted upon in the near future.

Mr. BARKLEY. Mr. President, I am sympathetic with the suggestion of the Senator from California. One of the parliamentary difficulties at the moment is that the report referred to was submitted by a joint committee of both Houses. There has been some discussion of the propriety of the adoption of a resolution permitting the Senate members of the joint committee to constitute a committee for the purpose of making report to the Senate of legislation on the subject. Otherwise, it must go to a standing committee and take its course in the standing committee. That parliamentary suggestion has not yet been carried out, though I am sure it is still in the minds of the members of the joint committee. But unless something like that is done, or a standing committee reports the recommendation of the joint committee, a parliamentary difficulty is presented even in getting the matter on the calendar for consideration of the Senate. I hope it will be worked out very promptly.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Megill, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 1152. An act to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes:

S. 1610. An act for the rehabilitation of the Philippines;

S. 1757. An act to amend the Surplus Property Act of 1944 with reference to veterans' preference, and for other purposes;

H. R. 5400. An act making appropriations for the fiscal year ending June 30, 1947, for civil functions administered by the War Department, and for other purposes; and

H. J. Res. 331. Joint resolution to authorize suitable participation by the United States in the observance of the two hundredth anniversary of the founding of Princeton University.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 18 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, April 23, 1946, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by Senate April 22 (legislative day of March 5), 1946:

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES

TO ADJUTANT GENERAL'S DEPARTMENT

Maj. Clifton Coleman Carter, Coast Artillery Corps (temporary colonel), with rank from June 12, 1942.

Maj. Luther Gordon Causey, Infantry (temporary colonel), with rank from June 30, 1942.

TO CORPS OF ENGINEERS

First Lt. Marion Hopkins May, Field Artillery (temporary captain), with rank from January 19, 1946.

First Lt. Hobart Burnside Pillsbury, Coast Artillery Corps (temporary major), with rank from June 11, 1943.

TO ORDNANCE DEPARTMENT

First Lt. William Aldrich Davis, Field Artillery (temporary colonel), with rank from June 12, 1939.

First Lt. John Breed Deane, Quartermaster Corps (temporary lieutenant colonel), with rank from June 11, 1944.

First Lt. Orville Kenneth Knight, Quartermaster Corps (temporary lieutenant colonel), with rank from July 1, 1945.

First Lt. George Franklin Leist, Coast Artillery Corps (temporary lieutenant colonel), with rank from June 12, 1940.

First Lt. Warren Newcomb Wildrick, Infantry (temporary colonel), with rank from June 12, 1939.

TO CAVALRY

Second Lt. Gerald Dean Hall, Ordnance Department (temporary first lieutenant), with rank from June 6, 1944.

Second Lt. Chester Craig Sargent, Infantry, with rank from June 5, 1945.

TO FIELD ARTILLERY

Lt. Col. Charles Royal Lehner, Quartermaster Corps (temporary colonel), with rank from July 1, 1940.

First Lt. Henry Frederick Grimm, Jr., Coast Artillery Corps (temporary captain), with rank from January 19, 1946.

First Lt. Cecil Wray Page, Jr., Signal Corps (temporary captain), with rank from January 19, 1946.

First Lt. Robert James Welsh, Coast Artillery Corps (temporary major), with rank from July 1, 1945.

TO INFANTRY

Second Lt. William Patrick Hunt, Jr., Coast Artillery Corps (temporary first lieutenant), with rank from June 1, 1943.

TO AIR CORPS

First Lt. Nathan Louis Krisberg, Signal Corps (temporary lieutenant colonel), with rank from June 11, 1943.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

To be major with rank from May 1, 1946

Capt. Robert Edward Lee Choate, Air Corps (temporary colonel), subject to examination required by law.

To be majors with rank from May 2, 1946

Capt. Edwin Roland French, Air Corps (temporary colonel).

Capt. John Williams Persons, Air Corps (temporary colonel).

Capt. William Chamberlayne Bentley, Jr., Air Corps (temporary colonel), subject to examination required by law.

Capt. Sam Williamson Cheyney, Air Corps (temporary colonel), subject to examination required by law.

Capt. Max Harrelson Warren, Air Corps (temporary colonel), subject to examination required by law.

Capt. Edwin Lee Tucker, Air Corps (temporary colonel), subject to examination required by law.

Capt. Ralph Rhudy, Air Corps (temporary colonel).

Capt. Isaac William Ott, Air Corps (temporary brigadier general), subject to examination required by law.

Capt. Edward Holmes Underhill, Air Corps (temporary colonel).

Capt. Trenholm Jones Meyer, Air Corps (temporary colonel), subject to examination required by law.

Capt. William Pryor Sloan, Air Corps (temporary colonel), subject to examination required by law.

Capt. George Frost Kinzie, Air Corps (temporary colonel).

Capt. Albert Boyd, Air Corps (temporary colonel).

Capt. James Wayne McCauley, Air Corps (temporary colonel).

Capt. Edward Harrison Alexander, Air Corps (temporary brigadier general).

Capt. Frank Alton Armstrong, Jr., Air Corps (temporary brigadier general).

Capt. William Albert Matheny, Air Corps (temporary brigadier general).

Capt. John Patrick Kenny, Air Corps (temporary colonel).

Capt. Reginald Franklin Conroy Vance, Air Corps (temporary colonel), subject to examination required by law.

Capt. William Lecel Lee, Air Corps (temporary brigadier general).

Capt. Haywood Shepherd Hansell, Jr., Air Corps (temporary brigadier general).

Capt. Paul Mueller Jacobs, Air Corps (temporary colonel).

Capt. Dudley Durward Hale, Air Corps (temporary colonel).

Capt. Herbert Leonard Grills, Air Corps (temporary colonel).

Capt. Benjamin Scovill Kelsey, Air Corps (temporary colonel), subject to examination required by law.

Capt. Thomas Lee Mosley, Air Corps (temporary colonel).

Capt. Raymond Lloyd Winn, Air Corps (temporary colonel).

Capt. Leonard Franklin Harman, Air Corps (temporary colonel), subject to examination required by law.

Capt. Kingston Eric Tibbetts, Air Corps (temporary colonel).

Capt. Richard Henry Lee, Air Corps (temporary colonel).

Capt. Robert Wilson Stewart, Air Corps (temporary colonel).

Capt. Lewis R. Parker, Air Corps (temporary colonel).

Capt. William Maurice Morgan, Air Corps (temporary colonel).

Capt. Richard Irvine Dugan, Air Corps (temporary colonel).

Capt. Edwin Minor Day, Air Corps (temporary colonel).

Capt. Jack Weston Wood, Air Corps (temporary colonel).

Capt. James Herbert Wallace, Air Corps (temporary colonel).

MEDICAL CORPS

To be major

Capt. William Warren Roe, Jr., Medical Corps (temporary colonel), with rank from May 13, 1946.

To be captain

First Lt. Wayne Peter Beardsley, Medical Corps (temporary captain), with rank from May 3, 1946, subject to examination required by law.

VETERINARY CORPS

To be colonel

Lt. Col. Frank Marion Lee, Veterinary Corps (temporary colonel), with rank from May 16, 1946.

CHAPLAINS

To be lieutenant colonel

Chaplain (Maj.) James Hugh O'Neill, United States Army (temporary colonel), with rank from May 11, 1946, subject to examination required by law.

To be major

Chaplain (Capt.) William Lewis Cooper, United States Army (temporary major), with rank from May 14, 1946.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidate for appointment in the Regular Corps of the United States Public Health Service:

Thomas A. Foster to be pharmacist, effective date of oath of office.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 22 (legislative day of March 5), 1946:

UNITED NATIONS

SECURITY COUNCIL

Herschel V. Johnson to be Deputy Representative of the United States of America, with the rank and status of Envoy Extraordinary and Minister Plenipotentiary, in the Security Council of the United Nations.

FOREIGN SERVICE

George V. Allen to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iran.

SENATE

TUESDAY, APRIL 23, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, fountain of all life, source of all blessing, whose infinite mind dwells behind the shadows and in the shadows, and whose heart of love pulses beyond the stars, at this noontide altar of a nation's faith we seek Thy guidance and a sense of Thy nearness. As we face the cares of today and the burdens of tomorrow, we are bewildered by the perplexity and the confusion of the world. When appalling human needs make this a time for greatness, save us from the devices and the duplicity of cowardly compromise, as evil enticements lie in wait to silence our consciences. Deliver us from the sophistries of the cynical and the inclinations of our own hearts to self-deceit.

As our starry banner flutters nearer to the earth in grief for the translation of a great public servant, reminding us that in the midst of life we are in death; like him whose earthly labor is ended, may we do our work to the last in sincerity, tranquillity, and self-effacement. In the dear Redeemer's name. Amen.

DEATH OF THE CHIEF JUSTICE OF THE UNITED STATES

The PRESIDENT pro tempore. The Chair lays before the Senate a letter from Hugo L. Black, senior Associate Justice of the Supreme Court of the United States, which will be read.

The Chief Clerk read as follows:

SUPREME COURT OF THE UNITED STATES,
Washington, D. C., April 23, 1946.

Hon. KENNETH MCKELLAR,
President pro tempore of the Senate,
Washington, D. C.

SIR: I am directed by the Supreme Court of the United States to notify the Senate through you that the Chief Justice of the United States died in this city at 6:45 p. m. yesterday.

I have the honor to be,
Yours very respectfully,
HUGO L. BLACK,
Senior Associate Justice.

Mr. BARKLEY. Mr. President, I send to the desk a resolution and ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 263), as follows:

Resolved, That a committee of six Senators be appointed by the President pro tempore to attend the funeral of the late Chief Justice and to take such other steps as may be necessary in regard to the funeral ceremonies.

Mr. BARKLEY. Mr. President, before the adoption of the resolution I wish to utter a few words of profound sorrow over the news which we have officially received from the Supreme Court and which we had already received from other sources concerning the death of Chief Justice Stone.

Mr. President, there are no words of which I am capable that could under the circumstances adequately portray either the high respect in which Chief Justice Stone was held or the profound grief which at this hour we, as well as all America, experience over his unfortunate death.

There have been, Mr. President, great men who have sat on the highest Court of this great Nation. Some of them have not always been Chief Justices; some of them have been Associate Justices. It is not my purpose to assess the relative value of the services rendered by the Chief Justices of the United States or by the Associate Justices of the United States; but I believe I am well within the bounds of truth when I say that no Associate Justice or Chief Justice within my recollection held a more abiding place in the affections of the American people and in the affections of all those who knew him intimately and personally than did Chief Justice Stone.

In the providence of Almighty God human events take on a form of mystery. All through the years men who were regarded as being almost indispensable, men who could least be spared by their country and their associates, have passed on after long and lingering illnesses, or suddenly, as in the case of Chief Justice Stone. Somehow or other, God Almighty always provides that there shall be remaining men of distinction and ability to carry on and lead the forces of democracy and of righteousness in whatever office or profession or calling the departed ones may have served, but they always leave in the pathway which they have trod footprints that are ineffaceable and that cannot be marked out, footprints that are not made in the shifting sands of the seashore, but upon the firm solid rock of integrity, durable, perpetual, noble, and inspiring.

Such a man was Chief Justice Stone. A great lawyer in his chosen profession, a man of wide knowledge in various fields of human activity, a great judge, a great Chief Justice. But even though he possessed these great qualities we like to think of Chief Justice Stone as a great man and a great friend. He had the quality of kindling confidence among those who knew him. He had a warm and affable personality. He had a wide conception of the problems that face our country and our civilization and the day in which we live.

His contribution during the past 20 years to the interpretation of our institutions, and to their jurisdictional, legal, and legislative solidarity and perpetuity has been outstanding, and proclaimed him to be one of the greatest public servants within the generation in which we live.

I mourn the departure of the Chief Justice as a personal friend. I admired him greatly for his human qualities, for his judicial poise and temperament, for his human understanding, and for the confidence in our institutions which he inspired, not only from the bench but in the social and personal connections which we all enjoyed and have enjoyed for the past two decades.

Mr. President, I am sure I speak the sentiments of the Senate when I say his family and his friends have our deepest sympathy. May the richest blessings of God Almighty rest with them during the remainder of their days and make more hallowed as the years go by the sacred memory of his life.

Mr. WAGNER. Mr. President, I was deeply shocked to hear of the sudden death last night of Chief Justice Stone. As one who has had the privilege of knowing Harlan Fiske Stone for many

years, I feel impelled at this time to say a few words in tribute to his memory.

Twenty-two years ago, in April 1924, Harlan Fiske Stone was appointed a Justice of the Supreme Court of the United States. He came to that high office well equipped, having served since 1910 as Kent professor of law at Columbia University. As dean of the Columbia University School of Law, Mr. Stone made an inestimable contribution toward raising the standards of the legal profession, through advances in legal education. He intensely disliked unnecessary complexities and obfuscation, and he constantly taught and strove for simplification in the law.

In 1924 Harlan Fiske Stone came to the Supreme Court with a well-earned reputation for knowledge of the law and maturity of judgment. Had he possessed only these qualities he would still have been a good judge. But Justice Stone possessed other and more important qualities, which revealed themselves to a grateful people early in his career on the bench. He was steadfastly and unswervingly devoted to the principles of American democracy, and he was thoroughly honest in his analysis of the complex problems with which he dealt. It is to his everlasting credit that he saw clearly the need for interpreting the law of the land in the light of new facts and changing conditions.

His was no rigid conception of the functions of the Supreme Court, nor did he adhere slavishly to precedents, however great, when they stood in the way of the forward march of our American democracy. His belief in the right of a majority of the people to choose their own destiny through their elected representatives was profound and unshakable. Thus, in his minority opinion on the validity of the original farm act he expressed his profound conviction that it was not the business of the courts to sit in judgment on the wisdom of legislative action. In this he followed in the tradition of three great Justices, Oliver Wendell Holmes, Louis Brandeis, and Benjamin Cardozo.

When others of Justice Stone's political faith were reviling the new deal statutes enacted under the leadership of Franklin Delano Roosevelt, and were urging the Supreme Court to hold these unconstitutional, Justice Stone steadfastly adhered to the path of judicial greatness and refused to let his prejudices obscure the truth. Thus he wrote the opinion upholding the Railway Labor Act, compelling railroads to bargain collectively with their employees. Thus he joined the majority of the Court in upholding unemployment insurance, old age pensions, and auxiliary State laws to implement the Social Security Act. I state these merely as instances of the man's democratic instincts, and his understanding of the needs of the time in which he lived.

On June 2, 1941, Chief Justice Hughes, then in his seventy-ninth year, wrote to President Roosevelt that he was retiring out of "considerations of health and age." Ten days later, President Roosevelt named Justice Stone Chief Justice of the United States. This choice was universally approved, and was hailed throughout the country as an excellent appointment which would maintain the prestige and dignity of the Court. The faith of President Roosevelt, the Senate, and the people of the United States in the character, intelligence, wisdom, and intellect of the new Chief Justice proved to be completely justified. During five difficult years, Chief Justice Stone devoted his heart and soul to the responsibilities of his great office. He discharged those responsibilities to the best of his abilities, and his abilities were of the highest order. Today the State of New York, which I have the honor in part to represent, grieves the loss of an adopted son, and the entire Nation pays tribute to a great Chief Justice. His death is an irreparable loss. The memory of his devoted service to the Nation will last forever.

Mr. WHITE. Mr. President, we all regret the passing of the great Chief Justice of the United States, Harlan Fiske Stone. We of New England held the Chief Justice in special and peculiar affection, and we had for him the greatest of respect. He was born in New Hampshire. He graduated from a Massachusetts college. He had a summer home on the coast of Maine, and we have thought that in his life and in his works he reflected in unusual degree the qualities of mind and the character of our people, and a governmental philosophy which commands widest approval in our part of the United States.

Chief Justice Stone's life was chiefly devoted to the study, the practice, and the interpretation of the law but he had other interests in which he found joy and inspiration. He made other and great contributions, to the arts, to science, and to literature.

In his early life the Chief Justice was a teacher and a brilliant and successful practitioner of the law. His great contribution to our country, however, was as a member of the judiciary of the United States.

The Chief Justice believed in the legislative branch of our Government. He looked expectantly to the representatives of the people in Congress assembled to declare policy and to enact laws. He believed profoundly that it was the function of the Court of which he was Chief Justice to interpret congressional legislation, and he battled against the assumption by courts of the law-making function. This conception of the judicial right and the judicial obligation distinguished the judicial life of the Chief Justice.

Mr. President, Chief Justice Stone was a public spirited and upright citizen; a brilliant member of the bar; a learned and just judge; a great American. The Court's loss and the country's loss in his death seem irreparable. I feel a sense of personal grief. In behalf of the minority of the Senate, I extend assurances to his family of our deep and abiding sympathy.

Mr. BARKLEY. Mr. President, if I may for just a moment interrupt the eulogies, in view of the fact that the Senate had a special order for today which we cannot carry out, namely, consideration of the conference report, I ask unanimous consent that the consideration of the report be postponed until 12 o'clock noon on Tuesday next.

The PRESIDENT pro tempore. Without objection, it so ordered.

Mr. TOBEY. Mr. President, I rise to pay the tribute of the State of New Hampshire to the memory of her son, Harlan Fiske Stone, the late Chief Justice of the United States. Harlan Stone was born in one of the smallest towns in the State of New Hampshire, the little town of Chesterfield, and married a Chesterfield girl before he started out on his great career. He brought glory and honor to his native State and to the Nation at large.

I recall him so many times in social gatherings, and those who have met him and grasped his hand always noted one real characteristic, the twinkle in the man's eyes, and his strong vein of humor.

As a member of the Supreme Court Chief Justice Stone interpreted the Constitution liberally. He interpreted the Constitution in the interest of his fellow men, believing human life to be more important than things; and I honor him for it.

Men say that Harlan Stone is dead. I dispute that. Harlan Stone lives in blessed memory, in the hearts of his friends and countrymen. The poet was right when he said so beautifully—and it applied to Chief Justice Stone:

A good man never dies—
In worthy deed and prayer,
And helpful hands, and honest eyes,
If smiles or tears be there:
Who lives for you and me—
Lives for the world he tries
To help—he lives eternally.
A good man never dies.

Such a man was Harlan Stone, and he will live on down through the years in blessed memory in the hearts of his countrymen.

God rest his soul, and bless and comfort his devoted wife.

Mr. WILLIS. Mr. President, I did not have the pleasure of an intimate acquaintanceship with Chief Justice Stone. I am not, as so many other Senators are, schooled in the law, the philosophy of which is often so eloquently expressed by those in the Chamber who are members of the legal profession. But as a humble American citizen of a fundamentally American State there is just one thought I should like to impress upon this body and upon the country today. Chief Justice Stone in the last moments of his life gave utterance to a philosophy which sometimes we have lost sight of in these latter years but which we should remember all the days of our lives. In a dissenting opinion handed down by him yesterday he spoke words which seem to me to be almost dramatic in their timing and their bearing. They were to the effect that only the Congress can make the law, and the Supreme Court must not be guided by its own idea of what the law ought to be.

The great rule of his philosophy of the law was that Congress makes the law, and that the Supreme Court must follow it. The last words of his last opinion

handed down yesterday are highly impressive words, and I now place them in the RECORD, as follows:

It is not the function of this Court to disregard the will of Congress in the exercise of its constitutional power.

If Chief Justice Stone had contributed nothing else to our American philosophy, those words alone would be worth the life which he nobly and inspiringly lived.

I have risen to pay my tribute and that of the State of Indiana to this great man and to give our endorsement and approval to these wonderful words he spoke in sustaining the philosophy of the American way of life.

Mr. McCARRAN. Mr. President, speaking for those who are members of the committee of the Senate which deals with the law, I would say a word, because I realize, as, I think, all the Members of this great body must of necessity realize, that this great man by the hand of his Maker has been called from this world at a most untimely hour. In my judgment there was never a time in the history of America when men of the type of Chief Justice Stone were so much needed as they are today.

To him the Constitution of the United States was a sacred document of government, and yet it was not a static instrument. In expanding that instrument, however, his every word explained that he was animated by a zeal and a fervor to preserve and guard it in the finest things for which it speaks. He was at all times in his every utterance a progressive American, realizing the confines of the instrument which created the great tribunal over which he presided as Chief Justice of the United States. In his every expression he showed himself to be a lover of constitutional government, but, above all, he recognized the rights of the people to speak for themselves in respect to the mandates that would govern them.

So when the world so desperately needs men of his type, it is indeed an untimely hour when he is called away.

But, thanks be to God, he leaves behind him the fine thoughts written into the instruments coming from his pen that will, we hope, in these troublous times guide us into a tranquil sea. May his love of constitutional authority prevail to preserve America, so that civilization may endure and develop in the centuries to come.

The PRESIDENT pro tempore. The question is on agreeing to the resolution submitted by the Senator from Kentucky [Mr. BARKLEY].

The resolution was unanimously agreed to.

The PRESIDENT pro tempore. The Chair appoints as the committee the Senator from Kentucky [Mr. BARKLEY], the Senator from Nevada [Mr. MCCARRAN], the Senator from New York [Mr. WAGNER], the Senator from Maine [Mr. WHITE], the Senator from Wisconsin [Mr. WILEY], and the Senator from New Hampshire [Mr. TOBEY].

RECESS

Mr. BARKLEY. As a further mark of respect to the memory of the late Chief Justice, I move that the Senate now take a recess until 12 o'clock noon tomorrow.

The motion was unanimously agreed to; and (at 12 o'clock and 28 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, April 24, 1946, at 12 o'clock meridian.

SENATE

WEDNESDAY, APRIL 24, 1946

(Legislative day of Tuesday, March 5, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Emory Stevens Bucke, editor, Zion's Herald, Boston, Mass., offered the following prayer:

Great and good God, Thou who has endowed all men with a chance for greatness, give us the will to know Thy will.

Thou who hast made us stewards of brotherhood under Thy fatherhood, bless our Nation and the nations of the world, that Thy children may regain a sense of moral responsibility.

We pray for these servants of Thy children. Make this a truly great body because of the revelation of Thy will. Gird them up and make them strong that the Nation may take its rightful place in restoring a broken and disillusioned world.

Give us the power to aid the suffering millions of the world. Help us to realize that no man liveth unto himself and that the welfare of all determines the welfare of each.

Forgive us our sins, confirm us in Thy love, and may Thy will be done through the United Nations. This we pray in Thy name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar days Monday, April 22, 1946, and Tuesday, April 23, 1946, was dispensed with, and the Journal was approved.

TRIBUTE TO THE LATE CHIEF JUSTICE STONE

Mr. SMITH. Mr. President, it was a great regret to me that when the Senate convened yesterday I was attending a meeting of the Committee on Military Affairs, and was therefore unable to be present in the Senate at the time when tribute was paid to my beloved friend, the distinguished late Chief Justice of the United States.

At this time I merely wish to take the opportunity to express my own sense of loss in the passing of this great jurist. He was not only a great jurist, but in my case had been a lifelong friend. I attended the Columbia Law School some years ago when Mr. Justice Stone was an instructor in law there, and he was one of the first men to inspire me with an interest in the affairs of our country and our legal system.

I felt that I must add this word of brief tribute to the memory of the late Chief Justice, and this expression of the great affection I have borne for him and Mrs. Stone during a great portion of my life.

LEAVE OF ABSENCE

Mr. BUTLER. Mr. President, I ask unanimous consent of the Senate to be absent from attendance at the sessions of the Senate for a few days.

The PRESIDENT pro tempore. Without objection, leave is granted.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on April 22, 1946, he had presented to the President of the United States the following enrolled bills:

S. 1152. An act to effectuate the purposes of the Servicemen's Readjustment Act of 1944 in the District of Columbia, and for other purposes;

S. 1610. An act for the rehabilitation of the Philippines; and

S. 1757. An act to amend the Surplus Property Act of 1944 with reference to veterans' preference, and for other purposes.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AUTHORIZATION FOR UNITED STATES PARK POLICE TO MAKE CERTAIN ARRESTS WITHIN THE DISTRICT OF COLUMBIA

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to authorize the United States Park Police to make arrests within Federal reservations in the environs of the District of Columbia (with an accompanying paper); to the Committee on Public Buildings and Grounds.

LEGISLATION PASSED BY MUNICIPAL COUNCIL OF ST. THOMAS AND ST. JOHN, AND LEGISLATIVE ASSEMBLY OF THE VIRGIN ISLANDS

A letter from the Secretary of the Interior, transmitting, pursuant to law, copies of legislation passed by the Muncipal Council of St. Thomas and St. John, and by the Legislative Assembly of the Virgin Islands (with accompanying papers); to the Committee on Territories and Insular Affairs.

AMENDMENT OF CLASSIFICATION ACT OF 1923

A letter from the President of the United States Civil Service Commission, transmitting a draft of proposed legislation further to amend the Classification Act of 1923, as amended; to bring about uniformity and coordination in the allocation of field and departmental positions under the grades of the Classification Act of 1923, as amended, and for other purposes (with an accompanying paper); to the Committee on Civil Service.

REPORT OF BOARD OF TRUSTEES OF FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND

A letter from the Board of Trustees of the Federal old-age and survivors insurance trust fund, transmitting, pursuant to law, the sixth annual report of that Board of Trustees, for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on Finance.

COMPLETION OF PAN-AMERICAN HIGHWAY

The PRESIDENT pro tempore laid before the Senate a letter from the Secretary of State, transmitting translations of certain documents, which were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, April 19, 1946.

The Honorable KENNETH MCKELLAR,
President pro tempore,
United States Senate.

MY DEAR SENATOR MCKELLAR: I am transmitting herewith copies of a translation of a

motion passed by the Costa Rican Congress on April 3, 1946, commissioning Señor Rafael Angel Grillo, the President of Congress, to present special greetings to the Senate and House of Representatives of the United States during a visit which he intends shortly to make to this country. Also, I am enclosing copies of a translation of a note dated April 8, 1946, from the Costa Rican Minister of Foreign Affairs to the Ambassador of the United States at San José. These documents are self-explanatory.

Señor Grillo will cease to be a member of the Costa Rican Congress on May 1, 1946, on which date the recently elected members will take office. Señor Grillo did not run for reelection, and it is understood that he intends to return to the practice of medicine. Undoubtedly, he will continue to be an influential figure in Costa Rican politics.

Sincerely yours,

JAMES F. BYRNES.

[Enclosures: 1, Two copies of translation of motion of April 3; 2, Two copies of translation of note dated April 8.]

[Translation]

CONSTITUTIONAL CONGRESS OF THE REPUBLIC OF COSTA RICA

Motion of Congressmen Quirós Troyo, Volio Guardia, Fonseca Chamier, and Muñoz Fonseca, approved by the Constitutional Congress in its session of April 3, 1946:

"That, in view of the coming trip of the President of Congress, Señor Rafael Angel Grillo, to the United States of America, the Chamber entrusts to him the mission of presenting to the Senate and House of Representatives of that great nation a fraternal greeting, and of expressing to them the desire of our congress—which interprets the feelings of the country—that the appropriation of the funds required for finishing the Pan-American highway be approved."

[Translation]

Note of April 8, 1946 from Costa Rican Minister of Foreign Affairs to the Ambassador of the United States at San José:

"For your information and for whatever action Your Excellency cares to take I have the honor to give the literal text of a letter from R. A. Grillo, President of Congress:

" 'Mr. Minister, the Constitutional Congress has designated me to give, as its representative, a greeting to the Senate and House of Representatives of the United States, and has asked me to express its wish that the bill may be acted favorably upon which destines funds for the termination of the inter-American highway. I would thank you to communicate this designation to the American embassy here and to our embassy in Washington in order that arrangements may be made for the realization of the wishes of Congress. I shall leave for the United States on April 21. Moreover, in addition to the above mission, I plan to deliver personally to the wife of ex-President Roosevelt the parchment on which is written the legislative decree which as a posthumous homage gives Costa Rican honorary citizenship to the illustrious ex-President Franklin D. Roosevelt.'

"With sentiments of my highest and most distinguished consideration,

"JULIO ACOSTA."

PETITIONS

Petitions were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A telegram in the nature of a petition from the faculty of the John Muir Junior High School, of Los Angeles, Calif., signed by Geraldine Schwaderer, chairman, praying for the continuation of the Office of Price Administration; to the Committee on Banking and Currency.

By Mr. SALTONSTALL (for himself and Mr. WALSH):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"Resolution memorializing Congress to amend the Federal laws relative to matching by the Federal Government of amounts expended by States and their political subdivisions on account of old-age assistance

"*Resolved*, That the General Court of Massachusetts hereby urges the Congress of the United States to immediately pass legislation to so amend the Federal old-age assistance law as to permit the matching with Federal funds of all amounts expended by States or their political subdivisions on account of old-age assistance; and be it further

"*Resolved*, That copies of these resolutions be sent by the State secretary to the President of the United States, the President pro tempore of the Senate, the Speaker of the House of Representatives, and the Members of Congress from Massachusetts."

COMPULSORY FEDERAL HEALTH SERVICE

Mr. CAPPER. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a letter I have received from William Docking, a prominent businessman of Lawrence, Kans., who opposes compulsory Federal health service and endorses the Blue Cross health system now in operation in his city.

There being no objection, the letter was received, referred to the Committee on Education and Labor, and ordered to be printed in the RECORD, as follows:

THE FIRST NATIONAL BANK,
Lawrence, Kans., April 3, 1946.

Hon. ARTHUR CAPPER,
United States Senate,
Washington, D. C.

DEAR SENATOR: We have been reading a good deal about the compulsory Federal health service.

I presume you are familiar with the Blue Cross system for which there are a number of groups formed in Lawrence. We have one in the bank here and the bank pays the fees on the hospital bills for its employees.

This matter will all work itself out privately and at vastly less expense than would be incurred by a Washington bureau and a vast addition to the taxes. A great many of the large concerns for a long time have had the employees protected in this way and this Blue Cross affair is to cover the unprotected in the smaller concerns. Farmers can join by forming groups.

I certainly hope that the Federal scheme will not pass as no one can tell what it will cost, but plenty.

Yours very truly,

WILLIAM DOCKING.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McKELLAR, from the Committee on Appropriations:

H. R. 5890. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1946, and for other purposes; with amendments (Rept. No. 1236).

By Mr. BILBO, from the Committee on the District of Columbia:

S. 1955. A bill to authorize the Commissioners of the District of Columbia to provide necessary utilities for veterans' housing furnished and erected by the National Housing Administrator; with amendments (Rept. No. 1237).

By Mr. LA FOLLETTE, from the Committee on Finance:

H. R. 3611. A bill to authorize the condemnation of materials which are intended for use in process or renovated butter and which are unfit for human consumption, and for other purposes; without amendment (Rept. No. 1240).

By Mr. WALSH, from the Committee on Naval Affairs:

H. R. 5641. A bill to authorize the attendance of the Marine Band at the national convention of the United Spanish War Veterans to be held in Milwaukee, Wis., August 4 to 10, inclusive, 1946; without amendment (Rept. No. 1239); and

H. J. Res. 307. Joint resolution to authorize the use of naval vessels to determine the effect of atomic weapons upon such vessels; with amendments (Rept. No. 1238).

By Mr. ELLENDER, from the Committee on Claims:

H. R. 3506. A bill for the relief of Mary A. Wallis; without amendment (Rept. No. 1241);

H. R. 3556. A bill for the relief of Mr. and Mrs. Glen Rothenberger; without amendment (Rept. No. 1242);

H. R. 4141. A bill for the relief of Piombo Bros. & Co.; without amendment (Rept. No. 1243);

H. R. 4237. A bill for the relief of the estate of Vedal B. Brooks, deceased; Mrs. Katherine I. Brooks; and the legal guardian of Sally Brooks, a minor; without amendment (Rept. No. 1244);

H. R. 4244. A bill for the relief of Fundador Nieves del Valle; without amendment (Rept. No. 1245);

H. R. 4670. A bill for the relief of Mrs. Edna B. LaBlanc; without amendment (Rept. No. 1246);

H. R. 4777. A bill for the relief of the Sawtooth Co.; without amendment (Rept. No. 1247);

H. R. 4832. A bill for the relief of Stanley B. Reeves and Mrs. Stanley B. Reeves; without amendment (Rept. No. 1248);

H. R. 4885. A bill for the relief of Ernst V. Brender; without amendment (Rept. No. 1249);

H. R. 4977. A bill for the relief of Mrs. Theresa Ebrecht; without amendment (Rept. No. 1250);

H. R. 5049. A bill for the relief of the estate of Obaldino Francis Dias; without amendment (Rept. No. 1251); and

H. R. 5307. A bill for the relief of Ben V. King; without amendment (Rept. No. 1252).

By Mr. CAPPER, from the Committee on Claims:

H. R. 3378. A bill for the relief of Dr. John A. Logan; without amendment (Rept. No. 1253);

H. R. 3822. A bill for the relief of the estate of Charles M. Overcash, deceased; without amendment (Rept. No. 1254); and

H. R. 4405. A bill for the relief of John Bakelaar; without amendment (Rept. No. 1255).

By Mr. WILSON, from the Committee on Claims:

H. R. 4633. A bill for the relief of John B. Clausen; without amendment (Rept. No. 1256); and

H. R. 4723. A bill for the relief of John M. Shipp; without amendment (Rept. No. 1257).

By Mr. HUFFMAN, from the Committee on Claims:

H. R. 4904. A bill for the relief of Cleo D. Johnson and Mr. and Mrs. Jack B. Cherry; without amendment (Rept. No. 1258).

By Mr. McCARRAN, from the Committee on the Judiciary:

H. R. 4230. A bill to provide necessary officers and employees for circuit courts of appeals and district courts; with amendments (Rept. No. 1259).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. THOMAS of Utah, from the Committee on Military Affairs:

Col. Telford Taylor, Army of the United States, for temporary appointment as brigadier general in the Army of the United States, under the provisions of law;

Col. Conrad Edwin Snow (lieutenant colonel, Signal Corps Reserve), Army of the United States, for temporary appointment as brigadier general in the Army of the United States, under the provisions of law; and

Col. Maurice Hirsch, Army of the United States, for temporary appointment as brigadier general in the Army of the United States, under the provisions of law.

By Mr. THOMAS of Utah, from the Committee on Foreign Relations:

Joseph Flack, of Pennsylvania, now a foreign-service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to Bolivia;

J. Rives Childs, of Virginia, now a foreign-service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary to the Kingdom of Saudi Arabia;

Edwin F. Stanton, of California, now a foreign-service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary to Siam;

Lowell C. Pinkerton, of Missouri, now a foreign-service officer of class 1, to be Envoy Extraordinary and Minister Plenipotentiary to Iraq;

Kenneth C. Krentz, of Iowa, now a foreign-service officer of class 4 and a secretary in the diplomatic service, to be also a consul general;

Charles A. Bay, of Minnesota, now a foreign-service officer of class 2 and a secretary in the diplomatic service, to be also a consul general;

H. Merrell Benninghoff, of New York, now a foreign-service officer of class 3 and a secretary in the diplomatic service, to be also a consul general; and

Sundry persons to be foreign-service officers, unclassified, vice consuls of career, and secretaries in the diplomatic service.

By Mr. WALSH, from the Committee on Finance:

Thomas A. Foster, to be a pharmacist in the Regular Corps of the United States Public Health Service.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH:

S. 2103. A bill for the relief of Doris Marie Richard; to the Committee on Claims.

By Mr. BUSHFIELD:

S. 2104. A bill authorizing the issuance of a patent in fee to Edith Olson; to the Committee on Indian Affairs.

By Mr. McCARRAN:

S. 2105. A bill to provide for the incorporation, regulation, merger, consolidation, and dissolution of certain business corporations in the District of Columbia; to the Committee on the Judiciary.

By Mr. McFARLAND (for himself and Mr. JOHNSON of Colorado):

S. 2106. A bill to amend certain provisions of the National Service Life Insurance Act of 1940, as amended; to the Committee on Finance.

By Mr. ELLENDER (by request):

S. 2107. A bill for the relief of certain postal employees; and

S. 2108. A bill to provide for the payment of members of the military and naval forces of the United States who enter or reenter civilian employment of the United States, its territories or possessions, or of the District of Columbia while in military pay status prior to assignment to active duty; to the Committee on Claims.

(Mr. FERGUSON introduced Senate bill 2109, to exempt certain vessels from filing passenger lists, which was referred to the Committee on Commerce, and appears under a separate heading.)

By Mr. TYDINGS:

S. J. Res. 155. Joint resolution proposing an amendment to the Constitution of the United States relating to fiscal matters; to the Committee on Appropriations.

EXEMPTION OF CERTAIN VESSELS FROM FILING PASSENGER LISTS

Mr. FERGUSON. Mr. President, I ask unanimous consent to introduce for reference to the Committee on Commerce a bill to exempt certain vessels from filing passenger lists. On March 21, legislative day of March 5, of this year, I introduced a bill numbered S. 1976. The bill I introduce today is to take the place of and be a substitute for S. 1976. I think the terms of the bill are more satisfactory than the one previously introduced.

There being no objection, the bill (S. 2109) to exempt certain vessels from filing passenger lists, was received, read twice by its title, and referred to the Committee on Commerce.

EXTENSION OF SELECTIVE TRAINING AND SERVICE ACT—AMENDMENT

Mr. BUTLER submitted an amendment intended to be proposed by him to the bill (S. 2057) to extend the Selective Training and Service Act of 1940, as amended, until May 15, 1947, and for other purposes, which was ordered to lie on the table and to be printed.

SPECIAL ASSISTANT TO COMMITTEE ON BANKING AND CURRENCY

Mr. WAGNER submitted the following resolution (S. Res. 264), which was referred to the Committee To Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Banking and Currency hereby is authorized to employ a special assistant to be paid from the contingent fund of the Senate at the rate of $6,000 per annum from April 1 to October 31, 1946.

JACKSON DAY ADDRESS BY SENATOR TUNNELL AT BIRMINGHAM, ALA.

[Mr. HILL asked and obtained leave to have printed in the RECORD an address delivered by Senator TUNNELL at a Jackson Day dinner at Birmingham, Ala., on April 12, 1946, which appears in the Appendix.]

HOUSING FOR VETERANS—EDITORIAL BY SENATOR LA FOLLETTE

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an editorial entitled "Action on America's No. 1 Need," written by him, and published in the Progressive for April 22, 1946, which appears in the Appendix.]

THE SENSIBLE APPROACH TO PRICE CONTROL—ADDRESS BY REPRESENTATIVE WOLCOTT

[Mr. WHERRY asked and obtained leave to have printed in the RECORD a radio address on the subject The Sensible Approach to Price Control, delivered by Representative JESSE P. WOLCOTT, of Michigan, on April 19, 1946, which appears in the Appendix.]

FASCISM IN ARGENTINA AND SPAIN—ADDRESS BY HENRY MORGENTHAU, JR.

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address entitled "Fascism in Argentina and Spain," by Henry Morgenthau, Jr., delivered by former Secretary of the Treasury, on April 17, 1946, which appears in the Appendix.]

THE INTERNATIONAL LABOR ORGANIZATION—ADDRESS BY CARTER GOODRICH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address entitled "The International Labor Organization: A Going Concern," delivered by Prof. Carter Goodrich, of Columbia University, at the American Academy of Political and Social Science, Philadelphia, Pa., on April 5, 1946, which appears in the Appendix.]

CONGRESSIONAL REORGANIZATION—EDITORIAL FROM THE WASHINGTON POST

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an editorial entitled "La Follette Resolution," published in the Washington Post of April 21, 1946, which appears in the Appendix.]

SVEINBJORN JOHNSON—TRIBUTE BY HON. J. F. T. O'CONNOR

[Mr. LANGER asked and obtained leave to have printed in the RECORD a tribute to the memory of Judge Sveinbjorn Johnson, by Hon. J. F. T. O'Connor, United States district judge, which appears in the Appendix.]

PRODUCTION OF WHEAT IN CONNECTION WITH WORLD FOOD PROGRAM—ADDRESS BY GORDON ROTH

[Mr. LANGER asked and obtained leave to have printed in the RECORD a radio address on the subject of wheat production in connection with the world's food program, by Gordon Roth, director of public relations, Farmers Union Grain Terminal Association, which appears in the Appendix.]

OPPOSITION BY UNITED FEDERAL WORKERS OF AMERICA TO AMERICAN FOREIGN POLICY—EDITORIAL FROM WASHINGTON STAR

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD an editorial entitled "Federal Party Line," published in the Washington Evening Star of April 24, 1946, which appears in the Appendix.]

PRIORITIES TO VETERANS AND SCHOOLS IN PURCHASE OF SURPLUS ELECTRONICS EQUIPMENT

[Mr. WILEY asked and obtained leave to have printed in the RECORD correspondence relating to veterans and school priorities in the purchase of electronics equipment, between Dr. Carl T. Compton, president of the Massachusetts Institute of Technology, and W. Stuart Symington, former Surplus Property Administrator, which appears in the Appendix.]

ST. LAWRENCE WATERWAY DEVELOPMENT—ARTICLE FROM NEW YORK HERALD TRIBUNE

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an article entitled "St. Lawrence Power Demand Seen as Heavy," published in the New York Herald Tribune of April 20, 1946, which appears in the Appendix.]

THE SUPREME ISSUE IN SPAIN—EDITORIAL BY WILLIAM HENRY CHAMBERLIN

[Mr. BUSHFIELD asked and obtained leave to have printed in the RECORD an editorial entitled "The Supreme Issue in Spain," written by William Henry Chamberlin, and published in the New York Journal-American of April 20, 1946, which appears in the Appendix.]

BRITISH ACTION WITH REGARD TO TRANS-JORDAN—LETTER FROM FORMER SENATOR GILLETTE

[Mr. MYERS asked and obtained leave to have printed in the RECORD a letter from former Senator Guy M. Gillette, president, American League for a Free Palestine, Inc., addressed to the editor of the Washington Evening Star, relative to British action with regard to Trans-Jordan, which appears in the Appendix.]

UNITED STATES SHOULD BE WORLD'S BANKER—ARTICLE BY RALPH W. PAGE

[Mr. MYERS asked and obtained leave to have printed in the RECORD an article entitled "United States Should Be World's Banker," written by Ralph W. Page and published in the Philadelphia Evening Bulletin of March 27, 1946, which appears in the Appendix.]

TRIBUTE TO CHIEF JUSTICE STONE BY H. G. CARLISLE

[Mr. BILBO asked and obtained leave to have printed in the RECORD a tribute to Chief Justice Stone by Horace C. Carlisle, which appears in the Appendix.]

RETROACTIVE PAY TO DISCHARGED VETERANS—LETTER FROM THE CIVIL SERVICE COMMISSION

[Mr. MITCHELL asked and obtained leave to have printed in the RECORD a letter from the United States Civil Service Commission referring to the Veterans Preference Act of 1944, which appears in the Appendix.]

PSYCHOLOGICAL WARFARE AGAINST JAPAN

Mr. THOMAS of Utah. Mr. President, at the end of these remarks I am going to ask that the messages peppered at the Japanese people time and time again during the last week of August and the month of September 1945 be incorporated in the RECORD as part of my remarks and that they be dated.

Mr. President, these messages to the Japanese people have been sent continuously through the agency of the OWI since December 1941. Throughout all of the messages during all those years there has been one basic theme, and that has been that the leadership of the Government of Japan which led Japan into war was leading Japan to utter destruction, that the leadership was apostate, and that at no time was it consistent with the best ideals of the people of Japan and her proper leaders since the restoration of the Emperorship and the birth of new Japan under her constitution. I had full faith that once the Japanese people realized the actual position of their Government in the war, they would repudiate their leaders, and thus aid us in the prosecution of the war. That being the theme, the main objective was to bring about the surrender of Japan in such a way that the Government and all the military and naval forces could surrender as a unit. I had the theory that if that were not done, the scattered military forces might develop a martyr complex and turn guerrilla, thus spreading disorder and chaos over a great part of Asia and multiplying the problems of our Army and Navy which might be in control anywhere. I was always conscious of the fact that there were literally millions of armed men who had not taken part in any battle, not only in Japan, but throughout China, Korea, and other occupied places. To convince an organized army that it was defeated before it even fired a shot was a great problem. It was one of the problems of psychological warfare.

The whole story of our efforts in psychological warfare will never be told. Not even is the story of these messages to Japan complete, but I have from time to time put various messages in the RECORD on the theory that some student in the future may be interested in what was done.

It is now understood by all that there was good thinking in regard to both the war and how to bring it to a successful end in the eastern sphere, and that there has also been good thinking in regard to the peace.

Mr. President, on page A2199 of the Appendix of the RECORD appears the extension of the remarks of Hon. KARL A. STEFAN, of Nebraska, in the House of Representatives, under the caption "Wartime contributions of Members of Congress to psychological warfare."

Mr. STEFAN was most kind to me by giving me the Abou Ben Adhem position in that imposing list, and the Assistant Secretary of State, Mr. Benton, who furnished the names, and also much of the information, also was kind. I wish to take occasion at this point to observe that Mr. STEFAN touched too lightly upon his own outstanding work, and I hope that in making the following observations I may compete with his objective, for he looked at our work objectively and reviewed it in the light of one of the 10 most important scientific developments of 1945, and he stressed the very substantial contribution of those who, psychologically, fought the good fight to victory. When one considers that 111 Members of Congress met the enemy head on in this way, and reads the paragraph said about each he begins to comprehend the value of dispatching the truth around the world when the whole world is crying for truth and honest dealing, a world which will actually interrupt itself while fighting to listen to the truth from the lips of an enemy. Mr. President, is that condition any different today than it was yesterday? Can we afford to put away psychological warfare, which after all is still warfare today, for psychological warfare is not warfare against men, women, and children but against unwholesome leadership and unsurvivable ideals? Is it not true that in the world there still are potential dangers?

To put it another way, if as has been suggested, we succeeded in sending messages to a people, or several peoples, who were busily fighting against us in combat to the death, and if we, an enemy, could by our integrity influence their thinking and reorganize their conception of world citizenship, is it not only possible, but sure, that a peaceful nation, might not during these difficult reconstruction hours, comfort a fallen foe, strengthen an ally, make friends with all, and by the same good example which we espoused during the war, discover for ourselves that a generous heart, noble impulse, and Christian dealing are, besides being soul satisfying, a sound investment in human relations? If we can address enemies, can we not address our friends?

Spread over the front pages of a recent newspaper was a concerted drive for America to rise to the help of her stricken neighbors. There were stories about diverting food from England and pledging the United Kingdom that she may have this substance back when fresh supplies are available, about the President's desire to have a 2 days a week on the competitive—if one may call European diet competition—fare, about Mr. Hoover's return, and his speech, and a host of other details concerned with the international food situation.

We have made or are about to make war on the world food famine.

We hear much about whether Mr. Gromyko walked out or stayed in today. If there is any comedy from me in this, none is intended, and my words are to be taken literally and only literally. I personally doubt that radio comedians should so joke, but the fact is they do, and the newspapers give opinions sometimes in the same vein. Therefore I am only reporting, not applauding, the fact that we hear much about whether Mr. Gromyko walked out or stayed in today. We know from this that there will be something from the Council, perhaps something from the State Department; there may be a crisis; there comes peace at the council table, and it is all over. Our public gets a few jerky samples of miscellaneous and unrelated conversations; some of the foreign publics, perhaps, get nothing at all.

We have made or are about to make war on international disagreements.

So runs the world, and it now is a world, I assure you, Mr. President, so united, so compact, so accessible that in this country of ours there today is scarcely a village a number of whose inhabitants cannot boast more travel, and in many cases more knowledge, and perhaps come up with better international opinions than the wealthiest traveling class of two generations back. The networks are open. We may use them as we will; today we are in communication with all parts of the world, and if the other parts are not getting our ideas without distortion, in the same honest way that we are thinking and preaching them, it is our own fault.

It is nonsense to say perhaps, as a counterargument, that in at least one country conversation is not free, and our attempts to influence their people may be resented. It is nonsense, but if it were true it could scarcely be resented, for any fourth-grade history teacher goes forth to school with her career in her hands every day, because, in touching on history, she must be careful not to help form plastic minds while in the

process of informing them, and some ideologies are so alien to our own that they may not be aired, even be talked about lest the conversation be misinterpreted for praise. We go pretty far to insult our friends. We do so on a lavish scale when possible, as we Americans always do everything on a lavish scale. There are those, however, who even as die-hards, are realistic enough to know that we are about to live alongside a great power, a terrifically great power, of whom we are jealous, and who is jealous of us.

So we have made or are about to make war on the undiplomatic situation.

At every hand we are about to make war on something evil. It is an endless war. It is one which never will be wholly won, else we should achieve Utopia. We have demobilized our armed forces, left our guns to rust, and we have left remaining only a reliance on our wits and our consciences to pull us through these battles against the evil forces of the world, part of which are contained in our own borders, part in friendly nations, none in unfriendly nations, for, at the moment, no nations are unfriendly.

We have left only to rely on wit and integrity. Bless us, we have a heart of gold, so that leaves us only our wit upon which to rely to crush our intangible foes.

We are reduced to a war in which there is nothing left to do which is not psychological, but we are in the dilemma of being at the front without our guns, for we have disbanded our psychological forces.

Where are our brains of yesteryear? We have heard from Mr. STEFAN and the State Department of the 111 efficacious psychological warriors in Congress; and while I have heard a very gifted Navy captain lauded for his fine work in rather widespread compliment, I do not believe that I have heard the name of Elmer Davis mentioned for his most remarkable performance in psychological warfare.

I do not want to embarrass anyone, either the donor or the donee, but in these days of medals and ribbons, some of which you who are present have been awarded for distinguished war work, I can think of no fitter compliment to unremitting duty than to cite Elmer Davis for his outstanding work in psychological warfare. And I will say, parenthetically, that I have suggested that he be given one.

I would not dare to do this, but a general is permitted to say that he has recommended a medal for a soldier, whether it later is awarded or not, and this recommendation is placed in his official file, and at least counts forever as a recommendation well made. Sometimes, long after, the original recommendation is acted upon favorably, for time does many things.

I am not like a general in any sense, nor is Mr. Davis like a soldier—the situation may be said to be quite the reverse—but I like to think that I may openly make a recommendation, which, if I did not make, someone else would, for in the rush and roar of things, good men may be overlooked for a moment, but in time great deeds shine out in unmistakable glory.

I not only would like to reward Elmer Davis, but in common with the others who are credited with having made psychological warfare achieve public recognition as one of the leading weapons of all time, perhaps to become, if there is another sorry mess, the most important and even, possibly, the sole weapon, I should like to see experience definitely not thrown away, but harnessed for service during peacetimes, at war with all those things which still make foreign countries foreign, until there are no foreigners, and until there is no place for such a word in the dictionary.

Mr. President, I ask unanimous consent that the messages to which I have referred for the last week of August and for the month of September, last year, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the messages were ordered to be printed in the RECORD, as follows:

Who are these Japanese liberals?

Day after day news from Tokyo tells how moderates and democrats and pacifists are coming forward with regeneration plans. Each day the Tokyo news reports their opposition to the war lords and their determination that Japan shall join the ranks of freedom-loving peoples.

This would be reassuring if it could be credited, but certain questions yet remain unanswered.

Where were these so-called liberals while the war was on?

What were they doing when the war lords plunged Japan into a shameful course of perfidy and treachery? How earnestly did they try to save Japan from shame and loss of honor? And, above all else, just how do they explain their support of Japan's war effort?

Many eminent Japanese might easily be cited men prominent in politics and literature, in education and in art, yes, even in religion, have burst into the news with interviews that show them as devoted to the cause of liberty. Their present comment often varies widely from their words and actions in the past. Few of them are willing to assume responsibility for Japan's aggression, much less for the horrible atrocities committed by Japan. Army men like Prince Naruhiko Higashi-Kuni, cousin of the Emperor and now Premier, insist that never have they favored war. Diplomats like Saburo Kurusu, envoy to Washington on Pearl Harbor Day, profess their innocence of all duplicity. Statesmen of all ranks from Diet members up to cabinet officials cover up their records.

Why is this? Do they think American memories so short that they can safely cast aside the past and be judged solely by their empty promises today? Do they believe that the United States and all the freedom-loving peoples will be lulled by sweet professions of reform?

Too many Japanese have been misled by promises. Too often in the past a vocal announcement of intention, loudly made, has been regarded as a statement of a deed performed. Perhaps it has been deemed impolite to demand explicit evidence that a promise has indeed been transformed into fact.

The western world is realistic, not romantic. It asks for proofs and not for promises.

It calls for deeds, not words.

No doubt some of these converts to democracy are activated by sincerity, but some of them are moved by the desire to save themselves from difficulties. In the United States there is a slang expression about "jumping on the band wagon," which means to join belatedly the winning side in a dispute; some psuedo liberals may have been convinced that selfish profit lies in such a course.

Deeper thinkers may perhaps believe that by saddling the discredited military clique with all responsibility for Japan's past sins it may be possible to sacrifice the army leaders and so pretend to meet the terms of the surrender; in some cases those Japanese who denounce the military caste hope that they may be themselves accepted as leaders in Japan.

Still others may believe that military leaders who proved inept in war, may now be sacrificed without real loss to Japan's position in the world. Thus, by punishing the war lords, a favorable interpretation can be given to Japan's defeat, and the legend may be started that it was inefficiency of a few men and not the failure of the soldiery that caused Japan to lose. In this way the ground may be cleared for a revival of Japan's ambitions.

Whatever the motives which impel false protestations of reform, the United Nations must not fall into the trap of taking all of them at their face value. In every case when Japanese declare their adherence to democracy and liberalism, specific proof should be demanded of the speaker's reliability. Each candidate for Allied favor as a friend of freedom must be asked to show his record of opposition to the war, of his antimilitaristic work before the war, and of his current efforts to punish those who disgraced Japan by war guilt and by atrocities.

(September 6, 1945)

Japan's national honor stands indicted before the world because of the disclosure of how helpless war captives were abused and murdered in Japanese prison camps. Civilized people have heard with deepest horror how the Japanese Army deliberately visited brutality and death upon their unfortunate prisoners.

This was done in direct violation of Japan's undertaking to observe the terms of the Geneva Convention, and of the Government's solemn pledge to respect the provisions of the Hague Convention of 1907, which had been ratified in the imperial name by the Japanese Government.

Definite proof exists that various Japanese military leaders actually ordered crimes committed. The evidence indicts members of the Japanese Army of all ranks from the lowest private soldier to the officers in charge.

No defeat in battle has so soiled the honor of the Japanese Army as has the public knowledge of war atrocities.

One instance alone, chosen from scores of other incidents, would in itself be enough to brand Japan's military clique as too barbarous for equal association in a modern world community. That is the recital of the horrible fate of 150 war prisoners on Palawan in the Philippines who, after having been forced into an air-raid shelter tunnel, were drenched with buckets of gasoline and then burned alive.

A handful of survivors, wrapped in flames and screaming in agony, swarmed from the shelter only to be sprayed by machine gun bullets and attacked by bayonets. A few escaped temporarily by throwing themselves off a 50-foot cliff to the beach below, only to be fired upon again, recaptured, and eventually buried alive.

Japan cannot dissociate hereself from this horrible and unforgivable record. Maltreatment, torture, and murder of captured soldiers breaks all the proper rules of civilized warfare. Killing interned civilians, as Japanese have done, is not legitimate fighting. News that prisoners have been so starved that they grubbed in desperation for edible roots or consumed cats and dogs and rats

shocks even a world that is hardened to wartime deprivations. The brutal infliction of corporal punishment, not merely for minor offenses, but wantonly and for the gratification of sheer sadism has disgraced the name of Japan.

The evil of the Japanese officials and of the men, not only those who issued but those who carried out such orders, is condemned by the United States Government and by the entire civilized world. The United States Government demands that all those who directed or participated in such crimes shall be speedily brought to the punishment they deserve.

It is not enough to explain that these misdeeds were done by irresponsible subordinates. The American Secretary of State, in a report to the world, sets forth with remarkable calmness and restraint the fact that torture and death were policies officially established by the Japanese military authorities.

Indeed, it is evident that inhumanity and cruelty are inherent in the militarist system which has so long disgraced Japan. Unfortunately the commission of shocking atrocities is by no means new; as far back as foreigners recall, Japanese warlords mutilated and murdered many of the captives so unlucky as to fall into their hands. Nations which cherish high ideals of chivalry and justice have repeatedly protested but without avail. The militarist clique was as deaf to these complaints as they have been to the 240 formal protests filed since Pearl Harbor by the United States.

Japan's surrender on a basis of the Potsdam Proclamation commits the nation to the elimination of Japan's war-making power and to the ending of control by the self-willed military advisers who brought the nation to the threshold of annihilation. The arrest and bringing to justice of those responsible for known violations of the rules of civilized warfare is an essential step toward convincing the world that Japan has chosen the path of reason in her relationship with the civilized peoples who make up the world community of nations.

(September 13, 1945)

Not one prominent Japanese has voiced his horror or even his regret, as far as the world is aware, at the unforgivable atrocities committed against war prisoners by Japanese troops.

Nothing has been done by Japan to punish the soldiers who, by their uncivilized conduct, disgraced the country's reputation.

Both the Australian and the American Governments assert in formal statements that these atrocities could not have been committed except under the encouragement and supervision of superior officers of the highest grade.

The sadistic cruelties inflicted upon helpless men by Japanese troops in the field are unmatched in modern times by any other soldiers except the vicious, brutal Nazis. No other armies ever so merited the world's contempt by their behavior.

Warfare in the past has been carried on by honorable men acting sternly but chivalrously toward one another, but the Japanese Army clique, like the Nazi gang, behaved without principles and without a code of honor.

As long as Japan fails to realize the enormity of the misconduct of her troops, the civilized world can put no faith in her protestations of reform. While Japan fails to take energetic measures to round up and to punish her criminals, the freedom-loving peoples cannot trust her. The United Nations are resolved to track down and to place on trial every Japanese who may be indicted by them for the commission of war crimes but the intention of the United Nations to do this does not absolve the Japanese from responsibility in the matter. For the sake of Japan's good name among the nations of the world, it is incumbent upon the people of Japan to clear their reputation.

The world should not soon forget the horrible details listed in the report issued this week by Sir William Webster in the name of the Australian Government nor those in Secretary of State Byrnes' statement on the same subject to the American people.

Only barbarians burn wounded men alive, as Japanese soldiers burned helpless captives. Only savages bayonet women. Only the lowest brutes practice cannibalism on their foes as did the Japanese soldiers in New Guinea.

These were not lawful war measures. They were neither measures of defense nor acts of necessity. The prisoners were helpless and at the mercy of their captors. They had been disarmed and most of them had been trussed hand and foot before they were bayonetted and burned. Certainly, the women were not warriors; all those mentioned in the Webster report were missionaries, which means that they had dedicated their lives to the promotion of culture and high idealism. Yet Japanese soldiers slashed them to death by bayonetting.

Not a single influential voice has yet been heard from Japan in condemnation of these crimes. No Japanese has protested at the stain upon the honor of the country.

This is almost unthinkable. Japanese tradition calls for a keen appreciation of national shortcomings and for a jealous regard of national ideals. It is incredible that Japanese who have their country's welfare at heart have not clamored for an eradication of the forces of evil.

Since surrender, when Japan professed a resolve to mend her ways, leading Japanese publicists have voiced objection to the superficiality of Japan's culture. They have complained that in part educational methods have been faulty. They have regretted that Japan failed in her duty. There is criticism also of some Japanese leaders, such as Hideki Tojo, because they failed to carry out their purposes. Japanese have also called attention to the inefficiency of war preparations and to the inability to win the war.

Not a word about atrocities.

Japan's so-called humanitarians talk vaguely about reformation and about the change in public spirit since the war but until some definite action shall be taken to carry these protestations into effect, their words are empty promises. It is not enough to mouth great hopes nor to declare that times have changed; actual proof is certainly essential if Japan is to regain her honor as a nation.

Does Japan approve of the atrocities committed in her name? Does she endorse the action of her high officials who not only permitted such barbarities but even ordered them to be inflicted upon helpless captives and upon defenseless women? Does she desire the world to regard her as a nation without chivalry or honor?

The answer lies within Japan. Specific action only can reestablish the Japanese among the civilized peoples of the earth.

(September 20, 1945)

On Sunday, Japan observes the autumnal Feast of the Dead.

It is a solemn occasion for remembrance of those who have passed on and for rededication of the living to the ideals for which the heroes of the past have stood. Upon this day, many earnest Japanese take the opportunity to report to their ancestors upon the progress which the living Japanese have made in furthering the teachings of the ancient days.

What have they to say?

That Japan has lost a war? Such news would no doubt pain all Japanese but to lose a war may sometimes benefit a people; the national unity and the firm devotion forged by the fires of conflict may even make a nation stronger and more devoted to high principles.

Japan's military leaders who have lost this war have no such solace. If they make report to their ancestors they must say, if they are honest, that they fought this war in violation of what all the world regards as honorable principles. They must say that they shamed the people of Japan before the world by the savagery and criminality of their methods; that they disgraced Japan as no one in modern times has ever before disgraced the honor of the Japanese, and that they showed themselves unworthy to be classed as civilized.

On this autumnal feast of the dead, the military despots who seized power in Japan must confess, if they tell the truth, that they willfully deceived their fellow Japanese and that they sacrificed the lives of fighting men in the vain attempt to hide their misdeeds and their inefficiencies from common knowledge. Those who now reread the vaunting communiques in which army leaders and navy men reported nonexistent victories and in which they glossed the facts about reverses cannot but observe the cynical ways in which the military caste claimed credit for successes they had not won.

To lose a war is understandable. A general may be outmaneuvered as Japan's generals were outwitted, or an admiral may be beaten in battle, as were the naval leaders of Japan. But those admirals and generals were not merely inefficient; many of them, if not actually guilty of conniving at atrocities, allowed their men to rape and loot and murder. These items are surely not pleasant to report to the spirits of the past.

Perhaps the war criminals will not have the courage to confess their guilt, but if they lack that courage, they will evidence their faithlessness anew.

No doubt there will be some among the military clique who will carry their deceit a little further on this important Japanese anniversary by foisting on the spirits of the dead the same false words that some of them are speaking now to occupation officers and interviewers. "It was not we who wished this war," these contemptible people hurriedly assert. "We loved peace and hated fighting."

How many of them speak such words to save their skins? The inner motives of such men are always hard to fathom but surely many of them cowardly betray their former principles in order now to seem to be alined upon the safer side. By saddling all responsibility upon their former friends they think that they themselves may escape responsibility for misdeeds. Some, perhaps, are gambling with the hope that by this adroit lying they may preserve the framework of the militarist system and so restore the evil ways which led Japan into disaster. And others may be trying to gloss over an ugly record and to conceal the depth of their own guilt.

What sad disgraces such men are upon the record of Japan. What a pity that the nation fell under the usurpation of liars and cowards.

This is the day upon which Japan pays tribute to the dead. How many hundred thousand Japanese fell uselessly in battle to defend the safety of men who had no higher standards of honor? How many households in Japan today mourn the death of men who were sacrificed to the greed and selfishness of a military oligarchy?

But a new era may be about to dawn, an era in which the lying military clique will be dethroned from power and in which the people of Japan may win the right to rule themselves. Such is the pledge of those who signed surrender terms aboard the American battleship *Missouri* in Tokyo Bay. It now remains for Japan to show the world by deed and action that it has forever

spurned the military oligarchy and that it is worthy of reception among free people.

(September 14, 1945)

No one who knows Japan can wax excited over press reports that Japan is setting up new political parties to prove how democratic she has suddenly become.

Let's keep our heads.

Democracy does not grow as fast as that. It is the product of long and often painful experience. The United States had a deep background of free institutions upon which to build, but more than half a century elapsed between 1776, the year of American independence, and the full attainment of manhood suffrage under President Andrew Jackson. Britain had an even longer period of preparation for free government but failed to achieve it until 1832, after more than a century and a half of struggle. China, Russia, France, and all the other countries labored over many years to perfect their forms of government.

Japan cannot develop democracy overnight.

A nation that was run for generations, if not for centuries, by military autocrats cannot shift its nature by decree. Citizens who supported totalitarian tyranny cannot at the behest of a single radio broadcast become devoted to freedom. More than vague promises of reform are necessary; Japan must prove by deed and action her right to membership among free peoples.

Quite naturally, Japan will seek to convince the world that she has embraced the doctrines required of her by the Potsdam proclamation and by the terms of surrender. This has always been the national policy. Because Japan knew that the world disapproved of military aggression, her propagandists have carefully explained government changes as the death of military rule and the birth of liberalism. New premiers have been hailed by those same propagandists as moderates or as friends of democracy.

The same line is being followed now.

It is only to be expected that many an industrialist, or statesman, or intellectual who quietly accepted army rule in the past—if he did not profit by it—will now step forward as a stanch advocate of freedom. Some may concoct tales of how they suffered martyrdom for their alleged democratic principles. It may even be possible that Japan's militarists may support such fanciful stories for their own purposes.

In the United States, such counterfeit claims are described as "phony," a slang term implying false or misleading.

It could be part of militaristic propaganda to put forward fake reformers, particularly in the humanitarian field, in order to deceive the democratic peoples. The sooner the occupying powers are convinced that Japan has chosen a free government by the untrammeled choice of its voters, the sooner foreign troops will be withdrawn from Japanese soil. Thus, the sinister forces of evil may be able to reestablish themselves in control and thus the beneficial effects of the Allied victory may be circumvented.

If they succeed, Japan will have won the war.

The essential need is to analyze the protestations of contemporary Japanese leaders and to study the background from which they have sprung. Militarism has invariably produced a type of individual who worships force and violence and class discrimination. Autocracy has always crushed the independence of the common man and has glorified tyranny.

This is not the soil in which freedom flowers.

As long as that background remains, potential danger lurks in the Japanese area. It is not enough to abolish a general staff or to demobilize an army; it is insufficient to forbid the manufacture of war equipment. As long as the basic system remains in which autocracy and militarism are recognized as the mainsprings of national character, the evil forces of reaction may be able to maneuver the people back into political servitude. Men who approved the wicked policies of those who misled Japan into her present plight and those who kept silent while injustice was being perpetrated cannot now be trusted to usher in a period of reformation.

A study of the past records of those who now seek to lead Japan may spare Japan from future error. A survey of past actions may determine who is qualified to guide Japan toward democratic ways. But, above all, we must watch carefully what is done by those who talk so glibly about their sudden conversion.

By their deeds, it has been said, ye shall know them.

(September 27, 1945)

Five years ago today, amid much pomp and ceremony, Japan signed a tripartite alliance with German Nazis and Italian Fascists. The announced intention was to introduce a new order into Europe and east Asia and to guarantee world peace; the actual intention was to spread tyranny and to overawe the world by threat of force.

That tripartite alliance lies prostrate among the ruins of its hopes. The Nazis and the Fascists are now gone, their leaders dead or in disgrace. The military rulers of Japan, exposed in all their efficiency and selfish greed, are toppled from control; those guilty of war crimes, indeed, await trial for their misdeeds. Allied military forces which wiped out the sea and air strength of the tripartite Axis and which held an unbroken series of victories over the land forces of Japan now garrison such portions of the Axis as they choose to occupy.

Yesterday, Hirohito, Emperor of Japan, paid a formal call upon the supreme commander of the Allied occupation. For the first time he met the officer to whose authority the Emperor is now subject and whose instructions he must fulfill.

Why has so great a change occurred?

The answer lies deeper than the obvious fact that Allied spirit and determination prevailed over the best opposition that Japan could offer. Military might crushed down Japan, as it had crushed down Germany and Italy, but beyond the strength of Allied armies, navies, and air fleets was the power of democracy and freedom. Autocratic nations such as Nazi Germany and Fascist Italy do not draw upon the great reservoirs of liberty and justice for their inspiration; like the military masters of Japan, they forced their helpless people to submission. Democracies are strong because the citizens not only share the burdens of government but help determine what the national policies shall be; the people guide and counsel their leaders instead of being forced into submission.

Japan has suffered grievously because within the 5 years of her tripartite Axis she followed evil ways. The militarists who had long misled the Empire betrayed the nation's best interests and brought the country to destruction. The consequences of those errors and the inevitable distress they caused to all the people of Japan cannot be quickly remedied.

By the surrender, however, and by the obligation of the Emperor and the Japanese Government to carry out the policies established by the occupation for the future conduct of Japan, a new era is in prospect.

Japan is being rapidly disarmed; her complete demilitarization is inevitable. With the arrest of ultra-nationalist and militarist leaders in every field of activity the land is being cleansed of those who have led it to disaster. Japan's punishment of war criminals, the repeal of discriminatory laws and the reform of legal, police, and penal systems will go far to convince the world that Japan is on the way to readmission to the society of civilized peoples.

All this can be, and, in the absence of Japanese cooperation, will be, performed by occupation officials acting independently of the Japanese Government but the United Nations hope that unilateral action will not be necessary. Japan, itself, may, if it so desires, play a major role in reformation.

Changes, for instance, in the form of Government initiated by the Japanese people or by their Government in the direction of modifying its feudal and authoritarian tendencies will be permitted and favored by the occupation. In the event that the effectuation of such changes involves the use of force by the Japanese people or by the Government against persons who may oppose such changes the Supreme Commander is under instructions not to intervene unless the security of his forces is involved or unless the objective of the occupation is imperiled.

Thus far, however, the statements of influential Japanese show little factual evidence that an realizes the inevitability of reformation. Statesmen whose interviews have been published or who have broadcast their views over the Japanese radio have been more concerned with exculpating themselves from responsibility or with pleading for magnanimity than with constructive efforts for the future welfare of their nation. Most of them have promised lavishly; few have, as yet, performed. The world at large has no real interest in words; it looks for action from the leaders of Japan.

The immediate arrest by Japan and subsequent punishment of war criminals and of those who committed atrocities against helpless prisoners would go far to convince the democratic world that Japan means what she says when she talks about her desire to be readmitted to the fellowship of world society.

PROPOSED LOAN TO GREAT BRITAIN

The Senate resumed consideration of the joint resolution (S. J. Res. 138) to implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART] striking out on page 3, line 7, "$3,750,000,000" and inserting in lieu thereof "$1,500,000,000." Upon the amendment the yeas and nays have been ordered.

Mr. TAFT obtained the floor.

Mr. BARKLEY. Mr. President——

Mr. TAFT. I yield to the Senator from Kentucky.

Mr. BARKLEY. I think that this would be an appropriate time for me to carry out a request made of me yesterday by the Senator from Indiana [Mr. CAPEHART], who advised me that he would not be able to be present today. He wishes to withdraw the amendment which he offered to the committee amendment, because what he really wants to do and intends to do is to offer to the joint resolution a new section which would touch the provisions of section 1, and his amendment to the committee amendment does not do what he really intended to try to do. So, at his request and speaking for him and with his authority, I withdraw for him the

amendment which he offered to the committee amendment.

By the way, Mr. President, I am reminded that the yeas and nays have been ordered on the amendment of the Senator from Indiana to the committee amendment, and first I must ask unanimous consent that the order for the yeas and nays be vacated.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the order is vacated.

Mr. BARKLEY. It seems to me, Mr. President, in view of this action that it might be in the interest of orderly procedure to have the committee amendment agreed to. I do not imagine there will be amendments offered to it, because any changes any Senator may wish to try to bring about in regard to the joint resolution and the agreement itself would have to be offered to some other section, either to section 1 or as a new section, as the Senator from Indiana intends to do.

Mr. TAFT. Mr. President, I have always felt that this was purely a formal correction, and that any substantive change in the amount or otherwise should be made by amendment to section 1 or by an additional section. So, I certainly have no objection to the adoption of the committee amendment.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

Mr. WHERRY. Mr. President, reserving the right to object, I should like to propound the same question that I propounded on a previous occasion. If we adopt the committee amendment, and then if section 1 is amended by reducing the amount, we will have to ask unanimous consent, will we not, or move to reconsider the action taken in agreeing to the committee amendment in order that the amount in the committee may be reduced to a comparable sum?

Mr. BARKLEY. That would be true. If the Senator will permit me, I will say frankly that if the Senate should adopt an amendment to the agreement changing the amount, of course the committee amendment dealing with the method by which it would be raised should be changed accordingly, and there would be no objection to that.

Mr. SALTONSTALL. Mr. President, reserving the right to object, I should like to ask the distinguished Senator from Kentucky, if he has not already done so, before the amendment to section 2 is adopted, to explain the technicalities incident to this amount coming under the Second Liberty Bond Act, and the theory of designating it as a public-debt transaction. Those are technical questions, but I should like to understand them before further action is taken.

Mr. BARKLEY. If the Senator will look at section 1 of the joint resolution, he will find that it refers to the Bretton Woods agreement, in which the Second Liberty Loan Act was referred to as a method by which the money to be raised for the international fund to carry out the Bretton Woods agreement could be raised in the same manner provided for in the Bretton Woods agreement, which provides that it could be raised, if necessary, by the sale of bonds under the Second Liberty Bond Act, which is still in effect, which is still the law of the land. It was thought by the committee—and in the case of the Bretton Woods agreement it was also thought by the Congress—that that was the logical way in which to raise any funds necessary under the Bretton Woods agreement. It is technically referred to as a public-debt transaction because it goes on the books of the Treasury as a public-debt transaction if additional bonds under that act are issued to obtain the money.

In drafting the original joint resolution it was provided that—

> The Secretary of the Treasury is authorized in the manner prescribed by section (b) of section 7 of the Bretton Woods Agreements Act (act of July 31, 1945, Public Law 171, 79th Cong.) to provide and use an amount not to exceed $3,750,000,000—

And so forth. We felt that it was better draftsmanship, instead of referring to the law as it is in the Bretton Woods Agreement, to refer to the Second Liberty Bond Act specifically, so that if anybody wanted to find out the terms under which the money should be raised, he could go directly to the Second Liberty Bond Act, and not have to go through the Bretton Woods Act and then through the Second Liberty Bond Act.

Mr. SALTONSTALL. In other words, information as to the transaction could be found in one place.

Mr. BARKLEY. Yes, that is true.

Mr. TAFT. Mr. President, I may say that this is in effect a substitute for the usual process of appropriation. Personally I do not like it. I have objected to it in the case of other bills, but it has been the practice in various cases in which the money to be spent was expected to come back, expected to be an investment, expected to be a loan, to say, "you may borrow the money, then lend it or invest it for this purpose." The money for the RFC has been raised in that way. While I do not particularly like it, similar action has been frequently taken, and it is the equivalent of an appropriation. When this measure has been enacted, no further appropriation will be necessary.

Mr. FERGUSON. Would this be classified, then, as an indebtedness under the debt limitation?

Mr. TAFT. At the present time there is a very large cash balance in the Treasury, so that as a practical matter it will probably not be necessary to borrow money to provide for this particular loan. But of course in the end it will result in a public debt larger by $3,750,000,000 than we would have if we did not make the loan. So that it may be said that this $3,750,000,000 will be reflected in the total outstanding debt.

Mr. FERGUSON. It will be classified as an outstanding debt?

Mr. TAFT. No; it will not be classified as a debt at all because $275,000,000,000 has now been borrowed, and that is not classified according to the purposes for which it was borrowed. It is merely $275,000,000,000 of Government bonds outstanding. That is not classified. The loan now proposed will be classified as an asset from the asset side, as an outstanding loan which has not been paid.

Mr. WHERRY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. WHERRY. I should like to ask, then, whether this comes within the interpretation of an appropriation in a legislative bill.

Mr. TAFT. In effect it is held not to be an appropriation. As a matter of law it has the same effect as an appropriation. It permits the President to draw money out of the Treasury with which to pay this amount, or he can borrow the money and pay it. But as I understand, under the rules of the Senate it has not been held to be an appropriation.

Mr. WHERRY. Is there any precedent? I ask the Senator if it would be proper to raise a point of order on the ground that it is an appropriation in a legislative bill, on the theory that it should originate in the House of Representatives?

Mr. TAFT. I think a point of order would lie, and could be made, but I doubt if it could be sustained.

Mr. PARKLEY. Mr. President, there is neither a law nor a provision of the Constitution which makes it necessary that appropriations should originate in the House of Representatives. It is customary for them to originate there, but the only sort of bill which must originate in the House of Representatives is one raising revenue. Appropriations do not have to originate there, but from long-time custom they do originate in the House. A point of order would not lie on that score.

Mr. WHERRY. Will the Senator from Ohio yield further?

Mr. TAFT. I yield.

Mr. WHERRY. The ruling has not yet been made on the unanimous-consent request for the adoption of the committee amendment. I should like to ask the distinguished majority leader a question, not that I desire to object, but a few days ago the able and distinguished Senator from Colorado [Mr. JOHNSON] indicated that he also had an amendment to section 2, and as I recall he did not wish to have his rights prejudiced in offering the amendment.

Mr. BARKLEY. The request I am now making is in harmony with what the Senator from Colorado asked a few days ago, because he joined with the Senator from Indiana, and I think the Senator from Ohio also suggested that the committee amendment be agreed to. I do not think the amendment of the Senator from Colorado is to the committee amendment. It is a substitute, as I understand. No prejudice will be suffered by any Senator who may desire to offer an amendment to the joint resolution.

Mr. WHERRY. My understanding was that the Senator from Colorado had no objection, so long as acceptance of the amendment did not prejudice his right to amend the bill as amended.

Mr. BARKLEY. That is correct.

Mr. WHERRY. If that is the understanding, I am content.

Mr. BARKLEY. The Senator can depend on me to cooperate in seeing that

no Senator is denied any right to which he is entitled.

Mr. TAFT. If a modification of the agreement were secured by an amendment of section 1, it would not make very much difference whether the $3,750,000,000 was obtainable by a public-debt transaction or otherwise.

Mr. WHERRY. I understand that.

Mr. TAFT. We now have this issue before us. Does the Senator from Kentucky want action on his unanimous-consent request?

Mr. BARKLEY. Yes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee inserting section 2.

The amendment was agreed to.

Mr. WHERRY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. WHERRY. I suggest that it is in order that a quorum be called.

Mr. BARKLEY. I had intended to do that, and it is all right for the Senator to do so.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	O'Daniel
Austin	Hawkes	Pepper
Ball	Hayden	Radcliffe
Bankhead	Hickenlooper	Reed
Barkley	Hill	Revercomb
Bilbo	Hoey	Russell
Bridges	Huffman	Saltonstall
Buck	Johnson, Colo.	Shipstead
Bushfield	Johnston, S. C.	Smith
Butler	Kilgore	Stewart
Byrd	Knowland	Taft
Capper	La Follette	Taylor
Carville	Langer	Thomas, Okla.
Cordon	McCarran	Thomas, Utah
Donnell	McClellan	Tobey
Downey	McFarland	Tunnell
Eastland	McKellar	Tydings
Ellender	McMahon	Wagner
Ferguson	Magnuson	Walsh
Fulbright	Maybank	Wheeler
Gerry	Millikin	Wherry
Green	Mitchell	White
Guffey	Murdock	Wiley
Gurney	Murray	Willis
Hart	Myers	Wilson

Mr. HILL. I announce that the Senator from North Carolina [Mr. BAILEY] and the Senator from Virginia [Mr. GLASS] are absent because of illness.

The Senator from Georgia [Mr. GEORGE] and the Senator from Louisiana [Mr. OVERTON] are absent by leave of the Senate.

The Senator from Florida [Mr. ANDREWS] and the Senator from Illinois [Mr. LUCAS] are necessarily absent.

The Senator from Missouri [Mr. BRIGGS], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. GOSSETT], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on public business.

The Senator from New York [Mr. MEAD] is absent on official business in connection with his duties as chairman of the Special Committee for the Investigation of the National Defense Program.

The Senator from Texas [Mr. CONNALLY] is absent on official business, attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

Mr. WHERRY. The Senator from Oklahoma [Mr. MOORE], the Senator from Kentucky [Mr. STANFILL], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Indiana [Mr. CAPEHART], the Senator from Wyoming [Mr. ROBERTSON], and the Senator from Oregon [Mr. MORSE] are necessarily absent.

The Senator from Michigan [Mr. VANDENBERG] is absent on official business attending the Paris meeting of the Council of Foreign Ministers as an adviser to the Secretary of State.

The Senator from Illinois [Mr. BROOKS] is absent on official business.

The PRESIDENT pro tempore. Seventy-five Senators having answered to their names, a quorum is present.

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. Many Senators have asked me whether there will be a session of the Senate tomorrow. In view of the fact that the Senate has appointed a committee to attend the funeral of Chief Justice Stone, in view of the further fact that Senators not members of the committee may wish to attend the funeral, which is to take place at 2 o'clock, and in view of the impracticability of attempting to transact any business afterward, I think it is best not to try to hold a session of the Senate tomorrow. Therefore, when we conclude our business today I shall move that the Senate take a recess until Friday.

Mr. TAFT. Mr. President, I intend to vote against Senate Joint Resolution 138, authorizing a loan to the United Kingdom. My position on this matter is solely a personal position. The fact that I happen to be chairman of the Republican steering committee does not in any way indicate a party position. In fact, the committee felt very strongly that this was a matter with respect to which there should be no party significance, a rule which I think should apply to most matters relating to foreign relations.

I shall vote against the joint resolution with considerable reluctance. I have the highest respect for the Secretary of the Treasury and for Mr. Clayton. I know that in making the agreement they have acted in the belief that it is in the interest of the United States. After such an agreement is made in good faith it is not a pleasant task to vote to disapprove the action of the executive department. Nevertheless, I have considered the arguments urged for and against the loan, and I cannot see any justification for making it. In my opinion it violates all sound principles of fiscal policy and of foreign lending. Under such circumstances I believe that it is my duty to oppose it and state here the reasons for my conclusion.

I may add that my decision is not reached in any way because of the existence of a Labor government in Great Britain. I do not believe that we should be swayed in the slightest degree by that fact, or by the result of the last election in Great Britain.

I have frequently stated that we ought to assist the countries of Europe to get back on their feet, but it has always seemed to me that the loans made should be in reasonable amounts, available for the purchase in this country of goods which can help foreign countries put their own economy in working order. I believe that one and a quarter billion dollars today would wholly perform this policy so far as Great Britain is concerned, and do everything which we can do to provide fiscal assistance to the British economy.

In pursuing a policy of foreign lending, however, we must be principally interested in its effect on our own welfare. I am deeply concerned about the lavish scale on which we are proposing to lend or give money abroad. Rich as this country is, we cannot afford to support the rest of the world.

Our over-all lending policy involves a tremendous sum of money. In the first place, I think this agreement, by implication, forgives the First World War debt of Great Britain. That means a cancellation of an indebtedness which now amounts to $6,500,000,000, represented in part by outstanding bonds of the United States on which our taxpayers now will have to assume, without assistance, the payment of the principal and interest.

In the second place, we are now canceling all obligations under the lend-lease policy. I do not have exactly the total figure, but in general we advanced to Great Britain under the lend-lease policy goods and services of the value of approximately $25,000,000,000. Reverse lend-lease has reduced that sum to approximately $20,000,000,000. We are now proposing to cancel the entire $20,000,000,000 which was loaned, in effect, to Great Britain.

The result of our lend-lease policy has been a worsening of our position from an international standpoint. I asked the Secretary of the Treasury to tabulate the effect of the lend-lease policy on our economy and our relations with other countries. On page 67 of the record of the hearings it will be found that he states that the net deterioration in the position of the United States from December 1941 to December 1945 was approximately $5,000,000,000. Our gold holdings decreased by $2,700,000,000 net. The foreign-owned dollar balances increased by $3,200,000,000. We also invested about $1,000,000,000 abroad, and I am not sure whether that represents real value. So altogether our position from an international standpoint is between $5,000,000,000 and $6,000,000,000 worse than it was at the time the war began.

What happened in the lend-lease policy was that we were exporting billions of dollars' worth of goods from this country for nothing, and we were paying for every import which came into the country. So we had a net balance of trade against us, which resulted in the building up of foreign balances in this country and the loss of gold by the United States.

In addition, we have undoubtedly depleted at a serious rate some of our most

important national resources. So in general, through the lend-lease policy as a whole and the war, we have already made a substantial contribution by a worsening in our position and a decrease in our wealth from an international standpoint—the same kind of worsening of position for which Great Britain is now asking us to assist her.

Third, under the surplus-property agreement which has been reported on by the Mead committee, we are turning over to Great Britain at 10 cents on the dollar lend-lease goods in existence costing approximately $6,500,000,000. A fair amount of such goods represents civilian property. Four hundred and thirty-nine million dollars' worth of such goods are in the hands of British civilian agencies, for the civilian population. Eighty-four million dollars has already been distributed further down the line. Petroleum having a value of $143,000,000 is turned over. Altogether we are turning over between $600,000,000 and $700,000,000 worth of goods which have no particular relation to military lend-lease. Military lend-lease, which may or may not be of value to Great Britain, we are turning over for less than 10 cents on the dollar. In any event, the Mead committee seems to feel that we have been more than generous in our settlement of the surplus-property account. We are turning over to Great Britain at a rate of approximately 10 cents on the dollar, property which costs us approximately $6,500,000,000. In addition to that, we have gone on under the Bretton Woods arrangement and we are, under the Bretton Woods fund, making available to the rest of the world $2,750,000,000, with which they may come to this country and purchase goods. Those dollars may be borrowed and spent in the United States. It will take about 3 years, under the act, for them to obtain those funds at the rate allowed by the Bretton Woods fund.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. TAFT. I yield.

Mr. FULBRIGHT. I was not clear about the Senator's statement in regard to the lend-lease item. Did the Senator say that approximately $600,000,000 worth of civilian goods were included in it?

Mr. TAFT. It includes approximately $600,000,000 or $700,000,000 worth of civilian goods, including petroleum, which I suppose can be used in any way; certainly it is as good as gold. It is being transferred under the Surplus Property Administration. That is not lend-lease. I think it was lend-lease; it was starting toward lend-lease, but it became surplus property, and is handled, as I understand, as surplus property in this agreement with Great Britain.

Mr. FULBRIGHT. Are the goods for which they agree to give $650,000,000 included in these figures?

Mr. TAFT. Yes; they are included in the total of $6,500,000,000 worth, most of which is military property.

Mr. FULBRIGHT. Does the Senator have any figures to show how much is military property?

Mr. TAFT. Yes. There was approximately $4,500,000,000 worth of military property, plus $129,000,000 worth of food—so, altogether, approximately $4,600,000,000 or $4,700,000,000 worth of military property, of which approximately $130,000,000 worth was food.

Mr. FULBRIGHT. Is not the $4,000,000,000 worth of property of very doubtful value in a peacetime economy?

Mr. TAFT. I think it is of doubtful value. I am only saying that so far as the 10 percent is concerned, the British will be getting dollar for dollar, without having any value attached to military property. That is about what it comes down to. In effect, we are giving them $4,500,000,000 worth of military property for nothing, and they are paying for the civilian goods.

Mr. FULBRIGHT. That is correct.

Mr. TAFT. That is about what it comes down to—the net result being 10 cents on the dollar, under the whole transaction.

Under the Bretton Woods Fund, we are making available to the rest of the world $2,750,000,000. Those dollars may be borrowed and spent in the United States.

Under the Bretton Woods Bank we are providing $3,175,000,000; and, with the International Bank's guaranty, a total of $7,500,000,000 worth of securities could be sold to the citizens of this country, without further authority from Congress, but the dollars made available by the sale of such securities would then be available to foreign countries, for use in buying goods in this country.

The present proposed loan is $3,750,000,000; but the administration has announced that, in addition to that, in order to cover other loans, it intends to propose at once an increase in the Export-Import Bank's funds by a billion and a quarter dollars over the present lending authority of that bank. So, in effect, the additional lending program we are now asked to approve amounts to $5,000,000,000.

We have appropriated $2,700,000,000 for UNRRA, which, of course, is also used to buy goods from this country, for which we get no return.

Thus, Mr. President, in the brief period of a year we are authorizing the Executive to make dollars available to foreign countries in the total sum of $21,450,000,000. It is impossible to tell how fast it may be spent, but it is not unreasonable to assume that it will be spent within 4 years, or at the rate of $5,000,000,000 a year. In considering that total, we should also take into consideration the possibility of having foreign countries spend approximately $5,000,000,000 of foreign banking funds held in the United States and other funds estimated to exceed $10,000,000,000.

I have suggested that we cannot afford to lend these vast sums of money. Money loaned to governments is not likely to be repaid if loaned in such tremendous amounts. That was our experience after the last war. Payments are perhaps made until times get hard. Once the payment becomes a real burden on any people the government is strongly tempted to cease such payments, and is likely to do so. There is no way to collect money from a government except by war, but certainly we do not propose to go to war to collect the money owed to us. In small amounts, government debts may be paid; but in such volume as is now proposed it seems to me extremely improbable that they will be paid.

Furthermore, Mr. President, in the case of the British there is no real will to pay. Most of the Conservative members of the British Parliament abstained from voting on the credit agreement, and many British newspapers denounced us because the agreement did not provide for a gift instead of a loan. The British Government itself was apologetic about the arrangement.

If this loan is not repaid, then our taxpayers will have to pay both the interest and the principal, although they are already staggering under a tremendous load of taxation.

Furthermore, Mr. President, the expansion of foreign credit is just as inflationary as is the expansion of credit at home. If we build up an export trade at the rate of $5,000,000,000 a year on credit it does not have to be balanced by imports. It is a purely artificial expansion which cannot be continued. Sooner or later we must stop lending, and when that time comes the collapse of our export trade will throw thousands of our men out of work and will accentuate any depression which may exist. That is exactly what happened in the twenties. Then we expanded our exports by the creation of private credit. Now we propose to begin the same process, but at public expense, and inevitably we shall reach the same debacle which occurred in 1932.

Mr. President, loans made over a period of 2 or 3 years, at the rate of approximately $2,000,000,000 a year, totaling $5,000,000,000 or $6,000,000,000, might be repaid; and it might be that investments abroad and an increase in tourist traffic would gradually take up the slack and would create a sound export trade in reasonable volume. But loans in the large amounts contemplated will be paid by the American taxpayers and, in the end, will lead to deflation and depression for the American workman.

As a general proposition, apart from the emergency created by the recent war, I seriously question the wisdom of having one government lend money to another government. That process is not of benefit to either. In the long run, a country which cannot stand on its own feet is not likely to succeed through assistance from some other country. Every people must work out its own salvation.

The making of loans may accomplish a temporary purpose; and in this case I am prepared to say that, from the point of view of humanitarian aid to the world, we should be prepared to adopt a reasonable loan program or a gift program.

I voted for UNRRA. In the long run, however, I think loans from one government to another make for bad feeling. A man or a country is more likely to make enemies by lending money and asking for repayment than he or it is likely to make friends. Loans have been used and probably will be used in the future for political purposes, to tie one country more closely to another, to obtain concessions in the development of resources, and to form political blocs, which are a good deal more dangerous than economic blocs. If the United States undertakes to lend, in effect, $20,000,000,000 and if it intends to collect it from the rest of the world, the United States will be the most unpopular nation in the world.

I do not mean to say that we should oppose a policy of private lending or private foreign investments, but it should be done by private capital because in that case it is far more likely to be done for sound economic reasons. Even in connection with the investment of private capital abroad, our Government should perhaps exercise some veto power, so as to be able to prevent undue inflation and prevent the kind of unnecessary lending which sometimes was done in the twenties.

My conclusion is that our total foreign lending to get the world started again on its economic life could well be limited to $5,000,000,000 or $6,000,000,000, instead of $20,000,000,000. The British share of such a loan would be more nearly $1,250,000,000 or $1,500,000,000, instead of $3,750,000,000.

Mr. President, I wish now to examine the provisions of this loan.

The agreement provides for an advance of $3,750,000,000, which may be drawn upon at any time from now until the end of 1951. All of it, I think, could be drawn at once, and there would be a natural inclination for the British to do so, since no interest has to be paid in the interim. There seems to be some indefinite understanding, however, that the drafts on the fund will be spread over several years.

No interest is to be paid until the end of 1951, and then at the rate of 2 percent. The principal is to be repaid in 50 annual installments, lasting until the year 2001. The effective interest rate, if interest is to be paid, would be about 1.76 percent, or 1.62 if drawn at once.

It may be pointed out that the Federal Government is today paying between 2 percent and 2.50 percent for long-term loans, and this is a long-term loan. The proper comparison is between 1.76 percent and perhaps 2.50 percent which our Government must pay. That means that the American taxpayer pays the difference. However, interest is not to be paid in any year when British exports fail to measure up to a certain standard, and, if they do not do so, interest for that year is forever forgiven. Secretary Vinson admits that the loan cannot be justified on the basis of a commercial loan. The terms are far more favorable than we are extending to any other country. The interest rate is below that which our Government has to pay for long-term money. It is very likely that the interest will not be paid at all.

Lord Keynes interpreted the agreement as follows in his speech to the House of Lords on December 17, 1945:

> We pay no interest for 6 years. After that we pay no interest in any year in which our exports have not been restored to a level which may be estimated at about 60 percent in excess of prewar. * * *
>
> Lord BARNBY. In volume or value?
>
> Lord KEYNES. Volume. That is very important; I should have said so. The maximum payment in any year is £35,000,000, and that does not become payable until our external income, in terms of present prices, is 50 times that amount.

In other words, Lord Keynes said that Britain's exports must be 60 percent more in volume now than they were before the war. The likelihood of that seems somewhat remote.

There has been some question whether Lord Keynes is entirely correct, but as he was one of the keenest financial analysts in the world, I think we can assume that he is. The exact provision of the agreement is that there shall be no interest paid if—

> The income of the United Kingdom from home-produced exports plus its net income from invisible current transactions in its balance of payments was on the average over the five preceding calendar years less than £866,000,000, as such figure may be adjusted for changes in the price level.

Lord Keynes appears to estimate that the price level has increased approximately 100 percent and that British exports plus net income from invisible current transactions must amount to $7,000,000,000 at present prices before interest has to be paid.

In 1946 it will be about one-half of that amount.

Certainly the payment of any interest is contingent to the highest degree, and we cannot count on it. Of course, that means that our taxpayers must pay it.

In return for the advance, the British make certain agreements which are said to be of great value to us. First, they agree that within 1 year the sterling receipts of sterling-area countries will be available for current transactions in any currency area so that the so-called sterling-area dollar pool will be entirely dissolved. The value of this agreement may well be questioned. The dollar pool was entered into for war purposes by the voluntary act of sterling-area countries. It is questionable whether it will be renewed.

Lord Keynes in the same speech to the House of Lords said:

> I wonder how much we are giving away there? It does not relate to the balances accumulated before the spring of 1947.

In other words, this dollar pool arrangement does not go into effect until a year after this agreement begins to operate.

I continue reading:

> We are left quite free to settle this to the best of our ability. What we undertake to do is not to restrict the use of balances we have not yet got and have not yet been entrusted to us. It will be very satisfactory if we can maintain the voluntary wartime system into 1947. But what hope is there of the countries concerned continuing such an arrangement much longer than that? Indeed, the danger is that these countries which have a dollar or gold surplus, such as India, and South Africa, would prefer to make their own arrangements, leaving us with a dollar pool which is a deficit pool, responsible for the dollar expenditure, not only of ourselves, but of the other members of the area having a dollar deficit.

In short, Lord Keynes says that Great Britain could not maintain this dollar pool anyway. Nor would it be to their interest to do so. As Lord Keynes said further:

> The way to remain an international banker is to allow checks to be drawn upon you; the way to destroy the sterling area is to prey on it and to try to live on it. The way to retain it is to restore its privileges and opportunities as soon as possible to what they were before the war.

In other words, if we buy goods and materials from independent countries and independent British dominions, and pay for those goods and materials with dollars, why should those countries and dominions surrender those dollars to the British? They themselves would use those dollars by coming to America and buying goods in the United States.

Great Britain agrees further that it will not apply exchange controls to restrict payments to the United States for products of the United States permitted to be imported into the United Kingdom or the use of sterling balances to the credit of residents of the United States arising out of current transactions. This hardly seems to be any sacrifice on the part of the United Kingdom. How they can possibly hope to obtain necessary imports from this country if they do not permit their citizens to pay for them in dollars is difficult to see. It is significant that under article VII of the Bretton Woods agreement, if it should become effective by dollars becoming a scarce currency, Great Britain might impose controls which would prevent payment, even for imports permitted to be made, and in spite of this loan agreement. This means that when this money runs out, Britain, unable to obtain dollars, can go back on all promises. It could not be otherwise.

Mr. President, article VII provides that if dollars become scarce in the world, or if they are declared by the board of the Bretton Woods Fund to be scarce, any country may restrict payments to this country. In other words, once the loan runs out, unless the world is restored to an almost unusual condition, we are to be confronted with having our payments to this country restricted, and our exports restricted unless we loan more money. The entire picture of the proposed arrangement is that so long as the money lasts we will be in fine shape. We will be in position always to export anything we may have to export, if we loan the other fellow money with which to pay us for our exports. But as soon as the money runs out, the agreement permitting free exchange may be eliminated entirely by force of the Bretton Woods agreement.

The two Governments also agree that within a year they will cease to impose restriction on payments and transfers for current transactions, with certain very definite exceptions. It seems clear that the removal of such restrictions will benefit Great Britain just as much as

it does the United States, if not more. Great Britain further agrees that if it imposes quotas on imports, they shall be administered in a way that will not discriminate against American imports.

They may impose quotas on imports, and they do not agree to accept any imports from the United States. They do not agree to permit importation of, we will say, automobiles if they do not wish to do so. Furthermore, during the actual consideration of this agreement by the Banking and Currency Committee Great Britain announced that the Government would buy all cotton imported into Great Britain. No cotton may be imported hereafter into Great Britain unless the British Government imports it. Of course, that nullifies any agreement to the effect that the British will not discriminate against America by imposing quotas, because they are not imposing quotas on imports. They are merely saying, in effect, "We are going to buy cotton wherever we choose to buy it." The British Government will be able to buy all the Egyptian and Brazilian cotton and then buy just as much American cotton as they choose to buy. So that, so far as the agreement not to discriminate by the imposition of quotas on imports is concerned, they already have shown how the agreement may be completely bypassed and nullified.

Exception is made, also, for the use of inconvertible currencies accumulated up to December 31, 1946. They may also discriminate in behalf of any country whose economy has been disrupted by war. That includes every country in the world. So, for the present, at least, these exceptions practically nullify the agreement that they will not discriminate against American imports. I do not believe that a loan is justified in order to prevent the imposition of discriminatory restrictions on American commerce. Such discriminations should not be made in any event—and we have other means to prevent them—except under a very severe economic pressure and depression, such as the one we had some years ago. We are relieving that pressure at present at least by other loans we are making through the Bretton Woods agreement. So I see no immediate necessity justifying the imposition of discriminatory restrictions against the United States.

It may be noted that the United Kingdom does not agree to reduce its tariffs or abandon the policy of imperial preferences. I would not have them do so. I think a customs union is proper between countries that have a special political relationship. Nor does it prevent their engaging in government trading which will relieve them from the obligation regarding nondiscrimination.

So, Mr. President, I cannot see that the supposed benefits from this agreement are more than we are entitled to without any loan, or more than we would probably obtain in any event.

This, then, Mr. President, is the agreement. Is it wise or necessary or to our advantage?

The question arises how the figure $3,750,000,000 was arrived at.

Mr. REVERCOMB. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from Ohio yield to the Senator from West Virginia?

Mr. TAFT. I yield to the Senator from West Virginia.

Mr. REVERCOMB. Before the able Senator from Ohio leaves the question of imperial preferences, let me ask a question. This agreement has been made with the United Kingdom alone, and not with the other dominions of the British Empire. Does the Senator understand that, even if this agreement were entered into, Australia, India, or any of the other dominions might themselves set up tariff barriers and exclude imports from other countries, even from the United Kingdom? Does the Senator so understand the situation?

Mr. TAFT. Yes. I do not think anything in this agreement in any way restricts the power of Australia or of any other dominion to do as they please. Of course, we have to deal with each one individually.

Mr. REVERCOMB. The Dominion of Australia is a great importer from us, as likewise is Canada. Our relations and arrangements with Canada in the past have been quite satisfactory, but we know that under imperial preference our exports to Australia in the case of a number of commodities has almost been destroyed. This agreement would not in any way affect the right of the dominions to set up their own tariff laws against importations, would it?

Mr. TAFT. Not in any way, no; nor does it affect imperial preferences. I think I should say that there is an arrangement for a conference to be held and that among the matters to be passed on is the question of reducing tariffs, including imperial preferences, but that is rather a vague agreement, and we are giving the money without any understanding that anything will be done in that direction.

Mr. REVERCOMB. Mr. President, will the Senator yield for another question?

Mr. TAFT. I yield to the Senator from West Virginia.

Mr. REVERCOMB. If this agreement were entered into, is there anything to prevent the United Kingdom from making an agreement, say with Australia, to give preference to the products of the United Kingdom going to Australia.

Mr. TAFT. They could not enter into an agreement with Australia that Australian goods should be admitted in larger quota in proportion to production than those of the United States; but they would not necessarily do it that way. They could set up a government corporation and buy, for example, the Australian crop of wool, if they wished to do so, without violating this agreement.

Mr. REVERCOMB. I do not believe I made myself clear. Could Australia enter into an agreement with the United Kingdom, if this agreement should be entered into, to give preference to the products of the United Kingdom over those of America?

Mr. TAFT. They could adjust their tariffs as they pleased, but I think if they attempted to work under a quota system they would have to base it on past importations from Australia into Great Britain, and from Great Britain to Australia. They could not impose discriminatory quota arrangements, and under this agreement they will not do so. I only had said that they could get around that by setting up a government corporation, as they propose to do in Britain.

Mr. HAWKES. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from New Jersey.

Mr. TAFT. I yield.

Mr. HAWKES. Mr. President, I want to be sure the distinguished Senator from Ohio understands the question raised by the Senator from West Virginia. He is not talking about imports going from Australia to Great Britain; he is asking, if I understand him correctly, whether, if this agreement is made, Great Britain could make a special agreement with Australia to permit goods made in Great Britain to go into Australia at a lower rate or to give a preference to British goods over goods made in the United States and going into Australia.

Mr. TAFT. If that is what the Senator wishes to know, there is no restriction on the British doing anything about their exports. They can export anything they may have for export. There is nothing in the agreement that in any way limits their purpose and the purpose of this agreement to enable the British to increase their exports even in competition with our own.

Mr. REVERCOMB. Then, does it not follow that under such an agreement American products could be driven completely out of the Australian market?

Mr. TAFT. That would be true if Australia were willing to do so. Australia is an independent country; we have a most-favored-nation clause probably with Australia, and I think England is excepted from it. So, in my opinion, we could make our own terms with the British colonies, if they are let alone.

Mr. SALTONSTALL. Mr. President, is there not one thing that the distinguished Senator from Ohio may be overlooking?

Mr. TAFT. I may be overlooking many things.

Mr. SALTONSTALL. England has a $12,000,000,000 debt in the form of frozen sterling balances at the present time.

The Senator said that the sterling-dollar pool would be given up in a year and that Lord Keynes said it could not be held together longer than that in any event. If Egypt or India want to trade with the United States in dollars, must they not in making such an agreement or trade give consideration to the pound-sterling debt that is owed by England to them? In making any arrangement with the United States in dollars will they not be much concerned with what becomes of England's debt to them? Is not that a fair statement?

Mr. TAFT. I think that is a fair statement. Britain, we will say, owes nearly 1,000,000,000 pounds in India. She does not owe it exactly; the Indians have

1,000,000 pounds, or about that, which is blocked. In other words, today they cannot spend it even in England. They cannot spend it at all. They may be able to pass it around in India, I do not know about that, but they cannot go to England and buy anything with it.

As I understand, it is proposed by the British—and I think it is mentioned in the agreement—that they pay something on these debts at once. They propose to make an agreement with each of the countries which has blocked sterling. They propose to pay something on the balance. They propose to say then, "We will pay some more on it over a long period of years." Then they are going to ask forgiveness of some more of it. They are saying that is not a condition of this loan, but it is mentioned as what they hope or intend to do.

Mr. SALTONSTALL. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. SALTONSTALL. It is an influence with any dollar arrangement which India, we will say, would desire to make in 1947 with the United States. That is the point I wanted to bring out.

Mr. TAFT. But the English are very seriously limited in permitting that sterling to be spent, because their purpose, and the purpose of this loan, is to enable them to build up sufficient exports so that they can import enough to live on, and get their raw materials for manufacture. If they are to export articles to India in return for these pounds which have been frozen already, so far as their current balance is concerned, it is just a loss. They export those articles and get no good from them so far as their current position is concerned. So the British are very loath to permit any of these frozen balances to be used even to buy goods in Great Britain. Of course, they can dole them out somewhat, and that is a weapon they have, but it is a weapon which is not going to benefit the British very much. In other words, they cannot afford to permit that to be done without cutting down their imports, cutting down the food they import, and the standard of living their people enjoy.

Mr. SALTONSTALL. It is their purpose to avoid that contingency and, in order to avoid it, they desire to make these long-time agreements with relation to the sterling debt they have.

Mr. TAFT. Yes. During the war we advanced $20,000,000,000, just as other countries advanced the money. The other countries around the world advanced $14,000,000,000. I think most of them were participants in the war. We forgave our $20,000,000,000, but they did not forgive their $14,000,000,000. We lend England money, but provide expressly that they cannot take the money and pay these other countries. They cannot use our money to pay off these other countries, but they can take other money they have to pay them. Therefore, I take it we make it possible for them to settle with these other countries any indebtedness incurred of the type we have already forgiven. I think that is a good deal to ask us to do, as compared with the rest of the world.

Mr. SALTONSTALL. If I may, I should like to ask a further question.

Mr. TAFT. I have now the figures relative to Great Britain's condition, which I think bear on these very questions, and I think this may make some of the matters clear.

How was this sum of $3,750,000,000 arrived at? Mr. Clayton described the process, and his testimony appears on page 118 of the hearings and also on page 141.

Mr. WHERRY. Mr. President, will the Senator yield before he goes to that?

Mr. TAFT. Let me finish this because it relates to the dollar-balance question which is being discussed.

The British imports for the year 1946 are estimated at $5,200,000,000, the exports at only $3,000,000,000, leaving a deficit of $2,200,000,000. To that is added $1,300,000,000 which England figures she will require in foreign exchange, not in dollars but in foreign exchange, to pay what is needful in the liquidation of the war and in bringing her armies home. Against that is credited $600,000,000 from estimated earnings on foreign investments, shipping, banking, insurance, and so forth. That leaves a deficit of $2,900,000,000. To this is added a further deficit of $2,000,000,000 for the years 1947 and 1948—a total deficit of about $5,000,000,000. To meet this we supply $3,750,000,000 and Canada $1,250,000,000.

I have not discovered that these figures were very carefully checked. The estimate of $600,000,000 a year for earnings on foreign investments, shipping, banking, insurance, and so forth, appears to be low. In any event, of this total of $5,000,000,000, it is difficult to calculate that the deficit resulting from imports from the United States in excess of exports to the United States will amount to more than $1,250,000,000.

This deficit averaged about $150,000,000 a year in the prewar period. Roughly speaking, we exported to England an average of about half a billion—$500,000,000—a year, and the imports and shipping services, and so forth, amounted, we will say, to $350,000,000, so that there was a deficit of about $150,000,000 a year.

Adding something for the present condition and the fact that they want to buy more here, I estimate that a billion and a quarter dollars, if it were loaned to England, would enable her, together with her exports to the United States, to buy everything she needs which can be obtained in the United States during the next 3 years.

The other two and a half billion dollars of our proposed loan represents deficits in the British balance of trade with the rest of the world, and the cost of liquidating the war, also a cost incurred with the rest of the world.

I cannot understand the philosophy under which we are expected to find this two and a half billion dollars required by Great Britain to settle her accounts, for the most part with her own colonies and with other countries which are as close to her as they are to us.

Why should this sum not be financed by the countries which expect to sell goods or services to Great Britain? Take the case of South Africa, which has been mining gold at the rate of half a billion dollars a year during the war. Its Government has increased its gold reserves from $250,000,000 to $750,000,000. The rest of the gold which has been mined must have remained largely in the British Empire and be available to the governments for the payment of foreign balances. None of these countries has as yet forgiven Great Britain her debt for any of the war supplies therein obtained. None of these countries except Canada has pursued the lend-lease policy followed by the United States. It is difficult indeed for me to see why we should underwrite the entire British Empire and the sterling bloc.

I have already referred to the fact that under this agreement the British may use their other funds which in effect are released by our making this loan, to pay some of these other countries.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. FULBRIGHT. I did not understand the significance of the Senator's statement a moment ago about Australia. Did the Senator mean to leave the impression that Australia is not an independent country?

Mr. TAFT. No; Australia is an independent country. It was suggested by the Senator from Massachusetts that the fact that England owed them money which they would like to have paid would give England a certain advantage in getting them to make an agreement to shut out American goods. I understood that to be the suggestion.

Mr. FULBRIGHT. South Africa is an independent country, is it not?

Mr. TAFT. South Africa is also an independent country.

Mr. FULBRIGHT. The fact that she may have some resources does not mean they are necessarily subject to the direction of and to taking by the United Kingdom?

Mr. TAFT. Not at all, but I was suggesting that to ask us to forgive all the lend-lease debt incurred during the war, and lend them more money, while a country such as South Africa, with a tremendous amount of gold, has not forgiven them the advances they made to England during the war, and may now be paid off under the terms of this loan by British funds, is hardly an equitable arrangement, or an argument in favor of our making the loan.

Mr. FULBRIGHT. I would agree with the Senator that these other countries, particularly those belonging to what we call western civilization, and others, should make an equitable contribution. I think the fact that some other country will not do its duty is not a good reason why we should not do something that is to our benefit. Either way, I agree. I think Portugal presents another example of something which according to my understanding is a little inequitable, by her attitude toward that part of the debt which the Senator mentioned, and which was mentioned in the hearings.

Mr. TAFT. My position is that if we should lend or give England $1,225,000,000, that would entirely balance our account. The British could come to this country in effect and buy all they would

normally buy here, plus the additional needed for new machinery, and so forth, out of the $1,225,000,000. What we are doing when we lend Great Britain the other $2,500,000,000 is to enable the British to settle their accounts with the other countries of the world. My suggestion is that the other countries are perfectly able to handle that themselves, without asking us to lend the money to settle Great Britain's accounts with them.

Mr. FULBRIGHT. I understood the purpose of this loan was to make the British currency available so they could therewith deal with other countries on a multilateral basis. It is specifically provided that this loan is not to be used to settle other accounts.

Mr. TAFT. This particular money is not to be used for such purposes, but there are other funds, as I shall show, which can be used for such purpose if we make the loan.

The condition of Great Britain today is not so serious as the advocates of this loan claim. It is rather interesting that a year ago, when we had the Bretton Woods agreements up for consideration, and it was proposed that the way to meet the whole problem was to make the British a loan, rather than through Bretton Woods, Mr. White, of the Treasury, came before the committee in executive session and said that the British are all right, they do not need a loan, or, if so, it can be worked through the Export-Import Bank. He was afraid it would interfere with the Bretton Woods agreement. He said the British expect most of the $14,000,000,000 will be forgiven. He said the British have a great deal of money here, and he gave us the figures, which are not very different from those I am about to give.

Mr. FULBRIGHT. Mr. President, will the Senator again yield?

Mr. TAFT. I yield.

Mr. FULBRIGHT. I think the Senator ought to mention that Mr. Williams and others in the same hearings specifically stated the British ought to have from $3,000,000,000 to $5,000,000,000.

Mr. TAFT. I may say that the Bretton Woods agreement was presented as one way of securing this exchangeability of currency; we were asked to put up $6,000,000,000 for that purpose and, according to Mr. White, that would solve the problem. Now I suggest that the one billion and a quarter dollars to the British is a matter of helping the British. But the other two and one-half billion dollars is an attempt to stabilize the currencies of the world, which is just exactly what Bretton Woods was going to do. I think it would have been rather a better method to have refused the $6,000,000,000 under the Bretton Woods agreement. In that event I would not be opposing the British loan. But now we are asked to do over again almost exactly the same thing we were doing when we passed the Bretton Woods agreement. It was not then represented that Britain would not require additional funds, but I tried to point out that a billion and one-quarter dollars would cover everything in the way of fiscal assistance by the United States through its production and its ability to give Great Britain the goods she needed, and the other two billion and a half was for the vague purpose of stabilizing the currencies of the world and creating multilateral trade throughout the world, which was a problem supposed to be solved entirely by the expenditure of $6,000,000,000 for Bretton Woods.

Mr. SALTONSTALL. Mr. President——

The PRESIDING OFFICER (Mr. HUFFMAN in the chair). Does the Senator from Ohio yield to the Senator from Massachusetts?

Mr. TAFT. I yield.

Mr. SALTONSTALL. Is the $2,500,000,000 which the Senator has just mentioned in connection with stabilizing currencies, to be loaned for the purpose of allowing the dollar to be used in the trade of the world, and to allow Bretton Woods to get started? Otherwise the dollar will be declared scarce right off by Bretton Woods.

Mr. TAFT. Of course so long as we lend money the dollars are not scarce; so long as we hand out dollars they are not going to be scarce; but if we are going to build up a foreign trade it has got to be a foreign trade based on sound values, sound exchange, and permanent relationships which are going to continue, whether we lend money or whether we do not lend money. I will deal with the question of multilateral trade in a moment.

But getting back to the condition of Great Britain. True, she in effect owes large sums of money to foreign countries, but it is apparently expected that such obligations will be settled by very small cash payments. Mr. Vinson testified, as appears on page 48 of the hearings, that British holdings of securities and direct investments in the United States amounted to about $1,475,000,000, including $895,000,000 pledged with the RFC. The loan which is secured by that pledge now amounts to less than $200,000,000, leaving to Great Britain net assets in this country in securities and property of $1,275,000,000. The RFC could certainly loan an additional $600,000,000 against those securities. In fact, Mr. Jones said that the earning value of the securities is so great that a loan of a billion dollars would be adequately secured. Yet it is proposed to make the present loan without any collateral whatever, even that which is already in the hands of the United States Government, and the British could take $200,000,000 of this fund and pay off the RFC, and go away with the billion dollars of securities which are now pledged in this country.

In addition to these assets the gold and dollar balances of the United Kingdom amount to $2,324,000,000, most of it here in the United States. Perhaps $400,000,000 of this is owed to Portugal, but it is not quite clear to me why these assets should be used to reduce British obligations to Portugal while we are asked to loan more money. In any event, the net value of British liquid assets and assets in this country, most of which are liquid assets, is more than $3,000,000,000. It is estimated that the value of other British property scattered throughout the world is close to $8,000,000,000.

I might add that the British Government has accumulated a vast stock supply of wool, amounting to about 3,000,000,000 pounds. I do not know what it is worth. Perhaps some Senator can tell me, but my understanding is that it might easily be worth another $1,500,000,000. So I cannot see that Great Britain faces any tremendous crisis to justify the extraordinary treatment we are asked to accord her. Are we in effect not lending her the money to pay off her other creditors? Here is this $3,000,000,000 in the United States, a large part of it liquid, here is property scattered throughout the world, which can be used, under the terms of this agreement, to pay off their other debts. They say that they cannot use our money to do it. What difference does that make? By getting our money they in effect are released from the necessity of holding on to the other money, and consequently they may use it to pay their other debts if they wish to do so, and, so far as I can see, the undertaking in the agreement not to use this money for the payment of other debts is of no value whatever.

The testimony shows further that Great Britain has actually loaned some small sums to Greece and to Czechoslovakia. Those sums are not large, but the British have also offered a loan to Russia in a more substantial sum. I do not have the figures, Mr. President, but my recollection is that the Russians wanted approximately $400,000,000 for 15 years, and the British offered them about $120,000,000 for 5 years at 2½ percent. Obviously this is only made possible or could be made possible by our lending money to Great Britain, because such loans to other countries by Great Britain would result in British exports being made without any imports in return, and would thus defeat the very alleged purpose of the present loan, to permit Great Britain to import adequate commodities and supplies.

Certainly I do not see that this British loan is a relief loan. It is a loan which we are asked to make in effect to underwrite the financial condition of the British Empire. I am perfectly willing, as I have said, to be generous to Great Britain; I am perfectly willing to loan and give the money necessary to enable the British to come to this country and buy the things they need for their rehabilitation; but it seems to me that the rest of the loan is far beyond anything it is fair to ask the United States to make.

The claim is made that the special features of this loan are justified by the extraordinary benefits which we would receive. First, it is alleged that by the loan we can bring about a world condition of multilateral trade. I respectfully suggest that the future trade of the world will be a mixture of bilateral and multilateral trade, whether we make this loan or whether we do not make it. It is obvious that Russia and its satellite nations will be an economic bloc regardless of what we may do here. In that case all

trading will be conducted by the Government, and that means bilateral trading. Russia and its satellite nations represent a large section of the world. Although at present they do not do a large amount of trading, certainly if we are looking to increased foreign trade a large portion of it will have to come from the Russian economic bloc.

It is not fully certain that other countries will not continue many of the war controls. While our committee was considering this measure, the British Government decided that all cotton coming into Great Britain is to be purchased by a Government agency. This is absolutely contrary to the theory of multilateral trade. It is bilateral trade. Furthermore, our own Government is permeated with ideas of the same kind. Thus, Mr. Henry Wallace, Secretary of Commerce, testified before the committee that he favored a world control, allocation, and price fixing for most basic commodities. Mr. Wallace testified, on pages 276 and 277 of the record, that he favored something in the nature of the international wheat agreement for commodities, when there was a possibility of long continuing surpluses. He testified that in some cases it might be necessary to have countries limit their total production, accepting quotas for that purpose, with the control of prices to protect the consumer. In short, Mr. Wallace believes in world-wide cartels controlled by governments. This certainly is contrary to Mr. Clayton's dream of a world where trade flows freely under the management of individuals. But even in the document sent out by the Department of State relating to proposals for the expansion of world trade and employment, to be taken up at the World Trade Conference, we have chapter 5 on intergovernmental commodity arrangements. It provides for consideration of more or less what Mr. Wallace advocates. It says that it is to be done only after careful investigation and only in emergencies, but we all know how frequently emergencies occur, particularly in the economic world.

We ourselves have already accepted the theory in the matter of sugar, and during the war in the matter of wheat and coffee. Already there is a strong movement for the imposition of quotas on wool and the parceling out of the wool production of the world.

Personally I tend more toward Mr. Clayton's views than I do toward Mr. Wallace's views; but I think we must recognize that in going to the extreme to which the State Department attempts to go on free trade, in theory, though not in practice, Mr. Clayton is trying to get back to an archaic nineteenth-century conception of free-flowing trade, which is about as remote from present conditions as the world of the dinosaurs. If this is the fact, there is not much reason for paying out money to attain that dream.

In the second place, Mr. President, it is argued that the kind of world which Mr. Clayton desires to create would be a world of more economic peace and therefore more political peace than one which is faced with bilateral trade. I question whether this is the fact. Trade rivalry has been very severe in past periods, and has been the cause of wars, when trade has been under individual management. Even if trade is in the hands of individuals, governments are inclined to support their nationals and take an active interest in securing their share of any markets. Private economic competition can be as severe and deadly as that of governments. Wars have arisen out of economic rivalry; but the prevention of such wars depends far more upon a reasonable attitude on the part of governments from the political side than it does on the question whether trade is bilateral or multilateral. In any event, as I see it, we are bound to have a combination of the two.

The majority report states that economic blocs would involve an economic war between the sterling and the dollar blocs which would plunge the entire world into a vicious cycle of restrictions, counter restrictions, and declining trade. What does that mean? How does a dollar bloc fight a sterling bloc? How do we have war between economic blocs? What is economic war? That talk is an argument by slogans. If we are willing to buy the goods of any country and pay better prices than does England or any other country, 99 percent of the countries of the world will sell goods to us. They will acquire dollars, and they will use them to buy our goods. The sterling bloc, or even the Russian bloc, would make no difference, it seems to me, in the general fact that if we are willing to import goods and give people dollars, they will spend those dollars in this country.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. FULBRIGHT. Was not the trade war between ourselves and the sterling bloc illustrated by the experience with the Germans and the Russians in the 1930's? Is it not a fact that the Germans, by their system of barter and bilateral trade, dominated a great deal of the trade of specific countries, not only in the Balkans, but in many other places?

Mr. TAFT. No. I think they were able to dominate the trade of those countries immediately surrounding them and dependent upon them, just as we dominate the trade of the Caribbean, just as we dominate the trade of Canada to a large extent. I think there is no evidence that the total amount of trade was reduced, or that our exports or the British exports were interfered with to any material extent. At least I have never seen any such showing.

Mr. FULBRIGHT. It is a fact that international trade did decrease very substantially during that period.

Mr. TAFT. International trade decreased during that period because there was a general depression. I think that was the result of the depression, rather than the cause of it, although it was a cumulative effect. It made the depression worse than it would otherwise have been, because international trade had been built up on a credit basis, and an unsound basis, one which could not indefinitely continue.

Mr. FULBRIGHT. Is it the Senator's conclusion that it is inevitable that trade will be all bilateral?

Mr. TAFT. No. My conclusion is that we are bound to have a mixture of both bilateral trade and multilateral trade. If our buyers go to a country in the sterling bloc and say, "We will buy your goods"—chocolate in Africa, let us say—and give them dollars for that purpose, there may be any amount of bilateral trade between England and such a country, but it will spend dollars in this country. That is multilateral trade. We are bound to have a mixture, just as we have here a mixture of the old-fashioned laissez-faire economic world and controls which are imposed for one purpose or another. My only suggestion is that the picture of multilateral trade if we make this loan and bilateral trade if we do not is a wholly false picture of the world. Trade will be a mixture of bilateral trade and multilateral trade.

Mr. FULBRIGHT. I do not recall that anyone gave such testimony. As I recall, Mr. Clayton said that there would be a mixture of multilateral and bilateral trade, just as internally we have a mixture of public and private operation. Yet we insist that we are for private economy. Mr. Clayton did not say that trade would be wholly multilateral. He does not believe so, and I do not. But there is a great difference in degree, as to whether there will be opportunity for some private trading, or whether it must all be state trading after the Russian fashion.

Mr. TAFT. I think there will be plenty of private trading, whether we make this loan or not; I do not think it will make much difference in the extent of private trading, for this reason: I believe that our export trade will be limited by our willingness to accept imports, our investments abroad, and our willingness to lend money. In other words, to the extent that we are willing to accept imports and give other people dollars, we shall have no trouble in exporting goods. That is the limiting factor, and not whether the world is a multilateral world or a bilateral world. The fact is that in the long run we cannot safely export goods to a greater extent than we are willing to import, including in imports, of course, travel abroad and services of various kinds.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Ohio yield to the Senator from Colorado?

Mr. TAFT. I yield.

Mr. JOHNSON of Colorado. As I understand the matter, if we spend dollars they will come back to us. Regardless of whether they come back to us from the country with which we spend the dollars, they must come back eventually, because the United States is the only place where they have any value.

Mr. TAFT. The Senator is entirely correct. I maintain that that factor and one other are what limit export trade. The other factor is that the prices of our goods are getting so high that it may be very difficult for them to compete in the world market, although for some years to come the shortage will be so great that probably we shall be able to obtain our prices without difficulty. But

I am afraid that when the world does settle down no foreign countries will want to buy our agricultural products, and only the manufactured goods which we can produce by means of mass production will be sought throughout the world.

As a matter of fact, the one hope of our cotton friends is bilateral trade. In other words, if 25 cents a pound is to be the price for American-produced cotton, we shall not be able to compete with the rest of the world in the sale of cotton, and gradually the rest of the world will build up a sufficient cotton production at lower prices to take care of their entire cotton needs. So far as the advantages of bilateral and multilateral trade are concerned, from the cotton-production standpoint, I think we would be far better off with bilateral trade. With complete multilateral trade, only manufactured goods would be exported from this country; very little of our exports would be agricultural commodities. We are even increasing the prices of our manufactured goods to a point where we are limiting the possibilities of sales of such goods abroad.

Mr. STEWART. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. STEWART. The Senator has referred to the price of cotton. The cotton producers of the South, particularly those of my State, have communicated with me from time to time. A great many of them believe that this loan will be helpful to cotton. What is the Senator's thought about that?

Mr. TAFT. My own thought is that in the long run a multilateral-trading world will exclude our cotton. If we hope to obtain anything like the cost of production for our own cotton, we shall be able to do so only by means of some special arrangement with another country, by which we shall take from them something which we would not otherwise take. I do not believe there is any other method of handling the general situation, unless we subsidize cotton, and of course subsidizing is absolutely contrary to the whole theory of multilateral trade.

Mr. STEWART. It is reasonable to assume, is it not, that Britain will purchase cotton wherever she can obtain it, at the cheapest price? Therefore, it will be necessary for American cotton to compete with other cotton at the world price, or to sell at the world price. That would be true; would it not?

Mr. TAFT. It would.

Mr. STEWART. But we must remember that for a number of years the world price of cotton has been considerably below the price of cotton in the United States.

Mr. TAFT. I do not know the solution of the cotton problem. I only suggest that it will not be helped by the establishment of multilateral trade.

Mr. President, the English themselves are going to export to us, regardless of whether they obtain this loan from us. When they export goods to us, they will use the dollars they get from us by means of that transaction to import goods from us. Perhaps a loan of $1,250,000,000 will be useful in helping the English buy American goods, but a loan of $3,750,000,000 would merely give Britain that much more money with which to obtain goods from elsewhere, and such goods would compete with ours. We should recognize that that competition would be severe. We cannot hope by this loan to increase tremendously the exports of England, which is the purpose of the loan, and at the same time bring about unlimited exports of the products of the United States.

Mr. President, we have no right to expect to enjoy the highest standard of living in the world and also improve that standard, by competition with England and other countries which have a lower standard of living than we have. Foreign trade by this country, with the effort to maintain the highest standard of living in the world, can never be the key to our prosperity. The home market must be our reliance to that end. It is now our reliance, and it must continue to be. We cannot expect indefinitely to compete in the world market in any tremendously huge amount. To the extent that we import—and we have to import probably $4,000,000,000 or $5,000,000,000 worth—plus our tourist travel, we may hope to expand our export trade. I doubt whether we can hope to go further than that.

Mr. President, another argument made in favor of the proposed loan is that bilateral or Government trade will lead to regimentation at home. That is another of the slogans which is frequently repeated and which is accepted by many persons without thought. I do not see why that argument is sound. Certainly our Government will have to help our exporters. It always has. In a bilateral trading world our Government will have to help our exporters perhaps more than in a multilateral trading world. But why does it have to regulate manufacturing in the United States? Merely because the British Government or the Russian Government will come to the United States and buy American electrical equipment, why does the United States Government have to go into the business of regulating the manufacture of electrical equipment? Any foreign country can come to the United States and buy our goods in a competitive market. Why not? If they try to beat down the prices of our agricultural products, we can sustain them as we are already doing. I see no reason to think that even a completely bilateral trading world would necessarily involve us in Government regulation of the prices of goods produced in the United States.

Mr. President, the third advantage of the proposed loan is said to be that we shall get rid of the dollar pool and shall be able to export to sterling area countries. I have already referred to the fact that the dollar pool will have to be dissolved in any event within a short time, and so there is no use in lending money to attain that objective.

As a fourth argument, it is alleged that the loan will benefit production and employment in the United States. I believe that during the next 3 years there will be a wholly adequate and, in fact, an excessive demand for American products, both from domestic and foreign consumers. Many persons have pointed out the tremendous purchasing power banked up here at home. Without this loan, foreign nations will have about $20,000,000,000 available for expenditure in this country, because of Bretton Woods, the Export-Import Bank, and the large amounts of deposits and investments which they now have in the United States. We are going to have to rely on our Export Control Board to prevent foreign nations from buying in too great volume goods which are in seriously short supply in the United States. Therefore, no immediate benefit to exports or to production will accrue from this loan.

As a permanent proposition, I do not believe that an artificial trade, stimulated by large loans, is a good thing for this country or for our producers. If the loans are not paid, we are simply giving away the product of our labor. Even if they are good loans, it is unlikely that we can keep up lending at any such tremendous rate, and so our export trade will not be sound or permanent. In the long run we can export only as much as we are willing to import—including in imports expenditures by tourists, payment for shipping, insurance, and the like. In the long run our willingness to import is the real bottleneck. The making of loans can only vary the situation temporarily. As long as we provide the money with which foreigners can come to this country and buy our goods, we can obviously increase our employment. We could do the same thing by vast loans distributed to our own people. Surely everyone must recognize, Mr. President, that business expansion based on such a policy is utterly unsound.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. SALTONSTALL. Is not the whole purpose of this loan to make it possible for Britain to start her exports into this country or, rather, to make it possible for us to increase our imports so as to balance our exports? In other words, it is a loan to start the wheels of England's industry moving.

Mr. TAFT. And I suggest that a billion and a quarter dollars will do that. It will give England all the money she will need to come here and buy anything she will want to buy in order to start the wheels of her own industry. The rest of it is only a theory of multilateral trade throughout the world, and a setting before the world of a grand theoretical basis with which I have tried to deal in my speech. I do not object to trying to help Great Britain get her wheels of industry going, but I say that a billion and a quarter dollars, together with such assistance as she may receive from her own dominions and countries from whom she is buying raw material, will do that.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. FULBRIGHT. Is there any real difference between the Senator's opinions with regard to this matter and the opinions of those who negotiated the loan, other than as to the amount of the loan which should be made? If it could be shown that the amount provided for in the joint resolution is necessary in

order to establish Great Britain on an economic basis, would the Senator from Ohio be agreeable to making the loan?

Mr. TAFT. If the proposed amount were necessary to enable Great Britain to buy raw materials and put her machinery to work, that would be a different thing. As I have explained, I do not see why we should finance their purchase in Australia and South Africa, as well as in other countries of the world.

Mr. FULBRIGHT. Of course, the return of the money may be considered. As the Senator from Colorado pointed out, however, at some later time the dollars will come back, but we do not want them to come within the first year or so. However, I understand that the Senator from Ohio has no objection to the objective which is being sought, namely, to maintain Great Britain as a part of the world economy. Apparently the Senator differs only as to the amount of the loan which should be granted.

Mr. TAFT. No; I have tried to make it perfectly clear that I do not think it is our job to set up the British Empire as a going concern in order that there shall be multilateral trading and no exchange restrictions. I am willing to recognize what I believe is a reasonable obligation to repair Great Britain's physical plant, and see that the wheels start moving. I say, however, that a billion and a quarter dollars is sufficient to do that. The other two and one-half billion dollars is sought for the exact purpose that Bretton Woods was sought, namely, to establish in the world conditions under which there will be no restrictions, and all exchanges shall be convertible. The two and one-half billion dollars is to enable the British to buy goods all over the world and help the rest of the world, and set up the British Empire.

Mr. FULBRIGHT. I thought the Senator differed with others only with regard to the amount of the loan. The Senator desires, apparently, to take care of the trading balances with the rest of the world within the next 2 years.

Mr. TAFT. No; I do not. But if we say to the rest of the world, in effect, "Here is five or six billion dollars to enable you to buy raw materials and set the wheels of your plants in operation, replace necessary machinery, and so forth," we are doing just what Bretton Woods does. Bretton Woods gives the world five or six billion dollars. We have added to that sum by $3,500,000,000 through the Export-Import Bank. We are going to loan $3,250,000,000 during the next 12 months from the Export-Import Bank. I do not think that we should take upon our shoulders the burden of the entire world. I do not think that we should loan money to the British so as to enable them to buy articles in Australia, and that is what this loan would do. Why cannot the Australians loan Great Britain the necessary money? Why should we undertake, as I say, to carry on our backs the burden of the entire world? That is the reason this program is adding up now to $20,000,000,000 whereas, if we had attended strictly to the humanitarian desire to aid in getting industry started, we could have held the amount to five or six billion dollars.

Mr. FULBRIGHT. Is it not true that Canada, taking into consideration her national income, is loaning to Great Britain about 10 times as much as we are loaning to Great Britain, and that she is loaning the money on the same terms as we are proposing to loan it?

Mr. TAFT. That may be. If I were a Canadian, however, I would not be in favor of it.

Mr. FULBRIGHT. The Senator was not in favor of Bretton Woods either, was he?

Mr. TAFT. No. I have stated, however, that I am in favor of lending to foreign countries sufficient money to enable them to put their machinery in motion. When we try to put before us a picture of the world in which all currencies are exchangeable, it is a picture which I think we will never see, and when we loan three times as much as we are receiving in return, I think we are going far beyond the original purpose. So, my answer to the Senator from Arkansas is that I differ not only in the amount which should be loaned, but in the job which we should perform. The character of that job makes a difference in the amount which I would lend or give.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. JOHNSON of Colorado. It seems to me I recall that when the Bretton Woods agreements were being debated on the floor of the Senate, the Senator from Ohio raised the point, that the Bretton Woods agreements would not solve the problem, and that a loan would be sought by Great Britain. I may be mistaken in my recollection, but it seems to me that I recall an argument of that kind.

Mr. TAFT. Yes; but $4,000,000,000 is beyond anything I ever thought would be sought. If we were to throw away Bretton Woods I would vote for this loan tomorrow. If we wish to accomplish whatever good can be accomplished by stabilizing currencies, it can be done as well by a loan to Great Britain of two and one-half billion dollars extra as by putting the money into Bretton Woods.

Mr. JOHNSON of Colorado. If the Senator will yield further, I should like to say that in my opinion the Senator is being entirely consistent, and that, as a crystal gazer, he certainly rates very high. At the time of the debate on the Bretton Woods agreements, he made the statement that he believed a huge loan would be sought by Great Britain in order to do the same thing that the Bretton Woods agreements were supposed to do. We have that situation before us now. So, as a forecaster, the Senator rates pretty high.

Mr. TAFT. I thank the Senator. It would not be a difficult forecast to make.

Mr. President, there is one other main argument which is being made on behalf of the loan. It is alleged that the loan may not be turned down because it will promote international good will. As a matter of fact, I think the reverse is the fact. The British feel that we should have made them a present of the funds they might need, and bitter statements have already been made about America in the press and elsewhere. The Senate will find many of those statements set forth on pages 19, 20, and 21 of the record of the hearings.

Lord Croft said in the House of Lords:

> I submit, therefore, that it is bad business. It is bad for the traders, bad for the workers, bad for shipping, bad financially, bad for the Dominions, and perhaps fatal to great areas of the vast Colonial Empire. * * * This today is the Boston Tea Party in reverse, an interference with the freedom of our country to manage its own affairs, an interference that I regard as unparalledel in the history of the world.

Mr. Littleton said on the floor of the House of Commons:

> The terms of the loan are onerous; some of the machinery concerned with it is premature, some of the objections to the commercial arrangements are undeniably material, and many of the methods of attaining the arrangements are unworkable.

Lt. Col. Sir Thomas Moore said:

> This loan and its indecently harsh terms takes no account of the toil, sweat, blood, and tears suffered by us * * *. It takes no account of the economic exhaustion * * * which this country has suffered through giving every ounce of its waning energy to save itself and America from disaster.

As is well known, the representatives of the Conservative Party for the most part refused to vote at all on the loan. So that they will be able to say that they never approved of it anyway.

The British people will not be pleased that the loan is made. The press has contained many criticisms of the United States. Other nations will regard the loan as a special favor to Great Britain, and will be indignant when they are required to pay higher interest rates, and accept proportionately smaller sums.

I have pointed out that loans do not make good will, either among men or nations. The good will created by this particular loan, if there is any good will connected with it, will be tremendously outweighed by 50 years of friction between our two nations. Every time the British pay $140,000,000, the annual charge on the loan, they will groan heavily, and the press will recall what they consider harsh treatment to an ally in the war.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. TAFT. In just a moment. It is likely that in many cases the interest will be forgiven, and then everyone in the United States who does not like the British will rise up and denounce them for failing to pay the interest and imposing additional charges on the American taxpayer.

This loan is an instrument of ill will, and not an instrument of good will.

I now yield to the Senator from Arkansas.

Mr. FULBRIGHT. The Senator has emphasized, I think now for the second or third time, the fact that loans are not good business, either between men or nations. Does the Senator propose that we abolish all banks? It is perfectly ridiculous to say that a loan of money is a bad thing in carrying on business. Our whole economy is based on lending.

Mr. TAFT. In the first place, I am willing that we should make a few loans, through the Export-Import Bank, on a

commercial basis. I may point out that I do not think loans make for good will. Bankers are not likely to be the most popular men in the community. They always have a great many enemies.

Mr. FULBRIGHT. No one is supporting this loan on the basis of our trying to buy good will. That is purely incidental.

Mr. TAFT. I think one of the most powerful arguments for the loan is that it will be said, "Boys, this loan has been made. If you turn it down, England is going to be sore. We are going to have a lot of international bad will. They are going to pay. If you do not cooperate, there will be feeling between the two countries." That is one of the arguments made, though not by the Senator.

Mr. FULBRIGHT. If they will not cooperate, I think it will be from economic necessity. They have to follow the policy of restricting trade within the sterling area. That is not decided as a matter of friendship, nor is the present blocked sterling or dollar pool a matter of sentiment. They did not make those arrangements because they were trying to discriminate against us. The reference to sentiment seems to me wholly unwarranted. The Senator said loans between men or nations are bad.

Mr. TAFT. No; I did not say that. I said so far as loans between men are concerned, they never make for good will. That is a commonplace. The Senator will remember the quotation, "Neither a borrower nor a lender be."

Mr. FULBRIGHT. I know, but the United States is certainly a good example of the extensive use of credit in building up.

Mr. TAFT. I did not say anything against banking domestically. In fact, I expressly stated that I thought there should be no serious restriction on the lending of private funds abroad, or lending abroad by our banks. The greater part of my statement referred to the fact that one government lending another government money is a bad thing, on the whole, and I said so frankly.

Mr. FULBRIGHT. But it is the only feasible way in which a situation like the present can be dealt with.

Mr. TAFT. We have to make exceptions, I agree, at times, through the Export-Import Bank, but I always have opposed loans on a purely governmental basis. If the money is used for bona fide exports, to stimulate trade, I think it is all right, even though a loan is made through a government bank; but I do not believe in the long run the world is any better off through one government lending another government money, except in a great emergency. I recognize that we are in a great emergency, and I have said repeatedly that up to a reasonable sum, to replace losses in industry, to get the wheels of factories turning, I am in favor of making an exception in the lending of money, up to a reasonable limit.

Mr. FULBRIGHT. Is it not true that during the last century England, in the days of her prosperity, advanced large sums of money all over the world?

Mr. TAFT. For the most part I would say that was money loaned by private persons, and not by the Government of Great Britain. To the extent Great Britain made government loans, they made them for political purposes, to promote the imperial development of the British Empire, and they accomplished that purpose. They sometimes subsidized allies, as we did in the case of lend-lease, but in general their expansion was due entirely to the development of private lending.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. JOHNSON of Colorado. I merely desired to add that on Monday of this week I talked with a man who has spent a lifetime as a banker and lender of money, and he said that in his long experience he had never made a loan on a friendship basis that did not go sour, and he said he never had made a loan on a commercial business basis that had not turned out all right. He said he had made many loans, when folks would come in and endorse a note on a friendship basis, and that he had more trouble with friendship loans than with any others during the course of his banking experience. As the Senator from Ohio has pointed out, there is a distinction between loans made on an emotional, sympathetic, or friendship basis and loans made on a strictly business basis.

Mr. WHERRY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. WHERRY. I should like to ask a question of the Senator from Ohio. If this loan is, as the Senator from Ohio has defined it, a Government loan, a political loan, or a friendship loan, whatever we may call it, and it is made, what will the effect be on our allies and other countries? They also would want Government loans, would they not?

Mr. TAFT. Under the policy proposed, under which we would loan $2,000,000,000 of Export-Import Bank money that we have not spent, plus another billion and a quarter that has been requested, to other countries, what they will object to is that they will not get the loans at the interest rate charged Great Britain, or a loan containing any of the conditions attached to the British loan. They will object on that ground. Furthermore, the average amount they will get will look rather small compared with $3,750,000,000.

Mr. WHERRY. Is not that one of the very points the Senator is emphasizing? When we make a Government loan instead of a commercial loan, it does not work for good will, not only with the country borrowing, but with other countries which would seek the same type of loan.

Mr. TAFT. Mr. President, in conclusion for the reasons that I have set forth, I believe the amount of this loan is unreasonable and its terms unwise. I do favor special treatment for the British people. I believe that $1,250,000,000 would finance all of the goods which the British can buy in this country during the next 3 years over and above what they pay for exports to this country. We thus contribute to their raw materials and to the machinery necesary to set their economic machine in order.

I recognize that by reason of their vast outlay in the war, they should not be asked to repay this contribution. It is merely an appendix to the lend-lease policy. No resentment can arise out of it in the future. We are doing everything that this Nation can do in the way of production supply to help the immediate British situation.

Insofar as an improvement of the general world exchange situation is concerned, we have offered $6,000,000,000 to Bretton Woods fund and the Bretton Woods bank, and we should permit its machinery to operate.

Therefore, Mr. President, I desire to offer an amendment in the nature of a substitute, as follows, to strike out all after the enacting clause and to insert the following:

The President of the United States is authorized to pay to the United Kingdom not to exceed the sum of $1,250,000,000 upon the agreement of the United Kingdom that said sum will be used for purchases of goods and services in the United States during the years 1946, 1947, and 1948. Provided that the character of such purchases shall be subject to restriction under the provisions of the Export Control Act, and the President in his discretion may extend the time in which such purchases may be made.

Mr. President, I realize that this is a substitute, and an amendment which may be subsequently offered will take precedence over it, but I now offer the substitute.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Ohio.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	O'Daniel
Austin	Hawkes	Pepper
Ball	Hayden	Radcliffe
Bankhead	Hickenlooper	Reed
Barkley	Hill	Revercomb
Bilbo	Hoey	Russell
Bridges	Huffman	Saltonstall
Buck	Johnson, Colo.	Shipstead
Bushfield	Johnston, S. C.	Smith
Butler	Kilgore	Stewart
Byrd	Knowland	Taft
Capper	La Follette	Taylor
Carville	Langer	Thomas, Okla.
Cordon	McCarran	Thomas, Utah
Donnell	McClellan	Tobey
Downey	McFarland	Tunnell
Eastland	McKellar	Tydings
Ellender	McMahon	Wagner
Ferguson	Magnuson	Walsh
Fulbright	Maybank	Wheeler
Gerry	Millikin	Wherry
Green	Mitchell	White
Guffey	Murdock	Wiley
Gurney	Murray	Willis
Hart	Myers	Wilson

The PRESIDING OFFICER. Seventy-five Senators having answered to their names, a quorum is present.

Mr. BILBO. Mr. President, I am not advised at this time how long I shall speak; but I have gone to the trouble to reduce to writing the philosophy of my address and the high points which I propose to discuss in the introduction of my subject. So after 10 minutes Senators will know what I am going to say

for the remainder of the week, because I shall spend the rest of the time in elaboration of the points which I recite in the beginning.

In the beginning I want it distinctly understood that I am pro-British, but I am tired of being a sucker and playing the role of Santa Claus to my cousins of the British Empire. In my judgment, any Member of Congress voting for this preposterous and unthinkable so-called agreement, commonly referred to as the British loan, will under all the rules of decency and honor be committed to vote for a loan of equal amount, more or less, to Russia, France, China, Italy, Greece, Belgium, Finland, and all the rest of our allies. A failure to go through with this lending spree which will be started by this loan will make them infamously inconsistent.

If we make England a present of approximately $25,000,000,000 in lend-lease which President Roosevelt promised the American people would be repaid within a reasonable time after the war in similar materials or at our option in other goods of many kinds which they can produce and which we need, and $4,400,000,000 in actual money and credit, including $650,000,000 for which we are selling England over $6,000,000,000 worth of surplus war materials at 6 cents on the dollar, then we are making a Christmas present to the British Empire of the total amount of $29,400,000,000. It is unthinkable. All we get in return for this greatest Christmas present in the history of mankind is a few vague promises of possible trade advantages—promises by a socialistic government—promises that the proponents of this measure are not in a position to give us absolute assurance will be complied with. They do not pretend to do so. This socialistic government promises to pay us only 2 percent interest when we are making our own GI boys pay 4 percent interest on their loans. And even this 2 percent is to be forgiven and forgotten forever if at any time England says to Uncle Sum: "It is not convenient for us to pay."

Think of it. We do not have anything to do with it. Whenever England feels that it is not convenient for her to pay the interest, we are bound by this agreement to forgive it forever. It is not to be postponed, to be paid at some other time. We simply give it to them. Those who wrote this agreement were in a giving mood.

Of course, no promise to pay interest is made until 5 years after the loan is granted, or in 1951. I would wager dollars to doughnuts that if I were to advocate on the floor of the Senate a bill to lend money to our GI boys for homes, and if I were to propose that we should not charge them interest until after 5 years, some Senators would object to it. This proposal, in effect, means that England proposes to pay but 1.62 percent interest on the loan, when our GI boys are still paying 4 percent on their littl- loans, whether convenient or not. If our GI boys fail to pay any part of the principal or interest on their little Government loans, they will be promptly closed out, sold out, kicked out of all their earthly possessions. This is the situation facing us, notwithstanding the fact that England owes us more than $6,000,000,000 from her debts after World War I, and notwithstanding the fact that we have sacrificed the lives of hundreds of thousands of our boys and today we face a war debt, in addition to what we have already spent, of nearly $300,000,000,000 with the obligation to spend many billions more for compensation, pensions, hospitalization for widows and the unfortunate maimed and crippled, most of whom will go through life as war casualties, and with the addition of a bonus which we owe and must pay for the services of the boys who have saved England and her empire in two world wars.

Yes; the English helped us win these wars; they had it to do to save themselves, but they would have been wiped off the face of the earth in both wars had it not been for the lives, blood, and sacrifices of the American people. In the face of all this and more, England does not propose nor expect to pay the 6 billions she already owes us, nor does she expect to pay the $4,400,000,000 involved in this transaction or loan.

Few of the sponsors of this outrageous agreement in their hearts expect this money to be repaid. It is another gift. We know it and the English know it.

England has already announced that when she gets this money—she has already made out her budget and included this loan in her calculations—she is going to reduce the taxes of her people while we are raising ours. Let me read an announcement published by the Journal-American of New York on April 9:

BRITAIN MAKES HEAVY SLASH IN TAX IN EXPECTATION OF LOAN FROM UNITED STATES

LONDON, April 9.—Hugh Dalton, Chancelor of the Exchequer, announced today that Britain's 60-percent excess-profits tax has been repealed, as of December 31, 1945.

He said that and other reductions were based on the anticipation of approval of the American loan and that if it fails we shall at once have to take restrictive measures to reduce imports, especially those affecting American dollars.

He cut purchase taxes on a long list of items reducing the levy from 100 percent to 33⅓ percent on phonographs and phonograph equipment and lowered the sports entertainment tax except for horse, motor, and dog races.

He announced that workers' contributions under the National Insurance Act would be exempt from income tax, relieving an estimated 156,000 persons of income tax.

He also made two small changes in low-level income taxes, increasing the basic exemption of working women by $120 to $440. The earned-income allowances was boosted from one-tenth to one-eighth.

Mr. President, at this point I wish to relate a little incident. An English newspaperman, one of the smooth operators of the English propaganda machine in America, called to see me. He wanted to discuss the proposed English loan. I said to him, "Before we discuss the new loan, let us talk about the old loan."

He said, "Well, that has not been brought up."

I said, "I will bet you that in the negotiations between our representatives"—Jimmie Byrnes, Fred Vinson, and others—"and the English representatives headed by Lord Keynes"—who died the other day, and I think this loan had something to do with his death—"the $6,000,000,000 which England owes us from World War No. 1 was never mentioned."

He said, "Yes; I understand it was not brought up throughout the negotiations."

Mr. President, the British loan propaganda has tried to win support of the American cotton growers and American cotton industry by making them believe that this loan is necessary in order to create markets for American cotton. Time after time have I had friends from the South who are interested in cotton say, "Are you against this loan—and you from the Cotton Belt?" I have said, "Certainly." One of the proponents of this loan who made a speech in North Carolina said that the price of cotton would go down to 6 cents or 7 cents a pound if the United States does not lend this money to England. But there is not a word of truth in that statement. It is merely a part of the propaganda to get Senators to vote for this unthinkable loan. Already the socialistic government of England has abolished the English cotton exchanges and has announced that England will buy her cotton for her textile mills, not in open markets, but through agents representing the socialistic government of England. Let us see who are those representatives of the English Government.

Mr. President, under the socialistic scheme of government in England trading in cotton is a thing of the past. They are going to buy cotton through government agencies, and at the lowest price—the best price for them. That means that England proposes to buy her cotton at world price-levels, and it certainly means that not a bale of American cotton can be exported and sold to England unless the American government subsidizes either the cotton growers or the exporters of American cotton. All of us are getting fed up on subsidies. Under our standard of living and the cost of production to the American cotton farmer, we cannot grow cotton and sell it at the world price-level. South America is growing cotton, and is one of our competitors. Egypt is growing cotton, and she is another of our competitors. India, China, and the islands of the seas are growing cotton. In view of the cost of production in those countries, where labor is cheap—perhaps as little as 10 cents or 20 cents a day—does not every cotton grower in the United States know that we cannot compete at the world price-level in the sale of American cotton, which costs from 25 to 40 cents a pound to grow? The only way we can sell American cotton to England, under her socialistic scheme of government, is to subsidize the cotton grower or the cotton broker who is selling the cotton. That is what we shall have to do before we shall be able to obtain any cotton trade with England. So we can forget about having England buy our cotton.

Of course, everyone who stops to think must know that very little, if any, of this loan will be spent in America. That is one of the vague promises which is made

in connection with the proposal. We are promised that the English will spend some of the money in America. Instead, England is going to use the money to build up her own world trade in competition with ours, and perhaps to give a bonus to her soldiers, to enable her to maintain an armed force to protect her tottering Empire "upon which the sun never sets."

Instead of giving these billions of dollars to England, which controls one-fifth of the land area of the earth, possessing more natural resources than the United States does, and with one-fourth of all the people of the world under her dominion, or, instead of giving this money to other European countries, let us pay our GI boys—not for promises which will never be fulfilled but for services already rendered—$3 a day for every day of military service in this country—here at home—and $4 a day for every day of service abroad, in Europe, Asia, Africa, or the islands of all the seas of the earth. Under that plan, let us pay not to exceed $3,500 to those who served at home in our armed services and not to exceed $4,500 to those who served abroad. Call it a bonus if you will, but they are entitled to it.

If the distinguished sponsors of this $29,000,000,000 Christmas present to England think the United States is able to finance England, after we have won two wars for her, they should also stop to remember that the Senator from Florida [Mr. PEPPER] has got to have about $6,000,000,000 for Russia, and then we have got to have some money for other countries. Mr. Blum has been in the United States for months, propagandizing the American press and radio, trying to obtain money for France. He says she needs $6,000,000,000. China must have some money, and so must Belgium, Czechoslovakia, Greece, and perhaps Italy. It will mean approximately $20,000,000,000 before we get through with the spree.

Mr. President, if we are willing to impose a tax upon our people to the extent of $45,000,000,000 or $50,000,000,000 in lend-lease goods, war supplies, materials, and gold, let charity begin at home. I will promise you that you will earn in that way the love and support of every GI in America and all his loved ones. You will give them an economic status and start in life that will make this country blossom like the rose, and I can safely assure you that every dollar of the billions of dollars justly earned and owed to our boys will be spent in America and for Americans, for our growth and development.

I plead with my colleagues not to be misled, not to be bamboozled by all the English propaganda with which this country has been flooded by the radio, press, and otherwise. We are not to be blamed if we are fooled once and our people are defrauded of their money by England; but if we let that occur again, we are to blame, and the people of this country, especially the GI's, will hold us to accountability on the judgment day—election day.

If I had all the money that England has spent in propaganda trying to befuddle the congressional mind and to walk off with this bag of gold, I would retire for life. I might decide to buy a little Rhode Island and convert it into a deer park and ask my two colleagues from that State to remain as protectors.

Mr. President, the address which I shall make on this occasion has a twofold purpose. I wish to discuss the proposed loan of $3,750,000,000 to Great Britain, and also to make a special appeal to the Congress on behalf of the veterans of World War II. My address today is directed against the British loan, but this is indeed a proper and fitting occasion on which to speak out for the rights of the men and women who so gallantly served this Nation during World War II.

Having served approximately 20 years in public office, I have had the opportunity on many occasions of being of help to the men and women who, in uniform, served their country. I was the Governor of my State during the First World War, and my public record in Mississippi and in Washington shows that I have always been the veterans' friend. It has afforded me a great deal of pleasure to work with and help our veterans, and I have always done so to the best of my ability. I have always been interested not only in our service men and women, but my interest has now been intensified, and is indeed greater than it has ever been before.

The special interest which I now have in veterans of World War II will be understood by every father and mother who had a son who served in that bloody conflict. My only son was engaged in World War II from its very inception until its close, and he is now on duty, occupationally, at Nuremberg, Germany. He fought under General Patton with the famous Third Army which spearheaded the drive across Europe. I am proud of my son, and I am proud of every American boy and girl who answered this Nation's call to arms. They went forth to battle and won the victory for us and England. We cannot do too much for them.

This Nation paid in full for the victory which is now ours. The white crosses on foreign fields will forever stand as silent reminders of the sacrifices which were made. There is nothing except honor and verbal tribute which we can do for the brave fighters who fell in battle, but there is, indeed, much which we can and must do for those who have returned, or soon will return, to their homes and their families.

Mr. President, I am opposed to the proposed loan to Great Britain. Instead of lending this money to Britain or to any other country, I suggest and urge that we use it to benefit the veterans of World War II. The proposed loan amounts to a total of $3,750,000,000, and it is my opinion that it should not be approved by the Congress of the United States.

The Senate and the House of Representatives of the Congress are being asked to approve Joint Resolution 138, which is now before the Senate and which will authorize the Secretary of the Treasury to provide and use the amount of $3,750,000,000 to carry out the financial agreement made between the United States and the United Kingdom dated December 6, 1945.

The title of the joint resolution which, if approved, will authorize this $3,750,000,000 loan to Great Britain, is as follows:

To implement further the purposes of the Bretton Woods Agreements Act by authorizing the Secretary of the Treasury to carry out an agreement with the United Kingdom, and for other purposes.

I ask Senators to note those words, "and for other purposes." Then, I read the preamble of the resolution:

Whereas in the Bretton Woods Agreements Act the Congress has declared it to be the policy of the United States "to seek to bring about further agreement and cooperation among nations and international bodies, as soon as possible, on ways and means which will best reduce obstacles to and restrictions upon international trade, eliminate unfair trade practices, promote mutually advantageous commercial relations, and otherwise facilitate the expansion and balanced growth of international trade and promote the stability of international economic relations."

There is no suggestion in the statement which I have read of anyone being required to foot the bill in order to obtain those results.

I continue reading:

Whereas in further implementation of the purposes of the Bretton Woods Agreements, the Governments of the United States and the United Kingdom have negotiated an agreement dated December 6, 1945, designed to expedite the achievement of stable and orderly exchange arrangements, the prompt elimination of exchange restrictions and discriminations, and other objectives of the above-mentioned policy declared by the Congress: Therefore be it

Resolved, etc., That the Secretary of the Treasury, in consultation with the National Advisory Council on International Monetary and Financial Problems, is hereby authorized to carry out the agreement dated December 6, 1945, between the United States and the United Kingdom which was transmitted by the President to the Congress on January 30, 1946.

I suggest to my colleagues who are contemplating voting for this preposterous proposal that they read that document in full. I have a copy of it before me. It is entitled "Anglo-American Financial and Commercial Agreements." A reading of it will open the eyes of Senators if they will analyze it.

I continue reading from the joint resolution:

SEC. 2. For the purpose of carrying out the agreement dated December 6, 1945, between the United States and the United Kingdom, the Secretary of the Treasury is authorized to use as a public-debt transaction not to exceed $3,750,000,000 of the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that act are extended to include such purpose. Payments to the United Kingdom under this joint resolution and pursuant to the agreement and repayments thereof shall be treated as public-debt transactions of the United States. Payments of interest to the United States under the agreement shall be covered into the Treasury as miscellaneous receipts.

I do not know why there should be any talk about covering the collection of interest into the funds of the United States

Treasury, because no interest payments would be made. Great Britain is not required to pay any interest on the date mentioned, according to the agreement, unless it is convenient for her to pay it, and Great Britain has the right to say when it shall be convenient. It has not been convenient for her to pay $6,000,000,000 which she already owes the United States, and has owed for many years, or to pay even the interest on that amount. Senators will see that there is a double incentive for England to say that it is not convenient to pay interest, because whenever the year's interest is claimed by England to be inconvenient to pay, it is forgiven forever. She never will pay it. She not only could postpone the payment, but actually receive the money as a Christmas present. Three billion seven hundred and fifty million dollars is quite an item, even if it is loaned at the rate of only 1.6 percent.

There are two separate parts to the December 6 agreements made between the representatives of our Government and those of Great Britain. The first of these provides for the definite settlement of our lend-lease claims against Great Britain, and the other is the agreement by which we are to make the loan of $3,750,000,000 to Britain.

The first agreement stipulates that England is to pay us $650,000,000 to settle all the lend-lease claims which the United States has against Great Britain. During the war we advanced to Britain supplies, goods, and services which amounted to some $25,000,000,000 after reverse lend-lease claims had been deducted, and by this agreement we are marking off this tremendous sum of $25,000,000,000 if England will agree to pay us $650,000,000. I do not wish to make a display of my own indebtedness, but I would be the happiest man in America if I could pay off my debts at that rate of deduction.

Mr. President, this is a settlement of approximately 2½ cents on the dollar and not only finally and completely settles all that Britain owes us for lend-lease materials and supplies, but gives to Britain all surplus property belonging to the United States and still remaining in the United Kingdom. Furthermore, England is not paying us the $650,000,000, but will settle the debt at some time in the future, $50,000,000 at a time. I shall call attention to that in a few moments.

Mr. President, the second agreement provides for the $3,750,000,000 loan by the United States Government to the government of Great Britain. The agreement provides for an interest rate of 2 percent, but since there is no provision for interest for the first 5 years, or until 1951, the net interest on this loan will amount to only 1.62 percent. The loan is to be repaid in 50 annual installments, beginning in 1951.

Now let us look at the specific terms of this proposal under which we are to account for a total of $4,400,000,000, and which, if it is approved, we might as well classify as what it will actually become—an outright Christmas gift.

Mr. President, there is something funny about the English. They want Christmas every day in the year. The first agreement concerning lend-lease should be clearly understood by the American people. The second agreement providing for the $3,750,000,000 loan seems to have been given more publicity, and is more generally understood than the lend-lease settlement which is also a part of the December 6 agreements. Someone will deny that statement, but the denial cannot be substantiated.

Under the terms of the lend-lease settlement we agree to write off our entire claim against Britain for lend-lease materials and supplies furnished that nation during World War II in return for a settlement of $650,000,000. In order that we may fully understand the part played by the United States in furnishing aid to Great Britain as well as to other countries who were allied with us in the war, the following table showing lend-lease aid by countries as listed by the President of the United States follows:

March 1941 to Oct. 1, 1945

Country:	*Amount*
British Empire	$30,269,210,000
U. S. S. R.	10,801,131,000
France	1,406,600,000
China	631,509,000
American Republics	421,467,000
Netherlands	162,157,000
Greece	75,416,000
Belgium	52,443,000
Norway	34,640,000
Yugoslavia	25,685,000
Other countries	43,284,000
Aid not charged to foreign governments	2,088,249,000

That is just lagniappe on the side.

So the total lend-lease aid in this war has been $46,040,054,000.

Oh, think of what we could do for this country by an expenditure of $46,000,000,000 on roads, school houses, public buildings, beautification projects, and on homes for the homeless today, and cleaning up slums, starting in Washington.

Of the approximately $46,040,000,000 of lend-lease, Great Britain received about $30,125,000,000. England always gets the lion's share. After approximately $4,125,000,000 worth of reverse lend-lease which Britain is said to have furnished the United States have been deducted, the British debt to us is still between 25 and 26 billion dollars. This is the debt which we are now about to settle for $650,000,000 or about 2½ cents on the dollar. No one need tell me the English are not good horse traders. Fred Vinson and Jimmy Byrnes did not have a chance.

Mr. President, I now wish to read from the agreement as set forth in a joint statement issued by the United States and the United Kingdom, pages 4, 5, and 6. It will be a revelation.

1. The Governments of the United States and the United Kingdom have reached an understanding for the settlement of lend-lease and reciprocal aid, for the acquisition of United States Army and Navy surplus property, and the United States interest in installations, located in the United Kingdom, and for the final settlement of the financial claims of each government against the other arising out of the conduct of the war. Specific agreements necessary to implement these understandings, setting forth the terms in detail, and consistent herewith, are in the course of preparation and will shortly be completed.

2. This settlement for lend-lease and reciprocal aid will be complete and final. In arriving at this settlement both governments have taken full cognizance of the benefits already received by them in the defeat of their common enemies. They have also taken full cognizance of the general obligations assumed by them in article VII of the mutual-aid agreement of February 23, 1942, and the understandings agreed upon this day with regard to commercial policy. Pursuant to this settlement both governments will continue to discuss arrangements for agreed action for the attainment of the economic objectives referred to in article VII of the mutual-aid agreement. The governments expect in these discussions to reach specific conclusions at an early date with respect to urgent problems such as those in the field of telecommunications and civil aviation. In the light of all the foregoing both governments agree that no further benefits will be sought as consideration for lend-lease and reciprocal aid.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BILBO. I am glad to yield.

Mr. AIKEN. I ask unanimous consent that I may be absent from the sessions of the Senate the rest of this week.

The PRESIDING OFFICER. Without objection, the leave is granted.

Mr. AIKEN. I thank the Senator from Mississippi for yielding. I am sorry I shall not be present to hear the rest of his address.

Mr. BILBO. I hope the Senator will have time to read it in the RECORD. I shall be glad to yield to any other Republicans who desire to go. [Laughter.]

Mr. AIKEN. The Senator's wish is granted. They have all gone. [Laughter.]

Mr. BILBO. Mr. President, I read further from the agreement:

3. The net sum due from the United Kingdom to the United States for the settlement of lend-lease and reciprocal aid, for the acquisition of surplus property, and the United States interest in installations, located in the United Kingdom, and for the settlement of claims shall be $650,000,000 subject to the accounting adjustment referred to below.

4. The total liability found to be due to the Government of the United States will be discharged on the same terms as those specified in the financial agreement concluded this day for the discharge of the credit provided therein.

5. In addition to the financial payments referred to above, the two governments have agreed upon the following:

Listen to this:

(a) Appropriate nondiscriminatory treatment will be extended to United States nationals in the use and disposition of installations in which there is a United States interest;

(b) Appropriate settlements for the lend-lease interest in installations other than in the United Kingdom and the colonial dependencies will be made on disposal of the installations;

(c) The United States reserves its right of recapture of any lend-lease articles held by United Kingdom armed forces, but the United States has indicated that it does not intend to exercise generally this right of recapture;

Still giving and giving, and yielding and yielding:

(d) Disposals for military use to forces other than the United Kingdom armed forces of lend-lease articles held by the United Kingdom armed forces at VJ-day, and disposals for civilian use other than in the

United Kingdom and the colonial dependencies of such lend-lease articles, will be made only with the consent of the United States Government, and any net proceeds will be paid to the United States Government.

Very well.

The United Kingdom Government agrees that except to a very limited extent it will not release for civilian use in, or export from, the United Kingdom and the colonial dependencies lend-lease articles held by the United Kingdom armed forces.

Have Senators noticed the wording of that part of the agreement?

The United Kingdom Government agrees that except to a very limited extent—

And England is to be the judge of that limitation—

it—

The United Kingdom Government—

will not release for civilian use in, or export from, the United Kingdom and the colonial dependencies lend-lease articles held by the United Kingdom armed forces.

(e) The Government of the United Kingdom will use its best endeavors to prevent the export to the United States of any surplus property transferred in accordance with this understanding.

She is going to use her best endeavors; that is all. That is just a kind of a hazy promise. Of course the business interests and manufacturing interests of this country did not want all these materials returned to the United States and here disposed of, because it would interfere with the orderly disposition of their articles of manufacture in the days to come.

6. The Government of the United Kingdom agrees that, when requested by the Government of the United States—

Mr. President, I call particular attention to paragraph 6 of the agreement. I cannot understand how any Senator or Representative can vote for the bill when this paragraph is in the agreement.

6. The Government of the United Kingdom—

That is England—

agrees that, when requested by the Government of the United States from time to time prior to December 31, 1951, it will transfer—

Note the word "transfer"—

it will transfer, in cash, pounds sterling to an aggregate dollar value not in excess of $50,000,000, at the exchange rates prevailing at the times of transfer, to be credited against the dollar payments due to the Government of the United States as principal under this settlement. The Government of the United States will use these pounds sterling exclusively to acquire land or to acquire or construct buildings in the United Kingdom and the colonial dependencies for the use of the Government of the United States, and for carrying out educational programs in accordance with agreements to be concluded between the two Governments.

Do Senators appreciate just what that language means? We have settled the $25,000,000,000 of lend-lease, which President Roosevelt said would be paid back to the American taxpayers in goods, wares, and merchandise in the kind that England would produce and the kind which we needed, but instead of carrying out the promise which President Roosevelt said was made, they are selling out, closing out, and canceling out the $25,000,000,000 and about $6,000,000,000 worth of material which is over there now, stacked up in England, property which we ourselves are actually looking after, and paying the bill for looking after it, too. As I said, we are settling it all for $650,000,000, and that $650,000,000 is to be cleared up by 1951, $50,000,000 at a time whenever we ask them to do so. But they are not going to ship any money over here. They are not going to give us any of this money to reduce our own $300,000,000,000 of indebtedness. They are going to transfer it on the books to the credit of the United States, and then the United States must take it $50,000,000 at a time—$650,000,000 altogether—and spend every dollar of it on the soil of the British Empire. Spend it for what? I will read that again to the Senate:

The Government of the United States will use these pounds sterling exclusively to acquire land or to acquire or construct buildings in the United Kingdom—

Build houses for their people on their land—

and the colonial dependencies for the use of the Government of the United States, and for carrying out educational programs—

For whom? For Americans? Oh no, for Englishmen or citizens under the British Empire—

in accordance with agreements to be concluded between the two governments.

Of course, we are going to get the governments to agree to the educational programs, and so forth.

Mr. President, I do not understand how any Member of the Congress can put the stamp of his approval upon a settlement of that kind. First we give the British $25,000,000,000. Then we give them all the surplus war property in England. We do that at a time when our returned GI boys in this country are crying for it, and it could be shipped over here and could be used by our GI boys, jeeps, trucks, and various other kinds of material necessary for their use in establishing themselves. They are crying for these things, and $6,000,000,000 worth of them are stacked up in England. We are giving it all to the British, as well as the $25,000,000,000, for $650,000,000, and then the British require that we spend the $650,000,000 on the territory of the British Empire, and it is to be used to buy land, to build houses, and for the establishment of educational facilities for the British. God knows we need educational facilities for America. In the hills and mountains of Pennsylvania there will be found people who need education, just as people need it down in Mississippi. And the same thing is true all over the country. Yet some of our friends have been persuaded to swallow this English propaganda which is put out over the radio and by many newspapers. Thank God, some radio stations and some newspapers have not fallen for it. I will discuss that matter after a while.

I read further:

7. The arrangements set out in this statement are without prejudice to any settlements concerning lend-lease and reciprocal aid which may be negotiated between the Government of the United States and the Governments of Australia, New Zealand, the Union of South Africa, and India.

Thus, we have offered to settle our $25,000,000,000 lend-lease claim against Britain for $650,000,000, and even this is not to be a cash settlement. On the other hand, we are extending credit to England to this amount, and she is to settle with us at some future date. Furthermore, our negotiators evidently thought it would be much too harsh for us even to ask England to pay us the $650,000,000—the 2½ cents on the dollar—at this time or at any time in the future. Thus, there are terms to mitigate the harshness and make the settlement more acceptable to the gentlemen with the monocles.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Mississippi suffer an interruption?

Mr. BILBO. I yield.

Mr. JOHNSTON of South Carolina. I believe the Senator stated that the British would give us $650,000,000 in settlement for the lend-lease. Is that correct?

Mr. BILBO. For the lend-lease and the war materials now in England; yes.

Mr. JOHNSTON of South Carolina. But does the Senator think they will really pay us that amount?

Mr. BILBO. No; they say they are not going to pay us. They are going to transfer it, give us credit for it, and we can spend it over there by building houses, buying land, making improvements, and inaugurating educational programs for the hundreds of millions who are under the British yoke.

Mr. JOHNSTON of South Carolina. That situation is much like the situation which existed many years ago in the South. There was in effect a "lienor's law," as I believe it was called, under which a man could borrow money on his crop at the beginning of the year, and would get the money he had borrowed in the form of a pair of shoes, or a pair of overalls, or other articles along through the year. So Great Britain is going to let us have, in effect, a pair of overalls or a pair of shoes but will not give back to us any of our jeeps, so our returning soldiers might obtain and use them.

Mr. BILBO. It is provided specifically that England will not ship any of those goods back to the United States. That is taken care of.

Mr. JOHNSTON of South Carolina. That being true, we can understand why the soldier boys are not getting any jeeps at the present time, can we not?

Mr. BILBO. That is partly the reason. I do not know whether the GI's of this country will ever understand all that is involved in this proposal, but if and when they do, some Members are not going to be returned.

The $650,000,000 not only settles all our claims to the $25,000,000,000 worth of materials and supplies furnished Great Britain before VE-day and before VJ-day, but we are also relinquishing our claim to the surplus property belonging to the United States Government but still in the United Kingdom. By the way, we are paying for the care of this stuff. Airfields, installations, equipment, and

property costing the taxpayers of the United States billions of dollars are now being turned over to the Government of Great Britain. Of course, England does agree that the military equipment will not be given to any armed forces except those of the United Kingdom without the consent of the United States. That is some promise we are given. They say they will not give it to anyone else to to prevent the export to the United States fight with except their own soldiers, unless we agree to it. England further agrees that it will use its "best endeavors" of any of the surplus property belonging to the United States and turned over to Britain under this agreement.

They are going to use their "best endeavors." Of course if they take a notion to make a good trade in New York or somewhere else that stuff will be shipped over here, and there will be nothing done about it. There is no way to do anything about it. No one can be punished. No one can be penalized. There is no sanction which can be used. England just says, "We will use our best endeavors." That means nothing.

After our negotiators drove such a hard bargain—I trust Senators will understand I am trying to be sarcastic—by making England agree to pay $650,000,000 for $25,000,000,000 worth of materials and supplies, it is really amazing that they were able to persuade the British to do their best not to export any of the now surplus property back to the United States.

According to this agreement, when is England going to pay us the $650,000,000—the 2½ cents on the dollar for which we propose to settle this lend-lease claim? It is impossible to ascertain when or how this money is going to be paid. The United States agrees to ask for payments not to exceed $50,000,000 at any given time but there is no date set for the payments to begin. It seems that the United States agrees to request payments from time to time prior to December 31, 1951, and England promises to transfer pounds sterling to an aggregate dollar value not in excess of $50,000,000 at the exchange rates prevailing at the time of the transfer.

For what purpose are we going to use these payments of $50,000,000? Mr. President, the answer to this question should be quite a revelation to the American people. To settle a $25,000,000,000 debt for $650,000,000 and then agree to accept even this in payments of $50,000,000 was evidently driving too hard a bargain in the opinion of our American-British negotiators. Therefore, the following provision is contained in the agreement:

> The Government of the United States will use these pounds sterling exclusively to acquire land—

Why should we wish to buy land in the British Empire?—

> or to acquire or construct buildings in the United Kingdom and the colonial dependencies for the use of the Government of the United States, and for carrying out educational programs in accordance with agreements to be concluded between the two Governments.

I can imagine representatives of the United States going to England and seeking a conference with some of the representatives of the Socialist government—it may be communistic before we get to the use of this money—to put on an educational program in India, South Africa, or somewhere else in the British Empire.

By the terms of this agreement, the payments of $50,000,000 will never come to the United States. That is specifically understood. They cannot be used to pay off part of the great debt which this Nation owes; they cannot be used to benefit the American people as a whole; they cannot be used to benefit our veterans; they cannot be used in the manner which we may think at that time would best serve our interests. These payments of $50,000,000 must remain in the United Kingdom; they must be used to construct buildings or to acquire property within the United Kingdom. Just what property or buildings the United States will need from time to time will cost $50,000,000 is not explained, but the provision that the money must be spent in Great Britain is absolutely mandatory.

Mr. President, I have always had great respect for the British. They have a great genius for ruling. They are great traders. We now have before us a demonstration of the innate ability which seems to be characteristic of the British ruling class.

Of course, some of this money may be spent to carry out educational programs, but under this indefinite, vague scheme the money will still remain in England. There is no explanation as to the kind of educational program which this will be or as to the purpose therefor. But there is one thing that we can be sure of, and that is that the program will be carried on in Britain and not in the United States. If England should go communistic—and I have heard it stated that if we did not lend them this money they would go communistic—I can imagine President Truman selecting men to go over and set up an educational program for a communistic government. I do not know whom he would send—yes; I do. We may be sending students over to be educated in England and to study the socialistic Government under this plan, but we may be assured that England is not agreeing to send students to America to learn about our system of free enterprise and the real American way of life.

That is the pitiful part of it. We shall not have an opportunity to teach some of the English a little Americanism. Of course, there are many people in this country who need teaching. America has been called the great melting pot of the world; but in some spots at the present time Uncle Sam is short of heat, and they are not melting very fast. In other words, England will be doing the educating and carrying on the propaganda, and she will be doing it at our expense and with our money.

There are two observations which I wish to make before leaving this part of the agreement, which deals with lend-lease. First, the proposal to settle the lend-lease debt of some $25,000,000,000 for $650,000,000 is tantamount to a gift of all lend-lease to Great Britain including the surplus property. If we are going to mark the debt off—cancel it and call it paid—we might as well tell the American people what we are doing and not try to delude them into believing that our lend-lease claims or even a reasonable part of them are being paid. I believe that the American people ought to know that President Roosevelt promised them that the lend-lease aid which we were sending over so lavishly, and for which we ourselves made sacrifices, would be paid back to us in time. The man who made that promise is dead. Now we find some of our negotiators canceling out, once and for all, the entire $25,000,000,000. It was looked upon as a loan. In reality it is a gift. We gave them that much, and now they are trying to get $3,750,000,000 more. Cannot England ever be satisfied? Nothing is said about the $6,000,000,000 which she already owes us.

Second, it is certain that the $650,000,000 settlement will never reach the United States. The terms of the payment of this 2½-cents-on-the-dollar settlement are indefinite and vague, but if it is ever paid, the money will be spent in the United Kingdom and not in the United States.

The second agreement provides for the loan of $3,750,000,000 to the Government of Great Britain by the Government of the United States. The proposal states that we shall lend this money to Great Britain at 2 percent interest, payment on the principal and interest not to begin until 1951, and then the payments are to be extended over a period of 50 years.

As I understand, if we lend them the $3,750,000,000 today, 5 years from now, after they have had the use of it, they will still owe us $3,750,000,000. In other words, interest does not accumulate in those 5 years, to be added to the principal, as would be the case if one were to borrow money from a bank.

Although the interest rate is stated at 2 percent, we find that after allowing 5 years' interest free, the average interest rate on the loan will be only 1.62 percent. And this rate of 1.62 percent does not have to be paid every year. The agreement provides that no interest will be charged during any year when the United Kingdom is able to show an unfavorable international exchange position and says it is not convenient. If this should happen during half the years when our interest is due, then the rate would drop to less than 1 percent. In other words, during the life of the alleged loan if England should come to us in half those years and say, "It is not convenient for us to pay interest," and we should forgive the interest, that action in itself would reduce the interest which they would pay to 1 percent or less.

Where are we going to get this money we are offering to lend to Britain? The United States will have to borrow the $3,750,000,000 from the taxpayers of this Nation in one way or another. We can indulge in all the roundabout excuses and justifications we wish; but in the end it is coming out of the hide of the American taxpayer. Put that in your pipe and smoke it.

Our Government cannot borrow the money interest free, and it cannot borrow the money for the rate of interest which

Britain is supposed to pay under the terms of the agreement. Luckily I have in my possession a coupon bond of this Government. The Government is paying me 2½ percent interest on my little investment. Many millions of Americans have such bonds. Uncle Sam is paying our citizens 2½ percent interest on those bonds. And yet, notwithstanding the fact that the United States Government must pay 2½ percent interest to get money to carry on, our negotiators are arranging to let Britain have $3,750,000,000 at a lower rate of interest than we ourselves can get from the American Government. The thing becomes worse the further we go.

During recent years the United States has been borrowing money from its citizens and it has been paying an average interest rate of 1.92 percent. Thus, we see that if Britain actually pays the 1.62 percent interest, and pays it every year, that Government will be paying less interest than the United States will be paying for having borrowed the money from United States citizens. In other words, there will be a substantial loss to this Government to the extent of the difference between the interest which Britain will pay us—if the British Government chooses to pay, if it is convenient for it to pay—and the interest which we shall be paying for the borrowed money.

So we are going to lose. Let us see about that. If we were to lend the money to Britain at 2 per cent, after having borrowed it at 1.92 percent, the payment of $2 on every $100 would give us a profit of 8 cents on every $100 of the loan. However, we are asked to make the loan at the rate of 1.62 percent, which means that there will be a clear loss of 30 cents a year on every $100 of the loan which our Government proposes to make to Britain. That is wonderful business on the part of the Secretary of the Treasury and the Secretary of State. I do not want to be personal in my remarks, but the English negotiators must have had them equipped with British monocles when they were figuring on this proposal.

Even payment at the rate of 1.62 percent is by no means guaranteed. If the British wish to skip a year in the payment of interest, they will be able to do so by doing only a little more than getting in touch with the President of the United States. That is true because the terms of the waiver-of-interest clause commit the United States to waive the interest payments practically every time that the British insist that it is not convenient for them to pay. In that event, we shall lose more than 30 cents on every dollar of the $3,750,000,000. I ask Senators to consider that before they vote for the pending measure. Section 5 of the agreement provides:

> In any year which the Government of the United Kingdom requests the Government of the United States to waive the amount of the interest due in the installment of that year, the Government of the United States will grant the waiver if the Government of the United Kingdom finds that a waiver is necessary in view of the present and prospective conditions of international exchange and the level of its gold and foreign exchange reserves.

The above provision of granting a waiver of interest is also subject to confirmation by the reports and forecasts on internal economic conditions in the British Empire, but that is something which the United States could not either confirm or contradict. In other words, we shall, in effect, have to waive the interest payments whenever—and every time—Britain requests it and says it is not convenient for her to pay. Mr. President, I tell you that these English lords are horse traders.

The terms and conditions of this proposed loan of $3,750,000,000 to Britain certainly bear little, if any, relationship to business principles. What is Britain going to give us in consideration for our making this loan, which will cost our taxpayers, who are already overburdened, billions of dollars? The British agree that within 1 year after the loan agreement has been ratified by our Congress and approved by the British Parliament, they will eliminate the dollar pool which they now control. In doing away with that pool and abolishing the so-called sterling bloc, the countries of the British Empire and a few others who belong to that bloc would be able to use their current dollar receipts without restriction. That means that if we should buy something from India or some other of the countries who are members of the Empire, that country could accept our dollars and use them in any way which seemed desirable. With the present dollar pool in effect, those countries concentrate their dollars in London, and can use them only at the pleasure of Britain. They give the dollars to Britain and accept sterling in return. In the proposed agreement, Britain offers to remove "any discrimination arising from the so-called sterling-area dollar pool" as early as practicable, and not later than 1 year after the effective date of this agreement, unless in exceptional cases a later date is agreed upon after consultation.

Mr. President, in conversation with one of the British propagandists, he held his sterling bloc as a club over my head, and said to me, "If you do not loan us this money, we shall be forced to perpetuate our sterling bloc, and you will not be able to do any business with us."

I said, "Well, if you threaten me and try to intimidate me, and mean to say that we cannot do business without you, you just have another guess coming." That is true, Mr. President, because England is going to need us in the business world and the trade world as much as we need England; in fact, more so. Whenever England has been in trouble in the past, we have come to her rescue. We have saved her twice. She would have been driven into the sea if we had not saved her with our materials, supplies, and suffering and sacrifices in blood and lives of the American people. The British are spoiled.

According to Secretary of State Byrnes, this proposed loan to Britain should be approved by the Congress. He has set forth the usual arguments for the loan. Pointing out that Britain was our largest customer before the war and is now impoverished by the war, he says that we must help England to become our largest customer again—and do it with our own dollars.

Mr. President, we have about 10,000,000 American GI's in this country who have been impoverished by the war. They were fighting in mud and blood, in foxholes all over the world, and they were paid very little for what they did, while the folks back home were getting handsome pay by the hour and by the day, and were able to lay aside for the rainy day. Now these boys have come back home, and they do not have anything.

They have no bank accounts. Their economic status deserves attention and, I say, greater attention than England's economic condition does. Our GI's deserve attention first; they are entitled to priority.

However, Mr. Byrnes says that we must use our own dollars to help England become our largest customer again. Mr. President, if a few people in this country think that if we pour this money into the lap of England, we shall get it back by way of the sale of goods which they will manufacture, let me say that may be true, but it will not do any good to the rank and file of the people of the United States.

Secretary Byrnes says that Britain will use much of this money to buy goods in this country—that is only a hope that Jimmy is entertaining—and he also hopes that Empire preferences and tariffs which keep our goods out of the British Empire to a large extent will gradually disappear if we make this loan. But that is just another hope, that is all. There is no promise, no agreement, no binding contract. He hopes that these results will come, but he cannot promise us definitely that they will. It seems that we are being asked to make the loan—to give Britain our $3,750,000,000—and then hope that some day, in some way in the sweet bye and bye, some benefits will come to us in return for our generosity.

In connection with the loan agreement, Secretary Byrnes issued a paper outlining many laudable and desirable aspirations with reference to world trade. Although recognition has been given this statement by the British, they have not signed the paper. They have, in effect, agreed to undertake to help us work out world-wide multilateral agreements with reference to world trade, governing some questions as tariffs, quotas, cartels, and production, and to have these agreements administered by an international trade organization. However, this is nothing more than a promise on the part of Britain to help us to try to work out agreements of some kind with the other 48 nations of the United Nations. In other words, the British say that they will cooperate in helping us work out world-trade agreements with other nations if we lend them $3,750,000,000, settle our lend-lease claims for 2½ cents on the dollar, and give them title to approximately $6,000,000,000 worth of surplus property, investments, and materials in Britain.

Mr. President, I have about the same opinion of this agreement that the Germans had of a treaty—just a scrap of paper.

This loan agreement, with its more than generous terms, has not met with widespread approval in England. Although the British Parliament has approved the proposal, it did not do so until considerable opposition had been expressed. The New York Times of December 16, 1945, carried an article which had the headline—

London grows bitter over American loan—Editorial opinion of all shades says terms are harsh, unworkable.

Mr. President, any man, even a fool, can understand what the British are attempting to do. England complained about this kind of agreement or negotiation or loan. But that was a mere smokescreen on the part of the English and on the part of the manipulators of this deal. They sent Mr. Churchill over here, and he was here some time. It is said that on the floor of the House of Commons, Churchill asked his followers not to vote for acceptance of the loan. Perhaps some of them did not vote for it. Perhaps some of them did not vote; indeed about 80 percent did not vote. But, it was all camouflage. It was done to leave the impression that if the terms were harsh with regard to England, she would not accept them. Mr. President, she would not for anything miss the chance to get this loan. We must sometimes read between the lines. Newspapers have been filled with all sorts of war scares. Mr. Churchill made a speech and dared to suggest a coalition between the United States and England against the remainder of the world. All of it was a part of a plan, scheme, and dream of the British to put over this loan. There has never been any danger of another war. Persons who read between the lines and keep abreast of what is going on know there is no danger, and has been no danger, or even a suggestion of war. However, the newspapers, as well as the radios, carried statements about the possibility of war, war, war, breaking out any minute.

Of course, the administration crowd have been trying to bring about the enactment of the universal military training bill. They have also tried to bring about an extension of the draft, and retain war powers, as well as delay the day of declaring peace. There was not even a suggestion of war at any time. Only miserable and puny rot has been dished out. We do not need England to hold the line in the next war. We will not need her, because next time there will be no holding of the line. With jet propulsion airplanes, which are now not a dream but a possibility, and with the atomic bomb, there will be no prolonged war. I hope, Mr. President, that we have bombs such as those which the socialistic Laski the other day said we have, which could destroy Illinois and Indiana with one shot, and that with five of them everything south of Mason and Dixon's line could be destroyed. But in the next war there will be no holding of the line. The conflict will all be over in a jiffy. All we will need to know is that the time has come, and within a few minutes the damage will have been done. Yet, Mr. President, some persons assert that we must turn these billions of dollars over to England, build her up and make her strong as a buffer in order to hold the line in any future war with Russia. That is all nonsense. When we fight the next war we will need in advance only about 30 minutes' notice.

The British believe that the terms, which, indeed, cannot be called business terms in any sense of the word, are harsh because Great Britain wanted an outright gift. England wants a Christmas present. Great God! I think she will be getting one if we pass this joint resolution, because she will never have to pay back the money. I am justified in making that statement because she did not pay back the other loan which we made to her. She will not even talk about it.

When Lord Keynes, one of the principal negotiators in connection with the agreement which is now before the Senate, came to the United States in September 1945 he said that he had come to make some arrangements with regard to lend-lease, and some agreements by which England could be helped out of her economic difficulties. England may have some financial difficulties, but the United States also has some financial difficulties. Today we owe a debt which is greater than the combined debt of all the Allies throughout the world. The debt is greater than the debt of all other nations of the earth. Where are we going to get the money with which to pay it? However, the following statement, which was made by Lord Keynes, shows that Great Britain did not want a commercial loan. No; she is looking for a Christmas tree. The statement to which I refer is as follows:

No doubt an easy course would be for you to offer, and for us to put our names to a substantial loan on more or less commercial terms, without either party to the transaction troubling to pay too much attention to the question of the likelihood of our being able to fulfill the obligations which we are undertaking. * * * We are not in the mood, and we believe and hope that you are not in the mood, to repeat the experiences of last time's war debt. We would far rather do what we can to get on as best we can on any other lines which are open to us.

Mr. President, that was a most remarkable statement which was uttered by the man who headed the delegation from England to the United States to fix up this miserable arrangement. For emphasis, I wish to read the statement again. I have plenty of time.

No doubt an easy course would be for you—

This is Lord Keynes speaking, the man who headed the outfit which came over here from England to arrange for this loan—

to offer, and for us to put our names to a substantial loan on more or less commercial terms—

Mr. President, note the language, "more or less commercial terms"—

without either party to the transaction troubling to pay too much attention to the question of the likelihood of our being able to fulfill the obligations which we are undertaking.

Mr. President, that is exactly what it was. No attention was paid to the likelihood of England paying back the obligation.

We are not in the mood, and we believe and hope that you are not in the mood, to repeat the experiences of last time's war debt. We would far rather do what we can to get on as best we can on any other lines which are open to us.

Thus, Lord Keynes made it plain that he was not seeking a commercial loan; that he was not seeking a loan on business terms to be paid back with interest. Great Britain wanted a grant-in-aid, a gift without any provision being made for paying back the loan.

Sydney Campbell, financial editor of Reuter's, said in July 1945:

One thing should be made clear—

Mr. President, listen to these English financiers talking. I ask all Senators to listen, because then they may know what they are being asked to do. We are saying to the English, "We love you better than we love our soldier boys. We love you, our English cousins, better than we love our GI boys. We are sorry for you. We will take care of you and help you in your economic troubles." But to our millions of boys who paid the price we can say nothing. They did not make promises which will not be fulfilled because they have already delivered. We are saying, in effect, to those boys, "We are sorry, but we cannot do anything for you. We must go across the sea and help England so that she can pay her soldier boys a bonus, raise her salaries, and reduce her taxes." That, Mr. President, is the "guts" of the proposition.

Again I ask Senators to listen to what Sydney Campbell, financial editor of Reuter's, said in July 1945:

One thing should be made clear about the present discussions in the United States about a loan of three to five billion dollars to Britain. Britain would almost certainly refuse any such loan, however big it might be and however low the interest. British official and business circles are virtually unanimous that Britain is not interested in converting sterling debt into dollar debt. They are rather mystified as to why Americans trouble to discuss the matter. A grant-in-aid would, of course, be accepted. Britishers would regard that in terms of the United States and possibly others of the United Nations taking over their fair share of the common war debt, which is at present piled on Britain's back alone. In return for such aid, Britain would be only too glad to make what Americans would regard as concessions in regard to freeing sterling and mitigating the exclusivity of the sterling area.

No, Mr. President, England did not want to borrow any money in July 1945, according to Sydney Campbell, financial editor of Reuter's. She did not want to borrow any money from America. But, standing like a beggar on the street corner with hat in hand, Sydney Campbell said, in effect, "We accept it if you will give it to us. All we will do to show our appreciation, if you give it to us, will be to take some action about the sterling bloc, and mitigate the exclusivity of the sterling area."

"Exclusivity" is an English word.

Even though the British negotiators did not want a commercial loan and we were put on guard as to what they actually wanted—a gift—we still permitted

the discussions to proceed. The final agreement which we here have under discussion was the result. The proposed $3,750,000,000 was reluctantly approved by the British after it had been duly criticized as being too harsh.

Mr. President, I have just been going over some of the terms of the agreement. Yet England said they were harsh. That is horseplay.

In the House of Commons, Mr. Churchill and the conservative leaders showed their disapproval of the loan by urging their followers not to vote. Churchill would have fallen dead in his tracks if the Parliament had voted down acceptance of the loan. All this was horseplay, for the benefit of unsuspecting, gullible suckers in the United States. However, 50 members of the Conservative Party along with 38 other members of Commons voted against the loan. Mr. Churchill said that the British had "gotten the worst of it both ways." Referring to this loan of $3,750,000 with 2 percent interest beginning in 1951, and to be repaid over a period of 50 years, and with which Britain had to accept the agreement to join in the Bretton Woods pact, Mr. Churchill said:

It is—in fact, let us hope—it is too bad to be true.

Mr. President, we have been often reminded of the necessity of our making this loan to Britain in order to put that country on the road to a sound economy. There seems to have been more current talk about helping Britain pay off her war debts and plan for her future economy than there has been about our own public debt. Since I come to think about it, I never hear much said about the two-hundred-and-sixty-odd-billion dollars we owe, and which we shall have to pay, and many billion dollars more if we carry out our obligations to the soldier boys. We do not say anything about that.

The United Kingdom owes, I think, about eighty-some-odd-billion dollars, against our two-hundred-and-sixty-odd billion, yet England boasts that the sun never sets on the flag of her empire, she boasts of the fact that she owns and controls one-fifth of all the land of the earth, not water, but land, and that she has under her dominion one-fourth of all the people of the earth, with unlimited resources in all her provinces and dominions. However, she owes but eighty-odd-billion dollars against our two-hundred-and-sixty-odd billion, and here she stands at our door like a beggar with her hat in hand saying, "Give me, give me; lead me to the Christmas tree."

Many misleading statements about Britain's financial condition have been made, and while no one doubts that Britain can use this $3,750,000,000 loan, it is difficult to believe that the need for the money is as great as it has been represented to be. Would the negotiators of this loan agreement have us believe that the financial condition of Great Britain is so grave and the Empire so decadent that it can only be saved by American money?

In Barron's National Business and Financial Weekly, January 14, 1946, page 3, we find the following statement in an article by C. H. Grattan:

The British financial position is very hard to estimate in the absence of vital particulars about it.

They are very smart boys. They keep a part of their business under cover.

There are pessimistic and optimistic views, based on alternative assumptions. Presumably the negotiators of the loan have all the facts before them.

A very violent supposition.

But figures lately published in The Economist suggest that while the position is difficult it is not desperate—yet! These figures show that far from having liquidated all her long-term investments abroad in securities and other property, Britain has liquidated only about one-quarter of them. At the end of 1945, the country's overseas assets just about equalled its overseas debts.

I shall come to the question of England's assets scattered all over the world, and especially nestling here in the bosom of American financial institutions.

The British Government has millions of dollars' worth of investments in the United States. In 1941, the British were very much in need of dollar exchange in the United States and obtained a loan from the Reconstruction Finance Corporation. In order to secure this loan, the British Government pledged securities which it held in American companies. Britain obtained these securities from British nationals and offered them to RFC in return for the loan. That was a business transaction. They are going to have to pay that debt to the RFC. It has some collateral, and, strange to say, it was collateral which England had here in the United States.

The securities pledged to RFC may be listed in four groups: First, listed stocks and securities of 83 large representative companies; second, 66 unlisted stocks and securities in which the British Government is a substantial or controlling owner; third, the capital stock of 40 British-owned United States insurance companies.

Let American citizens think of that—the capital stock of 40 British-owned United States insurance companies. What? England owns 40 of our insurance companies here in the United States? Yes; she does.

The fourth group of collateral put up with the RFC was an assignment of earnings of the United States branches of 41 British insurance companies.

Mr. President, the present market value of these securities held by RFC is about $775,000,000. Thus, the British Government itself has this three-fourths of a billion dollar interest in American industry, and is a substantial or controlling owner of the stock in a large number of American companies. Some of the British Government holdings in United States industry are:

	Shares
General Motors Corp.	434,000

It will be remembered that during the long automobile strike in Michigan, which lasted 118 or 120 days, Reuther wired to the English Government and asked them to intercede and do something about the strike, because he knew that England owned 434,000 shares of General Motors. The other stocks owned by England are as follows:

	Shares
Radio Corp. of America	177,000
Amerada Petrol	133,000
Chrysler Corp	36,000
Standard Oil of New Jersey	198,000
Standard Oil of Indiana	315,000
Socony-Vacuum Oil Co	130,000
American Telephone & Telegraph Co.	70,000
United States Steel (preferred)	21,000

Mr. President, that is only a partial list of the stock England owns in our great industrial empire in America.

I think it is time England was doing a little liquidating, converting her holdings here into good American dollars, so that she could rehabilitate herself. That is what any one of us as a private citizen would have to do. If we had shares and had to repair a house or build a house we would borrow on those shares or sell the shares, get the money, and go ahead to take care of our economic status. But England does not propose to do that. England is going to hold on and keep holding onto these good properties she owns in the United States.

One enthusiastic supporter of the joint resolution said, "It is necessary for England to hold onto the properties so she will continue to have an income with which to go along." I think England might learn the lesson of cutting the garment to fit the cloth.

The following question has been wisely asked by several Members of Congress: Would it not be good business for the British Government to liquidate these holdings which they have in the United States and use the cash to reduce their debt rather than to continue receiving earnings from this source while attempting to negotiate further loans from the United States taxpayers?

No; I do not blame England. So long as England can come over here and make suckers out of us and get the American taxpayers' dollars, take them back to improve her economic status, reduce her taxes, build up her armed forces, and operate her Bank of England—so long as she can come over here and get all that money for these purposes, knowing that she does not have to pay it back, and knowing that she never will pay it back, I do not blame England. We are the suckers.

Mr. President, I repeat the old saying that if a man fools you once you are not to blame, but if he fools you the second time you are to blame. England has taken our money and defaulted once, and then we were not to blame. We had reason in those days to trust her financial integrity, to trust the honesty of the Government of Great Britain, but today with her socialistic government, with communistic leanings, as many of us know to be true, we would be suckers indeed to loan her money without some collateral, some tangible stuff that we could fall back upon in case of another default.

Great Britain boasts of her empire throughout the world, and we have often heard the statement that the sun never sets upon the land and territories which pay allegiance to the British Crown. By the way, England could gather together a great deal of financial help if she would

dispose of her crown jewels and all the wealth she possesses. Even if it can be shown that the Government of the United Kingdom must have this loan from the United States in order to prevent economic collapse, why should we not be given security for the loan? There is nothing in the agreement which gives to the United States anything in the nature of foreign bases, use of lands, raw materials, communications, or any other concession of a substantial nature. There is no security being pledged which will guarantee the United States against total loss of the amount of the loan.

Why did the negotiators not wish to offer security for the repayment of the loan? Why did England not go to the Export-Import Bank to seek the loan and pledge the necessary security, as other nations are expected to do?

But if Senators vote this loan or this gift, do not say to Russia, "You cannot come in and get your bag of gold." Do not say it to France. Do not say it to Greece. Certainly, do not say it to poor China. Tell them to come on and get theirs; we have plenty. And do not require them to put up any security, either. Give it to them outright—that is, if Senators vote for this measure.

This loan will never be repaid, and we might as well call it now just what it is—an outright gift. The American people are not in the mood at the present time to play Santa Claus and we cannot afford to give Britain $3,750,000,000. We should not, we must not, we cannot give them this money, and it is the duty of the Congress to defeat the proposal and protect the interest of the American taxpayer.

Sometimes we talk and think and write and dream about the glories of filibusters. If there ever was a piece of legislation before the American Congress that ought to be filibustered until England is rehabilitated, it is this measure.

If making a loan to Great Britain were an entirely new proposition to us, then perhaps there could be some explanation for willingness on the part of our officials to take a chance with these billions of dollars of the taxpayers' money. They might honestly believe that this is a sound agreement and that the money will be repaid. But we have had experience with this matter before and we should benefit by the lessons of the past.

Following World War I many foreign countries borrowed money from the United States. There is no need for us now to discuss the reasons why these European countries were given loans by our Government, nor why they later defaulted. One thing we do know. All our generosity and loaning of our money to European countries did not contribute one whit to keep us out of World War II. I sometimes think it helped to bring it on, because it is now an open secret that England, which got the major part of the loans after World War I, aided and abetted, furnished supplies to, schemed, and conspired with the Germans to make them strong militarily, in the foolish hope that the British were protecting themselves from Russia—another nightmare they had. I am speaking authoritatively. The important thing for us to remember is that these loans were not repaid. A table was printed in the Times-Herald, February 13, 1946, which shows what 17 nations still owe the United States on these World War I debts. It will be interesting and refreshing to look at this list at this time. I read as follows:

HERE IS WHAT 17 NATIONS STILL OWE UNITED STATES FOR WORLD WAR I

Seventeen foreign countries still owe the United States from 40 to more than 95 percent of the money they borrowed after World War I, Treasury officials have informed Congress.

Their names, the amounts they borrowed, and the unpaid principal were listed in printed hearings made public yesterday by the House Appropriations Committee as it sent a Treasury-Post Office supply bill to the House floor.

The World War I debt situation as of last July 1:

Country	Total debt	Principal unpaid
Belgium	$503,579,077	$400,680,000
Czechoslovakia	175,072,336	165,241,108
Estonia	24,491,700	16,466,012
Finland	8,574,063	7,842,131
France	4,606,635,664	3,863,650,000
Austria (Germany)	26,024,539	25,980,480
Great Britain	6,415,664,782	4,368,000,000
Greece	36,873,535	31,516,000
Hungary	2,740,938	1,908,560
Italy	2,052,213,409	2,004,900,000
Latvia	10,114,980	6,879,464
Lithuania	9,064,140	6,197,682
Poland	306,497,824	206,057,000
Rumania	74,926,279	63,860,560
Yugoslavia	63,396,718	61,625,000
Armenia	27,391,079	11,959,917
Russia	448,079,237	192,601,297

We were not very generous toward Russia in those days. That is an Associated Press dispatch published by the Times-Herald, showing the indebtedness of these countries to the United States.

The loan which we made to Great Britain following World War I totaled more than $4,000,000,000. Not only did Britain refuse to repay this loan, but the United States was referred to as Uncle Shylock for even requesting payment. From the figures given below, we see that Britain's total indebtedness to us on this World War I loan as of July 1, 1945, amounted to $6,415,664,782.58.

Owing all this and refusing to pay, without rhyme or reason, with untold millions invested in the very best property in the United States, she would not even so much as pay the interest on what she owed. She came over here with her hat in her hand and never mentioned it. Nary a word did she say about the $6,415,000,000.

If any Member of the Senate should go to a bank in Washington or in his home town, or anywhere else, and borrow $50,000 to carry on a business operation, and default on the $50,000 loan, quit paying interest, quit talking to the banker about the $50,000 he owed, and never communicate with the banker in regard to it, if he should go back to the bank after a period of 8 or 10 years and say, "I am up against it; I am hard up; my economic status is bad, and I wish to borrow $50,000," would any banker in America or in the world let him have another $50,000 unless he did something about paying the first $50 000 loan on which he had defaulted? Any banker in the world would say, "All right. I am glad to help you, and I have the money to lend; but before we negotiate a new loan let us do something about the old loan. Can you not give me some collateral on the old loan? Can you not make it gilt-edged so that I can collect it if you should default again?" There is not a banker in the world who would not require something to be done about the old loan.

Yet England, which today owes the United States $6,415,664,782.58, loaned to her in her hour of need, in good faith, on which loan she long ago quit paying interest, quit talking about paying interest, and quit talking about paying the principal, comes here and has the audacity to say, "Let me have $4,000,000,000 more. I am in trouble. My economic condition is not just right. I want to improve my trade relations." And without any collateral or any offer of collateral, we poor suckers say, "That is all right about the $6,000,000,000. We do not care anything about it."

Senators may not care anything about it, but they represent constituencies which do care something about it. When I go back to the hills and vales of Mississippi and talk to the GI boys whose personal economic condition is worse than that of England, I shall be faced with the fact that we let England get away with $6,000,000,000 in the First World War, and loaned her $4,000,000,000, after giving her $25,000,000,000 in lend-lease. Those boys will say to me, "You did not do anything for us. We borrowed a little money from the Government, on which we were compelled to pay 4 percent interest, and you let England have money for 1.62 percent." I do not know anything about the constituencies of other Senators, but I know my constituency in Mississippi. I know that if I were to do a trick like that I would never come back. I do not believe that I would ask the voters to let me come back. I know them too well.

The principal of obligations received by the United States from Great Britain under the Liberty Bond Acts in World War I was $4,277,000,000. The payments received from Great Britain prior to the funding of the debt on December 15, 1922, were $202,181,641.56. The principal at the time of funding was $4,074,818,358.44. The total indebtedness as of July 1, 1945, was $6,415,664,782.58. The principal outstanding on July 1, 1945, was $4,368,000,000. The difference represents interest.

Shortly after President Truman asked the Congress to approve the proposed loan to Great Britain there were two editorials written on this subject which I now wish to read. The first is from the Baltimore News-Post of February 5, 1946. The title of the editorial is "A Weak Case."

President Truman has presented a very weak case in his appeal for congressional approval of the proposed British loan—unavoidably, of course, because there is no very strong case to be offered in its favor.

The President's advocacy of the loan as a means of enabling Britain "to move side by side with the United States toward the common goal of expanded world trade" would have more weight if the past performance

of Britain as a borrower had been better and if the prospects of her future performance in that respect promised something better.

The record of Britain's past performance is inescapable.

The British Government borrowed vast sums of American money during and after the First World War, and took refuge in repudiation; and in consequence, the American people were burdened not only with their own exhaustive burdens of war and reconstruction but with the greater part of Britain's burdens in addition.

That the new loan now contemplated will come to the same end no one can doubt, and few will dispute.

Brave is the man who will stand on the floor of the Senate and say that he believes that England will pay this money.

In fact, the most responsible and best informed of British spokesmen have been perfectly candid about the dim prospects for repayment of any new loan, whatever the conditions agreed upon—acknowledging both unwillingness and inability to attempt repayment, however cheap the terms.

Lord Keynes said, "Let us have the money. Lend it to us on some kind of terms, but do not bother yourself about repayment. We do not know whether we will repay it or not." He was frank with us. I believe that some of the advocates of this proposal wish to give the money to England. They are just that generous with other people's money.

For that very good reason—anxious to avoid both the discredit and the humiliation of another repudiation—the British negotiators did not come to the United States last year in quest of a loan but of an outright grant or gift of money made in accordance with the same principle accepted by the American Government in its cancellation of lend-lease obligations.

The British argument in behalf of this amazing proposition was that Britain, instead of being a debtor of the United States, was in fact the creditor of the United States by virtue of having been in the war longer—the lend-lease cancellation having accounted for only a part of the American debt to Britain, and the proposed new grant of money being required for liquidation of the remaining debt.

While the American negotiators professed to find the British position on this matter untenable and the British arguments unpersuasive and unacceptable, they came pretty close to taking the same position in the end and thus yielding to the same arguments.

The loan they have offered Britain, and for which President Truman now seeks congressional approval, falls short of being an outright gift only in the lack of the name.

I suggest that hereafter we call this a gift, and not a loan.

Britain is accorded the right to forego repayment in any year during the life of the purported obligation, and in as many years as she may elect—her own appraisal of the possibility or convenience of repayment to be the determining factor.

That is a very strong paragraph in the editorial.

Moreover, during a certain part of the life of the obligation any repayment Britain does make at her own election can only be expended by the United States in the United Kingdom.

That is the $650,000,000 which I have been discussing.

Even so, many eminent and informed and responsible British authorities still do not want the loan, even on these terms.

This is where the editor of the newspaper was misled. It was all horseplay when they were talking about not wanting it.

Most of them realize that any foreign debt is a millstone on the neck of Britain's economy.

This is one debt that will never be a millstone around the neck of British economy, because she is getting it, knowing that she is not going to pay it back, so she can strike it off in all her budgetary calculations.

President Truman should be defeated on the issue of congressional approval of the British loan since he has not only poorly presented the case for its approval, but has so very poorly considered the American interests in the matter which should have been his only concern and which have evidently given him very little concern.

I am for Truman, but I am ready to go the limit to defeat him in his ambition to give away $3,750,000,000 of our taxpayers' money with no hope or promise of repayment, and no collateral. Why did not the negotiators require collateral? It may be asked why the British did not go to the Export-Import Bank. They did not do so because they knew that if they went there, they would have to put up collateral.

The other editorial is from the Washington Times-Herald of February 1, 1946.

Mr. LANGER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. TUNNELL in the Chair). Does the Senator from Mississippi yield to the Senator from North Dakota?

Mr. BILBO. I am glad to yield.

Mr. LANGER. In respect to the proposed loan of $3,750,000,000, let me say that I do not know what the assessed valuation of the Senator's State is, but the assessed valuation of the entire State of North Dakota, including every horse and cow there, and including all the land, all the buildings, all the personal property, and all the farm machinery, is less than $1,000,000,000. So it is proposed that we give away approximately four States of this Union.

Mr. BILBO. Yes; four States of the size of North Dakota.

Mr. LANGER. Yes; and there are many States which have an assessed valuation much less than that of North Dakota, as the Senator from Mississippi well knows.

Mr. BILBO. Yes.

I appreciate the observation of the Senator from North Dakota. I do not know the exact amount of the assessed or appraised valuation of Mississippi. I have never had occasion to look it up. All I know is that Mississippi is not for sale.

Mr. LANGER. Mr. President, will the Senator further yield?

Mr. BILBO. I yield.

Mr. LANGER. I remember that at the time when the distinguished Senator from Mississippi was Governor of Mississippi, I saw the figures for the assessed valuation of his State; and at that time I think it was in the neighborhood of $1,000,000,000.

Mr. BILBO. It was low because the ad valorem assessment of 6 mills was not adequate to take care of the barest necessities of the State's institutions and activities. For that reason, for 4 years while I was Governor, at a time when the country was going through a panic, I begged the legislature to enact a sales tax. The legislature would not do so, but finally at the last term they agreed to my request, but only to the extent of providing for a sales tax of one-fourth of 1 percent, to test out or try out the volume. But I continued to fight, and finally they enacted a 2-percent sales tax, and the money has been rolling in ever since. A sales tax is like castor oil: It is bad to taste, but it gets results.

Mr. President, I was about to read an editorial from the Washington Times-Herald of February 1, 1946, as follows:

WHY A BRITISH LOAN?

President Truman day before yesterday sent Congress a message repeating the conventional arguments for the proposed loan to Great Britain and asking Congress for a hurry-up O. K. on the loan.

The transaction would add up to $4,400,000,000. Of this, $650,000,000 would go to clear the lend-lease slate between the United States and Great Britain.

It would wipe out the $25,000,000,000 or $29,000,000,000 worth of lend-lease supplies. After deduction is made for the reverse lend-lease, the net benefit to them was approximately $25,000,000,000.

I read further from the editorial:

The other three and three-fourths billions would constitute the loan. Interest would be at 2 percent. Neither principal nor interest payments would begin until 1951. In years when times were sour in Britain, we would just forget about the interest.

Mr. President, if Britain keeps her socialistic form of government, leaning communisticwise, it is my guess that times will be sour in Britain all the time.

I read further:

TRUMAN'S MESSAGE

This deal, says the President in his message, will grease the wheels of international trade, enable Britain to recover from the war more quickly than it could recover under its own steam, promote business between the United States and the British Empire, avert a trade war between Britain and this country, and in various other ways speed the mopping-up of the war's financial and economic wreckage.

I think the United States can hold its own in a trade warfare with Great Britain. I think we are in a position to go into all parts of the world and get our share of the world trade. We do not have to grease the machinery of England with $4,400,000,000 in order to make it easy; I am sure of that.

I read further:

With all of the above, we disagree.

Let's reduce this proposition to human, individual terms, so that anybody can understand its implications. Suppose the family black sheep went around and promoted various loans from the substantial members of the family, then blew the money on race horses. The second time he came around for loans, he might get them. But if he blew these loans as he blew the first ones, his third money-raising trip around the substantial part of the family would probably net him little if any jack.

UNCLE SHYLOCK RIDES AGAIN

We helped England out of World War No. 1. We put up 2,000,000 men for the Western front, and loaned Britain about six and a half billions—which in those days was not

hay. Britain repaid some of the money, then quit paying, and set up Empire preference tariffs against our goods, while British statesmen called up Uncle Shylock because we made some mild objections to all this welshing.

And now, here we go again. We extended twenty-nine billions' worth of lend-lease goods to the British Empire during the late war. That is to be washed out, along with the twelve billions in lend-lease that we gave other nations.

We also contributed about 3,500,000 men to the war in western Europe—three times as many as Britain contributed—and pulled Britain's Far East Empire out of the fire virtually single-handed, except for Burma. The British are back in Hong Kong now.

But as if this were not enough, Britain's Socialist government now wants another loan of about four billions—and Parliament had the supreme gall to pretend to be hesitant about accepting the loan on the ground that the terms were too harsh.

The writer of this editorial knew his stuff, because they were pretending. It horseplay.

I read further:

If Britain gets the four billions, what argument can there be against loaning Russia the six billions Stalin told some Congressmen he wanted? Then why not loan France the two and one-half billions it is reported willing to accept?

However, Mr. President, France wants $6,000,000,000, and possibly she needs that much money. I think France is in worse condition than England is.

I read further from the editorial:

After that, why not just tell Iran, Iraq, and every other nation that wants some of our money to come and get it?

This money, we should all bear in mind, will not be manna from the skies or stage money pulled out of a wizard's hat. It will come from the pants pockets of United States taxpayers, which means all of us directly or indirectly.

All of us are going to have to pay the bill. It is terrible to contemplate.

I read further from the editorial:

We throw this two bits' worth of ours into the loan argument because we believe it, not because we fancy that any winged words of ours can block the British loan.

President Truman thinks it good politics to follow along with the Roosevelt-Morgenthau gibberish about one world, and all that. It looks as if Congress will O. K. this loan, which on World War I precedent will be nothing but a gift, and as if the people won't be able to do a thing about it until and unless they can change control of our Government at the polls.

Mr. President, I believe the people would change the personnel of this Government at the polls if such an unreasonable thing as this loan were to be enacted by the Congress.

The editorial continues, as follows:

WE SHOULD SPEND THE MONEY HERE

It seems to us that the sensible thing to do would be to teach England that war is a horrible and a costly jag, by letting England sweat out its World War II hangover unassisted.

As for the four or ten or twelve and one-half or twenty billions we're thinking of loaning out on dubious terms to dubious borrowers—if we must spend that money, why not spend it in our own country? Why not split it about 50–50 between a real long-range national defense program and generous bonuses for our own veterans of World War II?

At least, our veterans would spend the money in this country. Even the money they spent wastefully would stay here. Foreign debtors may, as promised, buy a lot of United States goods with this loaned money—

I doubt it—

but if they don't pay it back we will merely have given them the goods.

We think our World War II veterans should join the American Legion in overwhelming numbers, and go out after these bonuses.

Mr. FULBRIGHT. Mr. President, will the Senator yield to permit me to move that the Senate take a recess until Friday noon?

Mr. BILBO. I shall be glad to yield; but before such a motion is made, I wish to ask whether it is understood that I shall retain the floor when the Senate assembles again?

Mr. FULBRIGHT. That is agreeable.

Mr. BILBO. If the Senator obtains unanimous consent to that effect, very well.

The PRESIDING OFFICER. The Senator from Mississippi [Mr. BILBO] asked unanimous consent that he be accorded the floor at the beginning of the session of the Senate on Friday.

Mr. BILBO. I yield on that condition. I wish to finish my speech, and, at the same time, answer a magazine known as Life, including Mama Luce and Papa Luce. [Laughter.]

The PRESIDING OFFICER. Without objection, it is so ordered.

UNAUTHORIZED USE OF NAME—PERSONAL STATEMENT

During the delivery of Mr. BILBO's remarks,

Mr. WILEY. Mr. President, I ask that at the conclusion of the remarks of the Senator from Mississippi [Mr. BILBO] there be printed in the RECORD a statement by myself in relation to the unauthorized use of my name in connection with certain bills.

Mr. BILBO. Of course, the Senator realizes that my remarks will not be completed today. The Senator stated that he wished to have the statement printed in the RECORD at the conclusion of my remarks. Does the Senator mean to have his statement printed in the RECORD some time next week? [Laughter.]

Mr. WILEY. I ask unanimous consent that the statement be printed in the RECORD at the conclusion today of the remarks of the Senator from Mississippi.

Mr. BILBO. Very well.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR WILEY

Mr. President, for the second time within a few weeks it has been brought to my attention that my name has been misused in connection with certain pending bills. In both cases it has concerned science legislation.

The first instance was several weeks ago. As a sponsor of S. 1777, a bill to create a National Science Foundation, I had been appointed to a subcommittee on the Commerce Committee to which this bill was referred.

To my knowledge the subcommittee only held one meeting. Shortly afterward I received a copy of what purported to be a report made by this subcommittee. This report recommended that further action on S. 1777 be dropped because sufficient hearings and consideration had already been given to other science bills. It also contained a complete misrepresentation of the bill I had joined in sponsoring.

Mr. President, I never saw that report, nor did I have any knowledge of it until it came to me from a source outside of Congress. The person who sent it to me had received it in response to a letter addressed to the chairman of the Committee on Commerce.

Mr. President, that report contained my name so as to appear that I had signed and approved it. I did not approve it nor authorize the use of my name, and I protested the procedure, which gave the wrong impression. I cannot accept the simple explanation that my name was put on merely as a member of the subcommittee. That is a weak excuse for misrepresenting the position of a Senator of the United States.

On several recent occasions dealing with science legislation my name has been used as a supporter of S. 1850, the Kilgore-Magnuson bill to create a National Science Foundation. I am represented as not only supporting this bill but actually as trying to have my name added to this bill as a sponsor.

Nothing could be farther from the truth. I am not a supporter of S. 1850. I am opposed to the bill. On the contrary, I am a sponsor of a measure introduced in opposition to S. 1850.

Mr. President, I consider S. 1850 one of the worst pieces of legislation introduced into the Congress in many years. Its avowed purpose may be good, but its method of approach to the problem is undemocratic, bureaucratic, and highly dangerous to scientific progress and to the welfare of the Nation. I shall have more to say on this subject when and if the bill reaches the floor in its present form.

I wish the RECORD to show that I resent the unauthorized use of my name in connection with Senate bills and reports. I hope that there will be no recurrence.

RECESS TO FRIDAY

Mr. FULBRIGHT. I move that the Senate take a recess until Friday next at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 50 minutes p. m.) the Senate took a recess until Friday, April 26, 1946, at 12 o'clock meridian.